

# THE AI-POWERED WORKFORCE: A CEO'S ROADMAP TO COMPETITIVE ADVANTAGE

Six Actions to Prepare  
for the New Era of Work



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**S**everal factors determine successful implementation of artificial intelligence (AI) across the enterprise, and it's critical for a business to formulate a clear AI strategy to ensure that their workforce can deliver sustained value from AI implementation.

Before the workforce adopts AI, they need to understand its benefits, trust how it's implemented and used, and receive the training and support to leverage it in the most efficient and productive manner. In this article, we focus on the near-term impact of generative AI (GenAI) on the corporate learning and development (L&D) function and provide six actions that senior executives should consider as they prepare their organizations for human-machine collaboration and job augmentation with GenAI.

**PWC forecasts** that AI will add nearly \$16 trillion to global economic output by 2030. And according to the **World Economic Forum's latest Future of Jobs survey**, 39% of the workforce's skills will be transformed or become outdated from 2025-2030. This skill instability brings a daunting paradox to companies: How can they maximize value from investment in AI while simultaneously preparing their workforce to execute the strategies that result from that investment?

Companies must strengthen their data systems and processes, develop workforce capability, and establish clear AI guardrails—all before implementation begins. Organizations that invest thoughtfully across these areas will be better positioned to realize AI's long-term potential. The strategic importance of proactively developing workforce capability to maximize value from AI can't be underestimated. By harmonizing implementation of both smart technology decisions and strategic workforce skilling and development, companies will accelerate their long-term impact with AI and grow business value.

Contrary to the many comparisons made with other disruptive technological innovations, AI is a workplace transformation rather than a technological transformation. Although still in its infancy, AI is the new productivity force that will fuel competitive advantage for the next decade, while bringing a complete overhaul of how work gets done. The first step is to recognize that the L&D function must become a key component in the overall business strategy and needs to evolve its operating model.

*Corporate L&D is a critical component in ensuring a substantial return on AI investments.*



Why does this matter now? From the perspective of work, the sheer power and promise of AI offers a transformative opportunity, moving from a landscape of manual processes and skill gaps to an era of enhanced productivity, innovation, and growth. However, with this transformation comes the responsibility to manage the workforce transition. As companies integrate AI and automation, they must focus not only on the efficiencies gained but also on repurposing talent and existing expertise. This requires a proactive approach to ensuring that workers are skilled for new roles within the organization or supported in their transition to external opportunities.

In no other era in modern history have companies faced the challenge of simultaneously blending smart technology investments with broad new skilling of their workforce. This means that L&D can't exist in an operational silo; it must be woven into the fabric of the business. It's not just about updating skills, it's about determining how humans and AI effectively work together.

*In no other era have companies faced the challenge of blending smart technology investments with broad workforce skilling.*

## **We've identified six strategic actions that executive teams should take to prepare L&D for the age of AI.**

These actions help ensure organizations are ready as AI ushers in a new era of work:

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**Action One:** Transform AI Understanding into Strategic AI Literacy and Governance

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**Action Two:** Integrate Fragmented Training into a Cohesive AI and Workforce Development Approach

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**Action Three:** Align Training Solutions with Business Development Strategy

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**Action Four:** Consolidate Scattered AI Initiatives under Strategic Alignment and Governance

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**Action Five:** Enhance Traditional Training through Augmented Performance Support

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**Action Six:** Distribute Centralized Control to Enable Departmental Learning Autonomy

# Transform AI Understanding into Strategic AI Literacy and Governance

Navigating the ongoing transformation of tools, roles, and work processes remains a central challenge. AI tools are continuously evolving, and the skills required to use them are in constant flux. L&D plays a crucial role in establishing governance structures and ensuring AI literacy becomes a fundamental component of workforce development.

AI literacy is the foundation for responsible AI adoption. It equips employees with the knowledge to understand AI fundamentals, recognize and mitigate risks like bias and privacy issues, and apply organizational policies and ethical guidelines. Without literacy, even well-intentioned employees can expose their organizations to unnecessary risks. A misplaced reliance on AI outputs, a misunderstanding of privacy settings, or an inability to spot bias can lead to breaches of trust.

By making AI literacy an essential part of training, L&D can ensure all employees are equipped to navigate AI responsibly.

## Action One

As employees become AI-literate, L&D should cultivate AI fluency, the ability to leverage AI to innovate and solve problems. Fluency transforms employees from merely being established and effective users of AI to exploring new ways of utilizing these tools, and ultimately innovating. AI-fluent employees are empowered to experiment with AI tools, find innovative ways to integrate them into workflows, and align their efforts with organizational goals. L&D should provide opportunities for hands-on learning, encourage cross-functional collaboration between AI experts and business teams, and position fluency as a leadership competency.

The journey from AI literacy to AI fluency is a critical one that organizations must navigate to fully harness the potential of AI. It requires a structured approach from L&D, one that establishes a strong foundation of responsible AI use through literacy, and then systematically cultivates the skills and mindset needed for fluency.

With this two-pronged approach to AI skills development, organizations can not only mitigate the risks of AI adoption, but truly optimize its benefits.

# Integrate Fragmented Training into a Cohesive AI and Workforce Development Approach

The imperative for integrating AI with workforce capability building cannot be overstated, and to be clear, a series of AI use cases alone does not constitute an enterprise AI strategy. Companies should ensure that technological investments are directly paired with efforts to build workforce capabilities, enabling the workforce to effectively utilize AI tools and strategies.

Consider a company that invests heavily in AI tools without a parallel investment in workforce capability building. This fragmentation results in inefficiencies and possibly employee resistance. Integrating effective change management alongside workforce development with technology adoption leads to smoother transitions, greater AI tool acceptance, and more sustained value. One of GenAI's strengths is to increase worker productivity and efficiency through freeing up time spent on lower-value tasks so the worker can focus on higher value-added activities. However, to fully realize this potential, employees need two key competencies: AI literacy, the ability to use AI responsibly and mitigate risks; and AI fluency, the capacity to experiment with AI and to start leveraging it to innovate and solve problems. L&D plays a critical role in developing both.

# Align Training Solutions with Business Development Strategy

Traditionally, L&D has been responsible for unleashing strategic capability across the enterprise. With AI's rapid evolution, L&D is uniquely positioned to drive business performance by simultaneously addressing both immediate and future capability needs. This goes far beyond traditional training programs, as this is about directly impacting business outcomes through a combination of performance support and strategic talent development.

A dual revolution in AI adoption makes this especially critical: from the top, organizations are implementing strategic vision and governance, while from the bottom, AI-literate employees are discovering innovative applications in their daily work. L&D serves as the crucial bridge between these forces, translating strategic vision into practical capability while elevating ground-level innovation into enterprise-wide value. This dynamic environment demands that L&D evolve from managing training programs to orchestrating continuous performance improvement. By aligning performance support with strategic upskilling and reskilling initiatives, L&D becomes a key driver of both current productivity and future capability. This transformation positions L&D as an essential business function that directly impacts operational excellence while building the workforce capabilities needed for sustained success in the AI era.

# Consolidate Scattered AI Initiatives under Strategic Alignment and Governance

AI's rapid adoption is outpacing the establishment of effective governance structures, leading to a proliferation of scattered initiatives that may not align with the organization's overarching strategy. To realize the full potential of AI, companies need to shift from this fragmented approach to one characterized by strong strategic alignment and robust governance.

Effective governance and oversight are essential to ensuring that AI efforts across the organization are coordinated, strategically aligned, and ethically sound. This involves establishing clear decision-making protocols, defining roles and responsibilities, and implementing mechanisms for monitoring and control.

A key aspect of this action is the strategic management of AI use cases. Each AI initiative should be rigorously evaluated to ensure it aligns with and contributes to the organization's strategic objectives.

## Action Four

As training is key here, this requires close collaboration between L&D and business units to identify, develop, and implement AI use cases that drive business value. Without this strategic alignment and governance, organizations risk wasting resources on duplicative or misaligned efforts, inconsistent application of AI technologies, and potential ethical or reputational hazards. To make this shift, L&D has the opportunity to:

- Partner across business functions to establish AI governance structures and processes
- Develop criteria and workflows for evaluating the strategic fit and value of proposed AI use cases
- Provide training on AI governance, ethics and compliance to all involved in AI initiatives
- Monitor AI initiatives post-implementation to ensure ongoing strategic alignment and identify lessons learned

# Enhance Traditional Training through Augmented Performance Support

The shift from traditional training to augmented performance support is becoming increasingly important as AI-driven workflows demand real-time, contextual assistance in the flow of the work. L&D has the opportunity to integrate augmented support as a core component of the learning experience.

AI can be integrated into support systems to provide real-time assistance to employees as they interact with new technologies. For example, in call centers, AI-driven systems analyze conversations in real time, offering suggestions to agents on handling queries more effectively, improving performance, and reducing overall time to proficiency. To foster a culture that embraces augmented support, L&D should focus on metrics or KPIs that measure AI's effectiveness in enhancing performance support.

# Distribute Centralized Control to Enable Departmental Learning Autonomy

As AI transforms the workplace, there is a growing argument for decentralizing certain L&D functions to give departments more autonomy. For example, sales teams might take ownership of their training needs, particularly for highly specialized areas like sales AI tools. However, this decentralization must be balanced with a cohesive central strategy that ensures alignment with broader organizational goals.

A concrete example could be an organization where sales and manufacturing have distinct AI-driven needs — each requires specific tools and training programs, but these efforts must align with the company's overall L&D operating model to ensure cohesion and quality. To mitigate challenges, L&D should establish clear guidelines for decentralized initiatives to align with the company's objectives.

# A Foundation for Transforming L&D

These six strategic actions provide the foundation for transforming L&D in the age of AI. Implementing them demands a fundamental shift in how organizations view both L&D and AI itself. In a world where AI and automation are transforming every aspect of business, L&D's role should be reconsidered, rethought, and re-architected to more effectively guide organizations through this workplace transformation.

A critical nuance over the next several years will require L&D to focus deeply on human-specific skills. Clear communication, critical thinking, and problem-solving will become the primary skills that humans use to interact with AI in the flow of the work.

Currently, AI serves as a tool for people to solve problems and augment their intelligence, but AI is not just a tool, it's also a skill. The paradigm shift we're experiencing is moving people away from a tools focus in the work to a skills focus where they work directly with AI. People need new skills to effectively utilize AI models to solve problems.

