

Why Leaders Struggle



A Deep Dive into Managerial Ineffectiveness

HRO Today Flash Reports are a series of ongoing research initiatives that address today's topics of interest in the HR community. These are focused briefs that can be used to support business decisions and discussions among industry practitioners and thought leaders.

This report explores the key factors that hinder leadership and managerial success. It also examines how ineffective leadership shows up within organizations and identifies where evidence is most often found.

Methodology

Between May 13 and June 13, 2025, a series of emails were sent to the HRO Today network, inviting them to take part in an online study. Respondents were of manager level or above within their Human Resources departments. There were 150 usable survey responses from the North American and EMEA (Europe, Middle East, and Africa) regions.

Respondents from North America and EMEA are segmented in the accompanying analysis to enable direct comparisons between the two regions.



Background

CHROs and senior HR leaders are steering through a dynamic landscape defined by rapid technological change, shifting employee expectations, and ongoing organizational transformation. But among the foremost of their concerns is substandard leader and manager effectiveness.

A strong and capable leadership team forms the foundation of every successful organization. Leadership development, defined as the process of recognizing, cultivating, and refining the skills of individuals with leadership potential, is essential to building a resilient and high-performing company.

This study is sponsored by **Madison Recognition.**

KEY FINDINGS



Improving leader efficacy is a major organizational goal. Overall, 96% of respondents agreed or completely agreed that improving leader and manager effectiveness is a major priority for HR.



There are many issues that undermine leadership success. The most prevalent is toxic leadership behavior, according to nearly two-thirds (64%) of HR leaders. This often includes actions like micromanagement, disrespect, favoritism, deception, and inconsistent or abusive behavior. Poor conflict resolution skills are the second most oft-cited behavior typical of poor leadership effectiveness, as indicated by over one-half (53%) of senior HR leaders.



The area that most often leads to leadership ineffectiveness is a lack of manager training and development opportunities, according to nearly two-thirds (61%) of respondents. The lack of time devoted to learning and development is indicated by 60%, the second highest cause.



Where is poor leadership the most evident?

- **Poor leadership is seen across all organizational levels.** Roughly equal percentages of HR leaders stated that the breakdown is most evident in the manager level (33%), middle management (36%), and senior leadership/C-suite (31%).
- **Operations is the job function most often indicated,** according to 56%. This is closely followed by customer support (50%).



Senior HR executives feel HR plays a major role in developing leadership capabilities. Nearly eight in ten (78%) feel HR has responsibility to a very great extent.



However, despite the acknowledged responsibility, **less than one in five (19%) feel HR is doing an excellent or very good job executing on its role** in developing leadership and managerial capabilities.

The most widely supported approach for HR to improve leadership effectiveness is focusing on soft skills. Nearly two-thirds (62%) of respondents feel it is one of the most important ways they can address their concerns. Traditionally, leadership soft skills include emotional intelligence, coaching, and inclusiveness.

Regional Divergence

While overall trends are similar across regions, there are significant differences in some key areas. These areas are summarized in the accompanying table.

Key Differences by Geographical Region

	North America	EMEA
Which of the following are typical of poor leadership and managerial effectiveness?		
Low employee engagement and morale	44%	27%
Ineffective talent management	33%	48%
Lack of decision-making ability	44%	58%
Which of the areas below most negatively impact leadership effectiveness?		
Lack of manager training and development opportunities	65%	44%
Budget cuts	48%	34%
Overly heavy workload	53%	44%
Rapid technological change, including but not limited to AI	16%	31%
Which level do you feel poor leadership and managerial effectiveness is most evident?		
Manager	34%	25%
Senior leadership	15%	28%
In which job functions do you feel poor leadership and managerial effectiveness are most evident?		
Operations	58%	43%
Human Resources	42%	24%
Customer Support / Service	54%	29%
Information Technology (IT)	25%	48%
Sales	27%	43%
What are the most important ways organizations should address concerns about leader and manager effectiveness over the next two years?		
Emphasis on soft skills like emotional intelligence, coaching, and inclusive leadership.	65%	53%
Improved feedback, such as expanded implementation of real-time feedback and 360-degree performance reviews.	49%	38%
Leadership development programs that focus on agility, empathy, and adaptability.	55%	69%
Use of AI and people analytics to assess manager effectiveness and personalize learning paths.	14%	28%

