

# Why middle managers hold the keys to the future of work

## Noelle Bloomfield:

I am thrilled to be here today with Bill Schaninger and Bryan Hancock, both from McKinsey, to get a sneak preview of their book. It's coming out in July and we're thrilled to have them here today to talk a little bit more about Middle Management and their book Power of the Middle. So to kick things off, uh, Bryan, Bill would love to hear a quick hello from you.

## Bryan Hancock:

Hey, I am Bryan Hancock. I'm a partner with McKinsey. Been with McKinsey over 20 years and today joining from New York City. So excited to be with you.

## Noelle Bloomfield:

Awesome. Welcome Bryan. Bill?

## Bill Schaninger:

Good afternoon. Sorry for being a few minutes late, hopefully you can hear me. I'm joining from the same hotel. Bryan is just on a different floor and we were scrambling to get here from recording our final McKinsey Talks talent podcast. So yeah, it was a nice time and so I've been with McKinsey for almost 23 years and have always been in our Organization practice.

## Noelle Bloomfield:

Love it. Amazing what virtual work can do. Two folks joining in from the same hotel in different squares. Um, great. Well, just to kick things off is something a little bit fun. We're



here talking about middle management. Were either of you middle managers and can you share a little bit about that experience?

### **Bryan Hancock:**

I'm still a middle manager. I think there's a conception of middle managers being just, you know, somebody who is three to 10 years in an organization just in, you know, the first bit. But man, middle managers are actually anybody who manages people that is somewhere between the very frontline of the organization and the very top of an organization. So every day I'm leading teams and connecting with clients on their challenges and making sure that we're optimizing what our team members can do, coaching them day to day, making them their best so that we can deliver the best for our clients. And I think that's the core of what middle managers do. They actually are the ones to connect, to motivate, to inspire their teams. And so I'm proud to say that while most people wouldn't think of a McKinsey partner, particularly a McKinsey partner who's been here a while, as somebody who's a middle manager, you know, I'm proud to say that a big part of what I do is manage people. And that's part of the job I'm excited about.

### **Noelle Bloomfield:**

What about you, Bill?

### **Bill Schaninger:**

I grew up in a place called the Lehigh Valley in Pennsylvania, Allentown, Bethlehem, Easton, that area, the very eastern parts of Bethlehem. I grew up in the seventies and I'm 53, so I grew up in the late seventies and early eighties. And that era of time, just the start of that, there would've been this almost you'd be like "Well, that guy is a VP, so he must be really doing well. Or his dad is a VP at Mac Trucks. He's really important. And I just remember always thinking this idea that those jobs really mattered. They were somebody, but in that arch of time as it progressed and into the eighties, you started seeing the end of any expectation of cradle-to-grave employment.

Those jobs at least weren't what they were conceived to be when I was a little kid. And then over the course of my professional career, it began to feel like we'd really missed the trick there in terms of the importance of being the marrow of the place. So I'm obviously a Gen Xer, but it's like we've gotten to see this wonderful arc, you know, from, from the end of cradle-to-grave, large industrial America through to where we are now. And, I thought timing-wise, it was perfect, particularly after we've gone through sort of the early nineties and the re-engineering stuff, the.com, then the financial crisis, and then Covid. We've had these punctuated decades where I think we have an opportunity to draw a line and go, we probably need these people now more than ever. And we've likely done them a disservice the last 30 years in how we picked them, trained them, supported them, and crafted their roles. And so that was the impetus for me anyway, and why I was really excited about this book

### **Noelle Bloomfield:**

Love it. Well, thanks for the answers. Inspiring to me as a middle manager myself. Digging into this a little bit further. I know, Bill, you started to touch on this. Why do you feel that organizations tend to undervalue middle managers even though they might be in sort of the marrow of an organization there?

### **Bill Schaninger:**

Well, I think some of it is you reap what you sow, right? I mean, in many cases, how you've been raised, if you will, or grown and matured, we're now going on our third decade likely of not viewing these roles as critical linchpins, as sense makers, as people who can really help employees find their own purpose in the work and institutional knowledge. I mean, I think it's somewhere along the line we've decided that because we can do something, we should do something. And I think in our most recent memory, the discovery that we could move all training virtually, even as the restrictions for being together in person relaxed, how many people have come back to say it's not just about the training, it's about the experience, it's about the bonding part. It's about feeling important.

Again, we're onboarding people in person. I think the same thing as we discovered along the way that we could cut cost out of a function and push it towards a manager and say, well, they can take that on. Well, of course, those employees know what they're doing. So the repeated

line of, “Because we can do it, we should do it”, I think has often had one backstop, and that's the middle manager to where one thing they're not actually doing much anymore is time on talent or managing people. They may be managing a process, they may be managing an outcome, or a system. They're not actually doing the thing. We originally, back in the day, thought they were gonna be doing.

## **Bryan Hancock:**

I think some of the undervaluing of middle managers is a relatively recent phenomenon. And by recent, I mean starting with the late eighties, and early nineties, and when you think about the advent of email and communication, it meant that organizations no longer required the middle managers to be the ones translating what was coming down, translating the strategy, you know, making that connection to the organization. And it became a world where some people envision, ‘Hey, now that we can communicate directly to our employees, what do we need these folks in the middle doing?’ And so you ended up with, if you think about Dilbert in the nineties, or if you think about office space and making sure you had the right cover sheet for your reports or an Onion article from the early two thousands that was titled Somehow Will Middle Manage, all of a sudden you had this in the popular culture, this view that for some reason, middle managers weren't something to celebrate, but they were something that in some ways was getting in the way.

