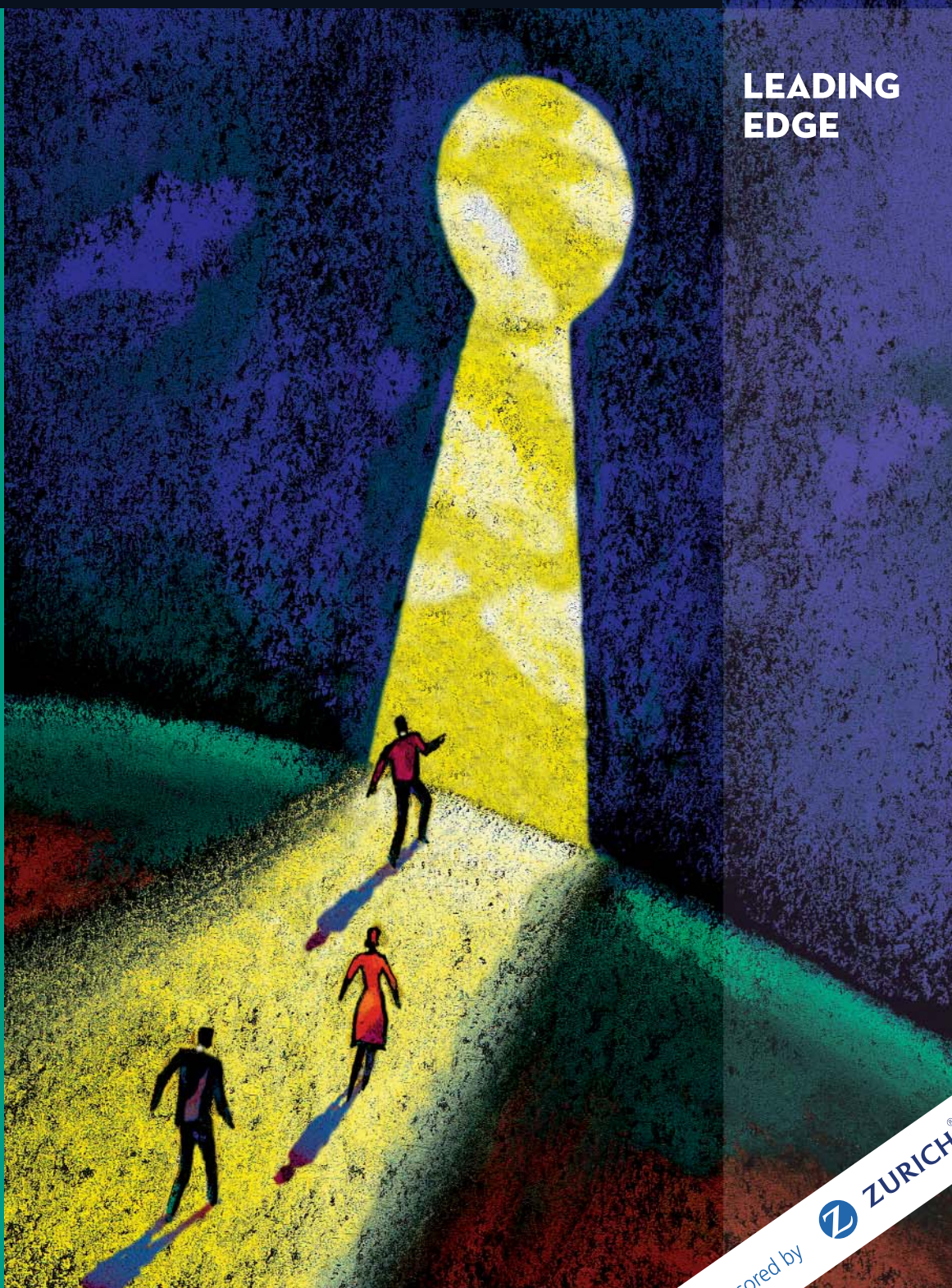


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# Strategic Leadership Transitions: Passing the Torch

Leadership transition is never easy. People frequently have the desire to take on new things, but do not want to let go of old and familiar tasks.

*By Steven J. Isaacs and Cheryl May*

**T**he economic crisis has thrown both the retirement and leadership-development plans of many design-firm professionals into disarray, but now that the shock is over and recovery strategies are in place, it is time to put leadership transition plans back on track.

