

WHY LEADERS STAY OR GO

The reasons will help companies enhance leadership development initiatives.

BY JOELLE K. JAY AND JAN DAY GRAVEL





very employer wants to retain their best leaders because organizations thrive or fail based on the talents of their people. Right now, however, companies are at risk of losing good leaders.

We are consultants who provide leadership development programs to organizations committed to supporting their top talent. Yet, in recent years, we have seen extreme patterns in the way companies treat their leaders and the reactions those leaders are having. That has given us insight about why talented leaders are leaving and how employers can inspire them to stay.

From the great resignation to quiet quitting, talented leaders are apathetic about their jobs. What we hear from program participants is that they have lost their tolerance for unempathetic workplaces. Leaders want to feel valued for their skills and see bright possibilities for their futures. If they don't, they will leave. We discovered several themes in a recent round of interviews with participant employees whose companies identified them as leaders they most wanted to retain—but didn't.

(We realize that the various leaders' perspectives do not reflect employee experiences everywhere, but the comments are representative of the tone and rationale of talented leaders who are resigning because they no longer feel a commitment for or from their organization.)

Executives are in despair

Emotions are raw among not only employees—even executives are exhausted. Leaders are disengaged and say they need to feel restored and re-energized.

One leader commented: "Our company has lost all its empathy. We're being asked to drive harder, focus on the numbers, and keep employees delivering at high levels of performance, without the kind of support, empathy, compassion, or resources they need—and we need—to be able to do that."

Lack of investment feels like a loss

We've noticed that many organizations are stripping away access to talent development and executive coaching, devaluing leadership development.

One program member said their employer "is still very tight on budget." As a result, the company was running leadership development programs like "a side project" by internal volunteers with little support versus using an experienced team of L&D experts.

As another example, at a multinational software company, women in sales wanted to plan a networking event to create connection, community, and support but couldn't gain the executive sponsorship to get it off the ground.


And at a technology company, one leader shared that the culture had shifted with the incoming CEO. Whereas the company previously sponsored leadership development programs at every level, creating a careerwide investment in leaders' skills as they advanced into higher positions, now there were no such programs. As the leader put it, there wasn't much of a spirit of "growing together" anymore; to him, the culture felt "flat."

Expecting professionals with no L&D experience to design and host programming alongside their day jobs as executives, engineers, or sales leaders, is a less effective approach to leadership development because it deprioritizes the experience and subjects it to the time limitations of leaders who already have busy jobs. In addition, without executive sponsorship to provide credibility and reinforce the importance of a learning community, and without a culture of growth and learning throughout the organization, employees get the impression that the company devalues their continued L&D, so they themselves stop continuing to invest.

Nowhere to go but here

Leaders who aspire to take on bigger roles have lost a clear path to success. One leader, for instance, had been on the fast track to promotion. The HR team had identified her as top talent, and she knew her organization saw her as having high potential, but in recent years the opportunity to advance seemed to stop. "Somehow, I just can't get that new title," she stated. The leader, who was once both committed and motivated, had downshifted into stagnation.

Another leader left when she couldn't find "the growth path." She explained: "There was a lot of turmoil on my team. I wasn't getting the support I needed to help transition through the change. They say leadership development is your responsibility, but you also have to have the information on how to attain it with a senior leader's support along the way."



Some leaders even left their organizations for no job at all—not working had become preferable to staying in an uninspiring environment.

A culture in which to thrive

When leaders find the roles that motivate them and in which they feel successful, however, they double down on their commitment and want to stay with their employer. Understanding what leaders are leaving for and turning to can be instructive for organizations that want to attract and keep top talent.

Perhaps the strongest theme we've heard among leaders who are committed to their jobs is that their managers are engaged in their development, creating a culture where individuals can grow, find new opportunities, and be successful.

One employee said her new manager is always asking her questions such as: "What do you imagine is next?," "Do you need to be stretched?," and "Do you need to move to another team?" In her current job, she said, "I feel much more of a sense of growth.... That's the type of culture where I can thrive."

Everybody has a seat at the table

Because companies often rely on L&D to help advance and retain top talent, those in our profession are especially attuned to the importance of executives to create a culture in which leaders feel valued and can succeed internally. The awareness has grown over the years to the point that the presence of balanced leadership on the executive committee is powerfully symbolic—a sign that other leaders will be able to succeed.

One program member moved on to a new organization because he felt undervalued and had lost faith that his employer at the time was committed to the success of all its leaders. "I want to work for a company where everyone's voices are heard, and everyone can have a seat at the table," he said.

The value of coaching

Of all the types of leadership development we support, one has risen to the top in the minds of leaders who are looking to succeed: executive coaching.

