

Leadership in the Age of AI:

Continuity, Change and the Evolving Role of the Leader

THE CENTER FOR LEADERSHIP STUDIES®
THE GLOBAL HOME OF SITUATIONAL LEADERSHIP®

info@situational.com | 919-335-8763 | situational.com



Contents

Introduction 3

The Current State of AI in the Workplace 4

The 6 Major Shifts in Leadership 5

- From Commander to Guide 6
- From Task Manager to People Manager 7
- From Knowledge Owner to Human Judge 8
- From Decision-Maker to Decision-Orchestrator 9
- From Planner to Meaning-Maker 10
- From Instructor to Skill-Builder 11

Conclusion 12

About Us 13

Copyright © 2026 Leadership Studies, Inc. All rights reserved.

Introduction

For the first time in modern history, leaders have been forced to ask themselves an **uncomfortable question**, one rooted in a fear that's been quietly festering for decades: Will technology replace me?

Artificial intelligence (AI) is no longer a futuristic concept; it's a present-day reality. What once existed as an experimental pilot program has now become a core driver of business, completely revolutionizing how every organization around the world operates.

While the swift emergence of AI excites with its promise of greater efficiency and productivity, it's leaving many leaders increasingly uneasy. Headlines about high-profile automations and algorithmic decision-making paint a picture of a world where machines replace not just labor but judgment, expertise and eventually, even authority.

But the truth is that AI is not reducing the need for human leadership. In fact, quite the opposite: **As machines continue to absorb more analytical and operational work, human leadership becomes more critical, more visible and more valuable than ever.**

Far from replacing leaders, AI is redefining leadership itself by transforming the role of the leader in today's workplace. This shift is expanding the realm of what leadership can achieve, opening up new avenues for influence and impact that were once unimaginable.

This e-book explores how leadership is changing in the age of AI, mapping which leadership responsibilities are shrinking, which are evolving and which will remain irreducibly human.



Copyright © 2026 Leadership Studies, Inc. All rights reserved.



The Current State of AI in the Workplace

AI has become an integral part of nearly every workplace, setting the baseline for competitive performance. According to a recent MIT Sloan Management Review survey, 99.1% of companies now rank AI investment as a top organizational priority.[1] In just the last 2 years, the share of firms deploying AI at scale has jumped from 4.7% to 39.1%. And that growth shows no signs of slowing down anytime soon.

But the real impact of AI isn't technological; it's structural. As AI embeds itself deeper into daily operations, it's fundamentally changing how organizations function and redefining the very areas where leadership adds the most value, including:

- **Execution:** How work is identified, routed and delivered
- **Prioritization:** What tasks or initiatives receive attention when
- **Efficiency:** How speed, quality and productivity are defined and achieved
- **Resource allocation:** Where time, talent and budgets are directed
- **Success metrics:** How performance and impact are measured

This shift has placed leadership at an inflection point. **When the very mechanics of work are changing, leadership cannot remain static. It must evolve.** Some responsibilities will shrink, others will shift and entirely new ones will emerge. In the end, it's the leaders who recognize these changes, adapt their focus and fully step into this reshaped role that will be the ones to thrive in this new AI-driven era.

[1]Bean R. 2026 AI & Data leadership executive benchmark survey: Executive summary of findings. *Data & AI Leadership Exchange*. 2026. Accessed February 19, 2026.

Copyright © 2026 Leadership Studies, Inc. All rights reserved.



The 6 Major Shifts in Leadership

The AI revolution isn't a threat to leaders. It's merely a catalyst for leadership evolution. Let's explore the six critical shifts AI is driving in leadership and how leaders will need to adapt in order to remain effective in this new era:

