

Area Management

The Ambiguity of the Retail Area Manager Role

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There is certainly a great deal of uncertainty, confusion, and very often frustration at executive level regarding the effectiveness of the area manager. Many executives are dissatisfied with their area managers and are questioning the value of this position within the organisation. Some executives are blaming area managers for holding back the organisation from achieving its full potential. However, this ambiguity is not only confined to executive level. Many area managers themselves are unsure of the jobs key tasks, and more importantly what is required from them within the role.

One thing is certain; this ambiguity is causing a great deal of concern, and cost within organisations. So, what do area managers actually do, and more importantly, what are they meant to achieve within a retail organisation?

Differences – Area Manager vs Line Manager

Everybody would agree that the role of the area manager is very different from that of a branch manager. But what are the differences?

- **Senior management role** - the area manager role is certainly a senior management position, and salary and benefits packages confirm this. When a branch manager takes on an area manager role they move towards the boardroom, which means they have to act and behave as a company executive would do at all times. They are the 'face' of the organisation to many people. This also means that they have to support the organisation and its strategy, even if they do not like the direction the organisation is going.

Unfortunately, there are many area managers who have not been able to step away from the branch management role.

- **Managers of managers** - area managers do not manage 'people' they manage branch managers. Branch managers manage the 'people'. Area managers are certainly accountable for the performance of their people, but they do this indirectly through the branch management team. Area managers are often responsible for huge areas and cannot possibly manage the individual performance of all team members. But they can manage the performance and development of the branch managers. If they do this successfully branch managers will automatically manage their people effectively.
- **Dependent on the achievements of others** - area managers do not actually achieve anything individually. Nearly all their results are achieved through their branch managers. This means they are dependent on the results of others, rather than their own direct contribution, which makes the blaming of others for poor performance much easier.
- **Dependant on many others for support** - Area managers tend to need support from others in the achievement of their goals and objectives. Whereas branch managers tend to require little support in theirs. Area managers need to have a team of support personnel and a network of HQ contacts in order to help them do

the job. This means area managers have to be effective in the fostering of good relations and communication links with supporting functions if they are going to be effective in the area manager role.

- **No clear set of duties** - unlike the disciplined, service and target driven branch management job the area manager does not have a clear set of duties and procedures to work to. Area managers have to work towards clear targets and objectives. But it is very much up to area managers themselves to decide what to do, and when to do it, in the achievement of these objectives.
- **Leadership vs. management**
The most fundamental difference between area manager and branch manager roles is to do with Leadership vs. Management. Primarily management is all about keeping the wheels turning, maintaining control and organising. This is what branch managers do. Leadership is about developing, improving and driving through necessary change, which is precisely what area managers need to do. The people side of branch management involves 80% management & 20% leadership. Whereas the people side of the area management role involves 80% leadership & 20% management. Unfortunately, many middle managers today were promoted on their management skills, rather than their leadership abilities.

What do Area Managers actually do?

In a nutshell; **area managers implement company strategy** rather than decide company strategy. Area managers tend not to get too involved in defining company strategy, but they do have to work out how to achieve the strategic requirements of the company. What this means is that if an organisation wants to achieve X, area managers have to find a way of achieving X. Area managers are basically implementers rather than strategists.

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With regards to what they actually do, you can break the area manager’s task requirements into three task areas; **Technical** tasks; administration, day-to-day routines, compliance checking, **People** tasks; leading, motivating and developing and **Strategic** tasks; financial management, report writing, analysis and communicating upwards. All executives would agree that the primary role of the middle manager falls under The **People** category (leading, motivating and developing) and this is where most of the frustration lies. The challenge for executives today is ensuring that the

amount of time area managers spend on each of these task areas is proportioned to the requirements of the business. If executives give area managers too many administration tasks to complete (checklists, reports etc.), or if they give them too many strategic tasks to complete (attendance at meetings, financial analysis), they may turn the area manager into auditors/administrators or strategists/accountants respectively. Many area managers were appointed because of their technical expertise, or their understanding of financial statistics. Unfortunately, very few area managers today were appointed because of their people skills and leadership qualities. Leadership is certainly hard work, complicated, uncomfortable and very often risky. Therefore, many area managers choose the technical and strategic tasks over the leadership requirements of the job because it is much easier, much safer and they can see the results of their personal efforts much quicker. The single most important requirement of every area manager is to get a competent manager in every branch. This aim has to be on the mind of area managers at all times.

