

A.I. Is Changing Leadership — and Executives Need to Adapt

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Artificial intelligence is one of the most fascinating developments that the business world is facing. In the right hands, it could be positive; while in the wrong hands, it could be devastating. In the 1990s, it was tech-savvy people that were in demand, today it is computer espionage people in demand as the world becomes even more complex with the use of artificial intelligence. If you want to succeed today as Chief Executive Officer, you must review the external environment with a keen eye toward perfection in order to help your organization survive. Leaders are facing the need to adapt to the challenge resulting from several disruptions to their style of leading due to the recent emergence of artificial intelligence as a catalyst for transformational

In this article, we present the important characteristics of highly impactful leaders in the age of AI. The secret weapons of successful CEOs in the new world of AI are no longer secret.

change in their organizations. They will have to adapt to these severe disruptions caused by artificial intelligence. But how can executives adapt their leadership in the new world of artificial intelligence to achieve a higher degree of effectiveness and business success? If you are looking for an answer to this critical question, then, this article proposes a new form of leadership for AI to answer this question. In this article, we show how leaders can create an advanced style. One that enhances their leadership as opposed to compromising it. We also propose goals to help leaders to develop an inverted organizational pyramid. This article offers new insights for leaders facing the new disruption of the century, artificial intelligence.

Keywords: Artificial intelligence (AI), Leadership, Organizational pyramid hierarchy, Learning, Trust, Multidisciplinary teamwork, Adaptive Leadership, Organizational Change, Organizational strategy.

Leaders are dealing with a great deal of unknown disruption in a post-artificial-intelligence world. The emergence of artificial intelligence has left multidimensional effects on organizations across the globe. Leading organizations in a post-AI world initiate quick learning and exploitation of organizational knowledge as leaders anticipate future needs and build collective support and understanding to effectively respond to new trends (Deranty & Corbin, 2022; Santana & Díaz-Fernández, 2022; Huang & Peissl, 2023; Sheikh et al., 2023). Continuous learning in organizations breeds intellectual capital and helps organizations acquire an extraordinary approach to adaptability. Stephen Hawking famously said, “Intelligence is the ability to adapt to change.” In order to advance in the artificial intelligence era, organizations need a systemic and integrated perspective in which all business units quickly and accurately recognize environmental changes and effectively interact with each other. This enhances the organization’s ability to provide effective responses to the external environment. This disruption also requires new methods of leadership. The days of Hercules, leading in ancient times, did not consider analytical power, but physical strength. The movie *Encanto* portrayed the character Luisa as a powerful and heroic leader. This subtle, yet important change in leading people has transitioned from power and strength to knowledge and power; to an age of artificial intelligence.

Many leaders consider the success of artificial intelligence as a future competitive advantage to only require investment in the field of technology and deny the importance of leadership (Lang, 2021; von Braun et al., 2021; Chubb et al., 2022). There is a change in the leadership style, followed by the emergence of new conceptual skills that will drastically change business models. Artificial intelligence will enable organizations to predict the future, and this will be, and already has been a competitive advantage. Artificial intelligence has not come to replace humans, but its main purpose is to improve human capabilities.

Big companies such as Google, Apple, Alibaba, Tesla, and Toyota, which happen to be among the most successful companies in the development of artificial intelligence, have increasingly focused on the leadership aspect of artificial intelligence (Lang, 2021). So what? Well, for one, these companies have realized that the leadership aspect of artificial intelligence cannot be outsourced, and leadership tasks cannot be left to algorithms and robots. The integration of leadership and automation requires abandoning aspects of traditional leadership such as the aspect of human analysis and moving towards a new leadership called “Leadership with Artificial Intellectual Skills.”

Leadership with Artificial Intelligence Skills

A new style of leadership is forming as we encounter artificial intelligence (Hilb, 2020; Mirbabaie et al., 2022; Sheikh et al., 2023). As Denise Rousseau (2018), professor at Carnegie Mellon University, and the founder of Evidence-Based Management Collaborative teaching and practice, once mentioned in an Academy of Management meeting “If you do not love the goals that you have then love the goals that you are near.” The nearest goal for executives today is to embrace the clutches of artificial intelligence. At first, leaders may face fear and insecurity, but accepting this challenge and change is necessary to enter the age of artificial intelligence. Many leaders set high goals for their organizations and human resource division and attempt to motivate them to achieve the goals. Leading in a world of artificial intelligence requires a focus on the integration of AI into those broad technology domains, followed by better training and development. In fact, this leadership style relies heavily on the phrase that Asl (2023, p. 126), an internationally acclaimed motivational speaker, bestselling author, and leadership expert mentioned in his book. He argues that “our mind is powerful. We need to think bigger. We need to dream bigger. We need to act bigger because we can create a much bigger version of our lives when we embrace artificial intelligence.”

