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# How to increase the impact of your manager development

If you had the opportunity to increase every employee's productivity by 5%, wouldn't you take it?

A good Revenue per Employee benchmark ranges from $43,000 to $230,000 per employee, depending on a company's annual revenue[1]. At the low end of the scale, boosting employee productivity by just 5% would lead to an additional $2,150 in income per employee, while at the high end, that number would total $11,500 in added revenue per employee. Multiply that across your entire workforce, and it's easy to see how a modest increase in employee performance can have a profound effect on your bottom line.

It's no secret that one of the most powerful drivers of employee productivity — and in effect, revenue — is manager performance.

Managers account for up to 70% of the variance in employee engagement scores across business units, which has a direct impact on business metrics, such as retention, productivity, and work quality. Nearly 60% of employee performance is influenced by it.

With a deeper understanding of how manager performance influences business performance, organizational leaders can take steps to increase the number of high-performing managers in their ranks. Unfortunately, this isn't always easy; just 10% of people possess the talent to manage effectively. However, significantly more could become great managers if their company provided the right coaching and development opportunities.

The need to dedicate time and resources to improving manager performance is clear, but today, achieving this is more challenging than ever.

**In this guide, we'll cover:**

- Where companies go wrong with their approach to manager development
- How to get it right
- A four-step framework for maximizing the impact of manager development in your organization

[1] Revenue per Employee benchmarks correspond to companies whose annual revenue ranges from under $1 million to over $50 million, respectively.

# Where companies go wrong with their **approach to manager development**

One of the main reasons organizations get tripped up when it comes to building and scaling manager development is a lack of alignment with organizational and business KPIs. This, combined with a very limited ability to isolate and attribute the impact to development programs, makes it almost impossible to understand if the programs in question are moving the needle or not. Meanwhile, these initiatives could cost thousands or hundreds of thousands of dollars, without any guarantee of ROI.

Here's a closer look at why manager L&D often misses the mark.

**Not defining clear, measurable outcomes on the organizational level**

Despite knowing how much of an impact manager performance has on overall business performance, most organizations still don't tie manager development objectives to organizational or business outcomes. They don't define quantifiable development goals that can be measured in dollars, nor do they have any system in place for measuring the training's impact on existing organizational or business metrics.

This, combined with an over-reliance on self-reported training evaluations and satisfaction surveys, makes it impossible to understand the impact of the training. Self-reported evaluations are heavily biased. Organizations that lack a method for assessing program outcomes objectively can't possibly attribute changes in manager performance to the training or coaching programs they run.

**Not defining clear, measurable outcomes on the individual level**

Another common reason manager development initiatives fail to make an impact is they often don't account for individual participants' growth needs.

Most often, when a manager joins a managerial development program, they are lumped into a cohort in which the same learning goals apply to every participant — and these are usually related to generic leadership competencies. To be effective and drive business improvement, every participant should work toward personalized, clearly defined goals that promote both their individual growth and support relevant business KPIs.

### Failing to eliminate confounding variables

Even if an organization has defined clear and measurable manager training outcomes on both the business and individual level, they still can't be sure that outcomes are a direct result of the development programs. In order to attribute the impact of their programs with any degree of certainty, they need to eliminate any confounding variables that could influence outcomes with A/B testing. Unfortunately, most organizations don't account for this need, which prevents them from optimizing manager development efficacy and proving ROI.

