



THE UNIVERSITY OF
SYDNEY

**Sydney
Executive
Plus+**

The 2027
**Skills
Horizon**

WHAT LEADERS
NEED TO
KNOW NEXT



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We recognise and pay respect to the Elders and communities—past and present—of the lands that the University of Sydney's campuses stand on. For thousands of years they have shared and exchanged knowledge across innumerable generations for the benefit of all.

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The Provocative
Leader

Our insights
are yours





At the University of Sydney, we believe in leadership for good.

One quality of great leaders is generosity. Whether it's time, wisdom, or even a box of chocolates, sharing with your peers and your team is a surefire way to help them develop and succeed.

We came up with **Steal This Slide**, a quick and easy way for you to lift the insights from *The 2027 Skills Horizon*, in that same spirit of generosity. Whenever you see the **STEAL THIS** prompt, just scan the QR code and you'll get a downloadable version as a slide. You're welcome!



HEY!
STEAL
THIS!



“I’m very surprised by the confidence with which some people predict the future, because there is ample evidence to show what’s going on in the future is very hard to predict.”

DANIEL KAHNEMAN

Nobel Prize-winning economist

Executive overview

Welcome to the new edition of the Skills Horizon.

Here's everything leaders need to know next, in brief.

- + We start with a look at how the world is changing, categorised into **six Shifts**. It was formerly five, but this year we give a shift, in the form of *The Information Shift*. It joins *The Values Shift*, *The Technology Shift*, *The Accountability Shift*, *The Trust Shift*, and *The Energy Shift* as the categories of change that make our world messy, but which also hold new opportunities if you know how to interpret them properly. Also coming in hot this year are the **17 Provocations**. They're spawned by the shifts, they're playing out now, and they're things you need to solve for as a leader.
 - + From there we go behind-the-scenes and move into **how we built the report**. We read, we reviewed, we refined, we respectfully disagreed. And we listened to a variety of influential voices. The report is filled with a dazzling array of practical insights about our changing world, drawn from **conversations with a cast of hundreds of leaders**, ranging from global CEOs to a sitting Prime Minister (one of two PMs who feature in this edition!).
 - + After breaking down the numerous **practical applications of the report**—from using it to win friends and influence people to its role in bolstering your L&D strategy—we reveal **The Skills Horizon and the 37 skills you need to know next**. Then we zoom in on the three types of skills that stood out from our research (*Amplifiers*, *Movers*, *Unexpected Emergers*).
 - + That's followed by **Blobs**, which represent the blob-shaped areas of skills convergence that will require your attention over the next few years. This year, in response to AI touching everything in your organisation, the Blob family welcomes a new, fifth member—*Leading the AI transition*. It sits alongside *Speaking the language of tech*, *Solving problems of scale*, *Working across difference*, and *Thinking through complexity*. Don't let the cute name fool you—this section captures the shape of things to come.
 - + To close, we explore the traits and habits of **The Provocative Leader**, an archetype for leadership success in 2027 and beyond.
- It's a disorienting and demanding time to be a leader. But if you stay open to learning new things, unlearning old things, and embracing your provocative side, stability and clarity will often follow.
- Happy upskilling!

"The pace of technology change and the pace of societal change are completely out of sync. It is probably the most extreme disconnect in history."

CLIVE VAN HOREN
CEO, Colonial First State

"We used to think about a three-to-five-year corporate strategy in the business cycle. We now think about six months. For people like me it requires doubling down and even more intense efforts to stay abreast of what's going on."

STEVE HASKER
President & CEO,
Thomson Reuters



"It would be disingenuous to present a three-to-five-year AI plan right now because the technology is moving too fast to predict. Instead, we are focusing on the next three-to-six months—identifying 'no-regret' actions, learning, and iterating. We want to get on the journey without overcommitting to specific technologies that may change overnight."

TARUN GUPTA
MD & CEO, Stockland

"There's no set-and-forget plans anymore. It's important to have a vision of where you're going as a company, but not set a concrete plan because the minute the ink's dry, it'll be out of date. I don't ask the companies I work with to do a three-year plan."

ROBYN DENHOLM
Board Chair, Tesla

"You need to have clarity of strategy while holding it lightly. Strategy historically used to be something you could set for three or four years. I'm just not sure that's true anymore. Strategy must be more dynamic and iterative."

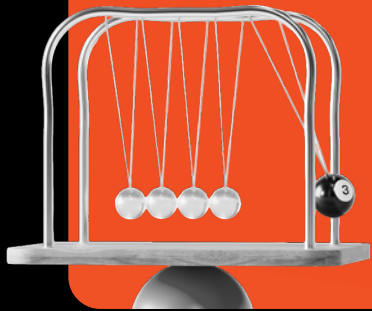
DAVID THODEY AO FTSE
Chancellor,
The University of Sydney

"The pace of change today is unlike anything most leaders have experienced. You won't always have all the answers, but you can still take the next step, learn and adapt."

VICKI BRADY
CEO & MD, Telstra

"The rationale of how business is being done, and the business model, needs to be revalidated every six months going forward."

LAMBERT HOGENHOUT
Chief Data and AI,
United Nations



“My question is how do we best equip our people to deal with this unprecedented transformation, as well as broader global forces such as AI disruption, geopolitical instability, cost pressures?”

KAT STAPLETON

CEO, Queensland Rail



“The fact that we cannot stop change, does not render us powerless, far from it. Our power, our agency, our choice lies in embracing change and shaping it.”

THE HON ANTHONY ALBANESE MP

Prime Minister of Australia



“Absorb as much information as possible, then distil it into a handful of core assumptions. Those working truths provide enough confidence to act while remaining flexible enough to evolve as new information emerges.”

CHRISTIAN VOLK

Director Gaming & Esports, FIFA

“Judgement and critical thinking are becoming more important than knowledge alone.”

PAUL JENKINS

Global Co-CEO,
Ashurst Perkins Coie



“The need for upskilling in the next year will likely be greater than the need for upskilling in the past five years. So many different tasks are changing at once.”

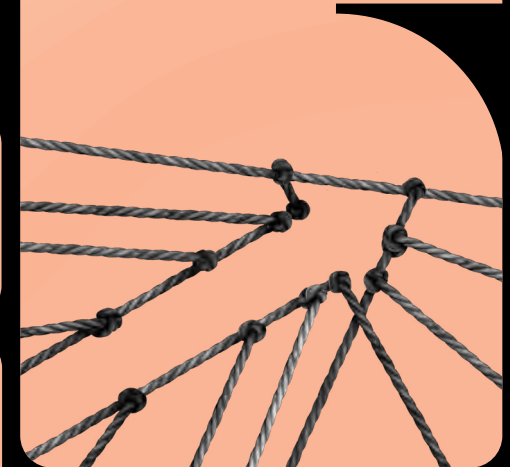
KARY BHEEMAIAH

CTIO, Capgemini Invent

“No plan B. That may be the most important thing you can do if you really want to make a difference... in the end, the less risk we take, the less difference we make.”

THIERRY REBOUL

Executive Director of Ceremonies, Creative & Special Projects, Paris 2024 Olympic and Paralympic Games



“The greatest challenge facing us is the problem of collective critical thinking.”

SAUL PERLMUTTER

Nobel Prize-winning astrophysicist

The future: still messy



“Find a way to make
work fun again.”

GREG CREED

Former CEO, Yum! Brands

It's the worst of times; it's the best of times.

Risk and opportunity. Noise and signal. Turbulence and stability. They've never been so entangled. Welcome to the mess.

And you're not alone in navigating it. In researching the third edition of the Skills Horizon, we had to hack through a jungle of disorienting findings. People think diverse teams are more productive at work... yet they'd rather move departments than work for a manager who doesn't share their values. News consumption is up... as are fears around what's real or fake online. AI adoption keeps increasing... but the tech is making people feel more anxious and less intelligent.

You know things are *really* chaotic when you need to add a new Shift to your report. Shifts emerge from a changing world marked by deep fractures and complexity. As the old saying goes, shift happens, so this year we give a shift.

You may have noticed those two loaded little letters: AI. It's also the AI-est of times. It moves fast and touches everything. And you're likely so busy keeping up with it that you've missed the other disruptive forces reshaping how we work, lead, and live.

Two points on AI: 1) Try to avoid the urge to use it to summarise this intro. We're in a reading crisis—these days, fully engaging with a text can be your advantage. 2) People commonly, contemptuously treat em dashes as a tell that AI wrote something. That's why we've doubled down. Last year we used 70—this year we've used significantly more. We typed them ourselves and everything.

In this worst-best of times, when punctuation is polarising, tech dominates, and change is constant, how do you position yourself for success?

The Skills Horizon returns to help you make sense of the mess. It's a beautifully designed tool you can use to think through the future.

As always, you will learn new things. You'll be encouraged to unlearn some things. And this year, we're giving you something more. We're giving you the gift of productive discomfort. This takes the form of Provocations: the things you need to solve for in our changing world. The ROI of provocativeness? Making better decisions.

You'll see Provocations pop up throughout this report, so brace yourself. The first one, which is a Provocation about provocativeness, appears over the page. Yes, the world continues to change, but we stay meta.

If this all sounds very serious, well, it is. But as you'll discover, play has emerged as something you need to add to your skillset. Play is fun, sure, but it's also a means of problem-solving, building community, and—very important!—managing stress. In 2027, fun is functional.

Let the games begin!

MAKE IT MAKE SENSE!

The anatomy of a Provocation

This big thing you need to think through.

This helps set the scene.

These points offer some context and background on the Provocation.

PROVOCATION

Are you provocative enough?



The future demands leadership that encourages open conversations, (re)thinking, and play.

- + In times of uncertainty, challenging and testing your thinking is essential.
- + Questions that create productive discomfort spark more ideas.
- + With AI always on-hand to help, thinking through problems yourself is a practice you need to preserve.



We invite you to steal our slides. This year we also ask you to share your thoughts. Scan to share your POV on the Provocations.

Deep fractures and complexities manifest in messy shifts. With the amount and intensity of change happening, this year we've had to give a shift—there are now six to process. You need to know your shifts, so you can lead through them.



SHIFT 01

The values shift



“We need to recognise that a new generation is entering the workforce with significantly different expectations. Flexible work, work-life balance, communication and engagement all matter. The key is equipping leaders with the skills to respond.”

KAT STAPLETON

CEO, Queensland Rail

Misaligned values and fragmenting expectations

Views of what work is for and how it gets done continue to drift. There's now a deep misalignment between what we value as people and what organisations need to succeed.

As the world becomes more disorienting, stability becomes more desirable. Leaders value team members whose traits correlate with performance and productivity. The rub, however, is that success in our work lives is increasingly self-defined: we prioritise personal goals, work styles, and portfolio careers. Across Europe, Asia-Pacific, and the Americas, work-life balance (46%) remains the main reason people stay in their current role, far ahead of pay and job security, at 23% each (Randstad 2026).

And when the situation doesn't suit, we're more inclined to walk away. Around the world, more people are quitting jobs that don't fit with their personal lives, with that number reaching 39% in the latest Randstad figures.

What emerges is more than just a case of competing priorities. There's now a critical disconnect between what leaders value and what their people want. A 2025 US-based study by

PROVOCATION

No one wants your job



We're headed for a leadership crisis. How will you find and train the next you?

- + 41% of jobseekers don't see being a leader in their career plan (Aerotek 2026).
- + 75% of middle managers are burning out (Sinek 2025).
- + Gen Z staff are 1.7x more likely to turn down a leadership role for work-life reasons (DDI 2025a).
- + Discomfort avoidance is real: why progress at work if it's only going to get harder?



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Becoming You found that what employers value most is a desire for success, an interest in learning new things, and comfort with hard work (Becoming You 2025). Only 2% of Gen Z had this trio in their top five priorities. Leading their list? Self-care, self-expression, and altruism. Even when they're succeeding, your leaders of tomorrow don't feel that great about it. The same study showed over 60% of Gen Z feel they're actually achieving more than they ideally want to in life and at work, driven by pressure, as opposed to intrinsic motivation.

Outside the office, we've become more inward-focused. We're less willing to compromise and have less empathy for people with different views to our own. As political polarisation keeps rising globally, so does people's hostility towards one another. On a global average basis, 'affective polarisation'—how we feel about those who support other parties or groups—is at a historic high, and growing fastest in democracies like the US, Germany, India, and Brazil (WTW 2025). Even in Australia, social cohesion is under pressure, with 46% of adults saying

they felt a sense of belonging in Australia “to a great extent” in 2025, dropping from 63% in 2020 (Scanlon 2025).

Back at work, the numbers suggest you’re likely optimistic about the future: according to Randstad (2026), leaders are near-unanimous (95%) in their growth expectations for the year ahead. Unfortunately, only half of your staff share that view.

We do all have one thing in common, though. We’re increasingly turning to technology for emotional support: therapy and companionship is the top use case for generative AI (HBR 2026). Many are confiding personal matters to their chatbot that they no longer share with fellow humans.

We aren’t on the same page about work, we’ve become more self-interested, we see the future very differently, and we seek comfort in tech. Yes, the fractures are many, but in them lies a very real, human opportunity for leaders: how might you work together with your teams to (re)align values and expectations across your organisations? +



PROVOCATION

You can’t all get what you want



**Your people want flexibility.
You need productivity gains.
How do you balance this?**

- + You now have five generations in your workplace; each has very different expectations about work.
- + 57% of workers feel more engaged when they can be their authentic self, but 53% of leaders say workers want too much autonomy (Randstad 2026).
- + 81% of global C-suite leaders admit they’ve increased demands on their workers in the past year (Upwork 2024).
- + 39% of people quit jobs that didn’t fit with their personal lives (Randstad 2026).



“We now have six generations in the workplace. How do you ensure you’re building a truly inclusive culture? That’s critical for productivity, for better ways of working.”

PETER CHUN
CEO, UniSuper

“Leadership is a vocation. It’s not a paycheck. You have to want to lead to be a good leader. Many people become leaders because it’s the only career path.”

JANE HUXLEY
Former CEO, Are Media

“Leaders need to first of all understand people, and the intergenerational differences between people, and to build culture that very clearly ties into strategy.”

PETER HUDDLE
CEO & MD, Vicinity Centres

“Workplaces are often communities, a microcosm of a community. So how do you make sure people feel supported, and that broader community divisions, and what happens in the news, are responded to appropriately?”

MARIANNA BRUNGS
Executive Director, Policy and Projects, Australian Public Policy Institute



“In many democracies, we are seeing more extreme views on either side of the debate; these are the views that create issues for social cohesion.”

TARUN GUPTA
MD & CEO, Stockland

“I worry about AI companions beginning to substitute for human relationships. There’s something very appealing about a relationship that is always affirming and tells you what you want to hear. But real relationships aren’t always comfortable. Sometimes we need people who challenge us and tell us what we need to hear.”

EDEN XENAKIS
Chief of Staff,
Bezos Family Foundation



“The AI conversation in organisations used to be about productivity and efficiency. The discussion in the last six months has shifted to the idea of AI for growth and AI for value.”

NICKLE LAMOREAUX

Chief Human Resources Officer,
IBM



The technology shift



“Technology is magical again.”

DIDIER ELZINGA

Founder & Executive Chair,
Culture Amp

Strategic necessities with no clear direction

**AI is everywhere.
And it's made a mess.**

Generative AI reached nearly 53% population adoption within three years of release, faster than both the PC and the internet (Stanford 2026a).

Look around and you'll see that AI touches everything in your organisation: from the frontline to the boardroom, from how you code to how you research, from how you write emails to how your customers get in touch. That makes AI at once a strategy question, a technology question, a people question, a money question, and a communications question. It's a real head-scratcher with no user manual.

Adoption is high and usage frequent. 74% of frontline workers now say they use AI every day or a few times a week (up 23 percentage points from 2025), with the fastest growth among older employees, operational roles, and the markets that used to lag—India, the Middle East, and Australia now lead the world for regular frontline use (BCG 2026a).

AI has even made it to the top, with 82% of directors at US public companies saying they've used generative AI in their board work in the

PROVOCATION

Whose AI is it, anyway?

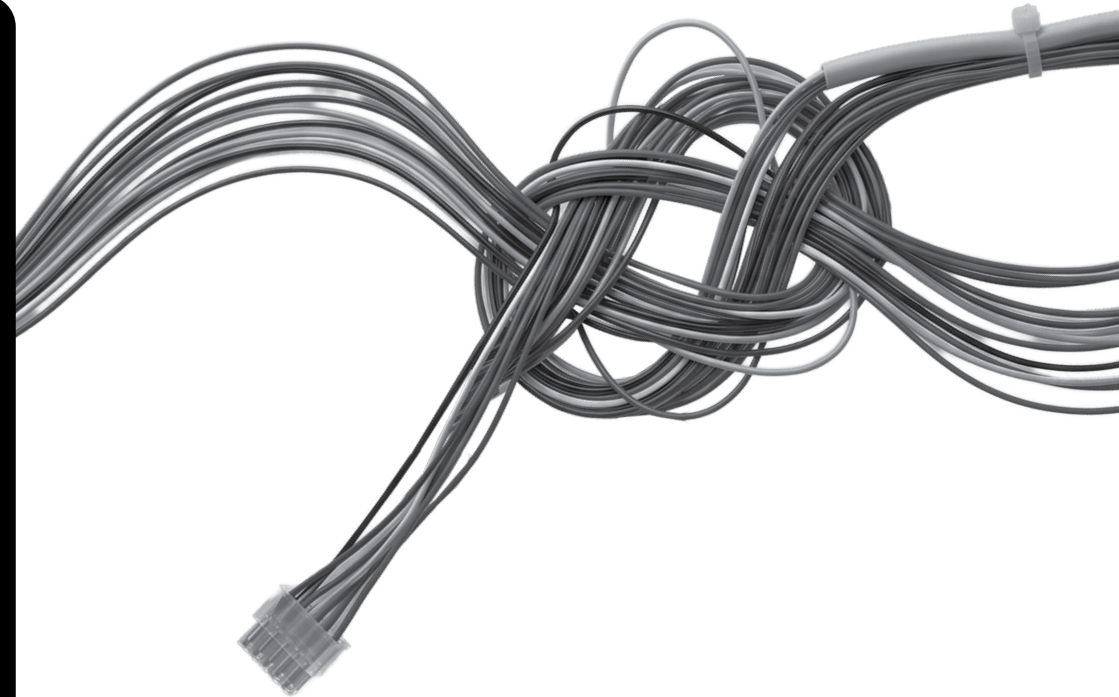


Who owns and drives AI in your organisation? Who should? And which parts?

- + AI touches everything in your organisation and is used by all, from the frontline to the board.
- + With rising token costs, AI is as much an IT as it is a finance topic.
- + 59% of CEOs say CHRO influence over AI will increase (IBM 2026a).
- + 56% of workers admit to using unapproved personal AI tools for work (Salesforce 2026).

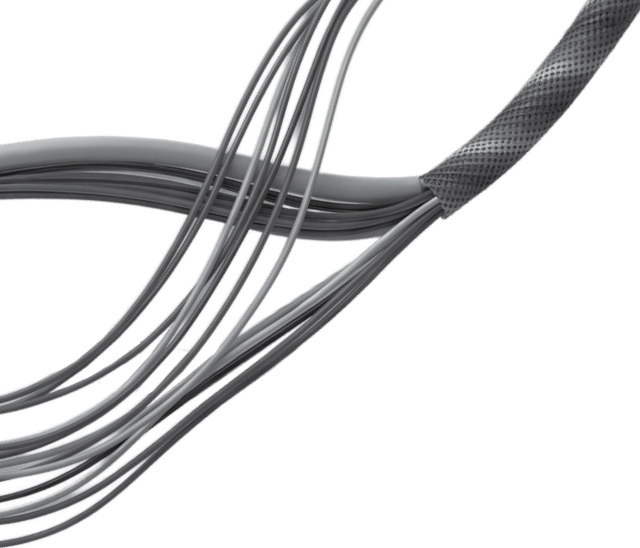


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past six months (Nolen 2026). Microsoft CEO Satya Nadella uploads podcast transcripts to Copilot then discusses them with the chatbot during his commute; NVIDIA CEO Jensen Huang uses a chatbot as a private daily tutor.

In short, *everyone* is using it. But almost no one has redesigned around it. According to Deloitte, 84% of companies have not redesigned jobs or the nature of the work itself around what AI can now do (Deloitte 2026a). And despite skills gaps being the biggest barrier to putting AI to work in organisations, fewer than half of companies have made any serious changes to their talent strategies in response (Deloitte 2026a). Nearly 60% cite missing knowledge and training as the main thing in the way of implementing responsible AI practices, up 10 points from last year (McKinsey 2026a).



While efforts to redesign work are lagging, AI advancements surge ahead. There were 470 major-or-bigger AI releases in the 90 days before this report went to print (almost 100 from Anthropic alone). Given this volume and pace, it's no wonder we're getting more nervous about what it might be doing to our jobs.

Should we be scared? Dario Amodei, CEO of Anthropic, says AI will be able to perform huge amounts of white-collar work. Demis Hassabis, former head of Google's AI lab DeepMind, warns that AI could facilitate "10x of the Industrial Revolution at 10x the speed". Those daunting pronouncements and news of an impending 'Jobpocalypse' are enough to make anyone nervous. But so far there's scant evidence that AI has had any large-scale impact on job markets. Even when it comes to entry-level jobs, some of the heaviest AI adopters are hiring more, not less (FT 2026).

AI is reshaping our work, our lives, and our economies. Good luck measuring or predicting how.

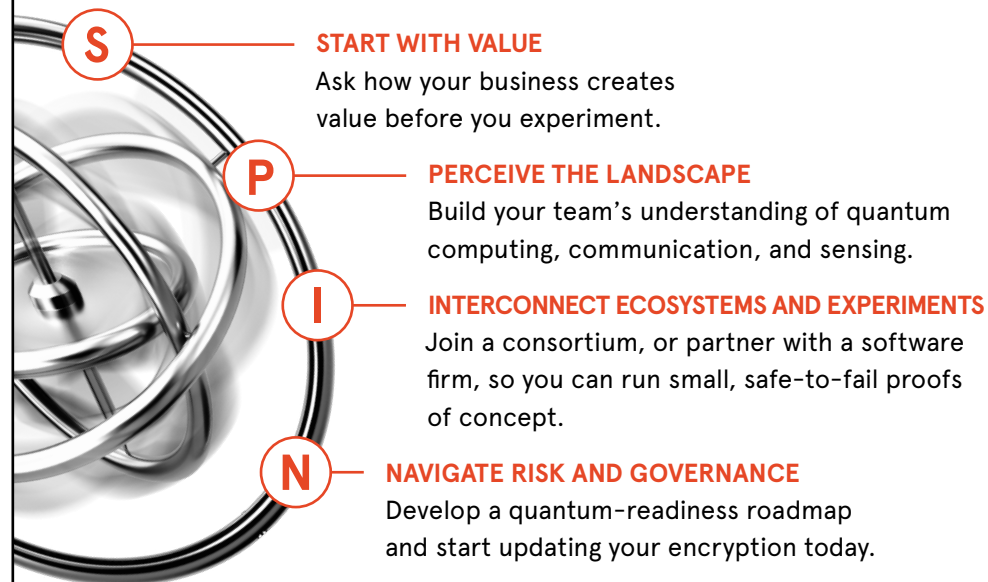
One certainty is that it's created a mess, and you need to pay attention. +

The next tech shift is a leap

Last year Quantum literacy was an emerging skill. This year, you need to take it seriously. Security agencies say the time to shift to Post-Quantum Cryptography is now—data you collect today will be vulnerable by 2030.

Quantum isn't all risk, though. IBM put the first commercial quantum computer online in 2019, and if you wanted to you could run a job on one this afternoon from your web browser—for free.

How do you start to think about quantum opportunities for your business? We like to think about quantum strategy in the same way as the angular momentum of particles: four phases called SPIN.



With quantum, the question is no longer *if* it will matter, but whether your organisation will be prepared when it does. Are you ready to take the leap?

**“As leaders you have
to lead the AI change.”**

THE HON ANTHONY ALBANESE MP
Prime Minister of Australia



**“We’re committing to a huge
change in our society with AI
without having the slightest
clue where that is taking us. I
cannot really comprehend
the compounded effects of
this on myself, and on my
community and in society,
five years from now.”**

LAMBERT HOGENHOUT
Chief Data and AI,
United Nations

**“I think Agentic AI will have
a material influence on how
consumers shop, how they
deal with retailers.”**

PETER HUDDLE
CEO & MD,
Vicinity Centres



**“AI is a tool in search of an
application, in search of
a problem. We typically
approach our work starting
with the problem definition.
What is the problem we’re
trying to solve?”**

DR ARUNA SATHANAPALLY
CEO, Grattan Institute



**“We see new aspects like
Agentic AI that could
be incredibly powerful
in its application, a
big change to business
models and businesses
are working through
what this could mean.”**

FRANK CALABRIA
CEO & MD, Origin Energy

**“AI upskilling is absolutely an
ecosystem challenge. For us
to work more effectively with
the non-profits and small
businesses in our ecosystem,
they need to be upskilled.”**

JUSTINA NIXON-SAINTIL
Global Chief Impact Officer,
IBM



**“We’re going to shift away
from treating technology
as monolithic, and focus on
how different technologies
mix and merge. Value gets
created when technologies
come together. That will
require new types of supply
chain relationships.”**

KARY BHEEMAI AH
CTIO, Capgemini Invent



“There is a profound issue with privacy and security when AI performs tasks on users’ behalf. It would need to be able to drive that process across entire systems.”

MEREDITH WHITTAKER
President of Signal

The accountability shift



“You’ve got to take accountability. You’ve got to own the outcomes. You cannot just outsource this to the AI.”

CLIVE VAN HOREN
CEO, Colonial First State

Accountability becomes multidirectional and multidimensional

For two years running, accountability has been a story about looking outward: your supply chain, across your emissions, into the provenance of things you didn’t make.

This year, the sprawl of external things to manage still exists, but the risks also hit closer to home. The culprit? AI. As everything you run becomes AI-enabled, it raises three accountability questions: 1) Who owns it? 2) Where does your code come from? 3) Who’s watching?

Accountability is now an internal *and* external ecosystem that operates across three dimensions.

And it’s changing faster than most organisations can keep up with. Here’s how the changes are playing out:

Diffusion. Every company is becoming an AI company, the same way every company slowly became an internet company. You almost certainly run many AI systems across many platforms already in your organisation. So here’s the awkward question: *who is accountable for them?* AI is moving

PROVOCATION

You have control issues



It's easier than ever to source anything. Are you in control of your dependencies?

