

2010 HCI

Research

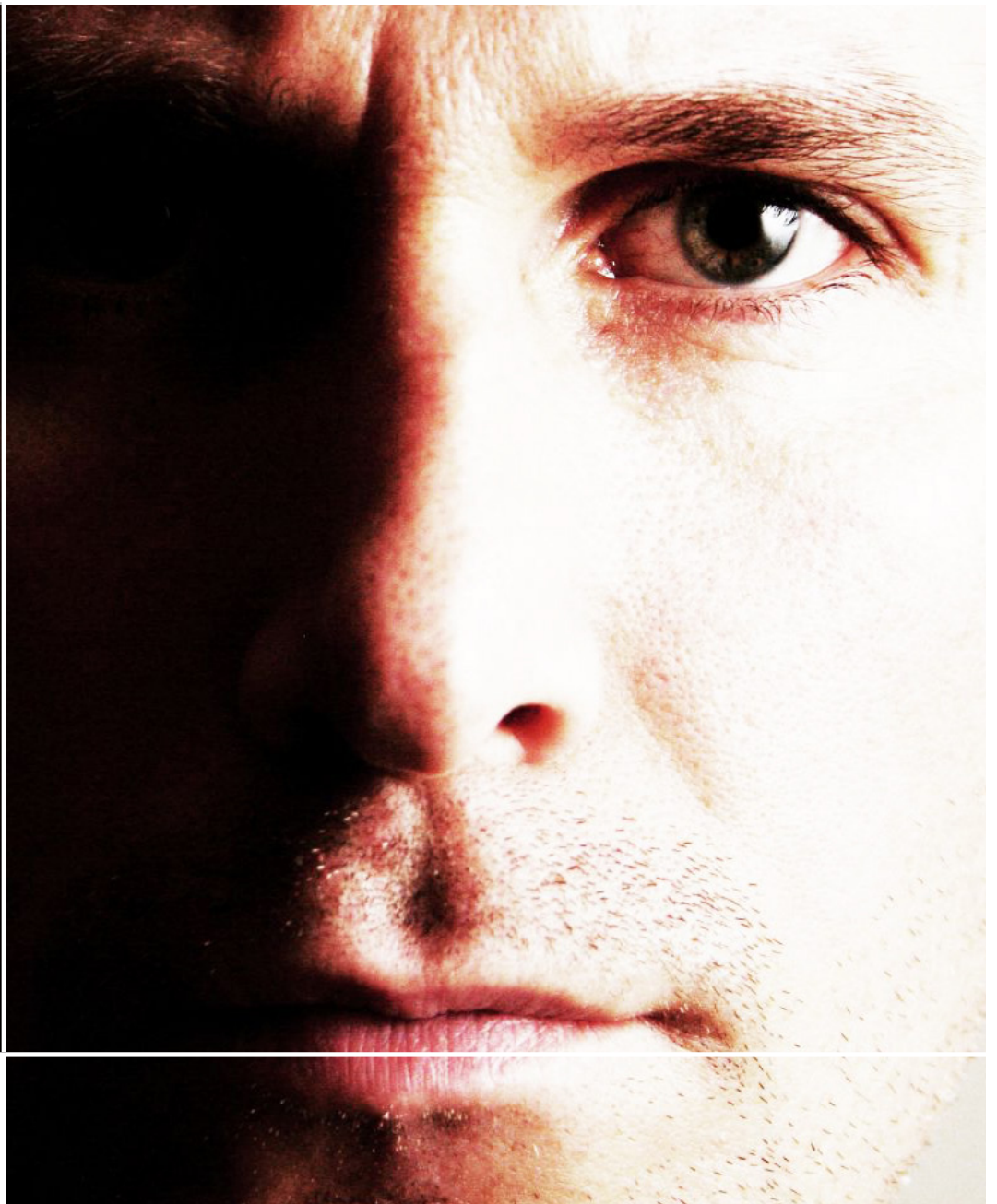
In partnership with



# Mid-level Managers:

The Bane and Salvation of Organizations

March 2010



# Mid-level Managers

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# Introduction

**A**s the first quarter of 2010 nears a close, many indicators point toward what U.S. Federal Reserve Chairman Ben S. Bernanke in February termed a “nascent” economic recovery continuing to take hold. A recent survey of economists by Bloomberg News predicts a 3% growth rate for the U.S. for both this year and the next, following the 2.4% contraction for 2009 that represented the single worst performance for the economy since 1946.<sup>1</sup>

Even in light of this better news, incredible uncertainties remain. Will the private sector generate enough economic activity to resume its traditional and necessary role as the engine of growth, taking the reins back from a Federal government that pushed massive infusions of cash into stimulus programs and the banking system in order to preserve the global economic system and offset the damage done by the Great Recession? How long before established corporations and entrepreneurial newcomers create enough new American jobs to replace the 8.4 million jobs that have been lost since the recession began in December 2007?<sup>2</sup> Can Federal, state, and local governments meet their obligations without derailing the very recovery they aim to create? How long until shell-shocked and still-indebted consumers regain enough confidence to resume spending at a pace that excites producers?

Whether the recovery emerges at a breakneck pace, moves at a slow crawl, or even takes the much-discussed double-dip, opportunistic business leaders increasingly are shifting their focus away from survival and toward a new vision of innovation and growth. Bringing that vision to life requires execution, and as always, leaders will be relying on the skills and drive of mid-level managers to make things happen.

<sup>1</sup> Gentle, Nick. “Hold Cash as ‘General Correction’ Looms, HSBC Says,” March, 11, 2010, <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=az6xbAQTtSJj>

<sup>2</sup> Ibid

*The Great Recession has been brutal not only for those who have lost their jobs, but for those who had to carry on, often in an atmosphere of fear, uncertainty, and diminished hopes.*

Yet after the events of 2007–08, what is the collective state of mind of mid-level managers? Are they ready to come charging out of the gate at the first sign of good news to help their leaders grab market share? Or are they disillusioned and full of doubt? What pressures do they feel and skills do they need as the ever-more collaborative, ever-more complex global economy starts to hum again? More specifically, what should Human Resource and Talent leaders do to equip these mid-levels for winning in a post-Great Recession world?

With these and other related questions in mind, Development Dimensions International (DDI) and the Human Capital Institute (HCI) set out to gather “point-in-time” information about the state of mid-level managers, specifically by surveying their Human Resource leaders. To do so, we issued a 14-question survey to HCI-member senior human resource executives across a variety of industries. The survey was open throughout the month of February, 2010, just as Bernanke’s “nascent” recovery was taking flight, and as such, the responses collected from 109 senior human resources executives come at a critical time. Ultimately, the survey results have enabled us to begin to answer many questions about mid-level managers as the recovery takes shape.

Our results – while not entirely surprising – are nonetheless jarring. They highlight just how brutal the Great Recession has been not only for those who have lost their jobs, but for those who had to carry on, often in an atmosphere of fear, uncertainty, and diminished hopes.

## 2. Executive Summary

The good news for mid-level managers runs parallel to the growing notion that the economy has entered a period of recovery, albeit cautiously. Hence, while only 19% of respondents see their mid-level ranks shrinking during 2010, only 17% see them growing. A full 58% of our respondents see their mid-level ranks staying the same, thus reflecting the wait-and-see attitude with which many leaders are viewing the early stages of the recovery. However, in the shadow of this stabilization process remain findings that we believe must be acted upon immediately and with urgency if organizations are to be positioned to capture market share and to grow out of the Great Recession.

