

The Six Talent Traps

How new pressures turned yesterday's strengths into today's constraints.

MindGym's Future of Talent Report 2026

MindGym

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About this research

This report is based on findings from MindGym's Future of Talent 2026 Survey.

Participants were senior HR, Talent and L&D leaders (including CHROs/CPOs, HR Directors, Heads of HR and Heads of L&D).

They represented organisations of all sizes from under 1,000 employees to 10,000+.

The report also draws on qualitative responses in which participants named the external trends they expect to have the greatest impact on talent management in 2026.

Unless otherwise noted, percentages have been rounded to the nearest whole number. Where questions allowed multiple selections, this is noted in context.

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We asked senior talent leaders what's holding their organisations back.

We expected to hear the usual suspects: AI disruption, economic headwinds, the talent market. And they came up — but not as the direct problem.

Here's what we learned: AI and economic uncertainty are stress-testing the structures organisations built over the past decade, and exposing what no longer works. Management layers that made sense during growth now slow decision-making. Performance systems designed for stability can't flex. Leadership pipelines built for one context are underprepared for another.

The data makes this uncomfortably clear.

Leadership debt and organisational rigidity tied as the biggest internal handbrakes on growth, at 30% each. These aren't separate issues; they're two sides of the same problem: inflexibility built through years of sensible decisions that nobody went back to test.

Meanwhile, 62% told us that scrapping their performance review process would make no difference to productivity... or would actually help. And 35% said the real reason their top performers would leave is career plateau, something the past years of massive investments in talent development platforms and programmes were supposed to prevent but can't.

In short: yesterday's good ideas have become today's traps.

This report maps six of them. We're calling them the Six Talent Traps — not because the people who built them were negligent, but because they were diligent. These were sensible responses to real problems at the time: hiring managers to manage growth, building review processes to create accountability, investing in platforms to modernise learning. The trap isn't that you built them. It's that nobody went back to ask if they were still working.

The way out starts with behaviour change. At the leader level, at the manager level, and in the daily flow of how work gets done.

That's what MindGym exists to do, and that's what this report is for: an honest look at where organisations are stuck, and a practical path to getting unstuck.



Christoffer Ellehuus
CEO, MindGym

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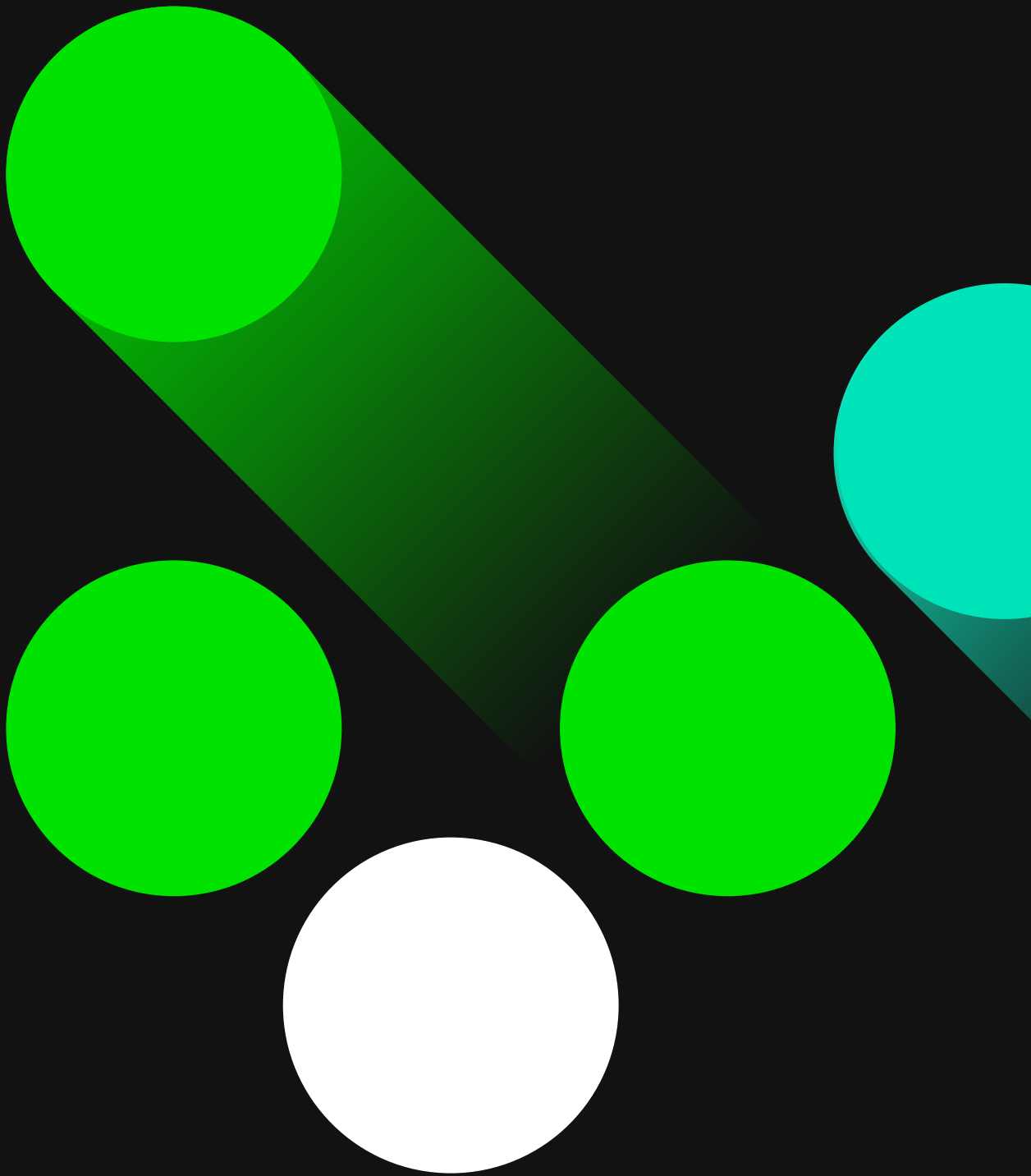
The Scaffolding Trap



