

The Under-management Epidemic Report 2014: ...Ten Years Later

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*Today's workplace is afflicted by an **Under-management Epidemic** with huge (often hidden) costs to employers, managers, and employees. Our ongoing research shows that under-management has NOT improved significantly in the ten years since our landmark study on the subject was released in 2004. While the primary causes of under-management have NOT changed substantially, our intensified research has yielded important new findings.*

Our intensified study of under-management over the last ten years has allowed us to deepen our understanding. The remarkably consistent data continues to show that nine out of ten leaders/managers/supervisors at all levels across all industries fail to regularly and consistently practice the basics of management with respect to their direct-reports.

In today's post-great-recession workplace, the continuous downsizing, restructuring and reengineering --- especially since 2009 --- have created new pressures and limitations on supervisory relationships. However, the primary causes of under-management have remained largely consistent over time.

One important and fascinating new finding shows that, while nine out of ten managers are in fact under-managing, most of them don't know it! Five out of ten managers think they are doing an "excellent" or "very good" job managing their direct reports; two more out of ten believe they are doing a "reasonably good" job.

Even while nine out of ten are under-managing. Why is that? We believe we have figured out the answer.

On the bright side, we have seen time and again, example after example, when leaders, managers, and supervisors begin concentrating on back-to-basics management they have tremendous positive results in a relatively short period of time.

Background

Ten years ago (June 28, 2004), we released a landmark study, “the Under-management Epidemic.” At the time, one of the most common questions being asked of leaders in the workplace was, “Are your employees ‘engaged’ or not?” Of course, we knew very well that the key factor affecting employee engagement was and remains the relationship employees have with their immediate supervisors. That’s why we had been asking a different question of business leaders: “Are your MANAGERS ‘engaged’ or not?”

Since 1993, RainmakerThinking, Inc.® had been conducting ongoing research on the dynamics of supervisory relationships in the changing workplace. Late in 2002, we began to focus our research on an alarming pattern: We had found that a huge preponderance of those in leadership positions, at all levels, were “under-managing” their direct reports.

We define under-management as a condition in which a leader with supervisory authority fails to provide, regularly and consistently, any employee directly subject to that authority with the ‘management basics’:

1. Clear statements of broad performance requirements and specific expectations.
2. Support and guidance regarding resources necessary to meet requirements and expectations.
3. Accurate monitoring and measuring and documentation of the individual’s actual performance.
4. Regular candid feedback about the individual’s actual performance.
5. Rewards and detriments allocated and distributed in proportion to actual performance.

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Based on data collected over eighteen months (from December 2002 through June 2004), we reported that under-management was a problem of epidemic proportions (nine out of ten managers) throughout the workplace in organizations of all shapes and sizes in every industry. We found the costs were huge and often hidden. We identified four leading causal factors and offered recommendations for possible remedial actions. That landmark study was the subject of hundreds of news stories and features.

Now, ten years later, we are releasing the findings from our ongoing research on the stubbornly persistent under-management epidemic.

The Under-management Epidemic Persists

Today's workplace is still afflicted by an under-management epidemic with huge (often hidden) costs to employers, managers, and employees. We find under-management to be deep and widespread throughout the workplace, at all levels, in organizations of all sizes, in every industry. The remarkably consistent data continues to show:

- Only one in ten leaders/managers/supervisors provides all of the management basics to all of their direct-reports at least once a week.
- Only two in ten provide all of the management basics at least once every two weeks.
- Only three in ten provide all of the management basics at least once per month.
- Nearly half fail to provide all of the management basics to every direct report *even once a year*.

We find that under-management is the overwhelming common denominator in most cases of sub-optimal workplace performance of all types and at all levels. The costs and lost opportunities caused by under-management are incalculably high and remain consistent over the ten year period.

The Costs

We find there are eight primary consequences that result from under-management:

1. Unnecessary problems occur.
2. Small problems that should have been solved with relative ease instead get worse before they are identified and solved.
3. Resources are squandered and managers and employees spend time salvaging resources and acquiring substitute resources
4. Employees fail to do tasks according to established best practice for extended periods of time before anybody realizes it.
5. Low-performers are not identified or held accountable.
6. Mediocre-performers often mistake themselves for high performers.
7. High-performers suffer diminished morale and are more likely to leave their jobs voluntarily.
8. Managers spend more time performing lower level tasks that should have been delegated to a direct-report.

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The data also shows that under-managers are almost always held in lower regard by their direct-reports, their colleagues, and their own managers than are more highly-engaged managers. At the same time, the direct-reports of under-managers are more likely than those of highly-engaged managers to report feeling resource-constrained, uninformed, and frustrated by working relationships with lateral colleagues in their own team or other teams and departments.

The Causes

After decades of profound change in the workplace, organizations of all shapes and sizes are perennially seeking to be more lean and flexible, adopt increasingly aggressive human capital management practices, and trying to get more and more work out of fewer and fewer employees. Organization charts are flatter; layers of management have been removed. Reporting relationships are more temporary. Yet employees still rely on their immediate supervisors more than any other individuals for meeting their basic needs and expectations and dealing with a whole range of day to day issues

that arise at work. We find that these and other “post—great-recession” pressures on supervisory relationships seem to underlie the top causes of under-management:

The vast majority of managers still cite “lack of time” (due mostly to other non-management responsibilities and increased spans of control) as the number one reason why they don’t more consistently practice the basics of management.

The second most cited reason now is “lack of sufficient training” in the best practices, tools and techniques of effective supervision, management and leadership.

Third is “lack of sufficient resources and support.” This is a function of increased productivity requirements and tight budgets.

Fourth is “constantly changing priorities.”

Fifth is “logistical constraints” such as remote locations, different schedules, and language or cultural barriers.

