GLOBAL RESEARCH

Organizations Make Progress Adopting AI, but Many Employees Feel Left Behind See page 4

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Organizations Make Progress Adopting AI, but Many Employees Feel Left Behind

Our first survey of AI in the workplace revealed that the vast majority of North American organizations had not leveraged AI technologies and were not prepared to do so. That has changed dramatically, according to this year's survey. Page 4

Leaders Need Training to Stand Strong in the Age of AI

It is undeniable: AI is here to stay. This means businesses will not only have to get familiar with how AI works, they will also have to determine how to best use AI. Hint: though it's not the hammer for every nail, it is going to become the essential tool for any industry that makes intensive use of data (so, pretty much all of them).

Canadian Management Centre and AMA Global has continued to run surveys of business professionals to determine how they and their organizations are using AI. In the most recent study, featured in this issue's cover story, we found that many organizations have made advances in deploying AI. The bad news is that many employees are lagging, with nearly three-fifths (58%) considering themselves behind in keeping up with AI. Experts say AI won't necessarily take a knowledge worker's job—but an individual at ease with harnessing the technology might.

Andrey Meshcheryakov, in "Plugging People into AI Adoption," states that for organizations to successfully adopt AI, they must consider how to empower their workforce to adapt to and thrive alongside AI. In "The Ultimate AI Playbook: From Measuring Adoption to Delivering Impact," Jeremy Utley describes how organizations are measuring the wrong things and recommends that leaders identify a single, critical workflow, pilot a deeper AI approach, and then share those results across the organization. And in "In the Age of Digital Workers, You Still Have to be the Boss," Jack Miller says that leaders must steer the hybrid evolution of work—the "digital employees" of AI and the human workers.

We will continue to monitor how organizations are using AI and use that knowledge to develop resources and programs for managers and their teams to best understand how this technology can support their organizations.

Christiane Truelove

Christiane Truelove
Guest Editor, *CMC Quarterly*

It's Never Too Late to Build AI Skills—or Is It?

"In any moment of decision, the best thing you can do is the right thing. The worst thing you can do is nothing," Theodore Roosevelt allegedly said.

That sounds logical—but when it comes to artificial intelligence, many leaders are still unsure of what "the right thing" actually is. Should they wait and see? Stick to familiar strategies that have worked in the past? Consult with "experts"?

There is no indisputable "right thing" where AI is concerned because no one—not even those deeply immersed in it—can say with certainty how the technology will evolve. No matter how concrete a prediction about the future of AI may sound, it's still just a prediction. But what is clear is that doing nothing to understand and embrace AI is increasingly risky. "Looking the other way" has ceased to be an option.

AI is already an essential part of most businesses, and in some cases, it has and will continue to replace workers. In others, AI is utilized to help with repetitive tasks and can enable employees to do their jobs better, improving efficiencies and overall effectiveness.

It's unlikely that most businesses will build their own AI capabilities, at least in the near future. Instead, they'll rely on trusted partners and AI specialists to help them integrate and adapt AI tools. But success in a new age of AI won't come from outsourcing responsibility; it will always require curiosity, imagination, individuality, and education. No one—not even a bot—knows your business better than you do, and those insights are vital in order to effectively and wisely leverage AI for maximum benefit.

Since AI innovation continues to exceed many bold forecasts, this moment demands a shift in mindset—from apprehension to resolve, from hesitation to experimentation. So if you haven't already started to build your organization's AI knowledge and skills, now is indisputably the time. Taking action today is "the right thing."

Our latest research confirms this. Last year's survey on AI in the workplace revealed that the vast majority of North American organizations had not yet harnessed AI technologies and weren't prepared to do so. But a year later, this trend has shifted, with considerably more organizations leveraging AI, developing strategies, and implementing governance policies.

And yet, a gap remains: 57% of respondents feel "behind" in keeping up with AI, and more than half, 51%, haven't received training in AI. In addition, 44% of respondents say AI tools are being used without a centralized approach.

While developing an AI strategy and policies may be the ultimate example of taking one step forward only to find that you're already two steps behind, the crucial next step for leaders and organizations is to increase awareness, encourage exploration, and identify practical ways to apply AI to day-to-day business.

So it's never too late—unless you wait until tomorrow. Start today.

Manny Avramidis
President & Chief Executive Officer
AMA Global

Organizations Make Progress Adopting AI, but Many Employees Feel Left Behind

BY CANADIAN MANAGEMENT CENTRE AND AMA GLOBAL

Generative AI has been on quite the ride ever since ChatGPT was introduced in late 2022. Even a casual consumer of the media would conclude that AI is barreling its way into our lives and economy. Perhaps never before in history has a powerful, deeply disruptive technology proliferated with such speed. It's easy to imagine ways that any business could benefit from AI, whether for marketing, accounting, research, brainstorming, or producing meeting notes.

But are they? And what about employees? How are they contending with this dramatic intrusion of the status quo?

A little over a year ago, our first survey of AI in the workplace revealed that the vast majority of North American organizations had not leveraged AI technologies and were not prepared to

Q. Does your organization leverage AI? (by number of employees)

	Yes	No	Not Sure
5,000+ Employees	53%	28%	19%
500 to 4,999 Employees	70%	21%	9%
<500 Employees	51%	37%	12%

Legend: Yes, No, Not Sure
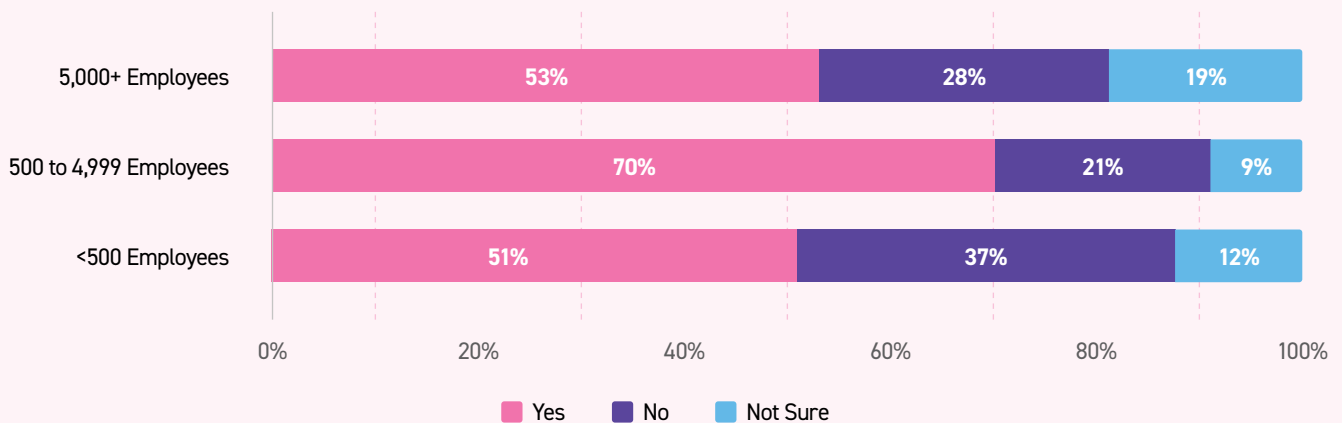
do so. That has changed dramatically, according to this year's survey.

We queried 1,252 knowledge workers in North America, including 465 individual contributors (37%), 556 managers/supervisors (44%), and 231 senior leaders (19%). As we detail in this report, more organizations were leveraging AI, developing strategies, and implementing governance. These initiatives were producing significant benefits.

Most respondents were anxious that their AI skills and knowledge are not up to speed, even though they viewed the technology more favorably than they had last year. Despite the progress, many organizations still need to catch up. A considerable number have not taken steps to embrace AI or establish safeguards on how to use it. As the pace of change accelerates, nearly three-fifths (58%) considered themselves behind in keeping up with AI.

It's in the interest of both individuals and organizations to address this learning gap. After all, while AI won't necessarily take a knowledge worker's job, an individual at ease with harnessing the technology might. Similarly, an organization that capitalizes on AI's power and efficiencies may quickly steal market share from a competitor that is slow off

the mark, jeopardizing the laggard and its employees.

2024: The year organizations started to take AI seriously

What a difference a year can make. The late 2023 survey found a significant gap between how individuals and their organizations were adapting to AI. Individuals were enthusiastic and on board. More than four-fifths (85%) believed the technology could benefit their organization, and many (42%) were using it on their own, without a centralized approach.

Yet the vast majority of their employers

weren't leveraging it in any systematic way. They had not developed strategies or implemented governance, nor had they trained their people. Fewer than half (43%) said their organization even planned to use it.

That changed dramatically in our most recent survey. Nearly three out of five respondents (57%) said their organization was leveraging AI, about twice the 2023 figure (30%). The proportion not leveraging it at all dropped from 44% to 31%, and those who were unsure of AI's status in their organization fell from 26% to 12%.

Q. Have you received training on how to adopt AI across your organization?

	2023	2024
Yes	7%	50%
No	93%	50%

Legend: 2023, 2024
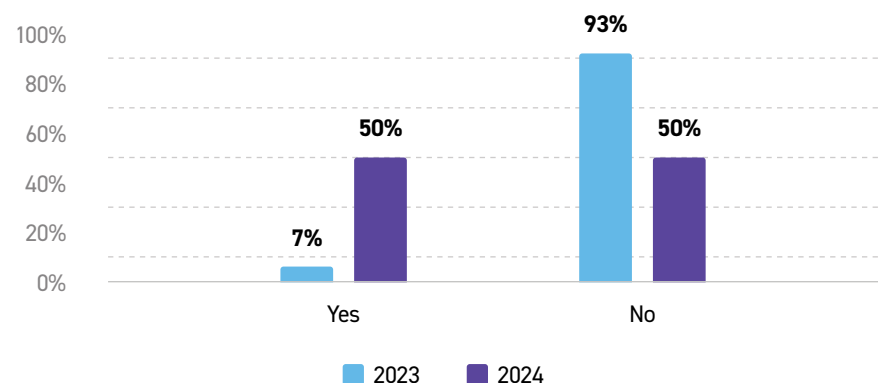
Q. Do you trust managers to utilize AI fairly and with transparency?

Yes: 2023 34%, 2024 63%
No: 2023 29%, 2024 18%
Not Sure: 2023 37%, 2024 19%

■ 2023 ■ 2024
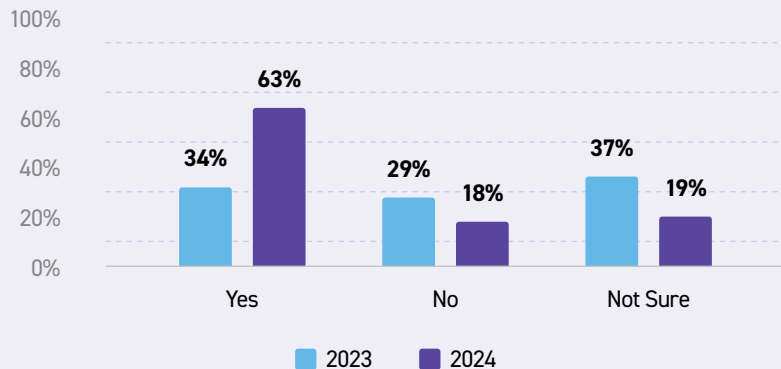
Q. Does your organization have an AI governance policy?

Yes: 2023 15%, 2024 50%
No: 2023 48%, 2024 31%
Not Sure: 2023 37%, 2024 19%

■ 2023 ■ 2024
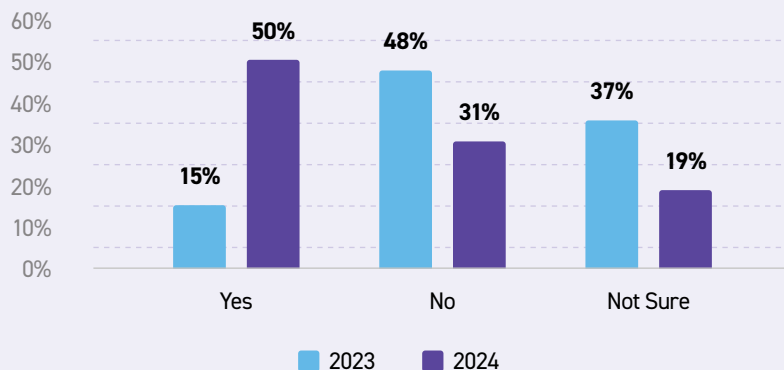
Q. Does your organization have an AI strategy?

