

Enabling Manager Effectiveness in 2023 and Beyond

By Stacia Garr & Priyanka Mehrotra

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About RedThread



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TL;DR

% **Manager effectiveness and engagement levels** have declined 12 and 5 percentage points, respectively, since 2020.

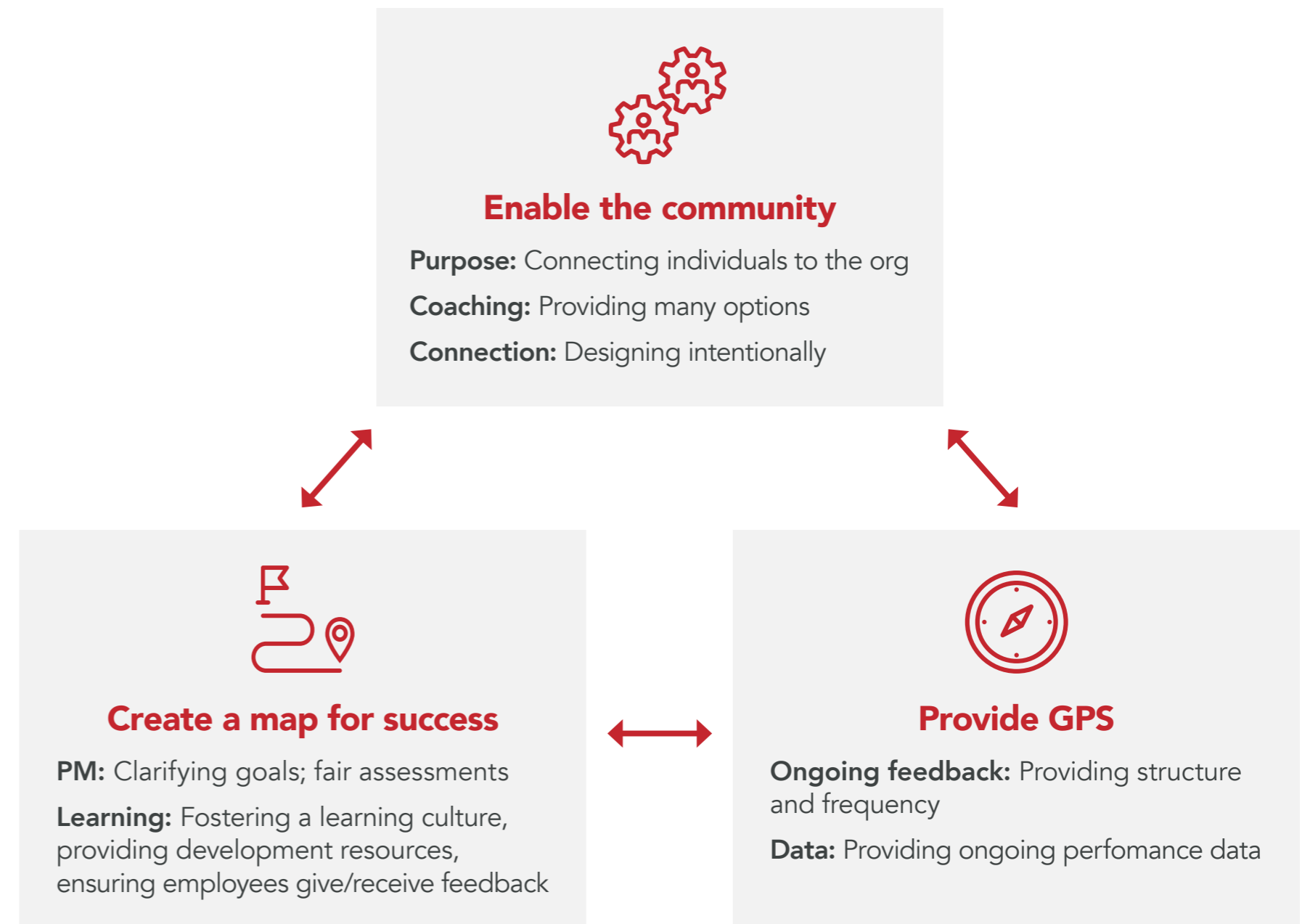
Orgs with highly effective managers have employees who are:

<p>2.8x</p> <p>more likely to give a positive NPS score</p>	<p>2.5x</p> <p>more likely to say their org is highly innovative</p>	<p>1.6x</p> <p>more likely to be highly engaged</p>
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➔ **Managers are not the primary problem.** Organizations need to increase their support instead of adding more to managers' plates. Managers' capabilities have only declined slightly over the past year. However, organizational levels of support for key drivers of manager effectiveness have dropped substantially over the last year.

➔ **Senior leaders and HR are especially blind to the problem.** The higher up in the organization, the less likely leaders are to see organizational practices as ineffective. The same holds for HR leaders, which is especially unfortunate since they are best positioned to fix the problem.

Senior leaders and HR need to change practices and systems to improve manager effectiveness. There are 3 areas leaders should focus on:



The current state of managers

Over the past 3 years, managers have taken on incredible loads: from the emotional strains of the pandemic to the challenges of social unrest, the loneliness of remote working, and the fear and difficulties of returning to the office. And now, here managers are, holding brave faces as many of their colleagues and employees get laid off, knowing they will have to pick up the pieces of what is left behind.

Is it any wonder that managers are less engaged and effective (see Figure 1)?

Manager effectiveness and engagement have declined 12 percentage points and 5 percentage points, respectively, since 2020

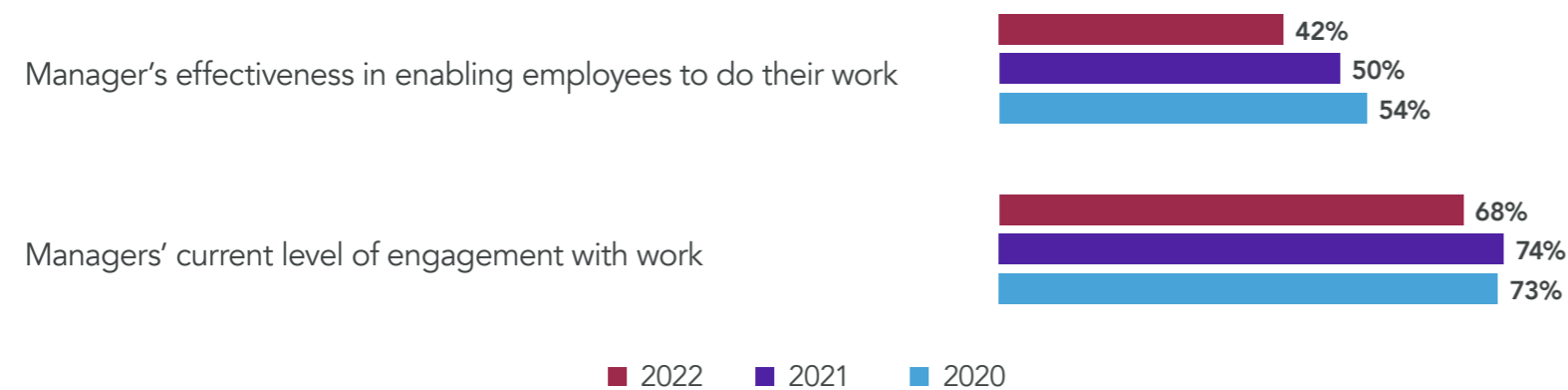


Figure 1: % of employees in 2022, 2021, and 2020 who agree their manager is "very" or "extremely" effective at enabling them to do their work; % of manager-level employees that reported their engagement is "high" or "very high", n=739 | RedThread Research, 2022



Why we must solve this problem now

While we all intuitively know that managers are necessary—and that this decline in engagement and effectiveness is important—there are some very specific reasons why we must address the situation now.

We are currently in an odd time of both a recession and a tight talent market. This means that organizations need to:

- ➔ Cut costs where possible
- ➔ Enable existing employees to deliver more effectively
- ➔ Respond to market demands

Managers are the key to enabling organizations to do this. In Figure 2, we have outlined some ways managers can help with these specific needs and the impact of those efforts.

Employees with highly effective managers report higher levels of engagement, intent to stay, and likelihood to promote their organization, among other critical benefits

What organizations need	What effective managers do	Specific impact of highly effective managers	Impact on organizations' needs
Cut costs	Retain employees	Employees: 1.3x more likely to intend to stay	Lowers turnover costs
	Support internal talent mobility	Orgs: 1.6x more likely to have met or exceeded their 2022 business goals	Lowers talent acquisition costs via sourcing talent internally
	Encourage more positive perceptions of the org	Employees: 2.8x more likely to give a positive NPS	Lowers talent acquisition/turnover costs via improving employment value proposition
Enable employees	Increase engagement	Employees: 1.6x more likely to be engaged	Higher productivity
	Remove barriers to getting work done	Employees: 1.2x more likely to perform better	Higher performance
Respond to market demands	Provide clarity on goals	Orgs: 2.4x more likely to be highly agile	Higher agility
	Remove barriers to work getting done	Orgs: 2.5x more likely to be highly innovative	Higher innovation
	Encourage continuous learning and skill development	Orgs: 1.8x more likely to report customers are highly satisfied	Higher customer satisfaction

Figure 2: Likelihood of employees to be engaged, stay with their current org, and give a positive NPS if they have highly effective managers, n=739 | RedThread Research, 2022

Help is here at last?



Given all this, it is no wonder that leader and manager effectiveness is HR leaders' top priority for 2023. You would think this is when managers finally get the support they need to be more effective.

You would be wrong. Instead of stepping up to support managers, many leaders are asking them to add to their plate: do more training, meet changed expectations, and try new leadership approaches.

This is like telling someone at the bottom of a well that they need to try different methods to climb out. While the advice may not be wrong, it would be far more helpful to lower a rope ladder. In this example, the problem is not the person at the bottom of the well but those at the top who aren't doing enough to help them.





Our research finds this is precisely the situation for managers today. Managers aren't as effective as they need to be, but the biggest boost to their performance isn't going to come from their small changes to management methods. No: it will come from HR leaders (that's you!) and senior leaders (also likely you!), providing them with the structural support they need to be more effective.

Managers are not the primary problem

In our new study, based on a survey of more than 700 employees, primarily in North America and Europe, we dug into the practices that drive manager effectiveness. We identified 7 practices that drive manager effectiveness, 4 of which are the responsibility of managers and 3 of which are the responsibility of organizations (see Figure 3).

There are 7 practices that drive manager effectiveness: 4 that are the manager's responsibility, and 3 that are the organization's responsibility

Manager practices

-  Remove barriers to getting work done
-  Manage difficult conversations effectively
-  Treat employees with respect
-  Foster connections within the team

Organizational practices




-  Provide data-based insights into the team's engagement
-  Provide clarity on what employees need to do to succeed in the future
-  Provide opportunities for employees to connect with coaches outside the organization

Figure 3: 7 managerial and organizational practices for manager effectiveness, n=739 | RedThread Research, 2022

When we analyzed these behaviors in detail, we found something remarkable: managers' capabilities, as assessed by their direct reports, have only declined slightly year-over-year (see Figure 4).

Employees indicate their managers' execution of key behaviors has stayed relatively the same YOY*



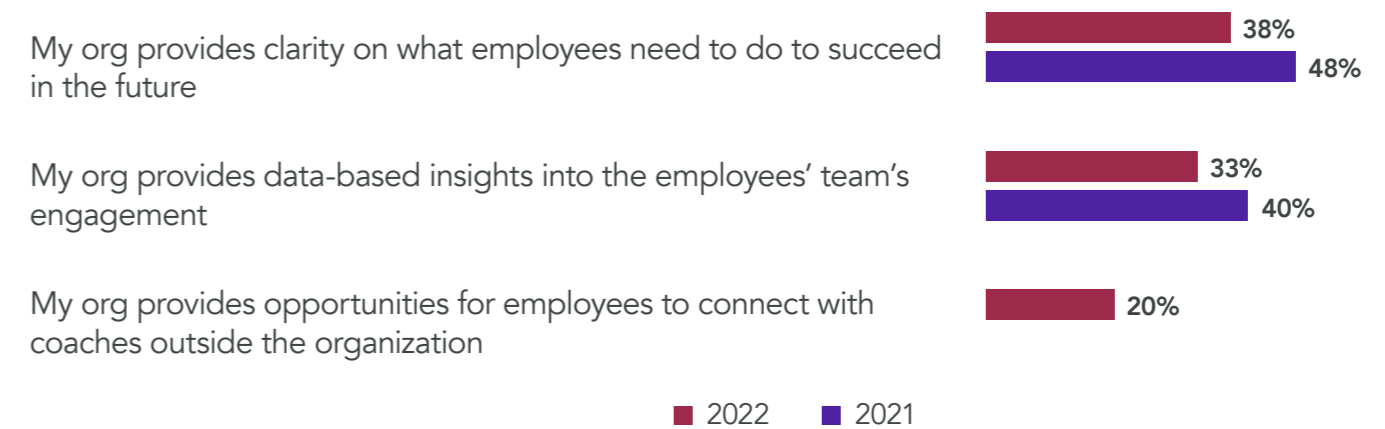
*Note, we did not measure "Fosters connection within the employee's team" in 2021

Figure 4: % of employees in 2022 and 2021 who agree their manager does each item to a "significant" or "very great" extent, 2022 vs. 2021, n=739 | RedThread Research, 2022



What has changed is this: organizations' levels of support. As shown in Figure 5, organizational levels of support for key drivers of manager effectiveness have dropped substantially, year-over-year. This lower level of support drives employees' assessment of lower levels of manager effectiveness.

