LUISS

Degree Program in Strategic Management

Course of Organizational Design

The Organizational Implications of Artificial Intelligence in Strategic Consulting Firms

Prof. Daniele Mascia

SUPERVISOR

Prof. Elena Bruni

CO-SUPERVISOR

ID 783241

CANDIDATE

Academic Year 2024/2025

Summary

1. AI Overview

1.1 Introduction

Artificial intelligence (AI) profoundly transforms society, our way of life, and the business landscape. Rapid technological advancements continue to deliver disruptive innovations at an unprecedented pace, challenging existing practices across industries. Although AI has faced scepticism and criticism from parts of the scientific community since its inception, the extraordinary capabilities demonstrated by new tools highlight the importance of embracing AI, preparing for its integration, and learning how to leverage it effectively, rather than resisting its adoption.

AI offers the potential to increase productivity across all sectors. While it is likely to displace certain jobs, it will simultaneously create new opportunities, demanding the development of new and diverse skill sets. This technological shift will require organisations to adapt their internal structures and workflows to meet evolving needs. Strategic consulting, like many other industries, is already experiencing these impacts. AI is driving notable benefits for consultants, streamlining work routines, enhancing efficiency, and improving the quality of deliverables, while also reshaping organisational and hierarchical structures within firms.

Given this context, this dissertation's central question is: How will AI impact strategic consulting companies, particularly regarding organisational implications and internal dynamics?

To address this research question, a series of structured interviews were conducted with professionals from leading strategic consulting firms. The participants represented a variety of hierarchical levels and diverse backgrounds. The interviews explored key areas including the use of AI tools in daily activities, perceived benefits and limitations, potential impacts on job roles, and anticipated changes in project quality and pricing.

The methodology applied to analyse the results is the Gioia methodology, a structured approach to qualitative research that allows for the development of grounded theory from empirical data. Following this method, the analysis was organised into three stages: first-order concepts (direct terms and categories used by the interviewees), second-

order themes (more abstract and interpretative groupings), and third-order aggregate dimensions (higher-level theoretical constructs). This structured approach enabled a rigorous and transparent interpretation of the interview findings, ultimately leading to the construction of a coherent theoretical framework on the impact of AI on strategic consulting firms.

The findings reveal that AI adoption is already widespread among larger consulting firms, particularly for activities such as research, drafting, and document review. Significant benefits have been identified, notably increases in work speed and output quality. However, limitations persist, including the need for constant human oversight, risks of AI hallucinations, and the necessity for ongoing model training. Over the long term, AI may lead to a reduction in the need for junior positions, those same roles that currently benefit the most from AI's support in routine tasks. Moreover, teamwork is being streamlined through AI-assisted tools, such as automated meeting transcription and scheduling aids. Finally, hierarchical structures in strategic consulting firms are expected to undergo a flattening process, as AI fosters greater internal knowledge accessibility and reduces the need for intermediate management layers. Alongside these internal changes, there is a potential for client expectations to rise, accompanied by increased pricing pressure on consulting services.

1.2 Definition of AI

Artificial Intelligence (AI) and Generative Artificial Intelligence (Generative AI) refer to algorithms capable of creating new content, such as audio, code, images, text, simulations, and videos, by mimicking human intelligence. These systems, exemplified by tools like ChatGPT, rely on large volumes of data to learn autonomously, without direct human intervention.

The immense potential of AI and machine learning lies in their ability to process and manage massive datasets at speeds and scales far beyond human capability. A key distinction between machine learning and AI is that while machine learning focuses on identifying patterns within data and recognising their replication, AI can leverage these patterns to generate entirely new content.

However, the outputs produced by AI systems are not always correct or accurate, which affects users' trust and highlights the limitations in their reliability. This inconsistency is largely due to the broad range of tasks that AI systems attempt to perform. Generative AI is built on foundation models, a concept discussed by (Michel Chui, 2023), which evolved from earlier AI systems originally designed to accomplish only specific, narrowly defined tasks. Although these foundation models can now handle multiple functions, their broader application often results in decreased precision and reliability.

1.3 Brief History of Artificial Intelligence

The history of Artificial Intelligence (AI) is relatively short but marked by rapid and transformative advancements. One of AI's early pioneers was Alan Turing, who demonstrated the potential for machines to solve problems through reasoning like human thought. Turing is also renowned for proposing the Turing Test, which suggests that if a machine can convincingly imitate a human in conversation, it should be considered intelligent.

In 1956, the Research and Development Corporation introduced the Logic Theorist, designed to mimic human problem-solving capabilities. This project was presented at the Dartmouth Summer Research Project on Artificial Intelligence, organised by John McCarthy and Marvin Minsky, an event often considered the founding moment of AI as a distinct field (Anyoha, 2017). Around the same period, Arthur Samuel coined the term "machine learning" after developing an algorithm capable of playing checkers.

By 1961, Joseph Weizenbaum created *ELIZA*, one of the first AI programs capable of engaging in natural language conversations, marking an important milestone in human-computer interaction.

During the 1970s, machine learning evolved further. In 1975, the *Cognitron*, an early multilayered artificial neural network, was developed, advancing capabilities in facial and speech recognition. By 1979, Kunihiko Fukushima introduced the *Neocognitron*, a deep-learning neural network able to recognise visual patterns and handwritten characters, laying the groundwork for modern deep learning.

In 1982, John Hopfield developed the Hopfield network, a neural system modelled to simulate memory storage and retrieval, paralleling the human brain's functioning. However, progress slowed until the 1990s, when renewed funding and the rise of personal computing and the Internet reinvigorated AI research.

Gaming played a critical role in popularising AI during this period. In 1997, Juergen Schmidhuber and Sepp Hochreiter introduced Long Short-Term Memory (LSTM) networks, critical for tasks requiring memory of past information. Meanwhile, NVIDIA's GeForce 256 GPU (1999) revolutionised computational power, becoming instrumental not just for gaming but also for machine learning applications.

Between 2004 and 2006, the U.S. government's Face Recognition Grand Challenge spurred major improvements in facial recognition technology, even enabling algorithms to distinguish between identical twins.

In 2011, Apple launched Siri, the first mainstream digital virtual assistant, signalling a broader integration of AI into consumer technology. By 2014, Generative Adversarial Networks (GANs) emerged, capable of producing realistic images, videos, and audio (Foote, 2024).

The landscape of AI changed dramatically in November 2022 when OpenAI released *ChatGPT*, based on the improved GPT-3 model. It became the fastest-growing consumer application in history, reaching 100 million users within two months. Following this success, Cohere released a multilingual AI model for enterprise use, and Google introduced *MedPaLM* for medical applications.

In early 2023, leading tech giants launched their large language models (LLMs): Amazon released *Multimodal-Cot*, Microsoft unveiled *Kosmos-1*, and Meta introduced *Llama*. Simultaneously, Alphabet launched *Bard* (now Gemini) to compete directly with ChatGPT (Davey Alba, 2023).

March 2023 saw further advancements: Salesforce announced *Einstein GPT* for CRM applications, OpenAI released *ChatGPT-4.0*, which Microsoft integrated into Office365, and Anthropic debuted Claude. Financial institutions also entered the AI race, with Bloomberg developing a finance-specific LLM and Amazon launching *Bedrock*.

In September 2023, OpenAI significantly expanded ChatGPT's capabilities, allowing it to see, listen, and speak (Blasi, 2023). Later that year, xAI, a startup founded by Elon Musk, released *Grok*, a chatbot designed to answer questions previously restricted on ChatGPT.

After years of minimal public innovation in AI, Apple re-entered the field at its WWDC 2024, announcing *Apple Intelligence*, integrated into iPhones and new devices.

The competitive landscape shifted drastically in January 2025 with the launch of Deepseek-R1, a low-cost, highly capable AI model developed by Chinese entrepreneur Liang Wenfeng. Trained using outputs from OpenAI models, *Deepseek-R1* claimed superior performance in mathematical reasoning, general knowledge, and Q&A tasks (Roush, 2025). Its disruptive pricing and rapid development have fuelled concerns about intensifying competition and the accelerating timeline toward Artificial General Intelligence (AGI).

1.4 AI and consulting firms

In the rapidly advancing domain of artificial intelligence, leading consulting firms are not only adopting AI to enhance operational efficiency but are also investing heavily in the development of proprietary tools and the formation of strategic alliances. These initiatives are part of a broader, deliberate strategy to secure long-term competitive advantage in an increasingly data-driven market. AI is no longer viewed merely as a tool for automation or incremental process improvement; it is now regarded as a fundamental enabler of value creation, enhanced client engagement, and large-scale organisational transformation.

A key motivation behind the development of in-house AI systems is the need to safeguard intellectual property within firms. By building proprietary solutions, consulting companies can maintain control over sensitive knowledge assets while customising functionalities to their unique workflows. At the same time, a strong emphasis is placed on ensuring data privacy and security, particularly in protecting client information. This includes preventing the inadvertent dissemination of confidential or personally identifiable data, which could have serious ethical, legal, or reputational implications.

Moreover, these AI-powered platforms offer significant internal benefits. By facilitating rapid access to institutional knowledge, such as past project documentation, case studies, and analytical methodologies, consultants can conduct deeper, more informed analyses. This accelerates project delivery timelines, supports more tailored client recommendations, and ultimately strengthens the overall quality of service.

As evidenced by their website and recent news reports, a notable example of AI adoption in strategic consulting is McKinsey & Company, which launched its internal AI platform, *Lilli*, in March 2023. Drawing upon nearly a century of accumulated business expertise, *Lilli* is designed to assist consultants by synthesising information, answering queries, and providing guidance throughout the project development process. Since its launch, the tool has been widely adopted across the firm, reportedly handling over 500,000 prompts per month. As a result, McKinsey has seen a 20% improvement in project quality and accuracy while reducing operational time by 30% (Lankner, Zemmel, & Roth, Rewiring the way McKinsey works with Lilli, our generative AI platform, 2025). This performance boost highlights *Lilli*'s significant contribution to McKinsey's efficiency and overall service delivery.

One of *Lilli*'s standout features is its customizability. It can be tailored to meet specific client needs, ensuring that the platform is flexible and relevant to a wide range of consulting engagements. At the same time, McKinsey has placed a strong emphasis on ensuring data privacy and security, safeguarding sensitive client information while utilising AI. This balance of flexibility and security enables McKinsey to maintain its reputation for confidentiality and trust while benefiting from the efficiencies AI can offer.

Moreover, *Lilli* has proven to be an invaluable tool for entry-level consultants. Traditionally, these professionals would spend considerable time navigating McKinsey's extensive internal knowledge bases. With *Lilli*, however, they can accelerate their research and analysis processes, significantly flattening the learning curve and allowing them to focus more on strategic problem-solving rather than time-consuming data retrieval (Lankner & Roth, We spent nearly a year building a generative AI tool. These are the 5 (hard lessons) we learned, 2024).

In addition to enhancing internal operations, McKinsey's AI capabilities have also had a profound impact on client engagement. As reported by *Insurance Journal*, McKinsey is experiencing a surge in demand for AI-driven consulting projects, with the firm now incorporating AI in 40% of its client projects in New York alone (Choudhury, 2024). This trend underscores the growing client interest in AI solutions and highlights McKinsey's success in leveraging its proprietary AI tools to attract and retain clients seeking digital transformation.

Other major consulting firms are pursuing similar strategies. Bain & Company, for instance, has established a close partnership with OpenAI to co-develop AI-driven solutions that address the fast-evolving demands of its clients (Duncan, Ware, & Lee, 2024). In October 2024, Bain announced an expansion of this collaboration by creating an OpenAI Centre of Excellence (CoE), a hub staffed by highly skilled AI experts. The Centre accelerates AI adoption across Bain's practices, delivers client-specific solutions, and provides internal upskilling in generative AI technologies.

Similarly, Boston Consulting Group (BCG) has partnered with Anthropic, the developers of *Claude*, a next-generation language model designed for safe and responsible AI deployment. This partnership enables BCG teams to leverage Claude's capabilities in synthesising research, performing advanced data analysis, and generating strategic insights, all while upholding strong ethical standards around AI use (Bannister & Ghiglieri, 2023).

Beyond the leading three firms in strategic consulting, the broader consulting landscape is experiencing a surge in proprietary AI initiatives. A prime example of this trend is EY (Ernst & Young), which recently launched its in-house AI platform, *EY.ai*, underpinned by a significant $1.4 billion investment. The platform aims to blend EY's deep consulting expertise with cutting-edge AI-driven innovation, strongly emphasising data security, client confidentiality, and the continuous training and development of its employees. This initiative reflects EY's commitment to staying at the forefront of AI advancements while maintaining trust and integrity in its services.

Similarly, PwC has developed *ChatPwC*, an internal generative AI platform accessible to all employees to support a range of activities, including research, client service, and

administrative tasks. PwC's strategy with *ChatPwC* is to enhance operational efficiency across its teams, with plans to expand the platform globally, further embedding AI into its core consulting processes (Moloney, 2023).

In addition to these efforts, Accenture has also made substantial investments in AI. The firm announced a $3 billion commitment over the next three years to assist clients in becoming more efficient and resilient through AI adoption. This investment will not only focus on AI technology itself but also on expanding Accenture's talent pool, with plans to hire 80,000 AI-skilled employees. This moves highlights Accenture's ambition to build a workforce capable of navigating the evolving AI landscape and supporting clients through digital transformations (Lindsey, 2023).

These examples reflect a growing trend among consulting firms to invest heavily in AI technologies, signalling a strategic shift toward innovation and enhanced service delivery. With significant financial backing and an eye on talent development, these firms are positioning themselves as leaders in AI integration, ultimately reshaping the consulting industry to better meet the demands of a digital future.

