



Europe Leadership Report 2025



A Global Leadership Forecast Report

The *Europe Leadership Report 2025* by DDI is part of the renowned *Global Leadership Forecast* series, the longest-running global study of leadership. This regional report focuses on insights specific to Europe, drawing from 250 HR professionals and 428 leaders across 18+ countries. It highlights the unique challenges and opportunities facing leaders in Europe while identifying the best talent practices shaping the region's future. As a key component of the broader global research, this report provides European organisations with actionable trends to strengthen their leadership strategies within a global context. Key demographics are listed below.



INTRODUCTION

Europe's Leadership at a Crossroads: Are Leaders Prepared for Tomorrow's Challenges?

Across Europe, organisations face a pivotal moment in leadership development. The challenges and disruptions of recent years—from economic turbulence to technological advancements—have left many questioning the readiness of their leadership pipelines. As businesses navigate an evolving global landscape, the stakes for effective leadership have never been higher.

In my conversations with CHROs across Europe over the past year, I've noticed a striking shift. While they once focused primarily on traditional leadership competencies, they're now equally concerned with leaders' ability to maintain resilience and inspire their teams through constant change. One CHRO recently told me, "We used to develop leaders for stability—now we need to develop them for perpetual transformation." This observation resonates deeply with what we're seeing across industries.

Our research confirms that leadership readiness remains a pressing concern, with 69% of HR professionals expressing doubts about their organisations' future leadership capabilities. This uncertainty reflects broader challenges in developing and retaining strong leaders who can drive innovation and growth, especially as traditional leadership skills evolve.

Future-focused capabilities like setting strategy, engaging employees, and identifying and developing future talent are becoming increasingly critical, yet only 29% of HR teams are actively developing these skills. This gap between current capabilities and future needs signals an urgent call for transformation in how organisations approach leadership development.

Organisations now have a critical opportunity to transform their leadership development strategies. By anticipating tomorrow's challenges and taking proactive steps today, organisations can build more resilient leadership pipelines that drive innovation, agility, and sustainable success.

In this report, we examine where leaders are struggling, the gaps that need urgent attention, and the strategic actions organisations can take to strengthen their leadership pipelines. **What will it take to restore trust, ignite purpose, and equip leaders with the future-focused skills they need to succeed?** Through evidence-based insights, this report offers organisations a practical pathway to transform leadership into a competitive advantage—ensuring Europe's leaders are not just prepared to face uncertainty but to thrive in it.



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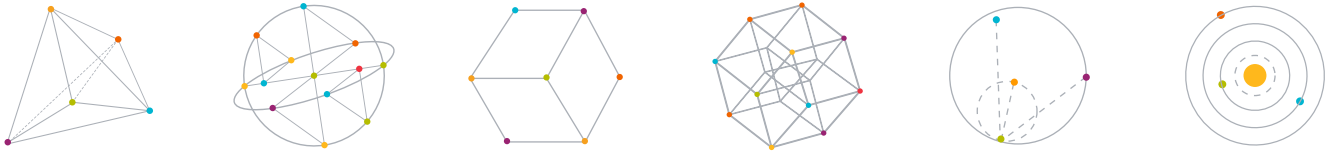


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A Leadership Exodus? The Impact of Stress and Burnout

As Leaders Lack Time, Burnout and Attrition Loom Large

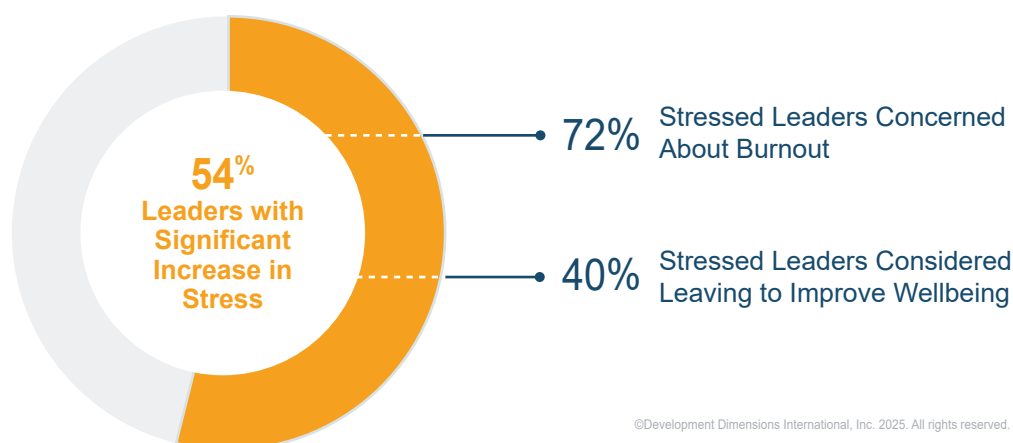
Stress among leaders is surging, with 54% reporting a significant increase in their stress levels since stepping into their current role. The persistence of high stress since 2022 signals a critical challenge for leadership stability.

