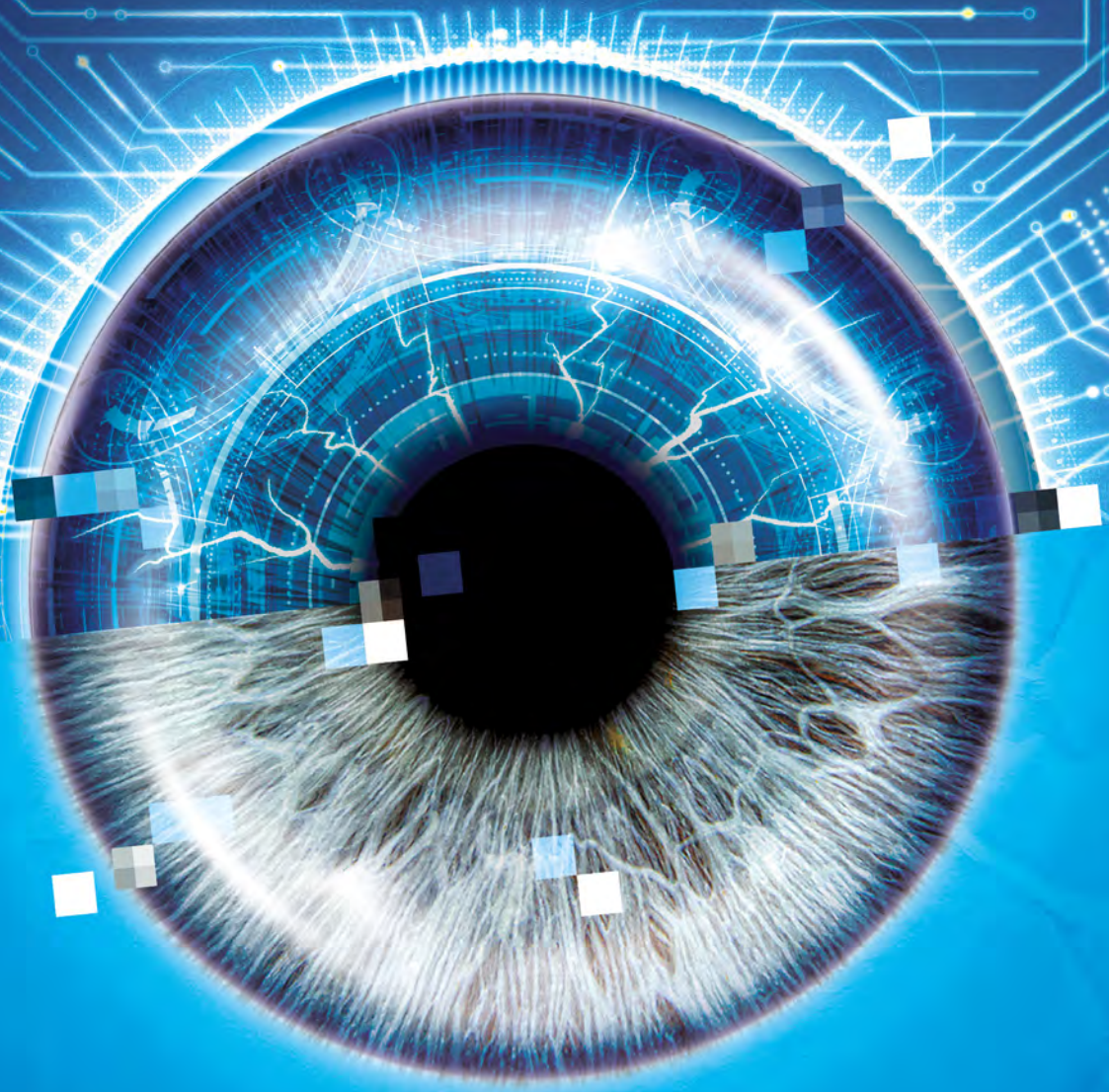




Briefings

THE MIND MELD



AS AI BURSTS ONTO THE SCENE,
FIRMS GRAPPLE WITH THE
MISSING LINK: **HUMANS**



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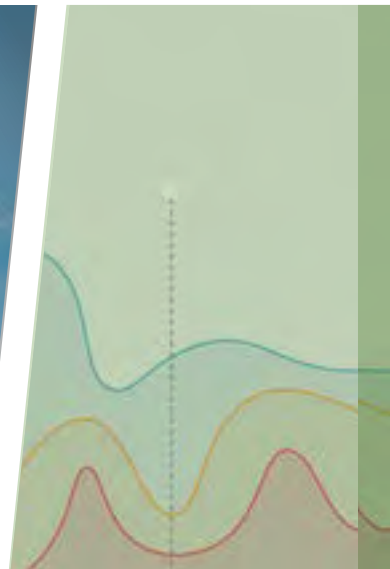


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Mind Meld

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CHIEF
EXECUTIVE
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Having an AI Moment

The early career professional fearful of being disintermediated... An earnings call where the focus was not just on numbers, performance, and outcomes, but also labor supply/demand imbalances, technology shifts, and the AI readiness of global organizations... The senior executive confiding that “where this all goes—who really knows?”

These were just a few of many conversations I’ve had recently. It just feels like we are all having an AI moment.

Yet leaders don’t have the luxury of being able to wait around for all the information—or even most of it—before making a decision or taking action. It simply doesn’t work that way. As with any inflection point, however, before we take action, we can take time to briefly pause for perspective.

WE RECOGNIZE. As our firm’s research indicates, when we’re immersed in ambiguity, we need to take ourselves out of the moment. It’s like tapping Google Earth—zooming out to zoom in.

WE REALIZE. We don’t need to become visionaries. But we do need to accurately perceive today in order to predict tomorrow. It’s not a question of half full or half empty, but rather how many milliliters are actually in the glass. Then, it’s up to all of us as leaders to inspire others to more than “half full.”

WE VISUALIZE. As the old saying goes, “Rocks are hard, water is wet, and the sky is blue.” But rocks can be lava, water can be steam, and the sky can be gray. So, we visualize. Six months, a year, two years in the future—just imagine.

WE ACTUALIZE. Take a step... reassess... and take another step.

It’s an existential truth. As humans, we have always clung to our need for certainty. But the reality is, our state of being is, in fact, uncertainty—which has always been disguised and clouded by our illusions of certainty. The end point is all too often unclear, and the middle is muddled. Ambiguity knows no timeline or time limit.

As humans, we are naturally imbued with great instinctive reflexes to stay away from danger. Yet, as leaders, if we see something as a threat—it will be, well... a threat.

Curiously, this realization reminds me of a recent conversation with an executive who confided how nimble his organization had become amid so much change and uncer-



Leaders don't have the luxury of being able to wait around for all the information—or even most of it—before making a decision.

tainty during the pandemic. But as we talked, he voiced another concern—that people were slipping back to the old ways of doing things—less risk-taking and more bureaucracy. My response: “What’s the attitude toward failure?”

Don’t get me wrong—nobody roots for things to go awry. Yet that question helped reframe the moment and shifted our conversation to the importance of embracing the new and different and taking control of something in a world of uncertainty—even if that means a higher probability of some setbacks along the way.

After all, those difficulties, delays, and even defeats aren’t impediments to progress—they mark the pathway to learning. And learning agility is the No. 1 predictor of success. It’s

a reminder—despite all of the technological innovations of the past decade, people still make businesses successful.

This really is a matter of our lens—threat or opportunity—and what we choose to believe. It’s helpful to step back, even for a moment, and contemplate the possibilities of “if only I had known.”

In this very instant—that’s when we make the shift to a mindset that does not simply deal with ambiguity, but rather embraces it.

It’s OK to have an AI moment—we just can’t stay there. ▀

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WILEY

"The low confidence figures are stunning."

BRIEFLY ON...



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LEADERSHIP

Confidence: Shaken and Stirred

Can organizations handle **massive, simultaneous disruptions**?

Corporate leaders aren't so sure. **By Russell Pearlman**

THE TAKEAWAY

Risk may have increased, but dealing with it wisely remains a challenge.



Y

ou don't become the top boss without a pretty good track record of tackling risk. At one time or another in any CEO's career—perhaps at multiple times—they've probably faced a massive problem that was seemingly out of anyone's control. Whatever it was, the CEO not only confidently solved the problem, but also took the business to new heights.

Most board directors have similar experiences, too, either while serving as the top leader themselves or working on a strong, high-performing team.

But in 2025, so many massive problems seem to be out of control simultaneously: trade policies

changing daily, geopolitical upheavals, AI's disruption of nearly everything, and economic slowdowns worldwide—to name just four. The world's corporate chiefs have noticed, and they're not exactly brimming with confidence that they can handle them.

In its first annual top leadership survey, Korn Ferry asked 250 CEOs and board members at large organizations across the world about the dangers their firms currently face. Some 63 percent of respondents said their firm's risk had increased since 2024. (Only 3 percent said it had decreased.) Just 11 percent said they were extremely confident their organizations could handle that risk, and just 51 percent said that they were extremely or very confident. "The low confidence figures are stunning,"

DNY59/Getty Images

says Jane Edison Stevenson, a Korn Ferry vice chair and global leader of the firm's Board and CEO Succession practice.

Of all the major risks they face, CEOs and directors say they're least confident about geopolitical risk. That's understandable, says leadership consultant Jimmie Lee, since the current US administration is upending several decades of norms. This has pushed many leaders worldwide into being more reactive than proactive. "We don't know how to predict what comes next," Lee says. Just 21 percent of respondents said they were extremely or very confident about handling geopolitical risk; fewer than half were moderately confident. But it's not as if corporate leaders feel overwhelming assurance about handling any of the big issues facing them. Indeed, in only one area of risk did more than half of CEOs and directors express confidence about their firms' preparation: regulatory and compliance risk. Even then, only 52 percent of them did so.

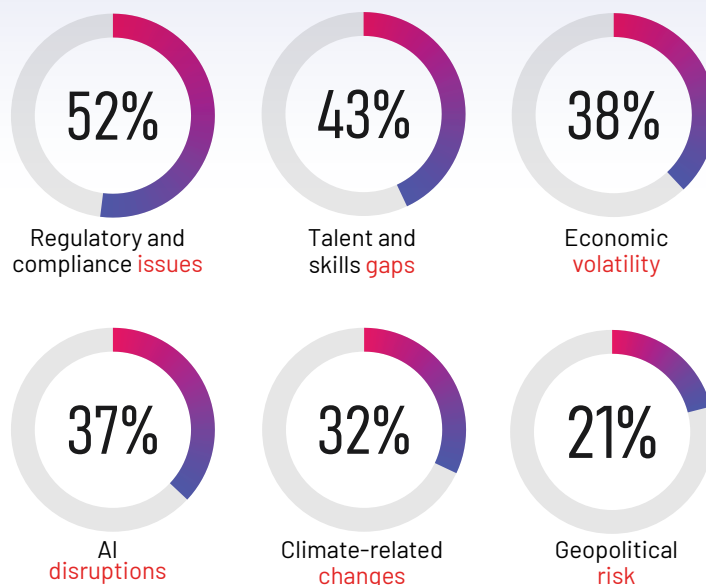
Experts say CEOs and directors need to project confidence, even if they're uncertain, in order to be effective. Employees can be left demoralized—and become less productive—when they sense the boss is directionless. Similarly, outside investors might agitate for change if they feel a CEO or board can't execute. CEOs can strengthen their confidence, Lee says, by reminding themselves of purpose—both their own and the organization's.

Having purpose in mind allows them not only to make long-term strategic decisions, but also to intelligently consider any necessary course corrections. "Your 'why' is your insulator," he says. At the same time, bosses should remind themselves that risk isn't all bad. "Many times people look at risk as a four-letter word and don't realize that it can be an opportunity to capitalize on change," says Dennis Carey, a Korn Ferry vice chairman and co-leader of the firm's Board Services practice.

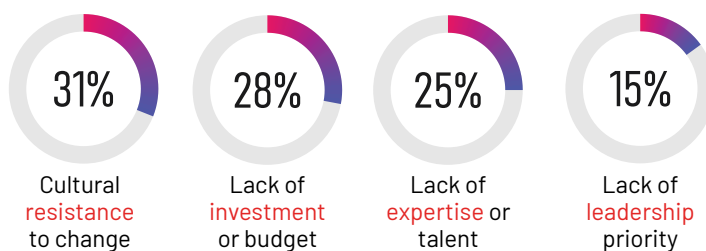
From a director's perspective, **there's nothing particularly new about the process of how to analyze risk**, says Arie Brish, a management professor at the Bill Munday School of Business at St. Edward's University who currently sits on corporate boards in the US and UK. Make a list of all the risk factors, calculate the probability of each one occurring

WE CAN DO IT... MAYBE

How confident (extremely or very) are you in your organization's ability to manage these specific risks?



WHAT'S THE BIGGEST BARRIER TO IMPROVING YOUR RISK RESILIENCE?



Source: Korn Ferry CEO and Board Survey 2025

(high, medium, or low), and estimate its potential impact on the business (again: high, medium, or low). Focus on the risks that are both high probability and high impact. What's challenging, Brish says, is having the discipline to create an objective list of risks and engage in honest conversations about them with management, then prompt management to develop responses. Don't take no for an answer, he says. "I've heard too many times comments from executives such as 'Just talking about it will impact morale.'" ■

TALENT

BY PETER LAURIA

Working Women: Back to the Future?

FOR WORKING WOMEN, 2025 may end up being a “back to the future” year—and not in a good way.

The phrase, which refers to recycling an old way of doing things, perfectly describes how specific changes in the culture of work—among them return-to-office mandates, a pullback on inclusion, and the rise of AI—may be causing a disturbing exodus of women from the workplace. “The business world in the

US in 2025 is no more hospitable to women than it has historically been for them,” says Jeffrey Pfeffer, a professor of organizational behavior at the Stanford Graduate School of Business.

Since the start of the year, women have been leaving the workforce at nearly double the rate at which men have been entering it. The trend mirrors other data showing that efforts to advance women, after rising significantly earlier in the decade,

Jorgenmac/Getty Images

THE TAKEAWAY

New productivity pushes from leaders can hit the workforce unevenly.

have slowed down considerably. The percentage of newly appointed women directors has fallen since 2023, for instance, and only 17 percent of new CEOs of S&P 500 companies appointed last year—11 out of 64—were women. Other figures show promotions being handed out disproportionately, with just 85 women being promoted per 100 men.

Systemic issues like lower pay and high childcare costs are, of course, partly responsible: Studies show women are often paid less for the same job, and handle more of the childcare at home. “I can’t tell you the number of HR professionals who have told me that the lack of affordable childcare is having a significant impact on hiring and retaining women,” says Brad Bell, director of the Center for Advanced Human Resource Studies at the Cornell University School of Industrial and Labor Relations. But evidence is mounting that return-to-office mandates are also playing a major role, with surveys showing more men than women have returned to the office. Anecdotally, experts say AI is having the most impact on traditionally female-dominated roles and functions, like back-office, retail, and human-resources positions.

Flo Falayi, a senior client partner in the Leadership and Executive Development practice at Korn Ferry Advisory, sees **a correlation between culture and the exodus of women from the workforce**. He says return-to-office mandates and reduced flexibility are signals to women that they won’t get the support they need from their firms and leaders. “Companies need a structural redesign of work and jobs to provide flexible hybrid-work support systems for women,” says Falayi.

The hope for the rest of the year is that the return-to-office push will level out and that the labor market will strengthen enough to compel women back to the workforce. But the outcome many analysts are predicting is that neither will happen. If those fears are realized, women are likely to keep leaving the corporate world, says Kim Waller, a senior client partner in the Organizational Strategy and DEI practices at Korn Ferry. “As opportunities to advance are less forthcoming, women are less likely to be patient with their corporate roles and may look to put their talent to work in other ways,” says Waller. ▀

COMPENSATION

BY ARIANNE COHEN

Pay Transparency: A Fresh Look



IT'S ON THE BOOKS IN AT LEAST a dozen US states and cities, not to mention much of Europe: If a company is posting a job, it needs to post a pay range. Somehow, that's not happening.

