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GETTING AHEAD OF THE LEADERSHIP GAP



A note from Council Advisors

A decade of disruption has left a gap in the leadership pipeline. AI is raising the stakes. This playbook sets out what to do.

At Council Advisors, through our three practices—The Miles Group (TMG), SSA & Co., and High Lantern Group—we work with CEOs and senior teams at moments of transition and pressure. Over the past several years, we have watched something consistent emerge: the pipeline that organizations rely on to produce their next generation of senior leaders is no longer delivering what it once did. The talent coming through is strong. But the development programs and experiences designed to bring that talent to the top were built for a different set of demands.

The numbers reflect this. Just 20% of HR professionals say they have a strong leadership bench. CEO confidence in the future readiness of their c-suite teams has fallen for four straight years. Four in 10 managers have considered leaving leadership roles entirely.

Several forces have converged to produce this gap. Years of disruption pushed leadership development behind the demands of the moment. Cost pressure accelerated the flattening of management layers that were already underway, and with it went many of the stretch roles and developmental assignments that once gave high-potential leaders the experience they needed to grow. Meanwhile, AI is reshaping what senior roles require, not simply by automating tasks, but by changing the nature of executive work itself, blurring the boundaries between functions and raising the premium on judgment and human skill.

This playbook makes the case for what needs to change. It argues that the foundations of good leadership development still matter, but that three additional capabilities have become essential: the human skills AI cannot replicate, including judgment under uncertainty, trust at scale, and adaptability under pressure; the cross-functional experience a blurring c-suite now demands; and the AI fluency that only comes from leaders actively using the tools themselves. It also examines what we call the expertise paradox: the tension between the deep domain knowledge leaders need more than ever to evaluate and steer AI, and the growing expectation that they coordinate work that may exceed the boundaries of what they know.

We hope this playbook gives you both a clear picture of what has changed and a practical path to respond to it.



SCOTT MILLER

Co-founder and chairman, Council Advisors



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Introduction

Six years after Covid reset the world of work, organizations face a development debt.

Pipelines feel thin. Leadership readiness is behind.

Managers are feeling stressed, stuck

(10 out of 11 industries have seen declines in promotions), and sidelined by AI, as middle management gets targeted for layoffs.

Increasingly, the question for boards and executive teams isn't just who's next in the role, but how deep the bench is across the organization.

This playbook aims to help you pay down that development debt, offering independent, research-backed guidance that balances strategic frameworks, sharp insights from experts, and practical case studies. Readers will hear from CEOs, CHROs, chief learning officers, and researchers with specific ideas for building on the enduring essentials of leadership development with three critical catalysts the current moment requires. This playbook digs into how leading organizations are putting those catalysts to work—and the cultures and conditions that are needed to let those skills thrive.

The first chapter explains the forces driving the gap, establishes a new framework for developing leaders, and offers a roadmap for the chapters that follow. The second digs into the human skills that matter more than ever—judgment under uncertainty, trust at scale, and adaptability under pressure. The third explores how to grow cross-functional cooperation and influence skills as AI blurs the lines between traditional teams. The fourth offers ways to build leaders

who model AI fluency. The fifth examines how to navigate the "expertise paradox" organizations face as leaders must be both deeply expert and broadly coordinating work that may at times exceed their expertise. Finally, the playbook closes with a unified checklist for diagnosing what experiences may be missing from your high-potential leaders' portfolio—and an action guide for what to do next.

Charter has partnered on this playbook with Council Advisors, a leading c-suite advisory firm that works with CEOs and their teams to drive transformation and performance. We're grateful for its support and thought leadership in this important area.

We see this research as part of our ongoing efforts on the critical questions it covers. Please be in touch with us as you have feedback and additional research and examples that others might learn from. You can reach us at hi@charterworks.com.



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Editor's note: The contents of this playbook were independently researched and written by Charter's editorial team.

01

Getting ahead of the leadership gap

A framework for rebuilding the leadership pipeline for today's AI era



Multiple forces converged to create the pipeline gap so many companies face. Years of disruption, dislocation, and distraction—driven by a global pandemic, the arrival of AI at scale, and a volatile geopolitical climate—have pushed leadership development behind the demands of the moment. Investors have amped up cost-cutting pressures and accelerated a broader management shift toward flatter organizations. Trust has eroded and burnout is rising as layoffs mount, AI anxiety grows, and workloads pile up without added support.

The strain on leadership development “got worse after the pandemic,” says Peter Cappelli, a professor at Wharton and director of its Center for Human Resources. “Squeezing headcount, cutting out middle management, expanding spans of control—all that stuff made things noticeably weaker.” (See our interview with Cappelli, below.)



Squeezing headcount, cutting out middle management, expanding spans of control—all that stuff made things noticeably weaker.”

—Wharton professor Peter Cappelli, speaking about leadership pipelines

Against that backdrop, many companies are still investing in leaders under a framework that needs updating for the AI era. The foundations of good leadership development haven't changed: Organizations must build business acumen and expertise; cultivate leaders through individual coaching and growth plans; and ensure technical literacy. Those are non-negotiable.

But today's environment requires organizations to expand—and sometimes overhaul—their efforts. After speaking with learning practitioners, researchers, CEOs, and HR leaders, we've developed a framework that builds on the **enduring essentials** of leadership development with three **critical catalysts** that must play a bigger role in cultivating leaders. The chart below outlines this framework:

The leadership imperatives that matter now

The capabilities that have always built leaders still hold. Here's what's now even more critical.

ENDURING ESSENTIALS	CRITICAL CATALYSTS
<p>Business acumen and expertise Functional command of the work, P&L execution, and domain depth</p>	<p>Human skills Metacognition, judgment under uncertainty, trust at scale, and adaptability under pressure</p>
<p>Individual development One-on-one coaching, 360-degree feedback, individual growth plans, and blind spot development</p>	<p>Cross-functional skills and team development Cohort-based learning, real-stakes scenarios, influence skills, and cross-functional integration</p>
<p>Tech literacy Knowledge of business tech systems, comfort with workplace tools, and basic digital fluency</p>	<p>AI fluency Working command of AI's best business cases, with leaders modeling its use</p>

We're also highlighting the "expertise paradox" that organizations face. Leaders' domain depth has never been more essential—they need it to evaluate AI's outputs and steer agents when they go off course. Yet they're increasingly being asked to coordinate people, agents, and work at a broader scale than ever, potentially overseeing work they don't fully understand. That paradox may deepen as today's junior workers, who are doing less of the hands-on work that builds expertise, move into leadership themselves.

Each of the three chapters that follow digs into one of these critical catalysts—**building leaders with more human skills, crossing blurred c-suite boundaries** with more cross-functional skills and team development, **and modeling mindsets for AI fluency**.

Consider human skills. Beyond business acumen, leaders must build the "durable" skills AI can't replicate—judgment amid



That's always been my motto with AI: Just because it can be done doesn't mean it should."

—Former IBM CHRO
Diane Gherson

uncertainty, adaptability under pressure, and trust at scale.

Doing that takes practice. Workday, for example, has shifted some leadership development exercises from technical challenges with known answers to adaptive challenges with unknown solutions. (For more, see p. 37.) Dropbox carves out time for leaders to nurture relationships through analog-only offsites (p. 28). And McKinsey is developing leaders' metacognition—the capacity to think about thinking—through its programs (p. 18). "You've got to start really focusing leaders not [just on the] P&L and your strategy, but on how we accelerate high-quality thinking across both humans and AI," says [David Rock](#), co-founder and CEO of the NeuroLeadership Institute.

Organizations also need to coordinate more across functions, building up leaders' ability to influence without authority and integrate across teams. ServiceNow senior vice president of global talent management and acquisition [Sarah Tilley](#) says most organizations have "recognized we are leaving some stuff on the table by not being more cross-functional in the way we operate."

That's the case for the enterprise tech firm, too, which has revamped some of its leadership development efforts in response, Tilley says, noting a "fundamental shift" away from the idea that being a top functional expert is enough. "AI has changed how the work gets done, but it's also changed what we build, what we offer to customers, and how we're thinking about our end-to-end business model," she says. "That means leaders have to actually move more as one team." (For more, see p. 36.)

Finally, leaders must build on technical know-how to develop real AI "fluency"—the ability to understand, evaluate, and effectively apply AI tools. That means using the tools themselves and modeling the mindsets that drive adoption (p. 41). Part of that is knowing when to apply the technology and when not to, says [Diane Gherson](#), the former CHRO of IBM and a director and advisor. "That's always been my motto with AI: just because it can doesn't mean we should," she says. That skill—knowing when to use AI and when to leave the work to humans—"that's it," she says. "That's the future of leadership development."

 DEEP DIVE

Wharton's Peter Cappelli on why companies are 'treading water' on leadership development

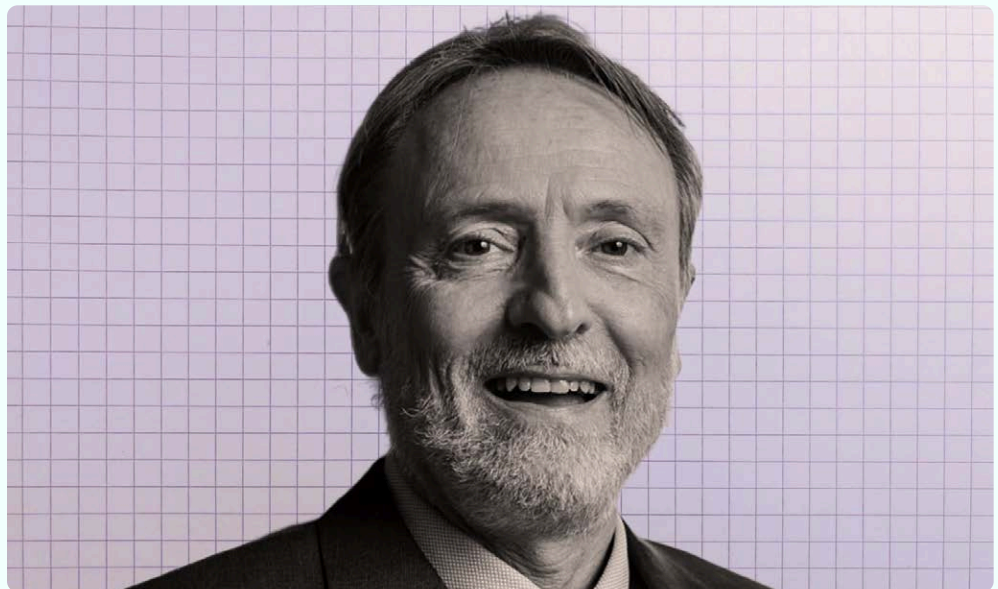
Peter Cappelli has been sounding the alarm on corporate America's shrinking investment in its people for years. The Wharton management professor and director of its Center for Human Resources wrote about it in his recent book, *Our Least Important Asset*, and he sees the current moment—layoffs, anticipation of AI's impact, expanded spans of control, gaps in leadership development—as an acceleration of a decades-long unraveling.