Organizational support of key drivers of manager effectiveness declined substantially over the past year*



*Note, we did not measure "Provides opportunities to connect with coaches outside the organization" in 2021

Figure 5: % of employees in 2022 and 2021 who agree their organization does each item to a "significant" or "very great" extent, n=739 | RedThread Research, 2022

Unfortunately, HR and the most senior leaders in organizations—those with the power to change the situation—have a distorted view of the problem. The higher up the organization, the less likely leaders are to see organizational practices as ineffective. For example, 59% of CEOs / SVPs / VPs believe their organization clarifies what employees need to do to succeed in the future. In contrast, only 30% of first-level managers believe the same (see Figure 6).

Another interesting finding from these data is that a greater percentage of mid-level managers believe their organization provides clarity than directors and senior directors. One possible explanation could be that since there are fewer seats at the top of the organization, directors and senior directors are not sure how to rise, believing it is just a matter of finding the right opportunities. Another explanation could be that many companies increased organizational communications, necessitated by the pandemic and remote working, significantly increasing the perceptions of clarity for the middle management compared to what they had before.

To improve managers' effectiveness, HR leaders and senior executives (that's you!) must **change the practices and systems that support managers.**

Similarly, most HR leaders don't see the full extent of the problem either. As shown in Figure 6, HR leaders see their organizations as providing clarity on what it takes to succeed to a greater extent than the rest of the organization. There are other examples of this difference in perceptions in this report's "Getting Started" section.

Compared to employees and first-level managers, senior leaders and HR believe their organization performs much better at providing clarity to employees on what they need to do to succeed

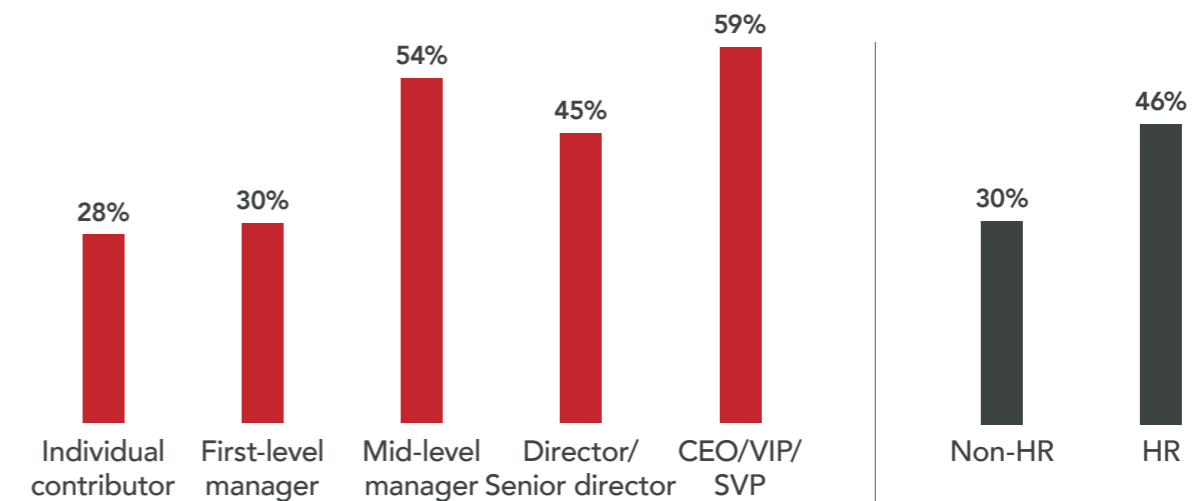


Figure 6: % of employees at different levels and functions who agree their organization provides clarity to employees on what they need to do to succeed to a "significant" or "very great" extent, n=739 | RedThread Research, 2022

“Ask what you can do for...”

Given this situation, what can you do to improve manager effectiveness? To tweak the famous John F. Kennedy quote, you need to “ask not what managers can do for you, but instead what you can do for managers.”

Specifically, this means focusing on three practices that are directly under the control of senior leaders and HR (see Figure 7).

Enable the community

Employees are looking for support beyond what their (already overburdened) managers can provide. You need to look beyond just focusing on managers’ behaviors and instead at the whole system within which managers exist and how that can be used to take some of the load off them. We call this enabling the community.

In our survey, this showed up as “My organization provides opportunities for me to connect with coaches outside my org.” Don’t let that item fool you though – this is about more than coaches. Rather, our analysis reveals this is about the organization investing in employees in a way that provides them with additional resources to do their work more effectively, enables them to understand their purpose, and helps them identify how they can succeed.

Organizations can approach enabling the community through 3 practices: aligning purpose, encouraging coaching, and maximizing connection.

Senior leaders and HR need to focus on 3 organizational practices to enable manager effectiveness.



Figure 7: 3 organizational practices to enable manager effectiveness | RedThread Research, 2022

Aligning purpose

As we've shown in [other research](#) and [our podcast](#), helping employees understand how their work connects to their organization's purpose can improve employee engagement and satisfaction. At least part of the reason for this is that by identifying their purpose, employees have clarity on the other people (beyond their manager) and resources that can help them work toward their purpose.

There are various approaches to enable employees to become clearer about their purpose and align it with the organization's purpose. One way is to communicate the organization's purpose during candidate interviews to hire folks who understand and resonate with that purpose. Another approach is to offer specific training or learning opportunities to connect the individual's purpose to that of the organization (see EY example below). You can also provide resources to managers to help them communicate and connect employees' work to the organization's purpose.

We find this focus on purpose is common in organizations with highly effective managers: 68% help employees understand how their work connects to their organization's purpose, compared to 40% of organizations with moderately effective managers (see Figure 8).

Orgs with highly effective managers focus on helping employees connect work to their purpose

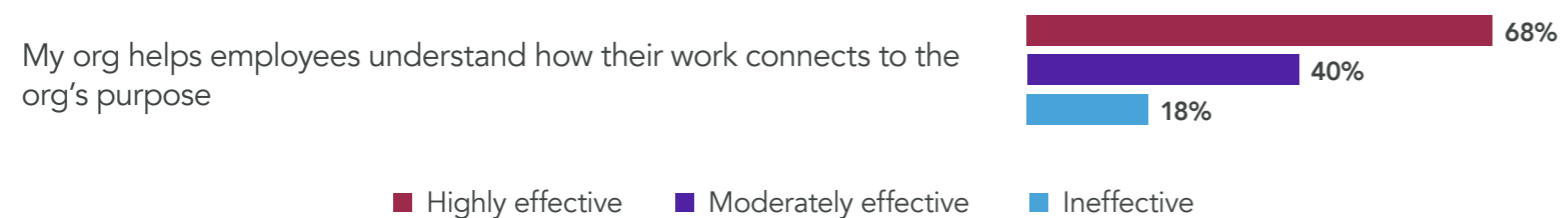


Figure 8: % of employees in organizations with highly, moderately, and ineffective managers who agree their organization helps them understand how their work connects to the org's purpose to a "significant" or "very great" extent, n=739 | RedThread Research, 2022



CASE STUDY**Helping employees connect their work to the organization's purpose**

During one of our [podcast episodes](#), two leaders from EY, Tal Goldhamer, Chief Learning Officer Americas Division, and Jeff Steir, Americas Strategic Purpose Vision Realized Leader, shared the nested purpose approach they adopted at the company.

The duo explained how EY has tried to create closer proximity between the overall organization's purpose and an individual's purpose. The approach enables different businesses and practices within EY to articulate their own purpose, which is nested within the organization's overall mission, and helps people connect their personal purpose to the nested purpose.

The approach is backed and supported by senior leaders and executives. Tal and Jeff shared that many leaders have discovered and articulated their personal purpose and vision and used it in their communications and decision-making. They have talked openly and shared with others about using their purpose and vision in their decision-making. This has, in other words, "enabled the community" by helping employees identify their purpose, creating an environment that supports employees in seeking that purpose, and providing resources (beyond managers) to help employees move toward their purpose.

Technology to enable purpose

While it may seem counterintuitive that technology can help employees identify and align their purpose and work, there are many solutions on the market. Most of them enable organizations to coordinate and align volunteering and giving activities.

For example, there are platforms such as [Benevity](#), which aligns corporate purpose efforts in one place. Specifically, it allows organizations to engage employees, customers, and communities on one platform. Employees can give financially to certain causes, volunteer their time, or take positive actions that lead to personal or professional growth. The solution also supports grants management, enabling employees to be involved in projects that grant funding to community partners. Finally, the solution allows for public giving, charitable gift cards, or an API in which employees or customers can donate to specific causes while they shop.

Another solution is [Wespire](#), a platform designed to encourage the entire workforce to make a positive impact at work. The platform helps create inclusive cultures, sustainability, well-being, and social impact. They offer marketing-inspired pathways and micro-choices enabling employees to become involved in specific issues or concerns (e.g., racial justice). They also provide ways for people to act on specific purpose-aligned activities, such as letter-writing campaigns, donations to specific causes, or engage in local activities.

Other solutions include [Millie](#), [Deed](#), [Goodera Volunteer](#), [Selflessly](#), and [others](#).

These solutions provide a way for people to connect their actions to purpose and for the organization to reaffirm purpose in the process.

Encouraging Coaching

There are many different types of coaching that can help activate the broader community that surrounds employees. Here are some of the most impactful approaches.

- ➔ **Providing external coaching:** As mentioned above, a primary way organizations can help employees find their purpose and gain access to additional resources is by providing them with external coaching. This item is one of the drivers that predicted high levels of manager effectiveness: 34% of organizations with highly effective managers do this, compared to 16% of organizations with moderately effective managers (see Figure 9).
- ➔ **Engaging in regular coach / mentor conversations:** External coaches are not always an option for organizations; therefore, providing internal coaches and mentors can be another way to activate the community. Unfortunately, despite its importance, we found that organizations are doing this less than before (38% of organizations did it to a “significant” or “very great extent” in 2022, compared to 43% in 2021). Organizations with highly effective managers tend to provide internal coaching and mentoring, with 58% of employees with highly effective managers reporting that their organization does it, compared to 33% of those with moderately effective managers.
- ➔ **Encouraging peer-to-peer coaching:** Peers are another critical source of support for employees—and thus for managers since employees may get insights for which they’d usually rely on their managers. Yet, peer-to-peer coaching tends to be underused. Today, 50% of organizations with highly effective managers encourage it, though only 27% of those with moderately effective managers do.

Organizations with highly effective managers provide many different coaching resources



Figure 9: % of employees in organizations with highly, moderately, and ineffective managers who agree their organization does each item to a “significant” or “very great” extent, n=739 | RedThread Research, 2022

