



The Human Element:

Interpersonal Knowledge Transfer in a Digital World

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RGA Leaders of Tomorrow 2020

June 10, 2020

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Introduction

In June of 2008, I began my first “real job” after college as a customer service representative for The Institutes, a 501(c)3 risk and insurance educational organization. I can still remember taking my first phone call while Patty, an experienced lead representative, shadowed me. It was a challenging call. The customer was extremely upset after not passing an exam for the second time. Try as I might, Patty had to step in. Within minutes, the student was calm as she displayed a sincere yet firm empathy that is not easily learned or replicated. I felt defeated and disappointed in myself. I had two weeks of training and job shadowing and there I was, unable to complete my very first call on my own. But I had Patty – always smiling, always encouraging, always teaching. And so, it wasn’t long before I was handling calls with ease and learning most, if not all, of the many functions within the department. I’ve now been with The Institutes for 12 years in a variety of roles – a career that’s afforded me with tremendous experiences and opportunities. If you had told my 22 year old self, frozen during that first phone call, that in the coming years I’d be supporting a conference of over 10,000 attendees in Honolulu, Hawaii, presenting in front of hundreds of industry professionals, or participating in this very program, I wouldn’t have believed you.

Fast-forward to Today

I currently serve as Senior Director of Membership for The Institutes CPCU Society, a 501(c)6 professional community of over 18,000 members who either hold or are pursuing the CPCU designation. It’s a role that I love because of the passion and dedication I get to experience daily from our members who help make up this industry. When I think of where my career has taken me thus far, it boils down to three simple and lasting reminders: be comfortable being uncomfortable, seek opportunities and say “yes” to each new one that presents itself, and find the lesson to be learned from every person you meet and interaction you have. This last one is critical because it’s truly the people I’ve met and

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relationships I've built that continue to have the greatest impact on me; both inside and outside of my organization.

Which leads me to this paper. For an industry, and a world, that is becoming increasingly digitized, automated, and reliant on technology, where do people factor in and why should we keep the "human element" top of mind? According to author and consultant, Manuel Palachuk, the human element encompasses those skills and abilities that come purely from being human – drive, ambition, compassion, empathy and understanding.

Having spent my entire career in the education and non-profit sector, and more specifically serving the risk and insurance community, my mind immediately went to "knowledge transfer". We've all heard about the impending talent gap, and seen the looming numbers. We've been hearing about it for years. The need to excite and motivate students and young professionals to choose a career in insurance, but what about all that knowledge that's getting ready to just walk right out the door? When I decided on a topic as broad as this one, my biggest challenge quickly materialized. The potential approaches and focus areas were endless. From how technology can play a role in knowledge transfer to semi-retirement and age diversity planning, there's much that can be learned. But what I kept going back to in my mind, quite simply, was the human to human connection necessary to facilitate true knowledge transfer and how, for little to no cost, this can become an indispensable differentiator. But if it's that simple, why isn't it happening in a structured way throughout organizations and how can we catch up?

The Workforce Outlook

If you were asked the question "What age are you planning to live to?" how would you answer it? It's an uncomfortable thought, and yet that's exactly what the Transamerica Center for Retirement Studies asked over 6,000 workers across the United States in 2017. Interestingly, the median answer

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was age 90 with 14 percent planning to live to age 100 or over. Additionally, the survey found that many workers are now envisioning a retirement that mixes both work and leisure. With 19.3 percent of people age 65 and older in the workforce in 2016 and an expected increase to 21.8 percent by 2026, the likelihood of more and more retirement aged employees continuing to work is becoming a reality (Collinson, 2018). For the risk and insurance industry this is also true. In 2018, one-fourth of the insurance workforce consisted of baby boomers, or those born between 1946 and 1964, including 31 percent of insurance agents and 24 percent of underwriters (Ashani et al., 2019). And yet, while many experienced, retirement age workers are planning to keep working longer than initially planned, it's still estimated that around 10,000 baby boomers retire each day in the United States with similar trends in other parts of the world ("Senior Management Gap," 2018).

These demographic shifts will leave many industries with not only a knowledge gap but a skills gap. While the insurance industry often prepares newcomers with vast technical training, such as licensing and other online courses, the development of soft skills has not been as much of a focus (Contant, 2019). Experienced workers have spent an entire career developing the leadership and soft skills necessary to deescalate distraught customers or empathetically explain the "why" when a claim is denied (Contant, 2019). With attracting new talent still another challenge, the insurance industry has also not adequately prepared existing talent to step in as leaders with middle management often being neglected (Smith, 2019). Add on top of all of this an industry historically built on specialization, with technology forcing the need for more generalization and new leadership skills, and it becomes clear that developing new skillsets while retaining the experiential knowledge that exists is paramount. That's where lifelong learning and knowledge transfer step in.

When Strategy Meets Culture

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You may have heard the famous quote by management consultant and author, Peter Drucker, “Culture eats strategy for breakfast,” meaning that while strategy is important and should not be ignored, it is organizational culture that is critical to success. This stands true in regards to empowering and cultivating an effective knowledge transfer approach. According to a 2016 Deloitte study, in order for leadership development to be sustainable, time and resource commitments need to be dedicated to experiential learning opportunities including coaching, mentorship, and targeted networking. While many insurance organizations felt they were effective in ensuring on-the-job learning opportunities, only 37 percent were currently updating their overall retention and engagement strategies, and 50 percent had either not updated their strategy in the last 18 months or did not have a strategy at all (“Human Capital Trends,” 2016).

