THE MIDDLE MANAGER LIFELINE.

Trust and communication in the heart of your organisation.

September 2016

TOP BANANA.

CMI
Chartered Management Institute

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FOREWORDS

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Trust matters. The UK's vote to leave the EU reflected the breakdown of trust between many of the nation's citizens and its politicians, businesses and other institutions.

We're now navigating choppy and unknown waters. There are many uncertainties – political, economic and social – which will stress test the bonds of trust still further.

At this juncture, the imperative for every organisation to build and maintain trust and confidence in the organisation and its leaders has never been greater. This isn't just a requirement of our political leadership. It is a profound management challenge for the nation.

This will be a period of exceptional dynamism and change in the UK economy. Every organisation must be equipped to harness this change, rather than reject or hide from it. That requires its people to trust each other.

This is an important piece of research and I'm grateful to the managers who participated, because it highlights just how far many organisations still have

to go to achieve high levels of internal trust. There's an alarming trust gap between leaders and middle managers in many organisations. Building and maintaining a culture of trust is one of our biggest challenges.

Yes, the process can take time. It's not always easy. And the stakes are high. As CMI's research shows, modern organisations are always changing: being successful demands that middle management is more agile, effective and connected than ever before. Mutual trust between leaders and line managers is nothing short of essential.

The good news is that trust can be cultivated, earned and built through good management and leadership at all levels. It means open and honest communication. It means giving managers the training and development to act with confidence.

And above all, it means recognising and supporting middle managers in their pivotal role at the heart of the organisation. Get it right and they could just be the lifeline your business needs in the months and years ahead.

NICK TERRY
MBA CIIC
Managing Director,
Top Banana

There's a great George Bernard Shaw quote that says "the greatest problem with communication is the illusion it's taken place."

This research proves that the same can be said for trust. Business leaders may think that it's there but the reality is, the further away you get from the leader, the more of an issue trust becomes.

We are living in the most turbulent times I can remember in my working life. In times of change, people look to leaders even more. This is a unique time for leaders to shape up and step up.

My day job is to help leaders communicate better, to match their actual impact with the desired impact. We do this using all the tools and tricks of business theatre, but unless trust is there, unless the communication is empathic and unless the middle management are on board, this is futile.

This report demonstrates that if you want a high performing company, you need to engage and inspire your middle managers. They are the ones with

the credibility amongst your people. They are the ones that will deliver your strategy on the ground and therefore, your shareholder promises in the results.

Middle managers make an organisation's strategic purpose a reality on the ground. They play a central role in managing and guiding its people. They shape the development of the next generation's potential. They are, in short, the lifeblood of an organisation, yet this report has found they are rarely treated in a way that reflects this.

The UK's business landscape has changed unrecognisably in recent years – that's before you even mention Brexit. There's also an informed, empowered generation of people entering the workforce. They've grown up with information at their fingertips and nothing less than the truth will wash.

There's never been a more important time to build the bridge between leadership and middle management and get the heart of UK business pumping again.

INTRODUCTION

This research is not an examination of public trust in business. Much work is already conducted in that area. Our focus was to explore the levels of trust within organisations, particularly amongst middle managers.

To what extent do middle managers trust their leadership team and their business leaders? What do they see as their own role in building trust within their organisation? How confident are they in their capability and power to do this?

There is an extensive bank of literature on the link between trust and communication. The benefits of building (or rebuilding) trust and of creating a trusting environment between co-workers and management are multiple and well researched. In this partnership, the Chartered Management Institute

and leadership event specialist Top Banana have come together to shed further practical light on this important issue and to understand the extent to which trust is being prioritised and fostered in British organisations today.

Our research emphasises the key role of middle managers. They are the lifeblood of an organisation – serving as key communicators, connectors and trust builders. Trust is transitive: if A trusts B and B trusts C, then A will trust C. Therefore in order to increase trust in an organisation, senior managers must create trusting relationships with their middle managers.[1]

From the findings of our survey, it's clear that there is much work to be done. Greater levels of trust need to be built between senior leadership teams and middle management. That requires stronger, better communications

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[1] *Leadership, Trust and Communication* by Dr Katalin Illes and Dr Martin Mathews: Westminster Business School, University of Westminster

flowing up and down the organisation. Business leaders must recognise that, above all, it is honesty and transparency in communications that middle managers value the most.

Encouragingly, this research also shows the undeniable relationship between the building of trust, the quality of communication and the healthy performance of an organisation. This connection between trust, communication and growth is reflected by those who we have termed "high-trust managers", ones who trust their organisation to a great extent. It is revealing just how many of these high-trust managers operate in growing companies.

With high levels of trust and good communication, middle managers can be the strong and healthy heart of an organisation.

More than 1,400 CMI members responded to this survey, which took place after the EU referendum result. A number of in depth interviews were also conducted to develop the case studies highlighted throughout the report. We are grateful to all participants for their responses: they provide a wealth of real insights into the state of trust in British organisations today – and what senior leadership teams must do in order to cultivate and earn it.

There's never been a more important time to build the bridge between leadership and middle management and get the heart of UK business pumping again.

> **"**
>
> *With high levels of trust and good communication, middle managers can be the strong and healthy heart of an organisation.*

EXECUTIVE SUMMARY

Middle managers play a vital role in building trust throughout an organisation. This research, conducted among more than 1,400 CMI members, shows that although the constant task of communicating to create a trusting environment and workplace culture often falls to middle managers, there are many senior leadership teams who fail to recognise this, with significant consequences.

Only 36% of Britain's middle managers say they trust their business leader to a great extent
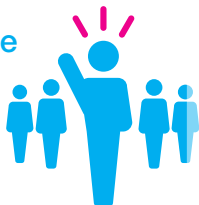
Everybody agrees that trust is vital to business success but trust in leadership by middle managers is poor.

- Trust is believed to be critical to organisational performance by 85% of middle managers and 88% of senior leaders

- Only 36% of Britain's middle managers say they trust their business leader to a great extent

- Just 53% of middle managers believe they can trust what their organisation tells them

- Only 57% of middle managers say their immediate boss trusts the leadership team

There is a strong relationship between trust, communication and growth.

- "High-trust" managers tend to be in growing organisations, in fact in fast-growing organisations, the majority (68%) of managers have high trust levels

- Those managers who trust their organisation the least, "low-trust managers", tend to be in ones that are declining. Only 15% of managers in declining organisations having high trust levels

Management style and poor communication are key factors affecting trust. Middle managers doubt the integrity of senior leaders.

- Only 37% of middle managers agree that their leadership team is transparent in their decisions and actions

- 41% of middle managers describe the management style in their organisation as bureaucratic and 35% describe it as authoritarian

Middle managers know they are vital to building trust but they don't feel their role is valued or supported.

- While 80% of middle managers believe they are very important in building a trusting workplace culture, only 31% say that they are actually being made to feel very important in this regard

- Less than half (48%) believe that their leadership team makes communication with line managers a priority

Only 37% of middle managers agree that their leadership team is transparent in their decisions and actions

Middle managers are the missing link in organisational culture. They are:

- Not informed or consulted – a mere 9% of middle managers are always asked for input or feedback on the information with which they are provided

- Not confident to cascade - only 31% feel very confident communicating company information to their reports

- Two out of three middle managers ascribe this to the lack of employee trust in senior business leaders (67%) and the lack of information from the top of the business (64%)

Not confident to cascade

only **31%**

feel very confident communicating company information to their reports

Middle managers want their leaders to show a human face. They want stronger, better communicators and they value openness and honesty the most. They want opportunities for feedback and challenge.

