



State of the Manager Report 2022

Managers are more important—and more burned out—than ever

A future-ready workforce starts with great managers. Our research shows that teams are 80% more likely to make improvements when they see their manager taking action. And during the pandemic, teams with a highly effective manager were 21% more likely to feel supported and 15% better at creating new communication norms and routines.

But managers are struggling. In 2021, the role of the manager became more important—and more stressful—than ever.

Leaders see managers as the key to improving culture, retention, and performance. And employees expect to feel supported, motivated, and valued by their manager—and are ready to quit if they don't.¹

In light of so much pressure and scrutiny, managers are becoming more likely to burn out and more likely to search for different roles themselves.

So we wanted to learn: Where are managers struggling most? What support will they need in the coming year? To answer those questions, we surveyed 200+ managers and 200+ Human Resources leaders, and analyzed data from over 90,000 employees.

This State of the Manager Report explores the top challenges managers face, which actions will have the most impact, and what leaders should keep in mind for the year ahead.



Tough trends modern managers face

Managers’ jobs are 10x harder

Managers say retention, hiring, and team performance are their top challenges

Leader and manager priorities don’t match

Leaders are focused on high-level transformation, but managers first need help with the fundamentals

Managers are ready to quit

Managers are 2x more likely than individual contributors to be looking for new jobs

Bad managers are getting worse

Managers with low effectiveness ratings became significantly worse in 3 specific areas

¹ Harvard Business Review, 2018.

SECTION ONE

The state of managers

Top trending manager nudges in 2021

In 2021, Humu sent millions of nudges—short, science-backed suggestions—to managers to help them improve performance, motivation, and wellbeing within their teams.

Our data scientists looked at every single nudge we delivered in 2021. Across themes like staying connected, combating burnout, and making progress, these were the 5 nudges that managers rated as most effective.

1 Inspire customer champions



This week, talk to your people about the critical role they can play in improving customer experiences. Try to share a story about a problem that was only solved because someone spoke up.

Why? Teams perform better when employees advocate on behalf of their customers.

2 Coach employees to create mini milestones

In 1:1s this week, help each employee to break a long-term goal into smaller tasks that they know how to tackle, or near-term goals they're confident they can achieve.

Why? Breaking down complex tasks into more attainable goals can lead to increased employee motivation and performance.

3 Conduct a learning audit

In 1:1 conversations, talk to your team about what abilities they'd like to develop. Together, agree on:

1. The most valuable skill to pursue
2. A plan to practice this skill on-the-job
3. Why this skill is important

Why? Having structured conversations about learning can help employees to make good choices, especially when they have down-time that could be dedicated to self-improvement.

4 Spread leadership around

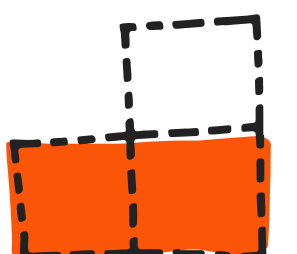
The next time an issue comes up, don't immediately fix it or explain it away. Instead, ask who wants to step up to lead the team in investigating the problem—and finding a solution.

Why? By getting behind your team and helping them challenge the status quo, you push them to be more innovative. Bonus: you'll also boost their motivation!

5 Together, one step at a time

In your next meeting, help your team break long-term priorities down into smaller goals. Ask members to pick one thing to work on over the next week—and to hold each other accountable.

Why? By focusing your team on action and encouraging them to bring accountability to the process, you set them up for success—and real, positive change.



Main nudges themes

 ALL HUMU CUSTOMERS

 FINANCIAL SERVICES

 TECHNOLOGY

 HEALTHCARE

 TELECOM

Employee development

Encouraging innovation

Seeking feedback

Primary drivers:

Retention concerns, the shift to a new way of working, and employee expectations around manager action-taking.

Team alignment

Employee development

Manager development

Primary drivers:

Lack of strong remote work cultures, rifts between remote and in-office teams, and employee eagerness to accelerate development.

Work-life balance

Employee recognition

Employee development

Primary drivers:

Better set up for remote and hybrid work, boom in technology sector leading to overwork and feeling undervalued.

Encouraging innovation

Progress

Employee recognition

Primary drivers:

Pressure to accelerate approaches to more rapidly develop vaccines and other solutions.

