GLG SURVEYS

THE STATE OF AI IN THE WORKPLACE

GLG

AI IS HERE TO STAY

Artificial intelligence (AI) is transforming technology — and with it, the workplace. As Andrew Ng, chief scientist at Baidu, puts it, AI is "the new electricity,"[1] set to revolutionize every industry like electrification did over a century ago.

How that revolution will shape the future of business — and whether it will be good for workers, innovation, and growth — remains to be seen. Done right, applying AI to data-intensive optimization and prediction tasks frees workers to exercise creativity, solve complex problems, and think strategically. But using AI thoughtfully and ethically takes coordination and commitment. Are businesses bringing those qualities to bear? Are there differences across industries or across functions within organizations?

To get a clearer sense of the changes already underway, GLG conducted a survey in September - November 2019 of senior executives across three key sectors: financial services, healthcare, and consulting. The survey includes a range of companies of different sizes and is one of the first to break down results by functional area, including a mix of CEO/COOs, CMOs, CTOs, and CHROs.

[1] https://www.gsb.stanford.edu/insights/andrew-ng-why-ai-new-electricity

6 KEY TAKEAWAYS:

1. **The AI age is upon us.** More than 70% of executives in financial services, healthcare, and consulting say that their companies have adopted AI in the last three years.

2. **AI strategy is currently siloed within functions.** 60% of executives do not feel fully aligned with senior colleagues in other departments on how AI should be developed and used.

3. **CMOs particularly want to grow their AI capabilities.** Almost 80% of CMOs across industries see a need to develop AI within their departments.

4. **Enthusiasm about AI varies widely across industries.** Over 60% of respondents in financial services see AI as a key strategic initiative, versus only 43% in healthcare.

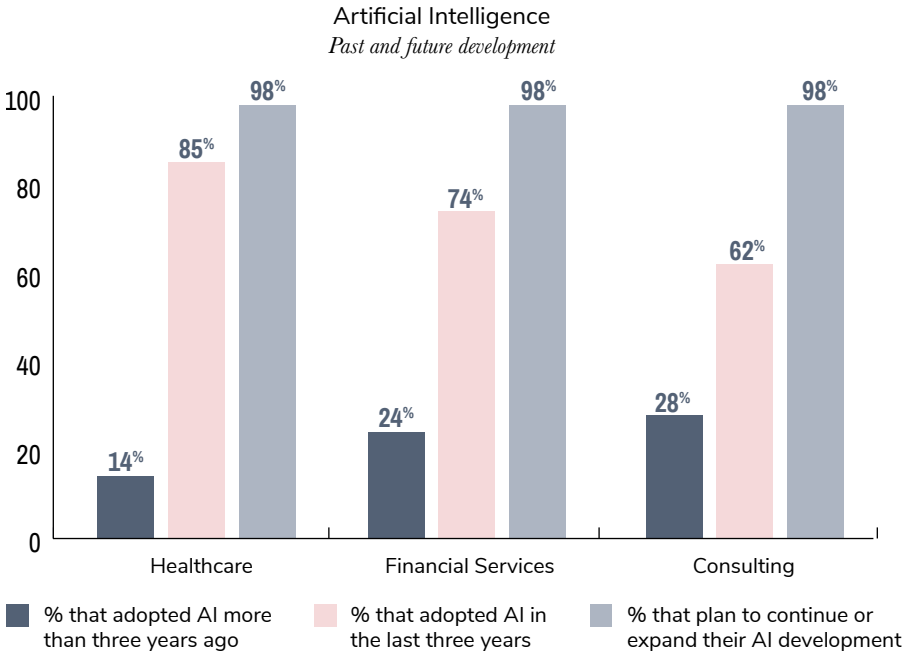
5. **Ethical challenges with AI often go unaddressed.** Only 26% of executives say their companies have put measures in place to manage risks of AI bias. About 31% say their companies have not established ethical practices related to AI at all.

6. **Executives believe AI and humans can work together.** More than 60% of respondents are optimistic that AI can augment the human workforce.

