

Levering Middle Managers as your best change agents

A hands-on view of the role of middle managers in complex transformation projects.

By Erwin Knuyt

October 2013

Middle managers have gotten a bad reputation as executors. But when it comes implementing your major change projects, they are your best bets for success (Nguyen Huy, 2001)! Middle managers are not just middle men and woman that stand between your project vision and your project execution. But when you actively seek their support, they will be a lever for your change project.

In my recent transformation projects I have taken a more constructive approach to the involvement of middle management in change programs. The programs were driven from different perspectives: organizational redesign to for a more consolidated market approach, the implementation of a new contact center and the organizational redesign of a facility management team. Each time I gave more attention to the role of Middle management to achieve the changes in process, organization and information technology implementation.

In this article I will discuss how you can leverage middle managers in your change projects. And I will discuss three recent cases where middle management has played an important role in the success of the transformation.

Middle management: stuck in the middle?

I use following definition for middle manager: ‘any line manager with people management responsibility that does not belong to the top management decision makers, and works just above the workers and professionals of your organization.’ Henry Mintzberg defined it as the ‘Middle Line’. The important role of middle managers has gone unnoticed by many change agents and senior executives.

Experienced change agents may have noticed resistance from middle management during change projects. In most cases I can understand this, while they are not always involved in the early start of the change project, and they do not always participate in the decision making process. They are

Levering Middle Managers as your best change agents.

Erwin Knuyt, Knuyt, Heynink and partners, © 2013

involved at some point during the project, to execute what the project team and steering group have decided.

In this this article I will argue that this early resistance is normal, and you can be use middle management to your advantage.

Two factors make the role of middle managers more intensive. Firstly not all organizations have flat organization structures. Decisions and communication has to travel through the layers between direction and execution. Secondly 'change' that has become a constant factor in many organization, both in private enterprises and in public service. Change caused by: market and competitive pressure, merger and acquisition, information technology implementation, internal reorganizations and budgetary pressures.

Why are middle managers important (Nguyen Huy, 2001)?

- Middle managers too have valuable ideas. If you ask them, they are willing to contribute and implement. Early involvement is in my experience not always possible but I take good care in my stakeholder map to involve middle management as soon as possible. Plan for the right moment in your projects to involve middle managers. Let them become gradually part of the project.
- Middle managers are much better in working on the informal network than most senior managers. They are part of the day-to-day operations of your organization. Working the informal network is a critical aspect of sustainable success of your change project.
- Because middle managers are close to the informal network, they are your antennas for changes in moods and emotional needs of all collaborators. When you are close to them, you will pick up signal faster. I use this in my projects, when I walk around in the organization, meet middle managers in the hall way or at the coffee machine, and talk to them in an informal way.
- Middle managers work before, during and after you have implemented your change project. That is why they can balance the tension between continuity and change. They will prevent the organization for extreme inertia and extreme chaos. Middle managers will have to work with the new software application, in the new processes and in the new organization, after you have left the project as change agent.

Culture, network, organization and change

When I get on-board organizations to help them execute complex transformation projects, I immediately sense the specific culture of the organization. I sense the culture on how people interact with each other, how decisions are made, how people greet each other, how ideas are picked up in the organization and how people are respected. These cultural aspects intangible, and never outspoken. It takes you a few weeks to discover. But these first period is important, because you still have the fresh outside perspective. I tend to look at:

- How people work together: individualism versus collectivism. How are teams working together and how are decisions made.

Levering Middle Managers as your best change agents.

Erwin Knuyt, Knuyt, Heynink and partners, © 2013

- Organizational layers and hierarchy: both the formal and informal organizational layers give me insight in the power distance of the organization. A CEO may leave his door open all day, but when no-one dares to enter his room for idea-sharing. This tells me something about formal and informal power.
- How the organization handles failure. In my experience there is quite some difference how failure or mistakes are handled. This has a direct impact on uncertainty avoidance and risk taking. If one cannot learn from failure, people tend to keep their own ideas to themselves. As exchange student in the United States I noticed a totally different approach to failure in the American Culture. Failure there is quite normal, and just a step to your next success.
- And one final aspect that has great impact is how people are able to handle uncertain situations. And uncertainty is key in most transformations. We know more or less where we want to go and why (the drivers), but the path towards the new situation is never clear, and can change during our journey. This aspect is very important for middle managers, as they are in the heat of the storm, with many questions and doubt from their workers. Your transformation project will have to answer questions that are escalated through middle management.

In my projects I work with client teams, and my role is more facilitating. The ultimate business decisions are taken by the organization. But this paper applies as well for change agents that are recruited from within the organization.

Networks are sets of relationships that are critical to get things done. As external consultant you start with zero network, and you don't always have the time to build an extensive network. Levering the middle managers network is key. Try to find the brokers in the internal network. People who have access to the network, to information and support.

External change agents must be aware that Middle Managers do not always welcome 'the external consultant'. Middle managers' ideas that they have communicated, but were never put into practice, will now be implemented by the 'external consultant'. Middle managers are seldom decision makers at the early start of the project, and they have to be convinced of the value for them and their team.

