



MORNING BREW

THE STATE OF L&D IN 2024

In an era marked by unprecedented change and complexity, the strategic importance and demands of learning & development are evolving.

Leadership development has always prepared leaders for the challenges that lie ahead. However, those challenges are becoming increasingly unpredictable.



The so-called “soft” skills such as emotional intelligence and effective communication are anything but light in impact. These skills are now make-or-break for leaders.

The modern leader is not just a decision-maker anymore. They need to be a mentor, a facilitator, and a growth-enabler too.

Traditional classroom-based training is only one piece of the puzzle, and more experiential learning experiences, including on-the-job training, continue to prove extremely valuable. Why? Because leaders need to be flexible in today’s increasingly complex environment.

However, the road ahead is not without its challenges.

After surveying nearly 1,000 HR professionals, most of whom are in managerial roles, four themes emerged. These are the challenges and opportunities in store for L&D in 2024:

1. LEADERSHIP DEVELOPMENT IS A TOP PRIORITY IN 2024.

The data overwhelmingly points to leadership development as the most significant gap and future priority for organizations that were surveyed.

Organizations are recognizing that technical skills are table stakes, and the real development need is in leadership capabilities.

2. THE DISCREPANCY BETWEEN PRIORITY AND PRACTICE.

While leadership development is a top learning and skill development priority, the actual implementation of formalized training programs is inconsistent, especially among SMBs and certain industries like manufacturing.

This suggests a critical gap between what's recognized as important and what's actually being done.

3. GETTING MORE OUT OF L&D INVESTMENTS.

Budget constraints are a material issue. Even though the need for robust L&D initiatives is recognized, financial commitments to these programs are not expected to increase in 2024 given survey findings.

This will push L&D programs to be more cost-efficient and results-driven.

4. ADAPTABILITY IN LEADERSHIP.

Given the “work-from-anywhere actually scratch that return-to-work” whiplash, adaptability is key. Leaders will need to be trained to manage across various platforms and generational divides. In a world of constant software updates and AI fervor, the concept of “finished learning” is obsolete.

Leaders, whether new or experienced, will need ongoing, contextualized training to meet new challenges.

KEY INSIGHT 1:

**Leadership
development remains
a top priority for 2024**



In an era where the newest tech trends dominate the water cooler conversation, one might assume technical skills are the foremost organizational need heading into 2024. However, data from our survey of HR industry leaders tells a different story.

