Gen AI at work

Shaping the future of organizations

Capgemini RESEARCH INSTITUTE

#GetTheFutureYouWant

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Executive summary

Generative AI (Gen AI) is transforming the way we work. In our research, we asked leaders, managers, and employees to share how they project themselves into the future and how they expect the world of work to change with Gen AI.

Employees predict that, at entry level, Gen AI will facilitate a third of tasks over the next 12 months. In the longer run, collaboration between humans and AI will create greater value and new job roles, streamlining organizational structures and operating models and creating a new ontology of work:

Gen AI is expected to reshape roles and responsibilities

- In the next three years, at entry level, roles will become more autonomous and progressively evolve from creation to review, as Gen AI streamlines the generation process allowing individuals to focus on critical analysis, quality assurance and innovation. Gen AI could also accelerate the career progress of entry-level workers, as suggested by leaders and managers in our research. This shift requires organizations to prepare junior employees to take up these responsibilities.
- At manager level, roles are expected to become more strategic, focusing on AI-enhanced decision-making, and performing tasks that require a high level of emotional intelligence. Leaders and managers also think that, within three years, due to advancements in Gen AI, manager-level positions will evolve from generalists to specialists. Moreover, managers will be critical in assuaging fears and skepticism in the workforce in relation to new technologies. As human-AI teams become the new reality, managers will play a key role in defining rules and responsibilities on how human and AI will collaborate, ensuring accountability and adapting workflows, practices, processes, and operating models to a human-centered approach.
- At leadership level, roles will focus on redesigning the organization of the future, redefining the nature of roles across levels, and reimagining the ways of working. Nearly three in four (70%) of leaders and managers also believe that leaders will focus on establishing robust frameworks and guardrails for responsible and ethical development and deployment of Gen AI systems.

Executive summary

Gen AI could transform organizational structures

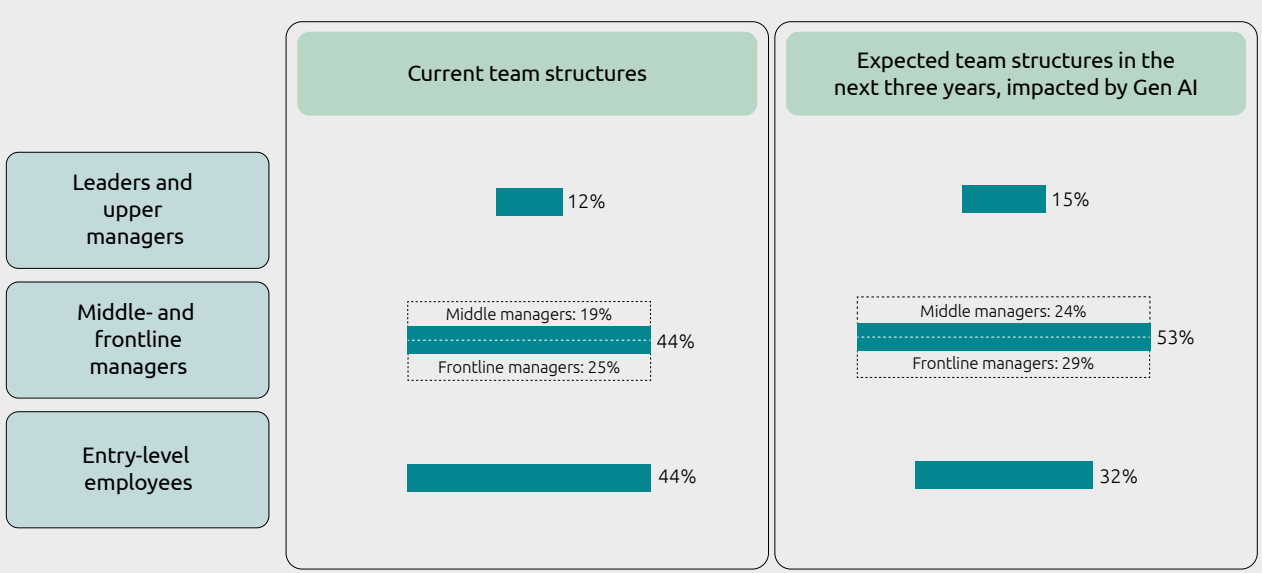
The impact of Gen AI on organizational structures and operating models has been the subject of extensive debate. Among various possible organizational structures (classic pyramid, inverse pyramid, diamond, hourglass, pillar, etc.), most experts suggest two distinct organizational frameworks could emerge:

- **The hourglass model** with a small strategic leadership, a lean middle-management layer, and a broad base of highly skilled entry-level talent, augmented by Gen AI. In this model, technology enables entry-level employees to act with more autonomy based on real-time data. This reduces the need for intensive managerial supervision and quality control, flattening managerial hierarchies while widening managerial span.
- **The diamond model** with critical top leadership, a broader middle layer, and a smaller entry-level layer that is partially automated with Gen AI. This concentrated and skilled junior layer focuses on high-value specialist tasks as opposed to manual and repetitive work. Work is delivered with a combination of human-AI teams. In these structures, managers transition from traditional coordination roles to AI-enhanced specialized, skilled and strategic roles.

There is no clear consensus among experts on which organizational model will dominate. And future organizational structures may differ significantly from current expectations. However, the leaders and managers in our survey sample lean towards the diamond model (see figure below) and expect the proportion of managers in their teams to expand from 44% to 53% in the next three years. It is also critical to note that this middle layer will not be just composed of people managers or generalists but also technical or functional leads, specialists and subject matter experts (SMEs).

This trend is consistent across organizations of all sizes, industries and functions. Only 18% of leaders and managers believe that Gen AI will reduce middle management and only 21% anticipate that, with Gen AI, they will have higher shares of employees in entry-level and non-managerial roles. In this context, organization will need to reevaluate current roles, outline new roles, and establish clear career paths across levels. Experimenting with flatter, more agile, and collaborative organizational structures along with retaining strategic fluidity is key.

Executive summary



Source: Capgemini Research Institute, Gen AI for management research, July 2024, N=1,500 leaders and managers.

Executive summary

Gen AI has the potential to unlock significant benefits

Employees see Gen AI's benefits in boosting their creativity, complementing their skills, and reducing work-related stress. It can assist in complex managerial tasks, acting as a "thought partner" for leaders and managers. A two-thirds majority (65%) believes Gen AI can serve as a co-thinker in value-adding activities such as strategic planning, evaluating risks and opportunities and augmenting decision-making.

However, key challenges remain

Currently, only 15% of leaders and managers and 20% of employees use Gen AI tools daily. Respondents see the top hurdles to Gen AI adoption as:

- Low confidence around the accuracy, logical soundness, security, and respect for IP/copyright and data privacy of Gen AI tools in connection with concerns regarding inaccuracies, false logic, bias, IP/copyright issues, privacy, and security
- Lack of clear guidelines from organizations regarding usage
- Complexity in integrating Gen AI tools into existing workflows
- Lack of skills to effectively drive outputs from Gen AI.

For instance, only 16% of employees say they receive ample support from their organization to develop Gen AI skills, and only 46% of leaders/managers have been through formal Gen AI training.

To build a Gen AI-augmented workforce, organizations should:

- Reevaluate strategic workforce planning, roles and career pathways for the new, agile and flatter organizational structures
- Optimize practices, processes, workflows, and operating models for human-AI collaboration

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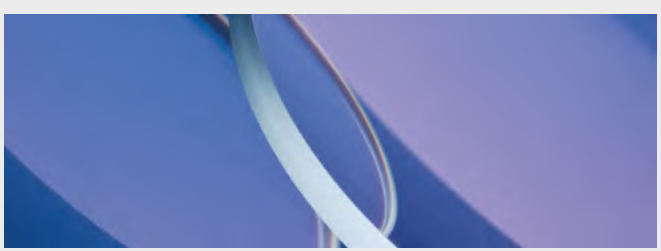
- Equip workforces with technology in a well-governed environment, helping them to evolve into an augmented force
- Integrate existing business applications and workflows with Gen AI to boost adoption
- Establish robust data foundations and governance principles to harness the potential of Gen AI
- Empower people with the required technical (data management and machine conversation) and soft (critical thinking, emotional intelligence, risk management, and ethical judgment) skills to use and trust Gen AI
- Create a culture of continuous learning and experimentation, focusing on the most visible aspect of organizational culture: adapting behaviors and habits
- Emphasize the role of Gen AI in augmenting and empowering, and not replacing, human intelligence.

Gen AI thrives best as part of a broader AI ecosystem. This hybrid AI approach – combining traditional AI, Gen AI, automation, and other technologies – can unlock unparalleled intelligence and efficiency tailored to specific business challenges.

Please note, the study findings reflect the views of the respondents and are aimed at providing directional guidance. Please contact one of the Capgemini experts listed at the end of the report to discuss specific implications.



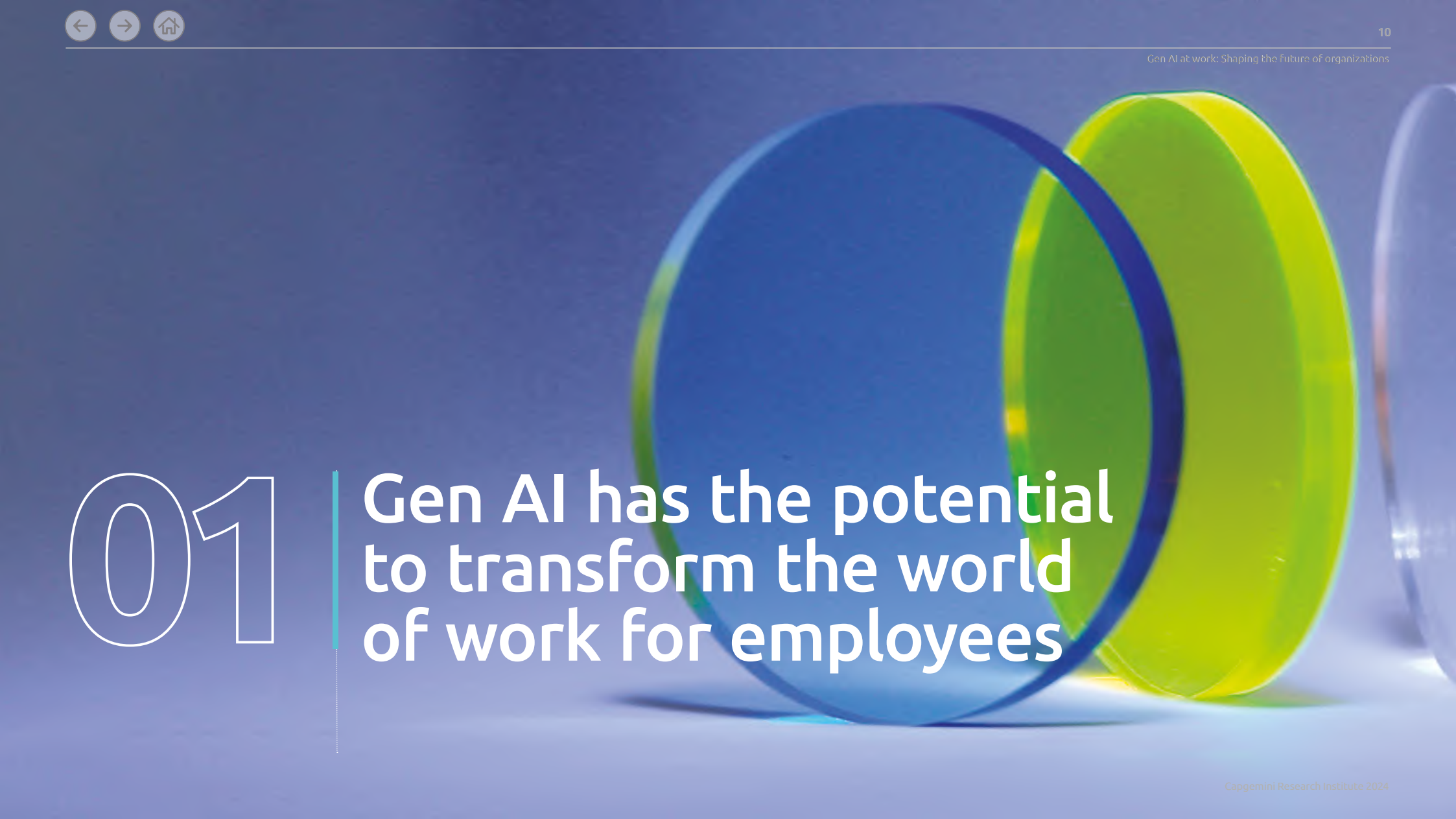
Who should read this report and why?

Gen AI is poised to influence the future of work, transforming roles, organizational frameworks, and the skills required at all levels. As Gen AI augments and assists tasks, leader, manager, and employee roles are shifting toward more strategic, creative, and problem-solving responsibilities. This shift demands a workforce as agile as the technology driving it.

How can organizations and business leaders thrive in the dynamic environment of human-AI collaboration? And how should they build a Gen AI-augmented workforce? In this report, we explore these areas in depth.

Business leaders across functions including corporate strategy, finance and risk, human resources, marketing and sales, IT, sustainability, innovation/R&D, product design/development, sourcing, manufacturing/operations, and supply chain will find it useful.

The report draws on a comprehensive analysis of a survey of 1,500 leaders and managers (CxOs, directors, managers, team leaders, etc.), as well as 1,000 employees (entry-level individual contributors) at organizations with annual revenue above $1 billion in 15 countries: Australia, Canada, France, Germany, India, Italy, Japan, the Netherlands, Norway, Singapore, Spain, Sweden, Switzerland, the UK, and the US. The survey spans 11 key industries and sectors: aerospace and defense, automotive, banking and capital markets, consumer products, energy and utilities, insurance, life sciences, manufacturing, public sector/government, retail, and telecom, media, and high tech. The report also includes qualitative findings from 15 industry leaders.



