



POWER SHIFTS

Employees' needs can feel like a moving target, changing with new trends, technologies, and values.

But in the past year, we've seen companies mandating office returns, flattening management layers, tightening salary increases - all in the name of stability and growth.

The push and pull of power between employer control and employee expectations is rewriting common assumptions about work, as highlighted in our latest annual Korn Ferry survey.

Think getting everyone back into the office will enhance team spirit? That's not how talent sees it. Does it seem like your teams are working harmoniously across the generations? Ask your Gen Z employees about that. Feeling like you're winning with AI? The truth is that you're probably falling behind.



The Workforce 2025 survey results are clear. The workforce is evolving—and fast. Read on to catch up.

2025's critical workforce insights:

1. **MISSING MANAGERS**
2. **THE SALARY SQUEEZE**
3. **A NEW AI WORLD ORDER**
4. **THE HYBRID HEADACHE**
5. **GENERATIONAL GASLIGHTING?**

How We Did It

Korn Ferry surveyed more than **15,000 professionals worldwide** to understand how they really feel about work today. The Workforce 2025 survey included participants from entry-level positions to CEOs across ten major markets: the USA, UK, France, Germany, Brazil, UAE, Saudi Arabia, Australia, Japan, and India.

1. MISSING MANAGERS

When companies need to cut labor costs, middle managers are often the first in line for layoffs. And that tactic seems to be affecting many workers this year.

In our 2025 Korn Ferry Workforce survey, 41% of employees told us that their organization has slashed management layers.

The impact is more than just a slimmed-down organizational chart with fewer managers. Losing that management layer can quickly lead to employee confusion and dissatisfaction, ultimately affecting productivity.

43% of employees say their leaders aren't aligned, and 37% say the lack of managers has left them feeling directionless.

Why does this happen? When managers leave, senior executives are left to pick up the slack—on top of their heavy strategic workload.

Instead of fully focusing on crucial business decisions and growth plans, now they also have responsibility for the day-to-day issues their managers handled, only with less time to deal with everything.



The result is less time for strategic planning, collaboration among their peers, and communication with their direct reports.

It's no surprise, then, that 43% of senior executives doubt their ability to fulfill their responsibilities, compared to 40% of CEOs.

And given their ever-growing workloads and responsibilities, who can blame them?



Business Impact

Reducing management population can lead to a multitude of problems:

- Lack of communication and alignment across the business
- Lower productivity due to lack of leadership support
- Increased turnover as limited promotion paths drive top talent to seek opportunities elsewhere

When done well, eliminating levels can be part of a larger solution to reduce bureaucracy. But without appropriate guardrails, any short-term gain in efficiency could lead to long-term pain.

When management disappears, so does direction. A leaner organization today can mean a leadership crisis tomorrow.”

Lesley Uren, Korn Ferry



Trusted Manager: The Underused Retention Tactic

We've all heard the adage, "People don't leave bad companies. They leave bad bosses."

And as people increasingly resent companies for layoffs and corporate directives that indicate a lack of trust, such as workplace surveillance software and return-to-office mandates, having a manager in their corner matters more than ever.

Indeed, in our 2025 Korn Ferry Workforce survey respondents agree that a trusted manager is a top reason they not only stay at their organization, but why they remain excited and engaged with their work.



Any company that wants growth needs to care about workforce engagement levels. Our research for the World's Most Admired Companies found that organizations with the highest motivation and engagement saw twice the revenue growth of their worst-performing peers."

Maria Amato, Korn Ferry

Businesses know that having motivated workers makes a big difference to their bottom line. And great managers play a huge role in helping you retain top talent.

After all, your competitors might be able to entice your people with a better rewards package than you can offer. But can they guarantee them a supportive boss?

For those people who have managers they love, it's a risk they're not often willing to take, which is why we've found that excellent managers tend to have the lowest staff turnover rates.

80% of workers say they would stay in a job because they have a manager they trust



80%

2. THE SALARY SQUEEZE

Cash is still king when people are looking for a new job. It won the top spot for why people would accept a new job in 2024, and it takes the crown again this year.

It's always a powerful talent attraction tool, but money seems particularly relevant in 2025 when many workers are struggling with a serious salary squeeze. In the past year, cost-of-living increases have spiraled in most countries, yet salaries haven't leapt up at the same pace.

That's why 70% of those in our 2025 Korn Ferry Workforce survey are feeling concerned about the cost of living outpacing their current salary. And 35% believe they are paid below the value of their skills.

