The Squeezed Middle

Why HR should be hugging and not squeezing line managers

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'Employees are a company's greatest asset. They're your competitive advantage. You want to attract and retain the best; provide them with encouragement and stimulus and make them feel that they are an integral part of the company's mission.' (Anne Mulachy, former chairperson and CEO of Xerox Corporation)

I am often struck when I attend conferences how often I hear sentiments similar to that quoted above, highlighting how employees mean everything to organisations and consequently how organisations should be implementing HR policies and practices effectively to ensure that their wellbeing, role and work environment is conducive to maximising organisational productivity. But we know something is going wrong. ONS statistics highlight that mental health related sickness absence is still reported as one of the main reasons for why employees take time off work, and OECD productivity levels indicate stubbornly low (or lack of) productivity growth since the recession of 2008.

A number of explanations have been put forward to suggest why this could be the case, with poor quality 'management' often being blamed. But managers are employees too, and if we want to get the most out of managers, is it time that we stopped squeezing them too much?

Why is Management Important?

'People join an organisation, but leave a manager'. This does seem like a worn out phrase but there is still a lot of truth behind it. In 2012 the Department for Business Innovation and Skills published *Leadership & Management in the UK – The Key to Sustainable Growth,* highlighting that improved business performance and improved employee performance would benefit from 'good management'. The report also suggested that weaknesses in managerial capability meant that organisations were not reaching their full potential by creating cultures of engagement; confidence and resilience to internal and external pressures; productivity and a failure to invest in skill development.

The work of Bloom and Van Reenan has provided a range of evidence suggesting that management capability is a key determinant in organisational performance, with Bloom et al. (2012) highlighting:

■ Substantial links between a variety of management practices and organisational performance, and this can also occur across sectors (eg organisations in the public sector have persistently low performers who are less likely to be retrained, providing limited input to organisational productivity)

■ Investment in the education of managers is strongly linked to superior management performance.

■ Management practices vary between countries, and the UK is ranked seventh of the twenty countries included in their studies (with the US, Canada, Germany, Sweden and Japan all displaying higher levels of management).

Dame Carol Black (2008) was very clear about the role of management and its implications for employee performance and health, reporting that:

'Good line management can lead to good health, wellbeing and improved performance. The reverse is true of bad management. Good health equals good business.'

Donaldson-Fielder et al. (2013) reported the consistent message that the way in which employees are managed plays a pivotal role in improving workplace wellbeing and reducing sickness absence levels, occurring through enhancing positive wellbeing, reducing the causes of employee stress, modelling 'healthy behaviour', and providing support to employees who may suffer from health conditions. Munir et al. (2011) defined management quality as the extent to which employee supervision was offered and provided, the provision of development opportunities and the consideration of job satisfaction and work planning. Management also has a role in developing a stress-free environment (a stressful environment can negatively affect employee motivation, commitment and performance), and have the skills to address related issues (BEIS, 2012).

How are UK Managers Performing?

There is now an accumulation of evidence to suggest that management in the UK is not as good as it can be:

■ A Cranfield University School of Management survey of UK employers (2013) reported that 64 per cent of employers perceived the lack of UK management skills and development held back productivity growth, with 68 per cent thinking that these deficiencies meant employees did not reach their full potential.

■ This loss of productivity was reported to cost UK businesses over £19 billion/year in lost working hours (CMI, 2012).

■ Management positions are becoming harder to fill because of skill shortages (UKCES, 2013), and plans to rectify management training and management skills gaps are too late with the likelihood that management positions will go unfilled, or filled by those without the sufficient training for the role.

■ Of those managers already employed, the UKCES (2013) found the five skills they most lacked included: strategic management skills; planning and organisational skills; teamwork; problem-solving and oral communication skills, with a third of organisations responding that in the previous year managers had not received any training or, if they had been trained, had not had the opportunity to implement what they had learnt.

This paints a rather bleak picture of the state of management in the UK. So what is to be done? Our view is that one management role in particular needs to receive more attention and investment - the First Line Manager.

First Line Managers

'If I could wave a magic wand, the one thing I would do is to improve the relationship between line managers and employees…The nature and characteristics of the jobs that employees are required to do in terms of satisfaction, reward and esteem and degree of control are vitally important to them. The line manager has a key role.' (Dame Carol Black, in Engaging for Success)

Employee productivity is not solely based on the work environment that individuals are in, but how they are motivated and managed (Drucker, 2002), and line managers have an important role in how an employee experiences work. They have been described as being 'vital' in making the difference between low-performing and high-performing organisations (Hutchinson, 2008) and have been referred to as being a 'critical factor' in an employee's overall experience of work as a result of their direct supervisory responsibilities in the implementation and embedding of organisational policies and practices (Bowen and Ostroff, 2004; Hutchinson and Purcell, 2010; Evans, 2017).

