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# Leading in the age of AI: Practices for the new era



## A note from Council Advisors

Leadership is entering a new era, defined not only by what you know but by how you adapt.

Across our work with CEOs and senior teams in our three firms—The Miles Group (TMG), SSA & Co., and High Lantern Group—we’ve seen the shift firsthand. AI is accelerating decisions, compressing timelines, and redefining how organizations learn. But at the center of this transformation remains a fundamentally human challenge: how to lead with clarity when the pace is accelerating and the path forward isn’t clear.

This is a guide to leadership in the GenAI era. It draws on research with exceptional leaders, and echoes what we’ve learned advising leaders for decades through moments of inflection—where confidence needs to coexist with ambiguity, and where the ability to align people to execute becomes a decisive advantage.

We believe the best leaders understand the unique value of leading at the intersection of talent and execution. Rather than simply responding to technological change, these leaders are using it to redesign how their organizations work in ways that make them faster, more focused, and better able to adapt.

We’re pleased to share this field guide for leading through this transformational moment—with both urgency and a renewed understanding of what leadership demands today and in the coming years.



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# The New Leadership Playbook for the AI Era

Bolting new transformational technologies onto existing organizational processes often produces suboptimal results. The same goes for leadership mindsets and practices: Pushing your organization to become “AI-first” without adapting how you lead just won’t work.

This research playbook explores the urgent need to redefine leadership for the AI era, where strategy must adapt in real time, where operations are increasingly autonomous, and where managers need new approaches to working with people and technology.

Leading in this moment is not about reacting to change, but about building the capacity and new practices to lead through it. We aim to provide you with specific tools and next steps for doing so.

In our research and reporting, we’ve identified areas where the traditional playbook for leadership is no longer relevant and others where AI is requiring new leadership competencies. We’ve spoken with top researchers and executives and pored over the latest research to identify the essential practices for leadership of what’s next.

Here’s a summary of the key changes:

## Old vs. new playbook

Leadership Dimension	Pre-AI Playbook	AI-Era Playbook
Purpose of technology	Drive efficiency, reduce cost	Unlock new capabilities, markets, and value
Change management	Technical challenges with known fixes	Adaptive challenges with no previous solution
Decision-making	Centralized, hierarchical	Distributed, experiment-driven
Communication	Certainty, control	Framing, prospection, trust-building
Org structure	Stable pyramids	Fluid networks of humans + AI agents
Societal role	Company-focused workforce strategy	Responsibility for labor market resilience

(We acknowledge that some characterizations of the pre-AI playbook might not apply to all organizations, but our research suggests that they reflect the practices of many, if not most, firms.)

We've organized this playbook around four key leadership approaches for this moment, with expert interviews and mini case studies to deepen your understanding of them. They are:

- 1 Take an expansive approach to AI.** Rather than using AI to squeeze more out of current ways of working, leaders must ask what the technology makes possible for the first time. What unmet needs can you address with the freed-up capacity from AI? What can you do faster that changes how you compete?

**2 Lead adaptively through uncertainty.** Executives need to create space for experimentation and still lead confidently when the path ahead is filled with unknowns. Rather than having centralized decision-making, they need to create cultures that embrace iteration and failure while personally experimenting with AI themselves to understand its capabilities and limits.

**3 Lead the conversation.** Leaders should acknowledge uncertainty about AI's impact while giving employees a clear framework for the organization's thinking, outlining possible scenarios and the concrete ways they will support workers through change.

**4 Rethink management for the age of AI.** AI will upend the skills, workflows, and structures that define today's organizations. Organizations may get flatter, with more decision-making power in the hands of people leading teams of AI agents.

Charter has partnered on this playbook with Council Advisors, a leading c-suite advisory firm that works with CEOs and their teams to drive transformation and performance. We're grateful for its support and thought leadership in this important area.

We see this research playbook as part of our ongoing efforts on the critical questions it covers. Please be in touch with us as you have feedback and additional research and examples that others might learn from. You can reach us at [hi@charterworks.com](mailto:hi@charterworks.com).



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# Table of contents

01	<b>The new leadership playbook for the AI era</b>
05	<b>Chapter 1: Take an expansive approach to AI</b>
11	How ServiceNow leaders catalyze the reimagining of roles
14	<b>Chapter 2: Lead adaptively through uncertainty</b>
15	Harvard's Ronald Heifetz on the keys to adaptive leadership
24	How Duolingo develops AI best practices
26	Leading yourself through uncertainty
30	<b>Chapter 3: Lead the conversation</b>
34	<b>Chapter 4: Rethink management for the age of AI</b>
41	<b>Your action guide</b>
46	<b>About</b>

*Editor's note: The contents of this playbook were independently researched and written by Charter's editorial team.*

# 01

## Take an expansive approach to AI.



## Reevaluating objectives

In his 2022 essay “[The Turing Trap](#),” Stanford economist Erik Brynjolfsson warns about the allure of automation for technologists and businesspeople. Using machines to substitute for humans in the tasks they already do is often easier than using them to do entirely new things. But it also creates much less value.

Imagine if, for example, Jeff Bezos automated bookstores by adopting robot cashiers, writes Brynjolfsson. “That might have cut costs a bit, but the total impact would have been muted.” Instead, Bezos reimagined what the bookstore—and eventually retail—could be once you fuse it with the latest technology of the time: the internet.

When leaders direct technology toward augmenting humans and unlocking *new* tasks, products, and ways of working rather than toward automating what they already do, they create more value for their companies, but also for workers and society more broadly.

Brynjolfsson illustrates this point with a thought experiment:

*Imagine if you automated everything the Greeks did 3,500 years ago. You would automate activities like creating clay pots and repairing horse-drawn carts. “The good news is that labor productivity would soar, freeing the ancient Greeks for a life of leisure,” Brynjolfsson writes. “The bad news is that their living standards and health outcomes would come nowhere near matching ours. After all, there is only so much value one can get from clay pots and horsedrawn carts, even with unlimited quantities and zero prices.”*

This shift in mindset toward using AI to do new things requires companies to pursue objectives that go beyond typical productivity metrics. The trajectory of AI within a company gets shaped by what that company optimizes for. When leaders focus primarily on productivity metrics, they push themselves back into the mode of doing the same things more efficiently. Higher productivity is great, but a sole focus on it leaves many opportunities on the table. Here are some questions leaders should ask themselves:



**Using AI to do new things requires companies to pursue objectives that go beyond typical productivity metrics.**

### How can AI improve your company's speed?

Though related to productivity, speed is its own objective. Imagine, for example, the difference between a journalist using AI to break a story faster rather than publish more articles a week, or the difference between a pharmaceutical company shortening the time it takes to develop an important drug versus producing the drug with 20% fewer resources.

Microsoft has a team of senior data scientists and engineers who help customers with complex engineering projects, and AI has dramatically decreased the time it takes them to get a prototype to customers, says Katy George, corporate vice president of workforce transformation. She explains that a prototype is “of significantly more value to you” when you get it weeks earlier, and that those prototypes are also higher quality now. Perplexity co-founder and CEO Aravind Srinivas has similarly praised AI coding tools for their ability to dramatically cut the time it takes to make prototypes and update features.

