

AMA RESEARCH

Leadership Development in a Transforming Workplace

*Emerging Demands, Gaps,
and Opportunities for Today's
Organizations*



Introduction

Today's leadership challenge is not a lack of effort or intent—it is misalignment. Leadership skills and responsibilities have expanded beyond the capacity of the systems, structures, and supports originally designed to sustain them. Expectations have outpaced the organizational infrastructure meant to enable effective leadership.

Leaders no longer solely operate within stable, predictable environments where authority, hierarchy, and process reliably produce results. Leadership effectiveness increasingly depends on the ability to create clarity amid ambiguity, influence without authority, and build organizational capability while absorbing increasing levels of operational and organizational responsibilities.

This Whitepaper examines how leadership has evolved in response to these shifts, identifies the system risks that emerge when leadership demands outpace organizational support, and outlines practical actions leaders and organizations can take to close the gap. Drawing on findings from the American Management Association's (AMA) annual Leadership Survey of 1,249 respondents across industries, geographies, generations, and leadership levels—from frontline managers to senior executives—this research reflects the realities leaders are navigating today.

Definitions of Leadership and Management

Leadership and management are complementary functions, but they are not interchangeable. Survey data indicates that 76% of respondents acknowledge that their organizations recognize leadership and management as distinct roles with different responsibilities. Establishing this distinction is essential, as it provides the foundational framework for the analysis that follows.

- **Leadership** is the demonstrated capacity to anticipate the future, articulate direction, and align the efforts of others toward shared goals. It focuses on setting vision, establishing strategic direction, and developing people to achieve outcomes that extend beyond immediate execution.
- **Management**, by contrast, focuses on translating direction into action through planning, organizing, and executing work in the present. While managers concentrate on the how, where, and when of execution, leaders focus on the what and why. Management ensures work is done efficiently; leadership ensures the work being done truly matters.

The evolution explored in this paper centers on leadership—not management—and the increasing pressure on leaders to balance strategic direction with task-oriented responsibilities. Leadership has shifted from primarily setting vision to continuously creating clarity, alignment, and capability amid ongoing disruption.

While managers concentrate on the how, where, and when of execution, leaders focus on the what and why.



Leadership Disruption: From Stability to Continuous Change

The End of Stable Leadership Models

Leadership has shifted from a role focused on optimizing performance within relatively predictable systems to one that must operate amid constant disruption. Disruption is no longer episodic; it is continuous. Leaders are expected to make decisions in uncertain environments, respond to competing demands, and deliver results without the benefit of stable playbooks or clear precedents.

Historically, leadership relied on authority, hierarchy, and established processes to translate vision into execution. Today, that model no longer reflects organizational reality. Leaders operate in environments characterized by accelerated decision cycles, cross-functional independence, and heightened expectations for both performance and people outcomes. As a result, the role of leadership has expanded beyond strategy alone to include simplifying the complex, creating shared understanding and alignment, and investing in the real-time development of others.

These shifts have fundamentally altered how leadership shows up in the organization. Influence has increasingly replaced authority as the primary mechanism for getting work done, requiring leaders to align stakeholders across functions rather than through hierarchy. At the same time, leaders are absorbing significant amounts of work outside of their formal role—problem solving, project management, operational tasks, and decision making that previously would have been distributed elsewhere. More than half of leaders report this “spillover work” limits their ability to focus on core priorities, constraining the strategic capacity that organizations continue to expect from them.

Compounding this challenge, leadership roles are expanding faster than leadership capability development. Leaders are being promoted into greater complexity without sufficient preparation for ambiguity, cross-functional influence, technology disruption or people development at scale. In response, leaders often compensate through personal effort—doing more themselves rather than developing others—creating a cycle that undermines team capability, weakens succession planning, and increases burnout risk.

Leadership roles are expanding faster than leadership capability development.



