



## THE SEARCH FOR BRILLIANCE: DEVELOPING THE MIDDLE FOR ORGANIZATIONAL SUCCESS & VIABILITY

*Middle managers serve as critical connectors between senior management and frontline employees. They must execute strategy, make hard decisions throughout strategic and tactical deliveries and balance employee morale and expectations with overall organizational objectives. It would seem a natural place to look for future leaders when considering talent bench strength. However, many times, these employees are overlooked or worse, discounted, during the succession planning process. In this issue of the Authentic Leadership Series, I speak with Stacy Shamberger, Executive Vice President of Skyline Group, to discuss why “developing the middle” not only makes good business sense, but also promotes organizational success and sustainability.*

**Q. What is “the middle” and what are some related challenges that organizations are experiencing?**

Stacy: In most organizations the middle represents those managers who work between senior leadership and frontline employees. I consider them to be glue that holds the organization together because they’re the conduit for receiving the C-level business strategy and then executing it on the ground level. They’re literally placed in the middle of an organization and must routinely make difficult decisions. Often the middle managers are tasked with communicating and addressing the issues of their frontline employees on a frequent basis. This can be a tough position because employees are looking to them for answers. Middle managers are expected to be forthcoming and authentic, while at the same time, the executive leadership is expecting them

to execute the corporate strategy. This means that they’re also accountable to the stockholders, the board, and to the policies and laws that govern the workplace. Problems arise when middle managers are placed into this critical space, but more often than not, they have little to no leadership training or future development opportunities.

Most middle managers typically come up through the internal ranks. They start out as high-performers on a team and then they’re promoted. This means they have to transition from being part of the gang to being their leader. They’re plucked from the cubicle and put into an office, which can significantly change the nature of how they’re perceived and how they act going forward. Though they’ve worked hard to earn a promotion, without the right preparation, this paradigm shift can create new and unexpected conflicts for many young managers. It can lead to

unintended and long-term consequences as they stay focused on their duties, but are still lacking the training opportunities that are needed to manage at the next level. When it comes time to hire a senior leader, organizations resort to recruiting candidates from outside because of a perceived skills gap within the company’s existing pool of middle managers. The issue doesn’t stem from a lack of internal talent. It’s because middle managers aren’t exposed to the necessary resources, budgets or the time needed to develop effectively.

Many middle managers experience the frustration of having an external candidate hired over them. Yet they’re still expected to be highly accountable and effective, but now they’re unable to flourish and meet their own career expectations. Over time, they may feel that their careers are stagnant, which negatively impacts discretionary effort and

can lead to higher turnover rates. This is a classic example of a missed opportunity when organizations overlook their mid-level talent.

**Q: What are the primary reasons why organizations fail to effectively develop middle managers?**

*Stacy:* This is a prevalent question in my industry and the answer universally revolves around budgetary constraints. The average organization only spends \$1,500 annually for a middle manager to be developed. Leading organizations know that if they invest in coaching and in developing the skills of their middle managers early on that they'll see a greater cost-benefit in the long run. Learning and development leaders understand this, but in this day and age of struggling economies, it's difficult for them to convince the organization that the return on investment (ROI) of developing soft skills will actually save money and improve engagement over time.

The good news is that learning and development is undergoing a transformation. In the past, the function was steeped primarily in soft skills. Learning and development managers today are able to balance the philosophical aspects with qualitative assessments to help the organization make better strategic decisions based on accurate metrics. And there are more resources too. As an example, the Center for Talent Reporting was established to bridge the metrics gap. At Skyline, we continuously measure and demonstrate the ROI on our learning and development services including coaching. Historically, our industry hasn't been able to rally together and update organizational budgets because they were established years ago and based on old assumptions. However, a change is occurring and over the next few years we're going to see learning and development budgets increase as businesses feel more comfortable.

**Q: What's the value of developing "the middle" versus hiring externally?**

*Stacy:* An organization's viability depends on the strength of its middle management. The senior leaders of today are going to transition out eventually and it will take a strong bench of emerging leaders to replace them. Plus, bench strength offers incredible benefits

especially in terms of sustaining and evolving the culture. Middle managers possess an unmatched level of organizational knowledge. They're more readily able to adapt to strategic positions and promote the existing culture. *It's part of their DNA.*

The current leadership must also ensure that their middle managers are learning the competencies and skills to grow because if they don't it can negatively impact the bottom line. I've read turnover research indicating that it costs upwards of \$60k to replace a leader. Other studies suggest it costs two to three times more than the person's salary to bring someone new in from the outside. I believe that the greater cost comes at the expense of the organization's overall culture.

There's a commonly held perception that when someone is hired into a leadership position from outside that they will infuse the organization with new and innovative ideas. That's true to some extent. However, there's another side to that argument. Whenever middle managers are insufficiently developed and routinely overlooked for senior leadership positions, the organization runs the risk of creating dysfunction and resentment especially for those managers who were passed over. And if the new leader from outside is unable to integrate quickly into the company culture it can disrupt productivity and hurt morale. This is especially true for teams that are already highly productive, yet they're suddenly required to make adjustments to an unfamiliar leadership style. Developing leadership from within offers more access to managers who have greater institutional knowledge and understanding of the company's natural progression. It also sends the message to every employee that there is opportunity. It's ultimately stating—we *as an organization encourage you to develop, stay engaged and grow your career with us.*

**Q: How does a policy of searching internally and developing existing talent improve engagement?**

*Stacy:* Going outside for talent tells people a lot about an organization's culture. It's important for organizations to execute a scalable succession plan that begins by answering the question—*what do we have in place for development?* Over time,

organizations confuse this with training. They begin to see external candidates for their potential while holding on to the past perceptions of their internal managers. Humans are by nature judgmental. We sometimes allow a perceived weakness to overshadow our assessments of people. What we should be doing is looking internally at the potential of our young leaders based on objectivity. We should look for brilliance and also see our internal candidates for what they can be.