Leading in the new form or artificial intelligence requires a contrast from the traditional organizational pyramid hierarchy (Billinger & Workiewicz, 2019; Sarker, 2021; Schmid et al., 2021). Leaders will have to designate their organizational pyramid in reverse and from the bottom up (Anantrasirichai & Bull, 2022). The Chief Executive Officer will no longer be identified as the highest-paid executive but also, as a servant leader. Blanchard (2023), one of the best scholarly practitioners of leadership argued that: “Leadership is not something you do to people. It’s something you do with people.” AI Deming, the post-WWII management consultant to Japan, specified the need for continuous improvement and learning due to the widespread receipt of new information and technological breakthroughs. Leaders in the age of artificial intelligence must be trusted. The CEO of United Airlines took a private jet out of Newark Airport while thousands of people’s flights were compromised due to delays. He later apologized and gave each customer 30,000 flight credit miles with a contrite apology for being insensitive. This is a modern example of authentic leadership. Koenig (2023), Associated Press Airlines Writer reports:

“United Airlines CEO Scott Kirby apologized Friday for hopping on a private plane to get out of the New York area while thousands of United passengers were stranded because the airlines canceled so many flights.”

The newly equipped leader in the artificial intelligence age will have to expand the culture of learning and trust in the organization and use a trickle-down leadership strategy that reaches everyone in the value chain. In order to do this, the CEO and C-Suite must be fully trained in the nuances of AI, and then provide training workshops for other employees as well as for the customers and suppliers along the value chain. Through these workshops, these leaders help develop the learning process and trust throughout the organization. Leaders also need to create extraordinary synergy between humans and artificial intelligence by developing multidisciplinary teamwork skills for their workforce.

This AI concern is nothing new, robots have been threatening humans for decades. Thus, many employees resist change due to fear of being replaced. The visual disappearance of toll-booth personal leaves an imprint in workers' minds that they will be next to be usurped. Does this replacement mean removing humans from the future business model? The answer to this question is "no." Therefore, the development of multidisciplinary teamwork skills is strongly encouraged to be developed by leaders in the age of artificial intelligence.

The reason that AI cannot replace humans is that humans have adaptability while AI may be limited in its adaptability. However, the cooperation between humans and artificial intelligence leads to improved analytics. Moreover, human resource management can be more effective in overcoming their cognitive limitations. AI and humans working together can provide better ideas to solve organizational problems when equipped with advanced information synthesizers coupled with multidisciplinary teams.

Leaders who seek to develop artificial intelligence skills may become highly capable strategists. Success in the age of artificial intelligence is highly dependent on being continuously engaged with the organization's external environment. Leaders must incorporate artificial intelligence into their organizational strategy and use various digital tools to develop their continuous engagement with the external environment to maximize their agility in response to environmental threats and opportunities. Embracing an artificial intelligence strategy encourages higher goals that set the precedent of acquiring and storing knowledge in a knowledge-management database.

The Increasing Importance of Adaptive Leadership Style as Executives Face A.I.

Leaders, among everything else they do, must quickly recognize signals of change before they impact their organization, and adapt effectively and quickly to these changes by providing an effective response. Business leaders in the post-AI business environment need to employ a rapid and effective adaptive

leadership style. Our dialogue with many senior executives in Australia revealed that the emergence of AI in the business environment has caused deep discomfort. These leaders see the emergence of robots, which can be seen in an interview with them at the United Nations, as a means of removing humans from the work environment. One robot actually indicated that in the present they are capable of doing all things better than humans.

"Yesterday I was clever and wanted to change the world. Today I am wise, so I am changing myself."
- Rumi

This major disruption has created a major challenge for the future of business. Humans have limitations compared to robots, but artificial intelligence has not developed the feelings and emotions that people have. The past styles and models of leadership were designed for tall structures and stable environments. In contrast, the AI-disrupted business environment is more volatile than ever, and leadership decision-making requires a more decentralized leadership style. One that uses front-line workers who often have direct contact with customers. They could provide quick data that can impact sales and customer service in real time. Rapid changes are often the norm and the quicker the response time the better.