In this environment, effective leadership is defined less by functional expertise and more by the ability to create clarity, build capability, and guide others through uncertainty. Leaders must continue to think strategically, but they must also make intentional choices about how task-oriented work is handled. When leaders use execution as a development tool—assigning responsibility, coaching decision making, and reinforcing accountability—they preserve strategic capacity while strengthening the competence and confidence of their teams

The data reflected in this research points to a clear conclusion: Leadership effectiveness can no longer rest solely on individual effort. It must be intentionally enabled by the organization through skill development, role clarity, aligned systems, and a renewed understanding of what leadership requires in a continuously transforming workplace.

External Forces Redefining Leadership

Three external forces are redefining the role of leadership more than any others: AI and technology disruption, employee well-being and cultural expectations, and economic and geopolitical volatility (Figure 1). While AI and technology disruption ranks as the top force reshaping leadership roles, it ranks lowest among critically important leadership skills. A distinction that is telling.

AI is increasingly viewed not as a leadership capability, but as an embedded tool that accelerates execution. Leadership, by contrast, accelerates clarity. Without clear intent, priorities, and decision boundaries, technology-driven speed can produce misalignment rather than performance. As a result, leaders are not required to master technology itself, but to guide people through its impact on work, roles, and decision making.

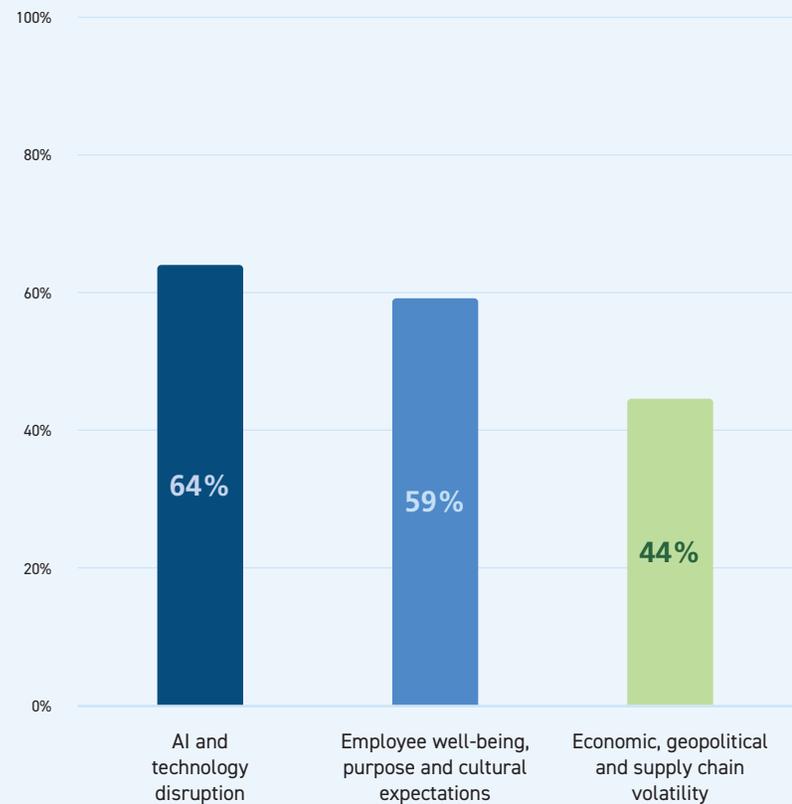
The narrow gap between AI-driven disruption and employee well-being pressures signals a dual burden for leaders. Leaders must simultaneously navigate rapid technological change while responding to evolving human needs, expectations, and concerns. Leadership today requires balancing innovation with steadiness, providing direction, reassurance and coherence amid continuous change.

In this context, the core leadership capability is the ability to create clarity, alignment, and purpose for people operating in uncertainty. Through effective communication, emotional intelligence, empathy, prioritization, sound decision

making, and intentional development of others, leaders translate strategy into understanding, reduce ambiguity, and foster trust. These capabilities ensure that strategic direction is not only defined but also experienced by employees in ways that support engagement, psychological safety, and sustained performance.

Leaders must simultaneously navigate rapid technological change while responding to evolving human needs, expectations, and concerns.

