Executive Summary

Every year thousands of employees are hired or promoted into their first management roles and every year an astounding number of them fail. While strong leaders are invaluable in setting the organization’s vision, strong managers are needed to communicate and operationalize that vision. Frontline managers are the lynchpin to organizational performance and business results, but only if they are provided with the right knowledge and skill sets to do the job. While most organizations would agree with this premise, many are still struggling with how to make their leadership and development programs drive greater business impact. External pressures such as globalization, powerful competition and the increasing rate of change are compounded by internal pressures to control and lower costs, demonstrate business impact and maintain accountability for results. What is the answer?

For companies grappling with the build vs. buy question, Intrepid Learning Solutions has developed a hybrid solution that offers the benefits of a tailor-made learning program combined with the speed of an off-the-shelf product. Intrepid’s Management Essentials Solution is a pre-developed solution that is based on best management practices, skills and competencies. Building upon this ‘off-the-shelf’ framework, Intrepid’s rapid tailoring process offers companies a learning and development solution that reflects their culture, corporate policies and processes, as well as a consistent branding (look and feel) with internal training materials. This tailoring is done for every client “out of the box,” with deeper customization available for an incremental cost, as appropriate. In addition, Intrepid offers companies a perpetual right to use the materials for a one-time fee, based on the size of their enterprise, offering significant savings over traditional enrollment-based pricing. This provides them with complete control of usage and a lower total cost of ownership over time.

While the obvious benefits are found in the program’s approach, effectiveness, implementation speed and cost savings, Intrepid’s Management Essentials Solution provides frontline managers and companies with a much larger value proposition: a tailored, talent-driven solution that satisfies the immediate development needs and business requirements while supporting the longer term operational and organizational strategy.

“…Nearly 60% of frontline managers underperform during their first two years in the seat, driving performance gaps and employee turnover across the entire frontline.”

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I. The Move to Management – A Critical Transition

Every year thousands of employees are hired or promoted into their first management roles and every year an astounding number of them fail. Linda Hill, Associate Professor of Harvard Business School writes, “...the transition from individual contributor to manager represent(s) a profound psychological adjustment – a transformation – as (managers) contend with their new responsibilities. New managers must learn how to lead others, to win trust and respect, to motivate, and to strike the right balance between delegation and control. It is a transition many new managers fail to make.”

This transition is merely compounded by a steady barrage of today’s business challenges and the driving forces of globalization, demanding stakeholders, budget cuts and a shortage of talent. Add to this an underperforming frontline combined with high numbers of disengaged and distrustful workers and it creates a situation that would test the mettle of the most seasoned managers let alone a newly promoted one. Is it any wonder many new managers fail to make the transition?

Frontline managers have a much larger influence on employees’ day-to-day performance than managers at other levels, and provide the most relevant leadership. A 2004 Corporate Leadership Council study of 50,000 worldwide employees revealed that “…the manager of frontline employees – in particular his or her effectiveness at managing people – is the most important driver of performance and engagement.”

To further illustrate the impact of the frontline manager, when an ineffective manager can shift to an effective people manager there is the potential to improve employee performance by 25%, employee engagement by 52% and employee retention by 40%.

Strong Frontline Managers: The Lynchpin to Results

Just as strong leaders are invaluable in setting the organization’s vision, strong managers are needed to communicate and operationalize that vision. They play a pivotal role in planning, organizing, leading and coordinating the resources to get the work done. As “critical agents in the people and performance causal chain”, they promote and implement HR strategies, onboard new employees, facilitate staff learning and development, provide effective coaching and guidance and manage employee performance. Strong managers can significantly influence and contribute to higher levels of individual, team and organizational performance. In short, strong frontline managers are the lynchpin to business results and to an organization’s success but only if they are provided with the right knowledge, skill sets and tools to do the job.

While a large part of a manager’s development will be learned through experience on the job, a clear understanding of what is expected of them in their new role along with a baseline set of both hard and soft skills will provide them with the foundation they need to be successful rather than overwhelmed. While it is the hard skills that will equip them to plan, organize, and coordinate the work, it is the soft people management skills such as leading, coaching, providing feedback and resolving conflicts they will draw from in their day-to-day activities.
Two key questions that all organizations must answer are:

1. What type of skills and competencies do new first level managers need to help them make the critical transition from individual contributor to successful leader and people manager?

2. What is the most efficient and effective means for helping them develop those skills and competencies both in the near and longer term?

II. Building a Foundation of Competencies

Regardless of the industry or type of business, competencies form the foundation for developing talent. Recent research has identified five competency areas that all first level managers must possess to be successful in their roles. They are: Leadership, Employee Engagement, Communication, Change Management and Performance Management.