We spoke with Cappelli about how leadership development has changed, what he thinks is needed to fix it, and why CFOs might be more persuadable than HR leaders assume. Here are excerpts from our conversation, edited for length and clarity:



Peter Cappelli

Professor at Wharton and director of its Center for Human Resources



When did you notice this shift in leadership development happening?

It got worse after the pandemic. This current squeeze on companies—and on squeezing headcount, cutting out middle management, expanding spans of control—all that stuff made things noticeably weaker. But we've been on this downward slope since 1981, when

companies just slowly unbundled the ‘great corporation’ models where you did rotational assignments and they did succession plans 10 years out and all that stuff.

I wrote a book about this a year and a half ago called *Our Least Important Asset*. It basically describes why this has happened. [Executives’] view on what they’re supposed to be doing now is so tilted. It’s restructuring. It’s moving toward efficiencies. It’s cutting deals. It’s fancy finance. It’s not managing the place internally. Nobody seems to care about that.

There’s been so much distraction, too—AI disruption, Covid, global turmoil. If you’re trying to manage all of that, how do you fit in leadership development?

My former student, Jeanne DiFrancesco, who’s a consultant now, has this wonderful phrase about ‘syndicating risk.’ Nobody wants to make a decision. [Leaders] want to run everything up to the c-suite and find out what they want to do, then they’ll go ahead and do it. There’s no delegation of decisions. In executive ed [at Wharton], we’ve had CEOs who want to review the slide decks we’re going to use to show their management people who are coming for classes here. It’s like, don’t you have anything better to do? They’re trying to run everything from the CEO down without delegating, so the HR people don’t want to try to advocate for anything.

Back to your question [about leadership development]—does it change? Well, I think the big thing that should change is the focus should be on change management. We used to say, ‘Managers administer and leaders manage change.’ [Managers today] don’t seem to know anything about change management. It’s all top-down stuff like setting quotas for the use of AI...How easily could that be faked or distorted?

Do you think most companies sense a noticeable gap right now in the leadership pipeline?

If you ask them, ‘Are you worried about it?’ They seem much more worried. Our executive ed people here say they’re hearing a lot about this, about succession. The problem when you say ‘succession’ is it could mean lots of different things, but I think it

really means the leadership pipeline. They are worried about that. Some of it is because of this perception that business is going to be different, so you should need new leaders. We don't know how it's going to be different, so we don't know what the leaders should do, [and] we're just treading water right now and fussing.

Let's go back to your book for a second. The idea of it is that in financial accounting, we treat employees as costs not assets...

If you look at the performance metrics that investors use to assess public companies, two big ones are measured on a per-employee basis: Profit per employee, and revenue per employee. Well, if you cut headcount, you cut the denominator...You're cutting the headcount and that's what [they're] being assessed on. That's driving a lot of this.

The other part of the book, which sort of struck me only after I got the first part down, is how the leaders—the CEOs themselves—have changed. One metric on that is the growing ranks of CEOs who are engineers and finance people by background...[Engineers] used to go in these management development programs where big corporations spent two years trying to persuade these new engineers that people are not widgets. You get a lot of engineers who are now CEOs and when they think about employment, they think about optimization.

What should we build into a leadership development program for an AI future?

The big thing [companies] should do—which costs nothing, by the way—are stretch assignments. You give people tasks which are a little different than what they're doing now and they learn from that...It's how apprenticeship programs work. It's how consulting firms teach new consultants. It's how accounting firms work...It's cheap. It's free, basically. It frees up time from supervisors who are just overwhelmed right now.

Then in general, [teach] the things they used to teach people early on about psychology of humans. These folks all think everything is about incentives. Part of the reason is the way CEOs themselves are managed is entirely by contract and by incentive. It's not a big



The CEOs themselves have changed...You get a lot of engineers who are now CEOs and when they think about employment, they think about optimization.”

—Wharton's Peter Cappelli

surprise that's how they manage their own direct reports and that cascades down. What motivates people? What irritates people?

Yet one of the things we keep hearing so much about right now is the importance of human skills or durable skills—critical thinking, judgment, and the like...

It's true—these are becoming more valuable in part because they're in such short supply. Companies don't develop them. This is another problem of leadership thinking. They don't believe they should develop or invest in employees. It's partly the accounting problem—they think these things are not real investments and for investors, they're not. But also, they think [people are] just going to leave.

How do you get companies reinvesting in leadership training in a more human psychology-forward way?

Joe Fuller at the Harvard Business School and I have talked about assembling a short-hand book of facts. What do we know, for example, about leaving positions vacant? CFOs think you're saving money. There's some pretty good finance studies showing that you're not, because work does not get done.

Downsizing—does it save money? There's pretty good evidence that shareholder value actually gets hurt when you downsize, particularly if you're downsizing because you think business is down. In the next up cycle, you are caught flat-footed and you have to go out and try to hire people.

Is it better to hire from the outside? The evidence is pretty clear—no, it's not.

Our goal is partly to arm chief human resource officers to begin to have that conversation with their CEO or with their CFO. I spoke to three groups of CFOs last summer about this stuff, and [going in] I thought they were going to shoot me. But I was quite surprised. They were very interested in this...[but] they're not going to just listen to me and go back and change their whole company. They're at least open to the idea if their HR person introduces the evidence.

You mentioned the leadership pipeline gap grew even wider post-Covid. Why?

Post-Covid, you'll recall the investors started squeezing the tech firms and saying, 'You over-hired.' And the tech firms like Google said, 'We did it on purpose because we could grab these people and we knew we were going to need them.' That did not persuade the investors. And so then the tech companies caved and started cutting people...Then the rest of the directors [in the corporate world] looked at the tech world and said, 'Well, they're cutting.' The argument in the boardroom always goes to the CEO, [saying], 'Everybody else is cutting. Why aren't we?'

What does that have to do with leadership development?

Well, you're squeezing everything. I hear this from HR people. They've got no budget to travel. They've got no budget for training, all that stuff. So everything's being squeezed. We're cutting out levels of management; we're expanding spans of control. You can't develop your people if you've got 30 of them. [It's harder to] give them feedback. The AI cuts, as they say, are really at the moment anticipatory cuts where they're saying, 'We expect AI will take this work over. It's not yet, but we expect it to.'

This is all going on in the face of this other development, and that is the crisis of mental health in the workplace. Everybody's all stressed out. And so what are we doing? Well, more layoffs—and some chair yoga.

What would be your biggest piece of advice to a CHRO today about developing the leaders they're going to need?

The first thing is to persuade the CEO and your leaders that your turnover costs are big. If you don't get there, you're never going to get anywhere because those are clear and obvious and they can be measured. Just go do that. After that, then you can start talking about stretch assignments and a little bit of training to at least help people know that humans are not like robots.



Persuade the CEO and your leaders that your turnover costs are big. If you don't get there, you're never going to get anywhere."

—Wharton's Peter Cappelli

How to build today's leaders now

A framework for first steps to take



Diagnose the gap. Audit your current leadership against the three critical catalysts. Where are the biggest holes—human skills, cross-functional capability, or AI fluency? See our checklist on p. 63.



Make stretch assignments routine, not occasional. Wharton's Cappelli says giving leaders tasks just outside their current role is one of the most underused but effective development tools.



Quantify what underinvestment is costing you. Make the case to your CEO and CFO that turnover, vacancy, and external-hire costs are real, measurable, and bigger than the price of investing in development.

02

Building leaders with more human skills

Catalyst one: Expand the durable skills AI can't replicate



The essential capacities leaders need to succeed in an AI era may sound familiar: judgment amid uncertainty, trust at scale, and adaptability under pressure.

But while those skills aren't necessarily new, they're newly critical today, as workplaces grapple with disruption from AI, geopolitical uncertainty, and a stagnating economy. Without the right skills, all that chaos can lead to burnout. "In 2026, even when [workers] are not technically in crisis, neurologically, you wouldn't know it. We're in this constant state of crisis," says [Anne Morriss](#), founder of The Leadership Consortium and co-author of *Move Fast and Fix Things* with Harvard Business School professor [Frances Frei](#).

While organizations can't promise calm seas, they can teach their employees how to navigate them. That requires building learning directly into the flow of work—and building cultures where human skills can flourish—rather than sequestering learning and development into one-off training. Leaders should also practice the metacognition that leads to sound judgment, nurture behaviors to rapidly build trust on changing teams, and work to improve adaptability for responding in shifting environments.

How to build a 'high-judgment culture'

Judgment and taste are in high demand as AI empowers workers to do more work than ever before of varying quality and relevance. Sound judgment is what lets leaders separate the best ideas from the slop—and develop the plans to execute those ideas effectively.

When workers reach higher levels of leadership, judgment becomes even more critical, says [Bijal Shah](#), CEO of workplace-learning platform Guild. Junior workers, who are closer to day-to-day execution, make decisions with nearly all of the total information about a situation, she explains. But "as you start to move into higher-level roles, that 90% to 100% goes down to 50% or 60%, so you are spending a lot of time looking at the limited data you do have and trusting your intuition," she says.

At McKinsey, building intuition starts by encouraging entry-level hires to always “tell your why,” says Heather Stefanski, the consulting firm’s chief talent and learning officer. It’s a practice that encourages the importance of metacognition—the process of thinking about your own thought process—a fundamental building block of judgment.

When trying to develop stronger judgment in up-and-coming leaders, “you need lots of reps at understanding people’s mental models in terms of how they make decisions,” Stefanski explains. “If I can tell you my ‘why,’ you’re able to take that learning into the next situation.” For example, when junior employees shadow a senior leader in a meeting, the senior colleague will say, “Let me tell you why I did this thing the way I did.” When giving feedback, a manager might pause to say, “Let me tell you why I told you this.”

SPOTLIGHT :

How one NASA mission leader builds metacognition in other leaders

“In very high-level engineering and science teams, every effective person is highly metacognitive,” says Lindy Elkins-Tanton, director of the Berkeley Space Sciences Laboratory and lead of NASA’s Psyche mission, a \$1.2 billion project to send a spacecraft to explore an asteroid traveling through our solar system.

