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CHIEF EXECUTIVE OFFICER **GARY BURNISON**

Believe to Achieve

Many years ago, a ship out in the middle of the ocean was rocked by a fierce storm—and everyone had to abandon ship. After countless days in a small life raft, the captain finally stood on the beach of a deserted island, surrounded by 10 other people—wet, cold and scared.

To rally everyone, the captain told them that they would be rescued. In the meantime, though, the priorities were shelter, fire and food. People began to work together in small groups—and they began to believe.

The captain climbed a hill above the beach to search the horizon for signs of a rescue. Instead, the captain saw at least 10 more life rafts being carried toward the island by the tide. "We're going to have company," the captain called out to the others. "Soon, there will be one hundred or so people on this beach—and they need our help."

"Lucky for them, you're here to take charge," someone called out from the group, and many others nodded.

"No," said the captain. "That's not going to work. There will be too many for one person to lead directly. I need each of you to meet one life raft and help those people for the next few days until we get rescued."

The group didn't look happy. "How are we going to do that?" they asked.

"The same way I did," the captain explained. "It's not that difficult—reassure them about their future, help them understand what needs to be done now."

"So... what will you be doing?" another person asked.

The captain gave a reassuring smile. "It's my job to help each of you become the leader that your team needs."

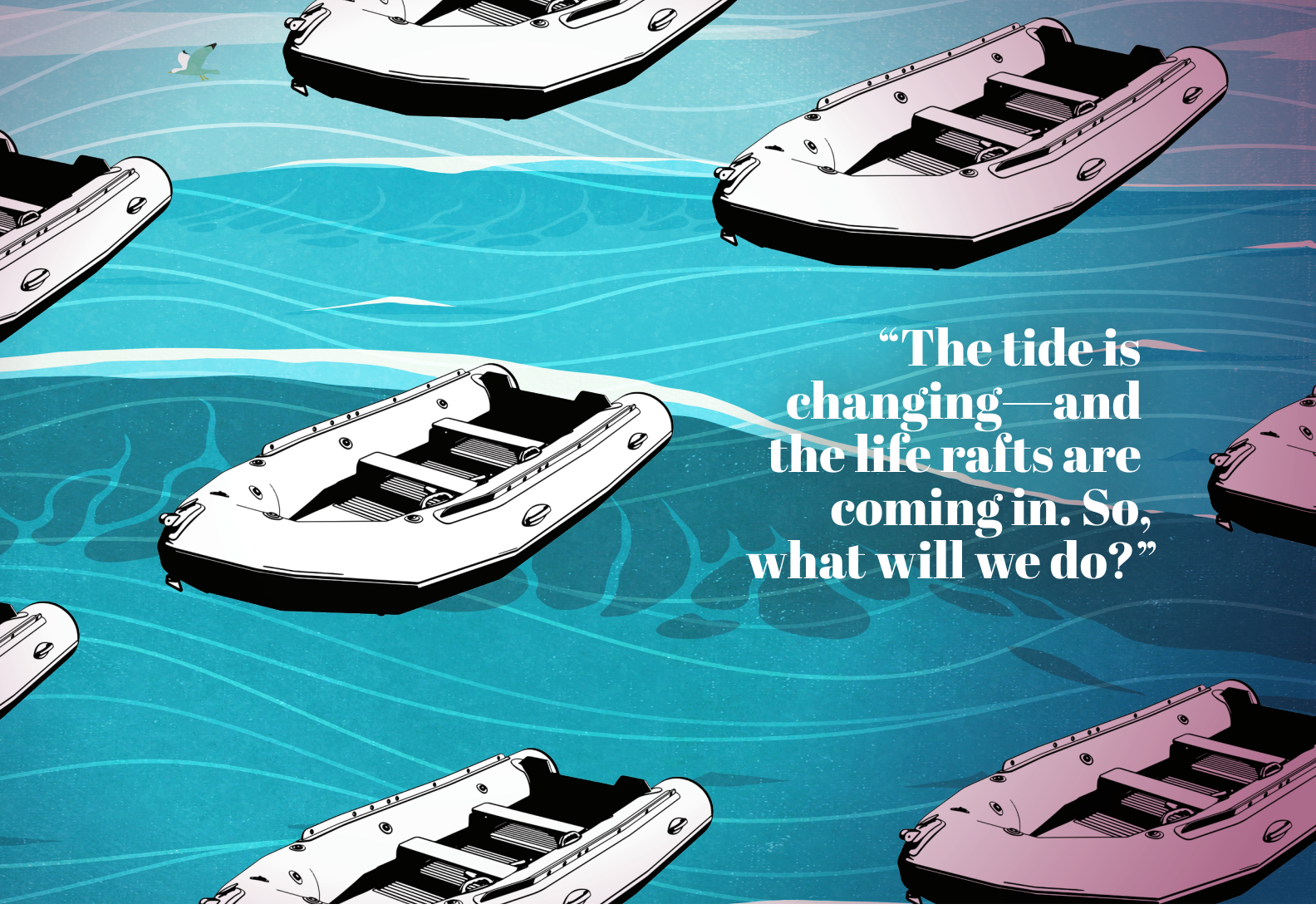
The captain's fable, which was shared with me by a colleague a few years ago, always reminds me of the importance of the ABCs of leadership: *Accountability, Belief* and *Capability*.

ACCOUNTABILITY. When most people think about accountability, they look through the lens of how accountable others are to them. The truth is we first need to look in the mirror—at who we are and how we act. In other words, we must first be accountable to ourselves for our own behaviors. Then when we desire peace, we act with peace. When we value truth, we uphold it. When we feel compassion, we show it.

BELIEF. When we believe we can make a difference—that change is possible—our actions will follow. This is what leadership

Blacklight_trace/iStock/Getty Images, Malte Mueller, Aleksandarvelasevic/Getty Images

Portrait by **ROB DOBI**



is all about: inspiring others to believe and enabling that belief to become reality. And when others are discouraged, disappointed, or drowning in doubt—that's when our willingness to believe changes everything. Uncertainty turns into confidence, ambivalence into motivation, and can't into can.

CAPABILITY. This is a broad brush: listening, caring, connecting, inspiring, expanding, exploring, and learning. The more we grow, the more we can become the leaders others need us to be. And if we need encouragement, all we need to do is look back on how far we've come. That's when we can appreciate more fully just how capable we've become.

The tide is changing—and the life rafts are coming in. So, what will we do?

It's time to choose accountability for who we are, and to showcase the capabilities we bring. The real gamechanger, though, is belief.

In life and leadership, we all have stories of people who helped us face our fears, overcome our doubts, and enliven our spirits. Early in my days as a CEO, there was the board member who took the time to mentor me, saying: "I don't just want you to be successful—I am going to ensure that you are successful."

But, if we're honest, how often do we really go back and reflect on those times and those people who truly believed? More to the point, how often do we embody those beliefs for others?

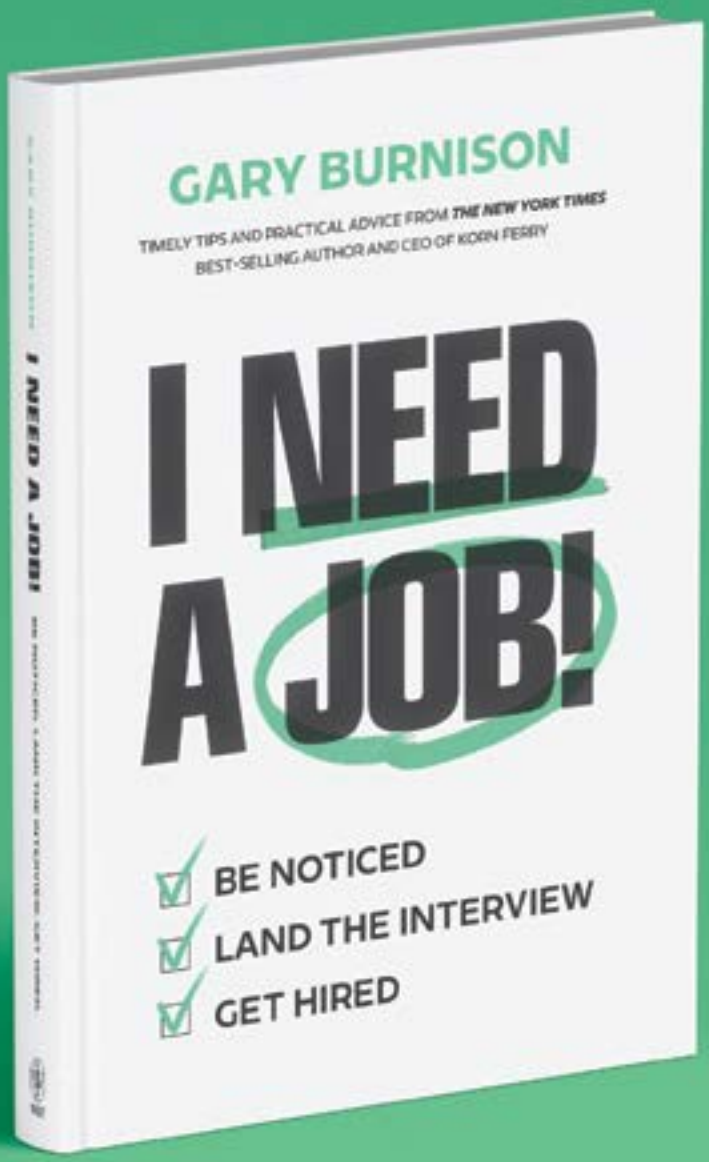
Belief is symbiotic, with mutual respect and understanding on both sides. Everyone has their own truth, and leadership is taking that self-truth and making it shared truth. Not just believing *in* people but believing *for* them and *with* them.

To be a leader, we walk with others—occasionally in front, sometimes behind, and always by their side. Because people may not remember what we tell them, but they will remember whether we believed in them.

For more career advice, read Burnison's latest book, **I Need a Job!**

LEARN WHAT REALLY GETS YOU THE JOB

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



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BRIEFLY ON...

LEADERSHIP

"They should ask 'How can we adapt?'"



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Illustration by **ROB DOBI**

LEADERSHIP

A Mountain of Risks—Few Answers

For the second straight year, CEOs and directors tell Korn Ferry risk is rising, but confidence isn't. **By Russell Pearlman**



If the last decade has taught leaders anything, it's to expect unexpected risk to happen pretty regularly. A worldwide pandemic. Trade wars. Shooting wars. Supply-chain blockades. Natural disasters. A technological sledgehammer called AI. All of them have been on the menu, sometimes more than once, since 2020. Business elites certainly think more is on the way; 64 percent of board directors and CEOs believe their organizations face more risks now than they did a year ago, according to the latest Korn Ferry CEO and Board Risk survey. That's after 62 percent said that there'd be more risks in 2025 than there were in 2024 (a prediction that proved prescient). Yet in 2026, barely half, or 52 percent, of those executives are confident in their firm's ability to handle risks, and even fewer, 42 percent, are confident that their organization will handle unexpected risks. This lack of confidence comes even as firms have poured billions of dollars into scenario planning, supply-chain backups, and other risk-mitigating tactics. Experts say the continued anxiety probably isn't a problem of money, tactics, or even a lack of staffing talent. It's an issue that falls squarely on the shoulders of those at the top of the corporate ladder. Leaders shouldn't ask only how things could go wrong, says Aarn Wennekers, founder of the board consultancy Success Advisors. "They should be asking 'How can we adapt in time?'"

Perhaps unsurprisingly, executives worry the most about the risks over which they have little to no control. Only 33 percent said they felt confident they could manage economic volatility, while only 26 percent felt they could effectively navigate geopolitical risks. Just 38 percent said they had

Illustration by **ROB DOBI**

THE TAKEAWAY

The lack of leadership confidence can rattle stakeholders.

confidence the firm could handle the challenges around AI and future technologies. But it's not as if executives feel rock-solid about things they do have a lot to say about, either. About three in five, 58 percent, said they feel their firms have a firm grasp on leadership development, while 53 percent said they're confident they can manage regulatory and compliance risks.

Of course, this anxiety is a far cry from the confidence that those same leaders project to investors, employees, and other stakeholders about their ability to manage volatility. From 2020 through last year, instances of the word "resilience" and its variations rose 162 percent on the earnings calls of major US public companies, according to the AI-research firm AlphaSense. Executives might feel they have no choice but to project confidence. "I'd be horrified if, as a shareholder, the CEO of a company I was investing in said they're not managing risks well," says Dennis Carey, vice chair and co-leader of Korn Ferry's Board and CEO practice.

Many organizations have become quite good at identifying risks, but they're not always sure how to prepare themselves for them. Other firms are responsive to a disruption's first occurrence, but fail to identify the underlying conditions that enable it to recur. "Experience does not automatically create learning," says Laura Brennan, founder and executive advisor of the I CAN Collective, a risk consultancy active in Europe and the Middle East.

All of this points to a lack of agility, experts say. To respond rapidly and confidently to conditions requires planning for every scenario, along with directors and CEOs being willing to learn, experiment, and take bias out of decision-making.

Leaders, Carey says, should be looking around corners to head off their biggest business risks. Executives should be investigating small companies, using innovative technologies and business models—then buying them out or partnering with them. Fewer than half of the firms in the 2000 edition of the Fortune 500 are on the list today; the rest have gone out of business, merged, or been acquired. Sure, political and environmental catastrophes could spring up, but they aren't the primary reasons firms disappear.

WHO'S CONFIDENT?

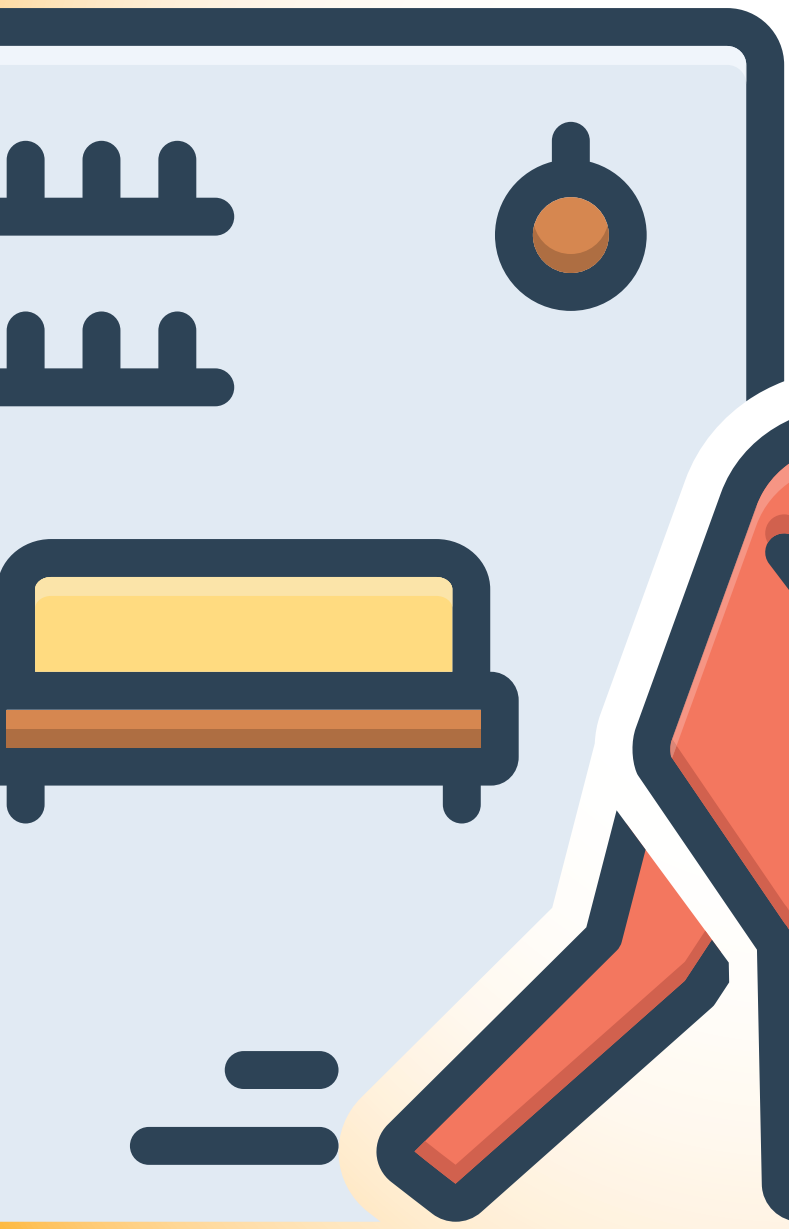
The level of anxiety about various risks varies widely by industry.

