Thawing the Frozen Middle

When discussing the challenges large organizations face in executing strategy, much of the focus has been on the middle management layer of the organization. It has often been characterized as the “frozen middle,” an impenetrable layer where feedback from the front lines stops, and where “strategy goes to die.” Research proves it out. According to research by Stanford University, large enterprise companies executed on only 68% of their strategic plans.1

And much of the blame has been laid at the feet of the middle management layer. Viewed as a redundant part in the organizational structure of the future, many are predicting the elimination of these jobs as a result of artificial intelligence, robotics and other disruptive technologies. But lo and behold, the research does not bear that out. Conducted across a broad set of industries the Stanford research showed that the organizations that were the most successful, attributed that success to effective involvement of the middle management layer. So, it is obvious that middle managers are critical to strategy execution within large enterprises.

However, there is still a perception that this role level is ineffective. The bigger question here is “Why?” Recently, I led an informal research project to explore this issue, partnering with the McCombs Graduate School of Business at the University of Texas in Austin. We examined external research, and combined that with insights collected from a broad selection of BTS clients; from within the talent function, line executives with high levels of exposure to the mid-level, and from actual middle leaders, from a wide range of industries. From that research we discovered and explored a few insights into the middle management layer. I will share a few of these key findings, as well as recommendations on how organizations can “thaw” their “frozen middle”.

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Key Themes from the Findings

Overly complex role, with weak support

While this may not seem like an earth-shattering insight, we found the middle management role to be profoundly complex. We evaluated competency models from over 20 large firms, with some offering multiple middle management role definitions. The categorization of the resident behaviors read like a competency database, leaving nearly no core people or operational leadership capability untouched. Middle managers are challenged to lead in all directions at once; managing up with their direct leader and other executive sponsors, collaborating and influencing across a complex matrix of functions and business units, and leading a broad array of managers and teams to execute the strategies that they have translated from above. Moreover, it appears that few are actually fully relieved of their operational duties, with many still tasked with some direct business performance areas that they are supposed to deliver on as a de facto individual contributor.

Some of the most commonly reported critical capabilities were no surprise. They included translating strategy into operational tactics, influencing across the organization, leading change, and demonstrating the requisite amount of business acumen to communicate alternatives and implications in an effective manner in order to get to the best results. But there are capabilities that seem to be areas of need as well. Both business acumen and decision-making were noted challenges – both from a “hard skills” perspective (like framing up a financial business case based on sound data and analysis) and from a “soft skills” perspective (like the ability to get buy-in and achieve alignment to decisions across functions and units). Moreover, middle leaders have found it difficult to let go of past role responsibilities, and seem to have a continued challenge in delegating effectively. This leads to one of the most common characterizations – that middle leaders are “overloaded,” and often seen as being in “crisis mode.”

One driver of this issue is that many organizations tend to keep middle leaders in a “player-coach” type of role – where they are leading teams, but also still responsible for operational duties with meaningful deliverables. Despite a wide span of control and leverage to business performance, they are often conflicted as to which of their duties should be prioritized, often favoring lower-impact responsibilities that demonstrate their personal, unique contribution more clearly.

The stress that comes from this confusion over priorities is meaningful, as many middle leaders report excessive stress and even depression at levels far above the average. This stress is resulting in an unacceptable level of unplanned attrition. And at this level, the attrition can be crippling to the organization. These leaders have often grown up in the organization, have demonstrated proven capabilities, and understand the inner workings of the culture and organizational structure. The extrinsic and intrinsic costs to replace that knowledge and capability is significant, and sets the organization back operationally.

But that criticality does not seem to translate into support from the organization. The research showed a meaningful lack of attention given to middle leaders by their manager, who is often a senior executive. Clearly senior executives are
stretched hard by the organization and their time is at a premium, but this lack of attention has direct impact. Talent leaders commented that poor performance in middle leaders often went unaddressed for too long, creating issues that were unrecoverable, and often resulted in undesired attrition of middle leaders with good potential. On the other hand, middle managers that reported consistent and frequent access to their direct manager and other executives personally felt, and were perceived by others, as more effective.

