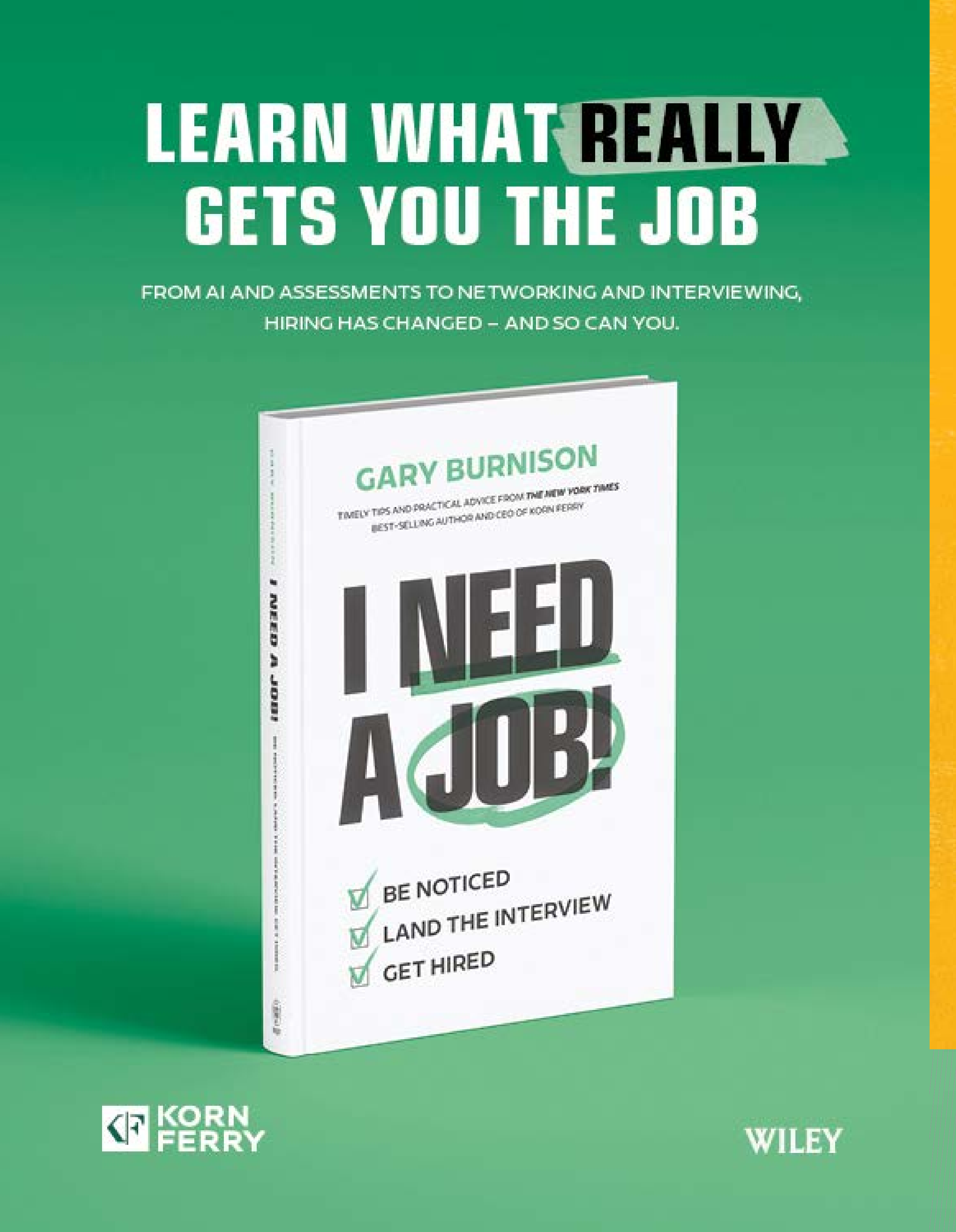


BRIEFLY ON...

MANAGEMENT

"Conventional management training doesn't work."

MANAGEMENT

A Management Crisis in the Making

The tension between what firms expect of managers and how they prepare them for the role is coming to a head over AI agents. **By Peter Lauria**

THE TAKEAWAY

Corporate neglect of management training is catching up with many firms.