How confident are you in your organization's ability to manage the following risks?

	TOTAL	FINANCIAL SERVICES	HEALTHCARE	INDUSTRIAL & MANUFACTURING	TECHNOLOGY	LIFE SCIENCES	CONSUMER MARKETS	PUBLIC SECTOR
VARIOUS RISKS								
ECONOMIC VOLATILITY	**33%**	46%	35%	28%	22%	33%	30%	38%
GEOPOLITICAL	**26%**	38%	27%	22%	22%	18%	32%	21%
AI AND FUTURE TECHNOLOGIES	**38%**	38%	38%	31%	53%	39%	32%	35%
LACK OF OR LOSS OF TALENT AND SKILLS	**44%**	57%	32%	39%	42%	52%	30%	56%
REGULATORY AND COMPLIANCE	**53%**	65%	54%	47%	53%	48%	41%	62%
LEADERSHIP-PIPELINE DEVELOPMENT	**58%**	68%	54%	53%	58%	48%	51%	76%

TALENT BY ARIANNE COHEN

A Very Modern Definition of 'Sabbatical'



REMEMBER THE SABBATICALS OF yore? When long-term employees would take six months off to travel? Or to enroll in a leadership boot camp? Or to write a book (invariably discovering that writing a book takes longer than six months)?

That was then. Today's managers are increasingly fielding questions from employees about long absences, signaling that the concept of the sabbatical has become something far more utilitarian, and, in some cases, heartbreaking. "I am seeing more employees asking for extended time away for caregiving," says Erika Duncan, co-founder of HR consultancy People on Point.

Both demographics and great advances in medicine are creating this new workplace need. People today survive a wide array of illnesses and injuries, but in doing so, they expand their universe of needs. Those needs often land firmly on the shoulders of their children and other relatives, who must then balance their own careers with caregiving. That's a growing issue at a time when baby boomers are turning 75 at a rate of 8,000 Americans per day. "They ask whether there is a way to make it all work," says Duncan.

Tell this to the busy manager who is thinking, "How on Earth will I maintain productivity for six months without Sue?" The sense of

Priyanka Gupta/iStock/Getty Images

THE TAKEAWAY

Leaders should avoid overreacting as much as possible.

panic is particularly acute if Sue is clinical, revenue generating, customer facing, or in another critical role. Managers are skilled in getting things done with a hired team, not in navigating the murkiness of an emergency-leave request that extends beyond relevant state or federal leave policies.

Two-thirds of firms now have a policy for long-term, unpaid-caretaker or medical leave, up from 44 percent in 2018, according to the World at Work Total Reward Inventory Survey. The Family and Medical Leave Act, which governs firms with fifty or more employees, allows workers 12 weeks of unpaid, job-protected leave. Beyond that, it's the Wild West: Some company policies are just a sentence or two; a third of firms have no policy at all.

Experts say that before managers panic, they should know that there is a common escape hatch: talking with employees about what they really need. "Though it feels like a catastrophe, people forget that in practice, many employees don't necessarily need continuous leave," says Ron Seifert, North America workforce reward and benefits leader at Korn Ferry. Rather than six months off, employees might simply need enough freedom to attend appointments and take occasional rest days.

In the initial meeting with the employee, managers should just listen, says Jennifer Schaefer, CEO of benefits consultant JS Benefits Group. Then, Duncan advises, they should pull HR in early, to understand policy, legal requirements, and precedent. When managers go astray, it's often in being too loose. "Compassion does not require the absence of structure," she says.

In the end, the work-around may pay off, as retaining a good employee is cheaper than hiring and training their replacement. What's more, "there is nothing more important for building employee loyalty than having their best interests at heart," says Erin Bortz, global manager of recruiting at cybersecurity firm Huntress.

LEADERSHIP

BY ARIANNE COHEN

The New CEO, the New CEO...



Art Box Images/Getty Images

IT'S CERTAINLY A DIVERSE AND LONG list of retailers: Target. Walmart. Dollar General. Best Buy. 7-Eleven. Kroger. Lululemon. L.L.Bean. Saks. Givenchy, Armani, and Bottega Veneta. But it turns out they all have something in common: Their top seats are—or soon will be—held by someone new to the job.

If this sounds familiar, it is: Retail is far from the first industry to experience high CEO turnover. Leader exits tend to be correlated with disruption, like that of the post-pandemic period, when healthcare-CEO turnover hit record highs. But for now, retail holds the crown. Last year, the consumer sector had the highest CEO turnover of any industry worldwide, at 17 percent, with 54 exits. Now, a year later, the old CEOs have said sayonara, and most of their successors are on the job. "It is recognition that

retail is in trouble," says retail expert Paco Underhill, author of *Why We Buy*. "The line between cyber and physical is getting fuzzier and fuzzier, and some retail icons are going the way of the dinosaurs."

What now? Buckle up. A sports analogy: Typically, coaches play against each other's teams for decades, developing familiarity with each other's respective inclinations. When a new coach comes in, rivals don't know the new playbook, so for a couple of years, they have to guess. "Past competitive behavior becomes less predictive," says former CEO Arie Brish, a board director and adjunct faculty member at St. Edward's University.

Overall CEO turnover in the US has declined this year, but retail is still reeling. This is perhaps because the sector is a bellwether for major changes, including the ongoing e-commerce revolution, and, more recently, the budget-eating advent of gen AI. Meanwhile, 61 percent of consumers say price matters more than it did two years ago. As consumer habits change quickly, some retailers are struggling to pinpoint who, exactly, their e-commerce customers are and what they want.

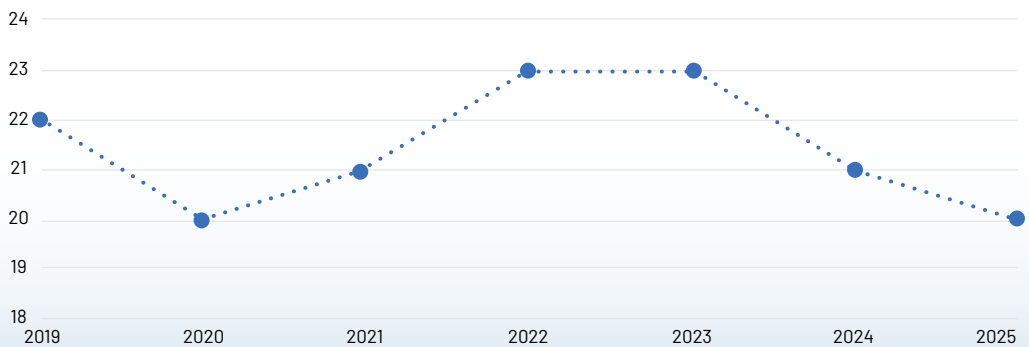
On paper, retail is actually flush, with after-tax

DATA

A LACK OF (MANAGER) ENGAGEMENT

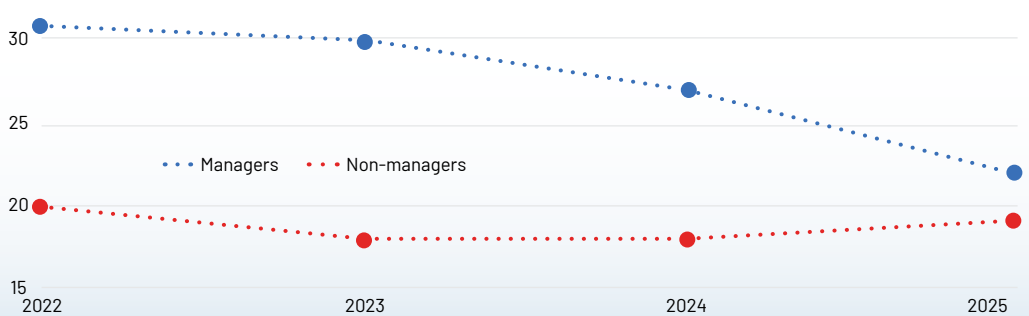
After rising for a decade, the number of engaged employees has started falling since peaking at 23% in 2022 and 2023.

GLOBAL EMPLOYEE ENGAGEMENT, 2019–2025
(% ENGAGED)



But looking closer reveals a surprise: It's managers bringing down the numbers. Engagement among managers dropped from 31% in 2022 to 22% in 2025, while engagement among individual contributors was nearly flat.

THE VANISHING MANAGER PREMIUM: GLOBAL ENGAGEMENT BY ROLE
(% ENGAGED)



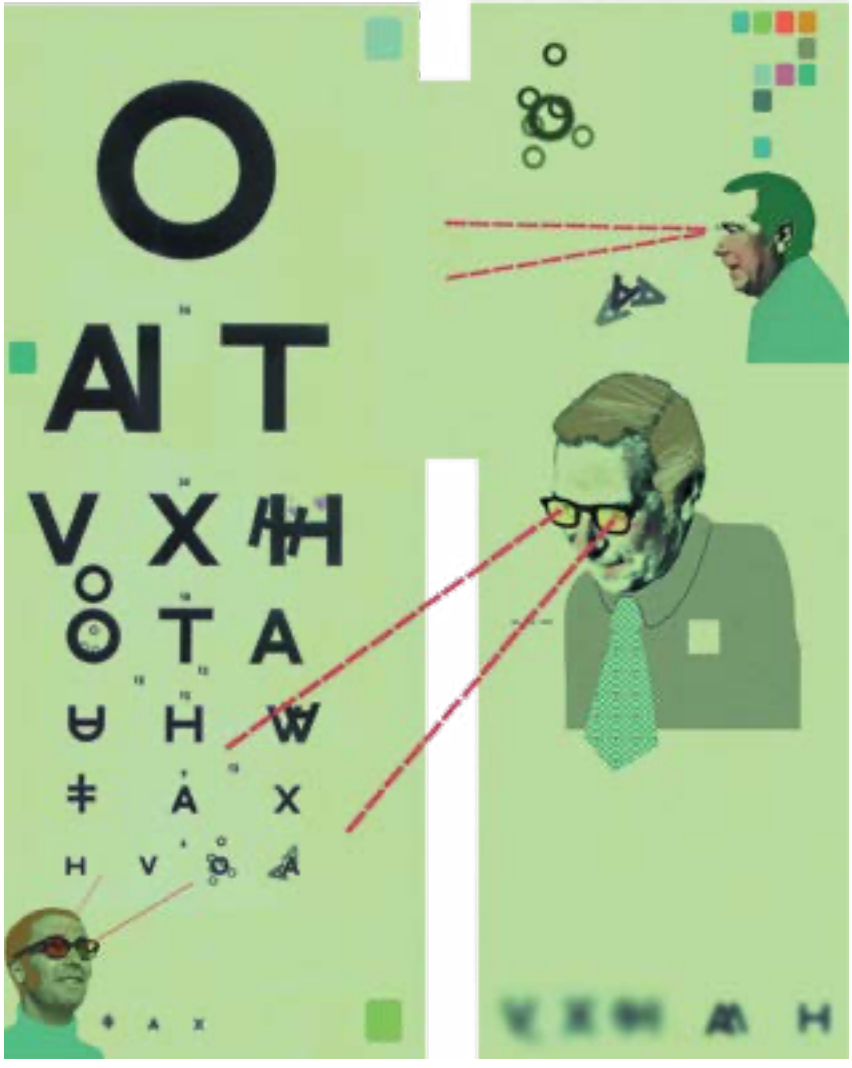
Source: Gallup Workforce Report

THE TAKEAWAY

A rash of new CEOs coming in can have positives.

profits at large US companies nearly doubling. But most of that revenue has come not from stores but from investment and other non-operating gains; the core business has had to absorb tariff costs and uneven demand. At the same time, boards are noticing that executives who led their organizations through the pandemic don't seem to have the skill set needed for the age of AI. They performed well in higher-growth scenarios, but now firms are running during a low-growth era that's driven by price rather than volume.

Since the newest leaders have (mostly) arrived, much of the retail industry is in a wait-and-see posture. "When so many leaders are new and an industry has long-standing ways of doing things, the barriers go down," says Jane Edison Stevenson, global vice chair for board and CEO services at Korn Ferry. "There can be a new level of invention." New leaders typically explore the business for ninety days before they make changes, often by swapping out leaders one level below the C-suite. In turn, numerous employees wait to see which way the wind blows. Expect big thinking. "It enables people to think more broadly," says Stevenson.



Ray Smith/Stockbyte/Getty Images

DEVELOPMENT

BY RUPAK BHATTACHARYA

What Is Your 'Factory Setting'?

THE CAR-COMPANY CEO HAD mapped out his firm's strategy to perfection. Then the price of fuel shot up threefold, leaving him without the faintest clue of how to pivot. A trusted confidant said perhaps the CEO needed to adjust his "factory settings."

His what? Each year thousands of leaders go through assessments in which

THE TAKEAWAY

Simple listening still matters.

their behavioral tendencies are diligently dissected to diagnose whether or not they're fit for the top job. But the biggest obstacle for such leaders could be their own factory settings—otherwise known as their inability to move past the way they've always done things.

To be sure, breaking old habits is not a new problem, but today's emphasis on authenticity and trustworthiness has convinced many leaders to adamantly stick to who they are. That strategy doesn't appear to be foolproof, though, with one report putting the cost of poor management and lost productivity from disengaged employees at $8.8 trillion, or 9 percent of global GDP. "It's a cop-out. It's an excuse to say 'I am my default settings,' because it's convenient," says Jamen Graves, Korn Ferry's global leader of CEO and enterprise leadership development.

Graves argues that "leading by design," as he calls it, more authentically demonstrates who you are than following factory settings does. "It's not solving for what's comfortable. It's solving for what you believe in," he says. And in an era in which AI's capacity is almost doubling every half year, the stakes for leaders to rapidly adapt could hardly be higher.

Experts say that the factory settings that commonly need fixing include small-picture focus, intolerance for ambiguity, and a lack of optimism. Graves advises moving past these kinds of unhelpful inherited traits by following three steps: cultivating an awareness of and context for one's audience, developing an understanding of one's own particular factory settings, and engaging with a given situation guided by a purpose that one truly believes in.

When it comes to enabling an entire workforce to change its factory settings, leaders' empathetic listening skills also become critical, according to Dr. Gabby Burlacu, an organizational psychologist and future-of-work researcher. She notes, for example, that the top-down manner in which some firms notified employees of return-to-work policies often backfired. "What workers really wanted was just to feel heard," she says.

For those who believe that empathetic listening isn't necessary in a tight job market, experts point out that the pendulum can swing back. Indeed, a third of managers say they've rehired human workers whom AI was going to replace. Perhaps even AI needs a look at its factory settings.

WHAT'S ON THE NEXT BOARD AGENDA

1

EMERGENCY SUCCESSION

New research shows that one in every seven CEO departures in the last two years was forced by activists.

2

CEO DIRECTORS

Nearly 40% of new directors are now current or former CEOs, the highest percentage since 2012.

3

CYBERSECURITY

Increasing instances of AI agents going rogue have elevated cybersecurity concerns.

HISTORY LESSON BY GLENN RIFKIN

Juicero: Squeezed Out of Business

A $700 juice presser launched with enormous hype became another forgotten Silicon Valley disaster.

WHEN THE DOT-COM bubble burst around the millennium, startups like Pets.com, Webvan, and eToys, each of which had raised hundreds of millions of dollars in venture capital, proved to be classic examples of Gertrude Stein's famous quote about the city of Oakland: There was no there there! Based on shaky or ill-conceived business models, these companies quickly imploded.

Flash forward to 2016, and one more overfunded example of Silicon Valley excess arrived in the form of Juicero, a startup venture built around a $700 Wi-Fi equipped juicer that went from darling to disaster in just 16 months.

The company, founded to much fanfare in 2013 by a health-food expert, promised to bring the joy and bodily benefits of fresh farm vegetables and fruit to an eight-ounce glass of cold-pressed juice on the countertops of America's kitchens. The impressive-looking machine used packets of fresh chopped-up produce from organic farms, packed by hand by hundreds of workers in the company's factory. The machine, which came complete with a smartphone app to identify ingredients, squeezed the packets with a mind-boggling four tons of force—and out came a sparkling glass of the fresh juice that was a nationwide craze at the time. "You're getting this living nutrition," the founder bragged. "It's like drinking the nectar of the earth."