If the line manager's role is so critical, and if we want to take steps to improve their performance and impact, we need to ask:
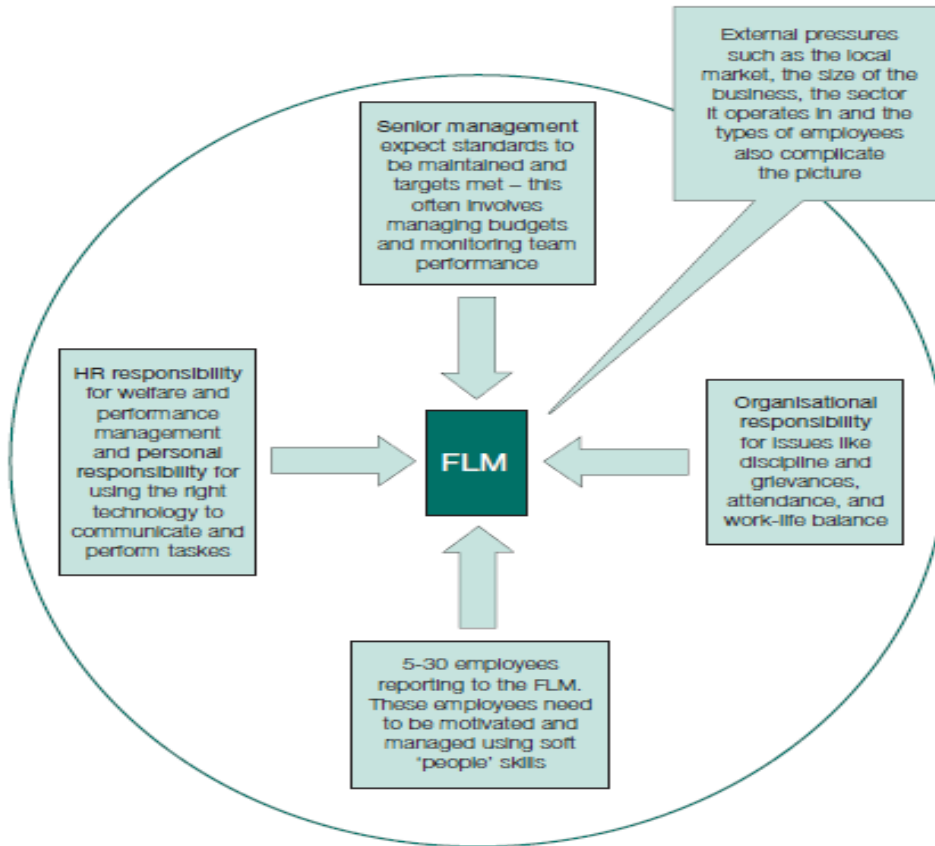
■ What do line managers *actually* do?

■ What is the current evidence about line management effectiveness?

■ How do we get the best out of line managers?

Let's start by looking at what they do and the multiple demands which they are called upon to juggle.

What do line managers actually do?

While no two line managers have quite the same jobs, it is clear that their roles are often complex, pressurised and 'squeezed'. This is illustrated in Figure 1 below, taken from a helpful Acas document on line managers. It shows that many line managers have to deal with demands and responsibilities which come at them from a range of directions, both reducing their bandwidth for taking on new tasks and compromising their ability to perform to their full potential.

Figure 1 – Multiple Pressures on First Line Managers

Senior management expect standards to be maintained and targets met – this often involves managing budgets and monitoring team performance

External pressures such as the local market, the size of the business, the sector it operates in and the types of employees also complicate the picture

HR responsibility for welfare and performance management and personal responsibility for using the right technology to communicate and perform tasks

FLM

Organisational responsibility for issues like discipline and grievances, attendance, and work-life balance

5-30 employees reporting to the FLM. These employees need to be motivated and managed using soft 'people' skills

(Source: Acas, 2014)

Line managers are often referred to as the 'squeezed middle' partly as a result of the range of responsibilities they are expected to take on, which have expanded beyond their traditional supervisory roles (Hales, 2005; Purcell and Hutchinson, 2007; Evans, 2017). This can result in them facing a range of pressures from a variety of organisational angles. For example:

- Line managers can feel pressure from those who report directly to them, with evidence to suggest that in some sectors, spans of control for some line managers can be up to 30 employees. All of these employees will need attention, support, feedback and coaching if they are to be motivated to work towards organisational goals, and line managers also need to actively monitor their performance. This pressure from below requires the use of 'soft skills' and managing expectations can be emotionally and practically demanding.