Figure 1: External forces changing the rules of leaders



The New Core of Leadership Capability

Leaders were asked to rank 11 leadership skills from “not important” to “critically important” based on their relevance to operating successfully in today’s business climate. While AI enablement was rated as “very important,” it ranked lowest among skills considered “critically important,” reinforcing a consistent theme in the data; technology shapes the leadership environment, but it is not the core capability that defines leadership effectiveness.

As disruption increases, the definition of effective leadership has expanded. Leaders must now demonstrate strong decision making under ambiguity, communication and transparency, strategic thinking, emotional intelligence, and empathy. These human-centered leadership skills enable leaders to make sense of complexity, create clarity, align stakeholders, and guide teams through uncertainty while maintaining performance.

Modern leadership effectiveness depends less on functional expertise and more on the ability to build organizational capability, articulate and sustain vision, and intentionally develop others. Leaders are increasingly required to operate as sense makers, communicators, coaches, and decision architects—balancing strategic direction with daily execution in a business climate shaped by rapid technological change and global volatility.

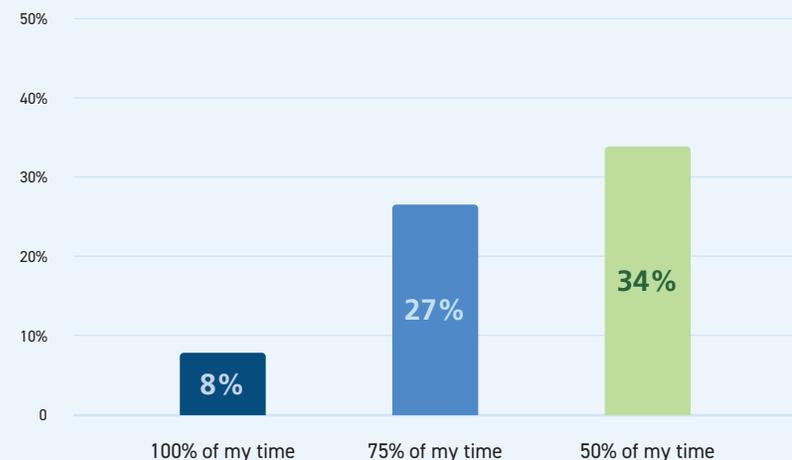
Leadership Influence—Authority Has Been Complemented by Alignment

Organizations are increasingly matrixed and cross-functional, requiring leaders to align priorities and drive outcomes without relying on formal authority. Leadership influence now extends beyond managing direct reports and depends upon trust, credibility, communication, and alignment across the organization.

This shift is reflected in the data: 69% of respondents report spending 50% or more of their time influencing others without direct authority (Figure 2). As a result, leadership effectiveness is defined less by positional power and more by the ability to build relationships and align stakeholders toward shared goals.



Figure 2: Time spent influencing others without direct authority



Despite the growing importance of influence, many leaders face structural and cultural barriers that undermine its sustainability. Delegation challenges, organizational norms that reward individual problem solving, and lack of trust in capability all increase leader workload and reinforce reliance on personal effort rather than team development.

Leadership Spillover—Strategic Expectations, Tactical Reality

Role Spillover as a Systemic Reality

A striking 71% of leaders report performing work outside their formal role. This spillover is driven by several factors, such as organizational expectations to accept responsibility, staffing shortages, unclear ownership of work, and urgent deadlines and crises (Figure 3).

Rather than addressing root causes and establishing strong accountability norms, many organizations are increasingly relying on leadership capacity to absorb the