Employee development

Encouraging innovation

Seeking feedback

Primary drivers:

Enormous pressure as phone and internet connections continue to be essential, employees wanting to feel included and valued amidst stressful working conditions.

Managers' jobs are 10x harder

Continued uncertainty. An ongoing global pandemic. The shift to hybrid. The Great Resignation. In 2021, managers certainly had their work cut out for them. Here are the four ways managers' jobs became more difficult over the past year.

Their teams are struggling to cope

In 2020, 71% of employees experienced burnout at least once.² Over the past year, that number climbed to almost 90%.³

In 2021, leadership teams shifted from focusing on the basics to rolling out every and any program or policy that seemed like it could be helpful. While these efforts were made with the best of intentions, they left employees exhausted—and forced managers to contend with the emotional damage.

But managers don't feel equipped to deal with sky-high levels of burnout: in our survey of 200+ US managers, almost half (44%) ranked combating team burnout and balancing workloads as among their top three priorities.

SURVEY QUESTION:

What is the greatest challenge you've faced as a manager over the past year?

22.6%

RETENTION

21%

HIRING

19.4%

TEAM PERFORMANCE

8.1% COMMUNICATION

6.5% BURNOUT

4.8% CULTURE

18.2% OTHER

MANAGER COMMENTS:

"Coaching to behaviors."

"Training while remote."

"Disruptions in the team culture."

² Asana, 2021.

³ Visier, 2021.

Hybrid comes with a unique set of hurdles

70% of hybrid employees feel disconnected from their co-workers, and 2 in 3 feel left out when they're not working in the office.⁴

Hybrid managers have to take more intentional steps to keep their teams connected and aligned. They also have to work harder to combat bias: hybrid managers are prone to “on-site favoritism”, meaning they tend to give more opportunities to the people they see in the office. If they don't take measures to proactively combat this bias, the consequences are high: they'll contribute to greater feelings of isolation among their team—especially for those employees working from afar.

Retention, hiring, and onboarding are harder than ever

In September 2021, 65% of America's working population said they were actively job searching, a sharp increase from 36% in May.⁵ And 36% of employees who quit between March and September 2021 did so without having a new job lined up.⁶ In other words, employees' expectations are changing. And if managers want to hold onto and attract top talent, they need to figure out how to adapt.

But even if managers are able to bring in new hires, they immediately face another challenge: onboarding. Remote and hybrid onboarding is tricky, as managers need to more intentionally craft the process so that employees feel

connected to their new team and culture despite the fact that they've rarely (if ever) stepped foot on-site. This obstacle is reflected in our research: 41% of managers told us that “recruiting, hiring, and onboarding new team members” was one of their top three challenges.

Employees want to make up for “lost” growth opportunities

Many organizations put performance reviews and promotions on hold in 2020, leaving employees worried that their careers were stagnating. Our research shows that employees who don't perceive that they have growth opportunities are a whopping 7.9x more eager to leave their company, even if they otherwise like their jobs.

EMPLOYEES WHO DON'T PERCEIVE
GROWTH OPPORTUNITIES ARE

7.9x

MORE EAGER TO LEAVE THEIR
COMPANY, EVEN IF THEY OTHERWISE
LIKE THEIR JOBS

But not all managers know how to support employee growth, especially outside of promotions. Almost half (47%) of new managers told us they were struggling to give their employees enough feedback, coaching, and career development opportunities. In 2021, we also saw higher demand from managers for growth- and learning-focused nudges: across industries, “employee development” was consistently a top nudge theme throughout the year.

⁴ HR Dive, 2021.

⁵ PwC Pulse Survey, 2021.

⁶ McKinsey, 2021.

