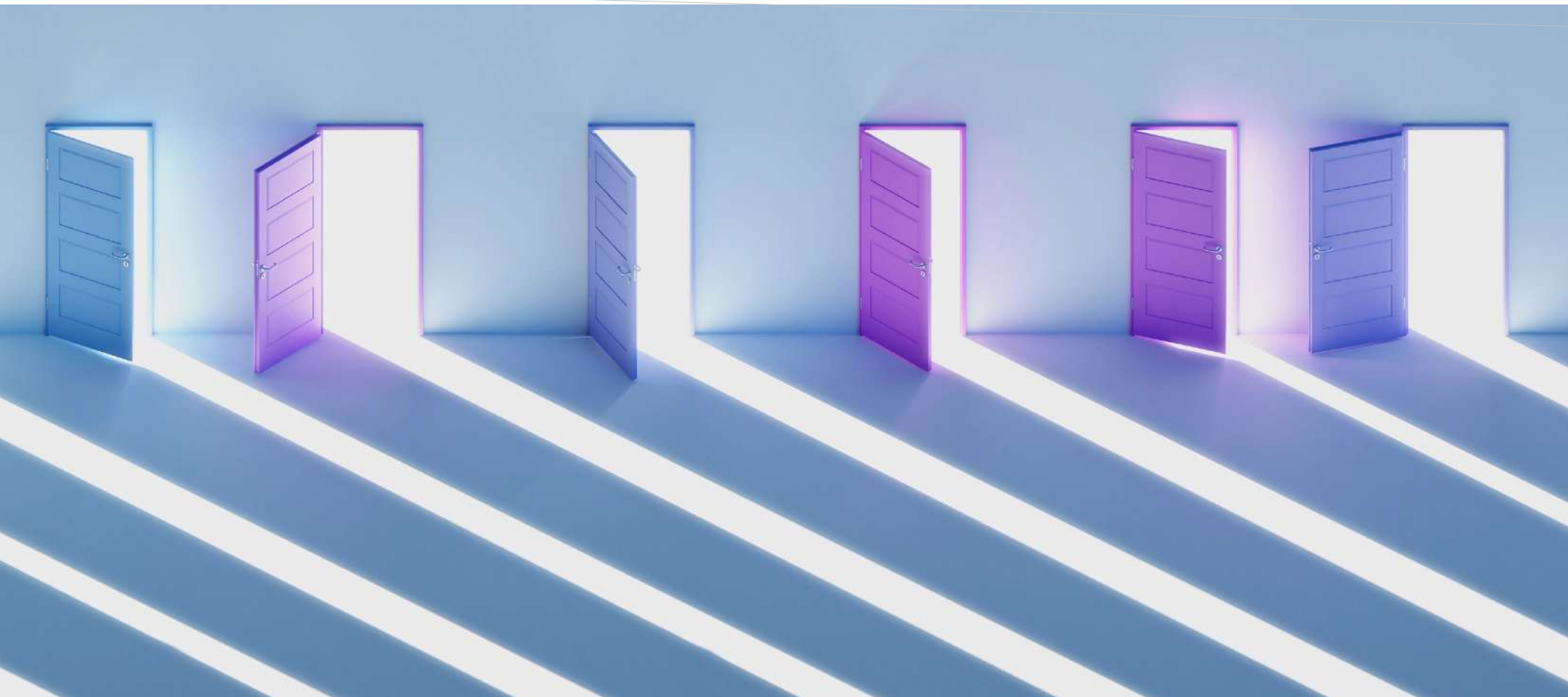


2023 GLOBAL LEADERSHIP DEVELOPMENT STUDY

Ready for Anything



Leadership development has always been about preparing leaders for future challenges—what’s becoming less certain is what exactly those challenges will be. That’s why the ability of leaders at every level to recognize, assess, and react to changing conditions continues to grow in importance for creating competitive organizations.

Through interviews and a survey of nearly 1,300 L&D professionals and functional leaders involved in planning leadership training, the theme that emerged this year is the need to develop leaders who are truly ready for anything.

Just how to do that is the question on everyone’s mind. The same digital transformations needed to improve productivity and lower costs can also weaken connections with employees and put trust at risk. Long-term hybrid work is revealing its own challenges. The rapid, relentless pace of change creates fatigue for teams who feel they don’t have time to recover from one pivot before they are asked to make yet another. And as technology-intensive projects become central to every organization, no matter what its core business is, leaders who lack digital and data know-how are finding themselves in tight spots.