Yes: 2023 17%, 2024 47%
No: 2023 38%, 2024 31%
Not Sure: 2023 45%, 2024 22%

■ 2023 ■ 2024
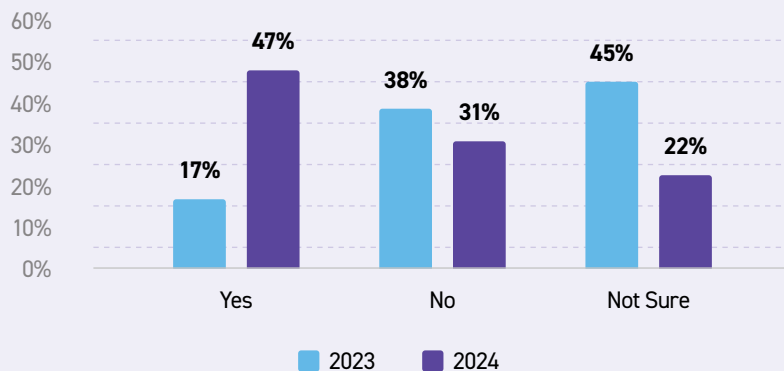
We found that organizations with 500 to 4,999 employees were most likely to leverage AI (70%), perhaps because businesses of this size have budgets sufficient to capitalize on the new technology, without the bureaucratic constraints of larger enterprises.

Respondents also reported a jump in their employers' efforts to centralize and control AI's use. The proportion with an AI strategy nearly tripled, from 17% to 47%—still fewer than half, but a significant step forward.

The proportion with a governance policy for AI use more than tripled, from 15% to 50%. Respondents reported significantly less uncertainty over whether their organization had such a policy—19% in 2024 compared to 37% in 2023. Most notably, the proportion receiving training on how to adopt AI jumped sevenfold, from 7% in 2023 to 50% in 2024.

Most recently, respondents were much more at ease with how managers are handling AI. Nearly two-thirds (63%) said they trust managers to use AI fairly and with transparency, compared to about one-third (34%) last year. The proportion of respondents uncertain of whether they trust managers dropped significantly, from 37% in 2023 to 19% in 2024. Those who didn't trust managers with AI dropped from 23% in 2023 to 18% this year. As we discuss later in the report, training and implementing governance appear to help improve employees' trust in AI.

Finally, far from being siloed in IT, AI is being used broadly across organizations, and particularly in customer service.

Many organizations still lag behind

The findings summarized above—on use, strategy, governance, training, and trust—demonstrate that a large number of organizations have woken up to AI's trans-formative power. However, it is important to recognize that most organizations still have significant work ahead to prepare for the technology. About half (53%) either didn't have an AI strategy (31%) or had left their employees uncertain about whether they did (22%). A similar proportion (49%) either lacked AI governance (30%) or hadn't effectively communicated its existence to

Q. Which departments are being impacted by AI?

Department	Percentage
Customer Service	43%
IT	36%
Marketing	35%
Products/Services	28%
HR	25%
Finance	22%
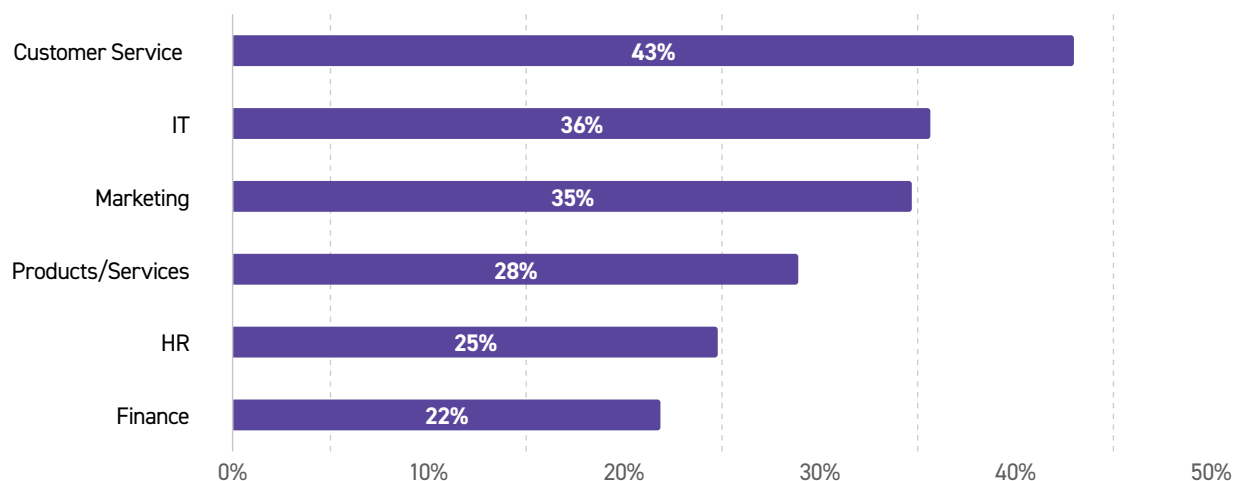
their employees (19%). And half of respondents said they had not received training on how to adopt AI.

For organizations that have fallen behind, the rapid adoption of AI and its disruptive potential demand swift action. Those that fail to train their employees, devise strategies, and build guardrails risk trailing competitors who capitalize on AI's benefits. They may also suffer the consequences of an unsupervised approach to AI, potentially posing inefficiencies and even reputational or operational risk.

Only about a third (32%) of respondents were confident that their colleagues were using AI tools in accordance with standardized parameters. Forty-four percent conceded that colleagues were using it without a centralized approach, and 24% were unsure if this was happening. By using AI without appropriate governance, a single department or employee can expose their organization to a variety of risks.

AI initiatives deliver positive outcomes

On a more encouraging note, we found meaningful evidence that the initiatives undertaken by organizations have produced positive results. These initiatives correlate with increased trust and acceptance,

Respondents who had received training were more than twice as likely (84% vs. 41%) to say they trust managers to use AI fairly and with transparency.

and greater confidence in the technology's benefits.

Consider the following findings in strategy, governance, and training. In organizations that have already developed an AI strategy, 97% of respondents believed the technology would have a positive impact. This number rises to more than 99% in organizations that have effectively communicated their strategy. In those without a strategy, fewer respondents (70%) were optimistic about AI's impact.

Organizations that have established ethics, compliance, and governance safeguards also reported greater optimism and trust. Nearly all (96%) respondents at organizations with such safeguards said that AI would have a positive impact, compared to 70% at firms lacking them. The correlation between governance and trust was even more dramatic. Respondents whose organizations have established governance were twice as likely (84% vs. 40%) to say they trust managers to use AI fairly and transparently.

As research and media reports attest, anxiety over AI is soaring. The technology has the potential to be deeply intimidating, given its unprecedented ability to mimic some of the most advanced human capabilities. Yet it is clearly here to stay and is becoming more essential by the

Q. Are your colleagues independently using AI tools without a centralized approach?

■ **44%** Yes   ■ **32%** No   ■ **24%** Not Sure
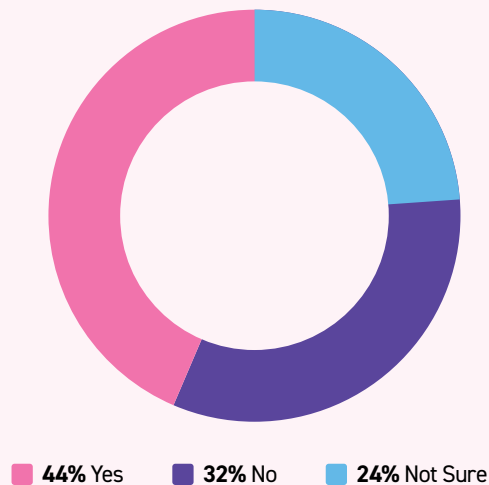
day. For organizations to use it safely and harness its benefits, their employees need to accept it as a constructive partner in the workplace.

Our findings suggest that training is highly effective in achieving this. Respondents who had received training were more than twice as likely (84% vs. 41%) to say they trust managers to use AI fairly and with transparency. Among respondents who had received AI training, 96% said that AI would have

a positive impact on their organization, compared to 73% of those who had not received training.

While these findings are correlations and not necessarily causations, we believe it is safe to assert that the initiatives management has implemented to ease the transition to AI are paying off. CQ

Adapted from "Organizations Make Progress Adopting AI, but Many Employees Feel Left Behind." Download full white paper >>

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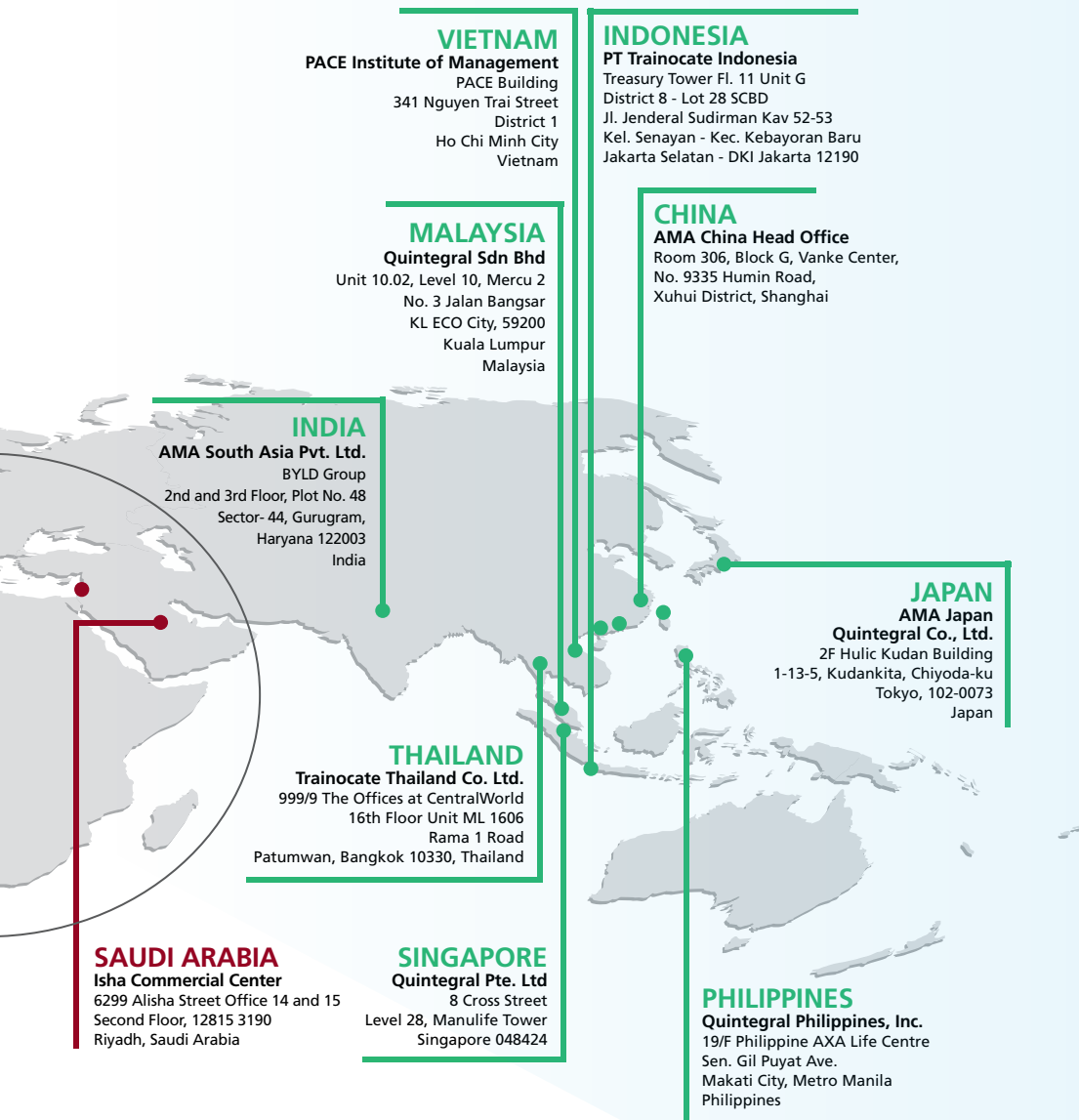
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Plugging People into AI Adoption

BY ANDREY MESHCHERYAKOV

Annual global investments in artificial intelligence dwarf the amount spent by the U.S. on the Manhattan Project and are approaching the total inflation-adjusted expenditure of the entire Apollo space program.

Organizational leaders increasingly recognize AI as a pivotal force in shaping financial outcomes and addressing complex business challenges. A Gartner survey revealed that between 2023 and 2024, the proportion of CEOs identifying AI as the technology most likely to impact their industry nearly tripled.

Despite this growing acknowledgment, many businesses and institutions fail to recognize that AI is not merely a trend but a tectonic shift redefining business-as-usual across multiple organizational domains. The smart, strategic, and responsible use of AI is becoming a foundational pillar for the future success of every entity, regardless of the current state of its technology infrastructure.

