

ATREUS

A HEIDRICK & STRUGGLES COMPANY

2025 **PLUS**
LEADERSHIP STUDY

THE ATREUS LEADERSHIP STUDY 2025

LEADERSHIP TALENT TO MEET THE CHALLENGES OF THE FUTURE

Editorial

According to the Atreus Leadership+ Study 2025, German companies fully recognize the importance of innovation and integrating AI. However, there remains a disconnect between this understanding and its consistent implementation. Although 56 percent view the introduction of AI into processes and products as a priority, more than half of all companies allocate less than 5 percent of their revenue to innovation. The willingness to take risks is also low: just over 11 percent of respondents are highly willing to take greater risks to gain competitive advantages.

The economic climate poses additional challenges, with over half of the surveyed companies falling short of their targets in the first half of 2025 and expectations for the rest of the year remaining subdued. Added to this are geopolitical uncertainties and a regulatory environment that is perceived as hostile to innovation, with 84 percent citing excessive bureaucracy as a key concern.

At the same time, the pressure to remain agile is rising. Some 60 percent of managers see adaptability as crucial, and 50 percent prioritize receptiveness to new technologies. This is exactly where interim managers and external experts come into play: more than 50 percent of companies already employ them either occasionally or regularly, and their number continues to grow with time.

Interim managers provide what many organizations presently lack: speed, specialized expertise, and effective implementation during crucial phases. They provide leverage for safeguarding innovation projects and minimizing risks while rapidly gaining a competitive edge.

The key takeaway for C-suite decision-makers is therefore that waiting poses the greatest risk. Those who enlist outside expertise now will gain a head start over the competition. Those who hesitate risk being left behind.



How the study was administered

- + **Survey period:** 11.07.2025 to 25.08.2025
- + **Method:** Online survey with closed- and open-ended questions
- + **796 participants:** C-suite and senior executives, including board members, supervisory board members, managing directors, founders, interim managers from various industries of the German economy



Key findings of the Atreus Leadership+ Study 2025

1. Yes to AI, but available funding for AI investment is limited.

Many companies see AI as a necessity but shy away from the financial and technological uncertainties associated with it.

2. Innovation budgets are no longer a priority.

For fear of making bad investments, most companies allocate only a small fraction of their revenue to investments.

3. Germany is still playing catch-up in the area of artificial intelligence.

Two-thirds of companies have scarcely integrated any AI to date and are at risk of falling behind on the global stage.

4. Then there is also the geopolitical instability and a regulatory environment that is hostile to innovation, with an overwhelming

majority criticizing policy-makers for problems such as excessive bureaucracy.

5. Corporate culture is what truly drives innovation.

Where there is openness and the courage to try new things, tech integration achieves greater success.

6. Leadership is being redefined – and becoming more challenging.

Future success depends on adaptability, innovative strength, and the competition for talent.

7. The path forward is well-defined and ambitious.

AI, product development, automation, and employee development are priorities for company investment.

8. AI is not something that is simply nice to have; it is essential for survival.

The integration of AI into processes and workflows shapes competitiveness and future success.

9. The economic downturn is hitting companies hard.

The weak economic situation is hindering performance and necessitating restraint – however some underlying optimism remains.

10. Without agility and openness, it's easy to fall behind.

Managers who fail to respond flexibly to disruption risk losing their competitive edge.

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CREATE
SUCCESS

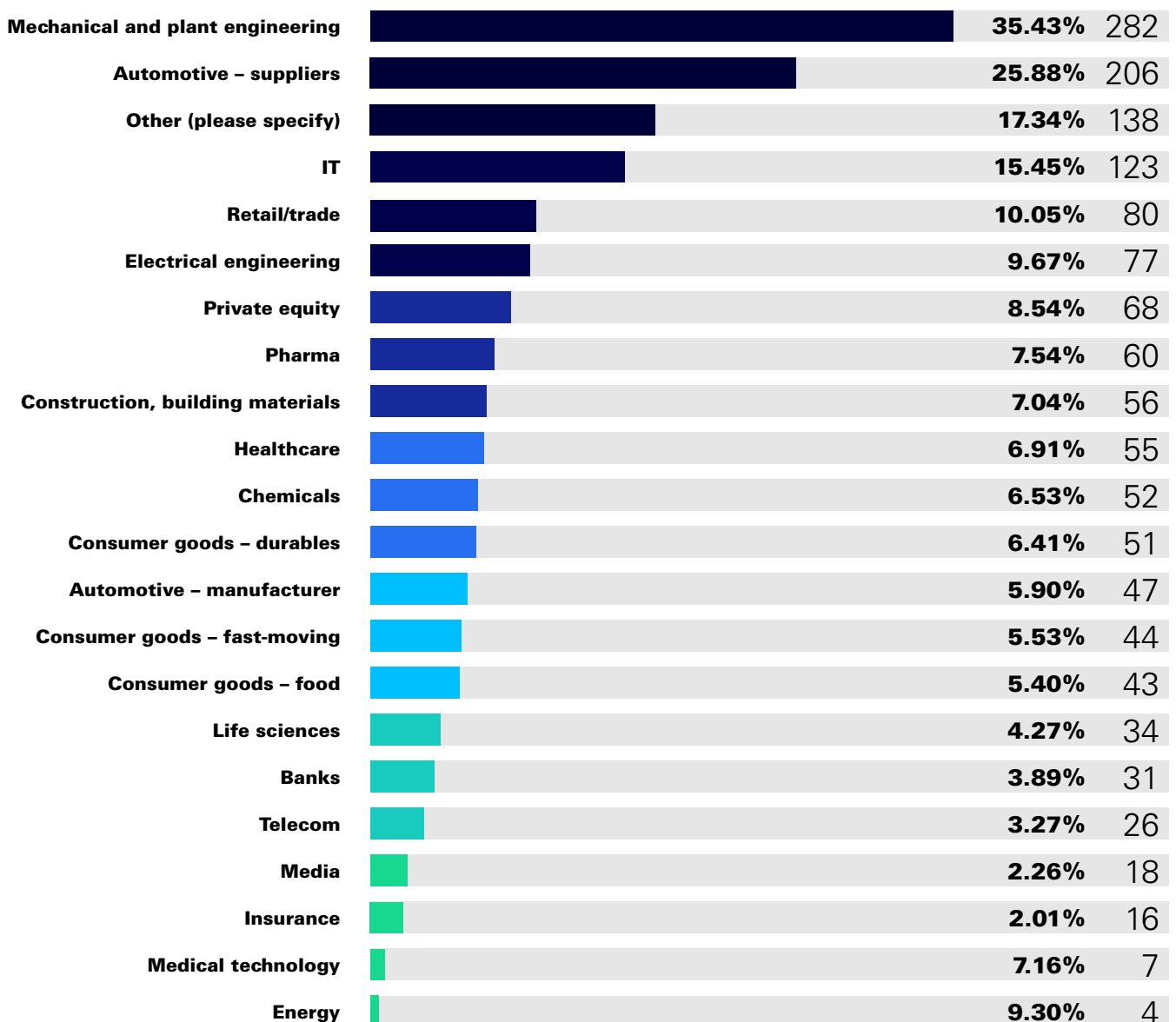


Sector focus of the respondents: **Mechanical engineering and the automotive sector are predominant.**

Some 35 percent of respondents are employed in mechanical and plant engineering, 26 percent in the automotive industry (manufacturers and suppliers), around 28 percent

in the consumer goods and retail sector, 15 percent in IT, and around 10 percent in electrical engineering.