Agreement on Making Leader and Manager Development a Priority

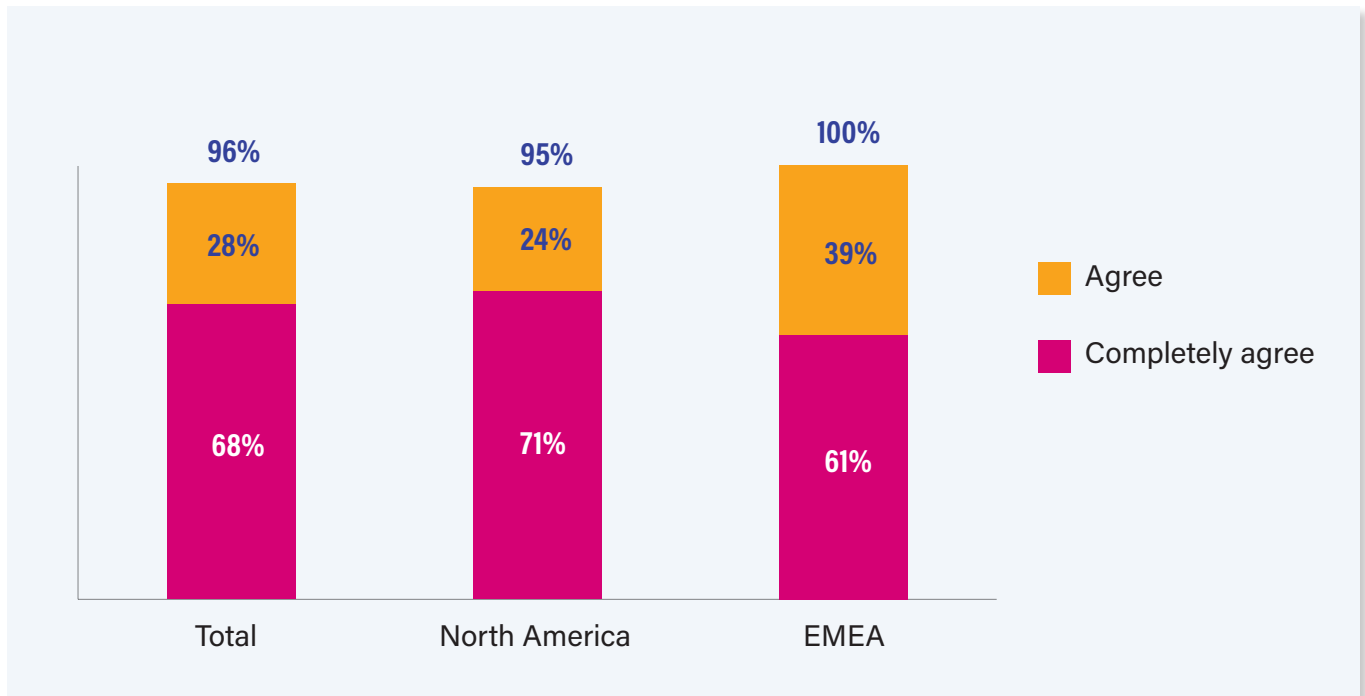
To what extent do you agree that improving leader and manager effectiveness is a major priority for HR professionals?

Agreement that improving leader and manager effectiveness is a major priority for HR professionals is nearly ubiquitous, with 96% of all respondents agreeing or completely agreeing. HRO Today's Top Concerns of CHROs 2024–2025 places leader and manager effectiveness as the area of greatest concern among those related to company operations. In times of economic instability, effective leadership is crucial for guiding teams through

challenges and maintaining productivity. Managers equipped with strong leadership skills can empower their teams, fostering resilience and adaptability.¹

Further, Gartner puts leadership development as the major priority for the third consecutive year. They also find that only 36% of HR leaders think their organization's current leadership development programs are effective at preparing leaders for future challenges.²

Agreement on Making Leader and Manager Development a Priority



Recurring Issues Undermining Leadership and Manager Success

Which of the following are typical of poor leadership and managerial effectiveness?

Toxic leadership is the most frequently cited indicator of poor leadership effectiveness, identified by nearly two-thirds (64%) of HR leaders. The area often includes micromanagement, disrespect, favoritism, lies, authoritarianism, narcissism, and inconsistent or abusive behavior. These behaviors can severely impact employee well-being, team morale and performance, and overall organizational culture. Recognizing and addressing them early is crucial to creating a healthy, high-performing workplace.³

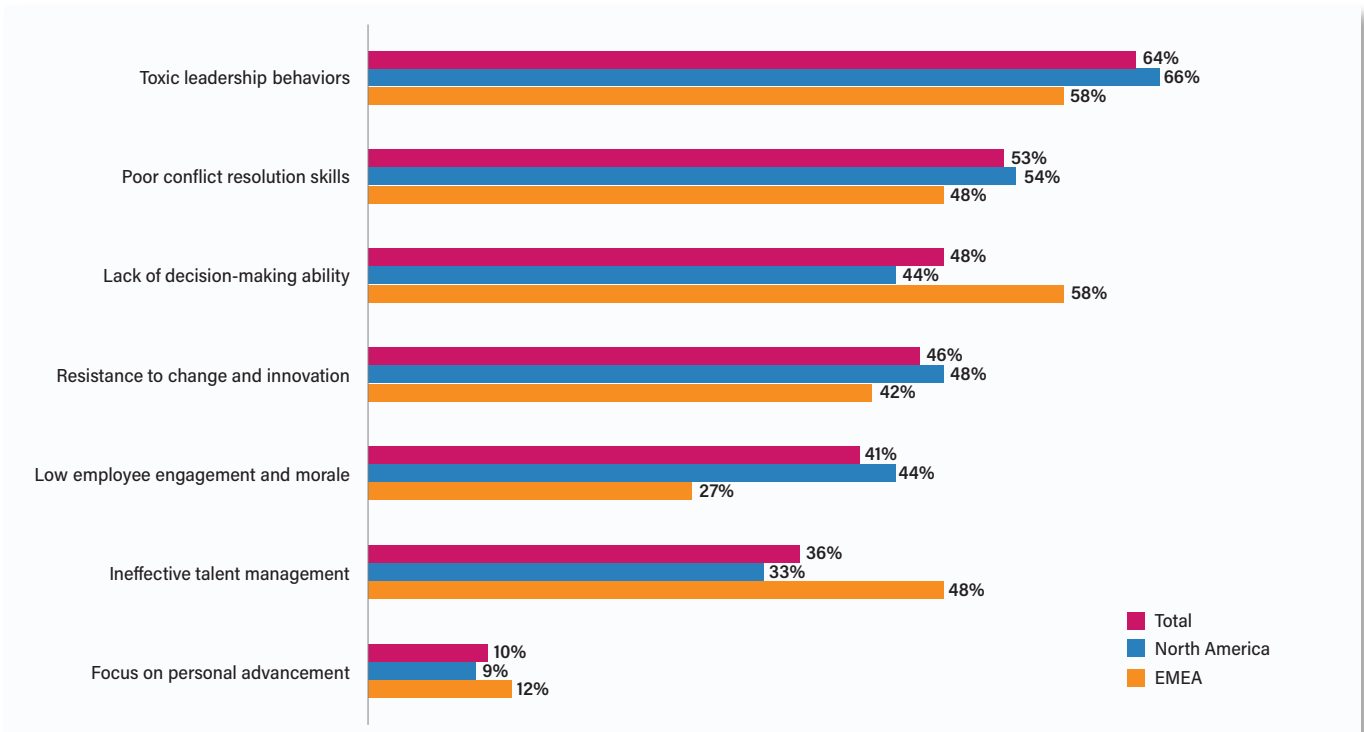
Poor conflict resolution skills were the second most oft-cited behavior typical of poor leadership effectiveness, as indicated by over one half (53%) of study participants. Examples of these include avoiding or ignoring conflict, taking sides, reacting emotionally, lack of active listening,

