Leadership transitions

Navigate your leaders through transition

EY Lane4

Workforce Transformation

About EY Lane4

The combination of EY and Lane4 focusses on harnessing the power of people.

Powered by technology, EY puts humans at the centre of business transformation. Lane4 takes people beyond performance, giving them the skills and mindset to achieve things they never thought were possible.

We've come together to deliver on our purpose – to build a better working world.

We believe that organisations need to put people at the heart of their decision-making. Not only will this create long-term value for stakeholders inside and outside the business, but it will help ensure success across large-scale business transformations. At EY Lane4, we bring together some of the biggest and influential leaders around the world, drawing on their insight to shape how we support our clients with their people and transformation challenges.

Understanding the psychology of learning and knowledge retention is at the heart of our approach. Our people also bring a wealth of experience from performing at the highest level such as in Olympic sport, the military, the arts and business. This unique combination allows us to walk alongside leaders, acting as trusted advisors to challenge and support them throughout their transformation journeys.

However, at EY Lane4 it isn't just about senior leaders. We believe that everyone deserves access to world-class learning and development. Our global reach, digital learning solutions and innovative service delivery allows for consistent development across multiple levels of the organisation.

This means people can develop behaviours that will not only help them to perform at work, but in all parts of their life. It gives people the confidence and belief to try new things and truly thrive.

All this combined allows us to build a better working world.

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Introduction

Over the last 50 years, more than 1,000 research studies have been carried out on the topic of leadership, and still there is little consensus on what great leadership is.[1] There have been many attempts to classify it under behaviour, skill or personality, though none of these have given us a very clear profile of the ideal leader.

Despite this, most leadership development programmes follow a one-size-fits-all approach. High performers are selected, they are quizzed on what their best techniques and practices are, and these are put into a leadership competency framework. Eventually, this framework forms the basis for performance appraisals and future leadership development initiatives in a company. But how much do these competency frameworks reflect the skills and behaviours that actually lead to success at all levels of an organisation?

Our research and experience with high-performing leaders tells us that there isn't a generic, cookie-cutter leadership style that applies to everyone. Instead, practitioners have started to shift their attention towards the idea that effective leadership changes significantly with organisational level.[2] That is, as leaders progress to new levels of leadership, they need to develop new skills and adopt new behaviours while moderating some familiar habits that are no longer valued in the role.[3] These transitions can be quite severe and crucially, organisations need to provide the right types of support to help leaders through them.

As companies become flatter in structure, they remove any unnecessary levels of leadership, and as a result, less experienced leaders are being tasked to make bigger leaps into unfamiliar leadership territory. Crucially, organisations need to provide the right types of support to ease these transitions.

Unfortunately, this support seems to be lacking as many leaders still appear to plateau earlier than expected because of a failure to transition. While a small portion of leaders fail spectacularly during a transition, a much larger proportion seems to suffer silently.[4] Nearly three-quarters of UK organisations report leadership and management skill deficits, two-thirds reporting that senior managers lack the essential skills to perform to a high standard and a staggering 85% reporting that line managers and supervisors also lack the required capabilities to perform to a high standard.[5]

70%
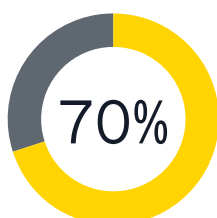
Supporting this, 70% of today's top performers reportedly lack the critical attributes for success in future roles.[6]

So what can we do about it? We know that past success does not guarantee future success. In fact, an over-reliance on past strengths can actually lead to failure.[7,8]

Drawing from our own research,[9] we have been able to more clearly define the future transitions that leaders need to make throughout their careers. We provide support to leaders by targeting those behaviours that need to change as well as the underlying motives and values that will sustain this behaviour change.[10]

In this white paper, we will discuss:

- What it means to identify with a new role
- What needs to change as leaders make upward transitions
- What organisations can do to support leaders through these transitions

Nearly three-quarters of UK organisations report leadership and management skill deficits.

