LEADERSHIP SKILLS
2026 REPORT

Research and Insights by
Joe Folkman and Jack Zenger

CONTENTS

INTRODUCTION

Artificial intelligence is rapidly changing how work gets done. And yet, as organizations invest heavily in AI and new technology, many initiatives still fail.

The reason isn't technical. It's leadership.

AI can process information at scale, but it cannot replace judgment, trust, or commitment. It doesn't decide what matters most. It doesn't inspire people to stretch, collaborate, or take ownership. And it cannot create the conditions where people choose to give their best effort.

As we move into 2026, leadership has become more—not less—critical. **This is not a list of trendy skills or speculative predictions**. It's a research-driven look at the leadership behaviors that most strongly predict performance in a world shaped by AI, uncertainty, and constant change.

This report integrates:
- Zenger Folkman research published in 2025.
- Data from hundreds of thousands of leaders and direct reports.
- Emerging themes from HR and workforce reports shaping 2026 priorities.

The goal is simple: identify the leadership capabilities that consistently produce results, regardless of role, industry, or leadership style.

There is no single best leadership style. What separates exceptional leaders are the behaviors that consistently increase effectiveness. In an AI-powered world, those human-centered behaviors become the ultimate differentiator.

—Jack Zenger and Joe Folkman

AI Raises the Bar

LEADERSHIP DEVELOPMENT
IS NON-NEGOTIABLE
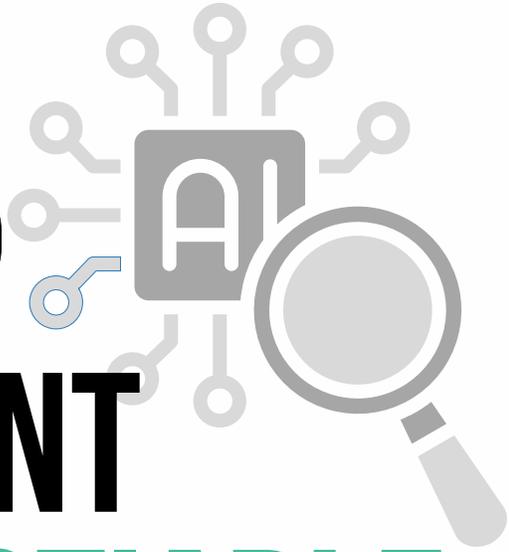
AI can scale information. It cannot scale trust, judgment, or commitment. As AI adoption accelerates, organizations will win or lose based on whether leaders can translate new capability into performance—through people.

Common failure mode: organizations invest in tech while underinvesting in the leadership behaviors needed to translate tech into performance (adoption, prioritization, trust, accountability).

Let's begin by studying a common myth: "Find the most effective leadership style."
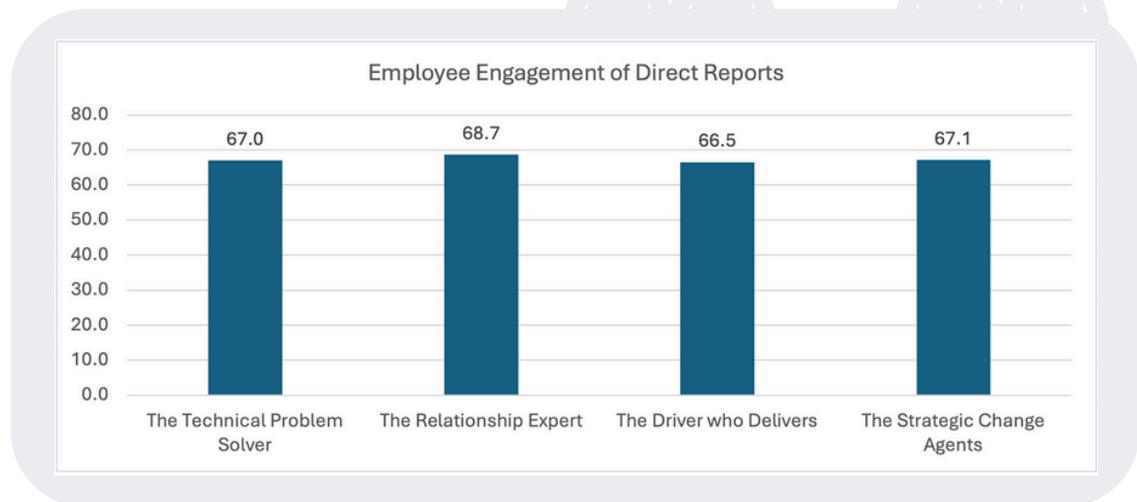
1 THE RESEARCH

Zenger Folkman tested four distinct leadership styles—**Expert, Connector, Driver, Strategist**—to see if one consistently outperformed the others.