- First line managers may also experience pressure from senior managers, in terms of how line managers comply with the implementation of policies and procedures, how organisational standards and practices are maintained, and the setting of targets. Hutchinson and Purcell (2007) remarked that line managers are those who bring 'policies to life', whereas Hales (2005) called them the 'final frontier' in an

organisation's managerial structure, playing that crucial role in ensuring the effective front line delivery of HRM.

■ Alongside this, line managers also have an increased role in the implementation and delivery of HR practices. These include performance management, distribution of rewards and ensuring that organisational communication is occurring adequately. In their study identifying the key tasks that line managers undertake, Hutchinson and Purcell (2007) concluded that line managers are also involved in a range of learning and development activities – both formal and informal, specifically identifying and agreeing employee training needs (something usually conducted during annual appraisals) and in some cases even delivering the training.

■ There are also a range of wider organisational responsibilities that line managers undertake, including implementing discipline and grievance procedures, maintaining employee standards, deciding what targets need to be set and met, and they sometimes may have budgetary responsibilities. Other tasks may also include: induction activities (arranging work shadowing or organising a buddy or a mentor to advise a new employee); career development activities (which may include job rotations) and the provision of access to challenging work or helping employees to become members of project teams.

■ The above points are the expectations of line managers from inside an organisation, but there may also be external pressures that line managers are subjected to, including maintaining a suitable level of customer or client satisfaction, consideration for the range of external pressures that may have an impact on organisational activity or productivity, and presenting a positive brand externally.

And all of this is done on top of the job they were originally hired to do and any technical or professional role they are expected to perform as their 'day job'. Against this background, we think it is legitimate to ask whether HR is being realistic about what it is asking line managers to do. Are we squeezing the squeezed middle too much? The answer to these questions may lie in the current evidence regarding line manager effectiveness.

What is the current evidence around line management performance?

'If you want someone to do a good job, give them a good job to do.' (Frederick Herzberg)

It is clear why organisations want line managers to do a good job – the implications of high sickness absence, presenteeism, low productivity and unwanted turnover are very costly and organisations, especially in a tight labour market, want to hold on to their best workers. However, with the 'squeeze' in roles that line managers have, do they have the opportunity to do a 'good job' and are we providing them with sufficient support?

Evans (2017) argued that this widening of our expectations of line managers results in high levels of conflicts and pressures, which could lead to line managers having a heightened propensity to experience role stress, with Townsend and Russell (2013) outlining that increasing line management responsibilities have also been associated with a decline in their quality of work. Evans (2017) describes 'role theory', suggesting three

different sources that can lead to role stress: *role overload* (an incompatibility between the time available to complete work and the volume of work to do); *role conflict* (inconsistencies with role expectations meaning that the compliance with one expectation may make it difficult to fulfil another) and *role ambiguity* (where there is little information about how to fulfil the roles, or where there is a lack of clarity). Hutchinson and Purcell (2010) implied that role stress could be a contributing factor explaining why line managers may not be fully effective in undertaking their devolved HR roles. Other negative performance indicators have also been reported, including: lower job satisfaction and performance, increased intention to quit and reduced willingness in commitment to the role. In a study of frontline managers in retail, Evans (2017) found that role overload meant that some tasks could not be delivered and were neglected with 'lack of time' commonly cited. Line managers seemingly prioritised tangible and measurable responsibilities, which meant that planning for long-term priorities was often not considered. Finally, the lack of clarity in their roles often coincided with limited or no support, meaning that policies were implemented inconsistently or with little understanding of what employee needs should be prioritised.

