A SPECIAL REPORT

KORN FERRY INSTITUTE

Agility^2

SMART FIRMS ARE SCALING AGILITY AND OTHER KEY SKILLS ACROSS THEIR ORGANIZATIONS.

Don't Sit on the Science

In a data-rich world, the discipline to **turn information into insight** is what separates a good decision from a lucky one.

By Jean-Marc Laouchez



At a human-resources gathering recently, a top executive told me that his firm employed several thousand scientists. That wouldn't be surprising if the firm were a pharmaceutical giant or a manufacturer of sophisticated aerospace parts. But his is a leading consumer-facing company—not an industry we usually picture filled with researchers in lab coats. More striking still, a sizable group of those scientists were devoted exclusively to HR. This executive was adamant: Science-based research and analytics—whether focused on technology, strategy, or people—was central to his company's success.

I understand his perspective. Every organization is inundated with data these days, especially when it comes to managing people. We track employee demographics, hiring rates, quality of work, performance, and internal mobility, to name just a few categories—and each of those broad groups can contain dozens of metrics of its own. All that data is meant to help us make better decisions: to hire the right people and help them do great work. Yet many companies sit on enormous reserves of data and still struggle to turn it into better decisions. The data is an asset; left unexamined, it's an asset that never earns a return.

That's the gap science is built to close. Data can tell you that you have a problem; science helps you understand what's actually causing it. At its core, the scientific method is a disciplined way of converting raw observations into reliable, repeatable insights—observing carefully, defining the problem precisely, forming a hypothesis, testing it, and analyzing the results. It walks you through the why. Yes, it takes more time than simply reading off a dashboard. But that rigor is what tells a leader which levers to pull—and which to leave alone—to fix a problem or capture an opportunity.

This matters most when the subject is people. Human beings are complex—as individuals and more so still as social animals.



Separating the signal from the noise is difficult, even for gifted leaders. Pairing raw data with a rigorous research process gives leaders confidence their choices will hold up. It also makes business sense. Your investment in your people is often larger than any factory you build or product you launch—initiatives where you wouldn't think twice about applying scientific rigor to get the decision right.

The case only grows stronger as we move further into the era of artificial intelligence. AI will generate an enormous volume of data and analysis, and with it a pressing question: How much of it can you trust? Running AI output through the scientific method is one of the best safeguards against acting on conclusions that sound confident, but turn out to be wrong. And with the right safeguards, AI will allow you to be both agile and scientifically robust.

For now, using science in people decisions is a genuine competitive advantage. Even today, many organizations still lean heavily on intuition. Experience and instinct are valuable; they're just not sufficient on their own. The point of science isn't to replace that judgment but to test it—so the organization builds on insight rather than assumption. The room to improve is real: In a Workday survey this year, more than 60 percent of leaders said their people, processes, and technology don't work together as effectively as they should.

Which brings me back to the executive with all those scientists. I asked whether it had been hard to convince his own leadership to fund an HR department staffed with researchers. He said no. The scientific method had already driven so many breakthroughs across the business—how the firm served customers, ran its operations, and managed its money—that extending the same approach to people felt obvious. "We should treat our people the same way," he told me.

A SPECIAL REPORT FROM THE KORN FERRY INSTITUTE

The Human-

The AI revolution is speeding up. But th
is as much a people and organizationa



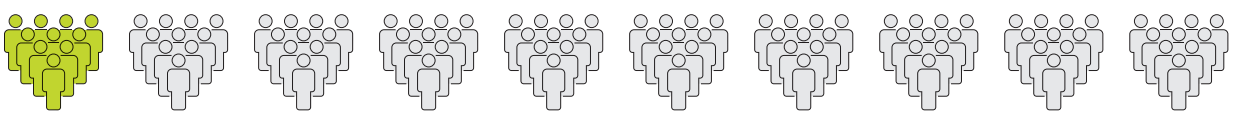
Percentage of corporate IT budgets devoted to AI:

2024: **4.2%**
2025: **8.7%**
2026 estimate: **14.6%**

What HR execs say:



