



*Trend Research*

# Leaders in Transition

Progressing Along a Precarious Path

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For many of today's leaders, the corporate ladder is no longer the only way up. The once vertical structure has buckled under the weight of recession and rampant reorganization. Without traditional career trajectories, leaders are stepping off the beaten path and yes, boldly going where few have gone before.

## FINDINGS AT A GLANCE

### FINDING 1

Transitions are more complex than ever, and now they are also more frequent and circuitous.

### FINDING 2

Transitioning leaders continue to struggle with ambiguity more than any other challenge.

### FINDING 3

Transitions are not created equal; preparing for each level of leadership requires a unique mix of skills.

### FINDING 4

When leaders need coaching and clarity, the last person they ask is their boss.

### FINDING 5

More than any other aid, transitioning leaders want more structured development.

### FINDING 6

High potentials are unsupported and overestimated in their abilities to figure out the unfamiliar.

### FINDING 7

Organizations overestimate the persuasive power of money and overlook the things leaders value most.

### FINDING 8

Without choice, quality feedback, and clear expectations, transitioning leaders are more likely to quit.



## While the pioneer spirit is alive and well, the trailblazing journey is far from a walk in the park.

To capture how current leaders are faring (and feeling)—both off and on the beaten path—we looked anew at transitions. We asked participants to share their biggest challenges, evaluate their preparedness, and examine what they wished they'd known before leaving the familiar for the foreign. They told us who helped them the most (and the least), what skills they needed and when, and what they'd do differently given a second opportunity. We gained keen insights into why one transitioner lands on solid footing, and another misses the mark.

Since our first groundbreaking study seven years ago, *Leaders in Transition: Stepping Up, Not Off*, much has changed. The pressure on performance has intensified; leaders are required to produce more with a lot less.

Organizations are also coping with depleted bench strength. In our highly matrixed business environment, sustainability necessitates a robust supply of ready-and-able leaders.

We also see increased fluidity in the workplace. Economic volatility (both up and down) plus expanding globalization equals less people staying put. Of the 618 respondents who had experienced a transition at work in the past three years, 64 percent had received one or two promotions.

With the merging of markets around the world, transitions have grown in complexity. More leaders than ever before are transferring out of town or across a border. It's no wonder that 34 percent of our survey participants reported feeling frequently frustrated, anxious, or uncertain.



## THE FINDINGS



### **FINDING 1:** Transitions are more complex than ever, and now they are also more frequent and circuitous.

In the wake of the recession and global expansion, transitions have become more complicated. In many organizations, entire layers of leadership have been removed; in others, entire functional units have been relocated, sometimes across borders. As a result, leaders find themselves off the beaten path, with a variety of directions from which to choose.

In our analysis of leaders' navigating the unknown, we compared different types of transitions based on degree of complexity. The bracketed result (below) indicates how much more difficult the transition is for leaders when likened to a lateral move.

- Relocating across countries [42 percent more]
- Relocating within country [18 percent more]
- Moving up one level [7 percent more]
- Moving to a new company [6 percent more]
- Moving business units [4 percent more]

From the data we can see that country changes trump company changes: Compared with moving to a same-level position, swapping geographies was 42 percent more difficult and switching companies only six percent more so. While all transitions are challenging, relocating across borders ups the adjustment level for leaders and the stakes for organizations.

Who's making the most complex changes? Frontline leaders (15.5 percent) were more than twice as likely to change countries as were strategic leaders (7.6 percent). More than nine percent of operational leader and 25 percent of high potential transitions also necessitated border crossings.

Approximately 39 percent of transitions (total) involved shifting to a new business unit, 31.2 percent to a new company, and 12 percent to a different country (some transitions included two or more of these shifts). And despite an increase in lateral moves, 64 percent of leaders had received one or two promotions in the last three years.



## **FINDING 2:** Transitioning leaders continue to struggle with ambiguity more than any other challenge.

Asked to select their biggest adjustments, our leaders nominated these as their top candidates\*:

# 41% Dealing with ambiguity and uncertainty

- 38%** Getting work done through others
- 35%** Navigating organizational politics
- 34%** Engaging and inspiring employees
- 32%** Creating a new network

*\*Adds up to >100 percent as leaders selected their "top three."*

More than 40 percent of leaders elevated ambiguity to the top of the adjustment chart. More specifically, leaders wrestled with the lack of guidance from their manager, vague job descriptions, and unclear expectations.

