ON Partners.

The Widening Gap

Inside the data on the moment to redefine leadership, and how to seize it

9%

are substantially rethinking the role before hiring

94%

of executives say AI is changing the role

INTRODUCTION

The Executive Clock Is *Ticking Faster Than Most Leaders Realize*

The executive clock is ticking faster than most leaders realize. Assumptions that felt reliable just eighteen months ago are already losing relevance. AI isn't simply transforming how organizations operate, but is rapidly reshaping what companies need from leadership at the top, outpacing succession plans and stretching internal talent pipelines beyond their ability to keep up.

That dynamic is already visible. In the past year alone, Netflix, Apple, Disney, Berkshire Hathaway, and NVIDIA have all navigated high-profile leadership transitions.

At the same time, Walmart and Coca-Cola have publicly connected executive departures to evolving AI strategy. These are not isolated events. They are signals.

New research from ON Partners, based on a survey of senior leaders, reinforces this reality. Four in five executives say they remain open to new opportunities, even as the broader labor market slows. At the same time, executive roles are evolving rapidly, succession planning is becoming more complex, and organizations are under increasing pressure to identify leaders capable of navigating a fundamentally different operating environment.

What is emerging is what we call the **AI-Accelerated Leadership Clock,** a dynamic where leadership expectations are changing faster than organizations can adapt, and where the window to prepare for transitions is narrowing.

In the pages that follow, we explore where succession planning is falling behind, how AI is changing the executive profile, and what boards and talent leaders should be doing now to prepare for leadership transitions before the window closes.

About the *Research*

ON Partners surveyed senior leaders, including executives at the VP level and above, across various industries, including publicly traded, PE-backed and privately held organizations, to better understand how executive mobility, succession readiness, and AI-driven leadership change are reshaping the market.

AI is Reshaping *Executive Leadership*

As executive roles evolve with AI, many organizations are finding it difficult to develop internal successors with the capabilities required for the next generation of leadership.

Roles are expanding in ways that are difficult to fully define in advance, and the profile of the effective executive is changing faster than most hiring criteria reflect.

400+
senior leaders surveyed

"The pace of change has outrun most organizational playbooks right now. Leaders are being asked to make high-stakes decisions with less certainty than they've had in years, and the honest ones will tell you the picture isn't getting clearer before it gets more complex. The organizations gaining ground aren't waiting for stability. They're building the ability to move well without it."

Bryan Buck
Managing Partner, ON Partners

When AI expectations are combined with economic uncertainty, executives are being asked not only to set strategy, but to navigate without full clarity, balance risk and innovation, and lead organizations through constant change. At the same time, leaders increasingly believe the profile of the next executive generation will look fundamentally different.

Nearly 1 in 2

executives say AI fluency will be the most important skill their successor needs that they themselves did not require when hired.

71% say

future leaders will require different technical capabilities around AI or digital transformation.

However, many organizations are still filling leadership roles based on yesterday's requirements. **More than a quarter of respondents (29%)** say their organizations replace executives with a like-for-like profile.

> The leaders who are cutting through right now aren't the ones with a perfect answer to every question. They're the ones who can bring calm to a chaotic environment. They create space for teams to move fast, but with the right guardrails in place.

Bryan Buck
Managing Partner, ON Partners

The question boards and leadership teams should be asking now:
Are you defining this role for the business you have — or the one you're building?

