

ENTERPRISE STAFFING STRATEGY

IN THE AGE OF AI

Why insurance companies need to redesign work—not simply reduce headcount

An updated perspective on enterprise staffing, talent, automation, and artificial intelligence

This document updates and extends the three-page article “Why Every Company Needs an Enterprise Staffing Strategy,” by Bill Jenkins, published in Best’s Review, June 2023.

AI changes the staffing equation. The question is no longer only “How many people will we need?” but “What work should people do, what work should technology do, and what capabilities will the enterprise need?”

The Staffing Strategy Has Changed

Insurance companies have long faced a structural talent challenge. An aging workforce, competition for specialized skills, changing customer expectations and technology-driven changes to work have made traditional workforce planning increasingly inadequate.

Artificial intelligence introduces a new dimension. AI will not affect every insurance job in the same way, and its impact will not be limited to replacing individual tasks. It can change the amount of work required, the skills required to perform that work, the speed at which work is completed, and the way work is organized across the enterprise.

For that reason, an enterprise staffing strategy should be treated as a business strategy. It should connect business objectives, process redesign, technology investment, workforce planning, talent development and organizational design.

The objective should not be to forecast a simple reduction in headcount. It should be to understand how the nature of work will change and deliberately build the workforce needed for the next three to five years.

AI Will Change Jobs Before It Eliminates Jobs

The most immediate effect of AI is likely to be task transformation. Many insurance roles contain a mixture of judgment, analysis, communication, research, documentation and repetitive administrative activity. AI can increasingly assist with portions of that work while leaving accountability and higher-order judgment with people.

- **Underwriting:** AI can assist with submission intake, document extraction, risk summaries, data enrichment and portfolio analysis while underwriters remain responsible for complex risk judgment and exceptions.
- **Claims:** AI can support FNOL intake, document review, correspondence, triage, fraud indicators and claim summarization while adjusters focus on investigation, negotiation, coverage issues and customer situations requiring judgment.

- Customer service: AI can handle routine questions and transactions while employees concentrate on complex service issues, retention and relationship management.
- Actuarial and analytics: AI can accelerate data preparation, exploratory analysis, coding and model development while actuaries and analysts provide validation, interpretation, governance and business judgment.
- Operations: AI can automate repetitive workflows and knowledge work, increasing the span of responsibility for remaining employees.
- Technology and data: demand may shift from traditional application maintenance toward data engineering, AI engineering, architecture, integration, cybersecurity, model governance and business-facing technology capabilities.

The practical implication is important: a position that appears to be “automatable” may instead become a different position. Staffing plans therefore need to distinguish among work that should be automated, work that should be augmented, work that requires human judgment, and work that may emerge because AI creates new capabilities.

The Four-Part Enterprise Staffing Model

The four components identified in the original enterprise staffing strategy remain relevant, but each now needs an explicit AI dimension: hiring, retention, training and exit. Together they provide a framework for managing the transition.

1. Hiring Strategy: Hire for the Future Work

Hiring should begin with the future operating model rather than today's organization chart. Before adding positions, management should determine how AI, automation and process redesign will change the work performed by the function.

- Identify roles likely to be materially affected by AI over the planning horizon.
- Define the capabilities that will become more valuable as routine work is automated.
- Recruit for business judgment, analytical ability, adaptability, communication and technology fluency—not just current task proficiency.
- Use external hiring selectively when the organization cannot develop a critical capability internally.
- Consider whether new roles are needed in AI governance, data stewardship, model risk, process automation, AI product management and human-in-the-loop oversight.

2. Retention Strategy: Retain Critical Knowledge and Adaptability

Retention becomes more strategic as AI changes the value of institutional knowledge. Employees who understand products, customers, processes, regulations and exceptions can become especially valuable when paired with new technology capabilities.

- Identify high-value employees whose knowledge would be difficult to replace.
- Identify employees with the capacity to transition into emerging roles.
- Create career paths that allow employees to move from repetitive processing toward higher-value analytical and decision-making work.
- Make AI adoption part of workforce development rather than treating it solely as a technology initiative.
- Protect critical institutional knowledge during workforce transitions through documentation, mentoring and structured knowledge transfer.

3. Training Strategy: Reskill Before You Recruit

The original staffing model emphasized upskilling and reskilling. AI makes this requirement more urgent. Companies should know which existing employees can acquire the capabilities needed for the future before assuming those capabilities must be purchased in the labor market.

