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REDESIGNING WORK FOR THE AI ERA

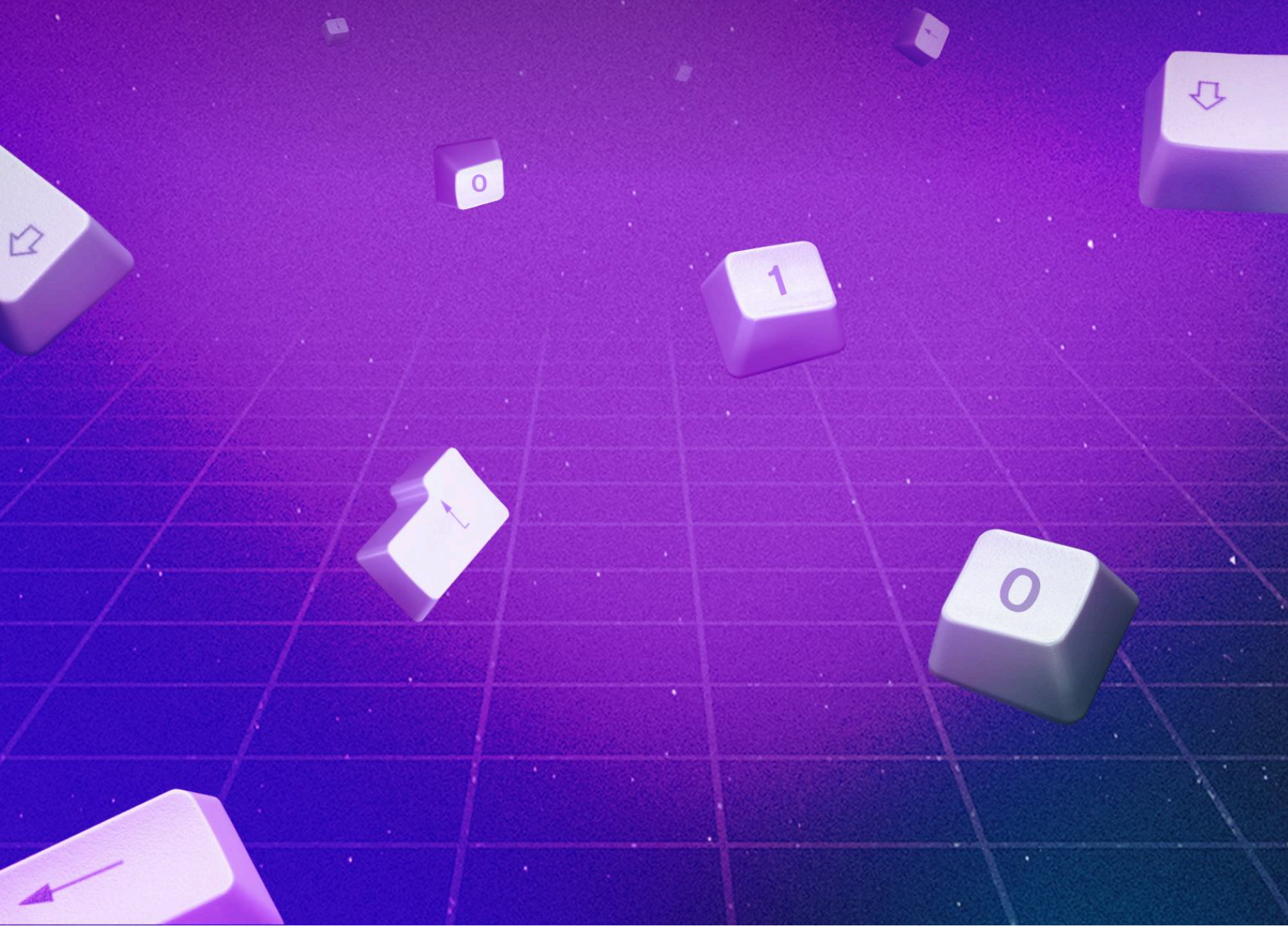


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Editor's note: The contents of this playbook were independently researched and written by Charter's editorial team.

A note from Council Advisors

Every CEO we work with is asking some version of the same question: not whether to use AI, but what it means for how the company is organized.

We've spent more than two decades in the room with CEOs and boards as they navigate organizational change. But today, AI is forcing a faster, higher-stakes version of that change. AI can automate part of a role and inadvertently remove the work that used to teach skills and judgment to junior employees. At the same time, AI can give one person more leverage, helping a 10-person team accomplish what a 20-person team once could. Meanwhile, AI can become part of a workflow, making it harder to say who owns the outcome, or how people are evaluated for it. These are just a few examples of how we're seeing work evolve in our clients' organizations.

Much of the public conversation about AI and work has stayed at the level of theory: flatter organizations and small teams doing what used to take dozens of people. Charter's research goes further. It looks at what companies are actually doing right now: Cisco testing engineering candidates with a problem-solving simulation instead of a standard interview; Atlassian merging its HR and IT functions under one leader to minimize the gap between automation decisions and its impact on people; and Microsoft running three-week "Camp AIR" bootcamps that put teams' AI-redesigned workflows into practice immediately.

This report does something more useful than predict where AI takes organizations: it shows how work is already being reset inside companies, and what that means for the decisions in front of CEOs in the coming year.



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A message from Charter

Everyone seems to have a prediction about what AI will do to specific jobs, to the teams we work on, or to the shape of the org chart. Far fewer have a plan for what to do about it.

This playbook aims to close that gap. Drawing on conversations with researchers, CHROs, AI leaders, and the companies experimenting in real time, it lays out three design principles—and nine ways to put them into practice—for redesigning jobs, teams, and the organizations in which we work. It also offers a blueprint and checklist to help you apply them.

A few insights stood out in our reporting. First, sequence matters. The leaders tackling their redesign projects well should start with their own AI fluency, map how work actually moves through the organization, and tie every change back to strategy before they touch a single reporting line.

Second, jobs are changing faster than org charts. About a third of the skills in the average role have shifted since 2022, and companies are responding by making interviews harder, extending on-ramps for entry-level talent, and even inventing roles that didn't exist a year ago.

Third, individual productivity gains don't automatically add up to team performance. AI speeds people up but piles up review and coordination work, so the teams getting results, like those at Zapier and Every, are organizing around outcomes rather than functions.

Finally, flattening has a price. Manager engagement slips once too much of their time goes to hands-on work, a warning for anyone who thinks managers can shoulder the same load as individual contributors while still managing people well.

After an introduction, our first chapter takes on jobs, the second covers teams, and the third discusses organizations as a whole, with case studies and in-depth Q&As with experts sprinkled throughout. The final chapter brings the playbook together with a blueprint and a “punch list” to help you determine where your gaps are largest, and where to start.

Charter has partnered with Council Advisors on this playbook, and we’re grateful for its support and thought leadership. We see this research as part of our ongoing coverage of these questions, so please be in touch with feedback and examples that others might learn from by contacting us at hi@charterworks.com.



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Redesigning work for the AI era

AI is prompting the broadest redesign of corporate life in a generation, with expectations that it will reshape not just how work gets done, but what kind of roles people have, and how they're organized to do them.



Everywhere you look, there's feverish talk of AI recasting people's jobs, reconstituting the teams they work on, and reshaping the organizations they're in. More than half of employees say their roles have already changed due to AI. More than 70% of executives expect AI to create more horizontal teams and greater mobility between them. And two-thirds of executives expect their organization's structure to change significantly—or even completely—within less than five years.

But behind all that talk is a lot of uncertainty about where to start. “Everyone's feeling like there's just this fog and mystery around AI that's going to bring us this magical future and nobody can quite identify it,” says Julie Averill, a former chief information officer of Lululemon and REI and advisor who's written about the technology. “How do you decipher where to start, what's really true, what your organization's ready for, where the data is ready?”

To ground the conversation in what companies are really doing—and concrete steps they can take if they want to do more—we spoke with researchers, AI leaders, talent executives, and more to develop a framework. It not only establishes the new design principles leaders should consider when rethinking jobs, teams, and organizations for the AI era, but offers a blueprint to help them build it.



Everyone's feeling like there's just this fog and mystery around AI that's going to bring us this magical future and nobody can quite identify it.”

—Julie Averill, former chief information officer, Lululemon and REI

The rules for redesign

Design principles for rethinking jobs, teams, and organizations in the AI era—and the ideas that put them into practice.

JOBS Rework jobs based on skills	Plan across the lifecycle Every stage from recruiting to hiring to offboarding needs a new look.	Extend junior worker on-ramps Entry-level roles need more runway for learning and assessment.	Create pathways into new roles Give employees coaching, training, and time to take on new opportunities.
TEAMS Build teams around outcomes	Clear out the bottlenecks AI speeds up people but piles up coordination. Staff it, don't starve it.	Build in deliberate learning Friction helps develop entry-level talent directly in the flow of work.	Protect workplace connections Carve out time and roles for culture as more work is done solo.
ORGS Reshape it, don't break it	Keep managers engaged Bigger teams and more hands-on work drive disengagement.	Follow work across siloes Connect leaders across boundaries, and blur lines between teams.	Rethink change management Start while plans are still forming, not after the org chart is final.

Start with the fundamentals

Talk to experts about managing such complex change, and you'll repeatedly hear the same fundamental first steps. Top leaders need to have a level of AI fluency themselves before they can begin recasting the shape of individual jobs or drawing up new team archetypes. Their data need to be consistent across the organization. And they need to map out their workflows, understanding how work moves through the organization before they start hacking away at management layers without a plan for what's next.

"We keep getting asked these questions about spans and layers," says Ravin Jesuthasan, senior partner and global leader for transformation services at Marsh. "The question should be, 'How does the work design fundamentally change the spans and layers?' as opposed to, 'I've got a target in mind and that's what we need to get to.'"

Of course, leaders also have to make sure any changes line up with their strategy. When companies start talking about organizational redesign, says BCG managing director and partner Julie Bedard, the first thing she asks is "to what end, to what outcome? So many companies say they want to do that without any clarity of how AI actually adds value to their strategy." Too often, even with the best intentions, she says, "it's a lot of talk and a lot of fluff."



The question should be, 'How does the work design fundamentally change the spans and layers?' as opposed to 'I've got a target in mind and that's what we need to get to.'"

—Ravin Jesuthasan, senior partner and global leader for transformation services, Marsh

What's inside

Each of the three chapters that follows goes beyond those foundational first steps, digging into three design principles for change: rework jobs based on skills, build teams around outcomes, and reshape organizations based on how work flows, not just on stripping out layers.