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The leadership transition process is a key component of a design firm's leadership-development plan and the firm's overall strategic plan. Yet the transition from one leadership or management position in the firm to a higher level is often difficult. Leaders- or managers-in-transition often find that their fondness for familiar duties, perspectives and work habits are hard to let go, hampering their ability to assume new responsibilities.

Arthur M. Freedman describes this situation in his 2005 essay "Swimming Upstream: The Challenge of Managerial Promotions."<sup>1</sup> While he uses the term "managers-in-transition," his description applies to both managers and leaders:

... managers-in-transition must make conscious decisions to let go of some of their habitual or preferred lower-level perspectives, familiar responsibilities and work habits. Discarding anachronistic work practices and routines will free them up so they can focus on the demands of the new responsibilities that they must master. This enables them to adapt to

the novel demands of their higher-level roles. This process will be repeated each time managers-in-transition are confronted by the challenge of negotiating the next higher career shift or crossroad that they must navigate.

While these truths seem obvious, it is frequently difficult for people to make major changes in their habitual thinking, behavior and routines on the job. In spite of widespread awareness and documentation about the difficulty of making such changes, design-firm principals often have little information on how to facilitate these changes. This results in transitions that take longer than needed and reduced or lost productivity during the transition, as well as frustration on the parts of the leader- or manager-in-transition, the team he or she is leaving behind, and the group he or she is now leading.

A typical example is the executive who accepts a more strategic role in the firm — planning the future, acting as the firm’s external ambassador — but who also continues to handle the work he or she had “handed off” to a subordinate manager, such as low-level personnel decisions and administering projects and contracts. By doing so, the executive is disempowering subordinates, delaying their

learning and growth, and not focusing on the bigger strategic responsibilities that require his or her advanced qualifications.

Using a facilitated transition process that takes into consideration the temperament, abilities and development needs of the individual, as well as the strategic and tactical needs of the team and firm, has tremendous value to all. AMI (Advanced Management Institute) has created a facilitated leadership transition process that asks participants to seek



a high level of candor quickly, to be constructive, think strategically and focus primarily on the perspective of the firm’s well-being. This process is typically part of an overall leadership development effort that is, in turn, part of the firm’s strategy framework (see Exhibit 1).

**THE FACILITATED LEADERSHIP TRANSITION PROCESS**

The goal of the facilitated leadership transition process is to help leaders restructure their existing workload and routine, relegate work to the next level of leaders and managers and make available the needed time to take on valuable new strategic initiatives. The result is a distribution of work that enables more valuable

initiatives by firm leaders, new and challenging assignments for the next level of developing leaders and managers, and greater job satisfaction and higher value to the firm across the board.

The facilitated leadership-transition process is a collaborative effort, beginning with senior leaders and branching downward through as many levels as necessary. The firm must participate actively. Individuals will take ownership of the initiatives they are assuming and fully release the work they are handing off to others. The entire team will seek to improve its mutual support, communication and teamwork.

The facilitated leadership transition process builds:

- individual self-awareness, in order for leaders to have a better understanding of and control over their own behavior, especially when in the midst of conflict and stress.
- team awareness, to give the team insight into each member's essential traits, potential areas for development and gaps that need to be filled.
- unique values the leader can bring to the firm and new tasks that result in leaders championing new areas of high value for the firm.
- tasks and routines the leader should keep.
- tasks and roles that can be handed down to the next tier of leaders, preventing the leader from being stretched too thin and yielding the added benefit of professional development for the next level of leaders.

An additional step in the process, when needed, identifies persons who want to “step back” or even depart the firm.

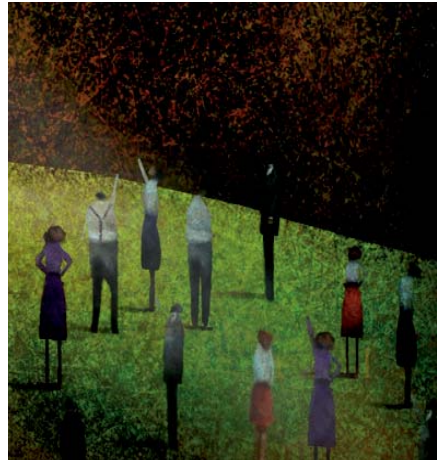
## THE PROCESS IN ACTION

### Step One: Individual and Team Characteristics and Awareness

Jim Collins, author of *Built to Last* and *Good to Great*, maintains that it is not “what we do” but “who’s on the bus” that is the most crucial question for any firm to ask. Collins’ decades of research on the topic convinced him that finding the right people is crucial to success. AMI believes that leadership development requires a high level of self-understanding or emotional intelligence.

