

Leading Change: The Pivotal Role of Mid-Level Leader Fitness



Leadership Development by Design

Point of View

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The Importance of Mid-Level Leaders

Mid-level leaders are a vital linchpin in the execution of a company's strategic priorities. They serve two critical functions. First, they translate strategic priorities into actionable plans. Second, they drive the implementation of these plans through and around anticipated and unanticipated challenges.

Helping mid-level leaders excel at these tasks is a top priority for learning and development (L&D), talent management (TM), and company executives. Observations recently heard in a high-tech firm convey one of the big challenges that need to be addressed.

Insight from an Executive

"Many managers are waiting for leadership to get clearer about what they want. They have heard people walk through the strategy decks...many times. While I think that we (the executive team) need to be clearer about the outcomes we are trying to achieve—and we do need to be clearer—I don't think many managers realize that turning the ideas in our strategy docs into plans is their job."



Wisdom of a Middle Manager

"Senior leaders here are looking for us (the managers) to get going. But many managers are waiting for leaders to recognize that 'we need more clarity' or 'need more detail.' We (managers) need to use what we know to build draft plans. Then ask: 'Is this what you were thinking?' 'Is this going to get us there?' Working through drafts with the ELT (senior leaders) and our peers we will get to a good plan."



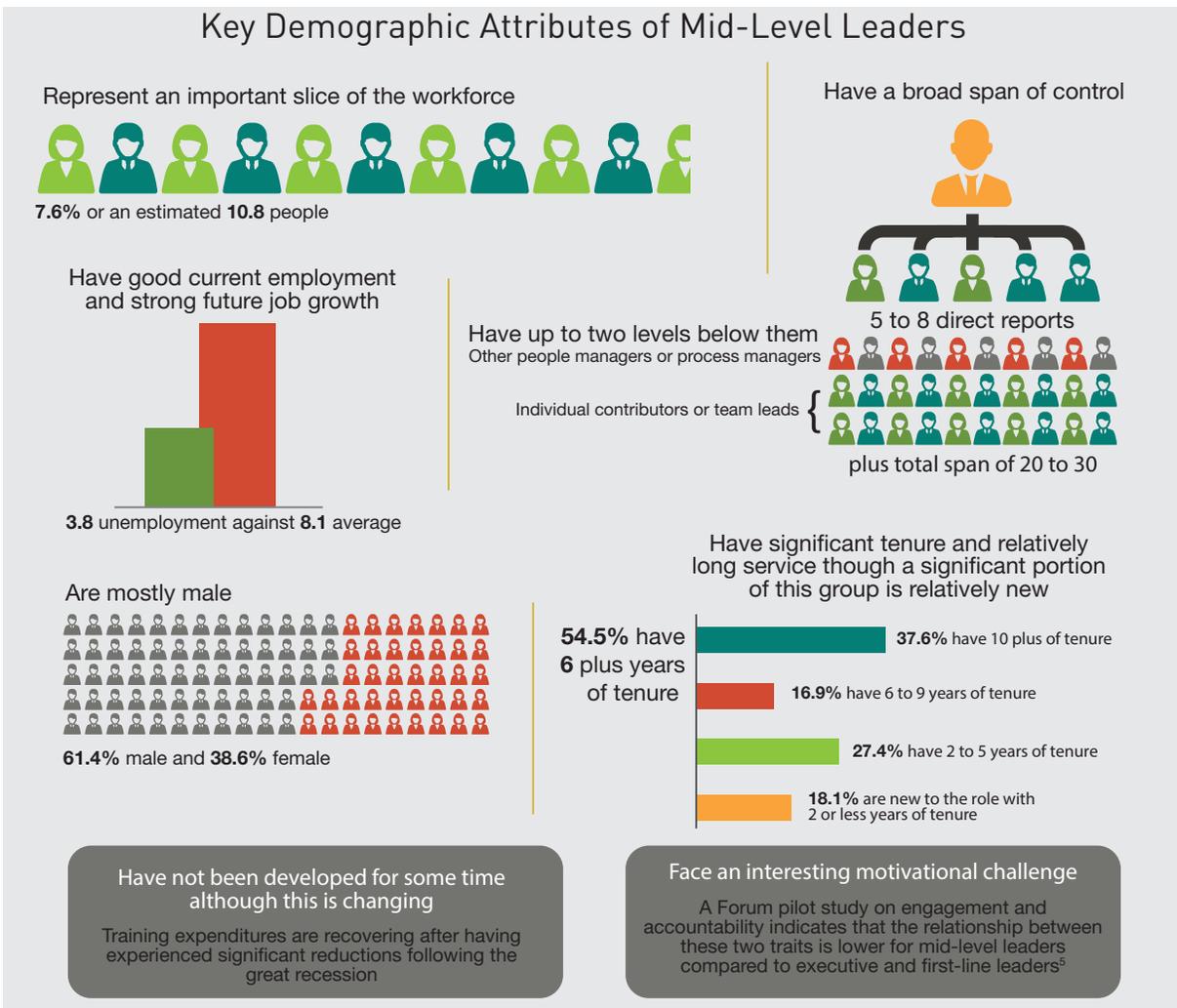
These insights were made within minutes of each other in a planning offsite and capture an important challenge. "We are stuck in the middle!" as an executive in a client organization observed. Mid-level leaders are critical to getting the right work done and done well. L&D and TM professionals and executive teams need to work together to unfreeze the middle of organizations.

