The Paradox of Position and Contribution

by Jack Zenger

The Paradox of Position and Contribution
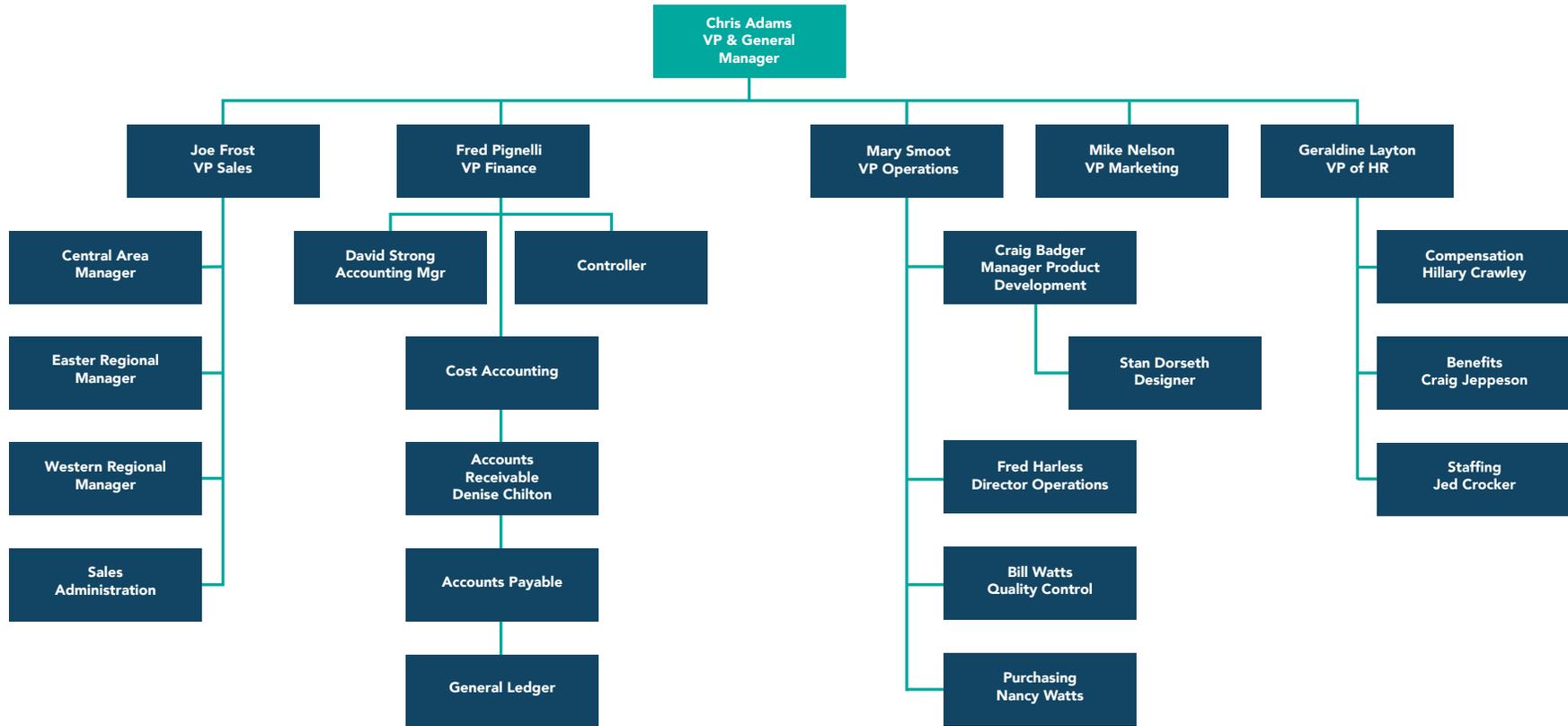
Why Leaders Can Disappoint and How Some Lead Without a Title

The Issue

Let's imagine you're new to an organization and you want to know how things get done. Who drives important decisions? Who implements new directions? Who might get in the way of important changes? One way to get the lay of the land is to review the formal organization chart to learn who reports to whom, who is in charge of what activities, and which functional areas people inhabit.

