

# R ResearchLink

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## Harness the Power of Frontline Supervisors to Turn HR Policies into Performance Gains

### THE TOPIC: THE ROLE OF FRONTLINE SUPERVISORS IN HR MANAGEMENT

In response to evolving customer demands, many companies are adopting competitive strategies that emphasize innovation in products, processes, and technologies. These strategies, in turn, are increasing the demand for workplace learning—even among low or semi-skilled employees—as they need to absorb new skills and routines to perform their jobs.

One approach to creating a learning environment is to broaden the core responsibilities of frontline supervisors—beyond traditional duties of monitoring and administration to a set of performance-oriented tasks that identify, assess, and develop the competencies of their employees and align their performance with the organization's strategic goals.

This study examines a set of supervisory activities designed to improve employee learning, problem-solving, and performance. Rather than taking a traditional approach focusing on individual performance management alone, this study examines the synergistic effects of coaching by frontline supervisors in combination with group management practices—all in the context of daily work tasks and technological constraints.

### KEY FINDINGS

- ◆ Frontline supervisors play a critical role in implementing HR policies by developing employees and managing performance.
- ◆ Coaching counts—one-on-one feedback from frontline supervisors increases the bottom-line by improving individual productivity.
- ◆ Coaching alone isn't enough. It is much more effective when combined with other management practices—for example, group incentives that enhance collaborative problem-solving and learning, and reinforce the lessons from individual coaching.
- ◆ The resources and constraints of workplace technologies can affect the return on your frontline coaching and HR management strategies. Don't overlook the level of process automation and rate of technical change on the job.

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## THE STUDY QUESTIONS

In this study, researchers asked the following questions:

- ◇ How does individual coaching—frontline supervisors providing one-on-one feedback and guidance—affect employees' performance over time?
- ◇ Do group management practices—team projects, group rewards, and pairing new with experienced employees—improve performance?
- ◇ Can organizations reap greater performance gains by combining individual coaching and group management practices?
- ◇ How do workplace technologies help or hinder the effectiveness of coaching?

## THE RESULTS

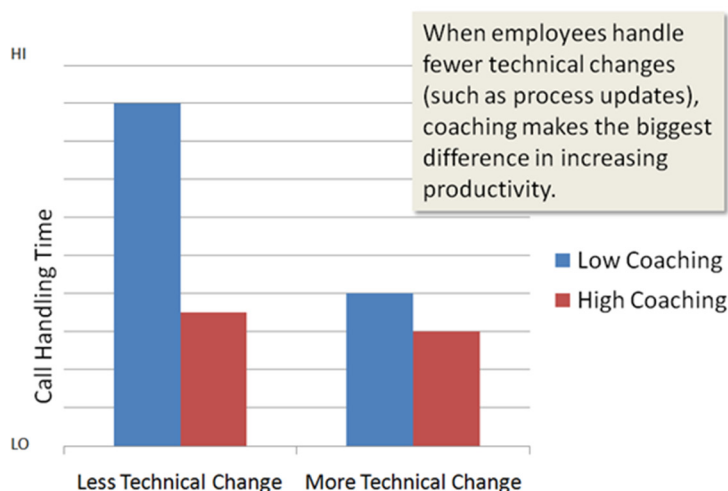
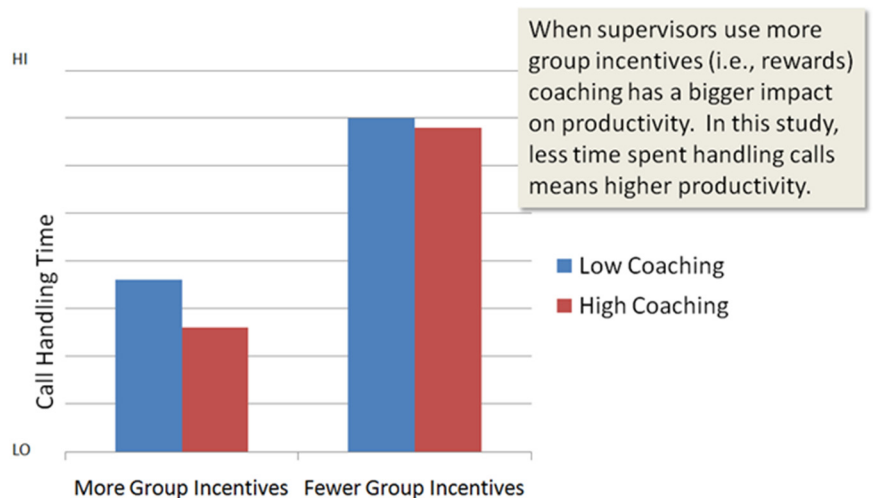
*Coaching increased productivity over time.* When frontline supervisors spent more time providing individual feedback and guidance, employee productivity improved.

