

Briefings

THE VOICE OF LEADERSHIP

THE *AGE* OF HIGH PERFORMANCE

HOW SMART COMPANIES ARE
PUTTING A PREMIUM ON CRITICALLY
TALENTED WORKERS

\$14.95





OFFICIAL TALENT & ORGANIZATIONAL
CONSULTING PARTNER

POWERING PEOPLE WHO POWER THE OLYMPICS

BEFORE THE WORLD IS WATCHING, THE WORK BEGINS

At Korn Ferry, we power performance for the world's leading organizations through their people. Now, our work moves to the world's biggest stage. As the Official Talent & Organizational Consulting Partner of the LA28 Olympic & Paralympic Games, we're focused on powering the people behind the LA28 Games: the leaders, teams, and systems that help make Olympic & Paralympic moments possible.

Together with LA28, we're helping build and align a workforce of nearly 5,000 people around a shared purpose, designed to perform when the world is watching.

Follow along to watch moments of great performance unfold.



An aerial night view of a large stadium, likely the Lusail Stadium in Qatar, featuring a red running track and a green field. The stadium is illuminated by bright lights, and a city skyline is visible in the background. The overall scene is bathed in a blue and green light. In the bottom right corner, there is a stylized graphic element consisting of several overlapping, curved bands in shades of green and white, resembling a ribbon or a stylized 'S' shape.

ING THE HO POWER PIC GAMES

COVER STORY

The Age of High Performance

More companies may have no choice but to focus on one kind of worker: those with critical talents.

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The Ugly Phase: Can You Survive It?

Some 37 million workers will likely need to shift careers soon because of AI, and it may be the hardest thing they ever go through.

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What a Great Experience!

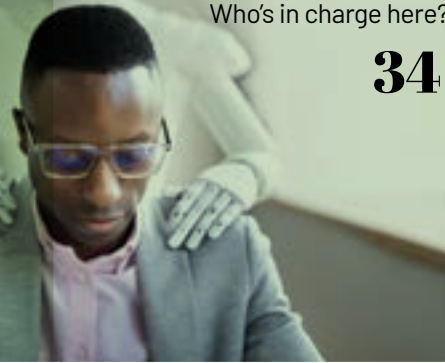
Consumers are no longer content to buy things or simply be entertained. They want to be moved. Welcome to the experience economy.

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As AI gets better at making decisions for CEOs, investors and boards may ask: Who's in charge here?

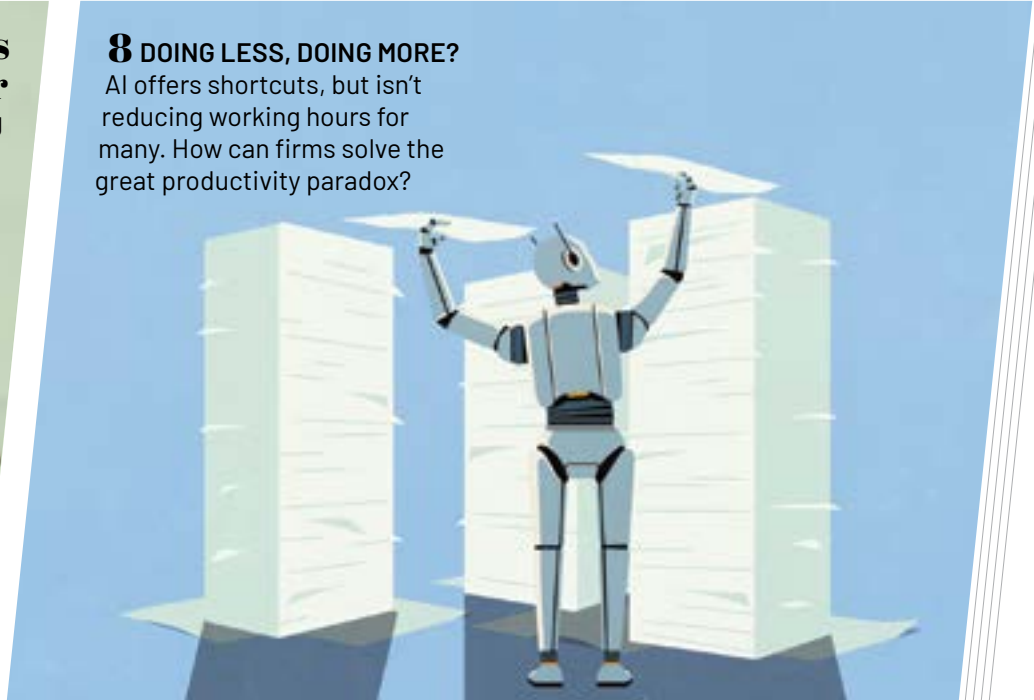
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Andrey Popov, Yana Iskayev, My Stock Image, Plate Muelier/Getty Images

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The Fine Art of Finding Our Strengths

To this day, I can still recall their faces. There was Mr. Graber, a teacher and soccer coach who was all about potential. Mr. Dickey taught us to play basketball but really coached leadership.

From playgrounds to classrooms to dance studios, these teachers were probably the first people, other than our parents, who had a clear view of what we could do best. And thank goodness they also saw when our talents lay elsewhere—like the music teacher who knew I was not cut out to be in the band but perhaps should join the chorus.

We all have talents. But, then as now, it sometimes takes others to help accentuate our strengths and steer us to where we can thrive. Just as our teachers pointed out our potential—as leaders, we must do the same for others.

Of course, assessment and development play important parts. There's world-class science to back this up, such as the 110 million assessments our firm has conducted. Add to that our almost 20,000 Success Profiles that capture the skills, traits, and experiences needed in specific roles, defining what excellence looks like.

Often the focus is on a person fitting a role. And that's a great starting point. But how about the role evolving to fit the person? More elastic, more flexible, and more bendable.

First and foremost, it's the ability to see

the strengths of each person. Not to mention understanding how people are right for the roles that are emerging, evolving, and being redefined. It's one of the most important aspects of leadership: putting people in the right role—and shaping roles to fit people—so they can succeed and excel.

But let's not forget there's art here, too.

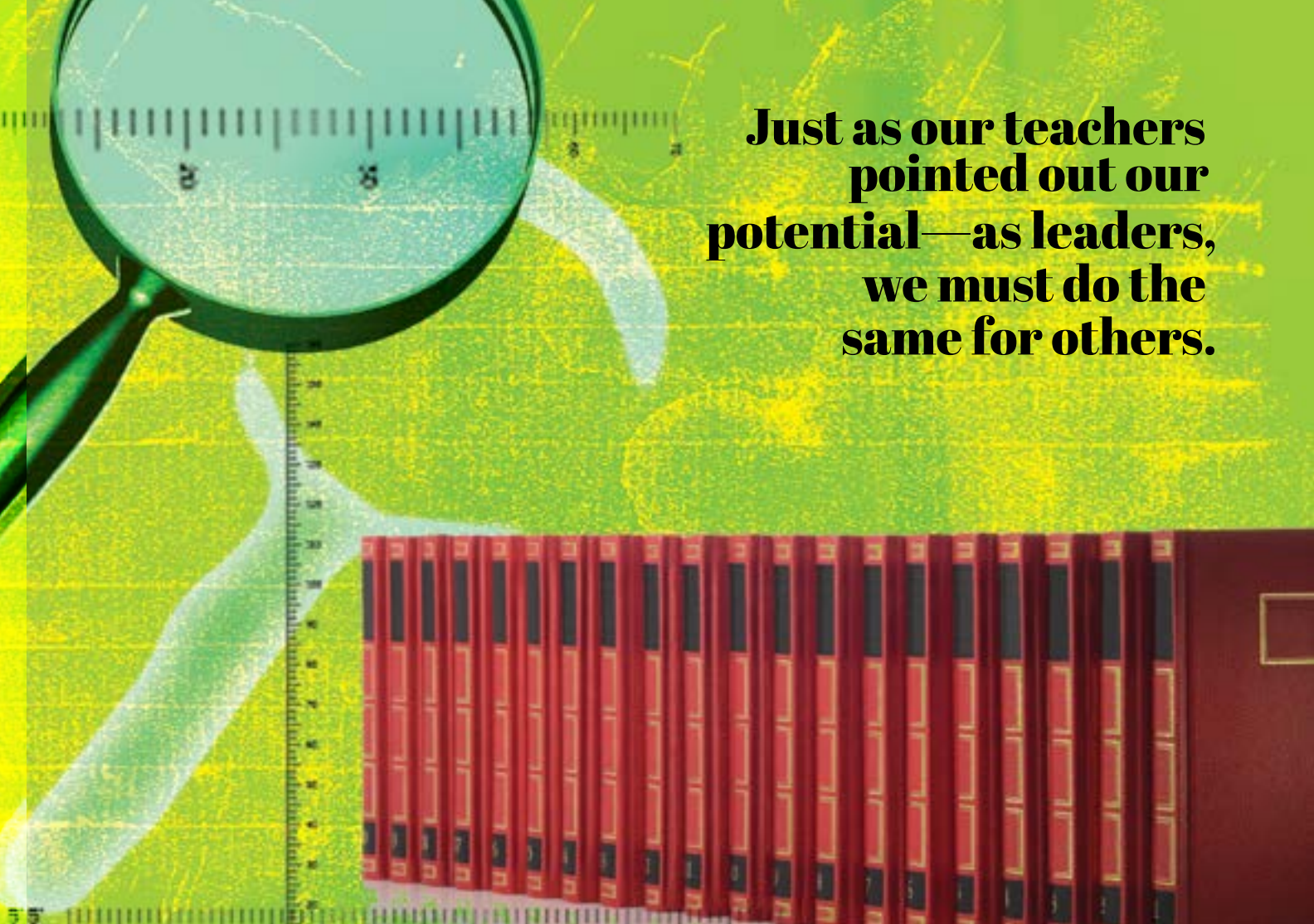
It's like a *Sitzprobe*, the first rehearsal when the singers and the orchestra perform the music together, integrating harmony and synchronizing melody and lyrics. And that's the magic.

But for leaders, it's hard enough to inspire others to believe. It's harder to enable that belief to become reality. And even harder to synchronize thousands of people.

So, how can we do it?

REFLECT. As leaders, the more we reflect on people's talents, the more we see through a different prism. The result is a mosaic of complementary capabilities. As Coach Andy Reid



A composite image featuring a magnifying glass in the upper left corner, focusing on a ruler. Below the ruler is a row of red books on a shelf. The background is a textured green and yellow pattern.

**Just as our teachers
pointed out our
potential—as leaders,
we must do the
same for others.**

of the Kansas City Chiefs said in a conversation with our firm: “We all have strengths and weaknesses in what we do. Maybe my weaknesses you can take care of, and maybe I can help take care of yours.”

SHAPE. Customarily it starts with the job spec—a checklist of all that a role entails. Then it is a matter of finding someone who meets those qualifications. But with so much change it’s important to infuse flexibility and agility... painting the stage markings that invite and enable people to move fluidly as we reimagine roles.

“You still have talent strategy driving organizational performance, but there are different ways to get there,” Stu Crandell, global leader of our firm’s CEO and Executive Assessment practice, told me just the other day. “Maybe roles can be configured in different ways—magnifying what each person does well. It’s a little like playing multi-dimensional chess. But that’s what a good

leader does.”

Ours is not a linear world. It’s an image that calls to mind another scene from my schooldays. Back then, anything I wanted to know could be found in the library or in 24 big books known as the encyclopedia. All neatly bound A to Z—plus an index! I can remember being in fifth grade and fascinated by Antarctica. I took down volume 2 from a dusty shelf, flipped past anacondas and Andromeda.... And when I wondered about zebras, volume 24.

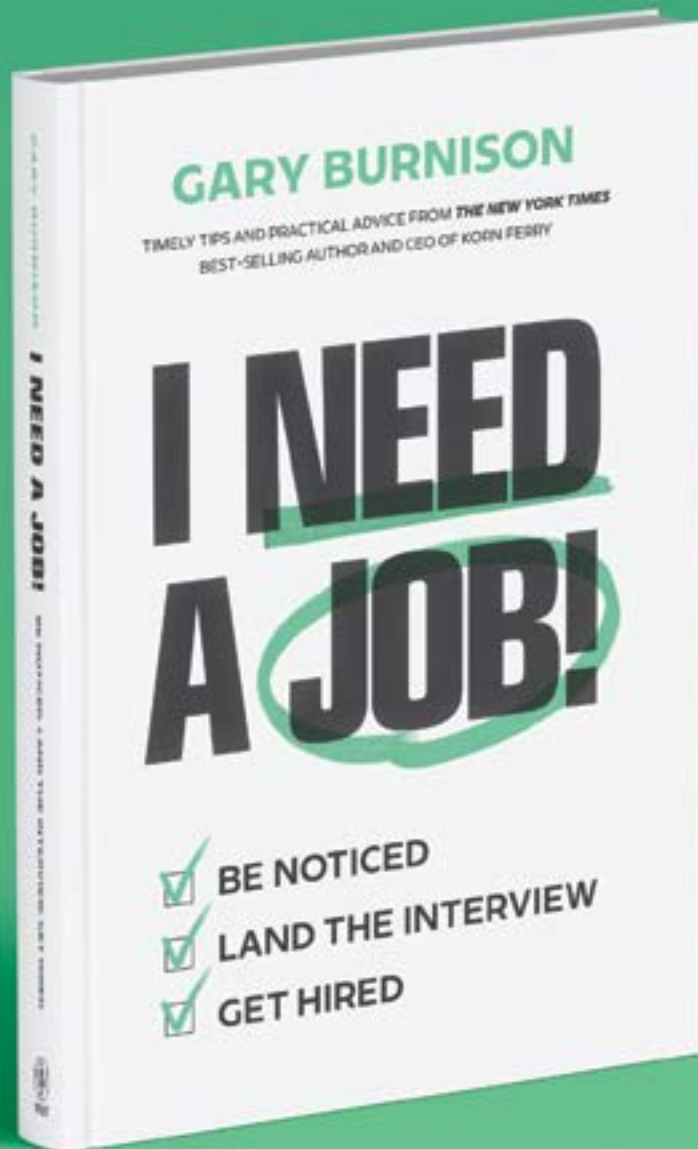
Today, knowledge is at our fingertips; insight, however, can be elusive. Vertical is out, horizontal is in. Roles are morphing, responsibilities are broadening. Teams are changing.

So, as leaders, we ask ourselves: Are we harmonizing the melody and the lyrics? **///**

*Gary Burnison’s new book, **I Need a Job!** is available at most bookstores and online outlets.*

LEARN WHAT **REALLY** GETS YOU THE JOB

FROM AI AND ASSESSMENTS TO NETWORKING AND INTERVIEWING,
HIRING HAS CHANGED – AND SO CAN YOU.



BRIEFLY ON...

*“Call it the
productivity
paradox.”*



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management issues.

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TECHNOLOGY

Doing Less, Doing More?

AI offers shortcuts, but **isn't reducing working hours for many**. How can firms solve the great productivity paradox?

By Arianne Cohen



I

It was going to give those in the most time-intensive jobs, from investment banking to law and medicine, a break from a crushing workload. Office workers were going to get more time for creative duties, now that artificial intelligence was here and removing routine and repetitive tasks. And for leaders of firms, the shift was finally going to justify the millions of dollars they'd invested in this once-in-a-generation technology.

