

Why Managers Are Failing to Execute Strategy, and How Organizations Can Help



Managers are the central nervous system of every organization, communicating strategy to their teams and ensuring that they successfully execute it. A company can have the most elaborate and innovative strategy, but if the managers aren't able to harness the talent of their teams and lead them in the right direction, the strategy will fail.

In effective organizations, managers are laser focused on making their organization's vision a reality. They spend most of their time implementing strategy. Shockingly, these days that appears to be the exception rather than the rule.

Canadian Management Centre along with our global affiliate, American Management Association's latest research found that managers are not focused on this key area. Most managers spend less than half their time implementing their organization's strategy, raising questions about their dedication, focus, efficiency—and above all, whether they are adequately trained to meet the challenges facing today's leaders. No matter the cause, the unintended consequences of not focusing on strategic implementation is that organizations fall short of achieving their goals. Our survey identified the skills managers need to effectively execute strategy, and determined which are in short supply, contributing to management's crisis of focus.

We surveyed 1,100 people who supervise others—including managers, directors, VPs and executives. Key findings include:

- 1 Leaders are deeply disconnected from their organization's strategy. Many don't contribute to shaping it.
- 2 Although leaders strongly value effective communications, they are overwhelmingly struggling to get their message across.
- 3 Communication and decision making are the skills in greatest demand.
- 4 Leaders also highly value skills that help them motivate their teams, such as team building, coaching, managing talent growth, and performance feedback.
- 5 Managing across generations is a widespread trouble spot.
- 6 Dealing with hybrid and remote work remains difficult for most managers.

The vast majority of leaders, and particularly senior leaders, agree that their jobs have evolved over the past five years, in ways modest and profound, potentially contributing to the skills gaps that are troubling organizations. While most organizations provide training to help leaders handle their rapidly evolving roles, many are trailing in this area, and the widespread lack of focus suggests that the training organizations offer may be inadequate.

Only 48% of survey respondents said they spent more than half of their work week implementing their organization's strategy.



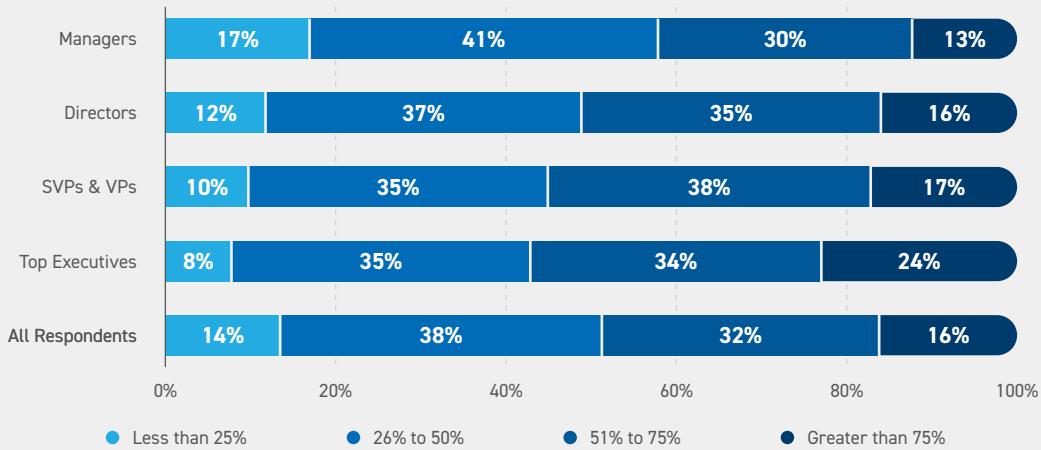
The Part-Time Manager

Today's leaders are battling unprecedented distractions, in their own work and that of their teams. Managers can easily fill their days dealing with emails, virtual meetings and productivity tools. And of course, knowledge workers have access to an irresistible worldwide web of distractions that can readily hijack their attention when work is demanding or tedious.