10% Share of CEOs who say AI is driving competitive advantages

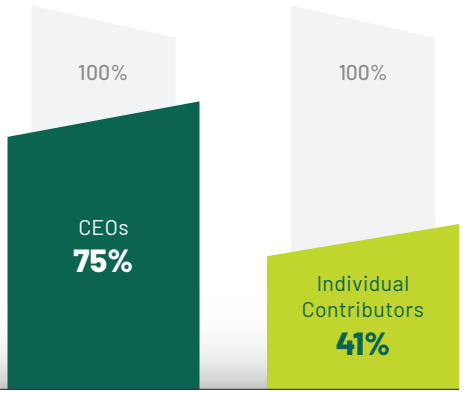


Sources for first row: Presence AI, KF Institute, Korn Ferry Pulse Survey, Korn Ferry Global Workforce Survey

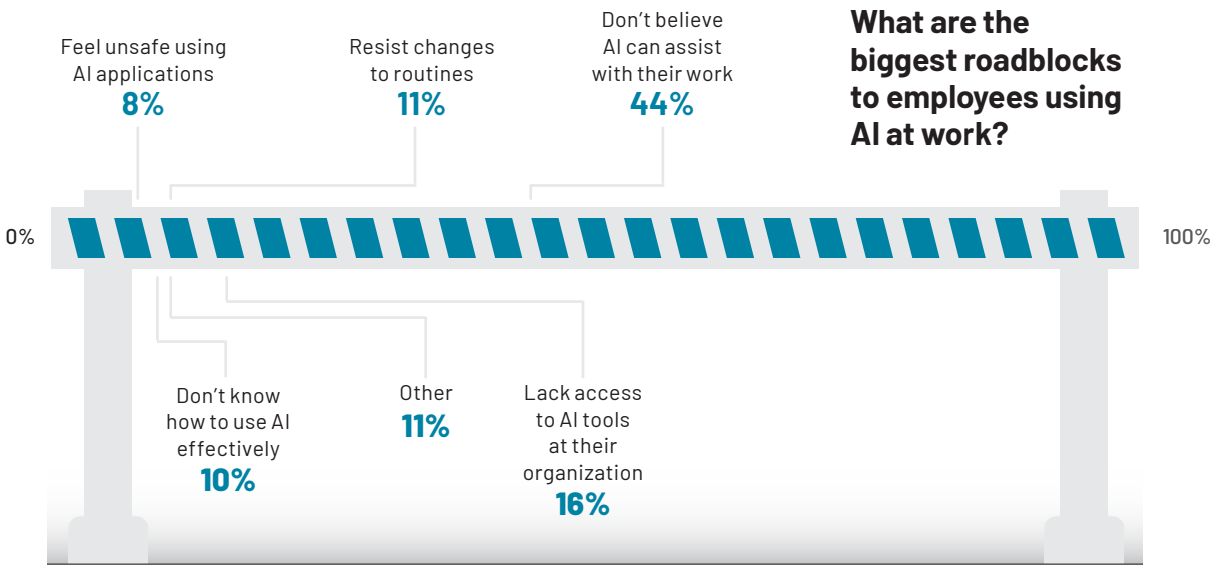
+AI Equation

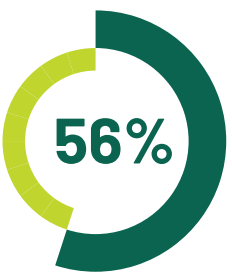
e data shows that making it successful
l challenge as it is a technological one.

AI adoption is happening at scale in your organization:



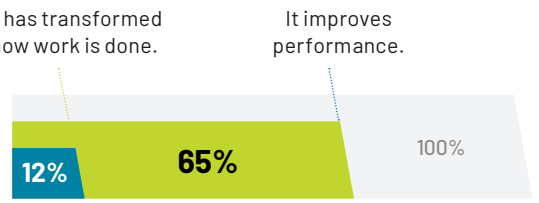
What are the biggest roadblocks to employees using AI at work?



