

DANGER IN THE MIDDLE: WHY MIDDLE MANAGERS AREN'T READY TO LEAD

{ PERSPECTIVES } LEADERSHIP DEVELOPMENT

C O R P O R A T E L E A R N I N G

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DANGER IN THE MIDDLE: WHY MIDLEVEL MANAGERS AREN'T READY TO LEAD

Overburdened and undertrained, middle managers are on the verge of burning out, just as they're being considered for more senior leadership roles. A new development approach is needed to help middle managers master the skills and mind-set they need to succeed in today's flatter organizational structures.

BY ROBERT McKINNEY, MICHELE McMAHON, AND PETER WALSH



**"MANAGEMENT IS DEFINED
BY RESPONSIBILITY,
BUT IT'S DONE BY
EXERTING INFLUENCE."**

**FROM *BEING THE BOSS* BY
LINDA A. HILL AND
KENT LINEBACK**

OVER THE PAST DECADE, the workplace has changed dramatically. Organizations have gotten flatter, more global, and leaner. Managers at all levels are being asked to do more with fewer resources while coping with uncertainty and a rapid, continuous pace of change. There are also boomers, Gen Xers, Gen Ys, and a rising number of contract and part-time employees all working together with vastly different expectations. The "psychological contract" between workers and organizations—expectations about rewards, recognition, amount and quality of work, and loyalty—is also changing. Along the way, middle managers in particular are being asked to essentially reinvent what it means to be a manager. For many midlevel managers, their role no longer entails issuing orders to subordinates. In fact, midlevel managers in flat organizations may have very few direct reports. The most successful middle managers must rely on strong influencing skills and the ability to marshal a complex network of resources to get results.

Middle managers play a critical role in the ultimate ability of a company to achieve its strategic goals. Your program managers, marketing managers, and engineering directors—these are the midlevel managers who are being asked to do more with fewer resources. They are being held responsible for the success of a project, even if they have no direct organizational authority.

69%

of Gen Y professionals working in Fortune 500 companies said they were satisfied at work but...

48%

said they planned to stay at their current job two years or less.[†]

[†]Harvard Business Review survey

They are being asked to influence partners, dive into unfamiliar channels, and motivate complex networks of global resources to get results.

More Important, Less Secure

The paradox is that while the importance of middle managers has grown in recent years, so has their sense of personal insecurity. Midlevel managers are the driving force behind the execution of organizational priorities. They are the nexus connecting far-flung teams. And yet ongoing restructuring, the dissolution of the career ladder, and persistent job insecurity have eroded midlevel managers' sense of loyalty, frequently leaving them feeling demoralized and disenfranchised.

These are the managers who are at risk of burning out and leaving your organization—unless you provide the proper support and development to perform their new responsibilities. Higher turnover among this crucial middle-manager group risks undermining company performance and diminishing the vital connection between strategy and execution.

Because of the flatter organizations in which they work, managers now typically have fewer opportunities for the leadership training that used to accompany the climb up the organizational ladder. With more pressures, greater responsibilities, less training, and fewer resources at their command, is it any wonder that many midlevel managers are suffering from increasing levels of stress and burnout? For example, in a 2012 UK study by HR performance firm Lane4, nearly 40 percent of midlevel managers reported feeling severely stressed. Chronic high stress can lead straight to escalating turnover rates. Another recent survey conducted by *Harvard Business Review* found that nearly half (48 percent) of Gen Y professionals at Fortune 500 companies—many of whom comprise the core of the middle management class—reported that they planned to leave their current job within two years.

Companies recognize that such high turnover rates will significantly hamper their ability to achieve strategic objectives. “Our middle managers act as important connection points among our internal team, our members, and other stakeholders,” says Beth Sweetland-Bailey, director of talent development at insurer MAPFRE USA. “Our ability to retain and grow these managers will be an important element in our long-term success as an organization unified in strategy and purpose.”

Vital, Yet Undertrained

For years, too many organizations have invested heavily in training for senior executives and new managers, while paying relatively little attention to the midlevel managerial corps. This “barbell” approach—heavy on the ends, light in the middle—has exacted a heavy price in terms of underperforming and demoralized middle managers who lack the networking, planning, and team-building skills necessary to excel in the flat organizational structures that are so prevalent today.

Executives depend on middle managers to execute their company's vision and strategy, yet companies are not giving middle managers the development they need to succeed in their roles. "Middle managers receive fewer resources, manage more people, and are less engaged than all other employee groups," according to a Bersin & Associates 2011 report titled *Maximizing Middle Managers*.

Even when companies do have middle management development programs in place, these programs do not seem to be achieving their intended objectives. A 2010 Leadership Development Research Report by Bersin & Associates found that despite investments in training, employers were still rating nearly half of their midlevel managers (49 percent) as exhibiting Fair or Poor performance. Even worse, Bersin found that confidence in middle managers' capabilities has declined steadily.

Many companies recognize that they need to do a better job on middle management training. An April 2012 Harvard Business Publishing survey on emerging trends in leadership development found that only 28 percent of organizations felt their development programs had evolved to match the changing needs of middle managers.

