Are mid-level leaders getting the development they need to face today’s unparalleled business challenges? Do organizations effectively support leaders’ transition into crucial mid-level roles? And, are they selecting those most likely to succeed in the first place? This collection of contemporary research says: not always. To find out how to better prepare mid-level talent and help them thrive, read on.
World economies are just emerging from the worst turbulence in more than 60 years. Key markets across the globe were hit hard, especially in Europe and North America. Organizations called a halt to noncritical spending and resorted to hiring freezes, employment furloughs and massive layoffs to balance the books. Collectively, titans of industry and world economies anxiously await stable signs of recovery. Luckily, the prognosis is improving; financial indicators at the 2010 economic forum in Davos predict a briefer and shallower recession than most imagined a year ago.¹

Much has suffered beyond the financials during the biggest meltdown of our lifetimes. Numerous studies confirm that stress levels are up, measures of engagement and loyalty are down, and leadership readiness is more questionable than ever before. Why? The lessons of the past several years suggest that today’s leaders need to manage volatility and complexity in a less controllable world. In turn, a leader in 2010 may begin to question his or her personal motivations for leadership given the current period of ambiguity.

¹ The world has survived the recent economic heart attack. Are your mid-level leaders ready to lead a recovery?
Who are your mid-level leaders? By definition, a mid-level (or operational) leader is a “Manager of Managers.” Titles include director, vice president, or business-unit manager, with accountabilities for several team leaders, an entire operation, or a business unit that is global in scope.

Mid-level leaders are at the mercy of a multitude of influences that position them inside a figurative pressure cooker, and they are feeling the heat. Every day, they are challenged to make bottom-line decisions with trade-offs on cost, quality, and efficiency. They also must find ways to motivate and retain key talent as the economy turns. It can be argued that the future success—or failure—of your organization sits squarely on their shoulders. Successfully managing inside the mid-level pressure cooker demands a sophisticated skill set…and many operational leaders have gaps in key areas presented as part of this meta-study.

This report includes original research from a number of sources. In early 2010, Development Dimensions International (DDI) surveyed 2,001 mid-level leaders worldwide. Their responses, as well as data from other contemporary sources, provide the statistics we cite (see pages 25 and 26). We’ll offer our take on the implications of those statistics and provide suggestions—drawn from our experience—on how best to ready your mid-level talent to ensure success of your business in today’s complex context. We organized our findings around five points of view that will help you to harness the incredible power of your mid-level leaders as a growth engine for recovery. And with each viewpoint, we include our suggestions for talent management initiatives that will enable you to better leverage this critical corporate resource.

Our Five Points of View

1. START with the End in Mind
2. SPECIFY Talent Qualities that Ensure Quality Results
3. DEVELOP the Right Skills in the Right Way
4. SUPPORT the Transition into, up Through, and on to New Levels of Leadership with a Sound Succession Plan
5. ENGAGE Mid-level Leaders and Inspire Them to Meet Business Needs
POINT OF VIEW 1:  
START WITH THE END IN MIND

What are the critical leadership imperatives that your mid-level leaders must step up to in order to execute your organization’s strategic and cultural priorities? Is it penetrating new global markets, driving operational efficiency, or executing competitive strategy? Through talent and succession plans, organizations must select, develop and deploy individuals who will ultimately meet the Success Profile requirements associated with an organization’s unique business drivers. The data supports this viewpoint:

THE DATA SAYS: Business drivers bring alignment and focus to integrated talent management systems.

- The most effective development programs are more than twice as likely as the least effective to align the skills leaders need to develop with their organizations’ business priorities and related leadership competencies.3, 4
- Three-quarters of respondents cited “integrating talent management processes more directly into business strategy and operations” as the most critical element required to help deliver on their business strategy. Organizations with talent management models and business strategies that are “mostly/fully” integrated report they are far more effective at executing across the entire spectrum of talent management practices (see figure 1) than those that are “partially/minimally” integrated.5

FIGURE 1   COMPARING PROGRAM EFFECTIVENESS BY INTEGRATION WITH BUSINESS DRIVERS

<table>
<thead>
<tr>
<th>Assessing/developing high potentials</th>
<th>Mostly / fully integrated: 82%</th>
<th>Partially / minimally: 49%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training managers</td>
<td>Mostly / fully integrated: 69%</td>
<td>Partially / minimally: 33%</td>
</tr>
<tr>
<td>Assessing/developing senior leaders</td>
<td>Mostly / fully integrated: 64%</td>
<td>Partially / minimally: 48%</td>
</tr>
<tr>
<td>Strengthening the talent pipeline and succession management</td>
<td>Mostly / fully integrated: 63%</td>
<td>Partially / minimally: 37%</td>
</tr>
</tbody>
</table>
THE IMPLICATIONS: If the business needs are not informing the talent strategy, what is? Developed in isolation from business drivers, talent strategy cannot meet the needs of leaders or their organizations.

THE DATA SAYS: Execution, change and innovation top the mid-level leader agenda.

