Too Much Disruption, Too Little Leadership:

The Capability Gap Behind Burnout and Disengagement



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Amid Disruption, Leadership Matters More

It will come as no surprise to any leader that today's business environment is disruptive, and increasingly so. And yet, also to an increasing degree, leaders are falling short—and the gap between what they bring and what effective execution demands is growing.

The leader's instinct, when execution gets harder, is to add more: more tools, more urgency, more oversight, more "big ideas." Only rarely do leaders add more people; instead, they may pile additional initiatives onto the same team members who are already carrying too many.

But the instinct to add "more" solves the wrong problems and brings a host of unintended outcomes. The constraint to be reckoned with isn't strategy or effort—or even headcount. The ingredient in short supply is leadership, and specifically its capacity to influence and inspire daily behavior.

In fact, FranklinCovey research consistently finds that the leadership capability gap places more consequential limits on organizational performance than any other factor. The pressures we feel most acutely today—burnout, low trust, attrition, change fatigue, AI hesitancy—can all be attributed to ineffective leadership.

To close the capability gap, leaders must start with an honest appraisal of their organizations, their cultures, and especially themselves: how they communicate, prioritize, motivate, and set expectations. They must identify and embrace a set of scalable practices, deploying them organization-wide, that ultimately will enable them to convert the pressures of disruption into breakthrough performance.



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The State of Leadership

To better understand the qualities of great leaders, FranklinCovey has developed a rubric that **scores executives along two axes:** how much they expect from their team members and how much they care about them. One of our most striking findings is how few leaders (only 13%) were rated as both expecting a lot and caring a lot—the combination that consistently produces sustained excellence.

Compared to leaders who received average scores on both dimensions, the top segment was 2.5 times more likely to be rated by their bosses as exceptional at delivering results, and their teams were nearly twice as likely to say they experienced the highest level of engagement.



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FranklinCovey Institute's **2025 Global Leadership Survey** uncovered three personas that, together, form a template for chronic underperformance:

1. ***New leaders*** who have been promoted for technical excellence and dropped into management roles without structure or coaching.
2. ***Mid-career leaders***, often defensive in the face of change, who carry yesterday's playbook into today's reality.
3. ***Senior leaders*** whose habits have the widest organizational impact, and who consider themselves past the point where development and training are relevant.

This survey suggests that leaders are aware of their limitations: While 13% treat disruption as a strategic opportunity to innovate and grow, the vast majority (nearly 87%) say they see disruption as something to survive. It's as if they are treating disruption as a series of storms to endure, rather than the pervasive business climate.

These are the leaders, underprepared and often underperforming, who must negotiate a world of continuous and accelerating disruption. When they frame disruption as something to survive, teams are likely to respond in kind by narrowing their focus, protecting the status quo, and waiting for the storm to pass.

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The Dynamics of Disruption

While many of us may already take for granted that disruption is a constant, consider the pace of change. Employees **surveyed** by Gartner in 2022 reported experiencing an average of 10 planned enterprise changes per year, up from two in 2016 and representing a fivefold increase in six years. The study, which was fielded before the November 2022 introduction of ChatGPT, also found that employees' willingness to support those changes had plunged from 74% to 43%.

Flashing forward to the present, 42% of respondents in PwC's latest **Global CEO Survey** named keeping pace with technological change—and AI in particular—as their single biggest concern, outranking every other strategic priority. At the same time, CEO confidence in revenue growth had also fallen to a five-year low. Workforce disorientation was a theme in FranklinCovey's latest research, with seven in 10 employees identifying uncertainty as a defining characteristic of their work environment.

Meanwhile, AI is widening the gap between leaders who can turn disruption into growth—or even inspiration—and those who are struggling to give their workforce a basic sense of direction. In FranklinCovey's **AI General Attitudes Survey**, 70% of knowledge workers said AI is evolving faster than their cultures can adapt. Only 9% said their manager has explained how AI will help the business grow.

Early in 2026, **Harvard Business Review warned** readers that too much change could "traumatize your organization" and urged companies to "get off the transformation treadmill." But for those on the wrong side of the leadership capability gap, that advice will be impossible to put into action.