- There is a powerful desire for openness – the single most important driver of trust – and to understand the motivations and reasons for the actions of their leaders

- Nearly one-third (32%) of middle managers don't think that they are given opportunities by their senior leadership team to provide feedback and challenge the organisation's approach

- Almost the same proportion (31%) do not believe that their leadership team works closely with them to communicate their vision and business strategy

31% do not believe that their leadership team works closely with them to communicate their vision and business strategy
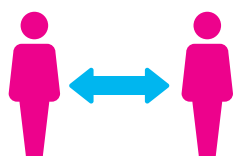
We need to re-invent middle managers as chief connectors in organisations, key to delivering both organisational and operational success.

- When comparing high-trust managers with their low-trust counterparts, 71% of high-trust managers see their business leader "often or very often" compared to only 30% of low-trust managers

- High-trust managers are three times more likely to report "at least ten meaningful interactions" with their business leader over the last 12 months

There are five principal behaviours that middle managers want to see their business leaders demonstrate more often.
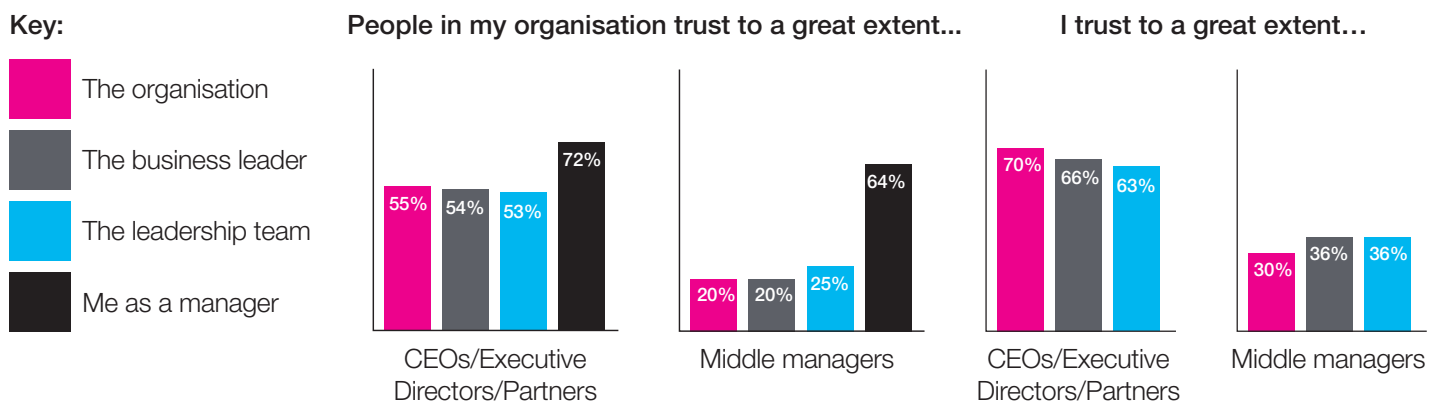
- 63% want business leaders to reveal their thinking about important issues

- 54% want business leaders to admit their mistakes

- 51% want their business leaders to encourage people to raise issues

- 48% want to be inspired by their leaders about the ambition and strategy of the business

- 46% want their leaders to act consistently with the company's values

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THE ROLE OF TRUST

There is a trust gap within many of Britain's companies and institutions – a disturbing disconnect between middle and senior management. The vast majority of all managers believe that it's vital that employees trust their organisation and that trust is critical to organisational performance – but that is the only hymn sheet from which they sing together.

It is no surprise that the outlook of CEOs and senior directors differs significantly from that of middle and junior managers. Senior managers often paint a rosier picture of the extent and depth to which they believe employees trust their organisation, their business leader, their leadership team and themselves as managers.

Yet the scale of the gap is worrying. In our research, only 36% of Britain's middle managers say that they trust their business leader to a great extent.

Key:

- ■ The organisation
- ■ The business leader
- ■ The leadership team
- ■ Me as a manager

People in my organisation trust to a great extent...

CEOs/Executive Directors/Partners: 55%, 54%, 53%, 72%

Middle managers: 20%, 20%, 25%, 64%

I trust to a great extent…

CEOs/Executive Directors/Partners: 70%, 66%, 63%

Middle managers: 30%, 36%, 36%

In fact more than one in five middle managers trust their business leader very little – if at all (21%).

Stronger degrees of trust are felt in smaller organisations. In those with fewer than 50 employees, 61% of managers trusted their organisation to a great extent; in those with more than 1,000 employees, only 29% of managers expressed this level of trust. Similarly, 58% of managers in the smallest organisations trusted their business leader to a great extent, compared to 37% in the largest ones. Larger organisations clearly face more substantial challenges when it comes to building and maintaining trust with their managers.
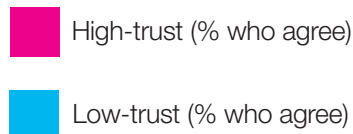
ORGANISATIONAL CULTURE

Senior vs Middle

Middle managers have a more jaundiced view of their organisation's culture than their senior colleagues.

They believe their organisations to be far less transparent (73% vs 52%) and don't think that openness and honesty are rewarded to the same extent (48% vs 71%).

Just over half of middle managers (53%) believe they can trust what their organisation tells them, compared to 70% of senior leaders.

High-trust vs Low-trust

High-trust managers, those who trust their organisation to a great extent, score their organisation higher on all aspects of behaviour associated with an open and trustworthy culture. How a leader, and his/her wider leadership team, behaves is a significant driver of the overall culture of a company. If a leader is open and honest about decisions, it will inevitably encourage managers to behave in the same way.
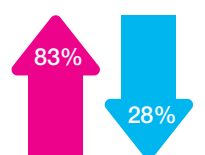
High-trust (% who agree)

Low-trust (% who agree)

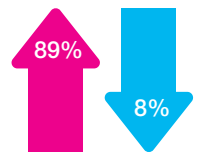My organisation encourages transparency about key decisions and initiatives — 80% / 16%
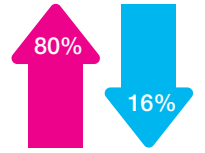
My organisation's culture promotes and rewards openness and honesty — 75% / 11%
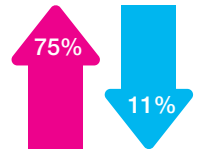
People feel able to communicate their ideas and opinions with the leadership team — 83% / 28%

In general, employees trust what the organisation tells them — 89% / 8%

CASE STUDY

BALANCING TRANSPARENCY AND MARKET-SENSITIVE INFORMATION

GS is a senior director in a multinational technology company. His management responsibilities cover more than 300 people. He has been an employee of the company for nearly 20 years.

For GS, trust in the organisation starts with the CEO setting out a clear vision, direction and clear sense of purpose. "He reports regularly and honestly. That kind of leadership is hugely important."

GS holds quarterly calls with the entire community of his reports, as well as monthly manager calls, and "easily" gets support and involvement from the leadership team. This helps to foster trust.

