

THE 2026 LEADERSHIP EXECUTION GAP.

What Alchemist's Research Reveals About
Performance, Change, and Execution

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EXECUTIVE SUMMARY.

Execution depends on more than strategy. It depends on the day-to-day decisions, behaviours, and follow-through of the people responsible for turning priorities into results.

Organisations are asking leaders and managers to deliver that execution while operating with constrained resources, rising productivity expectations, changing workforce needs, and faster technology change.

In this environment, leadership development must stay connected to real work: helping leaders strengthen accountability, align teams, lead change, make decisions under pressure, and sustain performance.

Alchemist's 2026 Leadership Challenges & Priorities research asks a central question:

Are organisations building leadership capability in a way that improves performance, supports change, and accelerates execution?

The answer is mixed. Many organisations are focused on building leadership capability, but the research suggests that development must do more to ensure new behaviours show up in the work itself. The study includes responses from 281 HR, L&D, talent management, people operations, and organisational development professionals.

FIVE KEY FINDINGS.

1	Leadership development is under substantial operating pressure	Workload and productivity pressure (90.2%), budget pressure and cost-cutting (88.7%), and talent-market instability (88.0%) are the strongest factors affecting organisations' ability to develop leaders and managers, followed by AI / technology disruption and remote / hybrid complexity (both 81.6%). These pressures suggest that development needs to be practical, relevant, and directly connected to the conditions leaders face now.
2	Manager performance is improving for some organisations, but not broadly enough	Slightly more than half report an increase in people managers meeting performance expectations (51.4%), while nearly as many report no improvement or decline (48.5%). This suggests that leadership development may not yet be translating into day-to-day manager behaviour consistently enough to improve performance at scale.
3	Performance and change leadership are closely connected	Among organisations reporting improved effectiveness leading change or transformation, 66.5% also report increased manager performance. Change appears closely tied to what leaders and managers clarify, reinforce, coach, and sustain in daily work.
4	Consistent leadership framework use is one of the clearest patterns in the research	Organisations with a consistently used leadership framework are more likely than all others to report increased manager performance (66.9% vs. 31.9%), improved change effectiveness (75.2% vs. 46.8%), and extensive AI use for leadership and management work or development (51.9% vs. 12.6%).
5	Leadership expectations need to be clear enough to guide behaviour	The research points to two related implementation gaps: alignment on what effective leadership looks like and reinforcement of those behaviours. Organisations report challenges with aligning stakeholders on effective leadership, sustaining behaviour change, building managers' coaching capability, providing reinforcement and practice at scale, and measuring impact. The core issue is whether leadership expectations show up consistently in how leaders operate day to day.

LEADERSHIP DEVELOPMENT AS AN EXECUTION PRIORITY.

The priority data also reveals a tension: organisations are elevating urgent needs, such as AI readiness, decision-making, coaching, accountability, and change leadership, while foundational gaps, such as first-time manager capability, succession depth, leader hiring, and scalable development, remain widely challenging.

Together, the findings position leadership development as an execution priority as well as a talent priority. Organisations need clear expectations, practised behaviours, reinforcement, and measurement to help leaders turn priorities into action.



KEY RESEARCH FINDINGS.

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LEADERSHIP DEVELOPMENT MUST WORK UNDER REAL OPERATING PRESSURE.

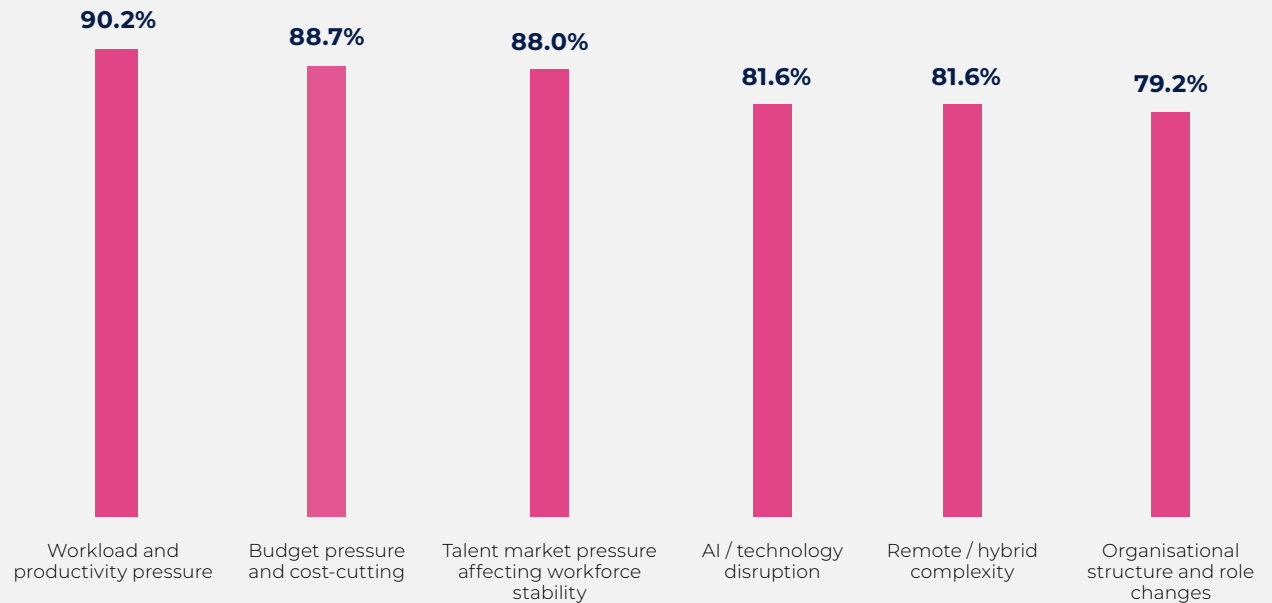
Leadership development is taking place under substantial organisational strain. Workload and productivity pressure, budget constraints, workforce instability, AI / technology disruption, remote and hybrid complexity, and organisational structure changes are all affecting organisations' ability to develop leaders and managers.