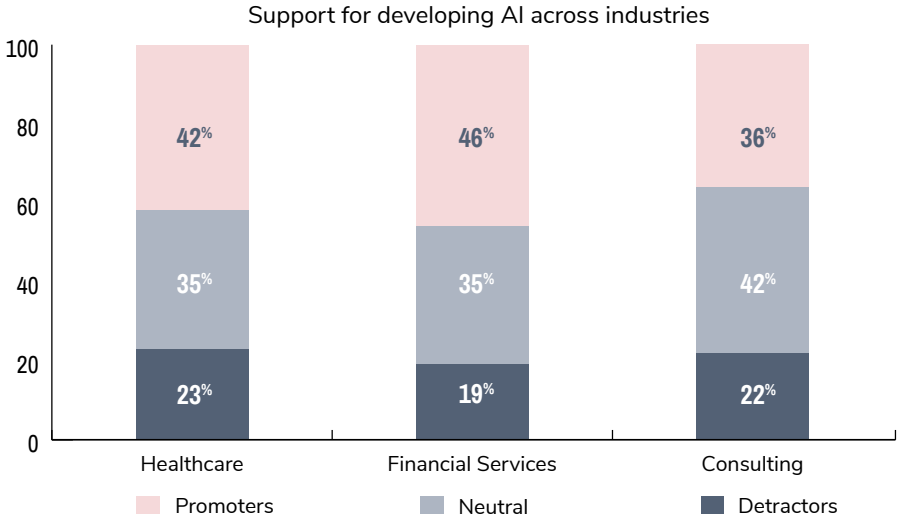
> “Among fintech competitors, [AI] is essential to stay in the game in the future, as customers are demanding it and business processes can’t keep up without it.”
>
> **FINANCIAL SERVICES CHRO**

ADOPTION OF AI IS GATHERING PACE

Financial services, healthcare, and consulting have adopted AI only recently: only about 20% of respondents have AI initiatives dating back longer than three years. Healthcare was slowest to get started, though it has made up for lost time: healthcare industry leaders have significantly ramped up AI investment in the past three years.

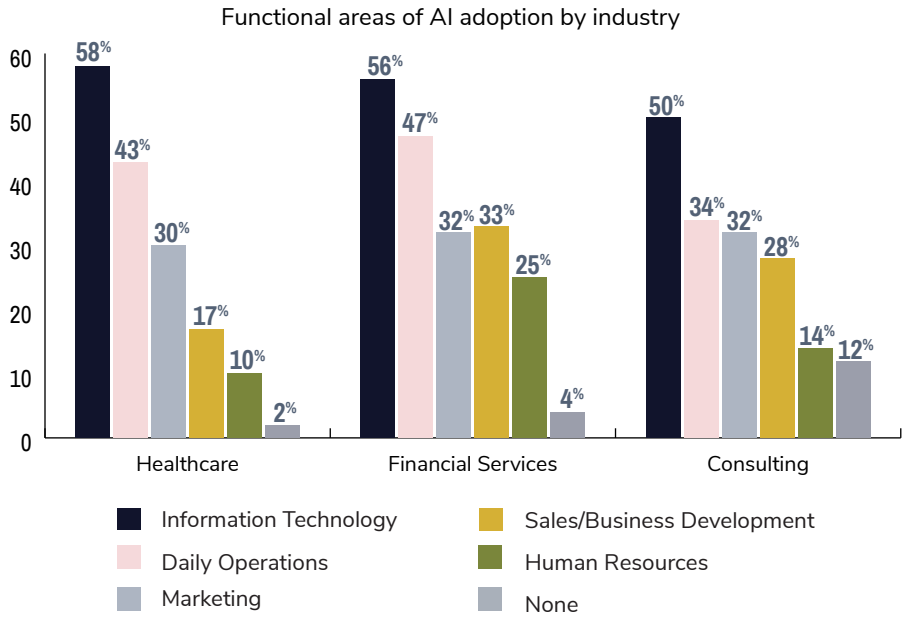


On the whole, executives are invested in developing AI at their companies. Promoters outnumber detractors in all three industries. In healthcare and financial services, promoters lead by a margin of more than 2-to-1.