01 Gen AI has the potential to transform the world of work for employees

56%

of leaders and managers and 54% of employees agree that Gen AI is transforming the way we work

Gen AI is expected to reshape roles and responsibilities

Gen AI is transforming the way we work: 56% of leaders and managers and 54% of employees in our research agree. The technology is expected to unlock new levels of productivity, adaptability, and innovation, creating synergies between human and machine intelligence, while redefining and reshaping traditional roles and structures. Polish spirits company, Dictador, has even appointed "Mika," the first Gen AI CEO.[1]

- Eric Loeb, Executive Vice President, Government Affairs at Salesforce, says: ***"As with any industrial revolution, Gen AI will change the nature of jobs. Imagine the transformative impact of AI on customer service, for example. Gen AI will handle calls and streamline processes with unprecedented efficiency. Customer service agents can use Gen AI prompts to identify opportunities during interactions, upskilling them to hybrid service-sales roles. Some of our global customers have already integrated Gen AI into their service centers, enhancing problem resolution, and creating cross-selling opportunities. Rather than displacing roles, AI has the potential to reshape them."***[2]

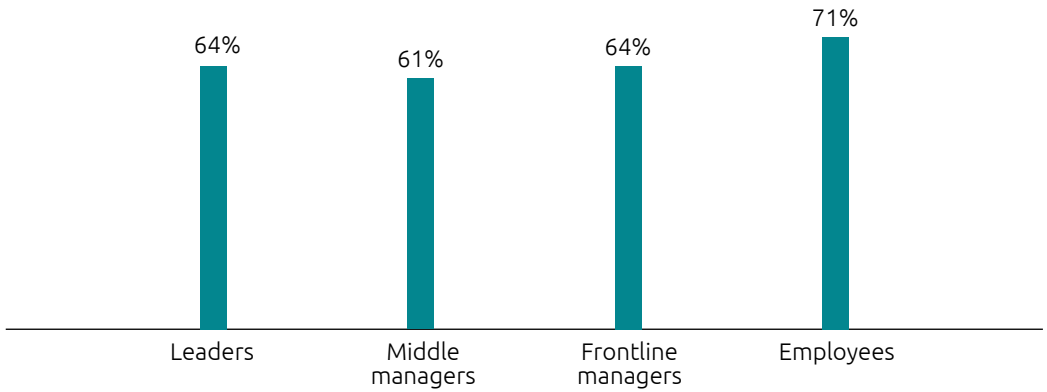
A few key trends are emerging:

- **Entry-level roles are expected to evolve from creation to review**

  More than 6 in 10 leaders and managers expect entry-level roles to evolve in the next three years, from creation (of content/code, etc.) to critically reviewing and refining outputs generated by Gen AI. Moreover, 71% of employees agree with this. Steven Matt, a marketing executive at a global professional services firm, adds: ***"You don't need typical copywriters, but rather "copy reviewers" to check whether AI-generated content matches the voice and tone of the company, is free of hallucinations, and if it follows brand guidelines. This concept extends to other creative fields, such as video editing. Instead of spending hours on tasks like synchronizing clips and perfecting transitions, video editors can now rely on Gen AI to automate these processes. I believe that the future of many roles will be centered around reviewing and verifying AI-generated work, rather than creating [content] from scratch."***

Figure 1.
With the advent of Gen AI, most respondents expect entry-level roles to transition from creation to review and refinement.

Percentage of respondents who agree with the statement: "In the next three years, entry-level roles will primarily evolve from creation (of content, code, etc.) to review and refinement of outputs generated by Gen AI".



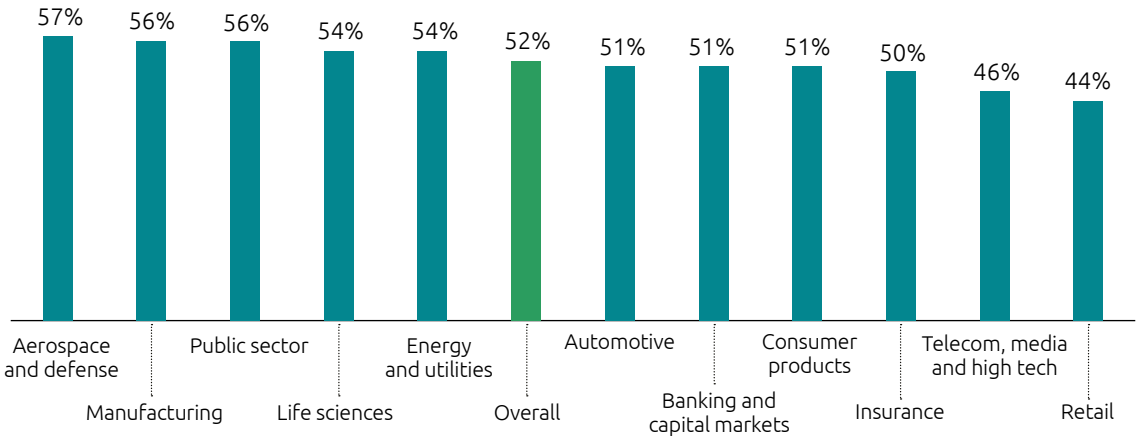
Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,500 leaders and managers, N=1,000 employees.

- **Entry-level roles will progressively become more autonomous**

  As Gen AI becomes more integrated into the workplace, entry-level roles are expected to gain greater autonomy – 52% of leaders and managers predict this (see Figure 2).

Figure 2.
Entry-level roles will become more autonomous due to Gen AI in the next three years.

Percentage of leaders and managers who agree with the statement: "In the next three years, entry-level roles will become more autonomous due to Gen AI," categorized by sector.



Source: : Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,500 leaders and managers.

- **Gen AI could accelerate career progress of entry-level employees**

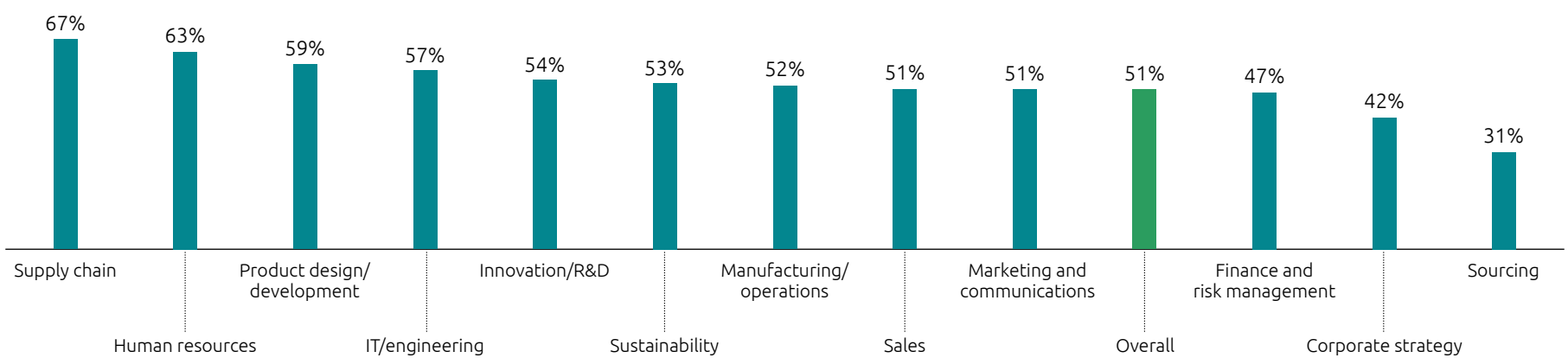
  A recent LinkedIn survey revealed that 52% of millennials and 48% of Gen Z globally believe that AI will help advance their careers by providing faster access to work-related knowledge and insights.[3]

  In our research, over half (51%) of leaders and managers anticipate that numerous entry-level roles will evolve into frontline managerial roles within the next three years, as the integration of Gen AI into existing workflows accelerates. It should be noted that this shift depends on several factors: clarity on skills requirements at higher levels; the ability of junior employees to develop these skills (often tied to experience, which cannot be fast-tracked); and the availability of opportunities available for the shift. Organizations must prioritize building the skills and readiness of junior employees as part of a clear roadmap for employees' journeys to people leadership or functional/technical leadership. This requires proactive steps around talent acquisition, development, skilling, and review and reward mechanisms.

  As Figure 3 shows, most leaders and managers from supply chain, risk management, and human resources functions agree. For example, in supply chain roles, Gen AI virtual assistants can handle routine tasks such as inventory management, order processing, and tracking shipments. This shift will enable junior analysts to progress to supply chain coordinator roles, overseeing AI operations and tackling strategic responsibilities such as refining logistics networks, managing supplier relationships, and coordinating large-scale inventory projects.

Figure 3.
Leaders and managers anticipate entry-level employees to assume responsibilities previously held by their supervisors.

Percentage of leaders and managers who agree with the statement:
"With Gen AI, in the next three years, many entry-level roles will transition to frontline manager roles," categorized by function.



Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,500 leaders and managers.

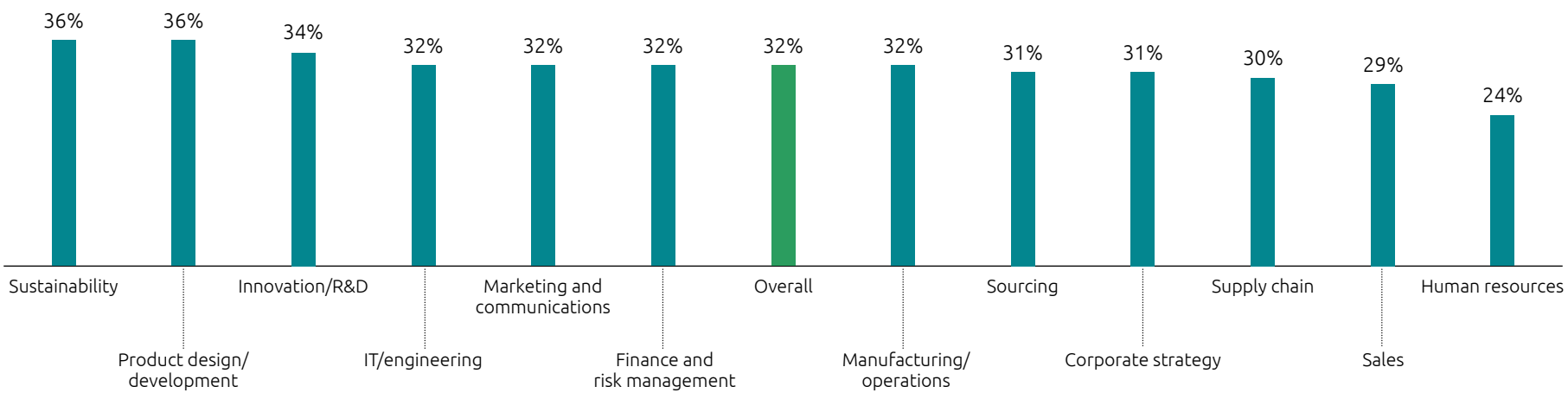
Gen AI is likely to augment roles

At entry level, employees expect Gen AI to assist with 32% of tasks over the next 12 months (see Figure 4). Archisman Munshi, co-founder of a senior citizen care company that is tackling financial fraud issues using AI, adds: ***"It is imperative to educate people to view AI as an "assistant" that will make it easier and faster to complete their day-to-day tasks. Also, people won't be replaced; it is the tasks that will be replaced."*** [4]

32%

of employee work is expected to be augmented or assisted by Gen AI in the next 12 months

Figure 4.
Gen AI has the potential to assist with nearly one-third of tasks across functions in the next 12 months.



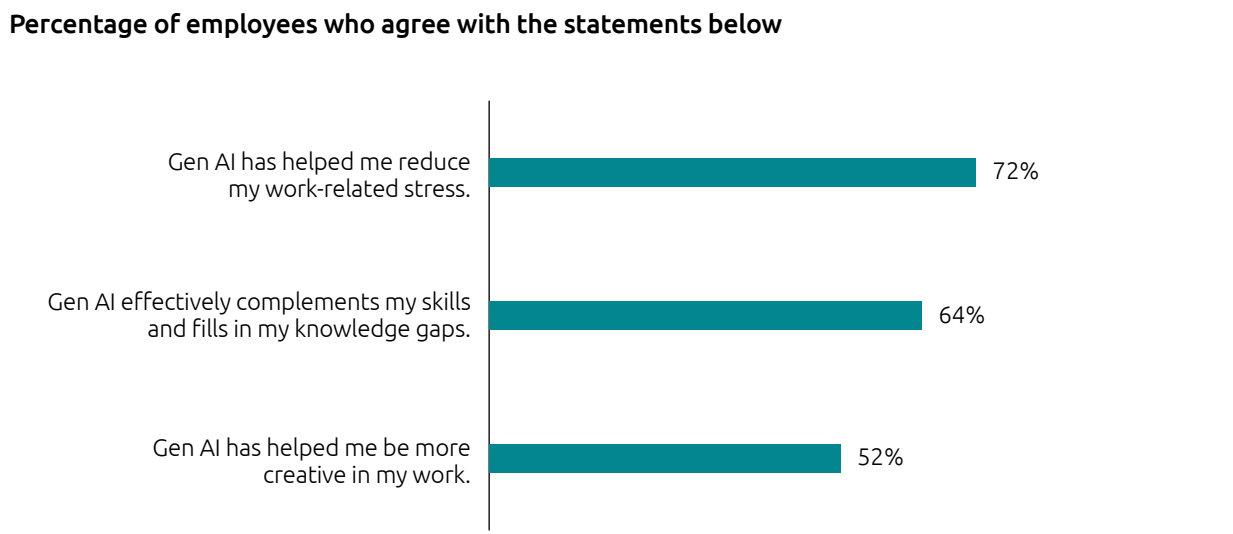
Note: Low base for employees from human resources, sustainability, and sourcing functions.
Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,000 employees.

Gen AI has the potential to unlock significant benefits

Gen AI yields significant productivity improvements at entry level. Employees believe that, over the next 12 months, Gen AI tools could lead to an average time saving of 18% implying there could be significant productivity improvements. While the anticipated productivity gains from Gen AI tools are promising, careful consideration of their implementation costs is crucial to ensure a net positive impact on overall efficiency.

A majority (64%) of the workforce today is already using Gen AI tools for their work – with 78% using them for text/content creation (summarization, automation or translation of text/content). However, only 20% of employees use Gen AI tools daily. Users see benefits including boosting their creativity, reducing their work-related stress, and complementing their skills (see Figure 5).

Figure 5.
Gen AI enhances employee creativity, reduces work-related stress, and complements human skills by filling knowledge gaps.



Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=641 employees using Gen AI for their work.

“You don’t need typical copywriters, but rather “copy reviewers” to check whether AI-generated content matches the voice and tone of the company, is free of hallucinations, and if it follows brand guidelines. This concept extends to other creative fields, such as video editing. Instead of spending hours on tasks like synchronizing clips and perfecting transitions, video editors can now rely on Gen AI to automate these processes. I believe that the future of many roles will be centered around reviewing and verifying AI-generated work, rather than creating [content] from scratch.”

