The Leadership Communication Gap

Why Strategy Doesn't Translate into Action

Content

Introduction 1

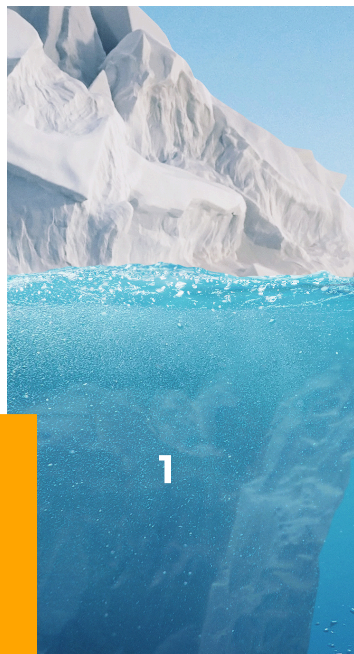
Strategies are created in boardrooms and presented with great fanfare, yet they often fail to land in the daily work of people who must execute them. **The disconnect isn't usually the quality of the plan but the quality of communication.** Executives may believe they've been clear, yet increasingly research shows that a vast majority of employees can't articulate their company's strategy or don't know how to translate it into their work.

In a digital and hybrid world, the problem is compounded by physical distance, generational differences and information overload. **The result is a gap between what leaders intend and what actually happens on the ground.** It is in this gap that strategies stall and organizations fail to realize the expected impact.

This gap is ultimately a leadership problem because it directly flows from how leaders communicate, reinforce and role model their message. When they fail to build trust, create clarity or inspire action teams fill the gaps with their own interpretations, leading to fragmentation.

We call it the Leadership Communication Gap.

This e-book explores why execution failure is fundamentally a Leadership Communication Gap rather than a strategy problem. It offers evidence, stories and practical guidance to help leaders recognize the gap and close it.



Three Industry Signals of the Gap

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Signal #1: Strategy execution failure is endemic across the corporate world.

- Global studies consistently report that between 60 % and 90 % of organizational strategies fail to deliver expected results. **(forbes.com)**
- Robert Kaplan and David Norton, architects of the Balanced Scorecard, note that up to 90 % of organizations struggle to execute their strategies successfully. **(online.hbs.edu)**

Signal #2: Execution failure is driven less by bad ideas and more by the inability to communicate those ideas

- Leaders spend nearly 80% of their time communicating, yet only a small fraction of that communication achieves alignment. **(McKinsey & Company)**
- A more recent survey of executives found that 71 % feel leaders fail to communicate priorities effectively. **(forbes.com)**
- The effectiveness of leadership communication is directly linked to employee experience and business outcomes. **(PwC India)**

<u>Signal #3:</u> Leaders need to build trust through communication

Employees in India expect CEOs to lead on societal and organizational issues- but many feel leaders do not communicate enough to build trust. **(Edelman India Trust Barometer – India)**

As per Hogan assessments leadership skills that create visibility and confidence are not the same ones that build trust, develop teams or drive sustained performance.

Allison Howell, CEO of Hogan says that *“Employees are telling us they want something more fundamental: leaders they can trust, leaders who communicate clearly and leaders who create the conditions for teams to succeed.”*

The above 3 signals point to a real yet invisible gap that exists between leaders and their teams. This gap does not arise because of inadequate technical skills or lack of intent on the part of leaders but often due to something they consider as a ‘soft skill’ - Communication.

What Is Leadership Communication Gap (LCG)?

