



LHH | ICEO

View from the C-Suite:
**Embracing the
Transformation of Leadership**

2025 Executive Research Findings

Executive Summary

The past few years have continued to challenge the business world—with little indication that the near future will be any different.

Destabilizing forces like inflation and political instability are colliding head on with new technologies. Meanwhile, demographic changes continue to rapidly reshape workforces and leaders alike. The result is a leadership environment that is harder and more stressful than ever, with unprecedented levels of leadership burnout.

To better understand the challenges leaders are facing, LHH conducted it’s annual survey of top executives (N=2,675). These leaders spanned industries and geographies, and shared the questions keeping them up at night: How can their company preserve

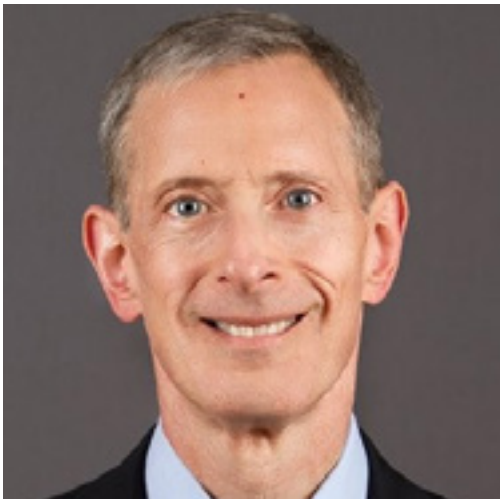
knowledge while empowering a more fluid workforce? How can they ensure the success of leaders who are facing higher scrutiny than ever before? How they help close critical talent gaps undermining the effectiveness of their leadership teams?

The responses reveal a clear priority for businesses looking to overcome this state of “perpetual volatility”—the need to embrace a new paradigm of leadership support. Organizations need to rethink their approach to talent in favor of one that maximizes more flexible and responsive resources, enables successful career transitions, and promotes leader well-being in the face of change and uncertainty.

This report explores these themes, providing additional insights into the state of executive leadership as we enter 2025.



Juan Luis Goujon
SVP & Global Head
ICEO



Reuben Cohen
Managing Director,
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Key stats from the survey:

43% of leaders have experienced the turnover of more than half their leadership team in the last year.

56% of leaders report feeling burned out, with 75% of leaders wanting greater access to more types of leadership support.

33% of leaders do not feel confident in their ability to perform when stepping into a new role.

23% of CEOs see collaboration and teamwork as one of the largest capability gaps impacting leader effectiveness.

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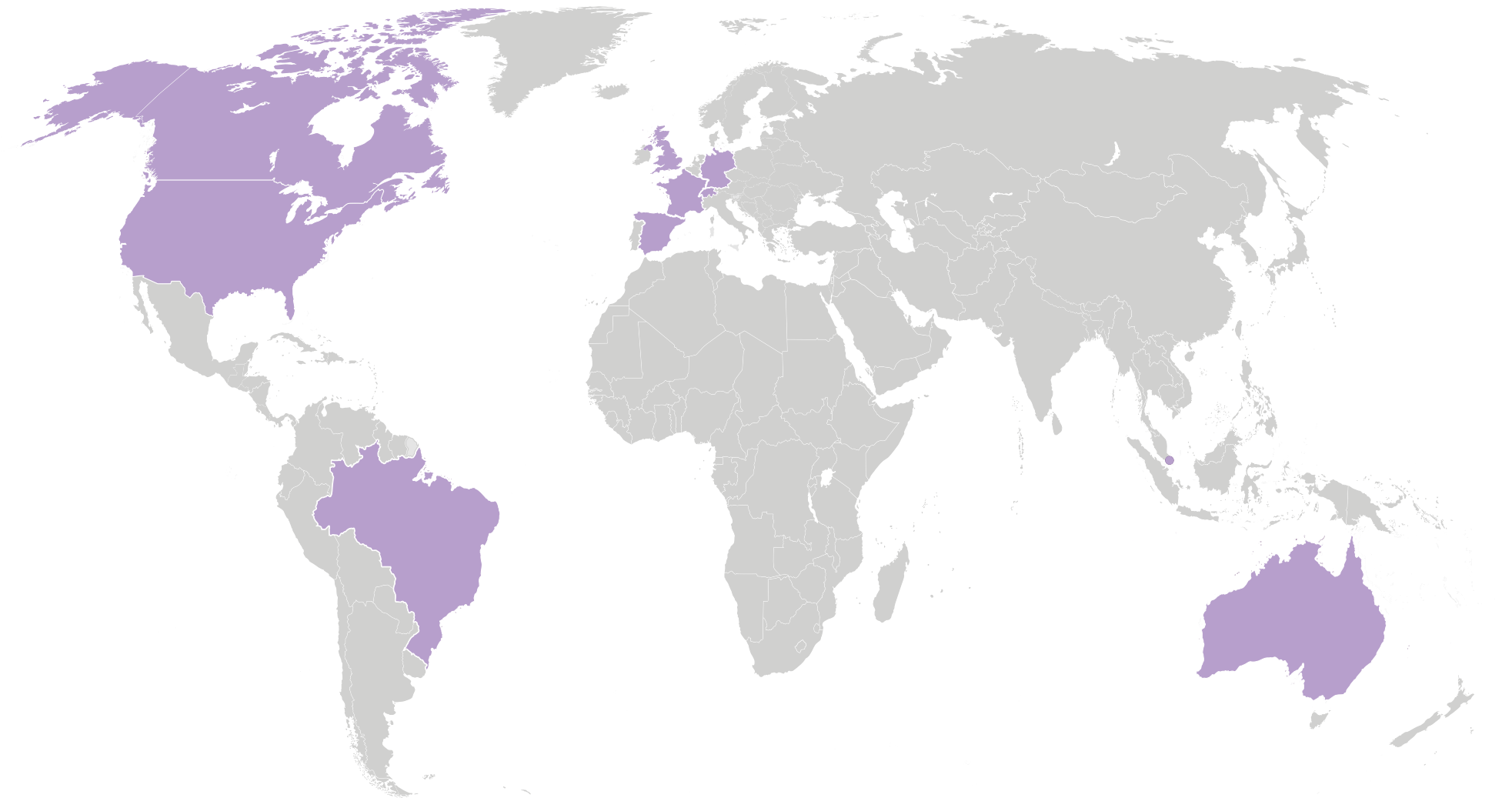