These distractions appear to be driving a crisis of focus. Only 48% of survey respondents said they spent more than half of their work week implementing their organization's strategy. The proportion was lower for line managers: 43%. Even more disconcerting: About 1 in 7 leaders overall (14%) and 1 in 5 leaders at organizations with more than 10,000 employees (21%) said they spent less than a quarter of their time implementing strategy (see chart). In other words, organizations are paying full-time salaries and only reaping part-time benefits from their leaders.

These findings raise important questions. What are leaders spending the rest of their time on? How many millions or billions of dollars could organizations save by improving their leaders' focus and reducing tactical tasks and distractions? And if there's so much leakage in leaders' efforts, how focused are their teams? To what extent are organizations failing to achieve senior leadership's goals due to this lack of focus on strategic implementation? And are organizations adequately training their managers to handle their rapidly evolving roles?

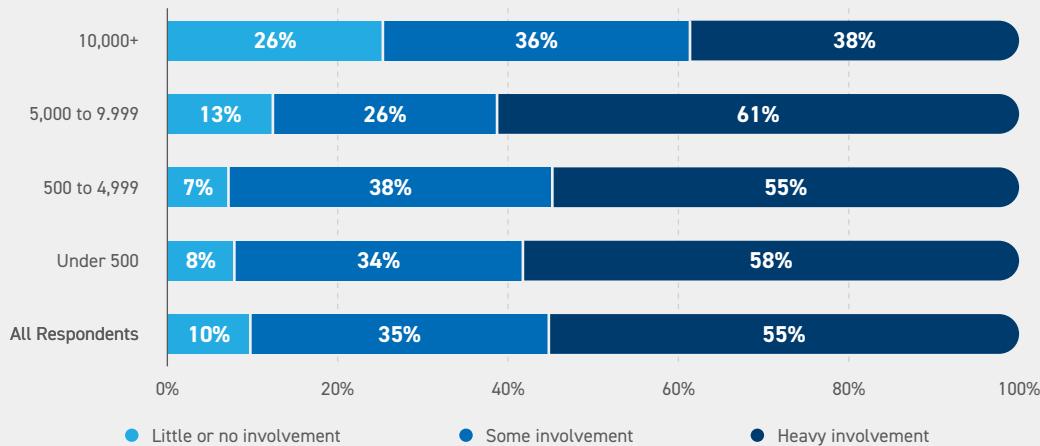
How much of your time is dedicated to implementing your organization's strategy (by job level)?





We also found that nearly half of leaders feel disconnected from their organization's strategic direction. Overall, 45% of respondents said they had "some" (35%) or "little or no" (10%) involvement in defining their organization's strategy. Naturally, a greater proportion of senior respondents said they were "heavily" involved in defining strategy, and respondents at larger organizations were less involved. About a quarter (26%) of those at organizations with more than 10,000 employees said they had "little or no" involvement in defining strategy. It's true that "too many chefs spoil a stew." It's also true that a lack of ownership or affinity with a strategy could deplete a leader's enthusiasm for implementing it.

How involved are you in defining your organization's strategy (by company size)?



Women and manager-level respondents were the most likely to see a need for better managerial communication.



The Communication Gap

Contemporary organizations have more means of sharing information than ever: phone, email, instant message and collaboration tools, project management applications, ERPs, MRPs, CRMs, SCMs and a bottomless well of other platforms. Yet the results of our survey suggest that management is contending with a communication breakdown.

Leaders are having a hard time getting their message across. They clearly recognize how crucial communication is to their success. Respondents at all job levels ranked "communicating leadership's vision and relating it to individual responsibilities" as management's most important role. Further, a large majority of respondents (85%) ranked "communication and flexing communication style" as a critical management skill.

Yet when asked what interpersonal skills leaders need to improve, "communication" was the most common answer, chosen by 72% of respondents. Manager-level respondents feel the pain most acutely. They were considerably more likely to say that their colleagues and supervisors needed to communicate better (77%) than were directors, SVPs and VPs (68%) and top executives (64%). Additionally, more women (77%) than men (68%) see a need for better managerial communication.

