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What are the Most Important Capabilities/Competencies for Managers Who Lead People?

Abstract

With the advancement in technology and the rapid increase of globalization, there is now an increased need for managers to engage in better communication, coordination, improved performance, team monitoring, and interdependency and trust. Unfortunately, while an increasingly large number of companies are focusing on leadership development at the higher organizational levels, majority of the organizations admit that they are not very successful in providing leadership development at *all* levels within the organization. It is therefore important to develop sets of leadership skills that would be useful at multiple levels of the organization.

Keywords

Human Resources, leadership development, manager competency, manager capability, communications, leadership, middle management, talent management, coaching, empowering teams, change management

Comments

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Executive Summary

Research Question: *What are the most important capabilities/competencies for managers who lead people?*

Introduction

With the advancement in technology and the rapid increase of globalization, there is now an increased need for managers to engage in better communication, coordination, improved performance, team monitoring, and interdependency and trust¹. Unfortunately, while an increasingly large number of companies are focusing on leadership development at the higher organizational levels, majority of the organizations admit that they are not very successful in providing leadership development at *all* levels within the organization². It is therefore important to develop sets of leadership skills that would be useful at multiple levels of the organization.

Desirable Leadership Traits and The Three-Dimensional Capabilities Model

The Three-Dimensional Capabilities Model³ defines three behavioral orientations that correlate to performance: task-oriented, relations-oriented, and change-oriented. Within each of those dimensions are competencies that relate to a behavioral dimension (Appendix A). Subsequent research proved that all three are important for successful leadership at the middle management level (Appendix B)³. While improving any one competency will improve a manager's performance, often the improvement of one competency will yield a carry-over effect into another behavioral dimension. For instance, a manager who improves on their efforts to enable their direct reports (relations-oriented) may lead them to be better problem solvers (task-oriented). While there have been many competencies identified through multiple studies and observations by management theorists and practitioners, one competency is selected under each dimension and its importance is highlighted.

Task-Oriented: Critical Analysis and Problem Solving

Because middle managers are connected to the functional levels of the organization, the ability to solve technical issues on the fly has been proven to be one of the most important leadership competencies for this population and has been borne out in multiple studies⁽⁵⁾⁽⁶⁾⁽⁷⁾. Managers who are competent in this area are better able to establish credibility and authority among their teams, improving 'followership'.

Relations-Oriented: Enabling Others

When Google conducted an internal audit of their own manager's effectiveness they found that good coaching and empowering teams were the top competencies of successful managers⁷. These findings are reiterated as two of the five leadership skillsets for managers in the book *Leadership Skills for Managers*⁸. Tied closely to coaching and empowering others is a manager's ability and willingness to relinquish total control. Especially in an

innovative environment like a technology company, avoiding micromanaging and empowering subordinates with important tasks can bring about positive business results ⁹.

Change-Oriented: Communication

Effective communication is one of the most critical components of managing change effectively, and stimulating conversations around change is critical ¹⁰.

The external environment of the tech industry is rapidly evolving and waves of change capable of upending entire companies come quickly and frequently. Management at all levels is responsible for adapting with changing market and competitive conditions. One key part of that process is communicating effectively with employees about how the company is dealing with change. An effective communicator can provide their subordinates with the information they need to do their jobs well, which is why it is among the most critical leadership skills for mid-level managers in a tech company ¹¹.

Industry Practices

- Google's Project Oxygen aimed to understand what made their most successful managers successful. The study revealed 8 key competencies (Appendix C) among mid-level managers that made them lead their teams successfully and reduced turnover and conflicts within their teams.
- IBM Executive School - Before forming its famous 'Executive School' IBM consulted with ETS to help it identify skills that make leaders successful. Using the findings and his own judgement, Louis Mobley went on to create and run the IBM Executive School for more than a decade, which resulted in producing some of the greatest corporate leaders of the past century ¹².

Core versus Functional Skills?

A classic leadership trap is prioritizing the development of functional skills over business management and leadership skills ¹³. At the middle manager level, functional skills are less important. In fact, in Google's list, functional skills came last, while the core leadership ones ranked highest. Hence, focusing on core leadership skills seems more appropriate.

Recommendations

- Utilizing the Three-Dimensional Capabilities Model, companies could evaluate their people leaders based on the competencies within each behavioral dimension. The advantage of this model is that it breaks down leadership skills into digestible actions that can be defined appropriately to a specific work environment.
- Taking a page from Google and IBM's book, internal research/surveys could be conducted to determine what leadership skills its employees think would be the most helpful at the middle management level, and incorporate those into a comprehensive leadership development program using the three behavioral dimensions highlighted above.