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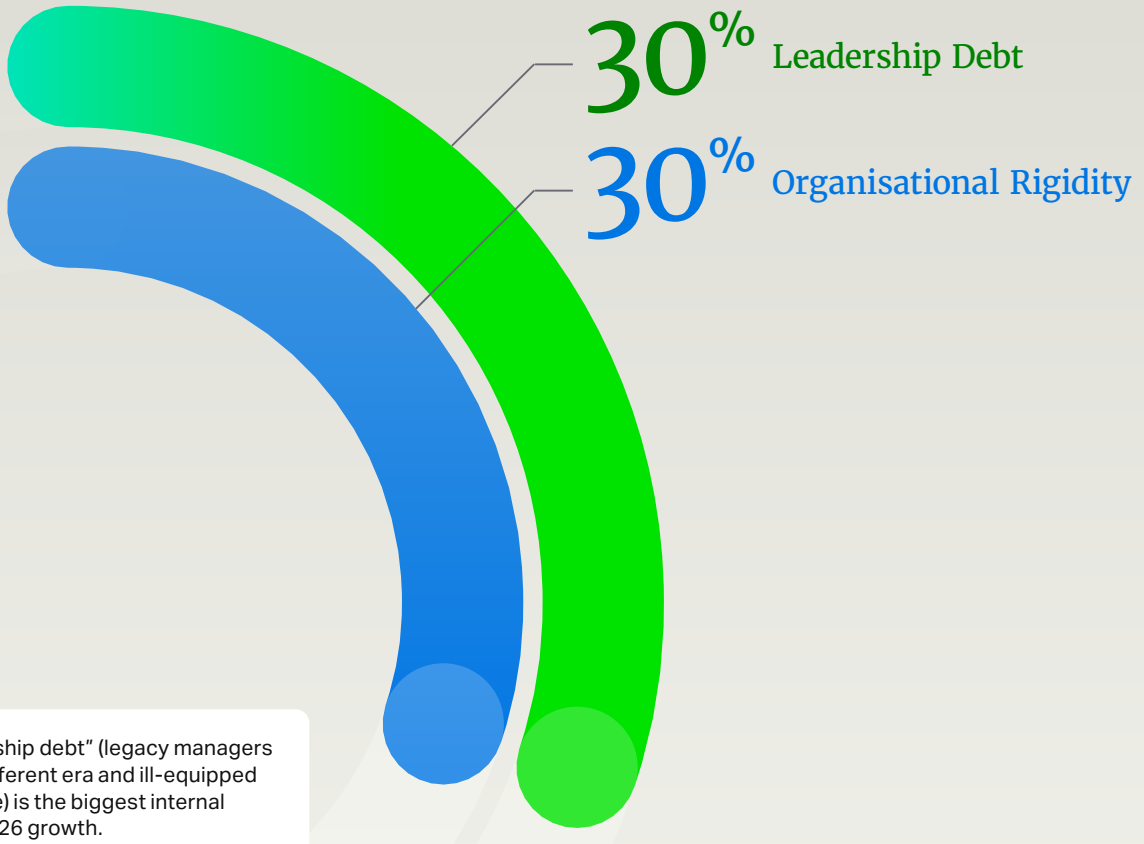
The Scaffolding Trap

Built to support growth in a predictable world. Now the thing strangling it.

Organisations have spent the last decade expanding themselves in complexity. More management layers to aid decision-making. More processes to ensure consistency. More talent programmes and learning platforms for developing people at scale for defined jobs and career paths.

Each of these investments was signed off with good reason and clear intent. They'd be the structures that support ambitious growth.

The reality? They've become a big obstacle to it.



- **30%** say "leadership debt" (legacy managers promoted in a different era and ill-equipped to lead in this one) is the biggest internal handbrake on 2026 growth.
- **30%** say the organisational rigidity caused by too many layers, too much process, and too much bureaucracy is an equal brake.

That's not two separate problems. That's the same problem compounding: an outdated management layer embedded inside an ossified structure that makes change almost impossible.

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- **36%** describe their learning tech stack as "a large content library with low usage."
- **Only 5%** describe anything resembling a strategic, AI-enabled development platform that can flex to individual career and development needs.

That's the corporate equivalent of a gym membership in January. The spend happened. The behaviour didn't change.



- **26%** agree they could reduce talent programmes without harming business performance.
- **48%** disagree.
- The most revealing number? The one in the middle: **26%** weren't sure.

When a quarter of senior talent leaders can't confidently say their own programmes are adding value, that's not necessarily a mandate to cut. But it's not a vote of confidence either… it's uncertainty with a hefty price tag.

> "The market is hard. The structure you built is making it harder."

When scaffolding becomes a straitjacket

Nobody sets out to create mechanisms that actively restrict growth.

The scaffolding that's been erected over the last decade inside most organisations was built because building was the responsible thing to do. Scaling businesses need structures. Growing workforces need processes. Developing people need programmes and platforms. Each addition made sense at the time.

The trap is that nobody went back. Scaffolding is supposed to be temporary. It's erected to support construction, then removed once the building stands on its own. Instead, organisations kept adding layer upon layer, system upon system.

Stacking the whole thing into a hulking mass that's so dense it no longer supports the building – it strangles it.

People can't move. Decisions can't flow.

The structures designed to enable the work have become the work.

The question for 2026 isn't whether your organisation has structural weight. It does. Far too much of it. The question is whether you have the honesty to identify which scaffolding is still supporting growth, and the courage to dismantle what isn't.