Steven Matt
A marketing executive at a
global professional services firm

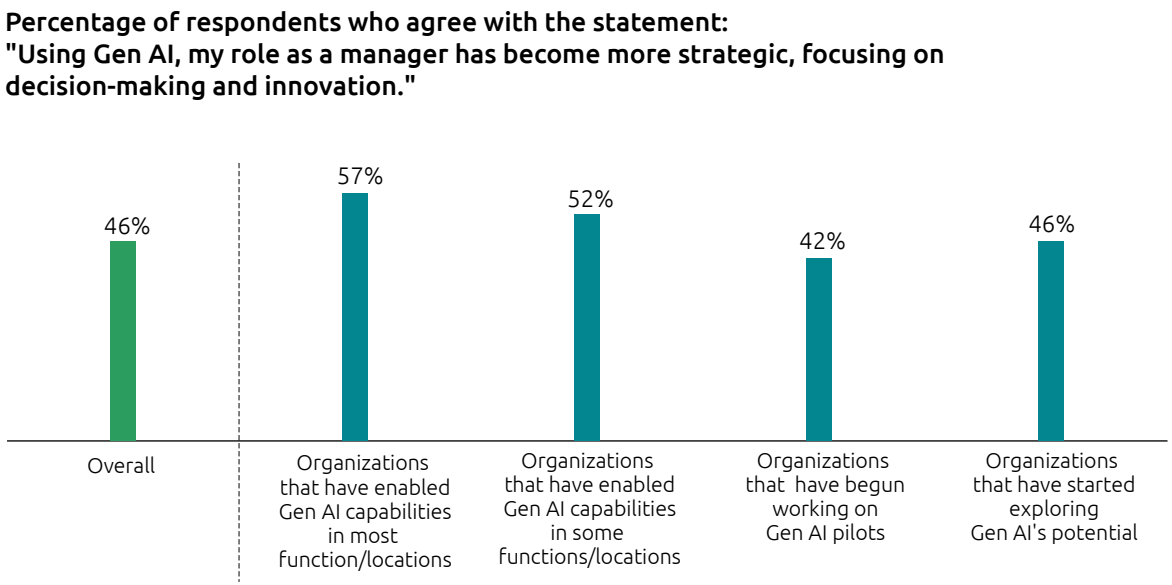
02 How could Gen AI impact management and leadership?

Gen AI is amplifying the strategic scope of managerial and leadership roles

Leaders and managers currently spend more than one-third (38 percent) of their time on administrative and project management tasks. With Gen AI, they anticipate a greater focus on strategic decision-making and people-centric leadership: ***"With Gen AI helping in operational tasks, leaders and managers will have more time for strategy, quality, and team management,"*** says Stephane Dupont, Head of Operations and Business Improvement, Sustainability and Communications at Airbus.

In fact, within organizations that are advanced in Gen AI implementation, 57% of leaders and managers report that Gen AI has already made their roles more strategic (see Figure 6). Isabel Baque, Senior Director at Stellantis, agrees: ***"Gen AI is creating new opportunities for middle managers by changing them from task leaders to strategic leaders. So, instead of focusing on the day-to-day operational tasks, middle management are increasingly shifting their focus to strategic planning, problem-solving, and to social interactions and relationship building."***

Figure 6.
Gen AI is transitioning leadership and managerial roles towards strategy, innovation and AI augmented decision-making.



Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,456 leaders and managers who have experimented with Gen AI in leadership/managerial tasks.

"Gen AI is creating new opportunities for middle managers by changing them from task leaders to strategic leaders. So, instead of focusing on the day-to-day operational tasks, middle management are increasingly shifting their focus to strategic planning, problem-solving, and to social interactions and relationship building."

Isabel Baque
Senior Director at Stellantis

In the next three years:

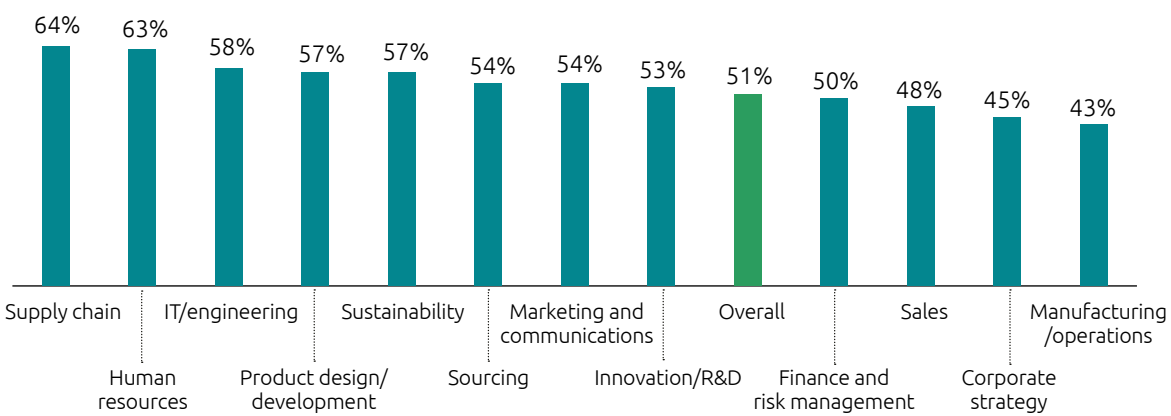
- Three-quarters (78%) of leaders and managers predict that Gen AI will augment their problem-solving and decision-making.
- Over half (52%) of leaders and managers expect that their roles will shift toward tasks that require a high level of emotional intelligence.

Most managers could become specialists and be more critical than ever

Most leaders and managers (51%) believe that, owing to advancements in Gen AI, within three years, manager-level positions will evolve towards specialization or move into top-tier strategic roles. For instance, HR roles may transition from HR generalists to talent analytics specialists or employee experience designers, while IT might see a move from project management to niche areas such as AI strategy or data science. As Figure 7 highlights, most respondents from supply chain, HR, manufacturing, and IT believe that Gen AI will lead managers to move toward specialization.

Figure 7.
Managerial roles will move toward niche expertise areas or strategic roles.

Percentage of leaders and managers who agree with the statement: "With Gen AI, in the next three years, many managerial roles will transition to either specialist/subject matter expert or top strategic leadership."



Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,500 leaders and managers.

Managers will play a critical role as catalysts for Gen AI-driven change

Managers are crucial to addressing workforce fears and skepticism associated with new technologies – 53% of leaders in our research agree. Our employee research shows that nearly 4 in 10 (39%) employees say they are apprehensive about the introduction of Gen AI. One in three (35%) also expresses concern about job security and the potential obsolescence of their role.

A majority (54%) of leaders believe that, in this context, the significance of managerial roles will intensify as they will play a critical role as catalysts for Gen AI change. Isabel Baque adds: ***"Middle managers need to take the role of facilitators and coaches who lead and manage the change, by advocating for the use of Gen AI and leading by example."***

Moreover, as Gen AI integration between teams becomes the new reality, managers will be critical to re-bundling tasks for Gen AI-augmented workforces. Half (50%) of leaders in our research believe that managers must rethink the balance of task allocation to avoid over- and under-delegation and manage other risks. The manager needs to:

- Ensure each team member is equipped with the skills and knowledge to fulfill their specific role
- Define rules and responsibilities on how humans and Gen AI will collaborate
- Ensure accountability when Gen AI systems make mistakes
- Adapt workflows, practices, processes, and operating models with a human-centric approach.

As stated by a large bank's global head of sales training: ***"The manager needs to make sure that, firstly, [employees] are given better or different work that activates what they're good at. And secondly, make them feel valued for that work."***

Leadership roles will encompass the responsible and ethical deployment of Gen AI systems

Gen AI adoption will require a strong risk management approach to mitigate potential risks around IP/copyright, security, bias, accountability etc. Leadership's role becomes critical in establishing robust frameworks and guardrails for ensuring responsible and ethical Gen AI systems are built and used. In fact, 7 in 10 leaders and managers agree that in the next three years, the role of leaders will shift towards managing risks and creating responsible Gen AI.

Valentin Marguet, Powertrain Project Lead in the automotive industry, says: ***"As AI becomes integral to business operations, organizations should establish dedicated AI Centers of Excellence (COEs) led by C-suite executives. These COEs should be staffed with a diverse team of AI specialists, domain experts, and program managers. The key is to deploy a lean, cross-functional team that can create and enforce guidelines for AI tool usage, data governance, and risk management frameworks."***

Gen AI has the potential to assist with complex managerial tasks

There are two primary modes of interacting with Gen AI: "co-pilot" and "co-thinker."[5]

- When used as a co-pilot, Gen AI becomes an efficient collaborator with the leader or manager, handling a wide range of administrative, communication, and operational tasks. Co-pilot interaction is best suited to tasks where the leader or manager's main contribution is initial guidance, curation, final review, and approval of the output.
- When used as a co-thinker, Gen AI becomes the leader or manager's thought partner, engaging in discussion, suggesting new perspectives, and challenging assumptions or ideas. Co-thinker interaction is best suited to tasks that require methodological guidance and structured reflection (such as weighing options, assessing risks, or considering different points of view).

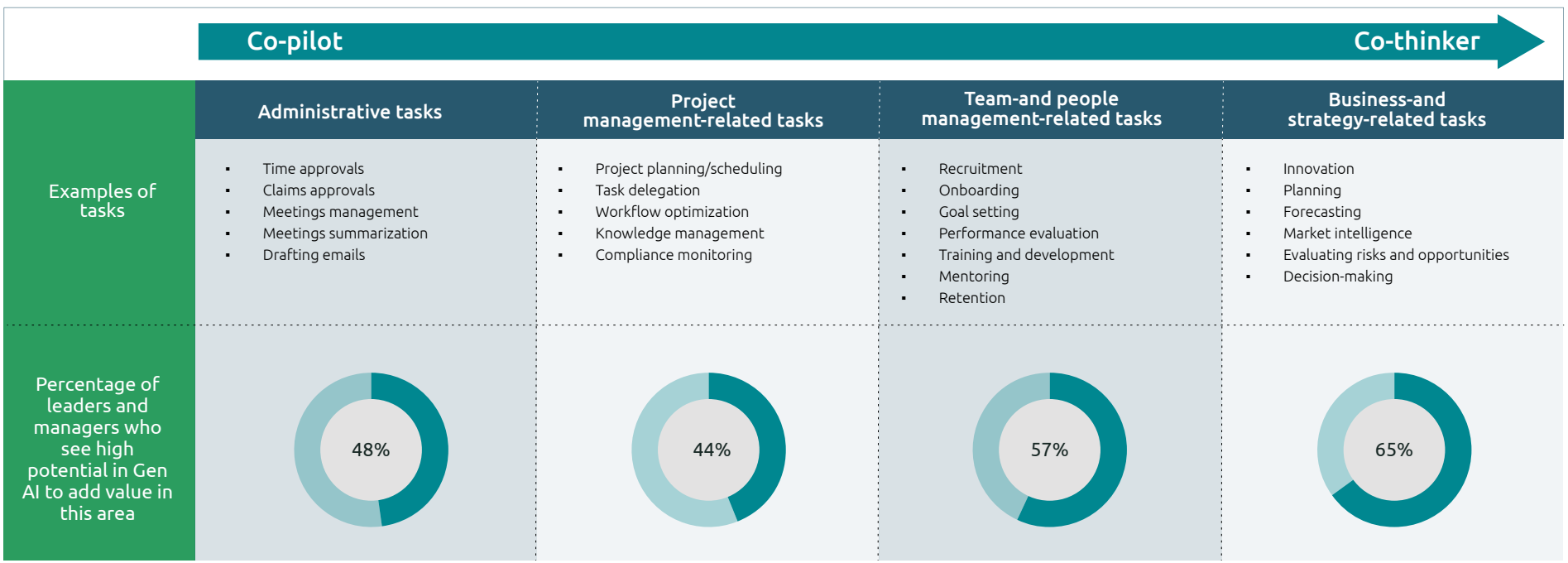
Harvard Business Review's forthcoming book, authored by experts from Capgemini[6] explores both modes across the most common managerial tasks. Our research highlights that a two-thirds majority (65%) of leaders and managers think Gen AI can serve as a co-thinker in value-adding activities such as strategic planning (see Figure 8). As we move toward the co-thinker end of the spectrum, the necessity for human engagement and interaction with Gen AI increases.

“Gen AI can provide targeted training and coaching based on your profile and skill gaps. Also, today, with continuously evolving learning and training requirements, Gen AI can revolutionize learning by enabling tailor-made, short, and targeted trainings.”

Anna Kopp
Senior director at Microsoft

Figure 8.

More than 6 in 10 leaders and managers view Gen AI as a strategic thought partner to consider risks, evaluate opportunities, and hone decision-making.



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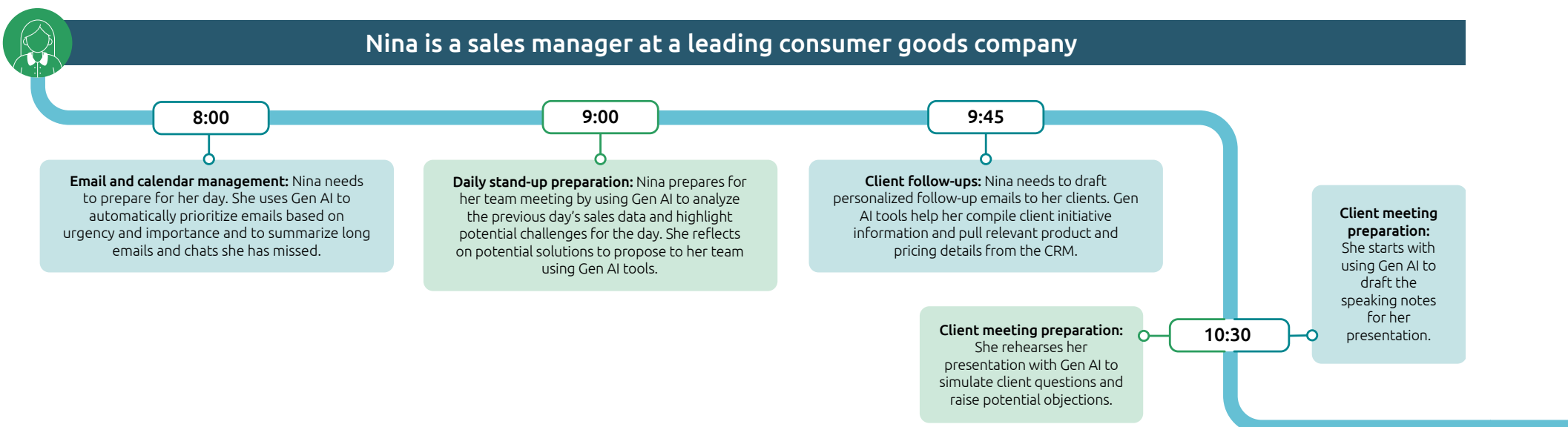
	Administrative tasks	Project management-related tasks	Team-and people management-related tasks	Business-and strategy-related tasks
Case examples	**Meeting summarization** Morgan Stanley is piloting an AI program called Debrief, which automatically summarizes client meetings and generates follow-up emails, enhancing advisor productivity and customer engagement.[7]	**Project planning** Procore, a US-based construction management software organization, has recently launched Procore Copilot AI, which integrates with Microsoft Teams, allowing project managers to monitor and query project management and receive comprehensive summaries and relevant links to project documentation.[8]	**Performance review** Managers at Valera, an established credit union service organization, are using Gen AI to generate constructive, unbiased feedback for employees, resulting in 67% higher-quality feedback and halving review-writing time.[9] **Personalized L&D** Team leaders and managers at Siemens Energy use Gen AI to create targeted learning paths for personalized, streamlined skill building.[10]	**Insight and recommendation generation** PepsiCo harnesses Gen AI to analyze customer feedback, which it uses to refine the shape design and flavor of its Cheetos branded snack, resulting in market penetration deepening by 15%.[11] **Decision-making** Portfolio managers at Morgan Stanley use Gen AI as a "virtual coach" to enhance decision-making processes and improve investment outcomes.[12]
Expert insights	A senior risk model manager at a leading bank shares: ***"We are using Gen AI experimentally to streamline administrative and reporting tasks, such as preparing meeting minutes, drafting internal policies, verifying data, and preparing regular internal reports and dashboards."***	According to Bola Grace, MD, Cambridge Matrix: ***"Gen AI has significantly simplified my day-to-day activities by tracking project progress and flagging risks, as well as potential issues with compliance. Gen AI helps me manage complex interactions and minimizes the necessity for numerous individuals to assess risk profiles by offering simplified, real-time supporting evidence at the push of a button."***	Anna Kopp, senior director at Microsoft, adds: ***"Gen AI can provide targeted training and coaching based on your profile and skill gaps. Also, today, with continuously evolving learning and training requirements, Gen AI can revolutionize learning by enabling tailor-made, short, and targeted trainings."***	Alessandro Miranda, director of RAN design and optimization at ZTE Corporation, says: ***"Gen AI tools can analyze network usage patterns and identify new trends before they become mainstream. This allows us to proactively adapt to the network infrastructure needs of the operators [that we manage] and the network management services that we provide. This helps us meet the evolving needs of our customers."***

Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,500 leaders and managers.