Another theory that has been discussed with regards to the effectiveness of line management (especially in relation to the implementation of human resource practices) is the 'Ability-Motivation-Opportunity' (AMO) theory (Boxall and Purcell, 2003). It suggests that line managers will perform well when they are *able* to do so (they have the knowledge and the skills necessary), they have the *motivation* to do so (they want to do the role and are adequately rewarded for what they do) and are in a work environment that provides the *opportunity* to undertake the role (they are given the support to enable the behaviours expected from them) (Bos-Nehles et al., 2013). If line managers have AMO to implement human resource practices, they should be successful in making the systems salient and consistent across their employees (Van Waeyenberg and Decramer, 2018). In a study investigating line managers in Finland, Van Waeyenberg et al. (2013) found that a line manager's ability and motivation to implement HR policies and practices were positively related to the perceived satisfaction of their direct reports. By contrast, the level of role conflict a line manager had was negatively related to perceived employee satisfaction. Similarly, Bos-Nehles et al. (2013) argued that ability had an independent and direct positive effect on HRM implementation by line managers, but at the same time their ability could be influenced positively or negatively by a manager's motivation and opportunity. The researchers also found that when policies were clear and when they were supported, line managers with ability were able to successfully undertake their roles.

The CIPD also undertakes 'employee outlook' surveys to analyse aspects of employee health and wellbeing. The influence of line managers is considered in their reports, with results indicating that perceptions of line managers are mixed. Recent CIPD statistics (2017) indicated that almost four-fifths (78 per cent) of employees have a line manager who they report to as part of their job (although this does mean that 22 per cent perceive they do not have a line manager, and consequently may not be receiving the professional and personal support they require to undertake their role). Employees in the public sector were more likely to be satisfied with their line managers than private sector employees. Positive perceptions of line managers were related to being treated fairly, the provision of clear expectations, being supported when a job has been done well, and listening to

suggestions. However, areas where line managers need to improve include: coaching employees on the job; the discussion of training and development needs; providing feedback on performance and acting as organisational role models. This can have negative implications for employee motivation and productivity if employees are not encouraged to work to their full potential. CIPD (2014) research has also recognised that there is a mismatch between expectations of managerial behaviour between managers and their employees and this can have an impact on both the quality and the content of line manager meetings and the employment relationship.

This leads us to a further question: if we squeeze line managers too much, how do we get the best out of them?

How do we get the best out of line managers?

'We don't train people to manage other people. We train them to expand their knowledge but we don't train them to change their behaviour.' (Sir Professor Cary Cooper)

From the evidence presented, we can conclude that some organisations have underestimated how tough it can be for line managers to undertake the role (and undertake it effectively), yet evidence also shows the importance of the role that they have. Clearly more has to be done to help line managers and/or organisations to develop realistic expectations as to what line managers can feasibly do with the time and resources that they have.

Hutchinson and Purcell (2007) suggested the three main concerns regarding line management effectiveness centred around:

■ their lack of skills and knowledge about the roles they need to do;

■ competing priorities and work overload;

■ a lack of commitment to people management.

Some of these concerns occur because it is still common practice in many organisations to promote people to line management roles as a result of positive performance in a technical or professional role. However, this does not mean that an individual who is an outstanding engineer, accountant or teacher is good at pastoral roles or has the 'soft skills' and emotional intelligence that managers need to successfully engage with their employees. In a discussion regarding employee wellbeing on behalf of the British Safety Council, Professor Cary Cooper reiterated this point:

'The promotion of people on the basis of their technical competence is one of the reasons why our productivity per capita is so poor. If we did an audit of our managerial staff from shop floor to top floor, around 20 per cent of them would prove to be very skilled technically but should never be left alone near people and are untrainable. Around 50 per cent need training and some 20 or 30 per cent have natural people skills.'

If organisations are not fully equipping line managers with the skills and tools they need for their role, is it the line manager's fault when something goes wrong? And more

importantly, what systems do organisations have in place to rectify the situation when they discover a line manager is not suited to the role?

One way that organisations have tried to rectify this is to offer line management training, but evidence suggests that this is not common practice. For example, the CIPD (2014) Learning and Development survey noted that nearly 40 per cent of organisations reported inadequate training or a lack of training of line managers, and linked this to having negative implications for line management capability. Additionally, the survey also found that 26 per cent of organisations had not even prioritised line management training. In a HR Outlook report (CIPD, 2017) one in six HR professionals reported that line managers had received neither formal or informal support when having to undertake new HR responsibilities in their role.

However, it is important that organisations don't just fall into the 'training trap' and assume that just because someone has received line management training they will be fully qualified to deal with all the issues that line managers face. Harris et al. (2002) identified that the increased bandwidth of tasks and the reduction of support that line managers have to complete them leads to line managers feeling 'dumped upon'. There is a reluctance to take on extra duties especially if this detracts from their ability to devote time to their 'technical role' for which they have measurable outcomes on which they are appraised. In these situations the more time consuming and complex 'people management' aspects of line management may be the first duties to fall by the wayside when the 'squeeze' occurs.