There's just one problem. Everyone inside the organization knows that what is shown in the organization chart is not how things really work.

- For starters, Chris Adams was just recently put in as VP and General Manager. This is a developmental assignment, preparing him for a larger job in the parent corporation. He is just beginning to understand how the organization functions and it is clear that in his mind this is a

Chris Adams
VP & General Manager

Joe Frost
VP Sales

Fred Pignelli
VP Finance

Mary Smoot
VP Operations

Mike Nelson
VP Marketing

Geraldine Layton
VP of HR

Central Area Manager

David Strong
Accounting Mgr

Controller

Craig Badger
Manager Product Development

Stan Dorseth
Designer

Compensation
Hillary Crawley

Easter Regional Manager

Cost Accounting

Benefits
Craig Jeppeson

Western Regional Manager

Accounts Receivable
Denise Chilton

Fred Harless
Director Operations

Staffing
Jed Crocker

Sales Administration

Accounts Payable

Bill Watts
Quality Control

General Ledger

Purchasing
Nancy Watts

quick stepping-stone career transition. He may eventually be a "mover and shaker," but he's not there yet.

- The person with the most influence in the organization is Joe Frost, the VP of Sales. He calls all the important shots and completely dominates any sales and marketing decision. Because his division is responsible for bringing in the revenue, his opinions hold the most weight. He also has a large and loyal pool of protégés who are very grateful for his assistance in their careers.

- New ideas for products come from Stan Dorseth, who has been with the firm for decades. Stan works well with everyone. Many come to him seeking his opinion and approval for a new idea. The direction of the organization is largely shaped by the partnership of Joe and Stan working together. Stan has a remarkable "bird's-eye view" of the market and has managed to guide the organization in a number of profitable directions.

- Denise Chilton, who is in charge of Accounts Receivable, has the final say on whether or not a customer is granted credit. She has enormous influence

that everyone recognizes. Salespeople know they need to get her approval to deem a client credit-worthy. She can be real stickler for details but has an excellent track record of determining good credit risks.

- Geraldine Layton is Chris Adams' long time college friend whose opinion is sought on virtually everything by Chris. She was the one person that Chris brought with him when he took the VP position. He needed a trusted ally. Geraldine has not been with the company long, so people don't yet know how to predict her opinions.

- Fred Pignelli, the VP of Finance, is a long-time employee who had been the original accountant when the firm got started. Everyone knows the company has passed him by. While he is good at reviewing the monthly financial results, he is unwilling to deal with the conflicts between his direct reports and the ongoing battle between his Accounts Receivable department and the Sales function. He's also extremely conservative in business. His relationships with local banks have always been adversarial. His lack of good

people skills causes high turnover in his group. When people leave, they invariably complain of Fred's lack of leadership.

So, what's happening? The actual structure, the one that best describes the flow of actions, decisions, and relationships, is obviously not accurately reflected on this printed chart. This "informal" organization structure cannot be easily mapped but is nevertheless critical to understanding how careers progress in an organization. In fact, the best way to understand the difference between the formal and informal organization is to examine the disparity between an individual's contribution and their position in the organization.

As this example highlights, people's behavior is often not aligned with the position they occupy. Sometimes a person's contribution extends far beyond their formal position; sometimes the opposite is true—a person's position outdistances their actual contribution.

Stan Dorseth, the designer, wields enormous influence in the organization in spite

of the fact that no one reports directly to him. People come to him for advice. He is a mentor to many others. But this is not the situation with Fred. His people are frustrated and many leave because he is not functioning as the leader. His behavior widely misses what is expected of someone in his role. While others can step in and fill some of his leadership gaps, the situation is always awkward.

This leads to four axioms that clarify the organizational position and contribution paradox:

1. The formal and informal organizations are never the same.
2. Organizations function well when each individual's contribution exceeds or is equivalent to their formal position.
3. Organizations suffer when an individual's contribution falls short of what is expected for a person occupying that position. This is especially harmful when that person occupies a position of power and responsibility.
4. An individual's contribution to the organization is not limited by the position they hold in the hierarchy.

