

CRESTCOM®

# The AI Ready Leader

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# Introduction


The workplace is undergoing an unprecedented transformation, driven by rapid advancements in artificial intelligence (AI) and automation. AI-driven technologies have reshaped how organizations operate, communicate, and make decisions. As machines take over routine tasks and complex data analysis, the role of traditional leadership is evolving. Leaders now find themselves at a critical juncture that requires balancing technological innovation with distinctly human capabilities.

Human-centered skills have become vital differentiators for effective leadership in this new landscape. These skills include emotional intelligence, ethical decision-making, and the ability to build genuine connections — qualities that machines cannot fully replicate, regardless of sophistication. Organizations led by individuals who excel in these areas not only adapt more readily to change but thrive throughout ongoing technological disruption.

At Crestcom, we recognize that successful leadership development involves cultivating these uniquely human traits. [Our training programs](#) are intentionally designed to equip leaders with the emotional intelligence, ethical grounding, and interpersonal skills necessary to lead confidently and compassionately in an AI-driven world. In this eBook, we will explore the impact of AI on the

workplace and how leaders can use AI ethically and effectively to augment their leadership capabilities.



A decorative graphic in the top-left corner of the slide. It features a dark blue background with horizontal lines of binary code (0s and 1s) in white and light blue. Overlaid on this are several thick, diagonal geometric shapes: a white shape that looks like a stylized 'V' or a checkmark, a dark blue diagonal bar, and a light blue diagonal bar. The overall aesthetic is modern and tech-oriented.

# **Chapter 1: Understanding the AI Revolution in Leadership**

The rapid adoption of AI across industries is fundamentally changing how we all do business. AI technologies enhance productivity, optimize decision-making processes, and transform customer interactions. The possibilities seem limitless as AI's influence extends beyond operational efficiency, reshaping strategic leadership roles and responsibilities.

Typical AI applications reshaping the workplace include:

- **Predictive analytics:** This technology analyzes large datasets to predict future trends and outcomes, enabling leaders to anticipate market changes, mitigate risks, and make informed strategic decisions.
- **Automated customer support systems:** AI-powered chatbots and virtual assistants handle customer queries swiftly and accurately, improving customer satisfaction and freeing human employees to focus on more complex, value-added tasks.
- **Virtual assistants:** AI-driven assistants streamline scheduling, manage communications, and organize daily tasks, allowing leaders to enhance productivity and prioritize their efforts more effectively.

- **Sophisticated data-driven decision-making tools:** Advanced AI systems process large amounts of data to provide actionable insights, aiding leaders in making precise, data-backed decisions that enhance organizational performance and agility.

These technologies streamline operations, improve responsiveness, and enable more informed strategic planning. Leaders can leverage these tools to swiftly adapt to market changes, forecast trends, and personalize stakeholder interactions.

As we look to the future, leaders should anticipate three critical trends:

1. Generative AI applications will revolutionize creative and strategic tasks, further embedding technology in daily leadership functions.
2. Automation will increasingly take over routine processes, allowing leaders to focus on strategic, creative, and interpersonal aspects of their roles.
3. Predictive analytics will become essential for proactive leadership, enabling foresight-driven decision-making

and agility in responding to emerging challenges.

Understanding how AI is reshaping leadership roles sets the stage for recognizing its limitations. To effectively navigate an AI-driven workplace, leaders must also appreciate the uniquely human skills that remain critical — skills that AI cannot replicate. In the next chapter, we will take a closer look at what AI can't do.





# Chapter 2: The Limitations of AI - What Machines Can't Do

Despite AI's extensive capabilities, certain human-centered competencies remain uniquely beyond its reach. Emotional intelligence, ethical decision-making, and authentic human connections are key leadership skills machines cannot effectively replicate.

## Emotional Intelligence (EI)

The ability to perceive, understand, manage, and leverage emotions remains distinctly human. EI is essential for empathy, conflict resolution, motivation, and team cohesion, elements crucial to leadership effectiveness. Research consistently demonstrates that leaders with high EI foster more engaged and productive teams. While AI can support and assist leaders and employees, it can't create a psychologically safe work environment where employees feel supported and encouraged to be creative and innovative.

