



Summary of Finance and Insurance Workforce Summit

On March 15, 2007 approximately 150 individuals participated in the Finance and Insurance Workforce Summit, a half-day event held at the Chicago Hilton and Towers. The purpose of the summit was to provide a forum for solution-oriented representatives from finance and insurance, education and training, and policy agencies to discuss and recommend feasible solutions to the workforce challenges that industry employers are facing.

The summit was convened by The Workforce Boards of Metropolitan Chicago in cooperation with the following 12 co-sponsors: Chicago CPCU Tri-Chapter, Chicago Southland Chamber of Commerce, Chicagoland Chamber of Commerce, Community Bankers Association of Illinois, Human Resources Management Association of Chicago, Illinois Bankers Association, Illinois Credit Union League, Illinois League of Financial Institutions, Illinois Mortgage Bankers Association, Illinois State Association of Health Underwriters, Insurance Education Institute, and World Business Chicago. The Workforce Boards of Metropolitan Chicago is a consortium of nine Workforce Boards that represent the areas of the City of Chicago and DuPage, Kane, Kendall, DeKalb, Lake, McHenry, North and Northwest Cook, South and West Cook, Grundy, Livingston, Kankakee and Will counties.

The Summit was designed to be a first step in the formation of region-wide, long-term, cross-organizational partnerships to address issues in developing a highly skilled pipeline of workers for the finance and insurance industry. The Workforce Boards and summit co-sponsors are scheduled to meet in April to review Summit recommendations and determine actions to be taken.

Overview of the Summit Program

Charles Jenrich, Vice President of U.S. Operations of GBJD Registrars, Dean of Corporate Education and Training at Prairie State College and Chair of the Cook County Workforce Investment Board served as the summit chair. In his remarks to attendees, he stressed the finance and insurance industry's role in contributing to the economic prosperity of the entire metropolitan Chicago region and the growing career opportunities for its residents. Mr. Jenrich reported that in 2005, the industry employed over 350,000 people in jobs paying an average hourly rate of \$18.00 as compared to \$16.11 for all other industries. According to the Bureau of Labor Statistics, the industry will experience a 10.5 percent increase from 2004 to 2014. At the same time, the industry is also undergoing substantial change with continuing service integration,

expanding markets both globally and in underserved communities domestically, expanding use of technologies, ongoing mergers and acquisitions, and an increasingly diverse and competitive labor market.

In his remarks, Mr. Jenrich indicated that the future success of the industry depends more than ever on the skills and adaptive talent of its employees. Customer service demands are changing to require immediate information 24/7 and jobs skill requirements for most positions are expanding. The summit provided the opportunity for representatives of banking, insurance, mortgage brokers, industry associations, chambers of commerce, education providers, and policy makers to examine the key workforce issues facing the industry, identify specific actions for addressing issues that are key to future competitiveness, and build a coalition of organizations and individuals who can assist with the implementation of regional solutions.

Keynote Address

Linda Leadbitter, Vice President of Human Resources, Aon Americas, Aon Service Corporation delivered the keynote address. Ms. Leadbitter provided an overview of the Aon Corporation – headquartered in Chicago with 500 offices in more than 120 countries employing 48,000 employees. Their services include insurance brokerage and risk management, human capital consulting, and insurance underwriting. Aon employs 3,800 individuals in the metro Chicago area. Of its 3,000 new hires annually, approximately 28% are hired through Internet job boards, 27% employee referrals, 20% internal promotions/transfer, 10% direct sourcing and 3% through employment agencies. They have a robust college hire program, recruiting at top universities and colleges. The employee referral program, which provides incentives to employees making referrals that result in a hire, is the source of their best, long-term employees.

Ms. Leadbitter pointed out the similarities between finance and insurance. Recent trends for both include: product convergence across industries, consolidation, expansion to minority and underserved markets, web-based businesses transforming customer demand and business models, and globalization of business, customers and talent. She discussed the implications of outsourcing/off-shoring business processes and provided the following examples: software development and network administration, claims processing, finance and account payable/premium processing, indirect customer services (e.g., call center, web helpdesk, financial reporting), and calculations and modeling.

Jobs that we can expect to remain in the region and grow include: individuals responsible for retail banking and insurance sales; client consultants providing value-added ideas and customized solutions; actuaries, underwriters, brokers, and lenders responsible for complex transactions, and bank tellers, insurance agency reps, and investment advisers providing direct customer services. In developing future workers, the classroom will continue to provide traditional training (e.g., math, analytical skills, technology, product knowledge, general business knowledge) but the successful workers' survival will depend on their ability to live with change and ambiguity. Skills and abilities that will make the knowledge worker successful include customer service, working with diverse teams, critical thinking, problem solving, decision-making, adaptability, teamwork, and leadership. In closing, Ms. Leadbitter stressed the importance of educating available talent about the career opportunities in the finance and

insurance industry. Employers are developing robust on-campus programs to educate individuals but more must be done.

