



**NEW
LEVEL
WORK**

THE HUMAN ALGORITHM

**Maximizing AI ROI Through Digital
Dexterity and Behavioral Science**

Stéphane Panier
CEO, New Level Work

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Despite billions of dollars invested globally in artificial intelligence and digital transformation, the business world is facing a harsh reality. This white paper outlines a unified framework for success by combining **Behavioral Human-Centered AI** with the cultivation of a **Digitally Dexterous Workforce**.

Executive Summary

Despite billions of dollars invested globally in artificial intelligence (AI) and digital transformation, the business world is facing a harsh reality. Recent studies indicate that:

95%

AI Initiatives Fail to deliver their intended values

26%

Report Tangible ROI

Why do so many well-funded, technologically sound projects flop?

The core issue is rarely the technology itself. Instead, it is a **persistent leadership blind spot** known as *techno solutionism*—the flawed belief that acquiring cutting-edge systems will automatically solve complex organizational challenges.

AI rapidly evolves from a mere software tool into the modern worker's "next colleague," a fundamental paradigm shift has occurred: **every company is now a tech company**. Yet, while traditional businesses are eager to adopt the tools of the tech industry, they severely underestimate the need to adopt the *culture* of the tech industry—most notably, its radically different relationship to failure.

To realize the true value of AI, leaders must stop treating digital transformation as a purely technical engineering exercise. This white paper outlines a unified framework for success by combining **Behavioral Human-Centered AI** with the cultivation of a **Digitally Dexterous Workforce** that is psychologically safe to experiment, fail, and innovate.



The Transformation Paradox
The Techno Solutionism Trap

The Cultural Chasm
Every Company is Now a Tech Company

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The Transformation Paradox

The Techno Solutionism Trap

For years, leaders have assumed that if a technology perfectly addresses a business need and objectively improves workflows, employees will unequivocally embrace it. Decades of behavioral science prove otherwise. When humans face change, they are not strictly rational actors.

When implementations ignore basic human needs and cognitive biases, they trigger distinct resistance mechanisms. Employees often fear perceived losses (of autonomy, status, or routine) more than they value equivalent gains.

Three Resistance Mechanisms That Derail AI Adoption

Algorithmic Aversion

Thanks to the availability heuristic, workers tend to fixate on vivid but rare instances of an AI system making a mistake. People will often abandon an algorithm entirely after seeing a single error, even if it statistically outperforms humans over time.

The Illusion of Understanding

Humans tend to overestimate how well they understand human decision-making, leading them to unfairly dismiss AI tools as opaque or untrustworthy by comparison.

Loss Aversion

Employees actively bypass AI tools if they perceive that the tools disrupt their established routines, add verification time, or threaten their job security.

Leaders who operate with a techno solutionist mindset simply drop software on top of conventional organizational structures. The result is a workforce that is **actively defensive against the very systems designed to empower them.**

The Cultural Chasm

Every Company is Now a Tech Company

The push toward digital transformation began over two decades ago and accelerated dramatically during the COVID-19 pandemic. But the advent of enterprise-grade Generative AI has finalized the transition. Today, whether you sell retail goods, financial services, or healthcare, your operational backbone is technology. As AI models become integrated into daily workflows—acting as creative sounding boards, coders, and data analysts—traditional industry boundaries have dissolved.

A critical disconnect remains: traditional organizations are attempting to operate advanced tech ecosystems using legacy corporate cultures. The single most profound difference between a legacy enterprise and a successful tech company is their **relationship to failure**.

The Tech Mindset: Experimentation is Growth

Traditional Corporate Culture

- Success defined by predictability and risk aversion
- Failure is heavily stigmatized
- Viewed as a preventable error and a career-limiting move
- Rewards certainty, optimizes for zero-defects
- Punishes mistakes



Tech Industry Culture

- Experimentation is growth, and failure is data
- "Fail fast, learn, and move on"
- Innovative cultures excel at intelligent failure
- Failed experiment decoupled from incompetence
- Failure is simply the cost of discovery

As noted by leading organizational behavioral research, innovative cultures excel at *intelligent failure*—small, calculated risks taken in uncharted territory that yield high-value learnings. In tech, a failed experiment is decoupled from incompetence; it is simply the cost of discovery.