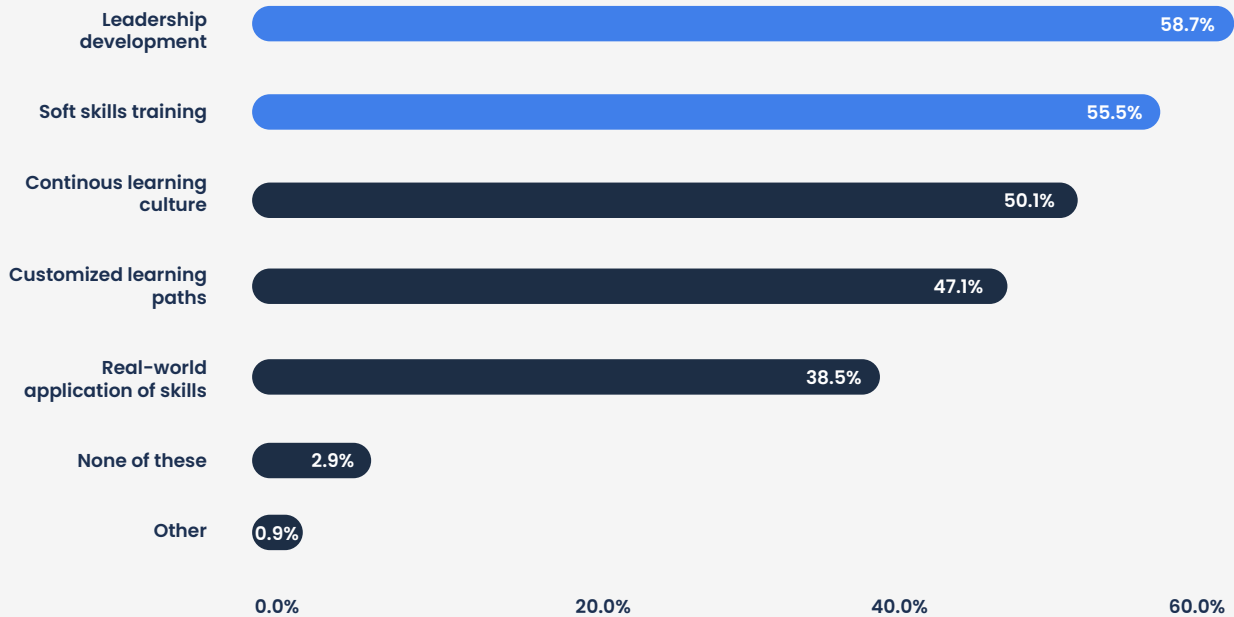


Technical skills, while important, have become a baseline expectation in today's competitive market. The real differentiator? A sustained emphasis on leadership development.

Our survey data is clear: Leadership development is a top priority for HR professionals planning for 2024.

- An overwhelming **60% of respondents pinpointed leadership as the most significant gap in current employee development.**
- Looking forward to 2024, nearly **two-thirds of all respondents identified leadership development as their primary learning focus.** This is nearly double the next-highest priorities: diversity & inclusion and technical skills.
- Additionally, leadership development is the HR topic that respondents are most interested in staying on top of.

What do you believe is missing for employee development today?



Leadership development is not a luxury but a necessity. As organizations navigate the complexities of a multi-generational workforce, volatile markets, and rapid technological changes, the need for agile and adaptable leaders has never been more acute.

Given that most individuals are not inherently effective managers or leaders ([a long-term Gallup study](#) found that only one of every 10 people has the natural talent to manage a team effectively), there's a pressing need for robust leadership training programs.

- These programs need to go beyond traditional paradigms and embrace modern, individual-centric approaches that prepare leaders for the unique challenges of today's workplace.

By addressing the leadership gap, **organizations are not just filling a void; they're investing in their most valuable asset—their people.** And in doing so, they're setting the stage for long-term success and competitiveness in an increasingly complex world.

KEY INSIGHT 2:

**The discrepancy
between priority and
practice suggests the
leadership gap will
grow in 2024**



While leadership development is clearly a priority in 2024, the follow-through in terms of program implementation may lag, especially among SMBs and industrial & manufacturing industries.

- Our survey shows that only 50% of companies with 100–499 employees and 57% of those with 500–999 employees have formal L&D programs for new managers.
- Similarly, just half of organizations with fewer than 500 employees offer leadership training for director-level managers.

This disconnect could be interpreted in two ways:

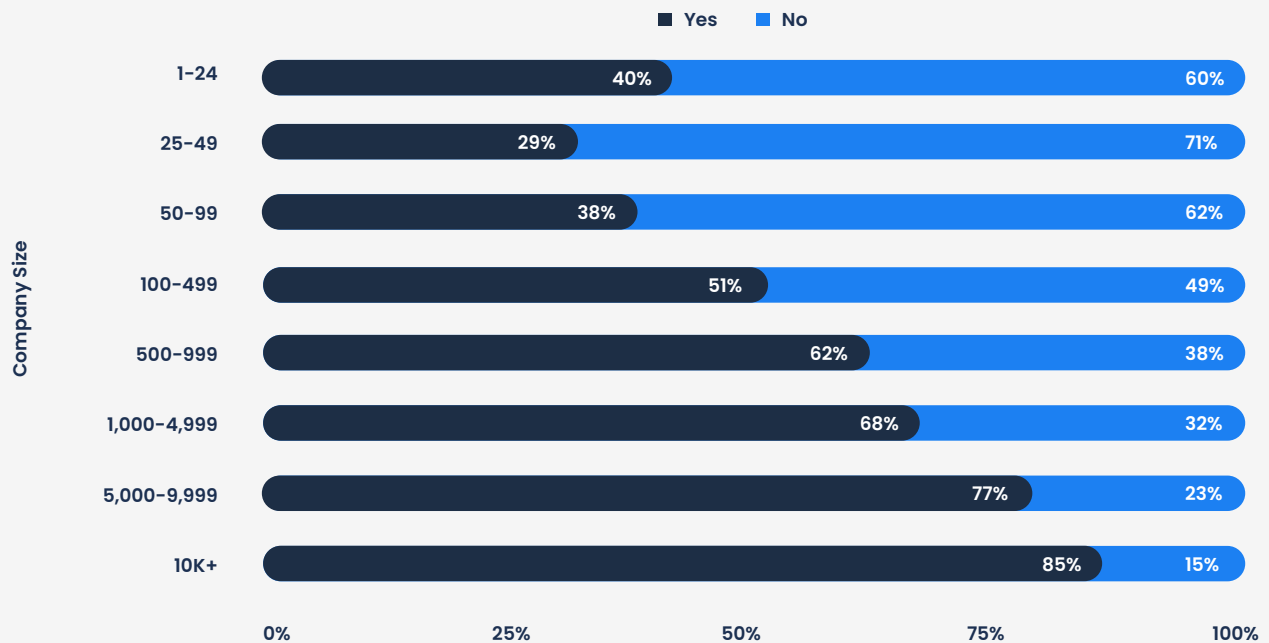
WAKE-UP CALL

The prioritization of leadership development may be a response to current inadequacies, signaling that organizations are finally recognizing the need to invest in effective leadership training.

