CORPORATE MANAGERS:

Are They Given the Leadership Tools to Succeed?

IN FEBRUARY 2015, Harvard Business Review Analytic Services surveyed its readers about the role of corporate managers and supervisors in today's organizations.1 The goal of the survey was to understand how important corporate managers are to organizational success, to what extent manager effectiveness impacts business performance, and whether managers are given enough support and leadership development to optimally fulfill their roles and responsibilities.

With 610 participants, the topic clearly struck a chord with *Harvard Business Review* readers. Respondents were a diverse pool of cross-industry, senior-level managers and executives from companies across the globe with more than 100 employees. A full 60 percent came from companies with more than 1,000 employees. Most held titles of executive management, director, senior manager/department head, or manager/supervisor.

HIGHLIGHTS

77%	**33%**	**12%**
of respondents said managers are important in helping their organization reach its business goals	of respondents said their organization's managers are competent in business-based decision making	of respondents said their organization currently invests succulently in the development of managers

1 For this survey, managers were defined as first-level leaders whose direct reports are employees with no management responsibilities.

Vital to Organizational Success

It would not be difficult to make a case that manager performance directly and dramatically impacts the bottom line. Take just one metric: one of the most expensive and controllable costs, turnover. In 2013, despite the nearly 8 percent unemployment rate, the U.S. Department of Labor's Bureau of Labor Statistics revealed that more than 2 million Americans quit their jobs each month. Studies have consistently shown that having a bad manager or a poor relationship with one's manager is a top reason an employee quits. So this link between managers effectiveness and turnover rate is just one example to justify investing in and developing these leaders.

Not surprisingly, the survey results verified the consensus view that managers increasingly play a vital role in any organization's success. As Linda A. Hill, the Wallace Brett Donham Professor of Business Administration at Harvard Business School, writes in *Becoming a Manager*, "Managers on the front line are critical to sustaining quality, service, innovation, and financial performance."

With fewer hierarchical layers in many companies, more and more frontline managers have become the glue that connects the strategic (top management's business priorities) with the tactical (specific responsibilities employees are given to accomplish those goals). They need to have technical knowledge and expertise in the areas they supervise. They also need to master "people" skills like leadership, communication, problem solving, and teamwork (both as leader and participant). Increasingly, they are tasked with goal alignment, connecting individual, tactical employee goals with the broader, strategic goals of upper management.

In fact, it could be argued that corporate managers are more important today than ever before, says Peter Cappelli, George W. Taylor Professor of Management and director, Center for Human Resources at the Wharton School of the University of Pennsylvania. This is because "spans of control are bigger—each manager supervises a lot more people—and we also expect those corporate workers to do more, to be more responsive to customers, to cross-sell, to solve problems. These managers have to make that happen and monitor to make sure it continues," Cappelli explains.

Respondents agreed that corporate managers are integral to the success of their companies in many mis- sion-critical ways. On nearly every performance metric—from customer satisfaction to employee engagement to productivity to achieving business goals to contributing to effective communications—respondents said corporate managers play a fundamental role in achieving business priorities. figure 1

Figure 1

Corporate Managers Are Vitally Important to Achieving Business Priorities

Please rate the importance of managers to your organization in helping achieve the following business priorities. [PERCENT RATING 8, 9, OR 10, WHERE 1 = NOT AT ALL IMPORTANT AND 10 = EXTREMELY IMPORTANT]

78%
Achieving a high level of customer satisfaction

77%
Helping your organization reach its business goals

76%
Achieving a high level of productivity

73%
Achieving a high level of employee engagement

70%
Contributing to effective communications

63%
Continuous quality improvement

58%
Improving employee retention rates

51%
Fostering alignment of goals across the organization

45%
Providing a pipeline for executive leadership

42%
Your organization's ability to innovate

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But Not Performing Optimally

This survey shed light on one of the more vexing aspects of running an organization: Significance does not always equal results. Despite their importance, the survey showed a chasm between corporate manager responsibility and effectiveness. Managers received mixed reviews on some of the most critical aspects of their jobs. In particular, the survey showed clear room for improvement on vital leadership competencies such as strategic and innovative thinking, developing talent, and inspirational leadership. figure 2

Why does this gap between what is expected and what is delivered exist? The survey showed that, first and foremost, it derives from a lack of leadership development. To some extent, this problem is endemic:

Figure 2

Managers Get Low Marks on Many Business Competencies

How would you rate your managers on the following leadership competencies? [PERCENT RATING 8, 9, OR 10, WHERE 1 = NOT AT ALL COMPETENT AND 10 = EXTREMELY COMPETENT]

33%

Business-based decision making

27%

Organizational savvy/judgment

21%

Strategic thinking

21%

Innovative thinking

20%

Developing talent

19%

Inspirational leadership

More than 90 percent believed corporate managers' lack of leadership development negatively impacts employee engagement results.