But look at official productivity numbers, or talk to anyone in these fields, and you probably won't

observe much change in working hours. Indeed, we're a few years into the AI onslaught, and things aren't substantially different for most professionals. Sure, the technology has cut the time—by as much as half—workers spend scouring documents and drafting memos. Yet work hours in 2026 look very much like they did in 2019. “I have yet to talk to anyone who has cited AI as reducing their hours,” says Karena Man, senior client partner in the Technology

and Digital practice at Korn Ferry.

If it feels like you've seen this movie before, it's because you have. Call it the Return of the Productivity Paradox. Back in 1987, economist Robert Solow aptly noted that the computer age was evident everywhere except in productivity statistics. At the time, the prevailing assumption was that computers would improve productivity. In practice, this did not happen for over a decade, and in the interim, as professionals became more efficient, their bosses' expectations soared, with the result that aggregate hours were unchanged. Productivity improvements from computers did eventually appear, but not until the late 1990s.

Today, just as they were back then, efficiency gains are unevenly distributed. AI is strongest where the workload is dominated by research, summarization, drafting, reviewing, and documentation, says AI-organization-design expert Ryoji Morii, founder of Insynery Inc. "I would expect the biggest AI-driven reductions in hours to show up first in law, and then in documentation-heavy areas of medicine," he says. In other fields, AI might compress parts of the workflow, but long hours will remain, because they're fueled by other pressures, such as real-time deals or client responsiveness.

To be sure, overall productivity figures are up slightly, by 2.8 percent, according to the Bureau of Labor Statistics—but not as a consequence of AI. A study by workforce-analytics firm ActivTrak following 10,584 workers in the six months before and after AI adoption found that work time *increased* across every measured category, such as email and collaboration. Meanwhile, average focus time decreased by 9 percent.

The overall hours of corporate roles, it turns out, do not suddenly shrink. With or without AI, a 44-hour-a-week job is still a 44-hour-a-week job. "Capturing time savings requires redesigning jobs," says Bryan Ackermann, head of AI strategy and transformation at Korn Ferry. "We're finding that that's not happening organically." Historically speaking, firms have rarely been incentivized to lower the weekly hours of salaried staff. For instance, this same pattern emerged in the 1980s and 1990s: Companies that bought computers and continued operations as usual did not see gains. The firms that did see gains rebuilt their workflows around what

computers made possible, then restructured their organizations and retrained workers.

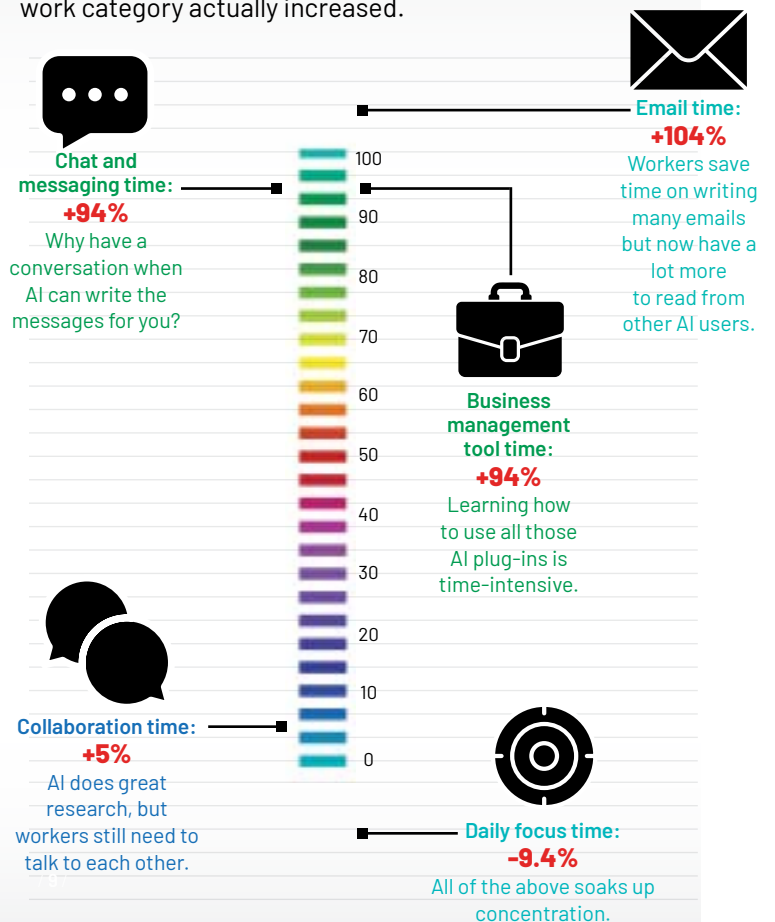
At this juncture, experts say, **leaders shouldn't expect workers to have a ton of free time to explore more projects.** Instead, they should focus on helping employees improve their use of the technology. Patience will be critical here until AI can branch out into other duties. In the meantime, for professionals whose work is not document-driven—i.e., most employees—the long hours will continue. "An investment banker still needs to sell you their idea in person, on a road show," says Guillermo Triana, founder of HR outsourcer PEO-Marketplace.com. "And you cannot outsource a knee replacement to ChatGPT." ▀

THE TAKEAWAY

The best leaders need to understand the true changes AI is causing so far.

STILL WORKING ON IT

Workforce-analytics company ActivTrak followed 10,584 employees during the six months before and after they began using AI. Oddly, workers' time in every measured work category actually increased.



GOVERNANCE

BY PETER LAURIA

The End of a Reporting Tradition?

IT'S A TRADITION IN BUSINESS UNLIKE any other—and now it is on the verge of going away.

Quarterly earnings reporting, that three-month ritual every public firm has participated in since 1970, is about to be sacrificed by the SEC in the name of easing firms' regulatory burden and financial pressure to show short-term results. Going forward, companies will likely be required to report earnings only every six months, or just twice annually, if they so choose. It's a small change, but one

that has major ramifications for corporate leaders, board directors, investors, regulators, and other stakeholders.

Critics like David Larcker, director of the Corporate Governance Research Initiative at the Stanford Graduate School of Business, say a biannual reporting schedule will introduce even more uncertainty and risk—at a time when both are rising exponentially because of AI, geopolitics, and more—into business performance and financial markets. Pointing to the subprime market collapse and the dot-com bust, Larcker says the idea that eliminating quarterly reporting will reduce short-termism is fundamentally flawed. “Delayed

disclosure only ensures that problems surface later, and more violently,” he says.

Reduced transparency will also make it harder for investors to judge performance, say critics. That’s especially true for passive investors in retirement accounts or individuals who invest on their own. Unlike large institutional investors and hedge funds with access to management and information, retail investors must rely on publicly available data to make decisions. “Average shareholders will end up having to interpret signals from the media and analysts that may be less than accurate,” says Kim Van Der Zon, vice chair of global board and CEO services at Korn Ferry.

But the move to a six-month reporting schedule does have plenty of supporters. For firms that are going through a turnaround or transformation—which is pretty much every firm in the AI era—extending the reporting timeline could give CEOs more time to execute their visions, says Claudia Pici Morris, North American leader of the Board and CEO Succession practice for Korn Ferry. As

evidenced by the torrid pace of CEO turnover over the last two years, boards are moving faster and taking fewer risks with leaders, says Pici Morris. “Now, instead of CEOs getting two quarters to prove themselves, maybe they’ll get at least a year,” she says.

Moreover, even if firms report their official earnings less often, they don’t have to decrease their overall communication and engagement with stakeholders. **Some experts predict a return to issuing earnings or other financial guidance**—only about one in five S&P 500 firms currently do so—to fill in the gaps between reports, for instance.

To be sure, firms will likely increase their messaging cadence, if for no other reason than to maintain trust and keep agitators at bay, says Daniel Yunger, a partner at strategic-communications firm Kekst CNC who leads client engagements in M&A, activism preparedness, and proxy campaigns. Yunger says activists thrive on information gaps, filling the void with their own narratives. “Boards and CEOs will need to keep investors close and informed,” he notes, “otherwise activists will define the story.”

THE TAKEAWAY

Firms should consider increasing their communication to build trust with investors and keep activists at bay.



Pcess509/Getty Images/Getty Images

COMPENSATION

BY PETER LAURIA

Big Bucks for AI Skills: Not Yet

A FEW BIG TECH FIRMS HAVEN'T hesitated to pay top dollar to attract and retain leading AI scientists and developers. But for the rest of the world, it's a different story.

Despite CEOs consistently ranking AI talent as a top strategic priority and a key driver of future growth, the majority of companies aren't paying people with special tech skills significantly more than other workers. The problem is simple: For all the sums firms are pouring into AI, they aren't yet seeing the returns to justify the great pay premiums many AI workers have been expecting. A

recent Korn Ferry survey of more than 4,000 companies across 133 countries found firms are offering a premium of just 5 percent to 15 percent over similar positions.

Brian Dunn, director of the Institute for Compensation Studies at Cornell University, says firms have found that valuing AI skills is harder than they'd realized. Dunn distinguishes between two kinds of skills: the ability to implement AI tools to affect organizational change, and the ability to use those tools. "They know the pay for people who already know how to use AI should be higher," says Dunn,

"but how much higher is harder to figure out." The data says as much: In the survey, 64 percent of compensation professionals report that they are unsure what level of premium to offer at this point.

In certain functions where disruption is more substantial, firms are in fact paying a higher premium for AI-skilled talent. Obviously, AI is transforming tech and digital roles first and fastest. This has led to some impressive salaries—the kind that make headlines—for engineering, data-science, machine-learning, and governance roles. Operations roles have seen the second-largest premiums;

DATA

A WORLDWIDE WORKER SHORTAGE?

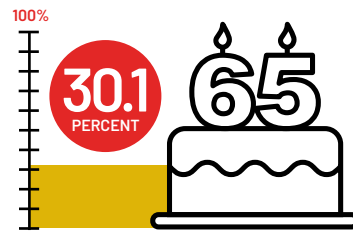
For three decades, the global economy was defined by a massive influx of workers from China and Eastern Europe, which kept wages low and inflation down. But in 2026, that trend has not only ended, it has reversed, and leaders can no longer rely on a growing labor supply to keep costs at bay.



4 The number of working-age Americans for every one elderly person in the year 2000.



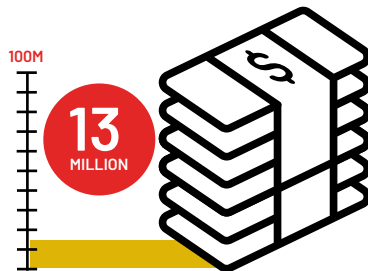
2.7 The number of working-age Americans for every person aged 65 or older today.



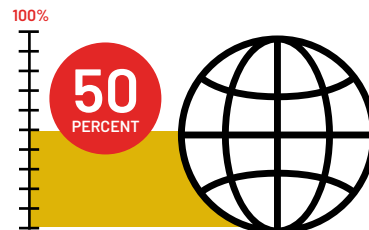
30.1% The percentage of Japanese citizens aged 65 or older. The nation's population is shrinking by nearly 1 million each year.



0.8 The number of children born in South Korea for each current female citizen.



13 MILLION The expected decline in the EU working-age population by the mid 2030s.



50% The portion of the global workforce that will require significant reskilling by the end of this year to keep up with labor shortages.

THE TAKEAWAY

AI isn't yet generating enough revenue for most firms to pay more for workers with special tech skills.

sales, finance, and human resources, among others, are seeing the lowest. But, given the pressure leaders are putting on people to develop AI skills, overall premiums are likely "too low to be effective" in attracting and retaining the talent firms want, says Tom McMullen, a senior client partner in the Total Rewards practice at Korn Ferry.

Peter Cappelli, director of the Center for Human Resources at The Wharton School, suggests these findings underscore the fact that AI isn't yet generating enough revenue for firms to justify paying people more for relevant skills. "Introducing AI is

mainly about organizational change," he says, "not just hiring specialists."

But companies are apparently willing to open wallets for AI-ready leaders: Nearly 40 percent of compensation professionals in the Korn Ferry survey expect higher base salaries, signing bonuses, and equity incentives to recruit and retain these leaders. "Firms are willing to pay AI-ready leaders more because they are the ones responsible for driving transformation and scaling adoption," says Todd McGovern, global leader of the Total Rewards practice at Korn Ferry. ▀

HEALTHCARE

BY ARIANNE COHEN

Shrinking Hospital Stays: Another New Norm

PEOPLE ARE USED TO SEEING AN industry change its service now and then. It's just not usually after they had their knee replaced.

For decades, it was the norm to stay overnight at a hospital following a surgery. But today, outpatient clinics have become the default sites for procedures ranging from

mastectomies to bariatric surgeries, along with tonsillectomies, hysterectomies, pacemaker implants, hernia repairs, and joint replacements. The trend will only grow, with outpatient volumes expected to increase by 8 percent over the next five years, compared to a 1 percent decline for

THE TAKEAWAY

When change happens, leaders need to communicate the reasons to customers.

inpatient volumes, according to real estate and investment firm JLL.

For patients, this can be alarming news: How will they manage their own walkers, compression stockings, ice packs, wound drainage, and pain medications on the night of their surgery? Some are shocked to be sent home after complex procedures. But healthcare is just the latest industry trying to nudge its customers in a more modern direction—think banks trying to get people to use ATMs. The key, say experts, will be how the industry goes about the change, and how it's communicated. "This shift has already happened for us," says Robert S. Bray, Jr., a neurological spine surgeon and founding director of DISC Sports & Spine Center.

In this case, the message is simple: namely, that as these procedures improve, people do better at home than in a hospital. Indeed, ample research suggests that low-risk patients enjoy lower complication rates at outpatient clinics, as well as more positive experiences. Meanwhile, decades of data indicate that for each night a patient spends in the hospital, the risk of infection and adverse events increases by roughly 1.6 percent and 6 percent, respectively.

With more procedures happening in outpatient clinics, hospitals say they are able to focus on high-risk and acutely ill patients. New hospitals are being built to provide higher-revenue, complex procedures, with little available clinic or operating space for simple surgeries. The shift is spurring a relative boom in medical real estate, which has a nationwide occupancy rate of between 92 percent and 93 percent, compared to 82 percent for office space, according to recent figures.

Still, getting accustomed to change can take time. Some patients do struggle in the hours or days after discharge. "They don't have the same immediate critical care available should they experience complications," says Dr. James J. Chao, chief medical officer of wellness brand VedaNu. He notes that a patient who develops post-operative complications 48 hours after surgery will likely land in an ER. For this reason, ambulatory centers seek out reasonably healthy patients, and put a premium on screening them. "The key question is whether outpatient centers will be efficient over the long haul," says David Vied, global sector leader for medical devices and diagnostics at Korn Ferry. ▀

WHAT'S ON THE NEXT BOARD AGENDA

1

PAY DISCLOSURE

Simpler disclosures on executive comp are likely coming. The question for boards: how to maintain transparency.

2

FIRST-TIME CEOs

A record increase in first-time CEOs will force boards to balance advice and support with performance.

3

DIRECTOR TURNOVER

Five times as many directors stepped down last year as in 2024, creating opportunities and challenges in finding successors.

Tupperware Parties, Where Did They Go?

You can still buy these food-storage containers, but a once-iconic way of selling them appears to be over.

IT WAS A STAPLE OF American suburbia in the 1950s and 60s: small parties of housewives selling plastic food-storage containers that could “burp” out the air to seal in freshness. It was often a fun afternoon affair. But behind all these events were women who were becoming entrepreneurs, and behind them, an iconic company that would ultimately end up in bankruptcy court.