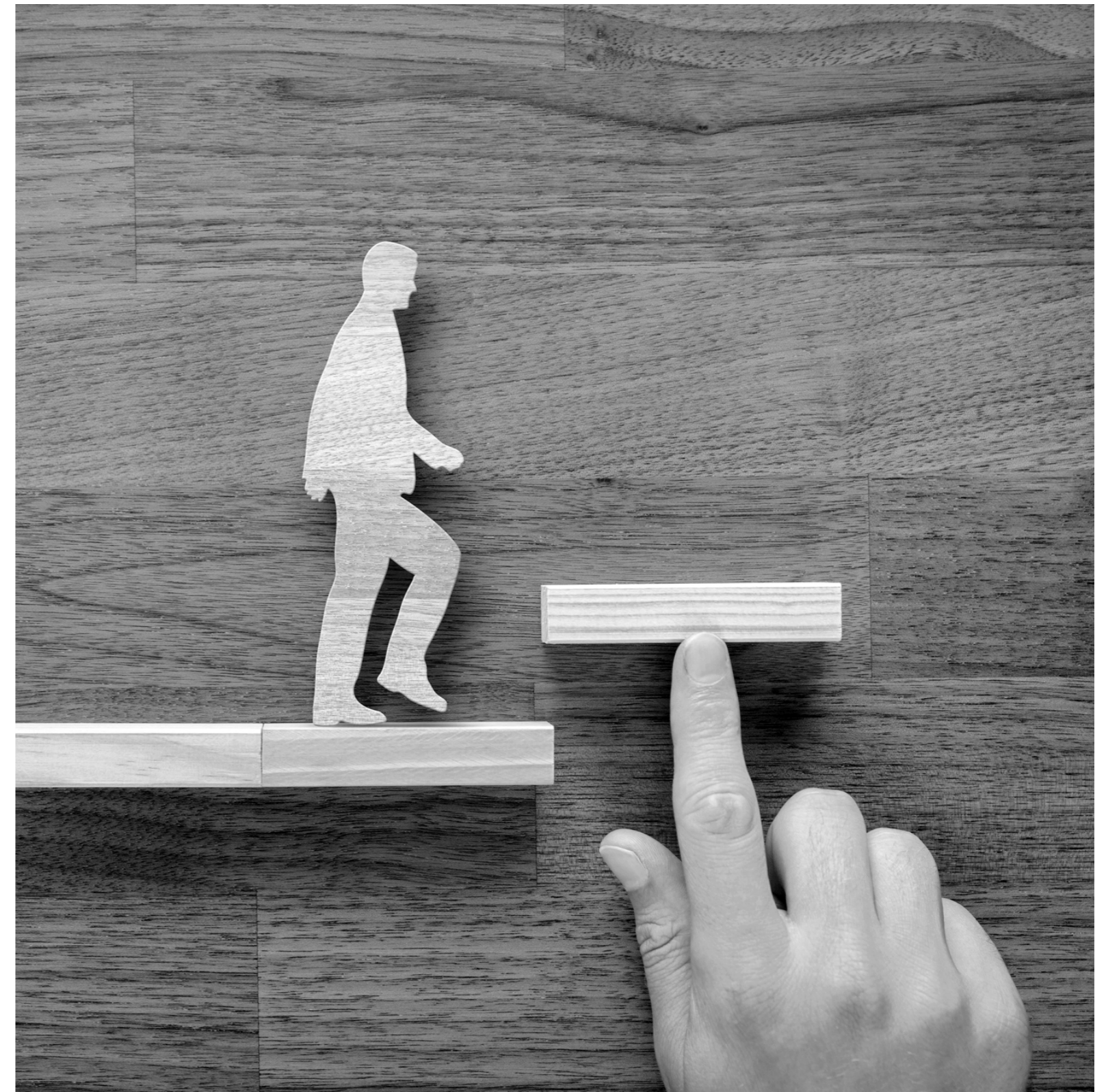
When Accolade, a healthcare technology company, wanted to scale its coaching culture to make it more accessible and inclusive, it decided to use a coaching solution that enabled peer-to-peer coaching instead of hiring paid external coaches. The solution used a data-driven algorithm that matched employees based on their profiles and helped set up bi-weekly video conversations. As a result of these conversations, employees were able to work toward their purpose as well as receive practical guidance on how to improve performance.

CASE STUDY**Drop-in coaching to help employees learn new skills**

As part of our [coaching study](#) interviews, Kelly Kinnebrew, a consultant, shared her experience with coaching during her time as Principal of Organizational Development at Dartmouth Hitchcock Health. The company used the drop-in coaching method, which refers to a specific type of 1-on-1 coaching concentrating on in-the-moment needs. It is specific and provides a “quick hit” to solve current challenges. Drop-in coaching can use either internal subject-matter experts or external professional coaches. Kinnebrew described this as coaching for “things you have to do tomorrow” rather than long-term projects or development.

She mentioned that this type of coaching has 2 main benefits:

- ➔ It’s motivating to employees to learn a new skill they can then use to address a specific situation in real time with a real human being. Kelly shared examples like conversations with bosses about wins or challenges, career conversations, role-playing difficult situations, or receiving honest feedback.
- ➔ Unlike a manager as a coach, external drop-in coaches without any awareness of the specific context can coach from a detached perspective. Context is important, but there are also benefits to the coach not being part of the system where the coachee resides.



Coaching technology to help enable the community

As we reported in our [coaching technology study](#), there are many coaching technologies that can support employees. Overall, coaching tech falls along 2 main axes: human vs. machine delivery and using internal vs. external resources (including humans as well as models, data, and content) (Figure 10).

Each quadrant has a unique role in the development of individuals. Organizations looking to invest in their employees' success will benefit from any one of the technologies, depending on their individual context. Our study revealed that what works in one organization may not work in another. Understanding the purpose of the coaching initiative is key to choosing the right technology.

Understanding the **purpose of the coaching initiative** is key to choosing the right technology.

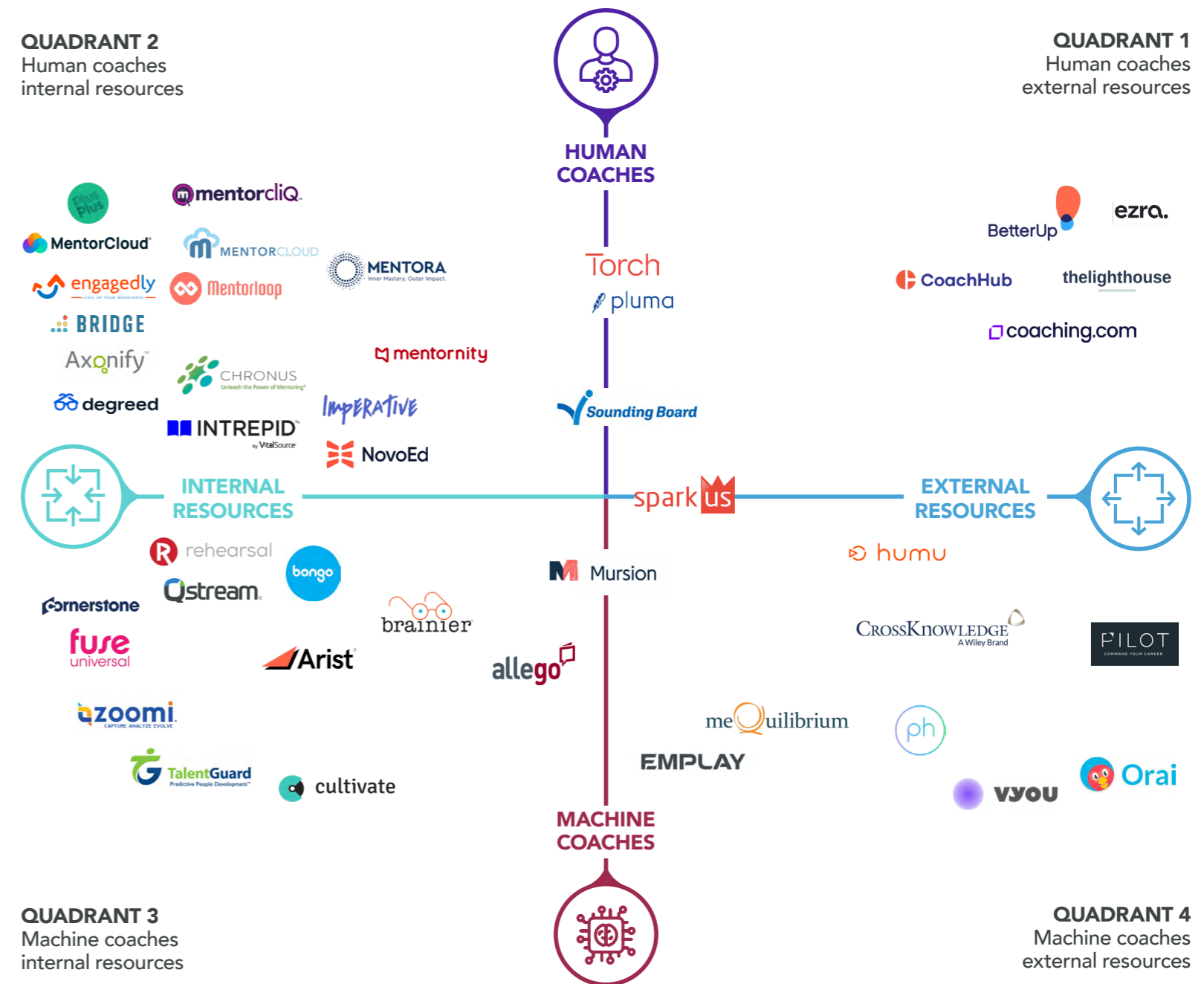
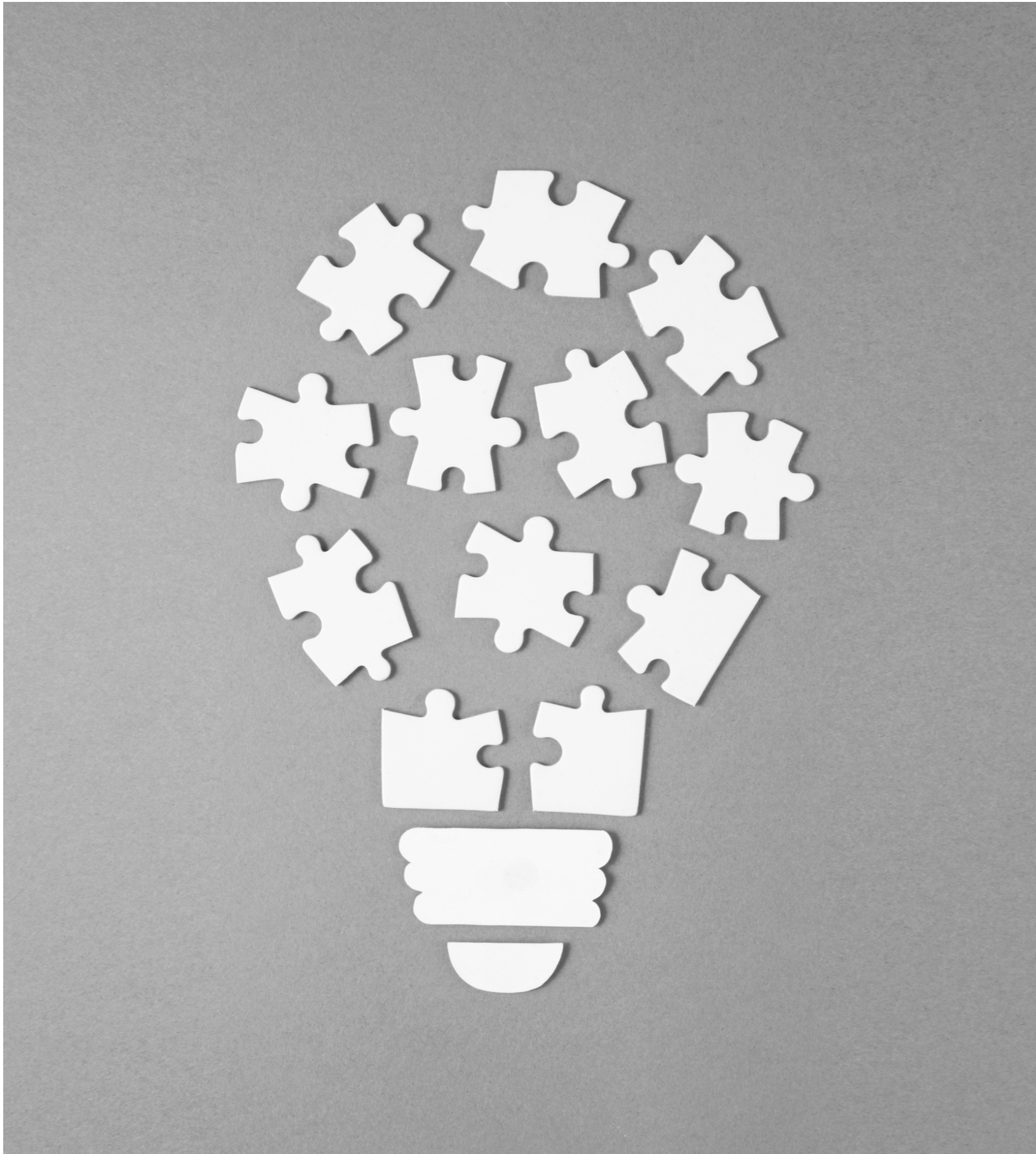


Figure 10: The coaching tech landscape | RedThread Research, 2021



Maximizing Connection

As employees return to the office at some frequency level, organizations must develop an intentional strategy for enabling connection. This is because connection is less likely to happen organically, given the different work schedules of hybrid employees.

Organizations with highly effective managers realize it is important to design for connection, and 59% of them have a strategy for enabling it, compared to 32% of organizations with ineffective managers. Further, nearly 60% of organizations with highly effective managers provide opportunities for virtual social interaction, compared to 36% with moderately effective managers (see Figure 11).