Changes in workforce dynamics were also a challenge for many. A step up the ladder usually requires greater and more complex delegation. As a result, the hands-on manager must learn to become hands-off.

Managers at all levels had difficulty building new, supportive networks. Approximately one-third of respondents named networking a top-three challenge. And, when asked what would have helped them most, more than 29 percent wanted more face time with mentors, coaches, and colleagues.

New to the top of the struggles list: engaging and inspiring employees. As the economy recovers, it is difficult not only to see what the organization's future is, but also to show it (confidently) to others. Leaders challenged with the ambiguity surrounding their own new roles must engage and part the clouds for those they lead.

### Participants

#### What stressed you out the MOST?

- "Learning new organizational politics and procedures"
- "Dealing with upper management"
- "Being in charge of people that were previously my equals"
- "Letting go of the control over details"

#### What advice would you give to a trusted friend or close colleague considering a transition similar to yours?

- "Learn as much as you can from whomever you can"
- "Be prepared for long hours and total accountability"
- "Redefine expectations for your new role"
- "Make sure you have a support team and network in place"



**FINDING 3: Transitions are not created equal; preparing for each level of leadership requires a unique mix of skills.**

Certain skills make transitions easier, more palatable. We knew this. What we didn't know was how leaders at different levels combine these skill-ingredients to make a smoother move. The graph below displays the proportionate use of skills at each leader level.

For example, leaders transitioning to the first level found that strategic thinking and network creation skills served them best. Operational leaders, on the other hand, discovered that engagement and delegation skills were most helpful in facilitating their transitions. And, strategic leaders, meanwhile, benefitted most from political and decision-making skills.

Dealing with ambiguity was a challenge at all levels. Although no less an issue for strategic leaders, ambiguity—at this level—was present in several, more specific forms: making high-risk decisions, navigating politics, and representing the corporate line.

The graph, based on leader recollections, offers a formula for easing transitions that insightful, planful organizations can utilize to help prepare new leaders.

**FIGURE 1: FOR A SUCCESSFUL TRANSITION, IMPROVEMENT IS INSUFFICIENT: REINVENTION IS REQUIRED. MOVING TO NEW LEVELS OF LEADERSHIP REQUIRES A NEW MIX OF SKILLS.**

**38 percent**  
of all respondents  
wanted to better their  
abilities to coach others.



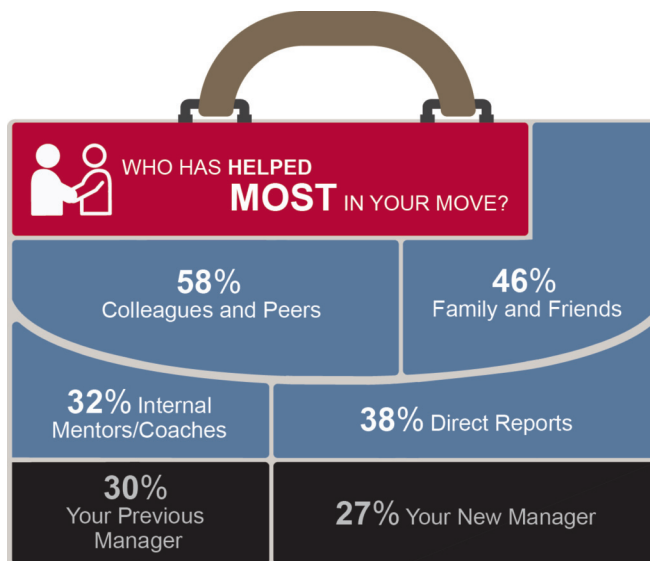


**FINDING 4:** When leaders need coaching and clarity, the last person they ask is their boss.

When we asked survey participants to name their significant other—the person who helped most in their move—they chose colleagues and peers, family and friends, and direct reports. Instead of looking to higher-ups for leadership how-tos, they tapped safer havens—long-time trusted advisors. Their managers, those charged with (and compensated for) mentoring, were the choice of last resort. This finding is disturbing considering that 42 percent of individual contributors (and 15 percent of strategic leaders) said “more feedback and guidance from my new manager” would have significantly eased their transitions.