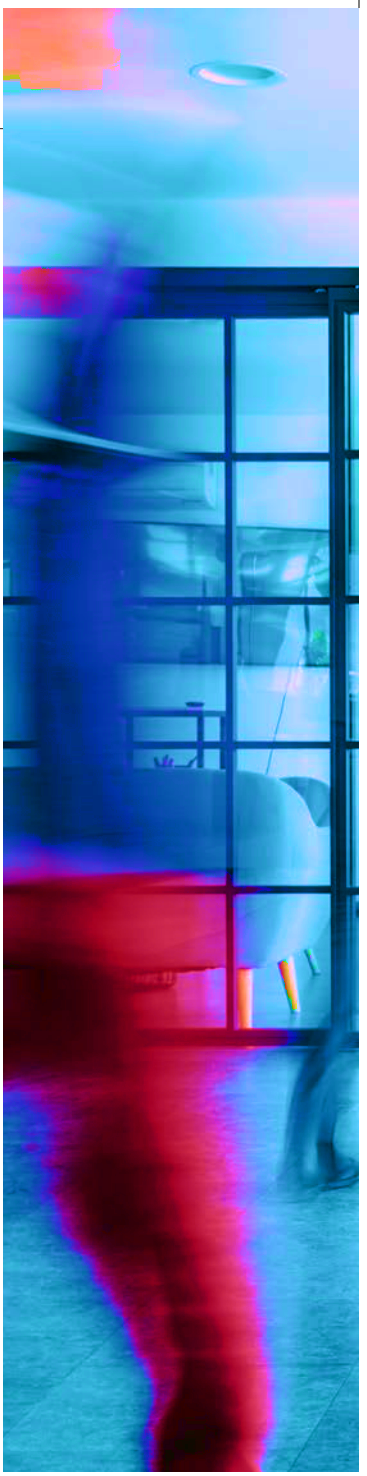


Leaders who admit their workforces aren't prepared for AI

What do workers think about AI?



Source: Presence AI, KF Institute, Korn Ferry Pulse Survey, Gallup



Agility²

New research shows the benefits of converting being curious and agile from an individually held skill to an organization-wide habit.

As it wrapped up its performance review process, the executives of a Brazilian bank asked managers a very intriguing question: Which of your direct reports and colleagues would you follow if they were to go start a new bank? Managers consistently identified the same people from the same division. Sure, some executives might worry about losing these folks, but the brass at this bank was focused on the commonalities of such stars. It turned out that all of them were curious and resourceful problem-solvers. In short, they were agile. Importantly, the bank's particular division not only attracted these types of employees, but it also continued to develop and reward agile behaviors once they were hired. "By having this type of talent, they were always ahead of the curve," says Jean-Marc Laouchez, president of the Korn Ferry Institute, who consulted with the bank.

There are thousands of successful leaders, and they demonstrate a nearly limitless assortment of traits, skills, and behaviors. These corporate stars have been studied for decades, and they consistently share the ability and willingness to learn from experience and apply those lessons. But while agility has long been the best predictor of individual success, experts say smart firms are realizing it should become ingrained, as much a part of everyday work life as checking email or getting morning coffee.

Call it "Agility Squared," and the reasons why it matters are becoming increasingly clear. Employees at all levels who have the highest levels of agility get promoted about 20 percent faster than their peers, according to new research from the Korn Ferry Institute. There are big implications for organizations as well.

Companies that bake agility into their corporate DNA solve problems faster, often acting well before things become desperate and require sweeping, overly risky transformations. According to various studies, highly agile organizations generate 10 percent more revenue per employee and are 30 percent more profitable than average firms. Peers and rivals notice too. The World's Most Admired Companies, an annual list compiled by *Fortune* and Korn Ferry, is filled primarily with firms with the highest organizational agility levels.

The challenge, for both people and organizations, is to turn what nearly everyone regards as a nice-to-have attribute into an essential, embedded capability, because agility is needed more than ever. More than two in five workers, 43 percent, said they expected significant changes to occur at their company or organization in the next year, according to a survey by the American Psychological Association. AI, aging demographics, geopolitical

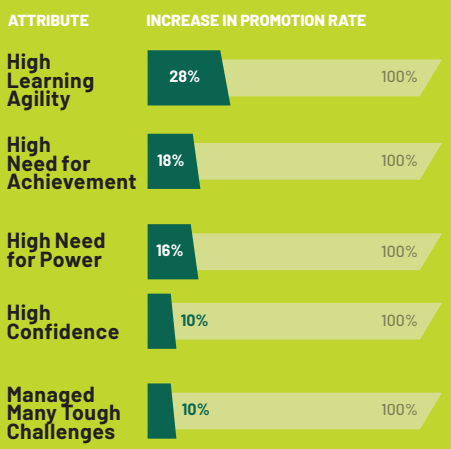


shifts, and economic upheavals are driving those changes. They aren't going away, either, and they could make the next five years look completely different from the previous fifty. The World Economic Forum estimates that 34 percent of business models and 40 percent of core job skills will change by 2030. Going forward, successful organizations will continually reinvent themselves and adapt to changing market conditions. "You have to have a perpetual readiness for change," says Guangrong Dai, the Korn Ferry Institute's senior director of research.