Ineffective Acquisition Methods

One root cause to ineffective performance may reside in the effort around promotion into, and acquisition of, middle leaders. The most commonly reported reason by organizations for unplanned attrition in the middle management layer is that they simply did not have the requisite skills to execute in the role. Middle leaders simply commented that they didn’t really understand the role or what it entailed. In both cases, I would posit that organizations simply did not describe the role accurately or comprehensively, communicate the role description transparently, or screen applicants for the capabilities that are required at that role level in the company’s unique culture.

Internally-promoted candidates communicated a very low level of preparation or transition training for the new role. Almost uniformly, they shared that they were well-trained for their first management role, but pretty much left to their own devices when they became a leader of leaders. Moreover, they felt the jump to middle leadership was more challenging than their first promotion into leadership, with respect to the change in complexity of duties. Yet, from an investment perspective, we noted that middle management had the lowest level of overall investment, when compared with the jump to front line management or senior executive level.

In addition, our study offered an interesting insight about external hires. Executives reported a lower level of “hassle” in filling key middle management roles externally. Apparently, existing talent was often found lacking, and internal promotions often resulted in more political discussions, so leaders often felt it was easier to simply hire externally. However, onboarding training for mid-level leaders was often reported as thin, or non-existent, and new middle managers often found navigating the organizational matrix confusing and adapting to a new culture challenging. Again, support for lower and higher level roles were reported as greater.

Resolving these issues is relatively straightforward. Organizations should create clearer role descriptions for middle leaders, and ensure that these roles are truly tailored to the company’s unique business model and culture. Companies where this was already true reported far lower attrition, and had far fewer unplanned exit interviews where leaders commented that they “didn’t know what they were getting into” – a common refrain. Moreover, organizations need to meaningfully use those role definitions to conduct more comprehensive assessments that will ensure that they are effectively evaluating candidates on what will define success in the specific role at their company.
Underinvesting in Development

 Apparently, large enterprises do not invest in developing middle leaders once they are in role relative to other audiences. The research indicated that investments in front line managers and senior executives were both higher than middle leaders. Essentially, the middle layer is where the notion of high potential leaders tends to begin in large enterprise. And predominantly, that subset of middle leaders are the only ones that are invested in to any meaningful level. Given the leverage that middle managers represent in the organization, broader investment in developing middle managers seems to be a clear opportunity for companies that want to improve the execution of their strategy.

Some companies recognized this opportunity, and expressed it in a very pragmatic way. A senior vice-president at a large IT infrastructure company shared that he aligns all of his development budget to leaders with roughly 5-15 years of experience at the firm (often heavy with middle leaders). From his perspective, young leaders are developing simply from the execution of their job, as they are learning something new every day from the normal execution of their role. On the flip side, senior leaders have settled into their roles as executives at the firm, and have often decided that the company is a good fit for them for the long haul.

On the other hand, middle management represents both a significant risk and a great opportunity for investment return. Since they have had the opportunity to build significant and marketable skills during those early years, middle leaders represent a meaningful flight risk, and unplanned attrition with this group represents a loss of significant investment. At the same time, since their sphere of influence is growing constantly, investment in development for this group represents an excellent opportunity for return. Moreover, the structured environment of well-designed development experiences allows senior leaders to see the capability and potential of their middle leaders and thus better target their next roles and plans for exposure.

We also heard some best practices around development. Middle leaders that expressed the highest satisfaction reported that their development experiences were highly contextual to their current role, were very aligned to the role they were recruited into, and understood how their performance is measured. This alignment was a commonly mentioned factor. Lastly, there was a continued theme of executive involvement. All parties (the middle leader, executives, and talent leaders) felt that development experiences were more effective when executives were present during the program.

Comments were centered on visibility to talent, content alignment to job requirements, and demonstrated commitment to career growth. There was a uniform belief in the ROI on development investment for middle leaders, as all groups saw returns as long as the training was well-tailored to the role needs.

Summary

Middle leaders are a critical resource in large organizations, with high leverage to strategy execution, operational business performance, and human productivity.
However, research has shown that they are often overlooked, undervalued, and under-invested within the enterprise. Thus, organizations looking to drive improved performance may find high value returns on clarifying and simplifying roles for middle leaders, and investing in more robust approaches to acquiring and developing them.

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1 Tabrizi, Behnam; The Key to Change is Middle Managers; Harvard Business Review, October 2014