This kind of speed improvement can change the way teams operate. Computer scientist and entrepreneur Andrew Ng has explained that when it takes a team six months to launch a feature, a lot of prep work and research is required upfront to validate the concept. “Now,” he said, “it's so cheap to build a feature, I'm seeing teams go, ‘You know what? Here are 20 ideas for features. We don't know what's going to work. Let's build them all and ship them all. Then you ship 20 features, 18 get no traction, shut them down. The two that survive...create a lot of value.’”

### How can you use AI to unlock new growth opportunities?

In order for intimate-apparel company Adore Me to move into marketplaces like Macy's and Amazon, it had to adapt its product descriptions to match the specific requirements of each of them. It built a large language model (LLM) workflow to automate this process. It would not have been able to move into those marketplaces as fast if they had to rewrite each product description manually, Ranjan Roy, then-senior vice president of strategy at Adore Me, told Charter. “When thinking [about] ROI, this has become one of the fastest growing business segments in the company.”

## Can you use AI to do things at a scale that you couldn't have humans do?

Adore Me built an automated workflow to send left-in-cart emails to customers that include AI-synthesized information on what others have liked about that product and why it would be a good fit for the target customer, if they have a relevant purchase history. Roy told Charter that although you could technically have a person write those emails, doing “that at a large scale could never have been done.”

Raiffeisen Bank International AG runs AI models over about one million “articles”—including news stories, blog posts, etc.—per day to screen for things like customer credit risk, ESG controversies, and business leads. Articles flagged as relevant are sent to the appropriate stakeholders so they can determine what actions to take. You could technically have people read those articles, but not at the same scale.

## Can you use AI to improve jobs?

A new study by researchers at Stanford finds that workers hold positive views about AI automating 46% of the tasks they do, often because they want more time to focus on higher-value work.

A separate study of paralegals found that they were far more likely to experiment with and use their law firm's AI tool when their manager framed it as an opportunity for them to offload tasks they hate doing and take on higher-value tasks they want more exposure to—rather than framing the technology as a way to increase productivity.<sup>1</sup>

Crucially, the paralegals' manager followed through and provided them with training and mentorship on tasks like legal research, which they had expressed an interest in learning. Over time, those paralegals started taking on more complex, higher-value tasks.

## Redesigning jobs

The expansive approach to AI extends beyond business objectives to the way leaders think about jobs. Economists sometimes talk about the “lump of labor fallacy,” the mistaken belief that there's a fixed amount of work to do in an economy, so adding more workers or technologies will inevitably lead to job loss.

<sup>1</sup>This is a working paper by Arvind Karunakaran, Roshni Raveendhran, and Tami Kim titled, “Artificial Intelligence and Workforce Skill Development: Examining the Role of Meaning.”

Similarly, many people today are succumbing to what Arvind Karunakaran, Stanford assistant professor of management science and engineering, is calling the “lump of task fallacy.”<sup>2</sup> This refers to the misconception that the bundle of tasks “within a job or profession is fixed in quantity and scope — like a static ‘pie’ to be divided among workers,” he says. As a result, workers worry their jobs will be diminished or replaced if someone else or a new technology starts performing some of those tasks.

“Rather than recognizing the potential for task reconfiguration, augmentation, or the creation of higher-order tasks and other value-added responsibilities, people operating under this fallacy often feel threatened when their traditional tasks are redistributed,” explains Karunakaran.

Leaders can also succumb to this way of thinking. One of the areas where it’s easiest to see this belief play out is in entry-level jobs. AI models can perform many of the tasks junior workers currently perform, leading to concerns that AI may lead to a steep reduction in those jobs. Anthropic CEO Dario Amodei has said that AI could eliminate half of entry-level white-collar jobs within the next five years. Grindr CEO George Arison has said that companies are “going to need less and less people at the bottom.”

The problem isn’t that these concerns aren’t valid, they are—entry-level job opportunities have been drying up for a few years now, and there’s growing evidence that AI is making matters worse. A recent study by researchers at Stanford, for example, found that employment for workers ages 22 to 25 in roles most exposed to AI has dropped 6% since late 2022, while employment for older workers in the same occupations remained stable or increased.

The problem is that the move toward eliminating jobs is predicated on the way those jobs exist today, and executives aren’t putting forth a new vision for what those jobs could become.

Tom Davenport, distinguished professor of information technology and management at Babson College, says he has yet to hear a leader give a good answer to the question of how they’ll fill their ranks of experienced workers in a world where they’re hiring very few

<sup>2</sup>This term is from a working paper by Arvind Karunakaran, currently titled “Reskilling and Emergent Role Redesign in the Wake of Generative AI in Organizations.”

entry-level workers. “I think it’s, ‘We don’t have to do it today—we’ll worry about that other problem tomorrow.’ Or maybe, ‘We’ll hire experienced people from other companies’...but obviously that’s not going to work for everybody,” he explains.

Notably, Duolingo CEO Luis von Ahn has said that his company isn’t ending its internships or new grad programs because “hiring new grads is one of the best investments you can make.” He has argued that junior workers come with fresh thinking about what’s possible, and they often have great instincts when it comes to culture and products. They also become great leaders, he writes: “A few of our most senior leaders across the company started here as new grads years ago. The institutional knowledge they’ve built? You literally cannot hire that externally.”

The lack of imagination around the future of jobs is particularly acute for entry-level jobs right now, but it extends to most roles that perform tasks that AI can do. The solution isn’t to be pollyannaish and pretend jobs won’t go away. But leaders should be asking themselves what business needs are going unmet today, and how their workers can fulfill those needs with the extra capacity AI brings.

“[W]hen we think about what’s about to happen, instead of [thinking about] what’s left, which generally looks at it as a net loss against the old ways of work, if we think about what’s possible, we’re pushing ourselves to then start to really imagine what is the net new set of tasks that humans will do,” Aneesh Raman, LinkedIn’s chief economic opportunity officer, told Charter.

#### WHAT TO READ:

- “Four ways to redesign entry-level jobs in the age of AI” by Charter
- “How AI changes jobs, expertise, and career ladders” by Charter

**CASE STUDY:**

## ServiceNow leaders catalyze the reimagining of roles

ServiceNow chief customer officer and enterprise AI advisor [Chris Bedi](#) talks about AI adoption and job design as having modes one and two. Mode one is “incremental improvement to existing ways of working” with AI. Mode two refers to reimagining “all the ways of working more oriented with an AI-first approach.” The company is tackling mode two for six of its employee “personas”—salesperson, IT support, HR support, software engineer, HR business partner/operations, and accounts receivable—by focusing on what those roles should look like once they spend less of their time on operational tasks and by building agents to take on those tasks.

**Chris Bedi**

Chief customer officer and enterprise AI advisor, ServiceNow



For example, Bedi says salespeople spend most of their time on tasks like researching and preparing for meetings, collaborating on sales decks, and various administrative responsibilities, which leaves them with less time in front of their clients. “Mode two would completely invert that,” he says. “So you’re spending 70% of the time trying to figure out how you help the customer” and AI agents are researching for you, handling administrative tasks, and so on. Now that it has that definition of a mode-two salesperson, ServiceNow has been building agents to help with those operational tasks, including one that creates the first draft of customized pitch decks for salespeople.

Another example is IT support roles, which answer technical support questions and help employees troubleshoot issues. ServiceNow is working to shift that responsibility to AI, which is already handling over 85% of routine IT support requests at the company.

