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LIGHTS - Leadership

The future of leadership in the era of AI: Do we still need “leaders”?

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Abstract

This paper explores how artificial intelligence is transforming the nature of leadership in contemporary organizations. As AI systems increasingly take over leadership-related functions, such as hiring, feedback, and decision-making, the traditional image of leaders as charismatic figures directing human teams is no longer sufficient. Drawing on Van Quaquebeke and Gerpott's (2023) framework, we examine how AI can support, augment, or substitute human leadership in task-, relation-, and change-oriented domains. We outline three scenarios: the dilution of leadership as AI empowers all employees; the revival of traditional leadership focused on vision and authority; and the emergence of new leadership profiles grounded in ethics, systems thinking, and AI literacy. Each scenario carries distinct risks and opportunities. We argue that future leaders must act as digital stewards, capable of aligning technological capabilities with human values. The future of leadership may depend less on who holds power and more on who can create meaning, build trust, and shape technology in ways that support inclusive, adaptive, and ethically grounded organizations. In addressing the question, Do we still need leaders?, we argue that while the role may change, the need for leadership remains - but in new forms.

Keywords: AI, leadership, opportunities, risks, competencies

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Introduction

The growing backlash against diversity, equity, and inclusion (DEI) efforts, the worsening climate crisis, and urgent debates on the ethics of emerging technologies are just a few examples of the complex challenges today's leaders must confront. Moreover, leaders are no longer operating within the familiar VUCA framework (volatility, uncertainty, complexity, and ambiguity). Instead, they must navigate a BANI world—one that is brittle, anxious, non-linear, and incomprehensible. These changes and tensions challenge traditional expectations of leadership and call for a re-evaluation of the competencies prioritized.

At the same time, AI is increasingly used in organizations to automate leadership-related functions such as hiring, performance evaluation, and team management. For example, at Unilever, platforms like HireVue and Pymetrics use facial recognition and gamified cognitive testing to assess candidates, replacing initial screening interviews. This has helped reduce hiring time by 75% (Hu, 2023). IBM uses Watson AI to identify which high-performing employees might be at risk of leaving, with an accuracy rate of 95% (Rosenbaum, 2019). Google, through initiatives like Project Aristotle, uses machine learning to analyze communication patterns and optimize team performance (Poyton, 2024).

In light of these shifts, this paper rethinks our understanding of today's leadership and envisions possible futures for tomorrow's leaders in the Artificial Intelligence (AI) era. Global trends show that the artificial intelligence (AI) revolution will significantly affect most professions, industries, and economies (Hui et al., 2024). As these transformations unfold, the role of leadership will probably evolve in response to both the opportunities and risks that AI brings. This paper encourages a broader, more inclusive view of leadership capabilities - one rooted not in hierarchical authority but in responsive, caring, and relational sensemaking.

Leadership: past, present, future

Leadership has traditionally been defined through attributes such as vision, influence, decision-making abilities, and authority. In practice, recruitment processes often prioritize candidates with linear career paths, technical expertise, and charismatic presence - traits long associated with effectiveness in hierarchical models in organizations.

Despite their outsized visibility, contemporary leadership icons like Elon Musk or Donald Trump perpetuate an outdated model of leadership, rooted in individualism, assertiveness, and charisma. This 'heroic ideal' still shapes public thinking, but it doesn't match the realities of today's complex, digital workplaces. However, today's organizational environments are far more complex. As Van Quaquebeke and Gerpott (2023) argue, leadership today involves more than directing others; it demands a capacity to mediate between human needs and the logic of increasingly autonomous systems. In this context, Self-Determination Theory (SDT) outlines three core psychological needs - autonomy, competence, and relatedness - essential for individual well-being and motivation (Van den Broeck et al., 2016). When these needs are met, employees tend to be more engaged and satisfied at work. Thus, the key challenge for leadership in the era of AI, then, is how to meet these needs through effective task-related, relational, and change-oriented leadership behaviors. Consequently, the challenge is no longer just to lead people, but to lead in a world where machines take on leadership functions. In this context, as the authors warn, “The most important task is to

develop future leaders capable of ensuring good ethics against ever more powerful machines” (Van Quaquebeke & Gerpott, 2023, p. 271).

Other scholars also argue that such dominant leadership profiles can be both exclusionary and ill-suited to today's overwhelming complexity and ambiguity (Sinclair, 2020). For instance, organizations like Google and Amazon have faced ethical scrutiny over issues ranging from data privacy to labor practices failures that some link to rigid, outdated models of leadership overly focused on growth and efficiency at the cost of stakeholder accountability. These cases highlight the limitations of traditional leadership imaginaries and the need to rethink our understanding of what effective leadership means in the second decade of the 21st century.