#1

**Pay and
compensation**

#2

**Job
security**

#3

**The work
itself****TOP 5 PRIORITIES
WHEN CHOOSING
A NEW JOB**

#4

**Employee
benefits**

#5

**Flexible work
hours**

But most people won't quit their current gig just for a higher bank balance, which might only be temporary.

Right now, they also really want job security, rewarding work, better benefits, and more control over their working hours. If you can offer these, they'll be powerful tools to attract top talent in 2025, even if you struggle to compete on pay.



70%

AGREE THE
COST OF LIVING
IS OUTPACING
THEIR SALARY

Employees who feel the cost of living is outpacing their salary are:

- More likely to leave within three months
- More focused on the complete package (salary and benefits)
- More likely to stick with a job they hate if the money is good enough

Business Impact

With employees becoming more geographically dispersed, companies need to review their compensation structures and align pay with the regional cost of living.



A paycheck gets employees in the door. Job security, meaningful work, and respect for personal boundaries keep them from looking for the exit.”

David Ellis, Korn Ferry

The Optimistic Job Seeker

Think you have the upper hand with workers too scared to leave? Think again.

Despite their strong desire for job security, in 2025, our data shows that a significant majority of workers around the world believe they could land a new job if they needed to.

Employees in India are most confident, but in almost all of the regions Korn Ferry surveyed, more than half of workers felt they could find a new job, despite this optimism dropping 7% in the US since 2024.

Is this optimism justified?

Only 10% of the global workforce told us they're actively applying and / or interviewing so the job market might be slow for the year ahead.



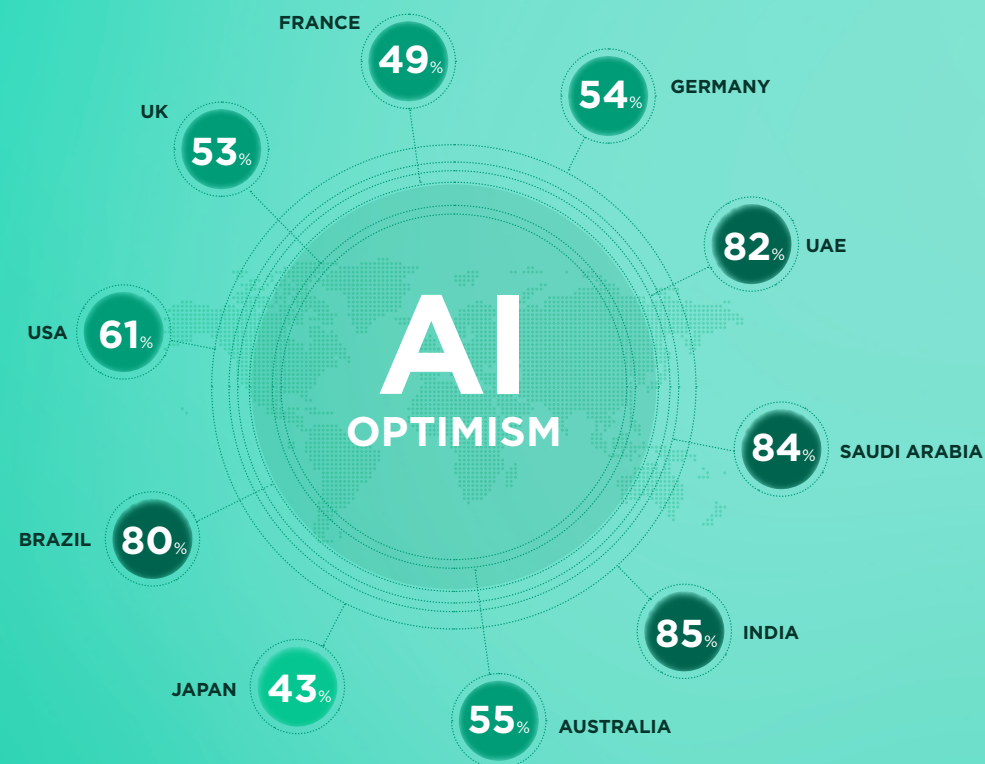
Nonetheless, if your best people get fed up and walk out the door, then even if they fail to find a new job, you'll still be looking to fill their shoes. This will cost your organization significant time, money, productivity, and growth.

3. A NEW AI WORLD ORDER

AI isn't just changing the way we work. It's reshaping the work itself.

Almost everyone is grappling with AI in one way or another, but the countries powering ahead in the shift to AI might surprise you.

While the US, Europe, and Japan have historically driven digital innovation, it's now India, Brazil, and the Middle East emerging as the most AI-ready workforces.

