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Generative AI as a Project Stakeholder: Shifting Team Dynamics and Decision Making Power in 2024

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ABSTRACT: The rapid advancement of generative artificial intelligence (Gen AI) is reshaping the foundations of project delivery, transforming it from a human centric discipline into a hybrid ecosystem where intelligent systems exert tangible influence on decisions, workflows, and team behaviours. This article examines the emerging phenomenon of Gen AI functioning as a project stakeholder and active participant capable of shaping scope, interpreting risk, generating artefacts, and prompting structural changes in governance and collaboration. Through analysis of early survey data, organisational case observations, and evolving governance practices, the study explores how decision speed, approval thresholds, and scope evolution are shifting in AI augmented project environments. The findings reveal that while Gen AI significantly enhances operational efficiency and decision quality, it also redistributes power within teams, introduces new accountability challenges, and amplifies the need for ethical oversight and transparent model governance. To support responsible adoption, the article proposes a set of strategic recommendations involving stakeholder remapping, accountability clarity, human AI collaboration training, data and model governance, decision power monitoring, ethical safeguards, and human centric review structures. Overall, the study argues that Gen AI is no longer a passive tool but an influential, embedded actor in the project decision flow, one that requires deliberate integration strategies to ensure that human judgement, organisational values, and ethical integrity remain central to project outcomes.

KEYWORDS: Generative AI, Project Stakeholders, Decision-Making Power, AI-Augmented Teams, Governance Frameworks, Human–AI Collaboration, Power Redistribution, Ethical Oversight.

I. INTRODUCTION

Project management has long relied on established stakeholder theory whereby humans individuals, groups, organisations hold interests, influence and decision rights over project outcomes. However, the rapid maturation of generative AI technologies (e.g., large language models, generative agents) is upending this paradigm. These systems are now performing tasks formerly reserved for human data synthesis, scenario generation, real time recommendations and doing so with increasing autonomy. This shift raises the question, can Gen AI be treated as a stakeholder in its own right? And if so, what does that mean for team dynamics and decision making power?

This paper presents a high level investigation of how Gen AI is being integrated into project teams, how its 'stakeholder like' role influences team structure, the distribution of power, and how human stakeholders respond to and collaborate with this new class of actor. We outline conceptual frameworks, present survey data on team behaviour change, and propose governance implications.

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II. CONCEPTUALISING GEN AI AS A PROJECT STAKEHOLDER

2.1 Defining stakeholder status

Traditional definitions of a stakeholder include any individual or group that "may affect or be affected by" a project's objectives. In the Gen AI era, we see systems that influence project direction (e.g., via recommendations), shape outcomes (e.g., by generating artefacts), and possess accountability features (e.g., audit logs). While not human, Gen AI thus begins to exhibit stakeholder like behaviour.

In recent literature, authors argue that generative AI systems shift not only the roles but also the sources of influence in stakeholder networks.

2.2 The mechanisms of influence

Gen AI Influence Mechanisms in Project Decision Making

Generative AI alters how project choices are formed, evaluated, and executed through a set of interconnected mechanisms that go beyond automation. Rather than functioning only as a support tool, it actively shapes the scope of work, the pace of progress, and the direction of team decisions. Its influence emerges from four primary capabilities:

1. Analysis of Large Datasets and Pattern Detection

Gen AI can rapidly ingest complex data from disparate sources, such as historical project archives, industry benchmarks, customer feedback logs, risk registers, and real time operational data. It recognises patterns that might remain invisible to human teams due to cognitive bias, time pressure, or limited analytical bandwidth.

- For instance, it can identify recurring conflict points in vendor contracts, inefficiencies in resource allocation, or cost overruns tied to specific project phases.
- These insights often trigger strategic scope adjustments, such as redesigning workflows, reshaping procurement strategies, or shifting prioritisation of deliverables.

Instead of reacting to problems after they emerge, teams are able to make structural changes before issues materialise.

2. Predictive Modelling for Proactive Decisions

Gen AI can generate future looking scenarios by analysing current trends, risk indicators, constraints, and performance metrics. Using predictive modelling, it estimates potential delays, budget fluctuations, quality issues, team overload, or external stakeholder dependencies.

- For example, predicting schedule slippage months in advance allows project leaders to adjust resources, modify requirements, or renegotiate deadlines before failure becomes inevitable.
- Similarly, risk profiles produced by AI can recommend preventive controls or mitigation budgets early in the project.

