

## Useless middle managers cost UK £220bn in lost productivity

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**More than one-third of UK executives believe their organisations are being "paralysed" by ineffective middle management, cutting productivity by at least £220bn every year.**



Research out this week also found four in 10 executives said their organisation's middle management was the single greatest barrier to achieving their firm's strategic objectives.

The study of 200 managers by management consultancy Hay Group found that this level of poor performance was creating a "corporate soufflé" effect, whereby the middle section of the organisation gives way as individual commitment and leadership ability falters.

Giles Walker, senior consultant at Hay Group and author of the report, said: "Our research reveals an alarming performance gap at middle management level. With the impending retirement of the baby-boom generation, developing middle managers into tomorrow's leaders is a business-critical challenge for the UK's senior management."

Senior executives believe that, given the right training and development, middle management could be up to 29% more productive. The report claims this productivity increase at middle management and front-line levels would represent £220bn-worth of additional annual output in the UK service sector alone.



A chief concern is the impact of these managers on the rest of the workforce. Half of senior executives complained that middle managers failed to address poor team performance.

"Rather than expressing frustration over middle management capabilities, business leaders must implement effective training and development programmes and performance management tools to enable them to improve skills and enhance performance," Walker said.