The plan is to move those IT support employees to a new role of “productivity consultant,” who will help employees use the technology they have more effectively. Bedi explains that enterprise tools have many useful features, but most people don’t have time to figure out how to use them to their full potential. Productivity consultants might, for example, release webinars or short videos to proactively teach employees those things, explains Bedi. “But also think about the Apple Genius bar in our major locations,” he adds, “where you walk up and say...‘I’m trying to do a deep research project on what our strategy should be for India, but I’m not clear on which AI I should be using and for what...then I want to get it into a clean PowerPoint deck and [revise] it a few times, but I’ve never used AI. How do I do it?’”

Bedi explains that the IT support employees have already gone through training programs and they know this change is coming. “There’s no leadership in the corner saying, ‘Hey, we’re going to do this’ and the workforce is wondering what’s going to happen.” He says employees of some other companies are reading headlines and wondering what their next chapter is going to be. It’s incumbent on leaders to “paint...a picture of what that future looks like.”

Bedi admits that reimagining the future versions of each role is harder than building the technology. For software engineers, for example, the picture of what they’ll spend their time on in mode two is still fuzzy. “If you ask, what are they going to do in that future, I don’t have a precise answer for you,” he says, adding that it will likely include things like working on deeper architectural frameworks, reviewing AI-generated code, and brainstorming with their peers about the new things they can build.

**CHAPTER RECAP****What to do**

- ✓ **Ask what AI makes possible for your business for the first time.**
- ✓ **In addition to productivity, optimize for speed, scale, employee satisfaction, and customer satisfaction.**
- ✓ **Don't treat jobs as fixed sets of tasks, but as flexible collections of tasks that can evolve with technology.**
- ✓ **Push yourself to think of “mode-two” versions of the roles that will be most immediately impacted by AI.**

# 02

## Lead adaptively through uncertainty.



## Adaptive leadership

Some traditional leadership instincts don't serve managers well in the face of today's biggest management challenges.

For example, management approaches that involve keeping people at their office desks from 9am to 5pm every day don't work in an age of flexible and distributed work. And the classic thinking about recruiting for "cultural fit" (the "airport test" is one example) has been shown to exclude people from underrepresented groups, robbing companies of opportunities to hire valuable talent.

The same is true with AI, where a traditional top-down leadership approach focused on operational efficiency and prescriptive tactics can prevent organizations from successfully experimenting with the best uses of the technology. Executives often also find it hard to acknowledge that uncertainty and even failure are necessary for finding how AI can best benefit their business.



You need to have a stomach for disequilibrium, for uncertainty, and to not jam people that they should have answers before they do, just because you're anxious.

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**One valuable framework for leading through change—known as “adaptive leadership”—has deep relevance for the deployment of AI in organizations.** Developed by Harvard senior lecturer in public leadership Ronald Heifetz with Riley Sinder and former Harvard professor Marty Linsky, it distinguishes between “technical” challenges and “adaptive” challenges.

With technical problems, the solution is known and the manager needs to just successfully apply it. With adaptive problems, the right approach isn't actually known yet and managers need to lead teams through the uncertainty that brings, projecting confidence, and also endorsing the experimentation required to find the best solutions. AI is a clear adaptive challenge—we don't yet know how the technology will evolve or how it is best applied to specific roles or organizations. Given that, we reached out to Heifetz to hear his advice for leaders today. Here are excerpts from our conversation, edited for space and clarity:

**Ronald Heifetz**

Senior lecturer in public leadership, Harvard

**Do you think that adaptive leadership applies to the changes brought to businesses by AI?**

Yes, indeed. One of the key properties of an adaptive challenge—as opposed to a routine or technical challenge—is that it forces people to answer three questions: What cultural DNA or organizational DNA should we conserve? What organizational or cultural DNA should be discarded? What innovation will enable us to take the best of our history, tradition, values, competencies, structure, strategy into the future? Those three questions become necessary when an organization—or an organism, in biological terms, or society—faces a challenge for which it can't simply reach into its repertoire or its toolkit or its historical knowledge base and come up with a solution.

What's so interesting about major technological innovations like AI is that in organizational terms, they require people to learn all sorts of new things. They require innovation in a whole host of different potential directions—depending on where you sit in the organization—in order to test, to experiment with, discover, and then eventually routinize a set of new ways of taking advantage of that new technology. There will be some applications of AI that don't represent an adaptive challenge, that represent a technical problem—that is, you can just plug it in and play. We take our current know-how, it fits in like another Lego block nicely into what we do already, and now we just do it better.

But there will be lots of ways in which AI—as other major technological innovations—will require adaptive work at the organizational level, the refinement of strategy, the definition of new markets, figuring out how to enter new geographies and even at the micro level, how an individual person located in sales or marketing or finance or the supply chain or legal will apply this extraordinary new brain that AI offers us.

**In times of adaptive challenges like you're describing, what do the best leaders do? What are some of the tactics that they employ and how do they approach such challenges?**

First of all, they have to not fall into the classical trap, which is to treat this adaptive challenge as if it were a technical problem. With AI, it's a little easier to do that because it's clearly such a major innovation that it is hard to delude yourself into thinking that you can treat it using your usual normal routine processes.



**To develop the local adaptation to a local environment requires that local person to engage in experimentation.**

Nevertheless, it is an important trap to be aware of, particularly as you require leadership to cascade down through the organization. Because when you're facing an adaptive challenge, you need a lot of micro adaptations to micro environments throughout a large company through its different functions, product lines, service offerings, interfaces with different locations and so forth. To generate all those micro adaptations or local adaptations to local environments, you want to generate a leadership that's generating more leadership and that cascades down through the organization.

What that means culturally is a bit of a shift from a highly efficient machine where direction comes from the top and then cascades down with clarity in terms of direction all the way down to the front line so that everybody knows what they're supposed to be doing and everybody has their weekly meeting judging the metrics and the proxies to control for efficiencies all the way down the line.

When you're facing an adaptive challenge, you have to shift from that mode of operating to the support of experimentation because to develop the local adaptation to a local environment requires that local person to engage in experimentation. Because it may take moving through—and I'll use a technological term now, but I'm applying it at the

organizational level—version 1.0 1.1, 1.2, 2.0, lots of iterations before you build what can become a routine process. You need leadership at the local level to support leadership at even the next more micro level in order to generate the local adaptations and the micro adaptations to those environments.

The question then becomes, what's the latest experiment you've run? Tell me what's failed. What's your next iteration going to look like? Which is a different conversation than the control conversation that would be more sensible in a more efficiency-prioritizing control model in which you're asking a person for readouts, 'How can you get your readouts up?'

### **Readouts are things like how you're tracking against your targets?**

Exactly. I'm thinking of an IKEA or a Best Buy—two companies that I've worked with—trying to unleash the leadership at the store level so that each store can have its own local variation because it's located in a different neighborhood than a store maybe two miles away or 2,000 miles away. But unleashing that local leadership to generate that local adaptation is a little bit unnatural to the cultural DNA of a highly efficient organization that has in the past made it in the marketplace because of its capacity to create a cookie-cutter model where you have consistency down through the line.

### **It's uncomfortable for leaders to recognize failure and support decentralized experimentation and so forth...**

One capacity is running the adaptive mindset. Learning from nature is to run lots of small experiments at the same time rather than placing one big bet. I worry these days, having just spoken to countries—I was just in the Middle East and the Gulf as well as other countries—where they want to bet the farm on AI.

