

Research insight

Leadership transitions Maximising HR's contribution

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Introduction

This Research Insight provides an overview of the implications and challenges for HR professionals to support individuals within organisations as they are promoted from one level of leadership to the next. It's based on the research findings from a survey conducted by Development Dimensions International (DDI) on leadership transitions. Research on leadership development and talent management has indicated the important role that leaders can play, and the importance of providing people with appropriate support and development as they become more senior. What has not specifically been considered previously is the support required and received as leaders do take on more senior roles.

What are leadership transitions?

'Leadership transitions', or 'career passages', are the points at which leaders' responsibilities, required skills and time allocation change as a result of promotion from one level to the next. These transitions represent major changes in orientation in terms of what people believe is important and so becomes the focus of their efforts. They require some degree of personal transformation if the leader is to fully achieve at their new level.

For the purposes of this report, we've simplified these transitions – and there may be many in a large organisation – into three broad groupings:

- level 1 – from individual contributor to people leader, or 'first-line' leader
- level 2 – from people leader to operational leader, or 'mid-level' leader
- level 3 – from operational leader to strategic leader, or 'senior' leader.

About the research

The purpose of this research was to understand how transitions affect individuals and the organisations in which they work, and to look at what can be done to help leaders successfully negotiate the challenge that promotion brings. To explore these issues, DDI invited the readership of *World Business* magazine to participate in an online survey. In September 2006, some 600 global managers in Asia, the Americas and Europe took part.

There was a fairly even split between respondents at different leadership levels:

- 30% strategic leaders (for example chief executive, managing director, general manager)
- 31% operational leaders (for example functional or business unit head or director in charge of marketing, operations, logistics, human resources and so on, or geography head)
- 17% first-line managers (people leaders, team leaders, mid-level managers)
- 22% informal or emerging leaders (senior consultants, specialists or experts).

Twenty-three per cent of the organisations represented employ more than 10,000 people; and 15% of the companies have annual turnovers of more than \$10 billion. Of those surveyed, 49% have an annual income of between \$100,000 and \$299,999. Wide ranges of sectors were represented, including manufacturing (18%), financial services (11%), and business and professional services (28%).

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Overview

HR professionals have long recognised that the timing of HR interventions can be every bit as important as the content for organisational impact. This is especially true of the support provided for leadership transitions. The way organisations manage the point at which leaders step up a level determines not only how quickly the individual is effective in the new role, but also, ultimately, how well leadership supply meets business demands at all levels of the business. When leaders understand and deliver what's needed at each level of an organisation, optimal contribution is made by its human resources.

The findings from this study both set out a challenge for HR and provide the function with a unique opportunity to play a key role in organisations' growth agendas. It reveals that organisations' attempts to develop leaders before their next promotion attract considerable criticism from most leaders, with 54% rating this as below average. Likewise, 60% of first-level leaders and 57% at level 2 say that their companies manage new leader support very or extremely ineffectively. Whatever we're doing now, it's not always the right thing, at the right time, for the right people.

In some organisations, a wholesale review may be needed. Starting with the end in mind, HR professionals may need to step back from every current initiative and every HR job description. Having identified where the critical transitions are in their organisations, HR may need to frame new strategies, which are consistent and integrated at each level for developing and retaining the leaders that the business will need. HR structures and tools can be framed around this vision to sustain a continuous and efficient pipeline that feeds business growth and agility.

In other organisations the opportunity is for HR to synchronise their leadership development strategies at all levels so that:

- one level feeds smoothly into the next
- leaders learn the skills they'll always need as early as possible and have access to those skills needed for the next level before they get to it
- leaders know what the unique contribution of each stage of leadership must be to the business, and are continually driven to and supported in making this shift.

This Research Insight should provoke some thought on how to achieve these organisational requirements, based on what leaders say they need, when they need it. In the next section we summarise the main findings identified by the survey. The implications for HR professionals are then considered in more detail in the final section.

Key findings

The survey findings can be broken down into five main themes:

- transition anxiety
- fresh minds
- political interference
- female chameleons
- older and wiser.

Transition anxiety

When asked to rate career transitions relative to different life events, leaders on average place them second only to dealing with divorce, with 59% rating them as either very or extremely challenging. The challenge intensifies with the seniority of the transition.

All leaders rate the ability to adjust to getting work done through others as being in their top three most difficult challenges, and one-fifth of first-level and senior leaders claim that they still struggle to master this.

Leaders at all levels regard the respect of their peers as being one of the greatest rewards of promotion, with senior leaders rating this highest at 47%, compared with 40% at first level and 32% at mid-level.

