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The Talent Development Disconnect

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CMC QUARTERLY
JOURNAL OF THE CANADIAN MANAGEMENT CENTRE

THIRD EDITION 2026

GLOBAL RESEARCH

DEPARTMENTS

THE TALENT SHIFT

GROWING CAPABILITY

THE TALENT ADVANTAGE

PUBLISHER'S PERSPECTIVE

Building the Conditions for Growth

For many years, most organizations have treated talent development as a set of programs separate from everyday work. Training may be available, but its value is limited when managers are not prepared to reinforce it, employees have few chances to apply what they have learned, and growth is disconnected from immediate business priorities. The conversations shaping this issue point to the need for a more integrated approach.

Talent development has to be connected to the work itself, with managers reinforcing learning and employees applying new skills as they take on real responsibilities.

That idea runs through every article you'll find in these pages. It begins with our latest research, which reveals an encouraging reality: Employees remain ambitious and eager to grow. What many lack is consistent coaching, meaningful feedback, opportunities to apply new skills, and managers who have been prepared to develop others.

The articles that follow explore that challenge from several perspectives. Together, they point to the same conclusion: Organizations build capability one decision, one conversation, and one learning opportunity at a time.

Technology will continue to reshape work, but it also makes distinctly human capabilities more valuable. Judgment, communication, collaboration, and the ability to develop others are becoming even more important as AI takes on routine tasks. Those that invest in these capabilities will be better equipped not only to adapt, but also to grow.

The strongest organizations create opportunities for people to keep building new skills through their work, supported by managers who reinforce them. It's about creating an environment where learning becomes part of everyday work and organizations continually strengthen themselves from within.

We hope this issue offers ideas you can apply in your own organization and conversations worth continuing long after you've turned the final page.

Barbara Zung
Publisher, *CMC Quarterly*

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EDITOR
Laurie Russo

COPY EDITOR
Eileen Davis

STAFF WRITER
Royce Johnson

CREATIVE DIRECTOR
Christopher Blankley

GRAPHIC DESIGNER
John Barberii

PRODUCTION MANAGER
Claire Koby

PUBLISHER
Barbara Zung

PRESIDENT & CEO, AMA GLOBAL
Manny Avramidis

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Editorial Offices
1601 Broadway, New York, NY 10019-7420
Tel: 212.903.8075
Email: amaquarterly@amanet.org

FROM THE DESK
OF AMA GLOBAL CEO

The Readiness to Grow

One of the most encouraging findings in our latest talent development research is how strongly employees still want to grow.

Eighty-seven percent of respondents said they feel confident about their future advancement opportunities. At the same time, only 30% said they have enough opportunities to develop new skills. That leaves a lot of potential untapped.

People may be motivated, but motivation needs somewhere to go. Managers play a central role in this. They help employees understand expectations and connect development to everyday work. Yet only 27% of respondents described their managers as highly effective, while 66% said they do not receive frequent guidance or feedback.

Many managers are also learning on the job. More than half of respondents said they had moved into people management without formal leadership training. That can leave capable people trying to lead others without enough preparation for coaching, decision making, and difficult conversations.

The skills employees identified as most important are practical and familiar: communication, judgment, critical thinking, collaboration, and prioritization. Their importance has only grown as work has become more cross-functional.

Formal training remains an important part of development. However, its impact is strongest when employees return to an environment where managers reinforce what they learned and give them opportunities to apply it.

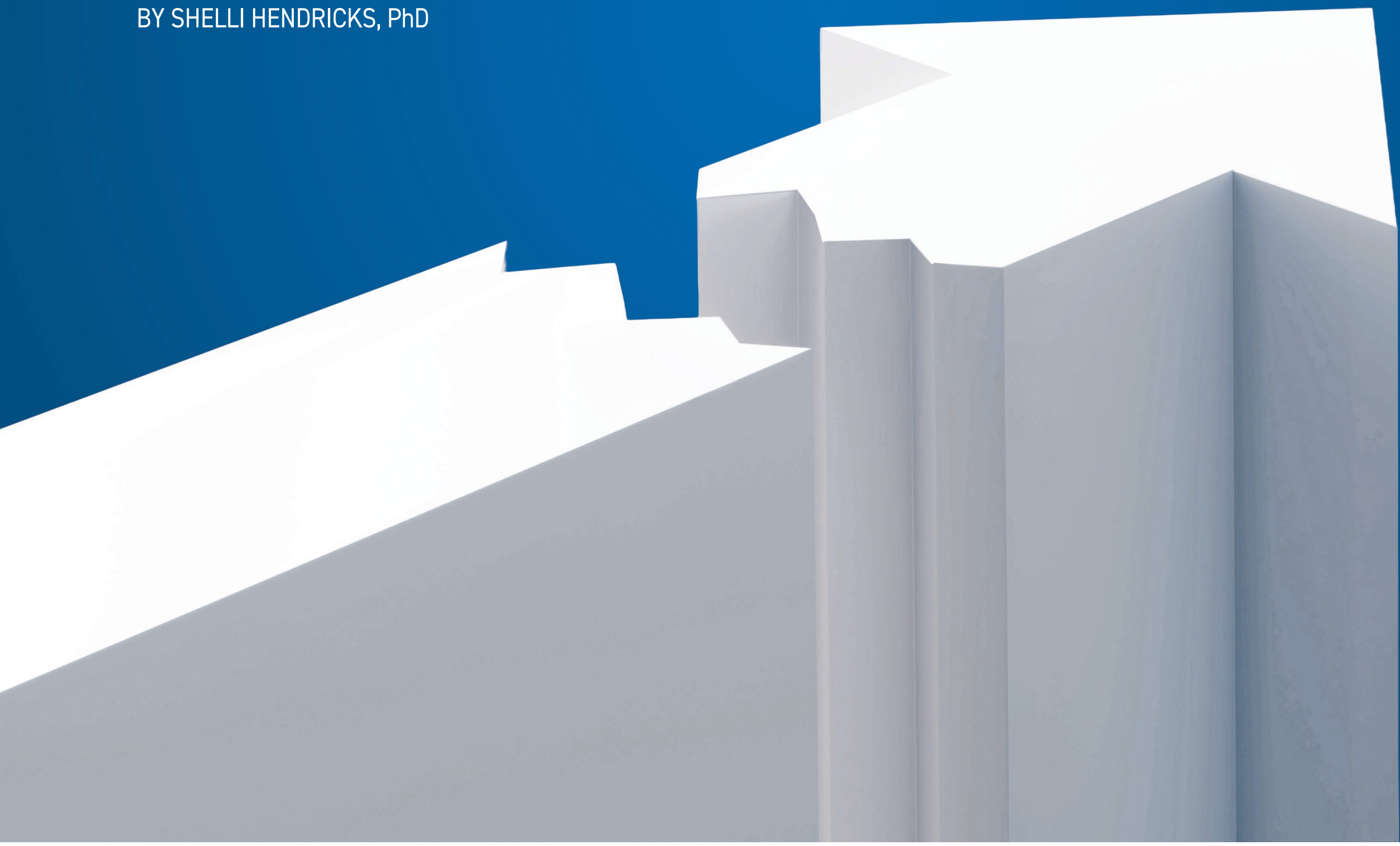
Employees are bringing ambition and energy to their work. Organizations can make more of that potential by creating clearer growth paths, well-trained support, stronger learning opportunities, and a culture where development continues well beyond the classroom.

Manny Avramidis
AMA Global

The Talent Development Disconnect

Employees are ready to grow. The question is whether organizations are ready to grow them.

BY SHELLI HENDRICKS, PhD



For many organizations, the talent development problem has been misread. Most employees are as ambitious as ever, and they're eager to develop new skills.

The disconnect is that many organizations have not built the conditions needed to turn that motivation into greater strength, individually or collectively.

Our 2026 Talent Development Study of more than 1,000 global professionals points to a revealing tension in today's workplace: Employees are optimistic about their futures, but often undersupported in the present. They want growth, clearer expectations, stronger coaching, more frequent feedback, and development that feels connected to the work they do every day. At the same time, many managers—the people most responsible for enabling that growth—report being promoted into management roles without formal preparation.

That combination creates risk. A workforce that wants to grow but does not receive meaningful support may not stay motivated indefinitely. And managers who are expected to develop others without first being developed themselves may unintentionally become bottlenecks in the very talent systems organizations are trying to strengthen.

The result is a talent development paradox: Employees are ready, but the organization may not be.

AMBITION IS NOT THE PROBLEM

A great deal of workplace commentary focuses on disengagement. Our research suggests a more nuanced picture.

Employees are not checked out of their futures. They are thinking about growth, advancement, new skills, and long-term opportunity. In the study, 87% of respondents reported feeling somewhat to very confident about their future advancement opportunities.

That optimism matters. It represents organizational energy that can be converted into stronger performance, greater adaptability, and deeper commitment. Employees who believe they can grow are more likely to take initiative and invest in building new capabilities.

But ambition without support has a shelf life. When people want to grow but do not receive regular feedback or get opportunities to apply new skills, motivation can sputter out. The very employees most eager to develop may begin to question whether their organization is the right place to do it.

This is where talent development lives or dies as a leadership pipeline and retention strategy.

The opportunity for organizations is significant: Many already have motivated talent inside the business. The work now is to create the systems that help that talent expand.

THE MANAGER IS THE MOMENT OF TRUTH

For employees, development is not experienced primarily through strategy documents or competency models. It is experienced through everyday interactions.

- A manager clarifies expectations. Or does not.
- A manager gives feedback. Or avoids it.
- A manager coaches through a challenge. Or simply corrects the outcome.
- A manager connects a skill to a business priority. Or treats development as something separate from the work.

This is why the manager's role has become so central to talent development. Managers are the daily translators of organizational priorities, the facilitators of performance, the first line of coaching, and the people employees look to for guidance about how to grow.

Yet the research shows that many employees are not getting the support they need. Only 27% of respondents said their managers were highly effective, and 66% reported they did not receive frequent guidance or feedback from their managers.

The implications are substantial. When managers are inconsistent, employees miss signals about what good performance looks like. They miss chances to build confidence. They miss feedback that could help them improve before small issues become larger ones.

In today's workplace, the manager often is the difference between development that happens by chance and development that becomes central to organizational health.

THE ACCIDENTAL MANAGER PROBLEM HAS BECOME A TALENT DEVELOPMENT PROBLEM

Organizations have long promoted strong individual contributors into

When organizations treat management as a promotion rather than a transition, they leave too much to chance.

management roles. The logic is familiar: A high performer understands the work and appears ready for more responsibility. But doing the work well and developing other people to do the work well are very different capabilities.

The study found that 51% of respondents had been promoted into people management without formal leadership training. That finding helps explain why many organizations struggle to create consistent employee experiences. New managers may be technically capable and deeply committed but still unprepared for the human responsibilities of leadership.

- They may not know how to coach.
- They may avoid difficult conversations.
- They may struggle to give useful feedback.
- They may be uncertain of how to prioritize when everything feels urgent.
- They may default to solving problems themselves rather than building capability in others.

When organizations treat management as a promotion rather than a transition, they leave too much to chance. The costs often appear later: weaker teams, unclear expectations, inconsistent feedback, reduced engagement, avoidable turnover, and fragile leadership pipelines.

Talent development depends on managers who know how to develop talent. That means organizations cannot wait until people are already struggling in management roles before investing in their readiness.

THE SKILLS GAP IS DEEPLY HUMAN

Technical upskilling remains essential, especially as digital tools and AI continue to reshape how work gets done. But the research points to a broader reality: Many of the most important development needs are human capabilities.

Respondents identified communication, leadership and people management, critical thinking and problem solving, time management and prioritization, decision making with limited information, collaboration, and navigating sensitive or challenging conversations as among the capabilities most relevant to performance today.

These skills are sometimes described as "soft," but that language understates their business impact:

- Communication determines whether priorities are understood.
- Decision making determines whether work moves forward amid uncertainty.
- Critical thinking determines whether teams can solve complex problems.
- Collaboration determines whether organizations can operate across functions.
- Coaching determines whether employees build capability or simply complete tasks.

In a more automated and AI-enabled workplace, these human capabilities are becoming more visible as differentiators. The future of talent development will be defined by how much organizations lean on them as business needs evolve.

DEVELOPMENT CANNOT LIVE OUTSIDE THE WORK

One of the clearest messages from our research is that employees want development, but many do not experience enough of it in accessible and sustained ways.

Only 30% of respondents said they had sufficient opportunities to develop new skills. The barriers were familiar: lack of time, limited manager support, competing priorities, and insufficient integration of learning into daily work.

This is the point at which many talent development efforts lose momentum. Organizations may offer training, but employees return to environments where the new skills are not practiced. Learning becomes an event rather than a system.

Formal learning still matters. Seminars, workshops, virtual programs, and on-demand resources provide structure and shared language. But they are only part of the development equation.

Capability grows when learning is reinforced through use. That means employees need opportunities to apply new skills in real situations. They need managers who coach and provide feedback. They need stretch assignments, peer learning, reflection, and reinforcement. They need time and permission to practice. They need work environments where development is not treated as something extra, but rather as part of performance itself.

The strongest learning cultures do not ask employees to choose between doing the work and developing their skills. They make development part of how the work is done.

FROM TRAINING ACTIVITY TO TALENT SYSTEM

The findings from our Talent Development Study suggest that organizations have a meaningful opportunity to rethink how development actually happens.

Organizations need formal learning that builds skills. They need managers who reinforce those skills. They need daily work that gives employees room

to apply them. They need leadership expectations that make development part of the manager's role. And they need a culture that treats employee growth as central to business performance.

Several priorities stand out:

Organizations should make growth pathways clearer. Employees who are motivated to advance need visibility into the opportunities that can help them move forward.

Manager development must become a core talent strategy. Communication, coaching, feedback, decision making, and emotional intelligence are essential tools for improving team performance.

First-time managers need stronger preparation before they inherit responsibility for others' growth. Promoting people into management without training creates unnecessary risk for the manager, the team, and the organization.

Learning must be reinforced in the flow of work. Training is most powerful when it is connected to real responsibilities, supported by managers, and practiced over time.

Organizations should treat human capabilities as business critical. Communication, judgment, collaboration, adaptability, and leadership are not peripheral skills. They are the capabilities that allow organizations to perform through change.

The organizations that get this right will be better positioned to engage employees, retain high-potential talent, build stronger leadership pipelines, and adapt as work continues to evolve.

Employees are already signaling that they want to grow. That is the encouraging part.

The strategic question is whether organizations will build the development infrastructure to meet them there.

Shelli Hendricks, PhD, is a talent development expert. She specializes in helping organizations build the workforce capabilities needed to succeed in rapidly changing environments. Hendricks brings deep expertise in talent strategy, leadership development, and organizational readiness.

Adapted from "Ambitious Employees. Underprepared Managers. A Growing Organizational Risk." Download the full whitepaper at cmcoutperform.com.

