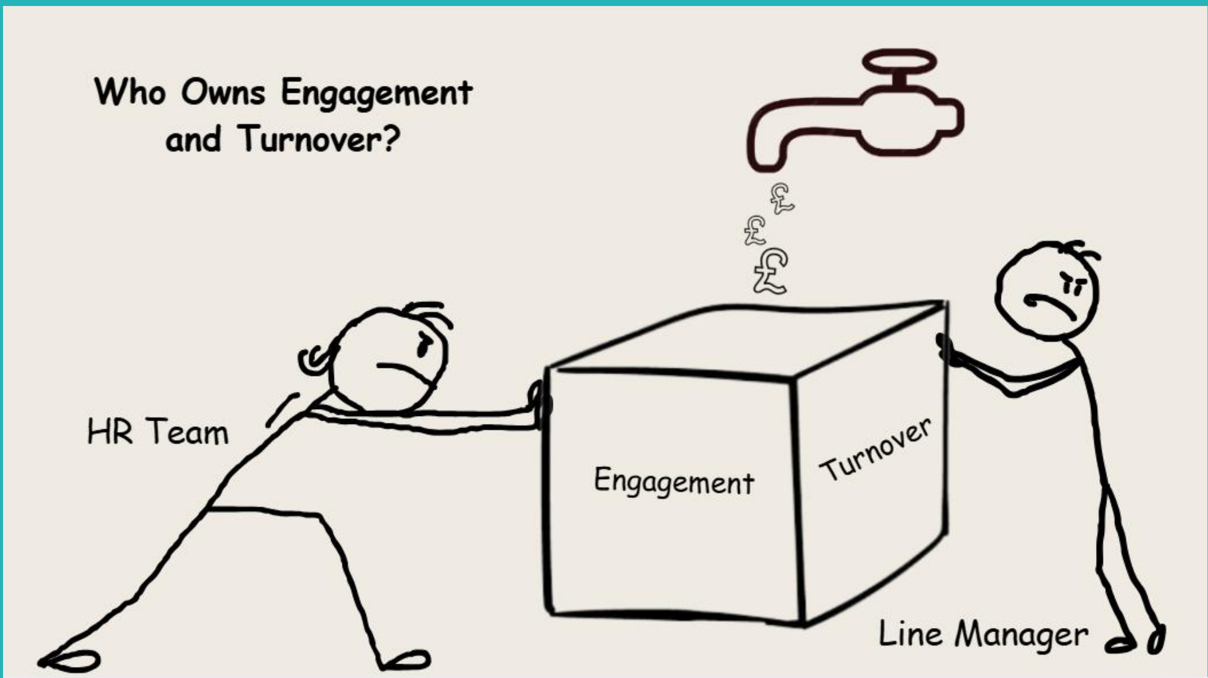
Engagement and Turnover –
Bridging the HR-Manager Accountability Gap



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Bridging the HR-Manager Gap in Engagement and Turnover Accountability

By Deborah Dray, March 2025

Chief People Officers (CPOs) face a familiar paradox: while HR departments are charged with improving employee engagement and reducing turnover, it's the day-to-day manager-employee relationship that largely determines those outcomes. So why do engagement and turnover KPIs often sit solely with HR, what is the financial fallout of this misalignment, and how can UK organisations – from nimble tech firms to finance giants – create a shared accountability framework?

By grounding the discussion in evidence, this article offers insights and practical steps for C-suite leaders to realign responsibility and reap performance gains.