1. Leadership: Persuading, Motivating, and Empowering

“Leadership development is one of the most valuable elements in a talent management strategy, creating the environment for employee engagement, superior performance and business growth.”

Leadership and management training and executive education account for the single largest spending area in corporate training today (35%). While it is not surprising that executives, senior managers and high-potentials are top recipients of that training, there is a trend underway that is pushing leadership training down the ranks. Businesses that are currently facing talent shortages realize that to remain competitive they must focus on developing and retaining talent at all levels. A recent study on high impact leadership development focused on identifying best practices and trends in leadership development processes reports:

“Organizations are clearly feeling the pinch of our changing demographics and see leadership development as a critical function to keep the (talent) pipeline filled. Furthermore, there is now a widespread understanding that “leadership” plays a critical role at all levels of the organization.”

Businesses can no longer afford to restrict leadership development and succession planning to top level positions. To have a readily available pool of talent to fill all levels of management requires that they expand their leadership development efforts to include first level managers.
In addition to focusing on developing and building their internal talent pool and growing leadership more quickly, companies are also focused on how to make their leadership programs drive higher business impact. They are beginning to understand that frontline managers are currently an untapped resource for strategic leadership development and that they hold great potential for far-reaching impacts.

Harvard Business School Associate Professor Linda Hill and author of “Becoming a Manager: Mastery of a New Identity” writes:

“Two tenets... are implicit in all definitions of leadership. The first is that leaders manage not simply by directive, but by persuasion, motivation, and empowerment; they identify and gain commitment to an exciting or challenging vision. The second is that leaders manage not only individual performance, but also group performance; as a way of exercising authority, they create the appropriate organizational context.”

Frontline managers must learn how to engage, persuade, motivate and empower their employees. They must learn the differences between managing individual performance and the performance of their teams or workgroups. They must develop the ability to communicate and gain employee commitment to organizational goals and then be able to create a work environment that enables and empowers employees to perform the work.

2. Employee Engagement: Increasing Commitment to Job, Team and Organization

“...Employees who are most committed perform 20% better and are 87% less likely to leave the organization….”

In 2004 the Corporate Leadership Council completed a global study of the engagement level of 50,000 employees worldwide from 59 organizations and 10 industries using a new model of employee engagement emphasizing business outcomes. It revealed, “The manager is the most important enabler of employees’ commitment to their jobs, organizations, and teams. Those employees who are most committed perform 20% better and are 87% less likely to leave the organization - indicating the significance of engagement to organizational performance.”

Further, “While commitment to the manager is often pointed out as the key driver of engagement... the manager actually plays a more important role as enabler of employee commitment to the job and organization. A good manager has the potential to increase an employee's commitment to their job by 34%, yet has the power to increase emotional commitment to the organization by 38% and to the Team by an astounding 47%.” The bottom line is when employees are committed to their organization and satisfied with their jobs they will 'go the extra mile', have fewer absences, stay with the company and prioritize learning and building their levels of competence.
Organizations seeking to tap into this powerful source of improved performance must provide learning and development opportunities to help frontline managers facilitate employee engagement and commitment. What does this take? Among the most effective levers for driving performance and retention through employee engagement are managers who:\(^{14}\)

- Demonstrate strong commitment to diversity
- Demonstrate honesty and integrity
- Adapt to changing circumstances
- Articulate organizational goals clearly
- Set realistic performance expectations
- Put the right people in the right roles at the right time
- Help find solutions to problems
- Accept responsibility for successes and failures
- Evaluate employee potential accurately
- Demonstrate a passion to succeed

While a few managers may possess some of these skills or attributes at varying levels the majority of new and newly promoted frontline managers want and need training and development opportunities. Providing them with a solid foundation that includes management basics, team and relationship building, leading change and managing employee performance will enable them to move with more awareness and confidence through territories that for them have been previously uncharted.

3. Communication: The Critical Conduit of Information

Frontline leaders are “the most sought out, yet uninformed, ill-equipped, and under-utilized communication vehicle of an organization.”\(^{15}\)

The role of communicator is one of the most critical roles a frontline manager will play, yet is also one for which they are typically unprepared. A study of frontline manager communication involving 539 communication professionals from over 50 countries underscored that frontline leaders are “the most sought out, yet uninformed, ill-equipped, and under-utilized communication vehicle of an organization.”\(^{16}\) These same professionals were asked to rate the level of importance frontline managers play in effective internal communication and 92% responded with “very important.”