HR executives report the two biggest challenges facing their mid-level leaders are driving strategic execution and managing change.⁶

Mid-level leaders report that the most significant challenge facing them today, and over the next two years, is leading change.⁷

⁵¹% of organizations think their growth will accelerate. And the two biggest growth areas in business challenges are the need to deal with rapid market changes (up 20% from a year ago) and the need to accelerate innovation (up almost 15% from a year ago).⁸

THE IMPLICATIONS: Organizations are emerging from the economic downturn into uncharted territory. As organizations plan for growth and focus on execution, they need mid-level leaders who are clear on their priorities in the short term, and can act on their accountabilities quickly and effectively. In the long term, they need leaders who are agile enough to innovate and drive sustainable performance in a new corporate reality.
**THE DATA SAYS:** Mid-level leaders lack the confidence and training needed to execute on the business drivers of their organization.

When asked if their organizations can meet their goals for the next 3-5 years with mid-level leaders performing at current levels of performance and engagement, just 2% of HR executives said yes (see figure 2).\(^9\)

**FIGURE 2  CAN MID-LEVEL LEADERS MEET THEIR GOALS?**

![Graph showing the percentage of HR executives who believe mid-level leaders can meet their goals.](image)

Only 11% of mid-level leaders feel well-prepared to handle future challenges, and 4 in 10 say they are only somewhat prepared.\(^{10}\)

Just 25% of executives think their company’s mid-level management training program is “extremely or very” effective in driving business performance. 22% answered “slightly or not at all” (see figure 3).\(^{11}\)

**FIGURE 3  ARE MID-LEVEL TRAINING PROGRAMS EFFECTIVE?**

![Graph showing the effectiveness of mid-level training programs.](image)

*This figure does not sum to 100% due to rounding.*
THE IMPLICATIONS: The previous data shows a disconnect between talent and business strategies. As the conduit between executives and frontline employees, mid-level leaders are the “make it happen” people who operationalize the executive agenda. Yet, without a direct tie to business needs and a clear focus on what they need to do, are mid-level leaders being set up to fail?

Fuzzy direction aside, when looking to the future, this data shows that mid-level leaders may lack the skills to tackle business priorities. It’s an ominous warning flag that we think poses tremendous risk for businesses around the world.

DDI SUGGESTS:

To address these issues, senior leadership should identify their organization’s key business drivers. These are the key challenges leaders must step up to in order to execute the strategic and cultural priorities associated with critical business goals. They provide context for leadership behavior, and inform skill and performance requirements that will propel the business ahead of competitors.

Based on the business drivers, organizations can paint a picture of the most critical knowledge, experience and attributes necessary for a successful mid-level leader. It’s this definition of success that becomes the foundation of a sound talent strategy.

Let’s take an example. Clients looking to do business internationally might select “Enter New Global Markets” as one of their business drivers. A mid-level leader charged with international expansion should demonstrate an entrepreneurial approach, seeking to capitalize on global market opportunities. He or she should take appropriate risks and drive effective strategies (e.g., local alliances, marketing approach, distribution strategies) for entering new foreign growth markets. Important personal attributes include a high level of energy, humility, and openness to change.

Selection and promotion systems must identify those with this important combination of skills and personal traits. To the extent possible, development should align with the business drivers as well. As a result, talent strategy is not only aligned with business strategy, but aspects of talent management are aligned with each other too. We’ll delve deeper into each of these functions in the coming points of view.
**POINT OF VIEW 2:**
**SPECIFY TALENT QUALITIES THAT ENSURE QUALITY RESULTS**

The middle is wide. Mid-level roles are diverse, with some leaders fulfilling more functional roles while others act more like executives. Because of this broad range of requirements, mid-level leader profiles must be carefully defined to drive accurate selection and promotion decisions.

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**THE DATA SAYS:** Mid-level roles are changing, with increased pressure for flawless execution. In turn, these leaders face an increase in stress levels.

- Among middle managers, over half (52%) report the biggest change in their role as a result of the economic crisis has been “more responsibilities but no new title.”
- Excellence in execution is the top concern worldwide for CEOs, followed by consistent execution of strategy by top management.
- Almost 7 in 10 mid-level leaders report that work stress has increased since the recession started (see figure 4).

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**FIGURE 4  HOW WORK STRESS HAS INCREASED SINCE THE RECESSION**

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>21%</td>
<td>Significantly increased</td>
</tr>
<tr>
<td>48%</td>
<td>Somewhat increased</td>
</tr>
<tr>
<td>21%</td>
<td>No change</td>
</tr>
<tr>
<td>9%</td>
<td>Somewhat decreased</td>
</tr>
<tr>
<td>1%</td>
<td>Significantly decreased</td>
</tr>
</tbody>
</table>

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**THE IMPLICATIONS:** We believe the jobs of mid-level leaders are evolving, and drastically. They are expected to execute on their organization’s agenda, often from a strategic standpoint, while contending with tactical concerns as well. There are more responsibilities and fewer people to do the work. We’ve already talked about the increasing need for agility in the face of change. And change is rampant. Mid-level leaders have more people to please than ever before. Technology has flattened the world, expanding the boundaries of this role. This, along with business plans that seek clientele in increasingly distant locations, necessitates that leaders think and act globally.

