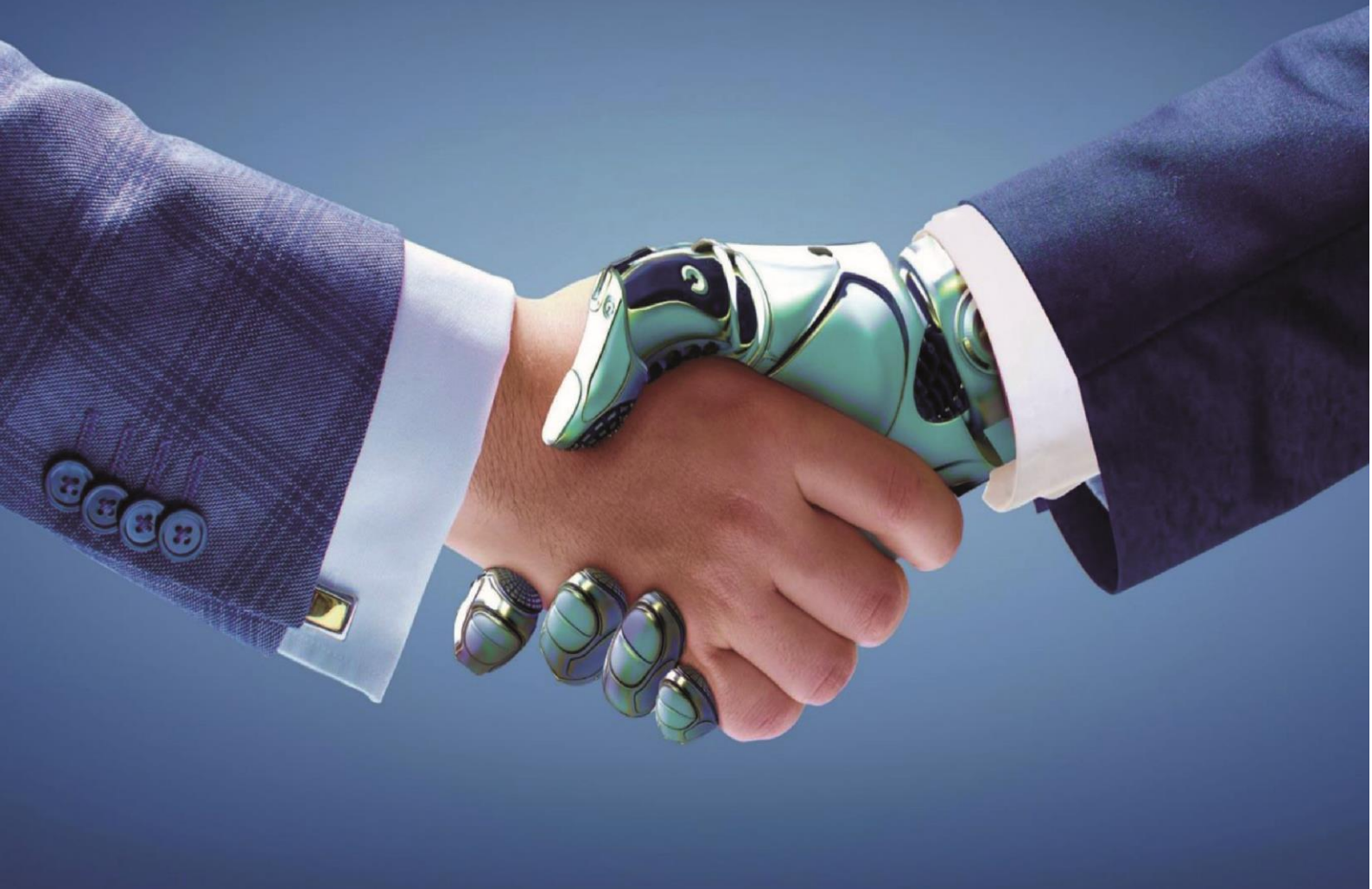




The Human Algorithm

Accelerating your transition
to a flatter, AI-powered
organization



Don't just adopt AI – transform through it

True competitive advantage is not found in the algorithms themselves, but in the human talent you unleash with them. This is a call to rewire your organization's core, moving from rigid hierarchies to agile, empowered teams that thrive on speed and continuous learning. It demands a new kind of leadership, one that shifts from control to coaching and unlocks your company's collective intelligence to build a faster, smarter, and more resilient enterprise.

About HTP Group

At HTP Group, we are acutely aware of the challenges facing today's and tomorrow's organizations. Our extensive experience, built over 4 decades, enables us to effectively support our clients on their transformative journeys through a comprehensive, customer-centric service offering. In addition, we have a deep understanding and expertise, on digital transformation, and digital-related governance and security providing invaluable insights and expertise to companies across various industry sectors.

The Group offers a comprehensive service:

- for all leadership positions, in all functional areas
- for all organizations, also not-for-profit, local or global, across all business sectors
- focused on EMEA
- for executive talent acquisition through permanent recruitment or interim placements, together with as-a-Service options for CIOs, CSOs, and DPOs
- as advisory in IT governance, security and data protection

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0. Preamble

“Today, we have over 1,000 Generative AI services and applications in progress or built, but at our scale, that’s a small fraction of what we will ultimately build.”¹

(Amazon CEO Andy Jassy, June 17th, 2025)

It has now become a truism that AI is the biggest technological revolution in decades, and potentially the most disruptive of this century, and a platitude to say that it represents both a formidable opportunity and a major challenge for businesses which have a minuscule time window to accelerate adoption or become obsolete.

Yet, successful AI adoption is **fundamentally a talent and leadership challenge**: while technology provides the tools, it is **people who unlock competitive advantage**.

This is why, leveraging our talent, technology and leadership expertise, we have dedicated a series of three reports to understand the implications of AI adoption in enterprises.

The preceding reports have articulated the strategic imperatives and profound organizational shifts required to thrive in the AI era. We journeyed from establishing AI readiness across the enterprise to reimagining leadership for flatter, more agile organizations. This analysis, however, serves its ultimate purpose only when translated into tangible action. The transformation into an "Intelligent Enterprise" is not a theoretical exercise; it is a complex, human-centric journey that demands strategic foresight, disciplined execution, and a new kind of leadership: this is the focus of this report, which delves into “what great looks like” both in terms of organization and in terms of leadership, and what a potential adoption journey looks like.

The contemporary business landscape is experiencing two profound shifts: the migration from traditional hierarchies toward flatter organizational models, and the rapid infusion of artificial intelligence (AI) into core processes. Flatter structures, characterized by fewer managerial layers, broader spans of control, and decentralized decision-making, accelerate responsiveness by cutting through bureaucratic layers.

AI is reshaping how work gets done: automating routine tasks, surfacing insights from vast data sets, and augmenting strategic decisions. This design empowers individuals to collaborate directly, take ownership of outcomes, and bring fresh ideas to market at speed—qualities essential in an era of constant disruption. By reallocating repetitive work to machines, organizations unlock human capacities for complex problem-solving, creativity, and emotional intelligence. When combined, flatter organizations and AI create a powerful synergy: open information flows fuel data-driven autonomy, while AI-enabled insights amplify the reach and impact of decentralized teams.

¹ <https://www.aboutamazon.com/news/company-news/amazon-ceo-andy-jassy-on-generative-ai>

1. Executive summary - The AI Imperative: A New Era for Business

We are at the cusp of a technological revolution poised to be the most disruptive of our century. The rapid infusion of Artificial Intelligence (AI) into the core processes of businesses is not a distant future, but a present-day reality that offers a formidable opportunity and a stark challenge. For enterprises, the window to adapt is minuscule; the choice is to accelerate AI adoption or face obsolescence. This report serves as a guide for leaders navigating this transformation, moving beyond theoretical discussions to provide a tangible, human-centric roadmap to becoming an "Intelligent Enterprise". The journey is complex, demanding strategic foresight, disciplined execution, and a new paradigm of leadership.

Beyond Technology: It's a Talent and Leadership Challenge

While technology provides the tools, it is the people within an organization who unlock its true competitive advantage. Successful AI adoption is, therefore, fundamentally a talent and leadership challenge. This report is the third in a series dedicated to understanding the profound implications of AI, building upon previous analyses of AI readiness and the organizational shifts required to thrive. We argue that the contemporary business landscape is defined by two powerful, interlocking shifts: the move towards flatter, more agile organizational structures and the pervasive integration of AI. When combined, these trends create a powerful synergy, where open information flows fuel data-driven autonomy, and AI-powered insights amplify the impact of decentralized teams. This synergy unlocks human capacity for creativity, complex problem-solving, and emotional intelligence by reallocating repetitive work to machines.

A Blueprint for the Intelligent Enterprise

This report presents a unified framework for harnessing these twin transformations through eight interdependent dimensions that must be pursued holistically to unlock their synergistic benefits. This blueprint guides organizations on their journey to becoming an Intelligent Enterprise by addressing everything from structure to culture. For example, it begins with the structural imperative to **transform into a flat network organization**, reducing hierarchical layers to cut approval times from weeks to hours and empower teams with greater agility. It also reimagines the nature of work itself by **fostering human-AI collaboration**, designing processes where AI handles data-intensive tasks, freeing employees to focus on complex, creative, and strategic work. Critically, the framework establishes the need to **implement ethical AI governance**, embedding fairness and transparency into the AI lifecycle to mitigate risks and earn the lasting trust of stakeholders. The full report details all eight dimensions, illustrating how they interlock to create a truly adaptive organization.