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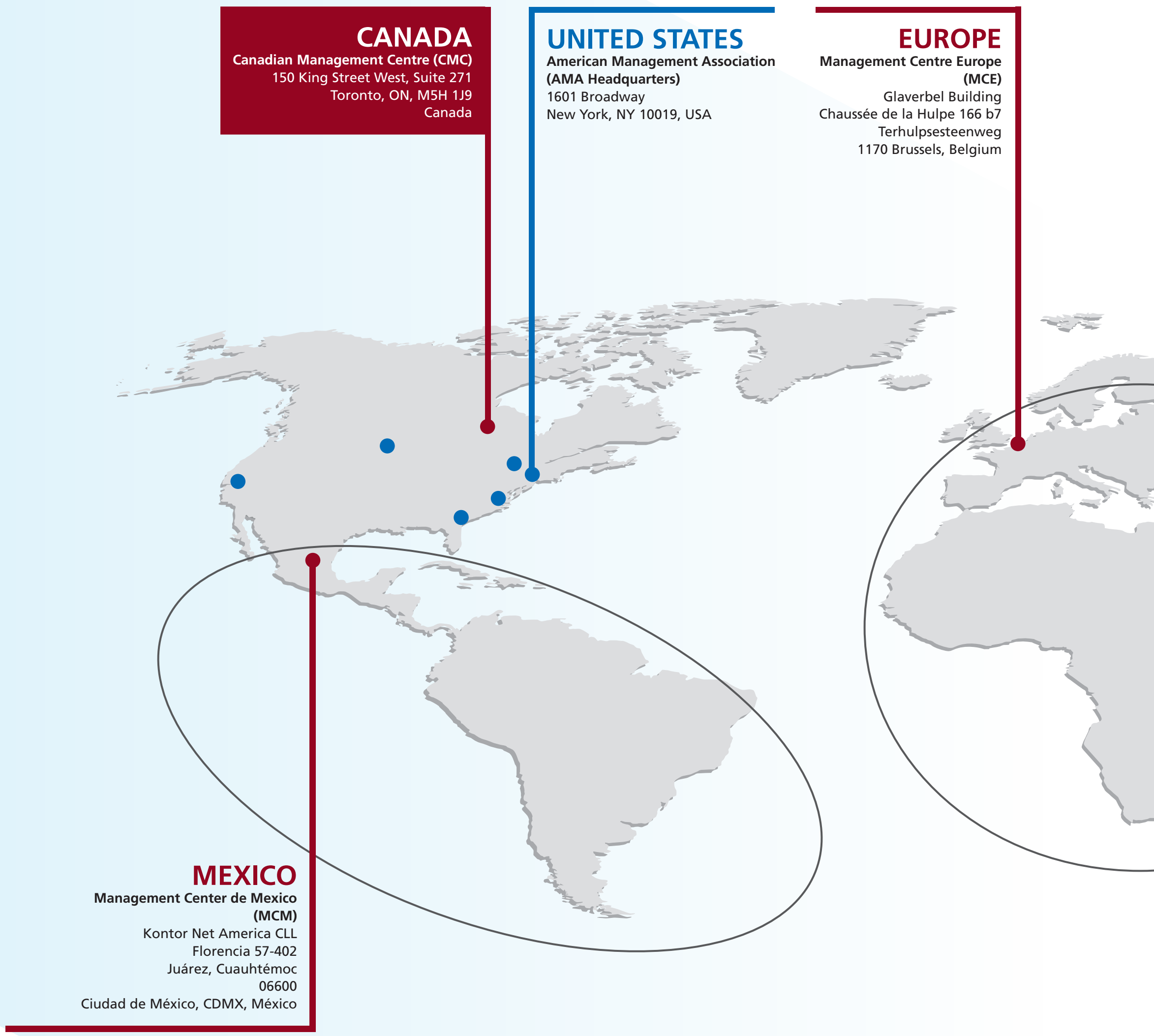

UNITED STATES
Manos Avramidis
President & Chief Executive Officer
+1 212 586 8100
info@amanet.org
amanet.org

MEXICO
Eugenio Villaseñor Hernández
+52 55 3098 3300
info@amamex.org.mx
amamex.org.mx

CANADA
Geoff Blackwell
+1 416 214 5678
cmcinfo@cmcoutperform.com
cmcoutperform.com

EUROPE
Patrick Faniel
+32 2 543 2100
+32 2 543 2400
info@mce.eu
mce.eu

SAUDI ARABIA
Osama Dukhan
+32 475 72 9886
odukhan@mce-ama.com
mce.eu

INDIA
Anand Dewan
Licensee
+91 1800 102 1345
anand.dewan@amasouthasia.org
amasouthasia.org

THAILAND
Jaruwan Laptrakool
Licensee
+66 2 613 1033
thailand@trainocate.com
trainocate.com

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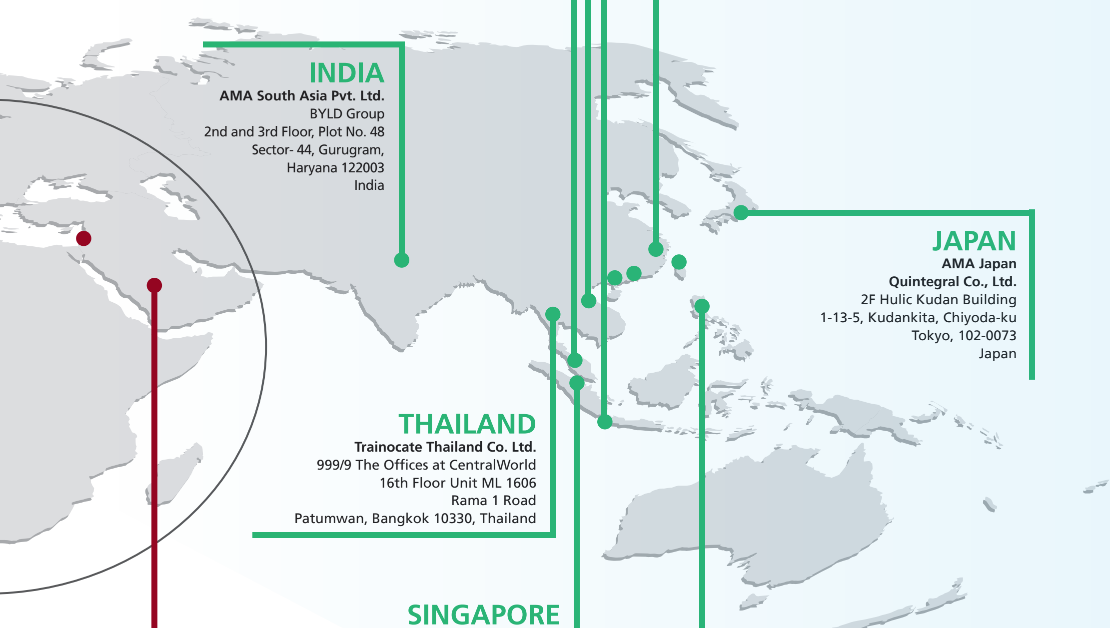

VIETNAM
PACE Institute of Management
PACE Building
341 Nguyen Trai Street
District 1
Ho Chi Minh City
Vietnam

INDONESIA
PT Trainocate Indonesia
Treasury Tower Fl. 11 Unit G
District 8 - Lot 28 SCBD
Jl. Jenderal Sudirman Kav 52-53
Kel. Senayan - Kec. Kebayoran Baru
Jakarta Selatan - DKI Jakarta 12190

MALAYSIA
Quintegral Sdn Bhd
Unit 10.02, Level 10, Mercu 2
No. 3 Jalan Bangsar
KL ECO City, 59200
Kuala Lumpur
Malaysia

CHINA
AMA China Head Office
Room 306, Block G, Vanke Center,
No. 9335 Humin Road,
Xuhui District, Shanghai

INDIA
AMA South Asia Pvt. Ltd.
BYLD Group
2nd and 3rd Floor, Plot No. 48
Sector- 44, Gurugram,
Haryana 122003
India

JAPAN
AMA Japan
Quintegral Co., Ltd.
2F Hulic Kudan Building
1-13-5, Kudankita, Chiyoda-ku
Tokyo, 102-0073
Japan

THAILAND
Trainocate Thailand Co. Ltd.
999/9 The Offices at CentralWorld
16th Floor Unit ML 1606
Rama 1 Road
Patumwan, Bangkok 10330, Thailand

SINGAPORE
Quintegral Pte. Ltd
8 Cross Street
Level 28, Manulife Tower
Singapore 048424

SAUDI ARABIA
Isha Commercial Center
6299 Alisha Street Office 14 and 15
Second Floor, 12815 3190
Riyadh, Saudi Arabia

PHILIPPINES
Quintegral Philippines, Inc.
19/F Philippine AXA Life Centre
Sen. Gil Puyat Ave.
Makati City, Metro Manila
Philippines

MALAYSIA
Sharifah Rafidah
Licensee
+60 36205 4818
solution@imperialconsulting.com
imperialconsulting.com

SINGAPORE
Alfred Chan
Licensee
+65 6332 2330
solution@quintegral.com
quintegral.com

VIETNAM
Binh Nguyen
Licensee
+84 28 3837 0208
ama@PACE.edu.vn
PACE.edu.vn
AMAVietnam.vn

INDONESIA
Ronny Kurniawan
Licensee
+62 21 295 33 333
indonesia@trainocate.com
trainocate.com

CHINA
Peter Kao
Licensee
+86 21 6473 7161
marketing@amachina.com
amachina.com

PHILIPPINES
Kristine Santayana
Licensee
+632 845 1324
solution@quintegral.com
quintegral.com

JAPAN
Bunshiro Ochiai
Licensee
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THE TALENT SHIFT

Uncover the trends that are redefining how organizations attract, develop, and prepare new talent to build stronger teams and meet the evolving demands of the future

THE PURPOSE OF LEADERSHIP

In his book *What Leadership Is For*, Patrick Faniel, managing director of Management Centre Europe (MCE), explains why yesterday's approaches to leadership do not meet the demands of today's complex environment. Here, he shares his thoughts about a new leadership model and the coherence it creates for an organization.

Can you tell us what your book,* What Leadership Is For *(Novaro Publishing), is all about?

Patrick Faniel: The book is about the danger of spreading leadership focus and organizational attention too thinly. Its central message is that leadership is about making choices, and that leaders must adapt their approach to focus on the choices they make and the directions they decide to prioritize.

In our complex and highly pressurized business environments, leaders are constantly being pulled in multiple directions. Effective leadership depends on finding the right focus and realizing that doing everything—or asking your team to do everything—will dilute your efforts and lead to failure.

Leaders are called upon to pursue many competing drivers beyond the basics of profit and impact. Growth, customer service, inclusivity, environmental sustainability, social responsibility, and more are all demanded of today's leaders. The most successful can deliver all these things, but only if they first identify and emphasize a few key drivers of performance—and then work to ensure that these are where the organization focuses its energies. The full title of the book is *What Leadership Is For: Identifying the Three Drivers for Stand-Out Performance*—the idea being leaders should concentrate on a maximum of three drivers and set these to cascade down through the organization.

What gave you the idea to write this book?

PF: At Management Centre Europe—the world-class management development company I lead in the EMEA region—we have discussions every day with leaders of organizations about the challenges they face. From these interactions, we have realized that in the fast-changing, competitive landscape organizations are currently in, many leaders are struggling to adapt, to set strategies that resonate throughout their organizations, and to align their employees to execute them effectively.

I found that our typical conversations about leadership were somehow missing a key point. When speaking about their leadership, people mentioned their leadership style, their underlying standards—such as communication, giving feedback, motivating their people—and so on. These are all important, but why? What was their leadership *for*?

While the underlying standards a leader brings might be the same wherever he or she is working, each organization's circumstances are different. Different approaches are needed. Taking account of this, and speaking both to participants in MCE's workshops and programs as well as the many high-profile leaders interviewed about the specific variable factors that can drive strategy—from customer service to innovation to strategy implementation—things became much clearer.

You include many examples in the book.

PF: Yes. We had the chance to interview top leaders. Most of the people contacted immediately accepted the interview. We chose the companies based on their "identified" drivers—MSC Cruises is namely about growth; Porsche namely about brand; Alan healthcare namely about digitization; Knauf namely about innovation; Kurita namely about diversity and inclusion. And there are many others where key drivers are clear.

Why do you think these ideas are needed today?

PF: We all speak about the numerous crises and changes we have gone through: the COVID pandemic, the geopolitical situation, the impact of AI and rapid technological change, shifting demographics, climate change, and more. Most of the time, we take the perspective of the impact on the organization—what the organization has to do to adapt, to survive, to prepare for an uncertain future.

I believe it is just as important to understand the impact of disruptive change on people and their behaviors. Today's managers and leaders are faced with the consequences of multifaceted change for the behavior of their teams and organizations—their reactions to developments such as generative AI, hybrid working, or flatter hierarchies. Yesterday's leadership approaches no longer apply. They need a new leadership model.

Many leadership models, as I've said, are based on the style of the leaders and the standards they apply. In my book, I am suggesting a different model, one that adds a new dimension: the driver. If a chosen driver is innovation, the culture of the organization has to be very different from that of a company where the main driver is efficiency. Hence, leaders must make a choice about the drivers they prioritize, and adapt their leadership accordingly.

Can you talk more about the model?

PF: I make no judgment on the ideal choice of the drivers—the choice depends entirely on each organization's situation, purpose, and resources—but I believe pursuing more than a maximum of three is counterproductive.

I have identified 12 potential drivers, which can be split into four quadrants: business, process, people, and market. Each driver must be taken into account, but a leadership choice needs to be made about which ones will really drive the organization. As a leader, you need to manage all 12 areas, but not equally—you need to choose which to prioritize, selecting a maximum of three. Seventy-five percent of your time, energy, and attention should then focus on these and ensuring they are central to how you act as a company.

In the book, I analyze 12 drivers in depth, under the four quadrant headings: Under **business**, I look at growth, innovation, and partnerships; under **process**, I consider strategy execution, effectiveness, and digitalization; under **people**, employee experience, diversity and inclusion, and inspiration; and under **market**, customer focus, brands, and personalization.

It seems that first, it is really about a strategic decision.

PF: Yes and no. If the choice of drivers is obvious at the organization's top strategic level, this is the ideal situation. But the concept also works if applied at the level of the business unit or at the team level. The leader of a team must be very clear about which drivers to focus on, and communicate this to team members. If team members are all focusing on different drivers, performance is bound to suffer.

If the three chosen drivers are growth, strategy execution, and inclusivity, for example, it does not mean all other aspects are totally ignored—it means that throughout the team or organization, the three are the overriding focus of attention. And that people, at any level, know exactly what that means for them and what is expected from them.

Are some drivers or combinations better than others?

PF: This is a question I get asked regularly when I am speaking at conferences and workshops. The answer is no—you can get extraordinary performance in a company that is not focusing at all on its staff, or one that is spoiling its staff. It is just different. If the leadership is adapted to the drivers and if the drivers cascade down appropriately, performance will be boosted. The idea behind the choice is just different. What should be considered are the history of the organization, its strengths and weaknesses, the strengths of the competition, and the capacity of the team or organization to do justice to each chosen driver.

What are the first three steps leaders should take to identify their organization's drivers?

PF: The very first step is to understand where the organization truly stands today. Leaders often believe their drivers are clear, but when you ask the right questions, you quickly discover misalignment—not only within the management team but also between management and staff. So the starting point is a rigorous assessment of the current situation:

- What do people believe the drivers are?
- Are these beliefs consistent across levels?
- Where are the gaps?

The second step is **to clarify where the organization realistically needs to go**. Again, leaders, managers, and staff may have different views of the future. Understanding these gaps is essential because they reveal the underlying tensions: cultural, strategic, or operational. This step is not about dreaming big; it's about defining a direction that is both ambitious and grounded in reality. The role of the leader here will be key: Can he convince the whole company, or is it better to change the "dream" to align with what the organization thinks it should be?

