

IMD Faculty

Michael Watkins
*Professor of Leadership
and Organizational Change*

Research & Development

Anouk Lavoie Orlick
Susan Stehli

At an IMD Discovery Event in February 2014, Michael Watkins presented "Taking Charge in New Leadership Roles: The First 90 Days." An audience of around 100 senior managers hailing from a variety of industries participated in discussions and case analyses to explore the challenges that come with senior-level transitions.

Discovery Events are exclusively available to members of IMD's Corporate Learning Network. To find out more, go to www.imd.org/clin

Hit the Ground Running: Transitioning to New Leadership Roles



Why do so many competent leaders fail to transition into new roles successfully? What is it about senior job transitions – whether coming in from the outside or moving upward or sideways within the organization – that proves so challenging?

An IMD survey of 1350 HR professionals shows that transitions into new roles are the most difficult times in leaders' professional lives. Moreover, success or failure during the first few months is a strong predictor of overall performance in the role. Transitions take a lot of energy from leaders and they also often take longer than expected. For example, 57% of executives attending this IMD event said that it took them six months or more to effectively assume their last new role.

For organizations, it makes sense to support transition acceleration for a variety of reasons:

- to limit the likelihood of derailment
- to speed up time to performance
- to retain talent
- to accelerate organizational change and
- to mitigate risk to the company.

Support from the company to ease transitions can make a difference. Being promoted to lead peers is typically a challenging

transition for which organizations can help prepare the terrain.

Within large organizations, becoming a senior leader involves rising through five or more levels of management. Some of the major shifts happen in the middle: from functional leader (for example head of procurement) to business unit leader and then on to group leader, as shown in Charan's leadership pipeline (see **Figure 1**). These transitions present particular adaptive challenges.

What can go wrong? Classic traps include coming in with "THE answer," creating a sense of crisis where there isn't really one (change for change's sake), attempting to do too much and not taking the time to first understand the culture. In terms of personal adaptive challenges, many rising managers tend to think that what got them this far will take them to the next level, instead of adapting their tools and strategies to their new situation. In the words of Mark Twain, "To a person with a hammer, everything looks like a nail."

To many leaders coming into a new role, the big balancing act is to simultaneously learn about the organization and shape it. These are two major challenges that Michael Watkins describes in his book, *The First 90 Days*: on the one hand, to accelerate learning in order to develop a strategy that fits the situation, and on the other hand, to begin taking charge by securing early wins, building the team and creating alliances.

The Learning Challenge

Climbing the learning curve quickly is essential to successful integration. This includes understanding both the formal and the informal structure of the enterprise. Who are the influencers? How are decisions made? Are meetings important or do the crucial

Being promoted to lead peers is typically a challenging transition for which organizations can help prepare the terrain.

Many rising managers tend to think that what got them this far will take them to the next level, instead of adapting their tools and strategies to their new situation.

Even with preparation, promotions and role changes are demanding in terms of personal adaptation. A new job may involve several types of transition in one leap.

negotiations take place beforehand, in private? New leaders must check these aspects of company culture. They have to “get it” quickly, learn to read the dynamics of the organization and then adapt.

Even departments within a company can have sub-cultures: different politics, different networks. In fact, leaders rate moving between units to take on a new position much more difficult than coming from the outside.

The consequence of not adapting to the new corporate culture is akin to what happens in living organisms when a foreign element enters. Company culture is so strong that it is like an immune system. New managers who ignore this and try to impose their modus operandi risk provoking an immune reaction and being ejected.

From a learning perspective, the weeks and months before the job’s official start date are precious. Effective leaders can leverage this time to meet with key people within the company, understand their respective agendas and how they fit together. Every organization has its own currency, which can take on multiple forms – resource allocation, cooperation on a key project, mutual favors – and the goal is to identify its nature and how it

flows within the enterprise. Picking up on this quickly can help new leaders “hit the ground running” in their new job.