Metacognition refers to the concept of being aware of one’s own thought processes. Elkins-Tanton describes a leader on the Psyche project who joined with deep scientific expertise but little leadership experience. Top leaders helped the new leader build confidence in her judgment by asking questions about her own leadership instincts. They shared the team’s most important goals, asked her how she might lead her team to reach them, and empowered her to lead independently.

“As soon as she was told subconsciously, ‘We trust you and you can do this,’ she did it,” says Elkins-Tanton. “You could actually see her leadership capacity grow practically in front of your eyes.”

Elkins-Tanton recommends leaders practice metacognition by building a “mind map.” Start by writing down the idea and all the supporting information you have. Then, go through the outline and evaluate whether your supporting facts are substantiated and free from bias. Finally, ask yourself what gaps you still have in your knowledge and how you might fill them.

Go deeper: Read our [book briefing on *Mission Ready*](#), Elkins-Tanton’s recent book about leading effective teams.

Another way to give leaders practice exercising judgment is to build systems of distributed management, says [Clay Parker-Jones](#), Airbnb’s head of organizational design and development and author of [Hidden Patterns](#).

“Distributing management is breaking down the idea of leadership into component parts,” Parker-Jones explains. “In one moment, you’re a coach. In another moment, you’re a shield for a team, preventing them from taking on something that they shouldn’t...In another moment you might be a resource allocator, and sometimes you’re just a shoulder to cry on.”

When leaders recognize the multiple hats they’re wearing, they’re able to identify the different kinds of judgment required to lead. By doing so, they can then help junior managers try out those skills by assigning them the role of resource-allocator, advice-giver, or team shield on a project-by-project basis.

ONE TACTIC TO TRY:**Assign the ‘six thinking hats’**

Leaders can also distribute judgment and decision-making by assigning the “six thinking hats” during group discussions, a tactic developed by Edward de Bono, an expert on creativity. When practicing it, each person in the group physically (or figuratively) dons a different colored hat that corresponds to a specific way of thinking.

Organizational psychologist Vanessa Urch Druskat writes in the book *The Emotionally Intelligent Team* what each of the six colored hats means: “The white hat represents information; the person wearing it manages the known and yet unknown information. The yellow hat represents optimism; this person shares positive thoughts. The black hat represents risks; this person thinks about what could go wrong. The red hat represents feelings and hunches; this person shares their likes and dislikes. The green hat represents creativity; this person shares new and alternative ideas. The person managing the discussion process wears the blue hat; they ensure that each perspective gets heard.”

By focusing on one aspect of thinking or decision-making, up-and-coming leaders learn why each one is valuable, and can practice developing areas where they are weak.

Go deeper: Read more from Charter about boosting judgment with what one leader calls “magic questions.”

As a team or organization builds its capacity for judgment, each individual team member becomes more effective in making better, faster decisions. To actively empower them to make those decisions, however, there has to be trust.

The behaviors that support trust

Organizations can help rising leaders practice building trust through both individual behaviors and organizational practice. In the Q&A below, Morriss and Frei share more about how individuals can build, maintain, and repair trust at scale—and help others practice those same skills.

When it comes to developing trust on an organization-wide scale, leaders must embed it into how teams operate. McKinsey, for instance, has developed a set of team rituals, including team kickoffs, weekly one-on-one meetings, and regular retrospectives that all project teams across the firm are expected to practice. Internal data show that teams that adhere to the rituals have higher trust, better client impact, higher team satisfaction, and better developmental outcomes.

During team kickoffs, McKinsey managers lead colleagues through a set of questions: What are you hoping to get from the team? What is the team hoping to get from you? What are your boundaries? What are your constraints? All team members are expected to share their developmental goals, including the team leader. “That leader being more vulnerable and having those open conversations actually helps to create that sense of trust on the team,” explains Stefanski.

Leaders continue to build trust through regular one-on-one meetings with each team member to talk about what’s working, what’s not working, and what could be improved. It’s also an opportunity for reports to share feedback with their team. Finally, managers close out projects with a team retrospective to reflect on how the project went.

New managers also have to learn how to make their teams a safe place to fail, which requires a high degree of psychological safety. “We can assess the relative trustworthiness of the culture by seeing how open it is to talking about its failures,” says Airbnb’s Parker-Jones. Teams that trust each other are “talking about the things that they tried and that haven’t worked. They’re using the F word. They’re saying ‘fail.’”



We can assess the relative trustworthiness of the culture by seeing how open it is to talking about its failures.”

—Clay Parker-Jones, Airbnb’s head of organizational design and development

For example, a team might highlight a “mistake of the month” during monthly all-staff meetings, or consider hosting “failure parties” like a chief scientific officer at Eli Lilly has held to celebrate well-designed and well-executed scientific experiments that didn’t pan out. Beyond establishing a norm that helps teams and individuals take thoughtful risks, these practices help colleagues across the organization learn from each other’s failures.

For more ways individual leaders can build trust, read our Q&A with Frei and Morriss below.

 DEEP DIVE

Frances Frei and Anne Morriss on finding your leadership 'wobble'—and fixing it

The most essential things leaders need to build trust can fit onto a cue card with three simple phrases: “The real me, in it for you, with sound reasoning,” says Frances Frei, a Harvard Business School professor and former Uber executive whose research and writing focuses on trust and leadership.

Each of these phrases refers to one of the three component parts that’s essential to build and maintain trust: authenticity, empathy, and logic. “When you experience those three things simultaneously, it’s almost an involuntary reaction to trust me,” explains Frei.

To learn more about how emerging leaders can learn and practice the skills that lead to trust, we spoke to Frei and her wife Anne Morriss, the founder of a coaching organization and co-author with Frei of three books on leadership.

Here are excerpts from our conversation, edited for length and clarity:



Frances Frei

Harvard Business School professor and former Uber executive



Anne Morriss

Founder of coaching firm The Leadership Consortium and co-author with Frei of three books on leadership

How does your idea of the ‘trust triangle’ describe how leaders can build trust?

Frei: Trust is really a summary statistic of the simultaneity of authenticity, logic, and empathy. It’s three component parts—hence the triangle. There’s a myth that trust takes a long time to build, and it does if you don’t know how it works. If you know how it works, you can actually build trust very quickly. And I mean measured in minutes, not days, weeks, or months.

There’s also this myth about trust that once you lose it, you can’t rebuild it. Not true. Indeed, not only can you rebuild it, you can rebuild it even stronger than it was before you lost it. And every single time that trust is broken, we can trace it back to one of these three culprits.

Morriss: When leaders lose trust, when teams lose trust, when organizations lose trust, it’s not that all three of these pillars collapse at once. It’s usually that one of the three tends to get a little wobbly. When we look back at our own experiences of work where we’ve lost trust, it tends to be the same one that gets a little shaky on us. We call that your wobble. It’s an intentionally playful word because we want it to be approachable. We also each tend to have a superpower—one of the three [component parts] is rock solid. We call that your anchor. When we work with people on their trust diagnostic, we’ll say, ‘What’s your anchor and what’s your wobble?’

How can new leaders start to identify their wobble and their anchor?

Frei: We'd first ask you to identify your anchor. Which of those three is easiest for you to access? In times of stress, which one do you still have access to? All of those tend to point towards the same thing.

On the wobble side...when didn't you earn as much trust as you intended? Think about recent times with your team, family, board, or boss. What's the pattern? Which of these three tended to get in the way?

Say my wobble is authenticity. What would you recommend to build that capacity?

Morriss: When I used to give high-stakes presentations and needed a little authenticity boost, particularly when I was raising money for my company, I would bring my son's little Lego piece with me. I would put it in my pocket. Or I used to sneak pictures of our dog into the [slide] deck. It would be a reminder of my dimensionality as a human. I didn't get up there and play this cartoon version of a startup CEO that I thought the room wanted me to be.

The harder stuff is a deeper psychological journey. What is the story I'm telling myself? That I don't belong here? That I'm not credible?

I'm curious now, Frances, what is your wobble?

Frei: Empathy. What's interesting about this is I'm actually a very empathetic person. A wobble doesn't mean [complete] absence. It does mean in the moments when I lose trust, it's going to be for reasons of empathy. What I try to do is stack as many days as possible in between those episodes. It's not intentional. It's like collateral damage. We have to put up the reflective mirrors and build that peripheral vision.



Human beings have a need to feel seen, valued, and secure. When a relationship is harmed, we feel some combination of underseen, undervalued, and insecure.”

—Author and coach Anne Morriss

How can someone build their peripheral vision?

Frei: We coach a lot of leaders in our work and we can get very tactical on empathy. Sometimes I'll say, 'You cannot [give your opinion] until you ask three questions, even if you're the CEO.' And empathy is fun because you can fake it till you make it. You can ask the question you are not actually that interested in, but by the time the complex human in front of you starts answering and thinking, it becomes fascinating. They become really interesting to you.

What about logic wobblers? What does that look like and how do you build it up?

Frei: Logic wobblers come in two forms. The far more common one is where I actually have good logic, but I lose you in my communication. We call that one a style wobble because I only have to change my communication style. [Leaders like this] take you on a journey with an increasingly winding road and, as journalists say, [they] bury the lede. By the time [leaders get] to that gorgeous reveal, very few people are left listening. Start with the point, with as much brevity as you can, and then give the supporting evidence.

There is another case we call a substance wobble, where you doubt my logic because I don't have very good logic. And that's almost always when we know something well and we speak about it with confidence, but [then] we borrow that confidence and apply it even when we don't know things well...Some people were told leaders should project confidence. It's almost as if the small print got cut off: project confidence if and only if you know it well.

What can leaders do when they lose trust?

Morriss: There's a well-understood protocol for how to [repair a harmed relationship]. Human beings have a need to feel seen, valued, and secure. When a relationship is harmed, we feel some combination of underseen, undervalued, and insecure. So we have to send very strong signals on each of these.

Number one, own it. The way to make sure that people are seen is to be very clear about the harm that has occurred. [Then], fix it.

Whatever harm you did, clean it up. What the research says is you have to give someone something that they know is valuable to you. On feeling secure, stop it. To make me feel secure again, you have to convince me that this harm really is going to stop.

How can leaders create opportunities for emerging leaders to practice all of these skills that are essential to building trust?

Frei: If the people who care the most about it are open and intentional and narrate what they're doing, it really spreads. How do we know something is valued? When the senior-most people do it.

The role modeling of it is important, but narrating is even more important. Otherwise I might own it, fix it, stop it, and you won't even know what I was doing. It's important in the postmortem to talk about the lessons learned.