The need for resilient leadership

It's a tough time to lead an organization.

A challenging economic climate means that resources are scarcer and the race for them more cut-throat. Meanwhile, executives are navigating impossibly high expectations for delivering quick results.

While every organization needs to develop a tailored strategy to combat these challenges, our research shows that leaders across industries are facing similar themes. The convergence of these factors underscores the importance that executives develop resilient environments—ones that are capable of responding to external trends while maintaining operational stability within their business.



Top global challenges reported by leaders

External challenge

- 27% Globalization and increased competition
- 27% Inflationary pressures and increased costs
- 28% Economic uncertainty and market volatility

Internal challenge

- 23% Team effectiveness
- 22% Finding critical talent
- 22% Digital transformation

Select the country for additional detail



Global



Canada



USA



Brazil



Spain



France



UK



Switzerland



Germany



Singapore



Australia

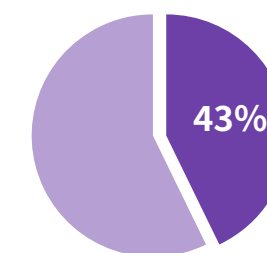


Leadership at a crossroads

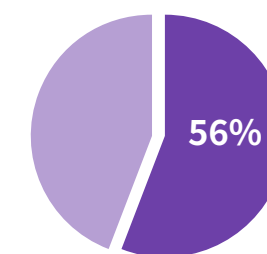
These challenging conditions have led to unprecedented levels of burnout and turnover at the executive level.

As a result of factors like inflation, supply chain disruption, and other geopolitical events, many organizations experienced drastic downturns in revenue or performance in the past few years. Now, with many of these disruptors abating, shareholder expectations are higher than ever. These high expectations are accompanied by short leashes, with executives held accountable to impossible timelines or unrealistic turnarounds.

The resulting stress to perform is driving unprecedented turnover in leadership teams, with 43.3% of leaders reporting that more than half their leadership team has turned over in the last year. These numbers are even higher in certain regions, such as 54% of leaders experiencing high turnover in APAC, and industries, such as Sales, Media, or Marketing, where as many as 73% of teams experienced a turnover of more than half their members.



of leaders have experienced the turnover of more than half their leadership team in the last year.



of leaders report feeling burned out, with the largest share coming from Gen X and Millennials (*up from 52% in 2023*).

What's next for leadership?

To navigate a tough economic climate, companies need to embrace a new paradigm for leadership effectiveness and how they enable leadership success at every level.

The ability to counter these external and internal challenges hinges on the shoulders of talented executives. The challenge is, talent is scarce, leadership turnover is high, and many organizations lack the resources to develop individuals across every level of leadership.

Our survey identified three core themes on leadership effectiveness that organizations must address to overcome the current headwinds facing businesses.

In this report, we explore these themes in depth:

Navigating a generational shift



Empowering leaders to flourish



Elevating leadership performance



Challenge 2

Navigating a generational shift in leadership

It has long been recognized that the global workforce is aging.

Low birthrates have led countries like Germany and Japan to face talent shortages as older populations retire with fewer young people to replace them. In the US, an estimated 10,000 workers are expected to retire every day through 2027¹.

This “silver tsunami” represents one of the largest demographic shifts in history, leaving in its wake an immense challenge for organizations: How do they navigate their dependency on an aging population of executives while developing a new generation of leaders? More than that, how do they rethink their talent pipeline to create more fluidity and help maximize the value of the individuals they have?