and lack of follow-through. Poor conflict resolution skills can result in lower retention, greater absenteeism, and potential legal or compliance risks.

A lack of decision-making ability was indicated third most often, by nearly one-half (48%) of senior HR leaders. HR leaders in EMEA were more likely to cite this area than in North America, 58% vs. 44%, respectively. Delayed or poor decisions slow down work processes, requiring tasks to be redone or causing bottlenecks. This inefficiency chips away at productivity.⁴

Ineffective talent management was also higher in EMEA than North America, 48% vs. 33%. Conversely, lower employee engagement and morale is more typical in North America than EMEA, so indicated by 44% vs. 27% of HR leaders.

Recurring Issues Undermining Leadership and Manager Success



Areas that Most Negatively Impact Leadership Effectiveness

Which of the areas below most negatively impact leadership effectiveness?

Study respondents were asked to indicate the areas that most often adversely impact leadership effectiveness. A lack of manager training and development opportunities was indicated most often, by 61% of all respondents. A recent study by SHRM showed that while 92% of managers are critical to organizational success, only 25% viewed manager development as a high priority.⁵

Significantly more HR leaders in North America than EMEA cited the lack of manager training and development opportunities, 65% vs. 44%, respectively. While smaller in budget compared to North America, EMEA consistently emphasizes measurement and strategic integration of training programs.⁶

Over half (60%) of study participants identified a lack of time as the second most frequently cited factor negatively affecting leadership effectiveness. A recent study by

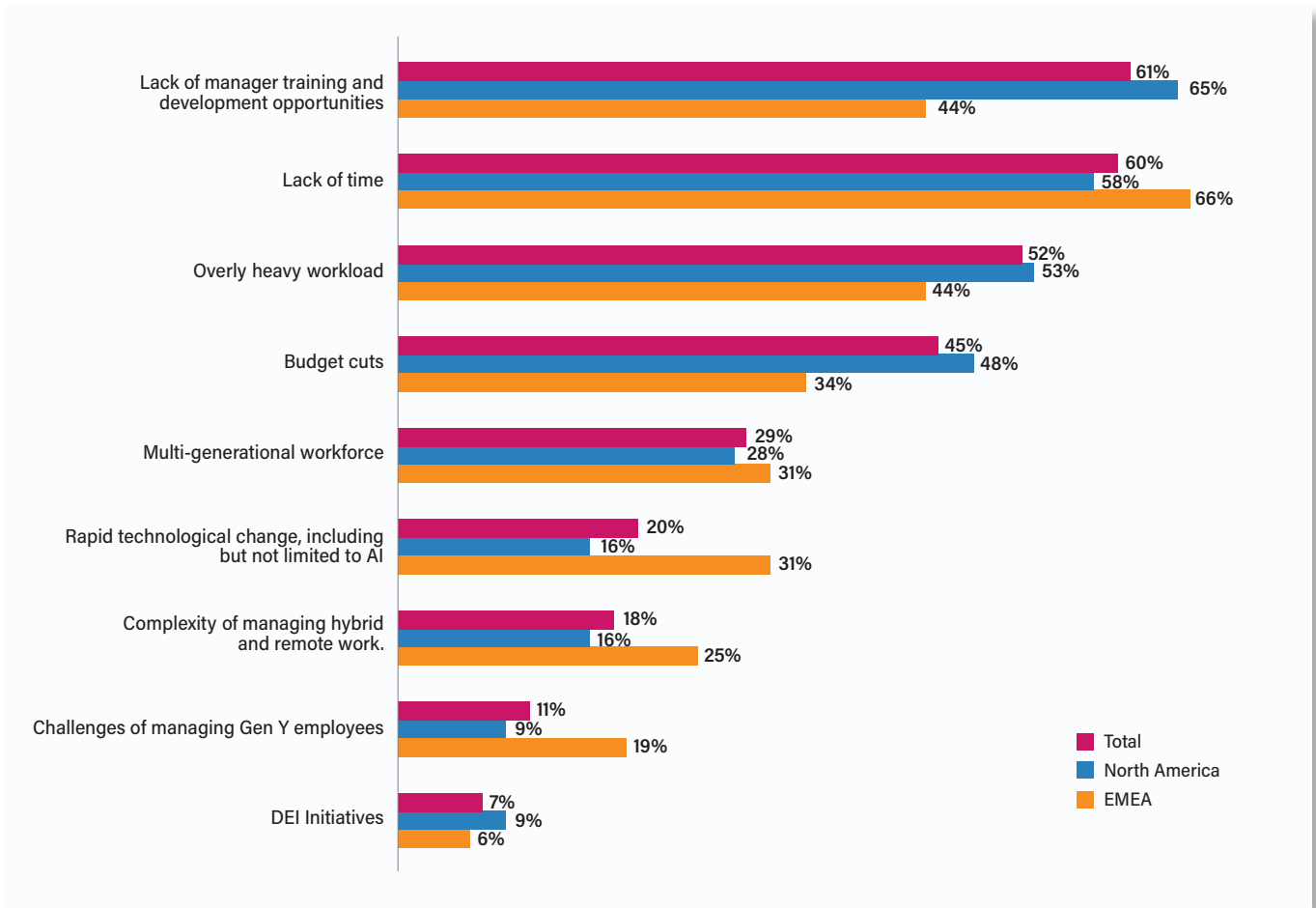
Forbes sheds insight into the findings: 41% of employees report lack of time as the top barrier to learning and development; 37% of managers say they can't support others' growth due to daily workload; and 89% of CHROs agree time away from the job is the biggest obstacle to participating in leadership training.⁷