*Coaching yielded substantial financial returns.* In the context of this study, a single hour of coaching translated into a monthly return of \$18.00 over and above the cost of a \$48.00 investment in that coaching.

*The use of team projects and group rewards increased employee performance.* However, pairing less with more experienced workers, sometimes called buddy systems, was not related to productivity improvement in this particular setting.

*Performance improvements from coaching were higher* when frontline supervisors combined coaching with group rewards.

*The interaction between coaching and workplace technologies was significant.* While all work groups in this study benefited from coaching, the returns to investment were higher in less automated sites than in more automated sites. In addition, the benefits to coaching eroded more quickly where technical changes were occurring at a faster pace.



In sum, these findings emphasize the importance of taking a coherent approach to implementing HR policies at the workplace level—an often neglected area of HR management. While much research in strategic HR management has shown the link between HR policies and organizational performance, few studies have focused on the vital role of frontline supervisors in their interactions with work groups and individuals. This study indicates that what truly matters for performance is the informal implementation of management practices by frontline supervisors, not just the existence of formal HR policies.

## PERFORMANCE ON THE FRONTLINE: COACHING AND GROUP MANAGEMENT PRACTICES

Coaching has advantages over formal training because it's considerably less expensive and fits the current need for continuous learning and improvement in the context of firm-specific processes and technologies. It allows supervisors to communicate clear expectations to employees, provide feedback and suggestions for improving performance, and facilitate employees' efforts to solve problems or take on new challenges.

Examples of coaching activities include helping employees set goals, providing constructive feedback on specific tasks, offering resources and suggestions to adopt new techniques, and helping employees understand the broader goals of the organization.

Research suggests coaching may affect individual performance through three mechanisms: acquiring job-related knowledge and skills, enhancing motivation and effort, and the process of social learning. One-on-one guidance helps employees develop and maintain knowledge of a firm's products, customers, and work processes, and the skills to effectively communicate with customers, respond to their requests, and deliver prompt service.

### **Reinforcing individual learning via group management practices**

Beyond individual coaching activities, frontline supervisors can influence performance by how they shape working relationships among the employees they oversee. One approach is for them to create an environment of individual competition based on the assumption that employees will be motivated to perform better because they want to out-perform their peers. Alternatively, supervisors may adopt group management practices that foster a cooperative environment based on the assumption that group interaction provides social support, or opportunities for mutual learning, that enhance the performance of all employees.

In this study, we find that a cooperative approach is more effective for reinforcing the benefits of coaching. It helps establish positive group norms that define the accepted patterns of employee behavior, and helps employees apply what they've learned to their jobs.

Examples of group management practices include pairing novice employees with experienced peers; using group discussions, team projects, or task forces for problem-solving; and offering cash and non-cash group rewards as incentives for group collaboration and performance improvement.



### **Accounting for workplace technologies in frontline management strategies**

Frontline supervisors typically have little control over the design of technical systems that enable or limit opportunities for individual learning and performance. Yet, these systems set the functional and psychological requirements of tasks and shape individual performance. Therefore, it's important to consider the technological factors that enhance or limit the returns of coaching.

