Global Leadership Forecast 2025

The Largest Leadership Study of Its Kind

The *Global Leadership Forecast* series is the longest-running global study of leadership aimed at understanding current and future leadership best practices. This year's study, *Global Leadership Forecast 2025,* is DDI's eleventh forecast since starting this stream of research more than 24 years ago. This report examines responses from 2,185 human resource professionals and 10,796 leaders from 2,014 organizations around the world. The research, which spans more than 50 countries and 24 major industry sectors, summarizes best talent practices and provides key trends to guide the future of leadership. The full set of leader demographics is depicted below.

Demographics

10,796 Leaders

2,185 HR Professionals

2,014 Organizations

Generation
- 6% Baby Boomer
- 48% Gen X
- 45% Millennials
- 1% Gen Z

Leader Level
- First-Level Leader 54%
- Mid-Level Leader 38%
- Senior-Level Leader 5%
- C-Level Leader 3%

Industry
- Automotive & Transport 4%
- Construction & Real Estate 6%
- Energy & Utilities 9%
- Finance & Insurance 5%
- Healthcare 5%
- Manufacturing 22%
- Other 17%
- Pharmaceuticals 4%
- Professional Services 3%
- Retail 12%
- Technology 13%

Country/Region
- 2% Africa/Middle East
- 3% Australia/NZ
- 24% China
- 8% Europe
- 17% Japan
- 7% Other
- 8% Southeast Asia
- 7% Taiwan
- 24% U.S./Canada

Gender
- 33% Woman
- 67% Man
- 0% Non-binary

Race/Ethnicity
- Non-Minority 65%
- Minority 35%

INTRODUCTION

The Impossible Role: Rethinking Leadership Amidst Rising Expectations

In a world reshaped by extraordinary change, leadership has never been more critical and complex. The convergence of global disruptions, from the pandemic to artificial intelligence, exposes vulnerabilities while fundamentally redefining workplace expectations, testing the resilience of organizations and humans.
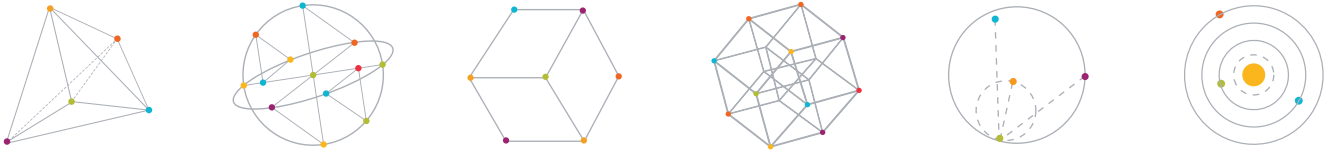
Today's business landscape demands more from leaders. While traditional metrics like profitability remain important, an organization's health increasingly depends on its leadership. Employees' trust and loyalty must now be earned by creating environments where people feel respected, valued, and able to grow. Otherwise, talent walks out the door. Leaders must be agile—able to navigate rapid change, pivot strategies, and guide their teams through it—plus foster growth, drive innovation, and build genuine human connection. And they must do this while delivering business results.

Leaders shoulder all this responsibility: they must transform their organizations into more human-centered workplaces while building adaptable, resilient teams that can thrive amid uncertainty. The stakes are high. **Organizations that fail to support and develop their leaders risk losing not just talent, but organizational resilience itself.**

Yet leaders are struggling. They report increased stress, diminished trust, a weakening sense of purpose, and inadequate development for their expanding responsibilities. And this crisis is self-perpetuating. As the role becomes more demanding and complex, current leaders contemplate leaving their leadership role altogether while younger generations view these positions as increasingly undesirable. The talent pipeline is at risk precisely when effective leadership matters most.

This presents a troubling reality: why would anyone want to be a leader today? Our research uncovers both obstacles and opportunities in modern leadership. Organizations that invest strategically to support leaders' growth see marked improvements in leader effectiveness, engagement, and retention as well as organizational performance. This report examines areas where leaders struggle and identifies promising paths forward, offering evidence-based insights to transform your leadership strategy and strengthen organizational resilience.

Table of Findings

The Growing Leadership Credibility Crisis

Trust in Freefall: A Critical Risk to Organizational Success

Trust is the currency of organizational success, yet it is rapidly deteriorating in today's volatile global landscape. From 2022 to 2024, trust in immediate managers took a dramatic nosedive from 46% to 29%. This 17-point decline exposes an increasing skepticism toward managers, who are the frontline connection to the workforce and vital to team cohesion and morale.
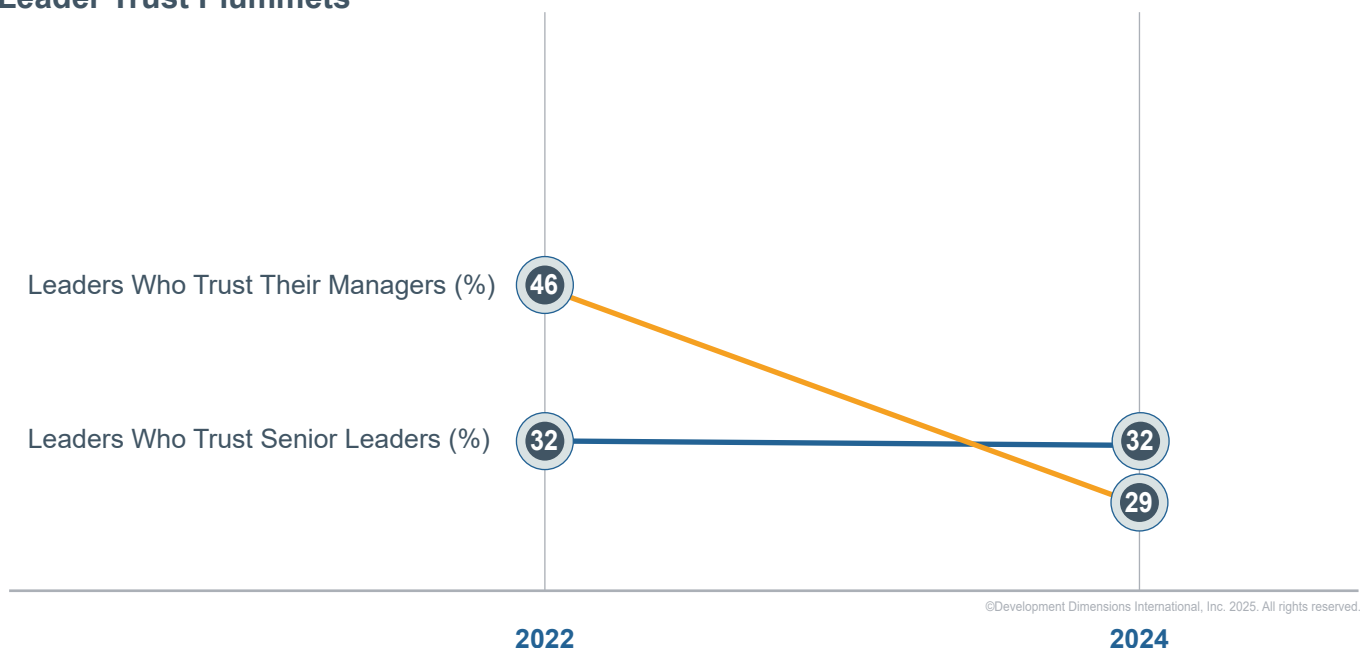
Trust in senior leaders remained low for the second consecutive period, with only 32% of leaders expressing confidence in them. Perhaps most concerning, trust in immediate managers has now fallen below trust in senior leaders—a striking reversal that challenges traditional assumptions about employee-manager relationships.

