

75TH ANNIVERSARY

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BETTER WORKPLACES
BETTER WORLD™



Effective People Managers

THE LINCHPIN OF ORGANIZATIONAL SUCCESS



Introduction

In an era when organizations recognize people as their most vital assets, effective people management becomes indispensable. People managers are the linchpin that connects organizational goals with the efforts of employees, ultimately driving success. Notably, 92% of HR executives say that people managers are critical for their organization's overall success, and 82% say they are critical for accomplishing strategic business objectives. People managers are also critical to the [employee experience](#). HR professionals rated their manager as the workplace aspect with the second greatest influence on the overall employee experience; workers ranked it third (out of 10).

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of HR executives say people managers are critical for their organization's overall success.

Given the importance of people managers, SHRM Research surveyed U.S. workers, people managers, HR professionals, and HR executives to gain insights into the current state of people management and identify potential areas for improvement.

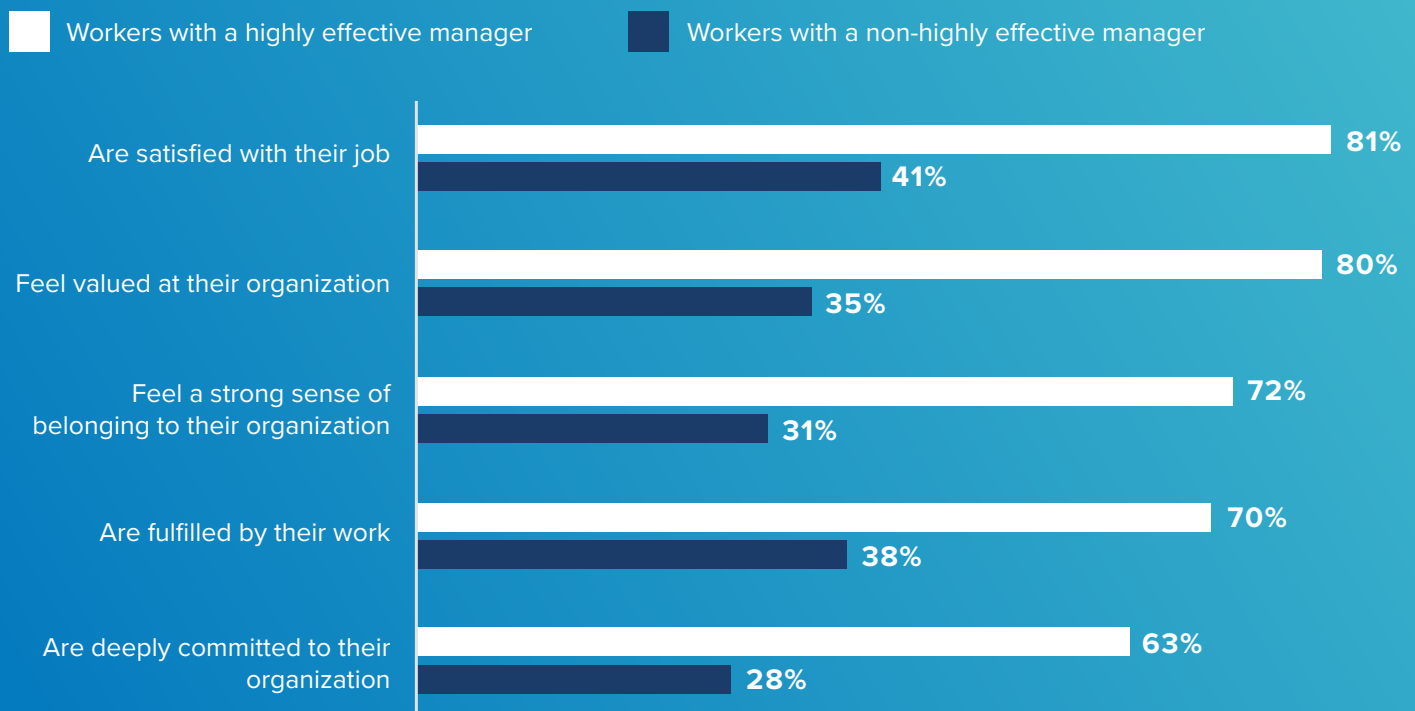
The Power of Effective People Managers

SHRM Research found that effective people management is critical for organizational success, but not all managers are effective. **Fewer than 2 in 3 (64%) U.S. workers rate their manager as highly effective**, while 28% say their manager is just average and 8% say their manager is ineffective. These evaluations are in line with people managers' self-assessments: 70% rate themselves as highly effective, while 30% believe they are just average managers. Certainly, these relatively high percentages are worth celebrating, but it is also important **not** to lose sight of the implication that some 30% of people managers are not highly effective. This deficiency can have profound impacts across an organization.