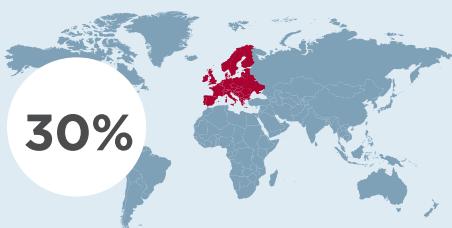
"OUR MIDDLE MANAGERS ACT AS IMPORTANT CONNECTION POINTS AMONG OUR INTERNAL TEAM, OUR MEMBERS, AND OTHER STAKEHOLDERS."

**BETH SWEETLAND-BAILEY,
DIRECTOR OF TALENT
DEVELOPMENT, MAPFRE USA**

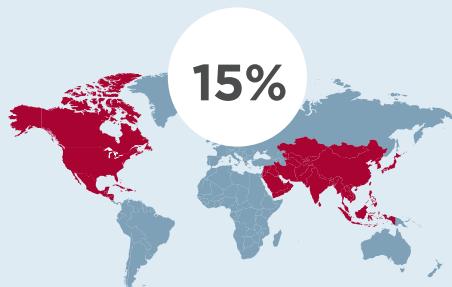
MIDLEVEL MANAGERIAL TRAINING PROGRAMS ARE MISSING THEIR MARK



Percentage of companies that said they needed to entirely revamp their middle manager development programs.¹



Percentage of European companies that felt they had enough qualified successors in their pipeline for key leadership positions.²



Percentage of North American and Asian companies that felt they had enough qualified successors in their pipeline for key leadership positions.²

¹ Source: 2012 Harvard Business Review global survey of managers and leaders

² Source: 2011 Harvard Business Review article, "Hang on to Your High Potentials"

MYTHS AND TRUTHS ABOUT MANAGERS

MYTH

They have a great deal of authority and freedom to make things happen.

Their power comes from their formal position in the organization.

They have to control their direct reports.

They lead direct reports most effectively through strong one-on-one relationships with individual team members.

TRUTH

They're enmeshed in a web of relationships generating relentless and conflicting demands.

Their power comes from their ability to establish trust with employees, peers, and supervisors.

They may get people to obey orders, but won't necessarily get their commitment to the team's work.

The most powerful way to affect direct reports' behavior is to manage the team as a whole by fostering commitment to a shared purpose and shaping a positive team culture.

Unless organizations tackle this problem now, they will likely face bigger problems down the road at the senior leadership level. The same survey found that 85 percent of respondents felt their companies' leadership pipeline would suffer unless their middle management development programs were strengthened.

New Mind-sets, Along with New Skills

Management is so different from individual work that to master it requires an immense personal transformation. Some managers have described their transformation into management as a turning point that's as significant as leaving home, finishing school, getting married, or becoming a parent. This process can take many years. And it can be surprisingly difficult.

In their 2011 book, *The Handbook for Teaching Leadership: Knowing, Doing and Being*, Harvard Business School professors Scott A. Snook, Nitin N. Nohria, and Rakesh Khurana make a persuasive case that leadership development depends just as much on practicing leadership (Doing) and changing one's mind-set (Being) as it does on learning new concepts (Knowing). Harvard Business School has dramatically evolved its MBA program around these principles, with new initiatives such as the Field Immersion Experiences for Leadership Development (FIELD), which gives students meaningful and numerous opportunities to act like leaders, translating their ideas into practice.

Research from numerous experts, including Linda A. Hill and Kent Lineback, authors of *Being the Boss* (Harvard Business Review Press), shows that knowledge and skills training is simply not enough for this population. Two-thirds (66 percent) of the respondents to the 2012 *Harvard Business Review* global survey felt that their organizations needed to work

on developing mind-set, self-awareness, and leadership behaviors as much as they needed to invest in specific knowledge and skills.

Making this mind-set shift implicit in the “Being” part of the Doing-Being-Knowing paradigm can be particularly challenging for some managers. Suddenly an individual who has spent her whole life measuring her success according to her own personal accomplishments must now become accustomed to gauging success according to the accomplishments of a team over which she may not even have direct control. The shift can be jarring, but it is an essential step if an individual hopes to grow and mature into an effective and competent midlevel manager.

How can companies help their middle managers master the right leadership mind-set? Many companies are working to make programs more effective by thoroughly integrating development with real-life work activities. Progressive organizations are also making sure that midlevel leaders can spend more time participating in experiential, coaching, and collaborative activities.

To evolve as leaders, managers have to internalize the idea that leadership is fundamentally different from managing tasks. Managers must give up outmoded roles and self-perceptions, adopting new ways of acting, thinking, and feeling. Most successful managers look beyond their own narrow individual contributions to discover broader sources of satisfaction and pride in their team’s collective accomplishments. True power derives from a manager’s ability to establish trust with direct reports, peers, and supervisors. Managers build motivation and get results among their direct reports by finding ways to shape a positive team culture that fosters commitment to a greater shared purpose.

