Designing Intelligent Systems for Human Work

TALENT MANAGEMENT COLLECTIVE

CONTEMPORARY LEADERSHIP ADVISORS

About

Talent Management Collective

The Talent Management Collective is a member-driven community of forward-thinking talent executives who come together to exchange insight, stress-test ideas, and co-create the practices that will shape the future of work. Members draw on one another's experience—and contribute their own—to elevate the strategic impact of talent, strengthen their organizations, and grow as leaders.

Contemporary Leadership Advisors

Contemporary Leadership Advisors helps leaders from public, private and public sector organizations thrive in today's fast-paced, complex business landscape. The firm integrates business expertise and behavioral science to assess leaders, develop teams, build cultures, and design organizations that can adapt and excel in today's faster-paced contemporary world.

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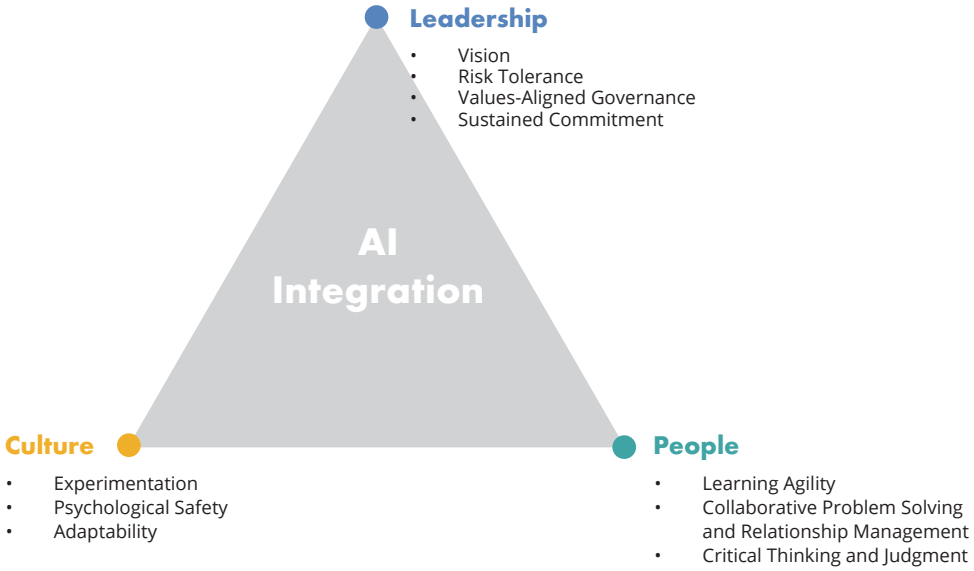
Building on Prior Research

Previous research conducted by the Talent Management Collective, in partnership with Contemporary Leadership Advisors (CLA), explored organizations' efforts to shift from experimentation with AI tools to integration in talent management. Studying more than 50 organizations across thirteen industries, the research shows that more than four out of five organizations are actively exploring or piloting AI in talent systems, yet none had achieved enterprise-wide adoption. The barriers, consistently and across contexts, were organizational rather than technical. Competing priorities, unclear ownership, uneven digital fluency, and cultural hesitation emerged as the most reliable sources of friction. This research concluded that sustainable AI integration depends less on deploying the right tools and more on redesigning the human systems those tools run through, such as workflows, decision rights, trust norms, and leadership conditions.

The scale of that challenge is more visible than ever. A 2025 study by the University of Melbourne and KPMG of nearly 50,000 employees across 47 countries, found that 57% of employees admit to using AI in non-transparent ways, including presenting AI-generated content as their own or concealing when AI tools were used to complete their work (Gillespie et al., 2025)[1]. These behaviors point to an organizational challenge as much as a technological one, calling for a systems-driving lens.

This research brief identifies three organizational domains that determine whether AI integration stalls, with an approach designed to meet leaders where they are and offer an understanding of what is enabling or blocking progress, inviting a shift from asking "what tools should we deploy?" to asking "what conditions do we need to build?"



Taking a Systems Perspective

AI reshapes how work happens by influencing how decisions are made, how knowledge flows, and how people collaborate. Its impact extends beyond individual tools or use-cases, altering the underlying patterns that drive how organizations operate.

In our December 2025 TMC Research Brief, *AI In Talent Management: From Pilots to Integration*, leaders across more than 50 organizations described a consistent set of people and work-related challenges slowing meaningful progress towards the implementation of AI. Most notably, employees often feel uncertainty or mistrust toward tools they do not fully understand, and managers lack the clarity or confidence to sponsor change or model new ways of working. In our research, we also heard that workflows are frequently too inconsistent or poorly defined to support reliable AI integration. Cultural norms can discourage experimentation, limit the surfacing of problems, and reduce learning from failure. Many change efforts also lack clear communication, employee involvement, or mechanisms to sustain momentum.