***Finding 1: As the Great Recession subsides, mid-levels are badly bruised and in need of a jump-start.***

When the going got tough, only 14% of respondents saw their mid-levels get going, at least in terms of becoming more engaged than they were before. Even today, as the economy moves into recovery, only 14% of respondents see their mid-levels as *fully* engaged. The ramifications are serious. If mid-levels aren’t managing with energy and optimism, it follows that neither will staff who look to their leaders for strength and guidance, especially during tough times.



***Finding 2: A Gloom Spiral – if left unbroken – makes execution difficult and will leave many organizations behind as intense global competition resumes.***

When asked to identify the top three concerns weighing on mid-levels today, HR executive responses suggest a cycle whereby first, mid-levels struggle to do more with fewer staff and grow increasingly stressed in the process. Over time, this stress is felt by staff, who in turn, become not only more stressed, but eventually, less engaged. As the mid-levels sense the growing frustration of their staff, they only grow more stressed, exacerbating the situation still further and making strategic execution even more difficult.

***Finding 3: HR executives see a serious risk to organizational mission unless mid-level performance and engagement improves.***

While some 65% of HR executives believe that their organizations will be able to muddle through and meet performance goals for 2010, only 39% can answer positively when looking out three-to-five years, with another 60% of respondents answering either “unsure” or “no” when considering this longer-term performance horizon. A large part of the uncertainty is driven by the fact that over 75% of respondents are concerned or very concerned about retaining high-performing mid-levels in the post-Great Recession environment. Organizations that lose too many high performers will no doubt struggle to meet their mission in the future. Just as much a part of the uncertainty and doubt is the continuing Gloom Spiral, whereby organizations unable to get mid-levels and their staff back on a path toward energy, enthusiasm, and execution no doubt will fail to meet strategic imperatives as well.

***Finding 4: Senior HR executives take a harsh view of their current abilities to deliver great Learning & Development to their mid-levels.***

Historically, mid-levels have often been the forgotten layer in terms of overall spend and Learning & Development focus. And while 69% of HR executives would like to see more of the overall budget spent on mid-levels, a surprising finding is that these same executives are quite critical of their own ability to craft programs that their mid-levels find effective. In fact, less than 10% see their programs as very effective in the eyes of their mid-levels. Making these findings even more challenging is the fact that the key to improved performance for mid-levels in a post Great-Recession world is as much mental as it is technical. Unless HR can craft training that will enable mid-levels both to retool to drive execution and change while at the same time inspiring them to lead boldly and once again motivate direct reports, they will only be throwing good money after bad.

While these findings are jarring and paint a depressing picture of the post-recession environment for most mid-levels and their followers, they represent a major opportunity for those organizations that can quickly address these challenges by reengaging mid-levels, retaining high performers, and motivating them to create edgy, energetic environments that once again are infused with optimism. In the Recommendations section of this research, we will offer strategies for doing just that.

### 3. Historical Background

While the Great Recession has been hard on mid-level managers, they were already over-worked, under-appreciated, and disengaged when it began. Some suggest that the computerization of organizations sparked the marginalization of the mid-level manager, especially once Business Intelligence software gained widespread adoption.<sup>3</sup> Since senior leadership could now access information from centralized data systems, the key data-collector and -aggregator role that mid-level managers had fulfilled in the past seemed to be increasingly obsolete. By the close of the 20th century, layoffs and the now-infamous reengineering movement had rendered mid-levels an endangered species.

The aftershock of layoffs and reengineering continued into the new millennium. Mid-level management positions were stereotyped as being frustrating, underpaid, and career dead-ends. In the media, managers went on record to express dissatisfaction with their jobs, while their direct reports increasingly stated having no desire to pursue the mid-level management career path. Moreover, according to a 2007 study by Harris Interactive, 36% of mid-level leaders were actively looking for a new job.<sup>4</sup> This mid-level challenge represented a compound-problem to organizations: not only was the current population of mid-level managers dissatisfied with their jobs, but their direct reports – representing the next generation of mid-levels – were unenthusiastic about moving into these jobs in the future.

#### *Mid-levels Revalued:*

Of course, despite the attitudinal challenges, mid-levels still play an important role that even the best enterprise data systems and social networks cannot replace. Indeed, several qualities will keep mid-levels off of the scrap heap for the foreseeable future and in fact, mid-levels will play a key role in the growing recovery.

For one, mid-levels have the ability to spot opportunities and act upon them at a level of granularity that senior management lacks.<sup>5</sup> In addition, mid-level managers act as ambassadors between senior leadership and the line, between their teams and others, and even within their own teams, thus enabling the organization to run more smoothly. Perhaps the most important of these is that of ambassador between the line and leadership. Because of their placement in organizations, mid-levels are now recognized as the logical translators of senior leadership's strategic objectives into actionable goals specific to their function. While these ambassadorial roles are difficult to quantify, as they require "significant and subtle relationship skills," they are nonetheless vital.<sup>6</sup>

<sup>3</sup> McAfee, Andrew. "Middle Managers: The Importance of Being Michael Scott," HBR.org, 12/15/2009 <http://blogs.hbr.org/hbr/mcafee/2009/12/the-changing-role-of-middle-ma.html>

<sup>4</sup> Armour, Stephanie. "Who Wants to be a Middle Manager?" USA Today, 8/13/2007.

<sup>5</sup> Dann, Jeremy. "Don't Leave It to the CEO: How Mid-level Managers Can Drive Strategy" Bnet.com, 10/29/2009 <http://blogs.bnet.com/mba/?p=1396>

<sup>6</sup> McAfee, Andrew. "Middle Managers: The Importance of Being Michael Scott," HBR.org, 12/15/2009 <http://blogs.hbr.org/hbr/mcafee/2009/12/the-changing-role-of-middle-ma.html>



### *Too Little, Too Late:*

Even as mid-levels were gaining renewed appreciation and prominence among thought leaders and progressive organizations, a large portion of mid-level managers remained disengaged, under-appreciated, and over-worked on the eve of the Great Recession. According to a study by Accenture, mid-level managers listed the following complaints as their top “headaches” going into 2008:

- 44% cited insufficient compensation
- 44% stated, “I’m doing all of the work and getting none of the credit”
- 41% cited work/life balance (U.S. only)
- 35% cited the lack of a career path

These frustrations culminated in a widespread wish to move to greener pastures among the mid-level ranks. In the same Accenture study, 43% of all respondents said they would consider a job with a different company while 23% were already looking for a new job.<sup>7</sup>

Of course, then came the Great Recession, forcing layoffs and leading to the oft-repeated mantra, “Just glad to have a job,” for those still working. But under the surface, the “headaches” remained, festered, and intensified. Now that the recession is finally lifting, companies will have to repair not only the damage done to their mid-level ranks from the latest round of layoffs, but heal the wounds that were already open prior to the recession.