I worry about anybody betting the farm on anything because with adaptive processes, it's a lot safer to diversify your experimental portfolio and to run lots of smaller experiments and then decide what to continue and where to cut your losses. You want the person in the authority positions at any level to have an experimental mindset that's iterative, that rewards, as the aphorism is known, to fail and learn fast. I think that's accurate.



**What's the latest experiment you've run? Tell me what's failed. What's your next iteration going to look like?**

You want them to begin to view every team meeting as an opportunity to develop the leadership talent of those people in that meeting, to begin to model how leadership needs to be modeled and cascaded down all the way down through the organization. You need distributed leadership, to create in a larger organization lots of tailor-made micro and local adaptations to those local functions and environments. You need to have a stomach for disequilibrium, for uncertainty, and to not jam people that they should have answers before they do, just because you're anxious.

**How do you balance that uncertainty and the creativity and experimentation that unleashes and the anxiety, stress, and burnout that an intense period of uncertainty can produce?**

First of all, you have to communicate broadly and consistently to all the people who are looking to you to get to an answer fast to buy yourself time. You need to buy yourself time by reminding the people around you who are looking to you, particularly if you're a publicly traded company, that it may take three quarters or six or 10 quarters to realize the benefits of a particular set of distributed investments in new adaptations configurations. One has to keep on buying oneself time so you don't get fired when you're not. Because the people around you will put a lot of pressure on you to treat these adaptive challenges as if they were technical. And what did we hire you for if you're not going to come up with an answer fast?

So you've got to keep reminding people and keep people in the game, give you time to give the organization time to face into the reality that there's a lot we're doing fast, but sometimes you move faster too by moving slower, so you make fewer mistakes. So if you want me to move fast by betting the farm and making a big guess, you might win, but you could also lose the farm. Maybe we need to be thoughtful about how we're going to apply this new technology in all these different ways and move faster in the end. But from today's point of view, it looks slower.

So I need to buy myself time and reduce the pressures on me because anybody in a position of authority—certainly a CEO, but also further down—is constantly being bombarded by people, making demands with timelines to produce. The renegotiating of those expectations is often an essential part of leading in an adaptive context, of resetting



**View every team meeting as an opportunity to develop the leadership talent of those people in that meeting.**

the expectations around you of people who want you to move, want you to get to an answer faster than is smart.

**What are the common mistakes that you see in adaptive situations like we are with AI? You've gone through a few of them, including employing a centralized command-and-control strategy and communicating hastily with too much certainty. Are there any other common mistakes that you see?**

I've worked with a lot of authority figures and there's a spectrum. Some people are comfortable speaking with a voice of authority without having answers. They can speak with a voice of authority where they're raising questions and stating uncertainties. They can speak with the voice of authority saying, 'Here's my risk analysis. Here are the uncertainties. Here are the questions we need to answer. And I hope we aim to answer these questions within X amount of months, but I'm going to come back to you because it's a moving target.'

Other people don't feel comfortable speaking with that voice of authority unless they actually have those answers. With different people, I have to work with them to get more comfortable not having the answers without losing their voice of authority. For other people—particularly people who are new to authority positions, which often includes women—it's how to speak with a voice of authority where you're simply stating questions and facts and have to speak with confidence even when you might be really very nervous inside because the uncertainties are so real. So the traps are a little bit different for different people.

When you ask me, 'How do you stay in the game when there's a lot of uncertainty?' my first answer was based outwards into your environment. How do you reduce the stresses on you, by buying yourself the time you need so that people understand the new environment you're operating in?

But the second is internal. And in managing those stresses and keeping yourself in the game, I generally point people in three directions. I tell people that you need confidants, people who are safe frequently because they have no competing stakes. These might be close colleagues in a different industry or a different company where



**With different people, I have to work with them to get more comfortable not having the answers without losing their voice of authority.**

there's no competing stakes. It might be close friends, family members, might be a spouse. We need people who we can pour all of our uncertainty and fears and doubts and pour it out, put it all on the table without worry that they're going to get frightened because they have a competing stake in the job, or they might misuse the information as one acknowledges all of one's vulnerabilities and doubts.

So we need confidants because when you're leading from an authority position, when you're the senior authority position trying to lead in an adaptive context, you have to do the holding. You have to hold people in their state of uncertainty and fear, their experimental experience of failing and excitement. We're going to launch and now it fails. And version 1.2 failed and now 1.3 failed. How do we stay in the game? That's really hard. Somebody has got to maintain confidence that we're going to get there, even though that person also doesn't really know.



**You have to hold people in their state of uncertainty and fear, their experimental experience of failing and excitement.**

How could Bill Gates know that it would take getting to version 3.0 before Windows would sell? Think of the patience it took and all the disappointment after version 1.0 failed and all the buildup and run up to it, and then all the iterations of 1.0 failed and 2.0 and all those iterations failed. So somebody has to hold everyone else in the uncertainty and the fear of failure and the frustration, the conflicts that are generated as people have very different points of view on what should be done. One has to be able to provide the holding environment, or the walls of the pressure cooker, as you're holding people through a sustained period of high pressure disequilibrium.

**The first thing is you need confidants, and then the two other things are?**

You need to get held yourself because when you're at work, you're busy holding everybody else who's holding you, so you need confidants.

Then you also need a sanctuary, some quiet place. It could be a place where you join in prayer with people. It could be a place where you walk. It could be a park bench, it could be a room in your house, could be a trail and a forest. It could be any place, but we need sanctuaries that are not considered expendable luxury goods. They're kind of the basic equipment. In the same way that buying a winter coat is basic to living in Boston or New York, to lead in these adaptive contexts, you need confidants, you need a sanctuary.

And the third is that you need regular practices. The regular practices could be anything. For me, it's playing music. It used to be picking my children up from school when they were school aged. It could be going to the gym, it could be writing poetry or painting. It could be having a regular coffee in a friend's kitchen. But you need regular practices that can anchor you in an alternative world so that you can restore yourself to yourself and not get lost in the role that you're playing in everybody else's life.

So these three things—confidants, the sanctuary and regular practices—are lifesavers in the practice of leadership. Frequently people treat them as expendable luxuries when the going gets tough. But that's really when it becomes most important.

I remember meeting with Jim Wolfensohn, who was head of the World Bank, and he showed me this room off the side of his office as president of the World Bank, where he kept his cello. (He and I both played cello, so we connected around music.) That was really important, because he was trying to hold the pains of the whole world in his arms all the time. But he needed a place where he could close the door in the little room, and play some Bach. So we need these regular practices, sanctuaries, and confidants to stay in the game.

**Are there techniques that you recommend to leaders to be able to lead or communicate with confidence amid uncertainty?**

The goal is to keep your eyes on the people that you're caring for. They're the ones who are frightened, or they're the ones you're asking to take risks or they're the ones suffering the pains of a change. Some of them will lose their jobs. Some of them will have to build new competencies and feel incompetent for a while. Your job is to bless the incompetence and give them room to experiment and learn. And if you keep your eyes on what they need, it makes it clear that what they need is for you to be a source of encouragement and confidence but without downplaying the uncertainty. Say, 'I realize that we're all at risk here, but I really have faith in you.' Even though, of course, inside, faith and confidence is a probability estimate. How can you know? You hope. So that's the first thing: Try to keep your attention off yourself and keep your attention on the people who are doing the work.



**We need these regular practices, sanctuaries, and confidants to stay in the game.**



**One, see the ball. Two, make contact. Three, move on.**

Second, develop some sort of regular practice to remind yourself during the day when you can't call your confidants and you can't go to your sanctuary and it's not your regular practice where you take off a half hour, but it's some micro practice. Is it a breathing practice?