These challenges are not isolated. Across industries and organizational contexts, they cluster consistently into three domains: **Leadership**, **Culture**, and **People**. These domains form a dynamic network where relationships continuously evolve through feedback and learning. Leadership shapes priorities and signals what matters, while culture reinforces which behaviors are encouraged or discouraged. People, through their skills, mindsets, and daily actions, determine how change is carried out.

When AI enters this network, it does not operate independently. This reflects a core insight from sociotechnical systems theory, that technology and the human systems surrounding it are deeply interdependent, and that optimizing one without attending to the other rarely produces lasting results. AI alters the relationships between these domains, shifts how decisions are made, expands access to expertise, and changes how work is coordinated. In environments where workflows are unclear, this often leads to greater fragmentation rather than efficiency. In cultures that discourage experimentation, adoption slows. When managers lack the confidence or clarity to lead, new ways of working fail to take hold.

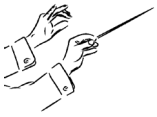
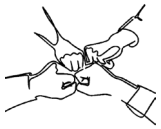
For this reason, successful AI integration requires more than deploying technology; it depends on the organizational environment. This includes workflow clarity, leadership alignment, employee capability and confidence, and cultural norms that support learning and change. Without this alignment, AI may improve the efficiency of isolated tasks but does not transform the larger workflows and decisions that drive outstanding performance.

Taking a systems perspective offers a way to step back and see how these dynamics connect. Rather than looking at challenges in isolation, this perspective focuses on how **Leadership**, **Culture**, and **People** interact to shape outcomes. When viewed this way, it becomes easier to see what is enabling or blocking progress, and where targeted intervention will have the greatest effect.

Leadership in AI Integration

Leaders create the strategic narrative that explains why AI matters, how it connects to the organization's purpose and long-term value creation, and where people fit within an AI-enabled future. If there is a lack of clarity in these areas, employees are left to fill the gaps with their own assumptions, and they are rarely optimistic. Research shows that employee resistance to AI integration stems from the fear of displacement and skill degradation (Al-kfairy, 2025) [2]. When leaders are vague or inconsistent about why they want to integrate AI into the organization's infrastructure, employee uncertainty compounds, slowing adoption.

Conversely, leaders who pave the way for adoption do so by communicating a clear vision, modeling the risks they ask others to take, building the governance structures that align initiatives, and staying focused when momentum slows.

CONSTRAINING EFFECT		ENABLING EFFECT
Leaders communicate vague direction about AI, leaving employees to fill the gaps with assumptions. Uncertainty about intent slows adoption.	 Leadership	Leaders are transparent about their vision and uncertainity, models the risks they ask others to take, and build the goverance that keep AI efforts aligned.
Top-down pressure to demonstrate AI-enabled results genuine engagement, producing workslop and active resistance.	 Culture	Psychological safety and a culture of experimentation give employees the confidence to try, fail, learn, and speak honestly about the process.
Organizations assume employees will naturally adapt to AI, underinvesting in the learning agility, collaboration, and judement needed to use it well.	 People	Employees have the capability to reevaluate AI outputs critically, collaborate across functions to avoid fragmentation, and continuously adapt as the technology and their roles evolve.

Vision is not solely about having all the answers. It is the degree to which leaders transparently communicate the direction they are working toward, questions they are still sitting with, and processes they are working through for how AI will support the organization's strategy, people, and purpose. For some leaders, that means articulating a clear and specific case for where AI creates value and what success looks like over time. For others, it means being honest that the vision is still coming into focus, while providing enough structure to keep efforts from fragmenting in the interim. In both cases, what matters most is closing the gap between what leaders believe about AI and what employees actually experience. Research shows that leaders tend to be significantly more optimistic about AI than the employees doing the work, and that gap, left unaddressed, quietly erodes the trust that adoption depends on (Baker, 2026) [3].

Risk Tolerance refers to leaders' willingness to take principled risks in advancing responsible AI use and modeling new ways of working openly. Organizations in which leaders only push for AI without visibly experimenting with it send a message that well-intentioned mistakes will not be tolerated. At the same time, leaders must recognize and address obstacles as they arise rather than bypassing them in pursuit of faster progress, doing so not only prevents wasted effort down the line, but also models what responsible risk-taking in AI implementation looks like in practice.