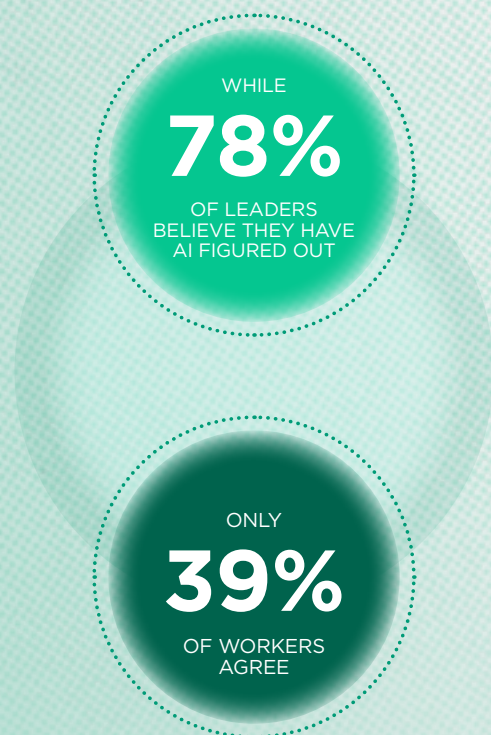


MOST WORKERS IN EMERGING ECONOMIES FEEL POSITIVE ABOUT AI'S IMPACT ON THEIR ROLES, AS OPPOSED TO MANY OF THEIR WESTERN COUNTERPARTS.

The same markets leading in AI optimism are also the ones putting real money into AI training. Our survey shows that workers who are trained to use AI are significantly more likely to embrace it.

More than 75% of workers in India and Brazil report receiving solid AI training, whereas employees in the US, Europe, and Japan don't think they're getting enough.

This lack of training isn't just a regional issue—it's creating a critical disconnect between senior leaders and their teams.



Business Impact

With insufficient AI training, leaders often misjudge where it could be most effective, leading to a disconnect between their vision and the actual day-to-day application.

Meanwhile, high-performing CEOs who excel in technology adoption have been shown to achieve higher annual revenue growth, according to Korn Ferry CEO assessment data.

Leaders who master technology and AI aren't just keeping up with the times. They're setting their businesses up for success."

Bryan Ackermann, Korn Ferry

4. THE HYBRID HEADACHE

We've heard it for years now—hardly anyone wants to work in an office full-time.

Of the 59% of global employees who are working full-time in the office, only 19% actually want to be there. Yet, more employers are trying to enforce return-to-office mandates.

That's a lot of unhappy employees.

What do people want instead?

For 48%, hybrid would be ideal—yet only 27% have this option. And 25% really want to be fully remote.





But that's not the full picture. The preference for work arrangements varies dramatically across different regions, with some being much more anti-office than others.

In Brazil, for example, only 12% are happy with full-time office life, but in Japan, that jumps to 36%.

This creates a real conundrum for multinational companies. Should they opt for a consistent global workplace policy or adapt it to regions?

