charter × Microsoft

LEADING LEARNING IN THE AI ERA

Illustration by Charter · Photo by Delmaine Donson, Getty

Introduction

Chief human resources officers and learning and development leaders are under intense pressure as artificial intelligence reshapes how organizations develop talent and design work.

Unlike past business shifts, AI simultaneously changes *what* employees need to learn and *how* they learn it.

This playbook aims to provide independent, research-backed guidance that balances strategic frameworks with practical case studies. Readers will see how CHROs and L&D executives—and other leaders with responsibility for developing and training people—can align learning strategies with business transformation and take the lead in building organizations ready for an AI-driven future.

Our reporting and research underscores the need in the AI era to connect learning and development to corporate strategy and business outcomes. “It starts from the business and strategic transformation,” says Tsedal Neeley, a professor and chair of the MBA program at Harvard Business School whose books include *The Digital Mindset*. “There's no such thing as bringing AI into your organization without fundamentally rethinking your work and the use of AI and how it will influence workflows and other things. AI means change.”

The first chapter spells out how the new playbook for learning and leadership is different for the AI era. The second goes deep on how the goals of L&D need to change. The third chapter looks at how the practice of learning and skilling shifts. The fourth section covers best practices for how executives overseeing learning can steward cultural change and build trust. The final chapter summarizes the actions that leaders can take now. We’ve sprinkled expert interviews and case studies from leading companies throughout.

Charter has partnered on this playbook with Microsoft. We’re grateful for its support and thought leadership in this important area.

We see this research playbook as part of our ongoing efforts on the critical questions it covers. Please be in touch with us as you have feedback and additional research and examples that others might learn from. You can reach us at hi@charterworks.com.

Jacob Clemente, senior reporter
Kevin J. Delaney, editor-in-chief
Michelle Peng, senior reporter

Table of contents

01 The new playbook for learning and leadership in the AI era

13 Reimagining L&D goals in the age of AI

26 Redesigning L&D practice with AI

33 Leading cultural change and building trust

39 Your action guide

45 About Charter and Microsoft

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

01 The new playbook for learning and leadership in the AI era

Photo by Rowan Jordan, Getty

In the pre-genAI world, learning and leadership development were often compliance-driven, episodic, and designed around static roles. In the genAI era, learning must be continuous, adaptive, and deeply connected to organizational strategy.

AI is changing both the goals of L&D (from efficiency to adaptability and resilience) and the practices of L&D (from manual, one-size-fits-all programming to AI-powered personalization). As part of this shift, CHROs and L&D leaders are now strategic architects of organizational transformation, not just custodians of training.

In our research and reporting, we've identified areas where the traditional playbook for learning and leadership is no longer relevant and others where AI is requiring new approaches. We've spoken with top researchers and executives and pored over the latest research to identify the essential practices for what's next.

Here's a summary of the key changes:

Old vs new:

DIMENSION	PRE-AI PLAYBOOK	AI-ERA PLAYBOOK
Purpose of learning	Often focused on compliance, onboarding, efficiency.	Continuous adaptability, innovation, and unlocking strategic business goals.
Leadership development	Episodic training programs for select leaders.	Ongoing, personalized learning journeys for all levels of leadership, powered by AI insights.
Role of CHRO	Sometimes little more than a custodian of HR processes and workforce administration.	Strategic architect of transformation of the organization, its workforce, talent acquisition approach, and how work gets done; steward of culture and best practices in AI adoption.

Decision-making in L&D	Centralized curriculum design, top-down control.	Distributed, AI-informed, iterative learning design with input from employees and managers.
Measurement of success	Completion rates, satisfaction surveys.	Business outcomes: agility, innovation, employee adaptability, and culture metrics.
Employee trust	Training seen as separate from daily work, often transactional.	Learning integrated into work, with leaders building transparency and trust in AI copilots and platforms.
Talent pipeline	Rigid leadership pipelines and succession plans.	Dynamic pathways, reskilling for emerging roles, and cross-functional mobility supported by AI.

(We acknowledge that some characterizations of the pre-AI playbook might not apply to all organizations, but our research suggests that they reflect the practices of many, if not most, firms.)

Skilling when the "half-life" of skills is shrinking

One of the drivers of the changes to learning and development needs is the extent to which the skills workers need are changing faster than in the past. "With so many of the technical skills, the half-life is shrinking so quickly," says Ravin Jesuthasan, the global leader for transformation services at Mercer and author of books including *The Skills-Powered Organization*. "So there's a need for very rapid and continuous technical upskilling."

Alongside that, companies are needing to focus more on hiring for transferable skills and broader human skills and dispositions such as critical thinking, curiosity, and learning agility. "Their technical skills may only be useful for three years, but those other skills are going to ensure they stay relevant in our business for the next 20 years," explains Jesuthasan.

Ravin Jesuthasan
Global leader for transformation services at Mercer

That dynamic puts a lot of pressure on L&D to provide the upskilling that is needed for employees to contribute maximally to business outcomes on an ongoing basis over their careers. “So much of training tends to be on the technical side of things, and that's not going to diminish. It's going to be how do we do it quicker, faster in the flow of work?” Jesuthasan notes. “ But at the same time, how do we make sure we're giving people opportunities to build their capabilities and critical thinking, nudging them towards being more curious than they might have been before?”

Harvard’s Neeley outlined a “30% rule” in *The Digital Mindset*, the book she coauthored with Paul Leonardi. The 30% refers to the level of English fluency that is required for non-native speakers to participate and contribute in workplaces where English is the office language. Neeley says that there’s a similar requirement for AI fluency, for all workers to know enough about the technology for companies to be able to transform to take advantage of it.

“Everyone needs to know the ABCs of AI. So the design of your sessions or learning has to give everyone the same vocabulary, the same understanding, the same insights,” Neeley says. On top of that, “if your c-suite and maybe even sometimes your board, if they don't understand, they don't have the 30% rule, nothing works.”

In the next chapters of this playbook, we’ll explore in more detail how the goals of L&D are changing at companies as a result of AI.

Personalized learning in the flow of work

A second critical difference in the new playbook for learning and leadership in the genAI era is how the training is delivered. AI allows for an individualized analysis of the skills that a worker might need to develop, and personalized delivery of training. In some cases, workers might be put in situations where they need to learn how to do a job while they're doing it. Jesuthasan sees companies "designing in learning into the flow of work, particularly with the use of VR [virtual reality], XR [extended reality], and AR [augmented reality.]"