The communication breakdown may be more evidence in support of naysayers who contend that the technology that has infused modern life has its downsides. Or perhaps organizations' goals and expectations have become so elaborate and ever changing that communication has become overly difficult. Either way, it's clear that organizations need to help their managers develop better communication skills, to ensure that everyone is aligned with leadership's strategic vision.

Communication is the matrix that holds teams together and gets them moving in the same direction. It is critical to building loyalty, trust and dedication, and to achieving strategic goals. To establish oneself as a strong, reliable and supportive leader, managers should practice what we call the five A's of communication:





Skills Needed to Be a Strong Leader

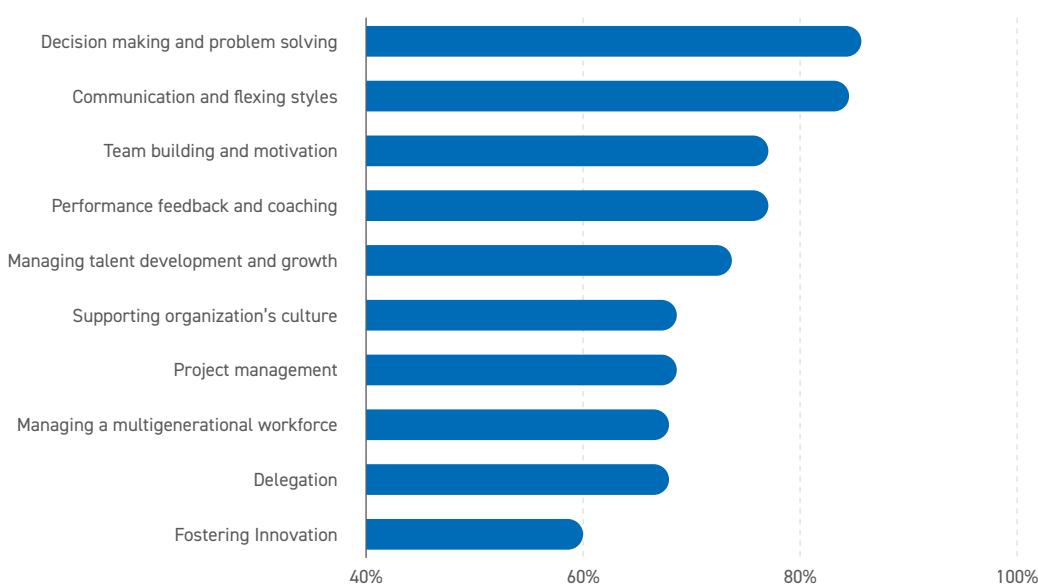
What does it take to be a strong, effective leader in today's evolving organizations? What key interpersonal skills that support effective strategy implementation are in short supply? We sought the answer to those questions by asking respondents to identify which of 10 widely recognized management competencies they would rank as "important."

As mentioned earlier, a large majority of respondents (85%) identified communication as vital. But topping the list, 86% cited "decision making and problem solving" as a critical skill. This makes sense. After all, the buck stops with leaders, and the more they move up, the more they are called upon to make difficult decisions. At every level, managers must decide how to best support implementing their organization's strategy, and they must prioritize how to best use their limited resources. Oftentimes, choosing what not to spend your time on is just as important as what you do spend your time on.

Survey respondents also valued three sets of skills needed to motivate and focus individuals and make them work together to achieve great things. In particular, respondents cited the power of "team building and motivation" (77%), "performance coaching and feedback" (77%), and "managing talent development and growth" (74%).

It's worth noting that "fostering innovation" was identified as a key skill by the smallest proportion of respondents (60%). This may support the idea that organizations are in a period of adaptation and consolidation, adjusting to the dramatic shifts that have occurred in the past five years. It may also be a sign that innovation has been such a strong focus for so long that it has been ingrained in organizations' DNA, and managers take it for granted.

Which management functions would you rate as "important?"

