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LEADING ↔ ACROSS

The Superpower that Differentiates Today's Top Senior Leaders



EXECUTIVE SUMMARY



This report was inspired by repeated client conversations about the dynamics of working effectively across organizations. CEOs shared their challenges in driving more cohesion among their executive teams. Senior leaders noted the immense effort they now need to invest in cross-functional relationships. Employees described the impact on engagement and results when senior leaders fail to establish those relationships.

In a similar vein, we heard that the best senior leaders “mobilize others outside their direct chain of command,” “lead east/west not just north/south,” “engage beyond mere collaboration,” and “work inclusively across silos and layers to galvanize change.” So we set out to explore what organizations need most from senior leaders today, what this leadership aptitude looks like, how it differs from the capabilities honed in frontline leadership roles, and what organizations need to do to ensure that leaders in high impact roles have what it takes to succeed.

In the process it became clear that anything that’s really important in organizations today is achieved through cross-functional brain power and action. We’re not talking about mere collaboration between senior leaders when they turn attention from their functional responsibilities.

The complexities of organizational challenges require a different type of senior leadership, with a different approach to working relationships. In fact, we found that **the best senior leaders invest as much time in leading across as they do leading vertically.** They need to constantly employ **lateral agility**.

Our findings suggest that:

- Lateral agility sits at the very core of success for leaders in high impact roles.
- Even leaders who understand what it is have a significant know-do gap.
- Leaders with lateral agility are strong vertical leaders, but the reverse is not necessarily true.
- Leaders who demonstrate lateral agility excel in three particular areas.

In light of our findings, we believe that it’s critical for organizations to:

- Expand the definition of senior leadership.
- Equip leaders in high impact roles with the mindsets, skills, and processes to lead with lateral agility.
- Align expectations, succession planning, and incentives to today’s new leadership requirements.



When we say high impact roles...

We’re referring to responsibilities and reach that extend beyond the teams rolling up to a leader. Leaders in high impact roles are central to creating a workplace culture where top talent join, thrive, and stay. Their stakeholders are many. They need to have a panoramic rather than zoom view of company priorities. And they need to apply leadership skills effectively with – and without – positional power to move their organizations forward.

High impact roles typically:

- Are senior level, carrying responsibility for a large part (or all) of the organization (typically director title and up).
- Are responsible for a large number of people.
- Manage an important market segment or function (e.g., a key growth area, an emerging market, or a “cash cow” business unit).
- Require specialized skill sets, which are difficult to acquire or develop.
- Are critical to continued organizational success.

As we found in past studies, **these roles are often the least supported** by organizations’ talent management initiatives.



KEY FINDINGS



As we began our research, we found that existing literature and the traditional leadership lexicon did not fully capture what differentiates today's successful leaders in high impact roles, especially given the complexities of the current work environment and workforce.

We chose **lateral agility** to describe the mindsets, skills, and processes for **leading across**, that is, leading outside a designated functional domain. In sports and martial arts, lateral agility is often described as the ability to change direction and move side to side quickly while maintaining your balance. In leadership, it's about building meaningful relationships to explore and solve enterprise problems while flexing to meet the needs of the moment and styles of colleagues – all without losing focus on vertical leadership fundamentals.

STRONG LEADERS WHO AREN'T FOCUSING 50 PERCENT ON "EAST/WEST" ACTIVITIES MAY RECOGNIZE THAT FIRST THEY NEED TO FIX PERFORMANCE ISSUES IN THEIR FUNCTION. THEY MAY ALSO BE NEW, BUILDING RELATIONSHIPS WITH THE TEAMS THAT ROLL UP TO THEM IN THE "NORTH/SOUTH" HIERARCHY FIRST. OTHER LEADERS KNOW WHAT THEY NEED TO DO BUT STILL STRUGGLE TO DO IT WELL.

Lateral agility sits at the very core of success for leaders in high impact roles.