According to a survey by Aon, a professional-services firm, fewer than a third of firms in the US are fully compliant with laws that apply to states and cities covering 44 million workers. Europe isn't much better, with one survey finding that only 20 percent of job postings in both Germany and Italy had salary ranges. “Most firms aren't just behind on policy—they're behind on positioning,” observes

workforce and visibility consultant Patrice Williams-Lindo. She says that many companies are grappling with the tension between internal inequity and brand image.

To be sure, some organizations have found ways

to comply with the laws on paper, but only by posting absurd job ranges—like \$65,000 to \$399,000. In most cases, experts say, they're trying to avoid upsetting low-paid workers, not to mention ducking a barrage of questions: *How is this pay range*

DATA

HAS INFLATION STOPPED INFLATING?

Fast-rising prices have been a massive challenge for both producers and consumers worldwide for several years. While prices aren't going down, inflation rates seem to have plateaued in many major economies, at least for now.

■ ANNUAL RATE 2023
■ ANNUAL RATE 2024
■ ANNUALIZED RATE THROUGH JUNE 2025



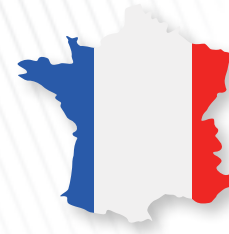
BRAZIL

■ 4.6
■ 4.8 ▲
■ 5.35 ▲
(R\$)



CHINA

■ 0.2
■ 0.2
■ 0.1 ▼
(¥)



FRANCE

■ 4.9
■ 2.0 ▼
■ 1.0 ▼
(€)



GERMANY

■ 5.9
■ 2.2 ▼
■ 2.0 ▼
(€)



JAPAN

■ 3.3
■ 2.7 ▼
■ 3.3 ▲
(¥)



SAUDI ARABIA

■ 2.3
■ 1.7 ▼
■ 2.2 ▲
(SAR)



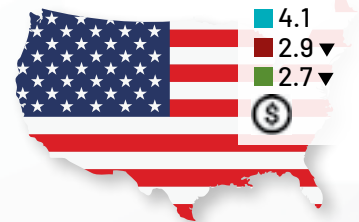
MEXICO

■ 5.5
■ 4.7 ▼
■ 4.3 ▼
(MXN)



U.K.

■ 7.3
■ 2.5 ▼
■ 3.6 ▲
(£)



U.S.

■ 4.1
■ 2.9 ▼
■ 2.7 ▼
(\$)

THE TAKEAWAY

Firm leaders need to see pay transparency as an opportunity, not a headache.

determined? Why am I at the low end of the pay range, despite my three years in the job? Why does Jean have a higher-ranking title than Billie, whose job is undeniably harder? “These questions require companies to get very transparent on a broad range of topics beyond compensation,” says pay expert Tom McMullen, senior client partner at Korn Ferry.

But a growing number of experts say most firm leaders have it all backwards: In today’s world, they say, greater disclosure can create a healthy level of trust between employers and employees. And firms need workers to trust them—one survey found that more than two-thirds don’t. For his part, McMullen says that employees who understand their pay calculus, and feel it’s fair, are more likely to trust their employer. A 2022 study by PayScale found a 27 percent increase in employee trust at companies that promote salary transparency.

But pay transparency only works when a firm

has set up a compensation system that’s equitable and easy to explain. Despite the looming transparency laws, many comp leaders have failed to do internal audits to determine the current status of their own comp policies or map out where they need to go. Simply put, pay transparency is a nightmare for any firm that lets bosses use their own discretion on, say, salaries and job titles. “A company can only tell a good story about pay programs if they have a good story to tell,” says McMullen.

Firms that can tell a good story about their pay programs will likely pick up the talent they need, experts say, even if they’re not offering the highest salaries. Pay transparency isn’t just about compliance; it’s about treating people fairly, which employees find appealing and firms can use as a point of engagement. “There’s an ethics aspect of this—it’s just the right thing to do,” says McMullen. ▀



Boris Zhitkov/Getty Images

LEADERSHIP

BY PETER LAURIA

A Battle Brewing in the C-Suite?

FRUSTRATION WAS MOUNTING between the two executives. The chief technology officer wanted to license a new AI application but was having trouble convincing his counterpart. The CTO felt it was the best fit for the company’s overall AI strategy; his counterpart worried it felt too clunky to drive widespread adoption at the firm. It was a standstill between the CTO and the head of human resources.

A new battle is brewing in the C-suite between leaders who have rarely clashed before. With AI being integrated into workflows, employees need a lot of training and reskilling to drive adoption, creating a mounting interdependency between CHROs and CTOs. Just how much training is needed? Which employees, in fact, are essential? The decision now rests in two hands, instead of one, unless the CEO steps in. “Finding ways to ensure cooperation is critical,” says Peter Cappelli, director of the Center for Human Resources at The Wharton School, who anticipates the push and pull will only increase as AI marches deeper into the workplace and corporate strategy.

Already, some firms have gone so far as to combine IT and HR into one unit, a somewhat dramatic step that remains an outlier for now. Instead, **friction reigns at many firms**. According to one recent survey, two-thirds of tech leaders say they are experiencing differences with HR counterparts over everything from talent acquisition to strategic direction to resources. CHROs have complaints of their own. They say CTOs don’t consider negative repercussions for

existing employees or talent-acquisition strategies when making new AI investments. “As the silos between the two functions break down, the friction is becoming more visible,” says Philippe Remy, managing director in France for Korn Ferry.

C-suite leaders, regardless of position, don’t give up power easily, especially when the viability of their role is at stake. But Emilie Petrone, a Korn Ferry vice chairman and member of the firm’s Global Human Resources and CEO Succession practices, cautions both CHROs and CTOs not to miss the big-picture opportunity in front of them. “They could own the narrative at the enterprise level and position themselves as critical strategic advisors to the CEO and board,” says Petrone. One way to do that is by creating more fluency between the two functions—with CHROs boosting digital literacy and CTOs working on their soft skills with workers. Firms could also encourage alignment through task forces or ad hoc committees—but a solution is needed sooner than later, all agree. “A closer CHRO/CTO collaboration will be a defining feature of high-performing executive teams in the future,” Remy says. ▀

THE TAKEAWAY

The C-suite can’t afford to have many differences among its members.

WHAT’S ON THE NEXT BOARD AGENDA

1

AI

Boards need to be updated on their firm’s current strategy for the technology.

2

ACTIVISTS

After slowing, activist campaigns are expected to heat up this fall.

3

UNCERTAINTY

Geopolitical events will continue to create the need for more management agility.

Spreading Its Wings— Too Far, Too Fast

PEOPLEExpress, the original big-discount airline, may go down as one of the more influential failed businesses.

ANY AIR TRAVELER KNOWS the drill: If you want just about anything extra, you'll be charged for it. Charged for checked bags. Charged for seat selection. Charged for sodas and snacks.

It hasn't always been that way—but back in the early days of airline deregulation under the Reagan Administration, a new no-frills carrier burst onto the scene with an unprecedented policy of offering super-low fares

The company, PEOPLEExpress, was the brainchild of its founder, Don Burr, who seems to have inherited his swagger from his ancestor Aaron Burr, the US vice president. In 1981, he launched the airline in a previously dusty corner of Newark International Airport, with just regional flights. "Burr became known for a successful start-up in a lousy industry," says David Lewin, professor emeritus of management at UCLA's Anderson

to 130 cities. The name PEOPLEExpress struck fear into executives at major airlines, who were still accustomed to the protected world of government-regulated fares.

But as with many successful but short-lived businesses, the airline expanded way too fast, creating enormous debt. "They went up, and flamed down," says Lewin, who once hosted Burr as a speaker at Columbia Business School. He observes that Burr, who was celebrated as a dark knight in airline circles, lacked a balanced C-suite, which left him blind to the nuances of threats and opportunities. (Burr could not be reached for comment, but has

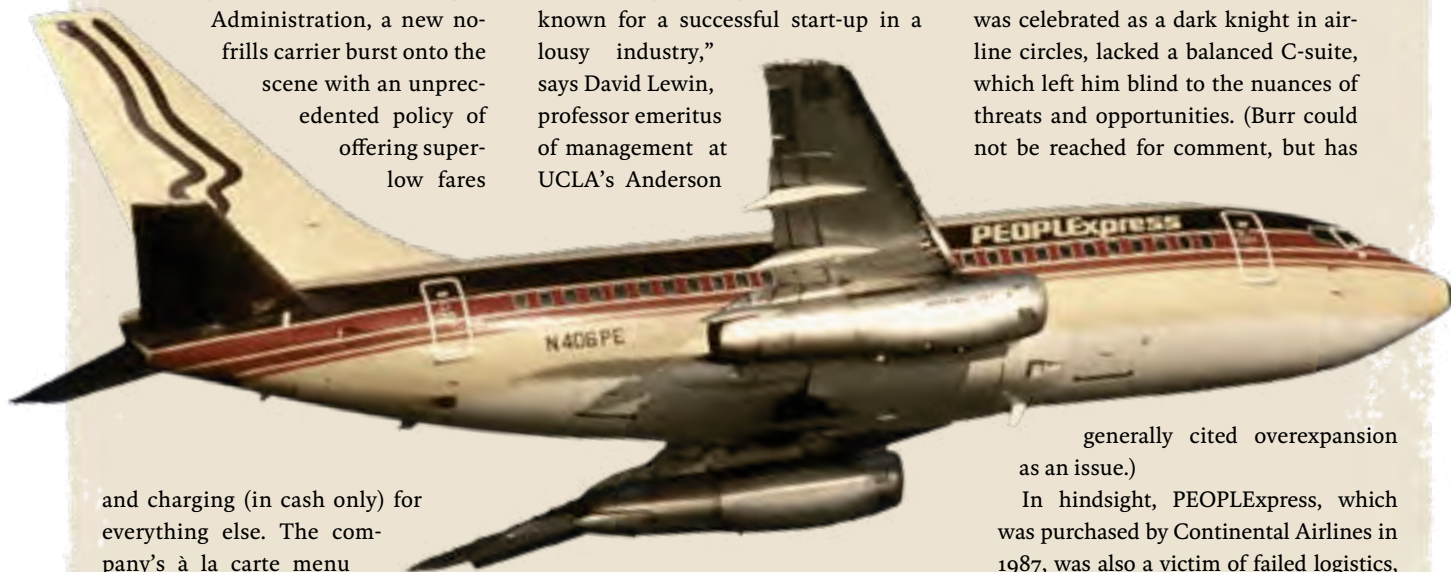
and charging (in cash only) for everything else. The company's à la carte menu included \$3 per checked bag and between 50 cents and a dollar for sodas and snacks. What caught travelers' attention were the fares: as low as \$19 from Newark to cities like Boston, Syracuse, and Cleveland, all at a time when the major airlines might charge ten times as much on these routes.

School of Management. But Burr had in mind more than a successful regional airline. Two years after launching, he inaugurated non-stop service to London's Gatwick Airport at bottom-of-the-barrel prices (think \$149 one-way), and no-frills travelers went nuts.

By 1985, he had bought Frontier Airlines, creating an empire with routes

generally cited overexpansion as an issue.)

In hindsight, PEOPLEExpress, which was purchased by Continental Airlines in 1987, was also a victim of failed logistics, with competitors telling maintenance and food-service firms to ignore the company. The lesson, says Lewin, is that expansion requires infrastructure, as well as strong predictive models for future demand. "It was an entrepreneurial gem for a little while," he says, "then it tried to expand, and fell off the face of the Earth, making a very large thump." ▮



Bob Garrard

‘It’s called commodity nationalism.’

The Global Race for Minerals



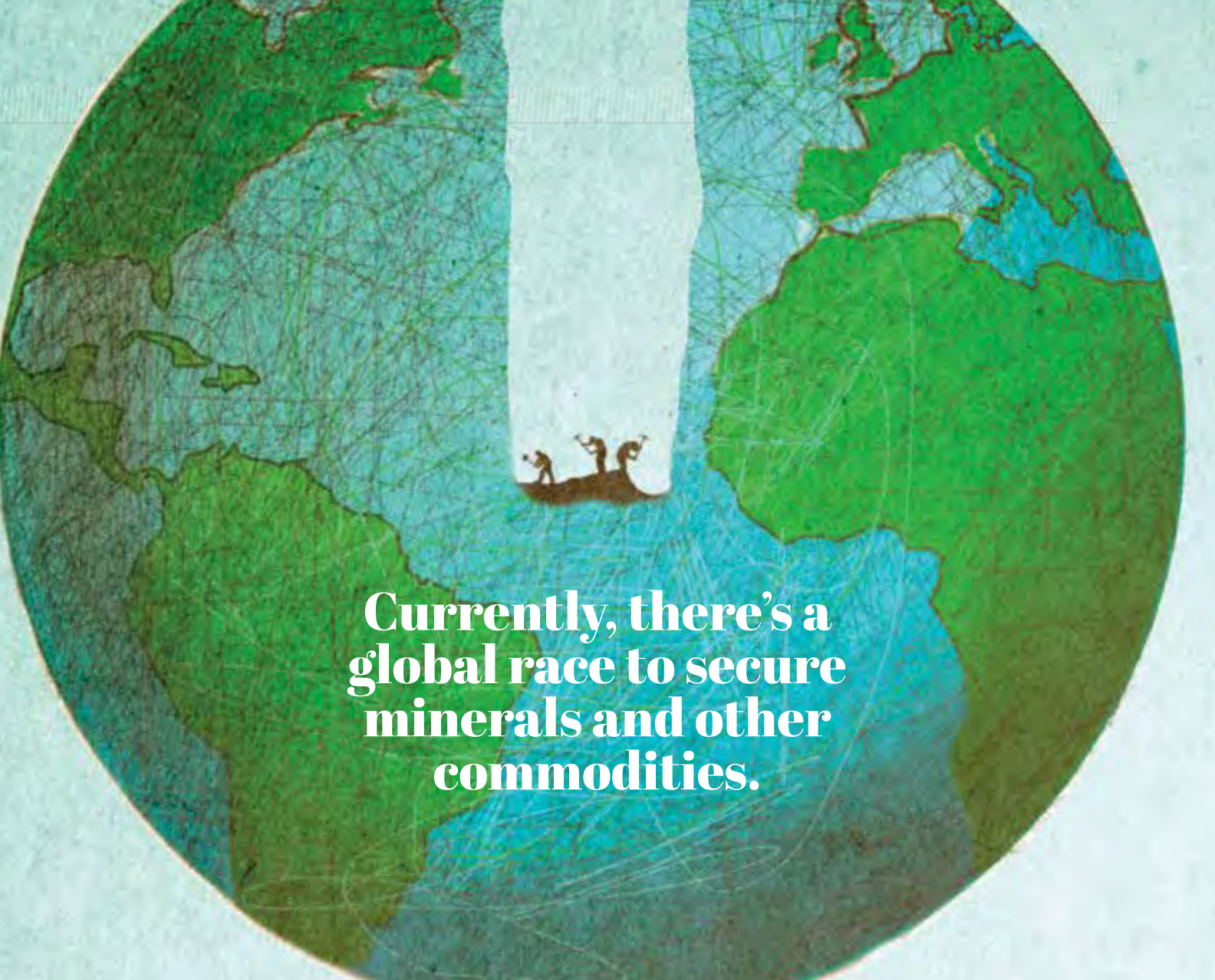
F

or much of the post-WWII period, buying minerals such as copper, coal, or iron ore was simply a matter of money: Did you have it or not? If your company needed to purchase copper ore, it could get it from Chile, among other places. Likewise, the need for cobalt could be sated with supplies from the Democratic Republic of Congo, Indonesia, or Australia. It more or less didn't matter which country was selling the product. But that practice of unfettered trade seems to be disappearing, fast—and it has nothing to do with the great tariff wars of 2025. Rather, it comes down to worries about national security.

Currently, there's a global race to secure minerals and other commodities. To ensure their own growth, as well as protect and defend themselves, countries around the world want access to vital materials. "It's called commodity nationalism," says Pete Earle, director of economics and economic freedom at the American Institute for Economic Research. "Control over oil and minerals is becoming more important."