One immediate benefit: eliminating wasted time. Anthony Stephan, chief learning officer at Deloitte US, says professionals at the firm have long had access to good learning materials, but they've "spent valuable time searching" for them. The company's new AI-powered learning assistant, Scout, recommends relevant learning content based on information about the professional, including their career level, stated goals, and learning history.

"I'm finding organizations being a lot more comfortable with, we're going to throw you in, we're going to surround you with tech and on-demand support as you do the work," says Jesuthasan.
In the next chapters of this playbook, we'll explore in more detail AI-related changes to the ways in which employers are delivering training.

CASE STUDY

Mastercard's "Unlocked" approach to L&D and mentorship

While many workers are anxious about the impact of AI on their jobs, the technology has exciting potential to connect them to new work experiences and opportunities within their own companies. Rather than always needing to look outside their organizations to acquire specific expertise, companies can use AI to identify their workers' skills, to provide personalized training and project experiences, and to fill roles with internal candidates. There are big advantages for employers in terms of culture and the efficiency of this approach, and for workers in terms of having opportunities to advance their skills and careers.

Mastercard is among the companies using AI-powered internal talent marketplaces in this fashion. Launched to its full global workforce in 2022, the "Unlocked" platform allows Mastercard's more than 35,000 employees to find internal positions, projects, and learning and mentorship opportunities.

To better understand how such a new AI-powered approach to learning and development works at scale, we reached out to Lucrecia Borgonovo, Mastercard's chief talent and organizational effectiveness officer. Here are excerpts from our exchange, edited for space and clarity:

Lucrecia Borgonovo
Mastercard's chief talent and organizational effectiveness officer.

Unlocked matches employees to learning pathways based on skills they have and want to build. How does this differ from traditional L&D approaches and how has this personalization changed learning outcomes?

Unlocked quickly became the key to helping Mastercard put employees in the driver's seat and own their career development and growth. Instead of generic courses, AI now helps each person build a personalized roadmap—aligned to their skills, goals, and aspirations. It's not just about learning; it's about choice and empowerment. Employees can take courses, join projects, find mentors, or even apply for new roles—all in one place. And the results speak volumes: More than 90% of our employees are

registered with the platform, and one-third made internal career moves within a year. That's what happens when learning becomes a lever for growth, not a checkbox.

How does Unlocked enable learning in the flow of work? Can you give examples of how employees learn while doing projects rather than stopping work to train?

We've moved beyond the old model of 'pause work to train.' Today, learning happens in real time, in the regular rhythms of work.
One of my favorite examples is a product development manager who joined a cross-functional project exploring new markets. While contributing, they learned advanced data analysis and strategic planning—skills they'd never used before. AI nudged them toward micro-learning modules on market analytics and storytelling, which they completed between project milestones. That blend of doing and learning didn't just close skill gaps; it opened a new career path. They later transitioned into product strategy. This is what growth in action looks like—learning while delivering impact.

How has AI-enabled mentorship matching changed the scale and nature of learning from others at Mastercard?

Mentorship used to depend on proximity and networks. AI-enabled platforms like Unlocked broke those barriers. Now, matches are based on skills, goals, and experience—connecting people across geographies and functions. It's created a surge in participation and accelerated skill-building through diverse perspectives. When people feel supported, they grow faster—and so does the business. Since more than 50% of our mentorship relationships are cross-business unit and regions, we are also benefiting from its power to break down silos, facilitate best practice sharing, all in support of bringing the best of Mastercard to our customers.

At Mastercard, leaders can use an AI coach to role-play difficult conversations. What learning outcomes are you seeing that you couldn't achieve with traditional leadership training?

As part of our ongoing efforts to increase the effectiveness of our people leaders, we launched an AI-powered coaching tool called Cai this year. Cai is transforming leadership development by making coaching always-on, personalized, and scalable. Traditionally, coaching was reserved for a select group of senior leaders. Now, AI

is democratizing access, making high-quality coaching available to leaders at all levels.

Every interaction is tailored to our Mastercard Way behaviors, our leadership framework and business context, ensuring relevance and practical application. By beginning to scale this globally, our hope is that Cai democratizes leadership growth across geographies and time zones, complementing human coaching rather than replacing it.

You've said Mastercard has a 'tiered strategy' to prepare employees for AI regardless of where they are in their journey. How do you personalize AI learning for different roles and skill levels?

To support employees at every stage of their AI journey—whether they are beginners or tech experts—we've launched a three-tiered learning strategy:

1. AI foundations for all - Establishes a common knowledge base so every employee is fluent in AI fundamentals. This foundation builds confidence to experiment and integrate AI into everyday work.
2. Role-based skill building - Focuses on practical applications of AI within specific roles, helping employees adopt tools tailored to their work (e.g. coding assistants for engineers, onboarding assistants for customer support.)
3. Reskilling for new roles - Supports employees in roles likely to be impacted by AI by providing pathways to reskill for emerging roles (even those that don't exist yet!) and high-demand skills.

This isn't just a strategy; it's a commitment to future-proofing our workforce.

In the old playbook, L&D was measured by completion rates and satisfaction scores. What metrics do you use now to measure learning effectiveness? How do you connect learning activities on Unlocked to business outcomes?

As previously mentioned, more than 90% of employees are registered on Unlocked, and approximately 40% use it monthly. Significantly, one-third of employees who participated in an Unlocked project or mentorship have made an internal career move

within a year, and 50% of those moves are across job families—reinforcing the power of skills as the currency to drive workforce agility. More than 50% of projects and mentoring engagements are cross-functional, building bridges across the business and fostering collaboration.

We've shifted from counting course completions to measuring outcomes that matter: skill growth, internal mobility, and business impact—like faster project delivery and innovation. Learning isn't an HR metric anymore; it's a business performance driver. Our employees have now spent one million hours in Unlocked—creating value for Mastercard and acquiring the skills needed to contribute to Mastercard's future. That's a win for the business and a win for our collective growth.

Can you share an example where rapid skill development via Unlocked solved a business problem?

When fraud detection work needed to find AI talent fast, Unlocked helped us redeploy employees with adjacent data skills in record time. That's the power of agility—pivoting skills to meet urgent needs without slowing down the business.

