GOVERNANCE OF TECHNOLOGY

Human/AI augmentation: The need
to develop a new people-centric
function to fully benefit from AI

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DEAR READER,

In my new role as CEO of Capco, I am very pleased to welcome you to the latest edition of the Capco Journal, titled **Balancing Innovation and Control**.

The financial services and energy sectors are poised for another transformative year. At Capco, we recognize that this is a new era where innovation, expertise, adaptability, and speed of execution will be valued as never before.

Success will be determined based on exceptional strategic thinking, and the ability to leverage innovative new technology, including GenAI, while balancing a laser focus on risk and resilience. Leaders across the financial services and energy industries recognize the transformative benefits of strong governance while needing to find the optimal balance between innovation and control.

This edition of the Capco Journal thus examines the critical role of balancing innovation and control in technology, with a particular focus on data, AI, and sustainability, with wider corporate governance considerations. As always, our authors include leading academics, senior financial services executives, and Capco's own subject matter experts.

I hope that you will find the articles in this edition truly thought provoking, and that our contributors' insights prove valuable, as you consider your institution's future approach to managing innovation in a controlled environment.

My thanks and appreciation to our contributors and our readers.

Annie Rowland, **Capco CEO**

HUMAN/AI AUGMENTATION:
THE NEED TO DEVELOP A NEW PEOPLE-CENTRIC FUNCTION TO FULLY BENEFIT FROM AI

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ABSTRACT

The recent wave of enthusiasm for artificial intelligence (AI), accentuated by the advent of ChatGPT 3.5, has resulted in technology firms and businesses racing to harness the potential of increasingly sophisticated AI systems. Yet, the pivotal element for maximizing the benefits of these technologies, namely human engagement, is often overlooked. To navigate the complexities and opportunities of AI, companies must prioritize "human/AI augmentation" strategies. These strategies should focus on fostering AI awareness, education, and culture to empower employees with the knowledge to leverage AI effectively. Additionally, adopting innovative organizational change management approaches encourages AI experimentation, enabling the discovery of relevant use-cases. Crucially, pragmatic reasoning should try to reimagine the roles within an AI-empowered workforce, actively shaping the future instead of adopting a "wait and see" attitude. Establishing dedicated teams at the crossroads of AI's potential and human considerations is essential. By implementing comprehensive, people-centric plans, organizations can unlock AI's full potential, ensuring a harmonious integration that benefits not just the business but society at large. This holistic approach will pave the way for enhanced competitiveness and profitability in the AI-driven future.

1. INTRODUCTION

Artificial intelligence (AI) is undoubtedly one of the most important, if not the most, market trends of the day. Everyone is talking about it, addressing the topic from various perspectives, from technological to philosophical, with a huge number of articles, books, videos, documentaries, and products released in the past few months alone.

However, it is well-known that AI is not in fact a new topic at all. American computer scientist, John McCarthy, referred to "artificial intelligence" at the now-historic Dartmouth conference back in 1956, marking the beginning of AI as a standalone research area [Dartmouth (1956)].

The reason for the recent uproar can essentially be attributed to, if somewhat simplistically, the market introduction of ChatGPT 3.5 in November 2022 [OpenAI (2022)]. This was the first time that anyone, through a simple registration of a free account, could directly test the potential of an advanced artificial intelligence system on what is most "human" in people: conversational interaction.

The impact on the public was so significant that ChatGPT became the fastest consumer application in history to reach 100 million active users [Hu (2023)].

It captured the attention of the top management of virtually every company in every sector, to the point that a recent report published by BCG (2023a) indicated that, by 2025, generative AI (GenAI) alone (i.e., ChatGPT and similar technologies) will cover 30% of the total AI market, estimated at around U.S.\$60 billion. This is truly astonishing considering that GenAI has only been in the news for about a year and a half, while AI has existed in some form for decades.

Consequently, referring to what is taking place as "hype" is not at all far-fetched, especially considering that algorithms and applications of "traditional" AI (i.e., non-GenAI) have been developed for years.