The challenge is to maintain levels of trust when the decisions taken at the centre have an impact on local teams.

"As a global business, we are not greatly impacted by the performance of individual local economies. But our business results can have an impact.

They will directly flow into actions that can affect our people, such as a push for headcount reduction. This can make my life harder in engendering trust."

GS recognises the importance of honesty in communication. This has to be balanced with the large amounts of business-sensitive information within the publicly-listed corporation. "It is a difficult line to get right. You have to be clear about aspects that cannot be discussed. You do walk a tightrope."

THE ROLE OF TRUST

MANAGEMENT STYLE

Senior vs Middle

Middle managers are more likely to describe their company's management style in negative terms than their senior colleagues.

While "reactive" was the most common adjective used by both senior and middle managers to describe their organisation's management style, it was more pronouncedly used by middle managers (44%) compared to senior managers (33%).

More than one in three middle managers used "authoritarian" to describe their organisation's management style, less than one in four senior managers did. Conversely, one in three senior managers used the words "empowering" and "reactive" while fewer than one in four middle managers did.

Reactive 33% 44%

Empowering 33% 41%

Bureaucratic 29% 35%

■ Senior managers – top 3 management styles

■ Middle managers – top 3 management styles
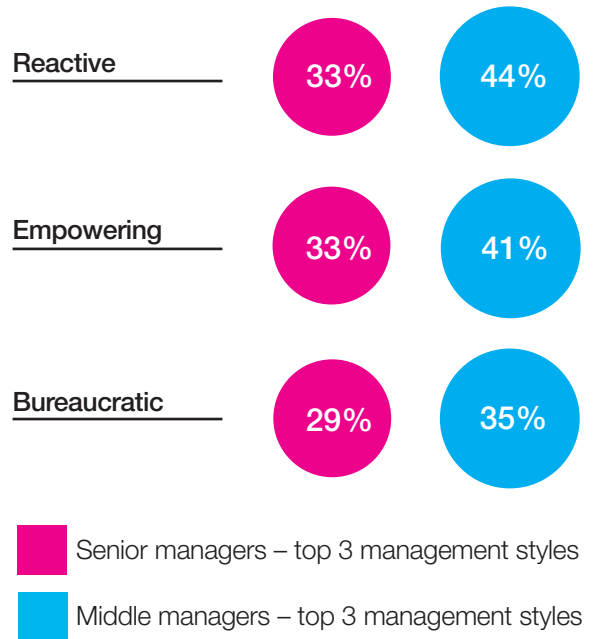
High-trust vs Low-trust

High-trust managers view the management styles of their organisations differently and more positively than their low-trust counterparts. When asked to describe their organisation's management style, high-trust managers identified words such as "empowering," "accessible" and "trusting" – words which are hardly used at all by managers who do not trust their organisation. Instead, they tend to use terms such as "authoritarian", "bureaucratic" and "reactive."

High-trust - top 3

45% 4% — Empowering

40% 4% — Accessible

38% 1% — Trusting

Low-trust – top 3

14% 57% — Authoritarian

17% 52% — Bureaucratic

29% 51% — Reactive

■ High-trust   ■ Low-trust
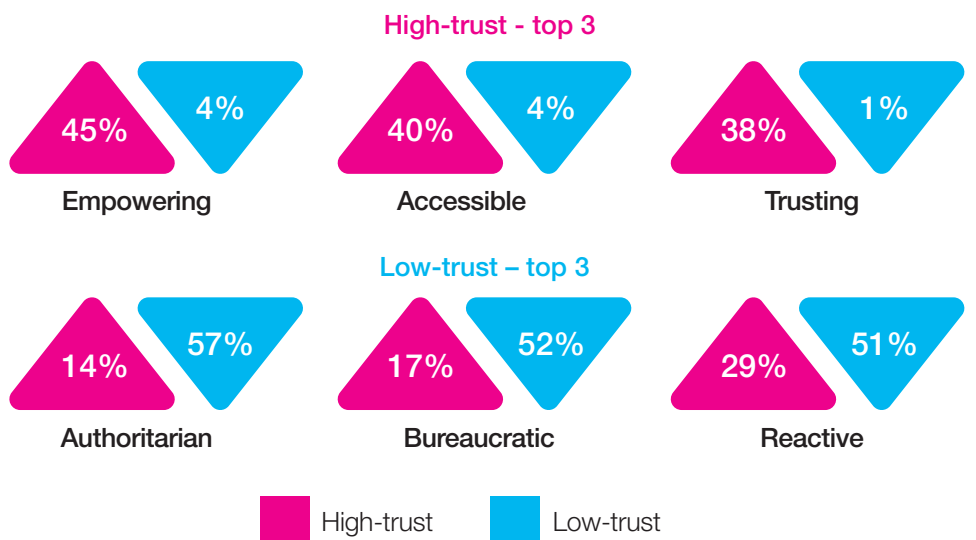
BUILDING TRUST: THE UNDER-VALUED AND UNDER-SUPPORTED ROLE OF MANAGERS

Middle managers are vital to the constant task of communicating and creating a trusting environment and workplace culture and this role is recognised by our survey respondents. Four out of five middle managers (80%) believe they are very important in building a trusting workplace culture. All of them recognise their importance in building trust within their teams.

Yet they feel under-valued in these efforts. Fewer than one third (31%) of them say they're actually being made to feel very important in this context. Worse, 32% feel not very or not important at all.

What prevents them from building trust in their own teams? Two out of three middle managers ascribe it to the lack of employee trust in senior business leaders (67%) and the lack of information from the top of the business (64%).

What prevents middle managers from building trust in their own teams?

67% Lack of employee trust in senior business leaders

64% Lack of information from the top of the business
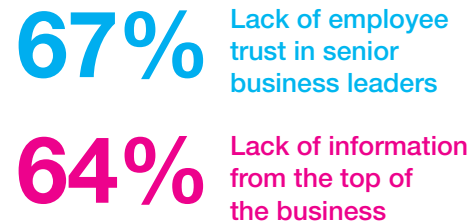
High-trust vs Low-trust

High-trust managers feel much more confident and important about their own role in building a culture of trust. Both high and low-trust managers believe they are important in building a trusting culture. However, there is a stark difference in how important they are made to feel in this context; 62% of low-trust managers believe they are not made to feel important compared to only 11% of high-trust managers.

Low-trust managers report more and higher levels of factors that prevent them from building trust within their teams. Crucially, they are more likely to say that lack of employee trust in senior business leaders (78%, as opposed to 51% of high-trust managers) and their own low levels of trust in their leadership team (46%, as opposed to only 10% of high-trust) prevent them from going on to build trust with their reports.

These findings demonstrate that there is a significant gap in trust between senior leadership teams and their middle managers contributing substantially to the deterioration of trust.

If leaders are trusted by their middle managers, those who report into those middle managers will trust them too. If middle managers have neither the information or belief in the organisation's leadership, transitive trust will inevitably be broken. Such a disconnect has a corrosive effect throughout the organisation – not just between the top and middle.