Leader and manager priorities don't match

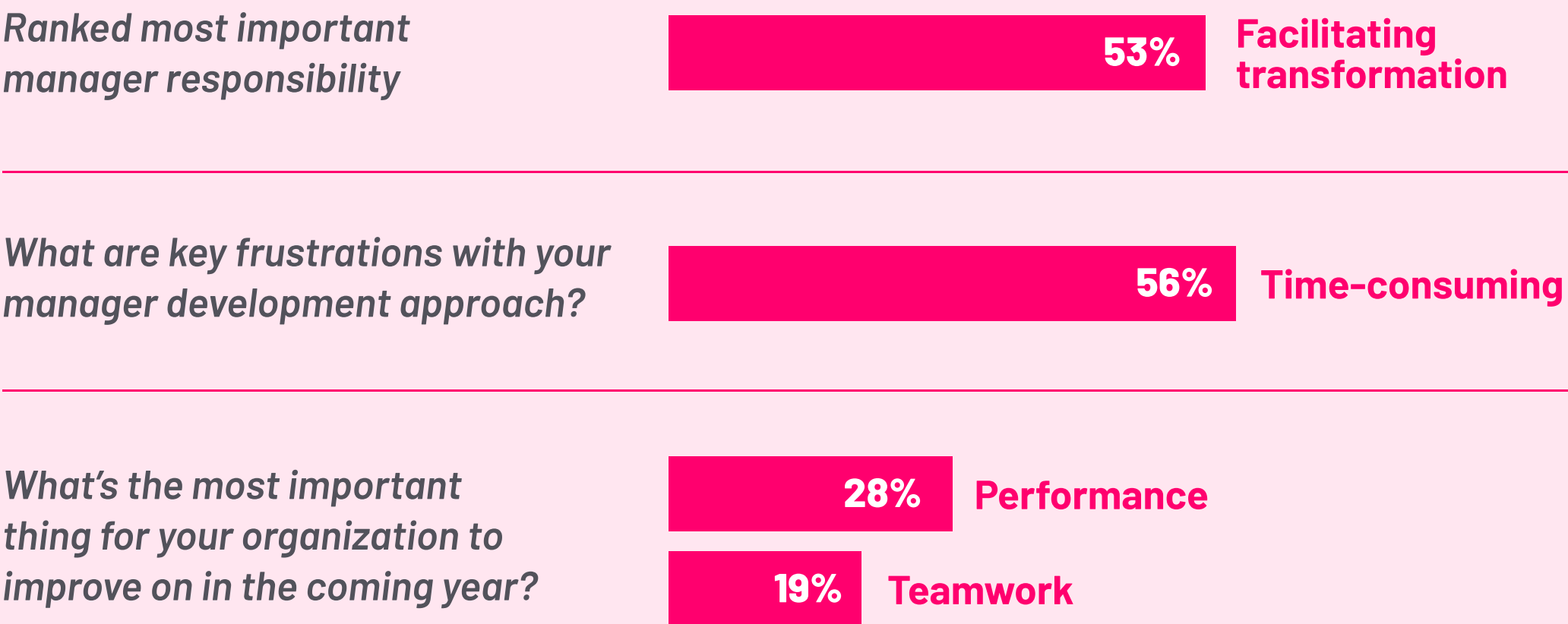
In October 2021, we asked 200+ Human Resources (HR) leaders what they saw as the primary responsibilities of a modern manager. HR leaders pointed to:

- 1. Facilitating transformation
- 2. Improving team agility
- 3. Leading a high-performing team