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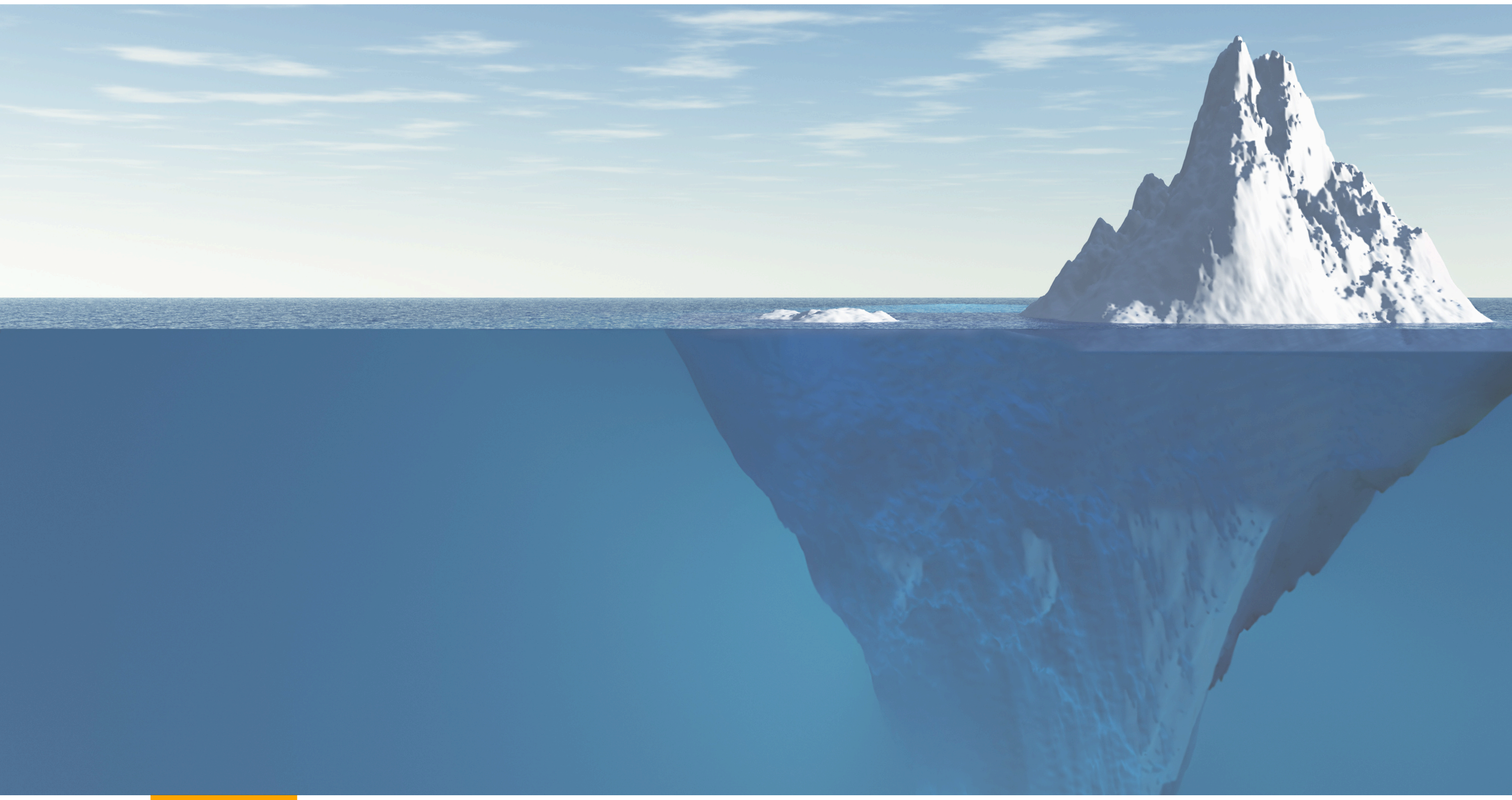

The Leadership Communication Gap (LCG) refers to the disconnect between what leaders intend (strategy, priorities, transformation goals) and how that intent is actually accepted, interpreted, and acted upon by teams at execution levels.

In practice, the LCG manifests as employees not understanding the strategy, not believing in it or not knowing how to translate it into day-to-day behaviour. It shows up as stalled initiatives, duplicated work, misaligned priorities and disengaged teams.

The Three Gaps of LCG: Trust, Clarity and Action

The Trust Gap

When teams don't fully believe or buy into the message communicated by their leader, they disengage or comply superficially rather than commit to it fully.

Why it occurs: Inconsistent messaging from leaders; lack of transparency on tough decisions; misalignment between what leaders say and what they do; and limited two-way dialogue or listening.

As per PwC India *"Building trust remains a top priority for Indian CEOs, with many acknowledging gaps in internal communication and transparency."*

The Clarity Gap

When leaders believe they've communicated the strategy, but teams don't clearly understand what it means for them or what they need to do differently.

Why it occurs: Overuse of jargon or abstract language; lack of role-specific translation; one-time communication instead of reinforcement; and assumptions that "everyone gets it" without checking understanding.

