

# The Chief People Officer Puts Agentic AI to Work

## What to Know, What to Do

Katharine McLennan | Version: 16 July 2026

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### Executive Summary

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*Note: You will see the blue hyperlinks in this summary to take you to the relevant section of the paper.*

The ground has shifted. The AI Era is now building organisations, teams, and jobs that look nothing like those of the Information Age or the Industrial Age, and the Chief People Officer who keeps to the old playbook will be left guarding a function the rest of the business has already outgrown, defending a structure the work itself has walked away from.

I have been researching and writing about this role for over fifteen years, and in that time I have watched its name change with every era: the Chief Administration Officer of the Industrial Age, the CHRO of the Information Age, and now the Chief People Officer we call ourselves today. The label moved every time the work did. It is about to move again.<sup>1</sup>

I have always agitated for a people leader equal to the CFO in scope, expertise, and salary. We are not there yet. We have at least begun to call ourselves Chief People Officers, but even that reinvented title falls well short of what the AI Era is about to demand of the role.

Treat this as an introduction rather than a verdict. I work with executive groups through dialogue rather than one-way presentation, because no one holds the answers to a change this size, and the work in front of all of us is to find the questions worth asking together. So this is a living paper.

I opened this conversation with my first book, [Before the Fingerprint Fades: Leadership and Culture Readiness for the AI Era](#), which includes a chapter on the Chief People Officer. This article expands that chapter. A book, written over the coming months, will expand this article in turn.

*The article and the book are mine. Set against the collective wisdom we could build together, they are hardly a drop in the ocean. So the conversation continues beyond these pages: a short essay most weekdays, a weekly letter for Chief People Officers and their teams, and a weekly podcast that carries this article's title. You will find how it works at the end of this paper. This paper began with three questions I hear again and again from the Chief People Officers I talk to.*

### Question One.

What are the current insights of thought leaders on the role of the CPO in leading their organisation through the changes that AI brings?

- Chat AI answers when asked; agentic AI acts: it continuously monitors your data, reasons about causes, and executes within the limits you set. The moment AI moves from answering to acting, it stops being a tooling question and becomes a workforce question: every agent needs a position description, delegation limits, a supervisor, and a way to learn, and that is people work. → [The vocabulary helpful for our conversation](#)
- Jobs are giving way to streams: continuous flows of work in which your human talent and your AI agents are interleaved, with the boundary redrawn every month as the agents learn. Microsoft calls the new shape the work chart, every employee becomes an agent boss, and Mercer finds 82 per cent of the C-suite now expects HR to manage human talent and digital agents together. → [The vocabulary helpful for our conversation](#)
- Every people process you own has four versions: how the Industrial Age did it, how the Information Age did it, the Irrelevance Age version in which everyone keeps the same job and

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<sup>1</sup> I say “us” having led the function on the inside, at Cochlear where I led People and Culture across thirty countries, and at the Commonwealth Bank where I led a people team of more than 400, including all the Business Unit HR Partners, Talent Acquisition, Talent Leadership, Training and Development, and Succession.

simply does it faster, and the Ingenuity Age version in which the work is redesigned around judgment. IBM, Moderna, Salesforce, IKEA, and Schneider Electric are already running the fourth version. → [Five sample people processes, four ages; Appendix B](#)

## Question Two.

Why is almost everyone's AI spending underperforming, and what would make my organisation different?

- The gap is now public: MIT finds 95 per cent of AI pilots deliver no measurable impact, Gartner expects more than 40 per cent of agentic projects to be cancelled by the end of 2027, and Deloitte finds technology-first adopters are 1.6 times more likely to miss their expected AI returns than those who lead with human-centred design. The money is moving, and the returns are not. → [The question challenging all of us](#)
- Technology amplifies the system it meets. Point it at a fearful, siloed, exhausted culture, and it industrialises the fear, the silos, and the exhaustion. Even BCG now concedes that 70 per cent of AI success comes from organisation, workforce, and skills, and only 10 per cent from the models. → [The horizontal axis](#)
- Readiness is measurable on two axes: the strength of your VISTA leadership and ORG6 culture (horizontal), and how strategically AI is deployed (vertical). You already own the horizontal axis; it has been your life's work. The question is whether you will claim the vertical one too. → [Ingenuity Readiness: the map](#)

## Question Three.

How should I lead over the next 12 months as a CPO, and where should I start?

- The Ingenuity Age CPO is a role no search firm profile yet describes: Talent Asset Manager, Talent Choreographer, Talent Capitalist, Talent Scout, and the CEO's Consigliere, a strategic peer to the CFO and compensated accordingly. → [Back to you: the CPO through the ages](#)
- The two hardest problems of the AI transition are natively yours: the judgment pipeline, because the routine work that taught every craft is exactly what the agents absorb first, and the fear economy, because people who believe the AI business case ends with their redundancy will quietly make sure it fails. → [The workforce you will be stewarding](#)
- What is your role with your board in facilitating the AI agenda? I've put a sample From and a To for the CPO's year, 1 July 2026 to 30 June 2027, spread month by month, with agentic AI helping you lead it rather than merely watching you report on it. Food for thought. → [The CPO's year; Ten challenges](#)

## How I prepared this brief

*This pack was researched and assembled in partnership with Claude Code, an AI agent. It is itself the demonstration of how we will work.*

- **What I did:** set the argument and held the judgment. The frameworks are from my book, the provocations and the three questions are mine, and every sentence was reviewed, edited, or rewritten by me before it reached you.
- **What the agent did:** the volume. It read and distilled the ten sources in Appendix A, found and verified the company examples and every footnoted link, drafted in a voice trained on my own writing, and built the document itself, tables, footnotes, internal links, and all.
- **How we worked:** in constant conversation, a section at a time. I outlined the whole pack in detail first, fed it my own articles written over the last 25 years on these subjects, pointed it at the references I wanted, then debated each section with it: asking it to define terms more sharply, pushing back on its arguments, reframing sentences for this audience. It drafts; I decide.
- **Why it matters:** months into this partnership, there is no sign of the human becoming irrelevant. The opposite is happening: with the volume of work and the hours of research, file manoeuvring, and formatting no longer required, there is more room for my own ingenuity than at any point in my career. The fuller story is on the last page.

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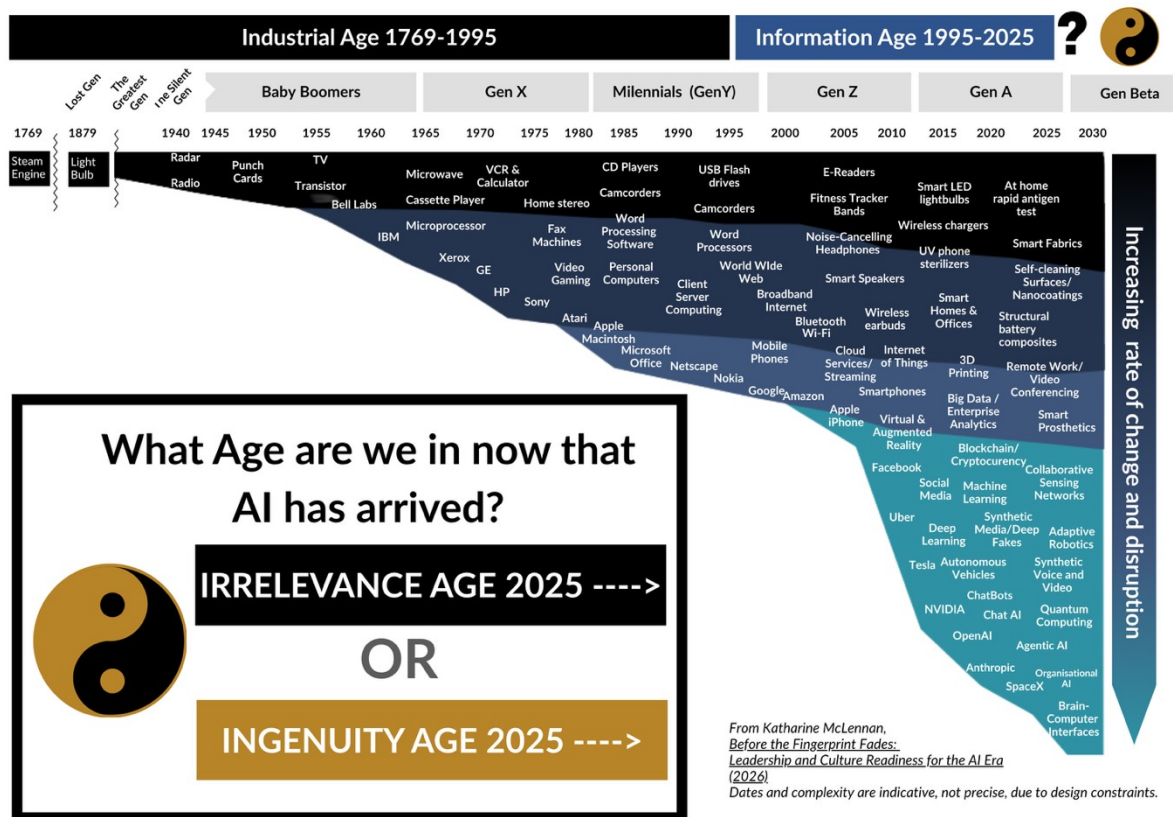
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## Thinking of our organisational progress in technology

The people function is walking into this technology faster than any other function. Eighty-two per cent of HR leaders plan to deploy agentic AI within the next twelve months, and yet Gartner finds most of their teams lack even a foundational understanding of what an AI agent is; the same research predicts that by 2030, half of current HR activities will be automated or performed by AI agents.<sup>2</sup> McKinsey estimates two-thirds of HR processes can be partially or fully automated, and says agentic AI has pulled HR's automation timetable forward by a decade.<sup>3</sup> And Mercer's 2026 survey of twelve thousand executives, leaders, and employees found that 82 per cent of the C-suite now sees HR's future as managing human talent and digital agents together.<sup>4</sup> The function built to care for people is about to run a workforce that is partly machines. My argument in this paper is that the missing line in every AI business case your organisation has signed is the readiness of its leadership and culture to receive the technology, and that line is your line. No one else at the table owns it.