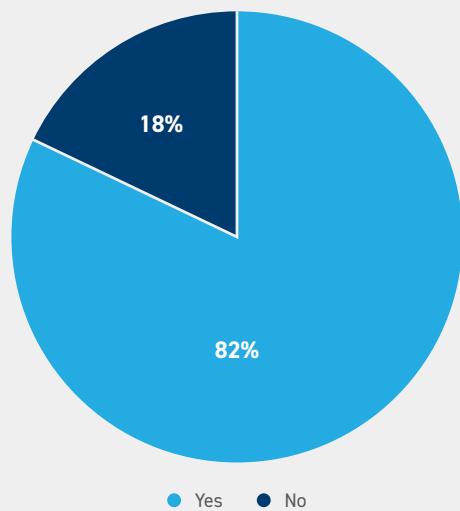


How Leaders' Roles Have Changed

Change is a constant in business, but the pace of change these days is arguably unprecedented—a fact that is making it harder for managers to drive results. Five years ago, who would have guessed that a capricious virus would—in addition to exacting a terrible toll on human health—disrupt the traditional office, with remote and hybrid work becoming commonplace? Who could have foreseen the emphasis on equity and sustainability? Who would have thought that knowledge workers would be posing complex questions to inanimate “machine learning models” that answer in lucid, conversational (if sometimes bizarre) prose?

Managers are broadly affected by these changes. More than four-fifths (82%) of respondents said that their roles and responsibilities have changed “significantly” since 2019. Our findings suggest that these changes are contributing to managers’ struggles in executing their organization’s strategy.

Have managers' roles and responsibilities changed significantly over the past five years?

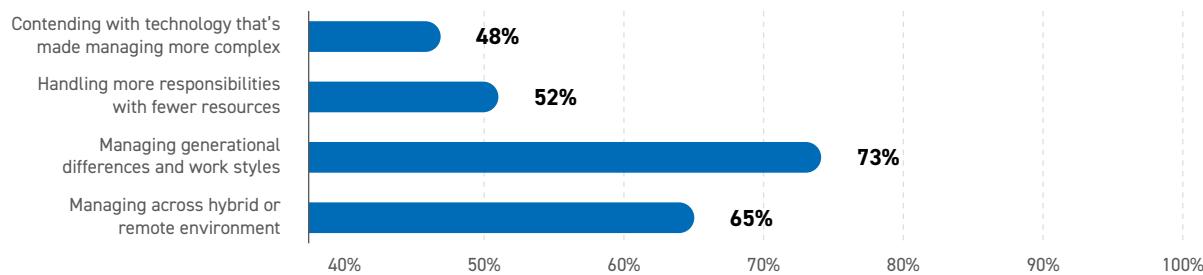


To understand how management has changed and how it's affecting strategy execution, we asked these respondents about four specific challenges:

- 1 Managing generational differences and work styles
- 2 Managing across a hybrid or remote environment
- 3 Handling more responsibilities with fewer resources
- 4 Contending with technology that has made managing more complex

This section analyzes their responses. In some cases, organizations of different sizes felt the change more acutely (see chart below).

How have responsibilities specifically changed?



“The workforce has changed, making it difficult to find a one-size-fits-all approach. The need to be dynamic and flexible is greater than ever.”



The generation gap

Curiously, despite Covid, rapidly evolving technology and other developments, the largest proportion of respondents (73%) cited the challenge of “managing generational differences and work styles” as a significant change. The proportion was highest (82%), for organizations with 1,000 to 4,999 employees.

Much of the challenge appears to focus on fundamental interpersonal and workplace skills. One respondent offered this explanation: “The workforce has drastically changed, making it more difficult to find a one-size-fits-all approach. The need to be dynamic and flexible is greater than ever.”

Another elaborated: “One of the biggest challenges is in managing across multigenerational teams, including identifying how to motivate a team composed of very different EQ (emotional quotient) and driving factors. Loyalty is not as important as in the past. To lead a successful team, leaders need to stay up to date on how different generations think and are motivated.”

While the friction associated with managing across generations may be intensifying, this is by no means a new phenomenon. As we’ve noted, there are profound differences in how generations work and view work. For instance, experts say Baby Boomers tend to “live to work,” while Gen Xers “work to live,” prioritizing productivity so they can get more done in fewer hours and have a richer life outside work. Additionally, different comfort levels with technology can cause tensions, particularly given the frustrations sometimes faced by older leaders who may not be “digital natives.” On the other hand, older leaders may resent assumptions that they cannot adapt to new ways of working.