¹Alliance for Lifetime Income (2024)





Harnessing the “Silver Tsunami”

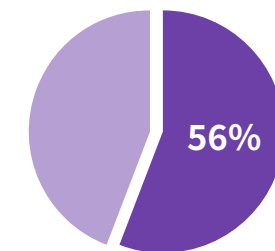
Our relationship with retirement has changed forever, with more leaders looking to stay in the workforce for longer.

While a huge number of leaders are approaching retirement age, there is reason to think this might not be the talent cliff futurists feared. Driven by financial needs and better health later in life, many professionals are working into their late 60s and 70s.

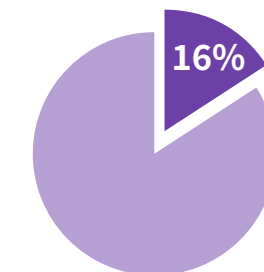
Even though some professionals choose to leave their full-time roles, many are opting for flexible engagements that allow them to stay active, earn supplemental income, and find fulfillment. This is backed up by our research:

- ▶ 56% of the Baby Boomer generation is considering a role change in the next 3 years, but only 16% is planning to retire.
- ▶ Of the individuals staying in the workforce, 39% plan on either starting their own business or taking a new role outside their company.

This means that these workers are still available to contribute to organizational strategy, but likely looking at employment in very different ways than before.



56% of Baby Boomer leaders are considering a role change in the next 3 years.



Yet only 16% are planning to retire in the next 3 years.

Redefining retirement

Searching for roles that match their lifestyle, late-career leaders are rewriting the final chapters of their professional journeys.

As Baby Boomers near the end of their traditional careers, their motivations have shifted compared to younger generations. In order to maintain their lifestyle into retirement, this group is most motivated by financial security and a desire to cement a lasting legacy of their career.

Finally, these motivations are balanced with another, more personal one: autonomy. As these generations look for their final roles, they are seeking opportunities with flexible hours and the ability to exercise control.

These drivers help explain the Baby Boomer interest in transitioning to portfolio careers, which would allow them to pursue diverse projects that align with their interests while finding a way to work fewer or more flexible hours. These arrangements reflect a desire to continue contributing to something, while simultaneously adapting their work to suit their evolving needs in the later stages of life.

Compared to other generations, Baby Boomers are:

26% more motivated by gaining financial rewards and compensation

22% more motivated by gaining recognition and respect from peers

11% more motivated by building a legacy or lasting impact

11% more motivated by overcoming challenges and solving complex problems

10% more motivated by exercising autonomy and control over decisions



Experience matters: Leveraging seasoned leaders

Talent management is not a passive strategy.

Talent management requires a proactive approach, particularly when it comes to leadership succession and retaining critical expertise. Organizations must prioritize career strategy conversations to ensure smooth transitions into leadership roles while preserving institutional knowledge and intellectual property.

These conversations help leaders understand their options, prepare for future opportunities, and navigate their career paths with clarity and purpose. By facilitating open dialogue about aspirations and development needs, organizations can “unstick” the talent pipeline, enabling both mobility and growth while reducing risk and fostering long-term retention.

Recommendation 1

Career strategy support for executives to seamlessly navigate change.

Companies can develop ongoing dialogue to help senior talent explore options outside of a traditional career progression. This creates an active conversation around leadership succession, facilitating a mutually beneficial transition.

Recommendation 2

Implement flexible and project based work structures to capitalize on shifting preferences.

Companies tap into experience by offering project-based work, consulting, or mentorship roles. These programs facilitate intergenerational learning, creating a dynamic workforce that blends seasoned expertise with fresh perspectives.

“Supporting transitions helps unclog the talent pipeline and restore the natural career evolution because people move on to something new—something that energizes them. As they’re thinking about what’s next, they are also driving the conversation about who replaces them.

President

“There are leaders that at different points in time know they are developing their next in line...that often can bring in thinking of ‘what am I going to do next?’ Having coaching can be incredibly helpful, so that you can deliver on what you need to get accomplished as well as think about yourself and what you may want to do.

Board Director & Former CHRO



Challenge 3

Empowering leaders to flourish in new challenges

It's hard to execute a strategy when the players keep changing.

In this report, we have already explored the effects of the generational shift and the significant impact that could have on institutional knowledge. Combined with extreme levels of senior turnover, organizations are rapidly remaking the composition of their leadership teams. And these teams are getting younger.

While Gen X is already well-represented in leadership teams, Millennials and Gen Z are only now starting to take the top jobs at organizations. These generations are new to leadership roles, possessing different styles and motivations than previous leaders.

At a moment when expectations for organizational performance are at their highest, companies are navigating the complexity of managing multi-generational leadership teams. These generational differences continue to reshape what organizations look like and the type of support they need to make top managers successful.