The third step is **to set a clear objective based on evidence, not wishful thinking**. Once the current state and the desired state are understood, leaders can identify the drivers that will bridge the gap. This requires considering the organization's history, its talent pool, its competitive environment, and the feasibility of the journey. Is the path toward the chosen drivers too complex? Too costly? Achievable with the people and capabilities we have?

There are many examples in the market. Take ING, the global bank. Digitalization became a core driver—but transforming a traditional bank into a digital-first organization required a deep understanding of where they were, where they needed to go, and what it would take to get there. That is exactly the discipline leaders must apply.

What are the warning signs that an organization is trying to focus on too many drivers at once?

PF: The first sign is running in all directions. When everything is a priority, nothing is. Leaders and teams lose focus, and performance becomes inconsistent or even negative.

The second sign is the absence of clear, shared drivers (if we call it that way). People don't know what truly matters, so they spread their energy thin. Meetings multiply, initiatives overlap, and the organization becomes busy instead of effective.

The third sign is a lack of alignment between actions and strategy. High-performing organizations have unmistakably clear drivers. Think of Apple, Samsung, Emirates, Ryanair. Their drivers are not only *understood* by everyone, they are *visible* in every decision, every process, every customer interaction. That coherence is what creates performance.

When an organization tries to pursue too many drivers, that coherence disappears. You see contradictions, confusion, and declining results. The remedy is simple but demanding: Choose fewer drivers, and align everything behind them.

It seems easy to recognize the drivers for some companies.

PF: Indeed. When you get into the idea and the model, it is very easy to "classify" companies that are led by clear drivers, the ones that are not, and the ones where it is unclear from the outside. Just by the way the company communicates, deals with its clients, its staff . . . how the CEO is presenting the strategy, the way the website is organized. Many elements, when well done, go in the same direction and confirm the choice that the company has made.

How does the rise of AI and disruptive technologies influence the choice of organizational drivers?

PF: AI influences *every* driver—but not in the same way. AI is now everywhere; it shapes both our current reality and our future. But its impact depends entirely on the driver the organization chooses.

Take a simple example: If your driver is employee experience, you won't want AI to become the only "contact point" for new applicants. Human connection matters. But if your driver is operational excellence, and you recruit thousands of people a month, then AI will naturally be embedded throughout the recruitment process. It becomes a strategic enabler.

This is the key point: AI does not dictate the driver. The driver dictates the role AI must play.

Depending on the chosen driver, AI may:

- Enhance efficiency
- Personalize experiences
- Accelerate decision making
- Improve quality
- Reduce costs
- Protect the human dimension

Leaders must therefore be intentional. AI is not neutral; it amplifies whatever driver you choose. It can reinforce coherence—or expose the lack of it.

How can Management Centre Europe support managers, leaders, and companies in developing effective leadership models?

PF: MCE is supporting leaders and managers at two levels. At the individual level, through public workshops in 35 major cities across Europe, as well as virtually. At these workshops, as well as learning from MCE experts, you get to meet your peers, interact, and share experiences. Secondly, at the company level, MCE delivers customized learning solutions. Increasingly, the "what leadership is for" topic is becoming the top priority for the leaders we meet—because they want to see an impact and not just do "training for the sake of it." CQ

Why **Talent Development** Is the Leadership Challenge of the Next Decade

BY BONITA RICHTER

Organizations are not short on strategy. Most leadership teams have strategic plans, growth goals, technology roadmaps, customer experience priorities, and digital transformation projects. They know where they want the business to go.

The more important question is this: Do they have the talent to get there? Answering that question is becoming increasingly urgent.

Organizations are navigating accelerating change, artificial intelligence, workforce transformation, and leadership readiness simultaneously. Together, these forces widen the capability gap and make developing talent at every level a strategic necessity.

According to the World Economic Forum's "Future of Jobs Report 2025," 22% of today's jobs are expected to be transformed by 2030. The report also projects that 59% of workers will require training by 2030, while 39% of employees' core skills are expected to change during that same period. Perhaps most concerning, 63% of employers identify skill gaps as the primary barrier to business transformation.

These findings point to a growing challenge across industries. The issue is not simply that organizations need more people—they need people with different capabilities.

The challenge facing many organizations is what I call the "capability gap": the difference between strategic ambition and workforce capability. Organizations rarely fail because they lack strategy. They struggle because the capabilities required to execute it do not exist at the level the business demands.

That gap between ambition and capability is becoming a defining leadership challenge of the next decade. As technology advances, jobs evolve, and leadership demands grow, the capability gap widens. Talent development helps organizations close it.

AI is changing how work gets done. Technology is reshaping job roles. Customers expect faster and more personalized service. Employees expect meaningful work and opportunities for growth. At the same time, many organizations are struggling to build the leadership capability needed to keep pace with these changes. In this environment, organizations cannot afford to treat talent development as an occasional event or standalone initiative. Developing workforce capability must become part of how leaders execute strategy.

THE CAPABILITY GAP: WHERE STRATEGY BREAKS DOWN

Many organizations spend significant time developing business strategy and far less time determining whether the workforce can execute it.

That is a dangerous gap.

A company may decide to improve quality, increase productivity, expand into a new market, implement AI, or transform the customer experience. But unless employees and managers have the skills, judgment, discipline, and leadership capability to execute the strategy, the strategy remains an aspiration. This is where talent development becomes directly tied to business performance.

Viewed through this lens, talent development is not simply about helping employees grow. It is about closing the capability gap between what the organization intends to achieve and what its workforce is prepared to deliver.

Leaders should be asking:

- What capabilities are required to achieve our strategy?
- Which roles are most critical to future success?
- Where do we have skills gaps today?
- What skills will be needed two or three years from now?
- Who is ready to lead if key people leave?
- Where are we depending too heavily on a few high performers?

The McKinsey 7S Framework reinforces this point: For an organization to perform effectively, Strategy, Structure, Systems, Staff, Skills, leadership Style, and Shared values must be aligned. When strategy changes, the people side of the organization must change with it. Yet many companies change their strategy without developing the workforce capabilities needed to support that change—and this is how execution breaks down.

AI MAKES TALENT DEVELOPMENT MORE IMPORTANT, NOT LESS

Much of today's AI conversation focuses on replacing work. But for many organizations, the more immediate challenge is helping people work effectively with AI. While AI can automate tasks, generate information, analyze data, support decision making, and improve speed, it does not eliminate the need for human capability. In fact, it increases the need for it.

As AI becomes more embedded in business operations, employees will need stronger skills in critical thinking, problem solving, judgment, communication, adaptability, ethics, and collaboration. They will need to know how to question outputs, interpret data, make decisions, and apply insight in ways that serve customers and improve performance.

Deloitte's 2024 "Global Human Capital Trends" research found that 73% of respondents recognized the importance of aligning human capabilities with technological advancement. Yet only 9% reported making progress in achieving that balance.

That is a significant warning sign.

Technology alone will not transform an organization. People must learn to use it to create value. If an organization implements AI but does not develop the workforce to use it wisely, it may only automate confusion, accelerate poor decisions, or create new risks.

The real question for leaders is not "How do we adopt AI?" but "What human capabilities must we strengthen so that AI improves business performance?" The answer lies in an organization's ability to continuously build new capabilities as work evolves.

Organizations that view AI solely as a technology initiative will likely struggle. Organizations that view AI as both a technology and talent challenge will be better positioned to realize its potential and close the capability gap AI is creating.

WORKFORCE TRANSFORMATION REQUIRES CONTINUOUS RESKILLING

Roles are being redesigned. Processes are being automated. Data is becoming central to more jobs. Hybrid and remote work have changed how teams communicate, and employees are being asked to collaborate across functions, adapt to new systems, and solve problems that did not exist only a few years ago.

Workforce transformation is ultimately a capability challenge. As work changes, organizations must build new capabilities faster than existing capabilities become obsolete. This means talent development *must become continuous*. A "one and done" training class will not prepare employees for ongoing workforce transformation.

Your workforce planning process should answer several practical questions:

- Do we have the right number of people in the right roles?
- Do they have the right skills?
- Are we preparing employees for future responsibilities?
- Do we know where retirements, turnover, or promotions will create risk?
- Are we building talent internally or waiting until the labor market forces us to react?

Strategic workforce planning is not simply about staffing. It is capability planning. Effective workforce planning helps organizations identify the capability gap before it becomes a performance problem, allowing leaders to build the skills, leadership capacity, and organizational readiness needed to support future business goals.

McKinsey's research on human capital reinforces this point. In its 2023 report "Performance Through People: Transforming Human Capital into Competitive Advantage," the McKinsey Global Institute found that organizations that invest in human capital while maintaining strong business performance demonstrate greater resilience, stronger long-term growth, and lower attrition than their peers.

Organizations that systematically develop talent are better positioned to adapt to change, execute strategy, and sustain performance.

LEADERSHIP READINESS IS A BUSINESS RISK

Leadership is one of the areas where the capability gap often becomes most visible. The challenge is not simply having enough leaders. It is having leaders who are ready to lead effectively in increasingly complex environments.

Organizations often promote high-performing individual contributors into management roles, without taking into account that leading people requires a different set of capabilities from performing individual work.

Without intentional development, leadership capability often lags leadership responsibility. New managers are expected to coach, develop employees, drive performance, lead change, and build accountability, yet many have received little preparation for these responsibilities. The result is predictable: Employees become frustrated, performance becomes inconsistent, engagement declines, and strategy slows down.

The manager's role has become even more important in today's workplace. Gallup's 2025 "State of the Global Workplace" report found that global employee engagement

fell from 23% to 21% in 2024, costing the global economy an estimated $438 billion in lost productivity. Gallup also reported that manager engagement declined from 30% to 27%.

This is not a small issue. Managers are the link between strategy and execution. If they are not engaged, prepared, and supported, the organization's ability to perform suffers. Leadership development must start earlier and go deeper. Organizations need to prepare people before they are promoted, not after they are overwhelmed.

This includes helping leaders learn how to:

- Lead through continuous change
- Build capability in rapidly evolving environments
- Develop talent for future, not just current, roles
- Balance technology adoption with human development
- Make decisions amid ambiguity and uncertainty
- Foster innovation, learning, and adaptability
- Strengthen collaboration across increasingly complex organizations
- Build leadership pipelines and succession readiness

DEVELOPMENT MUST HAPPEN AT EVERY LEVEL

Development must happen at every level, because performance does. One mistake organizations make is focusing talent development only on high-potential employees or senior leaders. That view is too narrow.

Frontline employees affect quality, productivity, safety, and customer experience. Supervisors influence engagement, accountability, and daily execution. Middle managers translate strategy into action, while senior leaders set direction, allocate resources, and shape culture. If any level is underdeveloped, the organization feels it. A company cannot build a high-performance culture with weak frontline capability. It cannot execute a strategy with unprepared managers. It cannot sustain growth without a leadership pipeline.

Development at every level does not mean everyone receives the same development. It means development is aligned with the needs of the role and the future direction of the business—whether that requires technical skills, communication, coaching, accountability, strategic thinking, or succession planning. The important point is that development must be intentional.

TRAINING IS NOT ENOUGH

Training is valuable, but training alone is not talent development. This is where organizations often miss the mark. They send employees to a class and assume development has occurred. Yet if employees do not apply what they learned, receive feedback, practice new behaviors, and see their manager reinforce expectations, little will actually change. Talent development should produce measurable improvement in knowledge, skills, behavior, and business outcomes.

That requires more than formal instruction. It requires experience. Most leaders can identify the experiences that shaped them most: a difficult project, a tough customer, a stretch assignment, a strong mentor, a manager who provided honest feedback, or a situation that forced them to grow. That is how capability is built.

Organizations should use a blended approach that combines formal learning, coaching, mentoring, stretch assignments, cross-functional experiences, and opportunities to practice leadership. Development should be tied to real work, giving employees opportunities to apply new skills. The goal is not simply to complete training; it is to improve performance.

SUCCESSION PLANNING PROTECTS THE BUSINESS

Succession planning is often viewed as an executive exercise. It should be viewed as risk management.

Every organization has critical roles. Some are leadership roles. Others are technical, operational, customer-facing, or highly specialized positions. When the wrong person leaves unexpectedly, the impact can be significant. Knowledge is lost, customers are disrupted, projects slow down, remaining employees are stretched, and leaders scramble to find replacements. The organization becomes reactive rather than strategic.

Effective succession planning identifies key roles, assesses readiness, and develops people before the need becomes urgent. It also improves retention by creating visible opportunities for growth. However, the value comes not from the assessment process itself but from the quality of the dialogue, the objectivity of the evaluation, and the commitment to developing people over time.

So succession planning must include honest conversations about performance, potential, readiness, and development needs.

Leaders should be asking these questions: Who is ready now? Who could be ready in one to two years? What development experience would help someone prepare? Where do we have no successor? Where are we at risk? These are the questions that strengthen succession planning and reduce organizational risk.

THE LEADER'S RESPONSIBILITY

Talent development is not primarily an HR responsibility. It is a leadership responsibility.

Human resources can provide tools, programs, structure, and support. But leaders determine whether capability is built, whether employees are developed, and whether the organization is prepared for future challenges. Every day, leaders make decisions that influence workforce capability through the assignments they give, the feedback they provide, the standards they reinforce, and the opportunities they create for growth.

This is why talent development is the leadership challenge of the next decade. Organizations do not close the capability gap through training programs alone. They close it when leaders intentionally develop the people responsible for executing strategy.

In his 2001 book *Good to Great: Why Some Companies Make the Leap . . . and Others Don't*, Jim Collins described Level 5 leaders as individuals who combine humility with professional will and build enduring greatness that extends beyond their own tenure. The leaders organizations need today must demonstrate a similar mindset, viewing talent development not as a separate activity but as an essential part of leadership itself.

Developing people is not separate from business performance. It is one of the primary ways leaders improve it.

WHAT LEADERS SHOULD DO NOW

The challenge can feel large, but the starting point is straightforward: Identify the capability gap.

Most organizations spend considerable time discussing business goals, growth targets, customer needs, technology investments, and operational priorities. Far fewer spend the same amount of time identifying the capabilities required to achieve those objectives.

Leaders should begin by asking a different set of questions:

- What capabilities will our strategy require over the next three to five years?
- Where are we most vulnerable today?
- Which roles have the greatest impact on execution and performance?
- What leadership, technical, and workforce capabilities will be required in the future that do not exist today?
- Where are we relying too heavily on a small number of individuals?
- If key leaders left tomorrow, where would we struggle?

The answers should drive workforce planning, leadership development, succession planning, and employee development priorities.

Organizations that close the capability gap do not treat talent development as a collection of programs, but as a disciplined process for building the capabilities required to execute strategy. They invest in manager development, create meaningful growth opportunities, prepare future leaders, and measure whether workforce capability is improving over time.

THE QUESTION THAT MATTERS MOST

Organizations are entering a decade defined by technological change, evolving workforce expectations, shifting skill requirements, and increasing pressure to execute strategy in uncertain environments. In that context, talent development is no longer simply a workforce issue. It is a business issue.

The most important question leaders should be asking is not whether they have a strategic plan. It is whether they have the workforce capability required to execute it. That is, how large is the capability gap between the organization's ambitions and its ability to deliver results? Organizations that thrive in the years ahead will not necessarily be those with the most sophisticated technologies or the most ambitious strategies. They will be the organizations that consistently build the capabilities needed to adapt, execute, and grow.

Closing the capability gap is ultimately a leadership responsibility. In the decade ahead, a leader's ability to develop people, strengthen organizational capability, and prepare the next generation of talent may become one of the most important measures of leadership effectiveness. CQ

Bonita Richter is president of Profit Strategies, a management consulting and training firm that helps organizations improve performance by aligning strategy, leadership, and workforce capability. With more than 25 years of leadership experience in manufacturing, consulting, and higher education, she specializes in leadership and talent development, strategic planning, and organizational performance.

