3 Tensions Leaders Should Resolve in 2023

By: Christopher Lane, Jean Leslie, Dr. Andy Loignon, Dr. Adam Brinegar, and Dr. Sara Haber Pixley
We find ourselves in a uniquely challenging business environment. The economy is increasingly volatile, and fears of an impending recession are widespread. However, unlike previous periods of volatility, the current uncertainty comes at a time of significant talent pressures, stemming from the COVID-19 pandemic and the unabating Great Resignation, with more than four million US workers quitting each month in Q4 2022 (US Bureau of Labor Statistics, 2022). Organizations must do everything they can to equip their leaders to lead through these difficult times, but in order to succeed, organizations must understand and resolve the challenges and pressures leaders face. Through surveys of more than 43,000 leaders, ExecOnline, in partnership with the Center for Creative Leadership (CCL), has identified three key tensions that organizations must address in order to enable leaders to lead effectively in the current environment. This paper discusses the following tensions and offers insights to address them:

**Tension 1:** Leaders want to work virtually—but it’s socially isolating.

**Tension 2:** Leaders want more development opportunities—but they’re burned out.

**Tension 3:** Leaders need to make hard decisions—but they also need to motivate and engage talent.

**Introduction**

From January 1, 2021, through December 31, 2022, ExecOnline surveyed 43,393 leaders on leadership-related topics, including the challenges and barriers they face as leaders and what skills and support they need to lead more effectively. All ExecOnline program participants, who range in level from line managers to C-level executives, are asked to complete a Current Business Environment survey before beginning their program; respondents are not required to respond to any questions. Six questions are asked consistently, and additional questions may be asked for a limited period of time. The questions used to collect data reported in this paper are available in Appendix A. Unless indicated otherwise, the ExecOnline data reported here were collected in Q4 2022. Sample information and demographics for each quarter are available in Appendix B. Findings shared in this paper were analyzed using descriptive statistics and mean difference tests (specifically a chi-square test). All reported mean differences are statistically significant, with significance levels indicated for each analysis.

**Who We Surveyed**

From January 1, 2021, through December 31, 2022, ExecOnline surveyed 43,393 leaders on leadership-related topics, including the challenges and barriers they face as leaders and what skills and support they need to lead more effectively. All ExecOnline program participants, who range in level from line managers to C-level executives, are asked to complete a Current Business Environment survey before beginning their program; respondents are not required to respond to any questions. Six questions are asked consistently, and additional questions may be asked for a limited period of time. The questions used to collect data reported in this paper are available in Appendix A. Unless indicated otherwise, the ExecOnline data reported here were collected in Q4 2022. Sample information and demographics for each quarter are available in Appendix B. Findings shared in this paper were analyzed using descriptive statistics and mean difference tests (specifically a chi-square test). All reported mean differences are statistically significant, with significance levels indicated for each analysis.
Analysis of ExecOnline survey data finds 99% of leaders as front-line employees do—perhaps even more so. Find that leaders like working from home just as much (e.g., Sahadi, 2022; Sherman 2022; Williams, 2022), we motivated to return to the office along with their teams. Contrary to conventional wisdom that leaders are highly social isolating during the day (Gerpott et al., 2022). Analyzing morning commutes of employees over 10 days, the study found that those who work virtually at least some of the time say working virtually has benefits that working in the office doesn’t. For example, 75% of leaders appreciate being able to spend time working that they would otherwise spend commuting to and from the office.

Virtual work may therefore be a bell that cannot be unrung: organizations that try to enforce a return to the office may find themselves losing the competition for talent over 10 days, the study found that those who work virtually at least some of the time say working virtually has benefits that working in the office doesn’t. For example, 75% of leaders appreciate being able to spend time working that they would otherwise spend commuting to and from the office.