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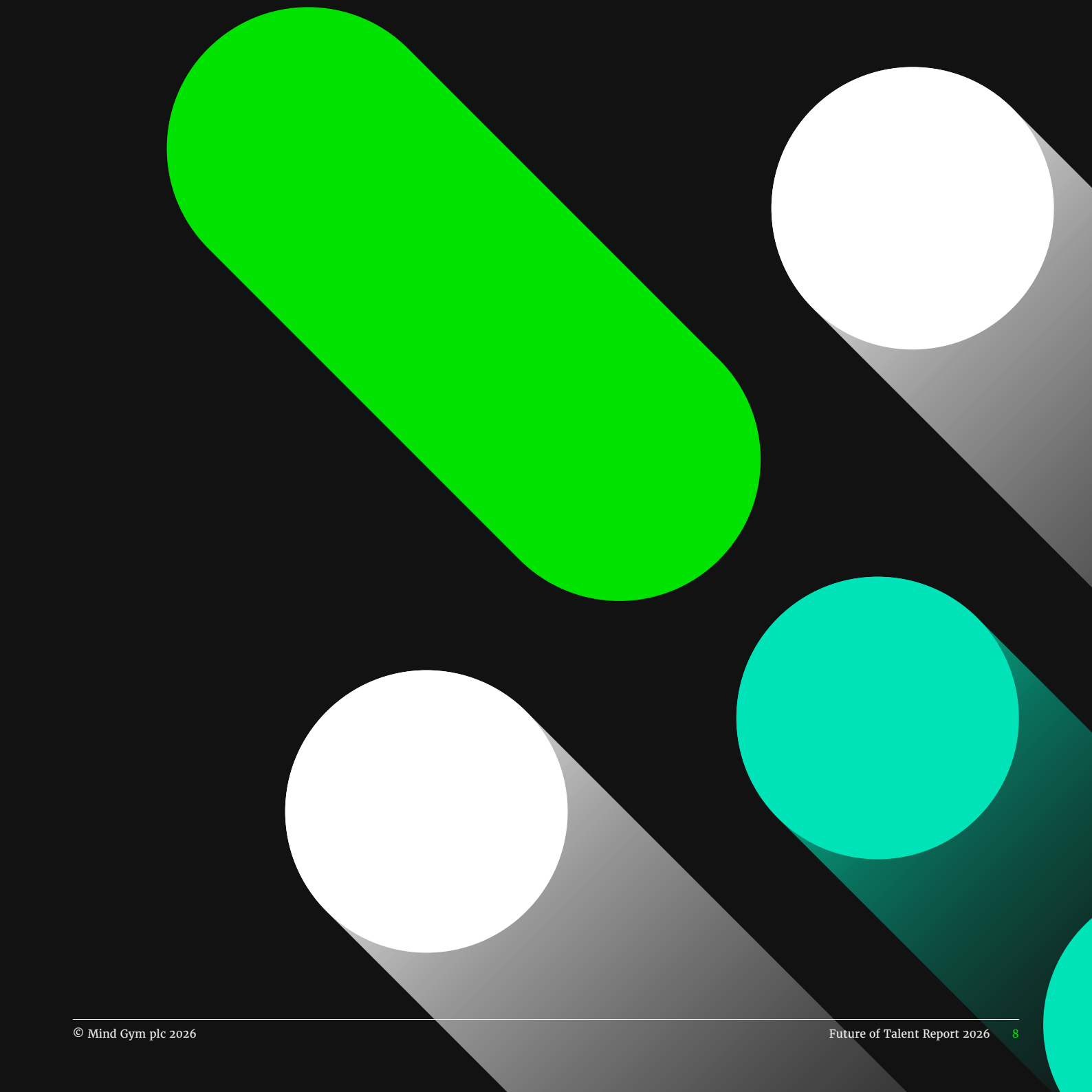
The Leadership Execution Trap



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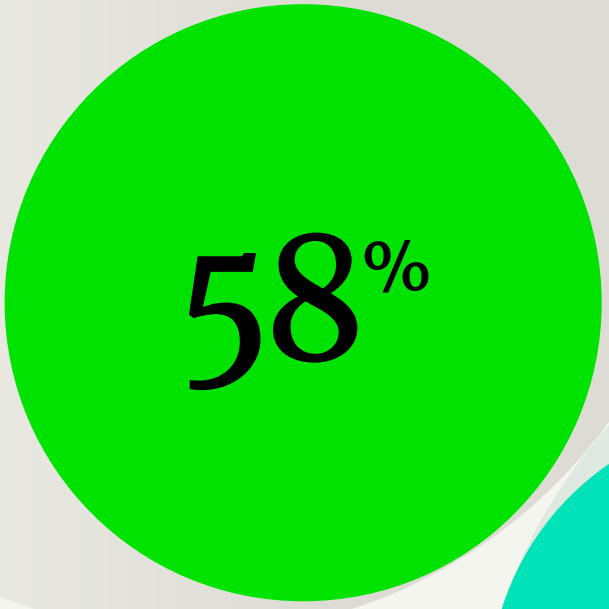
The Leadership Execution Trap

You prepared your leaders for the future. But the future had other ideas.

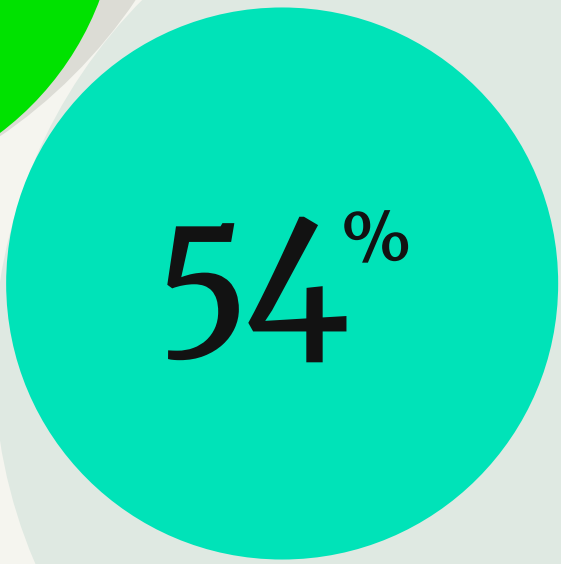
Leadership development isn't neglected. If anything, it's one of the most heavily resourced areas in the talent portfolio. Years of programmes, frameworks, competency models, and high-potential schemes all designed to generate leaders with the capabilities to tackle tomorrow's headaches.

The problem isn't the investment. It's just where it was invested.



When asked to identify the most pressing leadership capability gaps (respondents could select all that applied):

- **58%** named change leadership.
- **54%** named coaching and performance management.



Look again at that. Rather than AI literacy, or innovation, or even strategic vision, the biggest gaps in leadership are some of the most basic daily requirements of leading people.

The bread and butter of leadership have been overlooked in favour of more popular capability agendas.

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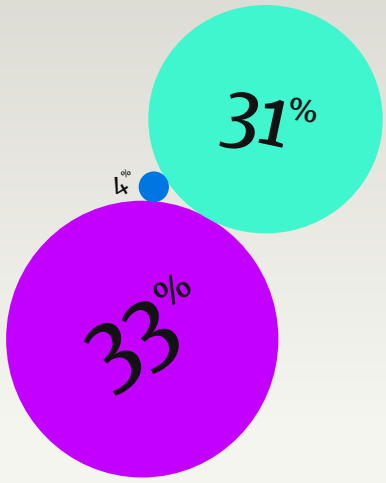
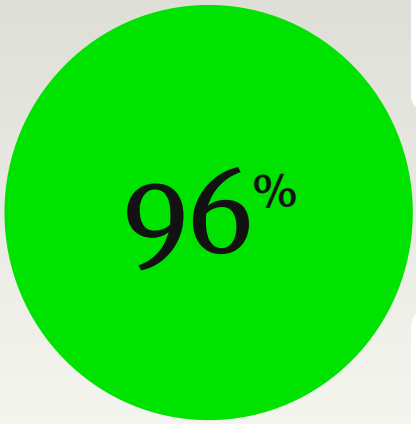


- **Only 4%** of talent leaders say they are "very confident" in their leadership pipeline.
- **31%** say they are "not very confident" or "not confident at all."
- The single largest group, **33%** said "neutral." Neither confident nor unconfident. Just unsure.