One needs only to refer to the 2004 Corporate Leadership Council study of employee engagement to find that the top two most important drivers of engagement are a connection between employees’ job and organization strategy and employee understanding of how important their job is to organizational success.\(^{17}\) Who communicates this information to employees on a daily, monthly and annual basis?
First level managers are responsible for ensuring that employees understand how their jobs relate to the organization strategy and how their work contributes to the organization’s success. This doesn’t happen in a single conversation or at the quarterly or annual performance review. It occurs on a variety of levels, through actions and words, and reinforced over time. Ultimately, managers convey the value the company places on the unique skills and abilities an employee brings to the workplace and acknowledge the employee’s contributions to the team and to the success of the organization. New managers cannot be expected to automatically possess these skills any more than they can be expected to immediately garner employee commitment.

While employee engagement is a critical forecaster of company performance an organization’s ability to retain valuable employees is of equal import. Research supports the old adage, “Employees don’t quit the company they quit bad managers” and nowhere is it more apparent than on the frontline. In Buckingham and Coffman’s book, “First Break All The Rules” they cite a Gallup study of more than one million employees in which they discovered three factors that when present in the workplace, increased productivity, profitability, and customer satisfaction ratings and decreased employee turn-over. Ranked in order of importance they were:

1. I know what is expected of me at work.
2. I have the materials, equipment and resources I need to do my job right.
3. At work, I have the opportunity to do what I do best every day.

The frontline manager is in the best position and is responsible for communicating this information to the employee and for creating a work environment that meets these needs.

Frontline managers need training and support to understand how to communicate effectively, how to listen for meaning beyond the words, and how to understand the power of the spoken and unspoken messages they send. As they shift their focus from doing their own work to enabling the work of others, they must understand the type of information their employees need, when they need it and why, and lastly the best time, medium or channel to deliver that information.

4. Change Management: Sensing, Managing and Leading Change

“…frontline supervisors – not senior managers - are the opinion leaders in your organization”\(^{19}\)

It is an understatement to say that multiple forces are driving change through every organization across all industries and market sectors at an unprecedented rate. The only way organizations can and will be able to survive, let alone remain competitive is to sense and quickly respond to these intense pressures in order to remain in harmony with the marketplace.
The top five driving forces that directly impact the work of employees and their managers are: increased global competition, focus on the customer, operating efficiencies, the accelerating pace of change and the need for innovation.\textsuperscript{20} Organizations must equip frontline managers with the knowledge and skills they need to manage, coordinate and lead change. In “Reaching and Changing Frontline Employees”, T.J. Larkin and Sandar Larkin write that it is frontline supervisors, not senior managers, who are the opinion leaders within the organization which makes them critical to the success of any change effort.\textsuperscript{21}

Senior leadership and middle managers must provide new first level managers with the right type and amount of information that will help them assess and understand the changes that are occurring within the work environment and the organization. If they are to succeed, they must be provided with the right type of training followed up by opportunities to apply what they learn on the job as they communicate, guide and manage the change.

Frontline managers need to understand how to assuage employee fears, overcome resistance or anger, and deal with difficult questions for which they may not always have the answer. Ultimately, they must learn to adapt to the ever-changing landscape and help employees remain positive and focused on their own areas of responsibility.

5. Performance Management: Driving Results and Business Impact

…”line managers do play a vital role in encouraging, facilitating, initiating and even inhibiting, the learning and development of their staff.”\textsuperscript{22}

Performance management is the process of creating a work environment in which an individual is enabled to perform to the best of his or her ability. It begins when a job is defined and ends when the employee leaves the organization. First level managers are responsible for managing the performance of their employees and team members. Using this broader definition it includes the following:

- Recruiting and Selection
- Education, Training and Development
- Employee Coaching and Feedback
- Performance Appraisal
- Compensation, Recognition and Reward
- Promotions and Career Development

Most organizations provide some form of tactical training on the policies and procedures side of performance management. This includes employee performance appraisals, compensation and reward systems, HR policies and other areas of employee health, safety and welfare. While these are important, many companies overlook the more strategic people management skills that have been proven to yield higher benefits and result in business impact. Three of these areas include the manager’s role in: a) bringing HR policies to life, b) facilitating employee learning and development; and c) coaching, mentoring and on-the-job training.
IV. Growing Competitive Advantage

Still Struggling to Get it Right

Despite increased focus and expenditure on developing and building their internal talent pools, organizations still struggle to increase the effectiveness of their leadership and management development programs, and to integrate them more thoroughly with their talent management programs. Unfortunately most companies are still in the early stages of developing their talent management process. A 2008 study of 976 companies around the globe revealed that only 5% say they currently have a clear talent management strategy and operational program in place.23

Another challenge facing learning and development organizations is the constant need to control and reduce costs. This means reducing headcount, doing more with less and increasing accountability for results. The challenge is only compounded by the increasing rate of change in technologies, products, competition, cost of resources and customer requirements. It is within this context that organizations are seeking the most immediate, effective and efficient solutions for developing their talent. In response, Intrepid has developed a tailored management training program with off-the-shelf speed and efficiency in addition to longer term cost savings and effectiveness.