**Key Findings & Resolutions**

**Leaders want to work virtually—but it’s socially isolating**

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Feelings of isolation do not come without consequences as virtual work tends to hamper peer relationships. Based on 24 prior studies reflecting over 5,000 employees, Gajendran and Harrison (2007) found that virtual work is associated with greater relationship quality among peers (correlation coefficient = -.19; confidence interval = -.30, -.08). Given these results, it’s not surprising that a recent study found that, if forced to choose, employees who work in the office were 59% more likely to prefer a future in-office colleague to join their team than a future virtual colleague (Mele et al., 2021). In fact, as part of a recent study focusing on work groups and teams, CCL invited alumni to share questions they have about teams. The most popular theme, representing over 30% over all questions submitted, focused on virtual and hybrid teams and how to sustain relationships within these groups (Loignon, et al., 2022).

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Again, these findings echo lessons learned when studying virtual teams. For example, when comparing face-to-face to virtual teams, an earlier review of the literature found that virtual team members consistently experience more conflict \( (r = .13) \), less communication \( (r = .50) \), and less knowledge sharing \( (r = .22) \) than face-to-face teams (de Guinea et al., 2012).

Taken as a whole, these findings suggest that the challenges raised by leaders may have more to do with interpersonal dynamics within teams than with the personal relationships between leaders, or between leaders and their subordinates. All teams have to balance focusing on the tasks at hand while also maintaining relationships within the group, but maintaining relationships with and among virtual colleagues requires more conscious effort than maintaining relationships with and among face-to-face colleagues. Thus, leaders in virtual environments will be more likely to face the sort of difficulties that would arise on any team that did not experience sufficient communication.

### What leaders and organizations can do about isolation

How do we enable leaders to realize the benefits of working virtually while still providing the human connections they crave? Seminal research in psychology found that the likelihood that a relationship will form depends on two things: social affinity ("Do I like this person?") and physical opportunity ("How often do our paths cross?") (Nahemow & Lawton, 1975). Translated to a virtual space, this suggests that one way to address feelings of social isolation is to provide opportunities for leaders to find shared interests, similarities, and/or overlapping passions. These could be work-related (e.g., hobbies). Encouraging the use of virtual space (i.e., the virtual water cooler breakroom) creates an opportunity for these connections to emerge. Additionally, group coaching sessions can bring leaders together to rally them around a shared challenge or goal and foster communication, collaboration, and connection between them.

Organizations may foster such opportunities in two ways. First, they can create more opportunities for cross-functional interaction, including interactions that might not ordinarily take place in an office environment. When asked in ExecOnline surveys (Q1 2022) how senior leadership could improve organizational culture, the most popular response by far, chosen by 58% of leaders, was to offer more cross-functional opportunities. Investigating these responses, we find that leaders suffering from social isolation are more likely to say they want more cross-functional opportunities than those who are not.

Cross-functional opportunities may include major cross-functional projects or working groups, discrete interactions such as randomized breakout groups during virtual or webcast company-wide meetings, and social events such as virtual "lunch and learn" sessions open to all employees. These opportunities allow leaders to make connections with people beyond those they work with on a daily basis–people whom, in an office environment, they might connect with around the water cooler, in the elevator, or in the cafeteria. These opportunities can also be used to reach leaders and employees who have little regular contact with others due to the solitary nature of their work.

Another way to encourage social interactions is to foster more contact within teams. Because virtual employees do not experience workplace collisions, in which teammates can bounce ideas off one another, they must select and use technology to create connection moments with their colleagues. Leaders can set expectations for such interactions among their teams in many ways—by organizing team brainstorming sessions and workshops, encouraging team members to have regularly scheduled check-ins with each other, as well as organizing virtual team social events.

By taking advantage of virtual collaboration technology, organizations can mitigate one of the major drawbacks of working virtually for leaders. Using a sample of 141 virtual teams from 56 for-profit, non-profit, and government organizations from a wide variety of industries across 43 countries, CCL found that teams able to successfully leverage technology for effective communication and engagement felt less virtual and had higher rates of success (Leslie & Hoole, 2018). In other words, teams who often use information-rich, synchronous technology (e.g., video conferencing, instant messaging) have a greater connection to team members and to their team’s work, thus reducing feelings of isolation.

