

BearingPoint®

From fear to empowerment:

Middle managers as catalysts in
AI-driven transformation



Summary

In today's dynamic business landscape, AI (including Generative AI) offers transformative opportunities, promising unprecedented efficiencies, innovation, and competitive advantages. However, the true success of AI adoption lies not only in the technological capabilities but in addressing the human and organizational elements essential for meaningful integration.

A significant barrier to AI adoption is the lack of an AI-ready workforce. The World Economic Forum highlights that only 2% of firms are prepared for large-scale AI adoption, underscoring the need for comprehensive workforce strategies that encompass talent transformation and responsible AI practices.¹ According to our research involving 700 C-suite executives, 64% of the organizations reported conducting regular training sessions to ensure a smooth AI adoption process. Despite prioritizing training, only 35% of the organizations globally have a dedicated change management team to oversee the transition to AI adoption. In Europe, 31% of the organizations still believe the best strategy is a wait-and-see approach.²

C-suite perspective on current state of AI adoption in terms of empowering employees and change management in organizations

Our organization conducts regular training sessions to facilitate smooth AI adoption

64%

We have defined metrics to track the progress of change associated with AI adoption

47%

Our organization has a well-documented strategy for AI adoption

37%

We have a dedicated change management team to handle the transition associated with AI adoption

35%

Source: BearingPoint Research; BearingPoint Survey of 700 C-suite executives in Europe, USA, and Asia on the Best Practices of AI adoption, June 2024

1) World Economic Forum. (2025). "Unlocking Human Potential: Building a Responsible AI-ready Workforce for the Future"
2) BearingPoint. (2024). "Ride the Upcoming Artificial Intelligence Waves; Transitioning into an Augmented Organization"

Generative AI transformation is bringing both hopes and fears

Many employees believe that Generative AI (GenAI) can significantly improve their productivity by automating repetitive and time-consuming tasks, allowing them to focus on more meaningful activities and increasing job satisfaction.

Employees are optimistic that working with GenAI will enhance their skills and make them more valuable in the job market. By handling routine tasks, GenAI can help achieve a better work-life balance and enable employees to be more creative and innovative. Additionally, GenAI could empower less specialized employees to perform a greater range of “expert” tasks – expanding the possible functions of roles.³

However, fear about AI’s impact on individual roles makes it difficult for employees to see it as an enabler. Instead, they may perceive it as a threat, leading to resistance driven by concerns about job displacement and uncertainty. Some employees also lack the technical knowledge to engage effectively with AI tools, leading to hesitation in adoption. Many employees fear redundancy, doubt their ability to adapt or hesitate due to unclear impacts on their roles. Organizations that fail to address these concerns face significant risks. Employees who perceive their jobs are threatened by AI are 27% less likely to remain with their organization. For an organization with 10,000 employees, this drop in retention could result in an estimated annual loss of \$53 million due to turnover costs and decreased productivity.⁴

GenAI, with its aura of unlimited possibilities and its unprecedented speed of development, fosters contrasted feelings, between enthusiasm, doubts and fears

“GenAI is already widely used by our employees”

“GenAI will save us a lot of time by removing time-consuming tasks”

“GenAI can help us expand our strategy and develop new business models”

“GenAI will help us enhance our clients’ experience”

“GenAI is a must for the development of our business”

“GenAI will allow us to refocus our employees on higher value-added tasks”



“GenAI will steal the jobs of human beings in companies”

“I will have no power over the decision-making process if decisions are made by GenAI”

“GenAI will take control of all our tools”

“GenAI will massively disrupt work-life balance”

“Adopting GenAI requires technological skills that only some specialists can achieve”

“GenAI will replace human creativity”

3) World Economic Forum. (2025). Future of Jobs Report

4) Gartner. (2024). How Generative AI Will Impact the Future of Work

Empowering employees in AI-driven transformation

Empowerment in AI-driven transformation is about augmenting human potential rather than replacing it.

When organizations focus on equipping their workforce with the right tools, knowledge, and ethical guidelines, AI becomes a catalyst for innovation, efficiency, and inclusive growth. Empowering employees is the way to mitigate fears and maximize hopes for an AI-driven transformation. Resistance often stems from comfort with familiar processes and technologies as well as skepticism about AI's benefits. Employees may distrust AI if they perceive it as biased or unfair, particularly in decision-making processes such as surveillance or performance evaluations. Yet, the path to empowerment is not easy. As highlighted by our recent study⁵ on augmented organizations, C-suite executives face a variety of concerns in empowering employees and management for AI adoption.

