

Readings for First Line Managers' Workshop, November 2009

Selfridges case study on the importance of good line management

At the Manchester Trafford Centre department store of **Selfridges**,ⁱ an employee attitude survey of sales staff in 2000 found that:

- Only 58% were satisfied with the way the performance appraisal system worked. Some employees had never been appraised although the procedure required two appraisal interviews each year.
- 46% said that they wanted more recognition and appreciation from their team leaders, and two thirds said that they were hardly ever asked by managers for their views.
- Only 35% felt that they had a lot of influence over the job.

Following the survey the store re-defined the team leader role, and required all team leaders to re-apply for new positions through a new, more behaviour based selection process. Some team leaders lost their positions. The performance management system for team leaders was changed, giving emphasis to leadership and doing staff appraisals.

A year later a second attitude survey of sales staff found:

- Satisfaction with performance appraisal up from 58% to 84%.
- A big improvement in the percentage of employees feeling that they had a lot of influence over the job, up from 35% to 56%. There had been no changes in the job content of sales staff over the year, so the improvement can only be explained by changes in the way team leaders managed their staff.
- Better job satisfaction and commitment.

Business results improved, with sales up by 23% on the previous year, payroll costs down by 5%, and the ratio of sales to payroll cost improved by 31.7%. Labour turnover fell to well below the average for retail - in part because it became one of the indicators used to assess team leader performance.

How are line managers doing? Research results

Research in the UK finds a worrying gap between intended people management policies and what line managers actually do in practice, leading to dissatisfaction by many employees with the quality of their managers' leadership.ⁱⁱ

Many line managers don't see people management as an important part of their job. They would rather concentrate on the technical aspects of their work, feeling that they have more than enough to do there. Where neither senior management nor HR emphasise the importance of performance management, managers rarely engage with the often difficult issues of people management.ⁱⁱⁱ

Organisations are more likely to recognise and reward managers for meeting business objectives other than managing staff. Managers who are 'good developers of others' are often so because of personal motivation rather than organisational recognition.^{iv}

ⁱ Purcell and Hutchinson 2007

ⁱⁱ Purcell et al 2003; Hutchinson and Purcell 2003

ⁱⁱⁱ Tamkin et al 2006 p.22, citing Bevan and Hayday (IDS Report no. 254, London) 1994, Thornhill and Saunders (article in Personnel Review) 1998, and Cunningham and Hyman (article in Personnel Review) 1999.

^{iv} Tamkin et al 2006 p.22, citing McGovern et al (Human Resource Management Journal) 1997 and Hirsch et al (IES Report no. 407, Brighton) 2005