Let me give a quick example: a wonderful man named Mark Shapiro reached out to me 20 years ago when he was the general manager of the Cleveland Indians, now called the Guardians. His team had been coming very close to being world champions, but didn't quite make it. And he was restructuring his team. So he heard about what I do and reached out. My son loved baseball, he invited us to Cleveland. We spent three days in Cleveland. And, behind the scenes in the stadium as Mark was showing us around, I saw that there was an office of the sports psychologist. Having trained in psychiatry, I was curious, what does he do? I don't think of a baseball player as being very psychological. I sat down with the sports psychologist, we had a great conversation and he told me that players do come and talk to him. He said, 'The player who uses me more than anyone else is a player who's now on your team in Boston, Manny Ramirez, who came up through our farm league.'

I said, 'Manny's the last person I would imagine going to talk to a psychologist. So what was he talking with you about?' And he said, 'Manny spent more time than anyone looking at videotape and talking with me, trying to figure out how he could stay completely present at the plate. He worked really hard on that. After several seasons of working on that, he finally came up with an algorithm of three instructions to himself. He printed it out, he had it laminated on a little card, and he kept it in his uniform pocket, and he looked at it before going up to bat.' I said, 'What were the three instructions?' 'One, see the ball. Two, make contact. Three, move on.'

Each of us has to come up with some daily moment-to-moment reminder where you can reach into your pocket or your bag—or it's sitting on your desk—and it reminds you of how to stay present in the moment when you're flooded by everybody else's anxiety, resonating with your own anxiety, and you find yourself unable to think straight.

### WHAT TO READ:

**For ideas on how to foster a culture of AI experimentation, read:**

- Charter’s [case study](#) on Cisco’s AI hackathon.
- Charter’s [case study](#) on Asana.
- Charter’s “[steal this idea](#)” feature on how West Monroe created financial incentives for experimentation.



### CASE STUDY:

## Duolingo

In early June, Duolingo started dedicating two-hour windows every Friday to AI learning and experimentation. These “FrAldays” are meant to give workers a hands-on way to learn about how they can use AI for their work, says chief engineering officer [Natalie Glance](#).

Glance tells us that one way the mobile-learning company is sustaining engagement in this initiative is by assigning AI learning captains to each function, who structure the FrAldays and make sure that each one has at least 30 minutes of structured content available for workers in that function. The captains also moderate AI Slack channels and surface tools and use cases.

[Jonathan Burket](#), engineering director for data platform area, says these FrAldays have been useful for experimenting with new ideas and use cases to develop, but they’re also a good way for people to understand best practices for working with AI. For example, he said that through experimentation, his group discovered that when you’re having AI build a prototype for you, after you’ve made several iterations, it’s better to start over from scratch with the full description of what you’ve been working toward rather than continuing to iterate in the same session.

**Natalie Glance**

Chief engineering officer, Duolingo

**Jonathan Burket**Engineering director for data platform area,  
Duolingo

“[In] the AI space, we aren't going to know the answers right away and we need to give people that psychological safety to go down avenues that have high reward but are risky in the sense that it might turn out that AI doesn't work at all for that use case,” says Burket.

Glance has spent some of her FrAldays shadowing the company's engineers to learn about how they're using AI coding tools, which has also helped inform her views on the future role of software engineers. “Engineers will act more like architects than coders,” she tells us. “With AI tools handling the bulk of code generation, engineers are shifting toward higher-level problem solving, focusing on system design, technical intuition, and guiding AI like a ‘super-genius intern.’” She adds that prompting will be a key skill for engineers, necessitating strong communication and critical thinking skills.

Glance tells us the engineering team has seen a meaningful productivity boost on projects that are “0 to 1,” citing Duolingo's new chess course as an example. “We were able to launch this on iOS in just 8 months with a very lean team, thanks to improvements using AI tooling.” When it comes to iterating on existing features, Glance says she thinks productivity gains will come from learning and disseminating good use cases across the engineering team, from improvements in AI coding tools, and from AI tools helping with other parts of the development process.

## Leading yourself through uncertainty

Suraj Srinivasan, professor of business administration at Harvard Business School, teaches a course called “Generative AI for Business Leaders.” On the last day of the class, students asked him how they should prepare for this new world. So he ran a small survey of executives, entrepreneurs, and other leaders, and he received around 50 responses. He synthesized the specific behaviors those leaders called out as important as “learning agility.”

“Once you hear that, it's like, ‘Yeah, of course we need to be agile in learning. Things are changing so fast,’” says Srinivasan. But what does that actually look like?

Part of it involves strategically curating the information you consume, he explains. That includes the sources you read, the podcasts you listen to, the people you follow on X or LinkedIn. Microsoft's Katy George, for example, calls out work by academics, like David Autor's article “AI Could Actually Help Rebuild The Middle Class,” as having an influence on the way she thinks. “I'm trying to learn as fast as I can from that kind of thinking—what does that mean for how we direct some of the AI work that we're doing internally?”

Some of the leaders we've spoken with have been seeking perspectives outside of their organization to learn and sharpen their thinking. Walmart chief people officer Donna Morris says she's been speaking with her peers at companies such as Google, Microsoft, OpenAI, Databricks, and Harvey to hear how they're thinking about topics like AI's impact on jobs and organizational design. “I'm trying to determine: is there anybody ahead or not?” she tells Charter. “My conclusion right now is nobody's ahead. Everybody's trying to figure it out.”

Being an agile learner right now also involves being willing to get your hands dirty with some of the more technical aspects of AI.

Srinivasan, for example, says he's been “vibe coding,” or building software by describing what you want in plain language instead of writing code. “I can't teach [this subject], I can't engage, I can't work with companies if I'm not actually building things on my own,” he says, adding that he thinks senior leaders should be vibe coding. Alphabet CEO Sundar Pichai has said that he vibe codes.



**Being an agile learner right now involves being willing to get your hands dirty with some of the more technical aspects of AI.**

“Whenever I hear from people that we are having organizational change issues, it's almost entirely because the senior leadership themselves—they're using the right words, but they're not putting in the right actions,” says Srinivasan. “It's easy to tell others to do something. It's hard for you to do it yourself. So you have to do the costly stuff.”

One leader who is doing some of the “costly stuff” Srinivasan calls out as crucial for being an agile learner right now is [Bijal Shah](#), CEO of Guild. As the leader of a company that helps other organizations provide education benefits to their workers, Shah is focused on what AI means for the future of jobs and skills, talking to researchers to sharpen her thinking. She also spends time experimenting with AI tools to understand their strengths and limitations, and where they can help with her job. We spoke with Shah about some of the ways she's staying up-to-date on AI today. Here are excerpts from our conversation, edited for space and clarity:



**Bijal Shah**  
CEO, Guild



**What practices have you adopted to make sure you're leading effectively at this moment?**

The biggest one is actually learning for myself how this technology works. Using the technology to understand what are the limitations of generative AI, what are the limitations of some of the enterprise tools that we use inside the organization? How does agentic AI actually work? What are the limitations there, where can it break, and what can go wrong so that I have a full understanding of what the actual

possibilities are of this technology and where the limitations are around what it can and cannot do today. Those limitations are changing so rapidly that I think the ability to stay on top of that is also really important. So making sure I'm surrounding myself with people who are experimenting and playing with it constantly so that they can make sure I pull my head up and understand what changes have happened.

