

Talent in an age of digital disruption: A conversation with Guardian Life Insurance CEO Deanna Mulligan

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By rethinking its approach to talent management and introducing agile working practices, the company aims to stay a step ahead of disruptive competitors.

Founded in 1860, The Guardian Life Insurance Company of America is one of the largest US mutual life insurers. Yet history and scale offer only limited protection against technology-driven disruption. As chief executive officer Deanna Mulligan reveals in this interview with McKinsey's Rik Kirkland, the 158-year-old company is responding not only by adopting artificial-intelligence-based technologies but also innovating its approach to talent management. An edited transcript of her comments follows.

Interview transcript

New sources of talent

Traditionally, in the talent process, we benchmarked ourselves against other insurance companies. Now, we're expanding. We have [hired] people from credit-card companies and media companies. We are trying to recruit people who have been through a disruption in the past and can lead us through the new disruption. By and large, that's not people from insurance companies.

One of the things we're discussing as a leadership team is the gig economy, which extends from Uber drivers all the way up to CEOs. How we can make use of the talent that wants to be independent? How can we bring in people who normally we would hire as officers, but bring them in to do specific jobs, because some people want to work that way? We're retooling ourselves, for the way not only millennials want to work as our employees—but also to be flexible, also for people who are not our employees. We want to provide the space and technology that they'll need.

Making talent a top priority

Inside the company, we're thinking very hard about the link between talent and strategy. We're thinking about how we can free up people in our HR department to focus almost exclusively on

talent. Every Friday, our executive-leadership team is meeting for a talent-priority discussion. We're putting a lot more responsibility on the business people to work with HR—to perform what some people might have thought of traditionally as an HR function.

Let's try to push forward the people who really drive the business. Let's make sure that we're looking at people at all levels in the organization for what they do, and how they serve the customer, as opposed to where they are in the hierarchy.

The entire company, including myself, is being trained in agile. Our IT group has been using agile for quite a while now, but we're spreading it to everyone in the company, because we think to really unlock the value of our talent we need a different, more flexible structure.

Preparing for automation

We're piloting several applications of AI [artificial intelligence]. Today, a lot of this is in our back-office processes and customer service, but we're also using it in underwriting. We're using data analytics, we're also using advanced technologies. For example, we're piloting facial recognition to do some underwriting analysis.

But we've had to really work with our people to explain. We think only about 5 to 10 percent of jobs are ultimately going to be replaced by robots, but people will have to learn to work with artificial intelligence and robotics. We've had, for example, what we call "robot play dates," where people in our back office are given small robots and take robotics classes. So, the people who are today answering phones and serving customers have learned to program these little robots, so they can see today what some of the limitations are and also how [robots] could assist them in serving customers.

We want our people to feel comfortable with change, comfortable with AI, comfortable with robotics. Because we believe we're going to need them to understand how they can partner [with AI] to serve our clients better.

Reskilling as a societal challenge

At Guardian, we have a lot of time and a lot of resources, and we are very mission driven. And we are retraining our people and reskilling our people to meet the future.

But I started to think: What about companies that can't do that? What about employees who work in places where they maybe won't be prepared for the future, or people who are unemployed and not yet employed? What is our responsibility? What's our role in society, and as leaders of society, to think about how to retrain and reskill our population? At this point, I don't know a Fortune 500 CEO who isn't deeply concerned about this issue and whose company isn't trying to help solve this problem. □

Deanna Mulligan is the CEO of Guardian Life Insurance. **Rik Kirkland**, a partner in McKinsey's New York office, conducted this interview.