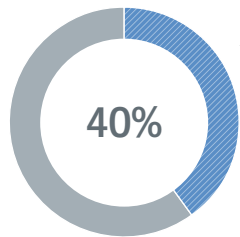
Investment trends indicate that many organizations are looking increasingly to leadership development for solutions. And while it is common to hear from L&D teams that they are trying to help leaders “deal with” or “cope with” what is happening around them, according to the research, organizations are not asking for coping skills. They expect L&D to help leaders thrive in this kind of environment because it is here to stay.

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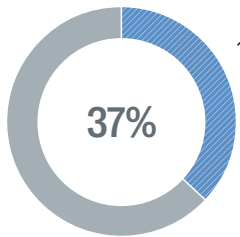
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A New Mission for People in Charge of Developing Leaders

Respondents to our survey report that their current leadership training programs are being designed with the primary goals of:

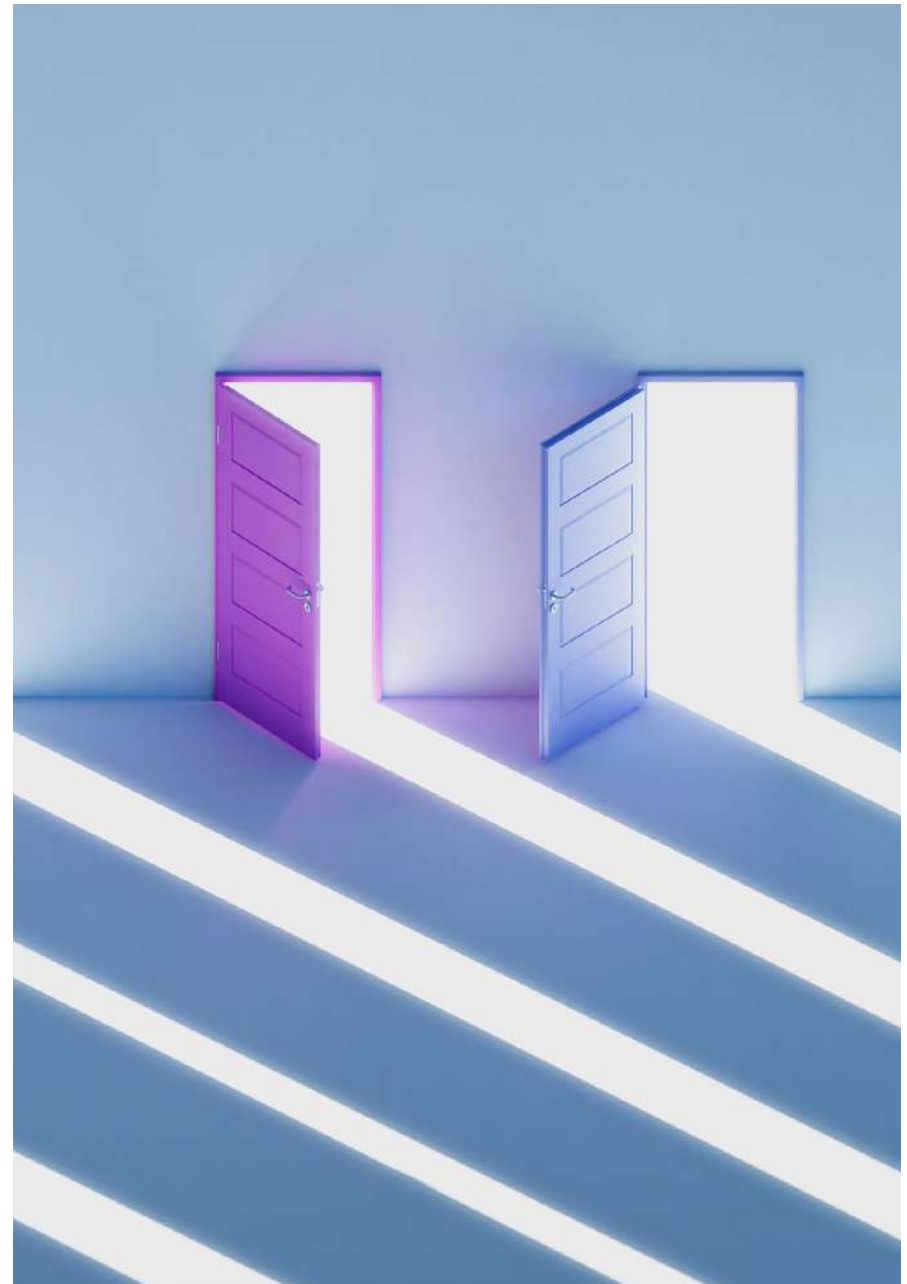


Equipping leaders with the skills needed to address future competitive and strategic challenges



Building an agile organization with employees who are prepared to navigate change successfully

In this report, we explore four key challenges for L&D to meet organizations' expectations for preparing today's leaders to succeed. We then examine four areas of focus, in terms of both approach and content, that L&D leaders are employing to meet those challenges.



Key Challenges for Leadership Development Today



Contending with Continuous Disruption Beyond the C-Suite

Whether it is called VUCA, BANI, TUNA, or something else, it is no longer just the C-suite that needs to be prepared to deal with continuous change and disruption. Leaders throughout an organization are now being expected to effectively **plan for and engage with a chaotic, unpredictable, and ever-changing environment**—and successfully lead their teams through it, energized and ready to face the next challenge.



Building the Tech-Savviness of All Leaders

The race to integrate generative artificial intelligence has underscored **the necessity of building tech-savviness across organizations**. But even before the arrival of ChatGPT, L&D leaders recognized the increasing need for leaders at all levels who can assess and manage tech-related talent, accurately evaluate risks and opportunities, and effectively leverage data and advanced technologies in their own functional areas.