The emergence of these platforms and partnerships highlights a few critical trends:

- Intellectual property protection: By developing internal AI tools, firms safeguard proprietary business knowledge and maintain control over sensitive data.
- Client privacy and trust: Customised AI ensures that clients' private information remains protected, a crucial consideration in today's data-driven environment.
- Organisational transformation: The deployment of in-house AI platforms accelerates internal processes, redefines roles (particularly for entry-level consultants), and fosters a culture of continuous upskilling.
- Value creation: Faster research, enhanced project quality, and better client service combine to strengthen firms' market positioning and deepen client relationships.

Given that knowledge is the foundation of management consulting, AI is becoming an indispensable ally. However, the growing role of AI tools is not just enhancing efficiency; it is reshaping organisational structures, modifying hierarchies, and transforming client

expectations. As AI capabilities mature, consulting firms will need to continually adapt their models, blending human expertise with machine-driven insights, to remain competitive in an increasingly dynamic environment.

1.5 The global competition and the future evolution of AI

The Artificial Intelligence (AI) market has achieved significant value in recent years and is projected to continue expanding rapidly. AI is transforming a wide array of industries, with noticeable impacts on productivity, efficiency, and innovation across sectors.

In 2024, the global AI market is estimated to reach a value of $184 billion, with a compound annual growth rate (CAGR) of 28.64% expected between 2024 and 2030. By 2030, the market is forecasted to attain a volume of approximately $826 billion, highlighting the accelerated adoption of AI technologies worldwide. The United States is anticipated to remain the most significantly impacted country, driven by heavy investment, a mature digital economy, and a robust ecosystem of AI development (Statista, 2024).

Industries most significantly impacted by artificial intelligence (AI) include healthcare, finance, manufacturing, and business and legal services. The latter encompasses fields such as management consulting, where AI is profoundly reshaping conventional consulting models. Additionally, the number of AI tool users reached 245.8 million in 2023 and is projected to grow to 729.1 million by 2030, highlighting the broadening penetration of AI into everyday business and personal applications.

A major factor behind this market growth is the substantial investment in AI research and development (R&D). In 2022 alone, the United States and China led global investments, spending approximately $679 billion and $551 billion, respectively, on AI initiatives (IRI, 2022). These investments are fuelling the creation of new AI models tailored for specific industry applications, leading to significant productivity gains and technological innovation.

China has emerged as a formidable competitor to the United States in the AI race. The rapid expansion of China's digital economy has generated vast amounts of data, providing a solid foundation for AI research and the development of innovative tools.

Major Chinese technology firms such as *Deepseek*, *Baidu*, *Tencent*, *Alibaba*, and *Didi Chuxing* are aggressively investing in AI R&D (Insight, Technology Review, 2019).

In China, B2B services (32%), lifestyle consumption (17%), transportation and automotive (13%), healthcare (11%), and fintech (10%) are among the primary sectors benefiting from AI investments (Insight, IT Juzi, 2019), with an estimated $5.3 billion in funding recorded for 2022 alone. Companies like Baidu have been especially active, allocating 23% of their revenues to AI R&D efforts in 2021. Baidu has focused heavily on areas such as deep learning, autonomous driving, and robotics, positioning itself as a global leader in these domains.

Meanwhile, American companies maintain their dominant positions in the AI ecosystem. Giants such as Microsoft, Alphabet (Google), and Apple are at the forefront, alongside other significant players including Amazon, IBM, Uber, and eBay, all of which are advancing their AI capabilities through new tools, acquisitions, and internal R&D.

The competition between the US and China intensified following the release of *Deepseek-R1* on January 20, 2025. Developed by the Chinese firm *Deepseek*, this new AI model has generated considerable concern within the global tech community. *Deepseek-R1*'s final training cost was approximately $5.6 million, lower than that of comparable American models. Furthermore, controversy surrounds *Deepseek-R1*'s alleged training on outputs derived from OpenAI's models, raising questions about intellectual property use and data provenance.

DeepSeek has also disrupted the market through its aggressive pricing strategy. Membership plans are priced significantly lower than those of Western competitors: 1.4 cents per 700,000 words generated, compared to $2.80 charged by Meta for the same amount (Murgia, Waters, & Olcott, 2025). This pricing model not only challenges the financial viability of established players but also raises strategic concerns about market share erosion.

China's commitment to AI innovation is further evidenced by its national policy: the Chinese government has long prioritised AI as a critical sector, with the stated objective of achieving global leadership in AI by 2030. However, internal regulatory challenges

pose potential limitations. The government has introduced stringent controls over AI datasets, enforced strict regulations on permissible outputs, and instituted penalties for developers whose models produce "incorrect" or politically sensitive results (Mozur, Liu, & Metz, 2024). While these measures aim to maintain state control over information, they may inhibit the flexibility and creative innovation needed to maintain global leadership in AI.

Overall, the rapid growth of the AI market and the intensifying competition between the US and China are shaping a new technological landscape. The massive investments, competitive innovation, and strategic positioning by major firms and governments will continue to influence global business operations, productivity, and the future direction of multiple industries.

2. How AI will change the organisations

In recent years, the transformative impact of artificial intelligence (AI) on organisations has become increasingly evident. This shift has been underscored by numerous significant studies that have examined the profound changes taking place across global labour markets. AI is no longer a peripheral technology; it has become a central tool adopted across a wide array of organisations and industries. Its deployment is accelerating at an unprecedented pace, influencing not only how businesses operate but also how work itself is structured and distributed.

Given the magnitude of this technological innovation, it is essential to critically analyse its multifaceted effects, not only on organisational processes and operational models, but also on employment patterns, workforce dynamics, and the broader job market. Understanding these impacts is crucial for anticipating challenges and harnessing opportunities as AI continues to evolve and integrate into core business functions.

This section will explore the general implications of AI on the job market and organisational structures. The aim is to establish a broad understanding of how AI is reshaping the world of work. In the following section, the focus will shift toward a more specific industry, consulting, where AI is driving particularly notable changes.

2.1 The impact of AI on jobs

Artificial Intelligence (AI) is driving a fundamental shift in the global job market, with an estimated 23% of future work expected to change through the creation of new roles and the elimination of others (Owens & Thormundsson, 2024). As AI deployment accelerates across industries, it is not only reshaping organisational operations but also redefining how companies are perceived and structured. Countries leading this adoption, such as India, the United Arab Emirates, Singapore, and China, are likely to witness some of the most significant transformations in their labour markets (IBM Morning Consult, 2023).

One of the most immediate effects of AI integration into the workplace is its influence on productivity. Since the 1970s, both Europe and the United States have seen a marked slowdown in productivity growth, with increased inputs needed to maintain previous

levels of output (Bergeaud, Gilbert, & Lecat, 2016). The introduction of AI presents a potential reversal of this trend by automating routine and time-consuming tasks and enabling workers to focus on higher-value activities. By 2030, AI could automate approximately 30% of current work activities. In terms of total labour hours, 27% of hours in the EU and 30% in the US could be performed by AI, a share expected to rise to 45% and 48%, respectively, by 2035 (Hazan, et al., 2024).

AI achieves this productivity gain in two primary ways: by directly substituting human input to produce outputs more efficiently, and by augmenting human performance through collaborative processing (Noy & Zhang, 2023). However, these gains are met with contrasting projections. Optimists suggest AI could boost productivity by up to 9% and GDP by 6.1%, while more conservative estimates place the impact at just 0.5% and 0.9%, respectively (Allison, Grimberg, & Rhodes, 2024). Regardless of the extent, a transition in the structure of work is underway.

Globally, about 40% of jobs are exposed to AI, though the nature of this exposure varies significantly. (Cazzaniga, et al., 2024) Cazzaniga et al. categorise jobs into three exposure types: high exposure with high complementarity (where AI complements human tasks), high exposure with low complementarity (where AI is likely to replace humans), and low exposure with low complementarity (where human presence remains essential). For instance, professionals such as managers, lawyers, and doctors, who fall under the first category, can harness AI as a productivity tool without fearing replacement. Conversely, clerical support workers are at higher risk of displacement due to the automatable nature of their tasks. Jobs such as cleaning, food service, or manual maintenance, low in both exposure and complementarity, remain largely human-dependent due to their physical and context-specific nature.

Income level and education are also significant factors. Higher-income workers are more likely to benefit from AI, while lower-income roles are more vulnerable to automation. In advanced economies, the exposure risk rises to nearly 60% of jobs. Workers with tertiary education tend to adapt more easily to transitions into high-complementarity roles, whereas older and lower-skilled workers face steeper challenges due to reduced mobility and digital fluency.

Beyond structural transformations, the psychological effects of AI adoption must not be overlooked. While many employees recognise AI's utility in enhancing work quality and speed, widespread concerns persist. Workers often report increased anxiety about job security, the potential for burnout, and uncertainty regarding career trajectories in an AI-integrated landscape (Shook & Daugherty, 2024). These perceptions underscore the critical role that companies must play in guiding the transition. Investments in reskilling and continuous learning will be necessary to empower employees to work alongside AI, rather than in competition with it.

Labour demand is also shifting in response to AI. Roles in science, technology, engineering, and mathematics (STEM), as well as healthcare, are expected to grow by 17–30% between 2022 and 2030, with each region, Europe and the United States, forecasted to add around seven million such jobs. AI and machine learning specialists will be among the most in-demand professionals in the coming decade. Conversely, roles in food service, customer support, production work, office assistance, and sales are anticipated to decline substantially. AI's capacity to perform repetitive, routine functions is expected to displace between 300,000 and five million jobs in Europe and up to 3.7 million in the United States.

These shifts also necessitate a re-evaluation of the skills landscape. The demand for purely cognitive or manual skills will decline, while the importance of social-emotional and technological skills will grow rapidly. Workers will need to develop adaptability, critical thinking, leadership, and emotional intelligence, skills once considered "soft," but which are becoming essential for managing human-AI collaboration. As AI handles basic and advanced cognitive tasks, attributes like empathy, resilience, creative thinking, and negotiation will define the future workforce, particularly in leadership and client-facing roles. On the other hand, competencies in data input, statistical processing, advanced mathematical analysis, and mechanical monitoring will decline in relevance.

This fundamental reshaping of the skill spectrum means that traditional "hard skills" are losing their primacy, while previously undervalued "soft skills" now represent a competitive advantage. Organisations are responding to this by prioritising reskilling initiatives focused on AI literacy, digital competence, and interpersonal capabilities.

According to the World Economic Forum (World Economic Forum, 2023), AI proficiency and leadership are the top two skills companies are targeting in their upskilling strategies, reinforcing the idea that the future of work is not only digital but deeply human-centric.

In conclusion, the deployment of AI is transforming the world of work at an unprecedented pace. While it holds the promise of reversing productivity stagnation and driving innovation, it also presents risks related to inequality, job displacement, and emotional strain. The future labour market will reward adaptability, creativity, and emotional intelligence, traits that AI cannot replicate. To ensure inclusive growth, companies, governments, and educational institutions must work in concert to prepare the global workforce for a future in which AI is not a replacement for human work but a catalyst for its reinvention.

2.2 The impact of AI on processes

Digital transformation refers to the large-scale integration of digital technologies into business operations, redefining how firms create, manage, and deliver value (Kretschmer & Khashabi, 2020). Central to this transformation is Artificial Intelligence (AI), which is not only enhancing operational efficiency but also reshaping organisational structures and strategic decision-making. AI facilitates a reconfiguration of work processes by enabling firms to redefine, segment, and recombine the tasks required to achieve desired outcomes, thereby transforming traditional modes of coordination and control.

AI's transformative potential lies in its ability to process vast amounts of data quickly and with high precision, offering decision-makers real-time insights and foresight. It aids in optimising existing processes, forecasting future developments based on past outputs, and identifying performance bottlenecks. This ability extends beyond automation, and it introduces qualitative changes to the structure of work by generating new tasks and roles while rendering others obsolete.

At the heart of these changes are interdependencies, the relationships between tasks, teams, and functions that collectively drive value creation. Effective digital

transformation requires a nuanced understanding and management of these interdependencies. Rather than reinforcing hierarchical (vertical) structures, successful organisations are shifting towards horizontal (lateral) structures that promote collaboration and coordination across departments (Ensign, 1998). Managers play a critical role in orchestrating these relationships, ensuring that interdependent tasks are aligned to maximise the quality and efficiency of outcomes. AI enhances this process by rapidly identifying informational connections among group tasks and facilitating real-time coordination across interdependent roles.

AI also decentralises access to information. By embedding intelligence into cloud-based systems and enterprise platforms, AI makes relevant information accessible across all levels of the organisation. This not only increases operational efficiency but also empowers employees with greater autonomy, particularly in geographically distributed firms. Communication and coordination costs across global subsidiaries are reduced significantly, allowing companies to function as cohesive, agile units regardless of physical location.

In addition to process reengineering, AI revolutionises human resource management (HRM) by improving the allocation of tasks and talent. AI systems can process large volumes of employee data, using advanced matching algorithms to identify the most suitable candidate for a given task. This approach lowers search and coordination costs for employers and improves the accuracy of role assignment. In recruitment, AI enhances screening procedures by matching job seekers to vacancies based on their skills and experience (Behera, 2023). According to Loomis et al. (Loomis, et al., 2022), 92% of HR managers anticipate integrating AI into their processes, with key applications in performance management (43%), payroll and benefits (42%), recruitment and hiring (42%), onboarding (40%), and employee records management (39%). By 2024, 80% of HR departments are expected to use AI and machine learning for key functions such as hiring, training, and termination.