Organizations, of course, have a tough challenge—how can they turn themselves into agile, free-flowing entities? One way, of course, is to just fill the corporate org chart with employees who are endlessly curious, risk-taking, and mindful. But that's not so easy. In a 2025 Korn Ferry survey of chief human-resources officers, only 48 percent knew how to consistently acquire those kinds of talent. Assess-

Who Becomes a Boss?

There are dozens of attributes that can predict who will move up the corporate ladder. But what helps the most with advancement is high Learning Agility—the ability and willingness to adapt.

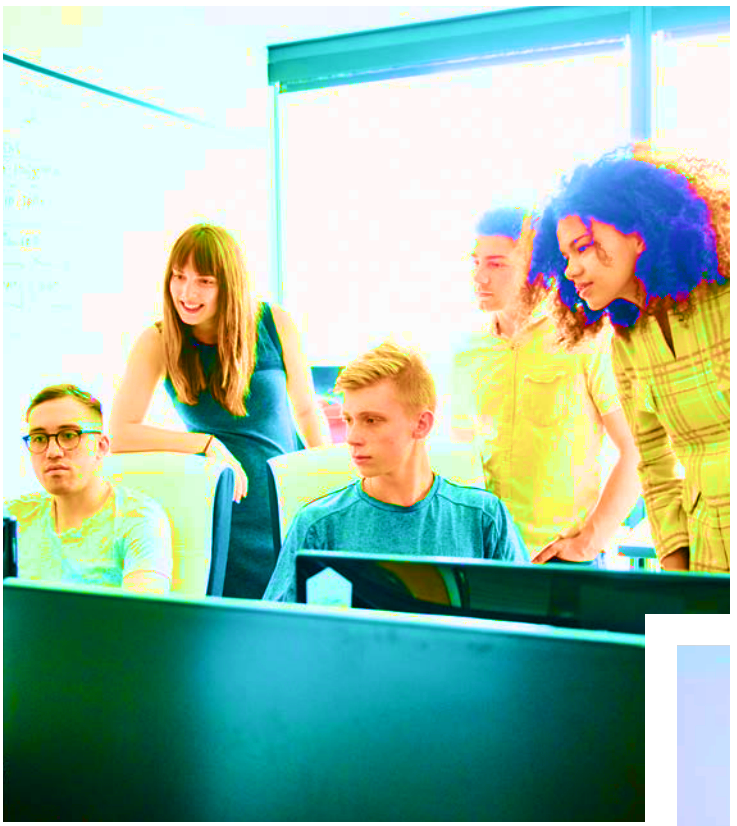


Source: Korn Ferry Institute

ments can help. Indeed, there are straightforward tests recruiters can use to assess a candidate's mental agility in 15 minutes. More sophisticated assessments can delve far deeper, sussing out not only whether someone is agile, but also whether they relish working in uncertain environments, collaborating with others to solve problems, and being nimble. "You want to find people who can create value in ambiguity, learn quickly, and move forward without needing a script," says James Lewis, vice president at the Korn Ferry Institute.

Companies can't rely on hiring, however; there just aren't enough innately highly agile people around. Agile organizations are built on a shared mindset and collective behaviors. Organizations are going to have to not only develop the agility of their employees, but also help make it a permanent aspect of a company's culture. The good news, experts say, is that firms can build agility-enabling habits much like people can, and once formed, those habits don't disappear. "You can move from agility being a random occurrence to a core competence," Dai says.

To create a corporate habit, organizations are going to have to build various routines, an effort that might cause some consternation among corporate leaders who think—with some justification—that routines are things you break to innovate



and get out of ruts. But routines, when shaped well, can be powerful allies. The key, Dai says, is to move from rigid rituals to something far more adaptive. These routines are still structured, but they leave moments for learning and adjustment. Importantly, they give people, and teams, the freedom to experiment, share knowledge, and make improvements.

Skeptical leaders can look at hospitals and surgical centers for how these adaptive routines can work in practice, Laouchez says.

> Operating rooms are **fast-changing environments** where life is often literally on the line.

