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# Artificial Intelligence in Organizations

# Executive Summary

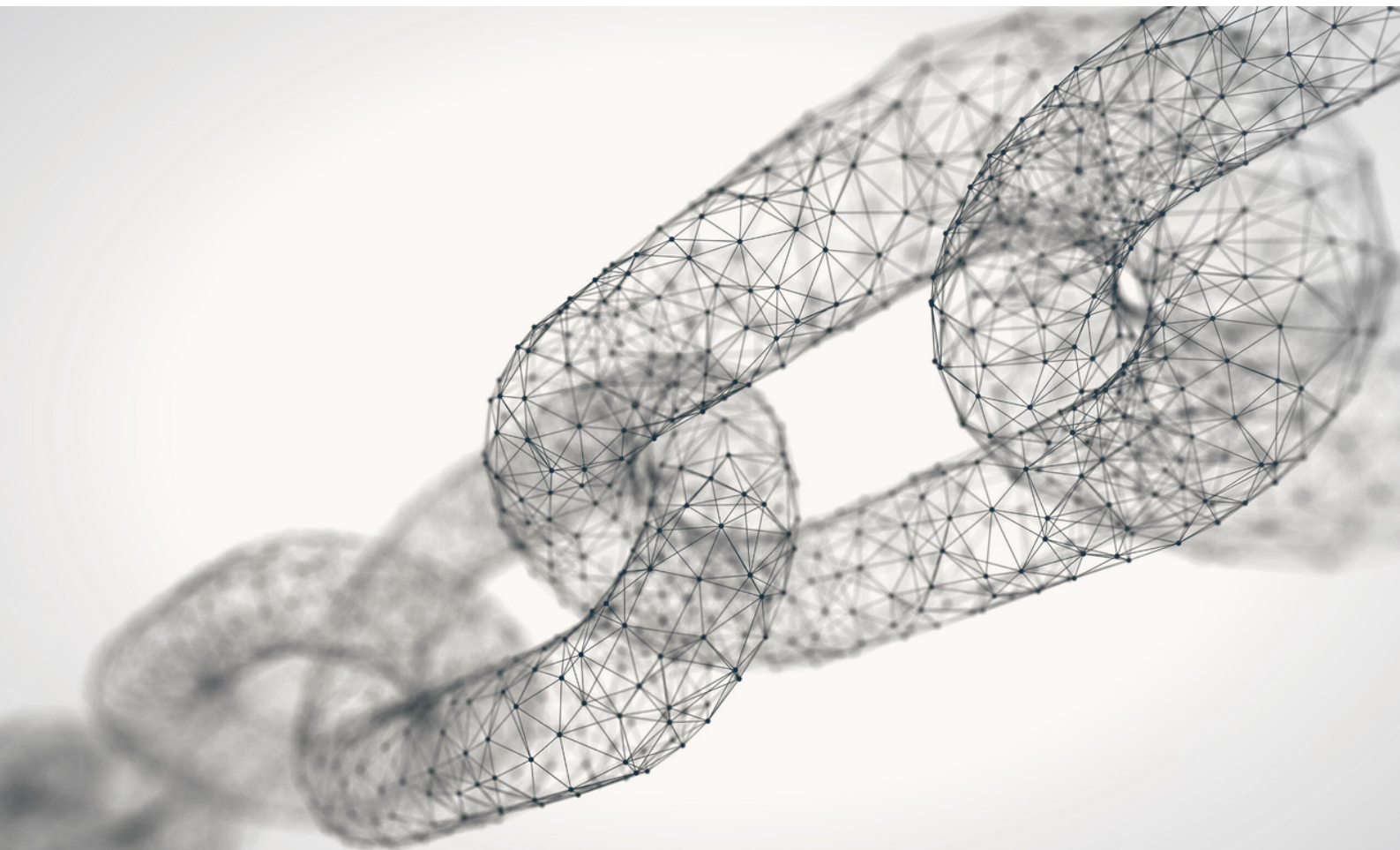
## Overview

The buzz around the usage of Artificial Intelligence (AI) in organizations has gained a lot of momentum in the last few years. Executives are optimistic about the role of AI in improving business performance and improving the efficiencies of both internal processes and the customer service function. However, organizations are still in the initial stages of AI adoption and are learning the intricacies of putting this technology to work.