Sensing a growing craze for cold-pressed juices, outfits like Google Ventures, Kleiner Perkins Caufield & Byers, and Campbell Soup invested more than $120 million into the venture. They all believed that cold-pressed juice had the makings of a multibillion-dollar industry and that this slick machine along with its subscription services would generate a massive revenue stream.

Trouble started quickly. When the product was launched in March 2016, consumers balked at the hefty price tag, so Juicero soon lowered it to $400. In April 2017, an article and video that were posted on the Bloomberg News website demonstrated that the packets of produce could be squeezed by hand and spawn nearly the same amount of juice. The high-priced machine was rendered superfluous. The story quickly went viral, and suddenly, Juicero became a laughingstock.

"It was a beautifully built machine that answered a question nobody was asking," says Patrick McGovern III, a technologist and venture investor in the San Francisco Bay area. "The market doesn't reward how hard something was to make. It rewards how much easier it makes someone's life."

Within four months, the company suspended operations and began searching for a buyer. When none could be found, Juicero went the way of Pets.com, from Silicon to Death Valley, yet another venture whose results didn't come close to matching the pre-launch hype.



Juicero credit: AMY LOMBARD

‘Some are uplifting, others are not.’ What’s Behind the Latest Mass Migrations



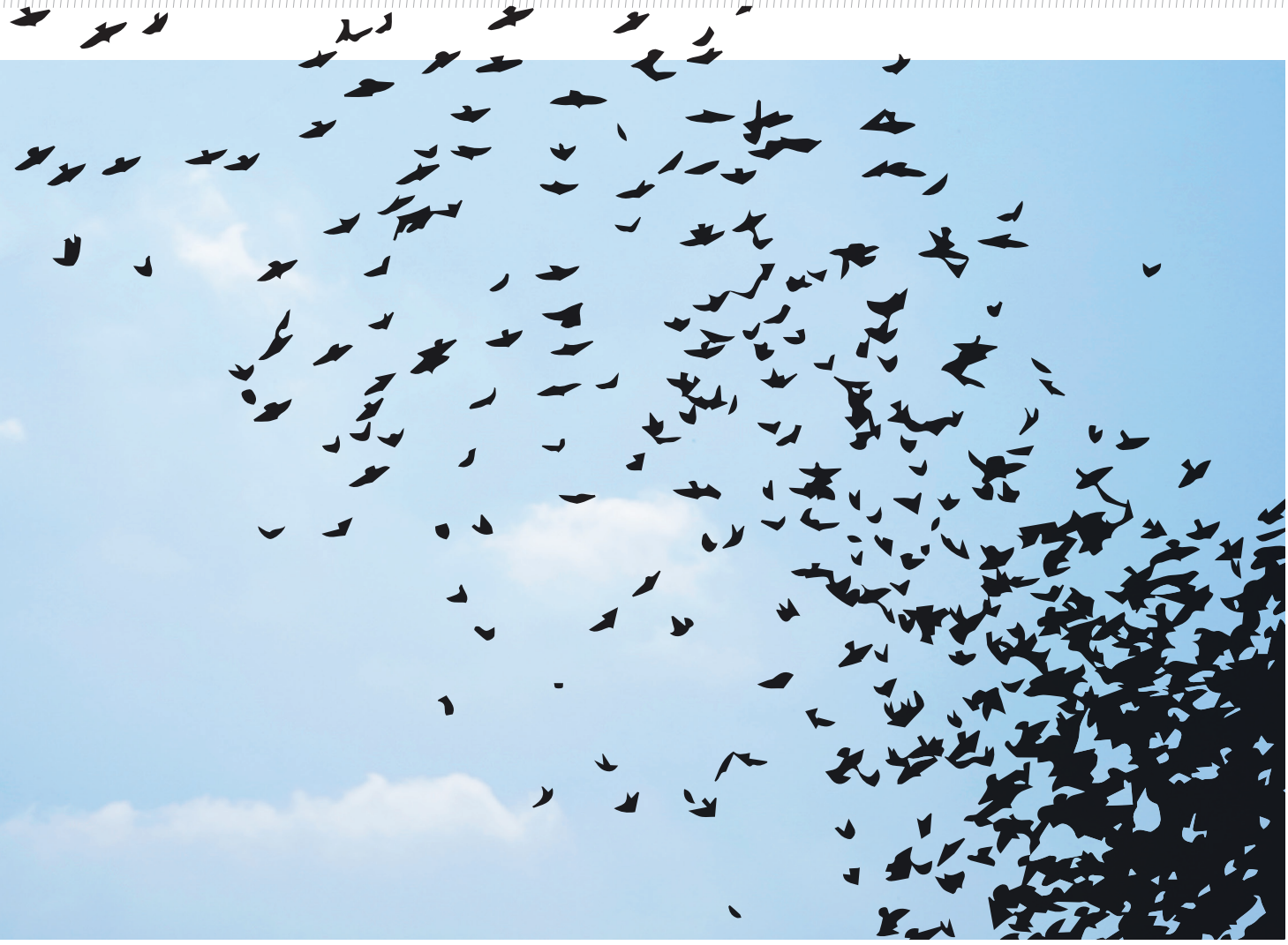
Mass migration is front and center worldwide, and has been for a while. But human beings have migrated for as long as we have existed. At times, we’ve had to. For instance, at the end of the Ice Age, sea levels rose dramatically, making previous homesteads uninhabitable and creating a need for new settlements in safer locations. Of course, the end of the Ice Age is only one reason people fled home. And today, migration continues, fed by a multitude of triggers, some making large waves, others small ones. Likewise, some are uplifting, and others are not.

First, the sad news. Much of the migration has been caused by wars between nations or civil wars. Notably, the invasion of Ukraine by Russia in 2022 has resulted in 5.7 million people seeking refuge, largely in Europe, according to data from the UN Refugee Agency. Likewise, on a smaller scale, an estimated 650,000 Russians have fled their home country, according to *The Bell*, an independent news magazine. Most Russian refugees are believed to have gone to countries that were formerly part of the Soviet Union, such as Armenia.

Another example is Syria’s civil war, which has resulted in more than five million Syrians seeking refuge in other countries. However, some refugees have since returned home, reducing the total to 3.9 million. This largely coincided with the 2024 ouster of the dictator Bashar al-Assad, who is alleged to have ordered the deaths of hundreds of thousands, including combatants, and to have indirectly caused many additional deaths due to shortages of food, medicine, and clean water. “War-driven migration is different because the decision is much less voluntary,” says Pete Earle, senior director of research at the American Institute for Economic Research.

Still, to move internationally, people need to be both pushed out of their current location and also

Portrait by ROB DOBI



Penpak S., serkanmutan/Getty Images

drawn to a new one, says business and economic historian and author Robert E. Wright. "It's the push-and-pull idea," he says. "Common pushes are wars; common pulls are peace and prosperity."

The US hasn't had to deal with war at home for a long time. But it has nonetheless seen a recent drop in immigration. In January 2025, 53.3 million immigrants lived in the US. But by June of that year, more than one million foreign-born residents had left, the largest drop since the 1960s, according to Pew Research Center. The decline came after changes enacted by the government to slow migration by people who are undocumented and deport others.

Here's the more uplifting news. People migrate for a variety of reasons: higher income, a better life, and, in some cases, more political freedom. A classic example of this is the Indian diaspora, which in 2026 stood at 37 million people, including both non-resident Indians and those of Indian origin, according to India's government. More live in the US than anywhere else in the world, followed by the United Arab Emirates and Malaysia. Britain, with its history in India, has the sixth-largest population of Indian descent.

In many ways, it's normal for people to seek a better life, especially those with skills that are highly in demand. "Going towards capitalism rather than socialism is a natural tendency," says Daniel Lacalle, chief economist at Tressis.

Of course, moving from one country to another for any reason is difficult, expensive, and stressful, to some degree or another. That's why migrants tend to clump together, says Neil Howe, coauthor of *The Fourth Turning: An American Prophecy* and portfolio manager at Hedgeye Asset Management. "People go to places where there are family relatives," he says. "Groups of new migrants grow like a snowball through familial contacts that encourage more to join them; family helps integration into a new culture."

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.

‘Children’s healthcare has an incredible mission.’ The Shortage Everyone Saw Coming



Eighteen years ago, at my son’s one-month checkup, our pediatrician looked up and told us to take him to the emergency department. Not later—now. It was a staph infection, and he was admitted on the spot. Just a few years later, our second son needed surgery at six months old. As I wheeled him down a hallway and handed his life to people I had just met, I felt the most vulnerable I have ever felt.

The people who cared for my sons were there when we needed them, but for a growing number of families, they are not.

The pediatric-specialist workforce shortage follows a pattern familiar to any leader facing a shortage of highly trained employees: Demand for roles is high, but training and infrastructure aren’t keeping pace. The shortage spans pediatric-physician subspecialties, as well as pediatric clinicians like nurses and pharmacists. For your employees and neighbors, that means longer waits, difficulty accessing basic care, and hours spent driving to appointments or procedures.

Much of this traces back to the training pipeline. During last year’s US medical-fellowship matching program, more than 400 training positions across 17 pediatric subspecialties went unfilled. Eleven pediatric subspecialties currently have fewer than one specialist per 100,000 children in some regions, according to a 2024 study published in *Pediatrics*.

Shortages like these are notoriously hard to see coming, even when the early signals are there. Leaders in any industry will recognize the reasons, beginning with training time: Becoming a pediatric subspecialist takes a decade, including medical school, a residency, and a subspecialty fellowship. Today’s staffing picture reflects choices made by twenty-five-year-olds a dozen years ago. Changing

Portrait by **ROB DOBI**



schfer/Getty Images

course later is difficult: Physicians who want to switch specialties in mid-career generally have to repeat much of the training path.

Pay plays a role, too. Pediatric physicians earn approximately 25 percent less than their counterparts in adult medicine do. In most labor markets, scarcity pushes up pay, and higher pay attracts workers. In medicine, though, the decision point comes early, in medical school, when students weigh future earnings. In economic terms, the market signal that should correct the shortage never reaches the doctors-in-training.

So, what can leaders do now? Other health systems offer useful models. Both the US military and the UK's National Health Service manage their physician and nurse pipelines years in advance. In Germany, employers collaborate to train the whole sector. Other industries, like aviation, commonly own training institutions or partner with them. Right now, four measures can help:

GROW YOUR OWN WORKFORCE. For health systems, this means building the infrastructure to train pediatric clinicians, starting with residency programs, especially in underserved communities. Physicians are more likely to stay where they train.

BUILD A REGIONAL HUB-AND-SPOKE MODEL. Anchor specialists at a main urban campus, then extend their reach through regional access centers, with telehealth for the most rural areas. Families get to connect with high-end subspecialists, online or in person, without a four-hour drive.

REDESIGN THE WORK BEFORE ADDING PEOPLE. Instead of having a subspecialist handle every follow-up visit, every medication adjustment, and every one of a family's routine questions, build tiered care. Physicians oversee the team and work at the top of their license. This is essential as cases grow more complex.

BE DELIBERATE ABOUT WORKFORCE STRATEGY. Map where your workforce is stable and where it is thin. Then get specific about what you will do to attract and develop people in the highest-need areas and assign real effort and budget to those priorities rather than spreading them evenly.

As challenges go, this is a surmountable problem. Children's healthcare is a field with an incredible mission and incredible clinicians. Just think: With the right planning, ten years down the line, the shortage could be over for good.

Sette is a senior client partner in Korn Ferry's Healthcare practice and leader of the firm's Children's Healthcare sector.

'AI has no skin in the game.' The Advantage Leaders Still Have



The unspoken question of the day is: With the advent of AI, what will the value of people be—particularly leaders? To get some answers, I chatted with Claude, Anthropic's AI assistant, who was candid about the limits of AI when it comes to leadership. In Claude's view, leaders are safe from the encroachment of AI—at least for the foreseeable future.

For starters, AI has no emotions, let alone a body. Why should this matter to leaders? Consider one way emotions guide a leader's actions: the "salience network." This neuronal chain, which converges on the amygdala, acts as the brain's radar for what's important in the moment and how we feel about it. The salience network instantly tells a leader where their attention should go, where there's something wrong that needs attending to, and what's to be celebrated. In short, our emotional surges guide our attention through the thicket of to-dos, people issues, strategic concerns, and the rest. Every leader depends on these gut reactions every day. AI, lacking emotion, has no such rudder.

And then there are relationships. A high-level executive in finance put it well: If people don't trust you, he pointed out, they are less likely to fully share their information with you. And making a sound strategic decision depends on getting full information.

Leaders read people, picking up emotional messages from nonverbal responses. AI has only words to guide it. As Claude told me, in a person-to-person relationship, people pick up nonverbals like a voice tightening, someone going quiet at a particular moment, a fleeting facial expression, or a quick, meaningful look. Unlike AI, leaders know those they lead, and by choosing to pay attention to them, can make them feel seen, known, and psychologically safe. Feeling seen, Claude pointed out, means that someone who could have looked away did not. Beyond that, knowing the person—not just their role—strengthens any relationship.

Leaders build trust and loyalty by showing they care about an employee. Technically, this aspect of caring is called "empathic concern"—not only sensing how the person sees the world and feels about it, but

Portrait by ROB DOBI



everything bagel/Getty Images

also showing concern for them personally. AI could have this ability, or appear to, if trained for it, but most models aim instead to "optimize engagement."

Disagreements are inevitable in any organization, and a healthy weighing of opinions and options strengthens decision-making. But when it comes to resolving heated arguments, a human being beats AI because he or she can notice, for instance, the tension building in the room. AI, on the other hand, knows only what people choose to tell it, biases and all. So AI lacks full information about heated moments.

An inspiring leader gets the best performance from those they lead. But being inspiring involves emotional contagiousness—the leader's enthusiasm spreading throughout the room. To be truly inspiring, a leader has to show that the mission matters to them, too. AI has no "skin in the game." While its fluency in couching a vision may seem inspiring, it lacks the person-to-person power that inspires.

There's a long-term risk to companies from AI, one that's little recognized. In an MIT Media Lab study, students weakened their own ability at whatever skill they relied on AI to do. The implication for companies is that encouraging wide use of AI will cause people to lose proficiency—and if AI reliance spreads to the C-suite, it may weaken an organization's ranks of future leaders.

So yes, embrace artificial intelligence for all the competitive advantages it offers. But use caution when it comes to human basics like leadership and teamwork.

Leaders read people, picking up emotional messages from nonverbal responses.

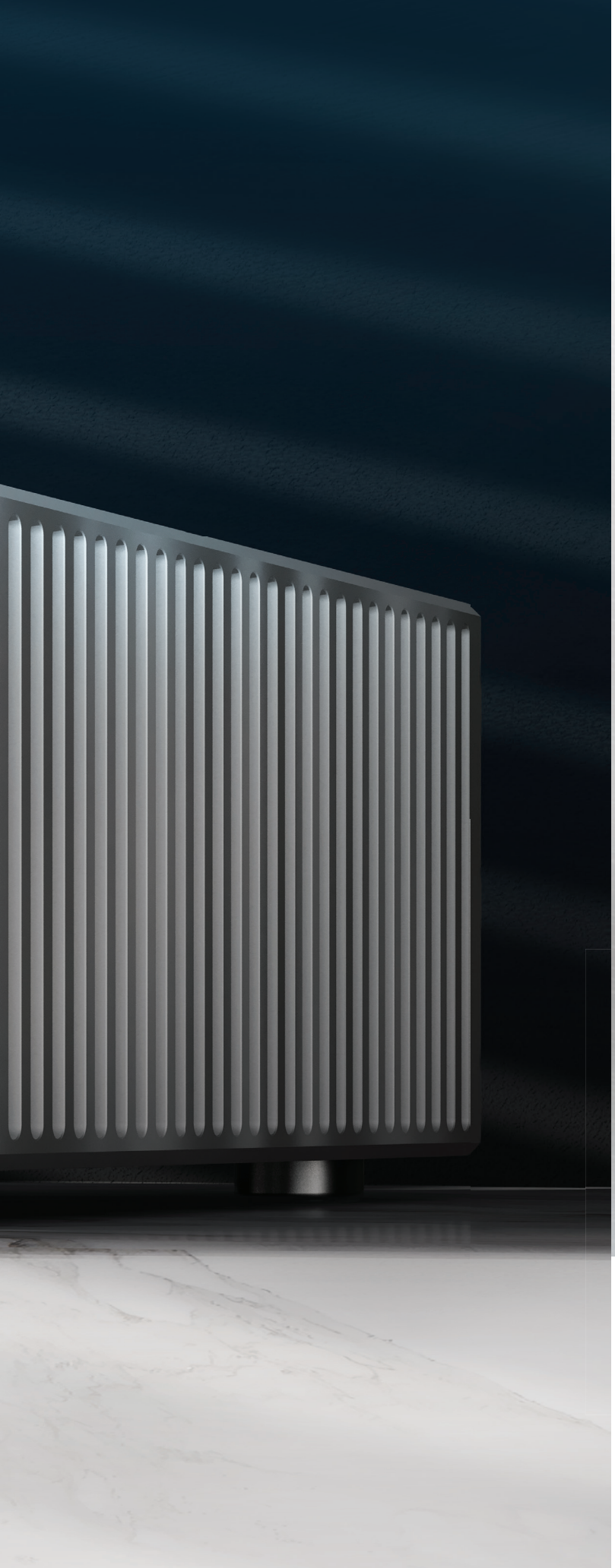
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Workers using AI tools are starting to sound all too similar. How can firms assess the talent that can make or break their future?