A critical question here is: Does the emergence of disruption caused by A.I. and the emergence of robots mean the end of strategic planning and leadership? Executives should be aware that strategic planning has to be more adaptable due to the emergence of new technologies in order to respond effectively. "Adaptive Leadership" is the answer.

"Adaptive leadership is a practical approach to solving business issues, guiding leaders in identifying and focusing on the important aspects of a business operation and discarding what it can do without. Adaptive leadership theory was introduced by leadership experts, Harvard professors, and authors Marty Linsky and Ronald Heifetz. Marty Linsky and Heifetz's extensive research concluded that businesses are constantly changing or developing and must be navigated accordingly." - Western Governors University (2021)

In this new way of leadership coined by Harvard Professors, a new definition of competitive advantage is provided, which is highly dependent on the continuous learning of intellectual capital. Competitive advantage recognizes the power of artificial intelligence and uses it when it can enhance strategic plans and counters the negative impact that it has on planning and implementation (Enholm et al., 2022; Stahl et al., 2022; Walter, 2023). Herein, adaptive leadership is very important for leaders because everything they do has the inclination of adaptive behaviors and adaptive decision-making. We in-

tegrate the idea of AI by supporting executive decision-making and using it as a process to enhance strategy formulation

Here are three concrete examples of how AI's role in leadership has enhanced day-to-day business:

1. Eric Von Hippel (2005), from MIT, coined the term “democratizing innovation,” and offers a fresh application on how executives can enhance products and services to develop what they need themselves rather than relying on vendors to help them. According to the HBR article titled “How Generative AI Can Augment Human Creativity,” written by Eapen et al. (2003), there is tremendous apprehension about the potential of generative AI because these technologies can create new content such as audio, text, images, and video which may replace people in many jobs. Thus, leaders are embracing dramatic changes in talent management.
2. As executives leverage data and AI, they are finding ways to improve the customer experience. An example of this can be found in a salesforce-sponsored article for the Chronicle of Higher Education. Higher education institutions are changing the way they use data to support students due to the rising use of automation such as AI and ChatGPT. This includes revising how they collect, store, and analyze data in order to improve and personalize the student experience. Liability is in the hands of executives today and data breaches are costly. Thus, leaders have to manage their knowledge of people, processes, and products or services.
3. Jeff Bezos, the founder of Amazon, said, “Your brand is what people say about you when you’re not in the room.” (Arruda, 2016). AI has created a new concept of personal branding. One that encourages people to build a strong, well-managed personal brand that not only benefits the person but also their career and the organization in which they reside. People can expand their network and attract new opportunities and celebrate the unique abilities that they bring to the world according to an HBR article titled “A New Approach to Building Your Personal Brand,” by Avery and Greenwald (2023). Thus, leaders could help their employees build their personal brand and keep them or ignore imperative talents that employees master and watch them leave.

The era of disruption characterized by the emerging technology of artificial intelligence requires the redesign of organizations and systematic and integrated leadership that relies heavily on interpersonal relationships between leaders and employees in the organization. Cappelli (2023) states in his HBR article titled “How Financial Accounting Screws up HR,” that based on generally accepted accounting principles, people are not considered assets. Even when an

organization acquires another firm, it cannot list the employees as assets although that may be one of the salient factors when merging the two organizations.

Artificial intelligence could consistently review the external environment with sensors that channel different business units to ensure real-time attention to changes (Davenport et al., 2020; Zhao & Gómez Fariñas, 2023). Leaders should develop a systemic and integrated approach in organizations to ensure that all departments and components of the organization are coordinated with each other so that they can effectively identify related patterns using advanced data mining technologies. Organizations that have an organizational learning process, perform better in identifying the best-case scenarios when responding to environmental changes.

Conclusions

The field of artificial intelligence is growing and there is not enough information available to address its full capacity. However, artificial intelligence will be fully developed soon and its uniqueness will be gone. In order to address this trend, a new leadership style needs to be embraced. A new leadership style to build a better workplace that keeps up and continuously improves the use of artificial intelligence, the inverted organizational chart, also addressed as a pyramid, must be initiated so that learning and trust are developed at the lower echelon of the organization. Multidisciplinary teams also need to develop across business units to weaken the mental barriers to innovation and develop and implement strategies to measure the achieve more efficient use of artificial intelligence. Adapt your leadership to embrace AI, otherwise, your organization may be left behind.

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Review

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