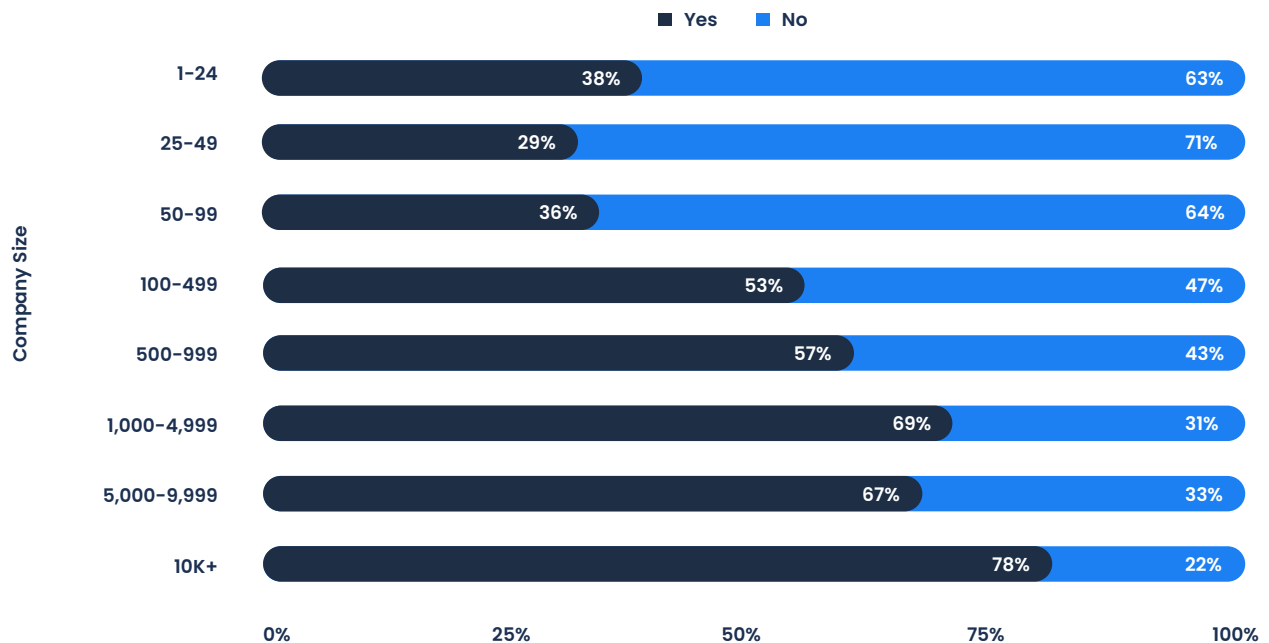
SYSTEMIC CHALLENGES

The gap between intent and action could also reflect broader issues in the L&D landscape, such as budget constraints, lack of expertise, or misalignment between executive and managerial priorities.

Does your organization provide leadership training for director-level managers?



Does your organization provide leadership training for new leaders (i.e., new managers)?



Regardless of the reason, the absence of formal leadership training poses a significant risk to an organization's long-term viability. Effective leadership is essential for employee engagement, training, and satisfaction.

- According to a [2015 Gallup report](#), managers can cause sways in employee engagement of up to 70% between different departments.

Not surprisingly, ineffective leadership is also linked to higher turnover rates. [Data from DDI](#)—which surveyed over 13,000 leaders in 2023—shows that 32% of high-potential leaders would not tolerate ineffective leadership. Whereas younger, high-potential employees are 2.4 times more likely to stay when offered key development experiences.



This creates a self-reinforcing cycle: Effective leaders encourage potential leaders to stay, but if new and mid-level managers aren't adequately trained, it can lead to a leadership vacuum, affecting the organization's ability to sustain long-term growth.

Given the high priority placed on leadership development for 2024, organizations need to address this gap, as effective management skills are not innate but cultivated through robust training and learning initiatives.

KEY INSIGHT 3:

To close the leadership gap, orgs need to get more bang for their L&D buck



Despite a decades-long emphasis on leadership development, the return on investment for L&D is still underwhelming. According to an [HBR study](#), a mere 10% of the \$200 billion spent annually on corporate training in the US yields tangible results. To put it kindly, not great.

Despite previous studies detailing L&D budget increases in [2022](#) and [2023](#), our survey indicates that L&D budgets for 2024 are likely to remain stagnant. **Roughly a quarter of respondents expect an increase in their organization's L&D budget for 2024.**

The survey results also highlight a clear disconnect between a perceived need for increased L&D investment and the actual budgetary allocations expected for 2024.