Emotional intelligence is also crucial to customer service. For example, have you ever needed assistance with an online product or transaction? These days, you will likely have to work with an AI-driven chatbot before you can interact with a human customer service representative.

While these chatbots can efficiently direct you to another

part of the website or collect data about your issue, they often misunderstand complex problems or requests. This can cause frustration for the customer, creating a negative experience that may result in lost business. However, a human customer service representative can detect this frustration and adjust their approach, language, or tone to resolve the issue and ensure you have a happy customer at the end of the transaction.

## Ethical Decision-Making

AI also falls short when it comes to making ethical decisions. AI algorithms are only as ethical as the data and biases embedded within them. Leaders must navigate nuanced ethical dilemmas, balancing stakeholder interests with broader social responsibilities—a nuanced process AI cannot fully execute without human oversight and judgment.

At Crestcom, we believe that ethical decision-making is an essential leadership skill that can be developed and strengthened. In our module, *The DNA of Ethical Decision-Making*, featuring Dr. Christopher Gilbert, we look at how leaders can make effective, strategic decisions that consider the impact on themselves, their teams, their organization, and external stakeholders.

## Human Connection

Finally, genuine human connections are an inherently human phenomenon. Trust, rapport, and authentic relationships require human engagement. Research shows these connections significantly impact employee satisfaction, retention, and productivity.

The ability to connect with others is also a key ingredient for networking to find potential business partners or clients. AI can help you find relevant connections based on shared goals or interests by sorting through data. It can also automate scheduling, reminders, and follow-ups. However, it can't form genuine relationships, build trust, or share a laugh. In these ways, human interactions are still superior to AI.

Highlighting these limitations underscores why human skills remain critical. According to multiple studies, organizations prioritizing emotional intelligence, ethics, and human connections report higher innovation, productivity, and employee satisfaction. In a tech-driven era, these distinctly human traits form the foundation of resilient, future-proof leadership.





# Chapter 3: The AI-Augmented Leader

While AI can't replace human leaders, it can significantly enhance a leader's abilities. When leaders combine their soft skills with AI tools, they can improve performance in many ways.

In an [article](#) about their recent book, *More Human: How the Power of AI Can Transform the Way You Lead*, authors Rasmus Hougaard and Jacqueline Carter discuss their concept of the "AI-augmented leader". They explain that while humans are very good at inventing tools, they are not always as good at adapting to the changes brought about by using them. Hougaard and Carter explain, "In all of the past ages, the tools we used were passive. Like a shovel to dig a hole or an email system to share information, these tools were dormant until we chose to use them. But with AI, we have moved into a new era



where our tools are actively interacting with us in ways that change how we perceive and engage with the world. Instead of waiting to be used, AI tools are continuously listening, analyzing, learning, and predicting what we want or what we need. AI can now read and write for us, identify our strengths and weaknesses, and shape or curate our media diet. It influences what we learn, think, do, and say."

**As leaders, we must consider how AI can add to our abilities and help us enhance the best aspects of humanity.**

Augmentation means to enhance or improve something by adding to it. Therefore, an AI-Augmented leader is someone who leverages AI tools to complement their natural skills, allowing for improved efficiency, accuracy, and strategic decision-making. As leaders, we must consider how AI can add to our abilities and help us enhance the best aspects of humanity.

Hougaard and Carter suggest that leaders root their use of AI in three core human qualities: awareness, wisdom, and compassion.

## Awareness

Awareness is our ability to perceive and understand ourselves, others, and the world around us. Humans have evolved over millions of years to understand situations within the context of lived experiences. However, AI has a much higher capacity to generate content in ways and at speeds no human can match. An AI-augmented leader can leverage that capacity by adding context to AI-generated content and ensuring that the content includes a human perspective.