In the financial services sector, for example, models based on machine learning, a subset of AI, are already quite widespread. These tools allow financial institutions to effectively segment their customer base and accurately calibrate the corresponding risk profile, enabling high performance both in identifying the pool of customers who are most likely to repay the credit granted and in defining the best interest rate. Essentially, credit providers could, already through "pre-ChatGPT" AI, increase the volume of credit issued and the revenues generated from it while minimizing issues associated with customer insolvency. Apparently, such capabilities were not impressive enough to generate the same level of interest as there is in today's AI, as driven by the recent chatbots based on large language models.

I personally began experimenting with ChatGPT from the first days of its public availability and, after the initial wave of natural enthusiasm, the risks and opportunities for individuals and societies at large became very evident, with GenAI holding the potential to considerably alter the world of work and already imposing itself at speed [Marcon (2023)].

This has led to a series of considerations focused on people, aimed at maximizing the potential benefits of AI, both for business productivity and, of course, for workers.

The reasoning derives, among other things, from three key elements:

- Despite the existence of numerous reports suggesting that AI could have significant implications on the job market, including potentially leading to massive job cuts,[1] I am not convinced that this would take place as rapidly as many believe. This is because it would lead to an increase in unemployment in countries that are unable to manage through existing welfare tools, resulting in economic, and potentially political, instability. Governments will not allow this to happen to the extent that many believe. It is also hoped that the increasingly important corporate theme of ESG (environmental, social, and corporate governance), especially the "S", will play a role in substantially mitigating this risk in the short term.

- It is clear that without AI algorithms or applications, the discussion of their use would be redundant, since the very subject of discussion would be missing. However, it is equally true that the vast majority of the value that companies will be able to generate from AI will be derived from how their employees are able to adopt it positively and fully utilize it, possibly even reinventing their own way of working.

- While companies in information technology typically have personnel who "breathe" technology daily, this does not necessarily apply to other sectors, such as manufacturing or financial services, simply because it is not their core business. Thus, even in the digital/IT departments of non-tech companies, the understanding of what AI is, the risks it exposes, or the opportunities it offers, is not always high. And this is a factor that can limit the benefits that are expected to accrue from AI, in some cases quite significantly.

Based on the aforementioned considerations, it appears evident that companies need to start thinking in a structured way about a coherent architecture of "soft" AI initiatives. Not technological, but rather focused on people, with the intention of maximizing the benefits obtainable from new technologies in a sustainable way. In other words, companies may need to build functions that we could define as "human/AI augmentation", focused on aspects such as:

- AI culture, awareness, and education

- AI-related experimentation through structured (organizational) change management approaches

- People impacts and roles re-definition.

The level of maturity of these three elements is not yet optimal and is evolving in the market. However, it is possible to discuss each of them, understanding their key elements, through which concrete actions can then be defined in individual corporate realities.

2. AI CULTURE, AWARENESS, AND EDUCATION

Viewing AI solely as a technological tool would be reductive, limiting AI to specific use-cases and failing to generate the momentum necessary for companies to truly transform around AI.

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[1] Briggs and Kodnani (2023) found that there are "300 million full-time jobs potentially exposed to automation." Daugherty et al. (2023) found that "40% of all working hours can be impacted by large language models (LLMs) like GPT-4."

Looking at the numerous articles on the subject, it seems that there is at least one aspect that the market is not completely addressing, namely how to weave AI into the fabric of human intelligences that comprise a company. In other words, alongside technological programs, there must also be initiatives to develop a genuine AI culture.

This is where things get complicated because, in the first instance, what does it even mean to have an AI culture program?

To answer this question, we can generalize the concept of culture with reference to corporate culture, which, as is well-known, is a set of values, beliefs, and attitudes instrumental to a company in achieving its business objectives. This is crucial: corporate culture is not an end in itself, but a means to an end. Consequently, defining an AI culture program begins with asking: what do we want to achieve through AI in our company? Once this question is answered, it is then possible to determine how personnel should behave to achieve these goals and plan accordingly how to influence their behavior to change or complement existing practices (i.e., the culture).

