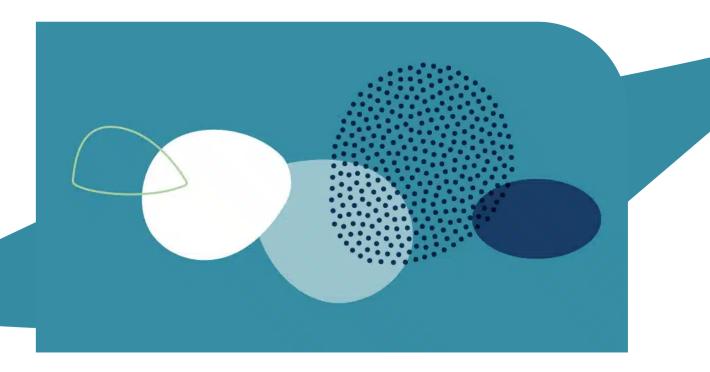


The Top 20 Leadership Challenges

Data from over 48,000 leaders helped us identify the most common challenges of leadership around the world. Use our research to create learning & development programs that directly address the top issues your leaders face.

Published August 5, 2024



Leadership Issues Are Shared

Anyone guiding a group toward a shared result will encounter challenges along the way — but what's *most* challenging about leading organizations today? What are the top challenges of leadership, and have they shifted since the pandemic?

Our research team has been exploring such questions for decades now to stay abreast of the challenges and issues most commonly faced by leaders at every level. (See our <u>2023 research brief</u>, <u>2021 technical report</u>, and <u>2013 white paper</u> for more information.)

Our Research Into the Challenges of Leadership



Based on the collective challenges reported in over 7,000 organizations around the world, and using anonymized data on individuals collected through our global 360 assessments, our research team has examined what over 48,000 leaders have identified as their most critical leadership challenges over the past several years.

Using an AI-powered language processing model to review and analyze their responses, we identified the most consistent challenges of leadership across many industries and sectors around the world. We further analyzed the data to determine how these challenges evolved in the wake of the pandemic.

Here we present what our research has found are today's biggest challenges of leadership — the top 5 challenges faced by leaders at each of level of the organization — ranked by their relevance post-pandemic. And because development is more effective when it uses data to support the challenges of leaders at different levels, this list of leadership issues can be the focus for training & development efforts in all organizations, everywhere in the world.

The Most Common Challenges of Leadership at **Every Level**

The Top Leadership Challenges of Frontline Managers



Regardless of where they live or work, those managing others in supervisory roles reported that their most common leadership challenge is frustrations with people and time — and this issue has only increased in frequency since the pandemic. Here are the top 5 most common challenges for frontline leaders, based on our research:

- 1. Frustrations with people and time
- 2. First time managing people
- 3. Deficient operational processes
- 4. Team performance
- 5. Personal improvement

1. Frustrations With People and Time



Many frontline managers reported that their top leadership issue is feeling overwhelmed with inefficiencies and frustrated with others. This includes challenges with offering guidance to direct reports, overcoming resistance to change, dealing with difficult employees, and adjusting communication and feedback styles to collaborate more effectively with different people. And again, this appears to have become an even bigger concern for leaders at this level since the pandemic.

2. First Time Managing People

Another <u>common leadership challenge among new managers</u> is learning to juggle day-to-day challenges — such as managing others who were formerly peers, or employees who are older than they are — and just generally gaining respect as a new, first-time people leader.

3. Deficient Operational Processes

Needing stronger operational processes to address organizational problems was another frequently cited leadership challenge for this group.

4. Team Performance

First-level leaders also reported challenges with developing teams, giving effective feedback, providing direction, holding coaching conversations, and dealing with resistance from direct reports.

5. Personal Improvement

Learning to be better at <u>active listening</u> to understand the perspectives of others, improving flexibility, and being less reactive in pursuit of an "ideal self" are other commonly reported challenges for leaders on the front lines, our research found.

