Managing Better:

Piercing the Fog of Today's Uncertainty

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redthread research

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Snapshot of the End of an Era

Just before Christmas 2019, we finished a survey to understand how organizations and managers could better anticipate and manage the volatility of the future.[1] We asked questions of both HR leaders and employees to understand organizational and manager behaviors. We didn't know that we were taking a snapshot of the end of an era.

In January 2020, COVID-19 began to infiltrate Asia and, by March 2020, it had spread throughout the world, dramatically changing all of our lives. The "volatility of the future" had rolled in far sooner than expected – and it was a fog that obscured and changed everything.

Since then, in the face of a global pandemic, a critical social justice movement, and significant natural disasters, we've all done our best to manage our workloads, our employees, our home lives, our finances, and our health. As in all situations, some folks have done it better than others.

We want to understand what responsive managers and organizations did in the last 6 months – and how those practices are different from before the pandemic.

Seeing the Fog: What's Changed for Managers

In our study based on the December 2019 data,[2] we learned that 3 factors can enable organizations to respond more effectively to volatility and change: people analytics,[3] managers, and organizational culture. As we reflected on which of those 3 factors had the most change in the last 6 months, the answer was crystal clear: managers.

Therefore, we embarked on a follow-up study – a combination of both a new survey and qualitative interviews to understand what, specifically,

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1   That study was ultimately titled, *Responsive Organizations: Designing for Volatility and Change*, RedThread Research / Dani Johnson & Stacia Garr, June 2020.
2   Ibid.
3   We published an article on the role of people analytics in responsivity entitled, *The "Now" of Work & People Analytics: Lessons from an Octopus*, RedThread Research / Stacia Garr & Priyanka Mehrotra, August 2020.

has changed for managers and organizations since right before the pandemic. But even more importantly, we wanted to understand:

- What types of management practices do the most effective managers use?
- How has HR supported those most effective managers?
- What lessons can we take from this as we design our organizations and support our managers while moving into 2021?

As you will read, we learned something very important:

> *The only measures to improve since our prepandemic snapshot are employees' perception of their autonomy[4] and the extent to which managers are open to new information – every other measure declined.*

However, for individuals who said they have highly effective managers – their level of support hasn't declined measurably. In fact, those folks' managers have done some really important things when it comes to the 4 lenses of responsivity – respect, distributed authority, growth and transparency, and trust. (See our report, *Responsive Organizations: Managing for Volatility and Change*, for more information on responsiveness and the 4 lenses.[5])

Employees of highly effective managers are more focused on people management issues, have a clearer sense of the organization's future, and have higher levels of engagement and willingness to promote the company [employee Net Promoter Score (eNPS)] than those direct reports of average or below-average managers. Also, their organizations are 3x more likely to be on track to meet or exceed post-COVID 2020 business goals and are 3x more likely to be innovative during the pandemic.

This report is our best effort to capture what has gone well for these managers and organizations during the pandemic, and to offer critical insights you can use – whether you're a manager or in HR – to become more responsive to employees' needs.

For individuals who said they have highly effective managers – their level of support hasn't declined measurably.

Organizations with highly effective managers are 3x more likely to be on track to meet or exceed post-COVID business goals.

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4   We define autonomy as "employees' sense of control over the day-to-day operations in their job."
5   "*Responsive Organizations: Designing for Volatility and Change,*" RedThread Research / Dani Johnson & Stacia Garr, June 2020.

6 Key Findings

1. **Employees – including managers – are more on their own than before the pandemic.** The extent to which managers and organizations are supporting employees has declined on almost every measure. When comparing pre- and during pandemic numbers of roughly 90 items, we've seen decreases with almost all measures. Employees' level of autonomy, however, has increased by approximately 10% since the pandemic.

2. **Managers are more open to new information than ever before.** This is the only other item – beyond autonomy – where we saw an improvement (though it was only a 3% increase). This indicates to us that, in this novel, autonomous environment, managers are looking for new ways to support employees and adapt to the current environment.

3. **Manager expectations and work environments have shifted.** From our survey respondents, 76% are working in a different situation than before the pandemic and don't see any colleague – including their manager – while working. On top of this, many organizations have expanded their expectations of managers to include ensuring employees have safe places to work, supporting employees' mental wellness, and facilitating conversations on social justice. These expectations are reflected in our survey data, which shows that managers are spending close to 1/3 of their one-on-one time with employees discussing wellbeing and the events of this year.

4. **Organizations are using a standard set of practices to support managers and employees but, broadly speaking, those are not enough.** We saw remarkable consistency in the types of practices organizations are deploying during the pandemic. However, given the decline in almost all measures of how managers and organizations support employees, these efforts aren't enough for employees to feel as supported during the pandemic as before it. There's clearly more we can do to support employees as we move into the new year.

5. **Managers who have been highly effective during the pandemic have outsized impacts on their employees and organizations.** As compared with those who have ineffective managers, people who rated their managers as being "very effective" during the pandemic were:

   • Nearly 4 times more likely to recommend their company to others

   • 3 times more likely to be highly engaged

   • 10% more likely to intend to stay with their company

6. **Highly effective managers excel at specific practices within the 4 lenses of responsivity:**[6]

   a. **Respect.** Managers and the organization provide a method for employees to provide both perspectives and new ideas, often (but not always) through surveys. They also create a psychologically safe work environment by focusing on mental health, creating venues to talk about the unique challenges of 2020, and providing manager off-ramps.

   b. **Distributed authority.** Managers focus employees on value-added tasks, have access to insights on their team's engagement as well as other critical data, and both have and provide employees with clarity on decision-making authority.

   c. **Growth & transparency.** Managers and the organization provide performance transparency, expectations transparency, and support employee growth. To do this, nearly 80% of highly effective managers have at least weekly check-ins and 57% are highly effective at helping direct reports reprioritize goals.

   d. **Trust.** Managers ensure employees know they are valued contributors through frequent recognition; they model openness especially via transparent conversations with senior leaders, but also in daily interactions; and they connect employees to their communities and model those connective behaviors.

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6   "*Responsive Organizations: Designing for Volatility and Change,*" RedThread Research / Dani Johnson & Stacia Garr, June 2020.
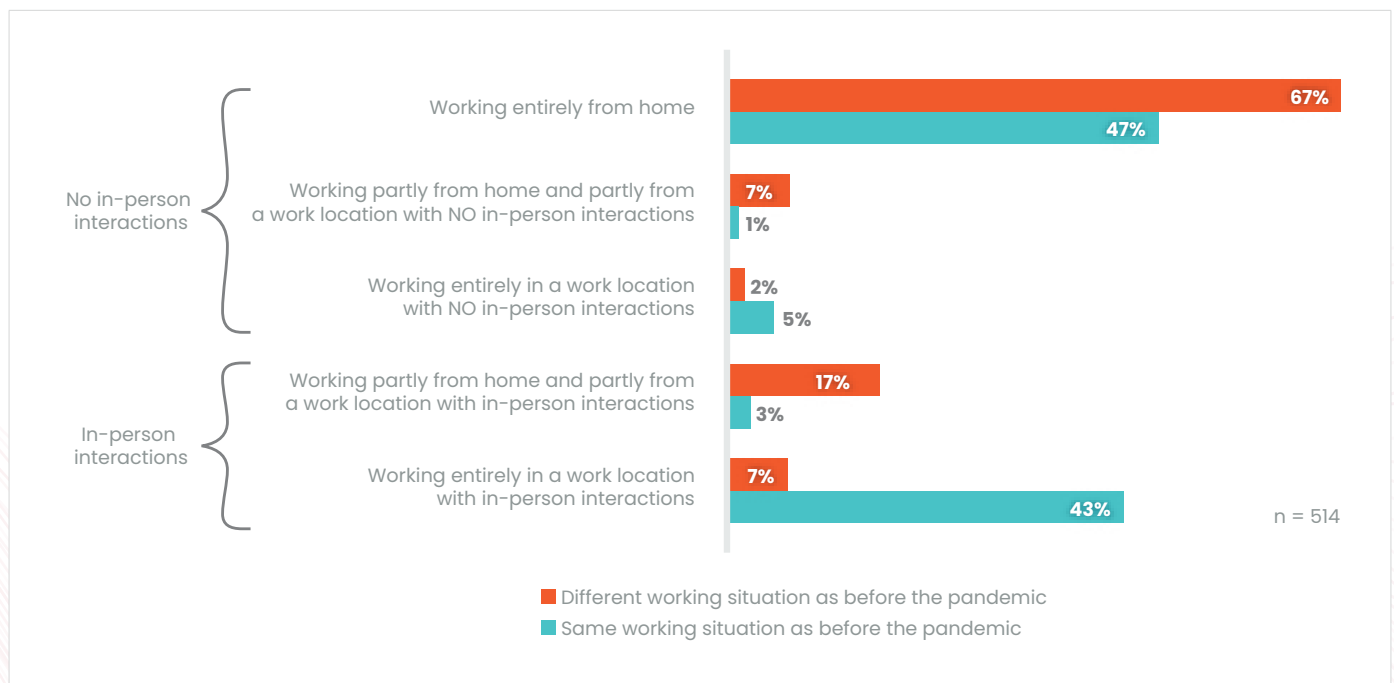
2020: The Year the Fog Rolled In

The challenging events of 2020 have created a fog that has obscured everything. For managers, 2 of the biggest areas of change are where they manage people and how they're expected to manage.

You only have to look at the rise of Zoom's stock (up about 650% as of this writing) in the last year to have a sense of the percentage of people who are now working from home. But let's translate that into what it means for managers:

> *76% of all respondents are working in a different environment from before the pandemic in which they don't see their manager (see Figure 1).*

Figure 1: Working Environment – For Those Whose Environment Changed from Before the Pandemic*

No in-person interactions		Different	Same
	Working entirely from home	67%	47%
	Working partly from home and partly from a work location with NO in-person interactions	7%	1%
	Working entirely in a work location with NO in-person interactions	2%	5%
In-person interactions	Working partly from home and partly from a work location with in-person interactions	17%	3%
	Working entirely in a work location with in-person interactions	7%	43%

n = 514

■ Different working situation as before the pandemic
■ Same working situation as before the pandemic

*The percentages may not total 100% due to rounding.   Source: RedThread Research, 2020.

This dynamic dramatically changed the interactions between managers and their direct reports, as they both had to adjust to these virtual environments.

On top of that, though, many managers are also being asked to shoulder additional responsibilities when it comes to managing mental health, facilitating social justice conversations, and supporting questions about basic safety and wellness. These added responsibilities are reflected in our survey data, which shows that managers are spending close to 1/3 of their one-on-one time with employees discussing wellbeing and the events of this year.

Some of our interview quotes best illustrate this new reality:

> "The last 6 months have challenged our notion of what it means to manage. How do we manage people if we can't walk by their desk? How do we connect if there aren't water coolers or coffee breaks? How do we develop people if they aren't sitting next to you? How do we create trust?"
>
> – **Dorota Florczyk**, Senior Head of Learning & Development, European Investment Bank

> "There is a skillset that is so core to these moments – having empathy and having human conversations. Helping people to be personally vulnerable is a huge adjustment in mindset."
>
> – **Janet Ladd**, Senior Director, Diversity, Inclusion & Belonging, Equinix

> "We're asking managers to learn how to lead virtually, tune into signs of burnout, and have conversations about race – all while they need to be performing their own jobs as well. How much can we ask our managers to hold?"
>
> – VP of Talent Development, Technology Company

Many managers are also being asked to shoulder additional responsibilities when it comes to managing mental health, facilitating social justice conversations, and supporting questions about basic safety and wellness.

The Pandemic's Impact on Employees

So, here's the good news of the pandemic: Employees' sense of autonomy, or sense of control over the day-to-day operations in their jobs, has increased. When we compared the 2019 and 2020 data, we saw a rise of 5 percentage points of employees who indicated that their manager provides them with autonomy to do their work to a very great extent (see Figure 2). Given that 76% of employees are no longer seeing their managers in person, this isn't surprising.

> Employees' sense of autonomy over the day-to-day operations in their jobs, has increased.

Figure 2: Level of Autonomy in Employees' Work as Provided by Their Manager
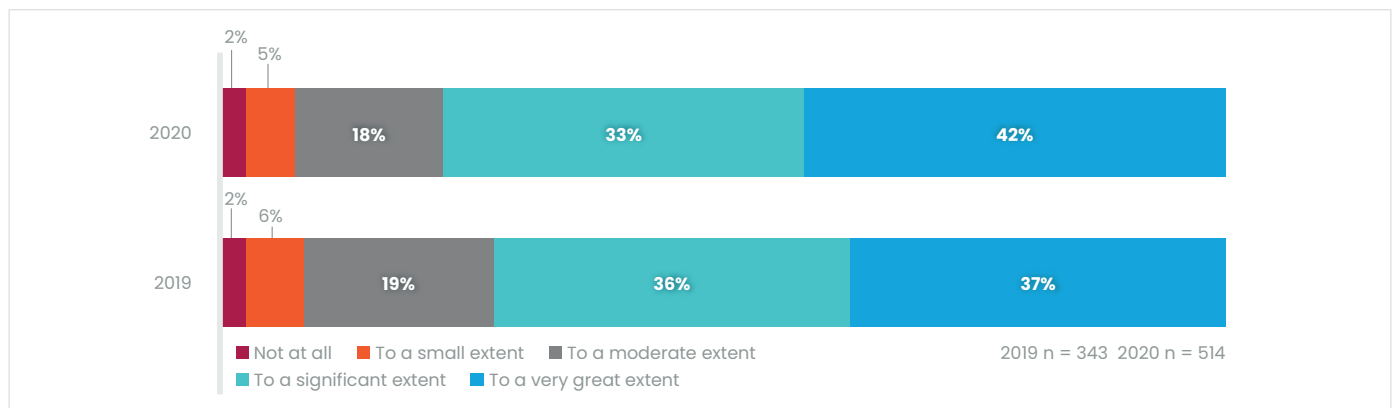
Source: RedThread Research, 2020.