Morriss: I'll underscore just one of the phrases you said, which is postmortem. The structured after-action review is the most valuable, least-used technology in organizations today outside of military organizations. This is not complicated stuff. Pause on a regular basis. 'What just happened? What did we learn? What are we going to do differently?' Approach both successes and failures with that same level of rigor. It's a huge unlock in performance, particularly for the younger managers in the room because we get better at that kind of reflection the longer we are in leadership.

Do you think AI can help people develop skills such as authenticity, logic, and empathy, or does it impede it?

Frei: AI can impede everything. If you outsource your learning to AI, AI will get smarter, [and] you will get dumber. Now, if you have AI as a companion, it can actually be better. We've worked with a few organizations that take our learnings and create an AI coach. People can go through a scenario. It prompts you to describe your instinct on how to respond. You tell it what you're going to say, it will show you where the gaps are, and then it will say, 'Do you want to try again?' What we find is you don't even have to do that many reps and you get a lot better.

Practicing adaptability under pressure

More and more leaders say “adaptability” is the number one trait they’re seeking in their employees—and especially their leaders. The good news: “Humans are designed to adapt,” says Guild’s Shah, making it easier to develop in people. Practicing agility, she says, is more about “whether somebody has belief or confidence in their ability to adapt...than it is about whether or not [they] are capable.”

To build that confidence, Morriss says there are three types of experiences all leaders need: connection, recovery, and action. Connection helps team members realize they’re not alone and can be achieved through something as simple as a manager checking in before a team-wide project kickoff or retrospective. Organizations can help with recovery by protecting time away from work, encouraging team members to fully log off during vacations, and scheduling periods of rest and reflection between project sprints.

Finally, leaders must learn how to take action even in crisis. The trick, says Morriss, is to identify achievable but “mildly anxious” tasks. Ask, “What can we do in the next 24, 48, 72 hours to start to chip away at the problem?” The goal is to accumulate small wins to build momentum, shore up the team’s confidence, and stave off the decision-making paralysis that comes with high-stress situations. Make sure to loudly celebrate each of these wins, no matter how small, in a regular team meeting or shared kudos channel on Slack.

Morriss points to the example of [Lisa Su](#), the CEO of semiconductor company AMD, who led the company’s turnaround. “She has this rule called the 5% rule. Every time [they] do a cycle, like a product cycle, launch, or even a meeting, [Su says] ‘we’re going to get 5% better,’” she says. “Her turnaround story is about racking up small wins and this incontrovertible pile of evidence that this team could execute.”



[Practicing agility is more about] whether somebody has belief or confidence in their ability to adapt...than it is about whether or not [they] are capable.”

—Guild CEO Bijal Shah

 CASE STUDY

What Dropbox learned from unplugging its executives

Earlier this year at a leadership offsite in Dublin, Ireland, cloud storage company Dropbox decided to shake things up, ditching devices and encouraging more human connection and analog ways of thinking. That meant no phones, laptops, budgets, or plans. Just people.

“We often say the future is human, but even in our most important in-person moments, we default to screens and stay deep in strategy work,” says Melanie Rosenwasser, Dropbox’s chief people officer. “So we decided to try something different.”



Melanie Rosenwasser

Dropbox’s chief people officer



The offsite included activities like breathwork, in which executives sat on yoga mats surrounded by flameless candles to boost mental wellness. Participants took lessons on leadership and team behaviors, shared deeply personal stories about their childhoods, and reflected on their leadership styles, such as whether they process things silently first or need to be challenged directly. “The shift was real, and the results were incredible,” Rosenwasser says.

At a time when every company says they’re focusing more on “human skills” like judgment and critical thinking, Dropbox believes

leaders need to focus on their human relationships, too. The virtual-first company—which primarily works remotely and rebranded its offices “Dropbox Studios” for team gatherings instead of individual work—regularly schedules offsites and special events for people who live in the same cities. But these efforts are becoming even more critical as the future becomes more automated, says Yvonne Salamini, vice president of learning and organization development.

In a survey after the offsite, 100% of leaders said they felt cared about as a person, up from 44% the year prior, Dropbox says. A similarly high number—90% of participating executives—said they understood how each person contributes to executive team dynamics, more than doubling the 44% who said the same the year prior. The company is working with its offsite planning team to try and scale similar low-tech experiences across the company.

“We’re being intentional about creating space to slow down, connect, and embrace more analog ways of being,” Rosenwasser says. Over time, automation, speed, and constant input can erode independent thinking. Creating analog-only gatherings helps remove some of the chaos and strengthen human judgment.

Dropbox has two new leadership programs it is working on for middle managers aimed at bolstering durable skills. One of the programs is expected to launch this summer. The idea is to offer experiential exercises that sharpen skills like leading through ambiguity or improving cross-functional communication, held in a location surrounded by nature rather than a classroom. The idea for the program, which is still under development, is to give leaders the chance to practice skills rather than just learning about them.

Dropbox is also targeting successors of the executive team, experimenting with a more “white-glove, personal approach” to help top leaders strengthen their durable skills, Salamini says. In the past, Dropbox had executive coaching, in which participants would discuss their goals with a manager and personal coach, but nothing geared specifically toward top succession. “Leadership is more ambiguous than ever, and change is a constant,” says Salamini. “You’re preparing them for roles that don’t even exist yet.”

How to build today's leaders now

Catalyst one in action

✓ **Identify your 'anchor' and your 'wobble.'** Think about which of the three components of trust—authenticity, logic, and empathy—are easiest for you (your “anchor”) and which tends to get in the way (your “wobble”).

✓ **Celebrate failure.** Teams that trust each other are “using the F word. They're saying ‘fail,’” says Airbnb's Parker-Jones. A team might build a “fail wall” in its office to post a project gone wrong or highlight the best examples during “failure Fridays.”

✓ **Build team rituals.** McKinsey's internal data show that project teams that conduct team kickoffs, weekly one-on-one meetings, and retrospectives have higher trust, better client impact, higher team satisfaction, and better developmental outcomes.

✓ **Ask three questions.** Leaders who struggle to show empathy can try adopting a rule to refrain from speaking before first asking three questions, which helps people practice balancing advocacy and inquiry, says Frei.

✓ **Own it. Fix it. Stop it.** “When a relationship is harmed, we feel some combination of underseen, undervalued, and insecure,” says Morriss. To address all three, acknowledge harm has occurred and take responsibility, give people something of value, and convince them the harm is going to stop.

03

Crossing blurred c-suite boundaries

Catalyst two: Focus on connecting top executive teams



After legal AI unicorn Harvey named Katie Burke chief operating officer earlier this year—an expansion of her chief people officer role, which already included IT and marketing—she predicted more leaders might make similar moves.

“It's going to be part of a broader reshuffling in the work world,” she told Charter. But not just HR leaders going into operations, she clarified: “You're going to see more people from a technology background step into [operating] roles. On the marketing and comms side of things, you'll see more. There's just a broader opportunity to rethink what work looks like.”

That blurring of the lines between executive roles has been one of the most visible ways the structure of the c-suite has shifted in response to AI. HR leaders like Moderna's Tracey Franklin hold new roles that oversee multiple functions. Other companies aren't changing titles, but are creating governance committees or executive partnerships that bring once-disparate teams into constant contact. Still others are finding ways to build more coordination skills into how they develop leaders, as today's demands for agility and adaptability keep mounting.

Breaking down “silos” has been management gospel for decades, a mantra that gained more adherents as matrixed teams became the norm. But AI is accelerating that shift even further as the race to transform organizations requires decisions no single function can own. To respond, leaders must develop influence without authority, create cultural conditions for teams to coordinate, and offer structured development opportunities that bridge far-flung groups.

“What we're seeing is a blurring of functional lines and roles,” Mary Alice Vuicic, who recently retired as the chief people officer of Thomson Reuters, said at Charter's Leading with AI Summit in New York in February. Speaking about her company's efforts at AI adoption, Vuicic said it was fully co-led “by myself and the head of technology. We decided to make it an enterprise strategy.”



What we're seeing is a blurring of functional lines and roles.”

—Mary Alice Vuicic, former chief people officer, Thomson Reuters

SPOTLIGHT :**How Lumen co-designed training between HR and IT**

As nearly 100-year-old Lumen Technologies (no, not Lumon Industries from the “Severance” TV series) overhauled its culture in recent years, reshaping a legacy telco into an enterprise-focused AI infrastructure company, it has worked with outside partners on leadership development. CEO Kate Johnson and chief people and AI enablement officer Ana White have brought in Brené Brown’s “Dare to Lead” curriculum to help push the culture to have more “courageous conversations,” recently making a version of the program available to leaders at the director level, too.

When it came to revamping its AI “fluency” training for leaders, it brought HR and engineering together to build the program themselves. Called “AI in Action,” it focuses leaders on three aspects: “mindset” (fostering a growth mindset and a more curious approach to leadership); “skillset” (building real-world application of AI skills to business strategy or decision-making); and “toolset” (growing leaders’ familiarity and agility with tools, such as building agents into workflows).

Combining efforts between HR and IT internally to build the curriculum ensured it was holistic, says White, who added the “AI enablement” part of her title in March. “HR grounded the learning in how people learn and adopt change, while our engineering and AI teams anchored it in technical expertise.”

Go deeper: Read Charter’s interview with ServiceNow’s Jacqui Canney about the role of the chief people and AI enablement officer.

Build influence, not just authority

Getting leaders to work across teams means strengthening their ability to influence others without lines of authority. While hardly a new idea—matrix organizations and flatter hierarchies have long meant these skills are critical—it’s more resonant in the AI age.

People tend to believe such skills are hard to develop—that they’re the exclusive domain of charming or persuasive leaders who come by it naturally. But “the good news is that a lot of these skills are very much trainable,” says [Maxim Sytch](#), a professor at University of Michigan’s Ross School of Business who studies influence skills. Sytch says they break down into two types—tactical skills (presentation, persuasion, and communication capabilities) and relational skills (a leader’s relationships with others).

Sytch suggests a few ideas for developing influence skills. For one, make it a ritual to invest in relationships before you need them. He knows one executive who spends less than five minutes at the end of each day reaching out to other leaders outside his reporting line to keep those relationships strong. On the tactical side, he suggests, use AI to anticipate what other functions might ask. Before a meeting, a leader might prompt a chatbot to say, “Okay, so now talk to me about this project from the engineering perspective. What are some of the concerns engineers could raise?” he says. “The big part is anticipating questions.”