It was COVID-era changes in international trade that first put the whole issue of supply chains into focus, says Bill Stone, chief investment officer and managing principal at the Glenview Trust Company in Louisville, Kentucky. That period highlighted how susceptible global trade was to interruptions, accidental or otherwise. "When the stakes get big enough, countries will hold back from selling precious materials to other countries," he says. "The goal is to find their vulnerabilities." The Ukraine-US minerals deal signed earlier this year was also part of this race for materials, although it served two purposes. The US administration wanted access to key minerals, but also to thwart Ukraine's adversary, Russia. "America having a stake in Ukraine was meant to ensure that Russia wouldn't push hard," Stone says.

As relations between China and the US deteriorate, the Chinese domination of global rare-earth production—with an estimated 70 percent share (or 210,000 metric tons a year, versus 43,000 metric



Currently, there's a global race to secure minerals and other commodities.

tons in the US)—has become evident. This matters because rare earths are essential for the production of weapons systems. There's been a lack of transparency in the rare-earths market, both historically (China has been known to hold back on deliveries) and recently. In 2010, amid a tiff between China and Japan, there were unconfirmed reports that China had frozen shipments of rare earths to Japan. China denied there was an embargo, and the matter quickly disappeared.

To deal with possible shortages in the future, the US is considering recycling rare earths. There's also a possibility that rare earths can be extracted in the US and Canada: Across the two countries, there are currently approximately 17 million metric tons of rare-earth oxides in proven deposits. "We have access to a lot," Stone says. "We either don't want to extract it, or won't."

Similar tensions exist in the international semiconductor market. In 2018, the US banned sales to China of top-grade semiconductors, such as those used for artificial intelligence—and for weapons systems. This matters in a geopolitical climate in which the US, China, Russia, and Europe's NATO members are all heavily increasing their military power. "The US has weaponized tech, and China has weaponized rare earths," says Marc Chandler, chief market strategist at Bannockburn Global Forex.

Ultimately, one of the biggest issues in the global race for minerals may be the rising demand for renewable energy, which produced 32 percent of all electricity in 2024, and is set to increase. Minerals such as copper, cobalt, and lithium play a big role in renewables. But fights over minerals may slow the boom. "If we wanted a full green transition, there could be a problematic choke hold," Earle says. ▮

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.

‘The longer you wait, the harder it becomes.’ How To Replace an Iconic CEO



I

t's not uncommon for larger-than-life CEOs, like Steve Jobs or Bob Iger, to leave an outsized imprint when they depart their company. And with today's record CEO turnover, there will likely be more big shoes to fill. All of which makes succession planning even more difficult, because you're not just looking for a new CEO. You're looking for someone to carry on a legacy and brand identity that's been closely tied to the CEO's persona.

In such cases, board members may be reluctant to undertake succession planning—until it's too late. This is just one of several mistakes that can occur when seeking to replace an “irreplaceable” CEO.

Here are our thoughts on several other pitfalls to avoid:

TRYING TO FIND A CLONE OR A POLAR OPPOSITE
It's natural for boards to feel anchored to the persona

of the incumbent CEO—or, depending on the health of the business, the exact opposite. While trying to find a replica may seem natural, it's a deeply flawed approach, because cloning can cause stagnation.

On the other hand, a 180-degree turn can cause culture shock and alienate employees. The solution lies in conducting a success profile to explore the future of the industry and the competitive landscape with the goal of determining the leadership characteristics needed to future-ready the company.

STAGE-MANAGING TOP TALENT Many powerful CEOs control access to their leadership teams; they'll work hard to stage-manage board meetings to ensure their team appears as competent and aligned as possible. Such careful curation can lead directors to develop narrow, biased views of the company's potential leaders. Board members should develop one-on-one relationships with C-suite members and periodically arrange for external benchmarking.



Replacing a larger-than-life leader can be a strategic opportunity to invigorate the company's mission.

RELYING ONLY ON INTERNAL OR EXTERNAL CANDIDATES Many boards fall into the trap of relying too heavily on internal candidates or going too far in favor of external ones. Internal candidates are typically better fits, because they're familiar with the company's culture, but they're often less ready for the top job. External candidates, meanwhile, are more prepared, but they don't know the company culture and can face resistance from existing employees. To combat this, boards should consider talent landscapes while making sure to evaluate candidates on a level playing field.

TIMING COMMUNICATION INCORRECTLY One of the most critical errors is failing to communicate succession plans at the right time. Announcing a leadership transition too early can introduce unnecessary uncertainty and destabilize the organization. Conversely, the longer you wait, the harder it becomes, leading to confusion, speculation, and loss of trust.

Of all the possible mistakes, this is the hardest to codify. The key lies in understanding your stakeholders and making careful decisions about who to communicate with, what to communicate, and when. If we have one recommendation, it's to err on the side of communicating slightly earlier, as delays can be more damaging than premature disclosures.

UNDERESTIMATING THE TRANSITION PERIOD Even when a successor is chosen well in advance, a new CEO can take longer than expected to settle in. There's often a period during which both employees and external stakeholders feel uncertain, and failure to manage this period can lead to declining morale, employee attrition, and loss of investor confidence. One of the most effective ways to avoid this is through an apprenticeship in which the anointed successor works alongside the outgoing CEO for three to six months, gaining invaluable experience as well as time to establish credibility with the team.

NO SUCCESSION SCENARIO PLANNING It's quite common for boardrooms to engage in scenario planning for critical contingencies like a cyberattack or financial crisis. But this level of preparation is rarely applied to succession planning. Indeed, there's often no detailed discussion about specific potential succession-plan scenarios. Without rehearsing these scenarios, the board risks being unprepared and responding in an uncoordinated or disjointed fashion.

Replacing a larger-than-life leader can be a strategic opportunity to invigorate the company's mission and pave the way for future growth and innovation. Though replacing a legendary CEO may seem daunting, the process can be profoundly meaningful. ▀

Tyagarajan is a senior advisor, BCG & Bain Capital, and ex-CEO, Genpact. Mohanty is a Korn Ferry senior client partner of advisory services, based in India.

‘It’s quietly damaging your credibility.’ Stop the Fake Compliments



W

e’ve all been there. We’re frustrated with a colleague, but instead of addressing the issue, we do something a little odd: We offer a compliment. Are we just praising someone’s idea or work—even when it doesn’t hit the mark—in order to avoid conflict?

That’s a fake compliment. And while it may seem harmless in the moment, it’s quietly damaging to your leadership credibility and your team’s culture.

Many leaders avoid giving direct feedback because they fear discomfort. They rationalize their choice with comments like “I’m not ready to have the conversation” or “I need to grow more before I can lead others through this.” Some internalize the issue entirely (“Maybe I’m the problem”), then hope the situation resolves itself.

It rarely does.

Fake compliments create confusion. People can sense tension even when it’s unspoken. When your

words are positive but your energy says otherwise, you send mixed signals. This erodes trust and leaves team members second-guessing themselves, unsure of what’s real and what’s performative.

Worse, it contributes to what I call the “quiet war”: a workplace culture where people smile in public, but air grievances behind closed doors. This leads to passive-aggressive behaviors, gossip, and a breakdown in communication. Instead of building connection, fake praise fuels distrust.

THE REAL PROBLEM

At its core, false praise reflects a fear of honest dialogue. Leaders who default to flattery over feedback often prioritize being liked over being effective. This doesn’t just stunt their growth—it limits their team’s.

Sometimes, the issue that’s bothering you isn’t even something the other person needs to fix. You



might need to change how you communicate, set expectations, or manage your own sensitivity. That's why the first step is self-reflection.

Ask yourself:

- Am I being clear in my expectations?
- Have I created the right structure or boundaries?
- Am I being overly critical or too quick to judge?

Fixing yourself first isn't weakness—it's leadership. It builds trust and can help resolve the issue before it escalates.

WHEN FEEDBACK IS NECESSARY

If the problem persists, then it's time to give real feedback. And that takes preparation. Before speaking, clarify what the issue is, what needs to change, and why it matters. Then deliver the message in a way that the person can hear and understand.

Lead with the facts:

- What's the behavior?
- Why does it need to change?
- What's the benefit if it does?

Feedback done right creates alignment and

momentum. It gives people the opportunity to grow and course correct. It also reinforces your leadership as honest, consistent, and grounded in integrity.

THE BOTTOM LINE

Workplaces thrive on authenticity. That's how trust is built. That's how teams feel safe to take risks, speak up, and collaborate. When people walk on eggshells, unsure of what's real, performance suffers—and culture unravels.

Integrity in leadership means saying what needs to be said, even when it's uncomfortable. It also means resisting the urge to fake it just to avoid that discomfort.

So if you're tempted to offer a compliment you don't mean—pause. Ask yourself what the real message is, and whether it's time to deliver it. Your team doesn't need false praise. They need clarity, honesty, and a leader willing to show up authentically.

That's how great workplaces—and great leaders—are built. ▮

Bentley is the founder and CEO of Liz Bentley Associates, a consulting firm focused on empowering leaders and their teams.



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SPECIAL REPORT

THE MIND MELD

As **AI** bursts onto the scene, firms are grappling with how to bring in the missing link: **humans**.

By Peter Lauria / Illustrations by Tim Ames

THE PROBLEM

Too many leaders are putting off deciding how to handle this once-in-a-generation technology.

WHY IT MATTERS

Firms that capitalize best on AI will likely bury competitors.

THE SOLUTION

Move quickly to set AI strategies and to partner workforces with the technology.

It's 9 AM in New York, and the CEO and directors are filing into the conference room to begin their board meeting. Dressed in a navy blue power suit, the CEO takes his seat at the head of the large mahogany table and calls the meeting to order.

At the same time, down in Washington, D.C., some of the firm's top executives are holding a strategy meeting related to pending regulatory changes. And guess what? The CEO is here, too, via Zoom, listening intently while

occasionally sipping from a bottle of water. Then, over in London, where it's 2 PM, the same CEO is looking relaxed and casual, wearing jeans and a quarter-zip fleece while answering questions via video from participants in a leadership-development program.

More than a few CEOs have wished they could be in more than one place at a time. Now they can be, as the leaders of two publicly traded companies proved earlier this year when they used AI avatars as stand-ins during earnings calls. At the time, some people viewed the avatars as a stunt to grab headlines; others saw them more as a declaration of an AI-first strategy. Whatever they felt, everyone was talking about it. "It signaled a level of trust and comfort with AI that I haven't seen from leaders with other technologies," says Tamilla Triantoro, a professor of business analytics and information

systems at Quinnipiac University.

AI: The initials alone evoke a myriad of reactions across the globe, with a universal one being that something "big" is looming. But in most corporate hallways, a lot of the talk about AI frames it as a destination, a place firms will eventually reach in a few years. Many firms say they are "preparing" for AI, with studies showing that leaders expect its impact to show up in their business in two to five years. But experts who know this technology have a simple phrase for that: Don't believe it. AI isn't something on the horizon, they say. It's here, now, everywhere. Some of its uses are well-known: You've probably been texted or called by a chatbot about an exciting job opportunity that matches your profile. And you can't book a hotel or flight anymore without encountering an AI agent. Internally, managers and employ-

"ONE OF THE KEY QUESTIONS TO ASK IS, 'HOW WILL YOUR PEOPLE REACT TO IT?'"



THERE'S SEEMINGLY NOT A FUNCTION OR PROCESS OR TASK OR EMPLOYEE THAT HASN'T BEEN TOUCHED BY AI.

ers are increasingly using ChatGPT and other models not just to automate tasks, but to help make decisions and provide advice.

But this just scratches the surface. For the better part of this year, supply-chain leaders have been using AI to run tariff-response strategies to game out

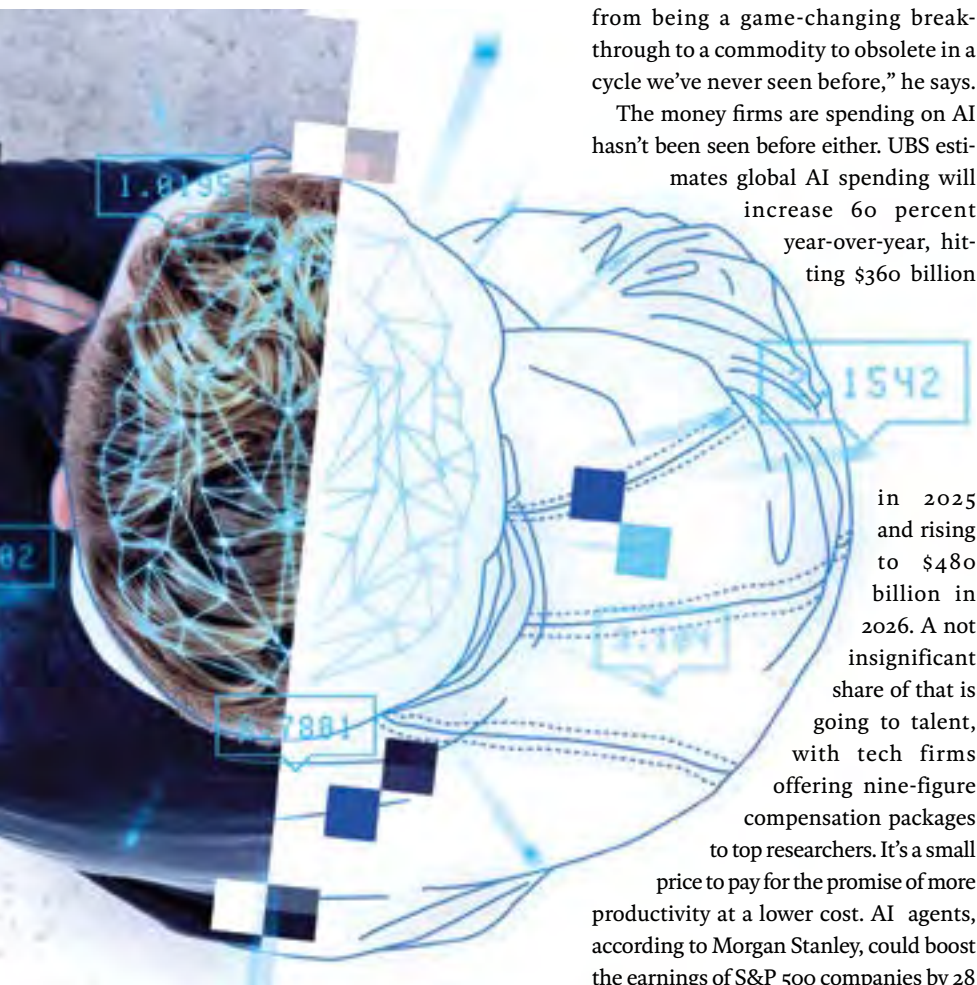
scenarios and plans of action. Financial, tech, and other companies have deployed teams of “AI employees” to staff entire business lines or functions. The speed of AI advancement may be matched only by the sophistication of its applications, says Korn Ferry’s head of AI strategy and transformation Bryan Ackermann. “An AI application goes from being a game-changing breakthrough to a commodity to obsolete in a cycle we’ve never seen before,” he says.

The money firms are spending on AI hasn’t been seen before either. UBS estimates global AI spending will increase 60 percent year-over-year, hitting \$360 billion

percent or more next year.

But with business being so steeped in AI, experts worry that something critical is being left out: the human role. Sure, firms talk about humans as “partners” with AI, but at the same time many of them are openly discussing layoffs or hiring freezes that the technology will cause. The best solution, say experts, is to focus not just on the technology, but on humans. Indeed, a recent Korn Ferry survey of 250 CEOs and board directors globally found that 82 percent of leaders say they believe AI will replace less than 20 percent of the workforce in the next two to three years. The challenge for leaders is to figure out how the rest of the workers will merge their brainpower with machine intelligence. “When thinking about the ROI of AI,” says Triantoro, “one of the key questions to ask is, ‘How will your people react to it?’”