1. Accountability Misalignment: HR Owns the Metric, Managers Own the Moment

It's common for HR to own metrics like annual engagement scores and attrition rates – yet research shows line managers have an outsized influence on these metrics. Gallup famously found that **70% of the variance in team engagement is determined by the manager** (What is employee engagement | Gallup). In other words, employees' enthusiasm and commitment hinge predominantly on their immediate supervisors, not HR policies on a page. Similarly, nearly **half of UK employees have quit a job due to a poor relationship with their boss** (Half of UK workers quit due to bad management - Personnel Today). These findings underscore the misalignment: HR is accountable for improving engagement and retention, but managers – through their daily actions – are the primary drivers. Yet in many organisations, managers may not feel ownership of these people outcomes. Engagement initiatives are often seen as "an HR thing," rolled out via HR-led surveys and programmes, with managers left to implement changes without direct accountability. A recent CIPD-backed study stresses that **"employee engagement is everyone's responsibility"**, from senior leaders to front-line staff – neither HR nor line managers can drive engagement in isolation (CIPD Line Managers and Employee Engagement). The traditional model of HR collecting survey data and then asking managers to act has led to role confusion. Managers focus on operational targets, while HR tries to influence factors largely outside its direct control. This siloed approach means **the very people who shape an employee's experience – line managers – aren't formally on the hook for the results**. The outcome? Good intentions with limited impact. For CPOs, recognising this gap is the first step toward change.

2. The Cost of Getting It Wrong: Turnover, Productivity Loss and Hidden Drains

Misalignment in accountability doesn't just hurt morale – it hits the bottom line. When managers aren't part of the effort to improve engagement, companies pay the price in several ways:

Wasted Recruitment and Onboarding Spend: Replacing employees is expensive. **The average cost of turnover per employee in the UK is around £30,000** when factoring recruitment, training, and lost productivity (The Cost of Brain Drain | Oxford Economics). If high turnover is seen as "HR's problem" rather than a signal of managerial issues, organisations end up treating symptoms (hiring new staff) without addressing root causes. For example, a fast-growing London tech startup might burn through its recruitment budget hiring replacements for talented developers who left due to poor team leadership. In financial services, where compliance and client relationships are critical, constant re-hiring isn't just a direct cost – it also erodes client trust and institutional knowledge.

Productivity and Performance Drain: Disengaged teams under uninvolved managers operate well below their potential. Studies have shown that **engaged employees can boost productivity by 20–25%** on average (Employee engagement set to drive productivity in 2020 | TheBusinessDesk.com). Conversely, poor people management costs UK employers through lost productivity, absenteeism, and turnover, as well as projects stalled from low morale, and innovative ideas never surfacing because employees don't see the benefit of contributing. Especially in sectors like tech, where innovation and speed are competitive advantages, a disengaged team can mean missed market opportunities. In banking and insurance, low engagement can translate to errors, compliance risks, or subpar customer service – all with financial ramifications.

Cultural and Operational Inefficiencies: When managers aren't held accountable for team engagement, problematic behaviours can persist. **84% of workers say poorly trained managers create a lot of unnecessary work and stress** (Lack of manager training can lead to employee loss | Emory Continuing Education). Such inefficiencies act like sand in the gears of an organisation. Over time, they contribute to burnout, higher sick leave (stress-related absence often spikes in teams with bad bosses), and a toxic culture that repels talent. A revolving door in a particular department is a red flag that employees are voting with their feet against that team's leadership. Every time an employee leaves due to a preventable management issue, it's a **double hit** – the cost of losing them and the cost of lower output until their replacement is fully up to speed.

In short, the financial implications of HR-manager misalignment are very real. CPOs need to quantify these costs for the executive team: "Here's what our lack of shared accountability is costing us – and here's how much we stand to gain by fixing it."

3. Toward Shared Accountability: Evidence-Based Solutions

Closing this gap requires making engagement and retention a **shared accountability** between HR and operational leaders. The good news is that research and industry best practices point to clear strategies that work:

Tie Engagement to Manager KPIs: What gets measured gets managed. To drive home that people management is part of a manager's job, savvy organisations are weaving engagement and turnover metrics into managers' performance reviews and bonus criteria. For example, one healthcare organisation introduced a tiered leadership programme grouping managers by their engagement scores – **those with chronically low engagement on their teams received targeted support and clear expectations that improvement was required** (Ashley Ridgeway-Washington on Engagement Accountability). Managers who excelled at engaging their teams were publicly recognised, reinforcing that **"doing good work *and* engaging your team"** is the new standard (Ashley Ridgeway-Washington on Engagement Accountability). Tech companies have led the way here: Google's famous *Project Oxygen* identified key manager behaviours and fed those insights into manager development. The result? Google saw "significant improvement" in employee turnover and satisfaction metrics by holding managers accountable for softer skills like coaching and communication (What Google's Project Oxygen Reveals about Good Managers – Working Capital Review). UK firms can take a cue by making manager accountability for engagement explicit. A mid-size fintech (200+ employees) might set a target to improve its engineering department's engagement score by, say, 10% – and make it a shared OKR for the CTO and HR business partner.