**Can you give an example of how you're personally experimenting with it?**

I do user outreach to people who have completed [Guild] programs and ask them how the program was. How was it? What was the format of the programming? Did you actually learn something? Pretty pointed questions, and I do it pretty manually. So I built an agent to be able to actually do it for me in a way where I wasn't having to do it manually and where it could put it in a repository where other team members could read it.

It's looking for people who post about Guild and a program they completed through their employer benefit, then it pings them with a message from me that's like, 'I care about this.' It just asks one question. I'll then go and see people reply, and I might ask them a few follow-up questions. Then it dumps all of that thread into a repository so that our teams can access it and see what people's feedback is on specific programs.

You could do that through a survey, but I actually care about reading it. And I want people to know that the CEO is looking at that and trying to understand which programs are actually driving workforce outcomes and which ones are not as great.

**You've mentioned before that you've been speaking to researchers to strengthen your thinking on AI and jobs. Who have you been speaking to and what are you trying to learn?**

I'm speaking with academics and economists who are really focused on understanding the future of work and what the ramifications are for the broader workforce. Our mission is to unlock economic opportunity for America's workforce. If you want to do that, then people need to be employable. In order for them to be employable, they need to have skills that make them employable, and they need a high employability score is how I like to describe it.



I've been spending a lot of time with academics and with anyone who will take a call with me who is focused on research in the space or economists who are trying to predict what's going to happen with the workforce around what competencies and skills do you think people will need in the future, or what kinds of jobs do you think will exist in the future?

So I've been spending a lot of time with academics and with anyone who will take a call with me who is focused on research in the space or economists who are trying to predict what's going to happen with the workforce around what competencies and skills do you think people will need in the future, or what kinds of jobs do you think will exist in the future? Which ones are more resilient to AI and which ones are going to be hit head on? And what do you think that's going to look like?

No one has a crystal ball or knows the exact answer, but there have been some general themes that have come from the conversations I've had that have been just very valuable in ensuring Guild can deliver on its mission. That we help our employers prepare for what is happening, that we help employees and citizens of our country get the skills they need so that their employability score is high, so that if they get displaced in one place, they can actually find a job somewhere else.

## CHAPTER RECAP

### What to do

- ✓ **Run many experiments, rather than “betting the farm.” Then decide what to continue and what to drop.**
- ✓ **Shift from centralized, top-down decision-making to a model where you empower lower-level leaders to innovate locally.**
- ✓ **Maintain your capacity to lead by building three supports: confidants, a sanctuary, and regular practices.**
- ✓ **Curate the information you consume on AI— from what you read and listen to, to whom you exchange ideas with.**
- ✓ **Get your hands dirty with the latest tools and see what you can build through vibe coding.**

# 03

## Lead the conversation.





**The seas might stay choppy, but we're going to make you a great sailor.**

Research from Charter found that two-thirds of workers say they want communication from their employer about the company's AI plans relative to their jobs. This is a tricky situation for leaders, because they too don't know how this will play out. As a result, many have resorted to oft-repeated, but unhelpful statements, like: AI won't replace you, but someone who knows how to use AI will replace you. "That's not the question somebody asked you," says Srinivasan about that phrase, adding that workers want to know what the downstream effects of all of this will be. Statements like that may encourage people to adopt AI, but they don't give workers any more clarity on how this will play out.

An alternate approach leaders sometimes take is to be candid and simply admit they don't know. But that can also backfire, as it weakens workers' trust in the leader's competence and can lead them to think leadership may be hiding something from them, Gabriella Rosen Kellerman, BetterUp chief innovation officer and chief product officer, has warned. "There's a lot of values-based reasons why people might want to take that approach, but it's been falling flat with the workforce who feels that they want and deserve more clarity than not knowing."

Harvey chief people officer Katie Burke's framing for how to communicate about change threads the needle well. "Instead of promising certainty, what I can tell you is the seas might stay choppy, but we're going to make you a great sailor. And so if you want to be a great sailor, this is the best place to go," she said earlier this year. This approach acknowledges the uncertainty, while demonstrating a commitment to helping workers adapt.

Kellerman's research suggests that another best practice for communicating about AI involves prospection, where you imagine possible future states. Leaders can then communicate those possibilities to workers: "Here are the three things that we're thinking are possibilities. Here's what we're watching in the market, here's what we're watching in the tech. We welcome your input, we welcome your insights. You are seeing things that could be helpful, but here's how we are putting our energy into planning around these possibilities."

Beyond prospection, leaders have a responsibility to frame AI for their workers, says [Kevin Cox](#), former CHRO of GE and American Express. This means helping workers understand how they should think about AI, or at least how you think about AI. “There’s a really wide continuum of how people think about AI—all the way from ‘It’s the latest PowerPoint software’ all the way to, ‘It’s going to eat the world and devour us all up.’” Cox, for example, says he sees it as an “extension of ourselves”—more than another tool, “but I do not believe it’s larger than life.”

Lastly, any communication about AI and work should be coupled with messaging about how leadership plans on bringing workers along for the changes ahead. Despite the [negative attention](#) it received, Duolingo CEO Luis von Ahn’s [memo about AI](#) is noteworthy for including such plans:

*“...Duolingo will remain a company that cares deeply about its employees. This isn’t about replacing Duos [Duolingo employees] with AI. It’s about removing bottlenecks so we can do more with the outstanding Duos we already have. We want you to focus on creative work and real problems, not repetitive tasks. **We’re going to support you with more training, mentorship, and tooling for AI in your function.**”*

That set it apart from many other CEO memos, which placed the burden of adaptation largely on employees themselves.

The leader’s job is to give meaning and coherence to a shifting environment. If they don’t do that, they risk damaging employees’ trust, losing their highest-value employees, and being slowed down in their pursuit of needed change.