Fresh minds

A strong theme emerges consistently at all three levels: more than 80% of respondents say that understanding that the new role required different ways of thinking would have helped them be successful, with senior-level leaders most strongly in agreement (92%).

Overall, one in three leaders says that their company provides little or very poor support to them in making the mental shift required for each new transition. For middle managers, the verdict is worse still, with a 40% negative rating.

What's encouraging for HR professionals is that there's a growing recognition that with increased seniority, formal training plays an important part in leaders' success, building from 69% at first level to 79% among strategic leaders.

Political interference

Leaders at all levels complain that politics is one of their main challenges as they move into more senior positions. At first and mid-levels it ranks top, with almost half of first-level leaders and one-third at level 2 saying that they've been unable to address this challenge effectively. Senior leaders rate politics as the fourth most difficult challenge, with 27% citing it as the toughest to overcome.

Those surveyed also face major challenges establishing a new network appropriate to their level, with senior leaders rating this as their primary challenge. At first and mid-levels, one-third report that they've not been able to overcome this effectively.

Female chameleons

Women place 'better self-awareness' first when asked how the organisation could have helped them make the transition effectively – for men this doesn't figure in the top three. Women place confidence a close second on their list of most wished-for personal qualities and skills, whereas for men this doesn't figure in the top five.

Reviewing what would have helped them most in retrospect, an additional 10% of women wish for a boss more focused on their development and 15% more women than men believe strongly that a better role model would have eased the transition. Women rate themselves more harshly on their ability to overcome organisational politics, with 42% claiming not to have mastered this versus 31% of men.

Sixty-five per cent of men say that their last promotion had a positive effect on their personal life compared with less than half of female leaders (49%). More than twice as many women than men say their last promotion had a negative effect on their personal lives. Substantially more women (62%) than men (45%) also claim to miss elements of their previous roles.

Older and wiser

There's a steady increase, with advancing years, in the number agreeing that substantial support is needed for the mental shift associated with each transition, with double the number of 45–54-year-olds than under-35s acknowledging this.

As to how, formal training and the company's efforts to support them are much better recognised as a contributor to success by older respondents – around two-thirds at the upper end versus one-third for younger leaders.

When asked about what they've struggled with as they rise through the ranks, younger leaders cite 'working through others' as their primary challenge in the context of their last promotion, but this does not figure in older leaders' top three.

Implications for HR professionals

These research findings provide a number of challenges and opportunities for HR professionals to play more pivotal support roles to leaders. Some of these key implications are considered below for each of the five themes covered in the previous section.

Transition anxieties

Of course, no self-respecting, newly promoted leader is likely to admit to the new boss that the step up to a more senior role is causing them stress. They may not even be consciously aware of this. But this research suggests that this stress is as much to do with the difficulty of 'learning to let go' – leaving behind elements of the previous role that brought them recognition and satisfaction – as it is with grasping new skills and perspectives. Combine this with fear of public failure (particularly for high achievers who have tasted only success to date in their careers), more politically charged relationships and the need to build new peer networks, and the pressure mounts. Development activities that give leaders insight into their concerns bolster them to approach new roles with confidence and focus.

A fundamental HR contribution here is to make sure that the most important transitions in your organisation are identified and understood. Then, performance expectations at all levels need to be clearly communicated and agreed. Leaders need to understand their changing accountabilities and recognise that they will impede everyone's progress, including their own, if they continue to hang on to the responsibilities of their previous role as well as new demands. They need to think through the implications of how they spend their time: what distracted from their purpose before may now be essential – for example, the amount of time required for meetings and networking is often a shock to new middle managers. But at a deeper level, HR's interventions must help leaders make the 'work values' shift that underpins behaviour and

performance – the fundamental recognition that 'the way I do things' must be called into question.

HR can also provide leaders with an outlet for these anxieties, where it's 'safe' to discuss them and the challenges that give rise to them. For first- and mid-level leaders, courses that include a component in which these are openly shared, and solutions discussed, are immensely helpful. Participants are often surprised to learn that what they thought were personal issues are widely shared. Peer support or 'buddying' helps make transitions less lonely for leaders, and if HR can punctuate the year after major transitions with periodic group gatherings – dinners, awaydays – so much the better. HR business partners, working closely with operational managers, can also act as sounding boards and help reinforce needed changes.