In his book, *The Truth About Middle Managers*, Paul Osterman describes how the role of today’s middle manager is more like a general manager (or similarly senior leader).
of the past, and how his or her skill set has not caught up to current expectations. We agree. What’s more, we see this role as that of a “shock absorber,” with pressures exerted from many sources. It weighs on them from senior leaders who need mid-level leaders to translate strategy into operational reality, from their peers with increased demands to collaborate, and certainly from their teams, who need guidance through a myriad of changes. They’re stuck in the middle, and feeling the pressure.

As mid-level leaders contend with more complexity than ever before, they need guidance and support from their mentors and bosses—who gained the wisdom of experience when they ascended through the organizational ranks. But the organizational terrain has changed, and senior leaders are unlikely to recognize their old jobs. In fact, we believe, many senior leaders are still defining the “typical” mid-level roles as if they existed in the long-gone business climate they experienced. As a result, mid-level leaders are managed, promoted, and developed in a way that doesn’t support today’s reality. This disconnect is causing tremendous stress for operational leaders, and creates risk for execution mistakes for their organizations.

THE DATA SAYS: After a brief respite given the economy, there’s a resurgence of concern about selecting leaders, and unique concerns for doing so at the midlevel.

- A study conducted in the midst of the recession put talent retention and recruitment at the top of executives’ list of challenges.  
- 40% of the U.S. workforce is made up of “baby boomers” who are eligible for and thinking about retirement. 74% of U.S. business executives agree with the statement that the U.S. will experience a shortage of skilled workers over the next decade.
- 33% took their mid-level role because they were motivated by the money, while 27% were motivated by a desire to manage people (see figure 5).

FIGURE 5 MID-LEVEL LEADERS’ MOTIVATIONS

Senior leaders are still defining the “typical” mid-level roles as if they existed in the long-gone business climate...it doesn’t support today’s reality.
THE IMPLICATIONS: The ranks of mid-level leaders have shrunk, yet their responsibilities have grown. The global economic slowdown took the heat off the war for talent temporarily. But as markets turn around we expect to see boomers leaving the workforce, and mid-level positions will be hit hardest. Selection and promotion of mid-level leaders is crucial.

DDI SUGGESTS:

Organizations must create a profile of a successful mid-level leader and use it as a target for selection, promotion and development decisions.

DDI’s Success Profile™ paints a picture of what high-performing mid-level leaders look like. It’s informed by the critical business drivers (discussed earlier), and defines leader performance holistically by including what they have done (experience), what they know (knowledge), what they can do (competencies), and who they are (personal attributes). By way of example, let’s look at a Success Profile for a mid-level leader in a financial services firm:

SUCCESS PROFILE FOR A MID-LEVEL LEADER IN FINANCE

For a more complete mid-level leader Success Profile, please see Appendix 1 or refer to our “Optimizing the Leadership Pipeline—Operational Leader” white paper.

With the right profile in place, mid-level leaders and their managers share a common understanding of the demands of the role. However, over time the demands of the role might need to change as the business changes. For example, your organization may elect to focus on Six Sigma efforts. Hence, a business driver of process innovation may become important to future success. But as processes improve and new competitors enter the picture, the need for innovation shifts from processes to products. When the business drivers change, the Success Profile should also change.
Success Profiles also form the core of a talent management growth engine, including the selection component. Decisions about whom to hire or promote—and when they are ready—need to be based on in-depth assessment that evaluates components of the profile. Multiple assessment approaches are available to evaluate your mid-level talent. These include day-in-the-life simulations, online competency assessments, personality and leadership inventories, multirater services (360°), and objective behavior-based interviewing. Using a combination of these techniques ensures the highest levels of insights about the talent you are considering bringing onboard.

When using a Success Profile to select leaders (and develop them, as we’ll talk about in more detail below), it’s important to be realistic about those elements of the profile that are relatively harder to develop than others. Factors such as personal motivations and personal attributes provide a rich picture of hard-wired attributes that underlie mid-level leader performance. For example, we believe it is critical to examine early indicators of whether confidence may veer to arrogance, passion might slide into volatility, and/or highly sociable individuals might become self-promoting. These personality derailers can have significant consequences and can be evaluated via personality inventories. Our experience shows that leadership enablers and derailers (see figure 6) impact performance during times of stress, and as the data shows, mid-level leaders exist today in a stressful pressure cooker. Understanding personal tendencies and supporting a leader in managing them should be part of a robust mid-level leader selection process.