Many companies fail to provide enough leadership development across multiple levels. "Organizations are failing to offer enough leadership and training to all their managers. To the extent to which they do offer training, it seems to follow a trickle-down model: the most for the top executives, the least for the first-line supervisors," Cappelli says.

The survey showed that in the vast majority of organizations, corporate managers are not offered robust enough training and development programs to meet the rising job demands. Leadership development for this level tends to be provisional, sporadic, or too brief to adequately cover all the responsibilities that are within their purview. The vast majority of respondents—71 percent—said that corporate managers received training and development only occasionally or infrequently, with nearly half (44 percent) indicating a frequency of once a year or less. Only 14 percent said that their companies offered a comprehensive leadership development program that included frequent mentoring, 360-degree feedback, and leadership tools.

Overwhelmingly, respondents cited the lack of training and development of managers as having either a "somewhat negative impact" or a "significant negative impact" on organizational performance. A full 79 percent believed that the lack of frontline leadership tools, training, and development negatively impacts their firm's performance "moderately" or "substantially." This is particularly striking when looking at employee engagement, communication, goal alignment, innovation, and teamwork. figure 3 More than 90 percent believed managers' lack of leadership development negatively impacts employee engagement results. Other areas that are adversely affected are productivity, quality, customer service, and turnover.

"What employers need to tap is discretionary effort, what employee engagement tries to measure. We expect frontline workers to do lots of complicated things as well as work hard for the employer, typically in contexts where we cannot easily monitor their performance. The
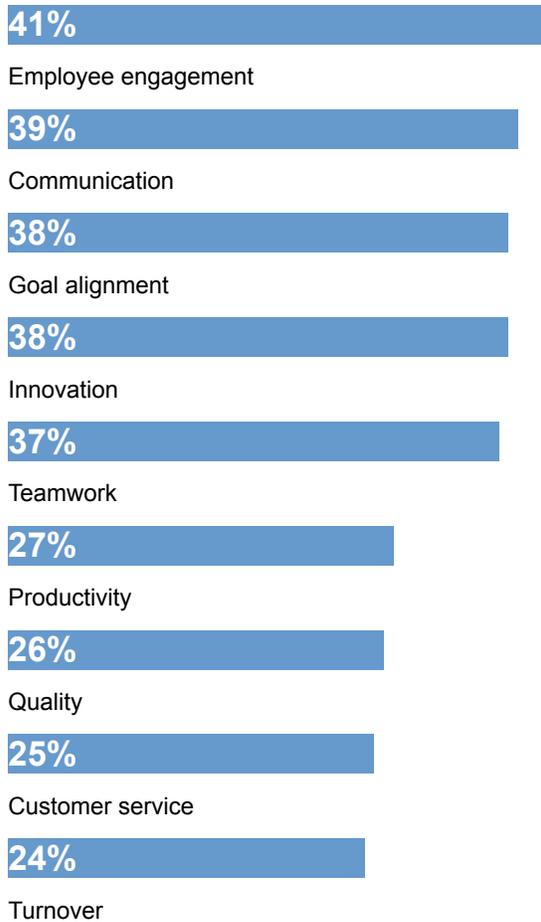
execution of business strategy often rests on how they perform those tasks. If we undervalue and underinvest in those areas, we pay a price. If our internal accounting systems aren't very good, it may be hard to see the connection between employee effort and business outcomes, but it is there," Cappelli says.

When training is given, respondents cited on-the-job training (67 percent) as the most frequently used tool. The next most popular development methods companies use were classroom training

Figure 3

Lack of Development, Training, and Tools Causes Negative Impact on Business Performance

To what extent has a lack of frontline leadership tools, training, and development had a negative impact on each of the following aspects of your organization's performance?
[PERCENT SELECTING "SIGNIFICANT NEGATIVE IMPACT" ON ASPECT OF ORGANIZATION'S PERFORMANCE]

41%

Employee engagement

39%

Communication

38%

Goal alignment

38%

Innovation

37%

Teamwork

27%

Productivity

26%

Quality

25%

Customer service

24%

Turnover

(61 percent), personality and leadership assessments (43 percent), online learning (43 percent), 360-degree feedback (42 percent), coaching (42 percent), and mentoring (41 percent). Other methods that were mentioned included providing reading materials/abstracts and webinars, and offering cross-functional assignments and job rotations.

Respondents were asked to describe the training and development tools offered to managers at their rms. Their replies showed that development is largely ineffective both in how it is administered and in its frequency. "It goes in spurts; at times we get high-quality training. But the ongoing growth is an issue," said one respondent. Another described their program this way: "Two years ago they did a one time extensive leadership development program, but there's only been occasional training since then." Another respondent explained that training was more incentive-based, a way for upper management to show appreciation, but that these offerings didn't help improve day-to-day operations. Others characterized the feedback managers receive as largely punitive: "Only negative feedback [is given] when failures happen. Punishment in the form of bad performance reviews, notices of corrective action, and terminations are the rewards for failure," one said.

Respondents identified frontline managers as a linchpin of organizational success.