Because working with AI as a "colleague" is inherently probabilistic and iterative—requiring continuous prompt testing, workflow redesign, and adaptation—it cannot thrive in an environment that demands 100% certainty on the first try. If employees lack **psychological safety**—meaning they fear being punished for a failed AI experiment or a flawed prompt—they will simply revert to their legacy spreadsheets and manual processes. To successfully integrate AI, organizations must adopt the tech mindset: destigmatize the "miss," and reward the experiment.



Reframing the Goal

The Digitally Dexterous Workforce

Organizations making the most progress in their AI journeys understand they are facing a **workforce challenge, not an IT challenge**. Their ambition has shifted from mere "digital transformation" to building a **digitally dexterous workforce**—one that is psychologically prepared, agile, and capable of operating like a tech startup within a larger enterprise.

DIGITALLY DEXTEROUS ORGANIZATION

Defined by Five Critical Cultural Characteristics

1

CONTINUOUS LEARNING & SAFE EXPERIMENTATION

Fostering a foundational culture where failing fast is expected, tinkering is encouraged, and upskilling is continuous.

2

COMFORT WITH CHANGE

Normalizing agility and resilience in the face of evolving technological expectations and uncertain outcomes.

3

DATA-INFORMED DECISION-MAKING

Using data to complement, rather than substitute, human expertise. Shifting corporate rhetoric from "data-driven" to "data-informed" significantly reduces employee resistance.

4

CROSS- FUNCTIONAL COLLABORATION

Breaking down departmental silos to solve complex, enterprise-wide problems through diverse thinking.

5

CUSTOMER FOCUS

Maintaining a shared alignment on how digital tools add real value to the end-user.

**Together they create the foundation for
successful AI integration and sustained innovation**

The Execution

A Behavioral Human-Centered AI Framework

To successfully embed AI and build digital dexterity, organizations must apply a behavioral approach across three critical stages of implementation.



Each phase addresses a distinct layer of the human challenge—from the initial design of AI tools, to building workforce trust, to sustaining leadership agility over the long term.

PHASE 1



Design for Human Reality, Not Just Specs

Design for Cognitive Shortcuts

A completely seamless interface is not always optimal. Behavioral science shows that intentionally adding a little friction can force users to scrutinize output more closely, improving error-correction rates.

Combat Inventor's Bias

Developers often suffer from blind optimism regarding their own systems. Organizations must co-create tools with diverse groups of end-users through rigorous beta-testing. This roots out algorithmic biases, validates hypotheses quickly (failing fast), and gives employees a sense of ownership.

PHASE 2



Drive Adoption by Tackling Trust

Frame AI as an Augmenter

Explicitly position AI as a tool that handles repetitive tasks, freeing employees for higher-value, innovative work.

Make Mistakes Relatable

Position AI as a "learning partner" rather than an infallible authority. By acknowledging that AI makes mistakes—just like humans do—leaders can reduce the workforce's threat response and normalize trial-and-error.

Provide Transparency

Use explainable AI. Proactively disclosing an AI tool's limitations, potential biases, and safeguards actually increases user trust.

PHASE 3



Manage with Humility and Agility

Measure What Matters

Standard IT metrics are insufficient. Establish clear behavioral KPIs for success: employee trust, perceived fairness, and genuine adoption rates.

Avoid the Escalation of Commitment

If a project fails to gain traction, traditional leaders may double down simply because capital has already been spent. A successful leader adopts the tech industry's "fail fast" mindset, willing to course-correct or pull the plug quickly if an initiative isn't serving the workforce.



The Human Catalyst

Accelerating AI ROI Through Leadership Coaching

If the primary barriers to AI adoption are human resistance, loss aversion, and a legacy relationship with failure, then the solution cannot come from the IT department or a software vendor. It must come from a profound shift in leadership capability.

