

Insurance Practice

# Effective insurance leadership: Bring values and emotions into the workplace

Kai Grünewald, a founding partner at McKinsey subsidiary Aberkyn, discusses bringing more humanity to the insurance workplace, the role of emotions in resilience, and stories as tools.



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**Because insurance is built** on comprehensive evaluations of risk and value, many people who work in the industry neglect to bring their entire selves to their work and their teams.

That approach is a mistake, according to Kai Grünewald, a founding partner at Aberkyn, a subsidiary of McKinsey that works with organizations to build and sustain effective, nimble leadership teams. He laid out his perspective in a talk at McKinsey's Insurance Leaders Forum, an annual gathering in Chicago of executives from midsized life and P&C insurers.

"So much is actually focused in data and spreadsheets and systems and things that are really IQ-ish, that we forget to actually bring more of ourselves to work," he said, talking about individuals' values and emotions. This focus on what the mind can produce often leaves out things like psychological safety and lively discussion—crucial elements of effective teamwork, problem-solving, and creativity.

Business leaders are taking notice of the gap, and Grünewald's team now helps executives uncover the beliefs, needs, and fears that produce suboptimal behaviors. Indeed, involuntary emotional responses to work-related stress—especially fear—can make people turn inward and cut off opportunities to engage in authentic conversations and create stronger relationships at work.

More fundamentally, people should also interrogate their fears. Because fear is a primitive emotion, many fear responses can be maladaptive—useful when they were first triggered, but not useful or healthy when carried forward. In this light, Grünewald's concept of resilience is less about building up personal armor than about

deconstructing outdated mind-sets and emotional responses. In place of fear-driven behaviors, consistent storytelling can motivate, convince, and connect.

**McKinsey:** *You've mentioned that the insurance industry can be "really IQ-ish." What kinds of cultural, structural, or systemic reasons in the insurance industry might challenge people's belief that they can bring their entire selves to work?*

**Kai Grünewald:** It's often seen as safer to talk about data and facts. Of course, data is super important, but conversation in terms of just the mind or IQ showcases only a small part of yourself. If you only talk about goals and tasks without showing emotion about the things you really care about, you miss an opportunity to show your humanity. And humanity is what shifts the quality of your conversations and creates a personal connection, which is most valuable when the going gets tough. Having those connections allows you to more easily redirect a team or conversation. You want more humanity in the room because it builds trust.

As for what created this idea, that people can't bring their whole selves to work in the industry—I don't know what it is. It could be different in different cultures. But times are changing, right? For example, executives from the Business Roundtable recently shared that business is about more than making a profit; we should also look at other stakeholders, such as communities, to find meaning.<sup>1</sup> For some companies, such a shift is a huge departure. We're freer now to bring other elements of ourselves to work.

**McKinsey:** *Many of your recommendations, such as identifying early emotional wounds that may be shaping present-day behaviors, require deep self-awareness and reflection. How can leaders*

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<sup>1</sup> David Gelles and David Yaffe-Bellany, "Shareholder value is no longer everything, top C.E.O.s say," the *New York Times*, August 19, 2019, nytimes.com.

# Self-awareness and self-reflection are important skills for everyone to learn but especially so important for leaders, who are responsible for more people and more relationships.

*help themselves and their teams cultivate self-awareness as a habit?*

**Kai Grünewald:** One thing good leaders do is invite feedback on their leadership style and its impact on others. To invite that feedback, there needs to be curiosity, which comes with vulnerability. Therefore, leaders need to create a trusting environment in which people can open up about things that are hard to hear or express.

Then there's the innate stuff about continuously growing. Life offers all kinds of opportunities for personal growth. What's really important is for leaders to take the responsibility for their own growth. Every difficult situation is there for them to grow from.

Of course, this is not limited to folks in leadership positions. Self-awareness and self-reflection are important skills for everyone to learn but especially so important for leaders, who are responsible for more people and more relationships.

**McKinsey:** *Companies are showing a lot of interest in cultivating organizational and cultural resilience. How can leaders help their team members cultivate personal resilience in the face of ambiguity?*

**Kai Grünewald:** Multiple things can provide resilience. First is a personal connection to a purpose; it's easier to work hard in service of a greater good. You could also use gratitude—it's good to connect with what's working well in life and to be grateful for it.

You could also think about it a bit more profoundly: at any given moment, you could be what we call "above the line"—in a positive emotional state of learning or creating. You might be happy, innovative, open, and excited. Or you could be "below the line"—in a reactive, defensive state. You might be disappointed, confused, or very stressed. When you're below the line, you're more likely to be driven by an underlying personal fear, such as I don't belong, I am not good enough, I have no impact. But above the line, you're driven by purpose, by possibility.

When we realize that we're below the line, the way to increase resilience is to pause. Ask why you reached this moment of upset and how you can learn from it—or even why you created it. That moment of reflection is an opportunity to make a different choice. When you develop this habit, it'll create a virtuous cycle of learning and personal growth, which takes you from feeling like a victim of your circumstances to being accountable for them. Mastering that practice increases resilience.

Leaders should spend time with their teams on this. Create a vocabulary together to talk about these experiences, and set up best practices. One thing leaders do is start meetings with a short check-in and allow for storytelling.

**McKinsey:** *At the Insurance Leaders Forum in June 2019, you talk about using personal origin stories to strengthen relationships and finding strong change stories for organizations. How can leaders in the insurance industry engage emotions, not the brain, around the five “brainy” motivators: organization, customer, society, team, and self?*

**Kai Grünewald:** I think it's important to remember that leaders will be more authentic and more compelling if they have a clear purpose that serves as the North Star for their choices. Research tells us that those five things provide us with meaning at work—these motivators are all emotional. They all give you a certain pride when you contribute to these goals. Yet people will make different trade-offs and rank each motivator differently. So when you talk about purpose with people, you need to widen the conversation to capture all five sources of meaning.

**McKinsey:** *You've addressed event-driven storytelling to help organizations foment change.*

*How can we weave personal storytelling into an everyday practice to reinforce and maintain the ethos of bringing our whole selves to work, especially in insurance?*

**Kai Grünewald:** One way is to make storytelling almost a formal exercise. Think about Joseph Campbell's description of the hero's journey: you go on an adventure, have ups and downs, meet your nemesis, and ultimately prevail or fail—all from which the hero learns. Seen this way, stories are a tool of personal growth. The exercise makes you fully aware of what stories you are currently part of and what it is that you are learning from them.

A second way is to offer people a continuous story rather than one-liners or orders. You want to create a narrative that provides context about the change you want people to engage in—a story that has a beginning, middle, and end. People take a lot of meaning from stories, and they're also the easiest way for people to retain knowledge and make sense of a situation.

Third, we often ask leaders to share personal transformation stories with one another so the team members can relate better as humans rather than as functional roles. Sharing such stories builds a tremendous amount of trust.

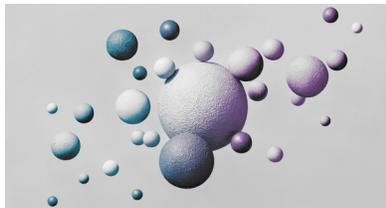
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