Values-Aligned Governance refers to the structures, accountabilities, and cross-functional relationships that enable AI to scale responsibly. This includes how decisions about AI are made, who owns them, and how different business functions coordinate to ensure that AI initiatives are effective and aligned with the organization's values. When governance is done well, it transforms AI from a series of disconnected experiments into a coherent, scalable capability, one that the organization can trust, build on, and adapt as the technology evolves (T. Henderson & B. Sargent, Scale Crew HR, personal communication, April 14, 2026).

Sustained Commitment are the role leaders play in maintaining momentum over time. AI integration is not a launch event; it is an ongoing organizational effort that requires leaders to reinforce new behaviors, hold teams accountable for progress, and stay visibly engaged when enthusiasm inevitably wanes. Importantly, sustained commitment does not mean rigidly adhering to the original plan, but staying committed to the outcome while remaining willing to reassess, iterate, and course correct as new information emerges. Without this combination of sustained commitment and continuous improvement, early adoption gains erode, and organizations find themselves cycling through pilots without ever achieving scale.

Reflection Question:

In what ways do your organization's leadership practices create the conditions for successful AI integration?

In what ways might they work against it?

Culture in AI Integration

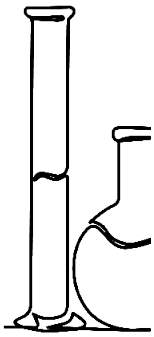
For AI implementations to be successful, employees must be willing to work alongside and learn new AI systems. Top-down pressure to demonstrate AI-enabled efficiencies leads employees to prioritize the appearance of progress over its substance, producing low-quality, AI-generated output circulated before anyone has developed the judgment to use these tools well. This phenomenon is known as “workslop,”, quickly generated work product that appears complete but lacks substance and depth when examined by an informed human, results in rework and duplicative efforts (BetterUp Labs, 2025) [4]. This lack of employee buy-in shows itself in other forms as well. A recent industry survey found that nearly a third of employees, including nearly half of Gen Z workers, admit to actively undermining their organization’s AI strategy (Writer, 2026) [5].

employees actively undermine
their organization’s AI strategy.

Employees are watching the same headlines as everyone else, and many are wondering about the future of their role. Organizations that take a deliberate stance on how they intend to use AI, not just that they intend to use it, are better positioned to earn the employee trust that successful implementation requires. There is a meaningful difference between deploying AI to free up organizational capacity and deploying it to reduce headcount. Companies that communicate an explicit augmentation philosophy give their workforce a reason to engage authentically rather than perform compliance. Employees who are not afraid of the outcome are more willing to experiment honestly and flag what is and isn’t working.

The credibility of this commitment, however, depends entirely on what organizations do with the capacity AI creates. If freed capacity becomes margin rather than visibly becoming new work, expanded scope, or deeper investment in employee development, the augmentation narrative collapses. Organizations most likely to realize durable AI-enabled gains are those that treat the trust problem as a prerequisite, not an afterthought.

These data reiterate the importance of crafting the social and psychological conditions that determine whether AI adoption is embraced, resisted, or ignored. Organizations that navigate this well do so by intentionally cultivating three cultural domains: Experimentation, Psychological Safety, and Adaptability.



Experimentation refers to whether individuals and teams have developed the habit of trying new approaches in their day-to-day work. While leadership sets the conditions for responsible risk taking at the organizational level, innovation and experimentation are about what happens at a more granular level when no one is watching. Employees in organizations with strong innovation cultures do not wait to be directed to do this, rather, these behaviors are a normal part of how work is done. In the context of AI, this shows up as teams actively testing new tools, sharing what they learn, and building on each other's discoveries.

Psychological Safety in AI implementation is what allows employees to experiment, fail, and speak honestly about what is and isn't working. During AI implementation, this means feeling safe to question AI outputs, admit confusion, and, if necessary, slow the progress of implementation if genuine concerns arise. When psychological safety is present, adoption deepens because employees are less defensive when co-working with AI, and the feedback loops necessary for continuous improvement remain intact.

Adaptability describes the rate at which an organization is able to shift its processes and structures in response to change. It is less a skill to be trained than a culture to be built, one that determines whether an organization can structurally tolerate disruption and pursue new directions without losing momentum. As new AI tools release and rapidly evolve, adaptability is paramount to ensure that implementation efforts keep up with AI's rate of evolution. In practice, highly adaptable organizations treat implementation setbacks as information rather than failure. They course correct without losing confidence in the direction, build on each iteration, and remain open to new approaches when the tools and context inevitably change. Ultimately, building a culture of adaptability is about empowering employees to act, learn, and adjust in sequence.

Reflection Question:

In what ways does your organizational culture encourage the experimentation and learning that AI integration requires?

In what ways might it discourage it?