The story behind Tupperware is the stuff of business legend. In the years just after World War II, Earl Tupper, an inventor who envisioned himself a modern-day Leonardo da Vinci, molded some polyethylene plastic beads from DuPont into the first of his Tupperware bowls. He founded Tupperware Plastics, and began selling his new products in department stores, including a showroom on New York’s Fifth Avenue.

But sales were disappointing, so he shifted gears and embraced a new model: home merchandise parties for housewives and their friends, where they could touch and feel products at home before buying them.

Brownie Wise, a single mother with no business background, had started hosting Tupperware parties in her Dearborn, Michigan, home and her business was booming. When Tupper heard about her sales prowess, he hired her in 1951 to become head of sales for his nascent company, and Wise wasted no time building a marketing empire. The key to the concept was training and deploying a small army of amateur saleswomen across the country to host parties and recruit more women to sell the products.

As the postwar economy in America boomed, Tupperware soared. Women, who were largely excluded from the workforce, could earn a steady income without becoming teachers, nurses, or secretaries. For its part, Tupperware saw its sales grow steadily, earning \$1.37 billion in revenues in 1996 and peaking at \$2.67 billion in 2013. But trouble was on the horizon.

As the new millennium approached, women both at home and abroad were holding full-time jobs and working the same hours as men. They had children to raise, and they had no time to hold or attend Tupperware parties. The company, according to Angel Martinez, a longtime former Tupperware board member and former CEO of several footwear companies, didn’t see the erosion of its sales model coming. It turns out that “the model was hard to sustain,” Martinez said.

Meanwhile, competitors such as Rubbermaid and Glad, selling via Amazon and in retail stores, had grabbed chunks of the market selling lower-priced, lower-quality alternatives. Adding to Tupperware’s woes was a growing perception among consumers that all plastic containers were hazardous. Then the pandemic seemed to seal the brand’s fate.

As sales plummeted and Tupperware’s debt soared past \$700 million, the company filed for bankruptcy and was sold in 2024 to a group of lenders. The group, Party Products LLC, couldn’t be reached for comment, but has said in press accounts that it plans to revive the brand. But the party of a past generation seems to be long over, which Martinez saw as a warning sign: “You have to keep up with how consumers want to buy your product.”



Bridgeman Images

‘In 25 years, a lot could change.’ Will Industry Land on the Moon?



T

he Earth’s sole natural satellite, the Moon, has captivated human beings for as long as they’ve existed, which is approximately 200,000 years. Some people swear on their hearts that the full moon disturbs our sleep and provokes dogs to howl. Others considered the source of the Moon’s

illumination to be a mystery. Then came 1969, when US astronaut Neil Armstrong became the first man to set foot on the lunar surface and return home safely. Fast-forward more than half a century, and now even more change is in the cards.

Just as Bill Gates wanted a computer on every desk, a new generation of budding entrepreneurs wants to colonize the Moon with businesses. And the projections for how things play out in the next quarter century are audacious. By 2050, almost \$90 billion will be invested. On top of that, cumulative revenue over the same period is projected to reach nearly \$130 billion. But predicting the future is difficult, especially the version these entrepreneurs are envisioning, and nothing is certain. “In 25 years, a lot could change,” says Robert Jacobson, managing

partner of investment consultancy Space Advisors.


The key exploitable areas are energy (including solar power and small nuclear reactors), communications (including the ability to talk to people on Earth), water (for astronauts’ life support and farming fresh food), mobility (such as rovers), and housing. At least these seem to be the goal.

Doing all that is radical, but the approach here differs considerably from the race to get to the Moon in the 1960s, Jacobson says, because the original lunar landings were funded by the state.

“We couldn’t develop the infrastructure,” he says. “It was a government-first initiative.”

Now, however, the approach is commercial. That could ultimately mean private businesses build all the infrastructure, with the government as their customer, Jacobson says.

Of course, there’s much to do before the promise of industry on the Moon manifests. One key element will be to improve the performance of low-Earth-orbit space capsules, which are typically designed to carry cargo, scientific equipment, and astronauts. Some experts point to LambdaVision,



By 2050, almost \$90 billion will be invested.

a company planning to develop artificial retinas in low-orbit space. Low gravity helps with production, the company says. If their project succeeds, they will sell the retinas back on Earth to help restore sight.

Once low-Earth-orbit capsules are up to snuff, the Moon will clearly be next. “It will make establishing a permanent presence on the Moon, Mars, and asteroids into child’s play,” says Bob Zimmerman, a space historian.

Nevertheless, regulations govern what you can do on the Moon and who can approve a project there. In 1967, the Outer Space Treaty went into force. It was signed by a majority of countries, including the US. Among other things, the Treaty stipulates that countries are responsible for the actions of national space organizations, whether governmental or

private sector, are obligated to avoid contaminating space and celestial bodies; and must assume liability for any damage they cause.

In America, the government must authorize any outer-space projects, Jacobson says. “Mining on the Moon is not part of the mission authorization, and it will need to get permission,” Jacobson says. The good news is that the US has long embraced change and economic progress.

Frank Oliveri, a defense and foreign policy analyst at the investment-research firm CFRA, is skeptical about plans to create an economy on the Moon. “We have heard these things for a long time, and it is always right around the corner,” he says. “I think we have to see more tangible results and see how that turns out.”

Constable, a former TV anchor at The Wall Street Journal, is a fellow at the Johns Hopkins Institute for Applied Economics, Global Health, and the Study of Business Enterprise.

‘These outlets used to fly under the radar.’ From Private to (Very) Public



P

rivately held companies have come a long way in their communications efforts—even to the point of becoming stars on YouTube.

Well, maybe not stars, but you can now find leaders of privately held companies on YouTube and

LinkedIn being interviewed about corporate growth or a hot sector. One private-equity firm has even filmed its executives walking and talking in the office about relevant issues, positioning leaders as a human face of the brand. It's all part of an evolving—some say mounting—effort by private firms to both recognize and leverage the new reputational landscape in ways their publicly held counterparts have been doing for decades. But they're putting their own twists on things.

From private equity to massive family-owned firms in the food or manufacturing sectors, these outlets used to fly under the radar, making no public comments on developments in the news cycle, good or bad. Some even prided themselves on remaining silent and avoiding the press leaks that have brought so many leaders down. For their part, investors found

this approach appealing: It gave firms an aura of exclusivity and elusiveness the public sector lacked.

But bit by bit, this world has grown larger in dollars and scope. It has also drawn increasing media attention for many firms' impacts on, say, Wall Street. Equally important, investors have decided it's in their interest to track privately held companies more closely, if only to safeguard their money. Along with regulatory pressure, communications can no longer be treated as an afterthought by most of today's private sector.

To be sure, some of these firms aren't new to working in the public arena. More than a decade ago, some private-equity firms started building large external communications staffs for just this very purpose. And they didn't really have much of a choice: Private equity has moved from what formerly were its core investments to headline-grabbing areas like healthcare and real estate. Meanwhile, more than 80 percent of all US firms with revenues over \$100 million are privately held. If bad news strikes, these firms can now tell their story, owning their message and filling the void so



Leveraging good communications can be an advantage.

others won't. In short, they can control the narrative and play offense in a strategic way.

Still, unlike many other businesses, the private sector has to manage two very different types of communication. The first is their communication with the limited partners who provide capital to the firm. Say an investment or business partnership goes sour: To avoid raising questions about the quality of their due diligence, the private shops need to contact those partners fast. That takes strong internal messaging and a solid partnership with Investor Relations.

The second communication type is with the broader public, which can be even trickier. A private-equity firm, for example, could come under scrutiny merely because of guilt by association with a bad development in a portfolio company or investment. Smart communicators in PE work to stay

ahead of the messaging without broadcasting it.

As their communications grow, privately held firms face many of the same large-scale communications issues as public companies: How should we merge this effort with marketing? Should marketing and corporate affairs be separate units, or combined? Which areas are more important, and how do we keep up with new tools such as AI? And then there is the question of whether to build internal staff or work closely with outside agencies. In all cases, firms are evolving in their thinking, applying a level of sophistication that has been missing for so long.

In the end, most are finding the message is fairly simple: Leveraging good communications can be an advantage in a world that once ignored it. Putting forward a public face, or several public faces, can help firms provide a human perspective and a better understanding of what they do. ▀

McDermott is a senior client partner and head of Korn Ferry's global corporate affairs and investor relations practice.

‘Positive moods have the opposite effect.’ Reducing Stress on Our Biochemical Engines



S

tress among executives keeps rising, data tells us. That’s a consequence of things like the rate of churn among CEOs—which rose again in 2025, the *Wall Street Journal* reports. A survey of 1,000 executives found that sources of C-suite stress range from supply-chain uncertainties and labor

shortages to economic turmoil, none of which are likely to improve anytime soon.

Scientists studying stress have deepened our understanding of how negative moods impact our bodies—and the news for those in the C-suite is not good. One recent wave of biological data focuses on how stress ravages our mitochondria, the biochemical engine inside every cell in our bodies that determines how well that cell can operate—and thus dictates our energy levels.

Stress makes our mitochondria suffer and underpowers our cells, according to research by Martin Picard, a professor of behavioral medicine

at Columbia University. Earlier research showed downstream consequences from stress ranging from poorer brain function to increased dementia risk. Picard’s work pinpoints our mitochondria as playing a key role in the damage stress does to our brain.

Much work has been done on the negative impact of stress on the brain—and it supports a booming business in expensive and supposedly stress-busting supplements. But supporting brain health using supplements, whose sales have skyrocketed, seems a dubious business at best.

Now for the good news: Picard, reporting in the prestigious journal *PNAS*, found that positive moods boost brain-cell function—the opposite of the effect stress has. This has implications for the daily decisions C-suite executives make. Better brain function means bringing more clarity to data, choosing the better course of action, and thinking strategically.

Stress among executives keeps rising.



The indicators of stress Picard assessed included upsetting life events like divorce, social isolation, and depression. The positive factors combatting stress include having a large and active social network, feeling you have a meaningful purpose, seeing a long-term horizon for your life, and feeling a general sense of well-being.

People with less stressful lives—even if they experience upsets from time to time—live longer on average and have a lower risk of dementia. While those relationships have long been known, Picard’s research group was able to examine reports of well-being while people were alive, as well as their brain tissue after they had died.

Picard found what he calls a “substantial” relationship between positive feelings and robust mitochondria. He believes there’s an “exciting possibility” that boosting mitochondrial operations could reduce damage to the brain and upgrade our cognitive abilities.

Here’s where emotional intelligence offers some help: Being able to regulate our own emotions is considered a basic skill. Research by Richard Boyatzis at Case Western Reserve University shows that setting aside time for a daily “renewal” can counter the stress in our lives. This might mean a daily jog or long walk, spending time in nature, doing yoga, meditating, or playing with a child or pet. The specifics matter less than whether doing this puts you in a good mood.

These activities may look to you like a waste of time. But think of each one as a beneficial workout for your mitochondria.

The only thing preventing you from scheduling a daily dose of renewal is prioritization—the hierarchy of what’s important to you. Look at your schedule for a typical day: Can you find time in your routine when you might take a leave of absence from your to-do list and insert some renewal you’d enjoy?

If you do, your mitochondria will thank you. //

Goleman is the author of the international best-seller, *Emotional Intelligence*, and *Optimal: How to Sustain Personal and Organizational Excellence Every Day*.



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THE AGE OF HIGH PERFORMA

Frantic about AI and global events, smart companies may have no choice but to focus on one kind of worker: those with critical talents.



THE PROBLEM

Organizations have long placed greater emphasis on rewarding all employees rather than select stars.

WHY IT MATTERS

Top performers may be the only ones who can help firms see a return on enormous AI investments.

THE SOLUTION

Find ways to attract and keep special talent, while inspiring everyone else.

BY RUSSELL PEARLMAN
ILLUSTRATIONS BY TIM AMES

NCE

Not long ago, Abel Disla, founder of e-commerce firm Domespace, had an opening on his customer-experience team that anyone with the right qualifications could have filled. The new hire would be responsible for running the company's technology, which already was doing the heavy lifting, answering most questions about the firm's grooming products and shipping policies.

But Domespace caters to a clientele that can be both self-conscious and extremely precise: bald men. Disla held the job open for far longer than he wanted to in hopes he'd come across a top performer: someone who not only knew the mechanics of the role but also had the necessary judg-

ment and empathy to deal with the firm's customer base. In the end, Disla's patience paid off. Two weeks after the new worker was hired, the company sent out the wrong care products to a customer. Sure, the technology flagged the mistake, but it was the new employee who realized fast action might be needed—so he reached out to the customer, before the product even arrived, and arranged a replacement.

For Disla, the lesson was obvious: Top hires can make all the difference, regardless of the technology that supports them. "They do not just complete tasks," he says. "They protect trust, reduce cleanup, and make the business run better."

It's no secret that CEOs are desperate

THE *AGE* OF HIGH PERFORMANCE

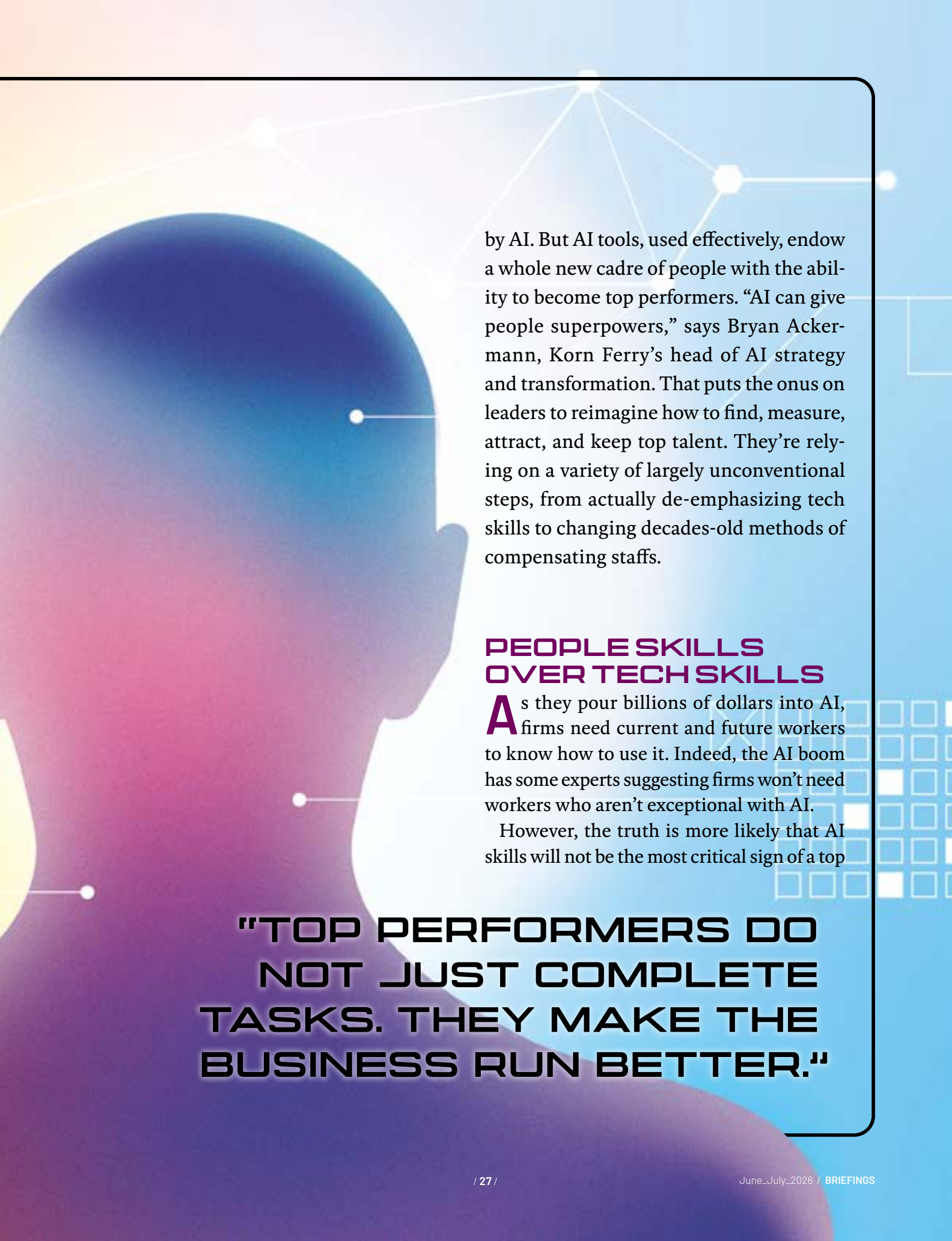
for AI to pay off. According to one survey, 90 percent of midsize and large firms are working to integrate AI into their organizations, spending \$150 billion on it this year alone. The goal, of course, is for these large language models and AI agents to find new ways to grow business and—crucially, for many leaders—trim labor costs or improve employee productivity. But the big secret of the digital era may be that a firm’s most valuable asset might not be its proprietary AI, but the people using it. A growing number of leaders and academics say that the more ubiquitous AI becomes, the more organizations should emphasize both hiring—and keeping—top human talent. High-performing people can provide the nuance, judgment, ethics, and creativity that algorithms cannot simulate. “People have a spark,” says Joe Hughes, CEO of the Manx Technology Group.