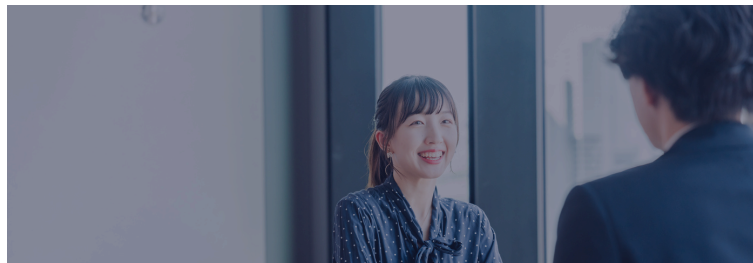
## Wisdom

Hougaard and Carter define wisdom as our ability to make sound decisions based on our understanding of reality combined with our accrued knowledge, experience, learning, and reflection. Humans are adept at leveraging insight, critical thinking, and social and emotional intelligence to ask good questions and discern answers and solutions. In comparison, AI is able to quickly process enormous amounts of data and information to answer questions. Therefore, an AI-augmented leader's role is to ask AI thoughtful questions while wisely discerning the quality of machine-generated answers.

## Compassion

Compassion is rooted in the human ability to empathize and act with sensitivity towards others. Great leaders consider the feelings and well-being of others when making decisions and interacting with them.. An AI-augmented leader might leverage AI's ability to provide algorithmic knowledge and data-centric insights by having AI analyze employee data to discover opportunities for improving the employee experience.

Hougaard and Carter emphasize that leaders must develop and strengthen the skills that set us apart as humans to be ready for the future of AI. Developing skills like emotional intelligence, strategic thinking, decision-making, and critical thinking will empower managers to become effective AI-augmented leaders.





# Chapter 4: Ensuring Ethical Use of AI

The adoption of AI introduces complex ethical challenges for any organization. These challenges include algorithmic biases, data privacy concerns, transparency issues, and accountability dilemmas. Leaders play a crucial role in developing and enforcing robust ethical standards that guide responsible AI use within their organizations. Effective ethical leadership involves establishing clear guidelines, prioritizing transparency, and consistently acting with integrity.

## Algorithmic Bias

Algorithmic bias remains a significant ethical concern, as AI systems can perpetuate discrimination and inequality. There have been many [concerning examples of AI tools learning the biases of their creators](#). For instance, in 2022, researchers found that AI robots trained on billions of images consistently identified women as “homemakers” and people of color as “janitors” or “criminals.”

Likewise, Harvard professor Latanya Sweeney found that when she used a search engine to pull up some of her work online, the search engine pushed ads for services that expunge jail records, based only on her African American-sounding name. These biases can have serious real-world consequences when you consider that AI is used

to determine credit scores, screen job applications, and more.

Leaders must proactively look for and recognize potential biases, ensuring that AI tools undergo rigorous testing and refinement to minimize unfair outcomes. Transparent processes and regular audits can help mitigate these biases, safeguarding fairness and equity in organizational decision-making.

## Data Privacy

Data privacy is another critical issue requiring vigilant leadership. [Gartner predicts](#) that by 2027, 40% of AI-related data breaches will be caused by the improper use of generative AI. VP analyst Joerg Fritsch warns, “Organizations are noticing changes in the content produced by employees using Gen AI tools. While these tools can be used for approved business applications, they pose security risks if sensitive prompts are sent to AI tools and APIs hosted in unknown locations.”

Organizations utilizing AI must handle sensitive information responsibly, ensuring compliance with privacy regulations and maintaining stakeholder trust. Leaders must prioritize data security and transparency, clearly

communicating how stakeholder data is used, stored, and protected.



## Intellectual Property

To create and train AI, programmers feed machines thousands of pictures, works of art, literature, and more. This raises complex questions about intellectual property and copyright law. Many of these questions are being addressed through lawsuits as the current laws struggle to keep up with technology.

However, as generative AI becomes more common, leaders must respect intellectual property and use AI

ethically. First, disclosing when AI is used to generate a work product is always a good idea. Reviewing generative AI results for plagiarism and identifying and citing sources is also essential. Finally, be cautious about false information and “AI hallucinations.” AI can generate output based on biased or inaccurate data or incorrect modeling assumptions. Ultimately, it is up to leaders to ensure that AI-generated information is appropriate for use by the organization.