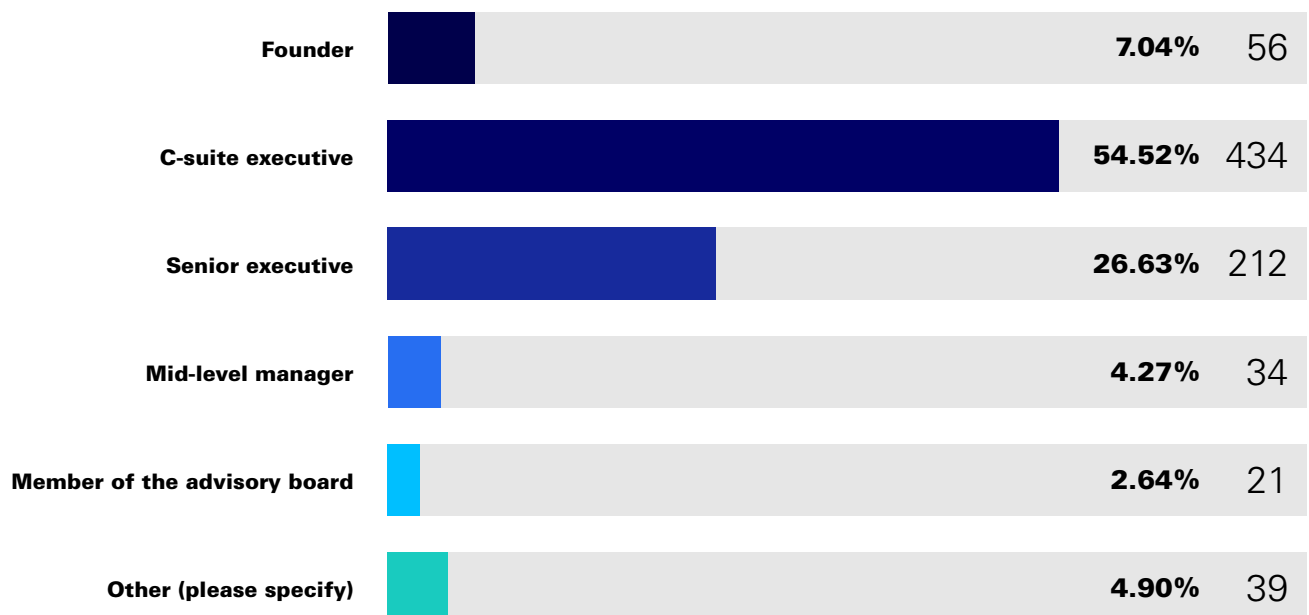
01 In which **sectors** do you **primarily** operate? (up to three options may be chosen)



Seniority of the respondents: **85 percent of those surveyed hold positions in the highest levels of management**

Some 55 percent of the study participants are C-suite executives (such as CEO, CFO, or COO), 27 percent are senior managers, 7 percent are company founders, 4 percent are mid-level managers, and 3 percent serve on an advisory board.

02 Which of the **following designations** most accurately reflects your level of **professional seniority?**



AI integration is faltering, **constrained by crisis-induced pressures.**

Nearly two-thirds of companies have made only minimal progress in integrating AI into their processes, products, and production. Most are still in the pilot stage or initial phase. At the same time, the uncertain geopolitical and economic situation is forcing companies to proceed with caution. This requires a careful balance of well-considered decision-making while maintaining enough innovation to avoid risking lasting competitive disadvantages.



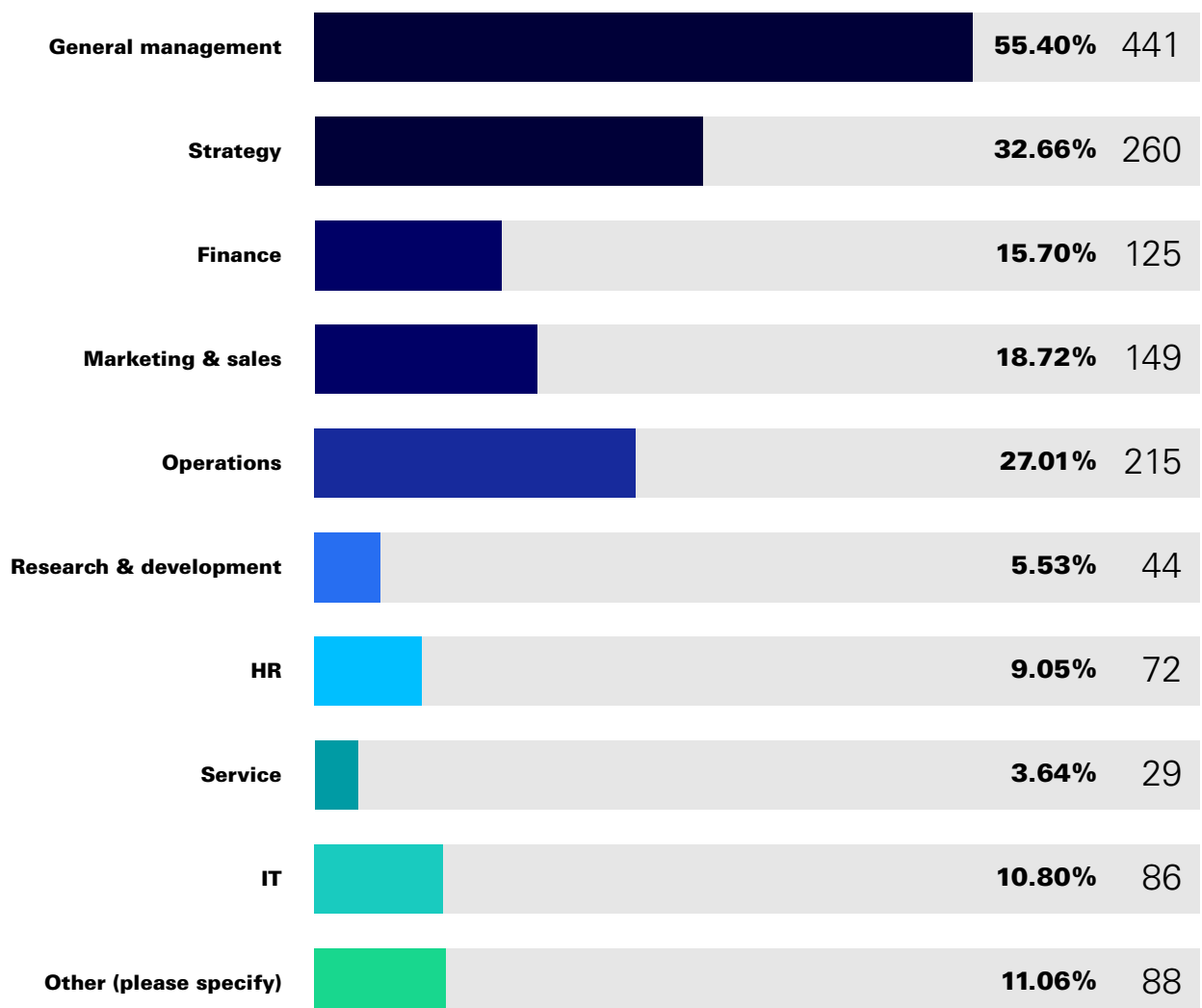
“The current situation is highly challenging for companies in view of multiple crisis scenarios, which are clearly a consequence of the difficult overall geopolitical environment. Companies in Germany in particular are therefore well advised to continue to make prudent and well-considered decisions within the scope of their capacities while also striving to be as innovative as possible.”