Organizations should consider jobs first—how the skills within them are shifting, and how to rethink them at every stage of the employee lifecycle. Typeform has made its coding interviews deliberately harder so candidates have to show judgment while using AI tools, while Cisco tests aspiring engineers with a simulation called “Penguin Island” to see how they navigate unfamiliar problems (see p. 15). At the entry level, EY has replaced its eight-week summer internship with a yearlong “career residency” built to help early-career employees start at a higher level (see p. 17). Sometimes, the fix isn’t rethinking an existing job, but creating a new one: legal AI startup Spellbook developed an entirely new “Executive Individual Contributor” role to let a veteran technical leader help with needs across the company (p. 25).

Teams, meanwhile, need to be rebuilt around outcomes rather than fixed functions, and few companies have moved in that direction as visibly as Zapier (see case study, p. 36). Other companies are tackling a subtler problem: as AI speeds up individual output, it creates a bottleneck in coordination and review (see p. 31). At media and technology company Every, product specialists call on members of one of the company’s “internal agencies”—such as the design or marketing team—who function more like freelancers who lend their expertise (p. 29). Typeform, meanwhile, uses “three-in-the-box” pods to catch AI’s blind spots (p. 30).

Of course, companies are testing how far they can flatten or reshape the org chart itself while they map how work flows. **They’ll need to keep managers engaged, help leaders partner across boundaries, and start change management programs much earlier.** We spoke with global tech-services firm Globant about scrapping its geography-based structure for “AI Studios” (p. 51), Stanford professor [Nir Halevy](#) about the real costs of flatter organizations (p. 47), and Atlassian about blurring the

lines between leadership teams (p. 42). Finally, we looked at why change management needs to start much earlier, why leaders need to improve their “prospection” capabilities (p. 45), and how to take stock of how “change-ready” people really are.

A blueprint for change



Start with AI fluency at the top. Leaders can’t credibly recast jobs or draw up new structures if they don’t understand the technology themselves. Fluency has to come before redesign, not alongside it.



Map the workflow first. Stripping out management layers without first understanding how work flows through the organization won’t work. Start by following where work moves to understand where to go next.



Tie every change back to strategy. BCG’s Bedard says the first question she asks any company talking about redesign is “to what end, to what outcome?” Too often, she says, the answer isn’t clear enough.

01

Redesigning jobs

Design principle one: Rework jobs based on skills—and build better entry-level on-ramps



As workers have integrated AI tools into their work, the most rapid change has occurred within individual jobs. In the average role, 33% of skills have changed since 2022, according to Lightcast, a labor market analytics firm.

In some jobs, that rate of churn is even higher, with more than half of all skills required for the same job changing within the past three years, says Joseph Fuller, a professor of management practice at Harvard Business School. That means job descriptions, titles, and the skills required for success are all shifting, even as the pace of work itself shows no indication of slowing down.

AI tools have helped high-performing workers take on bigger projects, work more independently, and own a greater share of business outcomes. Traditionally, teams owned a specific outcome, such as launching a product, and individual roles were designed around a process, such as front-end or back-end development, says Kian Katanforoosh, CEO of Workera, a talent-management platform. Now, “we have a lot of teams of one that are owning the outcome,” he says.

For leaders, navigating role redesign effectively while maintaining high performance requires transparency, clarity, and support from recruitment to offboarding. Below, you’ll find a guide to the changing nature of jobs, inspired by each stage of the employee lifecycle.

33%

of skills have changed since 2022 in the average role

Source: Lightcast, a labor market analytics firm

RESEARCH SPOTLIGHT**How the ‘cybernetic teammate’ supports one-man teams**

A recent field study examining AI adoption at Procter & Gamble confirms Katanforoosh’s “teams of one” observation. Research conducted before the widespread adoption of genAI repeatedly confirmed that collaboration among teammates yielded higher-quality results, but researchers, including Harvard’s Raffaella Sadun and Wharton’s Ethan Mollick, found that AI changes the equation.

“AI replicates many of the benefits of human collaboration, acting as a ‘cybernetic teammate,’” the researchers write. “Individuals with AI produce solutions at a quality level comparable to two-person teams, indicating that AI can indeed stand in for certain collaborative functions.” AI tools also let individual workers access expertise outside their function and feel more positive about working alone.

Recruiting: Assessing the skills that matter most

Beyond technical skills related to AI tools, hiring managers are looking for the foundational skills that let employees take on more ambitious work, the problem-solving skills needed to use technology well, the relational skills that form the basis of strong teams, and the adaptability required to navigate rapid change.

Many of these skills fall under the umbrella of “glue work,” says Katanforoosh, and they’re usually the domain of the star senior employee. Those employees “are able to just connect the dots and then unblock projects or delegate to AI,” whether that means pulling in a colleague from a similar project years ago or spotting a bottleneck in an existing process.

Glue work might seem like a difficult skill to assess during hiring, but Katanforoosh says many of its component parts can be measured in

candidates, such as problem solving, creative thinking, business knowledge, and the ability to build and maintain relationships.

In engineering roles, that means redesigning technical interviews to reveal how candidates solve problems and think creatively. Typeform, a 350-person company that provides survey tools, has made its coding interview significantly harder and more comprehensive since the widespread adoption of AI coding tools.

They assign “something big and impossible to execute if you’re generating code in the traditional way, and we let you use all of your coding assistant tools,” says Typeform chief product and technology officer [Aleks Bass](#). As candidates approach this “big audacious problem space,” hiring managers watch how they work: how they define the problem, break it into components, collaborate with AI agents, and evaluate the output.



Glue work” is an essential skill of star senior employees who can “connect the dots and then unblock projects or delegate to AI.”

—Kian Katanforoosh, CEO, Workera

Recruiters at Cisco use simulations to assess how candidates put technology to work solving problems in real time, says chief people officer [Kelly Jones](#). For example, a hiring manager might ask aspiring network engineers to complete a simulation it calls “Penguin Island,” in which they must build a network on a remote island without much existing infrastructure. Applicants share their screens so interviewers can watch how they use AI to navigate the challenge.

Recruiters at McKinsey, meanwhile, use simulations to assess problem-solving skills for non-technical roles. A video game tests applicants’ problem-solving skills in real time using a simulated ecosystem, chief learning and development officer [Heather Stefanski](#) [shared](#) at Charter’s Leading with AI summit.

Onboarding: Building better on-ramps for entry-level workers

Assessing key skills—and how quickly candidates acquire them—is particularly important for the next generation of entry-level workers. With AI tools making it easier than ever to ace assignments traditionally assigned to interns and first-year associates, it is becoming more difficult for managers to identify rising stars early in the process.

Instead, Fuller recommends building longer on-ramps for entry-level talent. “Give up the notion that you’re going to hire on the basis of a junior-year college internship,” he says. “You want a couple of looks, and you want [interns] to really experience the place.”

The longer timeline gives college students more runway to develop skills, relationships, and expertise, but it also gives employers more opportunities to assess how quickly interns learn, points out [Matt Beane](#), a professor of technology management at the University of California, Santa Barbara.

Pay attention to how they perform on repeated tasks. “If you have data on the time it takes to complete a piece of work for somebody in a role...you can see how much faster they’re able to do it and with how many fewer defects,” says Beane. “[If] the rate of change in their productivity is positive over time, that’s learning.”

For a deeper dive on redesigning entry-level pipelines, read our Q&A with Fuller below.



Give up the notion that you’re going to hire on the basis of a junior-year college internship.”

—Joseph Fuller, professor, Harvard Business School

 DEEP DIVE

Inside EY's plan to replace the eight-week internship

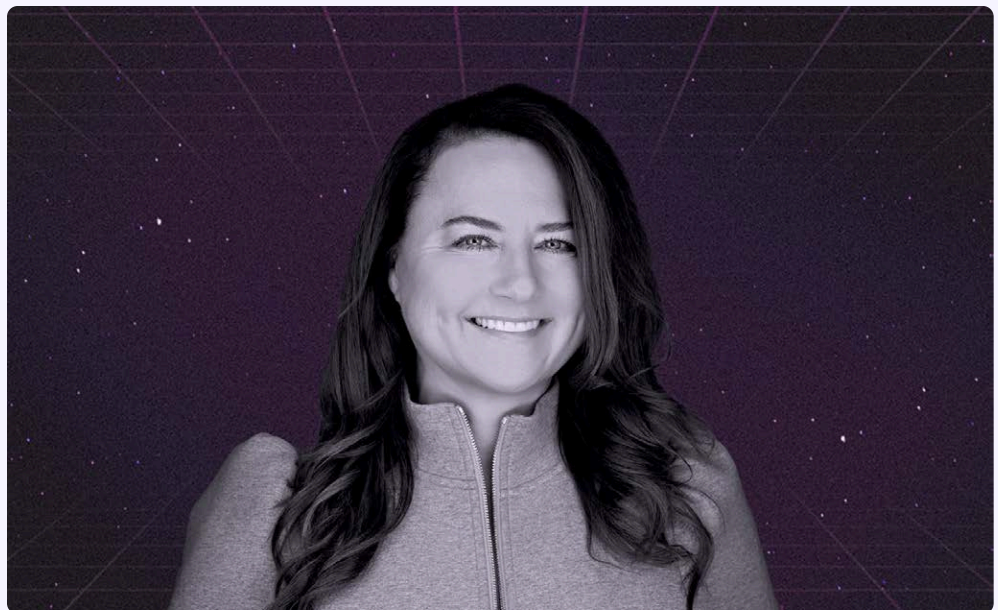
When accounting firm EY announced it was replacing its summer audit and tax internships with a paid, eight- to 12-month “career residency” this August, the calls started rolling in. Not immediately from candidates—EY just started accepting applications in September—but from companies eager to hear about the program, which builds runways for entry-level talent to join the firm at a slightly more senior level.

“I have a client meeting tomorrow on this topic. I have two next week,” says Ginnie Carlier, EY’s chief talent and culture officer for the Americas, who says they’ve heard from “dozens” of clients since the program was announced. “Not only are they facing similar challenges in their own org—they’re also thinking about their future workforce and where they pull their workforce from.”



Ginnie Carlier

Chief talent and culture officer for the Americas, EY



Professional services firms like EY don't just grow their own future partners—they train the tax and accounting talent that go on to work in finance departments across the economy. Yet as AI eats up grunt work traditionally assigned to junior employees, many firms are raising the bar for entry-level talent, expecting sharper judgment from the start.

“We needed to find ways to really elevate their ability to start contributing on day one,” says Carlier. Those that go through the residency program will continue their academic studies while working about five to 10 hours a week on a combination of remote and in-person simulations and skill-building activities.