AI READINESS

The *Confidence Gap* in AI Readiness

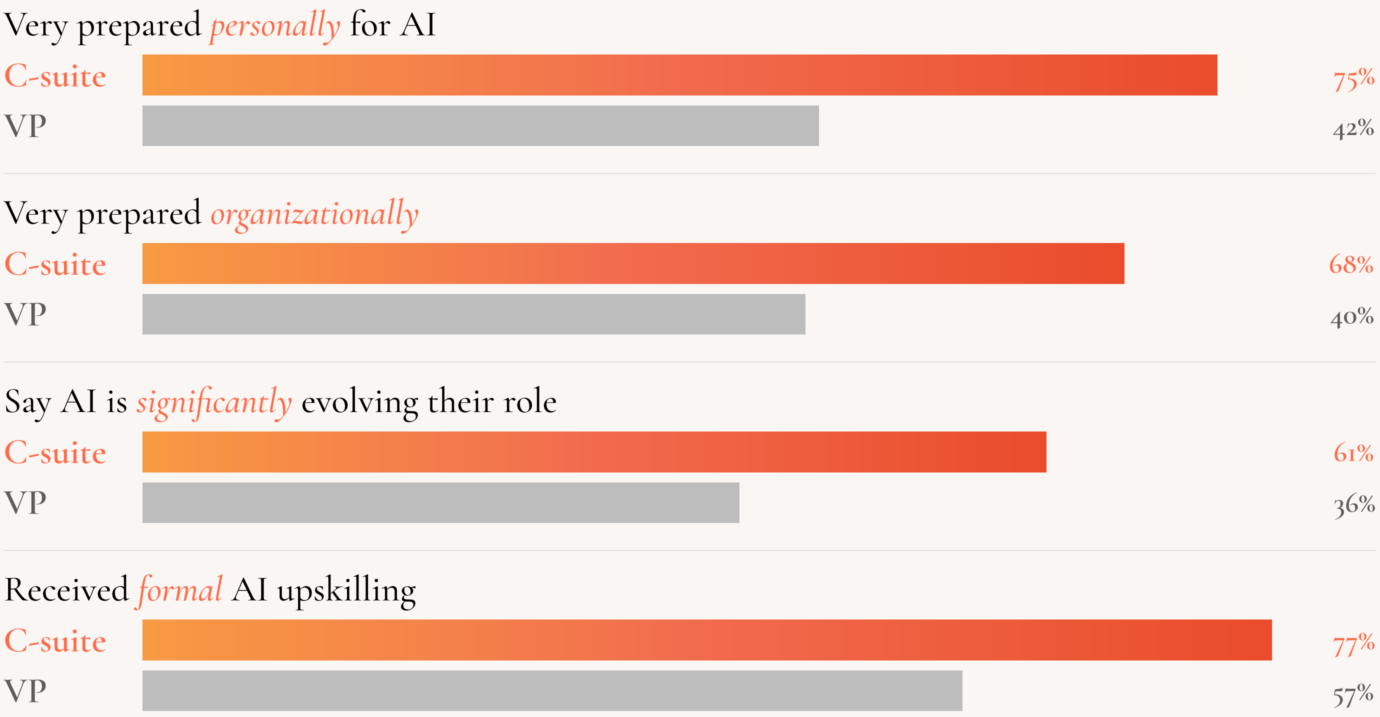
Senior leaders express high confidence in their ability to lead as AI reshapes their businesses. However, that confidence is not evenly distributed across the leadership team, nor is responsibility for driving adoption across the organization.

Three in four C-suite leaders (75%) say they feel very prepared personally for AI, compared with just 42% of VP-level leaders. The same gap appears in how leaders assess organizational readiness: 68% of C-suite respondents say their organizations are very prepared, versus just 40% of VP-level leaders.

That divide extends beyond readiness perception. C-suite leaders are also significantly more likely to say AI is reshaping their role, with 61% reporting substantial change compared with 36% of VP-level leaders. They are also more likely to have received formal AI upskilling support: 77% of C-suite leaders say they have, compared with 57% of VP and SVP leaders.

The result is a clear tension. The leaders setting enterprise direction are the most confident and the most supported, while the leaders responsible for translating that direction into day-to-day execution feel less prepared.

AI readiness is not evenly distributed across the leadership team



This makes the challenge more than a technology issue; it's an organizational one, and it sits precisely where succession risk lives. When the people running the organization and the people next in line aren't calibrated to the same reality, leadership alignment doesn't just become important. It becomes the difference.