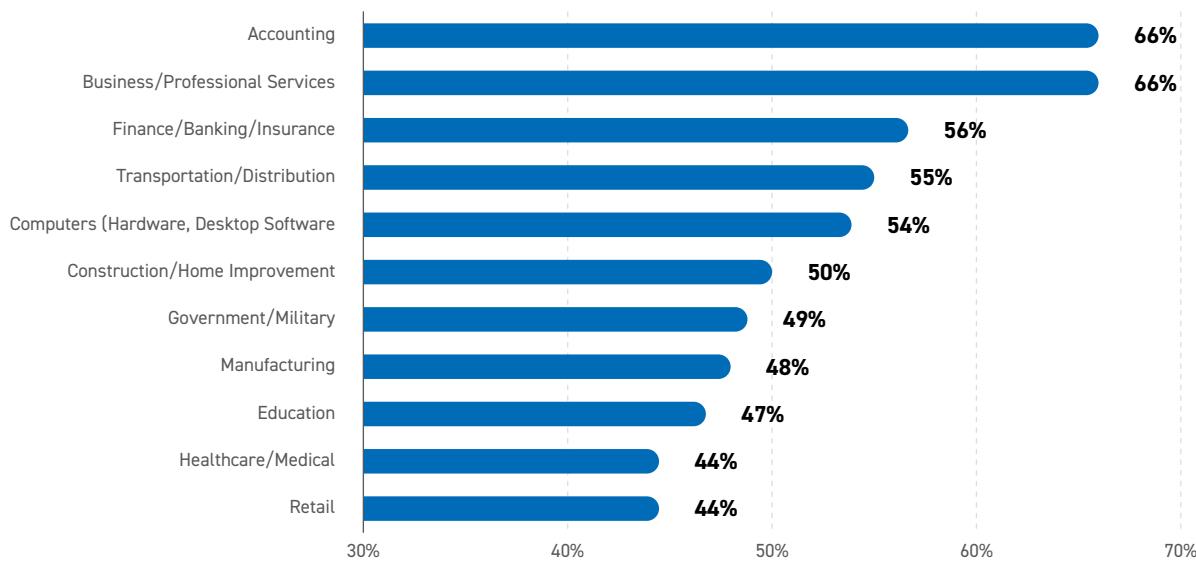
Our data suggests that generational differences are making it more difficult for managers to execute their organization’s strategy. Fortunately, there are techniques, such as making mentoring a constant and expanding communication strategies, that savvy managers and organizations can rely on to bridge the gaps.

Managing hybrid and remote teams



The second most common change our survey identified is perhaps less surprising: "managing across a remote or hybrid environment," cited by about two-thirds (65%) of those who said management roles have changed. Organizations with 5,000 to 9,999 employees and professional services industries, such as accounting (see chart), were the most likely to be struggling with this.

Proportion citing "Managing a hybrid or remote environment" as new challenge (by industry)



Remote and hybrid work [have affected](#) many millions of workers and upended office culture, seemingly abolishing the decades-old norm of the weekday commute. Some leaders perceive this as hindering the performance of teams. One respondent lamented dealing with "remote staff who now are needed onsite, but have become accustomed to remote work." Of course, there have been benefits and drawbacks to out-of-office work; [our recently published research](#) on the trend's impact on career advancement.

Remote and hybrid settings introduce an element of distance between managers and their teams, which can make it more difficult to execute strategy. Coaching is essential to bridging the gaps, but managers must adapt their coaching skills. Face-to-face approaches often don't work well virtually. Instead, managers need an entirely new set of skills, from innovative listening techniques to new measures of success.

More responsibilities with fewer resources



Third on the list of specific changes was “more responsibilities with fewer resources,” cited by slightly more than half (52%) of respondents. Despite the conventional wisdom that smaller organizations tend to have tighter budgets, organizations with fewer than 5,000 employees were less likely to cite this as a concern. The proportion rose to 60% for those with more than 5,000 employees, and 67% for those with more than 10,000 employees.