These low levels of trust point to a growing credibility crisis in organizations. 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 polarization, social movements, and geopolitical tensions have made employees more aware of power dynamics. These interconnected forces beyond organizational control lead employees to closely scrutinize 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 polarization and a widening trust gap between leaders and employees.

Interestingly, trust levels reveal a nuanced generational divide. Employees ages 25–34 have higher trust, with 36% trusting their managers and 40% trusting senior leaders, compared to 26% and 31%, respectively, among employees ages 50–64. This generational gradient 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 organizational performance.

Leader Trust Plummets

Leaders Who Trust Their Managers (%) — 46 (2022) → 29 (2024)

Leaders Who Trust Senior Leaders (%) — 32 (2022) → 32 (2024)

2022   **2024**

* *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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Trust as the Foundation of Talent Development

Trust isn't merely the byproduct 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 actively support their development are **11X more likely** to trust their manager.
- Employees who receive feedback from their manager are **9X more likely** to trust their manager.
- Employees with managers who are effective coaches are **9X more likely** to trust their manager.

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

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 behaviors that rebuild genuine connection, leaders can create a foundation of trust that fuels employee growth and cultivates resilient, high-performing teams.**

AI Success Rides on Trust in Senior Leadership

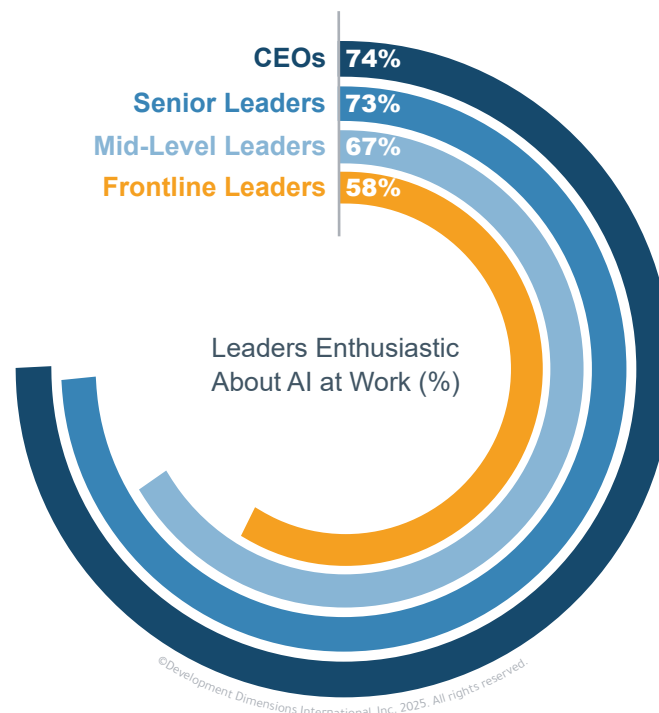## When Strategy Meets Execution: AI Leadership Challenge

As artificial intelligence (AI) rapidly reshapes the workplace, a significant leadership perception gap emerges: Frontline leaders are **3X 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 organizational 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 executives, who view the technology from a more strategic distance.

This operational burden is amplified by a core leadership disconnect. While the disparity in concern highlights the divide, its roots 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 28% of frontline leaders report high trust in senior leaders compared to nearly 40% of leaders at other levels. Similarly, just 27% of frontline leaders feel confident in their senior leadership team's ability to advance strategic goals, compared to 37% of other leaders. 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 is not just a technological shift—it fundamentally requires human-centered, empathetic leadership to guide its implementation and build confidence in its use. Leaders who trust their senior leadership are **2.2X more likely** to feel excited about using AI at work. Without this foundation of trust, organizations risk resistance to AI and a missed opportunity to maximize its impact.

Leadership Sentiment Skews Positive on AI

CEOs **74%**
Senior Leaders **73%**
Mid-Level Leaders **67%**
Frontline Leaders **58%**

Leaders Enthusiastic About AI at Work (%)

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Clear Communication and Collaborative Leadership Critical to AI Transformation

As AI continues to revolutionize 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, organizations must prioritize 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 prioritize 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. Organizations should develop comprehensive AI transformation roadmaps 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 **2.8X 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.

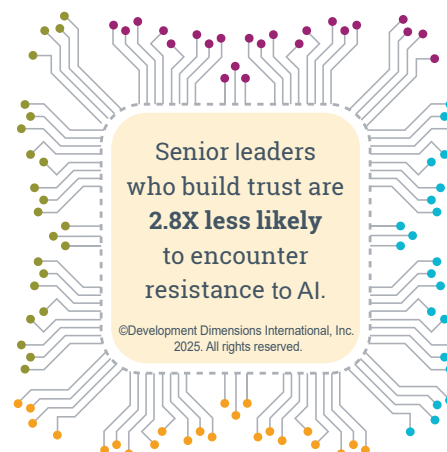### Create Collaborative Implementation Frameworks

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 organizational level.
- Developing personalized 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 organizational 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 united front. This requires developing critical leadership skills that foster consistent, aligned behaviors across the organization, reinforcing organizational competence.

Senior leaders who build trust are **2.8X less likely** to encounter resistance to AI.