Implementing change:

Change management must lead to action. I do not believe in change management as a toolbox against 'resistance'. Resistance is normal. But not everything is resistance:

- 'Resistance because of not knowing'. A sound stakeholder plan and communication plan will help you to give timely messages and information of what is going on. I try to communicate both about the process (when) and about the content of the project (who, what about me?).
- 'Resistance because of not be able to execute the new role'. Learning and coaching programs tailored to the needs of the middle managers and workers will have to be programmed during the implementation phase of your transformation program.

Levering Middle Managers as your best change agents.

Erwin Knuyt, Knuyt, Heyninck and partners, © 2013

- ‘Resistance because I do not want to change’. This is a difficult one. The previous reasons can be monitored and steered by the project team. Not wanting to participate starts with listening to arguments, involving the people in 2-way communication. Finally decisions need to be made by the Steering Committee if required.

In my experience people do not want to be changed. Some will change, if they see a personal or professional benefit. But in all my projects I have never been able to offer personal and professional advancement for everyone. Some people need support in their new positions, such as coaching or training.

Change as opportunity to spot talents

‘Thinking in terms of functions and competencies has played a negative role in artificially suppressing passion and ignoring talent’ (Staes, 2011). Complex transformation projects are a unique opportunity to leverage the creative power of the organization. Talents that were hidden for years will be unlocked, if you a change agent have a good eye for it. Conversational approaches to organizational change, such as ‘appreciative inquiry’, promotes bottom-up discussion of perceptions, ideas and knowledge. It starts from the premise that there is positive power in your organization to be unlocked as discussed in (Lewis, Passmore, & Stefan, 2011) and (Cooperrider & Whitney, 2005).

Case Contact Center transformation

Context and challenges:

The project started with a report to install a contact center where front line workers could respond directly to questions from external clients. The new contact center will handle telephone calls, email, web form requests and fax.

At the start of the project there was an existing call center of about 15 FTE, equipped with a standard telephone switch, but not with a ticketing system. The challenges to transfer to the new organization were multiple:

- Implementation of new technology: ticketing system based on Oracle software and a new IVR system to route the calls. Impact for the workers to learn to use the ticketing system, and route questions to the back-office if necessary.
- Training of front line staff for first time resolution of questions. Routing to experts in second line, when required. This measure freed up considerable time for the back-office workers. This meant that front-line workers needed to be trained by the back-office to answer the questions. This was embedded in a knowledge management system.
- Call monitoring: In the new contact center, big displays gave the status of standard KPI’s such as waiting calls, workload per agent, abandoned calls. This has a big effect on the workforce, who were now monitored during their work: everyone can see what the work status is of the contact center.

- Relocation: we used the opportunity of the new contact center to move to a new space with better working conditions for the call agent, specifically on noise reduction.
- Processes: Before the call center were only call takers, but did not resolve the question. Now processes and training needed to be put in place to treat questions from different types of clients.
- Recruitment: new call agents were recruited inside and outside the organization. New agents needed to be trained on the system and the content.

Impact of line management in change:

My role a program manager was to lead the transition team from the existing call center to the new contact center environment. We worked on the new communication channels, processes, team organization and tools. The project was by definition limited in time, so we needed to make sure that transition to business was effectively organized. Integration to 'running mode' was the responsibility of middle management. Continuous improvement in a contact center environment is a task for middle management: the contact center managers, the team leaders and the knowledge managers.

Middle management took responsibility in various aspects of the transition:

- Review of existing processes and identification of new solutions.
- Collaboration on defining the KPI's that are required to follow the day-to-day operations and plan future capacity needs.
- Top down communication in teams about the progress of the project. Upward feedback of issues and concerns of the call agents.
- Keep the call center running during the transition. This is something that project and program management team sometimes forget, is that business has to go on.
- Involvement in recruitment of new contact center agents.

Learnings:

Without the collaboration of middle management we could never have achieved a successful transition on-time and on-budget. There were hesitant in the beginning of the project and we did not have all the answers for them. It was certainly to our advantage that their current working environment in the call center was not ideal: poor telephony system, little respect from the internal organization and frustration of not being able to give the right answer to the external client. You could say we had sufficient 'burning platform'. The key challenge is to free up time from team leaders and contact center management to work on the transition project. Be clear with them to what is part of the project and what is part of day-to-day operations.

The contact center is now fully operational with 40 contact center agents.

Case Facility Management transformation

Context and challenges:

About 100 FTE worked in 2 separate division, called 'infrastructure' and 'logistics'. They control a total budget of 15 Mio Euro. The reason for changing towards one integrated division 'facility management' were multiple:

- Poor knowledge and respect for the work of the divisions 'infrastructure' and 'logistics' inside the organization.
- Budget pressures.
- Building infrastructure that is not in tune with the energy efficiency standards.
- Complex and slow processes. Little respect from the internal organisation.
- Internal orientation, and not yet a client centric view of the processes.
- General poor people management skills.

Impact of line management in change:

The mandate given by top management was to prepare both divisions for the future challenges. From the very beginning of the project I worked with the full middle management team (15 FTE) on the new vision of the 'facility division', on values, culture and objectives. This was not a top-down decision.

