

relevanc**e**

Future-Proof **Leadership**

**Needs-Driven
Leadership** as the
Foundation for
Resilient Organizations

Learning changes

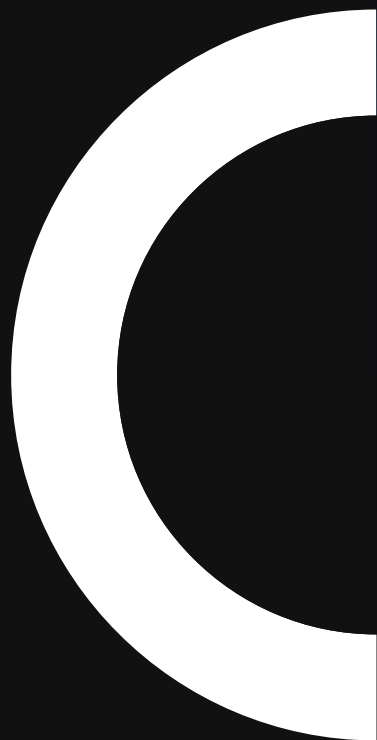




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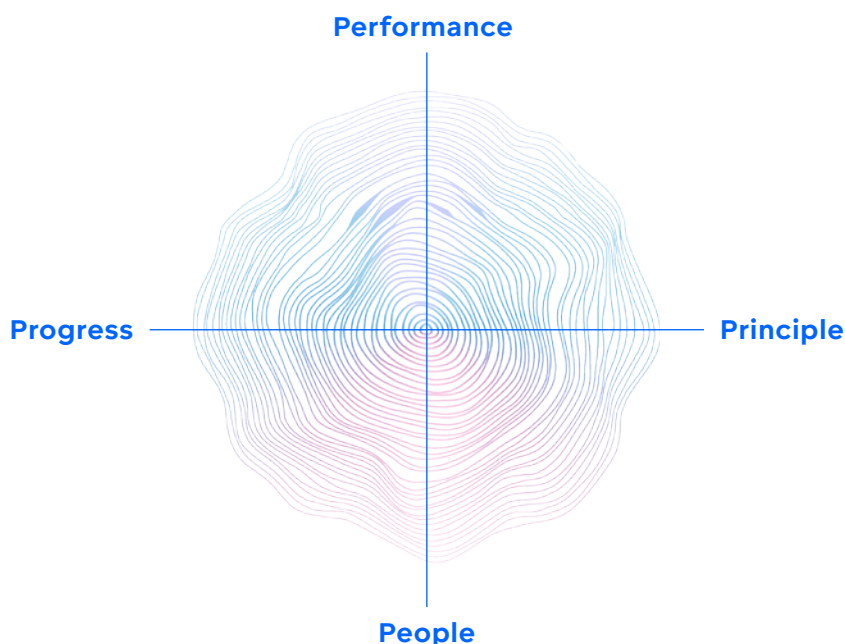
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Needs-Driven Leadership as the Foundation for Resilient Organizations

In November 2025, Relevance conducted a global qualitative study into the state of leadership within organizations. At the heart of this research is the **Needs-Driven Leadership** framework: a practical model built on scientific insights and years of hands-on experience that helps leaders determine where to direct their efforts.

The findings suggest: leading in response to employee needs has never been more important. Although organizations strive for a balance between Performance, People, Progress, and Principles, integrating this balance into daily practice remains a complex challenge.



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What organizations experience in practice:

- In crisis situations, 40% of organizations steer primarily on Performance; only 9% shift their focus toward People
- The gap: 48% indicate that development in the People dimension is most needed for the future, yet the same percentage identifies Performance as the primary cause of leadership challenges
- Nearly a quarter rate their leaders as **ineffective** at balancing the tensions between the 4Ps; only 4% rate their leaders as **highly effective** in balancing these four dimensions

Leadership is not about choosing between People, Performance, Progress, and Principles; it is about the ability to balance them. But what is the organizational cost when one of the 4Ps structurally dominates the others?

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Performance Dominates, People Pay the Price

A notable finding from the study is the dominance of Performance in daily leadership practice. When organizations rank the 4Ps by actual priority, Performance typically comes out on top.

Common **hierarchies** include:



Only a small minority ranks People at the top position.