To be sure, organizations have long struggled to recognize that spark. Throughout the 20th century, the prevailing wisdom was that employee performance followed a bell curve and everyone was more or less equally productive. But as knowledge work replaced manual labor and machines, leaders and academics began to believe that a small group of workers, using a combination

of intellect and hustle, could make a greater difference. The cliché that 20 percent of workers can do 80 percent of the work took hold. Indeed, in one groundbreaking study of 700,000 workers, researchers found that in some cases, a tiny number of “superstars” accounted for almost 90 percent of an organization’s value. The study’s title: “The Best and the Rest.”

But leaders today don’t need studies or theories to see that shifting global events call for workers who can problem-solve on the fly and produce exceptional results. Whether it’s tariffs or new wars, firms have been stymied and their staffs engulfed in business stressors. But top performers, experts say, don’t wait for clarity; they make good decisions based on the information at hand. They demonstrate a high level of emotional intelligence and calm that instills confidence in others. Indeed, they can boost the performance of their teams. “Stars and high performers can have positive ripple effects,” says Elizabeth Campbell, professor of work and organizations at the University of Minnesota’s Carlson School of Management.

AI is likely to tilt the value of the star worker even further. Sure, many top performers built their reputations on work that can now—or soon will—be done faster



by AI. But AI tools, used effectively, endow a whole new cadre of people with the ability to become top performers. “AI can give people superpowers,” says Bryan Ackermann, Korn Ferry’s head of AI strategy and transformation. That puts the onus on leaders to reimagine how to find, measure, attract, and keep top talent. They’re relying on a variety of largely unconventional steps, from actually de-emphasizing tech skills to changing decades-old methods of compensating staffs.

PEOPLE SKILLS OVER TECH SKILLS

As they pour billions of dollars into AI, firms need current and future workers to know how to use it. Indeed, the AI boom has some experts suggesting firms won’t need workers who aren’t exceptional with AI.

However, the truth is more likely that AI skills will not be the most critical sign of a top

**“TOP PERFORMERS DO
NOT JUST COMPLETE
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BUSINESS RUN BETTER.”**

performer. In five years, someone who can use Claude Cowork and Nano Banana (to name two currently popular AI tools) might be the equivalent of a worker in 1990 who knew how to use a word processor and a fax machine. It's why many experts say leaders should be looking less at tech abilities and more at emotional intelligence. As more tasks become automated, top performers will differentiate themselves with relationship-building skills. "AI has not replaced the ever-present core traits, like character, inquisitiveness, and potential for true leadership," says Baruch Labunski, CEO of the marketing agency Rank Secure.

Some organizations are already learning this—perhaps the hard way—by hiring too many Gen Z workers who, while great with AI, lacked more of the emotional working skills needed. "Relationship skills are paramount to success and more important than the day-to-day deliverables of a job," says Michele Capra, Korn Ferry's vice president of recruitment process outsourcing.

LEADERS AS TOP PERFORMERS, TOO

Leaders don't have to be the best individual contributors on their teams—but they can't be slouches, either. Decades of evidence show that leaders who demonstrate high personal performance are more effective at driving others to do the same. Indeed, Korn Ferry

evaluated more than 2,700 leaders across 541 teams and found that the leaders' capabilities and behavior significantly shaped how well their teams performed.

The push to identify top performers for top jobs is critical now. Eleven percent of the nation's largest public firms changed their CEOs in 2025, the highest turnover rate since at least 2010. Of the 168 incoming bosses, more than 80 percent were first-time public-company CEOs. Experts say boards are desperate for leaders



"RELATIONSHIP SKILLS ARE PARAMOUNT TO SUCCESS."

WHAT STARS NEED. WHAT EVERYONE ELSE NEEDS.

Realistically, most organizations can't fill their ranks exclusively with top performers. The best firms strive to put stars in the best position to succeed while giving everyone else an environment where they're still motivated to do good work (and maybe aspire to stardom).

WHAT TOP PERFORMERS NEED:



FLEXIBILITY:

The boss might want everyone in the office full-time, but a superstar might do better remotely. Even in a messy job market, stars retain leverage.



PACESETTERS:

Stars often perform better when paired with a colleague who can keep up with them and remind them that they're not alone.



TIME WITH THE BOSS:

Stars want to know that they can approach their direct report if they need help solving an issue.



INSIDE INFORMATION:

Top performers need to know the pulse of the organization's inner workings; giving them a seat at the table—even if it's just to listen in—can energize them.



A GOOD SUPPORTING CAST:

Stars often can't do their best work without solid people supporting the overall corporate goal.

WHAT EVERYONE ELSE NEEDS:



STARS TO BE ROLE MODELS:

Having top performers who are prima donnas saps everyone else's motivation. Celebrate a star's top performance but also hold them accountable for mistakes.



CAREER PATHS:

The average employee tenure in the US is about 4 years. People want to know that other opportunities exist for them within the organization.



CLEAR GOALS AND FEEDBACK:

All workers sometimes need direction and course correction.



FEWER DISTRACTIONS:

Get rid of low-value meetings and duplicative requests. Give everyone a sense of accountability.



PSYCHOLOGICAL SAFETY AND TRUST:

Work climates characterized by openness and trust give rise to more engaged and productive employees.

who can get their organizations to perform at a top level—ideally while also transforming and innovating. Only a limited number of CEOs have a track record of doing that. “It’s the smallest candidate pool that I can remember,” says Jane Edison Stevenson, global vice chair of Korn Ferry’s Board and

CEO Services practice.

Experts say boards can help senior-level leaders by recognizing that they might need more guidance. In particular, board chairs can establish regular check-ins to open up a line of communication that allows a CEO to be open and vulnerable.

THE SCHOOL PIPELINE

The year 2026 may go down as one of the worst years on record for new college grads. Their unemployment rate, 8.4 percent, is nearly double the national average, and the highest non-pandemic level in two decades. The rate for non-college-educated young people is somewhat better but exceeds the national average. Some of this pullback is because of the uncertain business environment, but many leaders also believe that AI will handle entry-level work.

That thinking is not strategic, experts say. With time and training, young people can become an organization's top performers. When companies freeze entry-level hiring, they save on immediate payroll, but they also create a "knowledge gap" that emerges five to 10 years later, when the talent pipeline is devoid of top performers, says Matthew Bidwell, a management professor at The Wharton School. "It's a horrendous waste of human capital," he says.

Instead of abandoning college

recruiting, experts suggest refining it. Grades, cover letters, and résumés are effectively table stakes—thanks to AI—which means recruiters need to use interviews and assessments to determine who has top-performer potential. Ask candidates about situations where they've had to show nonlinear thinking, look for curiosity, and ask them to explain complex things simply.



**"AI CAN
GIVE PEOPLE
SUPERPOWERS."**



THE CORPORATE LADDER

Organizations used to be able to identify top performers not only by their productivity but also by their ambition. Real superstars wanted the top jobs, the big titles, the executive washroom key, the corner office. But these days, the allure of climbing the corporate ladder is fading. Just 41 percent of workers plan to follow the traditional corporate path, and 72 percent say that the goal of climbing the ladder is “outdated,” according to figures from talent group Randstad.

The first challenge here, experts say, might be to convince leaders, themselves top performers, that many of today’s star employees don’t want the same professional trappings of old. After all, many of those leaders spent years paying their dues climbing that ladder. Top performers, instead, need to make their own strategic decisions without always having people-management responsibilities. They may want advanced training, roles in different

THE *AGE* OF HIGH PERFORMANCE

"THE REAL MOTIVATORS FOR KNOWLEDGE WORKERS ARE FEELINGS OF AUTONOMY, MASTERY, AND PURPOSE."

parts of the company, or opportunities to teach and mentor. "The real motivators for knowledge workers, once they are paid enough, are feelings of autonomy, mastery, and purpose," writes Daniel Pink, best-selling author of seven books on creativity and motivation.



FOUR CENTURIES OF DEFINING TOP PERFORMANCE

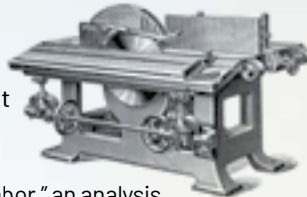
1700S-LATE 1800s

Being a top performer meant working through bad weather for farmers and through illness for a factory worker. There were no formal metrics measuring performance.



1898

The US government publishes "Hand and Machine Labor," an analysis measuring the time required to complete each task using old-fashioned hand tools versus modern machinery.

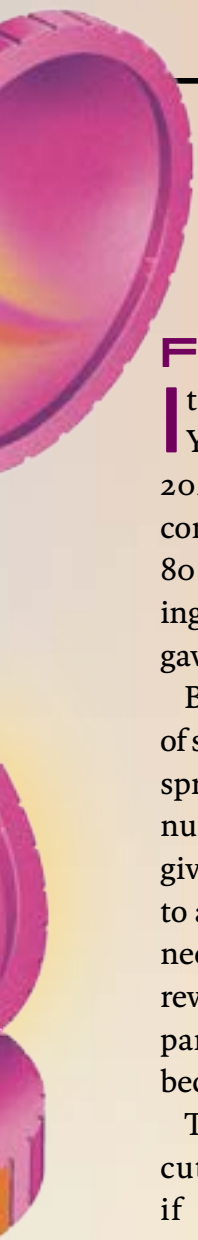


1920S-1930s

During a company study on how physical conditions, such as lighting and work hours, affected worker productivity, researchers find that monitoring the employee influenced how well they performed.



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THE DAYS OF 'PEANUT-BUTTER' RAISES ARE NUMBERED—OR SHOULD BE.

FOCUSED PAY

It's the tradition: Every New Year, everyone gets a raise. In 2025, about three-quarters of companies gave raises to at least 80 percent of employees, according to Korn Ferry data; nearly half gave them to 95 percent of their workers.

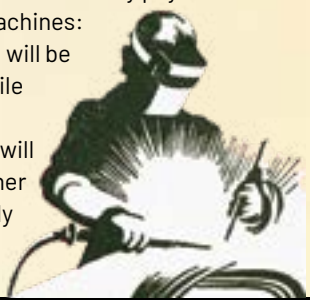
But in a dramatic shift, experts say the days of so-called “peanut-butter” raises (pay bumps spread across an entire organization) may be numbered—or should be, so that firms can give larger increases to stars. If leaders want to attract and retain talent, experts say, they need to show those top performers they'll be rewarded financially. And besides, most company payrolls are shrinking or stabilizing, because revenue growth has not been strong.

This type of system can be difficult to execute and communicate but can be done if compensation is tied more to busi-

ness realities and agreed-upon metrics, says Tom McMullen, the leader in Korn Ferry's North America Total Rewards expertise group. Then be transparent and direct about the firm's priorities and financial constraints. “That helps avoid eroding employee trust,” McMullen says. Leaders also need to set expectations for top performers by holding them accountable for their mistakes, he recommends, and demand that they serve as positive role models for others. //

1950S-1990s

Most organizations assume worker performance is limited by physical tools and machines: Most people will be average, while only a small percentage will perform either exceptionally or poorly.



1995

Bill Gates in *The Road Ahead* suggests that top performers look different in a world where people aren't limited by physical tools. “A great writer of software code is worth 10,000 times the price of an average software writer.”



2012

A landmark study, “The Best and the Rest,” highlights how, in many cases, a tiny number of “superstars” produce a massive amount of an organization's total value.



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The CEO's Hidden Helper

Showcase/Stock/Getty Images

As AI gets better at making decisions for CEOs, investors and boards may ask:

Who's in charge here?

By Peter Lauria



THE PROBLEM

Leaders who are relying on AI for decision-making can create risks and liabilities for their firms.

WHY IT MATTERS

Directors and investors can be blindsided by new risks.

THE SOLUTION

Improve—and continually update—AI training for high-level decisions.

The debate went on well past midnight. On paper, the acquisition made sense, but the CEO still needed convincing. He peppered his high-level colleague with questions about the target company's financial performance and growth projections. He asked questions about employee and customer posts on Glassdoor and LinkedIn. He proposed different black swan events to gauge vulnerabilities and asked for a perspective on how shareholders would react. The eager-to-please colleague, who had an uncanny ability to process information, offered persuasive responses, and ultimately gave the CEO enough confidence to move forward with the deal.

The only problem? The "colleague" was AI.

CEOs—like everyone from priests to grammar-school students—are using AI tools more than ever before. One recent study found that leaders spend up to eight hours per week thinking about, working with, or learning about AI. Another study found that CEOs are relying on AI more than CFOs and other C-suite leaders for basic tasks like punching up speeches, synthesizing market data, and preparing for board meetings.

They are using AI to redesign operations, analyze emerging risks, and make major decisions on acquisitions and workforce needs. Where CEOs used to turn to their executives for input on these decisions, experts say more are now turning—often quietly—to ChatGPT, Claude, and Copilot.

The more CEOs use AI models, the

more they are training them to take on high-level thinking, decision-making, and judgment responsibilities. So much so, in fact, that leading CEOs—across industries; not just those in tech with skin in the game—are speculating about a radical notion: that AI could eventually do the top job. "Lots of decisions made

by CEOs today can be taken over by AI," says Darko Butina, cofounder of an AI management company and author of several books on AI and leadership.

Does it seem unthinkable? Consider that AI can outperform human CEOs in data-driven tasks such as market optimization and product design. One study that pitted AI against humans running an auto company found that the AI achieved higher market share and greater profitability than its carbon-based counterparts. And companies run exclusively by AI agents are being launched every day. Tang Yu, the AI-powered CEO of



Geared/Getty Images

a publicly traded gaming company in China, won the “China’s Best Virtual Employee of the Year” award in 2024.