I think of our progress in four ages. The Industrial Age ran from 1769 to 1995 and taught us the mathematics of plant and cash. The Information Age began in 1995, when Netscape's IPO put the internet into consumers' hands, and it taught us to digitise, to globalise, and to measure everything. In 2025, we crossed the AI Threshold, and here the pattern breaks, because the AI Era is the technological condition of our time, but the Age we inhabit within it will be a matter of leadership choice. Organisations will drift into an Irrelevance Age, where AI amplifies their worst habits, or they will build an Ingenuity Age, where AI amplifies the best of their human qualities. The fork is real; it is amplified through your people and your culture, and nobody sits closer to that lever than you.



<sup>2</sup>Gartner, [Top Priorities for HR Leaders in 2026](#) (survey of 426 CHROs; agentic deployment, understanding gap, and the 2030 automation prediction).

<sup>3</sup>McKinsey, [HR's transformative role in an agentic future](#).

<sup>4</sup>Mercer, [Global Talent Trends 2026](#) (survey of nearly 12,000 executives, HR leaders, investors, and employees).

## Vocabulary

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Most executives know AI as ChatGPT, so let me give you the two definitions that matter most today, sketch the rungs the labs are still arguing about above them, and leave you with one idea that will carry the rest of this paper.

**Chat AI** is software you talk to in plain English: a model trained on vast amounts of text that, when you type a question, generates a response: a draft, a summary, an analysis, an explanation. It only acts when prompted, it sees only what you paste or type into the conversation, and it holds nothing between sessions. In other words, a brilliant analyst who answers when asked: you bring the question, it brings a response, and when the conversation ends, it forgets you existed.

**Agentic AI** is that same intelligence given hands, access, and standing instructions: it is connected to your actual systems and files (the HRIS, the talent platform, the documents, the inbox), it can plan and carry out multi-step work across them, and it runs continuously against a goal rather than waiting for a question, inside permissions you grant and with every action logged. In other words, a junior colleague with delegated authority: it monitors your data, notices deviations, reasons about causes, and then proposes or executes a response within the limits you have set, without waiting to be asked.

The difference matters to a CPO more than to anyone else in the building, because the moment AI moves from answering to acting, it stops being a tooling question and becomes a workforce question. An agent with delegated authority needs what every employee needs: a position description, delegation limits, a supervisor, and a way to learn. That is people work. The function that knows how to hire, develop, supervise, and part with humans is the function best placed to govern a workforce of humans and machines together, if it chooses to claim the work.

And the ladder does not stop at acting. The labs disagree. What sits above the agent is genuinely contested, and the disagreement is worth your attention, because each name points at a different workforce and a different set of risks landing on your desk. OpenAI climbs a ladder of cognitive power, where the agent becomes an innovator and then a whole organisation. NVIDIA climbs a ladder of embodiment, where the agent is given a body, and a general superintelligence sits beyond them all. I would hold both. No one yet knows which vocabulary the market will adopt, and your people will feel whichever future actually arrives, so you may as well be fluent in all of it before any of it lands.

**Innovator AI** goes a step past executing the work you hand it. It invents. It forms the hypothesis, designs the experiment, and proposes what was never in its training or its instructions. In other words, the junior colleague who became a researcher: you set the problem worth solving, and it brings back not the answer you expected but the one you did not know to ask for, which is the work you once reserved for your most senior people.

**Organizational AI** is the rung past that, and it is the one that should hold a CPO's attention longest: not one agent but many, coordinated toward a goal the way a whole company is, running functions end to end, with humans setting the direction and judging the exceptions. In other words, an organisation running inside the organisation. The question stops being how many agents one person can manage. It becomes how much of a function one human leader can now run. The answer keeps rising.

**Physical AI** is that same agentic intelligence given a body: the planning and the autonomy, now wired into robots, vehicles, and machines that act on the physical world rather than only on your files and systems. It moves. It lifts. It drives. In other words, the workforce stops being a metaphor and starts occupying space, drawing power, and needing the same position descriptions, supervision, and safety limits you would write for any worker who can hurt someone or be hurt.



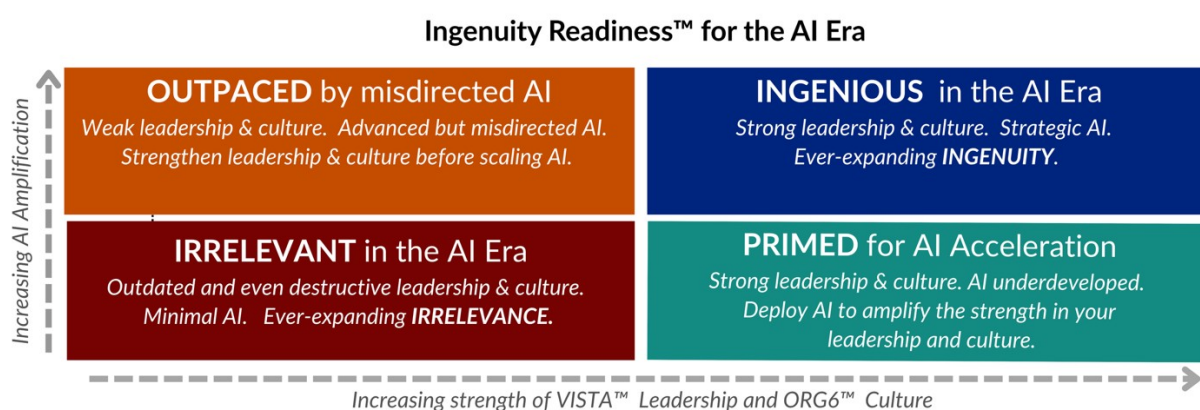
**Superintelligent AI**, sometimes called AGI, is the horizon past every other rung: a system that matches or outpaces human judgment across almost everything we do, not one task at a time but all at once. No one runs this today. Some of the people building it believe it is years away rather than decades, and whether they are right or wrong, the prudent CPO plans now for a workforce smarter than the org chart arriving inside a single planning cycle.

The names will keep changing. What does not change is the shape, the same shape under every label: each rung lands first as a workforce question and only later as a technology one, which is the whole reason the next decade of this work belongs to you rather than to the CIO.

Microsoft's research on what it calls the Frontier Firm describes organisations that have stopped drawing org charts and started drawing work charts: fluid maps of outcomes, staffed by teams of humans and agents in whatever mix the work requires, with every employee learning to operate as an agent boss.<sup>5</sup> In the AI Era, you will stop managing jobs and start managing streams, continuous flows of work in which your human talent and your agentic AI are interleaved, and in which the boundary between them is redrawn every month as the agents learn. This quarter's human exception becomes next quarter's automated step, and the human work migrates up the judgment curve each cycle. Hold that picture. Now, let us walk through your own function with it.

## Ingenuity Readiness: a map for navigating where we sit in this AI Era

To help organisations grasp the challenge ahead, I constructed a term called “Ingenuity Readiness,” which is the degree to which your leadership and your organisation are prepared to thrive in the AI Era rather than drift toward irrelevance, and I measure it on two axes. The horizontal axis is your organisation's leadership and culture foundation: the five choices of the VISTA leadership compass and the six levers of ORG6 culture, the things that were true about your organisation before anyone even thought about AI. The vertical axis is the AI Amplifier: how strategically the technology is deployed. In the next section, I've chosen a sample of five people processes to show your function across the four ages.



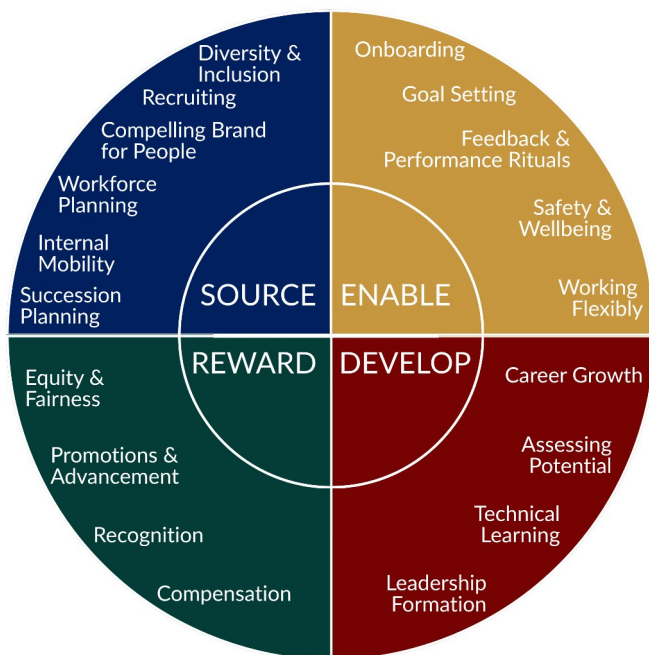
Source and Design: Katharine McLennan, 2026, Before the Fingerprint Fades: Leadership and Culture Readiness in the AI Era

<sup>5</sup>Microsoft WorkLab, [2025 Work Trend Index: The Year the Frontier Firm Is Born](https://www.microsoft.com/worklab/trend-index/2025-work-trend-index-the-year-the-frontier-firm-is-born).