There is often no direct correlation between the ability to lead or exert influence and one's position in the formal chain of command.

The dual impact of this issue

What are the practical implications of this lack of correlation between formal position and contribution? This can be viewed from two points of view.

The organization's perspective

First is the organization's perspective. Clearly the organization has a great deal at stake. The efficiency and long-term health of the organization depends on how its leaders perform. When an individual's contribution does not measure up to the expectations of their official position, the organization's ability to succeed is compromised. This happens when people remain in the same position for a long time but don't continue to progress. The organization expects more as a person's salary and seniority go up, but the person's performance stays stagnant. This also happens when the organization moves people into new positions where they're expected to excel but their performance falls short of what's required. While there is a huge furor in many companies about talent acquisition, the most pressing issue is really talent placement and utilization.

The individual's perspective

The second perspective is personal. What are the implications for individuals in the organization when position and contribution do not match up? This gets to the heart of what really matters to individuals. When push comes to shove, people want to know how they can continue to manage their careers and maximize their value to the organization, even when they do not have complete control over their position in the organization.

Leadership occurs at all levels in organizations. Our case study vividly illustrates this fact. There is often no direct correlation between the ability to lead or exert influence and one's position in the formal chain of command. This fact has enormous implications for career management.

Research on career evolution

Fortunately, there exists some extremely relevant research that sheds light on this interesting paradox. This study was conducted by Dalton and Thompson and addresses many of the issues we've raised.

Dalton and Thompson's original research was conducted in a high-technology organization that had become concerned about the productivity of many of their most senior engineers. Some in management thought that engineers were peaking in their 30s and 40s and declining in the years beyond that. Dalton and Thompson discovered that while there was some truth in that conclusion, it was also true that there were people in every age bracket that were making enormous contributions, and there were also others whose careers had peaked. Something else was going on that was not totally age related.

Their research concluded that careers evolved and progressed through four phases or stages. Various labels have been used to capture these. We'll arbitrarily use the following descriptors:
1. Learning the Fundamentals (apprentice, neophyte, rookie, new hire)
2. Applying Expertise (professional, independent, journeyman)
3. Guiding Others (mentor, coach, internal consultant, lead, idea generator)
4. Shaping the Future (visionary, pathfinder, statesman, sponsor, strategist)

It is important to reiterate that these career stages relate to contribution and behavior, not to formal positions in the hierarchy. It is tempting to equate the two.

Characteristics of the career stages

Learning the Fundamentals
Nearly everyone has been through this stage in their career. Because of that, most people know the important elements of it. The employee learning the fundamentals:
• Displays energy, enthusiasm, and basic skills.
• Understands that others know a great deal about what they are doing, often more than they do.
• Allows work to be directed by others and monitored quite carefully.
• Figures out how things work in the organization.
• Assists others with their assignments. Work is usually "owned" by someone else.

It is important to reiterate that these career stages relate to contribution and behavior, not to formal positions in the hierarchy.

- Takes assignments that are usually part of larger efforts.
- Earns the support and trust of superiors.
- Tackles a steep learning curve rapidly.
- Takes on work that is detailed and routine.
- Learns to willingly accept supervision.
- Develops listening as a key skill.

Applying Expertise
The employee applying expertise:
- Develops narrow and deep expertise and perspective.
- Requires self-reliance and self-confidence.
- Accepts responsibility for an outcome.
- Works with minimal direction.
- Produces results without being told how to get there.
- Manages time and meets deadlines.
- Works as a team player whenever possible.
- Offers help and asks for assistance when appropriate.
- Communicates willingly with other team members.

- Develops increasing technical competence.
- Exhibits initiative and creativity.