**FIGURE 6 LEADERSHIP DERAILERS**

<table>
<thead>
<tr>
<th>When Derailers Become Development Needs</th>
<th>Most Common Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; A strength no longer matters</td>
<td>&gt; Impulsive</td>
</tr>
<tr>
<td>&gt; A strength becomes a weakness</td>
<td>&gt; Low tolerance for ambiguity</td>
</tr>
<tr>
<td>&gt; An untested area becomes a weakness</td>
<td>&gt; Arrogant</td>
</tr>
<tr>
<td>&gt; A flaw now matters</td>
<td>&gt; Micromanaging</td>
</tr>
<tr>
<td>&gt; A blind spot becomes a flaw</td>
<td>&gt; Self-promoting</td>
</tr>
<tr>
<td></td>
<td>&gt; Volatile</td>
</tr>
<tr>
<td></td>
<td>&gt; Risk averse</td>
</tr>
<tr>
<td></td>
<td>&gt; Defensive</td>
</tr>
<tr>
<td></td>
<td>&gt; Imperceptive</td>
</tr>
<tr>
<td></td>
<td>&gt; Approval dependent</td>
</tr>
<tr>
<td></td>
<td>&gt; Eccentric</td>
</tr>
</tbody>
</table>
POINT OF VIEW 3: DEVELOP THE RIGHT SKILLS IN THE RIGHT WAY

Mid-level leaders are hungry for development. We find the midlevel is missing out when it comes to training and development solutions. They are forgotten, ignored, or lack impact as a result of hand-me-down development solutions that don’t fit right. Too often, solutions fail because they are not differentiated from other leadership levels or are not designed with the unique learning needs of mid-level leaders in mind. The result is evident in a number of sources, which show operational leaders aren’t equipped to address the challenges they face.

THE DATA SAYS: Leadership readiness, or a stunning lack thereof, is an issue at the midlevel.

- While 69% of HR executives polled would like to see more of their overall development budget spent on mid-level leaders, fewer than 10% report they think their programs are seen as “very effective” by the mid-level leaders they serve.¹⁰
- Mid-level leadership readiness is far behind that of senior leaders. 30% of organizations believe top executives have world-class leadership skills, only 7% believe the same of mid-level managers.²¹
- Executives were asked to cite competencies lacking in the next generation of senior leaders. They highlighted weaknesses in the ability to think strategically, lead change, create a vision, and rally others around a vision.²²
- Mid-level leaders cite leading change, executing work priorities, and making tough decisions as the most pressing challenges now, and over the next two years (see figure 7).

FIGURE 7 TOP 5 CHALLENGES NOW AND IN THE NEXT TWO YEARS

<table>
<thead>
<tr>
<th></th>
<th>Now</th>
<th>Next 2 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading change</td>
<td>21%</td>
<td>26%</td>
</tr>
<tr>
<td>Making tough decisions</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Executing work priorities</td>
<td>19%</td>
<td>12%</td>
</tr>
<tr>
<td>Developing talent</td>
<td>7%</td>
<td>11%</td>
</tr>
<tr>
<td>Networking/partnering with others</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

However, just 11% report feeling well-prepared to tackle these challenges, with another 40% feeling somewhat prepared. When the data is diced by age, the younger the mid-level leader is, the more likely he or she is to feel unprepared.²³
Just 17% of mid-level managers reported they were very satisfied with their overall performance as a business leader since the economic crisis began.24

25% of middle managers report they are worried going forward about coping with increased stress levels.25

39% of companies rate their mid-level leaders’ skills as fair or poor (see figure 8)26.

A study of British directors found that 62% feel their mid-level managers lack management and leadership skills, and 38% feel their organization is paralyzed by ineffective mid-level management.27

THE IMPLICATIONS: The data is saying it loud and clear: There is a gap in readiness at this level. Organizations need to address it through development or risk populating their mid-level ranks with unprepared leaders. This data, almost all collected during or after the economic slowdown, reveals that today’s mid-level leaders are lacking key skills that will secure success for their organizations. What’s more, one cannot assume that these leaders have mastered fundamental leadership skills, such as coaching, delegating, or managing conflict. In our experience assessing mid-level and even senior leaders, we frequently find development needs around the most basic core leadership skills.

Drawing from our experience, we can go beyond this data to offer a theory—a red flag, if you will—as to what’s happening here. We find organizations often ignore the development needs of the majority of their mid-level leaders in favor of the minority of individuals identified for, and developed through, high-potential programs. When this is the case, those leaders are likely to feel stagnant and disengaged in their work. They may not get the support they need to excel in their current roles, which narrows the field from which to choose when organizations must select individuals for high-potential pools or for more senior positions. And it creates a risk for turnover, as mid-level leaders go looking for opportunity elsewhere. We’ll see in our fifth point of view that mid-level engagement is low. By comparison, many senior and C-level executives indicate relative satisfaction with their jobs. This is a trend your talent management strategy should actively attack to turn around.

Organizations often ignore the development needs of the majority of their mid-level leaders in favor of the minority of individuals identified for, and developed through, high-potential programs. When this is the case, those leaders are likely to feel stagnant and disengaged in their work.
DDI SUGGESTS:

Solutions to develop mid-level leaders need to be as varied and unique as mid-level leaders themselves. Regardless of industry or organization, it’s our experience that mid-level leaders must be capable in four critical areas. The leadership challenges at this level are:

> Driving performance in a changing world,
> Managing horizontal integration in complex organizations,
> Leading and developing talent, and
> Making the tough decisions.