As AI matures, it will take over routine tasks and even create its own tools to get work done as it becomes our coworker rather than our assistant. People will need to focus more on developing deep, specialized knowledge in their fields. We see this happening in software coding now with more than half of all code submitted to GitHub last year being written by AI.

*The paradigm shift is moving people away from a tools focus in the work to a skills focus working with AI.*

As L&D departments lead their companies toward skills-powered development, they must bridge two worlds, developing human talent through thoughtful AI integration to help organizations thrive both today and tomorrow. The re-architected role of L&D places them in a unique position to drive organizational transformation in our new AI-enabled world of work. Learning leadership must be elevated to the highest organizational level, recognizing performance support as a strategic priority. Here's how organizations can strengthen L&D's impact:

- **Prioritize AI literacy development** across all employee levels
- **Position L&D as an integral voice** in business planning and workforce strategy discussions
- **Build enterprise-wide partnerships** to create a data ecosystem that captures skills development, learning progress, and business outcomes
- **Establish L&D as a strategic partner** in shaping the organization's transition to an AI-augmented workforce where humans and intelligent systems collaborate effectively

In six subsequent articles, we will dive deep into each of the recommended strategic actions we have outlined to provide an actionable playbook for you to customize to your specific context and begin transitioning your function for our AI present and future.

The question for every organization is: “How will you ensure your workforce is not just prepared for, but thriving, in the AI-driven future?” Companies must urgently recalibrate their L&D functions as AI significantly reshapes the workplace and redefines the very meaning of work itself. These six strategic actions provide the foundation for this transformation, enabling organizations to shift from traditional training to augmented performance support where AI literacy and fluency become core competencies.

The future of work relies on collaboration between humans and AI, and those who embrace this transformation will unlock unprecedented business value. Now is the time for decisive action.

**How will you help your organization succeed in this new era of work?**



# Beyond AI Understanding: Building Strategic Literacy and Dynamic Governance

When AI tools are integrated across an organization without strategic direction, two opposing scenarios quickly emerge. In one, well-intentioned employees inadvertently create compliance risks, share sensitive data, or make decisions based on flawed AI outputs. In the other, teams leverage AI tools with confidence and precision, accelerating innovation while maintaining appropriate safeguards. The difference isn't the technology, it's the foundation of AI literacy and governance that enables responsible innovation. Today's enterprises face an urgent challenge: building AI capabilities that drive competitive advantage while managing unprecedented risks.

Industry research, in this case from BCG, reveals that 70% of AI implementation challenges relate to people and processes, not technology or algorithms. Yet only 4% of companies have developed AI capabilities that are generating business value. As generative AI tools become increasingly accessible, the greatest threat isn't malicious actors but enthusiastic early adopters operating without adequate knowledge or guardrails. This reality elevates strategic AI literacy and governance from optional considerations to essential business priorities.

## Action 1

*As generative AI tools become increasingly accessible, the greatest threat isn't malicious actors but enthusiastic early adopters operating without adequate knowledge or guardrails.*

### **BUILDING AI LITERACY, FLUENCY, AND GOVERNANCE**

A robust foundation for AI success requires that organizations simultaneously develop core competencies and clear oversight structures. AI literacy equips employees with the essential knowledge to interact safely with AI, while AI fluency empowers them to innovate and integrate these tools into strategic processes. Together, a strong AI governance framework ensures that these capabilities are applied responsibly and effectively.

#### **AI LITERACY – THE ESSENTIAL FOUNDATION**

AI literacy and AI fluency represent distinct yet connected competency levels that organizations must cultivate across their workforce.

- **Understand AI Fundamentals.** Grasp the basic principles behind how AI processes information.
- **Recognize Risks.** Identify issues such as algorithmic bias, hallucinations, and data privacy concerns.
- **Apply Policies.** Operate within the established ethical and regulatory guidelines of the organization.

## Action 1

### AI FLUENCY – FROM USE TO INNOVATION

Building on literacy foundations, AI fluency enables employees to move beyond basic usage toward creative application and strategic innovation in their domains.

- **Initiate Process Improvements.** Use AI to drive efficiency and enhance operations.
- **Articulate AI's Role.** Clearly explain both the benefits and limitations of AI solutions.
- **Challenge and Adapt.** Confidently question AI outputs to optimize decision-making.
- **Innovate.** Develop novel applications that go beyond standard use cases and align with strategic goals.

### INTEGRATING GOVERNANCE

Effective governance creates the necessary guardrails for both literacy and fluency. By establishing clear decision rights, systematic risk assessments, and continuous monitoring, governance frameworks:

- Ensure that knowledgeable employees work within defined boundaries.
- Prevent the misuse of AI by providing consistent, actionable guidelines.
- Enable responsible experimentation and innovation by balancing structure with flexibility.

## Action 1

Together, these integrated elements enable organizations to move from basic AI understanding to strategic innovation while safeguarding against risks. This cohesive approach forms the cornerstone of a successful AI-driven transformation. Building on these guiding principles, the following framework details the specific structures and processes that transform these concepts into actionable governance practices.

### **DETAILED GOVERNANCE FRAMEWORK**

Effective AI governance provides the guardrails within which innovation can safely occur. Rather than restricting creativity, well-designed governance enables responsible experimentation by clarifying boundaries and expectations.

Three key components of an effective AI governance framework include:

**1. Decision Rights and Accountability.** Establish clear roles for who can approve AI implementations under different conditions.

This includes defining:

- a. What constitutes high, medium, and low-risk AI applications
- b. Required approvals at each risk level
- c. Documentation requirements that scale with risk level

**2. Risk Assessment Protocols.** Develop systematic approaches for evaluating AI implementation risks across multiple dimensions:

- a. Technical risks (data quality, model drift, security vulnerabilities)
- b. Operational risks (process disruptions, decision errors)
- c. Reputational risks (public perception, stakeholder concerns)

## Action 1

- 3. Monitoring and Feedback Mechanisms.** Create closed-loop systems that enable:
- a. Regular audits for bias detection, hallucinations and faults
  - b. Performance evaluation against established metrics
  - c. Continuous improvement based on user feedback

As organizational AI maturity grows, governance evolves from prescriptive rules toward adaptive frameworks that empower employees to make responsible decisions within established parameters.

This maturity journey typically progresses through three distinct phases:

- 1. Establishing centralized governance with clear rules and approval processes.** This initial phase emphasizes risk mitigation and basic AI literacy development, creating the guardrails needed when collective understanding remains limited. Decision rights typically remain concentrated among a small group of leaders and specialists who evaluate proposed AI applications against established criteria.
- 2. Moving into controlled expansion.** This hybrid governance approach introduces domain-specific guidelines and grants increased team autonomy while maintaining centralized oversight for higher-risk applications. This middle phase focuses on developing both literacy across the broader workforce and fluency among key practitioners.

**3. Shifting toward distributed intelligence frameworks.** These adaptive approaches rely on principles-based guidance rather than prescriptive rules, allowing fluent teams to operate within broadly defined guardrails. Decision rights expand significantly, with centralized governance focusing primarily on cross-functional coordination and strategic alignment rather than tactical approvals.

Global regulatory fragmentation adds an additional governance challenge. With different approaches emerging in the EU, China, and the US, organizations must navigate inconsistent requirements across regions. Effective governance frameworks address this by establishing baseline standards that meet the most stringent requirements while maintaining flexibility for regional variations.

This enables consistent operations while acknowledging local regulatory contexts, a critical consideration as governance models mature.

*Rather than viewing governance as a static structure, successful organizations treat it as a dynamic capability that evolves with their AI maturity.*

## Action 1

This evolution requires organizations to gradually shift oversight responsibility from centralized committees to empowered teams with clear guidelines, adapting governance approaches as collective literacy and fluency deepen. Rather than viewing governance as a static structure, successful organizations treat it as a dynamic capability that evolves with their AI maturity.

### L&D'S DUAL ROLE IN IMPLEMENTATION

L&D professionals face a unique opportunity to simultaneously develop AI programs and participate in governance structures. This dual role enables them to ensure training reflects governance requirements while providing governance teams with practical insights from the learning environment. Effective approaches for building literacy programs include:

- **Risk-Based Prioritization.** Conduct an AI risk audit to identify high-priority gaps and focus initial training accordingly.
- **Role-Specific Learning Paths.** Tailor content based on how employees interact with AI in their specific functions.
- **Simulation-Based Learning.** Create safe environments for employees to experience consequences without real-world risks.

To accelerate the literacy to fluency journey, L&D should:

- **Embed hands-on learning opportunities** into daily workflows.
- **Create communities of practice** where employees share AI applications and insights.
- **Recognize and reward thoughtful experimentation**, including valuable lessons from failures.

## Action 1

Measuring progress demands sophisticated metrics that go beyond simple training completion rates. Effective assessment of AI literacy and fluency requires evaluating actual capability development rather than participation. Consider implementing skills assessments that challenge employees with realistic scenarios, measuring how they navigate AI ethical dilemmas and apply appropriate judgment. Assessments should establish progressive benchmarks that track the journey from basic literacy to advanced fluency, recognizing that development occurs along a continuum rather than through binary achievement.

This evaluation approach becomes more powerful when integrated with an understanding of emerging AI roles within the organization. We've identified four distinct AI personas that naturally develop as organizations mature in their AI adoption:

- 1. AI Leaders** who set strategic direction.
- 2. AI Users** who apply tools in daily work.
- 3. AI Experts** who design and implement systems.
- 4. AI Facilitators** who bridge technical capabilities with business needs.

Tracking how these personas emerge and collaborate within teams provides valuable insight into organizational AI maturity.

Particularly important is monitoring how basic AI Users develop into AI Facilitators who can drive adoption and innovation among their peers.

## Action 1

Value creation metrics complete this measurement framework by connecting capability development to business outcomes. Tracking implementation rates of employee-initiated AI applications, measuring business improvements from AI-enhanced processes, and documenting success stories that demonstrate tangible benefits all help justify continued investment in literacy and governance initiatives.

This comprehensive approach recognizes two distinct but complementary skill categories:

- 1. Foundational AI Literacy** provides durable knowledge about capabilities, limitations, and ethics that remains valuable regardless of specific tools or applications.
- 2. Business-aligned skills** represent the specialized expertise tied directly to organizational goals and domain-specific challenges.