Traditional L&D often prioritized high-potentials or leaders. How has Unlocked democratized access to learning and development opportunities? What impact has this had on employee engagement and retention?

When development is democratized, organizations tap into a broader pool of talent. Employees can learn in the flow of work, join projects and access mentorship at scale. One example: a government engagement manager used Unlocked to deepen expertise in open-source intelligence and cybersecurity. That learning journey led to a new role at Mastercard, where they helped establish the company's cybersecurity presence in Germany. This inclusive approach expands access to talent pools—especially in high demand areas like AI—and boosts engagement and retention as it opens new career paths for our employees.

How does your learning strategy help employees prepare for roles and skills that don't exist yet? How does AI help you anticipate future learning needs?

Given the rapid change of talent needs, AI analytics help us see around corners—predicting emerging skills and roles so we can reskill proactively. Our goal is simple: prepare people for jobs that don't exist yet. That's how we stay resilient in a world that never stops changing.

SPONSORED CONTENT BY Microsoft

The Frontier Firm: Unlocking Human Ambition with Copilot and Agents

At Microsoft, we believe the future belongs to organizations that harness the full potential of their people, empowering them with AI to achieve more than ever before. The "Frontier Firm" is not just a vision; it's a reality being shaped today by HR leaders who blend human judgment with agent-powered innovation.

AI in the Flow of Human Ambition

The heart of this transformation is Microsoft 365 Copilot, powered by Work IQ. Copilot is more than a productivity tool, it's an intelligence layer that understands your job, your company, and your goals. It connects the dots across emails, files, meetings, and chats, surfacing insights and recommendations that help HR teams focus on what matters most: people.

> **Copilot is designed to amplify human ingenuity, not replace it. It's about freeing up time for creativity, connection, and strategic thinking."**

JARED SPATARO
CMO, AI at Work, Microsoft

Agents as Teammates

Agent 365 extends this vision, providing a unified control plane for managing AI agents alongside people. Agents can automate routine tasks, streamline compliance, and deliver predictive analytics, giving HR leaders the tools to drive transformation at scale, securely and responsibly.

Building Resilience and Trust

Security and governance are foundational. With Agent 365, organizations can deploy agents with confidence, knowing that every layer from infrastructure to data to user experience, is protected by Microsoft's trusted security stack.

LEARN MORE

02 Reimagining L&D goals in the age of AI

Photo by Drazen_, Getty

Walmart CEO Doug McMillon recently said he has yet to think of a job that won't be changed by AI. The retailer is the biggest private employer in the world, and its workforce includes everything from pharmacists and truck drivers to software engineers and maintenance technicians. McMillon's statement illustrates the scale of the changes ahead for the workforce. Walmart's goal, he said, is "to create the opportunity for everybody to make it to the other side."

Getting to the "other side" of the AI transition won't be easy. While the World Economic Forum found that employers expect the main skills US workers need to change by 35% by 2030, only a quarter of US workers "strongly agree that their organization encourages them to learn new skills," according to research by Gallup and Workhuman.

L&D as a strategic priority

Given the changes brought on by AI, learning and development must be seen as a priority for companies.

> The number of skills that people need to learn now at the pace of the economy is crazy,
>
> — Kian Katanforoosh, founder and CEO of Workera

First, the pace at which workers have to acquire new skills will likely increase. "Not considering only AI, the number of skills that people need to learn now at the pace of the economy is crazy," says Kian Katanforoosh, founder and CEO of Workera, which helps companies assess and upskill their workers.

Second, companies will need to move people into different roles as their needs evolve, says Raffaella Sadun, a professor of business administration at Harvard Business School who co-leads Harvard's Digital Reskilling Lab. Firing current workers and hiring new ones is expensive, and companies lose valuable company-specific knowledge in the process, she explains. Reskilling workers avoids those issues.

(Katanforoosh says one of the goals CEOs have set for chief learning officers and chief human resources officers at the companies he works with is "workforce agility," which, he explains, is often a combination of how well a company understands the skills and skills gaps it has, how fast its teams can learn new skills and close those gaps, and how easily workers can move across the organization as needs change.)

Third, companies hoping to see returns on their AI investments need employees who know how to use the technology. Sadun argues that experimentation is key for companies hoping to get value out of AI, but that experimentation is only effective if employees understand how to use AI. "Basic upskilling is a foundational piece for that experimentation to start," she explains.

Katanforoosh says many companies outside of tech have a long way to go on making sure their workers have the AI skills they need. “I think people sense that. They're like, ‘Yeah, we're behind,’ but they're very behind.” As of the beginning of this year, for example, skills assessment data from Workera found that 90% of employees at tech firms were “genAI literate”; less than a third of employees at non-tech firms were.

CASE STUDY

Udemy’s “learn, do, share” approach

Online learning platform Udemy has a tradition of “UDays,” which are meeting-free Fridays once a month that employees can dedicate to learning. This year, the company tried something new: It dedicated every UDay to AI. “This year is the first year that we've, as a company, said every single UDay is going to be about this skill because we're so sure that this is going to be very impactful to our future,” says Rebecca Stern, the company’s senior director of learning and leadership development.

Before the start of this year, Udemy was in the first phase of its AI upskilling work, which was focused on increasing AI fluency. The company gave employees basic training on topics like genAI and machine learning, provided employees with access to ChatGPT and Toqan (an AI assistant), and created guidelines on the type of information that can and cannot be uploaded into those tools. The company’s executive team also attended AI workshops, which culminated in them building AI assistants that they brought back to their teams, setting the tone for company-wide UDays, explains Stern.

Rebecca Stern
Udemy's senior director of learning and leadership development

The company in February kicked off the second phase of its AI upskilling, which was geared toward practice. UDays follow a "learn, do, share" framework, where employees participate in a learning path with lectures from Udemy's platform, apply what they learned through guided experiments, and share what they did on Slack.

For example, the company's first AI UDay focused on genAI inputs and outputs to help people move past treating AI tools like ChatGPT as a smarter Google search, where you pose a question and get an answer, explains Stern. Employees were given an "experiment pack"—which guided them through having Toqan make images and graphs and analyze data, based on documents they fed it—and were then encouraged to share what they made on Slack.