These pressures shape the conditions under which development has to work.

Leaders need development that is practical, relevant, and helps them practise how to lead in the situations they're facing daily: making decisions with incomplete information, coaching through uncertainty, aligning teams, strengthening accountability, and leading change.

Organisational Factors Affecting Ability to Develop Leaders / Managers

% VERY / SOMEWHAT IMPACTFUL



DESIGN FOR CURRENT CONDITIONS

Leadership development must be designed for the conditions leaders are operating in now: constrained time, shifting priorities, limited resources, and rising expectations.

MANAGER PERFORMANCE IS IMPROVING FOR SOME, STALLING FOR MANY.



Under these operating conditions, the manager-performance data shows progress for some organisations, but improvement is not broad-based. Slightly more than half of organisations report an increase in the percentage of people managers meeting performance expectations, while nearly as many report no improvement or decline.

That means nearly half of organisations are not seeing upward movement in the share of managers meeting expectations. For leadership development efforts, the challenge is to move beyond maintaining manager capability and create measurable improvement in how managers lead.

DAY-TO-DAY LEADERSHIP



Closing the manager-performance gap requires development that changes how managers lead day-to-day: setting expectations, coaching, reinforcing priorities, and sustaining execution through change.

PERFORMANCE AND CHANGE EFFECTIVENESS MOVE TOGETHER.

Organisations reporting improved effectiveness leading change are also more likely to report gains in manager performance. Among them, about two-thirds (66.5%) also report an increase in the percentage of people managers meeting performance expectations.

Managers often translate organisational change into the teams' daily work. They clarify priorities, coach through ambiguity, reinforce expectations, address resistance, and help teams sustain momentum after the initial announcement or rollout.

This connection between effectively leading change and managers meeting performance expectations reinforces a practical point for leadership development: change does not become real through communication alone. It becomes real when leaders and managers create clarity, address resistance, reinforce expectations, and sustain momentum in daily work.



CHANGE CAPABILITY & MANAGER EFFECTIVENESS

Leadership development should not treat change capability and manager effectiveness as separate agendas. Change is sustained through the everyday manager behaviours that create clarity, reinforce expectations, and keep teams moving.

THE FRAMEWORK ADVANTAGE SHOWS UP IN OUTCOMES.

One of the clearest findings in the research hinges on whether organisations use a defined leadership model or competency framework consistently.

Organisations that consistently use a leadership framework are significantly more likely to report:

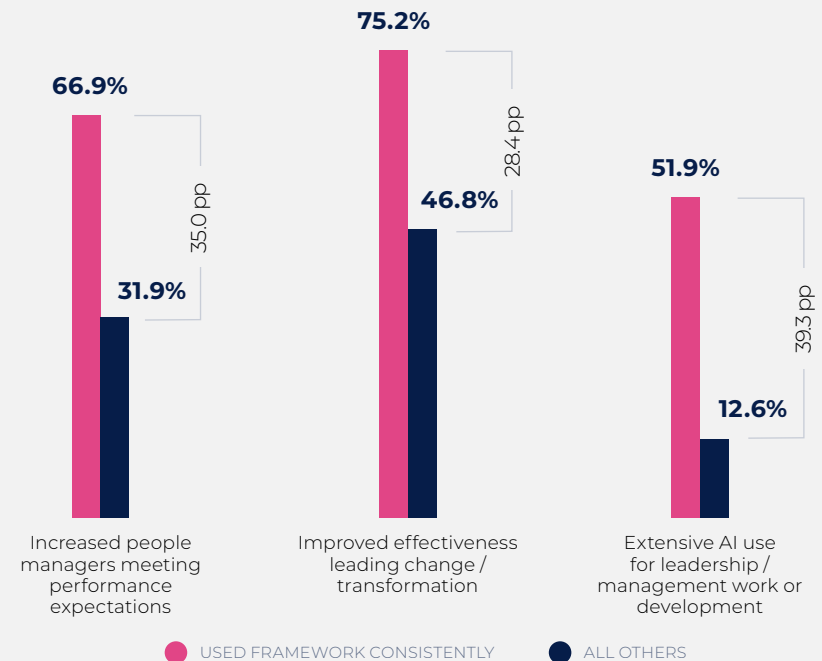
1. Stronger manager performance
2. Improved change effectiveness
3. More extensive AI use in leadership and management work or development