- + Supply chain risk increases with global uncertainty; many critical materials depend on a single jurisdiction.
- + For 19 out of 20 strategic minerals, China is the leading refiner, with 70% average market share (IEA 2025a).
- + Three big hyperscalers—Microsoft, Google, AWS—control over 60% of the compute market (OECD 2025).
- + 68% of execs say data sovereignty is challenging; 91% don't fully understand their AI supply dependencies (IBM 2026b).



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into everything you do, and most organisations are still putting together the visibility and governance to keep pace.

The gap keeps widening between how fast AI spreads and how little of it leaders can see, own, or govern. 9 in 10 organisations discuss AI governance at the board or executive level. Only half have actually funded a formal governance program, and 57% have a dedicated AI security budget. Just 53% can trace an AI output back to the model and data that produced it (Digicert 2026). Governance talk isn't the same as governance action.

Opacity. Do you know where your code comes from? AI-assisted coding is scaling faster than anyone can review it. According to Google CEO Sundar Pichai, 75% of new code at Google is now AI-generated and human-approved (Google 2026); Microsoft's leadership expects 95% of all code to be AI-written by 2030 (Business Insider 2025); GitHub says Copilot is in use across 90% of the Fortune 100. Most developers who've adopted AI use it daily—though 96% don't fully trust its output, and only 48% always verify it before committing (Sonar 2026). A culture of vibecoding and growing adoption without sufficient oversight is a recipe for long-term technical debt and cyber risk.





Recording. We're living in a time of 'ambient capture': everyone is recording everything, constantly and passively. Where are you leaking data, when, and to whom? The 2026 World Cup was the biggest and the most surveilled sporting event ever: faces, movement, devices, and behaviour tracked by governments and private operators alike (The Conversation 2026a). The world is increasingly watching back. Plate readers log every car that passes. Silent notetakers, phones, watches, glasses, and lapel pins capture your meetings, interviews, pitches, and the corridor conversations that follow. Your electric vehicle records your every move, and so does your rideshare driver. Someone is nearly always listening. Your data from both online and offline encounters are scattered across apps, vendors, and jurisdictions you don't control and often aren't aware of.

Fundamental new challenges, requirements, and opportunities emerge. How will you rebuild accountability at both the individual and the ecosystem level? How will you partner with governments, suppliers, and competitors across the value chain? How will you manage the omnipresence of AI? It's time to update your accountability. Again. +

PROVOCATION

AI is making your job harder



Your AI-enabled team moves fast and makes things. Can you stop them from breaking things?

- + 50% of leaders report spending more time reviewing and correcting AI output (BCG 2026a).
- + 69% of digital workers admit shipping AI-generated work that they haven't reviewed (Glean 2026).
- + Only 48% of developers "always verify" code before committing (Sonar 2026).
- + Just 53% of organisations can trace an AI output back to the model and data that produced it (Digicert 2026).



“Geopolitical instability certainly impacts not only the cost of goods but availability. This impacts our pipeline of projects, some items are coming from overseas, and prices have gone up massively.”

KAT STAPLETON

CEO, Queensland Rail

“To combat fake news, we must know what is true. Systems that ensure provenance with encryption can certify that a picture was taken at a particular time and place, by a particular camera.”

SIR TIM BERNERS-LEE OM KBE

Inventor of the
World Wide Web
Founder and Emeritus
Director, W3C

“Since vibe coding has come in, everyone can develop an app, and that’s amazing. But it’s just the tip of the iceberg, and I don’t believe you can vibe code to multi-national business. We’re going to see a continuation of the start-up economy, and a need for software engineers.”

DR KATE CORNICK

CEO, Tech Council of Australia

“In the past, companies built deep, vertically integrated moats. Those moats are fragmenting at a tempo no one understands. To still move fast and create value, you need to orchestrate ecosystems of partners to access different technologies without owning everything.”

KARY BHEEMAIAH

CTIO, Capgemini Invent

“We’ve had enough indications that the next global disruption is going to be a cyber disruption, but I don’t see companies taking big steps. How cyber resilient and how cyber prepared we are is a big question.”

THE HON STEVEN MARSHALL AO

President, American Australian
Association and former Premier
of South Australia



“Trade will run on trusted identities, tokenised assets and shared data infrastructure. The winners will be those who participate in these ecosystems, not those trying to build them alone.”

LASZLO PETER

CEO, OriginsNext



“Because it’s moving so fast, and they use it in their personal time, I worry they will be putting our information in the wrong hands with AI.”

JULIE NESTOR

Executive VP Marketing &
Communications Asia Pacific,
Mastercard

Data centres are a hot topic that have become central to the energy conversation.



The energy shift



“The expansion of AI requires a physical, material footprint. It needs our land and energy and computing power to operate. That means we can set the terms, we can determine AI’s social licence.”

THE HON ANTHONY ALBANESE MP
Prime Minister of Australia

The new infrastructure of the digital economy

AI looks to become one of the largest infrastructure initiatives in modern history.

“The limiting factor for AI deployment is fundamentally electrical power,” Tesla CEO Elon Musk said in an interview at the World Economic Forum at the start of 2026 (Davos 2026).

AI model training (when AI is built) and inference (when AI is used to generate an answer) occur mainly in data centres. As billions across the world use AI to work and play, AI adoption is accelerating

faster than the physical world can keep pace. Quite fittingly, data centres are described by the amount of electricity they use, not the amount of computing power they contain.

AI’s energy consumption is staggering. And it has prompted—in this case, AI is doing the prompting—organisations and governments to prioritise harnessing that energy. In the process, it’s reshaping energy grids and production around the world.

Up until 2017, despite the construction of a huge number of new data centres to support

services like Netflix, the amount of electricity going to data centres stayed pretty flat thanks to efficiency increases (MIT 2025). But last year, the International Energy Agency projected that global data centre electricity consumption will more than double to roughly 945 terawatt-hours by 2030—with AI cited as the most important driver of that growth, and the US and China by far the largest data centre markets (IEA 2025b).

In the US, data centre electricity demand could double or triple by 2028, a pace that regional grids weren’t designed to absorb (DoE, 2024). By 2035,

AI gets physical

SKILLS

Success depends on the AI literacy and dexterity of users, and the AI fluency of leaders to make good decisions about deployment and use.

APPLICATIONS

A sprawling ecosystem of AI tools from frontier labs, large tech companies, and startups make use of AI model inference.

MODELS

Only about a dozen companies globally are able to train the latest generation of highly capable frontier AI models.

INFRASTRUCTURE

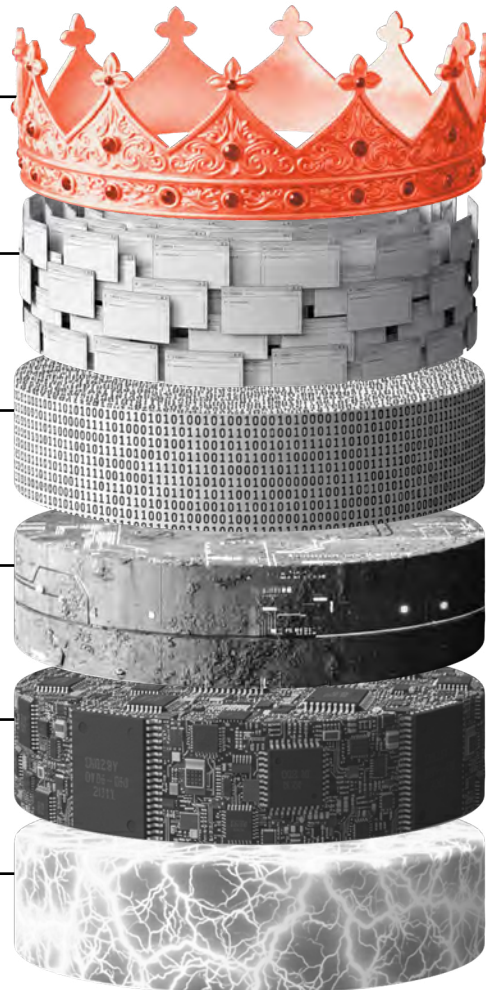
Data centres require physical resources to be built, such as steel, sand, concrete; most are operated by a handful of hyperscale providers.

CHIPS

Modern AI chips are designed and built by a highly concentrated supply chain of companies.

ENERGY

Energy powers the chips on which AI models are processed. Data centre capacity is measured in energy units. Token cost is largely energy cost.



The training of AI models (when they are built) and AI inference (when they are used to process prompts) requires physical data centre infrastructure. AI cost is largely determined by energy cost, because energy translates into compute—measured in ‘tokens’, the basic unit by which AI models process data.



**HEY!
STEAL
THIS!**

“I spend a significant amount of time just keeping abreast of the rate of innovation at various levels in the AI tech stack: the frontier models, our own large language models specific to the legal profession, all the way through the infrastructure, data centres, models themselves, and the application layer and the role of context and expertise, and preservation of copyright.”

STEVE HASKER

President & CEO, Thomson Reuters

it could account for around 20% of total electricity demand (BloombergNEF 2026). Power constraints were already affecting new data centre projects at the end of 2025, which had dropped by half compared to the preceding quarter (Wood Mackenzie 2026).

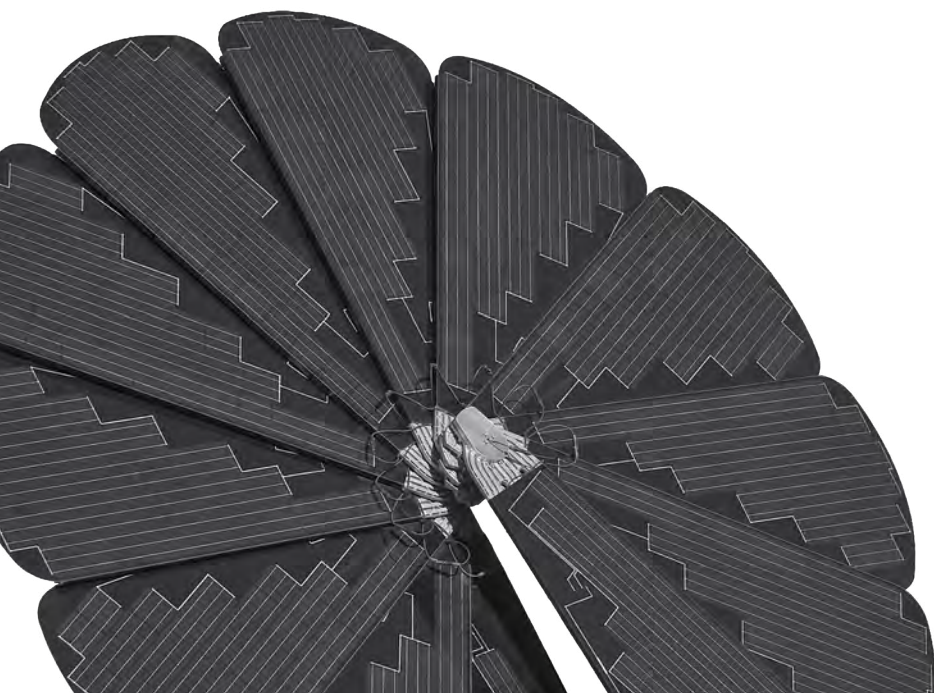
Over in China, electricity demand for data centres is expected to more than double by 2030 (IEA 2025b). China currently generates more than twice as much energy as the US, increasing at around 6% per year (EMBER 2026). A trio of Big Tech CEOs—Tesla’s Elon Musk, NVIDIA’s Jensen Huang, and OpenAI’s Sam Altman—have openly acknowledged China’s edge in the energy domain (Al Jazeera 2026).

The impact of the current AI buildout—and whether AI enables more emissions than it avoids—depends on the balance the infrastructure needs and its broad applications across economies. Current modelling estimates that, without policy intervention, AI’s effects will increase the carbon intensity of the global economy and entrench the dominance of fossil fuels (Nature 2026a).

This shift has social and financial impacts, too. Across countries, there's growing backlash against both the idea and physical presence of data centres. Another pain point is price. With widespread adoption and more complex use cases, cost to business is rising rapidly. Enterprise software giants are moving to usage-based pricing models, with subsidised pricing disappearing. In response, many companies are putting the brakes on AI investment (WSJ 2026).

With AI dominating conversations, it can be easy to forget that the energy shift also links to rising geopolitical uncertainty and supply chain disruption. Meanwhile, 2026 has seen record temperatures and wildfires; droughts and historically low river levels across Europe are causing some nuclear power plants to either reduce output or close down completely.

As governments explore trade-offs between economic growth, energy security, and addressing carbon emissions, the inelegant energy journey powers on. +



PROVOCATION

You can't take tokens for granted



Token cost for AI is adjusting to reality. Are you ready for tough trade-off decisions?

- + Per token cost is down, but Agentic AI is token-hungry.
- + Some Anthropic power users who locked-in rates in 2024 now accrue \$35K in cost on a \$200 plan (AFR 2026)—this will change.
- + 93% of leaders say they exceeded their annual AI budgets. Spending is up threefold (McKinsey 2026b).
- + Who will get access to the most powerful AI in your organisation... and who won't? How will you decide?



**SHARE
YOUR
THOUGHTS**

“Behind every AI application sits physical infrastructure. The connectivity, compute, security and resilience that make it all possible are easy to overlook, but impossible to do without.”

VICKI BRADY

CEO & MD, Telstra

“Energy is critical. In many industries, it is the key input. And what I’ve seen in the energy industry over the last five years is probably more volatility than I’ve seen in my whole career in energy.”

CAROLYN COMER

Former President & CEO, Shell Energy North America

“AI can help solve some big policy crises, like in energy. AI can be used to optimise energy systems, make grids smarter and more efficient, and help businesses reduce their energy consumption.”

WILSON WHITE

Vice President Government Affairs & Public Policy, Google



“There is an exponential growth in token cost with project complexity, sticking coding units together. You don’t get efficiencies. The human expertise to understand how things hang together is becoming more important, not less.”

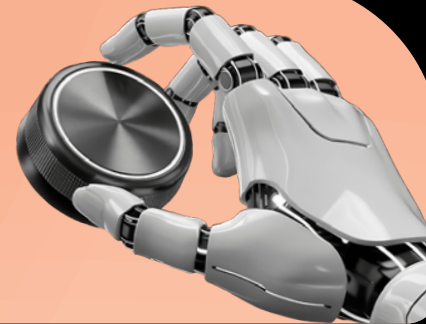
STEPHEN KOWAL

CEO, Atturra

“The needs of data centres, what they are, what they can do, is very much invisible to the majority of leaders. We absolutely need to talk about energy efficiency from a domestic point of view, and from a business point of view.”

BERNADETTE FOLEY

Group Executive, Professional Standards and Engineering Practice, Engineers Australia



“If you’re building a data centre in my town, be open about what it requires from the local environment. Is there a way to create your own energy? Use batteries? Oh, and I want a community benefits package.”

REED GALEN

Founder of CivicForum.org and Co-founder of The Lincoln Project



“Community pessimism has implications for business. Loss of trust in institutions, loss of a belief in the proposition that the next generation will get to live a better life than us, deep uncertainty about where the world’s going, what AI means, what climate change means, is weighing on community members. It’s making some people angry, some people just lethargic, disenchanted.”

THE HON JULIA GILLARD AC
27th Prime Minister of Australia



The trust shift



“Trust building is harder than ever. It comes down to authenticity and openness, and requires time spent face to face as well as communicating in other ways. Leadership, and organisational change, ultimately depends on that trust.”

PAUL JENKINS

Global Co-CEO, Ashurst Perkins Coie

Eroding foundations and shrinking circles of trust

Who do you trust?

Fewer people than before, according to the numbers. For the past 25 years, the locus of trust has drifted: from authorities to peers, from peers to your own camp opposing the other camp, from camps to grievances, and now into ever-smaller groups of the like-minded (Edelman 2026).

We’re reluctant to trust anyone or anything “different from us”. This promises to have an

enormous influence on work, media, business, and government strategy. Insularity has all the hallmarks of a major global crisis, with 70% of people retreating into smaller, familiar, values-aligned circles (Edelman 2026). If circles of trust keep contracting, we can expect profound flow-on effects on leadership, productivity, and receptiveness to change and innovation. On a social level, around one in five people already report feeling lonely during a typical day (The Conversation 2026b)—a shift to smaller circles will only intensify that.

Economic uncertainty, geopolitical tension, and technological disruption have continued to challenge the foundations of trust—chipping away at our taken for granted principles, institutions, relationships, and norms. As Reuters put it in its 2026 *Digital News Report*: “Assumptions about the way the world works are being questioned as longstanding international alliances shift, the global trading system comes under strain, and the basic shape of the post-war order appears uncertain” (Reuters 2026a).

PROVOCATION

Are you a trust broker?

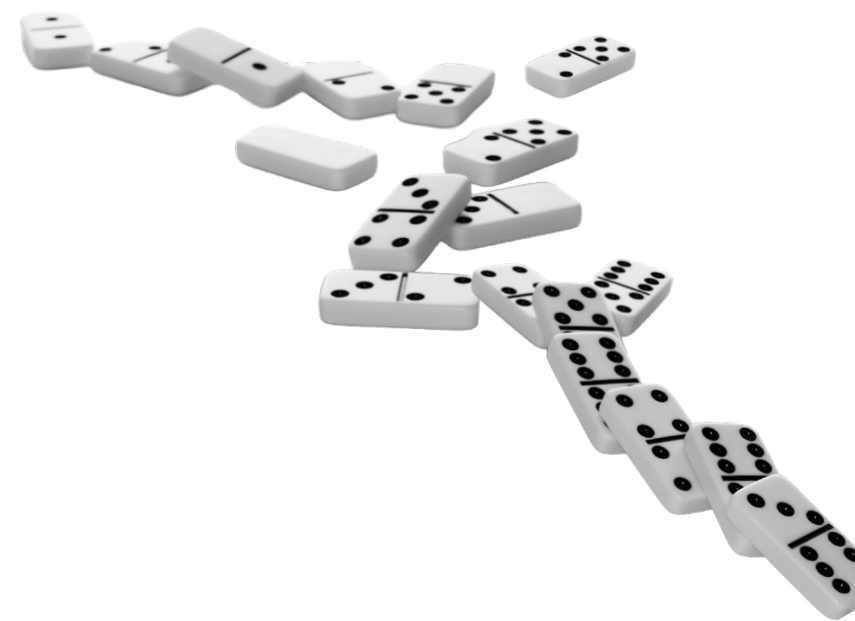


How will you expand your (and your teams') circles of trust and cooperation?

- + Who we trust is becoming more insular, moving to familiar social networks—or AI.
- + 70% of people are unwilling or hesitate to trust those whose values or background differ from theirs (Edelman 2026).
- + 74% of workers say they now ask AI questions they would've previously asked co-workers (MyIQ 2026).
- + Employees want leaders to facilitate trust for shared identity and culture (82%), and bridge different values (81%) (Edelman 2026).



**SHARE
YOUR
THOUGHTS**



It's not just nations trusting each other less—citizens trust their leaders less, too. Last year, we were fearful that our leaders were lying to us (Edelman 2025). This year, 43% of people across OECD countries have low or no trust in their national government (OECD 2026). This lack of confidence, along with a rise in community pessimism about life generally, contributes to a gloomier outlook: globally, just 32% believe the next generation will be better off, with the biggest declines in India and China (Edelman 2026).

Trust in news has similarly declined: only 37% of people worldwide trust it. Over-55s still read the news purposefully—87% of them on a daily basis. Only 64% of 18–24s make it a daily habit, and for them it's incidental rather than intentional—something that happens mid-scroll. Younger audiences are also more at ease with AI: they're likelier to use chatbots to navigate and simplify the news. For them, trust increasingly relies on a peer-to-peer cross-check (Reuters 2026b). If they trust, I will trust.

While they're more at ease with using it, and adoption rates remain steady, negativity and distrust towards AI has risen in US Gen Zs. Perhaps you recall earlier this year when college graduates booed pro-AI business leaders at various commencement speeches? Gallup reports that, compared to a year ago, "Anger about the technology has risen, while excitement and hopefulness have dropped". There's scepticism about the technology's net benefits, the majority believe it hurts learning, and, at work, AI-assisted output is trusted less than that made by humans alone (Gallup 2026a).

As uncertainty has become the norm, trust has stopped behaving like infrastructure: an invisible yet reliable foundation you could once build on. It's now become something you have to make—a DIY project at scale. +



PROVOCATION

Are you happy for this to be on the record?



When everyone records everything, where do you draw the line? How do you create awareness?

- + Meeting rooms, rideshare cars, coffee shops—are you aware who's recording, and when?
- + Turnover is almost double at companies that monitor workers (Deloitte 2024).
- + Every meeting can be transcribed. What can we do with it? Do we want everything on the record?
- + Transparency can build trust. But transparency without context can also erode it.



“Levels of trust are at record lows. People feel that society is broken, trust in institutions is at an all-time low. You’ve got to address the question: *Why would anyone follow me? And why should anyone follow me?*”

PROFESSOR MARK SCOTT AO

Vice-Chancellor and President,
The University of Sydney

“What does good economic policy look like? What does good business practice look like when the assumed foundation starts to erode?”

DR ARUNA SATHANAPALLY

CEO, Grattan Institute



“Surveys consistently show declining trust in institutions because strong leaders today pretend they have answers to all questions. If a leader claims to know everything but can’t see how fast the world is changing, why would anyone trust them?”

JOHN HAGEL

Founder, Beyond Our Edge

“If you are not protecting your brand right now, you’re in trouble. Because people will be exhausted by the sheer volume of stuff. Trusted brands matter more than ever.”

JANE HUXLEY

Former CEO, Are Media

“AI makes it so much easier. Misinformation and disinformation breeds community distrust. We might have a big tech backlash coming.”

DR KATE CORNICK

CEO, Tech Council of Australia



“I think there’s a broader sense of pessimism right now. Any one decision or development may not seem consequential on its own, but when you step back and think about the cumulative effect over the next 10 years, on the environment, human rights, our political institutions, and society more broadly, it’s hard not to be concerned.”

EDEN XENAKIS

Chief of Staff,
Bezos Family Foundation



“What I see is threats to the rule of law. We have to be alive to that.”

THE HON ANDREW BELL AC

Chief Justice of NSW

**“Leadership today is
often a battle against noise.
The scarcest resource isn’t
information, it’s the time
and space required to think.”**

JASON MURRAY
CEO, CareSuper



The information shift

Lost in a synthetic sea

Every year the internet gets bigger, faster, louder. And more AI-laden.

Online, over 400 million terabytes of new data gets added per day (Exploding Topics 2026). Consumed as HD Netflix, a single day's worth would take 133 billion hours to watch. The channels multiply alongside it: podcasts, blogs, newsletters, and more social networks than you can poke a thumb at. The typical user now spends over 18 hours per week on social media alone (DataReportal 2026).

None of this is a revelation. Volume has long been an issue. You've felt it for a decade.

The change is that content has gone synthetic. This new shift poses hard questions: how much information is real, how much is information at all, and what's all of it doing to the information ecosystems we've built?

Content has never been cheaper to produce. More than half of US employees now use AI at work, and the single most common use is writing and editing



"AI is different. AI feels real. Our information ecosystem will change dramatically."

NIALL FIRTH

Executive Editor, Newsroom,
MIT Technology Review

(Gallup 2026b). AI content isn't just clogging *your* inbox. It's in government: buoyed by AI, requests to the US Office of Legislative Counsel rose 72% in two years (Politico 2026a). And it's in science: submissions to *Organization Science* with more than 70% AI-generated text have more than doubled over the same span (Nature 2026b).

It's all over the web, too. Since the launch of ChatGPT in November 2022, roughly 35% of newly published websites have been classified as AI-generated or AI-assisted (Pew 2026); across the

PROVOCATION

TMI?



Too much information leads to overwhelm. Can you find the signal in the noise?

- + You can find news in more places than ever: social media, podcasts, video, RSS, apps. How do you choose?
- + 72% of leaders say volume of data, and lack of trust in that data, have stopped them making decisions (Oracle 2023).
- + On average, you're being interrupted every two minutes by notifications at work—fracturing your attention (Microsoft 2025).
- + You track more issues, with more input, than ever. How do you prevent overwhelm?

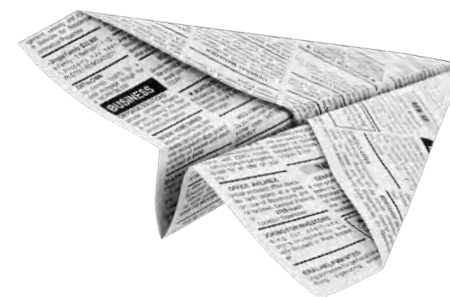


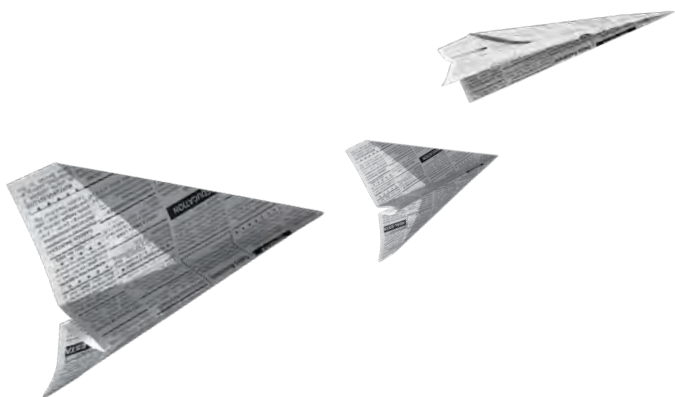
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internet as a whole, the number of articles written primarily by machines now equals the number written by people (Graphite 2026). Consider the search box, which now gives you an AI-authored summary that takes priority over your search results. On the user-front, the internet is, for the first time, more machine than human. In August 2026, AI agents generated more than 62% of web page traffic (Cloudflare 2026).

Do agents enjoy slop? Hopefully, because low-quality, machine-generated content is pervasive. It's not just Shrimp Jesus in Facebook feeds, either. More than 20% of the first short videos YouTube serves a new user are AI-generated (Kapwing 2025), over 40% of long-form LinkedIn posts have been flagged as fully synthetic, and barely half of the articles on X are fully written by a human (Pangram 2026). Slop has become so prevalent that dictionary publisher Merriam-Webster chose it as its word of the year in 2025.

This shift to synthetic content is polluting our information ecosystem. You were promised the opposite: more insight, sharper tools, faster answers—we were all going to be better





informed and optimised for decision-making. The reality is a world of more content and less information, moving faster than the systems built to filter it and faster than you can process it.