Nearly half of the respondents identify an excessive emphasis on Performance at the expense of People as the main cause of leadership bottlenecks. This figure is more than twice as high as the second most common cause—the reverse scenario, where People are prioritized at the expense of Performance.



We invest heavily
in systems and
processes, but we
tend to forget about
**the human behind
the employee.**



- Respondent, Dutch Public Sector

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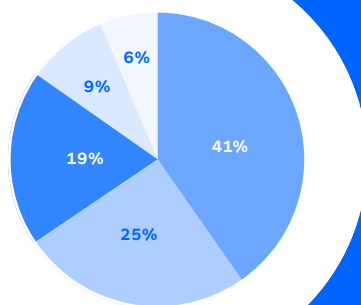
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The Crisis Test: Performance Wins Under Pressure

A leader's default preference becomes most visible under pressure. More than 40% of respondents state that in times of crisis—such as financial setbacks or reorganizations—leaders tend to prioritize Performance. Only 9% report a deliberate shift toward People. In addition, 19% say that during crises, leaders focus almost exclusively on streamlining operations, tracking KPIs, and restoring short-term results.



During times of significant organizational stress, **where do your leaders focus their energy?**

- 41% Lean toward Performance
- 25% Balanced
- 19% Exclusively on Performance
- 9% Lean toward People
- 6% Exclusively on People

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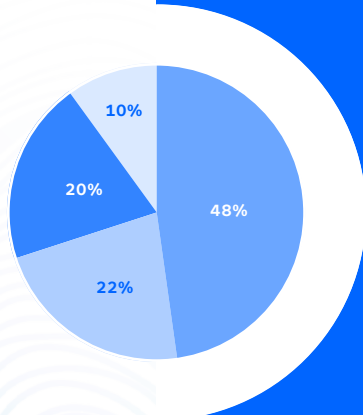
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This points to a tension between leaders' instinctive responses under pressure and the capabilities organizations themselves identify as essential for future **development**.



Where does your organization's leadership framework need **the most development** to prepare for the future?

- 48% **People**
- 22% **Principles**
- 20% **Progress**
- 10% **Performance**

A clear pattern emerges:

organizations acknowledge the importance of People, yet in practice they default to Performance—especially when it matters most.



In times of crisis,
anything seems
acceptable as long
as it helps deliver the
numbers. But the real
**damage shows
over time.**



- Respondent, Retail Sector

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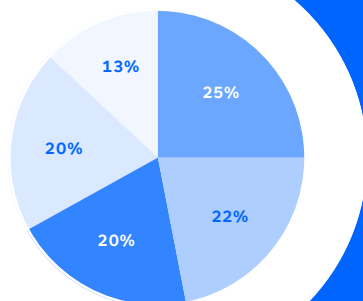
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The **High-Performer** Paradox

The dilemma of the "toxic top performer"—excellent results, destructive behavior—is a classic test of leadership values.

While 20% feel this is balanced and 13% say People are put first by addressing the behavior, a full quarter indicate their leaders tend to focus on Performance more than People in the context of this issue. 1 out of 5 respondents explicitly state that leaders ignore disruptive behavior as long as goals are met.



How do leaders in your organization manage a **top-performing** employee with excellent results, but whose **behavior negatively impacts** team morale and collaboration?

- 25% Lean toward Performance
- 22% Balanced
- 20% Lean toward People
- 20% Primary focus on results and overlook behavioral issues
- 13% Primary focus on team health, even if results are at risk

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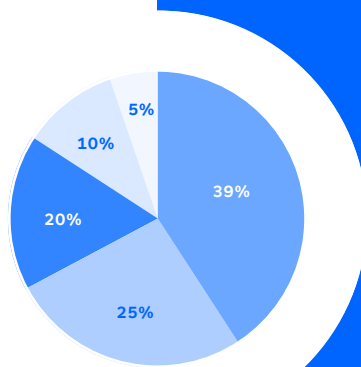
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When it comes to promotions, organizations seem to take a more balanced approach. 39% indicate that candidates are assessed based on all 4Ps. However, 1 in 10 acknowledges that "The Achiever" (strong KPI focus, lower engagement) is valued more highly than "The Coach" (strong team engagement, moderate KPIs).