The Top 5 Leadership Challenges of Mid-Level Managers



Managers who are leading from the middle — with senior leaders above them and direct reports below — face many similar challenges of leadership as well. Our research found that the most common issues for mid-level managers were:

- 1. Personal limitations
- 2. Challenging business context



- 3. Ineffective interpersonal style
- 4. Cross-functional influence
- 5. Competing people and project priorities

1. Personal Limitations

A top challenge for leaders at this level is their own personal limitations and feelings of inadequacy, as they often must overcome their own doubts about their abilities and readiness to lead — as well as the doubts of their peers or supervisors. Dealing with the challenge of personal limitations requires overcoming impostor syndrome, humility to seek the input of others, courage to do the right thing, and projecting confidence while communicating effectively.

Since the pandemic, mid-level managers have reported this as an issue even more frequently. With new cultures brought on by remote and hybrid workplaces, overcoming common limitations in order to make an impact as a leader has become even more challenging.

2. Business Challenges

In a tumultuous work environment, managers (particularly mid-level leaders) may struggle to deliver results. Leading within a challenging business context requires the careful deployment of limited resources, improved processes, and keeping employees engaged and motivated.

3. Ineffectiveness

When a mid-level leader has an ineffective interpersonal style, they struggle with relationships. This can play out on a spectrum, from dominating interactions to lacking the self-confidence to be assertive. On the other hand, effective interpersonal styles and embodying the characteristics of a good leader allow for open and honest conversations.

4. Influence

Successful leadership requires the ability to influence others beyond one's group — often without formal authority. For those leading from the middle, the challenge of influencing others across functions includes building credibility, developing cross-organizational networks, and building and bridging partnerships.

5. Competing Priorities

Mid-level leaders report that they often find it difficult to balance competing people and project priorities, especially when they're sandwiched between project-based deadlines and their employees' engagement. It's an important <u>paradox that leaders must manage both relationships</u> and tasks effectively. When resources are limited, motivating team members who vary in personality, abilities, and experience can feel at odds with effective project management.

The Top 5 Leadership Challenges for Senior Leaders





Overall, our research found that the challenges of leadership for those at a senior level include:

- 1. Credibility gaps
- 2. Limited market / sales growth
- 3. Process improvement across groups
- 4. Limited self-awareness
- 5. Transitioning into a new role

We noticed that the pandemic shifted the top leadership challenges for this group somewhat. Before COVID, limited self-awareness was cited as the most frequent leadership issue among senior leaders who head up functions, business units, departments, divisions, and regions, but the frequency of this challenge dropped significantly more recently. The challenge of overcoming credibility gaps, on the other hand, has become more pressing after the pandemic.

1. Credibility Gaps

This includes the challenge of building credibility as an organizational leader. Examples include gaining the trust of stakeholders and enhancing visibility within an organization. Senior leaders may also need to strengthen their <u>leadership image or presence</u> to be most effective.

2. Limited Market / Sales Growth

Making strategic shifts to maximize market growth and sales is another top challenge of senior leaders. This may include expanding the organization beyond core products, extending market reach, shifting to a market / customer orientation, and better aligning of sales.

3. Process Improvement Across Groups

Another key challenge for senior leaders is influencing the organization to improve and accept new processes, which requires being a strategic leader, effective boundary spanning leadership, and developing a broader perspective by taking a systemic view.

4. Limited Self-Awareness

Understanding how others perceive them and recognizing their impact on others — along with improving their confidence, approachability, and communication style (particularly when delivering



difficult messages) — can be especially challenging for leaders at the senior level.

5. Transitioning Into a New Role

Adapting to changes in responsibilities and managing new people or former peers is a final key leadership issue at this level. This challenge may be brought on by a promotion, a new role, a functional shift, or a geographic move, or simply through preparing for the C-suite.

The Top 5 Leadership Challenges for Executives



Finally, senior executives leading the enterprise told us that their top 5 leadership challenges are:

- 1. Dynamic business environment
- 2. Strategic responsibilities
- 3. Interpersonal rigidity
- 4. Organizational readiness
- 5. Lack of cooperation

1. Dynamic Business Environment

For C-level leaders, the challenge of working in a dynamic business environment topped their list of leadership issues. This challenge can be brought about by new regulations, market and economic conditions, competition, or growth. To be effective, leaders must be able to develop and keep the talent needed to support change and revise their organization's models and systems as required.

Notably, this challenge experienced the biggest rise in the wake of the pandemic. Even before the pandemic, senior executives were already used to leading their organizations in adapting to everchanging circumstances, but COVID and its fallout accelerated that need even more.