So why is this such a challenge? According to a recent research study by Gallup, a global analytics and advice firm, only about one-third of employees in the U.S., France, Germany, Spain and the U.K. strongly agree that their company proactively shares information, knowledge, and ideas. Potential barriers to this include: poorly designed or executed organizational policies, knowledge hoarding born from a fear of loss of autonomy or control, a lack of alignment across departments, and limited decision-making authority (Nink, 2019). While beginning to break down these barriers is key to fostering a successful knowledge sharing culture, organizations should also implement structured knowledge transfer planning and strategies.

According to Maestro, a brand and design consulting company, starting with a simple step-by-step strategy can go a long way. As with any strategy, set clear goals and ask specific questions such as “where do we stand to lose the most knowledge and who are the ones who hold the information?” Once you start to identify this, decide on a mechanism to capture the knowledge, even if it’s as simple as a spreadsheet or typed document that can be further consolidated as needed. The key is to begin to

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gather that information and ensure an ongoing process for measuring and evaluating success. While measuring success for this type of initiative can be challenging and there are no widespread benchmarks, you can always start by looking back at your goals and asking yourself whether they were met (“How to Effectively,” 2020). Ensuring that this is a continuous focus with ongoing evaluation and adjustment is also necessary.

A brief case study demonstrating the successful culmination of an open culture and the positive effects of structured planning can be found in the construction industry. According to Pavement Magazine, a client was successful in increasing the retention of new employees by more than 300% when they matched an experienced worker with a new hire (Humphrey, 2018). The article went a step further in suggesting a plan for engaging baby boomers while retaining knowledge. This includes asking your experienced workers, the ones leading their departments and teams, to play a role in identifying the next generation of leaders based on their own personal observations. From there, pair experienced workers with high-potentials, and give them guidance such as providing a mentoring framework. Finally, keep training all employees, regardless of experience level. Not only will this ensure your long-time employees continue to feel valued, but newer employees will see that your organization invests in all staff members regardless of tenure while also being dedicated to lifelong learning (Humphrey, 2018).

A Win-Win Scenario

Devoting time and commitment into a solid knowledge transfer strategy that focuses on human-to-human connection and skills training can be a true “win-win” for organizations and the workforce. The aforementioned studies demonstrate the potential for increased engagement of employees, regardless of experience level. Additionally, as the industry and the world continue to rely more and more on technology, your customer experience can be a differentiator and soft skills will play a necessary role. That is not to say that the ease of online transactions and speed of technological

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advancements won't continue to put pressure on our organizations, but there is also a real opportunity to provide the most meaningful human to human interactions possible. In fact, this is likely to become even more important as they happen less and less often as a result of increased automation (Contant, 2019).

Finally, I would be remiss if I failed to mention a fascinating examination that was completed by the Health and Retirement Study (HRS) between 2018 and 2019 exploring the link between life purpose and overall mortality. The study took into account over 8,000 participants over age 50 who completed a questionnaire in 2006. While the analysis dives deep into a variety of factors, statistics and scientific research, conclusions found that a stronger life purpose was associated with a decreased mortality and that feelings of purpose and personal value may have health benefits (Alimujiang et al., 2019). Retaining retirement aged workers, investing in their continued growth, and encouraging their hands-on involvement in grooming the next generation of leaders certainly has the potential to generate a strong sense of purpose.

With such a significant number of impending shifts and disruptors outside of the insurance industry's control, organizations should be encouraged by the fact that in the case of knowledge transfer, there is an opportunity to influence the outcome with some time, thought, and planning. Companies can put the foundation in place now to stop a monumental amount of knowledge from being lost indefinitely. And even more encouraging, a proper knowledge transfer plan and strategy demonstrates a commitment to your employees, which can influence a shift to a more engaged workforce and an open, collaborative culture.

Conclusion

The insurance industry has a significant "brain-drain" risk. At the same time, the industry has ample opportunity to ensure that knowledge is transferred by acting now. This has further benefits not

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just for the industry, but also for the individuals involved. Young talent can benefit from experience and support, and experienced talent can benefit from the purpose and easing into retirement that it also brings. I call this not just a win-win, but a win-win-win.

In closing, you might be wondering – what happened to Patty? Is she still at The Institutes shadowing new customer service reps as they mirror her empathy, composure, and understanding? Much deserved and earned, Patty retired last year after giving 18 years of service to The Institutes' Customer Success Department – but not before instilling her knowledge and experiential skills, daily, on many promising and enthusiastic young professionals. We've all had a "Patty." One of the first persons who showed us the ropes, and trusted us enough to encourage us to try while refusing to allow us to fail. Many of our organizations are full of people like Patty, nearing or entering retirement age but excited about where the industry is headed and the future crop of leaders who will get us there. Bring them along with you, engage them and make them part of the process. I expect the mutual benefits just might be more than what you anticipated.

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Appendix A

In completing this research, it became apparent that my paper's focus is only one perspective in a wide range of potential topics and questions related to knowledge transfer and the insurance industry.

Potential areas for further exploration include:

- Age Diversity Planning
- The Interplay of a Multigenerational Workplace
- Enabling Technology and Digital Tools for Knowledge Transfer
- Semi-retirement and Flexible Working
- Succession Planning and Senior Management Development