In addition, we saw a small 3% increase in the level of openness that managers are exhibiting towards new information (see Figure 3). This finding was exemplified in our interviews by a sense that "No one has done this before, so there is no right answer."

Figure 3: Managers' Level of Openness to Receiving New Information*
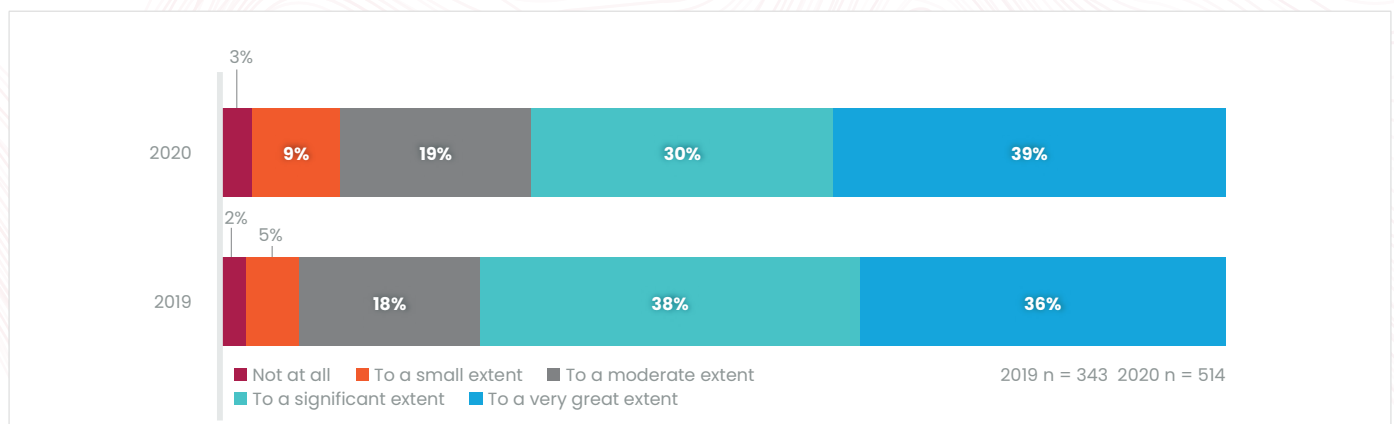
*The percentages may not total 100% due to rounding.

Source: RedThread Research, 2020.

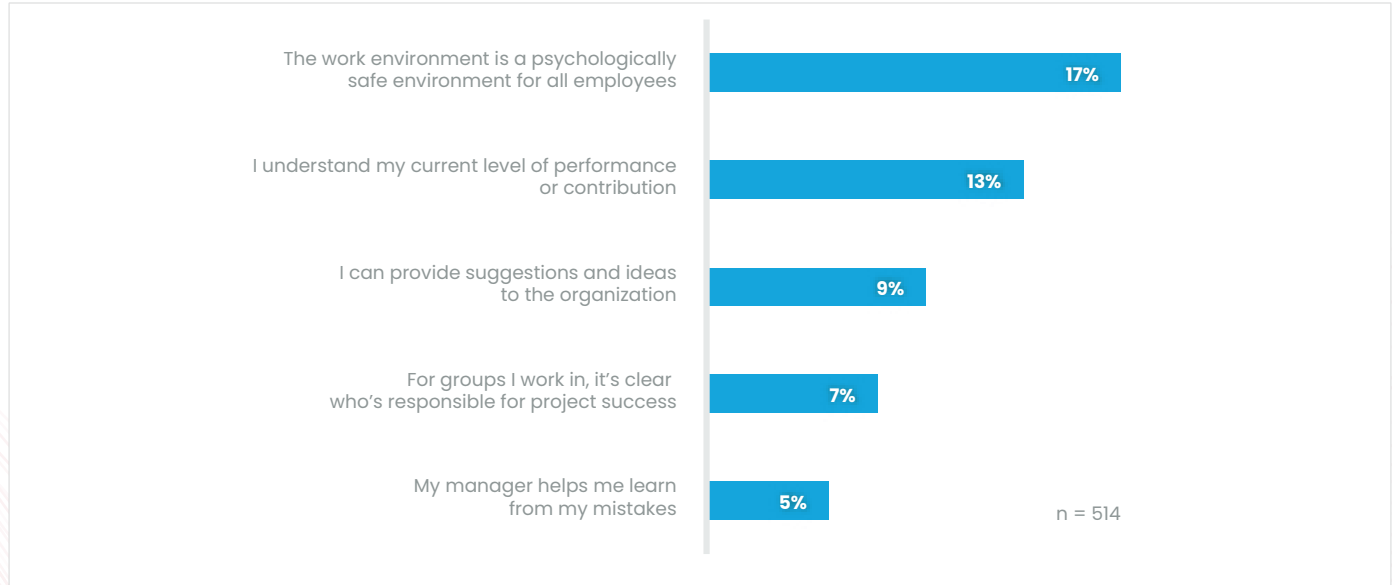Now, here is the bad news. Of the roughly 90 other items in the survey that we tested in both 2019 and 2020:

> **_There was no improvement in ANY other manager or organizational behavior item we measured, when comparing to before the pandemic._**

In fact, some of the most important things that managers do – like creating a psychologically safe environment, helping employees understand their performance contribution, and enabling employees to provide suggestions or ideas to the organization – all declined.

Figure 4 shows the 5 critical manager behaviors that were done "to a very great extent" that had the biggest declines in ratings. (Note: For these data and all other data in this study, if we had included "to a significant extent" in our calculations, the declines would be even bigger. For the sake of focusing on the strongest managers, we only focused on the top score on a 5-point scale).

Some of the most important things that managers do for their direct reports all declined since the onset of the pandemic.

Figure 4: Critical Manager Behaviors – Percentage Point Decline from Prepandemic

Behavior	Decline
The work environment is a psychologically safe environment for all employees	17%
I understand my current level of performance or contribution	13%
I can provide suggestions and ideas to the organization	9%
For groups I work in, it's clear who's responsible for project success	7%
My manager helps me learn from my mistakes	5%

n = 514

Source: RedThread Research, 2020.

Clearly, managers need help. They needed it when the pandemic began – and they still need it.

> **Yet, some managers have received at least some of the help they need.**

In our survey, 24% of managers were rated highly effective by their direct reports, and those managers engage in a series of practices that are different from their peers. Critically, those direct reports also stated that, as compared with direct reports who worked for ineffective managers, they are:

Approximately **4 times** more likely to recommend their company to others

3x times more engaged

10% more likely to intend to stay with the company

Managers' Challenges

Further, when managers have highly effective managers, they also reported a different mindset when it comes to challenges they're facing. The top 5 challenges for all managers are consistent, with issues such as increased stress levels and less time to give coaching and guidance.
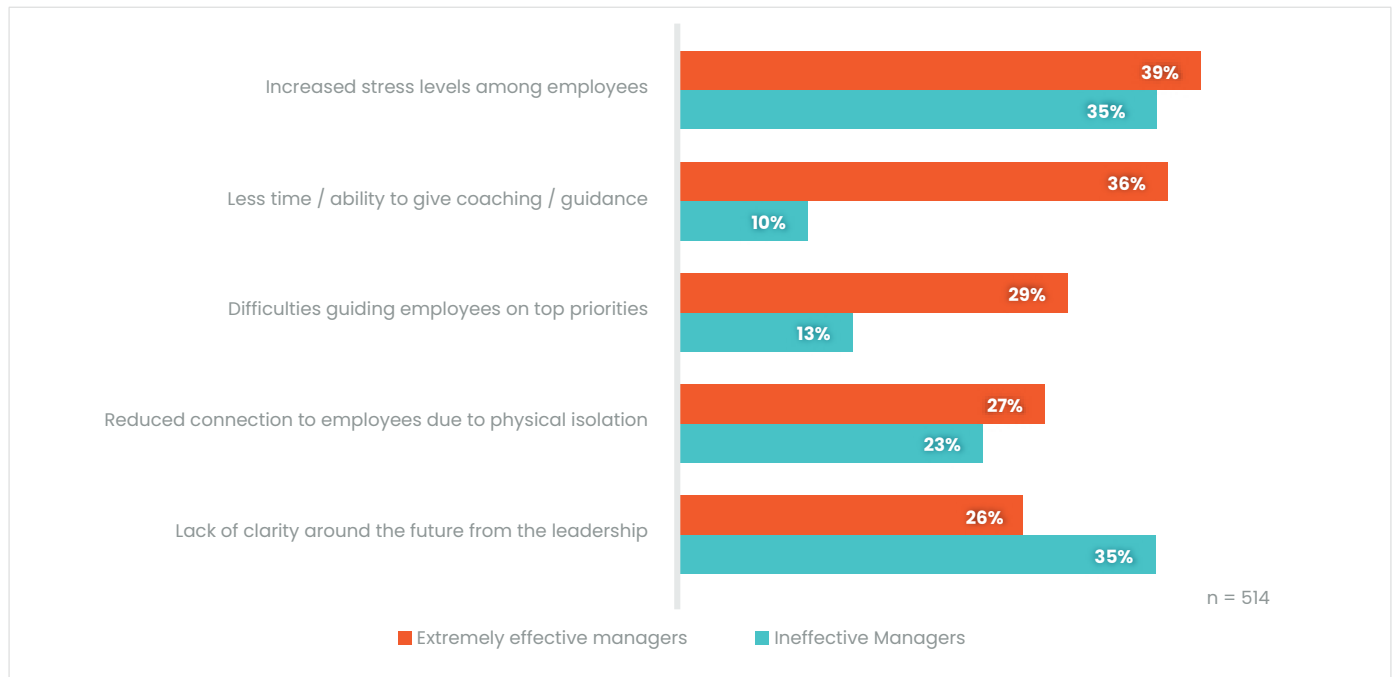
Managers with highly effective managers have a different mindset when it comes to the challenges they're facing.

However, when we compared managers who said their managers are highly effective versus those who are ineffective, we found something interesting (see Figure 5).

> **Managers with very effective managers were generally more worried about people management challenges and less worried about having clarity around the future.**

Of particular note: Managers with highly effective managers are 2–3 times more worried about their ability to both give coaching and guidance to direct reports, and to effectively reprioritize their direct reports' priorities.

Figure 5: Top 5 Challenges for Managers – Extremely Effective vs Ineffective Managers

Challenge	Extremely effective managers	Ineffective Managers
Increased stress levels among employees	39%	35%
Less time / ability to give coaching / guidance	36%	10%
Difficulties guiding employees on top priorities	29%	13%
Reduced connection to employees due to physical isolation	27%	23%
Lack of clarity around the future from the leadership	26%	35%

n = 514

■ Extremely effective managers ■ Ineffective Managers

Source: RedThread Research, 2020.

These data indicate a few things. First, even during a pandemic, strong manager behaviors cascade down. The fact that direct reports of highly effective managers are much more worried about people management issues is unlikely to be the result of those direct reports struggling more with managing people. Rather, we think it reflects that these managers know – from their own managers – the importance of people issues, so they're more concerned about their ability to support their teams effectively.

> *The multiplier effect of strong managers underscores the importance of improving managers' capabilities.*

Second, many managers know what they should be doing – but they're still struggling to do those things. These managers know they should be coaching direct reports and reprioritizing work: They're just struggling to do it.

The resulting questions for HR are:

- What behaviors should managers engage in to be highly effective?
- What types of support can HR offer to help managers execute those behaviors?

Even during a pandemic, strong manager behaviors cascade down the organization.

Many managers know what they should be doing – but they're still struggling to do those things.

Piercing the Fog: Enabling Responsive Managers

Let's start with that first question about the behaviors that managers need to be highly effective. Our research on responsivity[7] reveals that, when managers engage in certain behaviors, the organization is more responsive to disruptions and better able to turn them into a competitive advantage.

In addition, high responsivity organizations perform much better. For example, before the pandemic, 95% of them met or exceeded their business goals in each of the previous 3 years, as compared with just 21% of organizations in the bottom quartile of our research (the least responsive organizations). We saw similarly strong performance when it came to responding to market changes, innovating, satisfying customers, and engaging employees.

