



**Panorama**

The Future of Leadership

**Artificial Intelligence  
and its impacts  
on Leadership**

# Introduction

AI is here; and here to stay. It is a reality we cannot ignore. However, this is not to suggest a dystopian disaster in which robots replace all human life, but rather a technological inevitability that will alter the future workplace; no matter the organisation or sector we work in.

We cannot ignore the workforce shifts being faced at a global level, with a tightening labour market and ongoing productivity challenges facing many industries. We are in a flux of continual change, heightened by the pandemic and continued in its aftermath. The concept of dealing with 'polycrisis' as routine, is a common theme amongst leaders that we talk to.

On the face of it, AI is still a relative unknown to most leaders and organisations. Even with terms like generative AI and Large Language Models featuring frequently in business media stories and discussions, there is still some ambiguity about the technology's potential and real-world impacts on business, society, and the economy.

At Panorama we specialise in working with Executive and Non-Executive leaders across a broad range of sectors. AI is an area that we are deeply interested in exploring further and gaining insights into how it is impacting leaders and the organisations for which they are responsible, in all the regions that we cover. We are grateful to all those Executive and Non-Executive leaders who have engaged in this survey and taken the time to share their insights and experience.

This is a new paradigm for leadership and our Panorama colleagues want to support and innovate with our clients to prosper into the future.



## CHAPTER 2

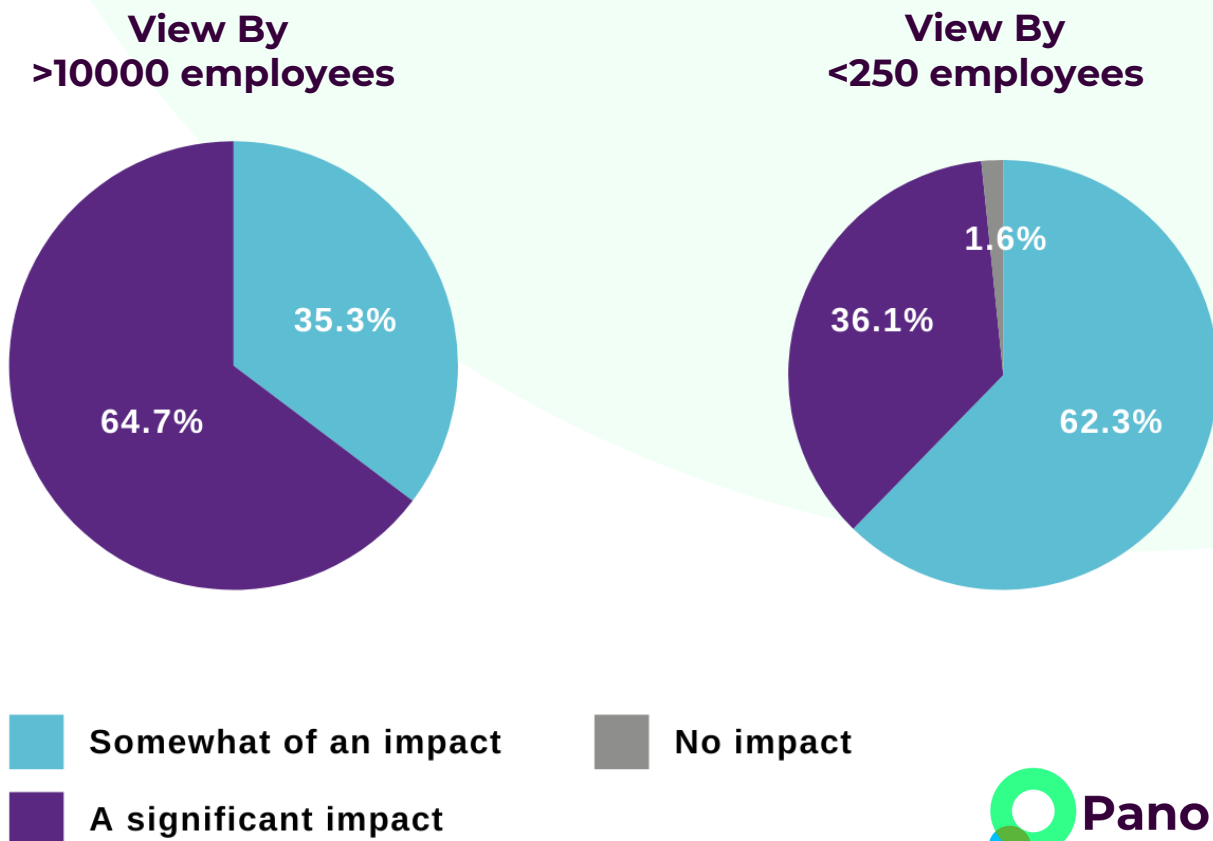
# **C-Suite Strategy - Can we ignore the inevitable advance of AI?**