Pleasantly Perfect

By Russell Pearlman
Illustrations by Tim Ames



The Problem

AI has created a battle for firms trying to assess talent accurately.

Why It Matters

Firms excel by weeding out low performers and moving up stars.

The Solution

Upend the performance-review process and allow more one-on-one evaluations.

The irony is not lost on Rohit Agarwal.

He co-founded a technology staffing firm, Zenius, that connects software developers with small and mid-sized customers worldwide who want to keep their own full-time workforces lean. One of his big selling points is that Zenius takes pesky HR problems, such as evaluating how well each of those software developers performs, off of his clients' hands.

But Agarwal has run into a new problem: He's having trouble determining which of his own developers are actually good. Managers used to be able to judge a developer's performance almost entirely on their speed. The faster someone could build properly working software, the better a developer they were. Now, thanks to AI, almost anyone can code quickly and competently—and Agarwal can no longer determine which of his developers might be able to tackle far tougher projects in the future. Since his teams work remotely, clients don't have a great deal of feedback to offer either. He has realized he has to revamp his entire employee-evaluation process. "The old performance signals are less reliable," he says.



“AI has made average work look better.”



AI evangelists tout how the technology can give every worker superpowers. And it’s true; AI helps produce a lot of stuff. Need to build a complex financial model? Presto—done in an hour. Need a ten-page marketing presentation? Poof—ready in 20 minutes. Need to send out 50 emails to clients about a new product? Whoosh—written and sent in five minutes. All of this output is pleasantly perfect, as a cynical manager might say, but experts fear the technology may make it much harder to determine what kind of employee did the work: Was it a toxic slacker who just knows a couple of good AI prompts? A highly curious achiever who yearns for tougher work? Someone in between? Indeed, research has showed that below-average employees using AI improved their performance at a much higher rate than high performers using it. Increasingly, leaders are facing a nightmarish scenario in which everyone can produce the same stuff, or at least stuff that all looks and sounds the same. “I would no longer evaluate top performance based on how polished the final product looks,” says Melissa Pennington, a longtime HR executive who founded Future of HR Academy.

Organizational psychologists have coined a jargony name for all this: “signal pollution.” Separating the good employees from the mediocre ones—and sniffing out potential stars—is already a massive problem for recruiters. Job candidates, regardless of their actual talent, can use AI to produce polished, perfect-seeming résumés and send them off to hundreds of potential employers at once. But as the new technology winds its way through an organization’s numerous workflows, experts worry that evaluating who’s

actually a standout will become a much bigger problem. And the risks are far from minor; in fact, experts say they are nothing less than a company's ability to innovate and grow: Numerous studies show that a tiny number of superstar employees can account for 80 percent or more of an organization's value.



The Early Days of Employee Reviews

When it first emerged as a business practice at the start of the 20th century, performance management seemed straightforward. In 1910, firms began asking factory managers to rank, in a systematic way, how fast employees could operate machinery or assemble products. For firms, the appeal of distinguishing hard workers and talented performers from those going through the motions was too hard to resist. By 1920, 60 percent of large US factories used some form of ranking system.

Decades later, as manufacturing started to give way to a more consumer- and service-oriented economy, managers shifted their focus from physical activities to accomplishing goals. The shift made sense, of course. Most organizations haven't thrived over the last century just because they made



Ranking Employees: Looking Back

19th century

Rules of thumb—unwritten, imprecise estimates of what workers should be able to do—are the norm.

1910s

Frederick Winslow Taylor's *The Principles of Scientific Management* introduces the idea that there's "one best way" for factory employees to do their jobs.

1920s–1930s

Employees are ranked on clear production quotas and offered bonuses if they can top them.



“I would no longer evaluate top performance based on how polished the final product looks.”

stuff faster; they’ve succeeded because their employees came up with new ideas, provided excellent customer service, motivated coworkers, or achieved an assortment of other objectives that aren’t solely measured in terms of time or money.

But finding the right metrics to rank workers this way didn’t prove easy, and neither did knowing what to do with performance reviews. Some firms took rankings to an extreme, forcing bosses to summarily fire employees who underperformed in any given year. Even firms that didn’t use the so-called “rank and yank” evaluations found themselves turning to metrics that weren’t objective and allowing the biases of bosses to rule the day. In many cases, managers discovered they didn’t have a great view into the work all of their direct reports did or would overvalue employees simply because they were good communicators. And good luck to the manager asked to rank people with different roles.

Ultimately, the seemingly simple task of assessment became the stuff of corporate legend, with one Fortune 500 company last decade revealing it was spending an astounding 2 million hours per year on annual performance reviews (the company eventually scrapped its yearly evaluations). Many other firms also opted to ditch annual ratings, asking managers to evaluate their direct reports in real time. “Almost nobody we speak to in the corporate world seems satisfied with their performance-management process—and absolutely nobody knows what to do about it,” says Lesley Uren, CEO of Korn Ferry Consulting.

AI: Compressing Skill Levels

The hope, of course, has been that AI could somewhat rectify all this. Both its remarkable tracking ability and data storage might create some handy objective measuring tools. And initially, that was the hope for corporate recruiting—that AI tools could, at scale, judge candidates online. The only problem: Candidates got hold of the tech tool, too, and at a level no one could have imagined. In the last two years, recruiters have been deluged with tens of thousands of AI-polished résumés

AI may be bringing the effort to the forefront, but companies have been trying to evaluate worker performance for a century.

1950s

Peter Drucker’s *The Practice of Management* shifts the focus of evaluations from completing physical tasks to accomplishing goals.

1960s–1990s

The “Rank and Yank” Era: Each year’s top 20 percent of performers are rewarded and its bottom 10 percent of performers are fired.

2000s–2010s

It’s not just about the money. Employees get ranked on customer satisfaction, team building, diversity, and other metrics.

2020s (the AI Era)

The tech’s ability to polish work can make anyone look good, creating challenges for firms seeking top performers.

“Almost nobody seems satisfied with their performance-management process.”



and cover letters. Every one of them, it seems, makes the candidate sound ideal for the job... and none stands out. Now, as the issue of sameness moves into the actual workplace, firms are on the hunt for solutions. “AI has not made everyone an average performer, but it has made average work look better,” says Pennington.

The first serious challenge for many organizations, experts believe, will be determining how to evaluate junior-level employees. In many cases, the current crop of young workers hasn’t shown much interest in climbing the corporate ladder (according to many surveys, about 70 percent of them would rather spend their entire careers as individual contributors than move into management). But being able to evaluate the performance of this group on traditional junior-level assignments—drafting summaries, conducting raw research, building financial models—could help an organization separate those who are truly talented and ambitious from their peers who’d rather just go with the flow. The only snag: AI is now handling those foundational tasks.

But the most troubling question is this: What if AI’s “pleasantly perfect” output becomes the standard for all employees, and truly inspired work all but disappears? Experts worry that when workers rely on AI, their critical skills, from problem-solving to innovating, can wither. It’s a problem that hasn’t yet appeared in real life, but it’s already showing up in academic research. In one experiment, Harvard University researchers asked several hundred consultants to use the popular AI model ChatGPT to solve a few problems. The consultants rated as below-average performers did 43 percent better on tasks helped by AI, while those rated above average performed only 17 percent better. In other words, AI raised the “floor” in the survey but didn’t up the game of the top consultants much. What if even top performers don’t pursue answers beyond the ones AI gives them? The same skill-compression effect also shows up in a recent National Bureau of Economic Research study of 5,000 customer-service workers: When they used AI assistants, low-skilled workers saw a 35 percent gain in productivity, but high-skilled workers saw almost none. “I’m happy to see lower-quality work improve, but sameness



comes at a cost," says Bob Hutchins, an adjunct faculty member of Lipscomb University who researches performance management.

To be sure, some managers look at the issue more positively: They are thrilled that AI has created a higher floor for work quality. After all, higher productivity from direct reports will probably look good on a manager's own performance review. But experts warn that this attitude could be short-sighted. Decades of research show modern organizations can't excel without at least a sliver of top-performing employees. In the years leading up to the introduction of large-language AI models, a tiny number of corporate superstars produced a massive amount of total value, while the vast majority of employees



performed at substantially below-average levels, says Ernest O'Boyle, a management professor at Indiana University whose 2012 paper "The Best and the Rest" described the phenomenon. "AI isn't likely going to change that dynamic," he says.

Assessments, Up Close and Personal

No one suggests that organizations should stop using AI because it's making performance management tougher. The technology has too much potential—and, in an increasing number of cases, proven ability—to improve quality and productivity. Instead, experts believe that evaluation processes need a refresh. One suggestion for managers: Make employees defend their decision-making either during or after they finish an assignment. Universities have used this process successfully for centuries in conducting thesis defenses, says Hutchins. Today, asking a company's employees how they came to their conclusions can help determine how much they relied on their own judgment and how much they relied on AI.

"The hope today is that AI could somehow rectify this."

Other experts suggest that managers divide up performance management into two buckets: "stuff AI can help with" and "everything else." And, at least for the foreseeable future, there's plenty of stuff that goes into the "everything else" bucket. Demonstrating ethical judgment, mentoring junior staffers, influencing stakeholders, displaying empathy, and motivating coworkers are human skills that AI can't itself accomplish. To be sure, implementing both suggestions might require firms to hire more managers, when many have been reducing their ranks. But many experts say it's probably worth it.

Whether by hiring more managers or changing how they evaluate performers, some executives are already adapting. For instance, AI hasn't changed Stephanie Heathman's performance-evaluation metrics. The founder of consultancy HR Innovator Group still assesses how well her team generates additional business and uncovers waste for its clients. But after seeing the early results of AI-enabled work, she anticipated the performance-management headaches. So, she instituted AI training to get everyone to a baseline skill level and, importantly, she has started asking different questions during one-on-one meetings. She wants to know how the firm's employees are solving problems in the numerous situations in which AI can't help them. "AI should not just get people to the average," she says. "It should help them accelerate."



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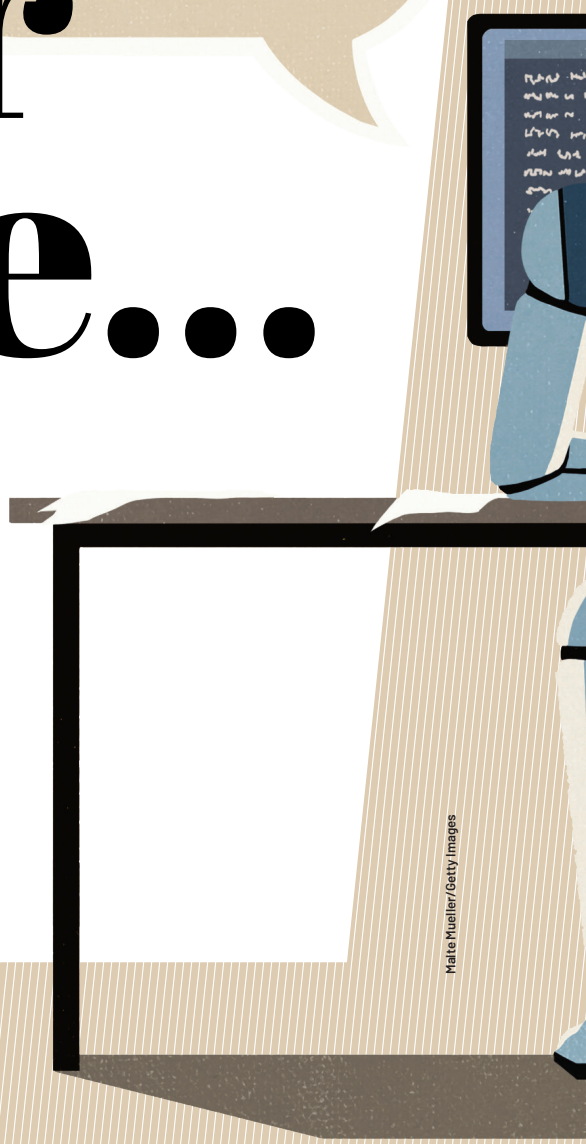
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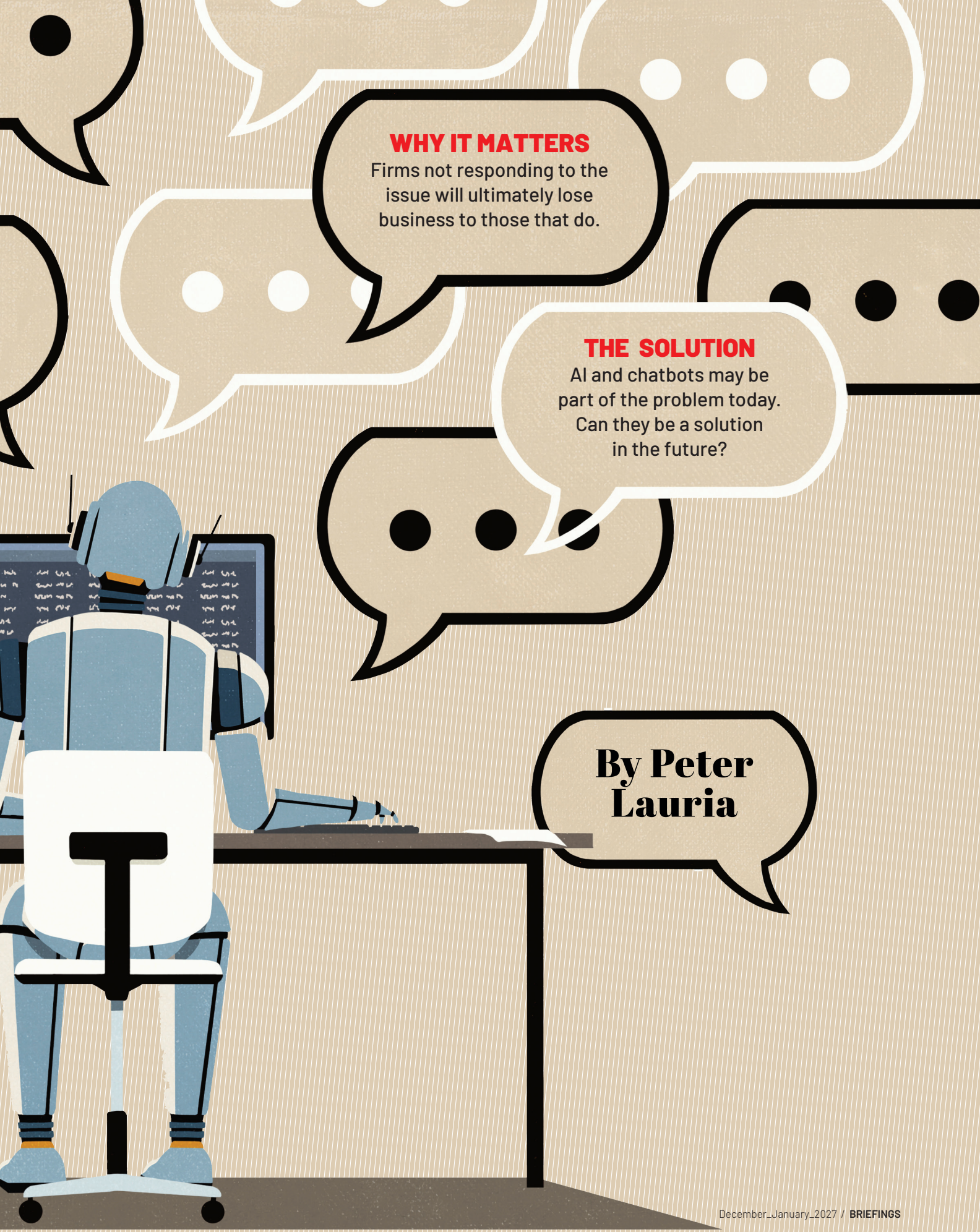
THE PROBLEM
Replacing workers at consumer-facing firms with technology has enraged many people.