Together, these skill categories enable organizations to build capabilities that drive immediate value while establishing the adaptability needed for long-term success.

Now that the strategic pillars of AI literacy, fluency, and governance are clearly defined, let's shift our focus to concrete steps for executives to put these principles into practice

### NEXT STEPS FOR EXECUTIVES

To transform AI understanding into strategic literacy and governance, executives should take five concrete actions:

- 1. Designate clear ownership for AI literacy and governance, ideally at the executive level.** This accountability ensures these critical areas receive appropriate attention and resources rather than becoming secondary considerations.
- 2. Conduct a capability assessment to evaluate current literacy levels and governance gaps before investing in solutions.** This baseline understanding prevents wasted resources and ensures initiatives address actual needs rather than assumed deficiencies.
- 3. Prioritize high-risk areas by focusing initial efforts on functions handling sensitive data or making critical decisions.** This targeted approach delivers immediate risk reduction while demonstrating value to the broader organization.
- 4. Model behavior and mindsets by demonstrating personal commitment to AI literacy development.** When executives visibly engage with learning initiatives, they signal the importance of these capabilities to the entire organization.
- 5. Establish cross-functional governance that spans technical, operational, and risk management functions.** This integrated approach ensures comprehensive oversight while preventing governance from becoming siloed within IT or compliance functions.

## Action 1

When implementing these actions, avoid treating AI literacy as a one-time training event rather than an ongoing capability. Similarly, guard against creating governance structures that impede innovation rather than enabling it within appropriate boundaries. Perhaps most importantly, maintain flexibility in your approach, recognizing that both literacy requirements and governance needs will evolve as AI capabilities advance.

### **Building the Foundation for Future Success**

AI literacy and governance provide the critical foundation upon which all other AI initiatives must build. Without this foundation, organizations risk both missed opportunities and potential harm.

***In our next article,** we'll explore how to integrate fragmented training into a cohesive AI and workforce development approach, building upon the literacy and governance foundation established here. We'll examine how organizations can scale capabilities responsibly across functions and levels once this critical foundation is in place.*

*The journey to AI literacy and fluency within a robust governance framework isn't really an option. It is the prerequisite for success in the AI era. As AI continues transforming workplaces, organizations that invest in this foundation will find themselves not merely adopting AI but leading with it, creating competitive advantage through both responsible governance and empowered innovation.*

# Integrate Fragmented Training into a Cohesive AI and Workforce Development Approach

This article explores our second action, “Integrate Fragmented Training into a Cohesive AI and Workforce Development Approach” and examines three essential components for successful implementation:

- The shift from Scalable Efficiency to Scalable Learning
- The need for a continuous approach to change management
- The strategic implementation of Capability Academies

Corporate efforts to rewire L&D operations towards skills-forward development and workforce growth have faced challenges, including insufficient data infrastructure, outdated HR technology, and a lack of resources in data science, analytics, and AI within HR and L&D functions. This fragmentation in capability and resources has made it difficult for HR and L&D to formulate actionable strategies to support much needed AI transformation. As a result, they struggle to accelerate workforce capability as advanced intelligence is being integrated into the workplace. The risk of slow, deficient, or stalled workforce development will lead companies to fall short in their ability to remain competitive as AI-related improvements continue to outpace L&D’s current operating model.

## Action 2

### MOVING FROM SCALABLE EFFICIENCY TO SCALABLE LEARNING

The digital transformation of the past three decades enabled the rapid incorporation of advanced intelligence into the workplace. This accelerated a significant shift away from the manufacturing-era operating model of Scalable Efficiency, which focused on driving cost out and standardizing processes, toward a new operating model based on Scalable Learning, where adaptability, innovation, and personalization define success.

#### From Scalable Efficiency to Scalable Learning

<b>SCALABLE EFFICIENCY</b>	→	<b>SCALABLE LEARNING</b>
Focus on driving cost out of the business		Focus on how organizations learn faster at scale
Design for optimal productivity and standardization		Create infrastructure for new value creation
Tightly specified, routine tasks		Delegate efficiency to machines; keep human focus on creativity
Predictability valued over adaptability		Build systems where workers are motivated to learn
Knowledge as a static resource to be leveraged		Effectiveness as the primary human pursuit

Adapted from John Hagel, 2014

## Action 2

Scalable Efficiency thrived when competitive advantage came from optimizing production and minimizing costs. However, AI has changed the nature of work and is redefining competitive advantage – the core reason why moving to Scalable Learning is crucial.

With Scalable Learning, business combines the strengths of human intelligence and artificial intelligence (HI+AI) to fuel a profound change in how work gets done by:

- **Ensuring AI and automation take over routine tasks:**  
AI performs repetitive tasks with greater speed, accuracy, and cost-effectiveness than humans.
- **Strategically navigating rapid change and uncertainty:**  
The pace of technological change is accelerating, which means the workforce needs tools to constantly adapt to change.
- **Learning faster at scale:** The primary focus for humans is to continuously acquire new knowledge and capabilities.

Scalable Learning recognizes that in a world shaped by AI, the ability to learn, adapt, and innovate quickly and at scale will be the key differentiator for successful organizations.

*AI has changed the nature of work and is redefining competitive advantage – the core reason why moving to Scalable Learning is crucial.*

### **LEADING CONTINUOUS ADAPTATION**

AI implementation differs fundamentally from previous technological shifts. Historically, change management progressed linearly: innovations were introduced, integrated, and eventually stabilized into new operational norms. Established learning approaches demanded sequential development, progressing methodically alongside technological changes as they were implemented. In contrast, AI adoption unfolds rapidly and simultaneously across organizations, generating complex talent development challenges.

This necessitates a continuous evolution in change management, where human capability development must lead technological implementation. Adaptation becomes an ongoing process rather than a discrete event, requiring organizations and individuals to navigate a constant state of transformation. HR and L&D are uniquely positioned to collaborate on leading this company-wide evolution, ensuring a cohesive and strategically aligned transition.

Varied AI training throughout the organization can lead to misalignment, where strategic understanding differs from operational execution. This fragmentation substantially reduces the potential value of AI investments and has the potential to stall company efficiencies and success. Fragmentation can also create anxiety and fear across the workforce, as employees are prone to evaluate the impact of AI on their own jobs and future potential.

## Action 2

Successfully navigating AI integration also requires cultivating psychological safety throughout all organizational levels. Employees across the enterprise—from corporate offices to frontline operations—may experience apprehension or uncertainty about their professional futures, triggering subtle defensive responses. These manifestations of resistance frequently emerge not as overt opposition but as nuanced avoidance behaviors: redirecting AI-related responsibilities, preserving manual workflows, or establishing parallel processes that circumvent AI-augmented solutions. Recognizing and addressing these underlying concerns becomes essential for genuine adoption.

Forward-thinking organizations recognize that preserving and evolving the psychological contract requires transparent communication about how AI will transform roles, cross-functional involvement of employees in implementation decisions, and tangible commitment to reskilling pathways. Leaders who acknowledge the emotional component of AI adoption while simultaneously maintaining clarity about its strategic necessity create the psychological safety required for genuine experimentation and learning.

Building upon a foundation of psychological safety, organizations must actively cultivate change resilience. Change resilience refers to the capacity to navigate uncertainty, bounce back from challenges, and embrace continuous adaptation in a dynamic environment. Change resilience must now be a core element of organizational change processes.

## Action 2

Organizations that approach AI transformation through conventional change management frameworks today are invariably encountering resistance that transcends typical adoption barriers. In this dynamic landscape, developing human capability needs to precede and guide technological implementation, and will be continuous. Successful change management in the AI era requires organizations to reimagine the employee-technology relationship as a collaborative partnership rather than a sequential transition, where human judgment and AI capabilities mutually enhance each other's contributions to organizational value.

### **CAPABILITY ACADEMIES IN WORKFORCE DEVELOPMENT**

To support this continuous adaptation and build change resilience at scale, organizations require a structured approach that goes beyond traditional training initiatives. This is where capability academies emerge as a critical component of the Scalable Learning model. By creating focused learning ecosystems around business-critical capabilities, these academies provide the infrastructure needed to systematically develop the skills required in an AI-transformed workplace.

Unlike traditional training initiatives, capability academies deeply align with organizational goals and are often centered around functional areas of the business. They provide targeted learning experiences, tools, and resources to build a future-ready workforce that can execute on the rapidly changing work models brought about by AI and automation.

*Unlike traditional training initiatives, capability academies deeply align with organizational goals and are often centered around functional areas of the business.*

Capability academies emerged as a strategic evolution beyond conventional L&D methodologies, which historically struggled to cultivate deep organizational expertise and facilitate the accelerated skill development demanded by AI transformation.

These academies establish dynamic partnerships between L&D and core business functions, transcending the fragmented approaches that impede change resilience. By orchestrating talent development across the enterprise, capability academies create cohesive learning ecosystems that align precisely with strategic imperatives while fostering the continuous adaptation necessary in an AI-transformed workplace. This integrated model provides the infrastructure needed to systematically develop critical capabilities at scale.

Executives frequently view capability building through the lens of isolated initiatives such as training programs, experimental projects, and knowledge-sharing activities, failing to recognize their interconnected nature. In contrast, truly adaptive organizations cultivate these elements as an integrated system of continuous growth, a talent flywheel that generates accelerating momentum directly linked to business outcomes.

## Action 2

The strategic imperative now lies in harnessing capability academies to systematically develop the workforce across three essential skill clusters:

- 1. Human skills.** The ability to interact, work, or relate effectively with people and to motivate performance. These skills enable companies to direct the use of human potential in new ways driving better results. Examples of human skills include interpersonal communication, conflict resolution, and emotional intelligence.
- 2. Conceptual skills.** The ability to see an entire concept, analyze and diagnose a problem, and find creative solutions. These skills enable employees to effectively predict hurdles their department or the business may face. Examples of conceptual skills include strategic thinking, systems thinking, and creative problem solving.
- 3. Technical skills.** The knowledge and abilities required to perform specific tasks or duties in a particular field or industry. These skills are often related to the operation of machines, software, production tools, and pieces of equipment. Examples of technical skills include software proficiency, data storytelling, machine operation and maintenance, and fundamentals of programming and code.