- **From Commander to Guide:** Work is more unpredictable than ever, and teams are overwhelmed by constant change. Leaders will need to provide stability, direction and psychological safety while guiding their teams through uncertainty
- **From Task Manager to People Manager:** AI can handle tasks faster and at scale, but it cannot lead people. Leaders must focus less on managing work and more on supporting, motivating and developing their teams
- **From Knowledge Owner to Human Judge:** Access to information is abundant, making judgment more important than knowledge. Leaders add value by interpreting data and balancing insights with human priorities
- **From Decision-Maker to Decision-Orchestrator:** Centralized control slows progress in an AI-driven world. Leaders need to empower teams to make decisions locally, creating the conditions for smart choices across the organization
- **From Planner to Meaning-Maker:** Predictive AI can forecast trends, but it cannot define purpose. Leaders provide meaning by connecting options to organizational priorities and helping teams focus on what truly matters
- **From Instructor to Skill-Builder:** Knowledge alone isn't enough; mastery comes from practice and experience. Leaders now focus on building their team's skills, fostering safe experimentation and helping people apply learning in real-world situations

Copyright © 2026 Leadership Studies, Inc. All rights reserved.

From Commander to Guide

Technology is evolving so quickly that the rules that governed work for decades no longer seem to apply. Knowledge that took years to acquire can suddenly feel irrelevant and skills that once defined careers can become outdated overnight. New tools, workflows and expectations emerge faster than many of us can adapt. Suddenly, even the most seasoned professionals, leaders and non-leaders alike, are being forced to operate as beginners.

When processes, skills and outcomes are in constant flux like this, people begin to question their value and their place. People aren't just worried about having to learn entirely new skills. They're grappling with deeper, more personal losses:

- **Loss of competence,** as hard-earned expertise fails to guarantee confidence
- **Loss of relevance,** as roles and expectations shift faster than humans can adjust
- **Loss of status and autonomy,** as even the most seasoned professionals find themselves starting over

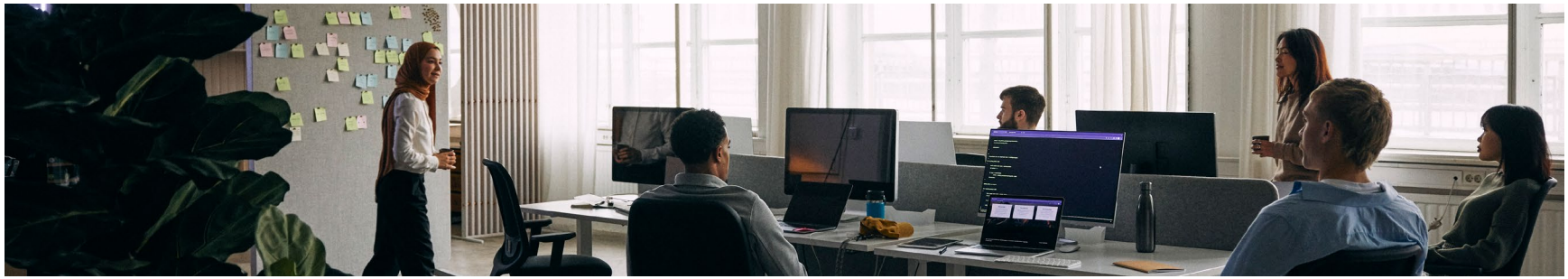
People are not overwhelmed by AI itself. They're overwhelmed by relentless change. Recent LinkedIn research reveals that over 64% of professionals report feeling overwhelmed by the rapid pace of change[1] in the workplace and nearly half report feeling worried about being left behind.

This is precisely when leadership matters most.

In the midst of rapid technological and organizational change, people need direction, psychological safety and clarity, even if the answers aren't complete. Leaders will be able to have a profound impact by guiding, supporting and empowering their team as they explore the uncharted terrain of a new technological era.

As work becomes increasingly unpredictable, the true value of leadership will reside in creating safety and stability, so teams can feel comfortable navigating constant change and complexity.

[1]Nearly two-thirds of professionals are overwhelmed by workplace change. *LinkedIn Newsroom*. October 2, 2024. Accessed February 19, 2026. https://news.linkedin.com/2024/October/overwhelmed-by-workplace-change



Copyright © 2026 Leadership Studies, Inc. All rights reserved.

From Task Manager to People Manager

For decades, the line between "manager" and "leader" has been blurry. While managers are about managing tasks, performance and results, leaders are about creating direction, value, vision, culture and commitment. Still, many leaders spend the bulk of their time doing classic management work, from assigning and overseeing tasks to monitoring performance and output.

