



2015 – MANAGEMENT IN THE SPOTLIGHT

Includes a free Management Assessment

WHITE PAPER

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If we were to venture a guess, we'd bet that market disruption, as well as changes to technology, social media and the global workforce, have impacted your business. Drastically. Moreover, like so many businesses today, your path forward may be a bit muddled.

Sound familiar?

Without a clear vision and a path to achieve it, management — no matter how good it is — is ineffective. High performing organisations recognise this, and they do something about it.

In this paper, we explore the shifting dynamics between employers and employees. The key takeaway? In the maelstrom of market uncertainty, businesses have reduced growth through innovation, shifting the focus to growth through improvement instead.

So what does this mean? And what should you do about it?

To help you answer those questions, we identify five (5) trends and their management implications. You'll also discover the three (3) keys to winning management strategies as well as tips on how management can accelerate improvement in today's business environment.

Who should read this white paper?

This paper is for you if you are:

- A business owner who wants to strengthen management.
- A management team ready to engage in discussion and take action.
- Professionals who want to stay on top of contemporary management trends.

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A look back: Trends over time

Have we met before? We've been doing this trend analysis thing for a while now. Here's a look back at some of the market and business trends identified in the HR Coach Research Institute white papers since 2007. They'll give you a taste of how businesses arrived at where we are today.

“Managing in Uncertain Times”

- Key insight: Too many pressure points inside a business cause management fatigue.



“Managing Back to Certainty”

- Key insight: Downward pressure and growth constraints result from employers' extended state of shock and lack of reinvestment in business, strategy and people.



“Accelerating Business Performance”

- Key insight: Client focus accelerates business improvement and generates faster and more reliable revenue streams.



“Business Case for Retention”

- Key insight: Managing retention is about maintaining 'business as usual' and protecting the core as much as it is about opportunity. It is a risk mitigation strategy as well as a growth strategy.



“Succession Planning – The Bridge Builders”

- Key insight: Businesses need to manage proactively their business as an investment and link external succession with internal succession.



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The nitty gritty: Data from 16,000 employees across 500 organisations

The numbers are hot off the press, and there's no question that the data puts the spotlight on one main group — managers.

This analysis uses data from the STAR Workplace Program, a business monitor survey of employers and employees. The research study involved more than 500 companies, firms and bodies, plus 16,000 employees. It uses benchmark data of low-, medium- and high-performing organisations.

So what have we learned?

Uncertainty in strategy has been a hallmark of businesses over the past five years. One thing that is certain, however, is that businesses have focused on developing leadership. We need to ensure that management and leadership development is not confused.

Strong management leads to strong businesses — hands down. Productivity, communication and relationships hinge on good management. Yet, somehow, management has slipped down the ladder when it comes to priorities and professional development funds.

The overarching trend that emerges from the data is that management is being neglected.

As this white paper shows, management needs to become a priority. And this means more than sending managers to courses or implementing skills training for core competencies.

Our research findings show how management impacts overall organisational performance and internal culture. It sets the tone for how the business functions and, ultimately, excels.

There are five (5) key trends, which we share with you in Section One (where we also discuss the implications of each). These trends highlight the important contribution of management. In Section Two, you'll find the three (3) keys to winning management strategies, plus practical tips for management.

Let's look a bit deeper.

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SECTION ONE

What the 2015 research tells us: Trends and implications

1. Improvement vs. change

Trends: What the data tells us

The data paints a clear picture: Organisations are focusing on business improvement, not change. While the results for most indicators are looking up, the relationship between indicators hasn't changed.

A result that really stands out is that organisations struggle with internal succession planning. The lowest factor found for low-performing organisations is 20 per cent, while it is 40 per cent for high-performing organisations.

Implications: What it means for your business

One thing is clear. Businesses are less focused on innovation, more focused on core business improvements. There is a push for improved productivity and efficiencies.

But what's unique is that business owners are driving profit and revenue growth using what they have. It's a conservative approach, and one where success heavily relies on quality management.

What's wrong with focusing on business improvement, you might ask? Nothing really. It's practical, revenue friendly and low risk. However, does it mean that businesses — maybe even your business — are missing the greater market opportunities that result from innovation? Food for thought.

2. Management key to improvement

Trends: What the data tells us

We know that you know just how true this is: Our research has found that you can gauge overall business performance pretty well based on your employees' view of management.