### THE AI CAPABILITY ACADEMY: AN EXAMPLE

A rescope L&D function should work directly with senior leadership and the enterprise functions to realize the true value from AI implementation through the development of an AI capability academy. Most organizations are experiencing three distinct types of AI training fragmentation today:

- 1. Vertical Fragmentation.** Different levels of the organization receiving disconnected AI training, creating misalignment between executive understanding and frontline implementation.
- 2. Horizontal Fragmentation.** Functional departments developing incompatible AI training approaches, preventing cross-functional collaboration and knowledge transfer.
- 3. Technical Fragmentation.** Multiple AI tools requiring different training approaches without a unified competency framework, forcing employees to navigate contradictory mental models.

This fragmentation generates substantial business costs through reduced adoption rates, inconsistent application, compliance vulnerabilities, and diminished return on AI investments. Consider one global financial services organization where AI implementation teams across different business units independently created 17 separate training programs for generative AI.

Each program featured unique terminology, use cases, and governance frameworks. Employees working across multiple units encountered confusion, instead of building competence.

## Action 2

Successfully addressing fragmentation requires a comprehensive strategy that goes well beyond merely consolidating existing training programs. Organizations must fundamentally reimagine how their learning functions operate in relation to AI implementation.

### **ARCHITECTURAL MODELS FOR INTEGRATION SUCCESS**

Leading organizations have moved beyond fragmented approaches by implementing three key integration models into their AI capability academies:

- 1. Unified Knowledge Architecture.** Creating a single source of truth for AI competencies and use cases that spans organizational boundaries while allowing functional specialization.
- 2. Federated Governance.** Establishing clear decision rights for AI training that balance central coordination with functional autonomy, similar to the governance approaches outlined in our previous article.
- 3. Cross-Functional Learning Pathways.** Developing learning journeys that connect AI literacy foundations with function-specific applications and cross-functional collaboration scenarios.

### FROM FRAGMENTATION TO INTEGRATION

Transforming fragmented training into a cohesive capability academy for AI requires executives to prioritize four key actions:

- 1. Establish Clear Integration Ownership.** Designate accountability for training integration at the executive level, ideally as a formal expansion of the CLO role.
- 2. Conduct an Integration Audit and Capability Alignment Review.** Evaluate your organization's current training approaches to identify critical gaps and ensure alignment with business needs.
- 3. Develop Your Integration Roadmap.** Create a phased plan that addresses immediate fragmentation risks while building toward a sustainable integrated model.
- 4. Model Integration Behavior.** Demonstrate cross-functional collaboration in how the executive team itself adopts and applies AI tools.

### NEXT STEPS FOR EXECUTIVES

Rapidly implementing new work models and ways of working across the enterprise presents critical challenges for senior executives. To evolve L&D into a center of expertise that builds capabilities for a competitive edge, we recommend these three actions:

- 1. Address the systemic changes needed when outdated work models collide with new ways of working.** Balancing human intelligence and artificial intelligence (HI + AI) in work design should be the key priority.
- 2. Integrate continuous change management processes to facilitate a smooth transition for the workforce as you champion the adoption of AI-augmented workflows.** Acknowledge the emotional component of this adoption with transparency and ensure psychological safety to encourage genuine experimentation and learning.
- 3. Rescope L&D to focus on building enterprise-wide capability academies instead of individual training programs.** Enterprise L&D should first focus on the rapidly emerging areas where the business strategy calls for critical talent development needs. L&D operations will be able to access agentic systems to provide augmented performance support in the flow of the work, further removing itself from the need to constantly create task-based training programs and free itself to provide broad-scale talent development through capability academies.


## Action 2

**Our next article** will explore our third action, which provides methods for aligning these integrated learning approaches with business development strategy to generate measurable competitive advantage, including more detail on rearchitecting L&D to modernize and optimize its role across the enterprise.

# Aligning Capability Building With Business Strategy

AI is reshaping the foundation of organizational performance. As intelligent systems are embedded across business functions, the conditions for how work is defined, performed, and improved are changing rapidly. Decision velocity is increasing; execution windows are narrowing. Expectations for adaptability are rising across every level of the enterprise. Investment in AI systems is growing fast, yet what's often missing is the corresponding focus on execution readiness, on building the capability required to translate AI strategy into sustained, real-world impact. Without that focus, the promise of transformation remains theoretical.

*If your workforce  
can't execute the strategy,  
you don't have a strategy.*



Learning and development (L&D) sits at the intersection of business ambition and workforce capability. The opportunity is for L&D to become the function that operationalizes strategic change, by building targeted capabilities, driving alignment across systems, and enabling performance in motion. If your workforce can't execute the strategy, you don't have a strategy.

## Action 3

The CLO is increasingly responsible not just for developing workforce capability, but for executing business value: turning strategic priorities into defined capability mandates, designing infrastructure to support coordinated action, and enabling responsiveness in the face of continuous change. This article details how these shifts redefine L&D's scope and the requisite leadership mindset, and provides practical steps for executive teams to transform learning into a driver of enterprise value creation. The conditions for competitive advantage are being reset. Learning is now a performance system and the CLO is accountable for executing it.

### **THE CLO AS EXECUTION PARTNER, NOT PROGRAM OWNER**

L&D often remains structurally disconnected from the business, buried in HR, overly focused on transactional activity, and rarely expected to demonstrate enterprise value. This separation not only limits learning's impact but weakens the organization's ability to execute. In 1994, GE appointed Steve Kerr as the company's first Chief Learning Officer, reporting directly to then-CEO Jack Welch.

The move sent a clear signal: workforce capability was no longer a downstream concern. It was now a leadership priority. Kerr didn't develop a separate learning strategy; instead, he viewed learning as the primary mechanism for actually executing the business strategy. Learning was embedded within the business itself, shaping and supporting execution from within, not operating as a separate layer. Fast forward to today: while the CLO role exists in name across many enterprises, it often lacks structural power and strategic connection. Most CLOs sit several levels removed from the executive level. Many lead teams focused on delivering learning programs and managing logistics, rather than on driving strategic capability outcomes.

## Action 3

The result is often a function that runs efficiently, yet remains disconnected from value creation. This gap is not about individual performance; it's about design. When learning is structured as a service function, it's rarely positioned to influence how the business defines and deploys talent.

As AI is forcing companies to rethink how work is done, L&D must also be rethought. The CLO must be involved in decisions about growth, change and transformation, and be empowered to build the systems that deliver on those decisions. Workforce capability has become central to strategic delivery, and no longer treated as an outcome, but as an essential input. The CLO is uniquely positioned as the executive explicitly accountable for this critical dependency between strategy and workforce capability. It is time the role is returned to a modernized version of its original purpose as envisioned by Welch and Kerr.

### **FROM STRATEGY TO CAPABILITY MANDATES**

For L&D to play a meaningful role in executing business strategy, it must go far beyond functional training delivery. The CLO's expanded remit is to define and orchestrate the critical capabilities the business needs, and ensure the workforce can perform to that standard to deliver strategic outcomes. This begins with capability mandates. Where capability mandates define what execution demands, Capability Academies, which we introduced in Action 2, serve as the primary delivery engines for those mandates.

## Action 3

Mandates translate business strategy into target capability outcomes; academies operationalize those outcomes through structured development environments. Capability mandates are structured, forward-looking definitions of the specific skills, behaviors, knowledge, and systems required to deliver on a strategic priority. Working in concert, these mandates and the Capability Academies that operationalize them ensure that strategy is not only defined but also effectively executed through the workforce. They clarify what execution requires and anchor L&D's efforts to measurable business goals.

When the business commits to a new product line or a shift to more digital services, including automation and AI, the CLO should engage directly with business leadership to define the corresponding capability needs: What are the decision-making processes? What roles will change? Which technical proficiencies and behavioral shifts are required? What measurable performance shifts are required within the next 90 or 180 days to signal success?

*The CLO's job is to make the business executable—by identifying what future performance requires and building the systems to support it.*

## Action 3

This translation from strategy to capability is not just a front-end planning exercise. Instead, L&D must establish a dynamic, ongoing alignment with the business strategy. This allows capability development to evolve in parallel with go-to-market shifts, organizational reconfigurations, or AI tool integration. It also calls for a more adaptive model of capability delivery. Many learning organizations are still built for large-scale, content-heavy rollouts that respond reactively to business needs. However, effective execution now demands speed, responsiveness, and the agility to build emergent capabilities as the organization navigates change.

The CLO's job is to make the business executable by identifying what future performance requires, and building the systems to support it. To do this well, CLOs integrate capability mapping into enterprise planning cycles. They also establish accountability for workforce readiness across functional leaders, and not just inside L&D. The learning strategy must be the business strategy, and move at the same pace.

### **INTEGRATION MODELS AS EXECUTION INFRASTRUCTURE**

As strategic priorities become more complex and AI adoption accelerates, capability-building can no longer operate in silos. One of the most persistent execution risks now comes from fragmentation: a misalignment between how teams adopt technology, define readiness, and/or measure capability. In many organizations, AI tools are being rolled out in parallel across departments without shared language, governance, or training standards, often resulting in slowed execution, uneven adoption, and rising cognitive load on employees.

## Action 3

This leads to:

- **Vertical misalignment.** Disconnect between executive vision and frontline implementation.
- **Horizontal misalignment.** Each function interpreting AI strategy differently.
- **Technical inconsistency.** Tool-specific training with no coherent competency framework.

Leading organizations build enterprise-wide integration infrastructure to connect learning and capability-building. These are not isolated solutions; they are part of how strategy moves through people, processes, and platforms. We first introduced these models as solutions to fragmented learning systems. Here, they take on a second, equally critical role: enabling enterprise-wide execution. When integrated with capability mandates and business priorities, they serve as connective infrastructure: coordinating how strategy moves through people, tools, and workflows in real time.

Three models have proven especially effective:

- **Unified Knowledge Architecture.** A single source of truth for AI-related competencies, use cases, and terminology. This ensures not just learning coherence, but consistent execution logic across functions, which enables faster decision-making and coordinated action as AI tools proliferate.

## Action 3

- **Federated Governance.** A structure that defines decision rights and operating principles for capability-building. It balances consistency and autonomy, not just in training design, but in how execution practices are aligned with strategic goals across business units. This balance supports both consistency and autonomy.
- **Cross-Functional Learning Pathways.** Learning experiences that reflect how work actually happens, across silos, with shared dependencies. These pathways support not just skills acquisition, but shared execution readiness in contexts where coordinated performance matters most.