## What would People & Culture processes look like with increasing AI Amplification (Vertical Access)?

Take the Talent Cycle you own end to end, sourcing, enabling, developing, and rewarding, with workforce planning wrapped around it, and run a sample process from each domain through four ages: two that describe where we have been, and two that describe the fork standing open in front of you right now. The Irrelevance version is seductive because it looks like progress: everyone keeps the same job and does it faster.

### The Talent Cycle



Source and Design: Katharine McLennan, 2026, Before the Fingerprint Fades: Leadership and Culture Readiness in the AI Era

#### Industrial Age, 1769-1995

About hands. We sourced labour at the gate, trained it for one task, supervised it through foremen, and paid it for time. Talent meant physical capacity. The tools were the advertisement, the personnel office, and the time clock.

#### Information Age, 1995-2025

The same four arcs, digitised. Job boards to source, e-learning to develop, performance software and incentives to reward. We changed nothing in the cycle. We added tools, data, and complexity, and called it progress.

### NOW WHAT?

#### AI Era: the Irrelevance trap

Keep the old cycle and put an AI tool against each activity. Resume screeners, micro-expression scoring, deflecting chatbots, and pay for the longest hours. The work gets faster, and emptier. Most organisations are here today.

### OR

#### AI Era: the Ingenuity path

Set the cycle aside. Define what work is, how it is shared between agents and humans, and how the organisation is shaped. Then return to the wheel and rebuild each arc as streams of agents and humans. Apply AI systemically, not one box at a time.

### Examples

#### Source Quadrant: recruiting.

|                        |                                                                                                                                                                             |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Industrial Age</b>  | Foremen hired hands at the factory gate, sometimes daily, on availability and physical capacity; the office equivalent was the newspaper advertisement and the typing test. |
| <b>Information Age</b> | Job boards, applicant tracking systems, competency interviews, and global search firms built layers of professional process, and the CV became a database row.              |
| <b>Irrelevance Age</b> | AI pushes the same philosophy to corrosive extremes: keyword filters screen out unconventional candidates, video algorithms score micro-expressions for fit,                |

|                      |                                                                                                                                                                                                                                                                         |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                      | automated tests favour conformity over creativity, and candidates' own AI writes the applications, so machines read letters that machines wrote.                                                                                                                        |
| <b>Ingenuity Age</b> | Recruiting becomes co-creation: agents run the scheduling, the screening logistics, and the administrative trail, while candidates join short collaborative missions that show the value they bring, and the teams who worked beside them choose who they want to keep. |

### ***Enable Quadrant: onboarding and employee service.***

|                        |                                                                                                                                                                                                                                                               |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Industrial Age</b>  | An induction lecture, a locker, a policy booklet, and the personnel office window.                                                                                                                                                                            |
| <b>Information Age</b> | Compliance e-modules, an intranet, and a shared-services ticket queue measured in days to resolution.                                                                                                                                                         |
| <b>Irrelevance Age</b> | A chatbot answers quickly and badly, deflection rates climb while trust falls, and the new hire completes fourteen modules without a single human conversation.                                                                                               |
| <b>Ingenuity Age</b>   | Agents run the service stream end to end, and the humans run the welcome: every new hire receives a launch crew, a navigator for systems, a technical peer, a sponsor, and a purpose guardian, and delivers a meaningful contribution in the first fortnight. |

### ***Develop Quadrant: learning, performance, and careers.***

|                        |                                                                                                                                                                                                                                                                                                                     |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Industrial Age</b>  | Apprenticeship at the bench and an annual review in the foreman's office; careers were ladders climbed by waiting.                                                                                                                                                                                                  |
| <b>Information Age</b> | Competency frameworks, learning management catalogues, nine-box grids, and the engagement survey; development became modules and badges.                                                                                                                                                                            |
| <b>Irrelevance Age</b> | AI multiplies the modules: personalised micro-course feeds nobody asked for, dashboards scoring skills gaps by keyword, performance commentary drafted by machines and read by no one, and a nine-box now frozen by an algorithm.                                                                                   |
| <b>Ingenuity Age</b>   | Agents maintain a living picture of skills from the evidence of real work and absorb the administration, while development returns to what formed judgment in the first place: experiments, rotations through the hardest exceptions, coached decisions, and time to pursue the questions that pull people forward. |

### ***Reward Quadrant: recognition, compensation, and fairness.***

|                        |                                                                                                                                                                                                                                                                                                  |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Industrial Age</b>  | The pay packet, the long-service watch, and the foreman's nod.                                                                                                                                                                                                                                   |
| <b>Information Age</b> | Banded structures, bonus matrices, market benchmarks, and recognition platforms; complexity that often read as theatre.                                                                                                                                                                          |
| <b>Irrelevance Age</b> | Automated recognition becomes noise, algorithmic pay science masks injustice at machine speed, and surveillance metrics creep quietly into bonus formulas.                                                                                                                                       |
| <b>Ingenuity Age</b>   | Agents run the administration and continuously test for equity gaps so they are fixed within thirty days of detection, while recognition amplifies genuine moments: mentoring hours, peer endorsements, and cross-team rescues, so the quiet engineer who grew five teams stops being invisible. |

### ***Plan: workforce planning, mobility, and succession.***



|                        |                                                                                                                                                                                                                                                                                              |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Industrial Age</b>  | Headcount budgets and a succession envelope in the chairman's drawer.                                                                                                                                                                                                                        |
| <b>Information Age</b> | Annual workforce plans built on full-time equivalents, frozen succession grids, and internal vacancies guarded by managers.                                                                                                                                                                  |
| <b>Irrelevance Age</b> | The same annual plan is produced ten times faster, FTE arithmetic is applied to a workforce that now includes agents the plan cannot see, and AI-justified layoff lists create budget room without returns.                                                                                  |
| <b>Ingenuity Age</b>   | Workforce planning becomes work planning: roles decompose into tasks, each deliberately assigned to automate, augment, or human, an internal marketplace matches people to missions daily rather than to jobs annually, and succession becomes a living system that watches capability grow. |

If the Ingenuity rows read like speculation, they are already in production. IBM's AskHR agents resolve 94 per cent of routine HR queries across 11.5 million interactions a year, and HR operating costs fell 40 per cent while company headcount grew, because the savings funded more engineers and sellers.<sup>6</sup> Moderna merged HR and technology under one executive to architect the flow of work across roughly 5,800 humans and 3,000 custom AI assistants.<sup>7</sup> Salesforce's own employee portal resolves 96 per cent of HR queries without a ticket, and the hundreds of support engineers its agents displaced were redeployed through an internal AI career-matching platform rather than released.<sup>8</sup> IKEA's assistant absorbed nearly half of inbound customer queries while 8,500 call-centre workers were retrained as interior design advisers who have since generated 1.3 billion euros in revenue.<sup>9</sup> And Schneider Electric's AI talent marketplace has unlocked more than 360,000 hours of capacity by matching people to internal missions.<sup>10</sup> Appendix B holds the details and the links.

## What will my team do now?

Look back at the Ingenuity rows and ask the question every CPO should ask before signing anything: where is my team in this picture, and what happens to the titles?

1. The Talent Acquisition Partner stops screening and starts designing auditions and judging potential.
2. The HR Business Partner, freed from the ticket queue, covers more than double the population and finally does the work the title promised. ServiceNow's partners went from serving 400 employees each to 1,000, with no layoffs.<sup>11</sup>
3. The Learning and Development Manager becomes the architect of apprenticeship in a world where the easy half of every job has left.
4. The Shared Services Officer becomes the supervisor of the service agents and the judge of the exceptions they escalate.
5. And one genuinely new role appears on your org chart: someone has to write the position descriptions, set the delegation limits, and run the performance reviews for the agents themselves. Josh Bersin counts more than thirty new HR job titles already emerging.<sup>12</sup>

The names will vary; the pattern will not. And because the agents keep learning, the line between human and agent work is a boundary you re-draw every quarter rather than a restructure you announce once. Here is the uncomfortable sentence: your current organisation chart is a faithful description of the Information Age, and the work has already begun leaving it.

<sup>6</sup>IBM client story: [IBM AskHR](#).

<sup>7</sup>UNLEASH, [Why Moderna merged HR and IT](#).

<sup>8</sup>Salesforce, [Reshaping the workforce in the age of AI](#).

<sup>9</sup>PYMNTS, 2026: [IKEA turned 8,500 call agents into design consultants](#).

<sup>10</sup>Gloat customer story: [Schneider Electric's Open Talent Market](#).

<sup>11</sup>CX Today, [ServiceNow ran agentic AI on itself](#).