Going into our interviews we knew that high impact roles require an enterprise mindset. What was most surprising, however, was the amount of time devoted to leading across as opposed to more traditional vertical leadership activities. **The best leaders spend as much as 50 percent of their time working across the enterprise.**

The leaders we interviewed were clear: Leading across is not on the periphery of their daily focus. It is not something they add to their list of to-dos after their functional responsibilities are done. They not only recognize the *importance* of working outside their defined lanes of responsibilities, but they also know *how* to do it. *And* they make time to do it.

What's driving the need? Traditional organizational structures with top-down functional silos don't support the agility, combined brain power, or distributed decision making needed to solve the most complex business problems. Today's work environment, forever fragmented by geography, time zones, and remote work arrangements, also poses inherent challenges to the formation of trusting, effective work relationships.

What does lateral agility look like?

It's not influence.

Influence is so yesterday. It connotes getting what you want by building a transactional network, creating buy-in with stakeholders, and persuading people of the benefits of your ideas. This means-to-an-end behavior doesn't work in today's more complex workplace. **Lateral agility isn't about driving your agenda.** It's about identifying and addressing the organization's agenda together.

It's more than collaboration.

Collaboration is a baseline expectation. Of course you need to play nice in the sandbox and work together across silos. **Lateral agility is about co-creation,** weaving together collective wisdom to problem solve and innovate. It's about mobilizing people around a shared purpose regardless of defined roles.

“My job is to synthesize the wisdom of people who are expert in their roles, constantly weaving them together.”

– Senior leader, global entertainment company

It's super-charged inclusion.

Given that lateral agility is not leader-centered like influence or role-based functional collaboration, **inclusion must sit at its core.** Solving broader organizational challenges requires maximum brain power and representation. That means diversity of thought, experience, expertise, and functional perspectives. Instead of stakeholders, there are partners.

Even leaders who understand what it is have a significant know-do gap.

The successful senior leaders we interviewed rarely rated themselves higher than “reasonable” in working across the enterprise, and they expressed greater comfort in leading vertically. Many still feel like they are figuring out what works, and the **development opportunities available to them have not caught up with the increased emphasis on working across the enterprise.**

It's not unusual for organizations to provide leadership development and assessments that are 100 percent focused on mindsets and skills for leading vertically. Even a topic like leading change, which may address stakeholders across an organization, assumes the leader is in the center with a top-down goal or defined agenda that needs to be driven toward. As we've explained, that is not what lateral agility looks like.

Leaders with lateral agility are strong vertical leaders, but the reverse is not necessarily true.

Leading people who roll up to you requires clarity of direction, trusting relationships, and solid communication skills. Yet the leaders we interviewed acknowledged that their peers don't always understand how to apply those skills to cross-functional relationships. That's because **transitioning to senior leadership from people manager roles is not just about moving up. It's also about reaching out.** You can't assume that the best vertical leaders have what it takes.

Leading across differs from vertical leadership in the following ways:

- It's more of a pull (facilitating, listening with curiosity) than push (being clear, inspiring direction to your goal).
- It requires comfort in stepping out of the more structured functional responsibilities (aka “turf”) into parts of the organization where you're not an expert and have limited positional power.
- There aren't clear-cut rules of the road, so social leadership matters more than formal leadership.

HUMILITY IS NOT THINKING LESS OF YOURSELF. IT'S THINKING OF YOURSELF LESS.

– CS Lewis



Leaders who demonstrate lateral agility excel in three particular areas.

The mindsets, skills, and processes that differentiate leaders who successfully lead across the enterprise are not necessarily new. What is different is the degree to which they are important, given the complexities of today's work environment, the paramount importance of retaining talent, and the reality that you can't leverage positional authority when the critical work is primarily cross-functional

Expanded Mindsets: Valuing humility and an enterprise mindset.

Leading effectively across the organization requires a consistent awareness of and commitment to organizational goals. This is more than aligning a team's objectives to strategic priorities. It is paying attention to the enterprise and functional needs at the same time. One cannot supersede the other.

Putting an enterprise mindset into practice requires humility. This point was made repeatedly in our interviews, as one global director of Talent Development reflected, "The best leaders set aside their egos, their need for control or power, in service of mutual outcomes." This means that before leaders in high impact roles can *employ skills effectively*, they need to *show up in new ways*. Stepping out of the power base of their role requires humility to know that they don't have all the answers and need others.