AI's influence on workforce management extends to employee empowerment and training. By democratising access to information, AI enables lower-level employees to resolve complex issues that previously required expert intervention. This accelerates

learning and facilitates continuous skill development. Moreover, when AI is used to assign tasks according to individual aptitude and preferences, it increases employee motivation, job satisfaction, and performance. Workers gain more autonomy, while managers can shift their focus from micromanagement to strategic leadership.

However, the application of AI in monitoring systems can produce contrary effects. When AI is used primarily to control and oversee workers, it may erode trust, increase stress, and reduce job satisfaction. This approach can lead to counterproductive outcomes such as disengagement, shirking, and reduced productivity (Monod, Mayer, Joyce, & Qi, 2024). Therefore, the organisational design and intent behind AI implementation are crucial in determining whether the technology enhances or diminishes workforce wellbeing.

AI also assists strategic decision-making, particularly in environments characterised by uncertainty. It serves as a complement to human intuition, combining quantitative data analysis with qualitative judgment (Jarrahi, 2018). AI tools generate forecasts and scenario models that help managers evaluate risks, identify opportunities, and allocate resources more effectively. While AI excels at interpreting patterns and probabilities, human intuition remains indispensable when navigating novel or ambiguous situations. This hybrid approach enhances the robustness of managerial decisions and supports dynamic strategy development.

Another domain where AI adds value is agile project management. AI can be integrated into digital project management tools to enhance both descriptive and predictive analytics. In descriptive analytics, AI facilitates the creation of dashboards, reports, and performance scorecards. Through diagnostic analytics, it can also detect the root causes behind trends or anomalies (Dam, Tran, Grundy, Ghose, & Kamei, 2018). Predictive analytics enables AI to model future outcomes, allowing managers to anticipate potential challenges. More advanced AI tools can engage in prescriptive analytics, recommending the optimal course of action for specific scenarios, particularly in time-sensitive or complex projects. This capability supports agile teams in making informed decisions that align with strategic objectives while adapting to changing conditions.

To fully realise the benefits of AI, firms must adopt a systemic approach to transformation, one that prioritises adaptability, cross-functional collaboration, and long-term value creation. Traditional organisational models, often rigid and functionally siloed, don't suit the rapid pace and complexity of digital innovation. Instead, businesses must design flexible structures that emphasise process over hierarchy, and outcomes over outputs. The successful deployment of AI hinges on this adaptability, as it touches every layer of an organisation, from back-end operations to customer-facing services, and from strategic planning to frontline execution.

In conclusion, AI is a central driver of digital transformation, reshaping not only how businesses operate but also how they are organised, led, and staffed. Its ability to optimise processes, enhance decision-making, reduce coordination costs, and empower employees positions it as a pivotal force in the evolving business landscape. However, its impact depends largely on how it is implemented, whether as a tool for empowerment and collaboration or as a mechanism for control. The path forward demands thoughtful integration, ethical oversight, and a strategic commitment to aligning AI capabilities with human strengths and organisational goals.

2.3 Reimagining organisations in the age of AI

The implementation of artificial intelligence (AI) in enterprises is not just a technological upgrade but a transformative force with deep and lasting consequences for how organisations function. To grasp the full scope of AI's potential, it is essential to explore its implications for organisational design. This includes its influence on job creation and loss, structural models, management practices, culture, and internal governance. By analysing the future of organisational frameworks through the lens of AI, we can begin to formulate adaptive strategies that accommodate its disruptive nature while maximising value creation.

2.3.1. AI and Workforce Transformation

One of the most immediate consequences of AI adoption is its dual impact on employment. On the one hand, AI threatens jobs with low complementarity and high exposure, those reliant on routine or repetitive tasks. According to Brodie (Brodie,

2023), many of these roles could vanish entirely by 2030, as automation reduces the number of hours required to complete such tasks. On the other hand, AI creates opportunities for new roles requiring complex decision-making, creativity, and emotional intelligence, areas where human skills remain indispensable.

Organisations will need to address the redistribution of labour, emphasising upskilling and reskilling initiatives to mitigate job losses and ensure a smooth transition. This also raises questions about how to structure teams and roles to best capitalise on AI's capabilities.

2.3.2. Mechanistic vs. Organic Structures in the Age of AI

The adoption of AI invites a re-evaluation of traditional organisational design, particularly in terms of *standardisation* and *formalisation*. Mechanistic structures, which rely on hierarchy, rigid roles, and centralised decision-making, have historically favoured efficiency and predictability. However, their inflexibility makes them poorly suited to fast-paced, innovation-driven environments where AI thrives (Rudko, Bonab, & Bellini, 2021).

In contrast, *organic* and *agile* structures are better aligned with AI integration. Agile models prioritise responsiveness, decentralisation, and cross-functional collaboration, key traits needed to adapt quickly to technological advances and volatile markets. Agile leadership, as supported by Tominic, Oreški, & Rožman (Tominic, Oreški, & Rožman, 2023), empowers organisations to adapt to rapid changes, ensuring alignment between strategic goals and real-time operations. To cultivate an agile culture, organisations must foster openness to change, encourage experimentation, and enable knowledge exchange, areas where AI tools can play a central role.

2.3.3. AI as a Catalyst for Agility and Innovation

AI's capacity for data integration, rapid analysis, and pattern recognition strengthens the core competencies of agile organisations. AI improves strategic agility by enabling faster decision-making and better anticipation of market shifts. Moreover, AI-enhanced platforms support real-time collaboration and information sharing across departments, breaking down silos and promoting holistic project views.

In this context, organisations become more *customer-centric*. AI can process large volumes of consumer data and provide actionable insights, allowing companies to personalise offerings and fine-tune customer experiences. As a result, organisational design will increasingly revolve around customer value creation, rather than internal efficiency alone.

2.3.4. Motivation, Morale, and the Purpose-Driven Organisation

The digital transformation, powered by AI, also redefines the nature of work. As AI takes over repetitive and low-value tasks, employees can focus more on meaningful, creative, and strategic activities. This transition supports a *purpose-oriented* organisational model, where motivation stems from engagement, autonomy, and continuous learning.

With the rapid pace of change, roles and responsibilities will need to evolve continuously. AI can support this by identifying skill gaps and matching employees with training and development opportunities. Self-organising teams will become more common, and organisations must be equipped to facilitate their formation and evolution through dynamic talent management systems.

However, the psychological implications of AI adoption must not be overlooked. *Technostress*, a form of stress caused by constant connectivity and high expectations, can erode job satisfaction and performance (Malik, Tripathi, Kar, & Gupta, 2021). Organisations must strike a balance by designing human-centric AI systems that support well-being, minimise burnout, and preserve the human touch in digital workflows.

2.3.5. AI in Project Management: From Automation to Autonomy

AI's impact is particularly pronounced in project management. By automating administrative tasks and facilitating data-driven planning, AI frees up project leaders to focus on strategic priorities. Tools like Zivebox, Rescoper, and ClickUp enable real-time performance monitoring, helping managers detect and resolve issues swiftly.

AI-powered predictive analytics enhance risk assessment and forecasting, improving budget control and resource allocation (Gupta, 2022). In time, AI may evolve toward autonomous project management, particularly for low-complexity projects, where

systems handle planning, execution, and monitoring with minimal human intervention (Lahmann, Keiser, & Stierli, 2018).

Yet, AI is not infallible. Human oversight remains critical, especially in navigating ambiguous situations, balancing ethical considerations, and fostering interpersonal trust.

2.3.6. Decentralisation, Flat Structures, and the Rise of Holacracy

The organisational structures of the future will likely be flatter and more decentralised. As AI systems become more reliable and ubiquitous, employees will gain access to decision-making data, reducing dependency on top-down approvals. This democratisation of information promotes autonomy, accountability, and innovation at all levels (Bhuvan, 2024).

One promising model is *Holacracy*, a system in which authority is distributed across self-managed teams (Balog, 2020). Rather than being confined to rigid roles, employees participate in dynamically formed "circles" that adjust based on project needs. Holacracy fosters adaptability, experimentation, and responsiveness, qualities vital in AI-integrated environments. This model also elevates the importance of *soft skills*, such as communication, collaboration, and empathy, which are essential for successful decentralised governance.

2.3.7. The Changing Role of Management in an AI-Driven World

The role of managers is undergoing a profound transformation. Rather than focusing on control and oversight, managers will act as facilitators, enablers, and coaches. AI can handle administrative burdens, optimise workflows, and offer decision support. Leaders, therefore, must redirect their focus toward guiding teams, strengthening organisational culture, and nurturing innovation (Kwasek, Kocot, Kocot, Maciaszczyk, & Rogozinska-Mitrut, 2024).

However, the managerial use of AI is not without risks. *Information overload* can overwhelm decision-makers, and overreliance on flawed or biased AI outputs can lead to poor strategic choices (Xiong, 2023). Additionally, data security and privacy concerns

must be managed proactively, alongside the need to prevent discriminatory outcomes from algorithmic systems (Nguyen & Shaik, 2024).

To harness AI's full potential, managers must be open to uncertainty, foster a culture of experimentation, and lead by example. Leadership in the AI era means building trust, delegating authority, and promoting collective intelligence. As traditional hierarchical controls wane, organisations must invest in leadership development that emphasises empathy, critical thinking, and ethical reasoning (Peifer, Jeske, & Hille, 2022).

2.3.8. Cultivating a Human-AI Synergy

For organisations to thrive in an AI-augmented future, they must develop *hybrid intelligence*, the seamless integration of human and artificial capabilities. This requires scalable infrastructures, resilient systems, and continuous investment in both technical and interpersonal skill development (Wamba-Taguimdje, Kala Kamdjoung, Wamba, & Tchatchaouang, 2020).

Moreover, governance structures must evolve to reflect the fluidity of AI-enabled processes. Decision-making authority should be aligned with those closest to the problem, enabling rapid adaptation. Transparent AI systems, ethical oversight mechanisms, and employee inclusion in AI design will be key to maintaining legitimacy and accountability.

2.3.9. Designing the Future

Artificial intelligence is reshaping organisational design from the ground up. It alters how work is assigned, how teams are formed, how decisions are made, and how value is created. As companies embrace AI, they must also embrace adaptability, decentralisation, and human-centric design.

The organisations that will succeed in this transition are those that invest in continuous learning, cultivate agile leadership, and design systems that leverage both human creativity and machine intelligence. This will not only improve productivity and innovation but also foster more resilient, inclusive, and purpose-driven enterprises.

To remain competitive, organisations must evolve beyond merely implementing AI, they must reimagine themselves around it.

3. Impact of AI on Strategic Consulting Companies

The impact of artificial intelligence on strategic consulting firms will be analysed through a structured framework, divided into two primary dimensions. The first dimension will explore the broad effects of AI implementation across the core functions and service areas of consulting firms, including client engagement, knowledge management, project delivery, and internal operations. This will provide insight into how AI is being leveraged to enhance efficiency, drive innovation, and deliver greater value to clients.

The second dimension will focus on the organisational and structural changes that may arise because of AI integration. This includes shifts in workforce composition, changes in skill requirements, evolving team dynamics, and the redefinition of roles within consulting practices. Particular attention will be given to how firms are adapting their strategies, governance models, and talent development initiatives in response to the growing influence of AI.

To provide a robust and comprehensive understanding of this transformation, the analysis will begin with a thorough literature review, highlighting key findings from recent academic research and industry reports. This will be complemented by insights drawn from interviews, public statements, and thought leadership pieces authored by consulting professionals and industry experts. Together, these sources will help to paint a detailed picture of how AI is reshaping the consulting landscape, from both a technological and human capital perspective.

3.1. AI implementation in strategic consulting

As previously noted, AI can be seamlessly integrated into various processes within Strategic Consulting, making it vital to grasp the global implications this technology may have on the industry. The primary areas where AI positively influences strategic consulting can be summarised into six key categories: data analytics and insight generation, efficiency, marketing strategy, automation of administrative tasks, team management, and pricing. Furthermore, it is also important to consider the potential

negative impacts that AI could have on the industry. Also, in this case, we can identify the main groups of negative aspects: bias and discrimination, privacy and transparency.

3.1.1. Data analytics and insight generation

One of the most critical areas in which artificial intelligence (AI) is transforming the consulting industry is data analytics and insight generation, a core component of daily consulting work. These tasks traditionally involve substantial time and cross-functional collaboration, as consultants are required to collect, analyse, and interpret data from a wide range of sources to generate tailored recommendations for clients. Activities such as data aggregation, trend identification, and the development of strategic narratives are labour-intensive and often delay higher-level analysis.

However, AI technologies are rapidly reshaping this landscape by dramatically reducing the time and effort required for data processing. AI systems are capable of ingesting and analysing massive volumes of structured and unstructured data, ranging from spreadsheets and databases to reports and industry publications, with speed and precision (Jain, 2023). This enables consultants to shift their focus from time-consuming manual analysis to more value-added activities such as interpreting insights, engaging in strategic discussions, and developing client-focused solutions.

A particularly demanding aspect of consulting work is the preparation of detailed reports and in-depth financial analyses. These documents are essential for communicating insights to clients and must be meticulously tailored to specific market conditions and client objectives. The process typically involves several phases, including data collection, data organisation, synthesis of key findings, and the generation of compelling ideas for presentation. By leveraging AI tools, this end-to-end process can be significantly accelerated. Not only does AI help in automating data extraction and summarisation, but it also improves the accuracy and clarity of reports by identifying patterns and correlations that may be overlooked in manual analysis.

Moreover, AI-powered data analytics enhances consultants' ability to make informed predictions about market trends and business performance. Machine learning algorithms, trained on historical and real-time data, can simulate potential future

scenarios with remarkable accuracy. These predictive insights are invaluable in formulating forward-looking strategies that align with client goals. As such, consultants are equipped with deeper, more nuanced understandings of complex business environments, enabling them to deliver strategic advice that is both evidence-based and adaptable.