People in AI Integration

AI adoption depends not only on deploying new technologies, but on whether employees develop the capabilities necessary to work effectively alongside intelligent systems. Yet many organizations approach AI implementation primarily as an efficiency initiative, assuming employees will naturally adapt once new tools are introduced. In practice, the absence of these capabilities often creates three interconnected risks: operational degradation, organizational fragmentation, and the erosion of expertise over time.

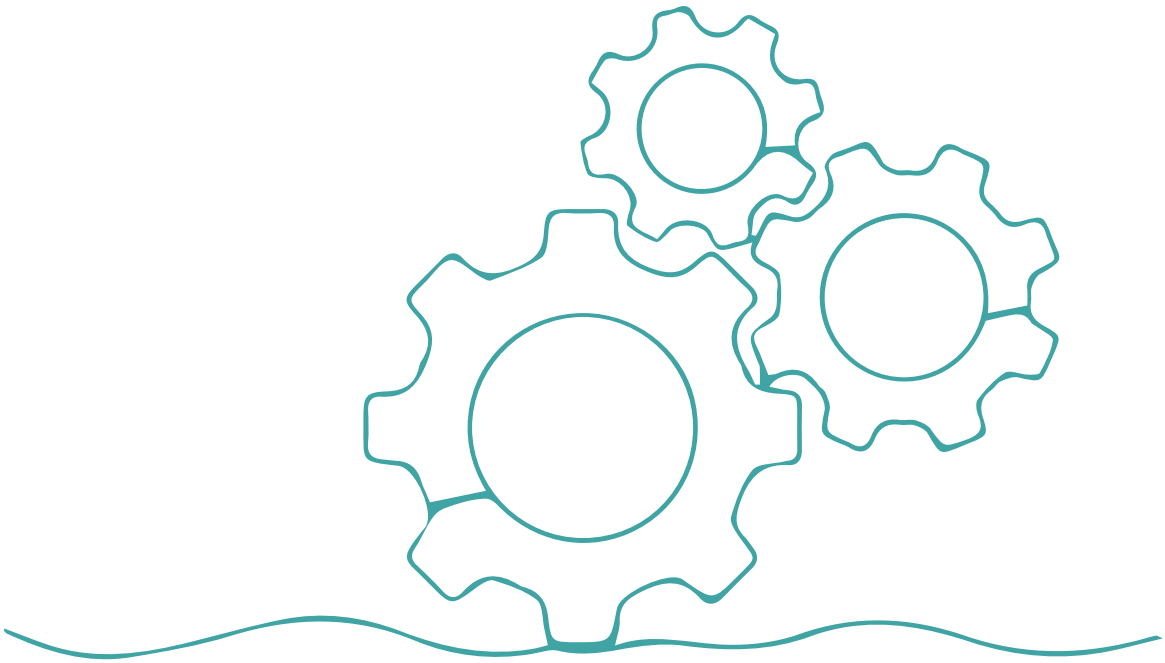
Employees may rely on AI systems they do not fully understand, generate work they cannot effectively evaluate, or automate processes without sufficient oversight. The result is often faster production of lower-quality work, with duplicated effort and flawed outputs spreading across teams before problems are caught. For a 10,000-person company, that adds up to an average of 2 hours of rework per incident and $9M in losses every month (BetterUp Labs, 2025) [4].

Additionally, AI reduces traditional information asymmetries within organizations. With the use of continually evolving and improving AI tools, employees can now access expertise, generate ideas, and develop solutions independently without relying as heavily on internal collaborators. While this increases autonomy, it also increases the likelihood that teams operate at cross-purposes, pursue disconnected priorities, or optimize locally without sufficient coordination. AI may reduce dependency on others for information access, but it increases the importance of alignment, shared context, and strong working relationships. As AI gives employees greater autonomy and access to expertise, strong working relationships become more important than ever. Teams still need shared direction, mutual learning, and enough coordination to avoid duplicating effort.

Additionally, organizations face a longer-term developmental risk. AI can generate answers quickly, but it cannot independently determine what is strategically useful, accurate, or organizationally sound. Without opportunities for employees to develop the experience and contextual understanding that underpin strong critical thinking and judgment,

organizations risk increasing the speed and volume of decision-making without building the expertise necessary to ensure those decisions are well-informed.

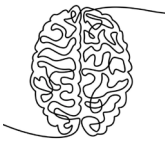
These challenges reinforce the importance of intentionally developing three interconnected capabilities: Learning Agility, Collaborative Problem Solving and Relationship Management, and Critical Thinking and Judgment. Together, these capabilities shape whether AI adoption strengthens organizational performance or quietly accelerates fragmentation, misalignment, and poor decision-making at scale.