Change comes slowly, as they say, and then all at once. That seems to be the case with AI. Seemingly no function, process, task, or employee hasn’t been touched by the technology. It’s multiple things at once: tool, platform, colleague, business model. Each new use presents both practical benefits and existential risk. Moreover, the transformative changes AI has brought to the business landscape in three years are nothing compared to the changes to come. Here, we look at how firms and leaders are incorporating AI—and humans—into the workplace, from leadership development to operations to how they approach clients and customers.



in 2025 and rising to \$480 billion in 2026. A not insignificant share of that is going to talent, with tech firms offering nine-figure compensation packages to top researchers. It’s a small price to pay for the promise of more productivity at a lower cost. AI agents, according to Morgan Stanley, could boost the earnings of S&P 500 companies by 28

WORKPLACE

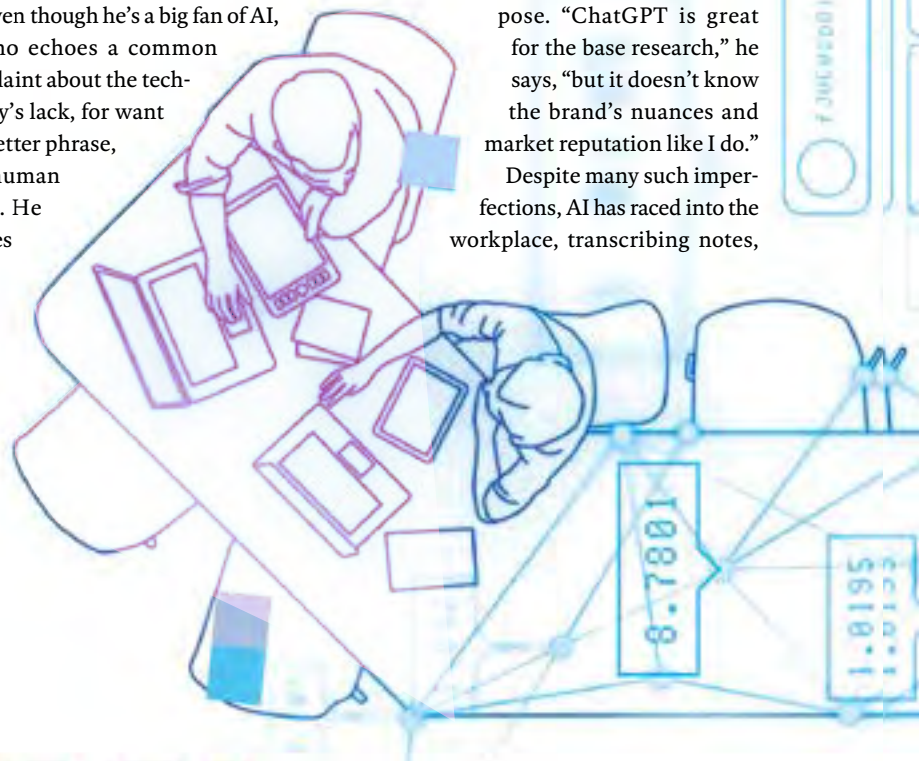
It took 15 years before email became mainstream in corporate offices. The internet and social media got there a bit quicker, taking only a decade to become commonplace. It took generative AI less than three years.

AI already runs through the workplace—from the front lines to the back office, and everywhere in between. ChatGPT is now in three-quarters of offices globally. Last year, the percentage of employees who reported regularly using ChatGPT for work tasks swelled to almost 30 percent, from 8 percent in 2023. And things are just getting started. By now, even the most diehard Luddite is familiar with the text-based prompt interface of platforms like ChatGPT and their ability to return market data, create client presentations, and write business proposals in nanoseconds. Upgraded versions have additional capabilities that can perform financial modeling, write code, and even recommend and prioritize action plans. Russ Rubino, a principal with strategic marketing and communications firm CorpBridge Advisors (he has worked on IPOs for Spotify, Blue Buffalo, and Snapchat), has come to view ChatGPT as an indispensable brainstorming partner for content creation, competitive analysis, and proposal writing. Recently, for instance, he helped program an entire content series around cloud computing for an information-technology client. He says that ChatGPT got him up to speed on the industry “easily 10 times faster than it would have taken me to do the research on my own.”

To be sure, employees who use AI for work tasks report being 68 percent

more productive than they were previously, saving one to three hours daily. But even though he’s a big fan of AI, Rubino echoes a common complaint about the technology’s lack, for want of a better phrase, of a human touch. He notices

it when he prepares a campaign around a client’s voice, style, and purpose. “ChatGPT is great for the base research,” he says, “but it doesn’t know the brand’s nuances and market reputation like I do.” Despite many such imperfections, AI has raced into the workplace, transcribing notes,



KEY STATS:

Percentage of workers using ChatGPT: **30%**



Size of global AI-agent market: **\$7 billion**



KEY CONCERN:

Making sure humans “feel in the loop” as companies turn to the technology.



“IT DOESN’T KNOW THE BRAND’S NUANCES AND MARKET REPUTATION LIKE I DO.”

assisting in training and development, and updating sales forecasts, among literally thousands of other uses. This, too, has revolutionized how we work. Nowhere is that more evident than with so-called AI agents, which take large language models one step further with their ability to include contextual clues and make decisions autonomously,

instead of just returning information, while performing tasks and even filling roles. Already, these agents have been popularized in everything from ad campaigns featuring Hollywood bros Woody Harrelson and Matthew McConaughey to actual signs posted on the streets of San Francisco encouraging firms to stop hiring humans. And the allure is easy to

see: AI agents can complete tasks with minimal human direction or intervention while working over long periods of time and handling complex assignments. There are now websites and job boards devoted solely to AI-agent candidates, and some start-ups are staffed exclusively by so-called “synthetic employees.” All of this creates considerable anxiety for human workers.

And along with the added stress, the deployment of AI agents has become a bit of a “Wild West,” says Triantoro: “For the most part, right now AI agents are doing narrow tasks that help individuals.” There’s little order or strategy to how firms are using AI agents, she adds. Some encourage employees to create AI agents on outside platforms; others build their own internally. Most agents are being created in isolation, which further complicates the job of integrating them across the enterprise so they can speak to each other.

And with AI agents come real human consequences as well. For starters, they could erode employees’ critical skills such as decision-making, problem-solving, communication, and more, says Mark Esposito, a professor, founder, and globally recognized leader in the application of AI in business. “Humans don’t feel in the loop,” he says. Allowing employees to develop AI agents without corporate oversight or a governance framework could expose a firm to data and privacy breaches and other kinds of liability. There’s also the optics to think about, says Triantoro. Employees don’t feel particularly valued or trusted as it is, she says, and now firms are replacing them with AI agents. “Lots of employees are saying, ‘Hey, I’m an actual human over here, how much do you value me?’”

LEADERSHIP

Historically speaking, leaders aren't known for being early adopters. Work-

ers of a certain age can remember a time when executives printed out emails and fumbled with BlackBerrys. If a tech advance reached the top of the house, it did so haltingly and after much resistance.

It's not like that anymore. AI has already made it into corner offices everywhere, from large multinational organizations to small independent firms. Part of that is because clients both expect

**"LEADERS ARE
STRUGGLING
TO FIGURE OUT
HOW TO
REORGANIZE
THEIR FIRMS
FOR AI."**



"CLIENTS ARE VERY KEEN TO KNOW HOW WE ARE USING AI IN OUR SERVICES."

and demand it. "Clients are very keen to know how we are using AI in our services," Rubino says. Underscoring the conundrum AI poses, he says clients want to see that the technology is saving them money on billable hours, while at the same time they "are keenly aware if we are only using AI."

On the management side, AI is showing up in small and medium-sized firms at a stunning rate. About 40 percent

of such firms in North America are actively using AI tools, and by next year an estimated 75 percent globally will have undertaken at least one AI project. Emanuele Criscione, CEO and founder of life-sciences consulting firm LCN Consulting, says he started using AI about a year ago to track projects, aggregate billable hours, and generate client updates, among other tasks. Since his firm's workers—a mix of employees, contractors, and individual contributors—are handling different aspects of a project at any one time, Criscione says, AI helps them save hours, if not days, of manually going through spreadsheets. "There are very tangible things we use AI for to help free us up for other work for our clients," he says.

AI shows up in executive leadership in other, subtler ways as well—such as determining who is hogging the meeting. Equaltime.io, whose 2,800 customers include online-education, travel, and government-services firms, is a meeting-summary tool that calculates talking times by gender and participant, analyzes speech and video for sentiment, and provides an overall inclusion score. Its newest features provide action steps for managers and employees on such things as how to handle being interrupted or "mansplained" to, says cofounder Rachel Dowling, who developed the platform after 15 years as a tech executive. "We help move the needle on culture, which helps with recruiting and retention," she says, adding that one client saw a 65 percent increase in speaking time

for women during meetings after only a few months of using the platform.

As firms cut layers and layers of middle management, AI has become a vital tool for keeping up: Those who remain are deploying AI agents and avatars, as well as managing them as direct reports. AI is also altering talent-management functions like recruiting and performance reviews. Here, too, the technology has its drawbacks, from the frustration chatbots elicit in job candidates to the need to restructure roles and careers. Do you retrain an employee, or automate the role? Do you merge roles horizontally or vertically? "Leaders are struggling to figure out how to reorganize their firms for AI," says Jerry Collier, solution leader of the Assessment and Succession practice in Europe, the Middle East, and Asia for Korn Ferry.

Even among those firms fully engaged with AI, some are struggling to figure out how to make it work for them. Studies suggest that only half of AI projects survive past the pilot stage, and of those that do, a glaring number don't ultimately scale to a level of meaningful cost savings or business impact. Perhaps that's why so many business leaders worry about losing their jobs or long-term career opportunities if they don't show measurable business gains from AI. "Leaders are just as worried about killing themselves with the wrong applications of AI as they are with anything else," says Matt Beane, a professor of technology management and researcher at the University of California, Santa Barbara.

KEY STATS:
Percentage of AI projects adopted following pilot stage: 50%

Percentage of AI pilots that generate meaningful ROI: 21%

KEY CONCERN:
Leaders deciding correctly when to automate roles and when to retrain employees.

OPERATIONS

In early spring, executives from project44, an AI supply-chain firm, were summoned to the White House to discuss various scenarios around tariffs and their impact on shipping. Trade officials wanted to know what project44's 8 billion data points worldwide—including weather patterns, ocean tides, shipping routes, port-congestion records, social media, and more—were seeing in real time. More importantly, however, they

KEY STAT:

Percentage of firms that have partially integrated AI into operations: **57%**

**KEY CONCERN:**

Predictive AI can be a great but imperfect tool for operations, so firms should trim staffs conservatively.

3.104

4.67902

"AI HELPS FIRMS GO FROM A DEFENSIVE TO AN OFFENSIVE POSTURE."

wanted to know what the data predicted based on where tariffs would be enacted and at what level. Jonathan Scherr, chief strategy and operations officer at project44, says its AI can project the

likelihood of certain outcomes by analyzing

how firms are changing and rerouting manufacturing, pulling forward or holding back inventory, and other actions. “Our

AI helps firms go from a defensive to an offensive posture, which can greatly mitigate losses,” says Scherr.

AI’s impact on supply chains and the other nuts-and-bolts of a company’s operations, unglamorous though it may be, is arguably the most dramatic. On a large scale, firms are fine-tuning predictive-analytics

platforms for budget planning, inventory forecasting, talent management, and more. Banks like JPMorganChase have long used these platforms for investment strategies and fraud detection, for example, while big consumer-products companies commonly deploy “digital twins” to predict market demand and devise forecasting strategies. Josh Rabinowitz, a music supervisor and producer who works with major consumer brands and entertainment companies, uses a platform called DISCO to help curate songs for potential use in films, TV, com-

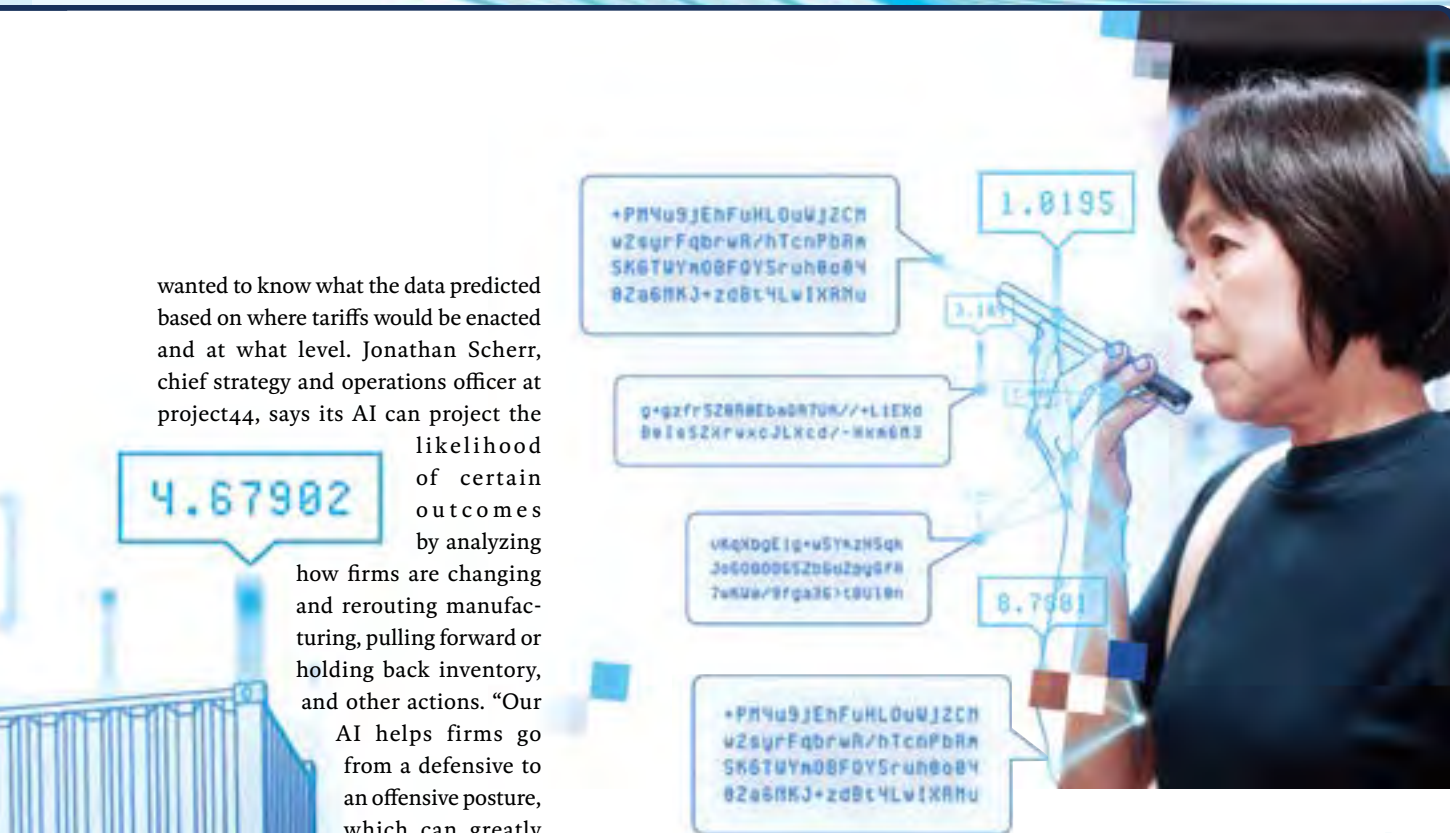
mercials, and other media. “I sometimes have to sift through thousands of songs and isolate specific tracks, and AI helps streamline the curation,” he says.

Predictive AI is far from perfect, however. Pinpointing when the next missile attack, pandemic, or labor strike might occur isn’t an exact science. Or, as Scherr puts it, “Black swan events are still black swan events.” Moreover, the fact that AI can make a call doesn’t necessarily mean it will make a good one. Predictions are only as good as the data they are based on, after all. A sudden change in consumer behavior could easily lead to an inventory miscalculation. Sometimes it isn’t clear how AI has arrived at a decision, which can have serious repercussions if, for instance, a bank denies a loan based on faulty reasoning or biased data. “Leaders think they want to have everything automated, but do they really understand what taking humans out of the equation means?” asks Triantoro, the Quinnipiac professor.