Compared to past generations, Gen Z is:

28%

more likely to be motivated by creating a positive impact on their team than Gen X.

more than 2x

as motivated to help others reach their full potential.

9%

less motivated by financial rewards than previous generations.





Clearing the path to confidence

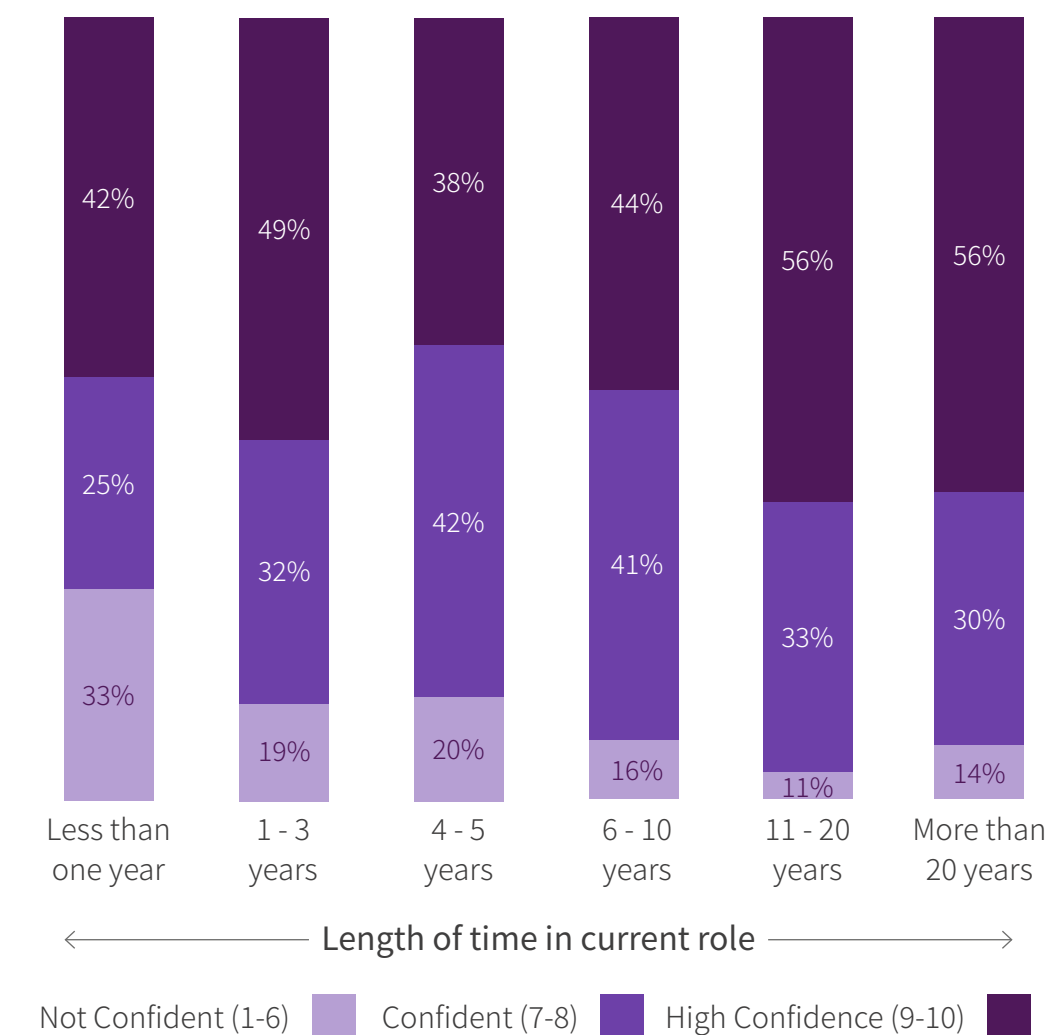
As a high number of individuals move into new leadership roles for the first time, building self-confidence has never been more critical.

There is a lot riding on leadership teams—but not everyone thinks they have what it takes to succeed. Our survey shows that in the first 12 months in a new role, 31% of executives do not feel confident in their leadership team’s ability to perform. Surprisingly, many leaders share a similar sentiment about themselves, with 33.3% of new leaders reporting that they don’t feel confident in their personal ability to perform.

These sentiments echo another trend in our data: younger generations and those within the first three years of a leadership role report significantly higher levels of burnout and turnover. However, there is reason to believe many of these leaders could have been successful under different circumstances.

So, what does this mean in practice? Organizations need to appreciate the role of confidence as a critical hurdle to leadership success. By finding the right ways to support new leaders, organizations build readiness and facilitate stronger integration into the broader leadership team.

Confidence in personal ability to navigate business challenges by tenure



Beyond Onboarding: Solving for a broken system

While organizations already invest heavily in supporting executive onboarding, our survey suggests that these systems aren't equipped to meet the current moment.

The combination of market adversity and stakeholder expectations frequently overwhelms new leaders, leading to high rates of failure for executive roles.