Assessment instruments administered by qualified facilitators can help identify potential leaders at various levels in the firm and confirm that those already on the leadership track are either qualified or not. Assessments help pinpoint an individual’s strong abilities and characteristics, including those that need more attention or are not part of the candidate’s intrinsic makeup, and should be provided to the firm by a different team member.

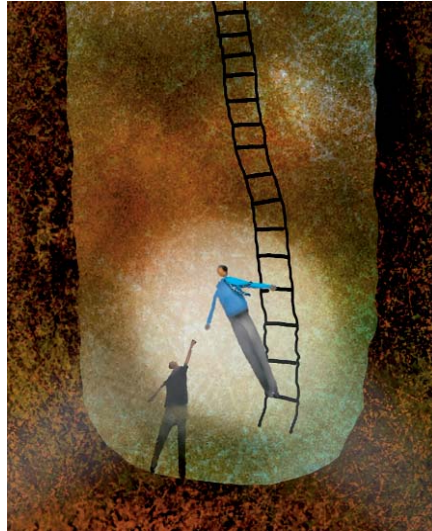
Team assessments are highly useful in helping the team understand how its



members can work best together, which person to turn to for certain abilities and where the team needs to expand skills by adding new members.

To illustrate how vital the individual assessment process is, AMI recently worked with the president of a successful engineering consulting firm and his group leaders to provide assessments and a facilitated leadership transition session. AMI met one-on-one with the president and each of his leaders to review the individual results of the Harrison Assessment,<sup>TM</sup> Myers Briggs Type Indicator (MBTI)<sup>®</sup> and Five Dysfunctions of a Team Assessment. During this process three vital pieces of information surfaced that would greatly impact the group session:

- The president did not trust his group leaders because he suspected that one of them had leaked vital and confidential information within the firm.
- One of the group leaders was greatly maligned and misunderstood by his peers. His assessment results indicated him to be a ‘Sensor’ (S) on the MBTI.<sup>®</sup> During meetings, he would put pressure on the group to present information in a precise and factual way. When his colleagues did not comply, he would get frustrated to the point of anger, which drove a further wedge between him and the team. By contrast, all other members of the executive team scored as ‘Intuitors’ (N) on the MBTI.<sup>®</sup> They preferred to start their meetings by looking at the big picture first, addressing their current strategic status and brainstorming new possibilities. They frequently ignored the detailed, factual data that their Sensor teammate brought up at every meeting. Until they learned through the assessment results that they had different ways of taking in information, they did not understand Sensor’s frustration. The knowledge gained from the assessment process gave the group better tools for understanding each other’s perspectives and enabled them to start looking for value in each of their contributions.
- A recently promoted executive vice president was having a hard time letting go of his former technical group leader tasks; he had a tendency to delegate things and then take them back. To make matters more difficult, he had wooed a senior leader away from a competitor to take over technical initiatives, but had only met with him twice in two months. He simply did not want to let go of the technical part of his former role. This issue was addressed during a later step in the facilitated leadership-transition process.



In all three situations, giving leaders the opportunity to reflect on their preferences, strengths and essential traits during their individual assessment reviews

allowed major issues to surface and be worked on throughout the facilitated leadership-transition process.

### Step Two: Evaluate New Value the Leader Can Bring and What New Tasks He or She Should Take On

AMI has enjoyed an ongoing relationship with two leaders of an engineering firm who were ready to step up to take on new strategic initiatives and wanted others to also move up and take on new roles in the firm. The leaders wanted this younger tier to take on more responsibilities, but did not know what to hand over to them or which of them would welcome the new responsibilities.

The two leaders were asked to consider what strategic new value they each wanted to bring to the firm over the next three to five years. To help them clarify this vision, they were asked to start with an oval figure (see Exhibit 2), and inventory what each of their current roles entails — what is strategic, what is tactical, and what they currently do that is easily delegated to others.

