



CORPORATE PERFORMANCE IMPROVEMENT

The AI-Powered Workforce: Preparing Your Business and People

As artificial intelligence (AI) rewrites the rules of work, forward-thinking organizations aren't just adopting new tools, they're reimagining their people strategies from the ground up. Here's your roadmap to creating an AI-ready workforce that thrives rather than survives.

AI Isn't Just a Technological Shift. It's a New Era for Talent and How we Work

The numbers tell a compelling story: Global investment in AI is projected to hit \$632 billion by 2028.¹ Yet, while 96 percent of C-suite executives expect AI to boost productivity, 77 percent of employees report the opposite — more work, more friction and fewer gains.² Even more concerning, 65 percent of workers fear AI will make their jobs obsolete.³

This disconnect is real — and growing.

More than 80 percent of AI projects fail, nearly twice the rate of other IT initiatives.⁴ Brad Hullsiek from A&M's Talent, Organization and People Solutions called out, "The issue isn't the technology itself, but the lack of people readiness. Skill gaps, cultural resistance, misaligned leadership and poor change management are the primary culprits."

Adam Malamut, a colleague of Hullsiek's, shares the hard truth: "AI isn't just a technology transformation; it's a paradigm shift in workforce development. Success will depend on how proactively organizations prepare and transform their people."



AI's Next Phase: From Tool to Teammate

Over the past decade, AI has evolved from a back-office analytics engine to a generative force reshaping workflows, decision-making and culture.



Machine Learning

Systems that learn from data patterns to make predictions or decisions without explicit programming



Deep Learning

Advanced neural networks capable of processing complex data like images, speech, and text



Generative AI

Systems that create new content such as text, images, and code based on patterns in data



Agentic AI

Independent AI systems that can plan, execute tasks, and make decisions with minimal human supervision

Today, we're entering the era of **Agentic AI** — systems that can act autonomously, navigate messy datasets, automate complex task sequences, and collaborate with humans in real time.

Agentic AI offers the potential to:

- Automate routine, repetitive tasks across job functions
- Provide real-time insights for strategic decision-making
- Orchestrate multi-step workflows
- Guide skill development through personalized learning
- Enable new embedded roles/careers across HR, Sales, Legal, Finance and beyond

As AI becomes more autonomous, the real question becomes not what it can do, but how humans and machines will meaningfully work together.

Introducing Harmonic AI

To unlock AI's full potential, organizations must move beyond IT-led technology implementations aimed purely at cost efficiency goals. Enter **Harmonic AI** — a strategic design and implementation approach that positions AI beyond technology as a multiplier of human capacity, not a replacement. This framework reimagines the future of work around co-creation, where human ingenuity and machine intelligence operate in sync.

Harmonic AI helps organizations de-risk technology investments by addressing the human side of adoption, building trust, skills, collaboration and cultural adaptability.

In our experience, leading companies are now embedding Harmonic AI into HR, operations and growth strategies, not as a back-end system but as a foundation for reimagining how teams innovate, adapt and perform.

Case in Point: Unilever's AI-Powered Talent Transformation



Unilever is reimagining workforce development with AI by aligning individual growth with business priorities:⁵

- **Future-Fit Plan:** Personalized learning journeys delivered via Degreed guide employees in building skills for current and future roles. In 2022 alone, the platform saw over 2.4 million engagements.
- **FLEX Experiences:** An internal AI-powered talent marketplace (built with Gloat) matches employees with projects based on skills and aspirations — unlocking over 700,000 hours of productivity and boosting internal mobility by 40 percent.
- **Leadership Development:** AI-driven analytics tailor leadership paths by identifying high-potential talent and personalizing development plans — raising leadership satisfaction by 30 percent.

The Result: A more agile, empowered workforce with a 41 percent lift in productivity and a stronger pipeline of future-ready leaders.⁶





Laying the Workforce Foundation for Success

Successfully using this Harmonic AI approach builds on four integrated capabilities that align people, processes and platforms around a shared vision of human-machine collaboration.

1. Strategy: Alignment and Governance

Organizations need a cross-functional discipline to ensure that AI initiatives align with business value, ethics and responsible use. This includes clearly defining what AI is implemented, why and by whom.

AI now touches every part of the enterprise, carrying strategic, reputational and workforce risks. Governance can no longer be siloed; it must embed trust into every AI decision.

Malamut's Tips for Success:

- Create an AI Governance Council with representatives from across the business
- Codify a Harmonic AI charter emphasizing transparency, fairness and the development of employee capability and increased capacity
- Track AI's impact like a business portfolio, measuring not just ROI, but also adoption and trust

2. Ways of Working: Human-AI Collaboration by Design

Organizations must redesign workflows and decision-making structures to enable meaningful co-creation between humans and AI.

The rise of agentic and generative AI accelerates strategic insight, enables asynchronous work and redefines team collaboration. AI tools are becoming integrated team members, not just assistants. This demands new models of accountability, quality control and cross-functional teaming.

Malamut's Tips for Success:

- Redesign workflows with clear roles for humans and AI
- Implement human-in-the-loop guardrails in high-stakes use cases
- Pilot new job models to optimize collaboration and uncover friction points
- Build governance into workflow designs; embed AI product managers, workflow architects, and governance leads into functional and operational teams
- Evolve quality control systems to validate AI-generated outputs for fairness, accuracy and strategic relevance.

Case in Point: Morgan Stanley's Human-in-the-Loop AI Assistant⁷

Putting humans in command of AI-enabled decision support

To enhance productivity and insight generation across its advisory workforce, Morgan Stanley has implemented a suite of proprietary AI tools powered by OpenAI's GPT-4, including the Morgan Stanley Assistant and Debrief systems. These tools help financial advisors retrieve knowledge from tens of thousands of internal documents and generate concise meeting summaries.