### Only using one facilitator or vendor

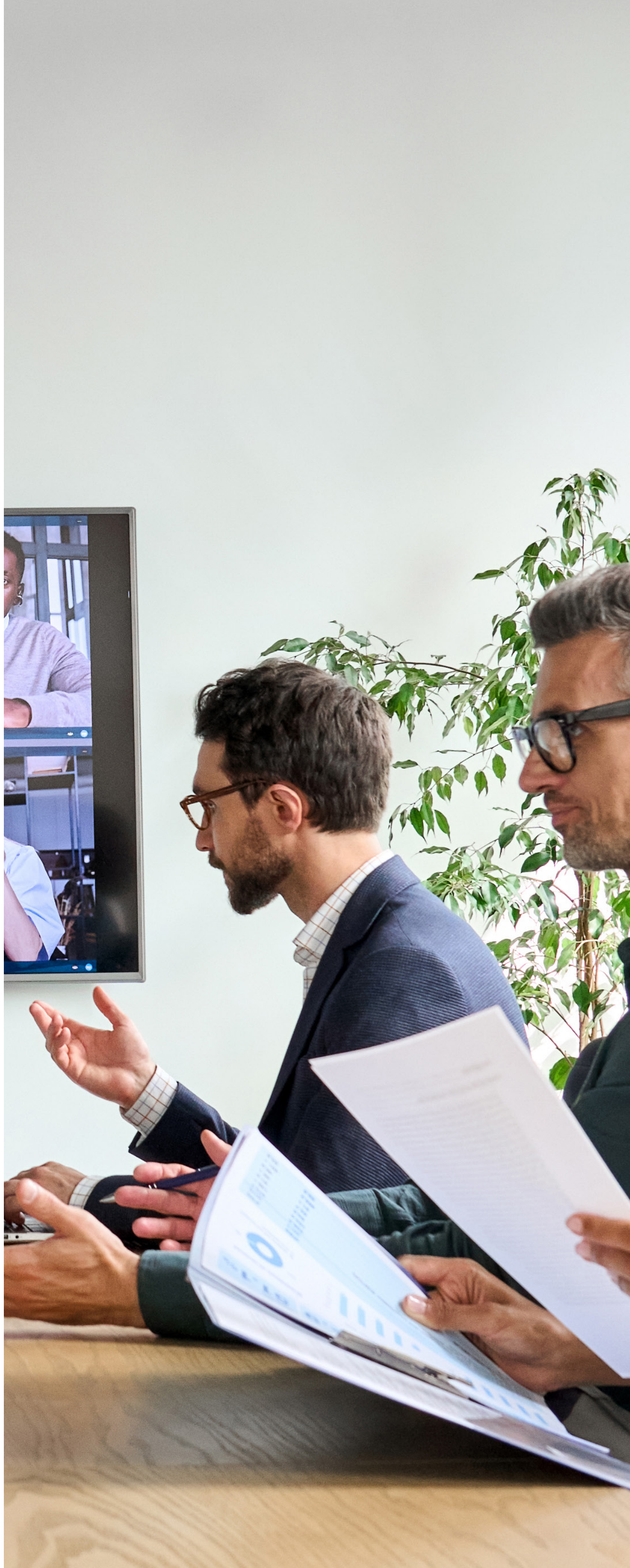
Managers today face a myriad of challenges that add complexity to their work and increase the scope of skills and competencies they need to succeed. For example, managers today are tasked with leading remote or hybrid teams, maintaining high team performance amid budget cuts and reduced headcounts, promoting DEI initiatives, driving team productivity, and managing complex communications and interfaces.

Too often, HR and L&D leaders enlist one vendor or facilitator to address all of these management challenges. This is simply not practical, given that L&D providers are often individual trainers or coaches with expertise in a specific domain. It's impossible for one vendor to address every organizational and individual manager development goal. When organizations don't take a diverse approach to delivering training, the impact is severely limited.

### Over-reliance on workshops

As we mentioned, each manager is unique and faces different challenges to varying extents. While one may struggle with delegation, another struggles with providing feedback. A third might struggle with managing up, while a fourth finds it difficult to collaborate across teams and departments. The conventional approach to management training focuses on imparting the same basic concepts to everyone, usually in the workshop setting.

Workshops, which can be hugely effective for delivering some types of management development, are not an end-all solution for every manager development goal. This is mostly because workshops are rarely designed to address individual manager needs, and instead focus on generic leadership competencies. An ideal manager development program blends large and small groups with individual work to cater to each manager's unique needs.



# How to **Get it Right**

The challenges we covered above are pervasive, but it's possible to overcome them with the right approach. Here's an overview of how to address each one.

**Define clear, measurable outcomes at the organizational level**
The crucial first step is developing management development goals in alignment with the business and organizational KPIs your company is already working toward. If management development goals are established in a vacuum, they will have little to no impact on the business.

These KPIs can be measured by your HR analytics platform (such as Culture Amp, Qualtrix, Glint, etc.), performance management systems (such as Betterworks, Lattice, 15Five, etc.), assessment platforms, or your HRIS/HCM/Employee Experience Platform.

Every program should start with a clear metric, including the current state and the desired end state. Relevant metrics for manager training on the organizational and business level include:
- "My manager score" (manager rating completed by their subordinates)
- Engagement scores among the managers' subordinates
- OKR or MBO attainment across all managers

**Define clear, measurable outcomes on the individual level**
Once we've defined high-level KPIs for manager development, it's time to derive specific KPIs and outcomes for each manager. When aggregated, these individual KPIs will serve the larger organizational objectives.

The best way to identify the right metrics is to involve both the participants as well as their direct managers. Let's say the business-level KPI you've selected is the "my manager score." On the individual level, the key outcome for one manager's training might be "aligning on goals and deliverables," while another manager might have their focus on "developing individual growth plans for each employee on their team." And so on.