CUSTOMER & CLIENT SERVICES

It’s highlighted in a tiny oval next to the navigation menu on Amazon’s home page: Against a white background, in black letters, is a button for “Rufus”, the retail giant’s AI-powered “shopping assistant.” A lot is riding on Rufus, strategically and financially, not just for Amazon but for customer-facing firms across industries. And after a slow start, the chatbot helped traffic grow 300 percent this year, according to Amazon.

Banks, healthcare providers, travel and hospitality companies, streaming-media services, and even utilities firms all have their own AI-powered chatbots. Nowadays, hotel guests are more likely to be greeted on the phone by a digital agent than an actual person. And they seem to prefer it that way. One user on Reddit praised the digital concierge at a Marriott Renaissance, writing that “it



IT'S WITH CHATBOTS THAT THE NEED FOR A MIND MELD WITH HUMANS MAY BE GREATEST.

didn't just suggest a restaurant, it knew my preferences." Big-box retailers like Lowe's and independent platforms like KitchenDesign.io allow people who upload photos to use VR and 3D to step into their own kitchen redesigns, all without human assistance. To be sure, while riding in a Waymo in Arizona recently, Jay Sherman, an executive at credit-rating agency Moody's, was struck by how nonchalant people have already become about driverless cars. "People trust these cars to within a half-inch of their lives," he noted.

But it's with chatbots that the need for a mind meld with humans may be greatest.

KEY STAT:
Percentage of firms adopting AI-powered chatbots for customer service: **80%**



KEY CONCERN:
Anywhere from 30% to 50% of consumers report unfavorable experiences with chatbots.

Everyone has no doubt experienced the "spiral of misery" that comes from being misdirected or misunderstood by a chatbot, despite years of efforts to improve the technology. Deepfakes and other scams pose all sorts of risks to firms as well. Rabinowitz, who frequently travels to speak at conferences around the world, recalls how a friend almost booked a hotel room on the wrong island because a travel website said it was only 15 miles from where they needed to be—which it was; just by water, not roads. Failing at basic tasks is a problem even the biggest platforms suffer from. Matt Twomey, a copywriter and filmmaker, says what AI can't do amazes him as much as what it can. "I asked Claude [Anthropic's AI] to give me the page and word count for each chapter of this book I'm working on, which was something Word could do in the 90s, and it failed," he says.

On the organizational side, the more firms deploy AI into customer- and client-facing roles, the harder the job becomes for its human coworkers, technology-management professor Beane notes. Since AI is increasingly capable of resolving routine issues, the ones that remain for people to solve will necessarily be more complicated and more emotional. "The human is going to be lobbed flaming curveballs much more often," says Beane. "That's the interesting part about AI: It isn't what the technology can do, but how work and jobs for humans will change because of it." ▀



ASSESS AI READINESS

Korn Ferry found that only 9 percent of leaders in a recent survey had the combination of behaviors and experiences needed for the AI era. By contrast, 91 percent exhibited predominantly "business as usual" mindsets and behaviors. "Leaders keep telling us they believe becoming a digital and AI-enabled company will determine their competitiveness in the years to come," Bauriedel says. "But the knowledge gap remains substantial."

DESIGN JOBS DIFFERENTLY

How to restructure positions for AI is another people-related challenge for orgs, says Korn Ferry's Bryan Ackermann. What does the role of managers look like in the AI world? How will automation impact job families if certain roles go

AI by the Numbers

The global AI market is expected to reach **\$1.81 TRILLION** by 2030



AI is expected to create more than **97 MILLION** new jobs globally this year



marian, Praserit Krainukul, Kushan Weerasinghe/Getty Images

WHAT ABOUT THE HUMANS?

*While AI-related layoffs remain a major fear among workers, studies and research abound confirming the importance of successfully marrying humans with AI—for business, for culture, and for society. The goal shouldn't be to replace jobs, says Wolfgang Bauriedel, a senior client partner in the Technology and Digital practice at Korn Ferry. Instead, there should be a continuum from humans to AI tools. "It's not AI that will replace your job," says Bauriedel. "It's the people who successfully leverage and use AI who will." Here are **five ways** our experts say firms can solve the "people problem" AI poses:*

away? Where firms are on that journey runs the gamut. Some clients have identified one-third or more jobs across sales, legal, finance, and other functions that will need to change in terms of responsibilities and scope, says Ackermann. Others haven't even begun the process. "It isn't just a question of automating a role or not," he observes. "For leaders, it's a question of how does the organization need to change because of that decision."

BE AGILE IN RECRUITING

AI has made hiring simultaneously easier and more difficult. Automation increases efficiency for both applicants and recruiters, but also—as critics have noted—can miss promising candidates or demonstrate bias. Predictive-analytics platforms (such as Korn

Ferry's Nimble Recruit) pair experts in human resources and recruiting with advanced AI capabilities to pinpoint specific skills and assess talent supply. Korn Ferry's Jerry Collier says identifying AI-ready talent is about more than just tech skills. "It takes a different mindset," he says.

REDEPLOY AND TRANSITION ETHICALLY

There's no point in denying that jobs will be lost to AI. Korn Ferry's Chris Cantarella notes, "Companies are going to lose a lot of trust and loyalty for allowing this to happen." Experts say smart firms and leaders are rightly looking at ways beyond typical outplacement offerings to help those affected, part of emphasizing a human touch for displaced employees. "Socially responsible employers are seriously considering the moral and ethical

aspects of AI," says Bauriedel, noting that doing so sends an important signal to remaining and prospective employees.

ENCOURAGE BOLDNESS

More than half of US workers in a recent survey said their company's AI policies were unclear, and that confusion—combined with fears about the technology's future impact—may mean many will hide their use of it. That could be a bigger deal than it seems, since it may hold firms back from uncovering "enterprise-wide innovations," says Bauriedel. Another study found that employees don't disclose their AI use to colleagues and managers for fear of negative repercussions. "The risk of losing out on enterprise-wide innovations is much greater than the risk of people making mistakes from trying things out," Bauriedel says.

How Businesses Adopt AI

- Around **4 IN 5**
- companies deem
- AI to be a top
- priority in their
- business strategy



Nearly **HALF** of US companies are using ChatGPT

A Look At Current Company Usage of AI

- 📌 **7%** Don't use AI currently, but are looking into it
- 📌 **14%** Are experimenting with use case but haven't moved to pilot stage
- 📌 **21%** Have a few promising pilot concepts and are looking to scale
- 📌 **33%** Have started implementing limited AI use cases

Growing Pains:

CAN THE MYSTERY BE SOLVED?

Top-line growth—critical for business success—remains **stubbornly low** at firms globally. Nobody can seem to figure out why.

THE PROBLEM

Once robust, revenue growth at most firms has been flat for many years.



By Russell Pearlman

WHY IT MATTERS

Over the long term, firms need strong growth to survive.

THE SOLUTION

Figure out what obstacles are holding back innovation and other growth drivers.



The problem started right after the pandemic ended: Software agency Iversoft just couldn't grow sales. And it wasn't for lack of trying.

Company CEO Graeme Barlow says the firm, a longtime developer of mobile apps, tried most everything. Iversoft broadened its offerings, and it searched for and acquired new customers. And yet, for four straight years—even as Barlow and his team put more and more stressful hours into finding growth—Iversoft's revenues hovered around the same number. At a low point, Barlow said, "We thought our business model was broken."

But the weirder thing was this: If Iversoft's model was broken, then so were many other companies'. Barlow discussed his company's problems with other software developers, and even some of his big-company customers with global operations. Nearly all of them were facing the same mystery: They weren't growing sales much, either, and very few of them had figured out why. It was humbling, Barlow says. "It's like you need to throw out everything you know about making things work."

“Did companies forget how to grow? There’s a grain of truth to that.”

In the corporate world, it’s a given that growing profits is what matters most; that’s what many business-school textbooks say, at least. And based on the numbers, companies have done a fantastic job of it over the last two years.

Earnings per share were in the high single digits in 2024, which is the main reason stock markets worldwide have continued the tear (a few significant hiccups aside) that began after the COVID lockdowns ended.

But a glance under the hood shows that much of that profit growth hasn’t come from attracting new customers and creating new innovative products. Rather, it’s a result of slashing costs and buying back shares. The revenue side looks considerably bleaker. In 2024, big companies grew by about 5 percent—the lowest annual growth of any non-recession year in the 21st century. Making matters worse, that revenue growth

wasn’t “real” in many cases, since the gains often came not from companies’ marketing acumen or product superiority, but from passing along higher costs to customers. This year isn’t shaping up to be much better, either, with roughly 5 percent revenue growth expected once again. More troubling, during the first quarter, 32 percent of S&P 500 firms reported lower-than-expected sales results, the highest number since the first quarter of 2020.

Among themselves, many business executives admit they’re worried. Sure, uncertainty about tariffs, a global economic engine that seems to have finally finished a post-COVID surge, and changing consumer tastes might account for

some of the lack of growth, but it’s not like the major economies of the world are in recessions. Indeed, the lack of growth has become a mystery—the kind businesses usually solve. “Did companies forget how to grow? There’s a grain of truth to that,” says Dan Prokop, a senior lecturer at Cardiff University, where he researches business innovation.

GROWTH, FROM HEYDAY TO NOW

From a growth perspective, leaders may only be realizing now how good they had it in the decade following the Great Recession. For one thing, consumers around the world were feeling wealthier. People across

Unlocking the Mystery

Experts cite several factors responsible for the global revenue-growth problem facing companies, and share potential solutions.



THE LACK OF COUNTRY TAILWINDS:

For years, firms could count on the robust growth of many countries’ economies. That’s rarely the case now.



A STEADY DECLINE IN R&D:

In the span of just two years, firms have cut research-and-development costs in half, making this an obvious area to find growth.



THE LOOMING SHADOW AND STRENGTH OF AI:

Firms fret over the cost of the technology, but experts say savvy leaders are already partnering staff with AI to seek out opportunities.



RISK AVERSION:

Wars, stock fluctuations, and activist investors are causing a level of risk aversion among leaders rarely seen to this degree. Successful firms, experts say, will continue to focus on, and reward, innovation and smart hiring.

Asia, Central Europe, and Latin America were spending more on both everyday and big-ticket items, while everyone in the US seemed to ignore inflation and just kept buying. The result: From 2010 through 2023, annual revenues at S&P 500 firms rose 83 percent, from under \$14 trillion to about \$25 trillion.

Even when consumers weren't feeling so spendy, experts say, the circumstances were perfect for companies to appeal to them with new products and services. After all, there were no major wars overwhelming nations or supply chains. Per-

much of a tailwind. Things look pretty dour at the country level, too. China's rapid growth rate of the early 21st century is a fading memory. The US economy has, for the better part of two years, plodded along. And much of Europe is stagnant. Meanwhile, interest rates went up when inflation took off a few years ago, which made it harder for consumers to buy stuff on credit. Crucially, this drove up costs for any company wanting to expand their business, since so few have enough cash on hand to fully finance a major expansion. "If you have very high interest rates,

Another oddity behind this slowdown: artificial intelligence. Many believe that AI could help segment customer groups more effectively and determine what new products and services they might pay for. However, at this point, not many firms are that far along in implementing AI, and all the resources going to AI can't be used to grow the business. Experts say that this uncertainty is a major distraction for leaders. Marshal Davis, who runs the marketing agency Ascendly, says both he and his clients have found it difficult to make big decisions on projects recently. "These are muddy waters we're trying to see through," he says.

Some experts also say that when it comes to growth, corporate leaders need to look at whether they're getting in their own way. Unfamiliar with such slow growth, some leaders have been paralyzed by indecision. They enjoyed a decade during which they could sell an ever-increasing amount of stuff, then a couple of years when they could both pass along higher inflation costs and increase prices. "Now many leaders don't have either of those," Echter says.

THE FEAR OF TAKING RISKS

Put it all together, and experts say they're seeing a boatload of leaders afraid to take on risks for the sake of growth. Risk is needed; product

"These are muddy waters we're trying to see through."

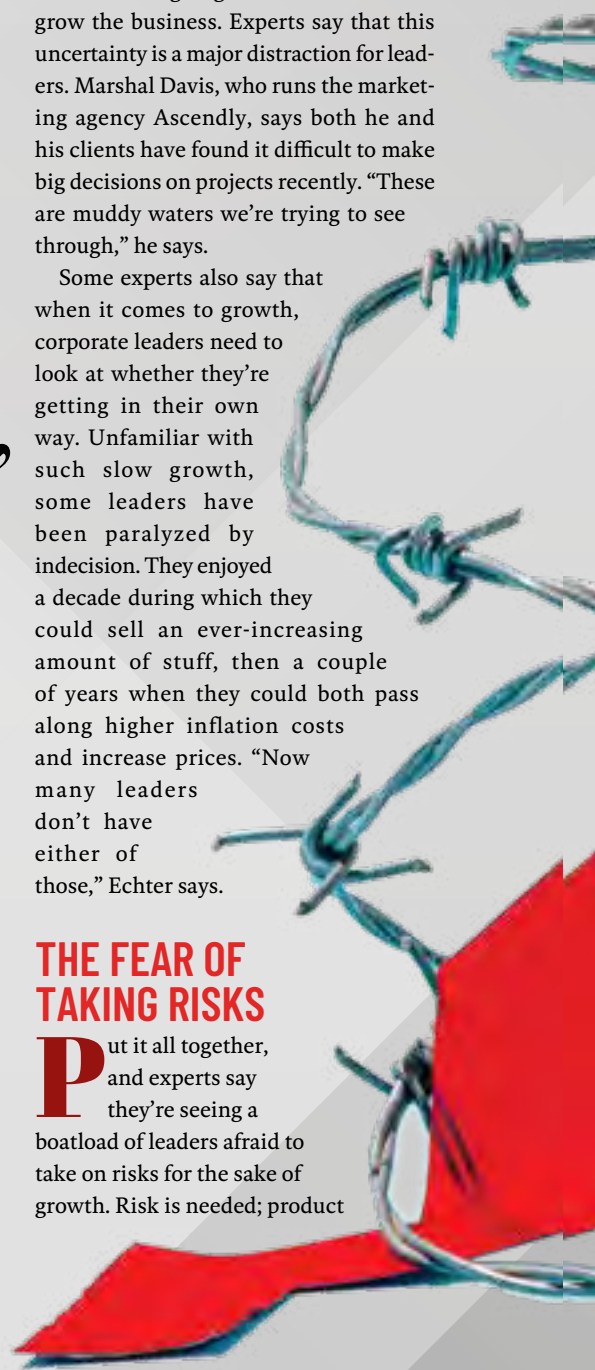
haps most importantly, for most of the 2010s, interest rates either came down or stayed low. Indeed, from 2010 to 2017, the US federal funds rate was under 1 percent, and it didn't pass 3 percent until late 2022. "When you were thinking about pursuing new ideas, when interest rates were effectively zero percent, nearly everyone said, 'Let's try it,'" says Adam Echter, a partner and leader of global industrials at Simon-Kucher, a consultancy that helps firms with pricing and sales growth. Even the rapid surge of inflation after the pandemic didn't stop many firms from increasing revenue significantly. Many passed along price increases and added a couple of percentage points on top. For the most part, consumers kept buying.

But as any leader can attest, those heady times have vanished. Outside of AI infrastructure and defense, few industries have

companies just don't want to invest. They feel it's better to save money," Prokop says.

OUT-OF-THE-ORDINARY PATTERNS

Experts say this is no ordinary-looking slowdown. The current uncertainty around trade policy, immigration, and wars has made companies of every size question how much they can grow in the near future. Take the airline industry, for example: Going into 2025, airlines were projected to bring in more than \$1 trillion in revenue from ferrying people and cargo, according to the International Air Transport Association, a 5 percent gain from 2024. This summer, however, the association stated that trade wars had dampened demand and slashed its growth projection to just 3 percent.





innovation almost always takes significant amounts of time, experimentation, and money to come to fruition. And by definition, some of that experimentation never pans out. But growth in spending on research and development, after accounting for inflation, has declined significantly, according to Moody's. Back in 2021, company R&D spending rose, after inflation, by nearly 13 percent. In 2023, the most recent year for which data is available, spending rose only by 6 percent.