Compared to U.S. workers who say their manager is not highly effective, those workers who have highly effective managers are ...

- **nearly 2X as likely** to feel satisfied with and fulfilled by their jobs.
- **more than 2X as likely** to feel a deep sense of commitment and belonging to their employer and to say they are valued at their organization.

INFLUENCE OF MANAGERIAL EFFECTIVENESS ON U.S. WORKERS' ATTITUDES ABOUT THEIR JOB AND EMPLOYER



Perhaps even more important is the ripple effect of a leader who models excellent management skills. Nearly 9 in 10 highly effective people managers (87%) state that the supervisors who report to them are among the best managers in their organization. Only about 7 in 10 of their less-effective peers (69%) say the same.

Challenges People Managers Face

To understand why certain managers may not be highly effective, it is essential to recognize the challenges inherent to the role. From resolving performance issues with specific employees to advancing organizational-level priorities, people managers are responsible for a broad range of tasks, which contributes to the complexity of their role.

Top Challenges

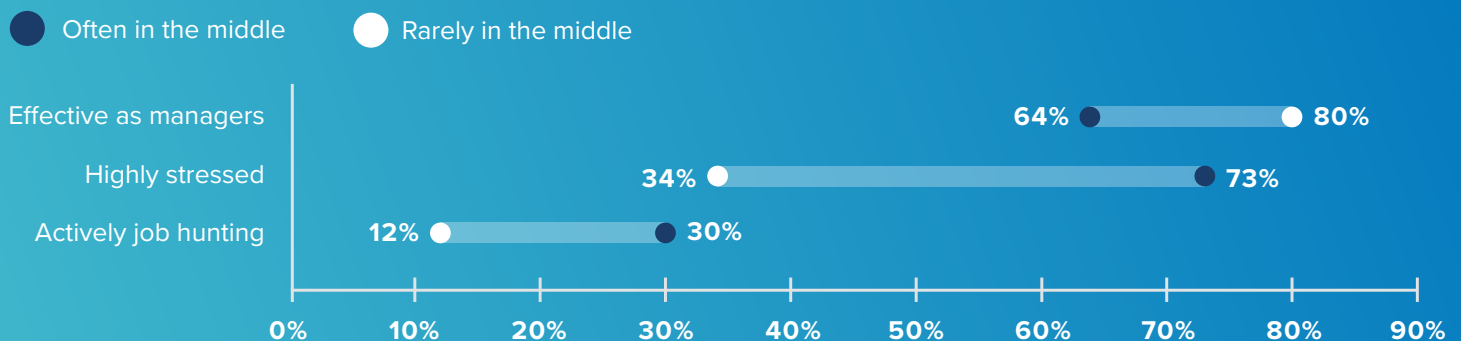
Percent of people managers who have identified these as primary challenges impacting their effectiveness.

1. Heavy workload (33%)
2. Balancing multiple responsibilities (22%)
3. Insufficient resources/budget constraints (20%)
4. Balancing competing priorities (20%)
5. Employee turnover and retention (20%)

People managers, acting as linchpins, play a pivotal role in organizations. However, this central position comes with drawbacks because managers must balance multiple responsibilities and conflicting priorities.

In fact, more than half (55%) of people managers often feel caught in the middle between executive leaders' strategic vision and the practical realities their team faces, with detrimental effects on their stress levels and performance as managers. Managers who often experience this situation are less likely to be highly effective managers relative to their peers, more frequently experience high levels of job stress, and are **2.5 times as likely to be actively job hunting**.

DETRIMENTAL EFFECTS OF PEOPLE MANAGERS CAUGHT IN THE MIDDLE BETWEEN EXECUTIVE PRIORITIES AND TEAM NEEDS



Key Metrics for Managerial Effectiveness

How do organizations evaluate their people managers' success?

According to HR professionals, the most commonly used key performance indicators are:

1. Strategic goals (59%)
2. Productivity and work quality of their teams (57%)
3. Revenue and profitability of the organization (40%)

These metrics illustrate exactly why people managers feel caught in the middle. They are expected to keep their eye on their organization's strategic goals and profits while promoting their team's efficiency and operations.

However, when asked to select five areas where they would like to see their organization's people managers further develop their skills, HR executives leaned toward team management, with 54% selecting coaching and mentoring, and 53% selecting effective communication, and 37% selecting strategic thinking. It's little wonder that people managers are lacking role clarity.

TOP SKILLS THAT HR EXECUTIVES WANT THEIR PEOPLE MANAGERS TO DEVELOP



(Respondents could select up to 5 skills.)



