

A WORKFORCE CAPABILITY FRAMEWORK

HOW ORGANIZATIONS BUILD **AI** CAPABILITY

AI readiness isn't a new discipline. It's change management, applied to the most consequential shift in how work gets done in a generation.

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AI Isn't a Different Kind of Change.

Every leadership team preparing their organization for AI is asking some version of the same question: *where do we even start?* The instinct is to treat AI readiness as an entirely new discipline — one that needs its own playbook, its own vendors, its own language.

It doesn't. AI is a new way of thinking, working, and building skill — but organizations have navigated shifts of this magnitude before. A global ERP implementation. A major restructuring. A shift in what roles and skills the business needs for what comes next. The pattern is the same each time: the business changes first, and the organization — its structure, its people, its capabilities — has to catch up deliberately, not by accident.

Treating AI as something wholly separate from change management is what leads organizations to buy tools before they've defined the capability those tools are supposed to build. The organizations that get this right start with the same discipline they'd apply to any major transformation — they just haven't always had a fast enough way to act on it. That's the gap this framework, and where AI itself can help close.

Organizations aren't struggling because they lack AI tools. They're struggling because leaders don't yet have a shared language for how AI changes work. HR, IT, Operations, Finance, and business leaders are often solving different problems without a common framework for deciding what actually needs to change. AI readiness begins with organizational clarity — not technology selection.

The question isn't "how do we adopt AI?" It's the same question every transformation starts with: how must our business create value differently, and what does our organization need to become to get there?

WHY THIS MATTERS NOW

- Traditional competency models take months or years to build, and are often outdated before they're finished
- Lean HR and L&D teams are being asked to support more change with fewer resources
- Employees need real, practiced skill-building — not a slide deck and a webinar

- Waiting for certainty means falling behind; the organizations moving now are building the muscle of continuous adaptation itself

Five Questions, In Order

The same sequence that governs any organizational transformation – applied to AI.

01 Define the Business

How must our business create value differently over the next three years?

02 Design the Organization

How should structure, process, systems, and roles respond?

03 Define the Competencies

What must people be able to do in this new environment?

04 Develop Capability

How do we build and enhance those skills at scale?

05 Measure Capability

How will we know it's been learned, through action and practice?

NOT A LINE — A LOOP

What people demonstrate in step five doesn't end the process – it tells you whether your original answer to step one still holds. As the business keeps evolving, this cycle repeats continuously, not once a year.

Define the Business

Every framework for AI readiness that starts with tools instead of strategy gets the sequence backwards. Before asking what AI can do, leadership has to be explicit about what the business is, and what it is becoming. That answer – not a vendor roadmap – is what should drive every decision that follows.

QUESTIONS TO ANSWER FIRST

- What outcomes does this organization exist to deliver, and how is that changing?
- Where does AI genuinely change how that work gets done – versus where it's a distraction?
- What will our business look like in two to three years if we get this right?
- Who needs to be in the room to answer these questions honestly – not just HR?

THE LEADERSHIP TEAM'S ROLE

This is a shared conversation across the CEO, CHRO, COO, CIO/CTO, and business unit leaders – not an HR exercise running in parallel. Bring the workforce lens into strategy before it's finalized, not after.

Design the Organization

Once the business definition is clear, the organization has to respond deliberately. This is the same design work required by an ERP rollout or a restructuring – the difference is only the trigger. Four levers move together:

Lever	The Question It Raises
Structure	Do reporting lines and team boundaries still match how work actually flows?
Process	Which workflows should be redesigned rather than simply automated?
Systems	What platforms and data does the organization need to operate this way?
Roles	Which roles are changing, merging, disappearing, or newly required?

Skipping this step is the single most common mistake organizations make with AI: layering new tools onto an org design built for how work used to happen, then wondering why adoption stalls.

WHAT GOOD LOOKS LIKE

A structure, set of processes, and systems that were deliberately redesigned around the future business – with roles named clearly enough that step three can define what each one actually requires.

Define the Competencies

With roles named, the organization can finally answer the question that actually matters: what does someone need to be able to *do* to operate well in this new environment? This is where most competency work traditionally breaks down – it's slow, generic, and often built once and left untouched for years, well past the point it still reflects reality.