The primary catalyst for this continued stress is a pervasive sense of time scarcity. In Europe, only 19% of leaders feel they have sufficient time to execute their responsibilities with the depth and diligence required. Critically, there is a direct correlation between time perception and burnout: when leaders feel they have adequate time, their concerns about burnout decrease. This pattern suggests that time management is not just an operational tool but a fundamental buffer against professional exhaustion.

This high tide of individual stress is fuelling a larger organisational crisis. Of the 54% of stressed leaders, 72% are concerned about burnout—a psychological state characterised by emotional exhaustion, detachment, and reduced professional efficacy. Even more alarming, **40% have considered abandoning leadership roles entirely** as a result, compared to just 17% of less-stressed leaders.

These findings reveal more than a leadership challenge—they expose a systemic vulnerability. Organisations are at significant risk of losing leadership talent precisely when strategic continuity is most critical. **The leadership pipeline is not just under severe strain; it's potentially facing a structural breakdown.** This trend underscores the urgency for organisations to address stress management and ensure leaders have the time and support needed to perform effectively.

Stress and Burnout Take a Toll on Leaders



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Building Resilient Leadership: The Critical Role of Manager Support

Leaders are navigating an increasingly complex professional landscape, and their approach to stress management illuminates a critical insight: they're actively seeking support and growth opportunities.

The data shows a compelling path forward: European leaders who feel well prepared are **5.3X more likely** to want to stay in their leadership positions. This powerful insight demonstrates that equipping leaders with the right capabilities transforms both their commitment and their wellbeing.

Leaders' top stress management strategies reveal important opportunities:

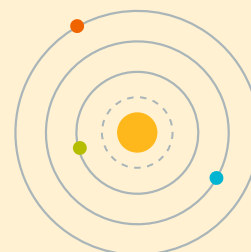
- **Speaking with current manager (52%)**
- **Self-reflection (51%)**

This preference for manager consultation as the primary stress management strategy has powerful implications for preventing unwanted turnover. With over half of leaders turning to their managers for support, organisations have a crucial early-warning system—but only if managers are equipped to respond effectively. When managers have the skills to empathise, problem-solve, and guide these conversations productively, they can address challenges before they lead to resignation. Without these skills, they may miss critical opportunities to retain valuable leaders.

The high engagement in self-reflection (51%) is equally telling—it signals that leaders possess the maturity and openness to learning that are essential for development. This readiness for growth, combined with their willingness to bring challenges to their managers, creates ideal conditions for leadership development to succeed.

For leaders in Europe, this dual approach of seeking manager support while maintaining openness to learning shows they're primed for collaborative problem-solving and view their development as a shared journey.

By investing in leadership development that enhances managers' ability to guide crucial conversations about stress and challenges, organisations can leverage leaders' natural inclination toward growth and collaboration. **This creates a powerful foundation for building resilient leaders who are better equipped to handle new challenges—and less likely to leave.**



The Continuing Leadership Credibility Crisis

Trust Plateaus: A Critical Risk to Organisational Success

Trust is the currency of organisational success, yet it remains critically low and shows little sign of improvement in today’s volatile global landscape. From 2022 to 2024, trust in immediate managers all but remained stagnant, shifting slightly from 34% to 36%. This plateau highlights a continuing scepticism toward managers, who are the frontline connection to the workforce and vital to team cohesion and morale.

Trust in senior leaders also showed a marginal adjustment, moving from 26% in 2022 to 27% in 2024.