Rethinking leadership competencies in the era of AI

Artificial intelligence is prompting a re-evaluation of the skills expected in the workforce of tomorrow. Research and surveys increasingly converge toward identifying a specific combination of skills deemed essential. According to the recent 2025 World Economic Forum report, technological competencies—particularly those related to AI, big data, cybersecurity, and general tech literacy—are projected to be the most in-demand across all professions by 2030. However, alongside these technical skills, other competencies are considered equally critical for future employees in this near-term horizon. This report, along with numerous other studies, highlights the growing importance of creative thinking, resilience, curiosity, lifelong learning abilities, social influence, and leadership. These competencies are no longer seen as exclusive to leaders but are instead becoming expectations for all employees.

This shift fundamentally challenges traditional criteria for identifying, promoting, and evaluating leaders. It raises a crucial question: what skills will remain specific to leaders in the age of AI?

Clearly, the aforementioned competencies will be prerequisites for leadership. The distinguishing factor between leaders and other employees may therefore lie in other specific skills and attitudes. Various reports and articles (e.g., Gupta and Jaiswal, 2024) identify emotional intelligence, empathy, transparency, the ability to identify areas for improvement, and a commitment to continuous learning as such differentiators. However, these too are increasingly recognized as essential for all employees in the near future.

The theory of bounded leadership can help to rethink the competencies for leaders in the AI era. Future leadership profiles must be understood as not exercised in a vacuum, but contextually embedded and constrained by multiple factors – cultural, emotional, entitlement, ethical, informational, motivational, and political - which limit the straightforward application of leadership competencies (Korzynski et al., 2020). Rather than idealizing leaders as universally capable, this approach acknowledges that effectiveness arises from the ability to overcome such constraints through several competencies such as anticipation, mobilization, self-reflection, value creation, and visionary thinking. These competencies condition leadership effectiveness by determining whether leaders are able to navigate internal and external barriers, including ethical dilemmas, difficulties in collecting and processing information, and decreased motivation. As such, the emerging leader profile is no longer defined by charisma or strategic thinking, but by a leader's behavioral complexity within bounded contexts (Korzynski et al., 2020). The concept of bounded leadership shifts the perspective toward transcendent leadership (Crossan & Mazutis, 2008), emphasizing the leader's conscious engagement in recognizing and overcoming personal and contextual limitations. In the context of AI, bounded leadership

gains new relevance as leaders must not only manage traditional constraints but also interpret and mediate between human values and algorithmic logics. As Van Quaquebeke and Gerpott (2023) argue, AI systems can both support and constrain leadership functions. Bounded leadership in this context means knowing when to trust AI and when to rely on human judgment instead. This calls for a new layer of meta-competence—AI literacy combined with ethical foresight—to ensure that leadership remains responsive to human needs while navigating increasingly automated environments.

Quaquebeke and Gerpott (2023) identified three prototypical leadership functions — task-, relations-, and change-oriented leadership behaviors—that can be supported, augmented, or even substituted by AI. The authors also proposed a typology of leadership tasks to clarify this boundary: (1) tasks that can be delegated to AI (“AI can do it”), (2) tasks that leaders may want AI to support but not take over (“AI may help me”), and (3) tasks that should remain with humans due to their ethical, emotional, or relational complexity (“I must do it myself”). Task-oriented leadership involves monitoring employee progress, providing guidance on tasks, offering support with challenges, and helping to organize workflows effectively. Relation-oriented leadership focuses on addressing individual employee needs, tailoring motivation to personal preferences, and enhancing engagement through meaningful interactions. Change-oriented leadership centers on crafting a compelling vision, inspiring others with enthusiasm and energy, and driving transformational efforts within the organization. Here, leadership scholars are often most skeptical about AI’s ability to support change-oriented leadership. After all, creativity and inspiration are traditionally seen as uniquely human traits - but that may soon change.

3 scenarios for leadership competencies in the AI era

This evolution invites us to consider possible scenarios regarding the changing profile of leaders in the AI era.