This is where **New Level Work** bridges the gap. As organizations realize that "every company is now a tech company," leaders are being asked to manage a cultural transformation they have never historically experienced. Our coaches at New Level Work are not AI technologists or software engineers; they are **elite experts in human behavior, change management, and executive leadership.**



Because the AI transition is fundamentally a behavioral challenge, leadership coaching is the highest-leverage intervention an organization can make. We do not teach leaders how to write Python code or optimize Large Language Models. Instead, we coach leaders on how to build the "human algorithm"—the psychological safety, emotional intelligence, and interpersonal dynamics required to cultivate a Digitally Dexterous Workforce.

Coaching Focus 1

Cultivating Psychological Safety & the "Tech Mindset"



The Challenge

Transitioning a legacy corporate culture into a tech-like culture that embraces experimentation and "intelligent failure."

The Coaching Focus

Coaches help leaders recognize and unlearn their own perfectionism and legacy risk aversion. We work on how leaders *react* to failure in real-time—**shifting their default response from blame to curiosity** ("What did we learn?"). Leaders learn how to publicly model vulnerability and create environments where employees feel psychologically safe to test AI prompts, fail fast, and share their learnings without fear of punitive action.

Coaching Focus 2

Overcoming the Expertise Trap



The Challenge

Historically, leaders reached their positions by being the smartest person in the room. AI disrupts this dynamic; suddenly, leaders are managing tools they do not fully understand, often driven by younger "digital natives." This causes executive imposter syndrome and decision paralysis.

The Coaching Focus

Coaches help leaders transition from a **"Knower" mindset to a "Learner" mindset**. We help leaders manage their own vulnerability and ego, getting them comfortable with saying, *"I don't know how this works yet, let's figure this out together."* Leaders practice how to lead through curiosity, ask powerful questions, and empower their teams rather than micromanaging the technology.

Coaching Focus 3

Empathetic Change Management



The Challenge

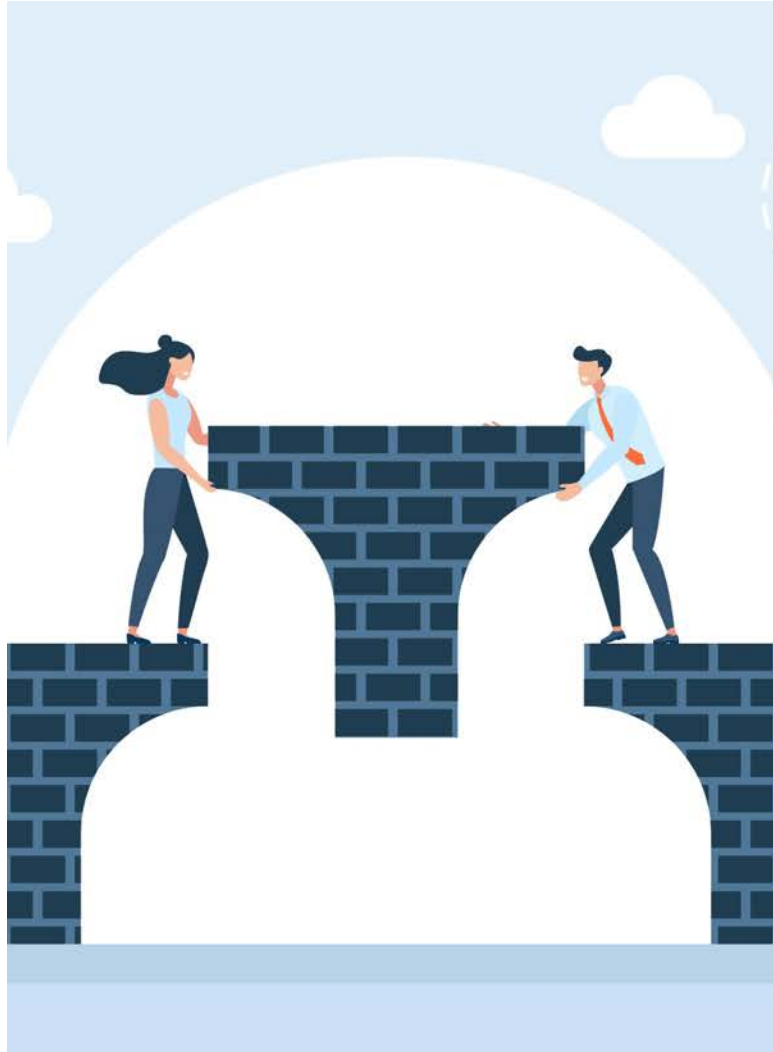
When leaders introduce AI, employees immediately worry about job security (loss aversion) and the disruption of comfortable routines. Toxic corporate positivity ("AI is great for everyone!") only breeds resentment.