It is important to note that co-pilot and co-thinker modes are not mutually exclusive; they can be used separately or in sequence. The following infographic highlights this.

Figure 9.

A day in the life of a Gen AI-augmented manager involves using Gen AI both as a co-pilot for task execution and a co-thinker for strategic collaboration and dialogue (illustrative).



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Source: Capgemini Research Institute analysis.

“As AI becomes integral to business operations, organizations should establish dedicated AI Centers of Excellence (COEs) led by C-suite executives. These COEs should be staffed with a diverse team of AI specialists, domain experts, and program managers. The key is to deploy a lean, cross-functional team that can create and enforce guidelines for AI tool usage, data governance, and risk management frameworks.”

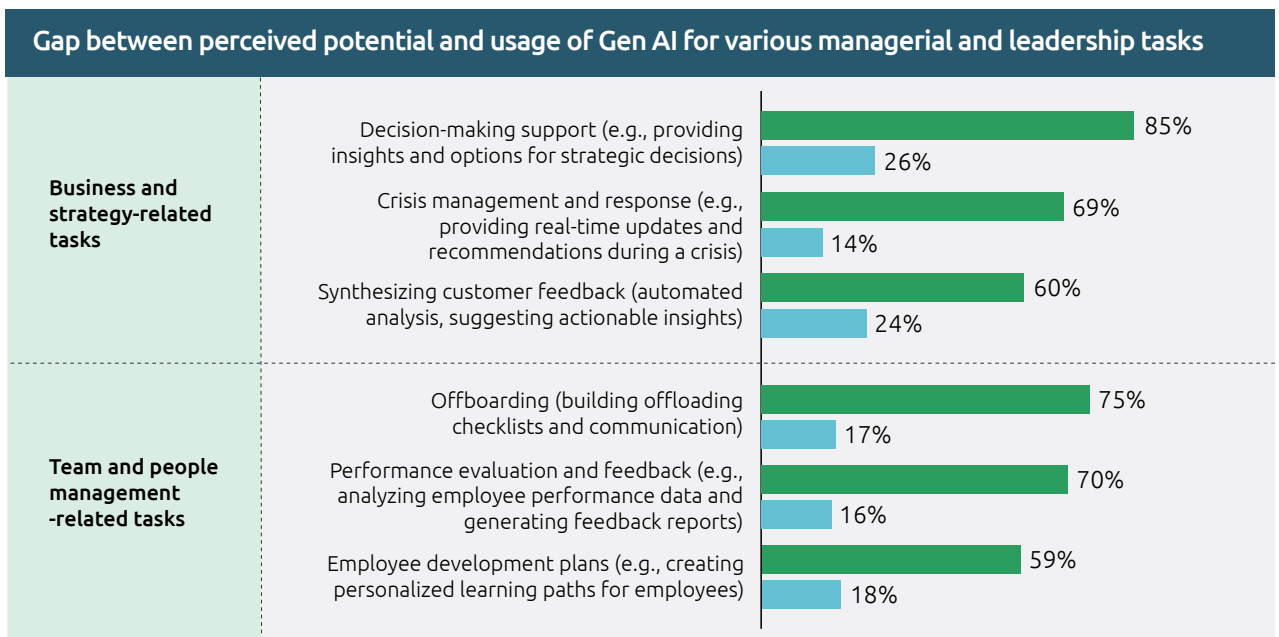
Valentin Marguet
Powertrain Project Lead in the automotive industry

Nearly 8 in 10 (78%) leaders and managers believe that Gen AI will positively impact their productivity in the next 12 months, predicting an average boost of over 10%. Our analysis also highlights that **Gen AI could save leaders and managers up to seven hours each week** (see appendix for details). Valentin Marguet, Powertrain Project Lead in the automotive industry says: ***"Organizations plan to use the freed-up time of managers and leaders to solve more complex problems, increasing market knowledge and creating more products. They may even enter new markets by diversifying their strategies. Another aspect is that many will be upskilling people on Gen AI. This way, organizations can create a new workforce that is AI-enabled and can work on completely new projects."***

However, there is a significant gap between the potential and actual usage of Gen AI

The adoption of Gen AI in management is believed to have lot of potential, but adoption is gradual (see Figure 10). Although 97% of leaders and managers say that they have experimented with Gen AI tools, only 15% use Gen AI tools at least once a day in their work.

Figure 10.
There is a significant gap between potential and usage of Gen AI by leaders and managers.



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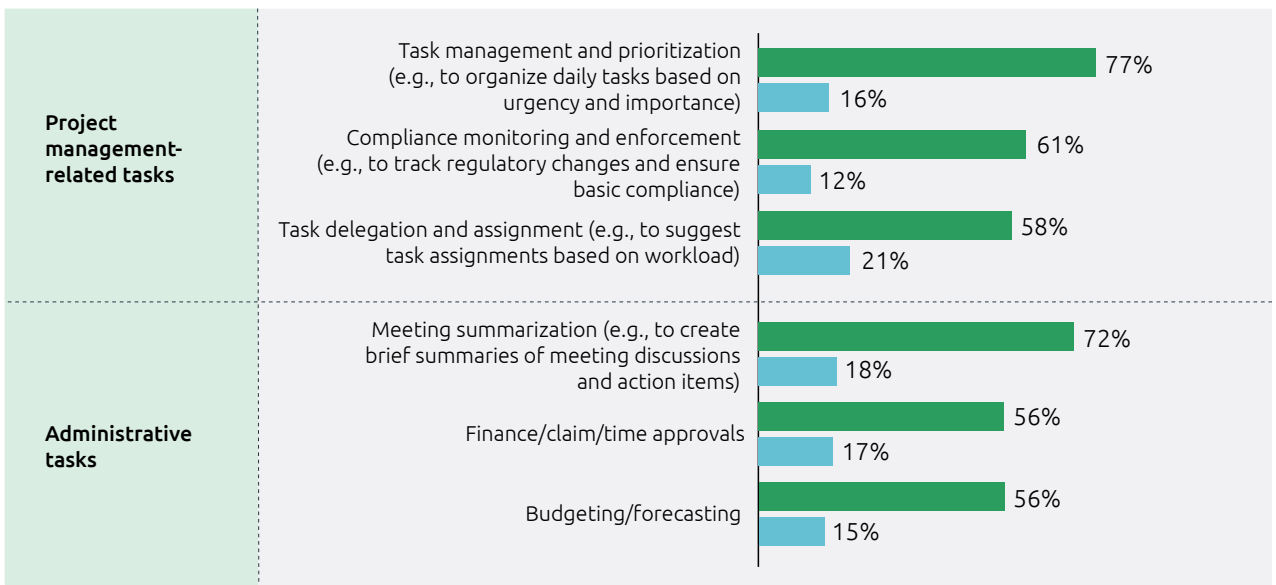


Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,500 leaders and managers, N=1,456 leaders and managers who use Gen AI tools in their roles.

Top hurdles to Gen AI adoption across leadership and managerial tasks include:

- Lack of confidence in Gen AI tools (cited by 65% of leaders and managers)
- Lack of skills to drive output from Gen AI effectively (60%)
- Lack of clear guidelines from organizations regarding usage (59%)
- Complexity of integration of Gen AI with existing systems and workflows (59%)

AI is evolving from a tool to a team member

Teams will evolve to a collaborative fusion of human and AI

The world of work no longer consists of technology on one side and humans on the other. Natural language interfaces facilitate human-like dialogue with machines, and organizations increasingly view AI not as merely a tool but as a collaborator. Consider, for instance, an underwriter asking Gen AI to generate a risk evaluation for insuring a property. Afterwards, the underwriter analyzes the AI-generated output and asks Gen AI to refine the assessment utilizing additional data such as visuals from inspection reports. Through this collaborative effort, the underwriter and Gen AI can establish an optimal quote.[13]

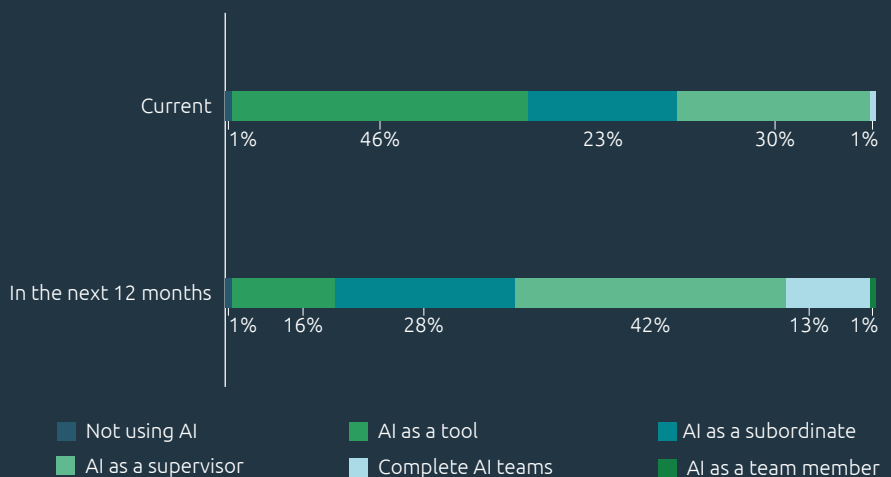
As Figure 11 shows, workplaces and teams are embracing human-machine partnerships:

- **AI as a tool:** Today, in nearly half (46%) of teams, AI is used simply as a tool, i.e., it enhances existing capabilities and workflows. For example, Morgan Stanley used GPT-4 to create an AI tool for financial advisors, allowing rapid access to internal research.[14] This dynamic is expected to decline to 16% in the next 12 months.
- **AI as a subordinate:** Nearly one-quarter (23%) of teams use AI as a subordinate, where AI performs structured tasks under human supervision or makes a first attempt at a task, which is then reviewed or refined by a human supervisor. In the next 12 months, 28% of teams plan to use AI as a subordinate. Unilever, for instance, uses Gen AI to streamline legal processes, including research, drafting, and contract reviews. This allows legal teams to focus on strategic tasks, enhancing operational effectiveness.[15]
-

- **AI as a team member:** One in three (30%) teams is using AI as a team member – 13% view AI as enhancing human performance and 17% see AI as a fully autonomous team member, where AI agents are completing predefined tasks without human intervention. For example, Klarna, a Swedish payments company, uses an AI assistant to handle tasks equivalent to the workload of nearly 700 employees, including service requests, and processing refunds and returns, all in various languages. According to Klarna, it has significantly enhanced efficiency and precision in resolving tickets, cutting repeat enquiries by 25%. On average, it completes tasks in one-fifth of the time that they took to do manually.[16] In the next 12 months, 42% of teams expect to welcome AI as a team member. Global CRM giant Salesforce has also introduced Agentforce, a new suite of autonomous AI agents designed to enhance employee productivity across service, sales, marketing, and commerce.[17]

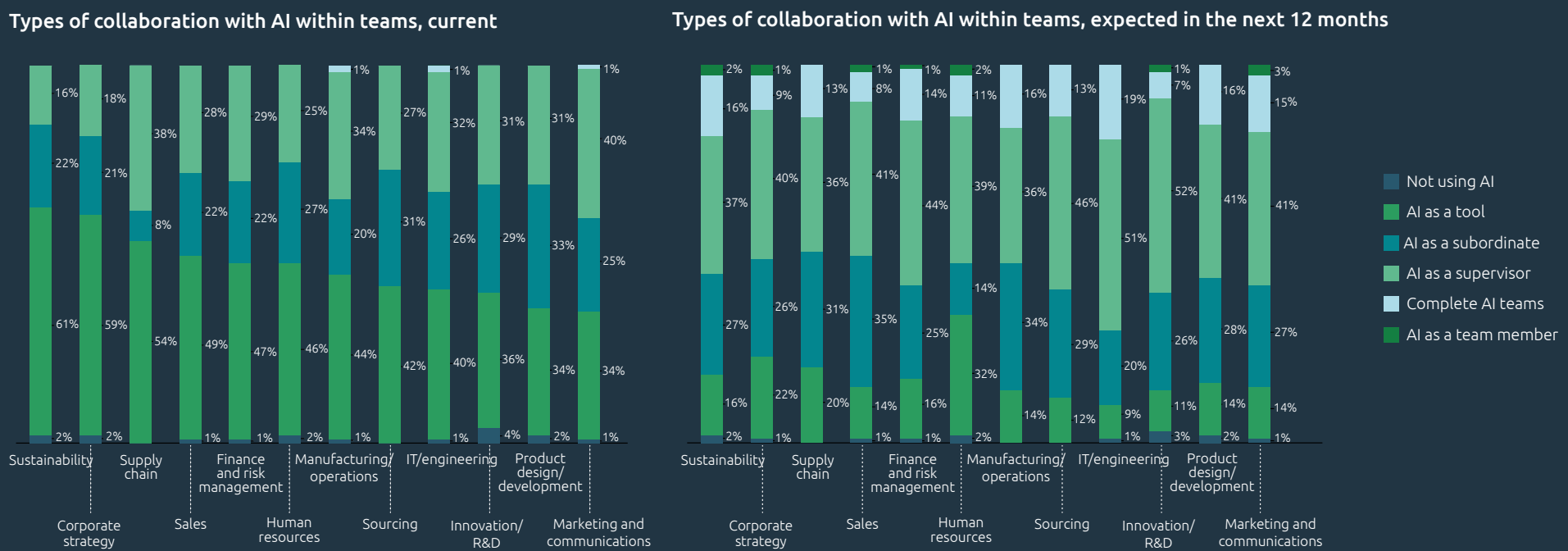
Figure 11.
In the next 12 months, many teams will evolve to a collaborative "fusion" of humans and AI.