The next question was, “If you knew the day-to-day business was being taken care of, what would you like to work on next?” Their task was to “stretch” that diagram and their own roles by identifying what advanced strategic work they would like to take on but did not currently have time to do (see Exhibit 3).

The first leader wanted to look for more business opportunities in other cities or countries and to get more involved in the local professional community and be

a rainmaker. The second leader wanted to explore how the firm could grow through mergers and acquisitions. Both leaders wanted the firm to start using integrated project delivery. Each identified work beyond his or her current roles that would be of higher value to the firm that neither currently had time to take on.

In order for this new strategic work to begin, both leaders need to let go of some portion of “the old” and identify tasks to hand over to

Exhibit 2

#### Clarifying a Vision

Classifying work as strategic, tactical and delegatable

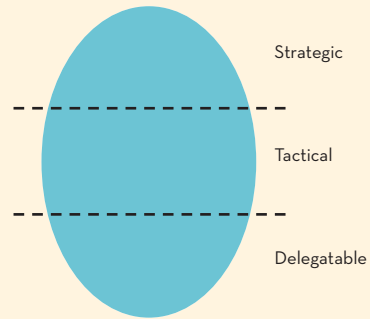
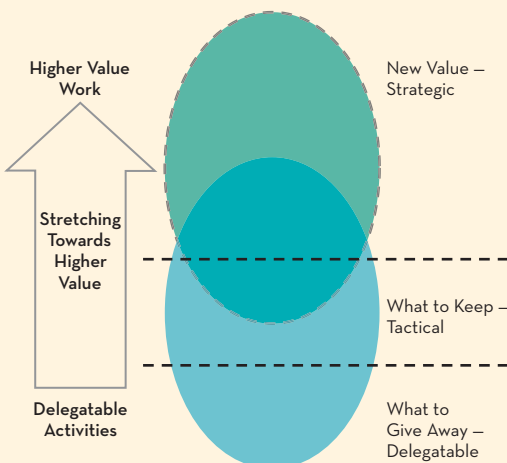


Exhibit 3

#### Leadership Role: Expansion

Identify what to stretch to, what to keep, what to give away



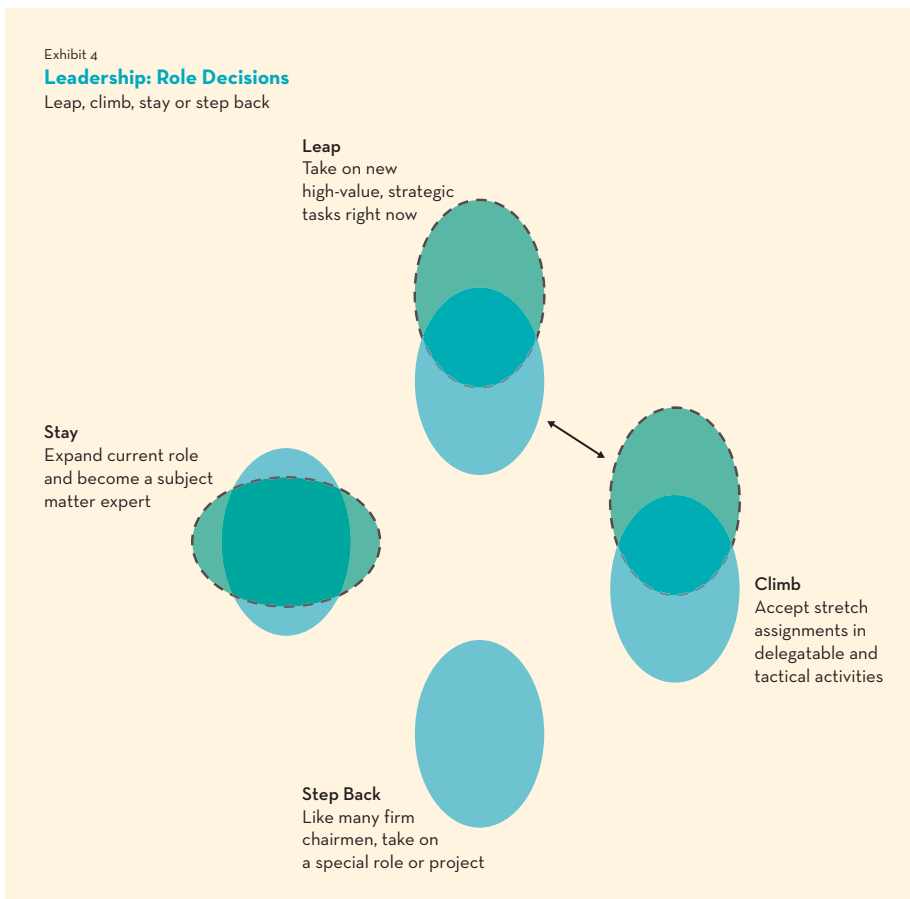
others, in order to assume new work and still be effective. That evaluation process boils down to three questions:

