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Meeting the UK's people management skills deficit

Resilience through recession
The crucial role of people management

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The role of the line manager is an increasingly important and challenging one in the modern workplace. CIPD research consistently identifies good-quality line management as one of the core drivers of employee engagement (Purcell and Hutchinson 2003). It is the day-to-day behaviours of line managers that will, to a large degree, decide the extent to which employees will go the extra mile in their jobs and remain loyal to their organisation. It is line management behaviour that is also central to the degree people learn at work, their well-being and resilience and ultimately their productivity. These people management skills are more critical than ever as the UK's economy emerges from recession and positions itself for the recovery.

The recently published Acas booklet on front-line managers, recognises that managing staff can be the most rewarding aspect of a job, but also often the most challenging, because of issues that line managers have to cope with, from dealing with employees who regularly arrive late to two colleagues accusing each other of bullying, or a senior manager who repeatedly undermines their role as team leader.

Good line management cannot exist in a vacuum without the support and strategic leadership from the top in creating organisational cultures where management styles based on openness and mutual respect can flourish. The senior management team will influence how managers throughout an organisation see their jobs and the extent to which they place a priority on people management.

Line managers need to be able to communicate effectively with employee representatives, knowing when to consult and how to do it.

Line managers also need a clear understanding of the link between the strategic objectives of their organisation, their department or team objectives and their day-to-day people management in areas such as: communication and consultation; training and development; and conflict, stress and absence management. They also need clearly communicated HR policies to provide a framework for consistent people management practice across the organisation.

In addition, line managers need to be given the opportunity to learn the key people management skills needed for their role. Initially, most line managers are promoted because they have particular skills or technical expertise, not because of their ability to manage people.

However, too few employers invest in people management training for their line managers. A 2008 survey of 6,000 employees across the UK, US and Europe by Skillsoft found that 80% of UK managers had been asked to do things at work for which they feel they should have been given some training beforehand, with managing people at the top of the list. The survey *Essential Learning: The employee perspective* also revealed that 78% of UK employees identified line management as the job function in most need of additional training. This figure was far higher in the UK than in the USA or the

rest of Europe, where respondents had more faith in line managers, which is not surprising given that the UK spends less per manager on management development than any other European country (Leitch Review 2006).

This inadequate investment in management development is reflected by evidence showing that the people management skills of many of the UK's estimated 4.3 million managers are not up to the needs of the modern workplace in a number of critical areas:

Supporting learning and development
CIPD research has identified a shift over the last few years from training as an instructor-led, content-based activity to learning as a self-directed, work-based process in which the line manager plays an increasingly important role (CIPD 2008b). Line managers now have greater responsibility over people's career development and promotion, as well as for coaching and supporting informal, on-the-job learning.

The CIPD 2008 *Who Learns at Work?* survey reveals that half of training and development at work is now initiated by line managers, compared with just a fifth of training initiated by the HR or training department and a fifth initiated by the learner.

If and when new legislation is introduced to give employees the right to request training as the Government is proposing, line managers' role in this area will be given further weight. Moreover, they will face the added challenge of managing the expectations of those who request training, and ensuring that those who are turned down do not feel unfairly treated.

However, according to the CIPD's spring 2009 *Employee Outlook* survey report, 44% of

employees say their line manager rarely or never coaches them and a third of employees report that their line manager never or rarely discusses their training and development needs. Fewer than half of employees say their line manager usually or always provides feedback on their performance.

Employees saying that their line manager usually or always coaches them, discusses their training and development needs or provides feedback on their performance are also more likely to say they are satisfied with their job.

If organisations want to ensure that their investment in training and development has maximum impact, they must make sure that they develop line managers' ability to support, accelerate and direct learning in the workplace. Line management behaviour will also decide to a large extent which employees are given the opportunity to use their skills and are motivated to put in discretionary effort.

Union learning representatives support skills development in organisations where they are present and line managers can engage with them to highlight interventions for individuals who would benefit. Line managers also need to be aware that learning representatives will themselves have training needs in order to ensure that they are effective in their role, and their rights to time off are outlined in the *Acas Code of Practice on Trade Union Duties and Activities.*

Managing conflict
The cost to employers of employment tribunal applications as a result of workplace conflict, both in monetary and reputational terms, is generally well known. However, the vast majority of interpersonal conflict at work never reaches an employment tribunal but

plays itself out in the workplace to damaging effect. On average employees spend 12 days each year dealing with conflict in the workplace – significantly more than time lost to absence (OPP 2008). Employers typically spend a total of 13 days in management and HR time on each disciplinary case and nine days on each formal grievance submitted (CIPD 2007). Conflict at work is also a significant cause of employee absence and employee turnover (OPP 2008).