The last area with over 50% selecting it is overly heavy workloads, as cited by 52% of total respondents. Burnout and stress can result from overly heavy workloads, which in turn can result in decreased empathy, resilience, and decision capability. This can lead to lost innovation and lagging vision.⁸

In total, 53% of those respondents in North America indicated an overly heavy workload, vs. 44% of those in EMEA.



Areas that Most Negatively Impact Leadership Effectiveness



Where Leadership Breaks Down Across the Ranks

Which level do you feel poor leadership and managerial effectiveness is most evident?

Study participants were asked to identify the level of organizational hierarchy where they feel poor leadership is most evident. Overall, responses were fairly evenly distributed across manager level (33%), middle management (36%), and senior leadership/C-suite (31%).

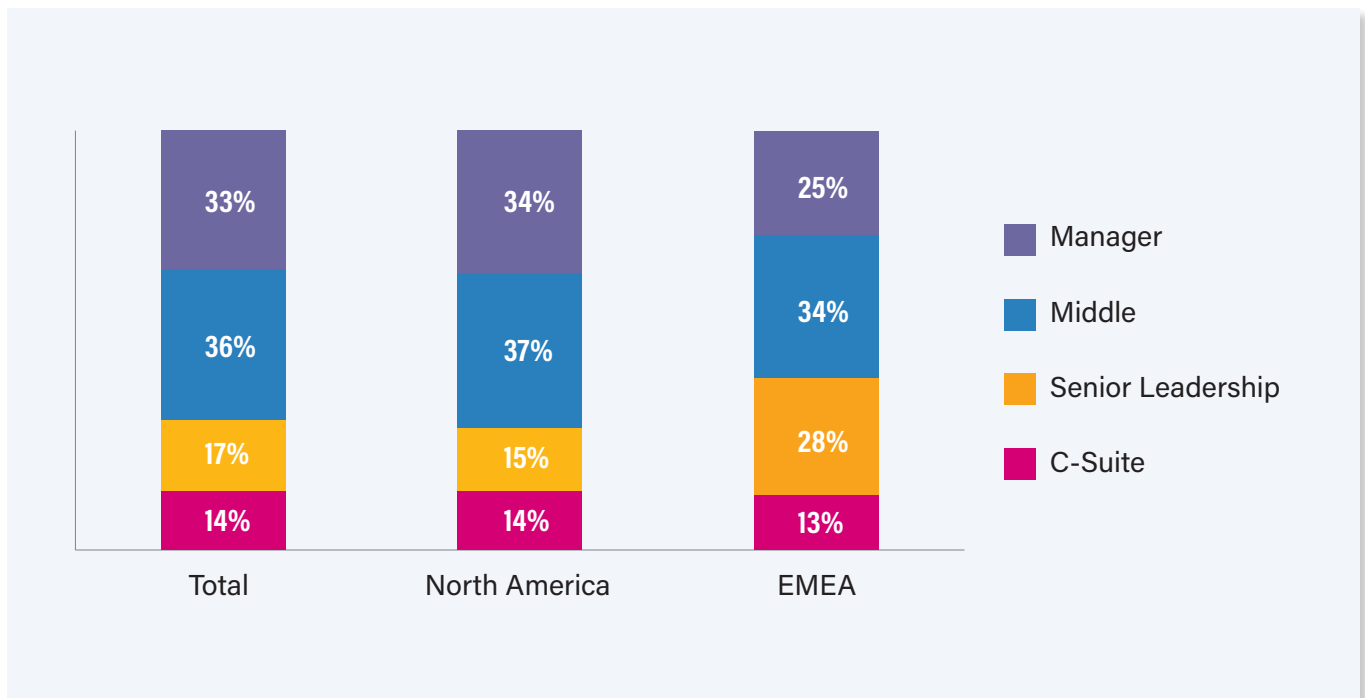
However, respondents from EMEA were far more inclined than those from North America to believe that senior leadership was where leadership broke down, 28% vs. 15%.

Two of the possible causes of this perception is that EMEA spans very diverse markets, often requiring senior

leaders to manage across vastly different business norms, languages, and regulations. This complexity can overwhelm leaders who lack strong cross-cultural management skills. Further, leadership development may vary widely by country or region. Some parts of EMEA may not receive the same resources or programs as headquarters, leading to skill gaps.