“The pace of change, economic pressures, technology advances, and distractions, and flatter organizations have conspired to make the job of the middle manager more challenging than ever,” says Steve Mulder, director, University of Farmers, Farmers Insurance. “We needed to equip our leaders to transition to fully integrated people leaders who can manage themselves, their broad network, and their teams. We needed to do it in a way that is effective, engaging, and efficient, utilizing technology to connect. And we needed an approach that treats leadership development as a journey, not an event. We believe we found the solution in partnering with Harvard Business Publishing.”

Moving Learning Closer to Work

If companies are not currently hitting the target with their middle management development programs, what needs to change? To the extent that companies have focused on middle-manager training at all, they have tended to focus on formal coursework delivered via in-person workshops over multiple days. But this alone is insufficient.

Because organizations have tended to place little priority on midlevel manager development, such programs have been limited in both scale and reach. The classroom lessons communicated in these programs are typically disconnected from the real-life challenges that managers face in trying to accomplish their designated objectives. And busy middle managers

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Effective leadership combines knowledge, behavior, and attitudes.

**MIDLEVEL MANAGER
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often have trouble finding the time to leave their jobs in order to attend extended classroom-based development programs.

In fact, Harvard Business Publishing's latest research shows that successful leader development requires the blending of experiential on-the-job learning, coaching, and feedback with formal training. And the best approach keeps the learning as close as possible to a manager's day-to-day work. Harvard Business Publishing client Philips embodies this shift toward delivering middle-manager training through multiple channels and making it more relevant to the actual challenges that managers face every day.

Philips' former training program relied exclusively on an intensive two-week residence program including an action learning business project between modules. While the action learning element continues, the organization's newly redesigned program now begins with three months of virtual education, followed by a one-week residency, and then another three months of virtual reinforcement. This addition of virtual learning will allow Philips to extend the global reach of its young leader development program and enables its employees to experience learning in a self-paced, technology-enabled, and collaborative environment.

Time to Drop the Barbell

For too long, companies have taken a "barbell" approach to leadership development—placing heavy emphasis on training senior leaders and new managers, but giving short shrift to the middle-manager cohort. With middle managers now being asked to play ever more important roles in flatter organizational structures, continued neglect of midlevel management development carries significant risks—managerial burnout, increased turnover, and ultimately damage to the bottom line—as undertrained managers fail to translate strategy to execution.

The time is ripe for companies to deepen their commitment to midlevel managers with multifaceted development programs that enable participants to learn new concepts and mind-sets and then put them to work in a real-world practical setting. With stronger midlevel management development programs in place, companies can improve morale in the managerial ranks, thereby increasing retention of top talent and enriching their leadership pipeline.

With proper leadership development and support, companies can unleash the potential of their midlevel managers to improve morale, foster collaboration, and help the organization more quickly and efficiently respond to changing market conditions and seize strategic opportunities. And when these midlevel managers thrive, they will fill the leadership pipeline and give organizations their next crop of seasoned senior leaders ready to take the reins to guide their companies toward future success.

ABOUT THE AUTHORS



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BREAKTHROUGH LEADERSHIP

Turning Good Managers into Great Leaders

The *Breakthrough Leadership* program was designed by Harvard Business School Publishing for midlevel managers and the challenges they face. The program is based on the work of Harvard Business School Professor Linda A. Hill and Kent Lineback, an executive coach who spent many years in business and government. *Breakthrough Leadership* blends self-paced online learning and assessment with group discussion of case studies and on-the-job practical application of leadership concepts in the real-world business setting. The four components of the program give managers a chance to learn how to influence others and gain the trust of their colleagues. Networking, planning, and team management are all emphasized to provide managers with the skills they need to maximize their effectiveness in a flat organizational environment and thereby help their companies achieve key strategic goals.

The heavy emphasis on virtual education in the *Breakthrough Leadership* program makes it easier for busy managers to fit the training into their schedules with minimal disruption. From an organizational standpoint, virtual delivery is the most efficient and cost-effective method of reaching a geographically dispersed managerial audience.

Breakthrough Leadership uses a cohort approach that gives participants the chance to build lasting relationships and forge connections that can pay dividends in terms of strengthening collaboration throughout the company. Built-in assessment tools enable participants to review progress, refine goals, and measure their accomplishments.

ABOUT CORPORATE LEARNING

Harvard Business Publishing Corporate Learning partners with clients to create world-class leadership development solutions for managers at all levels. Our team leverages the management insight, thought leadership, and expertise of Harvard Business School faculty and authors from *Harvard Business Review* to create tailored leadership development solutions. With more than 20 years of practical experience, our innovative, technology-enabled solutions drive meaningful and lasting business results. Corporate Learning is a market group within Harvard Business Publishing.

ABOUT HARVARD BUSINESS PUBLISHING

Harvard Business Publishing was founded in 1994 as a not-for-profit, wholly owned subsidiary of Harvard University. Its mission is to improve the practice of management and its impact in a changing world. The company achieves its mission through its relationships with customers in three market groups: Higher Education, Corporate Learning, and Harvard Business Review Group. Through these platforms, Harvard Business Publishing is able to influence real-world change by maximizing the reach and impact of its essential offering—ideas.

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