At senior level, one of the most valuable functions of a coach is to be the confidante of managers' self-doubt and trepidation, and most HR professionals recognise this. Many executive coaches spend much of their time listening to and finding ways of allaying emotional responses to personal change demands, before they can even begin to address new job demands. The research suggests that external advisers, mentors or coaches play the most significant role in successful transitions at mid- and senior levels, with 45% and 43% of leaders respectively citing their contribution. Mentors can also help in this regard, although, being 'part of the establishment', confidentiality can't be guaranteed. It's important to recognise that this very anxiety about change provides great 'learning tension', and coaches need to help leaders leverage their stress as a positive driver for change and growth. The increasingly important role that coaches and mentors play in leadership development is also supported by the CIPD's latest *Learning and Development* annual survey report (2007), which indicates that over two-thirds of organisations are using coaching interventions.

Fresh minds

Formal development interventions are acknowledged as important at all levels, particularly at senior level, where it becomes clearer that some things are actually better learned this way than through trial and error. But organisations seem to be missing the opportunity to help newly promoted leaders succeed with something more fundamental than skills: the mindset that underpins leaders' behaviour deeply affects how well they adapt to major career transitions. This is partly about motivation – how good is the match between what makes an individual happy at work and the job content of the next step up? – and partly about consciously changing one's view of the world and the priorities this dictates. HR must make sure that leadership transitions are an acknowledged concept within their organisations, and are part of the common language when career moves and development are discussed.

HR's first challenge is to make sure that a means exists to spot the potential (and desire) to lead; as in everything else, a natural aptitude helps make a better leader. The earlier that people understand they're embarking on a professional path with this career choice, rather than simply climbing on the corporate escalator, the better. HR needs to work with senior sponsors to articulate what potential and qualification for leadership looks like in a way that managers can grasp and apply. High performance in role is a prerequisite for promotion but isn't necessarily a qualifier on its own. The CIPD's current research on talent management also supports this need to look beyond current performance to future potential when considering 'talent' (see *Talent Management: Understanding the dimensions* (CIPD 2006), www.cipd.co.uk/changeagendas). Equally important are a track record in balancing results and values, receptivity to feedback and a strong development orientation, and the ability to handle complexity and pace. Authenticity also becomes increasingly key as the scope and visibility of leadership roles increases.

HR's role is to educate line managers in how to spot future leaders at each level and facilitate discussions that weigh the relative merits of candidates. Again this is also evidenced in the CIPD's *Annual Learning and Development* annual survey report (2007), which found

that more than 90% of respondents believed that line managers have an important role in supporting learning and development. HR needs to be the custodian of the leadership 'gene' within the organisation, so that it's widely understood what the criteria are for promotion at various levels, based on what the business needs leaders to excel at. In this research, the quality of organisations' promotion decisions invites only borderline positive ratings of 52% at first level, 57% at mid-level and 60% at senior level.

But, just as essential, HR needs to help map out career paths for specialists so that leadership isn't the only route upwards. Unless there are alternatives, ambitious individuals will always seek leadership roles regardless of whether they're actually suited to them. HR needs to help these people explore where their motivations lie. For example, are they willing to be at the service of their people, to be in the firing line when decisions are made, to make work-life trade-offs? Or will they be happier delivering – and being recognised for – brilliant individual contributions?

HR can help leaders who are embarking on an upward path to address the 'mental shift' by ensuring that leader development starts with assessment of some form. One in three first-level leaders feel that better self-awareness would have had the biggest impact on their success; it's also something leaders do well to carry with them throughout their careers. Understanding strengths, weaknesses, 'derailers', personality traits and preferences helps fortify leaders; self-insight gives them a means to appreciate and manage their changing feelings and behaviours. High-quality feedback around how strengths and weaknesses will affect success in the next role helps leaders make important shifts in perspective. The CIPD's and DDI's joint research (*UK Global Comparisons Leadership Forecast 2005–2006*) shows that just 52% of HR professionals currently say they make use of tests and assessments as part of leadership development, and less than half of leaders have a development plan in place. There's clearly significant room to improve how we help leaders manage changing expectations.

The speed and effectiveness of leadership transitions can be dramatically affected by HR viewing

step-promotions as ‘personal transformation processes’, rather than ‘goals accomplished’. This research reveals that organisations’ attempts to develop leaders before their next promotion attract considerable criticism, with 53% rating this as below average. Likewise, ratings of the support provided to new leaders to help them cope and adjust are poor, with 58% saying that their companies manage new leader support very or extremely ineffectively. This means enlisting the sustained support of managers as coaches to help leaders recognise that the way they do things must be called into question as they make a transitional shift.

