

# From Managers to Mediators: The New Face of Middle Management in the AI Era

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## ABSTRACT

Since AI is welcomed into organizational life, the impact of AI is countless. It is not only reshaping business operations, unlocking new opportunities for innovation, or creating sustainable competitive advantage, but also redefining the organizational structures and, more importantly, the roles of managers. Traditional hierarchical models, characterized by multiple managerial layers with a well-defined chain of command and distribution of rigid roles and responsibilities, mainly centralized decision making, are now flatter, more agile, more decentralized, organic in nature, and digitally enabled structures. Simply because organizations need the new emerging organizational structures in order to be more receptive, adaptive, and generative.

The responsibilities of managers have undergone substantial transformation. AI technologies automate numerous mundane duties once designated to middle managers, expediting decision-making and diminishing bureaucratic inefficiencies (Brynjolfsson & McAfee, 2017). As organizations embrace data-driven cultures, decision-making becomes more decentralized while remaining coordinated through AI insights, necessitating novel forms of cross-functional collaboration and platform-based communication (Davenport & Ronanki, 2018), rendering the traditional role of middle managers increasingly obsolete (Elliott, 2021). Recent advancements evoke mixed emotions regarding the topic and incite significant disputes; however, it is evident that the conventional role of middle managers is no longer sufficient in the contemporary business environment.

The role of middle management is undergoing a pivotal transformation, raising important questions about its future direction. Some strongly assert that AI serves not to displace middle managers, but rather to empower them, enabling the enhancement of their jobs beyond conventional limits and fostering more strategic value within their enterprises. These patterns indicate a fundamental shift in which human and machine intelligence are not adversarial but rather combined to enhance strategic adaptability. Conversely, recent reports suggest that middle

managers are vanishing at a concerning pace within American enterprises. According to Bloomberg, middle management roles constitute approximately 30% of current white-collar layoffs. This is not a transient trend; as corporations adopt organizational "efficiency" by flattening hierarchies, it represents a fundamental reorganization of corporate activities that may generate systemic vulnerabilities, endangering entire enterprises. (Lawrence, 2025). Gartner forecasts that by 2026, AI-driven automation will have eradicated around one-third of ordinary white-collar employment worldwide. The main question remains mysterious- what really happens to middle managers?

This paper examines how the rise of AI is transforming middle management roles in the automotive industry and altering organizational structures within companies. Data will be collected through interviews conducted with representatives from various automotive companies across Europe. This study seeks to contribute to the ongoing discourse around this dynamic subject.

**Keywords:** AI; middle managers; organizational structures; HRM; managerial roles