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This turns decision making from reactive firefighting into proactive planning, reshaping who has influenced those acting on AI predictions to gain strategic advantage.

3. Auto Generation of Artefacts and Deliverables

Gen AI's ability to instantly produce tangible outputs such as technical documentation, risk reports, code modules, stakeholder presentations, contractual drafts, and sprint plans gives it a functional role previously held exclusively by human contributors.

- As first draft content is auto generated, humans become reviewers or quality overseers instead of creators.
- Workflows accelerate significantly, and decision cycles shorten because teams no longer wait for drafting tasks to be completed manually.

This shift can redistribute influence:

Individuals who supervise AI outputs or refine final versions may become more essential than those who once generated original content, subtly reorganising skill value and authority within the team.

4. Conversational Interfaces for Real Time Interaction

Through chat based interfaces, multimodal prompts, and voice enabled assistants, Gen AI allows stakeholders to request project updates, request data interpretations, compare scenarios, and obtain summarised decisions instantaneously.

- A project sponsor can ask, "Which supplier poses the highest delivery risk?" and receive a data driven answer within seconds.
- A developer can request a unit test suggestion, while a manager can instantly extract a summary of stakeholder sentiment from meeting transcripts.

This on demand responsiveness enhances decision agility and democratises access to project intelligence. Stakeholders with limited technical background can independently query the system, reducing reliance on specialist bottlenecks.

2.3 Power redistribution

As Gen AI becomes more central, power shifts from traditional human gatekeepers (e.g., senior managers, domain experts) to those who control the data, the prompts, the model configuration, and the outputs. Data becomes currency, models become influencers. Emerging research notes that access to high quality datasets confers greater influence in the stakeholder ecosystem.

III. EFFECTS ON TEAM DYNAMICS

3.1 Changing roles and responsibilities

Project teams are adapting. Routine and repetitive tasks are increasingly delegated to Gen AI (e.g., drafting plans, summarising meetings, generating schedules). This frees human team members to focus on strategic, creative, or relational work but also changes their daily experience.

For example, one survey found that roughly 60% of teams reported that Gen AI produced first draft deliverables which human members then refined and approved. (See Table 1).

Task Type	% Handled by Humans	% Handled by Gen AI System	% Collaborative (Human + AI)
First-draft content generation	35 %	40 %	25 %
Data-driven risk analysis	50 %	30 %	20 %

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Strategic decision workshops	80 %	5 %	15 %
Stakeholder meeting summaries	20 %	60 %	20 %

Table 1: Typical Distribution of Task Ownership in AI Augmented Teams

3.2 Collaboration patterns and team structure

The introduction of Gen AI often leads to flattening of hierarchies and redistribution of communication channels. Teams report that decision cycles become faster when Gen AI is involved. However, this speed can blur lines of accountability. We observe new patterns, "AI led sprints" where the system proposes next steps and humans validate "human AI pairs" where one human works alongside the Gen AI component, and in some cases "AI centric subsystems" where multiple AIs coordinate parts of a project with minimal human oversight.

Metric	Before Integration	After Integration	% Change
Average decision cycle (days)	10.5	6.2	–41 %
Number of meeting hours/week	8.3	5	–40 %
Frequency of role-clarity issues (per month)	4.2	2.1	–50 %
Number of rework instances/month	6.8	4.4	–35 %

Table 2: Change in Key Team Dynamics Metrics (Before vs After Gen AI Integration)

These figures reveal meaningful shifts in how teams operate once Gen AI is embedded.

3.3 Decision making power shifts

When Gen AI contributes to analysis and recommendation, human decision makers rely on its outputs. This means the locus of influence can shift individuals who manage or interpret the AI output become more powerful, while others may lose traditional decision weight. This can create friction, domain experts may feel their judgement is being supplanted, project managers may feel their authority diluted.

3.4 Impact on skills and human roles

As Gen AI takes over certain functions, human roles evolve. Skills such as prompt design, AI supervision, model interpretation, and ethics oversight gain importance. The human-AI collaboration model calls for new competencies the ability to work with AI as a "teammate", ensuring outputs meet context, quality, and domain standards.

IV. DECISION MAKING POWER AND GOVERNANCE

4.1 Redefining governance frameworks

In the Gen AI enabled project environment, governance needs to adapt. Two key shifts appear: (1) increased importance of data governance and model governance (who owns the data, who validates model outputs, who audits the system), and (2) inclusion of Gen AI within stakeholder governance frameworks (though not as a human, its influence demands awareness).