There are certain ground-level challenges that organizations are facing with adopting and implementing AI; namely, a lack of skills, budget and executive buy-in. The Learning & Development function can play a vital role in addressing some of these challenges.

## About the Survey

A global survey was conducted to gain insights into the usage of AI across organizations. Respondents represent a diverse set of functions, including management, finance, administration, and business development, among others. The profiles of respondents run across multiple seniority levels, including managers, directors, vice presidents and CXOs. Respondents were invited to complete the survey online. A total of 159 people responded at least in part to the online survey.



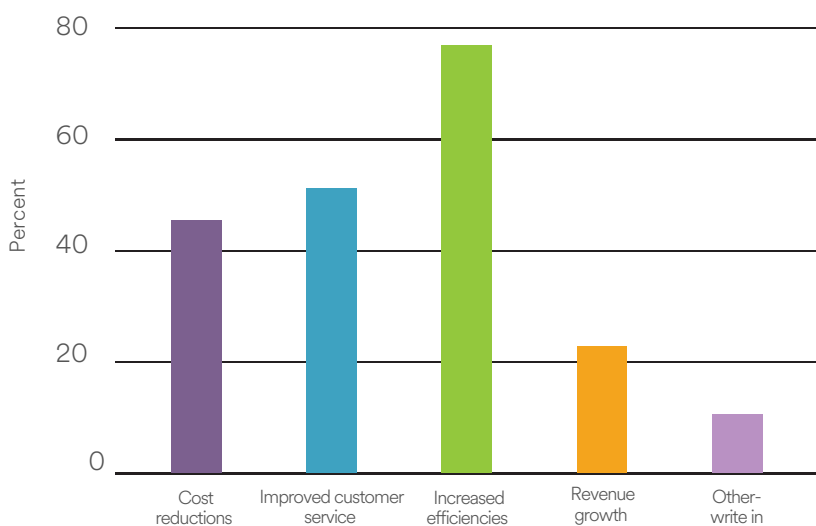
# Key Findings

- Respondents expect their organization's AI strategy to become mature and relevant to the overall business in the next three years. Only 30% of respondents indicated that their organization had a clear AI strategy today, while 90% of respondents indicated that they expect their AI strategy would grow in scale and importance.
- A majority of respondents agree that their engagement with AI would either stay the same or grow in the future. Only 2% of respondents said their engagement with AI would decrease in the next 12 months.
- Developing organizational capability is a critical prerequisite for a successful AI strategy. Seventy percent of respondents identified upskilling training/support as essential for successful AI adoption.
- Non traditional learning techniques are rapidly becoming more popular, and L&D departments must adapt accordingly. While 47% of survey respondents said that they preferred traditional in-person learning, 38% said they preferred virtual training through webinars or learning platforms.

# How Is AI Used in Organizations Today?

Over the last couple of years, organizations have taken an observer seat to monitor the early adoption of AI. It is only with some pilot AI projects drifting into the mainstream that organizations have started seriously contemplating potential uses of AI.

Although there are many potential use cases of AI, organizations are approaching it with caution and taking one step at a time. For instance, most applications are primarily using AI for improving efficiency and employee experience.



80% of participants saw AI as a tool to improve efficiencies, but only 22% saw the potential for revenue growth in AI.

A 2018 Gartner AI Enterprise Perceptions, Plans, and Implementation Survey indicates that 23% of organizations that were using some form of AI were doing so in the HR recruitment domain.

Other successful implementations of AI focus on intelligent automation for increased efficiency and assisting users of HR systems or platforms.



Let's take a closer look at the key AI techniques used.



### Machine Learning

Machine learning (ML) is an AI technique that combines statistical models and algorithms to enable platforms and systems to learn and improve from experience without being explicitly programmed. Machine learning provides an ability to build various cognitive capabilities in existing platforms and systems.

