



# Global Leadership Forecast 2021

## Japan Report





## About this Report

New technologies. Global pandemic. Social injustice. These are some of the many factors disrupting normalcy as we know it today. During these changing times, leaders are sought out for guidance and support, to help make decisions that will keep organizations alive while adjusting to the rapid changes going on around them.

The hope of survival through this crisis depends on our leaders. From CEOs to informal leaders, we have seen incredible acts of heroism in those who have stepped up to seemingly insurmountable challenges.

The leaders who are succeeding during these unpredictable times are those who have been able to rapidly learn new skills and change. They've learned to lead their teams virtually. They've gotten comfortable with uncomfortable discussions around race and inclusion. Most of all, they've learned to act with empathy and compassion, recognizing that we don't leave our humanity at the door when we clock into work.

There's no clarity on when things will return to "normal." In fact, it's more likely that we're living in an era of constant crisis, in which leaders will continue to adapt and grow faster than ever out of necessity.

For 20 years, we have intended our Global Leadership Forecast to be a true "forecast," helping you to predict what's next. While we can't predict with complete certainty how the global health, social, political, and economic crises will play out, we do know that having the right leaders in your organization matters now more than ever.

Leaders who continue business as usual will be your greatest risk. Rather, you will need to cultivate leaders who are ready to embrace the uncertainty and develop new skills as rapidly as possible. They will be the keys to success in the future.

## How This Report Can Help You

This report was developed especially for Japan as we have met the participation threshold required for its development. The intent of this report is twofold:

First, this report will help you to understand the wants and needs of leaders within Japan. This knowledge will help to identify opportunity areas for additional leadership development. Second, this report will provide brief summaries of the overall global results to help you understand how Japan is doing in comparison to the rest of the world. For more details and recommended focal areas, please see the full [2021 Global Leadership Forecast Report](#).

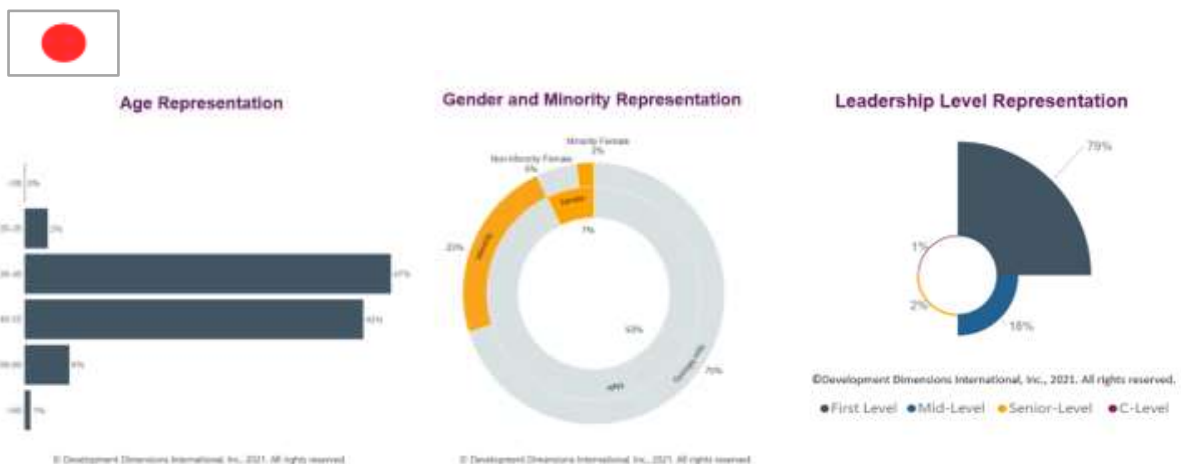


## The Largest Leadership Study of Its Kind

**Global Leadership Forecast 2021 is the most expansive leadership research project of its kind.** It is the ninth forecast since DDI first began this stream of research more than 20 years ago. This report examines responses from 2,102 human resource professionals and 15,787 leaders around the world. The research, which spans more than 50 countries and 24 major industry sectors, summarizes best talent practices and provides key trends to guide the future of leadership. The full set of leader demographics is depicted below.



A total of 1,043 leaders and 89 HR professionals participated in the study from Japan. The demographic breakdown of the leaders in Japan can be found below.



# CEO Top Challenges

## The Pressure Is On to Develop and Retain Top Talent

### Talent Problems Plague CEOs



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#### CEO Top Challenges

The Future of Work Is Here  
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Critical Skills for the Future  
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**What's keeping CEOs up at night?** The top challenges for the year ahead according to CEOs were clearly focused on talent. Developing the next generation of leaders and attracting/ retaining top talent ranked in the top three challenges, along with global recession/slowing economic growth.

Additionally, HR professionals indicated identifying and developing future talent continues to be a top skill they look for in leaders as it is the single-most critical skill they will need in the near future.

The only other challenge selected by at least 50 % of CEOs as a top concern was driving new product innovation. CEOs acknowledged how critical it is for them to have top talent and effective leaders to drive their strategies forward and position their organization for future success.

*According to HR professionals, identifying and developing future talent continues to be a top skill they look for in leaders. It's also the single-most critical skill they'll need in the next three years.*



of CEOs say that developing the next generation of leaders is their top challenge





## Building Next-Gen Talent

As younger generations step into leadership, there are substantial changes happening and looming for leaders. We examined what differentiates the next generation of leaders, currently those high-potential employees who don't have formal leadership responsibility. These employees range in age from 21 years to an average of 38 years old. They are also more likely to be from diverse racial/ethnic backgrounds (32% of this group compared to 28% of current leaders).

Overall, this group said

► **The need feedback.:** Leaders at all levels want feedback, but this next generation of leaders is looking for even more coaching and feedback from their managers. Specifically, 30 % said they wanted more coaching and feedback from their managers than they are currently getting, in comparison to only 25% of current leaders.