**Eliminate confounding variables**
The best way to eliminate confounding variables is via A/B testing. This approach, which involves comparing the impact of a manager development program on one cohort (experimental group) against a cohort that does not do the program (control group) during the same time period,

is the foundation of scientific research. It's the only way to determine that the organizational and individual level outcomes you measure can actually be attributed to the management development program, and not some external, uncontrolled factor.

Another way to reduce confounding variables is with a "before and after" test that corresponds to a defined period of time. A lot changes over a year, but if we drove a metric in 5% during one quarter, odds are that our management training program led to it.

### Enlist a diverse roster of vendors

Ideally, management development should be delivered by multiple vendors with expertise across a variety of domains. This ensures that every organizational and individual training need is met by a qualified SME, and positions your development program to make the maximum impact.

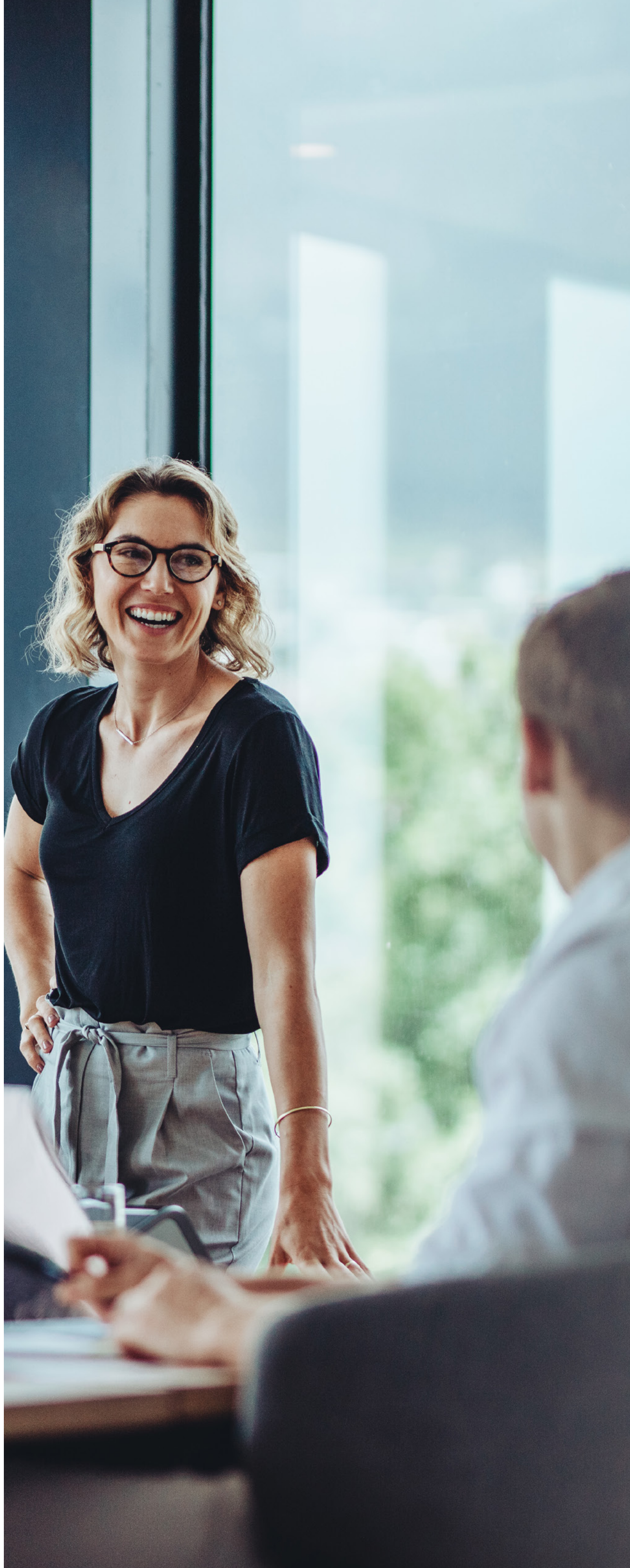
Vendors tend to specialize in one domain, so you may want to consider vendors specializing in:

Management & leadership | Communications | Productivity | DE&I
Functional specialization (agile training/sales training) | etc

### Use a variety of formats

Instead of delivering all manager development programs via workshops, it's far more effective to select training methods that best address each defined outcome. In some cases, this will be large groups, in other cases small groups, and in others, one-on-one sessions. While workshops and large groups are great for developing general leadership competencies and skills, a smaller, more individual setting is necessary to address personal KPIs and challenges.