The Leadership Linchpin: From Authority to Influence

The transformation into an Intelligent Enterprise necessitates a fundamental reinvention of leadership. The traditional skills of control, authority, and siloed expertise are becoming liabilities in an environment that demands speed and innovation. This report identifies the "Power Skills" that are critical for leaders—deeply human capabilities that technology cannot replicate. The focus shifts from top-down delegation to fostering collaboration and empowerment across the organization. For instance, **Emotional Intelligence** becomes crucial for building trust and psychological safety in flatter structures that rely on influence rather than authority. Likewise, leaders must cultivate **Adaptive Thinking**, the flexibility to pivot strategies quickly as AI accelerates the pace of market changes. These are just two examples of a broader shift in leadership competencies, and the report provides a comprehensive exploration of the Power Skills now essential for success.

A Practical Roadmap for Transformation

Understanding the need for change is one thing; implementing it is another. The journey from a traditional, hierarchical organization to one built on empowerment and "Power Skills" is immense and fraught with challenges like deep-seated cultural inertia and resistance from leaders whose identities are tied to the old way of working. This report acknowledges these hurdles and provides a clear, phased migration path, treating the transformation as a continuous process of evolution, not a one-time project. The journey begins with a **thorough and honest cultural diagnosis** to identify entrenched behaviors and the recruitment of a "Coalition of the Willing" to champion the new vision. From there, the roadmap guides organizations through building new skills and, critically, **embedding the change systemically** by overhauling core processes like performance management and promotion criteria to reward collaborative outcomes. The full, multi-phase roadmap offers a detailed and actionable guide to navigating this complex but essential evolution.

2. The Evolving Organizational Landscape: AI Adoption and the Rise of Flatter Structures

This section presents a unified framework for harnessing these trends across eight interlocking dimensions: Transforming into a Flat Network Organization; Developing a Learning Orientation; Implementing Agile Methodologies; Fostering Human–AI Collaboration; Implementing Ethical AI Governance; Building an Innovation Ecosystem; Embracing a Customer-Centric Approach; and, finally, Integrated Transformation. For each dimension, we lead with its strategic rationale, illustrate what excellence looks like, and navigate common pitfalls with practical solutions.

2.1. Transforming into a Flat Network Organization

In a rapidly shifting business landscape, the ability to make swift, informed decisions can mean the difference between seizing market opportunities and falling behind competitors. By reducing hierarchical layers, organizations can cut approval times from weeks to mere hours, empowering teams to respond with unprecedented agility. This flattened structure also fosters innovation by encouraging individuals across diverse domains to collaborate organically, sparking creative solutions that would otherwise remain undiscovered. Additionally, granting employees greater autonomy and clear pathways for impact transforms the workplace into a magnet for top talent seeking meaningful, purpose-driven roles, thereby strengthening the organization's capacity to attract and retain high performers.

What Excellence Looks Like

In a truly flat network organization, decision-making authority is pushed to the edge—allowing cross-functional pods to self-organize around specific missions or customer needs. Leaders adopt the role of coaches rather than commanders, fostering a culture of trust and shared accountability. This environment combines human ingenuity with AI-driven orchestration to create a seamless, adaptive system that thrives on speed and collaboration.

- Minimal hierarchy: 2–3 layers, decision-making at the edge.
- Dynamic teams (pods) form around customer, product, or mission.
- Leadership as vision-setters, coaches, and enablers.
- AI-powered coordination: routine tasks automated, human focus on complex decisions.
- Transparent information flow aided by network-visualization and AI-driven connections.

Pitfalls & Solutions

Pitfall	How to Address
Declaration without infrastructure	Invest in leadership coaching and establish clear decision frameworks specifying authority levels.
Unclear accountability	Document decision rights, set outcome metrics, align autonomy with responsibility.
Middle-manager resistance	Reskill managers as coaches and connectors; clarify new career paths.
Communication overload	Define communication protocols and leverage intelligent filtering via AI.

2.2. Developing a Learning Orientation

As technological evolution accelerates, the shelf life of essential skills shrinks dramatically, rendering one-time training initiatives insufficient. Embedding continuous learning into daily workflows ensures that employees acquire and apply new capabilities proactively, preventing skill obsolescence. This ingrained learning culture not only enhances organizational adaptability in the face of change but also fuels innovation by legitimizing experimentation and intelligent failure. Moreover, companies that visibly invest in their people's growth become highly attractive to ambitious professionals, reinforcing a virtuous cycle of talent acquisition and retention.

What Excellence Looks Like

A learning-oriented organization treats knowledge as its most valuable asset, embedding upskilling and experimentation into every role and process. AI-driven personalized learning paths anticipate skill gaps and recommend just-in-time training, while frequent, low-stakes pilots enable teams to test hypotheses rapidly. Board-level sponsorship ensures learning initiatives are resourced and celebrated as strategic imperatives

- Continuous, embedded learning powered by AI-personalized recommendations.
- A balanced experimentation portfolio, celebrating intelligent failure.
- Multiple knowledge-sharing channels and board-level commitment to upskilling.

Pitfalls & Solutions

Pitfall	How to Address
Treating training as isolated	Embed learning in workflows; hold managers accountable for team development.
Failure remains taboo	Share senior failure stories; redesign performance metrics to reward learning.
Time pressure cuts learning	Protect learning budgets and integrate learning time into project schedules.

2.3. Implementing Agile Methodologies

Traditional waterfall project approaches, with their rigid phase gates and delayed feedback loops, often collapse under the weight of unpredictable market shifts. By adopting agile methodologies, organizations shift toward short, iterative cycles that incorporate real-time user feedback, enabling teams to pivot quickly when priorities change. This incremental delivery model not only unlocks earlier returns on investment but also minimizes waste by ensuring that resources are continuously aligned with evolving customer needs.

What Excellence Looks Like

An agile enterprise extends beyond software teams to permeate strategy, operations, and culture—valuing flexibility, cross-functional collaboration, and measurable outcomes. Teams hold tight feedback loops with stakeholders, deploy changes in small increments, and use outcome-based metrics to drive decisions. Leadership fosters an environment of continuous improvement, rapidly adapting processes as new data emerges.

- Iterative delivery: continuous deployment, user-driven feedback cycles in days
- Customer- and outcome-focused metrics, not just feature completion
- Agile mindset at scale: systemic workflows, stakeholder partnerships, process refinement

Pitfalls & Solutions

Pitfall	How to Address
Agile theater	Emphasize principles: empower teams, govern outcomes over tasks.
Partial adoption	Address inter-team dependencies; map end-to-end value streams.
Executive discomfort	Shift governance to value metrics; educate leaders on outcomes-based oversight.

2.4. Fostering Human–AI Collaboration

By combining human creativity with AI’s computational scale, organizations can achieve decision quality and service levels unattainable by either alone. AI-driven automation handles routine, high-volume tasks, freeing employees to focus on complex, strategic, and creative work that drives true competitive advantage. This partnership not only enhances operational efficiency but also boosts employee satisfaction, as teams engage more deeply with meaningful problems rather than repetitive processes.

What Excellence Looks Like

Human–AI collaboration thrives when every process is designed for symbiosis, with AI tools transparently supporting human judgment and vice versa. Responsibilities shift dynamically: AI handles data-intensive work while humans guide context-sensitive decisions. Continuous feedback loops refine AI models using frontline insights, creating ever-more powerful co-pilots for teams.

- AI as augmentation: “superpowers” for employees.
- Work designed for human–AI synergy with dynamic task allocation.
- Continuous co-learning loops improving AI tools from human feedback.

Pitfalls & Solutions

Pitfall	How to Address
Viewing AI as a replacement	Communicate augmentation focus; showcase new, enriched roles.
Dropping AI into old workflows	Redesign processes around AI capabilities, involve users in co-design.
Change-management neglect	Invest in training, create safe experimentation spaces, gather employee input.

2.5. Implementing Ethical AI Governance

The rapid expansion of AI technologies has triggered heightened scrutiny from regulators, customers, and the public, making ethical governance indispensable. Organizations that proactively integrate fairness, transparency, and accountability into their AI lifecycles not only mitigate legal and reputational risks but also earn stakeholder trust. This credibility, in turn, lays a strong foundation for sustainable innovation and long-term business resilience.

What Excellence Looks Like

Ethical AI governance goes beyond compliance, embedding moral considerations into every phase of design, development, and deployment. Explainability, bias detection, and human oversight are not afterthoughts but core requirements. Leadership structures include ethics champions and clear escalation paths, ensuring that AI initiatives align with both organizational values and societal norms.

- Ethics embedded in every development stage (“ethics by design²”) - This is now a critical consideration for European companies, as the EU AI Act imposes direct obligations on the design and development of AI systems.
- Tiered explainability and automated/human bias audits.
- Board-level oversight, aligned with organizational values and societal benefit.

Pitfalls & Solutions

Pitfall	How to Address
Compliance-only mindset	Integrate ethics into workflows; pair ethical review with code review.
Narrow bias testing	Expand audit dimensions; iterate tests to catch intersectional and emergent biases.
Ethics vs. performance debate	Reframe ethics as long-term value creator; include ethical metrics in success measures.

2.6. Building an Innovation Ecosystem

Cultivating a diverse innovation ecosystem unlocks a vast reservoir of ideas, expertise, and cutting-edge technologies from external partners such as startups, universities, and research consortia - a trend professed since a decade by technology-savvy companies. This collaborative network accelerates the journey from concept to commercialization, reducing the risk of “innovation theater” projects that fail to scale. By tapping into a broad spectrum of perspectives and resources, organizations maintain a continuous pipeline of breakthrough solutions and speed time-to-market.