And then as you looked at what was happening in cost improvements over the course of the Great Recession what you had is you had middle managers taking on more administrative tasks. So we wake up on the eve of the pandemic, and we're having our managers spend less than a quarter of their time actually managing people. They're doing individual contributor work, they're taking administrative work because that layer's administrative assistants went away and never came back. And so we ended up in a world where we were having our middle managers not really manage, but then when you had COVID and you had a real need for organizations to adapt and for individuals to connect with people over the course of the pandemic not being checked in on people. At one point in the pandemic, there was a survey done and 40% of the survey respondent said no one called to check in on them—not a manager, not an HR heard no one in the organization. And so you look at this human need that has come up here combined with now how much more dynamic organizations are, and you really need managers to be navigators. And that's now I think why we're seeing in this moment, while the narrative starting in the nineties was ‘Hey, middle managers may be this

bureaucracy layer,' I think now what we're seeing is middle managers are actually critical to the way work is gonna get done in the future.

### **Noelle Bloomfield:**

It's amazing to see that Covid statistic, no one had the impetus or the role responsibility laid out for them that your role is to manage. And so thinking about this challenge, how do you get organizations to

### **Bill Schaninger:**

Start something? No. And it's a word you just used there, your lead, the job is to manage. We would've said, your job is to lead; managing lends itself quite a bit to process and paperwork and administration. And I'm not trying to poke at that, but it's just thinking about how our lexicon has shifted to managing processes. I'm not trying to burn some incense and go do trust falls or something. But there is just a basic, what do you think your job is? And I think with the rise of the litigious nature of our work environment, we had people at the start of Covid saying, 'Well, I can't ask about that. Ask about how they're doing, about whether or not they're overcome with depression or concerned about their livelihood.

I mean, come on, right? I mean, we were promoting people who were really good individual contributors because we had to pay them more, and the comp system didn't allow it. So you called the manager. And we've had an environment where largely risk and legal will have said, don't go into those areas right at the moment when we need people to be more personal, be more concerned with the person. I mean, a lot of books come out with a now more than ever kind of labeling, right? This is just fortuitous in the sense that it really was, if we were starting to get our head around, 'Hey, this is a thing Covid hits', and we're like, 'No, it really is a thing.'

### **Noelle Bloomfield:**

Right? No, you're spot on there. It's actually the shift from management to leadership. How do you shift that paradigm there? So I guess to dig into that further, how can organizations start shifting that narrative and prioritizing these middle managers and, you know, turning them and shaping them into leaders moving forward? What are the steps to start shifting that framework?

## Bryan Hancock:

I think there are two where organizations can start. One, I'd say it's what's the narrative around our managers? And are the CEOs saying that, 'Hey, it's our managers, it's our people. It's the ones that are connecting to our people and uplifting them day to day.' They're the ones that are saying, 'Hey, this is a priority. And in a number of my clients' organizations I work with, it's the CEOs that are the ones saying, 'No, it's our managers who are critical here, let's turn our focus to them. So one, I think the message starts at the top, but no matter how good the CEO messaging is around the importance of managers, they have to back it up by creating time in the managers' day, they actually lead to actually spend time on the people things. And so I think it's a requirement of both having the right narrative and message from the top in terms of what we're thinking about people, as well as creating the space.

And then once you do those two, you actually have to make sure you've got people who are good people managers, 'Hey, you, you, you've, you've now got the opening. What are we gonna do with it?' And you recognize that not everybody is a great, um, people manager, right outta the box. How do we train them? How do we select people into management roles for more than their technical capability, but also for their leadership? And so I think we need to create this space. And then once we have this space for great managers to thrive, we have to make sure we put great managers in there.

## Bill Schaninger:

You know, I wonder if the mindset of people when they're put into these roles at first, if it's viewed as a way station and the next rung on the corporate ladder, as opposed to like a real responsibility. It was my first real formal leadership role at a place called Kids Peace. So it says it's called Kids Peace National Centers for Kids in Crisis. And it used to be called Wiley House. It started out as an orphanage and then became this place where kids would be court-ordered there. And I only talk about it cuz it's largely populated by younger employees. And so I got a unit when I was 23, right when I got outta Arabia, and I remember this person who ran the center, there were seven buildings. I got one of the buildings said, the 22 kids up there, the 10 staff, yours, everything that happens there when you're there, yours, what happens there when you're not there at yours? The budget, yours. He's like, are you getting the point? It's no longer a job, right? It's your responsibility now, okay, that could have been a little overcooked

and whatever. And maybe it was a way, but it felt like something, you know, I needed to wear. And I felt like, you know, the people, much like a really good coach in college is like, these aren't just my athletes, these are my boys, you know, or my girls, whatever. This, this idea that you carry the responsibility, 'I have to believe the human condition at work improves dramatically if the person you're working for and who cares about you first as a person and second as an employee.' And, you know, I'm thinking we might have beat some of that outta them, honestly, over the last 30 years and maybe we could have a little bit of a return to that.