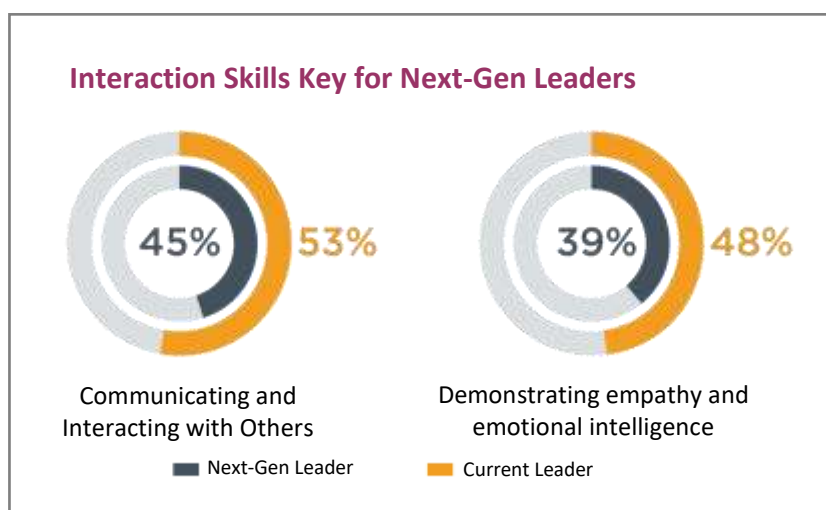
► **They need to up their EQ:** They need more help growing their communication and

interaction skills, recognizing a greater need for developing empathy.

► **D&I is a requirement.:** They are looking for better inclusion and diversity from their organizations. Overall, they were more negative about how their organizations are approaching bias and fairness. Only 56% of next-gen leaders said their leaders challenge themselves and others to recognize and eliminate biases, in comparison to 67% of current leaders.

► **Flexibility is key.:** Their organizations are doing well with flexible work practices. An equal percentage of these next-gen leaders (72%) and their leaders said that flexible arrangements are common and supported.

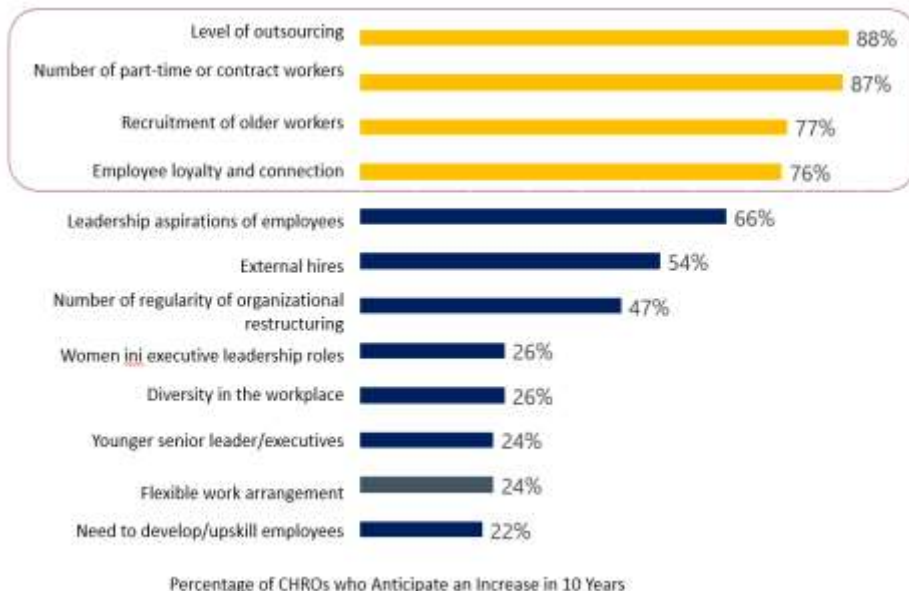
► **They crave clarity.:** Compared to leaders, this group struggles to act decisively without clear direction, and is unsure how to apply data to decision making. In addition, they worry about reacting to change, both internally and externally with customers



# The Future of Work is Here

## How the Workplace Will Transform

### What Japanese CHROs Think Will Change Most in Next 10 Years



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**The pandemic electrified company operating models and HR practices, but it also brought on the future of work much faster than expected.** For the past decade, analysts have been writing

about automation, the fourth industrial revolution, and the growing role of AI, data, and technology at work. All of this has now come to reality.

The top area Japanese CHROs think will change the most in the next 10 years is the level of outsourcing and the number of part-time or contract workers. It's also clear that more flexible work, contract workers, and dynamic work models are needed in the future. While many companies had very little infrastructure to plan and manage contingent work before, it has now gone mainstream and must be treated in HR as a strategic workforce segment.

In addition, Japanese CHROs expect the average age of senior management to change over the next decade. There is no doubt that the survival and sustainability of a company depends on how well it can produce the next generation of leaders who can see change as an opportunity and implement innovative management in order to expand business globally that incorporates rapid changes in the business environment and new technologies.

On the other hand, one of the major differences between the global and Japanese results is that "the need to develop new skills for employees" is the highest expected change at 84% globally, but it is the lowest in Japan (22%). There is a significant difference in awareness between global CHROs and those who are reviewing the skills that will be required in today's workplace filled with technology, data, flexibility and mobility.



## The Certainty of Uncertainty

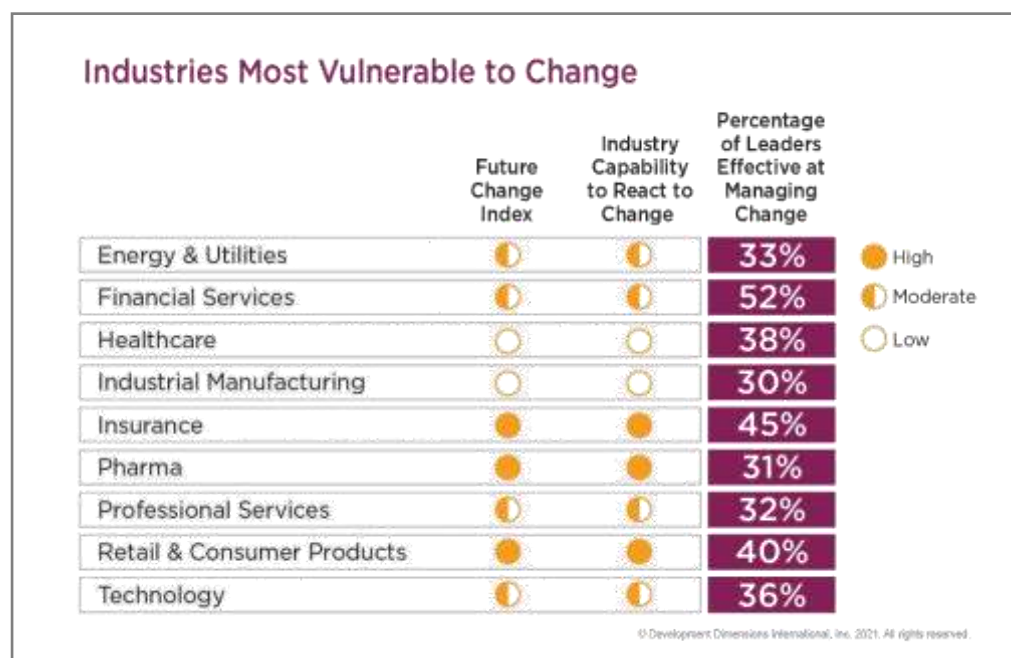
Preparing for the future of work is all about equipping your leaders to quickly anticipate and react to the speed of change, which is one of the most challenging and uncomfortable things leaders need to do. In fact, only 35% of leaders said they are effective at managing change.