Our Prescription: Managerial Fitness

Implementing the right program of managerial fitness is an important step to unfreezing the middle of the organizations.

To begin our exploration of mid-level leader fitness we first summarize who they are. We culled recent industry research to create a picture of key traits and post this summary at the end of this POV.

This summary emphasizes that there is substantial diversity within this critical talent segment.



Sources: Bureau of Labor Statistics, PwC

One of the insights we extract from the picture above is that many leaders entered their roles when organizations had de-invested from leadership development programs following the “great recession.” “We have to catch them up!” as one client said. While observers of our industry report increases in training and development budgets in the last few years, we estimate that as many as 60 percent of the people who are currently in middle management roles entered the roles when leadership development budgets were very thin.

Catching them up—building managerial fitness—is what we focus on next. We begin by clarifying what mid-level leaders do.

What Do Mid-Level Leaders Do?

Mid-level leaders do five big things. They:

1. Optimize performance of team members in service of team/function goals

- Set goals, give direction, provide feedback, and administer rewards and recognition for achievement

2. Operate as the “transmission belt”¹ between the (a) front-line staff and (b) senior managers to achieve and maintain critical alignments

- Translate the goals of senior management into plans
- Communicate plans to teams
- Engage senior leaders with insights about how to improve strategy, planning, and performance based on intelligence gathered from front line staff and work with customers



3. Manage teams and functions

- Manage internal processes and systems
- Get the best people on the team (and get poor performers off the team)
- Set team/functional priorities
- Report on team/function performance
- Evaluate and resolve problems and facilitate problem solving in others

4. Liaise between teams to drive performance on shared priorities

- This is particularly important when priorities have not been aligned or prioritized across teams or the clarity needed to implement effectively is missing

5. Do work

- Many managers today are “working managers” who both lead and do work. This tension is tough to resolve as managing requires time and attention. Doing it as a part time job is quite challenging for many.

Setting the Mid-Level Leader Fitness Agenda

Job one for L&D and TM Professionals is building the managerial fitness needed to perform these tasks. Managerial fitness, like fitness in any discipline, from athletics to music, powers high performance. Mid-level leaders need the equivalents of strength, stamina, and flexibility to drive the results for which they are accountable.



