

AI and Leadership

Part 2

Summary

In Part 1 of this two-part thought paper, the 70-year history of AI was presented along with six opportunities/benefits that artificial intelligence (AI) provides to the effectiveness and success of the organization: (1) data-driven decision making, (2) personalizing the consumer experience, (3) optimization, (4) predictive capabilities, (5) scalability, and (6) continuous learning. There are obviously so many more, but these benefits have been the most visible and have had the most impact.

The speed at which business has seen AI influence the workplace has led to much uncertainty, fear of job replacement, and confused (and post-pandemic, fragile) workers across all industries from car manufacturers to screen actors. The future of work will be different, workforces will be different, and thus leading and leadership will need to be different. This article is a high-level examination of thoughts to stimulate and perhaps provide a frame for how leading will be different in this future where AI is a given, rather than a possibility. Leading in the algorithmic world will be different and will evolve rapidly, forcing leaders to be intuitive, discerning, innovative, and sensitive to the people they are called to lead.

Why is the understanding of AI critical to leaders today?

The algorithmic revolution, and specifically the subset AI, assuming the opportunities and benefits already mentioned, will shift the work paradigm for leaders and their leadership style as they attempt to lead this growing “symbiotic relationship” between humans and machines. Leaders will have to learn, adopt, and adapt to this revolution by excessive use of their people skills in order to effectively utilize, motivate, and influence people in this new world of algorithms and intelligent systems. This might best be



accomplished through the leading/changing of an organizational culture journey that is intentionally nurtured to embrace digital transformation by encouraging agility (risk), experimentation (innovation), and learning (wisdom) - attributes not presently possible through the use of algorithms today! Leaders, in order to succeed in this mindset shift, will need to influence and motivate their greatest asset, people, with a clarion message clarifying that humans may be *displaced* by AI, but only in rare cases will they be *replaced* by AI. AI could provide the necessary platform for people to be displaced to new opportunities, where humans cannot be replaced – areas where creativity, innovation, empathy, imagination, etc. can be unleashed while the mundane is completed by algorithms. This change in mindset will require leaders to exercise and hone their soft skills, creating the environment and chemistry needed to motivate and engage a thriving and flourishing workforce. The skill of emotional intelligence (EQ) will become the dominant skill set for the future leader in leading this “dance of change.”

Disproportionate use of the leader’s soft skills

Every leader is familiar with the importance of human-centric leadership. A leader by definition cannot lead without followers. The first-step for leaders today is to “dust off” their people skills and focus their leadership on a people-first leadership style. Fortunately, the need for such skills was highlighted during the 2020 global pandemic. There are many leadership skills, styles, and behaviors that could be considered human-centric, or soft skills, but four essential skills are critical for the leader in these times.

1. **Honesty** – Above all talents and skills, employees are humans, and in order for people to “give their all”, employees have to be able to trust their leaders. This is especially true given the rapidly changing nature of work and high levels of misunderstanding about the role of AI (a robot is going to take over my job). To trust the leader, there must be transparency and honesty. People are looking above all for genuine, honest, and trustworthy leaders.
2. **Adaptability** - Constant change requires leaders to be agile and adaptable to the changing context and conditions. If a culture of learning and innovation exists, unexpected change and adaptation through learning is normal. If such a culture is still developing, adaptation from learning must be intentional and managed by leaders. The difficulty for the adaptive leader is that frequent adaptation is often perceived as lack of focus and consistency in the leader’s vision or goals. Thus, the importance of honesty and trust.
3. **Vision** - Who can forget Alice in Wonderland’s question to the cat, “Would you tell me, please, which way I ought to go from here?” The cat replies, “That depends a good deal on

where you want to get to” only to be answered by a quick “I don’t much care where.” The final response from the cat is, “Then it doesn’t matter which way you go.” A vision that inspires meaning and purpose for the organization is a non-negotiable to leadership, and if AI is to be part of this vision, its utilization or integration must not only be formally integrated into the vision, but the leader must be intentional in strategizing how the organization can embrace the vision. The speed that AI has advanced and impacted business, may have left a gap between the vision and mission of the organization, and the growing impact of the digital tsunami of which AI is significant. A common challenge to the leader in a fast-changing technology world is often determining the best time-horizon for the vision. Organizational history suggests vision statements should be long-term, often 10 years or beyond. In times of rapid change and uncertainty, the vision should be shorter, but how long is shorter? A practical and flexible solution is it long enough to provide clarity, priority, purpose, impact, and resources, but short enough that when appropriate the vision can be adapted to significant changing contexts and external forces.