Even with preparation, promotions and role changes are demanding in terms of personal adaptation. A new job may involve several types of transition in one leap: the number of staff, the geographical scope, a corporate as opposed to functional mandate. One example of a personal adaptive challenge is to shift from exerting positional authority, such as heading a staff of 300 people as the country manager, to a role based purely on influence, such as becoming the regional vice president (VP) of marketing with no direct reports but who must work within a set of matrixed relationships and build consensus on product strategy between competing departments. This move to an intensely political level requires different skills. During the event, participants analyzed this case and concluded that some of the skills that the new regional VP needs to develop are negotiation and alliance-building. Professor Watkins also pointed out that success in this role also requires the VP to go beyond brokering each piece of a deal – which is a zero-sum game – to creating a package. This is one example of The Seven Seismic Shifts™: transitioning from warrior to diplomat (see **Figure 2**).

The Seven Seismic Shifts™		
From	To	Priorities
Specialist	Generalist	Functional mindsets
Analyst	Integrator	Core tradeoffs
Tactician	Strategist	Strategic thinking
Problem-solver	Agenda-setter	Problem-finding
Bricklayer	Architect	Organizational design
Warrior	Diplomat	Influence and communication
Supporting cast	Lead role	Executive presence and storytelling

Figure 2: The Seven Seismic Shifts in leadership transitions

Source: R. Charan, S. Drotter and J. Noel. *The Leadership Pipeline: How to Build the Leadership Powered Company*, 2nd ed. Jossey-Bass, 2011

Leading Change

The level of change that a new leader seeks to implement can vary hugely depending on the stage of the business. For a manager hired to sustain a successful operation, the focus is on balancing trade-offs intelligently and anticipating future trends. For leaders brought in to manage a turnaround, the crisis mode invites an action-oriented and often more directive approach.

New managers coming into a role will find that the situation is often a nuanced mix: for example the business may be successful but some aspects call for realignment. A metaphor for the realignment phase is a punctured car tire that is slowly leaking air. The problem is not easily visible, but without intervention the vehicle will soon be in the ditch with a flat tire. Michael Watkins' STARS Mix (see **Figure 3**) describes the typical stages of company growth and deceleration: from Startup to Accelerated Growth, summing at the stage of Sustaining Success and then on the downwards slope from Realignment to Turnaround and finally Shutdown. Within companies, people often have different visions of what stage the business is in. As a newly appointed leader you may have one interpretation, your boss may have another perspective and your peers yet another. How do you create momentum for change when no one agrees about what

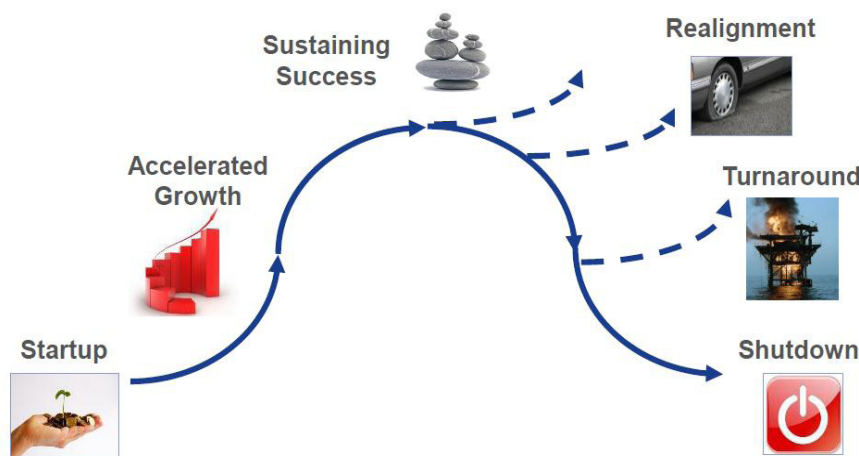
is going on? This is where the STARS framework can help establish a common language to discuss the situation, which can then facilitate diagnosis and strategy alignment.