Motivating an overworked staff is tough. Yet motivation is the fuel that drives teams to execute strategy. No matter how clearly leaders communicate the organization’s objectives, progress relies on energizing and aligning the team behind those goals. Fortunately, there are strategies for motivating overworked team members. Managers need to identify signs of disengagement, particularly among top performers. They need to provide career development strategies that build skills and cultivate an “achievement mentality.” After all, research has shown that “the glue that binds someone to your organization is the learning curve.” Remember that employees—even the hardest working ones—are looking for more than just compensation.

Technology's impact



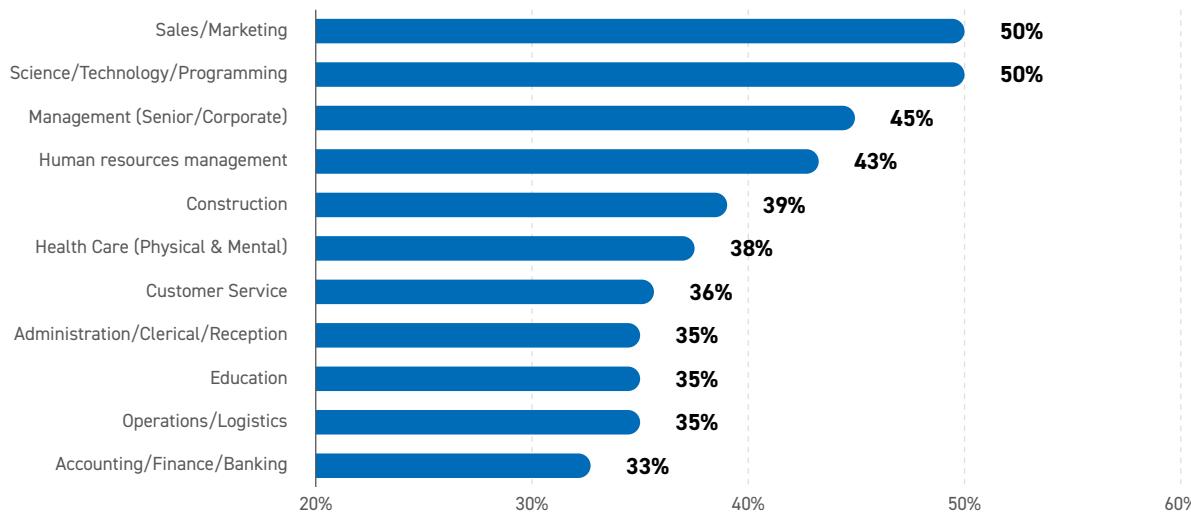
The final change we asked about was whether "technology has made the manager's role more complex." Technology is a double-edged sword: It can empower organizations, offer insights and drive efficiencies. Artificial intelligence promises to play a transformative role, taking on many of the tasks currently handled by well-paid knowledge workers. But as we all know, technology can be deeply frustrating, sapping motivation and distracting teams from executing strategy.

Slightly fewer than half of respondents (48%) said that technology has made managers' lives more complex, although once again leaders at larger organizations were more likely to see this as a challenge. Fifty-seven percent in organizations with 5,000 to 9,999 employees and 54% in organizations with more than 10,000 employees said technology was making the manager's life more challenging.

Technology affects job functions differently within the same organization. Roles reporting the highest levels of impact include sales & marketing (50%), science, technology & programming (50%), senior & corporate management (45%), and human resources management (43%).

There are numerous reasons why technology may distract managers from executing strategy. Digital tools should enable efficiency and new possibilities, but they can block progress when applications malfunction, workflows are inefficient, interfaces are poorly designed, and systems are inadequately integrated. Solving such issues depends on effective collaboration with IT. But often teams resist using new technology due to cultural barriers, resistance to change and perceived complexity. In these cases, training is essential.

Proportion who said "Technology has made managing more complex" (by job function)



Top executives were far more likely to see a need for improving assertiveness and confidence.