As per KPMG India *"A significant proportion of Indian employees report a lack of clarity in communication during organizational change initiatives."*

The Action Gap

When teams understand and even agree with the strategy articulated by the leader, yet it doesn't translate into clear, timely action on the ground.

Why it occurs: Lack of clear ownership and priorities; absence of role-level "what next"; competing goals across functions; and weak follow-through or accountability mechanisms.

As per NASSCOM *"While Indian companies are investing heavily in digital and AI, the ability to translate these into business outcomes remains uneven."*

Individually, each of these gaps may seem manageable but together, they create a compounding effect that quietly derails execution.

Clarity without trust leads to compliance without commitment; trust without clarity creates goodwill without direction; and both without action result in intent without impact.

In real-life leadership situations these gaps don't exist in isolation. Leaders need to recognize how they interact and reinforce each other across their organization.

Closing the Leadership Communication Gap, therefore, is not about communicating more- it's about consistent leadership communication that builds trust, creates clarity and inspires action at every level.

Most Common Scenarios of the Gap

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Scenario #1: Strategy is communicated, but not translated into team-level action.

At a large FMCG company, the CEO announces a shift to “premiumization” strategy in a town hall. Marketing understands it, but sales teams across regions continue pushing volume-driven discounts because that’s what they’ve always been measured on.
LCG: Strategy → Execution Gap, caused by lack of Trust.

Scenario #2: Alignment in meetings doesn’t translate into aligned action.

In a BFSI firm, finance, sales, and operations leaders meet to discuss quarterly targets. Everyone agrees in the meeting, but later each function prioritizes its own agenda, leading to conflicting actions.
LCG: Collaboration → Alignment Gap, caused by lack of Trust.

Scenario #3: Change is launched well but not sustained through leadership communication.

An HR-led culture transformation program is launched in a large IT services firm with enthusiasm. After 2 months, business leaders stop reinforcing it in their communication, and teams revert to old behaviours.
LCG: Change → Adoption Gap, caused by lack of Action.

Scenario #4: Good ideas fail due to lack of influence.

A high-performing product manager in a startup has strong ideas but struggles to get buy-in from senior leadership because their communication is too technical and not stakeholder-focused.
LCG: Idea → Influence Gap, caused by lack of Clarity.

Scenario #5: Vision sounds inspiring but lacks clarity for execution.

A GCC tech leader talks about "building an AI-first culture" in leadership meetings. Mid-level engineering managers interpret this differently- some start random AI pilots, others wait for clarity.
LCG: Vision → Clarity Gap, caused by lack of Clarity.

Cost of Leadership Communication Gap

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The Leadership Communication Gap (LCG) is not an abstract leadership idea. It shows up as very real business costs across Indian organizations.

At the top, boards and CXOs invest heavily in strategy, transformation programs, and digital initiatives, yet outcomes often fall short because intent doesn't translate into aligned execution. Middle managers, who are critical to delivery, end up spending disproportionate time interpreting direction, resolving confusion, and managing cross-functional misalignment instead of driving outcomes. On the ground, teams receive mixed signals, leading them to fall back on legacy ways of working thus slowing down change.

In fast-growing and transformation-heavy sectors like BFSI, IT services and manufacturing, to name a few, this translates into delayed decisions, rework, missed market opportunities, and increased execution costs.

Global studies indicate that poor communication can account for productivity losses of up to 20–25% in organizations. For leaders, this translates into lost execution capacity since teams spend time clarifying, reworking, and aligning instead of moving decisively.

According to Gallup (India Workplace Insights), "Only around 14% of employees in India are engaged at work." Engagement strongly correlates with clarity of role and purpose. Lack of engagement can lead to high attrition.

Currently, there is no single industry metric directly linked to LCG, and hence we built a modelled estimate of probable LCG cost to Indian businesses.

For a 1,000-employee Indian company:

- *Productivity loss: ₹15–25 Cr annually (conservative estimate)*
- *Failed initiatives: ₹10–50 Cr sunk cost (depending on scale)*
- *Attrition cost: ₹5–20 Cr impact*

Total potential LCG cost: ₹30–100 Cr+ annually.

Please note: This is an illustrative annual LCG exposure for a 1,000-employee Indian knowledge-intensive company based on studies from reputed sources. We do not claim it as a first-hand research based number.

Who Owns the LCG Problem?