1. What new tasks should the leaders take on?
2. What tasks should they still keep?
3. What tasks can they hand down to the next tier or generation of leaders?

Once a leadership team classifies its work in these three categories, it and its next tier of leaders have some decisions to make. From this step onward, the whole leadership team works together, enabling the members to gain better understanding of each other's abilities, create buy-in for choices by both the leaders and their colleagues, and build a sense of ownership and excitement about challenges each of them will assume.

At this point in the case study, the two leaders and their next tier of developing leaders each had four options to choose from (see Exhibit 4):

1. **Leap** — Take on those high-value strategic tasks immediately
2. **Climb** — Accept stretch assignments and fully grow into them in six months to one year
3. **Stay** — Expand in the current role and become a subject matter expert
4. **Step Back** — Assume a special role or project





## **SORTING IT ALL OUT: WHAT TO KEEP AND WHAT TO DELEGATE**

**Typically, the tasks identified as those the senior leaders should TAKE ON are of a high-strategic value:**

- Build strategic alliances
- Research into markets, both existing and new
- Understand the client's point of view
- Get involved in industry organizations (in both our own and client industries), public service, community organizations and charitable work, outreach to students
- Design work, innovate on behalf of the firm
- Expand into new industry areas, new technologies, new delivery methods

**Examples of tasks the senior leaders would RETAIN are:**

- Mentor the next level of leaders, building the firm's talent
- Maintain client relationships
- Seek ways to improve project processes
- Delegate projects quicker
- Oversee fee proposals and negotiations (not preparation)
- Increase activity in key markets
- Oversee business operations

**Tasks the senior leaders would DELEGATE to others could include:**

- Preparation of RFPs
- Preparation of fee proposals
- Preparation for presentations, even creating PowerPoint slides and writing the talk
- Everyday, mundane tasks: signing of checks, budget details, scheduling, timesheet review, invoices and other basic business operations
- Project Management
- Administration of HR tasks, such as benefits, recruiting, training sessions, assignments, etc.

## **BRINGING IN THE ENTIRE TEAM**

The engineering firm leaders identified the strategic work the two senior leaders would stretch into, the tactical work they would keep (or in some cases relegate to others), and the delegatable work they would let go. The entire leadership team now needed to identify who would take on the work the senior leaders were shedding (see Exhibit 5).

## **TEAM ASSESSMENT**

This step begins by reviewing with the entire team the results of the team graphs from the Harrison Assessment,<sup>™</sup> the Myers Briggs Type Indicator<sup>®</sup> and Five Dysfunctions of a Team Assessment. The team members look at their individual scores as compared to the team score and together identifies trends, patterns and gaps. In most cases, some major developmental opportunities arise.

In the case of one team, they realized that they all were extremely self-motivated (wants to lead, enthusiastic about one's own goals, needs a challenge), but lacked the skills and awareness to manage the stress that this was causing in their lives. When the team learned that not managing the stress would lead to burnout, health issues and reactivity in the workplace, it made a commitment to be on the lookout for signs of stress and give people time off when they needed to get away and recharge.

### SELF-SELECTION: IDENTIFYING WHAT EACH PERSON WILL TAKE ON

In the case of the two senior leaders at the engineering firm, the entire leadership team was asked how many of the next-tier developing leaders felt they were ready to run the company right now. Five of them raised their hands.