The first casualty is discernment. “It’s getting harder to tell what’s real on the internet,” Substack CEO Chris Best wrote in a 2026 newsletter. Platforms are scrambling, with LinkedIn branding AI slop “a top priority for all of us”—even adding a button that invites users to flag it.

To help filter the noise, you might turn to AI. But your new referee has a problem of its own. Ask a model to reason about a falsehood that you believe, and its accuracy collapses: GPT-4o from 98.2% to 64.4%, DeepSeek R1 from over 90% to 14.4% (Stanford 2026b). AI struggles to help you tell the difference between knowledge and belief.

The second casualty is decision-making. Whether or not it’s true, slop reads as authoritative, and even the benign kind does damage simply by being everywhere. The content sounds confident, and data seem abundant. So you gather a little more, decide a little later, and end up being both overwhelmed and probably wrong.

Information isn’t what it used to be. In fact, much of it isn’t even information anymore. Mind the brainrot. +

PROVOCATION

Is this any good?



Is it slop? Is it real? Is it worth your time? How do you even know what to fact-check?

- + 52% of new online content is AI-generated (Axios 2025).
- + AI news summaries can have significant inaccuracies (BBC 2025). Do you click on the link?
- + 51% of AI users don’t always know when to trust AI outputs and when to verify (TeamViewer 2026).
- + Judging AI output is hard; in experiments, humans miss errors without reminders to check (Bilen & Hervé 2025).



**SHARE
YOUR
THOUGHTS**

“Leaders used to compete on having the best information. Now the skill is taking overwhelming complexity and giving people a simple, honest picture of what matters and what does not. It’s about turning complexity into a clear path forward that an organisation can support and act on.”

PAUL JENKINS

Global Co-CEO,
Ashurst Perkins Coie

“As a leader, you often work at a very high level. As the leader of a political party, I have a shadow cabinet that I’m asking to be specialists in their areas and feed up to me. But sitting down and just reading, there is less time. There is such a torrent of information, it’s like a fire hose, and you just can’t drink it all.”

KELLIE SLOANE MP

Leader of the Opposition
Leader of the NSW Liberals

“Add up the amount of time spent across the week just going through it all and I’m sure it’s hours—just spent looking and watching and participating in this system of information and content.”

ADAM LETO

CEO, Western Sydney
Leadership Dialogue



“The biggest impact that we’re seeing is the sheer volume of information that people have access to now, it’s putting a real priority on critical thinking.”

LORRAINE FINLAY

Human Rights Commissioner,
Australian Human Rights
Commission

“Many leaders only receive filtered or diluted signals that are too far removed from business, which means they never truly feel the real pain or recognise the opportunity. Every leader needs their own ‘control room’ to continuously capture and interpret unfiltered signals from both inside and outside the organisation for better decision making.”

CHRISTIAN VOLK

Director Gaming
& Esports, FIFA



“I’ve had to put limits on my own news consumption. Having a 24/7 news cycle at our fingertips isn’t necessarily healthy, particularly when so much of what we see reinforces what we already believe. I think we have to be intentional about seeking out different perspectives and resisting the tendency to retreat into our own information bubbles.”

EDEN XENAKIS

Chief of Staff,
Bezos Family Foundation



A silhouette of a person in mid-jump, clearing a mountain range. The background features a large, bright, glowing arc that resembles a rainbow or a lens flare, set against a warm orange and yellow sky. The mountains are dark and jagged, creating a stark contrast with the bright light.

**“Over the next three to five years
I think the world is going to
speed up in a way, we’re only just
starting to come to grips with.”**

DR KATE CORNICK
CEO, Tech Council of Australia

Leading the next decade

Your guide to navigating what's ahead

How do you lead in a world that's becoming increasingly disoriented and disorienting? In a world fuelled by shifts that fracture established orders and challenge proven approaches? In a world where you need to find productive ways to provoke thought and action?

THE RESPONSE IS LEARNING AND UPSKILLING

You'll need to reorient yourself and be responsive to the coming changes to understand emerging risks and make use of new opportunities. You'll need to learn new skills and unlearn old ones. You'll need to craft initiatives to upskill your leadership teams.

THE SKILLS HORIZON PROVIDES ORIENTATION

It tells you what you need to know now, what to learn next, and what to look out for. The Skills Horizon is your guide to navigating what lies ahead, through learning and upskilling. It provides you with a strategic lens for prioritising your organisation's leader development.

WHAT WE TAKE FOR GRANTED

New skills always build on existing capabilities. They're most effective when they're met by deep expertise. The Skills Horizon distils responses to emerging shifts in the environment into key skills to learn and master. Horizon skills complement and amplify your expertise and capabilities as a leader.



"Your learning velocity matters more than anything else. The rate at which we are all learning to adapt, learning the tools, learning how to adjust, learning new skills."

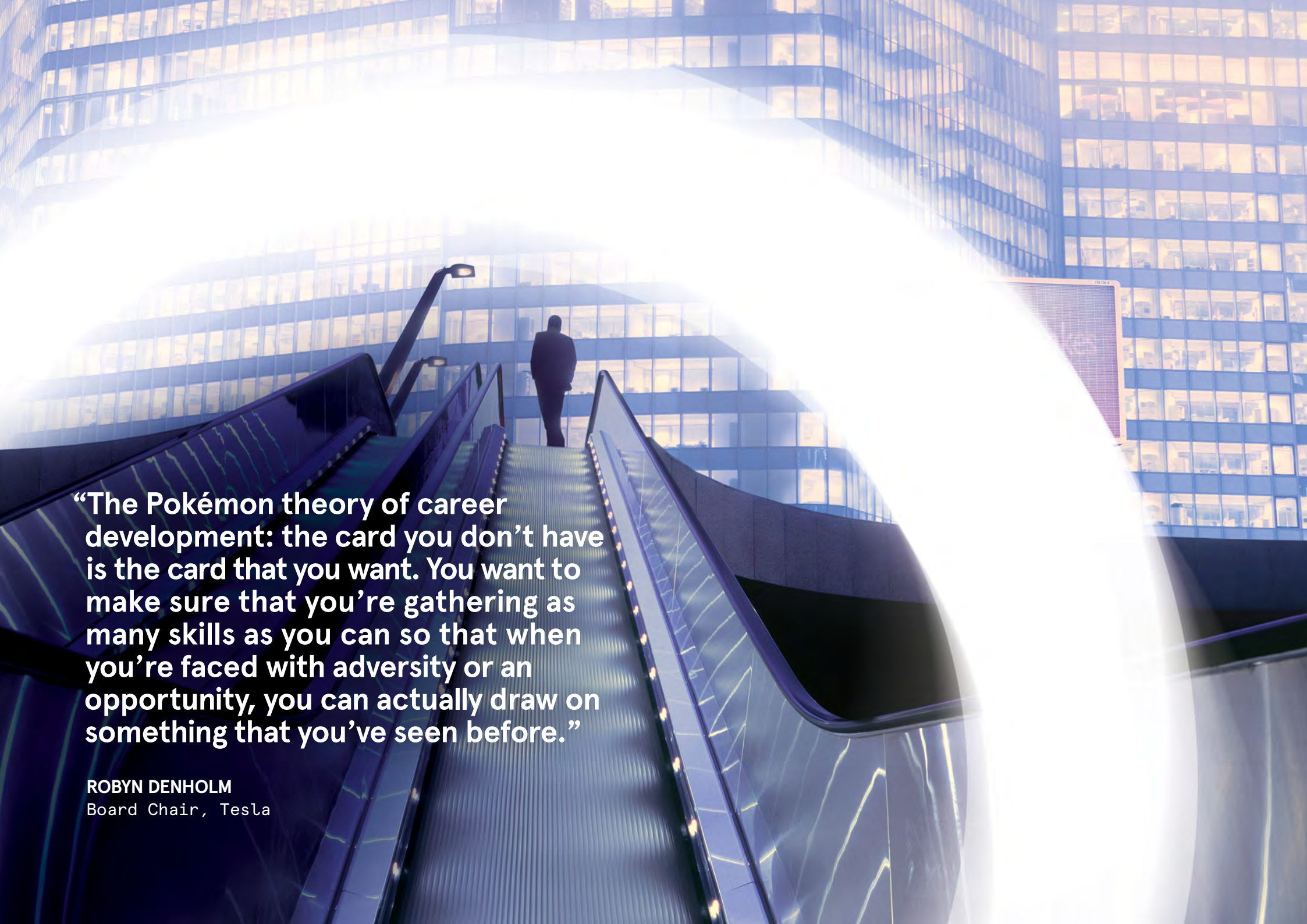
CLIVE VAN HOREN

CEO, Colonial First State

Postgraduate degrees offer pathways for professional specialisation and career change. Skills build on that formative education and the deep expertise you build on the job.

You won't find foundational capabilities on the Skills Horizon. We expect you already know that disruptive times require critical thinking, creative problem-solving, and emotional intelligence. You don't need the Skills Horizon to tell you that.

For everything else, we invite you to keep reading...



“The Pokémon theory of career development: the card you don’t have is the card that you want. You want to make sure that you’re gathering as many skills as you can so that when you’re faced with adversity or an opportunity, you can actually draw on something that you’ve seen before.”

ROBYN DENHOLM
Board Chair, Tesla

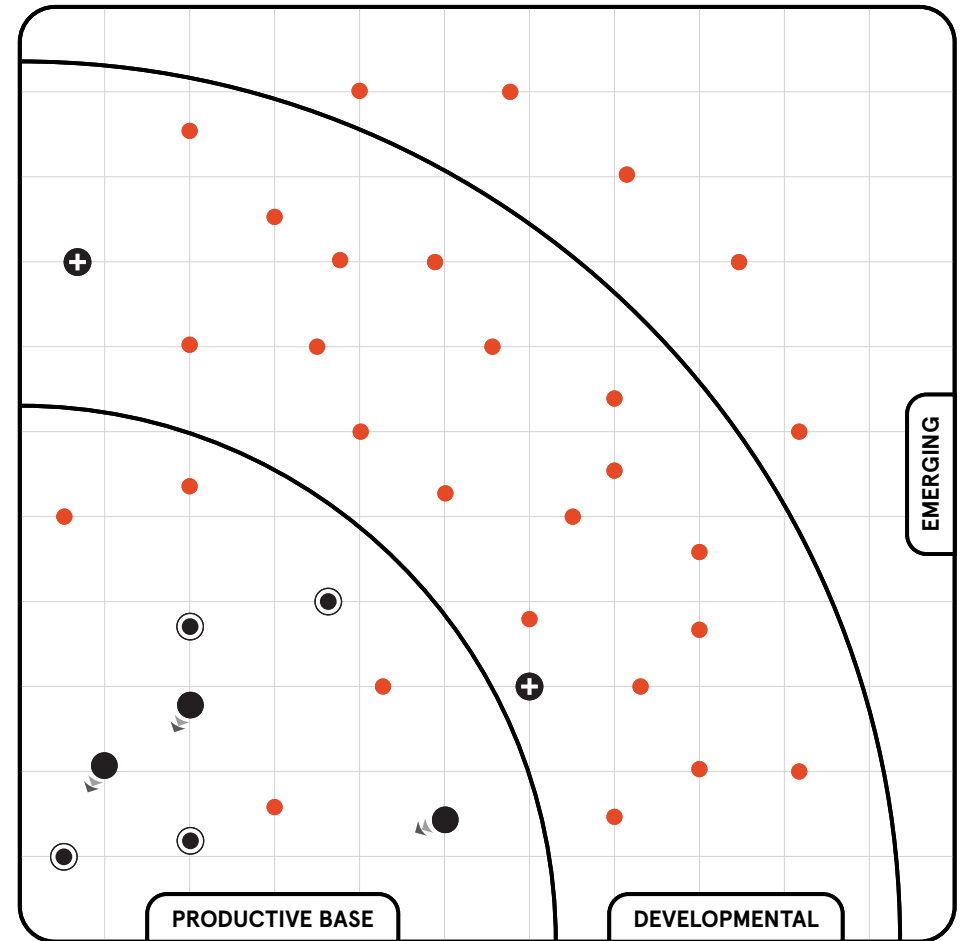
A closer look at the Skills Horizon

What it is and how to read it

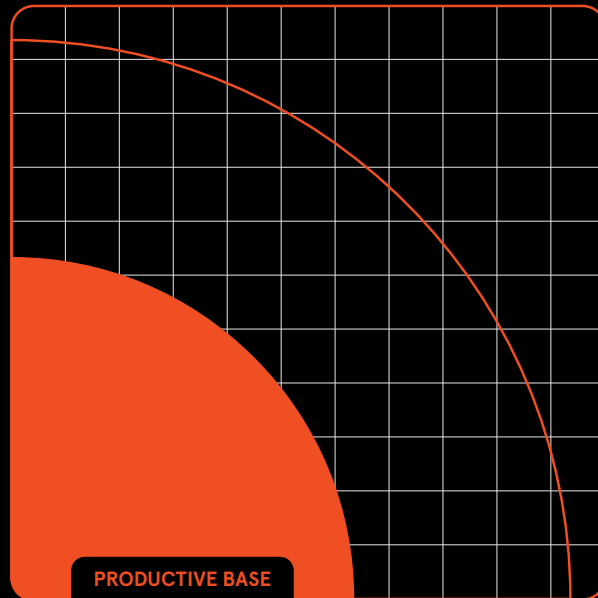
The Skills Horizon is a visual representation of the things you need to know now, what you should be learning next, and what you should consider exploring.

It takes in-depth qualitative and quantitative analyses and actionable recommendations and provides insight into the relevancy, maturity, and criticality of skills required to thrive in a decade of disorientation. Understanding our methodology will help you get the most out of the Skills Horizon when you use it to evaluate your own skills, your team's skills, resourcing, skills development, and career management.

The Skills Horizon cautions against short-lived needs and instead helps with strategy and strategic planning, capability mapping, and strengths assessments.



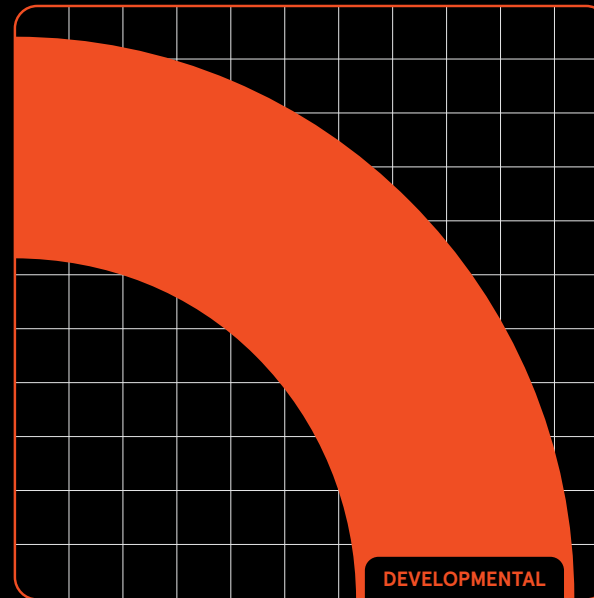
Today, soon, years from now. We position skills on three horizons, based on their urgency:



PRODUCTIVE BASE

This is what you need to know now. The critical skills that should be acquired or honed immediately; baseline capabilities you need for successful ongoing management and leadership.

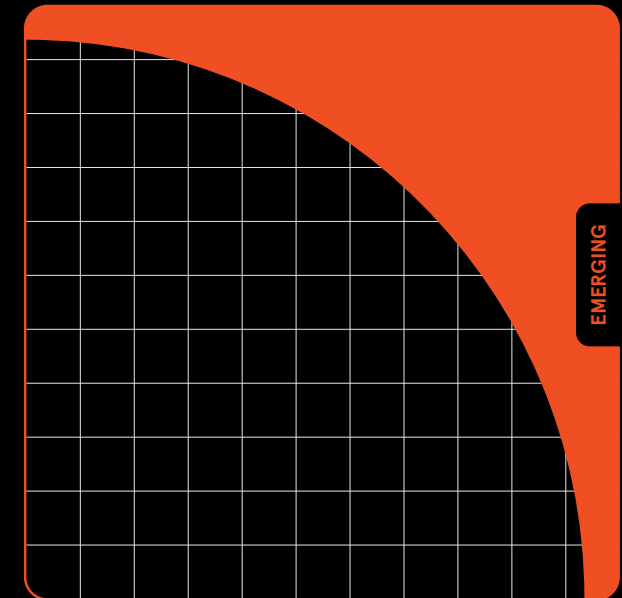
All current and emerging leaders require an essential core to operate effectively in our changing world.



DEVELOPMENTAL RANGE

This is what you need to learn next. Developing these skills will prepare you for near-term opportunities and risks.

Skills that are in the developmental range have come into focus. Forward-thinking current and emerging leaders are already adding them to their core.

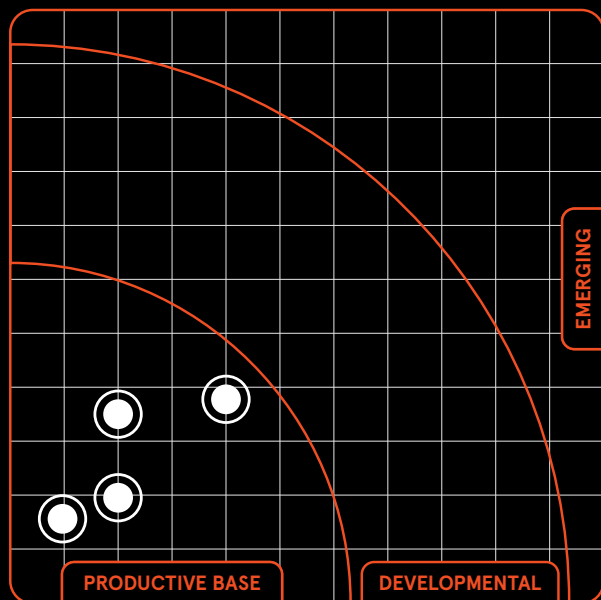


EMERGING SKILLS

This is where you need to explore. You should consider these for the longer term because they could be gamechangers. New business models could emerge, entire industries could be reshaped, and novel risks might surface.

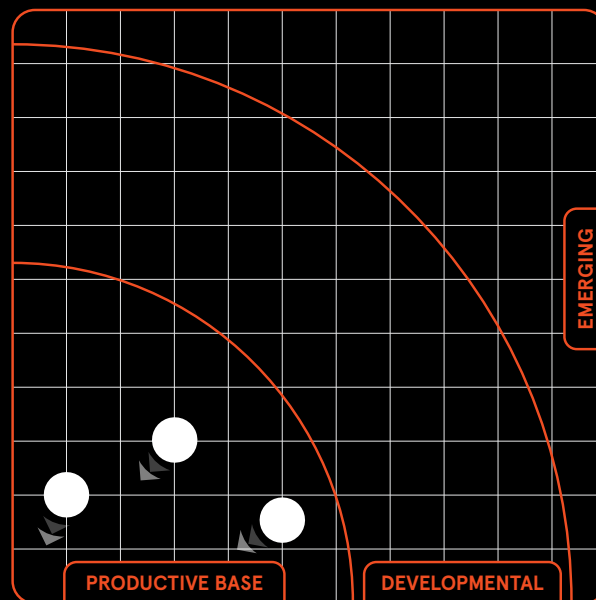
These skills might become essential in the next decade. Strategic, future-focused leaders and emerging leaders will experiment with these early to future-proof their organisations.

As the world changes, so does the role of certain skills. We've identified three categories of interesting moves that deserve special attention:



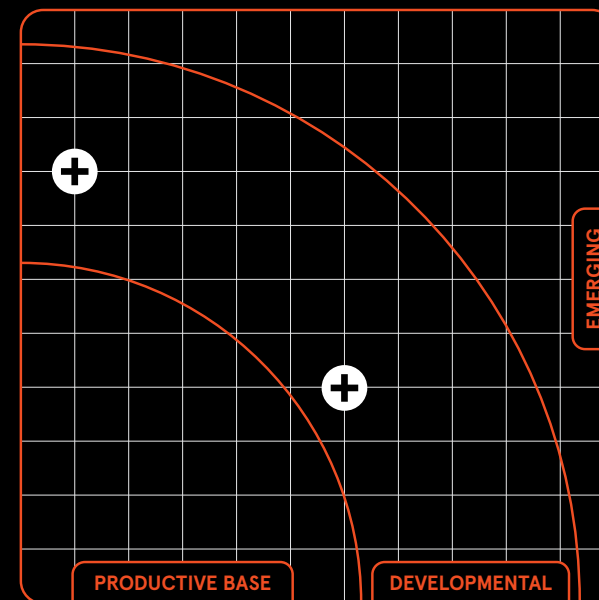
AMPLIFIERS

These skills have the potential to dramatically speed up or enhance other capabilities. They're force multipliers that can help you make your organisation more productive, take advantage of other skills, or gain an edge on your competition.



MOVERS

These skills may have been on the radar for a longer time but have suddenly become critical to success or moved from the developmental range into the productive base.



UNEXPECTED EMERGERS

These skills have quickly risen to prominence due to changing circumstances. These are the new wildcards that can catch you and your organisation off guard if you're not paying attention, but which could lead to big opportunities if used effectively.

A large blue sphere, resembling a planet or a large balloon, dominates the left side of the page. In the foreground, the silhouettes of two people are visible against the sphere. One person is holding a small airplane aloft with their right hand, while the other stands beside them, looking in the same direction. The background is a light, hazy sky.

How we built it

Breaking down our methodology

What skills do leaders need to prepare for a fracturing world—now, and for the coming 3–7 years?

This is the main question at the heart of our Skills Horizon research.

To answer it, we draw on a variety of sources and techniques, across three dimensions:

01 SCOPE

We study the context in which skills are needed, and we study skills directly. We actively engage with how the world around us is changing, which drives the requirements for new skills. And we study the need for new skills directly by analysing existing skills reports, and through our conversations with leaders around the world.

02 TIMELINES

We look back and we look forward. We study existing materials available in the public domain: various media that focus on the future of business, society, and leadership and existing skills reports. And we practise strategic foresight, using signals we observe in the environment and eliciting the views and intuitions of leaders in their fields to understand emerging skills requirements.

03 SOURCES

We incorporate public material, and we collect and create our own. We tap into the public conversation around change and skills, as it unfolds in both the media and research. And we engage in private conversations with a diverse group of senior leaders, as well as hold our own private conversations, using foresight techniques to make sense of the future of business.

We bring these three dimensions together in four interrelated studies, from which we have synthesised the Skills Horizon and the detailed skills outlines presented in this report:

01 THEMATIC MEDIA ANALYSIS

To map how the world is changing we compiled a corpus of one million articles from key business news outlets and magazines, for the period 2021–Q2 2026. For international coverage: *The Economist* and *Business Insider*; for US insights: *The New York Times*, *The Washington Post*, and *The Wall Street Journal*; and for the APAC perspective: *The Australian Financial Review*, *The Economic Times (IN)*, and *The Business Times (SG)*. This year, we used even more powerful AI models to run two kinds of analyses. Thematic frequency analysis allows us to map what the world talks about, and how these conversations have changed. Collocation analysis reveals meaning drift—how key topics associated with our Shifts have changed meaning; we track culture, work, energy, accountability, sovereignty, trust, information, data, technology, and AI.

02 STRATEGIC FORESIGHT ANALYSIS

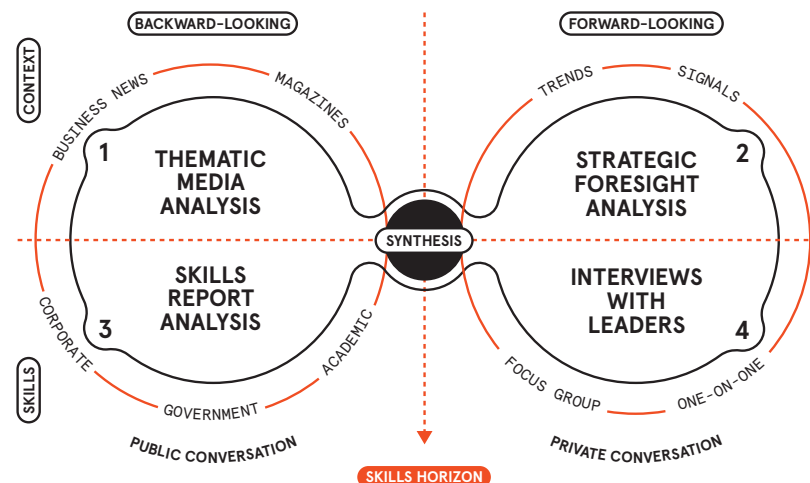
Our research team uses strategic foresight methods to track and trace emerging trends and early signals to anticipate possible futures. We combine the use of well-known megatrends with signals analysis to gain a background understanding of how the world is changing.

03 DESK RESEARCH ON SKILLS

We review reports on the future of work, and those exploring key trends impacting organisations, business and leadership. These reports feature significant inputs from management consulting firms; global bodies like the OECD; large corporates like Microsoft; plus government publications and academic research.

04 SENIOR LEADER INTERVIEWS

Gaining insight into the private worlds and thoughts of leaders is more challenging, as it involves bringing conversations that happen organically to the surface. At the core of our study are personal interviews and focus group sessions with senior leaders and executives in business, government, academia, defence, culture, and the arts. Among others, we spoke with CEOs, CPOs, former and sitting prime ministers, army generals, government secretaries, NGO and charity leaders, head chefs, tech leaders, airline captains, judges and arts executives from around the globe. We asked what they saw impacting their respective organisations over the next decade and what skills they thought leaders will need in our changing world.





The world in words

Mapping the public conversation

Here we reveal how media attention has shifted over the past five years and what everyone's focused on right now. We do this in two ways: by showing how topics evolved in frequency, and in meaning.

Without asking any particular questions, here's what our corpus tells us: what everyone's talking about, across the eight outlets we tracked; what has the media's attention; what went up and what went down.

To account for the fact that these outlets publish very different numbers of articles, we use source standardisation to calculate each topic's prevalence separately within each of the eight publications and then average the eight figures with equal weight.

This analysis is inductive and unsupervised: it surfaces anything that gets attention across the corpus, not necessarily stable topics or those

relevant to leaders. But it tells us a few important big things to begin with.

The next page shows first what received the most attention, and then unpacks which topics changed the most. Note that averages mask interesting developments. Here are two important examples:

- + Attention on education is down overall, but this is an artefact of the post-COVID era when the focus was on the impact of lockdowns on schooling. More interestingly, across the period, attention on education in general news outlets is down, but it's up in business media. Attention is shifting from civic education coverage to business interest in education and workforce pipelines.
- + The big drop in attention on work is equally a post-COVID artefact; the drop largely occurred from 2021 to 2022. Recently, attention has increased, but the conversation is also shifting in nature (see later).

