Employee Retention in Insurance Claim Adjusting: A Growing Problem with Few Solutions

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Abstract

This paper defines and documents the growing problem of employee turnover and the failure by insurance and by claim adjusting companies to increase employee retention. According to industry sources, insurance is in the industry with the highest rate of employee turnover. This comes at a significant financial loss and what is called "contagious dissatisfaction," resulting in a toxic work culture. Further, the growing problem of employee turnover in insurance claim adjusting comes at a time when nearly half of employee talent recruiters report that it is getting harder to find skilled candidates in a number of functional areas, including claims.

The problem can be traced to promises upon hire which do not match the reality of the working position, overworking claim adjusters in general, hiring claim adjusters as managers rather than managers of people who know claims, as well as a failure to mitigate the "aggregate of incoming," which is defined in this paper as the total amount of daily emails, letters, attachments, calls, and all other claim-related items adjusters receive. If companies address these areas and work with adjusters to manage a reasonable claim pending, they will experience less turnover, higher employee retention, decrease financial losses, and improve their work culture.

Keywords: insurance, employment, retention.

Section 1: Introduction to your Capstone Project

I was inspired to do this project after experiencing several decades of increasing employee turnover in the insurance claim adjusting industry. As the problem appears to be increasing, with each new company showing signs of the same structural and

personnel failures, I felt it was time to clearly define the problem, to show the consequences of inaction, and to provide solutions to increase employee retention in insurance claim adjusting.

I started out by writing about my past and present experiences in the industry. Initially, I intended to use my (then) current company to test my theories and solutions, and to get feedback and some results to include in my final analysis. After some initial checking, I determined the company was not at all receptive to my using it for any part of this project. Probably, because they know there is a real problem but do not care to do anything about it. Either way, after realizing I could not use my current company, I worked with my instructor on other options for presenting my work and for obtaining results to use in my final analysis.

I decided to prepare both an Action Paper and a Video Presentation, as well as a professional blog article summarizing and linking to both. I published my paper in three articles on seven professional LinkedIn forums related to my industry. I published my video on my professional YouTube channel, and also on the same seven LinkedIn forums where the articles were published. The results from colleagues in my industry show over 80% agree with my definition of the problem and with my proposed solutions.

Section 2: Elements coming together

Due to the increase in employee turnover and the difficulties hiring qualified new employees, helping define and solve the problem of employee retention in this industry has obvious future value. My approach was unique in that few current adjusters have spoken out on this issue publicly in professional forums related to our industry. I defined the problem of employee retention in the insurance claims industry using professional

sources. My approach is also innovative in soliciting feedback from others in my industry, and from people who have experienced the same problem with employee retention over the years in order to test and to refine my solutions.

Self-awareness and awareness of others involves seeing ourselves and others clearly. My research is about solving the problem of employee retention in the insurance claim adjusting industry. To do this, I needed to clearly identify the true cause(s) of the problem for everyone in my industry, not just where it concerns my own employment. I also had to clearly identify the effects the problem has both on me and on other stakeholders. I relied heavily on my stakeholders' ability to empathize with claim adjusters' workload and to overcome the challenges of a work environment which demands more daily work than can be effectively done. Part of my solution to employee turnover in insurance claim adjusting also involves employees' managing emotions to deal with conflict between clients' and management's demands. Showing empathy to resolve conflict, as I suggest, also helps manage emotions and requires emotional intelligence to commit to understanding the problem, in order to increase employee retention.

My creative framework for this project has been to approach things by being simple, utilizing familiar scenarios, relatable experiences, and understandable data. I chose to show what I know rather than tell others about my education, my career achievements, or about anything else related to my profession. By showing what I know I was able to demonstrate my knowledge to other professionals in my industry, and to anticipate what they would think about how I defined the problem and whether they

would see value in my solutions. Then I compared my anticipated responses with the actual comments and messages as part of my final analysis.

Whether directly addressing adjusters and claim managers in professional forums, or indirectly to members of my current company through such forums, my approach was unique because it rarely, if ever, happens in this industry. Current employees are too afraid of losing their current job or compromising future prospects by speaking out, as I did. Also, I did not take a one-sided view of the problem. I both defined the problem and provided solutions which, if implemented, will no doubt benefit both the company and the employee.

My project was about defining and solving the problem of employee retention in insurance claim adjusting. After defining the problem, I provided solutions to the financial, personnel, work culture, and other losses that result from regular turnover in this industry. I used an Action Capstone Presentation to define the problem and to provide solutions for discussion among professionals in my industry. I used a three-part series published on LinkedIn along with an accompanying YouTube video presentation. I also prepared and published a professional blog article summarizing and linking the three LinkedIn articles and my video presentation.. It is my position that we either develop and implement new solutions to this growing problem, or financial losses will increase, adjuster work culture will continue to suffer, and existing staffing shortages will get worse or be filled with less-qualified adjusters, further exposing companies to the potential of internal fraud.

Section 3: Results

By publishing my Action Paper on LinkedIn as three articles spaced out by several days and presented on seven professional forums in my industry, I was able to interact with comments to each article, on each forum, and with numerous direct messages and emails from professionals in my industry. This allowed me to calculate the percentage of those in my industry who agree with me, who are indifferent, or who disagree. I used the total number of responses after publishing my second of three articles (232), and then presented my findings in part three for all my colleagues to consider and to use to increase employee retention.

The benefits of my project to the company stakeholders include longer employee retention, fewer financial losses with hiring new employees, as well as having a staff of familiar and more competent employees. My co-worker stakeholders will benefit from having longer careers with fewer short-term employment stints on a resume, and a better work culture and environment for everyone. The actual impact on all my stakeholders at the point of publication of my written and video presentations is an increased shared awareness of the problem, of potential solutions, and of the seriousness of addressing the problem as a priority, not as an afterthought.

Section 4: Conclusion

Before publishing my articles or my video, I expected something between 65% and 75% of those in my industry would agree with my definition of the problem and with my solutions for increasing employee retention. This is just where my results landed, with 73% agreeing with me, 19% disagreeing with me, and another 8% expressing indifference or an otherwise unclear or changing opinion. This confirms my perception of

the problem is shared by the majority of those working in my industry and participating on professional forums related to insurance claim adjusting.

I am pleasantly surprised by the number and variety of responses to my article series and to my video presentation. I was not only able to use the responses I received to the first two parts of my paper in my final analysis, but some of the comments were so on point or helpful in further captioning the problem to those in my industry that I quoted several of them in part three of my LinkedIn article series. These included experienced adjusters, claim managers, and even agents.

The only thing I would have done differently is this: Instead of asking my company's department manager if I could use his and others' feedback to my ideas for my project, I would just ask them questions and present my ideas without seeking permission. Probably, I could have gotten some results directly from my then-current company, and as it turns out my concern over continuing employment was not dependent on whether I chose to do so. Since I ended up leaving over many of the very issues at the heart of my capstone project. I'm glad I followed my own advice and did so, not because I want to contribute to employee turnover, but because I want to solve the problems preventing employee retention in insurance claim adjusting.

Section 5: References

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