Beyond analytics, AI also plays an instrumental role in the creative dimension of insight generation. Creativity remains a vital component of consulting, particularly in the ideation and strategy development phases. AI tools can assist in brainstorming by generating a wide array of potential solutions, drawing from both existing data and inferred patterns. Additionally, simulation models allow consultants to test the potential outcomes of various strategies in virtual environments, minimising risk before real-world implementation.

While AI excels at processing information and generating possibilities, the interpretation and contextualization of AI-generated outputs still rely heavily on human judgment, creativity, and critical thinking. Strategic consultants must use their expertise to validate insights, assess feasibility, and align recommendations with broader organisational goals. In this sense, AI functions as an enabler, augmenting human capabilities rather than replacing them.

Ultimately, the integration of AI into data analytics and insight generation results in higher-quality outputs, greater operational efficiency, and improved client satisfaction. By freeing consultants from time-consuming tasks and providing deeper, data-driven insights, AI empowers them to deliver more strategic, creative, and impactful solutions, thus enhancing the overall value proposition of consulting services (Esioze & Oarue-Itseuwa, 2024).

3.1.2. Efficiency improvement

Secondly, a major transformative influence of Artificial Intelligence (AI) in strategic consulting is the significant improvement in efficiency, driven by the complementary interaction between advanced technological tools and human expertise. In an industry where the primary asset is intellectual capital, namely, its consultants, the ability to

optimise time and enhance productivity represents a fundamental competitive advantage. Efficiency in consulting is often measured through time-based metrics, such as project turnaround times, billable hours, and task completion rates. AI, by automating routine functions and assisting in complex data analysis, has demonstrated its potential to dramatically reduce the time required to complete tasks and deliver insights, thereby decreasing operational costs and increasing value delivery.

Consulting firms can significantly optimise workflows by assigning tasks traditionally handled by junior consultants, such as data gathering, initial analysis, or report drafting, to AI systems. This strategic reallocation allows human consultants to focus on higher-value functions like problem-solving, stakeholder engagement, and strategy development. A landmark study conducted by Harvard University in collaboration with the Boston Consulting Group (BCG) underscores this potential. In the study, consultants at the contributor level were asked to complete the same set of tasks under three different conditions: without AI assistance, with access to ChatGPT, and with the additional support of prompt review tools. The findings were compelling. Consultants using AI tools completed, on average, 12.2% more tasks and did so 25.1% faster than their counterparts without AI. Moreover, the quality of the outputs improved by approximately 40%, with particularly noticeable benefits for those whose baseline performance was below average (Dell'Acqua, et al., 2023).

However, the study also noted some limitations: when consultants were asked to perform tasks that fell outside the typical boundaries of AI capabilities, referred to as "frontier tasks", a decline in both quality and speed was observed. This highlights that while AI can significantly enhance performance for well-defined, structured activities, it still requires human oversight and cannot entirely replace complex, ambiguous decision-making processes. Nevertheless, the overall implication is clear: AI has a profound capacity to amplify consultant productivity and improve the quality of deliverables, especially when integrated thoughtfully into the workflow.

Beyond task automation, AI also enhances operational efficiency through intelligent resource allocation (Jain, 2023). Machine learning algorithms can analyse variables such as project scope, timelines, personnel capacity, and past performance data to make real-

time decisions on how to deploy human and technological resources most effectively. This reduces inefficiencies, minimises waste, and aligns workload distribution more precisely with demand. Furthermore, AI applications like chatbots and virtual assistants enable consulting firms to extend their service availability around the clock, offering continuous client support and accelerating response times. These tools not only increase service quality but also allow firms to scale operations without proportionally increasing their human resource investments.

3.1.3. Transforming Marketing Strategies through AI in Strategic Consulting

The integration of artificial intelligence (AI) into strategic consulting is significantly transforming how firms develop and implement marketing strategies. One of the most impactful applications of AI in this domain is market segmentation, a foundational element of effective marketing planning. Traditionally, market segmentation required extensive manual analysis of customer data to identify trends and group consumers based on shared characteristics such as demographics, purchasing behaviour, or geographic location. This process was often time-consuming and limited by the volume of data consultants could realistically process.

AI dramatically enhances this process by enabling the rapid and efficient analysis of vast and diverse datasets. Advanced algorithms can detect complex patterns in consumer behaviour, preferences, and purchasing histories that might otherwise go unnoticed. These insights allow consultants to generate more accurate and detailed customer segments based on real-time data. More importantly, AI goes beyond descriptive analytics by using predictive modelling to forecast how specific customer segments may respond to new products, pricing strategies, marketing campaigns, or shifts in market conditions (Jain, 2023).

Another powerful application of AI in marketing strategy is simulation modelling. AI tools can simulate potential market reactions to different business scenarios, such as product launches or pricing changes. These simulations offer consultants and their clients valuable insight into potential risks and opportunities, thereby supporting more

informed decision-making. This capability reduces the uncertainty traditionally associated with strategic marketing choices and allows firms to test multiple approaches virtually before implementing them in the real world.

Furthermore, AI-driven market segmentation supports the development of highly customised marketing and consulting services tailored to the specific needs of individual clients or target audiences. With greater precision in identifying customer needs and preferences, firms can deliver personalised solutions that resonate more strongly with clients. This level of customisation not only enhances customer satisfaction but also improves client retention and loyalty, critical factors in long-term competitiveness.

In addition, the use of AI in segmentation facilitates cost-effective marketing by enabling companies to allocate resources more efficiently. By targeting the right customers with the right messages at the right time, organisations can reduce wasted marketing expenditure and achieve better returns on investment. This precision also contributes to strategic differentiation in increasingly saturated and competitive markets, helping firms stand out based on the value and relevance of their offerings.

Ultimately, the deployment of AI in market segmentation exemplifies how technology can elevate marketing strategy from a reactive to a proactive function. By combining speed, accuracy, and predictive power, AI empowers consultants to design data-informed strategies that are both responsive to client needs and adaptive to market dynamics. As a result, consulting firms are better positioned to help their clients navigate complex market environments and maintain a competitive edge.

3.1.4. Streamlining Administrative Functions with AI: Efficiency, Accuracy, and Data Privacy

Administrative tasks are often time-consuming and yield low value, prompting consultants to minimise their time spent on such activities. Many consulting firms have begun employing AI to assist with administrative functions like contract management, dispatching, invoicing, and record maintenance, which has resulted in enhanced accuracy and efficiency compared to traditional human efforts (Charline & Blanckaert, 2020). However, it is essential to prioritise client privacy, as any potential information

leaks could be damaging. To address this concern, several consulting firms are developing proprietary software that exclusively accesses data from the client's databases, thereby protecting confidentiality.

3.1.5. Redefining Team Dynamics and Workforce Composition through AI Integration

Artificial intelligence (AI) is fundamentally transforming team dynamics and collaboration models across industries by automating a broad spectrum of administrative, operational, and communicative tasks. In the modern workplace, advanced AI-powered tools are increasingly used to support daily team functions, such as scheduling meetings, transcribing and summarising conversations, drafting comprehensive minutes, and overseeing other routine administrative responsibilities. These tasks, once handled by entry-level staff, are now performed more efficiently and accurately by intelligent systems, allowing human team members to focus on more strategic endeavours (Saxena, Verma, Gupta, & Singh, 2023).

In particular, the benefits of AI become even more pronounced in multinational and cross-cultural project environments. Real-time translation services powered by AI facilitate the seamless exchange of information across linguistic boundaries. These tools can translate internal communications, documents, handouts, and presentations on the fly, helping to overcome language barriers that might otherwise impede collaboration. This capability fosters inclusivity and coherence among globally distributed teams, ensuring that all members can contribute effectively regardless of their native language.

The automation of repetitive and manual tasks not only improves operational efficiency but also redefines how individuals engage with their work. By relieving employees of low-value, time-consuming responsibilities, AI enables them to concentrate on tasks that demand creativity, critical thinking, and strategic foresight. This shift allows for greater investment in professional development, innovation, and high-level problem-solving, activities that not only enrich individual careers but also enhance organisational performance.

As a result of these changes, AI is also influencing broader workforce trends, particularly in terms of recruitment and talent management. The traditional emphasis on hiring recent university graduates for entry-level roles may give way to a new preference for professionals with specialised industry expertise and real-world experience. Employers are increasingly valuing candidates who can provide immediate insight and value in complex environments, particularly as AI takes over many of the functions that once served as training grounds for junior staff.

In this evolving landscape, consulting firms and other knowledge-based organisations are likely to see a shift toward more collaborative, knowledge-driven teams that rely less on hierarchical structures and more on the integration of diverse, high-skill contributors. AI, therefore, is not merely a tool for operational enhancement; it is a catalyst for cultural and structural transformation, reshaping the way teams work, how talent is sourced and deployed, and what it means to contribute meaningfully to a shared organisational mission.

3.1.6. Rethinking Pricing Strategies in Consulting: The Influence of AI on Value Creation and Monetisation

It is crucial to examine the multifaceted impact of artificial intelligence (AI) on the pricing strategies of consulting services. Traditionally, consulting firms have justified premium pricing based on the number of hours consultants dedicate to a project, with fees often reflecting the extensive time required for tasks such as data analysis, market research, report writing, and presentation development. These time-intensive activities have long shaped both the duration and the overall cost of consulting engagements.

However, the integration of AI technologies is rapidly transforming this landscape. By automating routine and repetitive tasks, AI enables consultants to complete certain processes more efficiently, potentially reducing the number of billable hours required for each project. As a result, the conventional time-based pricing model may become less relevant. Consulting firms are now exploring alternative pricing structures that better reflect the outcomes and value delivered, rather than the time expended.

One emerging approach is the adoption of performance-based pricing models, where fees are linked to specific key performance indicators (KPIs) and the measurable "success" of implemented solutions. This shift emphasises results over effort and encourages consultants to deliver tangible value to clients. Another innovative model gaining traction is the subscription-based fee structure, which allows clients to access a range of consulting services for a fixed monthly or annual rate. This model promotes long-term collaboration and provides clients with predictable budgeting.

Additionally, value-based pricing is being considered as a viable alternative, wherein the cost of services is determined by the estimated value generated for the client. This model aligns incentives between consultants and clients, as both parties benefit from successful outcomes (Esioze & Oarue-Itseuwa, 2024). As AI continues to redefine operational efficiency within the consulting industry, these evolving pricing models may become increasingly prominent, prompting a broader reevaluation of how professional expertise is monetised in the digital era.

3.1.7. The Risks of Bias and Discrimination in AI-Driven Consulting

One of the most pressing ethical concerns associated with the use of artificial intelligence (AI) in strategic consulting is the potential for bias and discrimination embedded within large language models. These AI systems are trained on vast datasets sourced from the internet, corporate documents, and other digital repositories. Unfortunately, such datasets often contain implicit biases, inaccuracies, or prejudiced viewpoints that reflect broader societal inequalities. As a result, when AI tools are applied without proper oversight, they may inadvertently replicate and even amplify these existing biases in their outputs.

This issue is particularly critical in sensitive contexts such as recruitment, performance evaluations, and client recommendations. For example, an AI tool used to screen job applicants might favour certain demographic groups over others based on historical hiring data, thereby perpetuating exclusionary practices. Similarly, biased algorithms could skew strategic insights or lead to unbalanced resource allocation, ultimately harming clients and stakeholders.

To mitigate these risks, consulting firms must proactively implement ethical AI governance strategies. This includes auditing training datasets for representativeness and fairness, adjusting algorithmic parameters to counteract discriminatory patterns, and establishing rigorous validation protocols. Furthermore, human oversight remains essential; AI-generated results should always be reviewed by professionals who can apply contextual understanding and ethical judgment.

By prioritising fairness and inclusivity in the development and deployment of AI systems, consulting firms can help ensure that these powerful tools serve to advance, rather than undermine, equity and diversity in both internal practices and client engagements (Gîngută, Stefea, Gratiela, & Valentin, 2023).

3.1.8. Safeguarding Privacy in the Age of AI

Another critical concern in the deployment of AI within strategic consulting is the potential compromise of client privacy. Large language models, which power many AI tools, are typically trained on vast datasets that may include personal or sensitive information. In some cases, such data is collected by third parties without the explicit consent of its original owners, raising serious ethical and legal issues. When such models are integrated into consulting practices, there is a heightened risk that confidential client information could be inadvertently exposed or misused.

Moreover, many AI tools operate on cloud-based platforms, which, despite their convenience and scalability, introduce additional vulnerabilities. Data stored on cloud servers may be more susceptible to unauthorised access, particularly if robust cybersecurity protocols are not in place. For consulting firms that routinely handle large volumes of proprietary client data, ranging from financial records to strategic plans, the stakes are particularly high. A single breach could result in significant reputational damage, regulatory penalties, and loss of client trust.

To address these challenges, leading firms are adopting more secure and privacy-conscious approaches to AI deployment. One notable example is McKinsey & Company's development of *Lilli*, an internal AI platform designed specifically for use within the organisation. Rather than relying on external or public data sources, Lilli is trained

exclusively on McKinsey's internal databases and operates within a controlled environment. This approach significantly reduces the risk of data leakage and offers greater assurance to clients regarding the confidentiality of their information.

Ultimately, the integration of AI into consulting must be accompanied by rigorous privacy protection measures, including data anonymisation, secure infrastructure, transparent data governance policies, and regular audits. By taking these precautions, consulting firms can harness the benefits of AI while maintaining the trust and safety that are foundational to client relationships (Gîngută, Stefea, Gratiela, & Valentin, 2023).