HR must engage with line managers to get the timing of interventions right; before, and then three months or so after, transitions are critical times to give support – and great teachable moments. Learning and development professionals, working closely with managers, need to make sure that the cognitive element is not overlooked in any training offered. Leaders making the transition from one level to the next are effective more rapidly if they know from the beginning that certain activities will no longer be rewarded and, conversely, that others are now critical to their success. It’s also important that they learn to value these aspects of work and activities so that they can have job satisfaction.

Political interference

It seems that in spite of the delayed structures and more egalitarian spirit within the modern organisation, unhealthy levels of competition and vested interest abound, particularly at senior levels. This raises two key questions for HR:

- What can be done to prepare leaders to better cope with politics as they make critical transitions?
- Longer term, how can a working environment be created that is less undermined by conflicting interests and intrigue?

Office politics are minimised where transparency and fairness are the guiding principles of operation. Of course, not everything can be shared, and parity is not always appropriate. For example, high-potentials, as ‘elite’ talent, have access to people and information that is privileged, and this sometimes exposes them to company politics in the raw. But as a first step, HR needs to encourage those at the very top of the organisation to acknowledge that excessive politics impedes business

progress, as well as leadership development. Engaging this team in determined efforts to prevent this damaging interference involves making critical decisions about organisational culture, and requires ‘walking the talk’ in terms of openness and consistency.

HR exerts most influence when it works, and is seen to work, through the top team. Politics thrives in companies where this group is susceptible to the influence of vested interests. But executives who discourage in-fighting, who push back on tales told ‘out of school’, who don’t show favouritism and who listen to diverse views on big issues, discourage politics. Senior teams that themselves are defined by disagreement and shifting alliances model and reward political manipulation. HR interventions that enhance the team-functioning of executives set off a cascade effect of greater collaboration throughout the organisation.

HR also needs to set the tone by driving frequent, consistent and clear communications. Where there is less ambiguity and uncertainty, there is less room for politics. Working with the senior team to agree regular, two-way communication forums – particularly where employees who are less senior can have access to executives and ask questions – is immensely valuable. Once access and effective communication becomes a way of life at the top, managers at all levels can be encouraged to cascade information more freely. Research demonstrates that this makes for a more engaged (and productive) workforce, as well as less politics.

On a more tactical level, HR can educate line managers to play their part. To prepare leaders stepping up a level, line managers need to introduce them to the human dynamics of their new role, as part of any initial orientation briefing. This doesn’t mean sharing gossip, but providing essential background on individuals with whom they’ll be working, their particular interests and agendas, and a map of some of the key relationships within the workgroup.

HR can encourage managers to provide these insights, but there are several more formal contributions HR can make.

The first is to ensure that mentoring is systematically provided, and from at least two levels above the

transitioning manager. This rule helps ensure neutrality and a broader perspective on organisational barriers and issues. A mentor can help managers new to more senior roles avoid invisible political tripwires. It's essential to match mentor to leader with some degree of thought to personality, development needs and access. Mentoring works best when mentors are trained in both the 'whats' and 'hows' of the role.

The second is to encourage peer networking. The stronger the relationships are with one's cohorts, the more likely group members are to co-operate rather than compete. One way into this is to make sure that there is follow-up after formal transition training programmes. Action learning projects are a powerful way of providing connections with a purpose, which later mature into supportive relationships across the organisation. Online coaching forums, focused on specific transition issues and supervised by a more experienced manager, can also help break down barriers so that leaders in parallel career passages remain connected.

HR can also make sure that leadership development from first-level upwards includes a component on developing teamwork and, in particular, on building trust – an often overlooked element of management training curricula. Companies that include a module on conflict management in their 'rites of passage' leadership courses would do better to focus on this, since it represents prevention, rather than cure. There are a number of simple 'dos' and 'don'ts' that serve leaders well as they move through the organisation and help them to create a collaborative work environment in which politics is kept to a minimum. It's much easier to create a good foundation for a learning culture if leaders remain mindful of the impact of their own behaviour on levels of trust. Without this approach, leaders become increasingly reluctant to reach collaborative solutions to problems.

Female chameleons

While this research reveals many similarities in the reflections of women and men on their progress through leadership transitions, there were also some interesting differences that point to a subtly different experience of organisational life on the part of women. It seems that, for some women, a career in leadership is fraught with ambivalence, balancing

self-doubt with an urgent desire to develop, trading work and domestic priorities yet struggling to entrust the detail to others. The challenge for HR is to identify timely and targeted interventions that address root causes as well as symptoms, without being discriminatory to, or alienating, male employees.

