How And When To Invest In Your Managers

Insights from interviews with leaders in people development in rapid growth organizations

What We Love About Growth Stage Companies!

Over the past ten years, we have come to realize that one of our sweet spots is working with growth stage companies. The label "growth stage company" is a broad descriptor. It is less about the specific size of the company or its valuation, and more about the pace and drive to expand. From our people-centered perspective, what describes a growth stage company is:

- An intentional commitment to grow. Growth could be a move to commercialization, attempting to go to scale, or seizing a unique opportunity that can only be achieved by significant expansion.
- A rapid onboarding of employees
- A critical number of individual contributors being promoted to manager roles
- An HR function in its early stages likely lacking a dedicated learning and development person/team.
- Training, if there is any, is primarily focused on technical skills

In this stage, the energy and excitement fueled by the company's growth is a powerful force. However, what lurks underneath is an emerging set of challenges.

- Newly promoted managers are struggling with their responsibilities
- Some skilled and tenured employees start to leave.
- Gaps in the leadership pipeline begin to emerge. While a strong executive team is usually in place, the next tier of leadership is in flux or amiss.
- Investing in training is in its infancy, so budgets are either very limited or nonexistent.

This is an inflection point for many companies. If they properly invest in their people, they can jump a critical hurdle, allowing them to **scale their people** (not just their product or service). If companies get this inflection point wrong, they can become stuck. A company can't grow and sustain that growth, if it can't scale a critical number of high-quality managers.

Our Quest to Learn More About How Growth Stage Companies Develop Their Managers

Our intention behind this project was to qualitatively explore the ways that these types of organizations are approaching manager development. Instead of conducting a broad survey, we opted to dive deeper. We ran a series of 30-minute interviews with 15 key individuals working on people development initiatives within their organizations. After capturing their experiences and proficiencies we triangulated perspectives.

Experience in over 20 distinct growth stage companies in eight industries

All interviewees worked for US-based organizations.

Holding titles including Head of People, Chief of Staff, VP of HR, Chief People Officer, SVP Learning, HR Business Partner

Nine out of fifteen were working in a growth stage company for a second time (or more).

We set out to dialogue with individuals who were, and are, in people leadership roles in their organizations. Our discussion ranged over several topics, but focused mainly on the why, when, who, what, and how of developing managers. In our experience, there are important skills that all employees need, and crucial work that leadership teams must undertake to lead. But the fundamental priority for rapidly growing organizations must be the development of a cohort of skilled managers.

These interviews were conducted between March and May 2021. Covid-19, virtual and hybrid work, employee turnover, EDI, and many other important issues painted the context within which we spoke with each interviewee.

They shared insights into their predictions on the future of hybrid work- they said it was going to be the new normal for many organizations. They spoke to the importance of mastering technology to utilize in-person, virtual, and hybrid learning. They voiced concerns over well-being, mental health and creating boundaries between work and personal life.

How Do You Know When It Is Time To Invest In Managers?

There's no magic formula. The number of employees you have, your hiring rate, or even how fast you are growing as a business, are poor indicators for when to invest in manager development. Some of our interviewees did cite criteria that they use, such as:

- When you begin to institute formal performance management systems such as annual reviews.
- When you make your first shift from being a founder-run company to bringing in your first seasoned business leader from the outside.
- When you start to discuss how to preserve and scale culture.
- When your managers start asking for it.
- When you start to talk about training as a building block of the organization not just as a fix for an urgent need.
- When you create your first true people role at the VP level or higher.

Don't train too early and don't train too late. There are several factors at play for WHEN to drive training (see below). A key lesson from the interviews is that sooner is better, BUT not before you have managers managing. They need to be in on it. Learning how to manage for a future state is nowhere near as powerful as learning how to manage effectively with a real direct report or reports.

There are some important early warning signs to look out for to know when the timing is right. These indicators are key to identify, and include:

- When you notice that you are promoting a significant number of individual contributors without management experience to manager roles.
- When your individual contributors start voicing concerns and complaints about the lack of skills of their managers.
- When employees tell you they want to stay in the company but want to change teams because of their manager.
- When you lose great hires within six to 12 months of their hiring date.

What Do Your Managers Need?

When we asked our interviewees to name the most crucial skills for managers, two responses dominated the conversations. These two skills were cited most frequently (8 times each): **Manager as Coach** and **Giving and Receiving Feedback**.

There were six skill areas that also received attention (each received four mentions).