The findings in the next section demonstrate the effect this can have on the growth of an organisation.
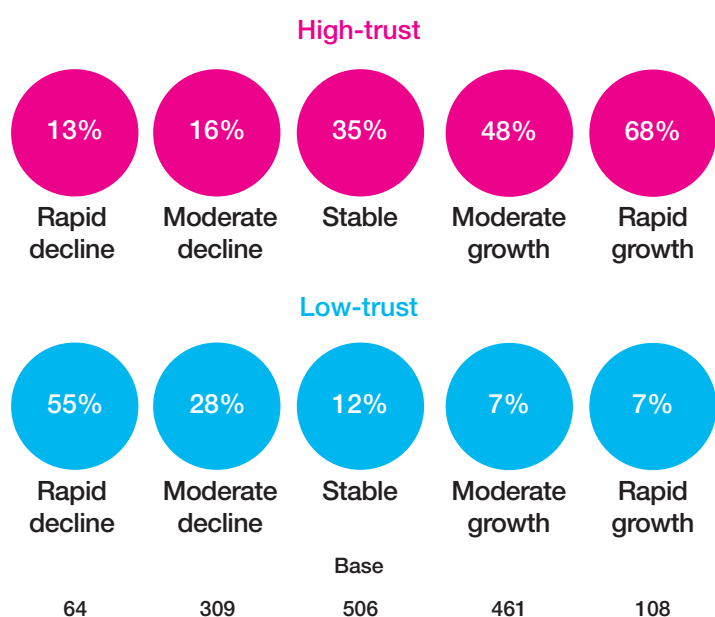
TRUST, COMMUNICATION AND GROWTH

Middle managers who trust their organisation to a great extent are more likely to be found in organisations that are growing. A trusting working culture is a building block for growth – and that trusting working culture is built on good communications.

Our findings show that levels of trust and quality of communications exist in much greater depth in organisations that are growing. This is reflected in the number of meaningful interactions that middle managers have with their business leaders, their working relationship with the senior leadership team, and their confidence to communicate information down to their own reports.
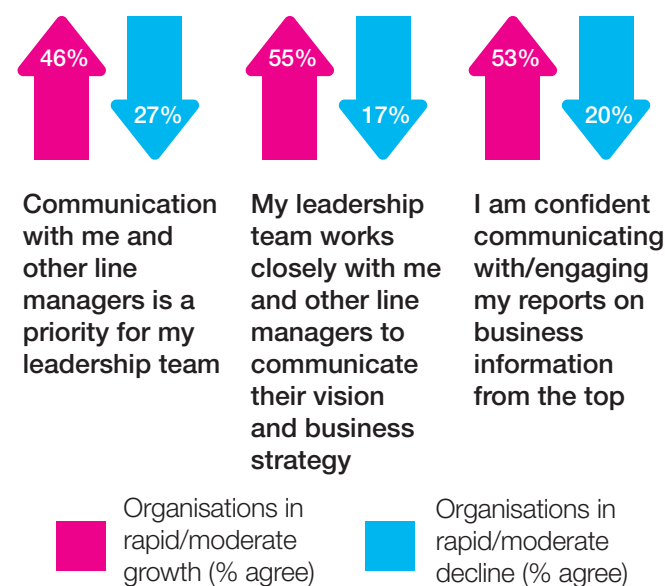
In our research, a picture emerges of a cadre of what we have termed "high-trust managers." They tend to be in growing organisations: 68% of managers in rapidly growing organisations are identified as "high trust" and only 7% as "low trust". Conversely, those who trust their organisation the least, "low-trust managers", tend to be in ones that are in decline. Only 15% of managers in declining organisations are "high trust".

Of course this connection is likely to be self-reinforcing, as organisational success can itself encourage trust in leaders. But as the vast majority of managers agree, trust is not simply a result of success – it's a pre-requisite. In fact, 85% of managers believe trust is critical to organisational performance.

High-trust managers tend to be in growing organisations

High-trust

13%	16%	35%	48%	68%
Rapid decline	Moderate decline	Stable	Moderate growth	Rapid growth

Low-trust

55%	28%	12%	7%	7%
Rapid decline	Moderate decline	Stable	Moderate growth	Rapid growth

Base

| 64 | 309 | 506 | 461 | 108 |

Trust, communication and self-confidence is stronger in growing organisations

46%	27%	55%	17%	53%	20%

Communication with me and other line managers is a priority for my leadership team

My leadership team works closely with me and other line managers to communicate their vision and business strategy

I am confident communicating with/engaging my reports on business information from the top

■ Organisations in rapid/moderate growth (% agree)

■ Organisations in rapid/moderate decline (% agree)

Further differences between high-trust and low-trust managers, and their implications, are highlighted on page 23.

THE ROLE OF COMMUNICATION

Trust is personal. In order to build trust, nothing beats personal, face-to-face contact. Time and again, our survey respondents stressed the importance and value that they placed on a business leader who engages with everyone in the business and keeps employees informed in an open, honest fashion.

Trust is transitive so it's important for the senior leadership team to create trusting relationships with middle managers in order for trust to ripple through the organisation.

One respondent commented that their business leader had "visited every department to gauge staff opinion, held discussion meetings, regular open door sessions and is highly visible and approachable." Another reported that their business leader "operates an open door policy and is always there to talk to, both professionally and on a personal level, taking a good level of interest in the well-being of the staff both inside and outside of the workplace."

Of course, it is impossible for a leader to meet all employees every day. But managers consider face-to-face communication to be more reliable indicators of honesty and openness, the qualities that inspire trust.

One respondent put it: "Our business leader has held many all staff and individual communication meetings. These are always very informative and promotes the all-important two-way communication which underpins the company trust." Another commented: "Our business leader makes himself accessible and his incredibly respectful demeanour encourages trust."

However, as our survey shows, there is much work to be done.
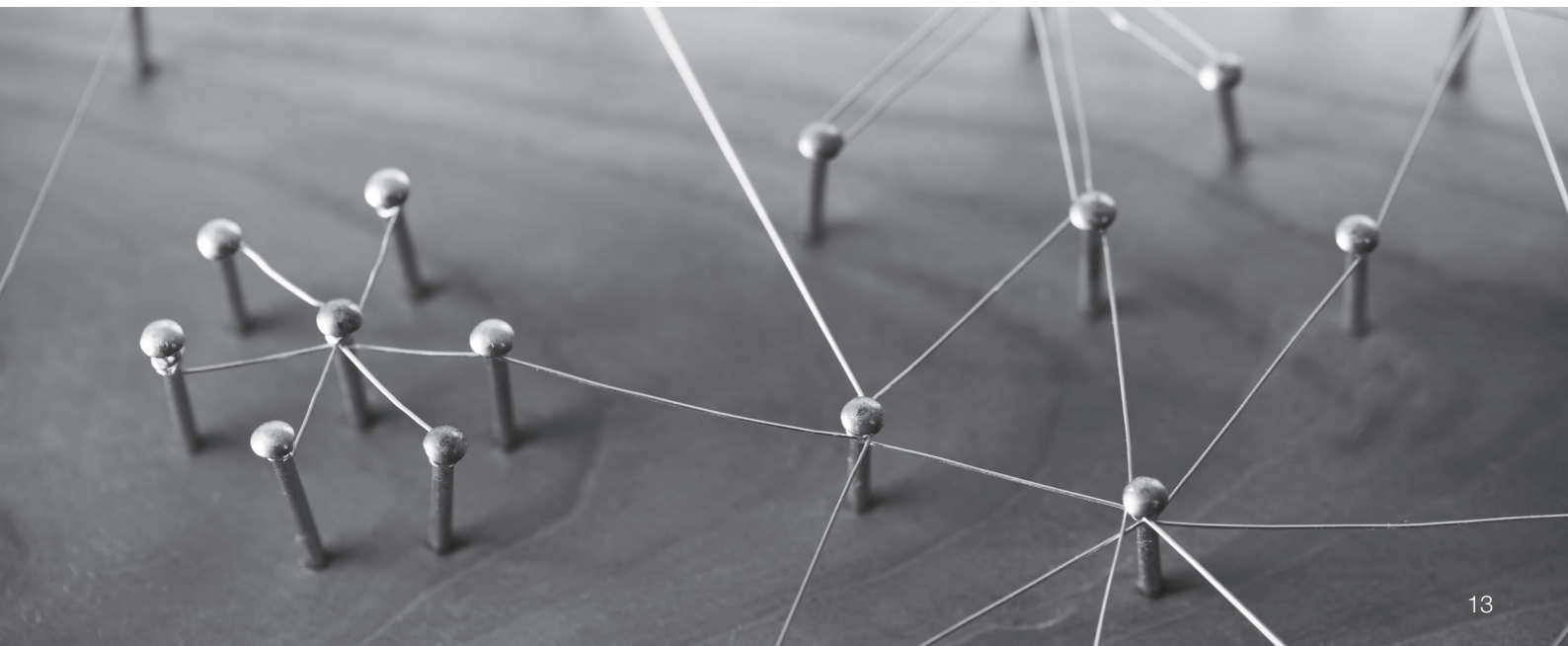
HOW OPEN COMMUNICATION BUILT TRUST IN AN OWNER-MANAGED BUSINESS