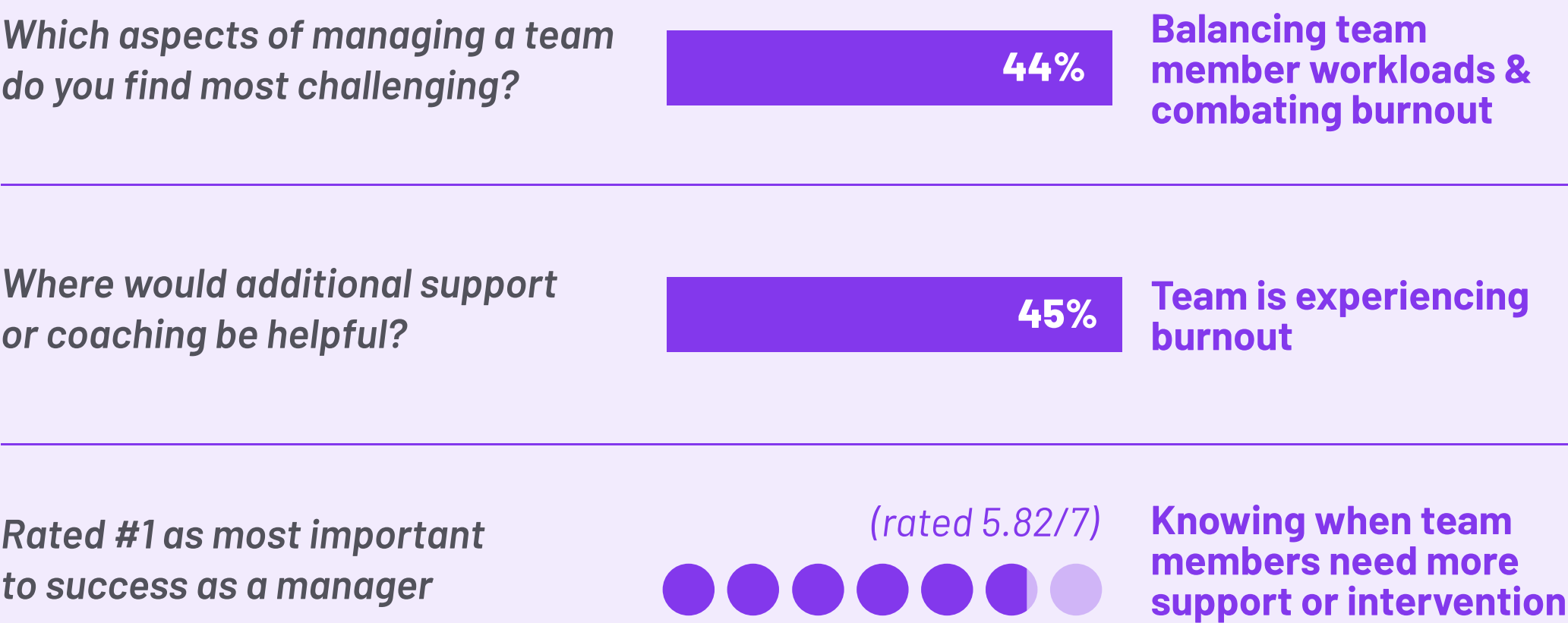
But in the same month, managers listed a different set of top priorities. In our survey of 200+ managers, three areas consistently emerged as mission-critical focus areas—and challenges:

- 1. Helping teams combat burnout
- 2. Retaining top talent
- 3. Hiring and onboarding

HR LEADERS:



MANAGERS:



While HR leaders feel urgency around improving performance and teamwork, managers are struggling with the fundamentals: wellbeing, morale, and retention. Stressed out employees cannot perform at their best. We'll cover this in a later section, but HR leaders' goals may be best served by first focusing on helping managers and teams feel less overwhelmed and disconnected.

Managers are ready to quit

Given how much harder their roles have become, managers are looking for a change of pace. Our research shows that attrition risk in 2021 was 2x higher among managers than individual contributors, and we expect that trend to continue through 2022.

Across our customers, managers also reported higher stress levels over the past year. While leading a remote team was one of their top concerns immediately after the pandemic hit, they began to struggle more with establishing work-life boundaries and maintaining their own wellbeing as the pandemic continued. External data backs these findings: Gallup surveys show that burnout among managers increased by 25% in 2021, but stayed relatively stable among individual contributors.⁷

Since the pandemic started...



⁷ Gallup, 2021.

Bad managers are getting worse, especially in these 3 areas

When it comes to management, there's a large, costly gap between those who have the skills to lead and those that don't — and our proprietary research shows the gap grew in 2021.

The effect of bad managers...

\$360m cost to the US economy by bad managers every year⁸

65% of employees would take a better manager over a pay raise⁹

70% of the variation in employee engagement is explained by manager effectiveness¹⁰

To better understand where bad managers got worse over the past year, we studied more than 50,000 managers and their teams. We looked at how teams rated their manager's overall performance, as well as their responses to a series of more specific statements. According to this analysis, the top areas where bad managers' rating dropped in 2021 were communication, listening, and feedback.

Top managers have consistently stayed great, even through the pandemic. But managers at the bottom are getting worse at **communication, listening, and feedback.**

- DR. STEFANIE TIGNOR, HEAD OF DATA SCIENCE AND INSIGHTS, HUMU

⁷ Gallup, 2021.

⁹ Forbes, 2012.

¹⁰ Gallup, 2015.

1. Communication

In 2021, teams that were dissatisfied with their managers rated them particularly poorly on the statements, “My manager clearly communicates our team’s future direction” and, “My manager creates structure and processes that help our team work more effectively.”