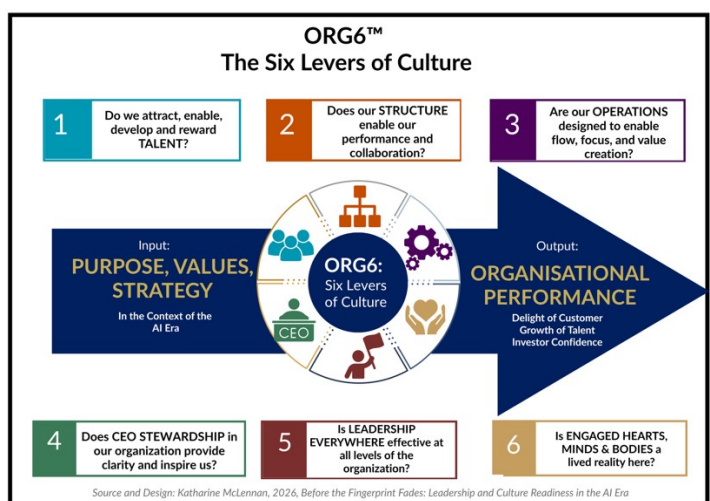
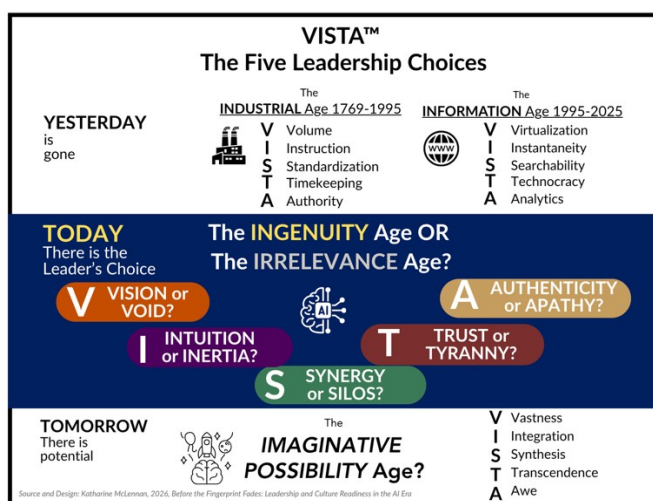
<sup>12</sup>Josh Bersin, January 2026: [The Superworker Organization: HR and Leadership Imperatives for 2026](#).

## The horizontal axis: AI amplification only works if your leadership and culture is ready to apply it systemically

The advice arriving in your inbox is consistent: deploy agentic AI this year, redesign work around it, build AI fluency within HR, become citizen developers, and fix the HR operating model first, because that is where productivity sits. All of it is necessary. None of it is sufficient, and the evidence sits in the gap between investment and experience: Deloitte finds technology-first adopters are 1.6 times more likely to miss their expected AI returns than those who lead with human-centred design, only 6 per cent of leaders report real progress in deliberately designing human-AI interaction, and 42 per cent of workers say their organisation is not evaluating AI's impact on people at all.<sup>13</sup> Meanwhile the people are telling us how it feels: Mercer finds employees thriving at work collapsed from 66 per cent to 44 per cent in two years, fear of AI-driven job loss rose from 28 per cent to 40 per cent, and 62 per cent of employees say leaders underestimate the emotional impact of AI while only 19 per cent of HR leaders factor that impact into their plans at all.<sup>14</sup>

What nobody is saying out loud is that the people function itself is the test case. Bersin projects core HR headcount could fall by 30 per cent even as service quality improves. McKinsey is blunter still: an HR function that has not redesigned its own processes with AI has limited standing to ask the rest of the business to redesign theirs.<sup>15</sup> And Mercer has measured the gap that should worry you most: the C-suite's top AI priority is redesigning work, while HR's top priority remains employee experience, and Mercer's own conclusion is that HR closes that gap or becomes irrelevant to the enterprise agenda.

Technology amplifies the system it meets, and this is the spine of my book. Point it at a fearful, siloed, exhausted culture, and it will industrialise the fear, the silos, and the exhaustion faster than any previous technology, because this one acts. This is why the horizontal axis carries the weight: Leadership Readiness, the five choices of the VISTA compass, vision versus void, intuition versus inertia, synergy versus silos, trust versus tyranny, authenticity versus apathy, and Culture Readiness, the six levers of ORG6: talent, structure, operations, CEO stewardship, leadership everywhere, and engaged hearts, minds, and bodies. You already own this axis; it has been your life's work. The question this paper puts to you is whether you will claim the vertical axis as well, because the organisation will not hold the foundation and the amplifier in one mind unless someone at the table does.



<sup>13</sup>Deloitte, [2026 Global Human Capital Trends: Choosing the human advantage](#) (9,000+ leaders across 89 countries, with Oxford Economics).

<sup>14</sup>Mercer, [Global Talent Trends 2026](#).

<sup>15</sup>Josh Bersin, [The Superworker Organization](#); and McKinsey, [HR's transformative role in an agentic future](#).

## Back to you: the CPO through the same four ages

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The people leader's role has crossed ages before. In the Industrial Age, we administered human resources: the personnel office, the pay run, the welfare visit, and the disciplinary file. In the Information Age, we measured human capital: the CHRO arrived with the HRIS, the engagement survey, the competency framework, and a seat near, though rarely equal to, the CFO. The AI Era hands you a third role that neither age nor experience required, and my book names it plainly: in the Ingenuity Age, human potential and artificial intelligence expand exponentially together, and the leader accountable for that partnership is the Chief People Officer, a role as consequential as the CFO and compensated accordingly. Do not be surprised if the CEO of the Ingenuity Age rose through the Chief People Officer's chair.

In the book, I structure that role around five accountabilities that no search firm profile yet describes:

- **The Talent Asset Manager:** treats talent like appreciating capital, tracking mobility velocity, capability expansion, and ingenuity produced per team; where the CFO measures financial returns, the CPO measures human compounding.
- **The Talent Choreographer:** designs how time is spent, the scarcest and most expensive asset in the organisation, retiring the FTE arithmetic and choreographing focus, recovery, collaboration, and imagination instead; a three-hour design sprint, run at the right moment, can produce what three hundred hours of scattered meetings never could.
- **The Talent Capitalist:** sits shoulder to shoulder with the CFO, modelling the ROI of people decisions with the same rigour applied to plants, software, or acquisitions.
- **The Talent Scout:** maps ingenuity within and beyond the company, in networks and communities, seeing past CVs to the sparks that could shape future business models.
- **The CEO's Consigliere:** the co-architect of decisions, with the psychological depth and the courage to say what no one else in the room dares.

### The CPO heading toward Irrelevance:

- Reduces HR to algorithms, automating hiring, feedback, and pay: efficient, but brittle, with trust leaking at every seam;
- Deploys a chatbot and calls it transformation, while the function's own operating model stays untouched;
- Measures FTEs and hours in a workforce that has quietly become streams;
- Leaves the AI agenda to the CIO and the business case to the CFO, and keeps the borders tidy;
- Runs engagement surveys about a fear nobody will name in a survey; and
- Discovers at the next restructure that the function easiest to automate was her own.

### The CPO heading toward Ingenuity:

- Claims both axes, bringing the people case and the AI case to the board as one document;
- Treats every agent as a new hire, with a position description, delegation limits, and a supervisor, and treats every human as appreciating capital;
- Tells people what happens to them before deployment rather than after, because adoption runs on trust, and involves them in redesigning their own work;
- Rebuilds the apprenticeship deliberately, so judgment is still formed when the routine work is gone;
- Holds the four guardrails from my book: never automate the human moment, automate the administrative, augment the judgment, and protect the dignity; and
- Reports Ingenuity Readiness to the board beside the financials, in the language of capital.

## The workforce you will be stewarding

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Now widen the lens to the workforce you steward, because its composition has crossed these ages too. The Industrial Age workforce was hands, hired at the gate and trained at the bench. The Information Age workforce was heads: degreed professionals sourced globally, developed through ladders and frameworks, with the transactional work offshored to shared services. Both ages ran on an assumption nobody wrote down: that the junior years of routine work, answering the queries, running the processes, screening the candidates, were quietly teaching the craft. The AI Era breaks that assumption everywhere at once, because the workforce becomes streams of mixed human and agent capacity, and the routine work that formed judgment is exactly the work the agents absorb first. This is the apprenticeship problem, and for you it arrives twice: once for every function in the organisation, whose entry-level rungs are dissolving, and once for your own, because if agents answer every employee question, where does the next generation of people leaders learn how the organisation actually works?

Klarna ran the experiment for everyone: it cut seven hundred service roles, declared victory in a press release, and was rehiring humans within two years because quality, not cost, is where full replacement fails.<sup>16</sup> Commonwealth Bank ran the Australian version: forty-five roles declared redundant on the strength of an AI voice bot, until the union showed call volumes were rising, and the bank rehired the people and apologised.<sup>17</sup> The lesson for the people function is not that automation fails. The lesson is that workforce decisions justified by AI must be evidence-based, consulted, and reversible, or they become legal, industrial, and reputational liabilities with your signature on them.

## Ten challenges for the CPO, and where I would start on each

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1. **HR transforms itself first.** Start by redesigning one HR process end to end with agents before asking any other function to change theirs; the lighthouse earns the standing.
2. **Agents are a workforce category.** Start by giving every agent a position description, delegation limits, and a supervisor, and put the agent register beside the org chart.
3. **The judgment pipeline.** Start by mapping which entry-level tasks teach which senior judgments before approving their automation.
4. **The fear economy.** Start by publishing people commitments before deployment, never after, and involve people in redesigning their own work.
5. **The EVP rewrite.** Start by walking your career paths into their agentic versions and seeing which rungs disappear, because the promise you hire on must survive the redesign.
6. **From FTEs to streams.** Start by piloting work planning in one division: decompose the roles into tasks, and assign each to automate, augment, or human.
7. **Skills you can see.** Start with AI skills inference on one population, with privacy guardrails set in writing: development and planning, never performance and pay.
8. **The middle manager.** Start by redesigning the role around developing people rather than relaying reports, before the flattening wave does it for you; Gartner expects 20 per cent of organisations to halve their middle layers.<sup>18</sup>

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<sup>16</sup>Entrepreneur, 2025: [Klarna CEO reverses course by hiring more humans](#).