Organizations should emphasize different communication technologies when fostering connections within and across teams. Direct forms of communication technology (e.g., email and instant messaging) are especially useful at enhancing the number of the connections outside the team, whereas more communal channels (e.g., group discussions and calendars, audio and video conferences) help increase the strength of ties within the group (Suh et al., 2011). Some potential interventions to increase the effectiveness of virtual communication (Feitosa & Salas, 2021) include (1) e-learning training, (2) setting new norms around virtual communication, and (3) being transparent about decision making.

Balancing the tension between the benefits and drawbacks of virtual work can yield positive impacts for organizations. A study conducted by CCL found that virtual teams who embrace the benefits and mitigate the drawbacks for both the team’s tasks and their working relationships saw improvements in their performance \( (r =.57) \), informal learning \( (r =.67) \), intent to stay on the team \( (r =.67) \), and satisfaction \( (r =.69) \) (Leslie, et al., 2018).

### Supporting Virtual Leaders

- **Create more opportunities for cross-functional interactions**
  - Major cross-functional projects or working groups
  - Randomized breakout groups during large virtual meetings
  - Social events, e.g., “lunch and learn” sessions
- **Foster more interactions within teams**
  - Team brainstorming sessions and workshops
  - Encouraging team members to check in with each other regularly
  - Virtual team social events
Leaders recognize the importance of development for their success. In fact, when asked in ExecOnline surveys what would help them be more effective in their role, 41% of leaders in Q4 2022 said they wanted more L&D opportunities—second only to the 46% who said they need more resources (budget, staffing, etc.).

At the same time, burnout can pose a challenge for engaging leaders in development: if leaders are burned out, they may struggle to fit leadership development into their schedules, and they may struggle to absorb and apply what they learn. As of Q4 2022, 72% of leaders said they were at least somewhat burned out—the sixth successive quarter this figure has been above 70%.

Leaders can become burned out:

- If they have too much to do and not enough time or support to do it,
- If they are assigned ambiguous or unclear tasks,
- If they are working on tasks that conflict with one another,
- If they have limited control and autonomy over their work, and/or
- If they are made to focus their attention and energy on things that they do not feel are important, relevant, or personally fulfilling (Alacron, 2011).

The COVID-19 pandemic and its related stressors impacted leaders and organizations across the US. A CCL study of 300 leaders across all leader levels found COVID-related stress is negatively related to job satisfaction ($r = -1.14$), wellbeing ($r = -.32$), and is positively related to burnout ($r = .34$) (Fernandez & Clerkin, 2021). Leaders who worked more hours since the COVID-19 pandemic began reported more burnout, compared to those reporting working about the same number of hours or fewer hours, $F(2,280) = 16.16$, $p < .001$.

Likewise, the quality of relationships leaders form in the workplace is a consistent predictor of their well-being (Kaluza, et al., 2020), and the previously discussed challenges in building relationships can put virtual and hybrid leaders at even greater risk of burnout.

To reconcile this tension, organizations must offer leadership development opportunities that mitigate burnout, and offer them in ways that minimize the risk of increasing burnout. These opportunities must have two features: they must be easy to access and to fit into leaders’ lives, and they must focus on skills and perspectives leaders want to learn and improve upon because they want to, not because their organization told them to.

Leaders tell us they want L&D opportunities that are easier and less disruptive to access and consume—and in particular, programs that reflect the flexibility of virtual work. When leaders are asked in ExecOnline surveys (Q1 2022) what features they want from L&D programs, among the most popular responses are virtual programs (36%), shorter modules (36%), and on-demand instruction (34%). By contrast, only 1 in 5 leaders surveyed said they want in-person programs and only 1 in 8 said they prefer scheduled instruction. By making L&D accessible virtually and on-demand, organizations can increase the likelihood that leaders will take advantage of these opportunities: an hour-long scheduled training creates barriers in having to rearrange meetings and find new time to complete assignments, but there are no such barriers for a virtual on-demand course that leaders can complete in bits and pieces, a few minutes at a time, over the course of a week.