- **96% are only somewhat confident** that their leadership pipeline is ready for what's ahead.

Not "very confident." At best: somewhat. At worst: not at all. Mostly: unsure.

The capability gaps explain the pipeline anxiety. Leaders know what's missing. They just haven't built for it.

> "Resilience and agility aren't taught in strategy workshops."

The wrong syllabus for the right job

The leadership execution trap works like this.

Organisations peered into the tea leaves, decided what their future leaders would require, and built development programmes around the answer. Strategy. Vision. Executive presence. The kind of things that sound like leadership when you're designing a curriculum.

They're clear cut and hard edged.

But leadership in 2026 is messier and more complicated. There are more grey areas. It's as much about guiding a team through a restructure they didn't ask for or having a difficult performance conversation with someone who's quietly disengaging as it is about the big bold storytelling pieces.

Change leadership and coaching aren't soft skills bolted onto the side of hard leadership, they are leadership. The type that happens on the ground rather than the board.

The pipeline confidence numbers confirm the cost. Organisations have run these programmes for years and still don't believe they've produced leaders who are ready. That's not a pipeline problem. That's a curriculum problem.
The development happened. It just developed the wrong things.

Ask yourself: what good is an army of leaders ready for the boardroom if they can't deal with a random Tuesday morning where everything falls apart?

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The Hourglass Trap

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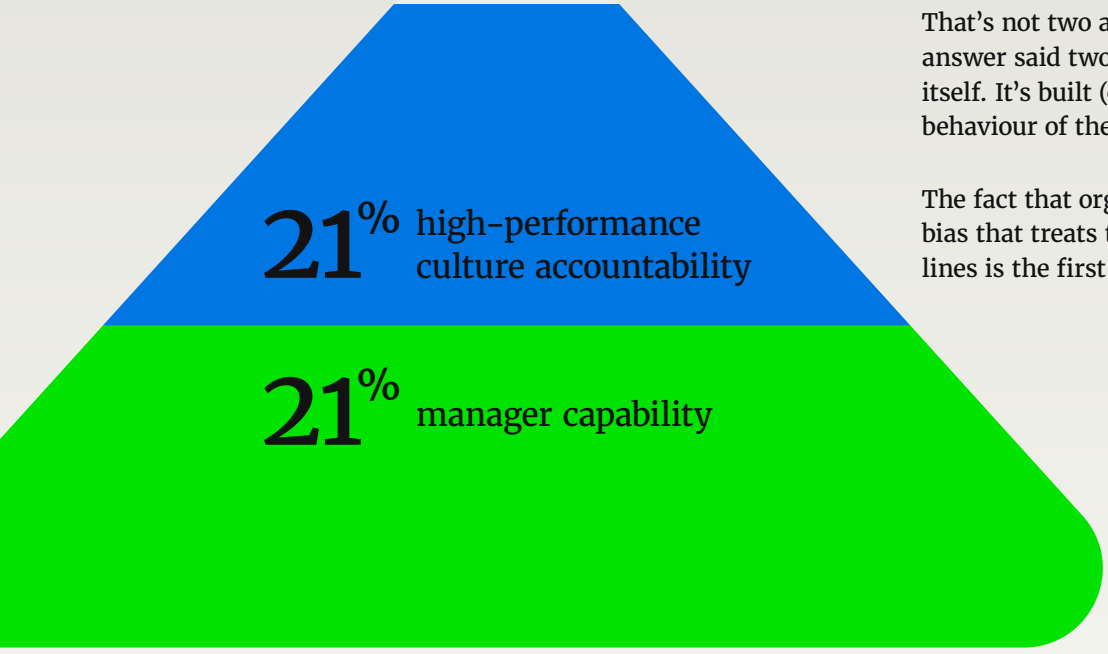
The Hourglass Trap
Invested above and below. Ignored the layer holding everything together.

Ask any talent leader where performance is made or broken and they'll point to the same place: the manager layer. Far from the stereotype of being the place organisational flab tends to pool, the middle vitally translates strategy into action, conducts career conversations, and holds the team together when things get difficult.

Everyone agrees managers are the most critical lever in the system.

And then everyone invests somewhere else.



When asked where they'd put their chips to supercharge business performance, talent leaders named two priorities above all others:

- **21%** said high-performance culture and accountability.
- **21%** said manager capability.

That's not two answers. That's the same answer said two ways. Culture doesn't build itself. It's built (or broken) by the daily behaviour of the people managing your teams.

The fact that organisations have a cognitive bias that treats these as separate investment lines is the first red flag.

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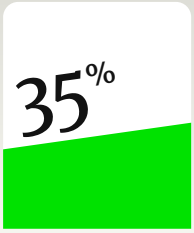
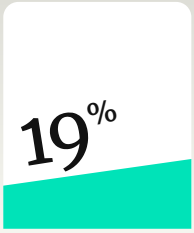
We asked talent leaders a question designed to bypass the polished answers: what's the real reason your top 5% would leave… the thing they'd never admit in an exit interview?

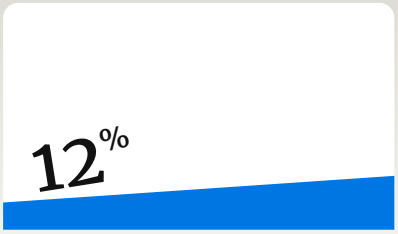




35% said career plateau. The number one answer by a country mile.

19% said poor direct manager capability.

The number that didn't top the list is just as revealing.



Only 12% said "lack of excitement, purpose or energy."

> "Your best people aren't leaving for better money. They're leaving for better managers and opportunities."

The most talented people in your organisation are either leaving, or at least flirting with the idea, because nobody is putting the time into engaging them in future career opportunities in a world where traditional organisational structures and leadership roles are being disrupted. That's both a talent management and manager problem.

