Chapter 6

OCC Dimension 4: Involved Midmanagement

There is an enormous number of managers who have retired on the job.

  - Peter Drucker

The Trojans lost the war because they fell for a really dumb trick. Hey, there's a gigantic wooden horse outside and all the Greeks have left. Let's bring it inside! Not a formula for long-term survival. Now if they had formed a task force to study the Trojan Horse and report back to a committee, everyone wouldn't have been massacred. Who says middle management is useless?

  - Adam Engst

6.1 The Evolving World of Middle Management

In the 1990s, many firms eliminated midmanagement positions and replaced them with computers.Stewart (1995). One of the most common terms for this was "**delayering**[1]," which is standard code for "eliminating all the nonproductive employees in the middle management ranks." The result of all this turbulence is a very different role for middle managers in the 21st century as compared to the 20th century. Midmanagers now have more autonomy relative to the past, but experience much more monitoring. They have more job stress and are working longer hours. And there is less career progression within one firm, but more job hopping between firms.McCann, Morris, & Hassard (2008).

Meanwhile, there is a "war for talent" going on in the global economy. As such, there is intense and increasing competition for the top 10% of all MBAs and junior managers. As some have observed,

The unfortunate mathematical fact is that only 10 percent of the people are going to be in the top 10 percent. So, companies have a choice. They can all chase the same supposed talent. Or, they can do something even more useful and much more difficult to copy—build an organization that helps make it possible for regular folks to perform as if they were in the top 10 percent.O'Reilly and Pfeffer (2000).

While these trends and situations vary throughout the world, the overarching trend is for middle managers to be less secure in their jobs and less loyal to their employer.Hallier and Lyon (1996). While middle managers have always been torn and conflicted due to their key position in the organizational hierarchy, these feelings are particularly acute today.Hallier and James (1997). One of the ways of coping with this new reality is to avoid taking risks and making mistakes, or becoming more passive and less proactive. Perhaps this is why senior managers frequently perceive middle managers as one of the biggest obstacles to change in their organizations.Buchen (2005). As a result, middle managers are often not involved and engaged with the organization, or its substantive strategic reorientations. This clearly is problematic if the organization seeks to become change capable.

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1. The process of reducing the number of personnel levels within a large organization, generally by eliminating the midmanagement tier.

6.2 Middle Managers Contributions to Change

Middle managers have many opportunities to improve the overall change capability of the organization beyond championing strategic initiatives, which was discussed in the previous chapter. Systematic research suggests that middle managers not sponsored as change agents can take initiative on their own to sell ideas, make sense of the proposed changes, and provide essential stability during tumultuous change events. The end result is that "unsponsored" middle managers synthesize and accelerate information flow, facilitate adaptability, and are crucial implementers of deliberate changes.Floyd and Wooldridge (1996).

Selling ideas. In addition to the change agent(s), the senior manager(s), or both, "ordinary" or "unsponsored" middle managers must also sell change if the organization is to be change capable. The traditional selling of ideas is done from the middle manager to his or her subordinates and frontline employees, or "**downward selling**[2]." In most organizations, a major change initiative is announced by senior managers using lofty but vague visions and slogans. Unfortunately, the typical response of frontline employees is often hostility and fear. Rumors and disaster scenarios rush in to fill the gap. These negative reactions can only be challenged in private meetings between departmental managers after the formal announcement of a proposed change. If the middle manager can translate what the change initiative means to the unit as well as dispel myths and rumors, the organization becomes more change capable. If the middle managers are not sufficiently involved in the change design and objectives, however, this translation does not occur.Larkin and Larkin (1996).

In addition to selling downward, middle managers also sell ideas upward to their senior managers. Organizational change begins with the focusing of organization attention, and not all focusing must come from the top of the organization. Indeed, middle managers with their direct contact with customers and unique perspective within the middle of the hierarchy are well positioned for this activity. As recent research has shown, middle managers make formal presentations to top managers as well as bundle new ideas with established strategic goals or issues.Dutton, Ashford, O'Neill, & Lawrence (2001).

