



Beyond Sink or Swim

The Case for Accelerating Leadership Transitions
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Each year roughly a quarter of the managers in typical large companies change jobs—more than half a million managers in the Fortune 500 alone.

Companies need to move their best people through positions of increasing responsibility to develop them. If they fail to do so, they risk losing their best talent to competitors. They also need to “on-board” new people into the organization, to infuse new blood, and to replace those who have left.

But the constant churn comes at a cost. How long does it take a typical mid-senior manager in transition to reach the *breakeven point*—the point at which they are net creators of value for their organizations? Our survey of over 200 company CEOs and Presidents yielded an estimate of 6.2 months for the typical new leader to reach breakeven. And for every leader in transition the performance of more than a dozen others—direct reports, bosses, and peers—is negatively impacted. In effect, all the people in the “impact network” of the new leader are in transition too.

Transitions also are times of high risk for leaders. In a recent survey we did on transition impacts, we found that fully 87% percent of the 143 senior HR professionals who responded either agreed or strongly agreed with the statement “Transitions into significant new roles are the most challenging times in the professional lives of managers.” More than 70% percent agreed or strongly agreed that “success or failure during the transition period is a strong predictor of overall success or failure in the job.”

Given the magnitude of the overall organizational impact, it is surprising how few companies invest in helping their precious leadership assets to succeed during transitions—the most critical junctures in their careers. A few companies (GE, for example) explicitly train their managers in how to take charge. More common are “on-boarding” programs that introduce outside hires to the strategy, businesses, and culture of the company. While useful, such programs seldom provide systematic guidance on the process of managing a successful transition. And the vast majority of companies do not provide any support at all. Why do so many companies leave their people to sink or swim?

The Sink-or-Swim Mentality

Macho managerial culture is one major reason. Many companies use transitions as a way of winnowing talent—a philosophy we call “leadership development through Darwinian evolution.” Promising managers are tossed into the deep end of the pool to test their evolutionary fitness for advancement. The swimmers are deemed high potentials and the sinkers... well, sink. In some organizations, this process verges on hazing: “as we have suffered, so shall ye.” When told about the systematic approaches to managing transitions we were developing, one senior executive said, without a trace of irony, “You’re not going to make [transitioning] too easy for them, are you?” As if that were possible.

It is, of course, sensible to use transitions as part of a comprehensive approach to leadership development. A survey that was conducted as part of McKinsey’s path-breaking “War for Talent” study, for example, asked a sample of 200 senior executives to identify their five most important developmental experiences and compiled the results. The top overall responses all involved significant transitions into new roles:

- New position with large scope
- Turning around a business
- Starting a new business
- Large, high profile special project
- Working outside home country

But the fact that transitions develop talent emphatically does not mean—as it does at too many companies—throwing good people into the deep end to see if they sink or swim. Why? Because some very good people will make a few early mistakes and sink. Others will swim, but only because they ended up in the right kind of position, or had the right lifeguard looking out for them. Support for transitions doesn’t make it easy, it simply creates a level playing field on which to test leadership talent.

The Darwinian approach also represents an enormous waste of potential organizational learning. A group of 90 participants in a Harvard Business School general management program, for example, averaged 16 years of business experience. In that time the typical participant had experienced 5.5 promotions, worked for 2.4 companies, shifted between business functions 2.7 times, and made 1.5 international moves. But each had learned through hard experience what worked and what did not in transitions. The simple experience of talking with peers about transitions, often for the first time, was a revelation. They discovered that they had learned and relearned the same sorts of hard lessons.

Transition, like swimming, is a skill that can be learned and taught. Companies are therefore not well served by pure Darwinian leadership development. It's like the free market run amok, without the safeguards provided by rules. The best companies are meritocracies. Their leaders compete to rise to the top and continually reinvigorate the enterprise. But true meritocracies start with a level playing field. Leaders should not succeed just because they happen to have a lifeguard higher in the organization looking out for them or because they get placed into situations that happen to play to their strengths. Neither should promising people fail because they lack these advantages.