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A Leadership Exodus?
The Impact of Stress and Burnout

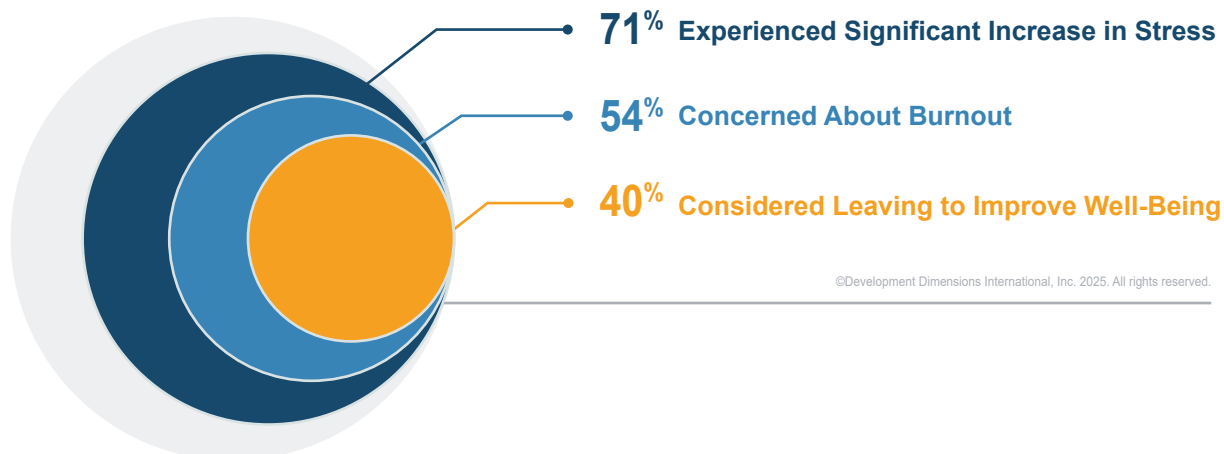## As Leaders Lack Time, Burnout and Attrition Loom Large

Stress among leaders is surging, with 71% reporting a significant increase in their stress levels since stepping into their current role. This marks a sharp escalation from 63% in 2022 and signals a critical inflection point for leadership stability.

The primary catalyst for this escalating stress is a pervasive sense of time scarcity. Globally, only 30% 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. Moreover, when leaders lack the information and tools needed to perform their roles effectively, they are **2X more likely** to be concerned about experiencing burnout. This pattern suggests that time management and access to critical resources are not just operational tools but fundamental buffers against professional exhaustion.

This rising tide of individual stress is fueling a larger organizational crisis. Of the 71% of stressed leaders, 54% are concerned about burnout—a psychological state characterized by emotional exhaustion, detachment, and reduced professional productivity. Even more alarming, **40% have considered abandoning leadership roles entirely** as a result, compared to just 20% of less-stressed leaders.

These findings reveal more than a leadership challenge—they expose a systemic vulnerability. Organizations 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 organizations to address stress management and ensure leaders have the time and support needed to perform effectively.

Stress and Burnout Take a Toll on Leaders

71% Experienced Significant Increase in Stress

54% Concerned About Burnout

40% Considered Leaving to Improve Well-Being

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Pressure into Progress: Leaders Grow Through Stress Management

Leaders are navigating an increasingly complex professional landscape, and their approach to stress management reveals profound insights into their leadership philosophy. Their top-three stress management strategies are:

- **Self-reflection (74%)**
- **Open discussions (71%)**
- **Engaging with learning resources (46%)**

These strategies are more than just ways to manage stress—they are powerful markers of leadership maturity. Together, they reflect core capabilities that define exceptional leaders: a commitment to continuous personal growth, emotional intelligence, and adaptive learning.

Self-reflection is a transformative practice that goes beyond stress reduction. By turning inward, leaders manage more than immediate pressures—they cultivate a nuanced understanding of their strengths, weaknesses, and leadership styles. The prevalence of open discussions reveals leaders' understanding that leadership is fundamentally anchored on effective collaboration and communication. By seeking conversations, leaders demonstrate vulnerability as a strength and commitment to collective problem solving. Similarly, engaging with learning resources reflects a proactive investment in personal and professional development.

Together, these strategies illustrate the essence of modern leadership. Today's most effective leaders don't just manage stress; they harness it as a catalyst for growth and innovation. They are adaptive, emotionally intelligent professionals who recognize that self-improvement and authentic engagement are their greatest leadership tools.

Importantly, this approach to stress management is measurably effective. Leaders who use at least three stress management methods are **1.9X less likely** to experience burnout. Leaders who self-reflect, engage in open discussions, and leverage learning resources are **1.5X less likely** to intend to leave their roles within the next year. This underscores the power of a holistic, proactive approach to leadership well-being—not only in preventing burnout but also in improving retention. The message for organizations is clear: support leaders with personalized, insight-driven development opportunities that align with their intrinsic drive to learn, grow, and lead with purpose.

Leaders with supportive work environments are:

- **10X more likely** to excel in their role.
- **3X less likely** to experience chronic stress.
- **2X more likely** to have energy at the end of the workday.

Key factors include work-life balance, organizational support, trust in their managers, and access to learning resources.

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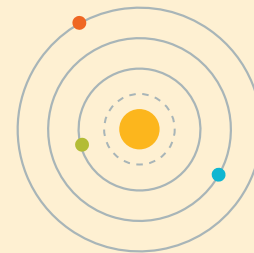
Frontline Leaders' Purpose Fades While C-Suite Thrives