Senior manager/low-trust

RM works as group HR manager at a privately owned manufacturing business in the east of England. She joined the company two years ago. The firm is owned and run by an owner-manager, who founded the business himself. There are three people in her HR department and 130 employees in total.

Until recently, RM had a low level of trust in her own manager and in the company's senior leadership. However, recently she had "a big conversation" with her boss that's turned things round. "I said to him, 'I don't think you trust me' and I laid out my concerns. He assured me that he did and actually allayed a lot of my concerns."

The company faces a number of trust-related challenges. First, the owner-manager must learn to trust his senior managers. Even though they're well paid, he's reluctant to trust them fully, says RM.

Another challenge is a gap between office and warehouse staff. "There has been a feeling of them and us", says RM. Workers in the office and the warehouse even have a separate Christmas party.

Finally there are some cultural challenges as the owner and some of the management team are from a different ethnic background to many of the employees.

These issues are all being addressed through a successful leadership and management development programme that was introduced this year. Sessions are held bi-monthly and involve 15 senior managers.

At first, the company's owner-manager was resistant but now, says RM, "he's absolutely bought into it" and is implementing many of the programme's recommendations. Managers are now visible at warehouse staff briefings. Training, which was previously non-existent for warehouse staff, is being introduced. And finally there'll be a joint Christmas party!

When asked what's most important when it comes to senior leaders communicating/engaging with line managers, RM commented: "saying what they mean and meaning what they say... and acting on it!" As this case study shows, when senior leaders act on communication, visibility and employee engagement, the whole organisation benefits.

INTERACTION WITH THE BUSINESS LEADER

It is one thing for the business leader to be visible. But that visibility must be meaningful. While you would expect middle managers to see their CEO/business leader less frequently than their colleagues in the senior leadership team, a worrying proportion appear to have little connection at all.

Yet leaders should develop close relationships with their line managers – they have the key day to day role in managing teams and are in close contact with customers.

80% of middle managers say that they had seen their business leader within the last three months (compared to the 91% of senior managers who had).

Yet only 48% of middle managers said that they had only had two or fewer meaningful interactions with their business leader over the past 12 months, including over a fifth (21%) who had none at all. "We only see our leader at fire alarms," said one manager.

Being seen is clearly not enough. Leaders must engage. One respondent noted, tartly, "our business leader arrived on site, declared himself available for a chat with anyone who wanted to speak and then embarked on a conference call for three hours prior to leaving site after a quick chat with the plant manager."
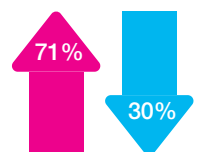
High-trust vs Low-trust

When comparing high-trust managers with their low-trust counterparts, high-trust managers spend more time associating with their business leaders: 71% see their business leader "often or very often" compared to only 30% of low-trust managers. High-trust managers are three times more likely to report "at least ten meaningful interactions" with their business leader over the last 12 months.

Middle managers who say that they see their business leader "often or very often" are much more likely to describe their organisation as "trusting", "empowering" and "innovative". Those who rarely or never see their business leaders are more likely to describe the management style of their organisation as "secretive" or "suspicious." That doubtless would include the manager who wrote: "The leadership team sit in the same open-plan office but they are completely anonymous: silent, low-key, guarded."

I see my business leader often or very often
71%
30%

I have seen my business leader within the last month
81%
54%
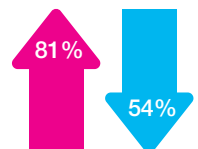
I can report at least ten meaningful interactions with my business leader in the last 12 months
47%
14%

High-trust (%)

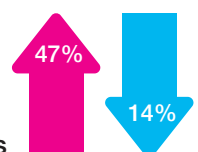Low-trust (%)

BRIDGING THE GAP TO HEAD OFFICE

Senior manager/low-trust

MC runs a specialist arm of a large international hospitality chain, alongside his long-standing colleague ("I think of him as my business partner") of 20 years. Despite being part of a corporate business, his division runs almost like an SME.

Although MC appreciates the autonomy, this can make engagement with head office difficult. In this case, the company's head office is in the US, and the geographical distance can widen the feeling of isolation. That's a gap that MC is trying to reduce.

"I saw that we needed to do more to get people to realise that they are part of this big organisation. I was surprised when I got a huge amount of support from the organisation on it, because we hadn't had it in years gone by."

Trust is a key measurable within the wider business, and MC's team scores highly. However, that does not always translate into higher engagement from people within his team. Some are harder to engage than others, but he counteracts this by talking regularly with staff at all levels.

"I often surprise some of my managers because I know what's going on in the department before they do. It's because I'm listening and talking. I've got lots of connections and networks within the organisation, so people are telling me things. They're not coming and telling tales, they're just talking to me."

There are some people that you will never get through to – MC describes them as 'office terrorists'. "You shouldn't spend a lot of time worrying about it – you just have to be aware of it."

IN THEIR OWN WORDS

Negative experiences

"The senior team turned up to a team strategy day and then disappeared for a few hours, before popping back at the end."

"My business leader is keen to promote an open door policy. Although great in principle, there is a certain degree of mistrust as to whether this is merely to promote an image of openness – or if indeed he has an open ear."

"The business leader in my last post spoke to me weekly and I looked forward to our interactions. My current one rarely talks to me directly, deals with issues reactively and usually communicates through an intermediary."

Positive experiences

"Our business leader has visited every department to gauge staff opinion, held discussion meetings, regular open door sessions and is highly visible and approachable."

"My business leader has got out and is seeing all the locations of the organisation. He is writing a regular and honest blog."

"My business leader conducts personal briefs to the whole team every quarter. He also sends out weekly updates to all staff email addresses. He holds monthly club meetings with those staff that joined the organisation in a particular month."