What do you perceive as the most significant challenge in empowering employees and management for the adoption of AI, compared to traditional digital transformation initiatives?

Addressing skill gaps and training needs specific to AI



Ensuring data security and compliance of AI-generated content



Managing organizational culture and resistance to AI adoption



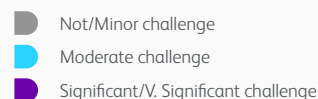
Addressing concerns about job displacement by AI



Navigating ethical considerations regarding AI technologies



Balancing automation with human expertise



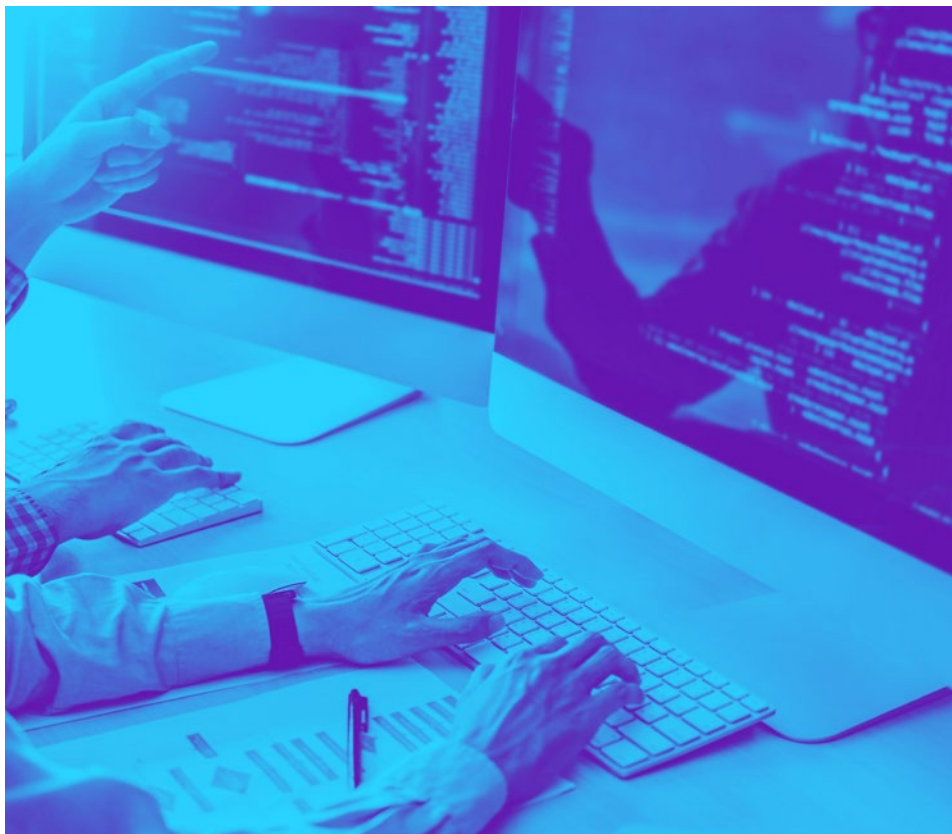
Source: BearingPoint Research; BearingPoint Survey of 700 C-suite executives in Europe, USA, and Asia on the Best Practices of AI adoption, June 2024

5) BearingPoint. (2024). "Ride the Upcoming Artificial Intelligence Waves; Transitioning into an Augmented Organization"

Contrary to widespread fears, the International Labour Organization reports that only 2.3% of jobs fall under the category of “Automation Potential,” where Generative AI could replace tasks, while 13% of jobs have “Augmentation Potential,” highlighting opportunities for AI to enhance productivity worldwide.⁶

Regulatory frameworks recognize this potential and are evolving to ensure AI adoption is both responsible and empowering. The EU AI Act mandates AI literacy to foster trustworthy AI. Article 4, effective February 2, 2025, emphasizes the importance of equipping employees with the skills to understand, evaluate, and use AI systems securely and ethically.⁷

AI transformation requires tailored strategies for different organizational levels to ensure successful implementation. The C-suite, middle managers, and frontline employees each play a unique role in this process. The C-suite is tasked with defining clear AI strategies, fostering a culture of augmentation rather than replacement, and promoting AI literacy among employees. Middle managers drive adoption by empowering talent, overseeing AI-driven initiatives, and integrating AI into daily operations. Frontline employees contribute by experimenting with AI, generating use case ideas, embedding AI tools into their workflows, and engaging in reverse mentoring. By aligning efforts across all levels, organizations can achieve a more effective and inclusive AI transformation.