At Your Service... or Not

Be it travel companies or retailers, consumer firms are counting on AI to provide more and more of their customer service. How is that going?



Malte Mueller/Getty Images


WHY IT MATTERS
Firms not responding to the issue will ultimately lose business to those that do.
THE SOLUTION
AI and chatbots may be part of the problem today. Can they be a solution in the future?
By Peter Lauria

It's a question on the minds of many consumers these days: Are we being blown off?

You go to check out at the supermarket, only to discover the store has decided it's not worth staffing the registers the way they used to. You're irked at the lack of cashiers, but head to the self-checkout line.

You spend years racking up thousands of miles on your frequent-flier program, only to find that you no longer qualify to sit in the airport lounge. You could take your business elsewhere, but do you?

Or you see a charge on your credit card, try to get a representative on the phone to dispute it, and get trapped in a chatbot "spiral of misery."

Welcome to today's version of customer service. For some, the service can be quite impressive and high touch, especially if the consumer is doing business with a company where humans still answer phones, staff stores or hotels, and take care of customer complaints before they blow up. Indeed, firms have willingly poured billions into staffing to serve customers, and many leaders still measure their success by consumer ratings. "Serving customers well is a matter of profitability for firms," says Roland Rust, executive director for the Center for Excellence in Service at the University of Maryland. Rust should know—he's a pioneer in the economics of customer experience, and his work has helped firms quantify the ROI of cultivating loyalty and trust.



But if top-notch customer service sounds like an oxymoron based on your experience, you are surely not alone. Name an industry, be it banking, travel, entertainment, or retail, and you will find that a vast number of firms are turning more and more to technology—with an eye less on service than on cutting budgets. By some measures, AI-fueled chatbots are one-tenth as expensive as staffing a call center with humans, and companies have saved billions slashing labor costs in nearly every consumer-facing field. But at what cost to customer service? According to some estimates, eight in ten companies deploy chatbots to handle frontline consumer complaints. Never mind that 80 percent of consumers find chatbots frustrating and unhelpful and say they'd much rather talk to a human. Or the fact that, according to the Parloa Consumer Patience Index, 44 percent of Americans try to escape a bot by yelling "human" or "person" into their phone. (Another 17 percent openly swear at the automated system—the rage has gotten that bad.) "We're in an environment in which consumers have had just about as much as they can take," says Valarie Zeithaml, emeritus professor of marketing at the University of North Carolina at Chapel Hill and an award-winning researcher on service management and customer equity.

"Consumers have had just about as much as they can take."

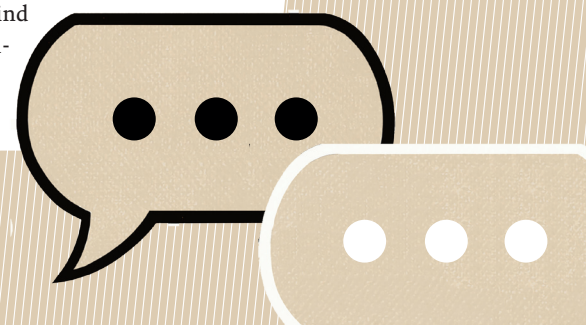
Still, many consumer firms, and some experts, say they are banking on AI—the very technology that has turned people off—to turn around the state of consumer service. The hope is that AI, which is still very much in development, will eventually predict and problem-solve customer needs better and faster than humans can. All of which leaves one question for anyone who struggles to reach any human for a refund or an explanation of a product: Will things get better—or worse?

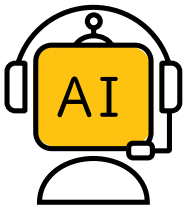


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Providing great customer service wasn't always a matter of profitability. It was just the way business was done. Banks, pharmacies, grocery stores, and more were all built on local ownership, community relationships, and trust. Even after local businesses grew into national chains and the economy evolved from producing goods to providing services, the idea of customer service remained relationship based, as in human-to-human.

It wasn't until the 1990s that firms came to see customer service as a cost center and began managing it according to a kind of financial calculus. It doesn't





Service by the Numbers

The customer-service industry is being reshaped—whether for better or for worse is an open question—by AI and automation. Here's a look, by the numbers, at how it's changing and how consumers feel about it.

49% people who say customer service has gotten worse in the last year

70% people who say poor service would make them switch to a competitor

80% common service issues AI is projected to be able to resolve by 2029

21% people who say making physical threats against chatbots is OK

140% the difference in spending between consumers with positive and negative brand experiences

50% consumers who believe AI agents are capable of displaying empathy while addressing service issues

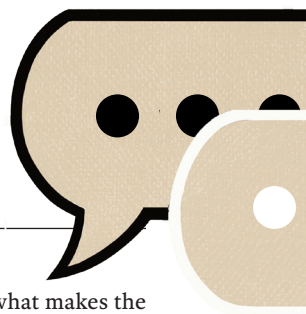
2.6 million customer-service reps in the US today

3 million customer-service reps in the US in 2022

77% service leaders who report feeling pressure from executives to accelerate AI deployment

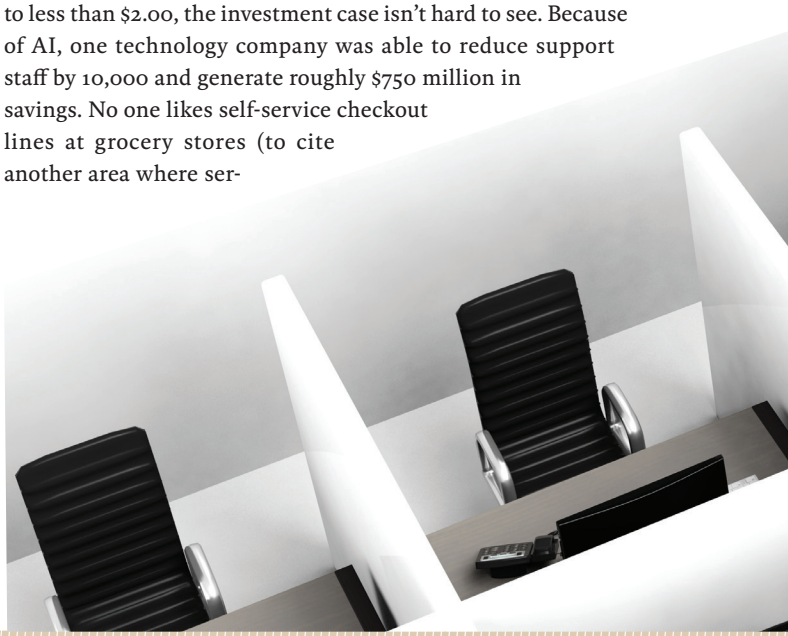
75% users who prefer chatbots to humans because of their quick answers

$26 billion to **$58 billion** estimated market for customer-service software by 2030



take an MBA to figure out that call centers moved offshore not to provide better service, but to save firms up to 70 percent on facilities and labor costs. Then the internet, e-commerce, and social media came along and changed the math around customer service. Ryan Hamilton, an associate professor of marketing at Emory University and host of the podcast *The Intuitive Customer*, says that digital tools lowered the cost of customer service so much—particularly when measured against the revenue they could bring in—that firms began treating the function as an asset, to be invested in or spent down as economic circumstances warrant. Once customers are in a firm's digital ecosystem, he says, the mindset shifts from providing great service and cultivating loyalty to extracting the most value as quickly as possible. "Right now, companies are squeezing consumers all over the place, and service is at the top of that list," says Hamilton.

It's simple math, at least from the perspective of a CFO, says Beau Lambert, a senior client partner in the Financial Officers practice at Korn Ferry. "CFOs don't think in terms of experience," he says, "they think in terms of what makes the best investment." And when AI can cut call-center costs by $80 billion annually and reduce the cost per interaction from $13.50 to less than $2.00, the investment case isn't hard to see. Because of AI, one technology company was able to reduce support staff by 10,000 and generate roughly $750 million in savings. No one likes self-service checkout lines at grocery stores (to cite another area where ser-



vice is commonly being squeezed), but they save firms about 25 percent on labor costs. Small wonder that 63 percent of firms in a recent survey are planning reductions of frontline and support staff through layoffs or attrition.

Consumers bear some responsibility for the erosion of service as well. Some segments, like Gen Zers, say they prefer chatbots to humans, for instance. Others will forgo miles or rewards from their frequent-flier program if they can get a cheaper flight from another airline. More importantly, data shows that though most people say they would leave a company over bad service, few actually do. In fact, one recent study found that 56 percent of customers rarely even complain after a bad experience. Streaming-media services are a perfect example: One-quarter of people who cancel end up resubscribing within three months. But it isn't just inertia that leads people to put up with bad service. Peri Hansen, leader of the Consumer Products sector and Marketing Officers practice in North America for Korn Ferry, says many customers stay because they are trapped. Those who leave a loyalty program, for instance, can lose valuable accumulated points not just on flights, but also on partner services like hotels, restaurants, and early

"The mindset is to either not get calls, or to have them handled in an automated fashion."



George Tsartsianidis/iStock/Getty Images



access to concert tickets. "People are so waist-deep in points that they can't afford to leave," says Hansen.

The result is that underneath the surface people are seething. In the 2025 National Customer Rage Survey, two-thirds of consumers reported feeling enraged at firms because of a service issue, the highest level in the survey's long history. Nearly 80 percent of respondents experienced a problem with service in the last year that required "very high effort" on their part to resolve it. To be sure, bad service costs people more than $1,000 and roughly one full day of their time every year. Researchers peg the total cost of the "annoyance economy"—the basic interactions, like canceling a subscription, that processes and bureaucracy, intentionally or not, make difficult—at $165 billion a year in lost time and money.

The catch is that only 33 percent of people complain over the phone. The rest do so through digital-media channels, websites, emails, chatbots, and social media. From a cost perspective, that plays right into firms' strategy, says John Goodman, who began working on the Rage Survey for the White House in 1976. "The mindset of many firms is to either not get calls, or to have them handled in an automated fashion," says Goodman. "To CFOs, escalation is a dirty word, because it increases costs."

The irony of all this is that firms are spending more than ever on customer service and experience. It's just that most of the investment is going to automation and AI tools, which more than half of customer-service leaders view as a key part of their customer-experience strategy.

It's still unclear where this new generation of AI tools and assistants will fit in. The hope is that AI will become super adept at creating tailored experiences and services at scale as it learns more and more about consumer behavior and spending patterns. There are encouraging signs for consumers at firms that are doing it right. Who isn't delighted when their pet gets a birthday card from the place where they buy its food, for instance? To be sure, chatbots aren't universally hated. People love them when they work, which is to say, when they remind them to order toilet paper, help them change an appointment quickly, or enable them to efficiently track an order.

"Serving customers well is a matter of profitability for firms."

Firms are piloting and deploying tools that can do all that, and more. Chatbots can already display empathy and detect anger or frustration; when they do, they're programmed to escalate calls to a human representative. Rust, one of the first people to quantify the value of service quality in financial terms, believes empathetic AI could help rebuild consumers' loyalty and emotional connection to brands. Next-generation AI agents will not only answer questions but will also carry out tasks like processing refunds and rebooking flights; they will even pick out and buy items autonomously. There are bound to be missteps and friction along the way. We've seen numerous examples of chatbots and agents behaving in ways that are detrimental to both consumers and firms, such as when one agent sold an SUV for $1, or when another told a customer about a company policy that never existed.

As it evolves, service will likely find some equilibrium between cost and quality. Over the next three years, firms are projected to spend more than $30 billion on customer-service software. But the real question is whether they'll staff enough humans to oversee that technology and handle issues when they are escalated. Hamilton is optimistic, believing that the bar for service has been lowered to the point where firms will start "building up that asset again as a point of differentiation." And the firms that do so will have a competitive advantage. "Service economics is a gauge between capital and human dynamics," he says. "At some point, either the service will get better, or they will push consumers too far."

SOME EVENINGS ARE NOT SPENT.
THEY ARE KEPT.

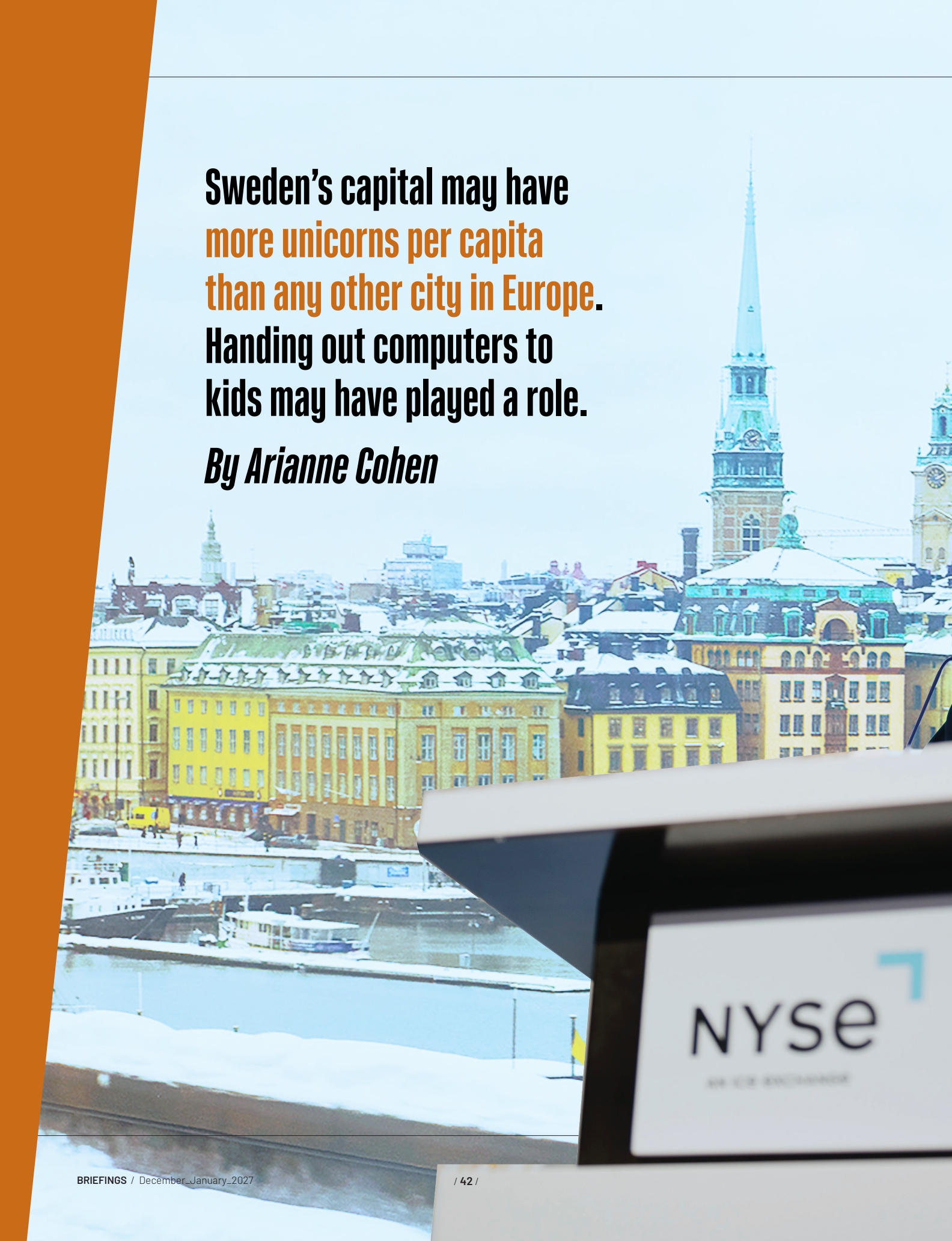
Between a recording and the one who listens stand the amplifiers that decide whether music merely plays or returns to life. Hand-built by Dan D'Agostino Master Audio Systems, these were created for the second. A voice regains its warmth. A piano, its weight. The breath before the first note. The stillness between the last.

dandagostino.com



Sweden's capital may have more unicorns per capita than any other city in Europe. Handing out computers to kids may have played a role.

By Arianne Cohen



Stockholm: The Unicorn Factory



Sebastian Siemiatkowski, co-founder and CEO of Klarna.

Einride autonomous electric freight vehicle.

