

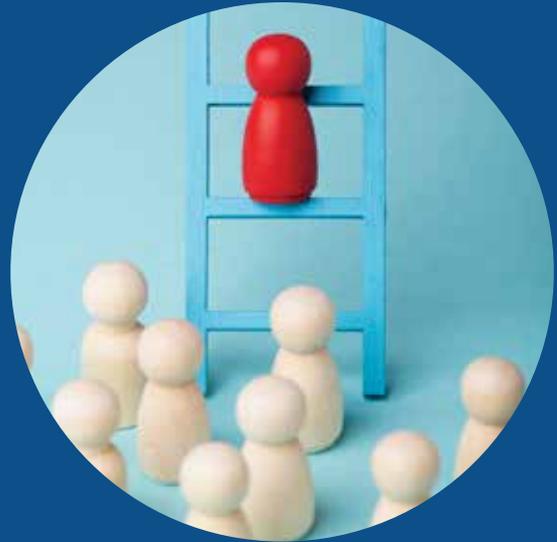
Leadership Focus

A Newsletter By

sapphire
HUMAN CAPITAL



Sapphire Human Capital Leadership Intelligence Newsletter



*December 2025 Edition
The Leadership Shortage of 2025
From the Editoripsum*

We are honoured to introduce the first edition of the Sapphire Human Capital Leadership Intelligence Newsletter. The year 2025 has opened with immense optimism for growth across sectors. Yet behind the strong economic momentum lies a reality that leaders are acknowledging candidly and unanimously. Organizations are no longer short of qualified talent. They are short of leaders who can carry responsibility without compromising culture.

The intention behind this publication is simple. To track how leadership is evolving, to offer intelligence grounded in real market patterns rather than theories, and to support organizations that choose to treat leadership as the engine of resilience rather than a title on an organization chart.

Industry Trend Briefing

Leadership is becoming more behavioural than hierarchical

Authority alone is insufficient. Senior talent is being evaluated based on cultural stewardship, psychological safety, and inclusivity.

Strategic maturity is overshadowing industry tenure

Experience matters, but the ability to lead transformation, shape culture and enable cross-functional collaboration matters more.

Leadership contribution is being measured in influence, not visibility

Boards and investors are prioritizing leaders who create sustainable change rather than short-term spikes.

CXOs must lead both performance and purpose

The expectation is no longer delivery versus humanity. It is delivery through humanity.

The pressure on succession has multiplied

Organizations that fail to secure strong leadership continuity are losing productivity, talent, and culture simultaneously.

These trends make one truth unmistakable. The leadership shortage is not a numbers problem. It is a maturity problem.

Global Overview of the Leadership Shortage

The leadership crisis is not limited to India. It has become a worldwide pattern.



- ▶ In the United States, companies such as **Johnson & Johnson** and **Microsoft** report that succession preparedness has become a board-level risk area.
- ▶ In Europe, the **Volkswagen Group** and **Siemens** are restructuring leadership development around adaptability after facing pressure from digital transformation and regulatory changes.
- ▶ In Asia-Pacific, rapid scaling has outpaced leadership generation. **Samsung**, **Toyota**, and **Grab** have adopted leadership incubation programmes to secure internal continuity.
- ▶ Across global markets, fewer than **38 percent of senior leaders** are considered ready to handle roles requiring transformation, cultural re-orientation, and AI-driven business evolution simultaneously.

What differentiates markets is not the severity of the problem. It is the speed at which organizations are responding.

How Leading Companies Are Responding

Forward-thinking companies have moved from reactive hiring to structural leadership building.



Infosys has redesigned CXO onboarding through collaborative immersion rather than functional induction, reducing leadership friction within the first 90 days.



Hindustan Unilever Limited

Hindustan Unilever has created talent pipelines based on leadership philosophy rather than functional titles, improving behavioural alignment during transitions.



Tata Steel evaluates senior leaders on resilience, foresight and empathy rather than years of experience, strengthening both culture and innovation.



Asian Paints intentionally rotates potential leaders across diverse portfolios to develop maturity before granting larger authority.

Across global markets, similar approaches are gaining momentum



Microsoft has embedded psychological safety as a leadership metric, not a wellness initiative.



Schneider Electric has operationalized leadership as a shared responsibility rather than a personality-driven phenomenon



Accenture has institutionalized cross-cultural leadership accelerators to prepare leaders for a borderless workplace.

These organizations demonstrate that leadership is not found. It is built.

How Organizations Can Overcome the Leadership Challenge

The companies that will thrive in the next decade will approach leadership with intention rather than urgency.

1. Redefine what leadership means for the organization

Not every high performer is a potential leader. Organizations need behavioural definitions of leadership that go beyond business delivery.

2. Strengthen succession before vacancies appear

Succession thinking must operate continuously, not at replacement time. Prepared leadership prevents cultural and performance breakdown.

3. Prioritize cultural fluency as a leadership capability

Leaders who are technically excellent but culturally misaligned create disengagement, turnover and silent resistance.

4. Build leadership through systems, not workshops

Leadership grows through:

- Cross-functional roles
- Strategic exposure
- Accountability before authority
- Mentorship and reverse-mentorship
- Psychological safety and autonomy

5. Select leaders who create leaders

True leadership is demonstrated when others grow, not when power concentrates.



Practical Examples of How Companies Are Building Leaders

Strong leadership creation is intentional, visible and measurable.



Tata Consultancy Services (TCS)

develops future leaders through responsibility delegation rather than title elevation, strengthening business continuity.



HDFC Bank

focuses on leadership stability during business expansion, ensuring no unit scales without cultural readiness.



Google

encourages leaders to adopt coaching mindsets over management mindsets, increasing innovation velocity.



Starbucks

builds leadership from within through empathy-driven decision making, resulting in strong employee loyalty during crises.



Nestlé

anchors leadership growth in motivation, psychological safety and role-based autonomy, improving cross-border collaboration.

Across examples, one thread remains visible. Leadership is not an event. It is an environment.

Looking Ahead

The leadership shortage of 2025 is not a temporary strain. It is a defining business reality that will shape organizational futures. Companies that secure leadership early—ethically, intentionally and culturally—will lead with stability even when market conditions remain volatile.

Over the next decade, the organizations that excel will be those that:



Treat leadership as infrastructure, not appointment



Invest in leaders before they are urgently needed



Choose values-aligned leadership over quick fixes



Build cultures where leaders want to stay

Leadership clarity will determine business clarity.

**We thank the leaders,
partners and organizations**

that have inspired the launch of this newsletter and continue to demonstrate what responsible, future-ready leadership looks like.