The transformative power of AI in organizations lies at the intersection of people, technology, and strategy. Successfully adopting AI requires companies to address critical questions in these areas to ensure sustainable integration and value creation. This article will focus on the first of these critical components: people. By exploring how organizations can empower their workforce to adapt to and thrive alongside AI, we will uncover the foundational steps for driving successful and sustainable adoption.

AI ADOPTION BEGINS WITH PEOPLE

The journey of AI adoption is a people-centric transformation. For an organization to integrate AI successfully, it must begin by assessing the readiness of its workforce. Understanding the de facto level of AI integration across teams is crucial to identifying both gaps and opportunities. This means looking at the human dimensions of AI adoption, emphasizing skill development, cultural adaptation, and the critical importance of data privacy.

AI adoption varies widely across industries and organizations, from basic automation to advanced machine learning applications. Evaluating the current state of AI usage within teams is the first step in this journey. Questions such as "Are teams using AI-powered tools effectively?" and "Are they aware of the capabilities and limitations of AI systems?" can help organizations identify their standing. For instance, marketing teams might already use AI for customer segmentation, while operations teams may still rely on manual processes for inventory forecasting. Conducting an AI readiness audit provides clarity on areas that require development.

AI's potential can only be unlocked if the workforce has the skills to harness it. Organizations must evaluate how prepared their teams are to embrace AI and address talent gaps in AI-specific skills such as data analysis, programming, and algorithm development. According to the World Economic Forum's "The Future of Jobs Report 2025," the percentage of tasks predominantly done by people will decrease from 50% now to
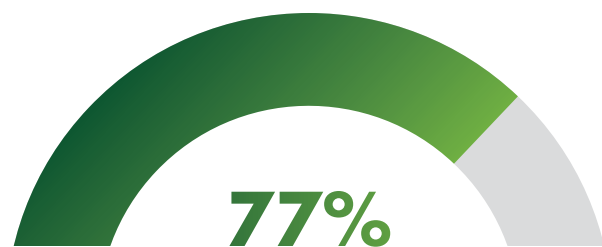
77%
of companies globally plan to reskill or upskill the existing workforce to better work alongside AI.

35% by 2030, and the percentage done by technology alone will grow from 16% to 28%. In response, 77% of companies globally plan to reskill or upskill the existing workforce to better work alongside AI.

Businesses should invest in targeted training programs, encourage collaboration between technical and nontechnical teams, and recruit specialized AI talent to bolster existing capabilities. For example, JPMorgan Chase has been at the forefront of AI adoption in the banking sector. The firm developed an AI program called COiN (Contract Intelligence) to analyze legal documents and extract essential data, significantly reducing the time required for this process. This initiative not only improved efficiency but also highlighted the importance of having a workforce skilled in AI technologies to manage and interpret the outputs effectively.

CULTURAL SHIFTS AND PRIVACY CONCERNS

Adopting AI isn't just about technical expertise. It requires a cultural shift. Employees often harbor concerns about AI replacing jobs, which can lead to resistance. Addressing these fears is vital to building trust and enthusiasm for AI-driven innovation.

Transparent communication about AI's purpose can reassure employees that its role is to enhance their capabilities rather than replace them. Inclusive decision-making processes where employees contribute to AI implementation foster a sense of ownership, while recognizing and rewarding AI-related successes reinforces its value across the organization. A pertinent example is the law firm VWV in the UK, which has integrated AI into its operations by involving trainee solicitors in creating and implementing its AI strategy. This approach not only demystifies AI but also empowers employees to take an active role in the transformation, thereby reducing resistance and fostering a culture of innovation.

As AI systems rely heavily on data, ensuring data privacy is not just a technical requirement but a critical trust-building exercise. Teams must be well-versed in understanding what should remain off-limits to prevent vulnerabilities. Ethical AI training, robust data governance policies, and proactive risk management practices are essential to safeguard sensitive information and maintain trust among stakeholders. In the legal sector, firms like Crowell & Moring and Dechert are implementing AI for nonsensitive tasks and gradually for more core legal functions, with significant time savings.

However, key obstacles to adoption include technological literacy and client caution, especially regarding sensitive data. To address these concerns, firms are investing in secure, private AI models to safeguard client data, highlighting the importance of data privacy in AI adoption.

AI adoption intersects with workforce demographics, as different generations bring unique strengths and challenges. Digital natives such as Gen Z and Millennials are quick to adapt to new technologies but may require guidance on ethical AI practices. Meanwhile, experienced professionals from older generations can offer strategic insights but may need support in learning technical AI skills.

Tailored training programs that cater to these generational nuances can enhance overall adoption rates. For instance, "The Future of Jobs Report 2023" by the World Economic Forum found that creative thinking was the skill most organizations cited as increasing in importance, with almost three-quarters (73.2%) choosing it. This finding underscores the need for training programs that not only focus on building technical skills but also on fostering creativity across all generations in the workforce.

Beyond efficiency gains, AI enables organizations to innovate in ways previously unimaginable. However, fostering innovation requires the empowerment of teams to experiment with AI tools creatively. For example, AI can analyze consumer behavior to craft hyper-personalized marketing campaigns, optimize inventory management in supply chains, or streamline recruitment processes by predicting cultural fit. Providing employees with the resources and autonomy to explore these possibilities unlocks AI's transformative potential. A notable example is KPMG's development of the KPMG AVA tool, which creates usable outputs, improves efficiencies, and reduces risk. This AI tool has been instrumental in enhancing the firm's operations, demonstrating how AI-driven innovation can lead to significant improvements in service delivery.

Measuring the impact of AI adoption is critical to understanding its effectiveness. Key performance indicators might include productivity improvements, changes in employee morale and satisfaction, and enhancements in service quality. Metrics should also consider how AI initiatives are contributing to organizational agility, innovation rates, and employee retention. Regular evaluation and adaptation of AI strategies based on these metrics help organizations refine their approaches and maximize returns on investment.

Cultivating a workforce that is both informed and empowered to leverage AI is foundational to its success. Organizations must also consider the broader societal implications of AI adoption. Ethical AI practices ensure that technology is used responsibly, avoiding unintended consequences such as bias in decision-making processes. Developing clear frameworks for ethical AI use and promoting a culture of accountability are essential steps toward sustainable adoption.

By making people the cornerstone of the transformative journey of AI adoption, and by prioritizing skill development, fostering a supportive culture, ensuring data privacy, driving innovation, and implementing ethical frameworks, organizations can unlock AI's full potential and create a future-ready workforce that thrives in an era of rapid technological advancement. CQ

Andrey Meshcheryakov advises startup founding teams on strategy, innovation, and growth, and is the world's only innovation expert fluent in two high-capacity innovation frameworks: Precedent Driven Innovation and Eureka. As a consultant, he has worked with Verizon, Coca-Cola, Sanofi, and other global business icons.

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Building an AI-Driven Culture in Modern Marketing

BY KATIE GRAY AND MEAGAN SWEIGART

It's been two years since ChatGPT became available to the public. Since then, artificial intelligence (AI) has taken every industry by storm, including marketing. A recent study by The Conference Board found that 87% of marketers have used AI or experimented with AI tools. The study also found that 68% of marketers use AI daily. However, even the most powerful AI models cannot be effective without human collaboration. While AI is reshaping the marketing landscape by optimizing processes and allowing marketers to access insights more easily, our industry's success still depends on creativity and the human capacity for empathy in storytelling.

Marketers should regard AI as a tool that fundamentally changes how their teams collaborate and connect with their audiences. Research from Harvard Business School, conducted by Professor Gerald Zaltman, suggests that 95% of purchasing decisions are based on emotions and occur subconsciously, meaning that emotional connections drive most buying choices rather than purely rational thought. Successfully implementing AI isn't just about learning a new technology. It requires a cultural shift to embrace AI as a partner rather than a replacement for human creativity and empathy.

This article will examine how marketers can correctly integrate AI to enhance collaboration, innovate campaigns, and enable brands to keep their audiences engaged without sacrificing authenticity and humanity.

AI AS A CREATIVE ALLY

It's no secret that AI can streamline once-manual tasks, freeing up a marketer's time to focus on making a strategic impact.

From a digital media perspective, for example, marketers can focus on developing the most effective channel strategy and leave the placement and optimization of the ads to AI. Through programmatic advertising, AI can process massive amounts of data and automate digital ad placements in real time to ensure the right ads are served to the right audience at the right time, allowing advertisers to capitalize on their ad spending.

AI-powered marketing automation platforms enable seamless integration across the marketing funnel, from lead generation and scoring to CRM data capture, sales handover, lifecycle nurtures, and beyond. AI can also draw on CRM, programmatic, or third-party data to craft custom emails that are triggered to be sent at the right time.

Beyond data processing, paid digital media, and email optimization, AI can help boost creativity. For example, AI tools such as ChatGPT, DALL-E, or Adobe Sensei can help overcome creative blocks or generate fresh ideas.

One significant organizational benefit of AI is that it can streamline workflows and foster collaboration within marketing teams. Leveraging AI to create timelines, assign tasks automatically based on an individual's bandwidth, and send automated reminders may help to accelerate execution. It also allows multiple disciplines, such as data analysts, content creators, and marketing strategists, to work seamlessly together. This synergy among different teams enhances efficiency.

By using AI in the ways mentioned above, marketers can work faster and smarter, focusing on their top job priorities: critical thinking and storytelling. Because human creativity and empathy shape messages that genuinely resonate with audiences, marketing leaders should position AI to amplify human creativity, not replace it.

BUILDING A CULTURE OF HUMAN-LED, AI-SUPPORTED INNOVATION

Proponents of AI caution that every professional should embrace AI or be left behind by future-forward adopters. Marketing is no exception. Building a culture that champions a human-forward approach to innovation supported by AI requires that marketing teams be coached and empowered to use AI accurately. Healthy collaboration between teams and the technology that supports them can be accomplished in the following ways:

LEADERS SHOULD COACH THEIR TEAMS TO USE AI IN THE RIGHT PLACE AT THE RIGHT TIME

It starts at the top. Managers should help teams leverage AI when it makes sense— for repetitive tasks, quick brainstorms, summaries, and other nonstrategic tasks. Equally important, they must clarify when AI isn't the answer. Overreliance on AI will result in a team that cannot think critically or strategize effectively. AI should be used as a leg up, not a crutch.

INVEST IN THE RIGHT TOOLS FOR YOUR TEAM AND BUSINESS

Leaders should examine gaps in skills and staffing to identify the resources needed to support their teams. AI sales outreach tools can save time for marketing teams that support sales outbound efforts, while generative content engines can support small teams with ambitious content goals. No matter the AI platform, team training is key to ensuring ROI.

ESTABLISH CROSS-FUNCTIONAL TEAM COLLABORATION

AI implementation should bring different teams together, from creatives to data analysts, to ensure AI-driven insights enhance rather than dictate marketing and creative strategies.

START SMALL BY PILOTING AI INITIATIVES

Rather than overhauling processes overnight, teams should start small, testing AI in content creation, ad optimization, or customer segmentation.

MEASURE SUCCESS AND ADJUST

AI's effectiveness should be continually assessed using KPIs such as engagement, ROI, and audience sentiment.

Effectively supporting marketing teams with AI-driven solutions requires human supervision. While AI can draft content for product descriptions and collateral, human marketers are needed to refine tone, clarity, and emotional impact. Marketers can also train AI to generate content that complies with brand guidelines and reflects the company's personality and messaging. However, even with a brand-trained bot, humans need to review AI-generated content to ensure it meets standards.

As leaders evaluate the success of their AI tech stack, they should think bigger than the performance metrics outlined above. They must also assess how effectively their AI solutions are supporting their teams. For example, if AI-generated content consistently falls short and requires extensive rework by content managers, a different tool may be needed. While human interaction and direction are expected and necessary in successfully leveraging AI, automation should lessen the burden on marketers, not increase it.

AVOIDING THE PITFALLS OF AI IN ADVERTISING

AI allows marketers to do more with less. However, a cautionary tale about relying solely on AI in advertising occurred with a well-known soft drink company's recent AI-generated holiday ad. Social media pundits declared it "lifeless" and "creepy," saying that it "ruined Christmas and their entire brand."

Removing the human element from the ad removed aspects of festivity and liveliness. It also gave consumers the impression that the company prioritized profit and efficiency over its mission to craft drinks that people love. This misstep is the result of over-automation. By excluding real humans, marketing campaigns can feel tone-deaf and inauthentic, alienating consumers.