HR needs first to recognise publicly that even in 2007, there are some differences between how men and women face promotion. In some situations, it might be that women approach promotion with a different mindset to that of many men, and so may benefit from different development resources. CIPD research supports the view that women do sometimes seem to deselect themselves from the corporate world (see the CIPD Change Agenda, *Women in the Boardroom: A bird's eye view* (2005)). In most organisations, as they move up the career ladder, women become part of a shrinking minority. As a result, they tend to become more conscious of how they're seen, and find it progressively more difficult to find self-validation than men. The relative lack of role models doesn't help either. Women may find life lonelier further up, and experience more conflicting pressures as a result of personal demands. It then becomes tougher to find (female) mentors who can connect with specifically female challenges. All of these factors legitimise some differentiation by gender in terms of development.

HR can provide programmes that allow women to find their own leadership style and 'personal brand', as well as helping them to adjust to exercising these skills effectively in cultures that are essentially male-dominated. The research shows that women are 10% more likely to acknowledge the level of support needed to transition effectively than men and tend to be more complimentary about what their organisation provides, which suggests that demand for support is high and almost everything on offer helps a little. However, given the pressures on new leaders to deliver, HR must make sure that time taken out for development is optimised.

HR can help make sure that formal learning experiences provide a basis for women to build the networks that can sustain them and help broaden their resources. Women seem to find it more difficult to master navigating organisational politics as they

make the transition into bigger roles, and this can prevent them exercising the degree of influence appropriate to their role. The perception that men access a network that is sometimes difficult for women to penetrate exacerbates the problem, so it's important to help female leaders to build alternatives. These may be external groups (within the City, for example, several groups exist) or internal. HR's overt sponsorship of these can speed and smooth women's transitions substantially.

Most HR teams have helped their organisations come to terms with the principle of flexible working, but many could be more vocal champions of the value this typically represents for their businesses. The competing, sometimes conflicting, demands of personal and professional life can make senior roles for women more stressful. Very often it's less the quantity and nature of work involved in the job that creates pressure than the timings attached; childcare, for example, can bring immovable deadlines. HR can help to create working environments where all employees' family commitments are respected, which may have a disproportionately positive effect on female workers.

Older and wiser

Research from a variety of sources, including the CIPD's recent study on talent management, reveals that most organisations struggle to find the leadership talent they need to meet business demands. Of the 40% of companies that do have a formal talent management strategy, 67% say that the main objective of this is to develop high-potentials. This begs the question: what about the seasoned managers, often at the mid- and upper levels of your organisation, who still have more to offer (even if they're neither willing nor able to become tomorrow's executives)? How fully is your organisation capitalising on their talents?

In recent years, HR investment centred on executive development as the importance of leadership to business performance became more widely understood. Then, growth driven by factors such as globalisation and the positive economic climate helped to drive a focus on first-line leaders. HR now also needs to attend to the great middle swathe in between, who are often in the 44–54 age band. The vast range of jobs and the differences in scope at this

level makes a 'programmed' approach to development more problematic, but receptivity to building on incumbents' professionalism as a leader is high. The findings indicate that maturity brings a deepened appreciation of leadership as the true value-add, and comfort with 'letting go'. Organisations need to use these traits to their advantage – as well as to the advantage of the individual, who may feel their careers have stalled.

HR representation must make sure that the talented, experienced managers are not forgotten in selection decisions. Too many organisations let this group languish, and yet the confidence and calm of a more mature manager who has truly mastered what's required at their level is a huge asset, especially in times of change – so HR can help to deploy them imaginatively. Their experience, combined with a reduced pre-occupation with themselves and their own prospects, makes them the ideal choice for driving change and growth, as well as, of course, great role models and teachers.

Equally, HR needs to do its part to 'unblock' the organisation where leaders at this stage of their career are still dabbling in the jobs of their subordinates and cannot or will not make the transition to leader of leaders. Such managers create career blockages and organisational dysfunction – so HR must encourage their managers to exercise performance management decisively.

Engaging those in their middle years as mentors and coaches helps HR assure the effectiveness of many other talent management processes. When asked about the three things that would have helped them manage the transition more effectively, the groups of 35–44-year-olds and 45–54-year-olds responded completely differently. The younger group cited better role models and support networks and clearer performance expectations, suggesting that they tend to look beyond themselves for example and guidance for what to do. The older group, however, listed greater self-awareness, intercultural sensitivity and understanding that the new role required new ways of thinking, indicating a deepening understanding of the need to develop a personal leadership style based on who you are. HR is missing an opportunity when it fails to leverage such insight.

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