<sup>17</sup>Bloomberg, August 2025: [Commonwealth Bank reverses job cuts decision over AI chatbots](#).

<sup>18</sup>Gartner, [Top Priorities for HR Leaders in 2026](#) (the middle-management flattening prediction).

9. **The CPO-CFO-CAIO triangle.** Start with one shared readiness scorecard across the three of you, because the people strategy and the AI strategy are now the same document.

By Chief AI Officer I mean a genuinely new seat, not a rebadged CIO. The CIO and the CTO run the plumbing, the infrastructure, the platforms, the data pipes; the CAIO owns the AI itself, the models, the governance, the agents, and their adoption across the business.

These are different jobs. Think of it through BCG's 10-20-70: ten per cent of AI value sits in the models, the CAIO's patch; twenty per cent in the technology and data underneath, the CIO's; and seventy per cent in people, skills, and culture, which is yours. Most CIOs will not make the leap to CAIO, and some organisations are already splitting the difference, handing the CTO product technology and leaving the CIO the infrastructure.

But hold the real point. The redesign is one job done by two people: the CAIO brings what the technology can now do, you bring what the organisation and its people can actually absorb, and the new organisation gets designed in the space where those two truths meet, or it does not get designed at all.

The title is young. IBM's 2026 CEO study already finds roughly three in four chief executives have hired or plan to hire one, up from about a quarter two years ago<sup>19</sup>, so whatever your organisation ends up calling the role, plan for a third person at this table.

10. **The board narrative, and your own seat.** Start by reporting Ingenuity Readiness beside the financials, and learn to argue in capital, because the CPO of the Ingenuity Age is compensated like the CFO for a reason.

## Where do you start NOW?

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What would be your agenda if you were tasked to lead the people side of the organisation's year of redesign? This is no HR technology program. The people dimension does not sit to one side of the transformation; it runs through all of it, which is why the work is the whole redesign seen from your chair, why it carries your name, and why it fills the year from 1 July 2026 to 30 June 2027.

**The "From":** capability-rich and redesign-poor.

- A workforce that has done the AI training and does not believe it has been told the truth;
- A middle management squeezed between rising expectations and an unchanged role;
- An HR function with real tools and unchanged processes, pilots everywhere, and the saved hours quietly reabsorbed;
- Engagement surveys that measure everything except the fear.

**The "To" you could create:**

- The people commitments made in writing in the first quarter kept, or renegotiated in public;
- Your own function running its daily service work with agents, and proud of it;
- The middle manager role redesigned and re-staffed around developing people rather than relaying reports;
- An apprenticeship designed for every craft the agents have hollowed, so judgment still gets formed;

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<sup>19</sup>IBM Institute for Business Value, 2026 CEO Study (the share of CEOs who have hired or plan to hire a Chief AI Officer, up from roughly a quarter two years earlier). BCG's 10-20-70 rule attributes about 10 per cent of AI value to algorithms and models, 20 per cent to technology and data, and 70 per cent to people, process, and change.



- Engagement among the people doing the redesigned work measurably higher than the year before, because an organisation will not become what its people function has not.

I've attempted to think about what you would do each month as you worked towards the "To" state, with the agentic help named for each. I hope this might prime your work for the year.

## A month by month: What you would lead and how agentic AI can help

| Month               | What you might lead                                                                                                                                                                                                                      | How agentic AI helps you lead it                                                                                                                                             |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>July 2026</b>    | The mirror: bring the workforce truth to the executive offsite, what people actually believe about the organisation's intentions, sourced from skip-levels and exit data, not the engagement survey alone.                               | An agent reads thousands of verbatims, survey comments, and exit notes, and briefs you on where the formal data and the lived experience contradict each other.              |
| <b>August</b>       | Publish the people commitments in writing: forward notice standards, transition support, retraining investment, and the principle that AI use disclosed is AI use rewarded.                                                              | An agent red-teams (attacks) the commitments as a sceptical employee, a union official, and a journalist before anything ships.                                              |
| <b>September</b>    | Begin the middle manager work: define the role the next two years require against the role the organisation actually selected for, and size the gap honestly.                                                                            | An agent maps every manager's actual calendar and approvals against the new role definition, showing how much of the week is relay work agents could absorb.                 |
| <b>October</b>      | Launch capability building tied to redesigned work, training in the context of the new streams, rather than another round of generic AI literacy.                                                                                        | Agents generate role-specific practice scenarios from real (anonymised) cases, so people learn on their own work rather than on slides.                                      |
| <b>November</b>     | Deliver the honest workforce plan: role by role, the two-year shape, who is displaced, who is redeployed, and what the emerging roles require, run through all six levers rather than announced as a restructure.                        | Agentic scenario modelling turns the plan into ranges with confidence levels, attrition, redeployment success, and timing all varied, instead of a single brave number.      |
| <b>December</b>     | Report against every August commitment in the same channels they were made in: kept, at risk, or broken, with no decoration.                                                                                                             | A learning-review agent reads the year's minutes and town hall transcripts, and shows where stated intentions and actual decisions diverged.                                 |
| <b>January 2027</b> | Execute the first redeployments under the commitments, and measure whether the promise held: time to placement, income continuity, and the sentiment of those moved.                                                                     | An agent tracks every redeployment against the commitment standards in real time, and flags the cases drifting toward broken promises while they can still be fixed.         |
| <b>February</b>     | Extend capability building to the customer-facing workforce whose roles the agent-shopped market will change next.                                                                                                                       | Simulation: agents play customers' AI agents against your service model, and you watch which human roles the new market actually needs.                                      |
| <b>March</b>        | Lead the apprenticeship design: how controllers, credit officers, engineers, and leaders learn the craft when the routine work that taught it is gone; nobody in the market has solved this, and being first is an employer-brand asset. | Agents reconstruct, from history, which tasks taught which judgments, then generate simulation-based practice and rotations through the hardest exceptions.                  |
| <b>April</b>        | Run the middle manager transition at scale: the redesigned role now staffed, with honest outcomes for those who do not move into it.                                                                                                     | An agent gives every transitioning manager a personal development brief drawn from their actual work patterns, not a generic course catalogue.                               |
| <b>May</b>          | Lead the culture audit across the six levers: does sourcing now select for the new roles, does development build the new crafts, does reward pay for disclosure and judgment, and do the systems match the August words?                 | An agent analyses thousands of frontline verbatims for the themes surveys are not designed to detect, especially fear that has gone quiet, which is the most dangerous kind. |
| <b>June 2027</b>    | Close the people loop in public: every commitment audited and published, and the renewal of commitments for year two, which will be harder, because year two's changes reach the professional and managerial populations.                | The year's record, commitments, decisions, and verbatims, becomes a corpus you query directly at the closing offsite.                                                        |

Your year does not run on its own. The table above is the people-and-culture thread of a redesign the whole C-suite leads together, and it works only when your thread is woven with the others: the CAIO redesigning how the work gets done, the CFO funding it, the CMO and the CRO remaking how you sell and serve, the COO rewiring operations, and the executives running the businesses carrying it into the line, with the CEO holding the whole weave. Pull any single thread out and it frays. So treat your plan as one part of a coordinated programme, not a function running its own race.

## **What to do with this paper**

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Keep thinking and adding to these thoughts! The paper turns on three questions worth sitting with, whether alone, with your team, or with a peer: what this technology really is and what it does to your function; why almost everyone's AI spending is underperforming and what would make yours different; and what you will lead over the next twelve months.

So here is the provocation in one line.

**AI amplifies whatever your organisation  
already is, which makes the question of  
whether it magnifies the best of your people  
or the worst of your habits  
a leadership and culture question  
long before it is a technology one.**

That question has a single clear owner. It is you.

Help your CEO and team work simultaneously on the AI Amplification and the Leadership and Culture you are amplifying. Carry the people case and the AI case to the board as one argument rather than two, and you become the person who shapes whether this era leaves your organisation more human or less, a call very few others are placed to make and none are placed to make as well as you. Start there.

## Appendix A. The ten sources of expertise, and what they are saying

*Ten points from each of the ten strongest voices on the people function and AI, so you can see the chorus, and its cracks, in one place.*

### 1. Josh Bersin — [The Superworker Organization: HR and Leadership Imperatives for 2026](#)

- His 2026 flagship report declares this the largest HR transformation in decades, driven by AI moving from pilots to production-grade enterprise systems.
- His core concept is the superworker: an employee supported by AI who steps up their value, productivity, and output by learning to direct AI systems, framed explicitly as a value play rather than a headcount-reduction play.
- Radical claim: as superagents automate end-to-end HR workflows, core HR headcount could fall by 30 per cent or more, even while employee service quality dramatically improves.
- His research identifies more than 100 AI agent applications across HR, and estimates 60 to 70 per cent of learning and development work is automatable, making L&D the function most exposed to agentic disruption.
- He charts an evolution from AI assistants (chatbots and copilots) to semi-autonomous agents to superagents: autonomous, outcome-focused systems spanning recruiting, performance, coaching, learning, pay equity, internal mobility, and scheduling.
- The report sets out 11 HR imperatives, including building a unified AI architecture, planning job transformation (he sees 30+ new HR job titles emerging), launching an AI-driven learning revolution, and expecting major HR vendor disruption.
- Contrarian architecture point: superagent performance depends on the quality, timeliness, and security of the underlying data, not on how many agents you buy.
- HR professionals must become citizen developers, because agentic systems are programmed with prompts rather than code, which makes AI fluency a core HR craft skill rather than an IT specialism.
- His own Galileo platform operationalises the research as an AI expert assistant for HR, itself a model of an agent sitting on a curated expert corpus.
- His underlying frameworks remain Systemic HR and the Dynamic Organization, and he warns employee commitment is plummeting, so a core imperative is taking care of employees as AI anxiety spreads.