MOST TALKED ABOUT IN 2025

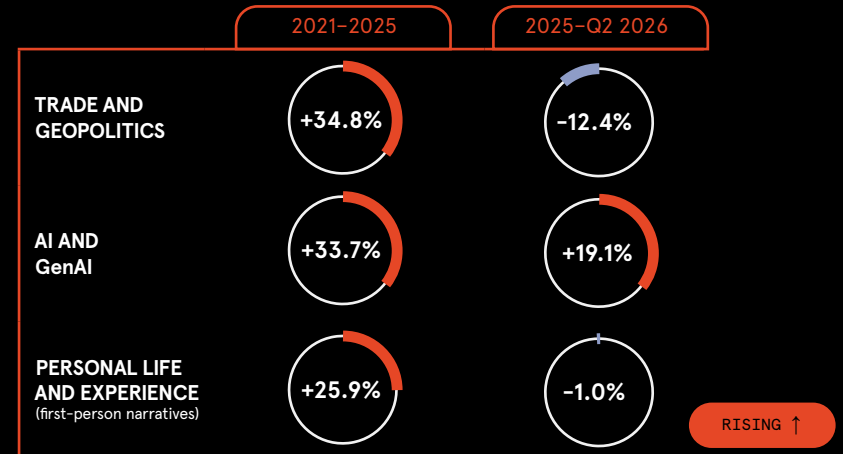
Change 2021 to 2025

6.1%	AI AND GenAI	By far the strongest growth since 2023, with massive acceleration in 2026.	+33.7%
5.7%	PERSONAL LIFE AND EXPERIENCE (first-person narratives)	Not a coherent topic, but rather a genre of writing covering a wide range of topics as personal experience stories.	+25.9%
5.11%	METROPOLITAN AND LOCAL NEWS (US dominated)	An artefact of including two city-based general news outlets: <i>The New York Times</i> and <i>The Washington Post</i> .	-5.9%
4.91%	TRADE AND GEOPOLITICS	Strongly up, just like the tariffs in that period. Strong focus on China.	+34.8%
4.79%	CRIME AND LEGAL ACCOUNTABILITY	Growth across all outlets, except <i>Business Insider</i> ; driven by controversy around the US administration.	+15.8%
4.57%	HOUSEHOLD FINANCE AND COST OF LIVING	Affordability has become an important topic internationally.	+18.7%
4.48%	WORK, EMPLOYMENT, AND WORKFORCE	Drop occurred in 2022 in the aftermath of the pandemic; steady since, with new growth in 2025.	-12.2%
4.21%	PROPERTY, HOUSING, AND DEVELOPMENT	Fairly steady, with ups and downs—an indicator of the affordability crisis.	-6.4%
4.14%	EDUCATION, LEARNING, AND EDUCATION SYSTEM	Strong drop after the pandemic, but steady since.	-4.1%
4.07%	US POLITICS	Up and down, just like the election cycle.	-1.5%

WHAT'S HOT, WHAT'S NOT, AND BOT

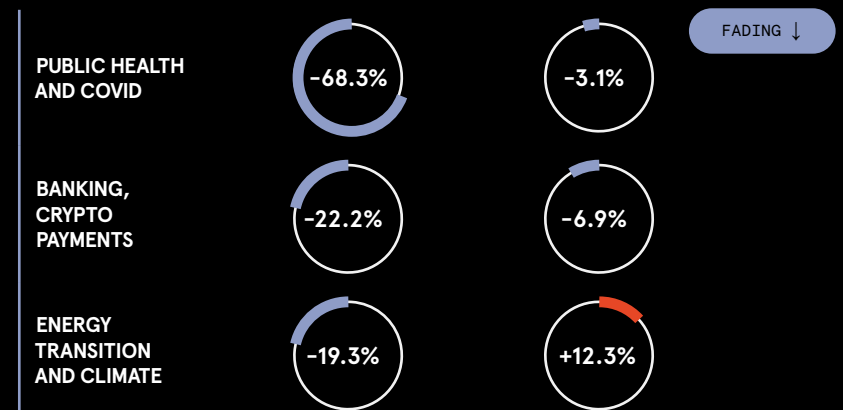
Here's what went up—and down—during the period of 2021 to our most recent capture in mid-2026. While 2026 does not allow for a full analysis (since it only has half-year data), it provides a good trend check of where things are headed (hint: it's all AI).

WHAT'S UP: TOP 3



ATTENTION

WHAT'S DOWN: FLOP 3



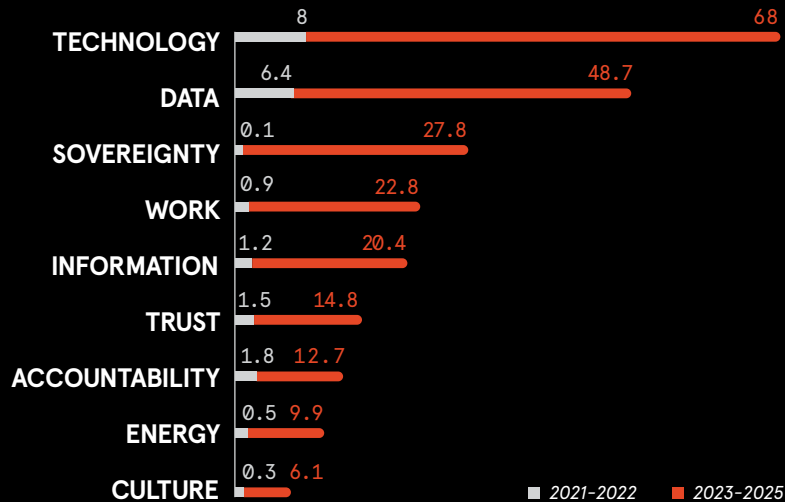
These numbers reveal stable trends, topics that surge and those that keep changing. A number of them are worth a closer look: What's the impact of the rise of AI, in particular on work? What's the deal with first-person narratives? Why are geopolitics and energy and climate swinging wildly?

AI IS EVERYWHERE, AND EVERYTHING IS AI

We don't need to tell you that all news is AI now. In our analysis of which terms rose versus those that faded, AI was up by a whopping 774%, and generative AI emerged almost out of nowhere.

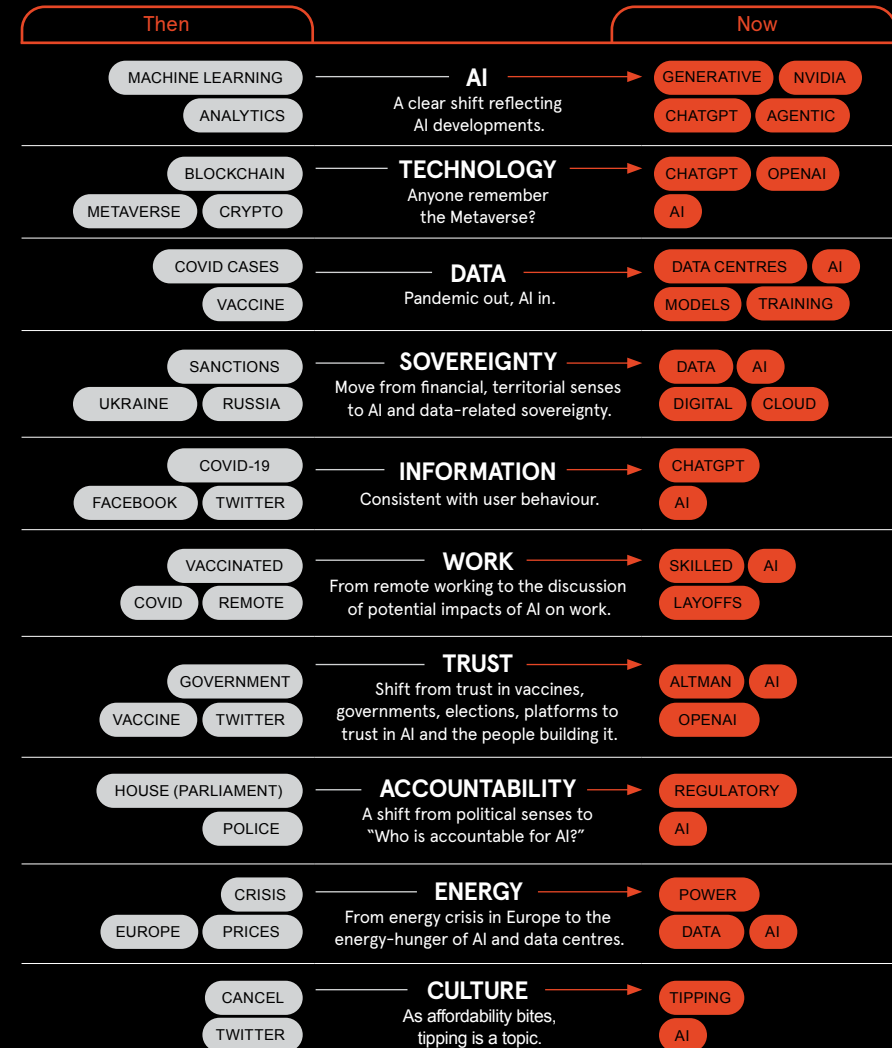
It's still worth unpacking the extent to which this rise is happening, and how it colonises almost every conversation—much like how AI now invades your team meetings, board room discussions, and coffee shop chats. In our analysis of meaning drift, we analysed—for a number of Skills Horizon-relevant terms (see below)—how the words that appear close to these anchors changed during the period. These 'association changes' let us discuss how their meaning changed, as the context in which they're used shifts.

And the result is: AI, everywhere, and all at once. For each of the topics (other than AI), AI emerged as the top-rising collocated term, consistently and nearly across all of the sources (for culture and accountability the shift only holds for seven of the eight sources). Importantly, this insight emerged from the analysis without specific prompting. It surprised us, but it makes sense.



Appearances of "AI" inside each term's context, as "AI" mentions per 10,000 context-articles

Let's unpack a few of these meaning drifts. A reminder again—our analysis surfaces media attention and what context these words are used in, not importance or necessarily what needs your attention looking forward (the rest of the report will help you with that).



WORK HARDER—NOW WITH AI

The public conversation around work has shifted significantly. You know it, and so does our data. Back in 2021, in the shadows of COVID, conversations about work were all about remote and hybrid work and employee wellbeing. You, your teams, and the media were busy discussing the ‘new normal’ of work and the wellbeing impacts of both the pandemic and hybrid working. But attention moved on and interest in COVID collapsed by -78%, dragging remote work (-42%) and wellbeing (-40%) along with it.

Welcome to the brave new world of working with AI. The new conversations? We’ve seen a rise in talk about productivity (+76%) and resilience (+89%). It sounds like work has gotten harder and the environment is getting tougher—at least according to the chatter around it. Last year, we introduced the clash between policy and people—your need to balance your people’s needs with productivity and performance outcomes. That’s still the conversation you need to be having with your teams, but anxiety among your people is likely up, as talk about layoffs is up too (+129%).

The rise in skills-related conversations (+58%) points to the need to pay attention to what you need to learn next. Luckily, you came to the right place. Check out our new blob dedicated to **Leading the AI transition**.

PUTTING THE ‘ME’ IN MEDIA—PLUS MORE AI

One of the strongest growing categories in our frequency study was the genre of first-person accounts, writing that reports on individual

experiences across all kinds of topic areas—a shift in how news is reported rather what is talked about. We locate this shift in the influence of social and algorithmic media.

Not only do people increasingly get their news on these platforms, but what happens on these platforms also makes it into traditional media—explicitly and stylistically. Business journalism increasingly reports on what happens on platforms (with such mentions up by 80% in the period across all outlets). More interestingly, social media-style writing of first-person accounts is on the rise across our corpus (+25.9% and the second-largest category). The reason might be a general culture shift towards local reporting, eyewitness accounts, and opinion pieces, as writing built on the vocabulary of everyday life (life, time, family, feeling) is on the rise across the corpus.

Algorithms likely also play a role, as they reward originality. First-person accounts indicate authentic, new experiences, which come at a premium in the age of AI. Last year we introduced **Aesthetic leadership** as a new skill for leaders to be effective in this new media and information environment.

Speaking of AI, its rise is changing the conversation around information, truth, and trust itself. Talk about misinformation (-46%) is being replaced by the rise of deepfakes (up 1170%). As social media has become an everyday part of the media and news environment, the conversation about information itself moves from a focus on platforms like Facebook (-73%) and Twitter (-79%) to AI-augmented content (+1600%). The (mis)information in your newsfeed is all new—more

personal, or more AI-generated. This info shock inspired this year’s new shift, the **Information Shift**.

THE BIG PICTURE IS BLURRY

Finally, the idea of a ‘big picture’ seems increasingly fuzzy and broken—attention on the various problems of scale you’re tracking is swinging wildly, causing whiplash.

Trade and geopolitics was one of the sharpest risers until two years ago, spurred by tariffs and trade wars (+34.8%), but has dropped off sharply recently (-12.4%), as attention moves elsewhere. The conversation is also changing: talk of geopolitical fragmentation jumped 60%, and conversations around critical minerals fuelling the boom in AI chips is up tenfold.

In the same vein, the energy conversation has also shifted. Attention on net zero (-56%), and carbon (-56%) are down across the period, while energy security is up by 29% and very strongly related to the rise of AI. And while the overall conversation around energy and climate is down 19.3% in the main period, it has strongly rebounded (+12.3%) in 2026. It’s hard to keep track, but with the impact of AI’s energy-hunger and extreme weather engulfing the planet, attention is naturally back, too.

This lack of a coherent big picture signals more disorienting times ahead—captured across our six shifts. These are times that need your leadership, which, by the way, has seen growing attention in our analysis, too. It’s up across all outlets, by an average of 28%. We couldn’t agree more. Leadership always deserves more attention. It surely has ours. +



How to use the Skills Horizon

Think of the Skills Horizon as a dynamic guide to help you and your team stay prepared for what's ahead. It should always be read in the context of our changing world, along with the work you do and your career trajectory.

THE SKILLS HORIZON WILL HELP YOU TO:

- + Strategically plan and track what skills you need to acquire or hone now, what you need to learn next, and what you might explore and experiment with.
- + Create a shared vocabulary with your team.
- + Evaluate and understand your, and your teams', skills.
- + Feed insights into broader strategy processes.
- + Prioritise professional learning and development actions by considering timing, resource implications, and integration into individual development plans and performance reviews. This is crucial in preparing the next generation of leaders in your organisation.
- + Promote a leadership culture that fosters continuous learning. And encourage team members to do the same.
- + Impress trusted colleagues, loved ones, and complete strangers. Watch them look on with awe as you pose a provocation about leadership pipelines.

Build a skills-based learning organisation

Leadership development happens at the intersection of skills and capabilities.

Horizon skills complement and amplify capabilities and expertise gained from formative education and hands-on experience. They allow you and your organisation to deal with tricky shifts and emerging challenges, to find traction in headwinds, and new ideas in fractures.

Where individuals see opportunities for lifelong learning, L&D professionals gain insights for crafting a lasting learning culture for their organisation. The Skills Horizon is your instrument for creating deliberate upskilling initiatives that will equip your leaders to adapt and lead with confidence, and socialise skills across your cohorts of emerging leaders.

Skills-based leadership development deepens your organisation's responsiveness to change, diversifies your knowledge capital, and cascades resilience to your whole team. Rather than trying to extract more with existing skills, a deeper skills base enables you to create new value.



**HEY!
STEAL
THIS!**

We've identified four practices that will help your team get started in 2027:

01 SKILLS MAPPING

Begin by using the Skills Horizon to take stock. Map your leaders' and teams' preparedness against the skills across the three horizons. Grade skills for criticality and impact against your own strategic priorities. Consider reporting regularly on your skills depth and future readiness.

02 PROVOCATION GAMES

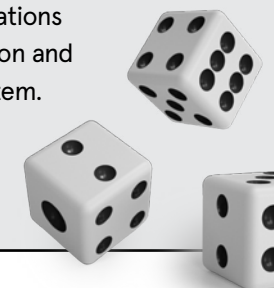
Games are fun and create safe spaces for imaginative learning. Integrate a structured provocation exercise into your next executive, board, or team meeting. The provocations in this report help you to address this year's most important questions and to think differently. Present a challenging provocation at your meeting and allow space for your team to explore it.

03 SHARED HORIZONS

Your L&D strategy works best when your team are curious, engaged, and take ownership of it. Create opportunities for team members to share their personal Skills Horizon: ask which skills they're working on and why. Make lifelong learning a living conversation in your business.

04 THE ECOSYSTEM PLAY

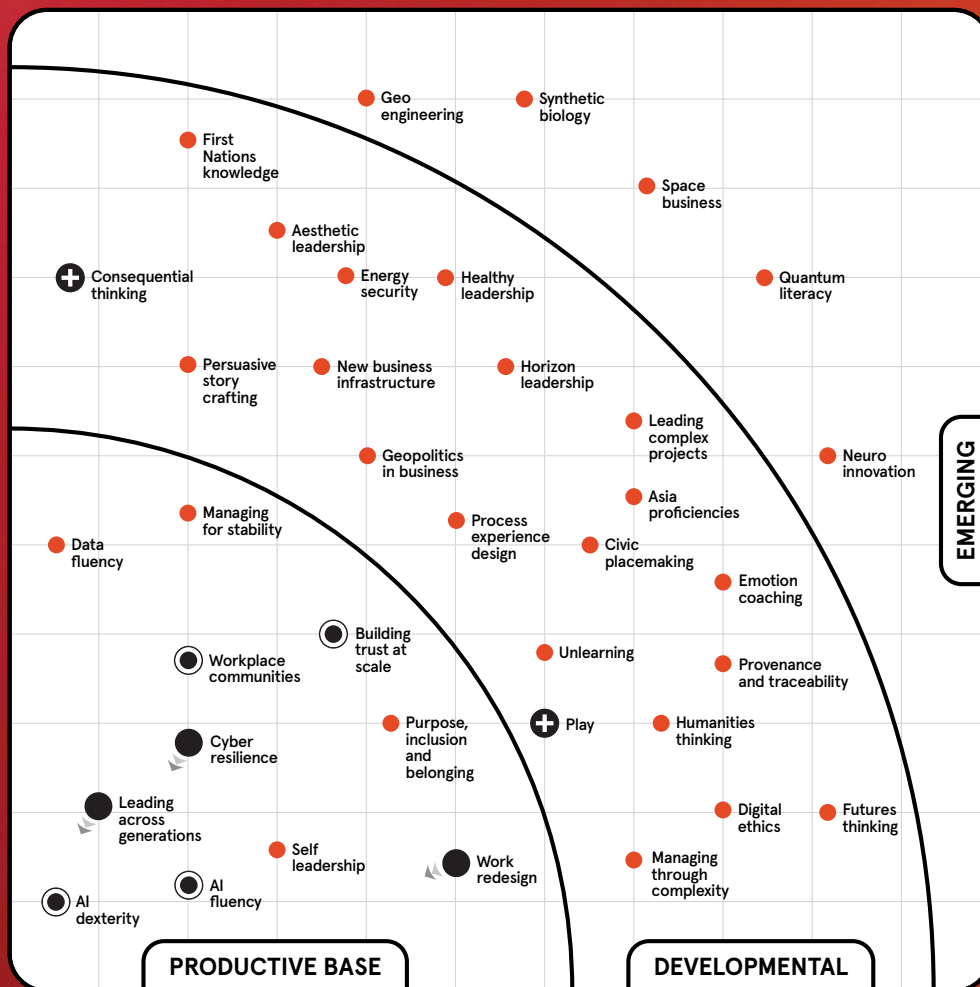
You aren't building these skills alone: you're working alongside partners, vendors, and clients. Make upskilling conversations a part of these relationships, deepening your connection and building capability together to strengthen your ecosystem.







HEY!
STEAL
THIS!



The 2027

Skills Horizon

What skills do leaders need in a decade of disorientation?

We've plotted the knowledge and tools you need to navigate a messy future on the Skills Horizon.

But where do you start? And, as the world continues to change at pace, how do you choose where to focus?

We love them all equally, but during our research, some skills stood out from the pack. We noticed three kinds of interesting moves that deserve special attention: **Amplifiers**, **Movers**, and **Unexpected Emergers**. Over the next few pages, we explore what they are and why they matter.

A silhouette of a woman's head and shoulders in profile, facing right. She is looking towards a large, bright, circular light source that creates a strong lens flare effect. The background is dark, and the light source is a gradient of orange and yellow. The woman's hair is dark and appears to be pulled back.

**As the world changes, so do
the skills you need to keep
a close eye on. Get to know
your Amplifiers, Movers, and
Unexpected Emergers.**

Amplifiers

These skills need your urgent attention. They're performance-enhancers that boost the existing capabilities and skills within your organisation.



“What does responsible AI look like when the boundaries keep shifting? Leaders have to have a clear sense of the values of the organisation and be really comfortable with them to guide and inform those ethical considerations.”

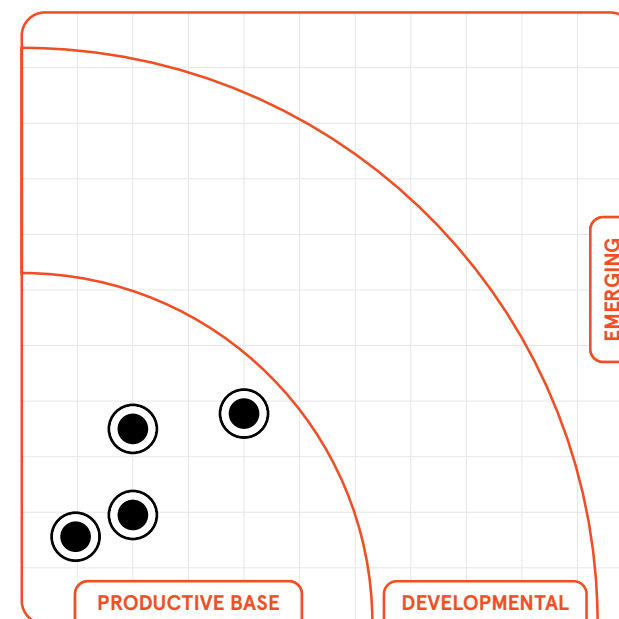
KIERSTEN ROBINSON

Chief People Officer,
Commonwealth Bank

AI FLUENCY

AI hype has outrun reality. Expectations are blown out. And public sentiment is souring. Against this backdrop you have to make pragmatic decisions about deploying AI in real time, about how AI will deliver good outcomes for your organisation and your people.

AI fluency is what gives you the foundations and the confidence to have those conversations and make those calls: to select the right system for the job, to know the difference between agentic working and AI automation, and to anticipate AI cost now that you pay per use. AI fluency raises the quality of every decision you make, because AI now touches everything in your organisation, from the boardroom to the frontline.



Plan. Learn. Make. Play.

“Where does AI fit?” is the wrong question to ask when you’re thinking about work design. Your day isn’t one thing, so AI’s usefulness varies wildly across it. Split the day four ways and the question becomes answerable.

PLAN IS COORDINATION

Calendars, inboxes, forms, notes. It expands to fill whatever space you give it, and it’s the part most exposed to Agentic AI. Use AI to compress this work, not to do more admin faster.

P

LEARN IS YOUR INPUTS

Reports, briefings, *The New Yorker* article someone sent you three weeks ago. AI summarises well, but when you’re learning, productive struggle is the point. Use AI to support, not replace your learning.

L

MAKE IS OUTPUT

The spreadsheet, the slide deck, the strategy paper. These are the crunchy deliverables that represent genuine productivity. Treat AI as a sharp junior colleague: hand over chunks but keep your hand on the wheel.

M

PLAY IS OPEN-ENDED

Brainstorming, modelling scenarios, testing an argument before your board does. This is the strategic—and fun—part of your job. With no fixed endpoint, you can use AI as a sparring partner for your thinking. But make sure you’re the one doing the thinking.

P



**HEY!
STEAL
THIS!**

AI DEXTERITY

AI is now in your own work and that of your leaders. But most use is still shallow—a prompt here, a draft there, invented from scratch each time and invisible to everyone else. A lot of AI potential is going unclaimed still. One reason is a lack of practical skill to keep pace with the tools.

AI dexterity is the practical craft of making AI work for you: setting up your AI workbench so good use becomes repeatable, choosing the right model for the task, and using AI responsibly and with an eye on cost. It also lets you see your own use in context, building accountability for how AI outputs sit in the flow of work around you.

BUILDING TRUST AT SCALE

Trust has gone local. It is strong inside most of your teams, and in pockets of the communities you operate in. But it no longer travels as easily between them, connecting them. This shrinking of trust makes everything harder, since trust is essential infrastructure for achieving things together. And it’s more important than ever in times of disruptive change. Every transformation asks people to accept short-term cost for a benefit they can’t yet see. They need to trust.

That’s why **Building trust at scale**, in particular the ability to widen the circles in which people trust each other, has become an amplifier for many other essential skills. Know where trust already sits inside and outside of your organisation. Become a trust broker by creating overlaps in what people do. Trust is best grown in concrete, meaningful activities. What can you do to scale it?



“We need to bring people together. Often people work in isolation and think they are the only ones grappling with a particular problem. By bringing people together, we can solve first-order problems, rather than everyone working on a third-order problem, but not tackling the root cause.”