## 4. Findings

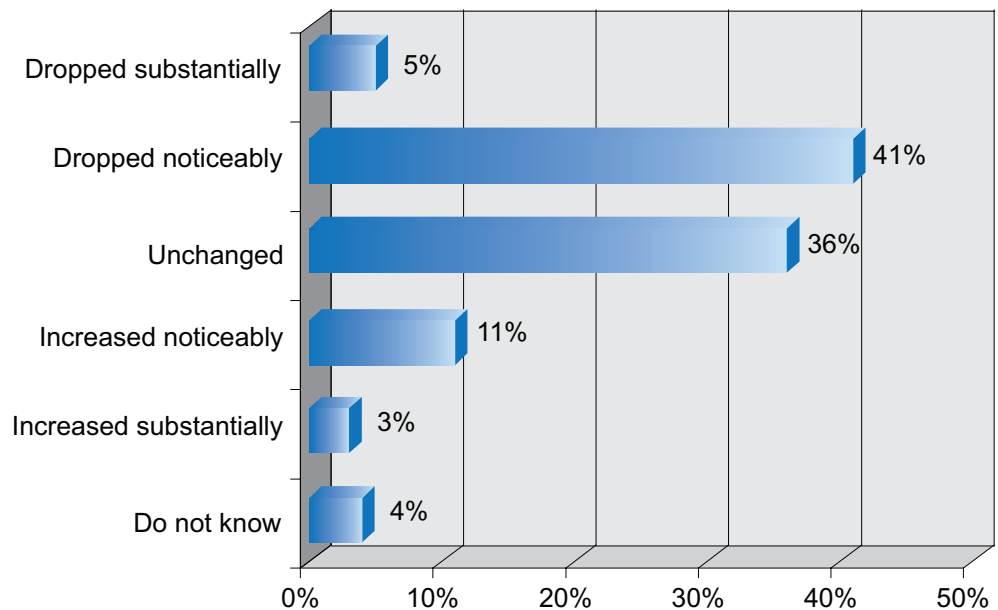
Our findings represent a first attempt to analyze just how intense the mid-level headache is as the economy moves toward recovery. As such, these findings can be used to determine the proper medicine for treating that headache.

### *Finding 1: As the Great Recession subsides, mid-levels are badly bruised and in need of a jump-start*

If leadership is happy to make do with what they have for 2010 as far as the *number* of mid-level managers go, they should know that these mid-levels are not necessarily as primed for a global business fight as they once might have been, at least according to their HR leaders. Figure 4.1 paints a picture of a mid-level workforce which has been severely worn down by the events that have transpired from September 2008 to the present.

<sup>7</sup> Accenture. “Strengthening the Critical Core” 2007. [http://www.accenture.com/Global/Consulting/Talent\\_and\\_Organization/Human\\_Resources\\_Mgmt/R\\_and\\_I/Critical\\_Core.htm](http://www.accenture.com/Global/Consulting/Talent_and_Organization/Human_Resources_Mgmt/R_and_I/Critical_Core.htm)

Figure 4.1: Overall, how has the engagement level of your mid-level managers changed over the past 18 months?



Source: DDI & HCI Mid-level Study, 2010

As a matter of fact, 46% of respondents told us that their mid-levels are either noticeably or substantially less engaged than before the Great Recession began. This finding is especially disturbing when understood in the context of the already low engagement numbers being cited by studies such as the Accenture study, conducted even before the late 2007 downturn took hold.<sup>8</sup>

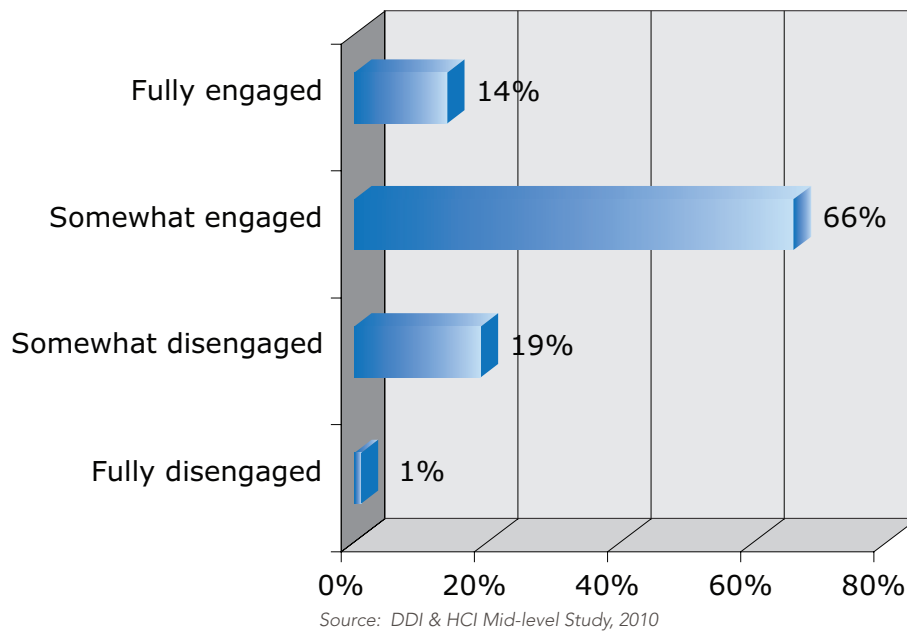
The fact of the matter is, when the going got tough, only 14% of respondents saw their mid-levels get going, at least in terms of becoming noticeably or substantially *more* engaged. While mid-levels were no doubt “just glad to have a job” at one level, this did not translate into greater effort or engagement with their work. Clearly, at a much deeper level, the shock to the economy, their own organization, and their notions of the future impacted their ability to engage and to find extra reserves of energy and optimism.

As Figure 4.2 points out, in early 2010, as the economy emerges out of the worst recession since the Great Depression, mid-levels appear in no condition to step on the accelerator and take up the execution mantle again. In fact, only 14% of respondents see their mid-levels as fully engaged.

<sup>8</sup> Accenture. “Strengthening the Critical Core” 2007. [http://www.accenture.com/Global/Consulting/Talent\\_and\\_Organization/Human\\_Resources\\_Mgmt/R\\_and\\_I/Critical\\_Core.htm](http://www.accenture.com/Global/Consulting/Talent_and_Organization/Human_Resources_Mgmt/R_and_I/Critical_Core.htm)



Figure 4.2: Overall, how engaged would you say your mid-level managers are entering 2010?



*Any organization looking to aggressively emerge out of the Great Recession must take immediate steps to ensure that the Gloom Spiral has not taken hold in their organization.*

For the economy as a whole, clearly such a finding is disturbing, as is the 20% of mid-levels who are seen as either somewhat or fully disengaged. For our organizations to prosper, our workers need to be coming reasonably close to achieving their potential. Even a two-thirds cadre of "somewhat engaged" mid-levels is not going to prove successful in a hyper-competitive global economy. And for any organization, a major concern has to be that if mid-levels aren't managing with energy and optimism, neither will their followers, who so often feed off the atmosphere that their manager creates, whether good or bad. Indeed, that is what our findings reflect.

**Finding 2: A Gloom Spiral – if left unbroken – will make execution difficult and will leave many organizations behind as intense global competition resumes**

When asked to identify the top three concerns weighing on mid-levels today, senior HR executives overwhelmingly honed in on three findings that, when taken as a whole, represent what we see as a dangerous Gloom Spiral. Any organization looking to aggressively emerge out of the Great Recession must take immediate steps to ensure that the Gloom Spiral has not taken hold in their organization, and if it has, seek to break it at once. Figure 4.3 highlights the three findings that combine to create the Gloom Spiral.