Organizations with highly effective managers focus on helping employees connect with each other

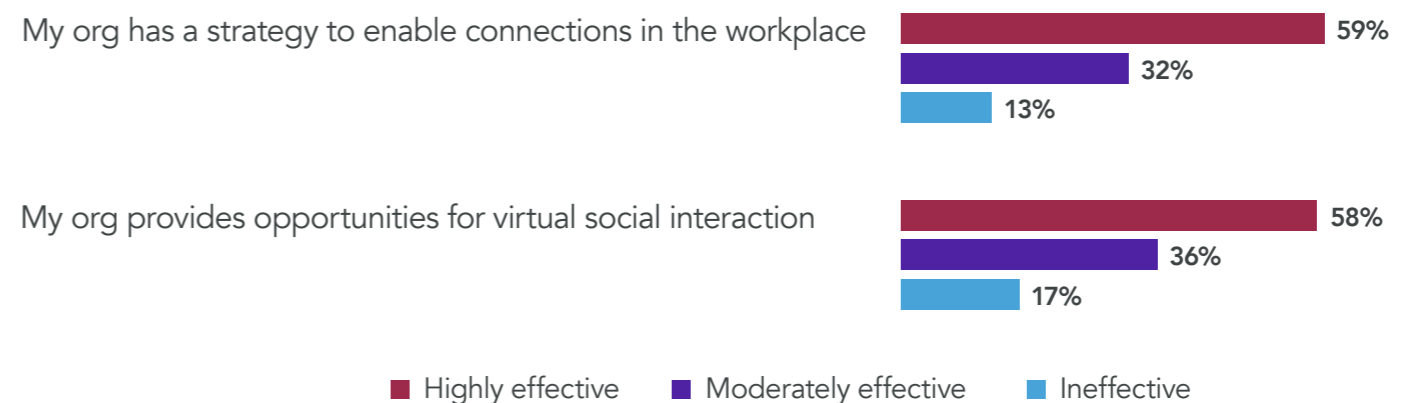


Figure 11: % of employees in organizations with highly, moderately, and ineffective managers who agree their organization does each item to a "significant" or "very great" extent, n=739 | RedThread Research, 2022

Our most recent research on **enabling connection** shows that there are many ways for people to connect, ranging from emotional and rational connection to forming and deepening connection (see Figure 12).

Organizations must first determine what type of connection should be enabled by asking themselves if employees need to form a new connection or deepen an existing one, and if the connection needs to be emotional, intellectual, or both. Organizations should think of these as 4 quadrants that intersect as 2 axes. The matrix in Figure 12 defines connection in each quadrant and gives examples of what connection in each quadrant looks like.

Designing for connection may seem daunting, but it doesn't have to be. For example, in trying to form intellectual connection within the organization, a Canada-based marketing agency used an external vendor's application embedded in the company Slack to encourage employees to connect with each other. The app is used for online water-cooler chats, enabling people to connect easily during events.

Similarly, in trying to form emotional connection within teams at Saks OFF 5th, senior leaders made it customary to spend a few minutes checking in on non-work stuff at the beginning of meetings and other interactions.

To enable connection at work, consider all 4 aspects of connection

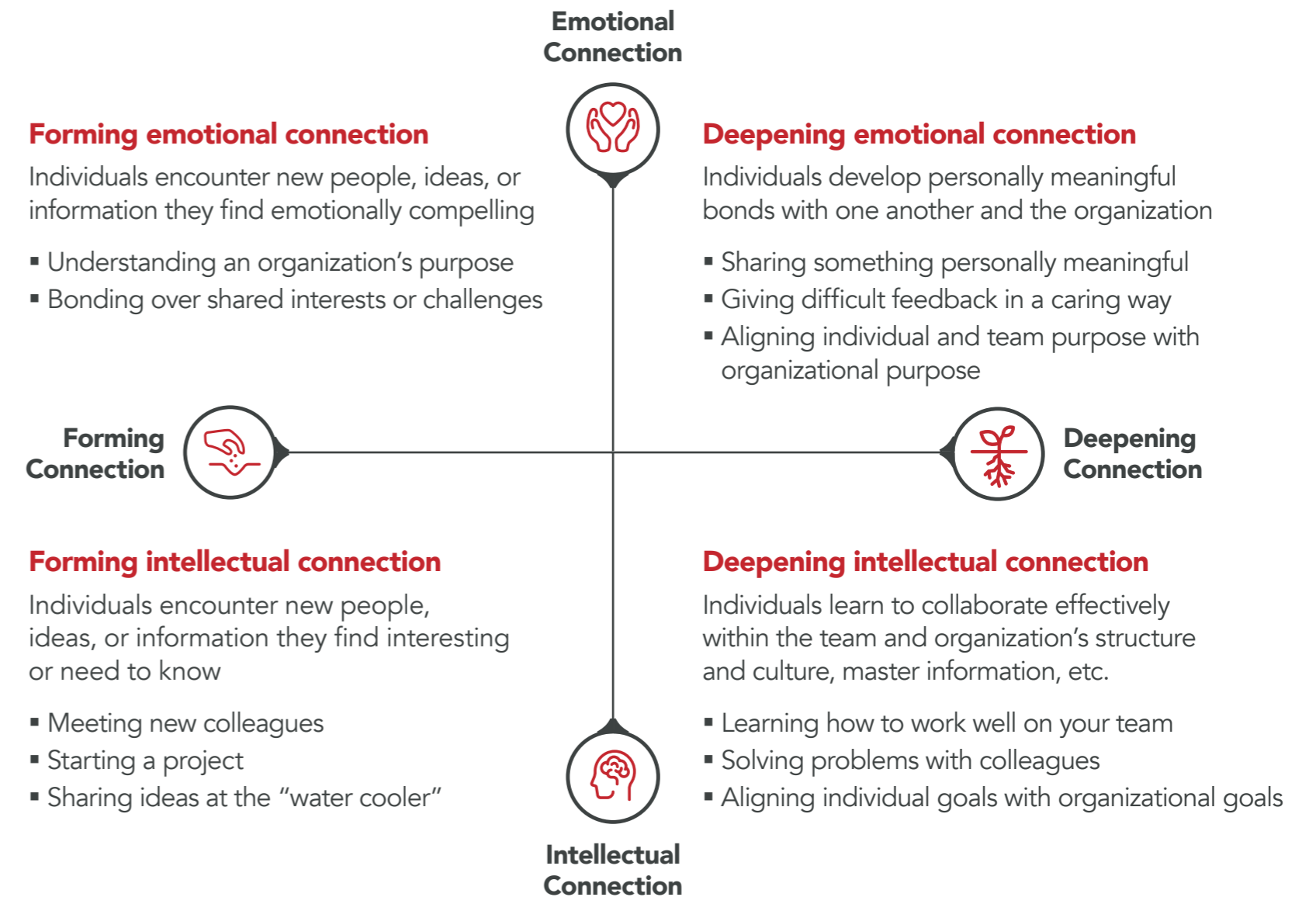


Figure 12: Connection matrix | RedThread Research, 2022

CASE STUDY**Using data to deepen intellectual connection**

UC Health is a regional healthcare system dedicated to employee listening by frequent employee pulse surveys. To enable a sense of connection, leaders are encouraged to talk with their teams about the results of each survey. To close the loop and hold the leaders accountable, every survey asks employees whether their leader talked to them about the previous survey's data.

These regular, data-based conversations help teams align on their challenges, goals, priorities, and future actions, thus deepening intellectual connection. According to Matt Gosney, VP of Organizational Development, the act of sharing data and having meaningful dialogue with the teams has led to high engagement among teams.

Tech to enable connection

While there are several kinds of technology that can enable connection, there are 4 types that are commonly used and came up frequently in our interviews:

- ① **Communication technology:** When we asked our interviewees about the technology they use to enable connection, many mentioned communication and chat tools like Slack and Teams. These tools allow users to create channels to provide opportunities for people with shared interests, hobbies, or passions to connect.
- ② **Onboarding technology:** Some companies leverage onboarding technology to connect new hires with the organization as early as possible. This kind of technology can send automated communications to managers with information about new hires. They are also reminded of their onboarding responsibilities and nudged to email or text the new employee. Similarly, it can send new hires useful information about the company, its goals and mission, and general expectations of them.
- ③ **Employee engagement and experience technology:** These solutions can help companies measure connection through surveys and feedback forms. Survey data on collaboration, belonging, engagement, and burnout can be important indicators for understanding and measuring connection.
- ④ **Organizational Network Analysis (ONA) technology:** ONA technology can help companies understand existing networks and connection patterns within and across teams. For example, passive data collected from work tools such as Microsoft 360 or Gsuite can show how frequently employees collaborate and with whom they collaborate most.

Create a map for success

In 2022, just 38% of organizations provide clarity to employees on what they need to do to succeed—a decline of 10 percentage points from 2021. However, organizations with highly effective managers do this much more frequently, with 60% of them providing this clarity.

While it might be tempting to put most of the burden on managers to provide clarity on what’s needed to succeed, you should not. Instead, our research shows that senior leaders and HR should improve performance management and learning and development practices at the organizational level to show what “good” looks like. They should offer resources to help employees understand how to get there and provide employees with feedback on how they can adjust their performance.

Leveraging performance management to help managers

When we look at performance management, there are 3 ways it contributes to manager effectiveness:

Clarifying individual and team goals: Organizations have long left the burden of this task to individual managers, but our research over the past few years has indicated a shift in this responsibility from managers to the organization. Practically speaking, this means:

- ➔ Ensuring goals are clearly articulated from the top
- ➔ Enabling employees to connect to and align with team goals
- ➔ Providing opportunities for employees to seek better clarity when needed
- ➔ Providing technology to support all of this

In our study, 68% of organizations with highly effective managers ensure goal clarity for individuals, compared to 40% with moderately effective managers. Similarly, 66% of organizations with highly effective managers ensure their teams have clear goals, compared to 41% of those with moderately effective managers (see Figure 13).

Organizations with highly effective managers clarify goals and performance evaluations



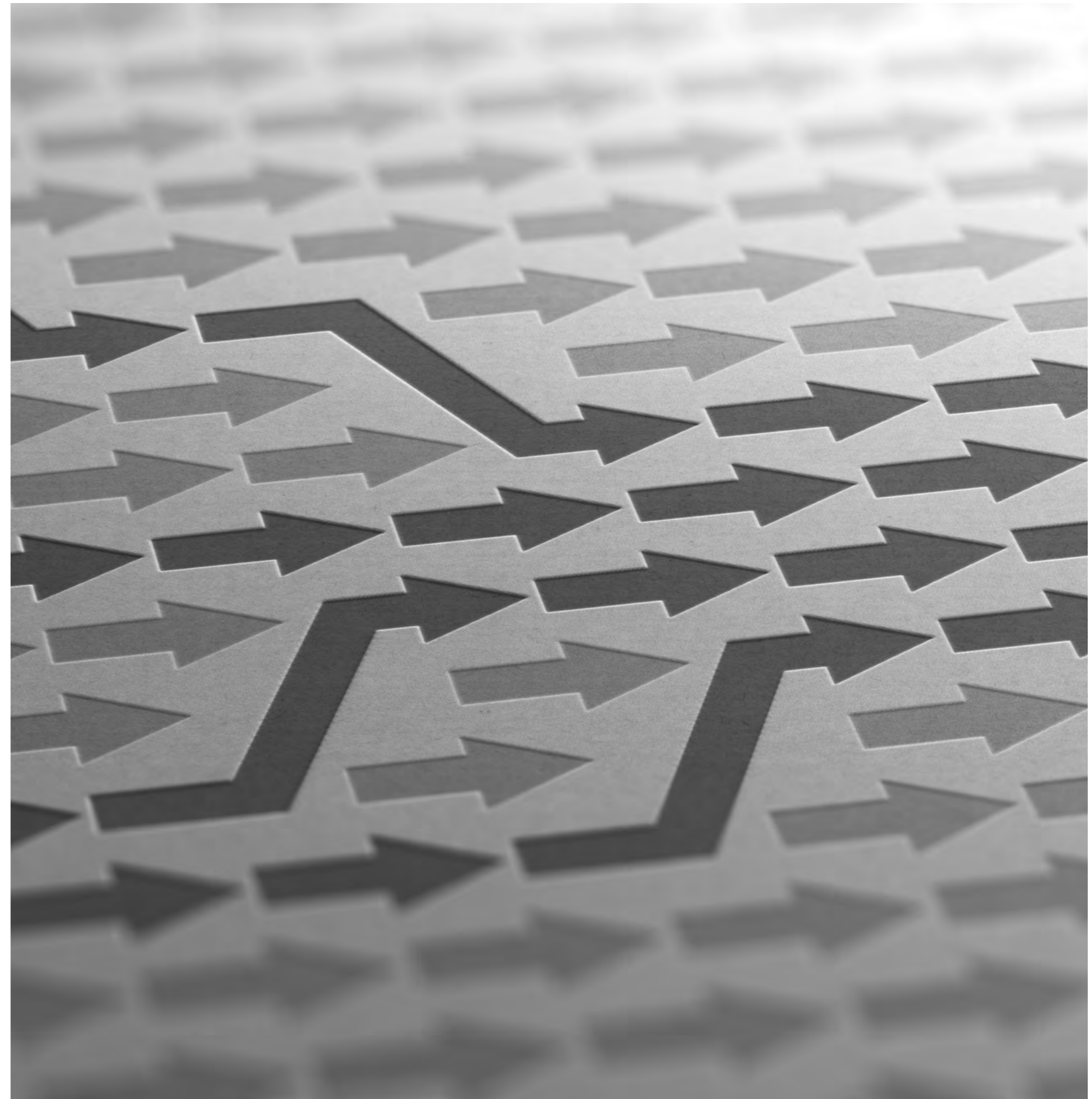
Figure 13: % of employees in organizations with highly, moderately, and ineffective managers who agree their organization does each item to a “significant” or “very great” extent, n=739 | RedThread Research, 2022

Connecting individual work and organizational goals: Like the earlier point on purpose, individuals want to know that their work matters. Sixty-five percent of organizations with highly effective managers ensure employees understand how their work contributes to organizational goals, compared to 36% of organizations with moderately effective managers (see Figure 13).