To ready leaders to meet these challenges, mid-level leadership development must account for expanded leadership responsibilities, build functional expertise, and provide transitional development as leaders move into strategic roles. These are universal needs that encompass both newer mid-level leaders, as well as established leaders focusing on longer-term in-role mastery. The Success Profile, which we mentioned earlier, is a critical foundation for designing development, as it provides a concrete target for development areas related to knowledge, experience, competencies, and personal attributes.

Targeted development of mid-level leaders should begin with assessment to identify gaps. Assessment tools for development are essentially the same as those used for selection—day-in-the-life assessment centers, multirater (360˚) assessments and personality inventories. These tools pinpoint specific development needs for each mid-level manager, allowing a more targeted and efficient approach to learning and development. They also provide group-level insights for curriculum planning for your organization.

If you ask established executives to reflect on their mid-career development, they will tell you they learned the most from critical professional and/or life experiences. Contemporary development approaches create opportunities for mid-level leaders to learn and develop a new skill or behavior in the classroom and then to apply it and practice it on the job and in real-life situations. For this reason, DDI advocates a development philosophy built upon the 70/20/10 formula. We’re tempted, however, to call it the 10/20/70 formula because the “10 percent” is usually the first step in the process:

**Formal Learning** comprises 10 percent of learning, occurring in classrooms, workshops, or online/e-learning workshops. Though the smallest slice of the learning formula, it’s often used as the foundation for the remaining 90 percent, offering the basic skills leaders need to be successful in their other pursuits. It is akin to taking a weekend golf clinic to cement your grip and stroke as
opposed to learning bad habits from the outset. At the midlevel, formal learning options have specific considerations. Mid-level leaders need high-impact courses specifically designed for them that are engaging and extraordinarily focused on business application. The sessions should be cutting-edge and engage leaders with case studies, discovery learning, self-insight tools, experimental activities, simulations, peer learning, and networking opportunities. What’s learned should be action-focused, immediately applicable, and inspire changes in role. We’d suggest a focus on the four challenges listed on page 14, as well as consideration for any gaps in fundamental skills. Topics could include translating strategy into results, making change happen, and operating with a global perspective.

Learning from Others constitutes another 20 percent. To support formal and experiential learning efforts, leaders rely on their managers, internal and external coaches or mentors, networks of colleagues, personal reading, and other sources. These activities help them gain insights about themselves. Like having a golf coach, these undertakings offer leaders an opportunity to talk through problems and practice the skills they seek to gain under the watchful guidance of an experienced leader.

Experience (On-the-job Learning) completes the final 70 percent. It takes place on the job, enabling leaders to apply and sustain the skills they began learning in formal settings. This is the phase in which learners practice what they’ve learned, be it on a putting green or in an office building.

On-the-job learning should be carefully planned and not left to chance. This is a key risk that we see many organizations take. For example, they provide a stretch assignment (e.g., task-force leadership or short-term overseas assignment), but fail to plan for the rich and in-depth experiences that help mid-level leaders fill knowledge and experience gaps. Instead, they simply “expect” that they will get the right development experiences simply because they were there! DDI recommends a mix of options to maximize the impact of learning from experience:

> Create opportunities for leaders to solve problems, perhaps through action-learning special projects or groups.

> Engage participants’ managers to support the effort. Ensure every leader undertaking any type of development has a plan to guide growth and provide accountability.

> Focus action learning on solving business problems. By doing this, organizations get additional—and immediate—benefits from mid-level development initiatives.
POINT OF VIEW 4: SUPPORT THE TRANSITION INTO, UP THROUGH, AND ON TO NEW LEVELS OF LEADERSHIP WITH A SOUND SUCCESSION PLAN

Develop a succession strategy that feeds your operational and strategic levels. This includes managing the stress of transitioning into mid-level roles for the first time, placing a differential focus on the needs of mid-level leaders with executive potential, and providing non-ascendant mid-level leaders with fresh skills and new challenges. The need is acute, according to the data.

THE DATA SAYS: Organizations will lose leaders with critical skills, but those who prepare well will fare significantly better than their competitors.

Companies believe impending retirements in the next 3-5 years will cause significant knowledge gaps, with the most acute pain at the mid- and senior-level (non-executive) ranks.28

Data shows that best-in-class companies are significantly more likely to practice succession planning at the midlevel (see figure 9).29

FIGURE 9 BEST-IN-CLASS COMPANIES PRACTICING SUCCESSION PLANNING

<table>
<thead>
<tr>
<th>For Upper Management Positions (e.g., director or AVP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best-in-class companies: 67%</td>
</tr>
<tr>
<td>Other companies: 48%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>For Middle Management (e.g., department head positions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best-in-class companies: 52%</td>
</tr>
<tr>
<td>Other companies: 35%</td>
</tr>
</tbody>
</table>

In companies known to have strategic leadership development programs, 70% of mid-level leaders and 60% of senior leaders are promoted from within. When leadership development programs are inconsistent, just 55% percent of mid-level leaders and 50% of senior leaders are promoted from within.30

THE IMPLICATIONS: Jim Collins said it best in his book, How the Mighty Fall:31 “If I were to pick one marker above all others to use as a warning sign, it would be a declining proportion of key seats filled with the right people.” Companies are facing a crisis when boomers retire. Plans need to be in place today, supported by senior leaders that are dedicated to growing the next generation of talent.
THE DATA SAYS: **Mid-level leaders show a strong preference for internal promotions.**

When asked to identify the likeliest next step in their careers, 36% of mid-level leaders want an internal promotion—either a higher position within their companies, or their bosses’ jobs. Just 5% will look for a lateral move internally (see figure 10).