RomanBabakin/iStock/Getty Images; Martin Öberg/Klarna; Einride

Amid all of Stockholm's magnetism—its historic quaysides, colorful buildings, and endless cobblestoned streets, all populated by photogenic locals—its tech start-up scene is equally charmed. If you can find it. The offices of its famed unicorn start-ups, like Klarna, Spotify, and the game makers behind Minecraft and Candy Crush, are mostly tucked away a half block from the various main drags, in charmless brutalist buildings that grew out of quick postwar teardowns and stark redevelopment. Gone are the trendy locals enjoying *fika* (coffee and a pastry) on leafy patios; in their place are men sporting backpacks and sneakers surrounded by concrete and raw brick. Spotify's puce-colored building consumes half a block. King, the maker of Candy Crush, decorates its windows with animation in an attempt to dress up the situation, but there isn't much that can hide seven overhead stories of concrete and industrial-metal window gridding.



Inside Spotify's headquarters

One block away, a tech start-up community called Epicenter eases the challenges of its own *nybrutalism* architecture by sitting adjacent to excellent day-drinking options, including an Asian bar with $6 shots, a public house called Captain Jack, and a bistro that has taken it upon itself to decorate the street with lush foliage. One would never guess that this area is home to about three dozen unicorn start-ups, or that Stockholm has more of them per capita than New York, London, or Beijing. "I give a lecture called 'Stockholm: The Unicorn Factory,'" says Jack Melcher-Claësson, who heads the start-up accelerator at Epicenter, a tech accelerator. Perhaps you've heard of these companies: Klarna, Swish, Mojang. Dozens of



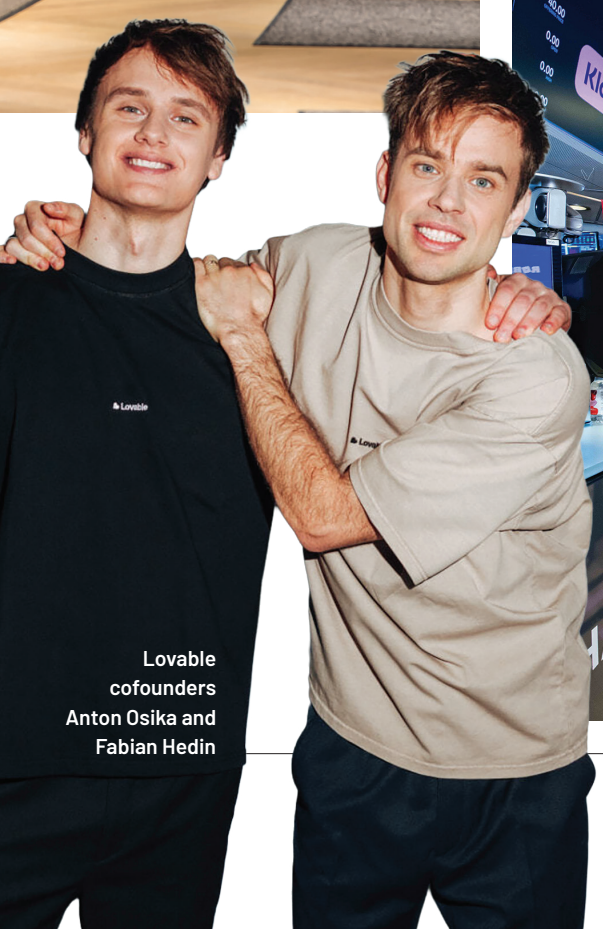


> “Starting a company here takes an idea, not courage.”

others are specialty businesses, among them Lovable and Legora (AI platforms); Polarium (sustainable batteries); Zettle (mobile payments, acquired by PayPal in 2018); Tink (banking); Voi (an e-scooter network); Kry (digital health); and Einride (autonomous electric freight). Stockholm start-ups will attract north of $5 billion in investments this year.

How could all of this happen in a country where the sun goes MIA for half the year? The population is small, just 3 percent of America’s. And if many regions elsewhere have poured capital into huge funds to create start-ups, Stockholm’s municipal fathers have also been generous in relation to the city’s population of one milion (which is a drop in the bucket compared to metro regions of 20 million). Somehow, here sits one of the world’s top tech-innovation hubs, with the receipts to prove it. And that is of no small interest to city leaders across the globe, who have been furiously trying to stir up start-up fever inside their own borders for years. “Stockholm’s success is now self-reinforcing,” says Josefine Heldeborn, senior client partner at Korn Ferry. “AI could be Stockholm’s next act.”

Still, intrepid minds, particularly those with big bank-



Lovable cofounders Anton Osika and Fabian Hedin



Klarna is one of the city’s best-known unicorns.

Spotify; Lovable; Courtney Crow/NYSE; Tink

books, would like to know what's next for Stockholm's most charmed sector—including, most critically, whether it can maintain its success. It's a city that excels at displaying itself as beautiful and high functioning, but will its tech-dominance era face new threats in today's shifting business world? Or is the Unicorn Factory just getting started?

To understand why Europe's reigning tech hub sits in a Nordic country of 10 million that receives only a few hours of daylight during December, one must return to 1974, when the band ABBA was launched to global fame after winning the Eurovision Song Contest with their performance of "Waterloo." Immediately thereafter, "every five-year-old who was pretending to be ABBA in their bedroom mirror got to pick an instrument and learn it at school," says Melcher-Claësson. Sweden's music-in-the-schools program, *kommunala musikskolan*, already in existence for over three decades, let families rent an instrument for a nominal fee and funded visits by music teachers to public schools. By the 1980s, over half of Swedish children were playing instruments or singing—learning creative experimentation and trying new things. A formula was born: Provide access to a technology, then wait fifteen years.

That would lead to an even more remarkable move. In 1998, after the country instated a massive network infrastructure, it introduced the Home PC Reform. The program, which allowed workers to lease a cutting-edge computer from employers at bargain-basement prices, put nearly a million desktops in homes across Sweden. Most families had no idea what to do with the newfangled plastic boxes sitting in their living rooms. But during those long, dark winters, curious kids logged onto Internet Relay Chat and began gaming together. Klarna's co-founder, Sebastian Siemiatkowski, a kid from a low-income immigrant family, began coding at 16, on the machine his mother bought on the day the reform landed.

A decade later, Sweden had become home to an extraordinary talent pool of tech-minded young adults who would help to produce the country's disproportionate share of unicorns. "It's not a coincidence—it's structural," says Melcher-Claësson. "Many of the guys who play games also learn how to program." Meanwhile, the state offered free university and healthcare, plus a legal right to six months' leave, with the option to return to their jobs, to those who wanted to try to launch a company. "Starting a company here takes an idea, not courage," says Melcher-Claësson. The country has a three-year start-up survival rate of 74 percent.

Start-Up Fever





SAN FRANCISCO

888 *unicorns*

PROS: Access to the deepest capital pool on Earth, unrivaled talent density, and a strong development machine

CONS: Sky-high costs, savage competition

LOS ANGELES

163 *unicorns*

PROS: The creator economy, ample access to entertainment, media, and space-and-defense talent, and a lifestyle that recruits itself

CONS: Less available capital, and talent dispersed across a broad sprawl

Source: dealroom.com/cities

"How could all of this happen in a country where the sun goes MIA for half the year?"

Greens87, Leontura/iStock/Getty Images

Stockholm may have the most unicorns per capita, but the competition is fierce. Data-intelligence firm Dealroom ranked tech ecosystems based on several factors, including venture capital raised, enterprise value, and university muscle.



NEW YORK CITY

—

329 *unicorns*

PROS: Capital everywhere—fintech, media, adtech, health—plus a deep bench of talent that never sleeps
CONS: High costs of living and office space, rampant poaching from the finance industry



PARIS

—

55 *unicorns*

PROS: Aggressive state backing, easy access to elite STEM graduates, gateway access to the EU market
CONS: Rigid labor laws, heavier bureaucracy and taxes, and a later-stage market still in its adolescent stage



STOCKHOLM

—

36 *unicorns*

PROS: Founders who mentor and reinvest heavily, all above a state-provided safety net
CONS: An apparatus geared toward producing giants, not midsize companies; a country whose dark and long winters are not a selling point



TORONTO–WATERLOO

—

35 *unicorns*

PROS: A world-class AI-research pipeline, pro-global-talent immigration rules, and low costs
CONS: Little growth-stage capital, and too many founders and companies moving south

The tendency toward global dominance is also not a coincidence. Swedish founders have to think big. In US start-ups, globalization might be Chapter 3 of the business plan; in Sweden, world dominance is part of the founding assumption, because in most niches, a Sweden-only company would have a built-in cap on its growth. "A home market of ten million might read like a weakness, but it works like a strength," says Stockholm entrepreneur Anik Devaughn. The long, dark winters lead to a lot of late nights spent dreaming of global expansion. "There's not much to do but lock in and build," says Devaughn.

As the aughts began, companies like Skype (2003) and Spotify (2008) emerged, with the latter also helping to train a generation of employees. The first couple of dozen employees of the two companies became fantastically wealthy, but rather than disappear into wealthy enclaves in Montana, nearly all of them, dubbed the "Founder Mafia," became angel investors, serial entrepreneurs, or executives. Melcher-Claësson estimates that 90 percent of the last decade's unicorns were founded by people who worked at the previous generation of unicorns. Two decades on, Stockholm is a hub of people who know how to create successful companies.

Stockholm is not a hierarchical place. Titles don't impress anyone; you can approach a start-up founder on the street. (Imagine trying that with Sam Altman or Elon Musk.) This is partly because locals have typically known each other since their earliest school years, and partly because people here are, on average, three degrees apart: Anyone with an idea can conceivably ask their plumber to ask their mom for Sebastian's phone number. People tend to dig in and make something, then call others to show them. "It breeds builders, not pitchmen," says Devaughn.

Do these thousands of Swedish builders have an advantage anymore? Is there any indication that markets are becoming skeptical about Swedish tech success? Isn't Scandinavia too damn calm to create the sort of innovation that fuels dominance? Is Unicorn Waterloo upon us?

To a visitor, Sweden might seem like an oasis of calm. But just under the surface roils the coun-





Inside Mojang's offices

try's existential anxiety about losing its foothold. The world population is 8.3 billion. "Most really, really smart people on Earth are not Swedish—that's just a fact," says Melcher-Claësson. He thinks a lot about those numbers as AI pushes tech start-ups at epic speed. Tech companies once took seven to ten years to achieve mainstream success; today, they can become household names and world leaders in their field in as little as three years. The reality is that Stockholm's entire scene teeters on a few fintech and gaming unicorns, some of which are approaching their third decades. It's a precarious situation.

The fast-moving timeline does not necessarily favor Swedish



Melker Dahlstrand/imagebank.sweden.se



Pedestrians walk near Sergels Torg, a public square in central Stockholm.

"Swedish companies are also flatter, with less hierarchy and more autonomy."

firms. The country's business culture prioritizes consensus, and consensus takes time. Unlike an American or Southern European firm, where half the C-suite might disagree with a policy but publicly back it anyway—and, later, expect their own initiative to be backed in return—Swedish leadership teams reach a level of consensus in which no one person is making decisions. That consensus comes through many (many) discussions. It can take years to build, but once Swedish firms have established it, "they move extremely quickly, because people trust," says Heldeborn. "We hate it, but we love it. Once you get there, there's enormous support."

Swedish companies also tend to be flatter than companies elsewhere in the world, with less hierarchy and more autonomy. It's an advantage that many of them, whether large or small, actively aspire to. But that "we" ethos may not play as well when those companies are seeking funding, which often goes to "charismatic, I'm-running-the-show" leaders who are better able to make quick changes, says Devaughn. "The flat culture makes Swedes worse at selling themselves abroad, which leaves real money on the table," he adds.

For Stockholm's existing start-ups, the immediate questions are how to avoid losing head count to AI and how to move people up the value chain instead. In a small country and an even smaller industry, employment roles and skills matter greatly. "How do we equip people for those roles, and invest in education and development for them?" asks Heldeborn. The remarkable efficiencies of gen AI mean that tiny groups can create and launch major companies just as easily from a barn in rural Sweden as from an office building in Stockholm. "If a team of twenty can sell globally from anywhere, the last reason to sit in the capital is gone," says Jonas Karles, cofounder of fintech firm Minna Technologies, which was acquired by Mastercard in 2024. Yet if Sweden already excels at producing fifty-person companies, perhaps gen AI is just the tool they were waiting for?

No one knows what comes next for the Unicorn Factory—least of all the people running it, which is perhaps the most Swedish detail in this article. There is no founder opining on the next decade, and no upcoming forum of billionaires to discuss the topic. There is a formula for Swedish excellence, and that formula—which involves providing the population with access to food, education, healthcare, and technology, and then seeing who locks in and builds—may or may not work going forward. Right now, somewhere in Sweden, a fifteen-year-old in their living room may be building a new AI world model that will be a global household name in 2030. Only time will tell.



Mascot/Getty Images; Polarium

Polarium's Battery Energy Storage System

DISABILITY...



Worker **disability is on the rise** among both older and young workers. Can leaders **improve working conditions** for everyone?

By Meghan Walsh

Morsa Images/Getty Images

OR POSSIBILITY?



The Problem

As the workforce ages sharply, disability among workers is rising.

Why It Matters

Disability limits outcomes for employees and businesses.

The Solution

Create inclusive workplaces that accommodate variability.

George Hammerstein/The Image Bank/Getty Images



During the pandemic, Ana Oliveira, the chief executive officer of the New York Women's Foundation, made a decision to go public in a way few at the top ever do. She wasn't disclosing a scandal or poor performance. Rather, Oliveira, who is now in the process of retiring, divulged... a disability. "It's really scary for CEOs to own our disabilities, because of the perceptions and prejudices that go with aging," she says, explaining that scoliosis, a condition that curves the spine, has made it painful for her to sit for long hours and difficult for her to move in certain ways.

Instead of managing her worsening mobility privately, for fear of professional reprisal, Oliveira considered what it would mean to create a more inclusive workplace. She brought in a consulting agency for two years to help her philanthropic organization implement what she calls "a culture of care." Managers, who are now trained in inclusive leadership, partner with staff to determine the best work arrangements for individual workers, including when, where, and with what tools the job gets done. To do this, though, required making communication channels more robust, so that colleagues could sync up disparate work schedules and styles. Meanwhile, the outfit strengthened personal privacy policies, finding it was critical for people to have autonomy in choosing which details to share about themselves. Oliveira says the efforts have led to more independent and longer-tenured employees. "It's been liberating for all of us," she says.



Shock/iStock/Getty Images

The question of accommodation is a particularly relevant one right now. The number of ailments that can alter a person’s ability to work is on the rise. According to the Centers for Disease Control, the rate of documented disability has increased by several percentage points over the last decade. Widen the aperture during that period, and an even more ominous outlook emerges: Among working-age adults, there has been an 8 percent surge in multiple chronic conditions, such as obesity, arthritis, and depression. Meanwhile, the rate of autoimmune disorders has jumped by between 30 and 50 percent. Since disability is closely correlated with age, existing musculoskeletal and cognitive conditions, as well as hearing and vision loss, are likely to become more prevalent as the population gets older. Perhaps even more disconcerting, though, is the trajectory of health outcomes for the generations joining the workforce: Chronic conditions in young adults have increased by 25 percent, while cognitive disabilities nearly doubled from 2013 to 2023 and diagnoses of autism in children increased tenfold.

Historically, the organizational response to disability disclosure has been to accommodate the individual’s limitations, without changing how the job is conceptualized. While this fulfills legal requirements, experts say it may no longer be enough to meet the demands of a changing labor market. Forward-looking leaders are shifting to a more accommodating world for all workers—everything from better office lighting and standing desks to more management training on those cognitive issues. It’s a recognition that business has tended to imagine the average employee as an idealized, able-bodied, neurotypical person whose health remains static over a lifetime. “We’re all going to need help at some point,” says Flo Falayi, a Korn Ferry senior client partner, who argues that inclusive leadership “doesn’t lower the bar. It elevates it.”