The data does not suggest that having a framework automatically improves outcomes. The pattern may reflect a broader level of leadership-development maturity: organisations that use frameworks consistently appear better positioned to define what effective leadership looks like, reinforce the right behaviours, and apply new tools like AI within a clearer leadership system.

That doesn't mean that every organisation needs to start by building a new framework. Many already have leadership models or competency frameworks in place. The execution gap often appears when those expectations aren't translated into the behaviours, reinforcement, coaching, and measurement needed to change how leaders operate day to day.

Outcomes by Consistent Leadership Framework Use

% POSITIVE RESPONSE



ACTIVELY USED FRAMEWORKS CREATE VALUE



Leadership frameworks create value when they are actively used to clarify expectations, reinforce priority behaviours, and support execution in daily work.

LEADERSHIP EXPECTATIONS NEED TO BE CLEAR, PRACTISED, AND REINFORCED.

Leadership development creates limited value when it stops at programme completion, conceptual understanding, or knowledge transfer. It creates value when organisations define what effective leadership looks like and help leaders practise those behaviours in the context of real work.

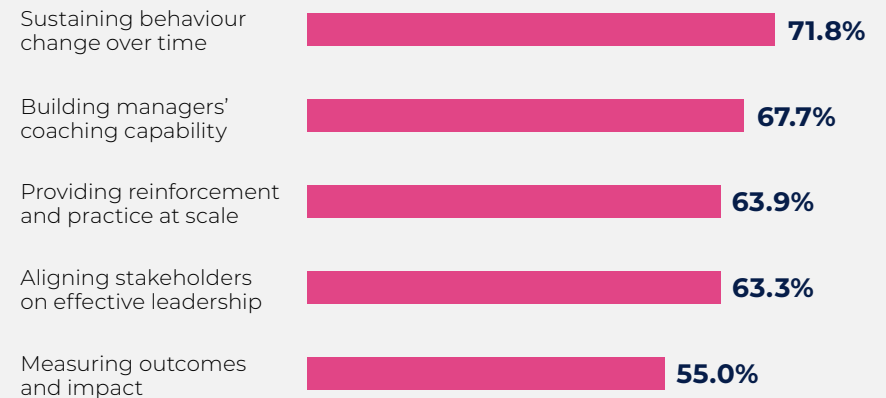
The research points to two related implementation gaps:

- 1. Alignment:** Respondents report challenges with aligning stakeholders on what effective leadership looks like.
- 2. Application:** Respondents report challenges with sustaining behaviour change, building managers' coaching capability, providing reinforcement and practice at scale, and measuring outcomes and impact.

Together, these findings suggest that leadership expectations need to be clear enough to guide behaviour and practical enough to be reinforced in daily work.

Leadership Development Challenges

% VERY / SOMEWHAT CHALLENGING



VALUABLE LEADERSHIP DEVELOPMENT

Leadership development is most valuable when expectations are clear, translated into priority behaviours, and reinforced through practice, coaching, and measurement.