While a global pandemic may be a once-in-a-generation level of disruption, the future will continue to be marked by dramatic and accelerated change, likely at an unprecedented level. As illustrated in the chart below, some industries are particularly vulnerable to the changes, and are also the least prepared to meet these challenges.

To prepare leaders to anticipate and react to the speed of change, our study showed that HR should focus on three key skills:

1. Managing change
2. Influence
3. Building partnerships

These skills are essential in helping leaders engage their teams and peers as they rapidly adapt and change their course of action to meet new demands



# The Leader Quality Gap

## Leader Confidence Jumps, but HR is Unimpressed



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**This year marks the biggest leadership quality gap in a decade.** In Japan, only 6% of leaders rate their organizations' leadership quality as high, which is much lower than the global ratings. Though a small percentage, leaders still rated leadership higher than HR in Japan (3%).

Why the massive disparity? Likely, it's a case of crisis response.

As the pandemic hit, leaders found themselves working harder than ever to pivot the business, while trying to show empathy and connect with their teams on a more human level. And they saw how hard other leaders are working as well. As a result, they were more generous in their quality ratings.

In fact, leadership quality ratings peaked as the pandemic began to hit in full force, especially in terms of how people viewed senior leaders. As people adjusted to a new normal, quality rankings dropped slightly. Meanwhile, HR is focused on the organization more holistically. They see where employees have complaints and where leaders have fallen short.

HR is likely also concerned about what comes next. As businesses change permanently, new challenges loom ahead. While current leaders may be performing, HR may recognize that they don't have the skills to meet future challenges, which is echoed in HR's bench strength ratings elsewhere in this report.

Moving forward, HR can close this gap by working to bring in the leadership talent they need, and by helping leaders identify and build the skills they'll need for the future. That way, leaders' confidence will be based on more than just their optimism.







## Best Practices for Better Leadership

Among organizations that had the highest leader quality overall, these were the top practices they had in common

1. Leadership development begins with a diagnosis of a leader's strengths and weaknesses.
2. At any time, HR can access the up-to-date status of leadership talent capability across the organization
3. Competencies required for leaders' success are clearly defined
4. HR has an effective process for identifying leadership potential.
5. Leadership development modules are positioned as a planned sequence rather than independent events.
6. A senior executive outside of HR champions leadership strategy.
7. There is a core leadership program for all leaders in the organization.

Putting even some of these practices in place will start to have an impact. Organizations that were using at least three of these practices had not only 1.8X higher leadership quality, but also 1.4X higher leadership success rates and 1.5X stronger bench.

Using data and external coaching also consistently scored high across organizations, reflecting leaders' desire to get a more objective picture of their skills. These experiences may help to significantly close the "self-awareness gap" between how leaders rank themselves and how others see them.

Organizations using at least **three** of these practices had:



# The Bench Is Empty

## Leadership Talent Is in Short Supply

### Bench Strength Reaches an All-Time Low



Percentage of HR Saying They Have a Strong Bench to Fill Leadership roles

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**In line with leaders' concern about developing the next generation leaders**, this year's study saw bench strength continue to drop. Only 11% of HR say they have a strong bench to fill leadership roles, the lowest rate we've seen in the past decade.

In Japan, none of the HR partners indicated feeling they have a strong bench to fill leadership roles. This indicates a growing need for leaders to dedicate time and resources to identify and develop the next generation of leaders. Additionally, leaders should aim to create internal teams with lots of cross-collaboration and skill sharing, as doing so will help to better weather change.

Why the drop? Likely the biggest reason is the rise of unpredictability of other challenges. In the past, many organizations could more easily predict their challenges in the next three to five years, and groom leaders who were prepared to meet them. But as markets have shifted rapidly and companies are feeling increased pressure to innovate and redefine their markets, companies need leaders who are prepared to lead during rapid change and re-prioritization.

As a result, companies should be thinking about bench strength much less in terms of one-to-one replacements for key roles. Rather, they should be focused on creating leadership teams with complementary strengths and cross-collaboration, enabling them to better weather change.



Companies in Japan can fill **only 38%** of leadership roles



## The Leadership Pipeline

As companies focused mainly on survival during the pandemic, many largely ignored their succession and high-potential programs, and their ability to build new leaders fell behind. Consider the gap shown below: In every industry, bench strength is 10–25% below current capabilities. That gap means that as the economy grows again, companies will struggle to have ready-now leaders.

Developing new leaders and finding and upskilling current leaders with the potential to grow is crucial to future success. Today, companies have six generations of employees at work, ranging in age from people in their late teens to vibrant workers in their 70s and 80s. So, the idea of a linear, progressive leadership pipeline must change.

HR leaders must realize their companies have an enormous well of young leaders ready to grow and progress. They need to build an inclusive workplace environment where senior people are comfortable working for younger people and part-time experts can thrive and excel. Companies must also adopt a new model for leadership, driven by the idea that “everyone is a leader” and that leadership must be developed continuously.