STRENGTH

Knowledge and skills of the fundamentals needed to achieve results through others



FLEXIBILITY

Adapting to people and circumstances



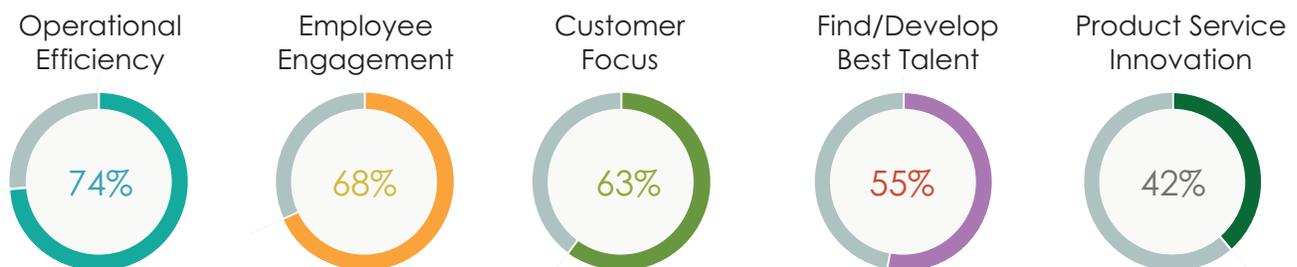
STAMINA

Persistence over time and through set backs

Top Strategic Priorities: We asked respondents to identify which of a dozen strategies was No. 1 for their organizations in the upcoming 18 months. We post the results below:

Synchronizing leadership development with business priorities is a critical success factor in leadership development. Unfortunately, this practice is not as common as is required for organizations to get the best return for their investment in development.

Top Five Strategic Focal Points



Executives report that they are concerned about the success of the strategic initiatives to which they have committed their organizations.² From improving operational efficiency—and increasing customer service to implementing product and service innovation, mid-level leaders are critical to translating vision and aspiration into business performance. In our survey, we also gathered their insight on the leadership challenges that are both similar to and different from those of first- and senior-level leaders.



We asked two other questions to further refine the mid-level leader fitness agenda:

1. What are the top five competency development priorities of mid-level leaders?
 - The Implication: Where should clients invest the resources for development?
2. What are the elements of an effective solution?
 - The Implication: What aspects of a leadership development for mid-level leaders should receive the most attention?

Needed Competencies: Successful management of the rock and a hard place dilemma mid-level leaders face requires the needed fitness. Below we highlight the mid-level leader competency priorities that respondents to our survey identified.

First-Level	Middle-Level	Senior-Level
Coaching Others (54.3)	Leading Change (58.2)	Leading Change (66.1)
Performance Management (52.7)	Coaching Others (53)	Creating Strategic Alignment (62.3)
Leading Change (48.9)	Strategic Thinking (42.7)	Strategic Thinking (61.8)
Building Effective Teams (47.3)	Performance Management (41.3)	Managing Vision and Purpose (60.1)
Developing Talent (40.3)	Building Effective Teams (39.5)	Developing Talent (44.8)

*The full list of competencies we asked about can be found at the end of this POV.

1. Leading Change Is the Top Mid-Level Leader Priority

We begin our exploration of leading change by asking about the kind of change that mid-level leaders drive. Research has identified three different levels of mid-level leaders within organizations³. Each level has a slightly different focus, as reflected in slightly different competency priorities. We depict this below:

Mid-Level Leader Roles	Top Two Role Priorities for Each of 3 Mid-Level Roles
Lower Example: Manager of Shift Supervisors	<ul style="list-style-type: none"> • Developing talent • Leading change: Giving direction & specifying objectives
Middle Example: Department Manager	<ul style="list-style-type: none"> • Leading change: Providing vision & encouraging innovation • Writing plans, preparing budgets & schedules (not in top 5 of the recent AchieveForum study)
Upper Example: Head of Risk Management	<ul style="list-style-type: none"> • Leading change: Providing vision & encouraging innovation • Selling ideas & influencing peers and senior colleagues



What Type of Change?

In a recent AchieveForum poll we asked respondents to identify the types of change that mid-level leaders were leading. The results:

- Organization initiated operational efficiency improvements
- Mid-level leader initiated improvements in the processes and procedures the team uses to accomplish results
- Organization initiated lean manufacturing/lean service disciplines that the organization is adopting
- Organization initiated service improvements
- Organization initiated quality improvements

Our data say that the biggest type of change that mid-level leaders are driving involves operational efficiency initiatives that are defined and set into motion by executive teams. This means that mid-level leaders are doing their part to help figure out how to get the right work done with the fewest steps and resources. Following in second place is self-initiated process improvements. Interestingly, unlike first level leaders, mid-level leaders have a greater expectation to develop and implement improvements in operational efficiency.