Still, he notes a paradox: AI may help leaders prepare for influencing others, but it could also hurt relationship-building. “If people stop coming to others for advice, for information, for help, for support—and start using AI instead—that will place even further dents in our ability to build and maintain relationships, which are indispensable,” he says. “It really worries me because the leadership challenges will remain incredibly cross-functional and cross-boundary.”



If people stop coming to others for advice...and start using AI instead—that will place even further dents in our ability to build and maintain relationships.”

—University of Michigan professor Maxim Sytch

Coordination is a structural problem, not just a skills problem

Getting leadership teams to work across functions isn't just a matter of building leaders' skills. It also takes cultural and structural changes that help those teams coordinate, says [Donald Sull](#), a professor at MIT's Sloan School of Management who directs its Strategic Agility Project and co-founded the analytics company CultureX. "It's just like you can't exercise your way to weight loss," he says. "You can't—I don't think—train your way to effective cross-unit coordination."

One of the things the most agile companies do differently is manage complexity, Sull says, which has two components: structural complexity (rules, regulations, bureaucracy, and red tape) and interdependence (how reliant units are on each other). The more interdependencies an organization has, he says, "the more complexity you have, full stop."

Also key, he says, is making sure teams are transparent with each other about goals, or having a shared strategic context. "Focus on the structural attributes that make it easier for leaders to coordinate across teams in the organization rather than putting the entire onus [on leadership development] and having these fantasies about the skills they're going to be able to develop to manage it," he says.

ONE TACTIC TO TRY:

Use FAST goals to build transparency

Sull suggests organizations use FAST goals—objectives that are Frequently discussed, Ambitious, Specific, and Transparent across teams—to help build "shared strategic context." When goals aren't siloed within functions, he says, they can serve as a kind of coordination scaffolding, letting leaders self-organize rather than wait for top-down direction. "What it allows people to do is understand how their work links to the overall corporate objectives and must-win battles," Sull says, "but also how their work fits in with their colleagues' work."

Go deeper: Read more on [leading without authority](#), and how to do it well

Develop leaders together, not just individually

Talent leaders are looking to bring on executives who can operate cross-functionally, make decisions amid ambiguity, and demonstrate a track record of solving problems across silos, says ServiceNow's [Tilley](#). The problem? "Few have operated as far as you need to go in this day and age," she says.

That means those skills have to be developed. In the past, ServiceNow typically built out leadership development programs when teams were already coming together for in-person meetings or industry events. "We would be opportunistic and...we would give them more theoretical things" to work on, Tilley says. Historically, there was also more focus on individual leadership development, she says. "What does this person do really well? Where are their blind spots? What are their flat areas?" Those are still important, "but now what we're doing a lot more is putting leaders into these shared, highest-stakes enterprise scenarios and then requiring them to produce joint solutions."

The company's new "ServiceNext" program, she says, recently brought together leaders across different teams to work on real issues such as how to place their engineers on customers' projects or make decisions about the company's product mix. Participants had to make presentations, simulate being onstage at a financial investor day, and—over dinner one evening—respond to an imaginary press release from a competitor about a disruptive technology that dropped before dessert was served.

"They had to stop dinner, they had to huddle, and they had to create what our narrative was going to be in response," Tilley says, noting ServiceNow's chief operating officer got on the phone at 9pm to play the role of PR. "We called it our 'wobbler,'" she says, "And [people were] like, 'Please no more wobblers. Can we enjoy our dessert now?' But that's what happens in real life—these pressure-cooker situations."

In addition to making decisions and building relationships between teams, the two-day development exercise, which is part of an ongoing initiative, helped leaders see the reality of what decisions on one team mean for another, Tilley says. Doing that helps leaders "understand the constraints and the language of other domains so that they can make the right decisions together."



Now what we're doing a lot more is putting leaders into these shared, highest-stakes enterprise scenarios and then requiring them to produce joint solutions."

—Sarah Tilley, ServiceNow

 CASE STUDY**Chris Ernst**

Workday's chief learning officer and senior vice president of talent

How Workday is teaching leaders to pause—and partner

Developing leaders for the AI era can feel like it's all about one thing: speed. But for [Chris Ernst](#), Workday's chief learning officer and senior vice president of talent, it's about helping leaders slow down and rethink their roles.



Within the past year, the enterprise software company has revamped two of its leadership development programs to do just that, helping executives learn how to pause and collaborate across functions while managing the pace of accelerating change. “AI is just speeding everything up and the tendency is to think we need to move faster,” Ernst says. “But what this time most requires is the ability for leaders to slow down...It really is about creating the space and capacity to challenge our business models to understand how things are changing.” At Workday, that means extending the length of such programs, adding simulations to practice decision-making, and creating standing committees that build more cross-team cooperation into how work gets done.

In 2025, the company kicked off a revamped version of a one-off workshop called Horizon, expanding it to a nine-month program for 150 nominated directors and senior directors whose roles require high

levels of cross-company collaboration. The new program's focus shifted from solving technical challenges with known answers to tackling adaptive challenges with unknown solutions.

At the start of the program, leaders identify their most important mission of the year related to AI and then are connected with cross-functional groups to help them tackle it. For example, an executive redesigning their team's services with agentic AI can quickly tap groups across the company to help make that redesign happen. Throughout the program, participants get access to an AI coach, can choose from a set of intensive workshops such as leading through change or improving resiliency, and at the program's midpoint, come together for a two-day offsite where they identify what's working, where they still have challenges, and how to reach their goals.

Earlier this year, Workday revamped another development program, called Vista, for vice presidents. The year-long program for 25 participants has always aimed to give up-and-coming executives a broader understanding of the business. But it now prepares them for adaptability challenges that are constant in the AI era. As part of the program, leaders participate in a simulation in which they have to make 50 decisions that involve peers from across functions, working in teams. Based on realistic AI scenarios the industry and the company face, the exercise helps leaders practice making high-stakes decisions quickly.

After the simulation, they meet with a cross-section of Workday's executive team, and CEO Aneel Bhusri sponsors a session with participants to challenge their thinking. Once the simulation ends, leaders are assigned a coach to help them execute a plan they develop during the program. They also get access to peer groups to help build connections in other parts of the company.

Developing more leaders who can operate across the blurred lines of the AI era doesn't just happen in training sessions—it also demands companies restructure how the work itself gets done. Two cross-company teams at Workday—its AI executive advisory and technology advisory committees—identify where AI may be most



AI is just speeding everything up and the tendency is to think we need to move faster. But what this time most requires is the ability for leaders to slow down.”

—Chris Ernst, Workday

useful and develop plans to put it in motion. Launched in early 2024 and led by chief information officer [Rani Johnson](#), the committees include executives from human resources, information technology, and other functions.



In the age of AI, moving away from silos helps teams move faster while keeping business leaders jointly accountable.”

—Winston Wu, Workday’s vice president of architecture and AI

“Our product managers have to get better business intimacy and they have to be better communicators because you're influencing people to change the way they're working,” Johnson said at [Charter’s Leading with AI Summit](#) in San Francisco. Meanwhile, “the technologist who used to be the king or the queen of IT—now that role, that function is becoming more of a commodity. We are having to re-skill that workforce on how to build engagement models and how to truly, truly partner and communicate effectively.”

That's a shift, as it has been at many companies. Historically, big decisions were often made within a single department, with cross-team coordination coming after the fact, says [Winston Wu](#), Workday’s vice president of architecture and AI who helps run the committees. “In the age of AI, moving away from silos helps teams move faster while keeping business leaders jointly accountable,” says Wu, adding that it “forces technology leaders to evolve from systems thinkers into storytellers and change leaders.”

How to build today's leaders now

Catalyst two in action



Train leaders in cohorts, not in isolation. Put them in shared, high-stakes scenarios with real-world scenarios that require joint solutions, not parallel answers.



Switch from technical to adaptive challenges. Workday's Horizon program (see case study, below) now tackles problems with unknown solutions, not known ones—the kind leaders increasingly face in the AI era.



Treat influence as a teachable skill. Sytch says research shows both the tactical (presentation, persuasion) and relational (relationship-building) components of influence skills are learnable, not innate.



Stand up cross-functional governance bodies. Workday's AI executive advisory and technology advisory committees (see below) bring HR, IT, and operations leaders together to set AI strategy—before big decisions get made, not after.



Plan for the unplanned. ServiceNow drops "wobblers" into its leadership programs —unscripted curveballs that interrupt the exercise and force leaders to pivot fast.

04

Modeling mindsets for AI fluency

Catalyst three: developing leaders who use AI themselves—and know where to apply it



Every Monday, Zapier chief people and AI transformation officer Brandon Sammut opens his Slack to find a report from his “weekly accountability coach,” an AI agent he built to hold a mirror up to how he's leading.

The report includes analyses on how he's spending his time versus what his stated priorities are, how clearly he communicates with others, and what share of his meetings is spent talking versus listening. “It's like staring me in the face when I start my week,” he says.

The agent compiles the report by pulling from evergreen information, such as Zapier's strategy and details about how Sammut likes to work, as well as more timely data from his calendar, email, Slack messages, and other applications he uses. Every weekly report gets archived, letting Sammut ask his agent how he's progressing over time.

Sammut is a case in point of an issue that has growing consensus among researchers and executives: Leaders need to be actively experimenting with AI themselves, not just delegating it to others. Developing AI fluency—the ability to understand, evaluate, and effectively apply AI technologies to work—requires senior leaders to both build with AI themselves and model the mindsets needed for a culture of experimentation, adoption, and change.

“I think leaders have three jobs at the end of the day,” says Sammut. They are providing clarity, allocating resources, and developing people—and AI is helping him accomplish all three. “I now have a lot of shared context on what I'm doing, what my team does, the company strategy, calendars, Slack, meeting transcripts, the whole deal—as much context as we can possibly connect. [It's] enabling improvements to the way that I'm working in all three of these areas” he says.

What active experimentation builds

Raffaella Sadun, professor at Harvard Business School and co-principal investigator of the Digital Reskilling Lab, says leaders should be actively experimenting with AI to encourage workers to do the same.

She points to two separate studies that have found that individuals are more likely to adopt AI if they are encouraged to do so by their employer. One of them, a large-scale 2026 study of the US and six European countries, found that encouragement by one's employer was the strongest predictor of AI adoption.

“A lot of the work that many [researchers] are doing now is to try and understand what's under the hood. What does encouragement from a firm perspective mean?” says Sadun. But, she adds, “I think that the leaders have a big role to play in creating this precondition for experimentation.”

Another recent survey by Gallup, meanwhile, finds that employees are about nine times more likely to strongly agree with the idea that AI has transformed how work gets done at their company when they also strongly believe their manager “actively supports” their use of AI. A simple way to show workers you encourage AI use: Use it yourself.