Each of these models enables the organization to reduce friction and create the conditions for faster, more reliable execution. Without this infrastructure, capability-building remains fragmented and, although well-intentioned, is often out of sync with enterprise priorities. The CLO's role is to ensure these systems are designed, implemented, and sustained. When this execution-focused capability infrastructure is aligned with the overall business architecture, the organization can move with speed and coherence, and execution becomes coordinated, rather than dependent on heroics or workaround.

### **ENABLING ADAPTIVE EXECUTION**

Too often, organizations treat capability-building as a loose set of disconnected activities: training, experimentation, and knowledge sharing. But in adaptive enterprises, these elements are intentionally linked, creating a flywheel of performance where learning drives execution and execution feeds learning.

## Action 3

AI is reshaping work patterns, but its greatest impact may be in how it changes the pace and character of adaptation itself.


Organizations now operate in a state of constant flux, where steady-state models of execution no longer apply. Performance expectations evolve continuously. What teams need today may be different from what they needed last quarter, and success increasingly depends on how quickly and effectively people can respond. In this context, CLOs are tasked with enabling three enterprise-wide capacities:

- **Performance readiness.** Equipping teams to deliver consistent results in real-world conditions, using the current mix of systems, tools, and workflows.
- **Change resilience.** Supporting individuals and groups as they absorb disruption, recover from friction, and adapt to the unexpected.
- **Business agility.** Creating the operating flexibility that allows the organization to reorient priorities and reconfigure workflows in step with evolving conditions.

Each of these is supported by infrastructure, not just mindset. Systems, workflows, and leadership expectations must reinforce responsiveness, not only stability or compliance. Metrics must reflect learning velocity and strategic alignment, not just task completion. Psychological safety underpins this system. If employees hesitate to explore or experiment, capability gains stall. If performance support lives outside the flow of work, its impact diminishes. The CLO plays a pivotal role in designing for real-time enablement, embedding prompts, feedback loops, and support resources inside everyday work.

### Action 3

*As AI becomes foundational across the business, L&D transitions from a delivery engine to a performance operating system.*



This evolution also affects how success is defined. Stability may be a milestone, but responsiveness is the capability. Growth, iteration, and speed-to-adoption are now measurable outcomes.

L&D must orient toward these markers of performance. As AI becomes foundational across the business, L&D transitions from a delivery engine to a performance operating system. Not an ancillary function, but a core enabler of strategy in motion.

### EXECUTIVE ACTIONS TO DRIVE STRATEGIC ALIGNMENT

In order to transform L&D into an execution engine, CLOs and their executive peers need to act intentionally. These steps help realign learning infrastructure with business strategy and accelerate enterprise readiness:

- 1. Elevate the CLO Role in Strategic Planning.** Bring L&D into the earliest phases of business planning. The CLO should have visibility into growth initiatives, technology investments, and transformation priorities, and be positioned to define capability implications alongside them.
- 2. Build Capability Mandates into Operating Rhythms.** Make capability definition part of how strategic initiatives are scoped, resourced, and reviewed. Ensure capability mandates drive the design of learning programs, and that Capability Academies are structured to deliver those mandates consistently and at scale. Connect capability planning to business outcomes. Align L&D budgets to enterprise priorities, not general development goals. Ask operational questions: How much is spent on training? How is L&D performance communicated to the CEO and board? Can the CLO demonstrate how workforce readiness and increased performance directly support the achievement of specific strategic objectives?
- 3. Operationalize Integration Infrastructure.** Use the three integration models (Unified Knowledge Architecture, Federated Governance, and Cross-Functional Pathways) in order to reduce friction and coordinate both learning and execution activities. Make these systems visible and jointly accountable across business and HR. Treat them as core execution infrastructure, not as back-office L&D mechanics.

## Action 3

- 4. Design for Performance in Motion.** Support real-time learning and enablement through tools that integrate into the flow of work. Build adaptive systems that respond to shifting tools, roles, and conditions. Measure agility, readiness, and speed-to-proficiency, not just completion or attendance.
- 5. Rescope the L&D Operating Model.** The CLO role must modernize. This means radically rethinking how learning is structured, funded, and evaluated. Conduct a full review of L&D's organizational design: Where does it sit? Who does it report to? What business priorities drive it? How will it scale as demands increase?

As strategies evolve, it is the organization's ability to adapt, align, and act that defines success. L&D must now be designed to lead that adaptation from within.

***Our next article** in this series will explore how to enable that performance in motion. Through real-time, AI-augmented support systems that help employees execute inside dynamic, evolving workflows.*

# Consolidate Scattered AI Initiatives Under Strategic Alignment and Governance

The rapid adoption of AI across companies often outpaces the establishment of strategic business alignment and effective governance. The result can lead to a scattered landscape of disparate and disconnected AI initiatives that promise transformation but too often deliver fragmentation.

To mitigate the risks of fragmented AI and unlock its full transformative potential, organizations can maximize AI's opportunity by adopting a unified, strategic approach to AI implementation. In this action, we focus on how to architect and orchestrate a cohesive and aligned approach to AI implementation across the enterprise with a disciplined framework that provides the clarity your workforce needs to innovate and execute with confidence.

When AI tools are integrated without a unified strategy for technology, people, and processes, the costs are significant and disconnected. The absence of centralized oversight for the technology results in siloed efforts, duplicate investments, and a lack of shared learning.

## Action 4

This unmanaged proliferation can lead to three distinct and costly forms of fragmentation:

- **Vertical Fragmentation.** Different organizational levels pursue disconnected AI initiatives, creating a misalignment between executive strategy and frontline implementation.
- **Horizontal Fragmentation.** Functional departments develop incompatible AI approaches, preventing cross-functional collaboration and knowledge transfer.
- **Technical Fragmentation.** The adoption of multiple AI tools without a unified competency framework forces employees to navigate contradictory and confusing workflows.

Ultimately, this fragmentation amplifies operational and ethical risks, generating substantial business costs through reduced adoption, inconsistent application, and diminished return on AI investments. Organizations of almost any size often become siloed and disconnected. The current speed of AI adoption can also mask a deeper issue: there's a tendency for functions to move fast within their domain and engage in isolated experimentation with AI initiatives.

Quick experimentation can seem beneficial, but many disconnected AI initiatives offer limited business value without the benefit of a core AI infrastructure for the enterprise.

## Action 4

### **BUILDING A COHESIVE AI FOUNDATION**

In this early era of AI adoption and implementation, technical shortcomings are often isolated. Building AI as Infrastructure is crucial because AI adoption will fundamentally redesign workflows, decision-making, and nearly all ways of working. This enables function-specific AI initiatives to quickly execute on business strategies. Successfully building this infrastructure requires a multi-faceted commitment, starting with strategic vision and extending through data, governance, operational oversight, and responsible practices.

Strategic vision and executive sponsorship. Many organizations are struggling to realize AI's full promise due to the fragmentation we discuss above. A recent Gartner survey highlights a significant functional strategic gap, revealing that a mere 23% of supply chain organizations possess a formal, documented AI strategy. The absence of a guiding vision can result in AI initiatives becoming trapped in pilot stages, leading to escalating expenses, reduced ROI, and a compromised competitive position. The paradox that executives face is the rapid pace at which employees are adopting AI is outpacing the development of governance and security policies, raising critical concerns about data integrity and AI misuse.

We recommend that senior leaders align AI adoption and implementation with core business objectives and KPIs. This enables leadership and employee buy-in as a first step in creating a common language of AI for the enterprise. One company we worked with identified over 40 AI-related OKRs across multiple functions, with many interdependencies.

## Action 4

The follow-up was an enterprise-wide training initiative to establish principles of AI usage. With multiple business objectives aligned with the function-specific OKRs combined with training, the company now has clear accountability measures to drive business value and proper resource allocation through a shared OKR process.

*We recommend that senior leaders align AI adoption and implementation with core business objectives and KPIs*



Strong data governance and quality. Many large companies have multiple data sources and stores that lead to data fragmentation. Nearly all businesses report that poor data quality is harming their AI initiatives, yet AI is dependent on the quality of the data it's trained on. In most enterprises, this foundational data is fragmented, outdated, inconsistent, or incomplete, which leads to the "garbage in, garbage out" problem. To create a consolidated and simplified 'single source of truth' for all enterprise data, companies should consider establishing one enterprise data strategy.

This strategy involves investing in data readiness (cleaning, consolidation, ownership) and implementing enterprise-wide data standards, policies, and continuous audits.

## Action 4

Prioritizing data quality as a strategic imperative is fundamental. Strong data governance is foundational to enabling the rapid growth of AI-related strategies. The financial impact of this issue is substantial, with poor data quality alone costing companies an average of \$15 million per year. Establishing and enforcing these critical data standards is a primary function of a governance framework. In one large company, a centralized function provided data-as-a-service to the broader enterprise, ensuring smooth adoption of AI technology and processes in a consistent manner. This centralization helped build trustworthy AI solutions and enabled ease of use in gathering analytics and predictive insights.

Centralized oversight with cross-functional collaboration. Arguably, the most challenging aspect of building this foundation is also one of the most necessary: providing centralized oversight of AI-related implementation. This oversight reduces fragmented AI strategies, increases collaboration, produces a more complete view of spending and processes, and directly improves decision-making. Lack of centralized oversight impedes the ability to find inefficiencies and make sound choices, while a unified approach ensures transparency and accountability throughout the entire AI lifecycle.

Adopting unified AI solutions means integrating them deeply into core workflows rather than treating them as standalone applications. This approach directly mitigates technical fragmentation and isolated data silos. A lack of centralized oversight is more than just an inefficiency; it is a fundamental architectural flaw that prevents an organization from leveraging AI at scale. Viewing AI as Infrastructure is the solution.

## Action 4

Without this approach, disparate AI solutions remain orphaned, creating the same data risks, concurrency issues, and auditability challenges that plagued legacy software. Neglecting this foundational integration leads to continuous, expensive failures and a permanent competitive disadvantage, while embracing it creates a truly connected and intelligent enterprise.