Another UDay was dedicated to prompt engineering and the stakes were raised with monetary prizes. After watching a lecture on the topic, employees were given an experiment pack that helped them create a prompt, which they were subsequently asked to evaluate and improve based on a prompting framework provided by Udemy. Employees could share "before-and-after" prompts in the company's Slack and give each other feedback. Udemy awarded three $500 prizes: One to the employee with the best before-and-after prompts, one to the employee whose prompt tackled the biggest business opportunity, and one to the employee who gave the best feedback to a peer.

During the second half of this year, Udemy kicked off phase three of its AI upskilling, which focused on helping teams identify function-specific use cases by, among other things, having them work with internal "AI champions"—employees who demonstrated a lot of enthusiasm and skill in using AI in the company's Slack channel.

Udemy wrapped up its program of AI-focused UDays in October by having people share stories of the new AI skills they've developed and collecting data to measure the return on investment (ROI) of all of this work. On adoption metrics, at least, the AI upskilling seems to have been a success. The number of monthly active users of the company's AI tools increased 534% from the level in January, though Udemy declined to share what percentage of the company's employees use its AI tools monthly. The number of questions asked per month increased 956% during that same period.

Reimagining the goals of L&D

Some 52% of workers view training at their company as a "box-ticking" exercise, according to a 2023 survey by Cypher Learning. Success is often measured by metrics that don't actually help the company, like course completion rates. "Because HR is often decoupled from the more strategic functions, then learning becomes an investment that you do for the sake of learning or for the sake of running a program," says Sadun.

Instead, she argues, employee training should be tied to the company's objectives and the behavior changes they want to see among their employees.

Imagine, for example, a company trying to improve its customer experience metrics. It matters little whether customer-service reps completed the company's new learning module. What really matters is whether the customer experience scores increased.
When framed this way, L&D becomes a source of competitive advantage, a lever to achieve the company's objectives. That always should have been the case, even before AI. The difference is that AI can make it easier to connect L&D to the company's objectives, in at least two ways.

1. AI can help translate projects into skills, assess those skills, and tailor upskilling.

If a company wants to build an AI-powered search feature into its app, for example, it can use AI to break that project down into the skills required to complete it. Once it has those skills, it can use AI to create assessments for its engineers, product managers, etc. And if a worker isn't proficient in one of the skills they need, the company can use AI to create a learning plan that's tailored to them.

"Because you've done all that work, the learning is very connected to the business outcome," says Katanforoosh, whose skills platform does this. "It's not like, 'Hey, just learn math for the sake of learning math. It's, 'No, you need to learn that two plus two equals four because [knowing that] two plus two equals four is necessary for the business outcome that we were working towards in the first place.'"

52%

of workers view training at their company as a "box-ticking" exercise.

— a Cypher Learning survey

2. AI can embed learning directly into work.

One of the challenges with traditional L&D is that training is often disconnected from the work employees actually do. Employees take a course and then have to figure out how it applies to their work. Nearly two-fifths of workers say they want their training to be more relevant to their jobs, according to a 2022 SHRM research report. AI can help companies tie learning to the actual work that needs to be done.

For example, Sadun and her colleagues worked with Siemens to test the effects of an AI tool that the company rolled out at one of its locations to help maintenance technicians on the shop floor maintain and repair machines. An experiment the company ran found that the tool saved the technicians time and decreased their need to seek help from experienced colleagues, Sadun and her colleagues wrote in a recent Harvard Business review article. The tool is teaching the technicians while helping the company get machines repaired faster.

Arvind Karunakaran, an assistant professor of management science and engineering at Stanford, points to a large retail company he studied that has many workers who negotiate with vendors to get better deals. The company wanted those workers to be more AI literate, says Karunakaran, but the AI training they gave them didn't seem to stick.

So they decided to anchor the training in the task those workers actually do—negotiation—and built an AI bot with which workers could practice negotiating. This approach tied training to the work to be done, while teaching them about AI in the process.

The skills workers need

Connecting learning to business outcomes requires clarity about what skills to develop.

Katanforoosh has distinguished between "durable skills"—abilities with a half-life above five years, like understanding how algorithms work—and "perishable skills," which are less evergreen but keep workers at the cutting edge, like knowing the latest version of a programming language.

Workers need both. A communications expert who doesn't understand how to use modern channels like LinkedIn or TikTok can't reach their audience effectively. Neither can a marketer who learns the latest platform but doesn't understand audience psychology or storytelling.

What workers need from each skill category varies by where they sit in the organization. People at every level need the perishable skill of using the latest genAI tools in their area of expertise. Early-career employees need durable human skills, like critical thinking and judgment, as well as a strong foundation in their domain. Mid-level managers need the ability to motivate others and to make smart decisions about how to allocate resources. Senior executives need strategic judgment and the ability to lead through uncertainty.

We're seeing some organizations create frameworks for the skills their workforce needs for the business to succeed and train workers on them.

Early-career employees need durable human skills, like critical thinking and judgment, as well as a strong foundation in their domain.

CASE STUDY

PwC

Across the economy, junior workers are among those most affected by AI's disruption, which is reshaping not only a weakening job market for entry-level employees but how they learn to do their jobs as AI replaces more routine tasks. Earlier this year, Anthropic CEO Dario Amodei even predicted AI could eliminate half of entry-level white-collar jobs within the next five years.

Some companies are taking steps to address the issue. In October, PwC ran a pilot of a new training program focused on AI and human skills for about 1,300 of the firm's new junior employees who work across its core business lines of tax, advisory, and assurance. The program, which PwC plans to roll out to all new junior employees in those three business lines next July, adds about a week to the in-person training and onboarding program that new hires already complete.

"We didn't see it as replacing entry-level hires," says Margaret Burke, PwC's talent acquisition and development leader, about AI. "We saw it as really changing the work that they do." But, she adds, AI will replace many of the rote tasks junior workers used to spend their time on, eliminating a key way they learn to do their jobs. "We had to teach these individuals differently."

Margaret Burke
PwC's talent acquisition and development leader

The primary motivation for the new training program is to give those entry-level staff the right mix of skills they need for a new way of working. The second: To have the junior staff take what they learn back to their teams and reverse mentor their more senior peers.

The "AI + Human Skills Immersion" program draws from PwC's framework of 15 AI skills and 15 "human skills" the firm sees as essential. The former includes skills such as AI fluency, responsible AI, prompt engineering, and agentic AI. Adaptability, critical thinking, ethical behavior, and storytelling are among the latter. The program is aimed at strengthening both. "We were never teaching an AI skill without also teaching the human skill that needed to go along with it," says Burke.