3.1.9. Transparency and Accountability in AI Systems

Ensuring transparent explanations of how AI tools function can be challenging, which represents a significant drawback of deploying AI in strategic consulting. These challenges may complicate the interpretation of results. As previously mentioned, the data on which these models are trained can be subject to biases or influenced by prejudices (Gîngută, Stefea, Gratiela, & Valentin, 2023). As a result, the outcomes produced may be unreliable, potentially negatively impacting the performance of the companies involved. Therefore, it is crucial to have the capacity to further inquire about the models to understand how the results were generated. Addressing the lack of transparency is a crucial issue that consulting firms must confront to prevent the spread of unreliable information. In this context, AI also raises concerns about accountability, as responsibility for certain tasks has shifted from humans to machines.

3.1.10. The Evolving Skillset for AI-Augmented Consulting

The implementation of AI in consulting represents a groundbreaking change that can enhance a firm's competitiveness. Recognizing its significance, companies aiming for a competitive advantage are training their employees in the use of this new technology. Furthermore, organizations actively seek talent with AI skills and complementary abilities. This means that, in addition to technical proficiency, employers are also looking for problem-solving, creativity, strategic thinking, and critical thinking skills in new hires (Samokhvalov, 2024). This also relates to the need for quality control of AI outcomes,

which is essential for evaluating potential hallucinations, as well as for tailoring outputs to specific solutions instead of providing a generic approach.

3.1.11 Preserving Trust in the Consultant-Client Relationship

Among the many elements that define successful consulting engagements, trust remains one of the most vital, and least replaceable, factors. While artificial intelligence offers impressive capabilities in data analysis, task automation, and operational efficiency, it cannot replicate the nuanced human judgment, emotional intelligence, and interpersonal rapport that characterize strong consultant-client relationships. In fact, trust is often the cornerstone of a consulting engagement, especially during high-stakes strategic decisions that carry significant implications for a client's business and workforce.

Recent studies affirm that clients continue to place substantially more trust in human consultants than in AI tools, particularly when it comes to sensitive decision-making and long-term strategic planning (Tronnier, Bernet, Lobner, & Rannenberg, 2025). This trust is rooted not only in expertise but also in the consultant's ability to understand client needs, provide tailored advice, and demonstrate empathy and accountability. Clients also value ongoing collaboration, consultant availability, and the assurance that their unique business context is being considered.

Paradoxically, the growing adoption of AI may help strengthen these human relationships. As routine and administrative tasks, such as document formatting, scheduling, invoicing, and data retrieval, are increasingly handled by AI, consultants will have more time and mental bandwidth to focus on client engagement and strategic interaction. This reallocation of effort can enrich the consultant-client relationship, offering space for deeper conversations, customized support, and more responsive service.

However, this shift may also elevate client expectations. As consultants become less bogged down by operational tasks, clients may reasonably expect more proactive communication, quicker turnaround times, and greater personal involvement from their consulting partners. In this new AI-augmented landscape, the most successful

consultants will be those who strike the right balance between leveraging technology for efficiency and investing in meaningful, trust-based relationships that remain at the heart of the consulting profession.

3.2. The impact of AI deployment in strategic consulting on Hierarchy and organisational structure

Given its profound impact on job roles and task distribution, artificial intelligence (AI) is poised to significantly reshape organisational structures. One of the most anticipated transformations is the shift from traditional pyramidal hierarchies, characterised by a broad base of entry-level employees supporting fewer mid- and senior-level positions, toward a more "diamond-shaped" structure. In this emerging model, organisations may consist of a larger proportion of highly skilled professionals occupying mid-to-upper-level roles, while the number of lower-level positions decreases substantially.

This change is largely driven by AI's ability to automate routine, repetitive, and administrative tasks that have historically been performed by junior staff. As these responsibilities are increasingly handled by intelligent systems, organisations may require fewer entry-level workers, focusing instead on employees with advanced analytical, strategic, or domain-specific expertise. Consequently, the demand for professionals capable of interpreting AI outputs, guiding decision-making processes, and delivering creative, high-value solutions will rise.

The diamond-shaped structure reflects a more knowledge-intensive workforce, where value is created not by the sheer volume of manual labour but by the ability to innovate, manage complex systems, and adapt to rapid technological change. This evolution may also lead to greater internal collaboration, faster decision-making processes, and a more agile organisational culture, positioning companies to remain competitive in an AI-driven economy.

3.2.1. Embracing agile structures

The deployment of AI in organisations has significant implications for their structure. One of the main changes is a shift toward an agile model, which allows companies to

adapt workflows to meet client needs and continuously improve outcomes. In this context, the ability to fail quickly on specific projects enables organizations to adjust their strategies and meet deliverables more effectively and rapidly.

Participation at all levels of the organization is crucial for achieving outstanding performance and gaining a competitive advantage. When considering the strategic consulting industry, examining how AI affects organizational structure and team performance on projects is important. In this sector, AI can also facilitate the transition to agile models.

3.2.2. Flattening Hierarchies and Decentralizing Authority

Additionally, effective engagement and input from clients are crucial to this process. Client feedback helps companies align their strategies with specific needs, enhancing their ability to adapt and deliver results (Vial, Cameron, & Giannelia, 2023). Moreover, while traditional organizational structures often see the roles of leader and manager merged, a shift towards agile and AI-driven workflow management promotes the collectivization of responsibilities and emphasizes academic expertise. Thanks to AI tools for team management and project scheduling, work is planned and executed collaboratively, even though individual performance is still evaluated on a personal basis. In conclusion, these practices can result in a flattening of hierarchy and decentralization of authority, promoting a bottom-up approach to projects rather than a top-down one.

In addition to this, hierarchies are expected to flatten due to the real-time data and insights that AI can provide to employees at all levels. This will enable a decentralization of decision-making. As a result, teams of consultants may be more inclined to make autonomous decisions without waiting for managerial approval (Bhuvan, 2024). Furthermore, there will be dynamic role allocation, as AI offers tools for managing various responsibilities, promoting greater fluidity in job roles.

3.2.3. The Shift Toward a Diamond-Shaped Hierarchy

One of the most significant advantages of incorporating Artificial Intelligence (AI) into strategic consulting is the substantial amount of time saved by automating repetitive

and mundane tasks. This technological innovation enables consulting firms to rethink their human resource needs and reevaluate their organisational structures. By automating routine activities, firms can streamline their operations, which allows employees to dedicate more time and energy to tasks that require creativity, strategic thinking, and the creation of value, rather than getting bogged down in operational work (Bhuvan, 2024). As a result, the operational framework of consulting firms is transformed, leading to a natural reduction in the need for lower-level roles that traditionally handled these operational tasks.

Considering the profound impact of AI on time-saving and its ability to handle functions that have historically been relegated to junior staff, one of the anticipated outcomes is a shift in the organisational structure towards a "diamond-shaped" hierarchy (Endo, 2025). This would involve fewer entry-level positions, such as internships and junior roles, in favour of a greater focus on higher-level positions that require specialised expertise and strategic decision-making. In particular, the demand for AI-skilled engineers and data scientists is likely to replace the traditional preference for post-MBA hires in top-tier consulting firms. This shift will likely prompt important questions regarding the evolving career paths within consulting and how the training and development of junior professionals will need to change to equip them for higher-level roles in the future.

Furthermore, as the demand for lower-level roles diminishes, there will likely be a reduction in the middle management layers as well. This shift could lead to a flatter organisational structure, with fewer hierarchical layers, enhancing agility and decision-making efficiency. As AI continues to automate operational functions, it will not only reshape the skill sets required at different levels but also significantly influence the overall structure and dynamics of consulting firms, creating new opportunities for specialisation and strategic innovation at higher organisational tiers.

3.2.4. Innovation, Flexibility, and Market Responsiveness

The organisational structure is likely to shift towards an agile model, as modern technological tools provide fast, real-time insights and predictive analysis of market trends. The use of AI increases the need for speed and flexibility, which in turn

encourages agile organisational frameworks. This allows companies to adapt quickly to changing conditions (Bhuvan, 2024), with fewer hierarchical levels and more fluid, cross-functional teams. Additionally, artificial intelligence drives rapid and continuous advancements, fostering groundbreaking innovations that facilitate the generation and implementation of new ideas. A culture of innovation thrives on creativity and an innovative mindset. Consequently, strategic consulting firms must continuously experiment with innovations to respond not only to market trends but also to the competitive landscape.

3.2.5. Evolving Skill Sets for an AI-Driven Future

The shift towards an AI-enhanced strategic consulting firm necessitates a diverse set of skills in candidates. These skills include analytical thinking, resilience, leadership, creative thinking, AI ethics, and technology literacy, all of which are essential for interpreting data generated by AI (Di Battista, et al., 2025).

Analytical thinking is the ability to critically and rationally evaluate facts and make objective judgments about their components (Prinsloo & Prinsloo, 2018). This skill is crucial in consulting, given the vast amounts of data consultants handle daily in the solution development process. As AI implementation increases, the volume of data produced will rise, requiring professionals to effectively interpret it (Silacheva, 2019).

Resilience refers to the ability to adapt to continuous changes, which is common in the dynamic consulting environment. It also emphasizes the importance of lifelong learning, particularly due to the ongoing evolution of AI technologies.

Leadership and collaborative skills are increasingly in demand as project complexity and team cooperation grow, especially with the introduction of AI that accelerates processes. Additionally, the potential reduction of lower levels job positions within organizations necessitates that managers develop the capability to efficiently lead multiple teams.

Creative thinking is critical for complementing the hard skills found in AI tools. This human trait adds significant value by enabling consultants to effectively address client challenges and develop efficient strategic solutions. While AI is a powerful asset, it has

limitations, and creative thinking helps consultants determine when and how to deploy AI, considering potential risks (Bates, 2023).

3.2.6. New Roles in the AI-Enhanced Organization

As AI becomes more widespread, understanding its potential risks and ethical concerns is imperative. Awareness of the ethical implications and the legal framework governing AI is essential for successful implementation.

Lastly, technology literacy will be a newly essential skill in the strategic consulting field, requiring continuous learning and staying updated on new AI and technology trends that may impact effectiveness and efficiency.

An important change affecting the organizational structure of strategic consulting companies is the creation of new job roles, such as Chief AI Officer, AI Specialists, and Human-AI Interaction roles. These positions are designed to ensure the effective deployment of AI technologies while providing expertise in the field. The role of Chief AI Officer (CAIO) is increasingly recognized in various studies, highlighting the need for a leadership position dedicated to AI. This cross-functional role assists companies in adapting to the technological advancements of their competitors and offers a structured approach to AI adoption, particularly for organizations that lack technological expertise as they make a strategic shift toward AI (Schmitt, 2025).

As the IT environment undergoes numerous trends and innovations, strategic consulting firms must stay current by adopting new groundbreaking technologies that can provide a competitive advantage. The Chief AI Officer can guide the company through these trends and help it respond effectively to market pressures.

Additionally, rapidly changing laws and regulations aimed at preserving user privacy and safety are vital factors for companies to consider. Here too, an AI officer can assist in navigating new regulatory developments. Finally, the CAIO should ensure that the deployment of AI aligns with the company's strategic goals and vision.

In summary, the significance of AI implementation in strategic consulting necessitates the establishment of new job positions and roles that can facilitate efficient AI integration within the company.

4. Investigating the Impact of Artificial Intelligence on Strategic Consulting firms: insights from a professional survey

A structured questionnaire was designed and administered to professionals currently working within the sector to assess the impact of artificial intelligence (AI) on strategic consulting firms. The objective was to gather insights regarding implementing AI tools and processes in their daily consulting activities. Respondents were encouraged to share their experiences, perceptions, and expectations regarding the deployment of AI in their daily work, its main limitations and positive aspects, and its impact on the organisation. The collected responses were carefully analysed and synthesised into a series of key insights. These insights have provided valuable input for estimating the magnitude and nature of AI's transformative impact on strategic consulting practices. To ensure a rigorous and systematic analysis, the findings were interpreted using the GOIA methodology, which offers a comprehensive framework for evaluating organisational change and innovation adoption.

4.1. Survey Design and Data Collection

The questionnaire was designed to analyse the impact of artificial intelligence (AI) on strategic consulting firms. This analysis considered not only the potential benefits and limitations of AI adoption but also its implications for the skills required by consultants and the broader organisational structure. Particular attention was given to identifying job positions that might be partially or fully substituted by AI, as well as those roles that stand to benefit from its implementation. Furthermore, the study explored anticipated market effects, especially regarding value creation and changes in the business model of strategic consulting firms.

The questionnaire was distributed to 22 professionals currently working in the strategic consulting sector, all contacted through the University network. To ensure a variety of perspectives, participants were selected from companies of different sizes: 14 professionals were employed by large firms, 4 by medium-sized firms, and 4 by small

firms. Regarding their roles within these organisations, the sample included 4 partners, 5 managers, 7 consultants, 4 business analysts, and 2 interns, allowing for a comprehensive range of insights across hierarchical levels.

The questionnaire comprised 14 questions, divided into four main sections. The first section, "Use of AI in your company", included four questions focused on how strategic consulting firms are approaching AI adoption. This section aimed to assess the degree of openness to AI, including not only the deployment and authorisation of AI tools but also the development of internal AI solutions. These initiatives often seek to enhance client privacy and accelerate internal research processes. In addition, two questions in this section investigated the frequency of AI usage and the main tools currently being employed.

The second section addressed the “Benefits and limitations of AI deployment in strategic consulting firms” within strategic consulting firms. The questions here were designed to evaluate how AI might impact organisational structures, particularly through changes in demand for specific roles and skill sets. Furthermore, respondents were asked to identify which consulting activities currently benefit from AI support, thereby clarifying the operational contributions of AI to daily professional tasks.

