

In defense of the Middle-Manager



"The demise of the middle manager correlates all too suspiciously with the rise in the cult of the CEO "

"The notion that the middle manager is obsolete is both premature and dangerously misguided "



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A position paper from the TWC Consulting Group

The world of businesses is in a crisis of management and has been for at least the last 20 years.

With this statement, we do not refer to the recent financial meltdown or the current stock-market malaise; we refer to the organizational management muddle enterprises have been in now for quite a while.

Nobody has a kind word to spare for middle managers in organizations; eyes of the world are on C-level executives, usually with tales of excess - both positive and negative though recently the later seems to prevail. Since the 90s and the rise of the knowledge-enterprise, middle management had been put on notice. So, has middle management really overstayed their welcome, as they say, or is there more to it?

The business magazine 'The Economist', as ever so often, hit the nail on its head, with a recent article. Therefore, allow us to start this position paper with a verbatim extract¹:

> *"Although it may be fashionable to give middle managers a shoeing, there are still reasons to believe that theirs is not a wholly useless profession. A recent survey by the Economist Intelligence Unit (EIU), our sister organization, found that an employee's relationship with his line manager is the most important factor in determining whether he remains motivated and productive. As Marcus Buckingham, a management writer, once quipped: "people join firms but leave managers". This means that promotion to middle management should be considered too important to be merely a reward for good performance in a functional role. Instead, it should be nurtured as a skill in its own right. Ethan Mollick, a professor at Wharton Business School in Pennsylvania who has studied processes within firms, argues that bureaucracy and middle management are not necessarily synonyms. Firing low performers is one thing, he says, but cutting back on managers per se can be counter-productive. Rather than seeing them as an unnecessary layer of bureaucracy, firms should concentrate on developing managers with enough initiative to balance the needs of the company's day-to-day operations against the need to implement the board's wider strategy. Managers can also act as an important barrier, deciding which issues from below are worth passing upstairs.*

Stealing the big boss's thunder

However, this tendency of the best mid-ranking managers to interpret orders from above can leave the big cheeses resentful. Indeed, it could be argued that the demise of the middle manager correlates all too suspiciously with the rise in the cult of the CEO.



"The notion, that we can rely on C-level alone to manage companies, simply does not make sense."

"Current middle management fuelled by outdated promotion strategies is ineffective"



Research has suggested that chief executives consistently overestimate their influence on a company. Antoinette Schoar, an economist at MIT, for example, found that the person at the top accounted for just 5% of a Fortune 500 firm's performance. The EIU's survey found that senior executives' belief in their own omnipotence leads them into thinking they, and not the line managers, hold sway over motivation and engagement in the firm. In fact, says David Bolchover, the report's author, the relationship between senior management and the grassroots of a company is practically zero. "It is surprising the number of people who do not even know the name of their CEO," he says.

("Undercover Boss", a British television program in which company chiefs take on the flimsiest of disguises to work on the shop floor, is striking for the fact that the grunts often do not know who they are even when they "reveal" themselves.)

There are further conflicts of interest at work. Not only is it in the interest of senior management to promote their role at the expense of the middle manager, it also suits the consultants who work on firms' HR strategy to compliment the people that are paying them. Consultants now concentrate almost exclusively on the idea of leadership; "management" is hardly mentioned. That simple change of emphasis can, after all, double their fee." <

It is refreshing to see a mainstream business magazine displaying such insight, contradicting current wisdom. We salute.

Now then, what? As mentioned in the Economist, middle management has been in decline for nearly two decades now, and disproportionate interest has been attached to C-level executives.

Both aspects spell bad news for the sustainable performance of enterprises, as they create a vacuum in strategic & tactical management and execution.

Since the rise of the knowledge worker and the flattening of organizational hierarchies, more and more layers of management have been trimmed. Per se, this was not a false move, but the notion that the middle manager is obsolete is both premature and dangerously misguided.

The notion, that we can rely on C-level alone to manage companies, simply does not make sense. Just look at reporting structures. Do the math. How many direct reports can any person reasonably handle: 3 - 5? 10 - 20? Well, academia is divided, but prevailing opinion puts it at 7 to 10. Considering companies of say up to 30/40 people that may well work, but these companies hardly will have established middle management structures. Looking at enterprises in the 200+ employee range, unless you camouflage by inventing fancy new names for middle management, this would exactly be what the enterprise will require to run effectively and efficiently.

One large sentiment is unquestionably correct. The current state of affairs is unsatisfactory. Current management fuelled by outdated promotion strategies is ineffective.

What is desperately needed is a revamp of the manager's position, job description and competency requirements. For far too long, middle manager positions were filled either by long-serving employees or employees judged as 'high performing' in their current non-managerial job.