Again, this is an organization-level responsibility, not one that can simply be left to managers. To do this, senior leaders need to be clear about the impact of their different functions, geographies, etc. on the overall organization's goals, communicate that information broadly, and help their direct reports understand how to connect their employees' work to those organizational goals. From an operational perspective, this requires organizations to set aside time to have these conversations and for senior leaders and HR to provide specific guidance on how best to communicate the material.

Evaluating performance fairly and consistently: Being clear on goals and expectations is of little use if the assessment against them is seen as unfair. Highly effective managers work at organizations with (and contribute to) a fair and consistent performance evaluation process. Unfortunately, we've seen a decline in all organizations' effectiveness here: 42% of organizations currently do this in 2022 compared to 48% in 2021. When we looked at organizations with highly effective managers, we saw that 66% do this, compared to 37% with moderately effective managers (see Figure 13).

From an organizational perspective, this comes down to good old blocking-and-tackling on performance practices and evaluation processes. It also means auditing your practices for where bias may exist, such as in performance ratings, promotion nominations, and compensation decisions.



CASE STUDY**Ensuring goal clarity through transparency**

Service Express is a US-based IT service management company with over 1,000 employees. To ensure goal clarity and alignment among individuals and teams, the company makes sure there is transparency in their performance management process. Each employee sets quarterly goals, including doing things that will help them learn, grow, and stretch themselves. The company refers to this process as “5/15,” because employees spend 5 minutes creating the goals and 15 minutes discussing them with their leader. The goals are housed on the company intranet, which means they are visible to everyone. The goals are then discussed on the individual and team levels to make sure there is alignment on projects and responsibilities.

CASE STUDY**Creating a high-performing culture through strategic goal setting**

Topcon Corporation is a Japanese manufacturing company that builds optical equipment for ophthalmology and surveying. The company has over 5,000 employees. Topcon’s HR function was tasked with creating a high-performing culture but realized that employees and managers lacked access to information about their performance that could help them set clear goals. The team realized it needed to improve transparency.

The company decided to leverage a technology solution that allows managers and employees to update and manage their goals information. The technology lets managers see those updates immediately.

This has resulted in better communication between managers and their teams, leading people to set better goals. Before using the solution, Topcon employees submitted their goals on paper, and the company lacked the means to use the information effectively. Now, HR can use the solution to check on goals and ensure they align with the company strategy.



Performance management tech

Inconsistent, sporadic, and ad hoc methods of performance evaluation across the organization can lead to a lack of trust and frustration among employees. One of the most critical ways technologies can help organizations create a map for success for their employees is by providing a fair and consistent performance evaluation.

Performance management solutions help companies standardize their performance management approach. They provide a place for employees to input, share, and track goals, objectives, and results. For example, [Betterworks](#) helps employees and managers keep track of their objectives and key results (OKRs) and understand how they align with company goals. [Culture Amp](#) allows companies to put in place processes that encourage frequent and regular check-ins, 1:1s between managers and employees, and opportunities for employees to receive and give feedback.

Using a solution to standardize processes can help with consistency and provide a fair performance evaluation process. It can also provide employees with data on their and their team's performance and identify areas that need improvement.

Many performance management technologies are available, including those already built into your HRIS platforms to point solutions such as [15Five](#), [Lattice](#), [Reflektive](#), [Workday](#), and [Workhuman](#).

Using learning to take work off managers' plates

An organization's learning culture, initiatives, and resources can do a lot to enable managers to be highly effective. Beyond the obvious point that the learning team can provide manager training, it can also go a long way toward enabling self-service amongst managers' direct reports, thus taking some of the burden off managers.

We identified 3 ways organizations can support manager effectiveness:

- ➔ **Encouraging employees to learn and grow continuously.** Everything starts with mindset, especially when it comes to fostering a learning culture. This is a very specific way companies can support manager effectiveness because it takes the burden of providing most learning off the manager. Instead, it makes learning everyone's responsibility. In our study, 66% of organizations with highly effective managers do this, compared to 42% with moderately effective managers (see Figure 14). Unfortunately, the frequency with which organizations are doing this generally has declined, with 46% of organizations encouraging employees to learn and develop skills in 2022, compared to 53% in 2021.
- ➔ **Enabling employees to develop the skills they need.** Mindset is one thing—action is another. Organizations with highly effective managers enable employees to develop the skills they need, which includes offering resources, technology, and time to develop those skills. The percentage of organizations doing this also fell to 36% in 2022, compared to 46% in 2021. Yet, organizations with highly effective managers continued to do it, with 56% doing this, compared to 30% with moderately effective managers.

- ➔ **Helping employees understand how to give and receive feedback.** Finally, organizations with highly effective managers invest in making sure that all staff—managers as well as employees—know how to give and receive feedback. This supports the overall focus on learning and growth and again takes the onus off managers. The percentage for this also fell in 2022 versus 2021 (43% versus 54%, respectively). Additionally, 50% of those with highly effective managers do this, compared to only half of them (25%) with moderately effective managers.

Organizations with highly effective managers broadly support learning and growth



Figure 14: % of employees in organizations with highly, moderately, and ineffective managers who agree their organization does each item to a "significant" or "very great" extent, n=739 | RedThread Research, 2022

These items above are a good starting point for reinforcing the importance of a learning mindset. However, there is even more that you can do.

Specifically, in our [learning equity study](#), we identified 3 areas of focus for learning functions in high-performing organizations. These 3 areas enable employees to partake in learning resources without managers being the gate to or discoverer of those learning opportunities. Thus, the learning team takes some work off managers' plates. The 3 areas are:

- ➔ **Discovery:** Helping employees find development opportunities
- ➔ **Access:** Enabling employees to take advantage of the development opportunities if they want
- ➔ **Participation:** Tracking which employees participate in the development opportunities available to them

In the table below, we share an overview of the actions that organizations can take to drive the 3 elements of learning equity (Figure 15).

Element	Action
Discovery	<ul style="list-style-type: none"> ▪ Make development opportunities more transparent ▪ Communicate about opportunities more frequently and widely ▪ Tailor methods to help different groups discover opportunities ▪ Embed development opportunities in employees' work
Access	<ul style="list-style-type: none"> ▪ Increase transparency around decisions related to development opportunities ▪ Track who accesses development opportunities to surface inequities ▪ Involve different stakeholders (IT, HR, etc.) to identify common barriers to accessibility
Participation	<ul style="list-style-type: none"> ▪ Use data to identify who is taking advantage of opportunities ▪ Ensure that messaging around development opportunities is inclusive ▪ Incorporate diverse perspectives when developing opportunities

Figure 15: Actions for the 3 elements of learning equity | Source: RedThread Research, 2022.

CASE STUDY**Using gigs to drive employee development and growth**

Ferring Pharmaceuticals is a biopharmaceutical group focused on reproductive medicine and maternal health. The company employs 6,500 people worldwide. Since the company's work is driven by innovation, it requires a culture of continuous employee learning and development. To enable this culture, the company wanted to create an environment where employees could easily connect with new development opportunities.

Ferring leveraged a talent marketplace solution that uses existing skills data to match worker skills and their interests with short-term projects or "gigs." The technology also has the ability to recommend learning content and full-time jobs to employees.

The set-up works as a two-way street, as employees can pursue development opportunities, and managers can quickly find people with the right skills within the company.

"We can now democratize project and learning opportunities, so everybody in the company can benefit from them."

– Senior Manager, HR Solutions and Transformation

As a result, employees can find gigs that allow them to grow, develop and improve their skills and, thus, advance their careers.



Tech to enable continuous learning, skills development, and feedback

Organizations should look toward solutions that help employees with their development. Because the learning technology market is so vast, we provided a framework for categorizing the different solutions in the market in our [learning technology study](#).

In that study, we identified 6 behaviors employees need to engage in to learn and develop continuously (see Figure 16):

- ➔ Plan their development and careers
- ➔ Discover development opportunities
- ➔ Consume learning experiences
- ➔ Experiment with new knowledge and skills
- ➔ Connect with each other for learning
- ➔ Perform better while learning on the job

There are hundreds of technologies that enable those behaviors by providing the functionalities listed in Figure 16. With specific regard to skills, our recent [skills technology report](#) identified 56 vendors that help with skills tracking. Many of these vendors focus on skills-based career path-making that helps with short and long-term development plans that align individual goals with the organization’s goals. Finally, several content and learning path vendors help employees develop and practice skills related to giving and receiving feedback.

Learning technology can be categorized based on areas that organizations want to enable

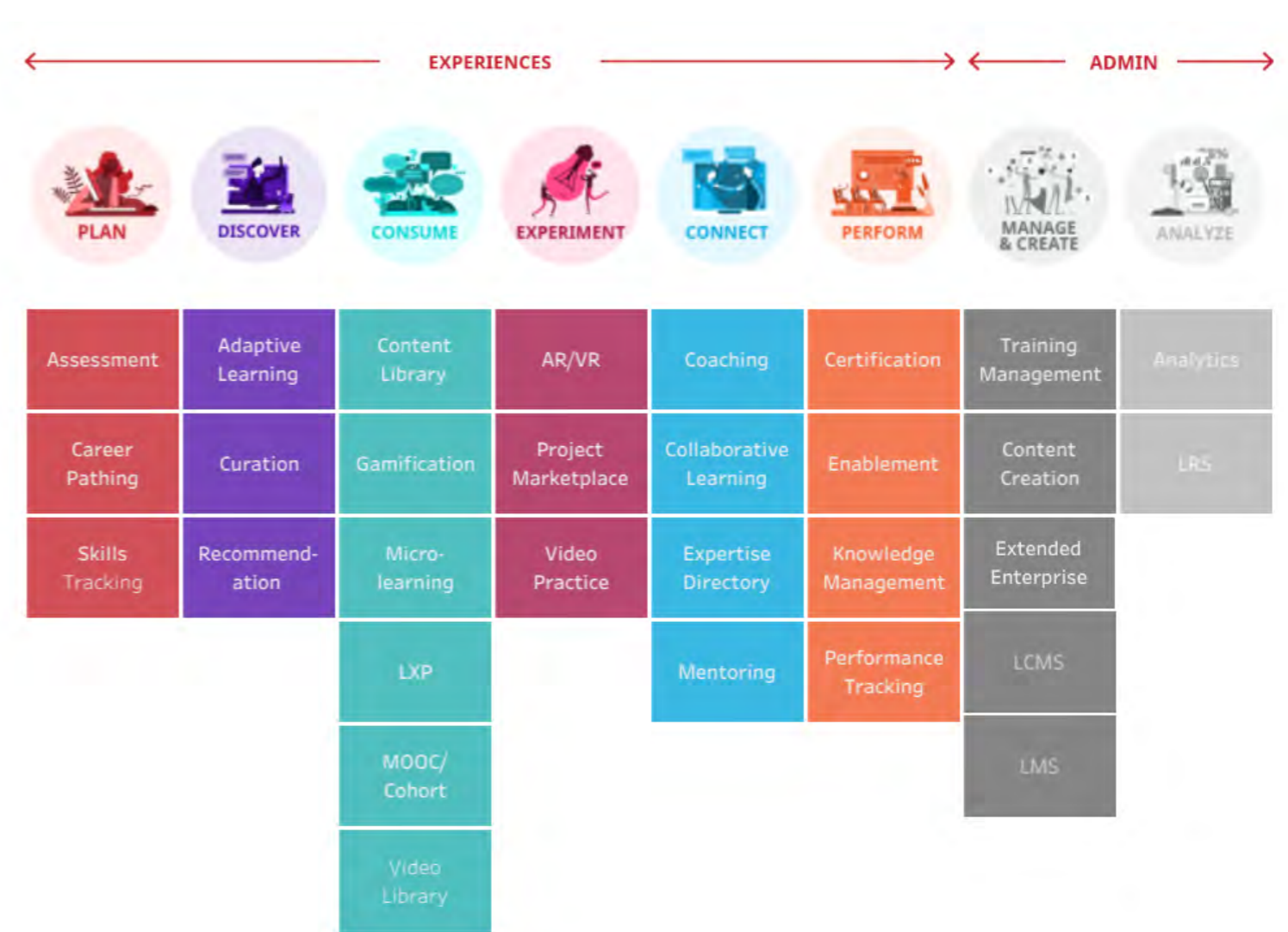


Figure 16: Learning technology landscape | RedThread Research, 2022

Provide GPS

Employees need not just a map but also insights to tell them if they are on track. In our survey, this showed up as “My organization provides data-based insights into my team’s engagement.” By sharing these insights, organizations do a few things:

- ➔ Enable employees to understand the current situation
- ➔ Demonstrate trust in employees (because the organization has provided them with important information)
- ➔ Signal openness to discussing and addressing challenges

When we think about how this “GPS” is enabled in organizations, it comes down to two things:

Creating feedback structure: Creating structure and expectations for the type and frequency of feedback

Providing data: Providing data that enables employees and managers to have effective feedback conversations

Creating feedback structure

One of the main ways organizations can help ensure that employees clearly understand their performance and if they are on track is by encouraging them to have regular conversations with their managers. Fifty-three percent of organizations currently do this in 2022, compared to 55% in 2021. Additionally, when it comes to organizations with highly effective managers, a large majority (75%) of them do this, compared to barely half (49%) with moderately effective managers (Figure 17).