Most ML algorithms are executed in the background with very minimal interventions from end users and provide assistance based on previous data. For example, using ML recruitment platforms/applicant tracking systems (ATS) helps recruiters by automatically matching the most suitable candidates for open job positions. This saves an enormous amount of time for recruiters, as they no longer need to read every resume to find the best-matching candidates.



### Natural Language Processing

Natural language processing, commonly known as NLP, is an AI technique that focuses on empowering the use of natural language for interaction between humans and computers. The objective of NLP is to equip computer programs with an ability to understand and make sense of the human language to further link it to automated workflows or steps.

Conversational interfaces or Chatbots are the most popular and well-known application of NLP in most industries today. Chatbots are used to simulate the interactive conversation with a user using natural language. For example, a chat interface for ticketing systems helps users to interact with the bot to find resolutions for their problems based on solutions to past tickets. The bot connects users with support reps only if it's not able to provide a resolution, saving time for both users and support reps.



### Computer Vision

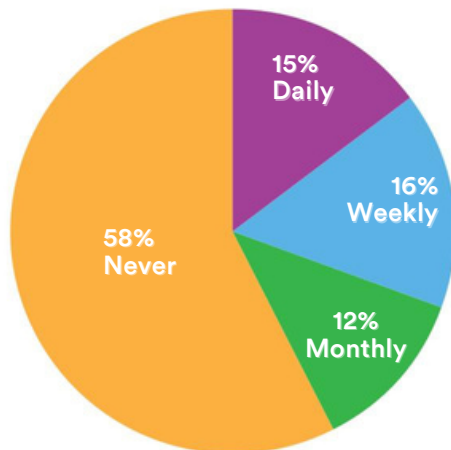
Computer vision makes use of multiple AI techniques such as ML, pattern recognition and deep learning to obtain actionable data from images and videos. In other words, it enables computers to see, identify and process images and videos like humans do.

Recent advancements in computer vision techniques are very promising. However, current applications are limited to use cases focusing on assisting automated decision making; for example, using image-processing techniques to assist car insurance company claims adjusters to capture all the damaged sections of a car for their report. This assistance can also enable the car owner or driver to submit the damage report themselves, saving the visit by the adjuster. Image-processing and pattern-recognition algorithms used in this case work on the photos taken by the driver/owner and guide them to use correct angles as well as capture all sides of the damaged car.

Online assessment platforms are one of the early adopters of computer vision techniques by adding a new type of assessment called video interviews. During the recruitment process, a candidate will be prompted with a set of questions, and their responses will be recorded and fed into the AI platform. Image processing and ML algorithms make use of the video feeds captured during the interviews to provide insights based on a candidate's body language, facial expressions and tone of voice.

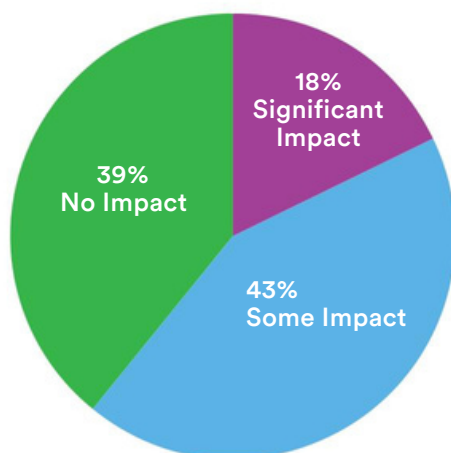
## The Increasing Role of AI

“How can we leverage AI?” is a popular question posed during many boardroom discussions at most organizations today. Executives are excited and positive about its potential, even though current implementations are limited to a few use cases. AI provides opportunities to build new capabilities and reshape business models, build new products and services, automate business processes, reveal actionable insights and deliver personalized experiences. People across the organization will feel the presence and impact of such applications.



58% of respondents say they are never exposed to AI in their current role.