The third section focused on the “Impact of AI on organisational dynamics”. This included an examination of how consultants' skills are expected to evolve in response to AI integration, which job positions are likely to be fully or partially replaced, and which roles may be enhanced by AI adoption. Additionally, the section explored the influence of AI on teamwork and hierarchical structures within firms.

Finally, the fourth section addressed the “Market impact of AI” on the consulting industry, particularly regarding the quality and pricing of deliverables and final projects. This part of the questionnaire aimed to uncover how the advantages and limitations of AI might drive fundamental changes to the business models of strategic consulting firms.

The structure of the questionnaire and the diversity of respondents allowed for a robust analysis, offering valuable insights into the multifaceted impact of AI on the strategic consulting sector.

In the appendix, you will find the attached questionnaire used for this study.

4.2. Analysis of the methodology: the GIOIA method

The analysis of the questionnaire findings was conducted using the Gioia Methodology, a qualitative research approach developed by Professor Dennis Gioia and colleagues (Schembri, n.d.). This method is particularly well-suited for inductive research aimed at developing new theoretical insights grounded in empirical data. Given the exploratory nature of this study, which seeks to understand the evolving role of artificial intelligence (AI) in strategic consulting firms, the Gioia Method was chosen for its ability to capture rich, nuanced perspectives and translate them into structured theoretical models.

The methodology follows a multi-step process that allows researchers to move from raw qualitative data to the development of grounded theory. The steps include data collection, first-order analysis (informant-centric coding), second-order analysis (researcher-centric coding), identification of aggregate dimensions, construction of a data structure, and finally, the development of a theoretical model. This systematic approach ensures transparency and analytical rigour, while also retaining the voices and meanings expressed by participants.

In this study, data were collected through semi-structured interviews with 22 professionals working in strategic consulting firms. Participants were selected to ensure diversity in terms of seniority (including partners, managers, consultants, analysts, and interns) and firm size (ranging from small to large consulting firms). Interviews were conducted via calls and lasted between 30 to 60 minutes each. All interviews were transcribed and anonymized to ensure confidentiality and ethical compliance.

During the first-order analysis, statements from participants were coded using their own terms and expressions. This level of coding remained close to the data, avoiding early theoretical abstraction. The goal was to capture the lived experiences and perceptions of professionals interacting with AI tools in their daily consulting work. Examples of first-order concepts include references to specific AI platforms used (e.g., ChatGPT, internal platforms), perceived productivity improvements, limitations in the

deployment of AI for consulting tasks, and observations about changes in team dynamics.

The second-order analysis involved grouping and interpreting first-order codes into broader, conceptually meaningful themes. These second-order themes reflected the researchers' interpretation and aimed to uncover underlying processes, causal relationships, or tensions in the data. For example, recurring first-order codes related to the automation of email writing and text review were synthesized into a second-order theme of "Optimization of repetitive tasks".

These second-order themes were then clustered into aggregate dimensions, representing the highest level of abstraction. The resulting data structure (Gioia, 2020) visually illustrates the progression from raw empirical data to theoretical categories and serves as a foundation for developing the final theoretical framework. The final grounded theory model was built by examining the interconnections between aggregate dimensions, capturing how AI influences organizational structure, individual roles, skill requirements, team collaboration, and broader market dynamics within the strategic consulting industry.

One of the key strengths of the Gioia methodology is its emphasis on maintaining a clear link between data and theory, which enhances both validity and transparency. Additionally, by presenting the full data structure, the method allows readers to trace how conceptual categories were constructed. However, as with all qualitative methods, a potential limitation lies in the subjectivity of interpretation, which the study mitigated through iterative coding, cross-validation of emerging themes, and peer review.

The following table presents the organization of first-order concepts into second-order themes and aggregate dimensions, following the Gioia methodology. This structure illustrates the process of data-driven theorizing by grouping emergent insights into increasingly abstract categories, thereby ensuring methodological rigour and conceptual clarity.

***Table 1**: Conceptual Groupings in the Gioia Methodology*

1st Order Concept	2nd Order Themes	Aggregate Dimensions
Yes, the company allows the use of AI tools	Official adoption of AI tools	Openness to technological innovation
Internal tools developed or in development	Internal AI development initiatives	Company strategies on AI
Use of ChatGPT, even in the business version	Predominance of external generative tools	Adopted AI tools
Use tools every day / every hour	High frequency of use	Operational integration of AI
Variable use depending on the task	Situational use	
I use it for research	Support for research and optimization	Operational efficiency and output optimization
Writing emails, text revision		
Brainstorming	Creativity stimulation	
Time saving and speed	Resources optimization	Added value to consulting work
Improvement in the quality of deliverables	Increased perceived quality	
Hallucinations	Reliability of results	Technical limitations and risk of error
Still requires supervision	Need for human oversight and lack of contextualization	
Difficulty in personalizing responses		
Requires prompt engineering skills	New technical skills as a competitive advantage	Evolution of professional skills
Those who know how to use AI have an advantage in processes		
Requires adaptability to technological changes	Cognitive skills and adaptive soft skills	
Critical thinking remains essential		
Junior roles are more at risk	Exposure of executive roles to automation and centrality of value-added job positions	Redefinition of consulting roles
Strategic roles are more protected		
All the employees will benefit	General value-added service for all the employees and intensity	
No job position will disappear		
More efficient collaboration between teams	Improvement of internal collaboration	New team dynamics and internal processes
AI reduces hierarchical distance	Flattening of hierarchies	
The organization is leaner	Streamlining of organizational processes	
Improves quality and speed in projects	Positive impact on time and results, and change in client's expectations	Growth in client value
Clients expect faster and cheaper solutions		
Could lower prices depending on the business model	Pressure on service pricing	Redefinition of the consulting economic model

4.3. Results of the analysis

Thanks to the interviews and valuable contributions from professionals working in strategic consulting firms, it was possible to gather key insights regarding the deployment of AI within these organizations. The primary data collected through the interviews were carefully analyzed to develop a comprehensive theoretical framework. The questions posed in the questionnaire were designed to explore both the short-term and long-term implications of AI integration in strategic consulting firms. The findings from the interviews largely align with the trends identified in the literature review, offering a more nuanced understanding of the topic.

In terms of short-term implications, the interviews revealed significant insights into how consulting firms are approaching the integration of AI technologies, as well as how individual consultants are utilizing these tools in their daily work. Respondents identified both the advantages and limitations of AI deployment, shedding light on the immediate challenges and benefits firms encounter as they adopt these innovations.

Looking toward the long-term effects, professionals highlighted the most prominent implications AI will have on organizational structures, teamwork dynamics, pricing models, and overall service quality. Many respondents noted the likely impact on job roles, with AI potentially leading to shifts in the types of positions required and the skill sets demanded in the future. These long-term changes, according to the professionals interviewed, are expected to reshape consulting firms not only in terms of their internal operations but also in how they engage with clients and deliver services.

The following sections will further explore these insights, offering detailed perspectives on the short- and long-term effects of AI integration in strategic consulting firms.

4.3.1. Strategic consulting companies are receptive to AI innovation and often develop internal tools or extensions of existing ones

All respondents reported that they are permitted to use AI tools in their daily work routines, although under specific limitations and guidelines. Participants from larger consulting firms highlighted that they are authorised to use only internally developed AI

tools or approved extensions of existing platforms, such as customised versions of ChatGPT. These restrictions are primarily motivated by concerns over data security and the need to maintain strict client confidentiality. Although the extent of AI integration varies depending on the specific task or project context, most professionals indicated that they incorporate AI tools into their work daily.

4.3.2. Consultants enhance operational efficiency and optimise output through AI

AI tools are increasingly adopted by consultants to support a range of activities, particularly in research, the optimisation of repetitive tasks, and the stimulation of creativity. For instance, functionalities such as *deep search* enable consultants to efficiently gather comprehensive sources on a specific inquiry, significantly accelerating the research process and enhancing its accuracy. Another key application of AI lies in the drafting of emails and the formulation of professional texts. In these cases, AI assists in automating routine writing tasks, reducing errors, and improving the clarity and sophistication of the final output, thereby enhancing the overall quality of communication.

Furthermore, AI proves to be an asset in creative processes, acting as a brainstorming partner to stimulate idea generation. By providing diverse perspectives and suggesting alternative approaches, AI facilitates faster and more exhaustive brainstorming sessions. This support enables consultants to dedicate more time to high-value, strategic activities, ultimately increasing both the efficiency and the effectiveness of their work.

4.3.3. AI enhances the value of consulting work by optimising resources and improving quality

The added value generated by strategic consulting work has been significantly enhanced through the optimisation of resources and the improvement in the quality of deliverables. One of the main insights emerging from professionals' responses regarding the advantages of AI implementation is the substantial time savings achieved. Tasks that were previously time-consuming and contributed minimally to the final output, such as text revision, wording refinement, and error correction, are now increasingly delegated

to AI tools. This shift results not only in greater efficiency but also in the production of higher-quality outputs.

Overall, the quality of work has registered a marked improvement, as consultants can allocate the time saved to more strategic, high-value activities. Among the quotes collected from participants, several highlight this positive impact: for instance, "*Thanks to AI, we observe an increase in efficiency and flexibility in expressing content in the most suitable form*," and "*AI enables significant time savings on mundane and low-value-added tasks, helping us achieve cost reduction.*"

Thus, AI-driven resource optimisation is evident both in terms of time and cost management, with the additional benefit of elevating the quality and precision of final outputs. This dual effect (greater efficiency combined with enhanced deliverable quality) illustrates one of the most transformative contributions of AI within the strategic consulting industry.

4.3.4. The main technical limitations are the lack of reliability of results, the need for human oversight and the lack of contextualization

While AI offers significant advantages, consultants also emphasised its limitations and potential drawbacks. They highlighted concerns regarding the reliability of outputs, the ongoing need for human oversight, and the lack of contextualisation and personalisation in AI-generated results. A recurring issue reported by respondents is the phenomenon of *hallucinations*, where AI tools produce inaccurate, fabricated, or misleading information. These hallucinations can distort research findings, introduce invented data or sources, and in some cases, even contradict information.

Consultants noted that the occurrence of hallucinations is often influenced by the quality and clarity of the prompts provided. As one participant remarked, "*Hallucinations are one of the main disadvantages and limitations. AI needs to be double-checked. If the prompt is not clear, there's an increase in the probability of hallucinations*." Another professional added, "*AI is still in a development phase and thus unreliable. It is not yet possible to use it for content generation or calculations in spreadsheets, as the output frequently contains mistakes or inaccuracies.*"

Due to these limitations, human intervention remains essential. Consultants must rigorously review and verify AI-generated outputs, which can sometimes offset the initial efficiency gains by requiring additional time for corrections and validations. Furthermore, another critical limitation cited is the lack of customisation in AI responses: outputs often tend to be standardised and insufficiently adapted to the specific needs of the project or client, thereby reducing their strategic value.

4.3.5. The essential professional skills needed will include technical skills for a competitive advantage, as well as adaptive soft skills and cognitive judgment skills

AI is reshaping the skills required of consultants, demanding new competencies across several domains. Based on the analysis, four main categories of skills have been identified: technical skills, cognitive and judgment skills, adaptive soft skills, and digital literacy.

First, about technical skills, there is a growing need for consultants to develop expertise in using AI tools, particularly *prompting skills*, which are crucial for optimising outputs. Consultants must understand how large language models (LLMs) function, including the principles that govern their operation, to craft effective prompts and minimise the risks of hallucinations, inaccuracies, and unreliable results. As one interviewee highlighted, essential capabilities include "*the ability to use AI, prompt engineering, risk awareness and understanding the limits of AI, double-checking ability and AI quoting skills*". Several respondents also noted that prompting is often underestimated but plays a key role in achieving reliable and high-quality results, thus saving time that would otherwise be spent refining outputs manually.

Secondly, cognitive and judgment skills, particularly critical thinking, are becoming even more essential. Given that AI outputs are not always reliable, consultants must continuously assess, challenge, and validate the information provided by AI systems. Strong analytical judgment ensures that consultants can discern when outputs require correction or contextual adjustment.

In addition, relational soft skills, such as emotional intelligence, communication abilities, and professionalism, remain central to the consulting profession. As one respondent noted, "*Consulting is a people business; trust is important in this work*." In an environment increasingly shaped by digital interactions, the human dimension of client relationships continues to be a vital source of competitive advantage.

Moreover, adaptive soft skills, such as flexibility and a proactive attitude toward change, are critical to navigating the rapid technological evolution driven by AI. Consultants must be prepared to continuously update their knowledge and integrate emerging tools and techniques into their workflows.

Finally, having AI-savvy professionals within consulting teams is becoming a significant competitive advantage. Firms that cultivate these skills internally are better positioned to increase value creation for their clients. Although the transformation is not radical at present, AI is already reshaping the skillsets required in consulting, and new hires must prioritise the development of these competencies to remain competitive in the industry.

4.3.6. Widespread AI benefits across roles: entry-level positions will benefit most, but are also more likely to face long-term substitution

Following the interviews, it emerged that all employees, across both senior and junior levels, are positioned to benefit from the introduction of AI. The scale of innovation brought by AI is substantial enough to assist not only entry-level professionals engaged in operational tasks but also senior figures who are less involved in day-to-day execution. Interviewees particularly highlighted a distinction between the short-term and long-term impacts of AI adoption.

In the short term, the impact of AI integration appears relatively limited across all roles, with improvements primarily seen in efficiency and task optimisation. However, in the long term, more profound effects are anticipated, particularly concerning entry-level positions. AI's capacity to automate mundane and repetitive tasks, such as slide creation and basic research, more quickly and accurately may reduce the demand for junior staff at the base of the organisational pyramid. As noted by participants, "*Entry-level roles and*

those without specialised knowledge, particularly in data-related tasks, are more exposed," and "*In the long run, junior positions could disappear*".