RAINER NAGEL
Managing Partner & CEO

The role of the respondents in the enterprise: **general management, strategy, and operations**

Around 55 percent of respondents work in general management, 33 percent in strategy, 27 percent in operations, 19 percent in marketing & sales, 16 percent in finance, 11 percent in IT, 9 percent in HR, and 6 percent in research & development.

03 In which of the **following roles** are you presently employed? (up to three options may be chosen)

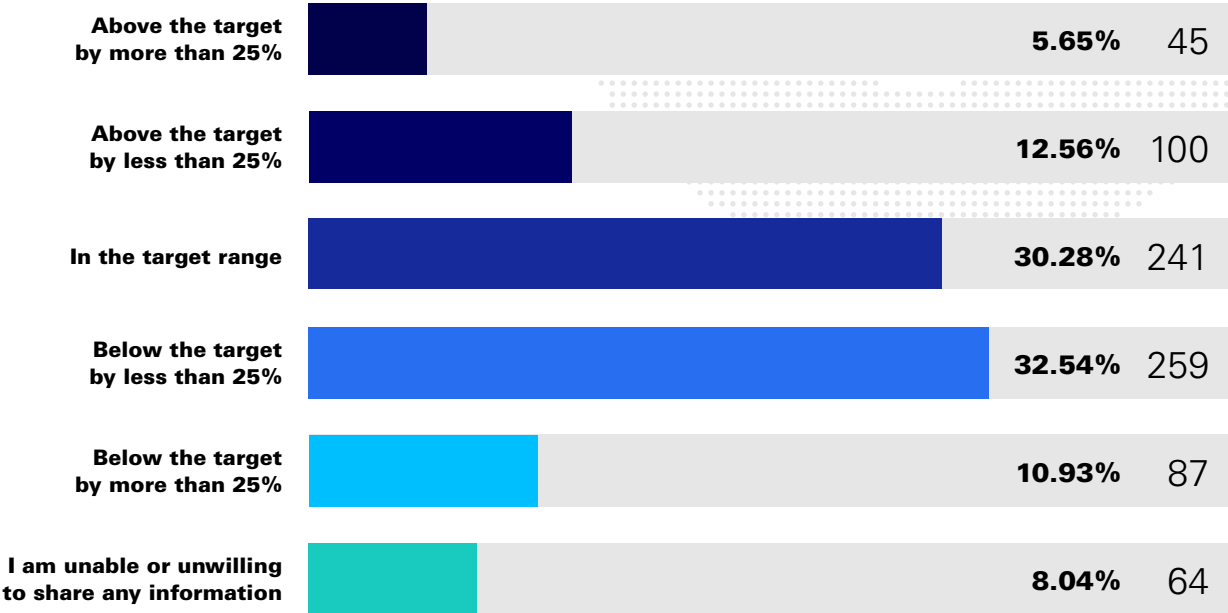


Companies face pressure:
as many miss their targets in the first half of the year

For around 32.5 percent of respondents, performance is less than 25 percent below their targets; for 10.9 percent, it is more than 25 percent below the targets; and for 30.3 percent of respondents, performance is precisely within

the target range. Performance was less than 25 percent above their targets for only 12.6 percent of respondents, and more than 25 percent above their targets for only 5.7 percent of respondents.

04 How would you assess your company's **financial performance** during the **first six months of 2025**?

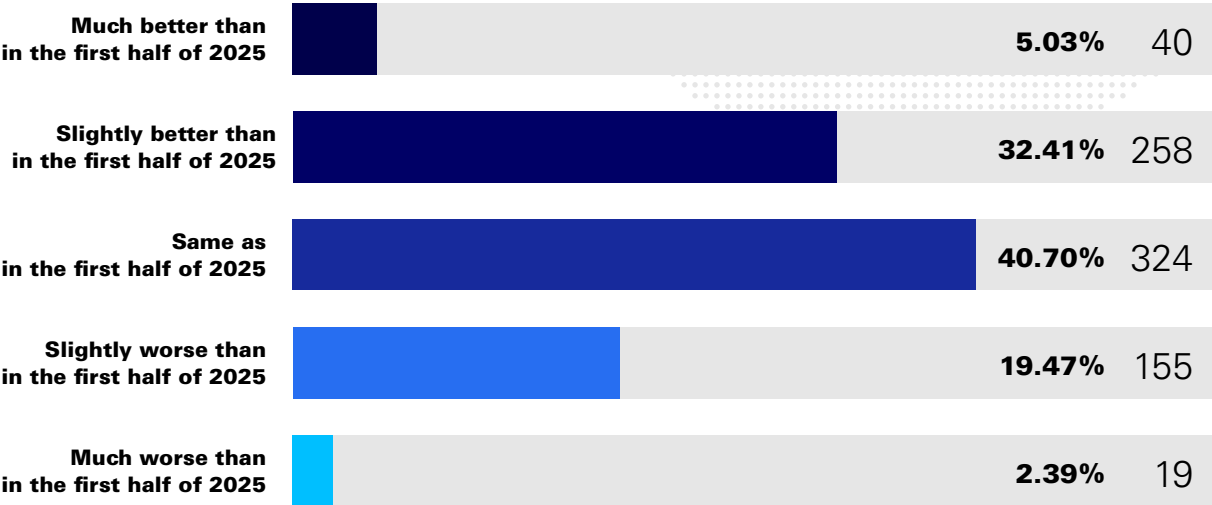


Cautious optimism:
Most anticipate stable to modestly improved H2 results

Around 41 percent of respondents expect that financial performance will remain unchanged in the first half of 2025, while approximately 32 percent expect it to improve slightly compared to the first half of the year. The percentage of

those who think that performance will be somewhat worse is marginally lower, at 19 percent. Only 5 percent of respondents anticipate significantly improved performance in the second half of the year compared to the first half.

05 What do you forecast your company's **financial performance** will be in the **second half of 2025**?



Skills of the future for managers: Adaptability and openness are crucial

Almost half of the study participants, namely 49 percent, state that being receptive to digital transformation and the rollout of new technologies will be essential. As many as 60 percent of respondents believe that adaptability to changing circumstances and challenges will be the primary factor. While 38 percent of survey participants emphasize

the importance of innovation and new idea development, 36 percent highlight the necessity of attracting and retaining talented employees. Strategic planning and decision-making (22 percent), effective crisis management (19 percent), and fostering a positive, team-oriented corporate culture (16 percent) are also identified as key factors.

