



**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.



**Panorama**

## CHAPTER 3

**Organisational Culture -  
Fear of AI or excitement  
for the future?**

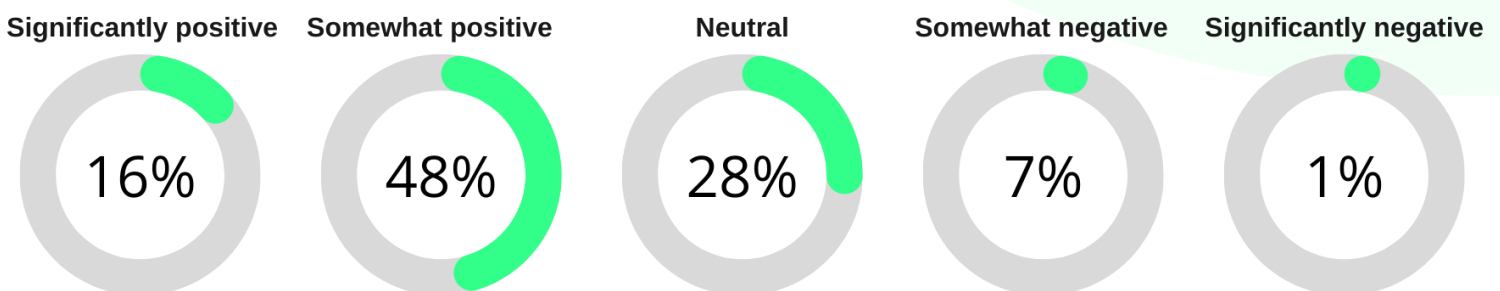
The hype around AI and its transformational impact is almost unprecedented. It is everywhere we look and has entered everyday vernacular, even if much of society has limited understanding, or known use of it. The response to the advances made by companies such as OpenAI, Microsoft, Apple, Alphabet (Google) and NVIDIA has ranged widely from excitement about the revolutionary impact at one end, to extreme fear about the end of humanity as we know it, at the other. Somewhere in between exists a more balanced view about the potential positive impacts, the challenges, the risks and the need to ensure transparency and implementable regulation.

Through our survey we asked respondents to consider the impact of AI on organisational culture – how it is being viewed at a broad level, and if specific sectors were more open and accepting, or if others were more sceptical or even fearful.

**“It will change the way we make decisions, innovate, develop, compensate and collaborate.”**

The overall response to AI and its potential impacts on employee engagement and morale was that it would have a positive impact. For some it was considered more ‘significant’, but regardless of size, sector or region, the sense that AI was being met with fear did not emerge. The sectors embracing it most were Technology, Higher Education and Private Equity, and particularly within larger organisations in Europe and North America and APAC. The Life Sciences sector in Latin America was the most sceptical about its impact, but did not completely dismiss it is an important area for development.

### How do you perceive the potential impacts of AI on employee engagement and morale within your organisation? View in Technology sector



**“Less laborious, repetitive work; more time to do what matters. Perhaps a smaller workforce, but more highly skilled.”**

North American respondents noted that AI was more heavily prioritised in current approaches to organisational cultural strategy, while for organisations in APAC, Europe and Latin America the influence on current cultural strategy was less evident. The reality however, is that in most organisations, wherever they are in the world have employees that are already using generative AI platforms, such as ChatGPT, at work or in their personal lives. Whether to help with writing, research or even just for answers. This cannot be ignored and should be important at an organisational level, so it is considered as part of the overall approach to employee experience, but also being used securely and with company standards in place.

**“Enhancing value of human beings to client service when routine and repetitive work is done by AI. Employee enjoyment and engagement should improve, reduction of error and therefore complaints and risk.”**

