



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 4

**Human Capital –
Can we bring artificial and
human intelligence
together?**

The impact on the employment landscape is a significant factor in the advancement of AI and we wanted to understand more about how this was reflected in the organisations we surveyed.

At the strategic Executive level, we asked if there was an anticipated or current elevation of specific functions within organisations. This was most evident, perhaps unsurprisingly, in larger organisations – those with over 1000 staff – and in sectors such Higher Education and Professional Services where the roles of Chief Technology Officer, and Chief Information Officer were prioritised.

However, interestingly in the largest of organisations it was noted that a Chief AI officer could become a priority role too – particularly those which are driven by online platforms, such as Consumer and Retail, but also in the Technology sector and in Manufacturing. A clear emphasis on the importance of the Chief Risk Officer role was also noted across larger organisations and especially in sectors including Government, Life Sciences, Private Equity and Technology – heavily regulated sectors which are already considering AI impact in many regions. Both Latin American and APAC-based organisations saw a greater role for Chief Risk Officers, whereas North America and European counterparts positioned the Chief Technology or Information Officers more significantly.

Interestingly, there were also some references to the potential of an emerging role: the Chief Employee Experience Officer. The suggestion was that this would be important in the context of AI adoption and increased focus on hybrid working; important for skills development, training and investment and overall cultural strategy.

“ We anticipate there will be a significant shift in ways of working in many areas. However, it does require greater focus on identifying the problem or business case for how AI will be valuable and that will help us shape where a change of skills is needed. ”

Skills development will be essential for the survival of organisations, especially as AI advances. We asked what investment is being made in this area and how much it is being prioritised.

Overall, many organisations were prioritising it to some extent, though smaller organisations on the whole considered it less of a priority, primarily due to constraints in cost and time resources. The industries who are most focused on investing in skills and training in AI were Government, Professional Services, Energy and Technology. The main areas of focus for AI training have been driven by the need to address risk and regulatory requirements, ensuring compliance and fostering a more informed workforce. Additionally, organisations, especially in Technology and Professional Services, are investing in skills development to achieve productivity gains, improve data analysis capabilities, enhance collaboration, and secure or maintain a competitive edge.

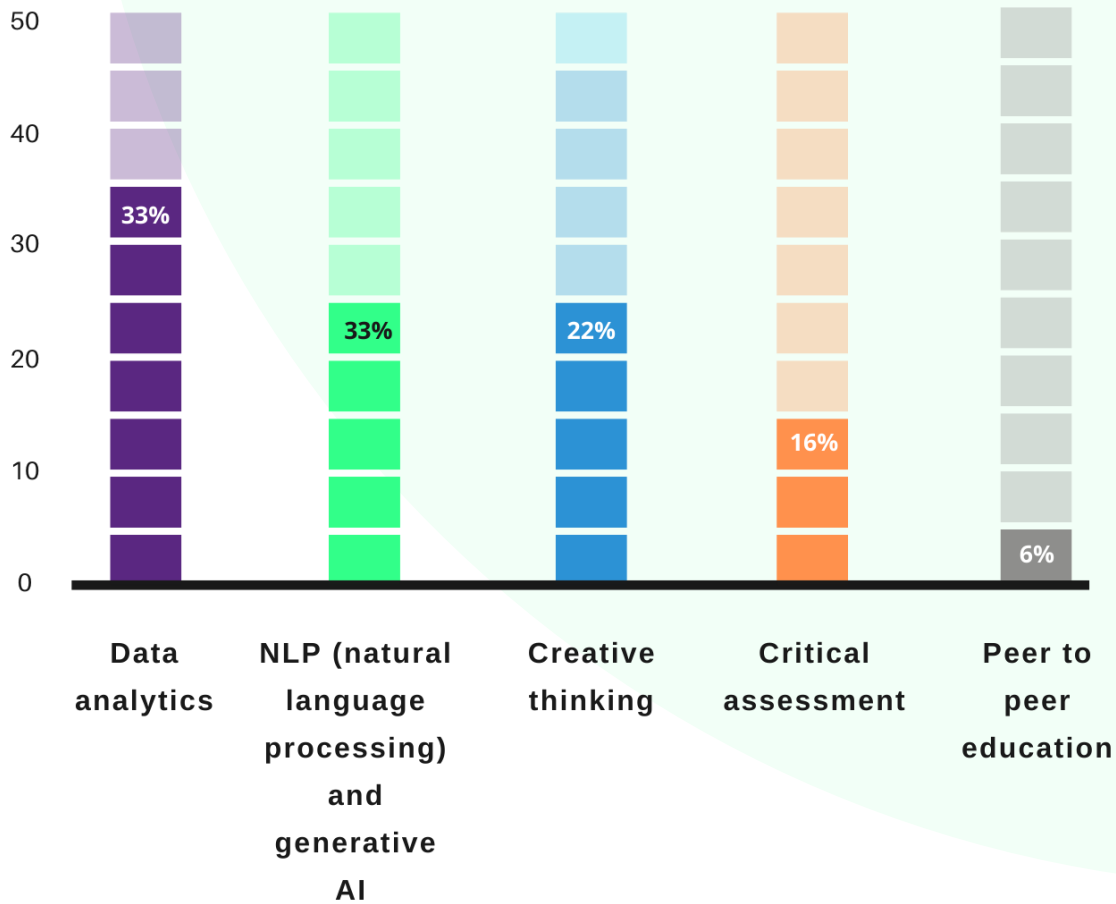
“ It will prompt more sharing of learnings across existing silos within the organisation. ”