**Which profile is valued
more highly in
your organization's
promotion decisions?**

- 39% **Balanced**
- 25% **Lean toward Performance**
- 20% **Lean toward People**
- 10% **The Achiever**
- 5% **The Coach**



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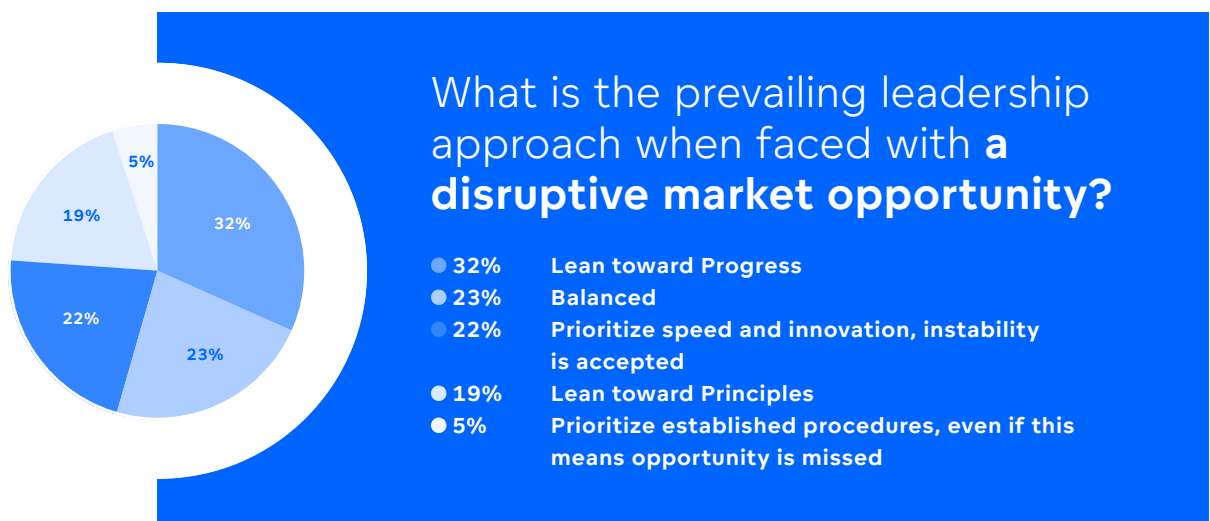
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Progress vs. Principles: Advancement Takes the Lead

The balance between Progress and Principles appears more even, yet here as well, notable patterns emerge.

When faced with significant market opportunities that challenge existing procedures, the majority chooses Progress over Principles (only 20% choose the latter). Only 5% state that stability and procedures always come first, even if it means missing opportunities.



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Regarding ethically questionable business opportunities, the results paint a more nuanced picture. Over a quarter leans toward Progress to capture market share, while 14% prioritize Principles and are willing to let opportunities go. Again, nearly a quarter claim to maintain a balance.



The overall picture suggests that organizations face less obvious tension between Progress and Principles than between People and Performance. However, tailoring decisions to the context is still the exception rather than the rule.

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Senior Leadership **Effectiveness:** Room for Growth

Senior leaders receive an average rating of 3 out of 5 on average for their ability to navigate the tensions between People, Performance, Progress, and Principles.

In practice, this means that more than a quarter of organizations lack

sufficient confidence in their leaders' ability to manage these trade-offs effectively. This appears to reflect not a lack of intent, but rather the absence of a practical framework and the skills needed to consciously adapt to different demands.