Burke's team worked with the firm's core businesses to create training programs for each one, tailored to their specific needs. The employees get basic training on PwC's skills framework and how to use the firm's AI tools responsibly, but much of the program is, in Burke's words, "hands on keyboard." "People don't like to be spoken to....they've done enough sitting in the classroom," she says. "Let's get people up walking around. Let's get them working together to solve a problem."

In a section of the training program for employees in the firm's advisory business called "Prompting with Purpose," for example, participants are given a case study of a potential client challenge, and told to write an AI prompt to help solve the problem. Those prompts are then fed into an AI tool, which provides feedback on the prompt's quality and tells the user how it could be improved. Participants can then see where they rank on a leaderboard, gamifying the exercise.

As the week progresses, the AI topics become more advanced. New employees are walked through how to design AI-enhanced workflows, how to use pre-built agents, and how to create their own agents to help them with their work.

The training program ends with a "vibe session and showcase," where employees work in small groups to solve realistic client problems. Using the tools and skills they've just learned, teams analyze sample data, conduct research, and develop solutions, with accompanying visuals and prototypes. After improving their work based on feedback, teams present to the group, practicing storytelling, one of PwC's core human skills. "Talking to the new associates, that was by far their favorite part...the couple of days that they spent hands-on solving business problems that were relatable to what they would be doing in advisory or in tax or in assurance."

SPONSORED CONTENT BY Microsoft

Charting the Path: A Playbook for AI-Enabled HR Leadership

This playbook, developed in partnership with Charter, is a roadmap for HR leaders ready to embrace the AI era. It's built on the principle that transformation is a journey; one that requires vision, practical tools, and a commitment to continuous learning.

From Episodic Training to Adaptive Learning

AI is changing the purpose and practice of HR. Learning is no longer episodic or compliance-driven; it's continuous, adaptive, and deeply connected to business strategy. Copilot and agents help HR teams personalize development, anticipate needs, and foster a culture of resilience.

Best Practices for Adoption

- **Start with People:** Focus on employee experience. Use Copilot to reduce administrative burden and give teams more time for strategic work.
- **Measure What Matters:** Leverage analytics to connect Copilot usage with HR outcomes; track adoption, engagement, and business impact.
- **Govern with Confidence:** Use Agent 365 to manage agents, enforce policies, and ensure compliance across all HR processes.

Partnering for Impact

Microsoft's partner ecosystem is leading the way, becoming "Customer Zero" by deploying AI internally and sharing real-world lessons. These stories show what's possible when technology and human ambition come together.

Shaping the Future of HR Together

As organizations step boldly into the era of AI, Microsoft stands alongside HR leaders and partners, committed to unlocking human ambition and building resilient, thriving workplaces. The journey to becoming a Frontier Firm is not just about adopting new technology, it's about empowering people, fostering trust, and driving meaningful change at every level.

With Copilot, Agent 365, and a vibrant partner ecosystem, HR teams have the tools and support to reimagine what's possible. By blending human judgment with the power of AI, we're shaping a future where every employee can do their best work, every leader can drive impact, and every organization can achieve more.

Together, we're not just preparing for the future, we're building it.

LEARN MORE

03 Redesigning L&D practice with AI

Photo by AJ_Watt, Getty

In AI-driven workplaces, "everything around the why, what, and how of learning is going to dramatically change," says Sagar Goel, global insights leader for the Human Futures Lab at BCG Henderson Institute. That requires organizations to rethink not only the content and delivery of reskilling and upskilling, but the very architecture of skills and development within their organizations.

Already, 37% of organizations have started using AI in their performance-management processes for use cases including goal setting, creating development plans, writing performance reviews, and providing continuous feedback and coaching, according to a survey from WTW.

In this section, we'll cover examples of how organizations are using AI today—and the frontiers they're heading towards—with an eye towards evidence-backed practices that scale across teams and functions.

37%

of organizations use AI in performance management

— WTW survey

Using AI to augment learning and development

One of the most promising applications of AI in learning is using the technology to deliver customized, timely, bite-sized learning directly in the flow of work.

"We know that just from the learning literature that the best way that development happens is if it happens in this timely opportune manner where the ability to practice is super relevant and it's fresh, and that's how you start to plant memories and build better habits," explains Andrew Reece, chief AI scientist at BetterUp, a coaching and development platform.

Currently, organizations' ability to deliver those timely learning opportunities is limited by coaches' and managers' proximity and awareness to employees' work, but AI is changing that. For example, BCG Henderson created an experiment to evaluate the effectiveness of AI coaching in the consulting firm's BCG Rise program, a re-skilling program that helps mid-career professionals transition into digital roles in Singapore. Participants were divided into a control group, which attended sessions in a typical virtual classroom

environment, and an intervention group, which had access to a one-on-one AI coaching tool.

"The learning gains were very similar across both groups, but the engagement and personalization was far better for the AI coach," says Goel, noting that learners reported richer, higher-quality feedback and finished training modules more quickly because the learning was self paced.

"The learner has the agency to see how far or how fast they want to go. It's fully adaptive in the sense that it meets the learner where they are, and...it scaffolds the learning like a human tutor would do," Goel explains.

WHAT TO READ

"The AI Educator: Using artificial intelligence to transform manager development," Charter's playbook on using AI coaching to replicate the apprenticeship model of learning.

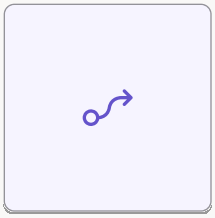
Over half of participants shared that they preferred using the AI coach over virtual classroom learning, though a majority of respondents said they would still prefer a human tutor for topics that require more peer-group learning, including collaboration, building influence, and teamwork.

In other words, "human connection still matters in the actual workplace," says Wendy Murphy, an associate dean and professor of management at Babson College whose research focuses on learning and mentorship. "[I]f you're just doing personal skill development, I think that [AI] coaching is really helpful, but that AI coach is not going to help you navigate the politics of your organization."

Even while workers may prefer to practice collaboration and teamwork skills with human peers, AI automations can still encourage teams to

experiment and test best practices together.

In *Flash Teams*, Stanford researchers Melissa Valentine and Michael Bernstein cite one of their research papers showing that teams of workers who received feedback from an AI algorithm were more successful in solving collaborative puzzles than groups who received no advice or advice from a human leader. The key, they write, is that AI helped teams explore more alternatives. "Teams with human decision-makers, whether managers or collectives, fell prey to the classic problem of under-exploring."