Panel Discussion

A panel discussion followed that focused on workforce challenges facing the industry. The panel included Leana B. Flowers, Executive Vice President and Director of Retail and Human Resource Strategies, ShoreBank; Andy Liakopoulos, Senior Manager in the Human Capital Group of Deloitte Consulting; and Joe Carbone, President and CEO of The Workplace, Inc. Following is a brief summary of each panelist's presentation.

Retaining and Developing Employees at ShoreBank: Ms. Flowers explained that ShoreBank, formed in the late 1990's, is a for-profit bank with a social mission. The bank's philosophy is that if you are smart – you can do anything. In 2002 ShoreBank initiated a Human Capital Strategic Plan that is updated annually. The Plan focuses on recruitment, development, performance, retention, diversity, and compensation and benefits; key initiatives are established for each area and reported to the Board of Directors. The bank fills 50% of their positions with internal candidates. They believe that their success relies on their talent. Employees can access \$500 per year for training related to a future job at ShoreBank. They can also seek different experiences with the bank, including short-term consulting in their international activities and peer networking/learning opportunities. The workforce system can add value by developing future workers that have improved grammar/English skills, the ability to work in teams, technology skills, and sensitivity to multi-generations and cultures within the workplace.

Talent Management in U.S. Financial Services: Attracting and Engaging Generation Y: Mr. Liakopoulos shared information gathered as part of a study conducted by Deloitte regarding whom Gen Y is, why it is important to attract and engage them, and the talent program needed for this new generation. Generation Y includes individuals with birth years of 1982 to 1992 (ages 14 to 25). This population values empowerment, is idealistic, views technology as a “way of life”, and requires open and honest communication. Factors contributing to a looming talent shortage include: aging workforce with 10,000 individuals eligible for retirement per day; a dip in the available pipeline (shortage of Gen X); negative perception of career opportunities in the finance industry; recent economic improvements after years of sluggish growth; and changing workforce needs/skills. A crosswalk of Gen Y needs in the workplace and recommended employer strategies for addressing these needs was presented as well as case studies that demonstrate how strategies can be implemented.

Partnering to Meet the Talent Needs of the Insurance and Financial Services Industry: Mr. Carbone shared information on Connecticut's new Insurance and Financial Services Center for Education Excellence. The insurance and financial services industry in Connecticut is a \$47 billion industry and represents 8% of their employment. With a state unemployment rate of only 4%, this industry is competing for talent in a tight market. There is a shortage of skilled workers and at the same time increasing skill requirements. The IFS Center for Education Excellence received a three-year, \$2.7 million high growth job training grant to support the development of curriculum and increased production of skilled workers. The three-tier curriculum approach (e.g., entry-level, intermediate, and advanced) is designed to prepare 275 incumbent workers and

125 dislocated workers for targeted high demand occupations through customized certificate programs. The Center relies on key partners that include business leaders, community colleges, and workforce and economic development organizations.

Breakout Sessions

Following the panel presentation, attendees participated in one of four breakout group discussions. Each of the sessions included a moderator and subject matter experts that made brief presentations designed to foster discussion around the topics. Discussion focused on challenges/obstacles, best practices/solutions and recommendations relative to each topical area. An explanation of the purpose and brief summary of discussions are provided below. Recommendations are summarized in the next section of this document.

Breakout Session #1: Attracting Qualified and Motivated Employees

The purpose of this session was to recommend ways business, education and the public sector can work together to raise applicants' core skills, as well as their knowledge of the industry and career opportunities. Challenges/obstacles in attracting qualified and motivated employees that were discussed include:

- basic skill gaps and lack of soft skills;
- deficient knowledge about careers in industry;
- ineffective recruitment of young people;
- insufficient basic computer skills (e.g., inability to use on-line employment systems);
- inadequate interviewing skills;
- lack of job progression/career path opportunities; and
- application for wrong jobs (e.g., skills do not match job requirements).

Best practices/solutions included:

- conduct Youth Safari career awareness activities;
- form business partnerships with schools (i.e., company sponsorship of educational programs);
- conduct mock interviews to prepare for interviewing;
- incorporate industry experience in the academic setting;
- provide job shadowing with real life experiences to students;
- integrate academics into career training; and
- disseminate career path information.

Breakout Session #2: Retaining and Advancing Employees

The purpose of this session was to recommend how industry, education, community organizations and the public sector can work together to help retain and advance

employees in the industry, drawing on a range of public and private resources and services. Challenges/obstacles identified include:

- developing manager skills (e.g., interviewing techniques, mentoring of employees, focusing on outcomes, training employees and helping them progress, dealing with a diverse workforce);
- managing planned turnover;
- maintaining accurate data on why people leave (e.g., management issues, lifestyle issues, inclusion issues);
- changing the culture to create a risk-free environment;
- identifying employer motivators/incentives;
- creating a roadmap for strategic development of employees;
- selecting people with the right combination of technical and soft skills; providing a flexible work place to accommodate lifestyles;
- fostering an atmosphere of inclusion and valuing employee opinions; and
- being proactive in addressing employee skills gaps (e.g., critical thinking, grammar/writing).