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We would like to hear from you—be it in response to this position paper—be it with a specific organizational issue—or be it that you just want to create a superior enterprise.

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No allowance was given for the complete change of competencies needed to succeed in the new position or whether the person actually wanted the job (besides the monetary and social advantage).

This led to a total misunderstanding of the role and competency environment for the middle manager. Managers promoted in this dominant fashion often operate as glorified or highly paid functional staff, as their competencies, and often passions, are in operations.

As far as support for their new role goes, often it is nonexistent; at most, they receive some supervisory skills or people management training.

The recent 'talent management' craze made it even worse, as now there is a muddle of traits, knowledge, behavior, operational-quality wish-lists, and competencies all mashed into one, which makes the creation of a book of knowledge specifications or rather competency (= actionable knowledge, or, knowledge/behavior/process) specifications near impossible to action effectively.

Adding to that the fact that most middle managers to date spend and are held to spend an inappropriate amount of their time with fire-fighting or operational tasks, rather than doing what they were paid for: leading, facilitating, strategizing.

Let us unscramble this mess and propose an alternative.

Ø First, let's unscramble the misconception that leader = leadership.

Ø Second, let's destroy the spurious distinction between managers and leaders.

Ø Third, leadership is not a behavior or trait, nor is one born with it.

Ø Fourth, leadership is not the only thing a manager needs to know, i.e. there is a set of competencies apart from leadership that any manager at any level will have to master.

Taking it from the top:

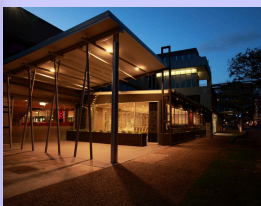
> 'Leader' as well as 'Manager' are primarily titles of authority. Leadership per se has nothing to do with authority. So, if you call a 'Senior Manager', now so politically correct, a 'Leader' it mainly bolsters the ego, it does not imply or represent leadership competency.

> There is no such thing as a manager without leadership competency requirements or a leader without management competency requirements.

To distinguish leaders and managers simply does not make much sense.

"A manager, at any level, has to be a Leader, a Facilitator, and a Strategist."

"It becomes clear that the Middle-Manager's competencies, and the need to master these competencies, are core to the effective running of a sustainable High Performance Organization"



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- > Leadership is a competency cluster, i.e. there is a set of competencies that form the cluster of leadership competencies that a manager at any level needs to master.
- > Furthermore, we postulate three competency clusters that make up the set of core competency requirements for any manager (-or 'leader'):

A manager, at any level, has to be a Leader, a Facilitator, and a Strategist.

In their leadership role managers, for example,

- > build trust throughout the enterprise,
- > ensure that the culture is guided by the vision and ring-fenced by core values & code-of-conduct to minimize the 'Lucifer effect',
- > enable people to deal with adaptive change

As facilitators they, ea., ensure

- > their teams are competent & subsequently empowered,
- > that performance management is effective,
- > that dynamics are alive & kicking by revising purpose maps, infrastructure, and re-introducing complexity;

As strategists managers make sure,

- > that corporate strategies are communicated and translated downwards,
- > that ever better approaches for stakeholder value understanding are built, implemented and acted upon at grass-root level,
- > that strategy response structures are functioning,
- > that system integrity is maintained,

among other things.

All this shows clearly that their competencies, and the need to master these competencies, are core to the effective running of a sustainable High Performance Organization.

Well, that addresses the competency issue, what remains is the clarity of purpose - what is a manager to do?

- 1) A manager has to re-introduce complexity into the organization
(Whereas the subject matter expert (functional expert) has the role of reducing complexity)
- 2) A manager is the custodian of organizational learning
(Building competencies)
- 3) A manager is the custodian of purpose maps
(Translating concept related stakeholder value aspects into competency requirements)
- 4) A manager is responsible for maintaining system integrity at his/her level
(Ensuring that decisions in his/her area of authority do not threaten the functioning or performance of other areas, and assessing the impact decisions in his/her area of authority have on the rest of the system (=organization))

People to serve as managers need to want the job, not just for monetary or prestige reasons and certainly not given as a 'reward' for longevity or 'good performance' in their existing role; they need to receive the education, competency training and especially the mentoring support necessary to become fluent in the three competency clusters, and they must be allowed to do their job.

A competent middle management is utterly crucial a) in guiding an enterprise to a sustainable High Performance environment and b) in managing that 'animal' effectively and efficiently. C-level executives alone, no matter how enlightened, competent or even brilliant, would be incapable of achieving this. And that does not even take the question of succession planning and management into account.

Well, three cheers for a competent middle management with clarity of purpose are in order.