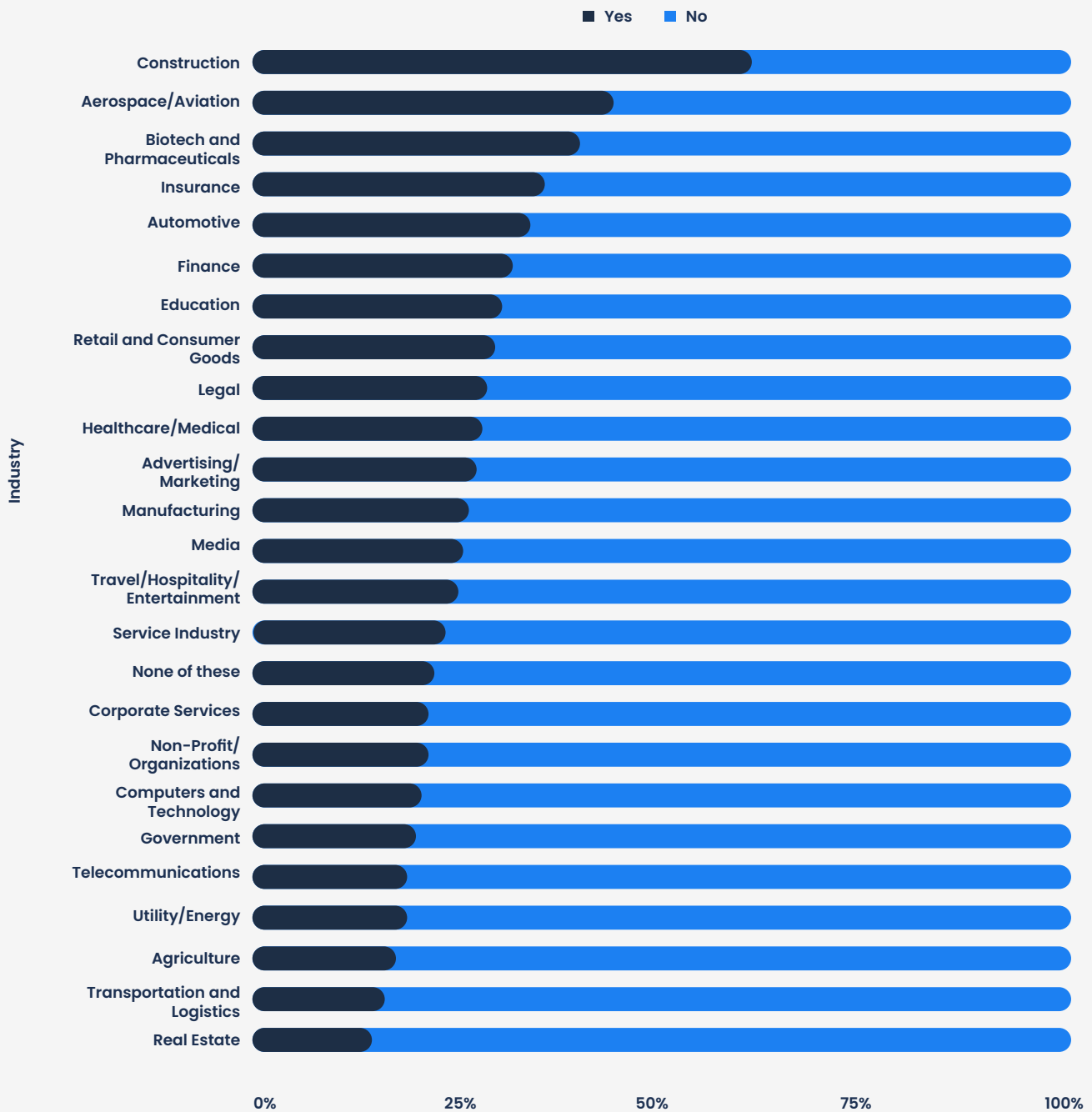
- 60% of survey respondents with purchasing power at their respective organizations believe their current L&D investments are insufficient to reach their priorities and goals.

This suggests that, despite a clear understanding of the inadequacies in current L&D programs, financial constraints or other organizational priorities may prevent an increase in L&D budgets for 2024.



Organizations will need to find ways to make their existing L&D programs more effective and efficient, as significant new investments are unlikely.

Is your learning and development budget increasing for the year 2024?



How will leaders square this budget disconnect in 2024? By providing more cost-efficient and impactful L&D programs and initiatives.



The crux of the issue lies in the “disconnect” between what’s taught and what’s applied on the job. Traditional L&D programs often lack contextualized, on-the-job learning, leading to a failure in transferring skills effectively, according to [McKinsey](#). This calls for a shift toward more tactical and hyper-relevant L&D programs.

- Experiential learning, which ties concepts to real-world application, emerges as a proven approach to high-impact leadership training. However, its implementation is challenging and requires a deep understanding of the organization’s unique context and culture.

The internal culture within organizations often poses a significant barrier to the success of leadership training programs. Without a receptive culture, even the most well-designed programs will fail to achieve their intended impact.

- Organizational self-awareness and buy-in are crucial for the success of any L&D initiative.

