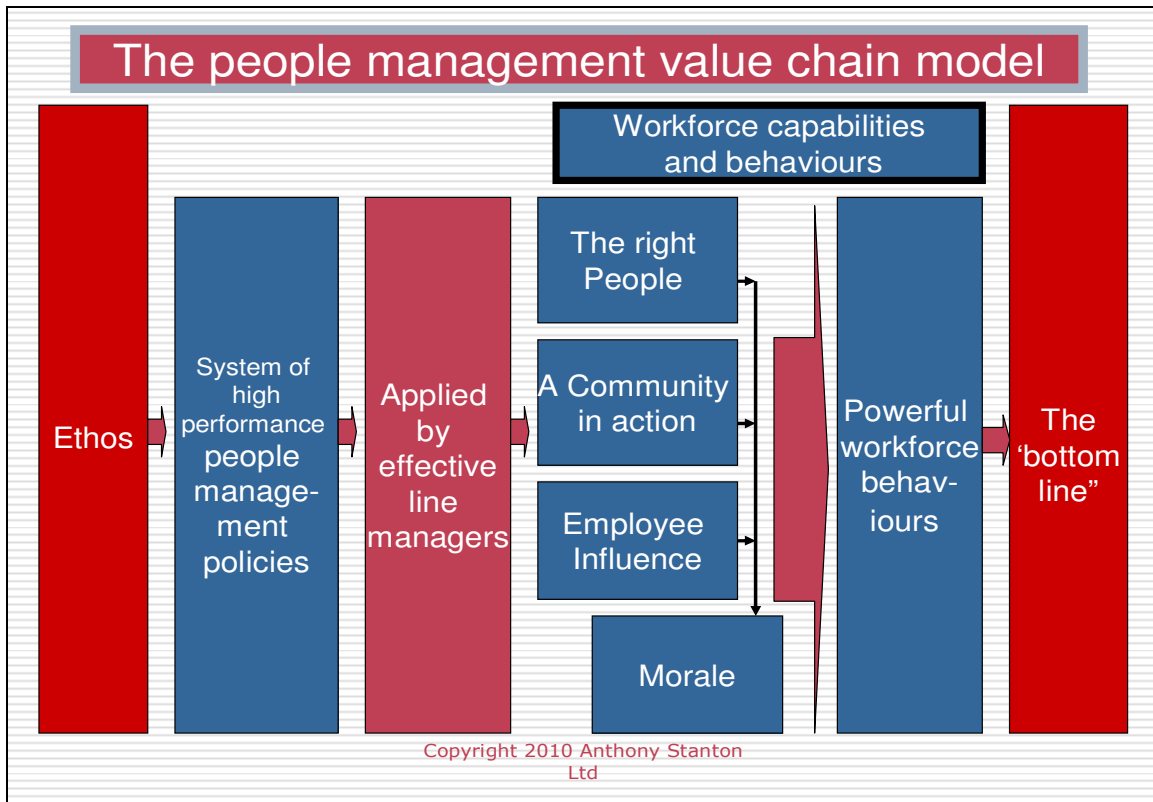


Chapter 4: The Vital Role of Line Managers

Draft 20 August 2010

The line manager “creates the connection between the employee and the organisation.”¹

“My line manager is the prism through which I see my organisation”²



I have given dozens of talks to business audiences about how good people management drives the bottom line. When I get to the point about the vital role of line managers, I ask for a show of hands on the question ‘Who works in an organisation with good line managers?’. Of the hundreds of people in my audiences, only one has ever put a hand in response to this question!

Yet line managers - the managers or supervisors immediately responsible for employees’ performance - are crucial to successful people management. It is they who deliver people management on the ground. We saw at Chapter Two that a common feature of successful cultures, which were associated with much better business performance, was the high value they placed on excellent leadership from managers at all levels.³ Chapter Three showed that a strong system of high performance people management policies produces between 20% and 65% better bottom line results – but only if well implemented by line managers.⁴ US research⁵ found that the manager-employee relationship was the biggest influence on employee morale, which is in turn a critical driver of productivity and profitability.⁶

So good line managers are a key asset - and poor ones can cause a lot of damage. Researchers demonstrated this when they studied four branches of Tesco, the UK's biggest supermarket chain.⁷ They found that, despite standard people management policies and processes laid down by head office, the quality of line management varied substantially from store to store. This resulted in major differences in staff morale, employee productivity and profit between stores. As one regional director put it "*Getting the right managers into the right stores is the biggest issue I have to deal with*".

What line managers do

In their people management role, line managers have a range of tasks which need aptitude, time and skill. I have summed them up in the ten point list in the next box.