The Coaching Focus

Coaches work with leaders on emotional intelligence (EQ) and strategic communication. We help them craft and deliver a compelling narrative that **frames AI as an augmenter** (removing drudgery) **rather than a replacer** (removing jobs). Leaders practice empathetic listening to uncover the root of employee anxieties, learning how to validate those fears without letting them halt organizational progress.

Coaching Focus 4

Developing the "Bridger" Capability



The Challenge

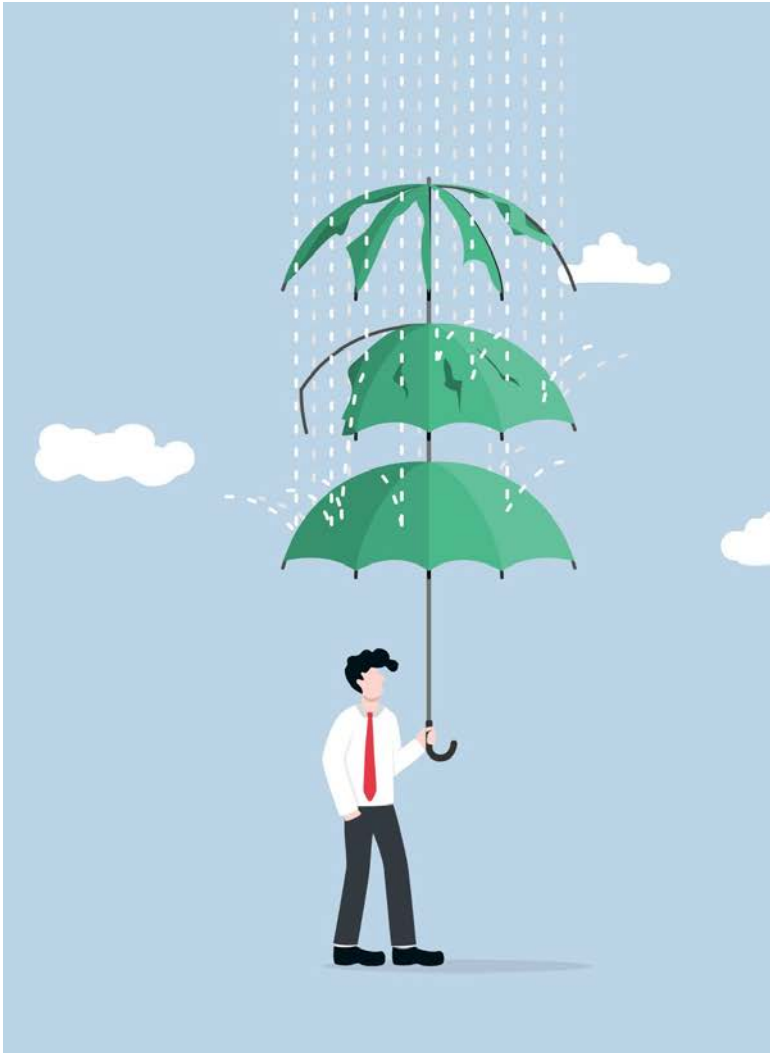
AI cannot live isolated in the IT department; it requires unprecedented collaboration across diverse generations, functional departments, and technical backgrounds. Silos kill digital transformation.