Prioritize adopting responsible AI practices. As we detailed in Action 2, the most significant impediments to successful AI adoption are often human and organizational. Cultural resistance, skill shortages, a lack of executive buy-in, and low employee trust create a bottleneck that prevents many AI initiatives from delivering on their full potential. A recent PwC survey indicates that “people — including senior leaders — are holding AI agents back.” Common concerns like cybersecurity and cost are often safe excuses, while the true underlying challenges are rooted in organizational change, integrating AI agents into workflows, and workforce adoption and trust. It is important to create an environment where AI-related pilot initiatives are encouraged so that teams can learn and adjust quickly. Encouraging employees to raise doubts or concerns with AI, and providing comprehensive training, are essential steps to ensure a clear understanding of responsible AI principles and deepen trust in the technology. These internal efforts to build trust and responsibility are becoming even more critical, as the current fragmented regulatory landscape for AI is rapidly converging towards mandatory, global governance requirements. Gartner predicts that “by 2027, AI governance will become a requirement of all sovereign AI laws and regulations worldwide.” This signals a shift from voluntary ethical guidelines to legally binding compliance. This creates a strategic window of opportunity for early adopters of comprehensive AI governance.

## Action 4

### A BALANCED GOVERNANCE PROCESS

To prevent fragmentation and ensure maximum advantage with AI as Infrastructure, the key is to establish a balanced governance model. This is achieved by creating a formal group, let's call it an AI Accelerator Group, an empowered and agile team of cross-functional leaders tasked with providing disciplined oversight without sacrificing speed. This group has a dual role: First, it directs high-stakes, enterprise-wide transformations; and second, it cultivates grassroots innovation by providing the tools and guardrails for functions to safely experiment. The group's top-down strategic work is managed through a disciplined, five-phase gated process with defined owners:

### PHASE GATES FOR SCALING INITIATIVES

1	2	3	4	5
<b>IDEATION AND INTAKE</b>	<b>STRATEGIC REVIEW</b>	<b>GOVERNANCE AND CAPABILITY DUE DILIGENCE</b>	<b>CONTROLLED PILOT</b>	<b>ENTERPRISE SCALE UP</b>
Teams submit proposed AI use cases via a centralized intake portal. This creates a unified "front door" for enterprise visibility	Proposals are reviewed for business viability and alignment. High-level ROI, strategic importance, and technical feasibility are addressed.	Rigorous review for risk, ethics, data readiness, and workforce capability. CLO led assessment ensures the workforce is ready to support the project.	Time-boxed pilot to test the solution with real users, using clear success metrics and evaluation criteria.	With validated success, the solution is deployed enterprise-wide. The AI Capability Academy delivers targeted upskilling at scale based on the approved Capability Mandate
<b>DECISION CRITERIA AND APPROVERS</b>	<b>DECISION CRITERIA AND APPROVERS</b>	<b>DECISION CRITERIA AND APPROVERS</b>	<b>DECISION CRITERIA AND APPROVERS</b>	<b>DECISION CRITERIA AND APPROVERS</b>
<ul style="list-style-type: none"> <li>• Alignment to OKRs</li> <li>• Clear business need</li> <li>• Early feasibility</li> </ul>	<ul style="list-style-type: none"> <li>• Meets defined strategic priorities</li> <li>• Viable technical path forward</li> <li>• Early ROI projection</li> </ul>	<ul style="list-style-type: none"> <li>• Data integrity and readiness</li> <li>• Security and ethical clearance</li> <li>• CLO sign-off on capability plan</li> </ul>	<ul style="list-style-type: none"> <li>• Pilot goals met</li> <li>• Capability Plan holds up in practice</li> <li>• Business case validated</li> </ul>	<ul style="list-style-type: none"> <li>• Full-scale rollout readiness</li> <li>• Upskilling underway</li> <li>• Governance and adoption mechanism in place</li> </ul>
<b>GATE 1 STRATEGIC FIT FILTER</b>	<b>GATE 2 PROPOSAL APPROVAL</b>	<b>GATE 3 CAPABILITY MANDATE APPROVAL</b>	<b>GATE 4 PILOT EVALUATION &amp; SCALE READINESS</b>	<b>GATE 5 CONTINUOUS OPTIMIZATION &amp; MONITORING</b>
<b>OWNER AI Accelerator Group</b>	<b>OWNER AI Accelerator Group</b>	<b>OWNER AI Governance Council, CLO</b>	<b>OWNER AI Accelerator Group</b>	<b>OWNER: AI Accelerator Group, CLO, Business Sponsor</b>

## Action 4

- **Phase 1: Ideation & Intake.** The process begins with a standardized but simple intake process where any team can submit a proposed AI use case. This creates a single "front door" for all new AI-driven ideas, providing immediate enterprise-wide visibility.
- **Phase 2: Strategic Review.** The AI Accelerator Group assesses the proposal against core business criteria: What is the potential ROI? Does it directly support our stated quarterly and annual OKRs? Is it technically feasible with our current infrastructure?
- **Phase 3: Governance & Capability Due Diligence.** A project that clears the strategic review undergoes rigorous risk, security, and ethical screening. The project is also assessed for Data Readiness and Integrity; a project with a sound business case can be vetoed if its underlying data foundation is weak or biased. This phase includes the most critical gating mechanism: Capability Due Diligence. Led by the CLO, this step answers the question: "Do we have the workforce readiness to make this successful?" No project receives pilot funding without the formal sign-off from the CLO on the workforce capability plan. This approved plan becomes the formal Capability Mandate, the very charter we detailed in Action 3 for translating business strategy into an actionable execution plan.
- **Phase 4: Controlled Pilot.** With a solid business case and a capability plan in place, the project is greenlit for a time-boxed, controlled pilot with clear success metrics. This allows for real-world testing in a contained environment.

## Action 4

- **Phase 5: Enterprise Scaling.** Upon successful completion of the pilot, the AI Accelerator Group approves the initiative for a full-scale rollout. This approval puts the formal Capability Mandate into action, deploying the targeted workforce readiness plan that was designed and signed-off in Phase 3. The AI Capability Academy is then tasked with delivering all necessary training and development, acting as the enterprise engine for building these critical skills at scale. Crucially, this heavyweight lifecycle does not apply to all ideas. The group's second role is to enable bottom-up agility by maintaining a safe harbor for experimentation. Teams can innovate freely within this space, without formal approval, as long as they use pre-approved tools, adhere to clear data policies, and have completed the prerequisite AI Literacy training. This creates the perfect environment for rapid, low-risk prototyping. The most successful of these grassroots projects can then be nominated for the formal governance process via a path to scale, ensuring the best ideas get the strategic backing they need to transform the enterprise.

This balanced governance process does more than manage initiatives; it replaces enterprise-wide uncertainty with predictability, reducing anxiety, and creating the psychological safety required for genuine experimentation.

## Action 4

### L&D'S PIVOTAL ROLE IN ARCHITECTING COHESION

The CLO and their team are essential architects of the organization's cohesive AI operating system. L&D's contribution is multi-faceted: they are a key voice on the AI Accelerator Group, they lead the critical Capability Due Diligence phase, and their AI Capability Academy provides the license for employees to innovate in the safe harbor. This structure transforms L&D from a service function into a core pillar of the company's strategic execution framework.

*L&D is an essential architect of the organization's AI operating system*

### NEXT STEPS FOR EXECUTIVES: OPERATIONALIZING INTEGRATION

- 1. Establish clear, single-point ownership of the enterprise AI portfolio.** If accountability is ambiguous, your first action is to designate a single executive leader. Recognizing this critical need, many organizations are creating a formal Chief AI Officer (CAIO) role, whose first mandate should be to charter and empower the AI Accelerator Group.
- 2. How many "random acts of AI" are currently draining your budget?** Mandate that all new AI initiatives enter through the single front door of centralized governance, while empowering grassroots innovation within a clearly defined safe harbor.
- 3. Is your workforce readiness an input to your tech strategy, or an afterthought?** Codify "Capability Due Diligence" as a mandatory, auditable gate in your project funding workflow. Making the CLO's sign-off a prerequisite is the single most effective way to guarantee your AI investments will be adopted.
- 4. Can you see your entire AI landscape on a single screen?** If not, build a transparent portfolio dashboard that tracks all initiatives — both those in the formal lifecycle and those emerging from the safe harbor. This builds trust and helps you spot opportunities for cross-functional synergy.
- 5. Is your L&D function funded to be strategic?** Allocate budget for L&D to perform the front-end, strategic work of assessing capability implications and providing the foundational AI Literacy that enables safe, widespread experimentation.

## Action 4

Ultimately, a strategically aligned and governed AI strategy isn't about control for its own sake; it's about creating the disciplined conditions for breakthrough innovation and sustained market value. By bringing order to innovation, you unlock AI's full potential. With a cohesive foundation in place, you are then empowered to explore how AI can revolutionize individual work.

***Our next article*** will examine our fifth action, *Enhance Traditional Training Through Augmented Performance Support*, highlighting how this robust foundation enables real-time assistance directly in the flow of work.

# Enhance Traditional Training Through Augmented Performance Support

In this article series, we outlined a critical path to rethinking, rescoping, and reimagining enterprise learning in the AI era. We've discussed the need to create a disciplined Governance Framework that provides essential guardrails for AI and why and how to create Capability Academies that serve as hubs for building deep, foundational skills. We see these as powerful parts of the engine for building AI-powered workforce readiness. Yet, they alone do not solve the final, most critical challenge: closing the execution gap in the last mile between formal knowledge and real-world performance.

The pace of workplace transformation can impose a significant cognitive load on employees that often results in constant context switching, memory decay, and information overload, which means that knowledge acquired through just-in-case training has an ever-shorter half-life. To achieve true business agility, a just-in-time performance support layer is no longer an advantage – we see it as an operational necessity. Solving the last mile challenge requires more than simply procuring new tools. It demands a fundamental rethinking of how we architect workforce enablement. This strategic imperative has given rise to a new, more powerful operating model for continuous capability building.