"My business leader communicates regularly face to face with all staff so that key messages are delivered personally and consistently."

UPWARD COMMUNICATION

Our research explores upwards and downwards communications within organisations. Good communication is a two-way process, ensuring that information flows effectively both up and down the organisation – and its vital conduit is the middle manager.

While two-thirds of middle managers (64%) believe that they have the opportunity to communicate ideas and opinions with their leadership team, a substantial minority express significant frustration with how upwards communications operates in their organisation.

"Communication needs to be open and two-way," said one respondent. "Senior leaders need to demonstrate they are actively listening and considering the views of the line managers before explaining the decisions they have reached – and being prepared to describe why." Good practice was applauded by one middle manager: "The senior team are very approachable and available for the majority of their time. They spend a lot of time around the work area, communicating with colleagues and employees."

Yet only 37% of middle managers agree that their leadership team is transparent in their decisions and actions. Less than half (48%) believe that their leadership team makes communication with line managers a priority.

Nearly one-third (32%) of middle managers don't think that they are given opportunities by their senior leadership team to provide feedback and challenge the organisation's approach. Almost the same proportion (31%) do not believe that their leadership team works hard to gain and/or keep their trust, or that their leadership team works closely with them to communicate their vision and business strategy. Only 57% say that their immediate boss trusts the leadership team. "People need to believe the delivered content rather than trying to guess the hidden agenda," was how one respondent put it.

High-trust vs Low-trust

There is a startling disparity between high-trust and low-trust managers in their views of the leadership behaviours that are being demonstrated in their organisations.

High-trust managers rate the behaviours of their leadership teams highly. Nearly nine out of ten (86%) say they have the opportunity to communicate their ideas and opinions with the leadership team.

More than seven out of ten say that their leadership team makes time for regular interactions (72%), works hard to gain their trust (74%), ensures opportunities to provide feedback and challenge (72%), works closely with line managers to communicate their vision and business strategy (73%), and ensures that communication platforms exist for engagement and support (76%).

Low-trust managers, on the other hand, express profound dissatisfaction. Fewer than one in six (14%) think that their leadership team is transparent in decisions and actions, makes time for regular interactions with them, or works hard to gain their trust.

The great division between high-trust and low-trust managers can be summed up in one response: 84% of high-trust managers agree that their immediate boss "trusts our leadership team," while only 28% of low-trust managers do.

These are sobering insights. They provide vital metrics against which the communications efforts of the senior leadership team must be assessed in order to ensure that trust is being cultivated and earned throughout.

CASE STUDY

BUILDING TRUST ACROSS BORDERS

Senior manager/high-trust

BH is a senior director in the operations department of a multinational technology company that employs more than 130,000 people. He is responsible for 43 team members globally, and works closely with divisions across the world to improve their systems and processes.

Trust is an essential part of the work that BH's team does – they must deliver on their promises, or the entire project falls apart. "It is critically important that we are seen as a trusted partner," he says. "Many other people are wrapping their plans around what we're intending to do."

An understanding of different cultures around the world is essential in order to deliver that trust. BH has to take his knowledge of his overseas teams and use that in order to manage expectations.

"There are cultures where people are inclined to say yes, even if they don't know whether they can do something or not. They'll say yes because it's expected of them to say yes – you don't say no to your boss [in their culture]. That potentially puts you on shaky ground."

BH operates predominantly from the UK. The lack of face-to-face contact means that he must work harder to build trust in his staff – sometimes that means intense periods working in overseas offices. Thankfully, the company's culture is one of openness.

"The company ethos is around getting things done – execution and delivering well. The goals of the company are very clear."

DOWNWARD COMMUNICATION

The trust that employees have in their middle managers is crucial in fostering wider trust in the organisation as a whole. The relationship between line manager and employee is based on close, frequent contact. Communicating and creating trust at this level is another reason why the middle manager is such a vital cog in the organisation.

As one survey respondent put it: "There needs to be trust, openness and transparency. If senior leaders mislead line managers, their teams become demoralised. This leads to disengagement."

So while 76% of middle managers say they are expected to communicate and engage their teams with company information – typically updates on business performance and priorities, key departmental updates, business

initiatives, and business/organisational strategy – it is remarkable that 24% say that they are not.

While two-thirds (66%) of middle managers feel they have the ability to engage and inspire their reports when briefing them on organisational strategy, only 31% feel very confident communicating this information to their reports. This lack of self-confidence is surprising and raises a number of questions –if managers feel they have the ability, what is contributing to their loss in confidence?

While 59% say that they are able to provide constructive feedback and challenge their boss, a meagre 9% of middle managers report that they are always asked for input or feedback on the information with which they are provided. Indeed, more than one-third (35%) are seldom or never asked for their feedback on this information.

High-trust vs Low-trust

There are again substantial differences between high and low-trust managers. High-trust managers are trusted to relay information from the top through to the bottom much more than low-trust managers do. There's a link between a trusting environment and managerial self-confidence.

51% of high-trust managers are always or regularly asked for their feedback on this information, compared to only 16% of low-trust managers. In fact, 55% of these managers are seldom or never asked for their opinion or feedback at all.

A likely consequence of this is that high-trust managers are more likely to feel confident communicating business information with their reports (54% of high-trust compared to 25% of low-trust managers).

DISENGAGED AND DISCONNECTED

The picture emerges of many middle managers who, even if they have the skills to communicate effectively to their reports, are potentially disengaged.

Many may not even be "on board" with the message – 65% say they would communicate plans with which they don't agree. Leaders need to do more to win over their middle managers and help them understand the messages they are asked to communicate.

If middle managers do not have high levels of motivation or belief, then how successful can they be in communicating and engendering trust in the organisation?

Organisations that don't cultivate trust risk developing their own army of influential managers that know they are important in building trust but don't have the belief, inspiration, tools or time to drive strategy delivery.

"Senior leaders need to be as honest as strategically possible and understand that the line managers play an important role in discovering underlying issues amongst the workforce," said one manager.

CASE STUDY

HAEMORRHAGING TRUST IN A PUBLIC-SECTOR ORGANISATION

Middle manager/low-trust

GC works in a large London NHS hospital as a senior nurse. His role is to oversee medication incidents, for example if drugs go missing. If there is an incident, he will lead the investigation which, in some circumstances, can go up to the General Medical Council.

GC has been at the hospital for 25 years and used to lead a team of 60 ward nurses. That longevity means that he's built up relationships of trust in the organisation. Now that he is in a governance role, he only directly manages failing nurses or those going through competency assessments.

This particular NHS Trust is enduring a traumatic period of upheaval. There have been several turnaround teams appointed, and an entire senior management team was recently removed. Resignations are common, and GC describes a culture of "bullying and exceptionally low morale".

Constant change and new faces makes it enormously difficult to establish trust. Where nursing teams were empowered to go on team awaydays to communicate and build trust, this is no longer allowed because it would require backfilling by agency staff, which is currently unaffordable.

GC's relationship with his own manager is one of constant disagreement. His manager's management style is described as "this is what's going to happen; make it happen." However, many of the changes that he proposes have, says GC, already been trialled and found to fail.

While GC acknowledges there are "pockets of good practice" in the hospital, he is gloomy about the future and, after 25 years, is actively looking for a new job outside the organisation.