Result: No meaningful differences in overall leadership effectiveness or employee engagement by style.

- 4,377 leaders studied
- ~14 raters per leader (boss, peers, direct reports, others)
- Leaders above average in a style scored roughly 64th–73rd percentile—strong, but not "superhuman"

WAS ONE STYLE BETTER THAN ANOTHER?

We measured the employee engagement of each leader's direct reports. As seen in the graphs below, the differences between the different styles were not statistically significant.

Employee Engagement of Direct Reports

| The Technical Problem Solver	The Relationship Expert	The Driver who Delivers	The Strategic Change Agents
67.0	68.7	66.5	67.1

Takeaway: *Great leadership isn't about which style you choose**. **It's about whether you build a few **standout strengths** and **avoid fatal flaws**.*

STRENGTHS-BASED DEVELOPMENT
IS THE FASTEST PATH TO EXTRAORDINARY

"Across 100,000+ leaders, the data points to a counterintuitive truth: unless a leader has a critical derailment risk, the biggest return comes from amplifying strengths, not obsessing over weaknesses."
Jack Zenger, CEO of Zenger Folkman

THE ZF RULE OF THUMB: 3-5 STRENGTHS + NO FATAL FLAWS
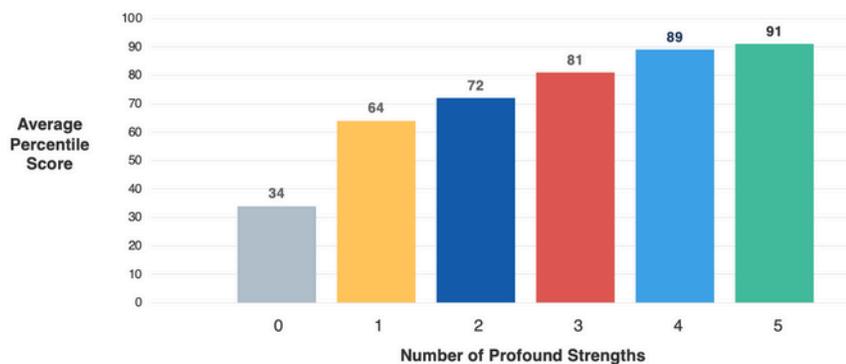
Extraordinary leaders don't excel at everything. They become exceptional by standing out in a few competencies that matter to the organization—while staying solid everywhere else.

What this means in 2026...

When AI speeds up work, leadership becomes the differentiator. The organizations that pull ahead won't standardize leaders into one model. They'll personalize development so leaders become more of who they are at their best while staying aligned with business needs.

DO THIS MONDAY

1. Identify your top 2–3 strengths.
2. Pick one business priority AI is changing.
3. Define a "strength application." How will I use my strength to move that priority this quarter?
4. Address any fatal flaw signals (integrity, disrespect, chronic indecision, etc.).

AI Can Provide Information:

LEADERS MAKE THE DECISIONS

AI gives leaders more data than ever before. But **information abundance doesn't equal decision quality.**

In fact, it often slows action, increases risk aversion, and creates paralysis.

In 2026, the competitive edge belongs to leaders who can convert insight into judgment—and judgment into action.

THE MODERN DECISION-MAKING GAP

TODAY'S LEADERS FACE:

- Information overload
- Shorter decision windows
- Higher public consequences
- More stakeholders with competing priorities

WHAT THE DATA SHOWS ABOUT GREAT DECISION-MAKERS

Zenger Folkman analyzed 15,804 leaders, each rated by an average of 14 observers, comparing the top 10% and bottom 10% in decision-making effectiveness.

BIG RESULT

Top decision-makers dramatically outperform peers in:

- Overall leadership effectiveness
- Employee engagement among direct reports

Decision quality isn't just strategic—it's cultural.

AI accelerates inputs. Leaders remain accountable for outcomes.