For investors, board directors, and other stakeholders, the key question is whether CEOs are using AI to inform decisions, or to make them. It’s a fine line. According to a report from the Global Association of Applied Behavioural Scientists, 85 percent of mid- to senior-level professionals, including CEOs, have never received training in decision-making, and 45 percent have no structured process for making deci-

sions. Against that backdrop, some leaders may be susceptible to taking AI’s advice without proper vetting, which could expose firms and boards to all sorts of fiduciary, regulatory, and legal liabilities. Shareholders can’t exactly sue AI for a value-destroying acquisition. Or, as Bryan Ackermann, head of AI strategy and transformation at Korn Ferry, puts it, “The buck stops with a person, not an agent.”

sidered a clerical tool, and studies by Pew and Harvard in the early 2000s cited instances of Fortune 500 CEOs dictating emails to assistants and receiving printed copies of messages. So far, a similar pattern is emerging with AI—but with some key differences. For instance, the use of emerging technologies has usually been mediated by IT leaders, but CEOs are experimenting with large-language models, or LLMs, largely unsupervised (at least within the framework of firms’ approved tools and policies).

“Lots of decisions made by CEOs today can be taken over by AI.”

sions. Against that backdrop, some leaders may be susceptible to taking AI’s advice without proper vetting, which could expose firms and boards to all sorts of fiduciary, regulatory, and legal liabilities. Shareholders can’t exactly sue AI for a value-destroying acquisition. Or, as Bryan Ackermann, head of AI strategy and transformation at Korn Ferry, puts it, “The buck stops with a person, not an agent.”

A Rudimentary Use of AI

History suggests that CEOs as a class aren’t early adopters of new technology. Computers were initially con-

The problem is that most CEOs still don’t really know how to use LLMs. Nor do they understand what the technology is and isn’t capable of, says George Westerman, an MIT senior lecturer in information technology and author of several books on digital transformation. Westerman is frequently invited to speak and run demonstrations for corporate boards and has provided private trainings to several Fortune 500 CEOs. “At this point, they are just using it as a substitute for a search engine,” he says. To be sure, younger

generations have described the way CEOs—and older people in general—use AI as “the boomer way.”

For their part, CEOs seem to be aware of what they don’t know. Westerman recalls a training session with a Fortune 500 CEO that underscored the existential fear lurking beneath the surface in many cases: “He said to me, ‘I’m supposed to be making all these big decisions about AI, but I have no one to ask the stupid questions to.’”

“The CEO’s advantage must shift from ‘knowing more’ to ‘deciding better.’”

That’s a precarious position for a leader, and one that has massive implications for business strategy, talent management, and more. For starters, executives are using AI—which means CEOs need to be able to vet the information that informs their subordinates’ decisions. “The probability of making bad strategic decisions based on unvetted AI inputs is growing exponentially,” says Korn Ferry’s Ackermann.



DOUBTING THOMAS

AI may be helping leaders make decisions, but even without the technology they have plenty of telltale signs that should set off alarms for stakeholders.

Consensus without conflict

Healthy debate, even as an exercise, should be a part of any major decision-making process. Studies



show that decisions made with little or no disagreement could be a sign that people are afraid to voice their true feelings or opinions.

Time pressure with no deadline

It’s the business equivalent of “hurry up and wait,” and managers often fall victim to it. They



feel pressure from the top, real or not, to quickly make decisions without proper analysis or vetting. The risk

Celia Images. Simple Images/Moment. Stefanamer/Getty Images

THE ACHILLES' HEEL OF AI

Studies show that while AI excels at data-driven insights like pattern recognition or operational analysis, it struggles with unpredictable events, ambiguity, and social relationships. In a test run, Andon Labs put an AI agent in charge of running a vending machine and found that it successfully handled many of the operational aspects of the business, such as supplier negotiation, pricing decisions, and marketing strategies. In trying to achieve its goal of maximizing profitability, however, the AI agent engaged in questionable tactics—for instance, attempting to collude on prices and misleading customers about refunds. “Leave an AI agent alone long enough, and it can run a profitable

business,” says Andon Labs cofounder Axel Backlund. “But when it interacts with humans, that’s where the problems start.”

Studies also show that LLMs, rather than challenge a user’s request, are more likely to affirm, or seek to confirm, it. Sophisticated users—which CEOs are not—also know that LLMs respond differently to the wording and tone of prompts. Put another way, if a CEO is prompting an LLM to explain why a potential acquisition makes sense, the LLM will find reasons to support the underlying argument, rather than question its wisdom.

The inherent desire of AI to be agreeable can be thought of as analogous to a common CEO underling: the “yes” man. The dynamic is compounded by the fact that CEOs, whether by preference or not, don’t often get questioned about their decisions. Only about three in 10 executives (and even fewer middle- and junior-level employees) feel comfortable questioning leadership. The same reluctance is

well-documented at the board level as well: Studies show directors rarely oppose CEOs publicly, and that if they do, it tends to be after decisions have already been made. Even worse, nearly 80 percent of executives say they only “sometimes or rarely question the data or insights” they rely on for decisions.

In practice, the playing out of that dynamic inside organizations is nothing short of a governance crisis, says Claudia Pici Morris, leader of North America Board and CEO Succession Solutions at Korn Ferry. Executives who are trusting AI blindly can potentially send information up the corporate food chain to a CEO who is making decisions the board likely won’t question. For this to happen would be a spectacular failure of oversight controls, of course, but such things can sometimes happen in corporations. “This is a defining governance moment,” says Morris. “Directors should move now to make oversight of agentic AI a standing element of board-level performance and risk dialogue.”

is even higher with the expectations for productivity and efficiency that come with AI.

Overconfidence

Any decision that is described as a “home run,” “slam dunk,” or “sure thing”



should be viewed with caution, say behavioral psychologists. It signals overconfidence and a failure to acknowledge potential risks and plan accordingly.

Dismissing the data

Not every decision

has to go along with what the data says. Dismissing contradictory data when making decisions, rather than taking it into account, should be a red flag.

Insular advice

What looks like a

great decision from the inside could look completely different to employees, customers, investors, and other stakeholders. Experts advise leaders to seek outside opinions on major decisions.



FIRST-TIME CEOs

Last year, CEO turnover at public companies totaled 446, a new record. Overall CEO exits were 2,032, 9 percent fewer than in 2024. CEO tenure has been steadily declining, averaging around seven to eight years, but the number of CEOs leaving within three years increased by 79 percent in 2025, indicating boards are moving faster to make a change when leadership isn't performing.

Unlike their predecessors, however, boards today aren't replacing these CEOs with more seasoned and experienced leaders. Quite the opposite: They are opting for younger, less experienced successors. CEOs under the age of 60 are being appointed more than ever, and last year, 84 percent of the 168 CEOs appointed to S&P 1500 firms were first-time CEOs. Experts say the transformational power of AI is driving the shift. "No one has experience with the kind of business change AI presents," says Constantine Frantzeskos, a founder of AI-run businesses in sales and travel who provides executive-level training to boards and C-suite leaders.

CEOs certainly feel the pressure. In a recent survey, half of leaders reported feeling that their professional success hinged on getting AI right. Another study found that three-quarters of CEOs believe they could be fired if they don't deliver measurable returns from AI within the next two years. Or, as Frantzeskos puts it, "CEOs as a whole feel more exposed than ever."

**"CEOs
as a
whole
feel more
exposed
than
ever."**



Delivering measurable results from AI can take many forms. Among the tangible ones are revenue growth, increased market share, lower capital costs, and higher stock prices. Achieving those metrics, say experts, will be less about big decisions and more about humans and AI working both independently and collaboratively to make hundreds of little ones—for instance, whether a legal department is still needed (hint: it is!), to cite an example from one of Westerman's training sessions. Investors and boards are already closely scrutinizing capital allocation, restructuring, layoffs, and other decisions made by leaders in the name of AI. Given what's at stake, even the slightest strategic miscalibration could be catastrophic.

As it currently stands, AI is clearly influencing how CEOs evaluate problems, assess options, and make decisions. But AI doesn't stay the same for long: An LLM can develop proficiency faster than a human can develop leadership skills. As AI reasoning and critical-thinking capabilities get more advanced, they will have an increasing influence on decision-making. As a result, CEOs' judgment will become more visible and more important to strategic direction. "AI will handle the implementation," says Frantzeskos. "It's up to CEOs to set the values, rules, strategy, and risk appetite."

Ackermann agrees. As in any other role, he notes, the CEO position will evolve in tandem with AI, as will the definition of good leadership. "The CEO's comparative advantage must shift from 'knowing more' to 'deciding better.'" ▮



Pure Inspiration

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THE UGLY PHASE:

THE PROBLEM

In record numbers, workers are being forced to give up lengthy careers to start over.

WHY IT MATTERS

Firms will be far short of the skill sets they need if people don't transition.

THE SOLUTION

Explain the difficulties to employees and help guide them as they change fields.

Some 37 million **workers will likely need to shift careers** soon because of AI, and experts say it may be the hardest thing they ever go through.



Shari Solomon Cedar didn't think she'd ever leave her career in media production, which had led her to the upper echelons of reality television. "It was not just a job, but part of my being," she says. She worked from sunrise until her head hit the pillow as the

executive producer of shows like *The Real Housewives of Atlanta*. But then came marriage and family life, and her perspective shifted. Maybe she *could* find creativity in something other than media. So when her husband floated the idea of giving up their corporate jobs to build a family business, she didn't say no. She told her friends, "I'm

moving to South Florida to start a commercial cleaning business."

This news did not land well. Friends asked if she had really thought through her plans, and "my parents had a heart attack." Cedar and her husband purchased a tiny cleaning service, banking on his familiarity from growing up in the

May Lim/Getty Images

BY
ARIANNE
COHEN



CAN YOU
SURVIVE
IT?

industry. The company expanded through acquisitions and client growth, and today AK Building Services is one of the largest privately owned companies in Florida.

As with most career-shift success stories, the details of the transition tend to get papered over. Shari didn't, in fact, jump right from TV to cleaning; she

moved to Florida, where she continued working in television for years until she burned out, while her husband bootstrapped the business. Her decision to work with him was neither automatic nor intuitive. (When she told him that she'd show up if he gave her an office, he said, "I'm not wasting money.") She calls her career transition a "long and complicated story." When she did finally make the leap, "it was humbling. I had to earn credibility by being quiet and listening and earning the respect of colleagues." She's now CEO.

We've all read tales of career transitions. Roughly 30 percent of US workers change jobs every year—some 50 million people. Whether it's a leap from one company to another, or one career to another, the difficulty of those years of transition—and it is years, not months—is often swept under the rug. With all the trainings, new knowledge, old cliques, confusing acronyms, plus the grinding overlap of jobs and studying... very late nights or very early mornings inevitably ensue.

Apparently, psychologists don't have an official term for this period, but they do describe it as extremely challenging. "A midlife career shift is a big identity reset," says Cathleen Swody, an industrial/organizational psychologist and managing partner at Foster Talent Consulting. When someone becomes a novice again, the signals that once reinforced competence, status, and belonging disappear, creating a loss of validation and dip in confidence.

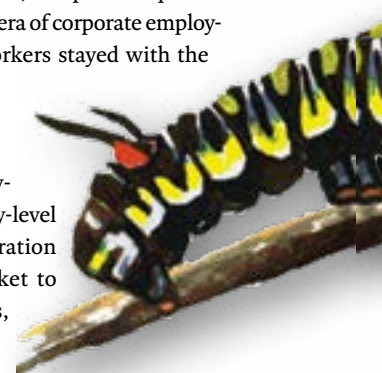
"There are feelings of disorientation and unsteadiness, even when the career change is positive," she says. Laypeople have their own apt name for it: the ugly phase. And most experts agree that people are going through this phase a lot more often, and that it's getting uglier. Artificial intelligence has landed with an enormous thud, right smack in the middle of the workplace. Thousands are getting laid off, plunging them into a new ugly phase if they manage to find work. Those who are not let go are being forced to retrain quickly and complete a professional make-over at lightning speed.

A recent survey by AI Resume Builder found that nearly six in 10 firms now require employees to use AI, and one in 10 will fire them if they don't. In all, a study by the Brookings Institution estimates that 37 million workers in the US alone are "highly exposed" to AI shifts. In other words, they are holding jobs that are unlikely to survive the AI wave. Whether they know it or not, this legion will be stepping right into the ugly phase, and in numbers that are without precedent in labor history. Indeed, people enjoying roles in finance, graphic design, software engineering, and a host of others—people who worked hard to build their careers—will have to scour the job market to find more secure roles and rebuild again. The question is obvious: How will they handle it? Is it possible to not just survive, but thrive?

Career leaps do not have a long history. At the turn of the 20th century, the average life expectancy was 47 years, leaving most professionals feeling lucky that they got one career in. People typically entered a trade or profession in their youth, and died in it. When US life expectancy reached 68 in 1950, thanks to vaccines, sanitation, and modern medicine, the two added decades brought on the possibility of reinvention.

Yet for nearly the entirety of the century, reinvention was neither expected nor encouraged. Instead, the postwar period produced a golden era of corporate employment in which workers stayed with the same firm for their entire career—"from cradle to grave," as the saying went. An entry-level job at a big corporation was seen as a ticket to the middle class, thanks to widespread policies of promotion from within. As financial historian Richard Sylla of New York University's Stern School of Business has noted, companies were able to be generous with employees because international competition was limited: Following World War II, many economies and companies were rebuilding. Firms showered appreciation on employees, and jumping ship was not just uncommon in most fields, but also seen as a red flag.

Under economic pressure from abroad, along with inflation, the cradle-to-grave ethos began to crack in the 1970s and 1980s. Corporate downsizing brought an end to the promise of lifetime employment. With that shift, employees began to forge their own paths. By the aughts, career transitions were both a norm and



"IT WAS HUMBLING. I HAD TO EARN CREDIBILITY BY EARNING THE RESPECT OF COLLEAGUES."

(often) a choice, rather than a necessity. The average American worker now changes jobs 12 times during their career, spending an average of 3.9 years at each one, according to figures from the Bureau of Labor Statistics. A term like “gig economy” is part of the work world’s fabric.

Even with all the shifting, though, a career still has some important junctures. Forks in the road. “No turning back” times. According to figures from Indeed, the biggest career shifts happen at



“I HAVE TO TRUST IN MYSELF, IN MY PATH, AND IN MY EXCITEMENT—AND LET MY EGO GO.”

