

More Human: A New Leadership Paradigm Emerges

Leaders with high awareness, wisdom and compassion
are equipped to step into the future by leveraging
both the powers of AI and their own human qualities.

by Rasmus Hougaard and Jacqueline Carter

ARTIFICIAL INTELLIGENCE (AI) has brought leadership as a practice to a major inflection point, placing leaders at the helm of a crucial decision: Will AI create an era of mechanical, impersonal efficiency or will it catalyze a renaissance, redefining leadership itself?

This moment is not just about adopting a new technology; it's about shaping the future of work. If approached with foresight, AI can be the dawn of a golden age for leaders, an era in which they transcend traditional roles to become beacons of humanity. By delegating tasks to AI and using AI to augment skills and behaviours, leaders have an opportunity to unlock a truly human experience of work while enhancing organizational performance.

But humans have always been better at inventing tools than at using them. Consider for a moment how the Internet has given us instant access to gigabytes of data and yet made us more distracted. Or how social media has enabled us to be more

connected, yet has made us feel more alone. In the same way, AI has the potential to enhance the human experience of work — or it could lead us into an automated, robotic, overwhelming and uninspiring work reality.

We, the authors, are partners at **Potential Project**, a global research and leadership development firm dedicated to creating a more human world of work. We have spent the past 15 years researching human-centred leadership and helping leaders individually and collectively realize their potential. When the use of AI in the workplace accelerated with the launch of generative AI, our reaction was a mix of curiosity and concern. We were curious about the potential and concerned about the implications for people. So, we decided to do some research.

We conducted in-depth interviews with more than 100 CEOs, chief people officers, chief learning officers and other senior leaders from companies like **Accenture, Cisco, Starbucks, Citibank, Eli Lilly, IKEA, Visa** and more. We also met



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with numerous AI experts and completed 360-degree surveys of more than 2,500 leaders and employees around the globe. We partnered with academics from Harvard University, Columbia University, the Rotman School of Management and other notable institutions.

This research left us with great excitement. Why? Because we discovered that, paradoxically, *AI can make leaders more human*. What do we mean by this? Specifically, AI can help leaders mine, manage and maximize the best of our human potential. This potential — when amplified to harness and guide AI — generates limitless behaviour loops that affect work culture in overwhelmingly positive ways. Put simply, despite its challenges and risks, AI has the potential to catalyze a new age of human leadership.

As **Nhlamu Dlomu**, global head of people at **KPMG**, shared with us, “With the power, promise and potential of AI, leaders have a rare opportunity of rethinking and redefining how we work and how we lead. We can choose to make the experience of work more positive for ourselves and the people we lead and simultaneously improve financial results.”

The insights we’re about to share represent the first research into leadership within the context of AI. As ever, our rubric remains human-centred: We apply these learnings specifically with the goal of building onto the best of human leadership skills to offer a unique view into the best possible future. Through our research, we identified three ways that AI can transform how we think about leadership:

PROMISE 1: Save time to focus on creating a better employee experience

The first benefit of AI for leaders is that it can save us time. But what should we do with that extra space in our calendar? Do we use it to squeeze in yet another project? Do we use it to call an additional meeting? Or do we use that time to reflect on and invest in elevating our leadership impact for our people?

As AI replaces or simplifies leadership activities, we have an opportunity to make radical shifts from *managing people* to

creating positive human experiences. A great example of this change was shared with us by **Ellyn Shook**, chief leadership and human resources officer at Accenture. The firm has developed a generative-AI (GenAI)-enabled tool called Anytime Performance Summary, which synthesizes many inputs — for example, priorities, feedback, metrics and aspirations — and generates a summary for the individual and leader to consider in the performance conversation.

Before, Ellyn used to spend 45 minutes collecting and consolidating information and just 15 minutes preparing for the discussion. But with this new system, it takes her five minutes to review the AI-generated summary and she spends the rest of the hour preparing how to make the performance conversation a positive experience for the team member. The tool is embedded into Workday and **Microsoft** Teams, making it fast and easy for people leads to give high-quality feedback anytime and focus more on coaching. Ellyn explains: “AI is starting to free up time for leaders to focus on what really matters: supporting their people in feeling well and being productive.” The key takeaway: AI can help us save time on tactical activities and redirect our focus to how we make people feel. It provides a major shift from transactional management to a truly human approach to leading.

PROMISE 2: Ultra-personalized leadership

The processing power of AI enables leaders to have a much greater understanding of people’s unique needs and how to address them. As **Francine Katsoudas** — chief people, policy and purpose officer at Cisco — shared with us, “In the past, understanding and addressing every employee’s unique situation wasn’t always possible. But with AI, leaders have the potential to gain better insight into the key elements of an employee’s well-being and better support their needs.”

Humans are complex. Some people like straightforward feedback, but others do not. Some like to express their emotions, while others are more reserved. People come to work with different mindsets, have a range of diverse needs and like to be engaged in unique ways. Leaders need to consider multiple vari-

ables in determining the best way to engage with every employee.

