

2024 WINNER SUBMISSION



Talent Acquisition and Retention

The future of work is rapidly changing, with flexible working arrangements and evolving employee expectations becoming the norm. What challenges do these shifts present, and how would you address them to attract and retain top talent in the insurance industry?

Reducing Turnover, Retaining Talent: A Gig Economy Solution for Workforce Stability in the Insurance Industry

By Stephen Christie

Introduction

Insurance organisations currently struggle to effectively manage weather-dependent fluctuations in workforce requirements, resulting in significant negative impacts on both employees and the organisation as a whole. Inadequate responses to these challenges often leave staff poorly trained and overwhelmed by unmanageable workloads, leading to burnout, mental health struggles, and high turnover. Employees frequently face insufficient emotional and operational support during peak periods, further compounding their distress. These shortcomings not only harm employee well-being but also create inefficiencies, reduce customer satisfaction, and tarnish the organisation's reputation. The failure to implement proactive and adaptive workforce strategies underscores a systemic issue within the industry, leaving it ill-equipped to navigate the volatile demands of extreme weather events. This essay will examine this problem using a Job Demands-Resources (JD-R) lens and propose a solution grounded in the principles of the gig economy.

Understanding Seasonal Employment Through JD-R

The Job Demands-Resources (JD-R) model (Demerouti et al., 2001) provides a useful framework for understanding the interplay between workplace demands and resources and their effects on employee well-being and organisational outcomes. According to the JD-R model, job demands are the physical, psychological, social, or organisational aspects of a job that require sustained effort and are therefore

associated with physiological or psychological costs, such as stress and burnout. Conversely, job resources are aspects of a job that help employees meet work demands, mitigate stress, and facilitate personal growth, such as training, support, and access to tools. When job demands outweigh available resources, employees experience strain, which can lead to burnout, diminished performance, and high turnover.

Weather events typically lead to an immediate and overwhelming influx of claims, resulting in a sharp increase in job demands. Newly recruited employees, often with limited training, are thrust into high-pressure situations where they are expected to handle complex claims with minimal guidance. These individuals may face large caseloads, tight deadlines, and emotionally charged interactions with customers who are experiencing distress. Without the benefit of comprehensive onboarding or adequate mentorship, new employees struggle to navigate these challenges effectively, leading to frustration, burnout, and a higher likelihood of errors. The lack of proper preparation exacerbates their stress, leaving them feeling unsupported and undervalued, ultimately resulting in turnover.

Existing employees also bear a significant burden during these periods. They are often tasked with managing their own increased workloads while simultaneously supporting newer recruits who require guidance and oversight. This dual responsibility places experienced staff under immense pressure, as they must juggle their own tasks while compensating for the inexperience of newer team members. Moreover, the emotional toll of dealing with customers affected by weather-related disasters adds another layer of strain, further depleting their mental and emotional reserves. The absence of sufficient job resources, such as additional staff, clear processes, and access to emotional support systems, amplifies the challenges faced by both new and existing employees.

The organisational response to these surges in demand is often reactive rather than proactive, with insufficient staffing levels and inadequate training programs leaving employees ill-equipped to handle the volume and complexity of work. This imbalance creates a cascading effect: newly recruited employees become overwhelmed and disengaged, existing employees face burnout, and overall operational efficiency declines. The resulting workforce instability not only impacts employee well-being but also leads to poor customer outcomes, diminished trust, and long-term reputational damage for the organisation.

Existing strategies

The current strategies employed by insurance organisations to manage workforce fluctuations during catastrophic (cat) weather events often fail to balance job demands and job resources, as highlighted by the JD-R model. These practices exacerbate the strain on employees and compromise organisational effectiveness.

One common approach is hiring short-term contractors for six to twelve months to handle the increased workload during cat events. While this may address medium-term workforce needs, it does little to resolve the immediate surge in claims when a weather event hits. The onboarding process for these contractors is

often rushed, resulting in insufficient training and inadequate support during the crucial early stages. This leaves new hires underprepared for the high-pressure demands of the role, undermining their effectiveness and increasing their stress.

Another strategy involves part-time, flexible contracts that are designed to allow workers to ramp up to full-time during peak seasons. While this structure provides flexibility for the organisation, it lacks adaptability for employees, as only a narrow group of individuals can sustain such variable hours. This inconsistency further burdens employees, who may not be equipped for the intense pressures that emerge during high-demand periods, underscoring a lack of alignment between job demands and suitable job resources.