Guiding Others
The employee who guides others:
- Develops broad perspective.
- Initiates interactions with others, not waiting for others to make the overture.
- Enjoys teaching and encouraging others.
- Influences others by sharing information.
- Coaches others to help them "learn the ropes."
- Shows interest in others' careers.
- Helps others succeed, whether they are direct reports or not.
- Enjoys contributing through others.
- Shares willingly any recognition and glory with others.
- Stands back and lets others do the technical tasks.
- Possesses strong interpersonal skills.
- Builds extensive networks inside the organization.
- Nurtures and encourages others' ideas.

- Develops stronger and broader technical skills and applies them in multiple areas.

Shaping the Future
Finally, a relatively small percentage of individuals go on to contribute at the fourth stage. According to the research done by Dalton and Thompson, only about 5 percent of the engineers in their study went on to perform at this level. The leader shaping the future:
- Enjoys helping to set the strategic vision and direction of the organization.
- Sees the organization as a total system.
- Takes a long-term perspective when making decisions.
- Scans the environment and the competitive landscape to ensure the organization is keeping pace.
- Represents the organization to the outside world.
- Champions important changes in the organization's systems, processes, and/or customer selection.
- Develops future leaders to perpetuate the organization.

- Enjoys weighing in on critical decisions that ultimately shape the organization.
- Takes a stand on difficult issues.
- Identifies opportunities for new products or markets.
- Enjoys building long-term organizational capability.
- Communicates skillfully about the organization's vision and values.
- Actively recruits key people to join the organization.

Observations about career evolution

What's intriguing about this research by Dalton and Thompson is that it clearly points out that people's career progress does not have to be defined only by their advancement up the ladder of authority in the organization. Instead, people's career progress can be mapped by how they move through distinct stages. In most cases, people progress logically through the career stages. However, life is seldom simple.

People straddle stages. It isn't always possible to position a person's career progress in only one stage at a time. Often

It isn't always possible to position a person's career progress in only one stage at a time. Often people's daily activities span more than one stage.

people's daily activities span more than one stage.

A day in the work life of Debbie Carter.

Debbie Carter is the team leader in a chemical production plant. Her team is faced with a thorny technical problem and she spends her morning diving into a very technical analysis to back up the work of her team members. Later that morning, she coaches one of her colleagues on a tricky personal issue involving getting along with a difficult coworker. That afternoon Debbie is invited into a discussion with senior management regarding potential products for a new market. In that conversation Debbie makes significant contributions regarding potential new products that will shape the future of the organization. What stage is she in?

The fact is that she has gone from Stage 3 to Stage 2 to Stage 4 all in the same day. While her position most comfortably fits in Stage 3, her contribution ranged from 2 to 4.

Position and contribution can be widely-separated. Formal positions can be vastly different from a person's career stage. While it is difficult for some to envision, there are people who function in Stage 4

Being good at one thing is sufficient for some athletes or musicians, but seldom for leaders. Our research confirmed that a combination of competencies is the key to being highly effective.

roles in organizations who have absolutely no formal position in the hierarchy. They generate ideas. They are visionaries who conceive a new business or identify a new market to exploit. They work behind the scenes to make things happen. They sponsor new people in the organization, despite the fact that these individuals do not report to them.

Conversely, people with senior positions in the organization may be performing like Fred Pignelli, the Finance VP in the original scenario that was presented. Such individuals can have many people reporting to them, but do not step up to the formal requirements of their position, and instead continue to operate from Stage 2 as a Technical Expert.

A third situation occurs when senior people are "put out to pasture," retaining their title, but having no direct reports and not being expected to contribute anything of substance to the organization. In this case, their title and position overshadow their more meager contribution.

Individuals often cycle back through stages. Careers often veer from a straight-line path to higher stages of either contribution or position. Moving from one organization to another often entails cycling back to an earlier stage. A new manager may need to learn the technology. The good news is that the time in that stage is normally shortened.

The organizational implications
There are several critical organizational implications that arise from the career stages research.

Stage 3 individuals are in short supply. Most organizations need more Stage 3 people. There are usually numerous, strong Stage 2 people—often as many as 60 percent of the total workforce in many high-tech organizations. But Stage 3 people, unfortunately, are in shorter supply. For some reason, the transition from Stage 2 to Stage 3 is extremely difficult—the most difficult transition of all for most people.