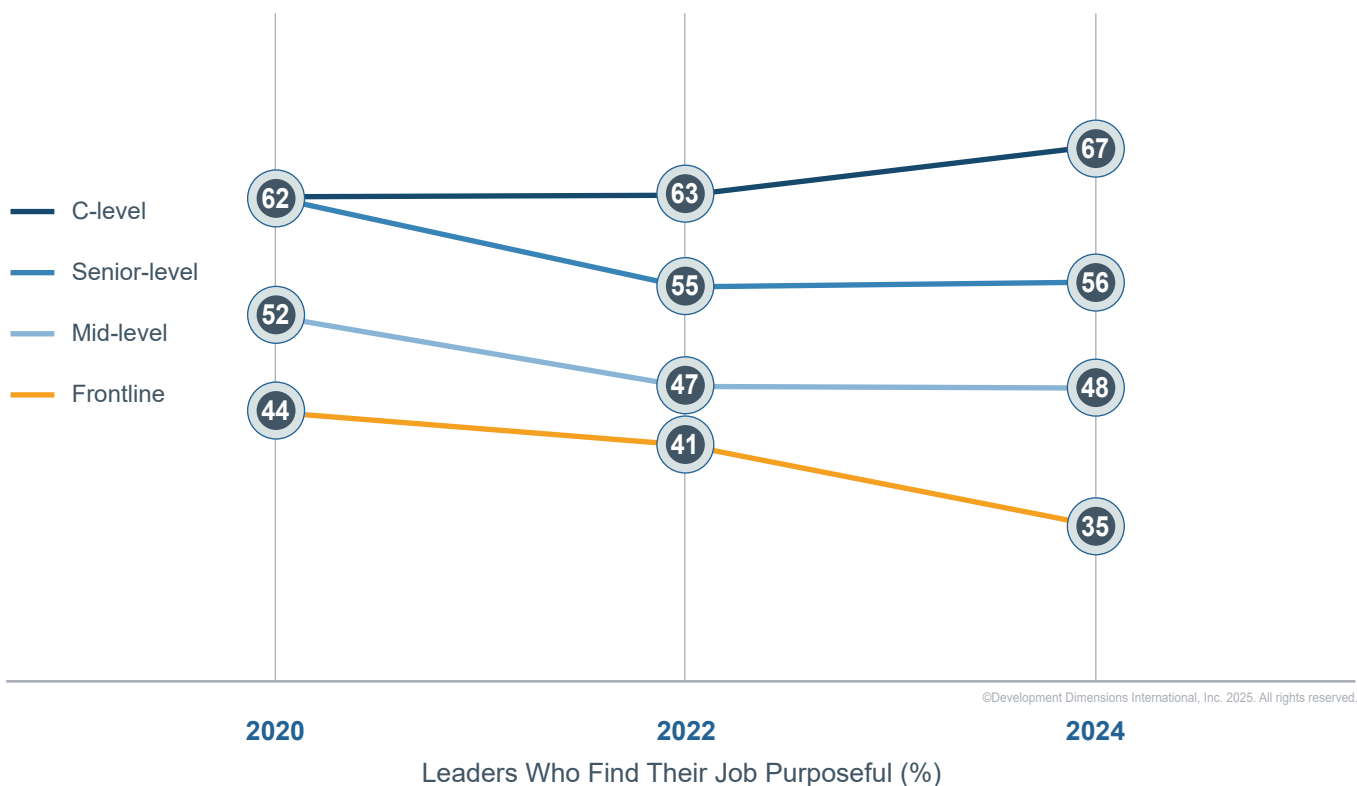## Disconnected and Disillusioned: Why Frontline Leaders Are Falling Behind

Purpose remains a significant driver of leadership engagement and effectiveness. Yet there is a profound divergence in sense of purpose between frontline and C-level leaders. While the C-suite has seen a steady increase in their sense of purpose—rising from 62% in 2020 to 63% in 2022 to 67% in 2024—frontline leaders experienced a 20% decline in their sense of purpose compared to 2020. **This inverse trend threatens organizational health and highlights a widening disconnect: as C-level leaders feel more aligned with their mission, frontline leaders are increasingly disconnected.**

So, what drives this divergence? By their nature, C-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 on 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 **1.5X less likely** than other leaders to trust senior leadership and **1.3X less likely** to believe their company makes a positive difference in the world.

Purpose Gap Widens

Legend:
- C-level
- Senior-level
- Mid-level
- Frontline

C-level: 62 (2020), 63 (2022), 67 (2024)
Senior-level: 62 (2020), 55 (2022), 56 (2024)
Mid-level: 52 (2020), 47 (2022), 48 (2024)
Frontline: 44 (2020), 41 (2022), 35 (2024)

2020   2022   2024

Leaders Who Find Their Job Purposeful (%)

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Unlocking Purpose: Actions to Empower Frontline Leaders

Our findings reveal five key areas where organizations can strengthen purpose for frontline leaders—with the potential to transform how these leaders perceive their role, their organization'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, significantly improving retention. Building trust and providing consistent support are essential to equipping frontline leaders with confidence, especially during change or crisis.

1. **Prioritize well-being.**
   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 prioritize their well-being and communicate these practices openly, setting a powerful precedent that fosters resilience and support across the organization.

2. **Deepen customer connection.**
   Reframe customer relationships from transactional to meaningful. Recognize and acknowledge frontline leaders with insights that demonstrate the direct impact of their work on customers' lives and the organizational 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 organization'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 organizations 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 organization.
> - **17X more likely** to feel energized by their work.
> - **6X more likely** to feel accountable for team success.
> - **3X more likely** to stay with their organizations for the next year.

Flat Leadership Quality Demands Change

Leader Quality Ratings Stall

Leader quality ratings have remained stubbornly low over the past 15 years, fluctuating within a narrow 11-point range from 37% to 48%. One notable exception—a brief spike to 48% during the pandemic—reveals an important insight: leaders are capable of achieving higher quality ratings under specific conditions. These consistently low ratings may not reflect actual leadership performance but rather indicate deeper organizational perceptions.

The pandemic provided a key insight: When faced with extraordinary challenges, leaders adapted and demonstrated an empathetic response to their workforce, improving perceptions of leadership quality. This period was also marked by significant government stimulus, creating a boom time for consumers and equity markets. This raises important questions: to what extent did economic optimism and perceptions of financial stability contribute to increased confidence in leadership? Is the issue of low perception today rooted in individual leader capabilities, or does it reflect a shift in external conditions that have constrained how leaders are viewed?

Low Leadership Quality Ratings Persist

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| 2008 | 2011 | 2014 | 2017 | 2020 | 2022 | 2024 |

Leaders Rating Leader Quality as High (%)

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### Bridging the Leadership Perception Gap

To uncover the dynamics behind leadership perception, our research examined the factors that shape how leaders evaluate the quality of other leaders in their organization. The way leadership quality is rated is strongly correlated with perceived behavior rather than actual actions. Among leaders who believe their organization delivers a best-in-class employee experience, 54% rate their leadership quality as high, compared to just 14% who do not believe their organization provides a top-tier experience.

Our research indicates that while leader actions are essential, they are not the sole driver of improved perceptions of leadership quality. Workplace and leadership culture—along with external factors such as economic conditions and organizational stability—play a significant role in shaping how leadership is experienced and evaluated. Leaders are:

- **19X more likely** to rate leadership quality as high when leaders in their organization demonstrate strong interpersonal skills.