Where processes are more automated, for example, the role of human intervention is narrower, leaving employees with limited opportunities to use acquired skills or influence outcomes. This doesn't mean coaching is unimportant in this environment, simply that the returns on investment are likely to be lower than in less automated workplaces. Similarly, in workplaces constantly bombarded with process and technical changes, the benefits of coaching may erode more quickly and need to be reinforced more frequently.

### **Beyond call centers: relevance to more complex workplace settings**

This study draws on data from call centers that provide telephone directory assistance in a multi-state, unionized telecommunications company. One may wonder how applicable the results are to other types of workplaces; we believe the results are quite generalizable. This is because we have taken a 'critical case' approach by choosing an environment where we would be *least likely* to find positive effects of coaching and group management practices.

Compared to many other settings, the high degree of automation and standardization in call centers limits



the ability of frontline supervisors to intervene in the work process to pull employees off the line for coaching or group learning activities. Similarly, this setting of highly individualized work is an unlikely one in which to find that group management practices are effective. Moreover, the union contract in this company sets uniform policies that constrain managerial discretion in HR policies.

Nonetheless, even with these constraints, we find that coaching and group management provide significant financial returns in this context—suggesting that the returns to supervisory HR management should be *even higher* in settings with more complex tasks and more demand for creativity and knowledge sharing.

From an empirical standpoint, this study also applies a much more rigorous standard than many prior studies: it includes the random assignment of tasks; longitudinal data; real time measures of coaching; and objective measures of performance linked to employee and supervisor archival and survey data in one company.

## THE TAKEAWAY

What can HR practitioners do to increase employee productivity?

- ◊ **Invest in on-the-job training via frontline supervisor coaching activities. Coaching provides a cost-effective approach to on-going learning that leads to real productivity gains because employees learn in the context of daily work and technology.**
- ◊ **Invest in frontline supervisors. Although companies continually face pressures to cut costs, training frontline supervisors to implement HR strategies pays off. Evaluate what combination of hiring, promotion, and training practices are needed to ensure these supervisors have the skills, experience, and ability to develop employees and manage performance.**
- ◊ **Develop a coherent approach to performance management by frontline supervisors. Combinations of reinforcing management practices are much more effective than individual practices. While the choice of which sets of HR practices will depend on the specific workplace context, this study suggests that individual coaching reinforced by group management practices is effective.**

## THE DATA SOURCE

Data came from 9,918 observations, 2,327 individuals, and 42 work groups. To measure performance, the researchers considered call handling time—the average number of seconds an operator spends on a customer call in a month. The average call time for operators was 21.09 seconds during the research period, with the average operator handling over 1,000 calls per day.

Coaching was measured by how much time a worker received coaching from a frontline supervisor, which was recorded when workers logged out of the call distribution system. Coaching was based on supervisors' monitoring of calls, behaviors, and keystrokes, and the average coaching time ranged from 54 to 71 minutes per month.

Group management practices were measured in three ways: team projects (supervisor surveys), group incentives (employee surveys), and pairing (supervisor surveys). In total, 666 employees and 110 frontline supervisors completed surveys.

The level of job automation was also measured by surveys, which asked frontline supervisors how often their employees needed to use paper methods (e.g., “workers have to look something up in the manual”). To measure technical process changes, the researchers also surveyed supervisors to determine how often employees received updates about product features, pricing, and service options.

## THE RESEARCHERS

This study was conducted by:

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**For an in-depth discussion of this topic, see:**

*Liu, Xiangmin and Batt, Rosemary. How Supervisors Influence Performance: A Multilevel Study of Coaching and Group Management in Technology-mediated Services. Personnel Psychology (forthcoming 2010).*

◊ Questions about this research should be directed to Rosemary Batt at [rb41@cornell.edu](mailto:rb41@cornell.edu).