The data highlights this point and shows that low and high-performing organisations invest in different processes. High-performing organisations invest more in four areas:

- Strategic planning processes
- Better employment contracts
- Employee and manager orientation
- Supervisory and management development.

Higher-performing organisations tend to be more self-aware and critical of gaps in internal processes.

Implications: What it means for your business

Maybe you're thinking that these results simply show that good management fundamentals do not change. Moreover, we'd agree with you. The data highlights that successful management starts at the very beginning, all the way back at orientation. So one strategy that may help address issues of poor internal succession planning is implementing re-orientation processes upon promotion.

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How can you trigger overall improvement? By working with management teams, including supervisors. If employees have confidence in management's role and how they are being managed, then they have more buy-in. And we know that greater buy-in across the organisation kick starts positive change and improvement.

Now before we move on, we want to point out one management group of particular note. Which one? If you guessed Gen Y, you're on the money. Gen Y is moving into authoritative positions, bringing skills and technology prowess that – let's admit it – some business owners may not have. They are also managing more diverse and dispersed work teams. How well they manage this complexity impacts the bottom line. Gen Y's ability to adapt their management style will make a monumental difference when it comes to achieving businesses' desired outcomes. So, let's not overlook them.

3. Industries with people logistics under pressure

Trends: What the data tells us

You know the song "Under Pressure"? (Good luck getting that tune out of your head now!) Well "under pressure" pretty much sums it up for industries with high-rostering, casual workforces and high client interface. Their performance benchmark results are lower than others, indicating that pressure is high.

However, one industry sector is bucking the trend. Retail consistently exceeds other sectors in terms of employee satisfaction (74 per cent), team culture (81 per cent) and management culture (76 per cent). But the good news stops there. It's a different story when we look at retail from the employer's perspective. Employer satisfaction is the third lowest (59 per cent) among all industry sectors.

Looking across industries, here are some other notable results:

Productivity and results from employee performance is an issue for sectors including retail, wholesale/distribution, telecommunications, IT, financial services and tourism and hospitality.

Job satisfaction is an issue for sectors with independent workers, including transport and agriculture. Employee satisfaction is also an issue for the construction sector and education.

Views of management are poor in relation to the overall workplace culture in wholesale/distribution, manufacturing and the not-for-profit sector.

Implications: What it means for your business

Strike up that tune again. Many employers are facing pressure and volatility in terms of margin compression and profitability. Sure, the retail sector is the exception. However, without sustainable business performance, can retail maintain high satisfaction results with employees? It's a question that remains to be answered.

If we dig a bit deeper into the results in this area, two factors become clear. First of all, there is potential reluctance among employees to take on supervisory/management roles. Secondly, there is a potential lack of investment in supervisory and management training.

What industries are the most vulnerable? Sectors where managers are charged with people logistics, including rostering. So to help employees survive – and thrive – after promotion, businesses need to prepare employees and equip them with techniques for managing their former peers.

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4. Ad hoc improvement.

Trends: What the data tells us

Big data is still the buzzword these days. Despite the emphasis on big data, ongoing business improvement and change is still managed on a pretty ad hoc basis overall. Few businesses are benchmarking their culture and planning for improvement. Of the five key management areas assessed in the research, the greatest variance between low- and high-performing organisations is organisational measurement and planning (37 per cent).

The bottom line? Overall benchmark results for the Human Resource Framework (HRF101) show a lack of attention to detail and excellence. Workplace improvement rated the highest.

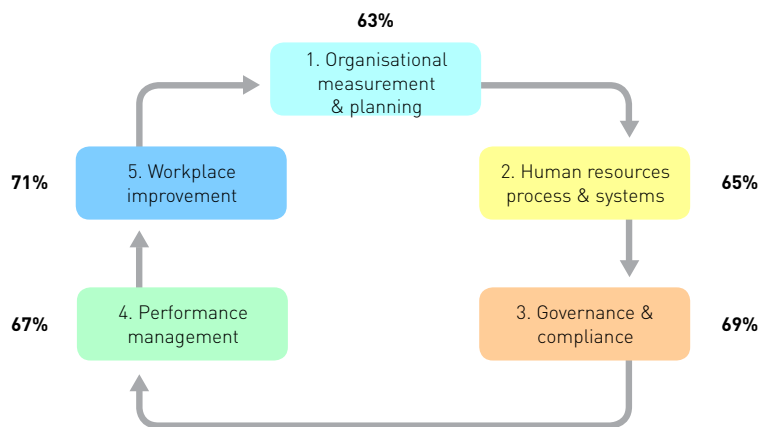


Figure 1 – Model for Human Resource Framework©

Implications: What it means for your business

Workplace improvement is the highest resulting area, but it is managed via a project approach. Without a continuous improvement process, the stop/start nature of projects puts employees and workloads under pressure (there's that theme song again!). What to do? Improvement results when ongoing monitoring and analysis of key performance indicators (KPIs) become an integral part of management culture.