Breakdown of human and AI collaboration within teams



Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,500 leaders and managers.
Note: Totals may not equal 100% due to rounding.

Figure 12.
Human-AI partnership will emerge across functions.



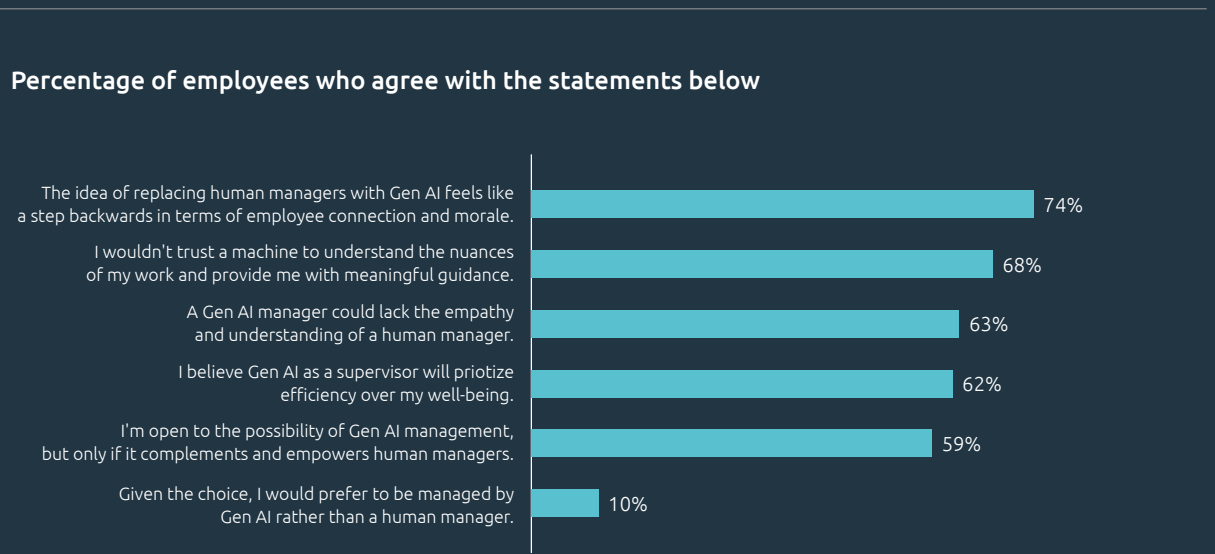
Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,500 leaders and managers.

Human judgment is critical in human-AI teams

As Figure 11 highlights, today AI is a supervisor (i.e., it is directing, allocating, or prioritizing work for humans) in only 1% of teams. In the next 12 months, 13% of teams expect to use AI in this role. US-based start-up Inspira offers an "autonomous AI manager" solution. It sets schedules for employees, plans their workloads, checks timekeeping, sends deadline reminders and regular check-in messages, as well as providing training and motivational material.[18]

However, it should be noted that, in an AI-led environment, human judgment is more, not less, important. Three-quarters (77%) of leaders and managers and 76% of employees in our research acknowledge this. As Figure 13 highlights, employees are open to leaders and managers using Gen AI to support and expand their roles, but they are skeptical regarding Gen AI managers.

Figure 13.
Employees are hesitant on being managed by a Gen AI supervisor.



Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,000 employees.

03 Gen AI could re-engineer organizational structures

Traditional pyramids are giving way to new models

Gen AI is not just poised to create a future where humans and AI collaborate, but is also set to redefine the contours of management, challenging traditional roles and structures. The impact of Gen AI on organizational structures and operating models has been the subject of extensive debate. Among various possible organizational structures (classic pyramid, inverse pyramid, diamond, hourglass, pillar, etc.),[19] most experts suggest two distinct organizational frameworks could emerge:[20,21]

- The **hourglass** model: This model consists of a small strategic leadership, a lean middle-management layer, and a broad base of highly skilled entry-level talent augmented by AI. Technology enables entry-level employees to act with more autonomy based on real-time data. This reduces the need for intensive managerial supervision and quality control, flattening managerial hierarchies while widening managerial span.[22,23,24]
- The **diamond** model: This model maintains critical top leadership, a broader middle layer, and a smaller entry-level layer that is partially automated with AI. This concentrated and skilled junior layer focuses on high-value specialist tasks as opposed to manual and repetitive work. Work is delivered with a combination of human-AI teams. In these structures, managers transition from traditional coordination roles to AI-enhanced specialized, skilled, and strategic roles.[25,26,27]

There is no clear consensus among experts on which organizational model will dominate and future organizational structures may differ significantly from current expectations. However, the leaders and managers in our survey sample lean towards the diamond model (see Figure 14) and expect the proportion of managers in their teams to expand from 44% to 53% in the next three years. This trend is consistent across organizations of all sizes, industries, and functions (see Figure 15):

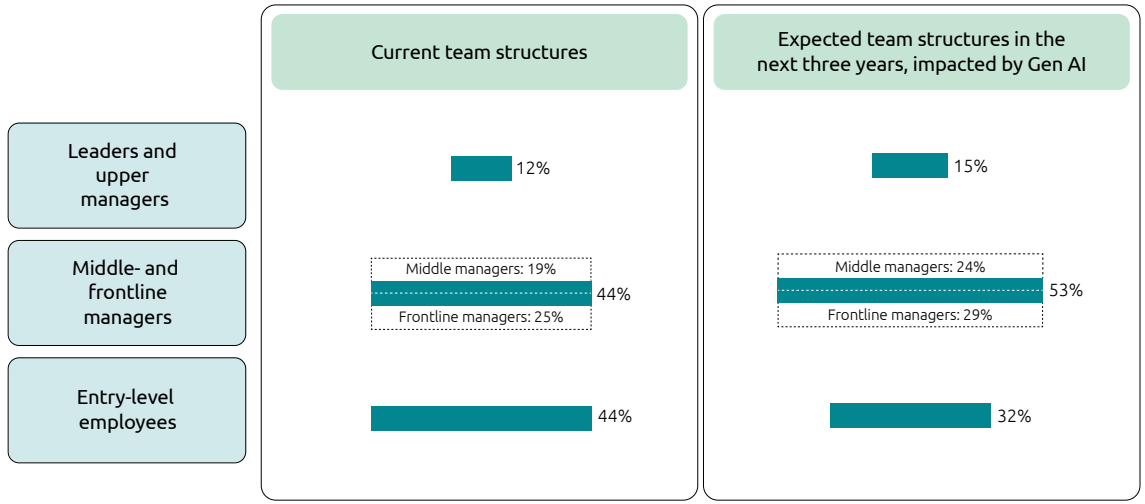
- Only 18% of leaders and managers believe that Gen AI will reduce middle management.
- Only 21% anticipate that, with Gen AI, they will have higher shares of employees in entry-level and non-managerial roles.

As the traditional organizational pyramid evolves into a more dynamic and flexible model with flattened hierarchies, operating models need to be reevaluated. This expected shift requires proactive steps from organizations today: focusing on expertise and specialized roles, emphasizing autonomy and accountability, enabling business agility, promoting cross-functional collaboration, implementing reskilling and upskilling initiatives at all levels, redefining the nature of roles, cultivating a culture of adaptability and openness to change, and keep the strategies fluid and emergent.

"Gen AI tools can analyze network usage patterns and identify new trends before they become mainstream. This allows us to proactively adapt to the network infrastructure needs of the operators [that we manage] and the network management services that we provide. This helps us meet the evolving needs of our customers."

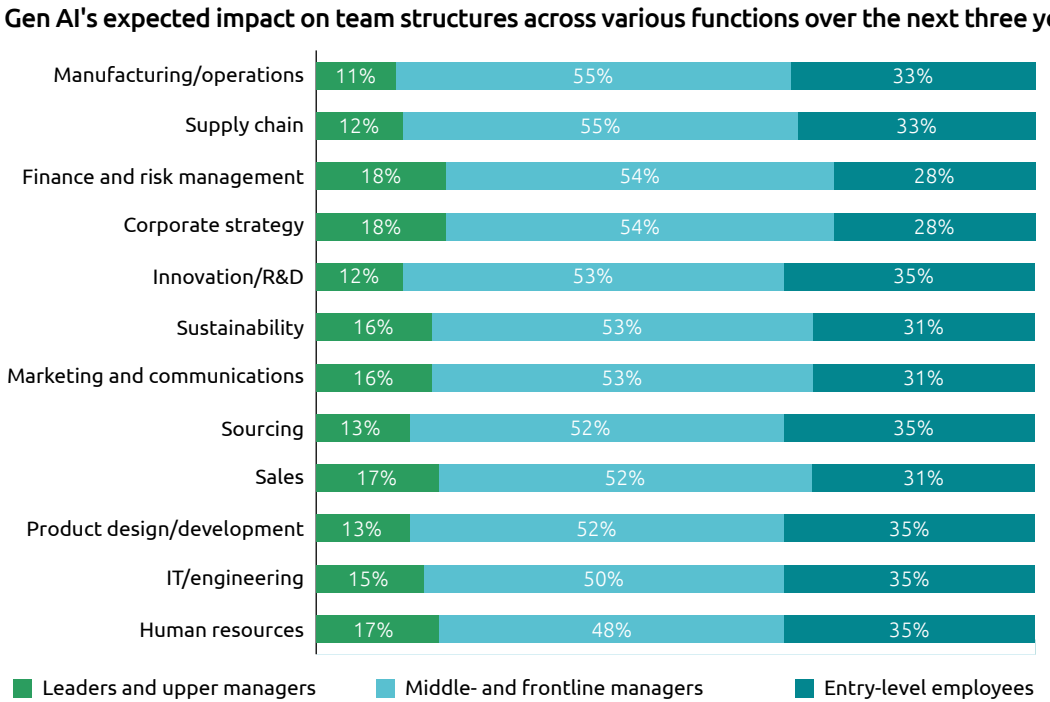
Alessandro Miranda
Director of RAN design and optimization at ZTE Corporation

Figure 14.
Leaders and managers anticipate the emergence of a stronger management layer.



Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,500 leaders and managers.

Figure 15.
Across functions, team structures are expected to evolve to diamond-shaped frameworks in the next three years.



Note: Totals may not equal 100% due to rounding.
Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,500 leaders and managers.

04 To harness Gen AI effectively, organizations must upskill across the workforce

New skills and behaviors are required

Gen AI creates demand for new jobs roles, such as prompt engineers, AI auditors, and AI trainers, requiring a significant investment in upskilling and cross-skilling of talent across all organizational tiers, as 90% of leaders and managers in our research concur. Figure 16 outlines essential skill areas that different management levels and employees should prioritize:

- The data democratization that Gen AI brings requires **data management, prompt engineering**, and **technological literacy**, not only of frontline employees but also of leaders and managers. To boost adoption and trust in Gen AI, leaders must show the way, firstly by acquiring a sufficient level of data and technology literacy. Barbara Wixom, a principal research scientist at the MIT Center for Information Systems Research, comments: ***"Leaders need to understand the capabilities that support data strategy. Things like management of master data, metadata, or data catalogs – at a foundational level."***[28]

  However, as tools become more user-friendly, technical skills may be less significant. For instance, low-code/no-code platforms today enable users without programming expertise. Similarly, leaders who lack deep knowledge of data management or prompt engineering will be able to use advanced Gen AI tools effectively.

- Besides technical skills, Gen AI adoption will demand **behavioral changes**. Employees need to demonstrate problem-solving skills, and leaders and managers need to enable a culture of continuous learning and experimentation. Leaders and managers will also need to **embrace change management through strong emotional intelligence skills**, to encourage the desired behaviors in their teams. This will support fusion teams, manage passive innovation resistance, address anxieties, and maintain open channels of communication on organizational progress.

- Gen AI adoption will also require development of other soft skills, such as strong risk management, to head off potential issues around security, privacy, ethical concerns, IP, etc. Employees will need to anticipate and identify potential risks. Leaders and managers also need to establish ethical guardrails for AI, governance frameworks, and codes of conduct. It is key to demonstrate **critical thinking** and **ethical judgment** to align strategy with organizational vision, while considering the future trends and negotiating risks on the horizon.

Figure 16.
To harness Gen AI, leaders, managers and employees need a blend of technical and soft skills.

Top five skills required to reap the benefits of Gen AI

Leadership and upper management	Middle management	Frontline management	Entry-level employees
Critical thinking	Risk management	Data management	Data management
Creative thinking	Data management	Prompt engineering	Prompt engineering
Data management	Ethical judgement	Technological literacy	Technological literacy
Risk management	Critical thinking	Risk management	Risk management
Ethical judgement	Change management	Emotional intelligence	Problem solving

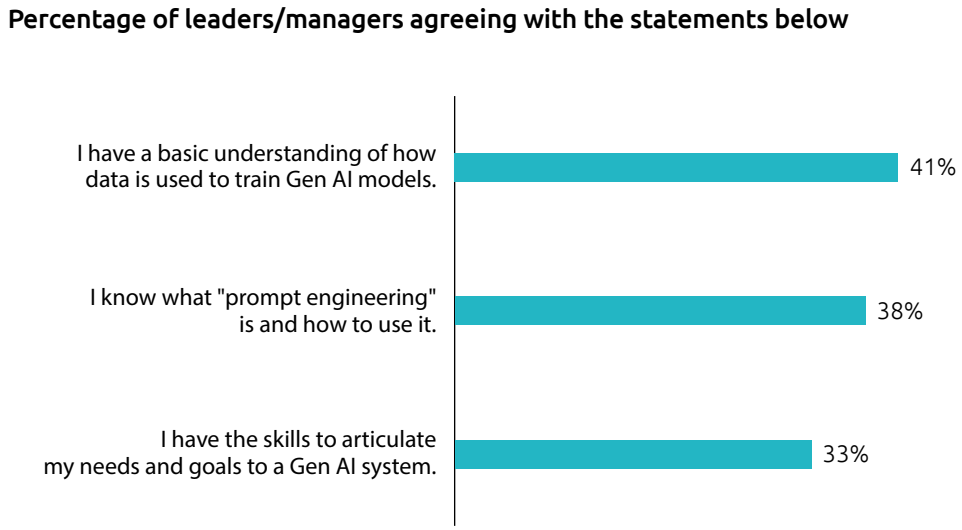
Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,500 leaders and managers, N=1,000 employees.