Every new role comes with unique challenges—and these can easily derail an emerging leader as they embark on a new professional challenge.

Whether new to the organization or an internal leader stepping up into a new role, organizations need to rethink how they enable a leader's success with tailored support that is aligned to the leader, role, and organization. This approach not only boosts confidence, but also facilitates faster, more effective integration into the broader leadership team.

Recommendation 1

Target critical career steps to help all leaders build skills and confidence, not only those new to the organization.

Companies should target the critical moments that occur throughout an executive's career, supporting leaders as they take on a new role or commit to a change in their career trajectory.

Recommendation 2

Facilitate leader success through a personalized onboarding approach.

Executive onboarding is not be 'one size fits all'. Every leader has a unique set of challenges and dynamics they are stepping into. Providing tailored support to navigate this critical moment will accelerate leader success and impact.

“

When you take on a new role or a new challenge, you essentially hit the reset button on all aspects of your work life: your brand, your relationships, and your credibility... you need to figure out how to create value.

General Counsel & Chief Compliance Officer

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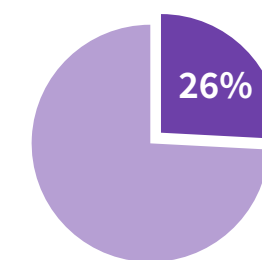
Challenge 4

Elevating leadership performance

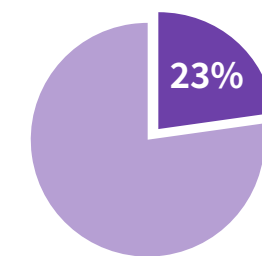
As leadership teams look to drive performance, many executives feel that their organizations are caught off-guard by unpredictable or extreme swings in political or regulatory environments, leading them to feel like they are constantly playing “catch up.” It’s easy to blame the volatility of external factors, but there is evidence to suggest that some of these failures are self-inflicted.

If you were to examine the top leadership teams at many organizations, you’d find strong personalities, misaligned objectives, and non-complementing skillsets. While the individuals are likely high-performing leaders, they often work against each other in pursuit of their vision for the organization. Considering this, it isn’t surprising that many leadership teams end up less than the sum of their parts.

This begs the question: how can organizations overcome some of these embedded obstacles in order to assemble an effective, high-performing group of leaders?



of CHROs see collaboration and teamwork as among the largest capability gaps impacting leaders.



of CEOs see strategic thinking as a gap, reflecting an inability for decision-making that accounts for the whole organizational context.

The headwinds to collaborative leadership

Many leadership teams are struggling to achieve team effectiveness, limited by structural problems and other ineffective processes.

Our research suggests that challenges in building high-performing teams stems from both gaps in critical skills and other structural factors. Leadership teams often lack clear strategic objectives, leading to the overall ineffectiveness of the decision-making process. In addition, we found that 1 in 4 executives identified a misalignment between critical roles in their organization and the individuals that are filling them.

These challenges are compounded by the multi-generational nature of these teams and the push toward hybrid or dispersed working in recent years. Many leadership teams lack a shared language for collaborating and rarely get the face-to-face time they need to build stronger connections. Stronger leadership bonds would go a long way in establishing a more proactive approach – one that empowers executive teams to build strategies that predict where the market is going – not just where it's been.