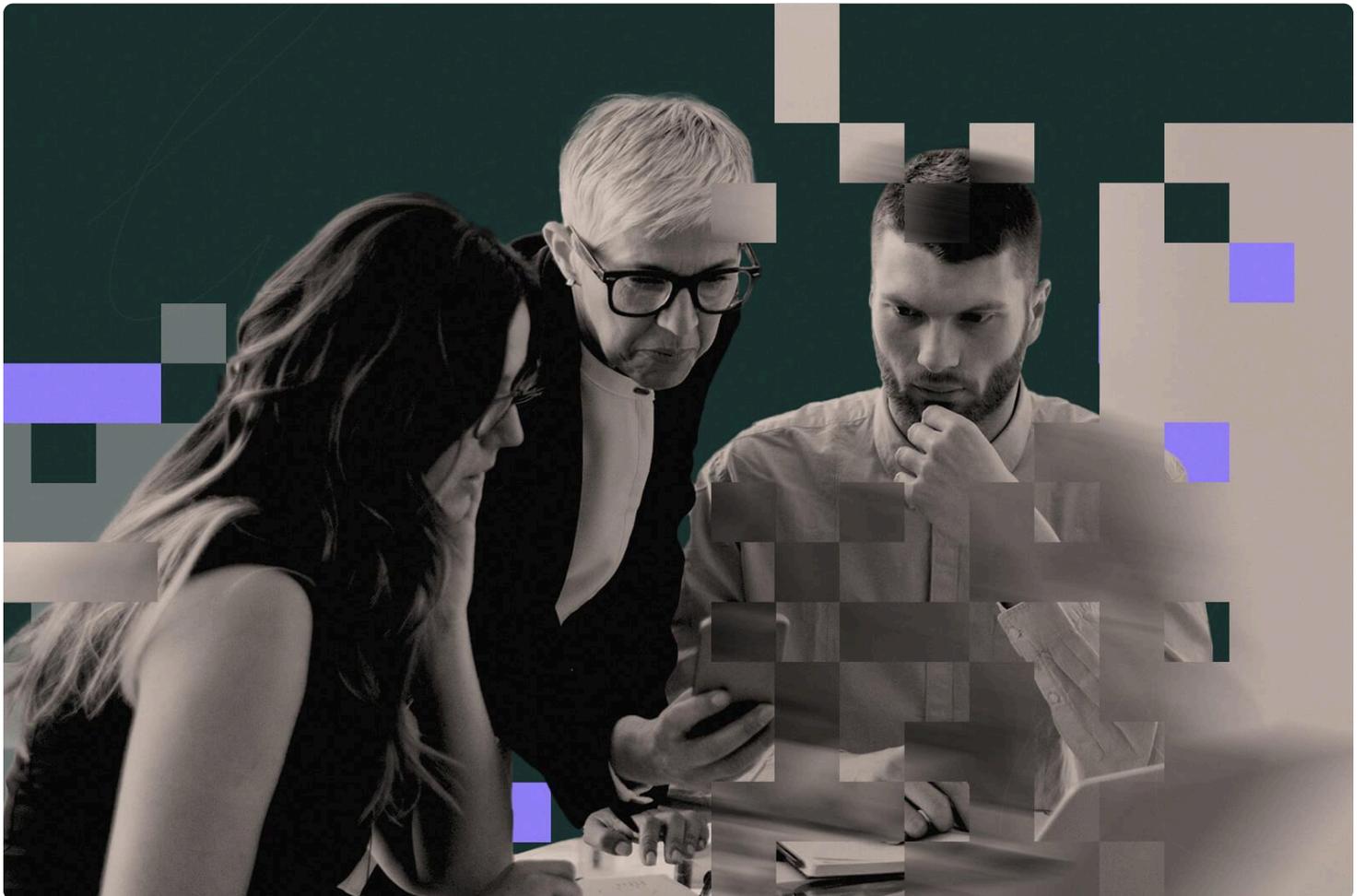
**The leader’s job is to give meaning and coherence to a shifting environment.**

**CHAPTER RECAP****What to do**

- ✓ **Acknowledge uncertainty but assure workers that you will help them navigate it.**
- ✓ **Use prospection to outline possible scenarios, explain the signals you're watching, and share your plans for each.**
- ✓ **Frame AI for workers, letting them know how to think about the technology or at least how you think about it.**
- ✓ **Tell workers how you plan to bring them along for the changes ahead, e.g., through training, reskilling, etc.**

# 04

## Rethink management for the age of AI.



Foundational technologies like AI call into question the basic building blocks of companies, changing everything from organizational structure to the skills companies need to succeed. For example, more than a century ago, electrification enabled completely different factory floor layouts and new production methods by allowing electric motors to power individual machines. AI promises a similar break from today's organizational constraints, opening up new ways of structuring work and organizations.

## Skills

Technologies change what skills remain economically valuable, by substituting for human labor in some tasks and complementing it in others. Computerization, for example, reduced demand for workers performing routine tasks and increased demand for those performing nonroutine cognitive tasks, like problem-solving and decision-making.

One skill set AI seems poised to increase demand for is management skills. “I think increasingly we're all going to be CEOs of teams of workers, and a lot of them will be non-human workers,” says Stanford's Erik Brynjolfsson. He explains that the ability to identify a goal, specify it, allocate it to people and AI agents with clear instructions, verify their work, and so on, will be a very valuable set of skills for managing humans and AI agents. Microsoft's Jared Spataro has similarly argued that longer-tenured workers with more experience managing teams have an advantage over their younger colleagues for getting the most out of AI tools.

Leading AI agents also requires an ability to process more information at a faster pace. “I'm slowly beginning to accept that my productivity, when working with AI coding agents, is limited by my human brain,” AI engineer Chip Huyen recently posted on LinkedIn. “AI can do many tasks in parallel, but I can only track the context of a few, so I only run a few tasks at a time. I am the bottleneck.”

The good news is that we have research on the skills that predict success in this environment, so leaders can focus on developing them in themselves and their workers.

A working paper by researchers at Harvard's Skills Lab found that a person's ability to successfully lead a team of people is strongly



**AI seems poised to increase demand for management skills.**

correlated with their ability to lead AI agents. Critically, the skills that predict one also predict the other, including fluid intelligence—one’s ability to solve novel problems—emotional perceptiveness, and economic decision-making, which refers to how well someone allocates resources.

This future vision for work, where everyone is a manager of a team of agents has led many to conclude that companies will increasingly want to hire generalists, rather than specialists expert in a deep professional domain. There may be some truth to that, as this setup would favor people with general management skills who can coordinate activities across different knowledge areas. But domain expertise may still be necessary for determining what the agents should do in the first place and for assessing their work.

Ben Weidmann, director of research at Harvard’s Skills Lab and co-author of the previously mentioned paper on agents, [explained](#) the importance of those two elements to Charter. Here’s what he said, lightly edited for length and clarity:

*“Domain-general management skills, which is sort of the question of ‘how effective am I at getting from A to B,’ combined with some sense of, ‘Is B a good target?’ [The latter] is a question about judgment, which I think people would argue has to come from domain expertise. Those are two things that are quite different. One is what direction do you want to go in? And the other is how quickly can you move?”*

*The domain-general manager skills...are going to be a big factor in how quickly you move combined with just how much you give a shit. But the question of what direction you’re aiming for, you need judgment there. And that probably comes from some level of experience.”*



**The question of what direction you're aiming for, you need judgment there. And that probably comes from some level of experience.**

#### WHAT TO READ:

- Charter’s [interview](#) with Ben Weidmann about the skills needed to lead a team of AI agents.

## Processes and workflows

Productivity gains from automating individual tasks will be incremental. Companies will see bigger changes when they reconfigure entire workflows. Here's how Harvard Business School's Srinivasan [puts it](#), lightly edited for length and clarity:

*“The legacy companies have a series of processes inside an organization which says do A and then B, and then C, and then D. This kind of bundle is important—but that A, B, C, D sequence is a historical artifact.*

*We don't need to do A, B, C, D. If our goal is to get to E, I have a different combination: A1, B1, and then E. That's what's going to be the disruption.*

*This, ‘Let me replace tasks with automation’ is useful because you don't have to reinvent. It's very hard to just reinvent something. You can't just say, ‘I'm Harvard Business School, I'm going to shut down tomorrow [and] reopen as something else.’ That doesn't happen. It happens by somebody—some inventor, some startup, some scientist—somewhere creating a new way of getting the same outcome.”*

Materials science and chemical manufacturing company Dow [has made progress](#) on this by building a new way to spot billing discrepancies and unusual charges in the shipping invoices it receives. It first has an AI agent monitor incoming emails with PDF invoices. The agent looks for billing inaccuracies and puts them into a dashboard for employees, who investigate further with the help of a second agent.

