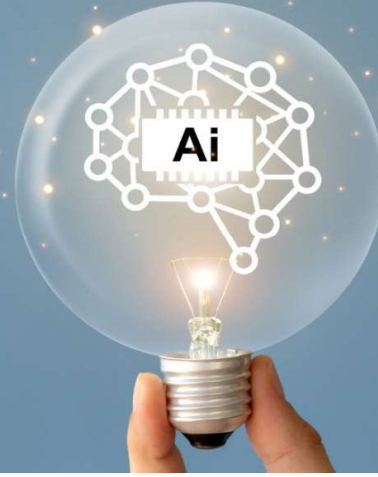


AI Roundtable



AI Roundtable 5: People, Culture & Structure

Session Notes

Date: 14 July 2026

Format: Hybrid (In person / Teams)

Duration: 2 hours

Led by: PSFI – Gareth John & Kevin Hogarth

Guest Speaker: Professor Madeleine Bernhardt

Status: Confidential – for circulation within the roundtable group only (Chatham House Rule)

1. AI Transformation is Fundamentally a People Challenge

The session opened with the observation that while firms continue to invest significantly in AI technology, long-term success will depend on people adopting new behaviours, mindsets and ways of working. Participants discussed the importance of balancing technological transformation with cultural and organisational change.

Professor Madeleine Bernhardt introduced a framework for leading transformation across three levels:

- ◆ Organisational culture
- ◆ Team dynamics
- ◆ Individuals' mindsets and behaviours

The discussion emphasised that successful AI adoption requires firms to address all three simultaneously rather than viewing AI as a purely technical initiative.

2. Building an Adaptive Culture

Participants explored the characteristics of cultures that are most likely to thrive in a rapidly changing environment. Key themes included:

- ◆ Curiosity and openness to new ideas
- ◆ Willingness to challenge assumptions
- ◆ Learning through experimentation

- ◆ Comfort with uncertainty
- ◆ Constructive feedback and continuous improvement

Several firms are beginning to embed these behaviours into recruitment, promotion and succession planning processes, recognising that adaptability may become a greater differentiator than technical AI expertise alone.

3. Psychological Safety and AI Adoption

A significant part of the discussion focused on creating environments where people feel safe to experiment with AI. Participants noted that:

- ◆ Innovation requires individuals to propose new ideas without fear of criticism.
- ◆ Teams need confidence to challenge outputs, ask questions and test assumptions.
- ◆ AI should not be viewed simply as a tool but as something that changes team dynamics and working relationships.

There was agreement that firms need to help teams develop appropriate ways of working alongside AI while maintaining critical thinking and professional judgment.

4. Leading Through Uncertainty

Participants debated how AI transformation differs from previous organisational change programmes. Several observations emerged:

- ◆ The pace of change is unprecedented.
- ◆ The end-state remains unclear.
- ◆ There is no established playbook for firms to follow.
- ◆ Every organisation is navigating similar challenges simultaneously.

Some participants compared the current environment to the uncertainty experienced during COVID, where organisations were required to adapt quickly despite limited certainty about future developments.

5. Professional Identity and the Future Lawyer

Discussion explored how AI may reshape perceptions of professional value and expertise. Questions raised included:

- ◆ How do lawyers create value in an AI-enabled environment?
- ◆ Which activities should remain uniquely human?
- ◆ How can firms help lawyers embrace change without feeling threatened by it?

A recurring theme was that AI competence should increasingly be viewed as part of professional capability, while human judgment, client relationships and commercial awareness will remain critical differentiators.

6. Encouraging and Incentivising AI Adoption

Participants shared examples of approaches being used to drive engagement with AI. Examples included:

- ◆ Recognising time spent on AI-related innovation.

- ◆ Innovation competitions and firm-wide AI challenges.
- ◆ AI champion networks.
- ◆ Bonus recognition for innovation and product development.
- ◆ Dedicated innovation hours for experimentation.

A key challenge identified was balancing encouragement to innovate with concerns from some employees about the potential long-term impact of AI on traditional career pathways.

7. Governance, Risk and Accountability

The group discussed the governance frameworks being developed across firms. Key approaches include:

- ◆ AI usage policies and guidance.
- ◆ Client confidentiality safeguards.
- ◆ Human review and quality assurance processes.
- ◆ Clear accountability for outputs generated using AI.

