# ChangeThis

246.03

# THE AI-AUGMENTED LEADER Rasmus Hougaard & Jacqueline Carter

# Artificial intelligence (AI) has brought leadership as a practice to a major inflection point.

This puts leaders like you at the helm of a crucial decision: Will AI create an era of mechanical, impersonal efficiency, or will it catalyze a renaissance, redefining leadership itself? This moment is not just about adopting a new technology; it's about shaping the future of work. If approached with foresight, AI can be the dawn of a golden age for leaders, an era in which they transcend traditional roles to become beacons of humanity. By delegating tasks to AI and using AI to augment skills and behaviors, leaders have an opportunity to unlock a truly human experience of work while enhancing organizational performance.

But humans have always been better at inventing tools than at using them. Consider for a moment how the internet has given us instant access to gigabytes of data and yet made us more distracted. Or how social media has enabled us to be more connected yet has made us feel more alone. In the same way, AI has the potential to enhance the human experience of work, or it could lead us into an automated, robotic, overwhelming, and uninspiring work reality.

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

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# THE PROMISE: A NEW AGE OF LEADERSHIP

Through our research, we identified three ways that AI can transform how we think about leadership: It can save us time so we can focus on creating more-human experiences for employees. It can enable us to create ultra-personalized leadership. And it can help us elevate our humanness toward becoming better leaders. Let's look at each of these promises one by one.

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# SAVE TIME TO FOCUS ON CREATING A BETTER EMPLOYEE EXPERIENCE

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

# ULTRA-PERSONALIZED LEADERSHIP

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

Humans are complex. Some people like straightforward feedback, but others do not. Some people like to express their emotions, and others are more reserved. People come to work with different mindsets, have a range of diverse needs, and like to be engaged in unique ways. Leaders need to consider multiple variables in determining the best way to engage with every employee. Situational leadership is great in theory, but in reality, it is quite difficult. Al has the processing power to provide leaders with detailed insight on individual employees and provide recommendations on how to engage. It is a beautiful integration of human and machine, one where Al insights combined with human authenticity can enhance our ability to personalize our leadership and cater to unique employee needs.

## **ELEVATING THE BEST OF OUR HUMANNESS**

Humans are wonderful creatures. We can be smart, creative, and kind. But we can also be messy, inconsistent, and imperfect. We can have clear leadership values, but that does not mean we always follow them. We might aspire to show up in a certain way, but that does not mean we always do.

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

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

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

# **AUGMENTATION: THE BOTH/AND LEADER**

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

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Whether you realize it or not, you're already augmented in many ways. For example, how many phone numbers of friends can you remember? Probably not many. Why? You now use your smartphone to augment your memory. The key principle of augmentation in the context of AI and leadership is to adopt a both/and mindset. You must leverage both the power of AI and your most human qualities. But to do that, we first need to understand the essence of the mind of the leader.

# THE THREE CORE QUALITIES OF AI-AUGMENTED LEADERSHIP

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

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

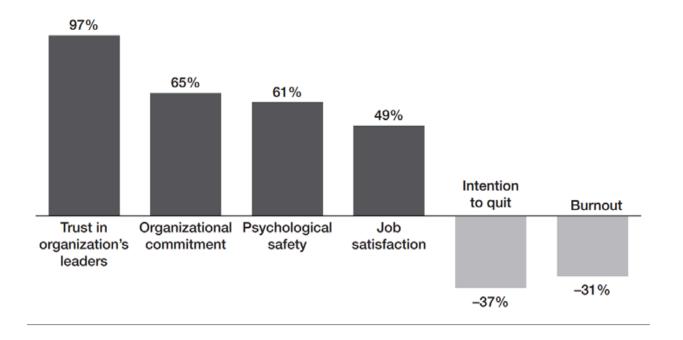
**WISDOM** is the discerning capacity of the mind to form sound judgment by understanding reality as it is, free of the limitations of the ego. Accrued from generations of experiences, learning, and reflection, wisdom allows leaders to make decisions that balance short-term gains with long-term sustainability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

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

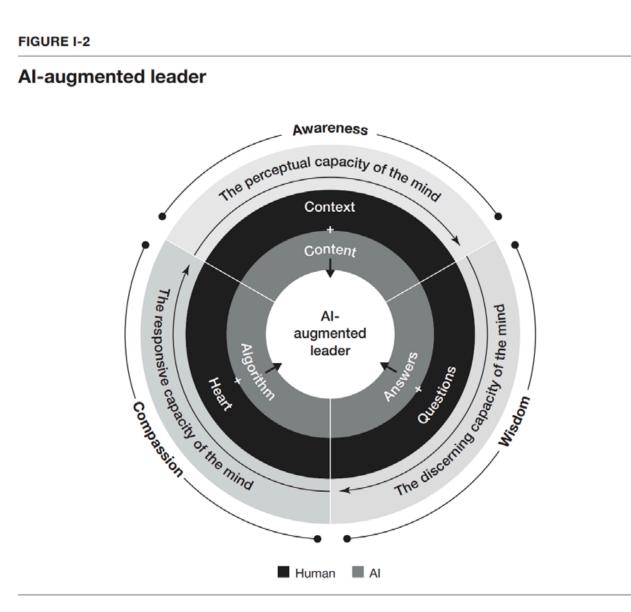
To understand the impact of these qualities on leadership, we conducted four separate studies including leaders and followers from twenty-eight countries, fourteen industries, and across the full spectrum of levels. Our findings were clear and compelling: leaders who have been rated by their followers as having high awareness, wisdom, and compassion provide employees with a significantly better work experience (figure I-1).

### FIGURE I-1

# High awareness, wisdom, and compassion create a great work experience



**THE AI-AUGMENTED LEADER** develops the three core human qualities of awareness, wisdom, and compassion and embraces the best of both human and AI capabilities. Figure I-2 shows the complementary qualities of human and AI.



The AI-augmented Leader Rasmus Hougaard & Jacqueline Carter

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

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

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

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Our research book looked closely at both human and machine capabilities and leaders' ability to leverage the best of human and AI capabilities. In sum, leaders with high awareness, wisdom, and compassion are far readier to become AI-augmented leaders than those lacking these qualities. These leaders are better at employing their human strength in both providing context and identifying AI content relevant to current goals. They are excellent at both asking insightful questions and discerning the useful answers provided by AI. And they are masters at both leading with their heart and using insights from AI algorithms.

They are ripe for the exponential growth possibilities of the human-AI positive feedback loop. In short, leaders with high awareness, wisdom, and compassion are perfectly suited for stepping into the future by leveraging both the powers of AI and their own human qualities.

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# Info

How the Power of Ai Can Transform the Way You Lead

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### ABOUT THE AUTHOR

Rasmus Hougaard is the founder and managing partner of Potential Project. In 2019 he was nominated by Thinkers50 as one of the eight most important leadership thinkers in the world. He writes for *Harvard Business Review, Forbes, Fast Company,* and *Fortune* and is the coauthor, with Jacqueline Carter, of *Compassionate Leadership* and *The Mind of the Leader*.

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