

# Too Busy Being Busy—Operations Leaders and Skeptics Take Note!

## Empowering Front-Line Managers by Professionalizing Operations Management

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### Executive Summary

Front-line managers are the critical link in organizational performance. However, they are often extremely busy dealing with a range of changing, complex, interrelated demands and challenges. Attempts to ease their workload by mandating their actions or by centralizing control can lead to managers who are less engaged and who have a diminished sense of involvement. Front-line managers need a common, professional operations management approach that enables them to have more responsibility and control over planning and decision-making, while at the same time reducing their workload. This paper discusses the challenges faced by front-line managers and explores the breakthrough thinking and methods currently being used to address these and to improve organizational performance.

### The facts

Front-line managers are managers who have immediate responsibility for a team of approximately 10–25 members of staff and are usually at the first level of management in an organization.<sup>1</sup> The number of front-line managers in a large company can reach up to 20,000 and these front-line managers are responsible for directly supervising up to 80% of a company's complement of staff.<sup>2</sup> They will often perform the same tasks as their teams, along with their management responsibilities, which include managing the individuals in their teams, budgets, work schedules, quality and operational performance, and customer care.<sup>1,3</sup> Front-line managers hold the critical role of being accountable for the production or delivery of services, and are key to motivating the morale and performance of front-line staff.<sup>2</sup> For this reason, front-line managers are essential to the success of an organization; front-line managers and staff have a significant impact on the productivity and efficiency of an operation.<sup>2,3</sup> Research has shown that the higher that staff rate their manager's ability to manage people, the more committed and satisfied they are, and the higher the performance of the organization. Indeed, front-line leaders have been shown to be crucial in the difference between low-performing and high-performing companies.<sup>1</sup>

### The challenges faced by front-line managers: a squeeze between corporate demands and customer satisfaction

Although front-line managers have been shown to have a significant effect on the performance of an operation, they are often too busy dealing with non-managerial and administrative tasks to focus on professional operations management. They face competing priorities and are subjected to unrealistic demands, with too few staff and too many constraints. Often they spend their time 'firefighting' (i.e. managing crises as problem after problem is left to reach critical levels of urgency and magnitude), with no time for reflection on longer-term goals and any emerging performance issues. All this leaves them with a limited amount of time to manage incoming workload and staff. A study into the time spent on various tasks by front-line managers from a number of different industries found that approximately 30–60% of their time was spent carrying out administrative tasks and meetings and 10–50% of their time was spent carrying out non-managerial tasks, which included executing special projects, travelling and directly dealing with customer service or sales themselves. Only 10–40% of their time was spent managing operations and staff.<sup>4</sup>

The shortage of time to spend on managing staff and their workload puts the morale and the

performance of the team at risk. The detrimental effects of this situation are particularly marked in service operations, where a causal relationship between the behavior and attitudes of front-line staff and the customer perception of service quality has been demonstrated.<sup>4</sup>

Ultimately, the outcome of this situation is that front-line managers do not have enough time to spend on the critical task of upholding and improving the performance of the organization, and it suffers as a result.

### The common solutions: mandating actions or centralizing control

The common way to address the challenges faced by front-line managers is to attempt to reduce their workload by mandating their actions or by centralizing control. However, in doing so, front-line managers end up simply communicating decisions from higher up the chain to front-line staff, without having the chance to contribute to what these decisions might be. They have limited flexibility to respond to any issues that may arise in their teams. The end result is that the front-line managers are less engaged with their staff and less able to respond quickly to emerging problems. Far from solving the problem, mandating actions or centralizing control can magnify the challenges faced by front-line managers

### Breakthrough thinking: empowering the front-line

In contrast to the common solutions mentioned above, best-practice organizations empower their managers to take responsibility for making decisions and responding rapidly to issues or opportunities.<sup>4</sup> Front-line managers have an intimate knowledge of their team's specific tasks, requirements and workloads and are therefore best placed to make decisions about its operation.<sup>4</sup> Transferring more control to front-line managers enables them to become more engaged with their staff and the performance of the operation improves. However, a professional, common operations management approach is needed to support and maintain this level of control in order for it to be successful. The optimum approach should enable front-line managers to understand how to find the latent capacity within their operation, release capacity to complete outstanding projects, identify who the most productive members of their team are, and gain control over their team's day, week or month, as well as their productivity and plans for the long-term, to foresee and actively minimize any potential obstacles.

### Assessing current operations management approaches against international best practice

Some organizations will not have a formal operations management approach in place, and, as a result, will not see the opportunity for improvement. Instead, they see discrete, interrelated problems with distinct solutions, solutions that include leadership training programs, increasing the number of reports produced, increasing reliance on technology, changes in processes and outsourcing, among others. Other organizations may already have an operations management approach in effect, but might question how their approach compares to the ideal best-practice model.

For both of these types of organization, there is a way to assess the current approach in use against an international best-practice model. The following Capability Maturity Model (CMM) has been developed by Alan Betts, Associate Professor at Warwick Business School, in conjunction with Active Operations Management International (AOMi). The model is designed to act as a framework against which organizations can rate their current operations management approach.