Best practices/solutions included:

- provide teamwork and management training;
- conduct soft skills assessments;
- provide employee assistance for job related education (e.g., books, tuition, short-term training, web-based learning);
- offer online and classroom training opportunities;
- offer experiential learning opportunities;
- set up business networking groups (e.g., women, Asia-Americans);
- design a system to reward and retain valued employees;
- provide more coaching, mentoring and career path information;
- offer mid-career changer program; and
- establish support groups that help employees learn how to transfer their skills to another job/career within the company.

Breakout Session #3: Aligning Workforce Resources to Better Meet Industry Needs

The purpose of this session was to recommend how public and private resources could be maximized through partnerships of industry, education and public sectors and, as a result, better align and leverage existing resources through partnerships. Challenges/obstacles identified include:

- lack of understanding by employers on how to address learning gaps and how adults learn;
- community college system's ability to respond quickly to business needs;

- lack of business community involvement in marketing educational programs to prospective trainees;
- need for nontraditional, targeted marketing approach;
- lack of awareness of career opportunities;
- need to provide customized training onsite at employers; and
- availability of financial literacy programs.

Best practices/solutions included:

- employer partnerships with community based organizations that provides basic skills remediation and technology skills training;
- business assistance with development of industry-driven curriculum; industry participation in career days at high schools;
- unconventional approaches to marketing (e.g., through churches, multi-language, community based organizations); and
- workplace mentoring programs for students.

Breakout Session #4: Developing and Managing a Diverse Workforce

The purpose of this session was to recommend collaborative strategies for developing and managing a diverse workforce (e.g., ethnic, racial, gender and age diversity) in order to meet labor demands and to serve diverse markets at home and globally.

Challenges/obstacles identified include:

- implementing organizational change;
- providing Gen Y varied work duties;
- addressing ESL communication issues;
- providing individuals the skills needed for entry level jobs and success in workplace;
- attracting and retaining individuals with disabilities;
- enlisting individuals to participate in mentoring programs; and
- developing soft skills.

Best practices/solutions included:

- establish a mentoring program that includes a mentor network and is mutually beneficial for both parties;
- develop generation roadmaps;
- enlist assistance of community colleges to address remediation needs of employees; and
- offer soft skills training to employees.

Recommendations

All attendees reconvened for a presentation of each breakout group's recommendations for addressing challenges within each topical area.

Breakout Session #1: Attracting Qualified and Motivated Employees

Top Three Recommendation:

- Change curriculum by integrating academics with career training and using applied learning approaches.
- Include industry professional development opportunities as part of teacher training; offer teachers externships with the industry.
- Improve marketing of the nature of the industry and provide career path information.

Other Recommendations:

- Develop a mechanism for matching individuals based on the culture of employer.
- Form business/education partnerships that provide students an opportunity to spend extended periods of time in business setting and business collaboration with teachers to facilitate sharing of career information in educational settings.
- Examine jobs and money needed to retain individuals in workforce.
- Identify roles for smaller companies in addressing workforce pipeline issue.
- Promote and encourage life long learning.
- Provide work based learning experience (i.e., internships).
- Use retired individuals from industry to train, inform, and mentor young people.
- Conduct large-scale career awareness events.

Breakout Session #2: Retaining and Advancing Employees

Top Three Recommendations:

- Community colleges and universities should engage business earlier in the education process (freshman and sophomore years).
- Businesses can help colleges and university use real life examples in their courses/classes.
- Partner with agencies/entities for recruitment of prospective employees.

Breakout Session #3: Aligning Workforce Resources to Better Meet Industry Needs

Top Three Recommendations:

- Establish strong public/private partnerships; select partners carefully; business must have a substantial role; include private educational institutions as partners.
- Develop more useful career awareness approaches and targeted marketing strategies for attracting future workers; focus on the variety of jobs in very different types of employers within the industry.

- Offer personal financial literacy programs to students as part of curriculum; interest in finances may transfer to the industry.

Other Recommendations:

- Establish articulation agreements between community colleges and universities.
- Inventory available training resources
- Utilize resources available through the-stop system.
- Encourage employers to participate in K-12 system through tutoring and mentoring programs.

Breakout Session #4: Developing and Managing a Diverse Workforce

Top Three Recommendation:

- Launch marketing initiative that includes collaborative partnerships with the K-12 educational system to market career opportunities within industry and change image of industry.
- Establish mentoring programs that create connections with diverse populations.
- Establish leadership development opportunities outside of daily duties and includes networking opportunities.

Concluding Remarks

James C. Tyree, Chairman and CEO of Mesirow Financial and Chairman of the Board of City Colleges of Chicago, in addition to serving on numerous other educational and foundation boards, delivered concluding remarks. Mr. Tyree noted that everyone should understand the finance and insurance industry – it is part of our lives. The lack of understanding of the diverse career opportunities in this industry must be rectified. The misconceptions about the industry must be addressed – it is a people industry.

Mr. Tyree urged the attendees to move forward in leveraging resources to address the workforce needs of the industry. He encouraged competitors to work collectively through the formation of partnerships and strategic alliances. In closing he offered his assistance in continuing the dialogue that was initiated through the summit and to follow-up activities.