The new program is part of a broader workforce transformation program that recently included a \$100 million bonus program that rewards skills like judgment and AI experimentation. The residency work has four components, says Diana Kutz, talent leader for the firm’s assurance practice in the Americas: a traditional eight-week internship, with the rest built around simulations, exposure to other parts of the firm, and a capstone project where they make recommendations for EY and create a plan for completing their licensing.

Other professional services firms are also making changes to the bottom ladder rungs—KPMG and PwC have both revamped training for interns or entry-level employees, and Accenture now sees new technologists become “client-ready” in as little as six weeks in some countries, rather than up to six months two years ago, says Karalee Close, Accenture’s global talent lead. The firm expects to hire more entry-level talent this year than it did in 2025.

At EY, those who complete the residency program and ultimately get hired will join the firm as an analyst, a more senior role with a higher starting salary than the staff auditor position that once served as the entry rung. The program is starting in EY’s audit and tax practice, and is expected to be adopted by other parts of the business, says Carlier. “We’ve really got to think differently [about] how we attract, how we onboard, how we develop and grow, and then obviously how we reward and recognize people,” Carlier says. “It’s a really end-to-end radical change that we’re focused on.”

Progression and performance: The new career pathways in organizations

To help employees build the skills necessary to take on emerging opportunities, Cisco has built new curated career pathways to highlight the most important capacities for growth. Jones's team works with leaders in functions such as HR, marketing, and finance to design two parallel tracks in every role: a company-wide learning path and a department-specific learning path.

When employees log into Cisco's internal talent-management platform, they see pathways and guidance about how their role is changing, the skills they need for the next level, and the resources needed to build them. Ahead of regular one-on-one meetings with their manager, the platform prompts workers to reflect on their professional and development goals, and what help they need from managers.

Cisco also encourages learning by building time directly into workers' schedules through a program called "Time to Grow," a monthly four-hour block dedicated to skill building. "Although we've always been an organization that focuses on continuous learning, without having a dedicated time block, it tends not to happen," says Jones. In an initial, six-month pilot with 30,000 participants, 80% of employees said the time was valuable.

Participation in Time to Grow was highest among teams whose leaders used the time to upskill themselves. "At the highest leader level, be very clear about how roles are changing," says Jones. She encourages managers to regularly share their own development goals to model the value of continuous learning.

Offboarding: Maintaining a sustainable workforce

As AI prompts the redesign of job responsibilities or the creation of new types of jobs—document-management company Box has created 13 new roles, for instance—leaders have to find constant opportunities to reevaluate roles and responsibilities, says Box's chief people officer, Jessica Swank. Offboarding is one such opportunity. "Every time there's somebody who leaves the organization, we're asking [managers] to reevaluate" the newly vacant role, Swank says. Should the team hire a direct replacement? Or is there a better way to define the role, allocate skills, and deploy the organization's talent?

AI is also prompting organizations to reshape succession planning. With “glue work” becoming more important as employees work with agents more independently, senior staffers are a reservoir of expertise and judgment.

Without intentional investment in building human skills, many organizations risk losing these capacities when star employees retire or change jobs. How do you “ignite those same skills into the entry-level worker [and] bring AI into the mix as well so they can reinvent those skills for the age of AI?” asks Katanforoosh.

A blueprint for change

✓ **Design interviews to assess durable skills.** Embed practical tests into the interview process to test applicants’ capacities. For example, give aspiring engineers a difficult coding project and watch how they use AI to approach it, or ask consulting interns to complete a simulation that tests problem-solving skills.

✓ **Build longer on-ramps for entry-level talent.** “Give up the notion that you’re going to hire on the basis of a junior-year college internship,” says Fuller. EY, for example, is extending its traditional summer internship into an eight- to twelve-month residency.

✓ **Make time for upskilling.** Cisco builds time directly into workers’ schedules through a program called “Time to Grow,” a monthly four-hour block dedicated to skill building. Make sure leaders share how they’re using their learning time to model the behavior.

✓ **Use offboarding to reassess your org chart.** Every time an employee leaves, the organization risks losing that worker’s expertise. Ask managers to assess any skills or knowledge gaps the vacancy might create and decide whether there’s a better way to define the role, allocate skills, or deploy existing talent.

 Q & A

Harvard Business School's Joseph Fuller on redesigning entry-level work

While AI threatens to transform every aspect of business, workers and employers alike have paid particular attention to its effect on entry-level employees as the market for junior workers remains weak. Joseph Fuller, a professor of management practice at Harvard Business School and co-founder of the consulting firm Monitor Group (now Monitor Deloitte), has studied the promise and perils of AI for the youngest workers closely, while working directly with large companies on designing better recruiting, onboarding, and training programs for entry-level workers.

We spoke with Fuller about the state of entry-level work now, approaches to redesigning roles for young workers, and the hiring and onboarding practices that get the most out of junior employees. Here are excerpts from our conversation, edited for length and clarity:



Joseph Fuller

Professor of management practice, Harvard Business School; co-founder, Monitor Group (now Monitor Deloitte)



You've written a lot about AI's potential impact on entry-level work. What are we actually seeing now?

It's pretty clear now that there has been a significant curtailment of job postings for entry-level positions in sectors that are the most exposed to AI, such as financial services or software. The contents of job descriptions are also changing at a historically high rate. I did some work about five years ago with Burning Glass Institute, and we came up with a rough number that the three-year churn for skills in a job description was about 35%. But in a bunch of jobs now, it's 50% or 60%.

What [new skills are] showing up? Many more specific references to familiarity with data structures, AI, and machine learning, but also to what we'd broadly call social skills: your ability to interact with others, to be in an unfamiliar setting and be productive, to negotiate. They're looking to heighten the influence of skills that you can't embed in technology and are hard to teach an adult.

How do you recommend companies restructure roles to get the most out of their entry-level hires?

The people who get value out of AI are those with outstanding contextual intelligence, who can interact with the models to get value out of them, and who avoid [getting] errors from them. If you are beginning to retrench your entry-level hiring, don't forget that you can't have a 10-year-old if you don't have a one-year-old. The people who've got contextual intelligence now once didn't have any, and they got it through experiential learning.

If AI is making your currently defined entry-level role uneconomical, change the job description. Include new tasks that you didn't historically assign to people as entry-level positions that will cause the economics to go back to [being] acceptable to you. Think about what you're going to need seven or eight years from now.

At one tech company I worked with, we looked at the shortcomings of the senior software engineers. Often they're excellent senior software engineers, but they really don't know anything about product management and they really haven't spent much time with



No one knew they needed electricians when George Westinghouse mastered alternating current...We're beginning to see [new roles emerge], but it's going to be awhile."

—Joseph Fuller,
professor, Harvard
Business School

customers. We decided to take all the young workers who were beginning to get experiential learning on the technical side, and have them be part of product management teams and go on sales calls with people selling that product. You're basically pre-positioning them by broadening their horizons and not having them be in a silo.

How are smart companies approaching the job-redesign process?

It's early innings on that. This is the first technology that gets better on its own. The [fourth] anniversary of OpenAI's first public release is not until November. You're seeing jobs that are built around the intersection of some form of expertise and with strong technical AI skills, but you're not seeing many of them yet. Why? Because there's no one to fill those roles.

No one knew they needed electricians when George Westinghouse mastered alternating current. And no one understood there would be the need to manufacture small electric motors that could be distributed around a factory. We're beginning to see [new roles emerge], but it's going to be awhile.

Given the renewed importance of contextual intelligence, problem-solving, and creativity, how should companies rethink hiring to evaluate these kinds of skills?

The first is to provide a work-based learning opportunity. You want a couple of looks, and you want them to really experience the place so they don't have the shock that hits everybody who becomes an investment banking analyst—that this is even worse than the horror stories. You don't want a recruit who doesn't know enough to know whether they're going to quit in a year. As an employer, I also don't want to hire somebody I have to fire within a year. Everything I can do to reduce those costs of involuntary attrition becomes important, especially in an era of contextual intelligence being critical to productivity.

In hiring, interviews have to include much more, so you've got to structure the interviewing process so different people are covering

different material in different ways. There's compelling data that show that if you pick some high performers at several different levels in your consulting firm to interview someone, they all go to the same conference room and they're basically going to have the same conversation if each one of them doesn't know exactly what they're supposed to hone in on. They'll basically all agree.

Interviewers also have to be taught to keep the recruit talking. From my research, it's very clear that [candidates are] more likely to get an offer the more an interviewer talks.

The talk should be pretty overt tests. Better companies are increasing not just direct interviews earlier, but physical face-to-face [interviews]. There's something called a tell [in poker]. You start picking up on the small facial expressions or eye movements that tell you whether or not someone's bluffing. We all pick up on a lot of these subconscious cues pretty quickly, but [during video interviews], I'm not getting the precise pitch of your voice. I'm sitting far enough back that you probably can't pick out if I'm slightly looking up or to the side with my eyes when I'm answering a question.

What to read

- What the data reveal about the debate over what's driving entry-level hiring
- A conversation about redesigning entry-level jobs from Charter's Leading with AI Summit
- How fixing job interviews makes workers happier, a conversation with NYU psychology professor Tessa West

 CASE STUDY

How Spellbook created a new kind of top tech job

As AI enters the workplace, organizations are getting flatter, with companies weeding out middle managers in favor of roles responsible for hands-on work. But businesses still need senior leaders to guide their teams through a period of dramatic change. To address that need, legal AI startup Spellbook created an entirely new role, one that would enable a veteran executive to get into the weeds on important projects and work alongside staff without having to directly manage them.

The idea for the role, which CEO Scott Stevenson calls the “Executive Individual Contributor” (EIC), came to Stevenson in early 2026 when he tried to recruit his friend, former Shopify chief technology officer Jean-Michel Lemieux, to be Spellbook’s new CTO. Lemieux was a good fit for the role—he had spent six years leading technology at a leading e-commerce platform. But Lemieux didn’t think the role was a good fit for the moment.

AI was changing the way the whole company operated, not just the product team. Every team and business unit within the roughly 200-person company needed tech expertise and leadership. That called for an executive who wasn’t chained to a specific function or constrained by the everyday obligations of people management. “I was like, ‘Why would I go into a box when I really believe the shape of this company’s going to change?’” Lemieux says.

Instead of hiring a CTO, Lemieux and Stevenson designed a role that would free Lemieux of direct reports and allow him to lend his expertise as a seasoned technical leader to every department—from product to public relations to marketing.