- **15X more likely** to rate leadership quality as high when they have highly rated leadership development experiences.

- **12X more likely** to rate leadership quality as high when organizations prioritize employee well-being.

- **4X more likely** to rate leadership quality as high when their organization supports flexible work.

The data clearly indicates that the path forward lies in reimagining leadership through the lens of human experience. Organizations should invest in developing leaders' interpersonal skills, creating cultures that prioritize employee well-being, and designing flexible policies that demonstrate genuine care and understanding.

> By focusing on the human elements of leadership—**building environments of trust, support, and meaningful engagement**—organizations can begin to bridge the significant gap between current leadership perceptions and the potential for exceptional leadership witnessed during the pandemic's most challenging moments.
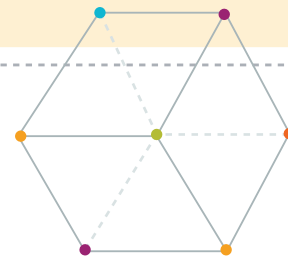
The CEO Paradox: Talent Growth or Cost Control

Critical Connection Between Talent Retention and Economic Resilience

CEOs are grappling with complex interconnected challenges, where each amplifies the next. Our survey of 233 CEOs revealed that the top-four executive concerns are attracting and retaining talent, slowing economic growth, navigating uncertainty, and developing the next generation of leaders. These challenges form a web of issues that no organization can tackle in isolation. **During economic downturns, the paradox becomes even more evident: slowing growth pushes companies to reduce costs and scale back hiring, but having the right talent becomes critical for navigating turbulence and surviving uncertainty.**

More than half of CEOs (54%) rank attracting and retaining top talent as their primary concern for the next five years—a challenge intensified by uncertainty. During turbulent times, top performers may become anxious about their futures and seek stability elsewhere, potentially leaving organizations when they're needed most. This talent drain strains the leadership pipeline, creating a domino effect. Without key talent, companies may be unable to recover or grow. And how can you develop the next generation of leaders when your rising stars are heading out the door?

CEOs know their ability to execute strategy hinges on having the right people in the right roles—a reality echoed in our *Global Leadership Forecast 2023*, where talent-related challenges were overwhelmingly identified as the number one issue. These new findings reaffirm the urgency of talent-focused initiatives.

The interplay between concern over slowing economies and talent creates a complex system of interdependent challenges. By understanding how these challenges are intertwined, CEOs can focus on creating solutions that address the paradox.

Talent and Economic Pressures Dominate CEO Concerns

Challenge	%
Attracting and retaining top talent	54%
Global recession/slowing economic growth	52%
Navigating uncertainty	42%
Developing the next generation of leaders	41%
Driving corporate innovation	34%
Outperforming key competitors	33%
Building a resilient workforce	30%
Successfully leveraging Artificial Intelligence (AI)	29%
Maintaining an engaged workforce	28%
Digital transformation	25%

Top CEO Challenges (%)

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Strengthen Leadership to Retain Top Talent

To navigate the connected challenges of economic uncertainty and talent retention, CEOs must manage their most critical resource—their people—by implementing targeted strategies that transform uncertainty into organizational resilience.

Create Clarity Amidst Uncertainty

When economic uncertainty creates anxiety, providing crystal-clear strategic priorities is essential to retain talent, sustain engagement, and drive productivity. This clarity not only minimizes costly turnover but keeps business performance resilient amid external pressures.

Similarly, when leaders understand what capabilities matter most, they are better equipped to align their efforts with the organization's needs. Explicitly connecting business challenges to leadership requirements helps ensure that leaders and employees work toward the same goals.

Transparency and flexibility are also critical to building trust and stability. Combining clear direction with genuine care fosters psychological safety, strengthens trust, and reduces turnover—even during financial or organizational challenges.

Shift from Generic to Targeted Development

Investing in development is one of the most effective ways to motivate and retain leaders. But organizations must adopt a targeted approach that creates real-time visibility and focuses development on capabilities that drive strategic success. This means assessing leaders' capabilities at scale against business challenges, identifying leadership skill gaps, and deploying personalized development opportunities that address those gaps.

By creating a dynamic, responsive approach to talent development, organizations can align workforce capabilities with evolving market conditions and strategic needs. Real-time visibility into workforce progress enables HR to track development, rapidly identify critical skill gaps, and pivot resources to support ongoing strategic success.

Cultivate Adaptable Leadership Teams

Equipping leaders with key skills like adaptability and facilitating change is crucial for navigating uncertainty and business success. CEOs need leadership teams who can pivot together while balancing their focus on immediate performance and the company's future potential.

Adaptability ensures leaders remain effective during significant changes. Leaders who understand the rationale behind change maintain a positive mindset, and adjust to meet new challenges. These actions not only enhance performance but foster team resilience. When organizations are capable of effectively managing change, their leaders are **6.5X more likely** to be perceived as high quality. Similarly, facilitating change among their teams empowers others to embrace new approaches and creates a culture where change is an opportunity rather than a disruption.

"…[We] need to provide leaders with more practical development and experience opportunities."

—CEO | Global Technology Firm

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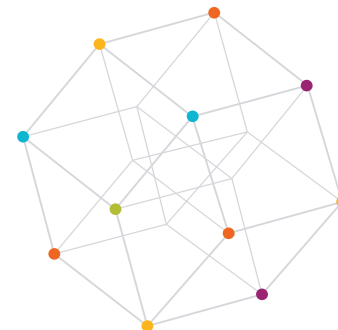
Bench Strength Shows Meager Signs of Recovery

Building Back the Bench: Modest Improvement After a Decade of Decline

In a critical wake-up call exposing weak organizational resilience, leadership bench strength is emerging from a decade-long decline, signaling a potential turning point for talent strategy. After plummeting from 18% in 2011 to a mere 11% in 2020, in 2024, 20% of HR professionals expressed confidence in their bench—a nearly twofold increase since 2020.

The pandemic disrupted organizations, sidelining the development of the talent pipeline as budget cuts and competing priorities stalled leader readiness. Paradoxically, the crisis also created an unprecedented opportunity to discover talent 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 you can always predict who has the capability to lead. This unexpected talent visibility may have been a critical driver of the modest bench strength rebound.