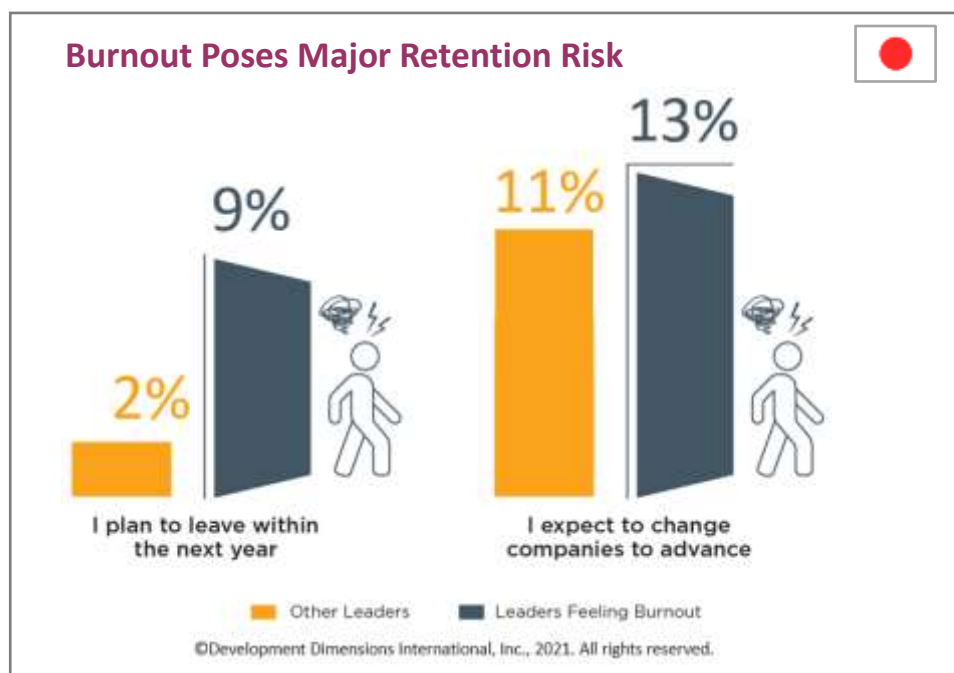
### Leader Preparedness by Industry

	High-Quality Leaders	Critical Roles That Can Be Filled Now
Insurance	68%	51%
Professional Services	60%	50%
Energy & Utilities	66%	49%
Pharma	63%	47%
Technology	59%	47%
Financial Services	69%	44%
Healthcare	64%	43%
Industrial Manufacturing	61%	42%
Retail & Consumer Products	65%	40%

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# The Big Burnout

## Wellbeing Becomes a Boardroom Topic

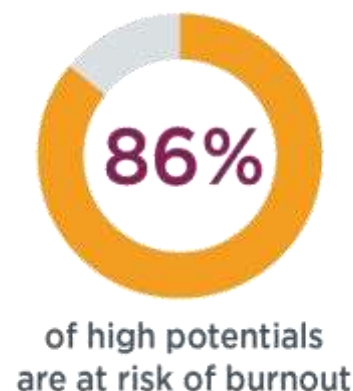


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**Leadership energy has taken a nosedive.** Sixty percent of leaders now indicate that they feel “used up” at the end of every workday, a strong indicator of burnout. And those numbers continued to rise as we collected data throughout the study.

The most critical risk of this exhaustion is retention. Among leaders who said they definitely felt used up at the end of the day, 44% said they expected to have to change companies to advance. Furthermore, 26% said they expected to leave in the next year. In comparison, only 24% of leaders who reported not feeling used up said they had to leave to advance, and only 6% expected to leave their current company within the next year.



Though overall percentages were lower, similar trends were found in Japan. Leaders who felt drained at the end of the day were slightly more likely to indicate that they expect to change companies to advance their career. Furthermore, the percentage of leaders planning to leave within the next year was higher when they felt drained at the end of the day.

This stress was even higher for high-potential employees who aspire to leadership. According to more than 1,000 high-potential employees, 86% reported feeling used up at the end of their workday, a 27% increase over the past year. These ambitious future leaders may be reluctant to express their frustration, possibly fearing it could cost them the chance for a key opportunity. However, these high performers are twice as likely to leave as peers who indicated they didn’t feel used up at the end of (the day (37% vs. 17%).



## Start with Empathy

How well organizations manage burnout is directly influenced by leaders. However, only 18% of leaders felt confident in helping team members avoid burnout. We examined the difference between organizations that were best prepared to prevent employee burnout and those that were not.

The number-one factor that influences burnout is leaders' ability to demonstrate empathy—connecting with their teams on a more human level. While leaders typically rate themselves well on showing empathy, we saw leaders' self-ratings of empathy drop 15% during the pandemic. This drop showed that as leaders are under stress, many of them struggle to show empathy, even though these are moments when their team members need it most.

***We found that the number-one factor that influences burnout is leaders' ability to demonstrate empathy.***

Beyond empathy, leaders' ability to manage the flow of work is most critical. Excellent skills in coaching and delegation ensure that people are getting the right amount of work and resources to complete it. In addition, leaders' ability to influence others plays a major role in helping to prioritize work and energize teams around common goals.

Finally, the research clearly points to how great leaders create followership. In looking at the leadership skills that differentiate high-performing companies from low performers, the three biggest areas are leading change, coaching and delegation, and building partnerships. These capabilities point out that great leaders don't just lead. They also collaborate, partner, and bring people with them.