Humanizing Leadership in the Digital Age

While the focus on technology grows, leaders still lead people, and many are uncomfortable with the expectations their teams now have of them when it comes to demonstrating genuine interest and concern for their personal lives and well-being. Further **elevating interpersonal skills to humanize leaders**—helping leaders better connect with and coach team members as people, recognizing and respecting their unique needs—is still a work in progress.



Leading the Hybrid Work Strategy

A well-designed hybrid strategy for the long term requires much more than compliance with a return-to-office (RTO) policy. The way people work was changing before the pandemic and will continue to evolve as organizational structures, teams, and the work itself change. Leaders must become **master orchestrators of hybrid and remote work through consideration of the various dimensions** that impact where, when, how, and by whom work gets done.

KEY CHALLENGES

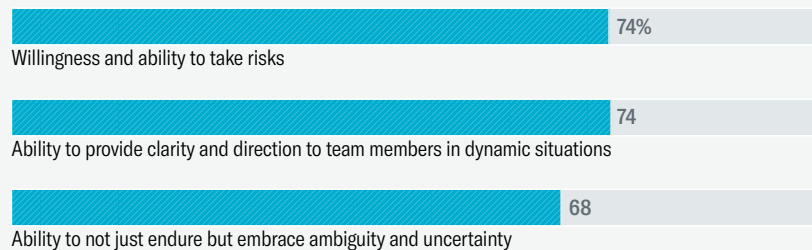
Contending with Continuous Disruption Beyond the C-Suite

Capturing data about customers and market dynamics is no longer difficult for many organizations, but bringing it together in meaningful and useful ways still poses challenges. Leaders at every level of the organization are now expected to add value by interpreting and acting on the insights that come from their data, customers, and teams.

Doing so involves scanning, synthesizing, and sense-making abilities that have traditionally been expected from those in the C-suite but are increasingly being asked of all leaders. In addition, leaders need to be willing to embrace uncertainty and take calculated risks in order to seize opportunities for improvements to efficiency and to better meet customer needs. Additionally, with the faster pace of change, teams increasingly look to their leaders to provide confidence, clarity, and direction in dynamic situations.

Critical Leadership Skills for Contending with Disruption

How important are the following leadership skills to meeting your expected business needs in the next year? [TOP TWO BOXES]



“This concept of teaching our leaders to be able to be prepared for a volatile and uncertain global environment is very important from a competitive standpoint.”