That’s different from traditional c-suite positions, which primarily involve managing managers, with little or no ability to do hands-on work. In this new role, Stevenson says, “he’s able to dive into a team, diagnose what’s working and what’s not, get it working better, and then once it’s to a good place, move on to the next thing.”



As an organization scales to thousands of employees, additional EICs can help build the counterculture needed to keep development moving fast.”

—Scott Stevenson,
CEO, Spellbook

Today, Lemieux blocks out a few weeks at a time to work on whatever he has determined is the most urgent project at the moment. Recently, he spent six weeks quarterbacking the launch of Spellbook’s biggest product update so far—a sprint Stevenson says would have taken three times as long if not for Lemieux. During another weeks-long stint, he worked with the sales team to simplify the process of conducting demos for potential clients.

Because he’s free to work at all levels of the company, Lemieux says it’s helped him forge connections with staff and mentor people in ways he never could when he was sitting at the top of a tech-only team. For example, he recently conducted a late-night code review with one of the company’s product development interns.

But Lemieux’s coaching hasn’t just helped the most junior talent, Stevenson says. It’s helped him too. Lemieux dedicated his first few weeks at Spellbook to sitting in on all of Stevenson’s meetings and offering feedback on, say, how to evolve his communication style, now that the company has grown. “As CEO, I now have this mentor in the company who’s making me better,” Stevenson says.

Stevenson predicts this kind of role will become increasingly popular as middle management roles fall out of favor and as AI tools give senior leaders the ability to get back “into the trenches” of product development, especially in tech companies.

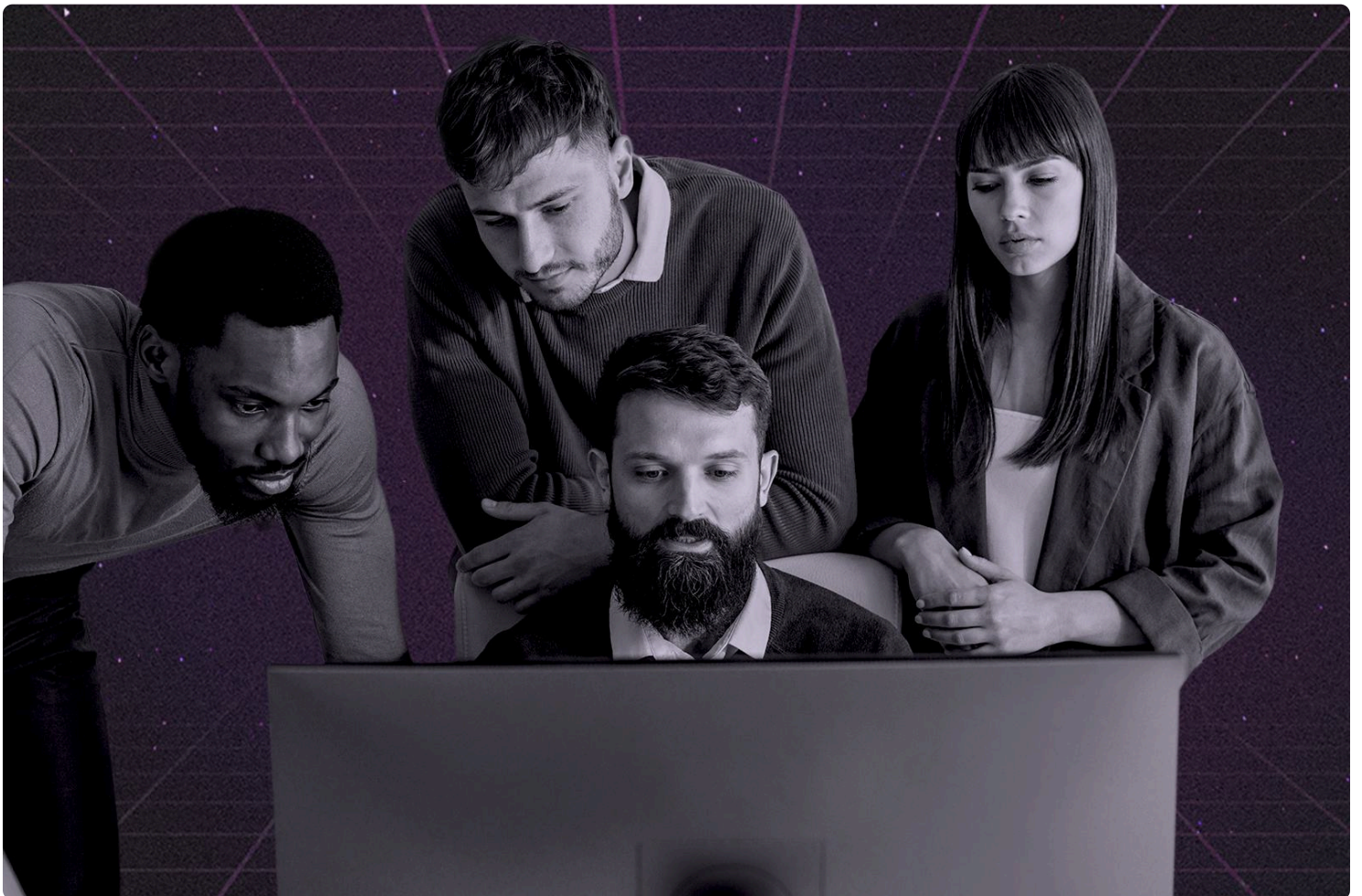
The scope of the role may change in larger companies, but Lemieux believes it can still work. Many giant corporations already have technical “fellows” or “distinguished engineers,” which he says “often end up ceremonial.” Adding an EIC would enable someone with the same accomplished pedigree to do more than just be “weighing in from the sidelines,” he says.

Lemieux cautions other businesses considering hiring this type of position not to “overdefine the role up front,” because it’s likely to take different forms, depending on the skillset of whoever’s brought in. He also warns people taking on the role to work hard building trust. “It can’t be: Jean-Michel’s coming in and he’s going to whisper stuff to the CEO,” he says. The point of embedding with a range of teams for weeks on end is to truly become part of those teams, he adds.

02

Redesigning teams

Design principle two: Build teams around outcomes to break bottlenecks and maximize learning



65%

of workers say AI creates more coordination work between team members, a figure that increases to 90% among the most productive workers.

Source: Asana

Even as AI agents empower people to work more efficiently, individual productivity gains don't always translate to stronger team performance. That's because current team structures often lack sufficient "absorption capacity," or the ability to digest all that extra work people are getting done with AI, creating bottlenecks down the line.

Some 65% of workers say AI creates more coordination work between team members, a figure that increases to 90% among the most productive workers, according to a [report](#) from Asana. That friction is introduced because people have to take time to do manual reviews of AI-generated work, which may reveal mistakes or inefficiencies.

"About 80% of what [workers] do is coordination and alignment, and those things are not getting better with AI," said [Molly Sands](#), head of Atlassian's Teamwork Lab, at a recent Charter event.

"Teams are moving faster, but they're starting to crash into each other a lot more."

When organizations rethink work processes at the team level, however, they can identify these bottlenecks and increase capacity—or decrease workloads—before they slow teams down. Doing so lets teams maximize learning and develop stronger connections between team members, all while unlocking more tangible gains from AI adoption.

The new shapes of teams

As discussed in the previous chapter, some organizations are shrinking team sizes as workers take on larger, more ambitious projects while using AI. That's leading them to reorganize traditional teams into smaller, flatter units. Coinbase, for example, has created small "[pods](#)" composed of a few employees working with half a dozen agents. At Workera, the senior leadership team has rewritten every job description, creating more "teams of one" that solely own an entire outcome rather than a small part of a larger process.

Media and technology company Every, meanwhile, is organizing the people on its product team into two categories: “architects” and “pirates,” says CEO and co-founder Dan Shipper. A pirate can be a technical or non-technical employee who works as a one-person team. They have an ability to quickly “map the whole territory and figure out what’s valuable as quickly as possible,” Shipper explains. They work independently, thrive in uncertain conditions, have a keen sense of the product, and understand the problems of the customer.

Pirates have enough general knowledge to create a working prototype, but it is architects who have the deep expertise required to turn a messy, vibe-coded prototype into a structured project that fits neatly into existing systems. For example, an architect might be a traditional senior engineer who makes sure that a feature fits into a product’s existing code base without unintended consequences, such as introducing bugs to be fixed further down the line or leaving out critical documentation to guide future updates.

Rather than working in fixed teams, Every’s employees work together as needed depending on the stage of a project. When they need cross-functional assistance, product specialists call on one of the company’s “internal agencies,” such as the design or marketing team.

Members of these agencies function more like freelancers than members of a traditional team. While senior functional leaders still manage their long-term career growth, they are loaned out on a day-to-day basis to project teams that need their expertise. In some cases, designers or marketers stay with a project for a longer period, but always return to the agency for their next assignment when the project is finished.

Reimagining teams to minimize bottlenecks

Some organizations have redesigned teams explicitly to address new bottlenecks introduced by AI workflows. Typeform, for example, has mapped out how work flows through its organization and redeployed staff where work tends to pile up. Before 2022, the biggest bottleneck was engineering, as nontechnical staff waited for coders to build new features, says Bass. Now, anyone in the organization can easily write

functional code, but doing so can inadvertently introduce both blind spots and new bottlenecks.

An engineer working independently might generate code that lacks the visual coherence a designer would bring, while a designer working alone might use AI to generate code that adds chaos into the product's existing code base. To get ahead of the problem, Typeform has split its product team into small, “three-in-the-box” teams composed of a product manager, designer, and engineer who identify and root out these potential oversights early on.

Equipped with AI, these small teams—as well as other nontechnical employees including UX researchers and support staff—are generating more new code than ever, leading to a ballooning number of pull requests (PRs), or proposals to integrate new code changes into an existing project. “The more people [who] can submit PRs, and the further away that they are from the technical expertise...the more time you need to dedicate to reviewing, validating, fixing, and addressing some of those challenges,” says Bass. Rather than let PRs languish in the queue, Bass spread reviews across a greater number of cross-functional engineering roles, increasing the volume of completed reviews by 300% in the past year.

300%

percentage increase over the past year in the volume of completed coding reviews at Typeform after reviews were spread across more cross-functional engineering roles

Source: Typeform

 DEEP DIVE

Why your AI risk team needs more people, not fewer

As AI slashes the cost of building things, companies are increasingly drowning not in what to build, but in what to take time to review, or invest in. “Just because you can create code doesn’t mean it grows the business for you,” says [Iain Roberts](#), the former CHRO of Airbnb and chief operating officer of IDEO. “We’re still in the mystery phase of AI transformation,” he says, where people are given “access to the capability and people are building amazing, fantastical stuff. And then no one knows what to do with it.”