Finally, middle managers also sell ideas laterally. Organizational change typically cuts across multiple organizational units, departments, divisions, or all three. To bring about that change, middle managers across different units must collaborate and work together, without the formal authority to do so. Consequently, the ability to sell ideas laterally and negotiate influence across organizational units is a key contribution by middle managers.Cohen and Bradford (2005). In sum, middle

2. A traditional selling of ideas from a middle manager to his or her subordinates and frontline employees.

managers can be essential salespersons for change initiatives for all those that they come in contact with. Senior executives and change champions are not the only ones to sell the change.

Making sense of change initiatives. Sometimes middle managers are called upon not to "sell" a proposed change, but just "make sense" of it. Organizational life can be confusing and hard to understand, and the emotional nature of change initiatives makes it that much more confusing and "senseless," as Dilbert cartoons repeatedly remind us. Due to their integral role within organizations and the lofty perches of senior managers, middle managers can interpret messages and signals given by top executives to the rest of the organization, and this role can literally be the key factor that unlocks its potential so as to avoid unintended consequences. Indeed, this sense-making function on the part of middle managers has been shown to positively influence restructuring initiatives or an existing operation,Balogun and Johnson (2004). as well as the postacquisition integration process of merged operations.Nordblom (2006).

When middle managers are sidelined or blocked from being involved, they themselves can't make sense of the change. This is true even in those instances when the middle managers have blind faith and trust in their senior leaders. Thus, it is harder if not impossible for them to make sense of proposed changes to others. Furthermore, even if they see the wisdom, logic, or both behind a change proposal, they will be less inclined to help others see the wisdom behind it if they have been uninvolved in the design and execution of a particular change.

Providing stability. As discussed previously, any successful change must preserve the core of the organization while changing its periphery. This stabilizing role is best handled by middle managers who are intimately linked with the rest of the organization. Sometimes, middle managers oppose ill-considered changes that violate the organization's core values and norms. As such, not all resistance to change is bad, and middle managers can passively or actively preserve stability through resistance efforts.

However, even when the change initiatives are appropriate and well timed, middle managers can provide a stabilizing influence on the rest of the organization by directly addressing others' fears and simply by listening. Indeed, there is even research to suggest that an essential skill set of middle managers is to act somewhat like an organizational therapist who pays attention to change recipients' emotions and provides healthy perspectives in response to highly emotional reactions. As such, middle managers can provide an "emotional balancing" between organizational continuity and radical changes, and this balancing effect has a short-term and long-term impact on the organization's health and survival.Huy (2002).

6.3 Middle Manager Change Roles

New research suggests that middle managers are often missing in action when radical change is being pursued. However, when they are properly involved and engaged with the change initiative, the change process goes more smoothly and the outcomes are more positive. Four separate roles have been identified by researchers that middle managers fulfill in successful change initiatives, and each is discussed in the following paragraphs.

Entrepreneur. Middle managers are often more diverse than the senior executives are, and this diversity can be a source of creativity and entrepreneurship. A recent *Harvard Business Review* article describes this role well:

Middle managers are close to day-to-day operations, customers, and frontline employees—closer than senior managers are—so they know better than anyone where the problems are. But they are also far enough away from frontline work that they can see the big picture, which allows them to see new possibilities, both for solving problems and for encouraging growth.Huy (2001), p. 73.

So while middle managers are often viewed by senior executives as bureaucrats who constantly obstruct change, they actually are well positioned to be a source of creative entrepreneurial work, especially when it comes to bringing about change.

Communicator. Successful change requires information-rich transmission, such as face-to-face dialogue and observation of body language when discussing the change. Senior leaders simply don't have the time or the energy to communicate one-on-one with employees or in small groups. However, this is what middle managers do on almost a daily basis. When they are properly involved and engaged with the change process (even as change recipients), communication can be improved and clarified, particularly by relying on established formal and informal networks of influence. "As they tap into their networks, middle managers use keen translation skills to communicate change initiatives throughout a work group or a company."Huy (2001), p. 77.