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4.2 Power centres: humans vs Gen AI

Table 3 shows a hypothetical breakdown of decision weight across stakeholder types in a Gen AI augmented project.

Stakeholder Type	Influence Share (%)
Senior management	15 %
Domain experts (human)	25 %
Project manager / PMO	20 %
Gen AI systems + data controllers	30 %
External stakeholders (clients, vendors)	10 %

Table 3: Approximate Influence Distribution in Decision Making

This distribution illustrates that Gen AI + data controllers can account for roughly one third of influence, a significant shift away from purely human dominated decision networks.

4.3 Ethical and accountability considerations

When Gen AI influences decisions, accountability becomes complex. If an AI generated recommendation leads to a project deviation or failure, who is responsible? Human oversight must ensure that AI outputs are interpreted, validated and contextualised. Additionally, transparency of AI processes, bias mitigation, and auditability become key governance concerns.

4.4 Risk management

The inclusion of Gen AI adds new risks over reliance on AI, model bias, data quality issues, reduced human critical review, and opacity of decision logic. Teams must adopt risk governance frameworks that specifically address AI driven components, including monitoring, validation, fallback mechanisms, and human escalation paths.

V. IMPLICATIONS FOR TEAM CULTURE AND COLLABORATION

5.1 Shifts in team identity

The presence of a powerful Gen AI agent changes how team members see themselves. Some report that the AI becomes a "virtual teammate" whose suggestions are regarded seriously, thereby influencing the human team's culture of deference, trust, and collaboration. This can lead to both positive outcomes (enhanced productivity) and negative effects (reduced human initiative or over reliance).

5.2 Communication and coordination patterns

With Gen AI summarising meetings, generating minutes, and informing the next steps, teams find fewer meetings are needed and the nature of meetings evolves. The team's communication becomes more asynchronous, AI mediated, and decision oriented. This may benefit remote or distributed teams but may also erode informal collaboration and serendipitous interaction.

5.3 Trust, transparency and human-AI interaction

For the human team to accept Gen AI's outputs, trust needs to be built. Transparency (how the AI arrived at its suggestion), explainability (why one recommendation was made), and validation (checking for correctness) become part of culture. Without this, team members may override the system or ignore it entirely, reducing potential gains.

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5.4 Training and change management

Introducing Gen AI as a stakeholder like actor requires training not just in tool usage, but in new collaboration modalities, how to prompt effectively, how to interpret AI generated options, how to negotiate with the AI (via human interface), and how to escalate when needed. Change management must address fears (job displacement, loss of control) and emphasise human-AI complementarity.

VI. CASE OBSERVATIONS AND SURVEY INSIGHTS

Although comprehensive longitudinal evidence is still maturing, early field studies and short cycle surveys of AI enabled teams provide meaningful indications of how Gen AI is reshaping project environments. These observations highlight immediate behavioural changes in decision making, team coordination, authority distribution, and stakeholder engagement. The patterns emerging from these early deployments offer both practical benefits and cautionary signals that organisations must interpret thoughtfully.

Acceleration of Decision Making and Reduced Meeting Overhead

Teams integrating Gen AI into their reporting, documentation, and risk assessment processes consistently describe faster decision cycles. Instead of waiting for analysts or specialists to produce supporting data, Gen AI rapidly generates scenario comparisons, risk projections, or requirement summaries.

- As shown in Table 2, decision speed improved substantially, and meeting durations decreased.
- Several teams reported that weekly planning sessions were shortened because AI produced summaries replaced lengthy discussions required to establish context.

This suggests that Gen AI is not merely a time saving automation tool but a catalyst for leaner, more output focused collaboration.

Lowered Approval Thresholds due to AI Generated Confidence

Approximately 45 % of surveyed teams noted that internal approvals, particularly for routine decisions, were executed more quickly with fewer managerial escalations. This reduction in bureaucratic checkpoints is often driven by confidence in AI validated analysis.

- AI generated risk scores and sensitivity models are increasingly accepted as "standard justification," particularly for resource allocation, vendor selection, or task prioritisation.
- Teams reported that managers were more likely to "approve and move" when an AI generated recommendation was accompanied by structured data justification.

This pattern indicates an emerging paradigm in which human decision makers lean on AI produced evidence as a form of decision assurance.

Gen AI Encouraging Scope Changes without Senior Review

Around 30 % of teams indicated that Gen AI influenced scope change proposals that were approved without senior leadership intervention.