Leaders in the Top 10% and Bottom 10% on Decision Making

■ Botttom 10% ■ Top 10%

	Bottom 10%	Top 10%
Overall Leadership Effectiveness	13	92
Employee Engagement	33	71
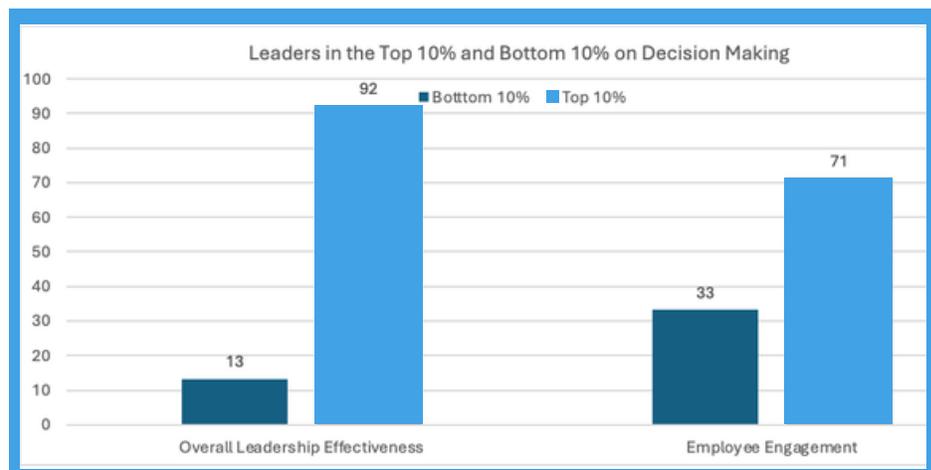
7 QUALITIES THAT ENABLE GREAT DECISIONS:

LEADERSHIP SKILLS

WHY IT MATTERS

ANTICIPATING PROBLEMS
Leaders who anticipate problems don't just make better initial decisions—they reduce downstream failure.

Leaders rated highly for anticipating problems are seen as more effective because their teams spend less time reacting and more time executing.

ACTING QUICKLY
Effective decision-makers distinguish between decisions that require deep analysis and those where delay is the biggest risk.

Momentum reduces overanalysis and prevents small opportunities from becoming large problems.

RELENTLESS FOCUS
High-performing leaders consistently identify the critical few priorities that drive the majority of results.

When leaders clarify priorities, teams make faster, more aligned decisions without constant escalation.

BALANCING RISK AND REWARD
The strongest decision-makers evaluate risk intelligently rather than defaulting to caution.

Playing not to lose often means falling behind.

RECOGNIZING WHEN CHANGE IS REQUIRED
Leaders often cling to familiar approaches because change feels disruptive—even when evidence suggests it's necessary.

They prevent sunk-cost bias from compounding losses. They make timely decisions, not just correct ones.

BUILDING TRUST
In high-trust environments, people don't wait for permission, second-guess intent, or protect themselves from blame.

Trust isn't "soft." It's infrastructure. Without it, even good decisions stall.

CLEAR STRATEGIC PERSPECTIVE
Strategic clarity allows decisions to cascade downward.

It enables distributed decision-making—essential in AI-enabled, fast-moving organizations.

These behaviors reinforce one another. Together, they create environments where good decisions are made—and made to work.

ZENGER FOLKMAN

Employee Experience:
THAT UNLOCKS
DISCRETIONARY EFFORT

In 2026, performance won't be driven by job descriptions alone. The real advantage comes from **discretionary effort**—the extra energy people choose to give when they feel confident, valued, and inspired.

CONFIDENCE IS A LEADERSHIP OUTCOME

Zenger Folkman analyzed data from 587,544 direct reports, examining how leadership behaviors shape employees' confidence that their organization will succeed.

Finding:

Confidence doesn't come from slogans. It comes from consistent leadership behaviors.

5 BEHAVIORS THAT BUILD
ORGANIZATIONAL CONFIDENCE

Confidence rises when people know where they're going, why it matters, and how they contribute.

1. Translate vision into personal meaning.
2. Maintain focus on top priorities.
3. Challenge people to stretch beyond perceived limits.
4. Create a line of sight between strategy and daily work.
5. Connect work to customer impact.

DISCRETIONARY EFFORT IS EARNED, NOT DEMANDED

Discretionary effort—the willingness to go beyond what's required—cannot be forced. It is a **choice employees make** based on how they experience leadership.