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APPENDICES

Appendix A –

Table 1. LEADERSHIP BEHAVIORS AND MANAGEMENT PROGRAMS, SYSTEMS, AND STRUCTURES FOR INFLUENCING THE PERFORMANCE DETERMINANTS

LEADERSHIP BEHAVIORS

MANAGEMENT PROGRAMS AND SYSTEMS

A. To improve efficiency and process reliability

- Clarify roles and task objectives
- Monitor operations and performance
- Conduct short-term planning
- Provide contingent rewards
- Resolve current operational problems

- Goal setting programs
- Formalization and standardization
- Functionally specialized subunits
- Total quality management
- Six Sigma programs
- Process reengineering
- Downsizing and outsourcing
- Productivity incentives

B. To improve human resources and relations

- Provide support and encouragement
- Recognize worthy contributions
- Provide coaching and mentoring
- Consult with others about decisions
- Empower and delegate
- Encourage cooperation and teamwork

- Quality of work-life programs
- Employee benefit programs
- Recognition programs and ceremonies
- Training and mentoring programs
- Talent management programs
- Recruiting and selection programs
- Empowerment programs
- Self-managed teams
- Rewards for loyalty and skill acquisition

C. To improve innovation and adaptation

- Conduct external monitoring
- Explain the urgent need for change
- Articulate an inspiring vision
- Encourage innovative thinking
- Facilitate collective learning
- Take risks to promote change
- Implement necessary change

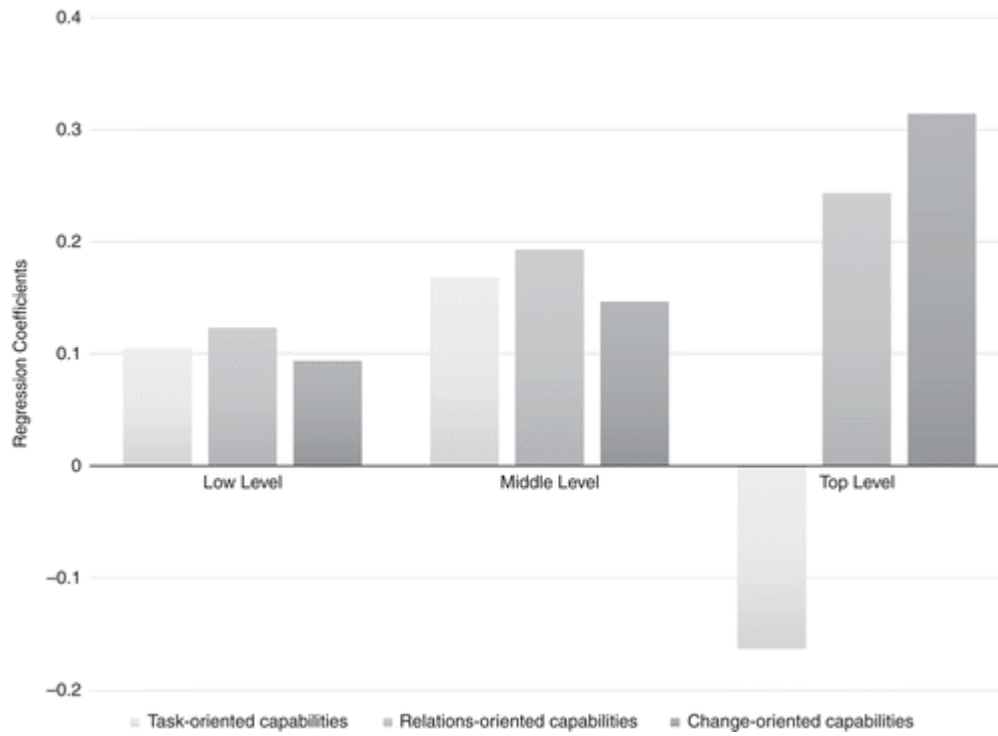
- Competitor analysis and market research
- Strategic planning systems
- Intrapreneurship programs
- Benchmarking to import best practices
- Knowledge management systems
- Cross-functional project teams
- Semi-autonomous divisions

LEADERSHIP BEHAVIORS

MANAGEMENT PROGRAMS AND SYSTEMS

- Joint ventures and strategic alliances
- Incentives for innovation

Appendix B - Important Capabilities for Middle Managers



Appendix C - Characteristics of a Highly Effective Manager by Google

1. Is a good coach
2. Empowers the team and does not micromanage
3. Expresses interest in and concern for team members' success and personal well-being
4. Is productive and results-oriented
5. Is a good communicator—listens and shares information
6. Helps with career development
7. Has a clear vision and strategy for the team
8. Has key technical skills that help him or her advise the team