Iain Roberts

Former CHRO, Airbnb;
former chief
operating officer,
IDEO



[Paul Cheek](#), the co-founder of an [index](#) that scores companies on AI maturity and the author of *No One Works Here*, says he’s also seeing organizations hand out powerful AI tools, then hit a wall when the flood of new ideas hits an under-resourced risk and compliance team. “One person told me they have more sandboxes in their organization than the Sahara Desert,” he says.

Cheek's fix is to properly staff the team responsible for reviewing what people create, or even over-resource it. A thin risk-review team creates a backlog, but it also can't keep pace with fast-changing technologies that require constant upskilling. An under-resourced team not only misses the chance to greenlight new AI-driven ideas that could have real business impact, but can leave people who are experimenting with the tools frustrated that nothing's getting through. Says Cheek: "They think, 'I'm not going to bother with any of this, and I'm just going to go back to doing work the way I used to do.'"

Designing teams to maximize learning

Teams can also use bottlenecks intentionally to train team members by making slowdowns a learning opportunity for junior workers, says UCSB's Beane. He recommends structuring teams with a senior mentor paired with several junior workers. The mentor assigns them difficult projects that previously would have taken even senior workers a lot of time to complete. Armed with AI, junior workers inevitably "come back with slop," says Beane, whether it's a coding project, a market analysis, or a client report.

Rather than treating the review process as a bottleneck for the manager to muscle through alone, mentors can help junior employees build judgment, discernment, and functional expertise when they involve mentees in the review process. The mentor says, "I found three issues in each of your cod[ing projects]. What are they? Go find them. You have half a day," explains Beane. When they come back, the manager might do a speed-round review and ask them to identify any remaining issues in five minutes.

To enable upwards and downwards learning, Fuller recommends designing teams that blend technical expertise held by more junior, AI-native workers and the contextual intelligence held by more senior colleagues. Then, "put a 40-year-old in charge who will get either side of that balanced seesaw to recognize the value the other party is bringing and not trample them or offend them." (For more on getting the most out of multigenerational teams, download our [playbook](#), "Intergenerational Fluency 101.")



We believe a high-performing team is more impactful than a team of high performers.”

—Kit Krugman,
former SVP of
people and culture,
Foursquare

STEAL THIS IDEA

How Foursquare rewards and supports team-level performance

In 2025, Foursquare introduced a new performance system that emphasized teams as the basic unit of work. “We believe a high-performing team is more impactful than a team of high performers,” the software company’s former SVP of people and culture, [Kit Krugman](#), previously told Charter.

To put that philosophy into practice, the company redesigned teams around products and projects rather than specific functions or work processes. In the engineering department, that might mean all team members are working on one product, including a tech lead and a group of engineers. The reorganization process also let Krugman’s team streamline layers of management to flatten the function as a whole.

Then, they revamped their performance-management system to identify and measure team-based performance instead of just individuals’ results. Foursquare asks team members a few simple questions multiple times a year: “Who do you think is a star performer? Who do you have concerns about or do you think needs additional help? And then who is influencing you and advising you?” explained Krugman, now chief people officer at Altana. The platform then synthesizes the data to track influence, high performance, and any areas that require support.

Finally, the company invested in ways to reward and support teams rather than individuals. It changed its annual leadership award to recognize whole teams, and replaced its learning stipend, which supported individual coaching and on-demand courses, with a team-based effectiveness coaching program. After shifting performance to the team level, employees reported increases in product velocity, cross-functional collaboration, and innovation.

Read more about how Foursquare shifted from individual to team-level performance evaluations [here](#) and why they eliminated engineering manager titles [here](#).

Preserving connection and collaboration as teams change

As AI agents expand individual workers' capacity, many high performers are working independently more often, rather than collaborating with colleagues who have different expertise. But as the work itself becomes more isolating, Katanforoosh says intentionally building human relationships becomes even more important.

He recommends creating a new manager role dedicated to building culture. These “culture carriers” are “fully dedicated to making sure people are happy, in the right state of mind, feeling like they belong, and [with] a career track that is painted for them.”

Other organizations are using AI to free up managers' time to take on more culture-building work in their existing roles. At Cisco, managers use the company's internal talent management platform to track performance, skill development, and even career pathways, freeing up time for the “more human” elements of leadership. “We can actually have them spend more time coaching people, developing talent, developing trust, doing that stuff that matters in real time,” says Jones.



Culture carriers” are “fully dedicated to making sure people are happy, in the right state of mind, feeling like they belong, and [with] a career track that is painted for them.”

—Kian Katanforoosh, CEO, Workera

Before AI, many teams relied on regular project updates and team meetings to maintain culture. Now, says Katanforoosh, connections don't have to route through the work. “You can actually have sessions that are completely casual and not about work for people to feel like they belong in the culture,” he explains. Culture carriers can instead plan offsites, hackathons, or even friendly competitions that spotlight the company's culture, values, and products.

A blueprint for change

✓ **Empower your ‘teams of one.’** As AI lets workers accomplish more with fewer human collaborators, consider organizing employees into “internal agencies” that act like freelancers, lending their expertise to projects when needed.

✓ **Redeploy existing talent to tackle bottlenecks.** Map out your existing workflows to identify where AI speeds up work and where it slows down. Then, redeploy existing staff to ease the bottlenecks—or prevent them in the first place.

✓ **Think about performance on the team level.** Because AI-driven productivity gains may appear on the individual level but disappear on the team level, redefine performance to assess teams, encouraging leaders to design processes that make the most of the technology.

✓ **Reinvest in culture-building work.** With AI, work may become more isolating. Invest in “culture carrier” roles or encourage managers to offload busywork to AI to spend more time on coaching and team relationships.

 CASE STUDY

Zapier's 'code red' moment for marketers

Last October, Dan Slagen joined automation software company Zapier as its senior vice president of marketing. One month later, everything changed when Anthropic released a powerful update to Claude Code. Suddenly, just about anyone could build just about anything—from sleek, fully functional websites to high-powered AI agents—without writing or understanding a line of code. Slagen instantly worried what would happen if his team didn't make the most of that power.

In February, he called the 100-person marketing team together at Zapier's all-hands and declared a "code red." It would no longer be enough to tinker around with tools like ChatGPT. "Changing the way you work is actually the thing that's going to matter," he says.

Slagen gave the team three weeks to learn at least one coding platform and selected five colleagues who were AI power users to be their coaches. Then, he scheduled an AI build-athon for everyone to demonstrate their new skills.

For Slagen, now Zapier's chief marketing and AI transformation officer, it was the beginning of a broader restructuring of the marketing team. Earlier this year, he organized the team under four newly appointed leaders, who now oversee growth, brand, product marketing, and demand generation. He's also spun up new cross-functional teams, organized around specific business goals.

One newly formed group, the "agentic content discovery team," draws employees from engineering, content, design, and growth. Their job is to ensure Zapier appears in AI results, which Slagen says is a vital new frontier for growth. "We form teams around the outcome we need to produce: a product launch, customer segment, pipeline goal, event, or market opportunity," Slagen says. "The people involved share the same goal from the beginning."

Slagen has also elevated staffers who've shown a strong interest in AI. The build-athon benchmarked people's AI abilities, letting him



We form teams around the outcome we need to produce: a product launch, customer segment, pipeline goal, event, or market opportunity.”

—Dan Slagen, chief marketing and AI transformation officer, Zapier

set tiered goals so novices aren’t competing with their most advanced coworkers. “Each tier feels like they can win,” he says.

At the same time, Slagen has shifted AI super users to new roles. One product marketing lead, for instance, has moved to a new position responsible for building what Slagen calls a “shared marketing brain”—an automated system that collates what different parts of the team are working on at any given time. An employee who previously ran Zapier’s social media and leaned heavily on AI agents is now heading up the entire brand team. “In the past, maybe she wouldn’t have been as obvious of a candidate,” he says. But her embrace of AI made him “make a bet” on her.

Slagen has also pulled in-house experts from other functions, such as HR, to join a dedicated team whose full-time jobs include being part of sales calls. When Zapier is trying to sell to, say, an HR client, it can bring in an HR leader who’s using the platform themselves.

He credits that revamped team with Zapier’s ability to land its biggest deal in its 15-year history earlier this year, and he believes this kind of show-and-tell approach is necessary when the barrier to building is low. “We’re not going to be successful selling in the way that we were in the past,” he says, but by “showing these people that they can actually build the thing that they want.”