6) International Labour Organization. (2024). What is the possible effect of generative AI on employment?

7) European Union, Artificial Intelligence Act, Article 4.; <https://artificialintelligenceact.eu/article/4/>

How middle managers can support AI-driven transformation

Middle managers have long served as translators, connectors, navigators, and coaches within organizations. Today, as AI-driven transformation reshapes the workplace, their role is more critical than ever. To successfully adapt to the AI age, middle managers should focus on four key areas.

Leverage reverse mentoring

While generational factors do not solely determine technology adoption, GenAI presents a unique case. Younger generations, as digital natives, often begin utilizing AI, particularly GenAI, before entering the professional realm. However, integrating GenAI within a professional setting requires alignment with the organization's strategic direction and ethical standards. Middle managers play a critical role in ensuring this alignment. Reverse mentoring offers a valuable method to balance the business acumen and experience of middle managers with the AI proficiency of younger employees. This approach facilitates the development of target operating models, employee enhancement, and process automation.

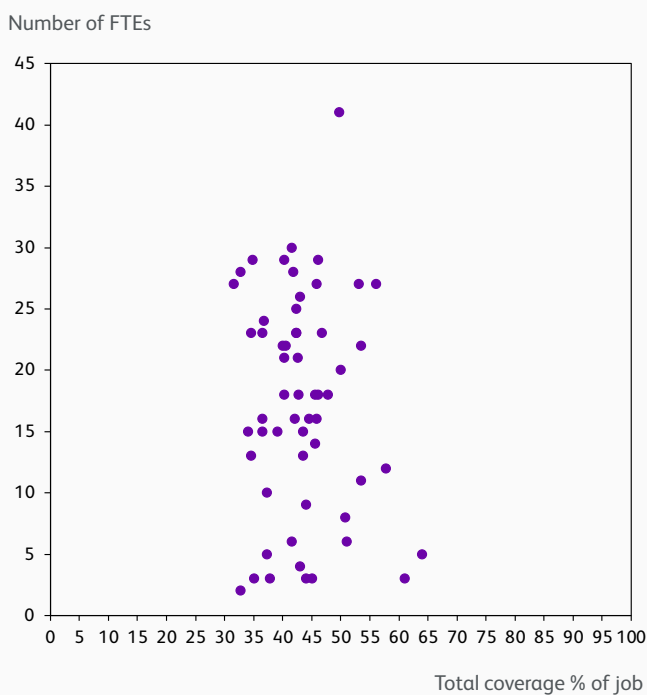


Embrace the potential of AI in their practices

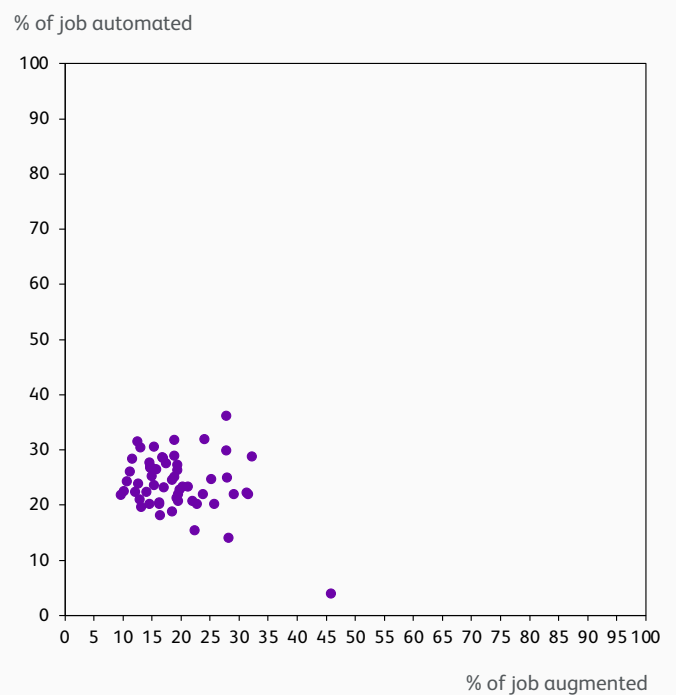
In the AI era, middle managers could be augmented by various productivity and market trends tools based on generative and agentic AI. Using BearingPoint's GenXplore tool to analyze 58 middle management job descriptions, we found that about 43% of typical tasks are impacted by GenAI. Around 19% of jobs are augmented and 24% are automated by GenAI.