Figure 4.3: Name the top three concerns weighing upon mid-level managers in your organization today.

Concern	Percentage
They struggle to do more work with fewer staff, increasing their own stress.	79%
Their staff are more stressed.	70%
Their staff are less engaged.	49%

Source: DDI & HCI Mid-level Study, 2010

The Gloom Spiral occurs when first, mid-levels struggle to do more with fewer staff and grow increasingly stressed in the process. Even before the Great Recession began, mid-levels were struggling to meet changing responsibilities because of:

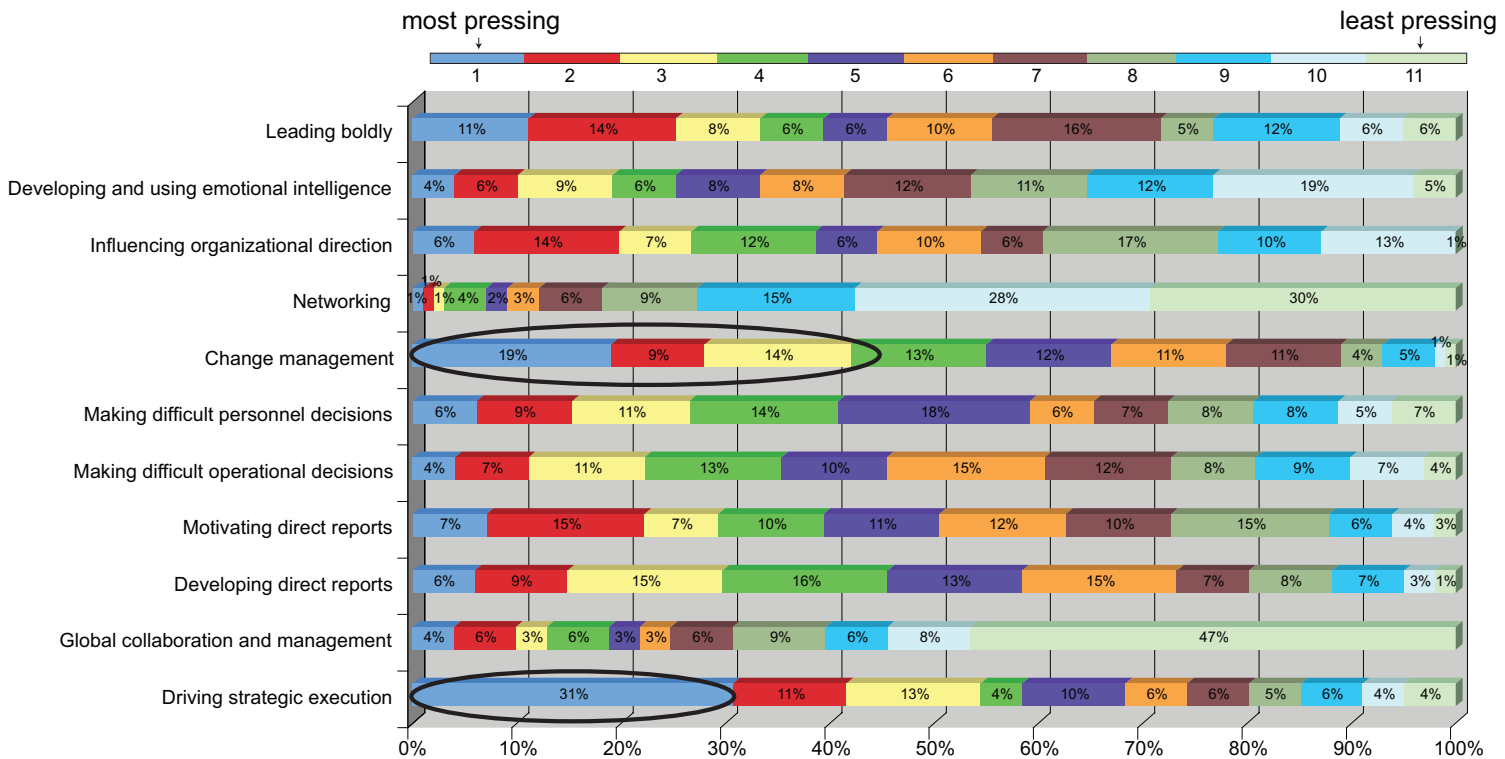
- More responsibility as a result of fewer layers
- More complex work
- The increasingly global scope of work
- More stakeholders/constituents to satisfy
- The high cost of failure

Over time, this stress is felt by staff who in turn become not only more stressed, but eventually, less engaged. Naturally, the impact of the staffs' own decline further impacts the ability of mid-levels to execute and the spiral continues.

Indeed, as shown in Figure 4.4, the two greatest challenges that mid-level managers face today are execution-oriented. Namely, they struggle to drive strategic execution and to manage change, both of which are absolutely critical if these managers will serve as the translator of their companies' strategic goals into concrete "get it done" actions.



Figure 4.4: What are the greatest challenges facing mid-level managers in your organization today? (Ranked in order of the challenge posed to the organization, with the most pressing challenge ranked '1' and the least pressing challenge ranked '11.')



Source: DDI & HCI Mid-level Study, 2010

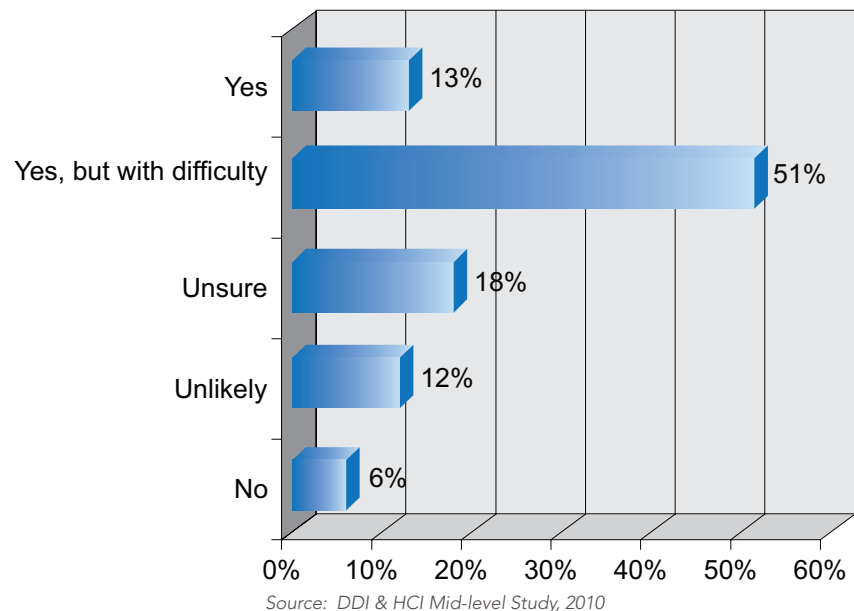
Two other important challenges bear close examination, namely the challenge to lead boldly and the ability to motivate direct reports. These two challenges relate directly to the Gloom Spiral. When mid-levels are too scared, tired, or burned-out to lead boldly, they will undoubtedly fail to motivate employees. Of course, in the atmosphere created by the Great Recession, these two traits were required from mid-levels in abundance. When they failed to materialize, it stood to reason that engagement would suffer further, with execution capabilities then compromised.