Business Impact

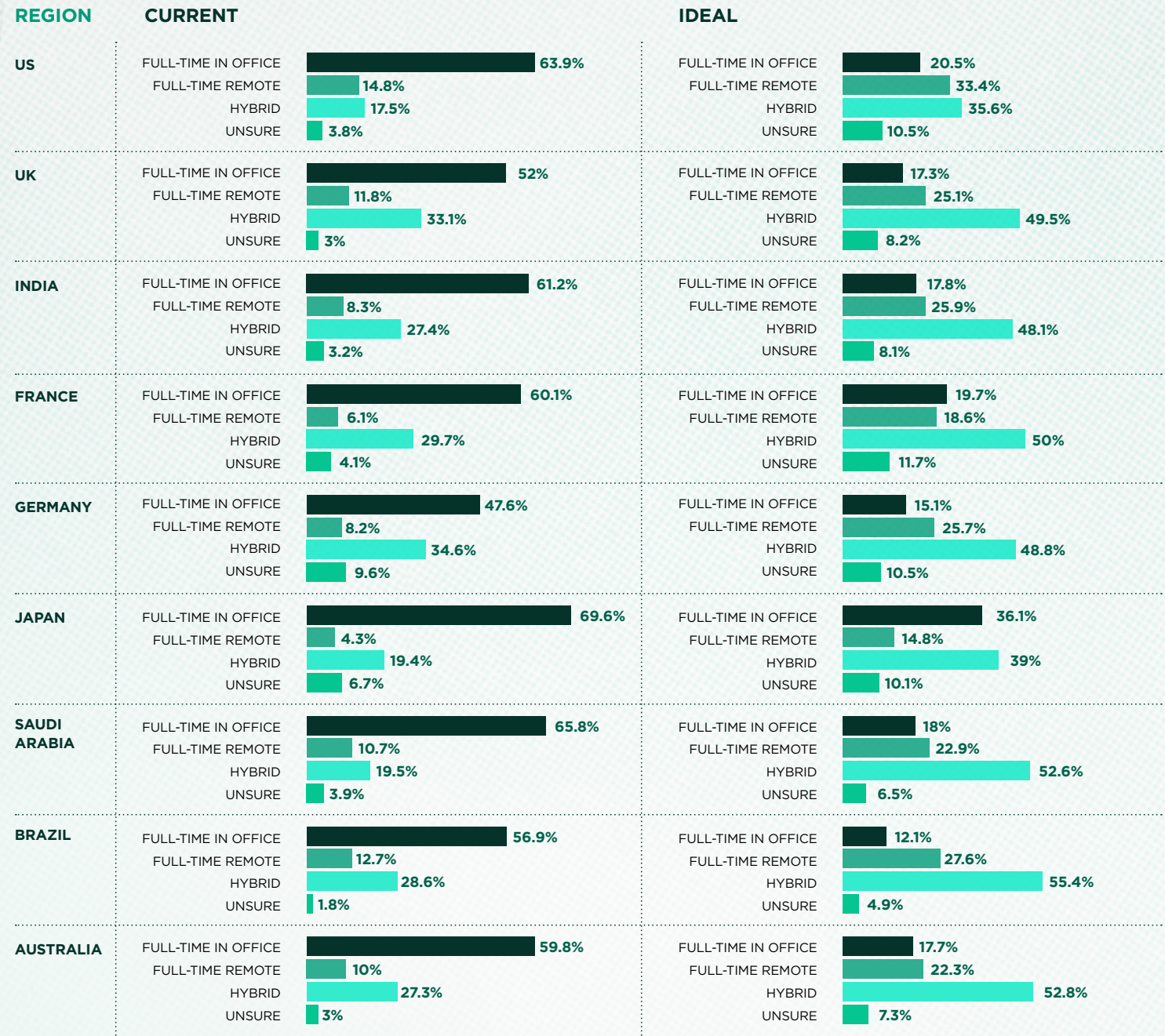
One-size-fits-all policies risk alienating employees, while case-by-case approaches create complexity and confusion.

The solution? A clear policy that defines your company's approach, using your employer brand to turn this into a competitive advantage.

“The best workplace policies aren't about control. They're about clarity, culture, and making it easy for people to do their best work.”

Daren Kemp, Korn Ferry

CURRENT VS. PREFERRED WORK ARRANGEMENTS



Sorry Boss, Life's Calling

People are fed up with “always-on” work culture—answering messages or taking calls at all hours of the day.

This year, we're seeing that workers are starting to draw a line in the sand, taking back control of their personal time.

While low pay tops the list of factors driving people to leave, lack of respect for personal boundaries is also among the top five motivators for employees to walk out the door in 2025.

Workers are so tired of having no work-life balance that the right to “switch off” is even being legislated in some places.

Embedding respect for working hours into your company policies and culture can be a powerful retention tool.