4. **Engagement** – Leading when change is rapid and different from what the workforce expects, such as change caused by AI, requires leaders to be intentionally over-engaged with their teams and the organization. Being guardians of the vision, purpose, and culture of the organization, while proactively leading into a different future, requires continual engagement between the leader and their followers. Engagement through communication, empathy, inclusion and transparency, celebration, and even admissions of mistakes, shows courage, builds trust, and garners loyalty in the most difficult times of change.

There are many more soft skills needed to be an adaptive and agile leader in any change process. However, with the prevailing perception that one’s work will be replaced with AI technology, the need for honesty, adaptability, vision, and continual engagement has become even more important.

Being a good leader that is focused on the workforce is right for the moment but for sustainable and ongoing success, the leader cannot be the only strategy to addressing this new future. The behavior and norms expected for a thriving future can only be sustainable when there is a shift in culture, a shift to a culture that embraces agility and if possible comfort in adapting with diligence and some risk.

Leading and Nurturing a Culture of Agility and Adaptability

The digital revolution, energized by the advent of generative AI will demand that organizations be agile and adaptable in order to thrive. Leaders should be building and cultivating an organizational culture open to embracing rapid change, experimentation, feedback, and continuous learning. Leaders will need to prioritize and foster an environment where employees are empowered to feel safe in challenging the status quo and leveraging digital tools such as AI to drive and add value to the impact of the organization through innovation. Jared Spataro, in an excellent [HBR article](#), provides insight of several practical steps that leaders might consider in changing an organization's culture to accommodate an AI future. Adapted from this article are several strategic thoughts for the leader to consider in bringing clarity to the preferred culture of the organization and developing strategies on where to focus in leading this change.

Leaders must strategize on how to normalize organizational behavior with the goals of:

1. **Choosing curiosity over fear** – Recognizing the importance of and working symbiotically with AI, rather than “just using it” as a tool, will be important for the organization. Investing in professional development opportunities that identify the benefits of AI, learning when and how to ask questions (prompt engineering) using AI, and reinforcing the importance of human knowledge in fact-checking and contextualizing AI's responses may begin to mitigate employees' fears and hopefully will energize curiosity and energy into integrating AI in the workplace. Spataro's research team showed “that while 49% of employees are concerned AI will replace their jobs, the promise of AI outweighs the threat: 70% of employees are more than willing to delegate to AI to lighten their workloads.” Building an organizational culture of learning or innovation is not new. However, expanding this concept of learning to cultivate ongoing discovery and curiosity is now essential and critically important for leaders.
2. **Embracing rather than surviving the future** – in 2019 the [Institute for the Future](#) stated, “that up to 85% of the jobs that today's college students will have in 11 years haven't been invented yet.” AI is predicted to change nearly every job and nearly every work process in the future, as to some degree AI augmentation or automation has benefits in almost all dimensions of repetitive work. As leaders, this is the perfect opportunity to promote the principle of job displacement, encouraging teams to use their human skills of creativity by reimagining the work they do, adopting agile approaches such as “test-and-learn” strategies, and to discover or create ways that AI can best be integrated into the workplace in achieving the purpose and

impact of the organization. Leaders creating space for experimentation and learning, and encouraging innovation and managing risk as strategies to the future, will enjoy the potential of AI before many others.

3. Learning from failure - Thomas Watson (founder of IBM) is quoted as saying, “You can be discouraged by failure, or you can learn from it. So go ahead and make mistakes, make all you can. Because, remember that's where you'll find success - on the far side of failure.” And that was 80 years ago! As leaders, we have the authority and responsibility to foster a culture where failure is regarded as an investment and experimentation is a way to encourage potential opportunities where AI can best fit into the organization’s business model. Celebrating wins, as well as learning from failure—that is, knowledge management—are distinctive of a healthy and agile organization’s culture.