Finally, what gets measured gets managed. The absence of adequate follow-up metrics often leaves organizations in the dark about the effectiveness of their L&D investments. Metrics such as employee turnover, career progression of program participants, and the implementation of new skills can serve as valuable indicators of a program’s success.



While the budgetary pressures for many organizations are real, failing to invest in leadership development will have long-term consequences that will negatively impact the bottom line. Progressive organizations will invest wisely to future-proof their organizations.

—Karen Hebert-Maccaro, GM of Education at Morning Brew Learning

KEY INSIGHT 4:

It all comes back to adaptability—leaders will need to be trained to manage across various platforms and generational divides



Leadership is not a static quality but a dynamic skill set that requires ongoing development. Even those who are considered strong leaders within their organizations must recognize that the leadership landscape is shifting. With five different generations now sharing the workplace, being a manager in 2024 is more challenging than ever (scooch over, Gen Z).

Given the rapidly changing work environment, including the rise of remote and hybrid work structures, adaptability will be key. Leaders will need to be trained to manage across various platforms and generational divides. **Leaders, whether new or experienced, will need ongoing, contextualized training to keep succeeding in the future.**

Leadership development cannot be a one-size-fits-all solution; it must be customized to meet individual and organizational needs. This is particularly true in hybrid work environments, where managing remote teams effectively is a new challenge.

- The emphasis here is on continuous learning.
- Leaders are encouraged to actively seek feedback, learn from success and failure, and adapt their leadership styles accordingly.

Our survey data aligns with this: 75% of respondents prefer either an on-demand or balanced approach to learning initiatives. The challenge is that most online learning programs aren't effective:

- [75% of L&D spend](#) is now directed toward online learning/hybrid programs post-pandemic, but only 15% of L&D buyers are fully satisfied with their e-learning solutions—and small companies are especially likely to express dissatisfaction.

The transition to hybrid work environments is more than a logistical shift; it's a transformation that calls for a reevaluation of leadership development strategies.



Organizations that prioritize hybrid and flexible work environments in 2024 must invest in retraining their existing management to adapt to the nuances of remote leadership.

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Conclusion

The L&D landscape is at a pivotal juncture: an intersection between evolving leadership needs, budgetary constraints, and the complexities of a multi-generational, hybrid workforce. As we navigate the challenges and opportunities of 2024, the focus must be on creating more impactful, cost-efficient, and adaptable L&D programs.

For those looking to stay ahead of the curve and invest in transformative leadership development, Morning Brew's leadership courses offer a tailored, effective approach to meet these modern challenges. Don't miss the opportunity to bridge the leadership gap in your organization—check out Morning Brew Learning today.



