HR Wellness Foundation Series | Monthly Blog

The Manager Gap: What Startups Get Wrong About Their First Leaders

Written by: Sophia Fulton | Chameleon Strategies Consulting

He was, by every measure, the obvious choice.

Three years in, he was the most technically skilled person on the team. Clients loved him, the founders trusted him, and when the company hit fifteen people and needed someone to lead the growing discovery function, his name was the only one on the list. The promotion felt less like a decision and more like an inevitability.

Six months later, two of his direct reports had quietly submitted their resignations. A third had filed an informal complaint about a conversation that had gone sideways. The founder had received three separate messages from team members describing the same thing: a manager who was brilliant at the work yet completely lost in the role.

He hadn't done anything malicious. He had done something far more common: he had been given authority without preparation. And the organization had assumed that excellence in one domain would transfer automatically to a completely different one.

But it doesn't, and for early-stage startups, the cost of that assumption shows up faster than almost anything else.

The Promotion That Creates Two Problems

When a startup makes its first manager promotions, it almost always solves one problem and quietly creates two more.

The first problem solved: the org chart now has structure. Someone is officially responsible for the team or a part of it, the output, and the people.

The problems created: the organization has just lost its best individual contributor to a role they weren't hired for, trained for, or necessarily suited for, and placed a group of employees under the authority of someone who has never managed before, with no framework for doing it well.

This is the manager gap, and it is one of the most predictable and preventable challenges in early company building. Startups that grow without addressing it don't just risk losing the

employees who report to unprepared managers. They risk losing the managers themselves, talented people who were set up to struggle and left to figure it out alone.

Why Technical Excellence Doesn't Transfer

The instinct to promote the best performer is completely understandable. They know the work better than anyone, have credibility with the team, and have demonstrated commitment and results.

But management is not a more senior version of the job someone was doing before; it is a different job entirely. The skills that produce exceptional individual output, deep focus, technical precision, and autonomous problem-solving are not the same skills required to develop others, navigate interpersonal conflict, deliver difficult feedback, and hold a team accountable with both clarity and care.

Research from Gallup consistently finds that managers account for at least 70% of the variance in employee engagement scores, more than the company, the mission, or the compensation. In the life sciences sector specifically, where competition for specialized talent is already intense, the stakes are even higher. Voluntary attrition in biopharma specialized roles is running at 14-18% annually, nearly double the historic baseline, and the manager relationship sits at the center of whether that talent stays or leaves. That is an extraordinary amount of organizational leverage sitting in the hands of someone who, in a startup, may have been a manager for six months and never received a single hour of formal training.

The transition from individual contributor to manager is one of the most difficult professional shifts a person can make, and it is made harder when the organization treats it as a natural progression rather than a fundamental change in role.

The Risks of Sending Managers in Unprepared

The consequences of undertrained managers don't announce themselves immediately. They accumulate in the same quiet, compounding way that pay equity and performance review gaps do: through every conversation that doesn't happen, every complaint that isn't handled correctly, every talented employee who leaves for an entirely preventable reason.

Here is what untrained managers typically produce, not out of bad intent, but out of inexperience:

- **Inconsistent feedback.** Without a framework for performance conversations, managers default to what feels comfortable, which often means avoiding difficult feedback entirely or delivering it in ways that land as criticism rather than development. Employees receive mixed signals and have no reliable way to understand where they stand.

- **Proximity bias and favoritism.** Without training on how to evaluate performance fairly, managers naturally gravitate toward the employees who remind them of themselves, who communicate in familiar ways, or who are most visible. The result is a culture of perceived favoritism that erodes trust across the team.
- **Legal exposure.** This is the risk startups most frequently underestimate. Untrained managers make decisions every day that carry legal weight: how they handle disability or leave accommodation requests, how they document performance issues, how they respond to complaints, and so much more. A single mishandled conversation, one that the manager didn't even recognize as legally significant, can create liability that a small organization is not equipped to handle.
- **Attrition.** Employees don't leave companies, they leave managers. When the data is examined, the quality of the direct manager relationship is consistently among the top predictors of voluntary turnover. For a startup where every person carries outsized impact, losing two or three employees because of a preventable management failure is much more than just a cultural problem. It is a business one.

HR as Enablement, Not Policing

Here is where a lot of early-stage companies get stuck: they associate HR with compliance, paperwork, and conflict resolution. HR, in that framing, is the function you call when something has already gone wrong.