### **Noelle Bloomfield:**

Yeah, it's a great point. And thinking about this, you both touched on this concept of the skills you need to actually lead and support people. So as you know, organizations are considering how to empower these middle managers. What advice do you have and what can they do to sort of screen for these soft skills to identify great leaders or, you know, start cultivating those skills and building those skills within those in middle management positions?

### **Bill Schaninger:**

Go ahead, Bryan.

### **Bryan Hancock:**

Well, I, I think what it starts with is, you know, thinking through as we're crafting the manager role, as we're creating the criteria for who we're gonna put in the role, you know, really putting an emphasis on the people, the leadership, the coaching parts of it. And so that could mean, 'Hey, as we're thinking about who great candidates for this role would be, what evidence do we have that they would be good, not just on the technical side, but also on the people's side? What kind of assessments can we give? What, what can we look at in their prior experience? And then as we promote them, how can we build their capabilities as a people leader? What is our actual onboarding into management? What do we think about it? How do we give them tools to see whether or not they're being successful as a manager?

I think in a lot of organizations what it is, is like, "Hey, congratulations. You are the sharpest scientist we have in this area, and so we're gonna promote you to lead the team without any

thought to, does this person have any evidence that they'd be a good leader? Do we have any evidence of what their gaps in the leadership are? Are we giving them a toolkit? Are we giving them any tools?" Just, "Hey, you were good at what you did and now you're a pro," and I think we need to flip it around to say, "Hey, actually what makes you successful in the role is your ability to lead people." So let's actually look for that capability upfront. Let's coach it and let's monitor it over time.

## Bill Schaninger:

Yeah. You know, one of the things I think is really interesting is the idea of an organization being really thoughtful about its given purpose and why the thing exists. And for then how they're gonna make money, their strategy and the kind of culture they want and the org structure they have. And then if they work their way down and the operating model that really helps someone thrive there, each of the way along the way there, you start working your way down that you'd be removing degrees of freedom for who would thrive as a leader in that environment. And I think in many cases we have filled these slots with who was walking and who was available as opposed to who's actually best suited.

How about we pick people that have a chance in hell of succeeding in that environment? I think in many cases it's you're taking the square and you're trying to jam it into the circle and you're surprised when it doesn't work. I mean, that's one, right? Pick people that have a chance. Two good old-fashioned job design, why do we load them up with so much crap? Right? So many standing meetings, so much administrative work, so much stuff that actually doesn't need to happen if it doesn't need to happen. Could it be automated? When you look at just straight time on talent, it's a fraction of what it should be. And they know this, they have the dissonance in it in our data. They tell us that they also know it's, they're not rewarded for it and they think they're doing strategic planning. There's like one level in a place doing strategic planning, maybe two, the rest of the time you're doing operating planning. Shouldn't we be able to condense that when we're doing something we already know what's happening and then focus more on the people doing it? So I think some of this is almost a classic reconceptualization of what the job is and then who would be, who has the highest likelihood of being successful in it.



## Noelle Bloomfield:

Yeah, I think, you know, Bill, it's a great point and we had a question from Marlo come in that touches on this on middle management as an operational job or middle management as a team leader. And so to your point on job design, how do you advise companies to think about job design and make sure that both the operational and the leadership are cared for?

## Bill Schaninger:

I mean, we should also just be clear on when is it actually just an incredibly gifted individual contributor and be okay with that. Like 20 some years ago you had some oil companies going down the road. I think Shell did it, maybe Exxon did it. Naming like chief scientist, an idea that you can stay on a technical path and largely do your own work and be well compensated, well respected, and well rewarded because that's what you want to do. And not force someone outside of the thing that gives them real joy and passion and purpose. And so one, I would definitely say that acknowledge the importance of individual contributors, but if you are gonna do the job I do, I do think it is, goes back to old, old fashioned.

Can we just look at the work that actually needs doing? And if at any point that work starts looking a whole lot more, like doing their own job or do they actually have the capacity in terms of both time and ability to lead others? And I think we have to be more thoughtful about everyone who gets to wear the badge that says, 'I take the responsibility of leading people in this company.' If you viewed it from a risk lens, we likely wouldn't make many of the appointments that have happened because just think about just a straight amplification effect. Bad leadership is the gift that keeps on giving. It is always a negative derivative. And so now we're faced with this retention problem, where at any given time, 40% of the place is thinking about leaving. You don't have to look very far to see a place where you can put a pin in, it often starts just with who they're working with.

## Noelle Bloomfield:

Thinking about performance and promotion, when you have those strong leaders in middle management roles, how do you make sure you're not promoting them out? Or how do you

make sure that you're fostering and cultivating talent and making sure that they're continuing to develop while keeping the right skills in the right places?

### **Bryan Hancock:**

It's a hard challenge. I think what individuals want to do is feel like they're progressing over the course of their careers. And so if the way to progress over your career is to actually move further away from day-to-day people management and into other, you know, quote-unquote higher roles because now you've got broader spans of control. Gosh, that feels like I'm advancing and by the way, it's advancing my paycheck too. I think what we need to do is we need to think about management as its own profession. And you know, think about it as you do in the skilled trades where somebody can advance in levels of their proficiency and then take on more and more complicated things as a welder, an electrician, or somebody else.