06 Which **skills** will be most crucial **for managers** over the **next three years**?

(up to three options may be chosen)



Priorities for 2025 and 2026:

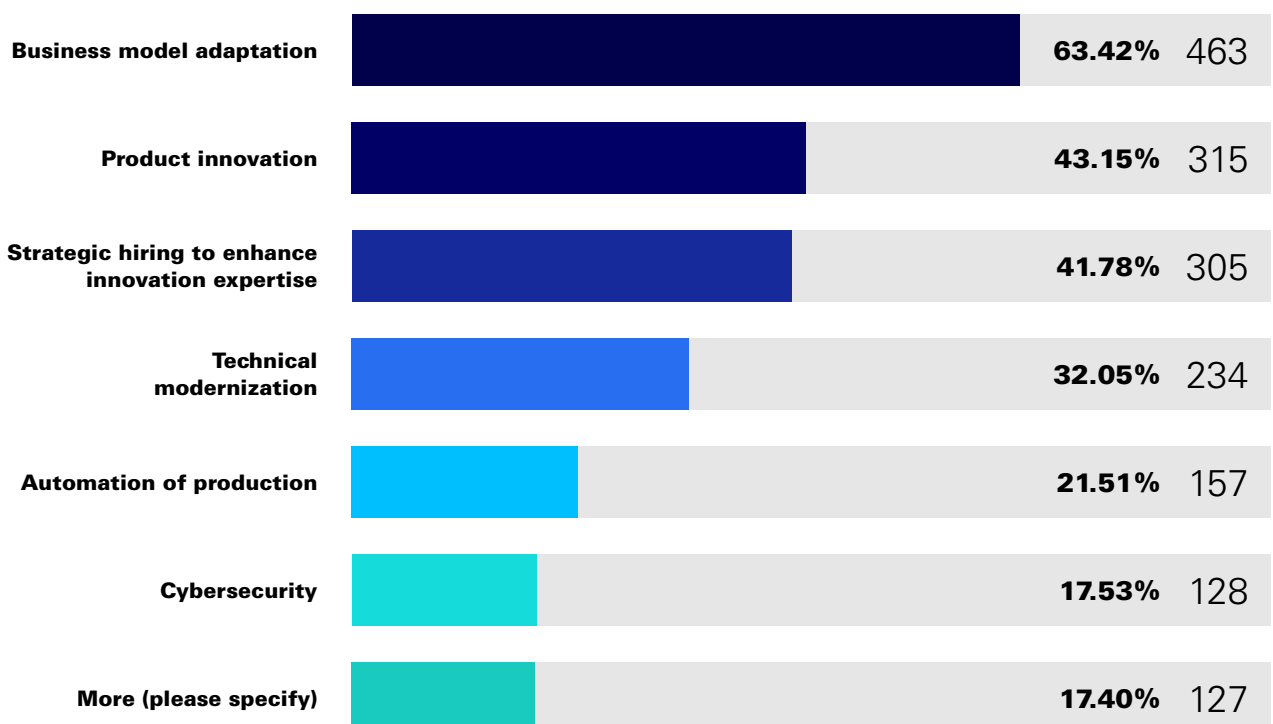
Business model, innovation, and modernization

In addition to adapting their business model (64 percent), companies also place high importance on strategic hiring for innovation expertise and on developing product innovations (about 43 percent each), as well as on pursuing

technical modernization (32 percent) and automation of production (22 percent). Some 17 percent of respondents also indicated that cybersecurity is important.

07 What are your **primary priorities** for achieving your strategic goals in the current financial year and in the **next**?

(up to three options may be chosen)



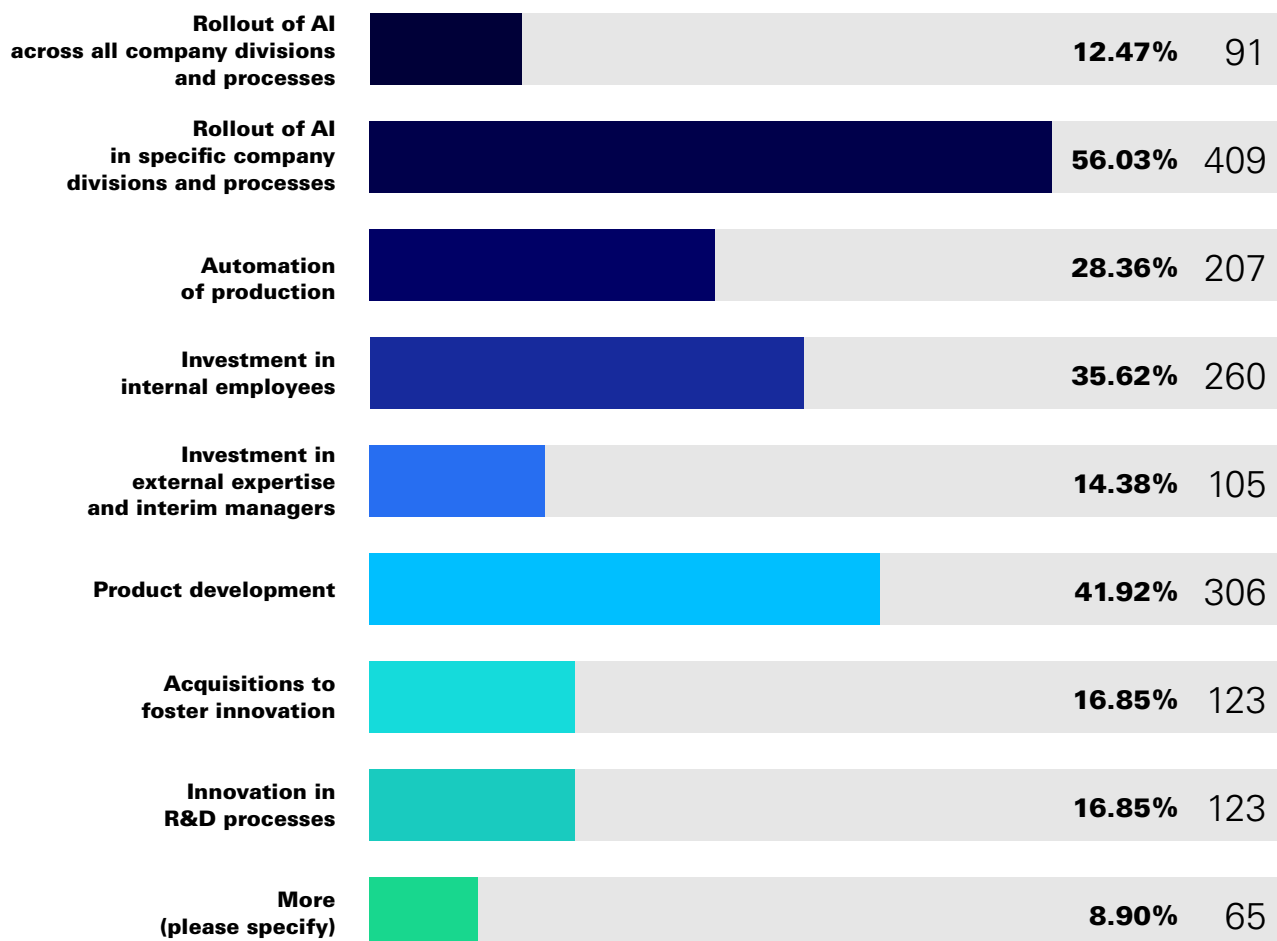
Innovation focus of the companies:

AI rollout, product development, and internal teams

More than half of the study participants (56 percent) indicate that implementing AI in specific business areas and processes is a top priority for their company. The topics of product development (42 percent), investment in internal employees (35 percent), and automation of production (28 percent) are also highly prioritized in the companies.

According to the responses, the following are considered less important: innovating R&D processes (17 percent), acquisitions to foster innovation (17 percent), investments in external expertise and interim managers (14 percent), and rolling out AI in all company areas and processes (12 percent).