If the company had used real humans in the ad and only utilized AI to generate the scenery and ancillary elements, it would have avoided the backlash that destroyed its effectiveness and intention. The lesson learned is that including humans in advertising campaigns meant to resonate with humans is still necessary, even if AI creates the other elements.

EFFECTIVE AI-HUMAN COLLABORATION IN MARKETING

As the example above demonstrates, overreliance on AI can backfire. Additionally, if all content is AI generated, you risk homogenization. Everything will look the same, sacrificing the opportunity to capture audiences' intentions and emotionally connect. Moreover, entry-level marketers may struggle to hone foundational skills as AI takes over fundamental tasks.

So how can marketers and AI collaborate without compromising creativity and the integrity of the marketing profession?

IMPLEMENT CLEAR AI POLICIES

Organizations should establish a policy on AI use that outlines ethical guidelines to ensure fairness and inclusivity. It should also require a human review of all AI-generated content before publication.

KEEP AI FOCUSED ON REPETITIVE TASKS

AI should handle automation while humans remain in charge of storytelling, brand strategy, and campaign vision.

USE AI AS A BRAINSTORMING PARTNER, NOT A CREATOR

While AI can generate ideas, human marketers must refine and shape them into compelling campaigns.

AI is a game-changer for marketing, but its full potential can only be realized when combined with human creativity, empathy, and vision. Agencies and brands that responsibly embrace AI can foster a culture of innovation that prioritizes genuine human connection while benefiting from all that AI offers.

The future of AI in marketing is not only about automation—it's also about transformation. Brands that foster a culture of AI-supported innovation, collaboration, and human-led storytelling will thrive. By embracing AI as a tool for efficiency while maintaining human insight and emotional connection, marketing teams can unlock unprecedented levels of creativity and impact. CQ

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AI Cannot Replace the Need for Human-Driven Innovation

BY RICHARD SONNENBLICK

The value of large language models (LLMs), particularly those that don't hallucinate and possess early-stage reasoning capabilities, can't be overstated. However, the growing sophistication and utility of LLMs and AI applications have led to a replacement of humans in certain job functions. In 2024, AI-related layoffs picked up across industries, providing what many speculated to be a window into what an AI-supported future might look like. Among the high-profile cutbacks was Klarna's choice to cut thousands of sales and marketing team members in favor of custom-designed AI chatbots ("Why Is This C.E.O. Bragging About Replacing Humans with AI?" *New York Times*, February 2, 2025). Of course, some organizations are taking a more measured approach. For example, rather than cut jobs, IKEA trained more than 8,000 employees on AI and, in doing so, unlocked $1.4 billion in revenue ("How IKEAs Use of AI Resulted in a $1.4 Billion Revenue Uplift with No Layoffs," 74 Digital).

Regardless of an organization's approach, the end goal is always the same: enabling teams to do more with less. It's a task at which AI tools can excel—but to attain their intended outcomes, leaders must first understand the technology's limitations.

RECOGNIZING THE LIMITATIONS OF AI

While AI's capabilities are undeniably powerful, leaders must understand that AI is not an organizational cure-all. Many current AI models, especially those based on machine learning and deep learning, are impressive in pattern recognition, automation, and optimization. However, these technologies still fall short when replicating the full scope of human qualities, such as empathy and problem solving.

AI is not adept at understanding the nuances of complex organizational dynamics, including team collaboration, or the subtle, sometimes unpredictable nature of human interaction. It

The most successful AI implementations complement, rather than replace, the human workforce.

cannot truly understand the cultural and ethical implications of business decisions, nor can it lead with the vision, adaptability, and insight humans bring. Furthermore, while AI can be incredibly accurate in predicting outcomes based on data, it cannot think on its feet in the way humans do, which includes drawing from past experiences to resolve novel problems.

Many AI models still lack the innate human qualities that drive innovation and support organizational dynamics. Take the developers that companies are replacing with AI models. Those employees aren't just putting their hands on a keyboard

to create code; they also collaborate with other developers, product managers, and testers. They work with customers, they solve complex problems using their knowledge of development to guide solutions, and they make decisions about whether to employ a library or build a few functions from scratch based on the unwritten practices of their team. Those are all tasks beyond the scope of today's LLMs, at least without extensive prompting from a seasoned developer who knows precisely what the LLM needs to know.

These limitations should not be seen as weaknesses but rather

> When humans and AI work together effectively, results exceed what a person or an AI could singularly accomplish.

as an essential part of the conversation around an emerging AI strategy. By recognizing where AI excels and where it falls short, organizations can create a balanced approach to maximize the value of human employees and AI.

OPTIMIZING RESOURCE ALLOCATION AND STREAMLINING PROCESSES

The most successful AI implementations complement, rather than replace, the human workforce. AI systems can analyze vast amounts of data, identifying patterns and insights humans might miss. By leveraging these capabilities in day-to-day activities, organizations can help their teams make more informed decisions and offload time-consuming, repetitive work to AI. For example, in marketing, AI can analyze customer preferences and behavior to craft personalized email and social marketing campaigns, letting employees focus on strategy setting and critical initiatives to ensure the company's brand resonates with its target audience.

Similarly, AI can expedite testing and iteration processes in product development and design. It can simulate various product scenarios, analyze results, and suggest improvements, allowing human designers to focus on the creative and intuitive aspects of innovation. This collaborative approach enables employees to leverage AI's data processing and optimization strengths while contributing their expertise in areas requiring empathy, intuition, and an understanding of human needs.

One of the most powerful ways to leverage AI is using it to identify operational inefficiencies and streamline business processes. AI can analyze workflows, pinpoint bottlenecks, and suggest optimization strategies that may not be immediately obvious to human managers. For instance, in supply chain management, AI can predict inventory needs, optimize shipping routes, and automate order processing, which can significantly reduce waste and improve overall efficiency. This strategic use of AI helps organizations operate in ways that are leaner, more agile, and more responsive to market demands—without sacrificing critical human elements.

Implementing AI in this way doesn't just enhance efficiency; it also levels up the workforce and increases job satisfaction. By using AI to identify and address inefficiencies, organizations can

implement a more sustainable business model and make the most of their existing workforce, ensuring that employees are utilized in roles that maximize their strengths.

When humans and AI work together effectively, results exceed what a person or an AI could singularly accomplish. Employees are empowered to be more productive and engaged while AI optimizes processes, provides data-driven insights, and identifies opportunities for improvement.

This collaborative model encourages innovation and contributes to a more resilient and adaptable workforce. While employees focus on higher-level initiatives that require creativity and emotional intelligence, AI handles data analysis and repetitive tasks. Together, they can forge dynamic, future-ready organizations poised for sustained growth.

Organizations must rethink how they approach AI, shifting from a mindset of replacement to one of augmentation. By recognizing AI as a tool that complements and enhances human capabilities, businesses can drive greater efficiency and employee satisfaction—ultimately gaining a competitive advantage that allows them to adapt in an ever-changing marketplace. Rather than fearing AI's potential to disrupt the workforce, companies should embrace it as a powerful ally.

VIEWING AI AS A COLLABORATIVE CATALYST TO AUGMENT HUMAN TALENT

The notion of automating tasks traditionally performed by skilled staff can seem appealing, as AI appears temptingly capable of performing a wide variety of tasks more efficiently and accurately than humans. However, this view can miss AI's larger and more powerful opportunity: serving not as a substitute, but as an effective tool to enhance human capabilities and drive overall organizational efficiency. CQ

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The Ultimate AI Playbook:

From Measuring Adoption to Delivering Impact

BY JEREMY UTLEY

In five years, no one will care how many people logged into ChatGPT. They'll care about who used it to transform their work. The organizations that understand the difference between more use and better use are quietly outperforming their competitors—while everyone else celebrates meaningless "adoption" metrics.

"For the first time in my 40-year career, I've never seen anything like GenAI in our business: we're seeing 100% adoption of this new technology," declared the global head of AI at one of the world's largest professional services firms during a recent fireside chat.

Everyone in the audience nodded appreciatively, marveling at this achievement.

Except I knew better.

Just weeks earlier, I had facilitated several workshops with hundreds of people up and down the ranks of that very organization. The on-the-ground reality? Most folks weren't even minimally competent with the technology they were supposedly "adopting."

Behold the great AI measurement delusion: Organizations are tracking usage metrics while missing the only thing that matters—impact.

This isn't a technology adoption curve. It's a human transformation curve—and most organizations are measuring the wrong things. They might be tracking "100% adoption," but they're creating 0% value.

THE SPARK THAT ILLUSTRATES TRUE AI VALUE

Meet "Adam." He's never written a line of code. At the time we first spoke, he didn't even have a LinkedIn account. But in just 45 minutes, he built an AI-powered tool that's on track to save the National Park Service thousands of days of work every year.

How? By solving one of the most mundane yet time-consuming challenges every public facility faces: how to properly request new carpet tiles.

Don't let the carpet tiles fool you. Behind every basic maintenance request in our National Park Service lies a labyrinth of federal specifications, OSHA requirements, ANSI standards, and building codes. Facility managers such as Adam often spend two to three days assembling paperwork for even routine repairs. And across 433 park sites spanning 85 million acres, those hours add up fast.

When the National Park Service invited me to lead a modest upskilling initiative on generative AI, Adam spoke up during our second session: "It stinks that I have to fill out so much paperwork for basic funding requests."

In just 45 minutes, Adam built his tool. It asked him a series of questions about the scope of work, OSHA requirements, ANSI standards, and other details—and then generated a polished, complete funding request document.

Instead of two or three days, Adam's next funding request was done in two hours.

A few weeks later, another facility manager spoke up: "Wait, Adam, you made that tool? Someone sent me the link last week. I had blocked out Monday through Wednesday to process a door and window replacement request. Using your tool, I was done before lunch on Monday."

Adam hadn't even realized people were sharing his tool.

I did a quick, back-of-the-envelope calculation and said: "If this tool saves just one or two days per request across the parks in the system, that's over 7,000 days of labor saved annually." Someone corrected me: "Actually, it's closer to 14,000 days—you're being too conservative."

That's the equivalent of 20 years of labor saved every year. And it started with someone who, until recently, didn't even have a LinkedIn account.

Takeaway: Minimal overhead can yield massive returns when AI addresses a real pain point. The question isn't "How many people are using AI?" It's "How much real time and money are we saving?"

RETHINKING WHAT WE MEASURE: A 2×2 FOR MEANINGFUL AI

Here's the framework I use when evaluating AI adoption:

On the X-axis, we have *how* you're using AI:

- **Poorly:** Basic prompts, accepting first answers, minimal iteration
- **Well:** Advanced techniques, thoughtful guidance, strategic iteration

On the Y-axis, we have *where* you're using AI:

- **Trivial:** Low-value, sporadic use cases with minimal impact
- **Valuable:** Core workflows, strategic processes, leverage points

Most organizations are stuck in the bottom-left quadrant: using AI poorly for trivial tasks.

The goal isn't to get everyone logging in daily. It's to move everyone toward the top-right quadrant: using AI strategically for valuable workflows.

If your organization is serious about AI impact, stop counting logins and start measuring:

Workflow augmentation. How many critical workflows have you improved (not just made faster)?

Solution virality. Is that great tool you built being used by others? That's where you start to scale impact. Remember the National Park Service facility manager who created a tool that saved thousands of days across the park system.

Interaction depth. Are you having single "oracle-style" exchanges (effectively single-request Google searches with AI), or robust back-and-forth collaborations? The key to outperforming is to treat AI like a colleague, not an oracle.

Calendar coverage. What percentage of your regular responsibilities are AI-augmented? As Brice Challamel, head of AI products and innovation at Moderna, told me, "I can't imagine doing any part of my job without incorporating layers of AI into it. It would be so lazy, so stupid, so reckless."

Beyond soft benefits like time saved, these metrics often translate directly to reduced operational costs and faster go-to-market timelines—turning AI from a novelty into a bottom-line booster.

THE LEADERSHIP BLUEPRINT: MOVING FROM ADOPTION TO IMPACT

Step 1: Show, don't tell

Last week a CEO asked me the same question I hear from every executive: "How do I get my team to use AI?" My answer shocked him.

"I really want to show people how to use AI to think strategically," he said.

"That's your burning question?" I asked.

He nodded. "Yes."

"Okay, here's my approach to answering a CEO's most burning question: You might expect me to answer straightaway, but I have a strategic thinking partner I'd like to invite to the conversation, if you don't mind."

Then I opened ChatGPT and shared my screen. As we walked through the conversation, the CEO started getting attached to the tactics being suggested. "Can I just do these things?" he asked eagerly.

I stopped him. "As much as I like some of these ideas, they're not the point. I was trying to demonstrate a new behavior for you, real time. Do you see what I just did? I just placed your question—the most important question I'm going to be asked all day—into AI!"