WHAT TO DO

To try and replicate the study's results, team leaders might build an AI assistant that analyzes a team's daily calendar for meetings that might require active facilitation, such as a brainstorming session or project kickoff, then send a prep message ahead of the meetings that includes a few best practices to try out or a couple of facilitation prompts to juice the conversation.

For example, here's a prompt to try:

At 8:00am every morning, look up my meetings for the day on my primary Google Calendar. Identify any meetings where I am actively facilitating or leading (for example: brainstorming sessions, 1:1s, project kick-offs, and other meetings where I own the agenda or outcomes). For each of these meetings, using research-backed best practices on meeting facilitation and brainstorming, produce a compact, skim-friendly prep brief that includes: 2–4 best practices or techniques to try (such as facilitation tactics, prompts, or questions to ask), 2–3 prompts to reflect on my performance as a facilitator, and 1–3 suggestions for how to structure or improve the agenda. Keep each prep brief under 150 words. When you're done, send me a message with all of the meeting briefs for that day in a single message.

As AI technologies continue to evolve, Reece predicts that these capabilities will increasingly be embedded within learning platforms. With integrations across an organization's communication, productivity, and meeting tools, learning platforms could have access to an "interconnected contextual data surface," he says. "As you're bubbling that up, you can start to create this sensing layer of what's happening at your organization."

On an individual level, that also means learning platforms could provide even more personalized, timely learning. Maybe that takes the form of a pop-up in Microsoft Teams or Slack that senses a testy exchange and provides context from the company org chart and the colleague's user manual before coaching a worker on how to respond. Or perhaps there's an automated message that pings workers when they're using a new sales platform for the first time with personalized tutorials and video walkthroughs for the exact feature they're trying to use.

> **We want people to grow and to learn. Both from the perspective of, 'how do I make sure I'm successful in my current role, but what is my next play?'**
>
> — LinkedIn chief people officer Teuila Hanson

When it comes to these more advanced use cases, "we are already seeing some early proof of concepts," says Goel. "This is yet not at scale because this is so fresh out of the oven, but if we have the same conversation next year, I wouldn't be surprised if I give you 10 examples of where this is happening at scale."

Designing skills architecture of the future

Beyond changing the ways that workers and teams learn, organizations who want to adapt and grow for an AI future must now help their workers rethink their approach to career development and advancement. It's a particularly urgent task as the half life of skills shrinks, the nature of work transforms, an increasing number of workers feel stuck in their current roles, and entry-level workers struggle to break into their careers amid a shrinking number of early-career roles.

For LinkedIn chief people officer Teuila Hanson, what's needed now is a "next-play culture," which her team has supported within LinkedIn with a new coaching benefit that helps individuals connect their learning to individual and team-wide goals.

"We want people to grow and to learn," Hanson explained at Charter's New Employer Brand Summit. "Both from the perspective of, 'how do I make sure I'm successful in my current role, but what is my next play?'" The "next play" is the next role or project that the person will take on beyond where they're currently at—and it could conceivably include a job outside of the company. For LinkedIn, the investment is worth it because "if an employee feels stagnant, it's bad for the employee, it's bad for LinkedIn."

The problem at many companies is that "organizations don't talk skills," says Goel. "It's a mindset change to say, 'My strategy is as good as the skills that my organization has and given this strategy, what are then, working backwards, the skills that I need?'" That requires skilling to become a strategic imperative, with individuals, managers, and HR leaders all accountable for learning outcomes.

Goel points to the example of Cragar Industries, a manufacturing company that has built skills into its performance evaluations. "It's not just the usual [key performance indicators (KPIs)]—the business KPIs and the operational KPIs—but it's also around what skills have you acquired and how much effort have you spent on your learning and development," he explains.

> **The speed and the rate of learning for the individual will be the measure of the performance.**
>
> — Sagar Goel, global insights leader for the Human Futures Lab at BCG Henderson Institute

"This linkage of skill building to performance development, that's going to be the big shift that we are going to see because in the future, it's your skills that rapidly will change and as humans we need to continuously develop them...The speed and the rate of learning for the individual will be the measure of the performance," Goel predicts. Some organizations, including Canva and Johnson & Johnson have responded by adopting skills frameworks and skills taxonomies that embed skills into hiring, promotion, and development processes, while others, including Standard Chartered, have invested resources into creating rotational programs, secondments, and short-term gigs for workers hoping to gain new skills on the job.

FLASH CASE STUDY

How Prudential is accelerating skill development

In recent years, Prudential Financial, the financial-services firm, has invested new resources into a skilling and talent marketplace platform that connects workers to learning and career opportunities based on their existing skills and the organization's most urgent skills gaps.

"Our learning priorities start first and foremost with the company's strategy and understanding what the capabilities are that we need to enable it," says Vicki Walia, chief people officer at Prudential Financial. "From there, we build programs to grow and develop our people to deliver against those skills."

All workers have the opportunity to build a profile on the company's internal platform, drawn from resumes, LinkedIn profiles, and skills assessments. The company then uses that information about employees' existing skills to match them with learning opportunities that help develop adjacent skills, and workers can use the "Flex Teams" portal to apply to short-term gigs that give them exposure to similar roles in a different function, or a new role that matches their skills and qualifications.

For example, a worker's profile might show that they are proficient in R, a programming language used primarily for statistics, and the platform might suggest that they participate in a skills accelerator session focused on coding in Python. Or, an employee looking to broaden their understanding of the organization's global work might apply for a short-term role supporting the business in Latin America and Africa, potentially leading to a full-time role on the same team.

"We encourage colleagues to see themselves not just by their job titles, but by the skills and mindsets they bring to the table," Walia says. That helps not just individual workers, who are able to gain new skills and experiences through lateral moves, but also the organization as a whole. "As colleagues move across functions and roles, they bring fresh perspectives and energy to new challenges," she says.

04 Leading cultural change and building trust

Photo by JulPo, Getty

AI adoption in learning is not just a technical shift—it's a cultural transformation that requires all leaders to become experts in change management to help workers from the frontline to the boardroom overcome fears about AI to embrace curiosity, experimentation, and trust.