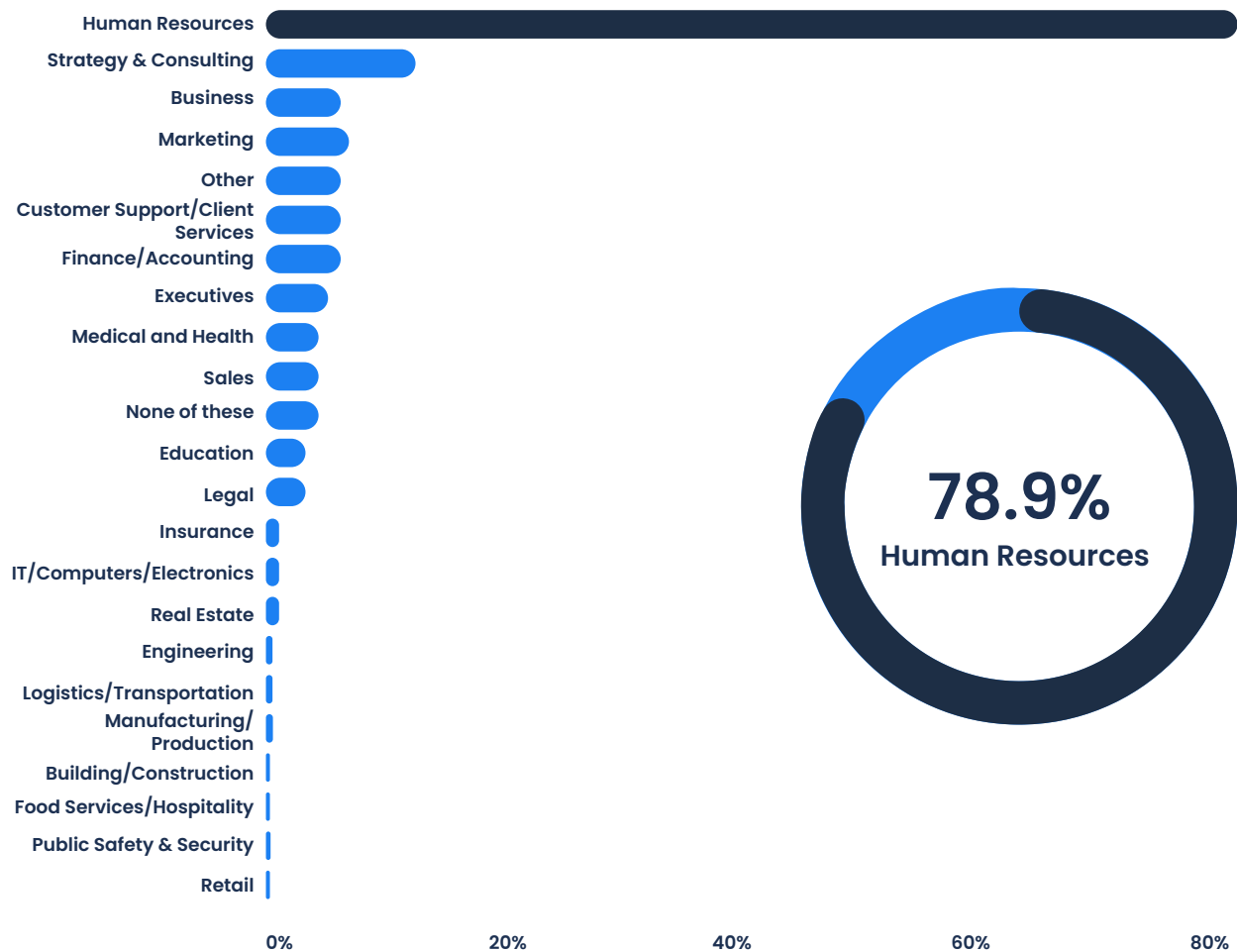
METHODOLOGY

HRB survey results, n = 823

Survey facts:

- Nearly 80% of respondents work in an HR specific role.
- Within the HR role, general management is by far the most common sub-function, followed by recruiting.
- The majority of respondents work for SMBs and nearly 1/3rd work for a business that makes >\$100M per year.
- 2/3rds of respondents are manager or above in their roles, and of those people, over 80% have some or complete decision-making power over purchasing decisions.

Job function



FOOTNOTES

1. [Global Leadership Forecast 2023](#), DDI, 2023.
2. [Future of Leadership Development](#), Moldoveanu & Narayandas, Harvard Business Review, 2019.
3. [Achieving Higher Returns on Your Leadership Development Spend](#), Forbes, 2023.
4. [Ready for Anything: Preparing Your Organization for the Future of Work](#), Harvard Business Publishing Corporate Learning, June 2023.
5. [Corporate Learning and Development Trends](#), Emeritus, June 2023.
6. [Workforce and Learning Trends 2023](#), CompTIA, April 2023.
7. [State of the American Manager: Analytics and Advice for Leaders](#), Gallup, 2015.
8. [Performance Through People: Transforming Human Capital into Competitive Advantage](#), McKinsey Global Institute, Feb 2023.
9. [Why Leadership Development Programs Fail](#), McKinsey Quarterly, 2014.