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The New Premium on Human Capability

BY LISA JENKINS BROWN, DMin

Every organization I work with is asking the same questions: What does AI mean for us? What should we automate? What should we protect? How many jobs will be lost? How will this affect public perception? While these are valuable questions, the most critical disruption is not technological. It's human.

I've spent more than three decades watching leaders within organizations mistake efficiency for capability. With that said, AI is the most powerful efficiency tool this generation of leaders will ever see. It can analyze faster than your best analyst. AI tools will draft, summarize, and synthesize at a volume no team can match. But what it will not do is discern what should be done with any of this output. It will not navigate the room when two stakeholders are technically agreeing but really are at war. AI cannot build the trust that gets a skeptical team to follow a leader into uncertainty.

THE SKILLS WE CALLED SOFT WERE NEVER SOFT

For years, organizations filed judgment, communication, cultural fluency, and trust building under "soft skills." They were nice to have, but hard to measure. And being hard to measure meant that they were the first things to get cut from the training budget.

That approach, however, was always wrong. The skills now commanding premium value in the labor market are not the technical ones AI is rapidly commoditizing. The critical abilities that leaders and their teams must possess are the distinct human capacities that determine whether all that technical output is used wisely, fairly, ethically, and well.

WHILE MANY SKILLS ARE NECESSARY IN THE AGE OF AI, LET'S EXAMINE FOUR OF THEM:

JUDGMENT

Judgment is the capacity to discern that just because something can be done, it doesn't mean that it should be done. AI can give you just about every available option. But it cannot tell you which option honors your values, protects your culture, or will hold up under scrutiny five years from now. That ability to discern is a human function, and it is the function most under threat when leaders default to "the data says" as a substitute for thinking.

CULTURAL APTITUDE

Navigating across differences is imperative. Cultural aptitude is the ability to understand and value an array of perspectives and lived experiences. It's knowing that there is value in leading and collaborating across differences. We're not talking about a diversity initiative. We're talking about operational competence. The leaders who are unable to read across cultural, organizational, and intergenerational differences will miss the real reason a team is disengaged, and they'll burn trust trying to solve a problem that may have been misdiagnosed.

TRUST-BUILDING CAPACITY

This is what allows a leader to take people through ambiguity without losing them. AI thrives on clear inputs and defined parameters. However, the average workplace rarely offers either. The leaders who hold their teams together through a merger, restructuring, or market shock are not the ones with the best dashboard. They are the ones people believe, the ones people trust.

PRINCIPLED IMAGINATION

The art of principled imagination is a discipline of envisioning the consequences of a decision before they fully come to pass. The leader with a principled imagination not only asks what can be done but also who will be helped, harmed, excluded, burdened, or empowered by what is done. How will this affect the company's bottom line? What will our customers think? What is important to our workforce and to our customer base? Only leaders with a principled imagination will know the answers, because they will have already been intentional about bringing ethics, empathy, foresight, and responsibility into the decision-making process.

! These are not soft skills. They are some of the hardest capabilities to build, and now, some of the most valuable.

WHY NOW?

As routine cognitive work gets automated, the remaining human work converges at the point of highest stakes and highest ambiguity. Strategy. Culture. Conflict. Trust repair. Change leadership. These are precisely the areas where one wrong move can cost the company the most, and also where a right move can be the hardest to systematize.

This is not just a theory. I've seen organizations hire and promote technically excellent people into leadership roles only to discover, often in a crisis, that those leaders cannot read the room, cannot hold a hard conversation, and cannot build the trust required to lead a team through change. The technical skill will get them the seat, but the human skill determines whether they can keep the seat. And while they're figuring out how to navigate a crisis, their team's survival hangs in the balance.

Organizations that treat human capability development as optional are about to discover how expensive that assumption is. The competitive advantage of the next decade will not belong to the companies that deploy AI fastest. It will belong to those that pair AI deployment with leaders capable of exercising judgment that AI cannot replicate.

WHAT ORGANIZATIONS GET WRONG WHEN THEY TRY TO FIX THIS

The good news is that many organizations are in tune and sensing the shift. But too often, the response is wrong.

Often, they build a training module. A single workshop on "leading with empathy" or "navigating change" is delivered once, evaluated by a survey, and filed under compliance. This approach treats human capability like a checkbox rather than what it is: a discipline that must be practiced under real pressure, with real feedback, over real time.

In addition, organizations often separate the technical and

Leaders develop discernment by practicing it on the actual playing field of complexity they face, not by memorizing a framework.

human conversations entirely, as if AI strategy belongs in one meeting and leadership development belongs in another. That separation is a key mistake. The organizations getting this right are the ones treating human capability development as part of their AI strategy, not as a side initiative running in parallel. If your AI rollout is going to change how decisions are made, who is displaced, and how work is distributed, your leaders need the judgment and trust-building capacity to manage that transition well before the rollout happens, not after the resignations start.

Another common error is assuming these capacities are innate—that some leaders simply have judgment and cultural fluency while others do not; that you either hired well or you didn't. Not only is this false, but it is a costly belief because it lets organizations off the hook for development they are fully capable of providing. Judgment can be sharpened. Cultural aptitude can be built. Trust building is a skill with practices behind it, not a personality trait some people are lucky enough to be born with.

WHAT STRENGTHENING HUMAN CAPABILITY ACTUALLY REQUIRES

If your organization is serious about this, here is where the real work lives. Name it as strategic, not supplemental. Human capability development belongs in the same conversation as your technology roadmap, workforce planning, and succession pipeline. If it lives only in your learning and development budget, disconnected from your strategic priorities, it will be the first thing cut when budgets tighten and the last thing anyone notices was missing—until a crisis exposes the gap.

Build judgment through real scenarios, not abstract principles. Leaders develop discernment by practicing it on the actual playing field of complexity they face, not by memorizing a framework. The most effective development I have facilitated places leaders in realistic, high-stakes scenarios and asks them to reason through competing priorities in real time, with feedback that sharpens their thinking rather than merely validating it.

Treat cultural intelligence as a leadership competency, not a values statement. This means moving past awareness training and into the harder work of teaching leaders to actually navigate differences. It means learning how to lead a team where people disagree about how to interpret a situation, how to recognize when *their own perspective* is the limiting factor, and how to make decisions that hold up across multiple vantage points, not just their own.

Invest in trust as infrastructure. Trust is not a byproduct of good intentions. It's the foundation. Trust is built through consistent, observable practices, such as *transparency* when things are uncertain, *follow-through* on commitments, and a willingness to *name hard truths* before they become open secrets. Organizations that audit trust the way they audit performance will find specific, addressable gaps.

Build principled imagination into your decision processes, not just your values statements. Before a major decision is made, someone in the room should be assigned to ask who benefits, who carries the cost, and who was not consulted. The ability to answer these questions more often than not determines whether an organization will sink or rise.

THE LEADERSHIP PREMIUM AI CAN'T REPLACE

Let me be clear about what is actually at stake: Organizations that win the next decade will not be the ones with the most advanced AI technology and deployment. Winning organizations will be the ones whose leaders can be trusted to use that deployment wisely. They will be the ones that use judgment over speed and use discernment as well as data. Organizations whose values align with trust and integrity will win.

This is not a call to slow down the adoption of AI. It is a call to stop treating the human side of leadership as a sidebar or, worse, as a dying and unnecessary relic. The organizations that are asking the right question are not asking who or what AI can replace. They are asking what their leaders and teams can do that technology cannot. They are investing in and building that capacity with the same intentionality they bring to their technology investment.

This is the premium. This is the advantage. And it is available to any organization willing to invest in it before the gap becomes too expensive to close. CQ

Lisa Jenkins Brown, DMin, CSP, is a cultural strategist and organizational diagnostician who works with leaders and organizations through the Triple Integration Approach, combining corporate insight, academic rigor, and values-based perspective. She speaks and trains on trust building, leadership judgment, and cultural intelligence in complex environments.

2

GROWING CAPABILITY

Discover practical strategies, fresh perspectives, and proven approaches for helping managers and employees build the skills that matter most

The Coaching Myth **That's Hurting Your Team**

BY LISA KAPLIN

If you talked to leaders and employees as much as I do, you'd think that everyone was using coaching as part of their leadership strategy to develop employees. However, you'd be wrong. Many leaders tell me that they are having coaching conversations with their teams and individual employees, but that's not actually what they are doing, and their outcomes reflect that. Coaching isn't giving advice or giving corrective feedback, and that's where leaders get coaching all wrong.

The International Coaching Federation (ICF) defines coaching as "partnering with clients in a thought-provoking and creative process that inspires them to maximize their personal and professional potential."

This definition centers on three core elements:

- **Partnership:** The coach and client work collaboratively as equals, rather than in an expert-student dynamic.
- **Creative process:** The coach uses active listening and powerful questioning to help the client discover their own solutions.
- **Maximizing potential:** The goal is unlocking hidden sources of imagination, productivity, and leadership to foster personal and professional growth.

That's a very specific and intentional definition of coaching. Yet what we often see from leaders is a more hierarchical dynamic in which the leader gives the employee advice, doesn't fully listen to the employee, and thus limits the opportunity to help maximize their potential.

MOST MANAGERS DON'T KNOW HOW TO COACH—BUT THEY CAN LEARN

That's where the myth of coaching lies. Telling people what to do, giving them corrective feedback, and micromanaging are not coaching. They may be necessary at times, but don't confuse them with the power of a coaching session.

Gartner's research on manager types, drawn from a study of thousands of managers and employees and published in *The Connector Manager* (Portfolio, 2019), found:

- "Connector" managers—who connect employees to the right people and resources rather than trying to coach every skill themselves—improve employee performance by up to 26%, raise employee engagement by up to 40%, and increase discretionary effort (willingness to go above and beyond) by up to 38%.
- "Always-On" managers—who provide continuous feedback across a broad range of skills—actually *degrade* employee performance by up to 8%.

So how can leaders develop powerful coaching skills? They could get certified through a coach training program. However, that isn't always possible, so I'm going to recommend a few crucial coaching skills and important considerations to help leaders use coaching.

First, mark some meetings with employees as coaching meetings. Use that time only to coach—not to give feedback, not to give advice, but rather just to coach. Leaders often tell me they don't have time for coaching sessions, and I'd say you don't have time *not* to coach. If you want to develop your employees, coaching is one of the most powerful ways to do so.

Within the coaching session, have a clear goal for that session and clear goals for the employee outside of it. How do you do this? *Ask*. Ask them what they want to accomplish in their session, how they'll know they've been successful, and what they see as the barriers to achieving that goal. Then, at the end of a session, make sure there are clear steps they will take and a clear sense of how they'll be accountable for those developmental steps.

As far as coaching skills go, let's focus on the most important ones. The first is listening—and I mean deep, empathic, reflective listening. If I hear one more leader say "I hear you" when they clearly aren't listening at all, I'm going to lose it! And so are your employees. If you want to develop your people, listen to them. Paraphrase back what they've said, and do so without judgment and without giving advice. It's not easy to do. It takes practice, and it takes a desire to really hear someone. Make it your top goal as the leader to hear and understand what an employee is saying, feeling, and thinking.

The next skill is validating the employee's experience, whether it's a feeling or a thought. And here's the challenging part: Do it even if you don't agree with their thoughts or feelings. What does that sound or look like? "You're really frustrated with my telling you what to do before you have the chance to try it yourself. It's understandable that you're frustrated, because having independence is an important value for you." Or, "You were really angry with Jack because it didn't feel to you as if he cared about the deliverable. Who could blame you for

being angry when that's how you perceived the situation?" You might not agree with your employee's perception of the situation. Good coaching is about taking your opinion out of it and instead focusing on the experience of the employee.

The other coaching skill that is crucial to a powerful coaching discussion is asking open-ended, curious questions that aren't leading in any way and don't contain any type of judgment or advice.

Here are some examples:

- What about that situation was challenging for you?
- What do you think you need to address to achieve that goal?
- How would you rank these goals in terms of importance for you and for the team?
- Who would you like to bring on to this project?
- Why do you think the team, and specifically you, are struggling to solve this issue?

After you've asked your curious, open-ended question, sit quietly. Let your employee answer the question, even struggle with it. Don't ask a question that you want a specific response to. Instead, ask a question with true curiosity, and you will hear creative and powerful responses from the employee.

A coaching session or meeting should start with finding out what your employee wants coaching on and why that's important to them. Your job is to listen carefully, validate the experience of the employee, and ask curious, open-ended questions. You'll want to end the coaching session by asking what the employee will focus on between the current session and the next one, how they'll track their progress, and what accountability will look like for them. Your job is to honor the employee's process and make sure you check in on the goals the next time you meet. If they haven't achieved those goals, that's a great coaching opportunity for you to find out why, without judgment.

KNOW WHEN NOT TO COACH

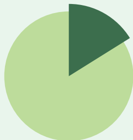
Here's a caveat that matters: Coaching is not always the right tool, and pretending it is can do as much damage as never coaching at all. Employees who are brand new to a task, facing a safety or compliance issue, or in the middle of a genuine crisis don't need open-ended questions. They need clear direction. Asking "What do you think you should do?" when someone has no framework to answer isn't empowering—it's abandonment dressed up as development.

The skill is knowing which mode the moment calls for. Coaching works when employees have enough experience and context to generate real options, when the goal is growth rather than compliance, and when there's time to let them think. When those conditions aren't there, be a manager: Give the direction, set the expectation, and tell them you'll coach on it once they have their footing.

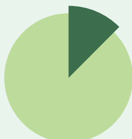
Notice that this is exactly what the Gartner data warns about. The "Always-On" managers who degrade performance aren't failing because they coach. They're failing because they coach *indiscriminately*, regardless of whether the situation calls for it. As Jaime Roca, who co-led the Gartner study, put it: "It's less about the quantity and more about the quality." The best developers of people are deliberate—they name the mode they're in: "I'm giving you direction here," or "This is a coaching conversation." That clarity protects relationships because employees always know whether they're being told or being developed and can trust the difference.

Employees need and want a safe, exploratory space to learn about themselves and to grow in their position within the organization.

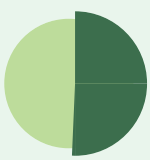
A survey from ICF and the Human Capital Institute of 900 HR, learning and development, and talent management professionals ("Building a Coaching Culture with Managers and Leaders," 2016) found that:



17% of organizations surveyed had a strong coaching culture



12% more employees were rated as "highly engaged" in organizations with a strong coaching culture than in comparison organizations



51% of these organizations reported recent revenue above their industry peer group, versus 38% of other organizations

8 or fewer direct reports led to higher manager coaching ratings

Lack of time was the number one reported coaching challenge

As a powerful leader, your job is to give feedback, sometimes give advice, demonstrate leadership, and provide powerful coaching opportunities for your employees. Give feedback and advice in separate meetings or sessions rather than a coaching session. Hold coaching sessions as sacred time for you and your employee to focus on developmental growth, especially in areas the person wants to focus on. If you try to coach and give feedback in the same session, you will lose the opportunity to have a powerful coaching session. Employees need and want a safe, exploratory space to learn about themselves and to grow in their position within the organization.