Estimated impact of GenAI on standard managerial tasks

On average ~43% of jobs are covered by GenAI



On average ~19% of jobs are augmented and ~24% of the jobs are automated by GenAI



Source: BearingPoint analysis, March 2025

Augmented = Middle managers still work on tasks but are empowered with GenAI; Automated = GenAI can replace this % of the job; FTE: Full time employees analysed per job

The potential of augmentation is the highest for such tasks as:

- Production of reporting and indicators to support the team's activity organization and monitoring
- Compliance with standards and rules
- Monitoring of commercial activities
- Performance of administrative tasks such as invoicing, data collection activities

Efficiency gains from AI will enable middle managers to focus on tasks that become critical in this new paradigm, such as workforce planning for future operations and ensuring employees are prepared for evolving responsibilities.

Provide workforce strategic outlook

To deal with workforce strategy, middle managers play a crucial role in providing HR and the C-suite with insights into the future workforce structure. Moreover, gaining a clear vision of future needs is essential for addressing employee concerns by communicating a clear workforce strategy, explaining the impacts on various job categories, and offering a motivating vision for the future.

To achieve these objectives, middle managers should collaborate closely with HR in a co-design approach, working hand in hand to shape the future workforce. By leveraging AI tools such as GenXplore in conjunction with their vision of the target operating model, they can determine the impact on job categories and identify the competencies needed for the future. Providing middle managers with these tools enables them to manage better and adapt to the AI-driven transformation within their scope of responsibility, ensuring a smooth and effective transition for their teams. It is also about empowering them to become true actors in the transformation.

Case Study

In a recent comprehensive study⁸, we analyzed over 1,000 different jobs within a large European transportation company to assess the impact of GenAI and AI automation on tasks and required competencies. Our findings indicate that middle management roles are significantly affected by AI-driven transformation. Key tasks impacted include program and project oversight, performance monitoring and reporting, resource planning and forecasting, processing market insights, and data-driven decision-making. To adapt to these transformations, middle managers can leverage AI in several ways. Standard AI tools, such as Microsoft Copilot, and specialized AI tools can be utilized to enhance efficiency and decision-making. For instance, AI agents can be used in management meetings as a knowledge resource, providing easy access to and interpretation of the latest figures and numbers. Additionally, AI can help achieve consensus by acting as an objective observer.