**FIGURE 10 MID-LEVEL LEADERS’ DESIRED NEXT STEP**

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Desired Next Step</th>
</tr>
</thead>
<tbody>
<tr>
<td>22%</td>
<td>Look for a higher position in my company</td>
</tr>
<tr>
<td>17%</td>
<td>Stay in current job for next 5 years</td>
</tr>
<tr>
<td>14%</td>
<td>Ready to assume my boss’ job</td>
</tr>
<tr>
<td>11%</td>
<td>Retire in this position</td>
</tr>
<tr>
<td>7%</td>
<td>Look for a lateral move externally</td>
</tr>
<tr>
<td>5%</td>
<td>Look for a lateral move internally</td>
</tr>
</tbody>
</table>

**THE IMPLICATIONS:** It’s terrific that so many mid-level leaders are committed to advancing to new positions within their companies. But the sad reality is that the least-chosen choice, “make a lateral move inside my company,” is (in our observation) the most likely route for advancement in today’s career-latticed organizations. There are too few senior-level positions to accommodate the ambitions of all mid-level leaders, and lateral moves—while undesirable according to this data—are an excellent way to expand the capabilities of leaders at this level.
THE DATA SAYS: Making a transition at work is hard.

Mid-level leaders need a great deal of support to transition into a new leadership role (see figure 11).³³

While 79% of mid-level leaders reported that they handled their last transition well or extremely well, 62% rated “the process of making a leadership transition, at any point in my career” as challenging or extremely challenging. Making a transition was rated as more challenging than coping with bereavement or stress, becoming a parent, and family or health issues.³⁴

THE IMPLICATIONS: Our data certainly shows that the first transition into leadership, from individual contributor to frontline leadership, is the hardest. But the pressure doesn’t let up with the transition into mid-level ranks. These leaders are helped by experience making the first transition, but still need help to manage the new challenges they face as managers of managers.

DDI SUGGESTS:

We’re seeing in this data that mid-level leaders are committed to their organizations. But one can only expect this trend to continue if organizations reciprocate and demonstrate a similar commitment to their leaders. That means managing leadership transitions, planning for high potentials’ growth, and including incumbents in development. Let’s take a look at suggestions for each area.

Manage Leadership Transitions with On-boarding: A new position as a mid-level leader comes with a number of challenges. Mid-level leaders struggle to delegate more, influence others at senior levels, and battle feelings of isolation. They are more visible than ever and have a wider span of influence. Focus shifts from one team and day-to-day operations to many teams’ broader strategic business concerns.
An on-boarding plan will give a new mid-level leader a strong start. Many organizations skip this step for those promoted internally. We think that’s a mistake. A good on-boarding game plan connects a newly promoted mid-level leader and his or her manager with an outline of what needs to be done during the first 100 days on the job. It also provides a better understanding of the new leader’s preferred learning style. It supports a “rapid speed to productivity” by setting expectations for the new managerial relationship, and helping the new leader understand the best way to work with his or her new manager. The manager also should help the new leader begin to broaden his or her internal network, making the contacts that will aid success. An executive coach can help support a new mid-level leader in transition.

Plan for High Potentials’ Growth: To best address the needs of high potentials, DDI advocates the use of Acceleration Pools®. These Acceleration Pools include high-potential leaders who are carefully screened on factors that predict growth promise (versus choosing those who are currently top performers). These promising leaders should receive differential development focus and may be fast-tracked with growing leadership responsibilities across a variety of possible future roles rather than a specific position. Development may look similar to the 70/20/10 approach detailed earlier, yet high potential leaders usually benefit from more resources—such as external coaching, broad action learning projects, and intense senior leader involvement—to ensure their readiness for new roles.

High-potential pools don’t just promote readiness, they accelerate it. We see too many organizations—many without solid strategies for readiness—advancing leaders before they are ready. This threatens the success of even the most talented leader and can lead to turnover or failures on the job that are as painful as they are unnecessary.

Develop Incumbent Mid-level Leaders: We already covered best practices for development at the midlevel, but it bears repeating that mid-level leaders are looking for advancement. If the only option is a high-potential pool for a small constituency of leaders, organizations will find themselves fighting a “succession” battle on two fronts: advancing talent while replacing quality leaders who’ve left organizations in search of opportunities elsewhere. A true promotion might not be available, but organizations can show a commitment to mid-level leaders’ development with carefully planned stretch assignments or lateral moves that keep leaders growing and learning…and building their skills through formal development programs to add value in their present roles.
POINT OF VIEW 5: ENGAGE MID-LEVEL LEADERS AND INSPIRE THEM TO MEET BUSINESS NEEDS

Establish performance systems that will increase engagement, drive productivity and execution, and inspire operational excellence among mid-level leaders. Let’s take a look at what the data says.