### 2. Gartner (HR practice) — [Top Priorities for HR Leaders in 2026](#)

- Based on a survey of 426 CHROs, the four top priorities for 2026 are harnessing AI to revolutionise HR, shaping work in the human-machine era, mobilising leaders for growth, and addressing culture atrophy.
- The framing is quotable: 2025 was about AI pilots, discovery, and experimentation; 2026 is about delivering agentic AI ROI.
- 82 per cent of HR leaders plan to deploy agentic AI within the next 12 months, yet most CHRO teams lack even a foundational understanding of what AI agents are.
- 61 per cent of HR leaders were already in advanced stages of implementing generative AI as of January 2025, a leap from 19 per cent in 2023.
- Headline prediction: by 2030, 50 per cent of current HR activities will be automated or performed by AI agents.
- Of all the AI moves HR can make, evolving the HR operating model itself has the highest predicted productivity impact, at 29 per cent, ahead of any individual tool.
- Recommends AI agents as the HR front door: replacing ticket-based shared services with intelligent self-service that anticipates employee needs.
- Radical prediction: through 2026, 20 per cent of organisations will use AI to flatten their structures and eliminate more than half of current middle management positions, putting HR in charge of the redeployment and redesign.
- Contrarian skills warning: AI-driven atrophy of critical thinking will push 50 per cent of organisations to require AI-free skills assessments, and by 2027, 70 per cent of new employment contracts will include clauses covering AI representations of employee personas.
- Warns agentic AI will rewrite the Employee Value Proposition, because entry-level automation can hollow out career paths and leave talent pipelines empty or short; CHROs need a now-next plan covering the next 12 months and the following one to three years.

### 3. Deloitte — [2026 Global Human Capital Trends: Choosing the human advantage](#)

- Surveyed more than 9,000 business and HR leaders across 89 countries with Oxford Economics, and argues organisations face strain, trust erosion, and cultural friction exactly when they need speed and reinvention.
- Its central thesis is the human advantage: adaptability, trust, and aligned culture are the real competitive differentiators of the AI era.
- The killer statistic: technology-first AI adopters are 1.6 times more likely to fall short of expected AI returns than those who lead with human-centred design.
- 70 per cent of leaders say their primary competitive strategy is being fast and nimble, yet only 27 per cent say their organisations manage change well.
- Change saturation is quantified: one-third of workers experienced 15 or more major changes in the past year; Deloitte's answer is changefulness, embedding continuous adaptation into daily work.
- Names culture debt: the compounding cost of neglecting culture during transformation; 65 per cent believe their culture must change significantly because of AI, and 34 per cent say culture is actively inhibiting their AI goals.
- Governance gap: 60 per cent of executives use AI in decision-making, but only 5 per cent say they manage it well.
- Only 6 per cent of leaders report real progress in deliberately designing human-AI interactions, and 56 per cent design AI solely for business outcomes while just 40 per cent factor in human outcomes.
- 42 per cent of workers report their organisations are not evaluating AI's impact on people at all, which Deloitte flags as a trust time bomb.
- Contrarian structural claim: 66 per cent of C-suite leaders say traditional functions, including HR, finance, IT, and legal, were built for control rather than agility and must fundamentally change, yet only 7 per cent report progress.

### 4. McKinsey — [HR's transformative role in an agentic future](#)

- Estimates AI could generate 150 to 200 billion US dollars in annual global value in HR alone, and that two-thirds of HR processes can be partially or fully automated.
- Argues agentic AI has pulled the automation timetable for the people function forward by roughly a decade, making HR one of the most automatable corporate functions rather than one of the least.
- Frames HR's dual mandate: guide the whole enterprise through one of the most consequential workforce transformations in a generation, while simultaneously transforming HR itself, with both in parallel because each gives the other credibility.
- The lighthouse argument: an HR function that has not redesigned its own processes with AI has limited standing to ask the rest of the business to redesign theirs.
- Its Superagency in the Workplace report found almost all companies invest in AI, but only 1 per cent of leaders describe their organisations as mature in deployment, and the bottleneck is leadership, not employees.
- Superagency's most quoted finding: employees are ready and often far ahead of leadership, already perceiving AI as capable of replacing up to 30 per cent of their work tasks, and using it far more than their leaders realise.
- In talent acquisition it describes orchestrated multi-agent systems: one agent cleans records and ranks candidates, another handles outreach and scheduling, and a coordinating agent supervises the others end to end.
- The future of work is agentic: HR must develop the management disciplines, onboarding, performance, and governance, for AI agents as well as people; McKinsey itself reportedly runs around 25,000 agents alongside staff.
- Its six shifts to build the agentic organisation argue the AI era requires a new organisational paradigm spanning structure, governance, talent models, and ways of working, not bolt-on tools.
- The radical implication across the McKinsey corpus: HR becomes the architect of human-agent collaboration for the enterprise, which elevates the CHRO toward co-designing the operating model with the CEO and CIO.

### 5. Mercer — [Global Talent Trends 2026](#)

- The 11th edition surveyed nearly 12,000 C-suite executives, HR leaders, investors, and employees, and is framed around winning in the human-machine era.



- The CHRO-mandate statistic: 82 per cent of C-suite executives see HR's future role as managing human talent and digital agents together.
- Investors have entered the talent conversation: 72 per cent agree companies that integrate human and AI capabilities gain advantage, and 77 per cent are more likely to invest in companies committed to AI education and training.
- Thriving has collapsed: only 44 per cent of employees report thriving at work, down from 66 per cent in 2024.
- Employee fear of AI-driven job loss has risen from 28 per cent in 2024 to 40 per cent in 2026.
- The empathy gap: 62 per cent of employees say leaders underestimate AI's emotional impact, yet only 19 per cent of HR leaders factor emotional impact into their digital implementation strategy.
- C-suite confidence is falling as AI matures: only 51 per cent feel well prepared for the human-machine era, down from 65 per cent in 2024, and only 30 per cent of leaders rate their own digital agility as high.
- Workforce redesign is near-universal: 98 per cent of executives plan organisational design changes within two years, and 65 per cent expect 11 to 30 per cent of their workforce to be redeployed or reskilled because of AI.
- Employees are volunteering for the transition: 63 per cent would trade a 10 per cent pay raise for upskilling in AI and digital skills.
- The misalignment finding that should worry every CPO: the C-suite's top ROI priority is redesigning work to incorporate AI (63 per cent), while HR's top priority remains employee experience, a gap Mercer says HR must close or risk irrelevance to the enterprise agenda.

## 6. PwC — [Global AI Jobs Barometer](#)

- Analyses close to a billion job advertisements and thousands of company financial reports across six continents, making it the largest empirical counterweight to survey-based AI punditry.
- Headline productivity finding: since generative AI's proliferation in 2022, productivity growth in the most AI-exposed industries has nearly quadrupled.
- Workers with AI skills command a wage premium of up to 56 per cent over peers in the same occupation, more than double the previous year's figure.
- Contrarian jobs finding: employment is growing in virtually every AI-exposed occupation, including highly automatable ones, with high-automation roles still seeing 38 per cent job growth between 2019 and 2024.
- Skills in AI-exposed jobs are changing 66 per cent faster than in other jobs, 2.5 times the velocity of the previous year, making skills-based workforce planning a survival requirement.
- The most AI-exposed industries show three times higher growth in revenue per employee than the least exposed, evidence that AI augments rather than simply substitutes labour.
- Formal degree requirements are falling faster in AI-exposed jobs, signalling a shift from credentials to skills that hiring systems must follow.
- Its separate AI Agent Survey finds 79 per cent of executives say agents are already being adopted, and 66 per cent of adopters report measurable productivity value.
- 67 per cent of executives agree AI agents will drastically transform existing roles within the next 12 months.
- Contrarian headcount finding: 48 per cent of executives say they will likely increase headcount because of AI agents; PwC's advice to HR is to treat agents as a workforce category to be planned, trained around, and governed, not as a cost-cutting tool.

## 7. i4cp — [2026 Priorities & Predictions](#)

- Drawn from its executive boards of human capital leaders at large global employers, 68 per cent of CHROs name AI-related workforce initiatives as their single top priority for 2026.
- The four CHRO priorities are AI-related workforce initiatives (68 per cent), leadership development (57 per cent), strategic workforce planning and work redesign due to AI (50 per cent), and C-suite succession (50 per cent).
- Blunt prediction: companies will increasingly use AI-driven layoffs as a strategic lever in 2026, tied explicitly to AI adoption rather than disguised as restructuring.
- Named concept, digital work twins: AI agents that learn an individual's workflows will move from experimentation to everyday practice, acting as personal productivity multipliers.

- Named concept, modular workforce design: work is increasingly assembled from a mix of human and digital contributors, reshaping structures and what leaders actually manage.
- Reality check on the skills hype: organisations are shifting to fluid, skills-based operating models, but only 12 per cent are mature in that shift today.
- Memorable governance framing: treat agentic AI like an intern year, with supervision, oversight, and graduated autonomy before agents are trusted with consequential work.
- Its companion study of nearly 1,000 organisations found AI upskilling can improve productivity by 30 per cent or more, yet most companies are stalled in their AI training efforts.
- Provocative workforce-planning rule: CHROs must now justify human headcount by demonstrating why AI cannot do the work, deconstructing roles into tasks and isolating where human judgment remains essential.
- Its three readiness dimensions are culture readiness, AI readiness, and skills readiness, which map directly onto the two axes of this pack.