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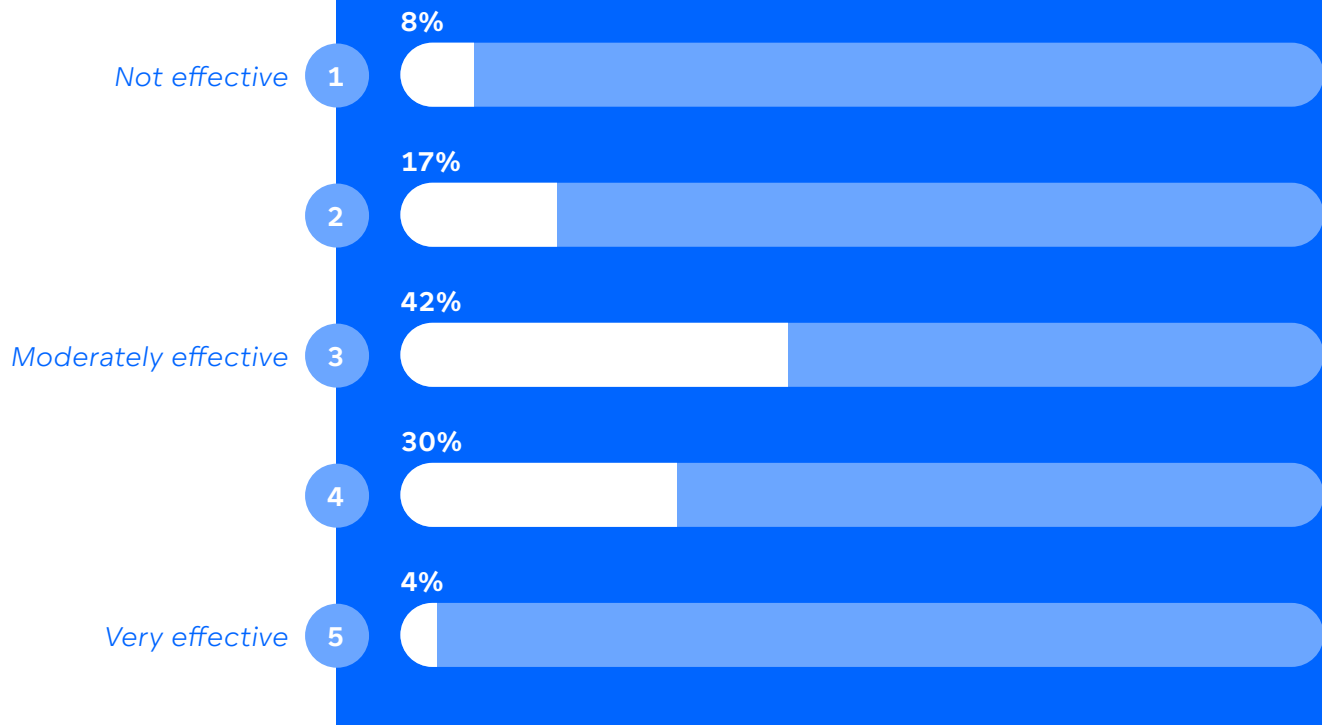
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How effective are your organization's senior leaders at **balancing the tensions between the 4Ps?**



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The **Challenges** of Tomorrow

There is no clear consensus on the most pressing leadership challenges for the next five years.

Still, several recurring themes stand out:

- Managing AI and technological change
- Keeping employees motivated and engaged
- Attracting and retaining talent
- Developing high-quality leaders
- Avoiding short-term thinking

One respondent summed it up well: the year starts with confidence in long-term plans, but as it progresses, focus shifts to ad hoc decisions and short-term results. This dynamic lies at the heart of the tension between Performance and sustainable value creation.





The challenge is to retain good people while **leaders continue to learn** and do not assume they automatically have all the answers.



- Respondent, Manufacturing Sector

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Moving Forward: From Awareness to Lasting Change

In an era of growing complexity, the need for Needs-Driven Leadership has never been more urgent. The survey data points to a concerning pattern: while organizations recognize the importance of developing People, they tend to fall back on a one-sided focus on Performance when pressure rises.

In doing so, they reinforce the very **imbalance** they themselves identify as their greatest leadership challenge. This dynamic is unfolding against a backdrop of post-pandemic shifts, AI-driven disruption, and hybrid work, where the traditional push for Performance is no longer sufficient and sometimes even counterproductive.

The first step toward improvement is recognizing this tension. Only 4% of respondents rate their senior leaders as highly effective in navigating the four dimensions of leadership. This points to the need for both **a clear framework** and the practical ability to respond consciously to the changing needs of the organization and its people.

Needs-Driven Leadership offers a way through this paradox by enabling leaders to respond to context rather than defaulting to autopilot. At its core lies a simple but powerful question: *What does this organization—or this team—truly need right now?*

The survey shows that in practice, this question is rarely asked explicitly. As a result, 25% of leaders are rated as ineffective or very ineffective in balancing People and Performance, and Progress and Principles.