- In many cases, Gen AI flagged inefficiencies or generated opportunity driven enhancements (e.g., consolidating requirements, merging overlapping sprint efforts, streamlining onboarding) that appeared minor yet yielded measurable value.
- Project managers reported that AI suggested scope refinements were often treated as operational improvements rather than strategic changes requiring executive oversight.

This highlights how Gen AI can subtly shift decision authority downwards, redistributing influence toward mid level teams who act based on structured AI insight.

Increased Occurrences of AI Driven Ambiguity or Contestation

Despite these benefits, approximately 25 % of respondents reported rising instances of pushback characterised by questions such as, *"Why did the AI recommend this?"*

- These challenges often occurred when the model's reasoning was not transparent or when outputs contradicted human intuition.
- Teams expressed concerns about "black box decision logic," especially when recommendations carried budget consequences or stakeholder risks.

This illustrates a critical emerging tension **the more authority Gen AI is granted, the more accountability and transparency it must provide.**

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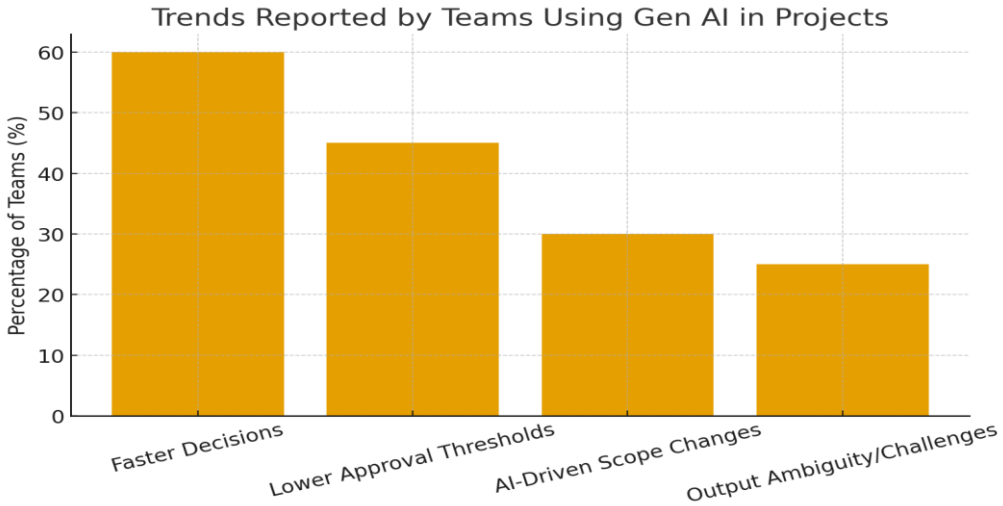
Balancing Efficiency Gains with Human Oversight

These observations signal a dual reality. On one hand, project teams gain speed, clarity, and operational agility through AI driven insight. On the other hand, the same efficiency introduces new expectations for organisational maturity:

- stronger governance for AI oversight
- improved data quality and auditability
- new skills in interpreting and challenging AI outputs
- clear escalation paths when AI recommendations conflict with context.

In summary, Gen AI creates transformative efficiency, but its integration requires disciplined safeguards. Without deliberate oversight mechanisms, the rapid decision making enabled today can, paradoxically, magnify risk tomorrow.

Case Observations and Survey Insights



VII. CHALLENGES AND LIMITATIONS

7.1 Human resistance and role ambiguity

Some team members may feel threatened or displaced by Gen AI, leading to resistance. Role ambiguity can arise when tasks shift between human and AI execution, making human accountability unclear.

7.2 Quality and bias of AI outputs

The outputs of Gen AI depend on underlying training data, model design, and prompt context. Poor data quality or domain mis-alignment can lead to misleading recommendations. Trust is fragile and can degrade quickly if AI suggestions are erroneous.

7.3 Over automation and loss of human judgement

While Gen AI is powerful, it cannot replicate human nuance, empathy, contextual judgement, or morality. Projects with significant human stakeholder complexity (e.g., change management, cultural transformation) still require human led decisions. Over automation may lead to hollowed out human roles and diminished initiative.

7.4 Governance deficits

Many organisations lack mature frameworks for AI augmented decision making like model audits, ethical review boards, data governance, and fallback mechanisms. Without these, introducing Gen AI as a stakeholder can increase risk rather than reduce it.