Develop the skills of empathic listening, validating, and asking powerful open-ended questions to provide the most beneficial coaching sessions to employees. You'll find that these sessions are both enjoyable and growth oriented for you and for employees. Employees who have the space and time to use coaching will be more productive, creative, and satisfied in their positions. CQ

Lisa Kaplin, Psy.D., PCC, is an executive leadership coach, psychologist, and founder of Lisa Kaplin, LLC. With over 25 years of experience in leadership development, she specializes in helping senior leaders strengthen emotional intelligence, reduce stress, and lead with clarity, confidence, and resilience in high-pressure environments. Kaplin is a Professional Certified Coach (PCC) through the International Coaching Federation and a certified practitioner of the EQ-i 2.0® and Energy Leadership Index assessments.

The Most Overlooked Talent Development Opportunity Is Already on Your Team

BY D.A. SMITH-HEMPHILL, PhD

There is a well-earned consensus forming about artificial intelligence and talent: Teach people to manage AI. Treat it like a capable new hire. Set the objective, delegate the work, review the output, and own the result. Move from being a doer to being a director. Learning to manage AI this way is the essential first step, and any organization that completes this step has done real work.

There is a next-level move, and the organizations quietly pulling ahead are already making it. Having learned to manage AI, they are also learning to think with it. The distinction sounds subtle. It's not. Managing AI helps you produce more of the work you already know how to do. Thinking with AI helps you do better thinking than you could do alone. The first is delegation; the second is partnership—and partnership is the talent development frontier that opens up once the management basics are in place.

The encouraging part, for anyone who builds training programs or makes hiring decisions, is that this is a human capability that can be developed. It cannot be bought by licensing another tool, but it can be taught, coached, and screened for. The raw material is almost certainly already on your team.

THE GAP IS NOT TECHNICAL, AND THE DATA SAYS SO

It is tempting to frame the AI skills gap as a tooling problem or a training budget problem. The evidence points somewhere more human—and more solvable.

Consider our 2025 research: The study "AI Becomes a Daily Workplace Tool with Employees Trying to Stay Ahead" found that nearly 95% of organizations now report some level of AI use, and 58% use it daily across the enterprise. Training has scaled to match: 78% of organizations offered AI training in 2025, up from 7% just two years earlier. And yet 57% of employees still say they feel behind. Adoption is near universal, training is widespread—and most people remain unsure they are using the constantly changing technology well. That is not a coverage problem. It is a depth problem.

External data tells the same story from a different angle. McKinsey's 2025 workplace study, "Superagency in the Workplace: Empowering People to Unlock AI's Full Potential at Work," found that employees are far more ready to use AI than their leaders assume. Executives estimated that only 4% of employees use generative AI for at least 30% of their daily work, when the real figure, self-reported, was three times higher. McKinsey's conclusion was blunt: The barrier to scaling AI is "not employees—who are ready—but leaders, who are not steering fast enough."

Notice, too, what employees say they want. In our survey, the most-requested (51%) training was hands-on technical instruction in prompt design and data workflows. That instinct is understandable, but it's precisely the wrong place to invest first. Prompts are syntax; they change with every model release. The deficit is not in how people phrase requests. It is in how they think when the machine intelligence is in the room.

There is also an access gap worth sitting with. PwC's 2025 "Global Workforce Hopes and Fears Survey," drawn from nearly 50,000 workers, found that only 51% of non-managers feel they have the development opportunities they need, against 72% of senior executives. The people closest to the daily work—and most actively experimenting with AI—are the least supported in learning to use it well.

Read the numbers together and a hopeful pattern emerges. This is not a story about people who cannot operate software; they have proven they can. In most organizations, we give people access and call it adoption. But access was always the easy half. The capability we are actually after—knowing how to think alongside a thinking machine—is the part we have barely begun to develop. And that is one thing our profession knows how to do.

FROM MANAGING AI TO THINKING WITH IT

Delegation is what you do with a task you already understand. You know what "done" looks like, you can specify it, and you mostly want it off your desk. You assign, inspect, and accept or reject. The thinking happened before you handed it over. This is the management model—you manage AI like a capable new hire. It makes you faster at the work you already do, and every professional should master it.

Partnership is what you do with a problem you do not yet fully understand. You are not outsourcing execution; you are thinking out loud with something that can think back. You float a half-formed idea and ask it to argue the opposite. You notice where its reasoning is weak and let that expose where yours is weaker. You ask it to find the assumption you have not questioned. The output is not the payoff. The sharpening of your own judgment along the way is.

Here is why the distinction matters more than it appears. The management model assumes the human already holds the better thinking and merely needs faster hands. Unfortunately, it makes you the smartest entity in the exchange. Thinking with AI assumes instead that you have something to learn from the friction and builds a process to extract it. The two are not rivals; the second is what becomes possible once the first is second nature.

When I take a leadership team through this shift, the breakthrough almost never comes from a better prompt. It comes from a change in posture, and I have learned to build the programs around that posture rather than around the tools. Leaders stop asking "Can you write this for me?" and start asking "Here is what I am wrestling with—think with me." They stop accepting the first response and start pushing: "What am I missing? Make the strongest case against my position." At that moment, the tool stops being a draft generator and becomes a sparring partner—one that never tires, never gets defensive, and is available 24/7.

I watched this process evolve with one client, a senior VP preparing to reorganize her team. She came to a session having used AI the management way—she had asked it to draft the announcement, gotten back something serviceable, and felt vaguely uneasy about it. I suggested she reopen the conversation and use it not to write but to think. She described the reorg, refined her outcome (how she wanted people to feel and engage), and asked the AI to play three roles in turn: a skeptical employee, a peer VP who would lose headcount, and her own boss. Those voices surfaced two objections she had not prepared for and one assumption about reporting lines that did not hold up. She rewrote the plan before she ever rewrote the announcement. The draft was never the point; the pre-mortem was. It was the same tool she had used an hour earlier, yet a completely different result.

THE RISK HIDING INSIDE THE EASY VERSION

There is a reason this distinction is not merely semantic. When delegation hardens into a reflex—offload the problem, accept the first plausible answer, move on—AI can quietly make us think less, letting a vital skill atrophy.

Partnership is the antidote built into the practice itself. When you use AI to challenge your reasoning rather than replace it, every exchange becomes a repetition that strengthens your judgment rather than outsourcing it. How you teach people to think makes it a talent development decision.

AI fluency is not a separate competency bolted onto leadership. It *is* leadership, expressed through a new medium. The capacities that make someone good at drawing out a person are the same capacities that make them good at drawing out a machine: clear framing, good questions, the humility to be challenged, and ownership of the result. The investment your organization is already making in coaching, delegation, and communication is not adjacent to its AI strategy. It is its AI strategy.

THE COMPETENCIES TO DEVELOP—AND TO HIRE FOR

If partnership is a developable capability, then it can be taught and screened for. The most forward-thinking organizations—which treat AI as a genuine productivity resource rather than a novelty—are already doing exactly this: building these capacities into their development programs and hiring protocols.

FIVE COMPETENCIES DO MOST OF THE WORK:

Framing: *the ability to state a problem clearly before reaching for a solution—to give context, intent, and constraints rather than a one-line command*. This is the upstream move: what you put in before the AI does anything. It may be the highest-leverage AI skill and, not coincidentally, one of the highest-leverage management skills.

Curiosity and productive skepticism: *the discipline to treat a confident, fluent answer as a first draft rather than a verdict—to interrogate the output itself: what's thin, what's missing, what a critic would say*. This is scrutiny turned outward, aimed at the machine's answer. It's critical thinking under a completely new load—and it's the diagnostic judgment that something more is needed, which iterative dialogue then acts on.

Iterative dialogue: *the habit of staying in the conversation past the first exchange—refining, redirecting, pressing for sharper options*. Where skepticism identifies that the first answer isn't good enough, dialogue is the sustained behavior of doing something about it. Many people abandon AI after one disappointing turn instead of persisting. Iterative dialogue is a coachable behavior, not a talent.

Judgment and accountability: *the willingness to remain editor-in-chief—to decide what is true, what is wise, what goes out under your name—and own the result*. This is the downstream move: what you do with the output once you have it. It's the durable human capability AI does not replace.

Intellectual humility: *the openness to discover you were wrong—about the AI's answer, your own critique of it, or the assumption you walked in with—without experiencing that discovery as a threat*. Where productive skepticism turns scrutiny outward onto the machine's output, intellectual humility turns it inward, onto your own certainty. It is the rarest of the five competencies and the hardest to fake, which makes it the most valuable signal in a candidate and the most worthwhile thing to cultivate in a leader.

Notice that none of these competencies is technical, and all are familiar. They are the "durable skills" talent professionals already prize—communication, decision making, adaptability, accountability—now revealed as the operating system for working with intelligent tools. That is the strategic gift hidden in the AI moment: It does not demand a wholly new competency model. It just raises the stakes.

TRY THIS: THE PARTNERSHIP DRILL

Run this 15-minute exercise with a team or build it into a coaching session to turn the five competencies into a habit:

1. **Bring a real, unresolved decision—not a writing task.**
   This should be something you have not figured out yet.

2. **Brief it like a colleague.**
   Give context, your goal, the constraints, and what a good outcome looks like. (framing)

3. **Ask it to disagree with you.**
   "Make the strongest case against my plan. What am I assuming?" (productive skepticism)

4. **Push three more turns.**
   "Where is that thin? Give me a sharper option. Who haven't I considered?" (iterative dialogue)

5. **Decide for yourself.**
   Write down what changed in your own thinking, and own the call. (judgment, accountability, and the humility to let it move you)

WHAT THIS MEANS FOR HOW YOU TRAIN

If AI partnership is a thinking capability dressed up as a technical one, the implications for talent development are significant.

Organizations with strong coaching cultures hold a head start they may not realize. Where managers already give context, ask good questions, and invite challenge, the leap to genuine AI partnership is short. Where those muscles are weak, no amount of tooling will close the gap.

That points to the actual failure mode in most AI training today: Teaching features and prompt recipes produces exactly the brittle, one-and-done usage the data already shows—high adoption, low confidence. What moves the needle is teaching a posture: framing, curiosity, iteration, judgment, humility. Those are development outcomes and, not by coincidence, the same outcomes that make better leaders.

THE OPPORTUNITY HIDING IN PLAIN SIGHT

The raw material is already on your team. Most organizations won't close the gap anyway—not for lack of will, but because the default instinct is to buy another platform or teach another set of prompts. This is the one approach the evidence says won't work. Changing how capable people think is deliberate, designed work, and it requires you to manage the discomfort of asking seasoned professionals to think differently. That work is what separates an organization that owns AI tools from one whose people can actually think with them.

Two futures are available. In one, AI speeds up shallow work, and a generation quietly loses the habit of hard thinking. In the other, it becomes the most patient, talented thinking partner any of us has ever had—stress testing our decisions, showing us angles we'd have missed alone. It doesn't make us think less. It makes us think more, and at a higher level. Done well, AI partnership doesn't shrink the org chart from the bottom. It raises the floor so that everyone in the room produces work that used to take years of experience to produce.

The difference between them isn't the technology. It's whether we grow thinking with AI in people with the same seriousness we've always brought to growing good leaders.

So make it deliberate: Pick one team, name the five competencies as capabilities to develop and hire for, run the drill until it's the house habit, and hold the discomfort—that's the sign learning is happening. Organizations that take this approach won't just adopt AI faster. They'll outthink everyone who only deployed it. CQ

D.A. Smith-Hemphill, PhD, leads DSH Enterprises, a consulting firm focused on management productivity and executive readiness. She designs and delivers training and coaching programs that build durable, human capabilities into how organizations adopt new tools, including how they think and partner with AI.

THE APPRENTICESHIP ENGINE:

BUILDING TALENT WHEN AI TAKES THE TRAINING WORK

BY KENECHUKWU EZEKWEM, PhD

Something is happening to the bottom rung of the career ladder, and it deserves more honesty than it usually gets.

AI is taking on the routine entry-level work that once doubled as on-the-job training. The apprenticeship no longer comes bundled with the job, so leaders have to build it on purpose.

For about two years, organizations have been handing routine knowledge work to AI: first drafts, basic analysis, simple code, early research, meeting summaries, and data cleanup. Each handoff looks like an efficiency gain. In the short term, it often is. But that same work was also how people learned. We rarely called it training. We called it the job.

This is the quiet talent development problem at the center of the AI transition. As routine work moves to machines, the work that helped beginners become capable is moving with it. If that learning loop is not rebuilt, the result will not only be fewer entry-level seats; it will be a thinner bench of people ready for complex work 5 or 10 years from now.

THE WORK WE AUTOMATED WAS ALSO THE WORK THAT TAUGHT

Skill is built through guided struggle. Someone who can already do the work stands near someone who cannot yet do it, lets them try, corrects them, and gradually steps back. Guilds, universities, factories, consulting firms, hospitals, newsrooms, and research labs all changed the setting, but not the mechanism. People become skilled by doing the work badly, then less badly, then well.

Work and technology scholar Matt Beane's book *The Skill Code: How to Save Human Ability in an Age of Intelligent Machines* (Harper Business, 2024) outlined what happens when new tools interrupt that mechanism. And in his 2019 article in *Administrative Science Quarterly* ("Shadow Learning: Building Robotic Surgical Skill When Approved Means Fail"), Beane reported that in robotic surgery, the technology allowed one expert to operate largely alone. The trainee became optional, and residents received 10 to 20 times less hands-on practice in robotic procedures. Those who still built real skill often did so through unofficial, sometimes discouraged workarounds. That is not a verdict against the technology. It is a warning about the learning system around it.

The early labor market signals point in the same direction, though they should be read carefully. The Stanford Digital Economy Lab found that early-career workers ages 22 to 25 in the most AI-exposed occupations experienced roughly a 13% to 16% relative decline in employment, depending on the version of the working paper cited, even after controlling for firm-level shocks ("Canaries in the Coal Mine? Six Facts About the Recent Employment Effects of Artificial Intelligence," 2025). The Federal Reserve Bank of New York's labor-market tracker, *The Labor Market for Recent College Graduates*, also shows recent college graduates facing elevated unemployment and persistently high underemployment. SignalFire, in its 2025 "State of Tech Talent Report," states that new graduates accounted for just 7% of hires at major tech companies. And Revelio Labs found that highly AI-exposed entry-level roles declined more than 40% between January 2023 and July 2025 ("Is AI Responsible for the Rise in Entry-Level Unemployment?").

None of this proves that AI is the only cause. Interest rates, sector-specific slowdowns, overhiring during the pandemic, and normal business cycles all matter. But the mechanism is real: When the machine performs the routine parts of work, the beginner may lose the repetition, feedback, and judgment-building struggle those tasks used to provide.

A second risk sits inside the job itself: The tool can do the thinking that once trained the thinker. A 2025 study by Michael Gerlich in the journal *Societies* ("AI Tools in Society: Impacts on Cognitive Offloading and the Future of Critical Thinking") linked heavier AI use with lower critical thinking scores, with cognitive offloading as a mediating factor. A 2025 Microsoft Research and Carnegie Mellon study of 319 knowledge workers ("The Impact of Generative AI on Critical Thinking: Self-Reported Reductions in Cognitive Effort and Confidence Effects from a Survey of Knowledge Workers") found that greater confidence in generative AI was associated with less critical thinking, while greater confidence in one's own ability was associated with more. The lesson is not that AI makes people less capable. It is that capability does not grow automatically when the tool does more of the thinking.

THE SENIORITY CLIFF

This should matter to leaders even if they are not focused on early-career hiring. If beginners do not wrestle with foundational problems, they do not build the judgment those problems once taught. Run that forward, and the risk is not merely a shortage of juniors. It is a shortage of seniors.