There were sectors to note where investment in skills development was not being prioritised yet. The most notable were the Industrial and Not-for-Profit sectors – citing lack of clarity over where benefits may arise or cost of investment being too significant at this stage until more awareness of benefits was apparent.

“ We will outsource certain requirements such as research. But overall we want to build internal knowledge to enable staff to safely use AI. ”

With greater investment in skills and training, we wanted to drill down further to understand which areas will become more important as AI is more broadly deployed. Across the broad sample (regardless of region, size or industry) data analytics was considered the most crucial area of development, with strong emphasis on Natural Language Processing and Generative AI in larger organisations, which may suggest a greater awareness or adoption at this stage of such technologies. A greater emphasis on skills enhancement in creative thinking and critical assessment, augmented by AI, was also noted across the majority of organisations as fundamental areas for training investment.

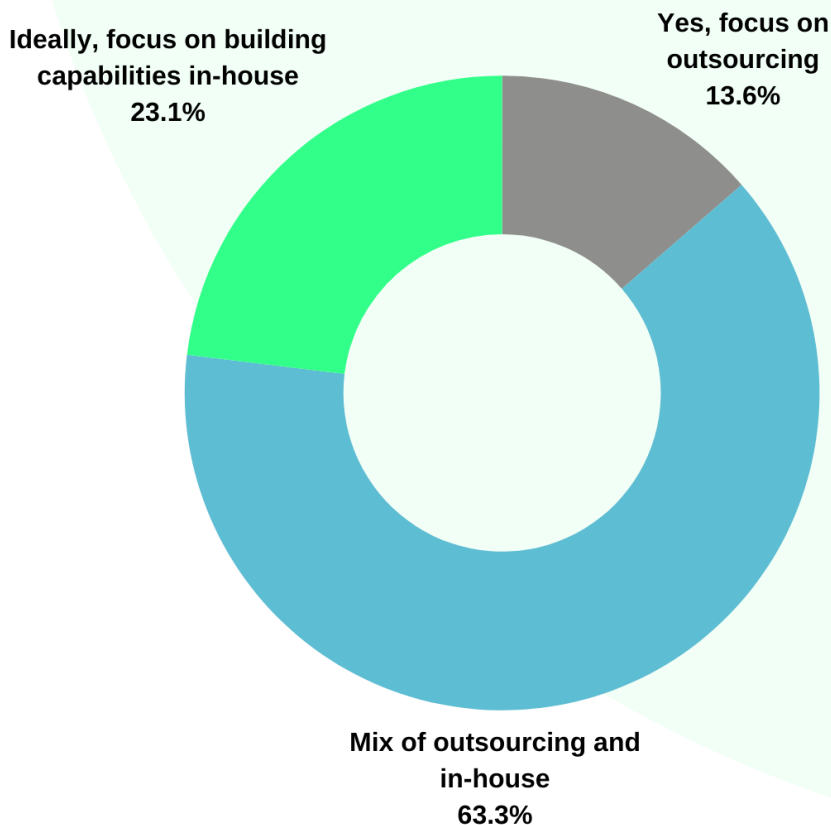
What skills or training requirements do you believe will become more important in your team with the increased deployment of AI technologies?