At the same time, junior employees are currently the primary beneficiaries of AI integration. Because they are most involved in routine and repetitive activities, the adoption of AI allows them to significantly enhance the quality of their outputs and save time in their daily work. This duality, immediate benefits but increased future vulnerability, suggests that there will be a growing need for entry-level employees to accelerate their skills development. Early-career consultants may be required to engage in parallel learning pathways to quickly progress to higher levels within the consulting hierarchy.

4.3.7. New team dynamics and internal processes: improvement of internal collaboration, flattening of hierarchies and streamlining of organisational processes

The impact of AI is also evident in the dynamics of teamwork, contributing to improvements in collaboration and operational efficiency. AI tools specifically designed for meetings and task management, such as automated note-taking applications and tools that track and analyse the mood of discussions, are helping teams refine their collaboration processes. These functionalities support review activities and facilitate more structured and effective teamwork.

Consultants emphasised that AI is almost an additional "*team member*," accelerating workflows and enhancing overall efficiency. As one respondent noted, "*It is like having an additional person in the team; the change is structural and helps the team to speed up and increase efficiency*," while another added, "*In teamwork, the impact is incremental rather than radical; it facilitates faster information sharing and reduces time spent on mundane tasks*."

In larger firms, AI integration is also seen to balance competencies within teams. The inclusion of AI specialists promotes cross-functional collaboration, breaks down existing silos, and increases the differentiation of skills across groups.

From a hierarchical perspective, interviewees identified both short-term and long-term effects of AI integration in strategic consulting firms. In the short term, no significant changes were observed in the organizational structure. However, looking toward the future, respondents anticipate that AI will play a central role in driving a flattening of the organizational hierarchy. This shift could be driven by two key dynamics: first, the reduction in staffing levels at lower tiers, which would enable firms to manage larger teams within the same hierarchical layer; and second, the widespread availability of internal knowledge, enhanced by AI technologies, which could reduce the need for intermediate management layers and lead to more decentralized decision-making.

The potential for such a flattening of the hierarchy might result in a transition from the traditional pyramidal structure to a more diamond-shaped one, with a reduction in lower-level roles and an increase in higher-level positions. This shift raises important questions about the evolution of career paths within strategic consulting firms. Specifically, it prompts discussions about how professional development and training programs might need to adapt to prepare consultants for new roles and responsibilities in a less hierarchical environment.

As one consultant put it, "*Consulting companies will need a more flexible and agile structure, but also a flattened one*," highlighting the need for adaptability in both organizational design and career progression. Another interviewee remarked, "*There will be fewer analysts per partner; consulting does not necessarily require a highly hierarchical model, as the work is structured around projects*," emphasizing that the nature of consulting work, which is often project-based, does not require a rigidly tiered structure.

This shift towards a more flexible and decentralized model reflects broader changes in the consulting industry, as firms leverage AI to streamline operations and improve efficiency while adapting to new ways of working that prioritize agility over traditional hierarchy.

Additionally, the interviews highlighted the emergence of a new organisational role: the AI Officer. This figure is responsible for deepening the firm's understanding of AI tools, guiding their effective use, and streamlining internal processes. The introduction of this

specialised role is viewed as a key enabler for improving internal efficiency and fostering innovation across consulting teams.

4.3.8. AI drives growth in the client's value with a positive impact on time and outcome results

Another significant impact of AI in strategic consulting is the enhancement of client value, resulting in improved outcomes and more efficient delivery. Client value improvements are primarily reflected in two areas: an increase in the quality of deliverables and a reduction in the time required to produce them. The quality enhancement is largely attributed to expanded knowledge bases, which form the foundation of consulting projects. However, the extent of AI's contribution varies depending on the nature of the project, as one consultant noted: *"AI's impact on client value depends on the project. In some projects, AI is key to increasing efficiency; in others, it is less relevant."*

Strategic consulting firms are increasingly leveraging comprehensive internal databases, enriched with historical client information, which support more effective knowledge management across projects. Alongside these benefits, the previously discussed improvements in text drafting and review, research acceleration, and brainstorming support further contribute to faster and higher-quality project delivery.

Nonetheless, despite these technological advancements, the human element remains irreplaceable in client-consultant interactions. Clients expect to engage with real professionals, not simply receive AI-generated outputs. As one respondent emphasised, *"Clients must have a real human to talk to, and they will demand greater transparency regarding the use of AI. They don't want AI-generated answers."* Another added, *"There is an increase in client expectations; they do not accept answers that resemble those produced by ChatGPT."*

Thus, while AI is set to enhance both the speed and quality of consulting services, both highly valued by clients, it simultaneously raises expectations for authenticity, critical judgment, and human professionalism. This highlights the growing importance for consultants to develop and maintain strong human-centric skills, such as trust-building,

emotional intelligence, and reliability, to differentiate themselves in an AI-augmented environment.

4.4. Theory of the analysis

The integration of Artificial Intelligence (AI) into strategic consulting marks a pivotal shift that redefines the industry's operations, skill requirements, organisational structures, and value propositions. A thorough analysis of the research findings, the questionnaire responses, and the literature review reveals a comprehensive theory of AI's impact: AI is not merely an auxiliary tool but a catalyst driving deep transformation in how consulting services are delivered and how consulting firms are structured internally.

First and foremost, the importance of developing proprietary AI tools has emerged as a critical strategic move for consulting firms. Internal platforms safeguard intellectual property and client confidentiality while simultaneously offering customised capabilities that align with firm-specific methodologies. This development ensures firms maintain a competitive edge while managing the inherent risks associated with public AI models.

AI's primary contribution lies in its ability to automate mundane, repetitive, and time-consuming tasks, such as data extraction, document drafting, and preliminary research, allowing consultants to redirect their focus toward higher-value, strategic activities. The consistent result has been both a significant increase in operational speed and a noticeable improvement in output quality. Furthermore, through advanced functionalities like deep search, AI supports consultants in uncovering more targeted and nuanced insights, thus enhancing the research process.

Despite these advantages, AI's use in consulting is not without limitations. Professionals emphasise the continued need for human oversight to validate outputs, address AI's susceptibility to hallucinations, and ensure contextual relevance in recommendations. AI tends to deliver generalist answers that often lack the specific cultural, organisational, and situational nuances critical for bespoke consulting solutions. This reinforces the notion that AI should augment, not replace, human consultants.

The evolving landscape also demands a new consultant skill set. Beyond analytical capabilities, future consultants must exhibit critical thinking, creativity, and the technical proficiency to leverage AI effectively. Understanding how AI models function, developing effective prompts, and challenging algorithmic biases are becoming essential skills. Additionally, new roles are emerging, such as the Chief Artificial Intelligence Officer (CAIO), responsible for overseeing AI integration and ethical governance within firms.

Organizationally, AI is catalysing a shift toward flatter, more agile structures. By automating lower-level tasks, firms can reduce the number of entry-level roles and intermediate management layers. Managers are empowered to supervise larger portfolios, and project teams become more autonomous and dynamic. AI-enhanced collaboration tools also transform teamwork, treating AI as a "virtual team member" that breaks down silos and fosters cross-functional cooperation.

In the client-consultant relationship, AI elevates the value consultants can offer by enabling faster project delivery and richer, more data-driven insights. However, its impact on pricing models is mixed. In performance-based consulting engagements, AI tends to enhance value creation without significantly altering fees. In time-based or staff-augmentation roles, however, there may be downward pressure on pricing as clients expect efficiencies to be passed on.

Finally, while AI offers tremendous opportunities, it also introduces new risks. Ethical concerns, data security issues, and the need to manage biases must be addressed through robust governance frameworks. The future of strategic consulting will increasingly depend on firms' abilities to harness AI responsibly while maintaining the human judgment, creativity, and trust that remain at the heart of the profession.

Overall, AI is not simply a tool for operational improvement; it is a transformative force that is reshaping the strategic consulting industry from within. Firms that proactively adapt, by investing in internal AI capabilities, redefining consultant profiles, restructuring organisations, and reimagining client value, will be best positioned to lead in this new era. Those who fail to evolve risk being left behind as the consulting landscape increasingly intertwines with intelligent technologies.

5. Conclusion

Artificial Intelligence (AI) is fundamentally reshaping the job market, with its influence increasingly evident across a broad range of industries. The automation of tasks and processes is accelerating, leading to substantial gains in productivity and efficiency. AI enables workers to minimise time spent on routine or repetitive activities, allowing them to focus on more strategic, creative, or value-generating work. However, while the benefits are compelling, it is critical to approach the adoption of AI with caution and discernment. Sole reliance on AI can lead to unintended consequences, including loss of contextual understanding, reduced human judgment, and potential ethical and privacy risks. Therefore, a balanced integration of AI, one that complements rather than replaces human expertise, is essential.

Within the specific context of Strategic Consulting, AI is catalysing profound structural and operational transformations. In the short term, its most visible impact lies in enhancing the quality of deliverables and significantly reducing time spent on low-value tasks. Activities such as data collection, research synthesis, wording refinement, and document review, traditionally labour-intensive, are increasingly being streamlined through AI-powered tools. This efficiency has allowed consultants to reallocate their time toward higher-impact functions, such as client engagement, strategic problem-solving, and insight generation.

Leading consulting firms have already recognised AI's strategic potential. Many have responded by developing proprietary AI systems, enabling internal customisation that preserves confidentiality and ensures better alignment with their workflows and methodologies. This proactive approach reflects a broader willingness across the industry to embrace innovation while safeguarding intellectual property. Consultants have demonstrated adaptability and proficiency in using AI tools, integrating them into daily routines in ways that enhance output without compromising judgment or discretion.

Nonetheless, several limitations remain. AI systems still require constant human supervision to ensure the accuracy, relevance, and appropriateness of outputs.

Generalised answers, hallucinations, and a lack of contextual understanding continue to limit AI's ability to replace nuanced human reasoning. Furthermore, while AI can accelerate certain processes, the initial time investment in training and onboarding new tools may temporarily offset productivity gains. Importantly, consulting firms that rely on external AI tools must also grapple with risks related to data leakage, raising concerns about client confidentiality and strategic integrity.

Looking to the future, the long-term implications of AI adoption will extend far beyond operational efficiency. One of the most significant changes will be the evolution of the consultant's role and required skill set. As repetitive tasks are increasingly automated, consultants will need to demonstrate higher levels of critical thinking, creativity, and emotional intelligence, especially when building trusted relationships with clients or interpreting complex AI-generated outputs. Technical fluency will also become increasingly important, encompassing skills such as prompt engineering, AI literacy, and a foundational understanding of machine learning models.

This transformation will also impact the broader consulting job market. Entry-level roles, such as interns and analysts, are likely to see the greatest short-term benefits, including faster access to knowledge, improved research capabilities, and support in documentation and modelling. However, these same roles are also the most vulnerable to automation, as their tasks are the easiest to replicate using AI. Mid-level and senior consultants, while less affected by automation, will benefit from enhanced oversight capabilities, allowing them to manage larger teams and projects with reduced reliance on traditional hierarchical structures.

Consequently, we can anticipate a gradual flattening of organisational layers within consulting firms. This transformation will entail a reduction in lower-level professionals, who are readily replaceable, and a decrease in the number of layers. This shift will ultimately lead to the adoption of the diamond structure. Artificial Intelligence (AI) will facilitate broader access to information across various organisational levels, thereby reducing the necessity for intermediaries and enabling leaner team structures. Concurrently, novel roles will emerge, such as the Chief AI Officer (CAIO), who will be

responsible for overseeing the integration of AI, managing internal development efforts, and ensuring alignment between technological capabilities and business strategy.

The impact on collaboration and teamwork is also significant. AI is increasingly viewed as a "digital collaborator", a virtual assistant embedded in team processes that can break down silos, enhance cross-functional coordination, and streamline communication. In dynamic consulting environments, this leads to more agile, responsive teams that can adapt to changing project needs and client demands.

From the client's perspective, AI brings measurable improvements in the speed and quality of service delivery. Clients benefit from faster turnaround times, deeper insights, and more tailored recommendations. However, the impact of AI on pricing varies depending on the firm's operating model. For consulting firms positioned as "body rental" providers, offering time-based staffing, AI-driven efficiencies may create downward pressure on fees, as clients demand cost savings. Conversely, performance-based firms focused on value creation are likely to preserve pricing structures by leveraging AI to enhance impact rather than reduce input.

Ultimately, AI's growing role in Strategic Consulting is not merely a technological shift, it represents a redefinition of the industry's future. As AI continues to evolve, consulting firms must remain agile, fostering a culture of continuous learning and innovation. Success will depend on the ability to integrate AI thoughtfully: preserving human judgment and creativity while capitalising on the operational advantages that intelligent systems offer.

In conclusion, the influence of AI on Strategic Consulting and the broader job market is both deep and irreversible. It challenges firms to rethink their internal structures, redefine consultant roles, and reconsider how they deliver value to clients. Firms that successfully navigate this transformation will not only improve their efficiency but also set new standards for strategic insight and client service in the AI era.

Appendix

Below is the questionnaire:

Use of AI in Your Company

1. Does your company allow the use of AI tools?
2. Has your company developed its own internal AI tool?
3. Which AI tools do you use most frequently in your work?
4. How often do you use AI tools in your daily work?

Benefits and limitations of AI deployment in strategic consulting firms

5. For which activities do you primarily use AI?
6. What are the main advantages you have observed from using AI?
7. What are the main difficulties or limitations you encounter when using AI?

Impact of AI on organisational dynamics

8. What skills do you consider essential for a consultant in the era of AI?
9. Which job positions benefit the most from the integration of AI?
10. Which job positions could be partially or completely replaced by AI?
11. Is AI changing how consultants work in teams? If so, how?
12. How is AI impacting the organisational structure and hierarchy within consulting firms?