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The challenge, then, is to accelerate everyone by institutionalizing a common framework and set of supporting tools for accelerating transitions. If all the leaders who take on new positions in your organization use the right strategies, you will not just prevent failures; you will also capture potentially massive gains from accelerating everyone. The faster everyone takes charge, the faster the organization can begin to make the right moves to gain market share, cut costs, and launch more new products. Think about it. What would it be worth in bottom-line terms if you could get everyone in your organization—your new direct reports, their new direct reports, and so on— to the breakeven point just five percent faster?

A common approach to managing leadership transitions can also help you to identify and retain the best leadership talent. We identify good swimmers by teaching them to swim, coaching them, and then letting performance speak for itself. J&J, for example, conducted independent research on the impact that has validated the power of our approach. A study by an outside consultant commissioned by J&J, and based on 125 interviews with participants in our transitions programs and coaching, highlighted the positive impacts:

- Average reported improvement in performance of 40% for transition coaching and 38% for transition programs.
- Conservative estimate of economic benefit (based on salary costs only) of \$141K per participant for coaching and \$81K per participant for programs.

The authors of that study concluded that, “Leader transitions are ‘high risk’ points with significant cost implications. This study revealed that the leader transition programs at J&J appear to be quite effective at enhancing leader performance during these challenging periods.”

Designing Organization-wide Transition Acceleration Systems

If companies decide to move beyond the Darwinian approach, how should they design organization-wide transition acceleration systems? In a decade of work with leading companies, we've developed a set of six “design principles:”

#1. Deliver transition support... just in time

Transitions evolve through a series of predictable stages. New leaders begin their transitions with intensive diagnostic work. As they learn more and gain increasing clarity about the situation, they shift to defining strategic direction (mission, goals, strategy, and vision) for their organizations. As the intended direction becomes clearer, they are better able to make decisions about key organizational issues—structure, processes, talent, and team. In tandem with this, they can identify opportunities to secure early wins and begin to drive the process of change in their organizations.

The type of support that new leaders need therefore shifts in predictable ways as the transition process unfolds. Early on, support for diagnosis is key. Later, the focus of support should shift to helping them define strategic direction, lay the foundation for success, secure early wins, and so on. Critically, new leaders need to be offered transition support in digestible blocks. Once they are in their new roles, they rapidly get immersed in the flow of events and can devote only very limited time to learning, reflecting, and planning. If support is not delivered just in time, the new leader is unlikely to use it. One success factor in J&J was the use of a “milestone process” which aligned transition support events to when it was needed based on historical learning of timing and readiness.

#2. Leverage the time before entry

Transitions begin with selection or promotion, not when leaders formally enter their new positions. The time prior to entry is a priceless period during which new leaders can begin to learn about their organizations and plan their early days on the job. Upon formally entering their new organizations, new leaders are invariably swept up in the day-to-day demands of their offices.

Organizational transition acceleration systems should therefore be designed to help new leaders get the maximum possible benefit during whatever pre-entry time is available to them. This means supporting new leaders' learning processes by providing them with key documents and tools that help them to plan their early diagnostic activities. For executives it may be beneficial to have coaches engage in pre-entry diagnosis and create summary reports on the situation. At J&J, the transition acceleration process is triggered immediately upon acceptance of the offer of promotion or hire. This results in HR initiating a transition risk assessment process and developing a transition acceleration plan specific to the executive's needs.

#3. Create action-forcing events to propel the process forward

The fundamental paradox of transition acceleration is that leaders in transition often feel too busy to learn and plan their transitions. While they know that they should be tapping into available resources and devoting time to planning their transitions, the urgent demands of their new roles tend to crowd out this important work.

Although it helps to leverage the time before entry and to provide just-in-time support, transition processes also need to provide "action-forcing events." These are key meetings with coaches or cohort events that bring leaders in transition into more reflective mind-sets.

The implication is that transition support should not be designed as a free-flowing process in which the leader sets the pace. It is better to create a series of focused “events”—coach meetings or cohort sessions—at critical stages. After undertaking some pre-entry diagnosis of the situation and helping the leader to engage in some self-assessment, for example, the coach and client are well positioned to have a highly productive “launch meeting.” At J&J, these action-forcing events are also seen as “milestone deliverables” that reinforce the view that these actions are necessary business deliverables.