² Ethics by Design: A cross-functional working group of product managers, UX (User Experience) designers, data scientists, and legal advisors that convenes bi-weekly to embed ethical principles—such as fairness, transparency, and privacy—into every stage of the development lifecycle, from initial ideation through deployment.

What Excellence Looks Like

An effective innovation ecosystem extends the organization's R&D reach beyond its walls, fostering co-creation with partners and providing clear pathways for scaling promising pilots. Tools, processes, and incentives are democratized to frontline teams, while governance frameworks ensure alignment with strategic objectives. This approach balances exploratory ventures with structured scale-up mechanisms.

- Distributed innovation: frontline-driven ideation, not isolated labs.
- Fluid partnerships with startups, academia, and research institutions.
- Adaptive methodologies matched to innovation types, with clear scale-up pathways.

Pitfalls & Solutions

Pitfall	How to Address
Innovation theater	Link pilots to P&L owners; establish clear thresholds for scaling.
Over-centralization	Democratize tools and processes; foster communities of practice.
Inadequate resource protection	Treat innovation budgets as strategic; measure over appropriate long-term horizons.

2.7. Embracing a Customer-Centric Approach

Today's customers expect experiences that are both personalized and frictionless, with their privacy fully respected. By marrying AI-driven insights with strategically placed human interactions, organizations can anticipate needs and deliver tailored solutions at scale. When customers feel genuinely understood and valued, their loyalty deepens, their lifetime value rises, and they become powerful advocates for the brand.

What Excellence Looks Like

A customer-centric organization places the buyer journey at the heart of every AI initiative, using real-time data and empathy to anticipate and fulfill needs.

Personalization engines work in tandem with dedicated human touchpoints, ensuring that technology amplifies rather than replaces meaningful interactions. Continuous feedback channels shape product roadmaps and drive service improvements.

- AI-driven personalization balanced with privacy-enhancing technologies.
- Co-created experiences, seamless human–AI handoffs, and proactive feedback loops.
- Customer insights driving AI strategy, not vice versa.

Pitfalls & Solutions

Pitfall	How to Address
Technology-first implementations	Ground AI initiatives in deep customer research; prioritize genuine needs.
“Creepy valley” personalization	Ensure transparent data practices; offer customer control over personalization depth.
Poor escalation design	Build seamless handoffs; treat escalations as strategic human touchpoints, not failures.

2.8. Integrated Transformation

These dimensions are interdependent: flat networks accelerate agile experiments; continuous learning fuels human–AI collaboration; ethical frameworks underpin customer trust; and innovation ecosystems supply ideas that agile teams rapidly test and scale. Organizations must pursue a holistic approach, avoiding piecemeal initiatives that fail to unlock synergistic benefits.

Case study: Haier’s RenDanHeYi³



From Bureaucracy to a Global AI-Enabled Ecosystem

Haier’s transformation under the RenDanHeYi model represents one of the most dramatic restructurings in modern business. Beginning in the late 2000s, Haier eliminated over 12,000 middle-management roles and reorganized into more than 4,000 autonomous “micro-enterprises” (MEs), each comprising 10–15 employees responsible for its own R&D, manufacturing, sales, and P&L.

Three Rights and Entrepreneurial Ownership

Every ME was granted the “Three Rights” traditionally held by senior executives:

Strategy & Priorities:

- 1) Define its own mission in alignment with user needs.
- 2) Talent Decisions: Hire, fire, and build its team.
- 3) Resource Allocation: Set its own budgets, compensation, and investments.

³ Sources: <https://stories.platformdesign toolkit.com/the-rendanheyi-drives-breakthrough-business-innovation-at-haier-europe-80f5b0e7136b>, <https://www.linkedin.com/pulse/rendanheyi-revolutionary-management-model-reshaping-andre-hm0ue/>, <https://www.linkedin.com/pulse/human-ai-collaboration-redefining-work-industry-50-era-steiber-qy5nc/>, <https://medium.com/@stefanobesana/from-hype-to-reality-overcoming-challenges-to-scale-generative-artificial-intelligence-7046fd9bbd33>, <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/shattering-the-status-quo-a-conversation-with-haiers-zhang-ruimin>

This shift created end-to-end accountability, so that R&D, operations, and sales all directly reflected user demand.

Ecosystem Micro-Communities & AI Integration

Haier evolved its model into Ecosystem Micro-Communities (EMCs)—dynamic networks that bring together internal MEs, external suppliers, technology partners, and even customers to co-create solutions for specific scenarios (e.g., “smart kitchen” or “WashPass” subscription services). A central AI-infused digital platform underpins this ecosystem, supplying real-time data analytics, IoT connectivity (e.g., its HomeGPT initiative), and logistics support, while preserving each ME’s decision-making autonomy.

Accelerated Innovation & Performance Gains

- **Speed to Market:** New product cycles shrank from 3–4 years industry-wide to under 12 months for many categories.
- **Financial Growth:** Since adopting RenDanHeYi, Haier sustained a 20%+ compound annual revenue growth over 15 years, reaching over \$40 billion in sales, with profit growth outpacing revenue and improved ROIC.
- **Productivity & Uptime:** AI-driven processes yielded a 31% boost in productivity and a 10% reduction in downtime across manufacturing lines.

Global Replication

Haier has successfully transplanted its model into acquired brands—GE Appliances (USA), Sanyo (Japan), Candy (Italy), and Fisher & Paykel (New Zealand)—with each adopting micro-enterprise units and central AI platforms to enhance speed, innovation, and employee engagement.

Haier’s RenDanHeYi vividly illustrates the framework for AI-enabled organizational performance: by flattening hierarchies, it empowers edge-based decision-making; by establishing agile micro-enterprises, it accelerates iterative learning and pivots; by embedding human–AI partnerships through its digital platforms, it shifts routine tasks to intelligent algorithms and elevates employees as strategic co-pilots; by fostering an external innovation ecosystem, it continuously sources breakthrough ideas; and by operating with relentless customer focus—deploying privacy-aware personalization and seamless human handoffs—it turns satisfaction into advocacy. Together, these elements form an integrated transformation that unlocks sustained innovation, speed, and resilience.

Case Study: ING



From Traditional Banking to Agile, AI-Ready Organization⁴

Even though ING's agile overhaul began before AI was on most agendas, its core principles—flattening hierarchies, empowering small cross-functional teams, and building a centralized data platform—created exactly the conditions needed for rapid AI uptake. By embedding autonomy and iterative learning long before machine learning was part of the picture, ING cultivated a culture of experimentation and data fluency that naturally extended to AI pilots. In other words, its “agile first” mindset didn't just future-proof the bank against digital disruption; it laid the organizational groundwork that makes today's decentralized, human-AI partnerships both possible and sustainable.

Transformation Initiative

- **Launch & Scope:** In 2015, ING began dismantling its siloed, function-based structure in the Netherlands, rolling out roughly 350 nine-person “Squads” organized into 13 “Tribes,” with cross-squad “Chapters” to maintain domain expertise (e.g., data analytics, risk, software engineering) .
- **Roles & Governance:** Squads own end-to-end customer missions—from ideation through deployment—while Tribe Leads coordinate strategy across related squads. Chapter Leads ensure consistent quality, standards, and skill development across the bank.

Embedding Agility & AI

- **Data & Analytics Platform:** ING built a central, cloud-native Data & Analytics platform that provides squads near-real-time access to customer data, transaction feeds, and machine-learning APIs, enabling teams to experiment with predictive models directly in their workflows .
- **Decentralized AI Pilots:** Fraud-detection squads deploy new ML algorithms autonomously—running A/B tests on anomaly-detection models without central approvals. Mortgage-services squads similarly iterate on credit-scoring models, reducing loan-approval times from days to minutes.

⁴ Sources : <https://www.ing.com/Newsroom/News/INGs-approach-to-AI-explained-in-eight-minutes.htm>, <https://www.mckinsey.com/industries/financial-services/our-insights/ings-agile-transformation>, <https://www.linkedin.com/pulse/business-agility-transforming-organisations-digital-panea-scheffer-7ybke/>, <https://www.linkedin.com/pulse/rise-tech-squads-inside-business-units-transforming-andre-bipyel/>, https://medium.com/%40reshaping_work/navigating-ai-in-banking-how-ing-balances-innovation-with-data-security-3e6ccd60ba0c, <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/doing-vs-being-practical-lessons-on-building-an-agile-culture>

- **Cross-Functional AI Task Forces:** ING formed temporary, cross-squad task forces (akin to “X-FAITs⁵”) for major AI rollouts—combining data scientists, compliance experts, and product managers—to fast-track continuous integration and model governance .

Outcomes & Metrics

- **Speed to Market:** Product-cycle times shrank by up to 50%; major feature releases that once took months now launch in weeks.
- **Customer Impact:** Customer-satisfaction scores rose by ~15% between 2016 and 2018, driven by faster service and more personalized digital experiences .
- **Employee Engagement & Productivity:** Engaged-employee metrics climbed by 20%, while overall team productivity saw a 30% uplift as squads took ownership of end-to-end processes .
- **Financial Performance:** By 2018, EBITDA improved ~12% annually, with agile-driven cost efficiencies and new revenue streams from AI-powered services .