- Difficult Conversations
- Development Conversations
- Building High Performance Teams (In-person, virtual, and hybrid)

- Relationship Building
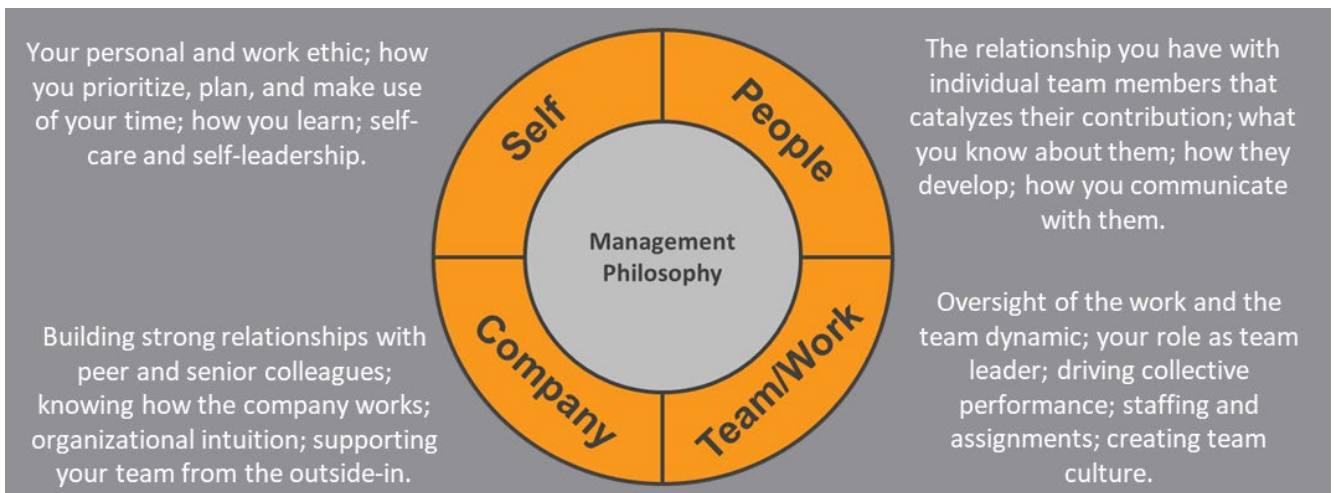- Listening
- Leading Through Change

There were then three skills that received two mentions.

- Managing Up
- Adapting-to-Style
- Performance Management

There are several insights we take from these findings. Today's organizations are complex ecosystems. More often than not they are comprised of three and four generations of employees. They are attempting to hire and retain a more diverse workforce and build cultures of inclusion and belonging. They are aiming to create and sustain high performing teams. Coaching (and mentoring) plays a crucial role in navigating this ecosystem successfully. This coaching must be anchored around timely, skillful, and dynamic feedback.

Looking at this list, the prioritization of soft skills, absolutely dominates; managers must master these interpersonal skills in order to succeed. This reinforces the notion that a manager needs to focus on the skills of managing, not necessarily the technical elements of the team's work.

Finally, the skills cited by our interviewees reflect a holistic view of what a manager needs to do to navigate their role in a rapidly growing organization. This view is depicted in the framework we often use in our work with managers. They must become skillful managers of self, of people, of their team and its work, and step into their role as emerging leaders in the company.

Your personal and work ethic; how you prioritize, plan, and make use of your time; how you learn; self-care and self-leadership.

The relationship you have with individual team members that catalyzes their contribution; what you know about them; how they develop; how you communicate with them.

Self

People

Management Philosophy

Company

Team/Work

Building strong relationships with peer and senior colleagues; knowing how the company works; organizational intuition; supporting your team from the outside-in.

Oversight of the work and the team dynamic; your role as team leader; driving collective performance; staffing and assignments; creating team culture.

How To Build Out A Stellar First-Time Manager Development Program: Threshold Factors

Synthesizing the findings from our interviews, these are many of the key factors that must be addressed to build a truly responsive and exceptional first-time manager development program.

Threshold Factors: These are the factors that you must address to make the case and win the support necessary to design and implement your manager development program.

- *Priority:* Your executive team must decide that investing in managers is a priority. Whether they see the investment as an opportunity to accelerate growth or as addressing a pain point that is slowing growth, it must become a priority for them.
- *Budget:* Often this is one of the first big investments in people for a growth stage company. Therefore, the budget for this is a new line item. It often isn't as much as you want, but no matter what amount is allocated, its essential to max out the return on investment, so that you can move towards a bigger budget in the years to come.
- *Protected Time to Learn:* Your managers want this type of investment in their development. They need time in their schedules and the support from their managers to show up and be present for the experience.
- *Champion at the Executive Level:* Crossing the above cited threshold factors most often happens when you have a senior level leader, other than you, who is actively championing manager development. They can speak to the business case for investing in managers. They often have experience from earlier points in their career of what happens when you do and do not invest in managers. Their influence with the other senior leaders, and their presence during the program, is crucial for its success.

Interestingly, manager buy-in is usually not a barrier to implementation. They want it. They know they need it. And even the ones that have deep experience managing and/or who have been through formal training for their role, are often eager to participate.