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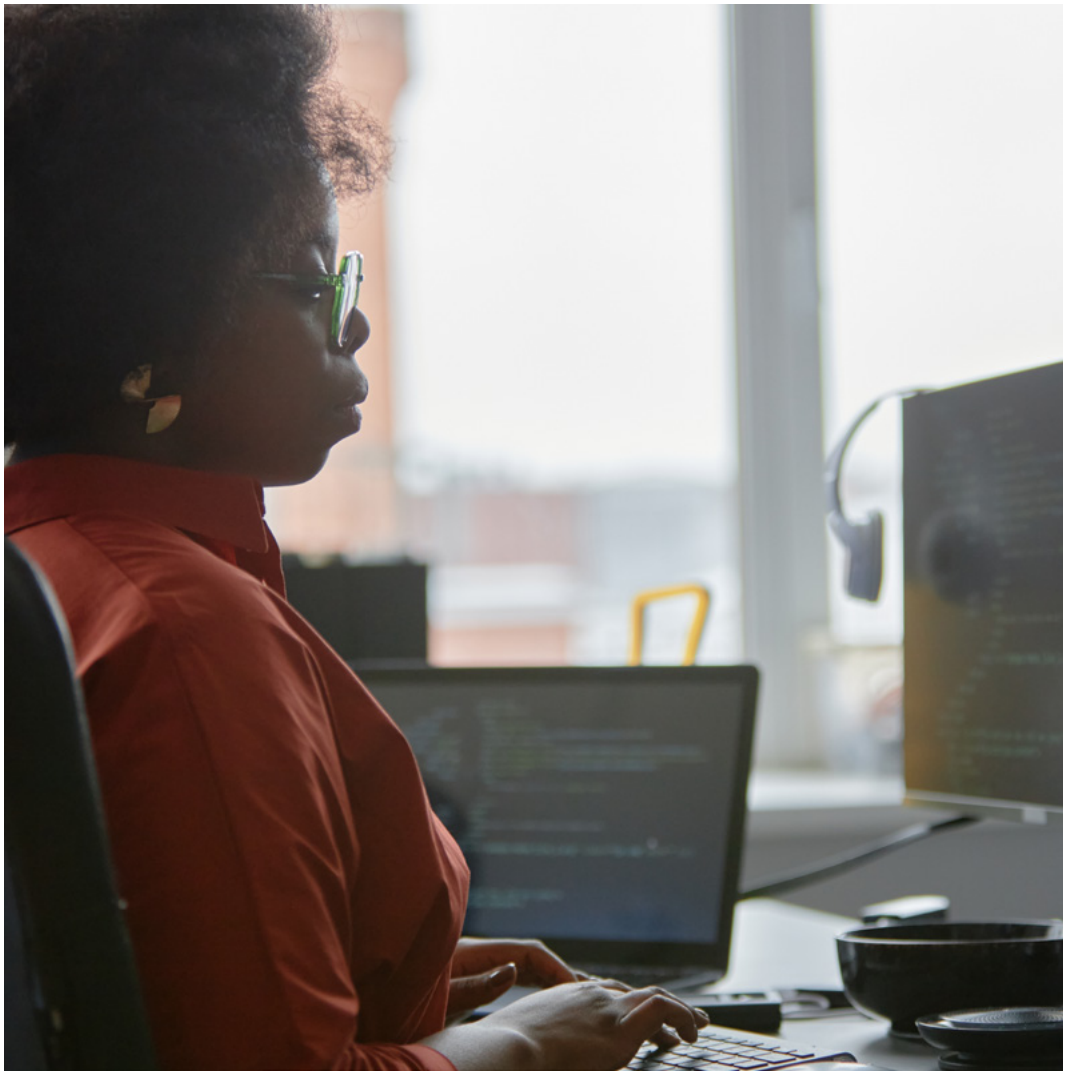
87%

of leaders see disruption as something to survive. Only 13% of leaders view disruption as a strategic opportunity to innovate and grow.

–FranklinCovey Institute 2025 Global Leadership Survey



The True Cost of Burnout and Disengagement



The surest sign that an organization is operating with a leadership capability gap can be found among its employees, in the form of burnout and disengagement—conditions that are abundant in today's workforce.

Recent research tells a consistently troubling story. **Grant Thornton** found that 51% of U.S. employees reported experiencing burnout in 2024, a 15% increase over 2023. **BCG's** global research from the same year reported a 48% burnout rate, while a 2025 survey by **Aflac/Kantar** found that 61% of workers reported moderate to high levels of burnout. Workplace stress also shows up in employees' ability to work: **NAMI's 2024 Workplace Mental Health Poll** found that 37% felt so overwhelmed that they found it hard to do their jobs.