### Leader Skills Mitigate Employee Burnout

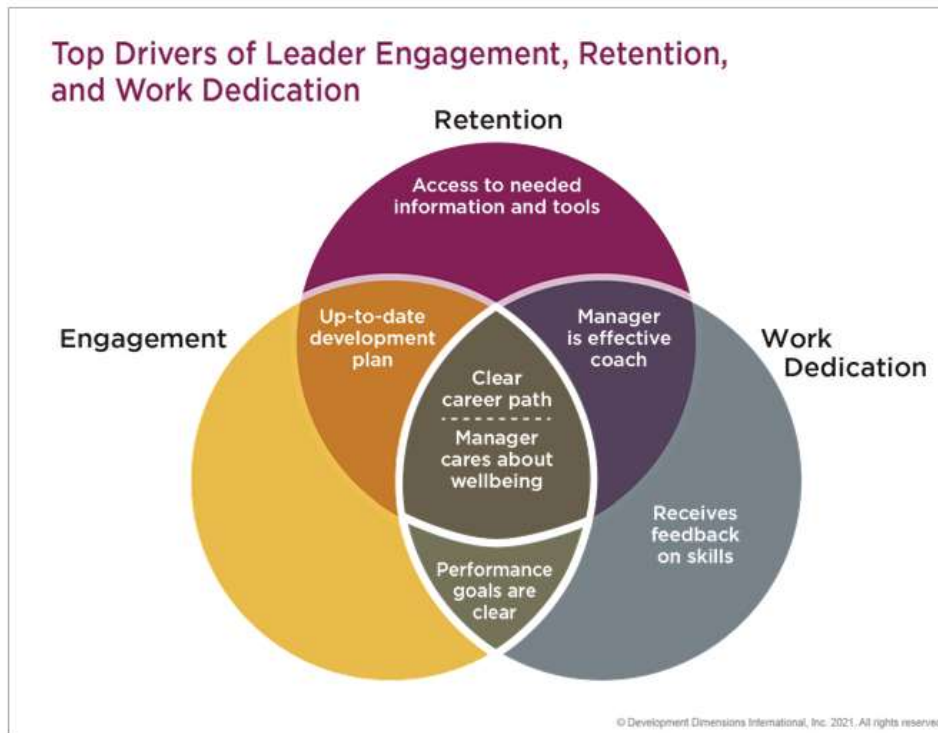


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# Retaining Top Talent

## 7 Key Factors Influence Retention



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**Retaining top talent remains a challenge in many organizations** as losing leaders can be costly and may cause others to decide to leave as well. The global results identified factors that influenced engagement, retention, and work dedication. Having an understanding of performance expectations, future career pathing, and feeling their direct manager genuinely cares about their well-being are the top three factors that contribute to leaders' engagement and long-term retention. Due to sample limitations, influencers of engagement, retention, and dedication are from global results only.

The following is a list of factors that contribute to leader retention, in order of most impact, leaders who intend to stay

1. Know what constitutes good performance in their role
2. Have a clear understanding of their future career path in the organization
3. Feel that their direct manager genuinely cares about their wellbeing.
4. Have a high-quality development plan.
5. Receive effective coaching from their manager.
6. Get feedback on their skills.
7. Have access to the information and tools needed to do their job well.

Notably, these factors all contributed more to leaders' engagement than things such as their promotion rate, taking on new assignments, or work-life balance.



## Energize Leaders' Career Path

Developing talent is one of the hardest things managers have to do, which is also why it's one of the top ranked worries for CEOs.

However, there are some specific behaviors leaders can focus on that correlate to higher rates of retention among the leaders who report to them:

1. Provide opportunities for growth and development.
2. Become an advocate for high-performing team members, ensuring they gain visibility
3. Be vocal in making the achievements of team members known.
4. Celebrate the success of team members.
5. Share credit with team members.
6. Support the development and advancement of team members, even if it means moving them outside their own direct reporting line.

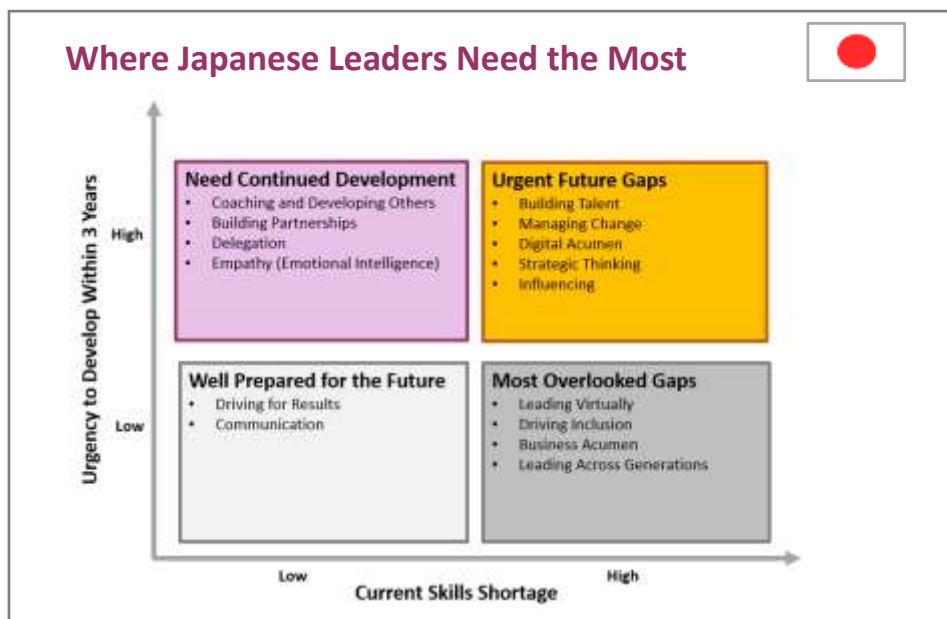
Efforts to encourage managers to practice these behaviors will pay off. Leaders who described their direct manager as having these attributes were more positive about their organization's leadership overall.

Additionally, organizations with a higher percentage of leaders who demonstrate these attributes were more likely to be considered best places to work by their leaders



# Critical Skills for the Future

## Development Doesn't Align with Needs



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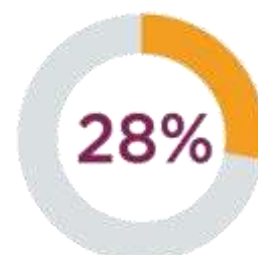
### Which leadership skills will be most critical for future success?

Over the next three years, leaders see their organizations undergoing rapid transformation. As a result, they place a high priority on the skills that will enable them to line up both the technology and people resources they'll need to make that transformation a success. The matrix in the figure above is almost the same for both the Japanese and global results, indicating that this is a common issue worldwide.

Unfortunately, fewer than half of leaders feel they are effective in most of these skills. Even worse, they aren't getting development in the skills they need most urgently, as shown in the top right quadrant of the grid. Only 28% of leaders say they are currently being developed in any of these areas.

At the top of the list is identifying and developing future talent, as companies are increasingly concerned about their bench strength to meet new challenges. In line with that, managing successful change will be a top priority.