But this is still an intermediary stage on the way toward reimagining the entire process. Here's what a future version of this could look like, as outlined by a Dow leader and highlighted in an [article](#) Microsoft's Worklab wrote about the company:

*“Let's say a shipment leaves Dow's Michigan facility on a scheduled route to Colorado. As the truck begins its journey, a Weather Monitoring Agent detects a severe ice storm warning. The system notes the potential impact and updates a Cost Verification Agent to compare any new costs—such as additional tolls or*



Carefully constructed work processes may be less necessary in the future if AI agents discover their own, more efficient ways to produce high-quality outputs.

*fuel—against the original contract terms, flagging discrepancies for review. Simultaneously, the Customer Notification Agent alerts Dow’s partners about possible delays due to the weather conditions, ensuring transparency and proactive communication. At every step, each agent cross-checks logistics and financial details, helping Dow respond quickly to real-time developments without requiring manual intervention. This streamlined network of agents helps to ensure that shipments arrive at their destination without unexpected charges—saving both time and money.”*

Wharton associate professor Ethan Mollick recently raised the possibility that carefully constructed work processes may be less necessary in the future if AI agents discover their own, more efficient ways to produce high-quality outputs. That may be where things end up in the long run. But for now, well-designed work processes that take advantage of AI’s capabilities will be a competitive differentiator for companies.



**Many experts now believe that businesses’ org charts will change shape as a result of AI, reflecting shifts in the nature and levers of leadership.**

## Organizational structure

The organizational chart is a visual representation of the corporate hierarchy, areas of responsibility, and relationships between employees. Many experts now believe that businesses’ org charts will change shape as a result of AI, reflecting shifts in the nature and levers of leadership.

Researchers have found that organizational structures traditionally flatten as automation is introduced. Fewer middle managers are required as technology allows lower-level workers to complete tasks more autonomously and information flows to higher levels via data analytics. Other experts predict AI will lead to diamond-shaped organizations, where the technology reduces the need for entry-level positions that traditionally filled out the bottom of a pyramid structure. “The middle gets wider, and the middle is where all the complexity is going to reside and have to be reconciled,” notes Cox. These two scenarios are at least partly contradictory—and difficult to reconcile until the changes brought by AI play out further—but, in any case, few expect org structures to remain as they are.

One provocative idea is that AI agents should sit alongside humans within org structures. If agents can complete tasks previously



**Where AI agents are capable of nearly endless production, the most valuable human workers will be those who can route the greatest amount of work to and between AI agents and oversee its quality.**

performed by humans, the argument goes, shouldn't we represent them in org charts? If they're effectively part of a team, serving the function of project manager, for example, why would we leave AI agents out? (Some organizations have taken this to an extreme and assigned names and faces to AI agents, or given them entries in HR and employee systems.)

Another futuristic vision that we find intriguing is that of an "orchestration graph" replacing an org chart. As Matan-Paul Shetrit, director of product management at AI company Writer, defines it, an orchestration graph is "the dynamic, often invisible network of people, agents, and systems connected by delegation logic, execution loops, and escalation paths." Rather than "Who manages whom?" the core question of organizational design becomes, "How do we route work across this human-machine network, and how do we supervise it at scale?" As Shetrit notes, in such an organization where AI agents are capable of nearly endless production, the most valuable human workers will be those who can route the greatest amount of work to and between AI agents and oversee its quality.

It's difficult to imagine how most traditional organizations will get from where they are today to such a new structure. Heifetz's advice is a useful starting point for how to do so: decentralize decision-making and encourage experimentation, communicate broadly to keep people motivated amid uncertainty, and find ways to lead confidently even when the path forward is not totally clear.

## **The societal responsibility of the leader**

Past technological revolutions, like steam power and computerization, created enormous wealth and prosperity, but they also left many workers behind. AI's impact on jobs will likely arrive faster than previous technologies. Leaders must ask themselves: What role can I play in mitigating the negative effects?

As Harvard Business School's Srinivasan notes, what's missing from many executives' communication around AI is an acknowledgment of their responsibility to help prepare the workforce of the future. He gives the hypothetical example of a big employer announcing that they'll partner with 30 universities to offer new technology co-op programs.

Building on Srinivasan's point, here are two ways leaders can act:

- **Inside your company:** Rather than simply cut workers in roles the company no longer needs, you can reskill them into adjacent areas or create new related roles, like ServiceNow's plan to create "productivity consultants" as replacements for IT support. Rather than making AI training purely self-directed, companies can provide scaffolding through training sessions and carved-out time for experimentation, similar to what Duolingo is doing for workers through its Friday AI windows.
- **The broader ecosystem:** Rather than cut entry-level jobs because junior workers don't have the experience you need, you can redesign those roles to accelerate their development. Rather than worry about the skills gaps holding your company back, you can work with universities, community colleges, and trade schools to make sure the future workforce has those skills.

## CHAPTER RECAP

### What to do



Develop management skills in workers to prepare them to lead teams of agents.



Challenge yourself and your team to reimagine workflows for AI, rather than bolting it on to the existing processes.



Rethink your org structure to reflect new patterns of work between humans and AI, including where decision-making should sit.

# 05

YOUR ROADMAP FOR LEADING WHAT'S NEXT

## The AI Leadership Playbook: Your Action Guide



## The Central Question

Are you leading your organization into the AI era, or is the AI era leading your organization without you?

## Four essential leadership practices for the age of AI

### 1 Take an expansive approach

**Mindset shift:** Rather than ask how you can use AI to do the same things more efficiently, ask, “What becomes possible now?”

#### KEY ACTIONS:



Go beyond productivity metrics—also look at objectives like speed, scale, and new capabilities.



Ask: What can we do much faster that changes how we compete?



Redesign jobs by identifying unmet business needs workers can address with extra capacity.



Frame AI as an augmenting tool that creates new valuable work, not just an automating tool that eliminates it.

## 2 Lead adaptively through uncertainty

**Mindset shift:** AI is an adaptive challenge with no known solution, not a technical problem to solve with existing tools.

### KEY ACTIONS:

✓ Run multiple small experiments simultaneously rather than betting the farm.

✓ Ask teams "What failed this week?" not just "What worked?"

✓ Push decision-making down—let teams develop local adaptations.

✓ Build your resilience through confidants, a sanctuary, and regular practices.

✓ Create dedicated time for the entire company to learn about and experiment with AI tools.

✓ Experiment with AI tools yourself—don't just delegate the learning.

### 3 Lead the conversation

**Mindset shift:** Effective AI communication isn't about having all the answers—it's about framing the technology, sharing possible futures, and demonstrating commitment to bringing workers along.

#### KEY ACTIONS:

- ✓ **Use prospection: Share a few possible future scenarios you're monitoring and planning for.**
- ✓ **Invite worker input on the scenarios and possibilities you're tracking.**
- ✓ **Frame AI clearly for your organization—help workers understand how they should think about the technology, or at least how you think about it.**
- ✓ **Couple AI announcements with specific workforce development plans.**

## 4 Rethink management for the age of AI

**Mindset shift:** The fundamental building blocks of your company—including skills, processes, and its structure—all need reimagining.

### KEY ACTIONS:

✓ Develop management skills across your workforce.

✓ Reimagine entire workflows, not just individual tasks.

✓ Question your business processes: Is this sequence of steps a historical artifact?

✓ Consider how AI agents will fit into your teams and decision flows.

✓ Ask yourself what role you can play as a leader in preparing the future workforce.

06

# About



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## About Council Advisors

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