Organizations with highly effective managers ensure employees have ongoing conversations with their managers

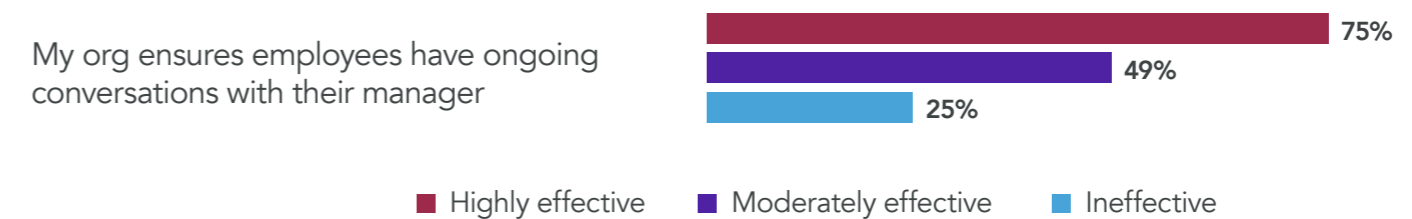


Figure 17: % of employees in organizations with highly, moderately, and ineffective managers who agree their organization ensures they have regular conversations with their managers to a “significant” or “very great” extent, n=739 | RedThread Research, 2022

Employees need not just a map but also **insights to tell them if they are on track.**

When it comes to check-ins, we found that in organizations with highly effective managers, a large majority of employees (72%) report having daily or weekly check-ins with their managers. This is not so different from those (67%) in organizations with moderately effective managers. Instead, we see that better managers distinguish themselves by having structured conversations. Fifty-five percent of employees in companies with highly effective managers report having structured formal conversations on a monthly or weekly basis—much higher than the 40% of those with moderately effective managers (Figure 18).

Employees in organizations with highly effective managers have more frequent structured conversations with their managers

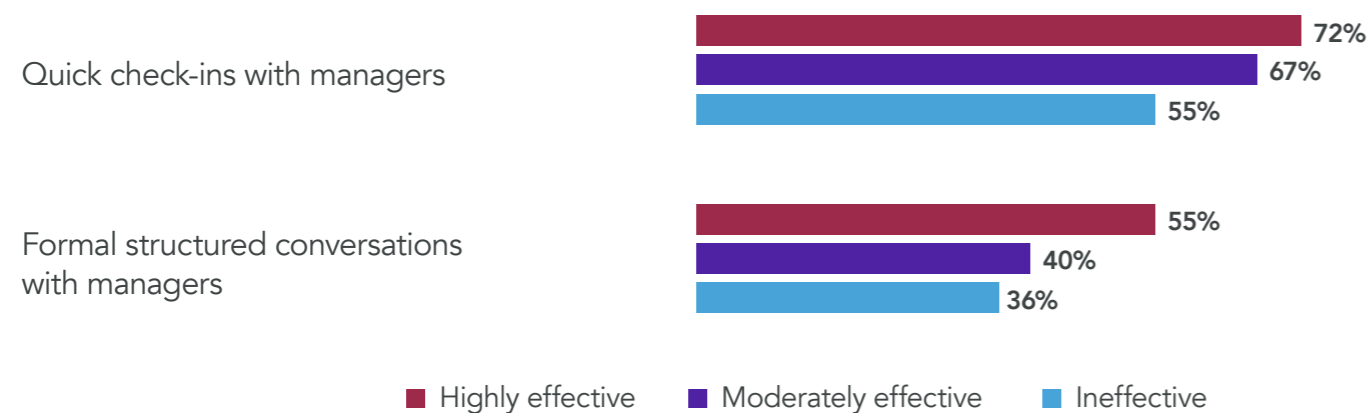


Figure 18: % of employees in organizations with highly, moderately, and ineffective managers who report having quick check-ins with their managers on “weekly” or “daily” basis; and formal structured conversations on a “monthly” or “weekly” basis, n=739 | RedThread Research, 2022

CASE STUDY

Adding structure to reviews and conversations

THE **ICONIC**, an Australian-based fashion retailer, wanted to implement transparent and formalized conversations as it prepared to scale up its growth. Engagement survey results in 2021 revealed that 50% of employees also wanted more structured conversations with their managers.

The company leveraged a performance management solution with a tool that encouraged employees in all roles and locations to set time aside for more structured performance conversations. The tool enabled employees to reflect on and talk formally and constructively about what is working well, what’s not working well, and how managers can provide better support.

As a result, the teams have started having more constructive conversations based on employees’ self-reflection. The program’s success has also led THE **ICONIC** to introduce a formal process for structured 1-on-1s.

Tech for more structured conversations

Performance management technology solutions are designed to help companies foster frequent and consistent check-ins and 1 on 1s and provide and receive feedback easily. For example, [Lattice](#) integrates with communication tools such as Slack and Teams, allowing employees to request and provide feedback through their chat tools. Another solution, [Quantum Workplace](#), allows managers and employees to automate feedback cycles and schedule them at various points across the employee journey.

While technologies can help make sure employees have regular and frequent conversations with their managers, companies should also make sure managers have the resources they need to have these conversations and provide feedback effectively. As part of its Transform product, the solution [15Five](#) includes manager training and coaching on giving constructive feedback. [Workday Peakon](#) provides managers with feedback data that allows them to take action immediately and hold meaningful dialogue with their direct reports.

Companies should make sure managers have **the resources they need to have these conversations** and provide feedback effectively.



Providing data that can help employees and managers course-correct

While it is crucial to help managers and employees understand the structure and frequency of check-ins, there are other supports organizations should offer. In addition, organizations should provide data to both employees and managers that help them objectively understand performance and make appropriate course corrections.

Organizations with highly effective managers ensure employees have ongoing, data-driven conversations with their managers

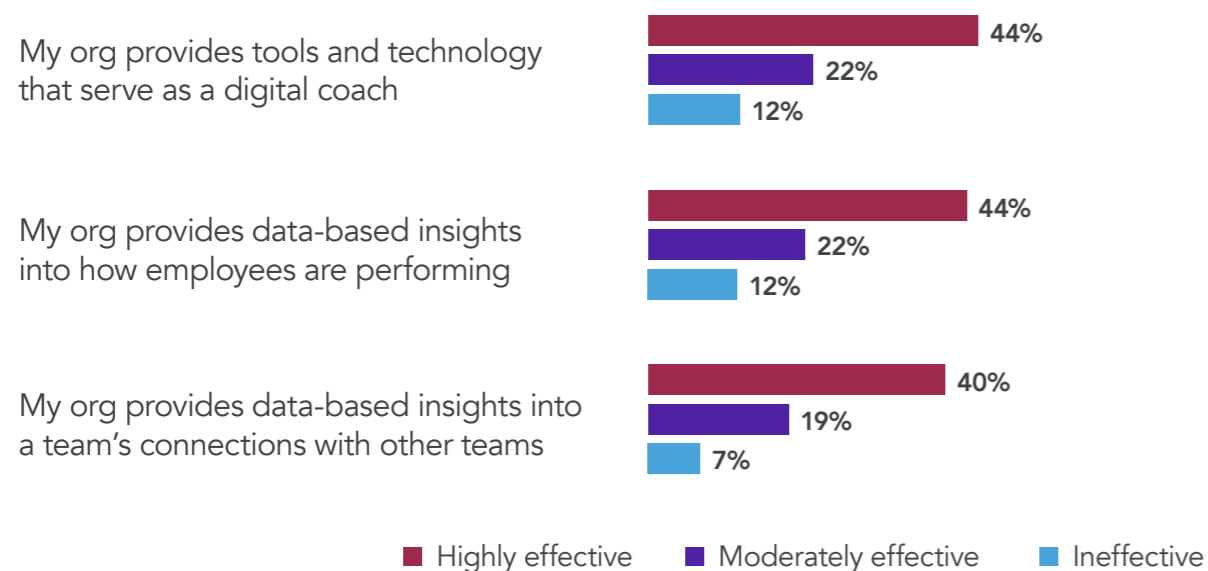


Figure 19: % of employees in organizations with highly, moderately, and ineffective managers who agree their organization does each item to a "significant" or "very great", n=739 | RedThread Research, 2022

Our study shows there are a few specific practices that organizations with highly effective managers focus on:

- ➔ **Providing employees with data to help them understand their performance:** One of the surest ways to help employees understand if they are on track is by sharing their performance data with them. It can also help employees understand how their performance stacks up against others, give insight into management objectives, and be used by employees to seek appropriate learning and development opportunities. Unfortunately, only about 30% of organizations do this in 2022, compared to 42% in 2021. When we looked at organizations with highly effective managers, we saw that 43% do this, compared to 21% with moderately effective managers.
- ➔ **Sharing data-based insights into a team's connections with other teams:** Our connection study found that organizations that foster connection across teams are more likely to be highly agile. Specifically, by encouraging connection across teams, organizations can keep them aligned and working well across functions, even if priorities shift or problems emerge. Only 25% of organizations currently do this. Forty percent of organizations with highly effective managers do this, compared to only 19% with moderately effective managers.
- ➔ **Offering tools and technology that serve as a digital coach:** A digital coach can be an especially effective tool that can nudge employees to course correct quickly or "in the moment." It can help employees reach their goals quickly, as they don't have to wait for their next conversation with a coach or mentor. Our survey found that only 29% percent of organizations currently do this. Forty-four percent of organizations with highly effective managers do this, compared to only half (22%) with moderately effective managers.

Tech that can enable data-sharing and help course-correct

Companies can leverage a few kinds of technologies for this purpose. These include:

People analytics technology: While many solutions offer reporting capabilities that can be used to share data with employees, sharing numbers is not enough. [People analytics technology solutions](#) can also provide employees with recommendations, actions, and suggestions that enable improvement.

- ➔ Many employee engagement and experience solutions, such as [CultureAmp](#), [Ennova](#), [Medallia](#), [Perceptyx](#), [SMG](#), [Tivian](#), and [Workday Peakon](#) among others, allow employees to see their survey results, benchmark them against others in the company, and provide recommendations on improving their well-being, productivity, and collaboration.
- ➔ ONA solutions, such as [Humanyze](#), [Panalyt](#), and [Polinode](#) also allow companies to share data and insights about their network and collaboration patterns with employees.

Coaching technology: As we shared in the earlier section, there are several solutions that provide coaching capabilities that are machine delivered. These digital or AI coaches use information to drive prompts and help coachees think through how they're doing and what they can do to improve. These solutions provide consistency and structure in feedback, thus taking some of the burden off the manager's shoulders.

CASE STUDY

Putting data in the hands of every people manager at Protective Life

Protective Life Corporation (Protective), a US-based finance and insurance company, needed to address high resignation rates at the company while the COVID-19 pandemic persisted. According to Matthew Hamilton, Head of HR Strategy and People Analytics, as a people analytics expert, his job is to help leaders better manage their people. The company decided to leverage a people analytics solution to easily build their data and toolset and scale people analytics across the organization.

The company also realized that to have maximum impact, it needed to get the data and insights into the hands of as many people as possible. As Matthew explained, "Change happens with the front line and mid-level manager—we need the participation of those leaders so they can see the insights and use them." Within 12 months of the initial rollout, Protective launched direct-access accounts with access to live data to the executive team and every people manager in the company. Matthew clarified, "Each manager only gets access to data on their teams, and the content varies a little based on what level they are."

Since then, the company has been on a journey to change mindsets and teach leaders how to make the most of the people analytics to identify and solve their problems. As a result, the people managers at Protective are all consumers of data without having to be data analysts and use the data to accomplish their goals and solve problems.

CASE STUDY**Providing managers with insights to enable action-taking in real-time**

EDF Renewables is a renewable energy company specializing in wind power, solar power, and battery storage technology. It has a presence in UK, Ireland, Scotland, and Wales and has over 500 employees. The company's leaders realized they lacked a continuous listening strategy and the result was that they didn't fully understand employees' needs. In particular, managers lacked adequate information on trends about how employees were feeling or thinking about the organization and their work.