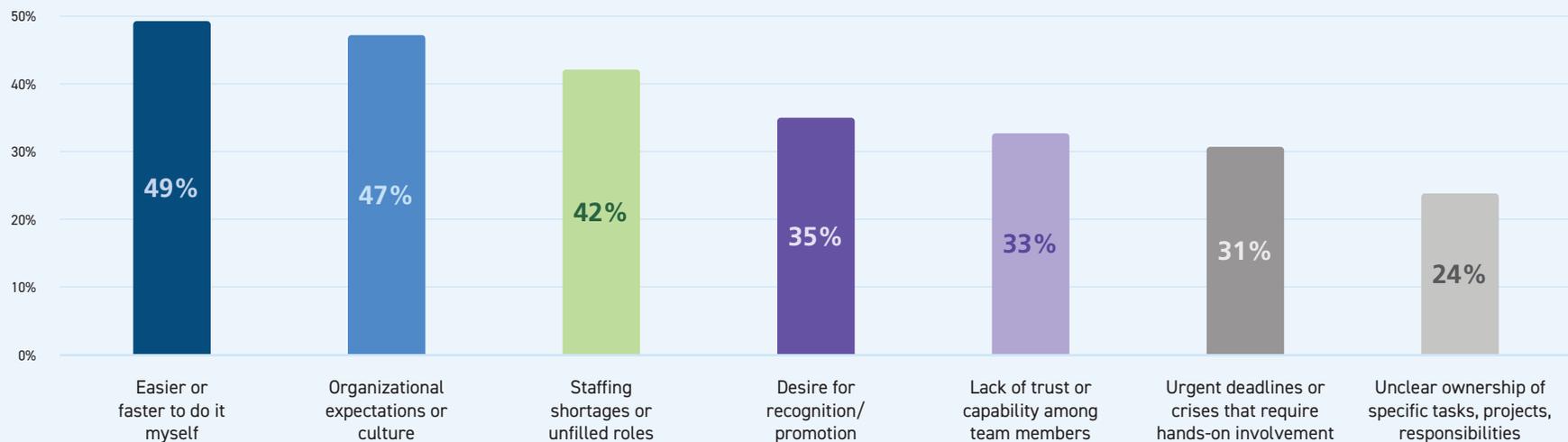
overflow. As a result, leaders are not delegating effectively, often because they believe it is faster to do the work themselves or lack confidence in team readiness.

Spillover work is not an individual failure; it is a systemic signal. When leaders consistently take on work that should be handled by others, the organization becomes dependent on leadership capacity rather than sound systems and accountability. Further, when leaders and organizations do not recognize the need to develop specific skills to abate this practice, the overall leadership capacity of an organization suffers as leaders become capacity buffers.

In this situation, leaders are absorbing breakdowns in staffing, capability, clarity, and process. While this may keep operations moving in the short term, it erodes leaders' ability to focus on strategic priorities and people development.

A staggering 38% of respondents in Senior Vice President/C-Suite roles assert an expectation to perform work outside of their responsibilities on a regular basis. By performing responsibilities of direct reports, leadership effectiveness becomes tied to personal endurance rather than organizational design.

Figure 3: Main reasons for performing responsibilities outside role (spillover work)



Overextension and Strategic Misalignment

As leaders absorb tactical problem solving, project execution, operational workarounds, and routine decision making, their time and attention are pulled away from the core leadership responsibilities—59% of leaders report that performing work outside their role limits their ability to focus on strategic priorities. While strategic thinking remains an expectation, leaders increasingly lack the capacity to step back, anticipate future challenges, and provide clear direction.

This creates a compounding cycle. As leaders step in to maintain momentum, managers and individual contributors lose opportunities to build capability and confidence. Short-term productivity may improve but long-term organizational leverage declines as dependence on leaders increases. Over time, leadership capacity becomes a bottleneck—not because leaders lack commitment, but because systems rely on them to compensate for unresolved gaps.

Critically, this dynamic also leaves little opportunity for leaders to role-model strong leadership behaviors or to provide the consistent coaching and guidance managers need to grow and build capability. When leaders are consumed by spillover work, developmental conversations are deferred, feedback becomes reactive, and leadership behaviors are modeled under pressure rather than intentionally. This further weakens the leadership pipeline and reinforces reliance on senior leaders.

Capability Development Lag

Leadership roles have expanded significantly in scope and complexity, yet the development of leadership capability has not kept pace. Today's leaders are expected to navigate disruption, influence without authority, develop talent, and absorb operational spillover—often without sufficient preparation for ambiguity, cross-functional influence, or people development at scale.