‘Situational leadership’ is great in theory, but in reality, it is quite difficult. AI has the processing power to provide leaders with detailed insight on individual employees and provide recommendations on how to engage. It is a beautiful integration of human and machine, one where AI insights combined with human authenticity can enhance our ability to personalize our leadership and cater to unique employee needs.

PROMISE 3: Elevating the best of our humanness

Humans are wonderful creatures. We can be smart, creative and kind. But we can also be messy, inconsistent and imperfect. We might aspire to show up in a certain way, but that doesn’t mean we always do.

AI can help us be less messy and more consistent. It can help us elevate the best of our humanness. As **Paul Daugherty**, author of *Human + Machine* and Accenture’s chief technology and innovation officer, told us, “Through strategic application of AI systems and tools, leaders can cultivate their best human qualities and human areas of leadership.”

AI can be like an ‘exoskeleton’ for the mind and heart of a human leader. Just as an exoskeleton strengthens the physical body of a human, AI can strengthen our cognitive, emotional and social powers. Intellectually, it can enhance cognitive prowess, allowing us to process vast amounts of information swiftly and to make good decisions. Emotionally, AI can help deepen our understanding of an employee and advise us on the best path forward. Socially, AI can help us understand team dynamics, foster diverse thinking and enhance psychological safety.

However, as great as AI can be, it alone cannot make us better leaders. Relying only on AI without doing the inner work of human development would be like buying a top-of-the-line **Ferrari** and ignoring the fact that you’re a bad driver. To get the best from AI, we need to equally invest in the development of our human potential.

We recognize that the exponential acceleration of AI may make anything we share here outdated by the time you read this.

But becoming more human in an era when AI is transforming leadership at lightning speed is not about memorizing use-case scenarios; it’s about a need for more intentional development of human leadership and new frameworks for balancing technology with humanness.

In light of our research, we are standing on a firm foundation for outlining how leaders and AI can come together to make us more human. Alone, neither is sufficient. Both are necessary. Harnessing the power of AI starts with embracing the idea of augmentation.

The AI-Augmented Leader

In the history of work, we humans have moved through the agricultural, industrial and information ages and have now entered the Age of Augmentation. In all the past ages, the tools we used were passive. Like a shovel to dig a hole or an e-mail system to share information, these tools were dormant until we chose to use them. But with AI, we have moved into a new era where our tools are actively interacting with us in ways that change how we perceive and engage with the world. Instead of waiting to be used, GenAI tools are listening, analyzing, learning and predicting what we want or what we need. AI can now read and write for us, identify our strengths and weaknesses and shape or curate our media diet. It influences what we learn, think, do and say.

Augmentation is the process of improving something by adding to it. Whether you realize it or not, you’re already augmented in many ways. For example, how many phone numbers of friends can you remember? Probably not many. Why? You now use your smartphone to augment your memory.

The key principle of augmentation in the context of AI and leadership is to adopt a both/and mindset. You must leverage both the power of AI *and* your most human qualities. We are offering a vision of the future of leadership that is deeply rooted in humanness, only made possible as powered by AI. But to do that, to enable good synergistic collaboration between AI and humans, we must understand how the human mind operates.



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From a cognitive science perspective, most models of the mind describe, in different words, three key qualities: perception, discernment and response. Everything we think and do is filtered through this cycle of neurological qualities. Therefore, to understand how we as humans get the best of the augmentation with AI, we must understand these neurological qualities. In the context of cultivating good leadership, we call these three qualities awareness, wisdom and compassion.

AWARENESS is the perceptual capacity of the mind to observe both internal and external experiences with the intention of cultivating mental clarity, agility and executive presence. This quality enables leaders to move from perception to perspective; it involves a deep understanding of oneself, others and the broader environment. This deep awareness of self and others helps leaders navigate complex interpersonal and organizational dynamics with clarity and insight.

WISDOM is the discerning capacity of the mind to form sound judgment by understanding reality as it is, free of the limitations of the ego. Accrued from generations of experiences, learning and reflection, wisdom allows leaders to make decisions that balance short-term gains with long-term sustainability and ethical considerations.

COMPASSION is the responsive capacity of the mind to provide genuine care, with the intention of benefiting others and contributing to the greater good. Compassion is the ability to empathize with and act with sensitivity towards others' emotions and needs. It provides the layer of human touch to leadership, ensuring that when leaders act, they do so in ways that make employees feel respected and valued.