Now, AI can perform these responsibilities at a speed and scale no human can match. In fact, in 2020, Gartner predicted that AI would replace nearly 69% of the manager's workload.[1]

This shift has far-reaching implications. If doing the job no longer requires task oversight, roles built around task oversight will naturally shrink. Moving forward, this may reduce the number of traditional managers needed. It seemingly already has, as the Wall Street Journal recently reported that the number of managers dropped over 6% in the last three years.[2]

But that doesn't mean there will be fewer leaders. In fact, quite the opposite.

While tasks can be automated, responsibility can't. And leadership is fundamentally about responsibility for people, decisions and outcomes. Organizations will need leaders who can do what AI can't:

- Provide clarity, direction and purpose
- Exercise judgment and accountability
- Inspire ongoing trust, motivation and commitment
- Support emotional responses to change or conflict
- Provide feedback, motivation and encouragement
- Create safe environments for learning and growth

As such, AI has made human-centered leadership skills more important, not less. In fact, according to research from McKinsey, the demand for social and emotional skills is expected to increase by 26% by the year 2030.[3]

It stands to reason that **in the AI era, leaders will need to stop managing work and start managing people.** Success will no longer be measured by how much work passes through you. It'll be measured by how well you support your team's energy, focus and engagement.

[1]Gartner predicts 69% of routine work currently done by managers will be fully automated by 2024. *Gartner Newsroom*. January 23, 2020. Accessed February 19, 2026. https://www.gartner. com/en/newsroom/press-releases/2020-01-23-gartner-predicts-69--of-routine-work-currently-done-b
[2]Cutter C, Weber L. The biggest companies across America are cutting their workforces. *The Wall Street Journal*. June 18, 2025. Accessed February 19, 2026. https://www.wsj.com/business/the-biggest-companies-across-america-are-cutting-their-workforces-a0e8739a
[3]Bughin J, Hazan E, Lund S, Dahlström P, Wiesinger A, Subramaniam A. Skill shift: Automation and the future of the workforce. *McKinsey & Company.* May 23, 2018. Accessed February 19, 2026. https://www.mckinsey.com/featured-insights/future-of-work/skill-shift-automation-and-the-future-of-the-workforce

Copyright © 2026 Leadership Studies, Inc. All rights reserved.

From Knowledge Owner to Human Judge

Historically, leaders have been valued for what they knew and their ability to perform a job or task better than anyone else. But that dynamic has fundamentally changed.

Knowledge is no longer scarce. Past experience and task mastery are becoming increasingly irrelevant as rapid change constantly reshapes the job. And with AI lowering the premium on raw intelligence, the data, insights and best practices that once lived solely inside the leader's head are now accessible to everyone.

But **when information is abundant, clarity becomes rare.**

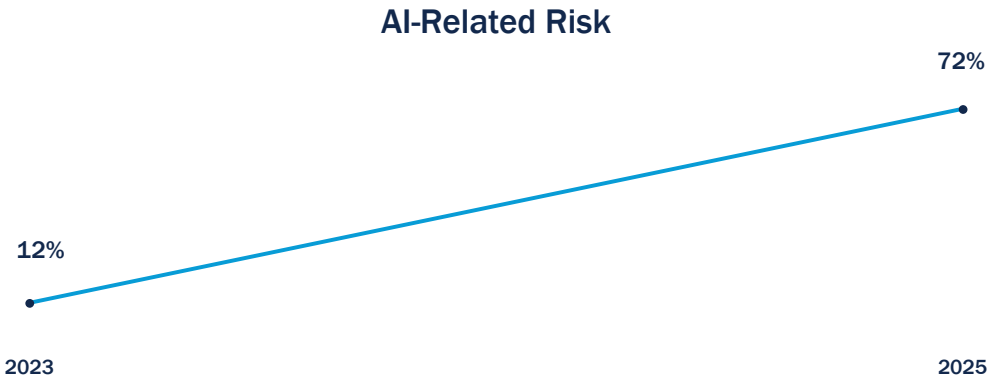
While AI can provide fast access to information, it cannot fully understand context, nuance or contrasting human priorities. It cannot weigh trade-offs, anticipate emotional reactions or account for ethical considerations. Moreover, AI introduces new forms of risk[1] that can easily go unnoticed without human oversight, including biases, privacy violations and hallucinations.