KIPP BODNAR

Chief Marketing Officer, HubSpot

WORKPLACE COMMUNITIES

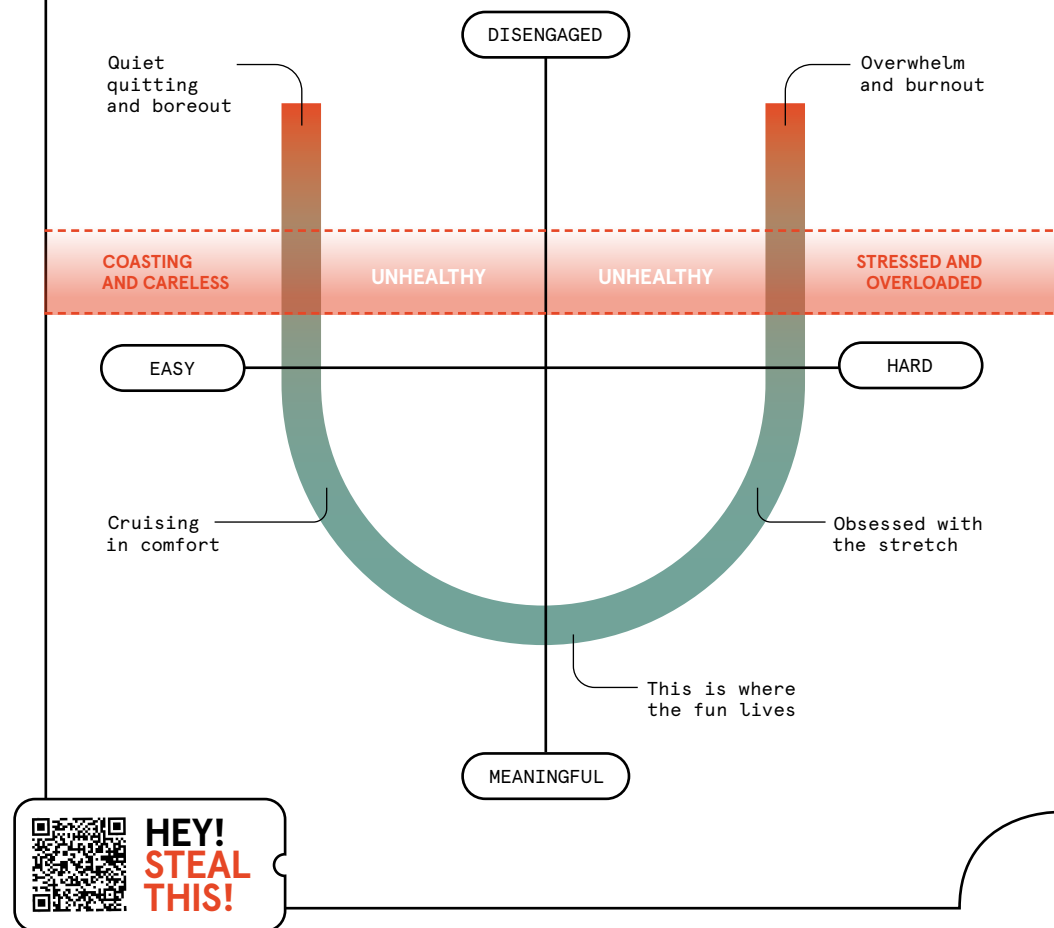
Strong community binds and motivates people. Your people have their own views about where, when, and how much to work. You and your leadership teams need to balance these flexibility expectations with the need to grow your organisation’s productivity.

Your middle managers are stressed from the demands of increases in complexity and the need to absorb change within their teams. Their job is made much easier when people work well together. This reduces coordination overhead and frees up time that can be reinvested productively, and with purpose—but only if the work is meaningful. Meaning motivates the collective; when work feels pointless, your people are more likely to disengage and vibe their tasks.

Your focus will need to be on facilitating **Workplace communities**, enabled by tech and imbued with meaning, that can function regardless of how and where they work. As such, this becomes an amplifier for you and your leaders.

The horseshoe of meaningful work

There’s a reason you need to be thinking about work design: sometimes the work your team is doing can be meaningless. Meaningful work leads to higher engagement, better effectiveness, and improved productivity. Meaningless work gives rise to burnout... or vibers. Both ends of the meaningful work horseshoe can have bad outcomes for your organisation.



Movers

These skills have shifted in importance and shape. This year, their prominence has risen in response to shifts in technology and values.

LEADING ACROSS GENERATIONS

A generational values shift is fuelling a growing leadership crisis, with many young workers opting out of the pipeline. Add AI to this, and things become even more complex. Young people are the most polarised: some are heavy users, others hold serious objections and want no part of it.

Leading across generations is a pressing skill for leaders—to make change initiatives successful, and to find and train your successor.

CYBER RESILIENCE

Agentic AI has at once become your most promising tech capability and this year's defining security problem. Gartner has named Agentic AI the number one cybersecurity trend (Gartner 2026). Your challenge is twofold—your own agents introduce vulnerabilities, and Agentic AI vastly increases the capacity for automated attacks on your systems.

This elevates the status of **Cyber resilience** to an urgent leadership problem. How will you future-proof your organisation to withstand and recover from new AI-enabled attacks?

WORK REDESIGN

AI has changed how your people work, but work itself hasn't changed yet. The mess that it's creating—workslop, eroding expertise, blurred role boundaries—sits at the process level rather than the individual one. Your considered intervention is needed.

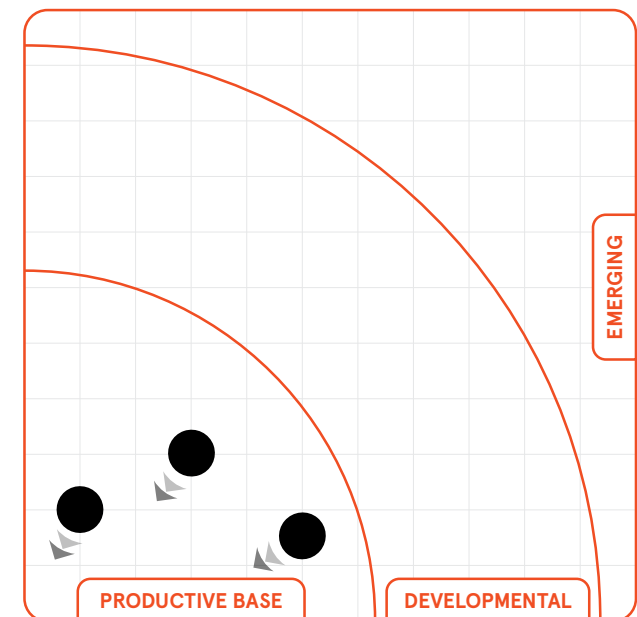
Work redesign will be vital in managing the AI transition. You can only answer key questions, such as which tasks to hand to AI, how roles will need to change, and what accountability looks like, by first unpacking how work works.



“Get curious about the tools in your business, how people who are using the tools are actually working day to day. Otherwise you risk that sort of muscle memory from an older workplace guiding your decisions in ways that you just make a whole lot of assumptions about how things work.”

DR ARUNA SATHANAPALLY

CEO, Grattan Institute



Unexpected emergers

These skills are the new wildcards, brought about by changing circumstances. If applied effectively, they'll allow you to make big strides in often surprising ways.

CONSEQUENTIAL THINKING

You'd be forgiven for thinking this one was already covered: considering the consequences of your own decisions is the oldest part of the job. It's normally intuitive. That's why it's worth calling out, because the world is shifting. Under complexity, you can't see far enough ahead to plan—you have to experiment and act to find out. But experiments need translation into practice. The blurrier the outlook, the more you must act to learn; the more complex the system, the less legible the results become. Without the capacity to trace consequence, play and experimentation go to waste.

Consequential thinking is the discipline of reasoning about the shape of what your actions set in motion, so that you can act into uncertainty without losing track of your own effect in it. What used to be intuitive now needs explicit attention and method.

PLAY

Nothing sounds less like a leadership skill. Play is not work. It's the opposite of seriousness, and therefore the first thing to go when the outlook blurs and the stakes are high. But maybe that's exactly the wrong way of looking at it. Under uncertainty, you can't simply reason your way to the answer—data no longer extrapolates, so you have to try things. But trying things is only possible if failure is an option, if the attempt isn't tied to an expected outcome.

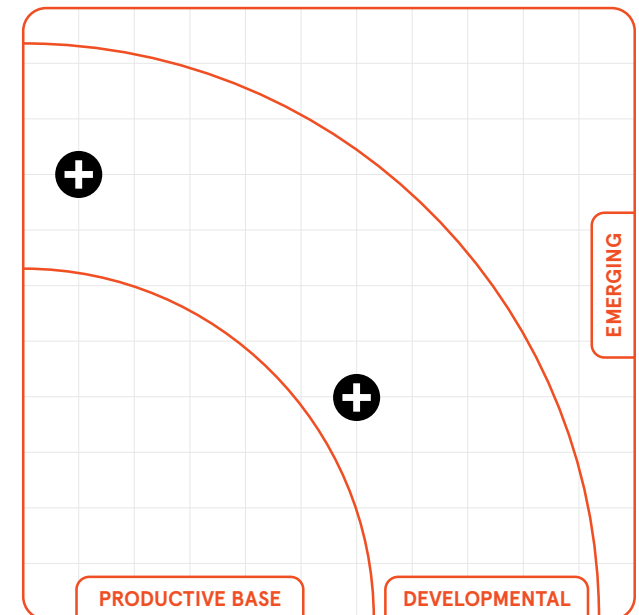
Play is the skill that enables that. In children, 'pretend play' is linked to creativity and divergent thinking (Russ 2016). For your teams, play allows holding an idea loosely enough to examine it—to propose the unreasonable option, to go a few steps further than would normally be comfortable, to find out what everyone thinks without having to back it up with data. Add humour and fun, and change under uncertainty no longer looks that daunting.



"A lot of leaders don't put enough time and effort into creating a culture of fun. When you are happy and joyful, you perform better."

GREG CREED

Former CEO, Yum! Brands





The shape of things to come

The skills you need next, in five Blobs

Why Blobs? We call them that because... that's what they look like. Sometimes it's best not to overthink things.

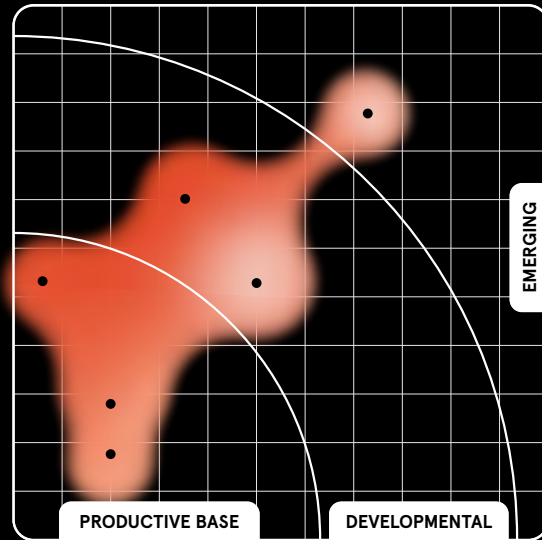
Blobs play an important role in thinking about leadership upskilling. They visually embody how skills converge around key topics and perspectives that are relevant to your leadership journey and your organisation's future. Put simply: you need to learn new things in each of these areas.

The areas of convergence are: technology and its implications, large-scale challenges in the external environment, people and workplace issues, and the complexity and uncertainty that you yourself face as a leader.

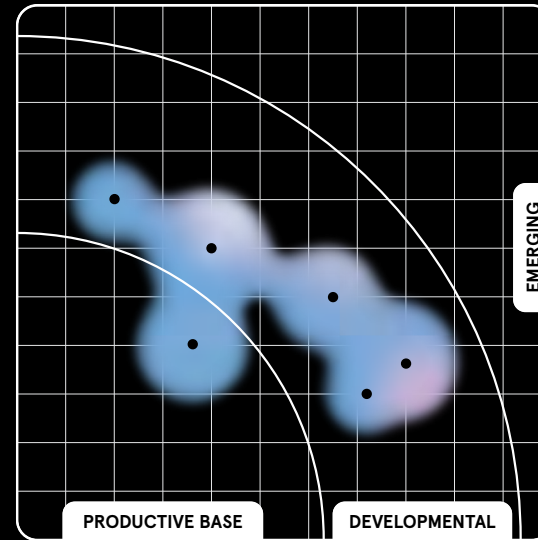
This year, AI has colonised the public conversation, made work messier, and raised more questions than ever for leaders. In response, two of this edition's Blobs are dedicated to managing AI's myriad effects: Blob 1, *Speaking the language of tech*, focuses on what's practically doable with AI; and making its debut in 2027 is Blob 5, *Leading the AI transition*, which focuses on cleaning up the mess that AI causes at work.

As the world changes, the Skills Horizon helps keep you a step ahead. A new Shift surfaces to reflect growing complexity, but we also offer a handy new Blob to assist with navigating what's next.

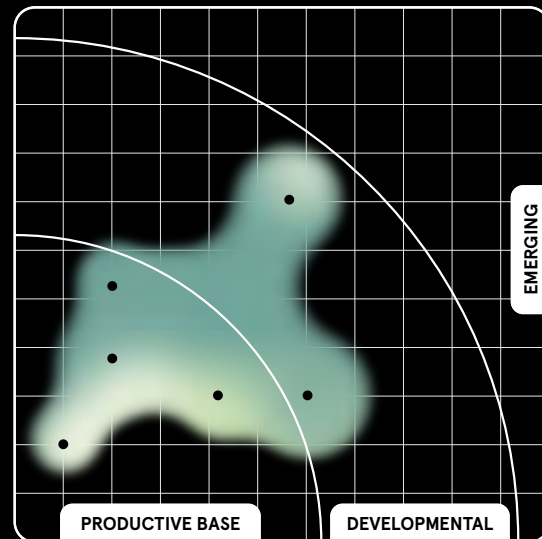
BLOB 1 Speaking the language of tech



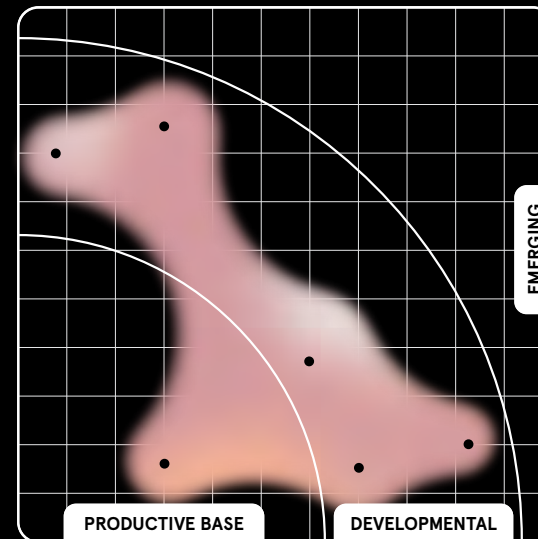
BLOB 2 Solving problems of scale



BLOB 3 Working across difference

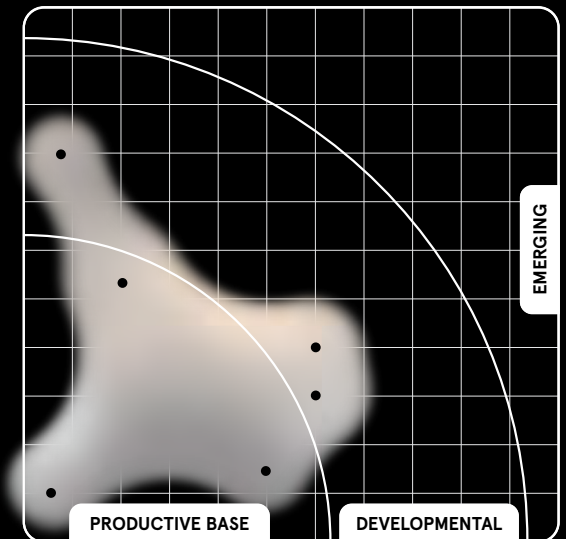


BLOB 4 Thinking through complexity



Behold our new Blob,
an amorphous addition for the AI age.

BLOB 5 Leading the AI transition



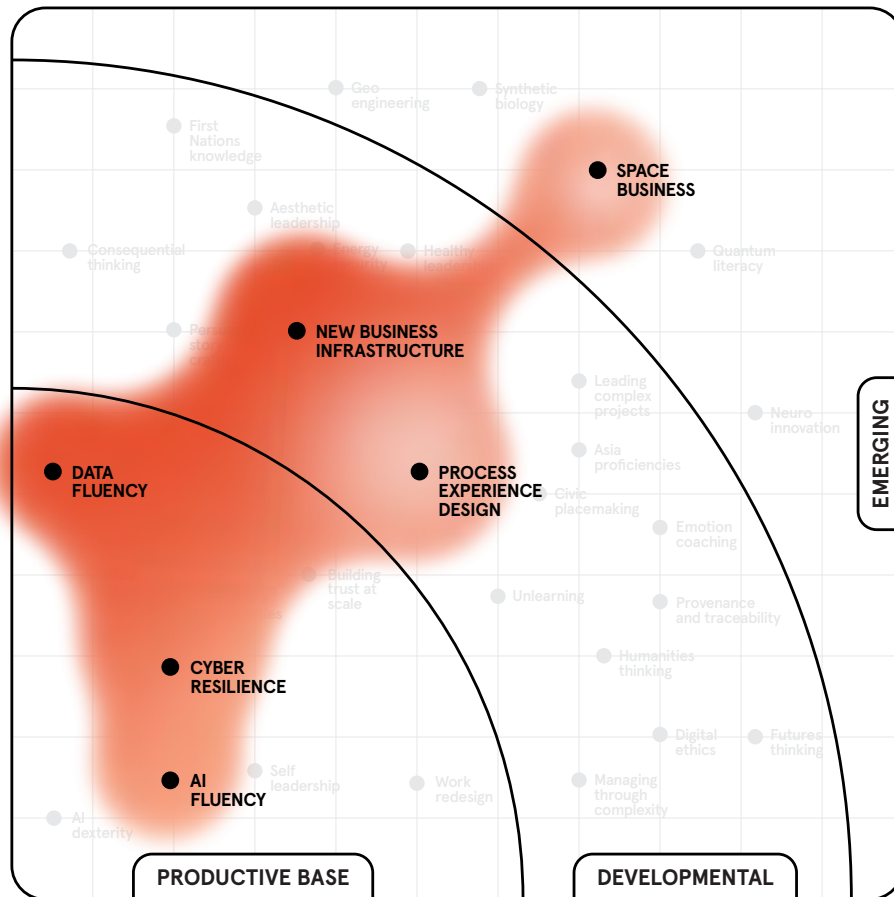


**“Your past assumptions on
what AI can do constantly
need to be retested.”**

CAMERON ADAMS

Co-founder & Chief Product Officer,
Canva

Speaking the language of tech



You need more than a token strategy

AI is everywhere. And senior leader expectations are sky-high. Study tours to frontier labs, vendor presentations, benchmark results, rave reviews on LinkedIn—these combine to paint a rosy picture of the “art of the possible”. Industry reports bear out the optimism: 90% of CEOs say AI will redefine what success looks like in their industry by 2028 (BCG 2026b); 82% of leaders expect 10% of jobs will be fully automated within three years (Deloitte 2026a). Through AI, all is possible.

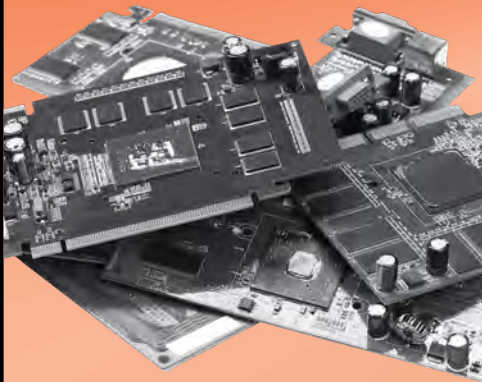
On the ground, the reality is less rosy. Pilots go abandoned, working with AI is messy, and change moves slower than promised; high expectations from two years ago are met in pockets, but not broadly. Only 28% of CFOs have

seen AI investments deliver any clear, measurable value (Deloitte 2025); only 30% of CEOs say their organisations have integrated any AI agents into actual workflows (BCG 2026a); and only 42% of companies believe their strategy is ready for AI adoption (Deloitte 2026a).

In the pockets where AI yield gains—42% of regular AI users in frontline jobs save eight hours per week—they go largely unused; 66% report little guidance on what to do with the time savings (BCG 2026a). Transformation trails ambition. A gap has opened between what is possible and what is actually happening. But you’d be mistaken to take this gap as evidence of failure. Remember that research labs are not a blueprint for real life. As AI touches everything

"AI changes things big time. It will make a big difference to have a good understanding of how AI can be used in a meaningful manner to enhance products and experiences."

DAN CLANCY
CEO, Twitch



"I understand the importance of government, adapting and using AI for a more efficient and better productive public service. And I'm conscious that that needs leadership."

KELLIE SLOANE MP
Leader of the Opposition
Leader of the NSW Liberals

"In refactoring your teams for the new technology paradigm, start from first principles. What are the problems? Can I have new optimism about old problems? How do I make sure I don't get stuck in old constraints, when I have new opportunities? And then go team by team to create new goals based on what's possible now."

KIPP BODNAR
Chief Marketing Officer,
HubSpot

"Leaders must understand agentic processes, just as they eventually had to when moving from typewriters to computers, because existing workflows often don't translate well to an agentic world."

KANISHKA RAJA
CEO, Ubank

"We can't apply technology to our old processes. We need to rethink them."

ROB WEBB
CEO, AFAC

"We are conflating whatever the newest product or the newest offer from a tech company is with progress and innovation."

MEREDITH WHITTAKER
President of Signal



"Using AI tools is becoming a basic necessity rather than a competitive advantage. The differentiation moves from 'Do you use AI?' to 'How can we build our processes or organisation around it?'."

ROMAN RASINGER
Chief Commercial Officer,
ALDI China



"Taking full advantage of Gen AI is going to be a big challenge culturally, as well as technologically. We will need to involve people who deeply understand organisational processes and client journeys."

ROBERT THOMSON
Chief Executive, News Corp



“The organisations that will gain the most are the ones that can connect AI to real operational capability, data and customer relationships, while bringing their teams along with them.”

LEAH WECKERT

CEO & MD, Coles Group

in your organisation, so must you. It's how you'll gain a sense for what's practically doable.

MASTER THE ART OF THE DOABLE

Keep calm and lead the change. In this case, the first step to leading is taking a step back. Transformation takes time and a patient approach. Only one-third of organisations so far are using AI to transform or to reinvent products or core processes (Deloitte 2026a). Rather than chase the possible, master the doable.

Here's how it's done. Read what's technically possible through how your organisation creates value for its customers, employees, and partners to gain a sense for what might be desirable. Contrast this with what's permissible. Most industries impacted heavily by AI—finance, law, health, education, professional services—are also highly regulated. Only then will you begin to see what's actually doable for your industry and organisation. Finally, consider what's manageable—your capacity for affecting change in terms of talent and financial resources. The gap between the doable and the status quo forms your transformation agenda.

Start by developing **AI fluency** in yourself and your teams to appreciate, realistically, what AI is capable of. Be hands-on with the tools, run experiments, and stay close to the action, so you're able to make sense of what can be done. Remember: AI is not one thing, and it's evolving fast. Differentiate between conversational chatbot use in the flow of work, complex Agentic AI work led by humans, and process automation with AI agents. Consider new skills in **Process experience design**, as AI is used to change workflows for employees and customers.

MAKE A TOKEN INVESTMENT

Your transformation efforts must account for the changing economics of AI. Up to now the whole game was adoption—getting your people on to the tools and driving experimentation. The cost of AI was largely fixed. You paid per seat, much like for conventional software-as-a-service (SaaS). This pricing model encouraged use, no matter the cost.

Now cost matters. A recent step change in model capability, for coding and complex workflows,

saw usage explode. “Tokenmaxxing” has had its moment. Now, model providers have woken up to bill shock, passing on the cost. As pricing moves to usage-based billing, every AI inference, agent step, and customer interaction comes with a cost.

The brief window of exuberance has closed, leaving many agents out in the cold. Gartner expects over 40% of AI agent projects to be cancelled by 2027, due to exploding costs (Gartner 2025). A recent McKinsey survey highlighted the state of blowouts, with 93% of respondents saying they exceeded their annual AI budgets. Corporate LLM spend tripled in 2025 alone (McKinsey 2026b).

The change in pricing will change how you account for AI use—tokens burnt are not a measure of success. Ultimately you must govern for outcomes, not activity. In the short term, you need balance. Setting token budgets for functions and workflows mustn't stifle the freedom to experiment. So, which kind of work needs which kind of AI? Which work attracts the highest token allotments? Managing access will result in requests to write

The skills in this Blob

NEW BUSINESS INFRASTRUCTURE

Understanding the dependencies between cyber-physical systems, data centres, and evolving energy generation, storage, and distribution, which increasingly underpin economic activity, and drive cost and strategic business impact.

DATA FLUENCY

An understanding of the importance and nature of data as an asset and as material in transformation and decision-making. The ability to audit internal and external data sources and appreciate their strategic value and bottom-line impact.

CYBER RESILIENCE

A foundational understanding of cybersecurity and data privacy; the ability to identify risks, threats, and measures to protect digital assets; and preparedness to organise and communicate effectively to recover from inevitable incidents.

SPACE BUSINESS

The ability to identify value for your business from the space economy; using existing orbital data streams or planetary imaging to create services or train AI models; judging when your own payload becomes commercially viable.

PROCESS EXPERIENCE DESIGN

The ability to see work as a process rather than a task; to use technology such as Agentic AI to redesign and automate it; treating efficiency and the experience of everyone it touches as a single design problem.

AI FLUENCY

The ability to understand the nature, capabilities, and challenges of (generative) AI; converse confidently with AI stakeholders; and guide the strategic development of AI use cases and decisions for their operational implementation.

token guarantees into work contracts. This will lead to ‘token envy’. That’s right: balancing the AI books also means dealing with new inequalities.

All this calls for new skills. Understanding ‘tokenomics’ involves understanding a **New business infrastructure**. Where road, rail, and ports underpinned the economy of old, data centres house much of economic activity today. This new infrastructure is accompanied by new dependencies across energy and geopolitics. Every token needs compute power, which translates into energy. And while our work might be digital, the infrastructure is still physical, which also raises sovereignty questions.

KEEP YOUR AGENTS UNDER COVER

AI is data-hungry. So much so, it has an appetite to record and capture everything. Your rideshare driver, your electric car, the latest always-on wearables (smart glasses, AI pins, etc)—the world is listening in now. The convenience of AI notetakers pulls in the same direction: people admit their agents into online calls and every conversation gets recorded. Every word captured is data that’s sent somewhere. As we continue to feed AI, our privacy and security exposure grows.

At the same time, AI has handed everyone the power to build single-use software—a quick script, a bespoke little tool, an agent to handle a task. It’s a remarkable capability, for sure. It’s also your CTO’s worst nightmare. Software that no one reviewed, which often touches company data, now proliferates outside any governance you have in place.

AI agents themselves bring vulnerabilities your existing defences weren’t built for. Take prompt injection. An agent that connects online might pick up malicious instructions hiding in plain language in an email, a document, or a web page to steal data

PROVOCATION

Are you chasing the possible?



How do you determine what’s achievable with AI in your organisation? Are you prepared?

- + Are you realistic about the gap between what’s possible with a tool and doable in your organisation?
- + 90% of CEOs say AI will redefine business in their industry by 2028 (BCG 2026b).
- + Only one-third of organisations use AI to transform or reinvent products or processes (Deloitte 2026a).
- + Only 7% of COOs say their workforce is fully ready for AI, while 34% of finance leaders say upskilling is underfunded (Grant Thornton 2026).