It didn't matter where he got his MBA. It didn't matter how many books he read on management theory and philosophy. It didn't matter how much coaching or training he received from his firm (which likely wasn't much). Nothing prepared him for what he now faced—a team of anxious humans spanning five generations and a network of AI agents, all waiting for him to tell them what to do.

The work of management today is about as foreign and unrecognizable as it was when it first emerged as an area of focus for academics and authors in the first half of the 20th century. Dale Carnegie and Peter Drucker could hardly have imagined a universe where managers oversee dozens, if not hundreds, of employees, many of whom never come to the office, aren't interested in advancing, and increasingly aren't even human. "There's been a real paradigm shift in terms of what it means to be a manager over the last five years," says Brad Bell, director of the Center for Advanced Human Resources at Cornell University. "Conventional management training doesn't work."

Small wonder then that nearly 80 percent of managers—who are a critical link in any firm's success—report being disengaged at work and roughly the same percentage say they suffer from stress and burnout, the largest of any employee group. At the same time, managers are a dying breed—41 percent of firms reduced management layers last year, and seven out of 10 Gen Z employees say they wouldn't accept a promotion to manager.

Today, the typical manager oversees 12 direct reports, a 50 percent increase from a decade ago, with that number climbing to 100 or more at some firms that have deployed AI agents. But training managers to deal with AI agents is a lot different than training them to deal with humans. And that's if they are getting any training in those areas to begin with. "I doubt any firm is training employees to manage AI agents, not only because they don't want to pay for it," says Peter Cappelli, director of the Center for Human Resources at Wharton, "but also because we don't yet know how to 'manage' AI agents."

That's not hyperbole. Only 44 percent of managers say they received formal training. Economic conditions are leading companies to cut training budgets, with one recent survey showing that 16 percent of talent development professionals have already experienced cuts, and another quarter expect them before the year is out. Even more telling, despite ranking learning and development as a top priority in survey after survey, employees of all levels only received 40 hours of training on average last year, down 25 percent from 2024.

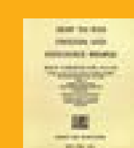
Firms will point out that they are redirecting money and refocusing training funds around AI. And indeed they are: 25 percent of firms expect AI training to receive more funding and resources. The problem, says Cappelli, is that it is the wrong kind of AI training. "The simple issue of checking the output of AI agents isn't managing," he says. Put another way, firms are racing to deploy vast networks of AI agents and putting managers in charge who have only a limited knowledge of how humans work with each other, and no idea how humans and agents interact between and amongst each other.

Paul Cheek agrees. The MIT lecturer and advisor and author of an upcoming book about the "post-human organization" argues that firms are at more risk from the combination of the "Great Flattening" and the emergence of AI agents than they realize. Right now, he says, firms are training people to use AI tools to boost productivity through efficiencies. Instead, he says they should be focused on training managers on how to introduce AI agents into the organization and redesigning how they can work together with humans. "Training has to shift to building shared agency between humans and AI agents instead of just between people."

Simon & Schuster; Photodisc, RyanJLane, sarote pruksachat, Galina Zhigalova, Weiquan Lin/Getty Images

FROM WINNING FRIENDS TO BECOMING CHANGE AGENTS

What it means to be a manager has changed dramatically over the last 100 years.



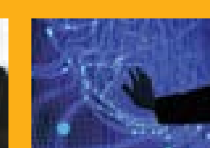
1936
Management becomes an area of study with the publishing of Dale Carnegie's *How to Win Friends and Influence People.*

1950-1960
As firms grow larger and more complex, management evolves into a distinct profession.

1980s
The focus turns to culture and shareholder value, with firms telling managers to develop talent and drive results equally.

1990s
As the computing and tech age arrives, managers focus on workflow coordination and process redesign.

2000s
With the help of the internet, managers become innovators, focusing on customer experience, experimentation and agile learning.



2020s
Remote work, AI, and other disruptions reshape managers into change agents focusing on adaptability and skill-building.