Organisations pour resources into engagement programmes, purpose narratives, employer brand (and the odd foosball table), but the data suggests their best people aren't leaving because the vibe has shifted. They're leaving because they've run out of road, and their manager has run out of ideas.

Where your talent strategy wins or loses

Top and bottom heavy, almost non-existent in the middle.

The hourglass trap is the most structurally visible of the six. Look at where organisations have invested over the past decade: senior leadership development, executive coaching, boardroom capability at the top. Engagement surveys, early careers programmes, onboarding at the bottom.

Resources flow to both ends. The middle gets squeezed.

Managers sit at the narrowest point. They carry the most weight, connect the most people, absorb pressure from above and below. They're expected to coach high performers, manage underperformance, lead through change, build culture, and translate strategy into daily action, with less investment, less development, and less support than the layers either side of them.

That gap has always been costly. In 2026 it's becoming critical.

Career plateau is the number one hidden reason top talent leaves, and managers are the ones positioned to prevent it. When they can't, your best performers don't complain. They just leave.

The fastest way to retain top talent and build a high-performance culture is the same thing: develop better managers. Not with a half-day workshop bolted onto an overwhelming workload, but with sustained investment in the capabilities that matter: coaching, accountability, honest performance conversations, and leading change with enough credibility that teams follow rather than wait it out.

The manager layer is where it all lives or dies. The investment needs to match that belief.

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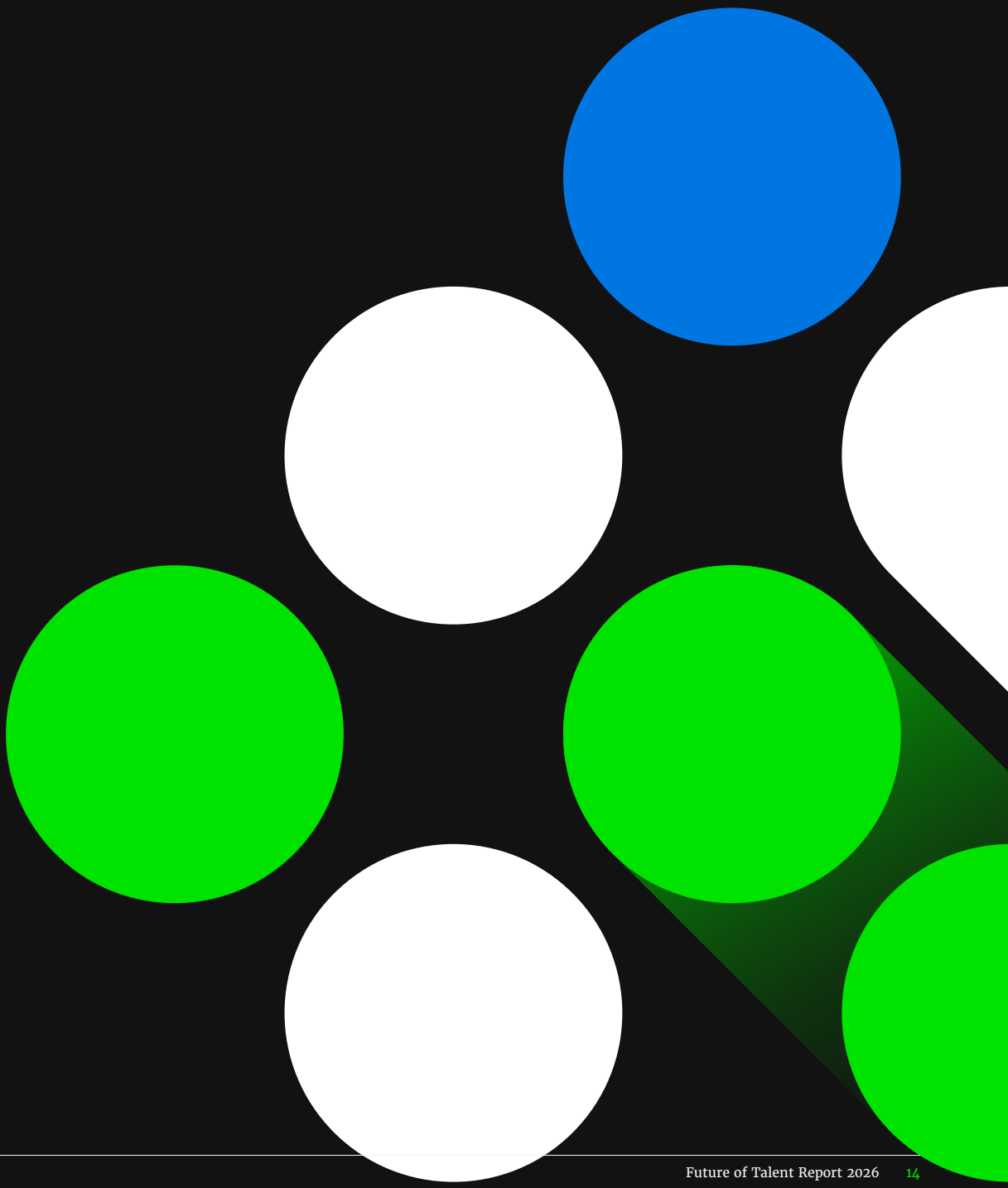
The AI Adoption Trap



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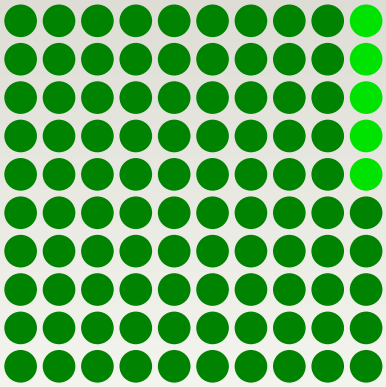
The AI Adoption Trap

Strategy to change everything. Behaviour that changes nothing.

AI has become the default answer to almost every talent question: faster development, smarter skills intelligence, leaner management layers, higher productivity. The intent is clear: use AI to do more with less and move faster than competitors.

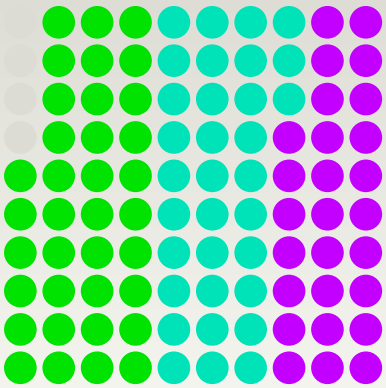
The trap is thinking AI is something you announce or install. In reality, AI only creates value when it changes what people do day to day.

