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**WILL ARTIFICIAL INTELLIGENCE
REPLACE CHANGE MANAGERS?**

In today's rapidly evolving business landscape, artificial intelligence (AI) offers many opportunities for change management. As AI insights are becoming more reliable, how will we use them to create or support transformative strategies, and what does this mean for change managers?

HOW AI IS USED IN CHANGE MANAGEMENT TODAY

Artificial intelligence is already embedded in change management in the fields of:

- **Communications** (e.g. improving grammar)
- **Content creation** (e.g. writing training guides, case studies, creating personas or breaking complex topics into manageable parts)
- **Strategy and planning** (e.g. assembling change management plans such as resistance management or providing feedback on the proposed employee engagement strategy related to the new organizational structure)
- **Automation and efficiency** (e.g. building an in-house chatbot for personalized training and answering questions or collecting feedback on new HR policies and answering questions from department managers, using chatbots for stakeholder feedback and Q&A and designing bots for FAQs)
- **Data and analytics** (e.g. conducting data analysis on survey results, aggregating data, checking business cases, delivering real-time insights based on personal data, analyzing and segmenting data to customize content or performing a thematic analysis of customer feedback to identify key themes in customer satisfaction and areas for improvement).

The popular outcome-focused change-management ADKAR framework ascertains the integration in change management workflows across three streams - tasks that can only be executed by humans, tasks that allow AI collaboration and tasks that can be completely automated by AI.¹

1. Human exclusive tasks: This category identifies tasks that are best suited for humans due to the complexity of human interaction, emotional intelligence, ethical considerations, or intricate decision-making. Examples:

- Resolving interpersonal conflicts, e.g. mediating disputes within teams to foster harmonious work environments
- Making ethical decisions about change impact, i.e. evaluating changes critically to ensure they are fair and just.

2. AI collaboration opportunities: These are tasks where AI can assist, enhance, or augment human capabilities, improving productivity and outputs and making processes more efficient or insightful without fully replacing the human touch. Examples:

- Utilizing AI tools to assess the impact of change initiatives, which helps in strategic decision-making
- Managing stakeholder communications, i.e. using AI to draft initial communications, schedule dispatches, and manage follow-ups.

3. AI automation potential: This category includes tasks that AI can fully automate and where human intervention is minimal or unnecessary. This will help optimize processes, reducing the need for human labor in repetitive or predictable tasks. Examples:

- Tracking change adoption metrics, e.g. monitoring how well changes are being integrated into daily operations
- Compiling and analyzing feedback, such as systematically gathering and processing feedback to refine future change initiatives

- Generating routine reports on change progress, e.g. creating standardized reports detailing the status and outcomes of change efforts.

Based on ADKAR, these three modes of AI integration in change management workflows position AI as a creator of possibilities and options, which takes on repetitive and pre-analytical tasks, and a solution that keeps the human in the loop, reducing insecurity about being replaced.

BENEFITS OF USING AI IN CHANGE MANAGEMENT

Where traditional change management approaches sometimes fall short in handling the complexities and uncertainties of change, AI can simplify the process by making smart decisions based on evidence-based insights about change adoption.

Based on the analysis of historical data, AI can foresee which departments or teams are more vulnerable to challenges during specific change initiatives, which allows change managers to proactively tackle resistance and improve communication strategies. In other words, AI can help focus and prioritize change management projects.

Assessing the potential of using AI tools requires a strategic approach, considering factors such as business alignment and cross-functional inter-dependencies. Organizations must select AI tools that are in line with their strategic objectives and scalability, to foster collaborative efforts involving cross-functional teams in order to obtain comprehensive outcomes.

Other benefits of using AI in change management include increased efficiency, improved workload management by automating processes, analyzing data quickly, brainstorming ideas, generating draft communications and change management plans, and improved response times.

POTENTIAL PITFALLS OF AI IN CHANGE MANAGEMENT

Amidst the promise of AI-driven insights lies a set of barriers and challenges. One such challenge is the risk of being overwhelmed by AI recommendations and advice. It is vital for change managers to leverage AI as a tool in their toolkit rather than viewing it as a definitive solution. The ability to synthesize information and contextualize AI-driven insights for diverse audiences is very important. Failure to understand the context or apply personal experience to back up AI-generated recommendations can lead to credibility issues, as observed when change managers struggle to explain the origins or rationale behind AI-derived solutions.