—Operations and supply chain director at a global medical device manufacturer

KEY CHALLENGES

Building the Tech-Savviness of All Leaders

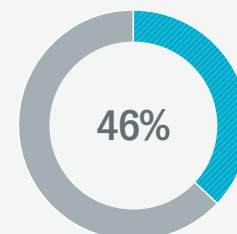
In the next year, two of the top challenges survey respondents identified include the pressure to accelerate digital transformations and the need for better data security and privacy:

- Nearly all global organizations are undergoing some kind of digital transformation, with related global spending expected to reach \$3.4 trillion by 2026.¹
- 1.1 billion jobs could be transformed by technology over the next decade.²
- In 2022, the average cost of a ransomware attack was more than \$4.5 million.³

With technology-dependent projects high on the priority list, the need for tech-savvy leaders is growing. These projects aren't on the periphery of the business anymore, and the evaluation of risks and potential solutions can't be outsourced to the experts in IT.

While many leaders don't know it yet, their digital and data skills are a critical target for development. In a 2022 survey by Harvard Business Publishing Corporate Learning, just 59% of non-senior leaders said that driving digital and data intelligence is a highly important part of their own role.⁴

Over the next year, how will the role of leaders change?



of respondents say there will be a greater need to adapt to the penetration of emerging technologies such as AI, ML, and robotics-based processes and leverage them to the benefit of business.

“Many decisions which were traditionally made by leaders based on research or data analytics are being replaced by much faster automated decision making. The problem is a lot of people don’t know how to use it, and so they waste either a lot of time trying to understand how it works or trying to prove it wrong if it doesn’t agree with their judgment. ... I think upskilling that talent is becoming a huge challenge for the CEO.”

—Partner business development at a global technology company

KEY CHALLENGES

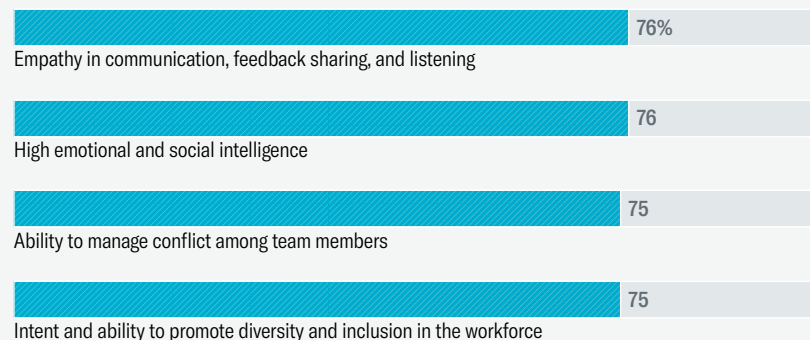
Humanizing Leadership in the Digital Age

The pandemic brought empathetic leadership to the forefront, but that doesn't mean leaders have mastered it yet. Many are still uncomfortable with the new expectations their teams have of them when it comes to demonstrating empathy, genuine interest, and concern for employees' personal lives and wellness. In the 2022 survey by Harvard Business Publishing Corporate Learning, 78% of senior leaders felt strongly that demonstrating empathy is highly important in their own role, but only 47% said their organization's culture emphasizes it, and just 54% of individual contributors said their immediate manager consistently exhibits empathy.

In addition to skills based in empathy and listening, social and emotional intelligence and managing conflict are also critical for effective human-centered leadership. Finally, employees now expect real inclusion, not only when it comes to traditional diversity measures such as race and gender but also as it regards ideas and perspectives. They don't want their differences to be just accepted or tolerated—they want to bring their whole selves to work, and they want their organization to leverage their uniqueness to make the company better. It's a tall order, and it puts increased pressure on leaders to handle conflicts, exchange feedback, and have tough conversations without making people feel devalued or excluded.

Skills for Humanizing Leadership

How important are the following leadership skills to meeting your expected business needs in the next year? [TOP TWO BOXES]



“Employees now expect their manager to care about them personally. ... They will share that they are emotionally struggling, which rarely happened before. One of the changes is being able to more holistically engage an employee appropriately ... but many leaders still don’t know how to do it.”

—Chief people officer at a global technology company

KEY CHALLENGES

Leading the Hybrid Work Strategy

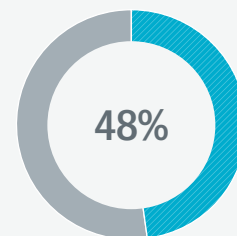
Implementation of a well-designed hybrid strategy for the long term is much different than compliance with an RTO policy. The way people work was changing before the pandemic and will continue to evolve as organizational structures, teams, and the work itself change.