One leader was overjoyed when her manager finally "got it." The individual had lost access

to coaching when her company stopped supporting external leadership development. Instead, her manager was supposed to provide that support, but he either didn't know how or didn't put in the time and interest. Later, her organization tried to implement internal coaching, but it was only focused on business growth and not her personal leadership development. Finally, she was able to work with a manager who was committed to developing his team and even had an executive coach of his own.

"He realized that coaching shouldn't be tactical," she remarks. "He brought in external coaching and offered it to the leadership team. Now they understand the value and can see the impact."

WHEN BUSINESS IS GOOD, COMPANIES INVEST IN THEIR LEADERS, BUT WHEN CHALLENGES ARISE, THOSE OPPORTUNITIES TEND TO DECREASE.

Talented leaders, high achievers, and high performers are individuals who seek momentum and upward mobility in their roles. When they see a career path and experience active encouragement from their supervisors to improve their competence and confidence via opportunities such as executive coaching, they will be more likely to view their company as a place to stay.

What to do

To engage the hearts, minds, time, energy, talent, and commitment of their valued employees, employers can put back the following elements into leadership development.

Executive sponsorship. One of the little things that makes the biggest difference to leaders at all levels is knowing they're valued by their leaders in both words and actions.

To demonstrate to top talent that their organization wants to retain them, executives must spend time and energy bringing other leaders up by:

- Thoughtfully nominating high potentials for participation in leadership programs
- Enthusiastically serving as executive sponsors and speakers in the programs and creating a visible show of support
- Actively sharing their wisdom and insight as mentors and advisors

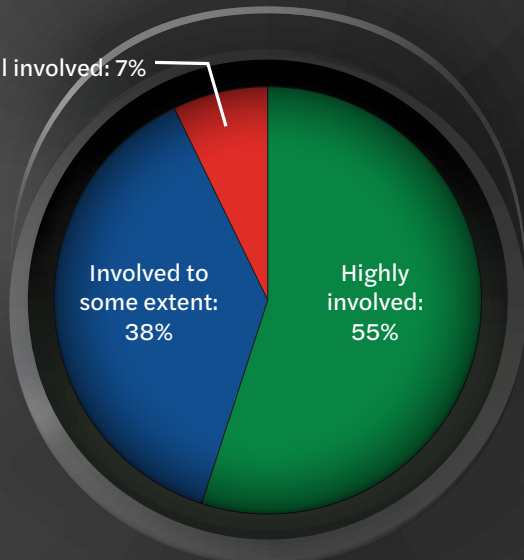
A philosophy of personal leadership. Energy and enthusiasm seem to drain away in leaders when they feel disempowered. A sense of momentum returns when they have a sense of ownership in their success and achievement and know how to practice personal leadership.

Many companies want employees to own their own growth and development, but individuals don't always know how, and their managers don't know how to support that, either. Thus, help leaders learn to lead themselves so they can achieve their goals and serve their organizations using their unique strengths and contributions.

Involvement of Senior Leaders in Leadership Development

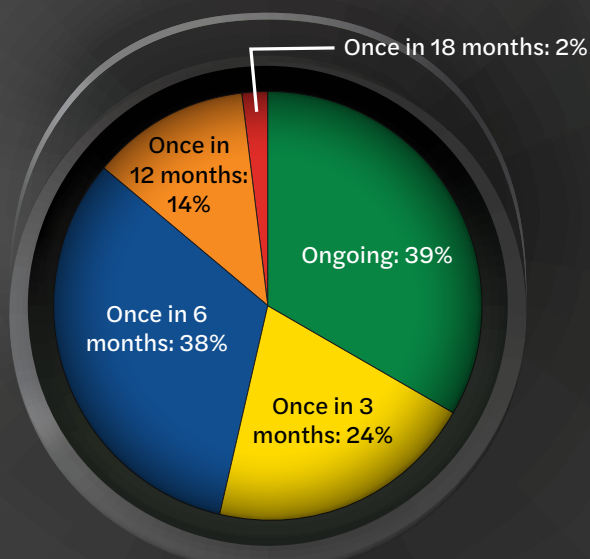
What is the level of involvement of the CEO/heads of your organization in leadership development training programs (e.g., identifying needs, evaluating options, delivery)?

Not at all involved: 7%



SOURCE: 2024 GLOBAL LEADERSHIP DEVELOPMENT STUDY, HARVARD BUSINESS PUBLISHING CORPORATE LEARNING

Frequency of Leadership Development Training



SOURCE: 2024 GLOBAL LEADERSHIP DEVELOPMENT STUDY, HARVARD BUSINESS PUBLISHING CORPORATE LEARNING

Companies that support that kind of personal leadership:

- Encourage leaders to have a vision of their own.
- Support leaders with programs, retreats, and workshops that help them think about what they want for their career and how they are going to achieve it.
- Give leaders opportunities to conduct development conversations with their managers to not just receive feedback but to bring their own aspirations to meetings and discuss how they want to leverage their strengths in the service of the team.
- Allow leaders flexibility and ownership in their learning opportunities by, for example, offering learning funds that leaders can use as they choose.