Experimentation serves a second purpose, too: It helps leaders understand how AI can transform their companies. It's been less than four years since the release of ChatGPT, and much less time has passed since the public launch of capable AI agents like Codex or Claude Cowork. No one has discovered all of the useful ways these technologies can be applied to businesses. Research suggests genAI's capabilities are “jagged,” meaning the technology is good at some things and bad at others—and it's not always obvious from the outset which is which.

There's now a name for the challenge of identifying valuable applications of AI within companies: the “mapping problem.” In a recent working paper, researchers found that startup leaders exposed to case studies on how AI-native companies have transformed work processes and business models with AI discovered 44% more AI use cases, on average, than the control group. Information about what's working at other companies is one effective way to accelerate that discovery, and broad-based experimentation is another. “If you have not tried [it] yourself, it's hard to really imagine what AI can do for your organization,” says Sadun.

 DEEP DIVE

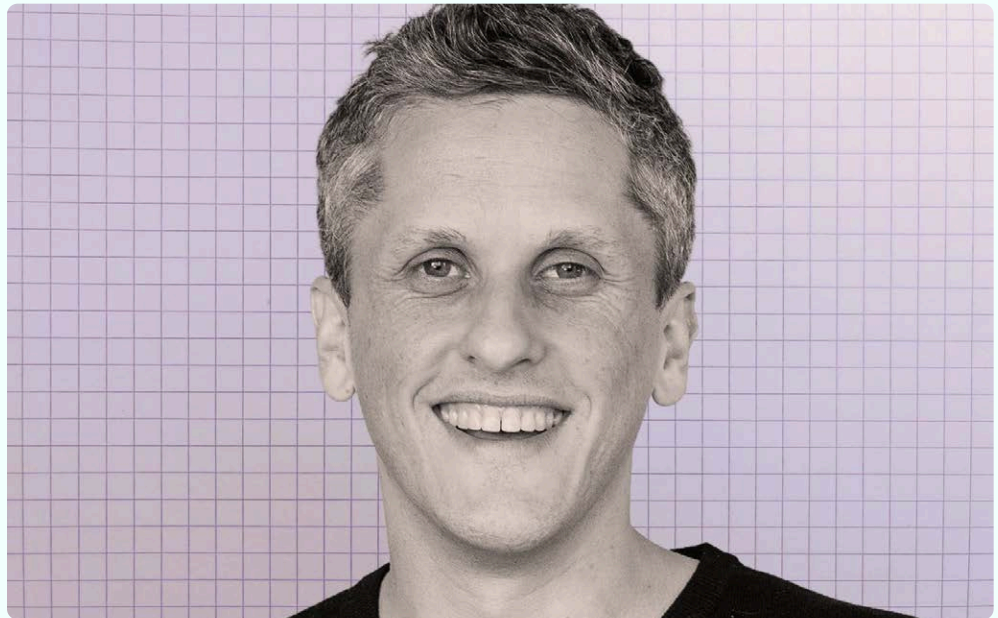
Box CEO Aaron Levie on why AI is bringing back the ‘player-coach’ leader

Aaron Levie, CEO of cloud-storage company Box, practices many of the approaches this chapter calls out as critical for leading right now. He uses AI extensively, both to boost his own productivity and better understand how it can change his company. He expects all of Box’s leaders to be hands-on with the technology, and he’s staked out a clear, optimistic vision for his workforce. We spoke with Levie about how he’s putting those ideas into practice. Here are highlights from that conversation, edited for length and clarity:



Aaron Levie

CEO of cloud storage company Box



You’ve talked about some of the late nights you’ve spent using AI. What are you typically working on?

Sometimes it’s vibe coding, and I’ll do that for prototyping a new feature, seeing how something might need to manifest within the product. It’s all in the category of prototyping, nothing that we would actually release or anything meaningful from a production standpoint.

Then on the other side, I’ll use AI similarly for just a lot of my own work automation tasks, where I’m trying to do research on a market or I need to get account intelligence about customers.

I'll use AI very heavily for that kind of work as well. That helps me build my own mental model for where the productivity gains are going to come from and where the limits are.

How has AI most helped you in your role as CEO?

There's two ways to answer that. First, my role [as CEO is] making sure that the company itself is as productive as possible. It's helpful just as a tool for everyone to be able to use—faster software development, better ability to serve our customers, better ability to respond to their needs.

On a personal productivity level, there [isn't just one] single use case I could point to...I'm traveling to a city and I want to figure out what customers I should go meet with. That might normally be a 10-hour project for an analyst or for a chief of staff to go do. Now it's a 10-minute activity for AI. I have agents running multiple times a day for that kind of category of task.

If you're a really big business, they have this thing often called the 'Office of the CEO,' and it usually has two, three, or four people in it who are all doing a bunch of work on behalf of the CEO—what to do about the events that they're going to, which customers to meet with, which relationships to maintain. But 99% of companies don't have an office of the CEO. [AI] gives you the ability to have that same kind of leverage.

Has AI changed what kind of leaders you look for at Box?

There are a bunch of things that are timeless and they transcend any technology wave: curiosity, problem solving, thinking through system design, task management, and delegation. You have to be very good at how you delegate to agents, and so systems thinking ends up being very important.

I would say in general, to really get the most out of agents, it also helps to be incrementally more technical than not. You need to be able to know, 'How do I wire up my systems to go and actually perform this work? How do I deal with the limitations of AI? How do I put the human in the loop at the right point in the workflow?' Those are all things that it helps to have some degree of extra technical savviness.

In a recent interview with The Wall Street Journal, you said AI could give frontline managers the ability to produce more outputs as individual contributors, not just through the employees they manage. You described it as a ‘player-coach’ dynamic. How is this playing out at Box?

Usually, you take your best individual contributors and you turn them into managers. Over time, those managers become much more about managing the people and the system and orchestrating the work, rather than being a contributor themselves. That can go extremely well, but sometimes you can atrophy your skills [for] particular domain-specific work.

Our best people managers are also active contributors [to] real work products. They're the design manager who also produces designs. They're the engineering manager who really dives into the code. What AI lets you do—because it lets you be in two places at once—is you could be doing the team management side, but you can also have agents going and building something or executing something.

Is this an expectation for top leaders at Box as well?

I mean, I'm doing it, so I don't see why everybody else isn't.

You've staked out clear positions about how you expect AI to affect work—you talk about Jevons paradox and the fact that you want to use AI to allow Box to do more, rather than the same with fewer resources. How do you balance the need to have a clear vision on what AI means for your company with the need to be adaptive?

I'm willing to adapt my view on things. I will admit that I'm a hammer, seeing everything as a nail on this topic [of what automation means for work and jobs]—simply because my brain is so wired to this. It's been a view I've had for at least 15 years.

We didn't really think about automation when we started Box, but I started to think about automation more as we were scaling. I developed this sense that there's so much work that has to get done, but it prevents the company from growing. If you could



Our best people managers are also active contributors [to] real work products. They're the design manager who also produces designs. They're the engineering manager who really dives into the code.”

—Box CEO Aaron Levie

automate that work, you'd actually grow faster, which would cause you to hire more people and do more as an organization. AI, to me, is just another supercharger of that same dynamic.

I haven't seen a lot of evidence that would veer me off from that thinking. Now, there are some areas where more nuance is useful. There are some frontline customer-support roles, for example, that will be under pressure as AI can handle more of that work. But even in those kinds of roles, what we actually see happening is as soon as you relieve that frontline work, you have even more customer interactions, or you have the ability now to have even more strategic customer interactions, which often lets you just repurpose that talent to a different part of where that work happens.

How do you build trust internally around AI and what it means for them?

Our strategic message is very clear: We are going to use AI to get more done, and we want everybody 'on the bus' at Box to be a part of that journey. The only way that you won't go along with us is if you choose not to.

We are hiring in almost every function at Box right now. We've tilted the percentages differently because of the needs of the business and because of what AI can do. But we are going to keep growing as an organization, and AI will be used for us to be able to have more output and be able to better serve our customers.

How have the percentages changed?

This is sort of because of AI, but not because of the productivity from AI. It's because of the demands of AI. We actually need more go-to-market people, particularly in things like sales, consulting, and solutions engineering, because our customers need support to adopt AI solutions.

ONE TACTIC TO TRY:**Scenario plan for AI speeding up, slowing down, or staying steady**

avor Bojinov, an associate professor at Harvard Business School, says he thinks many leaders lack imagination around how to reimagine their business for AI. “They're very happy to do things the way they've done them [and] to maybe redesign some processes, but to imagine new ways of working, new operating models, and new business models—I think that's something...many leaders lack.”

When he consults with companies, Bojinov has executives imagine what the world will look like in five years under three different scenarios: one in which AI progress slows, another where it continues on its current trajectory, and another where it accelerates. Then he has them imagine what their business and operating models should look like in those three scenarios. With those end states in mind, he asks the executives what actions they need to take in the intervening five years to get there. Bojinov says he recommends that leaders plan for the middle scenario—that AI keeps improving at its current pace—because it should bring their companies “close enough to the frontier that regardless of what happens, the organization is well prepared.”

Go deeper: Watch Charter’s [interview](#) with Bojinov and Microsoft’s [Katy George](#).

Building buy-in with optimism—and reality

Experimenting with AI is necessary but not sufficient for leading well right now. In an age of AI, many leaders’ jobs are to transform the organization, and that kind of adoption only happens with worker buy-in. Right now, roughly a quarter of American workers at AI-adopting

companies think it's "very likely" or "somewhat likely" that their job will be eliminated in the next five years as a result of AI, automation, robotics, or other new technologies, according to [Gallup](#).

Leading people who are deeply anxious about AI's impact on their jobs and careers has not always been a core focus of leadership development programs. "We want our leaders to give us hope and shine a path forward of what is the positive outcome," says [Gabriella Rosen Kellerman](#), expert partner and director at Boston Consulting Group, who argues optimism and agency are critical mindsets for leaders today. But, she adds, that optimism "has to be reality-based."

Those two ideas may seem in tension with one another—that leaders must project realistic optimism when the honest picture potentially includes significant job disruption. But, she adds, leaders can control how and when they deploy AI. "If leaders believe that authentically, then there's every reason to be optimistic about what we can do."

The optimism should be backed by a specific vision of how AI fits into a leader's business or their team. Kellerman argues that leaders need to spend time thinking through what the positive outcome actually looks like for the people they manage and the work they do. It doesn't have to be the likeliest outcome, she admits: "Many a battle commander has led with optimism for that narrow vision of success, but with conviction. You lead to that vision of success for your team, and that gives you the sharpest chance of getting there."