Teams today may include any combination of on-site, remote, and hybrid employees, who may be full-time, part-time, contract, freelance, or gig workers, all living in different cultures and time zones. Contingent workers are predicted to become an even bigger part of the global workforce in the next several years. Making teams like these work in a hybrid model isn't a short-term project but a complex, ongoing puzzle for leaders, who must take into account:

- Jobs and tasks (with the level of energy, focus, coordination, or cooperation involved in each)
- Employee preferences
- Projects and workflows
- Inclusion and fairness⁵

Over time, increased remote and hybrid work, along with more nontraditional work contracts, may also complicate leaders' efforts to identify and develop high-potential employees to fill the leadership pipeline.

Over the next year, how will the role of leaders change?



of respondents say there will be a greater need for the ability to ensure productivity and business growth amid growing adoption of gig, hybrid, and dynamic work models.

“Team effectiveness is still a big goal: how to make sure that you have all the right mechanisms and the culture in place for employees’ well-being and then working together effectively, collaborating, and getting the best out of everyone and the best out of their time.”

—Head of learning and development at a global technology company

“Keeping quality staff and making sure that we have our pipeline of people coming through behind them—given the remote work culture that we now work in—is more of a challenge than it used to be.”

—Business development head at a pharmaceutical product distribution company

Emerging Approaches to Addressing Key Challenges



Learning in the Flow of Life

Leadership is demanding work within a constantly changing environment, and professional development can't be an afterthought.

But it is no longer about supporting work/life balance; the new goal is to **integrate work—and learning—into the flow of life.**



Leading Learning from the Top

Top leaders are getting more deeply involved in training, **contributing insights to needs assessments, helping evaluate options,** and even **delivering key components** with an eye to fine-tuning customization, aligning with culture, and demonstrating the organization's serious commitment to learning.



Developing Adaptable Authenticity

Employees want genuine leaders who walk their talk and take real ownership of everything they say.

But authenticity does not equate to an unchanging approach to leadership. Authentic leaders should still **change, grow, and incorporate new experiences** into their style.



Minding the New Social Capital and Culture Gaps

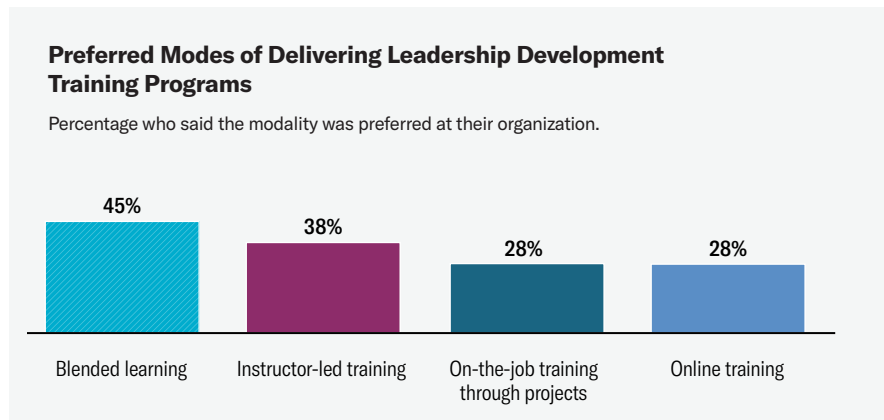
Remote and hybrid work make it harder to maintain the vital social networks and cultural ties that bind organizations together. This makes it even more critical to intentionally **leverage leadership training to build social capital and organizational culture** along with enhancing targeted competencies.

EMERGING APPROACHES

Learning in the Flow of Life

In the next iteration of “learning in the flow of work,” the new goal is to support learning in the flow of leaders’ lives. Now that employees can work from anywhere, they also expect to be able to learn from anywhere. People have discovered where and when they are most productive. Recognizing the realities of flexible work schedules means making it easier for leaders to accomplish work for the organization—including professional development—where and when they have the opportunity.

While on-the-job learning through projects was cited as the most used or preferred form of leadership training, the blended learning modality was most often rated “extremely effective” by survey respondents.