This lack of trust points to a continuing credibility crisis in organisations. But it cannot be understood in isolation from the broader global context. Recurring economic shocks and the rapid advancement of AI have created widespread job insecurity. Increasing polarisation, social movements, and geopolitical tensions have made employees more aware of power dynamics. These interconnected forces beyond organisational control lead employees to closely scrutinise and question leadership decisions. **In this perfect storm, trust is harder to maintain and easier to erode.** The *2024 Edelman Trust Barometer Special Report: Trust at Work** reflects this societal transformation, revealing a rise in workplace polarisation and a widening trust gap between leaders and employees.

Interestingly, trust levels reveal a nuanced generational divide. Employees ages 25–34 have higher trust—they are **1.6X more likely** to trust senior leaders to do what is right over other generations. This generational difference suggests that trust is not static, but a dynamic perception shaped by professional experience. As employees accumulate workplace interactions, their trust becomes more discerning and more conditional.

Leaders are now tasked with rebuilding trust across generations against a dynamic backdrop of global challenges that impact employees’ confidence in leadership decisions. Without strategic intervention, this erosion of trust threatens to cascade, harming employee retention, the leadership pipeline, and organisational performance.

Leader Trust Stalls



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* 2024 Edelman Trust Barometer Special Report: Trust at Work
<https://www.edelman.com/trust/2024/trust-barometer/special-report-trust-at-work>

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WHERE TO FOCUS

○ Trust as the Foundation of Talent Development

Trust isn't merely the by-product of good leadership—it's a prerequisite for driving employee engagement, collaboration, inclusion, and, critically, talent development. Without trust, employees are less likely to embrace feedback, coaching, or development opportunities, creating barriers to long-term growth.

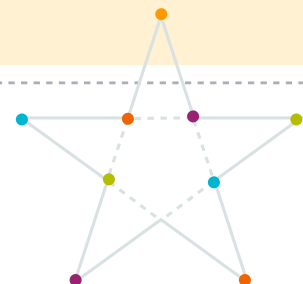
Our research highlights the transformative power of trust in building and developing talent:

- Employees with managers who are effective coaches are **2.9X more likely** to trust their manager.
- Employees with managers who actively support their development are **2.8X more likely** to trust their manager.
- Employees who receive feedback from their manager are **2.3X more likely** to trust their manager.

Leaders can strategically rebuild trust by consistently practicing four key behaviours:

1. **Listen and respond with genuine empathy.** Leaders who show they are truly listening and respond empathetically build deeper, more authentic connections with their team members.
2. **Encourage others to speak up without fear of reprisal.** Creating a psychologically safe environment where employees feel safe to share ideas, concerns, and feedback is critical to building trust.
3. **Share thoughts and rationale for decisions.** Transparent communication about the rationale behind decisions helps employees feel genuinely included and valued, enhancing trust.
4. **Encourage others to challenge old ways of doing things.** Challenging existing paradigms fosters innovation and signals that leaders value continuous improvement, driving both trust and creativity.

Leadership is not about maintaining control but about earning trust continuously. The current trust deficit is not an insurmountable challenge but a critical inflection point for transformative leadership. **By focusing on key behaviours that rebuild genuine connection, leaders can create a foundation of trust that fuels employee growth and cultivates resilient, high-performing teams.**



For Frontline Leaders, the AI Challenge Is Built on Trust

When Strategy Meets Execution: AI Leadership Challenge

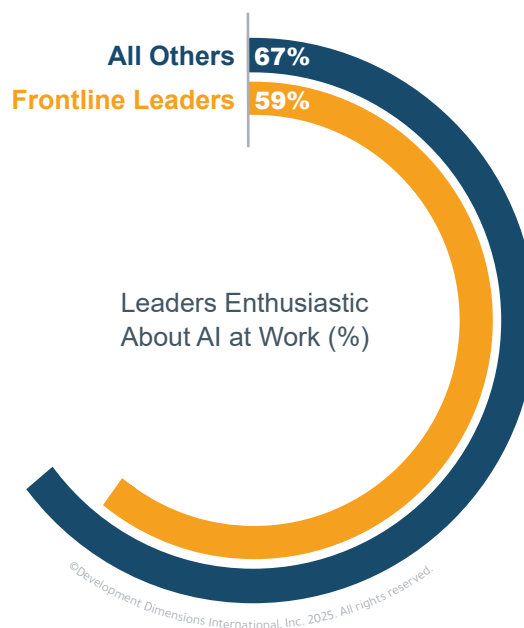
As artificial intelligence (AI) rapidly reshapes the workplace, a significant leadership perception gap emerges: frontline managers are **2.2X more likely** to be concerned about the impact of AI compared to their senior counterparts. This stark divide reveals the complex challenges of technological integration across organisational levels.

