



# ORGANIZATION CHANGE MANAGEMENT TO BUILD AN AI-POWERED ORGANIZATION

## Abstract

AI Business adoption is still emerging and lots of questions arise on how to approach AI & automation programs in terms of governance, employee engagement, people reskilling, etc.

Onboarding Executives, preparing Managers for tomorrow's management practices, developing organizational flexibility and actively involve employees in building the AI-powered enterprise will be key to reap the full benefits of AI investment.



### Across industries, AI is producing strategic advantages:



Source: Infosys AI Maturity Index study (November 2016)

The AI opportunity is undeniable. By 2020, companies expect to see AI contributing to a 39% average increase in revenue, as highlighted in market research commissioned by Infosys<sup>1</sup>. In this study, 64% respondents also stated that their organization's future growth is dependent on large-scale AI adoption.

However, there is a long way to go as only 10% believe that their organization is fully maximizing the benefits of AI today. Business adoption is still emerging and a multitude of questions arise on how to approach AI & automation programs in terms of governance, employee engagement, people reskilling, etc.

Based on pioneers and our client experience at Infosys, we believe in developing and implementing a holistic AI strategy driven by a strong Organization Change Management approach:

1. Onboard Executives and prepare Managers for tomorrow's management practices
2. Actively involve employees in building the AI-powered enterprise
3. Redefine jobs and develop organizational flexibility

For each building block, we have developed our views at project level (the AI initiative) and at organization level (large scale adoption).

## 1. ONBOARD EXECUTIVES AND PREPARE MANAGERS FOR TOMORROW'S MANAGEMENT PRACTICES to foster "augmented leadership"

Impacts of AI on Managers should not be dismissed. Not only will managers will have to adapt but they will also have to pave the way for AI adoption by providing direction, guidance and ethical arbitrage.

### At AI-initiative level:

At the Manager level, creative thinking and experimentation will be key skills. It will be critical to adopt a Design Thinking mindset to manage initiatives with AI. We highly recommend that managers experiment with Design Thinking for tangible initiatives, so as to embed it into the daily practices of their teams through tools like user journeys, personas, etc.

### At organization level:

First, leadership needs to become an advocate for an AI-powered organization.

We foresee 2 main challenges for Executives:

1. Understand the specifics of an AI transformation and how the machine can help amplify human potential by complementing the other's strengths while ensuring the right balance between ethics and development.
2. Anticipate AI impacts along various dimensions along various dimensions: process, tools, culture, and governance model.

<sup>1</sup>Source: AI Maturity Index study polling 1600 IT and Business Decision Makers across seven countries (USA, France, Australia, India, UK, Germany, and China) in November 2016.

Regarding Managers, many of their control and coordination tasks, which typically take up to 50% of their time, will be automated by AI. Organizations need to prepare for this change of role, to accompany and train Managers on this path through dedicated training programs – “Leader Designer” and “Augmented Manager”. Researchers start investigating related new management practices as detailed in below illustration:

## Top 4 new management practices for the “augmented manager”



Managers will rely on AI to search insights, to explore scenarios and to assess decision consequences

**PRACTICE #1**  
Treat AI as an assistant and adviser



Managers will need to develop critical thinking and use empathy, ethical reflection for business decisions and practices

**PRACTICE #2**  
Focus on judgment work



Managers must develop social and networking skills to bring together diverse experience and insights

**PRACTICE #3**  
Coach and foster collaboration



Managers must be able to bring integrated, workable, and appealing solutions to life

**PRACTICE #4**  
Work like a designer

Source: inspired from HBR article [“How artificial intelligence will redefine management”](#)



## 2. ACTIVELY INVOLVE EMPLOYEES in building the AI-powered enterprise:

Engaging early with employees is often a best practice in Organization Change Management. This is becoming key in AI and automation initiatives. Indeed the use cases and operating models are still at an early stage and trigger many questions, concerns, and sometimes fears among employees.

### At AI-initiative level:

Adopting a scenario-based approach where the project team interacts with employees as soon as the project starts, can help build employees' confidence and ease their interaction with machines. This is especially important in the early stages, where coordinating work and communications with machines is often cited as one of the biggest challenges.

A scenario-based approach would allow:

- Investigation into which scenario has the greatest benefits, e.g. when human expertise is absent or when a problem is too large for human reasoning capabilities
- Testing and learning through Proofs of Concepts and Pilots.

### At organization level:

Being an actor in one's future job is another great way to engage employees in the AI transformation. Likewise "Fab Labs" have opened so that everybody can test, prototype and learn, opening "Work Labs" in companies can facilitate the transition.

These 'Work Lab' should be widely open and include 'company outsider', to enable employees to pause, brainstorm and reflect on their future roles in an AI-powered organization. They should be able to build their future job and to define their own reskilling path. Companies should

recast their training approach as a holistic, continuous and lifelong process of learning.

## 3. REDEFINE JOBS AND DEVELOP ORGANIZATIONAL FLEXIBILITY to enable new forms of collaboration

AI & automation will deeply reshape the enterprise architecture, and hence the operating models. Companies need to develop corporate's resilience and responsiveness through organizational flexibility to optimize their AI investments.

### At AI-initiative level:

Organizational impacts need to be assessed throughout the initiative. It will notably help anticipate the roles to be reconfigured and/or created to manage intelligent technologies. For example, MIT Study identified three new categories of AI-driven business and technology jobs: trainers, explainers, and sustainers as detailed in below illustration.

### 3 new roles created by AI



#### TRAINER

to teach AI systems how they should perform



#### EXPLAINER

to bridge the gap between technologists & business leaders



#### SUSTAINER

to ensure that AI systems are operating as designed

Source: Illustration based on "[The Jobs That Artificial Intelligence Will Create](#)" article from MIT Sloan Management Review (2017)

## Towards flex organizations



Business leader  
sharing AI  
initiative



Employees across departments  
volunteering to work on it as a  
cross-functional team

**EXAMPLE: self-forming teams**

## At organization level:

AI is inherently interdisciplinary: business analyst frames the business case, computer scientist understands machine learning, etc.

Therefore AI-driven architecture models lead enterprises to rethink organizational design to develop non-hierarchical organization. In this type of organization, employees collaborate across functions and are easily (re)deployed to solve issues, experiment, iterate, and bring new solutions on the market.

## The Way Forward

As the big picture of tomorrow's workplace is taking shape – organic organization in which employees with cross-functional skills work in tandem with intelligent machines – it is urgent to build the foundations for this new environment. Start building AI awareness across all levels of the company, do not wait for the market to overtake you:

- Develop a Vision for AI which makes sense for your Leadership, Managers, Employees and Clients
- Revisit the operating models and define global AI governance
- Appoint a Chief Value Officer and/or committee to take ethical considerations in priority in AI development
- Adapt your HR plan and recruitment strategy to spot internally or externally the Talents you need for your next AI move.





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