That's when it clicked for him. "You're teaching me to fish, and not just fishing for me."

"That's what *you* have to do for your team. You have to share your screen and show people how you're using AI to answer your own questions."

This pattern is clear across successful AI-driven organizations. Diarra Bousso, founder of fashion company Diarrablu, refuses to "level up privately while expecting more from her team." Instead, she creates detailed Loom videos showing her team exactly how she uses AI to enhance her work.

Brad Anderson, president of product, engineering, UX, and

ecosystem at Qualtrics, takes the same approach: "At least every week, maybe several times in the week, we'll have a few minutes as people are joining a meeting, or maybe we're wrapping up a little bit early, I'll be talking to the team. I said, 'Hey, let me show you what I've been working on in my notebook.' And I'll pull up a shared notebook, show how we've imported data into it, start asking questions of it, and actually just show people how to do it."

His conclusion? "The only way that I've ever known to drive behavior change is you have to show people."

Step 2: Allocate dedicated innovation capacity

When the National Park Service invited me to lead that upskilling initiative, I taught the group how to create simple, personalized GPT tools. But the key to success wasn't just the training—it was creating space for experimentation.

Will Guidara, the restaurateur behind Eleven Madison Park—once named the world's best restaurant—understood this principle. He introduced a role he called the "Dream Weaver." This person's sole responsibility? To help staff bring their innovative ideas to life. Guidara recognized that having an insight isn't the same as implementing an insight. Often, folks on the front lines, with great ideas for improving the customer experience, lacked the bandwidth to realize their dreams.

The Portland Trail Blazers applied this same principle to AI adoption. When faced with the challenge of integrating AI across the organization, they created their own version of the Dream Weaver—a role that David Long, their VP of digital and innovation, dubbed the "great aggregator."

Long's role goes far beyond understanding AI. He became the bridge between technology and practical application, between ideas and implementation. He aggregated insights from across the organization, identified pain points, and facilitated AI experimentation.

The result? Tangible AI-driven solutions such as "Betty Budget," a custom GPT that simplified budget code navigation, and an AI assistant that analyzes customer survey results and flags negative responses for immediate action.

Right now, your best people are hiding their AI use.

Step 3: Create psychological safety around AI

According to a November 2024 study by Slack, "The Workforce Index," up to 48% of employees are hiding their AI use from managers, with that number jumping to 55% among younger workers. Think about that: Half your workforce is concealing tools that could dramatically improve their work.

Right now, your best people are hiding their AI use. That brilliant analysis Jenny did? She's not sharing her process because she's afraid you'll value it less. That innovative solution Mark developed? He's keeping his AI techniques to himself. Your organization isn't just losing efficiency—it's losing all the compound learning that comes from shared discovery.

At Asana, they've tackled this head-on. The Asana AI system automatically specifies how much of a report was written with AI assistance—and here's the kicker: Higher AI usage carries more prestige. Lower AI usage? That's almost seen as a missed opportunity to create better work.

The stories we tell about AI in our organizations become self-fulfilling prophecies. When leaders whisper about AI use or treat it as something to be embarrassed about, they create a culture of hesitation and shame. But when leaders openly share their processes, they create a culture of innovation and growth.

It's time to change your leadership soundtrack from "don't worry, I won't use AI" to "let me show you how I'm using every available tool to create exceptional work."

Step 4: Shift the goalposts for measurement

I witnessed this shift in a workshop with a Fortune 500 company. At the end, a senior leader proudly declared, "Don't worry, I won't use AI for the green-lighting process." I had to pause the meeting.

"How would you feel," I asked, "if your doctor said, 'Don't worry, I won't use any technology to help with my diagnosis'?"

The room went silent. Then the leader smiled and said, "Let me rephrase that. Of course I'm going to use every tool available to mitigate my own bias and complement my thinking so we can reach the best possible path forward."

This isn't just theory. Guy Kawasaki shared how AI improved his book *Think Remarkable: 9 Paths to Transform Your Life and Make a Difference* (Wiley, 2024). When AI suggested an example better than anything he'd thought of, he didn't hide it—he celebrated it. "Of course I included it," he said. "My responsibility to the reader is to deliver the best examples possible."

WHY AI IS ONLY AS GOOD AS THE PEOPLE BEHIND IT

Everyone's asking the wrong questions about AI: "What can it do?" "How should we use it?" "Where will it take us?"

Steve Jobs understood something about technology that matters now more than ever. When Apple's iPod dominated the MP3 player market, Microsoft launched the Zune to compete. On paper, the features were comparable. Yet the Zune failed.

Jobs explained why: "...The people at Microsoft don't really love music or art the way we do. We won because we personally love music... If you don't love something, you're not going to go the extra mile, work the extra weekend, challenge the status quo as much."

That truth applies to AI just as much as it did to portable music players. In an age when large language models can generate "average" knowledge instantly, the only thing that sets you apart is the conviction you bring.

Russ Somers, VP of marketing at Quantified.ai, got tired of hearing about corporate workflows. Instead, he built an AI-powered guitar tutor because he actually cares about guitar. While others asked "What's the best AI use case?," Russ turned to the guitars on his wall for inspiration—and ended up creating something far more personal, and therefore far more powerful.

Nicholas Thorne, CEO of Basno and partner at Prehype, put it bluntly: If you aren't an authentic participant in the community you hope to serve, you'll get "competed away by the low-cost version of average knowledge." And in an AI world, "average knowledge" is practically free.

CULTIVATE A CULTURE OF EXPERIMENTATION

During a recent Beyond the Prompt podcast interview, YouTuber Jenny Nicholson highlighted something crucial: Bringing humanity into AI interactions isn't just nice to have—it's a requirement. She astutely pointed out that the only truly new element in any AI interaction is your experiences, thoughts, and personality.

As Nicholson put it, "Helping people realize that (they have to bring their humanity to the conversation) is a nonnegotiable. What is in the model is what is in the model... The only thing that is quote unquote new is anything that you bring."

To foster this experimentative mindset, encourage your team to:

- **Interrupt like a human.** Don't be afraid to interrupt AI mid-generation. Just like in human conversation, excitement and spontaneity often lead to better outcomes.

- **Babble.** Don't worry about sounding unintelligent when interacting with AI. You don't need to have all your thoughts perfectly in order. The process of thinking out loud can lead to surprising insights.

- **Keep the conversation going.** Treat AI like a conversation partner. Don't settle for the first response—engage, question, critique, and refine until you get something truly valuable. The back-and-forth is where the magic happens.

QUICK WINS FOR ORGANIZATIONS

Here is a checklist of things organizations can do to achieve "wins" with AI:

✓ **Start an "AI Innovation Channel" in Slack/Teams**
Create a dedicated space where people share successful prompts and lessons learned. Celebrate both wins and instructive failures equally.

✓ **Identify three to five repetitive tasks**
Help teams build their first GPT-based solutions for these pain points, following Adam's example from the National Park Service.

✓ **Audit one high-value process per department**
Where's the biggest ROI potential for a 45-minute AI fix? Look for processes that currently take days but could be compressed into hours.

✓ **Create your AI manifesto**
Document your POV as a leader on AI's place in the company. This isn't a policy document—it's your philosophy on AI and how it will shape the kind of work you do. Make it a living document that evolves with your organization's AI journey.

✓ **Put a sticky note on your monitor**
This note—reading "Have you tried AI?"—isn't just for you. It's a visible signal, to everyone who comes to your desk, about what matters to you.

✓ **Run an "AI recess"**
Schedule a monthly hour where teams log in and experiment together, guided by a few curated "prompt challenges." Make it fun, low-pressure, and focused on discovery rather than immediate business outcomes.

✓ **Identify your dream weaver**
Who in your organization could serve as the bridge between ideas and implementation? This person should have the authority to allocate resources and the skills to facilitate experimentation.

✓ **Track actual cost savings or new revenue**
Gather real data on how much time or budget each AI pilot saves—or how it opens up new market opportunities. Use these numbers to validate your next AI investments.

AI used blindly is just a vanity metric.

LOOKING AHEAD: THE COMPETITIVE EDGE OF QUALITY AI USE

There will be two kinds of people: those who've used AI to amplify what they actually love, and those who've used AI to paper over the fact that they don't. There will also be two kinds of organizations: those that create capacity for AI innovation, and those that don't.

AI used well reshapes our capacity for innovation. AI used blindly is just a vanity metric. Your job isn't to protect your team from AI. Your job is to protect them from falling behind because they thought they needed to hide their AI use.

The real metric of success is not whether your entire company "touches AI," but whether AI meaningfully elevates the company's impact. And that starts with you, today, identifying a single, critical workflow and piloting a deeper AI approach—and then sharing those results across your organization. Because when algorithms generate anything "average" with ease, only above-average passion—combined with human disagreement—will create real value.

Don't ask: "What can AI do?"

Ask: "What do I love enough to push AI beyond 'average'?" CQ

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In the Age of Digital Workers, You Still Have to Be the Boss

BY JACK MILLER

Imagine this. You arrive at work early as usual, before your team comes in. But your new employee beat you to it, and in fact, never went home last night. Their greeting is the same as yesterday: "How can I help you today?" The crazy thing is that even though they're relatively new to the company, they can already answer any question about any topic and complete in a nanosecond what it takes seasoned employees a week to manage.

Sounds like an employer's dream, right? But wait—here's the catch. The rest of the team are suspicious of the new hire and maybe even a little jealous. There's escalating workplace tension, and it seems like the new worker doesn't care. No emotion. No understanding of workplace dynamics.

Congratulations—you're the boss of a new AI-driven "digital worker," as these tools are being called. And there are a lot more heading to your business very soon.

All of that's a colorful way of saying the American workplace (and every other) is changing faster than most of us can comprehend or fully embrace. But like every great shift in the fabric of work, from the Industrial Revolution to the post-war boom, we have to get it right. Managers must find a way to manage effectively. Whether you're a business unit lead in a vast corporation or a marketer running a lean team of multi-taskers, it's time to consider what man plus machine can do for your business—and how you as the boss, most crucially, must steer this hybrid evolution of work. Here's how I see it.

WHAT IS A DIGITAL WORKER?

The term *digital worker* emerged some time ago. But initially it had one meaning: those workers who had proficiency in digital skills. The times, plus advances in software and automation, have quickly rewritten the meaning, and today a digital worker is an AI-powered system, solution, or specific task within an organization. Those tasks can range from simple chatbots interacting with the public or vendors and suppliers to process orders to complex algorithms capable of analyzing vast datasets and making data-led decisions for the business.

A 2024 report by Microsoft and LinkedIn found that 75% of employees use AI at work, with almost half (46%) reporting the adoption of AI tools within the prior six months . Simpler forms of AI have been around for years, but when you consider that generative AI arrived only three years ago, in 2022, that's a staggering pace and scale of integration. The reasons are self-explanatory when July 2023 research from the Nielsen Norman Group ("AI Improves Employee Productivity by 66%") shows how an organization can increase throughput by about two-thirds with generative AI tools as part of the workforce mix. The question with all of this isn't "Should we use AI to remain competitive?" but rather "How do we, as managers, best employ these tools within our workforce to drive our vision for the business?"

HUMANS CONTEXTUALIZE, MACHINES MEASURE

Let's face it, work isn't all about pushing buttons, tapping keys, and moving things off your desk. Looking at marketing as an example, most of the work requires a sophisticated understanding of consumers, the monitoring of changes in the marketplace, and an understanding of emerging conditions and trends.

Imagine an agency launching a new campaign for a luxury product around the holidays. The agency, putting too much faith in AI-driven consumer sentiment analysis tools, uses these tools to scan millions of social media posts and comments to generate insights for the launch. Based on its analysis, the AI recommends a humorous, lighthearted tone for the holiday ad, determining that humor has played well in the brand's recent history. But here's the problem—the AI failed to recognize a critical shift in consumer sentiment. Faltering economic conditions and layoffs have made the target audience averse to luxury products and extremely price sensitive. The campaign lands and the brand is immediately criticized as "tone deaf," triggering a PR crisis and a loss of revenue from all sales.

While AI offers efficiencies in data analysis, it lacks the nuanced understanding, ethical judgment, and emotional intelligence that human workers bring to the task. It can't contextualize events beyond data trends. So in this instance, while the digital worker saw increased discussion among the brand audience, it didn't understand the emotional conditions consumers were facing. A September 2020 *MIT Technology Review* article ("How

Close Is AI to Decoding Our Emotions?") cites studies that show AI tools can often misinterpret the complexity and meaning of human emotions. For instance, scowling is only associated with anger 30% of the time, according to the research, causing interpretative challenges for AI tools and systems.