The practical challenges of AI adoption fall heaviest on frontline managers, who must navigate complex and dynamic implementations. They are responsible for securing buy-in from their teams, redesigning existing workflows, and managing the impact on their teams—whether through retraining, reskilling, or addressing potential job displacement. The challenge of managing this ground-level change may help explain why frontline managers are less likely to express enthusiasm compared to senior leaders, who view the technology from a more strategic distance.

This operational burden is compounded by a fundamental leadership disconnect. While the disparity in concern highlights the divide, its root causes run deeper. The most significant factors influencing managers' AI perceptions and readiness are the effectiveness of senior leadership teams and the trust they cultivate. Only 23% of frontline leaders report high trust in their senior leaders compared to nearly 30% of leaders at other levels. This lack of trust presents a significant barrier to AI adoption. Managers must translate AI strategic directives into execution, a process that becomes challenging when there's a perceived lack of understanding or support from above.

AI adoption is not just a technological shift but a talent and cultural transformation that requires human-centred, empathetic leadership to guide its implementation and build confidence in its use. Leaders are **1.6X more likely** to be excited about the potential gains of AI at work when they trust their senior leaders to do what is right. Without a foundation of trust, organisations risk resistance to AI and a missed opportunity to maximise its impact.

Frontline Leaders Trail in AI Enthusiasm



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WHERE TO FOCUS

○ Clear Communication and Collaborative Leadership Critical to AI Transformation

As AI continues to revolutionise industries, successful implementation hinges not on technological capabilities but on effective leaders driving these changes. AI is not a replacement for human leadership but a collaborative tool that requires deliberate, empathetic management strategies. To navigate this shift, organisations must prioritise the following:

Foster Radical Transparency and Clear Communication

Bridging the trust gap between senior and frontline leaders requires more than occasional communication—it requires systematic, ongoing engagement. Senior leaders should prioritise building trust by fostering transparency and clear communication, creating dedicated channels specifically for AI-related concerns, including workshops and open forums where managers can discuss their challenges. Organisations should develop comprehensive AI transformation road maps that explicitly detail potential workforce implications, technological integration strategies, and clear pathways for employee adoption and growth.

The data is clear: senior leaders who build trust are **1.8X less likely** to encounter resistance to AI. But trust isn't built through announcements—it's cultivated through consistent, genuine dialogue that acknowledges the human impact of technological change.

Create Collaborative Implementation Frameworks

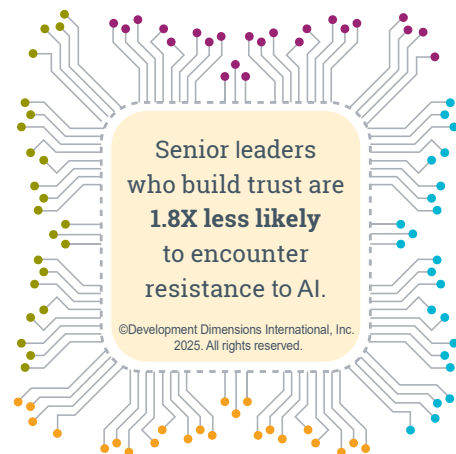
Frontline managers cannot be passive recipients of AI strategy; they must be co-creators. This means:

- Involving managers early to shape frameworks that can support their teams.
- Establishing cross-functional AI-adoption teams with representation from every organisational level.
- Developing personalised AI skill development programs.
- Creating mentorship networks that pair technologically savvy team members with those who need support.

When managers are involved in making AI decisions and aligning transformation with organisational goals, they are more equipped to embrace it and drive success within their teams.