Operating rooms are fast-changing environments where life is often literally on the line. Success depends on the ability of the surgeons, nurses, anesthesiologists, and other attendants to communicate and adapt together. Over the last few years, these clinicians have created a "team huddle" routine, a focused meeting, usually around 15 minutes long, to reflect on a procedure, share information, and plan for improvement. By discussing recent events and anticipating future needs, the team stays alert to changes in patient status, staffing, or available resources. Importantly, the team takes the lessons learned from one operation and can apply them immediately to the next.

Adaptive routines are most powerful when they're enacted at every layer of an organization, Dai says. They don't have to be boring, either. Indeed, these routines are more likely to stick when they're engaging. That can be as simple as giving the routine a catchy name—a weekly status call becomes a "power-up," for instance—or awarding points and badges to make accomplishments feel noticed and celebrated. Most crucially, these routines should be coordinated and mutually reinforced across individuals, teams, and the organization. Leaders should show how their agility routines connect to organizational goals. "The entire organization moves forward together," Dai says.

People—and organizations—that make reflection and adjustment a routine can continuously adapt without feeling overtaxed. Various research findings show that highly agile organizations have higher profit margins and better employee productivity than their peers do. In a world where disruptions are everywhere, that is a potentially huge impact. "In the most successful organizations, change rarely feels dramatic. It feels built into the rhythm of work," Lewis says.



Sharpen Your Own Agility

Nearly anyone can take steps to improve—and showcase—their agility on a routine basis.



Accept challenges. Volunteer for new, unfamiliar, or high-stakes situations.



Be curious around AI. Could AI, with your help, devise new ideas and techniques? Maybe. Document your successes and failures, and keep your bosses in the loop.



Learn from failures. Agile employees fail intelligently and don't take failure personally.



Take a calculated risk. Present your idea to your boss and ask for some leeway to experiment.



Become a better collaborator. Make contributions, but help others feel safe so that they can become better collaborators themselves.

Stop the AI Guesswork

Korn Ferry Institute scientists Andrea Deege and Karin Visser say leaders need to be more systematic about workforce use of AI.

In the ideal world, at least in the minds of some leaders, AI would automate thousands of rote tasks and humans would do the work requiring critical thinking and creativity.

However, many leaders are assuming AI can replace people in thousands of roles while ignoring the impact this technology





will have on many other jobs. They're making personnel decisions based on that guesswork, and in many cases, it's not going well. "It's been like handing someone the controls of a commercial jet when they haven't yet logged hours in a single-engine plane," says Andrea Deege, vice president of Individual IP Development at the Korn Ferry Institute. There's a lot of good that can be done, she says, but the potential damage is considerable.

We spoke with Deege and Karin Visser, the Institute's vice president of Organization, Work and Reward IP Development, about how organizations can be more systematic and transparent around AI and their own employees.

Using AI for anything, including managing people, requires a lot of data. Do organizations have that already?

Andrea Deege: There is more data than ever, but it's not necessarily helpful. More data requires more time—to gather it from disparate sources, then to combine and analyze it. I think this is the key challenge of the moment.

Karin Visser: With all that data, you have to ask, "How are you going to use it?" It's nice to know something, but even more important is knowing what action you are going to take.



What can organizations do to take the guesswork out of AI when it comes to how it impacts an employee's role?

KV: First, leaders have to believe that AI will help create more value for an organization. They can't just look at it as a way to reduce the workforce. It's not about looking at a role as a whole, either. You have to break down the responsibilities baked into each role and ask which of those responsibilities can be automated.

This isn't a one-time analysis, either. We created an AI Impact Score metric last year by evaluating the responsibilities which comprise our thousands of success profiles, then assigning a score representing how much each role was likely to be impacted by AI. We will continue to update these metrics over time, given the AI impact on work will change as gen-AI models continue to improve.

So what skills will help leaders the most during the AI era?

AD: We have a success profile called the AI Ready Leader which includes six key responsibilities. The responsibilities are not technical in nature; rather, they're about positive human interactions and the ability to inspire and bring people along on the AI journey. One responsibility, called "Address Fears," outlines the need to minimize concerns about job displacement. Another is "Champion Learning and Unlearning," because this transformation will require an unprecedented level of adaptability and agility.

