

The New Reality of Mid-level Leadership

There's been a lot of talk recently about mid-level leaders: Their importance to an organization's success, their unique pressures, and how to help them be their best. At DDI, we believe the midlevel holds the key to successful execution of business strategy.

Yet with increased workloads, slashed budgets, and reduced staffs, some HR organizations are finding it tougher than ever to develop middle management. Of course, one of the keys to effective development at any level is focusing on the right areas. To better identify the top priorities at the midlevel, DDI went right to the source: 2001 mid-level leaders across Asia, Australia, Europe and the United States. Here are the highlights of what they had to say.

TRAINING WHEELS ARE NOT AN OPTION

> **Leadership skills are key.** When asked to select whether leadership, technical, or business skills would be most critical to personal success in the next 3-5 years, the majority of mid-level leaders said leadership skills. Furthermore, they reported that this was also the same skill set where they need the most development. In fact, just 10% of respondents feel "well-prepared" to meet the top challenge they think they'll face in the next two years. Looking at the data by age, the younger a mid-level leader, the less prepared they feel to handle these challenges.

DISCONNECTS AND DISAPPOINTMENTS: THE MISMATCH BETWEEN TODAY'S MID-LEVEL LEADERS AND THEIR ROLES

> **There's a disconnect between what mid-level managers are—and what they need to be.**

DDI has determined there are four key challenges that mid-level leaders must master to be successful in an operational role:

- Drive performance in a changing world
- Manage horizontal integration in a complex organization
- Lead and develop talent
- Make tough decisions

When asked in our research, respondents indicated that leading change, executing top priorities, and making tough decisions went to the top of the list. These roles require a sophisticated and strategic skill set, yet our survey found that mid-level leaders operate more tactically than strategically. In fact, when asked which hat they wear most frequently, strategic roles were low on the list:

Resource Allocator	19%
Negotiator	17%
Executor	15%
Navigator	10%
Change Driver	9%
Innovator	9%
Global Thinker	7%
Talent Advocate	3%

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- > **Companies are doing more with less—and mid-level leaders are feeling the stress.** Nearly 7 in 10 mid-level leaders report that their work stress has increased in the past 18 months. The top factors leading to stress are increased personal workload (24%) and increased pressure to succeed (22%). Couple that with their perception of being unprepared for their roles and it paints a very difficult picture for today's mid-level leaders.
- > **Stagnation has become an issue.** The majority (54%) of mid-level leaders would take a demotion to a non-leadership role for the same amount of money. And 16% said they would take the demotion even if compensation was reduced. Why? Because nearly 50% are feeling stagnation in their current jobs. The more stagnant leaders' jobs were, the more likely they were to say they would give up their leadership position if they were offered the same compensation or reduced compensation to be an individual contributor.

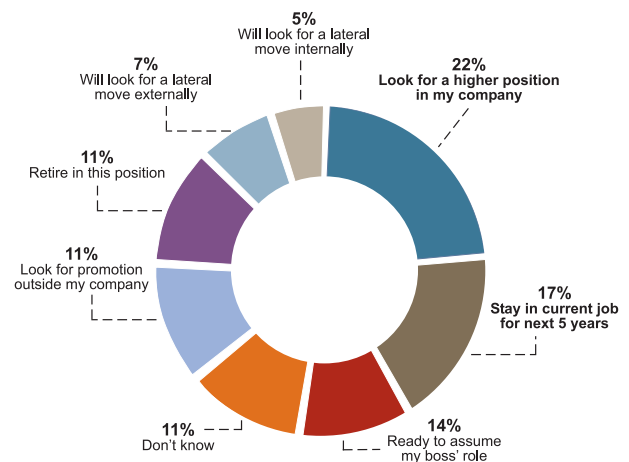
EMPOWERMENT AND TEAMWORK: ENGAGING MID-LEVEL LEADERS

- > **Empowerment and teamwork keep mid-level leaders engaged.** If there is good news for organizations, it's that almost 90% of mid-level leaders said their engagement level was the same or higher now compared to 24 months ago. The biggest drivers of engagement were the ability to make decisions (74%), trust (68%), and teamwork (65%).

Engagement was also a clear driver in their desire to continue on their career path. Those with higher engagement are less likely to say

they would go back to being an individual contributor (regardless of compensation) than their unengaged counterparts. Also, intuitively engaged leaders in general felt less stagnant than disengaged leaders. The research found that only 6% of engaged mid-levels felt stagnant "often" compared to 20% of those who reported lower engagement levels.

- > **Growth matters—opportunities to advance are coveted by mid-level leaders.** We asked respondents to identify the likeliest next step in their careers and many would choose to stay with their current organization if they could:



Breaking down the numbers by age however yields contrasting results. For example, the first move anyone under 50 is looking for is a promotion within, while mid-level leaders who are over 50 overwhelmingly intend to retire in their current position. Also, the younger the leader, the more likely they are to look for outside opportunities.

For more information about mid-level leaders, please refer to "Put Your Money in the Middle: A Meta-study and Talent Management Guide for Mid-level Leaders." In addition to DDI's data about this level of leadership, the meta-study includes:

- > Additional data from about 20 contemporary sources.
- > Implications drawn from the data, including how the mid-level leader's role is evolving, the skill set critical to success, instilling them with a sense of purpose, and delivering development that fits the unique learning needs of this audience.
- > Five points of view about how organizations can best select, develop, promote and engage mid-level leaders.
- > A call to action for an organization's senior leaders, HR professionals, and mid-level leaders, detailing the role each needs to play in strengthening the leadership ranks in the middle.

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