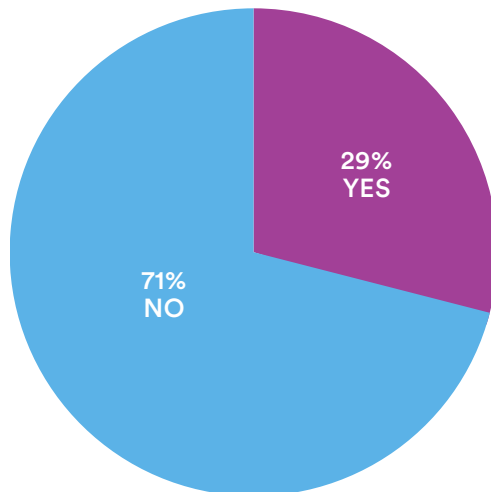
The enterprise-wide deployment of any AI application will fundamentally change the way work is being done, with many processes being automated and redesigned, while old ones are discontinued. A similar impact is also expected on the jobs. AI will transform some of the existing jobs, create some new ones and allow companies to bid farewell to others. The jobs that AI creates will drastically reduce the need for manual, repetitive work, instead requiring people to do more interpretation, analysis and explanation. Organizations can foresee this shift in required skills and should prepare accordingly to make the most of their AI solutions.



61% of respondents said in the next 12 months AI would have an impact on their role, and 18% felt the impact would be significant.

Organizations infused with technology, data and successful implementation of pilot projects are expected to accelerate and broaden their AI implementation gradually. AI will touch employees, vendors, customers and partners—and help them make better decisions. With this, the focus will move beyond technology to talent needs, data, trust, ethics and sustainability. Today, most organizations do not have a comprehensive AI strategy that lays out the policies, procedures and boundaries to adopt this change. However, soon they will need to craft and communicate a comprehensive AI strategy.

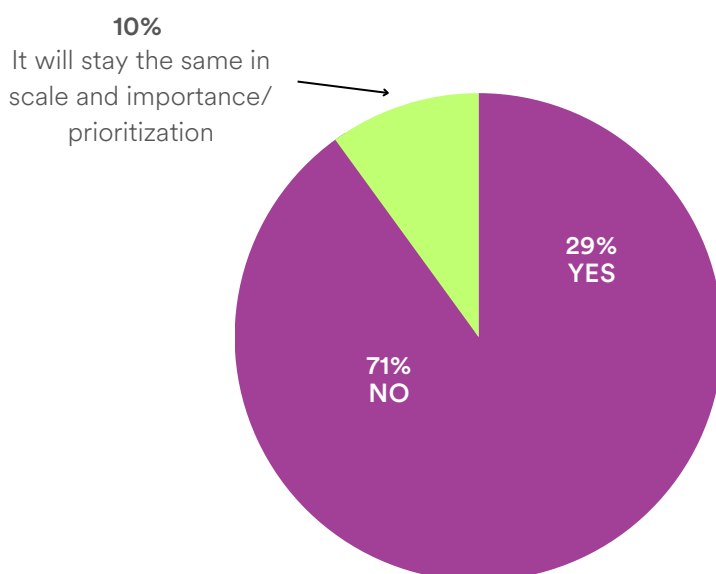
[ Organizations are aspirational about AI, but the implementation lags. ]



“ 71% of participants reported that their organization had not communicated an AI strategy. ”