Learning how to change

Leaders may fail for numerous reasons. They may fail to hold others accountable for their performance or be too slow to make decisions. They may ignore realities in the market place or fail to grasp business complexity.

They may fail to motivate or develop staff, communicate effectively or manage interpersonal relationships. Crucially though, a lot of leadership failure arises from an inability to adapt to new leadership responsibilities.[11]

Throughout a leader's career, their role will change in terms of complexity, functional orientation, degree of responsibility, influence, visibility and the types of communication required. As leaders make the leap from being a supervisor to a middle manager and finally to more senior management positions, they will need to adapt their leadership style. Senior roles are more complex and call for more subtle influencing and persuading skills. Senior leaders will need to learn how to empower, delegate, form strategic alliances and let go of some of the skills that enabled them to perform effectively in earlier leadership roles. Importantly, an inability to adapt and let go of these old behaviours will lead to failure.[12]

The literature suggests three distinct leadership levels after progressing from being an individual contributor. Moving from one level to the next represents an important transition point where leaders will need to change tact in order to perform effectively[13]:

1. Individual contributor

Individuals at this level do not shoulder leadership/management responsibilities and focus on achieving results through their own personal proficiency and technical skill.

2. Team leader

Often first-line to mid-level managers, team leaders tend to be promoted on the back of their performance as outstanding individual contributors. A key responsibility at this stage is to build and manage a high-performing team.

3. Leader of leaders

At this level, managers tend to be responsible for multiple teams (and managers) or a function/division. Their responsibilities include having a very detailed understanding of how the business operates, managing the flow of information, systems and resources across multiple units and balancing short-term functional objectives with longer term strategic goals.

4. Strategic leader

These senior leaders carry a significant amount of responsibility and visibility. The key responsibilities at this stage are to drive execution, initiate change, act as inspiring role models for the organisation and set the strategic direction of the company.

Identifying with a new role

At the heart of our approach to leadership is the impact of identity on a leader's performance and ability to transition. For a leader to transition authentically, they must learn to bridge the gap between being and doing by integrating their identity (identifying) with the new role.

The more closely someone identifies with a particular leadership role, the more they tend to derive a sense of self-worth from their performance in that role.[14] People might derive self-worth and meaning from helping others, for example, or from building strong relationships with colleagues. They might derive a sense of meaning in being publically recognised or in achieving personal wealth, worldly success or power. Through self-reflection, leaders can develop a deeper awareness of what they derive meaning from and the underlying beliefs and values that shape who they are.

When making a transition to a new role, leaders will need to test the degree to which they identify with the new role. Only then are they in a good position to build their capability by adopting the new skills necessary to perform to a high standard. This involves reconsidering the types of work they believe to be important,[15,16] which can be very difficult, particularly if they have identified strongly with their previous role. For example, in the sports psychology literature, athletes who typically develop a strong 'athletic identity' – identifying closely with the athlete role and deriving considerable self-worth from their athletic accomplishments – took considerably longer to adjust to the transition of athletic retirement.[17] Likewise, for leaders, a significant part of the transition process involves letting go of some assumptions about what good performance is and shifting how they see themselves as leaders – assumptions that have defined their success and performance to date.[18]

'Thinking culturally'

It is also worth considering the impact that organisational culture has on leadership development.[19] Organisational culture is described as a collective phenomenon typically considered to emerge from members' assumptions, beliefs, shared values, understandings and social interactions.[20]

Leaders will naturally identify with some organisational cultures more than others. Where there is a good cultural fit, an organisation's values and principles are consistent with a person's identity. With good cultural fit, leaders are more likely to apply themselves in a positive way because they derive a sense of meaning and self-worth from working at that organisation. The organisation reaffirms and reinforces the personal values and beliefs that make up an individual's identity. When progressing to a new role in that organisation, leaders will be less likely to resist the change in role because it poses less of a threat to their self-identity than if there was an initially poor cultural fit.[21]