THE DATA SAYS: Engagement among mid-level leaders is on the decline.

Job satisfaction levels plot a steady 20-year decline. In 2009, there was a drop in satisfaction at all organizational levels to a record low of 45% (see figure 12).35

27% of mid-level leaders (compared with 18% of all executives) say they find their current roles less meaningful and exciting than their roles before the crisis.37

THE IMPLICATIONS: The recent economic crisis has taken a toll on the engagement of mid-level leaders. With the increase in stress at the midlevel—demonstrated by statistics earlier in this report—organizations have reason to pay particular attention to root causes of diminished engagement.
THE DATA SAYS: The way mid-level roles are structured breeds disengagement.

The top drivers of engagement are “the ability to make decisions about how I do my job,” “people trust each other in my work group,” and “teamwork/collaboration” (see figure 13).  

![Figure 13: TOP DRIVERS OF ENGAGEMENT](image)

- **74%** Make decisions about how I do my job
- **68%** People trust each other in my work group
- **65%** Teamwork/collaboration

When leaders spend most of their time implementing their own initiatives and strategies, they are more likely to report their performance far exceeds expectations. When they spend time implementing directives that come from senior management, they are several times more likely to report their performance is far below expectations.

THE IMPLICATIONS: This data highlights the importance of autonomy for mid-level leaders. As we’ve already discussed, mid-level roles have changed, and there are questions about the extent to which senior leaders have adapted their own leadership approaches to best coach, lead and mentor their mid-level direct reports.

The old-school “command and control” style of leadership is more likely than ever to negatively affect how mid-level leaders feel about their jobs. And when attitudes suffer, so does execution.

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DDI SUGGESTS:

Engagement—or lack thereof—has no simple fix. It’s affected by aspects of talent management we’ve already discussed, such as selecting those who are motivated by the right things, offering development, and demonstrating a promising future—whether or not it includes ascension to the executive suite.

To truly be engaged, mid-level leaders need to understand the purpose and meaning of their work. This is the first of our Five Principles of Engagement:

DDI’s Five Principles of Engagement

1. Clearly see how work contributes to business success.
2. Be empowered to make decisions and take action.
3. Work effectively within and across teams.
4. Feel that opportunities are available to grow and develop.
5. Be recognized for doing good work, and feel respected as individuals.

As we emerge from a tough economy, we’re seeing more leaders questioning the very nature of their work and why it matters in a grander scheme. For operational leaders, understanding how their work contributes to business success may not be enough. We all know leaders who have left successful and lucrative careers to follow a passion. We think the time has come for senior leaders to offer something, at work, for leaders to be passionate about.

Aside from a higher calling, performance management is important for mid-level leaders. It addresses the Principles of Engagement as it helps create alignment and accountability. Effective plans define what a leader needs to do and how a leader needs to do it, combating the issue of “fuzzy direction” and eliminating the stress that goes with it.

The “whats” of performance management are understood, but in our experience the “hows” are often overlooked. The “hows” address values—and what a mid-level leader needs to do to manage in a way that supports an organization’s cultural priorities. There are a number of ways to meet, for example, a sales goal. Leaders need to be incented, through performance management, to meet their goals in a way that upholds organizational values, rather than being rewarded for ignoring them in their pursuit of success.

Performance management also can support a shift from tactical work to the kind of strategic work that mid-level leaders desire. With a good performance plan, senior leaders can empower their mid-level leaders. They also can plan for development in areas where leaders stand to improve. Such a move pays off for the organization with a more engaged mid-level leader who, over time, also provides increased capability.
In the end, the fate of our mid-level leaders is in the hands of three groups of people: senior leaders, HR professionals, and the mid-level leaders themselves. Each group plays a critical role in addressing the development gaps that currently exist at the midlevel.

Senior leaders need to issue the charge. They need to ignite the fire and espouse the needs at this level. Then, they need to move well beyond lip service to become active participants. Senior leaders must spend more of their time as mentors and coaches to help drive the development of the mid-level leaders around them. Finally, they need to address the hearts of these leaders, driving their engagement and creating a promise of growth and advancement, both professional and personal.

HR needs to execute on the senior level’s charge. This decade marks a shift in focus for CEOs and executives. They previously wanted to build tangible assets, such as property and equipment, but now focus on strengthening intangible assets, such as talent. This shift has heightened the strategic importance and potential for influence from Human Resources (HR). Today’s HR leaders need to apply their creativity to advise what programming is most appropriate from a range of options and use a mix of contemporary methods to build leadership capacity at the midlevel. Furthermore, they need to track the success of talent management efforts to ensure they can quantify the exact impact of their efforts to develop and retain mid-level leaders.