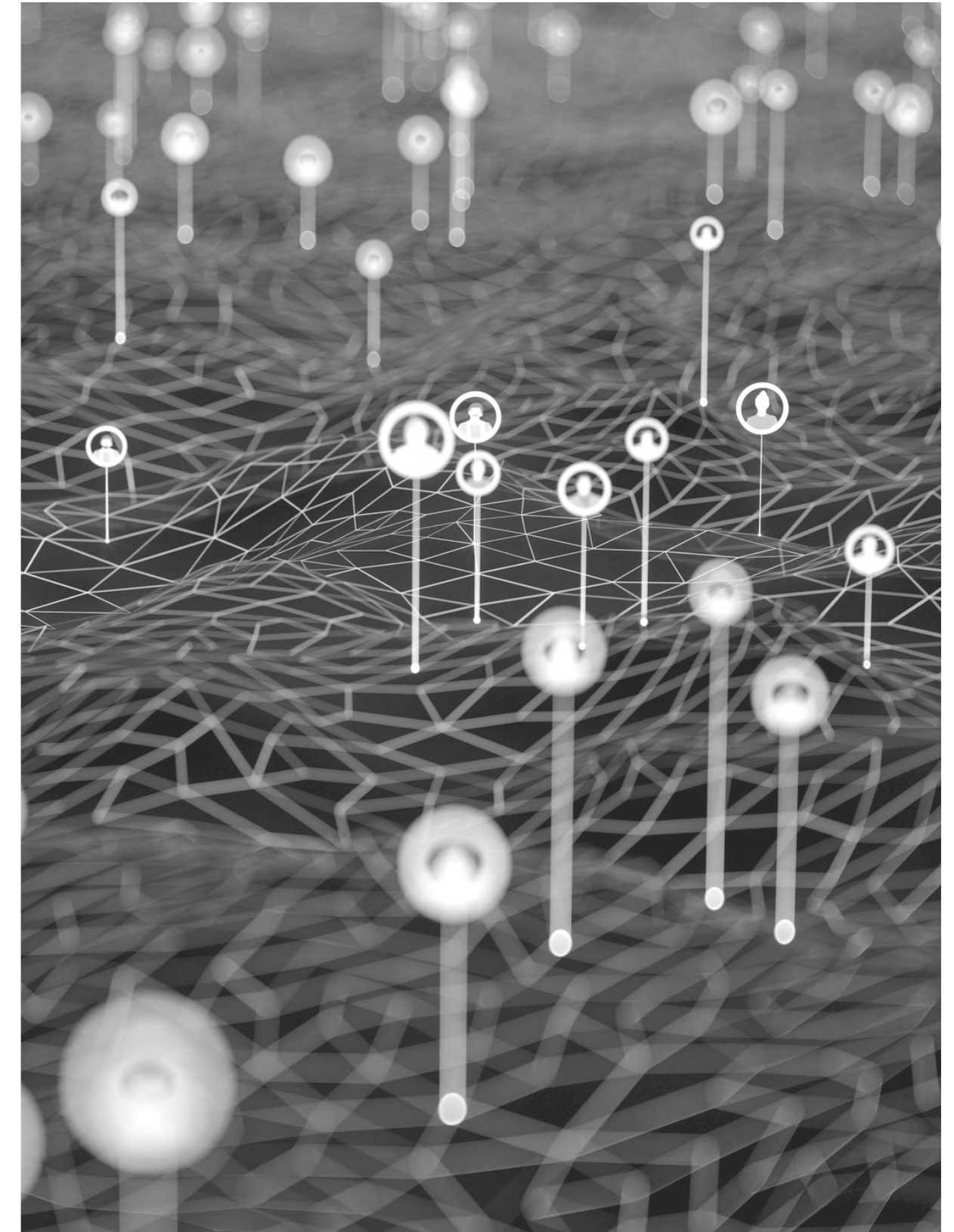
EDF Renewables implemented an employee engagement platform to collect employee feedback, comments, and questions. The intention was to provide managers with insight into issues faced by employees in real-time.

The access to employee engagement data allowed managers to understand and then take ownership of how their teams were feeling. Further, the insights enabled them to identify specific actions to improve engagement.

"There are insights coming through continuously highlighting factors that haven't been appreciated before – for example, the realization that recognition may be more of an issue in one team than another, enabling action."

– Head of Employee Experience

Access to the data has allowed line managers to discuss challenges confidently with the employees and address the root cause of the problems. Most importantly, it has enabled managers to act quickly and address issues as they arise.



Getting started

Now that you know which practices and areas organizations should focus on to support managers, how can you get started? As we mentioned earlier in the paper, different groups within the organization have different perceptions of the organization’s performance. Thus, it is imperative to understand how those perceptions differ before deciding on a course of action.

Identifying high-priority employee populations

Organizational level

Our data revealed some significant differences between mid-level and first-level managers. Few first-level managers (37%) believe their managers are effective in enabling them to do their work successfully, while more than half (54%) of mid-level managers do. The reason becomes clear when we examine the specific organizational practices that drive manager effectiveness by level. As we can see in Figure 20, first-level managers and individual contributors have the lowest perceptions of organizational performance. It is clear from the data that while organizations need to focus on all 3 practices, they particularly need to double down and provide GPS to employees to help them stay on track.

First-level managers and individual contributors have the lowest perceptions of organizational practices that drive manager effectiveness

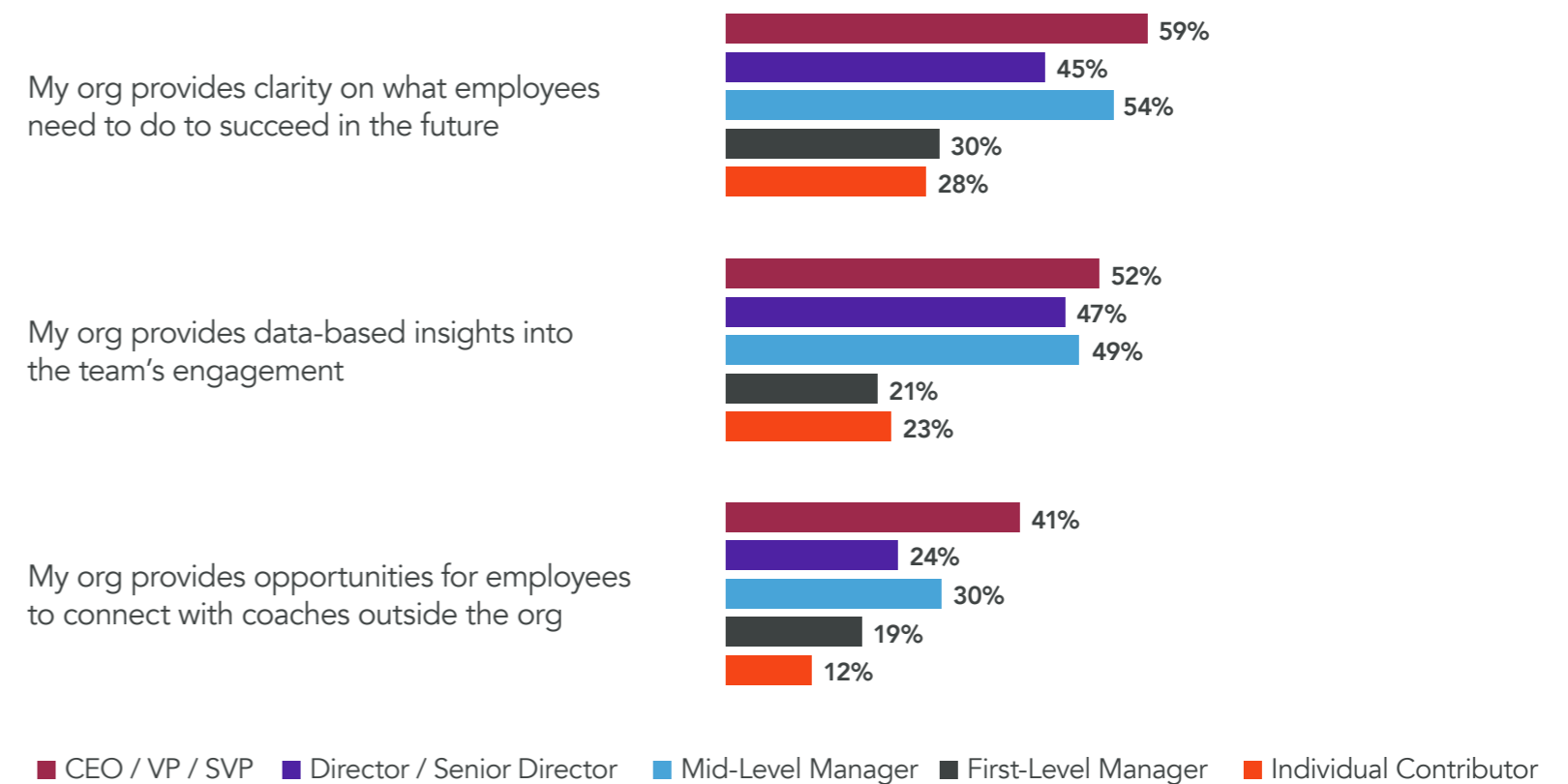


Figure 20: % of employees at different levels that agree their organization performs each item critical for manager effectiveness to a "significant" or "very great" extent, n=739 | RedThread Research, 2022

Gender

We also found that when it comes to critical organizational practices, men have a slightly better perception of their organization’s support than women (Figure 21). For example, 40% of men report that their organization provides them with clarity on what they need to do to succeed in the future, compared to 36% of women. This is the area that men and women most differ on, suggesting that organizations must focus on creating a map for success for women.

Men have better perceptions of their organization’s performance on critical practices for manager effectiveness than women

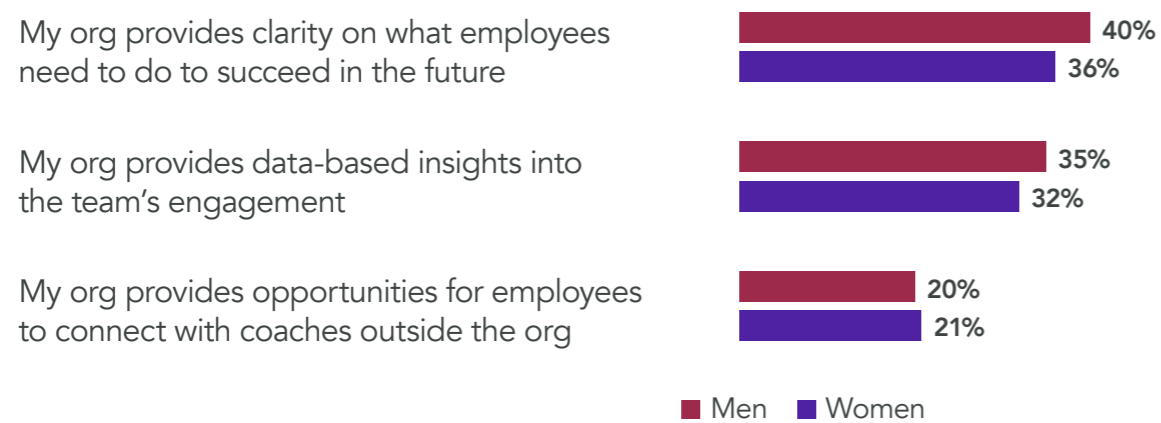


Figure 21: % of men and women who agree their organization performs each item critical for manager effectiveness to a “significant” or “very great” extent, n=739 | RedThread Research, 2022

Organizational functions

When it comes to different organizational functions, we mainly looked at the differences between HR and non-HR and found that a higher percentage of those in the HR function rate their managers as highly effective (46%) than those in non-HR functions (38%). The data suggest that while organizations should focus on all 3 practices, the highest priority should be on creating a map for success for non-HR populations. This is because a much lower number of employees in non-HR roles believe their organization provides them with clarity compared to those in the HR role.

Once the differences among groups are identified, and you clearly understand which of the 3 practices you need to focus on for which group, you must figure out if you need technology, and if so, the technology that can meet your needs.

HR employees have better perceptions of their organization’s performance on critical practices for manager effectiveness than non-HR employees



Figure 22: % of HR and non-HR employees who agree their organization performs each item critical for manager effectiveness to a “significant” or “very great” extent, n=739 | RedThread Research, 2022



Choosing appropriate technology

As we mentioned above, you can choose from a plethora of technologies that will serve their goal of supporting managers. The table below provides a comprehensive view of the different technologies that organizations can use for each of the 3 practices.