Participants agreed that regardless of how AI is used, responsibility for the final legal advice remains with the lawyer.

The group also discussed the "push-pull" dynamic whereby firms encourage use with clear guidelines to ensure verification of AI outputs (quality control), while having a feedback mechanism to capture new ways of using AI to find new ways to improve the firm's services.

8. Skills Required for the AI-Enabled Lawyer

A strong consensus emerged that AI is increasing rather than reducing the importance of human skills. Skills highlighted included:

- ◆ Commercial awareness
- ◆ Critical thinking
- ◆ Judgment
- ◆ Relationship building
- ◆ Problem solving
- ◆ Communication and influencing
- ◆ Collaboration across disciplines

Several participants suggested that the future lawyer will increasingly resemble a trusted adviser whose value comes from interpretation, insight and client relationships rather than access to legal knowledge alone.

9. Developing AI Fluency Across the Firm

Participants emphasised that AI development should extend beyond lawyers.

Many firms are beginning to think about creating an "**AI-fluent organisation**", where legal professionals, business services teams, legal project managers and other specialists all contribute to client delivery.

There was broad agreement that future client teams are likely to become increasingly multidisciplinary.

10. New Approaches to Learning and Development

The discussion explored how firms are adapting their training approaches. Examples included:

- ◆ AI drafting labs
- ◆ Innovation workshops and hackathons
- ◆ Simulated client scenarios
- ◆ Prompt engineering exercises
- ◆ AI-supported negotiation and communication practice

Participants were particularly interested in the potential for AI-powered simulations to provide safe environments for practising client-facing and commercial skills.

The point was made that while some Partners might not be proficient in using AI in their work (and some clients clearly do not want them using AI for high-risk matters), it was important in their leadership role to advocate AI use across the firm where it adds value. In terms of juniors acquiring judgment and client value skills quicker, increased exposure of juniors at client meetings and increased mentoring / knowledge transfer by seniors were ways to utilise time made available by AI to upskill juniors.

11. The Challenge of Developing Junior Lawyers

The group focused on how firms will continue to develop junior lawyers as AI takes on more routine work. Questions explored included:

- ◆ Who pays for lawyer development in an AI-enabled world?
- ◆ How can firms preserve learning opportunities traditionally gained through repetitive legal work?
- ◆ Should legal education evolve to reflect new technologies?

While there was no consensus, participants agreed that the development of judgment, critical reasoning and client-facing skills remains essential regardless of technological change.

12. Impact on Law Firm Structure and Talent Models

The group discussed whether AI is likely to change traditional law firm structures. Themes included:

- ◆ Future recruitment levels.
- ◆ Changes to leverage models.
- ◆ Growth in specialist business services roles.
- ◆ Greater use of multidisciplinary client teams.
- ◆ More agile workforce planning.

Most firms represented indicated that they are not currently making significant changes to trainee recruitment numbers, preferring to continue observing developments while building flexibility into future workforce planning.

13. Retention, Culture and Employee Value Proposition

Participants explored whether firms may need new approaches to retaining talent. Rather than relying solely on financial incentives, contributors highlighted the importance of:

- ◆ Strong organisational culture.
- ◆ Meaningful career development.
- ◆ Opportunities for learning and growth.
- ◆ Clear purpose and direction.
- ◆ A compelling employee value proposition.

Many felt these factors would become increasingly important as competition for talent evolves.

14. Key Closing Reflections

The final discussion reinforced several themes that had emerged throughout the roundtable series:

- ◆ AI transformation is ultimately a leadership and culture challenge.
- ◆ Firms need to balance experimentation with governance.
- ◆ Human judgment, commerciality and client relationships are becoming increasingly valuable.
- ◆ Adaptability and continuous learning will be essential future capabilities.
- ◆ Organisations should continue testing, learning and refining rather than making large-scale structural changes prematurely.

Participants expressed strong support for continuing the conversation through future networking events and a potential ongoing AI forum to facilitate the sharing of experiences, challenges and emerging practices across the legal sector.

With special thanks to the following participating firms for their engagement, contribution and commitment to the programme:

Arthur Cox
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Travers Smith
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We are grateful for the support, expertise and collaborative spirit of all participating organisations, which have helped make the programme a success.

All supporting materials associated with this session, including slides and referenced resources, will be available via the website access link circulated to participants.



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