Additionally, cross-departmental transfers aim to fill gaps by temporarily reallocating staff from other areas. Although this can provide short-term relief, it often leads to increased stress for these transferred employees, who must manage their original responsibilities upon returning, sometimes after only a brief period of relief in the affected department. This approach may also foster detachment and decreased motivation, as employees feel removed from their usual roles and lack the resources necessary to handle the intensity of disaster-related tasks effectively.

Finally, outsourcing work to offshore companies offers a bulk solution but introduces further issues. External companies face similar workforce challenges, such as needing additional hires to meet increased demand; therefore, they face similar challenges as it is not financially viable for those companies to maintain the appropriate resources year-round.

These practices fall short because they address symptoms rather than the systemic imbalance between job demands and resources. Without comprehensive and proactive workforce planning, organisations will continue to face operational inefficiencies, employee burnout, and reputational risks during weather-dependent surges in demand.

Solution

To address the significant workforce challenges posed by fluctuating weather events, I propose a collaborative initiative among insurance organisations in the Asia-Pacific region. This initiative would establish a gig economy platform, a digitally mediated system that connects pre-qualified workers with organisations in need during high-demand periods, similar to Uber. The platform would function as a centralised hub where workers register, undergo standardised training, and receive accreditation to handle various roles within the insurance industry. Through this model, organisations can tap into a scalable, experienced, and geographically dispersed workforce as needed. The platform leverages the flexibility of gig work by allowing individuals to work remotely, eliminating geographical constraints and fostering efficiency. By integrating such a platform, participating organisations could collectively build a workforce pool that addresses not only immediate labour shortages during weather events but also ensures the ongoing

availability of skilled personnel across the region. This solution moves beyond traditional, isolated approaches, establishing a cooperative system that benefits both organisations and workers.

One of the primary benefits of this solution is its ability to decentralise and standardise training, a critical factor in ensuring preparedness and operational efficiency. Drawing on insights from the gig economy, platforms have proven effective at providing remote, standardised onboarding and training processes (Ansell & Gash, 2018). For instance, collaborative platforms are designed to facilitate the modular organisation of training and implementation, which could be adapted to train insurance workers across various jurisdictions (Tassinari & Maccarrone, 2020). Training provided through the platform would ensure that workers meet industry standards, while a short induction at the start of each organisational stint would address firm-specific processes, balancing the need for consistency with flexibility.

However, the adoption of such a model requires addressing several challenges inherent to gig platforms. One critical concern is maintaining job quality and equitable conditions for gig workers. The literature on gig work highlights the risks of precarious employment, including limited labour protections and income instability, which often arise in platform-mediated work (Kaine & Josserand, 2019). To mitigate these risks, the insurance platform could adopt principles of platform cooperatives, which prioritise worker ownership and governance. Such a model ensures that workers have a voice in the platform's operations, fostering equitable treatment and potentially improving job satisfaction (Bunders et al., 2022).

Another challenge is achieving a balance between flexibility and stability for workers. While flexibility is a hallmark of gig platforms, excessive reliance on such models can lead to unpredictable earnings and work schedules. To address this, the proposed platform could implement measures such as minimum income guarantees during active contracts or a transparent algorithm for job distribution, ensuring fair access to opportunities (De Stefano, 2016). Additionally, by pooling demand across regions, the platform could offer workers a more consistent stream of work opportunities, mitigating the effects of localised demand fluctuations (Vallas & Schor, 2020).

The governance and management of the platform also play a critical role in its success. Collaborative governance frameworks emphasise the need for strong "backbone" organisations to orchestrate partnerships and ensure accountability (Ansell & Gash, 2018). In this context, a consortium of insurance organisations could jointly manage the platform, pooling resources and expertise to maintain its operations. This collective ownership approach would not only distribute the financial and administrative burden but also ensure alignment with industry needs and standards.

Lastly, the platform's ability to operate across borders raises regulatory and logistical considerations. Ensuring compliance with varying labour laws, tax regimes, and insurance requirements will be critical. This challenge underscores the importance of clear agreements and frameworks among participating organisations to define responsibilities and ensure adherence to local regulations.

In conclusion, a gig economy platform tailored for the insurance industry offers a promising solution to managing the fluctuating workforce demands caused by weather events. This model aligns closely with the JD-R framework by addressing the imbalance between heightened job demands during crises and the insufficient resources currently available to support employees. By providing a pre-trained and geographically dispersed workforce, the platform increases access to critical resources such as adequately prepared staff, streamlined training processes, and fair workload distribution. Collaborative governance and equitable work practices further enhance resource availability while mitigating risks of precarious employment. This innovative approach not only equips organisations with the tools to meet operational challenges effectively but also fosters a more sustainable and supportive environment for workers, ensuring that the balance between demands and resources is maintained even during periods of peak stress.