What People Managers Need to Succeed

What people managers need is simple:

More clarity about their responsibilities and better two-way communication channels, as well as access to relevant resources and tools to enhance managerial effectiveness.

WORKPLACE PRACTICES THAT PEOPLE MANAGERS SAY HAVE THE GREATEST IMPACT ON THEIR EFFECTIVENESS AS A MANAGER



(Respondents could select up to the three workplace practices.)

Consider this list in the context of a role characterized by a heavy workload, multiple competing responsibilities and priorities, insufficient resources, and varying expectations from executives versus HR professionals versus direct reports. It makes perfect sense that people managers are seeking to mute the background noise and understand what is most important. We turn to that in the Recommendations section.





Recommendations and Resources

1. Clarify Roles and Goals

The world of work is evolving rapidly, in fact when SHRM asked HR professionals to describe 2023 in a few words, “[change](#)” emerged as the key theme. Organizations, confronted with novel challenges, must adapt swiftly to remain competitive. On the horizon, the adoption of artificial intelligence in the workplace creates uncertainty about how, and how quickly, workers’ roles—not to mention organizational structures and business operating plans—may change. To navigate these issues successfully, employees at all levels must have clarity about their roles and performance goals.

The foundation of the top two workplace practices that people managers say would make them more effective is role clarity.

Role clarity refers to how well employees understand the specific responsibilities, tasks, expectations, goals and performance metrics attached to their position. To be truly effective, people managers must have the necessary information to provide their direct reports with role clarity **and** to attain clarity regarding their own roles. This clarity provides a baseline from which to realign roles and performance metrics as needed to meet future challenges.

Related Resources:

To attain role clarity, start by conducting a job analysis and crafting a detailed job description. Regularly update these descriptions to align with shifts in the business landscape. Establish measurable goals for each role, communicate them and identify metrics for evaluation.

SHRM toolkits are available for assistance with [job analysis](#), [writing effective job descriptions](#) and [employee performance management](#).

2. Facilitate Transparent Communication

People managers need defined and nonpunitive venues to discuss their opinions and concerns with their managers and receive feedback. The higher-level manager also needs to provide consistent direction about what leadership's top priorities of the moment are and what is expected of the people manager. As prerequisite steps for establishing transparent communication, SHRM recommends:

- Foster psychological safety; that is, employees' belief that they can speak up in constructive ways, express concerns and take risks without being punished. Balance open communication with employee **accountability** for honest, constructive and respectful self-expression.
- Establish regular bottom-up and top-down feedback mechanisms.

Related Resources:

Transparent communication relies on a strong organizational communication strategy. SHRM toolkits can help you effectively [manage organizational communication](#) to ensure productive channels and feedback mechanisms.

3. Provide People Managers with the Tools, Resources and Skills to Thrive

A quarter of people managers say access to relevant resources and tools would enhance their effectiveness. These resources and tools can range from project management software to performance analytics capabilities to industry reports that keep them abreast of innovations. Although valuable for all managers, these tools and resources prove especially beneficial for new managers thrust into their role without adequate training or onboarding. This scenario is common, as 64% of HR professionals report that internal promotion is the primary method for filling management positions. Despite this, **only 30% of organizations have a formal onboarding process for internally promoted managers**—and the smaller the company, the less likely it is to have such a program (ranging from 21% in small to 44% in extra-large organizations). Once people managers have assumed their new positions, they may be too busy putting out fires to engage in purposeful professional development. Like all workers, people managers benefit from support, resources, tools and allocated professional development time to hone their expertise and grow into their role.



Related Resources:

The [SHRM People Manager Qualification \(PMQ\)](#) is a unique, interactive learning experience designed to advance people managers' skills in effective communication, performance management, team leadership and situational judgment.

Methodology

People managers

A total of **1,406** surveys were completed from July 25, 2023, to Aug. 10, 2023. The survey was fielded electronically using a third-party panel service to U.S.-based people managers who supervise at least one direct report.

U.S. workers

A total of **1,456** surveys were completed from Aug. 11, 2023, to Aug. 30, 2023. The survey was fielded electronically using a third-party panel service to U.S.-based workers who have a direct supervisor at work.

HR executives

A total of **336** surveys were completed from Sept. 19, 2023, to Sept. 28, 2023. The survey was fielded electronically using the SHRM Voice of Work Research Panel to U.S.-based executives who hold a title of vice president or higher and engage in HR activities.

HR professionals

A total of **1,092** surveys were completed on Sept. 19, 2023. The survey was fielded electronically using the SHRM Voice of Work Research Panel to U.S.-based HR professionals engaged in HR activities at least 50% of the time. HR executives were not eligible to complete this survey.