Super-charged Skills: Demonstrating empathy and building relationships that matter.

Demonstrating empathy is often positioned as an active listening skill for emotion-laden conversations. The leaders we interviewed, however, talked about empathy on a deeper level. An SVP from a global media firm explained, "You need to understand both the incentives and constraints of people." Others emphasized listening to get beyond functional priorities to the human needs.

Those human needs are at the core of building trusting, meaningful relationships. Today meaningful relationships are the social capital that replaces positional authority and role-based collaboration. It's not enough to be strategic in identifying a network of transactional or role-based stakeholders, where you check off the boxes to meet their functional needs. Edgar and Peter Schein use "Level 2 Relationships" in their *Humble Leadership* work to describe the focus on the whole person beyond a "fellow employee, associate, or team member."

"It's important to make a personal connection with people. I'm not saying I need to know all their problems. It's an extra level of appreciation for who a person may be."

- Director, Regional Delivery, fast-growth tech firm





Innovative Processes: Employing co-creation and “sketch-based” advocacy.

Successful senior leaders realize that the best solutions (and the ones that others will embrace) result from co-creation. This involves more than obtaining input from identified stakeholders. It can mean following other people’s expertise. And although the process is inclusive, the leaders we interviewed also cited the need for clear decision-making authority.

“You don’t need to know everything. You just need to know how to make the connections. If you connect people who have a common interest, you’re going to have a better outcome.”

– *Sr. Director, Product Mgmt & Engineering, high growth tech firm*

Co-creation doesn’t require group brainstorming on a blank slate. Lateral agility incorporates “sketch-based” advocacy. A vice president at a global commerce firm put it this way: “It’s easier to edit than to create. So it’s imperative to have a point of view or something to start with, and then being self-aware and willing to take input from others.” This is one of the most practical strategies for working across the enterprise: Offer an idea for direction and reactions, with an openness to other people’s ideas for coloring in the lines.

“We naturally defer to people at the highest levels. But there are people throughout the organization who have different expertise. It’s important to ask, ‘How do you think we can do this best?’”

– *Producer, entertainment studio*

Lateral Agility in a Hybrid Workplace

Decentralized teams and remote working arrangements create challenges:

- Establishing trusting relationships with colleagues whom you have never met in person
- The lack of informal connections that happen when you’re in the same place
- Greater mobility of top talent in a more remote-friendly labor market

There are benefits, however, that can be leveraged:

- Visibility in virtual meetings (“everyone has a face”)
- Egalitarianism in virtual meetings (“all faces are the same size”)
- Connections across regions are as easy as connections across buildings (allowing for time zones of course)
- Less time spent traveling for business frees up time for higher-impact activities

“The company is not the most important aspect of people’s lives right now. I am toning down the Kool Aid. To get people motivated, you have to have respect for them as human beings. Don’t treat everyone like worker bees.”

–*Director of Product Design, mid-size tech company*



IMPLICATIONS

The best leaders in high impact roles have figured out how to work effectively across the enterprise, a capability that they are seldom promoted or developed for. Given that applying lateral agility can consume as much as 50 percent of a leader's focus, it does not make sense to leave this aspect of leadership development to chance. Organizations need to do these three things:

Expand the definition of senior leadership.

It's not enough for organizations to recognize the new reality. They need to create shared context about lateral agility and be explicit in what leaders in high impact roles need to do differently beyond their hierarchical or functional responsibilities. Just as frontline leadership roles are not super-sized individual contributors, high impact roles are about more than "managing the managers who roll up to me."

Equip leaders in high impact roles with the mindsets, skills, and processes to lead with lateral agility.

As we've noted, the capabilities required to lead across the enterprise successfully aren't necessarily new. They are more important and more challenging to employ in today's workplace. Yet this study's interviews and our past research reveal that leaders in high impact roles rarely receive the development support that they need. Organizations must provide opportunities for them to build on existing capabilities in a new context.

A reminder: Making time to do something new requires *not doing* something else. Leaders need to be capable of building strong managers and teams that can deliver on the functional priorities, delegate decision making, and minimize escalation of problems. If they lack this ability, they'll never emerge from the weeds of day-to-day operations to focus on leading across the enterprise.