08 In **what areas** do you intend to **increase investment in innovation** over the next 12 months? (up to three options may be chosen)



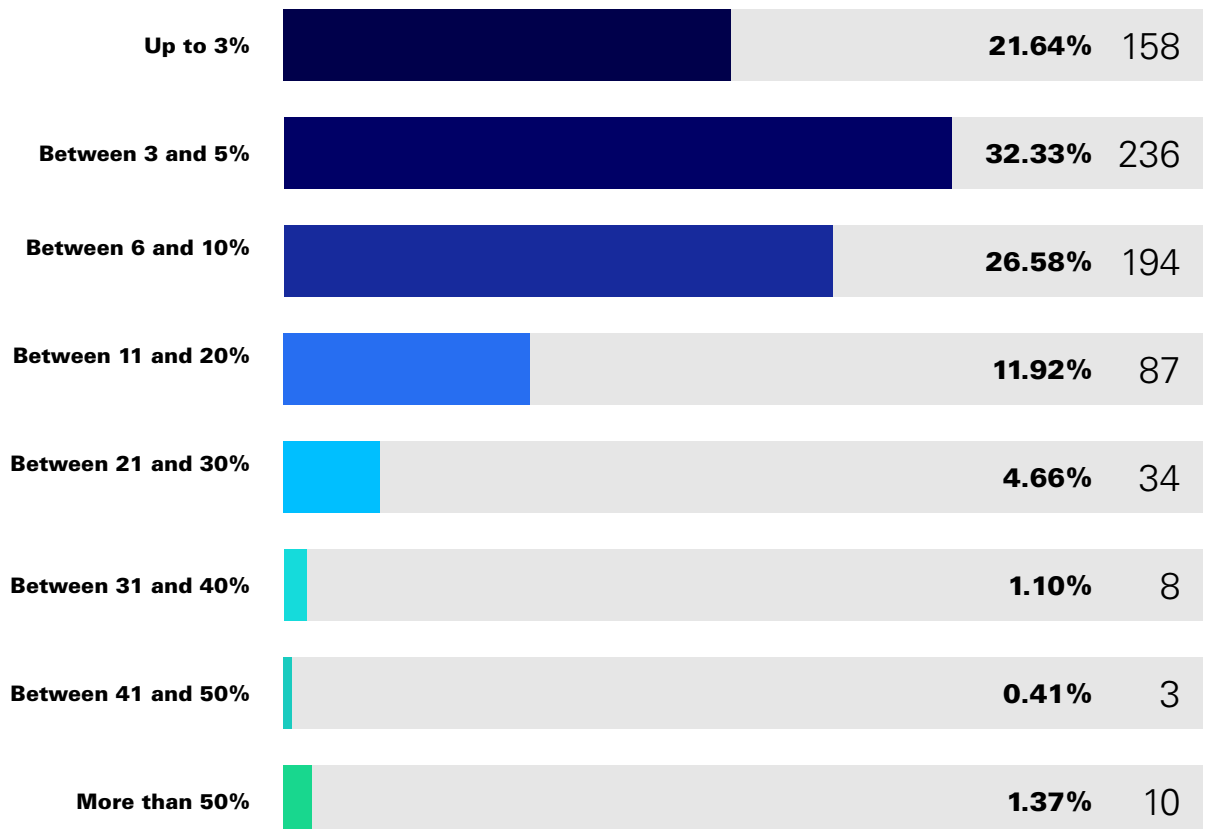
Significant reluctance to invest: Most companies invest little in innovation

Around a third of respondents (32 percent) report that their company intends to allocate between 3 and 5 percent of annual revenue to innovation. Around 27 percent plan to invest between 6 and 10 percent. Only 12 percent of compa-

nies intend to allocate more than 10 percent and up to 20 percent of their revenue to investment, while just 5 percent plan to invest between 21 and 30 percent in innovation.

09

What **percentage of your revenue** are you planning to **invest in these areas**?

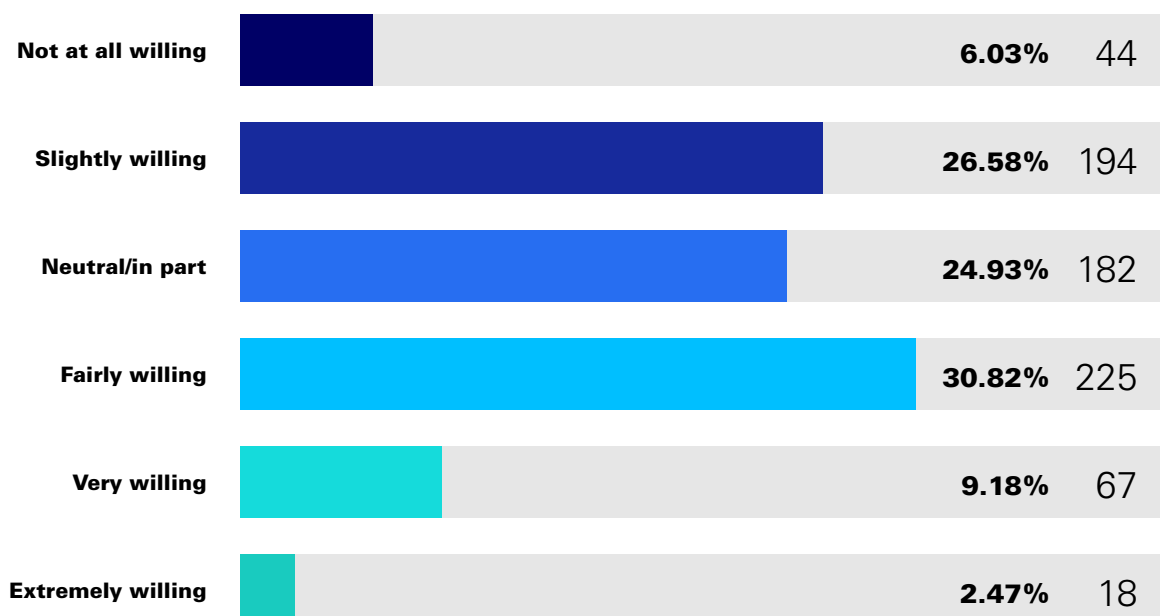


Risk aversion hinders tech growth: Few are willing to take big leaps into uncharted territory

Some 27 percent of companies are only somewhat willing to take greater risks for faster growth and competitive advantages through new technologies, while just over 11 percent display a greater risk appetite and are willing or

very willing to take such risks to achieve these goals. Meanwhile, almost a quarter of respondents reported a neutral stance on this question.

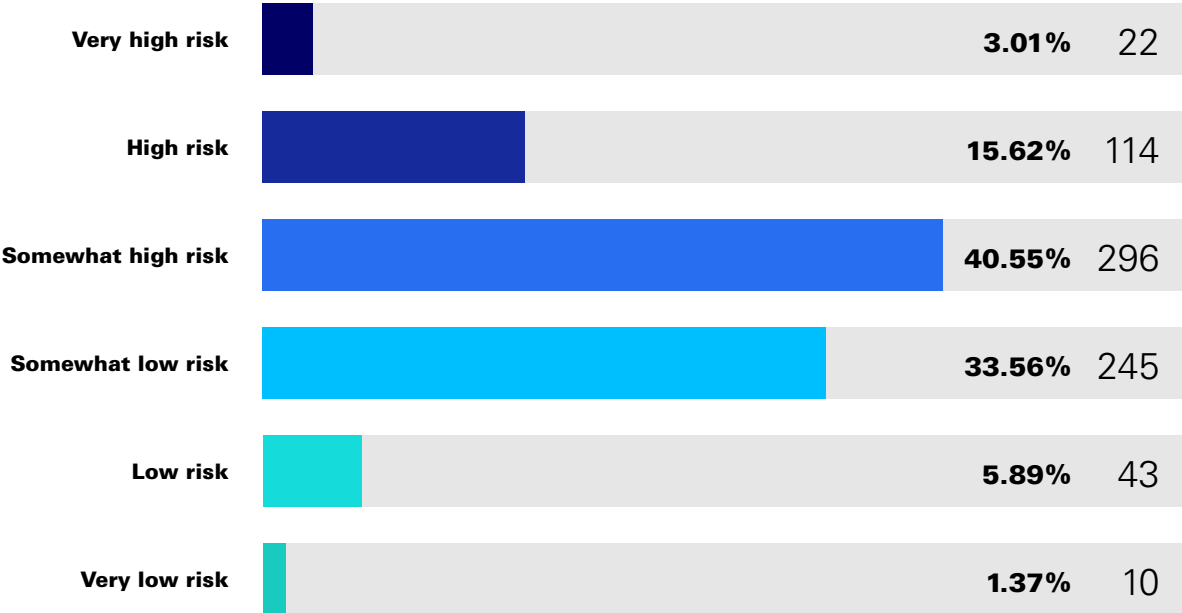
10 Are you willing to embrace **greater risks** to **accelerate growth** and gain a competitive edge through **new technologies**?



