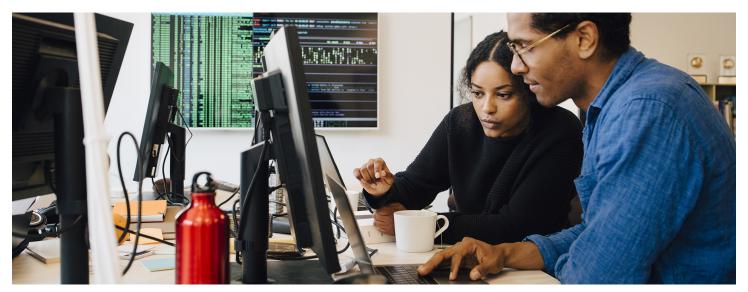
New IBM Study Explores the Changing Role of Leadership as Businesses in Europe Embrace Generative Al

- IBM launches new European study of 1600+ senior leaders and C-level executives to explore how leadership is changing in the age of Al
- 82% of leaders surveyed have already deployed generative AI or intend to deploy generative AI in the next year, driven primarily by pressure from employees, management, and investors
- 96% are prioritizing governance and ethics as they engage in shaping internal and industry frameworks
- Data security and privacy is seen as the key challenge in terms of leadership accountability



LONDON, Nov. 8, 2023 /PRNewswire/ -- Today, IBM (NYSE:IBM) has launched its new report **Leadership in the Age of Al**' Based on a survey of 1,600+ senior leaders and C-Suite executives across the UK, France, Spain, Germany, Italy and Sweden, the report explores how leadership is transforming as the region's businesses embrace generative Al.

The rise of generative AI in 2023 has been nothing short of remarkable. As the technology went mainstream in the consumer market, progressive senior leaders were quick to respond, seeking to secure their place in the emerging transformation.

It's a safe bet that 2024 will be the year businesses follow en masse, and pressure to make the right calls and lead appropriately is being felt across the C-suite. The report found that 96% of respondents who have or plan to deploy generative AI are actively engaged in shaping new ethical and governance frameworks.

As executives across Europe 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.

Ana Paula Assis, Chair and General Manager EMEA, IBM commented:

"Al is the definitive gamechanger. A powerful catalyst with the potential to drive transformative global progress. And its rapid

ascent is giving Europe, home to 7 of the world's 10 most innovative countries, the chance to play a leading role. But this doesn't make business leaders blind to the challenges. Concerns around governance, ethics and security are top of mind as executives strive to adopt AI safely and responsibly. It's a responsibility which touches every fibre of a business – from its data to its people, to society at large. And success requires the kind of organizational shift few are prepared for."

"While no organization wants to be left behind, in the eyes of their customers, investors, employees, and peers there is a license required to operate this exciting new technology. And that license is trust. This moment calls for trusted leadership, instilling good governance into every action taken. All successful Al strategies will be dependent on effective, responsible Al governance – and getting this right will ensure companies are prepared and ready to reap the benefits of the Al revolution."

Key findings include:

Responding to mounting pressure

- Business leaders surveyed say that the three greatest sources of pressure to embrace generative AI are coming not only
 from competitors or consumers, but from employees, board members and investors.
- This stems primarily from a desire to modernize and improve operational efficiency (45%), using AI to automate routine processes and free up employees to take on higher value work while helping foster innovation. This is followed by the technology's potential to enhance the customer experience (43%) and boost sales results (38%).
- Answering the AI boardroom agenda in particular, respondents were virtually unanimous (95%)[1] 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, respondents identified the importance of employing it within an ethical and inclusive framework as the main challenge, followed by the pressure to hire specialist talent and cost implications.
- And, while regulators across Europe work to rapidly develop AI policy frameworks, business leaders themselves are being
 required to take ownership and responsibility on key issues, citing concerns over security implications (including privacy
 and surveillance) as the most fundamental to responsible AI.

Maintaining focus on continuous skills development

- Across the board, improving AI skills proved to be a key priority, with 95% of leaders surveyed saying they were taking steps to ensure they have the right AI skills in their organizations. Here, respondents rank upskilling their existing workforce just ahead of recruiting new specialists and outsourcing to technology providers.
- On a personal level, leaders are actively engaged in growing their own knowledge of generative AI technology (44%), the regulatory and compliance landscape (41%) and the ethical implications (41%).
- Beyond doing their homework, they are also assuming proactive, personal accountability for helping establish the
 guardrails: 74% of leaders are planning to join active discussions with peers or collaborate actively with policymakers on AI
 regulation.
- Despite these promising conversations, however, we still have a way to go. Even though 91% of respondents claim to have a good understanding of the regulatory context, a far smaller proportion (54%) felt clear about what it means for their business.

"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 organization."

Watsonx is IBM's pioneering AI and data platform based on three components: a studio to build and train foundation models, a data store designed specifically for the needs of AI, and a governance toolkit to ensure safe use. 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 an AI strategy:

- **Prioritize 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 Al 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 Al can run everywhere, efficiently: By building with open, hybrid cloud technologies, businesses can optimize 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.

For more information on the Leadership in the Age of Alreport, please visit our blog here

Methodology

In partnership 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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