Level	Key Features
<b>Level 5 Quantitatively Managed</b>	<ul style="list-style-type: none"> <li>• Integrated forecasting and planning information along supply chain across organizational boundaries</li> <li>• Consistent and disciplined management control cycles covering all time intervals</li> <li>• Variance and variability systematically managed</li> <li>• Systematic performance improvement activities to improve operations management</li> </ul>
<b>Level 4 Managed</b>	<ul style="list-style-type: none"> <li>• Formal internal standards for capacity planning and control processes</li> <li>• Skills in operations management defined and explicitly developed as part of the organizational competency framework</li> <li>• Consistency of execution and tools independent of individuals involved</li> <li>• Integrated information systems supporting full-cycle control</li> </ul>
<b>Level 3 Incomplete</b>	<ul style="list-style-type: none"> <li>• Recognition of the four components of control: forecasting, planning, controlling and reporting</li> <li>• Manifestation of control cycle is a local or work-specific issue and may not include forecasting and planning in some contexts</li> <li>• No central standards or managed capability for operations management</li> <li>• Data and tools partial and not linked</li> </ul>
<b>Level 2 Ad Hoc</b>	<ul style="list-style-type: none"> <li>• Local practices for scorekeeping and reporting</li> <li>• Individuals are central to how information is presented and utilized</li> <li>• Focus on scorekeeping—issue-driven capacity planning</li> <li>• No explicit development of capacity planning or other core operations management skills</li> <li>• Largely spreadsheet-based local tools; no database of production information</li> </ul>
<b>Level 1 Unconscious</b>	<ul style="list-style-type: none"> <li>• No formality to production control</li> <li>• Focus on technical product or case outcome</li> </ul>

Level 5 in this CMM represents the ideal best-practice approach to operations management, which:

- Facilitates widespread collaboration
- Provides common control levers
- Fosters engagement
- Allows instant visibility on performance against plan from the scale of a single day to a week, a month or beyond
- Allows managers to plan ahead and anticipate any problems.

In a level 5 environment, senior managers coach and coordinate their teams rather than using the typical 'command-and-control' management style. Front-line managers are given more responsibility and confidence to make decisions about the operation of their teams. The process of cross-training staff in the skills used in other teams, along with the skills matrices associated with this, is the responsibility of front-line managers as opposed to HR. Managers are able to achieve a calmer work environment by disassociating their staff's pace of work from incoming workload and unlocking and using their latent capacity instead of preserving it.

The method used to assess the current level of an organization against the operations management CMM is normally carried out on-site via interviews with staff, the collection of data relating to output work volumes and staffing and observation of operational activities. However, an assessment is available that organizations can carry out themselves, which gives a general indication of what their current level is. Both the self-assessment and the on-site assessment are available through any local AOMi office.

## Active Operations Management

Although the operations management CMM is useful in establishing the attributes that a best-practice operation should exhibit, it does not outline the method by which organizations can achieve this.

Developed by AOMi, Active Operations Management (AOM) is an innovative approach to operations management that can allow organizations to achieve a level 5 status. AOM transforms the typical top-down, data-driven, command-and-control management style into a collaborative, method-driven, bottom-up culture, where decisions are made by the managers at the front-line of the operation. AOM provides managers with the ability to manage the uncertainties of work throughput and resource availability, resulting in improved performance across the operation.

Internationally recognized as best practice in service operations management, AOM drives a fundamental and lasting change in management behaviors, positively affecting the way operations work by concentrating on:

- **Method:** Defined work practices carried out daily, weekly and monthly, provide structure, consistency and better decision-making across teams.
- **Skills:** Training and coaching supports the 12-to-14-week implementation of AOM and a sustainability program maintains best practice. Accreditation in AOM skills and competencies contributes towards internationally recognized professional qualifications.
- **Tools:** A powerful, yet easy-to-use, cloud-based applications suite called Workware™ supports AOM-skilled managers.

AOM represents breakthrough thinking in the field of operations management, as recognized by several leading institutions, including Warwick Business School, the Operations Council of the Corporate Executive Board and the Institute of Leadership and Management. AOM has been deployed to many different service organizations, including banks, insurance companies and business process outsourcers, with staff numbers ranging from a couple of hundred to several thousand. AOM is implemented in groups of 100 to 500 FTE, either sequentially over time or in parallel.

Figure 1 shows examples of actual results achieved through the implementation of AOM. The rapid increase in productivity during the first weeks of the program is of particular note. As indicated in the graph, one of the objectives of AOM implementation is to increase productivity within an operation by at least 30%.