## Action 5

### **BREAKING THE SILO: MOVING TO AN AGENTIC PERFORMANCE ENGINE**

For decades, training, assessment, and performance support (core functions of workforce enablement) have operated in costly and inefficient silos. Performance support is grounded in the principle of just-in-time enablement. It delivers relevant information, tools, or guidance at the moment of need, so employees can take action without stepping away from the work itself. Common applications of performance support include:

- **Embedding support seamlessly into the tools, applications, or processes that workers use daily.** For example, retail associates opening a store or an airline worker conducting a step-by-step procedure.
- **Enabling successful execution of tasks so the worker can improve their on-the-job performance.** For example, troubleshooting an equipment malfunction by consulting an interactive guide or accessing real-time product knowledge documentation to support a customer.
- **Ensuring the support is designed with the user's experience, needs, and workflow in mind to minimize cognitive load and reduce reliance on memory.** For example, acknowledging how the work gets done and providing simple, relevant, and effective access to reinforcement and quick answers.

## Action 5

As work evolves, it will rely more on teams, yet we typically focus on skilling individuals. As AI better understands the context of the work, it helps improve and highlight the skills of each individual, enhancing the ability for teams to dynamically distribute expertise more effectively and improve their overall performance. AI provides the opportunity to shift from a narrow focus on individual capability to an approach that adapts performance support to team-based contexts when appropriate. It enables a new, integrated paradigm we call the agentic performance engine. Architecturally, this engine acts as an intelligent layer above the enterprise tech stack. From this umbrella vantage point, it can observe and interpret the context of work as it unfolds across otherwise disconnected systems, from the CRM to internal messaging platforms.

Experientially, it is delivered directly into the employee's flow of work. It's not another application to open; it is a single, consistent performance sidekick that provides seamless support within the user's immediate environment. Its defining characteristic is its native ability to fuse its core functions into a single interaction, enabling true cross-functional performance.

This fusion expands traditional testing to create a continuous, passive process of assessment that provides a real-time, multi-dimensional view of capability. It validates skills based on actual task performance, identifies where support is needed, tracks progress over time, and can correlate employee actions to business KPIs. This authentic, in-the-workflow validation then personalizes both training and performance support, creating a truly adaptive and integrated operating system for workforce performance.

### THE NEW CAPABILITY: ARCHITECTING PERFORMANCE

The agentic performance engine is a system to be designed, integrated, and continuously improved. This new class of solution requires a new role for L&D: the Performance Architect. Their mandate moves beyond traditional instructional design to become a hybrid systems thinker, user experience designer, and strategic change agent. Key responsibilities include:

- **Diagnosing performance barriers.** Collaborating directly with business units to identify the precise points of friction in critical workflows where employees get stuck, make errors, or lose momentum.
- **Designing intelligent interventions.** Architecting the AI-driven support and learning experiences that solve these friction points in the moment of need.
- **Curating enterprise knowledge.** Partnering with subject matter experts to ensure the knowledge that feeds the AI engine is accurate, relevant, and structured for optimal retrieval.
- **Driving human adoption.** Designing and executing the human-centered strategy for user adoption, building trust in the system through transparent communication, and hybrid models that blend AI with human oversight.

### THE EVOLUTIONARY DEPLOYMENT MODEL: A PRAGMATIC PATH TO THE VISION

A vision for such a powerful system can seem daunting. In some contexts, broad implementation can be challenging. We recommend a pilot implementation and iterate the vision. This evolutionary deployment model unfolds in three manageable, value-creating steps, based in part on Trish Uhl's AI Maturity Continuum:

- 1. Crawl.** The journey begins not with an enterprise-wide overhaul, but with a single, focused project designed to test the systemic and cultural efficacy of the model. The CLO, a sponsoring business leader, and a technology partner identify a critical workflow and then deploy a minimum viable agent to work on the problem and deliver a measurable win against a business KPI. The outcome delivers a case study that provides the inputs and ROI needed for further investment or further study.
- 2. Walk.** Leverage the findings from step one to secure funding and authority to build the central, reusable infrastructure. This hub is the core of the performance operating model, comprising the reusable AI platform, the formal governance processes managed by the AI Accelerator Group, and the dedicated team of Performance Architects. This phase is about abstracting the learnings from the pilot project into a scalable, enterprise-grade asset.

## Action 5

**3. Run.** With the hub established, the organization systematically scales the solution across the enterprise using a hub-and-spoke model. The central hub provides the platform and standards, while each functional capability academy acts as a spoke, owning the responsibility to curate the domain-specific knowledge that makes the agent intelligent for their teams. This creates a virtuous cycle where the central platform becomes more powerful with each new spoke that is added.

### THE STRATEGIC PRIZE: A NEW BUSINESS MODEL FOR L&D

This evolutionary deployment enables the ultimate strategic prize: the transformation of L&D from a support function into an internal performance-as-a-service provider. This new value creation engine fundamentally changes the economics and strategic positioning of workforce development.

*This evolutionary deployment enables the ultimate strategic prize: the transformation of L&D from a support function into an internal performance-as-a-service provider*

Here's how: funding is no longer a top-down overhead allocation. Instead, it is secured through direct, ROI-driven investments from business units, justified by a specific business case tied to that unit's KPIs. This transforms the conversation between the CLO and their C-suite peers from one of cost containment to one of co-investment in value creation.

## Action 5

The efficiency dividends created by the system — the measurable savings in time and cost — are then reinvested to improve the core engine, creating a self-funding performance flywheel. This model elevates the CLO to a true business peer, managing a portfolio of value-creating services and reporting on their direct impact to the bottom line.

### **THE ETHICAL IMPERATIVE AND THE ROLE OF GOVERNANCE**

The power to analyze in-workflow performance carries with it significant responsibility. Without a robust ethical framework, the agentic performance engine risks becoming a tool of surveillance, eroding the very trust it needs to function. Principles of transparency in data use, employee consent, and clear anonymization standards are non-negotiable prerequisites.

To ensure consistency and prevent a new form of ethical fragmentation, the governance of these solutions must fall under the direct purview of a centralized oversight body, which we call the AI Accelerator Group. This cross-functional team, responsible for the strategic governance of all enterprise AI, ensures that the same rigorous standards applied to large-scale platforms are also applied to these in-workflow tools. Their proximity to the employee makes their responsible and ethical implementation even more critical.

### NEXT STEPS FOR EXECUTIVES

The journey begins with a Crawl. To launch your first project:

- 1. Identify the pain and form a coalition.** Find a critical business process causing recognized pain and partner with its executive owner and a technology leader. This is your founding team.
- 2. Scope the minimum viable agent and define the KPI.** Ruthlessly define the simplest solution for the highest-value problem and the single business metric it will improve.
- 3. Build the investment-grade business case.** Co-author the business case with your coalition partners, framing it as a direct investment to move the chosen KPI.

The future of organizational agility is not built in a classroom; it is forged in the workflow. The performance-as-a-service operating model provides a credible, strategic path to get there. It integrates a visionary product, a pragmatic process, and a sustainable business model to finally close the gap between knowledge and action. We have now architected a powerful, centrally-governed system for individual and team performance.

***Our sixth and final action*** will address the critical question of scale and autonomy: *How do we distribute control, empowering departments to innovate within this framework to meet the unique demands of their business?*

# Distribute Centralized Control to Enable Departmental Learning Autonomy

In this article series, we designed a roadmap outlining how the strategic integration of AI into the talent development practice is a key enabler of competitive advantage. We argue that the need for intentional realignment of the entire talent lifecycle is necessary for companies to effectively prepare their workforce for the changes AI is bringing. We also emphasized the necessity to reimagine the Chief Learning Officer role to become a central component of workforce readiness as AI continues to unfold.

In Action 5, Enhance Traditional Training Through Augmented Performance Support, we shared how a powerful, centrally-governed performance-as-a-service operating model for a rescoped L&D function and CLO role will close the execution gap in the workflow. This, however, introduces anew and more sophisticated strategic challenge: a powerful center, if not managed with foresight, can become a bottleneck that stifles the very innovation and speed it was meant to enable at the functional level.

## Action 6

This tension is already creating friction across the enterprise. Functions are rapidly adopting specialized AI tools to solve local problems, but this uncoordinated adoption creates significant enterprise-level risks in governance, security, and strategic alignment. This is not simply an L&D challenge, but a core business challenge where L&D must play a pivotal role. The solution isn't to double down on central control, which would stifle innovation. It is to enable a federated model that balances functional autonomy with enterprise-wide coherence.

*A federated autonomy becomes a force multiplier: accelerating innovation, increasing workforce relevance, and driving faster adaptation to AI-powered business change.*

### **L&D'S SHIFTS: FROM CENTRALIZED TO DECENTRALIZED TO FEDERATED AUTONOMY**

For decades, companies have long wrestled with how to organize their L&D functions, traversing between centralized, decentralized, and various hybrid approaches. Centralization, often embodied by iconic corporate universities like those at GE and Motorola, promised enterprise-wide standards and strategic alignment.

## Action 6

When this model became too slow or disconnected from business needs, the pendulum would swing to Decentralization, empowering business units to create their own relevant, function-specific training. Inevitably, this would lead to fragmented quality and duplicated costs, causing executives to pull the pendulum back to the center.

The emergence of the Chief Learning Officer (CLO) role in the 1990s was a direct attempt to manage this tension. As online learning matured, the federated model became the most common compromise, with a central L&D function providing core technology and governance. This led to a new philosophy that placed the responsibility for career mobility and skill development on the individual. Organizations responded by empowering subject-matter experts and providing vast content libraries, shifting the central L&D function toward being a curator and enabler of "self-directed" learning.

While well-intentioned, this individual-centric model ran headlong into a harsh operational reality: the "time for learning" paradox. Year after year, the number one reason employees fail to engage in learning is a lack of time. Placing the full burden of development on an already time-poor employee, without structurally creating the space for it, is not empowerment; it is a strategic abdication of responsibility. It creates a culture where learning is valued in principle but impossible in practice.

## Action 6

The advent of AI finally offers a solution to this paradox. It allows us to further develop and improve the federated model, transforming it from a fragile compromise into a dynamic and powerful operating system.

It's not that the hub-and-spoke structure is a new invention; it's that every component within that structure must now be re-architected to deliver learning within the flow of work, not in competition with it.

### **L&D AS A CRITICAL ENABLER OF THE AI ECONOMY**

The historical models of L&D are insufficient for the AI era because the strategic imperatives have fundamentally changed. As we have argued throughout this series, success now requires a complete re-architecting of the L&D function, grounded in two new realities. First, workforce enablement must be elevated to a C-suite priority, with the Chief Learning Officer acting as a central driver of business strategy. Second, capability must be built through integrated ecosystems like Capability Academies, not just fragmented training programs.