Such actions enable leaders to own their growth and development, ideally with financial, intellectual, and emotional support from the organization.

Enriching opportunities. When business is good, companies invest in their leaders, but when challenges arise, those opportunities tend to decrease. Sustaining a commitment to the growth, development, and advancement of leaders seems to have a lasting effect on the loyalty of leaders who want to succeed in companies that help them succeed.

Five elements of the leadership development programs that we've led get strongest endorsement from members.

Structured events. The ad hoc reliance on "passionate volunteers" to lead internal, often unfunded programming isn't working. Investing in organized, well-structured leadership development programs designed around the company's goals and objectives is far more powerful.

In one organization where engagement thrived, the company fully funded and promoted exciting events with catchy names and a high-value atmosphere that attracted buzz and attendance. Those are functions staff wanted to attend, put on by organizational teams whose job it was to create them.

Masterminds. It's easy for leaders to feel isolated, especially when their companies are downsizing, and they see their friends and

colleagues losing jobs or leaving voluntarily. A *mastermind* is a small group (three to five people) of supportive leaders who meet regularly to support each other's success by being a sounding board; play the role of peer coaches; and offer guidance, support, and advice to each other in the service of each member's vision. Helping employees create such groups can create connections and relationships that matter and hold a culture together.

Businesses that want their leaders to feel support can facilitate the process of helping their leaders find masterminds by teaching them the process.

- Educate and train leaders on the model.
- Support them in either joining or creating their own group.
- Teach them fundamental skills to manage their own meetings. For example, provide a simple agenda that gives each member a turn to present and get support on their challenges and opportunities.

Executive coaching. Executive coaching is where leaders define their vision, set their personal goals, work through the challenges to achieve those goals, take advantage of the opportunities before them, build their confidence and competence, and create the success they want for themselves. It's also a safe space for them to talk about their experience as a leader and is seen as highly supportive.

For instance, in one company, every leader in the succession plan has an executive coach dedicated to helping them learn what they need to learn to get to the next level.

As one program member said, "Coaching is a differentiator because it personalizes the learning."

Live events. Leaders are longing for personal connection. We've heard leaders reminisce about what they remember from when live events were more common:

- "There were lots of networking opportunities for connections."
- "I built cross-functional relationships within the organization that had big payoffs for the business."
- "Online, you don't get that same engagement."

Turnover Drivers

The Work Institute found that 75 percent of employee departures in 2024 were preventable. For its *2025 Retention Report*, the Work Institute analyzed more than 120,000 exit interviews to identify the reasons employees leave their jobs.

Career development: 18.9% Lack of growth opportunities, inadequate career progression, or insufficient professional development

Health and family: 12.4% Personal health issues, caregiving responsibilities, or family dynamics

Work-life balance: 11.9% Better manage personal and professional responsibilities, often citing flexible scheduling, remote work options, or workload concerns

Management behavior: 9.7% Poor leadership, lack of support, or ineffective communication from managers

Relocation: 8.4% Moving to a new geographic location for reasons outside of work

Total rewards: 8.2% Dissatisfaction with pay, benefits, or perceived inequity compared to market standards

Job characteristics: 8.0% Nature of the role, such as job fit, lack of meaningful work, or the physical or emotional demands of the job

Retirement: 7.4%

Environment: 7.0% Organizational culture, facilities or physical environment, mission and values, safety, diversity, or co-workers

Involuntary reasons: 6.6% Layoffs, downsizing, or termination not initiated by the employee

Other: 1.1%

Quality, relevant programming. Among the topics most important to leaders are skills around creating and achieving a vision, aligning to values, strengths-based leadership, executive presence, and emotional intelligence.

Maintain the investment

Organizations that want to retain top talent will renew their commitment to supporting their leaders' success. Intentional investing in developing leaders is imperative if companies want to evolve and achieve transformational results. When the focus is only on the bottom line, businesses tend to eliminate their efforts to support key talent. The effect is the loss of top thinkers to help lead the company into the future. Both leaders and their employers succeed when businesses invest in and develop the talent who are committed to their success.

Joelle K. Jay is a director with the Leadership Research Institute and an executive coach specializing in leadership development; info@joellekjay.com.

Jan Day Gravel is a consulting associate with the Leadership Research Institute; jan.gravel@lri.com.



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