In addition, there are significant people-related risks associated with AI implementations, including job displacements and skill gaps. Effective change management strategies must prioritize upskilling initiatives and transparent communication to mitigate these risks and foster a culture of continuous learning. Organizations must ensure ethical and legal usage of AI tools, where both the individual and the organization using these technologies take responsibility.

AI'S IMPACT ON THE EVOLUTION OF THE CHANGE MANAGERS' ROLE

Change managers are experiencing the transformative potential of AI across various aspects of their roles. Early adopters are using AI for predictive analytics to anticipate potential obstacles during organizational changes. Through analysis of historical data, AI can predict which departments or teams are more prone to challenges during specific change initiatives, allowing change managers to proactively address concerns and optimize communication strategies. Moreover, sentiment analysis tools enable change managers to measure employee reactions and facilitate interventions where necessary.

Going forward, change managers must transition into strategic enablers, bringing AI insights to tailor change strategies. Collaboration with data scientists as well as data literacy and emotional intelligence skills are crucial for navigating the complexities of AI-driven transformations.

To enable this transition, change managers should take the following into consideration:

- **Transparency and accountability:** Leaders must focus on transparent communication about how AI is used in project management, promoting trust among team members.
- **Integration with collaboration tools:** AI tools should be integrated with collaboration platforms, enhancing communication, file sharing, and task management within project teams.
- **Highly tailored change strategies:** Change managers must provide AI insights to tailor change strategies, ensuring smoother transitions and adoption of new technologies.
- **Continuous improvement:** Machine learning helps identify patterns and trends in project performance, contributing to continuous improvement initiatives.

CONCLUSION: IS IA THE MAGIC SOLUTION OR DO WE STILL NEED CHANGE MANAGERS?

Many of us are already using AI in daily tasks or consuming AI-based content, such as through popular tools for transcription, translation and sentiment analysis or predictive text on phones, chatbots in user support, and customized online ads. AI works quietly behind the scenes in analytical tools integrated with CRM and cybersecurity systems.

Although AI application is not perfect, it continues improving through use and practice. Multiple iterations and prompt engineering attempts are necessary to be able to see the full value of AI for specific use cases. It is critical to develop a mindset of continuous improvement.

AI adoption in change management is an important and inevitable journey, as AI offers lasting enhancements by streamlining change management practices, automating tasks and providing insights to guide informed decision-making.

With AI's predictive capabilities, change managers can address issues before they escalate, optimizing project timelines and guaranteeing smoother transitions. Moreover, AI-driven solutions can autonomously fix certain issues without manual

intervention, further accelerating the change management process.

The most promising areas of opportunity are within Enterprise Change Management and Change Management Office. For example, in the context of Enterprise Change Management, AI's predictability of data and early detection of change adoption trends can help support the overall adoption of change while increasing the likelihood of obtaining benefits sooner and sustaining change over the long term.

By embracing AI as a valuable tool and promoting a culture of continuous learning and adaptability, change managers can employ AI's transformative potential to drive organizational success in an increasingly dynamic landscape. AI does not aim to replace the human element in change management, rather it enhances the human element for more successful outcomes.

If you found this article useful and would like to discuss how Capco can support you in using AI in change management, please contact us.

REFERENCES

1. ADKAR (a change management model by Prosci)
 - A – Awareness; the need for change
 - D – Desire; to participate and support the change
 - K – Knowledge; to know how to change
 - A – Ability; to implement the required skills and behaviors
 - R - Reinforcement; to sustain the change.

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ABOUT CAPCO

Capco, a Wipro company, is a global management and technology consultancy specializing in driving transformation in the energy and financial services industries. Capco operates at the intersection of business and technology by combining innovative thinking with unrivalled industry knowledge to fast-track digital initiatives for banking and payments, capital markets, wealth and asset management, insurance, and the energy sector. Capco's cutting-edge ingenuity is brought to life through its award-winning Be Yourself At Work culture and diverse talent.

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