## Transparency

Transparency in AI use and AI-driven decision-making processes is equally essential. Stakeholders need to understand how and why AI is being used throughout an organization. Leaders must commit to openness, clearly explaining AI methodologies and addressing stakeholder concerns proactively.

Transparency in AI starts with the designers and developers, continues to the leaders who approve deployment, and includes the employees who use it and anyone it impacts. Being transparent from start to finish decreases the risk of errors and misuse, allows internal and external oversight, and shows respect for all stakeholders.

## Accountability

Finally, leaders must take accountability and responsibility for decisions, actions, and mistakes made by AI. For example, suppose an AI chatbot provides incorrect information to a customer, causing a complaint. In that case, a manager must correct that mistake, smooth things over with the customer, and prevent that mistake from happening in the future. Likewise, if AI generates plagiarized content, and a business publishes it, the leaders of that business are ultimately accountable both ethically and legally.

When incorporating AI in an organization, leaders must thoughtfully consider the ethical concerns and set clear and transparent guidelines for themselves and their team. While AI offers almost limitless possibilities, there are potential pitfalls to overcome.





# Chapter 5: Building and Maintaining Trust in the Age of AI

In his book, *The Speed of Trust*, Stephen Covey explains, "Without trust, we don't truly collaborate; we coordinate — or at best, cooperate. It is trust that transforms a group of people into a team." Building and maintaining trust digitally requires intentionality, consistency, and empathy. In an era increasingly defined by remote and hybrid workplaces, trust becomes even more critical as a foundational element for effective leadership and organizational success. It is the foundation for achieving organizational objectives, employee engagement, and retention.

As AI changes how we do business and create value, it is quickly being integrated into how employees execute core tasks. However, it is not only changing how work gets done but also poised to transform how employees are managed. While this opens up exciting possibilities for streamlining processes and increasing productivity at all levels of an organization, research shows that employees are unsure about using AI at work.

In a survey by Pew Research, 52% of respondents reported feeling "worried" about the impact of AI in the workplace, and 33% said they felt "overwhelmed". Workers are also concerned that AI will lead to fewer job opportunities in the future. Another Pew Research study found that

American workers oppose using AI in hiring processes and screening resumes, with 66% of respondents saying they would not want to apply for a job with an employer who uses AI this way.

Employees are increasingly uneasy about the use of AI to replace human management. They see AI as less benevolent than their human counterparts, causing concern that AI will make decisions without considering employee interests or well-being. However, this does not just reveal a lack of trust in AI; it also signals that employees lack confidence in leadership. Employees are unsure about the employer's motivations and fear that the introduction of AI may ultimately lead to their dismissal.

While AI can recognize patterns in human interactions and analyze data to make inferences about human preferences, it is not and should not be considered benevolent, or as having someone's best interests in mind. However, AI can be trained to prioritize the interests of stakeholders and even to identify and reduce bias in meetings, which can help leaders make more thoughtful decisions.

To successfully integrate AI in the workplace, leaders must return to the basics of good management. Building trust

within an organization is essential to successful innovation and the secret to increasing productivity, engagement, and employee retention.

It is essential to recognize that trust is earned over time. If an organization is a low-trust environment before AI is implemented, it is unlikely that employees will embrace it. When front-line leaders trust senior leadership, they are more likely to embrace the introduction of AI. For the adoption of AI technologies to be successful, leaders must deliberately build trust through clear, consistent communication, transparency, and empathy.

## 5 Tips for Building Trust in Leadership

- 1. Communicate effectively — and often.** Frequent and transparent communication will prevent misunderstandings and prevent others from assuming the worst. This is especially true when large-scale changes are happening throughout an organization. It is best to communicate through multiple channels to ensure the message is received.
- 2. Lead by example.** Trust is a two-way street. To be trusted requires extending trust to others. Leaders must demonstrate the behaviors they want to see in

others, show respect for their team, and avoid micromanaging their employees.