Without question, that future will also be more digital, as HR and leaders rank digital acumen as a must-have skill. Rounding out the top priorities, leaders will need to quickly get up to speed in building a strategic vision for a new future, and (influencing others to ensure success as one unified team.



of leaders are being developed in critical skills for the future



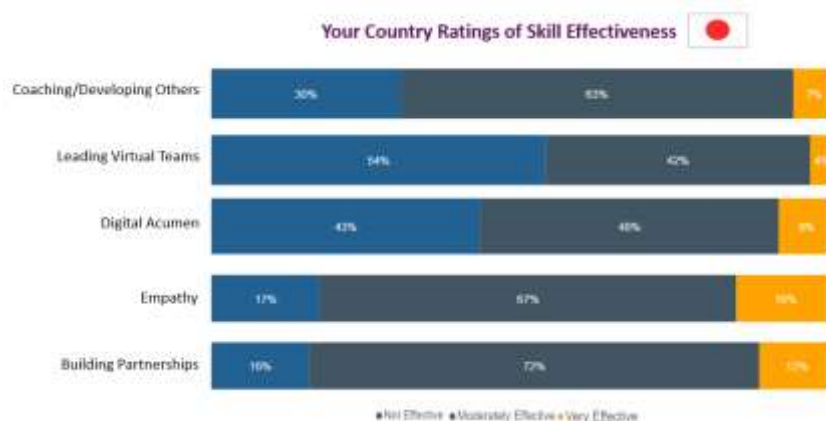
## Strengthen Leader Resilience

While HR and leaders rated skills related to rapid change as their top priorities, we also studied which leadership skills most accounted for how prepared organizations were to succeed across the broadest range of business challenges. Globally, organizations with leaders who were stronger in these five skills were more prepared to meet the business challenges they faced, particularly through the pandemic:

1. Leading virtual teams
2. Coaching and delegation
3. Empathy (EQ)
4. Digital acumen
5. Building partnerships

Most glaringly, fewer than one in two leaders in Japan rated themselves effective in leading virtual teams, which has quickly become essential. We also see the same trend in digital acumen. Conversely, they tend to be effective at empathy, building partnership, coaching and delegation. How these skills can be demonstrated not only face-to-face but also virtual and digital environment will be the key to success for Japanese organizations.

Two other core skills, coaching and delegation along with empathy, were foundational across business challenges. These are especially important for leaders who are now having to navigate more difficult conversations and provide support to stretched employees. Additionally, digital acumen was a significant predictor not only for digital transformation readiness, but also for innovation and responding to the competitive environment.



# How Leaders Want to Learn

## Leaders Crave External Validation

### Learning Modalities Japanese Leaders Want



Percentage of Leaders Who Would Like More...

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**In times of uncertainty, leaders want two things: more time to learn, and greater external validation that they're doing the right things.** On average, leaders report spending nearly 4.4 hours per week learning, but would prefer to spend about 7.5 hours. This number also spiked while the survey was open as the pandemic hit, and leaders felt less certain of their skills.

Perhaps a more important trend we spotted this year is the strong desire for external validation and objectivity in their learning. More than anything, leaders wanted outside coaching and developmental assignments to help them grow their skills outside of their day-to-day work. In addition, they expressed a strong desire for assessment to help them pinpoint their development areas.

Results in Japan are similar to the global results in that more individualized external coaching and opportunities to highlight developmental areas are preferred.



Leaders  
sought out  
**2X** more learning  
and development  
at the onset of the  
COVID-19 crisis





## Application and Relevance

Above all, leaders' learning preferences showed that they want to know they are truly applying their skills to new challenges. If nothing changes about their career, the development isn't worth it.

On average, leaders who say their organization offers high-quality leadership development say they are able to apply about 72% of what they learned to their job. In comparison, those who rate their company's leadership development programs as low say they can only apply 53% of what they learn to their job.

Leaders also need to get the feedback and validation that shows their new skills are working. Organizations that report their leaders practice and then receive feedback from their managers on key skills are 4.6X more likely to have high leader quality and bench strength compared to those that don't.

In addition, leaders who said their organization provided high-quality assessment on their skills also reported being more prepared to face business challenges.

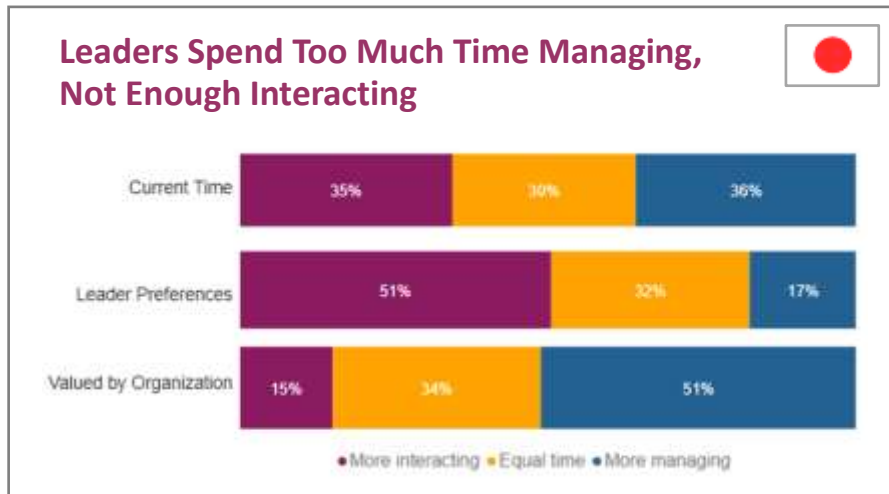
Organizations where leaders practice and receive feedback from managers on key skills are



to have high leader quality and bench strength

# Leaders Crave Connection

## Interactions Matter More Than Managing Work



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**How much time leaders spend interacting or managing has a huge impact on their teams.** Management tasks are what keep leaders inaccessible, disconnected, and working at their desk. Leadership, meanwhile, requires effectively interacting with others—being out front, with people. Effective interactions are what make up the core of leadership.

The moments that leaders can connect and the conversations they have with team members, peers, and customers define how effective (or ineffective) they are. Without positive interactions, coaching suffers, employee engagement dives, and the ability to influence disappears.

Unfortunately, our data show that person-to-person interaction is happening less and less. Leaders at all levels reported they feel overburdened with tasks they have to manage, and aren't able to spend as much time interacting as they would like. According to the global results, on average, leaders prefer to spend almost half (41%) of their time interacting, but currently only spend about a quarter of their workday (27%) interacting with others. This is a harmful trend for engagement. And, even worse, leaders feel their organizations want them to be spending even more time managing than they are.