Invest in Manager Training and Support: We can't expect managers to excel at engagement if we never teach them how. Alarmingly, **82% of new managers in the UK are "accidental managers" with no formal training in people management**, revealed a groundbreaking 2023 study from the Chartered Management Institute (CMI) in partnership with YouGov (Bad managers and toxic work culture causing one in three staff to walk | CMI). Ann Francke OBE, the CEO of the Chartered Management Institute, said that the report was *"a wake-up call for a low-growth, low-productivity, and badly managed Britain to take management and leadership seriously"*.

With no training, it's no surprise that many struggle to coach, give feedback, or build trust – all drivers of engagement. The solution is straightforward: give managers the tools to succeed. This means training in topics like effective one-on-ones, active listening, and team motivation. It also means coaching and support from HR. Gallup research notes that barely half of managers *strongly agree* they have the right skills for the job, and many receive little to no training in engagement or performance development techniques (The Manager Squeeze: How the New Workplace Is Testing Team Leaders). A British retail bank, for instance, might roll out a "People Leadership 101" programme for all first-time supervisors, ensuring they understand how to interpret engagement survey results and create action plans with their teams. Pair this with ongoing support – HR business partners can act as **coaches** rather than policers, sitting with managers to brainstorm solutions for low-scoring areas and sharing best practices from across the organisation.

Lead from the Top and Model the Way: Research shows that senior leadership commitment is critical to fostering shared accountability isolation (CIPD Line Managers and Employee Engagement). If the C-suite sends a clear message – *engagement isn't just HR's job, it's every leader's job* – and models that behaviour, it cascades through the ranks. This can take the form of a CEO regularly talking about people metrics in town halls alongside financial metrics, or a CTO in a tech firm who celebrates managers in all-hands meetings for retaining and developing talent, not just for delivering on projects. **Culture change starts with tone at the top.** Senior leaders should also be visible in engagement efforts (e.g. personally kicking off the annual survey with a memo on why it matters, or sponsoring cross-department mentorship schemes). When leadership "walks the talk," middle managers are far more likely to follow suit (Ashley Ridgeway-Washington on Engagement Accountability). A UK fintech scale-up CEO could institute a practice of reviewing team engagement scores in quarterly ops reviews, right alongside sales and OKR progress – signalling that people metrics carry equal weight. In large financial services firms, business unit heads could have engagement targets as part of their scorecard, sending a powerful message down through their management layers.

Create Feedback Loops and Transparency: Shared accountability thrives on shared information. Rather than HR guarding engagement data, make it accessible and actionable for managers. Many organisations are adopting pulse surveys and analytics dashboards that **allow managers to see their team's engagement scores in real-time, compare with benchmarks, and get suggested actions**. The role of HR shifts to enabling managers to interpret and act on this data. Crucially, employees should see that their feedback leads to change. For example, a UK insurance company might implement quarterly "you said, we did" sessions where managers at all levels report back on what they heard in surveys and the improvements they've made (or plan to make). This practice not only holds managers accountable to their teams, but also builds trust that engagement isn't just an HR checkbox exercise. As engagement expert

Ashley Ridgeway-Washington notes, listening needs to be continuous and followed by visible action – in her organisation, *engagement data was baked into leadership agendas at all levels*, creating an “engagement flywheel” where feedback informs decisions non-stop (Ashley Ridgeway-Washington on Engagement Accountability). Adopting such a data-driven, transparent approach turns engagement from a static annual score into a dynamic, shared mission.