Top 5 factors hindering the effectiveness of the leadership team

27% lack of clarity around strategic objectives

27% ineffective decision-making processes

26% failure in executing strategic plans

26% inappropriate placement of leaders in key roles

26% lack of cohesion within the senior leadership team



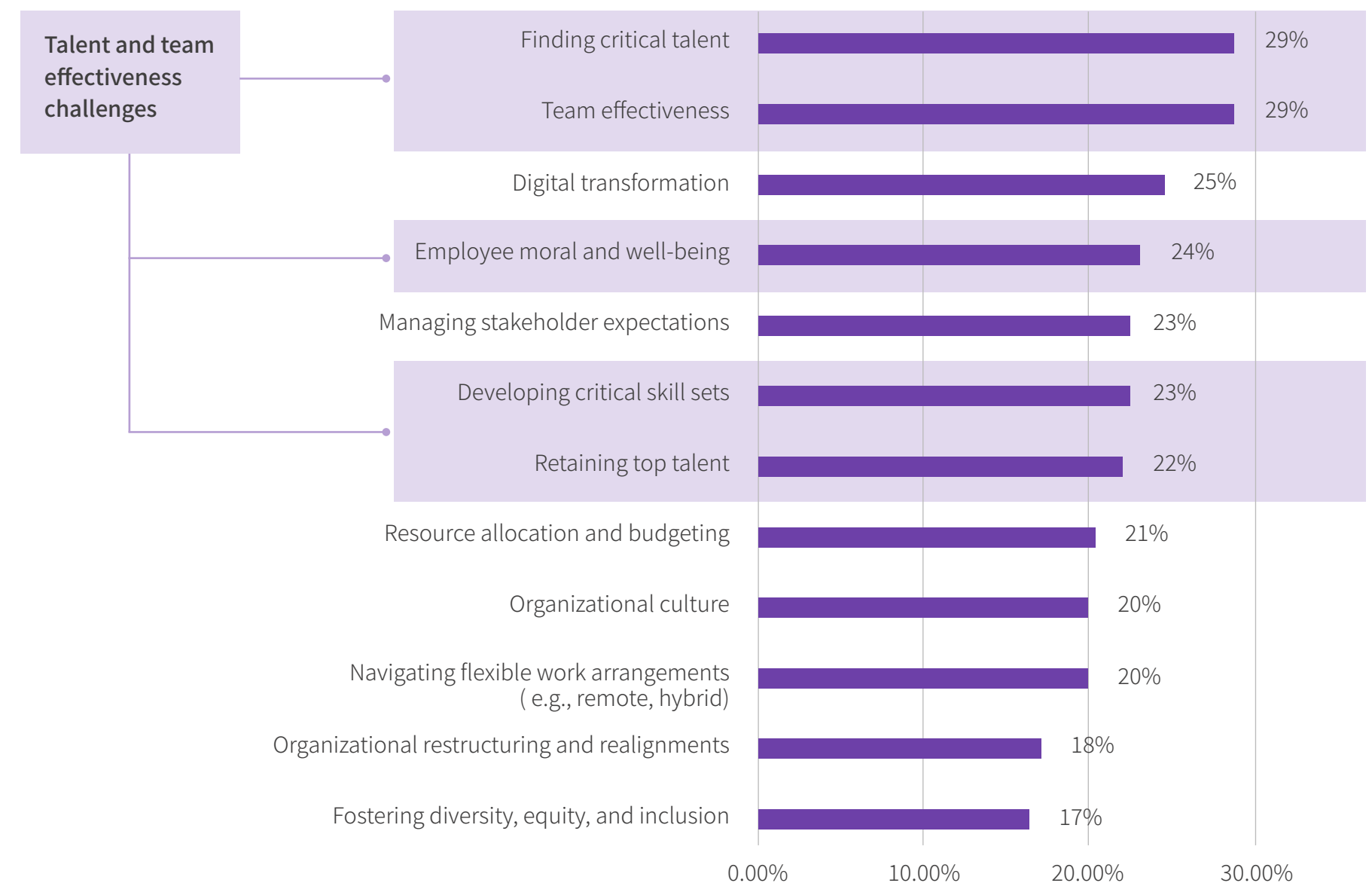
A need to evolve talent-centric initiatives

In order to achieve their strategic goals, organizations are recognizing the need to invest in and retain critical leadership skills.

Organizations hope to accomplish a lot in the few next years. However, if you ask executives, they are not confident that they have the talent-in-role to achieve these outcomes. This came to life in our report—of the top seven internal challenges reported by CEOs, five related directly to talent development or leadership team effectiveness.

These talent challenges translate into development needs for leaders, with many executive teams acknowledging that they lack the technical and leadership skills to support the modernization of their company. This represents a real risk for organizations at a moment when they are hoping to modernize, adopt new technologies, and respond to unprecedented swings in the environment.

Top internal challenges as reported by CEOs (n = 284)



Leadership teams that see around corners

Business has evolved—and leaders need to be at their best to succeed in this environment

As we continue to experience unpredictable markets, leadership teams need to come together and establish an effective approach for collaboration, decision making, and team effectiveness. This is a critical first step for organizations hoping to achieve their strategic objectives.

Recommendation 1

Accelerate decision making through experienced guidance and mentorship.

Companies can create communication channels that allow potential leaders to tap into the lived experience of leaders who have been there before: individuals with a record of leading complex organizations who can provide executive-level knowledge and demonstrate how it applies to a leader's context.

Recommendation 2

Impactful resources to support overall leadership team effectiveness and collaboration.

Companies should deploy a suite of team effectiveness tools to help executive teams develop strong bonds and coalesce around a common strategy. These tools provide a format for executive teams to establish how they communicate and make decisions.



There's a notion that I would advise people to unpack a little bit more, and that's the notion of leadership agility: 'Am I ready for the change that I may not expect?'

Luella Chavez

LHH | ICEO Senior Advisor



Conclusion

The ability to counter both external and internal challenges rests heavily on the capabilities and readiness of executives.

However, many organizations find themselves under-prepared to effectively manage leadership changes at various stages of an individual's career. This gap can hinder their ability to adapt and thrive in an evolving business landscape.

Our global survey has unearthed three core themes critical to leadership effectiveness that organizations must address:

Harnessing the Generational Shift in Leadership

Organizations should rethink how work is achieved, enabling seasoned leaders to stay engaged while creating space for the next generation to lead. This ensures flexibility at every stage of the talent pipeline.

Empower Leaders to Flourish in New Challenges

Support both your current and new leaders as they embark on new challenges with tailored guidance to help them adapt quickly, integrate smoothly, and accelerate performance.