Second, organizations should focus on personal as well as professional development to alleviate the causes of burnout as well as help leaders to heal from its effects. CCL’s analysis of 34,000 leaders called out the need for leadership development to support development of the leader’s inner existence (confidence, patience, and self-awareness) in addition to outward behaviors (Young, et al., 2021). Likewise, Gartner research finds more than half of employees surveyed say it’s important to them to work for an organization that provides opportunities for personal growth (Gartner, 2021). The advantages of personal development opportunities in alleviating burnout are twofold: first, they allow leaders to step back from their work and focus on something else for a while; and second, they allow leaders to focus on improving something of critical importance to them: themselves. One-on-one coaching can be an ideal channel for personal development as it allows for tailored development in an informal structure that can be directed by the participant’s individual needs and learning style. Combining one-on-one coaching with structured course experiences helps to reinforce learning and enhance impacts on outcomes, which can further leaders’ personal growth through greater recognition and improved personal brand.

Alleviating Burnout Through Development

To mitigate leader burnout, development opportunities should:

- Be easy to access and consume—using short sessions, accessible virtually and on-demand
- Focus on personal development—ideally integrating one-on-one coaching
- Include offerings on topics that are of personal interest to leaders—including addressing burnout
Leaders need to make hard decisions—but they also need to motivate and engage talent

For organizations to succeed in an uncertain and volatile economic environment, leaders must be adept at prioritizing resources and managing conflicting demands. A recent Conference Board survey finds 60% of CEOs expect a recession by the end of 2023 (Conference Board, 2022), and leaders tell us they are already feeling economic pressure and having to do more with less. When asked in ExecOnline surveys about their biggest challenges as a leader, the two most popular responses are motivating employees without monetary incentives (48% in Q4 2022) and managing workload with a smaller team (44% in Q4 2022). At the same time, inflationary pressures mean the rewards leaders do have at their disposal are less effective at motivating employees than they used to be: when asked about their most desired forms of support, revised incentive or reward structures has steadily ticked up in popularity from 29% in Q1 2021 to 34% in Q4 2022.

Similar results were found in a study conducted by CCL (Balakrishnan et al., 2020). Eight years of open-ended text data collected from over 37,000 multi-level leaders working across more than 6,000 organizations were examined using a machine learning text algorithm called topic modeling. Specifically, CCL analyzed leaders’ responses to the question, “What are the three most critical leadership challenges you are currently facing?”. Several topics consistently emerged that reflect the tension of “engaging employees” while “prioritizing limited budgets.” For example, those who were leading organizations often discussed challenges related to “strategic responsibilities” and “organizational talent issues.” Further down the organizational hierarchy, leaders who were responsible for several teams (i.e., leading managers), identified challenges with “competing people and project priorities.” For both leader levels, these challenges coincided with environmental constraints (e.g., “dynamic business environments” and “adverse work environments”). Thus, whether one is a mid-level manager or a senior executive, this tension is a common reality.

Unlike in previous periods of economic uncertainty such as 2008, the current budget crunch is coming at a time of elevated talent pressure. Organizations are still struggling with the impacts of a sharp increase in employee turnover between 2020-2022. In order to remain competitive in a tighter labor market, leaders must be skilled at motivating and engaging employees to drive retention.