Ensure Senior Leaders Model an Aligned Vision

Effective leadership at the senior level can significantly influence how managers perceive AI adoption. Frontline leaders are **2.4X more likely** to feel enthusiastic about AI's potential when their senior executives work cohesively and present a unified front. This requires developing critical leadership skills that foster consistent, aligned behaviours across the organisation, reinforcing organisational competence.



Mind the Purpose Gap: Frontline Leaders Feel Left Behind

Disconnected and Disillusioned: Why Frontline Leaders Are Falling Behind

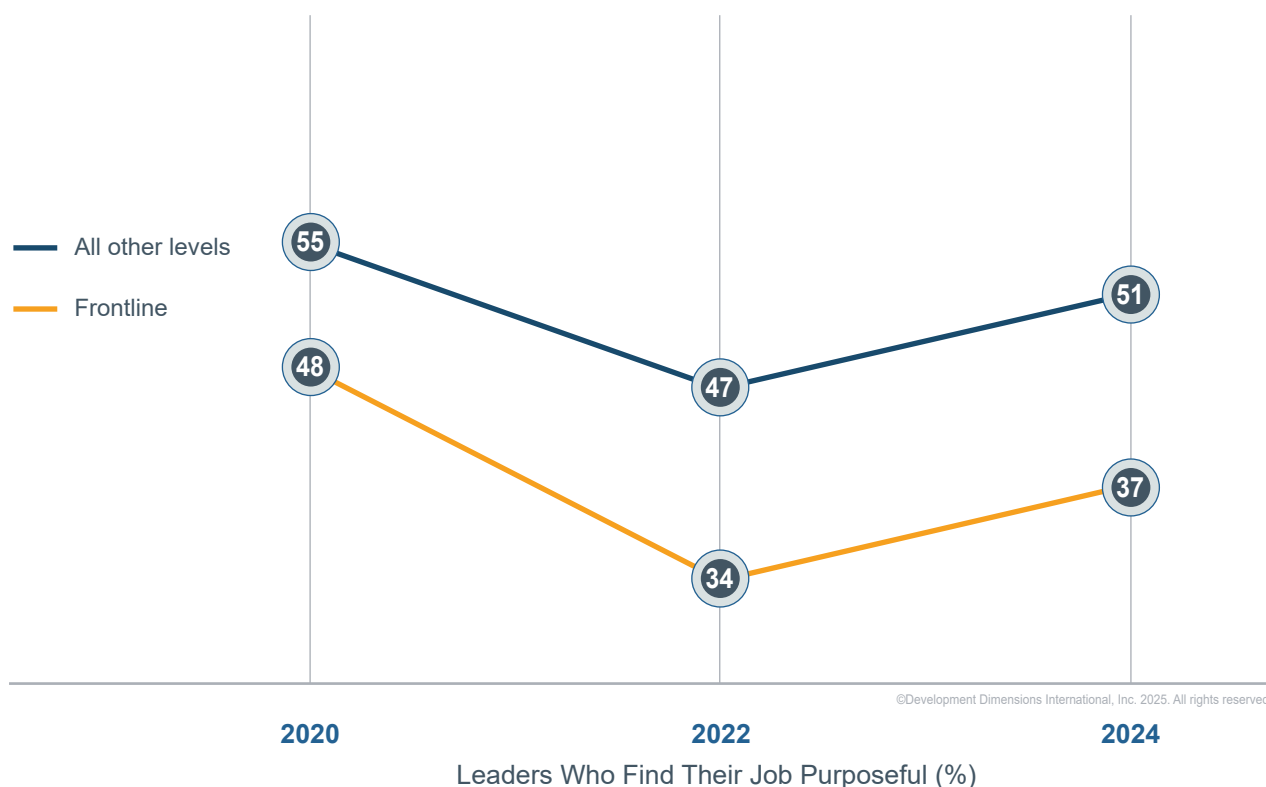
Purpose remains a significant driver of leadership engagement and effectiveness. Yet there is a profound divergence in sense of purpose between frontline and all other levels of leadership. While senior leaders (which includes all leaders from the C-suite to mid-level managers) ranked their sense of purpose at 51%, frontline leaders noted a meagre 37%. **This inverse trend threatens organisational health and highlights a widening disconnect: as senior leaders feel more aligned with their mission, frontline leaders are disconnected.**

So, what drives this divergence? By their nature, senior-level roles have broader visibility, strategic context, and autonomy to make purpose-driven decisions. In contrast, frontline leaders operate within narrower, tactical responsibilities and have limited influence strategy, creating a natural gap in purpose and alignment.