HR professionals are shifting from reactive, crisis-driven approaches to proactive talent development, recognizing that leadership readiness is no longer a luxury but a necessity. **Despite the modest progress, the data reveals a stark reality: 80% of organizations still lack confidence in their leadership pipelines.** However, organizations that develop strong benches unlock remarkable competitive advantages. They are:

- **3.5X more likely** to be awarded as a most admired company.
- **2.9X more likely** to have a high success rate when filling leadership roles internally.
- **2.9X more likely** to be recognized as a top financial performer.
- **2.8X more likely** to outperform industry peers financially.
- **2.1X more likely** to be awarded as a most innovative company.
- **1.4X more likely** to be a best place to work.

With only one in five organizations currently positioned to maximize their leadership potential, the opportunity for transformation has never been more critical. This vulnerability threatens organizational agility, making leadership bench strength not just a human resources challenge but a strategic imperative for sustainable success.

Bench Confidence Rebounds

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2011 — 18
2014 — 15
2017 — 14
2020 — 11
2022 — 12
2024 — 20

HR Professionals Reporting a Strong Bench (%)

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Transforming Bench Strength into a Strategic Capability

To shift from "just enough" to a more robust leadership pipeline, organizations 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 provide 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, organizations 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.
- Identify critical roles for strategic success.

This approach goes beyond static talent assessments, enabling organizations 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 organizational needs.

Targeted Development Interventions

Effective leadership development demands a shift from generic training to personalized experiences that prioritizes meaningful behavior change over mere knowledge transfer. Organizations 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 continuously developed. By providing leaders with meaningful experiences that test and stretch their capabilities, organizations 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 organizational 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 organizations that consistently manage their leadership pipeline can transform it from a perennial weakness into a competitive advantage.

No Development? High Potentials Won't Stay

The Critical Pillars of Leadership Retention

The trajectory of high-potential talent retention reveals a concerning pattern. While the departure intentions of high-potential leaders have remained steady around 10% for four years, high-potential individual contributors show a stark upward trend, from 13% in 2020 to 21% in 2024. This widening gap presents a critical challenge: Organizations are not only struggling to improve retention among current leaders, but they're also facing an accelerating exodus of their future leadership pipeline.
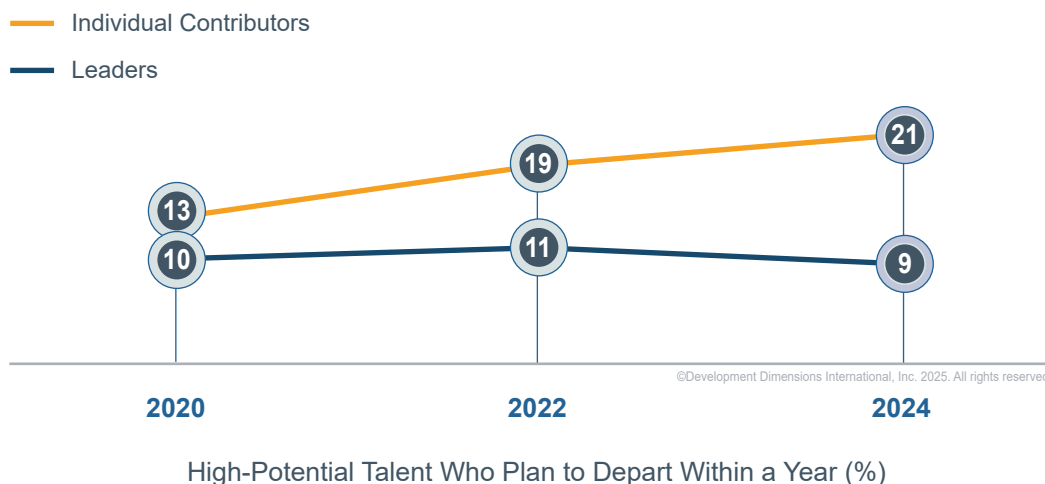
Our research reveals five interconnected factors driving intentions of high-potential leaders and individual contributors to leave. They are:

- **4.8X more likely** to leave in the next year if they don't feel a sense of purpose in their role.
- **3.8X more likely** to leave in the next year if they don't trust senior leaders.
- **3.7X more likely** to leave in the next year if their manager doesn't regularly provide opportunities for growth and development.
- **3.1X more likely** to leave in the next year if they aren't advancing at an acceptable rate.
- **2.7X more likely** to leave in the next year if their manager is not an effective coach.

These pillars of talent retention are interconnected—when several falter, high-potential employees seek brighter opportunities elsewhere. While advancement matters, the data reveals a more complex picture of what high-potential talent needs to stay: meaningful work that matters, trust in senior leadership, continuous skill-building opportunities, clear pathways for growth, and daily development support from their managers.

Organizations must treat development as a strategic imperative, connecting individual growth to organizational purpose while building trust through consistent action. Without this comprehensive approach, companies risk watching their leadership talent pipeline dissolve.

Rising Departure Plans Among Top Talent

Legend:
— Individual Contributors
— Leaders

	2020	2022	2024
Individual Contributors	13	19	21
Leaders	10	11	9

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High-Potential Talent Who Plan to Depart Within a Year (%)

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Strategic Succession: 5 Steps to Protect Your Talent Pipeline

Organizations today face mounting pressures to retain high-potential talent and build robust leadership pipelines. However, succession efforts often falter when organizations overwhelm programs with complexity or overlook critical elements of succession, leading to unforeseen challenges that derail progress.

To counter these risks, organizations should consider these key retention and succession planning strategies:

1. **Engage leaders in succession planning.** Succession is a business-critical issue that demands active leadership involvement. It cannot be relegated to an HR checkbox—it requires genuine commitment from leaders across the organization who understand the strategic value of talent development.

2. **Clarify critical leadership roles.** To achieve effective succession planning, organizations need to clearly articulate the essential leadership positions and precise skills, competencies, and experiences required for success. This creates a transparent roadmap for high-potential employees.

3. **Implement an inclusive talent identification process.** Develop an unbiased approach to recognizing and developing employees with leadership potential. Look beyond traditional metrics to uncover hidden talent, ensuring a diverse and robust leadership pipeline. Senior leader advocacy is essential to this process, particularly in elevating historically underrepresented groups, fostering inclusion, and building a more equitable path to leadership.

4. **Deeply understand high-potential leaders' development needs.** Leverage targeted objective assessments to identify skill strengths and gaps and gauge personal motivations and values. Deep knowledge of high-potential talents' needs enables you to accelerate growth with targeted development.