And those risks are growing every day, as The Conference Board reports that the share of companies reporting AI-related risks has jumped from 12% to 72%[2] in just the last two years. Worse still, a recent study conducted by the European Broadcasting Union (EBU) found that 45% of AI-generated responses had at least one significant issue,[3] with 81% having some sort of problem and 20% having major accuracy issues.

This is where human judgment becomes indispensable.

Leaders will be called on to interpret, validate and contextualize complex AI outputs through the lens of human values and organizational priorities.

Being the "smartest person in the room" is no longer a distinguishing factor for leaders. The real edge now lies in balancing automated insights with human discernment, translating data into meaningful actions and guiding teams to act both responsibly and effectively.



[1]Caballar RD. 10 AI dangers and risks and how to manage them. *IBM*. 2026. Accessed February 19, 2026. https://www.ibm.com/think/insights/10-ai-dangers-and-risks-and-how-to-manage-them

[2]The Conference Board. New study: 7 in 10 big US companies report AI risks in public disclosures. October 6, 2025. Accessed February 19, 2026. https://www.conference-board.org/press/AI-risks-disclosure-2025

[3]European Broadcasting Union. Largest study of its kind shows AI assistants misrepresent news content 45% of the time – regardless of language or territory. October 22, 2025. Accessed February 19, 2026. https://www.ebu.ch/news/2025/10/ai-s-systemic-distortion-of-news-is-consistent-across-languages-and-territories-international-study-by-public-service-broadcaste

Copyright © 2026 Leadership Studies, Inc. All rights reserved.



From Decision-Maker to Decision-Orchestrator

For years, leadership has been synonymous with decision-making. Knowledge and authority used to be tightly coupled; those who held the information held the power to decide.

Today, that's no longer the case. Thanks to AI, knowledge is everywhere and work is moving faster than most leaders can oversee. Centralized control has become a bottleneck; waiting for approval slows down the very speed and agility that AI has made possible.

The future of work is going to demand a different approach, one centered around decentralized thinking and self-leadership. **Leadership is an action, not a position, and it's going to become everybody's responsibility.** Success will require people at every level to lead from where they are and make decisions where their work happens. This means:

- **Taking initiative** without waiting for formal authority or approval
- **Deciding locally** rather than deferring upward
- **Owning outcomes,** both successes and failures

The leader's role, therefore, must shift from making good decisions to enabling good decisions at scale. In this new paradigm, leaders will need to be responsible for teaching their team how to self-manage and creating the conditions that allow smart, responsible decisions to be made.

Copyright © 2026 Leadership Studies, Inc. All rights reserved.

From Planner to Meaning-Maker

Planning was once seen as a core leadership competency. Leaders were expected to analyze data, identify trends and make informed guesses about what would happen next.

Today, much of that work is shifting toward AI, which excels at pattern recognition, scenario modeling and forecasting. At its core, AI is a predictive technology. It makes deductions about the future based on data from the past, but that can be extremely limiting.

We live in a world defined by volatility, where financial, geopolitical and technological shifts have the power to reshape entire industries overnight. Many of the most groundbreaking changes of the last decade could not have been fully predicted just by looking at historical data.

If you want proof, just take a look at the recent research from Vox: In forecasting competitions, AI only reached a 71.5% accuracy rating, failing to beat the average human participant, who reached a 77% accuracy rating.

