Managing in the new world of AI

Work Has Changed:
Attempting to *"measure productivity"* is a falsehood

We've long moved from simply being able to take "hours logged" as a good measure of work, even before remote or hybrid became popularized. Knowledge work is more complex than ever before. And markets, the economy, and innovation change at a more rapid rate every year.

When leaders ask "how will I know they are working?" in regards to flexible work, we often forget to ask ourselves "well, how did we know they were working when we were all in the office?" There's no simple measurement for productive work today:

- **Not *just* "hours logged" or worse "face time at the office"** Productivity isn't a mere function of hours spent at a desk. An employee might achieve more in a focused 4-hour work session at home, than in an 8-hour office day filled with meetings. On top of that, emerging generative AI tools have been shown to help close the gap between lower performers and higher performers (Reference: Field Experimental Evidence of the Effects of AI on Knowledge Worker Productivity and Quality, Sep 2023)

- **Diverse perspectives create better ideas but requires work** Innovation is at the core of Modern Productivity. The complexity of today's challenges means that the best ideas rarely come from a singular source, especially not "top-down" from managers. In fact, research shows consistently that diverse teams correlates with improved financial performance (Reference: McKinsey Why Diversity Matters, January 2015) but this requires focusing on the elements of creating high trust and true psychological safety on a team — non-direct measures for productivity.

- **Change is happening faster than ever before.** Productivity in the modern sense also means adaptability. As technology and market conditions change at breakneck speeds, the ability to pivot, learn, and evolve becomes a hallmark of the best teams and companies.

The New Mandate for Managers:
Shift from *supervising* to *empowering,* especially now

The role of a manager has long shifted from the time-tracking or task-tracking focus of the Industrial Era, precisely *because* productivity is complex and nuanced in today's modern work.

As teams become more distributed with hybrid work, alongside automation taking over routine tasks, **the human elements of creativity, innovation, empathy, and interpersonal relationships become the distinguishing factors of successful teams and organizations.**

A Focus on Power Skills versus Technical Skills

1 Emotional Intelligence

2 Critical Thinking

3 Leadership

4 Creativity

5 Resourcefulness

6 Experimentation Mindset

> "*As a manager, you can manage process, you can manage time, you can manage resources. But you can't control people... and the more we try to control, paradoxically, the less effective we are in getting the outcomes we want.* **So as a manager, it's so important to think of ourselves as catalysts of great performance and ask ourselves, what can we do to be in service of bringing out the best in others?"**
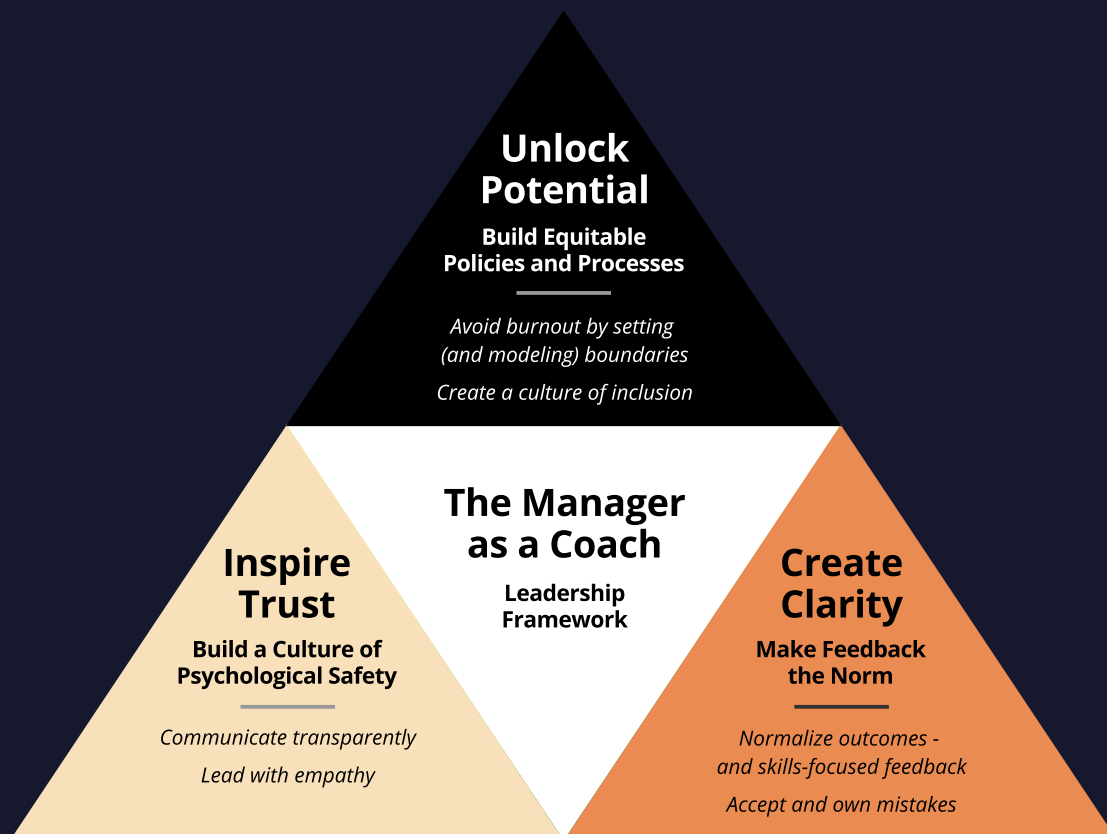
Tania Luna
Co-founder of management training company, LifeLabs Learning