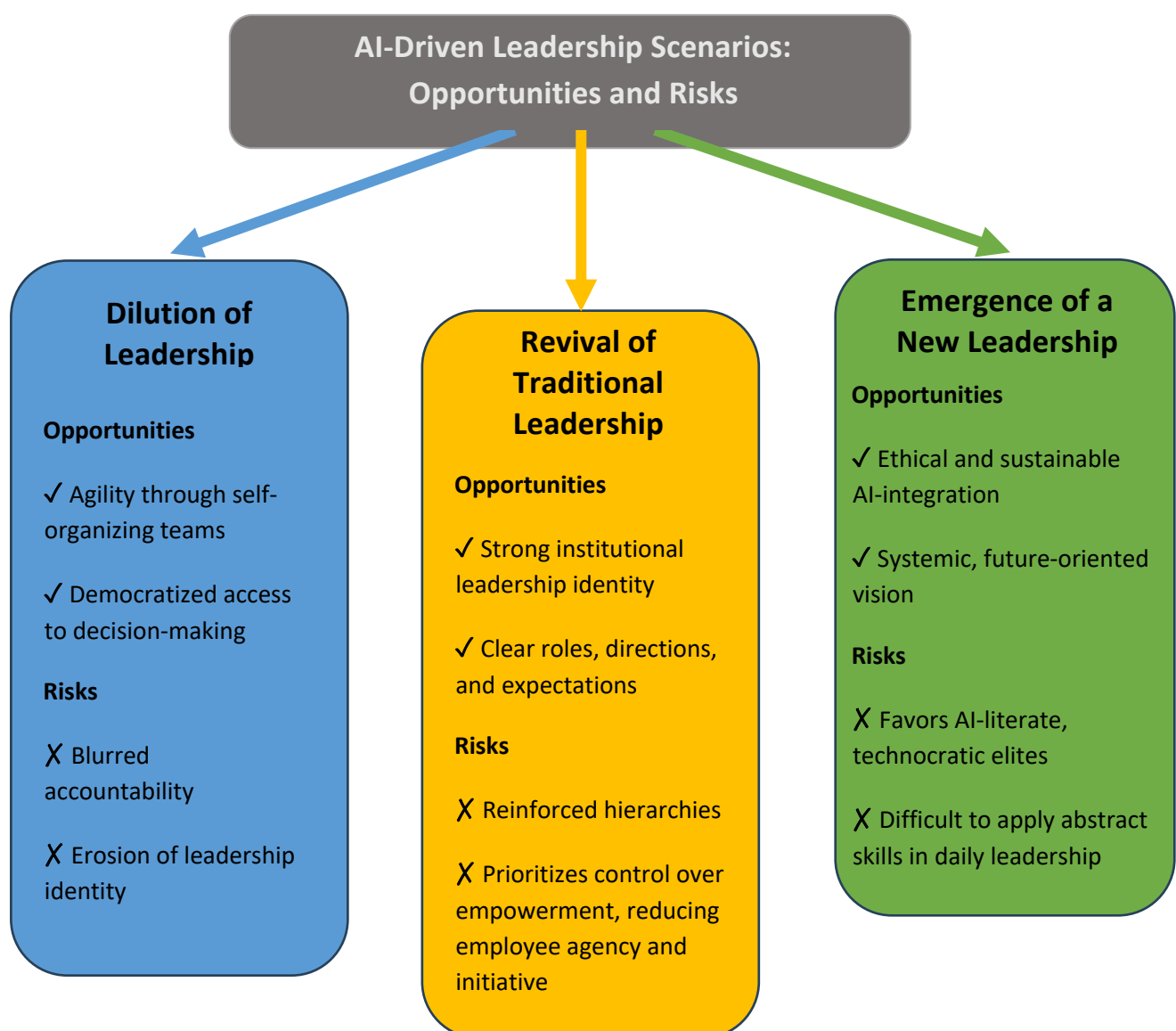
The first scenario suggests a dilution of leadership competencies, potentially leading to a future where leaders are indistinguishable from other employees—a pessimistic view in which traditional leadership disappears, with AI enabling all workers to assume certain leadership functions with their enriched AI skills. As AI tools spread, everyone could take on bits of leadership, making the role feel less distinct. This might boost agility and speed, but it also makes unclear who’s really in charge - and who’s responsible when things go wrong. Without a clear voice to set direction, leadership risks losing its human touch. In the dilution scenario, we observe early signs in organizations like Meta and Google, where AI-supported productivity and internal decision-making systems (e.g., OKR-tracking tools, algorithmic feedback loops, or Google Project Aristotle) are increasingly flattening traditional leadership structures.