It's the same thing as a manager. And so what we need to do is shift our thinking from, 'Hey, to get to be advanced in pay and responsibility means that I need to get further and further away from managing people.' What if we flipped it and said, 'Where in our organization does a great manager make the biggest difference?' And that may not be the biggest team, but it may be an area of critical strategic importance. Do we have a system where we can think about how to put those managers there and when we move them there, do we communicate it in a way so it's clear to them and everybody else why this is an honor, an advancement, something to be proud of, and do we pay them accordingly? And I think we're starting to see some organizations think about redeploying our best managers where we need the best managers, but it's still very early days

### **Noelle Bloomfield:**

Practically, how do you advise companies to start putting those practices in place? We talk about okay, identifying the right leaders, making sure you're putting them in the places of highest impact, and fostering career development. But are there rubrics or frameworks like tactically as an HR leader, what can you do to start cultivating that and making sort of an organizational standard to do that?

## Bill Schaninger:

Well I mean, you know, the questions I was rattling off earlier, like there's a way, is this getting clear on? You're not starting from scratch, right? Oh, you probably have all these things there. But just saying with the CEO and some of the unique CEO questions are why do we exist? How are we gonna make money and how do we wanna run the place? Those are relatively unique CEO questions. But let's just say you have the CEO saying, 'Okay, let's drill down. This is why we exist. This is our purpose. We're gonna do good with our excess. Not everything we have to do has to be good. Like are we at B cor? Are we here to make money?'

With strategy, we're gonna compete this way across these lines in these regions. Okay, got it. Those things are a part of our differentiator, we gotta be awesome at that. We wanna be a place that grinds it out every day and gets better every day. We're an execution edge company. That's what our culture's gonna be. We know we have to just incrementally get a little bit better every day. That means we really need a frontline focused on innovation. Okay, got it. Let's just say you had all that, if you drill down one bit and you get the structure, the first question should be, if we really need the frontline focused on innovation and learning every day, does that have an impact on how big we draw the boxes? It should. It should, right? If you need leaders who are able to grow and coach people who have a fraction of their time focused on innovation learning, it doesn't mean that you give 'em 15 people with massively varying skill levels where all they can ever do is pay attention to the problem children.

Like literally it just starts there. Like think about how you're gonna run it, get to the box and you go, well how do those boxes work together? Right? Well hey, actually there's a lot of crosswork. Okay, that means standing meetings that are nonsense probably need to go away and you need more slack in the system to allow for problems as they arise in real-time and resemble something that looks like agile, right? You know, when you start working your way down that you go, 'Oh well hey, okay, if that's how we're doing it, well shoot. I guess frontline problem-solving really matters. Maybe there are some basics on like waste, waste elimination we need to do, okay, we gotta scale people up.' When you get all the way to that, when you think about all the people currently in your middle manager roles, the number of them who are fit for purpose out of the gate is probably not more than a third.

And maybe you have a third that could get there and I bet you have about a third that probably aren't gonna get there. And you have to be thoughtful about whether they really prefer to be doing this one part of the job and we can make that really cool and good for them or not. The point is, this really does start from why this thing exists, how it makes money, and how we wanna run it. And then filters into things like structure, operating model, and skills. I mean the humans are plugging into the ecosystem you've created. Not vice versa, you made it now you have to help the humans have a chance in hell of being successful in it.

### **Noelle Bloomfield:**

So we've covered a lot of what we need to do to move from the past view of middle management into sort of a present and more modern view of what this role should encompass. Thinking towards the future, what is the role that middle management plays in helping drive organizations to the future of work and adapting to sort of the more dynamic models that business really need to take on today, given the pace of work is changing digital acceleration, what is the role that middle management can play in driving that agenda?

### **Bryan Hancock:**

Lemme take one example, which is hybrid work, right? While there are some companies that have all the way back in the office mandates, I think the majority of companies are now settling in a world that is hybrid. And we also know that employees feel most engaged, most excited about work when there's a real purpose for them to show up in person. People aren't really excited to show up, log in, and do work they could be doing at home if they're there. So as we're thinking about navigating a world of hybrid work, it's up to the manager to make sure, 'Hey, we've got our right meeting rhythms when we're together, we're doing something we can uniquely do together. And if we don't need to do together work, maybe we can release this day. You know, it's up to the manager to make sure that we're making the connections cuz we know that the social networks have eroded over the course of Covid and managers are often in the position to actually help reignite those connections across the organization. So as we think even just in one element of the future of work, which is managing a more hybrid remote workforce, I mean it's the day-to-day manager that makes the difference between, 'Hey, I feel like I've got a real purpose for where I am every day and I feel like I'm contributing in a way that works for me and works for the organization' and somebody who

rolls their eyes and is like, 'I'm not sure what we're doing here.' And I think we need to think about even if we just take that as an example we need to think about upskilling managers specifically and how to make sure that we're making where we work, work for everybody. And that's one of many changes to technology, others, you know, all of which add new layers of complexity where managers are the ones who are ultimately left to figure it out with their teams.

