

HOW SHOULD
MANAGERS SPEND
THEIR TIME?



FINDING MORE TIME FOR REAL MANAGEMENT



What does a manager do most days? If your answer involves going to meetings, revising budgets, and checking and writing emails, you will greatly benefit from reading about one manager who changed this work pattern. She revamped her calendar so she could spend more time working directly with employees. Julian Birkinshaw and Simon Caulkin say there are lessons here for everyone.

It is frequently observed that companies need to become more effective in their management methods. But this doesn't just mean pushing 'new' ideas from the top — abolishing hierarchy or the budget, crowdsourcing or embracing Web 2.0. Just as interesting, and possibly more feasible, are less ambitious initiatives that concentrate on putting into practice things that we know work but somehow never do — less Management 2.0, more making Management 1.0 work properly. At least on the face of it, a surprising amount can be altered for the better, with little investment and to significant effect. This opens up a new line of enquiry for researchers and practitioners: forget why we're not reinventing the management paradigm from scratch, and start to focus on why we don't put into practice principles of good management that aren't rocket science and have been known about for years.

The classic example is people management. The principles (work autonomy, knowing what you do matters, the importance of the first-line manager) are well documented, but they are frequently ignored in practice. So what would happen if we could find a way of putting some of them into practice in a dedicated way? This was the focus of an experiment carried out within the sales and service team at the Stockholm offices of the insurance company, If, the biggest non-life insurer in the Nordic countries.

Designing the experiment

The starting point for the experiment was the simple proposition that If (like pretty much any company in the world) contained a lot of talent and competence that was not being

fully utilised. The idea was to test what many years of research had suggested: that this latent talent could be released by giving employees more freedom and autonomy in how they carried out their work, and by freeing up the manager of the group to spend more time on the sales floor coaching and helping them. That is, says Hakan Johansson, one member of the experiment design team, they believed that by acting in a slightly different way and by using intrinsic (rather than extrinsic) motivation, they could not only increase the usage of the team's competence but also raise its level.

How to test the hypothesis?

The design of the experiment was deceptively simple. Take a team — in this case an already high-performing group on If's customer service side, a team specialising in insurance for individual car brands — and change the way it is managed. Further, the experiment would measure how the team does an identifiable part of its job (cross-selling) over a three-week period as a proxy for competence. The team members were unaware they were participating in an experiment, although the manager, Lotta Laitinen, was obviously in on the trial.

The experiment required a deliberate change in management style. Laitinen excused herself from roughly two hours a day of meetings and routine administration (which were handled for the duration by an obliging colleague), time which instead she spent directly working with her group, both jointly and individually. Meanwhile employees were co-opted into the process by being asked to discuss and articulate what would help them to do their jobs better.

The process was anchored by an initial three-hour workshop focused on the purpose of the changes, "Why cross-sales is good for the company, why it is good for the customer and why it is good for me as an individual." Some of the issues raised in the workshop were the traditional responses to calls for better sales performance: customer discounts and staff incentives. Getting beyond that, however, attention switched to "How do we improve? We're the best at this, after all."

It wasn't about targets, it was



emphasised, but learning how to do it better. As Niclas Ward, another member of the team, observed, "During the brainstorming, somebody said, this person in the group is actually better than the rest of us, so he has to have something to contribute. And they came up with the idea that, let's have him present the way he is working for an hour." They also brought someone in from the claims unit, who gave his views on how cross-sales benefit the customer. "It was a high-quality discussion, and it helped everyone to see how they could improve," recalls Ward.

The end result was a two-pronged approach to change. The first part had Laitinen spend more time with the group — the brainstorming workshop, an additional health workshop to help the team with such things as exercise and diet, performance appraisals with high performers (to learn their tricks), and also listening to calls and coaching on a one-to-one basis.

In the second part, employees would listen to and coach each other, with support from the leader. As Ward recalls, "That was the starting point for it, to give more influence to the group. They were learning from each other — so this is not only Lotta listening to them but they actually listened to each other, and then they gave feedback to their colleague, and then Lotta joined them and gave feedback as well. That's a quite different way of working."

Impressive results

After three weeks of the new way of working, the results were measured three ways — by actual performance, through a questionnaire completed by the whole group and by selective interviews. The headline results figure was a five per cent increase in sales over the period of the experiment, compared with the three previous weeks. The overall figure concealed some unanticipated differences: notably, there were major improvements among the hitherto below-average performers. The questionnaire responses were uniformly positive, team members strongly agreeing that the approach was indeed different, that they had more freedom to work in the way that suited them, that they got more time with the leader and

that they felt more motivated. All the scores ranged between 5.9–6.4 (out of the highest score, 7, which denoted the proposition "I would like to work the way we worked in the last three weeks in the future.")