The Coaching Focus

Coaches train leaders in the art of bridging—**translating priorities across organizational boundaries.** Topics include advanced stakeholder management, facilitating cross-functional design thinking, and building trust between a fast-moving, risk-tolerant tech team and a cautious, legacy-minded legal or operations team.

Coaching Focus 5

Navigating Ambiguity and Sustaining Resilience



The Challenge

The pace of AI development is staggering, and cultural transformation is a multi-year marathon. It is common for leaders to experience burnout or fall victim to the "escalation of commitment" when AI projects hit inevitable roadblocks.

The Coaching Focus

Coaches provide a confidential, objective sounding board for leaders to process the stress of enterprise-wide change. We work on building **personal resilience and establishing frameworks** for objective decision-making—ensuring leaders know when to pivot, how to "fail fast" and pull the plug on a failing AI initiative, and how to sustain their team's energy over the long haul.

Coaching the AI Era

How New Level Work Equips Leaders

Here are examples of the critical, tech-agnostic topics New Level Work coaches focus on to help leaders successfully navigate the AI transformation:

PSYCHOLOGICAL SAFETY & TECH MINDSET

Shift from blame to curiosity; model vulnerability; reward experimentation



OVERCOMING THE EXPERTISE TRAP

Transition from "Knower" to "Learner"; lead through curiosity and empowerment



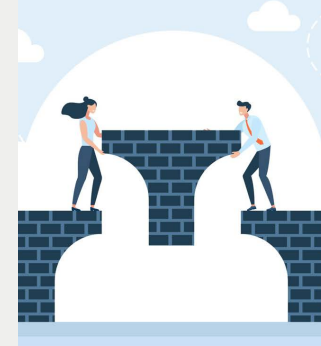
EMPATHETIC CHANGE MANAGEMENT

Craft compelling AI narratives; validate employee fears; build EQ-driven communication



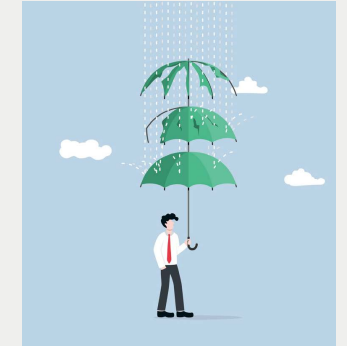
DEVELOPING THE "BRIDGER" CAPABILITY

Translate across silos; facilitate cross-functional design thinking; build trust



NAVIGATING AMBIGUITY & RESILIENCE

Build personal resilience; know when to pivot; sustain team energy over the long haul



Conclusion

The Human Advantage



Artificial intelligence is rapidly leveling the playing field. When every company has access to the exact same generative AI models, algorithms, and computing power, the technology itself will no longer be a competitive differentiator.

Leadership will be.

By moving beyond techno solutionism, embracing a culture of intelligent failure, and partnering with organizations like **New Level Work** to apply a Behavioral Human-Centered approach, organizations can finally realize the promise of AI.

The future of business belongs to leaders who understand that the ultimate key to digital transformation is not the technology itself, but the digital dexterity, emotional intelligence, and adventurous spirit of the humans who wield it.

About New Level Work

New Level Work coaches are not AI technologists or software engineers. They are **elite experts in human behavior, change management, and executive leadership**—uniquely positioned to help organizations navigate the cultural transformation that AI demands.

Our Approach

We coach leaders on how to build the "human algorithm"—the psychological safety, emotional intelligence, and interpersonal dynamics required to cultivate a Digitally Dexterous Workforce.

Our Focus

Tech-agnostic leadership coaching that addresses the behavioral barriers to AI adoption: human resistance, loss aversion, and a legacy relationship with failure.

Our Promise

Leadership coaching is the highest-leverage intervention an organization can make to accelerate AI ROI and build a truly digitally dexterous workforce.