At the same time, even an innovation that looks perfect in the lab (or on a spreadsheet) may not catch on with customers. Failed product launches and research that doesn't pay off can attract activist shareholders, who then demand accountability from company leaders for the so-called wasted effort. A lack of economic growth elsewhere makes those failures easier to spot. "Previously, organizations had the fear of missing out. Now they have a fear of messing up," says Lou Turner, Korn Ferry's head of sales and service in EMEA. Too many leaders, he says, would rather do nothing than do something horribly wrong.

That risk aversion has become embedded in the very systems companies rely on. At many organizations, an inordinate number of people need to sign off on projects, which can delay, or even derail, innovations and product expansions. Some organizations have set their internal return-on-investment benchmarks so high that every

project looks too risky. At the employee level, workers have been pushed over the last two years to be productive, which usually entails a focus on cutting costs rather than raising revenues. In that environment, taking the time to try something new can be frowned upon or, in some instances, punished.

CHANGING MINDSETS

In the end, what appears to be needed is a shift in mindset. Experts say that in the current environment, getting executives to sign off on taking more risk can be a tough task, but that innovating new products and services is the only sustainable way to grow. The firms on Korn Ferry and *Fortune's* World's Most Admired Companies list have committed far more resources to research and development, as a percentage of revenues, than their slower-growing peers. These firms have accepted that innovating runs the risk of failing, and that such risk should be embraced. Innovation doesn't have to be around a specific product or service, either. Sometimes it means spending more time researching people who aren't customers now and thinking about how an existing product can become useful to them.

Experts say a more risk-minded shift needs to influence all of a company's systems, including, of course, embracing AI as a tool to help find more growth opportunities. Employees who partner with that technology should be rewarded, not punished. Barriers to innovation need to be lowered. Importantly, leaders need to market their commitment to innovation—not only to customers but also to employees and investors. "If you want to be revolutionary, you need to sell the revolution," Prokop says.

Other strategies revolve around pricing and rethinking relationships with

customers. Echter says that many leaders have lost touch with the value of their own products and services. An organization might not realize that a product whose price hasn't changed for years is effectively reducing customer expense—and could possibly push through an increase that would boost firm revenues. “Your product is more valuable, but you have to

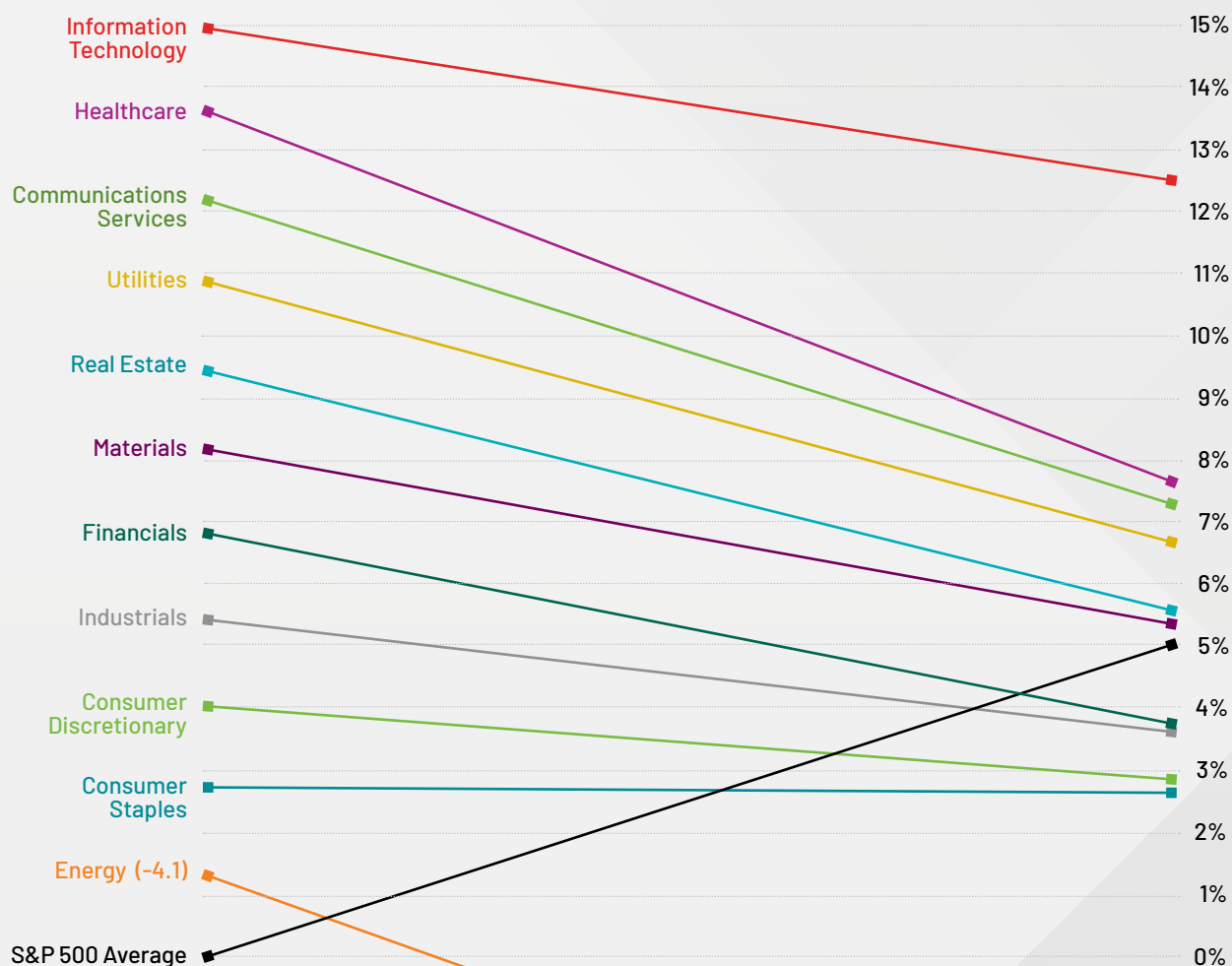
do the math,” Echter says.

Then there's rethinking where, exactly, the business provides value to customers. That's how Barlow, the Iversoft CEO, finally cracked his growth mystery. He and his team sat with customers and prospects to discuss not only their immediate needs, but also future software challenges and opportunities. Iversoft

moved away from doing one-off projects and started developing long-term retainer relationships with its customers. Both salespeople and software developers built out revenue pipelines. The new approach also cut the time required for bookkeeping, which freed up employees to look for other customers. In a year, revenue doubled. ▀

Growth: An Uneven Pattern

Annualized revenue-growth rates through the first half of 2025 vary greatly by industry (below, by percent).



Source: FactSet

Cuong Viet/Getty Images

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THE PROBLEM

Ghosting is eroding professional relationships, loyalty, and morale.

WHY IT MATTERS

When relationships break down, companies break down.

THE SOLUTION

Creating corporate cultures built on respect and accountability—and far fewer emails.

HOW NO ANSWER BECAME THE ANSWER

Ghosting has escaped the realms of dating and come to haunt the workplace. Be afraid, be very afraid.

BY MEGHAN WALSH



arjan Riazi, a 35-year-old event producer in New York City, was laid off about a year ago when her role was eliminated. Her direct supervisor offered

to write her a letter of recommendation, but when Riazi followed up a few weeks later, they never replied. Riazi reached out several more times over the next few months. No response.

Riazi had been ghosted. Not by a fellow millennial she met on a dating app, but by a coworker senior in both age and rank. “It’s one thing if you don’t want to do it or you change your mind,” Riazi says. “I could have accepted that.” But having her emails and texts ignored by someone she’d worked with daily was the shocker. “It was so disappointing and disheartening. It was really hurtful.”

Once a marker of the vagaries of online romance, ghosting—unilaterally cutting off communication without explanation—has, in very dramatic and painful fashion, made its way into all varieties of relationships, including those at work. The *New York Times* has called the phenomenon “an epidemic of unsatisfactory conclusions and unexplained rejections.” It’s hard to put numbers to trends that occur in the intimate corridors of relationships, but data suggests that professional ghosting has increased considerably since the start of the pandemic. Three-quarters of employers claim to have been ghosted by a new hire over the last year, while a slightly higher percentage of job seekers report that potential employers have done the same thing dur-



“GHOSTING
GOES AGAINST
WHAT WE NEED
AS HUMANS.”





ing the interview process. And it's not just those twentysomething Gen Zers slipping away silently: 70 percent of millennials and 61 percent of Gen Xers report quitting a job within the first six months without giving notice. Then there are the countless emails to colleagues that go unanswered, the networking attempts unreciprocated, and the client-provider relationships unrealized without explanation.

But pulling a disappearing act with potential, current, and past colleagues is very different from doing so with one-off social relationships. Indeed, experts warn, ghosting in the workplace has the potential not just to hurt individuals but to corrode entire corporate cultures. "What starts as a phenomenon becomes the normal," says Francis Weir, a British business psychologist who supports people strategy and operations for firms. "When you're exposed that much to a thing, it changes your brain chemistry." And since there is no separating mind from body from emotion, when the brain reconfigures, it alters our very nature. "The wider issue," she says, "is that ghosting goes against what we need as humans."

Ghosting in the workplace can take many forms. You might have an engaged conversation with someone at a networking event and express mutual interest in staying connected, but they don't respond to your follow-up email. A prospective customer might ask for multiple discovery calls, only to disappear. Or a manager might leave a team member off meeting invites without telling them why. There is also so-called "soft" ghosting, when colleagues delay responding or give brief,

unsatisfactory answers. Over time, the responses may become even slower and shorter, until the communication ceases altogether. "Ghost coasting" is when a relatively new hire quits without giving notice. Then there are the ubiquitous recruiters who fail to notify applicants when they don't get the job.

If we're being honest, most of us will admit that we've been both the ghosted and the ghoster. While the term "ghosting" first appeared in the dictionary in the late 2010s, the practice, of course, has been around as long as humans have been communicating, whether it's the unreciprocated cave painting, letter, telegram, phone call, or email. But like so many of the social phenomena that define the current moment, ghosting in the workplace is very much a byproduct of the digital age and COVID-19. After all, it's hard to pull a disappearing act when we have to physically see someone at the office every day.

Technology has made it easier to avoid having uncomfortable conversations, which has, in turn, made us rusty at them. When we have a poor experience at a restaurant, we no longer speak to the manager; we leave a bad review. Rather than say "No, I'm not going to write you a letter of recommendation, and this is why," we just ignore the email request. We've become more fragile and less empathetic, explains Gretta Perlmutter, host of the podcast *Coping With Ghosting*. Multidimensional people with feelings and needs have been reduced to avatars and names in a deluge of applications. (This is why job candidates in Europe include photos with their résumés; Weir says applicants should always include links to their LinkedIn profiles).

At the same time, technology has vastly increased the volume of communication. We're inundated across a variety of media, and the pandemic added additional strain. As communication went entirely online

and social circles shrank, often workloads increased and life became more stressful. It's simply too much to keep up with. "A huge part of this is overwhelm and burn-out," Weir says.

Weir explains further that when we go straight from one meeting, email, or conversation to the next, we subtly check out. Memories become less defined. Everything and everyone blurs together. "The interaction is no longer real," she says. We become ghosts to one another. And in this vaporous state, etiquette that was once considered common decency falls by the wayside.

While technology has made ghosting easier, and overload has made us more susceptible to it, there are many other reasons why we do it—and not all of them, surprisingly, are unsympathetic. Yejin Park Roberts, a PhD candidate at NYU Stern School of Business who has studied our motivations for disengaging

without disclaimer, explains that there are three main types of ghosting: the accidental, the self-interested, and the overly caring. The accidental ghoster may have planned to respond but, for one reason or another, was waylaid. As time stretches on, the situation becomes awkward, causing more internal resistance, and, all of a sudden, they've unintentionally ghosted. The self-interested ghoster may have narcissistic motives, or they may be protecting themselves from a response they don't think is going to go well. And then there is the overly caring ghoster, who is trying to shield the other person from pain. In fact, a study that Roberts coauthored found that the more other-oriented someone is, the more likely they are to ghost someone. "Sometimes it's intentional and those intentions are negative, but others it's neither of those," Roberts says.

The part that's so difficult about ghosting is we'll never know which it is.

Tom Hoof, a C-suite-level marketing executive in sports, entertainment, and higher education, began talking to a prospective employer in collegiate sports in late 2023. Over the months that followed, he had multiple meals with multiple people on the hiring team. He sat for two panel interviews. Despite his hesitation to do so, he offered ideas for a marketing campaign (those ideas, he says, were used). Meanwhile, he was having regular conversations with a public-relations consultant who works with the organization. More than eight months into the process, Hoof learned from a friend at the company that they had hired someone else. Hoof never received an email from the consultant, from the human-resources manager, or from the executive director he'd been in talks with.

"I had never faced anything like that," says Hoof, who during his 30-year career has worked at some of the most esteemed companies in the world. "It was really shocking. I'm wondering, 'What happened? What did I do wrong? Were they just wasting my time?' It's almost like a loss."

Traditionally, the employer, as the one with the power, has been more likely to ghost than the applicant. The trend began to shift during the pandemic, with mass resignations and the advent of younger folks disillusioned by the transactional nature of the employer-employee relationship. Experts say potential hires are treating job hunting as they do dating. They are quick to swipe left at the slightest miscue, or if something better comes along. And with an abundance of options,

YOU WILL BE VISITED BY THREE GHOSTS

Experts say there are three main types of ghosters, and the difficulty is that the ghosted doesn't know which kind they're dealing with.

The Accidental:

A colleague may have been planning to respond but, for one reason or another, was waylaid. Time stretches on and things become awkward, causing more internal resistance.



The Self-Interested:

This person may be motivated by self-protection—for example, a manager protecting themselves from a response they don't think is going to go well—or narcissism.

The Overly Caring:

The ghoster might be hoping to shield another person from pain. One study found a direct relationship between how other-oriented a person is and how likely they are to ghost someone.





**“A HUGE PART OF
THIS IS OVERWHELM
AND BURNOUT.”**



they don't feel the need to keep prospects in the pipeline, which is a sentiment that goes both ways. Recruiters are inundated with applications through platforms like LinkedIn and Indeed. The hiring process, with its algorithms and digital interfaces, has commodified humans in the same way dating apps have. "There is a feeling that people are disposable," Perlmutter says.

The impact of ghosting by a recruiter versus by a colleague we interact with daily may be different, but both fray the professional social fabric. Ghosting is a type of ostracism that threatens a person's basic needs for belonging, self-esteem, meaningful existence, and control, explains Gili Freedman, a social psychologist and associate professor at St. Mary's College of Maryland. But unlike some other means of rejection, ghosting generates uncertainty, which creates prolonged suffering. "Ghosting is defined by the lack of closure and control," Freedman says. "You don't know what's happening, and that's a very uncomfortable feeling."

Why can't we just let it go and move on? That's not how the brain is wired. Without resolution, we tend to ruminate, which psychologists call the Zeigarnik Effect. We will keep trying to make sense of what has occurred, dwelling on what is unfinished or unexplained, rather than engaging in other relationships that are in good standing. Without a why, we will create our own narrative, which is often a reflection of our deepest insecurity-

ties. “The hurt is not just a small imperception,” says Roberts, the NYU ghosting researcher. She said she was shocked to learn the intensity with which people are affected by this. “It has huge emotional baggage attached.”

It turns out, though, that biology can be karmic, because it’s not only the person who has been ghosted who experiences the Zeigarnik Effect: The ghoster does as well. Freedman’s research has found that the ghosted and the ghoster have equally negative experiences. They’re just negative in different ways. When people recall being ghosted they feel sadness, anger, and loneliness—whereas after ghosting, they feel guilt and shame. Everyone loses. Empathy is eroded. Distrust becomes contagious, quickly spreading among colleagues. Meanwhile, uncertainty triggers a survival response in the nervous system, affecting job performance, morale, and mental health.