Those five candidates were asked to challenge their decisions by looking again at their essential traits and assessment results to determine whether they would be suitable for upper management. One of the five admitted that his scores

Exhibit 5

#### Bringing in the Entire Team

The entire team prepares to identify what each member will take on

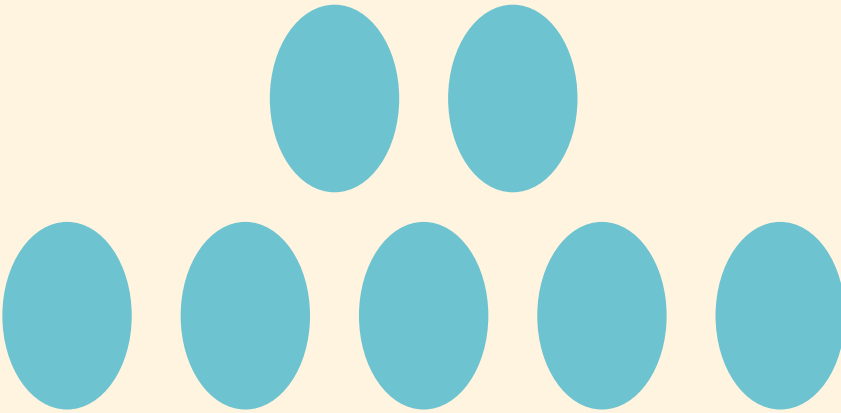
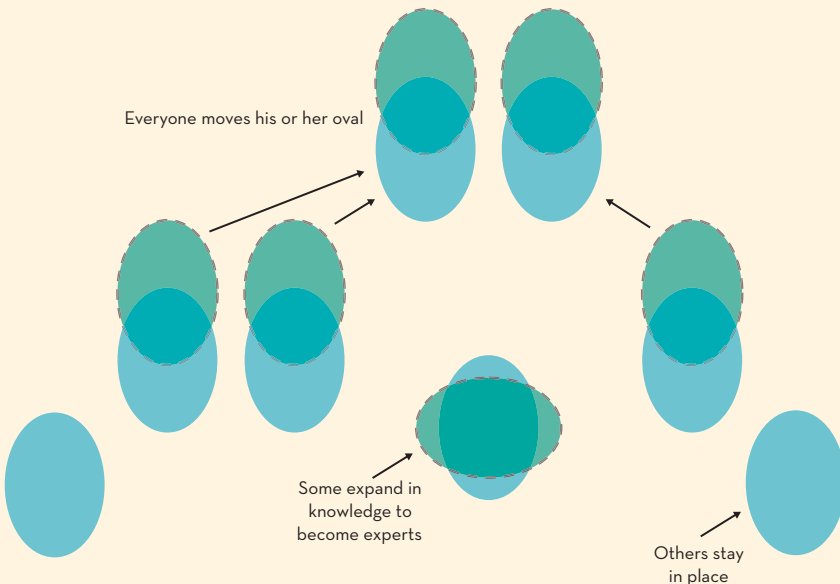


Exhibit 6

#### Self-Selection: Identifying What Each Person Will Take On

Almost everyone moves his or her oval





showed that he did not want to lead or make decisions for others. He told the group that he was much better suited to staying where he was and supporting the team; he really did not want to lead. The group supported his decision and applauded his honesty. The remaining four showed that they each had many of the essential traits for upper management, but also identified several development areas on which they would need to focus (see Exhibit 6).

The remaining four identified the tasks they would like to assume from the two senior leaders. This newly advancing leadership team worked with the senior leaders to create a detailed action plan outlining which tasks each of them would take on and when they would reach full ownership and accountability.

Now that this second tier of leaders had identified the new challenges they wanted to take on they were ready for the same questions asked of the two senior leaders: “Now that you have the new roles/tasks to stretch into, what tasks can you let go of and hand down to someone else?”



#### FINAL STEP: TRANSITION AS A CONTINUOUS PROCESS

AMI learned through conducting this process with over a dozen companies that it needs to begin with the senior leader’s self-awareness. “Who am I? What new roles do I want to stretch into? What will bring the greatest new value to the firm? If I could successfully pass the day-to-day operations on to someone else, what would I love to be doing next?” By giving leaders a concrete role and high-value

work to stretch into, it is much easier for them to let go of former tasks and delegate them to the next tier of leaders. This is in contrast to the typical process of asking someone to let go of part of his or her role before he or she has something new to stretch into, resulting in resistance to delegating work and people repossessing tasks after they have delegated them.