It doesn't help that frontline leaders have limited bandwidth to reflect on purpose. While they're focused on immediate operational needs, they also face evolving expectations: integrating new technologies like AI, adapting to diverse teams, managing change and turnover, and meeting rising performance standards. The more execution demands their attention, the harder it is to step back and connect with the broader mission.

To make matters worse, frontline leaders often face these challenges with low trust and inadequate support. They are **1.4X less likely** to believe their company makes a positive difference in the world.

Purpose Gap Persists



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○ Unlocking Purpose: Actions to Empower Frontline Leaders

Our findings reveal five key areas where organisations can drive purpose for frontline leaders—with the potential to transform how these leaders perceive their role, their organisation’s mission, and their overall impact on business success. Purpose-driven leaders are more engaged, more committed to their teams, and more likely to stay. Building trust and providing consistent support is essential to equipping frontline leaders with confidence, especially during change or crisis.

1. Prioritise wellbeing.

Move beyond traditional wellness programs by creating support systems that address the mental, physical, and professional health of frontline leaders. These programs have greater impact when senior leaders visibly prioritise their wellbeing and communicate these practices openly, setting a powerful precedent that fosters resilience and support across the organisation.

2. Deepen customer connection.

Reframe customer relationships from transactional to meaningful. Recognise and acknowledge frontline leaders with insights that demonstrate the direct impact of their work on customers’ lives and the organisational mission.

3. Develop interpersonal skills.

Go beyond technical skills and equip leaders with strong interpersonal skills like emotional intelligence and communication that enable more meaningful interactions and enhance purpose.

4. Form effective senior executive teams.

Transform senior leaders from strategic planners to purpose ambassadors who actively communicate and demonstrate the organisation’s mission.

5. Enhance the employee experience.

Create positive employee experiences that provide a line of sight to goals, offer meaningful opportunities for growth, and celebrate each person’s contributions.

Purpose is not just philosophical—it’s quantifiable. When organisations implement these strategies, leaders transform from executors to inspired strategic partners, making them:

- **17X more likely** to have a positive, purpose-driven perception of their organisation.
- **17X more likely** to feel energised by their work.
- **6X more likely** to feel accountable for team success.
- **3X more likely** to stay with their organisations for the next year.

Bench Strength Shows Signs of Recovery

HR Lacks Confidence in Leadership Pipelines Despite Improvement

The state of leadership readiness in Europe raises serious concerns, with 69% of HR professionals lacking confidence in their leadership pipelines. This widespread uncertainty about future leadership capabilities poses a strategic risk, potentially hampering organisational growth and adaptability to emerging business challenges.

The pandemic disrupted organisations, sidelining pipeline development and succession planning as budget cuts and competing priorities stalled leader readiness. Paradoxically, the crisis also created an unprecedented opportunity for talent discovery as leaders emerged in unexpected ways. The challenging conditions during the pandemic required leaders to act and reveal their capabilities in real time, refuting the traditional notion that leadership potential can always be predicted. This unexpected talent visibility likely played a pivotal role in the modest bench strength rebound.

While this unexpected talent discovery may have sparked a modest recovery in bench strength, it didn't address the underlying issue: many organisations still lack the processes needed to sustain long-term leadership readiness. Only 47% of European HR organisations systemically identify future leadership needs, and just 45% have real-time visibility into their current capabilities. Without these practices, many organisations remain vulnerable to future leadership shortages.

Despite these gaps, the case for strengthening leadership pipelines is compelling. Organisations with robust bench strength consistently outperform their peers. Globally, organisations with strong benches are:

- **2.9X more likely** to have a high success rate when filling leadership roles internally.
- **2.9X more likely** to be recognised as a top financial performer.
- **2.8X more likely** to outperform industry peers financially.
- **2.1X more likely** to be viewed as an innovative company.
- **1.4X more likely** to be rated a best place to work.

This presents both a challenge and an opportunity: by addressing the deficit in their talent pipelines, European organisations can unlock significant competitive advantages. Strengthening the bench isn't just about filling roles internally—it's a strategic imperative for organisational agility, talent retention, and sustainable growth.