However, proficiency in key skills is lacking

Only 13% of employees say they are well-versed in machine conversational skills; only 33% say they can manage Gen AI systemic risks; and less than half (40%) claim to have the prompt engineering skills required to succeed in the Gen AI era. Moreover, three in four employees (75%) acknowledge that, with Gen AI strongly influencing their role, they will require continuous reskilling.

Managers and leaders also admit they fall behind on key Gen AI skills and competencies. As Figure 17 shows, only one in three says that they can articulate their needs to a Gen AI system, while just 38% of leaders and managers are confident in prompt engineering.

Figure 17.
Leaders and managers acknowledge their lack of skills around Gen AI.



Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,456 leaders and managers who use Gen AI tools.

"Organizations are investing in Gen AI tools, but what is lacking is training and skills, and technical knowledge of how to use the tools. Tools without training is like someone having a Ferrari and keeping it in the garage at all times."

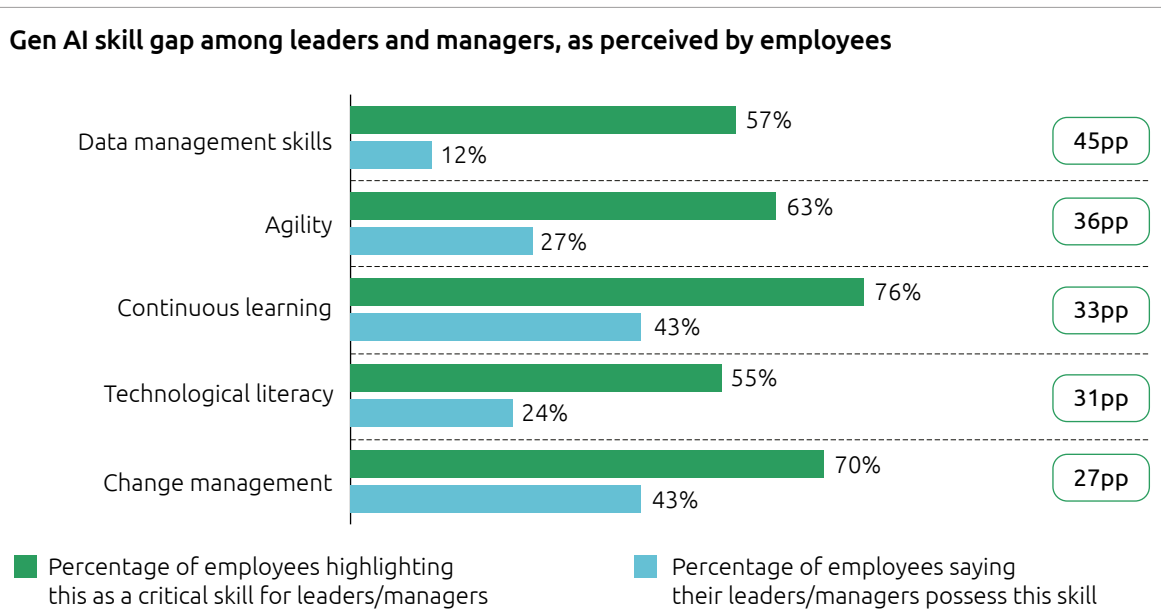
A senior risk model manager
at a leading bank

We also examined the employee perspective on which skills are important for management in relation to Gen AI transformation, and how they currently measure up. Interestingly, employees consider around half of leaders and managers to lack important general leadership skills such as continuous learning, agility, and change management. Similar findings were highlighted in our earlier report, *Re-learning Leadership*. At least half of the workforce considers technological literacy and data management skills important for leaders and managers in a Gen AI-driven world, but there is a wide gap between requirements and current proficiency levels (see Figure 18).

75%

of employees acknowledge that, with Gen AI strongly influencing their role, they will require continuous reskilling

Figure 18.
Employees lack confidence in their managers' Gen AI skills.



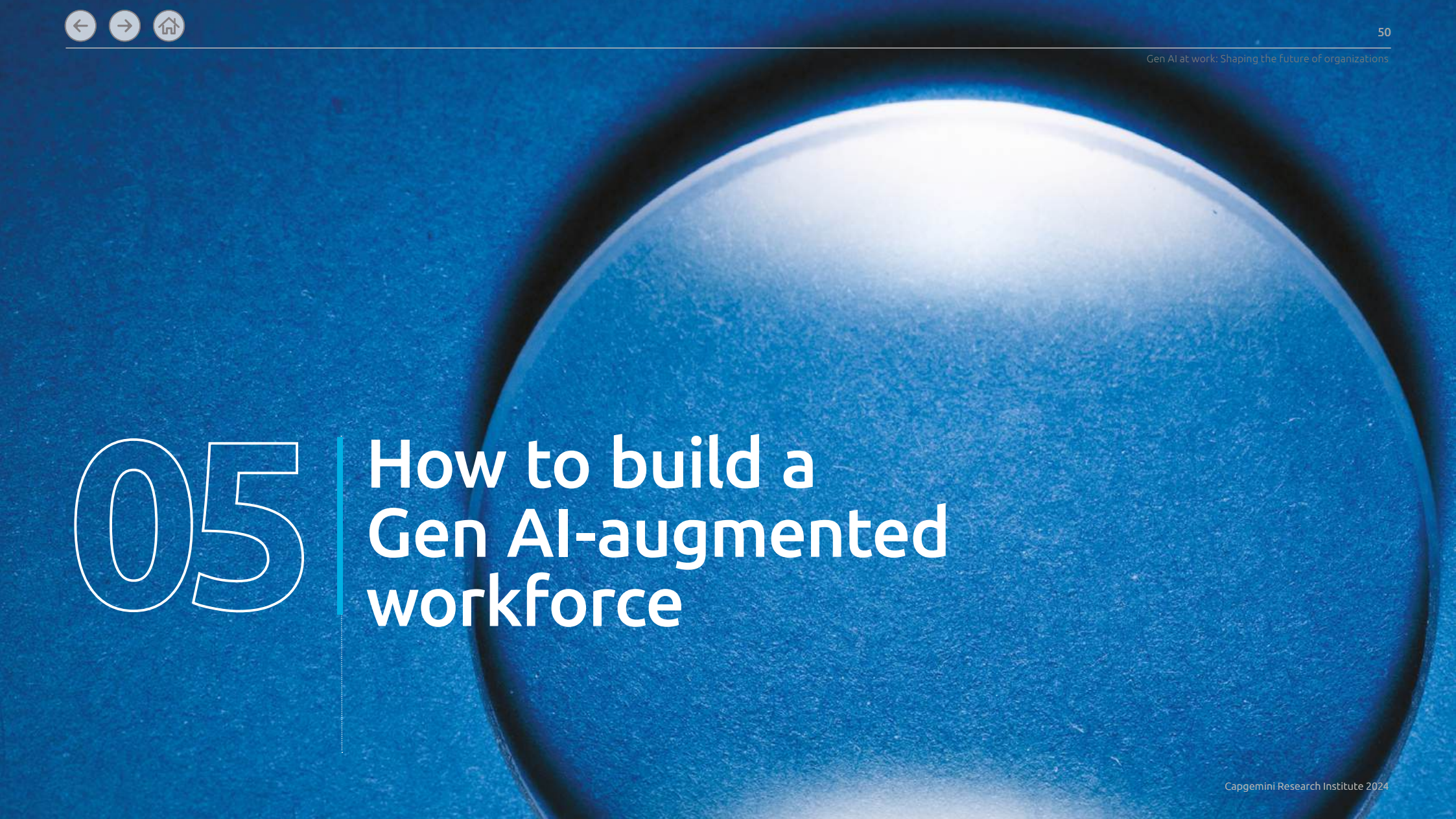
Note: pp means percentage points.
Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,000 employees.

Organizations fail to customize Gen AI upskilling to roles

Over half (58%) of leaders and managers consider the absence of formal training on Gen AI to be a top challenge. As a senior risk model manager at a leading bank shares: ***"Organizations are investing in Gen AI tools, but what is lacking is training and skills, and technical knowledge of how to use the tools. Tools without training is like someone having a Ferrari and keeping it in the garage at all times."*** Only 46% of leaders/managers have been through formal training for using Gen AI for their roles. Only 16% of employees say they are getting ample support from their organization to develop skills required to use Gen AI in their role.

“With Gen AI helping in operational tasks, leaders and managers will have more time for strategy, quality, and team management.”

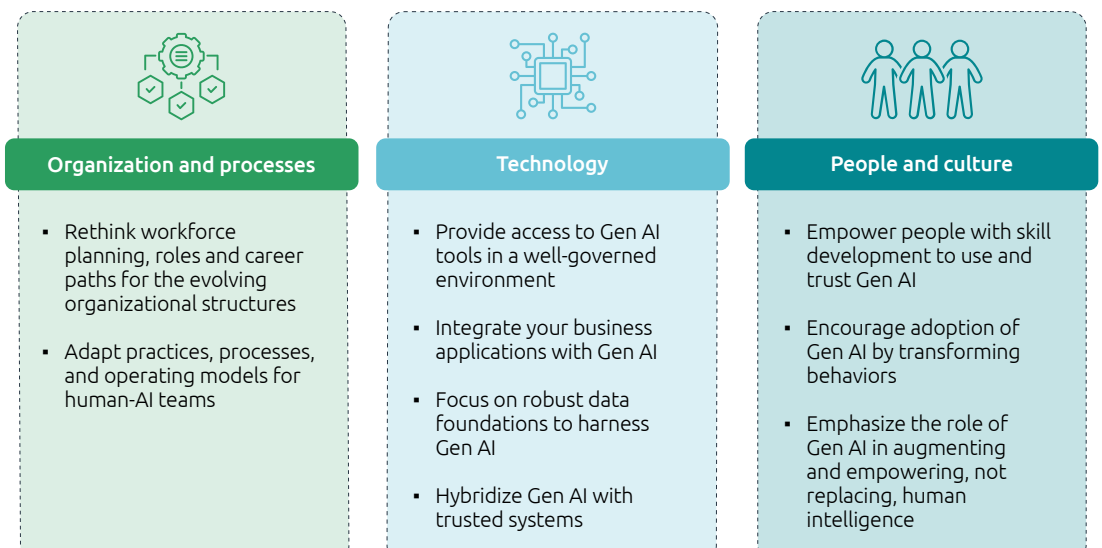
Stephane Dupont
Head of Operations and Business Improvement, Sustainability and Communications at Airbus



05 How to build a Gen AI-augmented workforce

The evolution of organizational pyramids and the accompanying change in roles and responsibilities across levels require organizations to work on these three foundations:

Figure 19.
Building a Gen AI-augmented workforce: A roadmap for organizations.



Source: Capgemini Research Institute analysis.

1. **Organization and processes:** Design new organizational structures and optimize workflows for human-AI collaboration

Rethink workforce planning, roles and career paths for the evolving organizational structures

As organizational pyramids evolve, they will need to manage the displacement and movement of employees across roles. With Gen AI, a significant proportion of work in some roles will be automated. These "traditional" roles will either need to be redeployed or eliminated. Our research on Gen AI's impact on software engineering highlights that organizations are planning to use the freed-up capacity created by Gen AI for higher-value-adding tasks, including enhanced innovation and upskilling, rather than reducing headcount.[29] Being prepared for this change turns this challenge into an opportunity for growth and innovation.

- Organizations need to reevaluate current roles, outline new roles, and establish clear career pathways for employees to move between roles and departments – allowing them to gain diverse experience.
- It is essential to identify skill gaps related to these future roles and develop corresponding training programs, mentorship initiatives, and job rotation plans to facilitate upskilling and reskilling.
- Equally important is bringing a change in employee mindset, encouraging them to embrace continuous learning and retraining.
- Fostering cross-functional teams combining domain and technology expertise will be essential to bring in a range if perspectives, and to nurture empathy, creativity, and inclusivity
- It is also key to retain strategic fluidity and mold the organizational structures into something more agile, adaptive and collaborative.
- At the same time, addressing employee's work displacement concerns is key.

Adapt practices, processes, and operating models for human-AI teams

Organizations need to develop new workflows and protocols that facilitate effective human-AI collaboration. At the time of writing, only 44% of organizations had redefined their workforce practices for human-AI teams. Rather than asking which human tasks machines can take on, leaders should be asking what human and automated workforces can accomplish together. One way to answer this is to thoroughly assess which roles and tasks are suitable for task automation, versus task augmentation, through a Gen AI impact analysis.

This assessment will help organizations prioritize their efforts to synchronize human-AI collaboration, focusing especially on areas where task augmentation is most beneficial.

Key aspects that organizations should foster include:

- **Transparently define and communicate roles:** Organizations must define the type of collaboration (AI as tool, team member, supervisor, co-thinker, etc.) for each task, and allocate and communicate roles and responsibilities accordingly. Of those organizations that currently use AI as a subordinate or a team member, nearly 54% transparently communicate the purpose and goals of new AI tools to employees. Leaders also need to exercise judgment, empathy, and people skills in this context.
- **Build workflows to support accountability:** It is important to assign clear accountability for tasks and output. Nearly 6 in 10 (59 %) leaders and managers in our survey are concerned about the inability to trace which actions/decisions Gen AI supports. As stated by P&G CIO, Vittorio Cretella: ***"What we emphasize is that, regardless of how powerful the Gen AI model is, accountability for the outcomes and the content remains with the employee."***[30]
- **Redefine performance measures:** Organizations must ensure that they consider and adequately reward the skills and attributes necessary for fusion work. The role of human managers should be to maintain unbiased, constructive, growth-oriented review and feedback of Gen AI output. Our previous research on leadership practices[31] showed that most organizations have yet to make changes to their processes and policies that are sufficient to attract and reward leaders equipped for a Gen AI-driven future.

2. **Technology:** Equip workforce with technology to evolve into an augmented force

Provide access to Gen AI tools in a well-governed environment

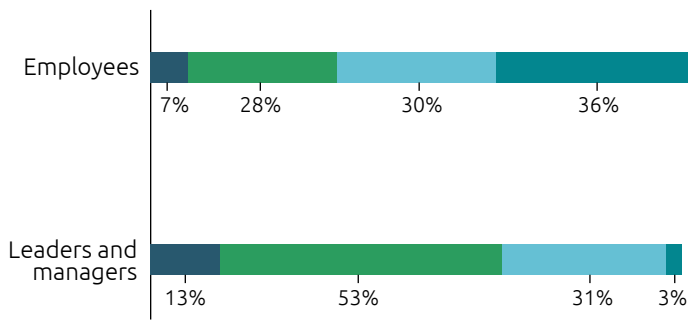
In one of our recent research reports, *Generative AI in organizations in 2024*, we found that 39% of organizations have either banned Gen AI tools, or allow only a select group of employees to use them. Nevertheless, there is still unauthorized usage of Gen AI in the workplace. As Figure 20 shows, nearly 57% of employees and 84% of leaders and managers use public Gen AI tools in their day-to-day work. Further, of the respondents using publicly available Gen AI tools, nearly 46% of employees and 33% of leaders and managers use Gen AI in a personal capacity – they are either unsure of their organization's policy on usage of publicly available Gen AI tools, or are aware of an organizational ban but use them in defiance of it.