What Leading Change Capabilities?

There are three critical leading change capabilities that underlie effective change leadership.

a) Balancing new and current priorities.

In short, mid-level leaders help their teams answer the question, “Of all these priorities what do we do now?” Interestingly, mid-level leaders are often pre-occupied with what seems to them to be a bewildering array of goals...many of which compete with one another⁴. When people in organizations request clarity, they seek prioritization more than clarity of task. Senior-level leaders optimize the contribution of mid-level leaders by working to align their objectives across organizational silos and “prioritizing the priorities.”

b) Optimizing current processes and systems to support the new priorities

Figuring out how to get new work done by resourcefully using existing capabilities is the second priority. This requires equal doses of deep knowledge of the strengths and limitations of current systems and business processes as well as flexible thinking about options for operating more efficiently given the constraints.

c) Addressing a lack alignment of change goals

Driving change with colleagues who are either not clear about the need for change or who are resisting the change itself is the third change leadership priority. Navigating resistance successfully is a big leading change priority.

2. Strategic Thinking That Supports Leading Change

Strategic thinking is the competency that most differentiates the forecasted mid-level leadership development agenda from the first-level leader one. To clarify this competency, we asked about dimensions of strategic thinking and invited respondents in a recent webinar to rate them. Respondents rated three of the five aspects of strategic thinking most highly:

- Converting broad goals into actionable priorities
- Balancing opportunities and constraints
- Aligning goals up and down the organization

For mid-level leaders, strategic thinking means translating mandates from senior leaders into actionable priorities. Mid-level leaders often have to align work across organizational boundaries. To do this well they need to know how the various parts of the organization function together.

Business acumen is critical to doing this well. Effective mid-level leaders understand how the parts of an organization work together to create value for customers. They understand how the organizations they serve make money.

Effective mid-level leaders are mindful of existing constraints. Resourcefulness and agility are needed to square aspiration to change with reality. They find ways to optimize the people, systems, and processes on hand and changes in these capabilities where they can.

The image on the next page summarizes the strategic thinking that supports effective mid-level leader effective change management.





* Competencies used in our research

Competencies

✓ Selection and Staffing	✓ Building Effective Teams
✓ Influence	✓ Managing Vision and Purpose
✓ Coaching Others	✓ Presentation Skills
✓ Cross-Boundary Collaboration	✓ Performance Management
✓ Managing a Diverse Workforce	✓ Leading Customer Focus
✓ Conflict Management and Negotiation	✓ Business Acumen
✓ Innovation Management	✓ Agility
✓ Developing Talent	✓ Managing Continuous Improvement
✓ Leading Change	✓ Managing Ambiguity
✓ Problem Solving	✓ Creating Strategic Alignment
✓ Planning and Organizing Work	✓ Emotional Intelligence
✓ Strategic Thinking	✓ Cross-Cultural Acumen
✓ Delegating	
✓ Communications	
✓ Directing Others	

References

1. Osterman, P. (2009). *The Truth About Middle Managers: Who They Are, How They Work and Why They Matter*. Boston: Harvard Business Press.
2. "Senior executives express deep concerns about their companies' strategies and their ability to execute them," <http://www.strategyand.pwc.com>.
3. Quinn, R (1992). *Managing Competing Values*. San Francisco, CA: Jossey Bass.
4. Sull, Homkes & Sull, C . (2015). *Why strategy executive fails—and what to do about it*. Harvard Business Review, March edition.
5. Rose, T. (2014). *Creating a Culture of Engagement and Accountability*. Forum POV.

Fitness Prescription Summary

The fitness agenda for mid-level leaders is:

- Strengthen change leadership
 - › Balance new and current priorities
 - › Resolve lack of alignment on change goals

- Build strategic thinking capabilities needed to lead change
 - › Turn broad goals into actionable priorities
 - › Align goals up and down the organization
 - › Balance opportunities with constraints

Mid-level leaders play a vital role in organizational success. Talent Management, Learning and Development, and executive leaders need to work together to optimize the contribution of this critical talent segment to business success.

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