Why the managerial no-go? Transitions can be a mentoring and coaching dead space. Ideally, the handoff of responsibility for a leader-in-transition should be as seamless as the handoff of an airplane between traffic controllers. The reality is that oftentimes the former manager disengages, and the new manager—with a backlog of projects—fails to appreciate the challenges faced by the leader-in-transition.

FIGURE 2: WHO HAS HELPED MOST IN YOUR MOVE?





**FINDING 5: More than any other aid, transitioning leaders want more structured development.**

What would have helped most in move-making? Forty-two percent chose a better, more structured development plan (when listing their "top three"). An additional 31 percent opted for more formal development to strengthen interpersonal and leadership skills. Close to 30 percent of participants ranked face-to-face networking opportunities, and a cleaner separation between old and new responsibilities, respectively.

More troubling data uncovered unsatisfactory marks for existing development; respondents wanted not only "more," but also "better." We found that 90 percent of organizations have an opportunity to improve transition satisfaction by bumping up the quality of their development.

FIGURE 3: WHAT CAN ORGANIZATIONS DO TO SUPPORT TRANSITIONS?







**FINDING 6: High potentials are unsupported and overestimated in their abilities to figure out the unfamiliar.**

Compared to their colleagues, high potentials make more transitions of greater complexity. They are almost 10 times as likely to move out-of-country, yet at the same time, they receive the same paucity of support from new managers as everyone else.

And, with organizational expectations to start fast and finish first, high potentials are likely to need more—not less—managerial guidance and instruction. When we asked what would have helped them most, high potentials were more apt to answer “a more structured development plan” (48 percent) compared with their peers (39 percent).

While high potentials enjoy elevated status, they are often left to sink or swim. Managers tend to overestimate these new leaders’ abilities to find their own way, and under-deliver desperately needed coaching and development. They forget that accelerating leadership growth is not only about identifying the WHOs, but also planning for the HOWs of support.





## **FINDING 7: Organizations overestimate the persuasive power of money and overlook the things leaders value most.**

When asked why they made a move, less than 10 percent of leaders showed us the money. On the other hand, close to a third of leaders made the leap as part of their long-term goals, 13 percent felt they didn't have a choice, and approximately six percent thought the new job would look good on a resume.

Other data shows that compensation rose in only 54 percent of transitions; 25 percent of individual contributors and 8.8 percent of strategic leaders actually took a pay cut.

Leader responses also revealed a series of positive outcomes that were non-monetary in nature, with longer-lasting reward power. These included (but were not limited to):

- **Empowerment**—Almost half of all leaders felt more enabled in their new position.
- **Confidence in job-related abilities**—Post-transition, more than 47 percent experienced greater self-assurance.
- **More insight about personal strengths and weaknesses**—More than 45 percent gained a better understanding of their motivations and behaviors.
- **Status in others' eyes as a high potential**—Forty-seven percent witnessed their personal stock soar as a result of their transition.
- **Ability to impact the company's strategic objectives**—The perceived connection between leaders' roles and the business increased with each successive level of leadership.

### **A Matter of Size:**

- Within larger organizations, leaders were more likely to struggle with giving up their reputations as an expert.
- In mid-size companies, more leaders changed geographies.
- Smaller organizations offered more surprise opportunities and bigger jumps.



**FINDING 8:** Without choice, quality feedback, and clear expectations, transitioning leaders are more likely to quit.

When leaders are stripped of choice and forced into compliance, they're likely to make a move of their own—out the door. Our research showed that transition recipients were three times more likely to be dissatisfied in their new positions, and greater than two times more apt to consider quitting—when compelled to switch roles.