Key Opportunities for Improving Leadership

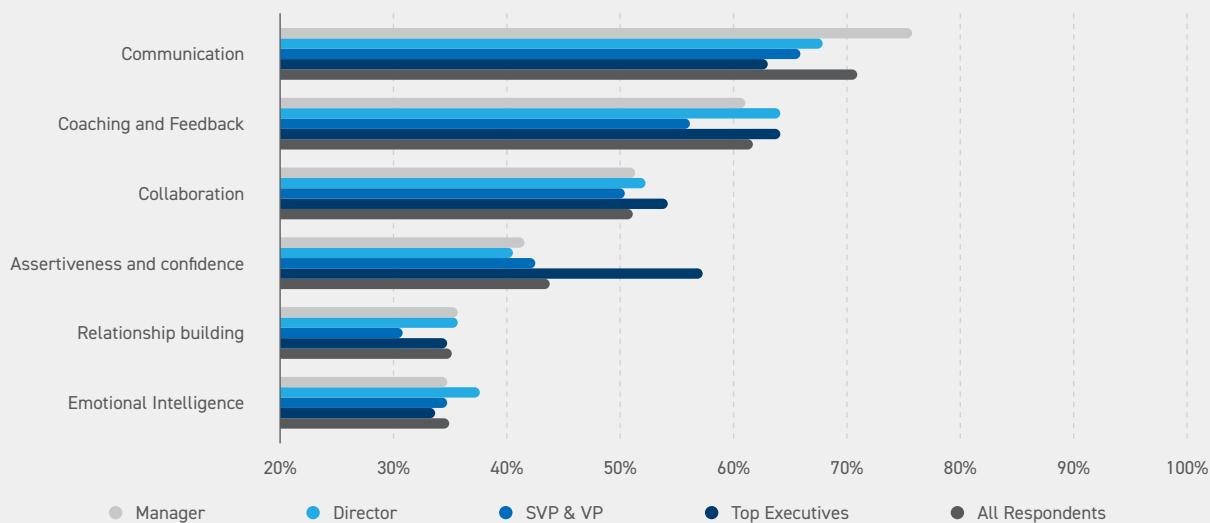
Management is a marathon with no finish line, in which you're always striving to do better, and the higher you rise, the more your shortcomings are thrust into a spotlight. Even the most successful executives have visible weaknesses and shortcomings. So in addition to communication, what other interpersonal skills did respondents say managers in their organization needed, in order to more effectively execute strategy?

Most pointed to "coaching and feedback" (63%) and "collaboration" (52%), followed by "assertiveness and confidence" (44%). These relatively high proportions suggest that organizations could significantly improve performance by enhancing learning and development to boost managers' interpersonal skills. Relationship building (35%) and emotional intelligence (35%) are the skills least in short supply, but still sought by more than 1 in 3 organizations.

Respondents' views on which skills managers need to improve were relatively consistent regardless of job level or gender, with a few notable exceptions. For one, SVPs and VPs were less likely to regard "coaching and feedback" as lacking (57% vs. 63% overall), perhaps because they deal with higher-level managers who possess these skills. Still, it's significant that more than half of VPs and SVPs view this as an area of potential improvement. Second, top executives were far more likely to see a need for improving assertiveness and confidence (58% vs. 44% overall), perhaps because these skills drive the decisiveness and bold action that produce results and efficiency at a high level.

Leaders can increase their teams' energy, focus and productivity by getting managers in the habit of trusting their employees, and employees in the habit of trusting their managers.

Which interpersonal skills should managers in your organization focus on improving the most?





Conclusion

In the coming years, managers' jobs will continue to evolve and become more difficult. One thing that will remain constant is the need for organizations to have strong management teams who can successfully execute strategy. Organizations will need agile leaders; people who can see around the next corner, and prepare themselves and their teams to thrive. They will need managers who can effectively communicate strategy, translate it into action plans, harness their teams' talents, and inspire them to focus on bringing the leadership's vision to life. Learning and development will play a critical role in ensuring that strategic plans are translated into actionable tasks and successfully executed to achieve their organization's goals.