ING’s story mirrors the Chapter 2 blueprint for AI-enabled performance: by **flattening hierarchies** into autonomous squads, it empowers decisions at the work-level edge; by building a **central analytics platform**, it forges rich human–AI partnerships and accelerates iterative learning; by forming **external and cross-functional ecosystems** (Chapters and task forces), it sustains a pipeline of innovation; and by maintaining a relentless **customer focus**—using privacy-aware personalization and seamless human handoffs—it turns faster, data-driven actions into measurable advocacy. This integrated transformation unlocks the speed, agility, and resilience that define AI-ready organizations.



⁵ X-FAIT : Corss-Functional AI Task Forces

Case study : Spotify



Spotify's Squad Model⁶

Why they flattened: As streaming competition intensified, Spotify needed to move from big-batch releases to continuous, user-focused innovation.

New structure:

- Squads of 6–12 people own specific features end-to-end (from design through code to live operations).
- Tribes (up to ~100 people) group related squads (e.g. “Growth” or “Discovery”) to share roadmaps and best practices.
- Chapters keep deep expertise alive by gathering functional specialists (e.g. backend engineers) from across squads.
- A lightweight Guild⁷ network shares cross-cutting interests (e.g. data privacy).

Tech enablers:

- An internally built “Backstage” developer portal gives every squad easy access to APIs, metrics dashboards, and plug-and-play microservices.
- Real-time telemetry (via Kafka and Kubernetes) lets teams measure feature impact immediately after rollout.

Outcomes:

- Release frequency jumped from quarterly to multiple deploys per day.
- “Time to restore” incidents dropped by ~40% because each squad handles its own live-ops.
- Developer satisfaction rose by 25%, reducing attrition in key engineering teams.

⁶ Source : <https://medium.com/%40nareshnavinash/spotify-squad-model-eaedd1cefd8e>

Note : even though dated, this model is relevant as it relates to flattening organization in the light of technology adoption and rapid growth

⁷ a Guild is a loose, cross-organizational community of individuals who share a common interest or expertise—such as data privacy, web performance, or user research—regardless of which Squad or Tribe they belong to. Unlike Squads (which are small, end-to-end teams) or Chapters (which group specialists by function to maintain quality standards), Guilds are entirely voluntary: any employee can join, contribute, and learn. Guilds meet regularly—often informally—to swap best practices, experiment with new tools or techniques, surface challenges, and evangelize improvements back into their respective Squads, Tribes, and Chapters. This network supports continuous learning and innovation across the company without adding formal hierarchy or reporting lines.

Case study: Amazon Web Services



Amazon Web Services' "Two-Pizza" Teams⁸

Why they flattened: AWS and Amazon.com both needed to align tightly around customer problems—and microservices—so large, functionally siloed orgs wouldn't slow them down.

New structure:

- Two-Pizza Teams (<10 people) each own one service or customer journey end-to-end: they design, build, deploy, monitor, and iterate without handoffs.
- When a team outgrows "two pizzas," it splits ("mitosis"), preserving the small-team model.

Tech enablers:

- A rigorously microservices-first architecture means every team publishes and consumes standardized APIs.
- Centralized CI/CD pipelines and self-service cloud infrastructure let teams provision resources in minutes.

Outcomes:

- Hundreds of autonomous AI/ML experiments run in parallel—fraud detection, recommendation engines, logistics optimization—all without central approval bottlenecks.
- New feature-to-market cycles slashed by up to 50%.
- Customer satisfaction up ~15% (2016–2018) thanks to hyper-personalized experiences and near-instantaneous service improvements.

These cases show that flattening isn't just a buzzword: when paired with the right platforms, microservices, and data pipelines, small, empowered teams become the true engines of digital and AI-driven innovation—exactly the dynamic, edge-based decision-making and human-AI partnership described in our Chapter 2 framework.

⁸ Source: aws.amazon.com

Conclusion

Organizations today need to rethink how they work if they want to thrive with AI:

- First, they should break down rigid hierarchies, so decisions happen quickly at the “edges”—where the work gets done.
- Second, teams must adopt an agile, step-by-step approach that lets them learn and adjust in real time.
- Third, employees and AI should partner: let machines handle repetitive tasks so people can focus on creative, high-value work.
- Fourth, clear rules and open communication around AI use build trust with both staff and customers.
- Fifth, tapping into outside ideas—from startups, universities, and even competitors—keeps innovation fresh.
- Sixth, stay relentlessly focused on the customer by using AI to personalize experiences, while always protecting privacy and knowing when a human touch is needed.

Finally, these changes must come together: quick decisions, continuous learning, honest AI practices, and strong partnerships inside and out. When an organization weaves all these pieces into one cohesive whole, it unlocks the real power of AI and becomes faster, smarter, and more resilient.



3. The Impact of AI on Traditional Organizational Hierarchies and Leadership Roles

As AI adoption leads to leaner organizational structures with fewer layers of management, processes are streamlined and the need for extensive managerial oversight is reduced in certain areas. The role of traditional middle management evolves, requiring individuals in these positions to develop new skill sets focused on strategic thinking, complex problem-solving, and innovation, rather than primarily on routine supervision and task delegation.

The nature of leadership responsibilities is also fundamentally impacted. Leaders are increasingly expected to focus on setting a clear vision for the future, formulating overarching strategies, and fostering a culture of innovation and continuous adaptation within their organizations. In an AI-driven world, human-centric leadership is gaining prominence, emphasizing the importance of empathy, emotional intelligence, and the ability to build strong and meaningful relationships with team members. Furthermore, leaders must develop a degree of AI literacy to understand the potential applications and inherent limitations of this technology, enabling them to make well-informed decisions regarding its strategic implementation and ethical considerations. In this evolving context, leadership shifts from simply directing tasks to inspiring and guiding teams, leveraging AI's capabilities while amplifying uniquely human traits that technology cannot replicate.

This transformation of organizational structures and leadership roles underscores the imperative for new leadership competencies. The skills that once defined effective management—control, authority, and siloed technical expertise—are becoming liabilities in an environment that demands speed, innovation, and uniquely human capabilities. There is a growing demand for leaders who can effectively empower their teams, facilitate seamless collaboration across different functions, and navigate increasingly complex and ambiguous situations with confidence. The shift towards flatter structures and the integration of AI necessitates a fundamental re-evaluation of the leadership skills required for success. Organizations are recognizing the need to prioritize the cultivation of “Power Skills” within their leadership ranks, as these competencies are essential for thriving in this dynamic and technologically advanced landscape.

In the evolving landscape of flatter, AI-driven organizations, several key Power Skills have emerged as critical for effective leadership, which we have described in our previous White Paper “The Intelligent Enterprise”⁹

⁹ <https://www.hightechpartners.net/the-intelligent-enterprise-flipbook>

Table 1: Power Skills for Leaders in Flatter, AI-Driven Organizations

Power Skill	Description	Importance in Flatter, AI-Driven Organizations
Emotional Intelligence	Self-awareness, empathy, and the ability to understand and manage emotions in yourself and others, including openness and comfort with expressing emotion, and the use of sensitivity when communicating with others.	In flatter structures that rely on influence rather than authority, emotional intelligence is crucial for building trust and rapport. As AI handles data-driven tasks, the human focus shifts to managing relationships, fostering psychological safety, and navigating the emotional aspects of technological change.
Adaptive Thinking	Flexibility in responding to changing circumstances and the ability to pivot strategies quickly.	AI accelerates the pace of change. Flatter organizations need individuals who can rapidly adjust to new information, evolving market conditions, and shifting internal roles without waiting for direction from a rigid hierarchy.
Critical Thinking and Problem-Solving	Analyzing complex situations, identifying patterns, developing creative solutions, and the capability to define a comprehensive reference framework for analysis.	As AI generates vast amounts of information, the ability to critically evaluate that data, question assumptions, and frame problems in a way that AI can effectively assist becomes a primary human role. This skill is vital for solving the novel and complex issues that are beyond the scope of current AI.
Ethical Decision-Making	Making principled choices that consider long-term impacts and stakeholder needs.	With the widespread use of AI, ethical considerations around data, bias, and societal impact are paramount. In a decentralized organization, individuals at all levels are more likely to face ethical dilemmas, making a strong ethical framework essential for maintaining trust and long-term viability.

Table 1: Power Skills for Leaders in Flatter, AI-Driven Organizations (Cont'd)

Power Skill	Description	Importance in Flatter, AI-Driven Organizations
Collaboration and Team building	Creating psychological safety and fostering inclusive environments where diverse perspectives thrive.	Flatter organizations rely on cross-functional, often transient, teams. The ability to quickly build cohesive and inclusive teams is essential for leveraging diverse skills to innovate and solve complex problems alongside AI.
Digital Literacy	Understanding AI capabilities, limitations, and how to effectively partner with technology.	To be effective in an AI-driven world, every employee must understand how to use AI tools responsibly and efficiently. This literacy allows individuals to augment their own skills, leading to higher productivity and innovation.
Coaching and Mentoring	Developing others through guidance rather than directive management.	Career progression in flatter organizations is less about climbing a ladder and more about acquiring new skills. A coaching mindset fosters a culture of continuous learning and peer-to-peer development, which is essential for upskilling and reskilling in the age of AI.
Change Management	Guiding organizations through transitions with minimal disruption, with a strong drive and effective monitoring.	The integration of AI is a significant and ongoing change. In a flatter structure, change is managed not from the top down, but through influential individuals at all levels who can champion new processes and guide their peers through the transition.
Strategic Thinking	Seeing the big picture and making decisions that align with long-term objectives combined with the capacity to lead, create buy-in and followership.	As AI provides more granular data and automates tactical decisions, humans are freed up to focus on long-term strategy. In a flatter organization, strategic thinking empowers individuals to make decentralized decisions that are aligned with the overall company vision.

