



## **Preparing Insurance Leaders for Peak Performance**

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In a business climate facing ongoing evolution, new technologies and shifting customer expectations, having the right managers in place to lead your organization's teams is vital. Yet, team leadership does not come naturally for everyone, and managers do not automatically inherit this skill set along with their job title. It's important for insurers to invest in building leadership skills at all levels, empowering current managers and preparing future leaders to step confidently into these roles.

Managers play a vital role in the employee experience. According to Gallup, [70% of the variance](#) in employee engagement is dependent on an individual's manager. Additionally, a global study by UKG found [managers have just as much influence](#) on an individual's mental health as their spouse. Motivating, inspiring and retaining employees is fundamental for sustaining productivity and meeting business goals.

Not surprisingly, a recent [Shin Research Program](#) study found team leadership is considered a critical skill for today's managers. It is also a rising skill for those in non-managerial positions, meaning it is highly investable with its value expected to increase over time. Especially as some organizations move away from traditional hierarchies in favor of more streamlined operations, developing leadership skills at all levels should be at the forefront of insurers' talent radars.

### **Putting the Right People in the Right Seats**

As many new managers quickly discover, excelling as an individual contributor does not necessarily translate to success as a people leader. There's a meaningful distinction between a top performer and

an effective manager. Organizations must be intentional in identifying employees who are both capable of and willing to step into management positions, and then be just as intentional in setting them up for success.

*Talk with your employees.*

Not everyone aspires to move into management. In fact, [just 6% of the current Gen Z workforce](#) say a leadership position is their long-term career goal. Encouraging individuals to consider a management track and then building those skills and competencies early on is essential for continuing to develop your leadership pipeline. However, it's also important to realize that some individuals may prefer moving more laterally within the organization, building their skills within their current role or expanding areas of responsibility without direct people management. Begin having career discussions early on in employees' tenures.

To retain high performing individual contributors, advancement opportunities should not be limited strictly to the management track. Work to understand where individuals' interests lie and how you can nurture and support their unique aspirations. Also recognize their sights may shift – be flexible and revisit career pathing conversations on a regular basis to ensure you remain aligned.

*Commit to ongoing development.*

As you identify potential future leaders, invest in building their management skills so they're prepared to take the next step when the time comes. This could include involving them in project management, pairing emerging leaders with mentors, and modeling effective management behaviors. Emotional intelligence and soft skills are also crucial. Provide opportunities to build these skills – whether through formal soft skills training or intentional practice.

In addition to management skills, make sure they are gaining ongoing training and development within their core areas, deepening their functional and technical expertise. This is often necessary for adequately providing support and guidance to their teams.

*Identify leadership potential.*

While leadership skills can be learned and strengthened within all employees, some individuals are natural born leaders. Identifying these individuals early enables employers to intentionally develop their potential and leverage their innate strengths. Those for whom leadership comes naturally are also more confident guiding others and inclined to pursue positions of leadership. These are the individuals who are likely already indirectly leading projects or who others look to for insight. By determining who they are, you are able to create more personalized and tailored development plans.

*Clearly define the manager role.*

For many, the transition from individual contributor to manager can be full of unexpected challenges. Performing well in a task involves a different set of skills than effectively coaching someone else to do that same task. Before promoting someone into management, clearly define and discuss how the role differs from their previous responsibilities.

Managers typically spend a significant amount of time coaching and developing their teams, while ensuring deadlines and goals are met – this is often at the expense of personal production. Outline realistic expectations and how success will be measured, helping them to look beyond the title change.

## **Supporting Current Managers**

Professional development does not end once someone has stepped into a leadership role. Organizations must continue to support and invest in their current managers as they progress in their careers. Gallup found just [27% of current managers](#) are engaged in their work, with young manager engagement falling by 5 percentage points compared to 2023. Without engaged and supported managers, it's highly unlikely your teams are performing at their highest levels.

*Thoughtfully delegate authority.*

Provide clear direction and expectations, establishing parameters that give managers autonomy, yet avoid micromanagement. By providing guidance on decision-making authority, reporting expectations and escalation protocols, insurers will empower managers to lead with confidence.

*Hold managers accountable.*

Collaborate with your managers to establish clear goals and KPIs. Be consistent in holding them accountable for meeting these agreed upon targets. Create a culture of accountability and model this behavior through all levels of leadership, from the top down.

*Strengthen interpersonal skills.*

Often, the hallmark of a successful leader is strong interpersonal skills. Active listening, problem-solving, coaching and empathy are all essential for motivating teams, overcoming challenges and navigating change. Even if managers are experts in their areas of oversight, the right human skills will set the best leaders apart.

*Provide recognition.*

Regularly recognizing managers reinforces their leadership capabilities and sets examples for others across the organization. Share positive feedback frequently, whether in one-on-ones or more informal conversations. This helps individuals feel valued by their own managers and more secure in their approach to leadership.

*Build your leadership bench.*

Continue having career pathing conversations with managers of all levels. As you move younger team members into middle management positions, consider which of your experienced managers are ready to move into more senior-level roles. Succession planning shouldn't be limited to the senior ranks. Take a formal and intentional approach, ensuring leadership continuity throughout the organization.

## Reflecting on Today's Management Challenges

Today's managers are facing a complex set of challenges. Whether you are a senior leader focused on your own professional development, or aiming to better position your team, there are a few areas to keep in mind within your management strategy.

### *Remote and Hybrid Team Leadership*

Prior to 2020, many managers benefited from direct and frequent access to both their teams and their own leaders. This provided the opportunity to ask questions in real time, overhear conflicts being handled and learn by observing. For those who are in fully remote or hybrid environments, these informal learning opportunities are now much less common. Address these gaps, whether through new tools, occasional on-site team meetings or remote shadowing.

At the same time, determine how you can offer additional exposure and connections for your managers – even if they work from home. For example, you might pair them with a mentor who is effectively managing a remote team or create peer groups for management-level individuals to share challenges and wins with one another. It's not uncommon for leaders to struggle with remote management. Provide the tools and support for them to feel confident and recreate lost in-person learning and collaboration opportunities.

### *Employee Burnout*

More than half of employees report feeling [moderate to severe levels of burnout](#). Professionals of all levels – including managers – are facing increased stress levels both in their professional and personal lives. An increased focus on engagement, ongoing communication and empathy is key to helping re-engage these individuals. In addition to burnout from daily tasks, most managers are now also tasked with communicating change and encouraging adoption of new tools and technologies. Additional support, grace and understanding are key.

### *Individual Differences*

There's no one-size-fits-all approach when it comes to management. Professionals' aspirations and priorities vary based on life stage, experience and personal priorities. Think through how you can support these unique needs, while also helping model effective management behaviors to your own team. Failing to listen and adapt is one of the biggest mistakes many new leaders make. Managers should be having meaningful conversations with employees on a regular basis to understand their motivators and professional goals.

Continuing to identify, develop and support those in positions of team leadership is essential for ongoing organizational success. By investing in managers, recognizing their unique challenges and creating an environment where they can thrive, insurers will be positioned to build resilient teams equipped to meet the demands of an evolving industry.