In some industries, failure can be significant. AI tools have been used in the fragrance industry to develop perfume formulations at speed to reduce cost and increase production. But without a "nose" for the business, these tools cannot replicate the emotional depth and sensory insights the human perfumer brings to the bottle. In short, the common denominator with all AI tools is the crucial need for human oversight, with management leaders taking all AI outputs and making them part of a broader, integrated work product with humans at the center.

STRATEGIES TO BRING HUMAN AND DIGITAL WORKERS TOGETHER

The cat, as they say, is definitely out of the bag. And we can't turn back the AI clock, nor should we. The business benefits of digital workers on your team are enormous, so long as you have the guardrails, operating procedures, and strategies in place to ensure successful integration. According to a May 2023 article by McKinsey ("AI-Powered Marketing and Sales Reach New Heights with Generative AI"), players that make investment in AI are seeing a revenue rise of 3 to 15% and an ROI lift of 10 to 20%. If that sounds appealing, consider these strategies to better integrate human and digital workers:

Define clear roles for people and AI processes. Our role as managers is clear: Set the strategy and oversee execution. That means establishing a clear delineation between tasks more suited to AI and those requiring human skills and intervention. Keep digital workers aligned around tasks such as data analysis, routine tasks, and administration, and free up human worker time for deeper thinking around strategy, creative development, and campaign decision making.

Implement robust robot oversight. Like people, AI doesn't get everything right all the time, but managing digital workers is different from conducting a performance review and initiating staff development training. Meet with your technology leads to develop protocols that can measure and monitor all AI outputs. Regular audits won't make you a friend of your human workers, but they're essential to ensure that AI tools work within ethical parameters and operational guidelines. The oversight also helps prevent, or identify, errors and biases that AI workers can inadvertently and frequently introduce into processes.

Foster a culture of continuous learning. Don't flip the switch on AI tools and let your human workers conduct business as usual. The goal is integration between digital and human workers. Give employees the knowledge, encouragement, and training to stay up to date on how AI tools work, what role they play in the business, and how to achieve the best results. Training programs can help employees effectively collaborate

with AI tools, but also ensure they leverage technology without becoming overly reliant on it.

Prioritize ethical considerations. It's important to ensure that AI tools adhere to ethical standards but also fit with both industry standards and the values you have for your business and employees. Refer to frameworks such as the EU AI act or OECD AI principles to help ensure the way AI solutions are integrated into operations and the outputs they produce reflect fairness, non-discrimination, and responsible data usage. In other words, the same expectations you set for human workers.

Implement oversight and explanability. With any member of your workforce, there must be oversight. A manager or supervisor should assist with daily performance and quality, so consider the creation of AI ethics officers in your business to monitor operations and outcomes as your workplace undergoes change. This could, and likely should, include human-in-the-loop (HITL) processes—humans involved in AI output analysis when they affect employees or consumers. Think about a clear chain of accountability as well—who in the company is responsible if, or when, AI solutions go wrong? Additionally, use explainable AI (XAI) models, which enable decisions to be more easily audited and communicated to employees and others affected.

Monitor AI performance but also encourage human attentiveness. With fast and enormous advances in technology, it's tempting to think that these advanced AI tools are always correct, but you need to encourage employees to use critical thinking and assist them with the process. It's not about blind AI trust, but rather the thoughtful use of a tool that, just like a chisel on wood, requires careful and skillful application. With constant monitoring and assessment, it's far easier to adjust AI and models based on real-world impact versus the theoretical things you set out to do with it.

THE LAST WORD

We're not in a 1960s sci-fi movie where the machines or malignant technology takes over our world. Despite AI's ability to produce results at speed and scale, which is incredibly powerful to any marketer or other business, it can't deliver with the sensitivity and sophistication of real human workers.

Helping digital workers integrate appropriately in the workplace is going to take focus and time, just as with human workers. That means setting clear goals for what AI does and how it does it while measuring performance. Every business is going to need human oversight to help these new tools become better at understanding what's expected of everyone in the workplace. You can't just show up, think you know it all, and do work your way, ignoring the ideas, instructions, and demands of the boss. CQ

Jack Miller is the founder and CEO of True Independent Holdings, one of the leading media strategy and communications groups in North America.

While AI offers efficiencies in data analysis, it lacks the nuanced understanding, ethical judgment, and emotional intelligence that human workers bring to the task.

Strategic Leadership
IN THE AGE OF AI

BY ANDREAS WELSCH

Artificial intelligence has been a field of promise and curiosity for the past seven decades. But it wasn't until the release of ChatGPT at the end of 2022 that this technology received renewed interest. For the first time in the history of computing, users can generate text, images, audio, and video that often are indistinguishable from human-created results. While large organizations have been quick to explore and adopt this new technology across their marketing, sales, or customer service departments, smaller organizations are just starting their AI journey. The latest trend, agentic AI, lets systems work based on goals instead of explicit instructions (rules) or patterns (data) to derive tasks, context, and actions.

But according to market analyst firm Gartner and management consulting firm Boston Consulting Group, 85% of AI projects fail to deliver the anticipated value, and only 25% of firms are currently getting business benefits from generative AI. Yet, leaders are pressured by their senior leadership to find ways to introduce this technology as organizations need to increase efficiency and maintain relevance and profitability. This tension between business results, human concerns, and technology makes any AI implementation a high-stakes project.

Leaders need to take a multifaceted approach and consider nine critical aspects for systematically implementing AI solutions, as outlined in my 2024 book *AI Leadership Handbook: A Practical Guide to Turning Technology Hype into Business Outcomes*. In this article, we'll discuss the three most important ones in more detail: strategy, product mindset, and culture.

ALIGNING BUSINESS AND AI STRATEGIES FOR MAXIMUM IMPACT

Leaders need to revisit and revise their business strategy periodically. It must adapt to external factors such as new market realities, competitors, technologies, and products. Lately, AI has been a catalyst for change across any industry. Nimble organizations can quickly adapt to business model innovations, adopt new technologies, and evolve into a competitive threat to incumbents. Leaders need to react quickly to understand the challenges of the status quo and the opportunities that new technologies, such as generative AI, offer for the business. This is ever more relevant as technology is advancing at an ever-increasing pace.

In the last few weeks of 2024, vendors such as OpenAI and Meta have released dozens of innovations that further accelerate AI as a basic technology. However, organizations looking to adopt this technology are operating much slower than the product cycles of technology players. Data and IT experts in organizations need to understand the technology, evaluate its opportunities and risks, and determine how it could support the business strategy. Naturally, this creates a lag between what you read in the headlines and what you can use within your business.

On top of those legacy systems, dependencies, and complexities, adoption becomes even more challenging. It is easy to feel

that your own organization is behind. But looking to adopt new technologies like generative AI or agentic AI without properly understanding the technology, its potential, and its impact is a sure way to create money pits and rack up sunk costs.

Based on my interviews with more than 60 AI leaders, successful organizations take a different approach. They start with the business strategy and assess the key goals for the company in the next 18 to 36 months. They also track how these goals are measured via key performance indicators (KPIs), such as revenue growth. From there, leaders look for the most impactful value drivers influencing business KPIs, such as conversion rates. Defining a dedicated AI strategy creates transparency in how the organization will use this technology to create value for the business (for example, increase revenue or reduce cost) and the data and technologies needed to support it.

GROUNDING AI STRATEGY IN THE BUSINESS STRATEGY

Vision & Mission

Business Strategy

AI Strategy

Technology Strategy

Data Strategy

By following this three-step approach, leaders ensure that these strategies build upon each other and contribute to the organization's overall business goals. Once this starting point is defined, look for concrete scenarios and capabilities contributing to these organizational goals to operationalize your AI strategy.

SOLVING BUSINESS PROBLEMS WITH A MEASURABLE RETURN

As AI innovation moves so rapidly, leaders need to stay informed about major developments in their business functions and industry. Let's take the evolution of AI in customer service as an example. Within the last 10 years, technology has moved from low autonomy and automation toward highly autonomous and automated processes:

- Rule-based chatbots allow basic retrieval of information based on defined question-answer pairs.

- Machine learning-based ticket classification and proposal of common responses automate tasks of human customer service agents.

- Robotic process automation (RPA) bots gather additional information and download or upload contracts, warranty information, and so forth.

- Generative AI-enabled chatbots allow a more human-like conversation flow with greater variation in questions and responses.

- AI agents handle customer inquiries about product information and common questions (semi-)autonomously.

MATRIX OF AUTOMATION AND AUTONOMY LEVELS
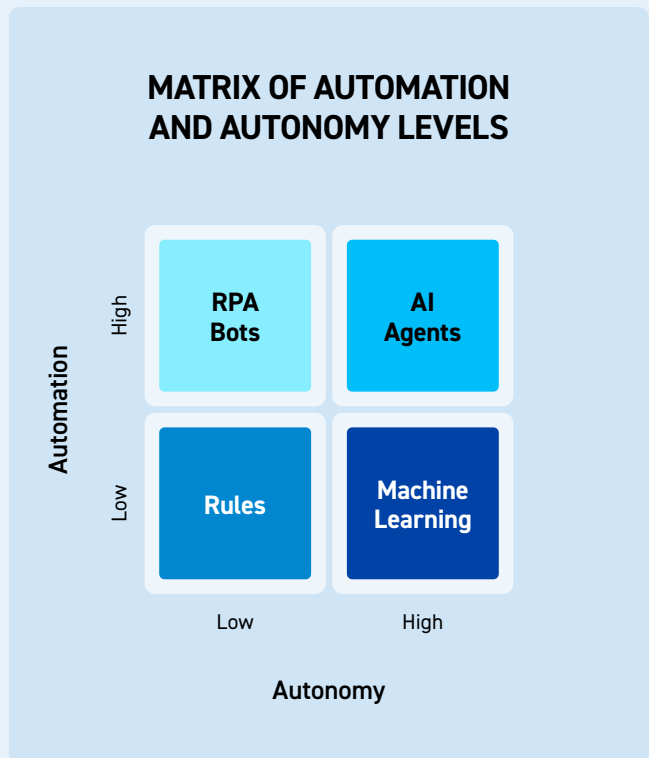
Beyond understanding what this technology is and what it does, leaders must also understand where it will deliver the most benefits—especially when the headlines are driven by hype and fear of missing out (FOMO). Organizations that succeed in their AI implementations build a portfolio of ideas based on business value and feasibility. They then evaluate and progress these ideas through a funnel from ideation to validation, realization, implementation, and operation.

It is important to note that not every idea will go through all the stages. Quality gates and reviews throughout this process ensure that only the most impactful AI scenarios will make it into production. Leaders can visualize this funnel and plot the respective ideas to communicate the latest status to senior leaders and stakeholders across the business.

PHASES OF THE IDEA FUNNEL
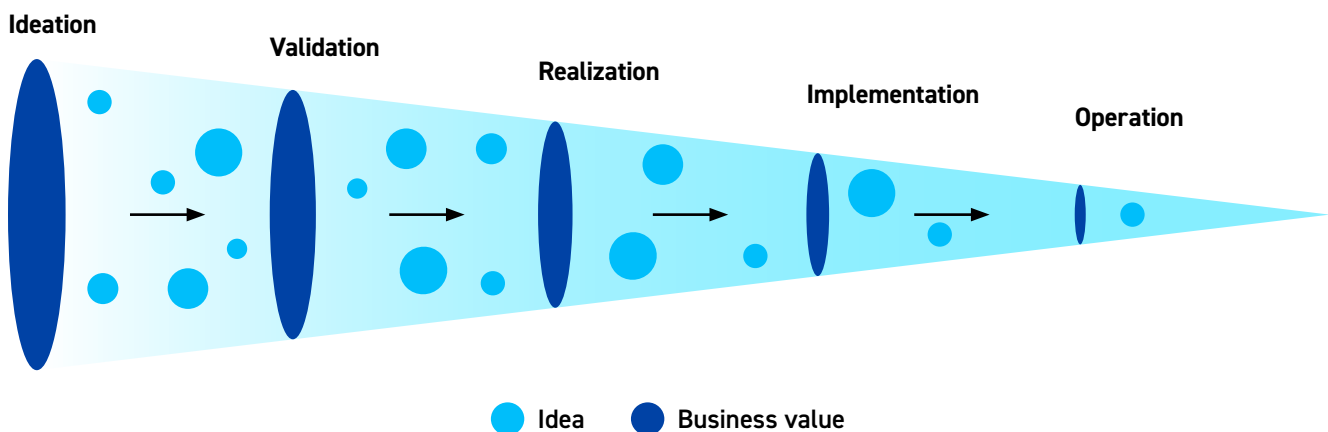
Leaders new to AI often approach the introduction of this technology in a business as an IT project. The problem with this approach is that AI projects are rarely linear in nature. They typically involve experimentation and iteration. Technologies such as AI change how teams and organizations work when software makes predictions about which leads are most likely to convert into deals, provides recommendations for the next best actions, and generates information that is indistinguishable from human-created works. That is why leaders need to pay special attention to change management and adopt a product mindset in which the customer or end user and creating value for them become the focal point.

