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OVERVIEW: THE INTERNAL TRANSITION CHALLENGE

“In a perfect world, we would let new leaders spend six months just learning about the organization. Unfortunately, we rarely have that luxury. We must ask new leaders to learn about the organization as they do their jobs.”

— Executive OnBoarding, LLC

Managers taking on new roles face many challenges: navigating the new culture; understanding processes; translating the unique terminology; forging relationships with the new boss, co-workers, and subordinates; and clarifying expectations for performance and development. These challenges are widely recognized for external hires, and companies often give new external hires time to learn and adjust to their new environment. Many of these same challenges occur for managers taking on new roles with their current employer. Yet support for internal transitions has largely been left to the transitioning manager, without the “on-boarding” mechanisms and support provided to external hires.

Management transitions are important because of their frequency and potential points of impact across the organization. Michael Watkins, former Harvard Business School professor and president of Genesis Advisors LLC, estimates that 25 percent of managers in an organization transition to a new role each year. Among *Fortune* 500 companies alone, this amounts to more than 500,000 managers annually. Each manager’s transition impacts the productivity of new and old bosses, co-workers, direct reports, HR partners, and others in the organization.

Watkins' analysis indicates that it takes an average of 6.2 months for managers to reach "breakeven" in a new role—the point at which managers have contributed as much to the company as they have consumed in organizational resources. In today's competitive business environment, managers need to do their new jobs while they learn about their new bosses, colleagues, performance expectations, and other factors. And managers need to make their transitions in ever shorter timeframes.

Books about leadership transitions published 15 years apart highlight the shorter timeframe managers face. Research conducted in the mid-1980s by John Gabarro tracked managers' transitions over two- to three-year periods. In contrast, Watkins's 2003 book highlights the new time horizon for managers to become productive: *The First 90 Days*.

Faster Transitions Benefit Companies, Managers By reducing the time it takes for a transitioning manager to get to breakeven, Watkins asserts, companies can leverage the resources (financial, time, and people) that otherwise would have been consumed by the transition. With one-quarter of managers changing roles annually, the potential resource savings companies can gain from accelerating leadership transitions is substantial.

In addition to the company's benefits from shorter transition periods, managers gain as well. Transitions provide important opportunities for individual leadership development. In addition, managers often become more open to learning during transitions because of their perceived increased vulnerability within the organization and the tangible results they can achieve through enhanced learning.

Transition specialists Executive OnBoarding LLC have identified three factors that leaders need if they want to transition successfully into new roles: Knowledge, Relationships, and Feedback.

Source: Executive
OnBoarding

While companies are aware of the challenges external hires face and create formal onboarding programs to help transition new hires, internal moves can be easily overlooked. People in the organization may make assumptions about what or whom the internal leader knows, and conclude that the individual already has the knowledge and relationships needed to do the new job. According to Executive OnBoarding, the lack of knowledge, relationships, and feedback can have significant negative consequences such as inappropriate decisions, barriers to goal achievement, or diffusive efforts toward the same goal.

Despite the potential negative effects of insufficient support during internal management transitions, Watkins asserts most companies use a "sink-or-swim" approach in which managers are provided few resources to navigate their new terrain. Likening this approach to a corporate version of "survival of the fittest," Watkins concludes, "Organizations are not well served in the long run by unregulated Darwinian leadership development."

Potential Impact of Insufficient Support in Transitions

Lack of knowledge results in:

- Decisions counter to company strategic vision and direction
- Inability to navigate through the culture
- Distorted understanding of environmental influences
- Myopic view of organization's competitive position

Lack of key relationships results in:

- Limited clarity about role and performance expectations
- Disconnection from the larger organization
- Barriers to team's and function's goals
- Reduced access to key resources and organizational information

Lack of feedback results in:

- No "snapshot" of the new leader's behavior with objective data
- Single, not global, perspective of performance
- Multi-directional efforts toward the same goal

This issue of *Workforce Strategies* examines the current state of internal management transitions, how managers experience new roles, and the factors that affect the success of internal moves. The report concludes with case studies of the Boeing Co., Millennium Pharmaceuticals, and a major financial services company, as well as recommended resources for further learning.

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