Laitinen's reaction was also positive, initial hesitancy giving way to strong enthusiasm as the trial went on; and she continued to find fresh ways to work. She was adamant that she missed nothing by not going to the normal run of meetings she would have attended. "The first week was really stressful because I had to make plans for the three weeks," she summed up. "But in the middle of the test period, I was satisfied when I went home every day

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because I felt I had had a great day."

Reviewing the experiment, the management group identified a number of unqualified pluses. Across a large organisation (If's customer service side, alone, is 700 strong), a five per cent boost to sales accomplished with little extra resource and a preparation time of weeks was clearly not to be passed up. Having experienced the new approach, none of the sales and service group wanted to go back to the old one. And their manager believed it was a more positive use of her time.

But it also opened up two big questions.

First, was the improvement just a by-product of the way the experiment was designed — and did the team pick up on what was happening and modify their behaviour accordingly?

Management researchers call this the Hawthorne Effect — named after a famous social science experiment in the 1930s at Western Electric's Hawthorne plant — and are taught to watch out for its contaminating influence.

It does indeed seem likely there was a Hawthorne effect here. But perhaps that was no bad thing. 'Hawthorne' says people respond positively to attention; good management is, in large part, about providing a bit more attention to employees. Unlike social scientists, who are trained to keep their distance from the subjects of their investigation, managers actually have a responsibility to intervene, to provoke a change in behaviour through whatever approach works best. So, in this respect, the experiment and the change in behaviour it produced was a clear success.

The second question was about capitalising on the successful outcomes. Although rewarding, the intense coaching style made different, and greater, demands on team leaders. And, quite apart from the emotional demands, was this kind of 'admin-lite', direct management style sustainable and scalable over time?

Most of those involved were quick to realise that the viability of this model comes down to a question of management skill and management will. Although Laitinen, an experienced and highly capable manager, came to relish the engagement inherent in the new way of working, she recognised that this manner of working with employees may not be for everyone. It's full-on management and intense: the exposure and commitment to a team of workers requires boldness and a willingness to move out of the usual managerial comfort zone.

Forcing managers, many of whom might be happier dealing with numbers behind a desk, to work in this way risks adding a counterproductive responsibility to a manager's job description. Beyond that, how could a company even be sure that every manager possessed the skills to manage in this way? Then, too, there's the matter of whether every manager had the personal will to commit to his or her team in such a demanding way. For this approach to work, there needs to be "the recognition from management that this is the way to work, full stop, for the whole day," noted Ward. "There is, I would say, an enormous underestimation of how much these things take on the front line."



Lessons for everyone

The success of the experiment gave real impetus to the company's desire to improve the quality of management across its service centres. A survey was sent out to 1,700 frontline employees, and it became clear that there was lots of room for improvement in the quality of coaching provided to workers.

Additionally, a careful analysis was done of how 40 first-line managers were spending their time. The real eye-opener was that the average manager was spending 71 per cent of his or her time on 'pull' activities, that is, doing things others have asked them to do — such as meetings, filling in reports and answering emails. Only 29 per cent of the time spent by managers was on manager-driven 'push' activities — such as coaching the members of their team or meeting with customers.

"These findings have provided a very clear view of the as-is situation in If's private-line insurance business," explained Hakan Johansson.

"We are now developing specific plans for how to help our frontline managers become more effective coaches, and how to free up some of their time so they do more of the real value-added parts of their job. There is a big pay-off to the company if we can get this right."

But the team is fully aware that the improvements they are looking for will take time. Says Johansson: "We can certainly improve our managers' coaching skills, but what we are trying to achieve is a company-wide change in behaviour. For example, at the moment it is easier to impress senior managers by spending your

time in administrative meetings and task forces than by coaching your team. We have to change the priorities here, perhaps by actually measuring the coaching that gets done."

There are lessons for everyone here.

If you are trying to help your company to improve its management processes, it is easy to get drawn towards exciting new initiatives like crowdsourcing; but the real impact is more likely to come from doing simple and obvious things more effectively. And frontline coaching is about as simple and obvious as it gets: every company needs it, and yet most do it pretty poorly.

If you are an ambitious manager, and you are frustrated by the lack of impetus for change coming from above, this experiment shows there are ways you can make progress without permission. The If team got things moving by simply freeing up ten hours of Lotta Laitinen's time per week. There are many other, equally simple, changes you can make in how you or your team work. You just need to have the foresight to see what is possible and the tenacity to follow through. ■

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