ONE TACTIC TO TRY:

Show people *how* you build with AI, not just what

In a biweekly "AI Show and Tell" session of Envoy's all-hands meeting, one of the workplace technology platform's leaders shares a tool they built with AI, followed by an "AI for Normies" segment designed to explain the details in a way anyone can understand. For instance, the company's chief financial officer has shown off an app for closing month-end numbers. The chief revenue officer shared how he built a tool that gives context about clients before scheduled calls.

Made to make AI more accessible for the 70% of employees who aren't engineers, the “Normies” segments don't just share *what* leaders vibe code, but how they built it. “When we started doing it, people were just showing off cool tools, and it was like, ‘Great that you did that, but how did you do that and how can I do it too?’” says Envoy's CEO, [Larry Gadea](#), who says leaders walk through exactly how they use tools such as Claude Cowork. “That's the most important...Very few people are going to change their behavior if they don't see their leaders doing it.”

Go deeper: Read how Gametime chief people officer [Danny Guillory](#) vibe coded his own wine app and [moved from AI adoption to AI depth](#), and hear Klarna CEO [Sebastian Siemiatkowski](#) talk about [using Cursor to build pricing models](#) in team meetings.

Getting leaders comfortable with change

Even when leaders get buy-in on AI, they face a second challenge: inertia. The most commonly cited barrier for not using AI at work is “I prefer to keep doing my work the way I do it now,” with 46% of non-users selecting it in a recent [Gallup survey](#). Roughly the same share of workers say it feels safer to continue focusing on their current work goals than to redesign the way they work for AI, according to Microsoft's [2026 Work Trend Index](#).

This moment calls for a new type of change management, says Katy George, Microsoft's corporate vice president of workforce transformation. With traditional change management, you're trying to move people from point A to point B. The new version has less of a clear endpoint. “We're really trying to move people from point A to feeling comfortable and excited and energized by continuing to learn and change the way they work” on an ongoing basis.

Some companies, like Duolingo, have [dedicated a specific window](#) of time every week to learning about and experimenting with AI. Such an approach can help workers stay up-to-date with a technology that's rapidly improving every few months. One of the sales teams at

Microsoft, meanwhile, is doing weekly role-based “huddles,” where people can learn from their peers about how they’re applying AI to do their day-to-day work.

George tells the story of a meeting with her workforce transformation team, where they saw how effective those huddles had been for that sales team. “Somebody said, ‘Oh, this is great. Now we don’t have to do these huddles anymore,’” recalls George. “Then a few of us said, ‘Wait, no, no, no, this is now a new way of working because the tools are going to keep changing and people are going to keep inventing new things to do.’” In other words, the huddles aren’t a one-and-done tactic. The point is to make them a recurring practice to enable continuous change.

How to build today’s leaders now

Catalyst three in action



Experiment. Build something with AI—an automation, an internal tool, an agent—and share it with your team to model the behavior you’re asking of them.



Scenario-plan for the future. Use Bojinov’s framework of imagining what your business should look like in five years if AI progress slows, continues, or accelerates. Work backward from each scenario to identify the actions you need to take now.



Project realistic optimism. Create a specific vision for how AI can benefit your company and the people you manage, and let it guide your decisions and actions.



Create the conditions for continuous change. Carve out recurring time for people to experiment with and learn about AI together.



Roll up your sleeves. Levie’s “player-coach” framing suggests AI gives leaders the tools to do real work alongside their teams, not just delegate it to them.

05

Closing the expertise gap

The expertise paradox—and the test organizations face for the future



Organizations today face an expertise paradox. Genuine domain depth is essential for managers to evaluate the work of AI. And yet, managers are being asked to shift from feeling like an expert to being someone who must both coordinate a broader span of work than ever before and potentially oversee work they may not fully understand. Meanwhile, slower hiring of entry-level workers could mean fewer employees build the expertise they need for leadership roles they may get down the line.

The average team size already grew roughly 50% to just over 12 people between 2013 and 2025, and the median grew from five to six, [according to Gallup](#). AI appears set to accelerate that trend, with tech leaders pushing for even flatter organizations.

Kevin Cox, the former CHRO of General Electric, American Express, and Pepsi Bottling Group who is now a leadership adviser, says the leadership skill gap he hears mentioned most often today is how well leaders can operate at “scale,” and whether they have the breadth it takes to jump to the next level. “As we have broadened spans of control...I feel like we've made what used to be jumps over a river like jumps over the Grand Canyon,” Cox says. “AI is potentially going to turbocharge that.”

Managing that broader span of work becomes even more challenging as AI magnifies the volume of work organizations are producing.

“Quality assurance is the bugbear of the AI economy,” says Matt Beane, associate professor of technology management at the University of California, Santa Barbara and author of *The Skill Code*. AI dramatically increases the amount of content—code, legal briefs, job descriptions, marketing materials—a company can produce, and that a single manager might have to oversee or evaluate. “People with more expertise are going to feel more and more...[of a] burden for deciding whether something's shippable or not,” says Beane.

What that means for today's managers is leading with less of the certainty that once defined the role. Many leaders, says Lisa Lahey, founder and chief knowledge officer of the coaching firm Minds at Work, are experiencing a sense of “I don't know what to predict. I don't know how to handle this. I don't know [how] I'm adding value. All those sorts of identity uncertainties are very much at play in this age of AI,”



Quality assurance is the bugbear of the AI economy...People with more expertise are going to feel more and more [of a] burden.”

—UCSB professor Matt Beane

she says, adding organizations likely underestimate the cost of this inner “disequilibrium.” “For many people it disrupts their notion of what they’re supposed to be doing,” she says. “They’re supposed to be guiding with clarity.”

The ‘cognitive debt’ problem

Meanwhile, we’re already seeing the cost of people using AI to produce more and more content without taking the time to understand it, a phenomenon known as “cognitive debt,” the result of producing work faster than a person or team can understand it or the reasoning behind it.

The company JetBrains, for example, recently built an internal platform that lets engineers submit a task and, with the click of a button, get back all of the necessary code within an hour. But when the company’s CEO, Kirill Skrygan, asked engineering leads if they would adopt it, he noticed some reluctance. The reason: They were worried they wouldn’t accumulate any knowledge about what they’re working on over time. “After one or two months of generating this code, you don’t have any sort of understanding of what’s there,” explains Skrygan.

Managers already have experience with the challenge of orchestrating work carried out by other people, which is one reason there’s a significant overlap of the skills required to lead people and AI agents. But AI may add on new layers, with managers managing more people, AI agents, and people using AI agents. Each layer adds work that the leader is further removed from, making it harder to track the work happening below them.

If people are promoted too rapidly as employees use AI more and more, they also might not understand the work well enough. Emory University Goizueta Business School professor William Schmidt designed a problem-solving experiment where participants would get “promoted” after doing a certain number of problems correctly, before being asked to then do more complex tasks. Some participants were able to use AI in the pre-promotion tasks, while others could not.

In preliminary findings he's referred to as the "promotion paradox," Schmidt found that those who had access to AI in the early tasks got "promoted" much faster, but then completed fewer of the tasks correctly in the post-promotion phase, when none of the participants had AI access. That suggests they didn't understand the work as well. "They were using AI to speed through their pre-promotion phase," he said, "without having struggled through the process that's necessary to really internalize how to do those problems."

Getting reps for the rest

For leaders of the future—young workers who aren't getting the apprenticeship or practice that builds expertise as AI agents do more and more work—one question is keeping some leadership experts up at night: Where will the next generation of leaders get its reps?

"If you've done the work before, you know where those gnarly areas are in the work process," says Gherson, the former IBM CHRO. "But the next generation of managers won't have done the work...how on earth are they going to manage these agents?"

Young workers are worried, too. In a focus group discussion about AI and work by the publication [Full Moon](#), more than two dozen 18- to 30-year-olds expressed concerns about building credibility, gaining expertise, and being robbed of experience. In an [essay](#) about the discussion, design strategist [Mark Curtis](#) compares this expertise gap to no longer feeling like you can fix a car because of how much technology is under the hood. As one participant said: "I'm learning how to make things work. Not how they work."



If you've done the work before, you know where those gnarly areas are in the work process. But the next generation of managers won't have done the work."

—Diane Gherson, former IBM CHRO

ONE TACTIC TO TRY:**Give juniors more challenging work and pair them with senior feedback loops**

Beane says one promising practice he's seen for developing junior software engineers involves teams giving juniors more challenging, ambitious projects to do in shorter amounts of time now that they have AI. When they're done, a senior engineer or their manager tells them how many problems there are with their code without identifying them, and sends the junior employee off to find them on their own before managers explain what they missed and why. "The point is at the end, you have learned a lot," says Beane.

While he's seen some version of this in multiple organizations, Beane says it's typically not intentional. "Nobody has been like, 'This is our policy.'" But it could be. AI gives leaders a reason to raise the bar on what junior employees take on, and a structured feedback loop with a senior colleague ensures they're actually learning from the experience.

Of course, it's too early to know how much expertise workers will really lose by doing less of the nitty-gritty parts of work. Harvard's Bojinov, for instance, suspects the ability to evaluate a work product and know how to improve it can be developed without repeatedly doing the full process from beginning to end. That would suggest there are other ways to build the expertise required to manage teams of agents doing work. He and his collaborators are designing a study to test whether that is, in fact, the case.

But even if that turns out to be true, AI still poses other risks to learning on the job. A 2026 [working paper](#) from researchers at Wharton, for example, found that when working with AI, people tend to engage in what they call "cognitive surrender," where they abdicate their reasoning to the technology. The risk of cognitive surrender is greater for AI than for other tools like Excel or Google Search because it can autonomously produce work and do people's thinking for them.

Workers won't learn on the job if they're on autopilot. "Everyone out there should assume that the more you use AI unthinkingly, [the more] you will start to degrade your learning opportunity," says Beane.

Another risk is more subtle: The more people work with AI, the less they work with other people, warns Beane. This can weaken companies' leadership pipelines by decreasing the interactions and teamwork that build key leadership skills. Interacting with AI agents can improve a person's project management skills—breaking apart a project, delegating pieces of work—but those are different from leadership skills, like the ability to inspire a team to push through a challenging period, says Beane.

It also weakens apprenticeship bonds that are crucial to learning. Beane's research has shown that tools like AI let experienced professionals work more independently, making it less necessary to loop in a junior worker.