84%

of leaders and managers use public Gen AI tools in their day-to-day work

Figure 20.
Employees and management utilize publicly available Gen AI tools. Among them, many do so without authorization.

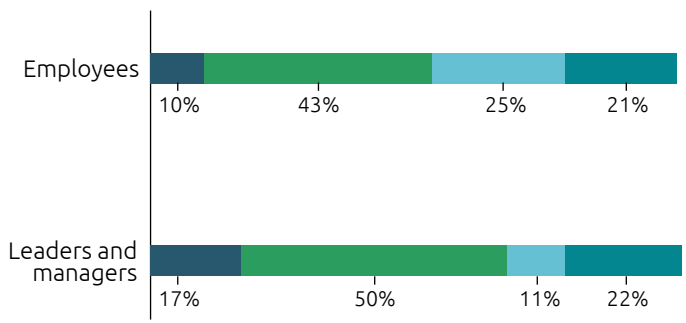
Percentage of respondents who agree to the statements below



- I exclusively use Gen AI tools licensed by our organization.
- I use publicly available Gen AI tools.
- I use official as well as publicly available Gen AI tools.
- I do not use Gen AI tools.

Note: Totals may not equal 100% due to rounding.
Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,500 leaders and managers, N= 1,000 employees.

Percentage of respondents who use publicly available Gen AI tools, highlighting their usage capacity



- My organization allows all employees to use any publicly available Gen AI tools at will, so I use them.
- My organization has set up guardrails/principles on using publicly available Gen AI tools at workplace, and I follow them.
- I am unsure about my organization's guidelines about publicly available Gen AI tools at workplace, I use them according to my own judgement.
- My organization has not authorized the usage of publicly available Gen AI tools at workplace, however, I use them on my own.

Note: Totals may not equal 100% due to rounding.
Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,266 leaders and managers who use publicly available Gen AI tools, N=570 employees who use publicly available Gen AI tools.

Organizations should:

- **Establish policies and boundaries for the use of GenAI**, defining dos & don'ts: It is imperative that organizations establish employee guidelines for Gen AI, including training around safe usage, which data is permitted to be uploaded to the tools, and validating outputs to eliminate bias.
- **Implement processes for managing risks** such as bias detection, monitoring of model drift, and detection of unintended outcomes: Only 31% of organizations in our research say they are setting up processes to detect bias in Gen AI tools, and only 35% are actively training employees to help them understand the limitations of Gen AI tools.
- **Define roles and responsibilities:** Define who is responsible for various aspects of GenAI deployment and maintenance (data governance, model training, validation, and ethical oversight).

Integrate your business applications with Gen AI

In our survey, 59% of leaders/managers highlight a lack of integration of Gen AI in existing workflows as challenges to adoption. Steven Matt from a global professional services firm elaborates: ***"AI tools add more value when they are built upon existing applications and processes. For example, a call-tracking tool with an added AI component can summarize conversations between an agent and a customer, capturing customer sentiment. Figma, Canva, and Adobe DAM can automate repetitive design tasks and provide assets that are optimally designed for performance across different platforms, saving time and resources. This approach ensures that AI integration acts not just as an addition, but as a multiplier of existing capabilities."***

Managers should also embed comprehensive checks and reviews into the workflow, while adopting a human-in-the-loop approach, as well as integrating proper auditing tools into the QA process. Of those organizations that currently use AI as a subordinate or a team member, 61% have developed new QA processes that include verifying AI outputs for accuracy, relevance, and bias. As mentioned by a senior risk model manager at a leading bank, ***"The generative AI output requires some kind of supervision to verify its correctness. One of the key challenges that is hampering adoption is the lack of any audit tools that can verify and instill confidence in the generative AI output, which otherwise operates as a black box."***

Focus on robust data foundations to harness Gen AI

Many organizations lack a solid data foundation to leverage the full potential of Gen AI. To rectify this, organizations should establish new, robust data infrastructure and governance protocols to underpin Gen AI initiatives:

- **Establish a dedicated data-quality team to ensure that only high-quality, up-to-date data from appropriate sources comes into the generative process.** The data quality team must work closely with the data creators and assure data stewardship is assigned and enforced close to its origin, as the quality cannot drastically be improved after several stages of transformation.
- **Ensure strong governance principles for data management throughout its lifecycle.** Our research shows that only 46% of organizations have documented policies around the sourcing, usage, access, processing, and security of data in the context of Gen AI.[32]
- **Shape standardization and reusability policies** for Gen AI use cases across multiple applications to improve reliability and security and to reduce rework, operating cost, and increase adoption between functions.[33]
- **Appoint a legal team with a strong technical understanding** of emerging legal issues, particularly concerning intellectual property rights like copyright law related to data used in Gen AI initiatives.

Hybridize Gen AI with trusted systems

Gen AI is viewed as a transformative technology for the future of work with a potential to reshape roles, operating models, and organizational structures through its diverse applications and use cases. However, it is important to note that Gen AI is one piece in the broader AI landscape, and most business problems require a combination of different AI techniques.[34] A thoughtful convergence of traditional AI, Gen AI, as well as technologies such as automation, RPA, etc., can unlock new levels of intelligence and efficiency, while retaining both rigor and creativity. This convergence is what we call Hybrid AI.[35]

Our survey reveals that 38% of organizations are already using hybrid approaches that combine multiple technologies – such as using traditional AI for certain components of a solution and Gen AI for others. Nearly one in four have also developed frameworks to evaluate right technologies for the right use case.[36]

3. **People and culture:** Prioritize skill development and behavioral transformation

Empower people with skill development to use and trust Gen AI

To democratize the use of Gen AI, organizations must train the workforce in fundamental skills such as data management and prompt engineering. Further, technical knowledge must be supplemented by on-the-job experimentation to encourage daily use. To drive a culture of experimentation, organizations must hone softer skills, as summarized by Rama Ramakrishnan, a professor at MIT Sloan and a former SVP at Salesforce: ***"The goal for a leader, from a data literacy perspective, should be: 'How can I be a fast but effective consumer of analysis produced by my organization?"***

Organizations should take these steps to ensure the workforce is prepared for Gen AI:

- Ensure the **appropriate degree of proficiency** across levels and roles. An entry-level employee, a middle manager, a frontline manager, and C-level executives all require distinct skill sets to adopt AI effectively. A majority (60%) of leaders and managers acknowledge the importance of tailored Gen AI training.
- Along with hard skills such as prompt engineering, organizations must develop **desirable soft skills**, such as creative thinking, ethical judgment, risk management, and emotional intelligence. These skills feed into the inherent synergies of human and AI fusion teams. Organizations must also train leaders and managers to ensure the ethical deployment of AI through clearly established guardrails, governance, and risk management frameworks and codes of conduct.
- The goal of these training programs should not just be to guide the workforce on how to use the technology, but also to build trust and confidence in Gen AI. Our research underscores concern among leaders and managers around transparency and fairness in Gen AI. More specific and **formal training programs such as those related to data bias, cognitive biases, value-sensitive design or human-centered design** should be instated according to roles.
- Organizations should aim to produce **multi-skilled professionals** across roles. A majority (69%) of leaders and managers agree that, as Gen AI becomes more integrated, the workforce needs to be multi-skilled and adaptable.
- **Securing the necessary rare talent** is important. New roles, such as data curators, AI ethics specialists, algorithm trainers, etc., at entry level and AI strategy manager, AI performance manager, etc., at managerial level are expected to emerge with Gen AI. Along with internal reskilling and upskilling, organizations need to leverage external partnerships too.

Encourage the adoption of Gen AI by transforming behaviors

As Gen AI reshapes organizational structures, redefines roles and responsibilities, and creates human-AI fusion teams, change management becomes a crucial area. When working on **change management and culture shift**, organizations often have the wrong focus. They start by trying to change mindsets, which is cumbersome and time-consuming. It's often more effective to use a more pragmatic approach that focuses on the most visible aspect of organizational culture:

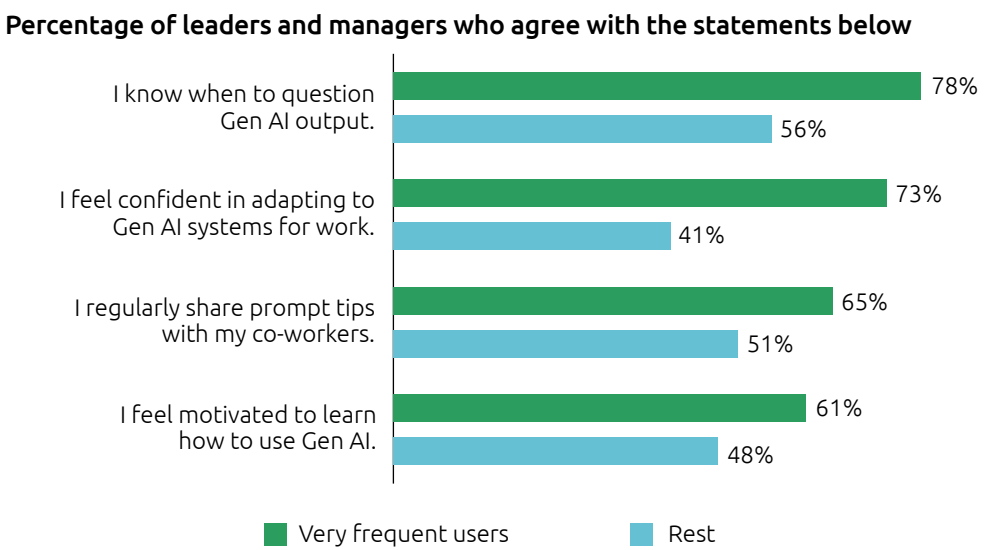
behavior. Ultimately, what people do is more important than what people think.[37]

The path to boosting adoption and usage of Gen AI tools starts with **developing new habits**. We analyzed the habits of "very frequent users" of Gen AI (those who use Gen AI tools multiple times a day) versus the rest. We found that very frequent users, rather than delegating, often experiment with new use cases personally. For instance, 63% of these power users say they regularly use Gen AI tools for data design, collection, and summarization, in comparison with 34% of the rest.

As Figure 21 shows, 78% of frequent users say they know when to question the output of Gen AI tools; 65% regularly share prompt tips with other colleagues; and 61% feel motivated to use Gen AI tools in their day-to-day work.

Organizations should provide learning and experimentation opportunities to facilitate the **shift from theoretical education to practical application**. Encourage employees, managers, and leaders to craft their own customized interactions with Gen AI. It is also important to keep a check on unauthorized usage by updating security policies, clarifying acceptable practices, and regulating data access. Learners must be immersed in a holistic learning experience involving the head (rational, theory), the heart (emotional, gamified), and the body (taking actions).[38] **Encouraging a culture of experimentation** by creating an environment free from the fear of failure is crucial to unlocking the full potential of technology.

Figure 21.
Frequent Gen AI users are eager to experiment with outputs, adapt swiftly, and share knowledge.

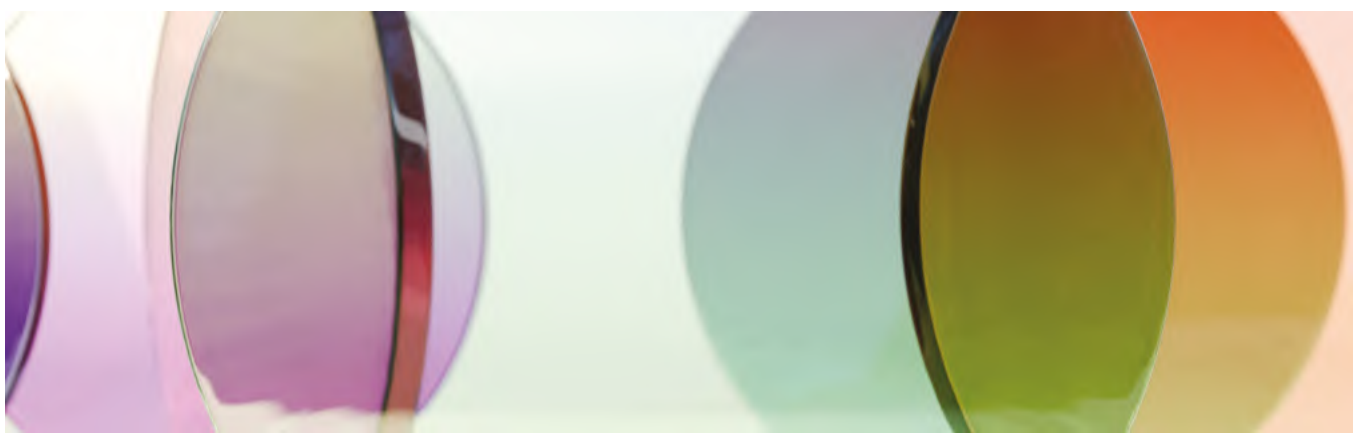


Source: Capgemini Research Institute, *Gen AI for management research*, July 2024, N=1,456 leaders and managers who use Gen AI tools in their role, N =49 leaders and managers who use Gen AI tools multiple times in a day, N=1,407 the rest of the leaders and managers.

Emphasize the role of Gen AI in augmenting and empowering, not replacing, human intelligence

Our research reveals that 63% of middle managers are concerned about loss of autonomy through using Gen AI tools – one of the reasons for low usage. Nearly half (48%) of employees fear that Gen AI tools will disempower them by dictating their tasks and schedules. Our previous research also highlights that 44% of senior software executives cite risks with displacing and transitioning of workers as the biggest challenge for Gen AI implementation.[39] It is important to address these job displacement concerns among the workforce.

Organizations need to be transparent about the intended purpose of Gen AI tools. The clarity of the intended purpose must be supported by communicating it to all stakeholders. Taking a human-centered approach towards AI and AI-enhanced technologies will amplify human creativity and innovation. Two-thirds (67%) of leaders and managers acknowledge Gen AI's potential to improve decision-making but emphasize the need for human oversight to ensure optimal outcomes.



Conclusion

The transformative power of Gen AI is reshaping the landscape of work, management, and organizational structures at all levels. At the workforce level, in addition to facilitating and augmenting one-third of tasks, it is driving the evolution of roles from creation to review, acceleration of career progression, and the creation of new roles. Similarly, Gen AI is transitioning leadership and managerial roles toward strategy, innovation, and AI-augmented decision-making. In addition, managers will have new responsibilities added to their portfolio – ensuring responsible adoption of Gen AI and acting as catalysts of change for the entire organization. The role of Gen AI itself will evolve from being a co-pilot to a co-thinker capable of strategic collaboration and dialogue with its human counterparts.