**Finding 3: HR executives see a serious risk to organizational mission unless mid-level performance and engagement improves**

While it's easy to understand how the Great Recession could lead to such a spiral of gloom, reversing that spiral and accelerating into the recovery will require first solving the engagement-oriented issues and then watching execution and change flourish. Mid-levels must themselves be empowered and motivated to provide bold leadership that excites and enables direct reports to change the way they are doing things and to execute on new strategies designed for new realities and new opportunities. Of course, while reversing the Gloom Spiral makes sense at the most fundamental level, making it happen is another matter altogether. According to our results, HR leaders are worried about just this fact.

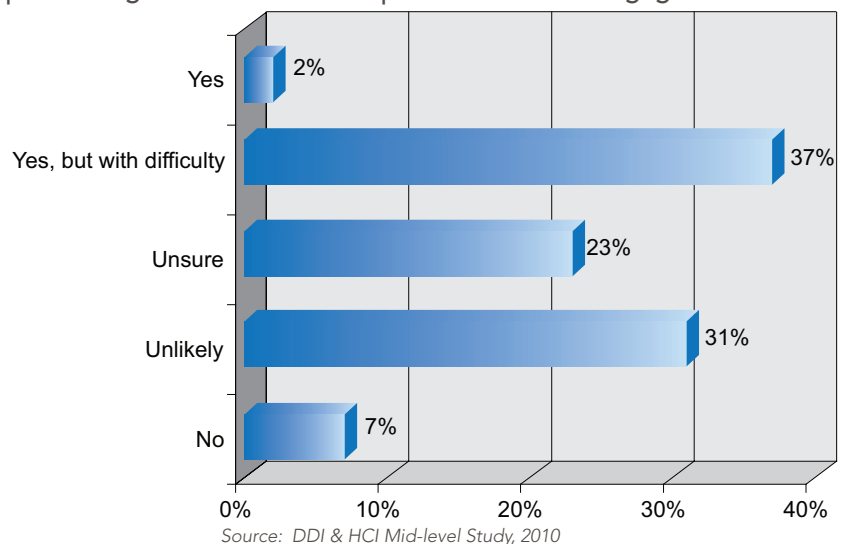
As Figure 4.5 shows, for the remainder of 2010, some 64% of HR executives believe that their organizations will be able to muddle through and meet performance goals for 2010 – though in most cases, not without difficulty – even at current levels of low mid-level engagement and performance.

**Figure 4.5: Can your organization meet its goals for 2010 with mid-level leaders performing at current levels of performance and engagement?**



However, as Figure 4.6 points out, when looking out three-to-five years, only 39% can answer with even a qualified "yes." Instead, some 60% of respondents give answers ranging from "unsure" to "unlikely" to "no," with the jump in unlikely changing the most dramatically.

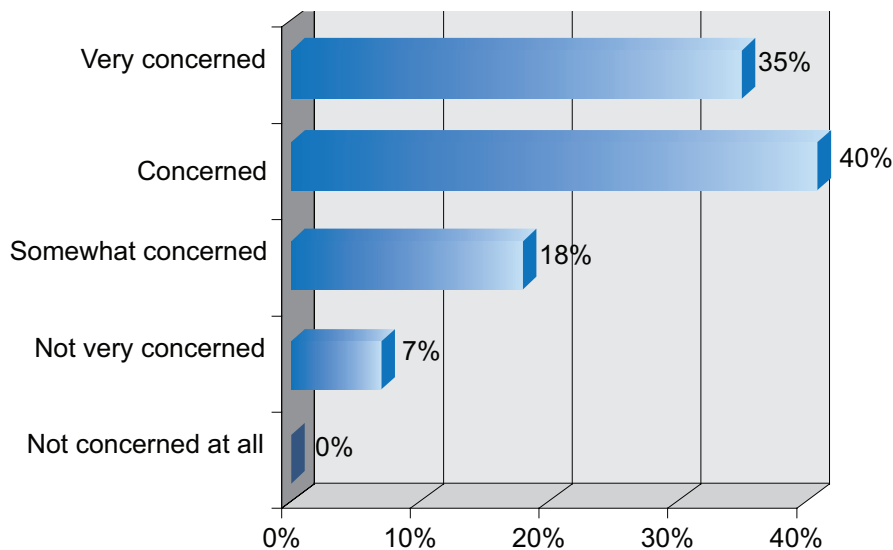
**Figure 4.6: Can your organization meet its goals for the next 3-5 years with mid-level leaders performing at current levels of performance and engagement?**





We see two factors driving this finding. The first involves high-performing mid-levels – those mid-levels who did, in fact, get going when the going got tough. Figure 4.7 highlights the concern around retention that senior HR executives attach to these individuals.

Figure 4.7: In the current economic climate, how concerned are you about retaining your high-performing mid-level managers?



Source: DDI & HCI Mid-level Study, 2010

Some 75% of respondents are concerned or very concerned about retaining high-performing mid-levels, and with good reason. With studies citing historically low organizational loyalty – one recent analysis suggests that as many as 64% of mid-level leaders do not expect to be with their firm two years from now – organizations should seriously consider the consequences of losing their best performers.<sup>9</sup> As the “War for Talent” replaces the fear-based “just happy to have a job” mindset, it follows that bold, optimistic mid-level leaders will be looking for a fresh start at organizations that share their optimism for the future and sell them on an opportunity to play an important role in that future. No doubt some of the best are already looking, just as they were before the recession struck.

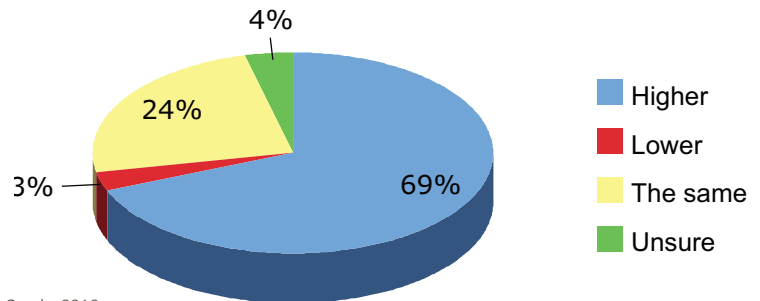
While organizations that lose too many high performers will struggle to meet their mission in the future, so too will those organizations that fail to reengage their mid-levels. If mid-levels are not able to regain their lost edge, they are doomed to further perpetuate the Gloom Spiral and undercut organizational performance, even as their competitors resume growth-oriented stances enabled by hard-charging mid-levels. An obvious answer to the problem is to retool the mid-levels for 21st century responsibilities, but such a response will help only if HR can develop and deliver tools that mid-levels believe empower them to better do their jobs. Our findings suggest that as of late, HR believes that they largely have failed in this regard.