Many leaders are in their position based on past performance or technical expertise, rather than readiness for complexity. As a result, they are expected to “learn on the job” while sustaining performance, managing change, and supporting their teams. Without structured development and clear role expectations, leaders compensate through personal effort rather than skill application, increasing the risk of error and limiting their ability to build capability in others.

Over time, this gap produces predictable organizational consequences. Succession pipelines stall, leadership capacity becomes constrained, and performance depends increasingly on individual endurance rather than sustainable systems. Addressing this imbalance requires a shift from episodic training to continuous, role-relevant development that equips leaders to manage complexity, develop others, and sustain performance over time.

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Leadership Empowerment— Preparedness Gaps and Opportunity

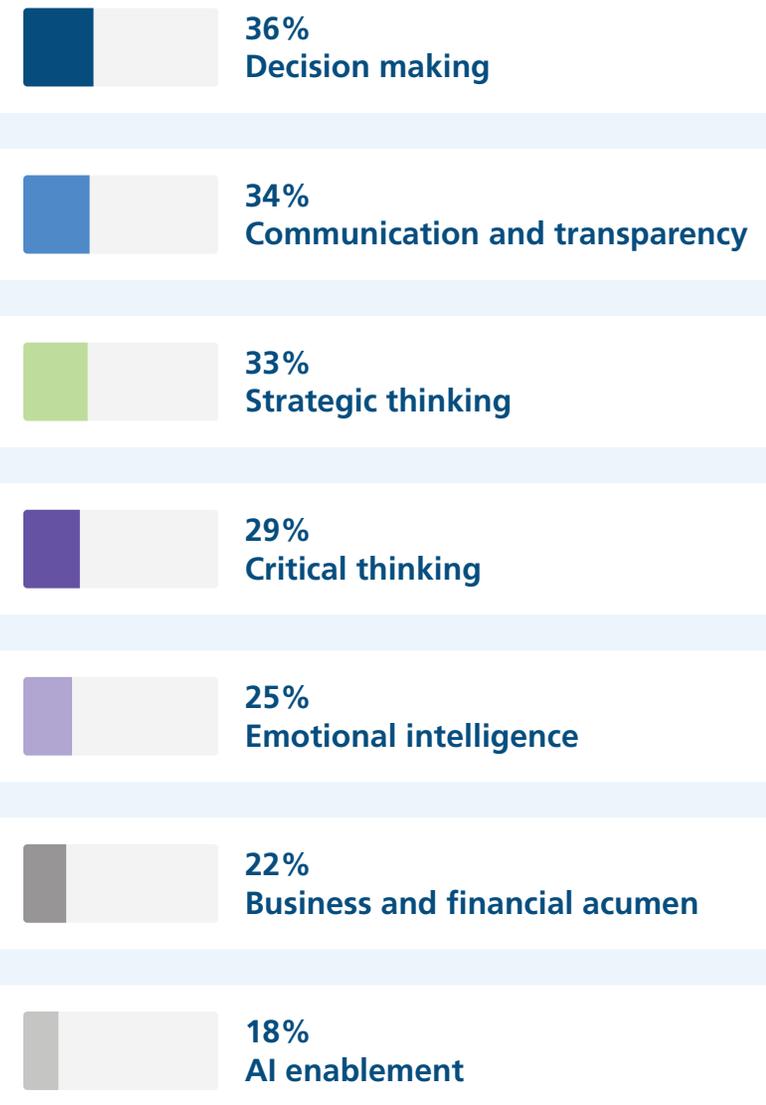
Only 44% of leaders report feeling fully prepared to meet future role expectations, with preparedness gaps most pronounced among mid-level leaders. And 63% of leaders at this level indicate a need for further development, reflecting the structural positioning they occupy—expected to deliver results, while navigating increasing complexity with limited enablement.

These gaps have direct implications for succession planning. When development opportunities are misaligned or concentrated at senior levels, mid-level leaders are deprived of the experiences required to build readiness for future roles. Tasks that could support growth and capability development are often retained by senior leaders rather than intentionally leveraged as developmental opportunities. Over time, this constrains leadership pipelines and weakens organizational bench strength.