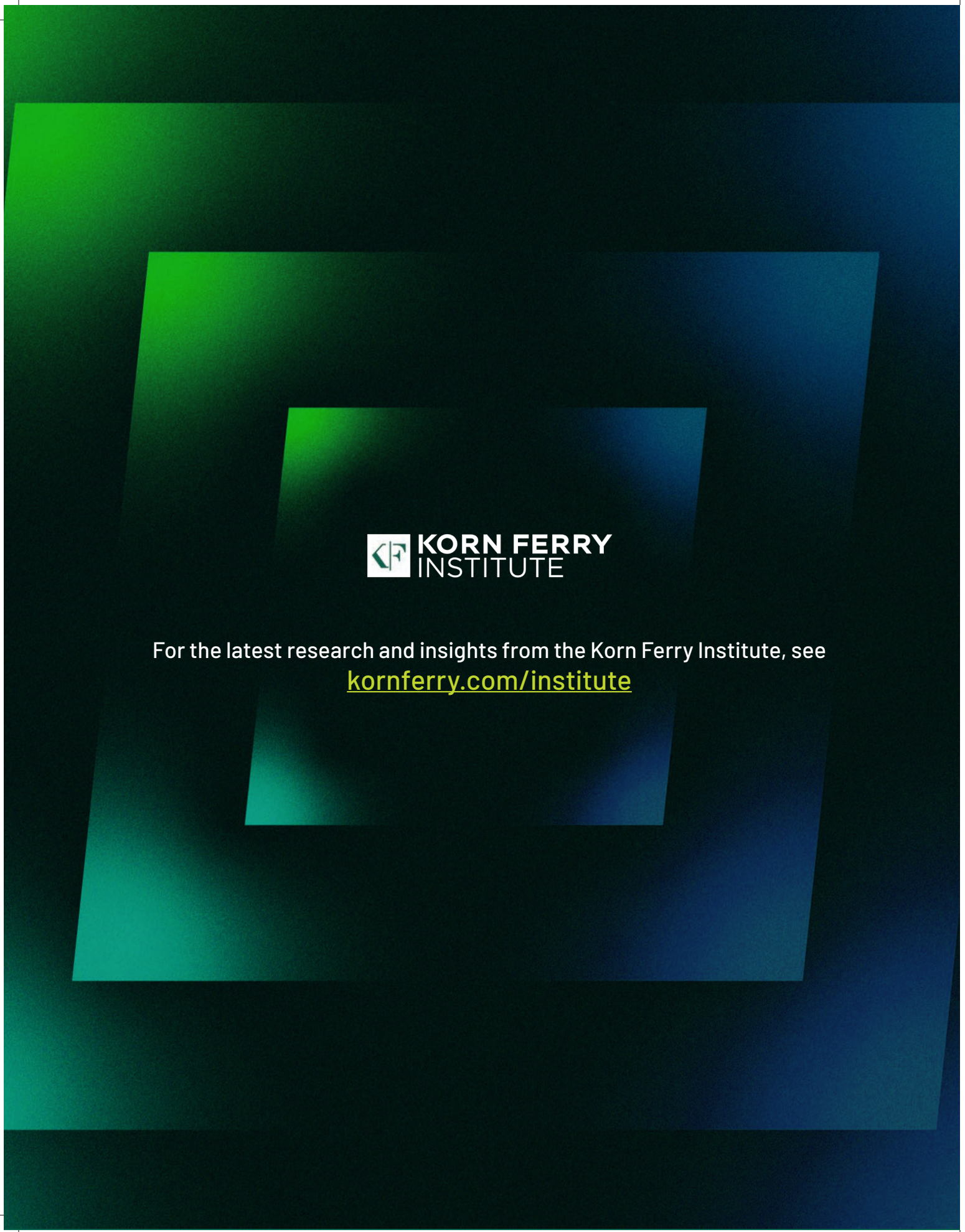
Leaders—and organizations as a whole, really—need to earn the trust of their people on this point.

How do you build that trust around AI?

KV: You can't just say, "Well, AI did it," or "AI is cheaper, so we're going to do it this way."

AD: You need to have demonstrated evidence that AI is predictive and that it's fair, and that it isn't going to advantage or disadvantage certain groups. If you're going to use AI around performance assessments, for example, you need to show a paper trail.

KV: I think that at some point AI will become business as usual, much as the internet eventually did after it first emerged. It might take a bit longer, and it's a far bigger change, but I think we'll get there.



For the latest research and insights from the Korn Ferry Institute, see
kornferry.com/institute