

Talent & Compensation Committee

Redefining leadership performance in an AI-enabled enterprise

What's changing

AI may force boards to reconsider a fundamental assumption: how leadership performance should be measured. As outcomes reflect a combination of individual capability, team performance, and AI-enabled leverage, Compensation Committees must ensure that expectations and incentives reinforce responsible value creation, learning, transparency, and enterprise adoption, not activity for its own sake.

What effective committees do

- Define the leadership capabilities and behaviors required to create value with AI.
- Evaluate not only results, but how leaders use judgment, build adoption, learn from experiments, and make AI use transparent.
- Balance near-term experimentation with sustained enterprise value creation.
- Ensure talent and succession plans reflect the capabilities required for AI-enabled transformation.
- Assess whether the company has a clear workforce strategy for AI, including which roles are likely to be enhanced, redesigned, created, or eliminated over time.

Questions to ask management now

- How are we distinguishing between individual capability, team performance, and AI-enabled leverage?
- Are we rewarding outcomes that may be artificially inflated or obscured by AI use?
- Do leaders have incentives to be transparent about where AI creates value, where it fails, and where it introduces risk?
- Are we rewarding speed or experimentation without enough emphasis on judgment, adoption, and behavior change?
- What leadership capabilities are becoming more valuable as AI changes how work gets done?

- How are we tracking the impact of AI on workforce composition, including jobs being enhanced, redesigned, created, or displaced?
- Do we have a credible plan to reskill and redeploy talent as AI changes the nature of work across the organization?

Where boards get stuck

- Keeping legacy definitions of performance even as AI changes how outcomes are produced.
- Incentivizing adoption volume rather than enterprise value, responsible experimentation, and learning.
- Treating AI talent as a narrow technical category rather than a broader leadership and succession question.

How Egon Zehnder can help

We help boards define leadership expectations for an AI-enabled organization and embed them in assessment, development, succession, and CEO evaluation.

Speak with our team:



Sarah Van Dyck
Co-Leader, Global Consumer Practice,
Core member, Board and CEO Practice
sarah.vandyck@egonzehnder.com



Chuck Gray
Co-Leader, North American Board
and CEO Practice
chuck.gray@egonzehnder.com



Christoph Wollersheim
Co-Leader, Artificial Intelligence Practice
christoph.wollersheim@egonzehnder.com