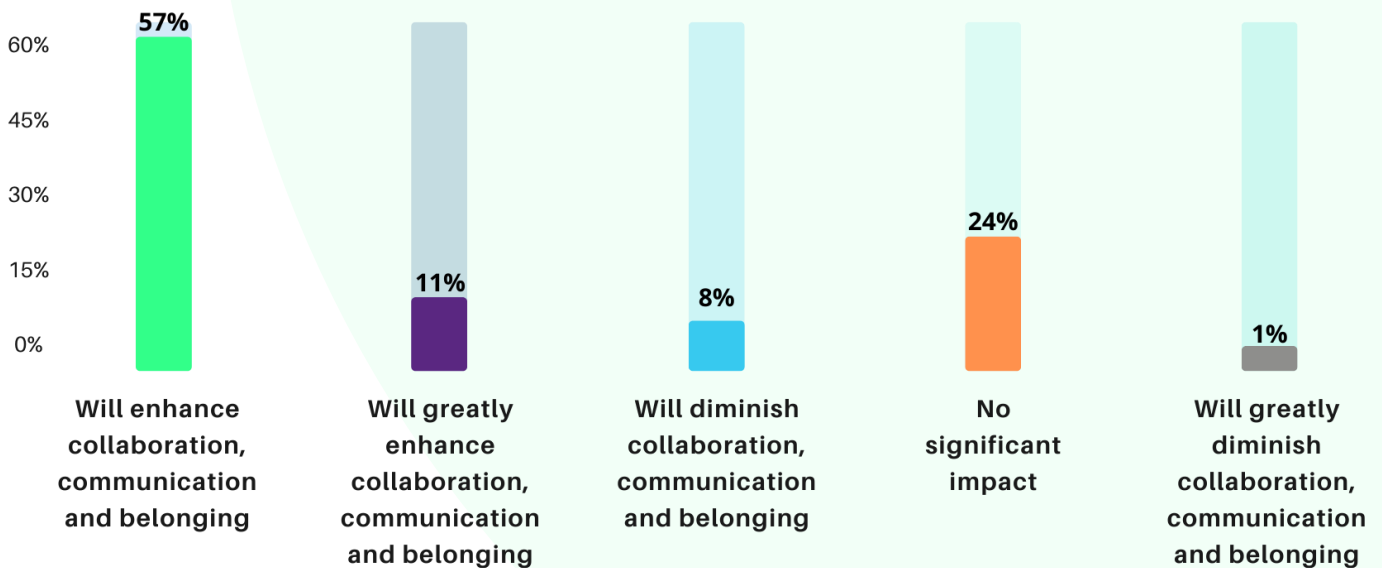
For those who had already adopted AI and were asked to observe any impact on culture the most frequently identified response was that it ‘enhanced creativity and innovation’ across the majority of sectors. Improvements in ‘transparency of decision making’ was also highlighted in Financial Services, Private Equity and Technology sectors. It was also seen to drive ‘greater competition’ in certain areas. The reason for this could reflect a greater appetite for investment in technology across these sectors, with a huge surge in Fintech growth on a global level and a desire to stay ahead of competitors, but also to comply with regulatory data-first demands in an increasingly globalised market.

**“Adopting AI is essential to maintain a competitive culture and to ensure organization stability.”**

The core components of organisational culture are communication, collaboration and belonging. We wanted to understand what impact AI might have, or was already having, on these areas. Most responded that AI was or would enhance these areas overall, and in certain industries such as Higher Education and Private Equity, that it would ‘enhance’ them significantly more than ‘diminish’ them. This is a view that was echoed broadly at a regional level, although organisations in Latin America and APAC were less convinced of this, noting a greater percentage of those suggesting it would have ‘no significant impact.’

**To what extent do you believe AI adoption will enhance collaboration, communication and belonging among employees?**

**View By Higher Education**



It is interesting to note that culture development was considered a positive outcome of AI adoption, even with the potential risks of more automation, staff redeployment or reduction. The trend towards more positive views of technology and its ability to transform working practice, emerged during the pandemic and has sustained in many areas. There must be a greater emphasis on employee experience, and a more strategic, but applicable approach to AI should be considered as part of this.

In much of the wider commentary in this research it is clear that humans remain important, but the education of how the job landscape will evolve is vital at all levels, to show how it can help, rather than hinder, human-only skills. This is important and must start with leaders first and foremost.

# Consultant view

Although many organisations are yet to implement AI, benefits are already being seen where it is being adopted. We noted that there was a much greater sense of anticipation, opportunity and advancement with the potential of AI, rather than pessimism or threat. Those who have implemented it have made advances in productivity, but also in how they interact and communicate and enhance creative thinking and analysis. There were examples shared such as an ability to identify market trends in retail and to break down silos between teams with less time spent on administrative work and more on product and brand development.

However, there is still much to be seen from a wide range of organisations who have not yet adopted AI, or are still at very early stages, how this will translate into organisational culture. People in organisations everywhere are using ChatGPT, for example, at work, even if not in a fully integrated or formally adopted way at work. This is a discussion that cannot be pushed inexorably down the road. If it is, there is a real risk of being left behind, employee experience not being optimised and staff potentially transitioning to other, more advanced organisations.

## Areas that we view as important for consideration:

- Organisational culture has been an area facing significant disruption during and post pandemic. Leaders are alive to this, but should be actively scanning ahead to AI as the next big impact that will have a potentially much more significantly disruptive impact.
- Learning lessons, positives and pitfalls both from other sectors, but also within own industries, and even departments will be crucial to plan better for addressing organisational cultural impacts..
- Using beneficial and positive narrative, whilst considering concerns, around workforce development and deployment, particularly in skills development and transition will be vital for leaders with the implementation of AI.
- Recognising that many people in organisations are already using generative AI solutions on a daily basis. This requires a formalised strategy from a technology, and employee experience perspective to harness it.



**Shaun Carpenter - Canada**  
PFM Executive Search - Partner  
& Panorama's Consultant.



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

**Thank you!**