Therapist. Middle managers do a host of things to make the workplace psychologically threatening or safe for an established organization. When the organization confronts change, strong emotions are stirred within employees, which can depress morale, trigger anxiety, and lead to distraction, absenteeism, turnover, depression, workplace violence, and other organizational maladies. If the middle manager is psychologically skilled and aware, many of these painful

outcomes can be avoided or minimized during change initiatives. "Middle managers shoulder additional burdens during a period of profound change. Besides the already challenging daily tasks of operations and revenue generation, they provide far more hand holding, practical problem solving, and support than they usually do."Huy (2001), p. 78. Clearly, if middle managers are involved and engaged with the change process, they are more likely to be able to fulfill this role.

Tightrope artist. Middle managers enable the organization to keep producing in the short term, while the organization positions itself for the future. They can slow down the change process when it becomes overwhelming to their unit, and they can speed it up when progress is too slow. They can obtain extra resources for their unit when necessary, and they can trim resources that are being wasted. They can support those in their unit who understand the purpose of the change but need personal support, and they can challenge those who fight the change due to self-interested behavior. In sum, successful organizational change requires attention not only to employee moral but also to the balance between change and continuity."Huy (2001), p. 78.

6.4 Practices for Increasing Midmanager Involvement in Change

As in previous chapters, we conclude with seven actionable ideas that can be pursued to increase this particular dimension of organizational change capacity. While not all employees will welcome change, ignoring middle managers can have a devastating effect on change initiatives. In essence, involved middle managers are essential for bringing along a critical mass of employees to adopt a proposed change. As a result, middle managers' involvement in the design and execution of a change process is essential.

Practice 1: Accept the Differences Between Middle Managers and Change Champions

In any organization, there are "A," "B," and "C" players. The A players are the ones who regularly exceed performance expectations and often step into leadership roles for change initiatives. They are the rising stars who have inordinate ambition, take risks, and like to push the envelope. The C players are those employees who are not meeting performance expectations. And then there are the B players. These are the employees who are meeting performance expectations, but they act in a supporting role to the rest of the organization. They assume a more "ordinary" and "limited" but critical role within the organization.

Within the middle management ranks, A players are often given most if not all the attention by senior management because they are often similar in drive and impact to those in senior executive positions. Often, these players are the change champions within the organization. In contrast, B players are often ignored and taken for granted while C players are given remedial attention or removed from the organization. Ignoring B players is a mistake since they play such a vital complementary role within a corporation.DeLong and Vijayaraghavan (2003).

B players often place a higher value on work–life balance than do A players. B players may have second-rate educational backgrounds or technical skills compared with A players, but they compensate by developing extensive interpersonal skills or organizational memory. And B players often bring a depth of understanding to the organization and the unit in which they operate, since they have not progressed as quickly up the organizational ladder as have A players.DeLong and Vijayaraghavan (2003).

Organizations need stars (i.e., A players) and a strong supporting cast (i.e., B players) if they want to be change capable. Senior executives need to recognize the

differences between these two groups of employees and respect the differences in ambition, motivation, training, and so on. By understanding these differences, B players will feel more respected and involved and the organization will more likely benefit from their contributions.

Practice 2: Invest in Middle Manager Skills, Especially During Slow Periods

When the economy is growing robustly and the organization is hitting its performance targets, investing in manager development initiatives is relatively easy to do. However, during slow periods, most organizations suspend all professional development initiatives, especially for middle managers. This is a missed opportunity.

During slow periods, investing in human capital is an ideal time to enhance the skills of your middle management ranks. Slow periods bring about fear within the employees' ranks and present a unique opportunity to add new skills. By investing in management development initiatives for middle managers, the organization sends a signal that these employees are important, which reduces fear, and it generates loyalty. Furthermore, when the pace picks up, middle managers can sometimes rejuvenate their careers and display a burst of creative energy, become better supporting actors, or both. Management development is not a luxury during slow times, it is a necessity.Krishnamurthy (2008).

Practice 3: Tailor Rewards to Things That Middle Managers Value

Not all middle managers want to become senior managers. Not all middle managers want to move every 2 to 3 years. Not all middle managers want to make huge sums of money. Not all middle managers want to tackle extremely challenging problems that have defied solution by others. Some middle managers are content with the way things are.