The reason the organization wants more Stage 3 individuals is simple. The Stage

2 person's contribution is very personal and linear. The efforts of one person remain just that—the efforts of one person. While there can be significant differences in the contribution of one person in contrast to others, there are still limits to what one person can do. Upon moving to Stage 3, however, there is a multiplier effect that kicks into action. One person is now influencing several others. Even though initial efforts may be less efficient while others "get up to speed," eventually more work will get done much faster.

A person in Stage 4 unleashes an even greater multiplier effect because that person is now building organizational capability. Their efforts help ensure the future viability of the organization, as well as training the next generation. They add a remarkable amount of value by aligning critical parts of the organization to accomplish important objectives. They also help set the organization's direction, which can make all the difference in its success and survival.

Transitioning from Stage 2 to Stage 3 is difficult. Many people find making the transition from Stage 2 to Stage 3 very challenging. Why is this the case? One reason people resist this transition so strongly is that it often means leaving behind the activity that has defined a person's competence in the past. The chemist or engineer has built a career on the strength of their technical expertise. Leaving that behind is gut-wrenching. The skills required for Stage 3 were seldom taught or even mentioned as being important while they received their education. Selling, persuading, collaborating, inspiring others about a new idea—these were never addressed or considered in school, but are now imperatives for the technical person who wants to move to the next career phase.

Worse yet, some organizations expect leaders to live in both stages. That is a hard place to occupy for long periods of time. Like the trapeze artist who must eventually jump from one trapeze to the next, there comes a time when you must let go of one career phase and reach out and grab the next. If you are unwilling to do that, you are forever destined to swing on the first trapeze.

Staying in Stage 2 can be costly. There is a big downside to staying in Stage 2 when Stage 3 is required. The organization promotes people to managerial roles assuming they will begin to practice new mentoring and developmental skills. When these new managers continue to function as Stage 2 professionals, however, the groups they are managing begin to flounder. The consequences are low productivity from their group, high turnover, lack of employee engagement, and strained relations with other parts of the organization. There are also individual costs, particularly if one is promoted and does not measure up. At a minimum, frustrations of underperformance are overwhelming. Even worse, careers can be derailed.

Most of us can readily identify people we've known who don't make this transition. It's worth asking at this point—why do people remain stuck at Stage 2? When the organization chose to promote this person, what went wrong?

- Did the organization misjudge this person's current level of development?
- Did the organization assume that appointing this person to a position in

the formal hierarchy would automatically change their behavior?

- Did the organization decide that this person's technical skills, industry knowledge, and keen intellect were more important than leadership skills?

Even more important, what can the organization do to help people move from Stage 2 to Stage 3? Here are some useful ideas to consider:

- First, focus on what people can do, not what they can't. Encourage Stage 2 people to see possibilities for further contribution and help them not to feel limited by policies, rules, or regulations that inhibit making a contribution.
- Remind these incoming managers that making mistakes is part of the learning process, not the deathblow to their managerial career.
- Highlight individuals in management who operate in Stage 3. Publicly recognize and reward those people in the organization who make this transition.
- Provide development on coaching skills, team skills, and communication skills from external coaches or internal leaders who have made this transition.

- Remind senior management not to expect managers to possess the detailed knowledge of products or processes that they did when they were Stage 2 professionals.

Career management implications of the paradox

Individuals can also take steps to avoid getting stuck in career stages. Here are suggestions for people who want to better manage their careers.

There is no law that says all employees must transition from Stage 2 to Stage 3. Organizations need a hefty cadre of skilled professionals to keep the company running. If you elect to stay in Stage 2, consider the following:

Staying in Stage 2

- Stay abreast of the technology. Bear in mind that the organization's expectations of you will increase over time even if you remain in this stage. Young people coming out of school will understand the latest technology. Treading water is not an option. You must keep swimming forward in your career, even if you stay in one stage or phase.
- Always work to broaden yourself. People who stay in Stage 2 are endangered when they have a narrow specialty that the organization ceases to need. Keep up your skills in areas that show the most promise for the future.
- Build people skills. The best contributions come from those who can communicate effectively and work well with a team.
- Accept responsibility for projects from the beginning to the end. Don't wait to be told what to do. Meet deadlines.
- Don't rush unreasonably through Stage 2.