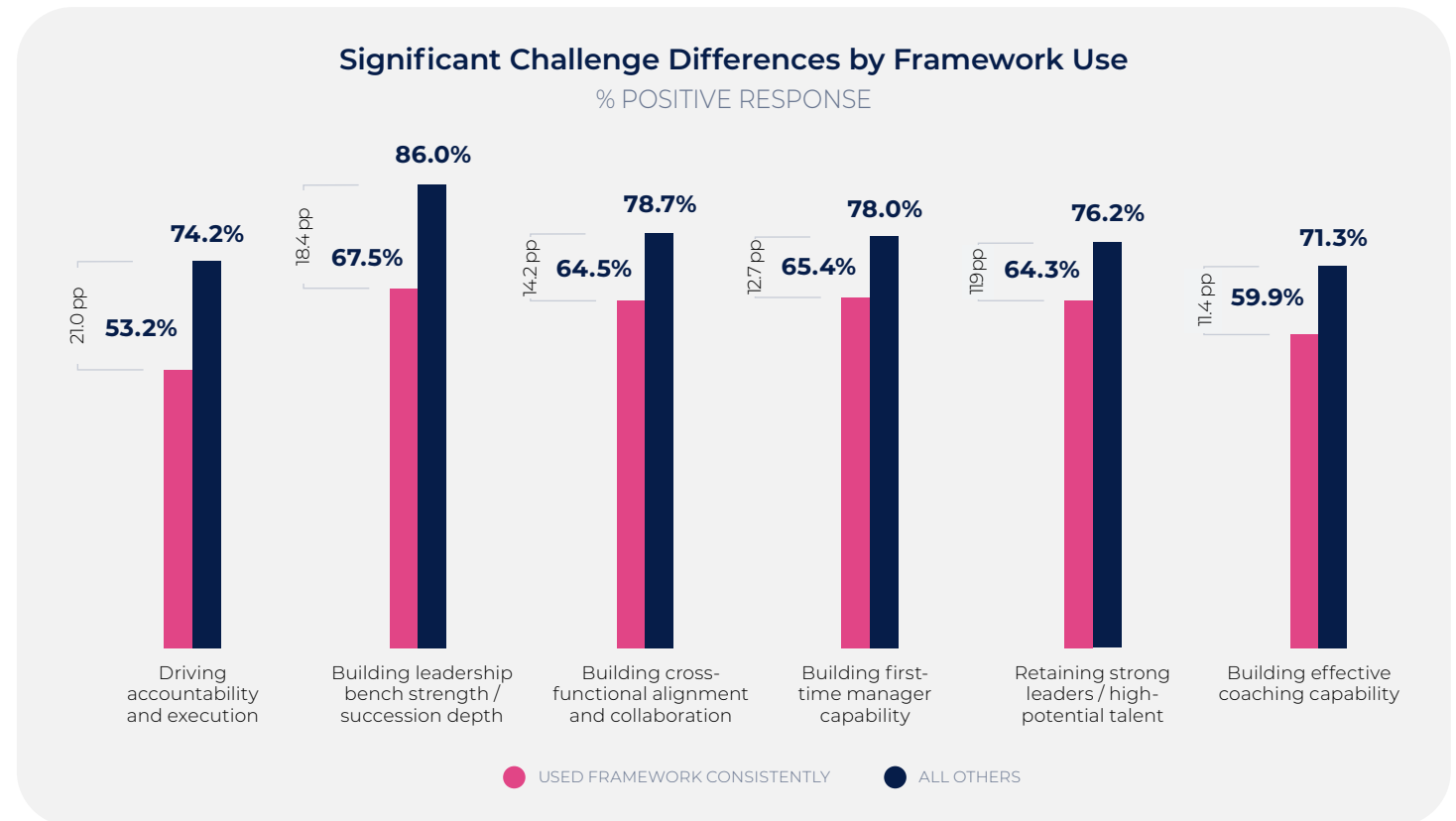
WHERE LEADERSHIP IS FACING CHALLENGES.

CONSISTENT FRAMEWORK USE IS LINKED TO LOWER LEADERSHIP CHALLENGE.

As useful as a leadership framework is, it doesn't eliminate challenges. Even among organisations with consistently used frameworks, many challenges are substantial. The difference is that these organisations are less likely than all others to report several foundational leadership areas as challenging.

For example, 53.2% of organisations with consistently used frameworks say driving accountability and execution is very or somewhat challenging, compared with 74.2% of all other organisations, a 21 percentage point gap.

The same pattern appears across several foundational leadership areas, including bench strength, cross-functional alignment, first-time manager capability, retention, and coaching capability. These are core conditions for leadership effectiveness.



Organisations that use leadership frameworks consistently appear to experience less pressure in areas connected to focused execution, collaboration, coaching, talent depth, and behaviour reinforcement.

That foundation may help them address more complex and emerging priorities, including decision-making quality, AI readiness, measurement, and leading through uncertainty.

THE POWER OF CONSISTENCY

Organisations with consistently used frameworks report less challenge in several foundational leadership areas. The implication is that leadership expectations create more value when they are actively used to guide execution, alignment, coaching, and talent development.



LEADERSHIP CHALLENGES ARE BOTH ACUTE AND SYSTEMIC.

The acute list shows where pressure feels most immediate. The widespread list shows where organisations may have deeper leadership-system gaps. Recruiting and hiring strong leaders appears at the top of both lists. It's the most acute leadership issue, with 27.3% rating it very challenging, and the most widespread, with 76.9% rating it very or somewhat challenging.

This suggests that leadership talent pressure is both immediate and systemic. Organisations are struggling with not only finding strong leaders now, but also with building the leadership depth, manager capability, alignment, and uncertainty-readiness they need.

The most acute pressure points centre on talent and AI readiness: recruiting and hiring strong leaders, retaining high-potential talent, and preparing leaders for an AI-enabled workplace. The most widespread challenges point to broader leadership-system needs: succession depth, first-time manager capability, cross-functional alignment, and leaders' ability to operate effectively in uncertainty.

These issues are connected. Talent pressure, manager capability, alignment, uncertainty, and AI readiness all shape whether leaders can translate strategy into action. Organisations need leaders who can respond to immediate pressures while also building the capability required for sustained performance.