One of the challenges in managing workplace disputes effectively is that, as a result of the increasingly complex legal landscape, more employers are relying on their HR departments and specialist legal advice. Line managers are shying away from tackling conflict in case they say or do something that exacerbates the problem, or which could be held against them during any formal proceedings (CIPD 2007).

This is counterproductive, as evidence shows that conflict is much less likely to escalate where managers have the skills and confidence to tackle conflict situations as soon as they arise. Inadequate line management is cited as one of the main causes of conflict at work by respondents to the 2008 CIPD survey report, *Leadership and the Management of Conflict at Work*.

Conflict management should be an integral part of leadership and management training. Managers must be able to identify the early signs of conflict and intervene and defuse situations before they escalate if teams are to work productively and harmoniously. Managers must manage underperformance firmly and consistently, as well as pick up on when banter starts to become bullying or when workloads become excessive.

Just as importantly, managers must learn to manage in a way that does not create conflict by providing clear objectives, communicating effectively and planning and managing individual and team workloads appropriately.Managers should also realise that building effective working relationships with employee representatives will pay long-term dividends preventing and resolving workplace conflict.

Managing stress and supporting employee well-being

Stress at work is, behind musculoskeletal problems, the biggest cause of time lost to employee absence, accounting for 13.4 million lost working days a year, according to the Health and Safety Executive (HSE). Stress at work also tends to result in long-term absence, with CIPD research finding that the average spell of stress-related absence is 21 days (CIPD/AHP 2007). It is also on the increase, with HSE statistics showing the prevalence of self-reported work-related illness caused by stress doubled between 1990 and 2007–08. The recession is likely to add to the levels of stress at work as a result of workforce cuts and increased competitive pressure. The CIPD's spring 2009 *Employee Outlook* survey found that about half of employees reported an increase in work-related stress as a result of the recession.

It is not just time lost as a result of stress that undermines productivity because many people suffering from stress and other common mental health problems remain at work. Research by the Sainsbury Centre for Mental Health (2007) estimates that the annual cost of such 'presenteeism' attributable to mental health problems amounts to £605 for every employee in the workforce. Stress is also

a significant cause of conflict at work and contributes to staff turnover.

The HSE defines stress as 'the adverse reaction people have to excessive pressure or other types of demand placed upon them'. Of course, a certain level of pressure in a business environment is desirable. Pressure helps to motivate people and will boost their energy and productivity levels, but when the pressure individuals are under exceeds their ability to cope, it becomes a negative rather than a positive force – in other words, stress. Stress is not in itself a medical condition but research shows that prolonged exposure to stress is linked to psychological conditions such as anxiety and depression, as well as physical conditions such as heart disease, back pain and headaches.

Managers are in many cases part of the problem. CIPD research finds that managers are the category of employee most likely to be identified as bullies within organisations (CIPD 2004) and that workload and management style are the top causes of stress at work (CIPD 2008a). Joint research by the CIPD, HSE and Investors in People (IIP) (2008) has identified four areas of management competency that are key to managing and mitigating against the causes of stress: managing and communicating existing and future work; managing emotions/acting with integrity; reasoning/managing difficult situations; and managing the individual within the team. These are all generic people management skills that managers at all levels should be equipped with, not just to manage stress but to manage performance and underpin employee engagement.

The core people management competencies

The CIPD and Acas have drawn on their extensive research and practical experience of providing line manager development to identify the key areas of people management competency needed for high-performing workplaces:

Managing work now and in the future
- gains, develops and communicates clear objectives
- develops action plans
- monitors work and workloads regularly
- sees projects/work streams through to delivery
- looks collaboratively for ways of improving work processes
- ensures work cover, manages rosters/workloads and discusses these with staff; deals with absence fairly
- maintains effective working relations with senior managers

Managing the team
- keeps team members informed on what is happening in the organisation
- holds regular team meetings with time for questions, discussion and views to be expressed
- encourages every member of the team to participate
- allocates and delegates work evenly among the team in line with their level of responsibility and experience
- allows the team to take some responsibility for work, work allocation and problem solving
- solves team problems quickly and effectively if need be by taking the issue up to senior management while keeping people informed

- takes part in the work of the team and joins in
- mixes with the team in work and at rest times
- protects the team from excessive work demands; knows when and how to say 'no'
- understands health and safety issues and the importance of well-being at work
- helps new team members to assimilate; prepares for team members to move on inside or outside the organisation