So in order to accelerate growth, businesses should take action to involve managers in strategic planning. We should also ask the question: What does excellence mean? Is a 65 per cent satisfaction result for quality, processes and systems good enough? Is there too much complacency?

Critical questions, indeed.

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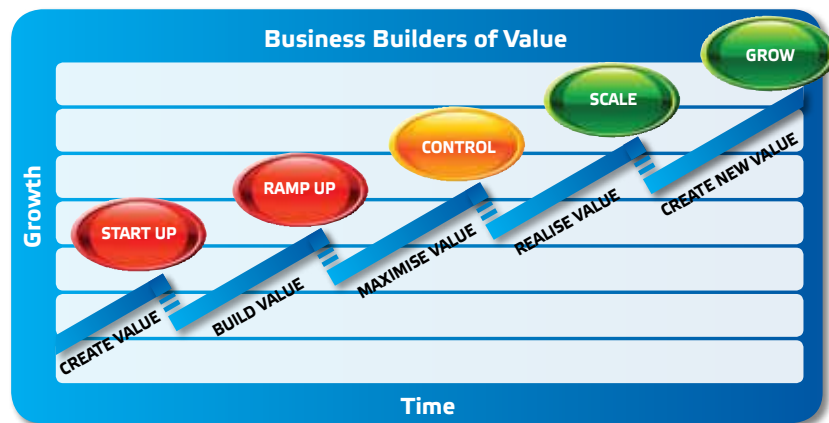


5. Business cycles matter

Trends: What the data tells us

Let's look at low-performing organisations as opposed to high-performing organisations. According to the benchmark data and qualitative analysis, they have different priorities (specific to HRF101).

Since 2004, the HR Coach Research Institute has been developing models to understand the dynamics of business cycles and their impact on the internal business climate. In 2014, the Institute released the succession planning business model. Using the model, qualitative data was used to understand the change in value created at different stages.



Implications: What it means for your business

Consider what stage of the business cycle you're in. What are the main pressure points? By looking at these factors together, you can learn a lot about what type of management approach is needed. Managers need to be aware of the symptoms within their own business and how they impact the climate, decision-making process and employee management.

Take a look at some of the symptoms identified in each stage of the business cycle. Then ask what you need to do to improve.

	START UP	RAMP UP	CONTROL	SCALE	GROW
ATTRIBUTE	CREATE VALUE	BUILD VALUE	MAXIMISE VALUE	REALISE VALUE	CREATE NEW VALUE
SYMPTOMS EXAMPLES	Untested plan Limited processes Reliance on sales Reactive environment	Budget driven planning Systems under pressure First time managers Delegation issues	Quality data internally Formalised systems Silo communication problems Focus on quality	Management direction issues Systems needing intergration Leadership development Productivity and efficiency	Reinvestment in business Reinvestment in systems Market share / retaining clients Re-engagement of employees

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SECTION TWO

Strong management: Where success starts

The data makes it clear that management is under the microscope. And what do we know about managers? We'd dare say that this statement is pretty self-evident:

High-performing managers drive high-performing organisations.

So, what does a high-performing manager look like? Let's break it down.

Three keys to winning management strategies

Wondering where to start when it comes to improving management? Here's your cheat sheet. High-performing – and highly valuable – managers excel in the three focus areas below. These are the three keys to winning management strategies. Take a look at the tips for improving management in each specific area, too.

Be Strategic

Focus on
Excellence

Lead with
Commitment

Think Strategically

1. Use quality data – measure and monitor your workplace to focus on drivers of success
2. Be involved in planning – strategy review and development
3. Be aware – tune into the external business environment

Focus on Excellence

4. Maintain a client focus – protect client value and the integrity of your brand
5. Get the basics right – focus on giving everyone the best start possible
6. Manage quality – ensure if you don't know the detail, it is systemized and someone "owns it". Quality is in the detail of execution, every time.