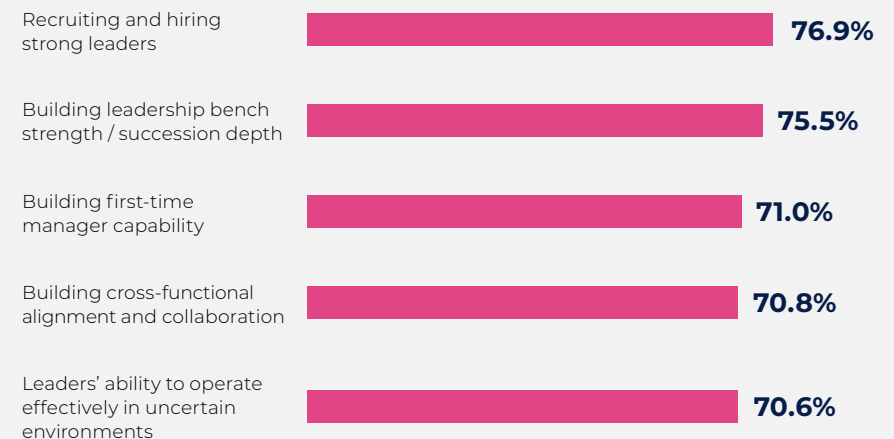
Most Acute Leadership Issues

% VERY CHALLENGING



Most Widespread Leadership Issues

% VERY / SOMEWHAT CHALLENGING



LEADERS ARE FACING COMPLEX IN-ROLE DEMANDS.

While the previous section looked at broader organisational leadership challenges, this view focuses on the in-role challenges leaders and managers are finding most difficult.

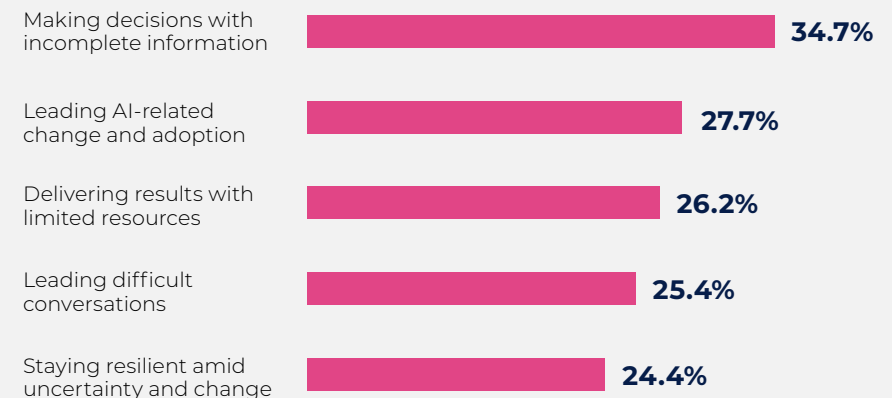
The most acute leader and manager issues centre on operating in ambiguity while sustaining performance: making decisions with incomplete information, leading AI-related change and adoption, delivering results with limited resources, navigating difficult conversations, and staying resilient amid uncertainty and change.

These are practical day-to-day leadership demands. They shape whether teams stay focused, adapt to change, maintain accountability, and continue making progress under pressure.

This reinforces the need for development that is practical, contextual, and behaviour-based. Leaders and managers need to practise how they lead through the demands that now define leadership work: clarifying priorities, coaching through ambiguity, focusing effort, addressing resistance, and helping teams keep moving.

Most Acute In-Role Issues

% VERY CHALLENGING



PREPARE FOR DAY-TO-DAY DEMANDS

Leadership development needs to prepare leaders for the day-to-day demands where execution is most likely to break down: making decisions with incomplete information, leading through AI and organisational change, managing constrained resources, navigating difficult conversations, and sustaining team momentum.



LEADERSHIP DEVELOPMENT STRUGGLES TO SUSTAIN BEHAVIOUR CHANGE.

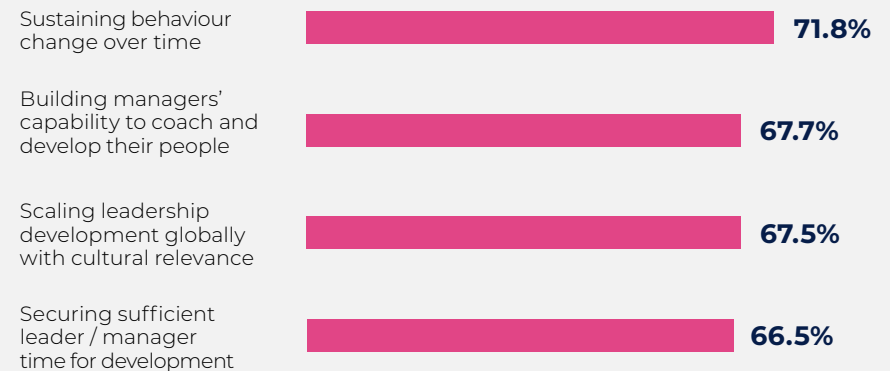
The value of leadership development depends on whether learning turns into sustained behaviour change. Leaders must be able to apply what they learn across different roles, regions, and business contexts.