4. Resurrecting the Learning Organization – in the late 20th century Peter Senge redirected many leaders’ thinking in authoring the books, *The Fifth Discipline* (1990 and 2006) or *The Dance of Change* (1999). The premise of Senge’s writing was the necessity of leaders fostering a culture that encouraged continuous learning, collaboration, and a holistic approach to problem-solving. The advent of AI has extended problem-solving to focusing on asking the right questions, rather than the traditional expectation that specialist analysts (geeks) and knowledge workers will provide the answers. Being able to ask the right questions, learning, and changing in a psychologically-safe environment are now foundational practices for an organization’s culture. The paradigm shift of AI to now being a ubiquitous organizational asset has already started. And while AI holds the potential of transforming work and providing organizations a competitive advantage, realizing the benefits of AI is not possible without a mindset shift and an intentionally cultivated organizational culture that embraces innovation, risk, and learning. Leaders are uniquely positioned to champion this culture within organizations today in order to position organizations for success in the future.

Five Critical Leadership Skills for Leading a Culture Shift

It is a truism that the culture of an organization mirrors the personality of their leader. The organization’s culture generally reflects how leaders behave, their chemistry with others, with whom they work well, what and whom they reward, whom they ignore, how they celebrate, and how they respond or react to failure, especially in stressful times. Organizational culture is created by how it is led, less than how it is managed. It is thus the leader’s responsibility, perhaps

even obligation, to articulate and reward clearly and consistently what they expect the culture (norms, values, and behavior) to be in the future. Clarifying the organization's culture provides "banks" for the ever-flowing river of change. Leading an organization to a desired culture, especially a future as different as the shift to AI might be, will require intention, courage, and commitment from the leader. Change, and the development of strategies to achieve a changed culture, are unique to every leader. However, there are perhaps a handful of key and pragmatic leadership skills that are essential.

A. Vision and Strategy

A shared vision of the future, supported by how and to what extent AI is going to be utilized in this future, is a transparent starting point to communicate the leader's intent. The preferred outcome of this shared vision is to provide an inflection point by the stakeholders. Do I want to be part of this new future and can I become excited and embrace the vision, or is this the time for me to make a professional change and move on? Quiet quitters and naysayers are never helpful in culture shifts and clarity of vision may be just the time for those to make a decision on whether they are still a good organizational fit. The future should be framed with a clear articulation of the benefits, risks, and ultimately how the workforce and the purpose of the organization will profit and increase impact through this vision. Flowing out of this vision is how current strategies (strategic plan) will be impacted, and the consequences of new priorities and resource allocation. This clarity should help the workforce to understand why their world is, and will be looking different in the future. Shared vision (why), with clarity of strategies (how), is a prerequisite to common understanding, ownership, and commitment in changing a culture.

B. Investment and Funding

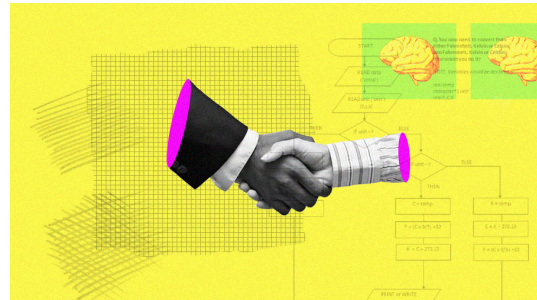
Nothing shows commitment to a culture more than focused and generous funding of particular or preferred strategies. When the organization observes leadership commitment through disproportionate funding through a clear and shared vision, implemented in specific well-funded strategies, there is little possibility of confusion of the expected direction and future. The availability of allocated resources is essential and symbolic for success and commitment. In an AI future, investment and funding will be particularly important, biased specifically to the acquisition and retention of specialized and qualified talent. The AI "generation" is a unique category of employees who in traditional organizational models are profiled or expected to "earn their stripes" and should wait to "work their way up the career ladder" to be heard, be at the decision table or to be considered leaders. The limited supply and growing demand for AI expertise will require that these non-traditional employees are considered by leaders as

investments towards the future who need encouragement and to be managed and rewarded uniquely and accordingly.