Photo by ROB DOBI

TECHNOLOGY BY PETER LAURIA

Hitting the Gas on Driverless

THE VIDEOS AND STORIES were everywhere. A gaggle of autonomous cars stuck in an unrecognized construction zone. A robotaxi stopped dead in traffic. A self-driving car failing to sense a traffic signal and crashing into another car—or, even worse, a person.

Normally, firms and industries don't recover for years from this kind of negative attention—and some never recover at all. But remarkably, business for self-driving vehicles has only sped up. Once considered experimental, unpredictable, and even dangerous, autonomous vehicles are suddenly being embraced. In cities such as Phoenix, San Francisco, Atlanta, Dallas, and Miami, they've quietly become just another transportation option. "Once people experience a ride in a self-driving car, they get over their initial fear and using them becomes commonplace," says Matt Wayne, managing director and partner at research firm L.E.K. Consulting.

According to an L.E.K. study, one-quarter of people in cities served by autonomous vehicles have ridden in one. Of those, 92 percent said they felt safe during their ride—seven out of 10 said they felt safer than they would have with a human driver. Getting more people to experience self-driving vehicles is one key to the industry's growth, which is why it's in the midst of its biggest expansion phase to date, with plans to put self-driving cars on the streets in at least a dozen new markets by the end of the year.

To be sure, the industry spent heavily on PR campaigns and lobbying to convince more cities and the public to accept the use of self-driving cars. As experts point out, autonomous-vehicle firms rolled out the vehicles exclusively in metropolitan areas, with their lower speed limits, in order to boost safety records. A government stat the industry often puts out: Since 2021, only about 4 percent of crashes involving self-driving vehicles have been attributed to the autonomous system itself; most were caused by another driver or road user. "The runway to grow gets longer the more the safety aspect improves," says John Buechli, a principal in Korn Ferry's Global Industrial Practice specializing in automotive and manufacturing.

THE TAKEAWAY

Firms facing AI challenges may be able to learn from the driverless sector.

For leaders, there are parallels to some of the challenges presented by AI in the workplace. As Wayne notes, self-driving cars won't completely replace existing modes of transportation, just as AI won't take over every job. But the more exposure humans get to the technology, the more comfortable they'll become with it. "There's always going to be a fight against perception," says Wayne, "but the proof is in the pudding."

The question now is whether all this one-sided publicity will stick. Driverless cars still make mistakes, of course. And, like airplane crashes or virus outbreaks on cruises, those events tend to stick in peoples' minds. Brad Marion, global sector leader for Korn Ferry's Automotive practice, cautions that public confidence remains fragile. He notes that the electric-vehicle market swung from exuberant growth forecasts to production cutbacks and multibillion-dollar write-downs, and warns that "all it takes is one or two high-profile accidents to revive the public's mistrust."

Jorg Greuel/Photodisc/Getty Images

TALENT BY VIVI MELKONIAN

The Endless List of Needed Skills

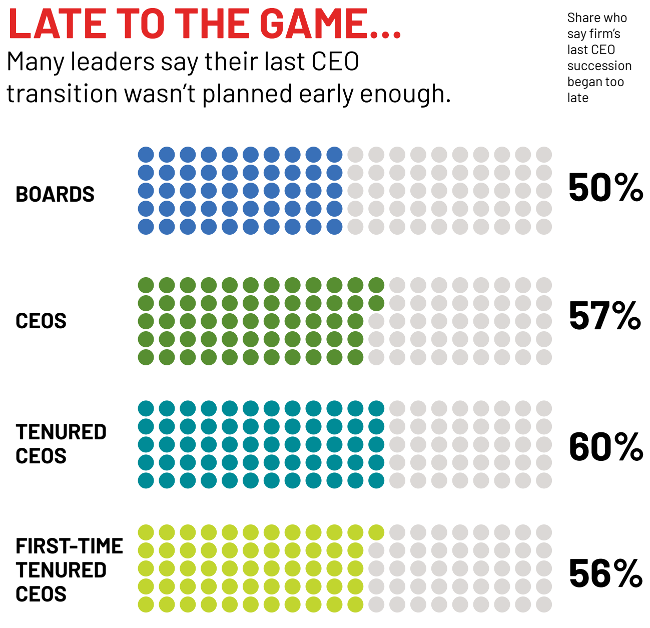
Supatman/iStock/Getty Images

THE POST WANTED AN "EXPERIENCED" marketing leader. Check! It wanted a candidate who could develop unique strategies. Check, again. But then the list of other needed skills and desires just started piling up: strong collaborator, five years in stakeholder management, clear writer, comfortable operating across ambiguity. And that was before requiring a host of AI skills.