Having considered the impacts and awareness of AI at a Non-Executive Board level, we were interested to see how this compared at Executive level, looking at strategic and operational significance, and if there were any notable inflection points.

**“ You either become a leader in AI in your market, or you die. ”**

Considering its future strategic impact on the Executive team, it was clear that AI was high on the agenda across the broad cross section of organisations and regions. Larger organisations (those with over 10,000 employees) positioned the future impact of AI on strategic Executive decision making as ‘significant’ – especially in sectors such as: Technology, Professional Services, Healthcare and Manufacturing. This differs in certain sectors, such as manufacturing and charitable sectors, to the Non-Executive awareness or emphasis on AI. This could suggest that on a day-to-day operational basis the implications of AI are considered more impactful or important than in an overarching strategic and governance capacity.

**What impact do you believe AI will have on the strategic approach of your Executive team?**



Smaller organisations were less definitive in the impact of AI on strategic Executive decision making, noting 'somewhat of an impact' more generally, versus a 'significant impact' within larger counterparts. This trend does mirror the Non-Executive response in terms of awareness and priority, based on organisational size.

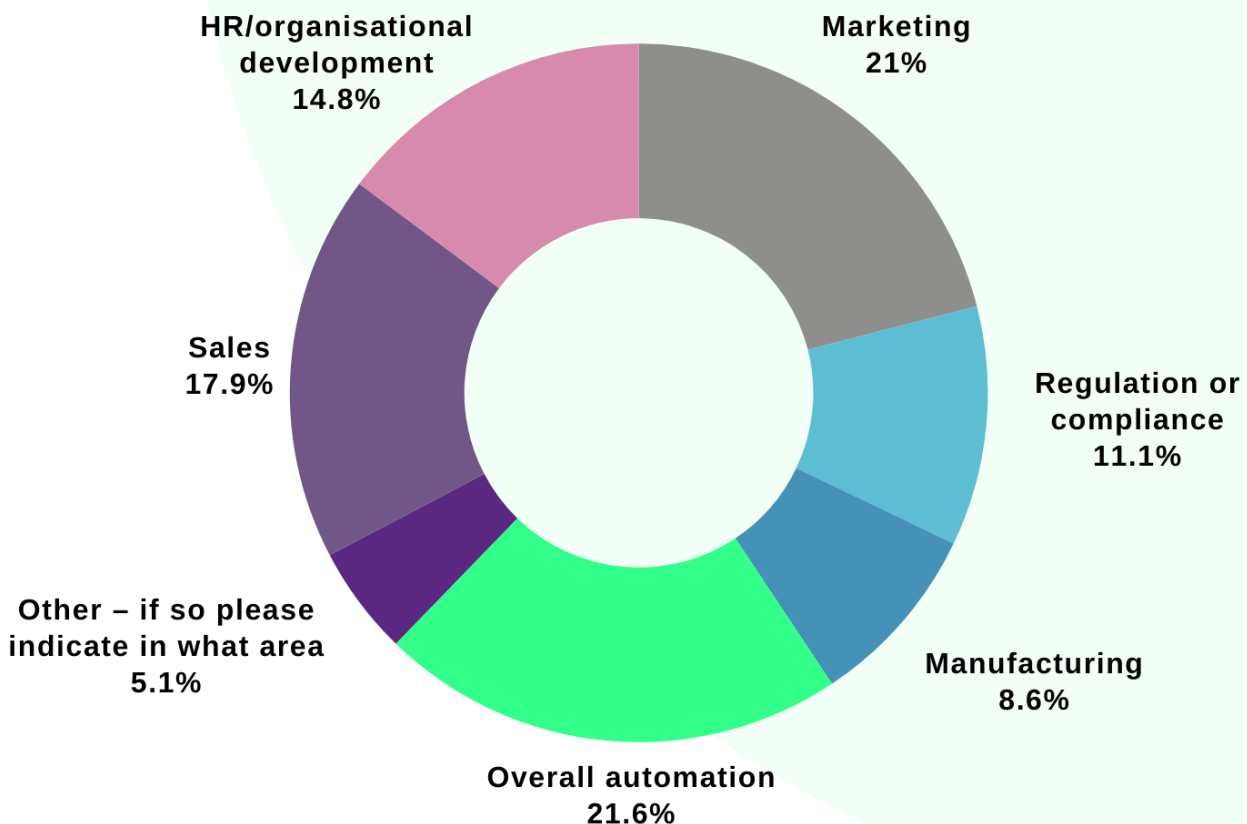
**“ Provided we implement well and bridge the ‘knowing/doing gap’ i.e. build commercial value from actual use cases, we have every opportunity to strengthen our business and open up new opportunities. ”**

When asked about the presence of AI in current strategic decision making, there was a recognition that it was having impact – ranging from 'slight' to 'significant'. Larger organisations reported more cases with a 'significant' emphasis (16-17%) on AI within Executive decision making. Similar industries to those noted above were also witnessing an impact on current decision making. However, this is also more likely to be due to these sectors being further ahead in the implementation journey or dealing with larger workforces and facing productivity barriers and considered technology investment to address this. It is noticeable that this also reflects the impact on strategic planning in Non-Executives in similar sectors and company size.

**“ I think that at some point in the near future, those who can't implement the use of AI should be out of the ‘game’! ”**

We wanted to understand which areas were already benefiting from, or would be most likely to benefit from, AI technologies in the future. The responses were consistent in all industries, regions and organisations: to improve overall automation of service; marketing; sales; and HR. The idea of it being a 'do or die' situation with AI was highlighted in additional commentary from our respondents, but caution and knowledge building is imperative. Rushing into investments, rather than exploring benefits, solutions and potential outcomes could also have negative impacts. Assessing how and why other sectors are developing their AI approaches is very useful and utilising industry bodies to share and explore opportunities will also be paramount.

### Where do you consider AI technologies to be the most useful in your business now or in the future?



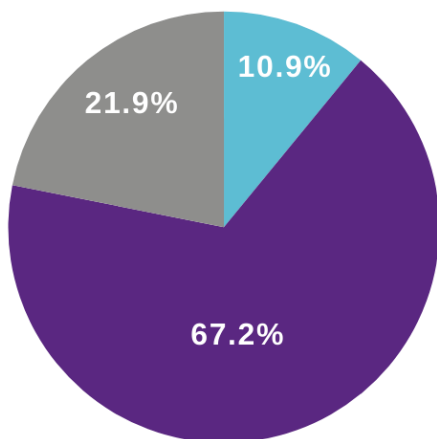
A recent [McKinsey report](#) looking at the European job market did suggest that there could be up to 12 million occupational transitions by 2030 accelerated by Generative AI, which is double the pre-pandemic pace. With a rise in e-commerce and online and remote interactions across many sectors, the C-suite needs to be alive to these opportunities and requires investment in technology and skills development or transition.