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The Leadership Communication Gap sits squarely within the leadership fold. It surfaces in a variety of different ways across and between multiple teams, and thus is a common, organization-wide challenge. In fact, most alignment failures in any organization are often communication failures in disguise.

Fortunately, communication is the easiest addressable factor of LCG unlike processes, systems and structure which may take significant time and investment to address.

Since LCG is an organization-wide concern, its ownership is distributed. Here's how:

The CXO layer sets the tone.

CXOs are responsible for shaping a clear, consistent narrative, one that connects strategy to business priorities, and makes sense across functions. If strategy is articulated in abstract language or communicated episodically, gaps are inevitable.

It can be said that CXOs and senior leadership are the owners of the LCG, and it's through their endorsement and support that it can be effectively addressed.

HR and L&D enable the system.

The HR team plays a critical role in diagnosing where the gap exists across the organization, and building the leadership capability to address it. This includes designing interventions that go beyond workshops- embedding communication, storytelling, and alignment practices that change everyday leadership behaviour. Effective programs are role-specific, embedded in the flow of work and measurable.

Middle management makes or breaks execution.

The Middle management (we call it the Mighty Middle) are the true carriers of leadership intent. They ensure that teams understand the "why" and "how" of strategy. This ability to interpret, contextualise, and communicate strategy determines whether it lands or gets diluted. When they lack clarity or conviction, the gap widens exponentially.

Any intervention designed to address the LCG needs to include the members of the middle management layer for real-world impact.

But ultimately, it is a shared leadership responsibility.

The LCG is not a function-specific problem- it's a collective leadership challenge. Closing the gap, therefore, is less about fixing communication channels and more about building a leadership culture where trust, clarity and action are owned at every level.

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Design Thinking - based Storytelling

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Leadership Communication Gap (LCG) is not a strategy or an intent problem. It's a communication capability problem. It is a product of leadership thinking that considers communication as a mere 'soft skill' instead of it being a 'key leadership capability'.

Jason Richmond (Author of Culture Ignited: 5 Disciplines for Adaptive Leadership) states in an article in Forbes:

- Communication doesn't just reflect leadership effectiveness. It creates it.
- Communication isn't a personality trait. It's a leadership system.

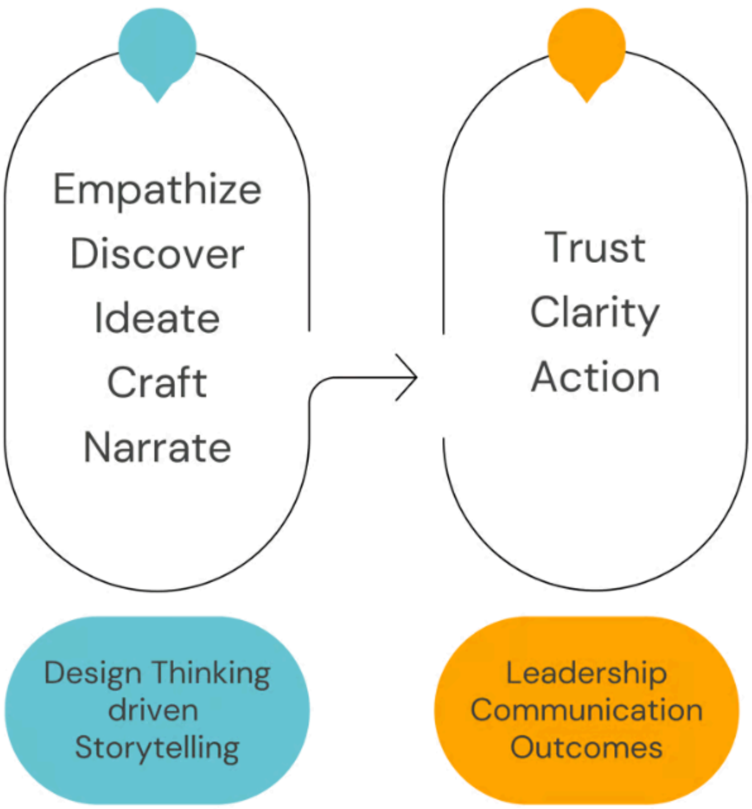
Design Thinking-based Storytelling is a system that transforms leadership communication. Deloitte highlights that storytelling is more than a "nice-to-have" leadership skill; it's a strategic tool.