## **Noelle Bloomfield:**

Absolutely. Thinking about the rise of technology and how it drives changes moving forward, there are a lot of emerging technologies. Some of them like Gloat include skill technology, skill frameworks, upskilling models, and the talent marketplace to help deploy and foster upskilling. So what is the role of technology as you see it in, in middle management and how will it change the role of the middle manager?

## **Bill Schaninger:**

Well, it certainly has already. There's been a reduction in interaction cost, the transaction cost of just communicating everything everywhere all the time, right? That has changed, right? So, you know, what would've been the role of the middle manager of being a curator of important information and passing it online has changed. That's been there for a long time for sure. Technology to the extent to which you can have, you know, robotic and automation of routine and or mundane tasks can be applied assuming the company wants to spend the capital on it. I think more interesting now is are there opportunities to use analytics in terms of understanding variability and performance? What's different about the individuals, what's different about the team? What's different about the broad units and really understanding the levers that really matter?

And then moving one click down towards the individual, sort of the idea of mass personalization of change. What about a person's personality? What about their limiting mindsets on particular activities are getting in the way and how to use actual nudge, not nag, not reminders that go to everyone, or just good things to do, like actual nudges, right? Where choice is at the core of it and trying to create a condition of choice, but creating, you know, some dissonance there that says it's better if they go do this. That's wonderful. I think it's

probably still a little underutilized, honestly. I think it probably should come into its heyday with the idea that hybrids are gonna be here forever, right? So I think that's there and to be used, but again, for the leader, you know, not handing the reins over to the machine, but allowing the machine to augment the driving is the way to think about, you know why is what is a category five, you know?

Autonomous driving has been reluctant, primarily because there are still conditions on the road where the lines aren't clear, the lights aren't bright enough, it doesn't quite work and we still want the trust of someone. I'd say keep the managers' hands on the wheel with enough time and attention to focus on the task at hand. But you know, a HUD screen so they don't have to move their hands all over the place, they're used to coming in when they detect centers of speed and slip ratio and things like that. I'm obviously, I'm beating the car metaphor, but the point is, allow the tech to augment the insight for the leader to know where to intervene. Then I think it's wonderful, but it's not a replacement. I worry at times, much like our fascination currently with generative AI in HR, that it's, if we view it as a hot swap and a replacement, that's a mistake. There is no substitute for good problem-solving, thought, and discretion. Augmentations as replacements are a bad idea.

## Bryan Hancock:

You know, we're on Zoom just to Bill's augmentation, not replacement idea. Zoom now has the capability to actually create a transcript and a summary of the meeting, using generative AI. I mean, think about the power that could be if you use that kind of technology to help managers, they could identify whether or not people were having equal speaking time, whether there were parts of the organization they weren't calling on and they can get a real-time nudge. It's like, 'Hey, this part of the organization or this type of person is not participating as much. Hey you know, just a heads up.' Or if they can highlight in areas where we're supposed to have a creative problem-solving discussion, they can actually say, 'Hey, we're actually converging very quickly.'

Is this, are you sure this is where you want the conversation to go? Because usually, successful conversations look different than the one you're having now. Amazing. That's not replacing a manager that's giving them prompts on inclusion, that's giving them prompts on quality problem-solving. And I think that is what's exciting about some of the new technologies is it

helps managers be even better managers. What I worry about is we think about the technology being, 'Hey, now we're gonna automate maybe a little bit more of the administrative work. So what we're gonna do is we're gonna increase your spans of control by twice.' That's not giving you any additional time to do anything related to people. And so I think, there's a way that we can think about new technologies augmenting what managers do in a great way. And to your point about being able to track the capabilities and the skills that people have over time, I think you can get a pretty robust understanding of what managers are good at what. And if we can understand that, then we can match them to some of the jobs where those underlying skills as a manager are going to be most important.

## Bill Schaninger:

You know, on the tech thing, building on some of the things Bryan was saying, sometimes the tech becomes the end in and of itself. Like just think about skills, right? I mean now again, I'm in the world of lapsing into, you know, Dr. Schaninger puts on his propeller head, 'Okay, you know, is it a competence? Is it a capability, is it a skill? Is it a micro skill? Okay, I mean what level are we at? Right? You know, how do they assemble together, whatever, are we using a taxonomy? Which taxonomy? Is it a proprietary one or the one from the government? Are we gonna use an ontology because everybody uses different languages? Well, how do we think about that being inclusive? When people talk about those skills differently, should we have an ontology? Before you know it, you are in a rabbit hole within a black hole that you will never get out of.

But at some point you can even go, 'We think skills matter and we think there's a set of skills that really matter around these jobs and we want to have a rough sense of whether or not people's experience gave it to them, what their starting point is, what we need to do to help build it up and how we'd know it if it was working?' Sometimes we just need to beat this stuff with a simple stick and the world of vendors like you're describing complicates the hell out of it in pursuit of appearing differentiated and it's not helping. That's, that's for one for sure. The other is a tool still doesn't relieve you of the responsibility as a leader to know what your employees need to be able to do and what they can do. And we've given that up a lot and particularly the nonsense around self-directed. I mean honestly, I love talent exchanges like everyone else and I like people being able to go, 'Hey, how close am I to that job?' And I think that's wonderful from an aspiration standpoint, handing it all over to the employee who has

the likelihood of knowing everything else going on in the company of zero feels like we're missing the boat a little bit there for a leadership opportunity.