While many diagnoses are on the rise, part of that has to do with growing awareness. Rather than being dismissed as simply disorganized, for instance, a worker who is chronically late or easily overwhelmed may actually have symptoms of attention deficit hyperactivity disorder. There is also greater recognition that disability can take many subtle forms, with the CDC reporting that 80 percent of workplace disabilities are not immediately obvious. Someone may experience migraines triggered by fluorescent lighting, have a hearing impairment that makes it difficult to participate

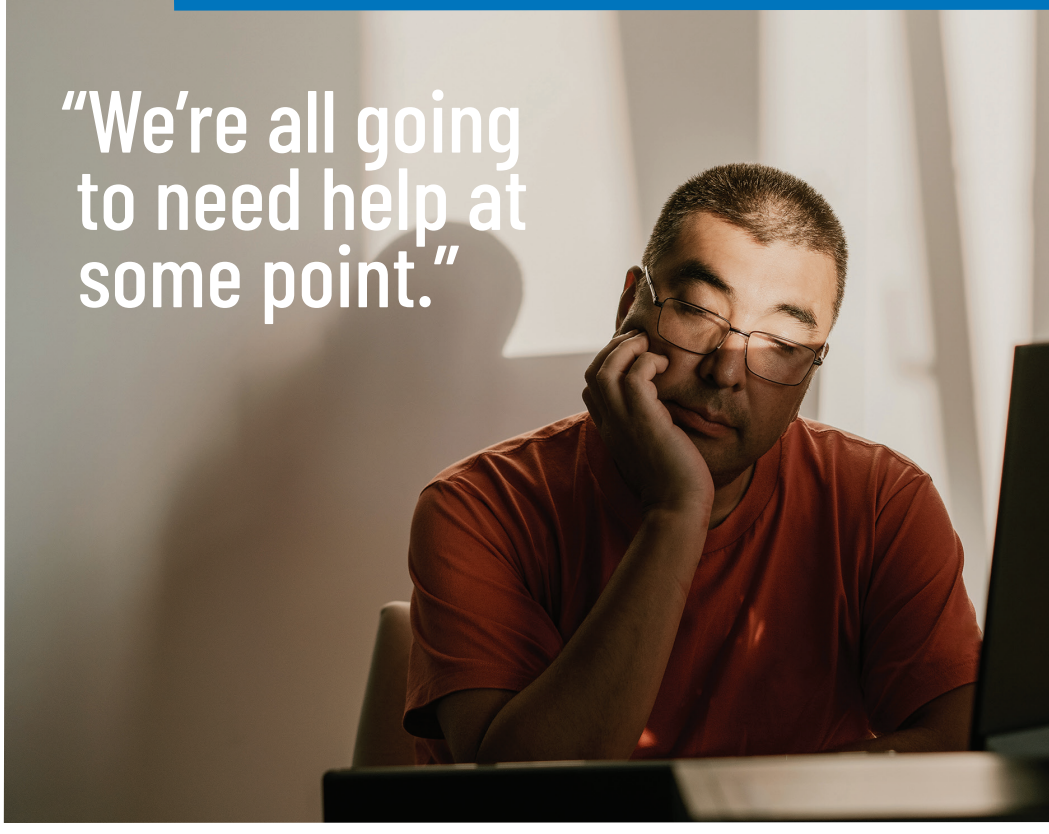
AI and other emerging technology can support workers with limitations in a number of ways.



A variety of apps help neurodivergent workers, such as those with ADHD and dyslexia, by summarizing long emails, **breaking down complex tasks**, and managing time.

in meetings, or suffer from chronic pain, triggered by stress, that comes and goes. "People with disabilities are not one big homogenous group," says David Dwertmann, an associate professor of management at Rutgers School of Business. "There are so many people with so many conditions."

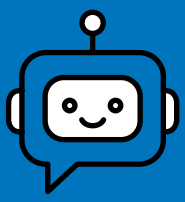
Persons with disabilities are the largest and most diverse of all minority groups—and the most professionally disadvantaged. According to the U.S. Bureau of Labor Statistics, people with disabilities are twice as likely as their peers to be unemployed. Those who are employed earn significantly less money than their abled peers, studies show, particularly if they have a master's degree or higher. Other marginalizing factors, such as gender, exponentially increase the pay divide. The outcome of these disparities, researchers say: For fear of impeding the progress of their careers, minorities, including those in higher-level jobs, are less likely to request accommodations. Almost 50 percent of the neurodivergent workforce doesn't disclose its condition. But that decision comes at a significant cost to the physical and mental health of those working overtime, who must hide what they are afraid may be perceived as a hindrance.



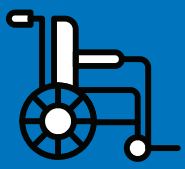
Fiordaliso/Getty Images

The main concern of organizations around hiring people with disabilities, according to a Department of Labor report, is providing them with accommodations. Firms fret that this will be burdensome for managers and coworkers, or are uncertain about the cost. In fact, a growing body of research shows accommodations generally increase productivity and employee attitudes. What's more, according to a survey of 781 employers by the Job Accommodation Network, while most accommodations cost nothing, the average expense when they do carry a price tag is $500. "They say it's expensive to include people," Oliveira says, "but it's more expensive to exclude people." The lack of awareness around the true toll—and return on investment—can lead managers to subtly discourage workers from asking for helpful modifications.

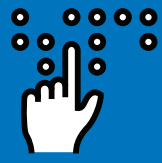
Offices, workplace conditions, and roles are often designed by default for people without any functional limitations. But what begins as a crack in the infrastructure of so-called normality has the potential to become a site of innovation. Take, for example, the ability to blur backgrounds in video calls, which was initially intended to help the hearing-impaired read lips but is now appreciated by anyone with a messy home. Standing desks, used by many who want to avoid sitting too long, were originally a remedy for those with back pain. Audiobooks began as a literary alternative for people with vision loss. The phenomenon even has a name: the curb-cut effect. Curb cuts in sidewalks were originally implemented for wheelchairs, but have since become



Virtual assistants provide **instantaneous descriptions** for employees with visual impairments.



Advanced mobility aids and wearables **allow individuals to move** using visual, audio, or haptic cues.



Communication tools supply real-time captioning, speech-to-text, and sign-language interpretation for those with **hearing or speech limitations**.



Velvet R/iStock, Mikimad DigitalVisions Vectors, Circlon Tech, DigitalVision Vectors/Getty Images

a boon for parents pushing strollers, delivery drivers directing dollies, and travelers lugging suitcases. "If we rethink accommodations, they become like a lighthouse, signaling when something is inefficiently designed," says Dwertmann.

One morning, in 2004, Laurie Henneborn woke up with pain around her eye. It turned out to be optic neuritis—in her case, an early sign of multiple sclerosis. Afraid her capability would be questioned, for 14 years Henneborn didn't tell any of her colleagues at the international information-technology consultancy where she was a global research lead.

But when her employer launched a company-wide inclusion program that emphasized the importance of employees bringing their full selves to work, Henneborn realized that sharing her reality could help leaders understand why so many employees stay silent, and the immense cost they bear for doing so. "When people have psychological safety and trust in an organization, disclosure becomes a choice rather than a risk," says Henneborn, who is now a vice president at Catalyst, Inc., a nonprofit that works to improve business outcomes through the advancement of women. Rather than viewing her medical condition as separate from her professional expertise, she now considers it vital to what she contributes. "Living with MS shaped how I lead," says Henneborn, who also parents a neurodivergent son. "It's taught me to think differently about human performance."

But the contributions of persons with different lived experiences go beyond fresh viewpoints. In a recent study of a large German car manufacturer with more than 7,000 employees, Dwertmann came to see that units including people with disabilities generate not just more ideas, but more novel ideas. Other studies have shown ideas generated from multi-abled teams to be more useful, too. "Difference doesn't just add another perspective," Falayi says. "It changes the way the entire room thinks."

Inclusion starts long before employees request accommodations. It begins with how work is designed, how spaces are constructed, and how cultures are created. When leaders prioritize inclusion, research shows, it reduces stigma among supervisors and coworkers, making it more likely that employees will request accommodations. And since humans and circumstances are not static, the conversation needs to be ongoing. "Inclusion is asking whether work is designed in a way that assumes human variability," Henneborn says.

These days, "technology levels the playing field," says David Baldridge, a professor of management at Oregon State University who teaches exclusively online because he is deaf. Technology, he says, allows the hearing-impaired to hear with cochlear implants, the visually impaired to see with bionic eyes, and the locomotor impaired to walk with robotic limbs. When Henneborn has an autoimmune flare, she can join a team retreat on a videoconference from her bed. "We can focus on ability now, rather than disability, which means focusing on performance—not how the work is done," Baldridge says via Zoom.

Other research Baldridge has done shows that workers with hearing loss redefine how they conceptualize career success. They prioritize social contribution, personal growth, and well-being over material achievements. And many, like Henneborn and Oliveira, seek out roles and companies that align with their values.

Of course, AI is the big question mark for the future of inclusion—and, well, everything. Down one road, jobs will become scarcer, and those already on the margins will be pushed further to the fringe. Algorithm-based hiring will exclude anyone with an anomalous résumé. The divergent path, though, leads to a place where human qualities, like the ones developed out of necessity by workers with atypical abilities, will become the most sought-after skills. "We're at that point," Falayi says. "There is an opportunity for a change. We must make sure we have the will. The will gives us the way."

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PURSUITS

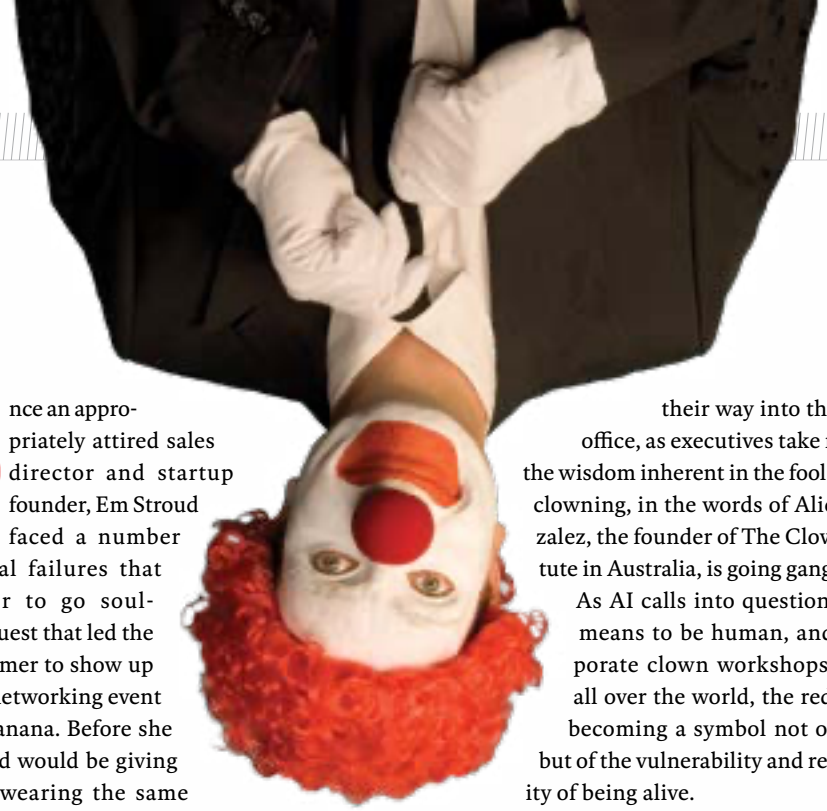
Playing the Fool

The clown archetype teaches leaders to fail forward with courage and grace.

By Meghan Walsh



Zave Smith Photography/Stone/Getty Images



Once an appropriately attired sales director and startup founder, Em Stroud faced a number of professional failures that prompted her to go soul-searching—a quest that led the lifelong performer to show up to a business-networking event dressed as a banana. Before she knew it, Stroud would be giving a TEDx Talk wearing the same colorful costume and become a corporate clown coach (yes, there is such a thing). "Clowning is about revealing who you really are," the 47-year-old says. "Clowns are observers of life and truth tellers."

Once relegated to children's parties, McDonald's marketing, and horror movies, clowns are finding their way into the corner office, as executives take notes on the wisdom inherent in the fool. Indeed, clowning, in the words of Alicia Gonzalez, the founder of The Clown Institute in Australia, is going gangbusters. As AI calls into question what it means to be human, and as corporate clown workshops pop up all over the world, the red nose is becoming a symbol not of idiocy, but of the vulnerability and relationality of being alive.

Clown training is not about learning to tie balloon animals. Rather, it teaches workers to embrace spontaneity, explore imagination, get in the body, quiet the inner critic, build psychological safety, break down hierarchies, and express emotion. The red nose, known as the smallest mask, conceals in order to



THE WISDOM OF THE FOOL — CLOWNING OFFERS LESSONS ON LEADERSHIP AND LIFE.

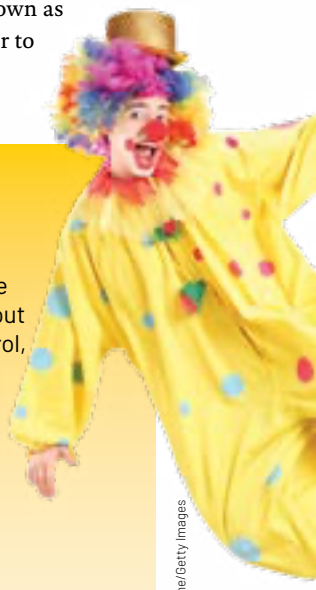
How to create an experience that produces lasting memories and connections.

Begin with the body and the heart. Use the mind as a cross-reference rather than the ultimate authority.

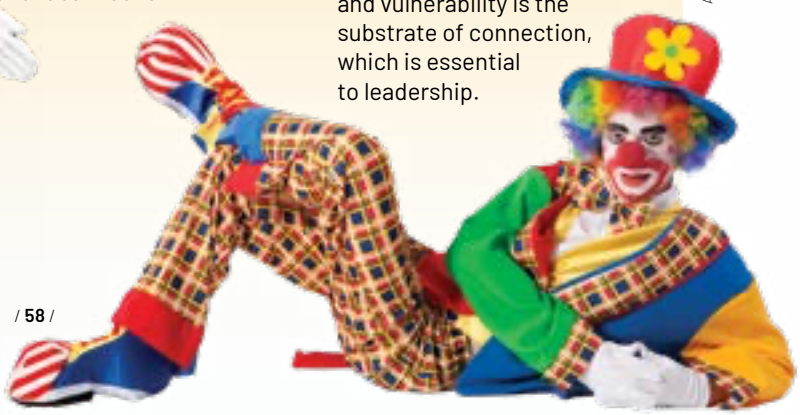


Risk hope. While clowns don't hide their tears in false optimism, they always act from a place of unabashed faith.

Embrace spontaneity. Trust what emerges in the moment without trying to control, knowing that more will be revealed.



Fail with grace. Without failure, there's no vulnerability, and vulnerability is the substrate of connection, which is essential to leadership.



Andy Ryan/Stone/Getty Images

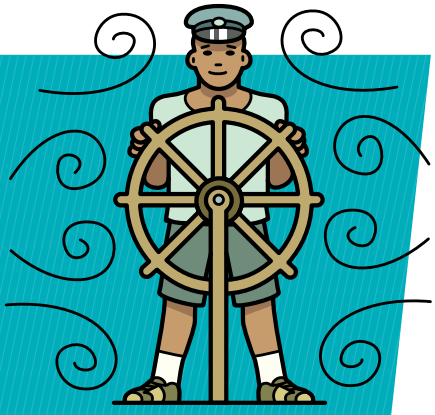
THE ART OF

The Art of Setting Intention

You're always headed in a direction, whether or not you're conscious of where to. Intention is the North Star, the destination that guides the gravitational pull of forward movement. It's wise practice every now and again to set the course true. Otherwise, you might end up in some place you don't want to be.

1 Get your bearings. Start by taking stock of where you currently are and the direction you're headed.

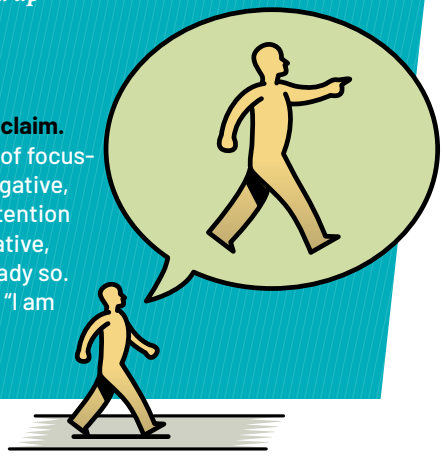




2 Set your values. Let your moral compass be the ultimate guide, rather than desired outcomes, which are by nature fleeting.



3 Stake a claim. Instead of focusing on the negative, state your intention in the affirmative, as if it is already so. For example, "I am on a path."