Table 1: Power Skills for Leaders in Flatter, AI-Driven Organizations (Cont'd)

Power Skill	Description	Importance in Flatter, AI-Driven Organizations
Resilience and Stress Management	Maintaining effectiveness under pressure, combined with a structured approach helping teams navigate uncertainty and addressing ambiguity.	The rapid pace of AI-driven change and the increased autonomy in flatter organizations can lead to greater uncertainty and stress. Resilience is key to navigating this ambiguity and maintaining high performance.
Creativity and Innovation Facilitation	Fostering environments where new ideas can emerge and develop, including those derived from artistic capabilities.	While AI can optimize existing processes, true innovation often comes from human creativity. The ability to foster an environment where novel ideas are encouraged and explored is a critical differentiator in a market where competitors have access to the same technologies.

Power Skills, such as collaboration, adaptability, and effective communication, complement hard skills like technical expertise to form a balanced professional skillset. While hard skills provide the technical foundation for a job, Power Skills amplify their impact by enabling individuals to apply their knowledge effectively in collaborative and dynamic environments. Together, they create a "power blend" essential for achieving organizational goals in the modern workplace.

The skills required for effective leadership in today's dynamic organizational landscape represent a significant shift from traditional models. Traditional leadership skills often emphasized hierarchical control, a top-down approach to task delegation, and a strong focus on technical expertise within a specific domain. In contrast, the modern paradigm places a greater value on influence, the ability to foster collaboration across teams, and a high degree of adaptability in the face of constant change. The emphasis has moved from a command-and-control style to one that prioritizes empowering individuals and building strong interpersonal relationships to achieve organizational objectives.

Table 2: Comparison of Traditional Leadership Skills vs. Power Skills

Category	Traditional Leadership Skills	Power Skills
Focus	Control, Authority, Task Delegation, Technical Expertise	Influence, Collaboration, Adaptability, Empowerment
Approach	Top-down, Hierarchical	Collaborative, Distributed
Emphasis	Structure, Process, Individual Performance (often siloed)	Relationships, Teamwork, Collective Outcomes
Adaptability to Change	Reactive, May Resist Change	Proactive, Embraces Change, Continuous Learning
Communication Style	Directive, Formal	Open, Empathetic, Transparent, Tailored
Decision-Making	Centralized, Often Based on Authority or Technical Expertise	Decentralized, Collaborative, Informed by Diverse Perspectives, Critical Thinking

Conclusion

In an AI-driven world, effective leadership is no longer about issuing commands from the top—it's about inspiring and empowering others.

- Organizations must shift from rigid hierarchies to flatter, more agile models where managers guide rather than micromanage.
- Leaders need “Power Skills” like emotional intelligence, adaptive thinking, and ethical decision-making to build trust, navigate uncertainty, and boost motivation.
- At the same time, digital literacy and AI fluency are essential so leaders can leverage new tools wisely and spot potential risks.
- Collaboration and coaching replace task delegation, fostering a culture of continuous learning and innovation.
- By balancing human strengths — creativity, empathy, and strategic vision — with AI's data-processing power, leaders can steer their organizations through rapid change and seize new opportunities.

This blend of trust-based influence, technical understanding, and human-centered values will define successful leadership in the AI era.

4. The Power Skills Pivot: Navigating the Leadership Transformation from Authority to Influence

Leaders and organizations face the challenge of transitioning from traditional hierarchical structures to a new leadership model based on 'Power Skills.' This shift requires not only learning new skills but also unlearning old behaviors and transforming the organizational culture. Research indicates that agile, human-centric leadership can double the success rate.¹⁰

4.1. The Crucible of Change: Key Challenges, Dilemmas, and Pitfalls

The journey from a command-and-control leadership style to one based on Power Skills is fraught with obstacles that are both deeply personal and systemic. Ignoring these challenges is a common pitfall that often leads to failed transformation initiatives.

- 1) **The Leader's Identity Crisis:** Seasoned leaders often link their professional identity to their authority, expertise, and hierarchical position. Transitioning from a 'heroic leader' with all the answers to a 'humble enabler' who asks powerful questions can trigger a personal crisis."
 - **Dilemma:** *How much control do I relinquish?* Leaders grapple with the fear that letting go of direct control will lead to chaos, missed targets, and a perception of their own obsolescence.
 - **Pitfall: The Reluctant Delegator.** Many leaders default to "task delegation" rather than true empowerment. They assign work but fail to delegate the autonomy and decision-making authority that are crucial for fostering adaptive teams. This superficial change only creates frustration and bottlenecks.
- 2) **Deep-Seated Cultural Inertia:** Organizational culture is a powerful force, shaped by years of rewarding specific behaviors. A culture that has long celebrated decisive, top-down directives and individual "heroes" will naturally resist a shift towards collaboration, vulnerability, and collective ownership.
 - **Challenge:** The informal power structures and unwritten rules of the organization often continue to reward the old behaviors, even as official communications espouse the new values.
 - **Pitfall: The "Veneer of Change."** This occurs when an organization adopts the language of Power Skills—using terms like "psychological safety" and "empathy" in meetings—but the underlying behaviors and decision-making processes remain unchanged. This creates cynicism and disengagement among employees who see the hypocrisy.

¹⁰ **Source:** EY and Oxford University in AACSB (September 16, 2024). "Drive Transformation With Human-Centric Leadership" **URL:** <https://www.aacsb.edu/insights/articles/2024/07/drive-transformation-with-human-centric-leadership>

- 3) **Missing sense of purpose:** When power-skills initiatives launch without a clear, co-created “why,” along with fact-based targets, they quickly feel like yet another corporate checkbox. Teams struggle to see how empathy, active listening, and adaptive thinking drive real business outcomes, and enthusiasm evaporates.
- **Challenge:** Leaders must bring people into the story—working side by side with teams to craft a concise, fact-based narrative that links each power skill to concrete strategic goals (for example, faster innovation cycles, higher customer-satisfaction scores, or reduced time-to-market). This narrative needs regular reinforcement through real-world examples of impact, backed by clear milestones and transparent progress reviews.
 - **Pitfall:** Without a compelling purpose, initial buy-in fades into apathy. Training sessions become rote, coaching conversations lose their spark, and projects stall as individuals slide back into “business-as-usual” routines. What remains is superficial compliance rather than the deep, lasting behavioral change the organization needs.
- 4) **The "Messy Middle" Management Squeeze:** Middle managers are often the most significant barrier to—and victims of—this transformation. They are caught between the executive suite's strategic push for a new culture and the on-the-ground reality of teams accustomed to the old ways.
- **Dilemma:** Middle managers are asked to coach and empower their teams, but they are often still judged by senior leadership on traditional metrics like short-term productivity and error reduction.
 - **Pitfall: Inconsistent Modeling.** If senior leaders do not consistently model the Power Skills they advocate for, middle managers will not feel safe to do so themselves. Any reversion to a command-and-control style by a top executive during a crisis sends a powerful message that the "new way" is optional.
- 5) **The Measurement and Incentive Dilemma:** Traditional performance management systems are built to measure and reward individual achievement, technical proficiency, and execution of top-down directives. They are ill-equipped to quantify contributions in areas like emotional intelligence or building collaborative environments.
- **Challenge:** *How do you measure empathy or adaptive thinking?* Without clear metrics, these skills can be dismissed as "soft" and secondary to "hard" results.
 - **Pitfall: Rewarding the Wrong Behaviors.** If an organization's bonus structure and promotion criteria still heavily favor individual rainmakers who leave a trail of burned-out teams, the transformation will fail. The incentive systems must be fundamentally re-engineered to reward collaborative outcomes and the demonstration of Power Skills.

6) The Paradox of Vulnerability: Adopting Power Skills requires leaders to be more open, empathetic, and even vulnerable. However, in many corporate cultures, these traits have historically been perceived as signs of weakness or indecisiveness.

- **Dilemma:** Leaders are asked to foster psychological safety, but they may not feel psychologically safe themselves to admit they don't have an answer or to show emotion.
- **Pitfall: Weaponized Vulnerability.** A failed attempt at showing vulnerability, or a situation where a leader's openness is used against them, can cause them and their peers to retreat firmly back into the "armor" of traditional leadership, making future attempts at cultural change nearly impossible.

4.2. A Potential Migration Path: A Strategic Roadmap for Transformation

Transforming an organization's leadership culture is not a one-time project but a continuous process of evolution. A phased, deliberate approach can help navigate the complexities and build momentum over time.

Power Skills transformation unfolds in two waves. The first 6–12 months focus on capability building through training, pilot projects, and coaching to practice empathy, active listening, and adaptive thinking. The next 18–24+ months aim to embed and scale these behaviors across the organization, reinforcing successes and refining processes to make these skills part of the cultural fabric. This pacing ensures deep, lasting change through phases 1 to 5.