### **Bryan Hancock:**

What I do think is cool is you take that individual, you empower them to see what other roles people like them pursue, then they can have a conversation with their manager to say, 'Hey, this is where absolutely where I want to go and it isn't the traditional path, this is what I think I need to get there and can we together write a development plan for me and think about how you can help me get there?' That's amazing because that opens it up beyond the manager just thinking, 'Well, does this person wanna be like me?' Like it, it shifts the conversation. So I think giving some of that power and insight to the individual is amazing, but it's to better make the connection with the manager.

### **Bill Schaninger:**

I mean that conversation should be exponentially better cuz the employees are jazzed and have an aspiration and they recognize the person on the other end of the conversation actually took the time to know a little bit about them. I mean that's, that's the real couple up part, you know.

### **Noelle Bloomfield:**

Yeah, absolutely. The technology is meant to augment these roles and facilitate discovery. For the employee and to create more meaningful development conversations with the manager. Now thinking about the role that middle management plays in driving sort of company initiatives and being this important stakeholder in leading teams, are there any risks to putting sort of the power in middle management's hands to drive your company agenda? How should HR leaders be thinking about that?



## Bryan Hancock:

I think there needs to be a pretty clear value agenda from the top of the company. A pretty clear sense of how are we gonna make money in this market? And once we have a pretty clear view of how and where we're gonna make money, then that's where managers get empowered. Then they have the ability to say, 'Okay, if I'm going, if we've got a clear enough sense of direction and I've got a clear enough sense of my role and the role of my team in achieving that direction, that's where the magic happens.' Cuz then the managers say, now I've got the autonomy to actually lead my team, coach them and help find new and innovative ways of linking up with that overall value agenda.

Where it doesn't work is where an individual manager may be doing something that isn't aligned to value, doesn't really understand, you know, where things are lining up and then somebody three levels up says, 'No, stop, don't do that.' And they're like, 'Well, what do you mean I never knew which way I'm trying.' So it's the clarity around the value agenda and the clarity around strategic direction and roles. If you have that in place, then it enables managers to really innovate and look for new and even more exciting opportunities for their employees and for growth.

## Bill Schaninger:

Over the last 30 years or so where we've been looking to squeeze and squeeze and squeeze from an efficiency standpoint and take a financial working capital approach to human capital, right? And go with a bare minimum. We have very little slack left obviously we saw that in Covid in terms of constantly running below compliment. When you're hiring someone, what things do you look at? You look at where they went to school, what they've done. And one of the questions is, 'Well, are they good thinkers?' You know, are they really capable of problem-solving and thinking and creative thinking? Think about all the words you use that basically get to do they think and then what do you do upon their arrival? You promptly tell them to comply. Very few jobs actually leverage the very thing you hired them for. I mean, so if we're trying to do that then the people at the top should be scared that the people in the middle aren't thinking. Cuz if that's the case, if you really don't need them thinking, then you massively over-hired and it should cost you a whole lot less.

## Noelle Bloomfield:

Right. Makes sense. You know, actually follow through on what you'd like people to do. I wanna jump to some of the questions in the chat and folks please keep sharing your questions. Wanna make sure we're answering and covering the topics you wanna hear about. We had a question from Omar from Signify he asked. We spoke a little bit about the span of control and how we're putting so much on middle management's plate. What do you say is the ideal span of control for a first-time manager?

## Bill Schaninger:

I'll take this one. It's not six by six. Just gotta throw that out there. For those of you that have been subjected to that, sorry that wasn't ours, but I do think, you know, the span ought to be driven by a couple of basic things. Job one is the manager still carrying their own tools? So you know, if you're like a player-coach and you still have your own work to do, that's unique for you to do. It should definitely be smaller, right? You'll see that in a lot of general counsel shops, you know what I mean? Where they still carry a little bit. Let's say they're really good at IP protection or something and then they're deciding what gets farmed out and what goes to the other agencies. if the work of the unit is variable, it should be smaller.

If everybody in the unit's doing this kind of the same kind of thing, standardized it allows it to go bigger. If the skill level of the people who report to you is variable, it should be smaller. If it's standard, it should be bigger. So at the most extreme end, you see a call center only taking certain kinds of calls where everybody broadly is trained on the same thing, on the same expert system. That should be quite big. So where you have a player-coach who still handles certain bespoke work, where what comes into the group is really kind of bespoke and often pretty novel and they're all over the shop and they're skill levels and experiences, that would be the smallest. So the thing there is if you wanna set the manager up for success, you dial span into things like value at risk, right?

Risk potential and or the nature of the work and the people doing the work. Now, if that sounds overly complicated, it's cuz it is, right? When you draw a box, you're grouping together an activity and you're figuring out 'Am I getting an economy of skill, skill or scope, right?' Often in the scope plays when you're clustering together a couple of things that kind of maybe

wouldn't even come together, but you're putting it under a leader who you think can do it. Okay, that's an economy of skill play for that leader. You should probably have a smaller span just to give it the attention it needs. I mean that's what I think sometimes, it is very easy to go to the board and draw some boxes and some lines and go, 'Well, everything in there's the same,' not really. Right? And so that's why I think it should be super variable. And when we all had the six by six stuff hoisted on us and honestly it didn't serve anybody very well. Bryan, do you wanna pile onto that one?