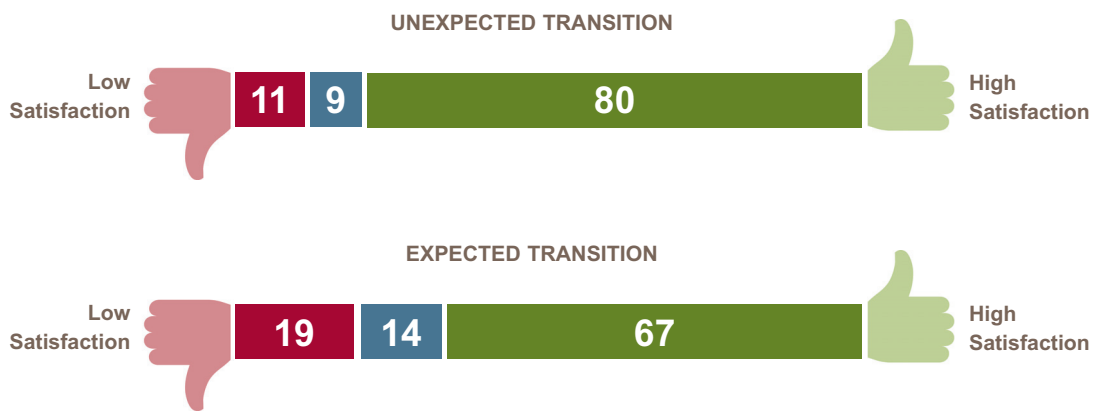
Another source of dissatisfaction: assessments. Rather than offer leaders a leg up, assessments-without-feedback were destabilizing. Job-movers were four percent less satisfied (on average) when deprived of post-assessment results, and nine percent less content when given written results but no managerial feedback. Only 15 percent of those assessed got an appreciable bump in satisfaction, leaving the majority negatively impacted.

We also found that the element of surprise contributes to transition satisfaction. When asked if their transitions were expected or unexpected, respondents who hadn't anticipated a job-switch were 80 percent "highly satisfied," compared with 66 percent who knew that change was afoot.

The surprise factor also increased the satisfaction of those seeking a career change *for more than a year*. Rather than frustrated or bitter, these leaders-in-waiting were delighted to accept unanticipated opportunities.

With no choice but change, leaders were **1 MONTH SLOWER** in achieving expected productivity.

**FIGURE 4: SATISFACTION LEVELS DIFFER WHEN TRANSITIONS ARE UNEXPECTED.**





## CONCLUSION

Seven years after our first study, organizations are still botching transitions—but with greater bottom-line repercussions (DDI's soon-to-be-released *Global Leadership Forecast 2013|2014* found that companies' facilitation of transitions positively correlated with financial performance—in a significant way). Leaders, facing added uncertainty associated with moves of greater complexity (e.g., geographical relocation) and an absence of prescribed career paths, have greater (unmet) personal and practical needs. As a result, engagement, productivity, and retention suffer, impacting not only leaders and those they lead, but also entire enterprises.

So what can be done to shift the transition paradigm from a precarious passage to a smooth sail? Here's what the data have to say.

### SOUNDS LIKE A PLAN

The research once again emphasizes the criticality of the development plan. Rather than an *improvement* plan, leaders-in-transition need and want a *survival* plan. They want to know what is expected of them and receive a blueprint for success. A formal plan establishes ownership and accountability for development, and works to reduce leader anxiety and build rapport. The more complex the transition, the more important the plan becomes in securing managerial responsibility for the new leader. Traditional support structures—including formal plans—ensure leaders won't fall through the cracks...and between managers.

### TALK TO ME

Additionally, the importance of high-fidelity communication between the manager and the newly placed leader cannot be overstated. In order to alleviate much of the stress-generating, productivity-killing ambiguity, managers need to initiate clarifying conversations about expectations, access to resources, and performance measures. At the same time, new leaders must also engage their managers. Our data show that 64 percent of transitioners regret their reticence to ask questions.

Organizations have a real opportunity to force discussion of important, unaddressed issues—early in the transition process—to ensure incoming leaders have a realistic view of the new job. To do this, they must assign clear accountability to managers (be they former, acting, or both) for transitioning leaders. Pre-transition mentoring and peer coaching can also go a long way to allay fears and lift the clouds of uncertainty. And, when there's less separation between leadership levels, collaboration and cooperation can thrive. A corporate culture that encourages open dialogue is especially beneficial for those in new positions.