Line managers' roles in managing individuals and teams

1. Acting as an ambassador for the organisation's *culture and employee proposition*, by 'living' them in the manager's own behaviour, encouraging others to do the same, and using an appropriate leadership style.
2. *Designing work and jobs* to provide staff with clear roles, manageable workloads, and tasks which are challenging and worthwhile.
3. *Recruitment, selection*, induction and probation for new staff, and managing staff cover.
4. *Performance development and review*, giving staff clarity about how performance will be judged, exchanging regular and continuous feedback, recognising good performance, supporting people to improve further, and dealing with poor performance.
5. Identifying *learning and development* needs, ensuring that they are met, and providing coaching and guidance.
6. *Recognition and reward*, consistently and frequently recognising staff for their good work, from saying thank you to awarding a bonus.
7. *Career development*, taking an interest in employees' career aspirations, preparing them for and giving them opportunities for career advancement.
8. Frequent two-way *communication* with staff.
9. *Involving* staff in decision making.
10. Attending to staff *well being*, treating them fairly, ensuring positive relationships, making it easy for them to raise and discuss issues, listening to and acting on their concerns, encouraging and valuing them, ensuring work-life balance, giving them the facilities, time and equipment they need, and checking that the work and working environment are healthy and safe.

But line managers have many responsibilities on top of their people management roles. Other tasks typically include managing a finance budget, providing technical expertise in their own professional subject area, organising accommodation and equipment, designing and monitoring work processes, dealing with customers or clients, and checking operational performance.⁸

Many managers also continue with the 'day job' that they did before they became managers – teachers teach as well as heading a department, engineers design bridges as well as leading a team. Their professional workload may be reduced to reflect their management role, but it's still there.

So this can be a very crowded role – one in which people management can easily get squeezed out by other more urgent tasks.

How organisations can improve and support line management

UK research found that line managers were a key factor in explaining the difference between success and mediocrity in people management.⁹ At Selfridges' Manchester Trafford Centre department store, a program to improve management of sales staff by their team leaders saw sales increase by 23% and employee productivity by 31% within a year.¹⁰

Given the importance of line management, it's discouraging to find that it is often done badly. Two 2009 UK surveys make this point.

- The first found that 50% of employees believed that they could do a better job than their current manager, almost half had left a job due to bad management, and 49% said they would be prepared to take a pay cut in order to work with a better manager.¹¹
- In the second survey,¹² less than half of employees said that their manager usually or always provided feedback on their performance. A third reported that their manager never or rarely discussed their training and development needs, and 44% said that their manager rarely or never coached them.

For a role which is so crucial to organisational success, these results are very worrying. If hospital patients gave this sort of feedback about the doctors who treated them, I imagine that senior heads would roll. By tolerating line management of this quality, organisations are missing an important opportunity to improve their bottom line success.

In this section I set out five ways in which organisations can improve the quality and effectiveness of line management:

- Have a culture which emphasises and supports good people management;
- Manage line managers really well;
- Involve them in decision making about people management policies and initiatives;
- Provide them with first class HR advice and support;
- Supply them with people management metrics to help them see how well they are doing as people managers.

I'll expand on them each in turn.

1. *Have a culture which emphasises and supports effective people management*

We saw at Chapter Two that a common feature of successful cultures is the high value they place on excellent leadership at all levels in the hierarchy. So the culture and employee proposition need to stress good people management, define the management behaviours that are expected, and emphasise that poor people management will not be accepted.

2. *Manage line managers really well*

The way in which line managers are themselves managed, developed and supported is crucial to their success.¹³ So senior and middle managers need to do a particularly good job of leading the managers who report to them. The organisation needs to give close, sustained attention to the issues shown in the next box.

How to manage line managers really well

- a) Define the leadership style and behaviours which are expected, through policy statements, job descriptions and competency profiles. They can be used in recruitment, training and development, performance development and review, succession planning and promotion.
- b) Design managers' jobs to give them time to manage their staff well – they should have a manageable workload, reasonable spans of control, and administrative support so that they aren't bogged down with administration. Nationwide Building Society measures the average span of control across the Society (*source this*).
- c) Ensure that senior and middle managers consistently demonstrate the leadership behaviours that are expected, in the way they themselves behave. They thus act as role models for more junior managers.
- d) Select new managers for their aptitude as people managers and for their fit with the organisation's culture, as well as for technical skill in their professional subject area.
- e) Appraise and reward their performance as people managers. Achievements should be acknowledged and praised, and exceptional work recognised. Some companies encourage employees to nominate managers for awards, sending the message that being a good manager is appreciated and valued.¹⁴ By contrast, under-performance needs to have consequences - bonuses can be conditional on managers hitting targets for their leadership style and competencies and for the skill and morale of their staff. Consistently poor line managers need to be moved into other roles or out of the organisation altogether, with as much dignity as possible.
- f) Train and develop managers in their people management roles.* For those new to the organisation or freshly promoted to first line manager roles, provide this

* Training and development should give managers an understanding of: the importance of good people management to business results; their role in managing people; each people management policy and process; the people management skills and behaviours expected of them e.g. coaching skills.