Tech skepticism is widespread:
Over half see high investment risks

Over half of respondents (59 percent) reported perceiving a relatively high to very high risk when investing in technologies whose benefits remain uncertain. While 34 percent of the study participants perceive the risk as relatively low, approximately 7 percent regard it as low to very low.

11 How do you assess **the risk** of investing in **technologies** whose benefits are not yet fully clear?



Innovation remains the responsibility of management, **while investments continue to lag behind**

The majority of respondents hold senior management positions, granting them significant influence over their companies' strategic direction. Although there is a clear awareness of the need for innovation and the use of artificial intelligence, many companies are still struggling to put these recognitions into practice. In terms of investment and risk appetite in particular, it is evident that international benchmarks reveal a need for improvement to prevent lagging behind.



"Companies fully recognize the relevance of innovation and the importance of leveraging AI to ensure their future success. They are also willing to invest in the training and development of their employees. That is definitely encouraging and a step in the right direction, but there is still room for improvement in terms of their investments and risk appetite. Other countries have already made more progress in this area and, in some cases, are significantly ahead of us. German companies are therefore urgently required to address and implement the topic of innovation in a more targeted and consistent manner."

DR. HARALD LINNÉ
Managing Partner & CEO

AI use not yet widespread

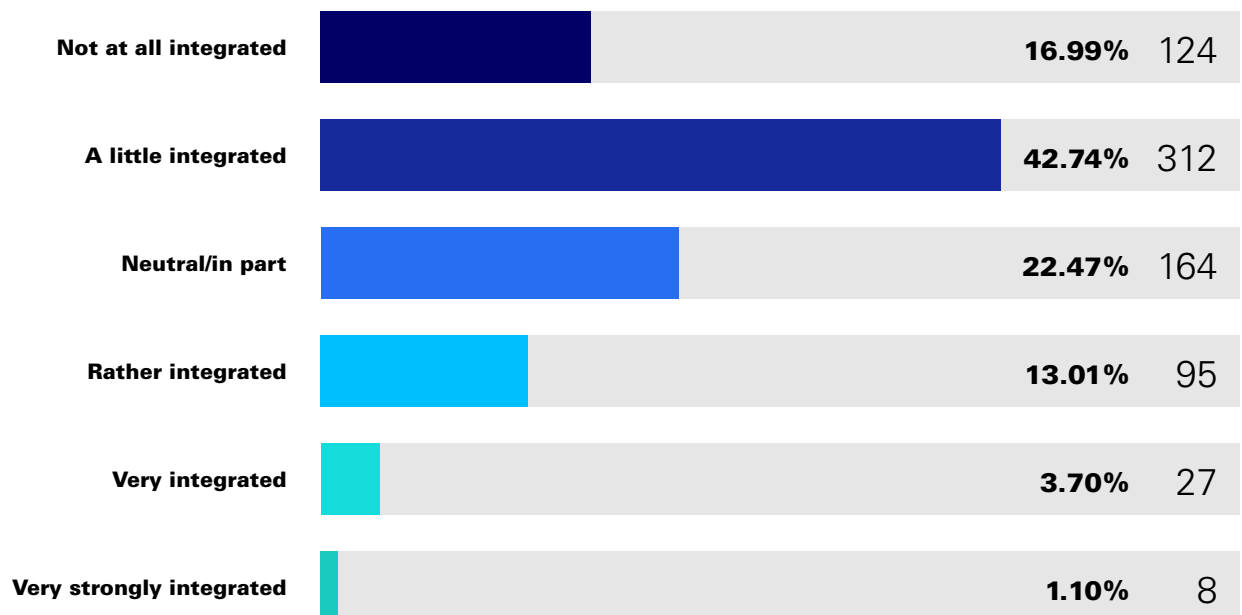
Almost two-thirds have yet to achieve AI integration

Almost two-thirds of respondents (60 percent) report that AI has been integrated into their company's processes, product development, and production either not at all or only to a limited extent. Only a total of 18 percent of the

companies have integrated AI into their processes, product development, or production to some extent or to a significant degree.

12

To what extent is **AI already integrated** into your processes, product development, and production?

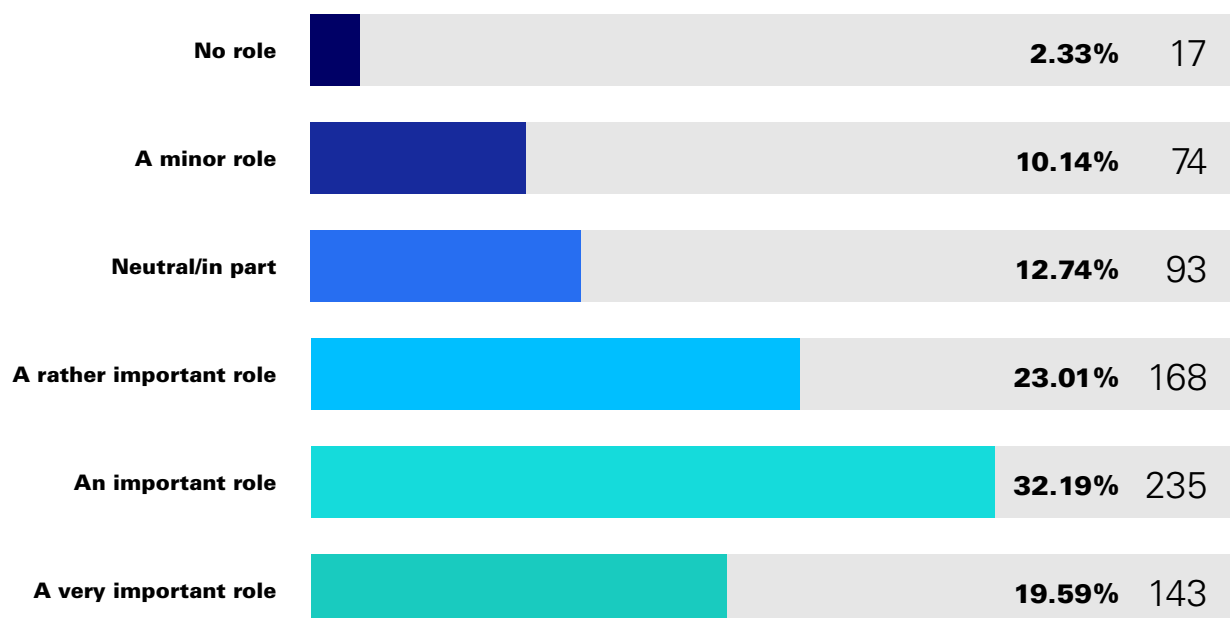


Corporate culture as an innovation accelerator: 74 percent see it as a decisive factor for success

Corporate culture plays a rather important or even very important role for almost three-quarters (74 percent) of the survey participants and their companies.