DATA

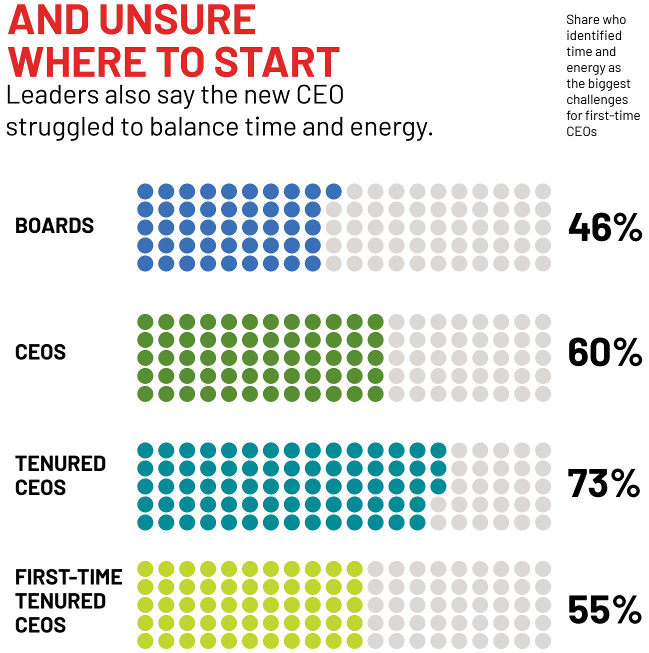
LATE TO THE GAME...

Many leaders say their last CEO transition wasn't planned early enough.



AND UNSURE WHERE TO START

Leaders also say the new CEO struggled to balance time and energy.



Source: Korn Ferry's 2026 Board and CEO Risk Study.

THE TAKEAWAY

Firms need to appear more confident about what employee skills they're looking for.

It's no surprise that firms want some critical skills from job candidates, but the list has turned job postings into what candidates call "tireless manifestos." One study found the average number of words in job postings jumped nearly 15 percent between 2020 and 2025. But for many, it's the list of qualifications firms now demand that seems to have ballooned.

To be sure, in a job market as tough as today's is, it's no surprise that companies would place more demands on candidates. And repeatedly, CEOs have cited the "skills shortage" among workers as the Achilles' heel of their operations. But experts say the paradox of such laundry lists is that by adding more information in an effort to draw better hires, companies can appear unsure of what they're looking for.

"The more I see job descriptions getting longer and longer, it comes back to me as almost corporate indecisiveness," says Angela Blum-Finlay, an adjunct professor at Columbia University and author of *Skill Stacking: Taking Ownership of Your Career in Changing Times*. "We're in a space where a lot of organizations don't know what jobs are supposed to look like anymore."

To no one's surprise, AI is part of all this, with both sides—candidates and hirers—relying on it. Ask AI to write a job description, and it will likely produce an exhaustive inventory of responsibilities and qualifications, lacking the context to distinguish what's truly essential. "If the best prospects need AI to summarize the post before they'll read it, you've probably already lost them," says Quincy Valencia, Korn Ferry's vice president of talent transformation.

This creates an AI feedback loop: companies use AI to write increasingly detailed job descriptions, candidates use AI to tailor their résumé to those postings, and companies use AI to filter applications. Candidates face prolix and restrictive postings, while employers face a flood of nearly identical, AI-generated résumés. "All we're doing is having AI talking to AI," Blum-Finlay says.