The Modern Manager Framework:
The manager as a coach

For many, this rapid succession of change from flexible work to AI-augmented work to a future that is more ambiguous than ever can feel overwhelming to navigate. We adapt the Modern Manager Framework from the book "How The Future Works: Leading Flexible Teams To Do The Best Work of Their Lives" to showcase both process and technology / AI use cases to inspire and help managers get started with making this shift from supervising to empowering their teams.

Unlock Potential
Build Equitable Policies and Processes

Avoid burnout by setting (and modeling) boundaries
Create a culture of inclusion

The Manager as a Coach
Leadership Framework

Inspire Trust
Build a Culture of Psychological Safety

Communicate transparently
Lead with empathy

Create Clarity
Make Feedback the Norm

Normalize outcomes - and skills-focused feedback
Accept and own mistakes

Manager Framework From: "How The Future Works: Leading Flexible Teams To Do The Best Work of Their Lives" by Brian Elliott, Sheela Subramanian, and Helen Kupp (Wiley, 2022)

> "*Generative AI is changing so fast. What's possible today is different than what is possible tomorrow.* **The only way to navigate this is just by starting — utilize AI in your own day-to-day work as a manager.** *Only then, will you really understand what works well, what doesn't, and where the gaps might be. Only then, can you really start to think forward towards how you might augment, structure, and lead your teams differently alongside AI.*"

Helen Lee Kupp
Co-founder & Community Builder, Women Defining AI

The Modern Manager Framework:
Ideas and opportunities for AI

	Create clarity	Inspire trust	Unlock potential
Context	Clarity is kindness. Ambiguity, as we know, creates more wasted effort.	Psychological safety is a precursor for teams to work effectively and generate great ideas.	Teams are made up of diverse individuals and working styles, there is no one-sized fits all.
Process	• Define goals explicitly • Normalize feedback • Be direct	• Communicate transparently (share more) • Team norms and Personal operating manuals	• Measure performance by outcomes not face time • Create more opportunities to participate async • Create more equitable ways to 'assign' new opportunities
AI Starters	• Prompt ChatGPT/Claude to rewrite documents and feedback for clarity • Ask ChatGPT/Claude to explain complex topics or acronyms for new hires • ChatGPT app for Slack (beta) to help summarize discussion content	• Use Zoom AI features to quickly summarize & sharing meeting info (create more transparency) • Use ChatGPT/Claude to create conversation guides for manager 1x1s • #BiasCorrect plug in for Slack flags unconscious gender bias to users, much like a spell check but specifically for gender bias. It offers alternative bias-free words or phrases for managers to consider	• Use ChatGPT to collect brainstorm pre-work from members, and aggregate themes for live discussion • Use ChatGPT/Claude to create brainstorm guides for team discussion • Leverage ChatGPT Plus, Code interpreter to analyze engagement survey or other feedback to take action more quickly
Complex or Newer AI Options	• Build a custom AI chatbot to help personalize new manager or new member onboarding on a team, or make it easier to search company knowledge • AI enabled nudges to facilitate regular, timely feedback (Humu, Viva Glint) and prompting follow-up meetings	• AI-driven manager specific coaching, templates, and tools for more effective relationship building with their teams like Kona, Villyge	• Use new AI team coaching tools like theCoRD.ai (beta) to monitor & suggest changes to team dynamics • AI-driven talent intelligence platforms (eightfold.ai, Gloat, Fuel50), through personalized dashboards for managers, facilitate skill-centric assignment of work/projects and developmental opportunities; promote transparency within teams and equitable distribution of opportunities

Risks and Considerations:
Ensure that the playing field *is* level

+14 percentage points
Over half of Black respondents express concern about AI replacing them in their jobs in the next five years (53%), 14 percentage points higher than for white respondents (39%).

+10 percentage points
Yet Black workers and managers express more enthusiasm about using generative AI tools at work in the future (61% vs. 51%).

They are also more likely to be using generative AI tools as part of their day-to-day work already (45% vs. 37%).

-13 percentage points
Women respondents (35%) are less likely than male respondents (48%) to be using generative AI tools in their jobs currently.
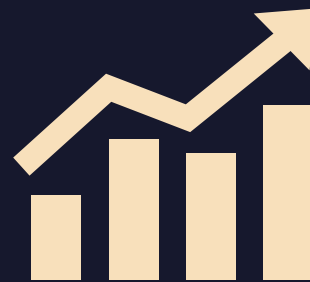
-20 percentage points
Women are less likely than men to agree to the statement *"I am excited about the prospect of using generative AI as part of my day-to day-work"* (46% vs 66%).