Elevating Leadership Performance

Many leadership teams struggle to work together effectively. Organizations should strive to develop team effectiveness and empower executive decision making.

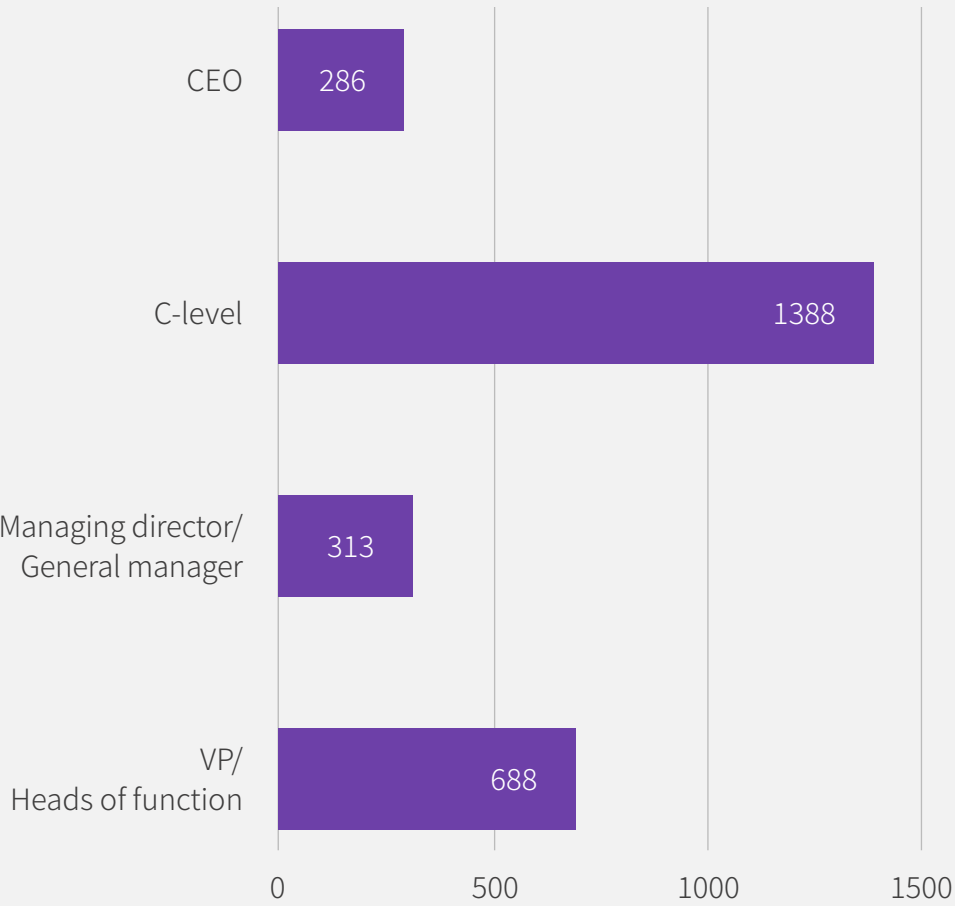
The work done at LHH continues to address these challenges with our clients, offering insights and strategies for organizations to strengthen their leadership pipelines and facilitate sustained success in a rapidly changing world.