Experts say AI should still be a part of the hiring process; indeed, it needs to be in a world with so many applications pouring in. But it should be evolved to account for candidates' practical skills and potential—not simply their past titles or ability to match keywords. One study found that job previews that gave candidates an accurate picture of what the role would entail are associated with lower voluntary turnover and higher performance. Investing in more human-centric hiring can lead to better-fit hires, lower turnover and stronger long-term growth for employees and organizations.

As candidates place greater weight on organizational culture and values, most HR pros say companies are better served defining their mission and trusting people to bring the skills that help them advance it. "If we get to a skills foundation and less fluff, we get a better alignment," says Blum-Finlay.

Ekaterina Vasileva-Bagler/Getty Images

RETAIL BY ARIANNE COHEN

Who's Buying Toys? Not Just Kids.

AT RECENT TOY INDUSTRY events, it has made for an odd sight: The adults were enjoying themselves just as much as the kids were. Perhaps more.

In the latest example of how nimble retail leaders—and corporate leaders in general—need to be, the toy business started creating and stocking store aisles with

THE TAKEAWAY

Leaders must be careful not to overreact to a current trend that may fade.

fidget toys and figurines geared toward a rather surprising demographic: grown-ups. With fertility rates dropping, a rising number of adults seem to be yearning for some fun and games themselves. Add in the legions of retirees, who increasingly have no grandchildren, and you have yourself a bona fide trend. "If I'm a toy manufacturer, I'm looking for ways to stretch my market," says Paco Underhill, the author of *What Women Want: The Science of Female Shopping*.

What are the toys? Buildable flowers marketed to women. Make-your-own-stuffed-animals marketed as a couples activity. Endless figurines and toys from TV shows and movies that only adults would watch. Sports-star dolls. Approximately a third of adults now work remotely sometimes, which has an impact on all of this, too. "You wouldn't use adult Play-Doh in your office in midtown, but you could use it in your home office," says Underhill.

The industry term for all of this, "kidult," now represents nearly 20 percent of total toy sales, a figure that has doubled since 2020, based on figures from market researcher Circana. The market is now worth approximately $9 billion. Before the pandemic, much of the kidult market was limited to video games and Lego kits geared toward men and nostalgia—think memorabilia and collectibles. This is still partially relevant: Toy firms have found that adults will pay for nostalgia related to iconic brands, often in the form of toy revivals. Experts say it's filling a need. "We have lost 'playtime,' or the ability to power down and be more creative," says retail expert Denise Kramp, senior client partner at Korn Ferry.

Developing toys for adults is not always smooth sailing. Hit toys are unpredictable. "Toys often succeed or fail in spite of themselves," says Underhill. Often a toy will organically gain social media momentum, or appear in a TV show or movie by chance—not as a product placement—and watchers will buy it.

Of course, there's a lesson here for other industries: many of these kidults have been around for decades, just lying in wait for the play activities of their dreams. Now, the question for toymakers is whether the popularity of kidult toys will last. Or will the kidult toy market prove to be as fickle and trend-based as the child toy market?

WHAT'S ON THE NEXT BOARD AGENDA

1

GEOPOLITICAL RISK

Nearly three-quarters of executives in a recent survey cited geopolitics as the biggest threat to global economic growth.

2

PAY DISCLOSURE

Boards are weighing changes to executive compensation disclosures following an SEC proposal to reduce requirements.

3

BOOMERANG CEOS

Some boards are actively recruiting experienced CEOs to steer firms through unprecedented disruption.

HISTORY LESSON | BY GLENN RIFKIN

CBS Radio News: Good Night and Goodbye

Forget watching or scrolling. For some generations, nearly all the news they got was just from listening.