The second scenario continues to need individuals capable of mobilizing collectives and articulating visions that transcend daily operations, signaling a revival of the historic competencies of leadership. The second scenario continues to require individuals capable of mobilizing collectives and articulating visions that transcend daily operations, signaling a revival of the historic competencies of leadership. In this model, leaders offer clarity, direction, and a unifying sense of purpose—especially valuable in times of uncertainty. But this return to more centralized authority may also reinforce old hierarchies and sideline voices that don’t already hold power. The revival scenario is exemplified by figures like Elon Musk and Donald Trump, who maintain strong top-down control, emphasize a singular vision, continue to centralize authority, and assert dominance in times of disruption.

The third scenario might anticipate the emergence of entirely new competencies embodied by a new generation of leaders. These may include the ability to integrate ethical considerations into technology use and decision-making, adopt a systemic perspective, and develop forward-looking scenarios. It may also mean this leadership takes on accountability - a socio-economic phenomenon that only the conscious mind can perform. In this scenario, leaders would be able to think like a social contract between people striving to progress in a sustainable, yet efficient manner, while having a clear, broader, inspiring (social) goal in mind. The emergence scenario aligns with leadership approaches promoted by Satya Nadella (Microsoft) or Jacinda Ardern (former Prime Minister of New Zealand), who combine ethical awareness, inclusive values, systemic thinking, and strategic engagement with AI and social change.

As none of these scenarios seems perfect, it's thus interesting to identify their pros and cons.

Figure 1. Three Leadership Scenarios



More recently, scholars have begun to question the long-held assumption that “true” leadership—relational, motivational, and ethically grounded—will remain the exclusive domain of humans. Some authors even state that “our future is one where AI takes over leadership roles” (Van Quaquebeke & Gerpott, 2023, p. 268). Challenging this idea requires stepping out of the comfort zone of traditional leadership thinking. Van Quaquebeke and Gerpott (2023) propose that AI is moving beyond a supportive role (the “New”) toward full substitution (the “Next”), capable of performing not just task-oriented but also relation-oriented and change-oriented leadership functions. They suggest that AI may even better fulfill employees’ core psychological needs—autonomy, competence, and relatedness—than many human leaders do. This reframing invites a fundamental reconsideration: the term “leader” may soon denote not a person, but a socio-technical function. Thus, the question is no longer whether AI will play a role in leadership, but whether we, as humans, will still have a role to play—and if so, what that role should be. Now is the time to start that debate. This discussion may help preserve a “human-in-the-loop” model, as cited in a recent *Nature* article (Slade et al., 2024), in which human leaders continue to (co-)construct the reference standards used to evaluate algorithmic leadership and refine its underlying logic.

In their provocative claim, Van Quaquebeke and Gerpott (2023) state that “they won’t be leading the humans within an organization, but leading the machines that lead the humans. This new crop of leaders therefore needs to understand how humans AND how AIs operate” (p. 268). This quote points to a profound change in what it means to lead. It’s no longer just about guiding people or setting a clear vision. More and more, leaders are asked to take charge of the technologies that guide us - AI systems that affect how we work, decide, and relate to each other. In this new reality, being a good leader means understanding both people and machines. It’s about making sure the tools we use still serve human values. Without that balance, we risk losing sight of what leadership is for in the first place.

Conclusion

The word “leadership” may no longer express the qualities required in today’s organizations. In any case, the notion of “leader” becomes problematic in the age of AI. It appears obsolete in scenarios 1 and 3, and in scenario 2, it may require a new designation to reflect the evolving skillset now expected. As hierarchies flatten and decision-making decentralizes, new labels such as caring practice, collective agency, or “stewardship” are being proposed. This reflects a broader paradigm shift: from authority to co-creation, from heroic leaders to networked facilitators (Uhl-Bien & Arena, 2021). Language matters, as it shapes what we recognize, reward, and develop (Sinclair, 2020). If leadership remains tied to outdated ideals, we risk excluding those best equipped to guide transformation. A new vocabulary might be the first step toward a new practice.

In the face of AI-driven organizational transformation, the question is not only *what kind* of leadership will persist, but *whose voices and values* will be legitimized. Each leadership scenario — whether it involves dilution, revival, or reinvention - carries different implications for diversity, equity, and inclusion.

- The dilution of leadership may appear egalitarian, but without intentional design, it risks perpetuating informal power networks that exclude underrepresented groups.
- The revival of traditional leadership may stabilize institutions, yet it often reproduces hierarchies and token inclusion practices.

- The emergence of new competencies presents a unique opportunity to embed DEI principles into systemic foresight, ethical technology use, and cross-cultural dialogue — but only if DEI is positioned as a *core design principle*, not a peripheral concern.

Thus, we argue that the future of leadership is not only contingent on technological adaptation but on the reimagining of inclusion as a central competency.

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