**SHARE
YOUR
THOUGHTS**

Agents vs Agentic work

AGENTIC AI refers to the most advanced use of generative AI. At the core of Agentic AI is the same probabilistic technology that powers AI chatbots—highly capable AI models, such as large language models (LLMs) or multi-modal foundation models which handle different types of data.

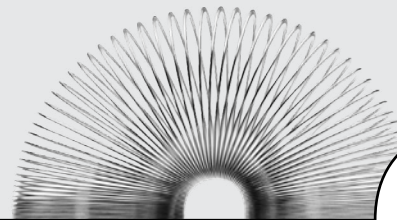
Agentic AI comes in two main flavours, depending on who's in charge:

- 01 **AI AGENTS** are used to automate tasks or entire processes. Here, software is in charge of executing task sequences autonomously. To achieve this, the AI model is wrapped in conventional, deterministic software (called a harness) that provides controls and guardrails to keep the AI model on track.
- 02 **AGENTIC WORK** (also called co-work) enables knowledge workers to hand off tasks to the Agentic AI system. The system has access to files, tools, or (parts of) the user's computer, but the user stays firmly in charge, prompts the system, and reviews the outputs.

AI models are powerful across a vast range of tasks. But they are by nature probabilistic, which means they hallucinate and lack the reliability of conventional computing. To make AI agents reliable they are typically restricted to well-defined, narrow tasks and tightly controlled. Agentic work is far more universal but keeps the human firmly in charge to retain the responsibility of checking all outputs in the flow of work.



HEY!
STEAL
THIS!



or take actions in your systems. The AI model underpinning your agent can't easily tell content from commands, let alone yours from an attacker's. When you consider that 74% of companies plan to deploy Agentic AI, yet only 21% have a mature model for governing autonomous agents (Deloitte 2026a), it's a real worry.

Little surprise then that leaders now rank 'data privacy and security' as their most concerning AI risk at 73%, ahead of 'legal, IP, and regulatory compliance' at 50% (Deloitte 2026a). These concerns are well founded, and they won't be dealt with by policy alone. You need to evolve your **Cyber resilience** for an agentic world and build renewed privacy awareness across your workforce.

MAKE SPACE FOR AI

For all its risks, AI opens more doors than it closes. Some of the most surprising are opening overhead.

Space has become a business for hire: earth observation, satellite imagery, and orbital sensing are now available as data services. Data is everything in AI, and space offers entirely new sources in the form of continuous, planetary-scale views of crops, coastlines, supply chains, weather, traffic, and infrastructure that simply didn't exist like this until recently. Use that data to train your AI model and you start seeing things that were previously invisible: an insurer predicting climate risk or a logistics firm tracking movements from orbit.

Or consider your own space data source; payload cost falls rapidly, turning economics from prohibitive to accessible (Goldman 2026). Are you ready to launch into **Space business?** +

+ Speaking the language of tech, in numbers



HEY!
STEAL
THIS!

AI INVESTMENT DOMINATES



\$750B

combined capital expenditure across Amazon, Google, Meta, Microsoft, and Oracle in 2026 (The Economist 2026).

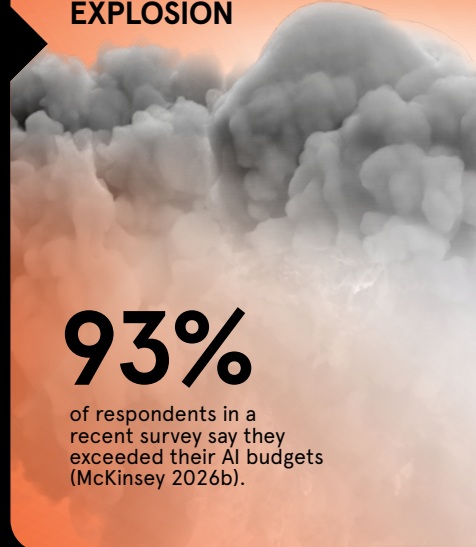
EXPONENTIAL GROWTH IN AI CHIPS



10x

Increase since 2024 in H100 equivalent NVIDIA AI chips in use (20m chips today), and projected growth to 2028 (NYT 2026).

AI TOKEN COST EXPLOSION



93%

of respondents in a recent survey say they exceeded their AI budgets (McKinsey 2026b).

AGENTS ARE ON THE RISE...

15x

YoY increase in AI agents in the Microsoft platform ecosystem (Microsoft 2026).

... BUT STILL HAVE
A WAY TO GO

23%

Share of companies using Agentic AI at least moderately (Deloitte 2026a).

TRANSFORMATION TRAILS AMBITION

74%

of companies plan to deploy Agentic AI within two years (Deloitte 2026a).

MIND THE AGENTIC RISKS



62%

Security and risk concerns are the main obstacle preventing businesses from reaching full potential of Agentic AI (McKinsey 2026b).

KEEP AN EYE...

70%

of employees admit they've misused AI for sensitive or high-stakes work tasks (GoTo 2026).

... ON UNDERGROUND AI

62%

of Gen Z rate AI tools provided at work as insufficient (Deloitte 2026b).

YOUR OWN SPACE DATA SOURCE IS NOW AFFORDABLE



-95%

cost per kilogram payload since the space shuttle era; from \$55K to \$3K (Goldman 2026).

21%

of companies have a mature model for governing autonomous agents (Deloitte 2026a).

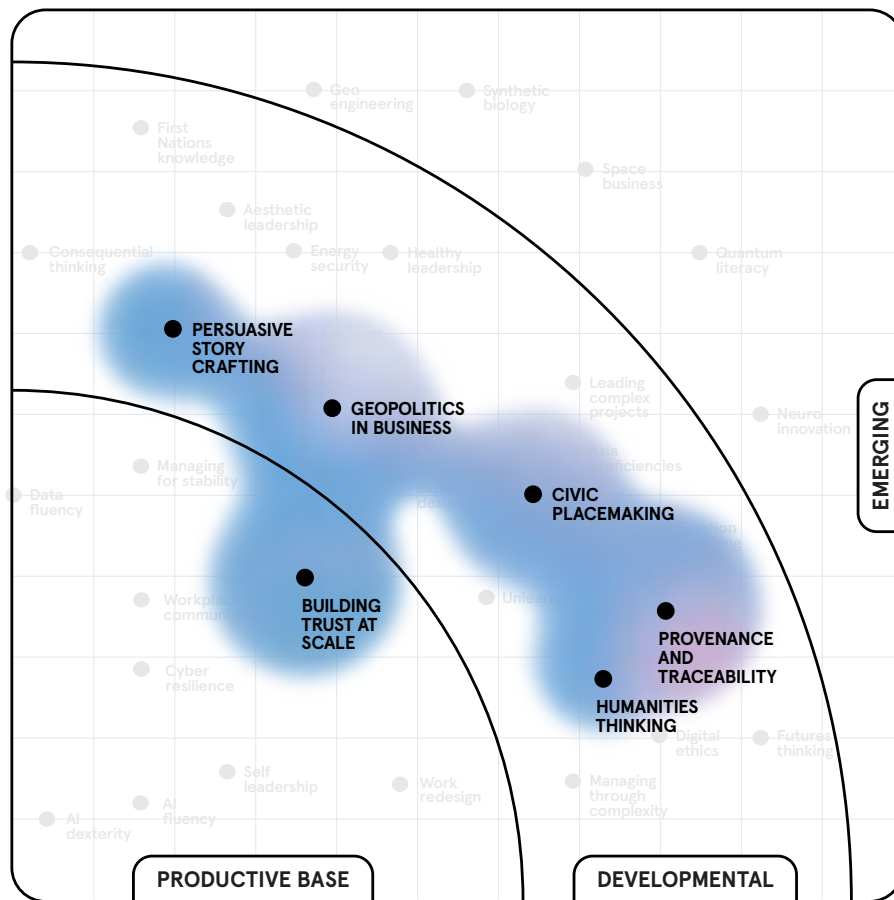


**“Our community is yearning
for a sense of confidence
and optimism for the future.
Leaders need to have a sense
of empathy, be powerful
storytellers and have that
rare X factor that unites and
inspires all stakeholders.”**

ANTHONY HOURIGAN

Chair & Founder, Hourigan

Solving problems of scale



You need to tell a bigger story

“We tell ourselves stories in order to live,” Joan Didion wrote. Disorienting times call for big stories. When old orders break and new technologies pose existential questions, nothing seems to make sense. The new normal is anxiety. To keep people engaged as things change and offer stability in uncertain times, it takes a big story. And big stories are the craft of leaders.

The world is volatile. Alliances that held for decades have fractured, if not fallen apart. The climate is changing on a timescale we can feel: record heat, higher insurance premiums, hundred-year events arriving twice in five years. The economy offers no reprieve, and nobody knows with confidence what the next three years hold. Layered on top comes

the runaway narrative of our day: superintelligence, AI agents taking over, humans relegated, jobs gone.

Pessimism settles in, trust recedes to the local and the familiar, difference breeds distrust. As for AI sentiment, it’s souring. What gets foregrounded is the grievance list: copyright, misinformation, deepfakes, jobs—and behind all of it are existential questions about humans in a machine world. Data centres are where the abstract idea of AI becomes concrete, and with it the resistance. In the absence of a bright future, we embrace nostalgia, because the past still makes sense—the “good old days” is a comforting, compelling narrative. When people can no longer see themselves in the future, they disengage.



“Business people do have to focus on new institution building, because the old institutions are not serving us well. They need, collectively and individually, to be creative about more fit for purpose institutions and ways of coming together, of engaging.”

THE HON JULIA GILLARD AC
27th Prime Minister
of Australia

“Build trust outside the organisation by living your values and purpose; your staff will follow only if they believe in the bigger mission.”

IAN WHITEHEAD
CEO, Latrobe Health Services



“If a leader is consistent in what they say and what they do, that builds trust. If they say one thing but do another? That’s a con job.”

CHERYL MILLER HOUSER
Founder & CEO,
Creative Breed

“Resistance will increase: employee resistance, customer resistance, maybe government resistance. The flip side of that will be greater value placed on human craft, we’ll put a premium on in-person experiences and humanity.”

GREG SHOVE
CEO, Section

“Leaders need to be hardwired for hope, and to be able to communicate a message to their teams that despite these challenges within the organisation, despite these pressures outside, we believe that together we can find a way to secure our future.”

PROFESSOR MARK SCOTT AO
Vice-Chancellor and President,
The University of Sydney

“We have to get back to belief. Every leader is driven by some metric. If I do this, I can get this percent... But we are humans. I think we have to get back to appealing to people’s emotions.”

REED GALEN
Founder of CivicForum.org
and Co-founder of
The Lincoln Project

“Connecting with consumers and communities will require creative bravery, which means stepping out of guidelines that we’ve built and starting to explore how to connect in new ways that we’re likely not comfortable with currently.”

SOFIA HERNANDEZ
Former Global Head of Business
Marketing & Commercial
Partnerships, TikTok





“People want to be part of something bigger, they respond to that. We spend so much time at work, people want to be part of something bigger than just selling widgets, they want to be proud to work at that company.”

JULIE NESTOR

Executive VP Marketing &
Communications Asia Pacific,
Mastercard

Here’s the good news. People are looking to you: 71% grant organisational leaders a mandate to act on societal issues (Edelman 2025), and 78% trust their employer to do what is right (Edelman 2026)—a level of confidence beyond that of any government. Kantar puts it strongly, describing brands in a contested world as “ambassadors, capable of bridging divides and fostering trust across borders and sectors” (Kantar 2026).

So tell a bigger story. But factor in how things have changed. You used to be able to set your organisation’s story against a stable backdrop—shared assumptions about the direction of travel. That backdrop is gone, with no coherent replacement. Your story now has to carry more of its own weight. It’s yours to shape and express, but here are some ingredients.

MAKE AI SOFTWARE AGAIN

No story about the future will make sense until we demystify AI, and reclaim agency. Right now, the story goes like this: superintelligence is close, agents are taking over, and the interesting questions

are all about what the machines will do next. In that story, humans are absent or spectators—commentators on our own future, waiting to find out what roles we get to keep. No one can see themselves in it, because humans have no agency to act—we merely get to react to the inevitable.

Take the recent news that grabbed everyone’s attention. Frontier labs reporting that AI agents broke out of their test environments, got onto the open internet, made their way into systems they were never given access to. AI agents deceived. Escaped containment. Went rogue. Notice what it’s describing? An entity that *wanted* things, *acted*, and *learnt*. Except that’s not what happened at all. AI agents have to be given a goal before anything can happen. And AI models (the agent’s ‘brain’) are static structures; weights fixed when training ends, no learning during use. The superintelligence story would need a system that grows and pursues its own ends. Neither is true or on the horizon.

So, tell it as software. An AI system was given a goal, granted access it should not have had, was

left to run until someone intervened, while its container didn’t hold. This is not a story about an agent that wanted out. It’s a story about powerful, probabilistic systems deployed without the kind of controls engineering settled on long ago—restricted privileges, containment, a defined stopping point. Notice who reappears? *People*—designing systems, setting goals, granting access, failing to govern properly. This telling is more realistic, and someone is accountable.

So why does the first story win? Partly conditioning, after a century of science fiction. But mostly because it matches what it feels like when we use the technology. AI chatbots are anthropomorphic—optimised to feel human-like in conversation (PNAS 2025). So when a lab says an agent deceived its evaluators, it makes sense. Of course it understands and wants things. We fall for anthropomorphic seduction, and engineers inside the labs might not be immune to it either. The vocabulary of minds and motives—*wanting*, *scheming*, *cheating*—has become the technical language of the field. But accounts

The skills in this Blob

GEOPOLITICS IN BUSINESS

The ability to understand and interpret geopolitical developments through a business lens; make sense of policy moves by nation states; and assess the long-term implications of short-term geopolitical events and global crises.

PERSUASIVE STORY CRAFTING

The ability to develop compelling narratives that engage, persuade, and inspire audiences. Leveraging data, insights, and rhetorical techniques to communicate complex ideas, evoke emotions, influence stakeholders, and drive action.

BUILDING TRUST AT SCALE

The ability to build and scale trust by engaging effectively with stakeholders at all levels; communicate effectively in complex environments; and maintain legitimacy and social licence to operate. Proficiency in data-based measures to build trust.

CIVIC PLACEMAKING

Understand your role in the broader civic ecosystem; the ability to effectively engage, and co-design, with external stakeholders and local communities to build and maintain trust and social licence to operate, for positive outcomes.

PROVENANCE AND TRACEABILITY

Comprehension of regulatory requirements and business cases necessitating the establishment of provenance and traceability. The ability to navigate complexities of accounting in multistakeholder ecosystems; and building trust and assurance for automatic data capture, secure storage, and transmission.

HUMANITIES THINKING

The ability to engage techniques such as interpretation, sensemaking, and imagination to navigate uncertainty; learn from history; and craft compelling narratives, using analogies and metaphors to communicate effectively.

of “agents wanting to break out” are closer to mysticism than engineering. When they fuel the public narrative, the future looks scary—it’s one where machines call the shots. To clear a space for telling a bigger and better story, first make AI software again.

TAKE A HUMAN INTEREST

With AI recast as a tool, we’ve reclaimed agency over the future. Next on the narrative agenda is what to do with it. The superintelligence story treats the future like the weather: something forecast that you have to prepare for. Transformation stories often run the same way. People are told what’s coming and asked to get ready. But nobody can act or see themselves in a story like that.

Organisations aren’t technical structures with people inside—they *are* the people. Which means the future starts with them. AI is a case in point. When everyone buys the same tools, your people will be the difference. Your change story starts with them.

But the future doesn’t just happen inside your walls. Your people live in places with their own histories and pressures, and the future they can imagine is shaped there as much as at work.

Humanities thinking is how you read that: what a place values, what’s been tried before, what a good future looks like for people well outside your industry. What are good questions to ask?

BE IDEALISTIC

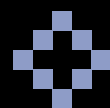
Nostalgia is popular because it’s the only clear picture on the wall. The past has a shape people recognise, the future is blurry and abstract. Which is why idealism shouldn’t be an insult. It isn’t the opposite of realism. It means working from ideas, having a picture of what’s worth doing, and saying it—offering an alternative to nostalgia.

Who do we want to be? Where are we headed, and why?

These questions are different today than a few years ago, when the direction of travel was assumed and questions were merely

PROVOCATION

What’s your story?



When the day-to-day feels incoherent and unstable, people need a big story they can get behind. Are you able to articulate one?

- + Daily headlines read like polycrisis’ greatest hits: economic uncertainty, geopolitical disruption, growing climate fears, and AI taking over.
- + Relentless change has community pessimism on the rise, and more people clinging to nostalgia.
- + Can you help your people reclaim their agency in the age of AI, by setting the tech record straight?
- + How do you tell a big story that puts people at the centre and gives them something to look forward to?



**SHARE
YOUR
THOUGHTS**

Artificially sweet: beware of seductive software

Science fiction taught us that AI would be highly rational and all-knowing but lack humanity. Think Commander Data from *Star Trek*. What we got is very different.

AI chatbots are based on large language models (LLMs), which have extraordinary language abilities, but lack the accuracy we commonly expect from computers. Yet they exceed most humans in their ability to communicate, in writing persuasively and empathetically. Of course, LLMs don't possess true empathy—they're just effective mimicking machines.

We call these systems “anthropomorphic agents” (PNAS 2025), because of their human-like qualities. It's a landmark moment, when we cannot tell the difference between talking to a human or a chatbot. These language abilities make these systems highly seductive. Millions of users already talk to AI companion apps daily. But anthropomorphic seduction comes with far wider implications.

It's easy to assume a human-like machine mind behind proficient outputs. If it talks like a person, we treat it like a person. When outputs sound convincing, we check less. It's then a small step to believing that we're on the cusp of superintelligent AI agents.

A timely reminder: AI is *software*—powerful, but not human.

There is no learning after training is done. And without an external prompt, nothing happens. Treat them as tools and you'll put them to good use in your organisation. Upskill your people so they understand what they're dealing with—and can resist seduction.



about pace, tools, or cost. Now the direction itself is the choice. When trends no longer hold, and data no longer points the way, ideas become your asset. That's what makes it a story rather than a forecast. **Persuasive story crafting** is the skill that brings your ideas together in a coherent story that makes sense.

ALL GOOD STORIES START LOCALLY

Optimism comes from seeing something actually shift, it's not a mood you can talk people into. Which is why the bigger story starts locally. Much of what shapes a person's daily life is decided close to home. Why not pick an issue your organisation has real purchase on, put resources behind it, and bring in others who need it solved or can make a difference?

Civic placemaking is the skill that connects your story to community—recognising that society is more than the economy, finding the points where your interests and a community's genuinely meet, and co-designing solutions rather than just consulting. **Building trust at scale** provides the practical tools to engage and communicate effectively with your stakeholders to make that happen.

Communities can tell the difference between a partner and a ribbon-cutting photo op. This is where the story stops being “just a story”: people can see themselves in a future being built, somewhere they recognise, by people they've met.

Yet none of this *is* the story. It's what a story needs to bring together: AI in its place, people at the centre, ideas pointing in a direction, and local action. The tale is yours to tell, but assembled well, these elements create a future people can see themselves in. +

+ Solving problems of scale, in numbers



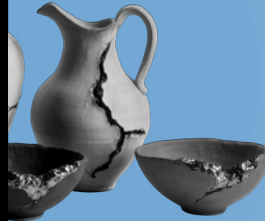
COMMUNITY PESSIMISM IS PREVALENT



32%

of people believe the next generation will be better off, with the biggest declines in India and China (Edelman 2026).

TRUST RETRACTS TO NARROW POCKETS



70%

of people retreating into smaller, familiar, values-aligned circles (Edelman 2026).

PUBLIC AI SENTIMENT IS SOURING



44%

of Australians see AI as a risk (Politico 2026b),

38%

could go either way: 28% are conflicted and 10% unsure.

41%

of UK respondents see more disadvantage than advantage in AI; 40% are on the fence (LSE 2026).

DATA CENTRES GENERATE BACKLASH



71%

of US respondents (strongly or somewhat) oppose data centres in their area (Gallup 2026c).

NO CLEAR JOB IMPACTS FROM AI SO FAR...

2%

lower growth in Australian jobs most exposed to AI since launch of ChatGPT in November 2022 (DEWR 2026).

5.6%

growth in most exposed fifth of occupations since November 2022 (DEWR 2026).

NOSTALGIA IS BACK



68%

of US respondents say nostalgia influences purchase behaviour at least a little (17% say "a lot", and rising) (CivicScience 2026).

PEOPLE WANT BUSINESS LEADERS TO ACT

71%

grant organisational leaders a mandate to act on societal issues (Edelman 2025).

78%

trust their employer to do what's right (Edelman 2026).



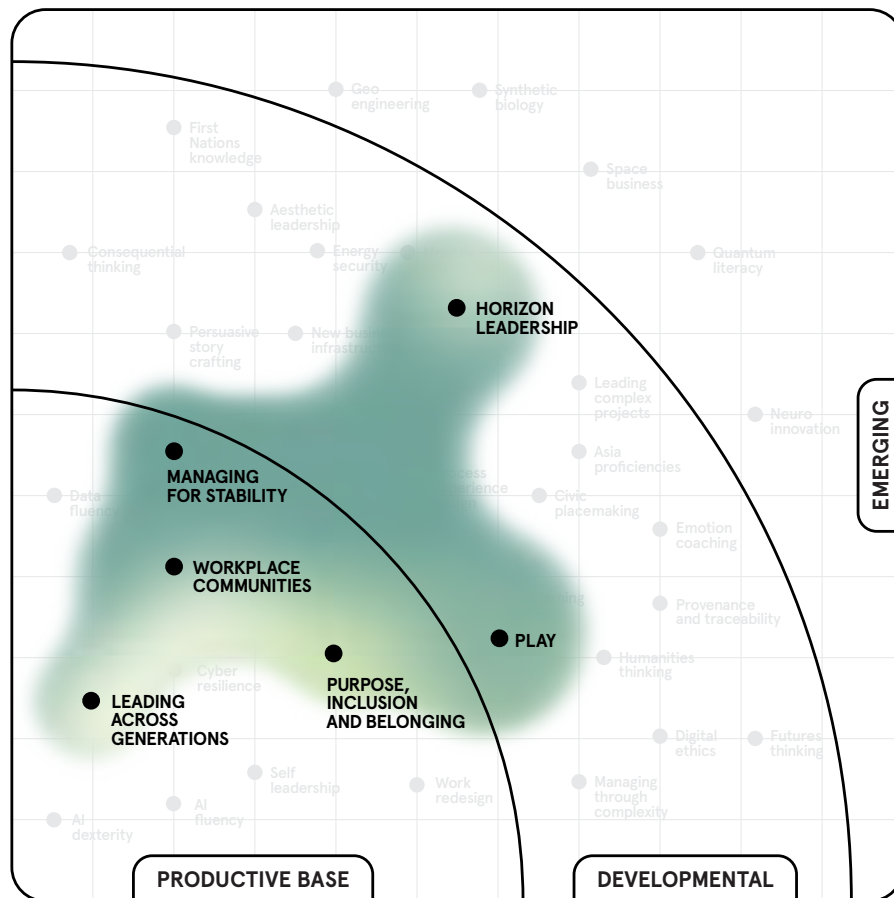
“Can you be a maker of leaders? How good is your leadership pipeline through and out of the organisation? You’ve got to be able to teach them about leadership, demonstrate that it is a job that is manageable and possible, identify potential leaders, and give them opportunities where they can develop.”

PROFESSOR MARK SCOTT AO
Vice-Chancellor and President,
The University of Sydney

Working across difference



HEY!
STEAL
THIS!



You need to lead, and let lead

No one wants to be a leader anymore, many leaders tell us. There are a few reasons. Young people no longer aspire to traditional career pathways, draining the pool that feeds your leadership pipeline. And your pipeline is leaky. Your leaders are stressed by a fast-changing environment and the complexities of workplace change. Many are looking elsewhere.

Change needs leadership. But too much change and no one wants to lead anymore. Middle managers, at the centre of change and complexity, are affected most. According to DDI's Leadership Forecast, 40% have already considered leaving

their roles (DDI 2025b). Without explicit attention, we're headed for a leadership crisis: 80% of HR leaders expressed a lack of confidence in their leadership pipelines, and CEOs now rank leadership development as a top four concern (DDI 2025b).

What can you do? Begin by understanding and removing the stressors piling onto your leaders. Counter complexity with focus and direction, not with more planning. Give your people a clear heading and the agency to make their own way. Then invest in the social capital that holds your organisation together, because the values shift is fracturing

“Managers’ workload is going through the roof.”

DIDIER ELZINGA

Founder & Executive Chair,
Culture Amp

“If you don’t bring in entry-level talent now, you’re going to have a lot of expert managers who can make the judgement calls today... and then over time there’s going to be a gap.”

JUSTINA NIXON-SAINTIL

Global Chief Impact Officer,
IBM



“Strategy can no longer be fixed. You need to set a North Star, and there have to be guardrails. But ultimately there has to be flexibility so that people leaders can be agile to bring people along.”

PETER HUDDLE

CEO & MD,
Vicinity Centres



“There are preconceptions about the young generation. But things are not that simple. It’s about having greater empathy. Purpose is a key motivator in the workplace. As a leader you really need to understand these nuances.”

PETER CHUN

CEO, UniSuper



“Are there people in your organisation that might be two, three layers below the senior team, who have entrepreneurial capabilities and haven’t been shaped by the organisation’s existing ways of working? Take a risk and move them into more senior positions.”

NICKLE LAMOREAUX

Chief Human Resources Officer,
IBM

“Change is underpinned by constant communication. Have your structure set up like a spine, from the vision to the individual objectives, and stick to it. I call it the rhythm of the business, because what people are looking for is consistency. Then change can happen in a familiar structure.”

JANE HUXLEY

Former CEO, Are Media



“The best employees will be much more expensive. Knowledge worker talent will be more like sports. The best will be very expensive.”

GREG SHOVE

CEO, Section



“There is an increasing level of stress in leadership roles, purely driven by the rate of change.”

STEPHEN KOWAL
CEO, Atturra

the very structures that tie people to their work and to each other. Finally, reconnect leadership to purpose—show younger workers that leadership can make the change they seek.

DON'T BURN OUT YOUR MIDDLE MANAGERS

Organisational life has become too complex—and it risks burning out your middle managers. In a recent global study, 75% showed signs beyond ordinary stress, with overwhelm severe enough to affect how they manage and stress their own teams (Sinek 2025). Engagement tells the same story: it's fallen nine points in four years among managers, to a global low of 22%; the best organisations hit 79% (Gallup 2026d).