WHAT MIDDLE MANAGERS WANT FROM THEIR ORGANISATIONS

Middle managers want to see their leaders with a human face. They want stronger, better communicators. Our research shows a powerful desire for honesty – the single most important driver of trust – and to understand the motivations and reasons for the actions of their leaders. They want honest relations with senior management – and that requires effective, clear communication.

Honesty really is the best policy. When it comes to senior leaders communicating and engaging with line managers, honesty is regarded as the most important characteristic for the vast majority of both managers and leaders.

"If delivered honestly, all communication – whether good and bad – means more and has greater value and weight," was how one manager expressed it. "Be honest and admit mistakes," urged another manager, "and admit when the future is uncertain." "Senior leaders must communicate the full context of work required," said another.

Direct People Organisation
Make Message Communicate Leader
Manage TRUST Team Work
Truth Take Clarity Listen Authentic
Way Need
Face HONESTY Line
Engage Time Feedback
Respect Value Explain Understand
Level Honest OPEN Senior Staff
Engage Decision Feel Transparent Clear
Reason Consistent Regular Strategy Busy Change

What one thing is the most important when it comes to senior leaders engaging with line managers?

20

DESIRED BEHAVIOURS OF BUSINESS LEADERS

Middle managers are clear about the behaviours that they want to see their business leaders demonstrate more fully. It is clear that, from a middle management perspective, the culture that earns and builds trust is one in which leaders have the confidence to say that they don't have all the answers. This creates a stronger sense of togetherness and engenders trust.

Our research shows that the five most desired behaviours are:

1 **Reveal their thinking about important issues (63%)**

4 **Inspire them regarding the business ambition and strategy (48%)**

2 **Admit their mistakes (54%)**

5 **Act consistently with the company's values (46%)**

3 **Encourage people to raise issues (51%)**

IN THEIR OWN WORDS

"If no information is given at times of trouble, the void will be filled by inaccurate information."
CEO

"Being authentic in thought, word and deed and welcoming challenging questions."
CEO

"Personal trust in the manager is critical. Without high levels of trust neither individual members nor teams can operate effectively, and doubt, concern and demotivation creeps in."
CEO

"Too many senior executives fail to listen, because they seem to think they are the only ones that matter. They need to learn to become servants of those they are supposedly leading!"
SENIOR MANAGER

"Recognise that line managers represent both the management and worker aspects of the business – they are in the middle."
SENIOR MANAGER

"Be open with your thoughts and explain where the business is and why change is required. Foster openness in both directions. Listen to what your line managers and their teams feel are the issues at grassroots level."
CEO

"Trust is a culmination of small inter-related things that create engagement."
CEO

"Listen and be pragmatic enough to acknowledge that there may be a better solution at the lower levels."
SENIOR MANAGER

DEVELOPMENT PATHS: ENHANCING THE VALUE AND ROLE OF THE MIDDLE MANAGER

Development paths such as management training, accreditation and leadership events have an important role in building trust in an organisation. They demonstrate interest and concern for developing the skills of individuals and providing progression routes across the organisation. They are a visible commitment to develop the competence of managers and can often be a sign of faith in a particular individual.

In addition they can be used to develop key management and leadership skills that allow managers to build trust and encourage managers and leaders to adopt effective management styles.

Communication training and development that can be used to effectively foster trust are amongst the most desired by managers. While the top requirement is for strategic thinking (56%), different communication skills comprise the majority of their perceived training needs: managing upwards/communicating with their manager (43%), inspiring others (40%), motivation (35%) and having difficult conversations (34%).

Top 5 training needs

56% Strategic thinking

43% Managing upwards/ communicating with my manager

40% Inspiring others

35% Motivation

34% Having difficult conversations

CONCLUSION – VIEWS FROM HIGH-TRUST MANAGERS

There are clear behaviours and actions that help to create a high-trust manager – someone who trusts their organisation to a great extent. They play a crucial part in building a trusting environment and workplace culture.

High-trust managers point to the connection between positive management, open communication and improved organisational performance.

In their view, leaders

- take more time to associate with their employees

In their view, the leadership team

- is transparent in its decisions and actions

- makes time for regular interactions with line managers

- makes communication with line managers a priority

- works hard to gain and/or keep line managers' trust

- ensures that line managers have opportunities to provide feedback and challenge the organisation's approach

- invests in training of middle managers

In their view, middle managers

- are made to feel much more important

- are trusted to relay information from the top through to the organisation to a much greater degree

- have higher levels of confidence in communicating messages from the top

These findings from this survey support other recent research in this area. Consistency, integrity, sharing and delegation, open and honest communication, concern for others, communicating and sharing vision, and explaining shared values, are seven leadership behaviours that have been highlighted as critical for building trust.[2]

It ought not to be a surprise that an open and trusting workplace environment can breed confidence among its managers, yet this appears to be a lesson that still needs to be learned.

> *High-trust managers point to the connection between positive management, open communication and improved organisational performance.*

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[2] Gillespie, N., and Mann, L., (2004), Transformational Leadership and Shared Values: the Building Blocks of Trust, *Journal of Managerial Psychology*. Vol. 19, pp588-607, Whitener, E., Brodt, S., Korsgaard, M., Werner, J., (1998), *Academy of Management Review*, Vol. 23, pp513-530. Cited in *Leadership, Trust and Communication* by Dr Katalin Illes and Dr Martin Mathews: Westminster Business School, University of Westminster

RECOMMENDATIONS

This report has highlighted a substantial trust and communication gap that exists in many organisations. There are a number of lessons that can be drawn from the findings to recognise the critical role of middle managers and help build trusting workplace cultures.

Building on the concept of civic engagement, which is the connection one feels with their larger community, it is important that middle managers are recognised as the key connectors across organisational hierarchies, as they are critical for creating 'civic' engagement across the workforce.

Communications

Integrity

Visibility

Interaction

Connections

COMMUNICATIONS – COMMITTING TO OPENNESS AND HONESTY

Trust your middle managers with the truth. Business leaders and senior management teams should aim for greater transparency in decision-making and actions, recognising that this engenders higher levels of trust among middle managers. Crucially, this includes admitting when you are wrong. If middle managers are not trusted with the truth and empowered to work with it, then how can we expect them to be trusting themselves?

Ensure you communicate with your middle managers as openly as possible. It is not a side issue; it is fundamentally important to all managers and to business success. Both senior leaders and middle managers should look to reflect on and continually develop their management and leadership skills. Such development can help to shine a spotlight on communications – be this through accredited courses or bespoke leadership events. Five practical ways of improving communication in your organisation are detailed on page 25.

Leaders should also keep connecting their communications to the vision of the business, particularly at times of challenge and change. Be honest and candid about what the leadership's view is of the market, political or economic context. If the market is challenging and unpredictable involve managers in working on a plan to address what the company can control.

INTEGRITY

Give your middle managers reasons to trust you. Make sure you act on any promises you make and do so with integrity.

Involve your managers with crafting the messages and information you want them to cascade to the rest of the business. This report shows that managers are seldom asked for their input – yet they are the ones expected to bring the strategy to life with the rest of the business. Ask them what works and what doesn't, and collaborate with them to create the messages that they feel inspired to deliver.