4 Go boldly. Make sure your intention has the heft to hold steady when times are turbulent and the winds of change come howling.



reveal. In the same way Tiger Woods wore red on the final day of tournaments and Martin Luther King Jr. donned his non-prescription glasses when orating, clowns use costume pieces to connect to the parts of themselves that are otherwise obscured. Stroud's clown persona, Orange, "helps me access the kindest and most joyful parts of Em," she says.

One of these experiential sessions might start with a warm-up to get professionals out of the head and into the body, followed by a no-holds-barred brainstorm. For instance, think of all the possible uses of a pool noodle. Toothbrush, anyone? The red-nose ritual invites participants into a world of sacred play, where there is only the present and emotions shift in a moment. Flop training teaches how to fail publicly and recover gracefully, while never attempting to hide a misstep. Vulnerability is what connects the clown to the audience. We laugh not at their foolishness but at the cosmic comedy of being human.

But you can't force vulnerability, Gonzalez warns. It only emerges when there is true psychological safety. "The most important teaching is how the executive responds when their plan fails and they realize everyone in the room has seen it," she says. "If they don't stay in relationship, it looks like they're lying and the audience hates it."

When Jan Henderson, who used to teach clowning at the University of Alberta, talks about the psychology of the fool, it almost sounds as if she's giving a dharma talk. "When you find your clown, you find unconditional self-acceptance," Henderson says, an image of a white face adorned with a red nose behind her. "When you accept yourself, then you embrace every single emotion. Your clown allows you to embrace your human conditioning and exploit it for comedy."

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Illustration by **PETER HOEY**

VISIT

Burlington, Vermont

The smallest biggest city.



Burlington, with a diversified economy built on healthcare, manufacturing, technology, service, and education, was ranked as the US's No. 3 city to work, based on opportunity and compensation.

Burlington is Vermont's biggest city, but, with a population of less than 45,000 residents, is the smallest biggest city in the United States. Sitting directly on Lake Champlain, with the Adirondacks rising just across the blue waters, Burlington has many of the economic and cultural perks of a metropolis, combined with a small-town sensibility and quality of life. Indeed, the average commute time is just 18 minutes. What was once one of the country's largest logging ports and home of the original Ben & Jerry's ice cream shop is now known as Silicon Forest, attracting some of the fastest-growing tech companies looking for refuge outside of the usual urban hubs.



The region has attracted companies involved in industrial equipment, electronics, and aerospace, including Resonant Link, BETA Technologies, OnLogic, and GlobalFoundries.



©Sally McCay, UVM Photo, BETA Technologies, UVM Photo



The northeastern city known for its vibrant fall foliage also has a dense entrepreneurial ecosystem made up of independent farm-to-table restaurants, craft breweries, music venues, and local artists.



Home to the University of Vermont and Champlain College, Burlington has an unusually educated workforce, with 60 percent of adults older than 25 holding a bachelor's degree.

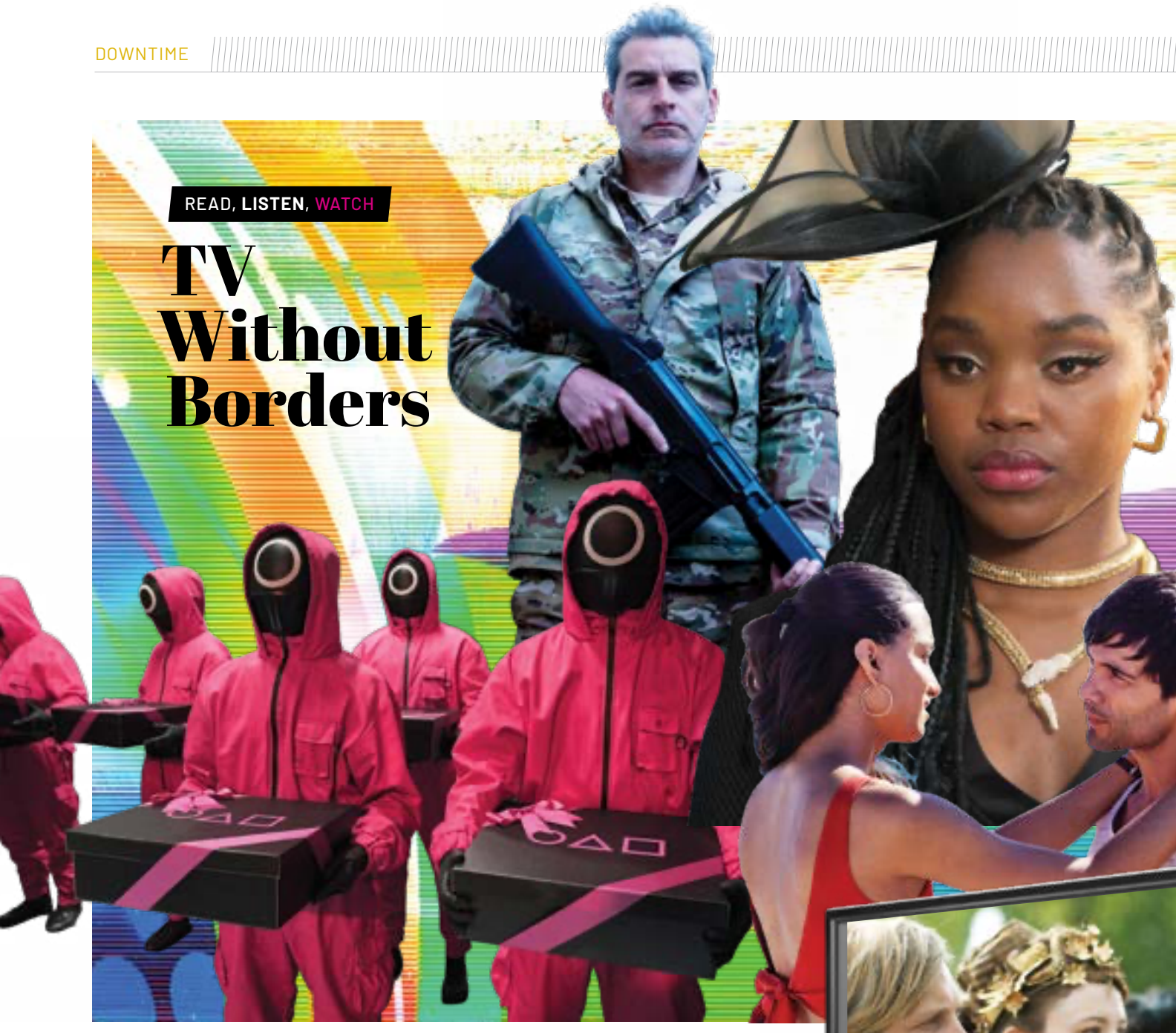
Matt Peacock/Hello Burlington, Adria Photography/Getty Images



Nearby Lake Champlain offers paved pathways as well as boat rentals, while the Green Mountains just east feature a network of mountain trails and winter skiing.

READ, **LISTEN**, WATCH

TV Without Borders



If international film was once a niche genre among English-speaking audiences, international television hardly registered at all. These days not only has the production industry gone global, but viewers are seeking out foreign-language shows. In 2025, Netflix reported 10 out of its 25 most-watched series were in a language other than English. South Korea, Japan, France, India, and Mexico have all proven capable of creating high-production television and attracting audiences around the world.

A confluence of factors has led to the globalization of TV production and viewership. On the technical side, subtitles and dubbing are more accurate and of a higher quality. Meanwhile, as Deloitte has found, more than half of younger viewers watch TV based on social-media recommendations rather than local marketing campaigns. International shows offer stateside audiences with franchise fatigue access to novel settings, characters, mythologies, and ways of telling stories. For an increasingly global streaming market, it's less about the where and who, and more a question of "Is this good TV?" Here are *Briefings*'s suggestions for good watching across the Atlantic.

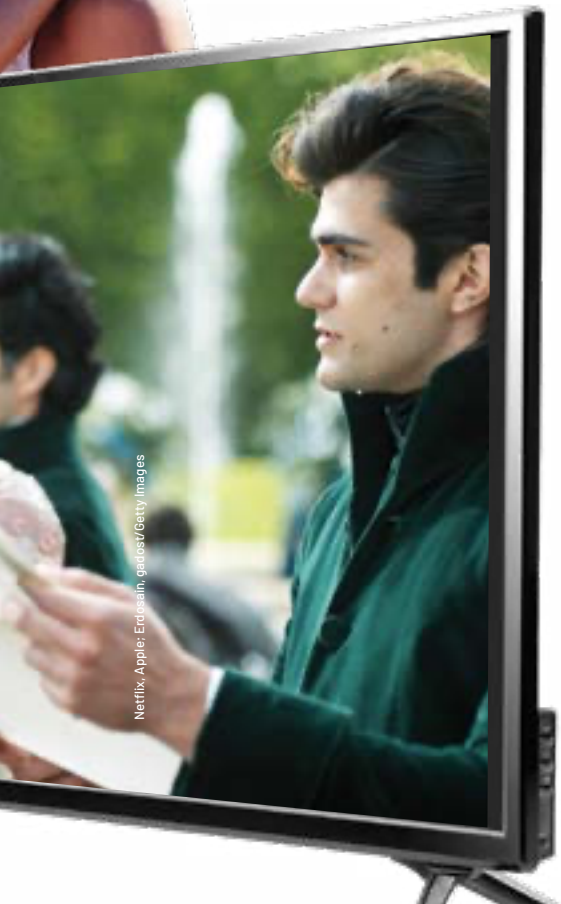
THE ETERNAUT, ARGENTINA
Among Netflix's most-watched non-English series, it's about a mysterious and deadly snowfall in Buenos Aires.

CARÊME, FRANCE
A sumptuous historical drama about a legendary chef who becomes involved in espionage during the Napoleonic era.

SQUID GAME, SOUTH KOREA
Season 3 of this dystopian survival thriller reached 106 million global views in its first two weeks.

THE SECRET OF THE RIVER, MEXICO
In this acclaimed miniseries, two boys from a small Oaxacan village are involved in a complicated death, bonding them for life.

THE POLYGAMIST, SOUTH AFRICA
This international breakout explores tradition versus modernity and wealth and upward mobility, and how these factors shape identity.



Netflix, Apple; Erdosain, gadost/Getty Images

SUGGESTED

A Light in the Dark



Humans have been sitting together around fires for tens of thousands of years, but it's only more recently that they've been able to do so without battling smoke in their eyes and lungs. The Tiki Patio Smokeless Fire Pit allows up to six people to gather closely around a wood-burning flame on a chilly night in comfort, with up to 90 percent fewer fine smoke particles being released. The stylish setup includes a removable ash pan, steel stand, bronze dome covering, and weather-resistant cover.

Tiki Patio Smokeless Fire Pit, $395

Tiki

PRO TRAINING

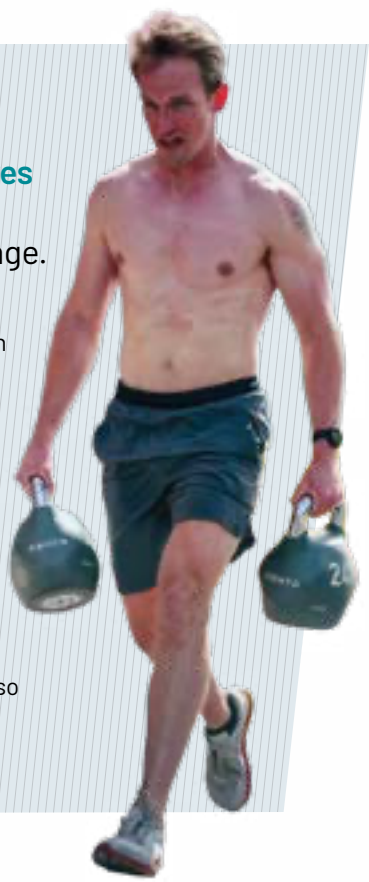
Competitor and coach **Luke Hayes** explains DEKA, Spartan's latest indoor functional fitness challenge.

WHAT IS DEKA? "It's a form of hybrid fitness that incorporates strength, cardio, and function to create a well-rounded athlete."

TELL US ABOUT THE EVENTS. "There are always the same 10 zones, and depending on the type of event you run various distances between the stations."

WHY DO YOU LOVE IT? "It feels great to accomplish a challenge like this and to know you are capable. You compete against yourself, but it's also communal."

Find out more, at spartan.com/en/deka.



Blackjack Images



CHIEF CONTENT OFFICER
JONATHAN DAHL

No Insurance, No Assurance

According to press reports, singer Rod Stewart once took out a $6 million insurance policy in case his voice went out. That's peanuts compared to the $195 million policy David Beckham had for any career-ending injury. And then there was the time Taco Bell bought a $10 million policy to cover the costs of a massive promotion tied to falling space debris.

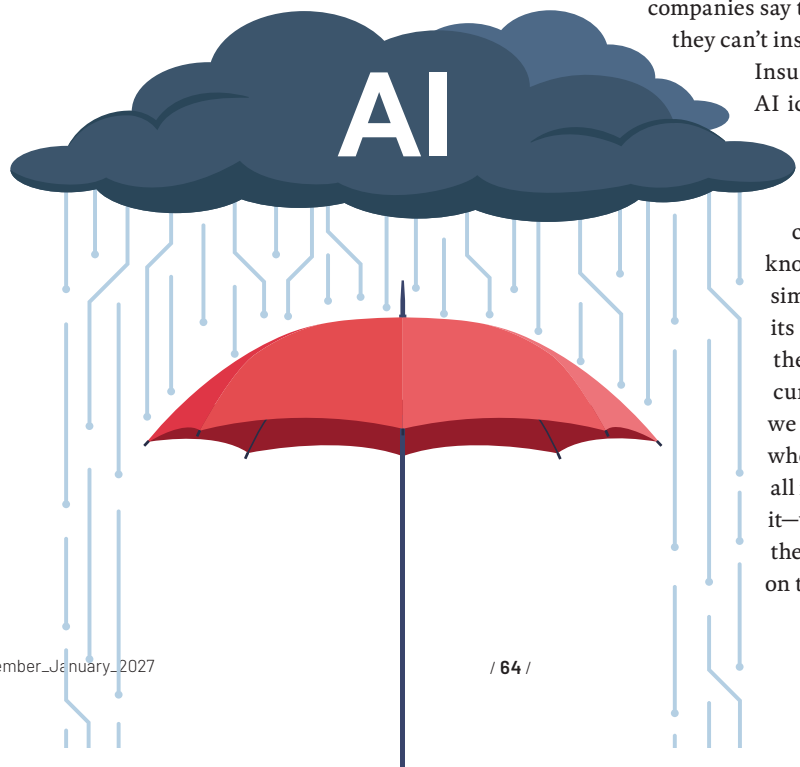
Yep, the insurance industry has been famous for insuring just about anything for the right premium price. Except, apparently, for AI.

In case you hadn't heard, insurance companies are seeking to exclude AI-related mistakes at companies from their usual commercial policies. Currently, insurers will cover a whole range of liabilities. But state insurance commissioners have quietly approved more than 80 percent of carrier requests to exclude AI-related damages from those same policies.

This is one of those enormously big deals that somehow gets very little attention. Just last year, insurers paid out over $100 billion to companies under their commercial policies—more than they did for natural disasters. That means that companies that had coverage were protected from a lot of mishaps. Imagine if they hadn't been, and CFOs were left to worry all night about unexpected costs?

Actually, they may have some long nights ahead. The liabilities from AI are mind-boggling—think of all the bad and potentially costly advice AI can give someone about a product or, on a large scale, the tales of rogue AI agents hacking into government systems. AI might misread a CT scan or give bum information about a 401(k) investment. Indeed, by one accounting, AI-related lawsuits have already jumped by nearly 1,000 percent in five years.

Of course, if Rod Stewart can get a policy to cover his voice, surely some insurers will offer an AI policy, or include AI protection in standard commercial policies with jacked-up premiums. Already, many companies say they'll need to pull back on AI use if they can't insure it affordably.



Elenabs/iStock/Getty Images

Insurance, of course, is just the tip of the AI iceberg. We're truly entering a twilight zone for business, where a once-in-a-generation technology is creating scenarios that continue to come out of nowhere. We don't really know how many jobs will be replaced or simply aided by AI. We don't know what its ROI is. We don't know the limits of the technology itself—whether it will cure cancer or end the human race. All we know is that leaders and workers who accept technological change and all its uncertainties—instead of fighting it—will probably be the ones who have the greatest success. I'd take a policy out on that.

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