There is a significant risk here, however. It is all too easy to employ AI to reap immediate benefits through process efficiencies, which, in the real world, typically results in increased automation and staff reduction (as anticipated above). This may justify the current lack of focus on a healthy AI culture: if people are replaced by automation, the element required for cultural change (i.e., the people themselves) is missing. The market currently rewards this approach.

Besides cost-cutting, the other potential benefit of AI is revenue increase, which is a much more complex issue and difficult to leverage. While it is easy to understand the efficiencies that can be gained by observing, for example, software auto-generation tools, it is much harder to predict how much revenues can increase through hyper-personalization of products, or how much more effective a marketing campaign would be if supported by GenAI. The result is that based on the information available, anyone choosing between certain efficiencies now or a potential increase in revenues in the future would opt for the former.

However, it is also clear that something must be done about this because, when considering the above alongside the rapid pace of technological progress and the sluggishness of regulatory and legislative bodies, the enormous risks of degradation of social infrastructure and welfare systems become apparent. This is where the topic of AI culture should come back into play.

Since companies do not exist in isolation but are embedded in society, to which they have fundamental responsibilities, it should be in their primary interest to encourage all employees to be proactive in innovation founded on AI. This innovation should aim to identify tangible opportunities for growth with measurable returns that can convince company leadership and markets to invest.

An AI culture program should, therefore, address the following: facilitate transparent dialogue between various corporate levels, making everyone openly aware that some roles will no longer be needed but that, thanks to the new tools available, many others can be created. Each individual should contribute pragmatically to create new, useful, and profitable products or initiatives, and improve what has always been done, without reservations in being assisted by a digital collaborator.

To achieve this, an AI culture program should consist of at least five elements:

- **Information (preparing the soil):** understanding the ever-changing context of AI, aimed at providing everyone with the necessary foundation to become familiar with it. This should be done in an informative and accessible manner to reach the largest possible audience: AI is, and will be, too important in our lives to remain ignorant of it.

- **Education (planting the seeds):** more specialized training to develop and learn how to use the new technologies that are rapidly emerging. Mastery of these tools supports the generation of well-founded ideas for new use-cases.

- **Innovation groups and brainstorming (sprouting ideas):** regular brainstorming sessions, in which solutions are sought based on clearly identified problems, or based on opportunities enabled by new tools or case studies. These sessions must also include the clear qualification of costs and benefits for realization: ultimately, solid ideas and accurate cost-benefit analyses are necessary to convince an investor to allocate capital.

- **Communication and recognition (harvesting and selling the intellectual fruits):** regularly inform the entire company of the progress being made and reward the most innovative and winning ideas, as well as virtuous behaviors. This generates healthy internal competition and the possibility of reusing what colleagues have built in other areas of the organization for their own function, scaling up AI faster.

- **Feedback and adaptation (improve the farming practices):** an AI culture program with the aforementioned characteristics has a decidedly bottom-up structure because it must be perceived as necessary primarily by the employees. For this reason, it is essential to regularly capture their impressions and make necessary adjustments to make it even more engaging: always keep in mind that the most brilliant ideas are born through positive employee participation.

In addition to all this, there should also be structured plans for career development and transformation of organizational processes centered on AI, adapting to what the company is achieving and the directions it is taking with everyone's contributions.

Companies' openness to the constructive use of AI will have a positive impact on their value in the medium term precisely because they will have demonstrated a tangible commitment to maintaining a healthy society. Conversely, those that have harmed it through the use of AI, aimed solely at cost-cutting (and hence staff reduction), will be heavily penalized, just as companies that do not pay attention to environmental impacts or do not act in the interest of communities are penalized today.

Structuring an AI culture program that aims to achieve the above objectives is, therefore, a win-win-win move for companies, employees, and society. It is worth taking action now to capitalize on the benefits that will undoubtedly result from it.