Ensure your business has clear stated values and behaviours to match and both leaders and managers at all levels are supported and challenged to live and manage by them.

VISIBILITY

Face to face visibility and being seen by middle managers is crucial. But visibility needs to be meaningful. Ensure you create opportunities for feedback and challenge. This feedback can be invited at events, workshops and informal interactions but it should also be instilled through the leadership team. A clear desire to gain insight from middle managers – as those managing the front line of a business – is part of the DNA of successful organisational culture.

INTERACTION

For business leaders, it is not just about being seen but about having an impact. Business leaders must maximise the opportunities for their interactions with middle managers – as long as they remain genuine. This could be dropping into wider manager events for a Q&A session, having ten minutes with a group of managers when at a different office location or using digital platforms to gather questions ahead of feeding back face to face.

CONNECTIONS – RECOGNISING THE CRITICAL ROLE OF MIDDLE MANAGERS AS CONNECTORS

Invest in training and development at all levels – not only will this help them improve how they engage, brief and inspire their teams but it will make them feel valued and invested in.

Emphasise and appreciate the important role they play in motivating and inspiring teams and reward those that are doing so successfully.

In the coming year CMI will be developing a new campaign to promote and advocate the critical role of middle managers as the beating heart of organisations. This will support the middle manager role as agile connectors in organisations, key for delivering organisational and operational success. The significance of the role must be emphasised.

TOP FIVE PRACTICAL TAKEAWAYS FOR IMPROVING COMMUNICATION IN YOUR ORGANISATION

1. Prioritising communication as the lifeblood of the organisation

Effective communication targets peoples' hearts as well as their minds by defining how they too can play a part in the future of the organisation. Try to make your communications as personally relevant to the audience, do not use management jargon and use simple, clear words wherever possible.

2. Hold bespoke events for middle managers

Leaders should take more time to talk to their middle managers, face to face, in both a formal and informal way. Well planned bespoke middle manager events require an investment of (leadership) time but can be extremely effective. These cannot be plenary only sessions and will have a mix of plenary and breakouts where the interaction and two-way debate will happen.

3. Remember the power of MBWA

Informal communication with middle managers is vital. The importance of MBWA – management by walking around – cannot be under-estimated. For the middle manager, even one meaningful face to face interaction with the business leader is incredibly valuable. Getting out from behind the desk and into the teams should be prioritised.

4. Implement a trust measurement system

Trust is a crucial metric in business. How much a business leader and leadership is trusted is a vital measure against which the communication efforts of that leader should be assessed. Business leaders and senior management teams should use staff surveys to measure and monitor the proportion of "high-trust managers" in their organisation – and aim to increase them.

5. Adapt for your organisational needs

The practicality of meaningful face to face interactions is of course challenging for leaders in larger companies or those that are geographically dispersed. Using tactics such as focus groups, featuring a cross section of middle managers, and intranet surveys to engage with focus group output, starts the "listening" process. Use outputs and insights from this to design roadshows or events. Leaders can then tailor the message by audience. Using the event design to help craft cascade communication plans is also effective, working with managers to understand what the challenges might be and how to overcome them in a 'team brief' situation. Think about supporting with video to help get the CEO in the room at a subsequent cascade briefing. This in turn will help either build or repair trust where it is broken.

FURTHER RESOURCES

The Middle Manager Lifeline

Download this report, an infographic and watch the video at
www.managers.org.uk/middlemanagerlifeline

Get Chartered

Becoming a Chartered Manager shows that you have knowledge and expertise, can make a practical difference to your organisation, are ethical and committed to continuing your professional development. Find out more at
www.managers.org.uk/cmgr

Reading on trust and communication

The following selection of free checklists is a sneak peek at what's available on CMI's online portal ManagementDirect, which offers access to thousands of resources including videos, e-learning, books and articles as well as individually tailored training and learning journeys. Organisations can get a free 7-day trial. Find out more on
www.managers.org.uk/managementdirect

CMI checklists

The checklists below focus on trust and communication within your organisation.

- **Developing trust – Checklist 243**

- **Understanding organisational culture – Checklist 232**

- **Understanding management and leadership styles - Checklist 256**

- **Leading from the middle – Checklist 041**

- **Understanding employee engagement – Checklist 245**

You can also visit http://top-b.com/trustinleadership/ to find a range of further resources on communication, trust and the importance of line managers. These include:

- Top Banana's Trust Report, produced with the University of Westminster and Institute of Internal Communication

- Ten initiatives to help build trust – thoughts from trusted leaders in successful businesses

- Discussion papers on the importance of line managers in building trust and the value of listening in building trust

APPENDIX

This report is based on an online survey of 1,456 managers across the UK, comprising a wide range of roles and levels of seniority. Survey fieldwork was carried out from June to July 2016.

SENIORITY

Executive Director, Non-Executive Director or Partner	164
	11%
Senior manager or principal	427
	29%
Middle manager or consultant	642
	44%
Junior manager or adviser	223
	15%
Total	**1456**
	100%

For the purposes of the report we have treated:

- Executive Director, Non-Executive Director or Partner and Senior manager or principal as senior managers

- Middle manager or consultant and Junior manager or adviser as middle managers

GENDER

	Total	Male	Female	Other	Prefer not to say
SENIOR	581	419 72%	160 28%	–	2 0%
MIDDLE	849	492 58%	350 41%	–	7 1%

AGE

	Total	Under 24	24-29	30-39	40-49	50-59	Over 60
SENIOR	588	1 0%	8 1%	97 16%	179 30%	212 36%	91 15%
MIDDLE	861	6 1%	51 6%	209 24%	299 35%	270 31%	26 3%

GROWTH

	Total	Rapid decline	Moderate decline	Stable	Moderate growth	Rapid growth
SENIOR	590	21 0%	108 1%	204 35%	202 34%	55 9%
MIDDLE	863	43 5%	202 23%	303 35%	261 30%	54 6%

Chartered Management Institute (CMI)

The Chartered Management Institute (CMI) is the only chartered professional body for management and leadership, dedicated to improving managers' skills and growing the number of qualified managers.

Our professional management qualifications span GCSE to PhD equivalent levels, including the unique Chartered Manager award, which increases earning potential and improves workplace performance.

We provide employers and individual managers with access to the latest management thinking and with practical online support that helps them to embrace change, create high-performing teams and keep ahead of the curve.

With a member community of more than 120,000 managers and leaders, we promote high standards of ethical practice through our Professional Code of Conduct, and help managers to build their expertise through online networks, regional events and mentoring opportunities.

Visit **www.managers.org.uk/middlemanagerlifeline** for more information, and follow us on Twitter **@CMI_managers**

Top Banana

Top Banana create leadership driven events and communications that originate from a strategic vision.

Working with senior leadership, and their teams, Top Banana create a complete live event and supporting communication strategy to emotionally engage teams around important business messages. The company provides services from venue sourcing and pre-event engagement through to full event delivery and cascade campaigns, including video production, digital and print communication.

Senior counsel at the start of every project ensures relevant and strategic creative concepts that work to address the business challenges head on, as well as clearly defined objectives resulting in events and supporting communications that make a measurable difference.

An award-winning company, Top Banana's clients include Barclaycard, Bentley, Danone and Whitbread.

Visit **inside.top-b.com/middlemanagerlifeline** for more information, and follow us on Twitter **@wearetopbanana**

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