What are the competencies of area management?

There have always been a great deal of differing opinion regarding area manager competencies, but in nearly all cases leadership is viewed as a key area of manager competence. Leadership however it's not a single competence. Leadership is made up of a number of core competencies, each of which are critical to the area manager role. Some of the key competencies of the area management role are:

- **A strong commercial focus** - Area managers must keep costs and profits uppermost. They must be able to recognize business opportunities, and consider the financial implications of the decisions they make.
- **Self-development and learning** - There is very little training for the area management role, and being thrown in at the deep end to either sink or swim is common. Therefore, area managers need to be effective self-developers.
- **Personal effectiveness** - Area managers need to be effective in managing both their own time and workload, and the workload of their branch managers. So, they need to be able to set goals effectively on a short, medium and long-term basis, and achieve these as a matter of course.
- **Management team development** - Area managers have to have the ability to identify development needs in the branch management team, and provide suitable opportunities to meet those needs

in order for them to develop. Area managers need to be able to delegate tasks and challenges to their branch managers in order to develop them.

- **Performance management** - Area managers have to manage the performance of the branch managers. Which means appraisal, developmental reviews, giving feedback and setting clear goals for improvement is a critical requirement of the role.
- **A desire for continuous improvement** – Seeking more efficient and profitable ways of doing things, actively encouraging ideas for improvement from others is a key requirement of the area management role.
- **Managing change** - Area managers need to be change agents, drive through necessary change in a positive manner and accept change as an everyday part of the middle management role.

What are the key skills of Area Management?

Area managers need to be skilled in every aspect of management and leadership. There are very few skills that area managers do not use at one time or other. The critical skill requirement of all area managers falls under the leadership competence of **Performance Management**:

- **Management by objectives** - Area managers have to be exceptionally skilled in setting objectives and
- **following through to completion**. The only possible way they can

Key Area Manager Competencies

- Ability to think clearly
- A strong commercial focus
- Desire for continuous improvement
- Decision-making
- Management Development
- Understanding the need to empower
- Objectives management
- Innovation and creativity
- Intellectual capacity
- Managing change
- Delight in diversity
- Managing uncertainty
- Performance Management
- Personal effectiveness
- Self-development and learning
- Understanding the culture
- Influencing others
- Achieving a balanced lifestyle

- manage branch manager performance and at a distance, is by setting clear measurable objectives and holding managers to account for achieving them.
- **Training and coaching** - Area managers have a huge influence on branch manager performance and development. There is no better development for branch managers than to receive effective training and coaching from the area manager. The requirement for area managers to coach and train their line managers has never been as critical as it is today. Area managers need to be the consummate trainer and coach if they are to achieve competence at branch management level.
- **Communicating assertively** - There is no doubt that area managers need to be able to communicate effectively in order to drive through necessary change, or improve performance. Presenting, explaining and persuading are all skills that need to be learnt. The most critical of the many communication skills for area managers is undoubtedly **assertiveness**. Dealing with confrontational issues is a regular requirement of the job therefore area managers need to have a full understanding of assertiveness techniques and be skilled in their use. What makes communicating assertively so important is the influencing effect an area manager can have on the branch managers. If an area manager takes a passive or aggressive approach to dealing with confrontation, many branch

managers will follow this as the lead.

- **Poor performance management** - Area managers need to be skilled in resolving 'manager' poor performance and poor behaviour. Many area managers are ineffective in this area because of the lack of specific training on the subject. If area managers are ineffective in dealing with poor performing managers, then you can be sure branch managers will be ineffective in dealing with poor performing team members.
- **Talent management** - Identifying talent, finding the next generation area managers is a critical requirement of the area manager's role. Having a robust succession planning strategy in place is key to the future success of an organisation. Recruiting the right people and developing talent takes great skill.