Market impact of AI

13. How would you assess the impact of AI on the final quality of projects and the value created for clients?
14. What impact could AI have on the pricing of consulting services?

Bibliography

AlAfnan, M. A., Dishari, S., & MohdZuki, S. F. (2024). Developing Soft Skills in the Artificial Intelligence Era: Communication, Business Writing, and Composition Skills. *Journal of Artificial Intelligence and Technology*.

Allison, N., Grimberg, J., & Rhodes, A. (2024). *Gen AI: too much spend, too little benefit?* Global Macro Research.

Anyoha, R. (2017, August 28). *The History of Artificial Intelligence*. Retrieved from Harvard Kenneth C. Griffith Graduate School of Arts and science Blog, special edition on artificial intelligence: https://sitn.hms.harvard.edu/flash/2017/history-artificial-intelligence/

Baggio, B., & Omana, N. (2019). AI and Agile Workplace. *Systemics, cybernetics and informatics*.

Balog, K. (2020). *The concept and competitiveness of agile organization in the fourth industrial revolution's drift.*

Bannister, B., & Ghiglieri, D. (2023, September 14). *BCG and Anthropic Announce New Collaboration to Bring Responsible GenAI to Enterprise Clients*. Retrieved from BCG: https://www.bcg.com/press/14september2023-bcg-anthropic-announce-new-collaboration-responsible-genai

Bates, P. (2023, December 28). *10 Essential AI Skills for Students Entering the Workforce in 2024*. Retrieved from Vault: https://hec.firsthand.co/blogs/innovate-with-influence-global-high-tech/10-essential-ai-skills-for-students-entering-the-workforce-in-2024

Behera, B. (2023). *Fostering, resilience & agility towards HR excellence.* Dr. Kirti Dharwadkar.

Bergeaud, A., Gilbert, C., & Lecat, R. (2016, September). Productivity trends in advanced countries between 1890 and 2012. *The Review of Income and Wealth*.

Bhuvan, S. (2024). THE IMPACT OF AI AND ML ON ORGANIZATIONAL STRUCTURE. *Journal of Visual and Performing Arts*.

Blasi, A. D. (2023, December 23). *The 10 Most Important AI Moments of 2023*. Retrieved from Medium: https://medium.com/@aarondiblasi/the-10-most-important-ai-moments-of-2023-03269894e1b6

Brodie, P. (2023, August 8). *The impact of AI on Organization Design*. Retrieved from Forbes: https://www.forbes.com/sites/forbescoachescouncil/2023/08/08/the-impact-of-ai-on-organization-design/

Cazzaniga, M., Jaumotte, F., Li, L., Melina, G., Panton, A. J., Pizzinelli, C., . . . Tavares, M. M. (2024). *Gen-AI: Artificial Intelligence and the future of work.* International Monetary Fund.

Charline, A., & Blanckaert, L. (2020). *The Influence of Artificial Intelligence on the Consulting Industry.*

Choudhury, A. (2024, August 15). *McKinsey Sees AI Surge Boosting Consulting Amid Industry Slump*. Retrieved from Insurance Journal: https://www.insurancejournal.com/news/national/2024/08/15/788346.htm

Dam, H. K., Tran, T., Grundy, J., Ghose, A., & Kamei, Y. (2018, December 27). *arXiv:1812.10578.* Retrieved from Cornell University: https://doi.org/10.48550/arXiv.1812.10578

Davey Alba, J. L. (2023, February 6). *Google releases ChatGPT rival AI 'Bard' to early testers*. Retrieved from Los Angeles Times: https://www.latimes.com/business/story/2023-02-06/google-chatgpt-rival-ai-bard-early-testers

Dell'Acqua, F., McFowland III, E., Mollick, E., Lifshitz-Assaf, H., Kellogg, K. C., Rajendran, S., . . . Lakhani, K. R. (2023). Navigating the Jagged Technological Frontier: Field Experimental Evidence of the Effects of AI on Knowledge Worker Productivity and Quality. *Harvard Business School Working Paper, No. 24-013*.

Di Battista, A., Grayling, S., Jàtiva, X., Leopold, T., Li, R., Sharma, S., & Zahidi, S. (2025). *Future of Jobs Report.* Geneve, Switerland: World Economic Forum.

Duncan, G., Ware, K., & Lee, A. (2024, October 17). *Bain & Company announces expanded partnership with OpenAI to accelerate delivery of AI solutions and meet fast-growing client needs*. Retrieved from Bain & Company: https://www.bain.com/about/media-center/press-releases/2024/bain-and-company-announces-expanded-partnership-with-openai-to-accelerate-delivery-of-ai-solutions-and-meet-fast-growing-client-needs/

Endo, T. (2025, Febraury 2023). *How AI is Redefining Strategy Consulting: Insights from McKinsey, BCG, and Bain*. Retrieved from Medium: https://medium.com/@takafumi.endo/how-ai-is-redefining-strategy-consulting-insights-from-mckinsey-bcg-and-bain-69d6d82f1bab

Ensign, C. P. (1998). Interdependence, coordination, and structure in complex organizations: implications for organization design. *The Mid-Atlantic Journal of Business*.

Esioze, & Oarue-Itseuwa. (2024). Artificial Intelligence's Impact of the Management Consultancy Sector over the Next Five Years . *Management Consulting Journal*.

Foote, K. D. (2024, March 5). *A brief history of Generative AI*. Retrieved from Dataversity: https://www.dataversity.net/a-brief-history-of-generative-ai/

Gîngută, A., Stefea, P., Gratiela, G. N., & Valentin, P. M. (2023). Ethical Impacts, Risks and Challenges of Artificial Intelligence Technologies in Business Consulting: A New Modelling Approach Based on Structural Equations. *Electronics, MPDI*.

Gioia, D. (2020). A Systematic Methodology for Doing Qualitative Research. *The Journal of Applied Behavioral Science*.

Gupta, S. (2022). Artificial Intelligence, Analytics and Agile: Transforming Project Management in the 21st Century. *International Journal of Recent Technology and Engineering*.

Hazan, E., Madgavkar, A., Chui, M., Smit, S., Maor, D., Singh, G., . . . Huyghyes-Despointes. (2024). *A new future of work: The race to deploy AI and raise skilss in Europe and beyond.*

Holacracy. (2024). *Holacracy Consitutiton.* Retrieved from Holacracy: https://www.holacracy.org/wp-content/uploads/2023/04/Holacracy-Constitution-5.0.pdf

IBM Morning Consult. (2023). *IBM Global AI adoption index - Enterprise report.* IBM.

Insight, C. (2019). IT Juzi.

Insight, C. (2019). Technology Review. *South China Morning Post*.

IRI. (2022). *Global R&D Funding Forecast.* IRI.

Jain, S. (2023). Transforming Business Consulting with Generative AI: Unlocking Innovation, Efficiency, and Strategic Insights. *IRE Journals*.

Jarrahi, M. H. (2018). *Artificial intelligence and the future of work: Human-AI symbiosis in organizational decision making.* Kelley School of Business, Indiana University.

Josyula, S. S., Raman, R., & Suresh, M. (2021). How to make intelligent automation projects agile? Identification of success factors and an assessment approach Intelligent automation projects. *International Journal of Organizational Analysis*.

Kretschmer, T., & Khashabi, P. (2020). Digital Transformation and Organization design: an integrated approach. *California Management Review*.

Kwasek, A., Kocot, M., Kocot, D., Maciaszczyk, M., & Rogozinska-Mitrut, J. (2024). The Role of Artificial Intelligence in Agile Organization Management. *European Research Studies Journal*, 14.

Lahmann, M., Keiser, P., & Stierli, A. (2018). *www.pwc.ch/ta*. Retrieved from AI will transform project management. Are you ready?: https://www.pwc.ch/en/insights/risk/ai-will-transform-project-management-are-you-ready.html

Lankner, K., & Roth, E. (2024, November 06). *We spent nearly a year building a generative AI tool. These are the 5 (hard lessons) we learned.* Retrieved from Fast Company: https://www.fastcompany.com/91138609/we-spent-nearly-a-year-building-a-gen-ai-tool-these-are-the-5-hard-lessons-we-learned

Lankner, K., Zemmel, W. R., & Roth, E. (2025, Gennaio 07). *Rewiring the way McKinsey works with Lilli, our generative AI platform*. Retrieved from McKinsey: https://www.mckinsey.com/capabilities/mckinsey-digital/how-we-help-clients/rewiring-the-way-mckinsey-works-with-lilli

Lindsey, W. (2023, June 13). *Accenture to invest $3B in AI and double AI workforce*. Retrieved from CIODIVE: https://www.ciodive.com/news/Accenture-AI-investment-double-workforce-layoffs/652867/

Loomis, A., Becker, L., Anderson, C., Beauvais, J., Fleming, M., Heys, M., . . . Sutherland, H. (2022). *IDC FutureScape: Worldwide Future of Work 2022 Predictions.* IDC.

Malik, N., Tripathi, S. N., Kar, A. K., & Gupta, S. (2021). Impact of artificial intelligence on employees working in industry 4.0 led organizations. *International Journal of Manpower*.

Michel Chui, R. R. (2023, May). *What every CEO should know about Generative AI*. Retrieved from McKinsey Digital: https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/what-every-ceo-should-know-about-generative-ai

Moloney, E. (2023, August 16). *PwC joins the AI trend with its own ChatPwC*. Retrieved from ERP today: https://erp.today/pwc-joins-the-ai-trend-with-its-own-chatpwc/

Monod, E., Mayer, A.-S., Joyce, E., & Qi, J. (2024). From worker empowerment to managerial control: The devolution of AI tools' intended positive implementation to their negative consequences. *Information and Organization*.

Mozur, P., Liu, J., & Metz, C. (2024, February 28). *China's Rush to Dominate AI Comes With a Twist: It Depends on US Technology*. Retrieved from The New York Times: https://www.nytimes.com/2024/02/21/technology/china-united-states-artificial-intelligence.html

Murgia, M., Waters, R., & Olcott, E. (2025, January 31). The global AI race: Is China catching up to the US? *Financial Times*.

Nguyen, D. S., & Shaik, M. M. (2024). Impact of Artificial Intelligence on Corporate Leadership. *Journal of Computer and Communications*.

Noy, S., & Zhang, W. (2023). *Experimental Evidence on the Productivity Effects of Generative Artificial Intelligence.*

Owens, T., & Thormundsson, B. (2024). *AI and the future of work.* Statista.

Peifer, J., Jeske, T., & Hille, S. (2022). *Artificial intelligence and its impact on Leaders and Leadership.* Dusseldorf.

Prinsloo, M., & Prinsloo, R. (2018). The Assessment and Development of Analytical and Systems Thinking Skills in the Work Environment. *Integral Leadership Review*.

QuantumBlack. (2024, July). *What is AI?* Retrieved from AI by McKinsey: https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-generative-ai

Roush, T. (2025, January 28). Who is behind Deepseek? Here's what to know about Founder Liang Wenfeng. *Forbes*.

Rudko, I., Bonab, A. B., & Bellini, F. (2021). Organizational Structure and Artificial Intelligence. Modeling the Intraorganizational Response to the AI Contingency. *Journal of Theoretical and Applied Electronic Commerce Research*.

Samokhvalov, K. (2024). The Transformative Impact of Artificial Intelligence on the Management Consultancy Sector. *Management Consulting Journal*.

Saxena, A., Verma, M., Gupta, S., & Singh, S. (2023). THE IMPACT OF ARTIFICIAL INTELLIGENCE ON THE CONSULTANCY SERVICES INDUSTRY: A COMPREHENSIVE ANALYSIS OF THE ROLE OF AI IN ENHANCING SERVICE DELIVERY. *Korea Review of International studies*.

Schembri, N. (n.d.). *Gioia Methodology*. Retrieved from Dr Neville Schembri: https://sites.google.com/view/dr-neville-schembri/discussion-topics/gioia-methodology

Schmitt, M. (2025). *Strategic Integration of Artificial Intelligence in the C-Suite: The Role of the Chief AI Officer.*

Shook, E., & Daugherty, P. (2024). *Work, workforce, workers. Reinvented in the age of generative AI.* Accenture.

Silacheva, M. (2019). Exploring Skills and Competencies for Consultant. *Management Consulting Journal*.

Statista. (2024). *Statista Market Insight.* Statista.

The Agile Alliance. (2001). The Agile Manifesto for Software Development.

Tominic, P., Oreški, D., & Rožman, M. (2023). Artificial Intelligence and Agility-Based Model for Successful Project Implementation and Company Competitiveness. *information*.

Tronnier, F., Bernet, R., Lobner, S., & Rannenberg, K. (2025). Consulting in the Age of AI: A Qualitative Study on the Impact of Generative AI on Management Consultancy Services. *Proceedings of the 58th Hawaii International Conference on System Sciences.*

Vial, G., Cameron, A.-F., & Giannelia, T. J. (2023). Managing artificial intelligence projects: Key insights from an AI consulting firm. *Wiley*.

Wamba-Taguimdje, S.-L., Kala Kamdjoung, J. R., Wamba, S. F., & Tchatchaouang, W. C. (2020). Influence of Artificial Intelligence (AI) on Firm Performance: The Business Value of AI-based Transformation Projects. *Business Process Management Journal*.

Wilkinson, L. (2023, September 12). *EY completes $1.4B AI investment, launches in-house platform*. Retrieved from CIODIVE: https://www.ciodive.com/news/EY-AI-investment-EYQ-large-language-model/693737/

World Economic Forum. (2023). *Future of Jobs report.*

Xiong, W. (2023). *AI and leadership.* Hong Kong.