SPOTLIGHT :

Microsoft's Rx for junior engineer development

To tackle the problem of junior software engineers gaining the expertise they need, Microsoft has borrowed an idea from an unexpected field: nursing.

Called "PRAISE," the newly launched program stands for "preceptorship for AI-augmented software engineering," borrowing the idea of a "preceptor" from nursing, where an experienced nurse is responsible for getting new nurses up to speed on working in a clinical environment. [Scott Hanselman](#), a vice president and member of Microsoft's technical staff who co-leads the program, says using the term "preceptor" puts the onus on senior staff to develop junior engineers, rather than bringing them in and letting them sink or swim.

The idea for the program grew partly out of a hypothesis that AI coding tools boost the performance of senior engineers but drag down juniors, who don't yet have the experience or

“taste” to catch issues with AI-generated code. PRAISE was designed to give juniors the context they need to succeed and, Hanselman adds, help Microsoft stand out from competitors as a place where young engineers can learn the craft.

The program currently counts about 400 people on Microsoft’s Azure team—other teams are launching their own version—and pairs between one and three juniors with a senior engineer in their organization. They’re paired with someone in the same area who isn’t their direct manager, letting the relationship stay developmental rather than evaluative. The preceptor is expected to spend at least two hours a week with each junior employee—but no more than 20% of their time—answering questions, helping juniors through challenging assignments, and teaching them how to use AI coding tools and evaluate their outputs.

Hanselman describes a recent experience with a junior engineer who was struggling with a routine part of the development process. “I said, ‘Hey, you have a couple of hours? I’m going to sit down and we’re going to actually do it together.’ I could detangle it or we could detangle it together. That’s the difference.”

Go deeper: Watch our [interview](#) with Microsoft’s George about managing AI at the World Economic Forum.

Building ‘ladders of experience’ in the age of AI

Gherson says to help junior workers gain needed expertise, organizations should create “ladders of experience” to run the business, cautioning that “at the end of the day, it’s not the agents that are accountable for outcomes—it’s the leaders.”

She offers an example of a brand manager in a consumer packaged goods company. Much of the work of the junior manager—analyzing consumer data, identifying trends, developing content—can be done by AI. But early-career brand managers don’t just learn those

skills, she says. They also develop an intuition about what fits and what doesn't—the "tacit knowledge about what is the brand, who are the customers, and how do we emotionally resonate with them," Gherson says. If AI replaces the junior brand manager, "that's all gone."

To create those "ladders of experience," Gherson recommends planning for more rotations into developmental opportunities, making sure employees have access to internal talent marketplaces, and investing in hiring for junior roles that are critical to company strategy, even if AI could technically do the work.

Too much of the AI conversation, Gherson says, has been about adoption and implementation, rather than making sure employers have the capabilities they will need. With people in jobs today who have the expertise, "that's lulled us into this sense that everything's fine," she says. "It's only fine for the next five years. We don't have much time."

How to build today's leaders now

Navigating the expertise paradox

✓ **Design 'ladders of experience.'** Don't let AI completely take over the work that builds expertise. Create progression or rotation paths that give high-potential workers reps, and invest in entry-level jobs in critical areas, even if AI could technically do much of the job.

✓ **Build intentional apprenticeship opportunities.** AI makes it easier for people to work in silos. Counter that by pairing junior and senior workers to allow them to learn from each other.

✓ **Guard against cognitive surrender.** Workers run the risk of going on autopilot when working with AI, outsourcing their own reasoning. Prioritize independent thinkers and reward cognitive effort.

06

An action guide for a new era

A flight plan for developing leaders for the AI age



Kevin Cox, the former CHRO of General Electric, American Express, and Pepsi Bottling Group, believes the core premise of what makes a good leader hasn't changed. Leaders must set the agenda through strategy and vision, build followership by getting people on board, and do it in the right way with consistent values and authenticity. "Those three are still true." Cox says.

But if he were to design a leadership development program for the AI era, he believes there are shifts in what should be emphasized. "How you do each of those three in this AI era, I think, is different—and is interesting."

Setting an agenda increasingly requires synthesizing vast amounts of information, he says, something much harder for leaders without the expertise to understand it. Cox, who is also a pilot, points to a triptych on the wall behind him of a 1940s airplane. "I could never fly that airplane," he says, contrasting it with the built-in automation of today's planes. Making decisions without business expertise carries similar risks. "If I don't know how to use that information, I can hurt myself quicker than I ever could. I can become reliant on it." To develop leaders now, "I would be spending a lot of time around how do you use information you've never had access to before" to improve strategy.



You've got to decide upfront what you are going to own yourself, and what you are going to give AI. You need to be honest with your teams and your people about that.

—Kevin Cox, former CHRO, General Electric, American Express, Pepsi Bottling Group

Building followership still matters greatly, but customization and transparency become more critical with wider spans of control and AI broadening them further across both people and digital agents. “I feel like AI is going to let you understand and customize what your employees need in ways that you couldn't do before,” he says. Leaders need to be transparent about what they do themselves and what they hand off: “You've got to decide upfront what you are going to own yourself, and what you are going to give to AI. And you need to be honest with your teams and your people about that. If I'm having AI write my monthly reports, I should admit that.”

On doing things right—and consistently—accountability is even more important, he says, offering another airplane analogy. “When you're flying an airplane with two people...we have to have what they call positive change of controls,” Cox says, a three-step handoff that prevents ambiguity on who's flying the plane. (“I say, ‘I'm going to check my email, your controls.’ You say, ‘My controls.’ I have to say, ‘Your controls.’ Three times.”) Whether the work is managing humans or digital agents, Cox says, personal accountability should get more attention. “There's a tendency right now to lazy-out on committees,” he says. That's been an issue for a while, but “I think AI has the potential to make it a bigger problem.”

The leadership imperatives that matter now

Organizations must expand on the essentials of leadership development with three new critical catalysts for the AI era

ENDURING ESSENTIALS	CRITICAL CATALYSTS
Business acumen and expertise	Human skills
Individual development	Cross-functional skills and team development
Tech literacy	AI fluency

For a complete diagnostic on how to develop the three catalysts, see the two pages that follow.

 CHECKLIST

The Catalyst Checklist

The question Cox addressed—if you were designing your leadership development program today, what would you build into it?—is one for all organizations. The unified checklist below provides a concrete way to score where you are, what to fix first, and how to start. For each item, mark ✓ (in place), △ (partial), or ✗ (gap), considering which actions you're already practicing well.

1. Are the foundations holding?

- Strong 1:1 coaching, 360-feedback, and individual growth plans are in place at the senior level.** These are non-negotiable. Don't skimp while chasing catalysts.
- Functional command and P&L execution are being actively developed.** Cappelli suggests using stretch assignments to give leaders tasks just outside their role to develop judgment for AI.
- Baseline tech literacy is expected at every leadership rank.** Make it a requirement for promotion, not an optional add-on.

2. Catalyst one: Are you developing the human skills the AI era demands?

- Leaders practice adaptive challenges, not just technical ones.** Build exercises around problems with no known answer.
- Cultural conditions and development practices focus on judgment under uncertainty, trust at scale, and adaptability under pressure.** These are learnable skills, not personality traits.
- Leaders make time to build relationships in person.** Dropbox runs analog-only offsites; the absence of screens forces conversation and connection.
- Leaders practice metacognition, or thinking about thinking.** Doing so helps leaders manage AI agents and judge their own decisions in real time. Make discussion of it explicit.

3. Catalyst two: Are leaders developing cooperation and influence skills as cross-functional boundaries blur?

- Development occurs in cross-functional cohorts.** Add shared, high-stakes scenarios that make leaders produce joint solutions, not parallel answers.
- Programs solve actual, high-stakes challenges rather than using theoretical case studies.** ServiceNow's "ServiceNext" program runs leaders through strategic decisions in real time. Surprise disruptions are dropped into development exercises to force leaders to switch gears the way real life will.
- Influence without authority is taught as a skill.** Build presentation skills and ritualize relationship building, such as reaching out to leaders daily outside your reporting line.

4. Catalyst three: Are senior leaders building AI fluency themselves?

- The organization actively encourages the use of AI tools.** Studies have found that individuals are more likely to adopt AI if they are encouraged to do so by their employer.
- Programs include scenario planning for AI.** Bojinov suggests imagining the world in five years if AI accelerates, slows, or holds steady. Work backward to identify what to do today.
- Realistic optimism is modeled rather than denial or doom.** Leaders set the emotional baseline for AI adoption. A hopeful but honest posture beats fear or hype.

5. Are you protecting expertise as AI does more execution?

- High-potentials still get hands-on reps that build expertise.** Leaders can't manage what they don't understand. Design "ladders of experience" deliberately, as Gherson urges.
- Programs preserve apprenticeship and mentorship as AI does more.** Microsoft's PRAISE "preceptorship" program is one model of pairing early-career and experienced workers.
- Leaders are taught when to apply AI—and not.** Quality assurance is the bottleneck of the AI economy. Develop evaluation skills as deliberately as production skills.

Where to go next

The checklist above is a starting point, not a finish line. Once you've identified where your gaps are largest, the chapters in this playbook offer the deeper context and practical models to help you take the next step.



If the business case still needs to be made: The Cappelli Q&A in Chapter 1 offers data-grounded language for the argument that underinvestment in development carries quantifiable costs when it comes to turnover, vacancy, and over-reliance on expensive external hires.



If human skills are your biggest gap: Return to Chapter 2 for a closer look at how leaders from organizations like Airbnb, Drcopbox, and McKinsey are redesigning development with a focus on distributed management systems, analog relationship-building, and metacognition—and how to make the shift from technical training to judgment-building.



If cross-functional capability is the weak point: Chapter 3 digs into the structural moves that build leaders who can move as one team—cohort-based learning, real-stakes scenario design, and building influence skills. Check out how companies like Workday and ServiceNow are rewiring their programs for stronger cross-functional teams.



If AI fluency is where you're behind: Chapter 4 covers what AI "fluency" actually requires, including how to develop leaders who model AI use, know when not to apply the technology, and evaluate AI's outputs. With insights from Microsoft, Box, and Zapier, learn what real fluency looks like among leaders today.



If you're concerned about the expertise of future leaders: Chapter 5 tackles a longer-horizon risk about building expertise for the future, while covering the "cognitive debt" and "cognitive surrender" traps managers face today. Check out former IBM CHRO Diane Gherson's practical suggestions for building "ladders of experience" and Microsoft's PRAISE program for ideas.

The gap in the leadership pipeline is a critical challenge to solve at a time when human skills matter more than ever. Pick an area where you believe you can have impact, and build from there.

07

About

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About Council Advisors

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