3. AI-RELATED EXPERIMENTATION THROUGH STRUCTURED CHANGE MANAGEMENT APPROACHES

When a new technology is available, new ways for releasing it and ensuring its adoption are necessary. Gartner (2023) reports that 45% of executives interviewed credited the hype around ChatGPT for the reason for increasing their AI investments. Additionally, the same research shows that 70% of organizations are currently exploring use-cases for GenAI, and 20% have already developed applications that are in pilot phases or have been rolled out in production environments already.

> *Companies' openness to the constructive use of AI will have a positive impact on their value in the medium term.*

As is often the case in similar situations, any plans to introduce a new technology at speed and at scale must take into account the technical feasibility of such a demand, as well as, even more simply, the number of technical professionals that the company has (i.e., the AI teams' capacity). It is extremely easy, in such a context, to run the risk of doing too much too soon, trying to generate many ideas and expecting that they can all be realized almost immediately (and, usually, at no cost).

Typically, in these cases a large number of working groups are established to identify use-cases in which AI can provide support. These take in contributions from many people and many areas of the company and, in each case, the participation of specialist AI staff is necessary to ensure that the discussions are practical from a technological point of view. This is a classic "bottom-up" approach to innovation, which, while admirable for valuing everyone's contributions, poses several challenges:

- "Bottom-up" work often results in very specific ideas with limited potential benefits, mainly because participants in brainstorming sessions usually have a view confined to their area only.

- Qualifying the business case for these use-cases is very labor-intensive, requiring the support of the limited number of AI experts who are usually already very busy with other tasks, causing bottlenecks and delays.

- The disillusionment of people, as only a fraction of the submitted use-cases get approved for development, directly driven by the previous two points, resulting in only a limited number of impactful ideas and higher-than-usual workload that leads to longer waiting times.

In my opinion, the most significant structural issue is that identifying very focused AI-based use-cases risks reducing AI to just another technology, rather than leveraging it as a transformative business factor.

Obviously, none of this is to say that specific use-cases should be discouraged. Many have been developed pre-ChatGPT and have certainly yielded excellent results, such as process automation and manual activity reduction. My message is simple: excessive reliance on traditional approaches when looking for innovative transformation may not be the best option, as it risks disappointment and unmet expectations.

Leveraging traditional approaches also stems from a fundamental misunderstanding. When the various departments of a company initiate brainstorming sessions to generate AI-based ideas, they are often actually referring to GenAI, which is transformative by its nature. Hence, it requires innovative approaches to maximize its sustainable and lasting value, mitigating the risk of seeing enthusiasm deflate and the bubble burst in the short run [Kestenbaum (2023), McKinsey (2023)].

While a "bottom-up" approach exposes companies to these issues, a purely "top-down" approach has its own drawbacks as well, since it neglects the perspectives of those closest to operational processes and value creation (e.g., exposure to, and understanding of, the end customers).

That is not all. GenAI systems, such as ChatGPT (or Google's Bard, Anthropic's Claude, or even Microsoft Copilot now), are not tools that perform a specific and limited task, they can rather be considered as advanced, and (almost) general-purpose personal assistants. They have the advantage that people in a company do not have to invent them, they already exist. Rather, people need to learn how to use them to understand by direct experimentation how they can add value to the organization.

For these reasons, a "selective bottom-up" approach, where ideas are generated not through large brainstorming sessions but through daily use of these tools by specific individuals, could be more effective. This approach could be organized as follows:

1. **Identify taskforce participants:** select a limited number of people with specific qualities, such as being highly skilled and talented, open-minded, with a desire to experiment and innovative thinking, and who can influence and promote solutions, etc.

2. **Deliver dedicated training sessions for these participants:** deliver trainings focused firstly on "mindset" towards AI/GenAI, as it is crucial to convey that ChatGPT, or its peers, is not merely a substitute for human labor, but should be considered an advanced personal assistant, useful for highly valuable tasks like work review, problem-

solving, or coaching; and secondly on "technical usage", as without proper training GenAI can yield disappointing results. Technical sessions on, say, prompt engineering are indeed required for extracting maximum utility and long lasting satisfaction.