There is also a need to consider the health and wellbeing of the line manager, and how they cope with the stress that the work overload associated with the role may bring – something that is often forgotten in line management discussions. As line managers are squeezed and have conflicts and pressures from all directions, it is important that organisations recognise the implications that this can have for their mental health. Nicklas Beer at the OECD has been studying 1,500 line managers in medium and small sized companies in Germany, looking at the results from self-report questionnaires about their mental and physical health. The study also looked at the health outcomes of those they manage, concluding that employees managed by line managers with poor physical and psychological health also reported having poor health. So, equipping line managers with the skills to cope with their stress and workload is also important for improving the productivity and wellbeing of the employees who report to them.

So what can organisations do to help? The CMI (2014) and BIS (2012) have provided a range of 'top tips' for improving the quality and performance of first line managers:

■ Organisations need to recognise that good line management matters and how employees are managed is crucial to organisational success.

■ Good working practices should be implemented as a business strategy throughout the organisation. Thus, when recruiting or promoting employees into positions where they will have line managerial responsibilities, it is important to take into account personal and people management capabilities as well as technical competencies.

■ These good working practices also extend to continued professional development which can include the provision of training, support and mentoring to line managers (solely 'on-the-job' development is inadequate). If line managers are not prepared with necessary people management skills before they take on the role, then appropriate training should be provided within 12 months.

■ Clarity is needed in organisations about what good line management skills and behaviours look like, including: recognition, empowerment, reviewing and guiding, feedback, reward/praise and autonomy.

■ Effective management needs to occur at all levels, not just line management. It is therefore important to undertake an audit of management skills and address skill deficiencies.

IES has a long research history investigating the competencies and skills that best describe 'engaging managers', to understand just how such managers behave in dealing with their employees. 'The Engaging Manager' report (Robinson and Hayday, 2009) identified a range of characteristics that engaging managers may exhibit. These included:

■ Managers who are focussed on business goals, but review results on a regular basis with teams, wanting to improve the team and look for development opportunities.

■ Those who are good communicators, explaining points with clarity as well as being able to listen to the team and include them in decision making.

■ Managers who can promote the 'big picture', understanding where employees 'fit' in the organisation and what contribution they make.

■ Being able to empathise with the team, and have sensitive conversations with tact, having an understanding of what motivates employees and appreciating the contributions that staff make.

■ Managers who develop those they recognise as having potential and provide them with development opportunities, coaching those who may be having difficulties.

■ Having the ability to energise employees, recognising and celebrating success.

■ A manager that looks out for their team, encouraging them to put forward ideas and suggestions for improvement, and willing to resolve disputes that could have an impact on employee wellbeing.

■ Those who can remain calm and reliable in a crisis, showing loyalty to their team and considerate of the interests of those around them.

■ Managers who understand their team and the organisation, willing to tackle any difficult situations and acting with integrity.

■ Having an understanding of how to manage resources and allocating them appropriately with a team, including the ability to delegate when necessary to ensure that timescales are met.

■ Managers who can sometimes 'break the rules' but do so with the best intentions of their team and the organisation, and encourage innovative ways of working.

The research reported that managers may display a range of characteristics, but by giving managers an understanding of what engaging behaviours they have, and to make them aware of the areas in which they may need develop to engage their staff more effectively. Some of these behaviours may be more 'trainable' than others and some may develop through people management experience. However, it is important that organisations and managers themselves are able to recognise what behaviours are being adopted, and which would be beneficial to avoid. To help, IES have developed a 360º engaging manager assessment tool, which provides managers with insights needed to develop their skills and to improve their team's engagement. With the ability to identify where managers are the strongest and which behaviours can be improved with the least effort, the tool aims to help managerial good practice.

Conclusions

It is clear that line managers are an important part of an organisation, especially as they are key in the implementation of HR policies and putting them into practice. They are also important in developing relationships with employees, trying to engage, develop and motivate them towards organisational goals. However, too many organisations are promoting people into these positions without ensuring that line managers have the adequate skills and competencies to effectively manage people, and the stretch in both time and resources has led to managers feeling the squeeze. This has meant that some 'people management' aspects of the role may be forgotten or neglected to the detriment of employees; or if line managers 'embrace the squeeze' to the detriment of their wellbeing, this can also have a damaging impact on employees.

Organisations do have a real challenge here, but there is an imperative to get this right – for if your employees are your greatest asset, then it is important to manage them correctly.

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