A Call to Action

A significant 40 percent of respondents believed that corporate managers do not receive sufficient tools and training to develop into highly effective leaders. figure 4 But there was no clear reason offered as to why. Respondents negated the ideas that "senior management does not believe we need to invest more in developing managers" or that it is "too expensive to invest further in the development of managers." Most also did not believe the gap was due to their companies being in a fast-growth cycle. It is conceivable, though, that by focusing unrelentingly on profitability over these past several years, most organizations have failed to invest enough in the longer-term development of their talent. Taken as a whole, it seems that respondents have seen the crack in the armor and may be willing to advocate for further investment in manager leadership development.

It's important to note that, in some ways, managers need extra care in their development—more rope, not less. In her book *Becoming a Manager*, Linda Hill writes, "Given the complexities of their new responsibilities and all that they have to learn, new managers, no matter how gifted, will make mistakes and will need the support and assistance of others. Despite the nod that senior management may give to more of a focus on learning and development, more often than not people report they are being punished for missteps that inevitably happen when given stretch assignments. If missteps and failures—two essential elements of any learning—are harshly criticized, employees will shy away from taking on assignments outside their comfort zones, and organizations will lose the opportunity to develop our leaders of tomorrow."

Overall, the results of this survey were unequivocal: Respondents identified frontline managers as a linchpin of organizational success. Despite this, it revealed, most managers are not equipped with the requisite resources to excel in their organizations. Respondents believed that the gap between what is expected of corporate managers and what is provided to them is adversely impacting organizational performance in myriad ways. The survey may serve as a call to action for senior managers to eliminate the barriers to success that managers face.

Figure 4

Corporate Managers Not Getting Much in the Way of Leadership Development, Training, and Tools

Please rate the extent to which you agree with each of the following statements about leadership development in your organization. [PERCENT RATING 8, 9, OR 10, WHERE 1 = STRONGLY DISAGREE AND 10 =STRONGLY AGREE]

40%

Managers do not receive sufficient tools and training to develop into highly effective leaders

23%

Senior management does not believe we need to invest more in developing our managers

15%

We are in a fast-growth cycle at our organization and do not have the time to devote to developing managers

12%

We invest a sufficient amount already in the development of managers

12%

It is too expensive to invest further in the development of managers

Methodology and Participant Profile

An online survey with the readers of *Harvard Business Review* during February 2015 asked respondents at organizations with more than 100 employees to answer 10 questions. The survey achieved a total of 610 respondents.

PARTICIPANT PROFILE

Job function

General management was the most common job function represented at 17 percent, followed by operations at 16 percent, sales and marketing at 13 percent, strategy and business development at 10 percent, IT at 10 percent, and HR at 9 percent. All other job functions were less than 8 percent.

Job title

Manager/supervisor was the most common title at 37 percent, followed by senior manager/department head at 22 percent, vice president/director at 21 percent, and C-level/executive management at 9 percent. All other job titles were less than 6 percent.

Regions

More than half (58 percent) of respondents were from North America, followed by 22 percent from the Europe/Middle East/Africa region, 16 percent from the Asia/Paci c region, 3 percent from Latin America, and 1 percent from the rest of the world.

Founder's Perspective

At a North American medical-products distributor, for example, one supervisor reflected that the company "is like California—forest fires breaking out everywhere and no plan to stop them. A lot of crisis-to-crisis situations with no plan. We've been in this mode for so long, we don't know how to stop and plan, although that's what we desperately need to do. I wish I knew how to intervene."

Across industries, corporate managers spend 30 to 60 percent of their time on administrative work and meetings, and 10 to 50 percent on non-managerial tasks (traveling, participating in training, taking breaks, conducting special projects, or undertaking direct customer service or sales themselves). They spend only 10 to 40 percent actually managing employees by, for example, coaching them directly.

Today's managers require a broad mix of leadership skills to succeed. This is why at HTS Training and Development we combine a robust leadership program and talent development mapping to help them evolve these competencies. From ongoing feedback to goal alignment and development planning, 1-on-1 meetings, and talent pool development, we've taken the best practices of talent manageme nt and bring them to your front door. Both our customers and our owner leaders use these to foster better self awareness and understanding between managers and employees, and to improve communication, coaching, teamwork, emotional intelligence and ultimately performance.

A well trained and supported leadership team is integral to meeting your long-term business objectives and high levels of customer satisfaction. Your leaders are responsible for more than managing employees. They are also tasked with maintaining high levels of employee performance and engagement, and supporting the company's culture by reinforcing its mission, vision and values.

The high value we place on the development of leadership teams is one of the main reasons the purpose of the survey is to gain valuable insights into what other companies are doing and what their perspectives are on leadership development.

We hope the survey findings serve to reinforce the important role your managers have on business performance and emphasize how critical leadership guidance and resources are to helping managers succeed. Ultimately, manager success means your employees will be better supported, engaged and productive. They'll achieve better business outcomes, and you'll have established your talent as a lasting competitive advantage.

Elisha Hall

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