The most widely reported learning and development challenges point in this direction: sustaining behaviour change, building managers' coaching capability, scaling development with cultural relevance, and securing enough time for leaders and managers to develop.

Together, these findings suggest that leadership development has to move closer to daily leadership work. Concepts, models, and frameworks matter, but they create value only when leaders can practise them, apply them, receive feedback, and reinforce new behaviours in the context of real work.

Most Widespread Leadership Development Issues

% VERY / SOMEWHAT CHALLENGING



COMPOUNDING RETURNS

Leadership development creates value when new behaviours are applied, reinforced, and sustained after the learning experience ends.

WHAT ORGANISATIONS ARE PRIORITISING.

LEADERSHIP PRIORITIES POINT TO EXECUTION.

When respondents were forced to choose their top three priorities, the results reveal where organisations are placing the most urgent leadership development attention.

The highest-ranked priorities are all tied to near-term performance pressure: AI readiness, engagement and retention, decision-making, coaching and employee development, accountability and execution, and leading through uncertainty.

Leadership development is being pulled closer to current operating needs. Organisations are prioritising capabilities that help leaders make better decisions, coach more effectively, support engagement, strengthen accountability, adapt to AI-enabled work, and lead through uncertainty.

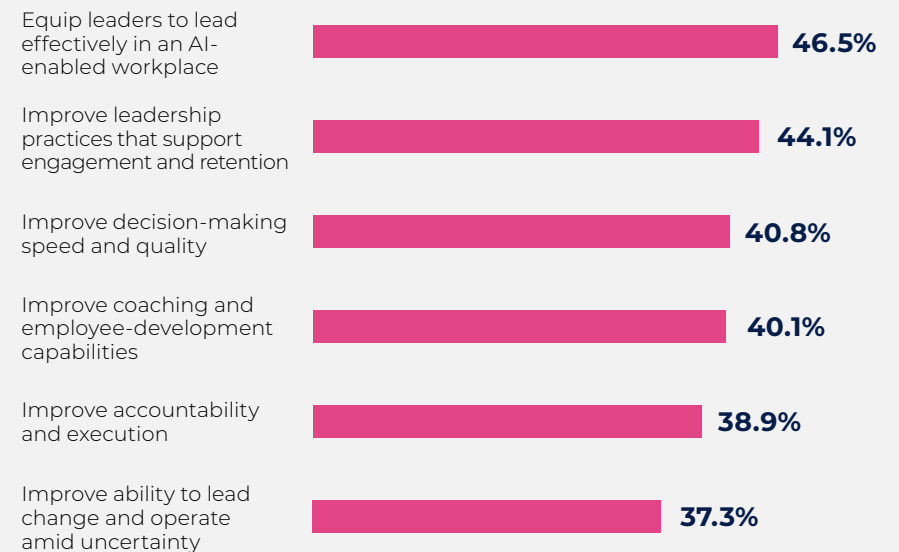
NEAR-TERM EXECUTION PRIORITISED

The forced-choice priorities reveal that organisations are looking to leadership development for near-term execution support: stronger AI readiness, better decisions, stronger coaching, higher engagement, clearer accountability, and change leadership.



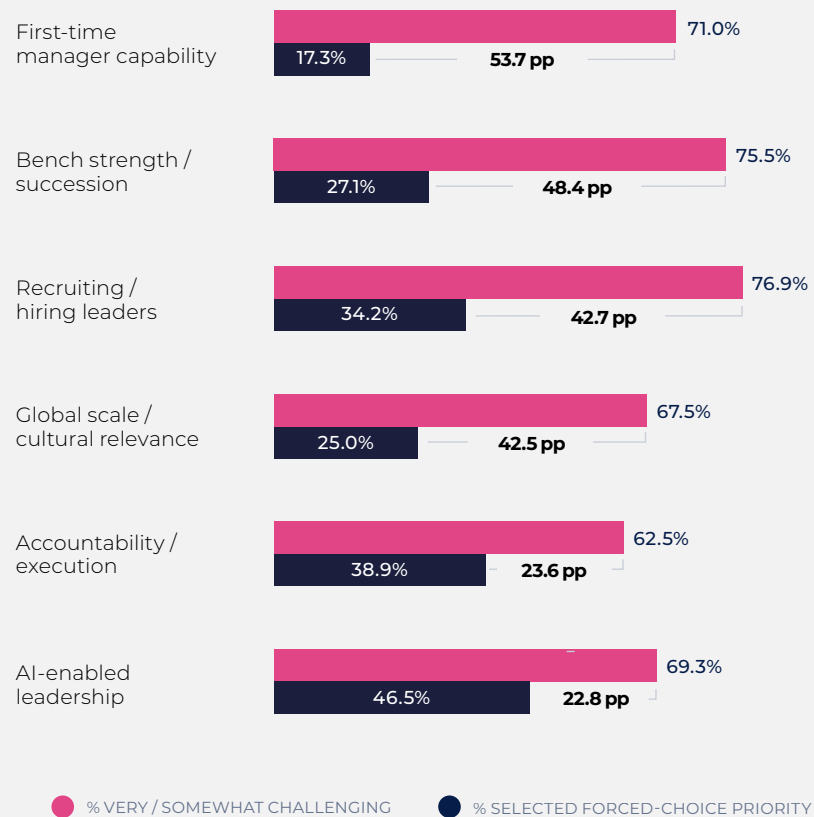
Top Ranked Leadership Priorities

% SELECTED AS TOP 3



FOUNDATIONAL LEADERSHIP GAPS COMPETE WITH URGENT PRIORITIES.