## Defining a Strategic Roadmap for AI

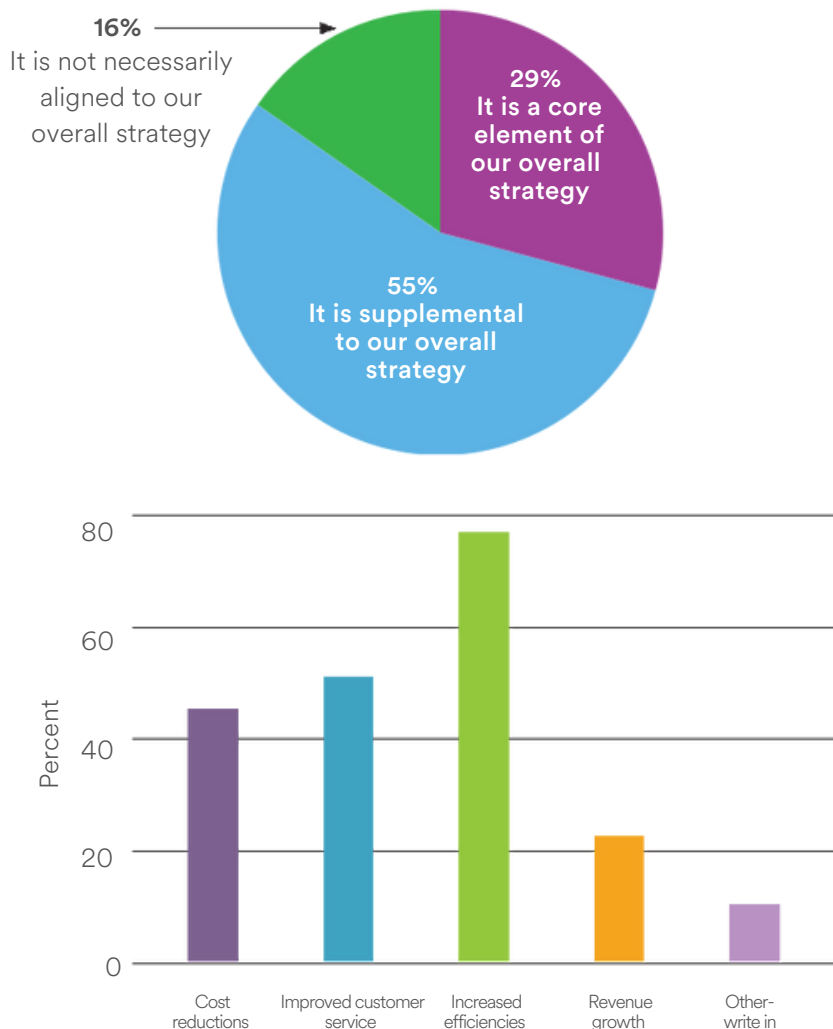
Most organizations are aware of the fact that in order to have sustainable AI growth, they need to prepare on multiple fronts. Appropriate AI infrastructure is a basic need. Talent gaps need to be bridged through training current employees or bringing in new employees already equipped with the requisite skills. A robust governance structure should be established to govern the implementation, monitoring and usage of AI. A few organizations have created executive positions such as chief ethics officer, chief data officer, and chief AI officer to address this change.



“ 90% of respondents said that in the next 1-3 years, AI strategy would grow in importance at their organization. ”

## Artificial Intelligence in Organizations

Organizations have taken a limited view of AI's potential and consider it to be a supplement to their overall business strategy. They primarily see AI as a means to increase efficiency and improve customer service, and our research indicates that companies have yet to consider it as a means of revenue growth even though this is an area that has a strong potential to deliver results that hit the bottom line.



Only 29% of people felt that AI is a core element of their organization's overall strategy, and only 23% reported revenue growth as a target of their organization's AI strategy.

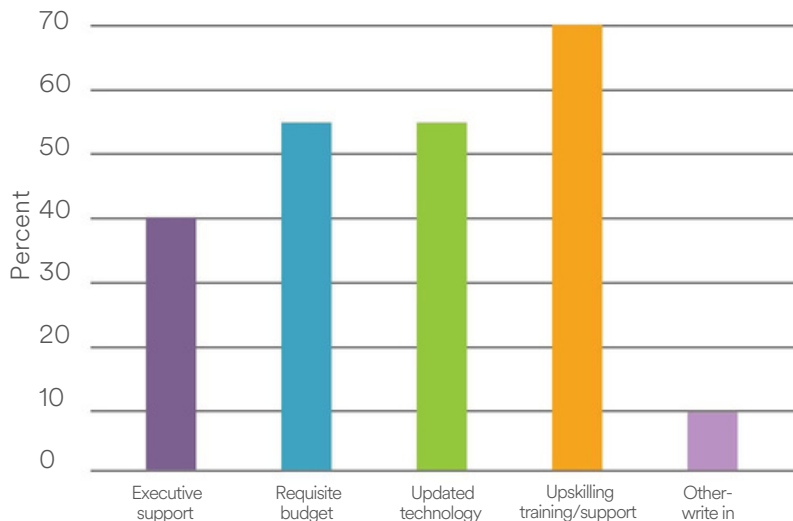
An AI strategy built with a focus to generate and grow revenue should encompass people, processes, technology and implementation. It should be able to deal with changes in jobs and processes brought upon by AI implementation. Ethics and privacy are two crucial areas which the AI strategy should address. Moreover, because data is the fuel to run AI, an organization's AI strategy should cover a framework to govern the lifecycle of data.