Technologists are typically the ones who initiate and lead an AI project. However, it is critical that business and technology experts collaborate from the very beginning of a project until its implementation and operation. Business stakeholders are uniquely qualified to provide insights into where the business problems lie and the likely causes of them. Combined with technologists' understanding of AI capabilities to categorize, recommend, generate, and automate, mixed teams can prioritize the most promising AI project ideas and define how to measure the impact of the selected initiatives. The reason why this collaboration is so important becomes evident when a new AI product is rolled out to users. Their initial reaction is often skepticism, concern, and rejection. Leaders play an important role in supporting AI adoption through awareness, transparency, and open communication.

## ENSURING A BALANCE BETWEEN HUMANS AND AI

Early in the current AI hype, which started a little more than two years ago, a phrase emerged: "AI will not replace you—a person using AI will." This phrase was supposed to characterize the rapid adoption of generative AI and the divide between those who use it and those who do not. Some employees might view this quote as motivation to use the latest technology, while others fear AI will impact or eliminate their jobs. Leaders need to be aware of this situation in their organization and acknowledge these dynamics that impact individuals' openness to change.

The dynamic is different for those who use AI regularly for their work. For example, software vendor Slack found in its "Fall 2024 Workforce Index" that 46% of employees are afraid to tell their manager that they use AI because they fear they'll be viewed as less competent or lazy. For a leader, this means that one part of your team is more productive than before and, at the same time, they are more afraid to admit it out of concern they might end up with more work or be seen as less competent. What would the impact be on your team if a highly productive, AI-supported team member left? Would you be able to compensate for it if it were one or several dozen?

Leaders should encourage their team members to experiment with AI and use it within the company's guardrails. Guardrails can be a simple policy that states what kind of AI tools can be used for business purposes, what equipment should be used (such as company-issued devices only), and what kind of data can be entered. For example, this "Generative AI Use" policy should prohibit entering any customer data and confidential information to avoid the risk of leaking personal data or intellectual property.

Introducing AI into a business process and function also means designing how team members will interact and work with these new capabilities. Think of it as a scale. On one end, humans observe AI's actions and output, and on the other, AI operates autonomously. The latter requires that users trust the new system works as intended—and see that it does. Ensure team members have transparency in what AI is doing and why. This transparency also balances the risk of using cutting-edge technology if it does not perform as expected.

SPECTRUM OF HUMAN-AI COLLABORATION

AI

Human

Operating

Observing
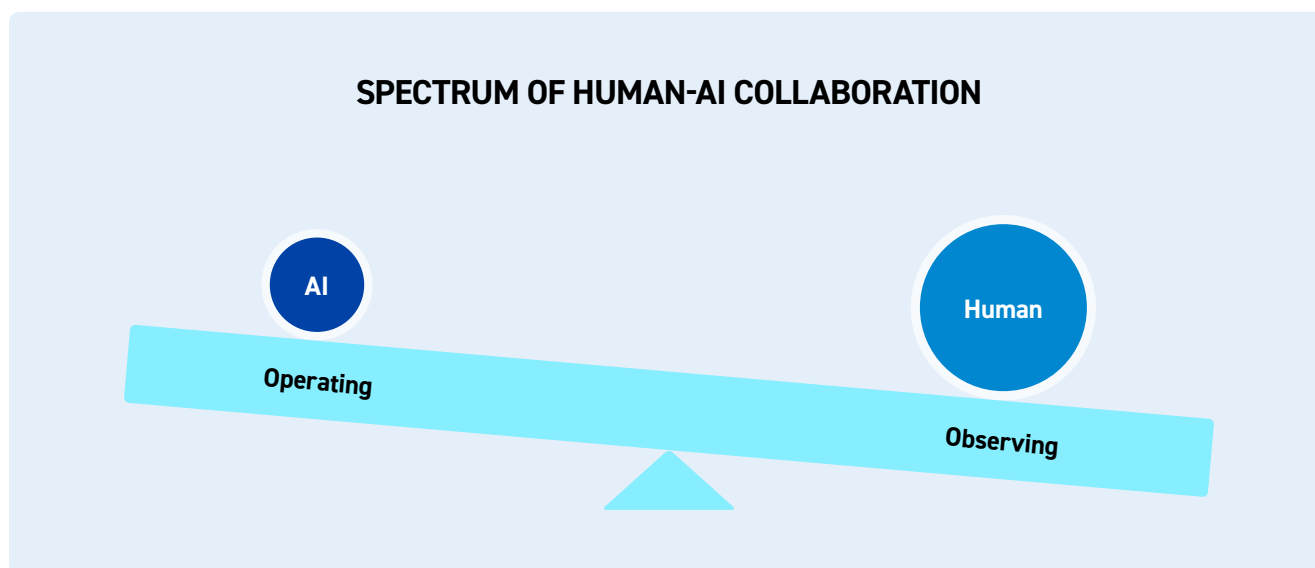
Two in three companies struggle to reimagine workflows and drive incentives, culture, and change, according to Boston Consulting Group's recent survey "From Potential to Profit: Closing the AI Impact Gap." Yet, we are just at the beginning of another wave of AI-driven innovation that promises greater levels of automation and autonomy: AI agents.

OUTLOOK: THE AGENTS ARE COMING

Toward the end of last year, software vendors such as Salesforce, Microsoft, and SAP announced a new kind of AI technology, AI agents, that work based on defining a goal instead of defining the explicit steps to reach it.

Currently, AI agents can take on individual tasks such as doing research and drafting a blog post or responding to common customer inquiries for a specific product. But the first frameworks by startups such as Crew AI elevate this capability to the next level: multiple, specialized agents collaborating to solve a business problem or goal.

Employees, teams, and departments will have access to powerful AI agents that support them. These AI agents have access to company information they need for their role (such as brand voice and tone in marketing or product documentation in customer service). Eventually, teams of agents will collaborate

with other agent-based teams. For example, when creating an ad campaign, marketing's team of agents will collaborate with teams of agents in finance and sales to determine the available budget, track and communicate spending, and align on the target audience that's most likely to convert in support of deals in progress.

Lastly, teams of AI agents in one company will request information from, negotiate with, and do business with teams of AI agents in another. At least, that is the vision for the future.

The success of AI agents will depend on two key factors: software vendors' ability to deliver and an organization's ability to adopt this technology. But adoption takes more than buying the technology. It takes a deliberate approach to strategy, prioritization, and training to bring people along on this journey and achieve tangible benefits beyond the promise. CQ

Andreas Welsch is an internationally recognized AI leader, advisor, and speaker known for helping the world's leading enterprises turn technology hype into business outcomes. He is the founder and chief AI strategist at Intelligence Briefing, the bestselling author of AI Leadership Handbook: A Practical Guide for Turning Technology Hype into Business Outcomes *(March 2024), and the creator of several popular LinkedIn Learning courses on AI agents for business leaders.*

How to Create AI-Powered Cultures of Innovation and Collaboration

BY JOSHUA SUMMERS

We're entering a new era of AI. The recent breakthroughs from DeepSeek, Google with Gemini 2.0, and OpenAI's Deep Research—a new AI agent within ChatGPT that can sift through online sources for you—all signal a rapid shift in what's possible. As global leaders convened at the Paris AI Action Summit in February 2025 to discuss the future of this transformative technology, the question was: How do we not just implement AI but integrate it into the very fabric of our organizations and work culture?

While the potential benefits are immense, from increased productivity to economic growth, a lingering skepticism persists, often framing AI as a job-stealer rather than a smart, reliable collaborator. But the truth is, AI isn't about replacing people; it's about empowering them. The real challenge lies in building a workplace culture that embraces AI as a co-worker.

AI AS A CO-WORKER, NOT JUST A TOOL

Building companies, investing in startups, and raising kids have taught me one thing: Never turn down ways to make life easier.

Docusign simplifies electronic agreements. Canva helps you design great graphics. Slack enables instant messaging across teams. Airtable keeps track of projects and tasks. These are utilities—designed to execute specific tasks efficiently.

But AI is different.

Unlike traditional business tools, AI isn't just a function-based assistant. It's a co-worker that learns from your workflow, adapts to complex and nuanced tasks, collaborates in problem solving, and evolves through feedback.

It's a new era—"the synthetic workforce"—that leverages AI to amplify human potential, not replace it.

According to a January 2025 report from McKinsey & Company, while 92% of companies plan to increase their AI investments over the next three years, only 1% of leaders consider their organizations to be at AI maturity, where AI is fully integrated into workflows and drives substantial business outcomes.

THE FUTURE OF WORK: AI AS THE NEW INTERNET

The AI market will grow at a rate three times faster than the broader IT sector over the next five years, according to IT consultancy Sopra Steria. But history tells us that every

technological shift sparks fear before it drives progress.

Having built four companies over the last two decades, I've witnessed many waves of tech innovation. But this generative AI wave? It's unlike anything I've seen before. The numbers paint an almost unbelievable picture.

AI is redefining the pace of enterprise adoption. While past innovations like the Web and mobile took around seven years to reach 50% enterprise adoption—and cloud computing needed eight—AI is hitting that same milestone in just 2.5 years. What makes AI different? Speed. Unlike previous technologies that required costly infrastructure overhauls or hardware rollouts, AI can be deployed through existing systems, allowing companies to integrate it almost instantly. It's moving from "interesting technology" to "business essential" faster than anything before it, forcing organizations to adapt or risk falling behind.

AI's rapid adoption isn't just transforming businesses—it's reshaping the very nature of work, much like past technological revolutions that first displaced jobs but ultimately created entirely new industries. Similarly, the rise of personal computing eliminated typist roles but gave birth to a thriving software development industry. More than 2.5 million app developer jobs exist today—up from essentially none a few decades ago.

It's not about AI eliminating work. It's redefining it.

MOVING FROM BASIC TASKS TO COMPLEX AI SOLUTIONS

There was a time when scheduling meetings, manually analyzing large datasets, and proofreading emails were tasks delegated to interns or junior employees. Now, AI has been tasked to handle a lot of these tasks, enabling humans to focus on high-impact work. But we're only scratching the surface.

The next evolution of AI in the workplace will extend beyond automation and into more complex, strategic applications. This includes not only automating repetitive tasks but also augmenting human capabilities in areas like creative problem solving and strategic decision making. For instance, AI can analyze market trends and customer data to provide insights that inform product development or marketing campaigns. It can also assist in complex simulations and modeling, allowing businesses to explore different scenarios and make more informed decisions.

Furthermore, AI is increasingly being used to personalize customer experiences, optimize supply chains, and even develop new drugs and materials. The key is moving beyond viewing AI as a simple taskmaster and embracing its potential as a strategic partner. This requires a shift in mindset, where humans and AI work together to achieve outcomes that neither could accomplish alone. This collaborative approach will unlock new levels of innovation and efficiency, driving businesses forward in the age of AI.

Advances such as Deep Research and DeepSeek demonstrate AI's ability to now synthesize information, draw conclusions, and generate novel insights with minimal human input. These models don't just retrieve data. They analyze context, evaluate nuances, and refine results dynamically, making them valuable tools for research, problem solving, and strategic decision making. As AI continues to advance, its ability to reason, not just compute, will unlock even greater potential across industries.

AI IN ACTION

AI is creating a massive amount of change in workflows, particularly in credit analysis, risk management, and portfolio monitoring.

The journey of AI in lending started with simple chat-based customer support, evolved into document analysis, and then expanded into financial spreading and risk assessment. These incremental advancements are paving the way for more sophisticated applications, but early tools lacked adaptability and required significant manual intervention.

These original AI-driven lending tools provided a step forward in automation. However, self-improving AI introduces a new paradigm where models learn dynamically, refine their understanding of lender intent, and optimize workflows without requiring constant human intervention. These enhancements are making lending and portfolio monitoring far more efficient and effective.

Self-improving AI is pushing financial decision making to new heights, not by replacing risk analysts but by enhancing their speed, accuracy, and strategic insight. The ability to dynamically refine prompts, automate workflows, self-correct errors, and proactively surface risks marks a new era of lending intelligence.

Beyond these applications, agentic AI is beginning to power wealth management solutions, offering hyper-personalized investment strategies tailored to individual financial goals. Algorithmic trading platforms leverage AI to execute high-frequency trades with precision, while predictive analytics improve portfolio management decisions. The shift from AI as a back-office tool to an integral part of financial decision making underscores its transformative potential across industries.