C. Collaboration and Network

Acknowledging that AI is a fast-moving and changing influence, and that many similar organizations are also not positioned to identify a strategic response is comforting, but not a respite or excuse. Digital transformation, especially the tool of AI, has provided leaders with an opportunity to create or form a workforce ecosystem that can now collaborate with AI and technology partners. An example of this is the

auto company Jaguar Land Rover which recently formed a strategic partnership with NVIDIA, a leader in artificial intelligence and computing, partnering to develop and deliver next-generation automated driving systems plus AI-enabled services and experiences for its customers. Starting in 2025, all new Jaguar and Land Rover vehicles will be built on the



NVIDIA DRIVE software-defined platform. Organizations do not have the resources, skills, and time to adapt constantly to the changes in digital work and so must develop their organizations into ecosystems that will include relationships and interdependencies with non-core partners. Many organizations today are experiencing poverty in digital knowledge and so partnering, collaborating, or networking may be the expedient, cost-effective, and best solution. The leader's ability to identify potential and value-added partners to complement the organization's core competencies will be a prerequisite for a leader to be successful in the future.

D. Bias and Ethics

The *advantage* of technology over humans is that technology, in this case AI, is inherently neutral and cannot be influenced by biases present in the data or the design process, unless of course the data being entered is biased. The *disadvantage* of technology over humans is that technology is neutral and cannot be influenced by biases present in the data or the design process. It is therefore crucial to address issues of bias to ensure that ethical considerations/safeguards are incorporated to mitigate potential negative impacts on individuals' privacy, marginalized communities, and/or the perpetuation of discriminatory practices. Leaders will need to navigate challenges such as data privacy, bias in data entry, bias in algorithms, and the unintended negative social impact of automation. Leaders will ultimately be accountable and

responsible for the organization's integrity by ensuring safeguards and practices for transparency, fairness, truth, and accountability in algorithmic decision-making processes.

E. Management of Change

Technology historically has been, and will always be, a catalyst for change. What is different specifically with AI, is that it has the potential to



disproportionately impact the human side of leading change. Historically, the primary challenge has been the fear of change and the workers' ability to adapt. With AI, an additional perspective of being replaced becomes another challenge.

Clarity that AI will become a tool of the change process, limited to performing the "data analysis", while the human change team focuses on the effect of the results, and its implications, will be a strong leadership message in the change process.

Another consideration in leading change when utilizing AI, is that change is leading to more democratization in the organization, and the long utilized organizational chart may become redundant if AI becomes an appropriate tool for decision-making. Some may ask, what is the new role of the manager or supervisor? This is not a new concern. The airline industry introduced auto-pilots in 1912 and have developed them since then – and we still have pilots! Workforces are rapidly becoming ecosystems that now have the potential to utilize specific talent from anywhere in the organization in real-time, regardless of role or geography. The potential talent may come virtually through remote work, or temporarily "swapped" in and out of a change project as needed. The potential for real-time talent optimization using AI as the supervisor is becoming a reality.

The capacity of AI to enhance decision making, using the best talent available when and where needed, will enable managers of change projects to have more time to do what they do best – leading the qualitative side of change rather than the change process.

Conclusion

The algorithmic, digital, or AI revolution has undoubtedly disrupted traditional notions of leadership and how the leader must lead within organizations. However, it also presents a plethora of opportunities for leaders who are willing to adapt and embrace this new and complex paradigm. By demonstrating the necessary skills as a leader, leveraging digital for innovation, fostering a culture of agility and adaptability, and by utilizing people-centric leadership skills,

leaders can, and will, successfully navigate the challenges, maximizing the full potential of the algorithmic revolution.

About the author:**John C. Reynolds, PhD**

Chief Executive Officer – Leading2Grow
leading2grow.com

John currently (soon to be retired) provides leadership as President/CEO of Los Angeles Pacific University, a private online university located in Southern California. Reynolds earned his undergraduate and graduate degrees in computer science and information systems in South Africa, and later a PhD at Azusa Pacific University. In addition to his over 20 years of experience in higher education, which includes the founding of Los Angeles Pacific University and Pacific Educational Resources LLC, Reynolds has worked as a strategy executive in the mining industry and as global Chief Information Officer (CIO) for World Vision International, a large private international relief organization. Reynolds is the author of several books/chapters and is a regular writer of posts and blogs on social media focusing particularly in the areas of leadership and strategy. He speaks frequently at national and international conferences and is a sought-after strategic thought partner to CEOs. Reynolds serves on several governance boards, including BDI Inc. (USA), LCC International University (Lithuania), API Educational Foundation (South Africa), and Tabor Institute of Higher Education (Australia). Further professional information available at <http://linkedin.com/in/jcreynolds-usa>