Additionally, the duration of sessions, whether the sessions are virtual or in-person, and even the formality of the sessions, are not critical factors. We've seen manager development programs that are full-day quarterly in-person events. We've seen programs that run for 2-hours virtually every three weeks for a quarter. We've seen sessions that are heavily designed with a focus on research and skills. We've also seen sessions that are entirely discussion based, with the "content" of the sessions centered almost entirely on the current and emerging challenges that managers bring to these meetings.

Design Factors: These are the strategic and tactical elements that you must consider as you plan your manager development program.

- *Attendees:* A manager's growth is dramatically accelerated when they can practice what they are learning. Participating managers need to have either direct or indirect reports.
- *Duration:* As noted earlier, the duration of your sessions is less important than finding the right duration that works for your managers in their current reality. This could be 45 minute "training bursts," 90 to 120-minute focused workshops or immersive half or full-day events.
- *Focus:* The best type of programming is laser-focused on specific skills. You do not need a formal manager competency framework to deliver great training. In fact, a comprehensive competency framework is likely to be a distraction from the skills that managers need right now to succeed.
- *Relevancy:* Along with a focus on skills, make sure that the skills you target are the most relevant to their current reality. At the pace at which your company is moving, you cannot afford to teach a skill that is not precisely relevant to their present situation.
- *Dynamic and Engaging:* This can mean different things to different audiences of managers. Your version of this may include numerous discussions and whiteboard work, or it may include a heavy research and lively lecture component. Know your audience and design accordingly.
- *Cohort Building:* The most valuable resource to your managers will be other managers. They need each other to solve many of the most pressing challenges. They also need to discover who is really skillful in this role and leverage these top managers. It is crucial to design your program to facilitate connections and help managers forge meaningful bonds together.
- *Climate for Learning:* Managing is hard, and for some of your managers, this role is going to stretch them in ways they have yet to experience in their career. The tone of the program needs be positive and appreciative of both their growth as well as their effort. They are not going to get it all right immediately and need a climate for learning that supports their mistakes alongside their successes.
- *Pre-Work, Post-Work, and Artifacts:* Your formal program will be better served if you have meaningful and manageable pre-work and post-work, particularly for the self-directed learners. Additionally, think and plan for useful artifacts from the experience. These could be skills aids, session summaries, and even swag that reinforces and helps the learning to be as sticky as possible.

What We've Learned About Designing And Delivering High Impact Manager Development Programs

As we shared at the beginning of this report, we truly love opportunities to work with growth stage companies. There is urgency and necessity to the work. The questions being addressed are not just about the product or service of the organization, but about its soul.

- How can we preserve and evolve the culture we created as a startup?
- What does it mean to lead and be lead here?
- How can we ensure that we onboard and retain our best talent?
- How can we scale communication, collaboration, resilience, and well-being?

In addition to the rich perspectives and input provided by our interviewees, we've identified some additional factors that have helped us design and deliver high impact manager development experiences. They include:

- **Forging a Tight Bond With You (and Your People Function):** The stakes are high to get this type of program right. If you do, it can clear the way for rolling out more and broader training for employees. If it falters, it can derail further training initiatives. It is crucial that you forge a tight bond with your managers. They will become some of your strongest internal champions as your company grows.
- **Tailored and Contextualized:** Although there are generalizations that can be made about growth stage companies and the needs of their managers, we have found that no two companies are exactly the same. The strongest approach is to develop your program inside the unique context of your company. The cadence, duration, and overall design of the program needs to match the energy, culture, and values of your organization.
- **Flexibility in Design:** If you are planning your next workshop to focus on manager as coach, and then announce an acquisition two weeks before this workshop, then you need to be able to pivot your workshop focus to leading through change. Consider leaving at least some of the design open to adapt to emerging and urgent needs.
- **Facilitator Fit:** No matter how good your design is, it can miss in a big way with the wrong facilitator.

We Want To Learn From You

The perspectives and insights gleaned from these interviews far exceeded our expectations. For each person we interviewed we know there many more leaders of people and learning functions out there with similar and distinct experiences trying to support their organization's growth by **focusing on people**.

We welcome the chance to connect with you and add your experience and perspective to this qualitative body of work. It is our opinion that when a rapid growth organization decides to invest in its HR/People function, and subsequently in the people side of its business, it is placing a crucial piece in its puzzle for success. In our experience, this puzzle piece is not just a border piece, it's a corner piece!

Call it growth, or change, the reality is that a company cannot transform itself, let alone rapidly, without a massive investment in its people. The people that lead the people, your managers, play a profound role in determining the success or failure of this endeavor.

The timing of your investment in managers matters; however, the big lesson we take from this research project is that you cannot do this without them.

We are deeply grateful to each person who volunteered their precious time to be interviewed. Your contributions were invaluable. We appreciate your willingness to share your experience, the candor with which you spoke, and the vast expertise that you brought to these interviews.

On behalf of everyone at Edgework, **thank you!**