**“Strengthen market position and allow us to both enter new segments and delight existing customers even more.”**

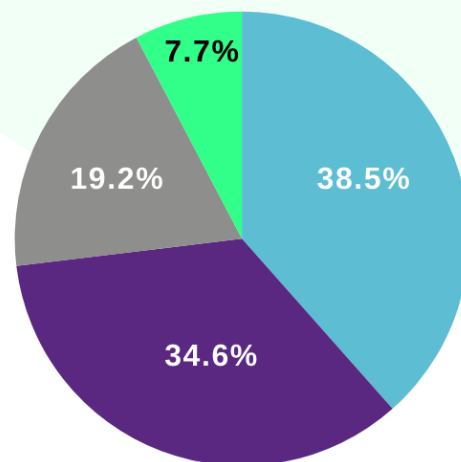
For Executives implementing AI solutions across their teams on a day-to-day basis, the ethical use of this technology and consideration of its impacts is important. However, regionally there were very different responses to how this is being approached regionally. In Europe the ethical approach was already considered ‘well developed’ or ‘in place’ and particularly in heavily regulated areas such as Healthcare, Energy and Professional Services, as well as in relevant sectors like Technology. In North America and APAC these approaches were noted as ‘being developed’, although in areas of Government and Public Sector, Manufacturing and Charities, the ethical and governance considerations were deemed ‘well advanced’. In Latin American organisations more broadly the need for an ethical and transparent approach was marked as ‘not well progressed’, with the exception of Financial and Professional Services. Significant investment and lack of awareness of solutions, or clearly defined impacts, were cited as anecdotal reasons as to why these organisations appeared to be further behind European or North American counterparts.

**Do you have measures in place to ensure ethical AI usage and data governance?**  
(e.g. data privacy, responsible use, transparency, compliance)

**View By Latin América Energy Sector**



**View By Europe**



- Yes
- Currently being developed
- No
- To be implemented soon

**“AI could be more advantageous but costly to stand up.”**

For the C-suite it is clear that AI is on the agenda and being applied already strategically and operationally in many cases, more apparently than with the Non-Executive strategic approach. And, if not yet, it's potential impact is already part of longer-term planning. This is consistent across all regions and sectors, although there are industries and organisations (typically larger ones) who are further ahead and already demonstrating interesting use cases and reflecting a shift in job function and application. They recognise the importance at a market development level, the human capital imperative and an overall recognition that a global shift is happening and needs to be harnessed.

**“AI can help improve productivity, attract talent to a broader audience, and strengthen the reputation of the organisation.”**



# Consultant view

Can we ignore AI? The simple answer: NO. But there are sectors that are pushing ahead, both functionally, strategically and with a more defined regulatory approach. However, while fear comes from both the unknown or missing the window, there does need to be a clear plan for investment, and what this will mean for organisational evolution, and particularly staff redeployment and skills development.

An imperative on knowledge sharing and best practice must be highlighted. With such a significant technological, organisational and economic driver collaboration and learning will be vital. This is not just limited to the Executive however, and must be right across organisations, regardless of size. Boards need to be equipped to adequately challenge or support the Executive, and the impacts on organisational culture and the future of staff deployment must be central to leadership decision making.

## Areas that we view as important for consideration:

- Greater education of AI landscape within the Executive team, bringing in external resource, adding to the C-suite or consultancy
- Greater sharing amongst departments within organisations where AI has created productivity, efficiency or mitigated risk to enhance understanding and better inform investment decisions.
- Proactive collaboration within industries and cross-sectorally to understand benefits, risks and best practices.
- The Executive should be encouraging greater discussion of AI and its strategic importance at Board level.



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& Panorama's Consultant.



**[Click here to access the full survey.](#)**

**Thank you!**