Phase 1: Diagnosis and Coalition Building (Months 1-3)

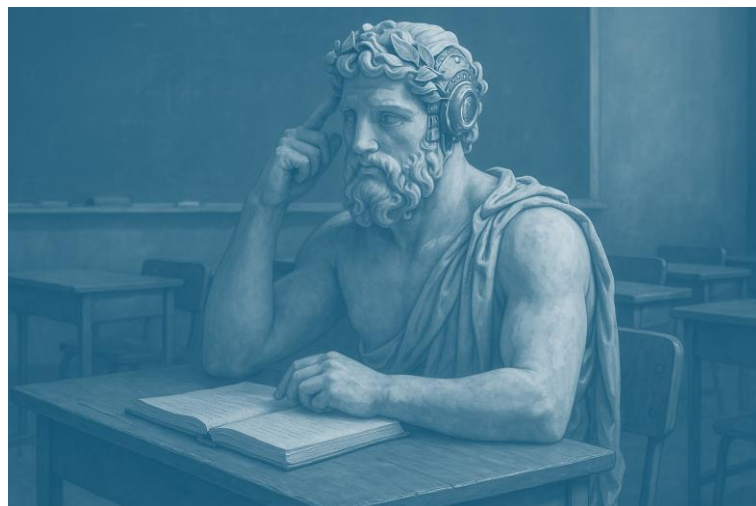
- **Action:** Conduct a thorough and honest cultural assessment. Use anonymous surveys, focus groups, and one-on-one interviews to understand the current leadership culture, its strengths, and the specific "old guard" behaviors that are most entrenched.
- **How to Conduct:** Go beyond superficial employee engagement surveys. Ask pointed questions about psychological safety, meeting dynamics, and how failure is treated. The goal is to identify the gap between the espoused culture and the lived reality.
- **Action:** Identify and recruit a "Coalition of the Willing." This group should include influential leaders and young talents from all levels of the organization - not just or necessarily the executive team - who are already natural proponents of Power Skills.
- **How to Conduct:** This coalition will act as the initial champions of the change. They should be brought in early to help shape the vision and strategy, ensuring it is grounded in the organization's unique context.

Phase 2: Crafting and Communicating the Vision (Months 3-6)

- **Action:** Develop a clear and compelling vision for the desired leadership culture. This vision must be directly linked to the organization's strategic objectives.
- **How to Conduct:** The vision should not be a list of generic corporate values. It should be a narrative that answers the question: "Why is this change essential for our success in the age of AI and our evolving market?" For example: "To be the most innovative company in our industry, we must transition from a culture of 'knowing' to a culture of 'learning,' where every leader is a coach who unlocks the creative potential of their teams."
- **Action:** Launch a comprehensive and sustained communication campaign.
- **How to Conduct:** Use a variety of channels—town halls, team meetings, internal social media, video messages from the CEO. The communication must be relentless and, most importantly, the senior leadership team must be the most visible and consistent messengers.

Phase 3: Skill Development and Experiential Learning (Months 6-18)

- **Action:** Implement targeted training and coaching programs focused on the specific Power Skills identified as critical.
- **How to Conduct:** Move beyond traditional classroom training. Emphasize experiential learning, such as peer coaching, real-world "action learning" projects, and the use of simulations to practice difficult conversations. Provide leaders with dedicated coaches to help them navigate their personal transformation journey.
- **Action:** Create safe spaces for practice and feedback.
- **How to Conduct:** Establish "leadership dojos", peer support groups or dedicated "lighthouse" spaces where new behaviors can be prototyped and refined (like giving empathetic feedback or facilitating a collaborative brainstorming session) and receive constructive criticism in a low-stakes, safe-to-fail environment.



Phase 4: Systemic Reinforcement (Months 12-24)

- **Action:** Overhaul the organization's systems and processes to align with the new leadership model.
- **How to Conduct:**
 - **Recruitment:** Modify interview processes to screen for Power Skills, using behavioral questions and situational judgment tests.
 - **Performance Management:** Redesign performance reviews to include 360-degree feedback on the demonstration of Power Skills. Make collaborative outcomes a significant component of performance ratings.
- **Rewards and Recognition:** Create recognition programs that celebrate teams, not just individuals. Tie a portion of leadership bonuses to metrics related to team engagement, talent development, and cross-functional collaboration. Leverage technology to connect leaders with coaches/mentors, and design rewards for collaborative behaviors to ensure scale and visibility of power-skills adoption.
- **Promotions:** Make the demonstration of Power Skills a non-negotiable prerequisite for promotion to any leadership role.

Phase 5: Iteration and Continuous Improvement (Ongoing)

- **Action:** Treat cultural transformation as an agile process.
- **How to Conduct:** Continuously gather data on what's working and what isn't. Use regular pulse surveys to track progress on key cultural indicators. Be prepared to adapt the strategy based on feedback. The goal is not to reach a final destination but to embed a culture of continuous learning and evolution into the organization's DNA.

4.3. The Impact: Gains, Damages, and a New Balance Sheet of Success

A successful leadership transformation yields profound benefits, but the process is not without risk. A clear-eyed view of both the potential gains and the potential damage is essential for effective stewardship of the change.

Potential Gains:

- **Increased Agility and Innovation:** Flatter organizations empowered by leaders who coach rather than command can respond to market changes with greater speed. When teams feel psychologically safe, they are more willing to experiment, share nascent ideas, and pivot quickly, leading to a significant increase in innovation velocity.

- **Enhanced Employee Engagement and Retention:** A culture of empathy, respect, and empowerment is a powerful magnet for top talent. When employees feel seen, heard, and developed, their discretionary effort increases, and they are far less likely to leave. This reduces recruitment costs and retains valuable institutional knowledge.
- **Improved Decision-Making:** By tapping into the collective intelligence of the entire organization, leaders can make more robust and well-rounded decisions. Power Skills like critical thinking and effective communication ensure that AI-driven insights are properly interrogated, contextualized, and translated into effective strategy.
- **Greater Resilience:** Organizations with high levels of trust and strong collaborative networks are better able to withstand shocks and navigate uncertainty. Leaders skilled in resilience and stress management can guide their teams through turbulent times without a drop-off in effectiveness.

Potential Damages to Avoid:

- **Short-Term Productivity Dip:** As leaders and teams adjust to new ways of working, there can be a temporary slowdown in productivity. Decision-making might initially take longer as collaborative processes are adopted. This must be anticipated and communicated to stakeholders as a necessary investment.
- **Loss of Key Talent:** Not everyone will be able to make the transition. Some high-performing technical experts who have relied on their authority may choose to leave rather than adapt to a more collaborative style. Organizations must weigh the value of retaining these individuals against the cultural cost of allowing old behaviors to persist.
- **The "Anarchy" Fallacy:** A poorly managed transition to an empowered model can be mistaken for a lack of direction. If roles, responsibilities, and decision-rights are not clarified, teams can become paralyzed by confusion, leading to "collaboration overload" where everyone is in every meeting and no one is accountable.
- **Erosion of Trust:** A failed or superficial transformation effort is worse than no effort at all. If leaders are perceived as being inauthentic or if the change is seen as just another corporate fad, it can breed deep cynicism and erode trust in leadership for years to come.

Redefining the ROI: The "return on investment" for this transformation cannot be measured solely in traditional financial terms. The new balance sheet of success must include metrics that capture the health of the organizational culture: levels of psychological safety, employee net promoter score (eNPS), rates of internal mobility and promotion, and the speed at which new ideas move from concept to execution.

Illustration of some remarkable initiatives

PwC's Global AI Academy¹¹



Under the leadership of Joe Atkinson, PwC launched an internal “AI Academy” in 2024 aimed squarely at its partner and executive cadre. 90% of its 270,000 professionals—including all partners—have now completed modules on prompt engineering, responsible-AI governance, and “human-in-the-loop” design. This program goes beyond technical upskilling: it embeds ethical decision-making and change-leadership practices into every case study, ensuring that executives learn to champion AI pilots, model transparent governance, and cascade new behaviors through their teams.

IKEA's Hej Copilot & Leadership Bootcamps¹²



IKEA's Chief Digital & IT Officer, Ulrika Biesèrt, spearheaded a two-pronged initiative in early 2025: an AI literacy platform (“Hej Copilot”) open to all 160 000 employees, plus selective “Leader Sprints” for directors and VPs. These sprints combine hackathon-style exercises with “Power Skills” clinics on empathetic coaching and ethical risk-taking. By having executives prototype generative-AI use cases themselves—then present them in town-hall demos—they internalize both the human-AI partnership and the cultural shift toward agile experimentation.

Walmart's GenAI “My Assistant” Sponsorship¹³



At Walmart, Chief People Officer Donna Morris co-sponsored the rapid 60-day build of “My Assistant,” a GenAI tool for 50 000 corporate staff. Beyond technical launch, Morris embedded a leadership change-management track: each exec cohort trained on using the assistant to drive decision-making, then coached their direct reports on collaborative prompt feedback loops. This integrated approach tied AI adoption directly to “Power Skills” such as active listening and adaptive thinking, and helped secure broad organizational buy-in early in the rollout .