When asked what type of change they would prefer to lead, most managers opt for the Accelerated Growth stage. Why? Because they feel they can have a strong impact and also because growing the business at high speed is an exciting prospect. In contrast, Sustaining Success can seem less attractive from a career perspective: it's about managing the legacy left by others. Of course for the organization, it becomes a problem if none of your best people want to sustain success. Finding good leaders who are enthusiastic about executing a Shutdown can also be difficult. But companies need top people to manage each type of change. The question then becomes how to find the right person for the right situation. Can all leaders handle each step of the STARS curve equally well? The short answer is no. Like certain actors, some leaders tend to always play the same role. As a result, they are excellent in one type of situation. "Stefan is a natural turnaround guy." Others are more wide-ranging and flexible leaders. In a big corporation, leaders generally need to be more flexible.

The first few months on a job provide a short window of opportunity to build

The level of change that a new leader seeks to implement can vary hugely depending on the stage of the business.

Within companies, people often have different visions of what stage the business is in ... How do you create momentum for change when no one agrees about what is going on?



The STARS framework can help establish a common language to discuss the situation, which can then facilitate diagnosis and strategy alignment.

Figure 3: What type of change are you leading?

Source: Michael Watkins

The first few months on a job provide a short window of opportunity to build energy and momentum for change.

Resistance to change can be strong ... The trick is to engage people on fixing the problem instead of just telling them what's wrong. The shared diagnostic journey can then lead to collaborative realignment.

Senior managers must master the art of professional transition for themselves and adjust to the frequent transitions of everyone around them. Organizations that can support this process can gain a systemic performance edge.

energy and momentum for change. During this narrow time span, the new manager needs to assess the situation and come up with a diagnosis. What needs to be done to achieve high performance? What needs to be fixed? Is the right team in place? It may become clear to the leader that all is not well. The difficulty is then to convince others and create a case for change. To move this organizational change process forward, the leader needs to exert “pull” by painting a vision of the desired destination. A convincing story will draw followers and motivate them to execute the change. In fact, the craft of storytelling, which involves interpreting the situation and its symbolic value, is critical for senior leaders to learn as they become role models within the organization.

However resistance to change can be strong. As participants in this Discovery Event noted, convincing colleagues in one's new job that “all is not well” can be tough. Michael Watkins suggests that the solution is often to take people in one's organization on a shared learning process. Discussion on this topic during the Discovery Event brought forward concrete initiatives to further this shared learning such as benchmarking with industry competitors, developing clear KPIs instead of staying inward-focused, and bringing in customer voices. The trick is to engage people on fixing the problem instead of just telling them what's wrong. The shared diagnostic journey can then lead to collaborative realignment.

Adjusting the Course

How can leaders in a new role take stock of their performance? Three months into a transition, taking the initiative to conduct a mini 360-degree evaluation can yield precious feedback. As a general rule, colleagues don't give direct feedback unless asked.

Part of adjusting the course is also to become more realistic about the scope of changes to be implemented in the short term. Recruiting is like romance, employment is like marriage: it can be hard to get a clear picture of the situation before

accepting a new job, and a few months in, new managers often must evolve their expectations and ambitions for change.

Another interesting exercise for a senior manager is to map out the allies, confederates, opposers, fence-sitters – all the key influencers and stakeholders – in their network. As their role evolves, the nature of their advice and counsel network must also change.

These small exercises, along with a broad understanding of the opportunities and pitfalls of leadership transitions, can make a real difference during the first 90 days in a new job. Though moving into a new role is always challenging, many of the essential adaptation skills are transferable. Given that more than 25% of leaders transition in a typical year, this is good news. Many of these transitions also involve the steep learning curve that comes with on-boarding: one third of leaders in a new role are external hires that must integrate into the company culture.

Finally, every leader transition impacts a dozen others, creating a ripple effect on people and processes in the organization. Senior managers must not only master the art of professional transition for themselves, they have to adjust to the frequent transitions of everyone around them: bosses, peers and direct reports. Therefore organizations that can support this process – by accelerating learning and helping leaders in new roles to thrive – can gain a systemic performance edge.