"Psychological safety is table stakes" to do that, says BetterUp's Reece. "The world is in this state of dramatic transformation, and nobody's quite sure what's going on," and the job is a leader is now to convey a simple message: "We're right here with you, and we are investing in understanding how to bring you right along with us on this process of transformation."

"Leadership to me is really the force that allows us to do not the things that are easy, but the things that are hard...including being vulnerable, including knowing that we're going to be seen as imperfect and incompetent in many of the things we do and doing it anyway," said Amy Edmondson, the Harvard Business School professor who popularized the concept of psychological safety, at a Charter event.

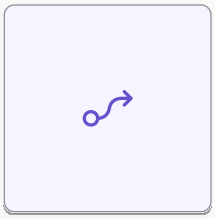
45%

The greater likelihood you'll increase trust, as a result of expressing vulnerability.

— BetterUp research

That means leaders must move quickly through "the five stages of grief with AI," which cycles from fear and annoyance to curiosity, fluency, vulnerability, and ambition, argues Hilton CHRO Laura Fuentes. She encourages leaders to get through those stages by using a beginner's eye to admit what they don't know, find mentors who are early adopters, and model that learning agility openly.

The data back up that commitment to vulnerability and humility. "Research from BetterUp in our lab shows that when you are expressing vulnerability, you're 45% more likely to increase trust," said BetterUp chief people and community officer Jolen Anderson at the Charter Workplace Summit.



WHAT TO DO

Beyond showing vulnerability through reverse-mentorship relationships with AI and speaking openly about both successful and failed experiments with AI tools, leaders can build the psychological safety necessary for experimentation by celebrating failure on the team level.

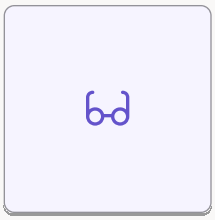
"You have things like the Spotify Fail Wall, where people go and write up the things that didn't work and what they learned from them," says Scott D. Anthony, a professor at Dartmouth's Tuck School of Business and author of *Epic Disruptions*. "You inevitably learn that what feels in the moment like failure is almost always a springboard to future success."

Leaders can model that behavior by putting the first post up on the AI fail wall, highlighting a prompt that went horribly wrong, a hallucination that they caught, or a vibe-coded program that failed to compile. Then, talk about the process of iteration and solutioning, showcasing the editorial judgement and critical thinking necessary to work successfully with AI—and skill up in a changing work environment.

Beyond supporting curiosity and experimentation, trust also requires leaders to directly address the fears holding many workers back from embracing AI and new ways of learning.

"Questions around trust and data privacy grow in urgency in direct proportion to how much exposure is being requested of an individual," says BetterUp's Reece, meaning that employers hoping to embrace AI systems that capture worker data about skills, projects, and communication should be prepared to share their approach to data agency, transparency, and informed consent. Employers should be very ready to answer a few key questions, says Reece, including:

- How much agency do I have over the data that I share with AI, whether that's an email or a personal question about how to have a difficult conversation with my colleague?
- How do AI systems collect and store my data? Can I opt out of data collection or delete any stored data within the system?
- Are any stored data shared with my employer?
- If yes, how will my employer use that data on employee sentiment, performance, successes, and failures?
- Will my conversations with AI chatbots be used in individual performance evaluations or employment decisions?
- What safeguards are in place to prevent bias in the AI tools?



FOCUS ON

Worker concerns about AI ethics

In addition to concerns about privacy and bias related to AI tools, leaders might also find themselves fielding questions related to other ethical objections to AI, including the environmental impact of AI, the effect of AI use on critical thinking, and the proliferation of low-quality, AI-generated "work slop."

Show workers that you're taking their concerns seriously by answering these questions head on with vetted information about your vendors' tools. Does your AI platform publish transparency reports or use renewable energy to power data centers, for example? What are ways individuals can spot bias in AI responses and push back?

Remind your team of the "why" behind AI adoption: technology should be used in service of an individual's career and skills development, the team's shared goals, and the organization's product and values—not only short-term, individual productivity gains.

Alongside ethics, workers might have concerns about how lazy usage of AI can wind up creating more work for them and their

colleagues. “The whole concept behind work slop is essentially why using AI for individual productivity in a sloppy manner creates mess for other people because we aren't centering the fact that work is collaborative,” says Jamie Teevan, chief scientist at Microsoft. “It is essentially transferring the work from the creator to the receiver.”

The alternative is using AI in a way that builds skills for individuals while improving systems and processes for teams to facilitate collaboration and support shared outcomes, formalized in broad, organizational guardrails and specific, team-based norms. These rules should promote best practices that build rather than erode critical thinking skills and increase work quality rather than decreasing it. (Download Charter’s one-pager on creating clearer guidelines on responsible use to prevent poor practices from permeating workplaces here.)

Grounding all of these conversations about learning and AI should be a throughline to your organization’s purpose and goals—and workers’ own motivations and aspirations.

For many workers, one major barrier to AI adoption is their own concerns that new technologies will replace human workers. Some 47% of workers say they worry that AI will affect their personal job security, while 72% express concern about AI reducing jobs in the economy at large, according to a survey from Udemy.

When organizations use employee-centric practices, however, workers are 70% more likely to feel enthusiastic about AI adoption and 57% more likely to rate their organization's speed of technology adoption faster than competitors. Those practices include initiatives such as robust feedback and recognition systems, career mobility opportunities, and consistent support from managers and leaders.

In other words, one of the best ways to reassure workers that AI is here to augment their work rather than automate it is to provide

them with the career opportunities to learn and apply AI skills, while rewarding and recognizing them when they do so.

"We see a lot of folks who think about job training by starting with the inputs. What training should I provide? How long should it be? How do I make sure people finish it?" says Rebecca Taber Staehelin, co-founder and co-CEO of Merit America, a nonprofit that has connected thousands of low-wage workers to training, coaching, and job opportunities.

In place of that focus on inputs, she recommends helping managers communicate what's at stake in learning and development.

"Our push should be to focus on the outcome. What's going to happen if people do this training? Are there new job opportunities that currently exist or are coming down the line that they're going to be uniquely eligible for? Is there a promotion they're going to be eligible for? You have to show people what the outcome is before they're willing to put in the input because our time and our energy—even if training is free—is our most precious resource," says Taber Staehelin.