Apart from this, having the right AI talent and skill set is going to be vital in order to implement AI across the organization. The strategy should acknowledge and talk about opportunities to fill the gaps. Most importantly, the AI strategy cannot live in isolation. It must tie in with the overall business strategy, laying out short-term and long-term objectives.

**[ Organizations need a comprehensive AI strategy for sustainable growth. ]**

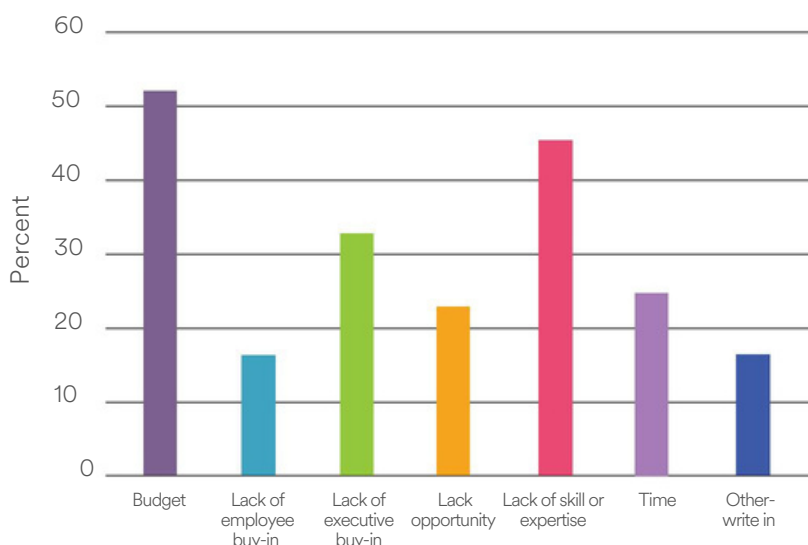
## From Strategy to Implementation

Organizations need to make a variety of investments for the successful implementation of AI. They must invest in acquiring technological capabilities to implement their strategic roadmap. To utilize AI to its fullest potential, it is also necessary for organizations to develop skill sets in-house. Finally, executive buy-in is vital to ensuring that a sustainable AI strategy can be developed within the organization. This buy-in would also ensure that the AI strategy is aligned with broader organizational objectives.



“ 70% of survey respondents identified upskilling training and support as a requirement for implementation. ”

Research by McKinsey indicates that although organizations are willing to explore all avenues open to them to acquire an AI-ready workforce, highly digitized organizations are more likely to prefer in-house talent for AI implementation. Developing in-house talent for a complex skill set like AI involves a substantial investment in appropriate learning resources. This can involve partnering with providers like universities or online learning platforms, hiring experts and thought leaders, or allocating budget to internal skill-development programs. A combination of these approaches can help build a sustainable in-house skill-development program, which requires long-term financial and leadership commitment.

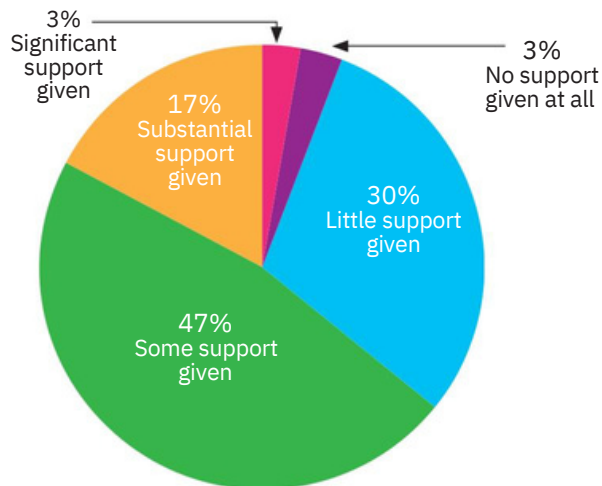


“ 52% of respondents identified insufficient budget as a potential obstacle to AI implementation. ”