- 3. Provide opportunities for professional growth.** Leaders can demonstrate their commitment to employees by providing opportunities for learning and growth. For example, providing training to give employees the skills to use AI effectively, or investing in leadership development to prepare managers to become effective leaders.
- 4. Recognize achievements and effort.** Everyone wants to feel like their efforts are appreciated and their work matters. Take the time to let employees know you value their contributions. This can be as simple as a thank you, or something more public or elaborate.
- 5. Build personal connections.** In an increasingly digital world, human connection is the key to effective leadership, and is something that AI can never replace. Show genuine interest in your team's goals, strengths, and challenges. Be curious about their interests and share your own as well. Building mutual trust starts with creating genuine relationships.



# Chapter 6: Future-Proofing Leadership

Becoming an AI-ready leader requires a proactive approach to future-proofing leadership at all levels. As organizations navigate unprecedented technological shifts, leaders must adopt strategies to remain effective, relevant, and ready for future challenges.

To ensure an organization is prepared for the future, leaders can use the following strategies:

## **Pursue Continuous Learning**

Continuous learning is the cornerstone of future-proofing leadership. Leaders must regularly seek opportunities for personal and professional growth through formal training, industry conferences, online courses, or peer-to-peer knowledge exchange. Staying informed about emerging trends, technologies, and best practices helps leaders anticipate changes and proactively position their organizations for success.

## **Prioritize Adaptability**

Adaptability is another critical competency for an AI-ready leader. The ability to quickly adjust strategies and behaviors in response to changing circumstances allows leaders to maintain momentum and effectiveness. Adaptable leaders view change not as a threat, but as an opportunity for innovation and improvement. Practicing flexibility, having an open mind, and being willing to pivot rapidly when necessary are key to future-proofing your leadership team.

**Leaders who balance  
technical proficiency  
with distinctly human  
qualities will thrive  
amidst rapid change.**

## Foster a Culture of Innovation

Additionally, fostering a culture of innovation within the organization is vital. Leaders should encourage their teams to think creatively, experiment with new ideas, and learn from successes and failures. Cultivating an environment where employees feel empowered to share ideas and collaborate on solutions leads to greater organizational agility and resilience.



## Increase Digital Literacy

Digital literacy is also essential in a rapidly evolving technological landscape. Leaders must not only understand current digital tools and platforms but also remain receptive to adopting new technologies that can enhance productivity and competitiveness. Encouraging digital skill development within teams ensures that the entire organization can effectively leverage technology to its advantage.

Leaders can implement these strategies by establishing regular routines for reflection and strategic planning, investing in personal coaching or mentoring programs, setting clear and measurable goals for continuous improvement, and actively seeking feedback from peers and team members to identify areas for improvement.



# Conclusion

As we navigate the complexities of an AI-driven future, it is clear that leadership must evolve alongside technology. Leaders who balance technical proficiency with distinctly human qualities — such as emotional intelligence, ethical insight, trustworthiness, and genuine interpersonal connections — will thrive amidst rapid change. This eBook has explored the essential competencies necessary to succeed as an AI-ready leader, highlighting practical strategies and real-world applications to inspire continuous growth.

Crestcom International is dedicated to empowering leaders to confidently adapt and succeed in this transformative landscape. Our comprehensive [leadership development programs](#) are specifically designed to cultivate the vital human-centered skills highlighted throughout this guide.

We encourage you to take the next step in preparing your leaders and teams for sustained success by exploring how Crestcom can partner with your organization. Together, we can shape leaders who not only embrace technological change but also drive meaningful, ethical, and innovative futures.

## **Acknowledgments**

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# About Crestcom International

Crestcom International specialized in developing managers into leaders...  
**and we're different.**

Crestcom is a trusted leadership training partner for firms ranging from small and medium-sized businesses to Fortune 500 enterprises. Over the last 30 years, our accredited and award-winning leadership development programs have impacted more than 1 million executives in over 60 countries worldwide.

We've leveraged a proprietary training process that emphasizes measured development, effective implementation and ultimate accountability to create consistent and sustained behavior change. Our subject matter experts and live facilitated classes help participants develop lifelong skills that yield long-term results.

It's why Crestcom has been and will continue to be the top choice for transforming managers into leaders.