Comparison of Challenges to Forced-Choice Priorities



The challenge-priority comparison reveals a key tension: the issues organisations find most challenging are not always the ones they elevate as top priorities.

First-time manager capability, succession depth, leader hiring, and global scalability show the largest gaps. Each is widely challenging, but less likely to become a top-three priority. This suggests a prioritisation trade off: organisations may be directing near-term attention toward visible operating pressures while foundational leadership-system needs remain unresolved.

AI-enabled leadership is the clearest point of alignment. It is both widely challenging and the top forced-choice priority, indicating that organisations see AI readiness as both a current pain point and an urgent leadership development need.

TENSION BETWEEN URGENT AND FOUNDATIONAL



As urgent priorities rise, L&D leaders need to protect the foundational work that builds manager capability, succession depth, leader selection and development, and scalable development across the organisation.

AI IS PRESENT IN LEADERSHIP WORK, BUT ADOPTION IS STILL DEVELOPING.

AI is already part of leadership and management work, but adoption is still developing. About one-third of organisations report extensive use, while most are using AI in a limited way or pilot.

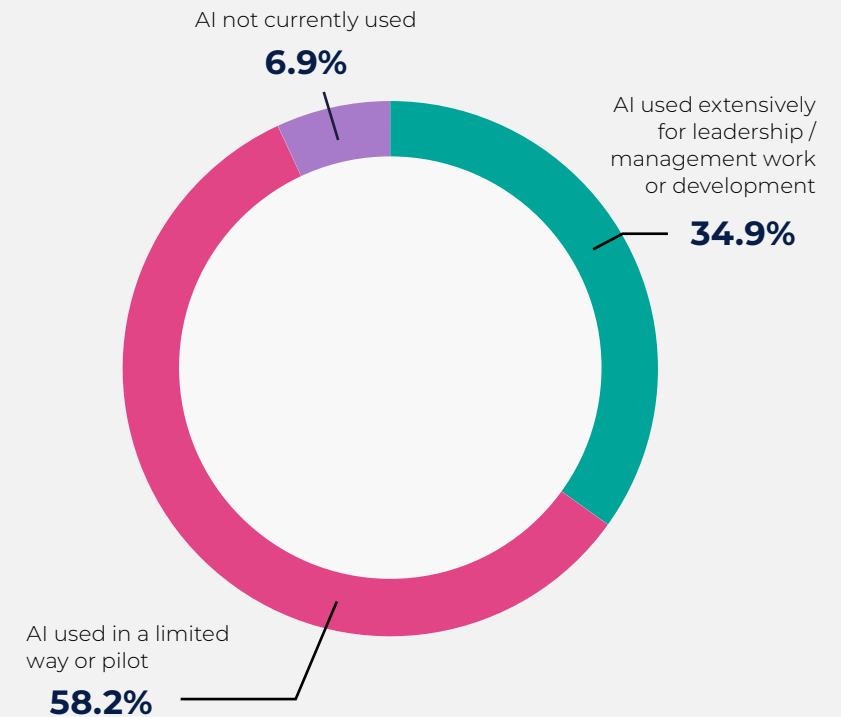
Current use appears concentrated in practical support areas, including analytics and insights, manager communications, coaching support, and learning reinforcement. This positions AI as an extension of leadership work: helping leaders interpret information, communicate more effectively, coach employees, and reinforce learning.

AI BELONGS ON THE AGENDA

AI belongs inside the leadership development agenda: embedded into clear leadership expectations, manager workflows, and the behaviours that help leaders communicate, coach, make decisions, reinforce expectations, and support change.



Extent of AI Use for Leadership / Management Work



TURNING LEADERSHIP DEVELOPMENT INTO EXECUTION.

LEADERSHIP DEVELOPMENT MUST CHANGE HOW LEADERS OPERATE.

The research points to a clear requirement: leadership development has to be designed as a system for changing how leaders operate.

Organisations need leaders to make better decisions, retain talent, coach effectively, lead AI-related change, reinforce accountability, and sustain behaviour change. Achieving those outcomes requires more than standalone training sessions.

It requires an integrated leadership development approach: clear expectations, focused behaviours, realistic practice, manager reinforcement, outcome measurement, and AI enablement connected to daily leadership work.