Furthermore, organizations seem to disproportionately support managing tasks (44%) over interacting (23%), which may make it difficult for leaders to dedicate time to interacting.

In Japan, leaders prefer an even larger amount of time (51%) to be dedicated to interacting than the global results. Similar to the global results, leaders are not able to dedicate the same amount of their time (35%) that they prefer to spend interacting each day. Leaders may feel they are unable to dedicate additional time to interacting because they feel their organization does not value it as much as managing tasks.



Leaders want to spend **1.5X** more hours interacting with their teams each day



## Encourage High-Quality Interactions

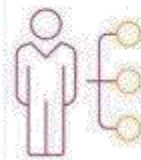
Valuing interactions proved to be a strong indicator of leader engagement and retention. Compared to leaders who said their companies favored management activities much more than interaction, leaders who said their companies valued interactions were significantly more likely to rate their leadership as high quality at every level, especially senior levels.

In addition, they reported much higher engagement in their roles. They were also more likely to be energized and feel purpose in their work. Most importantly, they were less likely to feel like they had to leave to progress.

By contrast, there's a harmful reverse trend for leaders who don't get enough interaction. Leaders who indicated that they spend much more time managing than interacting are.

- ▶ 32% less engaged in their roles.
- ▶ 1.5X more likely to feel used up at the end of the day.
- ▶ Twice as likely to leave the organization within the next 12 months.

Leaders who spend more time managing than interacting are:



**32%** less engaged

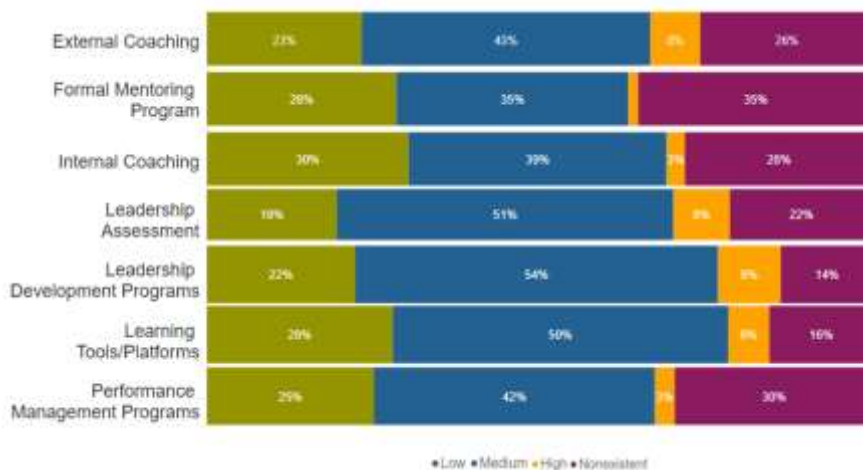
**1.5X** more likely to feel used up at the end of the day

**2X** more likely to leave the organization within 12 months

# Illuminate the Leader Experience

## What Leaders Value Most in Development Experience

### How Japanese Leaders Rate Their Programs



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**Leaders' perceptions about aspects of their work are important to understand as perceptions influence thoughts and behaviors.** For example, the Global Leadership Forecast 2021 results indicated that leaders prefer to spend almost half of their time interacting with others but only have the opportunity to spend about a quarter of their day interacting with others. This difference may impact leader morale and engagement.

Leaders were asked to share their perceptions of leadership development programs. Globally, only 23% of leaders rated their programs as high quality, but in Japan, the percentage was even lower at 9%.

Overall, coaching and mentoring are the areas where leaders are least satisfied, along with performance management programs. For many leaders, these programs are simply nonexistent, but among those that do have them, few rate them as high quality.

**1 in 4 leaders** indicate that leadership development is either nonexistent or low quality at their organization





## Improving the Experiences That Matter Most

On the whole, leaders make it clear they aren't all that satisfied with their growth and development offerings, but they also don't value them equally. What are the experiences leaders say were the most valuable? And which mattered most in enabling a smoother transition to their current roles?

These are questions we explored further to see what really defines a successful leadership experience from day one. Four factors stood out for leaders who had better experiences taking on their current leadership role:

1. There were clear and realistic expectations for their performance.
2. Leaders went through a formal assessment to identify their leadership strengths and areas for development.
3. They received feedback about their leadership skills.
4. They received effective coaching from their manager.

Focusing on what matters most to leaders, and improving these experiences, can pay off tremendously. Organizations where leaders indicated that these experiences were consistent had 1.5X higher leader engagement and retention, and were also 2X as likely to be

Organizations who provide high-quality development experiences are:



**1.5X** more likely to have high leader engagement and retention and

**2X** more likely to be voted as best places to work





# Leading a Digital Future

## People Skills Drive Digital Transformation



### Quick Reference Guide

CEO Top Challenges  
The Future of Work Is Here  
The Leader Quality Gap  
The Bench Is Empty  
The Big Burnout  
Retaining Top Talent  
Critical Skills for the Future  
How Leaders Want to Learn  
Leaders Crave Connection  
Illuminate the Leader Experience

**Leading a Digital Future**

**The ability to drive digital transformation will be one of the defining features that separates successful and struggling companies in the coming years.** However, leaders are skeptical of their capabilities to drive digital change.

This trend exists in Japan as well. Only 4% of leaders feel they are effective in leading virtually today. Additionally, only 9% of leaders indicated feeling they have strong digital acumen.

In addition to digital skills, influencing skills is also rated low. Only 5% of leaders indicated feeling effective at managing change.

Across a broad set of leadership skills, leaders reported having the least confidence in their digital acumen and ability to lead virtually. In fact, 23% of global leaders say they aren't effective at all at leading virtual teams. Our research shows that few organizations are developing these skills in their leaders. Fewer than 30 % of leaders said they had ever received development for these two skills.

As a result, few feel prepared for operating within a highly digital business environment. Only 20 % of leaders overall feel their organization is prepared for digital transformation, and confidence declines with leader level. In fact, CEOs rated this as one of the challenges their companies are least prepared to meet, with only 19% of CEOs saying they felt prepared.