Corporate culture plays no or only a minor role in only 12 percent of the companies surveyed.

13 What role does **corporate culture** play in **fostering innovation** within your organization?



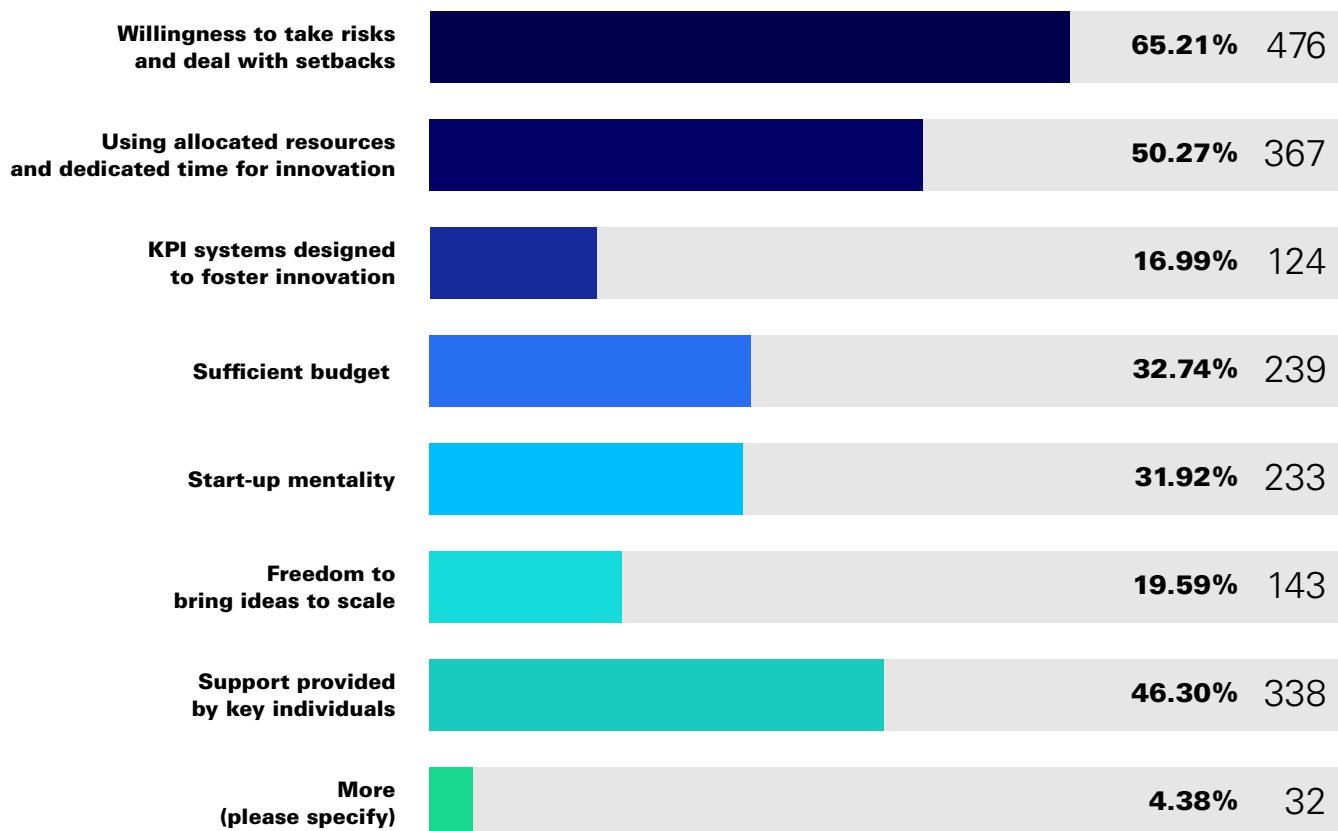
Success factors for genuine innovation:

Willingness to take risks and spend time on innovation, as well as supporters of innovation

For approximately 65 percent of respondents, a willingness to take risks and deal with potential failure is considered a crucial factor for successfully driving and implementing innovations. Around half of the study participants (50 percent) also consider the allocation of dedicated resources and time for innovation as essential and indispensable.

According to the respondents, key success factors for effectively driving and implementing innovations include support from key individuals (47 percent), a sufficient budget (33 percent), and a start-up mentality (32 percent).

14 What key **factors for success** contribute to the successful implementation and **advancement of innovations?** (up to three options may be chosen)

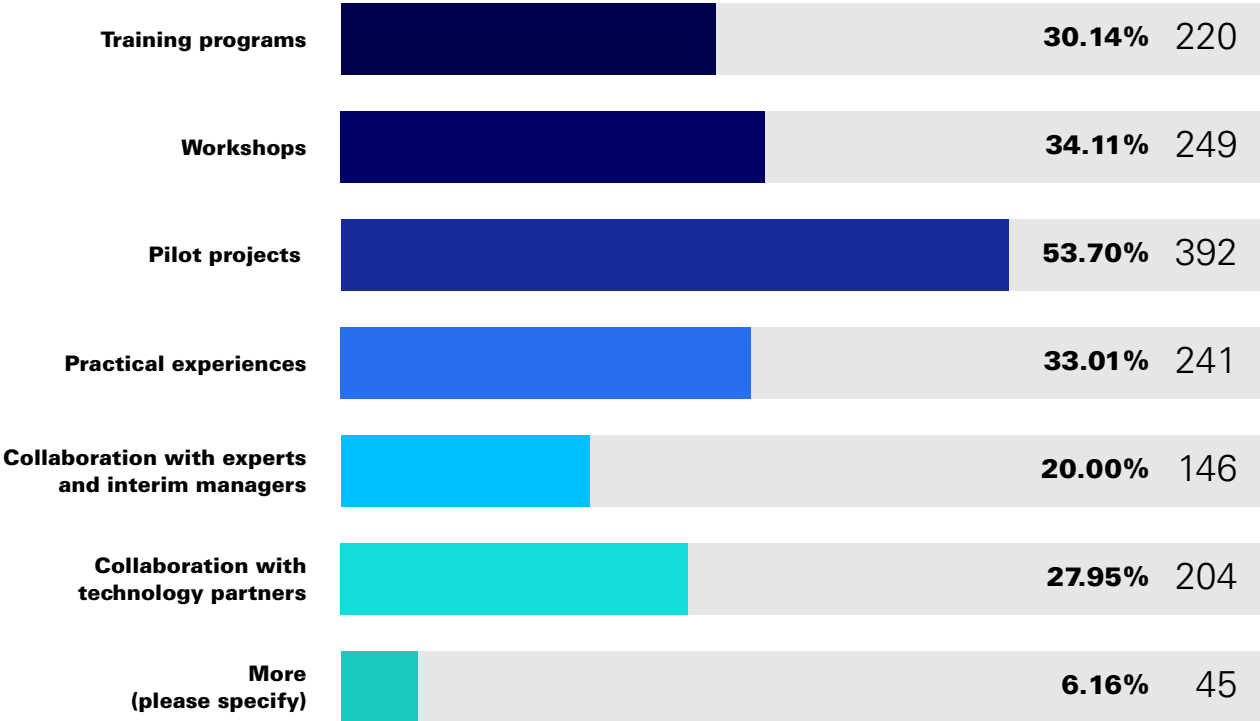


Making employees fit for AI:
Pilot projects, workshops, and hands-on experiences
characterize the preparation

For 54 percent of the respondents in the study, pilot projects are the main priority for preparing employees for the rollout of new technologies like AI. Workshops (34 percent), practical experience (33 percent), training programs (approximately 30 percent), and collaboration

with technology partners (28 percent) are also evidently very popular with companies. Around 20 percent of companies currently rely on interim managers for their support and problem-solving skills.