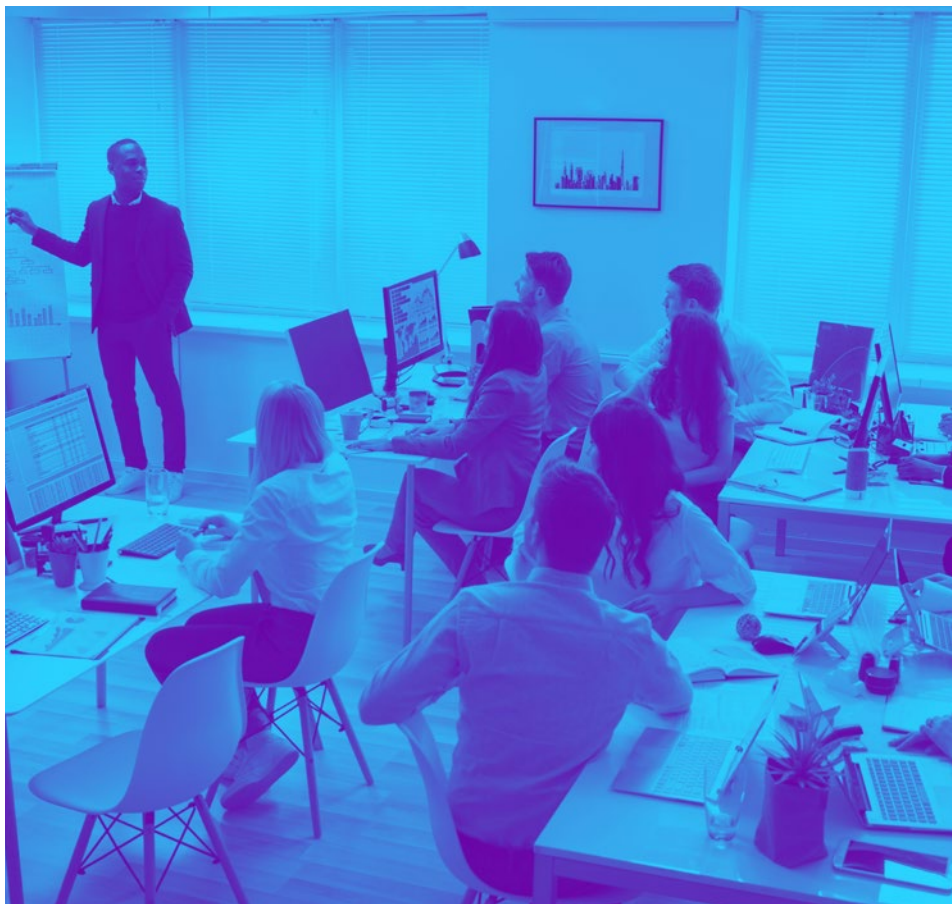
However, our study also revealed a discrepancy between how middle managers perceive their AI literacy and how their teams perceive it. Generally, teams reported lower AI literacy among their managers or were unable to judge their proficiency, highlighting the need for middle managers to communicate their understanding of AI within their domain, to involve their teams in the AI adoption journey actively, and to lead by example. Lastly, our study found that both age and gender influence the average use of GenAI in daily tasks, as well as attitudes and trust towards AI, suggesting that tailored approaches are necessary to address these demographic differences and ensure effective AI integration across all levels of the organization.

8) BearingPoint. (2025). BearingPoint case study.

Promote employee AI literacy

Ensuring the effective use of AI tools requires more than just technical training; it demands comprehensive literacy programs. True literacy opens minds, reduces fears, and builds trust. It creates curiosity about the potential of new technologies. AI literacy also reduces the “black box effect” by providing insights into the technology and how it works. In addition, it is about providing the means to use it ethically through proper de-biasing techniques and searching for hallucinations. Finally, it is about explaining the importance of data and how to value it properly to enhance it and leverage it.

Middle managers are pivotal in ensuring AI literacy and workforce readiness, promoting training, challenges, and incentives focusing on qualitative aspects of workforce planning, and preparing teams for AI-driven transformation at scale. Although more than two-thirds⁹ of companies have already put in place some change management best practices such as communicating on AI-driven transformation and its benefits, training, and upskilling employees, only 32% of companies engage employees through large-scale and bottom-up identification of use cases, for example, through challenges or hackathons. In fact, being able to “touch” and “play” with technology and its implications is the best way to decrease fears and get on board.



9) BearingPoint. (March 2025). AI-driven transformation practices study conducted in Europe and the US among 300-plus managers.

Conclusion

Middle managers are uniquely positioned to ensure AI strategies are effectively implemented across teams. While some argue that AI-driven automation and flatter hierarchies are diminishing the need for middle management, this perspective overlooks a crucial reality: AI does not replace leadership – it redefines it.

Middle managers are the vital link between leadership and employees, ensuring AI adoption is not just efficient but also ethical, inclusive, and strategically sound. As such, they remain an important layer in organizations and must be leveraged by the C-suite for a successful AI-driven transformation at scale. Senior management should develop a change management program supported by adequate resources and support middle managers in embedding AI in their practices, managing their freed-up time to focus on better performance, and increasing their “soft skills” to focus more on human relationships. The C-suite must also provide middle managers with adequate AI tools and promote a full-blown literacy program, including top-down and bottom-up approaches to enhance empowerment.

“Critics claim AI-driven automation and flatter hierarchies reduce the need for intermediaries. However, AI does not replace leadership; it redefines it. Middle managers act as the bridge between leadership and employees, ensuring successful AI adoption.”

Marine Laufer-Tourte, Partner, BearingPoint

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About BearingPoint

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