

Your Best Performer May Be Your Most Expensive Manager



The manager exceeds the sales target again. Revenue is strong, the executive team is pleased and the bonus calculation looks straightforward. Elsewhere in the business, HR is recruiting replacements for the manager's team, customer service is repairing commitments that sales couldn't deliver and an experienced employee is preparing to leave.

Those costs may never appear in the manager's performance review. They sit in other budgets, under other leaders, and are treated as the ordinary expense of running the business.

Canadian HR leaders should challenge that separation. A manager's performance includes the resources consumed and the capability created while producing results. Revenue, output and deadline achievement remain essential, but they don't establish management effectiveness on their own. An employer that rewards the result without examining how it was achieved can pay twice: once through the incentive plan and again through the consequences.

The practical task is to make those consequences visible, investigate them fairly and define people management as an accountable part of the job. That requires stronger evidence than an engagement score and a firmer standard than being a manager employees like.

The modern leadership expectation needs a business definition

The pandemic forced many employers to reconsider supervision, availability and employee support. The lasting management question is how to sustain performance when people work under different conditions, information is incomplete and demands compete.

An office-based manager can't rely on seeing employees at their desks as proof of contribution. A production supervisor can't assume a leaner team has capacity simply because the shift eventually completes its work. A sales leader can't claim a successful quarter without understanding whether customers received what the team promised.

These aren't arguments for lowering expectations. They require a more complete definition of performance. Managers should be able to establish priorities, assign feasible work, develop competence, identify consequential problems and make decisions within their authority.

HR should turn those responsibilities into evidence the organization can assess. Otherwise, leadership expectations remain appealing words while promotions and bonuses continue to follow a narrower set of numbers.

Follow the costs beyond the manager's department

Start with recurring consequences that other teams absorb. HR may spend time recruiting and resolving disputes. Experienced employees may repeatedly onboard replacements. Finance may correct records. Operations may provide urgent support because commitments were made without checking capacity.

No single item proves the manager caused a problem. Vacancies can reflect market conditions, absence may have many causes and customer issues can originate elsewhere. The purpose is to identify patterns and investigate the decisions behind them.

Ask where the cost starts and where it lands. If a manager approves unusually aggressive delivery dates, the resulting overtime may appear in operations. If the team receives conflicting instructions, rework may be recorded as an employee productivity problem. A narrow scorecard can reward a decision whose consequences the business pays for elsewhere.

Bring the relevant functions together around actual cases. Review what was promised, what information was available, who had authority and what happened next. That is a stronger basis for accountability than a general reputation for being difficult.

Compare results on a fair basis

Imagine two hypothetical Canadian service teams with comparable work and 15 employees each. Each produces an annual contribution of \$1.2 million before the specific staffing and recovery costs being examined. Using contribution rather than revenue helps keep the comparison connected to the value available after the direct costs already included in that measure.

Team A experiences five departures requiring replacement. Team B experiences two. Assume each replacement involves \$8,000 in recruitment expenditure and \$5,000 in temporary coverage. Assume another 80 hours of colleague onboarding at a loaded cost of \$55 an hour. That produces \$13,000 in cash expenditure and \$4,400 in allocated employee capacity per replacement.

Across three additional replacements, Team A incurs \$39,000 more cash expenditure and uses \$13,200 more onboarding capacity. Suppose it also incurs \$24,000 more paid overtime and consumes 120 additional hours of internal problem-solving at \$75 an hour, valued at \$9,000.

The identified difference is \$63,000 in cash expenditure plus \$22,200 in employee capacity, for a combined economic comparison of \$85,200. These are illustrative Canadian-dollar assumptions, not market benchmarks or a reported company case. The costs are defined as additional to the starting contribution so they aren't deducted

twice.

The comparison creates a question, not a verdict. Perhaps Team A received harder accounts, inherited vacancies or experienced a location-specific disruption. Perhaps the departures were unrelated to management. HR must examine those explanations before attributing the difference.

If evidence supports a management contribution, the organization has a more useful performance discussion. Two teams that appear equal on the headline result may impose different operating costs. Finance should keep cash expenditure separate from the value of employee time and avoid counting the same hours as both rework and lost output.

Investigate turnover without penalizing protected circumstances

Turnover can signal a management problem, but a raw rate is too blunt to establish one. Team size, role, labour market, planned restructuring and the reasons for departure all matter. One resignation can change a small team's percentage dramatically.

Examine who left, the circumstances and what evidence is available. Look for repeated concerns about priorities, feedback, conduct or development. Compare those accounts with records and other perspectives. An exit interview is a source of information, not a finding of fact.

Absence requires particular care. An employer shouldn't convert disability-related leave or accommodation into a negative management score, nor pressure employees to disclose medical details so HR can explain a metric. Review working conditions and the manager's response through appropriate processes while protecting individual rights and confidentiality.

A manager may have a high number of reported concerns because employees trust them enough to raise issues. Another may have few because employees believe nothing will happen. Evaluate the quality and timeliness of the response alongside the volume.

That discipline protects employees and managers. It also makes HR's conclusions more credible when the evidence does reveal a persistent problem.

Distinguish demanding management from destructive practice

High standards require clarity about what good work looks like and what happens when it falls short. Managers should be able to give specific feedback, address underperformance and make difficult decisions respectfully.

The Canadian Centre for Occupational Health and Safety distinguishes bullying from reasonable management actions, including constructive feedback and properly conducted performance management. That distinction doesn't excuse humiliating conduct or make every action reasonable simply because a manager calls it supervision. [1]

HR should examine observable behaviour. Did the manager explain the expectation? Were deadlines feasible? Did employees have necessary information and support? Was

criticism directed at the work, or delivered through personal attacks and public embarrassment?