Stage 2 to Stage 3 transition

As we've suggested, many careers stumble on the transition from Stage 2 to Stage 3. Here are some thoughts and suggestions on this step.

- Keep in mind that this transition can occur without a shift in formal position. You don't need to wait for a promotion to begin acting more like a Stage 3 manager.

- Be willing to put up with the tempo-rary frustration of training others to do work you know you could do much more quickly. This strategy pays off many times over in the long run. Let go of technical work.
- Savor the successes of others you are mentoring, even if it means you don't always get the limelight. Take respon-sibility when things don't go well.
- Look for ways to improve people skills. This can be accomplished in a variety of ways—reading helpful books or articles, becoming more observant, or even soliciting external coaching.
- Work to see the big picture.
- Learn the unwritten rules of the orga-nization.
- Stay connected with a network inside the organization.
- Seek challenging growth experienc-es that push you out of your comfort zone.
- Be willing to step back to a prior stage if it will help your long-term career growth.

Those hoping to reach Stage 3 should regularly ask themselves:

- Do I look for ways to interact with others without waiting for them to approach me?
- Do I enjoy teaching and encouraging others?
- Do I willingly share information?
- Do I look for opportunities to coach others to help them "learn the ropes?"
- Do I help others succeed whether or not they report to me?
- Am I willing to share recognition with others and encourage their ideas?
- Can I stand back and let others do the technical tasks?
- Am I building a network inside the organization?
- Do I regularly work on developing stronger and broader technical skills and applying them in multiple areas?

Stage 3 to Stage 4 transition

As the Dalton and Thompson research suggests, a relatively smaller number of people get to Stage 4 in their career progress. However, people can always be taking steps in this direction, in advance of ever being placed in a senior executive role in the organization. Here are some perspectives to be aware of in making this transition:

- Consider the entire organization when making decisions. Ask yourself—is this good for the whole company, not just my immediate area?
- Keep a long-term view. Resist the urge to look good in the short run at the expense of what will work best down the road.
- Be on a constant lookout for new directions in the marketplace. If you sense that the organization is heading in an unproductive direction, look for ways to steer the company in a more promising direction.
- Practice persuasion skills. You can have the best ideas on the planet, but they won't go anywhere unless you can get others on board.
- Be willing to take a stand on difficult issues, but support the ultimate deci-sion whether or not you initially agreed with it.
- Identify opportunities for new products and new markets.
- Don't shy away from opportunities to represent the organization to the out-side world. Be able to communicate

the organization's vision and values.
- Actively recruit top talent for the organization.

Conclusion

Many people in organizations want upward mobility. Their focus is on positions, promotions, and titles. The bad news is that they have very little or no control over those decisions. But the good news is that they have enormous control over their own contributions. Members of organizations who want to continue to progress can do a great deal to further their careers without a formal promotion. The beauty of the career stages concept is that it gives individuals a clear-cut roadmap for what they can be doing today to stay current and valuable to the organization. Individuals in any stage of their career can look ahead to practice new skills and make new contributions far in advance of what is expected from someone in their formal position. In the long run, these efforts will be exactly what best propels the organization and the individual to success.

The beauty of the career stages concept is that it gives individuals a clear-cut roadmap for what they can be doing today to stay current and valuable to the organization.

About Us

Zenger Folkman relentlessly seeks to rise above the inconsistent, and sometimes misleading, nature of popular leadership philosophies and beliefs brought on by opinion. The discipline of leadership and those who pursue it deserve better. Our most valuable asset is the expertise of combining hard data and statistical analysis with logical explanations and actionable application that help individual leaders thrive and organizations succeed.

ZENGER | FOLKMAN