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### **The way management teams work leaves room for improvement**

*The way Finnish management teams work can leave a lot to be desired. Poorly conceived working rules and weak communication with other staff weaken the concrete results management teams aim for.*

This is the conclusion of a new study from HRM Partners Oy, a leadership development company, and the Department of Management of the University of Vaasa. The study examined both the profile and effectiveness of management teams as well as the links between management teams' work and the success of the organisation.

The study examined the effectiveness of management teams in four areas: (1) the general functional requirements of the management team; (2) the work practices of the management team; (3) the dynamics of the management team, and (4) the outcomes of the management team's work.

According to the study, a management team's work practices and the results outcomes of its work have an extremely strong and positive relationship with the organisation's financial success.

"A successful organisation has a good, functioning management team. The team has laid out clear work practices that shape work and decision-making. The outcomes of the management team's work, such as decisions, promoting strategies and inspiring staff, correlate very strongly with the organisation's success," says Research Director **Mikko Luoma** from the Department of Management at the University of Vaasa.

Finnish management teams' downsides are usually found in work practices, for example, in poorly conceived working rules or weak communication between the management team and other staff.

Of the four areas the study examined, the requirements for management teams were found to be in the best shape. Clear roles in organisations' hierarchies, sufficient skills and functional co-operation with boards and owners were all found. From the point of view of real success, what was found to be particularly important was a management team's ability to draw up strategies and inspire staff to put them into practice.

The connection between the dynamics of management teams and their organisations' financial success was found to be the weakest of the four areas under study. This surprised the Research Director.

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“Interaction and related matters do not appear to have a substantial short-term effect on financial success,” Luoma says.

He thinks that the data of the study are very high quality.

During the autumn, 609 people from 105 management teams participated in the study. The private and public sector as well as third sector organisations were represented.

“The high level of response to the study speaks to the desire of management teams for new, research-backed data about the effects those teams have on organisations’ financial success and about ways in which they can react to changes in the business environment. As for us, the results of the study will help us to develop our skills and services in the area of management training and in supporting our clients’ business growth,” says **Jari Taipale**, Head of Client Relations at HRM Partners Oy.

According to the study, management teams have seven members on average. In the public sector, management teams are slightly larger and have more women than in the private sector. A woman chaired 18% of management teams studied. In terms of age, 41% of the management team members studied were aged 41 to 50. People aged under 30 made up no more than roughly 1%.

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*The Department of Management at the University of Vaasa concentrates on the study and teaching of skills and practices required for creating, developing and leading business. Its students specialise in strategic management, HR management and international business.*

*HRM Partners Oy trains businesses to develop their leadership. Its task is to accelerate its clients’ growth by offering services to support the leadership of people. HRM Partners Oy plans and carries out both individual training sessions and comprehensive development packages.*