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The financial impact of burnout is rising, too. A **2025 study** by the CUNY Graduate School of Public Health (with the University of San Diego's business school, among others) estimated that a typical 1,000-person firm bears an average of $5 million in annual burnout-related costs, including the impact of lost productivity and turnover.

Disengagement is a close cousin of burnout. In a 2026 work trends data analysis by **Glassdoor**, mentions of "misalignment" in employee reviews jumped 149% in a single year, alongside significant increases in "disconnect" and "distrust." Moreover, **Gallup has estimated** that managers account for 70% of variance in team engagement.

The larger message is that burnout and disengagement are not solely functions of workload. They also stem from unclear priorities, low managerial support, and insufficient career development—conditions leaders have a direct hand in shaping.



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Systemic Challenges Demand Systematic Change



To turn momentum back in your organization's favor, leaders need a culture that helps people focus and execute amid the overwhelm. If disruption is driving entropy and enervation in your organization, rather than innovation and progress, the remedy is not to tighten control. It is to create an operating environment built on trust, clarity, and agency.

FranklinCovey has identified six practices that distinguish the leaders who consistently produce superior engagement and performance.

Start with clarity.

Only 27% of employees report full role clarity at work. High-performing leaders connect goals and roles to purpose, ensuring everyone knows the organization's "why" beyond revenues and profits. When these leaders set expectations, they ensure that expectations are specific and measurable to drive accountability.

Coach instead of solve.

Solving problems for people doesn't build their capacity to work through challenges on their own. Leaders who produce the strongest engagement and performance shift from "It's my job to have all the answers" to something harder: asking thought-

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provoking questions, listening with genuine intent, and helping people work through problems themselves. This signals a high degree of care, where a team member feels their leader is hearing their issue and helping them think through the path forward.

Delegate to grow people, not to lighten the load.

Leaders may hold onto tasks or responsibilities because they think, "I can do it better or faster myself." In reality, they end up bottlenecking their own capacity and stalling others' growth. To get delegation right, calibrate "stretch work" to each person's skill and readiness. The goal isn't to lighten the leader's load but to systematically build a team that can carry more.

Make feedback continuous.

Our research shows that employees who receive frequent, specific feedback are twice as likely to reach the highest level of engagement. More than a correction tool, feedback is an acceleration engine that builds trust, reinforces behaviors that drive results, and helps people course-correct before small issues become big ones.

Protect and generate energy.

Energy is a strategic asset, serving as the active antithesis of jadedness and burnout—and great leaders treat it that way. When leaders connect daily work to a sense of contribution and purpose, they sustain themselves and generate energy for the people around them.

Make 1-on-1s the multiplier.

A well-executed 1-on-1 is a purposeful act of leadership. It's a conversation designed to exchange feedback, strengthen professional relationships, build shared accountability, and drive sustained results. FranklinCovey research shows that leaders who run effective 1-on-1s are twice as likely to have highly engaged teams.



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Seizing the Disruption Opportunity

Effective leadership is the decisive factor in whether an organization's investment in transformation elevates its workforce and delivers growth—or becomes just another corporate reset whose ambitions outstrip its impacts. What distinguishes leaders who produce exceptional results is the clarity with which they communicate their expectations and the care with which they apply them.

In a recent conversation on the subject of AI, Stephen M. R. Covey said: "If we approach it with fear—fear of losing control, fear of being replaced—we will limit its potential, and our own. The key is to lead with trust, modeling the way forward and showing people how it can expand what they are capable of, rather than diminish them."

This idea can be applied to every aspect of management, and especially of change and transformation. New technology can outperform people in many dimensions, but the gains it promises will not materialize until the human system takes ownership of its critical role. This defines the leadership capability gap. Closing it—through a trust-based culture and disciplined execution—is within every organization's reach.

By developing the most impactful leadership behaviors and executing them with consistency, today's leaders can effectively lead their teams through disruption to embrace new opportunities for growth. For 40 years, FranklinCovey's organizational performance partnerships have helped leaders, teams, and organizations navigate change, align around the most important priorities, and achieve the results that matter most. Our best-in-class learning solutions—available Live-Online, On Demand, or Live In-Person—are designed to enrich leadership skills at every level and create the capabilities needed for ongoing disruption.

For additional information about how we can help you bridge the leadership gaps in your organization and produce breakthrough results, email us at **info@leadershipresources.my** or call us at **03-6205 5550.**

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