2. Strategic Responsibilities

Developing strategy for an organization is another top leadership challenge for senior executives. This includes aligning priorities and initiatives across groups and developing teams to support strategic efforts. It's helpful when senior leaders are able to <u>link business strategy to leadership</u> strategy.



3. Interpersonal Rigidity

For many senior leaders, shifting the way they interact with others to be more effective and the ability to adapt their style for varying situations or stakeholders is an important challenge. Leaders in C-suite need to have different techniques for flexing their approach, including in how they <u>communicate the vision</u>, manage or influence others, or <u>leverage power</u> over others to get things done.

4. Organizational Readiness Amid Uncertainty

Preparing their organizations for a turbulent future is an ongoing issue for senior executives. This challenge of leadership is experienced most often when there are organizational mission shifts, significant resource constraints, technology changes, or when new ways of working are needed.

5. Lack of Cooperation

Lastly, influencing others toward collaboration is a key leadership challenge for senior executives. This is especially common when they're new to a role, managing former peers or more experienced colleagues, or collaborating with others on the senior team.

How to Respond to These Top Leadership **Challenges**

Tips to Help Leaders Address the Most Common Leadership **Issues**

Now that you know the most common challenges of leadership, how do you begin addressing them? One way is by looking at the larger themes that emerged from our research. Across all levels of the organization, we found that the challenges of leadership generally fall into 3 high-level themes, related to:

- Challenges of personal growth,
- Challenges related to managing people and getting work done, and
- Challenges in managing across the organization and within a larger system.

Here are some recommended ways to respond to these 3 common themes in our overall leadership challenges research. Many of these suggestions are part of developing the core leadership skills needed in every role, at every stage of a career.

1. To respond to leadership challenges related to your personal growth, work to maximize personal value.

Personal shortcomings and the aspiration to become a better leader define our first theme. Challenges here include learning to be more assertive during interactions, developing confidence, and understanding how others perceive you.



Individuals overcome leadership issues and create value for their organizations by focusing on the unique contributions that only they can make. Understanding what those unique values are, and delegating everything else (or as close to everything else as possible), allows leaders to maximize their value.

It's important to recognize your own characteristics, behaviors, and habits in order to know what may be triggering challenges for you in your career. This way, you can work toward increasing your self-awareness and strengthening specific skills and growing as an individual leader.

Some internal challenges that many leaders face include a lack of confidence, a fear of failure, maintaining authenticity during self-promotion, impatience, resistance in responding to new ideas, or struggling to manage conflict in the workplace. All of these can be potential roadblocks to leadership success.

Understanding your own strengths and weaknesses and maximizing your unique value are part of improving your personal leadership brand.

2. To respond to leadership challenges around managing people and getting work done, focus on delegating more to others.

Our second leadership challenge theme involves the demands of managing both people and tasks. Specific challenges include managing for the first time, building cooperation between people, and overseeing multiple projects that compete for importance and resources.

You'll be more productive, give your colleagues a greater sense of ownership, and build more trust on your team if you delegate, as well. But effective delegation requires more than just getting a task off your desk — it involves a repeating cycle of 4 key steps:

- 1. *Understanding your preferences*. Effective delegators prioritize their workload and decide which tasks to keep and which to give to someone else. They also understand how much feedback they want while the person they've delegated to works on the task.
- 2. **Knowing your people**. To delegate effectively, you must assign tasks to others with the necessary knowledge and skills. That means that you have to understand people's preferences and abilities, using delegation to help direct reports develop, and <u>coach people</u> while allowing them to learn as they take on new tasks.
- 3. **Being clear about the purpose of the task**. A task's purpose gives it meaning. By aligning this purpose with team or individual beliefs and goals, delegation can become part of purpose-<u>driven leadership</u> and an opportunity for personal growth.
- 4. **Assessing and rewarding**. You should engage in collaboration and work with your direct reports to develop ways to help them, and you, decide if a task has been completed properly, and to reward them appropriately.
- 3. To respond to leadership challenges related to managing across the organization, work to increase boundary spanning and build high-performing teams.



Working within the larger system of an organization is our third high-level leadership challenge. Examples include working in a dynamic business environment, needing stronger operational processes, and creating cross-functional influence.