Source: Charter study of manufacturing, service, and knowledge workers and managers, August 2023 n=1,173

charterworks.com

charter

The benefits and potential of generative AI in the workforce can be massive — Goldman Sachs (2023) estimates that generative AI could raise annual US labor productivity growth by just under 1.5pp over a 10 year period.

And yet, people in underrepresented groups are often disenfranchised and devalued during moments of economic and societal transition. Brookings 2017 research show that despite the rapid digitization of the American workforce, sharp gender and race based challenges still exist. And, as research from Charter (image above) suggests, that the same risk is present in this moment of widespread AI adoption, particularly for women, workers of color, and those over 55—and that it doesn't have to be that way.
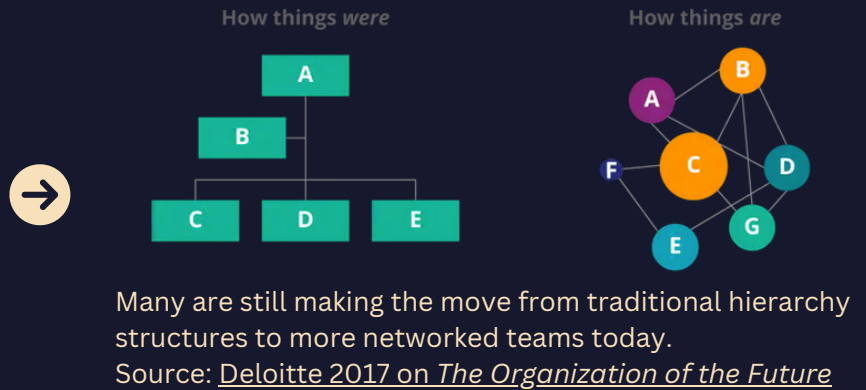
The digital divide won't go away and managers have an important role to play in helping ensure that workers across roles and demographic groups are strengthened rather than undermined as a result of AI in their workplaces.

→ *More in Charter's Guide for "Using AI in ways that enhance worker dignity and inclusion" (October, 2023)*

Risks and Considerations:
Redesigning the very structure of our teams and organizations

As McKinsey reported, nearly 4 in 10 respondents reporting AI adoption expect more than 20% of their companies' workforce will be reskilled. And yet, we are early enough that much of the downstream impact of these skills changes in org design is *still very much unknown*.

→

How things *were*

How things *are*

Many are still making the move from traditional hierarchy structures to more networked teams today.
Source: Deloitte 2017 on *The Organization of the Future*

AI Org Evolutions	Examples / Description	Are we there yet?
New roles required to manage AI systems	We're seeing companies hire for roles like: AI Ethics, Prompt Engineers, AI Engineers & infrastructure specialists, Chatbot leads in CX, etc.	**NOW**: Companies are actively hiring for new AI-based roles now, primarily Prompt Engineers & Infrastructure roles but seeing more CX/Support examples
Even more emphasis on Power "soft" skills over Technical "hard" skills	With more repetitive, simpler execution based tasks covered with genAI, managers and even more people on the team need to double down on soft skills like coaching, creating clarity, trust, etc.	**EARLY**: Forward-thinking companies have already been thinking about re-skilling managers but not widespread
Even more decentralized decision making	With more ability to ingest information and data, and create using AI, decisions can and should be even further decentralized.	**NOT YET:** AI adoption is still too early & lumpy across functions and teams
Transition from teams to talent ecosystems	AI can facilitate a more dynamic team structure by aligning individual skills with project needs. This has the potential to drive a more integrated workforce that includes traditional full-time employees and freelancers, gig workers and contractors.	**NOT YET**
Skill-based hiring	Although some industries have started to prioritize skills over job titles or academic degrees in the hiring process, AI can make this practice widespread and more efficient. This will require managers to shift their mindset from focusing on credentials to evaluating the specific skills that are relevant to the job.	**NOT YET**
Changes & updates to team composition	With changes above, teams will need to be more cross functional by default (rather than functionally aligned like today. Ex: More teams operating like product/design/eng "pizza teams"	**NOT YET**
Changes to team and org structures	Potential for flatter structures (leaner teams) paired with AI counterparts, that are more networked (see above on decentralization of decision making)	**NOT YET**

Closing Thoughts

While there is still so much unknown, one thing is clear — the management system itself will shift over the next few years. Expectations about what a "knowledge worker's role" is within a team and organization, how we grow and train people over time, etc. will all undergo massive change as we learn more about the ways AI will integrate into how we work & work together.

But as we prompt our AI models...

Take a deep breath and take it step by step. Get started with small experiments today and iterate from there.

About Us

Women Defining AI aims to level the playing field for women at work by closing the technology gap, changing who defines and leads the conversation around innovative tech, starting with AI.

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