Bench Strength Improves



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○ Transforming Bench Strength into a Strategic Capability

To move beyond a “just enough” approach and feel more confident in their leadership pipeline, organisations must embrace a systematic approach to leadership development. Building a strong bench is possible, but it requires strategic focus in two critical areas:

Continuous Skill Mapping

Traditional talent management is giving way to a new paradigm of predictive insight powered by advanced analytics that provides unprecedented transparency into talent landscapes. This isn't just about collecting data—it's about transforming raw information into strategic foresight through continuous, real-time tracking of leadership skills and potential. By leveraging sophisticated assessment tools, organisations can dynamically map leadership competencies, revealing hidden potential and critical gaps with remarkable precision.

The power of continuous skill mapping lies in its ability to:

- Anticipate leadership succession needs before critical gaps emerge.
- Identify emerging talent with high-growth potential.
- Create more targeted, proactive development strategies.
- Develop early-warning systems for potential leadership vacuums.

This approach goes beyond static talent assessments, enabling organisations to design data-driven development strategies that target specific skill deficits. By proactively tracking leadership competencies in real time, companies can build a more agile, responsive, and forward-looking talent pipeline that is precisely calibrated to organisational needs.

Targeted Development Interventions

Effective leadership development demands a shift from generic training to personalised learning, prioritising meaningful behaviour change over mere knowledge transfer. Organisations must design targeted interventions to address specific skill gaps, creating dynamic experiences that actively reveal and cultivate leadership potential.

The core principle is simple yet transformative: potential is not just measured but actively cultivated. By providing leaders with meaningful experiences that test and stretch their capabilities, organisations can understand leadership readiness through lived performance, not just theoretical assessments. This approach ensures that development interventions are not passive exercises but active pathways to unlocking individual and organisational potential.

The goal is no longer just to train leaders but to create environments where leadership potential can be discovered, nurtured, and accelerated with precision and purpose.

The journey to rebuilding the leadership bench has just begun. But organisations that consistently manage their leadership pipeline can transform it from a perennial weakness into a competitive advantage.

Future-Focused Skills Fall Critically Behind

The Skills Leaders Need But Aren't Getting

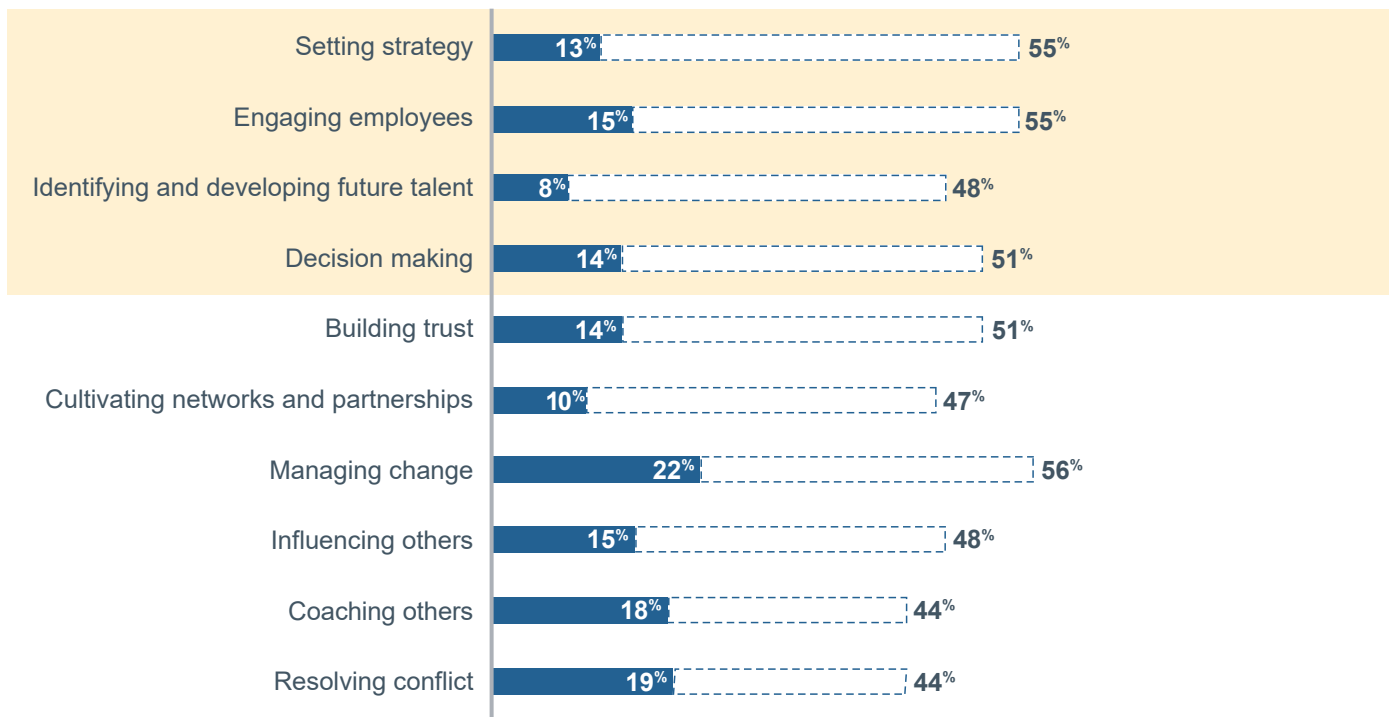
A striking 80% of HR organisations in Europe predict a surge in the need for new leadership capabilities within the next five years, underscoring a critical challenge facing modern businesses. **Leadership today demands more than meeting current quarterly goals—it requires shaping the future of both the business and its people.** Yet there are striking gaps between the skills that leaders need and the development organisations are providing. While leaders overwhelmingly recognise the importance of future-oriented capabilities, their actual preparation falls short.

