

# TESTING THE EXISTENCE OF AUTOMATION – AUGMENTATION PARADOX FOR PUBLIC MANAGERS IN SLOVENIA

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## Abstract

The application and utilization of Artificial Intelligence (AI) has increased recently in all organizations, including public sector ones. From the organizational perspective, AI utilization should generate both economic as well as social gains, and in this context, it is necessary to address automation-augmentation paradox. Namely, this paradox stems from the question, whether AI replaces humans in performing tasks (i.e., automation), or whether the application of AI necessitates the increase in AI-human interactions (i.e., augmentation). The starting point of the research is POSDCORB framework, which delineates the core functions of a manager and offers a classical perspective on the administrative responsibilities of managers. AI shall increasingly transform the POSDCORB framework by streamlining management functions and enhancing decision-making accuracy. The main research question is what can be automated based on AI for performing management functions, and what necessitates augmentation between AI and humans for performing management function? To assess AI's impact on POSDCORB managerial functions in the public sector organizations, the study uses both qualitative and quantitative data sources, enhancing validity through data triangulation. The research findings indicate that AI's impact varies across management functions, where public managers particularly prefer augmentation for strategic planning tasks, coordination, reporting, and performing potential dynamic financial adjustments. Finally, public managers' report on still ongoing tension in the form of a tendency to switch between automation and augmentation as tasks evolve.

## Keywords

Artificial intelligence, management functions, automation-augmentation paradox, principal-agent theory, technology acceptance frameworks, Analytic Hierarchy Process.

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