Zenger Folkman's research shows a clear imbalance in how leaders attempt to generate performance:

PUSH vs. PULL Insight
- **76%** of leaders are rated stronger at driving for results.
- Only **22%** are rated stronger at inspiring and motivating others

Pushing works—up to a point. It increases compliance.
Pulling works differently. Leaders who inspire create energy rather than extract it. They connect work to meaning, recognize effort, and challenge people in ways that build pride rather than fear.
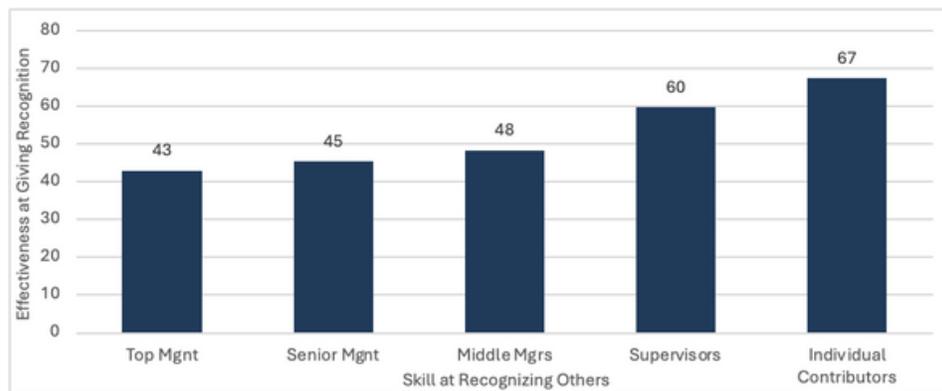
REMEMBER: IN THESE ENVIRONMENTS, PEOPLE DON'T WORK HARDER BECAUSE THEY HAVE TO—THEY WORK HARDER BECAUSE THEY WANT TO.

RECOGNITION: THE OVERLOOKED ACCELERATOR

3

IN A STUDY OF 4,216 LEADERS:

- Leaders in the bottom 10% for recognition had direct reports at the 26th percentile in engagement.
- Leaders in the top 10% reached the 75th percentile.

> **Surprising insight:** Senior leaders score lower on recognition than individual contributors—despite their recognition carrying greater weight.

WHAT THAT MEANS IN 2026

As work becomes faster and more automated, people need more—not less—human affirmation, clarity, and purpose.

The data suggests that even modest improvements in recognition practices yield benefits, while increasing the frequency and quality of positive reinforcement can help good leaders become truly exceptional ones.

Do this Monday (Leader Play)

- Publicly recognize effort + impact (not just results).
- Replace one "push" message with an inspiring "why?"
- Ask: "What would make this work feel meaningful?"

Control, Influence, and
PSYCHOLOGICAL SAFETY
AT WORK
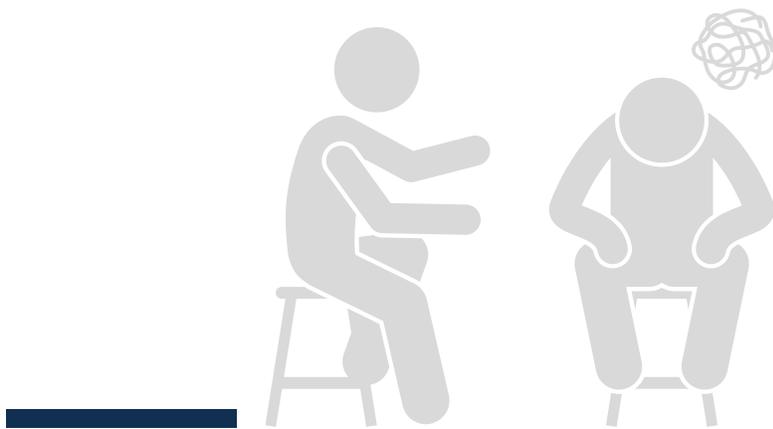
Speed and scale tempt organizations toward tighter control.

But decades of research point to the opposite truth: organizations perform better when influence is shared, and people feel safe to speak up.