¹¹ Source : <https://www.businessinsider.com/ai-leaders-pwc-mastercard-accenture-ikea-tech-adoption-growth-strategy-2025-5>

¹² Idem

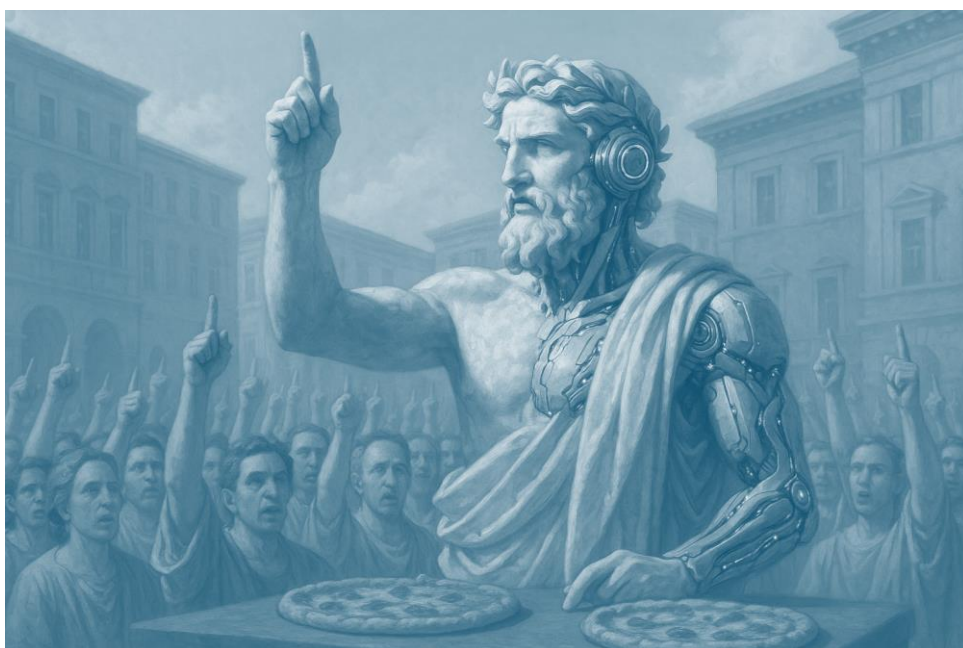
¹³ Source : <https://www.softserveinc.com/en-us/blog/from-ai-discovery-to-ai-adoption>

Conclusion

The future belongs to leaders who understand that their primary role is not to command, but to connect; not to have all the answers, but to foster an environment where the best ideas can emerge from anywhere.

The showcased initiatives from PwC, Ikea and Walmart demonstrate our argument for AI-powered performance: they empower leaders with the authority and skills to leverage technology, promote human–AI collaboration through executive involvement, encourage agile mindsets via sprints and hackathons, and ensure ethical governance and continuous learning through dedicated training. This integrated approach blends technology adoption and cultural transformation, essential for sustained innovation, speed, and resilience.

By embracing Power Skills, organizations can ignite innovation and fuel resilience. The journey demands honest self-reflection, a clear co-created purpose, and a phased strategy that starts with building capability, then systematically embedding new behaviors into every system and process. Leaders must navigate identity shifts, cultural inertia, and measurement dilemmas, always reinforcing progress with real-world examples and transparent feedback loops. Empowering middle managers as true coaches and rewarding teamwork over solo heroics helps the new leadership model gain momentum. Treating this transformation as an ongoing, agile process—regularly assessing what works, iterating on your approach, and celebrating both small wins and big breakthroughs—ensures these Power Skills become part of your organization's DNA. The result is a leadership culture that's more human, more innovative, and uniquely equipped to thrive alongside AI.



5. Leading Organizations to the Intelligent Future: A Comprehensive Support Framework for Flatter, AI-Enabled Organizations

5.0. Introduction: From Insight to Impact

HTP Group's approach to AI adoption emphasizes that while technology provides the tools, it's the talent and leadership that unlock competitive advantage. We ambition to be one of your key partners in this transformation. Our primary role is to guide, orchestrate, and enable your human capital strategy, ensuring your people are the drivers of your success.

This is not a proposal for a "one-stop-shop" engagement. Rather, it is a framework for a strategic partnership where we empower your organization by bringing our core capabilities to the table. This includes **our strategic insight to advise leadership** on the critical talent decisions that underpin the transformation; **our deep expertise in coaching executives and managers** to develop the "Power Skills" needed to lead in new ways; **our proven ability to recruit pivotal, next-generation leaders** with the right blend of technical and leadership skills; and **our agility in providing world-class interim managers** to steer critical project phases or bridge capability gaps.

Where specialized execution is needed beyond our core focus, we work with you to leverage your existing partners or help you select the best advisors for the task. Our goal is to be your trusted orchestrator for the talent and leadership workstream, ensuring all elements are aligned for maximum impact.

An Agile, Integrated Approach

While the phases below are presented sequentially for clarity, our execution is agile and iterative. We understand that transformation is not a rigid, linear process. Many activities, particularly in the diagnostic phase, are conducted in parallel workstreams. For instance, we can design a single, unified survey to gather data on cultural norms and AI readiness simultaneously. Our workshops are designed to be multi-purpose, addressing leadership challenges and organizational structure in the same session. This integrated methodology ensures efficiency, reduces "change fatigue," and accelerates the journey from insight to impact.

Leveraging the synergistic expertise of our three specialized brands—**Hightech Partners**, **Hoffman**, and **Ataya & Partners**—we provide a holistic partnership for executive search and leadership consulting, interim management, and advisory in data, security, and digital transformation, ultimately de-risking your journey and accelerating your success.

5.1. Phase 1: Foundational Diagnosis & Readiness Assessment

Illustrative Timing: Weeks 1-6

Objective: To establish a clear, data-driven baseline of your organization's current maturity, executive alignment, and talent readiness.

Key Activities & Deliverables:

1. Integrated AI, Leadership & Organizational Diagnostic:

- **Methodology:** We conduct a consolidated diagnostic effort through a series of efficient, multi-purpose workshops and a unified online assessment tool. We simultaneously gather data on AI Readiness (benchmarking against the six critical dimensions), Organizational Structure (mapping decision-making pathways), and Leadership & Culture (assessing the prevalence of the 12 "Power Skills").
- **Deliverable: The Transformation Baseline Report.** This single, integrated report provides a clear, multi-dimensional view of your organization's readiness.
- **Immediate Actions Enabled:** This report allows you to **immediately prioritize 2-3 high-impact, low-risk pilot projects**. It provides the data to make go/no-go decisions and identifies the leaders and teams best equipped to lead them.

2. Technology, Data & Cybersecurity Assessment:

- **Methodology:** Led by specialists at **Ataya & Partners**, this parallel workstream involves a technical due diligence process, including a Data Audit, Infrastructure Review, and an analysis of your Cybersecurity Posture regarding AI deployment.
- **Deliverable: Data & Tech Readiness Scorecard.**
- **Immediate Actions Enabled:** This scorecard provides an **actionable list of critical data gaps and security risks** that must be remediated before any significant AI investment, preventing costly mistakes and ensuring your strategy is built on a solid foundation.

3. Leadership Deep-Dive & "Coalition of the Willing" Identification:

- **Methodology:** We augment the broader survey with confidential, in-depth behavioral interviews and psychometric assessments (e.g., Birkman) for the senior leadership tiers.
- **Deliverable: Leadership Capability Matrix & Coalition Map.**
- **Immediate Actions Enabled:** This matrix allows you to **make immediate, informed decisions about leadership development**. It clearly identifies a "Coalition of the Willing" to champion the change, leaders requiring targeted coaching, and those who may represent resistance, forming the basis of your talent strategy.

Phase 1 Success Metrics & 'Small Victory':

- **The Victory:** Moving from ambiguous concern to **data-driven clarity and leadership alignment**.
- **Metrics:** Time to align leadership on the top 3 transformation priorities reduced by 50%; first pilot projects identified and approved within 6 weeks; a "Coalition of the Willing" (small team of influential leaders or young talents) formally signed on.
- **What you can do now:** Make informed, rapid decisions on where to focus initial efforts and resources, backed by unified leadership.



5.2. Phase 2: Strategic Roadmap & Transformation Design

Illustrative Timing: Weeks 7-12

Objective: To co-create a prioritized, phased, and funded roadmap aligned to your organization's strategic objectives.

Key Activities & Deliverables:

1. Executive Vision & Strategy Workshop:

- **Methodology:** We facilitate a 2-day workshop with the executive team and the "Coalition of the Willing." The goal is to co-create a compelling narrative, align on the future state, and secure unified commitment to the roadmap.
- **Deliverable: The Transformation Charter & Strategic Narrative.**
- **Immediate Actions Enabled:** This provides a **powerful communication tool** to cascade the "why" throughout the organization, building buy-in and becoming the north star for all subsequent decisions.

2. Integrated Transformation Roadmap Development:

- **Methodology:** Our cross-brand team works to build a detailed, agile roadmap. Key workstreams include:
 - **Technology & Governance Blueprint (Ataya & Partners):** Designing the future-state technology architecture and the ethical governance framework ("Ethics by Design").
 - **Use-Case Prioritization & ROI Modeling (Cross-brand):** Prioritizing AI initiatives based on business impact and feasibility and building the business case for each.
- **Deliverable: The Agile Transformation Roadmap.**
- **Immediate Actions Enabled:** This allows for **immediate budget allocation and resource planning** for the next 6-12 months, moving the plan from a document into an executable project.

Phase 2 Success Metrics & 'Small Victory':

- **The Victory:** Moving from a general vision to a **funded, actionable, and time-bound plan**.
- **Metrics:** Transformation roadmap approved by the board within 12 weeks; budgets for pilot projects officially allocated; key business-unit leaders have signed off on their roles.
- **What you can do now:** Launch your first transformation initiatives with confidence, knowing they are strategically aligned and properly resourced.

5.3. Phase 3: Agile Pilot Implementation & Capability Building

Illustrative Timing: Months 4-18

Objective: To rapidly validate high-impact AI pilots while simultaneously building the essential organizational and leadership capabilities required for scaling.