<sup>9</sup> “Leaders in the Crisis” McKinsey Quarterly, 2009. [http://www.mckinseyquarterly.com/Leaders\\_in\\_the\\_crisis\\_McKinsey\\_Global\\_Survey\\_Results\\_2422](http://www.mckinseyquarterly.com/Leaders_in_the_crisis_McKinsey_Global_Survey_Results_2422)

**Finding 4: Senior HR executives take a harsh view of their current abilities to deliver great Learning & Development to their mid-levels**

Historically, mid-levels have often been the forgotten layer in terms of overall spend and Learning & Development focus. However, with HR executives increasingly aware of both the changing nature of 21st century mid-level job responsibilities as well as the crisis of engagement that has befallen them, they would like to do more. A first response is to simply spend more of the overall Learning & Development budget on mid-levels, and as Figure 4.8 depicts, our respondents are in favor of a more aggressive mid-level spend.

**Figure 4.8: Should the percentage of your organization's total expected training budget dedicated to mid-level managers be increased, decreased, or stay the same?**



Source: DDI & HCI Mid-level Study, 2010

Some 69% would like to see more of the overall budget spent on mid-levels, with an additional 24% not wanting to see that percentage spend of budget decline at all. Only 3% believe the spend should be a lower percentage of the overall training budget. In light of this preference for higher spending on mid-levels, it is surprising to find that HR is also quite critical of its own ability to craft programs that their mid-levels find effective. Figure 4.9 shows how respondents rated their own ability to deliver training that the mid-levels perceive as effective.



Figure 4.9: How do your mid-level leaders perceive the organization’s Learning Development Program across the following categories?

Question	Very Effective	Effective	Neither Effective nor Ineffective	Ineffective	Very Ineffective
Relevance to business issues	7%	42%	37%	12%	2%
Support of their organization	8%	40%	36%	14%	2%
Level of engagement in training	9%	34%	36%	20%	1%
Applicability	14%	33%	35%	18%	0%

Source: DDI & HCI Mid-level Study, 2010

Generally speaking, some 35% of our respondents see their programs as neither effective nor ineffective in the eyes of their mid-levels. Another 40% or so see their programs as effective in the eyes of their mid-levels. Less than 10% see their programs as very effective in the eyes of their mid-levels. Making these findings even more challenging is the fact that the key to improved performance for mid-levels in a post-Great Recession world is as much mental as it is technical.

Unless HR can craft training that will both enable mid-levels to retool to drive execution and change while at the same time inspiring them to lead boldly and once again motivate direct reports, they will only be throwing good money after bad.

## 5. Recommendations

As organizations gain confidence in the nascent economic recovery and begin to implement growth strategies, they will look to their mid-level managers to execute. However, as our research shows, those mid-levels have been greatly damaged by the events of the Great Recession.

Though the challenges seem daunting, they represent a great opportunity for those organizations that can simultaneously address the engagement challenge while retooling their mid-levels for 21st century management. Seizing the initiative while less nimble competitors ignore the mid-level challenges offers the chance to create a lasting competitive advantage. By rebuilding the confidence and skills of mid-levels on the inside, senior leadership will also be sending a strong message to bold mid-level leaders who have lost their loyalty to their own organization and are looking for a sense of belonging to an organization where they can make things happen.

*Today’s challenges represent a great opportunity for those organizations that can simultaneously address the engagement challenge while retooling their mid-levels for 21st century management.*

We believe that HR and Talent leaders, working hand-in-hand with the rest of the C-Suite, can grab this opportunity by following two critical recommendations that go hand-in-hand and will combine to solve the four greatest challenges facing mid-level managers:

### **Recommendation 1: Reverse the Gloom Spiral Starting Today**

While the two biggest challenges facing mid-levels in our survey relate to carrying out senior executives' agendas through strategic execution and change management, the causes of those challenges are as much rooted in the emotional realm as in the operational. Mid-levels feel beaten down and stressed out. They have seen the ladder of success knocked over and upward movement stagnate, even as they struggle to meet execution metrics that seem to change daily.

As a matter of fact, because they are responsible for the execution of senior executives' agendas they may take failure to meet goals even more personally than other executives and managers. As a recent McKinsey "Leaders in the Crisis" study showed, the percentage of mid-level managers who were "very satisfied" with their overall performance since the economic crisis began was 17%. That percentage is much lower than that for both C-level executives and senior managers, each of whom recorded 26% "very satisfied" performance ratings over the same time period. When a mid-level fails, he or she feels a sense of failure not only to leadership, but to the staff to whom they remain deeply loyal.<sup>10</sup>

### ***Bringing Opportunity Back to the Middle:***

Senior leaders need to craft and sell a new vision to their mid-levels that presents not only a new beginning for the organization itself, but for the career opportunities that are open to reengaged mid-levels. Leadership can begin by working with their mid-levels to create individual development plans aligned to the new vision. Those plans should highlight achievable short-term goals and accomplishments in order to reestablish a sense of winning while laying out long-term goals that are important to mid-levels in terms of both financial reward and career advancement. If upward mobility is constrained, leadership should seek to create opportunities for horizontal and lateral movement that will keep mid-levels engaged and energized, and give them the chance to develop new skills. New opportunities can sometimes emerge overnight, and mid-levels must be ready for them, because they do not last long.

And while senior leaders should show empathy toward mid-levels and an understanding of their own failures that contributed to the Gloom Spiral, they should not engage in wholesale pity. Those mid-levels who are unable or unwilling to reengage around the new vision should seek a new beginning elsewhere.

<sup>10</sup> "Leaders in the Crisis" McKinsey Quarterly, 2009. [http://www.mckinseyquarterly.com/Leaders\\_in\\_the\\_crisis\\_McKinsey\\_Global\\_Survey\\_Results\\_2422](http://www.mckinseyquarterly.com/Leaders_in_the_crisis_McKinsey_Global_Survey_Results_2422)



**In summary, we believe leaders should:**

- Craft and sell a new vision for mid-levels and the company as a whole
- Align individual development plans to the new vision
- Highlight short-term wins as well as long-term goals (financial and career advancement) in development plans
- Engage mid-levels with lateral moves that develop new skills, if and when upward mobility is constrained
- Empathize with the challenges faced by mid-levels, but never encourage self-pity

**Recommendation 2: Align New Training Programs to the Four Major Challenges Mid-levels Face**

Working to reengage the mid-levels’ sense of optimism, confidence, and engagement is a critical but insufficient step toward reversing the Gloom Spiral. Just as all the positive talk in the world will not enable a slow, uncoordinated individual to beat a Andy Roddick or Roger Federer on the tennis court, mid-level managers require a certain set of world-class skills to truly excel.

New skills are necessary to achieve execution and change management goals. These core skills must be continually enhanced by teaming and collaborative skills such as networking, influencing, coaching, and emotional intelligence to help fend off the next Gloom Spiral before it starts. Figure 5.2 offers a vision for the types of training programs that can be designed or reshaped from existing programs in order to meet these challenges.