In North America, major firms like Microsoft, Amazon, and Citigroup are slashing layers of management, leaving surviving leaders saddled with far more direct reports—often two to three times traditional spans. This ballooning workload limits one-on-one coaching, causes burnout, and erodes their ability to mentor or manage teams effectively.⁹

Where Leadership Breaks Down Across the Ranks



Job Functions Where Poor Leadership is Most Evident

In which job functions do you feel poor leadership and managerial effectiveness are most evident?

Respondents were asked to select the top three job functions where they believe poor leadership and managerial effectiveness are most evident. Overall, approximately two-thirds (66%) were able to identify specific functions, while the remaining third were unable to do so.

The job function most often indicated is Operations, with 56% selecting it. Poor leadership and ineffective management in operations are most clearly evidenced through breakdowns in safety, coordination, resource management, and morale.

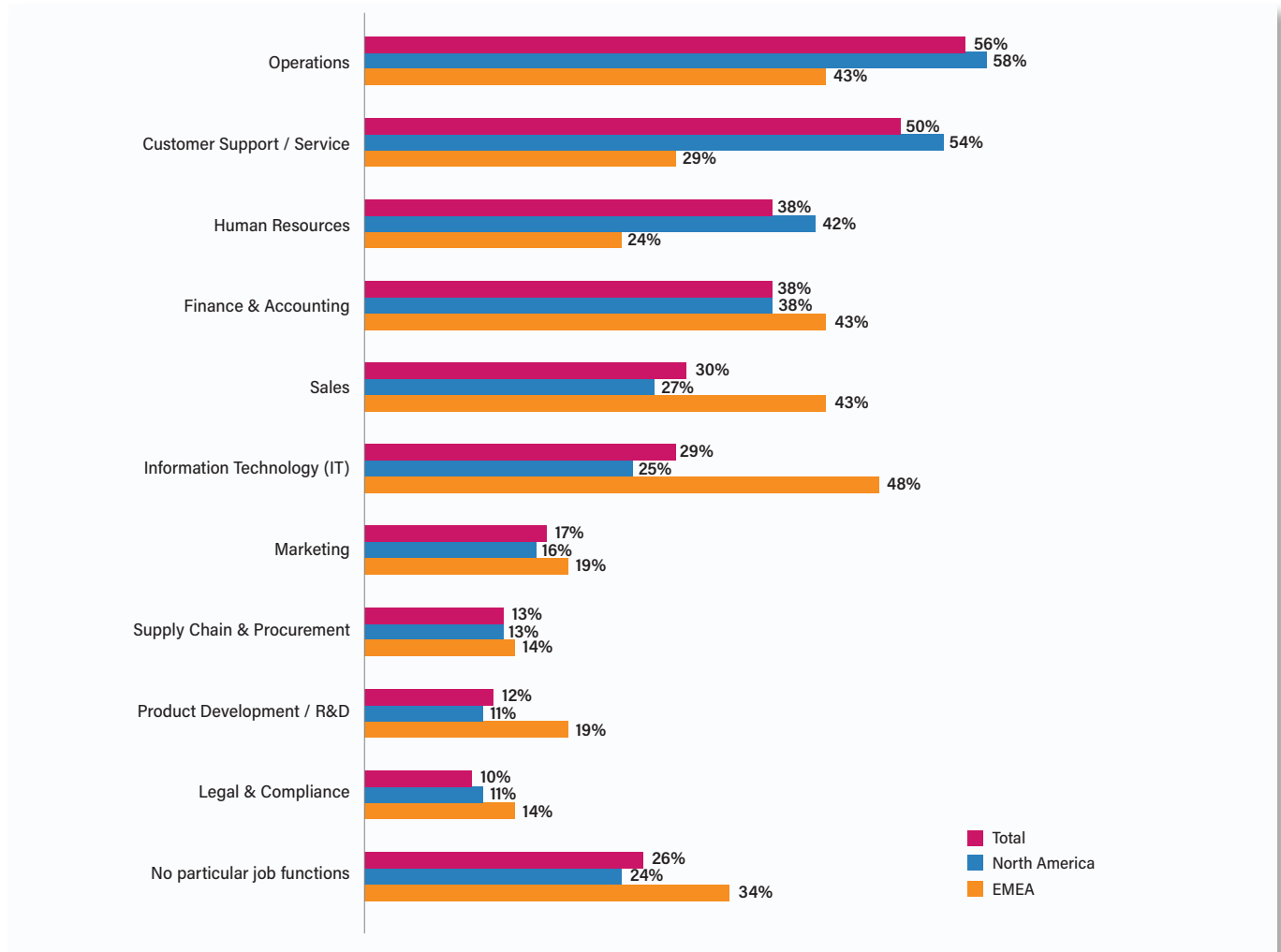
Customer Support was the job function second most indicated, and the last with at least 50% of all

respondents selecting it. Poor leadership and lack of managerial effectiveness in customer service show up in multiple ways. In the U.K., 78% of consumers report frequent frustration with customer service interactions. Wait time, automated systems, and impersonal responses are often major pain points.¹⁰

In North America, Customer Support/Service, Human Resources, and Operations were job functions where poor leadership was significantly more evident than in EMEA. Conversely, in EMEA, IT and Sales were consistently higher. North American respondents were also more likely than their EMEA counterparts to identify specific job functions.