So, what are those behaviors? Our research revealed 4 lenses of high responsivity – and highly effective manager behaviors fall across all four:
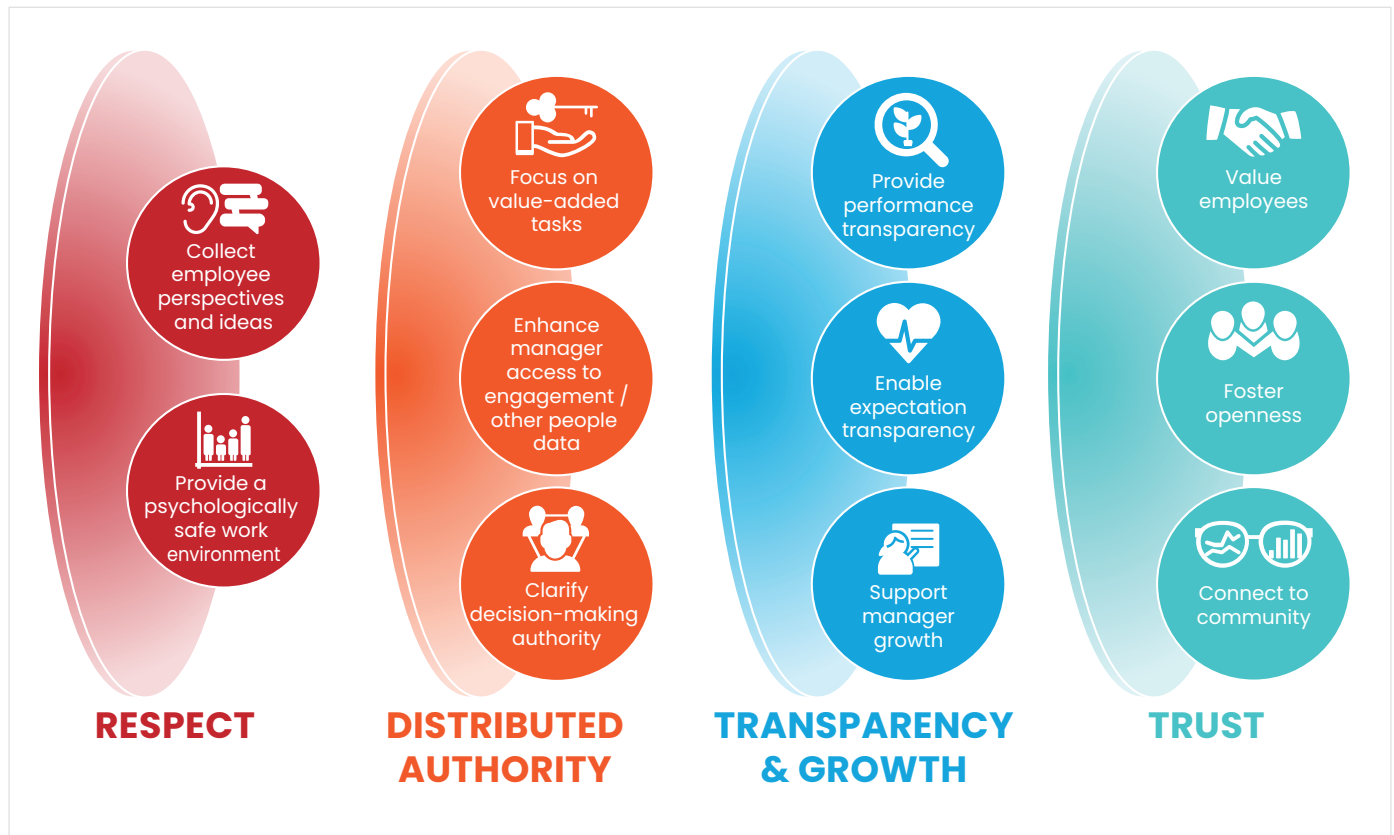
- Respect
- Distributed authority
- Growth & transparency
- Trust

The specific manager behaviors are outlined below in Figure 6. In the coming sections, we discuss each lens, the behaviors that managers need to demonstrate, and how HR can help.

When managers engage in certain behaviors, the organization is more responsive to disruptions and better able to turn them into a competitive advantage.

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7   Responsivity is the ability of organizations to recognize trends in the operating environment and effectively turn possible disruptions from those trends into a distinct organizational advantage.

Figure 6: High Responsivity Manager Behaviors

Collect employee perspectives and ideas

Provide a psychologically safe work environment

RESPECT

Focus on value-added tasks

Enhance manager access to engagement / other people data

Clarify decision-making authority

DISTRIBUTED AUTHORITY

Provide performance transparency

Enable expectation transparency

Support manager growth

TRANSPARENCY & GROWTH

Value employees

Foster openness

Connect to community

TRUST

Source: RedThread Research, 2020.

Lens 1: Respect

There isn't necessarily a "right" order for the lenses, but we do know that respect is foundational to responsivity. Employees should feel respected for their abilities, knowledge, skills, and ideas. Though the organization as a whole can extend respect to employees, it's the manager who truly shows up as the primary enabler of respect. They can focus on the individuality of employees, and their specific skills, knowledge, and capabilities.
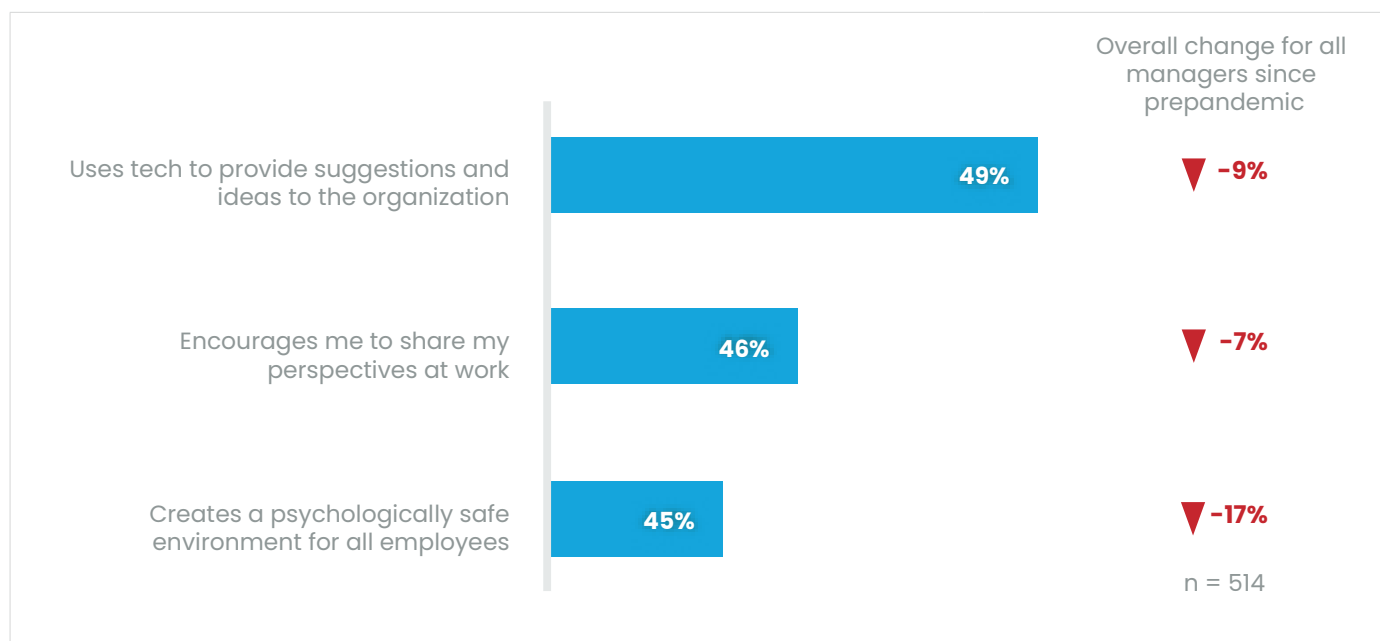
WHAT THE MOST EFFECTIVE MANAGERS DO

We looked at managers rated as "extremely effective" to see which behaviors they also did "to a very great extent" (see Figure 7). As you can see, while there's been a decline across all items since

The manager truly shows up as the primary enabler of respect for employees.

before the pandemic, generally speaking the greatest decline has been in creating a psychologically safe work environment. At least some of this decline is likely due to uncertainty around job security (in the face of potential furloughs or layoffs) – which managers may not be able to address. However, our interviews revealed that, by creating safe spaces to talk about challenges – and communicating regularly – managers and the organization can create greater psychological safety.

Figure 7: Top 3 Areas of Effectiveness for Highly Effective Managers – Respect

Overall change for all managers since prepandemic

Area	Percentage	Change
Uses tech to provide suggestions and ideas to the organization	49%	▼ −9%
Encourages me to share my perspectives at work	46%	▼ −7%
Creates a psychologically safe environment for all employees	45%	▼ −17%

n = 514

Note: Bar chart data are percentage of highly effective managers who also engage in the practice "to a very great extent." Declines since prepandemic are a comparison of 2019 and 2020 data for percentage of all managers who did those things "to a very great extent."

Source: RedThread Research, 2020.

HOW HR ENABLES MANAGERS – RESPECT

In our interviews, we heard remarkable consistency in terms of how HR supported employees and managers in navigating the foundational challenges presented by COVID-19. We think of these activities as being part of the "Respect" lens because they're about respecting the basic needs and humanity of employees. We've summarized some of the most common practices in Figure 8.

Figure 8: Common, Foundational Practices to Enable Employees & Managers During COVID-19

PRACTICE	DESCRIPTION	DETAILS
Change communication approach	Adopting more frequent, transparent communication strategies and utilizing more communication tools	• Communicating faster • Changed tone from authoritative to informative and empathetic • New communication tools (e.g., Slack, Microsoft Teams, Facebook Workplace, Yammer & Zoom)
Provide new resources & policies	Providing more supportive policies and supplying various guides to support the new working environment	**Example resources:** • Manager communication guides • Parent guides • COVID resource site • Work-from-home resource center • Benefits pages **Example policies:** • Increased flexible work policies • Increased leave / time-off • Employee relief fund • Allowance / subsidies for office equipment
Provide a psychologically safe work environment	Ongoing focus on mental health (not just one-off tools or events)	• "Find a better way" wellbeing program • Manager training on spotting burnout • Support groups for parents • 15-minute wellbeing breaks • Wellbeing classes • Wellness days • Mental health applications • Resilience workshops

Source: RedThread Research, 2020.

While these practices are clearly helpful in many organizations, we found them so broadly prevalent that they didn't seem to be differentiating. We, therefore, dug deeper into the interviews to identify additional practices that specifically align to enabling highly effective managers (see Figure 9).

While Figure 8 lists the more common practices happening in many companies, Figure 9 details those practices that align with enabling highly effective (responsive) managers.

Figure 9: How HR Can Enable Highly Effective Management Practices – Respect

PRACTICE	DESCRIPTION	DETAILS
Encourage employees to provide perspectives	Providing ways for employees to share their views on various aspects of their experience	**Example topics:** • Distractions employees face • Experiences working remotely • Engagement • Employee Net Promotor Score (eNPS) • Leadership effectiveness • Organizational health • Likelihood to return to office
Use technology to enable employees to provide ideas	Leveraging tech to ask for employee suggestions and ideas on how to respond better to the pandemic or social justice issues	**Examples of types of suggestions:** • Resources employees need • COVID-19 response
Provide a psychologically safe work environment	Creating a venue to talk about, rather than ignoring, the unique challenges employees are facing in 2020	**Example topics:** • "Courageous Conversations" Zoom event • "Nothing Left Unsaid" blog series • "Days of Understanding" sessions • "Change Starts at Home" conversations • "Empathy Circles"
	Providing managers an off-ramp into a nonmanagerial role if they're unable or unwilling to handle management responsibilities	• Moved managers into individual contributor roles

Source: RedThread Research, 2020.

Encourage Employees to Provide Perspectives & Use Tech to Enable Employees to Provide Suggestions

These two concepts clearly go together, however, there's a difference between them. Most notably, we didn't see much of a decline from before the pandemic to now for the practice, "Encourage employees to provide perspectives." However, we saw a 9-point decline for "Use technology to enable employees to provide ideas." So, what gives?

There are 2 differences – and both are important:

- First, "encouraging employees to provide perspectives" is a somewhat passive request. For example, it could include asking questions about employees' engagement, how they feel about the transition to working from home, perspectives on returning to the office, etc. Perspectives require sharing information, but not creating new information.

  By contrast, providing suggestions / ideas is much more active. It requires an employee to not just say how they're doing, but how they think things could be done better. It requires more mental engagement with the organization – and with that comes a higher expectation of actions to be taken.

- Further, this second item includes the use of technology. This point is really important when viewed through the context of the pandemic, since the majority of employees are connected by technology. If the organization is not asking for suggestions / ideas via technology, it's quite possible they're not asking at all.

Therefore, our conclusion is that, while it's important to ask for employees' perspectives – it's not enough.

> **The most responsive organizations and managers ask for suggestions and ideas, give employees a way to provide that information easily (via technology), and then act upon them.**

The simplest way to do this: Make sure there are ways for employees to provide both types of information – even if it's within a single survey.

Providing suggestions / ideas requires an employee to not just say how they're doing, but how they think things could be done better.

Real-World Threads[8]

Slack, a business communication platform, used an existing survey platform structure to tailor its response to COVID-19. Employee suggestions, solicited through pulse and wellbeing surveys, informed several of Slack's tactical responses to the pandemic, including increasing employee stipends for home offices and the creation of "Friyays" – a once-a-month companywide Friday off.

"In the beginning, people were unsure how to communicate what they wanted. Our survey platform allowed us to get insights into what was going on with our employees and avoid making assumptions. A couple of my initial hypotheses were proven wrong."

– **Dawn Sharifan**, VP of People, Slack

The use of wellbeing surveys has also helped Slack to pinpoint employees who may need additional support and resources around caregiving, mental health, or wellbeing. This has allowed Slack to support employees like Sheela Subramanian, keep their heads above water, by implementing flexible work arrangements.

"It's hard to both keep my kids sane and do a good job at work between the hours of nine and five. Leaders at Slack are working to build a more asynchronous work environment, where you can work over the course of a day, rather than within a fixed set of hours."

– **Sheela Subramanian**, Senior Director of Strategic Planning and Programs, Slack

The use of wellbeing surveys has also helped to pinpoint employees who may need additional support and resources around caregiving, mental health, or wellbeing.

8   "Case Study: Slack," Culture Amp.

Provide a Psychologically Safe Work Environment – Creating Venues to Talk About the Unique Challenges of 2020

Organizations use a range of practices to create safe spaces to discuss the specific challenges employees are facing related to the pandemic and the social justice movements. First, it's important to identify those challenges, as Talkdesk did.

Real-World Threads[9]

The sudden shift to working remotely due to COVID-19 completely transformed the employee experience at Talkdesk, a cloud contact center. With all the uncertainty and instability, the Talkdesk people team wanted to make sure employees felt supported.

By surveying employees, the company identified some opportunities that weren't being addressed or uncovered through other methods. The team found that employees might not feel comfortable discussing depression or loneliness in public settings like Slack, but they were more willing to share these feelings in a survey.

"We started to realize that the wellbeing of our employees was actually being impacted more than we expected because of the change to the at home environment."

– **Rod Lacey**, Head of People for North America, Talkdesk

Based on the survey results, the people team realized "… Employees are thirsty for interactions and engagement opportunities." The company launched Talkdesk's first-ever Wellness Week and expanded its diversity and inclusion programming as a result.