**Growthspace data shows that a combination of workshops (12-15 participants, focused on creating high-level alignment on basic concepts), team coaching/small workshops (4-6 participants, focused on sharing best practices and implementation of the workshops content) and 1:1 sprints deliver the best ROI. Any two of the above will generate better ROI than just one.**



# How to Maximize the Impact of Manager Development in Your Organization

The insights above, combined with a L&D partner with a proven track record, can enable you to get the most possible value and ROI out of your manager development.

**Growthspace** has worked with numerous companies to nurture their high-performing managers and increase manager performance across the organization. Our unique, outcome-driven approach allows you to provide targeted, measurable, and scalable growth and development programs that increase business performance, fast. And, our network of more than 2,000 domain experts are experienced in addressing every possible manager challenge and development KPI.

Here is an overview of the four-step framework we use to tailor L&D for each organization we work with to maximize impact and drive ROI.

### 1 Identify the population you want to impact.

Although it seems obvious, many L&D providers skip this essential first step in favor of a one-size-fits-all approach. However, it's important to realize that every target population within your organization — and moreover, every individual employee — requires a different approach, type of training, timeline, KPIs, and more.

The more specific you can get, the better. If your goal is to increase the number of high-performing managers in your organization, you might start by:

- Defining the level of management you should target (i.e. first-level managers, second-level managers, etc).
- Considering which departments to start with. In some cases, especially in large organizations, you might want to start with a smaller cohort of managers before expanding manager development programs across the organization. In which department would a boost in manager performance make the biggest overall impact?
- Identifying other important traits for your first cohorts. For example, do you want to start with newly promoted managers? Or does it make more sense to select participants who meet performance-related criteria?

### 2 Choose the business impact you want to achieve.

The second step is defining your objectives for the manager development program. What is it that you want to achieve? What aspects of manager performance do you believe will

have the greatest impact on metrics such as employee productivity, overall team performance, organizational culture, retention, and engagement?

For example, you could focus on metrics like employee turnover among a managers' direct reports over a certain amount of time. Within specific departments, you might focus on team KPIs, such as number of deals won, engineering velocity, throughput, or pipeline generated.

When defining your objectives, you will also want to indicate how you can measure a quantifiable impact, milestones, and timelines for achieving your goals.

### 3 Select the right program structure.

As we mentioned, different learning outcomes (and types of learners) require different approaches to L&D. It's important to communicate with individual managers on their learning style and consider the objectives at hand when determining the right program structure.

However, we've found that most of the time, improving manager performance is most effective in a one-on-one setting or small groups. Goals like improving communication or learning how to mentor effectively usually benefit from individual coaching or mentorship. Meanwhile, functional goals, such as improving a specific sales, marketing, engineering, or other metric, often require highly targeted skills training, which is best delivered individually or in a small group.

### 4 Define a system for measuring impact.

The final step is determining the most accurate way to measure the impact of the L&D program. This involves a few key components:

- **Develop KPIs**, including qualitative and quantitative metrics related to the manager's individual performance, functional business outcomes, organizational performance, and/or HR metrics.
- **Determine how you will measure impact**. At Growthspace, we use three primary methods for measuring KPIs, which produce a uniquely holistic and comprehensive view of a learner's progress. The methods are 1) Before and after surveys, where managers report on their own progress/success, 2) HR analytics platforms, which aggregate performance data at the organizational level, and 3) A/B testing, in which we compare the performance of a group of managers that underwent training against a group that didn't.

# Unleash the Potential of Your Managers with Growthspace

Being a high-performing manager looks very different today than it did five years ago. Ensuring your managers have the right skills and competencies to lead, support their teams, keep employees engaged, and raise team performance is fundamental to overall business success.

Growthspace offers an innovative approach to designing, implementing, measuring, and scaling talent development. With the help of our data-backed approach and the expertise of our over 2000 global coaches, trainers, and mentors, Growthspace provides an essential framework to nurture managers and increase the number of high-performers in your organization.

Learn how Growthspace can support your organizational performance.

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Successful employee development not only improves individual and team performance, but drives overall organizational growth. The Growthspace employee development platform is designed to support personalized and outcome-driven growth and development programs, including one-on-one development,  team coaching, workshops and internal mentoring. Leveraging the world's most robust talent development dataset and network of global experts, Growthspace works with organizations to achieve successful professional growth and performance, at scale. Hundreds of customers currently realize the benefits of the Growthspace platform, **including Siemens, Microsoft, EY, Johnson & Johnson, Zoominfo, BioVectra and several United States Government agencies.**