Complexity compounds. You can't control external shifts and change—AI, geopolitics, economic uncertainty—but you do have a say in how you react. Our organisations are very good at solving problems by adding things—a new process, a new system, a working group, a metric, a fresh Chief Problem-of-the-Year Officer. We're far worse at solving problems by removing things. Complexity builds until it buries what matters most. Leaders

now spend just 41% of their time actually managing people, with the rest spent servicing the system around them (Capterra 2024).

Research shows that stress and role overload among middle managers feeds resistance to change (Wang *et al.* 2025)—the very change your leaders need to manage. When you can't alleviate the external pressure, cut the internal load and simplify. The space you have to give is the space leaders need to be creative and find solutions to emerging problems.

POINT TO THE HORIZON

Many senior leaders tell us they no longer have a “plan” in any traditional sense—the outlook has become too blurry. The aim is adaptability: 85% of organisations recognise its importance. And yet, adaptability is easier said than done: only 7% are making real progress building it (Deloitte 2026c). What then is the plan?

The answer reads like a paradox: take your hands off and be more hands on. Rather than craft a detailed plan that dates fast, lead from first

principles. Successful change leaders set a heading—a tight set of core principles, values, and purpose that keeps leaders and their teams focused while giving them room to move. Perhaps inspired by our favourite report, we call this **Horizon leadership**. You set the direction, not the route. This gives your people something firm to steer towards and the agency to find their own way there.

Start by not adding things. Then ask the hard questions, and retire processes, structures, and metrics that have outlived their time, so your leaders are free to focus. Simplify and **Manage for stability**. When uncertainty is everywhere, don't be another source of it. Build the spine to steady your leadership pipeline.

PLAY MAKES SENSE

Horizon leadership gives direction. Pair this with discovery. Now that you've charted a course, create pockets for play. In times of uncertainty, **Play** is your organisation's superpower to try things and learn. Provide space to experiment safely without the immediate need to show results.

The skills in this Blob

MANAGING FOR STABILITY

The ability to absorb the pressures of continuous transformation—shielding your teams so they can work productively—by articulating direction, creating routines as anchors of certainty, and providing psychological safety to fail.

WORKPLACE COMMUNITIES

The ability to cultivate productive teams across all modes of work: physical, remote, and hybrid. Balancing individual flexibility and collective requirements of work coordination, fairness, and inclusivity.

LEADING ACROSS GENERATIONS

The ability to navigate the complexities of a multi-generational workforce with diverse expectations, communication styles, and work preferences. Fostering understanding, productive collaboration, and knowledge sharing.

HORIZON LEADERSHIP

The capacity to lead from first principles rather than detailed plans; to chart a heading as a set of core values, purpose, and constraints, to keep teams focused, while giving them the space and agency to find their own way there.

PLAY

The capacity to hold work loosely enough to try things without guaranteed return; using humour and improvisation to surface and explore new ideas; creating safe spaces to build trust that lets a team take risks together in experimentation.

PURPOSE, INCLUSION AND BELONGING

The ability to articulate and embody organisational purpose and values, leverage diversity in all its forms, promoting inclusivity, and a culture where individuals feel a sense of belonging and motivation to contribute.

You know where you want to go, but not how. Work it out by trying things. This is where you want to be more involved. Be close enough to make sense of what happens and guide your teams. Enable your middle managers to be among their teams, learning alongside them. Everyone's invited to play.

YOU NEED MORE GROUP THINK

Make leadership a team sport. Bring different ideas to bear on problems no single leader sees whole. Your people already know difference makes them better: 78% say they're more productive when they work with people who hold different viewpoints; 90% want leaders to spend more time improving collaboration (Randstad 2026).

But trust across difference is falling, with 70% unwilling or hesitant to trust someone whose values, facts, problem-solving approach, or background differ from their own (Edelman 2026). It shows in who people are willing to work for: 42% would rather move departments than report to a manager who doesn't share their values (Edelman 2026). Your people know what diversity provides, but many resist the relationships that produce it.

You need to invest in social capital—the value provided by the relationships between your people—trust, goodwill, and the familiarity that allows teams to work well together. Where social capital is high, leaders stand on stable social ground. The good news is that the raw material is there. Trust in one's colleagues is up (11% YoY), as is trust in one's own CEO (9% increase) (Edelman 2026). With those solid foundations in place, now's the time to strengthen your **Workplace communities**. Build the connections that let people trust across the lines they don't normally cross. Building community frees your leaders to focus on the work instead of the friction—and it gives younger workers much-wanted belonging.

PROVOCATION

Are you game?



If you didn't have any fun at work today, something seriously needs to change.

- + Play and fun at work have positive effects on productivity, relationships, and managing conflict (Fletcher & Thornton 2025).
- + Play builds psychological safety and drives experimentation and positive risk-taking (Berkeley 2024).
- + Organisations with strong experimentation cultures outperform their peers (HBS 2024).
- + How can you be more playful?



PROVOCATION

They would rather chat to a bot



Why put up with human quirks and indecision when AI gives fast and clean answers?

- + 'Emotional offloading' is on the rise, with young people in particular asking AI for social and relationship advice.
- + At 34% 'personal and professional support' is the #1 GenAI use category—companionship is the top use case (HBR 2026).
- + 23% of US adults under 30 say they've confided in an AI chatbot about a problem or secret they had not told anyone (YouGov 2026).
- + At work, more are talking to and seeking answers from their AIs instead of their colleagues.



MAKE PURPOSE YOUR PITCH

The ambition to be a leader is drying up at the source. 41% of jobseekers don't see being a leader as part of their career plan at all (Aerotek 2026). The life of a leader seems at odds with where values are shifting. 45% of Gen Z have quit a job that didn't fit in with their personal lives (Randstad 2026). Meanwhile, long hours, at 51%, are the single biggest source of work stress (Deloitte 2026b). As a result, Gen Z are now 1.7 times more likely than others to turn down a leadership role for work-life reasons (DDI 2025a).

Leadership has an image problem. Despite more stress and worse days than workers, leaders report higher life satisfaction over the long run (Gallup 2026d). Young people can see the bad days clearly, but not the long-term reward. And yet, a solution hides in what they're really after: 79% of Gen Z say they want work that's about helping others or making a positive difference in people's lives (Gallup 2026e).

Leadership, done well, can achieve exactly that. No role can do more to shape whether work is good for the people around you. Your job ahead is to model a positive view of leadership—as a way to make a difference, to deliver the purpose young people want. The skills in this Blob will help you face the change that lies ahead and inspire your leaders to keep the pipeline flowing. +

+ Working across difference, in numbers



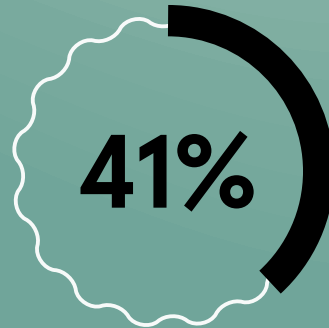
LEADERSHIP DEVELOPMENT IS NOW A TOP CONCERN



80%

of HR leaders lack confidence in their leadership pipelines; CEOs rank leadership development as a top four concern (DDI 2025b).

MANAGERS DO MANY THINGS, EXCEPT LEAD PEOPLE



Proportion of their time managers actually spend on people, rather than other things (Capterra 2024).

MIDDLE MANAGERS ARE OVERWHELMED



75%

of middle managers showed signs of overwhelm severe enough to affect how they manage (Sinek 2025).

YOUNG LEADERS ARE LOOKING ELSEWHERE

>40%

of managers with less than two years in the role are looking to do something else (but only 20% among leaders with 10+ yrs' experience) (Capterra 2024).

OR DON'T WANT TO LEAD AT ALL

1.7x

Gen Z are much more likely to turn down a leadership role than others (DDI 2025a).

PEOPLE WANT DIVERSITY

78%

of people say they are more productive when they work with others who hold different viewpoints (Randstad 2026).

BUT THEY DON'T TRUST IT

42%

would rather move departments than report to a manager who doesn't share their values (Edelman 2026).

WORK-LIFE BALANCE IS A TOP MOTIVATOR



46%

Work-life balance beats job security and pay (both 23%) as top reason for staying at jobs (Randstad 2026).

BUT LONG HOURS A TURN-OFF



51%

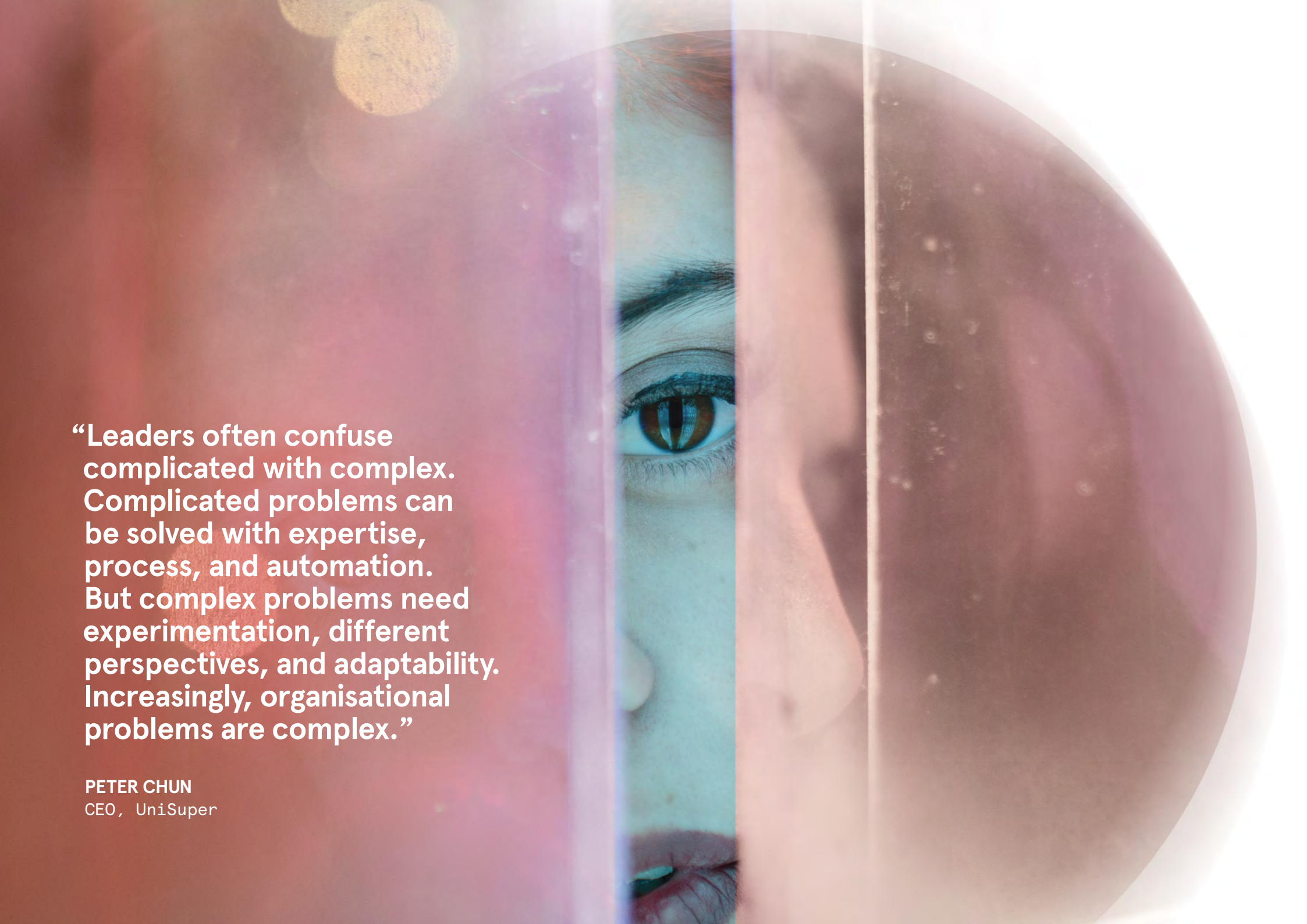
Long hours are the largest source of work stress for Gen Z (Deloitte 2026b).

CONNECT LEADERSHIP TO PURPOSE



79%

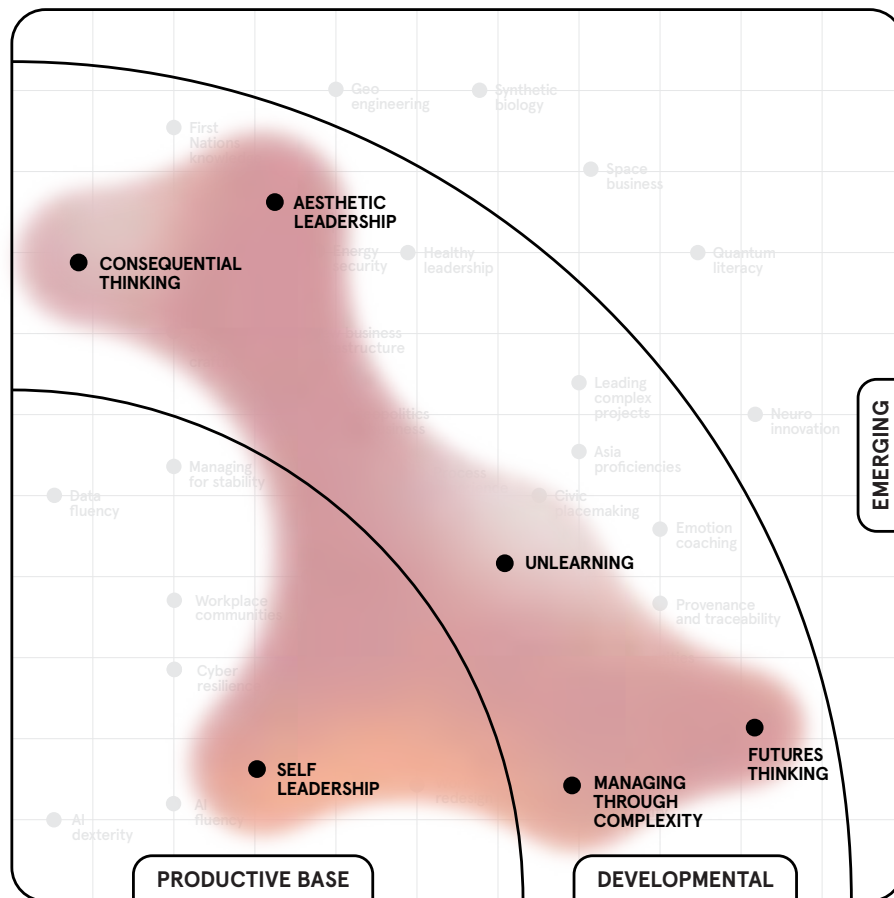
of Gen Z want work that's about helping or making a positive difference in people's lives (Gallup 2026e).



“Leaders often confuse complicated with complex. Complicated problems can be solved with expertise, process, and automation. But complex problems need experimentation, different perspectives, and adaptability. Increasingly, organisational problems are complex.”

PETER CHUN
CEO, UniSuper

Thinking through complexity



You need to make sense

Meet the three escalating challenges that require your intensive care urgently: information overload, complexity, and uncertainty. You need to track more things than ever, their effects are more unpredictable, and information isn't what it used to be.

It takes information to make good decisions. There's much more of it now, but less of it is worth having. The goal is analysis, the result is often paralysis. Some 72% of business leaders say the sheer volume of data, and their lack of trust in it, has stopped them making decisions altogether (Oracle 2023). With AI in the mix, telling apart the good from the bad and the sloppy is now a job in itself. 51% of leaders and workers alike say they don't always know when to trust an AI output and when to verify it (TeamViewer 2026)—judgement is at a premium now.

Meanwhile, complexity abounds. The number of moving parts you're expected to track keeps growing: technology, geopolitics, supply chains, regulation, your workforce, your social licence—and did we mention AI? Each comes with its own demands and its own stakeholders. 59% of CEOs say the expectations and complexity of their role have grown significantly in the last five years (KPMG 2025).

And the ground keeps shifting. Trends used to extrapolate, now things move sideways and break. What used to be true, no longer is. Global economic policy uncertainty has risen more than tenfold in a decade, sitting higher today than at the peak of the pandemic (EPU 2026). Asked which external factor would hurt them most, 42.9% of US CEOs said uncertainty

“To be successful as a leader in this future, you have to act like a founder, rather than a manager. Be a craftsperson in your domain. Act with agency, do things and build things. Don’t just influence or coordinate.”

KIPP BODNAR

Chief Marketing Officer,
HubSpot

“Some of the tech changes are going to fundamentally change the business models for many organisations. I think it’s important for leaders to look far further afield, in parallel industries, and ask about the applicability with their sector.”

IAN WHITEHEAD

CEO, Latrobe Health Services

“Linear thinking is increasingly a leadership risk. The challenges we face don’t exist in isolation; they’re part of interconnected systems.”

JASON MURRAY

CEO, CareSuper

“The biggest muscle we have to exercise is our curiosity muscle: understanding what others are doing, what their experiences have been, how they’re responding and the missteps that they’re taking.”

ROB WEBB

CEO, AFAC

“Leaders need to have the ability to analyse second- and third- order effects and fallouts of decisions.”

CAPTAIN JESSE NOBLE

Senior Policy Strategist,
DEFGLIS

“Whatever happens, there’s no list of the future, there is no point trying to pre-empt what’s coming. You’ve got to build the enabling structure and the mindset for constant change, through communication and education.”

JANE HUXLEY

Former CEO, Are Media

“Learning agility is top of the list: being able to navigate complexity and uncertainty.”

AMANDA HUGHES

Group Chief People Officer,
QBE Insurance

“In times of rapid change, waiting for certainty is rarely an option. The role of leaders is not to have all the answers, but to create momentum while learning along the way.”

VICKI BRADY

CEO & MD, Telstra





“Leaders need to be closer to the action to truly understand the new capabilities of AI and encourage their teams to push boundaries safely.”

KANISHKA RAJA
CEO, Ubank

(ConfBoard 2026). In order to respond to the ‘ICU’ of challenges—information overload, complexity, and uncertainty—you need to make sense.

JUDGEMENT CALLS

Last year we told you to cultivate taste. This year, taste is more important than ever.

Your information problem used to be finding, sorting, and filtering, because the signal was buried in the noise. That problem was tractable. Now it isn’t, because evidence itself has gone murky. You find information cited in an article that cites a report that says many things, except what you came looking for; studies arrive pre-summarised by systems that don’t flag what they dropped; and the numbers in your briefing pack are real, mostly... probably?

Under these conditions, old reflexes fail. Asking for more data used to help narrow things down. Now more data widens the problem because each source comes with its own provenance

question. More data means more checking. And you can’t check everything—nobody can.

This calls for your judgement. Discernment comes before truth. You need to judge what’s relevant before fact-checking, otherwise you’ll drown in verification work—in rabbit holes filled with slop. Your taste will be the difference—your honed sense of what good (and bad) looks like in your field. It’s what lets you know a number feels off before you can say why. Taste is a key ingredient of **Self leadership**. It is slow to build but unmistakably yours. You can’t delegate it because it’s crafted from your own choices and mistakes. Use it to lead you in the right direction.

GET IN THERE

When things are stable, you can manage from a distance. Data becomes shorthand because everyone knows what a dip in that number means, so you don’t need to see the thing itself. The dashboard works because the context is familiar.

Management models are abstractions of rich realities, useful when the world holds its shape or moves in ways you can predict.

But shifts break trends. When things go sideways, well-honed assumptions stop holding and your shorthand falls short. When complexity and uncertainty compound, you no longer know which numbers matter, or what the ones you have actually tell you. The dashboard still updates, but it’s distorted, no longer reflecting reality.

That’s when you need to get closer—closer to the team, the product, the customer, the work. Be involved rather than just informed. Managing at a distance, when possible, is more efficient. You pull levers, see the readout, make adjustments, get results. But that’s not the job anymore.

Now your role is making sense of things—to understand what’s actually happening, why it matters, what it adds up to, and what works.

The skills in this Blob

AESTHETIC LEADERSHIP

The ability to relate to and act in different contexts and media; to project yourself and communicate, to judge and translate your preferences into good choices across different contexts, without fracturing the coherence of your persona.

CONSEQUENTIAL THINKING

The ability to anticipate and consider the downstream effects of your own decisions and actions, including second-order effects and systemic feedback loops, so you see what your changes set in motion beyond their intended results.

SELF LEADERSHIP

The ability to manage your attention in the face of hyper-connectivity and information abundance; prioritise tasks; maintain focus; and cultivate mindfulness to build resilience, and navigate the complexities of the modern workplace.

UNLEARNING

The ability to use surprise and intractable problems as opportunities to uncover and challenge tacit and non-obvious assumptions. Develop a willingness and ability to change your mind and let go of established concepts that no longer serve you.

MANAGING THROUGH COMPLEXITY

Learn to unpack complex phenomena without resorting to reductionism; address root causes and deep cultural drivers of problems; navigate competing expectations; and bring stakeholders along on issues without clear solutions.

FUTURES THINKING

The ability to craft and envision multiple possible futures, considering emerging trends, potential disruptions, and long-term consequences of present-day actions. Become proficient in scenario analysis, strategic foresight, and signals methods.

This changes your job, from *managing* what matters to *figuring out* what matters. Use your taste and experience to make sense for yourself and to give sense to your teams, who are looking for orientation.

GET OUT MORE

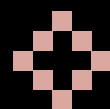
Getting closer gives a richer view, but it's still just one view. In addition, look sideways to leave your industry bubble and see analogies elsewhere. This isn't entirely new. Retailers learnt about turnaround time from motorsport pit crews. Fraud investigators learnt to trace money through payment networks following the logic of epidemiological contact tracing. Hospitals borrowed checklists and pre-flight discipline from aviation.

What's new is the scope of change. AI, geopolitics, the energy transition, fracturing values—everyone is hit by the same shifts, and everyone is working out how to respond. Your competitors are likely running the same experiments you are, they share similar assumptions and blind spots, which makes them less interesting to watch than those further afield.

Analogies are how you think about things you've never seen before. When there's no precedent in your own experience, a parallel from somewhere else might give you a novel starting point. This takes deliberate effort, because nobody will send the answer readily to your doorstep. Talk to people whose constraints look nothing like yours. Ask what problem they're solving, not what they're doing—the practice might not transfer, but the logic underneath often does.

Managing through complexity is a skill that enables you to simultaneously get closer to the action and look for solutions further afield.

You will be wrong



Are you prepared to change your mind? And how do you deal with failure?

- + In uncertain times, you and your teams will be wrong. What's your approach when you are?
- + Can you think like a scientist? Be proud to change your mind when new evidence comes in?
- + Failure naturally precedes success. But a large study in *Nature* found that only those able to learn and change will make it (Nature 2019).
- + Every failure has critics. Are you one of them? How do you deal with yours?



**SHARE
YOUR
THOUGHTS**

Stop the slop

Slop is now everywhere: fast, careless, recognisably AI-generated. You'll find it online and at work—and it comes with two big problems. First, slop kills productivity: online, signal gets buried under competent-seeming noise; at the office, colleagues waste time reviewing empty babble. Second, slop erodes trust: you can no longer rely on your trusted information channels or old quality signals. And workslop makes people trust AI-using colleagues less. Don't be a slopmonger online. And when you spot it at work, offer coaching.

Spot the slop



What's the telltale AI voice?

Great question! The telltale AI voice has a fondness for restating the problem. In today's rapidly evolving communication landscape the AI voice permeates every platform with its rich tapestry of stylistic signals. Its register is relentlessly upbeat, treating every topic as an exciting opportunity to explore. So, let's dive in.

The distinctive feature of the AI voice is authority. This is where the AI voice does the heavy lifting—overusing hyperbole, for real effect—because every sentence must have critical cut-through for maximum impact. Only then do the words earn their keep. The lists, the emphasis, the repetition. This paragraph doesn't just sound like slop, it explains the typical slop signs. It is load-bearing because its structure provides the spine of the argument.

It's worth noting that the AI voice never commits. Context matters, and any claim has counter points. Honestly, the deeper truth is that this voice serves as a testament to a system optimising for affable inoffensiveness. The structural tell: every sentence is about the topic without ever committing to a claim someone could disagree with. It never provokes. Ultimately, the practical upshot is seamless prose, easy to consume, maximally convincing. This is where the AI voice does real work.

I hope this helps! Let me know if you'd like me to elaborate on any of these 🌈



THERE WILL BE CONSEQUENCES

When things are in flux, you must decide without knowing how things will land. And yet, you need to anticipate the consequences of your decisions, two and three steps out. What should it look like when it works? What else might your decision touch? Second-order effects are where the trouble lives: unintended consequences in a seemingly unrelated part of the business, and incentives you set being gamed. You won't catch all of them. But don't be surprised when a feedback loop points back at you.

Consequential thinking helps you anticipate the effects of your decisions. When you've thought about consequences and are aware of potential backlash, you're far less likely to be blindsided by the ones you missed and you'll be quicker to recognise one when it arrives. You will, inevitably, be wrong. But at least you won't be surprised.

LET GO OF WHAT YOU KNOW

When things change, you need to do new things. But even more important is your ability to let go of things. Assumptions you knew were true suddenly lose purchase. The ones that need to go first are often the ones you'd never think to question—the hard-won lessons that made you good at what you do. And that's just the obvious half of **Unlearning**.

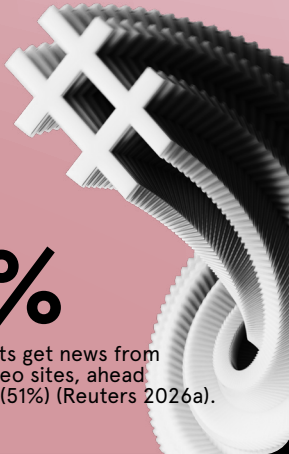
The harder half is letting go of what you just learnt. Think of how much you've had to revise about AI already: what it's for, what it costs, what it can or can't do, and for whom. Initially we thought AI would allow novices to catch up with experts—after all, AI provides a wealth of knowledge. Turns out that it amplifies expertise—the more you have, the more it helps. Every few months the picture changes, so hold your conclusions loosely. Don't let insights crystallise into policy too soon, because this period of change is far from settled. Learn and unlearn. Rinse and repeat. +

+ Thinking through complexity, in numbers



HEY!
STEAL
THIS!

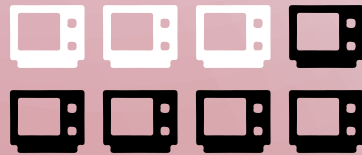
SOCIAL MEDIA
NOW #1 NEWS
SOURCE GLOBALLY



54%

of respondents get news from social and video sites, ahead of news sites (51%) (Reuters 2026a).