A manager who calmly identifies a serious error may be doing their job. A manager who repeatedly creates impossible deadlines and shames employees for missing them presents a different issue. Describing both as demanding prevents the organization from recognizing competent performance management and addressing harmful conduct.

Where allegations require investigation, use the applicable policy and legal process. A management assessment isn't a shortcut to a misconduct finding, and a strong sales result isn't a reason to delay a required response.

Assess whether the team is becoming more capable

An effective manager should increase the team's ability to perform reliable work. That includes helping employees understand decisions, handle greater complexity and provide coverage when experienced colleagues are unavailable.

Look for evidence of progression. Which employees can now perform work they previously needed help with? Who can handle exceptions? Does the team have a credible backup for critical tasks? Are development assignments distributed through clear criteria?

Training attendance alone doesn't answer those questions. Review completed work, observed decisions and the level of supervision still required. A manager may hold frequent meetings while providing little usable feedback.

Dependence on the manager also deserves examination. Some complexity will legitimately require senior judgment. But if routine decisions stop whenever the manager is absent, ask whether authority is unclear, knowledge is withheld or employees haven't been allowed to develop.

A manager shouldn't be rewarded for remaining indispensable by preventing others from becoming capable. At the same time, leadership must provide enough staffing and time for development to occur. HR needs to assess both sides of that responsibility.

Examine the operating conditions management has created

A supervisor can be held accountable for prioritization while still having an unmanageable remit. An employer that adds direct reports, retains an individual production target and removes administrative support may leave little time for coaching or careful decisions.

The Canadian Centre for Occupational Health and Safety identifies workload management and clear expectations as factors relevant to psychological health. [2] Those considerations should inform the employer's assessment of managers as well as employees.

Review the manager's actual workload. Which responsibilities require personal involvement? How much time is spent on scheduling, approvals, customer problems and implementation work? What decisions can the manager make without escalation?

Don't assume a universal ideal number of direct reports. The demands of supervising experienced professionals differ from those of supporting new employees in a safety-sensitive operation. Use the work, risk and employee needs to assess whether the structure is feasible.

If leadership controls staffing or priorities, it must participate in the remedy. Sending a manager to a coaching course won't resolve conflicting executive instructions or an operating plan that depends on sustained extra hours.

Build an assessment with evidence behind the rating

HR can introduce a management review that examines operational results, team capability and the quality of consequential decisions. Keep the scope narrow enough that managers can understand the standard and reviewers can support their conclusions.

For prioritization, examine a period of competing demand. What did the manager defer, what did they escalate and how did they explain the decision? For development, review specific employee progress. For employee concerns, assess whether the manager recognized the issue, used the appropriate route and followed through.

Employee feedback can identify patterns worth exploring. It shouldn't become a popularity contest or a confidential collection of allegations that the manager has no fair opportunity to address. Explain the purpose, protect privacy and apply the relevant process where specific concerns arise.

Use calibration across departments. Two reviewers may interpret the same behaviour differently, particularly when one manager is commercially successful. Compare the evidence and the standard rather than negotiate ratings according to reputation.

Record uncertainty. If the available evidence doesn't support a conclusion, identify what further review is needed. False precision makes a management score look more authoritative while weakening its usefulness.

Make people management matter in reward decisions

A leadership framework has little force if the employer continues awarding its highest recognition to managers who repeatedly breach it. HR should work with executives to define how management performance affects promotion, incentives and continued responsibility for people.

That doesn't mean inventing an arbitrary percentage for employee happiness. Establish substantive requirements, such as appropriate handling of concerns, demonstrated development and adherence to applicable safety and conduct obligations. Explain how failures will be assessed and what consequences may follow.

Changes to compensation or incentive arrangements require careful review of existing terms and applicable law. Managers should understand the criteria before the assessment period, rather than discover a new condition after delivering the year's results.

Exceptional commercial results shouldn't purchase an exemption from necessary conduct standards. Conversely, a manager shouldn't lose recognition merely because they inherited a difficult team and addressed longstanding problems. Evidence, context and procedural fairness remain essential.

Provide improvement support with a defined endpoint

When the review identifies a capability gap, specify the required change. A direction to become more empathetic is difficult to act on. A requirement to provide documented priorities, conduct timely feedback discussions and use the accommodation referral process can be taught and assessed.

Choose support that fits the gap. A manager may need coached practice, clearer decision authority or a revised workload. Set review dates and examine actual decisions rather than rely on self-reported course completion.

Some conduct requires immediate action rather than a routine development plan. Handle those cases under the relevant policy and legal obligations. Coaching shouldn't postpone an investigation or leave employees exposed while the employer waits to see whether behaviour improves.

If the person remains unable or unwilling to manage people competently, consider whether another role is appropriate. Moving to an individual contributor position can be a legitimate option where the work exists and the terms are properly addressed. It isn't automatically a lawful or practical solution in every case. Review duties, compensation, agreements and other requirements before acting.

Start with one review cycle

HR can begin by selecting a job family with comparable teams and examining a small set of management responsibilities. Work with finance to identify costs currently hidden elsewhere and with operations to understand differences in team conditions.

Discuss the standard with managers, test whether they have the authority and capacity to meet it and establish how evidence will be gathered. Use the first review to improve the assessment without avoiding action on serious concerns.

At the executive table, the question should become more complete. Did the manager achieve the result, what did the organization spend to achieve it and is the team stronger or more dependent afterward? An employer that can answer those questions has a sounder basis for deciding whom to reward, whom to develop and whom to entrust with its people.