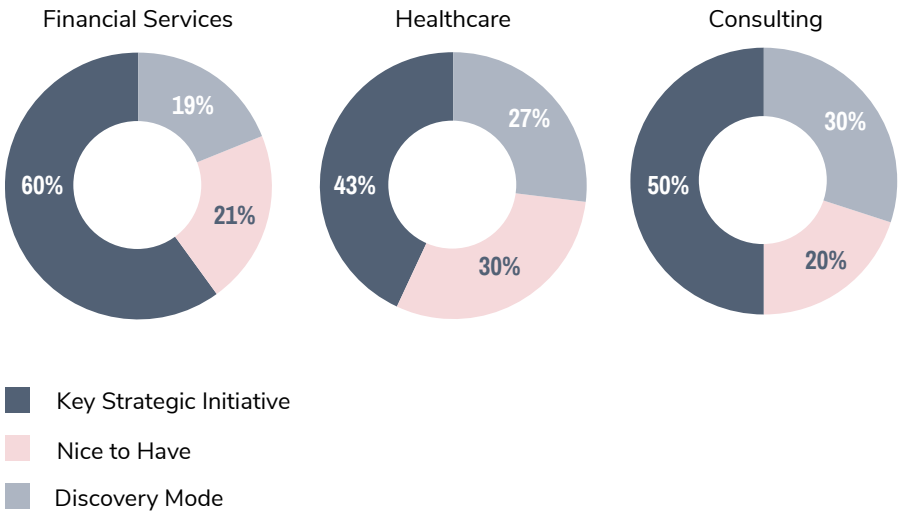


> When things do not work, are there people left to do the work? When will we know that things did not work? It has to be before it reaches the customer or it will create big issues."
>
> **CONSULTING COO**

All three industries are adopting AI for their IT and operations teams. In addition, financial services has pulled away from other sectors in adopting AI for human resources, including by using AI to improve the hiring experience for candidates and identify the best talent.



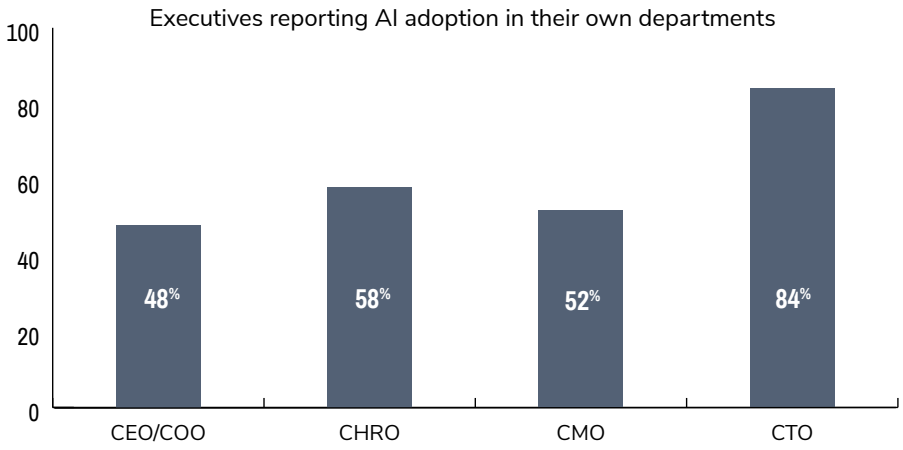
This could reflect the nature of these industries: healthcare and consulting are patient- and client-facing fields, while financial services often requires less face-to-face interaction, instead relying on technical and data-driven capabilities. While AI is excellent at process optimization, it cannot (yet) replace employees for client-facing tasks.



> “Data-based decision-making versus intuition… allows us to prioritize resources and strategic focus based on data-driven insights.”
>
> **FINANCIAL SERVICES CHRO**

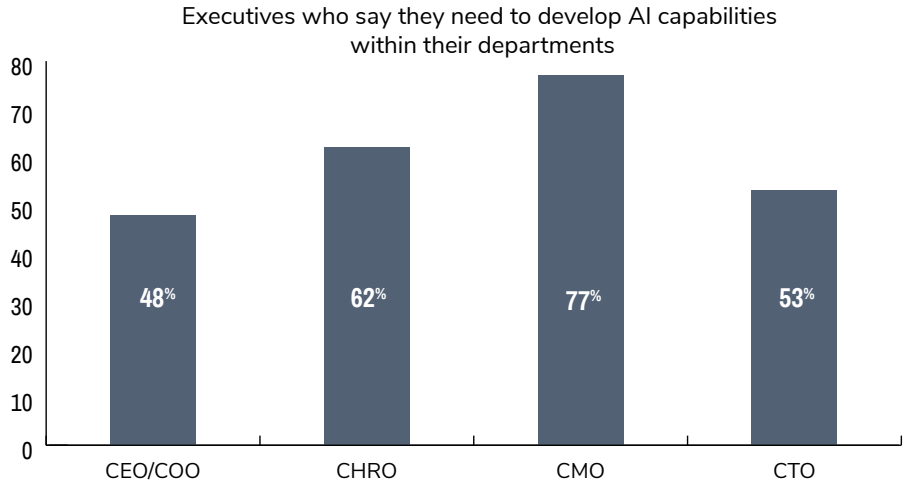
AI THROUGHOUT THE C-SUITE

Within organizations, teams are adopting AI at different rates. This survey asked C-suite executives both if AI was in use in their companies and also if they had adopted AI in their own departments. We found the highest rates of adoption in IT departments, and the lowest in daily operations.