MANAGER NUDGE

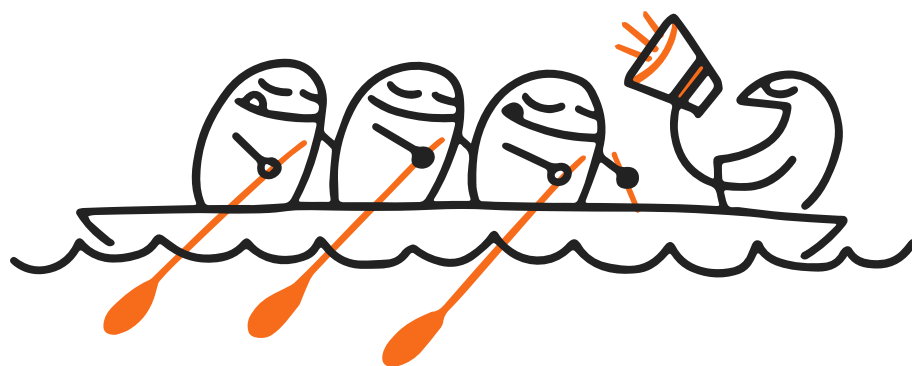
Communicate the team’s direction

Develop and socialize a concrete vision for your team – one that’s independent but connected to your company’s mission.

In your next 1:1s, ask questions to make sure each member understands and feels personally connected to the team’s direction. As you discuss specific tasks, clarify how they fit into the bigger picture.

Why organizations should be concerned:

Without meaningful milestones, employees are left spinning their wheels with no finish line in sight—leaving them bored, burnt out, and ready to jump ship. Our research shows that employees who feel they lack clear goals to work towards are 6.3x more likely to start looking for a new role. And people who don’t believe their work contributes significantly to their company’s mission are just as likely to quit.



2. Listening

Bad managers also received lower-than-usual scores on the statement, “My manager listens carefully to different points of view before coming to conclusions.” And their ratings on the statement, “My manager regularly seeks feedback to learn how to better serve the team” were 40% lower than top managers.

Why organizations should be concerned:

When managers actively invite and consider employee feedback, they earn trust, boost motivation, and improve retention. Our research shows that people who feel their company takes action on what employees say are 5.5x more likely to stay. Not only that, but managers who are responsive to the needs of the people have teams who are 3 times as innovative as those with managers that never ask for input.

MANAGER NUDGE

Listen, then share back

The next time you’re considering different possibilities, ask trusted team members for their thoughts.