3. **Experiment and reflect:** allow time for these key people to experiment with ChatGPT, and the like, to understand its actual utility and how it could add widespread value. This could range from basic supporting tasks, like drafting documents, to profound applications like rethinking professional roles and processes in the company.

4. **Define benefits and set objectives:** after an agreed-upon period (e.g., three months), ask participants to outline ways to utilize these tools to improve performance, specifying the expected benefits and timelines for achieving them. The objectives should then be discussed with the managers, approved, communicated, and monitored.

In addition to the above, two useful enhancements could be made:

• Sustaining a community for exchanging ideas and achieved results, such as asking for support to accelerate the realization of the benefits and enable "cross-fertilization", so that ideas from one area could be shared and reused in another.

• Regularly repeating this entire process with newly identified people, such as those based in other areas of the organization, to gradually expand the business functions participating in the change. A "train the trainer" approach may also be considered for faster scaling.

Adopting GenAI systems in this manner would offer several advantages:

• It could be executed in full compatibility with the "more traditional" approach of demand management for specific AI use-cases.

• It would contain the costs of using ChatGPT (or equivalent), as access would be granted only to selected people chosen for involvement in the process outlined.

• Users would master a "general-purpose" tool that they could apply to their area of expertise, where they are presumed to have maximum competence and, therefore, the ability to identify where and how benefits could be realized.

• AI technical teams would no longer be a bottleneck, as the use-cases definition would essentially be delegated to the staff selected for such experimentation.

- Individuals responsible for executing the business case that supports the identified use-cases would be motivated to achieve the objectives, as this would be seen as an opportunity for higher visibility.
- It would ensure value-added utilization of the tool (e.g., ChatGPT, Microsoft Copilot), mitigating the risk of its discontinuation due to suboptimal use.
- Periodically proposing the process to additional stakeholders would refine the training technique, allow for more ideas to be shared (e.g., from previous sessions), progressively engaging all areas of the company in a granular way, and delivering value exponentially.

Lastly, if we are truly committed to a sophisticated and comprehensive approach, we should take steps in parallel to avoid potential issues stemming from a perception of "elitism" by those not involved in the taskforce. Specifically, we should:

- Provide all company employees with access to ChatGPT (or an equivalent tool – and with all the necessary protections; for example, to prevent data leaks), albeit in a more basic or "downgraded" form (for free of usage costs, if possible), as a standard productivity tool. This would prevent disillusionment among those not selected in the process.
- Offer all employees access to a structured educational program on AI (as discussed above), ensuring everyone has a basic understanding of the subject with no discrimination, and promoting a widespread positive attitude towards AI.

This proposal is not trivial to implement, but it can certainly solve the challenges that are inherent in other, more traditional approaches. However, it has the disadvantage of not being able to predict the extent of the benefits that can be achieved in advance, which could lead to limited managerial commitment in the early stages.

On the other hand, the execution cost is low by design, given the limitation of access to GenAI systems to a restricted number of participants.

The critical success factor is undoubtedly the correct identification of the people to involve in this taskforce. These individuals, thanks to their skills, creativity, and pragmatism, can maximize the chances of finding the desired value, which, once found, will become the engine of subsequent iterations.

If this were to prove true, it would once again demonstrate that AI's success ultimately depends on human intelligence.

4. PEOPLE IMPACTS AND ROLES RE-DEFINITION

In a recent study published by BCG, it was shown that only a small fraction of company employees (14%) have received training courses explaining how their jobs would change as a consequence of the advent of AI, even though a majority of them (86%) feel the need for such knowledge [BCG (2023b)]. Furthermore, various articles and interviews have shown that when executives are typically asked "how do you expect the roles of employees in the company to change due to AI?", their answers are almost always vaguely along the lines of "I am very curious to see how the roles will change." This simply indicates that there is still a lot of uncertainty on the subject.

It is clear that there are dozens, sometimes hundreds, of roles within a company, making it difficult to provide concise answers. However, in my opinion, it is possible to deduce the broad impacts starting from a mid-level position in the hierarchical pyramid: the middle management. From there, one can begin to extend the implications both upwards and downwards within the pyramid and envisage, as a target, what roles might look like in the medium term for companies fully supported by AI.