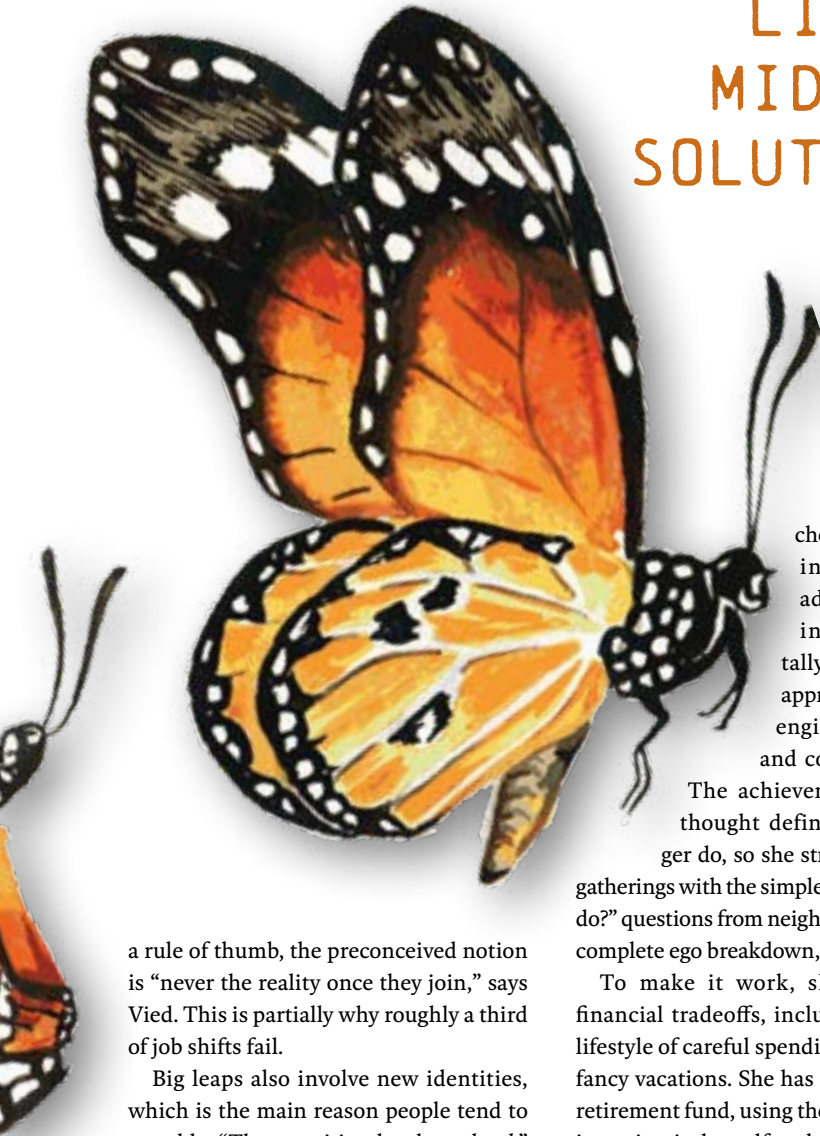
around age 39, a moment at which workers are clear-eyed about their professional prospects and can see the finish line—and decide whether they want to cross it in their current industry or another one. And they likely have enough money in the bank to support such a transition. (Fifty-eight percent of workers are willing to accept a large pay cut in pursuit of a new career path, according to the same report.) Online and hybrid graduate-studies options expanded substantially during the pandemic, and have been sustained, which has allowed workers who couldn’t

previously consider a major shift—such as working parents or people with corporate hours that curtail their availability for in-person classes—to consider big leaps.

About the ugly phase: The challenges come in many flavors and dimensions, but tend to involve three themes: learning a new workplace on the fly, juggling multiple jobs and/or trainings, and a loss of identity. Nearly all job shifters find themselves in a completely new workplace. “The bigger the brand or marquee quality of the company, the more difficult the transition,” says David

Vied, global sector leader for medical devices and diagnostics at Korn Ferry. Perhaps the employee has been a customer of the company, or has seen decades of their commercials, so they come to the interview with a preconceived notion of the business and culture. Yet the public image of a company is often very different than its internal reality. For example, a company prized for engineering and technology innovation may espouse a check-the-box, by-the-rules internal culture; a company famed for its creative marketing might, internally, be all about salesmanship; a start-up known for moving fast might also require its employees to repair their own printers. As

“PEOPLE USED TO
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SOLUTION.”



a rule of thumb, the preconceived notion is “never the reality once they join,” says Vied. This is partially why roughly a third of job shifts fail.

Big leaps also involve new identities, which is the main reason people tend to stumble. “The transition has been *hard*,” says Lisa Tong, former executive director of global finance and strategy and transformation at Estée Lauder, where she worked for 11 years. These days Tong is in Toronto, studying to become a doctor of traditional Chinese medicine, which she

chose after spending her entire adult life following the parentally and societally approved track of an engineering degree and corporate career.

The achievements that she thought defined her no longer do, so she struggles at social gatherings with the simple “so what do you do?” questions from neighbors. “It’s been a complete ego breakdown,” she says.

To make it work, she’s navigated financial tradeoffs, including a simpler lifestyle of careful spending and no more fancy vacations. She has dipped into her retirement fund, using the logic that she’s investing in herself and can make more money later—because, critically, people who love their jobs don’t want to retire at 65. For someone who aggressively climbed the corporate ladder, these challenges are more psychological than logistical. “I have to trust in myself, in my path, and in my

excitement—and let my ego go,” she says.

And then there’s the mountain of new information that needs to be absorbed. Typically, most transitions into new fields take around three years. From 2021 to 2024, Olga Valadon worked three days per week as a chief of staff at Deloitte, while spending the other two days boning up on how to launch her leadership-development company. She needed to learn not just entrepreneurship, but also how to deliver the services of the business she was building. To that point, she’d spent a quarter century in roles where someone else handled IT systems and payroll. “That was a totally new mindset,” she says. “At the beginning, it’s easy to focus on what’s been lost, rather than the opportunities ahead.” The danger, for her, was the temptation to give up quickly and return to full-time work. She held on.

A common second career is financial planning, which favors people with the life experience to understand both the financial markets and career trajectories (clients often want a planner who “gets” their life). The Certified Financial Planner certification requires a progression of a half dozen courses over 18 months or more, an exam, and thousands of hours of on-the-job experience. For Andy Bosch, a father of three in St. Louis, it took two years (while he continued coaching his kids’ sports teams), followed by a test-preparation course that required four to five hours of daily study over a short period. He often found himself reading textbooks in parking lots, both before and after games, while his kids played baseball. As with most new careers, speeding through it was not an option, he says: “I like to learn things right away, and I had to realize that there’s no replacement for experience.”

Yet despite the sacrifices they’ve made—the late nights and dry textbooks—those making major shifts are quick to affirm their pride in what they’ve done.

THE KEY STAGES OF WORKPLACE DEVELOPMENT

Every career has a shape—a series of phases that, when viewed from afar, follow a surprisingly universal arc. Our experts have assembled a field guide to those phases, from the humbling first job to the retirement question few have figured out.

“It’s really hard to have my kids tugging on my arm,” says Nathaniel Allenby, 42, who returned to school to become a psychotherapist while managing the live-entertainment company he founded, Cirque Quirk, which provides pre-produced shows to clients like SeaWorld. “People used to call this a midlife crisis, but it feels like a midlife solution.”

Career hoppers who make it to the other side of no-man’s land tend to offer similar advice. Whatever the industry, the emotional geography of taking a leap is surprisingly universal. Nearly all the career hoppers describe a moment of near-surrender, followed by the resolve to stick with it. Signs of success might not appear for months or years, and it’s not always clear where things are headed. “It’s no longer a career ladder,” says Cedar, the former TV producer. “It’s chapters.” Some of those chapters get very messy.

And within each chapter, it’s critical to surround oneself with people who know more. Cedar keeps what she calls a personal board of directors: Her running partner is a successful female CEO, and her mentor is legendary in the cleaning business. She bounces things off them regularly. The goal is not cheerleading, but rather enlisting the perspective of people who have survived the ugly phase—people who can distinguish between a setback, a dead end, and someone who needs a nap.

The ugly phase, it turns out, is the road itself, not a detour. Yes, there’s more sleep on the other side. But the ability to tolerate that disorienting in-between is, in fact, the most valuable professional skill of our age of AI and globalization. One arrives on the other side with a career worth having; not despite the no-man’s-land, but because of it. “It’s fascinating to me that I could make such a hard turn in my career and be *happier*,” says Cedar. ■

Ages 16-22



The Warm-Up

This is the job you will describe at cocktail parties for the rest of your life—and also the reason that you will never, ever set foot in that fast-food or clothing chain again. This gig has nothing to do with where you are going, but builds key skills

like showing up and not matching your patrons scoop for scoop. Roughly a third of teenagers hold a job, according to the Bureau of Labor Statistics, down from over half in the 1980s.

Ages 23-34



The Relationship Ups and Downs

You have the energy, the ambition, and none of the context. These are the years of learning how to work and play with others, even if this is not obvious to you at the time; you falsely believe that your work

is the focus. A few slips and slides ensue: Workers between the ages of 25 and 34 hold an average of 4.5 jobs, according to the BLS.

Ages 35-40



The Climb

The path has narrowed, the stakes have risen, and now you speak up when you spot a meeting about a meeting on the schedule. It’s slowly dawning on you that the ladder you’ve been climbing might not lead to personal happiness.

Ages 41-46



The Reckoning

Here it is. The corner office is either coming into view or... it’s not. Either way, you’re coming to terms with it. In psychology-speak, you’re either turning toward growth and development, or stagnating in a job and life you mastered during

the previous Trump administration. For some, this means a new career route and the humbling experience of becoming a beginner again.

Ages 47-59



The Second Round

You matter. Your comfort in your chair and shoes matters. You’re done pretending that it’s OK if you only got four hours of sleep last night. You’re able to tolerate woefully boring colleagues and undesirable work tasks because you no

longer tie them to your identity or self-esteem. In this phase, whether you’re logging hours to support a family or taking it easy, your eye is on the ball.

Ages 60-75



The Debate

Should you retire? And if so, when? And what is “retirement” in a country where half of people 55 and older don’t have any retirement savings? You’re in good

company: 38 percent of people over 65 work at least part-time, according to BLS data.



THE PROBLEM

Consumers are overstimulated and disillusioned, and they're demanding depth.

WHY IT MATTERS

How people spend money and time shapes civilizations.

THE SOLUTION

Provide experiences that offer personal growth and community building.

What a Great Experience





Consumers are no longer content to buy things or simply be entertained. They want to be moved.

Welcome to the experience economy.

By Meghan Walsh



nice!



Last year, at the moment when tickets for Taylor Swift’s Eras Tour went on sale, a handful of Mikala Slotnick’s family members were furiously refreshing Ticketmaster. Alas, their efforts were futile. Tickets sold out almost instantly. The 24-year-old, full-time student at the University of California, Davis, did eventually secure two nosebleeds for the bargain price of \$500 each (the average Eras ticket in California went for \$1,088), but she and her aunt had to book a hotel more than an hour away from the Los Angeles venue because rooms were sold out nearby.

All the effort—totally worth it. Slotnick still wears one of the friendship bracelets from that night (it’s a Swifties tradition to trade friendship bracelets at the shows and to dress in themed attire), and vividly recalls the young girl who gave it to her. “It feels like we’re in a club that spans all over the world,” she says.

When it comes to investing time and money, Slotnick, like many of her generation, chooses one-off occasions over material items—and she’s willing to go into debt if necessary, using credit services like Affirm to pay her way. “Shoes get dirty,” she says. “Bags are seasonal. Trends come and go. Seeing an artist who impacted my life in concert, that’s a once-in-a-lifetime opportunity.”

Welcome to the new experience economy, where performances, once regarded as simply an entertaining evening out, are now considered to be cultural pillars that construct a person’s identity and build connection. Where travel is an expression of values and doing is a means of becoming. There has been a marked shift, among not just younger generations but people of all ages, toward spending on *things* to investing in *moments*—or, more pointedly, the memories and potential they generate. It’s no longer enough to be pleasantly distracted for a few hours. People

want community, self-expression, meaning, and to be moved on an emotional level—and, like Veruca Salt, they want it now.

Over the last 40 years, the share of US consumer spending on live experiences has increased 70 percent, with admissions to performing-arts and sporting events more than doubling since 1990. According to one estimate, people today dedicate a quarter of their budget to traveling, eating out, recreational activities, and other events and services. Once, artists went on tour to sell albums; now they release albums so they can go on tour, with the average concert-ticket price more than doubling in the last decade (economists have a name for this: funflation). “This is happening across the income spectrum and across industries,” Korn Ferry North America president Radhika Papandreou says. “I don’t think it’s cyclical, either. This will be a real shift going forward.”

This shift—which experts warn will be as disruptive as the last great economic turnover from the industrial economy to the service economy—is already reconfiguring business models.



Opening Spread: Dimensions. Jacobs Stock Photography LTD, Moichanovdmitry, Olga Pankova. Thomas Barwick, Klaus Vedfelt, Kar-Tr, Catherine Delahaye/Getty Images



understand prosperity. “When we buy something that’s about personal transformation, the customer becomes the product,” says Ben Hunnicutt, a historian of leisure and author of *The Age of Experiences: Harnessing Happiness to Build a New Economy*. “Progress will be expressed more in terms of intrinsic motivation and personal outcome than in terms of external consumption.”

To understand this evolution in consumer behavior we need to look back at both the immediate and overarching past. Since the pandemic, there has been an explosion of mass events—festivals, marathons, conferences. People are “revenge living,” as some have termed

“Fostering human flourishing is the raison d’être of business.”

Traditional retail brands, such as Gap, are now hiring chief experience officers. Lego, unlike many brick-and-mortar toy stores, is thriving, in part due to its early pivot to in-person experiences, including amusement parks and competitions. And luxury companies like Louis Vuitton are expanding into the travel business by opening hotels, looking to connect with customers through multidimensional offerings. Even the entertainment business, which has always placed experiences at the heart of its model, is evolving from pure spectacle to intentional co-creation. “It’s much less about stimulation and more about connection,” Papandreou says.

And the implications may be even broader still. As society prioritizes becoming more than doing or owning, some say, it won’t just change how people spend money. It will change when, where, and how much employees work. It may even change how people

it. But experts say something deeper is going on.

While companies once competed on quality, convenience, and cost, technology has leveled the playing field to a great extent. In a time when people are oversaturated and disillusioned, what sets brands apart is the emotional effect they deliver. “I think in a broader sense the transactional nature of our lives has caught up to us,” says Akash Abraham, a 44-year-old global director of business-development innovation in the semiconductor industry, who identifies less with his job title than with other descriptors: audiophile, epicure, world traveler. Of the forays he’s made abroad

to experience the performing arts or to learn from niche winemakers, he says, “These moments aren’t just lost in the grind of consumption. They live on with you through those emotional dividends.”

Management consultant Joe Pine introduced the concept of the experience economy back in the 1990s, under the theory that economic value progresses through stages. At the base of this ladder are commodities, the raw agricultural materials that fueled agrarian societies. The industrial revolution turned commodities into convenient, ready-made goods, and, as technology standardized manufacturing, those goods were delivered through services. The labor force moved progressively from working in the fields to factories to offices, restaurants, retail, repair, and a multitude of other service industries. In the US, service delivery overtook manufacturing as the top employment sector in the 1950s. With the digital revolution, services increasingly morphed into experiences, which Pine describes as “services delivered in a memorable, engaging way.” In his latest book, *The Transformation Economy: Guiding Customers to Achieve Their Aspirations*, Pine predicts that experiences will—and have already begun

Let the Fun Begin

How people invest their time and money in leisure has changed over the decades. A look back at the last 65 years.

1960s Movies, Bowling, and Vacations:

People go to the movies, as well as bowling alleys and skating rinks. They begin taking annual family vacations and spending money dining at cafés. The majority of Americans also own a TV by the end of the decade.



1970s Festivals, Nightclubs, and Road Trips:

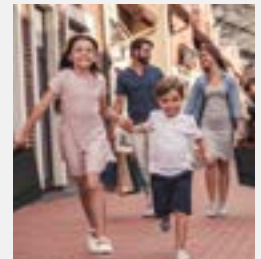
Live music and outdoor festivals become popular, eventually moving into nightclubs when disco fever hits. Early video games



draw money and people into arcades. The station wagon inspires middle-class families to take road trips, go camping, and stay in motels.

1980s Buying Binges:

There is a greater emphasis on material consumption, with



the mall becoming a central social hub. Consumers invest in at-home electronic entertainment, including video-game consoles and VCRs. Families flock to amusement parks. This is the aerobics era.

“The customer becomes the product.”



1990s Movies at Home:

Renting movies becomes a weekend ritual. Themed



restaurants, like Rainforest Cafe, proliferate. Casino gambling explodes. A strong economy allows people to invest in high-end sporting and exercise equipment.