Thought Leadership

What significant challenges do you anticipate for the insurance market in the next three years, and if you were a leader in the industry, what steps would you take to prepare both yourself and your organisation to address them?

The insurance industry is set to face significant challenges over the next three years, driven by two converging trends: stricter labour laws enhancing employee rights and the increasing frequency and intensity of weather-related events caused by climate change. Together, these factors are expected to exacerbate fluctuations in workforce demand while making traditional, flexible hiring structures more difficult to implement.

The recent Fair Work Legislation Amendment Act 2024 (Department of Employment and Workplace Relations, 2024) in Australia serves as an example of the type of labour law changes likely to emerge in the near future. This legislation introduces reforms that impact industries reliant on flexible or short-term workforces:

- **Casual Employment:** Employees engaged as casuals are granted the right to request conversion to permanent employment if they meet certain conditions, potentially reducing the availability of casual labour for short-term surges in demand.
- **Sham Contracting:** The Act imposes stricter penalties on organisations that misclassify employees as independent contractors, limiting the ability to use contractor arrangements to manage fluctuating workloads.

These changes are indicative of a broader trend toward enhancing job security and employee protections, which could create challenges for industries like insurance that rely heavily on short-term or casual workers during high-demand periods. As more countries adopt similar measures, the scope for flexible employment arrangements is likely to narrow further, leaving organisations with fewer tools to manage the workforce fluctuations driven by weather-related disasters.

Simultaneously, climate change is increasing the frequency and severity of extreme weather events, placing additional strain on insurance organisations to process claims and manage surges in workload. With labour laws becoming stricter and global warming making demand spikes more common, traditional workforce models will struggle to adapt.

In this context, collaborative solutions such as a shared gig economy platform will become even more vital. By enabling insurance organisations across the Asia-Pacific region to pool resources and create a pre-qualified, geographically dispersed workforce, such a platform addresses these dual challenges. Workers can undergo standardised training and remain available for deployment during high-demand periods across multiple organisations. This ensures operational flexibility while complying with evolving labour regulations, allowing organisations to meet surges in demand without breaching employment laws. Thus creating a sustainable workforce capable of adapting to the increasingly volatile demands of the industry.

In conclusion, the Fair Work Legislation Amendment provides a snapshot of the broader regulatory shifts likely to unfold in the coming years. Combined with the accelerating effects of climate change, these changes demand innovative workforce strategies. Collaborative platforms, as proposed in this essay, offer a forward-thinking solution, enabling organisations to balance compliance, flexibility, and responsiveness in a rapidly evolving industry landscape.

References

- Ansell, C., & Gash, A. (2018). Collaborative platforms as a governance strategy. *Journal of Public Administration Research and Theory*, 28(1), 16–32. <https://doi.org/10.1093/jopart/mux030>
- Bunders, D. J., Arets, M., Frenken, K., & De Moor, T. (2022). The feasibility of platform cooperatives in the gig economy. *Journal of Co-Operative Organization and Management*, 10(1). <https://doi.org/10.1016/j.jcom.2022.100167>
- De Stefano, V. (2016). The Rise of the “Just-in-Time-Workforce”: On-Demands Work, Crowdswork, and Labour Protection in the “Gig-Economy.” *Comparative Labor Law and Policy Journal*, 37(3), 471–504. <http://www.sfgate.com/business/article/Growing-voices-say-gig-workers-need-protections-607>
- Demerouti, E., Bakker, A., Nachreiner, F., & Wilmar, S. (2001). The Job Demands-Resources Model of Burnout. *Journal of Applied Psychology*, 86(3), 499–512.
- Department of Employment and Workplace Relations. (2024, February 26). *Fair Work Legislation Amendment (Closing Loopholes No. 2) Act 2024*. Federal Register of Legislation, Australian Government.
- Kaine, S., & Josserand, E. (2019). The organisation and experience of work in the gig economy. *Journal of Industrial Relations*, 61(4), 479–501. <https://doi.org/10.1177/0022185619865480>
- Tassinari, A., & Maccarrone, V. (2020). Riders on the Storm: Workplace Solidarity among Gig Economy Couriers in Italy and the UK. *Work, Employment and Society*, 34(1), 35–54. <https://doi.org/10.1177/0950017019862954>
- Vallas, S., & Schor, J. (2020). What Do Platforms Do Understanding the Gig Economy. *Annual Review of Sociology*, 46, 273–294.