Mid-level leaders need to answer the charge. They can’t passively wait for development; they have to initiate it. And when they hit roadblocks, they need to ask for help. They need to be disciplined in carving out time from work for their own development and drive that development rather than waiting for the impetus to come from elsewhere. They need to seek ongoing feedback and not shy away from it. They need to be constantly looking inward to gain the self-insight necessary to best understand how to leverage their unique leadership DNA and overcome their personal leadership challenges.

The problem is that all three of these groups are waiting for the others to take action. To break the stalemate, one of them has to start playing their proverbial cards… and hope that the others follow suit. If not, our mid-level leaders will continue to struggle in their current roles and the entire organization will continue to suffer because of it.

Will you answer the charge? We hope the ideas and information contained in this guide help you address the needs of your mid-level leaders with confidence. We wish you the very best as you undertake this journey.
APPENDIX ONE: THE MID-LEVEL LEADER SUCCESS PROFILE IN DETAIL

Though varied by organization, typical mid-level leader profiles tend to include some mix of the following:

COMPETENCIES

> Translating strategic priorities into operational reality by aligning communication, accountabilities, resource capabilities, internal processes, and ongoing measurement systems.

> Introducing and managing change by continuously seeking opportunities for different and innovative approaches to addressing organizational problems and opportunities.

> Honing analysis and decision-making skills, which includes relating and comparing, securing relevant information and identifying key issues, creating back-up plans, and committing to an action.

> Building customer loyalty and engagement by cultivating strategic relationships and ensuring that the customer perspective is always considered.

> Creating strong partnerships with others through appropriate interpersonal communication to influence and build effective relationships with business partners.

> Establishing systems and processes to attract, develop, engage, and retain talented individuals who enable the organization to meet current and future business challenges.

> Greater understanding of other parts of the organization and processes, products, technology, or functions.

> Overall knowledge of business unit and corporate strategies, and critical measures of success.

> In multinationals, increased knowledge of international operations, global markets, and cultural differences.

KNOWLEDGE

> Keen awareness of their company’s business model, financial history and future, competitive analysis, and other key operational statistics.

> Greater understanding of other parts of the organization and processes, products, technology, or functions.

> Overall knowledge of business unit and corporate strategies, and critical measures of success.

> In multinationals, increased knowledge of international operations, global markets, and cultural differences.

EXPERIENCE

> Leading a business unit with profit/loss accountabilities.

> Managing a significant function such as marketing, sales, finance, or I.T.

> Leading cross-functional teams or matrix units in areas such as product launches, quality improvement, customer loyalty, and so on.

> Preparing and presenting business plans.

> If multinational, a global assignment or project would be advantageous.

PERSONAL ATTRIBUTES

> Hunger for continued learning and growth.

> Higher receptivity to feedback.

> Significant flexibility/adaptability.

> Humility coupled with self-confidence.

> Willingness to take reasonable, calculated risks.

> High interpersonal sensitivity and perceptivity, successfully connecting with people and understanding where they are coming from.
ADDITIONAL READING AND SOURCES

For additional information on talent management and resources for mid-level talent, log on to ddiworld.com. There you can find:

> The CEO’s Guide to: Talent Management. This handbook is a high-level resource for top leaders on all things talent management.

> The CEO’s Guide to: Preparing Future Global Leaders. Developing the skills to operate internationally entails unique opportunities and challenges, which are detailed in this piece.

> Leadership Transitions: Stepping Up, Not Off. This research report delves into the challenges faced by leaders when they assume a new role at the next level.

> The Optimizing Your Leadership Pipeline series. This series of white papers offers best practices for an overarching approach to developing a Leadership Pipeline. Complementary papers apply the best practice concepts to each unique leadership level.

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DDI’s Mid-level Research

From January-March 2010, Development Dimensions International surveyed 2,001 mid-level leaders worldwide. Their responses inform the findings contained in this report, and are represented in the data that supports our points of view. The demographics of those surveyed are:

> **Gender:** 63% male, 37% female
> **Geography:** 25% United States, 18% Australia, 13% United Kingdom, 10% Malaysia, 10% Singapore, 8% Thailand, 7% Germany, 5% France, 4% Other
> **Age:** 15% 20-29, 37% 30-39, 29% 40-49, 15% 50-59, 4% 60+
> **Tenure:** 12% < 1 year, 61% 1-5 years, 18% 5-10 years, 5% 11-15 years, 2% 16-20 years, 2% 20+ years.

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ABOUT DEVELOPMENT DIMENSIONS INTERNATIONAL:

For over 40 years, DDI has helped the most successful companies around the world close the gap between where their businesses need to go and the talent required to take them there.

Our areas of expertise span every level, from individual contributors to the executive suite:

- Success Profile Management
- Selection & Assessment
- Leadership & Workforce Development
- Succession Management
- Performance Management

DDI’s comprehensive, yet practical approach to talent management starts by ensuring a close connection of our solutions to your business strategies, and ends only when we produce the results you require.

You’ll find that DDI is an essential partner wherever you are on your journey to building extraordinary talent.