Deloitte's 2025 "Global Human Capital Trends" report called this an experience gap and found that 73% of executives believe organizations should do more to connect workers with opportunities to build experience. In their 2025 *Harvard Business Review* article "The Perils of Using AI to Replace Entry-Level Jobs," Amy C. Edmondson and Tomas Chamorro-Premuzic raised the alarm bluntly: Using AI to replace entry-level jobs may sever the career ladder that produces future leaders.

Imagine a hospital that adopts a surgical system so capable that residents rarely touch a patient in their first years. Throughput rises, costs fall, and the quarterly numbers look good. Now run the tape forward 15 years, when today's senior surgeons retire. Who operates? If a problem comes, it will not be the machine's fault. It will be ours for letting the residents stop practicing. Many organizations are now making a white-collar version of that trade without measuring the loss.

WHY THE OBVIOUS FIXES FAIL

The first tempting answer is to protect entry-level work by keeping routine tasks human. That is the wrong answer. Not all junior work was good training. Some of it was just busywork, and AI should remove it. The goal is not to preserve spreadsheet grind, endless formatting, or draft work that no one reads. The goal is to preserve what was hidden inside the better parts of that work: real stakes, repetition, feedback, expert modeling, and gradually increasing responsibility.

The distinction matters. Removing low-value work is progress. Removing the feedback-and-practice loop is the problem. Leaders should not protect old tasks simply because they are old. They should protect the conditions that turn effort into judgment.

The second tempting answer is to train harder: more courses, more content, more learning platforms. That answer is incomplete. The Josh Bersin Company, in its recent report "The Definitive Guide to Corporate Learning: From Static Training to Dynamic Enablement," estimates that businesses spend more than $400 billion a year on training, yet 74% of senior leaders believe their companies still lack the skills to compete. Decades of transfer-of-training research, including Timothy T. Baldwin and J. Kevin Ford's 1988 foundational review in *Personnel Psychology*, show that training often fails to change workplace behavior unless the work environment gives people opportunity, support, and reinforcement to apply what they learned ("Transfer of Training: A Review and Directions for Future Research").

Our recent AI research, including *AI at Work: The Leadership Imperative for 2026* and *AI Becomes a Daily Workplace Tool with Employees Trying to Stay Ahead* points to the same pattern: Even as AI training expanded sharply, 57% of employees still reported feeling behind in their AI knowledge. In a UK government evaluation of a Microsoft 365 Copilot trial in the Department for Work and Pensions, published in 2026, most users learned by self-directed exploration and peer support rather than by formal training alone. The lesson is old and stubborn: Skill comes from doing real work with guidance. Content can support that process, but it cannot replace it.

BUILD THE APPRENTICESHIP ON PURPOSE

That is the turn in the argument. As AI takes over routine work, the accidental apprenticeship goes with it. Leaders should stop waiting for learning to happen as a byproduct of the job and start engineering the conditions that produce expertise.

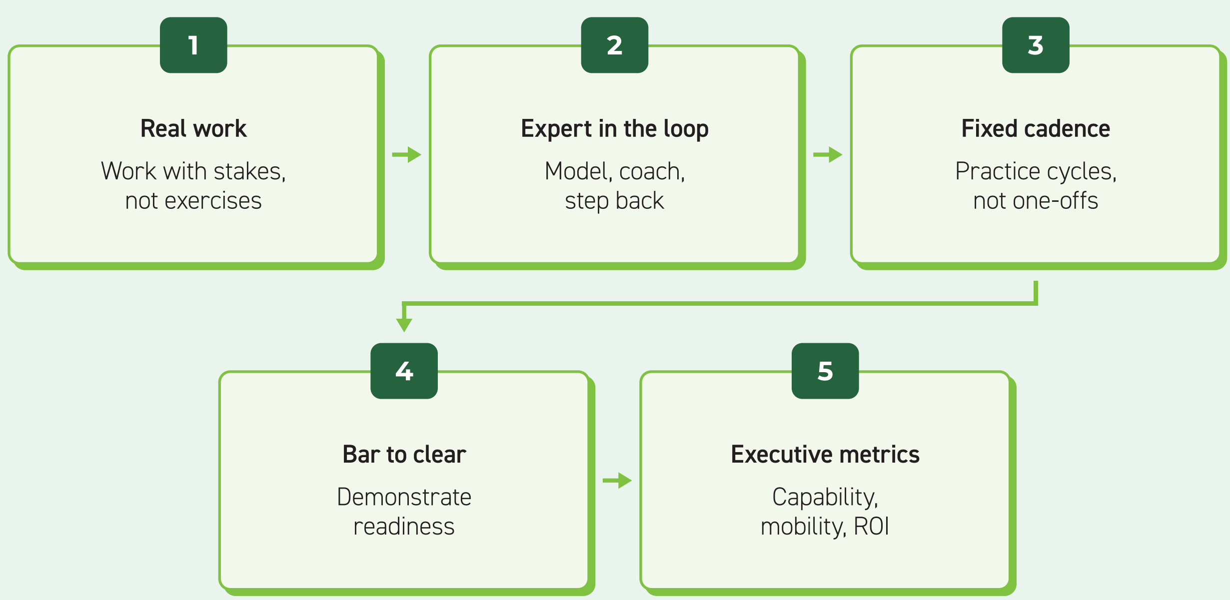
I call this system the Apprenticeship Engine. It is not a retreat from AI. It is a way to use AI while keeping humans inside the learning loop that builds judgment.

I built and run a version of this model in an applied AI research group at New York University's School of Professional Studies, not inside a Fortune 500 company. Small teams take on real applied AI and data projects, work through defined cycles, and clear a visible bar before they take on harder work. A bank, hospital, manufacturer, or government agency would have to adapt the model. What travels is the principle: Durable skill grows through real work, expert guidance, feedback, and increasing autonomy.

That principle is not new. It sits at the center of cognitive apprenticeship, situated learning, project-based learning, and the research on mentoring in the *Journal of Applied Psychology* (Allen et al., "Career Benefits Associated with Mentoring for Protégés: A Meta-Analysis," 2004) and *Journal of Vocational Behavior* (Ghosh and Reio, "Career Benefits Associated with Mentoring for Mentors: A Meta-Analysis," 2013). What is new is the urgency. The workplace used to apply this principle accidentally because beginners had to do real work to be useful. AI is weakening that default. So the system now has to be deliberate.

THE APPRENTICESHIP ENGINE

A connected operating model. Expertise is created by the whole system, not a single training event.



Design principle: Keep the machine accelerating the work, while people practice the judgment the work requires.

THE FIVE DESIGN RULES

The engine is simple: Put people in real work, surround them with expert judgment, and make progress visible.

Real work, not exercises. Put early-career employees on live problems with genuine stakes: a real customer issue, model, dataset, process redesign, risk question, or business decision. AI should be part of the work, not banned from it. The human should use the tool while still doing the judgment-heavy tasks: framing the problem, checking assumptions, validating outputs, making tradeoffs, and explaining decisions.

A clear expert in the loop. Each team needs an experienced mentor who models the work, coaches it, and then gradually steps back. Mentoring research consistently finds benefits for protégés, including career progress and satisfaction, and also finds benefits for mentors. The effects are real, not magical; they depend on protected time, clear expectations, and a manager who treats mentoring as work rather than volunteerism.

Small teams and a fixed cadence. Keep teams small enough for real observation and feedback, usually four or five people, and run cycles long enough to learn but short enough to measure, often two to four months. A cadence creates rhythm: attempt, review, correct, repeat.

A bar to clear. Define what readiness looks like before the cycle begins. Do not use seat time or course completion as proxies for capability. Make participants demonstrate the ability to do harder work with more autonomy.

Measurement an executive would respect. Track time to productivity, retention, internal mobility, promotion, quality of work, and whether graduates can now do work that previously required a senior hire. LinkedIn's "2025 Workplace Learning Report" found that career development leaders are more likely to use metrics such as internal mobility and new skills delivered to the business. The Apprenticeship Engine should be measured the same way: by capability created, not content consumed.

WHAT IT LOOKS LIKE IN PRACTICE

In the NYU research group I run, graduate students work in small pods on real, publishable applied-AI projects across 10-week sprints. The weekly meeting is not a status check. It is a problem-solving session: Model the work, surface the hard judgment calls, coach the next move, and then step back. The bar is explicit: academic rigor, honest results, reproducible code, and a concrete deliverable such as a paper, working prototype, or presentation.

AI runs through the process, but it does not own the judgment. I use AI agents to accelerate parts of the research workflow. The students still verify evidence, inspect data, question model behavior, decide what counts as a responsible claim, and explain the tradeoffs. That is the balance leaders should want in every knowledge-work function: Let the machine accelerate the work, but keep people doing the parts that build expertise.

HOW TO START IN ONE QUARTER

You do not need a transformation program. You need one honest pilot:

1. **Redesign the pipeline, do not stop it.** Choose one function where leaders are tempted to reduce junior hiring because AI now handles the starter work. Put three to five early-career people on a real problem the function needs solved.
2. **Name a mentor and protect the time.** Assign one respected senior person and make mentoring count as work, not a favor squeezed in around the real job. This is the hardest step.
3. **Define the bar in advance.** What should graduates of the cycle be able to do that they could not do before, and what evidence will prove it?
4. **Measure against your normal ramp.** Did people become productive faster? Did quality, retention, or engagement improve? Did the mentor spot people ready for harder work? If yes, expand. If no, you spent one cycle and learned something useful.

I am not claiming that AI will destroy a generation of jobs. The evidence is too young and too tangled with the broader business cycle to support that. I am not claiming that pods are a silver bullet, or that a university research model will transfer cleanly to every organization.

I am claiming something narrower: The old path to expertise depended on beginners doing real work, making mistakes, receiving correction, and gradually taking on harder judgment calls. As that work moves to machines, the side effect weakens. Almost no one is rebuilding it on purpose.

The organizations that do best in the next decade will not be the ones that automate the most. They will be the ones that pair what machines now do well with people deliberately taught to do what machines cannot yet own. That second half used to take care of itself. Now it has to be built. CQ

Kenechukwu Ezekwem, PhD, is a clinical assistant professor of management and analytics at New York University's School of Professional Studies. He founded the SPS Research, Prototyping, and Production Pods (R3P), an applied AI research group where early-career analysts build publishable research and deployable prototypes in parallel. His work focuses on management analytics, workflow automation, and the thoughtful use of AI to improve decision making.

3

THE TALENT ADVANTAGE

Explore ideas for creating cultures of continuous development, uncovering untapped potential, and building the capabilities that drive long-term success

HOW ORGANIZATIONS OPERATIONALIZE CONTINUOUS LEARNING

BY ANGELA L. KEGLER, PhD

As an organizational development professional, one of the questions I am asked most frequently is, "How can I develop the skills of my team members in the face of rapid change?" At first glance, the answer seems straightforward: Implement a training program. Yet in today's environment, where technological advancements emerge at unprecedented speed, customer expectations continually evolve, and business models are constantly being redefined, developing talent has become far more complex than simply delivering training.

The organizations that thrive in this environment understand that building capability is no longer about what employees learn during a course. It is about how organizations create opportunities for continuous learning, growth, and adaptation every day. Organizations that embrace this approach develop workforces that are more agile, innovative, and prepared for the future.

The reality is that some of the most meaningful professional growth occurs through the work itself. Employees develop new capabilities when they are challenged to solve complex problems, entrusted with greater responsibility, exposed to new perspectives, and encouraged to step beyond their comfort zones. These experiences build confidence, strengthen critical skills, and prepare individuals to navigate change with resilience and creativity.

The question for leaders is no longer whether continuous learning matters, but rather how to intentionally create an environment where learning is embedded into the daily rhythm of work. The answer lies in operationalizing continuous learning.

IT ALL BEGINS WITH MINDSET

Continuous learning begins with mindset, long before it becomes a process, program, or organizational initiative. In her 2007 book *Mindset: The New Psychology of Success* (Ballantine Books), renowned psychologist Carol Dweck's research on growth mindset demonstrated that individuals who believe their abilities can be developed through effort, learning, and persistence are more likely to embrace challenges, learn from setbacks, seek feedback, and ultimately achieve higher levels of performance and growth. Simply put, people who believe they can grow are far more likely to do so.

While many organizations invest significant resources in training and development, they often unintentionally send the message that learning only occurs when employees attend a class, complete an online course, or participate in a formal development program. When this happens, learning becomes an event rather than a continuous process, and valuable developmental opportunities that occur every day are frequently overlooked.

Organizations that successfully operationalize continuous learning take a different approach. They cultivate a culture where every experience has developmental value and every challenge presents an opportunity for growth. Successes reinforce confidence and effective behaviors. Challenges build resilience, adaptability, and problem-solving capabilities. Mistakes become opportunities for reflection, feedback, and improvement. Exposure to unfamiliar situations broadens perspective, expands knowledge, and strengthens an employee's ability to navigate future uncertainty.

Creating this mindset begins with leadership. Effective leaders understand that development is not limited to training programs; it occurs through the experiences employees encounter each day. **As a result, they shift the conversation from simply asking what training an employee should attend to asking more impactful questions:**

- What new experiences would accelerate this employee's growth?
- What challenges would stretch their capabilities?
- What responsibilities would expand their perspective?
- What opportunities exist for them to develop new skills and competencies?

These questions reflect a fundamental shift in thinking. Development becomes less about delivering information and more about creating experiences that foster learning. When leaders intentionally seek opportunities to challenge, support, and develop their employees, continuous learning becomes woven into the fabric of the working day.

Organizations with strong learning cultures also nurture curiosity. Employees are encouraged to ask questions, seek new knowledge, challenge assumptions, and explore innovative solutions. Learning is not viewed as remediation for deficiencies but as an investment in future capability. Over time, this mindset creates a workforce that is more adaptable, innovative, and prepared to meet the demands of an increasingly complex and rapidly changing world.

The organizations that excel in the future will not be those that simply provide more training. They will be those that create environments where employees view every experience as an opportunity to learn, grow, and contribute at a higher level.

REDEFINING DELEGATION AS DEVELOPMENT

One of the most underutilized development tools available to leaders is delegation. Traditionally, delegation has been viewed as a mechanism for distributing workload. Leaders assign tasks to increase efficiency, reduce bottlenecks, or free themselves to focus on higher-level priorities. While these outcomes are important, they represent only part of the value delegation can provide.

According to academic Elsbeth Johnson's 2025 article "Why Aren't I Better at Delegating?" in *Harvard Business Review*, many leaders struggle to delegate effectively, not because

they fail to recognize its importance, but because they derive satisfaction from completing the work themselves, feel compelled to remain personally involved, or believe they can achieve better results by retaining ownership. As a result, developmental opportunities often remain concentrated with leaders rather than being intentionally shared with employees.

High-performing organizations take a different approach. They redefine delegation as a deliberate development strategy. Instead of assigning tasks solely to achieve results, leaders assign experiences designed to build capability. Employees are asked to lead projects, facilitate meetings, present to executive leadership, manage budgets, or participate in strategic planning discussions. These opportunities expose individuals to challenges they may not otherwise encounter and accelerate learning through practical application.

For leaders seeking to operationalize continuous learning, the question shifts from "What work can I delegate?" to "What experience would help this employee grow?"

Developmental delegation requires patience, coaching, and a willingness to accept that short-term efficiency may occasionally be sacrificed in service of long-term capability. However, the return on investment is significant. Organizations strengthen succession pipelines, increase employee readiness, and develop future leaders through experience rather than instruction alone.