COMPETENCIES WORTH NAMING EXPLICITLY

- Judgment about when to rely on AI output and when to override it
- Prompting and iterating as a working skill, not a one-time training topic
- Leading and coaching teams through continuous, rather than one-time, change
- The uniquely human work AI can't do – relationship-building, ethical judgment, ambiguity

THE OPPORTUNITY HERE

This is the step where an AI-enabled workforce intelligence layer, like Clara, changes the economics – turning a multi-month competency-modeling project into something built and refreshed continuously, tied directly to how the business is actually evolving. More on that in the next section.

Develop Capability

Naming a competency doesn't build it. This is where most organizations still default to what's fastest to schedule – a workshop, an e-learning module, a one-time rollout – rather than what actually changes behavior. Capability is built through repeated exposure, feedback, and coaching, not a single event on the calendar.

WHAT BUILDING CAPABILITY ACTUALLY REQUIRES

- Managers equipped to coach the new competencies, not just enforce them
- Development available in the flow of work, not only in scheduled programs
- Reinforcement that continues well past a single training session
- A way to reach every employee – not only the leaders who get the coaching budget

THE CONSTRAINT THIS SOLVES

Most HR and L&D teams don't have the headcount to coach an entire workforce through a shift this size. This is precisely the gap an AI coaching layer is built to close – extending managers' and HR's reach, not replacing them.

Measure Capability

A competency isn't real until it shows up in how someone actually works. This step asks the question every prior step was building toward: how will we know this has been learned – through action and practice, not a certificate of completion?

SIGNALS THAT LEARNING ACTUALLY HAPPENED

- Managers observe the behavior showing up in real decisions, not just self-reported confidence
- Employees can apply the skill to a new, unfamiliar situation – not just the one they practiced
- Teams are visibly working differently – faster decisions, fewer escalations, more confident use of new tools
- What's demonstrated here feeds back into step one, sharpening the next answer to what the business needs

WHY THIS STEP IS OFTEN SKIPPED

Measuring demonstrated behavior at scale has traditionally required either expensive assessment programs or manager time few organizations can spare. That's changing – an AI layer that's present in day-to-day coaching can also surface honest signal on where capability is and isn't taking hold.

A Layer, Not a Centerpiece

This framework doesn't require Clara. It requires discipline – defining the business, designing the organization, naming competencies, building skill, and proving it in practice. Where Clara fits is as the intelligence layer that makes steps three, four, and five achievable at workforce scale, in a fraction of the time and cost of building them the traditional way.

03 Define the Competencies

Clara helps build and continuously refresh competency models against how the business is actually evolving – instead of a static document revisited every few years.

04 Develop Capability

Clara extends coaching and learning into everyday work – reinforcing what managers and HR teach, available to every employee, not only those with a coaching budget.

05 Measure Capability

Every coaching interaction generates honest signal on where capability is landing and where it isn't – feeding straight back into how leadership refines strategy.

Clara doesn't replace managers, coaches, or HR – it extends their reach into moments they can't be present for every day. The goal is a workforce that keeps learning and adapting, not a headcount reduction.

GETTING STARTED

Questions to Bring to Your Leadership Team

This framework works whether or not the next step involves Clara. Use it as a discussion guide before committing to any tool, vendor, or program.

Where are we most honest, and least honest, about how AI is changing what our business needs to deliver?

Has anyone actually redesigned structure, process, or roles – or have we only layered new tools onto the old design?

If we asked ten employees what "AI-ready" means for their specific role, would we get ten different answers?

Are managers being asked to coach people through this shift without any coaching support of their own?

How will we actually know, six months from now, whether this worked?

WHERE TO BEGIN

Most organizations don't need to run this framework end to end on day one. Start with an honest answer to step one, then use it to test whether current investment is landing on step two, three, four, or five.

Bring This to Your Leadership Team

This framework is meant to be shared – with your CEO, your leadership team, or another executive navigating the same question. If it would help to walk through where your organization sits today, or where Clara could support steps three through five, I'd welcome the conversation.

About Susan Chu

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Susan Chu works at the intersection of organizational transformation, leadership development, executive coaching, and AI. Across more than two decades in Fortune 500 and high-growth organizations, she has helped leaders navigate restructurings, workforce transformation, leadership transitions, and enterprise change. Today, through Mindful Lifestyle and Clara.AI, she helps leaders and organizations build the capabilities required for the future of work – combining human-centered leadership with AI-powered learning and coaching.

Former HR and business executive at DuPont, Booz Allen Hamilton, and Advance Publications. M.S. in Organizational Development, Johns Hopkins University. ICF ACC Certified Coach. Certified High Performance Coach (CHPC).