“We need to deliver a way that people can create the time to take in the learning experience and make it relevant for them. I want someone who’s waiting in a car to pick up their youngster from practice to be able to go on their phone and digest 10 minutes of learning.”

—Chief people officer at a global technology company

EMERGING APPROACHES

Leading Learning from the Top

Respondents confirmed their belief that effective training programs depends on several factors, including:

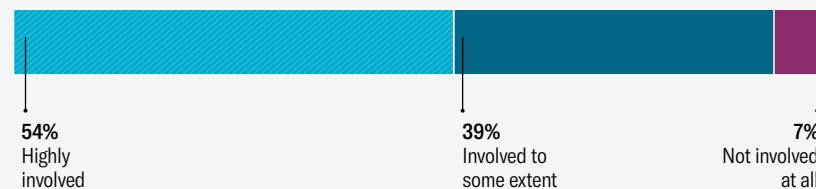
- Compatibility with the existing knowledge and skill sets of the learners
- A strong leadership development strategy
- Sufficient resources (time and budget)
- A culture of learning and talent development within the organization

All of these depend on support from the top. And while many programs are outsourced in order to access high-quality content and tools to measure effectiveness and to speed up implementation, top leaders are getting even more involved in training needs assessments, evaluation of options, and even delivery with an eye to fine-tuning the customization to achieve business objectives and to demonstrate the organization's serious commitment to learning.

Even boards of directors, understanding the impact of upskilling and reskilling on business outcomes, are paying closer attention to talent development.

CEO Involvement in Leadership Development

What is the level of involvement of the CEO in identifying needs for leadership development training programs?



“We’re selecting key leaders to come to our sessions and be those keynote speakers, depending on the content and how it relates to their strengths.”

—Operations and supply chain director at a global medical devices manufacturer

EMERGING APPROACHES

Developing Adaptable Authenticity

A common thread among the top goals identified by survey respondents for their leadership development training is that they all require leaders who can build and maintain trust with employees, customers, and other stakeholders. Leaders today need to be willing to take ownership of everything they tell their teams and to do so in an authentic way. The 2022 survey by Harvard Business Publishing Corporate Learning suggests that despite focus on authentic leadership in recent years, there is more to be done. It showed that while nearly six in 10 senior leaders said their culture emphasizes authentic leadership, fewer than half of those at lower levels in the organization agreed.

Authenticity does not equate to a static and inflexible style of leadership. It must leave room for leaders to change, grow, and incorporate new experiences. As popular as the idea had become in the past decade, there is still a great deal to be done to support leaders in developing their own authentic—yet continuously adaptable—style of leadership, one that “feels right” and also serves the leader as they adapt to the changing needs of their roles and organizations.⁶

**“People want to know—are they genuinely doing this for us?
Or just for the company’s sake?”**

—Partner business development at a global technology company

Key Outcomes of Authentic Leadership

How important are the following leadership skills to meeting your expected business needs in the next year? [TOP TWO BOXES]



“[L]earning, by definition, starts with unnatural and often superficial behaviors that can make us feel calculating instead of genuine and spontaneous. But the only way to avoid being pigeonholed and ultimately become better leaders is to do the things that a rigidly authentic sense of self would keep us from doing.”

—Ibarra, Herminia, “The Authenticity Paradox,” *Harvard Business Review*

EMERGING APPROACHES

Minding the New Social Capital and Culture Gaps

We know that social learning is effective; a recent survey underlined that fact, with 71% of employees agreeing that to learn something new or change their thinking, they need to discuss it with someone first.⁷

While they don't often make the top of the list as reasons organizations initiate leadership training programs, the unspoken secondary objectives—such as creating a community, embedding our values, creating networks across the business, and developing a consistent shared language are increasingly important outcomes for successful leadership development strategies. In fact, 28% of respondents say that enhancing the culture of the company is actually among the top three needs they have for leadership development.

Remote and hybrid work make achieving these secondary objectives even more crucial for organizations concerned about maintaining the corporate culture, building the social capital that drives creativity and innovation, and preventing silos.

Those goals require consistent, ongoing efforts, and more than six in 10 of those surveyed say their organizations now approach leadership development as a truly ongoing endeavor, conducting programs at least once per quarter:

“These leadership development programs, whether multiyear or just individual sessions, broaden people’s understanding of the business and create a community. That community is a very powerful thing because our employees often feel like they’re on an island. Through this community, they realize that there are others dealing with the same challenges and that they have somebody in their peer group that they can go to.”