By surveying employees, the company identified some opportunities that weren't being addressed or uncovered through other methods.

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9   "Case Study: Talkdesk," Culture Amp.

Another example of identifying and serving underdiscussed needs came from Equinix.

Real-World Threads

Equinix, a real-estate investment trust company, released a twice-monthly blog series, titled "Nothing Left Unsaid," which focuses on the typically undiscussed elements of the pandemic and this year in general. These employee stories have touched on depression, anti-Black racism, anti-Asian racism, being an isolated over 60-worker, addiction recovery, and parenting while sheltering-in-place.

The intent was that, in sharing these stories, it would help everyone be aware of how others may be experiencing this time in our lives, inspire us to more deeply connect with each other, flex our empathy muscles, and perhaps even offer ourselves more compassion and patience during a challenging time. It has served to normalize and open up the dialogue for all employees – including between managers and direct reports – on some of the more unstated challenges of the pandemic.

"[Nothing Left Unsaid] has been really powerful in creating space to talk about what's been happening for employees. We've got an incredible response from it."

— **Janet Ladd**, Director of Inclusion and Belonging, Equinix

Equinix also launched a 24-hour grassroots event, called "WeConnect," which utilized Zoom lines, breakout rooms, open chat, and videos to bring employees together to discuss systemic racism, social justice, and self-care. This event featured employee-led "Courageous Conversations" around identity, race, prejudice, inclusion, intersectionality, and being an ally. WeConnect drew in more than 1,800 unique participants, and created an opportunity for employees to come together and work toward change within the organization and the community at-large.

> Sharing stories has served to open up the dialogue for all employees – including between managers and direct reports – on some of the more unstated challenges of the pandemic.

Another company that delved deeper into the events of 2020 was Wayfair, an eCommerce company that sells furniture and home goods.

> "When the social unrest started, we began a series of conversations which we've continued, called "Change Starts at Home." These discussions are designed to get folks on the phone talking about, "What does it mean to be Black in the corporate world?" "What does it actually mean to be transgendered in the corporate world?" Let me explain how challenging this is to all of you so you can understand this."
>
> – **Kate Gulliver**, Global Head of Talent, Wayfair

These types of events provided managers and employees alike with a common language around the challenging topics of diversity, equity, and inclusion. Some of the organizations we spoke with also created supplemental manager and employee guides to talk through the challenges posed by the pandemic or highlighted by the social justice movements.

Provide a Psychologically Safe Work Environment – Providing Manager Off-Ramps

Throughout our interviews, we heard about the manager divide that has been exposed by COVID.

> "In organizations I speak with, there is this divide – the "COVID Chasm" – where some people leaders really were able to lead both organizationally and individually and others were not so successful. This is the catalytic moment where things either fracture or forge."
>
> – **Greg Pryor**, Senior Vice President, People & Performance Evangelist, Workday

Most organizations' immediate response to the manager chasm is focus on closing capability gaps. However, some organizations realized that wasn't the right first step. Instead, they started by creating a psychologically safe environment for managers to ask themselves a hard question:

> **Given the current environment (kids at home, caregiving responsibilities, more stressful management situation, etc.), should I still be a manager?**

These events provide managers and employees alike with a common language around the very challenging topics of diversity, equity, and inclusion.

While most organizations' immediate responded to the manager chasm by trying to close capability gaps, some organizations realized that wasn't necessarily the right answer.

If the answer to that was "no," then these organizations created safe off-ramps for managers. This meant that managers kept their pay and job grade, but were found other opportunities that would allow them to contribute without managing people. The organizations that did this reflected on the fact that this showed immense respect to managers – and to their employees, who might not be getting the best management experience during the pandemic. It also created a psychologically safe environment in which to have this conversation. As one of our interviewees stated:

> "If you realize that you're not a people leader, that's okay too – you're not of a lesser [value] to the organization. You are not subservient to people that choose people leader track. It's okay, here's your chance to step out, and that doesn't mean out of the organization. It just means into a different capacity."
>
> – **Christopher Lind**, Head of Global Digital Learning, GE

GETTING STARTED – RESPECT

We've outlined in Figure 10 some initial questions for both managers and HR to use in thinking about how to get started with enabling respect.

Figure 10: Questions to Jumpstart Respect

MANAGER	HR
• To what extent do I understand the unique skills and knowledge my employees bring? • In what ways have I enhanced autonomy for my employees? • How am I opening up the conversation for employees to talk about the specific challenges they're facing right now that are unique to 2020? Can I create more opportunities for employees to speak with me about these challenges? • To what extent have I increased the frequency and transparency of communication regarding what's happening with the organization? • What confidential ways can employees provide perspectives and ideas on the challenges they're facing? If a tool isn't offered by HR, are there others I can use? • How am I ensuring that my employees feel encouraged to bring their authentic selves to work? • To what extent have I leveraged existing systems, processes, and tools to allow employees autonomy of their everyday tasks?	• In what ways have we changed our communication approach, increasing transparency and speed of communication? • To what extent have we integrated wellbeing, burnout, and engagement into our organizational discussion about the challenges of this unique time? What specific types of events do we have to support this? • To what extent have we developed guidelines and principles that give daily freedom to employees? • Do we know how well our managers enable autonomy? Are there resources in place to help them encourage it? • What systems and processes have we put into place to actively solicit perspectives and ideas from employees? • To what extent have we considered creating manager off-ramps for those who are feeling overwhelmed during this time?

Source: RedThread Research, 2020.
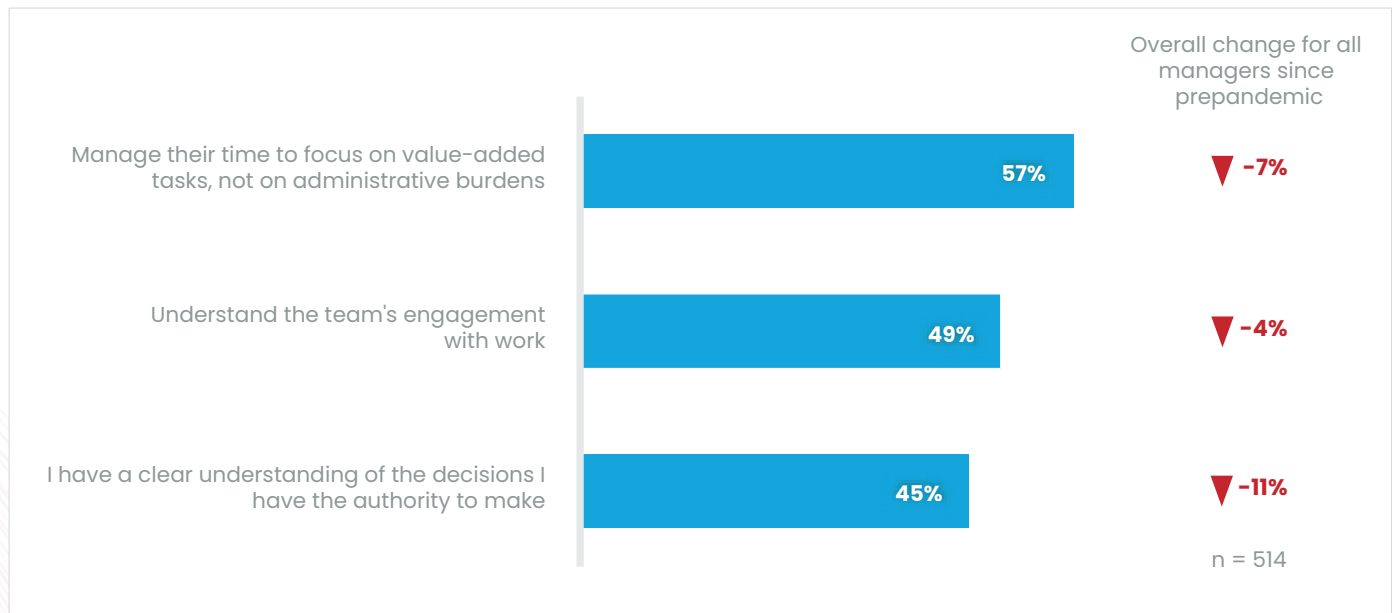
Lens 2: Distributed Authority

Responsive organizations distribute authority throughout the company – broadly and deeply – within their ranks, and empower all levels of the organization to act.

> *Organizations with high responsivity rely on guiding principles, quality data and insights, and employees' understanding and capabilities to speed up decision-making and action – and managers are the key to enabling this.*

WHAT THE MOST EFFECTIVE MANAGERS DO

Similar to Respect, we looked at the most effective managers to see which behaviors are also highly rated (see Figure 11). We again analyzed the difference from before the pandemic: We saw a perfect alignment – the behaviors that have declined the most are the same ones that the most effective managers do the best.

Figure 11: Top 3 Areas of Effectiveness for Highly Effective Managers – Distributed Authority

Overall change for all managers since prepandemic

Behavior	%	Change
Manage their time to focus on value-added tasks, not on administrative burdens	57%	▼ –7%
Understand the team's engagement with work	49%	▼ –4%
I have a clear understanding of the decisions I have the authority to make	45%	▼ –11%

n = 514

Note: Bar chart data are the percentage of highly effective managers who also engage in the practice "to a very great extent." Declines since prepandemic are comparisons of 2019 and 2020 data for percentage of all managers who did those things "to a very great extent."

Source: RedThread Research, 2020.

When we focused on how HR could especially help enable these practices, we identified several from our interviews (see Figure 12).

Figure 12: How HR Can Enable Highly Effective Management Practices – Distributed Authority

PRACTICE	DESCRIPTION	DETAILS
Focus on value-added tasks	Creating clarity on what to do and where to focus	• "PowerPoints don't have to be beautiful" • Manager Café on reprioritizing work • Establishing the purpose of emails (action / decision / inform)
Enhance the understanding of the team's engagement / clarify understanding of decision-making authority	Providing managers with engagement data	• Pulse surveys • Engagement surveys
Clarify understanding of decision-making authority	Sharing data insights and providing clarity on appropriate actions	**Types of data shared:** • People data (skills, capabilities, adoption of practices, feedback) • Financial data • Diversity and inclusion data • Operational data
Clarify understanding of decision-making authority	Creating general clarity on decision-making authority	• Decision logs • "Decision-maker" accountabilities • Decision frameworks

Source: RedThread Research, 2020.

Focus on Value-Added Tasks

Throughout our conversations on this topic, there was a focus on the importance of creating clarity on what had to get done and where people should focus, given the overall increase in stress and decline in connection. One simple shift made by one organization clarified meeting and email norms.

> "We want to be really clear around meeting norms and email norms. We've asked people to include action, decision, or inform in the subject of their emails, which has been so helpful. When you get an email, it's not just a topic – you understand the purpose of the email and what's expected of you."
>
> – Director of Talent, Tech Company

Real-World Threads

Another example came to us from Equinix, which focuses on helping managers do this through "Manager Cafes." These are highly interactive sessions hosted by a member of Equinix's talent team and a senior executive.

A previous topic included "recognizing burnout" and another currently planned session is focusing on "reprioritizing work." This second session aims to answer questions like:

- How do you reduce the work by focusing on what's most important to our customers right now?

- How can you say "no" to your executives to preserve the wellbeing of the team?

- How do you make less work by letting go of "nice-to-have" processes?

"Manager Cafes" are highly interactive sessions hosted by a member of the company's talent team and a senior executive.

Enhance Understanding of Team's Engagement / Clarify Understanding of Decision-Making Authority

Another key component of distributing authority is sharing data and clarifying the associated decision-making authority of those who have access to that data (i.e., what they can and cannot do with the insights, the types of responses that are within their realm of control). The data can be employee engagement data or data on broader people management topics (e.g., skills, capabilities), financial performance, diversity / equity and inclusion (DE&I), or other operational data. Without data, managers lack the insights they need to make high-quality decisions.

Without data, managers lack the insights they need to make high-quality decisions.

Real-World Threads[10]

One of Australia's most iconic supermarket brands, Coles, has benefited from effectively making engagement data available to its teams. Facing price wars and new low-cost entrants, the company made the strategic decision to focus on inspiring customers, smarter selling, and *winning together* as they worked at "helping Australians lead happier, healthier lives."

These strategic priorities, specifically winning together, highlighted the need to focus on employee engagement. Coles launched an annual engagement survey, biannual pulse survey, and employee exit survey. In 3 years' time, its annual engagement survey, "My Say," has become engrained in the company DNA. Coles has seen an engagement increase of 10% since its first engagement survey, with managers playing a crucial part in its success.

"Line managers have real-time data and the tool tells them where to focus attention. They can identify one thing and we put 3 actions against that. Then we go back between surveys and look at how we are tracking. It's a reinforcing mechanism that's been incredibly successful."

– **Hayley Eames**, Head of Culture & Capability, Coles

> The company has seen an engagement increase of 10% since its first engagement survey, with managers playing a crucial part in its success.

Another example is Intuit, a large financial software company, that has embedded employee feedback, data, and listening into the center of its decision-making process. The culture of the organization makes it clear that managers have the power to act on the needs of their employees.

> The culture of the organization makes it clear that managers have the power to act on the needs of their employees.

"I think all companies take employee sentiment seriously, but at Intuit it's on steroids. If there's a problem, we want to go after it and every employee voice matters. Managers are in a position when they get feedback from employees they feel empowered to take action."

– **Humera Shahid**, VP Talent Development, Intuit

10 "Case Study: Coles," Culture Amp.

While engagement and voice of the employee data are important, there are other types of data that can be critical to share with managers.

For example, a large financial services company recently implemented a people analytics dashboard that provides insights and analytics into each of their major change management efforts. Access to this data allows managers to invite front line employees into a conversation around the success of the initiatives. Employees can think about why changes aren't being adopted by other employees or customers – putting power into the hands of those closest to the work.

