

New IBM Study Explores the Changing Role of Leadership as UK Businesses Embrace Generative AI

- **IBM launches new European study of 1600+ senior business executives to explore how leadership is changing in the age of AI**
- **79% of UK leaders surveyed have already deployed generative AI or intend to deploy generative AI in the next year, driven primarily by management and to remain competitive**
- **97% are prioritising governance and ethics as they engage in shaping internal and industry frameworks**
- **Data security and privacy seen as the key challenge in terms of leadership accountability**



Wednesday 8 November, London: Today, IBM launched its new report '**Leadership in the Age of AI**', which found that nearly 80% of senior UK businesses leaders surveyed are deploying generative AI, or are planning to, with half of respondents primarily motivated by enhancing customer experience.

Based on a survey of 1,600+ senior business executives across the UK, France, Spain, Germany, Italy and Sweden, the report explores how leadership is transforming as the region's businesses embrace [generative AI](#).

The report also found that 97% of UK respondents who have or plan to deploy generative are actively engaged in shaping new ethical and governance frameworks.

As executives across the UK seek to untap the potential of AI while navigating growing security threats and an evolving regulatory and ethics landscape, the report explores what leadership in the age of AI truly entails.

Dr Nicola Hodson, CEO, IBM UK and Ireland

"Heralded as a transformative tool to drive insights, reduce costs, and improve operational efficiencies, it is not

surprising that business leaders are acting swiftly to embrace generative AI tools like IBM's watsonx. This latest research shows a real sense of opportunity in boardrooms across Europe. Almost 80% of UK business leaders have already deployed generative AI or intend to in the next year, demonstrating just how rapidly this revolution is happening.

Yet, as executives across the UK and Europe seek to untap the potential of AI, businesses must also navigate the evolving regulatory and ethical landscape surrounding it. Alongside their focus on delivering commercial value, business leaders now have the duty to lead the generative AI revolution responsibly – embedding trust and transparency into every step of their adoption. This duty is placing new demands on business leaders who are facing pressure to deploy rapidly from multiple internal and external sources.

Generative AI is poised to be a once-in-a-generation business opportunity and leaders are responding quickly to the fast-moving developments. Taking the right approach to leadership in this new era will be vital for success and will have far-reaching benefits – on business value, people, and society on a whole.”

Main findings include:

Key drivers for AI take up

- UK business leaders surveyed say that the embrace of generative AI is being driven by external and internal factors, with board members (38%) and the need to keep up with competitors (33%) identified as the two greatest forces.
- This stems primarily from a desire to enhance customer experience in their business, (50%). This is followed by the desire to modernise and improve operational efficiency (44%) - using AI to automate routine processes and free up employees to take on higher value work while helping foster innovation - and boosting sales and revenue (39%).
- Answering the AI boardroom agenda in particular, respondents were virtually unanimous (93%) on the potential of generative AI to power better leadership decisions.

Taking the lead on transparency and ethics

- When it came to the challenges of deploying generative AI, UK respondents identified cost as the top challenge to deployment, followed by the pressure to hire specialist talent.
- And, while policy makers in Europe develop AI policy frameworks, business leaders themselves are being required to take ownership and responsibility on key governance issues, particularly in the UK. Consistent with the European average, 38% of UK respondents cite security implications as the most fundamental to responsible AI.

Maintaining focus on continuous skills development

- The availability of AI skills was also revealed to be an issue in UK, with less than two thirds of respondents (61%) believing their workforce had the right skills to adopt generative AI.
- Consequently, improving AI skills proved to be a key priority, with 93% of UK leaders saying they were taking steps to ensure they have the right AI skills in their organisations.

- UK business leaders are also assuming proactive accountability for helping establish the guardrails: 75% of UK leaders are planning to join discussions with peers or collaborate with policymakers on AI regulation.
- Despite these promising conversations, however, there is still some way to go. Although 93% of respondents claim to have a good understanding of the regulatory context, a far smaller proportion (50%) felt clear about what it means for their business. This was one of the lowest levels across Europe, indicating the UK respondents feel less informed than their European counterparts.

Paul Weller, Head of Customer Propositions and Conversational AI, Retail Bank, NatWest Group

commented on the findings of the report: *“At NatWest, we are always looking for new ways to improve our services and provide outstanding digital-first experiences for our customers. The advent of generative AI presents an exciting opportunity to accelerate our digital strategy and keep pace with our customer needs and expectations.*

IBM’s study shows there is a lot of enthusiasm from UK business leaders for the benefits generative AI can bring. However, like many other organisations, making sure the data and AI models we’re using are secure and trustworthy is a top priority for us. This is particularly vital in highly regulated industries like financial services, which have stringent requirements in place to protect customers.

There’s an abundance of opportunity for businesses that can make early gains with generative AI, but in order for customers, regulators and other stakeholders to be able to trust the outputs of AI models, having the right governance framework in place is going to be critical.”

Asif Shah, People Services Digital Lead, East and North Hertfordshire NHS Trust observed: *“This new research from IBM suggests there's a lot of interest from UK organisations in how generative AI can benefit them and the people they serve.*

In the NHS, our top priority is delivering the highest standard of care to our patients and supporting the well-being of our hardworking professionals.

Advances in Artificial Intelligence, including generative AI, are opening up new ways for us to do this more effectively than ever before, such as the AI-powered virtual assistants helping our HR teams to reduce their admin burden and allocate more time to helping colleagues solve problems.”

Watsonx is IBM's enterprise-ready AI and data platform based on three components: watsonx.ai - a studio to build, train and tune foundation models; watsonx.data - a data store designed specifically for the needs of AI; and watsonx.gov - a governance toolkit to ensure safe, transparent and compliant use of AI. The platform takes a holistic approach, embedding ethical principles and governance at every level to enable companies to deploy trusted, responsible, and accountable AI.

IBM recommends four key principles for a responsible AI strategy:

- **Prioritise value creation:** Any enterprise that wants to get the most out of AI should be participating in the full value creation opportunity of foundation models rather than outsourcing their capacity, strategy, and data to third parties.
- **Bet on community:** Wherever AI goes in the future, one closed model will not rule them all. By integrating

a mix of the best open-source, private, and proprietary models, businesses can make the most of the open community behind the revolution.

- **Ensure your AI can run everywhere, efficiently:** By building with open, hybrid cloud technologies, businesses can optimise for cost, performance, and latency. The future of these technologies depends on agile, cost, and energy-efficient options, and the enterprises that succeed will be those that set themselves up to thrive in any environment.
- **Be accountable:** Good AI is governed AI, and for those who hope to lead the charge, instilling this principle into everything that they do will go a long way toward cementing their position at the front of the pack.

*“European policymakers need active, long-term engagement from business leaders to deliver a regulatory framework that’s effective and fit for purpose,” commented **Bola Rotibi, Chief of Enterprise Research, CCS Insight**. She added that, “Improving skills by investing in accessible AI and gen AI training and education programs and seeking experienced support will ensure that both technologies will be used effectively across the organisation”.*

Methodology

In collaboration with Censuswide, IBM interviewed 1,633 senior business decision makers in companies with 500+ employees across the UK, France, Spain, Germany, Italy and Sweden in September 2023. This was a minimum of 250 respondents per market with at least 100 respondents in each market at C-suite level and from 15+ different industries and sectors such as Finance, Healthcare, Manufacturing, Retail, Telecoms and Utilities.

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