Align Recognition and Consequences: To truly cement shared accountability, organisations should recognise those who excel at people leadership – and constructively address those who lag. Some UK firms have started including “people leadership” awards in their annual recognition programmes, highlighting managers (from team leads up to execs) who achieve high engagement or retention in their teams. For instance, a large British financial services group recently used a **group-wide recognition programme** across 12 divisions to build a unified, customer-first culture and boost engagement among 70,000 employees (UK Financial Services Case Study - Achievers). Such programmes often encourage peer-to-peer recognition, but they also reinforce managerial behaviours that exemplify the desired culture. On the flip side, when a unit has persistently high turnover or low engagement, it triggers a supportive intervention – perhaps a skip-level meeting where a senior leader and HR partner work with the manager on a plan to improve. The key is that ignoring people management failures is not an option; there’s accountability up the chain. By rewarding good behaviour and addressing problems, companies create a norm that **engaging leadership is expected**. Over time, this becomes self-reinforcing: managers know their **own success is partially measured by their ability to retain an engaged team**, not just immediate output.

4. Implementation Framework for UK Organisations

How can CPOs put these ideas into practice? Below is a practical framework to create shared HR-manager accountability, tailored to British organisations of varying sizes and with an eye on tech and financial services contexts:

1. **Executive Alignment and Case for Change:** Start by educating and aligning the top team. Use hard data to make the case – e.g. present current turnover costs or engagement-productivity correlations within your organisation, supplemented by industry research. Secure commitment from the CEO and business unit heads that improving engagement and retention is a strategic priority **we all own**. In a fintech startup, this might involve founders explicitly acknowledging the need to grow managerial skills as the company scales. In a big bank, it could mean a board-level mandate that people metrics be part of the business strategy review. The goal at this stage is a shared vision: *“We succeed or fail together on our people experience.”*

2. **Define Shared Metrics and Responsibilities:** Next, clearly define what success looks like and who is responsible for which pieces. HR can still lead enterprise-wide initiatives (e.g. running engagement surveys, providing tools), but managers at all levels should have defined responsibilities for their teams' outcomes. Incorporate engagement and turnover targets into management objectives. For example, a software company might set a target to keep voluntary attrition under 10% and make department heads jointly accountable with HR to achieve it. A retail bank might include an employee engagement index as 10-15% of every manager's annual appraisal. Communicate these expectations widely: managers should hear that "people leadership" is now a core part of their role. Provide guidance on what behaviours and actions are expected of them (such as holding regular check-ins, crafting development plans, responding to survey feedback) – essentially, **make the abstract concept of engagement tangible in daily management routines**.

   Build Capability at All Levels: Simply telling managers to "improve engagement" won't work without enabling them to do so. Invest in training and development focused on management skills, tailored to company size and industry. In tech startups, first-time managers may need mentoring on how to transition from coding to coaching; consider bootcamp-style workshops and pairing them with experienced mentors. In large financial institutions, even seasoned managers might benefit from refreshers on modern people practices (like leading hybrid teams or supporting mental well-being). **Close the knowledge gap**: remember, a huge portion of managers have never been formally trained for this (13 statistics that reveal how bad managers affect employees | Stribe). Offer practical toolkits – e.g. conversation guides for one-on-one meetings, templates for team goal-setting that aligns with personal development, and scenario-based training on handling disengaged employees. Moreover, establish an HR support system: HR business partners or "Engagement Champions" can consult with managers on reading their engagement reports, brainstorming improvement actions, and tracking progress. The message to managers is *"we've got your back"* – building engagement is a team effort, and we're investing in your success. A UK tech firm could implement a "manager helpdesk" Slack channel where HR experts would field real-time questions about people issues, encouraging managers to seek help early and often.

3. **Embed Feedback and Dialogue:** Make the process iterative. Implement regular pulse surveys or eNPS (employee Net Promoter Score) checks to get frequent temperature reads. Crucially, loop this data back to managers quickly and in an easy-to-digest format. Train managers to discuss survey results with their teams transparently – thanking them for feedback, jointly interpreting what it means,

and co-creating action items. This drives a sense of *shared ownership* within teams: engagement isn't something being done *to* employees, but with them. In practice, a quarterly pulse might reveal, say, that work-life balance sentiment in a fintech ops team is low. The manager, with HR's help, convenes the team to discuss root causes (perhaps a crunch period with unrealistic deadlines) and they agree on solutions (like better sprint planning or "no meeting Fridays"). HR can aggregate and share success stories across the organisation ("Team X improved their work-life balance score by 15 points by introducing meeting-free Wednesday afternoons"), which not only spreads effective practices but also reinforces accountability – everyone knows improvement is possible, and expected. This continuous feedback culture ensures issues are addressed before people vote with their feet. It's especially powerful in fast-moving tech environments and large matrixed banks alike, because it surfaces local problems that senior leaders might otherwise miss.