This reasoning is based on a fairly recent personal experience.

A while back, I found myself proposing a survey to measure the morale of our team members subsequent to an organizational change, which typically has an impact on the mood and motivation of people. After going through the necessary steps and receiving the green light to proceed, a junior colleague and I began to work on it. Neither of us had ever conducted such a survey before, but with ChatGPT available in the market, we certainly had a powerful tool at our disposal to support us.

We basically had two options. We could either ask the chatbot to prepare the questionnaire for us, and then submit it to the manager and HR colleagues for review, or reflect independently on how the survey should be constructed, prepare a first version with our thoughts, and only then use ChatGPT as a reviewer.

Clearly, the first solution, despite being quicker and requiring less effort, could significantly diminish our "corporate utility". Letting ChatGPT do the thinking for us, which I guess is not the best of ideas, could also lead to unsatisfactory results. Consequently, we decided to go for the second option.

We first reflected on four or five macro areas that would have been reasonable to address to probe the team's morale, and then dedicated ourselves to defining a limited series of questions for each area that would bring out what we were looking for, coming up with about 20 questions in total. At this point, we submitted them to ChatGPT, providing the appropriate context, and asking for both an evaluation and possibly suggestions for improvement.

The chat gave us a rating of 7/10, which, as we were aiming to do a good job, we did not consider to be sufficient. We then refined the questions, also incorporating the recommendations provided by the AI in the first iteration, and resubmitted them. Our rating improved to 8.5/10. At this point, after no more than two hours of work and reflection, we were satisfied and shared them with the team manager and the HR contact, who both approved the survey with no changes.

In just two hours, despite having no prior knowledge of the subject and relying on both our human intelligence and artificial support, we prepared a piece of work that was far from trivial. Typically, such work would in fact require an expert in the field, yet ours needed no modifications.

This struck me so profoundly that I began to ask myself questions that in practice all converged towards the following: if in the near future, company staff have access to tools that allow them to produce high-quality work that managers no longer need to review, how would their role have to change?

This is still a somewhat hypothetical question, as I am assuming that the entire staff of a company reaches a level of maturity that makes this scenario plausible. However, the thought experiment is useful for outlining ideas.

A first response to the above example, more instinctive than rational, is to think that "managers are no longer needed", but this would clearly be an oversimplification. It is true that AI will impact, and in some cases replace, the work of not only operational staff but also the "white collars".[2] But it is equally true that new AI technologies will bring about radical changes in scenarios compared to the present, which will necessitate significant evolutions, rather than the elimination, of managerial and administrative roles.

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[2] The CEO of IBM recently stated that "I actually believe that the first set of roles that will get impacted are [...] white-collar workers" [Chiang (2023)].

To draft the future role of a manager in this context, we must start with an almost obvious assumption: managers will see a significant reduction in their traditional roles as taskmasters and supervisors. This is because people, equipped with all the necessary (AI) tools, will become much more efficient. They will produce work faster and of higher quality, reducing the need for a traditional managerial figure. This shift will undoubtedly be a difficult adjustment for many managers. They will have to come to terms with not being perceived as the most competent and skilled members of their team, as they once were.

This change represents a profound revolution in the manager's role, which might lead some to resist this new reality.

To overcome such resistance, adopting a mature approach to this epochal transformation is essential, and new paradigms can already be imagined to turn the threat (for the manager) into an opportunity (for everyone). In particular:

- **Shift from managing people to partnering with them:** many managers like to proudly refer to "my people", indicating a hierarchical relationship. While this is normal, in a scenario where team members can independently produce excellent work, maintaining a stance as the most competent person, perhaps finding instrumentally the famous needle in a haystack, and to continue to impose one's organizational authority could lead to staff frustration. An approach where a manager acts more as a partner is, therefore, more suitable. This is because people will always need to discuss their work with someone they respect. The focus, however, is increasingly shifting towards higher-level concepts, ideas, and paths for collaborative growth, rather than on the quality of the deliverables. Consequently, being an authoritative figure who listens attentively and engages in meaningful dialogue will be highly valued.