05

YOUR ROADMAP FOR LEADING WHAT'S NEXT

Leading learning in the AI era: Your action guide

Photo by Maskot, Getty

The central question

Is your learning and development strategy preparing your workforce for the AI-driven future, or are you still optimizing for the world of work that existed before?

Four essential actions for CHROs and L&D leaders

Connect L&D to business strategy and transformation

Mindset shift: L&D is not a compliance function or HR service—it's a strategic driver of organizational adaptability and competitive advantage.

1 KEY ACTIONS:

- **Start with business outcomes, not training inputs.** Ask: What business goals are we trying to achieve? What skills gaps prevent us from getting there? Design learning programs backward from those objectives.
- **Use AI to translate business goals into skills.** Deploy AI tools to break down major projects or initiatives into required skills, assess current capabilities, and create personalized learning paths that directly tie to business outcomes.
- **Move beyond completion rates and satisfaction scores.** Measure skill acquisition, internal mobility, time-to-competency, and business impact metrics like innovation velocity and workforce agility.
- **Follow the "30% rule" for AI fluency.** Ensure every employee—from the frontlines to the c-suite—achieves basic AI literacy so your organization can effectively transform.

Redesign learning for continuous, personalized, in-the-flow experiences

Mindset shift: Learning isn't something that happens only in a classroom or via one-size-fits-all modules—it happens in the flow of work, powered by AI, and tailored to each individual's needs and context.

2 KEY ACTIONS:

- **Embed learning in daily workflows.** Use AI-powered tools that provide just-in-time learning at the point of need—like an AI coaching assistant that helps employees practice difficult conversations or a system that suggests relevant micro-learning when someone encounters a new task.
- **Build personalized learning journeys at scale.** Use AI to analyze individual skills, career aspirations, and learning patterns to create customized development paths.
- **Implement AI-powered internal talent marketplaces.** Follow examples like Mastercard's "Unlocked" platform to connect employees to projects, mentorships, training, and roles that match their skills and development goals.
- **Launch company-wide AI experimentation time.** Institute dedicated time (like Udemy's AI-focused "UDays") for employees to learn about and experiment with AI tools, using a "learn, do, share" framework.

Build a skills-based architecture for the future

Mindset shift: Jobs are not fixed—they're flexible collections of tasks that will evolve as AI reshapes work, creating the need for new skills.

3 **KEY ACTIONS:**

- **Develop a skills framework and taxonomy.** Create a clear language for the skills your organization needs, distinguishing between "durable skills" (half-life of 5+ years, like critical thinking) and "perishable skills" (shorter half-life, like how to use specific technical tools).

- **Make skills—not just roles—the currency of your organization.** Link skills to hiring, performance reviews, promotions, internal mobility, and compensation. Help employees see themselves through their skills, not just their job titles.

- **Create skills accelerators and development pathways.** Build programs that help employees rapidly acquire in-demand skills through combinations of formal training, project-based learning, and mentorship.

- **Reimagine entry-level and mid-career roles.** Don't simply eliminate junior positions because AI can do those tasks. Instead, redesign these roles to focus on higher-value work, with AI handling routine tasks and accelerating skill development.

Lead cultural change and build trust

Mindset shift: AI adoption is fundamentally a people challenge, not just a technology challenge. Success requires psychological safety, transparency, and a commitment to bringing workers along.

4 KEY ACTIONS:

- **Make psychological safety table stakes.** Create environments where employees feel safe to experiment, fail, and learn. Leaders must model vulnerability by sharing their own AI learning journey and failures.
- **Communicate early, often, and honestly.** Workers want communication about AI's impact on their jobs. Don't wait until you have all the answers—share your thinking, possible scenarios, and commitment to supporting employees.
- **Address concerns about data privacy and ethics head-on.** Be ready to answer questions about how AI systems collect and use employee data, whether conversations are monitored, how you prevent bias, and what safeguards are in place.
- **Tie AI adoption to career development. Show employees how developing AI skills opens new opportunities within the organization.** Create clear pathways for growth that demonstrate your commitment to their long-term success.
- **Build guardrails and norms for responsible use.** Establish organizational guidelines and team-based norms for AI use that promote critical thinking, work quality, and collaboration—not just individual productivity.

The CHRO as transformation architect

In the AI era, CHROs and L&D leaders must evolve from custodians of training programs to architects of organizational transformation. This means:

- **Being strategic**—anticipating future skill needs and preparing the workforce proactively
- **Being bold**—experimenting with new approaches even when the path isn't clear
- **Being human-centered**—keeping employee growth and wellbeing at the center of every decision
- **Being accountable**—taking ownership of business outcomes, not just activity metrics

Organizations that invest in continuous learning, build skills-based architectures, and lead with transparency and trust—will emerge from the AI transition stronger, more adaptable, and better positioned to win the future.,

About Charter and Microsoft

Photo by Kenrick Baksh, Unsplash

About Charter

Our mission is to transform every workplace and catalyze a new era of dynamic organizations where all workers thrive. Charter does this by bridging research to practice—giving people the tactical playbook for what work can and should be.

Charter is a next-generation media and insights company. We publish a free email newsletter, original research, and articles about work on TIME.com and our sister news organization, The San Francisco Standard. Charter Pro is a premium membership that supports owners of the people agenda in executing their highest-value initiatives, quickly. We also host events for workplace decision-makers and work with organizations directly.

Reach out to us at hi@charterworks.com

About Microsoft

Microsoft (Nasdaq "MSFT" @microsoft) creates platforms and tools powered by AI to deliver innovative solutions that meet the evolving needs of our customers. The technology company is committed to making AI available broadly and doing so responsibly, with a mission to empower every person and every organization on the planet to achieve more.

Want more from Charter? **Upgrade to Charter Pro.**

Charter Pro helps leaders navigate one of the most complex, uncharted, and consequential challenges they face: winning the future of work, including the successful deployment of artificial intelligence, flexible work, and diversity, equity, and inclusion initiatives. Charter Pro equips you with the research, tools, and advice necessary to stay ahead on critical workplace issues. With a membership, you'll get unlimited access to:

- In-depth reporting, exclusive analysis, and essential research and learnings from experts in AI, flexible work, and equity.
- Templates, toolkits, and benchmarks to effectively lead and implement key initiatives.
- Two premium, expert-led newsletters per week for quick decision-making insights.
- Exclusive live events, strategy briefings, and on-demand workshops for unique networking and upskilling opportunities.

LEARN MORE AND JOIN TODAY