In short, automated prediction alone is not enough. Real insight emerges when organizations pair AI's predictive power with human expertise. Leaders can assess AI-generated options and leverage their distinct, human strengths to determine not just which path to pursue but why. These strengths include:

- **Judgment:** Weighing options in ambiguous, complex situations to discern the best course of action
- **Ethical reasoning:** Considering both the immediate and downstream consequences of decisions
- **Creativity:** Imagining possibilities beyond historical patterns and standard conventions
- **Empathy:** Understanding and connecting with the real impact of choices on people

In a workplace where strategies are fluid and forecasts are fragile, meaning becomes the stabilizing force. Leaders will be needed to provide that meaning. By transforming raw options into coherent direction and shared purpose for their team, leaders will help their team see, understand and move towards what truly matters.

Ultimately, the leader's role will no longer be to produce the plan but to frame the direction, turning possibilities into intent.



Copyright © 2026 Leadership Studies, Inc. All rights reserved.

From Instructor to Skill-Builder

One of the greatest promises of AI is its speed. It offers nearly instantaneous access to seemingly endless amounts of information. In mere seconds, people can now surface insights that once took hours, if not days, to find. What it cannot do, however, is help people internalize that information or truly understand how to use it.

Malcolm Knowles' work in adult learning reminds us that skills are formed through experience, practice and reflection. People learn by doing. In fact, some models suggest that 70% of learning is derived from experience, while only 10% is derived from reading.[1] So while AI can provide knowledge, that knowledge is of little value unless people know how to apply it well, repeatedly and under pressure. Without mastery, it's no different than reading a blog post—helpful, but insufficient for a true master.

This distinction matters even more as leadership grows increasingly distributed. Individual contributors aren't just expected to perform job related tasks blindly; they now must think critically, make quick decisions and lead from where they are. These new expectations create a gap: people may have access to information, but they lack the understanding, mastery and confidence needed to use it effectively in real life.

Skill building is not an automatable process. **AI cannot replace the lived experience of learning.** That process remains fundamentally human.

As such, the leader's role must shift. Instead of being the primary source for answers, leaders must now focus on developing teams that can find and apply those answers themselves. Leaders will need to prioritize creating environments where people can experiment, fail safely and build mastery over time.

The real advantage today is not how much knowledge people have but how capable they are of using it well.

[1]Lombardo MM, Eichinger RW. *The Career Architect Development Planner: A Systematic Approach to Development Including 103 Research-Based and Experience-Tested Development Plans and Coaching Tips.* 5th ed. Korn Ferry International; 2010.



Copyright © 2026 Leadership Studies, Inc. All rights reserved.

Conclusion

For some of you, this information is current state reality and for others, it will be your reality in the next few years. But at the end of the day, AI is changing the nature of work and with it, the expectations of leadership. The management of what we think of as tasks today will become a smaller portion of the role but managers that see things like psychological safety, motivation and critical thinking as tasks will thrive. As such, AI is forcing a return to the essence of leadership: human judgment, meaning, ethics, trust and empowerment.

This shift is not a threat to leadership but rather a challenge to those clinging to outdated identities built on being indispensable. As AI continues to reshape the modern workplace, the future of leadership will be defined by adaptability.

The greatest risk now comes from pretending nothing is changing or that everything already has. Leaders still have a window to adapt. Those who fail to evolve risk irrelevance, while those who rise to the occasion will lead the next frontier. By understanding this disruption and what's needed moving forward, we can articulate a simple, forward path for leadership, one that is adaptive, resilient and profoundly human.



Copyright © 2026 Leadership Studies, Inc. All rights reserved.



THE CENTER FOR LEADERSHIP STUDIES
THE GLOBAL HOME OF SITUATIONAL LEADERSHIP®

About Us

The Center for Leadership Studies

At The Center for Leadership Studies (CLS), we are committed to enabling leaders at all levels to achieve their highest potential through innovative, impactful leadership training that is grounded in research and application. As the global home of the Situational Leadership® Model, the most successful and widely adopted leadership model available, our award-winning solutions and coaching services enable leaders to engage in effective performance conversations that build trust, increase productivity and drive behavior change.

Learn more at situational.com.

Copyright © 2026 by The Center for Leadership Studies. All rights reserved. No materials from this study can be duplicated, copied, republished, or reused without written permission from The Center for Leadership Studies.

Copyright © 2026 Leadership Studies, Inc. All rights reserved.