Understanding where AI adoption is actually happening inside organizations matters, because it reveals where that misalignment does the most damage.

"Most of the real AI adoption isn't starting at the top. It's being driven by teams experimenting on the ground, and the leaders gaining ground are the ones who recognize that and create the conditions for it to happen fast," said Bryan Buck, Managing Partner at ON Partners.

"The C-suite leaders who are getting this right understand their role isn't to have all the answers. It's to build organizations that can find them."

> Strong culture is difficult to sustain without leadership alignment on where the company is going and how it intends to get there.
>
> In that sense, many organizational issues that appear cultural on the surface may actually begin as leadership misalignment underneath.
>
> **Tara Flickinger**
> Partner, ON Partners

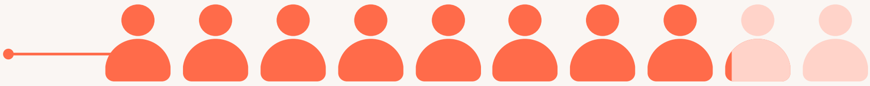
DESPITE MARKET UNCERTAINTY

Energized Leaders Are Still *Open to Leaving*

Nine in ten senior executives describe themselves as highly energized or genuinely engaged in their current role. Fewer than 1% say they are burned out.

That makes the next finding harder to ignore: four in five senior leaders (81%) say they are open to new opportunities if the right role arises. Only 4% report intentionally avoiding a career move due to market uncertainty, suggesting that leadership mobility remains far stronger than many organizations assume.

81%



of senior leaders are open to new opportunities

The risk organizations face is not disengagement at the top, but optionality. These are not leaders quietly checking out; they are leaders who are fully capable, actively valued in the market, and making deliberate assessments about whether their current situation is the best use of what they have to offer.

That openness is not always immediate movement — in many cases, the decision to move is becoming more complicated, not less.

Candidates are conducting deeper diligence on the business, the ownership structure, and the likelihood that the opportunity in front of them will actually deliver what they were promised. In private equity-backed environments, that often comes down to a very specific calculation: do they stay and ride out a potentially extended hold to reach the transaction they have been banking on, or decide it is time to move on?

“At the most senior levels, compensation is rarely the whole story,” said Flickinger. “Executives are thinking about long-term value creation, the impact they can have, and the legacy they want to build.”

36%

say they would leave for a better strategic opportunity

25%

cite compensation as the primary motivator

10%

say burnout would drive them to consider a move

The takeaway?

Organizations should not assume stability at the top simply because markets are volatile. The leaders most likely to leave are also the most likely to be recruited.

Executive Mobility is High

Many Boards Remain *Reactive on Succession*

While most senior leaders remain open to new opportunities, nearly half (46%) say succession planning at their organization is not proactively managed, meaning transition conversations often begin only after a leadership seat goes empty.

"Succession planning tends to break down when organizations are surprised," Buck said. "And you get surprised when your number two leaves to become a number one somewhere else. That's when timelines compress and decisions have to be made quickly.

46%

Almost half claim succession planning is not proactively managed by the board

The best organizations are the ones that have honest conversations internally about timing, next steps, and whether both sides are still on track."

Elevating internal talent is often the right move, but only when the organization has been honest about readiness early enough, and when the internal candidate is genuinely prepared for what the role now requires. That conversation rarely happens organically. It requires someone asking the hard questions before the vacancy forces them.

When organizations and high-potential leaders are aligned, succession planning can be managed with foresight. When goal lines quietly shift or timelines slip, risk compounds quickly; and in a market where four in five leaders are open to new opportunities, that compounding happens fast.

The *Clock Starts* Before You Launch the Search

Leadership transitions take longer than most organizations anticipate. Proactive succession planning means defining the role before a transition begins - understanding current requirements, future expectations, and where the gaps are - not after the seat is empty.