Job Functions Where Poor Leadership is Most Evident



Job Functions Where Poor Leadership is Most Evident – Major Differences by Region

	North America	EMEA
Operations	58%	43%
Human Resources	42%	24%
Customer Support / Service	54%	29%
Information Technology (IT)	25%	48%
Sales	27%	43%
Product Development / R&D	11%	19%
No particular job functions	24%	34%

Extent HR Plays a Role in Developing Leadership Capabilities

To what extent does HR play a role in developing leadership and managerial capabilities?

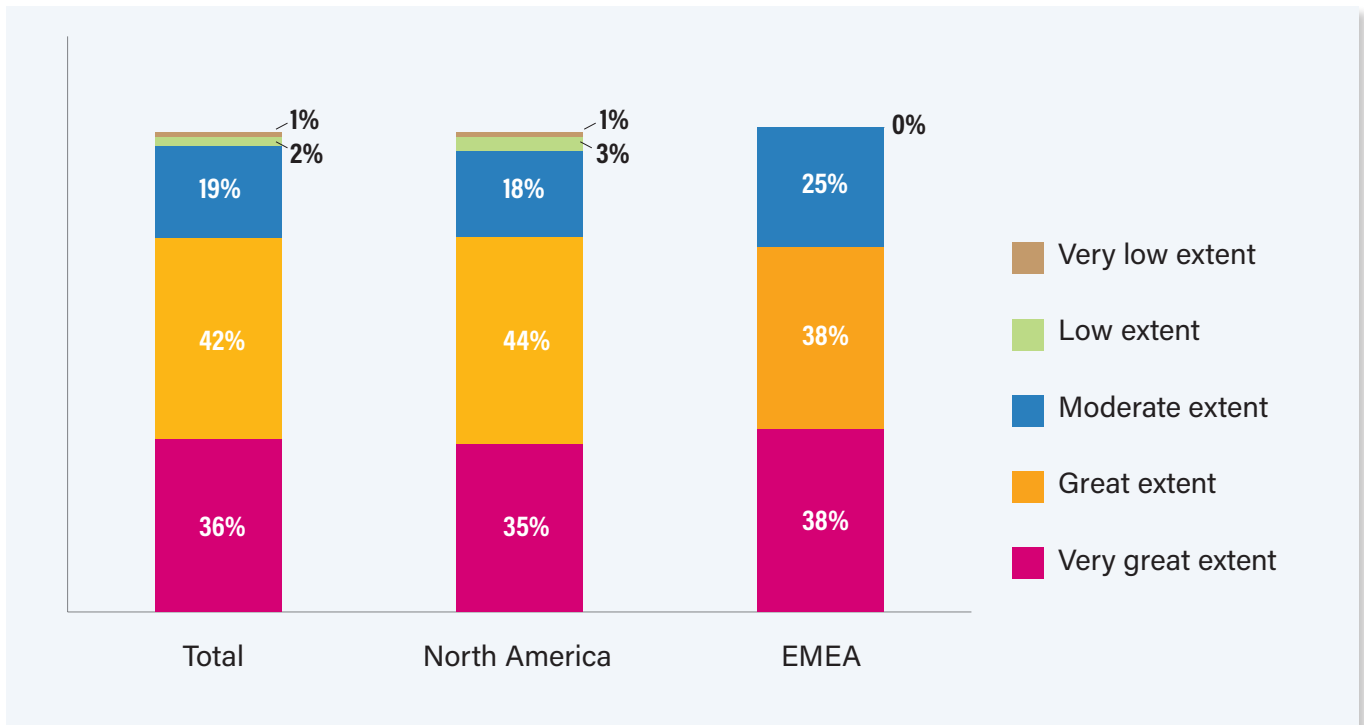
Study participants gauged the extent to which they feel HR plays a role in developing leadership capabilities. There is widespread agreement that HR plays a role. Nearly every respondent (97%) felt HR plays at least a moderate role, with the majority of them (78%) feeling HR plays a role to a great extent or a very great extent.

HR plays a pivotal role in building leadership and managerial capabilities by creating, executing, and sustaining strategies that develop effective leaders

across all levels of the organization. This involves identifying high-potential talent, providing targeted development opportunities, and integrating leadership behaviors into performance management systems that recognize and reward both outcomes and how they are achieved.

HR is typically responsible for designing and delivering leadership development programs that build critical competencies like emotional intelligence, decision-making, adaptability, and strategic thinking.¹¹

Extent HR Plays a Role in Developing Leadership Capabilities



HR Self-Assessment on Developing Leadership

How well is HR executing on its role in developing leadership and managerial capabilities?