> "Absent the data, you can only go on your intuition about whether this is working or not working."
>
> – Vice President, Learning and Effectiveness, Financial Services Company

Clarify Understanding of Decision-Making Authority

Finally, in our interviews we heard about a variety of approaches to increasing decision-making authority. One leader shared that they had instituted a "decision log" among senior leaders, which was made available to all employees and managers. Whenever important decisions are made, an entry is included, which details the important factors considered and the reasoning for the final decision. The idea is to clarify how good decisions should be made. Other organizations either record or open up senior-level meetings for the same purpose – to share how good decisions should be made.

Another approach is developing frameworks that can help managers and employees make better decisions. For example, a participant at one of our roundtable events mentioned implementing a DACI (driver, approver, contributor, informed) framework to help clarify the decision-making process, improve accountability, and allow them to track how decision-making has transformed or shifted during times of change. This approach allowed the organization to develop a language around decision-making, so that whenever a project was launched, some of the first questions are, "Who's the driver? Who's the approver?" This clarity helped managers and direct reports make better decisions later.

Access to the people analytics dashboard allows managers to invite frontline employees into a conversation around the success of initiatives.

A decision log – made available to all employees and managers – includes details of the important factors considered and the reasoning for the final decision.

Distributing authority is critical for highly effective managers. In Figure 13, we provide some initial questions for both managers and HR to use in thinking about this topic.

Figure 13: Questions to Jumpstart Distributed Authority

MANAGERS	HR
• In what ways have I helped employees focus on value-added tasks? What types of work have I said can change and what must remain the same?	• What types of learning opportunities or resources have we put in place to help managers think through how to help employees focus on value-added tasks?
• To what extent have I helped my employees think about reprioritizing work?	• How have we made engagement and other employee data available to managers? To what extent have we helped managers understand the decisions and actions they should take as a result of that data?
• Would it be possible to integrate clearer direction on emails and other communications (e.g., action / decision / inform)?	• To what extent have we institutionalized decision-making authority at lower levels?
• To what extent do I have access to the data (engagement, financial, operational, etc.) I need to make decisions about my people? Who in HR can I ask to get what I need?	• To what extent have we put in place decision logs that clarify how the organization makes decisions?
• To what extent have I made it clear to my employees how I expect them to make decisions?	• What decision-maker accountabilities / frameworks have we made broadly available?
• Have I identified guidelines to help my employees make good decisions (e.g., DACI)?	

Source: RedThread Research, 2020.

Lens 3: Growth & Transparency

In the best of times, employees are looking for clarity. In 2020, when so much is opaque, that desire is as great – if not greater – than ever. Our data shows how incredibly important this is to do, especially now.

Responsive managers provide their direct reports transparency on past performance and future expectations, and an ongoing focus on growth.

WHAT THE MOST EFFECTIVE MANAGERS DO

Generally speaking, the most effective managers provide 3 things (see Figure 14):

- Transparency on past performance
- Transparency on future expectations
- An ongoing focus on growth

Figure 14: Top 5 Areas of Effectiveness for Highly Effective Managers – Growth & Transparency
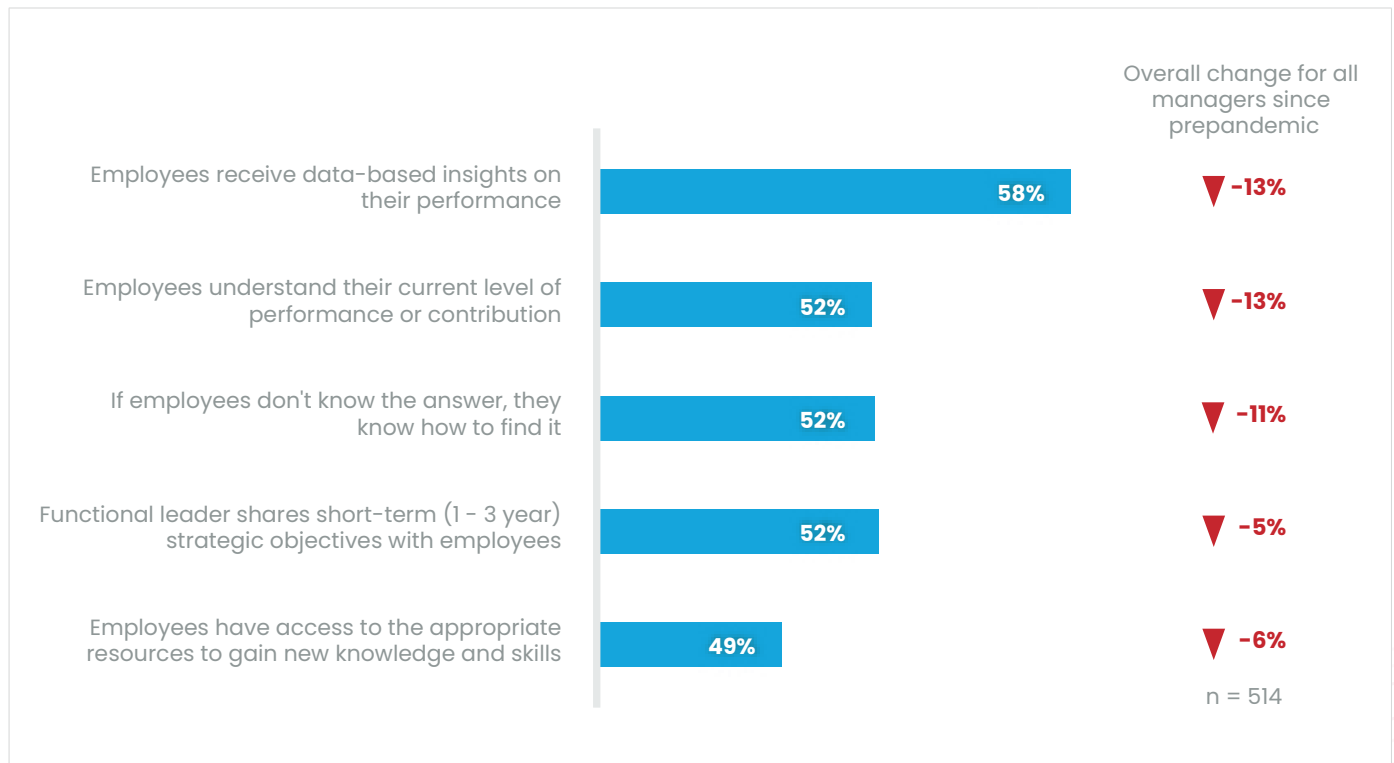
Note: Bar chart data are percentage of highly effective managers who also engage in the practice "to a very great extent." Declines since prepandemic are comparison of 2019 and 2020 data for percentage of all managers who did those things "to a very great extent."

Source: RedThread Research, 2020.

HOW HR ENABLES MANAGERS – GROWTH & TRANSPARENCY

HR has an incredibly important role when it comes to enabling growth and transparency in organizations. Some of the most important practices we heard are described in Figure 15.

Figure 15: How HR Can Enable Highly Effective Management Practices – Growth & Transparency

PRACTICE	DESCRIPTION	EXAMPLE
Provide performance transparency	Increasing feedback opportunities	• Introduce technology that can provide data to employees about their performance • Enable continuous feedback from managers or peers
Enable expectation transparency	Adjusting goal-setting	• Review shorter-term goals more often • Reprioritize short- and long-term goals
Support manager growth	Clarifying manager expectations and training	**Examples of manager expectations:** • 10 manager commitments • People manager philosophy **Examples of training opportunities:** • Workshops • Leadership development programs • Learning technologies (e.g., on-demand learning, learning experience platforms) **Examples of topics:** • Growth mindset • Trust • Emotional intelligence • Conflict management • Being decisive • Empathy • Vulnerability

Source: RedThread Research, 2020.

Provide Performance Transparency

The first practice is increasing transparency of performance feedback. While managers are an important part of this, so too is providing employees with other data on their performance. This is where we've started to see a proliferation of tools that can provide employees with more performance feedback. For example, we've seen some technologies that analyze digital exhaust (e.g., email metadata) or phone conversations to provide feedback to employees on their tone, responsiveness, and communication frequency.

How tech can help – some technologies analyze email metadata or phone conversations to provide feedback to employees on their tone, responsiveness, and communication frequency.

Another approach is to simply incorporate more people into the feedback process. This is the approach that a large financial services company used.

> "We introduced a tool that would let people give anytime feedback. You could receive feedback from your peers and they could give it freely or you could specifically request it. People really like the feedback piece, and not just from their manager but from other people around the organization as well."
>
> – Talent Management Executive, Financial Services Company

When it comes to expectation transparency, we've heard of numerous organizations increasing the frequency with which goals are being discussed. The following quote is indicative of what we've heard.

> "We are bringing goal setting into the weekly or bi-weekly conversation and adjusting as we're going. This allows us to say that performance is moving in the direction that we want it to and we're capturing and communicating that more effectively. I think this will continue to be the case, because organizations are realizing that planning 3 months out is a bit of a dice game right now."
>
> – Director, Technology Company

Enable Expectation Transparency

A critical part of those conversations is reprioritizing goals.

> *In this year's study, 55% of highly effective managers helped their direct reports reprioritize their goals to a very great extent, as compared with just 1% of ineffective managers.*

With expectation transparency, numerous organizations are increasing the frequency of goal discussions between managers and direct reports.

These involve deep and thoughtful conversations between managers and direct reports. We've heard of some organizations giving managers' discussion guides to help them with these conversations. We've also heard of senior leaders in the organization being more explicit about the organization's goals and asking people to rethink their work in the context of those new – and often shorter-term – goals.

Underlying both performance and expectation transparency is the need to have regular check-ins. Our data highlights the importance of this (see Figure 16).

> *On at least a weekly basis, nearly 80% of highly effective managers have check-ins with their employees and 57% checked-in more frequently.*

Figure 16: Frequency of Manager / Direct Report Check-Ins – Extremely Effective vs Ineffective Managers
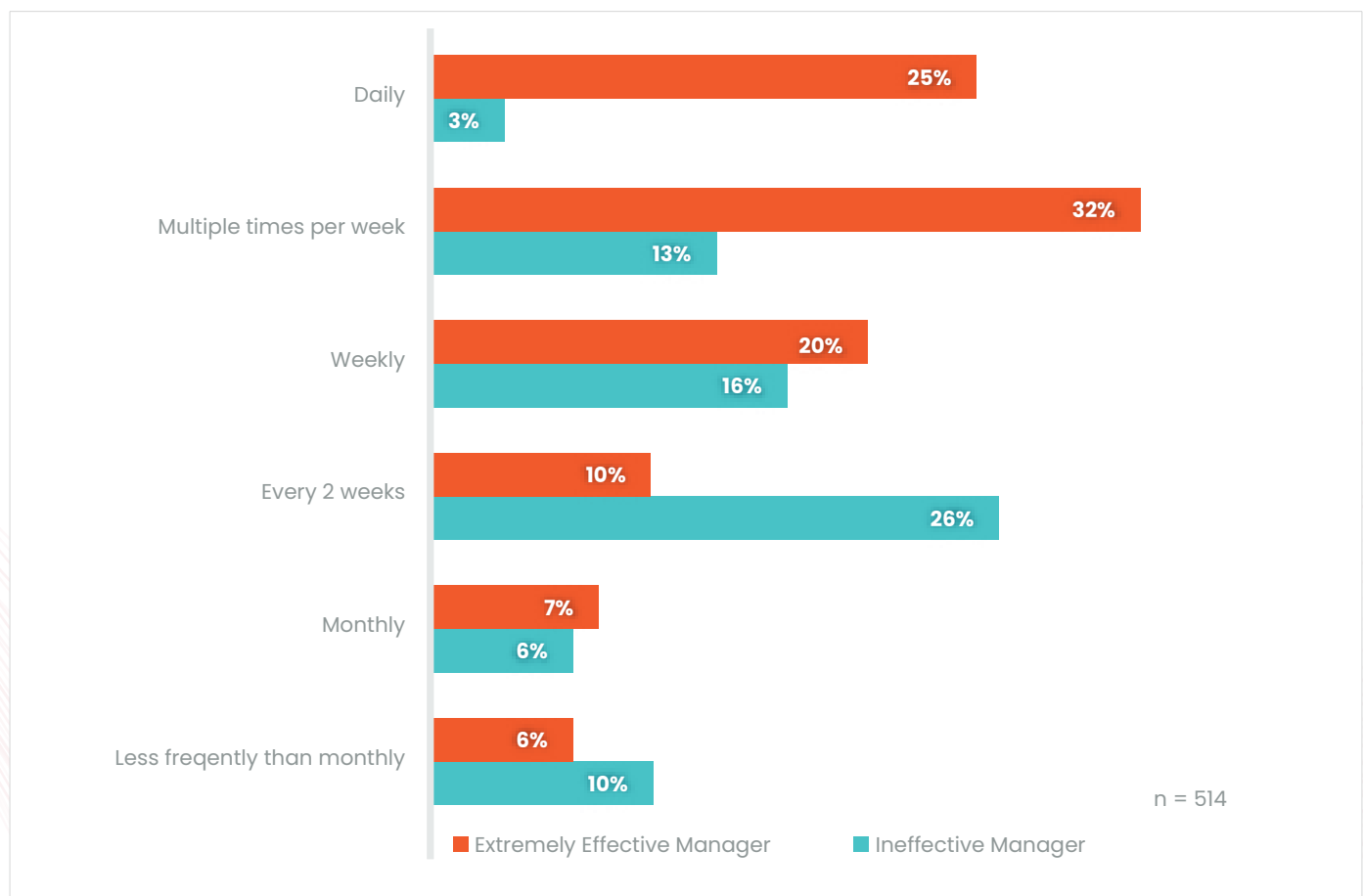
Source: RedThread Research, 2020.

Further, our analysis shows that the most effective managers increased the frequency of their check-ins since the pandemic.