## EYES WIDE OPEN

Nothing is more daunting to a leader (and damaging to transition success) than walking into a new position and realizing they don't have the skills necessary to execute. Past performance is not a predictor of future performance if the on-deck scenario requires a new skill set. Our research shows that at each level of leadership a vastly different mix of skills facilitates the ease of the transition for the new leader.

As an example, consider the transition to a strategic-level role. As leaders get closer to the top and more exposed, the pull of political forces intensifies. Once comfortable with managing “down,” these newly placed leaders must start looking “up.” They must now influence the influencers, build credibility, and compete for limited organizational resources—*while they are still acclimating AND attempting to make (inspirational) sense of the world for others.*

How can this insight be applied? Consider the requirements of the job from the employee's perspective—before they step into the new role. After ensuring they have the technical knowledge and experience needed, assess how strong or weak they are on the level-specific behavioral skills that will streamline their transition process. With targeted assessment to evaluate—and personalized development to hone—leadership skills, organizations have an often-unrealized opportunity to mitigate transition-related anxiety, facilitate acclimation, and accelerate new leaders' abilities to contribute. A few words of caution: Assessment without actionable feedback is worse than no assessment at all. And, poorly executed development can do more harm (satisfaction-wise) than good.

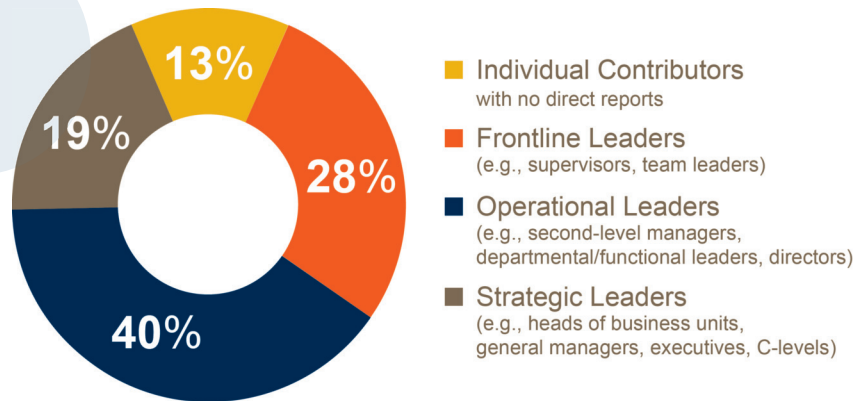
## SAY IT'S OKAY

Finally, the most important thing a manager (present or past) can offer a new report is acknowledgement. Let newbies know that it's okay—and expected—for them to be nervous or even terrified. Don't let their anxiety remain the elephant in the room: give voice to it and let it roar. Empathy also goes a long way and shouldn't be hard to muster; there isn't a manager who hasn't tackled their own newbie insecurity at some point. Collaboratively demystifying the new leader's role and openly acknowledging the emotions involved is a failsafe recipe for transition success.

# Leaders-by-the-Numbers

To bring our understanding into fine-focus, we examined transitions from as many perspectives as possible. For this study, we included transitions of all types (not just promotions) and individual contributors as well as managers.

FIGURE 5: ORGANIZATIONAL LEVELS REPRESENTED



### A closer look at our sample:

- > The great majority (97 percent) were from the U.S.
- > Forty-two percent came from organizations with > 500 employees; almost 10 percent came from companies with 50,001 or more.
- > Fifty-six percent were males.
- > Ages ranged from 25 to 61-or-over, with notable representation from participants aged 31 to 35 (23.1 percent), 36 to 40 (12.5 percent), and 41 to 45 (17.3 percent).
- > Of the 35 industries included, 11 percent were retail-related.
- > High potentials accounted for 41 percent of those surveyed.



## About the Authors

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Evan and his team conduct comprehensive analytical evaluations of talent management programs to gauge their impact and to forecast opportunities to better align with business strategy. They also produce contemporary, prescriptive thought leadership about talent management practices. Evan serves as a thought leader for DDI on topics such as leadership development, talent management analytics, data visualization, generational differences, social media, and pre-employment assessment.
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- Success Profile Management
- Selection & Assessment
- Leadership & Workforce Development
- Succession Management
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