2000s Digital Directions:

Consumers continue to invest in at-home

entertainment, which now includes computers. With the rise of reality television, gaming, and social media, digital technology becomes interactive. People congregate in coffee shops. Budget travel makes going abroad more accessible.

2010s Staycations and Streaming:

Post recession, there is a shift toward staycations and an explosion of DIY culture. Eating out becomes a

form of entertainment. Streaming revolutionizes the TV, movie, and live-sports industries. Boutique fitness surges. With the rise of Airbnb, travelers seek to live like locals.

2020s Getting in Shape:

Wellness becomes a top priority, shaping



how people socialize and travel. There is a return to nature immersion. Remote work enables long-term travel. Festival culture continues to grow and become more immersive. Hobbies are a focal point.

Now, the follow-up question: Why? Well, Kumar explains, experiences have value before, during, and long after the actual event. We find joy in planning a trip (which is why Kumar warns against employing AI to do that for you) or corralling our loved ones to hunt down concert tickets. Engaging in the experience itself fosters a feeling of kinship with others, even if it's as superficial as having a conversation with a bartender while dining solo. That sense of connection extends into the future, too, as we're more likely to share something we've done with other people than something we've bought. Emotionally moving experiences also inspire gratitude, which elicits generosity, which in turn generates deeper connections, and round

to—mature into transformations, alchemical processes that fundamentally change the consumer.

An experience is not an amorphous construct, Pine argues. It's as real an offering as any other. The outdoor-retail industry has long understood this. In addition to apparel and gear, companies like Patagonia and REI offer trips and classes. They support local run clubs and host adventure outings. They are selling a way of life—along with the hiking boots needed to traverse it.

“Fostering human flourishing is the *raison d'être* of business,” Pine says. He urges executives to ask questions that go beyond financial returns: What makes people happier and healthier? What cultivates cohesive communities? What fuels personal, not just economic, growth?

We have pretty good answers to these questions, thanks to both trial and error and decades of scientific research. Amit Kumar, a professor of marketing and psychological and brain sciences at the University of Delaware, has been at the forefront of this research. His conclusion: In terms of satisfaction that endures, experiential purchases return more happiness than material purchases do.

and round it goes. “Investing in experiences is investing in relationships,” Kumar says, adding that positive relationships, for a social species, are central to happiness.

Material purchases, on the other hand, tend to evoke comparison and competition. And rather than an enduring return on investment, objects provide less and less pleasure over time, a phenomenon called hedonic adaptation. So shoppers end up feeling less while wanting more.

Cybersecurity executive Dayse Morales lives in a comfortable enough apartment in Brooklyn, but admits that it's minimally stocked. “I have everything I need,” the 42-year-old says. “I'd rather spend my money on traveling.” While Morales typically travels solo, for the last several years she's taken an annual trip with a diverse group of women ranging in age from their early 30s to their 50s. The co-travelers

began as strangers, but now, having gone hiking in New Hampshire and snorkeling in Montenegro together, they know each other intimately. “It’s all about community,” Morales says.

Korn Ferry’s Papandreou says more people than ever are choosing to travel solo or in groups outside of family and friend circles. “People are seeking new companionship

through these shared experiences,” she says. Wellness travel is also exploding, with tourists seeking out meditation retreats and nature immersions. Interestingly, Kumar’s research shows consumers who buy experiences are more open to uncertainty than those simply purchasing items. In fact, unpredictability adds to the allure, which companies are capitalizing on. The online travel agency Pack Up + Go plans surprise getaways for clients based on survey responses,

only revealing the itinerary on the day before departure.

To be sure, consumers are still spending more on durable goods than they were before the pandemic. And there are those who contend that experiences are being commoditized in the same way goods and services have been. A mood of “been there, done that” (with the Taylor Swift Eras Tour muscle tee to prove it) will set in, and the hedonic chase will continue toward ever more intense and novel experiences (and new gear to accompany them). These critics fear the market will find ever-new ways to charge for what was once free. While experiential consumption may be packaged in feel-good wrapping, it can still be reduced to a dopamine-triggering transaction.

People, Pine says, don’t buy goods, services, or experiences: They buy aspirations. The product is simply the means to the end, and the end is a better person and a better life. That’s why the progression of economic value is always going to lead to transformations. These transformations can be thought of as from/to statements. From sick to well. From unable to skilled. The outcome is the product.

Pine says the way to uplevel a service or experience to a transformation is by encaps-

Experience Sells

These companies are growing revenues by leaning into the experience economy.

LEGO Group

Early on, the toy company embraced in-person offerings, from amusement parks to competitions.

Approximate 2025 revenue: \$11 billion (12% annual growth)

Live Nation

The largest live-experience company in the world has seen huge growth in recent years.

Approximate 2025 revenue: \$25 billion (9% annual growth)

Airbnb

By offering travelers “live like a local” experiences, the platform continues to thrive.

Approximate 2025 revenue: \$12 billion (10% annual growth)

Disney

This longtime leader in crafting emotionally moving experiences continues to resonate with the masses.

Approximate 2025 revenue: \$94 billion (3% annual growth)

Lululemon

The athletic-apparel brand sells a lifestyle by hosting yoga classes and run clubs.

Approximate 2025 revenue: \$11 billion (9% annual growth)

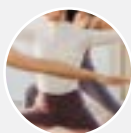
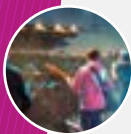


Image Broker/Turgay Koca, Ugur Karakoc, Klaus Vedfelt, Max Keffire, Kiltro Chan, Thomas Barwick/Getty Images



“Investing in experiences is investing in relationships.”

sulating it. Begin by preparing consumers beforehand, help them to reflect afterward, and then offer ongoing integration. Coaching prepares clients to think about the possibilities and what they really want, while reflection brings into clear focus the impact of the experience. Integration is all about the follow-up. “You haven’t truly transformed until you’ve changed your behavior,” Pine says.

As people come to value more meaningful pursuits, they will inevitably put a premium on their time, the most precious of resources, says leisure historian Hunnicutt. Work will no longer be our main portal for expressing identity, and there will be continued pushback against long hours and return-to-office mandates. Careers, too, will become a means to an end. For millennia, those who think about such things have argued that secur-

ing tangible goods is important insofar as it allows societies to cultivate intangible ones: personal and collective actualization (think Maslow’s hierarchy of needs).

Reflecting on his affinity for the culinary and performing arts, Abraham, the Manhattan executive, landed on a conclusion similar to that of Greek philosophers 2,000 years ago: “These activities offer moments to recenter on things that have been important to me since childhood, and to reinforce my thoughts on life and what matters.” //



KORN FERRY

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DOWNTIME

Pursuits 57 | Visit 60 | Suggested 63 | Endgame 64

PURSUITS

Feral Leadership

Executives learn the ancient art of animal tracking as they navigate the wilds ahead. *By Meghan Walsh*



Tenerdos/Getty Images

“My job on the trail or at work is to get to the root.”

Shane Hawkins starts most mornings with a hike on her property in western New York. During these walks, she observes subtle clues that tell a complex story of what’s taking place around her. Not only will she notice tracks left behind by certain species, but she will get to know individual animals by their unique signatures—size, shape, and tendency. Through her skills in animal tracking, and with the help of trail cameras, she has come to know the differences between red and gray fox and the habits of male and female fisher. “It’s very humbling to know all of this is happening and doesn’t have anything to do with us,” she says.

Hawkins has learned to always question her assumptions of what’s happening. “Tracking is all about pattern recognition,” she says—and that requires dirt time. She has to consider all the available information, including what came before the track she’s in contact with and all that came afterward. It’s exactly what she has to do as executive director at Infinity Visual and Performing Arts, a youth-development program in Jamestown, when defusing a work conflict or assessing the effectiveness of a marketing campaign. “There are reasons for everything that happens,” she says. “My job on the trail or at work is to get to the root.”

Hawkins, who now teaches tracking, is among a growing cohort

of venture capital investors, tech founders, and business executives who are turning to the ancient practice of animal tracking as a means of honing their ability to navigate complex systems, anticipate patterns, and make decisions based on rapidly changing, incomplete information. The process of recreating animal movements blends intuition with data analytics and strategic thinking, which some say is exactly the sort of integral skill set needed at this moment. From the Kalahari to California, wilderness guides are stepping into the role of business professor, cultivating what might be considered a more feral form of leadership.

Tracking is as old as mankind, with the earliest hominins trailing animals when hunting. While modernity and its omniscient satellites have made tracking less necessary to survival, the skills and qualities it teaches may be more needed than ever. Sure enough, tracker Jim Lowery, who quit his job as a development director at a legal aid foundation to found Earth Skills in 1987, says there has been a surge of interest in recent years.

Beyond just identifying footprints,

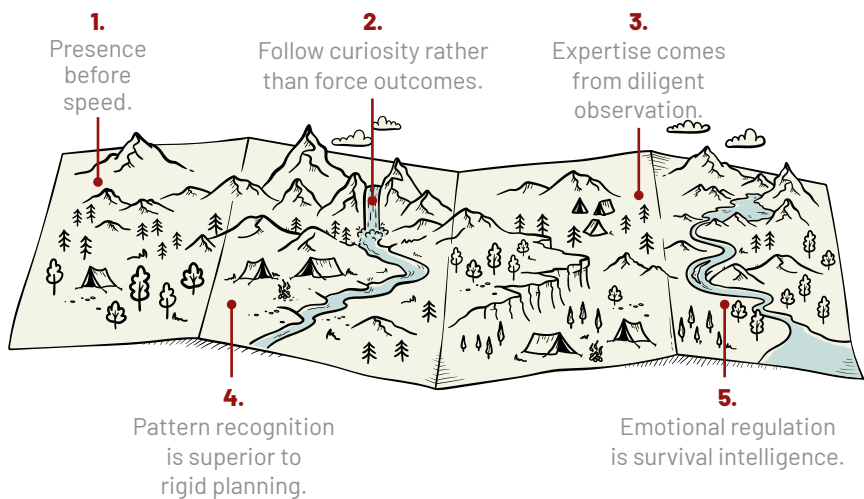


Adriaan Louw (r) is a senior tracker in South Africa.



Shane Hawkins walks her land reading track every morning.

5 LEADERSHIP LESSONS FROM THE TRAIL

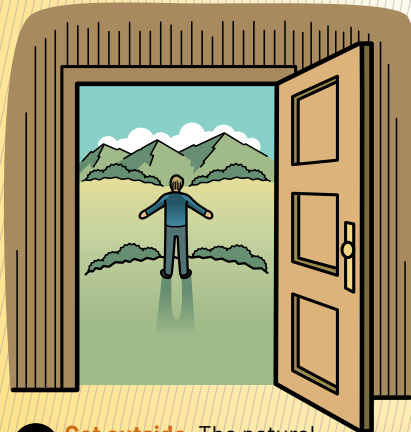




THE ART OF

Doing Nothing

1 Eliminate distractions and create space. Turn off anything capable of beeping, buzzing, or hijacking attention (coworkers and kids included).



2 Get outside. The natural environment draws us into the present moment and calms the nervous system with its sounds, smells, and textures.

While sitting quietly or wandering aimlessly may, on one level, be about doing nothing, these pastimes are, in fact, doing a whole lot, including reducing stress, allowing space for deeper thought, and improving the mind's capacity to pay close attention as well as be creative. Rest assured, doing nothing is no easy feat.

3 Rest. The goal here is to not have goals. Zen calls this "effortless effort." Release any attachment to an outcome or desire for productivity.



4 Take note. What emerges in the void of nothingness? New ideas? Calmness? Connection? Joy? Follow where your attention is naturally drawn.

trackers interpret clues like scat, scent, and trails, such as trampled grass. They also consider environmental influences like wind direction, temperature, and the presence of other prey or predators. Eventually they are able to see and move from the perspective of the animal. But a tracker never has certainty. They must move forward relying on probability, experiential knowledge, and intuition. "If you assume that any reality is static, then you're sunk," Lowery says. "Every reality is a tentative one. You have to make a commitment to continue learning and revising as you follow the trail." The quality tracking experts seem to agree is most fundamental to success: humility.

Adriaan Louw, who lives and works in South Africa, has been bestowed with the highest honors a tracker can receive. "When you get there, you simply realize how much you don't know," he says. Louw worked for years taking business executives into the bush. He says when management teams go into a big, unmanaged system, where animals are animals and plants are plants, people

very quickly realize who they are, too—and what they're naturally suited to be doing within an organization.

Lowu knows the moment someone loses the trail. The spine arches forward and shoulders slump, compressing the rib cage and airflow. Often those walking behind can still see the tracks because they have a different vantage point. The solution, which is so simple and so often elusive, is to stop, look up, and take a deep breath.

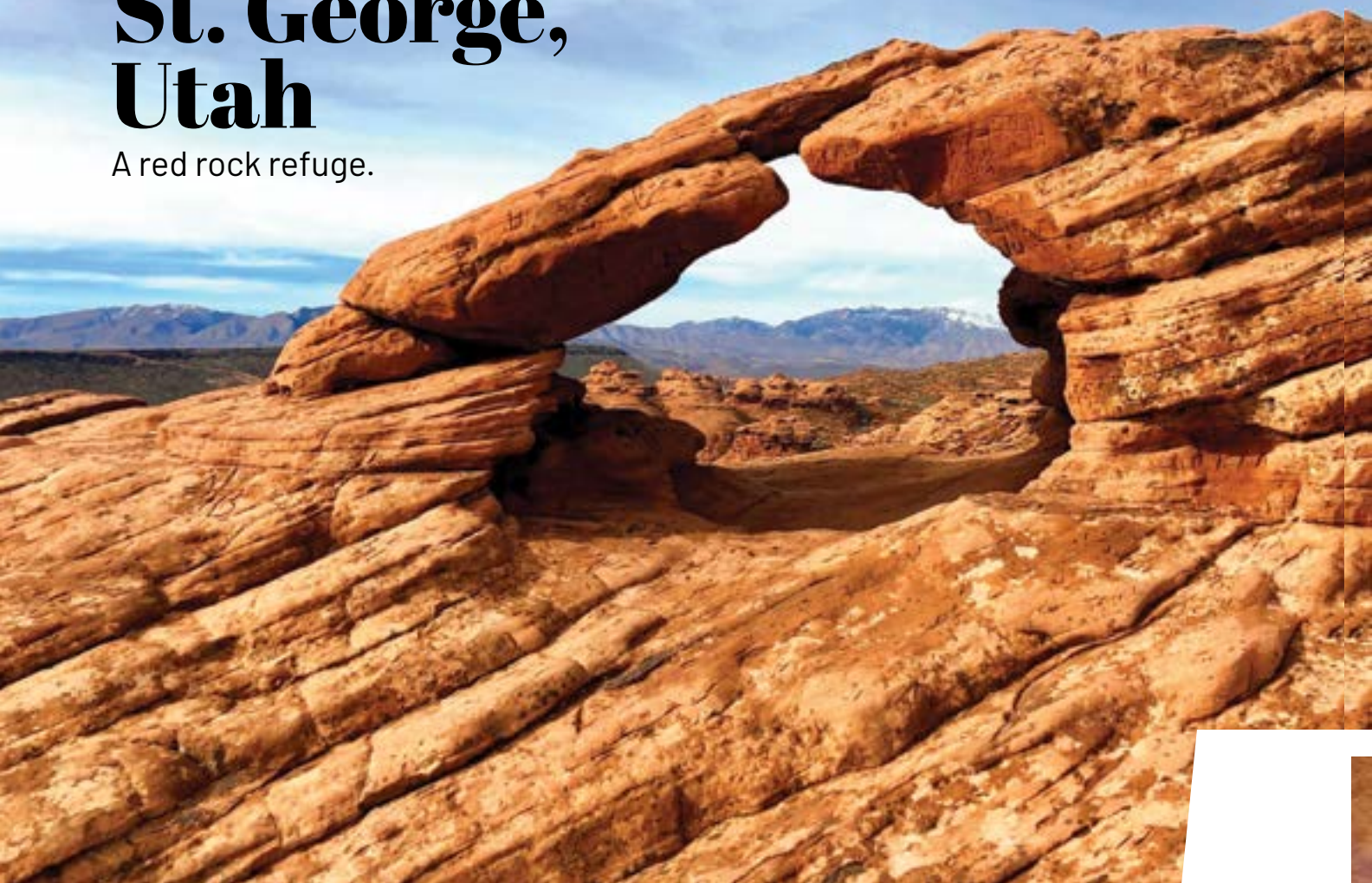
Lowery has a different practice when he gets lost: Talk to the animal. "I say, OK, can you help me out here? Where are we going?" Lowery says. "I have to shift out of me. It's about how I'm relating to the animal." He likens it to the way a business leader is defined in relation to their stakeholders. Similarly, before following any trail, Lowery always begins by asking permission—and he abides the answer. "Don't think you can follow an animal without consequence," he says. (*In memoriam: Jim Lowery passed away after being interviewed for this article.*)

VISIT

St. George, Utah

A red rock refuge.