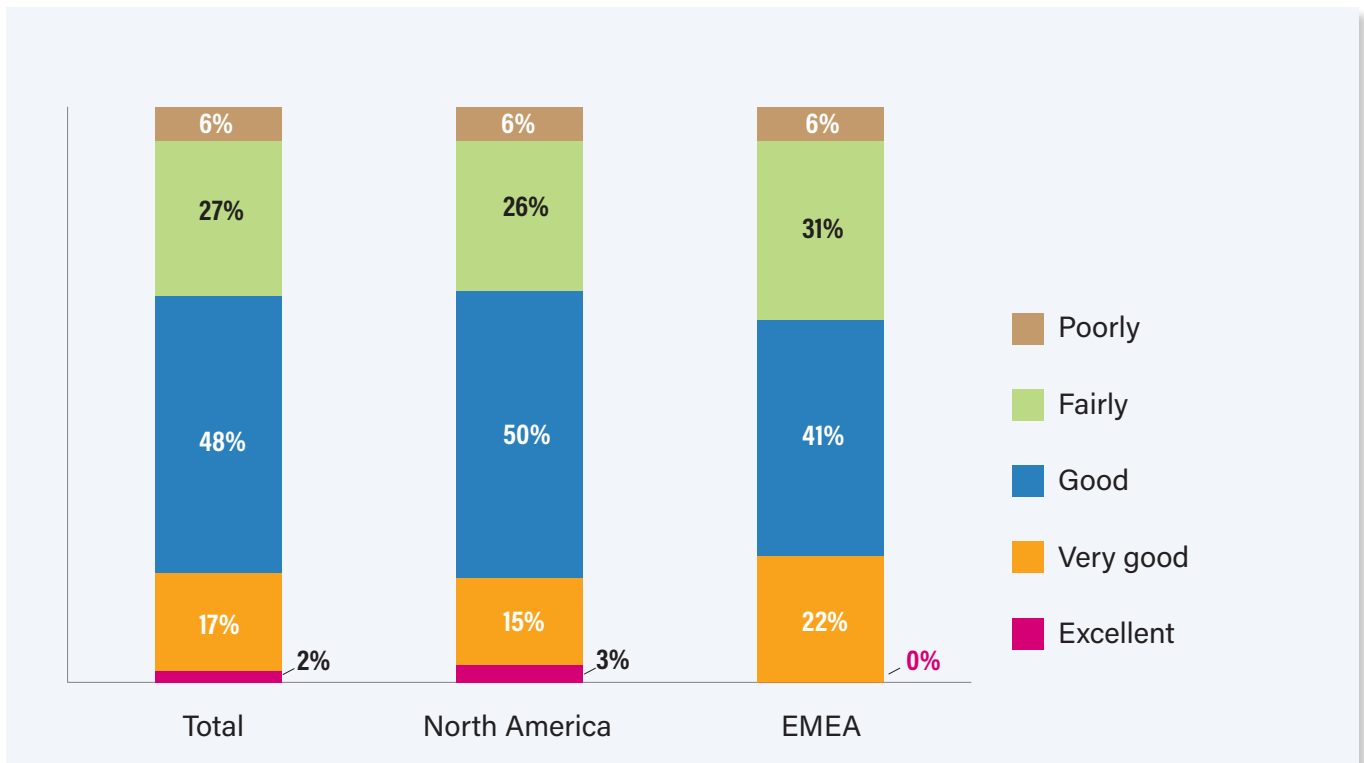
Senior HR executives were asked to self-assess how well they thought HR was executing on its role in developing leadership and managerial capabilities. The average score is a very pedestrian 2.8 out of 5.0. Fewer than one in five (19%) felt HR was doing an excellent or very good job. Scores for the top two boxes were similar for North America and EMEA.

There are several factors which prevent HR from being able to fulfil its role in leadership development. Lack of C-suite support is one of those factors. Without support

and prioritization from C-suite leaders, leadership development remains under-resourced or seen as a luxury. If top management lacks understanding of HR's value, HR struggles to advance its agenda.¹²

Further, HR often lacks the time, finances, or internal team capacity to run robust L&D programs. One U.K. study found 50% of organizations say "finding the time" is the greatest barrier; 34% cite financial constraints; 30% report lack of internal resources.¹³

HR Self-Assessment on Developing Leadership



Ways Organizations Should Address Concerns about Leadership Effectiveness

What are the most important ways organizations should address concerns about leader and manager effectiveness over the next two years?

How HR can address concerns about leadership effectiveness is of paramount importance over the next two years. The most shared vision is an emphasis on soft skills like emotional intelligence, coaching, and inclusive leadership, according to nearly two-thirds (62%) of all respondents. Emotional intelligence in leadership refers to a leader's ability to understand and manage their own emotions and those of others effectively. Leaders with high EI consistently outperform peers in communication, conflict resolution, and stress handling.¹⁴

Leadership development programs that focus on agility, empathy, and adaptability is the second most important way organizations should address concerns about leader effectiveness, as indicated by 59% of all respondents. Agile leaders anticipate shifts, iterate fast, and pivot strategies based on real-time insights, which are essential in today's dynamic marketplace. A recent study from Korn Ferry shows agile executives deliver 25% higher profit margins than less adaptable peers; agile individuals also get promoted twice as fast.¹⁵ Empathy, a