—Operations and supply chain director at a global medical devices manufacturer

The Bottom Line

As organizations grapple with forecasted challenges, they are looking to their leadership development professionals for solutions to raise the collective leadership strength.

Helping today's leaders become ready for anything means revisiting leadership development strategies and providing effective support for leaders to transform themselves and the way they work with their teams and other leaders.

Harvard Business Publishing Corporate Learning is ready to assist. In an ever-evolving world marked by profound complexity and upheaval, we create learning experiences that build leaders who can continuously drive change, inspire and align teams, and make the most of new opportunities. Contact us today to learn more.

KEY CHALLENGES



Contending with Continuous Disruption Beyond the C-suite



Building the Tech-Savviness of All Leaders



Humanizing Leadership in the Digital Age



Leading the Hybrid Work Strategy

EMERGING APPROACHES



Learning in the Flow of Life



Leading Learning from the Top



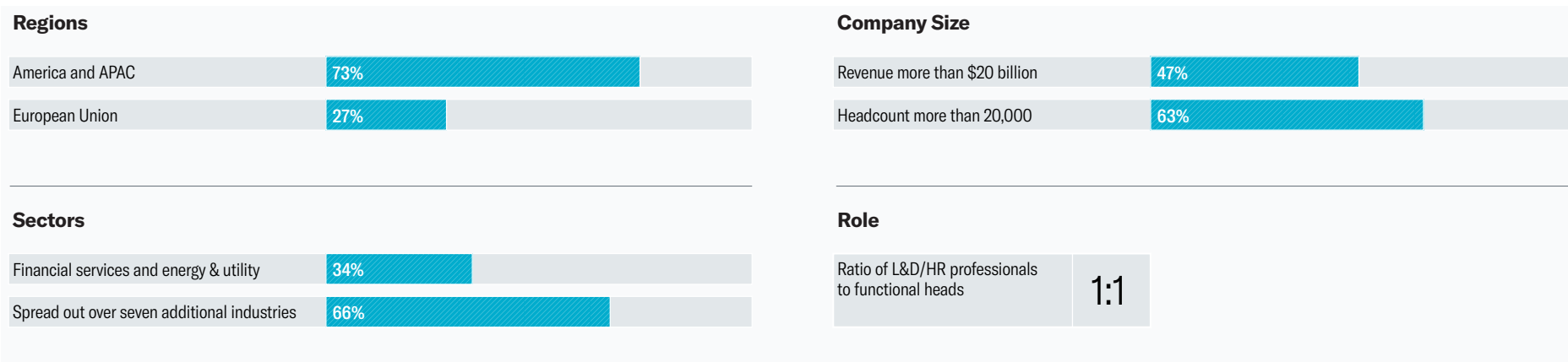
Developing Adaptable Authenticity



Minding the New Social Capital and Culture Gaps

Study Methodology: 2023 Global Leadership Development Study

Based on 1,274 surveys and interviews with senior L&D leaders



Endnotes

- ¹ IDC, "IDC Spending Guide Sees Worldwide Digital Transformation Investments Reaching \$3.4 Trillion in 2026," October 26, 2022. <https://www.idc.com/getdoc.jsp?containerId=prUS49797222>.
- ² World Economic Forum, "Preparing 1 Billion People for Tomorrow's Economy," January 17, 2023. <https://www.weforum.org/events/world-economic-forum-annual-meeting-2023/sessions/preparing-1-billion-people-for-tomorrow-s-economy>.
- ³ IBM, "Cost of a Data Breach" 2022. <https://www.ibm.com/reports/data-breach>.
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- ⁵ Gratton, Lynda, "How to Do Hybrid Right," HBR.org, June 2021. <https://hbr.org/2021/05/how-to-do-hybrid-right>.
- ⁶ Ibarra, Herminia, "The Authenticity Paradox," HBR.org, February 2015. <https://hbr.org/2015/01/the-authenticity-paradox>.
- ⁷ enboarder, "How Much Is Human Connection Really Worth?" 2022. <https://enboarder.com/blog/how-much-is-human-connection-really-worth>.

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