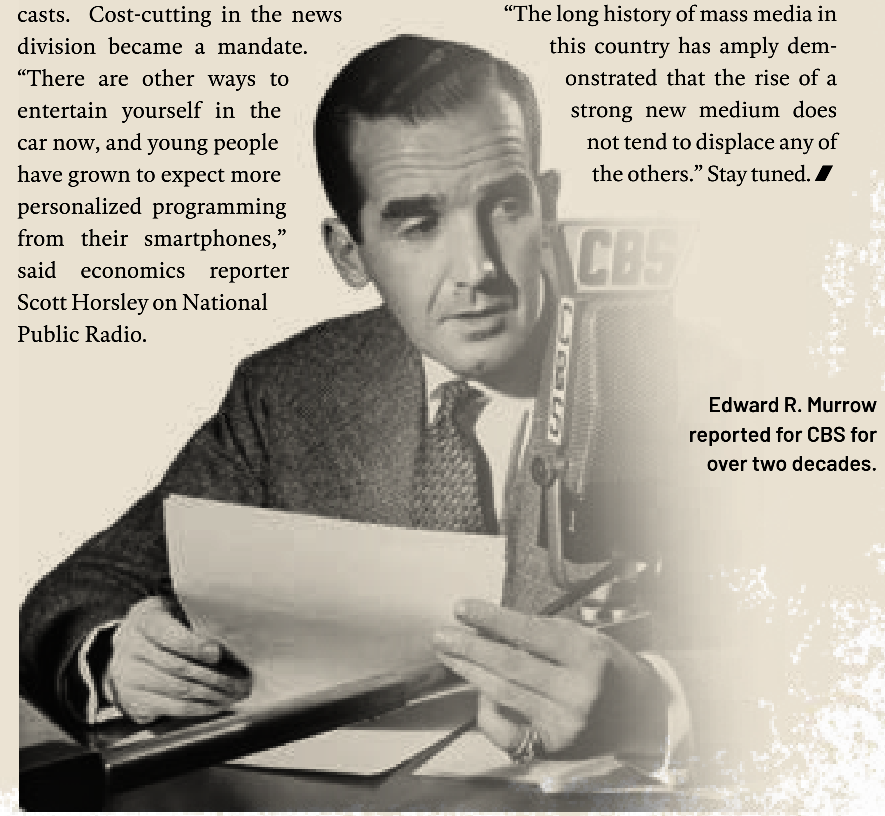
DURING THE NAZI BOMBING of London during World War II, the voice of Edward R. Murrow, the famed journalist for CBS Radio News, was heard in living rooms across America. "This... is London," he would intone in his baritone voice, bringing vivid descriptions of the Blitz to a rapt audience. At the end of each broadcast, he signed off with "Good night and good luck," a phrase that would become his calling card during an iconic broadcasting career.

In the era before television, radio was the global technology that connected the world. Murrow was the first among a long list of legendary broadcasters whose voices were heard by generations of Americans on CBS Radio News. Founded in September 1927 by a young William S. Paley as the precursor to his eventual CBS News empire, CBS Radio News was a broadcast-news magnet for such famed radio voices as Walter Cronkite, Eric Sevareid, Dan Rather, and Judy Muller. These voices were among the many notable broadcast newsmen and women who reached the masses through its sacred place on the radio dial. Among media outlets, CBS Radio News was the gold standard, building a high trust factor and providing detailed, quality reporting about wars, domestic politics, the JFK assassination, the Civil Rights Movement, man walking on the moon, the 9/11 attacks, and every other major news event of the day.

After nearly a century on the airwaves, CBS News shut down the CBS Radio News syndication service last spring. Even though CBS Radio News was still carried by 700 stations nationwide, Paramount Global, owner of CBS News, felt it was time to pull the plug. It cited declining radio listenership and shrinking advertising revenue due to dramatic changes in the media landscape. Fewer young people listened to the radio, favoring social media, streaming channels, and podcasts. Cost-cutting in the news division became a mandate. "There are other ways to entertain yourself in the car now, and young people have grown to expect more personalized programming from their smartphones," said economics reporter Scott Horsley on National Public Radio.

In the midst of such media transformation, the profession remains in flux, but the fallout is clear. "The loss isn't just sentimental. It's foundational," said Lisa Mullins, veteran public radio reporter and anchor in Boston. "We're seeing, in real time, the chipping away at news outlets that have earned our trust."

Still, not everyone believes that radio news has met its demise. In a prescient comment in the 1948 CBS annual report, Paley, pointing to the compatibility between radio and television, wrote, "The long history of mass media in this country has amply demonstrated that the rise of a strong new medium does not tend to displace any of the others." Stay tuned.



Edward R. Murrow reported for CBS for over two decades.

Science History Images/Alamy