PSYCHOLOGICAL SAFETY

Psychological safety is the belief that you can:

- Speak up
- Ask questions
- Admit mistakes
- Share ideas—without fear

ZF research from 18,000+ employees shows leaders who foster safety see:

- **Intent to quit drop from 37% → 20%**
- **Extra effort rise from 23% → 47%**

PRACTICAL APPLICATIONS TO BUILD SAFETY

01 BUILD AN INCLUSIVE CLIMATE

Inclusion isn't just about diversity—it's about making sure different perspectives are valued and heard.

02 BE OPEN TO DIVERSE PERSPECTIVES

Don't just tolerate different opinions—actively seek them out. One executive I know tells their team, "We can't promise everyone will get their way, but everyone will have their say."

03 BUILD TRUST

Trust grows through consistent actions, keeping your word, and recognizing the talents of your people.

04 BALANCING TASKS WITH PEOPLE'S NEEDS

The best leaders know when to push for results and when to pause for people.
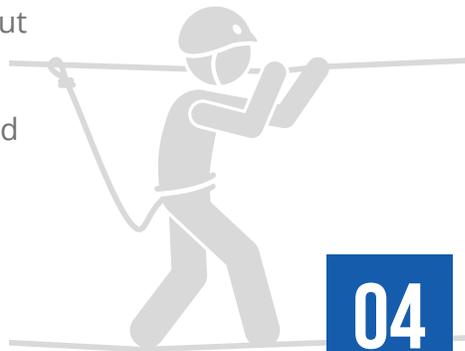
"Psychological safety isn't just about creating a "nice" place to work—it directly impacts whether people stay, give their best effort, and help your organization succeed. And while you can't change everything overnight, you can start showing up differently in the moments that matter." —Joe Folkman

CONTROL VS TOTAL INFLUENCE: THE REAL LEVER

Tannenbaum's research demonstrated that organizations with greater total influence—where executives, managers, and employees all felt they had a voice—were significantly more successful.

Modern ZF team data shows that success isn't about who holds power—it's about how much total influence exists across the system.
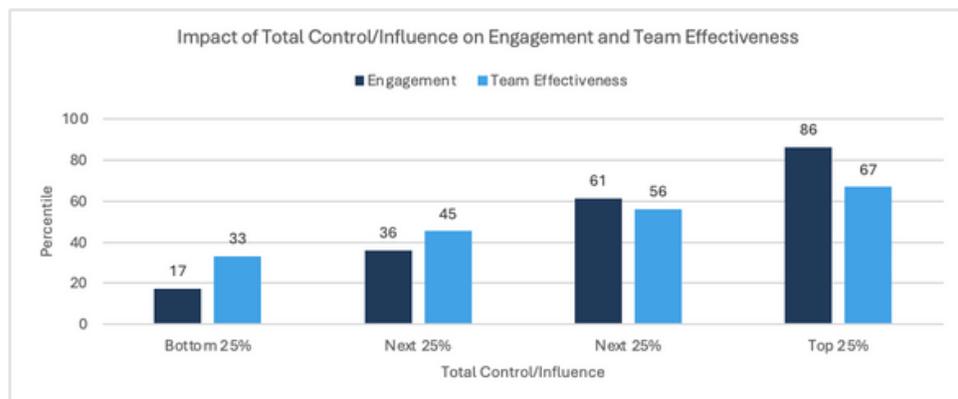
In ZF team research:

- Teams with stronger total influence show significantly greater engagement and effectiveness.

WHAT THAT MEANS IN 2026

AI-enabled surveillance, centralized decisions, and algorithmic control may increase speed—but they erode voice, trust, and ownership.

No leader is perfect. The safest strategy isn't tighter control—it's wider participation.

The real question is—do today's leaders have the courage to let go and trust their teams?

CONCLUSION

The research in this report points to a consistent conclusion: performance in 2026 will depend less on tools and more on how leaders show up. The greatest risk in 2026 isn't adopting AI too slowly. It's adopting it without upgrading leadership.

Leadership development must move beyond one-size-fits-all programs and content libraries. The future belongs to organizations that:

- Personalize development around strengths and business needs.
- Measure leadership impact, not just participation.
- Equip leaders to make decisions that people trust and support.
- Design cultures that foster influence, recognition, and safety.

The question facing organizations isn't whether leadership matters in an AI-driven world. It's whether they are willing to invest in the human capabilities that technology cannot replace.

Because in 2026—and beyond—every employee still deserves an extraordinary leader.

Get Started