Organizations thus find themselves in a situation they can’t budget their way out of: economic pressures demand organizations spend less, while talent pressures demand they spend more. To resolve this paradox, organizations must rely on the capabilities of their leaders to both prioritize limited budgets and resources as well as engage employees. But this is easier said than done: analysis of ExecOnline survey data for Q4 2022 finds 30% of leaders are highly proficient at strategic prioritization, 32% are highly proficient at talent engagement, and only 9% are highly proficient in both skill sets.
What leaders and organizations can do to motivate and engage talent

Given that L&D budgets already are or likely will become more constrained, organizations must maximize the efficiency of their L&D spending by reprioritizing their leadership development portfolios to focus on the most critical skills and capabilities. To address economic pressures, organizations should prioritize skills like strategic thinking, judgment, decision-making, and financial acumen. To address talent pressures, organizations should prioritize skills like empathy, perspective taking, leading others, and effective communication. As previously discussed, these skills should be balanced with personal development opportunities to mitigate burnout, ensuring leaders are ready, willing, and able to do their best work to drive both employee performance (necessary to respond to economic pressures) and retention (necessary to respond to talent pressures).

Organizations should focus on leaders who are already strong at either strategic prioritization or talent engagement, and offer them the specific training they need on the other skill set, reinforcing training by supplementing it with one-on-one coaching. By focusing leadership development budgets on targeted strategic and talent engagement skills for the most promising candidates, organizations can maximize the return on their L&D investment.

Focusing on the right things also improves performance and retention among leaders. Analysis of ExecOnline survey data finds that when leaders believe their organization prioritizes and invests in L&D, discretionary effort is 12% higher on average and intent to stay at the current organization is 41% higher. Moreover, CCL research finds that leadership development can improve leaders’ confidence and ability to overcome daily leadership challenges, help them build more meaningful connections, and develop better skills that engage their own teams (Jeong et al., 2022). When combined, these effects are expected to increase retention throughout a firm’s workforce; the research also discussed how organizations can enhance their appeal to potential candidates by offering development opportunities. These findings serve to illustrate that L&D, and leadership development specifically, can be a powerful tool to drive business outcomes if done correctly.

Critical Skills for Leaders Facing Dual Pressures

- **Key strategic skills**
  - Prioritizing work for self and others
  - Managing workload with fewer team members
  - Making critical business decisions amidst uncertainty

- **Key talent engagement skills**
  - Supporting team members’ overall well-being
  - Keeping employees motivated without monetary or promotion incentives
  - Maintaining organizational and team culture

Conclusion

In this study, we analyzed data from 43,393 leaders across multiple organizational levels working in North America, South America, EMEA, and APAC. Our findings suggest that the future of work has already arrived, along with its challenges—the freedom to work from the destination of one’s choice and feeling the loss of belonging, the desire to improve leadership performance and feeling burned out, and having to do more with less and engage employees. The insights gained from this paper suggest that leaders and organizations take action in the following ways:

- Offer more cross-functional opportunities as well as foster connections within teams, including through group coaching.
- Provide development opportunities that are easier to access and consume, as well as opportunities for personal growth and development.
- Target strategic and talent engagement skills for leaders who are already strong on one skill set and reinforce learning by pairing training with one-on-one coaching.

About ExecOnline

As the pioneer of online leadership development, ExecOnline’s mission is to connect all leaders to their future potential. Since 2012, ExecOnline has delivered career-enhancing opportunities to more than 100,000 leaders in over 100 countries. ExecOnline’s integrated learning and coaching solutions empower organizations to build, scale, and measure the impact of world-class leadership development. In partnership with top business schools and management experts, ExecOnline designs high-impact programs for busy leaders using our proprietary Learn by Doing with Impact methodology of applied learning. Through individual and group coaching, our global network of certified coaches help accelerate the development of critical leadership capabilities. ExecOnline is a member of the World Economic Forum New Champions Community. ExecOnline Co-Founder and CEO Stephen Bailey was recognized as EY Entrepreneur of the Year New York 2022 Winner.
References


Appendix A: Questions Asked

Current Business Environment Survey
Core Questions (Q1 2021 – Q4 2022)

1. What barriers to effective virtual/hybrid work are you and your team experiencing? Please select all that apply.
   a. Answer options include barriers relating to interpersonal interaction, technology, productivity, and well-being, plus “other” and “not applicable.”