## 8. Microsoft WorkLab — [2025 Work Trend Index: The Year the Frontier Firm Is Born](#)

- Names 2025 the year the Frontier Firm is born: organisations built on intelligence on tap, human-agent teams, and employees acting as agent bosses; 71 per cent of Frontier Firm workers say their company is thriving, versus 39 per cent globally.
- Intelligence on tap is the core economic claim: expertise becomes abundant, affordable, and purchasable, which changes how every leader budgets labour versus compute.
- Quantifies the capacity gap AI is bought to close: 53 per cent of leaders say productivity must rise while 80 per cent of the workforce lacks time or energy, interrupted roughly 275 times a day.
- 82 per cent of leaders call this a pivotal year to rethink strategy and operations; 81 per cent expect agents moderately or extensively integrated into AI strategy within 12 to 18 months.
- Proposes the human-agent ratio as a new management metric every leader must set, task by task: how many agents per role, and how many humans to direct and verify them.
- Predicts the org chart gives way to the Work Chart: dynamic, outcome-driven teams forming around goals and staffed flexibly by humans plus agents, modelled on film production crews.
- Everyone becomes an agent boss: 36 per cent of leaders expect to manage agents within five years, 28 per cent of managers are considering hiring AI workforce managers, and the new roles that follow are HR's to define, hire, and develop.
- Workforce strategy splits: 47 per cent prioritise upskilling, 45 per cent keep headcount flat while adding digital labour, 33 per cent consider reductions, and 78 per cent consider hiring for new AI-specific roles.
- The radical anecdote: an entrepreneur who runs an entire company's operations with AI tools and a skeleton human crew, which is the question every workforce plan must now answer.
- The 2026 edition adds the Transformation Paradox: 65 per cent of AI users fear falling behind, yet only 13 per cent of workers are rewarded for reinventing work with AI, and 67 per cent of real-world AI impact depends on factors management controls.

## 9. Ethan Mollick (Wharton) — [One Useful Thing](#)

- The BCG/Harvard jagged frontier experiment: consultants given GPT-4 completed 12.2 per cent more tasks, 25.1 per cent faster, at 40 per cent higher quality, with the bottom half of performers improving 43 per cent.
- The frontier is jagged and invisible: on a task designed to sit outside AI's capability, consultants without AI scored 84 per cent accuracy while those relying on AI fell to 60-70 per cent, because people fall asleep at the wheel exactly where the machine is wrong.
- Distinguishes Centaurs (a clear dividing line between human and machine work) from Cyborgs (deep blending and continuous iteration); both beat simple delegation.
- Every company is already full of secret cyborgs: employees who have quietly automated chunks of their jobs and tell no one, because bans, fear of layoffs, and unrewarded gains mean there are more reasons to hide AI use than to share it; this is a people-policy failure, and only HR can fix the incentives.
- His core organisational law: AI use that boosts individual performance does not naturally translate into organisational performance; closing the gap requires rethinking incentives and the work itself.
- The biggest leadership error is treating AI as an IT implementation or a contained pilot; his remedy is the Leadership-Lab-Crowd model: leaders model AI use visibly, a lab benchmarks real tasks, and the whole crowd experiments and shares.

- Organisations were all built around human intelligence because that is all we had; when research that took weeks takes minutes, the bottleneck shifts to deciding what is worth doing, so the org chart is what must be redesigned.
- The P&G field experiment with 776 professionals: one individual working with AI matched a full two-person cross-functional team; AI behaves like a teammate, not a tool.
- On OpenAI's benchmark of four-to-seven-hour expert tasks, human experts won but barely, and an expert-delegates-then-reviews workflow came out roughly 40 per cent faster and 60 per cent cheaper.
- Warns AI is breaking the apprenticeship machine that builds expertise, because the junior person is worse than AI and will use AI to do their work; the people who thrive are those who know what good looks like and can specify it.

## 10. World Economic Forum — [The Future of Jobs Report 2025](#)

- Surveys 1,000+ employers representing 14 million workers across 55 economies; 86 per cent expect AI to transform their business by 2030, the single biggest driver in the report.
- Projects 170 million new jobs and 92 million displaced by 2030, a net gain of 78 million, structural churn equal to 22 per cent of today's employment, which is the workforce plan HR must now write.
- The fastest-declining jobs list, bank tellers, data entry clerks, administrative assistants, and accountants, maps directly onto the entry-level rungs of today's career paths.
- The growth side: big data specialists, fintech engineers, and AI and machine learning specialists are the fastest-growing roles, and HR must source them in the fiercest market in memory.
- The human-machine task share shifts from 47 per cent human, 22 per cent technology, and 30 per cent combined today to a near-even three-way split by 2030.
- Workers should expect 39 per cent of their core skills to be transformed or outdated by 2030; AI and big data is the fastest-growing skill in demand.
- The reskilling arithmetic: of every 100 workers, 59 need reskilling by 2030 and 11 are unlikely to get it, leaving more than 120 million people at medium-term risk.
- Employers split between investment and cuts: 77 per cent plan to reskill people to work alongside AI, but about 40 per cent plan to reduce staff where AI automates their tasks.
- AI itself is expected to be a net job creator (11 million created against 9 million displaced); robots and autonomous systems are the only technology expected to be a net destroyer.
- Its counterweight: durable human skills stay at the core of employability, analytical thinking, resilience, leadership, and creativity, and it urges augmentation over pure automation.

## Appendix B. An example of organisations on their way

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*Real people functions, documented results, and the links to check them. The pattern across all ten: the durable wins automate the administrative and reinvest in the human, and the loudest failures were the ones framed as headcount replacement.*

### 1. IBM — [AskHR: 94 per cent of routine HR queries handled by agents](#)

- AskHR, built on watsonx Orchestrate, covers roughly 80 automated task types across vacation, payroll, employment letters, compensation, and manager workflows.
- 94 per cent containment of common HR questions, 11.5 million interactions in 2024, a 75 per cent reduction in support tickets since 2016, and managers completing HR transactions 75 per cent faster.
- HR operating costs fell about 40 per cent over four years; the CEO confirmed AI took over the work of a couple of hundred HR staff, yet total company headcount grew because the savings funded more engineers and sellers.

### 2. Moderna — [merged HR and IT under one executive to manage humans and agents together](#)

- Combined HR and technology under Tracey Franklin as Chief People and Digital Technology Officer, explicitly to architect the flow of work across roughly 5,800 humans and 3,000 custom GPTs.
- Shifted from workforce planning to work planning: managers decompose roles into tasks and decide whether each should be automated, augmented, or done by a person.
- Runs an Ask HR agent as the front door to HR support, routing queries to specialised agents for performance, careers, and benefits.

### 3. Salesforce — [agents on its own employees, then redeployment instead of redundancy](#)

- Agentforce handled 2.6 million customer conversations, and the hundreds of support engineers it displaced were redeployed into sales and professional services through the internal Career Connect AI matching platform, with paid retraining time.
- Internally, the employee portal delivers a 96 per cent self-service resolution rate for HR queries from Salesforce's own workforce.
- Hiring managers reported the redeployed engineers were some of the best hires they had ever made, making this the best-documented AI-driven redeployment story in tech.

### 4. ServiceNow — [ran agentic AI on its own people function and tripled HRBP coverage](#)

- Grew from 14,000 to nearly 30,000 employees without proportional growth in operational headcount; 95 per cent of staff actively use AI tools.
- HR business partners went from serving roughly 400 employees each to about 1,000, with no additional hires and no layoffs; 85 per cent of staff affected by automation were redeployed.
- Chief People and AI Enablement Officer Jacqui Canney, a retitled CHRO role, ran skills mapping before any moves: "You have to track capacity, because otherwise you lose it."

### 5. Unilever — [AI-screened 1.8 million applications, cutting hiring from four months to four weeks](#)

- A four-stage AI hiring funnel (application, neuroscience-based games, AI-scored video interviews, and a human assessment centre) applied to roughly 1.8 million applications and 30,000 hires a year.
- Saved more than 50,000 hours of candidate and recruiter time and over one million pounds annually; time-to-hire fell about 90 per cent.
- Reported a 16 per cent increase in hiring diversity, attributed to assessing traits rather than CVs and credentials; still the benchmark the new agentic recruiting tools are measured against.

### 6. Schneider Electric — [the pioneering AI internal talent marketplace](#)

- Launched the Open Talent Market after exit data showed nearly half of leavers cited lack of internal growth, using AI to match employees to internal roles, projects, mentors, and gigs.
- Unlocked more than 360,000 hours of capacity and over 15 million US dollars in productivity gains and avoided recruitment costs.
- Mastercard's comparable Unlocked marketplace claims 21 million US dollars in first-year productivity, evidence the pattern transfers across industries.

**7. Johnson & Johnson — [AI skills inference for workforce planning, validated by MIT research](#)**

- A machine-learning model read evidence from the HRIS, recruiting, learning, and project systems to score technologists zero to five on 41 skills across 11 capability areas.
- Outputs were used for career development and strategic workforce planning, with the privacy function explicitly barring use in performance or pay decisions, the guardrail every CPO should copy.
- Voluntary learning activity rose 20 per cent after the first inference round; rare for being peer-reviewed and independently studied rather than vendor-reported.