That framing is not just limiting; it's expensive. Because by the time HR is called in to address the fallout from an undertrained manager, the organization has already paid the real cost in lost trust, in attrition, in legal risk, and in the damage done to the manager themselves, who has often been set up to fail without knowing it.

The more accurate and more useful framing is this: HR is manager enablement. Its highest-leverage role in a scaling startup is not to police behavior after the fact, but to equip managers before it becomes necessary.

What that looks like in practice:

- **Structured onboarding for new managers**, separate from the onboarding given to individual contributors, covering feedback frameworks, documentation practices, how to handle common difficult conversations, and the legal basics every manager needs to understand
- **Clear expectations for what the manager role actually requires**, communicated before the promotion is finalized, as a genuine preparation for what the job entails

- **Ongoing support**, whether through regular check-ins, peer cohorts for first-time managers, or access to HR as a thinking partner for challenging situations before they escalate
- **Documentation habits built in from the start,** not as a bureaucratic requirement, but as a protection for both the manager and the employee when situations become complicated
- **Targeted training opportunities** identified and offered on an ongoing basis — whether that's formal management development programs, coaching, or skills-based workshops. The goal is not a one-time onboarding but a continuous investment in the manager's growth, matched to where they are in their leadership journey and what the role demands of them

None of this requires a large HR team or an enterprise-scale infrastructure. It requires intention, a small investment of time upfront, and the organizational belief that managers are not born, they are built.

The Scientist Problem

The title of this post references scientists, and intentionally so, because it's one of the most common patterns we see in early-stage companies, particularly in technical industries: the brilliant researcher, engineer, or specialist who is promoted into management because they are the most capable person in the room.

The problem is not that scientists, engineers, or technical specialists can't become great managers. Many do! The problem is the assumption that they will figure it out on their own and that the same analytical intelligence that made them exceptional at their work will automatically translate into the relational, communicative, and structural skills that management requires. It often doesn't. And when it doesn't, the organization loses on both ends: the individual contributor work suffers because the person is now managing rather than doing, and the team suffers because the manager was never given the tools to lead them well.

The investment in preparing that person, genuinely preparing them, not just announcing the promotion and handing them a new title, is one of the highest-return decisions an early-stage company can make.

What Manager Readiness Actually Looks Like

For a startup of ten, fifteen, or twenty-five people, manager readiness doesn't need to be complicated; it just needs to be intentional.

Before a promotion nomination is finalized, ask:

- Does this person understand what managing people actually requires, not just organizationally, but legally and interpersonally?

- Have we given them a framework for feedback conversations, or are we assuming they'll develop one on their own?
- Do they know how to communicate effectively with their team?
- Do they know what to document, when to document it, and why?
- Do they know when and how to involve HR, and do they see HR as a resource rather than a last resort?
- Have we set clear expectations for what success looks like in the management role, distinct from what success looked like in their individual contributor role?

If the answer to most of these is no, the promotion and the organization aren't ready. And the manager, however talented, is about to be set up to struggle in ways that will cost far more to fix than they would have cost to prevent.

Building Managers the Way You Build Everything Else

The most successful early-stage companies treat manager development the way they treat product development: with structure, iteration, and the understanding that good outcomes don't happen by accident. They don't assume their best people will become great managers without support. They build the support first and then make the promotion.

That sequence matters. Authority without preparation isn't leadership development. It's a risk that compounds quietly, in the same way all the structural gaps we've discussed in this series do: through every feedback conversation that doesn't happen, every complaint that isn't handled correctly, every talented employee who leaves for an entirely preventable reason.

Your first managers will shape the culture of your company more than almost any other early decision you make. Preparing them is one of the most important investments in organizational health a startup can make. Build the support first, then make the promotion.

References

Gallup. (2015). State of the American Manager: Analytics and Advice for Leaders. https://www.gallup.com/workplace/236570/managers-account-variance-employee-engagement.aspx

Harpe, A. (2026, May 27). Talent retention in biopharma 2026: What the data says. Sakara Digital. https://sakaradigital.com/blog/talent-retention-biopharma-2026/

Further Reading

The following resource is recommended for readers who want to explore engagement and retention strategies in the life sciences sector further.

PharmaLogics Recruiting. (2024, April 16). Cultivating engagement and retention in life sciences. https://pharmalogicsrecruiting.com/2024/04/16/cultivating-engagement-and-retention-in-life-sciences/