Most reward and recognition systems are designed to motivate and reward the A players. This needs to change. Change-capable organizations recognize the differences between A and B players and revise their reward systems to align with these differences. For example, rather than offering more compensation, sometimes the gift of time is valued as much if not more by some employees. Rather than offer a single career track, multiple career tracks should be considered since not all managers want the same careers and stress as do A players. In sum, recognize the differences between change champions and middle managers, and adjust your organizational systems to reward both types of management.DeLong and Vijayaraghavan (2003), p. 102.

Practice 4: Don't Ignore the Plateaued Middle Manager

Some middle managers provide solid and consistent performance, but they have plateaued in their careers. As a result, these plateaued managers are often older and less energetic than the change champions. However, with age sometimes comes wisdom and proven social networks and these individual capabilities are invaluable when the organization is confronted with large, transformative change initiatives. Perhaps this is why a recent research study found that the most effective managers in engaging with transformative change were the older, plateaued middle managers, as compared with the younger, rising stars.Spreitzer and Quinn (1995). Again, traditional middle managers can play a major supporting role and sometimes even a leading role in any change initiative.

Practice 5: Involve Middle Managers in the Strategy Formation Process

In today's increasingly information-based economy, successful strategy is more about learning faster than the competition than it is about exquisite and detailed deliberate strategic planning. Therefore, it only makes sense that involving the middle managers engaged with day-to-day operations as well as the customers can be a valuable source of learning and testing of strategic change ideas. Indeed, more and more research suggests that high-performance organizations regularly involve their middle managers in the substantive development of organizational strategy, as well as in its execution.Floyd and Wooldridge (1996). This involvement can be as formal and expensive as an organization-wide strategy conference, or as informal as a hallway chat with middle managers about the organization's external threats and opportunities. Whatever form it takes, engaging middle managers in forming the strategy as well as executing it will enhance their knowledge and commitment to future change programs.

Practice 6: Create a "Leadership Engine"

Adaptable and innovative organizations grow leadership at every level, and create a wide and deep array of internal talent to call upon in times of need. Leadership is not the preserve for a select few, but for as many in the organization as possible. This is especially true of middle managers who are not champions of change. Innovative organizations develop a "teachable point of view" on business ideas and values, and this can accelerate knowledge creation and transfer within the firm. Middle managers are not just "doers," they also are "thinkers." And if given the chance and the right circumstances, middle managers can also be "leaders."Tichy and Cohen (1997).

Practice 7: Enable Middle Managers to Constructively Challenge Senior Leaders

Many significant organizational disasters—such as the British Petroleum oil rig explosion or the Bernie Madoff Ponzi scheme—could have been prevented or mitigated if those in the middle management ranks were allowed to voice constructive criticism. Middle managers need to have access to the senior leaders and they need to be allowed to deliver news that is not flattering. As one organizational consultant puts it, "Followers and leaders both orbit around the (organizational) purpose; followers do not orbit around the leader."Chaleff (2009), p. 13. In other words, organizations must cultivate courage in the middle management ranks to speak "truth to hierarchy,"Chaleff (2009), chap. 7, pp. 179–204. and senior leaders need to be focused more on the well-being of the organization than on their own personal well-being.Judge (1999).

In sum, some of your middle managers need to be involved in helping to bring about change, even if they are not the change champions. Organization-wide change is complex and affects everyone. Middle managers can make a major contribution to actively bringing about change or passively assure its demise. Figure 6.1 "The Fourth Dimension of Organizational Capacity for Change: Involved Midmanagement" contains the fourth dimension of capacity for change.
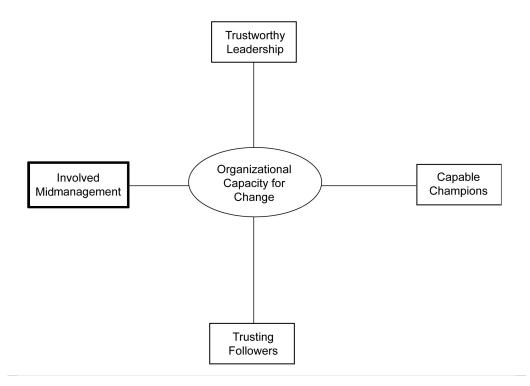
Figure 6.1   *The Fourth Dimension of Organizational Capacity for Change: Involved Midmanagement*