

Unlocking the hidden power of middle management

Is the perceived dysfunction of middle management a symptom of leaders' failure to appreciate the value that the middle layer can bring to their organization?

The coming decade will not be defined by fewer managers but by a new breed of professionals who are better prepared and differently positioned to address today's business imperatives.

It's time to take the discussion about the inefficiency of middle management off the table. Asking how to cut out unproductive inefficient middle roles is the wrong question. A closer look at the situation in many organizations reveals that the root of dysfunction in middle management is a lack of leadership vision about what skills and structure a company needs to keep the best talent and be highly responsive to change. Leaders can boost the performance of their organizations today by acting in three areas:

- **Redesigning career paths** that reward both technical excellence and managerial skills at the same level.
- **Recognizing that not everyone should be a manager;** that managers should be promoted based on precise criteria that includes soft skills, such as the ability to communicate effectively, show empathy, and motivate teams.
- **Appreciating that the middle layer can add immense value to an organization** – if it is structured as a facilitation and learning platform that supports teams and encourages feedback over reporting and control.

Which structure is best for an organization to be effective in today's unpredictable and rapidly evolving business landscape? The debate continues between centralized, top-down approaches or an agile, networked configuration.

Predictably, there is no 'best way'. Centralized works best for some industries and leadership styles. Networked and distributed is equally effective if the right components are in place. But neither can be effective without a dynamic and well-functioning middle layer. A lack of understanding of how the middle works and the value it can bring is a flaw that today's leaders need to recognize and fix.

The middle space in organizations – typically referred to as middle management – is an under-valued and misunderstood component of an organization's development. It's also the most dysfunctional part of many organizations.

Management thinking and practice have progressed immeasurably since the 1980s, embracing approaches such as the Google-inspired Objectives and Key Results, skills-based hiring and development, or continuous feedback practices. In contrast, middle managers today are promoted and developed following the same thinking as 30 years ago. Now we say that they are redundant and ask what to do with them.

Is this dysfunction the result of how middle managers work? Or is it caused by leaders' failure to see that they have created today's situation by being slow to recognize how a reshaped middle layer can re-energize an organization by motivating and liberating their professional teams? And understanding the skills that effective managers need.

Especially in large organizations, current practice reinforces the expectation that progressing from technical expert to manager is a required career step for successful professionals. This outdated thinking says that promotion to manager is a reward for a job well done – confirming that you are a good expert. In reality, technical excellence does not naturally translate into what's needed to be an effective manager.

To create a dynamic middle level – collaborative team members that are effective in today's environment – leadership's selection of managers must be based on a critical analysis of the skills needed to lead and motivate teams. This will drive an evidence-based selection process that identifies the most suitable experts for future managerial roles.

In some companies, leadership's lack of a plan to identify ideal manager profiles has created a middle layer of people that have technical credibility but limited interest or ability to lead people. To progress, companies need to focus on what is needed for better management, and to know where are the best people for these roles, and how to best support a culture of leading people?

Profiling the middle manager

The middle manager of the past was a transmitter of information, vertically, from management to teams. As information now flows freely across organizations through e-mail and other platforms, this role is no longer relevant. Today's effective middle managers energize lateral communication and knowledge exchange, opening former silos and 'functional expertise' thinking. This lack of lateral information flow, and leaders' grasp of how to activate it, keeps many organizations from working more effectively.

The value that today's middle manager brings is a deep appreciation of the needs and pressures that teams face, and the ability to help them manage workloads and targets – motivating people and coordinating workflow to avoid burnout. This role is a combination of knowledge broker and social connector, ready to listen and provide advice. But they also grasp figures and economics and are focused on business performance. These managers are the bridge between financial plans and effective teams.

Another critical attribute that these managers bring is psychological safety. At team level, this means creating a culture where people know they can speak up, ask questions, acknowledge mistakes, and challenge assumptions in a positive setting.

Toward a dual career path

Attributes of the ideal middle manager

The bridge between financial targets and people's capabilities

- **People skills:** social and emotional competence, empathy, being respected and seen as a good coach.
- **Communication & coordination:** facilitator, analyzer, knowledge broker
- **Business know-how:** Economics and finance, keen understanding of performance management and business targets.

But what of the technical experts, the lifeblood of innovation in a leading organization? How will experts be motivated if they have no management track on their professional horizon?

Every organization has a well-defined management career track – from manager to senior manager, department head, vice president, senior vice president, executive vice president, etc. But few have defined a similar path for their valuable specialists – the experts.

Forward-thinking companies have created the dual career track that recognizes two types of contribution – leading people and technical excellence. For top performers, both skill sets are rewarded at the same level, highly valuing technical expertise so that specialists are not left behind.

The dual career approach clarifies that every expert will not necessarily become a manager and opens an attractive path for technical colleagues. It also gives leaders an evidence-based approach to management selection, clarifying the value that technical experts and managerial leaders are expected to create.

Dual Career path in action

IBM has had dual career paths as part of its DNA for decades. Top experts and managers are recognized at the same level, with the highest-ranking technical experts promoted as IBM Fellows, the most senior position for experts without a managerial function. Of its 71 Fellows 12 are Nobel Prize winners. Looking at the value of its top performers: if a CEO or a senior management member leaves, a replacement can be easily found. However, replacing a leading technical expert is more difficult and a Nobel Prize winner near impossible.

Managing the transition: identifying managers' hidden talents

Redesigning middle management also raises a practical question: what should organizations do with the managers who already occupy these roles but may not fully match the today's requirements? Attempting to replace large numbers of existing managers would create resistance and undermine trust. A more sustainable approach is to manage the shift as a transition rather than a replacement exercise. Many current managers can grow into new roles encouraged by targeted development, for example to develop their coaching, facilitation and business literacy. Others may discover hidden strengths as experts in a dual career track, in project-based leadership, or in specialist functions that do not require formal people management.

By offering development opportunities and credible alternative career paths, organizations can evolve their middle layer while preserving valuable experience and institutional knowledge. By embracing the approaches presented here, leaders can take a big step to reducing bureaucracy re-energizing teams with redesigned middle management to bring leadership to the middle.

For those who think that their organizational performance will be improved by cutting out the middle to reduce bureaucracy, you are welcome to try.

But first consider who will be responsible and accountable for supporting motivation, learning and problem-solving across teams, mitigating conflict, managing workflow or guarding against chaos. The ability to effectively address these aspects is where a company's hidden value lies. It's called middle management.

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This briefing is summarized from the Future Work Report, *The Future of Middle Management* (2026). The Forum is an independent think tank of business professionals working worldwide. We come together to reflect and share insights on how leaders can more effectively navigate the future of work for their organizations. Future Work Briefings share insights for leaders on how approaches to future work can be improved.



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