Highly effective managers:

41% increased frequency of check-ins since the pandemic

vs ineffective managers:

13% increased frequency of check-ins since the pandemic

45% no change in frequency of check-ins

Regular check-ins not only have been found to help employees reprioritize their work but have also been linked to higher individual performance. Our previous work on modern performance management[11] indicated that, when managers perform ongoing coaching conversations with their employees, their organizations are 12% more likely to have high performing individuals. It's not surprising, then, that the best managers see the value in setting aside time with their employees.

Support Manager Growth

Finally, we heard in our interviews about a lot of effort put into upskilling managers during this time. Our conversations revealed that skills like agility, resilience, empathy, and vulnerability are becoming more important as managers navigate this year's challenges.

Regular check-ins not only have been found to help employees reprioritize their work but have also been linked to higher individual performance.

Manager skills – agility, resilience, empathy, and vulnerability – are becoming more important.

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11 *"What Makes Modern Performance Management Effective?"* RedThread Research / Stacia Garr, Dani Johnson & Emily Sanders, October 2019.

Real-World Threads

For example, ServiceNow launched a significant effort at upskilling managers during the midst of the pandemic, known as the 10 Manager Commitments. Managers were introduced to the commitments by their senior-most leader in a workshop environment, setting the stage for why they mattered and how each commitment would advance the business.

Managers were asked to complete a self-assessment, reflecting on their current performance against each of the commitments. This act of self-reflection helped to bring these commitments to life.

"We use the word commitment rather than expectation because that's really important to us. What we hope is our managers feel empowered to make these commitments to their teams and that they are really clear that this is what everyone deserves."

– **Thomas Igeme**, Head of People Manager Development, ServiceNow

Managers requested upward feedback from their teams and created action plans to address one commitment they would like to work on. While new, this strategic approach worked to engrain the commitments into the culture.

Recent feedback indicated that 92% of managers felt this process was a valuable investment in their development as managers, and 95% of managers identified a new action to put into practice to improve their team's performance.

GETTING STARTED – GROWTH & TRANSPARENCY

Managers are largely tasked with transparency and growth behaviors – they provide feedback on performance and encourage growth within their teams. However, organizations can enable managers by setting expectations, providing resources, and holding

them responsible. In Figure 17, we provide some initial questions for both managers and HR to use in thinking about this topic.

Figure 17: Questions to Jumpstart Growth & Transparency

MANAGERS	HR
• How often do I take opportunities to provide my employees with in-the-moment feedback that can help them perform better? • How often to do I check-in with my employees? Have I checked in with employees to understand if they're getting enough support? • How often do I review short-term goals with my employees? When did I last help my employees to reprioritize their goals and expectations? • When was the last time I talked to my employees about projects or experiences we could build into their work that would allow them to develop new skills? • Do I understand what my employees are learning or what they'd like to learn? • To what extent do I encourage learning through day-to-day activities? How do I encourage it and how could I do it more?	• Have we set and communicated to managers what the organization expects of them? What type of training / learning resources are available to support those expectations? • To what extent have we created accountability for managers when it comes to providing feedback? • Do our managers have the skills and support they need to give good feedback and to reprioritize goals? • To what extent have we provided managers with guidance on check-in frequency and content? • To what extent do we provide employees with data-based insights about their performance? • Do employees and managers understand the resources available to support employee growth?

Source: RedThread Research, 2020.

Lens 4: Trust

Organizations with trust don't just respect and listen to employees – they adopt a community mindset. These organizations have ceased to think in terms of "us" (managers) and "them" (employees), and instead have adopted a "we're all in this together" attitude – one that both helps employees learn from their mistakes and invests in solving problems together.

Organizations with trust adopt a "we're all in this together" attitude – one that both helps employees learn from their mistakes and invests in solving problems together.
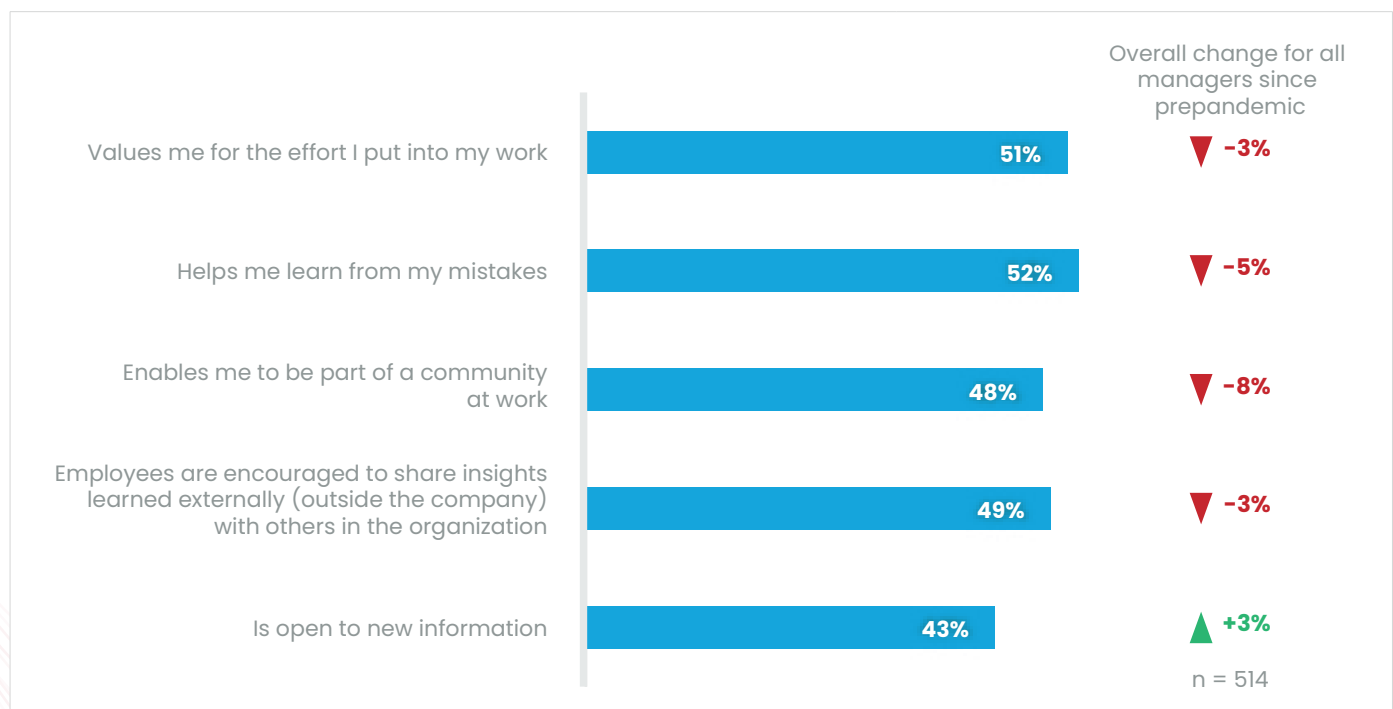
WHAT THE MOST EFFECTIVE MANAGERS DO

When it comes to building trust, the most effective manager behaviors are shown in Figure 18 and can roughly be bucketed into:

• Valuing employees

• Fostering openness

• Connecting to community

Intriguingly, we finally have some good-ish news, when we compare the numbers from before the pandemic with now – 4 of them are single-digit declines and one – managers being open to new information – is actually up (only the second item that has improved since December 2019). This is likely because managers and organizations have made significant effort in these areas, as we heard about in our interviews.

In particular, we heard about managers being open to new ideas on how to work more effectively during the pandemic. The items "Helps me learn from my mistakes" and "Enables me to be a part of a community at work" saw the most significant declines, of 5 and 8 percentage points, respectively. Since managers and direct reports aren't in the same physical location, this finding is not surprising.

Figure 18: Top 5 Areas of Effectiveness for Highly Effective Managers – Trust

Overall change for all managers since prepandemic

Area	%	Change
Values me for the effort I put into my work	51%	▼ −3%
Helps me learn from my mistakes	52%	▼ −5%
Enables me to be part of a community at work	48%	▼ −8%
Employees are encouraged to share insights learned externally (outside the company) with others in the organization	49%	▼ −3%
Is open to new information	43%	▲ +3%

n = 514

Note: Bar chart data are percentage of highly effective managers who also engage in the practice "to a very great extent." Declines since prepandemic are a comparison of 2019 and 2020 data for percentage of all managers who did those things "to a very great extent."

Source: RedThread Research, 2020.

HOW HR ENABLES MANAGERS – TRUST

While many of the specific manager practices for building trust are behaviors that managers themselves are in direct control of, there are still things HR can do to enable a rise in trust in the organization. Some examples we heard in our interviews are featured in Figure 19.

Figure 19: How HR Can Enable Highly Effective Management Practices – Trust

PRACTICE	DESCRIPTION	DETAILS / EXAMPLES
Value employees	Recognizing employees' contributions	• Encouraging formal and informal recognition • Enabling peer recognition programs
Foster openness	Creating transparent conversations with senior leaders	• "Ask Me Anything" events with senior leaders • Regular, open management calls • Leadership "Coffee Chats" • Weekly emails from CEO / senior leadership • Weekly forum with CEO and executive team • Town halls • Monthly meetings with CEO
Connect to community	Modeling connective behaviors at the top	• Senior leaders take pay cuts with everyone else • Senior leaders embrace Zoom mishaps
Connect to community	Supporting societal issues	• CEO committing to social & racial justice, and signing action pledge for inclusion and diversity • Executive sponsorship of "Black Professionals for Change" ERG • 2-for-1 match on charitable donations • Donating $100,000 to the NAACP Legal Fund • Multiple learning pathways on social justice • Manager conversation guides on George Floyd
Connect to community	Finding ways to encourage nonwork-focused interactions	• Cooking classes • Happy hours • Book clubs

Source: RedThread Research, 2020.

Value Employees

One of the most effective methods we've heard of over the years for valuing employees – and one that HR can enable – is the implementation of employee recognition programs. For example, some research shows that as recently as 2019, some 12% of employees feel they are never recognized for the work they do.[12] Formalized practices can help with this.

12 *Leveling the Field; Making Performance Management Work for Women*, RedThread Research / Stacia Garr & Emily Sanders & Priyanka Mehrotra, June 2020.

To be clear, just because the practice is formalized – meaning there's a set way to recognize people – doesn't mean that recognition activities have to be formal. Some direct reports really enjoy having their performance highlighted to peers, while others would prefer a much more subtle form of recognition. This is where a manager's discretion comes into play. However, HR can help improve the likelihood that an employee will feel valued by putting into place the resources for managers to so.

Foster Openness

The second broad area of focus is openness. While being open to new ideas or helping employees to learn from mistakes can be taught in leadership development courses, managers need regular reminders of the importance of doing this. This is where senior leaders' openness plays a role. In our interviews, we heard numerous examples of senior leaders setting examples of openness, especially at the beginning of the pandemic.

> "We've had regular management calls once a month where we are discussing, we are updating on what's happening, and sharing some of the things [senior leaders] are looking at right now. We share some tips, some topics, and seeking for [managers] to share how things are going. It creates quite a bit of discussion."
>
> – **Martin Tanguay**, Chief Human Resources Officer, Solmax

Connect to Community

The importance of senior leaders taking the lead in establishing trust can't be overstated, especially during the pandemic. We've heard many examples of senior leaders embracing Zoom mishaps – the child or spouse who walks in, the Internet dropping or freezing, or the use of funny Zoom backgrounds. HR leaders consistently mentioned that this open mindset helps foster a sense of "we're all in this together."

This topic came up with a different flavor during a conversation with a large technology company.

Some direct reports enjoy having their performance highlighted to peers, while others would prefer a more subtle form of recognition – a manager's discretion comes into play here.

Managers need regular reminders of the importance of being open to new ideas or helping employees learn from their mistakes.

The importance of senior leaders taking the lead in establishing trust can't be overstated, especially during the pandemic.

Real-World Threads

The company's business has been hit hard by COVID-19 and made the tough decision to cut employee pay in March 2020. The executive team, valuing their employees, made it clear that they wouldn't ask people in their company to do something they weren't willing to do.

"I think the most important thing was in March [the senior leadership team] took a 20% salary cut and they have not given it back when everyone else's salary has been reinstated. It sent a message. They have not bought or sold stock since it happened and our company has had wild ranges where they could have leveraged that. They said, 'We aren't going to ask people in this company to do something we aren't willing to do ourselves,' and they haven't reinstated their salaries."

– Head of Talent Management, Large Tech Company

Another way we've seen senior leaders show-up has been through making significant efforts to support social justice issues and engaging more fully in a discussion about what it means to be Black in corporate life. This focus by senior leaders has translated into resources being offered to managers to support their conversations. For example, we heard of organizations using their learning experience platforms (LXPs) to create learning pathways on social justice. These pathways are curated by senior leaders, and include an introduction from senior leaders to the pathway and why it's so important.

> Some organizations are using their learning experience platforms to create learning pathways on social justice – curated by senior leaders, with an introduction from senior leaders as to why it's so important.

"We recently published a pathway through our LXP on how to have conversations around societal issues. We curated both internal and external resources and put together the theme on why it's important to have these conversations. We now have 4 different pathways that have come out about things related to social justice."

– Vice President, Learning and Effectiveness, Financial Services Company

Other organizations have developed conversation guides to support discussions of social justice and specifically the murder of George Floyd.

Finally, we've heard about a lot more activity in terms of supporting Black employee resource groups and the conversations they're facilitating around racial justice.

Real-World Threads

At a large financial services company, ERGs have played a significant role in encouraging connection and open dialogue within the organization. After the death of George Floyd, a group of passionate employees stepped forward with a charter for "Black Professionals for Change." The group was quickly sponsored by an executive and found widespread support throughout the organization. The group's first meeting – a simple informational session – rallied over 150 attendees. The company's CEO showed his support to building an inclusive working community by publicly pledging to act on supporting a more inclusive workplace for employees, communities, and society at-large.