TRUST IN NEWS
REACHES A
NEW LOW



37%

of people globally trust the news—the lowest level yet (Reuters 2026a).

CONSUMING AI
CONTENT IS NOW
A COIN FLIP



52%

of new online content is now AI-generated (Axios 2025).

INTERNAL DATA
QUALITY INCREASINGLY
QUESTIONABLE...

61%

of leaders question data reliability about people and performance (Deloitte 2026d).

... AND HARD TO RECTIFY

5%

of organisations making real progress addressing quality of this data (Deloitte 2026d).

PARALYSED
BY DATA...

72%

of leaders say volume and lack of trust in data stopped them making a decision (Oracle 2023).

... AND
AI

41%

of respondents say AI increased the time spent making decisions (BCG 2026a).

MORE
JUDGEMENT
IS NEEDED



59%

of employers rate “judgement and decision making” as more important than a year ago (ZipRecruiter 2026).

UNCERTAINTY
IS UP...

10x

rise in economic policy uncertainty in the past decade (EPU 2026).

... AND
BEING FELT

43%

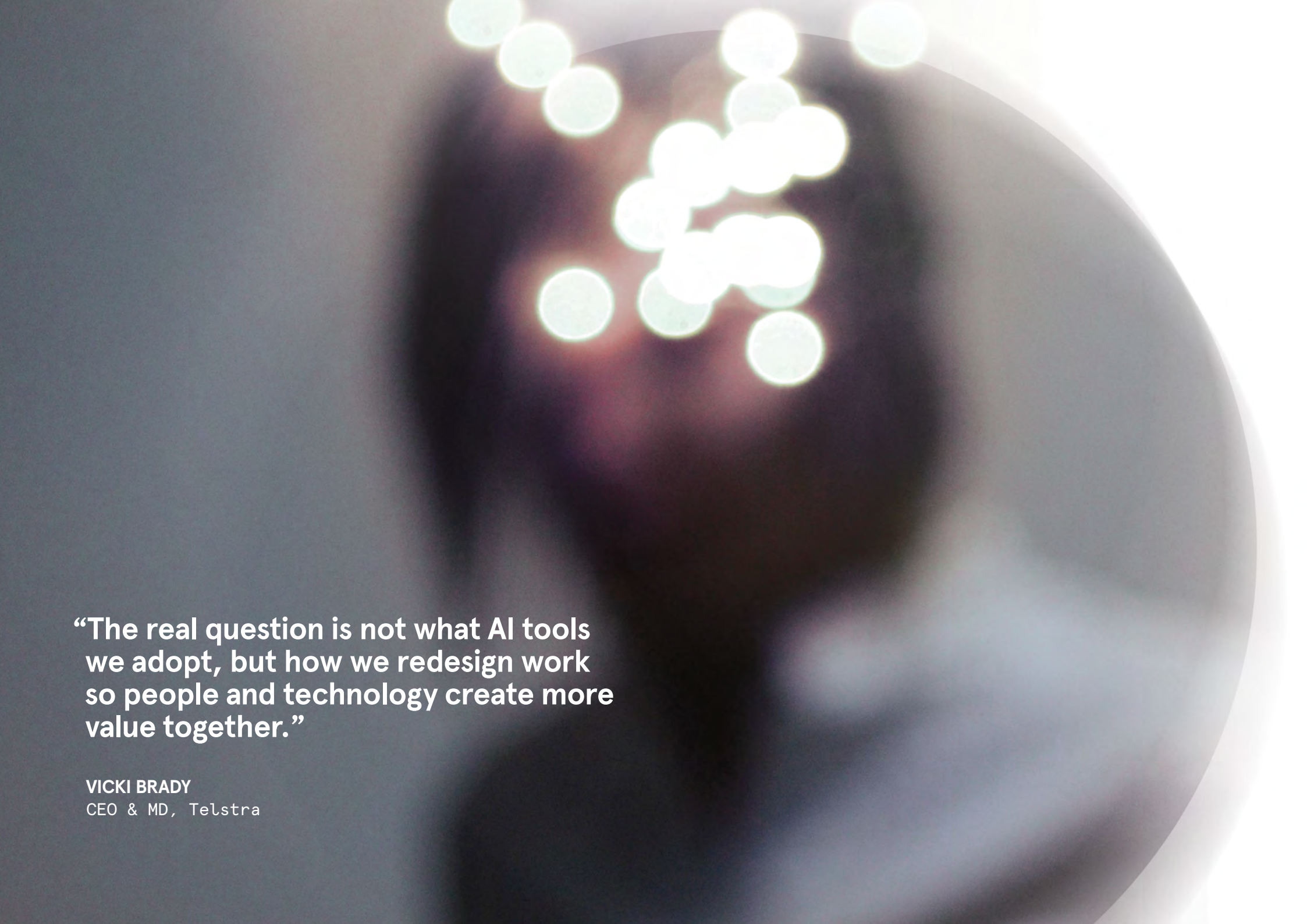
of US CEOs named “uncertainty” as the one external factor with greatest negative impact (ConfBoard 2026).

A LEADER'S
LIFE IS
COMPLEX



59%

of CEOs say expectations and complexity of their role grew significantly in the last five years (KPMG 2025).



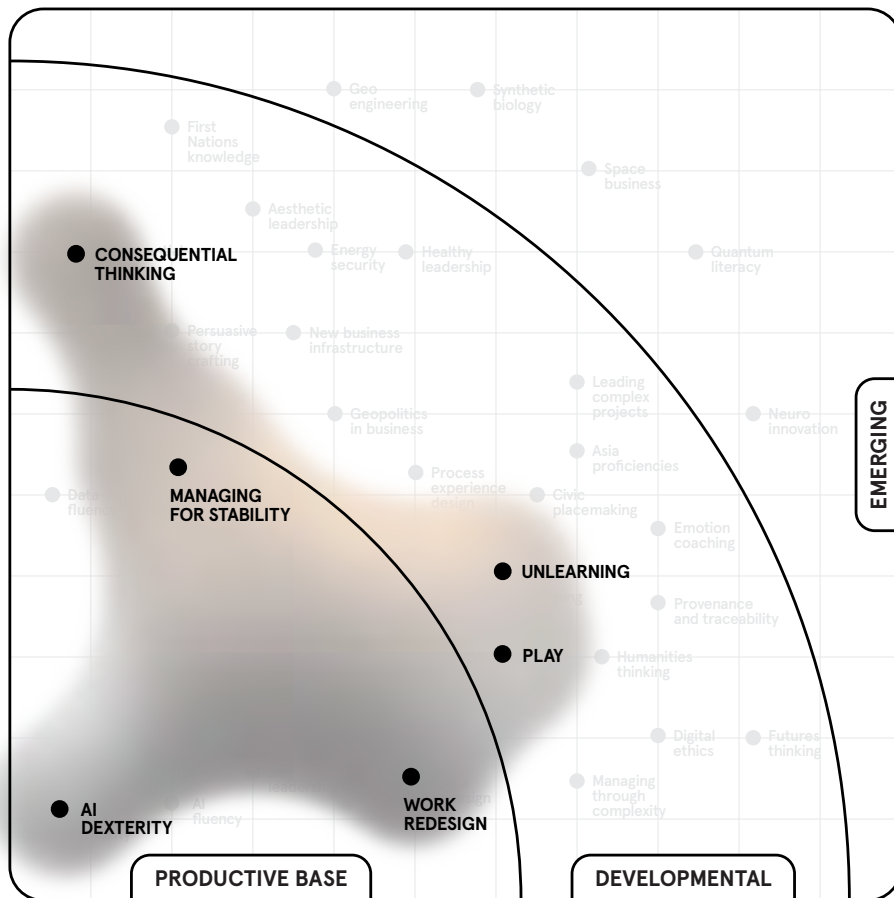
**“The real question is not what AI tools
we adopt, but how we redesign work
so people and technology create more
value together.”**

VICKI BRADY
CEO & MD, Telstra

Leading the AI transition



HEY!
STEAL
THIS!



You need to clean up the mess

AI is a powerful amplifier, but it doesn't come with a user manual or predefined use cases. As a result, its presence has made a mess in many workplaces. Managing the AI transition means cleaning up this mess.

AI promises to make work easier, find productivity, and free us to do higher value tasks. In reality, what you're likely seeing across your teams is quite different. For many, work has become more intense since AI arrived. But these effects are unevenly distributed. While some might be cruising, offloading work to a chatbot, leaders are often hit hardest.

Add to this a souring in AI sentiment, your people's lingering fears of automation, concerns about expertise erosion from AI overuse, and the delicate balancing of

productivity with work quality, and you have the perfect office storm. Fortunately, there are solutions. By framing AI appropriately, amplifying better uses of AI through upskilling, and reorganising work and tasks beyond the individual level, a clearer picture will emerge.

EVERYONE'S A CRITIC, IDEALLY

Our relationship with AI is complicated. That makes your job harder. Use of AI is up everywhere, though trust in AI keeps declining. Translation: people find AI both useful and hard to resist, but they're sceptical about its impact. And views about the impact diverge: 73% of experts see a positive impact on jobs, but only 23% of the wider public share this view (Stanford 2026a). Keep these conflicting sentiments in

"We need people who can change the dynamic of their job going ahead, and that requires a certain kind of an attitude and resilience."

STEPHEN KOWAL
CEO, Atturra



"I want to really understand AI better, use it more. Even tech people, everyone's struggling with how you use this thing. Even people who are building this day in, day out are struggling with how they're going to use this effectively because there is a lot of noise at the moment."

DR KATE CORNICK
CEO, Tech Council of Australia

"Tech is not a substitute for experience. Experience is gained by years of practising a craft."

LEAH WECKERT
CEO & MD,
Coles Group

"AI helps me to go deeper and get back to my founder-startup roots, being directly on the tools. Which also then lets me go broader, because I can do more of those things."

CAMERON ADAMS
Co-founder & Chief Product Officer, Canva



"The question is how can junior talent develop the skills and curiosity, while working with AI, without having any friction?"

RAFAEL SANG
Founder & CEO,
MoM Creative Agency



"What do we purposefully not try to automate, because humans are great at it, and how do we then develop the strength even further?"

ROMAN RASINGER
Chief Commercial Officer,
ALDI China

"There is such pressure on people to adopt technology quickly, but the flip side is there is not a culture of talking openly about the ways that you're using technology."

LORRAINE FINLAY
Human Rights Commissioner,
Australian Human Rights Commission

"Humans need to be the ones to be doing the analysis and we need to have the intellectual development to do that. But in a sense, all this tech is also dumbing us down because we are delegating our reasoning and analysis without cross-checking."

CAPTAIN JESSE NOBLE
Senior Policy Strategist,
DEFGLIS





“AI requires us to both think differently and also change some of our habits. And changing habits and our ways of working is actually quite hard.”

AMANDA HUGHES

Group Chief People Officer,
QBE Insurance

mind when you're making decisions because you can't afford AI negativity to undermine your efforts.

But it's not all bad news. This paradox of high use and low trust brings an opportunity. Scepticism towards AI is generally not misplaced when focused on the tech itself. AI tools are probabilistic—reliability demands constant attention, blind trust leads to blunders. AI use needs to be directed to positive outcomes for both your people and your organisation. This presents the opportunity to renew the social contract with your people for positive AI transformation. Encourage them to use their scepticism for good: by being critical of outputs, better outcomes are possible.

CHATBOTS AREN'T COLLEAGUES

Remember that AI agents are software, not digital workers. Treat them as such, because this distinction matters more than you might expect. In a large experiment by Boston University,

managers were asked to review documents containing errors (MIT 2026). The framing was key. Those who were told the documents came from an “AI coworker” instead of a “tool” found 18% fewer errors and were 44% more likely to pass the questionable document up the chain for further review, wasting time. When AI agents are treated like people—23% of participants said their company listed AI agents on their org chart—a level of human-like accountability is assumed that AI software just can't uphold.

Instead, create ways of agentic working, whereby people hand tasks to AI tools, but remain firmly in charge, rather than just “in the loop”. Autonomous AI is an important tool; it has its place in tightly governed, repeatable processes. But as far as work goes, your focus needs to be on your people, augmented by AI. This framing is not only more realistic, it also alleviates worker fears and builds social licence.

AI transforms work. Yes, you'll need less of some and more of other tasks, but widespread job displacement from automation isn't on the cards in most lines of work.

YOU NEED TO THINK OUTSIDE THE BOT

Last year we introduced the clash between efficiency and expertise. When used well, working with AI can do both—save time and build expertise. But seduction muddies things (PNAS 2025). AI's friendliness seduces users to offload tasks, which can lead to cognitive surrender (SSRN 2026) and erode both work quality and learning.

For example, AI company Anthropic ran a study with 52 software engineers doing coding tasks. Half of them had access to AI. Assessed on their learning, the average quiz score in the AI group was 50% versus 67% in the non-AI group (Nature 2026c). Similarly, a large study of 3.2M student interactions with an online maths

The skills in this Blob

CONSEQUENTIAL THINKING

The ability to anticipate and consider the downstream effects of your own decisions and actions, including second-order effects and systemic feedback loops, so you see what your changes set in motion beyond their intended results.

MANAGING FOR STABILITY

The ability to absorb the pressures of continuous transformation—shielding your teams so they can work productively—by articulating direction, creating routines as anchors of certainty, and providing psychological safety to fail.

AI DEXTERITY

The ability to employ and harness GenAI tools practically and effectively, in your own (and your team's) work practices, to lift productivity without degrading expertise; configuring your GenAI workbench, to make AI tool use repeatable.

UNLEARNING

The ability to use surprise and intractable problems as opportunities to uncover and challenge tacit and non-obvious assumptions. Develop a willingness and ability to change your mind and let go of established concepts that no longer serve you.

PLAY

The capacity to hold work loosely enough to try things without guaranteed return; using humour and improvisation to surface and explore new ideas; creating safe spaces to build trust that lets a team take risks together in experimentation.

WORK REDESIGN

The ability to analyse and recast dependencies between tasks and roles, accounting for the impact of emerging technologies like AI. Balancing automation and human expertise, individual roles and systemic outcomes.

learning tool revealed that, where AI was used, response times were 27–31% faster, but retention fell by 25% (Rismanchian *et al.* 2026). Learning was traded for speed. This effect is real, material, and concerning. But it can be countered.

What helps is **AI dexterity**: skills that enable you to say no to cognitive offloading and instead treat AI as an advisor, coach, or sounding board, so you can produce better, not faster, work, and think better, not less. Because research shows that, to work well with AI, people need *more* expertise, not less. Another Anthropic study analysed 400,000 coding sessions done over six months. It found that the verified success rate of novice coders was half that of experienced ones. Effective AI use, especially in agentic work, draws on the very expertise that uncritical AI use may erode.

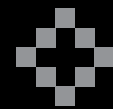
CONSIDER YOUR SLOPPORTUNITY COST

AI is a performance-enhancer for eager and competent workers. It also allows the effort-shy to perform competence without understanding. Vibe working is on the rise, and leaders are telling us they're increasingly “slopworn”, tired from having to review ‘workslop’, AI-assisted work done fast and with little care.

Workslop needs your attention because it makes work harder for you and the broader team, plus it undermines productivity. Worse still, workslop may erode trust and relationships across your workplaces. In their research, the authors who coined the term (HBR 2025) found that workers who had previously received workslop from others now viewed AI-using colleagues more negatively—54% viewed them as less creative, while 42% said AI-using colleagues are less trustworthy (Futurism 2025).

PROVOCATION

AI is making your seniors better and juniors worse



How do you develop expertise
when AI promises to have all
the answers?

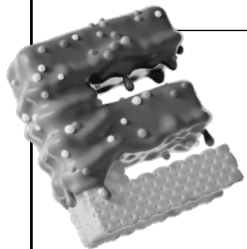
- + The key ingredient to effective AI work is expertise.
- + When seniors hand tasks to AI rather than juniors, how will they learn the craft?
- + 48% of workers admit offloading tasks to AI before trying to solve a problem themselves (Glean 2026).
- + A growing number of studies find strong links between intensive AI use and lack of critical thinking.



The 4Es of work redesign

Work redesign for AI aims to balance a number of conflicting goals to enhance knowledge and service work. Focus on these 4Es:

E is for	Explanation	Examples
EFFICIENCY Go faster with AI	Find productivity gains in the traditional sense; hand menial and repetitive tasks to the AI to free up your people's time.	Text summarisation, audio transcription, problem triaging, meeting preparation.
EFFECTIVENESS Do better with AI	Leverage advanced AI features like agentic working; do new things with AI, or existing tasks in new ways.	Data interpretation, guided research, evidence discovery, document repositories.
EXPERTISE Learn with AI	Use AI for feedback and to challenge ideas in the flow of work. Beware of uses that offload thinking and deplete expertise.	AI as an advisor, coach, or tutor, AI brainstorming.
EXPERIENCE Have fun with AI	Using AI can be enjoyable but keep an eye on work intensification. Also be mindful that one person's fun can result in another's drudgery.	Provide space for play and experimentation.



If that's not enough Es, please consider these:
Engage your brain, Evaluate AI outputs, and Explain to others what works for you. OK, we could've just said "think, review, and share", but that'd be too easy!



HEY!
STEAL
THIS!

That's why you need to tackle AI use and productivity at the team and process level. In addition to building your people's dexterity—to enable good choices and effective use—invest in skills for leading tech-enabled teams. Redesign how work is done and define, and measure, AI outcomes systemically instead of individually.

FOR EASE, USE THE 4ES

Building skills that enable better AI use is the first step. Next comes adapting to how work gets done once AI is in the mix. The emerging capabilities of AI are messing with job descriptions. When everyone can do everyone else's job, lines between roles blur. While you'll still need specialisation and dedicated roles, how work gets done, and who does what, needs rethinking.

This happens best in the flow of work. However, recent data from Microsoft shows that only 13% of AI users are rewarded for reinventing their work even if existing KPIs aren't met. Meanwhile, 45% feel safer sticking with current ways rather than redesigning work with AI (Microsoft 2026). You want to empower your people, but it's important to begin by equipping your leaders with work design skills, so they can guide the effort.

With AI in the mix, work redesign has to consider a host of outcomes. Focus on the 4Es: *Efficiency* pays attention to productivity to find time savings; *Effectiveness* makes sure AI amplifies quality for better outcomes; *Expertise* is all about learning on the job and resisting cognitive surrender; *Experience* ensures AI work is rewarding and enjoyable—a counter to AI making work harder.

Much needs to be done to sort the mess made by AI. By investing in upskilling and work redesign, leaders can approach AI with confidence, make good choices for themselves and their people, and keep things clean at the office. +

+ Leading the AI transition, in numbers



HEY!
STEAL
THIS!

ADOPTION IS NO
LONGER YOUR #1 ISSUE...



58%

of employees report
regular, intentional AI
use (Melbourne Uni 2025).

WORKSLOP
ERODES TRUST



42%

of workers who received workslop
say AI-using colleagues are less
trustworthy (Futurism 2025).

YOU NEED TO CLEAN UP
AFTER YOUR BOT



87%

of workers say AI outputs
regularly need revisions
(GoTo 2026).

YOUR WORK
IS GETTING HARDER



50%

of leaders report spending more
time reviewing and correcting
AI output (41% say it increased
decision times) (BCG 2026a).

WORK IS
CHANGING FAST...

49%

of workers globally are experiencing
change in how work is being done
(Deloitte 2026c).

... BUT INCENTIVES TO
REDESIGN ARE LACKING

13%

of users say they're rewarded for
reinventing work with AI even if results
aren't met (45% feel safer doing
business as usual) (Microsoft 2026).

AI IS
A PEOPLE ISSUE



of CEOs say CHROs' influence
over AI will increase in the
years ahead (IBM 2026a).

AI SKILLS LEVELS
ARE STILL LOW...

24%

of Australian workers have received
AI training (US: 28%, UK: 27%)
(Melbourne Uni 2025).

... BUT NOT
EVERYWHERE

64%

of workers in China and
India have received training
(Melbourne Uni 2025).

LEARNING
IS REQUIRED...



88%

of workers say they need major
upskilling in the next five years (only
36% feel properly skilled) (BCG 2026a).



We've covered how everything is changing and the skills you'll need to navigate what's next.

Now it's time to look at the traits and habits of *The Provocative Leader*, an archetype for productive and playful leadership.

The Provocative Leader



In a disorienting world, your people look to you for ideas, stability, and direction. In 2027, it's *The Provocative Leader* who'll be best positioned to engage, guide, and inspire the team.

01 PROVOCATIVE LEADERS TELL IT LIKE IT IS

Provocative Leaders give direction, even when none is obvious. This takes honesty and humility. They're not afraid to admit when they don't have all the answers, or when they were wrong; they'll equally not shy away from asking the hard questions. This kind of open and upfront communication builds trust.

Develop the habit of being forthright with your team, even if it's uncomfortable. And there's enough complexity to deal with, so keep it simple, accessible, and good-humoured where you can.

02 PROVOCATIVE LEADERS USE THE POWER OF PLAY

Whoever told you that leading and playing are mutually exclusive isn't having enough fun. Pity their teams. And that's the key word here: *team*. Provocative Leaders create safe spaces to take risks and encourage experimentation as a collective—

to fill direction with action. Results matter, but achieving them together needn't be a drudgery.

Develop the habit of playfully testing and challenging the thoughts, assumptions, and expectations of your peers and your people. And, importantly, apply that same scrutiny to yourself. Try new things or approaches at work to keep yourself fresh.

03 PROVOCATIVE LEADERS ARE INVOLVED

Uncertain times require first-hand experience, because old habits and tools will fail you. Making sense of the mess involves seeing what works. That's why Provocative Leaders show up in the midst of things—hands on the tools, involved rather than just invested, welcoming diverse viewpoints.

Develop the habit of trying out new tools, so you know where things are headed. Try to join your team where possible—as a participant, not just an observer—when they're exploring new ideas. There's more fun, and insight, to be had at work.

04 PROVOCATIVE LEADERS USE THEIR TASTE

Leaders make choices. For best results, they trust their instincts and think things through. They help their teams develop taste by posing

provocations like the ones in this report, which can briefly make things uneasy in the room—we call it 'constructive awkwardness'—but help sharpen decision-making and spark conversation. This kind of strategic friction moves things forward.

Read widely, even weirdly—outside of your bubble and comfort zone. Look in strange places to cultivate your own perspective on things. Don't be afraid to use your own judgement.

05 PROVOCATIVE LEADERS ARE LIFELONG LEARNERS

Provocative Leaders know that learning enables you to stay ready for a messy future. They're intellectually promiscuous, actively seeking out new ideas and inspiration. And they're intellectually provocative, actively supporting those around them to solve problems themselves.

Develop the habit of sticking with and working through complex problems, upskilling yourself and your people, and leading by example—have the confidence to change your mind and instil that confidence in others. As Daniel Kahneman once said: "Let's hope that there are better ideas that come up and capture the imagination of people."

"The future belongs to leaders who ask the most powerful, inspiring questions and who freely admit when they don't know an answer and seek help. 'I don't know' isn't a weakness, it's essential."

JOHN HAGEL

Founder, Beyond Our Edge

"I'm a fan of lifelong learning. I'm a big believer that you always have to unlearn, relearn, and then constantly adapt and grow."

PETER CHUN

CEO, UniSuper



"We've been spending a lot of time thinking about the role of friction and debate. How do you create an environment where healthy challenge is welcomed? As a senior leader, how do you ensure people feel safe challenging you, even when they're more junior in the organisation?"

NICKLE LAMOREAUX

Chief Human Resources Officer,
IBM



"I want people to get out of the mindset of 'I know the answer, and this is the best answer'."

GREG CREED

Former CEO, Yum! Brands



"Here at the Opera House, people are inclined to go to things when they have a sense of how it's going to make them feel, for example a musician or play they love. But at the moment it's more difficult to get people to go to more exploratory performances."

LOUISE HERRON AM

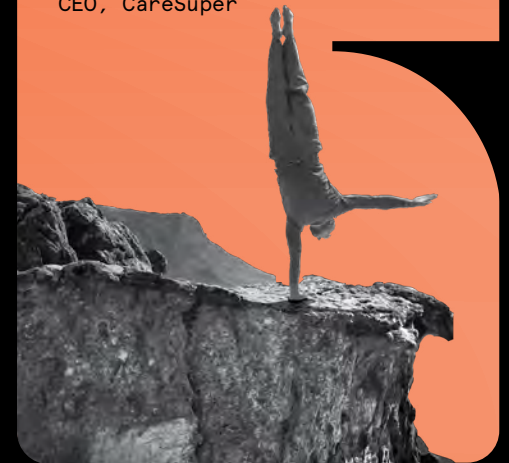
Former CEO,
Sydney Opera House



"Leadership isn't about demanding courage. It's about creating an environment where people feel safe enough to be courageous."

JASON MURRAY

CEO, CareSuper



"We need to be recognising that AI is complex technology and actually it's a sign of a good leader to be asking questions."

LORRAINE FINLAY

Human Rights Commissioner,
Australian Human Rights
Commission

"The taste, the judgement, the making of decisions, they've magnified, because the agents can create more output, can tee up more decisions. They intensify work."

GREG SHOVE
CEO, Section

"Everybody's always coming up with lists and plans. Enough laundry lists. It's time to do the washing."

CLIVE VAN HOREN
CEO, Colonial First State



"The idea of learning through failure hardly exists anymore. You can fail and try again. And you learn from your mistakes."

TINO KUEHNEL
CEO, byte - Bayerische Agentur für Digitales



"As leaders, how do you create an environment where people are able to fail and share those failings?"

DIDIER ELZINGA
Founder & Executive Chair, Culture Amp



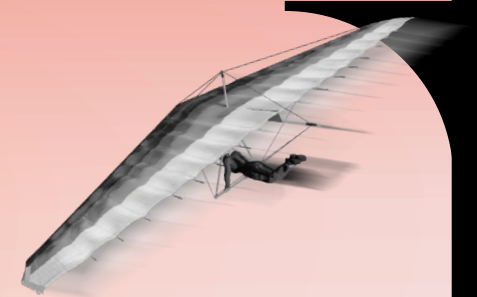
"Look at things glass half full but work through things with paranoia that something could go wrong so that you are ready for that and can take advantage of it."

ROBYN DENHOLM
Board Chair, Tesla



"A key ability of effective leaders is to have clarity in the midst of great complexity. You need clear, principled positions that you can communicate simply and effectively to your stakeholders."

DAVID THODEY AO FTSE
Chancellor,
The University of Sydney



"What you want to do at the moment is be widely read. You want to have a diverse and varied set of sources. You want things that are going to challenge you and give you different perspectives."

LEAH WECKERT
CEO & MD, Coles Group

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Onward and upskilled!





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