15 How do you prepare **your employees for the rollout of new technologies such as AI?**



A clear message to policymakers:

Reduce bureaucracy, increase flexibility, and provide more financial support.

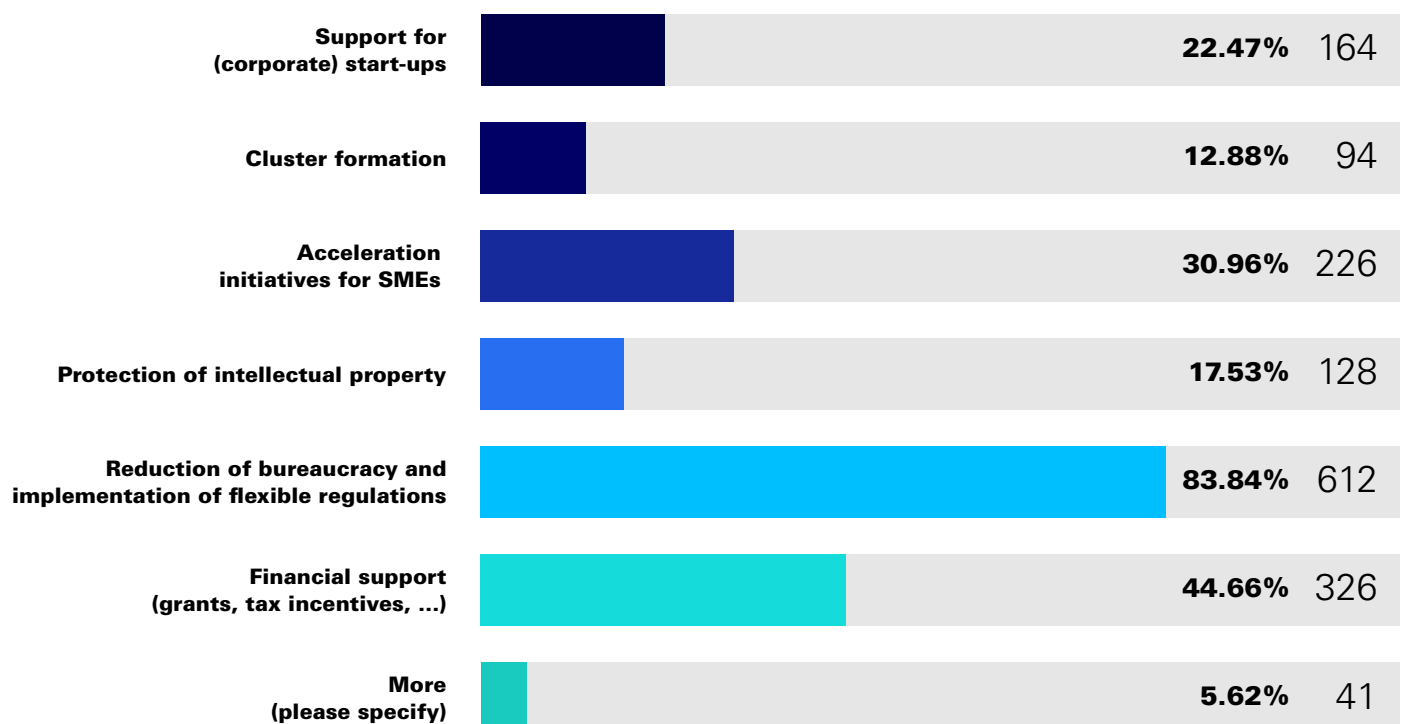
An overwhelming majority of 84 percent of respondents criticized the persistent bureaucracy and inflexible regulations that hinder companies from fostering innovation. Around 44 percent of respondents expressed a desire for

increased financial support (including grants and tax incentives), while approximately 31 percent hoped for initiatives to spur growth among SMEs.

16

What role should **the government play** in **fostering innovation** in your industry?

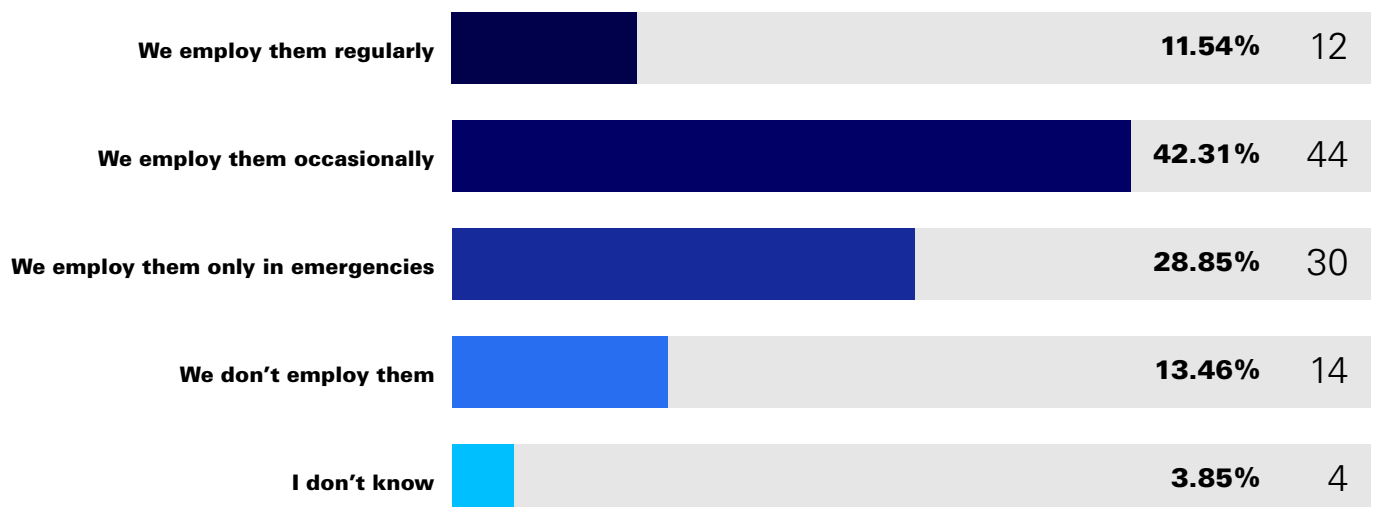
(up to three options may be chosen)



Interim managers are gaining in importance: **More than half regularly take advantage of outside expertise**

Some 42 percent of respondents occasionally employ interim managers or independent consultants in their companies, while approximately 11.5 percent of companies utilize them on a regular basis. More than half of the companies use interim managers from time to time.

17 How would you describe the **current employment of interim managers and independent consultants** in your company in 2025?



This survey was conducted by Atreus GmbH in August 2025.

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