- over the first few months. After that, all managers should receive continuous coaching and support from their managers and from HR. UK research in hundreds of firms found that management development increased profitability.¹⁵
- g) Create career paths and plan succession to higher roles, to create a strong talent pipeline and a sense of career opportunity for managers. For professionals whose aptitudes don't lie in the direction of managing people, offer a parallel career path in technical and staff roles.
 - h) Involve managers in decision making.
 - i) Support them when they deal with poor performance, even if this leads to staff grievances or claims of harassment. All such claims will need to be impartially investigated, but at the same time managers need to see that when they manage appropriately they will be supported.
 - j) Meet their well being needs, including supportive and trusting working relationships with their managers and colleagues, and reasonable work life balance and job security.

But too many organisations don't give enough priority to developing, managing and supporting their line managers. UK research has shown that:

- Line managers lack the time to focus on people management activities, and have over wide spans of control.¹⁶
- In a survey of NHS managers, only 37% reported that they were appraised on the people management side of their work.¹⁷
- In another survey, 63% of managers said that they had had no management training.¹⁸ The 2006 Leitch Review found that the UK spent less per manager on management development than any other European country.¹⁹

3. *Involve line managers in decisions about people management policies and initiatives*

People management policies, processes and initiatives won't be implemented successfully without the support of line managers. Commitment is needed both from the senior managers who will allocate resources to them, and from the middle and first line managers who deliver them on the ground. One way to build this commitment is to involve as many managers as possible in designing, launching and reviewing them.²⁰

Case study: the John Lewis Partnership²¹

John Lewis involved managers and staff in developing a new reward system, through working parties looking at issues such as performance measures, competencies, pay-banding and the appraisal system. This inclusive approach is very much part of the culture of the organisation and, though time consuming, John Lewis would argue that it reaps benefits in the long term, bringing greater acceptance and commitment to the changes.

But again in many organisations this doesn't happen. A study found that in the NHS, involvement in developing people management policies rarely went beyond senior

managers.²² This may help to explain the study's finding that managers perceived the policies as being "voluminous, hard to understand and too multiplicitous".

4. *Provide line managers with first class HR advice and support*

Managers need close support from HR in the form of advice and case work services, and business partnering.

- *Advice and case-work services.*²³
 - Telephone advice services provide procedural and legal advice, helping managers to use people management processes and avoid legal pitfalls in areas such as recruitment and discipline. These services need to be provided by experienced HR professionals; it's not good enough to provide a rote answer from a script read over the phone, which managers could look at online themselves.
 - A more intensive level of support is provided by HR advisers, who work alongside managers on selection, case work and handling trade unions.
- *Business partnering* is provided by HR generalists embedded as members of business unit management boards. They help managers to improve employee productivity and business performance. The business partner's job description might look something like this.

Outline roles for an HR operational business partner

- a) Leads within the business unit management board on drawing up and delivering the people side of operational plans.
- b) Supports and coaches the business unit general manager in building and developing the executive group as a leadership team.
- c) Acts as a change agent, designing and project managing change initiatives to meet business needs, and advising and coaching managers as they implement changes and evaluate their outcomes.
- d) Advises managers in interpreting people management metrics, spotting trends and performance gaps, forecasting, suggesting actions and measuring results.
- e) Nurtures strategically critical staff groups within the business unit, supporting managers in identifying and meeting their development needs.
- f) Coaches managers, helping them to live the organisation's culture and values and to develop their staff and themselves.

5. *Supply line managers with people management metrics*

Managers need to know how well they are doing in managing their staff, and have early warning of problems. For this they need people management metrics, in the same way that they get financial budget statements from the finance department

These five ways to improve line management all need to be used together to release the bottom line benefits which good people management brings.

Managing and measuring the effectiveness of line management

The flow chart below suggests an outline project plan for an organisation to improve line management.

Step 1: Build awareness and support

Ensure that managers, particularly senior managers, and staff understand the importance to business results of good leadership at every level.



Step 2: Produce baseline measures

Set up a system of metrics and reports to assess the capability and effectiveness of line managers. Produce measures and use them to see where improvements are needed and to act as a baseline against which progress can be measured.