Knowing what needs to change

Focusing solely on how a leader's role changes over time, while neglecting the personal and psychological transitions that leaders need to make in order to adapt to that change, can be detrimental to their development.[22]

Transition management requires fully understanding and managing the psychological process that people go through when experiencing a change in role to promote and facilitate adaptation and growth.[23]

To facilitate this psychological reorientation, leaders need to understand that self-awareness and knowing which behaviours to let go of is just as important as learning new skills. In line with this approach, our research has identified four progressive transitions that leaders need to navigate in order to adapt successfully, each requiring a behavioural shift as well as a deeper identity shift.[24]

From personal growth to the growth of others

Achieving through others

Aspiring leaders will eventually hit a ceiling whereby further progression depends on their ability to achieve results through others. This requires the ability to build a high-performing team.[25] In our study, the most frequently cited skill that leaders need to adopt in order to transition successfully (nearly 20%), is the ability to delegate and empower others. To do this, leaders need to learn to model and evaluate their own performance based on the performance of their team.

This involves some degree of letting go of getting work done on their own and giving up many of the procedural tasks and responsibilities that got them to where they are in the first place. What they are held accountable for changes from performance through individual effort to performance through the effort of others. Depending on the individual, this can be a particularly difficult shift to make and a failure to do so can result in managers

retaining a hands-on approach. They will fail to delegate effectively, overpower their direct reports with their expertise and micromanage the work of their team.[26]

Through a variety of methods that combine the right balance of challenge and support, reward and feedback, leaders can develop their own unique leadership style that builds and strengthens the capability of their team. As leaders move from being a team leader, to a leader of leaders and finally to a strategic leader, what they are held accountable for will change in line with the responsibilities of those they are leading. Naturally, they will need to adapt their leadership style accordingly. For example, team leaders accountable for the performance of individual contributors will need to develop their team in a different way (e.g., developing technical skill) than if they were accountable for the performance of a group of first line managers (e.g., developing managerial skill).

Behavioural shift

- From focusing on 'doing' to focusing on 'getting done'.

- From managing your own time and priorities to managing the priorities of your team.

- From developing your own skills to developing the skills and expertise of your team through challenge and support.

Identity shift

- From valuing personal achievement to valuing the development and success of your team.

- From seeing yourself as an individual contributor to an enabler of others.

From specialist to integrator

Building networks

As an individual contributor, relationship building is often of secondary importance to technical ability. Leaders, however, are highly interdependent and the greater their level of responsibility, the more connected they become.[27]

This means facilitating openness and trust through more communication and networking and a greater need to make connections up, down and sideways in an organisation. As leaders progress further, they will need more resources – i.e., regular support, feedback, insight and information – and crucially, they will need the skills to build these support networks.[28]

Building the social relationships that sustain this network requires a deep shift in how people see themselves as leaders. Transitioning leaders should seek to align their own personal agendas and goals to those of the team and organisation – to develop a shared understanding and willingness to commit to what the group needs to achieve.

As leaders progress further, they will gradually need to move beyond their functional expertise and address more strategic issues that impact the business as a whole. Leaders who manage multiple teams must act as silo busters, building, monitoring and making use of interconnected networks of people across business units, many of whom are outside of their direct control.[29]

This ensures the free flow of ideas, information, work and technology across the business. Crucially, it is the responsibility of the leader at these higher levels to integrate all of this collective knowledge from different functional areas and apply it to important business problems.

Behavioural shift

‣ From technical/functional capability to networking capability.

‣ From managing one's individual performance to managing formal/informal networks of communication within and across business units.

‣ From working within your own functional area to embracing multiple functional areas.

‣ From tackling issues and problems alone to relying on the support and expertise of others.

Identity shift

‣ From valuing independence and self-sufficiency to valuing the development of strong, meaningful relationships with others and the sharing of knowledge.