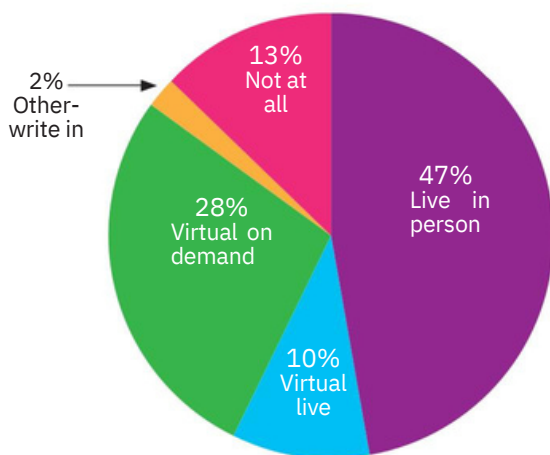
## Artificial Intelligence in Organizations

It is critical for L&D departments to design and execute skill-development programs to deliver appropriate support to employees. Eighty percent of our survey respondents indicated that their organizational L&D department had delivered only some, little or no support for AI implementation.



80% of survey respondents felt their organization's L&D department gave them some, little or no support.

New L&D processes are diverse, offering training through multiple channels like instructor-led courses, virtual live training and experiential training. More than one-third of our survey respondents claimed to prefer nontraditional training methods and leveraging new L&D technologies like virtual live training through webinars or virtual on-demand training through LMS/LXP systems.



38% of survey respondents said they prefer non traditional training methods like virtual live or on-demand training.

**L&D departments would need to step up to meet their employees' requirements and leverage new learning technologies.**

## Summary

- Organizations are currently focused on short-term and small-scale AI implementations.
- There is potential for a much broader organization-wide AI penetration, but it requires a comprehensive and strategic roadmap for AI.
- Limited budgets and the need for developing new skills are the main blockers and requirements for implementing an AI strategy.
- Employees are looking at their L&D departments to provide adequate support for training and upskilling.

## Recommendations

- Organizations should formulate a holistic AI strategy, taking all functions into consideration. The strategy also needs to be communicated to all stakeholders in the enterprise in order for an AI awareness to be built.
- Organizations should transition from making short-term investments in AI for small pilot projects to a long-term investment approach to see the tangible value.
- Organizations need to commit to building robust L&D processes through financial investment and adoption of modern technologies. This will also ensure that they acquire the skills necessary to implement their AI strategy.

## References

1. <https://www.cognizant.com/artificial-intelligence-adoption-for-business>
2. <https://www.mckinsey.com/featured-insights/artificial-intelligence/ai-adoption-advances-but-foundational-barriers-remain>

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# Essentials of Artificial Intelligence (AI) for Managers?

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## Practical Information

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### Live Online



**4 x** <sup>3-hour sessions</sup>  
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### Available In-Company

The programme is available as an In-Company solution for your teams. More information at [mce.eu/inco](https://mce.eu/inco)

## Future dates

### Face-to-Face

#### Option 1

Dates	City
2 - 3 November 2023	Brussels

#### Option 2

Dates	City
22 - 23 January 2024	Amsterdam

### Live Online

#### Option 1

Dates	CET time (Brussels)	EST time (New York)
30 - 31 October 2023	15:00 - 18:00	10:00 - 13:00
6 - 7 November 2023	15:00 - 18:00	09:00 - 12:00

#### Option 2

Dates	CET time (Brussels)	EST time (New York)
4- 5 December 2023	15:00 - 18:00	09:00 - 12:00
11 - 12 December 2023	15:00 - 18:00	09:00 - 12:00

 [mce.eu/ai](https://mce.eu/ai) for dates, locations and full programme outline

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