## **Bryan Hancock:**

I was just gonna say, you talk about being a first-time manager and what I would encourage us to think about is that often people have lots of experience in managing and leading before they ever step foot in the company.

So what I would do is, is also look at prior experiences that are markers of who's been a great leader in the past. They could have been the captain of their college's club sports team. They could have had a club when they were in high school. There are lots of ways people learn how to lead. And it's not that when they have their first company manager role, it's their first time leading people. And if it is, then we need to really support them. We need to really say, 'Hey, there's not a lot of markers in your past here or other things.' Like instead of playing sports, you are a solo pianist. Okay, that's cool. No judgment on your past, but it means that there's a little bit more that we have to fill in here as we look at you as a total human being moving through the course of your life. Now you're a leader, that's a different kind of support that you might need versus somebody who is in a prior job and things that before they started their quote-unquote professional career, they had lots of leadership opportunities. So I think we need to kind of put what is a first-time leader in the context of where people have developed the capability to lead in some of the underlying skills and leading over time.

## **Noelle Bloomfield:**

Absolutely. Sorry,

**Bill Schaninger:**

Should we take Jessica's question?

**Noelle Bloomfield:**

Yeah, that Go for it.

**Bill Schaninger:**

I love that one. Selection matters, right. I mean here's, here's the thing. All experiences in the run-up to where you're at should give you some evidence about who that person is, what they'd be good at, and what they wouldn't. Bryan just ran through a bunch of classic bio data, right? What your experiences are in the work context. If you have someone who is high on narcissism, they need to be, they need to be in front, it needs to be about them. They tend to view most messaging through 'How does it impact me?' first. Doesn't mean it would exclude them, but you should at least think to yourself, 'Would this person put me in front of weed if the person has an insufficient level of oomph?'

I need to get it done to a high level of dependability, I committed to do it, I have to do it. You need both in spades to be able to lead others and role model that. If you have people who by and large do not do well in situations of ambiguity and or unrest or crass language alert, lose their shit the minute something goes wrong, probably not great. That doesn't mean that you can't have them be a wonderful individual contributor, but just when you think through the makeup of a person's personality and their skillset by disposition, you have a higher likelihood of success if they think about others first, they prefer to be in a team context. They have a high orientation towards achievement and they do not view it through the lens of the impact on me first. That stuff from a selection standpoint at least lets you know if just by their makeup they have a chance, you still have to fill in on the skill front, 'Do they know or not?' Right? And you have to look at the role and say, can a good general leader do this? Or do they have to have the technical skills? That's, that's my thinking there.

## Noelle Bloomfield:

So those are the key indicators that someone shouldn't be a leader. But we had another question on measuring efficacy. You know, are annual reviews or employee surveys how we should be measuring efficacy and understanding who the great middle managers are? Or is there another way you'd recommend?

## Bill Schaninger:

It's an excellent question. I'm gonna give you the short version and Bryan's gonna pile along. I'm a fan of, if you close the books every year, you should close the books every year on how you run the place too, right? So I'm on the fullness of disclosure. I wrote a long time ago McKinsey's Organizational Health Index with a colleague Mac Guthridge. We still use it today, like 7 million people have taken it, about 5,000 companies. And it was written in a way to say a third is, 'Is it working?' And two-thirds is 'What are we doing or not doing?' I believe the disaggregation of the employee survey tells you far more than the average. The average is like the Apgar score. What happens when a baby's born? You don't know what the hell goes into that number. You just know closer to 10 is good and closer to zero is bad.

So in most companies, the overall average is useless. But when you break it down and start looking for patterns, looking for pockets, looking for differences, I think it tells you something about who's the largest determinant of those differences. In many cases, it's the leadership in those areas and the annuity underneath. So I do think it helps quite a bit the extent to which you have a culture that will support questions aimed directly at an individual boss. That's a little trickier if you go towards the world and everything has to be anonymous. I'm sorry, I recognize there's a school of thought that supports that. I do not. I think a culture of transparency and a real meritocracy and performance and coaching requires you to learn how to have conversations with people about how it's going. So I would encourage you to not go down that road but instead invest in measurement that lets you disaggregate to the unit of performance that matters.

## Bryan Hancock:

I would say, just on a practical level, I think what we can do is we can start to break down some of the things that we're hoping our middle managers are doing. Like thinking through who's gonna replace them. Do you have a succession plan in place? Do you have two identified ready now successors? Or have you looked at somebody that is more than three years out from the role that is in an area outside of yours? How diverse is your pipeline? Like there are lots of things that you can start to do. How diverse is your team over time? To the extent that you have the ability to choose your team in dynamic ways. You know, what types of talent are you aggregating or not? What's been the aggregate team performance? There are actually when you start to get down to what are some of the outcomes that come from great managers, you can really start to track and see, 'Hey, do we have the markers of where those outcomes are?' And then even if you're thinking about 'Hey, how am I managing a manager on the capabilities?' One of the things Bill was an innovator of is something we call the serial multi-rater feedback tool or SMURF

## Bill Schaninger:

Not a shining moment I might add in terms of labeling. Okay. But there we go.