V. A Strategic Approach to Management Training

As a result of the increased focus on growing competitive advantage and driving organizational performance, many companies have turned to a “talent-driven” learning approach. This approach focuses on building longer-term competitive advantage by providing targeted or prescribed learning programs that are organized around job roles and career paths and focus on developing “deep rooted competencies, behaviors and culture.”24

Intrepid fully understands the power and benefits of this approach as well as the enormous time and expense involved in building or licensing these programs. We have developed a talent-driven learning framework that organizations can adopt as an integral component of their talent management strategy. Intrepid’s Management Essentials Solution provides companies with a competency-based, talent-driven program with off-the-shelf speed, a continuity of design, and an overall lower cost of ownership.

The Management Lifecycle – A Competency Framework for Performance

Intrepid’s frontline manager program is based on the numerous competencies and skills that managers must possess to meet both short and long term challenges. Built around the typical ebb and flow of the management lifecycle, the framework is comprised of four stages. Each stage is comprised of a core set of competencies and skills and is designed to provide a strategic blend of leadership, operational and people management experiences.
While Intrepid’s competency framework and management training provide a strategic blend of leadership and management competencies, we realize there are other critical considerations all organizations must also consider when evaluating off-the-shelf training programs. Companies want training programs that are tailored, aligned with their business strategy and able to convey their culture, vision and values. External pressures such as globalization, powerful competition and the increasing rate of change combined with internal pressures to control and lower costs are requiring that learning organizations develop solutions and implement programs faster and at a lower cost. What is the answer? A Hybrid Solution.

VI. A Hybrid Solution: Speed of Implementation, Differentiation and Lower Cost of Ownership

“Intrepid’s Management Essentials Solution provides organizations with the value of speed, the benefit of tailored materials and a lower total cost of ownership.”

A closer look at many frontline management training programs reveals that although the models, tools or processes for applying them may vary, all teach essentially the same set of management skills, competencies or best practices. Where the real differences between these programs lie is the level and degree to which they reflect an organization’s culture, policies, and processes. Incorporating these company specific characteristics is what transitions an undifferentiated off-the-shelf management program into a strategic and highly differentiated talent-driven program.

Intrepid has developed a management training framework that can provide organizations with a tailored, talent-driven learning solution in a dramatically shortened timeline and at a significant cost savings. How do we do it?
1. Speed of Implementation – A Hybrid Solution

All organizations grapple with finding the best solutions to their challenges that fit their budgetary constraints. The benefits of building a management program internally is close alignment with business strategy, cultural fit of materials and continuity of design. The challenges here are that this approach is time consuming and expensive to develop and implement – a considerable hardship for today’s learning organizations. A second approach is to buy an “off-the-shelf” program which offers speed of implementation and established and proven content while lacking the alignment and close cultural fit. Intrepid offers a third approach, a pre-developed solution that includes baseline tailoring modifications which we refer to as a “Hybrid Solution”.

Intrepid’s Management Essentials Solution offers the benefits of an internally built learning program combined with the speed of an off-the-shelf product. It is a pre-developed solution based on best management practices, skills and competencies. Including our rapid tailoring process as part of our “off-the-shelf” offering is how we offer companies a highly-differentiated learning and development solution that reflects their culture, corporate policies and processes, as well as a consistent branding (look and feel) with internal training materials. Our performance management framework provides organizations with the agility, speed and convenience of an off-the-shelf solution while offering well-established, easily tailored course materials. This approach provides companies with a highly efficient and effective management training solution that aligns with and supports their business goals as well as their broader talent management strategy.

2. Tailored Content: Conveying Organizational Vision and Values

Just as frontline leaders represent “the face of the company,” so does the training a company provides. Learning programs are prime vehicles for conveying what the organization values as well as its expectations and standards of performance. Intrepid understands the importance of this and has worked to refine a proprietary methodology which enables us to tailor our basic programs to reflect an organization’s policies and processes and to successfully integrate with its talent management strategy.