**8. IKEA (Ingka Group) — [the AI bot answers, and 8,500 call agents became design advisers](#)**

- The Billie assistant handled about 47 per cent of inbound customer enquiries, saving nearly 13 million euros in operating costs.
- Instead of redundancies, roughly 8,500 call-centre workers were retrained as remote interior design consultants, a channel that has generated 1.3 billion euros in revenue with a target of 10 per cent of sales by 2028.
- Ingka treated the queries the bot could not resolve as a demand signal for a new business line: the flagship automate-the-task, redeploy-the-person case.

**9. Klarna — [the cautionary tale: 700 roles replaced, then the CEO admitted “we went too far”](#)**

- In 2024 its assistant did the work of 700 agents (2.3 million conversations in the first month), and a company-wide hiring freeze followed.
- By mid-2025 satisfaction had dropped and the CEO reversed course, hiring humans again: “We went too far... cost unfortunately seems to have been a too predominant evaluation factor.”
- Gartner’s related prediction: by 2027, half of companies that cut customer service staff for AI will need to rehire.

**10. Commonwealth Bank of Australia — [cut 45 roles citing an AI bot, then rehired and apologised](#)**

- Declared 45 customer-service roles redundant in July 2025, claiming its AI voice bot had cut call volumes by 2,000 a week.
- The Finance Sector Union showed call volumes were actually rising and escalated to the Fair Work Commission; in August 2025 the bank reversed the redundancies and admitted the roles were not redundant.
- The best-documented Australian case, and the governance lesson for every people function: AI-justified workforce decisions must be evidence-based, consulted, and reversible.

## Further exploration

*Every figure in this pack is footnoted to its source where it appears; this page is for going deeper.*

### Books

- **Ethan Mollick**, [Co-Intelligence: Living and Working with AI](#) (the best first book for an executive who knows AI only as ChatGPT)
- **Mustafa Suleyman**, [The Coming Wave](#) (2023). The co-founder of DeepMind on why this technology wave cannot be uninvented. If a CPO reads only one book beyond Mollick, this is the one.
- **Richard Susskind and Daniel Susskind**, [The Future of the Professions](#) (updated 2022). A decade ahead of its time on how technology dismantles professional work, which is the career-path question every people leader now owns.
- **Daniel Susskind**, [A World Without Work](#) (2020). The economics of what happens to labour, wages, and meaning when machines take more of the work; the workforce chapter of this pack at book length.
- **Yuval Noah Harari**, [Nexus](#) (2024). The historian's sweep: AI as the latest information network to reorganise human power, told so a board can repeat it.
- **Reid Hoffman and Greg Beato**, [Superagency](#) (2025). The deliberate optimist: what goes right if we extend AI to everyone, and the origin of the superagency language McKinsey now uses for the workplace.
- **Azeem Azhar**, [The Exponential Age](#) (2021). The gap between exponential technology and our linear institutions, which is the readiness argument of this pack told from the outside.
- **Ross Dawson**, [Thriving on Overload](#) (2022). The Australian futurist on the five powers, purpose, framing, filtering, attention, and connection, that turn exponential information into judgment; the human-capability half of this pack at book length.
- **Ross Dawson**, [Living Networks](#) (2002, anniversary edition). The book The New York Times credits with predicting the social networking revolution; two decades on, it reads as the operating manual for organisations becoming networks of humans and agents.

### Courses

- **Stanford Graduate School of Business**, [The AI-Powered Organization](#) (for senior executives on designing the teams and cultures that integrate human and machine intelligence; the course closest to this pack's argument)
- **MIT Sloan Executive Education**, [Artificial Intelligence: Implications for Business Strategy](#) (the standard executive on-ramp)
- **AIHR, the Academy to Innovate HR**, [AI for HR certification](#) (the practitioner's on-ramp for your own team)

### Tools worth exploring (I am not affiliated with any of these)

| The form                                                          | OpenAI             | Anthropic   | Microsoft                                                                | Google                                   |
|-------------------------------------------------------------------|--------------------|-------------|--------------------------------------------------------------------------|------------------------------------------|
| Chat (answers when asked)                                         | ChatGPT            | Claude      | Copilot (in Office, Teams, Windows)                                      | Gemini                                   |
| Agent, everyday (multi-step work you watch and approve)           | ChatGPT agent mode | Claude Code | Copilot agents (e.g. the Researcher and Analyst agents in Microsoft 365) | Gemini agent mode and Deep Research      |
| Agent, heavy-duty (sustained work in your real files and systems) | Codex              | Claude Code | Copilot Studio and autonomous agents                                     | Agentspace (enterprise agents) and Jules |



*Product names as of June 2026; the names change quarterly, the two forms do not.*

- **Agentic AI inside the systems you already run:** Workday Illuminate, SAP SuccessFactors with Joule, Oracle AI agents in HCM, and Salesforce Agentforce HR Service: ask your HCM vendor what agents ship in your current licence before buying anything new.
- **People-specific agentic platforms (the category leaders, not endorsements):** [Eightfold](#) for talent intelligence, [Gloat](#) for the internal talent marketplace (the Schneider Electric and Mastercard results), [Leena AI](#) for employee service agents, and [Visier](#) for people analytics.

## My own thoughts

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- **Katharine McLennan**, [Before the Fingerprint Fades: Leadership and Culture Readiness for the AI Era](#) (the frameworks in this pack, in full, including the chapter on the Chief People Officer we need)
- **My Substack**, [katharinemclennan.substack.com](https://katharinemclennan.substack.com), where I write most weekdays on how agentic AI changes the work of the people function: the futurist's context, then the pragmatist's steps.
- **The Chief People Officer Puts Agentic AI to Work, in person: a briefing evening and a one-day masterclass in Melbourne and in Sydney in early October, and a twelve-month masterclass programme for Chief People Officers and their teams opening in late November.**
- The weekly letter and the weekly podcast, where this conversation continues; see below.

## Where this conversation continues

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This conversation does not end at the last page. Most weekdays I publish a short essay on Substack: the futurist's context, then the pragmatist's steps. A weekly letter carries the week's synthesis to Chief People Officers and their teams, one email a week and never more. A weekly podcast under this article's title brings one Chief People Officer at a time into the conversation, with a confidential version for anyone not ready for a microphone. Tell me what interests you at [katharinemclennan.com/interested](https://katharinemclennan.com/interested), or simply email [kath@katharinemclennan.com](mailto:kath@katharinemclennan.com), and I will keep you in the loop, sparingly.

Tell me what interests you · [katharinemclennan.com/interested](https://katharinemclennan.com/interested)  
The daily essays, the weekly letter, and the podcast are beginning now.  
One scan or one click, and I will keep you in the loop, sparingly.



## Postscript: how I use AI today

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Most of you have used various forms of AI that would be classified as “Chat AI.” These would include platforms like ChatGPT, Claude, Gemini, or Microsoft Copilot.

“Chat AI” (a generic description, not a company’s name) lives in a browser window and sees only what you paste into it.

Claude Code, an “Agentic AI” I work with, lives inside my computer. It is a machine, and I never let myself forget that, but the experience is of sitting next to a tireless chief of staff who can reach everything: it reads my files, creates my folders, moves documents to where they belong, formats the Word version and the PDF you are holding, builds the tables and footnotes, goes out to websites and brings back what it finds, and keeps the whole project organised while we talk.

None of this involves code on my side. I direct it in plain English, and I have never written a line of code in my life.

The partnership has depth because it has memory. Over months of working together, with access to my files, it has digested the hundreds of documents I have produced across 36 years: the book, the white papers, the coaching frameworks, the essays. It absorbed that body of work in about thirty minutes and, from it, learned how I express myself, how I argue, and the grammar I like. So when it drafts, it drafts as me, and when it is wrong, it is wrong in ways I can see and correct quickly.

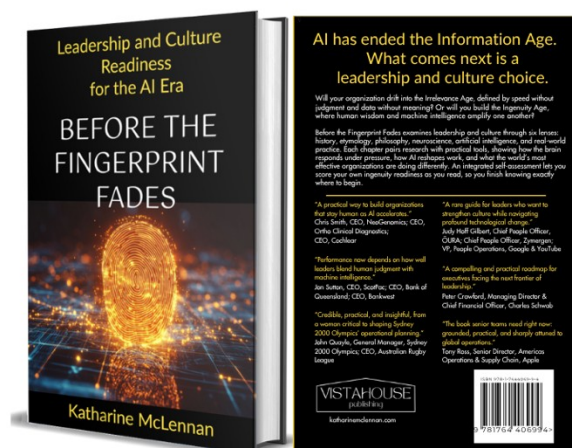
And the division of labour never blurs. I decide what we are making and why: the audience, the argument, the detailed outline of every section before a word is drafted. I feed it the raw material and the references I trust. Then we go back and forth, a section at a time: I ask it to define more, I push against its claims, I reframe sentences until they hit this audience the way I want. It does the drafting, the synthesis, the research, the checking, the building, the filing. I do the judging. Every sentence in this pack passed through my hands.

That is the whole point, and it is why this note belongs in this paper. After months inside the closest human-AI working partnership I can imagine, the human is showing no signs of becoming irrelevant. What the agent has actually done is clear the volume away, and into that space has come more of my own ingenuity than at any time in my career. The fingerprint did not fade. It got deeper.

Thank you for reading this pack, and I look forward to learning together the questions we need to keep asking.

*Katharine McLennan*

- +61419751812
- [Read my Substack for daily articles on AI meets Leadership/Culture](#)
- <https://www.katharinemclennan.com/>
- [kath@katharinemclennan.com](mailto:kath@katharinemclennan.com)
- [My LinkedIn page](#)
- [My YouTube Channel](#)
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[Book published in 2026, available in various channels. Here is the link to Amazon.](#)