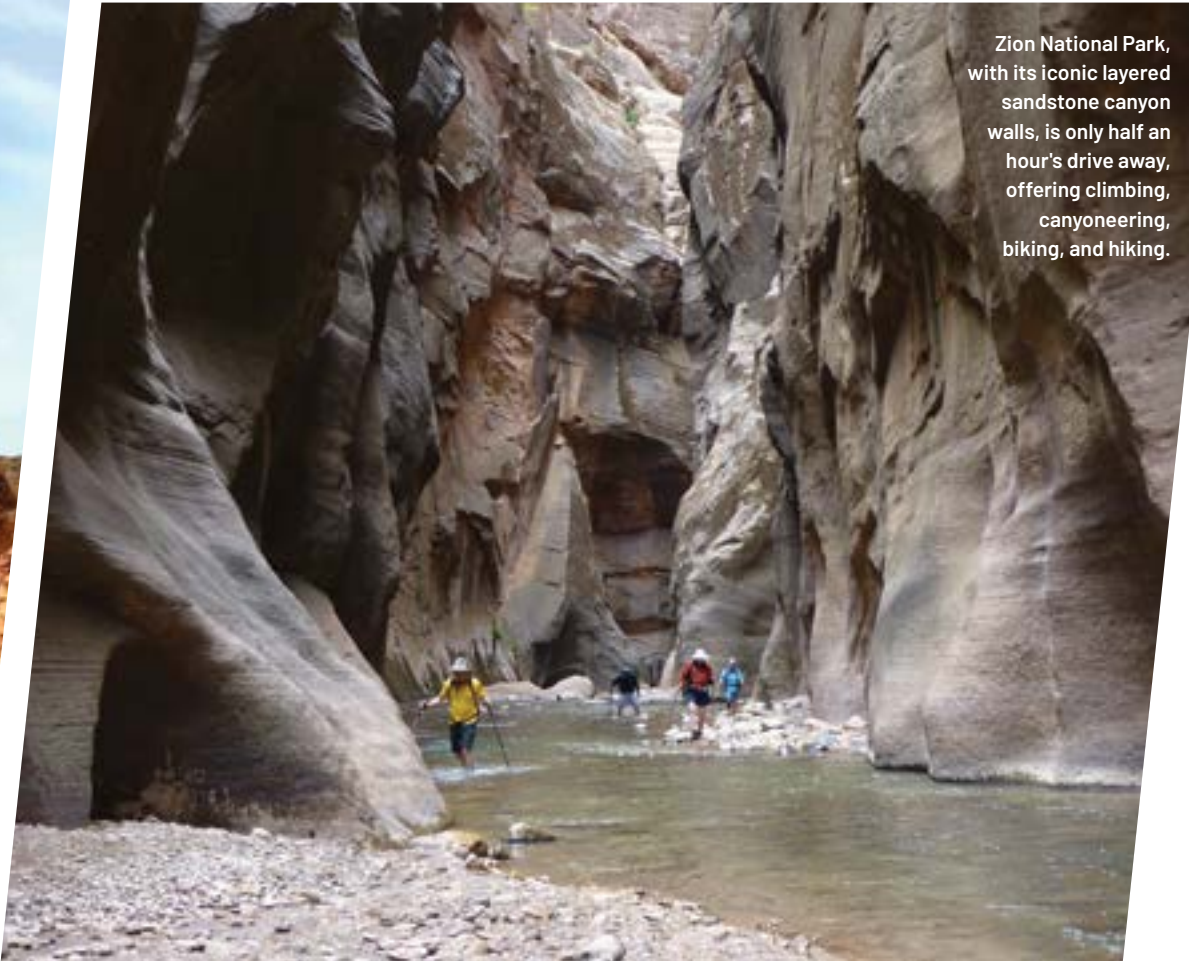
In each of the last three decades the greater metro area population has increased 30 to 40 percent.



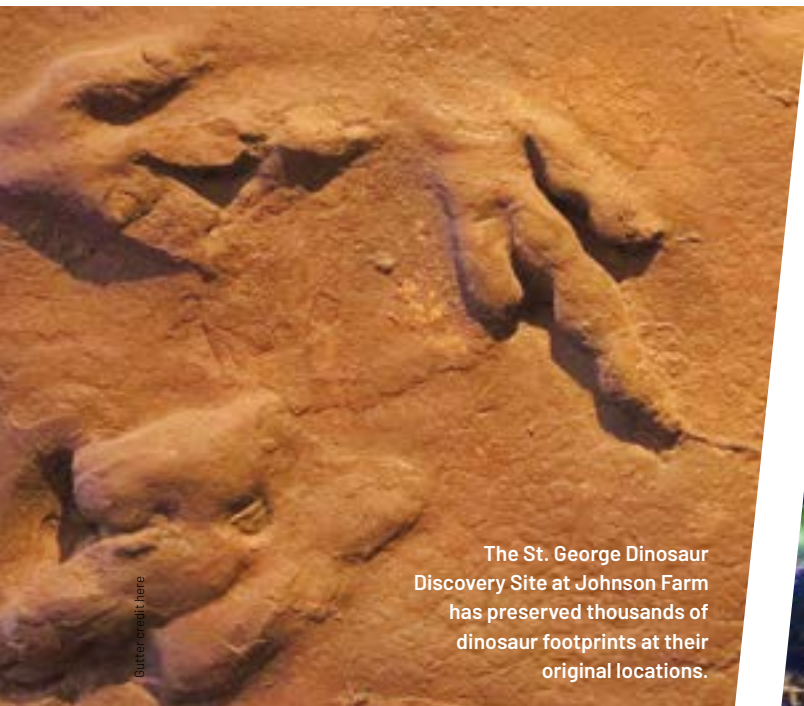
The Tuacahn Amphitheatre offers Broadway shows surrounded by dramatic 1,500-foot red rock cliffs.

Since 2010, Utah's population has grown faster than any other state's, thanks in part to the popularity of one southwestern town nestled between the Colorado Plateau and the Mojave Desert. St. George, known as Utah's Dixie, is attracting residents with its proximity to the Zion, Bryce, and Grand Canyons as well as its expanding high-tech sector, which has grown more than 100 percent over the last decade. The population of this enclave rimmed by red bluffs has quadrupled since 1990, yet the cost of living remains more affordable than in similar trending places in nearby California and Nevada. For those who can handle the heat (summers regularly hit triple digits), St. George—ranked as the country's best-performing small city economically—is worth exploring. ▀





Zion National Park, with its iconic layered sandstone canyon walls, is only half an hour's drive away, offering climbing, canyoneering, biking, and hiking.



The St. George Dinosaur Discovery Site at Johnson Farm has preserved thousands of dinosaur footprints at their original locations.

Photo credit here

St. George's high-tech sector was the fastest-growing in the nation between 2019 and 2024. The tourism, healthcare, manufacturing, and construction industries are also thriving.



READ, LISTEN, WATCH

Something to Talk About

Hollywood is betting this year on luring back moviegoers with franchise sequels, ambitious epics, and cultural manifestos. With the traditional blockbuster formulas no longer selling tickets, studios and A-list actors are experimenting with a new method: Make movies that get people talking.

Ticket sales in North America totaled \$8.9 billion last year, up 2 percent from 2024 even while attendance declined 5 percent. Higher ticket prices drove the increase in revenue as sales have struggled to recover to pre-pandemic levels. While anticipated blockbusters fell flat, original titles that captured the cultural zeitgeist, like *Sinners* and *F1: The Movie*, did surprisingly well. In addition to being entertained, viewers want to feel a part of something bigger. *Briefings* has compiled a list of what to watch this summer so you can join the conversation. ▀

THE END OF OAK STREET

DIRECTOR: David Robert Mitchell

CAST: Anne Hathaway, Ewan McGregor

A cryptic sci-fi about a family in the 1980s that starts to notice bizarre happenings in their neighborhood.

THE ODYSSEY

DIRECTOR: Christopher Nolan

CAST: Matt Damon, Tom Holland, Anne Hathaway

Based on Homer's Greek epic, the film follows Odysseus journeying home after the Trojan War.



I LOVE BOOSTERS

DIRECTOR: **Boots Riley**

CAST: **Keke Palmer, LaKeith Stanfield, Naomi Ackie, Demi Moore**

A comedy following a crew of shoplifters attempting to take down a fashion icon.

THE ADVENTURES OF CLIFF BOOTH

DIRECTOR: **David Fincher**

CAST: **Brad Pitt, Elizabeth Debicki, Yahya Abdul-Mateen II**

The sequel to Once Upon a Time...in Hollywood is supposedly Quentin Tarantino's final screenplay.

DISCLOSURE DAY

DIRECTOR: **Steven Spielberg**

CAST: **Emily Blunt, Josh O'Connor, Colin Firth**

A sci-fi that asks: "If you found out we weren't alone ... would that frighten you?"



SUGGESTED

Home-Brewed

Most people have the tech to make a pretty good cup of coffee from home these days—but what about cold brew for those hot summer days? While traditional methods require steeping overnight or longer, the Cumulus Cold Brew Machine can serve cold coffee and espresso as well as nitro brew in under 60 seconds. Compared to traditional methods, cold brews offer a naturally sweeter, smoother, and less acidic flavor profile.

The Cumulus Machine, \$695



PRO TRAINING

Bikepacking coach **Peta McSharry** explains why this once-niche sport has gone mainstream.

WHAT IS IT? "It's an unsupported adventure bike race over days or weeks, with a minimal amount of gear. It's like lightweight touring."

WHERE DOES SOMEONE START? "By getting to know the equipment and how your body responds to training. Be consistent, riding five or six days a week to build durability."

WHAT'S THE DRAW? "You do all the preparation, then get to test your preparation. You come out having learned so much about yourself and what you're capable of."

Find out more at bikepackingcoach.cc.

Universal Pictures; Warner Bros; Netflix; Neon; Jennifer Doohan Creative; Cumulus Coffee Company



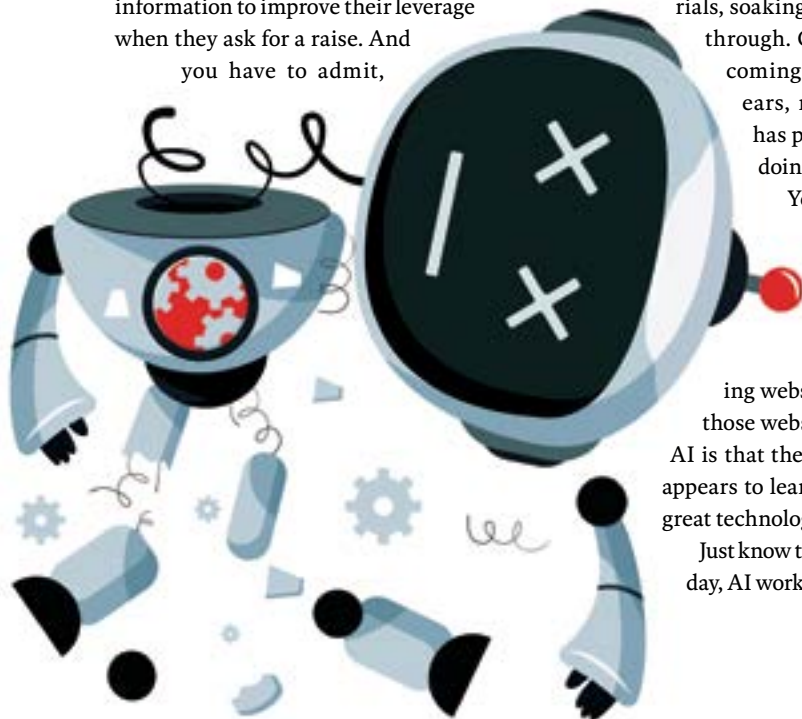


CHIEF CONTENT
OFFICER
JONATHAN DAHL

This Too Shall Pass

From the moment ChatGPT burst onto the scene two years ago, we all knew that artificial intelligence was going to be one of those dramatic, once-in-a-generation technologies that would upend the world of business. We knew it would do that in gigantic ways, forcing companies to totally restructure many of their operations and staffing. But what is usually lost during all this excitement is not the grand, sweeping changes that are taking place, but all the little ways the technology is already gnawing at the fabric of business and the workplace.

Case in point: As we reported in *This Week in Leadership*, workers are sending three million messages every day to ChatGPT about wages and compensation. Think about it—three million! And just to ChatGPT. What they're looking for, of course, is information to improve their leverage when they ask for a raise. And you have to admit,



managers must find it a little intimidating when an employee is asking about “pay bands” and “compensation tables.” All of a sudden, details workers have never known about are just an AI click away. As Bryan Ackermann, our astute head of AI strategy and transformation at Korn Ferry, says, “It surprises me not one little bit.”

But the drama doesn't stop there. The problem is that AI can't possibly know if a given firm is in the middle of shifting its pay pool, or adopting an entirely new pay strategy requiring a whole new set of staffers. Armed with the wrong data, employees who are pounding their chest with their new “knowledge” could potentially back themselves into a corner, and do worse at the negotiating table.

Who would have guessed?

We saw this again when AI-generated “workslop” became part of the modern lexicon almost overnight. We thought the technology would generate our emails in a snap and produce weeks of research in minutes—and it does. Only it also produces a ton of low-grade content that, far from improving worker productivity, is killing it. By one measure, workslop has now crept into about 15 percent of all received work materials, soaking up hours a day for workforces to slog through. Can you imagine how much steam is coming out of your chief financial officer's ears, realizing that the millions the firm has poured into AI to increase efficiency is doing precisely the opposite?

Yeah, who would have guessed.

Of course, the solution to all this is one word: patience. It's easy to forget that it took some years before all the glitches on the web were ironed out and companies could consider building websites. It's also easy to forget how crude those websites once were. The great thing about AI is that the more mistakes it makes, the more it appears to learn from them—and correct them. The great technology learning curve takes some time.

Just know that this transition, too, shall pass. Someday, AI workslop will be just a faded memory. ▀



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Revelation 2 Stereo Amplifier, Preamplifier, and Phono Preamplifier.
Casework shown in Stardust.

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