A facilitated leadership transition process can become an organic feature of the firm’s ongoing leadership development, occurring naturally over time. The leaders stretch up into new strategic value, decide what to keep and what to let go of, and their tasks are passed to those who will find them

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challenging and developmental. After going through the process for the first time, it can easily become part of the yearly cycle; thus, the movement continues and the firm thrives (see Exhibit 7).

## CONCLUSION

Leadership transition is never easy. People frequently have the desire to take on new things, but do not want to let go of old and familiar tasks. This is especially true when leaders are not confident that the upcoming leadership tier has the skills or interest to take on new responsibilities and be successful.

Such issues of trust are difficult to bring up and even more difficult to solve. Many leaders avoid the topic until they are forced to confront it. For example, when a health issue necessitates a transition, they become burned out running the business or they realize they are stretched too thin and there are simply not enough hours in the day to get everything done. This situation limits the ability of firms to expand in strategic ways and take advantage of senior leaders' abilities in innovation and entrepreneurship. It also prevents future leaders from fully developing the skills they need for the firm to continue thriving.

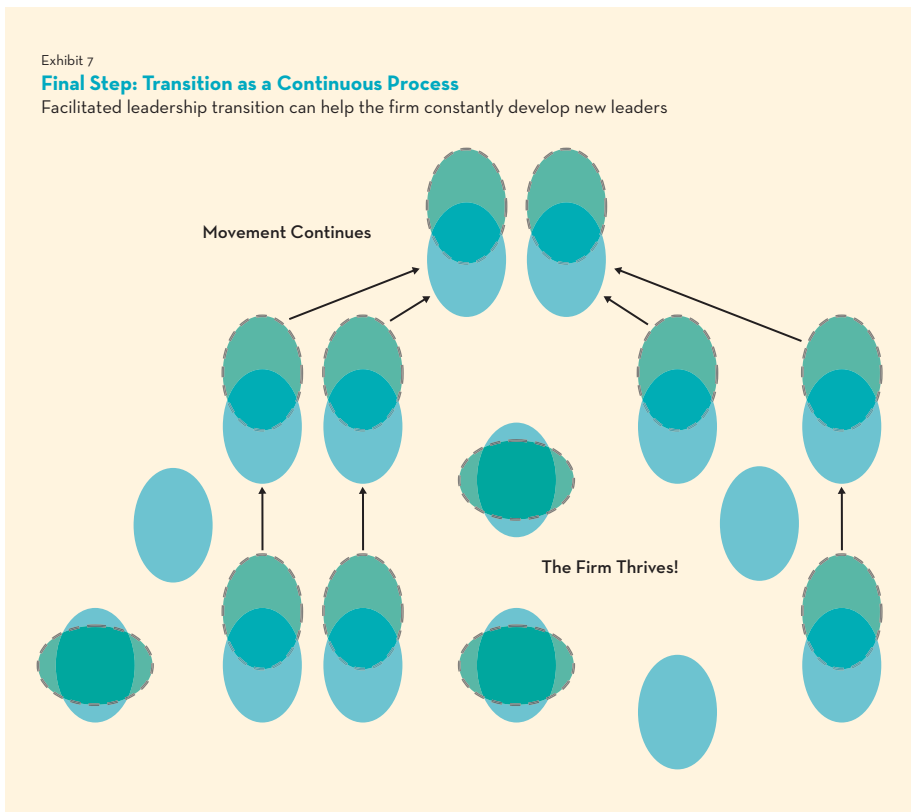
Facilitated leadership transition gives leaders a process that eases the anxiety of their own transitions and their reluctance to assign tasks to younger leaders. It turns the issue of trust into one of choosing roles that individuals need and want in order to develop their abilities in service of the firm and allows each person involved to take responsibility for his or her own action plan.

The entire group validates the feasibility of each decision and takes ownership

Exhibit 7

### Final Step: Transition as a Continuous Process

Facilitated leadership transition can help the firm constantly develop new leaders





for its implementation. The participants leave the session with a clear understanding of each person's role and expectations. Further, the group increases their understanding of themselves and their colleagues, with a greater depth and appreciation for the strengths and vulnerabilities that each brings to the team. Individuals not only have an opportunity to step up into new, more-challenging and valuable roles, but at all levels in the firm they report feeling a marked increase in job satisfaction. ■

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<sup>1</sup> Kaiser, R., editor (2005). Filling the leadership pipeline. CCL Press.