How do you manage Area Manager performance?

In the management of area managers, it is far easier and clearer to assess the effectiveness of an area manager by what they **achieve** rather than what **they do**. Executives need to set area managers clear targets and objectives, and then **hold them to account for achieving them**. This is the only effective way of managing area manager performance. Obviously, area manager technical and strategic targets and objectives will differ between industries. However, area manager 'people' objectives tend to be similar.

Every area manager needs to:

- Ensure each branch is run by a competent manager.
- Monitor company values, and ensure they are being adhered to at all times.
- Ensure all managers and employees perform to the required standard.
- Monitor company policies and procedures in the workplace, and ensure they are being implemented at all times.
- Ensure all employees (including managers) are given the appropriate training to do the job.
- Develop a culture where regular attendance is expected rather than irregular attendance is being accepted.
- Have in place a succession planning strategy where talent is identified and then developed.

The truly effective area manager will work towards achieving these objectives with little encouragement or direction. The more technical/strategic minded area managers will often need a great deal of encouragement in the achievement of them.

Technical/strategic minded area managers are effective in maintaining the status quo but can be ineffective in developing people, improving performance and moving the businesses forward.

How do you measure area manager competence?

Targets and objectives will manage area manager performance. However, it is key performance Indicators (KPIs) that will measure area manager effectiveness. Hard KPIs such as financial targets do not always give a clear picture of area manager

competence. Many 'not so good' area managers (and line managers) regularly achieve financial expectations 'despite' them rather than 'because' of them. Soft KPI such as absence, staff turnover, skills audits and culture surveys all work well in measuring area manager effectiveness.

A simple measure of area manager competence is to assess the competence of the branch managers within the area manager's team. The plain fact is; competent area managers have few under-performing line managers and incompetent area managers tend to have many. If an area manager has poor performing branch managers within it and nothing or very little is being done about it, that is a clear sign of area managers incompetence.

Appointing area managers from branch management positions.

Identifying branch managers with potential for area management is no easy task as executives can normally only assess a branch manager's 'management' skills rather than their leader potential. The key questions to ask when considering appointing a branch manager to an area management role is:

With development, would this branch manager be willing and able to:

- Swim (self-develop) if thrown in at the deep end?
- Step away from the branch manager role, and represent the company professionally as an executive?
- Maximise on the full profit potential of the area they will be responsible for?

- Find good people for the organisation?
- Coach and train branch managers when required to do so?
- Tackle and resolve an under-performing branch manager issue?
- Continually strive to identify improvement and development areas within the area.
- Identify and drive through necessary change?
- Motivate, influence and inspire a team of branch managers?

With regard to their personal qualities will this branch manager:

- Have the courage and confidence to face up to the challenging personalities they will have to manage?
- Be self-motivated and lead branch managers undirected?
- Do the right things when nobody is looking (Integrity)?

Most importantly – are the branch manager's values in line with the values and beliefs of the organisation (Culture)? If not, this manager will develop a sub-culture different and possibly damaging to that of the organisation. Many people believe that managers recruit in their own image. What happens is they unconsciously (sometimes consciously) recruit people with similar values.

Improving or Removing the under-performing Area Manager

Unfortunately, the retail industry has many under-performing area managers and improving their performance is proving to be a challenging matter. Some retail organisations have removed this level of management because of its ineffectiveness only to experience a decrease in branch manager performance as a result. Area managers are crucially important, but only if they add value to the organisation. Area managers need ongoing development in their leadership competencies, more so than executives. Executives have a strategic leadership responsibility; area managers have a team leadership responsibility, which is far more challenging and requires far more specialist development. When a retail organisation grows to an extent where area managers are necessary 'improving' is far more effective and less costly than 'removing' the role.

Like them or hate them area managers are necessary in every medium to large retail organisation. So, appoint carefully, give newly appointed area managers the right initial training. Continually develop your seasoned area managers, and manage and monitor their performance with clear objectives and softer KPI.

Do this and area managers will ensure your business maximises on its full potential.

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