- **Acceptance of sharing "their" people with other managers:** this is a natural extension of the previous point. As individuals develop their skills and exploit AI tools, they may generate original and innovative ideas that transcend their current area's scope, potentially benefiting other areas as well. Far from being detrimental, cross-team and cross-level collaborations are highly beneficial for the company, fostering value, creativity, and innovation.

Consequently, managers need to move away from a strictly controlling attitude, which includes limiting team members' interactions within the organization. Instead, adopting a smart "open (re)source" style of management, which encourages expanding one's professional network and facilitating connections, is a more effective and forward-thinking approach.

While the two points above indicate a shift towards more fluid and open relationships between staff and managers, without a proper "glue" this shift could clearly lead to organizational chaos.

As a consequence, for managers to succeed, their focus should increasingly shift from overseeing tasks to building binding elements that maintain team order and stimulate a proactive willingness among team members, such as:

- Nurturing a mission that inspires team members to naturally contribute and add substantial value.

- Acting as an advocate for their area within the company, promoting it beyond traditional boundaries and established networks, thereby extending its influence and making it a magnet for ambitious talents.

- Being a proactive agent of innovation, continuously refining the organizational structure with both their own and their team members' ideas to foster growth and expansion.

- Recognizing deserving team members transparently and honestly by, for example, granting them more visibility and autonomy, and ensuring they feel part of the broader organizational objectives and mandates.

These strategies, while not entirely new, gain fresh relevance when executed in conjunction with the aforementioned partnership approach and fostering cross-functional relationships. This combination reshapes the managerial role, aligning it more closely with that of an entrepreneur and networker.

It also means that managers will not entirely "own" their teams. Instead, they will share "stakes" in them with team members who contribute the most in broadening the scope of their functions and enhancing their relevance within the broader organization.

At this point, another key element becomes clear: at least some of these new characteristics of the manager are already present today in the mandates of top-level executives. Consequently, if we accept the flow of the discussion so far, then the entrepreneurial expectation could extend to lower managerial levels, leading to two significant outcomes:

- **Simplification of the organizational structure:** by shifting entrepreneurial tasks to lower managerial levels, the organization might reduce its hierarchical layers, as some of these may become redundant.
- **Fostering of innovation and the possibility of creating new areas within the organization:** increasing freedom to act within the company, coupled with a greater focus on creativity and innovation by each team member, can potentially lead to such a broadening of the team's activities that new, self-contained areas may be created.

If the outlined reasoning is sound, then a manager who resists the initial elements of partnership and "sharing" their team members with other managers risks creating a static environment or, worse, widespread team frustration. Such resistance could lead to a scenario where the manager's role really becomes redundant.

On the other hand, if a manager embraces these changes and evolves towards a more entrepreneurial and networker approach, they not only solidify their leadership but also become a driving force for organizational expansion through innovation.

And it is this evolved stance that could lead to the development of new, independent managerial roles, possibly through the spin-offs of existing departments that have charted a significant new direction.

5. CONCLUSION

Talking with many people about AI, I often get a sense of uncertainty and even fear of the future. This stems not just from the deliberately exaggerated, and sometimes polarized, communication by the media, but also from the fact that we are truly at the beginning of an era that it is entering our lives with phenomenal speed.

However, since companies are a fundamental element of society, much of the responsibility for creating a healthy and sustainable world falls on them. By introducing organizational structures that have the mandate to support people in constructively adopting AI, they can also help make this transition smoother and less painful.

The three pillars outlined above (i.e., AI awareness, education, and culture; AI experimentation through innovative – organizational – change management approaches; and people impacts and roles re-definition) thus represent both a conceptual and an operational framework for structuring the foundations of a function that deals with an actual human/AI augmentation. With these, a company can derive the actions it deems necessary, depending on its own mandate and priorities.

What will make building and working in such an area exciting and truly rewarding is its mission: to contribute to delivering true, positive, and sustainable value to people, companies and, therefore, society at large.

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