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Redefining Leadership in the AI Era

Artificial intelligence is transforming the way we live and work, and with it, the skills that leaders need to thrive. To understand how organisations can prepare for this shift, Louise Scott-Worrall spoke with PAIR, an organisation developing courses to help leaders thrive in AI-enabled workplaces.



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In conversation with



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I always talk about AI augmenting the existing workforce, rather than replacing it. Thankfully, I'm not alone in that regard. In fact, a hefty 83% of respondents in our recent CEO survey claimed that they also expect AI to be deployed in this way. As that partnership evolves, AI will take charge of the more mundane, time-consuming aspects of our work. On our side of the bargain, we're going to need to improve our uniquely human skills, such as our critical thinking and ability to discern whether the outputs of our new agentic workforce are accurate.

I'm sure these demands are going to be felt most keenly by our leaders. Already under pressure to figure out how best to use AI themselves, they also need to consider how to use it within their organisation. Then, they'll have to figure out how it might change their leadership style – and that's where it gets even trickier.

In thinking about this, I sat down with **Elena Bergmann,** Business Development Director at PAIR. Part of the consortium of learning providers that

we work with on a regular basis, PAIR's name reflects its mission to effectively unite humans with artificial intelligence. Like me, Elena rejects the narrative that AI is simply going to replace us all. It turns out, she also shares my concerns for how the nature of leadership is going to fundamentally change as AI becomes more embedded into our work routines.

"One of the biggest changes I've noted is a shift away from expertise-based authority. Traditionally, a leader became a leader because of their knowledge in a particular field, but now, the AI knows more. It places a greater premium on the human skills that leaders must deploy to set a team up for success."

> **It's a shift from needing to have all of the answers, to knowing how to ask the right questions - and that's not going to be easy for a lot of leaders.**

"Previously, leaders were tasked with personally determining how their organisations could do something better, faster or more profitably – because they were the person most likely to have the answers. That's changed now. The question they should be asking themselves is 'what's the outcome we're aiming for?' before letting their teams use AI to find the optimal way of delivering that outcome. It will be less about improving things themselves and more about finding ways of letting staff safely experiment and explore with AI. Accepting this could be quite a challenge, let alone doing it."

Shifting expectations

Elena is right. This shift towards a new type of leader – moving away from domain expertise – will mean that people who have historically been successful may not be seen as successful anymore. Those that remain will need to oversee a shift in organisational culture, creating the conditions where staff can be curious about AI, allowed to fail but fail safely, and earn from that failure. They'll have to come to terms with the uncertainty of not knowing who's the best person, agent, or combination of the two for a particular task.

They'll need to see all of this as a transformational change programme. Plus, be faced with a striking balance between having sufficient controls in place – and a sound understanding of what constitutes an ethical use of AI – while not stymieing the efforts of their staff who are looking for creative ways of deploying the technology. In essence, it's quite the to-do list – and one that seems sure to redefine leadership as we know it.

Elena added, "I also think it's important that leaders don't pretend to know exactly where AI is going to take us or what the journey is going to look like. I think it's actually quite a powerful way of encouraging AI adoption to be open and honest and to say, 'we'd like your input in designing our new reality, we're figuring this out together and nobody is going to be left behind'. This is going to be challenging – a generational shift in how organisations work – but being open and honest about the uncertainty of the path ahead is the best approach for leaders to take."



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Skills for Success

My conversation with Elena so far led me to think about what skills leaders need to navigate their new reality. In putting this question to Elena, she highlighted what she believes to be the three human 'meta-skills' that all leaders are going to require.

> **I think that leaders working in an AI environment now require a blend of three vital skills: curation, evaluation and narration.**

Elena goes on to say, "curation is about using contextual intelligence to make informed decisions on where AI could be deployed most valuably. Evaluation is about being able to apply a healthy degree of what I call 'productive scepticism' to AI's outputs. There's a huge risk in switching off that human judgment and defaulting to copying and pasting. As for narration, that's simply a reminder that people tend to form productive connections through storytelling. That 40-page AI-created report might look wonderful, but can it deliver the emotional connection – and therefore the outcome – that you're looking for? Probably not. The value is created by applying that human filter."

I'd already found myself thinking along similar lines. In my own shortlist of three, first up was a combination of curiosity and critical thinking. Explore what AI can do for you but be prepared to check the outputs, rather than blindly accepting them. Second was the ability to create psychological safety where people can highlight that something isn't working or don't mind admitting that they don't know the answer. And finally, being able to communicate clearly and passionately and to demonstrate that they care.

Emerging from years of domain expertise-centred leadership, these might not be skills that leaders have typically displayed. But I think we'll see more of it now; leaders with less domain expertise or years of experience but an abundance of curiosity. great communicators who can handle ambiguity and uncertainty and who genuinely care about their people, the quality of their outputs and their organisation's performance.

Embracing the change

In among them, however, I worry there will still be some leaders who see AI's transformation of their business as purely a tech thing; something they're aware of but that's happening remotely, somewhere else in the organisation. These leaders' organisations are unlikely to see the full benefit of AI, unlike those who really embrace it and who have their finger on the pulse of how it's changing their business for the better.

"Agreed. However, it is worth pointing out that, generally, leadership awareness of AI's capabilities is now pretty good. They see it as strategically important and they're putting budget behind it. But good intentions won't necessarily translate into changing behaviour," says Elena.

"The challenge here lies in delivering the behavioural change required to get people to integrate the technology into their day-to-day work and feel safe with it. That's why leaders need to think of this as a change programme, not a tech transition. You can have the best tools in the world – and the desire to use them – but they're useless if no-one knows how to work with them. We need to develop the appropriate skills and behaviours but that doesn't just happen overnight. Plus, that sort of undertaking requires everyone on board – leadership, HR, L&D – not just confined to IT."

"While we're on the subject of skills, much has been said about the growing digital skills gap – with new tools emerging and people being asked to keep up – but I think AI can help narrow that gap. AI has lowered the barriers to entry for so many things, including

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other digital technologies. You don't need to learn how to code, how to use Excel or how to create complex formulae. You just need to know how to interact with AI. That's making so many previously hard-to-attain skills more accessible – which, in turn, drives us all to look for other ways in which we can add value."

As I talk to Elena, it strikes me that one area leaders could benefit from investigating more closely is in the evaluation of AI's effectiveness. PAIR's own post-course evaluations show that their learners believe they save 3.5 hours per week after improving their AI capabilities. They also found that 96% of learners believed that the quality of their work improved as well – that's arguably a more important stat – a powerful thread for leaders to weave into their AI change narrative. Time savings and improved productivity are obviously welcome but proving a link to better quality outcomes, staff engagement, morale, job satisfaction and talent retention; that could be game-changing. Just another thing to add to the leadership to-do list, then.

Find out more

About KPMG

For any organisation, having the right leaders with the right skills in the right place is vital if it is to achieve its long-term strategic ambitions. Yet this can be challenging in today's business environment where new technologies, ways of working and skills requirements take hold at a rapid rate. That's where KPMG's Learning Services business can assist - by helping organisations to confront their learning challenges and to develop the leadership capabilities they need.

About PAIR

PAIR provides role-specific AI training, saving employees 18,000 hours a week across 150+ organisations. With learning tailored to specific roles, industries, and priorities, people can lean how to embed AI seamless into daily workflows. All courses are certified and include a LinkedIn credential to boost engagement and showcase your company's AI adoption.



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