But unlike fully autonomous systems, Morgan Stanley's approach centers on a **human-in-the-loop model**. Advisors remain responsible for verifying AI-generated insights and summaries, ensuring quality, accountability and regulatory compliance.

This human-AI collaboration framework is supported by rigorous training programs for leadership and front-line staff alike, designed to foster trust and proper use of generative models in client-facing contexts.

"The assistant is like a copilot for the advisor," explains Jeff McMillan, head of Analytics, Data & Innovation at Morgan Stanley Wealth Management. "It helps them be more efficient and informed, but the advisor is always in control."

Morgan Stanley's deployment illustrates how AI can **augment, not replace, human expertise** in high-stakes industries by combining machine precision with human judgment.





3. Skill Uplift: Building AI-Ready Talent

Workforce AI skills of the future are evolving and broadening rapidly. AI readiness is no longer optional and no longer exclusive to engineers. It must extend across the enterprise. Employees in HR, Marketing, Finance, Legal and Operations need to be equipped to interact with, guide development and adoption, and benefit from AI.

Forward-looking organizations are adopting frameworks to prioritize investments in the right skills by role, based upon potential business value, while also considering services that can be outsourced.

Hullsiek's Tips for Success:

- Upskill managers to lead AI-integrated teams with confidence
- Redefine roles and job descriptions as AI-augmented
- Focus on future state outcomes (vs. trying to retrofit AI power into existing processes) and build from there
- Embed AI into the full talent lifecycle — from hiring and learning journeys to performance goals and recognition
- Segment your workforce by AI exposure — e.g., creators, integrators, interpreters, beneficiaries — and align enablement accordingly

Tier	Skill Area	Description
1	AI Strategy and Governance	Lead enterprise AI vision, governance and risk frameworks
1	Responsible AI Oversight	Ensure compliance, fairness and transparency
2	AI-Enhanced Human Leadership	Redesign org models and culture for AI collaboration
2	Reskilling and L&D Design	Create adaptive upskilling strategies for AI-enhanced roles
2	AI Fluency for Leaders	Equip managers to make and support AI-informed decisions
3	AI Product Management	Manage the AI solution lifecycle
3	AI Modeling and Prompting	Build and refine mathematical models, data pipelines and prompts
3	Platform Proficiency	Operate and maintain enterprise AI applications and infrastructure
4	AI Ops Support	Maintain tools and user access
4	Data Hygiene and Management	Clean and structure data for AI use

- Strategic and Ethical Leadership
- Organizational and Human Capital Transformation

- Technical Execution and AI Enablement
- Scalable, Supportive Operations



Strategic spark: Segmenting Your Workforce for AI Enablement



One-size-fits-all AI training doesn't work.

To accelerate adoption and impact, organizations must segment their workforce based on how employees engage with AI — and tailor enablement strategies accordingly.

Segment 1: Creators

These are your AI builders — data scientists, engineers and prompt architects — responsible for designing, fine-tuning and maintaining AI systems.

Enablement focus: Deep technical training, ethical frameworks and rapid experimentation environments.

Segment 2: Integrators

Business leaders, product owners and process experts who embed AI into workflows and team structures.

Enablement focus: AI fluency, cross-functional collaboration and agile operating models.

Segment 3: Interpreters

Analysts, strategists and middle managers who translate AI outputs into decisions, insights and actions.

Enablement focus: Decision intelligence, bias mitigation and storytelling with data.

Segment 4: Beneficiaries

Frontline workers, coordinators and support staff whose tasks are augmented by AI tools and assistants.

Enablement focus: Tool-specific training, change comfort and digital confidence.

Why it matters:

Segment-based enablement accelerates trust, adoption and impact — ensuring each employee is equipped to thrive in an AI-enhanced workplace.

4. Change Activation: Shifting Culture at Scale

Communicating AI's role as a growth catalyst and not just a cost-cutter is essential. Successful change activation requires more than messaging; it requires trust, transparency and a shared sense of ownership.

This cultural shift cannot be led by executives alone. All employees, especially those most impacted, must help shape the transformation.

Our shared learning:

- Position AI as a driver of human potential, not a threat
- Involve employees early in redesigning AI-integrated roles and workflows
- Normalize experimentation; support AI incubators, pilots, prototypes and learning loops
- Embed AI into the corporate narrative from the CEO to the front line

The Competitive Advantage of Getting This Right

Organizations that treat workforce transformation as a strategic priority, not as a side effect of tech deployment, are already outperforming their peers in productivity gains by two to three times.⁸ The emerging success formula is clear: For every dollar spent on AI, invest another in the humans who will use it.

The workforce isn't just along for the ride. Rather, it is the lever that determines whether you accelerate or stall.

Now What?

It's time to assess your readiness — not just technically, but culturally and organizationally:

Quick Check: Is Your Workforce Ready for AI?

- Do employees understand AI's role in their work?
- Are reskilling pathways defined for AI-impacted roles?
- Are AI responsibilities reflected in updated job descriptions?
- Is there a cross-functional AI governance structure?
- Are employees involved in shaping AI-integrated workflows?

If you answered “no” to more than two, it's time to prioritize workforce transformation.

Start by:

1. Conducting a thorough workforce AI readiness assessment
2. Identifying skill gaps and reskilling priorities
3. Launching change activation campaigns
4. Aligning business, HR and tech leaders around a shared roadmap

These are complex steps, but you don't have to navigate them alone. Alvarez & Marsal helps organizations to accelerate workforce readiness, turning your transformation into a strategic advantage.

Let's start the conversation about how you can build a workforce prepared for what's next.

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