## Bryan Hancock:

That's great. You're wearing blue today though. But if you think about zeroing in on 'Hey, here are a couple of very specific and observable management practices that we want to change an individual.' And then what we do is we just ask multiple people repeatedly, 'How's this person doing on this?' And you're able to track that over time. And that's in a way where you've identified, 'Hey, we want our managers behaving in this specific way differently, and how are we doing?' We don't have to wait for an annual survey or an annual check-in to see how we're doing. We can get feedback from a lot of people very quickly.

## Bill Schaninger:

You know, those little smiley faces at the end of security and airports, believe it or not, those smiley faces are massively predictive of how things are going in that airport, even after you

control for flight delays. It's remarkable. I remember talking about this and just that level of rough sentimentality and then you can start looking at time of day, volume of passengers, right? Who was on shift the, and the intensity and density of that shift of, the experience of the leader. I mean, it is remarkable how even simple data allows you to pinpoint 'We have an issue here.' I did a thing a few years ago with a fast food company. They were trying to get everybody's shifts in in like three days after four hours, the rate of customer complaints about orders being wrong went up after six hours. It skyrocketed, so note to self: you're not helping them out here, right? Cut the shift down, you know? So small bits of data can really help out just to understand when does a human contagion coming online and do we have a problem?

### **Bryan Hancock:**

And this is actually one of the areas I'm most excited about for AI, because if you think about if generative AI can listen in on our Zoom meetings and think about how many meetings we do over Zoom, it can actually detect sentiment. It can look at the pattern of how you ran your meeting versus how the patterns of other successful meetings have been and provide you with real-time feedback on the nature and quality of the conversation, who's participating, and overall sentiment. It can do the same thing across your Slack and do the same thing across the other areas. And if we think about this, not as Big Brother checking in, but as a coach to you, the manager, 'Hey, heads up, this is how you're meeting compared to others.' Think about these things. You're getting real-time feedback as a manager in a way that if it happened before, it was because you had a very skilled manager above you. Those spending a lot of time and now getting that more real-time feedback I think is gonna help.

### **Bill Schaninger:**

One thing you said earlier about tech that I think is building on this is that there's a variety of companies doing that. One, in particular, I just happen to know is called Immersion. And they do like this a VR kind of thing where like it's an avatar face, but the mouth is from the human and they can use actors or counselors or something. But if you think about how loaded it is for a manager to have their first difficult performance conversation or their first conversation with someone about their microaggressive behavior, whatever, think about all these conversations that can feel overwhelming and oh my God, I don't wanna do it cause everything I wanna do it. Getting them to practice and practice in an environment that feels

immersive, right within 30 seconds feels real. But then being able to apply generative AI both in the time series for the person, but across the unit and across the company. Now you will in a very real sense understand do we have a communication problem? Do we have a capability problem or do we have a culture problem and how would we address it? I think in those uses, in all cases, the leaders are still holding on to responsibility for what they've created, but they're trying to bring new tech to bear in a way to make it feel a little safer to try on new behavior.

### **Bryan Hancock:**

And I think there's a question in the chat, is it proper to compare employees? I would say if you've got thousands of teams across an organization and you're a team leader, and it is clear that what you are doing from the patterns of your work look different and are an outlier from that of where we have lots of data on where successful teams have been, I think it's absolutely fair to highlight to a manager, 'Hey, what you're doing is different. What you're doing is different from what the highest-performing teams have traditionally done over time.' It's up to you as a manager to figure out what you're gonna do with that information. But it's another helpful indicator of here's how you're different and why. And I think getting more data like that, that isn't in an evaluative sense, but more of an awareness sense and a coaching sense, I think that's, that's absolutely fair.

### **Bill Schaninger:**

Comparison doesn't have to lead to a rating, comparison to just say, what's the shape of our cohort and how are we doing, you know?

### **Noelle Bloomfield:**

Well, Bill, Bryan, this has been an exciting preview of your book to come in July, Power to the Middle. With our last two minutes, any parting advice each of you would give to our HR leaders joining? You know, what advice would you give them to get started and sort of empower their middle management teams?



## **Bryan Hancock:**

I mean what I would say, and it ties back to a question that folks had, I'd send copies of the book to every middle manager you have in the organization, help inspire them by saying 'Hey, here's what we are hoping you would do, we hope some people choose management as a profession, as a career path.' You know, that's uplifting. We share examples of how managers are actually living into what great managers can be. So I'd say, 'Hey, let's, let's uplift our managers and, and change their view of what they can do.' And then at the same time, work to enable them and create space in their jobs so that they can actually do the people leadership things. And then also, hey, let's give them the skills that they need to better lead.

## **Bill Schaninger:**

Look, my last encouragement would be you pick them, you're responsible for them. You have a group of leaders right now and some of them aren't up to it. Some of them need help, and some of them are great and just need some homogenization to get the full power of their scale. In all cases, you pick them, so now you have to help them.

## **Noelle Bloomfield:**

All right, great parting words. Well, thank you so much for joining us for today's Gloat Learn webinar. I think it was a really illuminating discussion and hopefully, people are feeling empowered and excited to go tackle middle management and think about it in new way. For all of our viewers, thank you for tuning in. This session was recorded and the transcript and recording will be available shortly after the event.

## **Bill Schaninger:**

Thank you everybody. It's great. Thank you. Really appreciate it.