It's possible to dramatically improve employee engagement when organizations consistently develop their talent and allow employees to move into opportunities that exercise all their faculties and strengths. People grow personally and professionally when they're enabled to do something outside the box. In many cases they just want to be recognized for their contributions and not necessarily through monetary means. Organizations need to expand the space for people to be creative and to participate and feel recognized for the valuable employee that they want to be. When I look and see colleagues who have worked on my team and are now in leadership positions—it's so rewarding. Not from an egotistical perspective, but because I know that they're also out there looking for brilliance.

**Q: What's the critical issue that organizations usually encounter when developing a leadership bench?**

*Stacy:* The greatest issue with succession planning is scalability in leadership development. This typically comes from a lack of focus on core leadership development at the higher ranks. Many senior leaders convince themselves that their organization doesn't have the same leadership competencies at the mid-level when indeed they do. It's easy to believe in the myth that we don't have the talent. I've found that this mindset happens most often when the leadership bench can't scale to the organization. Organizations begin to pigeonhole existing managers and start looking outside. Senior leaders are unable to shift their own perception of their managers beyond how they already see them.

Early in my career I was hired to fill a leadership position in a private-sector organization.

When I asked why they were hiring externally for the position they explained that they did not have the internal talent to fill the role. I quickly realized after arriving that the talent was present but that the executives were unable to release the vision they already had of their existing employees. It was an eye-opening experience to see how this mindset kept employees in a box for a period of time and limited their access to the essential development opportunities that are needed to evolve.

**Q: What are the crucial management skills that organizations should be developing today?**

*Stacy:* The conversation that I've seen happening with chief learning officers over the last couple of years is that soft skills are very necessary and that organizations are embracing them more. Emotional intelligence has brought soft skills to the forefront. Today, mindfulness and self-awareness are considered valuable behaviors in any organization. Managers who are mindful, self-aware and outstanding communicators are more effective leaders overall. People can sense inconsistency. When they see that your actions as a leader are incongruous with what's being communicated, it creates uneasiness and a sense of distrust.

We're also moving to a brave new world of total transparency driven by social media and the millennial generation. It's a very interesting time and the middle manager is playing an important role as the connector between what's established and what's changing. This happens with every generation, but with new technology comes a brighter spotlight that shines on everything we say and do as managers.

Transparency in our words and actions is effective to a point, but as leaders, we also don't want to be hurtful. Make sure that that when you provide guidance that it comes from a place of sincerity and authenticity. Whether we are giving feedback or getting feedback from other leaders, if the language is not fruitful or sincerely encouraging, it will have a negative impact in the long run. There's a fine line to consider as we see the business world transition to one that is increasingly more compassionate and mindful. Leaders need to remember that people don't leave organizations—they leave managers. And if managers can't embrace authenticity and mindfulness they won't be leading much longer.

**Q: Are there resources you'd like to suggest for readers looking for more information on this topic?**

*Stacy:* Margaret Wheatley's book, "Leadership and the New Science," has been an outstanding resource for me. I first read it in the late '90s and again a few years ago when the revised edition came out. It examines how quantum physics, chaos theory and biology challenge our standard ways of thinking in organizations and how we create corporate culture and form behavioral patterns in the workplace.



**Stacy Shamberger**  
*Featured Guest*

As Executive Vice President of Business Development and Sales Operations, Stacy is responsible for leading sales growth for Skyline Group worldwide. Stacy has over 25 years of sales, operations and employee development experience and a proven track record of managing high-growth and revenue expansion for sales organizations in Fortune 500 and mid-size companies. Stacy also has an extensive background in leadership development, training and operations. As a Citibank associate vice president, Stacy led a team of talent development professionals in the credit card division with the mission of providing training and development to more than 3,000 employees. Stacy is an active member of the NeuroLeadership Institute, the Professional Business Women of California and Watermark—an organization for female executives in Silicon Valley. She is also a philanthropic supporter of the arts and organizations supporting youth development, the environment and animal safety. Stacy may be reached at [sshamberger@skylineng.com](mailto:sshamberger@skylineng.com).



**Michelle Maldonado**  
*Series Creator*

Michelle Maldonado serves as Associate Vice President of the Corporate and Strategic Relationships team for American Public University (APU). She is also the creator of The Authentic Leadership Series and represents APU in conferences and other venues on the topic of leadership authenticity and its convergence with emotional intelligence, mindfulness and other "conscious leadership" practices that help build sustainable organizations. Michelle is a former corporate attorney with more than 17 years of leadership experience in strategic planning, operations and partnership development across the education, technology, and online media industries. She is passionate about talent development, coaching, and mentoring of professionals to support individual growth and success. Utilizing an authentic and consultative approach, Michelle collaborates with industry organizations to form education alliances that support overall talent and institutional growth strategies. To learn more about how American Public University's programs and services may help you, please visit: [www.StudyAtAPU.com/Solutions](http://www.StudyAtAPU.com/Solutions) or contact Michelle at [mmaldonado@apus.edu](mailto:mmaldonado@apus.edu).



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