2. To what extent are you concerned about burnout within your organization?
   a. Answer options range from “not at all concerned” to “extremely concerned” plus “prefer not to say.”

3. What would help you to be more effective in the current business environment? Please select all that apply.
   a. Answer options include topics relating to support and empathy, flexibility and autonomy, technology and resources, and learning, plus “other.”

4. What are your biggest challenges as a leader in the current environment? Please select all that apply.
   a. Answer options include challenges relating to business and budgetary management, talent management, prioritization and balance, plus “other.”

5. What are the most important skills and abilities that you need to navigate the current environment? Please select up to three options.
   a. Answer options include skills relating to decision-making, talent management, planning and change management, communication, and DEIB, plus “other.”

Questions Asked Only in Q1 2022

6. What features of learning and development programs do you want to experience? (Please select all that apply)
   a. Answer options include features relating to the time, place, audience, channel, and content of learning, plus “other”

7. How could senior leadership improve the culture at the organization? (Please select all that apply)
   a. Answer options include topics relating to resourcing, learning, communication, interpersonal interaction, and DEIB, plus “other”

8. What have you found to be a benefit of working virtually? (Please select all that apply)
   a. Answer options include benefits relating to time, location, and enrichment of self and family, plus “none of the above” and “not applicable.”

Appendix B: ExecOnline Study Sample

Sample Demographics

We surveyed a total of 43,393 leaders from January 1, 2021 through December 31, 2022. The sample varied by leader level, geography, and gender. 3% of leaders surveyed were C-level executives, 12% were VPs or SVPs, 32% were directors or senior directors, and 52% were managers or senior managers. 71% of leaders surveyed primarily work in North America, 2% in South America, 14% in Europe, the Middle East, and Africa (EMEA), and 13% in Asia-Pacific (APAC).

FIGURE 6
Sample Size by Quarter

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<th>Quarter &amp; Year</th>
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<td>Q1 2021</td>
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</table>
About The Authors

Christopher Lane is Associate Director of Research at ExecOnline, where he studies and analyzes data and trends to surface actionable insights on leadership development for senior leaders of L&D and HR. An experienced HR researcher, his research currently focuses on measuring organizational leadership development maturity and the ROI of leadership development.

Jean Leslie is a Senior Fellow and Director of Strategic Initiatives in the Global Leadership & Analytics Group at CCL. In this role, she develops, oversees, and helps implement programs, projects, and processes that support Leadership Research and Analytics vision and short- and long-term plans. Jean has published more than 100 pieces on leadership, assessment, and feedback — in the form of peer-reviewed articles, popular-press articles, book chapters, and books.

Dr. Andy Loignon is a Senior Research Scientist at CCL currently working on projects related to work teams and emerging leaders. For work teams, he is exploring how groups engage in different actions and processes to reach their objectives as well as the role of informal networks in the teams. For emerging leaders, his research is focused, in part, on how young people can overcome socioeconomic barriers and thrive as effective leaders.

Dr. Adam Brinegar is Senior Vice President of Client Solutions at ExecOnline, where he founded and leads the research and client advisory functions. He leads the development of highly differentiated talent management research to shape thought leadership agendas. He has a Ph.D. in political science and has more than 15 years of experience as an HR researcher and product developer.

Dr. Sara Haber Pixley is Vice President, Head of Research at ExecOnline, where she leads quantitative efforts to track program impact as well as drive frame-breaking thought leadership and insights. She has a Ph.D. in cognitive science and has experience leading quantitative and qualitative research in the HR space, most notably within learning and development, and total rewards. Before coming to ExecOnline, she ran an internationally recognized cognitive science center as the executive director and member of the faculty.