Managing the individual
- takes part and takes care in selection and induction to welcome and support the individual
- sets challenging yet achievable job and performance expectations/targets
- gives autonomy to let the person get on with the work
- often reviews performance and gives regular constructive feedback
- rewards good performance quickly from 'thank you', 'well done' to small gifts or prizes
- takes appropriate action where there is evidence of poor/unsatisfactory performance, giving opportunities for improvement
- takes the formal appraisal process seriously, showing preparation and time allocation, giving priority to development and the future
- provides coaching and guidance on a regular basis, and is patient
- shows concern, and takes action, when there are signs of stress, listening in confidence when help is requested or needed
- shows interest in colleagues and their lives

Managing conflict and difficult situations
- deals with possible conflicts early on, informally where possible
- acts as a mediator if appropriate, showing impartiality and listening to each side
- works constructively with employee representatives
- talks through grievances and problems as soon as they are raised, before formal procedures are used
- knows when to ask for advice and help, using HR as a resource, and when to pass the matter on to another manager
- ensures the formal disciplinary and grievance procedure is used when necessary
- seeks evidence from all sides before making a decision
- looks for causes behind the symptoms
- focuses on the future.

Managing yourself
- understands own stress and ways of dealing with it
- develops, as far as possible, an open relationship with the boss
- learns from experience, especially 'near misses'
- looks for support and advice from other line managers and provides support to them
- keeps on top of workloads and communications
- Knows what is going on in the organisation, keeps in touch and takes part in discussions
- is aware of own strengths and weaknesses and develops self-confidence by dealing with issues
- has a strong interest in personal development and learning
- believes in the values of integrity and professionalism and expects it from others
- seeks to be a role model and a leader
- has a sense of humour and can show 'the human side'.

Skills policy and people management

The CIPD and Acas believe that public policy on improving skills, employee well-being and productivity should place greater emphasis on the importance of the development of line managers' people management skills.

There is evidence that government policy is beginning to move in this direction and the Department for Business, Innovation and Skills' review of employee engagement due to be published this summer is likely to highlight the critical role of the line manager. The 2008 Foresight report on human capital and well-being also flagged the need for improved people management skills among line managers to support employee mental health and well-being.

In addition, the UK Commission for Employment and Skills' (UKCES) recent report, Ambition 2020 – which assesses the UK's progress towards becoming a world leader in skills, employment and productivity by 2020 – argues that improving management practices, in particular their take-up across a wider range of companies, is likely to improve both business and national economic performance (UKCES 2009).

The report cites research by the LSE and McKinsey (Dowdy et al 2007), which finds that 'companies that apply accepted management practices perform significantly better than those that don't'. The McKinsey/LSE research states that 'while UK firms are among the best in their approaches to attracting and retaining talented people they do not rank highly in aspects of individual performance management such as the establishment of effective, well-structured targets. The implication here is that while the UK's flexible labour market (and competition

from a thriving service sector) forces firms to work hard to attract good people, they are far less effective at equipping their employees to deliver improved performance and at motivating them to do their best. One of the authors of the McKinsey/LSE report, John Dowdy, director at McKinsey, commented: 'Professor Michael Porter concluded that he could find little evidence that the quality of UK management contributed to the UK's productivity gap whereas we have found exactly the opposite of that.'

The Ambition 2020 report includes a welcome emphasis on the benefits of skills utilisation, which is about, firstly, ensuring the most effective application of skills in the workplace to maximise performance and secondly, the use of a range of effective HR, management and working practices, also known as high-performance working (HPW). HPW emphasises the importance of the role of the line manager, as well as a range of issues that are directly affected by line management behaviour, including: the improvement of employee engagement; the way people are treated at work; communication; autonomy; and teamwork.

The CIPD and Acas applaud the Ambition 2020 report and the emphasis that it puts on the importance of management and leadership, skills utilisation and HPW; however, we believe that there needs to be a debate among policy-makers about what is really meant by management and leadership skills. There needs to be clearer articulation about exactly what world-class management and leadership is, if the necessary skills are to be developed. We argue that a large part of the UK's leadership and management skills deficit is the so-called 'soft' people management skills needed by line managers in the modern workplace.

This paper provides an initial template to help inform this debate, setting out the day-to-day people management behaviours needed to promote and support learning at work, as well as underpin employee well-being, engagement and ultimately productivity.

In 2008, just 3% of the Government's Train to Gain budget was allocated to the development of generic leadership and management skills. We would like to see a greater proportion of public funding on skills to be allocated specifically to the development of people management skills among SMEs, which we believe will help government make the most of its wider investment in skills.

We would also like to see more government support for the effective communication and marketing of the proposition for developing these skills to help build demand for investment by employers in this key area of management competency.

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