So how do we subvert an ominous corporate future devoid of connection? Those prone to ghosting can practice having hard conversations and embracing awkwardness. A simple apology, even if months or years late, can go a long way. From the other side, those who have been forsaken can throw a lifeline to someone who may have inadvertently ghosted them by sending a brief, friendly follow-up message. But the reality is that often once it has



YOU GOT GHOSTED

We need to ruminate and suffer when we are ghosted. Some ways to recover from being ghosted at work:

- Remember, it isn’t personal.**
You’re not responsible for another person’s unprofessional behavior.
- Don’t ghost yourself.**
This is a time for self-care and self-compassion.
- Focus on the facts.**
Try not to create a story around what happened.
- Accept the ambiguity.**
Know that you can move on without answers or accountability.
- Make meaning.**
Ghosting creates space to build relationships that are reciprocal.

occurred, there is no good way to address ghosting at work. It almost never ends well to confront someone directly or go over their head to leadership.

Alas, it all starts from the top, as business psychologist Weir says. The shared fate of the commons comes down to leaders setting manageable workloads and building cultures of respect and accountability. What really needs to happen, Weir argues, is for hiring managers to call people up and say, “I’m really sorry, you didn’t get the job.” “There can be a world where we do that,” she says. “Things will need to change, but it’s possible.”

The Problem

Despite billions spent on training programs, workers rarely retain learnings from them.

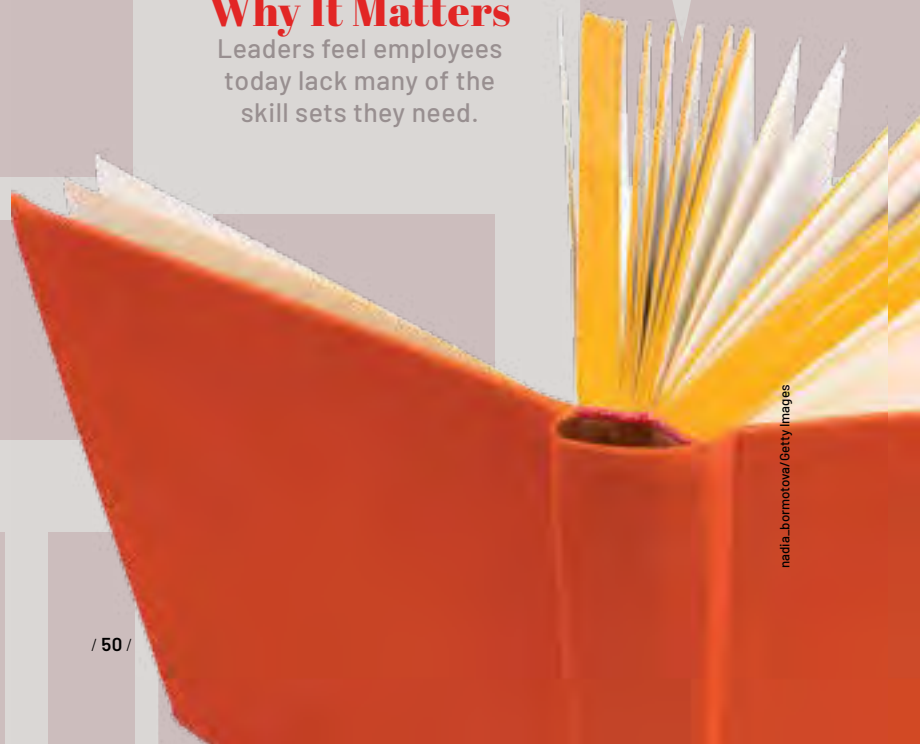
Plot

Why It Matters

Leaders feel employees today lack many of the skill sets they need.

The Solution

Book clubs and reading lists to engage more workers.



nadia_bornotova/Getty Images



Twist

Frustrated with corporate-training programs, some **firms are handing out reading lists** to workers. Will this open a new chapter in skill building? *By Arianne Cohen*

Plot Twist



Erin Eaton's semester began with a reading list and a pile of assignments. She and her cohort plotted out their study schedules. "I was all for anything that would help me learn the language and get me on board," she says. She pulled a book off her stack and dug in.

Except Eaton wasn't in school. She was the marketing associate at Scholar Financial Advising, a high-net-worth financial consultancy in Winston-Salem, North Carolina. On the day in question, she and her colleagues arrived at work to find a stack of books on their desks. Eaton wasn't sure where to start, until the company's chief operating officer pointed her to *Extreme Ownership: How U.S. Navy SEALs Lead and Win* by Jocko Willink and Leif Babin (2015), a gripping narrative of high-stakes success. Eaton bought the audiobook and listened to life-and-death scenes from the Battle of Ramadi during her commute, finishing long before the staff retreat that discussed concepts like "decentralized command" (empowering juniors to make decisions) and "cover and

move" (working together toward a common goal). To her surprise, she found that the book put her "on the same operational map" with her colleagues.

Old-school reading lists are the last strategy anyone would expect to show up in corporate America in 2025—the year that Gen AI has captured the business world. Yet a small but growing number of firms are taking this very retro approach to training. And when you look at how corporate training is faring these days, the shift starts to make some sense. Billions are spent on workplace trainings, yet a remarkable 70 percent fail to produce the intended business outcomes or behaviors, according to data from the Association for Talent Development. Other studies suggest that participants in such trainings remember as little as 10 to 20 percent of what they've been taught, and that they virtually never apply the relevant knowledge successfully. Trainings have become, to put it mildly, a colossal waste of money.

Can asking people to crack open books really work? To be sure, employees who spend their free time looking at Instagram and text messages are not necessarily

thrilled to hit the books. Who wants to be assigned to read *Moby-Dick* as an overtime activity? One of Eaton's coworkers whispered to her, "I don't want to go home and sit and read." Her response: Get the audio version. But still, the return to such an ancient strategy, in the age of the smart phone, is the stuff of—well, a good novel.

For nearly a century, business books reigned supreme as the communication medium of choice between experts and their supplicants. Popular titles became national phenomena in the 1930s: blockbuster titles like Dale Carnegie's *How to Win Friends and Influence People* (1936) and Napoleon Hill's *Think and Grow Rich* (1937) have, according to some sources, sold over 110 million copies combined since their publications. In the years that followed, executives published their hard-won lessons at a steady clip, aiming to burnish their reputations and spike their speaking fees. The phenomenon perhaps reached peak popularity in the 1980s, just as globalization was baffling longtime managers. Books provided the appearance of answers: *In Search of Excellence: Lessons from America's Best-Run Companies* by Robert H. Waterman Jr. and Tom Peters appeared in 1982, demystifying what, exactly, to do at work (their advice: walk around as a form of management and be biased toward action). It was shortly followed by Robert B. Cialdini's *Influence: The Psychology of Persuasion* (1984) and Stephen R. Covey's *The 7 Habits of Highly Effective People: Powerful Lessons in Personal*

**“Don't have a CEO
just pull something
off the shelf.”**

Change (1989), the latter of which has sold over 40 million copies.

Even the dot-com boom couldn't stop the book boom: The topics of bestselling business books merely shifted—from nuts-and-bolts to more abstract concepts. Titles like *Good to Great: Why Some Companies Make the Leap... and Others Don't* by Jim Collins (2001) and *Freakonomics: A Rogue Economist Explores the Hidden Side of Everything* by Steven D. Levitt and Stephen J. Dubner (2005) sold over four million copies each while explaining the secrets of how the business world works. Buying business books and reading them from cover to cover was a cultural pastime throughout corporate America.

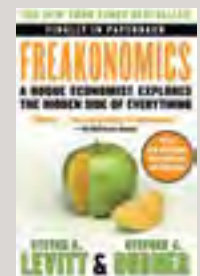
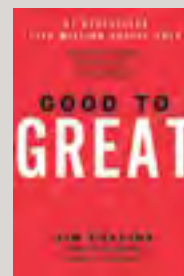
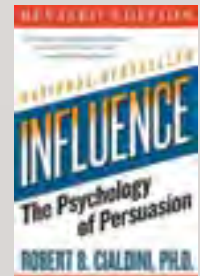
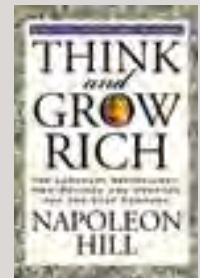
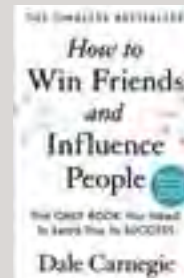
That silent reading dependably sparked fireworks. "It led to these big discussions," says career-training-firm owner Jordana Megonigal, who read roughly 20 books with her colleagues during her previous tenure as an executive at a business-media company. In a break from the gratifying faux-polite conversations at many workplaces, her peers felt comfortable throwing down the

gauntlet and debating an author's opinion. "Even if people didn't agree," she says, "they knew where the concept was coming from." Titles included *Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant* by W. Chan Kim and Renée Mauborgne (2005), *The Tipping Point: How Little Things Can Make a Big Difference* by Malcom Gladwell (2000), *Tribes: We Need You to Lead Us* by Seth Godin (2008), and *Death by Meeting: A Leadership Fable... About Solving the Most Painful Problem in Business* by Patrick Lencioni (2004), which the executive team read when shifting to five-minute touchpoints instead of meetings. "In exchange for reading a really short book, it reduced a lot of pushback," she says. "No one felt like the CEO was pulling the rug out from under them."

Books have always been the ultimate tool for deep thinkers, and executives increasingly see them as a way to effectively get into workers' heads. An engaging book can deeply shape personal thinking. "Readers hear it in their own voice and can integrate it in a way that gets to the core of who they are," says Chi Hitchens, an executive consultant who assembles booklists

Business-Book Hall of Fame

Some big sellers executives have turned to over the decades.



Plot Twist

for both leaders and organizations. “It’s not enough to do workshops and give examples.” This might be why smartphones and laptops have not sounded the expected death knell for training via books. Despite the publishing industry’s struggles—revenue growth did not keep up with inflation over the first two decades of this century—leaders in the know realize that books offer what trainings cannot: a common lexicon, a shared vision, and talking points.

This breath of (very old) fresh air comes to a corporate world that’s shifting to online and instructor-led training: Almost 80 percent of organizations now use virtual classrooms, webcasting, or video broadcasting for training, according to Research.com. In the US alone, firms poured \$98 billion into training programs last year.

But survey after survey has found that even the most creative online program rarely captures worker attention. In the Research.com study, more than 60 percent of workers said they felt only “somewhat satisfied” or “less satisfied” with their training opportunities. Remarkably, more and more employees are leaning on their own learning strategies to build up their AI skills. All of which opened the door for firms to turn old-school.

For her part, Hitchens ensures that books actually get read (or listened to) with a two-step process. First, she personally provides people with a copy. This overcomes a key barrier. Then she encourages them to schedule time with their book as they would a meeting. “People

The Books That Build Empires

Top leaders have long endorsed their favorite books, including Warren Buffett, whose annual letters to investors regularly included reading recommendations, and Bill Gates, whose website includes over 200 book reviews, under the banner “I always love talking about books I’ve read.”

BILL GATES

Business Adventures:

Twelve Classic Tales from the World of Wall Street by John Brooks (1969)

Mindset: The New Psychology of Success by Carol Dweck (2006)

The Ride of a Lifetime: Lessons Learned from 15 Years as CEO of the Walt Disney Company by Robert Iger (2019)



WARREN BUFFETT

The Outsiders: Eight Unconventional CEOs and Their Radically Rational Blueprint for Success by William N. Thorndike Jr. (2012)

The Intelligent Investor: The Definitive Book on Value Investing by Benjamin Graham (1949)

Investing Between the Lines: How to Make Smarter Decisions by Decoding CEO Communications by L.J. Rittenhouse (2012)



SHERYL SANDBERG

Now, Discover Your Strengths

by Marcus Buckingham and Donald O. Clifton (2001)

The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses by Eric Ries (2011)

Conscious Business: How to Build Value Through Values by Fred Kofman (2005)



GARY BURNISON

We'd be remiss to not include our CEO's latest book, *Love, Hope & Leadership: A Special Edition*, a collection of perspectives on modern leadership. Flip through its to-the-point directives, which remind managers, executives, and entrepreneurs that the best leaders are empathetic and authentic, and help others thrive.

Alamy

send me confirmation that they've actually scheduled reading sessions," says Hitchens. "Ninety-seven percent of the time they do it, especially if I have buy-in that it's going to help them be more effective leaders."

Executives wondering where to start would do well to imitate the stalwart of organizational reading, the military, which requires reading lists on topics like leadership, wars, global dynamics, and history. "It's been a longtime practice," says JP Sniffen, practice leader in Korn Ferry's Mili-

"In exchange for reading a really short book, it reduced a lot of pushback."

tary Center of Expertise. Book titles are assigned carefully, based on rank rather than role.

At large companies, a diverse team can read potential titles ahead of time and publicize their picks to avoid the dynamic of readers taking offense at some aspect of the material or author. "Don't have a CEO just pull something off the shelf," says engagement expert Mark Royal, senior client partner at Korn Ferry. Many leaders also forget that employees have drastically different capacities for absorbing and retaining what they read, says Nicole Landi, a professor of developmental psychology at the University of Connecticut. "There are vast differences in reading comprehension," she says. For her, the answer is to improve retention by

bringing up points from the books during the course of work projects. "You want to provide frequent opportunities for people to retrieve and recall the information that you most want them to learn," says Landi.

As for those worried that people simply don't read much anymore, that may be true for many workers addicted to their iPhone. But people with advanced degrees still read for personal interest nearly twice as long as the average reader, at 28 minutes per day, according to data from the Academy of Arts and Sciences. Book sales, meanwhile, got a nice boost during the pandemic and that has held steady, with sales up 6.5 percent from 2023 to 2024, according to *Publishers Weekly*.

In the end, one of the best strategies

may be to include non-business titles in leadership reading lists, says Tiffany Joy Murchison, CEO of TJM & Co. Media Boutique, who assigns reading during media workshops. A fan of audiobooks, she points out that "listening to great narrators improves diction and intonation, and helps clients become better speakers." She is specific in her assignments—"Read three chapters, and we'll talk about them at our meeting in two weeks"—but still gets pushback, particularly from high-ranking executives. She can always lean on peer pressure: If employees are reading and chatting about a book, nearly everyone else will join in too. Those group dynamics alone can open a new chapter in training success. ▀

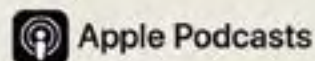
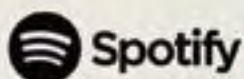


KORN FERRY

Briefings Podcast



A new deep dive
into **leadership**



DOWNTIME

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PURSUITS

Time Machine

Typewriters transport modern creators to another era—one with fewer distractions and better acoustics. *By Meghan Walsh*

Carol Ann Morris

Anjali Banerjee, a young adult novelist, was due to file her latest work in a month, but she kept fiddling with the opening chapters. The 60-year-old best-selling author had just the tool for breaking through this creative block: Banerjee set her laptop aside and pulled out one of her trusty typewriters.

To the percussive clank of the raised steel keys, Banerjee was able to drop into flow, easily constructing the scene that had previously been fighting to emerge. “On a typewriter, you can only move forward,” says Banerjee, who also plays the piano (which she likens to typing on a typewriter). “It’s the enemy of perfectionism and the friend of creativity and productivity.”

More than 150 years after the first typewriters hit the market, aficionados of all sorts remain devoted to these primitive but proven products. Today, prolific artists, from authors like Danielle Steel to songwriters like Taylor Swift, continue to find inspiration using the machines. Others, such as business leader Steve Soboroff and actor Tom Hanks, are drawn to collecting typewriters as works of art. Mike Marr manages Marr Office Equipment, a family shop that has been servicing and selling typewriters in Rhode Island for 70 years. He says his clients include law offices, funeral homes, and business professionals who prefer the functionality and elegance of producing official documents with a typewriter. And then, of course, there are the parents who want to shield their children from digital technology, younger generations aching for a more tactile experience of life,

and creators of all kinds seeking flow.