In this transformation project I used basic LEAN principles to redesign some key processes from the customer point of view. The process view helped us design a new organization. This helped us think in terms of internal customer: what can we do to make it more simple for him?

Combining the LEAN principles with the Specialization Principle (Goold & Campbell, 2002) resulted in division that were well defined, each with their objective, challenges and resources.

Learnings:

Middle managers in this organization were not used to taking their own future in hands. Their first reaction was that they wanted to be 'told' by top management what was going to happen. Only when it became clear that these instructions were not coming, they took their future in their own hands. On a personal level, there was much work to do. Some middle managers from 'infrastructure' and 'logistics' did not even know each other. People management skills needed improvement.

We worked a lot about the concept of the internal customer, in alignment with the LEAN organization principles. We had regular workshops with middle manager and reported back to the steering committee.

One aspect that was difficult to discuss with middle management was the new organization chart. That aspect of the project was executed by the steering committee. The consequence was that middle managers did not want to take full ownership of some of the decisions taken. Building of the rationale of the re-design made it possible to gradually convince them (Goold & Campbell, 2002).

Case Growth Strategy and Sales transformation:

Context and challenges:

A local division of an international organization works in a very competitive environment, with decreasing customer loyalty and increasing price pressure. I would say this sounds familiar for most commercial organizations. They decided to bundle forces across their 3 business divisions, and go to the customer in 'multidisciplinary sales teams'. These sales teams were set up around key customer with account executives, product specialists and after-sales service experts. Product and service portfolio of the business divisions was bundled. Before the transition project each division had its own go-to-market strategy and execution.

Impact of line management in change:

Middle managers in this specific project were quite late involved in the transition. Decisions about the new 'one division structure' were already taken. They were only involved to implement. We discussed with them:

- How to engage in the new strategy, and what this meant for them and their teams.
- Tighten the network with other middle managers during this transition. Certainly when multidisciplinary team have to be created.
- Discussed the reporting to the global organization, as we were part of a national division.

We incentive middle managers to put more focus on their peer group, and not focus on managing up (Sinofsky & Iansiti, 2010).

Learnings:

In this project the middle managers were quite late involved. But they had sufficient impact on the implementation and also the timing of the transition. It took time to get them on-board. Some middle managers lost people in their teams, while other gained new people. It added significant time to our project plan, before we could communicate to the wider organization.

Closing

Quy Nguyen Huy (Nguyen Huy, 2001) gives an overview of tactics that can be used to identify middle managers who will be most helpful in complex transformation projects. I do not always follow his advice to involve a small number of middle managers. Ultimately all middle managers need to be involved in the transition, and they all must have a chance to be heard. As internal or external project manager, these tips can be helpful to identify middle managers for your project team. The advantage that they can influence their peer middle managers:

- Look for early volunteers: These are individuals that feel constrained under the current state and organization. They see the project as an opportunity to realize changes they had promoted without success in the past.
- Look for positive critics: When you meet middle managers who tell you: 'I don't like the change project, and here are some reasons why'. This is the moment you should listen very

Levering Middle Managers as your best change agents.

Erwin Knuyt, Knuyt, Heynink and partners, © 2013

carefully as change agent. This input are early signs of warning that could have an impact on your project.

- Look for middle managers with emotional intelligence: They will give you the 'pulse' of the organization. They will give you feedback of the emotional state of the organization you are working in.
- Look for middle managers with informal power: once you are aware of the informal network nodes, you can use their influence. Be careful, they do not necessary favor your project or change proposal.

I would like to add following statements from my own experience, when working with middle managers:

- Be clear to middle managers what their playing field is for decision making, and what aspects of the program are decided by top management.
- Encourage middle managers to speak, to take action and to bring their ideas forward.
- Find the 'nodes' in the middle managers informal network.
- Take special care for the middle managers in the stakeholder map of your change project.

Erwin Knuyt is managing partner at Knuyt, Heyninck & partners and at skein.be. He is specialized in complex transformation programs. He is visiting professor at HUB/KULeuven. He can be reached on erwin@knuyt.be or +32479996391.

Bibliography

Cooperrider, D., & Whitney, D. (2005). *Appreciative Inquiry, A positive revolution in Change*. San Francisco: Berrett-Koehler Publishers, Inc.

Goold, M., & Campbell, A. (2002). *Designing effective organisations, How To create Structured Networks* (Vol. An Overview of the Design Process). San Francisco, US: Jossey-Bass.

Lewis, S., Passmore, J., & Stefan, C. (2011). *Appreciative inquiry for change management, Using AI to facilitate organisational development*. Great Britain: Kogan Page Limited.

Nguyen Huy, Q. (2001). In Praise of Middle Managers. *Harvard Business Review*, p. 73.

Sinofsky, S., & Lansiti, M. (2010). *One Strategy, Organisation, Planning and Decision Making*. New Jersey, US: John Wiley and Sons, Inc.

Staes, J. (2011). *Ik was een schaap*. Tielt: LannooCampus.