## ACTUAL PRODUCTIVITY GROWTH BY SITE/GROUP - Canadian & US Operations

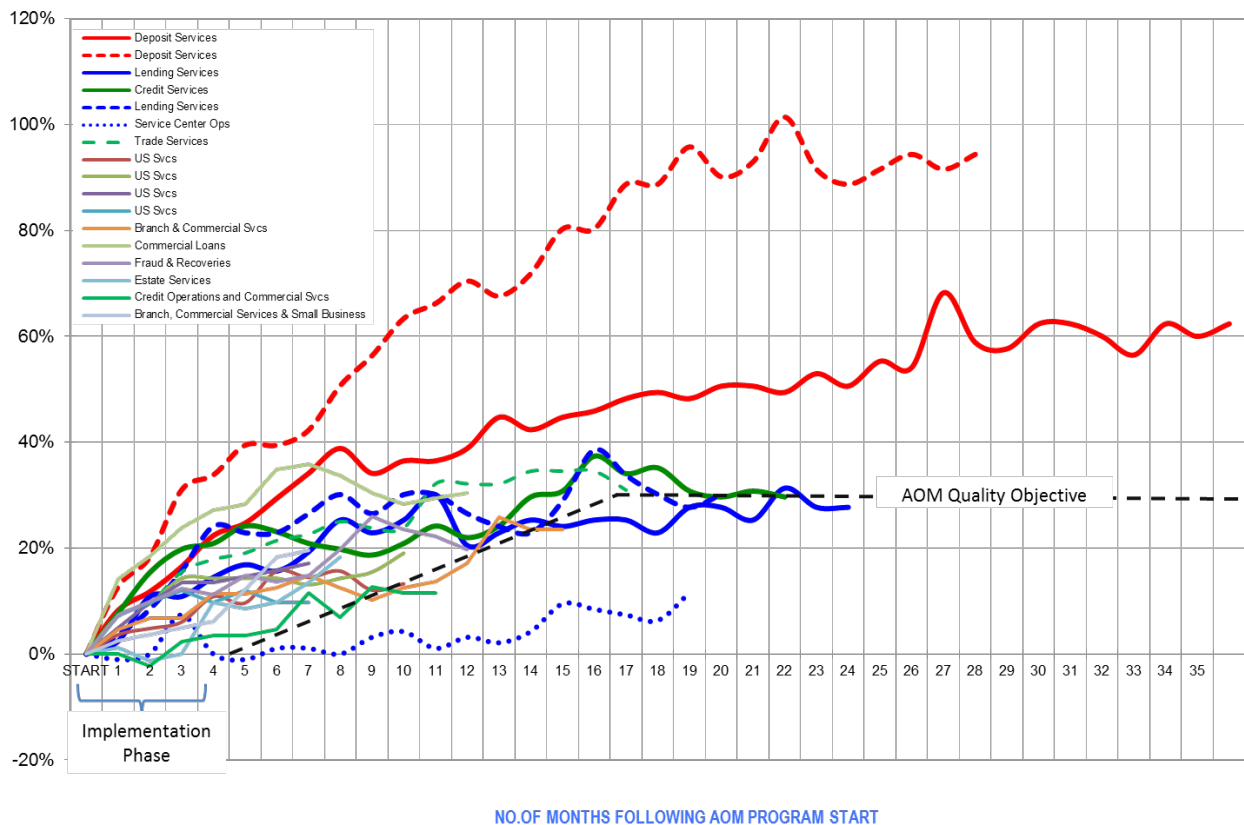


Figure 1. Change in productivity across different service organizations following the implementation of AOM

### Conclusion

Front-line managers can positively influence the performance of an organization through increased involvement with, and effective management of, their teams. However, in order to instigate this, front-line managers require a professional, common operations management approach to be put in place, which empowers them to take responsibility for making decisions relating to the operation of their teams and allows them to respond rapidly to arising issues or opportunities. AOM represents breakthrough thinking in the field of operations management, as recognized by Warwick Business School, the Operations Council of the Corporate Executive Board, the Institute of Leadership and Management as well as leading banks, insurance companies and business process outsourcers. AOM transforms the typical command-and-control management style into a collaborative, method-driven culture, where decisions are made by the managers at the front line of the operation. AOM provides managers with the ability to manage the uncertainties of work throughput and resource availability, resulting in improved performance across the operation. AOM is an innovative, professional approach for organizations looking to improve their operational performance.

For further information about AOM or assessing your organization's current operations management approach against the best-practice Capability Maturity Model, please contact your local AOMi office from the locations outlined on the following page.

## References

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3. Acas. Front line managers. Acas; London, 2009.
4. De Smet A, McGurk M and Vinson M. Unlocking the potential of frontline managers. *McKinsey Quarterly* 2009. Available at: [http://mkqpreview1.qdweb.net/Unlocking\\_the\\_potential\\_of\\_frontline\\_managers\\_2418](http://mkqpreview1.qdweb.net/Unlocking_the_potential_of_frontline_managers_2418).

## About AOMi

Active Operations Management International (AOMi) developed Active Operations Management (AOM) specifically for service operations. AOM provides organizations with a structured and consistent operations management capability that is the catalyst for achieving operational excellence.

With global operations in six international regions, AOMi is a world leader in the improvement of performance in service operations. AOM has been adopted in over 35 countries by clients who recognize the value of consistent operations management; over 40,000 of our clients' employees are actively managed by the AOM approach. Reflecting our global reach since forming in 2005, AOMi received the Queens Award for Enterprise in 2011.

### FOR MORE INFORMATION

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