Three out of four (77%) organizations expect replacing a senior leader to take at least three months, underscoring the complexity of identifying and securing top leadership talent, especially in the AI-era.

In a market where leadership roles are evolving and expectations are rising, these timelines can create meaningful disruption if organizations are not prepared.

77%

claim replacing a senior leader will take at least three months

Part of the challenge is urgency colliding with perfection. Companies want to move quickly, but many are searching for a "unicorn" or "purple squirrel" candidate who checks every box. At the same time, senior candidates are evaluating organizations through a similarly exacting lens.

"Both sides are measuring three and four and five times before they cut once," said Buck. "That caution is understandable, but it can significantly extend a search, especially when there isn't enough clarity upfront around what the business truly needs next, what the must-have requirements really are, and how much flexibility exists around timing, location, and role scope."

There is also a reputational cost when a role sits open too long. Candidates want to know why the role is vacant, why it has not been filled, and whether the delay signals a deeper issue with the business, the leadership team, or the expectations tied to the role. The longer the search drags, the harder it can become to attract top talent.

> An extended vacancy creates a credibility problem in the market. The longer a role remains unfilled, the more candidates begin to question whether the challenge lies with the business, the leadership team, or the expectations around the role.
>
> Tara Flickinger
> Partner, ON Partners

In some cases, the way a role is positioned can make a notable difference. When a role is framed not as a backfill but as an expanded or newly defined leadership opportunity, candidates respond differently; because they feel they have the chance to shape what comes next rather than inherit a static mandate.

Every month a critical role sits vacant — or is filled with the wrong person — the challenge only compounds.