The goal is to change how leaders operate where execution happens: setting expectations, making decisions, coaching performance, reinforcing behaviour, and leading change.

EMBEDDING INTO OPERATING RHYTHMS

Leadership development creates more value when it's embedded in the operating rhythms of the organisation and connected to how leaders set expectations, make decisions, coach, reinforce behaviour, and lead change.



HOW DO YOU CHANGE YOUR OPERATING DISCIPLINE?

Below are six disciplines that are essential to leadership development success in 2026. While we've listed one question here, this example is not exhaustive of the ways you should inspect operations in your organisation.

OPERATING DISCIPLINE	WHY IT MATTERS	WHAT TO INSPECT
Leadership expectations	Creates common standards for effective leadership	Are expectations defined in observable terms and used consistently?
Priority leadership behaviours	Focuses development on the behaviours that matter most	Which leadership behaviours are most critical to current business priorities?
Practice and application	Moves development beyond content	Are practice and application tied to the situations leaders actually face?
Manager reinforcement	Sustains behaviour change	Are managers coaching, observing, and reinforcing the behaviours that matter?
Measurement	Connects development to outcomes	Are behaviour, people, talent, and business indicators reviewed together?
AI enablement	Extends leadership capacity	Is AI embedded into manager workflows, coaching, communication, and decision support?

DIAGNOSE THE EXECUTION GAP BEFORE DESIGNING YOUR RESPONSE.

For many organisations, the issue is not the absence of leadership development activity. It's the gap between leadership expectations and how leaders behave when they are making decisions, leading change, coaching employees, and sustaining accountability under pressure. Closing that gap requires targeted development around the behaviours, reinforcement practices, and execution routines that determine how change is delivered.

IF THE ORGANISATION IS STRUGGLING WITH...		DEVELOPMENT FOCUS
Accountability and execution	→	Execution routines, coaching, follow-through
Change effectiveness	→	Change communication, adoption, resistance handling
AI readiness	→	AI-enabled leadership workflows and use cases
First-time manager capability	→	Role transition, feedback, coaching, accountability
Cross-functional alignment	→	Clarity of shared purpose, stakeholder alignment, influence, conflict resolution
Succession depth	→	Leadership pipeline, readiness criteria, observable behaviours
Behaviour change	→	Practice, feedback, reinforcement, measurement

Organisations may face similar leadership pressures, but the right development response depends on the underlying pattern. A broad leadership development programme may not solve the problem if the real issue is unclear expectations, weak reinforcement, limited coaching capability, poor measurement, or inconsistent manager behaviour.

Because each organisation's execution gap is different, the starting point is to identify where execution is breaking down.

Key questions to address:

1. What pressure is the organisation facing?
2. Where is leadership performance breaking down?
3. Which behaviours or capabilities need to change?
4. What will reinforce those changes in daily work?
5. How will behaviour change and impact be measured?

TARGET SPECIFIC EXECUTION GAPS

Leadership development is most effective when it targets the specific execution gap the organisation needs to close. Before prescribing an intervention, diagnose where the breakdown is.



RESEARCH BACKGROUND.

Alchemist's 2026 Leadership Challenges & Priorities research was fielded from 9-25th March 2026. The study includes responses from 281 professionals in HR, people operations, L&D, talent management, and organisational development. Respondents assessed leadership development pressures, leader and manager challenges, organisational outcomes, leadership framework use, AI use in leadership and management work, measurement practices, and near-term priorities.

The analysis examined topline response patterns and statistical testing to identify significant relationships between leadership framework use, leadership outcomes, AI use, and reported challenges and priorities. Where noted "more likely" or "less likely," differences are significant at the 95% confidence level. Correlations and associations should not be interpreted as evidence of causality.

Percentages may not total 100% due to rounding. Some questions allowed respondents to select multiple responses. Forced-choice priority findings reflect the share of respondents selecting an item as one of their top three priorities.



CLOSE YOUR LEADERSHIP EXECUTION GAP.

For over 30 years, Alchemist has been creating impactful learning experiences and delivering sustained behaviour change through practice-led learning.

This research points to a clear pattern: organisations with a clearly defined, consistently used leadership framework are more likely to report stronger manager performance, better change outcomes, and greater AI adoption. But a framework only creates value when leaders can practise it, apply it, and get reinforcement in the flow of real work, which is exactly where most development stalls.

That's the gap Alchemist closes. Using 12 learning modalities, including live actors, AI-driven simulations, and real-time coaching, leaders are put inside realistic scenarios that mirror the same high-pressure decisions, difficult conversations, and change calls this research identifies as acute execution risks. It's how behaviour change moves from concept to habit.

And because “did it work?” is one of the challenges this research surfaces, you can't stop at learner satisfaction scores. Our measurement system gives you visibility into behaviour change and learning sustainment so you can prove leadership development is closing the execution gap, not just running alongside it.

If you're looking to scale behaviour change and embed these capabilities across your organisation, Alchemist can help.

Contact Us