As a leader, you must be able to create and lead teams effectively. To build high-performing teams, use our team effectiveness framework, which has 4 components:

- Core: Communicate a team's reason for being so that all team members understand their core purpose and value. (<u>A team charter</u> can help with this.)
- **Collective Mindset**: Be sure everybody on the team knows what it takes to be a good team member. Teams adopt a collective mindset when they understand all members' roles and responsibilities, as well as team norms for how team members work together.
- Cohesive Relationships: Ensure team members relate interpersonally by fostering a <u>psychologically safe work environment</u> where everybody feels a sense of belonging, is treated with respect, and communicates effectively.
- **Connection**: Teams can have a broader organizational impact when <u>collaborating across</u> boundaries. In other words, when colleagues who have different backgrounds and experiences connect, innovation and collaboration are enhanced.

A Final Word for HR Leaders on Our Leadership **Challenges Research**

Focus Development Efforts to Address the Top Challenges of Leaders

Developmental initiatives are more effective when they align with the real challenges that leaders are facing. For those who work in HR or Learning & Development, understanding these common leadership issues can be the catalyst for creating initiatives that truly address real-world needs, growing needed leadership capabilities for your organization's talent pipeline.

BASED ON RESEARCH BY



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Ramya's expertise is in analyzing data by using advanced algorithms to extract valuable information, and she has extensive experience in the fields of data science and machine learning. At CCL, her work involves data collection, building AI-based models, and data visualization to drive key insights. Her thought leadership combines cutting-edge data science, data ethics, and machine learning techniques to analyze information equitably and effectively.



Stephen Young, PhD Former Manager, Global Leadership Analytics

Steve led our experimentation with new analytic approaches and methodologies, including <u>CCL Fusion</u>, a predictive analytics tool that links people data with business data to inform leadership development investment. He also led research and product development in the areas of user-driven feedback tools, virtual coaching tools, and big data and analytics.



Jean Leslie, MA Senior Fellow & Director of Strategic Initiatives

Jean develops, oversees, and helps implement programs, projects, and processes that support the vision and the short- and long-term plans of the global <u>Leadership Research and Analytics</u> group. She's published more than 100 pieces on leadership, assessment, and feedback — in the form of peerreviewed articles, popular-press articles, book chapters, and books — and has presented over 70 papers at professional conferences such as the Academy of Management and the Society for Industrial and Organizational Psychologists.



Cindy McCauley, PhD Honorary Senior Fellow

With over 30 years of experience at CCL, Cindy has contributed to many aspects of CCL's work: research, publication, product development, program evaluation, coaching, and management. She designs and manages R&D projects, coaches action learning teams, writes for multiple audiences, and is a frequent speaker at professional conferences.



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With over 30 years of experience in the field of leadership development and over 80 publications, Marian is widely regarded as a thought leader in the field. Her particular areas of expertise include the career development of women, work-life integration, the intersection of voice and leadership recognition, and the role of well-being in leadership development. She has worked with a diverse array of colleagues and clients from around the globe conducting both original research and bringing into CCL the best of what the larger field of leadership scholarship has to offer.





Iennifer Deal, PhD Former Senior Research Scientist

Jennifer's work with us focused on global leadership and generational differences around the world. An internationally recognized expert on generational differences, Jennifer has published on generational issues, executive selection, cultural adaptability, global management, and women in management. She's the co-author of What Millennials Want from Work: How to Maximize Engagement in Today's Workforce.



Katelyn McCoy, MA **Evaluation Associate**

Katelyn helps manage many aspects of the standardized data collection and reporting processes for our leadership programs. She also works on custom client evaluation work and other projects led by <u>Leadership Research &</u> <u>Analytics</u>. Before joining us, she worked as a research scientist at Human Resources Research Organization (HumRRO), where she partnered with clients to develop large-scale assessment solutions.



About CCL

At the Center for Creative Leadership, our drive to create a ripple effect of positive change underpins everything we do. For 50+ years, we've pioneered leadership development solutions for leaders at every level, from community leaders to CEOs. Consistently ranked among the top global providers of executive education, our research-based programs and solutions inspire individuals at every level in organizations across the world — including 2/3 of the Fortune 1000 — to ignite remarkable transformations.

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