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When transition coaching is provided, it is critical that the new leader and the coach connect early on in a focused and meaningful way. This is one reason it can be beneficial for coaches to engage in intensive pre-entry diagnosis: they have a precious resource—knowledge about the situation—that they can convey to the new leader. Their insight, offered in the critical early phases of the transition, can help to cement the coach-client relationship.

#4. Provide additional, focused resources to support specific types of transitions

There are fundamental principles and tools that can be applied to any transition. However, the way they are applied and the specific priorities new leaders pursue vary significantly depending on the types of transitions they are experiencing. It therefore is often helpful to identify the most important types of transitions the company needs to support, and develop specific, targeted additional resources to support them.

In particular, there are often good reasons to provide new leaders with additional resources for dealing with two common types of transitions:

- *Promotion.* When leaders are promoted they typically have to alter their approach to leadership in predictable ways. The competencies required for them to be successful at the new level may be quite different from what made them successful at their previous level. They also may be expected to play different roles, exhibit different behaviors, and engage with direct reports in different ways. So focused sets of resources that help newly promoted leaders “take it to a new level” help to accelerate these transitions.
- *Onboarding.* When leaders join new organizations or move between units with distinct subcultures, they face major challenges in learning about and adapting to new cultures, and building the right sorts of relationships and supportive alliances. Focused, accessible resources for helping them to understand what it takes to “get things done” in their new organizations can help to reduce derailment and speed time to performance. At J&J, for example, we developed a set of Harvard Business School-like case studies on the company’s history and culture, as well as overviews of key businesses.

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#5. Match delivery mode and extent of support to the level of the leader

If cost were not an issue, every transitioning leader would get intensive, highly personalized support. In an ideal world, a new leader would be assigned a transition coach who would undertake an independent diagnosis and brief the person on the results prior to entry. The coach would help the leader engage in self-assessment and identify key transition risk factors.

Because their impact on the business is so great, it may in fact make sense to provide very senior leaders with this level of transition support. But it doesn't make economic sense to provide it to leaders at the director level or below. The solution is to (1) identify alternative modes through which to deliver transition support (for example, coaching versus cohort sessions versus webinars and e-learning), (2) assess their relative costs and benefits, and (3) match delivery modes and extent of support to key levels in the company's leadership pipeline in order to maximize the return on investment. For J&J, we implemented our Transition Risk Assessment which helped guide understanding of the transition risks that should be considered and the extent of support suggested by level.

#6. Clarify roles and align the incentives of the key supporting players

Finally, for any given new leader, there are typically many people who can potentially impact the success of the transition. Key players may include bosses, peers, direct reports, HR generalists, coaches, and mentors. While primary responsibility for supporting a transition may be vested with one individual—typically a coach or HR generalist—it is important to think through the supportive roles that others could play and to identify ways to encourage them to do so. New leaders in transition are often viewed under a magnifying glass by direct reports and peers and first impressions can make or break a new leader. Key supporting players should see the causal connection between putting these principles into practice, which enables quicker time to competence and credibility, and a successful transition.

Moving Forward

Success in putting these six principles into practice isn't a guarantee of transition effectiveness; even the best-laid plans can go awry. But care in designing transition acceleration systems can substantially improve every leader's chances of success and thereby position the organization to avoid failure and increase agility. 📌

The faster everyone takes charge, the faster the organization can begin to make the right moves to gain market share, cut costs, and launch more new products.



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Michael Watkins is the Chairman of Genesis Advisers (www.genesisadvisers.com). His new book is *Your Next Move: The Leader's Guide to Navigating Major Career Transitions* (Harvard Business Press; hardcover; Oct. 5, 2009). Michael is also the author of *The First 90 Days: Critical Success Strategies for New Leaders at All Levels*, which published from Harvard Business Press in 2003. **Doug Soo Hoo** is an affiliate of Genesis Advisers. He recently retired as Director of Learning and Development after 21 years at Johnson & Johnson.

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