"I'm really proud of what we've been able to do. I've seen more meaningful action take place throughout our organization than I think it's made in several years. It's been a great outcome."

−Talent Management Executive, Financial Services Company

Finally, we heard a lot of stories about organizations and managers trying to create community through virtual classes (yoga, cooking, you name it – we've heard it!) and happy hours. A more recent trend we've heard about is employee book clubs, which many managers as well as other groups in organizations are facilitating. These seem to be gaining popularity as managers and employees are looking to create common experiences while still learning and growing.

GETTING STARTED – TRUST

Once again, managers play the pivotal role in developing trust. However, there are structural things HR can do to help them do this more effectively. In Figure 20, we provide some initial questions for both managers and HR to use in thinking about this topic.

Figure 20: Questions to Jumpstart Trust

MANAGERS	HR
• How regularly do I recognize all employees on my team for their contributions?	• What types of recognition programs do we have for managers to express to employees the value of their work? How well used are those resources?
• To what extent is the recognition I provide employees the type that they would prefer (e.g., formal, informal, public, financial, frequency)?	• How can senior leaders and others in the organization more publicly value employees?
• How cognizant am I about my language and tone when I'm dealing with failure on my team? Do I frame failures as learning experiences?	• To what extent have we created channels and spaces to allow employees to talk about failures, and use them as opportunities to grow?
• In what ways am I connecting employees to their work community? How have those translated to the virtual environment?	• Does our manager training and support include guidance on being appreciative to new ideas and information, and understanding how to help employees learn from mistakes?
• How much do I encourage my team to explore different industries and other companies to come up with solutions to our challenges?	• To what extent have we built a community in which people feel valued and want to work?
• To what extent am I open to new information? What specific examples do I have of being open to new information? How could I do this more?	• What types of resources have we offered managers to help them connect their employees better to their work community?

Source: RedThread Research, 2020.

Conclusion & Getting Started

The fog of 2020 has clearly been difficult for the world in general, and managers specifically. Despite these challenges, approximately 1 in 4 managers are excelling, as measured by the opinion of their direct reports. The impact of those efforts have been meaningful: Those direct reports are nearly 4 times more likely to recommend their organization as a place to work, 3 times more engaged, and 10% more likely to stay than their peers.

The specific high-responsivity manager practices are outlined in Figure 21.

Approximately 1 in 4 managers are excelling, as measured by the opinion of their direct reports.

Figure 21: High-Responsivity Manager Behaviors

RESPECT
- Collect employee perspectives and ideas
- Provide a psychologically safe work environment

DISTRIBUTED AUTHORITY
- Focus on value-added tasks
- Enhance manager access to engagement / other people data
- Clarify decision-making authority

TRANSPARENCY & GROWTH
- Provide performance transparency
- Enable expectation transparency
- Support manager growth

TRUST
- Value employees
- Foster openness
- Connect to community

Source: RedThread Research, 2020.

Given that we now know what needs to be done – and how HR can help – what should you do next?

- Start by turning to the self-check assessments in the appendices. We have included 2 – one for managers and a second for HR. These self-checks highlight the critical practices we identified in this report. They'll give you a structured way to identify the areas you think your organization is doing well in and those that need improvement.

- Next, share the self-checks with colleagues and other stakeholders in the organization. Use the self-checks as a way to spark discussions about differences of opinions on what your managers and organization broadly are doing currently – and what could change. Build your action plans based on the highest priorities for your managers and organization.

We hope this research inspires you to take action – today. Clearly, managers need help right now – and there are clear, concrete steps you and your organization can take to support them.

Given everything that is happening right now, it might feel challenging to add "yet another" thing to your plate. However, given the multiplier effect of great managers – how their strong behaviors can cascade down through to other managers – we believe that helping managers pierce the fog of today's uncertainty is actually *THE* thing that should be on your plate.

Appendix 1: Self-Check Assessments

This section includes 2 self-check assessments – one for managers and one for organizations.

Manager Self-Check Assessment

For the following questions, ask yourself "To what extent do I …" Mark the rating on the scale from 1 ("Not at all") through 5 ("To a very great extent"). At the end:

- Circle those areas in which you scored low and where you think you could change within the next 3 months
- Square those items in which you scored low and you think you could change within the next 6 to 12 months

Consider both examples from this report and from other learning sources to help you think about the changes you could make. Check in with your direct reports on your self-check, and ask for their opinions and help in improving.

Figure 22: Manager Self-Check Assessment

Lens	Practice	To what extent do I…	1 = Not at All 5 = To a Great Extent
RESPECT	Basic respect	Understand the unique skills and knowledge my employees bring	1.........................5
	Basic respect	Increase the frequency and transparency of communication regarding what's happening with the organization	1.........................5
	Basic respect	Ensure that my employees feel encouraged to bring their authentic selves to work	1.........................5
	Autonomy	Enhanced autonomy for my employees	1.........................5
	Autonomy	Leverage existing systems, processes, and tools to allow employees autonomy of their everyday tasks	1.........................5

Lens	Practice	To what extent do I…	1 = Not at All 5 = To a Great Extent
	Encourage employees to provide perspectives	Open up the conversation for employees to talk about the specific challenges they're facing right now, unique to 2020	1.........................5
	Use technology to enable employees to provide perspectives & ideas	Enable employees to confidentially provide perspectives and ideas on the challenges they're facing	1.........................5
	Provide a psychologically safe work environment	Create opportunities for employees to speak with me about the challenges they're facing unique to this time	1.........................5
DISTRIBUTED AUTHORITY	Focus on value-added tasks	Help employees focus on value-added tasks	1.........................5
	Focus on value-added tasks	Help employees think about reprioritizing work	1.........................5
	Focus on value-added tasks	Integrate clear direction on emails and other communications (e.g., action / decision / inform)	1.........................5
	Enhance understanding of team's engagement / clarify understanding of decision-making authority	Have access to the data (engagement, financial, operational, etc.) I need to make decisions about my people	1.........................5
	Clarify understanding of decision-making authority	Make it clear to my employees how I expect them to make decisions	1.........................5
	Clarify understanding of decision-making authority	Identify guidelines to help my employees make good decisions (e.g., DACI)	1.........................5
GROWTH & TRANSPARENCY	Provide performance transparency	Take opportunities to provide my employees with in-the-moment feedback that can help them perform better	1.........................5
	Provide performance transparency	I check-in with my employees	1.........................5
	Provide performance transparency	Specifically ask employees if they're getting enough support	1.........................5
	Enable expectation transparency	Review short-term goals	1.........................5
	Enable expectation transparency	Help my employees reprioritize their goals / expectations	1.........................5
	Support growth	Talk to my employees about projects or experiences we could build into their work that would allow them to develop new skills	1.........................5
	Support growth	Understand what my employees are learning or what they'd like to learn	1.........................5
	Support growth	Encourage learning through day-to-day activities	1.........................5
TRUST	Value employees	Regularly recognize all employees on my team for their contributions	1.........................5
	Value employees	I provide employees the type of recognition that they would prefer (e.g., formal, informal, public, financial, frequency)	1.........................5
	Foster openness	Frame failures as learning experiences vs irreconcilable problems	1.........................5
	Foster openness	Express my openness to new information	1.........................5
	Connect to community	Connect employees to their work community, especially in the virtual environment	1.........................5
	Connect to community	Encourage my team to explore different industries and other companies to come up with solutions to our challenges	1.........................5

Source: RedThread Research, 2020.

Organization Self-Check Assessment

For the following questions, ask yourself "To what extent has our organization …" Mark the rating on the scale from 1 ("Not at all") through 5 ("To a very great extent"). At the end:

- Circle those areas in which the organization scored low and where you think the organization could drive change within the next 3 months

- Square those items in which the organization scored low and you think the organization could drive change within the next 6 to 12 months

Once completed, share the assessment with other stakeholders in your organization to get their perspectives. Have them complete the same exercise you did to prioritize areas of need. Compare results and priorities to determine next steps.

Figure 23: Organization Self-Check Assessment

Lens	Practice	To what extent has my organization…	1 = Not at All 5 = To a Great Extent
RESPECT	Basic respect	Change our communication approach, increasing transparency and speed of communication	1...................5
	Provide a psychologically safe work environment	Integrate wellbeing, burnout, and engagement into our organizational discussion about the challenges of this unique time	1...................5
	Autonomy	Develop guidelines and principles that give freedom to employees on a day-to-day basis	1...................5
	Autonomy	Know how well our managers enable autonomy and the resources available to encourage it	1...................5
	Use technology to enable employees to provide perspectives & ideas	Offer systems and processes to actively solicit perspectives and ideas from employees	1...................5
	Provide a psychologically safe work environment	Consider creating manager off-ramps for managers who are feeling overwhelmed during this time	1...................5

DISTRIBUTED AUTHORITY	Focus on value-added tasks	Offer learning opportunities or resources to help managers think through how to help employees focus on value-added tasks	1...........5
	Enhance understanding of team's engagement / other data	Make engagement and other employee data available to managers	1...........5
	Clarify understanding of decision-making authority	Help managers understand the decisions and actions they should take as a result of engagement and other data	1...........5
	Clarify understanding of decision-making authority	Institutionalize decision-making authority at lower levels	1...........5
	Clarify understanding of decision-making authority	Put in place decision logs that clarify how the organization makes decisions	1...........5
	Clarify understanding of decision-making authority	Make decision-maker accountabilities / frameworks broadly available	1...........5
GROWTH & TRANSPARENCY	Provide performance transparency	Create accountability for managers when it comes to providing feedback	1...........5
	Provide performance transparency	Provide employees with data-based insights about their performance	1...........5
	Enable expectation transparency	Assess if our managers have the information and skills they need to help employees reprioritize goals	1...........5
	Enable expectation transparency	Provide managers with guidance on check-in frequency and content	1...........5
	Enable expectation transparency / support manager growth	Set and communicate to managers what the organization expects of them	1...........5
	Support manager growth	Assess if our managers have the skills they need to give good feedback	1...........5
	Support manager growth	Make available training / learning resources available to support manager expectations	1...........5
	Support manager growth	Ensure employees and managers understand the resources available to support employee growth	1...........5
TRUST	Value employees	Offer recognition programs for managers to express to employees the value of their work	1...........5
	Value employees	Have senior leaders and others in the organization publicly talk about the value of employees, with specific examples	1...........5
	Foster openness	Create channels and spaces to allow employees to talk about failures, and use them as opportunities to grow	1...........5
	Foster openness	Offer both manager training and support that includes guidance on being appreciative to new ideas and information, and understanding on how to help employees learn from their mistakes	1...........5
	Connect to community	Build a community in which people feel valued and want to work	1...........5
	Connect to community	Offer to help managers better connect their employees to their work community	1...........5

Source: RedThread Research, 2020.

Appendix 2: Methodology

This report relies on our insights from multiple studies.

The first is the original Responsive Organizations study (for full methodologyof the original report, see here). Put simply, our approach to that study was as follows: To understand responsivity, we reviewed more than 100 articles on topics related to organizational responsiveness and created a comprehensive 90-item survey on the topic, which 373 HR and business leaders completed in November and December 2019.

In the course of our analysis, we created a Responsivity Index, which includes 7 questions designed to measure responsivity, such as the extent to which the organization openly shares information and is decentralized in structure. We supplemented our analysis of these data with interviews with almost 30 leaders and a roundtable series that included more than 100 leaders (February-May 2020). We did all of this to understand what responsivity is, what affects it, what separates organizations in the bottom quartile of the Responsivity Index (low responsivity) from those in the top quartile (high responsivity), if it matters to business outcomes, and how to create it.

The second study, _The "Now" of Work & People Analytics_,[13] was built on the original research described above. It included an additional set of interviews with approximately 20 people analytics practitioners (March–July 2020), focusing on topics like the future of work and people analytics' role in enabling the organization of the future.

The third data source was the research completed just for this study. We leveraged the original Responsive Organizations survey question set, stripping items that weren't predictive in the original study and added 2 batteries of questions focused specifically on additional manager and organizational behaviors we thought likely to be critical, given the events of 2020. We also added a manager

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13 _The "Now" of Work & People Analytics: Lessons from an Octopus_, RedThread Research / Stacia Garr & Priyanka Mehrotra, August 2020.

effectiveness question as an outcome variable and adjusted our standard business outcome question, given the remarkable times.