- **Only 5%** of organisations consider their L&D tech stack a strategic, AI-enabled platform for developing people (not just delivering content).
- That means **95%** of businesses are trying to run an AI future on distinctly out-dated foundations.



5% Have a strategic AI-enabled development platform

So, what are organisations working with instead?



- **36%** describe "a large content library with low usage."
- **33%** report disconnected tools that create more manual work
- **27%** are running on a basic compliance training platform.

The pattern: too many platforms, too much content, and nobody's using any of it.

AI could fix this. It can turn static libraries into hyper-personalised development at scale. But here's the catch: that only works if HR itself adopts AI-enabled ways of working, not just asks everyone else to.

The AI trap isn't that organisations lack an AI strategy. It's that HR can't preach about the wonders of AI when they haven't successfully applied it to their own workflows.

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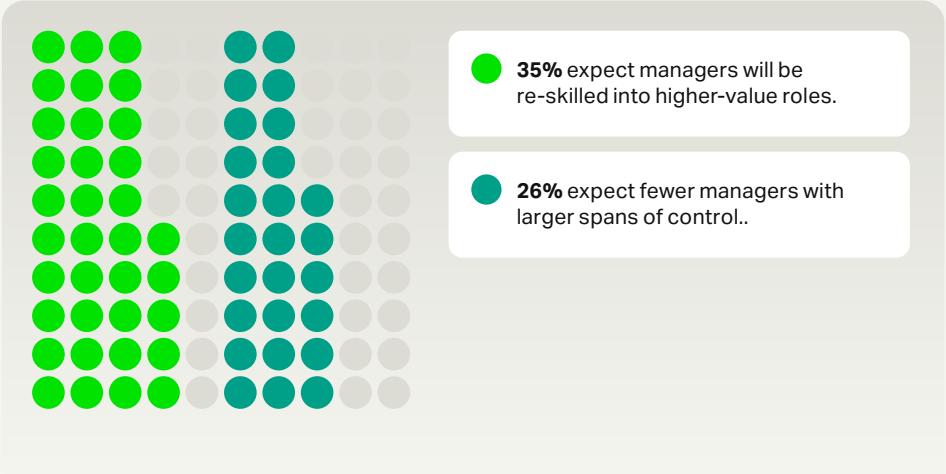
AI isn't just coming for tasks. It's coming for the management layer itself. When asked what's most likely if AI automates 40% of management tasks by 2027:



Re-skilling managers is the optimistic answer. It's also the most demanding. It requires strong change leadership and coaching capabilities at exactly the moment many organisations admit those are their biggest gaps.

> "AI has no power if it only stays in PowerPoint."

If AI isn't changing behaviour, it isn't changing anything

Most organisations are approaching AI like another layer you add on top of talent systems.

But AI doesn't politely sit on top. It needs to integrate completely, or else it exposes the weakness of what's underneath.

MindGym's own research makes the split plain: AI adoption is 70% a talent stack problem and 30% a tech stack problem. The technology is the smaller half of the challenge. The bigger half is whether your people, your managers, and your culture are ready to change how work actually gets done. Most organisations are investing in the wrong 30%.

That's because (despite the fervour of some camps) AI is no silver bullet. If your infrastructure is already overtaxed, underused, and incoherent then throwing smart machines at it will simply amplify the problems. More content, more tools, more choice, but with the same low uptake. And if managers are already stretched, automating part of their workload doesn't elevate what remains, it raises the stakes on it.

That's why the AI Adoption Trap is fundamentally a behaviour trap. Simply buying AI-enabled tools is not the same as becoming AI-enabled. Achieving this requires leaders to role-model the new behaviours, managers to reinforce them in the flow of work, and the organisation to make the new way easier to follow than reverting to old habits.

The 2026 question isn't "do we have an AI strategy?" It's "are we building the conditions in which AI changes anything at all?"

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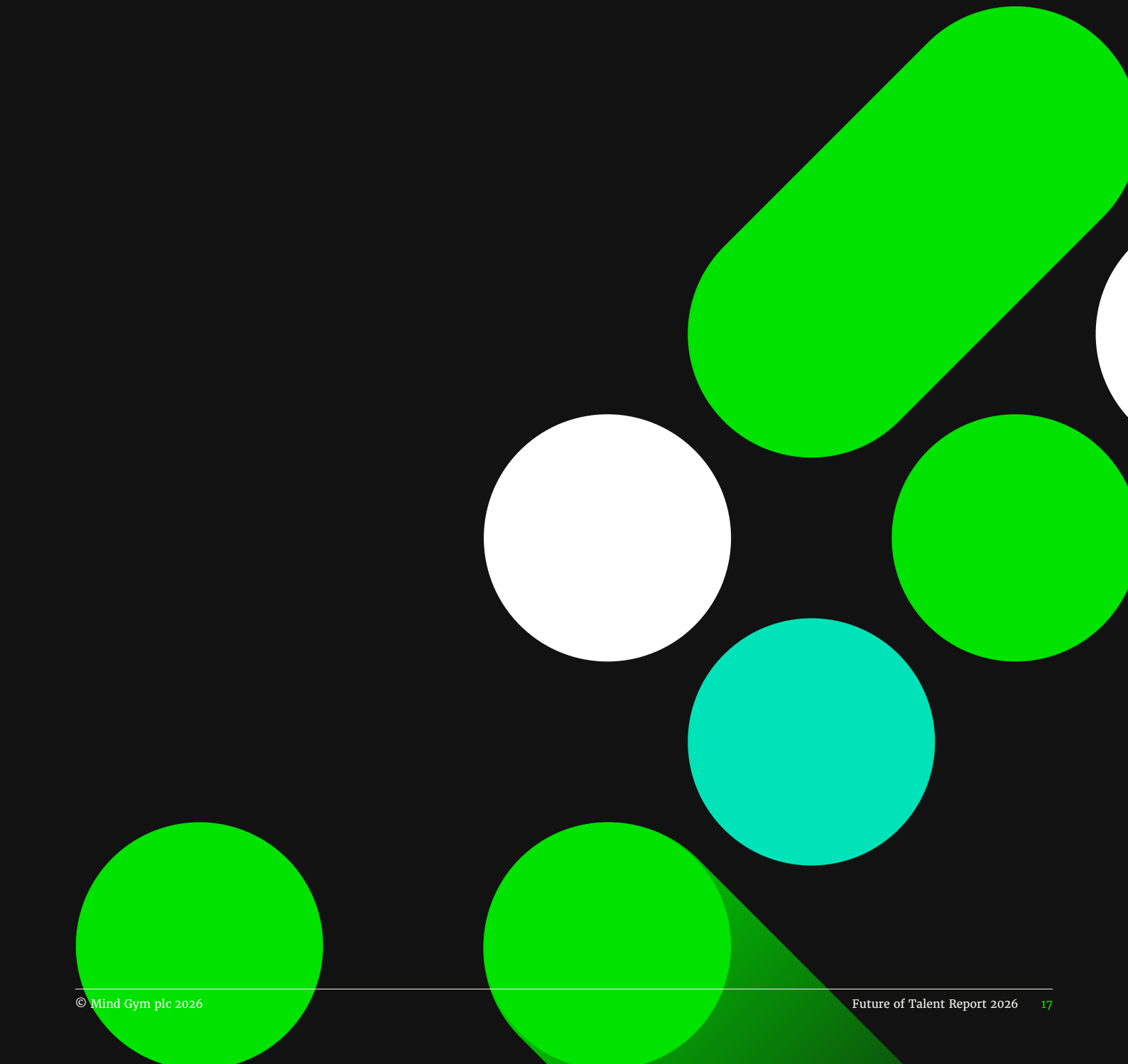
The High-Performance Trap