Critically, leaders must now grapple with the dual nature of AI itself. It acts as both a centralizing and a decentralizing force simultaneously, creating a powerful new tension that the old federated model cannot resolve.

## Action 6

This requires L&D to change its focus in two fundamental and seemingly contradictory ways:

### AI as a

#### **Centralizing Imperative.**

The rapid infusion of AI into core business processes creates an urgent, enterprise-wide capability mandate. This requires a strong center to lead the overall strategy, manage systemic risks, and ensure a consistent approach to governance and ethics.

### AI as a

#### **Decentralizing Catalyst.**

At the same time, AI's power as a tool for content creation and personalization unleashes functional teams. It enables them to build and deploy tailored learning and support solutions at a speed and relevance that was previously impossible, demanding greater local autonomy.

It is this dual reality that makes a more sophisticated, AI-native federated model the only viable path forward.

### **THE HUB-AND-SPOKE MODEL:**

#### **A NEW CHARTER FOR FEDERATED L&D**

The solution to the tension between enterprise scale and functional speed is not a binary choice. The heart of the hybrid hub-and-spoke model is a clear and explicit charter of roles and responsibilities.

This charter acts as the "constitution" for L&D's performance operating model, defining the social contract between the central hub and the functional spokes. It provides a framework of distributed ownership within a unified system, empowering functions to innovate at speed while ensuring the entire enterprise remains strategically aligned.

## Action 6

The hub-and-spoke model is not a loose agreement; it is a disciplined system built on a clear charter of roles and responsibilities. This charter ensures that the central hub can provide scale and stability, while the functional spokes can operate with the speed and relevance their business demands. Here is how the decision rights are distributed:

### **WHAT THE HUB (CENTRAL L&D) OWNS:**

The central L&D function, led by the CLO, is responsible for the foundational assets that protect and enable the entire enterprise.

- **The Core Technology.** The hub owns and manages the agentic performance engine itself — the core AI, the integration architecture, the LMS, and the enterprise-wide data models. Why? To ensure technical stability, security, and the economies of scale that come from a single, world-class platform.
- **The Enterprise Governance.** The hub, through what we call the AI Accelerator Group, also owns the universal ethical rules, data privacy standards, and risk management protocols. Why? To mitigate systemic, enterprise-level risk and ensure a consistent, responsible approach to AI.
- **The Universal User Experience.** The hub owns the core brand, look, and feel of the agentic engine. Why? To provide a single, consistent, and high-quality performance support experience for all employees, regardless of their function.

## Action 6

### WHAT THE SPOKES (FUNCTIONAL CAPABILITY ACADEMIES) OWN:

The functional teams, through their Capability Academies, are empowered with the autonomy to build workforce capability in their specific domains.

- **The Domain-Specific Knowledge.** In this new model, the role of the functional "spoke" evolves from a simple content creator to a curator of learning experiences. They are not just building courses; they are curating a dynamic, structured knowledge base that serves as a subject-matter source of truth for their part of the central Agentic Performance Engine. This is the creation of a constantly updated body of knowledge to serve as a foundation for real-time learning as the business changes. The Sales Academy, for example, is responsible for ensuring the engine's information on competitor tactics is updated as often as needed to keep the sales team informed as necessary. This autonomy is critical because deep expertise lives in the functions, and only they can provide the authentic, up-to-the-minute knowledge required to make the central engine truly intelligent.
- **The Business-Driven Priorities.** The spokes have the primary say in prioritizing which of their specific workflows and friction points the agent should address next, as defined in their Capability Mandates. Why? Because the functions are closest to the customer and the business imperatives. They know what they need to win.

## Action 6

- **Contained Experimentation.** The spokes have a safe harbor to innovate and pilot new learning and support tactics for their specific needs, without requiring central approval for every small test. Why? To foster agility, speed, and solutions that are tailored to the unique culture and demands of each function.

### **MAKING AUTONOMY REAL: THE THREE PILLARS OF EMPOWERMENT**

A charter that assigns responsibility without providing the necessary resources is an unfunded mandate, and it is destined to fail. To make functional autonomy real and sustainable, the enterprise must formally support the spokes with a clear commitment. This commitment is built on three essential pillars of empowerment:

- 1. A Clear Resource Model.** Autonomy requires a sophisticated and sustainable funding model, not just a one-way budget allocation. This is a key differentiator from past federated approaches. In this new model, the central L&D hub and the functional spokes engage in a formal co-investment partnership. The core, shared infrastructure of the hub is funded collectively by the spokes, transforming them from passive consumers of a corporate service into active investors with a vested interest in the hub's efficiency and effectiveness. In turn, the central hub co-invests back into the spokes. The CLO, acting as an internal venture capitalist, can use central funds to match a spoke's investment in a high-priority or innovative capability project. This two-way funding model creates a powerful dynamic of shared ownership, ensures the hub is directly accountable to the business needs of the spokes, and allows the enterprise to strategically amplify its most promising innovations.

## Action 6

- 2. A Defined Support Model.** The spokes are not expected to go it alone. The central hub's expert talent, the Performance Architects, are available to the spokes as internal consultants and strategic partners. This support model ensures that functional teams have access to world-class expertise in learning design, data analytics, and change management, enabling them to execute on their charter with excellence.
- 3. An Aligned Incentive Model.** What gets measured gets done. If functional leaders are measured solely on short-term output, they will always de-prioritize long-term capability building. To make this model work, the organization must align its incentives. Building team capability and successfully executing on the learning charter must become a formal component of leadership performance scorecards, directly linking a leader's success to the growth and readiness of their people.

These three pillars transform the federated model from a corporate initiative into a fully-resourced, business-integrated hub-and-spoke operating model.

### **THE CLO'S FUTURE ROLE: AN ECOSYSTEM ORCHESTRATOR**

The hub-and-spoke federated model requires a final evolution in the role of the CLO. Having transitioned from an execution partner to the product manager of a performance-as-a-service offering, the CLO's ultimate mandate is to become something like an ecosystem orchestrator. The CLO role moves beyond managing a single function to stewarding the health, performance, and strategic alignment of the entire federated capability network.

## Action 6

As a C-suite peer, the Orchestrator acts as the organization's portfolio strategist for capability, making the critical investment decisions on which functional spokes to onboard and in what sequence. They manage the efficiency dividend from the performance model as an internal venture capitalist, seeding promising experiments and ensuring the ecosystem is continuously improving. Critically, they serve as the chief diplomat, arbitrating the inevitable high-stakes conflicts between the central hub and the spokes. And finally, as the head of the profession, they are ultimately responsible for developing the new talent, the Performance Architects and spoke leaders, required to operate this new model at scale. This is the ultimate destination for the L&D leader: no longer the head of a delivery function, but the steward of the enterprise's core engine for building and deploying human capability.

### NEXT STEPS

Translating the hub-and-spoke federated model from a strategic concept into an operational reality requires a disciplined approach. Executive teams must focus on architecting five core components that form the foundation of a successful rollout. These components are the key activities that span the Crawl and Walk phases of the deployment model we discussed in Action 5, Enhance Traditional Training Through Augmented Performance Support:

- 1. Codify the Strategic Mandate.** The process begins with strategy, not technology. Work with your initial pilot function to co-create the first Capability Mandate blueprint. This document formally codifies the specific business outcomes the function needs to achieve and the capabilities required to deliver them, ensuring the pilot is aligned with enterprise goals from day one.
- 2. Launch the Pilot Spoke.** With the mandate defined, formally launch the first functional Capability Academy as a spoke in the new model. This involves empowering a leader within the function as the accountable owner of capability and co-creating their charter of autonomy, which defines their roles, responsibilities, and decision rights.
- 3. Deploy the Enabling Talent.** Autonomy requires support. Embed one or more Performance Architects from the central hub to act as internal consultants and strategic partners to the new spoke. Their role is to provide the expert guidance needed to design intelligent interventions and ensure the pilot's success.

## Action 6

- 4. Provide the Core Infrastructure.** The central hub must provide the spoke with access to the shared infrastructure of the agentic performance engine. This includes providing the necessary tools, templates, and data analytics to ensure the learning and support solutions they create are high-quality, consistent, and measurable from the start.
- 5. Capture the Playbook.** The entire pilot process with its successes, failures, and lessons learned must be documented. This becomes the first chapter of your enterprise's Capability Autonomy Playbook, creating a proven, data-driven model that can be refined and scaled across the organization.

Summary

# THE AI-POWERED WORKFORCE ARTICLE SERIES **SUMMARY**



## The AI-Powered Workforce Article Series Summary

The six strategic actions we outlined in this playbook represent a fundamental reimagining of how organizations should approach talent development in the modern era. Rather than treating AI as simply another technology to be adopted, successful enterprises recognize that AI transformation requires a complete rearchitecting of workforce capability systems. From establishing robust AI literacy and governance foundations to creating integrated capability academies and performance support engines, each action builds a cohesive learning ecosystem where human innovation and artificial intelligence connects to build a talent capability flywheel.

The ultimate goal is not just workforce capability for AI, but the creation of truly adaptive organizations that can learn, evolve, and execute at the speed of change.

The transition from centralized control to distributed autonomy represents the culmination of this transformation journey. We believe that the organizations that successfully implement these six actions will find themselves equipped with a scalable learning infrastructure that empowers departments to innovate within established frameworks while maintaining strategic alignment and governance standards. This distributed model ensures that AI-powered workforce development becomes embedded in the fabric of business operations rather than remaining an isolated function tucked away in a cost-center operating model. The result is an organization where learning happens in the flow of work, performance is continuously optimized, and the talent capability flywheel spins ever faster, sustaining competitive advantage through the strategic deployment of human and technology working in harmony – truly crafting the AI-powered workplace and driving competitive advantage for the company.

## Join the Conversation

We hope this six-part series has provided a valuable and actionable framework for navigating the complexities of the AI-powered workplace. The conversation on this topic is dynamic and ongoing, and we welcome the thoughts, critiques, and real-world experiences of fellow leaders and practitioners.

Please feel free to connect with us directly:

- Brandon Carson on [LinkedIn](#)
- Markus Bernhardt on [LinkedIn](#)

For those interested in exploring the research and case studies that have also informed this series, further resources are available:

[www.endeavorintel.com](http://www.endeavorintel.com)



Thank you