While other vendors may offer to customize the content of their programs, it is quite often superficial and involves replacing terms, or adding a client-specific case study or role play. Unfortunately they stop short of integrating critical company policies, processes and procedures that specifically align with the business strategy and broader leadership and talent development strategies. Intrepid offers this “out of the box.” Deeper customization is also available for an incremental cost, as appropriate.
3. Lower Cost of Ownership

Investing in a leadership or management training curriculum can require a sizable upfront investment as well as in most cases an ongoing one due to per enrollment content licensing fees. Given the variability and frequent turn-over that often accompanies frontline management positions, companies can find themselves having to perpetually offer the courses. Even if they pay initial start-up costs and a one-time fee for customizing the course, they continue to pay a licensing fee for each and every student every time the class is taught. In some cases, if there is a need for minor modifications to the customized program, companies must pay additional charges. This translates into higher costs as companies pay more for the same content over and over. In contrast, Intrepid offers a perpetual right to use the materials structured as a one-time fee based on the size of the organization.

Intrepid’s Management Essentials Solution is designed to provide a solid framework grounded in best management practices and adult learning. It offers a timely solution to an immediate problem with significant cost savings over the traditional licensed courseware.

VII. The Ultimate Value – Business Impact

Frontline managers can significantly influence and contribute to higher levels of individual, team and organizational performance if they are provided with the right knowledge, skill sets and tools to do the job. While a large part of a manager’s development will be learned through experience on the job, a clear understanding of what is expected of them in their new role along with a baseline set of both hard and soft skills to draw from will provide the foundation they need for success.

Intrepid’s Management Essentials Solution provides frontline managers with the right set of knowledge, skills and competencies they need to significantly influence and contribute to higher levels of individual, team and organizational performance. It also offers organizations a tailored, talent-driven solution that meets the immediate development requirements while serving the longer term organizational needs. Tailored materials and continuity of design ensures program alignment with business strategy, while granting a perpetual right to use the materials provides complete control over usage and a lower total cost of ownership over time.

While the obvious benefits are found in the program’s approach, effectiveness, implementation speed and cost savings, Intrepid’s Management Essentials Solution provides frontline managers and companies with a much larger value proposition: a tailored, talent-driven solution that satisfies the immediate development needs and business requirements while supporting the longer term operational and organizational strategy.
Beyond The Classroom: When Instructor-Led Training is Not Enough

Getting instructor-led management training right is crucial as the first step in driving business productivity. Enabling ongoing learning and development beyond the classroom is the next. We know that formal training represents only the tip of the iceberg in terms of how people learn. Intrepid’s approach to a holistic learning and development program requires three categories or modalities of learning - formal, agile, and social:

- **Formal learning:** “We know what you need.”
  Traditional objective based learning, conducted live and in person, live and virtual, or self-paced via the web.

- **Agile learning:** “I’ll find what I need.”
  On-demand, portal-based learning with a premium on speed of access, learner convenience, and self-direction.

- **Social learning:** “Together, we’ll develop what we need.”
  Technology-enabled (Web 2.0) peer-to-peer learning that takes place while people are conversing, connecting, and reacting/critiquing.

These three elements of learning can be integrated via a web-based portal that maximizes workplace learning in a world in which the standard user experience has been redefined by Google™ and Facebook™. To address this need, Intrepid will soon be offering a turn-key management development portal, as envisioned in the example shown here.
References


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About the Author

Pamela James-Sommer, M.A.

Pamela James-Sommer is a Senior Performance Consultant with Intrepid’s strategy consulting practice. She brings over 13 years of experience in the areas of leadership and talent development, organizational learning, and performance improvement strategies. Pamela has worked with global clients including The Boeing Leadership Center, Microsoft, Toronto-Dominion Bank Financial Group and Fidelity Investments. A double alumna of San Diego State University, Pamela holds a Masters degree in Educational Technology and a B.A. degree in Psychology.
About Intrepid Learning Solutions

Intrepid Learning Solutions is a leading provider of learning and performance consulting, outsourcing, and research services to global companies. With industry-leading expertise in learning management, business process outsourcing, and research, Intrepid delivers transformative business results for its clients.

Since its founding in 1999, Intrepid has rapidly established itself as one of the leading providers in the learning business process outsourcing marketplace. President and CEO, Vikesh Mahendroo, attributes the company’s growth “to our approach of partnering with clients to provide industry leading performance solutions.” Intrepid’s proven track record of providing comprehensive learning services to leading global companies has attracted a wide range of clients in aviation and aerospace, technology, financial services and other industries.

Intrepid has been recognized as one of the country’s “Top Twenty Outsourcing Firms” by TrainingOutsourcing.com and in August, 2007 was ranked by Inc. magazine as 79th on its 26th annual Inc.500 list of the fastest-growing private companies in the U.S.

For more information about Intrepid, visit www.intrepidls.com.