We also find another less straightforward set of causes of under-management that are more psychological or philosophical in nature. This is a combination of what we refer to as “false empowerment thinking” (the belief that managers should refrain from asserting authority by being strictly directive or punitive), plus “false nice guy syndrome” (the belief that being strong is tantamount to being unfriendly or will lead to negative interactions or conflict), plus fear of other various potential negative repercussions (such as complaints, bad-mouthing, foot-dragging, sabotage, lawsuits, etc.). We find a surprising number of managers say they could be stronger and more highly engaged but they choose not to for reasons that fall in to one or more of these categories.

Most Managers Don’t Realize They are Caught in a Vicious Cycle

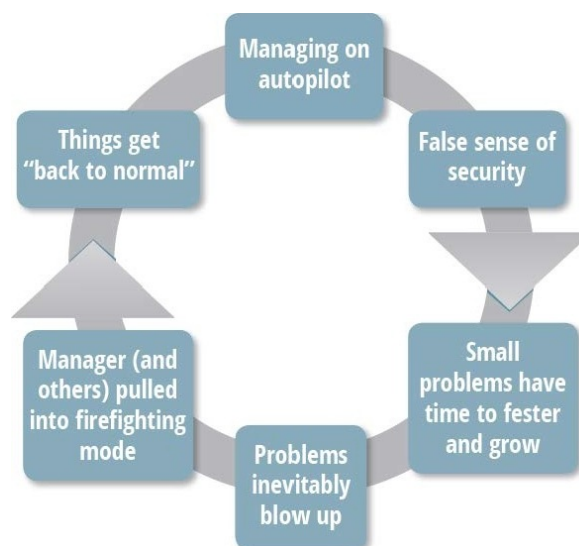
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“excellent” or “very good” job managing their direct reports; two more out of ten believe they are doing a “reasonably good” job. Even while nine out of ten are under-managing. Why is that? We believe we have figured out the answer.

We find that the vast majority of managers ---even most under-managers--- spend a lot of time on people management. That’s why they think they are doing, at least, “reasonably well” or better. The real problem is how most managers spend their precious management time.

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We find that the vast majority of managers spend an inordinate percentage of their “management time” in what we call, “firefighting mode,” solving one urgent problem after another--- usually problems that could have been avoided with better planning or identified and solved more easily at an earlier point. When not in “firefighting mode,” these managers prioritize “catching up” on their other work and their management practices take a back seat, defaulting to a mode we call, “managing on autopilot,” in which they communicate with their direct reports mostly in low-structure low-substance conversations punctuated by way too many mediocre meetings and way too many emails. As a result of “managing on autopilot,” unnecessary urgent problems occur or small problems go unnoticed and thus grow more serious or urgent. Then the manager get’s pulled back into “firefighting mode.” Most managers don’t realize they are stuck in a vicious cycle:



Managing on Auto-Pilot:

How Most Managers Spend Most of Their Time (When Not “Firefighting”)

We find that the vast majority of managers spend the vast majority of their non-“firefighting” management time on five types of communication with direct-reports:

Attending too many mediocre group meetings, team meetings, cross-functional teams, special projects, and committees.

Wading through a never-ending tidal wave of email. Too much of this email is unnecessary, duplicative, and/or sloppy.

Touching base/checking-in/and having informal non-work related conversations. This is the seemingly well intended effort to engage in quick informal interactions but they are unstructured and lacking substance.

Interrupting and being Interrupted. This often results from the seemingly well intended effort at creating “open door” communication, but results in suboptimal communication.

Reviewing dashboard metrics with employees and conducting formal reviews. While these are often more structured and more substantive forms of communication, dashboard metrics often focus on outcomes not within the direct control of the employee, while most periodic performance reviews are notoriously lacking in effectiveness.

Suggested Remedial Actions:

Back to Fundamentals

On the bright side, we have seen time and again, example after example, when leaders, managers, and supervisors begin concentrating on back-to-basics management with tremendous positive results. Like clockwork, productivity and quality improve almost immediately when leaders, managers, and supervisors begin spending time daily in one-on-one dialogues with their direct-reports to provide management basics:

Fewer unnecessary problems occur.

When problems do occur, they are more likely to be solved quickly while they are still small and containable.

Resource use is better planned and therefore resources are less often wasted.

Personnel issues are usually dealt with more quickly and efficiently.

Employees are more likely to perform their regular responsibilities according to established best practices and standard operating procedures

Managers are better able to delegate tasks, responsibilities and projects to direct-reports and have successful outcomes.

This is good news. When managers DO realize they are under-managing and make concerted efforts to concentrate on back-to-basics management, they achieve significant measurable improvements in performance almost immediately.

THE RESEARCH DATA ANALYZED FOR THIS WHITE PAPER

Our intensified study of under-management over the last ten years has also allowed us to deepen our understanding. Since the original study was released in 2004, we have analyzed additional survey data from 37,419 managers (from 891 different organizations), conducted in-depth interviews (including many recurring multiple times) with 1,606 managers (from 78 different organizations) as well as focus groups with the employees of 487 of those managers (from 18 different organizations). We also factored in our analysis of data from the many hundreds of seminars I have personally conducted with tens of thousands of managers from countless organizations; as well as our analysis of data from our leadership development work in which we conducted or examined 360-degree evaluations of several thousand managers from dozens of organizations.

The research on which this paper is based has not concluded and is ongoing since 1993.

RainmakerThinking, Inc.® ongoing research (since 1993): We conduct on-line surveys, interviews, focus groups, and management practices questionnaires, as

well as collecting data during our management seminars and through regular literature review of publicly available information.

For more information about previous RainmakerThinking White Papers and our ongoing research since 1993, visit our website:

<http://rainmakertesting.com/research/>