- Build an inventory of current skills and compare it with the skills required by the future operating model.
- Provide role-specific AI literacy rather than generic AI awareness.
- Train employees to use AI tools safely, effectively and within defined governance standards.
- Develop deeper capabilities in data, analytics, automation, process design and AI oversight where appropriate.
- Measure training by demonstrated capability and changed work outcomes—not simply by course completion.

4. Exit Strategy: Manage Workforce Transition Deliberately

A responsible staffing strategy must also address roles and skills that will decline. AI-driven change can create workforce displacement, but unmanaged attrition can also result in the loss of critical knowledge. Exit planning should therefore be tied to the future-state operating model.

- Identify roles where demand is expected to decline.
- Determine which employees can transition to higher-value work.
- Plan retirement, attrition, redeployment and separation over a realistic time horizon.
- Establish knowledge-transfer plans before critical employees leave.
- Align workforce reductions, where necessary, with actual process and technology changes rather than arbitrary percentage targets.

A Fifth Discipline: Redesign the Work

AI makes one additional discipline essential: work redesign. Staffing cannot be determined accurately until the company understands how work will be performed after automation and AI are introduced.

- Map the current work at the task level.
- Classify tasks as automate, augment, retain-human, or redesign.
- Estimate the future volume and cycle time for each major work category.
- Determine where human review, approval or escalation remains necessary.
- Redesign roles and workflows before finalizing the future staffing model.
- Recalculate capacity requirements after AI and automation assumptions are included.

The AI Staffing Matrix

Work Category	AI Role	Human Role	Staffing Effect	Management Question
Highly repetitive work	Automate	Exception handling	Potential reduction	Can the process be fully automated safely?
Knowledge work	Assist / augment	Judgment and accountability	Higher productivity	How much capacity can AI return to employees?

Complex decisions	Provide analysis	Decision and oversight	Skill shift	What expertise must remain human?
Relationship work	Prepare information	Customer / business interaction	Role redesign	Can employees spend more time on value-added interaction?
New AI-enabled work	Enable new capabilities	Design, govern and manage	New skills / roles	What capabilities did AI make newly necessary?

What Insurance Executives Should Measure

Traditional staffing metrics—headcount, turnover and time-to-hire—are no longer sufficient. Management should connect workforce measures to business capacity and the changing economics of work.

- Work volume per employee
- Percentage of work automated or AI-assisted
- Hours of employee capacity returned to the business
- Productivity and cycle-time improvement
- Quality, error and rework rates after automation
- Percentage of critical roles with qualified successors
- Percentage of employees reskilled into future-state roles
- Critical skills at risk because of retirement or attrition
- Cost of work before and after AI adoption
- Human-review and exception rates for AI-enabled processes

A Practical Three-Year Planning Approach

Year 1 — Understand: Inventory jobs, tasks, skills and technology. Identify the processes most likely to be changed by AI. Establish baseline productivity, quality and staffing measures.

Year 2 — Redesign: Pilot AI and automation in targeted processes. Redesign jobs around the new division of work between people and technology. Begin systematic reskilling and selective hiring.

Year 3 — Optimize: Reassess staffing requirements based on actual results. Expand successful AI-enabled processes, formalize new roles and adjust the workforce model as business volumes and capabilities change.

Questions Every Insurance CEO Should Ask

- What work will our employees actually be doing three years from now?
- Which jobs contain the greatest amount of repetitive or AI-augmentable work?
- Which capabilities will become more valuable as AI takes over routine activities?
- How many of our current employees could transition to those future roles?
- Where are we likely to have a shortage of critical skills?
- Are we hiring for today's organization or tomorrow's operating model?
- What institutional knowledge could be lost through retirement, attrition or restructuring?
- How will we measure whether AI is increasing capacity, improving quality and changing staffing requirements?
- What work should never be delegated to AI without meaningful human accountability?

- How often will we revisit the staffing strategy as AI capabilities and business conditions change?

Conclusion

The central principle of enterprise staffing remains the same: staffing and talent strategy should receive the same focus, rigor and application as the core business strategy. The difference is that AI makes the relationship between work, technology and people far more dynamic.

Insurance companies should not wait for AI to tell them what their workforce will look like. They should define the future operating model, understand how work will change, identify the capabilities that will be required, and deliberately move their people and organization toward that future.

The strongest staffing strategy will not be the one that simply reduces the number of employees. It will be the one that creates the right combination of people, technology, skills and organizational capacity to deliver the company's strategy.