**Figure 5.1: Aligning Challenges with Training**

Challenges	Training Programs
Driving Strategic Execution	<ul style="list-style-type: none"> <li>▪ Translating Strategy into Results</li> <li>▪ Influencing for Organizational Impact</li> <li>▪ Cultivating Networks and Partnerships</li> </ul>
Change Management	<ul style="list-style-type: none"> <li>▪ Making Change Happen</li> <li>▪ Operating with a Global Perspective</li> </ul>
Motivating and Developing Direct Reports	<ul style="list-style-type: none"> <li>▪ Coaching for High Performance</li> <li>▪ Developing Organizational Talent</li> </ul>
Leading Boldly	<ul style="list-style-type: none"> <li>▪ Handling Challenging Situations with Courage</li> <li>▪ Mastering Emotional Intelligence</li> </ul>

Source: DDI & HCI Mid-level Study, 2010

## 6. Conclusion

Whether the recovery emerges at a breakneck pace, moves at a slow crawl, or even takes the much-discussed double-dip, opportunistic business leaders increasingly are shifting their focus away from survival and toward a new vision of innovation and growth. Bringing that vision to life requires execution, and as always, leaders will be relying on the skills and drive of mid-level managers to make this happen. However, as has been detailed in this research, those mid-levels have been greatly damaged by not only the events of the Great Recession, but by broader global economic trends that have seen the skill set they require resemble more that of the traditional general manager than the typical mid-level.

An incredible silver lining exists within these findings for those prepared to simultaneously address both the engagement challenge stemming from the Great Recession and the retooling challenge stemming from the competitive realities of the global economy. Seizing the initiative while less nimble competitors ignore the mid-level challenges offers the chance to create a lasting competitive advantage. Don't wait for the stock market. Don't wait for 5% GDP growth. Take the initiative and turn up the engagement dial. Make sure mid-levels are being empowered to achieve execution and change management goals, and make sure that they can do it in an increasingly collaborative 21st century global economy. Again, speed is of the essence, whether in a slow recovery or a runaway expansion.

We hope that our survey findings prove helpful to progressive leaders looking to lead boldly in whatever "New Normal" finally emerges. Good luck.

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## 7. Survey Description

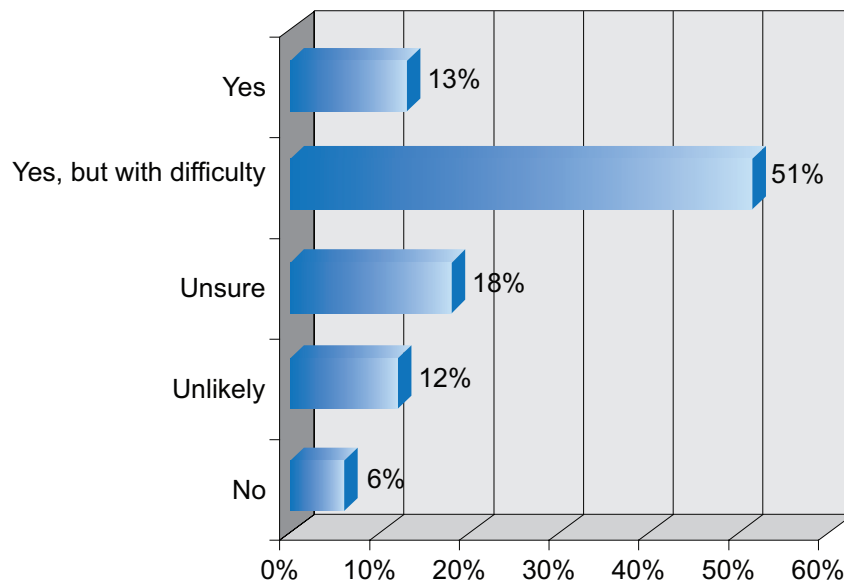
This survey was distributed among U.S. and Canadian senior human resources executives (director level and above) in organizations with over 500 employees. Of those who were contacted, 109 Human Resources executives completed the survey during February of 2010.

### Major Findings:

1. HR executives are more pessimistic about hitting goals in 3–5 years than in the year 2010.

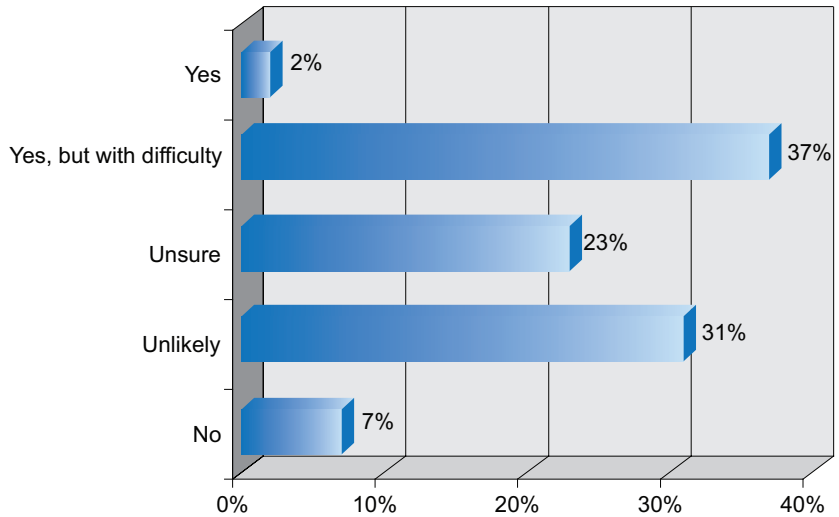
When asked if they thought their organizations could reach their 2010 goals with mid-level managers at their current levels of engagement and performance, HR executives were cautiously optimistic with 50% responding “Yes, but with difficulty” and only 17% responding “unlikely” or “no”.

Figure 7.1: Can your organization meet its goals for 2010 with mid-level leaders performing at current levels of engagement and performance?



When answering the same question about their goals for the next three to five years however, respondents were much more pessimistic. The percentage of those who answered “Yes, but with difficulty” dropped to 37% while the percentage of those who responded “Unlikely” jumped from 12% to 31%.

Figure 7.2: Can your organization meet its goals for the next 3-5 years with mid-level leaders performing at current levels of engagement and performance?



2. While the level of training expenditure is tied to Human Resources' level of concern about retaining high performing mid-level managers, both low spenders and high spenders are concerned over all.

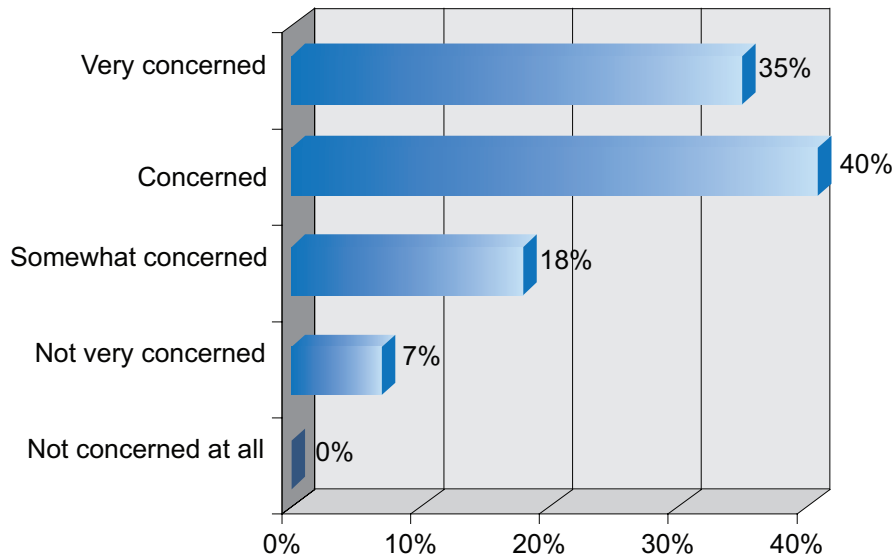
When asked how concerned they were, in the current economic climate, about retaining their high performing mid-level managers, the respondents fell into two camps:

- Those who spend between 0–25% of their training budget on mid-levels (n=61)
- Those who spend between 26–50% of their training budget on mid-levels (n=40)

Of those who spend 0–25%, nearly 40% responded “Very concerned” and over 30% responded “Concerned”.