CEO/COO percent refers to whether respondents have adopted AI in operations, CHRO percent refers to adoption in human resources, CMO refers to marketing, and CTO refers to IT.

This survey also asked executives which departments most need to develop their AI capabilities — and whether they see a need in their own departments. CMOs overwhelmingly see a need to develop AI capabilities in marketing. CEO/COOs are less convinced of a need to deploy AI in operations.



CEO/COO percent refers to operations, CHRO refers to human resources, CMO refers to marketing, and CTO refers to IT.

> “AI in recruitment can be an issue if there is inherent bias built in.”
>
> **FINANCIAL SERVICES CHRO**

ETHICS AND BIAS REMAIN ISSUES



While a majority of companies across all three industries are adopting AI, far fewer are taking steps to deal with ethical challenges that may arise from AI, including bias.

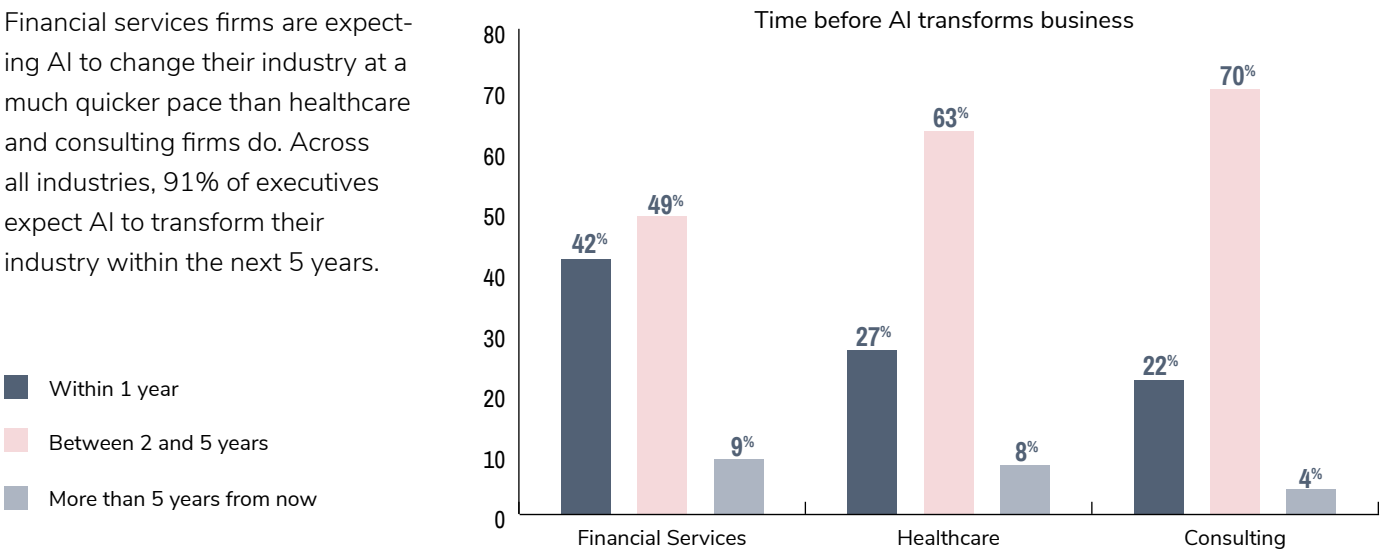
Among these three sectors, healthcare and financial services firms are more likely than consulting firms to use technology to manage AI bias and to dedicate a team to manage any ethical challenges related to AI — for example, by hiring AI ethics consultants and developing ethical processes to vet the vendors who provide their AI tech. Meanwhile, consulting and healthcare firms are more likely than financial services firms to disclose how their AI initiatives are collecting and using data.

Still, in no sector has the 50-percent threshold been crossed. Only a minority of companies are taking these basic steps to manage the ethics of AI.