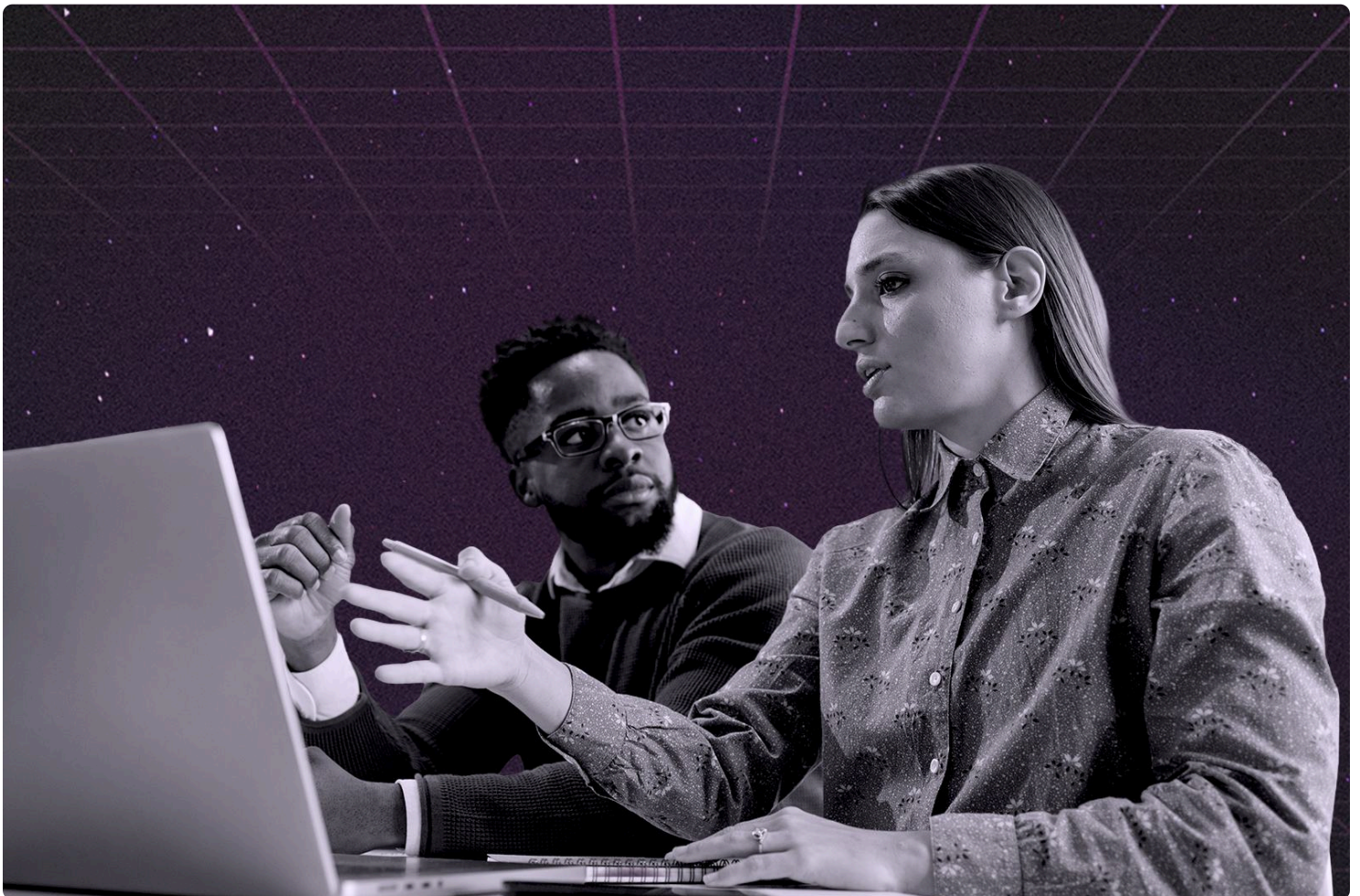
These changes haven’t just taken place within marketing. All roles now require “a practical level of AI fluency,” Slagen says, and the company has embedded AI transformation officers inside every team. The role of the customer success team has also changed dramatically. They’re now called “automation strategists,” reflecting their new responsibility to help customers deploy automated tools.

Slagen says other business leaders often remark on how quickly Zapier has moved. He tells them speed is an advantage. “My recommendation to other companies is to be more decisive, tackle the elephant in the room, and move forward,” he says. “Just because there’s no historical playbook for how to operate in an AI world doesn’t mean you need to sit back and wait.”

03

Redesigning organizations

Design principle three: Reshape the organization—don't break it—and rethink change management





“At present, I just don’t see anyone taking that dramatic, transformational, wholesale, ‘let’s blow it all up’ approach.”

—Peter Miscovich,
global future of
work and Americas
consulting leader,
JLL, on the overall
shape of the org
model

Earlier this year, Block co-founder Jack Dorsey announced he was cutting 40% of the financial technology company’s jobs, releasing a manifesto that sounded a death knell for middle managers and called for a move “from hierarchy to intelligence.” “There is no need for a permanent middle management layer,” he and Block board member Roelof Botha wrote. “Everything else the old hierarchy did, the [AI] system coordinates.”

Such talk may have emboldened some companies to cut more jobs, but most org charts are still a long way from shape-shifting into the often-cited diamond or hourglass, much less Dorsey’s “intelligence layer.”

“At present, I just don’t see anyone taking that dramatic, transformational, wholesale, ‘let’s blow it all up’ approach,” says Peter Miscovich, global future of work and Americas consulting leader at JLL. While he says leaders need to be flexible, “job descriptions are changing. Team size and team structure will change. But the overall org model is not changing dramatically as of yet.”

Still, some 66% of executives expect their organizational structure to change significantly or even completely by 2030, according to a recent report from Qualtrics. Some organizations, says McKinsey senior partner Brooke Weddle, are starting to ask about how AI could transform core business teams. “Especially as you think about corporate functions—HR, finance, legal—it prompts a question: If [AI] is transforming so much, what really is the role of the corporate center? What capabilities should sit there versus in the business unit?”

Yet most conversations about how AI will change the org chart focus on three things: flattening hierarchies, blurring boundaries, and managing potentially massive change. Doing so requires managers to remain engaged, companies to track workflows and build partnerships between leadership teams, and lead change management in new ways.

The real cost of flattening

It's too early to know how much AI will ultimately impact middle management, but there's little doubt organizations are starting to flatten, and managers have more direct reports. Earlier this year, [Gallup found](#) that average team size rose to 12.1, up from about eight when it first began measuring the figure in 2013, a 50% increase.

AI may be having an impact, but it's not necessarily new. Research by [Anastassia Fedyk](#), an assistant professor at the University of California-Berkeley, [found](#) that at firms that invested in their internal AI capabilities between 2010 to 2018, the share of middle managers in the organization tended to fall.

The idea, Fedyk explains, is that as AI tools let people work more independently, they have fewer needs for the cross-communication and coordination work that are typically the manager's domain. Still, "there's always a floor of the minimum amount of coordination that we need," she says. She adds that "I'm pretty convinced we're stuck with pyramids. The question is the exact shape of that pyramid."

Yet as managers begin managing larger spans of people—and are asked to spend more of their time doing individual contributor work in the "player-coach" construct—Gallup chief scientist of workplace and wellbeing [Jim Harter](#) has a warning. Manager engagement, which the research firm has found is essential for high team performance, tends to remain higher than average if managers spend less than 40% of their time doing the work of individual contributors—things like writing their own code, or serving customers directly.

But if managers' share of individual work goes higher than that 40%, they tend to have lower engagement—and this gets worse as the number of workers they manage goes up, Gallup has found. Managing that balance becomes even more important to track as teams grow. "Are managers in touch with their people? Do they give meaningful feedback once a week?" he asks. "That simple habit can go a long way."

 DEEP DIVE

How org redesign impacts pay

Flatten a hierarchy, and pay may be the next thing that breaks. As companies compress reporting layers and individual contributors start managing AI agents, the compensation architecture underneath it rarely gets rebuilt at the same pace. “It’s a total upending of the traditional structures” for setting pay, Maria Colacurcio, CEO of pay equity and analytics firm Syndio, recently told Charter.



**Maria
Colacurcio**

CEO, pay equity and
analytics firm Syndio



The culprit is often a blunt effort to collapse management layers, or a manager’s pay premium not keeping pace after her direct reports double. That forces companies to reassess a compensation structure that was never designed for individual workers who end up managing agents—or for managers who act as “player-coaches.” Colacurcio says she’s hearing from CHROs whose managers now want out entirely: “I’d rather manage five agents. Give me a pay cut. I don’t want to be a manager anymore.”

The mismatch shows up within roles, too, not just between them. BCG's Bedard says she's fielding questions from companies grappling with a "two-speed" workforce culture—employees who are at the same level or in the same job title, but whose output has diverged sharply depending on how fast they've adopted AI. Pay bands built around job family, seniority, and headcount weren't designed to capture that gap. "The real debate becomes do I actually open up a new job family or job title...[where] I can have in that new job title a different compensation structure," she says. "I [could] only promote into that [role] the people who are really successfully making this journey."

Blurring the lines between functions

The debate over hierarchies tracks how AI may impact organizations vertically, but it's also reshaping how they work horizontally, blurring the lines between traditionally disparate teams and creating new leadership roles to coordinate them.

BCG's Bedard says the blurring of functional teams comes up often, especially since tracking how work flows across teams, functions, and agents is an essential step in knowing how the organization really operates, and should be structured. Tracking how that work flows also helps identify who works together across functions. "To meaningfully get after an outcome that you want to rethink, you have to pull people from [different teams]—a little bit of that and a little bit of that," she says. "That's the piece where some organizations that are very functional and very siloed...really struggle."

At Atlassian, that blurring starts at the top. Like a handful of other top executives, including Moderna's Tracey Franklin, Avani Prabhakar's remit has expanded to include not only the company's 700-person HR team but its internal engineering, data science and data research, and customer engineering teams, growing her workforce to 3,500 people. To outsiders, she says, folding IT under an HR leader can look "a little bit wonky." But she's found that having an AI team that's set off to the side led by a standalone chief AI officer isn't as effective. "I haven't seen that work," she says. "The bigger the enterprise, the silos become even more difficult, and any AI vertical on the side won't be able to deploy it across [the company]."



More and more, change [management] needs to be riding side-saddle as the plans are forming.”

—Gabriella Rosen Kellerman, expert partner, BCG

Having one person accountable for both sides, she believes, helps with the mechanics. Rather than the IT team building sales automations and leaving the people team to deal with the staffing fallout, Prabhakar's teams now look at sales workflows in the same room, at the same time. The IT side gets a clear read on which roles and handoffs the automation needs to be built around, and the people side gets early visibility into what's being automated to help redesign roles, hiring, and careers.

Not everyone thinks combining executive roles or functions is the best model. “I think a partnership model is the right [approach],” says Averill, the former CIO of Lululemon and REI who’s now a board advisor on AI. “There should be a little bit of friction that leads to the right decisions,” she says, where leaders with expertise who care deeply about their area of focus push back against each other to find the right balance.

For companies that can’t—or don’t want to—merge functions, Prabhakar suggests creating shared goal-setting frameworks and a joint operating cadence. In practice, that can mean something as simple as a shared metric both functions are held to, plus standing biweekly meetings where automation plans and their impact on people get discussed in the same room.

Change management, rebuilt for speed

We don’t yet know what the future shape of the organization will be. But getting there is going to take a lot of change, and a lot of focus on change management.

The problem? Traditionally, says BCG expert partner Gabriella Rosen Kellerman, change management teams don’t get involved until the plan for the next strategy or next organizational structure is fully formed. “More and more, change [management] needs to be riding side-saddle as the plans are forming,” she says. AI is “rolling out so quickly that we can’t think of change management as a linear process.”

She suggests getting the change management team involved early, and using AI to think through scenarios, messaging, and stakeholder group responses as the plan is built. “Having that emerge in parallel, and then dynamically interact with the thinking, is important,” she says.

 DEEP DIVE

How Microsoft embeds change management into learning

When one part of Microsoft's sales team piloted weekly "huddles" for account executives, the goal wasn't just to teach a tool—it was to change a behavior. About 10 to 15 people in the same role meet weekly, led by a peer who's getting outsized results with AI rather than a trainer. Meanwhile, the tech giant is expanding three-week immersive bootcamps it calls Camp AIR for teams in areas like software engineering and HR benefits and compensation, bringing together cross-functional teams to redesign work and then put those changes to work immediately.