This survey ran from September–October 2020, had an n of 514, and we completed analysis in late October 2020. The analysis methods included descriptive statistics, cross-tabs, and risk ratios. We also interviewed 20 HR leaders and conducted an 80-minute roundtable with 25 HR leaders to understand how their organizations are supporting managers during this time. We identified key themes from the interviews and matched them with key outcomes from the survey to arrive at our conclusions.
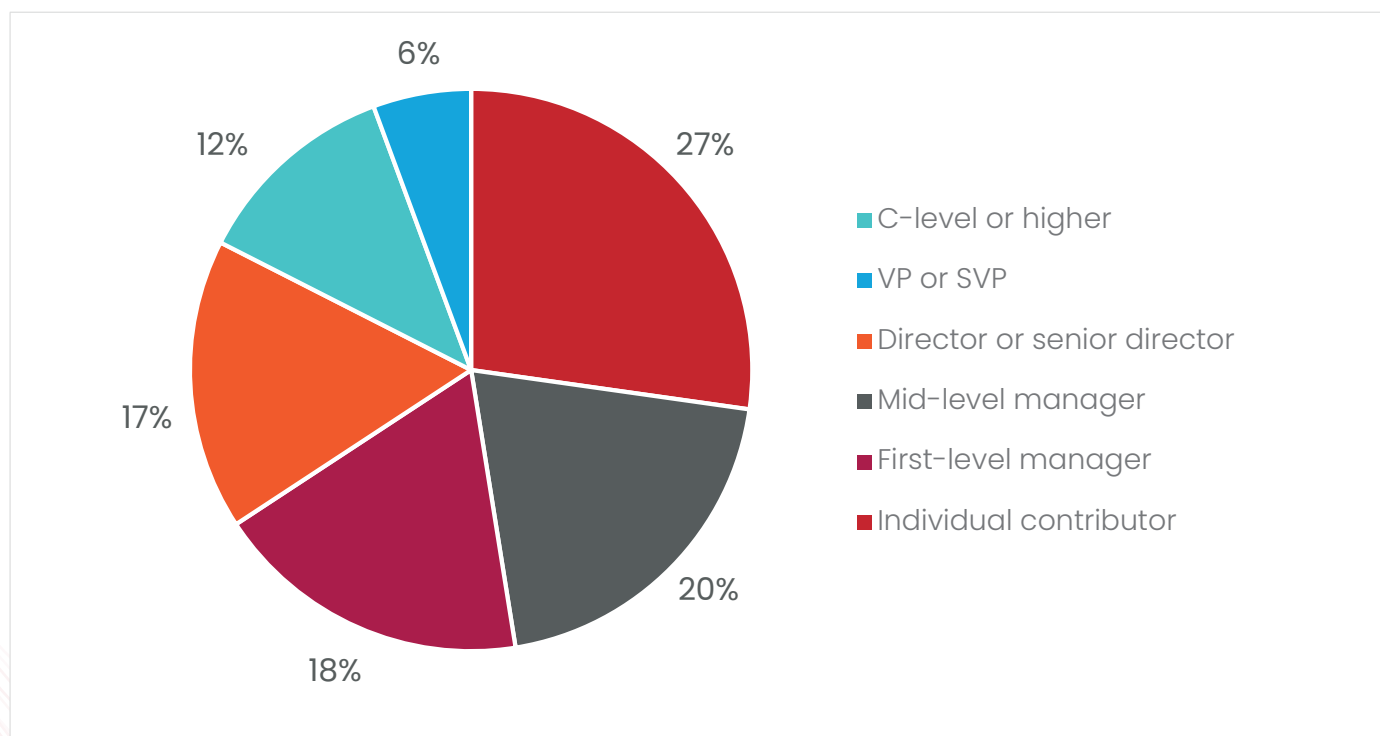
If you have additional questions about methodology, please reach out to hello@redthreadresearch.com.

Appendix 3: Study Demographics

After data cleaning, a final set of 514 respondents was included in the analysis. Of this set, 12% were C-level or higher, 6% were VPs or SVPs, 17% were directors or senior directors, 20% were mid-level managers, 18% were frontline managers, and 27% were individual contributors (see Figure 24).

Figure 24: Respondents by Level of Role*

- C-level or higher
- VP or SVP
- Director or senior director
- Mid-level manager
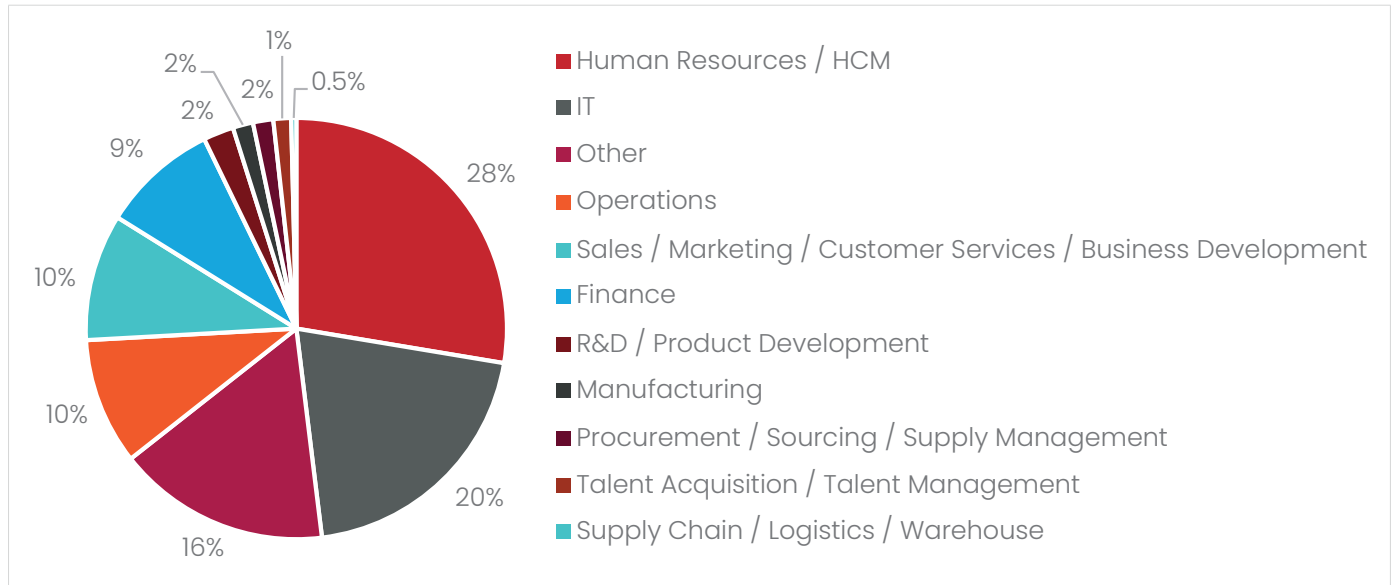- First-level manager
- Individual contributor

*The percentages may not total 100% due to rounding.

Source: RedThread Research, 2020.

In addition, 28% of respondents indicated that they're currently in a Human Resources role (see Figure 25).

Figure 25: Respondents by Function

Pie chart legend:
- Human Resources / HCM
- IT
- Other
- Operations
- Sales / Marketing / Customer Services / Business Development
- Finance
- R&D / Product Development
- Manufacturing
- Procurement / Sourcing / Supply Management
- Talent Acquisition / Talent Management
- Supply Chain / Logistics / Warehouse

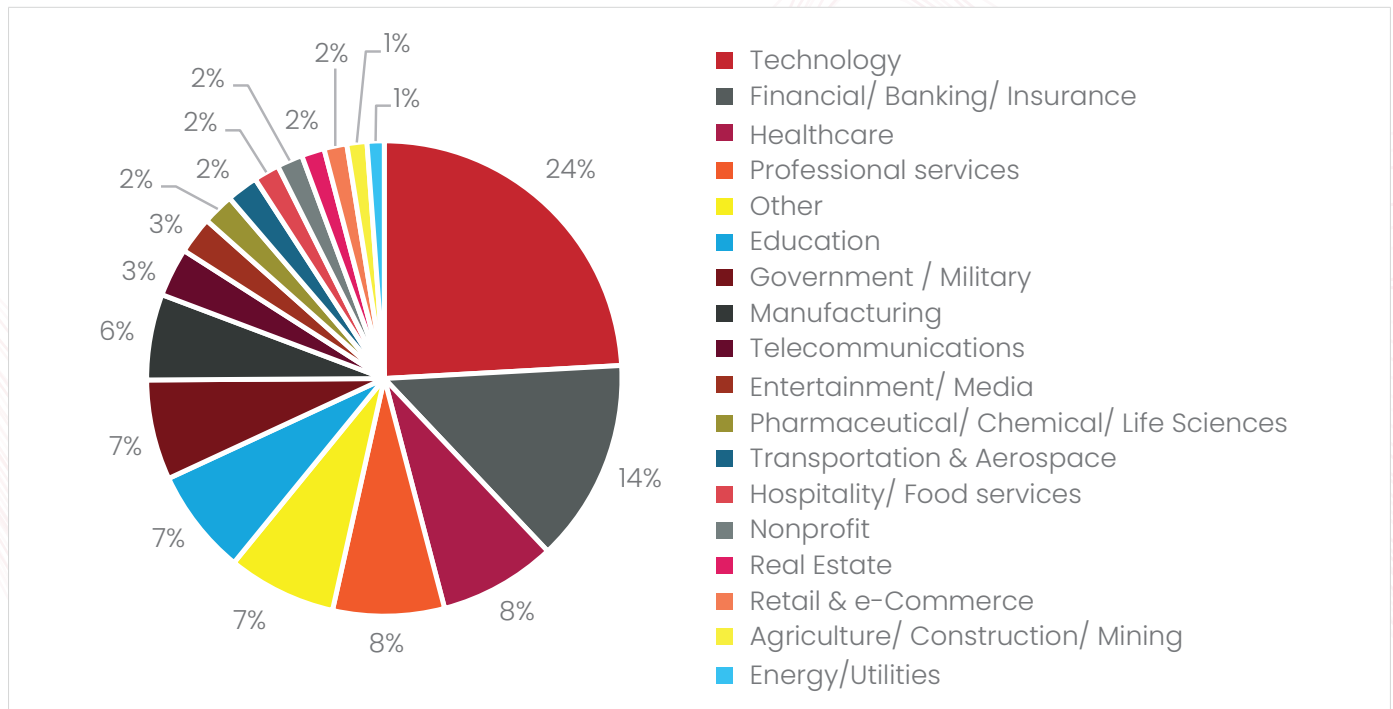Values shown: 28%, 20%, 16%, 10%, 10%, 9%, 2%, 2%, 2%, 1%, 0.5%

*The percentages may not total 100% due to rounding.

Source: RedThread Research, 2020.

In terms of industry representation, a majority of respondents indicated they worked in Technology, Financial Services, and Healthcare (see Figure 26).

Figure 26: Respondents by Industry*

Pie chart legend:
- Technology
- Financial/ Banking/ Insurance
- Healthcare
- Professional services
- Other
- Education
- Government / Military
- Manufacturing
- Telecommunications
- Entertainment/ Media
- Pharmaceutical/ Chemical/ Life Sciences
- Transportation & Aerospace
- Hospitality/ Food services
- Nonprofit
- Real Estate
- Retail & e-Commerce
- Agriculture/ Construction/ Mining
- Energy/Utilities

Values shown: 24%, 14%, 8%, 8%, 7%, 7%, 7%, 6%, 3%, 3%, 2%, 2%, 2%, 2%, 2%, 2%, 1%, 1%
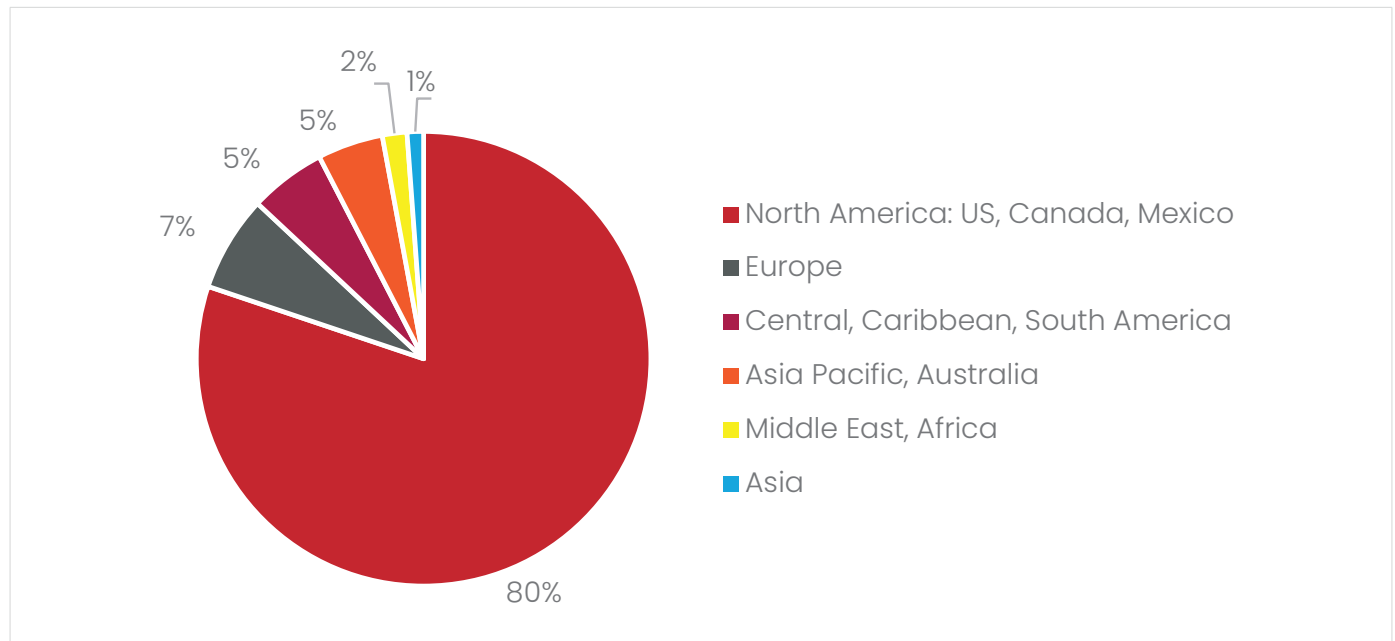
*The percentages may not total 100% due to rounding.

Source: RedThread Research, 2020.

Lastly, with regard to location, 80% of our sample indicated that their headquarters are located in North America (see Figure 27).

Figure 27: Respondents by Headquarters Location*

North America: US, Canada, Mexico
Europe
Central, Caribbean, South America
Asia Pacific, Australia
Middle East, Africa
Asia

*The percentages may not total 100% due to rounding.

Source: RedThread Research, 2020.

Appendix 4: Author & Contributors

Stacia Sherman Garr, Co-Founder & Principal Analyst

Stacia is a researcher and thought leader on talent management, leadership, D&I, people analytics, and HR technology. A frequent speaker and writer, her work has been featured in *Fortune*, *Forbes*, *The New York Times*, and *The Wall Street Journal* as well as in numerous HR trade publications. Stacia co-founded RedThread Research in 2018, after leading talent and workforce research for 8 years at Bersin by Deloitte. Before Bersin, Stacia spent approximately 5 years conducting research and creating learning content for the Corporate Leadership Council, part of CEB / Gartner. She has an MBA from the University of California, Berkeley, and a master's degree from the London School of Economics.

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Keith Gibson	Greg Pryor	

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