Lead with Commitment

7. Understand your people – understand what motivates them
8. Understand yourself – understand your style and learn how to adapt
9. Be engaged – be committed to the role and the organisation. Your connection with what you do will drive a healthy culture and your career

As a next step, we suggest you complete the management self-rating exercise on the next page. It will help you assess where you are, where you want to go and how to get there.

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Management assessment

It's true. Honesty is the best policy, especially if you want to make improvements. Take a few minutes to candidly rate yourself on the criteria below. Use a scale of 1 to 10 (10 indicating an area where you absolutely excel, 1 indicating an area where there's plenty of room for improvement). Consider it to be a Management Selfie!

I use quality data through business KPIs and workplace culture ratings to guide my management decisions.	
I am involved in strategic discussions and contribute to the planning process of my department / business.	
I understand the business cycle we are currently in, and I know my management priorities to create value.	
I understand who our clients are and how as a brand we meet their needs.	
I have a quality process for orientation and starting new employees and managers.	
I understand the internal systems and processes that drive business operations. The systems are clear and concise with established accountabilities assigned to them.	
I understand the skills, knowledge, attributes and motivations of the members of my team.	
I understand my own management style (whether I am a natural manager, coach or mentor), and I know how to adapt my style to meet the needs of my team and the business cycle.	
I am engaged and committed to my role and the organisation. I am proactively contributing to the success of the organisation and a positive workplace culture.	
I achieve the results the business needs from me and the area I am responsible for.	
Total	/100

So, how do you rate yourself (or your management team) out of 100?

75+ We've got this – management is a definite strength.

67 - 74 We're going ok, but there's room for improvement.

<67 Yes, we could do a lot better.

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Ready to strengthen your management? Then get in touch.

If you rated below 7.5 in any areas, you realise that there's room for improvement. And, that's the first step! Below are just some examples of how our members can help you strengthen your management.

Management activity	Suggested support from members
Quality data through business KPIs and workplace culture ratings to guide my management decisions	Annual Employer and Employee Survey to provide KPI data and benchmarking
Strategic discussions to contribute to the planning process of my department / business	Annual 1-Day Business Growth Forum where participants collaborate with the management team in building a growth plan
Evaluating the current business cycle and setting management priorities	Annual 1-Day Business Growth Forum to evaluate the business growth cycle model internally
Understand clients and how as a brand we meet their needs	6-Week Client Accelerator Program, including 2 workshops and a workplace project
Quality process for orientation and starting new employees and managers	3-hour workshops on attracting and retaining employees
Internal systems and processes that drive business operations	HR Coaching on internal processes and systems (project plans generally take 3 to 12 months)
Understanding the skills, knowledge, attributes and motivations of team members	The "Career Monitor" – an individualised retention and motivations report on your team measuring what motivates them to stay and areas of risk
Understand management styles and how to adapt to meet the needs of employees and the business cycle	1-Day The Manager, The Coach, The Mentor Program
Being engaged and committed to the role and the organisation; being proactive in contributing to the success of the organisation and a positive work culture	The Future Leaders Program, a tailored development program for emerging leaders including one-on-one coaching and group workshops
Achieving results that the business needs and will create personal success	1-Day The Manager, The Coach, The Mentor Program

To learn more about these coaching opportunities chat to our members.

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ABOUT HR COACH INTERNATIONAL

HR Coach International supports an international network of business professionals, working with clients to be more strategic and proactive in their people management. With member organisations internationally, it is backed by the HR Coach Research Institute to provide insight and currency in applied methodology.

To find a Member or to find out more about the international network visit www.hrcoachinternational.org

- HR Coach Network Australasia www.hrcoach.com.au
- HR Business Alliance UK www.hrbusinessalliance.co.uk
- Network Members in the USA & Canada www.hrcoachinternational.org

ABOUT THE HR COACH RESEARCH INSTITUTE

Since 2002, the HR Coach Research Institute has researched growth triggers and constraints on the business sector. Its primary focus is the connectivity between business strategy and employees. Key research outcomes have included:

- Identification of key behaviour matrix of managers and employees – 2002
- Innovation patent for measurement of organisational capability – 2003
- Strategic Action Model – 2004
- Business benchmark series for employer and employee engagement connectivity – 2008
- HRF101, Human Resource Framework for Business – 2010
- Career Monitor Model for Retention – 2013
- Succession Planning, stages for external and internal planning – 2014

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