> While AI could provide substantial benefits to both patients and doctors, it is important to remember that every encounter between a provider and a patient is a unique, one-off event that is never identical to any other encounter — even if the same patient and the same provider are involved. Hence, relying on machines to get it 100% right every single time is not realistic. It is much more likely that we will rely on the expert judgment of a clinician for the "last mile" decision that needs to be made."
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> **HEALTHCARE CIO**

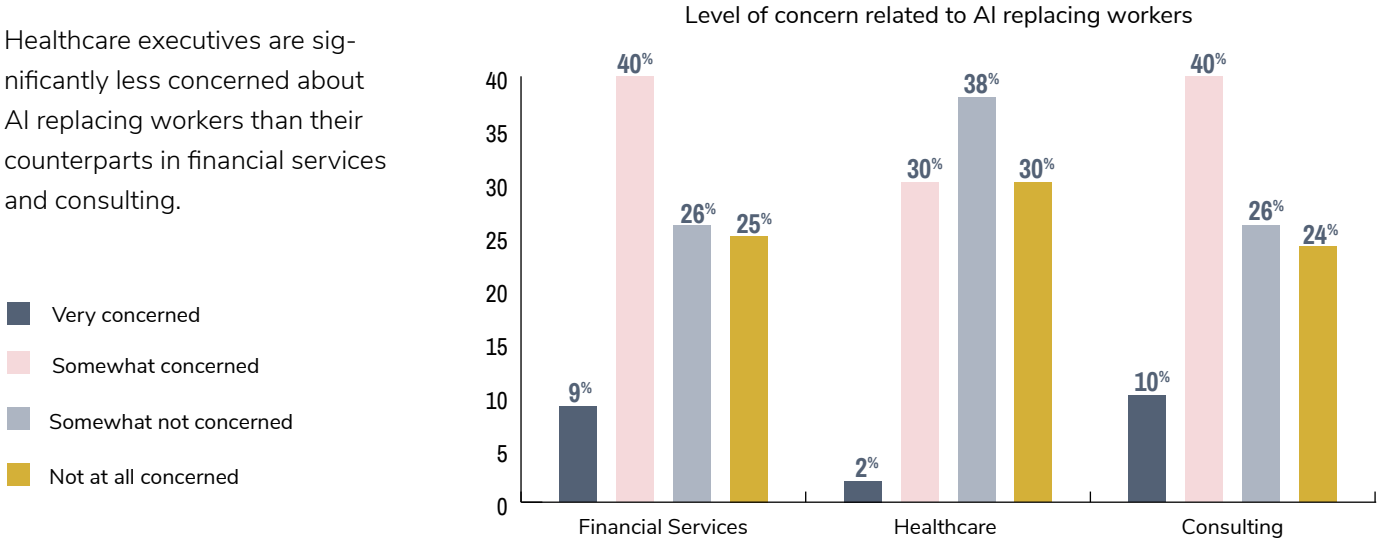
WHEN WILL AI TRANSFORM BUSINESS?

Financial services firms are expecting AI to change their industry at a much quicker pace than healthcare and consulting firms do. Across all industries, 91% of executives expect AI to transform their industry within the next 5 years.



AI AND THE WORKFORCE

Healthcare executives are significantly less concerned about AI replacing workers than their counterparts in financial services and consulting.



A WIDE RANGE OF VIEWPOINTS

The C-suite executives surveyed hold a range of views on how AI will impact the workforce. Some believe AI will bring great benefits. Others see rockier scenarios ahead.

The AI Optimist believes that AI technology will empower workers through automation.

> "Need to manage the perception that AI will replace humans; rather, AI and humans work hand in hand and AI allows for more rewarding and complex work. A frequent complaint is that we took the human out of human resources; however, once employees/managers experience the benefits of AI, we have noticed a shift in perceptions."
>
> **CONSULTING CHRO**

The AI Pessimist worries that AI may disrupt workforces and introduce biases in hiring.

> "Employees are (rightly) worried about being replaced by AI solutions. They should be worried, frankly, because if I can replace a $125K resource with a piece of software, I will. And so will everyone else."
>
> **CONSULTING CMO**

ABOUT THE RESEARCH

For this report, GLG aimed to consult leaders at the highest levels of organizations to understand how they use and perceive AI. We created a custom B2B survey panel of C-suite leaders from out network of approximately 1 million expert professionals. This is one of the first quantitative studies on attitudes toward AI at a senior level.

The survey, conducted in September - November 2019, includes a total of 167 C-suite respondents from financial services (57), healthcare (60), and consulting (50). They represent organizations with a range of sizes, from 47 respondents at companies with under $100M in annual revenues to 57 respondents from companies with revenues in excess of $1B. The survey includes roughly equal numbers of CEO/COOs, CFOs, CMOs, CTOs, and CHROs. GLG Surveys interpreted and analyzed the results.

To learn more about GLG and how we can help with your research visit glginsights.com.



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