Leadership skill training is a necessary starting point, but it is not sufficient on its own. Leaders consistently signal the need for continuous enablement that integrates skill development, leadership coaching, ongoing feedback, role clarity, and organizational alignment. Leadership coaching, in particular, supports leaders in applying critical skills such as decision making, communication, emotional intelligence, and strategic thinking—in real time, reinforcing learning while leaders navigate complexity.

The data illustrated in Figure 4 reinforces leaders' expressed needs by demonstrating a clear prioritization of human-centered and cognitive leadership capabilities over purely technical or functional skills. While AI enablement and business acumen remain important, leaders rank communication and transparency, decision making, emotional intelligence, strategic thinking, and critical thinking as most critical for success. These findings underscore a central opportunity: Organizations that invest in leadership training, coaching, aligned development systems, and intentional succession planning are better positioned to close preparedness gaps and sustain leadership effectiveness over time.

Figure 4: Importance of skill to succeed in today's business environment (rated as critically important)



Recommendations

To close the growing gap between leadership expectations and leadership capacity, organizations must move beyond broad calls for “better leaders” and focus on deliberate actions that enable leaders to perform effectively in today’s environment.

01 Strengthen Employee-Centric Clarity

It’s important for leaders to consistently create “employee-centric clarity” by communicating direction, priorities, and purpose in ways that reduce ambiguity. This requires discipline in prioritization, transparency in decision making, and emotional intelligence. When leaders frame work within a clear strategic context, teams understand not only what needs to be done, but why it matters—supporting alignment, engagement, and sustained performance.

02 Establish Shared Leadership Standards

Leadership teams establish common standards for decision making under ambiguity—clarifying who decides, what criteria are used, and how tradeoffs are evaluated. Leaders must also operate collaboratively with their peers—sharing ownership for outcomes, aligning across functions, and supporting one another to drive outcomes. These shared standards reduce unnecessary escalation, strengthen accountability, and enable the organization to move forward with alignment rather than fragmentation.

03 Build Influence Without Authority

Because influence without authority has become the norm, it’s critical for leaders to intentionally develop skills in stakeholder alignment, trust building, and negotiation. These capabilities enable progress across matrixed environments without reliance on positional power, and help prevent leaders from becoming bottlenecks.

04 Redefine Delegation as Development

Delegation should be treated as a primary mechanism for capability development rather than a means of workload relief. By assigning meaningful responsibility, setting clear expectations, and reinforcing accountability through coaching, leaders build confidence and competence in others. This approach reduces spillover and execution, and preserves leaders’ strategic capacity over time.

05 Enable Leadership Through Organizational Design

At the organizational level, leadership effectiveness depends on enablement as much as individual skill. Organizations should focus on reinforcing role clarity, ownership, and decision rights, assess span of control and capacity as leadership risk factors, and align incentives to reward team development rather than individual heroics to reduce confusion and prevent leaders from operating at a lower level than intended. Systems, tools, and processes should support clarity, delegation, and development rather than forcing leaders to compensate for structural gaps.

Together, these actions shift leadership effectiveness from personal endurance to organizational design, creating sustainable leadership capacity that strengthens execution, succession planning, and long-term performance.

Rethinking Leadership for the Reality of Work

Leadership evolution is structural, not generational. The demands placed on leaders have expanded faster than the systems, structures, and supports designed to sustain them. When organizations fail to adapt, leadership capacity erodes—not because leaders lack skill or commitment, but because expectations are misaligned with enablement.

The findings in this research make one conclusion clear: Leadership effectiveness is not solely an individual responsibility—it is an organizational one.

Sustainable leadership capacity depends on role clarity, aligned systems, intentional development, and shared leadership standards that enable leaders to focus on strategic direction, develop others, and guide organizations through uncertainty.

Organizations that act intentionally can turn disruption into advantage. By investing in employee-centric clarity, leadership coaching, skill development, succession planning, and organizational design, organizations strengthen execution today while building the leadership capability required for the future.