HUMAN RESOURCES LEADERS IN A LARGE TECH COMPANY WE INTERVIEWED ACKNOWLEDGED THAT THEY CURRENTLY FOCUS 100 PERCENT OF PERFORMANCE MANAGEMENT, MEASUREMENT, AND DEVELOPMENT ON VERTICAL LEADERSHIP ACTIVITIES.

Align expectations, succession, and incentives to today's new leadership requirements.

It's time to operationalize what the best leaders are already doing on their own in spite of their organization's ask of them. That means:

- Adding or emphasizing the mindsets, skills and processes associated with lateral agility into leadership competency models, goals, and role profiles.
- Measuring leaders beyond the results of the workgroups that roll up to them.
- Revamping incentives to reward collaboration and achievement of broader enterprise goals.

"We have well-intentioned leaders, but they, by our own construct, are very disconnected. We are still very hierarchical. As a result, we want to own work, not steward or influence work."

- Manager, Change & Employee Engagement, Global Energy Company



CONCLUSION

Today organizations are re-evaluating nearly every aspect of how they function, from attracting, developing, and retaining talent to delivering on promises to their customers. The increased complexities in organizational structure and evolving needs of the workforce require transformation, not a mere reset.

Organizations need to recognize the need for lateral agility as an advanced leadership maneuver and ensure the right leaders are in the right place with the right skills to make an impact. The alternative bodes trouble: Well-intentioned leaders without the social capital to reach across silos; unproductive parallel play at best, and competition at worst; and a lack of consolidated brain power and leadership to tackle the big issues.

The antidote is high impact leaders with the superpower of lateral agility. These leaders can connect disparate parts

of the business to a shared purpose, effectively analyze problems, co-create solutions in the absence of role clarity, and galvanize talent to produce their best work and stay for the long term.

A Trend to Watch For

During our research we saw that an increasing number of companies are adding an organizational layer beyond the executive leadership team. These groups are organized by strategic initiatives, are naturally cross-functional, and include leaders at levels below the ELT level without positional authority.

ABOUT THIS REPORT



Our Approach

We interviewed dozens of leaders who were identified by their leaders or colleagues as excelling at engaging and collaborating with others to move their organizations forward. The leaders work in a range of industries and functions, with most having titles of director or above. The comments of our interviewees were combined with insights from our past research, recent client initiatives, and existing thought leadership as we tested our assumptions, explored challenges in depth, and identified themes in our findings.

Our Authors, Co-CEOs of ProjectNext Leadership



Molly Rosen has worked with leaders in tech, entertainment and biotech for over 20 years as an executive coach, facilitator and consultant. Her clients have included Pixar, Airbnb, Samsung, Google Ventures and Seattle Genetics. She contributed to the significant growth of firms BlessingWhite and NinthHouse before starting her own consulting business. Molly is a specialist in women's leadership and was Managing Editor of *Knowing Pains: Women on Love, Sex and Work in Our 40s*, a popular anthology featured on the TODAY Show.



Jeff Rosenthal brings a wealth of experience in helping organizations prepare senior leaders for high impact roles. He most recently built and led the Executive Readiness practice at Deloitte Consulting, focused on both creating robust succession processes and developing senior leaders. He was formerly CEO of the UC Berkeley Center for Executive Education, and before that led the Tech sector globally for Korn Ferry's Leadership & Talent Consulting business. He also consulted for firms BlessingWhite and Forum Corporation. Jeff also brings executive search experience to his role, having served at Russell Reynolds as the Western US lead for the Human Resources practice.

Our Organization

ProjectNext Leadership takes an integrated approach to building robust and diverse senior teams, executives and leadership pipelines who can mobilize the 21st century workforce. We equip leaders in high impact roles to be resilient and be their best. These leaders take on some of the most important roles, but typically with the least support. We aim to build the capabilities and ambition of these leaders to create progress in their organizations and, indeed, the world.

You can learn more and download our report, *Rolling the Dice: The Troubling State of Succession Development for High Impact Roles*, on our website.

ProjectNextLeadership.com

