



What Directors Need To Know About The Future Of Work

5 Takeaways for Compensation Committees on Talent Development and Company Culture

Culture and Trust Are Foundational

A strong company culture built on shared values—including a genuine appreciation for differences—underpins colleague wellness, trust, and long-term success. Compensation committees should ensure that pay and recognition programs reinforce these cultural foundations.

Address Generational Shifts and Flexibility

Younger employees value flexibility, especially around work location, yet this can reduce their connection to the company and colleagues. Committees should support strategies that foster interaction with leadership, enhance visibility, and promote professional development to maintain engagement in flexible work environments.

Create Compelling Office Experiences

To encourage in-person collaboration and connection, companies need to design office experiences that employees genuinely want to be part of for fear of missing out. Leaders need to make themselves available to colleagues and get to know them with high-quality face to face time.

Manage Cultural Impact of Key Talent and Technology

The Compensation Committee needs to think about how certain high-performing employees can negatively impact culture (“rainmakers” who are poor managers, AI experts on upsized compensation packages, etc.) and ensure that their performance management and compensation structures that both results and positive leadership. Similarly,

employees should be involved in AI strategy development and implementation while the board and CEO focus on technology upskilling, not just AI “efficiencies”.

Evolve Language Beyond Acronyms

The future of DEI (Diversity, Equity, and Inclusion) is about strategic actions and outcomes, not just terminology. Compensation committees are shifting language to emphasize colleague inclusion and belonging, aligning rewards with behaviors that create strategic value and resonate with all generations, especially younger employees who expect authentic, values-driven leadership.

5 Takeaways for Compensation Committees on Succession Planning

Plan for Future Needs, Not Just Replication

Succession planning should be strategic, focusing on the evolving needs of the organization rather than simply seeking successors who are a younger version of current leaders. Boards must anticipate future challenges and opportunities, ensuring the next generation of leaders brings relevant skills and perspectives.

Deepen the Talent Bench and Use External Insights

With increased turnover, organizations must invest in identifying and developing a robust pipeline of next-generation leaders that likely goes a few levels further down the organization. This requires rigorous internal talent assessment and development, as well as openness to external perspectives to benchmark and enhance internal processes. Is the CHRO capable of leading this deeper dive?

Rigorous Evaluation and Upskilling of Directors

Director evaluations and skill matrices are more important than ever to identify gaps, especially regarding technology skills. Rather than filling seats with a technologist, boards should encourage current directors to upskill and evolve—or transition out if necessary—to meet future demands.

Transparency in Identifying and Developing High-Potential Talent

High-potential employees should be aware of their status and have clear development plans. Boards should ensure that talent identification and succession processes are transparent and communicated to those colleagues, avoiding the pitfalls of keeping talent planning confidential, which can lead to disengagement, resignations and missed opportunities.

Evolving CHRO Role and Accountability

The Chief Human Resources Officer (CHRO) must now function as a business operator, technology leader, and talent authority. Boards should hold CHROs accountable for owning and shaping company culture, ensuring they drive both talent development and organizational transformation to meet future business needs.