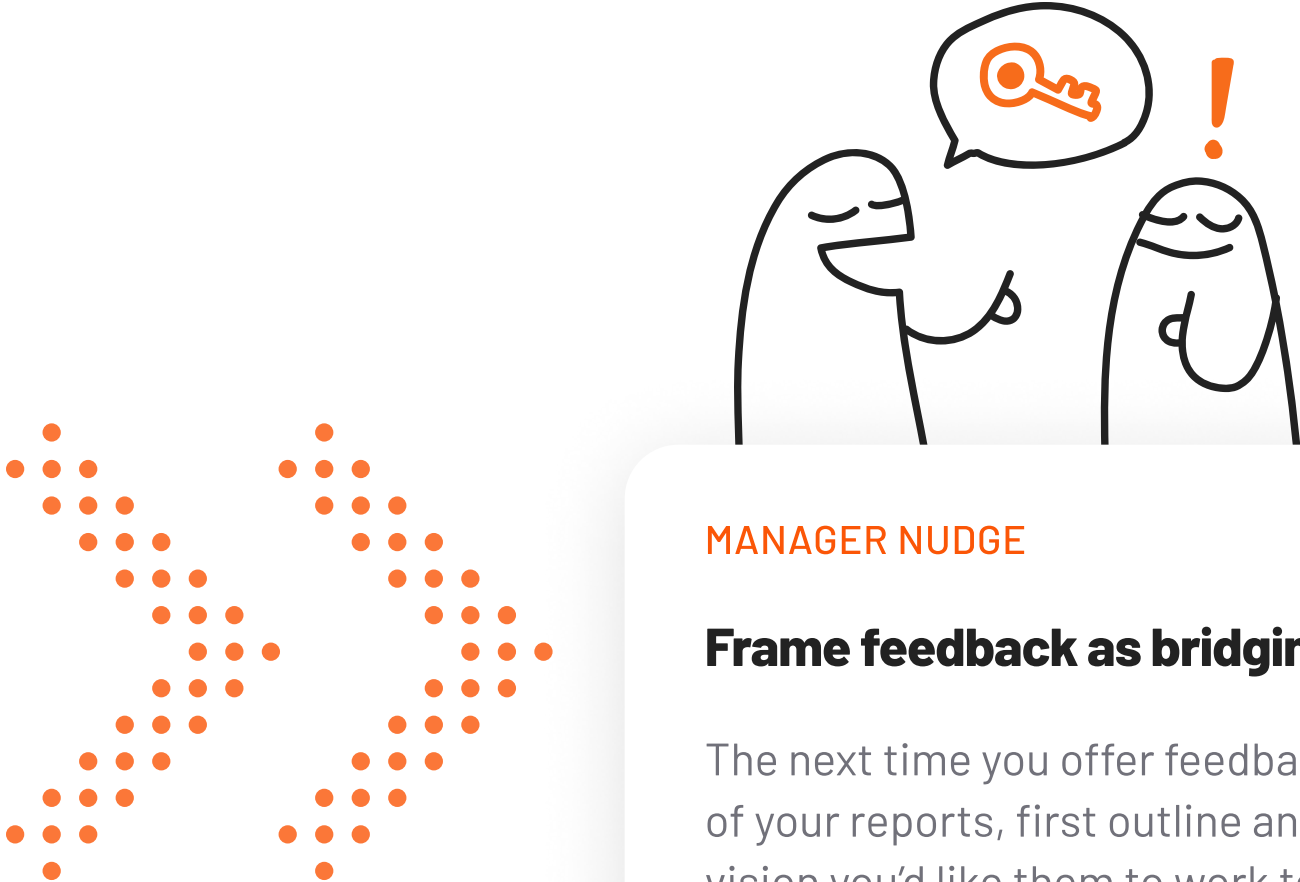
When you’ve reached a final decision, make it a point to share how their comments informed it—and why you were not able to act on every suggestion. Try something like, “I understand that X is a priority for many of you, but we have to do Y first because...”

3. Giving feedback

And finally, employees flagged that bad managers had gotten significantly worse at offering actionable advice and at creating learning opportunities. Bad manager ratings on the statement, “My manager provides me with feedback that helps me to improve over time” dropped from mid-2020 to mid-2021, and continued to decline as the year went on.

Why organizations should be concerned:

In our trending manager nudges of 2021 analysis, employee development was a top theme across industries. Many organizations put performance reviews and promotions on hold in 2020, making employees anxious to get their professional growth back on track. In our data, we see that people who feel their managers offer them growth opportunities are 7.9x more likely to stay at their organization.



MANAGER NUDGE

Frame feedback as bridging the gap

The next time you offer feedback to one of your reports, first outline an exciting vision you’d like them to work towards. For example, you might say, “I believe you can be a great manager one day, and I want to help you get there.”

Then describe where they are, and a few steps you’re going to help them take to bridge the gap between their current state and the exciting goal.

SECTION TWO

Where to focus in 2022

5 key engagement strategies every manager needs in 2022

Managers are a top driver of employee engagement. It takes a 20% pay raise to lure most employees away from a manager who engages them, but almost nothing to poach a disengaged worker.¹¹ Here are five proven steps managers can take to keep their people engaged, motivated, and productive.

Great managers make sure the answer to these five questions is a resounding “Yes!”

3: Purpose

Does the team believe their work makes a positive impact on the world?

1: Clarity

Does everyone have a shared understanding of where they’re headed?

2: Inclusion

Do all employees feel valued, heard, and empowered to succeed?

4: Trust

Do team members trust that their manager will support them, and trust each other to be accountable and helpful?

5: Learning

Does a culture of continuous improvement exist within the team?

¹¹ Gallup, 2020.

1: Clarity

Set clear milestones and let employees figure out how to get there.

When it feels like circumstances are beyond our control—say, a never-ending pandemic or economic uncertainty—a sense of progress is paramount. People who don't feel like they have clear, achievable goals are 6.2x more likely to leave their company than those who regularly hit meaningful milestones.

To strike the right balance between offering too much and too little direction, managers should clearly outline the goals they'd like employees to hit and let them figure out how to get there. Managers should make it a point to be available—in 1:1s, team meetings, or during office hours—to answer questions, but then step back again.