Step 3: Check the organisation's ethos

Review the organisation's culture and employee philosophy to ensure that they emphasise the importance of good people management and are clear as to the management style that is expected.



Step 4: Review policies and processes for managing line managers

Review and where necessary re-launch policies and processes for selecting, performance managing, developing and rewarding line managers as effective leaders.



Step 5: Ensure that senior managers live the behaviours

Ensure that senior and middle managers themselves live the culture, employer philosophy and leadership behaviours, as role models for the managers and supervisors who report to them.



Step 6: Involve managers

Ensure that line managers are involved in designing, launching and reviewing the organisation's people management policies, processes and initiatives.



Step 7: Provide HR support and metrics

Give managers effective HR advice, support and people management metrics, to help them manage their staff.



Step 8: Evaluate and review

Use metrics to evaluate the impact of the changes against pre-agreed success criteria, then launch a fresh cycle of actions where necessary.

Of course we can't run an improvement project without measures, to set targets and monitor progress. Particularly helpful metrics to use in people management reports are:

- Employees' assessments of the quality of the leadership they receive, derived from employee attitude surveys and 360 degree feedback;

- Staff absence and turnover rates;
- The impact of people management on employee productivity and business results.

You can find two model people management reports on pages .. to .. (*in the metrics chapter*). The first, a quarterly people management statement for each line manager, shows how well he or she is doing as a leader and the impact on customer satisfaction, sales and productivity. The second report gives more senior executives a picture of how well they are developing the performance of managers in their divisions, and how that affects leadership behaviour, staff capability, morale and productivity.

Some organisations are well advanced in operating this kind of measurement system., as the next two case studies show.

Case studies

Heart of England NHS Foundation Trust²⁴ introduced a system to measure the quality of people management by its line managers. It used the measures in their appraisals, and tracked the link between the quality of management and patient care.

The Trust used the staff survey to find out how positive staff were about management quality. 72% said that their line manager did a good job and an increasing number of staff year on year believed that managers 'live the values'.

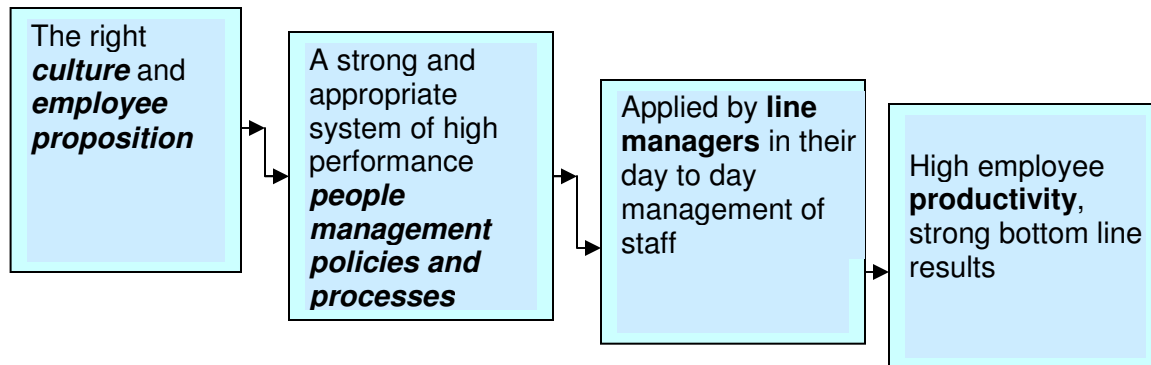
The Trust published annual 'leadership ratings' for each directorate, and used them as part of the assessment of managers in their appraisals. The Trust tracked the leadership ratings against how positive staff felt and how patients rated their experience.

Co-operative Financial Services²⁵ introduced a human capital reporting system with five measures of leadership. These included:

1. Regular opinion surveys tracking employees' opinion of leadership capability;
2. 360-degree feedback to measure the impact of managers' behaviours on their direct reports, peers and managers;
3. Succession planning data which identified the number of staff ready or nearly ready to take on specific leadership roles.

Conclusion

Good line management is a crucial link in the value chain which leads from culture, through people management policies to employee productivity and bottom line success. I show this sequence in the flow chart.



Line managers have a wide range of tasks, many of which need a good deal of time and skill. They need substantial support from their organisations if they are to succeed. Sadly, survey results show that very often line management of people isn't good enough. Most organisations need to invest more in developing and managing their line managers, and be much tougher about what they expect from them.²⁶ In this chapter I set out five ways for organisations to improve line management:

1. Have a culture which emphasises and supports effective people management;
2. Manage line managers really well;
3. Involve them in decisions about people management policies and initiatives;
4. Provide them with first class HR advice and support;
5. Supply them with people management metrics to help them see how well they are doing as people managers.