4. **Align Incentives and Recognitions:** Adjust your incentive systems to support the new shared accountability. Review whether any existing metrics inadvertently discourage focusing on people (for instance, a manager in a bank call centre might feel pressured to hit short-term customer metrics at the expense of burning out their team – balance that by also measuring them on team turnover or engagement). Introduce recognition specifically for people leadership. This could be as simple as shout-outs in internal newsletters or as structured as an annual "Best People Manager" award chosen based on employee feedback. Publicise success: for example, celebrate a tech team lead who turned around a struggling team's morale, or a financial services manager whose unit has near-zero attrition and high promotion rates of internal talent. Storytelling is key – share how they did it, so others learn. And ensure that managers who consistently neglect engagement (despite support and training) face appropriate consequences in performance evaluations. In the end, employees will see through lip service; they notice when a toxic manager is tolerated because they "deliver numbers." CPOs must work with fellow execs to make it clear that **leading people is a non-negotiable part of delivering numbers**. As this becomes baked into the culture, managers themselves will start holding each other accountable, which is the true hallmark of success.

5. **Monitor, Refine, and Sustain:** Treat the rollout of shared accountability as a change management project. Monitor key indicators – not just engagement and turnover rates, but also manager participation in training, completion of action plans, etc. Gather feedback from managers and employees on how the new processes are working. Perhaps a quarterly steering group (including the CPO, COO, and a few business leaders) reviews progress and removes obstacles. Be ready to refine your approach. Maybe the manager scorecards were too complex

– simplify them next cycle. If uptake of the mentoring programme in the tech division was low, find out why and adjust (time constraints? mismatch of mentors?). Sustaining momentum is crucial: keep the conversation alive through internal comms, continued leadership emphasis, and by weaving engagement accountability into related initiatives (for example, there is a link with diversity and inclusion efforts, since inclusive management drives engagement). Over time – months for a small organisation, a year or more for larger ones – you should see cultural norms shift. Managers will start to proactively ask, "What can I do to support my team better?" rather than waiting for HR to prompt them.

By following this framework, British organisations of all sizes can cultivate a **culture of shared ownership** for engagement and retention. In tech startups, this might mean the difference between scaling successfully or seeing an exodus of talent to competitors. In the financial services sector, it can support much-needed cultural transformation, moving away from siloed, old-school management towards a more inclusive and agile style – key for attracting the next generation of bankers and analysts.

Conclusion

For Chief People Officers, bridging the gap between HR and operational management on engagement and turnover is both the biggest challenge and the biggest opportunity. It requires a mindset shift at the leadership level: viewing people metrics with the same rigour as financial metrics. It also requires recognising that **HR cannot single-handedly "fix" engagement – it's a team sport**. The evidence is clear that when managers are empowered and accountable, employees stick around longer, bring their best effort, and drive better business outcomes. The financial upsides (lower hiring costs, higher productivity, healthier cultures) combined with a more agile organisation that can quickly adapt to market shifts and emerging technologies, make for a compelling business case.

In the UK, where companies face an increasingly dynamic talent market and economic pressures, those that get this right will enjoy a sustainable advantage. Whether you're at a cutting-edge London tech firm or responsible for any organisation seeking better outcomes, the message is the same: break down the silos. By implementing evidence-backed practices – from aligned KPIs and manager training to continuous feedback loops – you can transform engagement from an HR-led initiative into a core organisational strategy owned by all. The result is not just lower turnover or higher survey scores, but a workplace where employees and managers jointly invest in success. And that is a win-win that directly feeds the bottom line.