Both approaches, says Katy George, Microsoft's corporate vice president, AI and work transformation, offer a way to bake behavior change into learning opportunities. Rather than the classroom-and-rollout approach change management has taken in the past, learning about AI has to be embedded in people's day-to-day work. "We're starting to find real principles of what modern change management will look like in the era of AI," George says.



Katy George

Corporate vice president - AI and work transformation, Microsoft



Both the weekly huddles and Camp AIR bootcamps share a few common principles that are evolving the way Microsoft thinks about change management. Both are practitioner-led, not expert-led. Both happen in the flow of work, with Camp AIR teams applying what they learn to real projects starting in the second week. And standout participants graduate to lead the next cohort—a “train the trainer” approach that helps scale the program in a way adults really learn.

In a steering committee meeting, says George, leaders shared how effective the huddles had been. “Somebody said, ‘Oh, this is great. We’ve succeeded. Now we don’t have to do the huddles.’ And all of us said, ‘No, this has got to be a permanent change.’”

The instinct to wait until a plan is set is understandable. “We are wired so that when uncertainty hits, it triggers a fear response, and our bodies want to close the loop on that uncertainty as quickly as possible,” Kellerman says. People get change fatigue when it drips out over time. “That’s why a lot of effort and care is [historically] put into a reorg in trying not to loop people in until you have all the answers.”

To help people hold both the willingness to accept change and uncertainty at the same time, she says, leaders need to improve their “prospection” capabilities. “It’s the ability to imagine a plan for the future, and to craft out scenarios for your team,” Kellerman says. “Giving people a sense of what are the levers that [will] shape [coming] decisions...that is the difference between clarity and uncertainty, and it does give them confidence in you as a leader.”



We are wired so that when uncertainty hits, it triggers a fear response, and our bodies want to close the loop as quickly as possible.”

—Gabriella Rosen Kellerman, expert partner, BCG

A blueprint for change



Protect manager engagement as spans widen.

Engagement holds up only if managers spend less than 40% of their time on hands-on work, Gallup has found, a threshold worth watching as more managers oversee larger teams and take on “player-coach” duties.



Design partnerships across boundaries. When combining departments outright doesn’t make sense, Atlassian’s Prabhakar suggests establishing shared goals and a joint operating cadence across leadership functions instead.



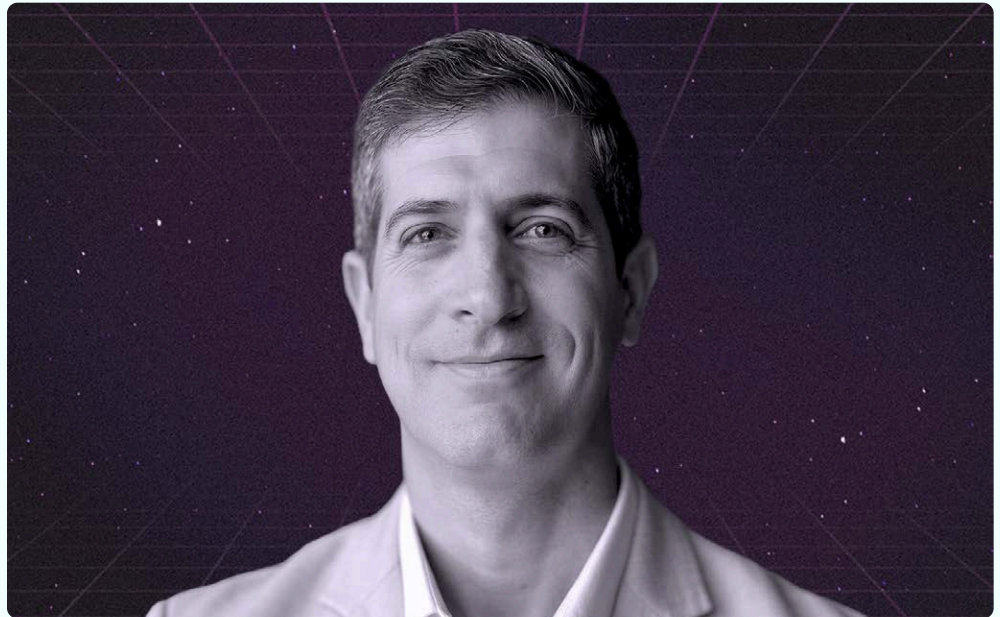
Start change management much earlier. Rather than looping in change programs once a plan is finalized, involve the team while plans are still forming. Leaders should build their “prospection” capabilities to evaluate mental representations of possible future outcomes.

 Q & A**Nir Halevy**

Professor, Stanford
Graduate School of
Business

The case against flattening the org chart

Stanford Graduate School of Business professor [Nir Halevy](#) has spent his career studying hierarchies—why we need them, and why they often fail us. In his new book, *[Level Up: Why Hierarchies Are Broken and How to Fix Them](#)*, he argues the current backlash to traditional corporate structures misdiagnoses the problem. Flat structures don't scale, he says, and the real issue isn't hierarchies themselves but the broken versions of them many companies have built.



We spoke with Halevy about what separates healthy hierarchies from broken ones, what makes them strong, and what leaders risk losing—in mentorship, incentive structures, and human connection—if they let AI flatten their org charts too far. Here are excerpts from our conversation, edited for length and clarity:

Your book feels relevant to the conversations that are happening right now about flatter hierarchies. Why did you write it now?

There's a lot of discontent. There are a lot of people who are unhappy with the state of things when we think about organizational structure and hierarchies specifically.



Flat organizations are inconsistent with scaling.”

—Nir Halevy,
professor, Stanford
Graduate School of
Business

Some of the proposed solutions don't work. I don't think we're really good at doing flat organizational structures, and it's not because there is a recipe that we have yet to discover. Flat organizations are inconsistent with scaling, for example. If you have a small startup team that is agile and everyone is doing everything 24/7, that can work for a little bit. But when you scale, things get challenging. You get differentiation in roles and ranks come along and you need coordination, and division of labor.

What are some of the things that cause hierarchies to break?

Ultra-competitiveness is one of the three symptoms of a broken hierarchy. You see employees thinking twice before they help a colleague because they worry it might be at their expense. That's a passive way of being competitive, but there are also active ways, [including] sabotage. The other two are the [tendency] to be unjust and unstable. When you have all three symptoms together and reinforcing each other, you have an environment that is very threatening to employees—that gives rise to stress and sometimes paranoia and people leave.

What makes a hierarchy strong?

I'm proposing a three-part solution. My framework is CPR for organizations—common values, pluralism, and relatedness. Common values have two elements. First, we want to create hierarchies that really embody who we are, what we believe in, and who we wish to be. If respect is a really important principle for your organization, that should be manifested. Think about concrete examples of how we show respect to employees and other stakeholders. The other element of common values is making sure that we're serving [everyone] in the way we structure hierarchy, not just the interests of people at the top.

Pluralism means there should be multiple pathways to contributing, thriving, ascending, and leading in the organization. The best organizations are the ones who are able to tell their employees, “You have multiple ways of being meaningful, impactful, and contributing here.” The third piece is relatedness. We want to make sure that hierarchy pulls people closer together rather than separating them or undermining ties between people.

How do you ‘manifest’ common values?

One of the examples in the book is the Australian Ballet in Sydney. They announce promotions in a festive event in front of 1,400 people in the audience. Everyone comes together. You have the dancers, you have the staff, you have the audience members—everyone's celebrating the success. It's very different from how we see promotions in other organizations, where you get an email on a Friday afternoon [saying], ‘Starting next month, you'll have this job title,’ and then people have to post on LinkedIn that they've been promoted. It's a missed opportunity to reinforce who we are, what we believe in, what we promote.

The traditional shape of an organizational hierarchy is getting a lot of reassessment right now due to AI—is it going to be a diamond, an hourglass, a web? What do you make of that discussion?

There is so much that's changing that I don't know what we're going to see in five to 10 years. When I'm reading what leaders and organizations are putting out there, sometimes I have questions or concerns.

Hierarchy is not just about coordination. Hierarchy is about influence, and influence and information sharing are not the same thing. Think about your network. Maybe you can get information about a job opening [from someone] and apply. But influencing someone in that organization to hire you to that position? That's a different thing altogether.

When we imagine the future, we want to think about the multiple functions of hierarchies. They're not just about passing information through ranks. They're about incentive systems. They are about giving people stability and predictability and being able to help people manage those fundamental needs of managing uncertainty.

What other impacts do you see?

People have a fundamental need to achieve. If you're not creating paths for them for advancement—for achieving, for promotion—

how are they going to satisfy this important need in the context of work? Sometimes when I see discussions [about hierarchies], the focus is on just one thing and they're neglecting other things.

I'll give you a common example that I often struggle with—empowerment. A lot of leaders talk about empowerment as a solution to all things. We've actually discovered in our research that if you increase power but don't increase status, you're creating more problems. Status is the respect and admiration you have in the eyes of others. If you're in a position where you have a lot of power but no one respects your contributions—no one acknowledges and appreciates what you do—based on our research, you're actually likely to be more demeaning and abusive and create dysfunctional interpersonal conflict.



Middle managers are not just channels of communication. They're not just gatekeepers. They are sources of meaning."

—Nir Halevy, professor, Stanford Graduate School of Business

Middle managers are not just channels of communication. They're not just gatekeepers. They are a source of meaning, potentially. They can be role models for newcomers who join...They're providing developmental feedback and mentoring. Even if we have AI tools that are good at aggregating and distributing information, information and influence are not necessarily the same.

What to read

- What AI's impact on engineering tells us about where org design is headed
- The index of what companies are actually doing about AI
- What AI means for the org chart

 CASE STUDY

How Globant ditched its global org structure for AI ‘studios’

Of all the industries being upended by AI, software development is arguably changing the fastest. The arrival of AI coding tools has hit long-standing custom software development companies hardest of all. For Globant, a more than two-decade-old tech outsourcing firm based in Luxembourg, the last few years have required a rethink not just of the services it offers, but of how the entire company is structured.

Before the recent AI boom, it was beneficial for Globant, which has more than 27,400 employees, to organize itself geographically. Physical proximity to clients helped work get done faster, enabling large teams of people to work within a common time zone, language, and cultural context. That’s why Globant’s leadership structure used to consist of one global CEO and four top executives, each responsible for overseeing portfolio teams in one of four regions: Latin America, North America, Europe, and what the company called “new markets.”