¹² MIT Sloan Management Review, 2012.

2: Inclusion

Proactively combat bias

We tend to gravitate towards the people we see more often. Especially for managers working in a hybrid environment, this bias can lead them to measure and reward access rather than performance. Pre-pandemic research by MIT¹² shows that remote workers tend to get lower performance evaluations and fewer promotions than their colleagues who are in the office.

MANAGER NUDGE

Make a list, and check it twice

Consciously make sure you consider all team members for advancement opportunities. When delegating tasks or offering growth opportunities, write down each employee's name and then review your list to ensure that you consider everyone, every time.

3: Purpose

Make work feel personally meaningful

Our research shows that people who don't feel their work contributes to their company's mission are 6.3x more likely to quit their jobs than their peers who do. Meaning is also closely tied to motivation, job satisfaction, and an increased willingness to help others on the team.

The way to help teams rediscover the purpose in their work is to make every task and project mission driven. For example, CommonSpirit, the largest nonprofit health system in America, starts important meetings with "reflections", stories or videos recognizing how hard it is to be a health care worker in a pandemic while also connecting to all the good they do for their patients and communities.

Managers can do the same by tying each team member's work back to the bigger picture of why what they do matters to the world. When assigning tasks, managers should outline answers to:

- **Why is this project important?**
- **How will it impact others?**
- **How does it fit into the company's broader mission?**

¹³ *European Journal of Work and Organizational Psychology*, 2021.

¹⁴ Visier, 2021.

4: Trust

Help team members invest in wellbeing

Transitions—like shifting to a new way of working—are stressful and put teams at heightened risk for burnout. When employees are anxious, they're also not able to problem-solve or innovate as effectively, and they become more likely to look for a new job.¹³ In 2021, 70% of employees said they were willing to leave their current jobs for one that better supports their wellbeing.¹⁴

To keep employees from feeling overloaded, managers should encourage regular breaks and offer flexibility whenever possible. In 1:1s, they can check-in with their people by asking questions like, "What can I do to support you this week?" or "How does your workload feel, and is there anything I can help take off your plate?"



5: Learning

Offer employees personalized growth opportunities

Employees who feel their managers offer them growth opportunities are 7.9x more likely to stay at their organization, and those who report learning new skills in the flow of their work are 4.8x more likely to stay.

Managers can encourage development in the new year by helping their people create personalized growth plans.

 **90%**
of employees agree bite-sized learning moments help them develop faster

Managers should set aside time in 1:1 conversations to discuss what abilities each team member would like to develop and then, together, agree on:

- The most valuable skills to pursue
- A plan to practice these skills on-the-job
- Why these skills are important

 **75%**
of new information is forgotten is just six days if it isn't applied in the flow of work

People who feel their managers offer them growth opportunities are:

7.9x

MORE LIKELY TO STAY AT THEIR ORGANIZATION

And become:

2.4x

MORE LIKELY TO MAKE MEASURABLE IMPROVEMENTS

3 ways to help struggling managers

Improvement can't just fall on the shoulders of already overburdened managers. Here are three strategies leaders can adopt to set their managers up for success in 2022.

Strategy 1: Keep it simple

Simplicity will be key in 2022. As our research shows, managers and their teams are overwhelmed. Asking them to remember 20 new cultural values or filling their calendars with one-size-fits-all training sessions won't work.

In 2022, we recommend leaders pair down programs where possible to help managers focus only on what matters most. In conversations with executives, we're hearing that many are abandoning complex values frameworks to instead focus on 3-4 values they want managers and teams to live by, and then outlining a few key behaviors that map to each value.

Strategy 2: Support teams, too

The key to unlocking effective managers is to help their teams, too. Instead of piling responsibility only on managers, top-performing organizations also invest in helping each teammate build the skills they need to deliver exceptional work. When people get better, managers' jobs get easier, giving them more time to focus on what matters most. In other words, managers can't be maximally effective if their teams aren't taking action, too.

The nudges from Humu truly created mindfulness related to our hybrid work environment that has always existed and is now more widespread. These nuggets of information reframed our 'old ways' of leading and I found them to be relevant and timely as we begin the journey of returning to the office.