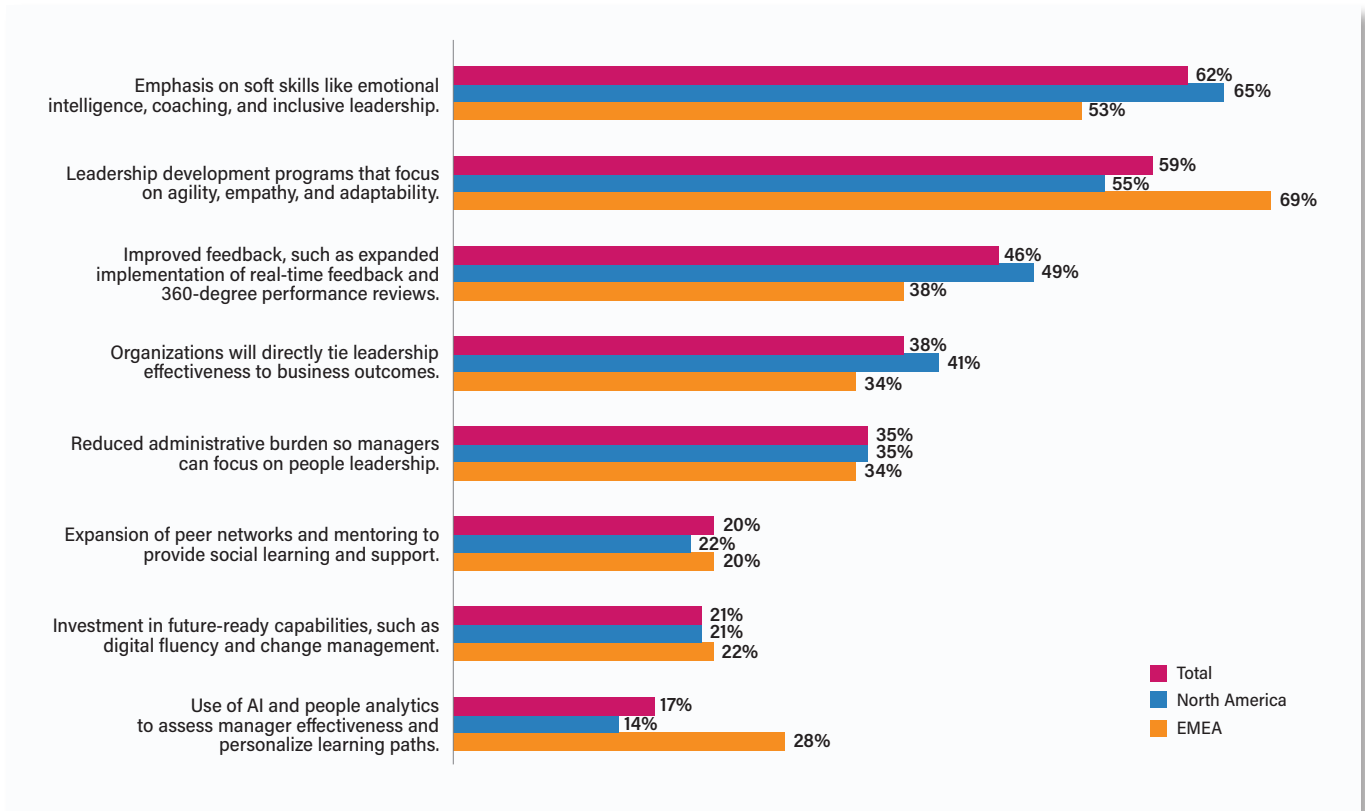
core pillar of emotional intelligence, is the ability to see things from others' perspectives. Inclusive managers need to understand the unique experiences of employees from diverse backgrounds.¹⁶

Improved feedback, such as expanded implementation of real-time feedback and 360-degree performance reviews, is the third most indicated way organizations should address concerns, with 46% of respondents selecting it. Real-time feedback helps employees adjust quickly, improving performance in the moment and reducing future errors.¹⁷ Often, 360-degree feedback identifies blind spots. By gathering insights from peers, subordinates, and supervisors, leaders gain a full picture of their strengths and weaknesses.¹⁸

In terms of differences between regions, generally the same pattern of priorities held though greater emphasis was placed in North America on the emphasis on soft skills, and improved feedback. In EMEA, there was more emphasis on leadership development programs that focus on agility, and use of AI and people analytics.



Ways Organizations Should Address Concerns about Leadership Effectiveness



Ways Organizations Should Address Concerns about Leadership Effectiveness –Major Differences by Region

	North America	EMEA
Emphasis on soft skills like emotional intelligence, coaching, and inclusive leadership.	65%	53%
Improved feedback, such as expanded implementation of real-time feedback and 360-degree performance reviews.	49%	38%
Leadership development programs that focus on agility, empathy, and adaptability.	55%	69%
Use of AI and people analytics to assess manager effectiveness and personalize learning paths.	14%	28%

Biggest Challenge to Improving Leadership Effectiveness

Participants were asked an open-ended survey question to identify what they believe will be the biggest challenge to improve leadership effectiveness over the next two years.

The responses can be grouped into seven distinct categories.

1

Time & Capacity Constraints

- Leaders lack time to develop themselves or others due to workload.
- "Making time" is a repeated struggle, whether for training, providing feedback, or implementing improvements.

2

Budget Pressure & ROI Mindset

- Leadership investments are seen as **low priority vs. productivity/revenue goals**.
- There is tension between **short-term financial pressures** and long-term leadership development.

3

Technological Disruption & AI Integration

- Strong concern over **keeping up with rapid tech change**, especially AI.
- Leaders must **learn to manage both AI tools and AI-augmented teams**.
- There's a divide between **tech-savvy employees and less experienced managers**.

4

Changing Workforce Expectations

- A **multigenerational workforce** is creating tension in communication, motivation, and leadership style.
- Emerging workforce values such as empathy, purpose, and meaning, particularly among younger workers, are forcing managers to adapt leadership practices.
- Demands for hybrid work models that continue to be met with resistance to change from leadership.

5

Accountability & Buy-In

- Lack of leadership **ownership** and **follow-through** on development.
- Comments point to **mid-level leader disengagement** and lack of "role modeling" from senior leaders.

6

Soft Skills & Emotional Intelligence

- Increasing importance of **empathy, communication, and EQ** over technical skills.
- Leaders are seen as underprepared in soft skills required to guide diverse, distributed, and hybrid teams.

7

Leadership Development Gaps

- Need for structured, accessible, and **ongoing leadership training programs**.
- Strong call for **leadership development earlier in the pipeline**, not just at senior levels.

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