But now, as AI agents do much more of the building, clients are less concerned with having humans close at hand, and more interested in tapping industry-specific expertise on how to deploy fast-evolving technology. Last summer, Globant restructured its organizational chart for this new reality.

Now, rather than relying on regional leads, there are 10 industry-focused CEOs running their own “AI studios” under one global CEO, Martín Migoya. Each industry CEO oversees a single business line—such as financial services, healthcare, gaming, or retail—and is responsible for managing their own profit and loss, their own investments, and their own strategies.

“When you organize yourself in geographies...your sales force will be generalists,” says Diego Tartara, global chief technology officer of Globant. With the current structure, he argues, Globant is able to “elevate the conversations,” focusing more on the specifics of AI transformation within a given industry.



At the end of the day, we changed the whole company. What do we sell? How do we sell it? And how do we deliver those services?

—Diego Tartara, global chief technology officer, Globant

Each of the studio CEOs was chosen internally, based on the accounts that were already prevalent within their portfolios. The former head of North America, for example, is now CEO of the financial services studio. The former chief technology officer for North America now leads the studio responsible for media, entertainment, sports, and hospitality.

These executives lead their own management teams, which include a vice president of operations, a CTO, and several portfolio managers, who each oversee groups of client accounts. While the transformation has required breaking old chains of command at the top of the org chart, Globant has kept account teams mostly intact to ensure continuity for clients and employees, and still has shared functions like HR and IT that operate outside of the studios.

Still, the AI transformation has not been easy for Globant. The company has faced persistent scrutiny and a class-action lawsuit from shareholders amid declines in its stock price. (Globant declined to comment on the suit.) And, like a lot of service-oriented firms, it underwent a painful round of layoffs last year, impacting employees in roles that Tartara says are no longer in high demand, such as visual design and user experience testing.

One bright spot for the company, however, has been a new business unit called Glob.AI. It has its own CEO and a lean team overseeing a suite of AI agents that are trained for specific tasks such as marketing campaign launches or code reviews. Clients can now purchase access to these agents—Globant calls them AI Pods—online, as if they're shopping on an e-commerce site. The people working on Glob.AI now oversee the agents' output rather than build software themselves. In a recent investor letter, Migoya said Glob.AI's annualized recurring revenue grew 60% in the second quarter and is expected to surpass \$110 million by year's end.

Looking back, Tartara says the biggest lesson he learned is there is value in taking big risks at times of dramatic change, rather than attempting to adapt incrementally. In times of uncertainty, he says, rethinking everything can be the safest option. "At the end of the day, we changed the whole company," Tartara says. "What do we sell? How do we sell it? And how do we deliver those services?"

04

A blueprint for change

A design scheme for reworking the roles, teams, and organizations you'll need to get the most value from the AI era.



57%

percentage of CHROs who said they have introduced new team structures or cross-functional models

Source: Accenture, July 2026 survey

There's a useful, if unlikely, metaphor for what it takes to redesign an organization for AI: religion. That's how [Adam Fisher](#), a partner at Bessemer Venture Partners, and [Liran Eshel](#), a serial software entrepreneur, came to think about their own advice to portfolio companies in [a recent guide](#) they authored on transforming engineering organizations for AI. "It's a bit like a theological concept," says Eshel. Talking with founders who'd genuinely transformed their work felt like meeting believers, he says, versus everyone else "still scratching the surface."

In their guide, Eshel and Fisher break down the process into three parts. The first, "build the churches," is the most technical—developing the tools, establishing metrics, setting up needed security constraints. The second, "convert the people," is harder, and can't be done by memo. Rather, it "only comes from self-experience," Eshel says. "If they're not [building with] it, they don't understand it."

The third part is what most conversations jump to straight away: the new roles needed; the new team formats; the shifted layers, ratios, or reporting lines. It's the step the two call "assemble the community"—the "organizational pillar" for "redesigning teams, roles, planning loops, and ownership models around the new speed of execution," they write in their [guide](#). But as Eshel says, "you need to build the churches and convert the people before" you get there.

The same sequencing—capability, then belief, then structure—came up in conversations with experts and thought leaders throughout our research. [Karalee Close](#), global talent lead for Accenture, says firms are now realizing that redesigning roles, teams, and organizations—after capabilities and mindset changes are in place—is where real value comes from.

In a July [survey](#), Accenture found that 42% of CHROs said they were redesigning job roles and responsibilities, 57% reported they've introduced new team structures or cross-functional models, and 60% said they've changed how work is allocated between people and AI. "The technology is the first step, but people are now thinking more deeply about the impact on work," Close says.

To get started with your own blueprint for change, we've included a check list below, as well as first steps to take once you assess your own team's readiness for getting redesign right.

The rules for redesign

Design principles for rethinking jobs, teams, and organizations in the AI era—and the ideas that put them into practice.

JOBS

Rework jobs based on skills

- ✓ Plan across the life cycle
- ✓ Extend junior worker on-ramps
- ✓ Create pathways into new roles

TEAMS

Build teams around outcomes

- ✓ Clear out the bottlenecks
- ✓ Build in deliberate learning
- ✓ Protect workplace connections

ORGANIZATIONS

Reshape it, don't break it

- ✓ Keep managers engaged
- ✓ Follow work across siloes
- ✓ Rethink change management



For each item, mark:

☒ In place

☐ Partial

☐ Gap

Consider which actions you're already practicing well. Pay attention to where the gaps cluster—that's where to begin.

Reimagining teams to minimize bottlenecks

BCG's Bedard says the first question she asks any company talking about redesign is "to what end, to what outcome?" It's the right one to ask before a single job description, team, or reporting line changes. The checklist below offers a concrete way to score where you stand across the three domains—and where to focus first.

1. Are the fundamentals in place?

- ☐ **Senior leaders have hands-on AI fluency, not literacy by proxy.**
Fluency has to come before redesign, not alongside it.
- ☐ **Workflows are mapped before headcount or layers are touched.**
Understand how work moves before deciding what to cut.
- ☐ **Every change traces back to a strategic outcome, not just an efficiency target.** You may feel pressure to take action before you're ready—but make sure the foundations are in place first, and actions are tied to strategy.

2. Design principle one: Are you reworking jobs based on skills?

- ☐ **Interviews test durable skills, not just technical fluency.**
Typeform gives candidates an "impossible" problem and watches how they use AI to break it down; Cisco runs aspiring engineers through a live simulation called "Penguin Island."
- ☐ **Entry-level on-ramps have gotten longer, not shorter.** EY replaced its eight-week internship with a yearlong career residency. HBS's Fuller has blunt advice: "Give up the notion that you're going to hire on the basis of a junior-year college internship."
- ☐ **Upskilling has protected time on the calendar.** Cisco's "Time to Grow" carves out a monthly four-hour block—and participation is highest where leaders use it themselves.
- ☐ **Leaders are open to new job categories that AI could prompt.**
Legal AI startup Spellbook added an "Executive Individual Contributor" who brings his expertise to teams rather than just traditional tech management duties. Box has added 13 new roles due to AI. Recognize that old role categories may not suffice.
- ☐ **Every departure triggers a role review, not an automatic backfill.**
Box treats offboarding as a chance to ask whether a vacancy should be filled at all.

3. Design principle two: Are you building teams around outcomes?

- ☐ **Workflows have been mapped to find—and staff—the bottlenecks AI creates.** To get ahead of the problem, Typeform has split its product team into small, “three-in-the-box” teams composed of a product manager, designer, and engineer who identify and root out potential oversights early on.
- ☐ **Teams form around outcomes, not fixed functions.** One newly formed group at Zapier, the “agentic content discovery team,” draws employees from engineering, content, design, and growth. Their job is to ensure Zapier appears in AI models’ results, a vital frontier for growth.
- ☐ **Policies and practices reflect outcome-based teams.** Redesigning teams is important, but if people are still rewarded based on old setups, they won’t work. Foursquare rebuilt its review process around team-based questions after finding that individual productivity gains weren’t showing up in team output.
- ☐ **Risk and compliance teams are staffed to keep pace.** Higher productivity from AI is great, but all those new vibe-coded apps and tools won’t necessarily grow the business. Don’t loosen the gate—staff the risk and compliance teams properly, or even over-resource them, says MIT’s Cheek, before the backlog frustrates people into going back to their old ways.
- ☐ **Culture building has an owner.** Workera’s Katanforoosh recommends dedicated “culture carrier” roles as AI-driven work is more solitary.

4. Design principle three: Are you reshaping the org without breaking it?

- ☐ **Manager engagement is tracked as spans widen.** Gallup’s threshold: engagement holds up only if managers spend less than 40% of their time on individual-contributor work.
- ☐ **Boundaries are blurring through partnerships.** Atlassian put IT and HR on one team, helping to bring them together on shared workflows. Finding more ways to partner and share metrics rather than merging functions outright can also preserve productive friction.
- ☐ **Change management starts while plans are still forming.** “Change management needs to be riding side-saddle” during the early days of org redesign, says BCG’s Kellerman—not brought in once the new org chart is final.

- ☐ **Risk-taking is culturally valued.** Globant's Tartara says the biggest lesson he learned from the company's redesign is there is value in taking big risks at times of dramatic change, rather than attempting to adapt incrementally.
- ☐ **Common values, pluralism, and relatedness are in place before the org chart changes.** Offer multiple paths to contribute and ascend, and find ways to pull people closer together rather than pitting them against each other. Skip this diagnosis and flattening just breaks a hierarchy that was never healthy to start.

Where to go next

Once you've identified where your gaps are largest, the chapters in this playbook offer comprehensive context and practical models to help you take the next step.



If your jobs need the most work: Chapter 1 covers rebuilding the employee life cycle around skills—from Typeform's and Cisco's more challenging interviews to EY's career residency and Cisco's time for learning. Read the Q&A with Harvard's Fuller and the Spellbook case study for more on rebuilding roles from the ground up and navigating entry-level hiring today.



If your teams are the bottleneck: Chapter 2 looks at how Zapier and Every organize around outcomes instead of fixed functions, how Typeform's "three-in-the-box" pods catch AI's blind spots, and how Foursquare rebuilt performance management around teams. The full Zapier case study shows what that looks like across a 100-person department in a matter of months.



If the org chart is the open question: Chapter 3 covers the real cost of flattening, how some companies are blurring functional boundaries, and why change management needs to start earlier. Read the Q&A with Stanford's Halevy for the case against flattening too far, and the Globant case study for a company that rebuilt its org chart around AI from scratch.

Redesigning jobs, teams, and organizations isn't a project with an end date—it's a discipline. Pick the place where your gaps are largest, and start there.

06

About



About Council Advisors

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