5. **Build experiences that accelerate leadership growth.** To accelerate high-potential growth and readiness for future needs, organizations need to provide opportunities to develop skills needed for future roles.

> Organizations must prioritize one or two of these critical succession efforts. **With purposeful action, organizations can reduce attrition and cultivate resilient, high-potential cohorts prepared to meet future needs.**

Future-Focused Skills Fall Critically Behind

Confronting the Widening Capability Gap

A striking 83% of HR organizations 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 leaders need and the development organizations are providing. While leaders overwhelmingly recognize the importance of future-oriented capabilities, their actual preparation falls short.

Future-focused skills are among the most critical and underdeveloped:

- **Setting strategy:** 64% of leaders identify it as essential, yet only 37% have received training.
- **Managing change:** 61% see it as critical, but just 36% have been developed in this area.
- **Identifying and developing future talent:** 61% cite it as crucial, yet only 32% have had relevant development.
- **Decision making and prioritization:** 60% deem it critical, but only 39% have received training.

These skills are pivotal for driving innovation and sustaining growth, yet future-focused leadership skills are more challenging because they require leaders to step beyond immediate needs and plan for the long term. This challenge is especially pronounced at lower levels of leadership, where frontline leaders struggle to meet the demands of their role without development in critical skill areas. Without addressing these gaps, organizations risk stagnation and may struggle to adapt or thrive in an evolving business environment.

Development Gaps in Future-Oriented Leadership Skills
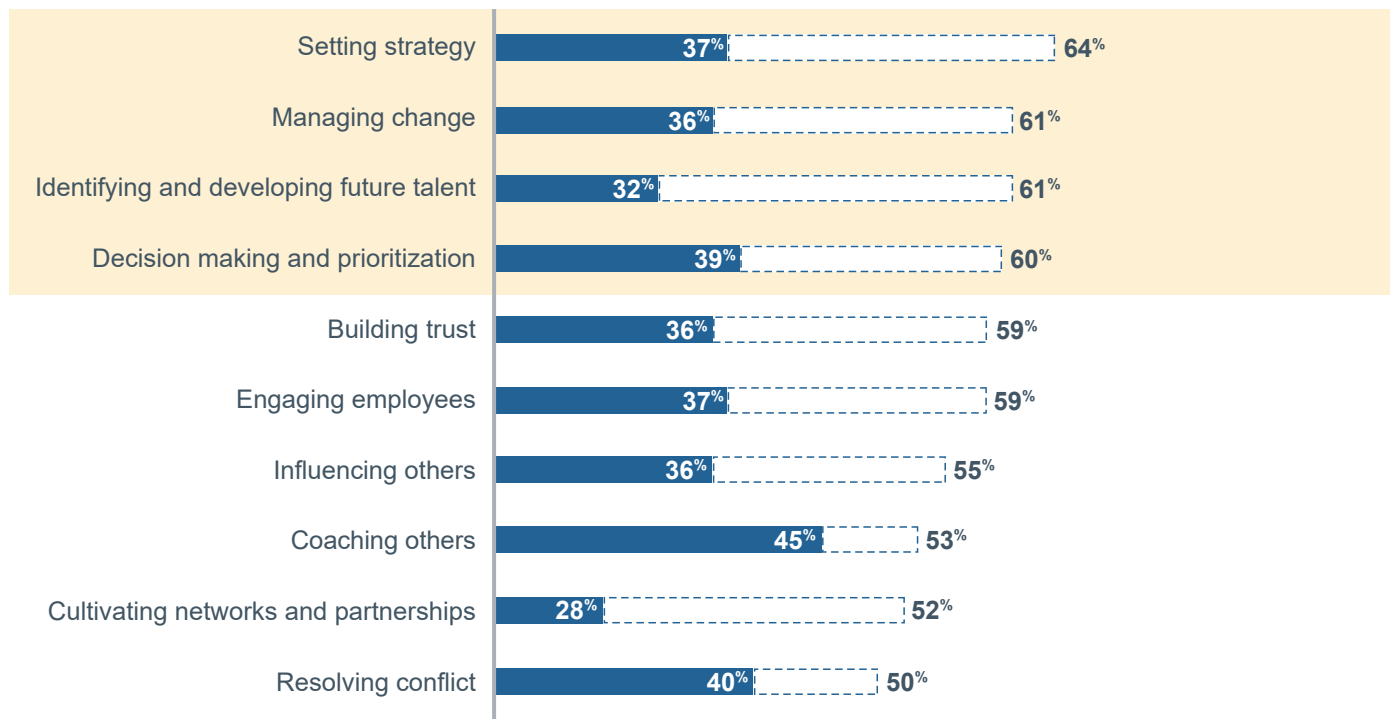
Skill	Leaders Who Received Training (%)	Leaders Identifying Skill as Critical to Develop (%)
Setting strategy	37%	64%
Managing change	36%	61%
Identifying and developing future talent	32%	61%
Decision making and prioritization	39%	60%
Building trust	36%	59%
Engaging employees	37%	59%
Influencing others	36%	55%
Coaching others	45%	53%
Cultivating networks and partnerships	28%	52%
Resolving conflict	40%	50%

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

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The High Impact of Developing Future-Focused Leadership Skills

Despite the critical importance of forward-thinking leadership capabilities, **only 22% of HR organizations currently prioritize the key skills**: setting strategy, managing change, making decisions, and developing future talent. This underinvestment limits leaders' capacity to innovate and prepare their organizations for future challenges.

When organizations train leaders in these essential skills, the impact is transformative. Leaders trained in future-focused skills are:

- **12X more likely** to report a best-in-class employee experience.
- **9X more likely** to feel well-equipped for their role.
- **9X more likely** to have time to maintain diligence in their role.

The benefits extend beyond individual performance. Organizations that invest in training at least two of these critical skills see substantial benefits.

- Leaders are **2.7X more likely** to feel enthusiastic about using AI at work.
- HR teams are **1.9X more likely** to report that their programs improved leadership capabilities.
- Organizations are **1.6X more likely** to receive high-quality leadership ratings.