To understand the impact of these three qualities on leadership, we conducted four separate studies including leaders and followers from 28 countries, 14 industries and across the full spectrum of levels. Our findings were clear and compelling: Leaders who have been rated by their followers as having high awareness, wisdom and compassion provide employees with a significantly better work experience. When leaders are more aware, wise and compassionate, their employees are:

- **97 PER CENT MORE TRUSTING OF THE LEADERS OF THEIR ORGANIZATION.** Peer-reviewed research shows that this trust leads to improved financial performance, productivity, product quality, collaboration, information sharing, support for innovation and mission motivation.
- **65 PER CENT MORE COMMITTED TO THEIR ORGANIZATION.** Peer-reviewed research shows that this increased commitment leads to employees who work harder and perform better, significantly enhancing organizational performance.
- **61 PER CENT MORE PSYCHOLOGICALLY SAFE.** Peer-reviewed research shows that this sense of safety leads to greater employee engagement and better performance and is a key enabler of team effectiveness.
- **49 PER CENT MORE SATISFIED WITH THEIR JOB.** Peer-reviewed research shows that job satisfaction is a significant predictor of employee performance. Satisfied employees tend to put more effort into their job performance, leading to better outcomes for the organization.
- **37 PER CENT LESS LIKELY TO QUIT.** Peer-reviewed research shows that this sense of tenacity leads to improved performance orientation, lower organizational deviance and greater organizational citizenship behaviour.
- **31 PER CENT LESS LIKELY TO EXPERIENCE JOB BURNOUT.** Peer-reviewed research shows that this leads to better employee performance and reduced productivity loss.

In short, leaders with high levels of awareness, wisdom and compassion can provide the foundation of good leadership, generate improved performance and offer a better experience for the people they lead. But what does that mean when we pair human leadership with AI? The AI-augmented leader develops the three core human qualities *and* embraces the best of both human and AI capabilities as follows:

- **AWARENESS + AI.** As indicated earlier, awareness is a uniquely human quality developed through millions of years of evolution. It enables us to see things in perspective and provide context. On the other hand, AI has a vast capacity for generating content in ways and at speeds that humans can't match. The AI-augmented leader is able to skillfully provide context to AI-generated content.

- **WISDOM + AI.** Wisdom, as indicated, is the quality with which humans apply their insight, experience, critical thinking and social and emotional intelligence to ask good questions. Conversely, AI excels at providing answers based on enormous amounts of data and information. The AI-augmented leader uses wisdom to ask thoughtful questions while wisely deliberating on the answers provided by AI.

- **COMPASSION + AI.** Compassion is the unique human capacity to want to be of benefit to others and involves leading with the heart. AI can greatly contribute to skillfully encouraging compassion by providing algorithmic knowledge and insights. The AI-augmented leader can leverage the algorithmic power of AI to analyze vast amounts of employee data and then provide an authentic and heartfelt human experience.

In closing

Leaders with high awareness, wisdom and compassion are far readier to become AI-augmented leaders than those lacking these qualities. These leaders are better at employing their human strength in both providing context and identifying AI content relevant to current goals. They are excellent at both asking insightful questions and discerning the useful answers provided by AI. And they are masters at both leading with their heart and using insights from AI algorithms. Most importantly, they are ripe for the exponential growth possibilities of the human-AI positive feedback loop. **RM**

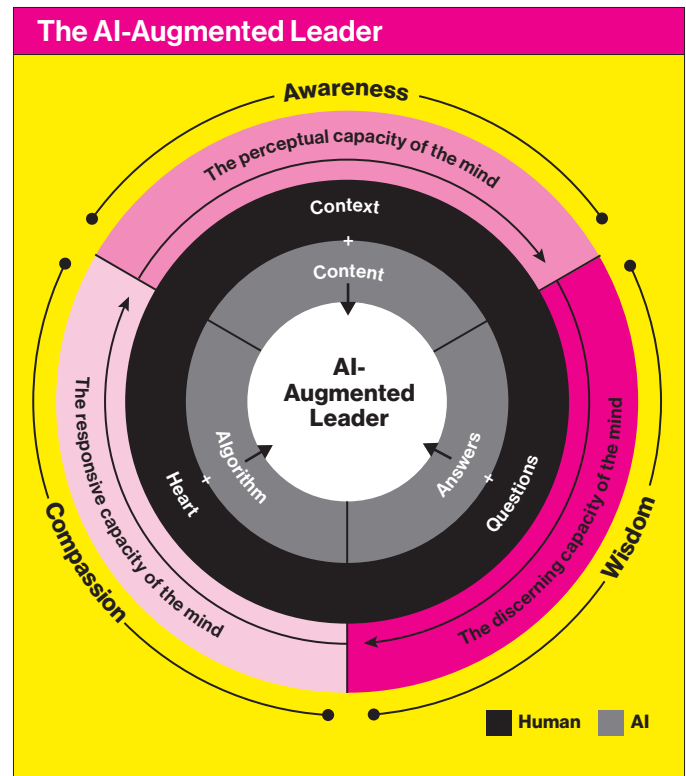


FIGURE ONE



Rasmus Hougaard is Founder and CEO of the Potential Project and co-author of *More Human: How the Power of AI Can Transform the Way You Lead* (Harvard Business Review Press, 2025). He was named by Thinkers50 as one of the eight most important management thinkers in the world today. **Jacqueline Carter** is the co-author of *More Human* and is a Senior Partner heading up the Potential Project in North America.