The High-Performance Trap
More pressure. Less capacity.

It's 2026 and high performance has become existential. Budgets are flat, growth targets aren't. So, organisations ask for more output, more ownership and more accountability – with less tolerance for drift.

The trap is assuming pressure creates performance.

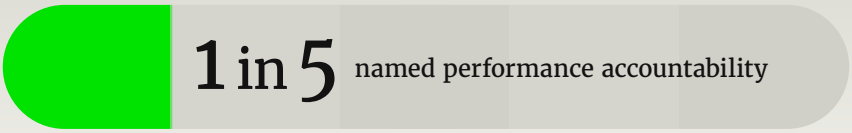
It can create pace, for a while. But without investing in the conditions that sustain performance, pressure just burns through the people delivering it.

High performance isn't something you turn up. It's something you build, and protect, so it holds under strain.

That strain is starting to show in how organisations are shaping culture in 2026.

Expectations are rising, and performance is under close scrutiny – creating a growing tension inside organisations.

When asked what cultural shift matters most in 2026, one came out on top.

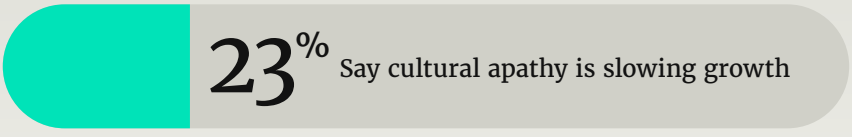


Tolerance for underperformance is shrinking.

Organisations want cultures that hold higher standards, move faster, and follow through.

As standards rise, something else is starting to give.

When we asked what's slowing down growth, one answer stood out.



Energy is dropping. Disengagement is rising.

Organisations are asking for higher standards from a workforce already showing signs of fatigue.

Accountability is increasing. Disengagement is rising with it.

Left unchecked, that tension doesn't drive high performance. It starts to wear down the very conditions that make it possible.

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Under pressure, organisations aren't just burning through capacity. They're burning the air it needs to breathe.

4% Inclusion and belonging

Only **4%** of talent leaders named **inclusion and belonging** as a cultural priority for 2026. That's the lowest-scoring option by a significant margin.

This isn't evidence that belonging doesn't matter. It's evidence that as performance pressure intensifies, past investments in formal DEI programmes are no longer seen as critical to current performance and business transformation.

> "You can't run an engine hotter and cut the cooling system at the same time."

When performance pressure eats performance

The high-performance trap is a vicious feedback loop.

Performance pressure rises. Leaders respond by raising expectations: tighter targets, more measurement, tougher conversations. In a healthy, well-resourced system, that can work. People rise to the challenge. Standards improve. The culture sharpens. Pressure makes diamonds, and all that.

In a depleted system however, the opposite happens. Burnout doesn't announce itself as refusal. It shows up as slower decisions, lower creativity, more risk aversion, and quiet disengagement. The organisation reads these as performance problems and pushes even harder. More accountability, more urgency, more pressure. That in turn produces more compliance on paper and less commitment in reality. The engine runs ever hotter. The capacity drops ever further.

Meanwhile, the buffers that sustain high performance over time (belonging, psychological safety, manageable workload, investment in development) are being deprioritised because they don't look like performance levers. They look like luxuries.

The data on inclusion and belonging suggests organisations are already making this trade-off, whether consciously or not.

The answer isn't to lower standards. It's to stop treating high performance as something you extract and start treating it as something you create the conditions for. Sustainable high-performance cultures aren't built by demanding more from people.

MindGym defines high performance with six conditions: **Purpose, Challenge, Attention, Growth, Recognition, and Choice.** Psychological factors that, when embedded into daily management rather than just annual reviews, boost productivity and motivation. These conditions are designed to shift focus from systems to people, improving engagement and performance.

The question for 2026: are you building a high-performance culture, or are you just running the process engine until the wheels fall off?

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The Review Trap



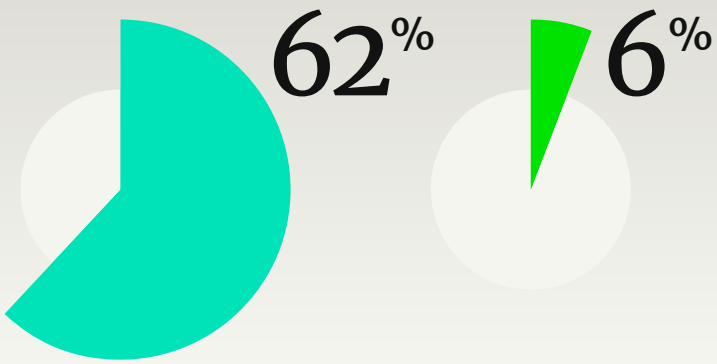
The Review Trap
Built to measure performance. Believed by no one.

If HR had a gospel, it would be the annual performance review. It's one of the most deeply embedded processes in the talent toolkit.