Key Activities & Services:

1. Strategic Talent Realignment: Acquisition & Replacement:

The Assessment from Phase 1 provides a clear framework:

- The “Coalition of the Willing” works on clear objectives, Hightech Partners can accompany with the high performing team methodology.
- For new specialized roles (e.g., Chief AI Officer), **Hightech Partners** executes targeted searches to find AI-savvy leaders with the requisite Power Skills.
- The organization has a clear view on development needs and upskilling/reskilling options. See below.

2. Leadership Development for the "Reskillable Majority":

For leaders with high potential, we implement the "Build" strategy, delivering bespoke coaching and experiential "**Power Skills Dojos**" and "**Safe-Fail Labs**". This is the primary path for retaining and elevating your existing leadership talent.

3. Strategic Reskilling, Technical Deployment & Change Management:

We deploy the **SkillsBeam** platform from **Ataya & Partners** to manage workforce reskilling at scale. In parallel, **Ataya** provides technical deployment and compliance checks for pilots, while **Hoffman** can supply interim leadership to guide change management. To bridge critical gaps, **Ataya & Partners** can also provide functions "**as-a-service**", such as a Data Protection Officer (DPO) or Chief Information Security Officer (CISO), de-risking your AI initiatives from day one.

Phase 3 Success Metrics & 'Small Victory':

- **The Victory:** Demonstrating **visible capability lift and the success of the first AI-augmented processes**.
- **Metrics:** Successful delivery of 2-3 pilot projects with measurable outcomes (e.g., 15% reduction in customer inquiry handling time); 90% of the target leadership cohort actively engaged in coaching; first critical leadership role successfully placed.
- **What you can do now:** Point to tangible business results from AI, building credibility and momentum for broader scaling.

5.4. Phase 4: Scaling, Measurement & Continuous Evolution

Illustrative Timing: Months 18+ (Ongoing Partnership)

Objective: To embed AI-driven ways of working and new cultural norms into the organization's DNA, making transformation a core competency.

Key Activities & Services:

1. Systemic Reinforcement & Measurement:

We help you overhaul performance management systems to reward collaboration and digital literacy. **Ataya & Partners** can help build out a **Transformation Dashboard**, integrating with BI platforms to visualize KPIs and ROI in real-time.

2. Sustained Governance & Culture Adoption:

Hoffman can help convene and facilitate quarterly **AI Ethics & Governance Oversight Forums**¹⁴. To combat change fatigue, we help embed "**Change-Fatigue Guardrails**" like protected "learning hours" and celebrating intelligent failures in town halls.

3. Continuous Talent & Leadership Pipeline Management:

Our relationship evolves into an ongoing partnership. **Hightech Partners** supports the **Talent & Leadership Pipeline** through succession planning. We help launch "Power-Skills Alumni" communities for ongoing peer coaching and use **SkillsBeam** to embed microlearning modules directly into enterprise workflows.

Phase 4 Success Metrics & 'Small Victory':

- **The Victory:** Transitioning from executing a project to **operating as a Power Skills, intelligent enterprise**.
- **Metrics:** Measurable increase in Employee Net Promoter Score (eNPS); a 25% increase in the speed of launching new products; demonstrable ROI from scaled AI initiatives.
- **What you can do now:** Outpace competitors through superior organizational agility and a highly engaged workforce.

¹⁴ AI Ethics & Governance Oversight Forum: a senior-leadership committee—including representatives from Risk, Compliance, IT, HR, and the Business Unit heads—that meets monthly to review AI initiatives against established ethical guardrails, assess emerging regulatory requirements, and approve any high-risk model deployments under a clear mandate of ensuring accountability and stakeholder trust.

5.5. Note: Selecting Leading vs. Lagging Indicators

When choosing metrics to track your “Phase 1–5” progress, aim for a balanced mix of leading and lagging indicators:

- Leading indicators (e.g., number of leaders trained, percentage of teams running agile retrospectives, adoption rate of new AI tools) are early signals you can influence directly. They help you spot trends, diagnose issues in real time, and adjust course before problems cascade.
- Lagging indicators (e.g., eNPS, time-to-market reduction, customer-satisfaction scores, revenue impact) measure the outcomes of your transformation efforts and validate whether your interventions delivered the intended business value.

To select the right metrics:

1. Align to strategic goals – each metric should map clearly to one of your transformation objectives (speed, quality, engagement, customer impact).
2. Ensure measurability – pick indicators with reliable data sources and clear calculation methods.
3. Focus on influenceability – emphasize metrics your teams can actively affect through their day-to-day behaviors.
4. Review regularly – revisit your metric set every quarter to retire those that no longer drive insight and introduce new ones as your capabilities mature.

5.6. Next Steps & Proposal for Assistance

HTP Group stands ready to co-author your AI transformation journey. We propose a clear and collaborative engagement model:

- **Kick-off Alignment Session:** A half-day workshop to finalize the scope, key stakeholders, and governance for the engagement.
- **Phase 1 Deployment:** We are prepared to launch the foundational diagnosis within 4–6 weeks, delivering the initial Transformation Baseline Report to guide immediate action.
- **Quarterly Review Cadence:** We will establish a quarterly business review to track progress against the roadmap, ensure momentum, and make agile course corrections as needed.

For a detailed pricing proposal or to schedule the initial Kick-off Alignment Session, please contact your HTP Group engagement lead.

6. The HTP Group Advantage - Our Core Differentiator

"Our DNA is Digital" - Over 40 years, we have not only witnessed but actively shaped technology disruptions. This deep domain knowledge, combined with our unique talent-tech-transformation approach, positions us as the ideal partner for your AI journey.



1. Talent Acquisition Evolution

- **FROM:** Traditional recruitment based on past experience
- **TO:** Potential-based assessment using hard & soft skills evaluation

=> We understand that AI dramatically changes the talent equation

2. Comprehensive Service Portfolio

- Executive Search all leadership positions, in all functional areas, with strong technology-savviness
- Individual & Team Assessment (including Birkman Method)
- Strategic Talent Advisory
- Leadership Consulting
- Cybersecurity Governance & Advisory
- CISO/DPO/CIO as-a-Service
- Interim Management Solutions

3. Proven Industry Domain Knowledge

- Subject matter expertise enabling assessment of both soft and hard skills.
- Partners with 25+ years in IT industry leadership positions.
- Successful placement of hundreds of executives across Europe.
- Key clients: Capgemini, Sopra Steria, Deloitte, EY, Deutsche Telekom.

4. International Reach with Local Expertise

- Based in Belgium, France, Germany, Italy, Netherlands, Norway, Switzerland
- European-wide coverage through partner network
- Ability to conduct assessments in candidates' native languages

7. Conclusion: An Invitation to Action

The insights presented in this report converge on a single, undeniable conclusion: the era of command-and-control leadership and rigid organizational hierarchies is over. AI is not just another technological upgrade; it is a catalyst accelerating a fundamental shift in how work gets done, how decisions are made, and how value is created. For leaders, this moment represents a profound choice: to be the architects of a more dynamic, innovative, and human-centric future, or to preside over organizations that are slowly becoming relics of a bygone era.

The path forward is not about choosing between human intuition and machine intelligence; it's about harnessing the power of both. It's about building organizations that are simultaneously flatter, faster, and more deeply human. This requires breaking down stifling bureaucracies so that decisions can be made quickly at the edges, where the work gets done. It demands a shift to agile, iterative ways of working that allow teams to learn and adapt in real time. And it is founded on a new partnership between people and machines, where technology handles repetitive tasks, freeing human talent to focus on creativity, strategy, and complex problem-solving.

A Call to Courageous Leadership

This transformation is not easy. It demands more than just investment in new technology; it requires an investment in people and a conscious evolution of culture. It is a journey that will test the very identity of leaders, challenging them to unlearn decades of ingrained behaviors built on authority and control. The path is laden with potential pitfalls, from the "veneer of change" where new language masks old behaviors, to the erosion of trust if the transformation is perceived as inauthentic.

This is where true leadership emerges. The future belongs not to the leaders who have all the answers, but to those who have the courage to ask the right questions and create the psychological safety for others to do the same. It belongs to leaders who understand that their primary role is not to command, but to connect, coach, and empower.

Your Transformation Starts Now

This report has laid out a blueprint and a roadmap, but a map is only useful when you take the first step. Do not wait for a crisis to force your hand or for the elusive perfect plan to materialize. The journey to becoming an Intelligent Enterprise is an agile process of continuous learning, not a single, grand event. Your first steps can be taken today. It begins with holding up an honest mirror to your organization, conducting a thorough diagnosis to understand the gap between the culture you espouse and the one your employees experience every day. From that place of clarity, you can build a Coalition of the Willing—influential leaders and / or young talents at all levels who can

champion this change alongside you. This group is essential for co-creating a compelling “why” - a narrative that links this transformation directly to your strategic goals and inspires the entire organization. With this foundation, you can launch a focused pilot project, creating a safe space to experiment and demonstrate early wins, thereby building the credibility and momentum needed to turn a single initiative into a deep, lasting cultural shift.

The transformation into an agile, AI-enabled, and human-centric organization is the most significant leadership challenge of our time. It is a journey from authority to influence, from knowing to learning, and from control to empowerment. By embracing the Power Skills of empathy, adaptability, and collaboration, and by balancing them with a deep understanding of technology, you can lead your organization through this period of profound change. You can build an enterprise that is not only more innovative and resilient but also a more meaningful and engaging place to work. The future is being built today. It is time to lead the way.



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