‣ From seeing yourself as an independent contributor to seeing yourself as part of a collective network, where each person is united under a shared purpose and is dependent on the efforts of others.
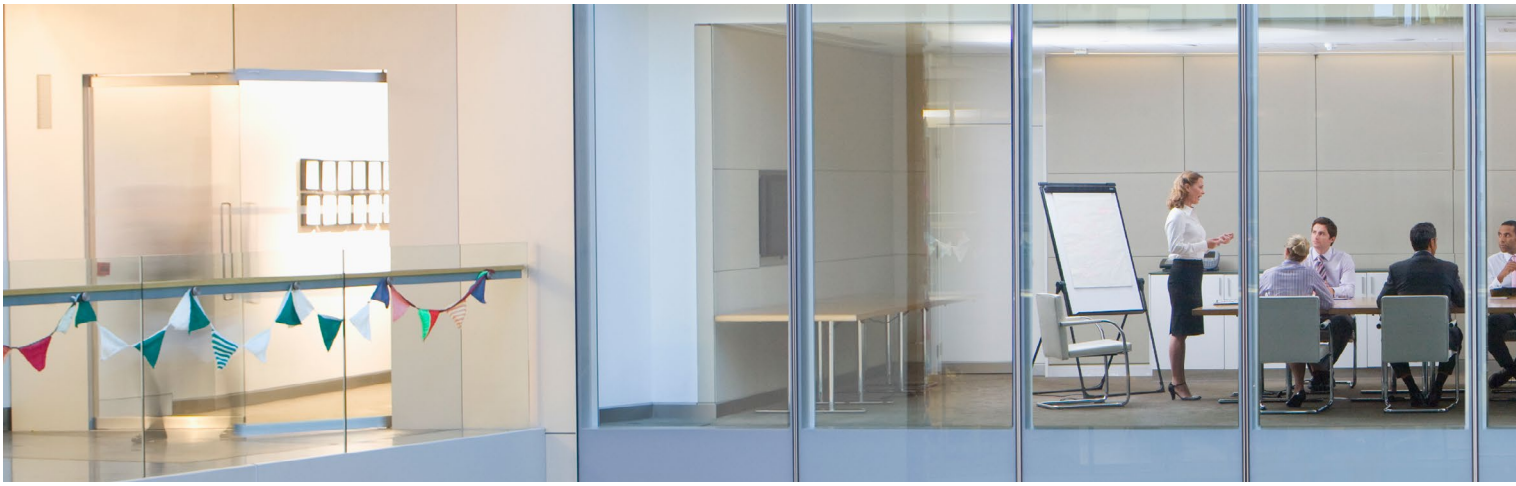
From directive to diplomatic

Influencing without authority

Another important transition for leaders as they progress is in how they make decisions and influence people. Leaders are often evaluated on how well they give explicit instruction on what to do and how to do it, come up with concrete solutions to problems on their own and make quick decisions where the results are often immediately visible.[30] This directive leadership style has its clear advantages, particularly at the lower levels of leadership or when time is of the essence. Those leaders who adopt this style tend to value action, speed, efficiency and hierarchy.[31]

However, as leaders progress to levels of greater business complexity and uncertainty, it becomes less and less likely that there is one single, clear-cut, best solution. Decisions carry more weight and are likely to require a range of ideas to be put forward before one solution is accepted. Decisions require a wider breadth of knowledge to be considered and from different sources.[29]

Our research has identified that in order to transition effectively, leaders need to learn to incorporate multiple points of view and apply them to situations where there may be multiple courses of action. To do this they need to develop the skills of diplomacy – negotiation, persuasion, conflict management, consensus-building and the ability to influence people without relying on authority.[32, 33]

Behavioural shift

▸ From directive, command-oriented decision making to participative and consensus-building decision making.

▸ From taking quick, decisive action to seeking the input of others while considering multiple points of view.

▸ From gaining commitment through authority to inspiring action through persuasion, knowledge, charisma and tact.

Identity shift

▸ From valuing speed, efficiency and clear-cut solutions to valuing the gathering of information and seeing situations from multiple perspectives.