Every year it absorbs vast quantities of management time, generates a ton of administrative overhead, and sits squat at the centre of most organisations' approach to accountability, development, and reward.

It's also, according to the people who run it, almost entirely ineffective.

We asked talent leaders a simple question: if you scrapped your formal performance review process tomorrow, what would actually happen to productivity?



62% said it would stay the same. Only **6%** said it would actually improve

6% said productivity would significantly decline.

These are not outsiders critiquing the system. These are the functions who built it.

Even for those who see some value, confidence is thin.



27% said scrapping reviews would cause a "slight decline." That is the most confidence the system's defenders could muster. Not essential. Not irreplaceable. Just: probably fine to keep.

That is not a vote of confidence. That is a shrug.

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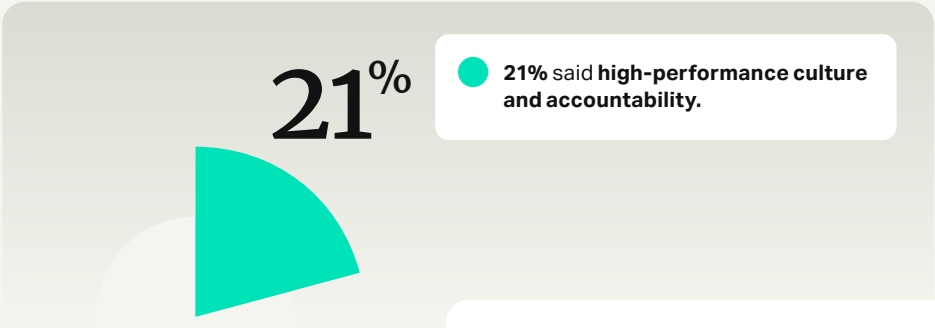
Now place this alongside the single most popular answer to where leaders would invest to supercharge business performance:



The organisation's most wanted outcome is accountability. The organisation's most established accountability mechanism is the performance review. And the people who run it don't believe it works.

"The performance review is HR's most expensive fiction."

When documentation pretends to be development

The review trap is arguably the most uncomfortable of the six.

Because unlike scaffolding that calcified or leadership programmes that targeted the wrong capabilities, the performance review **does** serve a function. It provides legal cover for managing out underperformers. It feeds compensation and bonus decisions.

The trap is that it's never sold that way.

Instead, it's positioned as a **performance improvement system.** Development. Accountability. Growth. But it doesn't improve performance. Performance improves when you build the right conditions and have capable managers who can coach, not just rate.

MindGym's research points to six psychological conditions that do the real work: **Purpose, Challenge, Attention, Growth, Recognition, and Choice.** Miss those, and no review template will save you. Build them, and performance becomes something you can sustain, not just demand.

The performance review wasn't designed for that. It was designed for documentation.

So, organisations run two incompatible purposes through the same mechanism: what it **actually does** (protects legally, allocates pay) and what it's **sold as** (drives performance). The result? Massive time investment, low belief (62% say scrapping it wouldn't hurt productivity), and zero performance gain.

That's the real trap. The process has a narrow use. The trap is **confusing that use with performance management.**

The answer isn't to remove it. It's to separate it. Keep the compliance cycle for pay and legal decisions. But stop pretending that's performance management.

Real performance management is regular coaching conversations that build the six conditions in the flow of work. One is annual admin. The other is daily leadership behaviour.

Right now, most organisations are trying to do both with the same mechanism. And it's working for neither. Organisations don't need to abandon accountability. They need to stop confusing the ritual with the result, and redesign performance management around the conditions that change behaviour day to day, not a paper trail once a year.

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How to Escape the Six Talent Traps

If you've found the six traps outlined in this report describe familiar problems within your organisation, then fear not: that's good news.

These systems are all internal. You built them. You can rebuild them.

But the way out is not the way in — doubling down on the processes already in place will just fix you firmer inside the problem. The real fix? Behaviour change. At the leader level, at the manager level, and in the flow of how work gets done. Let's look at how that applies to each trap.

Trap	What you built	What it's doing now	The way out
The Scaffolding Trap	Structures, layers, processes, and platforms to enable performance at scale.	Slowing decision-making, creating overhead, and producing tech that nobody uses.	Understand workflow and habits required to deliver on key strategic priorities. Identify and address current workflow and habit frictions from existing structures, processes, and behaviours to deliver on strategy.
The Leadership Execution Trap	Ad-hoc leadership development programmes that might be popular but often disconnected from strategy.	A pipeline that 96% of talent leaders don't fully trust to deliver what 2026 demands.	Focus leadership development around the four core capabilities with greatest impact on corporate performance: Agility, Accountability, Strategic Clarity, and Talent Management.
The Hourglass Trap	Investment in senior leadership above and individual contributors below.	A neglected manager layer that can't develop talent, build culture, or prevent your best people from leaving.	Focus manager development on the core skills that matter: coaching confidently, holding people to account, and having meaningful career conversations.
The AI Investment Trap	An AI tech stack (tools, roadmaps, pilots) without a work stack (new workflows and habits).	AI on the slide, not in the system — usage stays low and manual work stays high.	Treat AI adoption as behaviour change. Define the few critical behaviours and workflows that create value, build manager capability to reinforce them, and redesign systems so adoption happens by default.
The High-Performance Trap	A culture built around performance pressures and compliance.	Burnout, disengagement, and the quiet erosion of the conditions that make performance sustainable.	Build the six conditions of high performance cultures: Purpose, Challenge, Attention, Growth, Recognition, Choice.
The Review Trap	A performance review process designed to drive accountability, documentation, and compensation decisions.	A collective ritual that 62% of talent leaders say delivers nothing. Maintained by inertia, not evidence.	Separate compliance (annual, lightweight, for pay/legal) from development (regular coaching conversations in the flow of work). Build manager capability for real-time feedback and accountability conversations.

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From Trapped to Traction: The MindGym Method

Escape requires precision, not demolition. We begin by accurately identifying where the focus needs to be: performance culture, leadership performance, leadership succession or business transformation.



Diagnostics

We assess your leaders and organisational culture using some of the most predictive instruments in the field.

Prescribe

Informed by these insights we create personalised learning journeys and pathways to organisational change.

Develop

A range of engagement, learning and activation resources deployed to deliver real behaviour change.

Evaluate

Interrogate impact with insight dashboards. This then informs a second round of diagnostics.

Think your organisation is caught in a trap?

Get in touch to get out

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