This metamorphosis of roles and responsibilities and the emergence of fusion human-AI teams will challenge traditional organizational structures and ways of working. Organizations need to take proactive steps to thrive in this change: a focus on expertise and specialized roles, reskilling and upskilling initiatives at all levels, optimizing organizational structure and workflows, transforming behaviors through emphasis on soft skills and leading by example, and cultivating a culture that embraces experimentation, adaptability, and, ultimately, transformation. Integrating Gen AI with a broader AI ecosystem – known as “hybrid AI” can drive new levels of effectiveness and innovation.

Research methodology

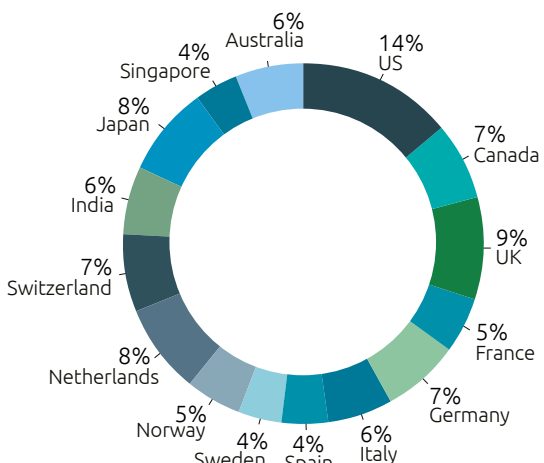
To understand the adoption and applications of Gen AI for leaders, managers, and employees, we conducted a global quantitative executive survey in July 2024 across 15 different countries. We surveyed 1,500 respondents from 500 organizations, with annual revenue of more than $1 billion. Each unique organization is represented by three executives, one each at leadership level, middle-management level, and front-line management level (the three respondents can be from different functions or locations).

We also conducted an entry-level employee survey to take their perspective on Gen AI adoption by their managers and leaders. The survey targeted 1,000 entry-level employees from the same 500 organizations as in the executive survey. Hence, overall, each organization, irrespective of location or function, is represented by five respondents – three executive-level (leaders and managers) and two entry-level employees.

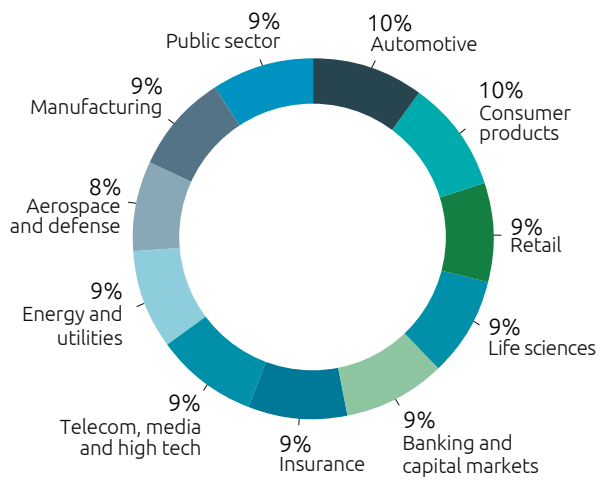
In addition to these executive and entry-level employee surveys, we also conducted 15 in-depth interviews with independent experts from various industries across the globe to validate and substantiate our findings.

Please note, the study findings reflect the views of the respondents and are aimed at providing directional guidance. Please contact one of the Capgemini experts listed at the end of the report to discuss specific implications.

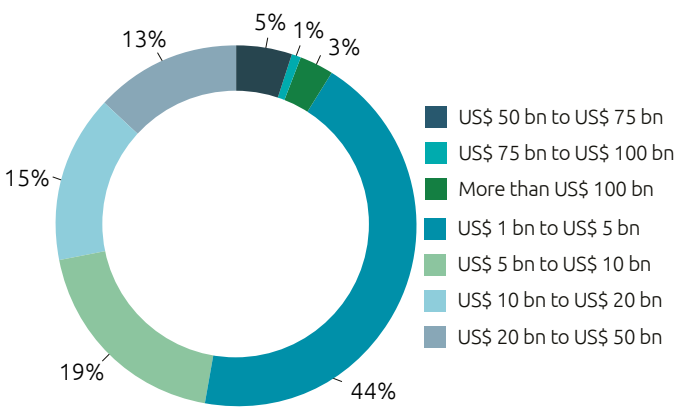
Organizations, by country of headquarters



Organizations, by sector

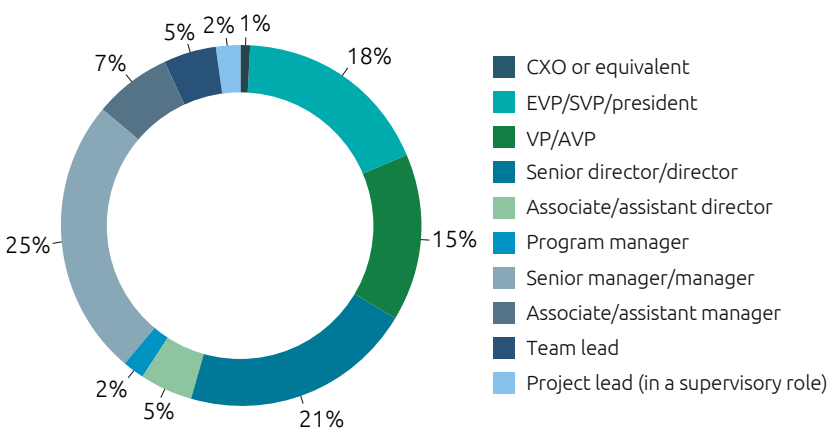


Organizations, by annual revenue

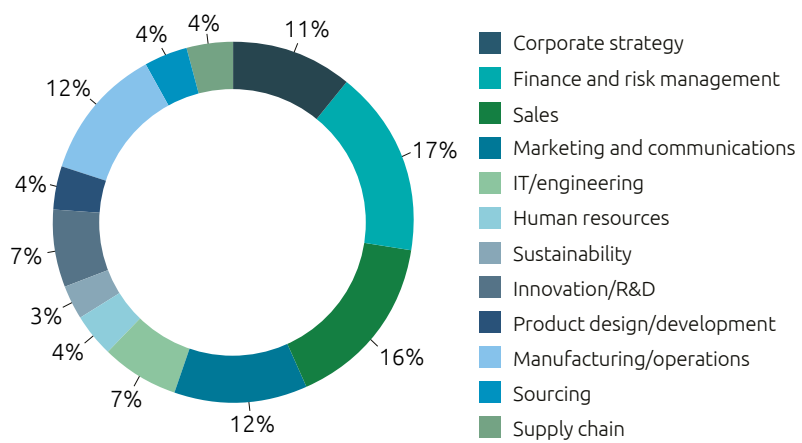


Source: Capgemini Research Institute, Gen AI in management survey, July 2024, N = 500 organizations represented by 1,500 leaders and managers and 1,000 entry-level employees.

Executive* respondents, by job title

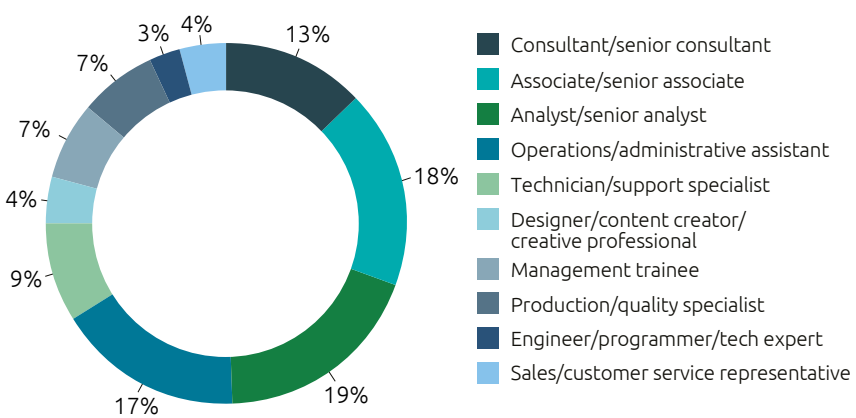


Executive* respondents, by function

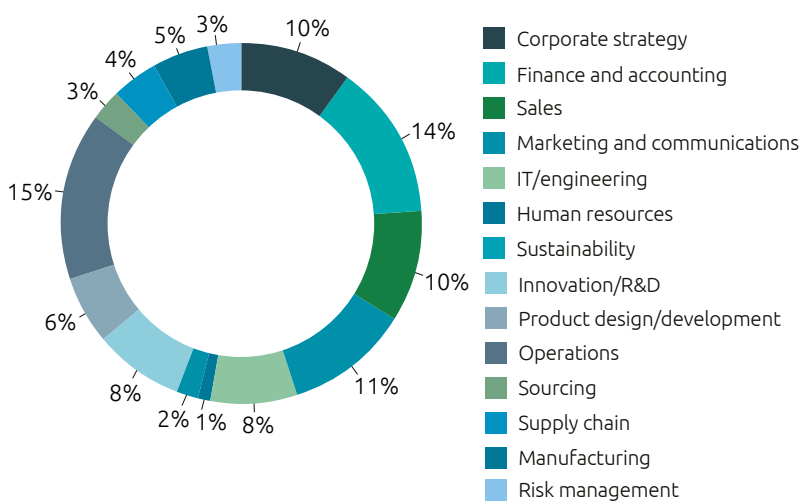


*Leaders and managers
Note: Totals may not equal 100% due to rounding.
Source: Capgemini Research Institute, Gen AI for management research, July 2024, N=1,500 leaders and managers.

Entry-level employees, by job title



Entry-level employees, by function



Source: Capgemini Research Institute, Gen AI for management research, July 2024, N=1,000 employees.

Appendix

Gen AI could save leaders and managers up to seven hours each week

Assuming a 40-hour work week, in the next 12 months, leaders and managers can potentially save around seven hours per week by using Gen AI (see the table below).

	A **% of time spent per day on these tasks(Survey data)**	**B** **No. of hours spent/week on these tasks(A*40)**	**C** **Potential time saving in the next 12 months savings by using Gen AI(Survey data)**	**D** **Potential time savings (hours/week)(B*C)**
Business/strategy tasks	21%	8.28	27%	2.22
External engagement tasks (e.g., customer meetings)	18%	7.07	12%	0.85
Team and people-management tasks	24%	9.56	18%	1.71
Project-management tasks	18%	7.27	12%	0.88
Administrative tasks	11%	4.58	25%	1.14
Other individual contribution tasks	8%	3.24	10%	0.31
Total potential time savings (hours/week) for leaders and managers in the next 12 months by using Gen AI (sum of column D)				**7.12**

Source: Capgemini Research Institute, Gen AI for management research, July 2024, N=1,500 leaders and managers.

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Alex brings over 20 years of experience in the tech and data space, beginning his career as a CTO in startups and later leading data science and engineering in the travel sector. Eight years ago, he joined Capgemini Invent, where he has been at the forefront of driving digital innovation and transformation for his clients. He has a strong track record in designing large-scale data ecosystems, especially within the industrial sector. Currently, as the Global Lead of Capgemini Invent's Generative AI Acceleration Lab, he crafts Gen AI go-to-market strategies, develops assets, upskills teams, and assists clients in scaling AI and Gen AI solutions from proof of concept to value generation.

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Steve Jones is the EVP of Data Driven Business and Generative AI, a published author in technical and business journals and a member of several standard bodies, Steve's focus is on the ability of business to adopt technology successfully and be able to manage it in operations, leading Capgemini's early efforts in Cloud, SaaS, and Big Data. Today he focuses on the redesigning of businesses for the 50% AI world.

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Generative AI is redefining business as usual organization-wide, impacting how we work, connect, organize, communicate and prioritize growth opportunities. At Capgemini Invent, we empower leaders to harness the transformative power of AI and deliver tangible business value. Through strategic implementation, scalable solutions, and integrated workforce enablement, our comprehensive approach ensures sustainable growth and competitive advantage in a competitive and rapidly evolving AI-driven landscape.

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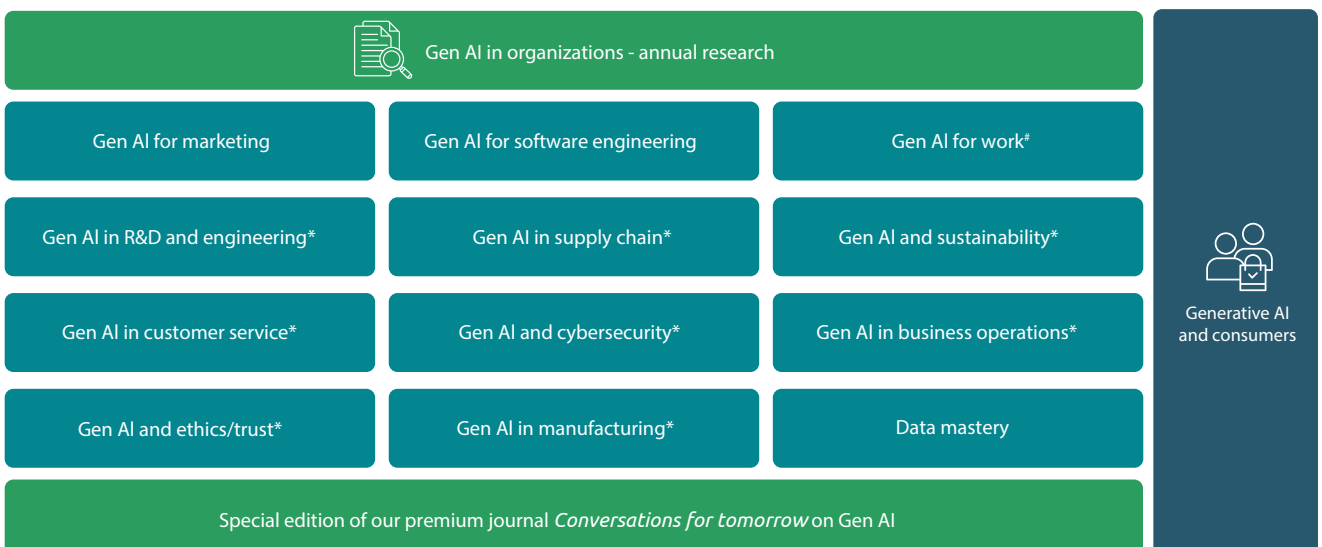

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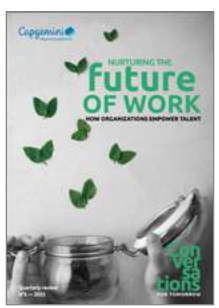

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