Organizational practice	Ways to enable the practice	Technology to use
Enable the community	Purpose	Tech that helps: <ul style="list-style-type: none"> Align corporate purpose Make a positive impact at work
	Coaching	Tech that uses: <ul style="list-style-type: none"> Human coaches, internal resources Human coaches, external resources Machine coaches, internal resources Machine coaches, external coaches
	Connection	<ul style="list-style-type: none"> Communication tech Onboarding tech Employee engagement & experience tech ONA tech
Create a map for success	Performance management	<ul style="list-style-type: none"> Performance management tech
	Learning	<ul style="list-style-type: none"> Learning & development tech
Provide GPS	Provide feedback structure	<ul style="list-style-type: none"> Performance management tech
	Provide data to course-correct	<ul style="list-style-type: none"> People analytics tech Coaching tech

Figure 23: Choosing the right technology for organizational practices that drive manager effectiveness | RedThread Research 2022

Be the change

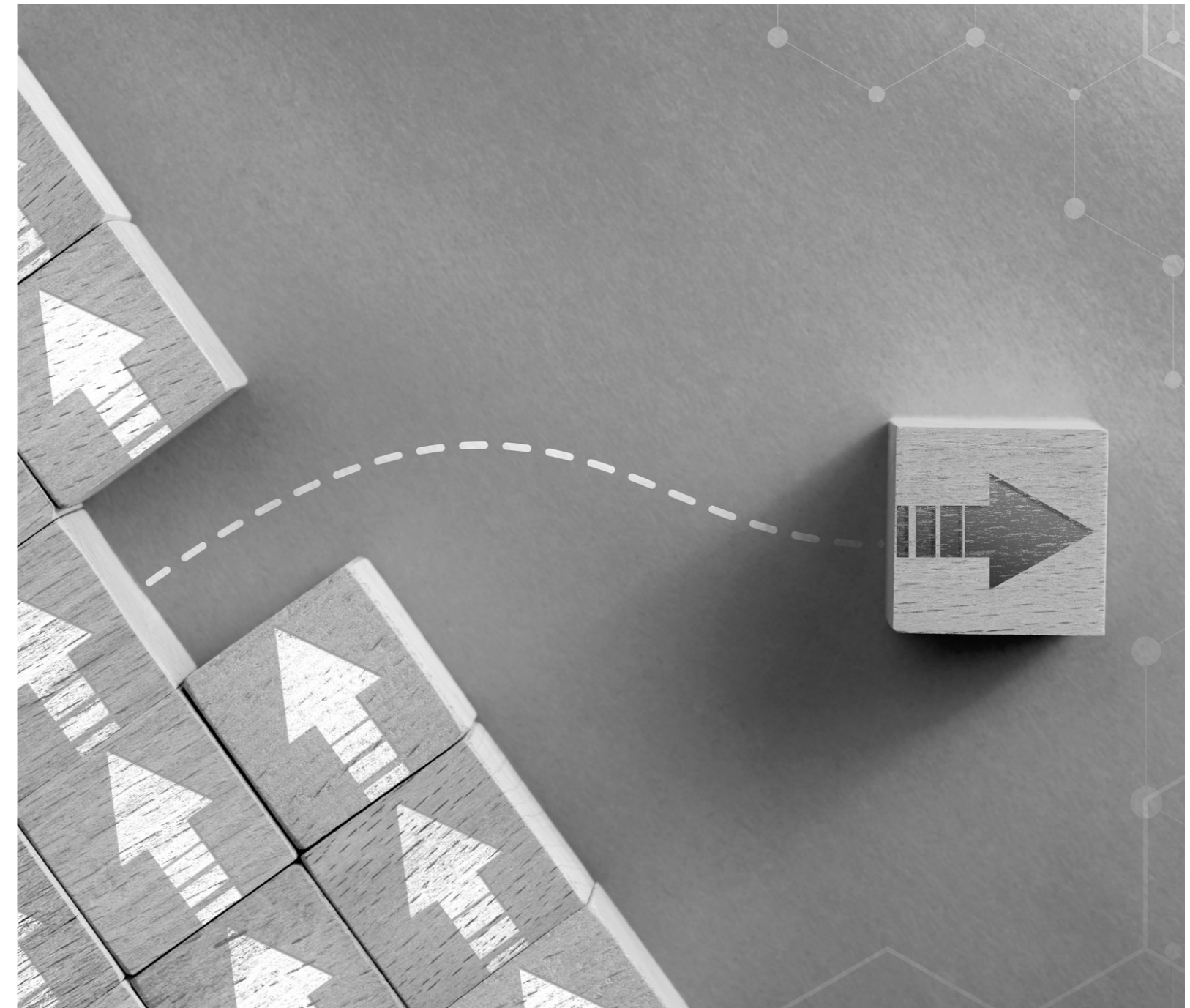
It is easy to place the blame for managers' dip in effectiveness onto managers themselves. However, our research indicates that managers are not the primary problem: instead, the challenge lies in the decline in the support organizations provide to enable managers.

If you are an HR leader or a senior leader, you can lead the change you want to see in manager effectiveness. That isn't to say managers don't have a role themselves – they do, and our next research report will be on them – but you have a critical role to play in providing the system that enables managers to excel. Importantly, your actions are the ones you control – so beginning to put in place resources to support managers is one thing you can start doing TODAY.

This report outlined 3 areas you can focus on to help managers be more effective:

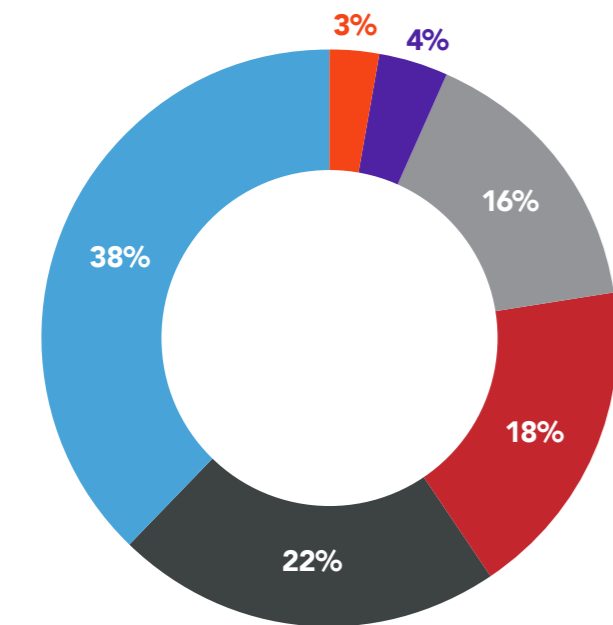
- ➔ Enable the community
- ➔ Create a map to success
- ➔ Provide GPS

By making these changes – and seeing them scale over time – you can expect to see higher levels of engagement, retention, and net promoter scores. These changes will help your organization drive better cost savings, employee productivity, and responsiveness to the market – all essentials for the likely recessionary months to come.



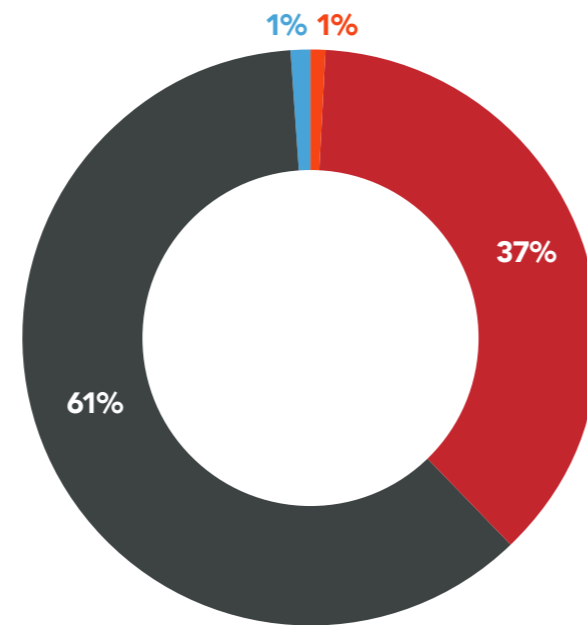
Appendix 1

Demographics of respondents



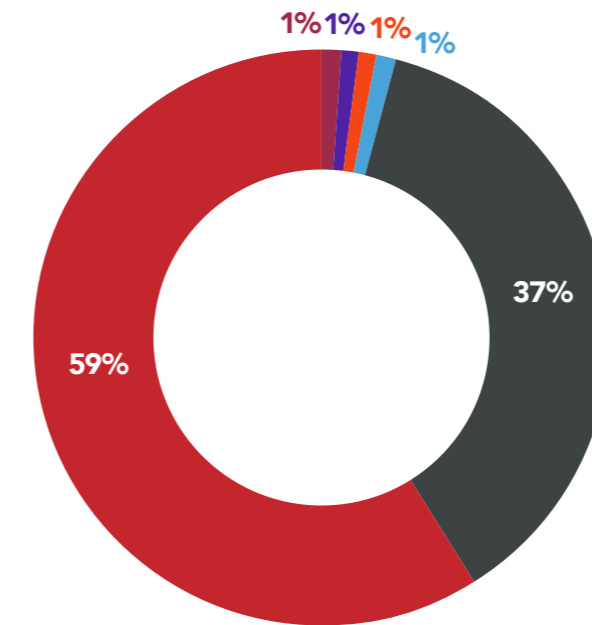
- C-level, CEO, or board member
- Vice President or Senior Vice President
- Director or senior director
- Mid-level manager
- First level manager
- Individual contributor

Figure 24: Job level | n = 739



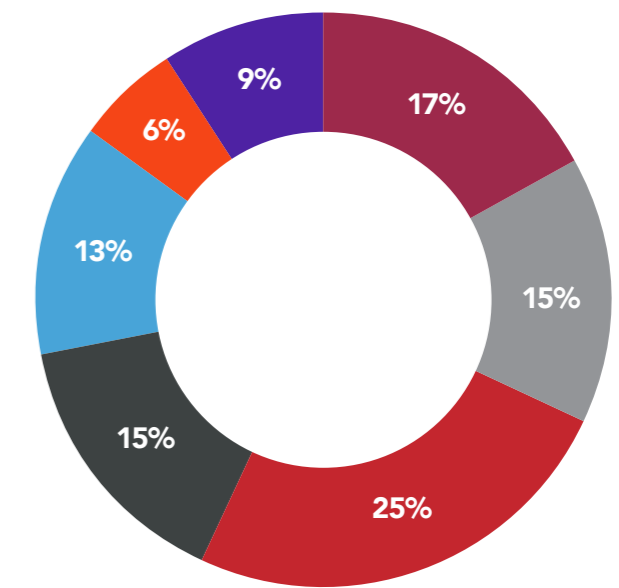
- Woman
- Man
- I prefer not to say
- Agender, nonbinary, or another gender identity not listed

Figure 25: Gender identity | n = 739



- North America: US, Canada, Mexico
- Europe (western Europe, eastern Europe, the Baltics, Russia)
- Asia (central Asia, south Asia)
- Asia-Pacific, Australia, New Zealand
- Central and South America and the Caribbean
- Middle East, Africa

Figure 26: Company location | n = 739



- 101 to 500 employees
- 501 to 1,000 employees
- 1,001 to 5,000 employees
- 5,001 to 10,000 employees
- 10,001 to 50,000 employees
- 50,001 to 100,000 employees
- More than 100,000 employees

Figure 27: Company size | n = 739

Appendix 2

Research Methodology

This report is a culmination of 5 months of qualitative and quantitative research and summarizes our findings on the state of manager effectiveness. For this research, we conducted a literature review of over 20 articles, interviewed 12 leaders and conducted a roundtable of 15 leaders across industries to understand priorities, challenges, and concerns.

We surveyed over 700 employees across North America and Europe. Participants represented a wide range of industries and job functions and skewed slightly more toward women than men. Specific demographic percentages are presented in Appendix 1.

This report only shares data on a few items out of the 34 we asked in the survey. The data was cleaned and tested for validity. We ran correlations, crosstabs, and ANOVAs to understand the differences between demographics. We identified critical items by running a stepwise regression against the manager effectiveness outcome. Only the items that were significantly related to the outcome were included in the report. Finally, we conducted odds ratios to understand the impact of each critical item on different business and talent outcomes.

We conducted this research from August to December 2022.

About the authors



Stacia Garr

Cofounder & Principal Analyst, RedThread Research

Stacia is a researcher and thought leader on talent management, leadership, D&I, people analytics, and HR technology. A frequent speaker and writer, her work has been featured in *Fortune*, *Forbes*, *The New York Times*, and *The Wall Street Journal* as well as in numerous HR trade publications. Stacia co-founded RedThread Research in 2018, after leading talent and workforce research for eight years at Bersin by Deloitte. Before Bersin, Stacia spent approximately five years conducting research and creating learning content for the Corporate Leadership Council, part of CEB/Gartner. She has an MBA from the University of California, Berkeley, and a master's degree from the London School of Economics.



Priyanka Mehrotra

Senior Analyst, RedThread Research

Priyanka Mehrotra is a Research Lead at RedThread Research. Before joining the company in 2018, she was part of the research team at Bersin by Deloitte, where she worked on talent management, leadership, and people analytics as well as conducting research and contributing content for Bersin's Mid-market study. Prior to Bersin by Deloitte, Priyanka worked at several non-profits, think-tanks, and international organizations, where she published and co-authored several articles and conducted research on international relations, conflict, and development.

Contributor



Divya Iyer

Senior Analyst, RedThread Research

Divya Iyer is a Senior Analyst at RedThread Research. Divya has a background in market research and brings broad experience managing projects with a keen focus on insights development.

She has lived in India and Oman, before moving to the United States to complete her M.B.A from the Illinois Institute of Technology, Chicago. When not at work, Divya enjoys music, pottery, and the California sunshine.



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