▸ From valuing authority, influence and hierarchy to valuing consensus, mutual accountability and shared decision making.

From tactical to strategic

Focusing on the big picture

For many experienced leaders, much of their professional life has been spent coming up with pragmatic solutions to everyday procedural problems facing the business. Effective performance at this stage is often defined by having a keen eye for detail – measuring and monitoring the process of meeting targets. However, there will come a stage when a leader's main focus needs to shift to what the targets should be; when leaders need to adopt a broader frame of reference and consider the overall direction of the company.[34]

Essentially, this involves letting go of the detail – shifting focus towards the big picture, letting go of pragmatic, short-term thinking in favour of more long-term, strategic thinking. Identifying what the business is trying to accomplish, understanding how the business is going to grow and sustain competitive advantage.

As leaders progress, they increasingly need to consider external factors such as customers, competitors and the broader economic context. Having defined what the future looks like, strategic leaders can then rally the troops towards this shared goal.[35]

Increasingly, leaders will need to be able to anticipate and adapt to change, to flex strategy to accommodate shifting requirements and to implement flexible systems and processes to ensure that people and resources can be mobilised quickly to deal with the fast pace of change.[36]

Behavioural shift

‣ From short-term, pragmatic thinking to long-term, big-picture thinking.

‣ From focusing on the specific process details of how targets will be met to focusing on identifying what those targets will be and how they impact the company.

Identity shift

‣ From valuing reaching targets to a high standard to valuing change, growth and sustaining competitive advantage in the marketplace.

Managing the transition

Building self-awareness

A successful transition requires that leaders are aware of their self-identity; have an accurate perception of their strengths and weaknesses as well as their personal values and preferences. This self-awareness serves as a platform for their future development as they progress in the organisation.

Developing self-awareness involves leaders:

▸ Understanding their actual ability, which can be measured in an assessment or performance appraisal

▸ Understanding how they are perceived by others, which can be assessed using 360-degree feedback

▸ Understanding what motivates them, which can be gauged by assessing and reflecting upon the types of work leaders believe to be important

Crucially, self-awareness is facilitated through methods such as development centres, 360-degree feedback and effective coaching.

Our study identified coaching as being the most important method of transition support[37] – suggested by 1 in every 6 respondents. Good coaches can facilitate a change in behaviour and capability in transitioning leaders facing a crisis of confidence, stress, indecisiveness, difficulty building relationships or role confusion.

Integration

One major hurdle to successful leadership adaptation yielded from our study was the issue of integration. Almost half of managers reported structural barriers that impeded their ability to transition effectively.

These structural issues included not having a full understanding of the structural complexity of the organisation and how the role fits in with that, a lack of systematic procedure, the continuation of previous responsibilities and a lack of job knowledge.

There may also be a resistance from other people to a leadership transition. Leaders may have to overcome stakeholder resistance to the change, gain trust and respect from direct reports and colleagues, handle conflict and jealousy, and learn to work with a new manager or wider team.

Leaders need support in being integrated with existing teams and structures. They will need support with internal networking to build social alliances and fit in with cultural norms. Organisations should also clearly define the expectations and challenges of the new role.

Our study identified that clearly defining the responsibilities of the new role was the second most frequently cited aid to making transitions smoother.[38]

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Conclusion

Some development plans for
transitioning leaders include:[39]

1 Accounting for the broader development
journey and ensure that leadership
development is not just a one-off thing

2 Clearly defining leaders'
responsibilities and what needs to
change as they progress

3 Allowing leaders to make experience-
learning mistakes and take controlled
risks

4 Adopting a coaching culture with
mechanisms in place to guarantee
regular formal and informal feedback

For organisations, having a leadership development route map
that clearly highlights what needs to change, when and how,
can have significant implications on how talent is evaluated and
developed. By providing guidance to leaders struggling to make
upward leadership transitions, we can dramatically impact the
performance of newly promoted leaders while more specifically
targeting those development practices that have the greatest
impact on organisational performance.

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