UTILIZING SPILLOVER WORK EFFECTIVELY

Development does not occur only within the boundaries of an employee's current role. Some of the most significant growth occurs when individuals are exposed to responsibilities that broaden their perspective and challenge them to think beyond their functional expertise.

One of the most effective ways to accomplish this is through spillover work. In our recent research, *Leadership Development in a Transforming Workplace*, 71% of leaders reported performing work outside their role. While the reasons behind the spillover work range from staffing shortages to unclear ownership of the work to be completed, the organization had an expectation for the spillover work to be accomplished, and leaders are accountable for achieving the results.

Leaders should leverage this spillover work as opportunities to grow skills and advance talent. When employees are intentionally exposed to responsibilities, projects, or initiatives that extend beyond the traditional boundaries of their primary role, this challenges them to learn new skills. Rather than remaining confined within the tasks of the job they possess, they tackle spillover work that stretches their abilities and develop a broader understanding of competencies needed to grow.

Spillover-work experiences expand business acumen, strengthen collaboration, and expose employees to different perspectives and decision-making processes. More important, they help employees develop enterprise thinking—the ability to understand how individual functions contribute to organizational success.

Leaders can create these opportunities by inviting employees to cross-functional teams, assigning temporary project leadership roles, involving emerging leaders in strategic discussions, or creating rotational experiences across departments.

Organizations that intentionally utilize spillover work often discover an additional benefit: Innovation improves. As employees gain exposure to different functions and perspectives, they become better equipped to identify opportunities, challenge assumptions, and contribute creative solutions to organizational challenges.

CREATING A CULTURE OF SAFE STRETCHING

While exposure creates learning opportunities, growth ultimately requires challenge. Continuous learning demands that employees move beyond their current capabilities and take on responsibilities that require them to learn, adapt, and grow. However, challenge alone is insufficient. Employees must also feel supported enough to take risks, make mistakes, and learn from experience.

This balance can be described as safe stretching. Safe stretching occurs when employees are given opportunities that push them beyond their comfort zones while also receiving the coaching, resources, and support necessary to succeed. The goal is not to eliminate discomfort. The goal is to ensure that discomfort becomes a catalyst for growth rather than a source of fear.

Leaders can foster safe stretching by:

- Assigning meaningful stretch projects
- Encouraging calculated risk taking
- Providing coaching and developmental feedback
- Treating mistakes as learning opportunities
- Recognizing progress rather than demanding perfection

One of the most common leadership mistakes occurs when leaders intervene too quickly. In an effort to help, they solve problems employees are capable of solving themselves. While this may improve immediate results, it often deprives employees of the very experiences that build confidence, judgment, and resilience.

Employees develop confidence not by avoiding challenges, but by overcoming them. Organizations that create environments where employees are trusted to stretch, experiment, and learn cultivate a workforce that is more adaptable, resilient, and prepared for future leadership responsibilities.

MEASURING GROWTH DIFFERENTLY

As organizations embed learning into daily work, they must also reconsider how development is measured. Many organizations rely on traditional indicators such as training hours completed, certifications earned, or courses attended. While these metrics may demonstrate participation, they do not necessarily reflect meaningful capability development.

Attendance is not the same as growth. Organizations committed to continuous learning shift their focus from measuring activity to measuring outcomes. Rather than asking what employees completed, they ask what employees can now do.

More meaningful questions include:

- Is the employee successfully handling increasingly complex assignments?
- Has the employee demonstrated greater autonomy and decision-making capability?
- Is the individual contributing beyond the scope of the current role?
- Has their influence within the organization expanded?
- Are they prepared for future leadership opportunities?

Leaders should be evaluated through a similar lens. Their effectiveness should not be measured solely by operational results but also by the growth, readiness, and success of the people they develop.

A powerful question for executive teams to consider is this: If a leader were to leave tomorrow, how many capable successors would be ready to step forward? The answer often reveals whether development is truly occurring.

When organizations begin measuring capability rather than participation, learning becomes more intentional, more strategic, and more impactful.

EMBRACING CONTINUOUS LEARNING

Continuous learning is no longer a competitive advantage—it is an organizational necessity.

The organizations best positioned for future success recognize that learning is not a function owned exclusively by human resources, learning and development, or training departments. It is a leadership responsibility and an organizational capability that must be embedded into the daily rhythm of work. They understand that every project, challenge, decision, and experience has the potential to develop people while advancing organizational objectives.

The future will belong to organizations that learn faster than change occurs around them. Leaders who embrace this reality will not simply build more skilled employees—they will build more adaptable teams, stronger leaders, and more resilient organizations.

Ultimately, the most effective organizations understand a simple truth: Learning is not separate from work. Learning is work. CQ

Angela L. Kegler, PhD, is a leadership and organizational development expert specializing in turning leadership theory into practical, real-world application for leaders and organizations.

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The Leadership Paradoxes That Shape Innovation and Growth

BY ABDELMOULA EL HADI

Innovation is often presented as a matter of tools, processes, and methods. And yes, those things matter. Organizations need ways to collect insights, test ideas, manage portfolios, fund projects, and scale what works.

But after years of working across innovation, product development, R&D, and industrial environments, I have become increasingly convinced that innovation is shaped just as much by *leadership*. **Not only leadership in the formal sense of setting strategy or approving budgets, but leadership in the daily sense, such as the behaviors, signals, and conditions managers create around the work:**

- Do people speak when an idea is still unfinished?
- Can a team test something before every answer is known?
- Is there enough structure to move forward, without forcing ideas into a fixed plan too early?
- Do leaders reward only success, or do they also recognize learning?
- Do people defend their own ideas, or do they come together around a shared problem?

These questions matter because creativity is fragile. It can appear in a workshop, in a technical discussion, in a customer visit, or in a small observation from someone close to the work. But for that creativity to become innovation, it needs the right environment around it.

This is one of the ideas behind my upcoming book, *The Creativity Paradox*. Organizations need creativity, but they also need discipline. They need openness, but also focus. They need speed, but also safety. They need courage, but also clarity. These forces do not always sit comfortably together. And that is exactly why leadership matters.

The role of leaders is not to remove all tensions. That would be unrealistic, and probably not even desirable. The role is to help teams work through these tensions without losing energy, direction, or trust.

Here are five leadership paradoxes I have seen repeatedly in organizations that are trying to innovate and grow.

FREEDOM VS. STRUCTURE

People need space to explore. Without some freedom,

creativity becomes too narrow. Teams repeat what they already know, avoid uncertainty, and bring forward only the safest ideas.

At the same time, freedom without direction can become exhausting. I have seen teams generate many ideas, start many conversations, and still struggle to make progress because no one was clear about the problem, the boundaries, or the next decision.

This is where leaders have to be very thoughtful. The question is not simply "How much freedom do we give?" No, it is more practical than that:

- What problem are we asking people to solve?
- What boundaries matter?
- What can be explored?
- What must be protected?
- What decision will we make after this phase?

In industrial environments, this tension is very visible. Factories, laboratories, and engineering teams are usually built around structure—for instance, quality procedures, audits, safety rules, compliance gates, lean systems, and Six Sigma methods and standards. These exist for good reason: They protect people, customers, and performance.

But if every creative effort has to fight the existing system, innovation becomes dependent on individual courage and informal favors. People start testing things quietly or they stop testing altogether.

I saw a better approach in one of Knauf Insulation's manufacturing plants. The plant manager created planned "safe test windows" in the production calendar. These windows were agreed on in advance, visible to everyone, and designed around clear operational and safety limits.

During those periods, R&D and plant teams could test, adjust, and learn. Operators knew what was happening and engineers knew the boundaries. So the plant was protected, but experimentation had a legitimate place. All in all, freedom had a place to happen, and structure made it safer.

For leaders, this is an important shift. Structure should not only control work. Used well, it can also create a space where new work becomes possible.

SPEED VS. SAFETY

Every organization wants to move faster, right? Faster decisions, faster learning, faster launches, and faster response to customers and markets.

In innovation, speed matters. When teams wait too long to test, assumptions become harder to challenge. When an idea stays too long in slides, it starts to look more mature than it really is. And when every decision takes months, the energy disappears.

But "speed" has different meanings depending on the context. In a digital experiment, moving fast might mean testing a feature with users next week. In an industrial environment, it may involve production trials, certification, safety reviews, quality checks, regulatory constraints, customers, suppliers, and capital investment. So the consequences are different.

I once saw a cross-functional team working under pressure to launch a new product in a competitive market. The intention was good: Keep momentum, avoid unnecessary delay, and get the product ready. But as pressure increased, some project gate checks became more like boxes to check off than opportunities to pause and challenge.

One of those checks involved packaging and regulatory labeling. It may have seemed like a small detail, but it was mandatory for market access. The issue was discovered very late, when the finished goods were already prepared for release. Unfortunately, the product could not legally enter the market without the correct label. What followed was redesign, reprinting, revalidation, and months of delay.

As you can imagine, the lesson was painful. Moving quickly through the wrong checkpoint can make the whole system slower.

The opposite also happens, though. I have seen teams continue refining and optimizing long after the first useful version was good enough to test. The engineering work may be excellent, but the market does not always wait for perfection.

So leaders need judgment. Some risks must never be bypassed. Other uncertainties can be reduced through controlled experiments, pilots, prototypes, customer conversations, or limited trials.

The strongest teams I have seen do not treat speed and safety as enemies. They build safe-to-learn environments. They define stop conditions, escalation rules, risk boundaries, and decision criteria. Inside those boundaries, people can move with more confidence.

CREATIVITY VS. DISCIPLINE

Creativity can open a wide range of possibilities, but discipline is what helps those possibilities become a reality. I have seen many ideas get positive reactions in the beginning—people like the concept, it appears in presentations, it is mentioned in meetings, and maybe also celebrated globally. Everyone agrees it is interesting. Then, nothing much happens. The idea is not rejected. It just slowly loses momentum.

In many cases, the missing piece is a disciplined learning path:

- Who will validate the customer need?
- Who will test the assumption?
- Who will check feasibility?
- Who will involve operations, quality, or regulatory colleagues?
- Who will decide whether the idea deserves more resources?

Without these questions, creativity stays too abstract. Nothing moves forward.

At the same time, discipline can also arrive too early. I have

seen early ideas pushed immediately into business-case logic before the team even fully understood the problem. The danger here is that the conversation changes. People stop exploring and start defending, which makes the idea something to justify rather than something to learn from.

This is why I like to think in terms of progression. At the beginning, the question should not always be "Is this idea good enough?" because the team will discover this once the idea meets the reality. A better question is often: "What does this idea need to move forward?"

Maybe it needs a customer conversation. Maybe a prototype, a technical check, a clearer problem statement, a small experiment. Or perhaps it needs to be axed altogether because the evidence is weak. That is also where talent development comes in.

People do not build innovation capability only by attending innovation workshops. They build it by practicing this rhythm in real work—explore, test, learn, adapt, decide. I strongly believe that leaders who want more innovation need to develop both muscles in their teams: the imagination to see new possibilities, and also the discipline to turn those possibilities into evidence.

COURAGE VS. CLARITY

Leaders often ask people to be bold. They want teams to challenge assumptions, speak up, take initiative, and bring new ideas. But people cannot be courageous in a fog.

If the direction is unclear, people hesitate. If the boundaries are unclear, people play it safe. And if they do not know how failure will be treated, they polish ideas until they look safer than they really are. Sometimes they keep their best thinking outside the room, because the room does not feel ready for it.

This is why psychological safety matters. But it is important to be precise: Psychological safety does not mean "comfort all the time." It does not mean avoiding accountability. It means people can speak honestly, ask questions, challenge respectfully, and share unfinished thinking without fear that it will be used against them.

Courage also needs clarity:

- What are we trying to achieve?
- What is open for challenge?
- What is not negotiable?
- What can be tested?
- What should be escalated?
- What does good judgment look like here?

I remember a product design review where engineers, process experts, and quality control colleagues were trying to solve a mechanical failure. The meeting was active, but scattered. Many ideas were being shared, but the discussion was moving too quickly.

After the meeting, a younger engineer came to me and said, "I think I see what's wrong, but I need a few hours alone to test it."

Away from the noise, she ran a small experiment and used modeling to test her hypothesis. The next day, she came back with data that explained the issue and pointed to an improvement.

That was a leadership lesson. Sometimes courage looks like someone asking for the space to think properly, to reflect, and maybe to react. Leaders create innovation capacity when people feel brave enough to speak and clear enough to act.

CONTROL VS. OPENNESS

Organizations need to protect resources, quality, intellectual property, strategic focus, and accountability—and that's why they need control.

At the same time, innovation needs openness. Ideas improve when they meet different perspectives. Problems are understood better when R&D, operations, marketing, sales, finance, legal, sustainability, and customers are connected early enough.

This is easy to say, but very often difficult to do. Most organizations are still managed through functions, and each function sees a different risk. R&D sees technical uncertainty; operations sees complexity; marketing sees customer value; finance sees unclear return; regulatory teams see compliance exposure, and so forth.

None of these perspectives are wrong. The difficulty is that if they meet too late, they become obstacles rather than inputs.

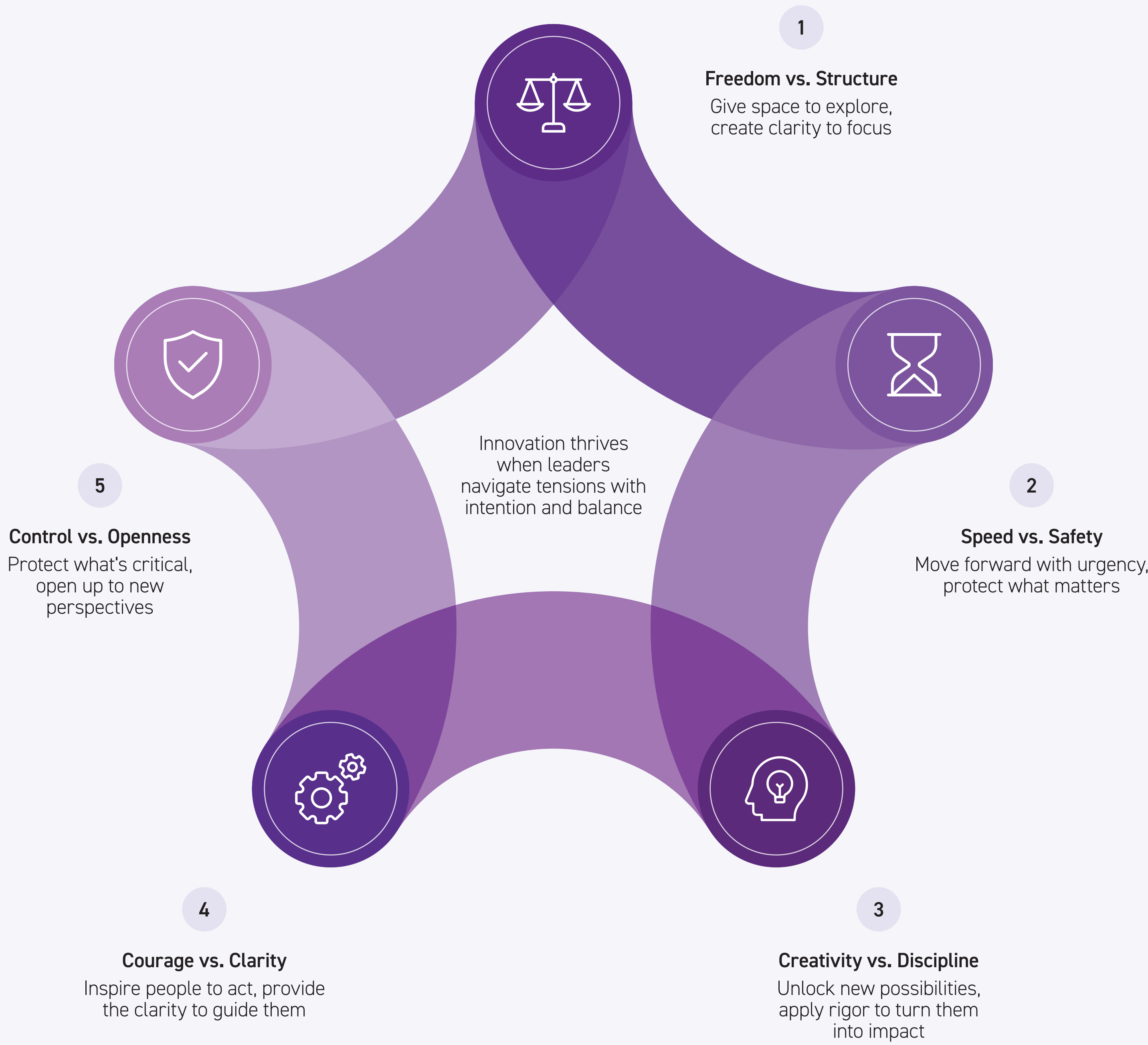
This is where leaders need to build bridges deliberately: Create better connections around the problem, instead of just calling more meetings. One shift I find very powerful is moving from idea ownership to problem ownership.