Design Thinking-based Storytelling brings clarity by simplifying complex ideas into coherent narratives. It builds trust by making communication more human, transparent, and consistent. And it drives action by linking direction to decisions.

Every leader must be able to craft and deliver compelling narratives that drive behaviour change and foster alignment. In that sense, storytelling is not an add-on to leadership communication- it is what makes communication effective.

What is Design Thinking-based Storytelling?

It employs a 5-step Design Thinking approach to craft communication that is empathetic, creative and outcome-oriented. Any leader can use these five steps to communicate as per his or her role, seniority, stakeholders or specific objectives.



These steps align with the 4 key leadership skills acknowledged by several reputed sources:

1. Emotional Intelligence *(empathy and judgement)*
2. Collaborative inclusivity *(Co-ordination and adaptability)*
3. Creativity *(Authenticity and articulation)*
4. Persuasion *(Influence without authority)*

Case Studies from the Industry

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JM Baxi Group (India)

JM Baxi, a legacy conglomerate in port operations with leaders across Finance, HR, Operations, and Legal, faced a classic Leadership Communication Gap. While leaders were strong in their respective domains, their communication lacked consistency and alignment across functions failing to translate into shared understanding, stakeholder buy-in, or coordinated action- especially in high-stakes, cross-functional scenarios.

Stori5 designed a Leadership Storytelling Divecamp anchored in its Design Thinking approach to address this gap. Through assessment-led learning content, real business scenarios, and Action Learning Projects, leaders were equipped to communicate with greater clarity, align stakeholders across roles, and influence without authority.

Rapido (India)

At Rapido, Finance and Operations teams were generating strong analysis but struggling to convert insights into decisions. While data was being presented regularly to founders and business leaders, it often lacked a clear narrative, making it difficult for stakeholders to quickly grasp implications or act decisively. This resulted in a clear Insights-to-Decision gap, a form of the Leadership Communication Gap.

Stori5 addressed this through a Storytelling Basecamp, built around the Insight2Decision™ framework. The intervention focused on helping participants frame a clear "Big idea," tailor communication to different stakeholders, and structure data into persuasive narratives. Through simulations and real-world scenarios, teams learned to move from reporting insights to driving decisions.

Globe Telecom (Philippines)

At Globe Telecom, HR leaders were actively driving employee and culture initiatives but faced challenges in securing consistent management buy-in. While proposals were well thought out, they often lacked the narrative depth and emotional resonance required to influence senior leadership, resulting in a gap between HR intent and organizational action.

Stori5 designed a Storytelling Divecamp to help HR leaders bridge this gap. Using a Design Thinking-based Storytelling framework, the program focused on building audience-centric narratives, applying empathy, and structuring communication for influence. Through Action Learning Projects, participants applied these principles to real HR initiatives, enabling them to communicate with greater clarity and impact to leadership.

Self-Reflection for Leaders

Closing the LCG begins with personal reflection. Here are a few questions for leaders to consider:

1. Clarity: Can an average member of your team articulate the organization's strategy in their own words? Do they know how their role contributes to strategic objectives?

2. Trust: How transparent are you about challenges and tough topics? Do your team members feel safe to raise concerns or question assumptions?

3. Action: Have you translated high-level goals into concrete actions with clear ownership and timelines? Do people know what they should do differently tomorrow?

4. Listening: How often do you ask for and act on feedback about your communication? Do you adapt your style to different audiences and contexts?

5. Measurement: What indicators are you using to track the effectiveness of your communication and leadership? Are you measuring understanding, trust and behavioural change?

We recommend you spend a few minutes every day reflecting on the above questions. Speak to the relevant stakeholders if required. Write down your responses. This exercise will lead you to your own Leadership Communication Gap analysis.

Contribute to the Leadership Communication Index (LCI) 2026

The Leadership Communication Index (LCI) is India's 1st benchmark designed to understand how Leadership Communication influences the gap between intent and execution.

It aims to build a collective benchmark on the Leadership Communication Gap in fast-scaling, manager-dependent environments like India.

What you get on participation:

- Your **Leadership Communication Pattern**
- Your organization's **Leadership Communication Score**
- Your organization's **Trust, Clarity and Action scores**
- **Benchmark insights** and study findings
- Invitations to CXO roundtables

Know more about the LCI 2026

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