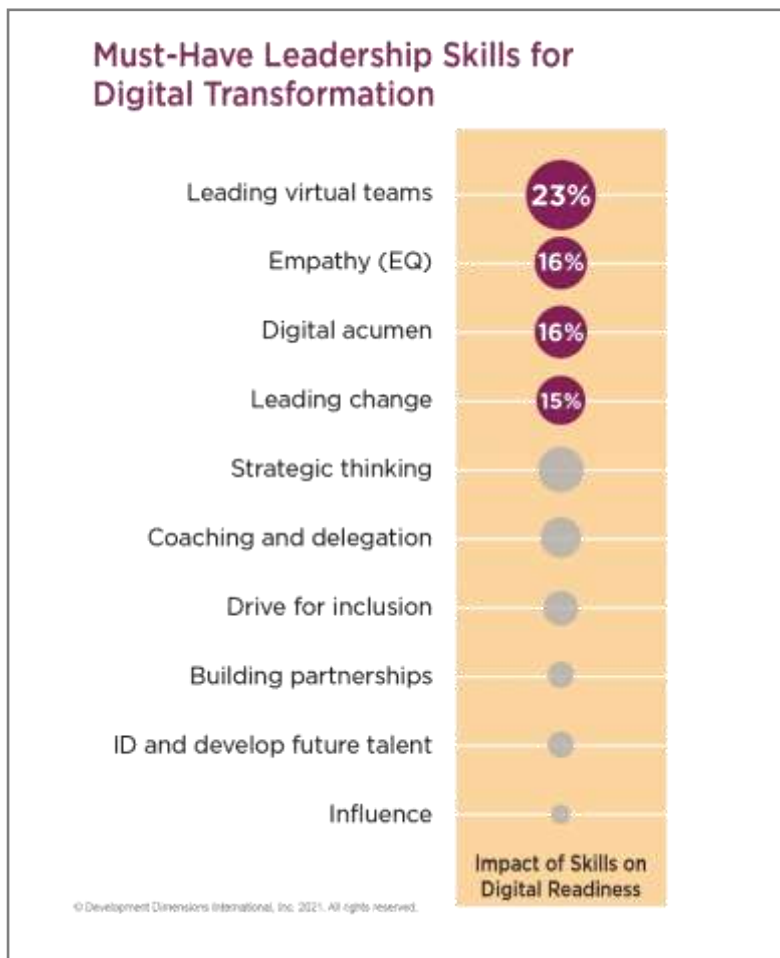
## Key Skills Drive Transformation

Successfully driving transformation goes beyond digital acumen and leading virtual teams. The graphic below highlights the skills that are the most significant contributors for organizations that are successfully prepared to operate in a highly digital business environment. Organizations that had already developed leaders in these areas were 1.8X better prepared for digital transformation. They are also more likely to be innovative, with leaders being 1.5X more likely to develop novel products or services in their work.

Preparation in these areas goes beyond what's digital. Work is also entering the biggest era of transformation in decades. The accelerated

pace of business and technology change will continue to put pressure on leaders to be upskilled and to act as innovators, designers, and technology partners.

Our research shows that organizations that are reinventing how they approach work and driving a more inclusive, innovative future are building these skills and fostering a culture to support transformation. They are more agile, data-driven, and more likely to encourage an experimental mindset—positioning them better for reinvention after the pandemic.





## Closing Remarks

It is no secret that our world is changing rapidly as a result of the global pandemic, racial justice movement, and many other economic, social, and political changes. These types of change are impacting us now, but the rate of change is anticipated to continue to increase moving forward. Leaders are under increased pressure to be agile in their roles, to upskill, adjust, and adapt to changes quickly. Leaders that emulate these characteristics are more successful in their roles.

For additional support in leveraging this report to make better strategic decisions to support leaders in Japan, contact MSC's Global Leadership Forecast Team at [msc\\_marketing@msc-net.co.jp](mailto:msc_marketing@msc-net.co.jp).



## Appendix: Demographic Information in Japan

Industry	Percentage
Automotive & Transport	23%
Energy & Resources	1%
Finance & Insurance	3%
Health Care	4%
Manufacturing	46%
Other	9%
Pharmaceuticals	3%
Professional Services	7%
Retail	0%
Technology	5%
<b>Total</b>	<b>100%</b>

Annual Revenue	Percentage
Less than \$5 million	3%
\$25 million to less than \$100 million	6%
\$100 million to less than \$500 million	8%
\$500 million to less than \$1 billion	6%
\$1 billion to less than \$5 billion	46%
\$5 billion or more	31%
<b>Total</b>	<b>100%</b>

Number of Employees	Percentage
Less than 101	4%
101-500	9%
501-1,000	6%
1,001-5,000	34%
5,001-10,000	21%
10,001-20,000	3%
20,001-50,000	12%
50,001-100,000	4%
More than 100,000	7%
<b>Total</b>	<b>100%</b>

Business Classification	Percentage
Private	99%
Government/State Owned	1%
<b>Total</b>	<b>100%</b>

Global Presence	Percentage
Multinational (Multiple Countries)	75%
National (One Country)	25%
<b>Total</b>	<b>100%</b>

Generation	Percentage
Gen X	84%
Millennial	10%
Baby Boomer	7%
<b>Total</b>	<b>100%</b>

Age	Percentage
<26	0%
26-35	3%
36-45	47%
46-55	43%
56-60	6%
>60	1%
<b>Total</b>	<b>100%</b>

High-Potential Status	Percentage
No	78%
Yes	22%
<b>Total</b>	<b>100%</b>

Level	Percentage
First Level	79%
Mid-Level	18%
Senior-Level	2%
C-Level	1%
<b>Total</b>	<b>100%</b>

Gender	Percentage
Female	7%
Male	93%
<b>Total</b>	<b>100%</b>



# Global Leadership Forecast 2021

## About DDI

DDI is a global leadership consulting firm that helps organizations hire, promote, and develop exceptional leaders.

From first-time managers to C-suite executives, DDI is by leaders' sides, supporting them in every critical moment of leadership. Built on five decades of research and experience in the science of leadership, DDI's evidence-based assessment and development solutions enable millions of leaders around the world to succeed, propelling their organizations to new heights.

DDI has been providing robust support for clients' globalization in HR strategy and development through MSC (Management Services Center Co., Ltd.), its partner for more than 50 years.

MSC offers best practices and solutions which cater to global and local needs.

For more information, visit [msc-net.co.jp](http://msc-net.co.jp).

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