Only 22% of HR teams have prioritised addressing the top four critical skill gaps in their development plans. These are not just essential for current success but also for driving long-term innovation and growth:

- **Setting strategy:** While 55% of leaders identify this as essential, only 13% have received training.
- **Engaging employees:** Recognized as critical by 55%, yet only 15% have been developed in this area.
- **Identifying and developing future talent:** Though 48% see this as crucial, just 8% have had relevant training.
- **Decision-making:** 51% of leaders believe it is crucial, but just 14% have received training.

These skills are pivotal for navigating change, driving innovation, and sustaining growth. However, future-focused skills are inherently difficult to develop, as they demand a shift from short-term thinking to long-term strategy. This challenge is especially pronounced at the frontline, where leaders struggle without development in critical skill areas. Without addressing these gaps, organisations risk stagnation and falling behind in a rapidly evolving business landscape.

Development Gap in Future-Oriented Leadership Skills



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■ Leaders Who Received Training (%) □ Leaders Identifying Skill as Critical to Develop (%)

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WHERE TO FOCUS

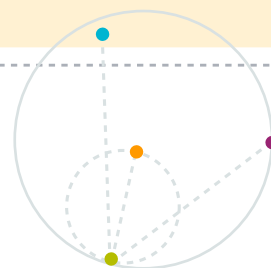
○ The High Impact of Developing Future-Focused Leadership Skills

Despite the critical importance of forward-thinking leadership capabilities, **only 22% of HR organisations currently prioritise the key skills:** setting strategy, engaging employees, identifying and developing future talent, and decision making. This underinvestment limits leaders' capacity to innovate and prepare their organisations for future challenges.

When European leaders feel effective in at least two of these future-focused leadership skills, they are:

- **5.8X more likely** to have time to maintain diligence in their roles.
- **4.3X more likely** to report a best-in-class employee experience.
- **2.5X more likely** to feel well equipped for their roles.

To foster future-ready leadership, organisations can adopt targeted development approaches that equip leaders to think ahead and drive progress. This approach doesn't just prepare leaders for today's challenges—it empowers them to shape the future of both the business and its people, ensuring long-term success.





Europe Leadership Report 2025

About DDI

DDI is a global leadership consulting firm that helps organisations hire, promote, and develop exceptional leaders. From first-time managers to C-suite executives, DDI is by leaders' sides, supporting them in every critical moment of leadership. Built on five decades of research and experience in the science of leadership, DDI's evidence-based assessment and development solutions enable millions of leaders around the world to succeed, propelling their organisations to new heights.

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