I mentioned at the beginning of the chapter that only one member of my speaking audiences had ever raised a hand in response to the question 'Who works in an organisation with good line managers?'. His international manufacturing company had invested heavily in selecting, appraising and developing good line managers with a strong fit to the firm's culture. So much so that the company's founder had sat in on appraisals down to middle management level. Not only was line management good, but there was a strong pipeline of strong successors for each middle and senior management post. But then the company had been sold to a corporation which didn't have this emphasis on keeping and growing good managers. The result – managers at middle and senior levels were still good, but the pipeline of able successors behind them had dried up. A worrying outlook for the future. *(Check all this with Graham)*

My message, then, is that good line management is a crucial driver of organisational success, and that this is an investment issue. Organisations get the line managers they deserve. Some put a great deal of effort into growing line managers for the long term, with strong management development, appraisal, succession planning and retention. Others under-invest, and consequently under-perform. Getting line management right on the ground is hard work, but it's worth it.

Ideas for content of volume two

- *Fuller lists of what line managers do in terms of people management, and what they need from their own managers.*
- *More on management style for different contexts.*

- *Climate and the psychological contract. Unpack how line managers create climate.*
- *More on how line managers create value e.g. through learning and development activities for their staff.*
- *A competency set for managers, to support recruitment and selection of line managers and their training and development, and performance management. This will mean assessing and recruiting for behavioural competencies such as communication and emotional intelligence, so needs to cover emotional intelligence etc . For source material, see back of Armstrong and Baron 2005, and ACAS/CIPD resilience report June 2009, and what I put together at CONEL after studying the main competency sets for people managers.*
- *More on metrics to assess line managers behaviours and performance as managers of people.*

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- ¹ Lockwood.2007 pp.5 and 9, citing a 2004 report from the Corporate Leadership Council *Driving performance and retention through employee engagement* Corporate Executive Board, Washington DC ✓
- ² Quote from Vicky Wright, past CIPD President, in *People Management* 1 June 2006 p.14
- ³ Kotter and Keskett 1992 pp.10-12, 31-35, 43, 44-51, 84 ✓
- ⁴ Becker et al *The H.R. Scorecard* 2001pp.207-213; Thompson 1998 ✓✓
- ⁵ Lockwood.2007 pp.5 and 9, citing a 2004 report from the Corporate Leadership Council *Driving performance and retention through employee engagement* Corporate Executive Board, Washington DC ✓
- ⁶ Wagner and Harter 2006, Chapter One.
- ⁷ Purcell et al 2003 p.46-48 ✓
- ⁸ Hutchinson and Purcell 2003 p.5 ✓
- ⁹ Hutchinson and Purcell 2003 p.1 ✓
- ¹⁰ Purcell and Hutchinson *Front-line managers as agents* 2007 p11-15 ✓
- ¹¹ A survey of 3,000 adults in the UK workforce by OnePoll for the Chartered Institute of Management (CMI), source CMI press release dated 10 November 2009, accessed on the CMI website on 25 November 2009 ✓
- ¹² Quarterly survey report *Employee Outlook: Employee Attitudes and the Recession* CIPD Spring 2009 p.9-10 ✓
- ¹³ Hutchinson and Purcell 2003 p.50 ✓
- ¹⁴ Gorman 2006 p.27 ✓
- ¹⁵ Bourne M. *People Management* 20 May 2010 p.36 ✓
- ¹⁶ Tamkin et al 2006 p.22 ✓
- ¹⁷ A study of six NHS case sites in 2006/07, reported in Boaden et al 2008 p.52
- ¹⁸ A survey of 3,000 adults in the UK workforce by OnePoll for the Chartered Institute of Management (CMI), source CMI press release dated 10 November 2009, accessed on the CMI website on 25 November 2009 ✓
- ¹⁹ HM Treasury 2006 *Leitch Review of Skills: prosperity for all in the global economy – world class skills. Final Report* (online) London The Stationary Office, cited in ACAS/CIPD joint report *Resilience through recession* June 2009 p.2 ✓
- ²⁰ Phillips *Investing* 2005 pp238-257
- ²¹ Purcell and Hutchinson *Rewarding Work* 2007 p.11 ✓
- ²² A study of six NHS case sites in 2006/07, reported in Boaden et al 2008 p.53
- ²³ Tamkin et al 2006 p.16 ✓
- ²⁴ Coalter 2008 p.38 ✓
- ²⁵ Suff 2008 **L229.b.882 Order in West Rm**
- ²⁶ Vere 2005