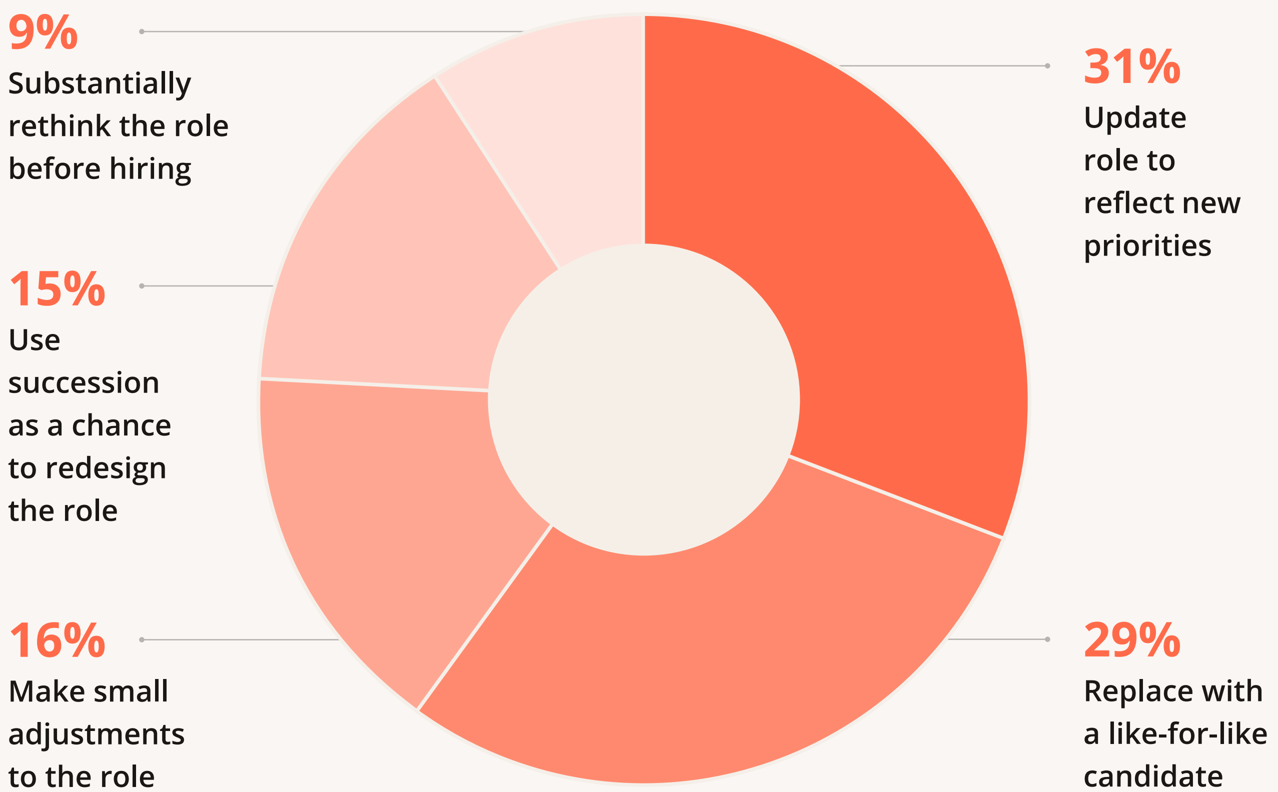
The Role *Redesign Gap*

Leadership transitions are a strategic inflection point - an opportunity not just to replace a leader, but to rethink what the role should be.

In a market where 94% say executive roles are already evolving due to AI, the way organizations approach a leadership transition matters more than ever.

Yet when a seat opens, organizations split almost evenly: roughly half take some form of proactive approach — updating priorities, substantially rethinking scope, or redesigning the role entirely. The other half replace like-for-like or make only minor adjustments.

Do You Change Criteria For Replacement Hires?



“When everything else is changing, organizations tend to default to what they know,” said Buck. “It’s the path of least resistance. If something was working before, there’s a temptation to keep at least some of the trains on the track while everything else is moving around them. But that’s also where you start to fall behind.”

A search process does more than identify candidates. It educates the organization — helping define the role with greater clarity, surfacing where current expectations are out of step with the market, and creating alignment on what success actually looks like before someone is hired into it. Organizations that stay open to those signals are often better positioned to attract top talent.

That same rigidity can show up in other ways, too, including geography and return-to-office requirements. When organizations approach each vacancy as a chance to define the role on current-state terms, not historical ones, they open the market to leaders who align with where the business is going, not just where it has been. That includes how and where work gets done.

> **The best talent likes to lay the tracks. They don't want to keep the train on the existing tracks.**
>
> Tara Flickinger
> Partner, ON Partners

Preparing for the *Leadership Clock*

Executive mobility remains high, succession planning is often reactive, and leadership roles are evolving faster than many organizations can redefine them. Each of these pressures is real on its own. Together, they define the environment your next leadership transition will happen in.

"The organizations that get ahead of this aren't waiting for a transition to happen," Buck said. "They're constantly pressure-testing their leadership against what the business is going to need next, not what it needed before. If you wait until a role opens, you're already behind."

The most common thing we hear after a search: "I wish we'd started this conversation earlier."

The clock doesn't wait for a vacancy. The organizations that come out ahead are the ones pressure-testing their leadership picture now: identifying gaps, aligning on what the next role actually needs, and building the right relationships before urgency forces the timeline.

How *ON Partners* Helps Organizations Stay Ahead

Every pressure this research describes converges at one moment: when a critical seat opens and the stakes of getting it right have never been higher. The Leadership Clock is already running.

ON Partners is a retained executive search firm focused on building C-level and board leadership teams for high-growth private and public companies, growth and private equity, and venture capital. In a high-tech world, we deliver a human-first executive search experience built for speed, driven by agility, and powered by partner expertise.

The right search starts with the right conversation.

When you're ready to find the leader your next chapter requires, we're ready to start.

Our *Approach* Works

85%
of our clients return for a second search

95%
of new business from referrals

4.9
out of 5 star rating from clients and candidates

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