When people own an idea, they defend it. Any feedback feels personal, governance becomes an approval battle, and the goal becomes protecting the first version.

When people own the problem together, the solution can evolve. They become more willing to test, combine, adapt, or abandon the first idea if a better route becomes apparent.

This shift requires trust. It also requires leaders who can invite different voices without letting the work become chaotic. Diversity of perspective only helps when people feel safe enough to use it well. So leaders need to decide what must be protected, and where the system needs to open up in order to learn.

THE 5 LEADERSHIP PARADOXES THAT SHAPE INNOVATION AND GROWTH



THE HUMAN FOUNDATIONS BEHIND INNOVATION CAPABILITY

The paradoxes we have seen are not only process questions. They are human questions. That is why I believe that innovation capability should be part of talent development.

If organizations want to innovate and adapt in changing environments, they need to build the human foundations that make creativity sustainable in daily work, rather than just focusing on frameworks, tools, or templates. That means:

- Spotting, attracting, and empowering creative talent
- Creating environments where people feel brave rather than careful
- Helping teams shift from idea ownership to problem ownership
- Bringing diversity to the table and making it genuinely safe for different perspectives to be heard
- Widening perspectives to reduce bias
- Giving ideas the resources, time, and attention they need to mature
- Building cross-functional bridges so innovation does not disappear between departments
- Recognizing and celebrating progress, not only final success
- Nurturing inclusive collaboration
- And maybe most important, leading in ways that unlock potential rather than contain it

These foundations are simple to name, but not simple to build. They depend on daily leadership behavior, the questions leaders ask, the reactions they show when someone challenges them, the way they handle mistakes, the space they give to thinking, the way they allocate resources, and the way they recognize learning.

In simple terms, culture is shaped in these particular moments.

WHAT LEADERS CAN DO DIFFERENTLY

For managers, the starting point is to look at the conditions around the work. I suggest a few short, practical shifts that can make a real difference:

Ask learning questions early. Before asking for a full business case, ask what the team needs to learn next. What is the most uncertain assumption? What evidence would make the idea stronger? What would make us stop?

Match structure to maturity. Early ideas need light structure and fast feedback. Mature projects need stronger governance, investment logic, and accountability. Applying the same discipline everywhere creates frustration.

Protect thinking time. Innovation does not improve only through more meetings. Some problems need individual focus before collective discussion becomes useful.

Clarify ownership. If everyone supports an idea but no one owns the next step, the idea will slowly lose energy. Someone needs to carry the learning forward.

Create safe-to-learn boundaries. People move faster when they know what they can test, where the limits are, and when to escalate.

Recognize progress. A launch is progress, but it is not the only form of progress. A validated assumption, a useful prototype, a customer insight, a decision to stop, or a better problem definition can also move innovation forward.

These actions are not complicated, but the difficulty is consistency. Leaders shape innovation less through speeches and more through repeated signals, such as what they ask, what they tolerate, what they reward, what they protect, and ultimately, what they make possible.

WHAT LEADERS CAN DO DIFFERENTLY

PRACTICAL SHIFTS THAT BUILD INNOVATION CAPABILITY

My final message here is that innovation and growth are shaped by paradox. Leaders need to give freedom and create structure; they need speed and safety; they need creativity and discipline; they need courage and clarity; they need control and openness.

Now, these tensions will not just disappear. The real work is in making them visible and manageable. This is where leadership development and innovation capability come together. Managers need tools, yes. But they also need to learn how to create the conditions where people can think, test, challenge, learn, and execute under uncertainty.

In the end, innovation depends on more than ideas. It depends on the leadership, culture, and human capability to turn creativity into impact, and that is exactly where growth begins. CQ

Abdelmoula El Hadi is group head of innovation at Knauf Insulation and author of The Creativity Paradox *(Practical Inspiration Publishing, September 2026), exploring how organizations can unlock innovation without losing discipline and performance. Learn more at abdelmoulaelhadi.com.*

The Talent You Need May Be Right Under Your Nose

BY LORALYN MEARS, PhD

Imagine being a "fly on the wall" observing a talent manager going back and forth between the two final candidates. The company has spent months trying to fill the position—not to mention the investment it has made in advertising the role, paying recruiters, and traipsing one candidate after another through its internal "interview treadmill." How does this scenario play out?

Both candidates have the same accreditations. Candidate A has 14 years of experience steadily climbing the same functional ladder. The candidate has been repeatedly promoted by their current employer. They also have an employment history that demonstrates growth through advancement based on titles and increasing responsibilities.

Next, let's meet Candidate B, who has 18 years of experience—four more than Candidate A. While the idea of getting added experience at the same salary naturally has instant appeal, Candidate B has also built two businesses in different industries, successfully exiting one and folding the other. Candidate B has launched multiple products, led numerous cross-functional initiatives, and weathered many economic storms. Along the way, Candidate B appears to have reinvented themselves several times.

The résumé for Candidate A tells a clean story—one that is easily consumed by distracted, overwhelmed humans and AI talent tools designed to streamline HR functions. In contrast, the story for Candidate B is complicated and difficult to parse into a coherent summary that accurately highlights the individual's strengths, an essential step required to then map those strengths to the job description and expectations of the hiring manager. At the same time, the lack of consistency in the employment path of Candidate B raises red flags: Are they likely to join and then quickly jump ship, or will they be using their 9-5 to fund their entrepreneurial passions 5-9?

Neither the talent managers nor the AI hiring software can readily interpret what makes Candidate B more valuable than Candidate A: Officially, B is internally tagged as a potential "wild card," whereas A is tagged as the "safe choice." Of course, the talent manager with the most seniority believes they are making the right decision by hiring Candidate A but also senses that something is off. Perhaps they have more than just a hiring problem to manage. The manager intuitively senses that there is an emerging organizational risk—a new threat to business as stronger, more adaptable leaders are being overlooked. This is happening with increasing frequency, no less, precisely at a time when adaptability should be regarded as a superpower.

I call this emerging talent acquisition threat to organizational viability "Misinterpretation Risk," which I define as "the growing likelihood that capable people are misunderstood, underestimated, and/or overlooked because their experience cannot be easily interpreted by increasingly standardized evaluation systems."

Organizations are losing access to capability in a period of growing uncertainty. Yet adaptability is arguably the most important skill that leaders need today to be successful, given operational headwinds and rapidly changing economic conditions. HR talent acquisition teams are likely to defend the hypothesis that the desired talent pool of available, capable people who meet their requirements is very shallow. However, I'd argue that the HR systems, hiring processes, and best practices currently in place are woefully inadequate and outdated given the times that we live—and work—in.

WHAT WE SAY VERSUS WHAT WE DO—AND WHY

World-class organizations and agencies are slowly galvanizing around a shared vision for what future-ready talent looks like. Respected entities such as the World Economic Forum ("The Future of Jobs Report" of 2023 and 2025), the Organisation for Economic Co-operation and Development ("OECD Skills Outlook 2025"), and Canadian Management Centre emphasize the growing importance of adaptability, critical thinking, decision making, continuous learning, resilience, and human-centered capabilities such as emotional intelligence. However, my research suggests that we have a problem: a fundamental misalignment between what we (collectively) *say* we want in a candidate versus who we hire and why we hire them.

Modern work is increasingly demanding talent that can learn quickly, navigate ambiguity, lead through uncertainty, and apply knowledge across disciplines. Organizations generally agree that those are today's essential skills, yet they are simultaneously rejecting the candidates who possess precisely those capabilities. Ironically, these are exactly the skills AI cannot easily replace.

Why is there such a disconnect? The gap is sending talent acquisition teams spiraling and burning them out as one seemingly "ideal" candidate after another is interviewed and/or hired and then let go for not being "a fit." I see the concept of Misinterpretation Risk evolving into a new management lever to help organizations gain competitive advantage by steering themselves away from the "safe" path of defaulting to conformity.

The more uncertain the work environment becomes, the more that organizations say they want adaptability. Yet they put their efforts into *standardizing* their hiring. And herein lies the paradox.

Conformity is rewarded by platforms and procurement processes (including hiring) that are all designed to favor speed over nuance and clarity over complexity. Systems, and the people who use them, are rewarded for comparability fidelity that predictably categorizes A and B into their appropriate buckets to ensure fairness and reproducibility in hiring via "apples to apples" comparisons. Hiring systems prioritize standardized signals because they've proven to be good indicators of job performance or retention. For example, the candidate progressed from the role of manager to director to vice president. Intuitively, we instantly understand what that means.

When humans and HR software tools are presented with the complexity of Candidate B, efforts are made to distill distinctions into broader categories to make them more relatable to a wider audience. But therein lies the problem. This compression nullifies the potential value of Candidate B because we, as the humans doing the hiring, and they—the AI bots making the decisions for us—are penalizing detectable differences. The environment is hostile to those differences that are fighting to stay visible in an environment designed to reward sameness and predictability. After a few rounds of compression, the original message, such as the range and adaptability demonstrated by Candidate B, becomes either so flat or distorted that it no longer represents the essence of what makes Candidate B valuable.

THE UNSEEN VALUE OF THE GENERALIST

Let's take it one step further. Ah, yes, the generalist. These are the people most capable of navigating change, yet they are often the first to disappear in systems that can't interpret nonlinear complexity. In fact, they are rendered *invisible*. I speak with personal familiarity on this topic as I am a member of the "Invisible Club."

Narrow signals are rewarded. Stability outmaneuvers flexibility every time. If you can be tagged by a little label that fits neatly into a predefined, standard category, great! You'll be moving up. If not, you'll be moving out. This is the paradox at the heart of modern leadership. Indeed, it may even be broader than this and sit at the heart of modern work. Specifically, at the soul of talent management.

To understand why generalists disappear first, we must look at how evaluation works. Then we must challenge the theory. As discovery shifts from exploration to synthesis, systems increasingly rely on categorization. AI-assisted tools, hiring platforms, procurement filters, dating-site mate preferences, and even internal decision processes all ask the same question: What is this? Then, once we know that "it" is, we can become more granular in our thinking to determine if "it" is right for us.

The problem is that most generalists are unable to cleanly answer the question "What exactly is it that you do?" in just a word or two. Other people who have done one thing in their lives, such as billed for time as an attorney or a veterinarian or whatever, can easily present themselves as a duck. "I walk like a duck. I talk like a duck. Therefore, I am clearly a duck." And nobody challenges it: You're a duck.

Whether they've done their job well or not is a moot point. The rest of us generalists have spent our careers doing a little of this, a little of that and have "lived" as a puppy, a quail, a goose, a phoenix, or whatever analogous critter you choose to illustrate the concept. Because we can't be accurately categorized repeatedly with fidelity across all the other misfits like us, we disappear into the abyss; the AI system does not trust us enough to be presented as a viable option.

In their research, the World Economic Forum consistently highlights three critical skills for the future of work: adaptability, complex problem solving, and learning agility.

These are the very capabilities that allow leaders to navigate uncertainty. Ironically, adaptability is the number one desired skill, yet, as I've described above, it doesn't appear to be valued in the real world.

At the same time, hiring and evaluation systems struggle to assess those skills without proxies. In the past, humans served the proxy role, but now AI agents do it for us. Titles, years of experience in a single domain, and linear career paths are easier to score than adaptability that introduces nonlinear complexity into the equation. This creates a contradiction. The skills we claim to need most are the hardest ones for systems to recognize.

THE SAMENESS TRAP

An important point to emphasize here is that AI has accelerated Misinterpretation Risk. It did not create the problem. Years before generative AI became a household tool, we had ATS systems, rigid job descriptions, keyword-matching résumé scanners, linearly defined career paths, narrow competency models, and so on. All that AI is doing today is amplifying the scale of those interpretations. Talent recognition is the problem, and AI is the accelerant exacerbating it.

To better explain the technical concepts of compression and narrow signaling, let's consider a typical seasoned leader, someone who has multiple decades of experience. How did this person survive so long in work environments that have become increasingly hostile and devolved to scapegoating (then firing) when things go south? Over time, often unconsciously, leaders learn to smooth their rough edges; it serves them to do so in corporate environments because they have observed that *outliers don't last*. Conformity is king. Eventually, this self-editing erodes what made them and their work unique and compelling in the first place. This is precisely what HR talent management systems and AI tools are doing in today's hiring process.

The sameness trap punishes the very qualities we *claim* to value. Sure, we glibly say that we admire innovation, adaptability, creativity, and original thinking. Yet the systems we rely on to score how innovative or creative we are often favor predictability and familiarity over uniqueness. This contradiction leaves many leaders feeling trapped between their desire to remain true to the uniqueness of the work that calls them and the need to be discoverable in a market that surfaces them by being part of a category that everyone else belongs to. It's a notable tension between being discernible to the market as *different*, yet findable only by being the same.

Let's flip the script on "Misinterpretation Risk" to consider "Interpretation Success." Talent evaluation is what needs to shift so that organizations can more accurately interpret a person's capabilities. **To achieve interpretation success, organizations need to ask themselves these three questions instead of "Can this candidate perform the advertised role?":**

- Are we evaluating for capability or familiarity?
- Do our hiring systems and processes reward linear careers or adaptive ones?
- Would our best unconventional employee even make it through our current hiring process?

For decades, organizations have competed for talent. But what makes an organization successful is shifting. Going forward, companies will be competing on something even more fundamental: the ability to *recognize* talent. In the age of AI, lists of capabilities and skills surfaced by résumé scanners are not going to confer organizational advantage. That is no longer good enough. A transformation in HR is urgently needed to enable organizations with the systems required to *interpret* those capabilities correctly and reproducibly.

The organizations that learn to reduce Misinterpretation Risk in talent management will gain access to people their competitors never even realize they overlooked. And hence, they'll win the war on talent. CQ

Loralyn Mears, PhD, is the founder and CEO of STEERus INC, a professional development and strategic advisory firm that helps organizations and leaders navigate complexity, strengthen decision making, and reduce misinterpretation risk in the age of AI. She is the author of Misinterpreted: The Hidden Risk Making Brands & Leaders Invisible in the Age of AI *(STEERus, 2026).*

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