KEY CONSIDERATIONS FOR IMPLEMENTING AI AT YOUR ORGANIZATION

Adopting AI isn't just about plugging in new software. It requires a fundamental shift in how organizations operate. The following factors explain what leaders within organizations need to consider:

Measure success beyond cost savings. AI's impact shouldn't be measured solely by cost cutting. The real return on investment comes from increased efficiency, improved accuracy, accelerated revenue growth, and enhanced customer satisfaction. Organizations must define clear KPIs that extend beyond short-term financial gains.

Understand the total cost of AI. Beyond licensing fees, AI adoption requires investment in training, maintenance, and long-term integration. Leaders must account for these costs when evaluating AI's business impact and ensure they have a roadmap for sustainable implementation.

Choose the right AI solutions. With a rapidly expanding AI market, not all solutions are created equal. Differentiating between off-the-shelf tools and bespoke AI models is critical. Businesses should assess AI's adaptability, security, and ability to integrate into existing workflows before making decisions about where to invest.

Onboard AI into the workplace. Successful AI adoption requires structured onboarding. Employees need clear protocols for integrating AI into their workflows, alongside training programs that enable them to use AI effectively. Continuous feedback mechanisms should be established to refine AI's role over time.

Establish feedback loops for continuous learning. AI's value increases when it learns and improves. Organizations should create structured feedback loops— monitoring AI's performance, gathering insights from employees, and continuously refining models to enhance accuracy and efficiency.

Ensure accuracy in real-world applications. AI's effectiveness isn't determined by foundation models alone. It's measured by how well AI solutions perform within real workflows, using real data. Accuracy must be benchmarked against human performance, with continuous testing and refinement to minimize errors and biases.

PEOPLE FIRST: CULTIVATING AN AI-READY CULTURE

Building an AI-first organization isn't just about the technology. It's about the people.

Real transformation happens when companies cultivate a culture where everyone understands AI and feels empowered to use it effectively. This means building AI literacy across all teams, not just among engineers.

Identifying and nurturing "AI champions"—those early adopters who are enthusiastic about the technology and can mentor their colleagues—is also key. These champions can significantly accelerate company-wide acceptance. In addition, sharing success stories can demonstrate AI's value. Whether through internal newsletters, leadership updates, or company-wide meetings, showcasing AI-driven wins encourages broader adoption. It's also important to recognize and reward employees who drive AI innovation across organizations. Offering bonuses, promotions, or simply increased visibility to those championing AI helps weave it into the company's very fabric.

Technology alone won't drive transformation—people will. But while employees are ready to embrace AI, leadership often lags behind. According to McKinsey's January report, the biggest barrier to scaling AI isn't employees—it's leaders who aren't steering fast enough. Without decisive leadership, even the most AI-literate workforce will struggle to make an impact.

THE AI ADVANTAGE

The companies that will lead the AI era aren't just those that adopt AI, but those that embed it deeply into their operations, decision making, and culture.

AI's value doesn't come from replacing human work. It comes from amplifying human intelligence and leaning into this "synthetic workforce." Organizations that foster collaboration between AI and employees will unlock a greater competitive advantage.

AI isn't the future of work—it's the present.

The question isn't whether to implement AI. It's how to do it in a way that empowers your people and transforms your organization. CQ

Joshua Summers is the co-founder and CEO of EnFi, an AI-driven risk management and monitoring platform for the private credit and lending space. Summers' previous startups have exited to PayPal and AT&T.

HR Departments Can Use AI to Fortify Organizations

BY TIM GLOWA

A major disconnect exists between what corporate leaders want and what HR teams can deliver when it comes to artificial intelligence. A 2024 McKinsey flash survey of more than 100 organizations with more than $50 million in annual revenue found that 63% of respondents are making AI a top priority ("Implementing Generative AI with Speed and Safety"). However, two-thirds of HR leaders say they are struggling to keep up, according to an SHRM report from October 2024 ("Survey Reveals HR's Role in AI Adoption"), and the pressure on HR departments is mounting. Only 1% of HR teams have achieved advanced AI implementation, according to the same SHRM

report, creating a massive opportunity for those who can bridge the gap and challenges for HR leaders who can't.

The statistics tell a clear story: HR departments that fail to develop AI capabilities risk falling behind in a world where executives demand AI-driven results. This isn't just another tech trend. It's a fundamental shift that's already transforming how leading companies operate.

A WAKE-UP CALL FOR HR

Many HR leaders lack familiarity with how AI is currently used

in HR functions such as talent acquisition and performance management. Despite this knowledge gap, there's still widespread belief that AI has the potential to significantly improve decision making in organizations.

This knowledge-confidence gap is the first hurdle most HR teams need to overcome. HR professionals are at a critical juncture where they must quickly build AI literacy or risk becoming organizational bottlenecks. The urgency cannot be overstated—corporate leaders are expecting results now.

REAL APPLICATIONS OF AI IN HR

Let's cut through the noise and look at practical applications. AI isn't just for tech companies or data scientists—it has specific, valuable uses in human resources.

In recruitment, AI tools can scan resumes more efficiently than humans ever could, removing unconscious bias from initial screenings when properly designed. These tools can predict candidate success based on patterns from your top performers, helping you find the right fit faster.

For employee development, AI systems can analyze skills gaps across your organization and recommend personalized learning paths for each team member. The systems can match mentors and mentees based on complementary skills and career trajectories, something that would take humans hundreds of hours to coordinate manually.

In retention strategies, AI can identify flight risk patterns months before an employee starts looking elsewhere, giving managers time to address concerns before resignation letters appear. It can also analyze engagement survey data to spot trends human analysts might miss.

Even in day-to-day operations, AI assistants can draft policies, onboarding materials, and communication templates that HR professionals can then personalize and finalize—saving hours of writing time.

THE RISK OF INACTION VERSUS MEASURED ADOPTION

The consequences of falling behind aren't merely theoretical. Despite challenges with data and operating models, McKinsey found in a 2024 report ("The State of AI in Early 2024: Gen AI Adoption Spikes and Starts to Generate Value") that Gen AI high performers are excelling. These high performers use AI across more business functions, averaging three functions versus two. They're more likely to implement customized solutions and actively mitigate risks, with 42% attributing over 20% of EBIT to analytical AI.

Organizations avoiding AI altogether face bigger risks:

• Competitive disadvantage in talent acquisition

• Inefficient processes that waste resources

• Inability to provide the data-driven insights business leaders now expect

• Diminished strategic influence within the organization

Yet rushing into AI implementation without proper oversight carries its own risks. *MIT Technology Review* reported in 2021 ("LinkedIn's Job-Matching AI Was Biased. The Company's Solution? More AI.") that LinkedIn's AI-driven Talent Insights platform disproportionately favored candidates from prestigious universities and companies while sidelining nontraditional career paths—creating a narrower talent pool rather than expanding it.

This cautionary tale highlights that AI implementations without proper oversight can amplify existing biases. But the answer isn't to avoid AI—it's to implement it thoughtfully with human guidance.

STARTING YOUR AI JOURNEY: THE AERO APPROACH

One practical framework for evaluating AI opportunities is the AERO Matrix (AI Evaluation of Risk & Opportunity), which helps leaders assess potential AI applications based on their risk and opportunity profiles. The matrix divides AI applications into four categories:

Low risk, high opportunity
These "Pursue" applications are the low-hanging fruit—like using AI to create personalized learning recommendations or streamline resume screening with human oversight.

Low risk, low opportunity
These "No-Brainer" applications won't transform your department but can save time on routine tasks.

High risk, high opportunity
These "Evaluate" applications—like AI-driven performance evaluations—require careful implementation with robust ethical guardrails.

High risk, low opportunity
"Avoid" these applications until the technology improves or the value proposition becomes clearer.

This approach helps prioritize AI investments while managing potential pitfalls.

ETHICAL CONSIDERATIONS AS A COMPETITIVE ADVANTAGE

HR leaders are aware of ethical challenges associated with implementing AI. This awareness itself can become a competitive advantage when properly applied.

When implementing AI, ethical considerations shouldn't be an afterthought—they should be designed into the system from the start. This includes:

- Conducting regular audits to detect and address algorithmic bias

- Communicating clearly with employees about how AI is being used

- Maintaining human oversight over critical decisions

- Ensuring data privacy and security

- Developing transparent policies around AI use

Organizations that implement AI ethically will not only avoid potential PR disasters but also build greater trust with employees and candidates—a crucial differentiator in competitive talent markets.

Transparency builds trust. When employees understand how AI is being used to support—not replace—human decision making, adoption rates climb dramatically.

FROM THEORY TO PRACTICE: GETTING STARTED

There are practical steps any HR team can take to build capability in assessing AI risks and opportunities. HR leaders can develop this confidence through structured approaches and dedicated resources.

Start small. Begin with a single use case, such as optimizing job descriptions using AI assistance. Measure the time saved and quality improvements to build a business case for further investment.

Build cross-functional partnerships. Work with IT, legal, and compliance teams to ensure proper governance. These collaborations ensure AI implementations meet technical requirements, data privacy standards, and regulatory guidelines.

Invest in AI literacy. Ensure that your team understands AI capabilities and limitations through focused training. AI literacy should be a core competency for all HR professionals, not just technical specialists.

Develop clear policies. Create guidelines for responsible AI use in HR functions. These should cover data usage, decision review processes, and transparency requirements.

Test and learn. Implement pilot programs before full-scale deployments, measuring results against clear KPIs. These metrics might include time savings, quality improvements, or employee satisfaction with AI-assisted processes.

CREATING A CULTURE THAT EMBRACES AI

Building technical capability is only half the battle. Creating a culture that embraces AI as a trusted ally requires addressing the human side of change.

The biggest barrier to AI adoption in HR isn't technology—it's mindset. Organizations need to shift the narrative from "AI will take our jobs" to "AI will make our jobs more meaningful."

This cultural shift requires several things:

Transparent communication. Be honest about how AI will change roles and workflows. Address fears directly and emphasize how AI handles repetitive tasks so humans can focus on high-value work.

Inclusive development. Involve end-users in the selection and implementation of AI tools. When HR professionals help shape the tools they'll use, adoption rates improve dramatically.

Celebration of early wins. Showcase successful AI implementations and the benefits they deliver. These success stories build momentum and reduce resistance to future initiatives.

Creation of AI champions. Identify early adopters who can mentor colleagues and demonstrate practical applications. These champions become invaluable resources during the transition.

Continuous learning opportunities. Provide ongoing education about AI developments and applications. Learning should be celebrated as part of the department's culture.

FUTURE-PROOFING HR

The most important thing to understand about AI in HR isn't the technology itself. It's the shift in mindset required. HR is moving from a primarily administrative function to a data-driven strategic partner.

HR leaders who embrace this transition will find themselves with more time for high-value work such as strategy development, culture building, and coaching, leaving repetitive tasks to AI assistants. Those who resist may find their influence diminishing as other departments race ahead.

> The biggest barrier to AI adoption in HR isn't technology— it's mindset.

Only 22% of organizations have a clear strategy for implementing AI in HR, according to HR Brain in its February 2025 report ("The State of HR in 2025"). While 28% have adopted generative AI tools for HR functions, the absence of a structured approach leaves many companies vulnerable to inefficiencies, compliance risks, and missed opportunities. This gap presents both a challenge and an opportunity. HR professionals who develop AI expertise can position themselves as strategic and visionary leaders.

THE PATH FORWARD

The gap between corporate leaders' expectations and HR readiness around AI implementation represents both a risk and an opportunity for HR teams. By taking thoughtful, strategic steps to incorporate AI into HR functions, departments can elevate their strategic value while avoiding potential ethical pitfalls.

The question for HR leaders is no longer whether to implement AI, but how to do so in a way that aligns with organizational values and enhances rather than replaces human judgment. Those who navigate this transition successfully will likely find themselves at the forefront of a fundamentally transformed HR function—one that combines technological efficiency with uniquely human insight.

The time to start is now. With leaders prioritizing AI and competitors moving quickly, waiting for perfect conditions before beginning your AI journey is a luxury few HR departments can afford. CQ

Tim Glowa is founder of HR Brain LLC, creator of an innovative career support platform, and is dedicated to making the world a better place to work through the power of AI. A published author and former partner in a global consulting company, his strategies drive improved employee engagement, significantly reduce turnover, and help job seekers land their dream jobs faster, making him a key advisor in human capital and rewards strategy. His work has been featured in major media outlets, including the Wall Street Journal, Financial Times, *Bloomberg, and CNBC, and many others. He is the author of the books* The Future of Work, The Art of War: Strategic HR Applications, *and* Smart Board Governance for the AI Revolution.

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