- MARGARET, NUDGE RECIPIENT

Strategy 3: Offer specific, personalized support

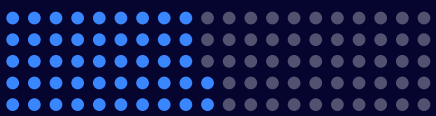
Manager development efforts are 8x as effective if leaders first identify where a specific manager needs to improve.¹⁵

While our survey revealed consistent high-level focus areas for managers (e.g. wellbeing and retention), it also surfaced distinct differences across manager demographics including years of experience and team size. For example, managers with less than 2 years of experience told us they'd like help giving and getting feedback, while managers with 10+ years of experience were more concerned about keeping their team members aligned to goals and combating burnout.

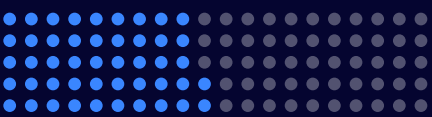
Our nudges are built on the science of personalized support and are proven to drive better outcomes than generic training or coaching. A study we ran at a telecom customer showed that our nudges were 15% more effective than corporate trainings in supporting teams through transformation. And at a technology customer, we saw that manager ratings went up while managers were in coaching sessions, but immediately dropped back to baseline once the program was over. Managers at the same company who got nudges, however, saw their ratings continue to climb as time went on.

Different managers need support in different areas

New managers are asking for support with:



Recruiting, hiring, and onboarding (47%)

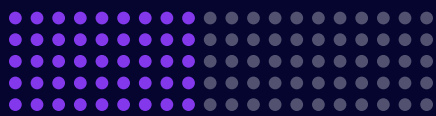


Giving feedback and supporting career development (47%)



Receiving and addressing feedback (32%)

Experienced managers are asking for support with:



Recruiting, hiring, and onboarding (45%)



Keeping team members aligned to goals (40%)



Balancing workloads and combating burnout (38%)

Managers of smaller teams are struggling with:



Balancing workloads and combating burnout (48%)

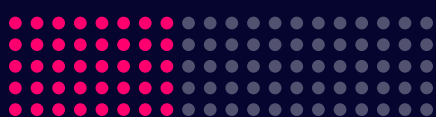


Recruiting, hiring, and onboarding (43%)



Keeping team members aligned to goals (37%)

Managers of larger teams are struggling with:



Balancing workloads and combating burnout (40%)



Recruiting, hiring, and onboarding (37%)



Building a strong team culture (35%)

¹⁵ Leadership Training Design, Delivery, and Implementation: A Meta-Analysis, 2017.

2021 was rough on managers – but 2022 doesn't have to be

For most managers, responding effectively to the impact of the pandemic was still the biggest challenge of 2021. Navigating a new way of working, combating burnout, and retention and hiring amidst the Great Resignation topped managers' priority lists.

All to say: managers had a lot on their plates in 2021.

As we look to 2022, companies and managers have an opportunity to learn from the past year and put simpler, more effective practices in place. The challenge for managers and senior leaders will be to identify and focus on the key behaviors that will help their teams thrive throughout the year.

We recommend prioritizing:

- *Simplifying existing programs and policies*
 - *Personalized, continuous development opportunities*
 - *Unburdening managers by supporting teams*
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If you'd like to learn more about how Humu can help you develop great managers by offering them personalized, impactful support, we'd love to hear from you.

Contact us at humu.com or hello@humu.com.

About Humu

Humu is an action management platform that makes it easy for managers to improve, every single week. With Humu, leaders can confidently give managers the exact support they need to develop exceptional teams.

Science shows that the fastest path to improvement is via personalized coaching in the flow of work. That’s exactly what Humu does. Humu nudges managers and teams to build the specific habits that will lead to their organization’s success. Unlike most tools, Humu combines Nobel-prize winning people science and technology to pinpoint which behaviors and people skills managers need to be effective. Managers can feel confident that they’re focusing on what matters most.

That’s why managers love nudges. 90% of managers say that nudges make it easier for them to practice good work habits. And teams love nudges, too. 94% of team members say that they notice their managers taking action on nudges and making noticeable improvements.

For more information about how Humu can help your managers, please visit humu.com/web-demo

94%

OF TEAM MEMBERS SAY THEY NOTICE MANAGERS TAKING ACTION ON NUDGES

90%

OF MANAGERS SAY NUDGES MAKE IT EASIER TO PRACTICE GOOD WORK HABITS