Learning Agility refers to the rate at which individuals and teams digest and apply new information, continuously updating their skills, assumptions, and ways of working as AI reshapes roles, workflows, and organizational expectations. While the need to learn has always been present, AI accelerates the pace and frequency at which that learning must happen. Technological literacy plays a central role within this capability. Employees increasingly need to understand how AI systems function, where they are effective,

where they fail, and how they can be incorporated into day-to-day work responsibly. However, learning agility extends beyond technical proficiency alone. As AI changes communication patterns, decision-making processes, and the structure of knowledge work itself, employees must also adapt socially and operationally to evolving organizational realities.

Collaborative Problem Solving and Relationship Management has become increasingly important as AI reduces traditional information asymmetries within organizations. Employees can now access expertise, generate ideas, and develop solutions without relying as heavily on internal gatekeepers or specialized teams. While this increases speed and autonomy, it also creates new coordination risks. Individuals and teams may independently pursue initiatives that unintentionally conflict with broader organizational priorities, duplicate efforts, or operate at cross-purposes. As a result, the ability to maintain strong working relationships, communicate across functions, and collaboratively refine solutions becomes more valuable rather than less. AI may reduce dependence on others for information access, but it increases the importance of shared context, alignment, and trust. Organizations that sustain effective collaboration in AI-enabled environments are better positioned to ensure that local optimization efforts contribute to broader organizational coherence.



Critical Thinking and Judgment are foundational to ensuring that AI-generated work produces meaningful organizational value. Although AI systems can accelerate content generation, analysis, and ideation, they cannot independently determine what constitutes high-quality, contextually appropriate, or strategically useful work. Employees must still possess the domain knowledge, practical experience, and evaluative judgment necessary to assess outputs critically. This includes recognizing incomplete reasoning, identifying hallucinations, evaluating tradeoffs, and refining AI-generated material into work products that are accurate and actionable. Importantly, this raises a significant developmental challenge for organizations.

As AI accelerates content generation and analytical work, employees, particularly newer or less experienced workers, may have fewer opportunities to develop the judgment and contextual understanding necessary to distinguish high-quality work from plausible but fundamentally flawed outputs. More experienced employees have often spent years developing the tacit knowledge, pattern recognition, and professional discernment that allow them to understand not only what is technically correct, but what separates adequate work from truly effective work. Much of this expertise was built through repeated hands-on practice, iteration, and direct engagement with problems before AI systems could automate significant portions of the process. Newer employees entering AI-enabled workplaces may complete tasks more quickly with AI assistance, but without sufficient opportunities to independently build these same foundational capabilities, organizations risk creating long-term knowledge gaps as experienced workers retire or leave the workforce. Over time, organizations may find themselves producing larger volumes of work while having fewer employees capable of exercising the deep judgment necessary to evaluate, refine, and strategically guide it.

Reflection Question:

In what ways does your workforce have the mindset, trust, and capability needed to adopt AI effectively?

In what ways might gaps in any of those areas slow progress?

Conclusion and Takeaways

The organizations that will get the most from AI hold Leadership, Culture, and People in the same regard as technology itself. Approaching AI Implementation from an organization design perspective is what separates those that achieve lasting impact from those that accumulate pilots. This is not a technology challenge. It is a human one, and HR leaders are uniquely positioned to lead it because they shape how leadership development is prioritized, how culture is diagnosed and strengthened, and how people are equipped to work in new ways. Organizations that cultivate the proper conditions will not just implement AI faster. They will build a system that gets stronger with each iteration, making each new wave of AI implementation easier to navigate than the last.

Learn More

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Citations:

1 Gillespie, N., Lockey, S., Ward, T., Macdade, A., & Hassed, G. (2025). Trust, attitudes and use of artificial intelligence: A global study 2025. The University of Melbourne and KPMG.https://figshare.unimelb.edu.au/articles/report/Trust_attitudes_and_use_of_artificial_intelligence_A_global_study_2025/28822919?file=54013232

2 Al-kfairy, M. (2025). Strategic integration of generative AI in organizational settings: Applications, challenges, and adoption requirements. IEEE Engineering Management Review, 53(6), 80–97. https://doi.org/10.1109/EMR.2025.3534034

3 Baker, A. (2026, February 4). Most employees aren't saving time with AI, even though CEOs think they are, report says. The Hill. https://thehill.com/policy/technology/5721857-employees-artificial-intelligence-study/

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5 Writer. (2026). AI adoption in the enterprise. https://go.writer.com/hubfs/pdfs/ai-adoption-survey-2026-wpi.pdf