> **To foster future-ready leadership, organizations 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.
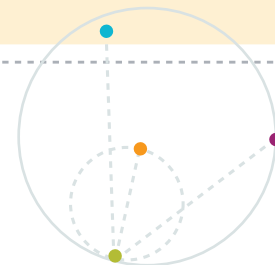
The Development Landscape: Igniting Real Growth

## Reimagining the Leadership Development Ecosystem

Development is bridging the gap between what leaders seek and how organizations approach growth. With 47% of leaders valuing coaching from outside the organization and 46% valuing development assignments, it's clear that leaders want personalized experiences. And while coaching can be helpful for senior leaders with particular contexts, only half of organizations that offer professional coaching for lower-level leaders see results. Professional coaching can be expensive and challenging to scale. In contrast, instructor-led training (offered by 73% of organizations), e-learning (68%), and manager coaching (68%) are more prevalent.

But the notion that organizations must choose between learning approaches is fundamentally flawed. Leadership development is transforming as leaders seek deeply personalized, timely experiences that provide relevant, future-oriented insights for their unique contexts and individual potential. Insights emerge from many sources—a perceptive manager, targeted assessment, engaging facilitator, peer, or even AI coach. **The key is not the approach alone but the ability to deliver personalized, contextually relevant understanding that propels leaders forward.**

Our findings underscore this: Organizations that use five or more development approaches are **4.9X more likely** to report that their programs improve leadership capabilities. These most effective approaches include coaching from a current manager, internal coaching, self-paced learning, assessments, and AI experiences like practice simulations and chatbots.

The most effective strategies show that personalization is not about a single intervention; they create a dynamic, adaptive development ecosystem that is as personalized as coaching yet scalable and aligned with broader organizational objectives.

What Leaders Want, What Organizations Deliver

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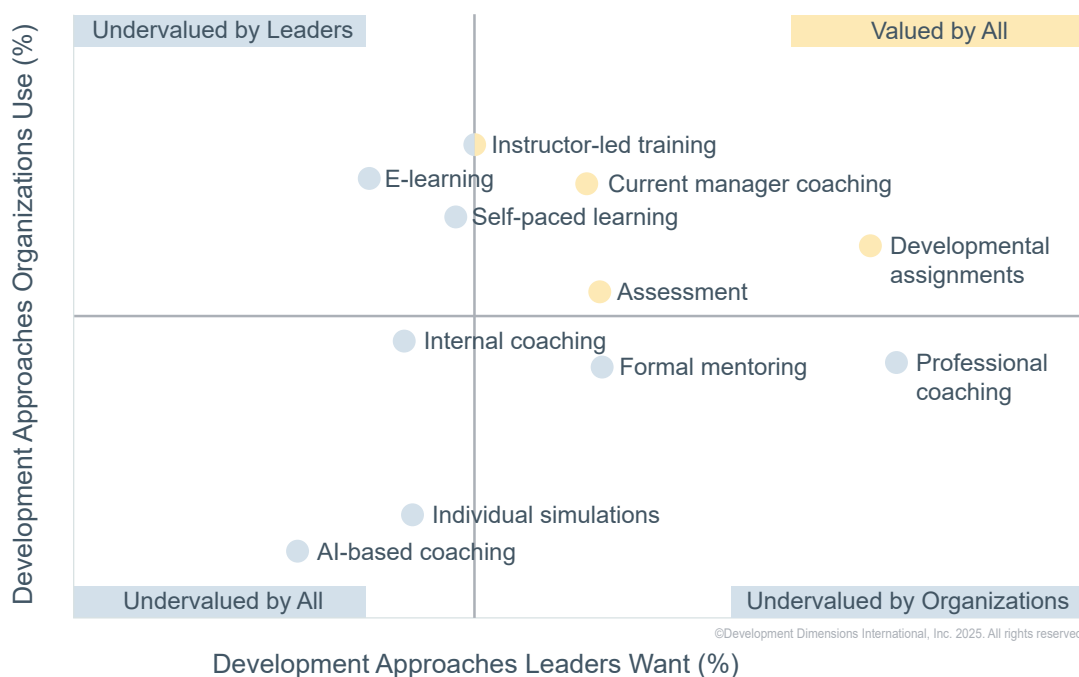
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Strategic Approaches to Personalized, Scalable Leadership Development

The future of leadership development is a nuanced, technology-enabled approach that puts individual context and future-oriented growth at the center of every learning experience. To achieve this, organizations can focus their approach to developing leaders on four critical strategies:

Timely, Accessible Development

Leaders operate in a high-pressure environment with limited time and immediate challenges. Development must meet them where they are, providing just-in-time support and flexible formats that fit into demanding schedules. The key is creating a learning ecosystem that blends different approaches—from digital resources to peer learning—ensuring leaders can access precisely what they need when they need it.

Targeted Assessments for Personalized Growth

Assessment is a powerful tool for understanding and developing leaders. Beyond self-assessments, organizations should leverage objective, data-driven tools to help leaders identify strengths and growth areas, providing specific, actionable feedback that drives personal development. Assessments can also give HR teams a holistic view of leadership capabilities, enabling them to design more targeted, relevant group development initiatives that address both individual and collective needs.

Managers as Effective Coaches

When managers develop strong coaching skills, they become transformative leaders. In fact, when managers are good coaches, leaders are **twice as likely** to want more of it. Manager coaching enables more meaningful, constructive performance conversations and provides leaders with the continuous, contextualized feedback they crave. Investing in managers' coaching capabilities creates a culture of learning and support, building trust throughout the entire organization.

Purposeful Practice Tools

Leadership development often fails by teaching theory without providing safe spaces to apply new skills. Innovative organizations address this gap by creating low-stakes, realistic practice environments, including using AI-based simulations and interactive learning tools. These purposeful practice tools provide scalable, safe learning environments that build leader confidence and dramatically improve skill retention and application.

> By implementing these strategic approaches, organizations can create leadership development experiences that are truly personalized, forward-looking, and aligned with both individual potential and organizational objectives.
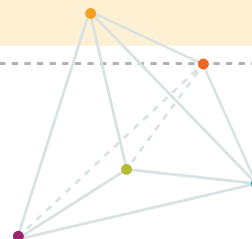
Global Leadership Forecast 2025

About DDI

DDI is a global leadership consulting firm that helps organizations 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 organizations to new heights.

For more information, visit **ddiworld.com**.

Authors

Stephanie Neal, M.A.
Director | Center for Analytics and Behavioral Research

Rosey Rhyne, M.A.
Senior Research Manager | Center for Analytics and Behavioral Research

Matt Paese, Ph.D.
Senior Vice President | Leadership Insights

Bruce Watt, Ph.D.
Senior Vice President | Europe, Australia, & India

Verity Creedy
Vice President | Product Management