Through the 1900s the typewriter market thrived, becoming worth more than \$1.1 billion in the United States by 1980. With the mainstream emergence of computers and the Internet in the 1990s, the industry’s future became uncertain. But every time the Marr family has feared that the business is going to finally collapse, there is a revival. “Typewriters are going crazy right now,” Marr says through a thick accent that blends patterns from Boston and New York. “I’ve given up thinking the industry is going to go kaput. It’s this gigantic roller coaster that never comes to an end.”

In 2019, Banerjee got fed up with the many distractions inherent to working on a laptop, from grammar corrections to notifications to software updates. In a

Anjali Banerjee finds creative flow in typing.

Mike Marr’s typewriter business is thriving.

A TYPEWRITER TIMELINE

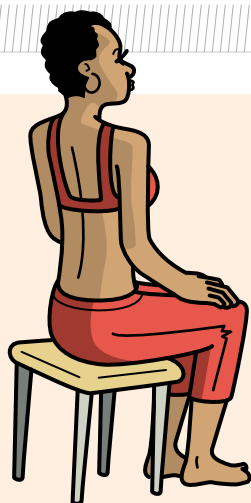
No
Known
Photo

1801

An Italian man invents the first version of a typewriter to help a blind friend write.

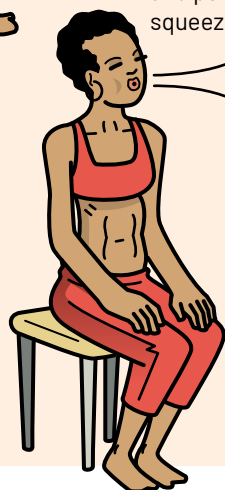
1868

The modern prototype is patented in the United States.



1 Sit or stand upright.

Allow the spine to lengthen, so breath can flow unobstructed.



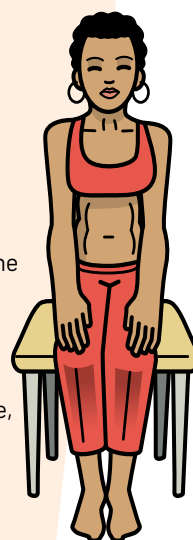
2 Exhale completely.

Use the abdominal and pelvic muscles to squeeze all the air out.



3 Inhale slowly through the nose.

Allow the belly to swell in all directions, creating room for the diaphragm to expand.



4 Stay mindful.

Keep your attention on the rhythm of the rise and fall of the belly. Luxuriate in the experience, as tensions melt away.

Deep Breathing

THE ART OF

While we do it every second of every day, most of us aren't very good at breathing. We fail to exhale completely, then suck in shallow gasps. But a deep, mindful breath is a highly effective tool for regulating stress and meeting the task at hand.

fit of frustration, she bought an electric typewriter. Soon after, she decided to go for a fully analog apparatus. She began typing out her first drafts, which she would then scan into a computer to edit. But it didn't stop there.

"I caught typewriter fever," Banerjee says. Like other enthusiasts, Banerjee set off on a search for the perfect machine. Keys that require just the right amount of pressure. A typeface that invokes just the right sentiment. A product with history and aesthetic appeal.

Marr says when customers come into the shop, with

its seventies vibe, they'll spend an hour trying the various typewriters on the shelves. Some are more than a century old and have made their way to the US from Germany or Italy; each of them is one of a kind. The machines arrive dirty and gummed up, but after a good wash, some grease, and an adjustment, they're good as new. "They last forever," Marr says.

At some point, after pressing many keys and listening to many clanks, the customers will say: "This is the one." But as Banerjee's story illustrates, the one may not be the only. ▀



The Remington No. 1, featuring only capital letters, hits the market.



IBM creates its electric typewriter, which comes to dominate sales.



IBM releases the Selectric, using a typeball instead of a typebar to minimize jams.



The IBM Wheelwriter introduces spell-check and reprint, making it the go-to for most modern uses.

DOWNTIME

El Yunque National Forest, just under an hour east of San Juan, is the only tropical rainforest in the US National Forest System. It is home to dense canopies, singing coquí frogs, and pristine waterfalls.

VISIT

San Juan, Puerto Rico

A place on the rise.

Puerto Rico is an American territory, so companies are exempt from tariffs when doing business in the United States.

Puerto Rico and its vibrant capital, San Juan, are at a crux. After decades of economic and population decline, the so-called Island of Enchantment has rebounded, with optimism and opportunity lapping at its white-sand shores. This year, San Juan finished a \$42 million renovation of its port, solidifying its claim as the Caribbean cruise capital. Meanwhile, amid global tariff turbulence, officials are luring companies looking to avoid the added costs of doing business with the United States. And because Puerto Rico is an American territory, citizens do not need a Visa to travel or work here. Travelers may come for the future but will stay for the colorful scenery, cobblestone streets, and cultural charm. ▀



Old San Juan pulses with color and culture, from artisan markets and music to the neighborhood's signature balconies.



Courtyard cafés and alleyway kiosks serve island staples, such as mofongo, lechón, and empanadas.



The Caribbean island's bioluminescent bays glow at night due to microscopic organisms that emit light.

READ, LISTEN, WATCH

The Hilarity of the Human Condition

Stand-up comedy, like all art, reflects the cultural zeitgeist. It's a snapshot of what people value, and how they think, behave, and interact during a specific period. With today's risks of cancel culture and the polarization of audiences, comics are more socially conscious than ever, which some audiences once feared would weaken punch lines. The outcome, perhaps unintended, is content that's both funny and looks deeper into the human condition.

Of course, there is still plenty of political and social satire. But comedy's best performers are

more often turning their gaze inward, grappling with topics like mental health, family dynamics, and death—and they are increasingly blending additional art forms, such as visual storytelling, music, and theatrical improv. It's resonating with audiences. The business of making people laugh has more than doubled in the last decade, with ticket sales reaching almost \$1 billion last year. Meanwhile, streaming platforms have been investing significantly in stand-up specials. Here are *Briefings'* top picks for comedic routines that capture the human condition. ▀

CAMERON ESPOSITO,
FOUR PILLS (DROPOUT)

The actor and comedian takes viewers through the ups and downs of living with bipolar disorder and the impact on bystanders, especially their dog.

SARAH SILVERMAN,
POSTMORTEM (NETFLIX)

Previously known for her explicit humor, Silverman explores the emotional complexity of caring for her dying parents.

BILL BURR,
DROP DEAD YEARS (HULU)

With his signature sharp, merciless style, the comic grapples with what it means to be a good husband.

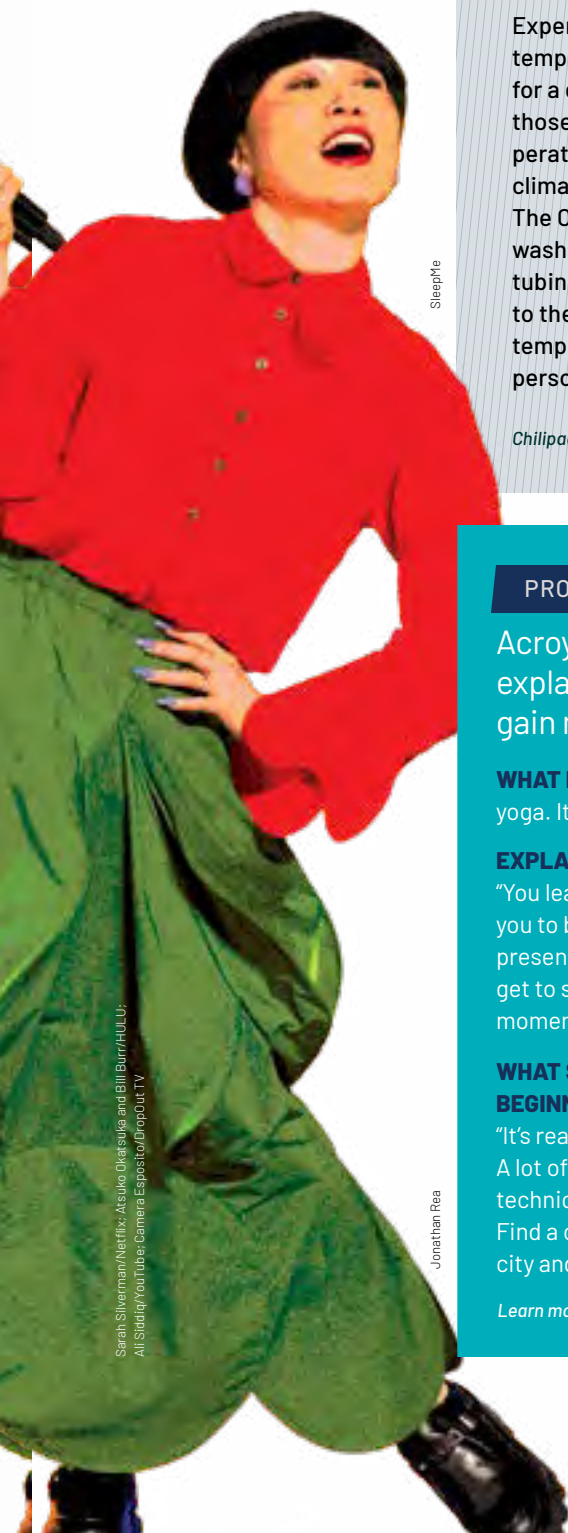
ALI SIDDIQ,
MY TWO SONS (YOUTUBE)

From serving time in prison to stardom, Siddiq chronicles the complexities of raising kids with and without financial means.



**ATSUKO OKATSUKA,
FATHER (HULU)**

As much visual art as comedy, Okatsuka's work is a celebration of color and joy amid darkness, as well as a commentary on codependency.



SleepMe

Jonathan Rea

Sarah Silverman/Netflix; Atsuko Okatsuka and Bill Burr/Hulu; Ali Siddiq/YouTube; Camera Esposito/DropOut TV

SUGGESTED

A Cool Night's Sleep

Experts say the right temperature is crucial for a good night's sleep. For those who run hot or at a different temperature from their partner, though, finding climate-controlled sweet spot can be elusive. The Chilipad Cube Bed Cooling System is a machine-washable mattress pad that circulates water through thin, flexible tubing. With a remote control or through a small cube that connects to the mattress topper and rests on the floor, users can set the temperature from 60 degrees to 115 degrees Fahrenheit. The single-person system fits any size bed.

Chilipad Cube Bed Cooling System, half queen, \$599



PRO TRAINING

Acroyoga partners Michele Dawson and Jon Rea explain why the once fringe practice continues to gain mainstream momentum.

WHAT IS ACROYOGA? "It's partner acrobatics mixed with yoga. It's a playful way of moving and creating poses."

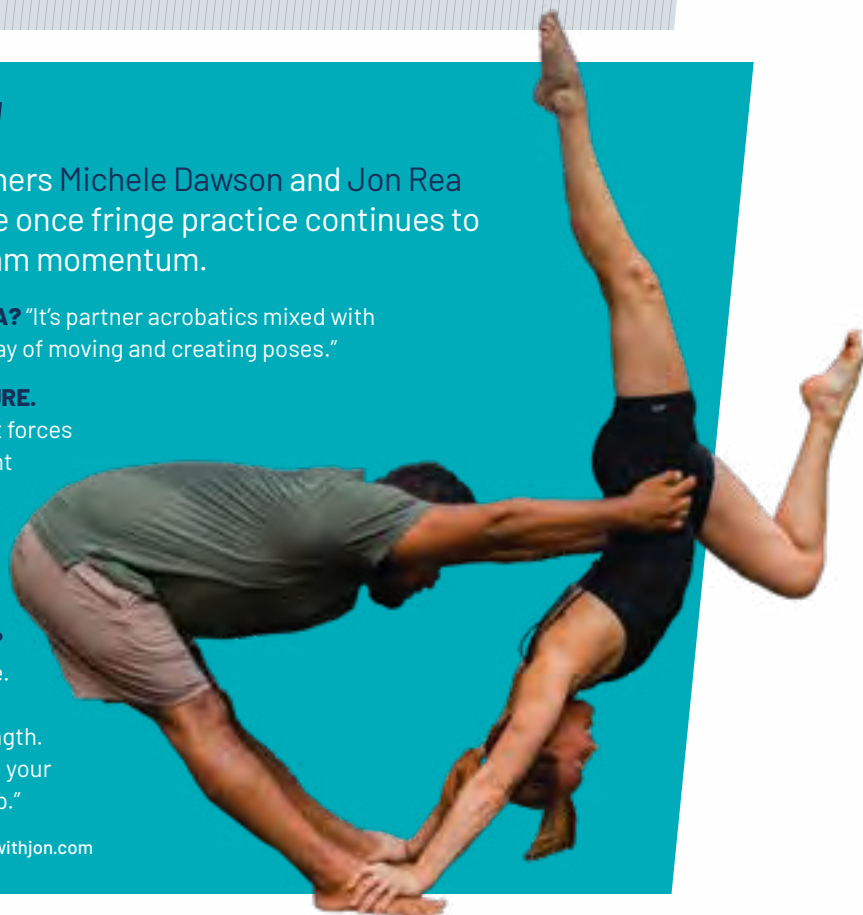
EXPLAIN THE ALLURE.

"You learn to trust. It forces you to be 100 percent present—and you get to share the moment."

WHAT SHOULD BEGINNERS KNOW?

"It's really accessible. A lot of it is learning technique, not strength. Find a community in your city and just show up."

Learn more at www.acrowithjon.com





CHIEF CONTENT OFFICER
JONATHAN DAHL

Extra! Extra! Read All About It!

Time may change me

But I can't trace time

—David Bowie, “Changes”

The headlines just keep pouring out: “Price Matching: Thanks for the Memories”... “The Data Center Dilemma”... “All Charged Up, and Nowhere to Go”... “A Hot-Selling Food: Here to Stay or Flash in the Pan?”... “The New Forced Retirement Age: 55”... “AI Applications Spur... In-Person Interviews?” And that’s less than a month’s worth of our *This Week In Leadership* reporting.

I know, it’s almost boring to keep repeating how “unprecedented” business change has become. Still, it’s truly amazing what each week holds as our team hunts for provocative thought leadership (and we don’t have to hunt very hard). Even more remarkable is how almost no change today is small, not if you dig deep enough. Take price matching: For decades, consumers could count on retailers’ willingness to automatically match the price of a competitor’s prod-



uct, no matter how much this might dent profits. But now, some of the biggest firms have decided it won’t work, not in this era of slimmer margins, pressing activism, tariffs, and other fill-in-the blank crises. That might not make you jump out of your seat—until you begin to realize the gamble retailers are taking. What if consumers boycott those firms? What if they never come back? It’s a risk—a bold one in this sector.

In fact, you have to look no further than “All Charged Up, and Nowhere to Go” to see the myriad ways business decisions can end up. Here was an ambitious US auto industry, pouring billions of dollars into the electric-car market and assuming that the only major risk was whether enough charging stations for EVs would be built. As it turns out, the number of stations did go up, doubling since 2022. But a funny thing has happened to EV sales in the past year—they’ve stalled! Blame it on a loss of key US tax incentives and a cultural shift in this country, but somebody in the auto sector must be scratching their head.

The point is that changes, at least the way they are happening now, are truly fascinating to watch. And so is how leaders feel about these changes and the risks behind them. Our survey of 250 CEOs and board directors found that just 11 percent of respondents are “fully confident” their firms can handle the slew of risks facing them today, from geopolitical shifts to AI. It’s a number Jane Edison Stevenson, global vice chair of Korn Ferry, calls “stunning.” But the puzzlement many leaders feel today is almost as interesting as the changes they are facing.

Of course, you have to think perhaps AI, as a once-in-a-generation technology, may be able to make some sense out of all this change, and guide leaders to the right move. But is that too great an ask? To which I can only say: I suppose anything is possible. Just look at today’s headlines. ▀

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