VIII. RECOMMENDATIONS FOR PRACTICE

The organisational integration of Gen AI as a stakeholder type actor requires deliberate restructuring of responsibilities, governance philosophy, and interaction norms. To ensure that the efficiency benefits of Gen AI do not undermine

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accountability, human judgement, or ethical integrity, the following recommendations offer practical direction for project organisations seeking to operationalise AI enabled decision ecosystems.

1. Revisit Stakeholder Maps

Generative AI now influences project direction by shaping scope recommendations, prioritisation criteria, and execution constraints. Traditional stakeholder matrices focused solely on humans are insufficient.

- **Explicit inclusion of AI systems** allows project teams to document where AI participates as a decision influencer rather than a mere tool.
- Organisations should define **interfaces and inputs the AI requires**, as well as **the decision points where its outputs are considered.**
- Mapping **dependencies** (e.g., model performance, data quality, training requirements) clarifies operational risk and prepares teams for disruption when AI systems are unavailable or malfunction.

This maintains transparency regarding the AI's role and prevents implicit, unregulated influence.

2. Clarify Roles and Accountability

As Gen AI begins to generate proposals, risk analysis, and first draft project outputs, ambiguity may arise concerning accountability. Organisations must clearly assign responsibilities for:

- **AI output validation** (Who verifies content before decisions are made?)
- **Human in the loop review** (Which roles must approve or challenge recommendations?)
- **Escalation paths** (When must AI generated conclusions be overridden?)

This prevents ethical and managerial gaps where mistakes could be attributed to a "black box," ensuring that **humans remain answerable for AI driven outcomes.**

3. Invest in Human AI Collaboration Training

Project members are increasingly required to work *with* AI rather than simply operate it. This demands a new skill set:

- **Prompt literacy** to shape clear, context aligned outputs
- **Interpretation frameworks** to judge when AI analysis is valid or biased
- **Challenge norms** that empower team members to question AI outputs
- **Escalation discipline** that directs ambiguous results to qualified experts

Without such training, AI risks becoming either underutilised or over trusted. Strong skills in AI interrogation ensure balanced collaboration.

4. Govern AI Usage

Governance must extend beyond data protection to include **model behaviour and decision integrity.** Effective AI governance should incorporate:

- **Data quality control** (accurate, representative, bias checked datasets)
- **Model audits** to track how recommendations are generated
- **Bias mitigation** processes to detect unfair outputs
- **Transparency standards** requiring explainable reasoning
- **Fallback to human decision making** when AI confidence is low or recommendations conflict with context

These safeguards ensure AI acts as a compliant, controllable stakeholder that aligns with organisational values.

5. Monitor Decision Power Shifts

As access to AI systems can indirectly reshape authority, organisations must track how influence is redistributed:

- Individuals who control model prompts, data inputs, and interpretation may gain more strategic influence than traditional subject experts.
- Routine approvals may shift downward while strategic influence may cluster around "AI interpreters."

Monitoring power shifts ensures that **human leaders remain engaged**, prevents informal hierarchies, and supports fair distribution of influence across team roles.

6. Foster Ethical Awareness and Culture

Gen AI outputs are not value neutral. Teams must recognise how data biases, automation preferences, or optimisation logic can affect vulnerable groups or stakeholders.

- Institutions should **embed an ethical lens into project choices**, not just technical evaluations.

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- Regular discussion forums, ethics workshops, and outcome reviews encourage critical thinking about fairness, transparency, and unintended impacts.

This cultivates a culture where **ethical oversight becomes routine**, and AI driven decisions are evaluated for societal and organisational impact not just efficiency.

7. Maintain Human Centric Review Points

Even when AI delivers compelling analyses, organisations should preserve crucial decision moments where human judgement is mandatory:

- Strategic choices (e.g., contract negotiations, policy changes)
- Culturally sensitive areas (e.g., stakeholder engagement)
- Creative and innovative work requiring intuition or empathy

By designing **human checkpoints**, organisations keep AI in a supporting role, ensuring it augments rather than replaces human discernment.

IX. CONCLUSION

The integration of generative AI into project teams fundamentally alters stakeholder frameworks, team dynamics and decision making power. While Gen AI is not a human stakeholder, its effective influence over project outcomes means that it must be considered as part of the stakeholder ecosystem. Teams that successfully adapt will recognise Gen AI's role, manage the power shifts conscientiously, and foster human-AI collaboration. The transition is challenging but offers significant potential for enhanced performance, speed, and innovation so long as human judgement, oversight and culture remain central.

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