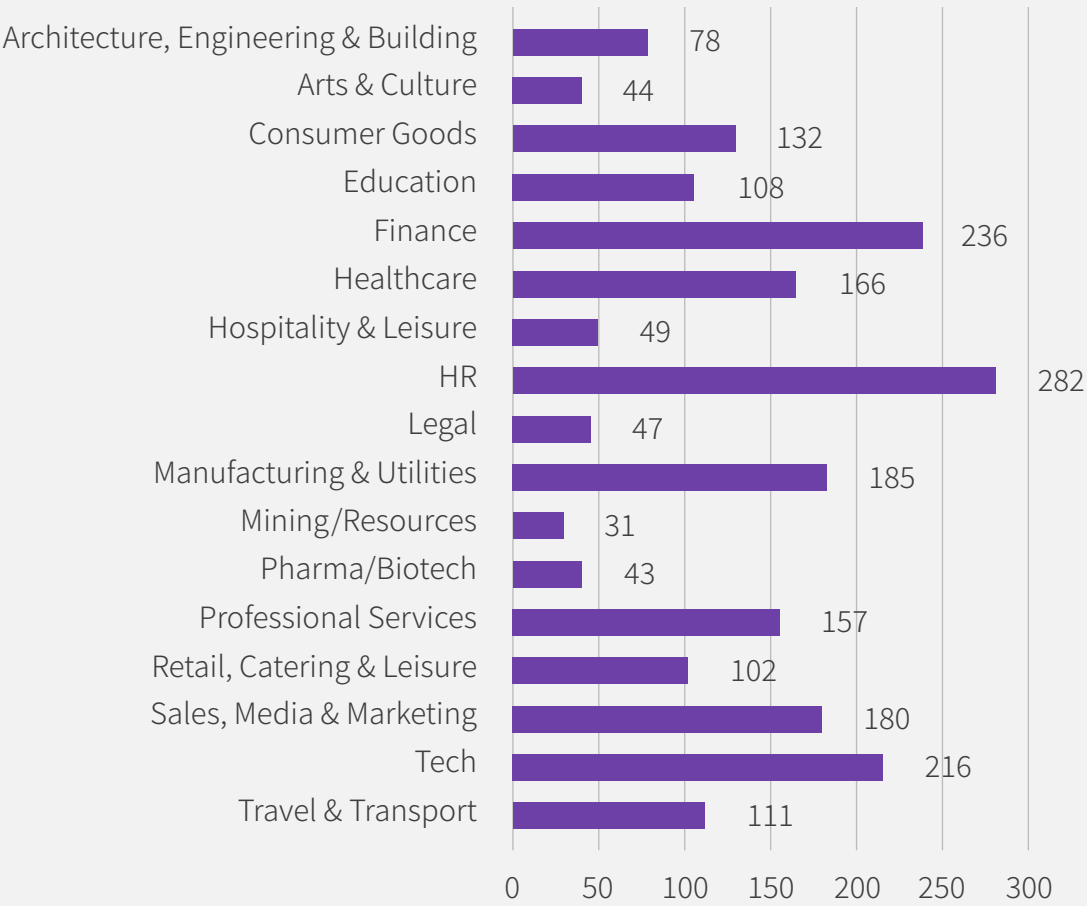
About the research

In an effort to better prepare businesses for the challenges ahead, LHH conducted a survey of 2,675 executives, spanning many industries and geographies. This report is a valuable tool to tap into their mindsets and gather insights on the state of executive leadership as we begin 2025.

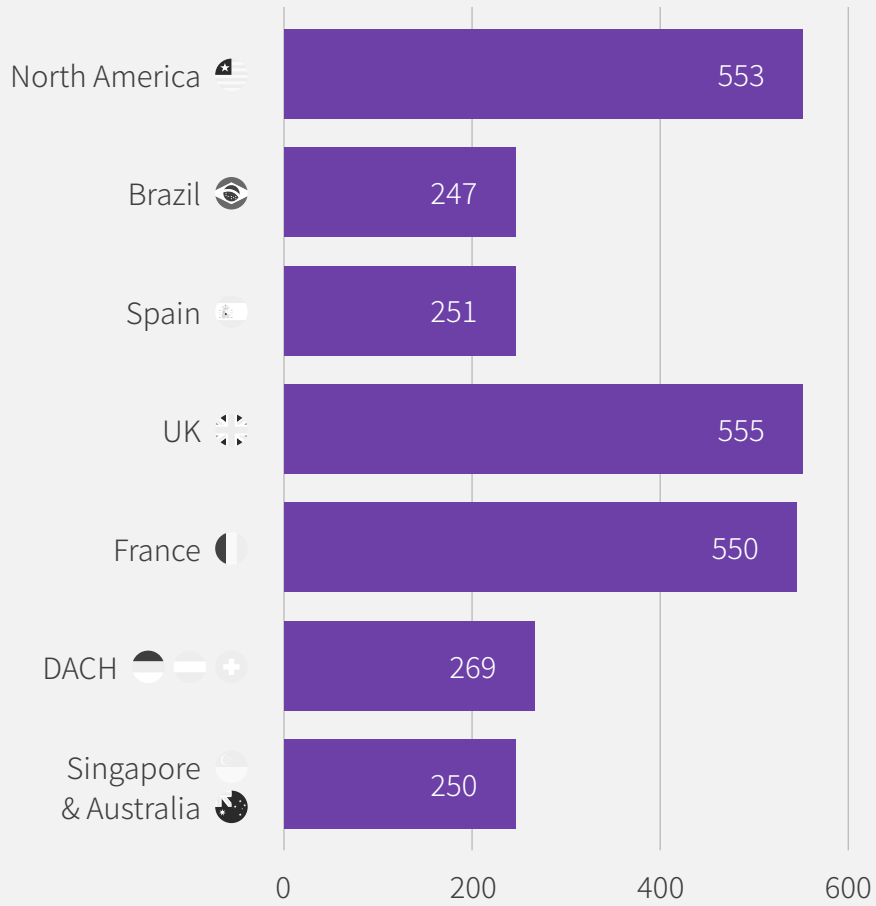
Job title breakdown of respondents



Industry breakdown of respondents



Geographic breakdown of respondents



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Leadership isn't
a title, *it's a legacy.*

ICEO is LHH's global executive boutique practice that exists to provide strategic mentoring and considered advisory to organizations and individuals experiencing critical inflection points – from handling business mergers and economic shifts to navigating planned and unplanned transitions.

For more information, visit www.lhh.com/iceo.