Figure 7.3: In the current economic climate, how concerned are you about retaining your high-performing mid-level managers?



As for those who spend 26-50% of their training budget on mid-levels, 28% responded that they are "Very concerned" and 45% are "Concerned".

Figure 7.4: In the current economic climate, how concerned are you about retaining your high-performing mid-level managers?

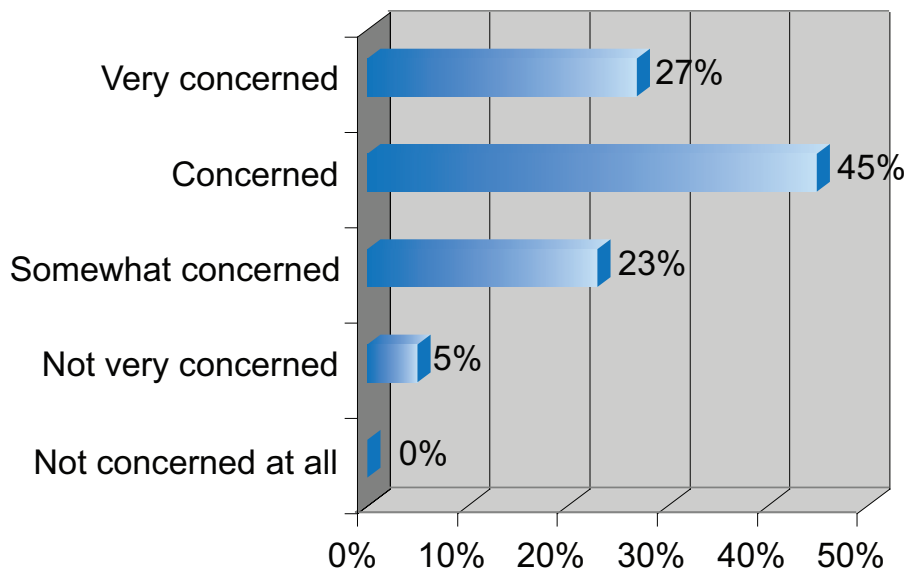
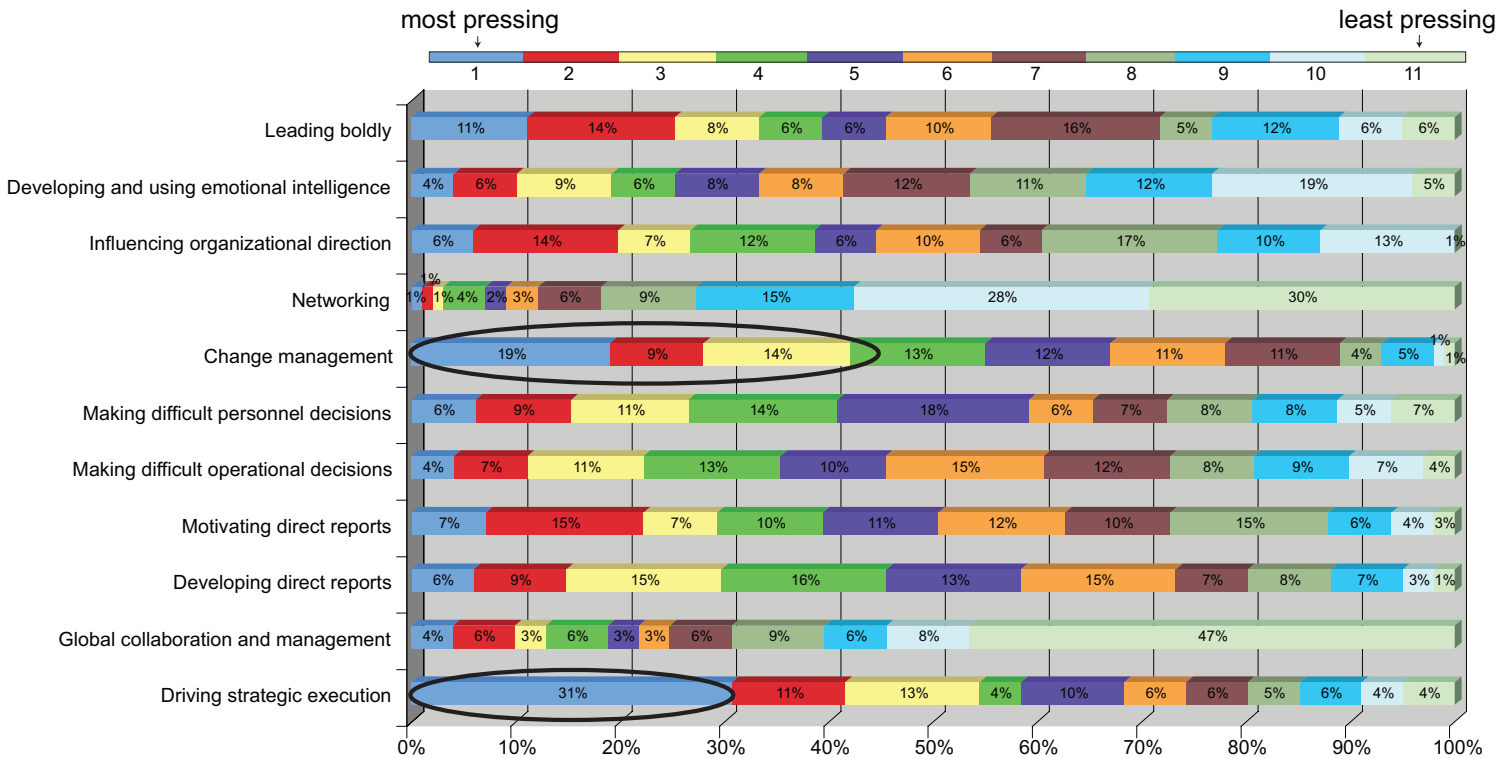


Figure 7.5: What are the greatest challenges facing mid-level managers in your organization today? (Ranked in order of the challenge posed to the organization, with the most pressing challenge ranked '1' and the least pressing challenge ranked '11.')



3. "Driving Strategic Execution" and "Change Management" are the two greatest challenges to Mid-levels today.

When asked to number a list of 11 skills with "1" as the most pressing challenge and "11" as the least pressing challenge to their mid-level managers, respondents rated "Driving strategic execution" as the most pressing challenge with 31% of the vote and "Change management" as the second most pressing issue with 19% (see Figure 4.4).

Among the next most pressing challenges to mid-level managers are:

- Developing direct reports
- Motivating direct reports
- Influencing organizational direction
- Making difficult personnel decisions

## 8. Research Team:

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