#1

Poor pay and compensation

#2

The work itself

#3

Lack of job security

#4

Inadequate employee benefits

#5

Lack of respect for personal priorities**TOP 5 REASONS
FOR LEAVING**

5. GENERATIONAL GASLIGHTING?

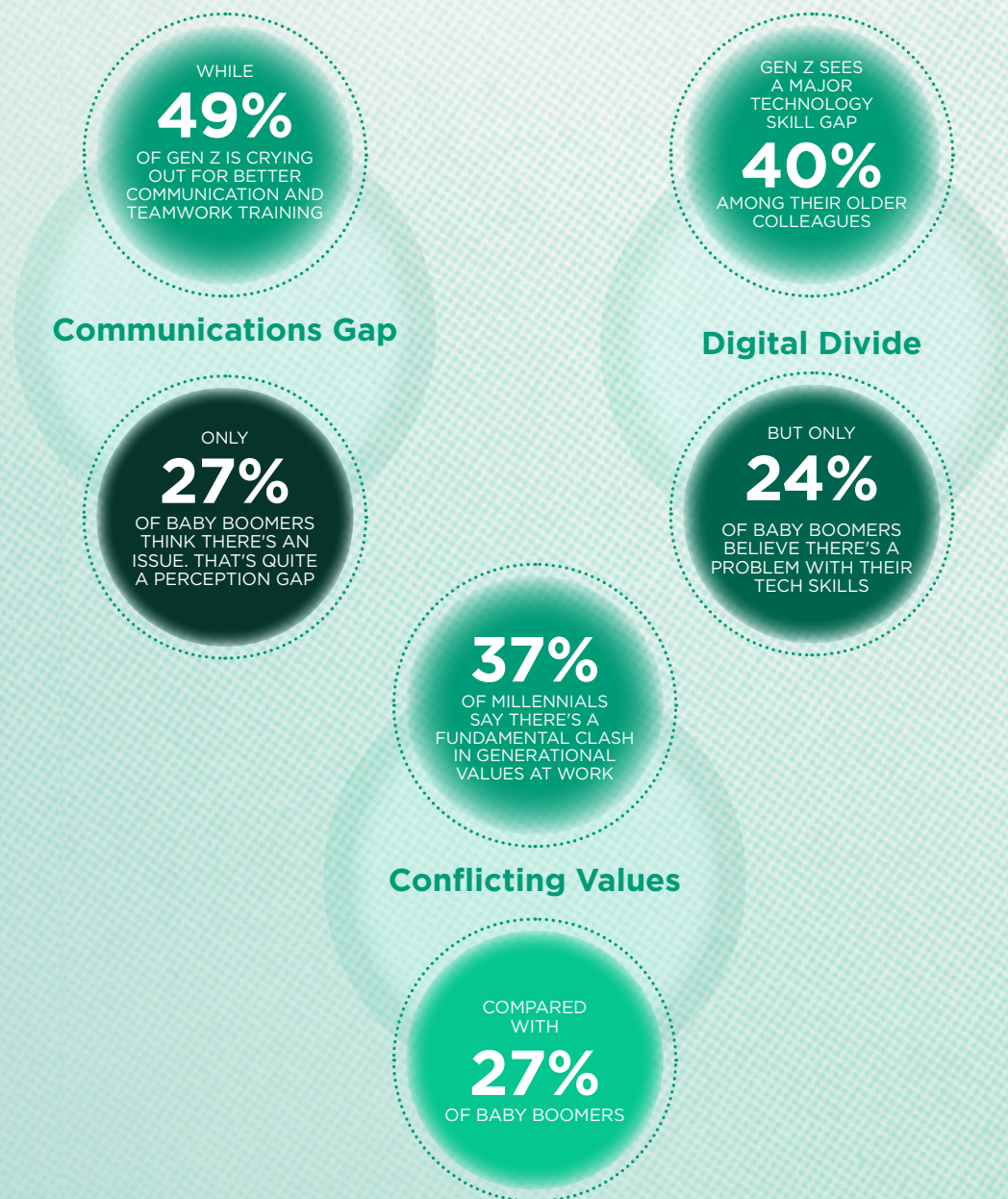
Are there any major problems with having five different generations working together? It depends who you ask.

And soon, we'll have six generations in many companies. By 2033, nearly a third of people over 70 will continue to work, while Generation Alpha (born 2010–today) will start filling up the junior roles. This is making the workforce more multigenerational than ever.

This brings significant benefits, such as more senior employees' experience and knowledge that can be shared down through the workforce. But it can also cause significant dissatisfaction for some.

In our 2025 Workforce survey, 45% of baby boomers said they believe there are no challenges working across generations. But only 17% of Gen Z shares this rosy view.

WHAT ARE YOUNGER WORKERS SEEING THAT THEIR OLDER COLLEAGUES ARE MISSING?



On the flipside, our findings also highlight a growing issue with access to professional development, which could contribute to the friction between generations in the workplace.

While younger workers say they are given ample opportunities to learn new skills and technology, the opposite is true for older workers. Almost half of baby boomers and more than a third of Gen X say they feel excluded from upskilling opportunities.

Business Impact

Providing training on communication and teamwork is critical to ensure these generations can collaborate to solve business challenges. Focusing the generations around shared goals and values can help to bring them together.

Tailoring training and rewards to meet **the needs of different generations** can also help bridge gaps.

A multigenerational workforce can be a company's greatest asset—or its biggest obstacle. The difference comes down to whether leaders ignore or try to bridge the multigenerational divide."

Tessa Misiaszek, Korn Ferry



Ready to Reframe Your Thinking?

Recognize some of your own 2025 workforce challenges in this list?

Find out how companies are turning these insights into action by watching **our webinar** to get practical strategies your organization can use today.

From fixing generation gaps to making hybrid actually work, we'll show you how to shift 2025's challenges into your competitive advantage.

WATCH OUR WEBINAR





Korn Ferry is a global organizational consulting firm. We work with our clients to design optimal organization structures, roles, and responsibilities. We help them hire the right people and advise them on how to reward and motivate their workforce while developing professionals as they navigate and advance their careers.

Business advisors.
Career makers.