At a time when talent is scarcer than capital, innovation speed drives competitive advantage, and organizational culture increasingly defines success, leadership on autopilot is no longer an option.

Needs-Driven Leadership is **not just another leadership framework. It reflects a crucial shift** organizations need to make if they want to flourish rather than merely survive.

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But this shift does not happen by itself. It starts with awareness, but it only takes hold when leaders change how they balance People, Performance, Progress, and Principles in everyday practice. Balance is not driven by intent

alone, but by conscious choices and sustained commitment. The question, then, is not whether organizations need to make these choices, but when they are prepared to follow through.

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How Relevance Supports Organizations: From Insight to Development

Leadership development is about equipping leaders to balance competing needs in practice. Relevance helps organizations develop leaders who can deliberately navigate between People, Performance, Progress, and Principles.

This takes shape through customized learning journeys, tailored to the specific needs of the organization; or a six-day blended, in-company leadership program. In these learning journeys, leaders build the ability to provide clear direction in complex situations, drive innovation, make better decisions, communicate effectively, and turn strategy into execution.

Assessments, hands-on practice, coaching, AI-driven simulations, dashboards, and reflection tools together create a development journey in which new behaviors are immediately practiced and applied in the workplace.

Relevance partners with experienced trainers and facilitators who speak the language of leaders and organizations. They understand the cultural and organizational context in which participants operate and connect closely to the reality of their work. This enables leadership development that is globally scalable and internationally relevant, while remaining personal—always tailored to the organizational context.

Needs-Driven Leadership develops leaders who know what is needed, understand why, practice how, and recognize when they must switch. In this way, leadership becomes a conscious way of acting in complexity.

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Want to **learn more** about Needs-Driven Leadership?

The philosophy behind Needs-Driven Leadership is rooted in the research of Prof. Dr. H.L. Leroy, Professor of Leadership Development at Rotterdam School of Management (RSM), Erasmus University. In a meta-analysis of 82 leadership models, he identified a common denominator: effective leadership can be understood through four recurring dimensions that leaders must continuously weigh and balance. Together with Relevance, this theory was translated into a model that reflects the challenges organizations and their people face today. As such, Needs-Driven Leadership bridges academic insight and everyday leadership practice.

For **further reading**, we recommend the following publications by Prof. Dr. Leroy:

[Hannes Leroy: Information and Publications](#)

[TedxErasmusUniversityRotterdam - Hannes Leroy:
"I was never trained for this!"](#)

[The BIG X of Leadership](#)





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About the Research

A diverse sample

The insights in this study are based on a diverse sample from **various sectors:**

Retail 17.7%



Manufacturing 10.1%



Marketing & Advertising 8.9%



Hospitality 7.6%



Finance 6.3%



Government 6.3%



Healthcare 6.3%



Consulting 6.3%



Education & Training 5.1%



IT & Software 5.1%



Non-profit/NGO 2.5%



Energy Utilities 1.3%



Other 11.4%



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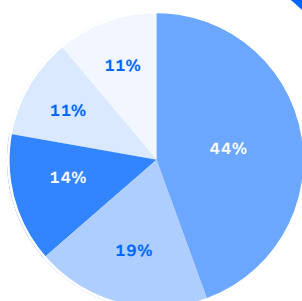
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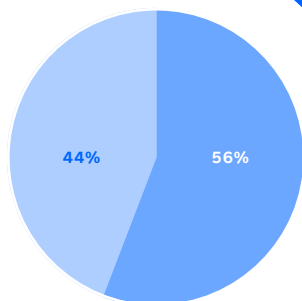
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Organization size

- 44% 1 - 99 employees
- 19% 5000+ employees
- 14% 250 - 999 employees
- 11% 100 - 249 employees
- 11% 1000 - 4999 employees



Organizational scope

- 56% National
- 44% International

How should the results be **used**?

This study is exploratory and hypothesis-generating in nature. Its validity and reliability make the findings well suited to identifying trends, patterns, and underlying tensions within organizations. They provide a valuable starting point for further research, dialogue, and deeper exploration.

The results are not intended to support normative conclusions, decisions based solely on percentages, or broad generalizations across all organizations or sectors. Nor are they suitable for scientific publication without further methodological underpinning.

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