“ Core business areas should be built internally. Other areas can be outsourced. ”

And finally, but crucially in certain industries, as skills and investment allow, it is interesting to understand current thinking about where priorities lie between the outsourcing of AI-based services and expertise or to strengthening internal AI capabilities. For the majority of organisations, regardless of size, a mixed approach was favoured, but in smaller organisations there was a noticeable interest in building skills internally, however this is where investment in training was noted as least prioritised. If internal skills, approaches and technologies are going to be developed, investment needs to be made. And with the AI evolution showing little signs of slowing down, that is likely to be a potentially significant investment.

Do you anticipate a greater reliance on outsourcing of AI-based services and expertise, or do you plan to strengthen internal capabilities?



“Risk of some people not able to keep up the pace or even opposing the use of some resources.”

Consultant view

The knowledge and expertise within the global AI ecosystem is still quite tightly contained. That presents a challenge for mass adoption as there is a considerable way to go in training and developing workforces to use AI tools. It also means that a greater consolidation of control in a smaller number of companies or individuals.

If AI is to generate the revolution in workforce development and deployment, greater knowledge and skills enhancement is paramount. More transparency will be essential to ensure ethical practice. Investment at an operational and strategic level both in the technology, but even more importantly in developing skills, is the simple reality for organisations looking to succeed.

Leaders are moving towards acceptance of this, but without a concerted effort to measure and assess how and where AI integration and implementation can be successful, there is a risk of investment in the wrong areas or moving too quickly just to be ahead. This is a challenging balance, and one that leaders will need to start to address, but also gain support from their internal teams, Non-Executives and external advisors.

We are all on a steep learning curve, but it is one that we can tackle together.

Areas that we view as important for consideration:

- Clear expectations and job descriptions need to be identified for new C-suite investment to maximise impact and outputs across an organisation
- Resource (and potentially quite significant amounts) needs to be allocated to staff training and development. This should be prioritised with overall technology investment.
- Knowledge building and sharing should take place across organisation. The vast majority of people are on an AI learning journey.
- Working closely with regulators, discussing challenges and restrictions will help to drive AI understanding and requirements.



Marcus Giorgi – Brazil

EXEC - Partner
& Panorama's Consultant.

Overall conclusion

AI is a global phenomenon and its impacts will be far-reaching; but how we respond in our collective industries and geographies, as much as our individual organisations will be crucial to how we move forward for our economies and societies. Alongside the broader global pressures of climate change and net zero agendas, as well as shifting political backdrops, AI is adding another serious dimension to strategic organisational development and culture for leaders everywhere.

There are some very interesting examples being shared amongst our community, and an increasing number of analyst and industry commentators opening up discussions and sharing learnings, as well as building use cases. This is certainly to be encouraged and at Panorama we welcome this.

We can look to certain industries already making great strides, such as Technology, Government, Higher Education and Professional Services, to see where gains are being made and challenges have arisen. However, those with a deep level of knowledge of AI remain a comparatively small pool, and that means a risk of greater competition to acquire the best talent. This must be top of mind for leaders.

Lastly, and by no means least, we live in a world filled with uncertainty and that can bring fear. However, we are a species that has continued to thrive through innovation and the opportunities which AI presents look set to continue and evolve our existence. We do need to inform ourselves as best we can, and that cannot be done through fear, it has to be seen through a lens of possibility and prosperity.

We would like to thank all of those who have taken part in this survey and shared their insights and experiences. No matter where an organisation is currently in its view or investment in AI, it is clear that it is a technology and approach that will create seismic shifts. We want to continue this discussion with our existing and future clients, peers and industry bodies to create a community of collaboration which encourages leadership growth and prosperity.

We plan to share further analysis and commentary across LinkedIn over the coming months, and welcome all comments, insights and feedback.

Methodology

In mid-2024 we invited a range of senior leaders at Non-Executive and C-suite level to complete an online survey. It was separated into four chapters, all focused on areas of AI adoption and impact on organisations. This took place over an eight - week period. This survey included multiple choice, open, and priority-based questions. We received responses from over 200 participants across four key regions – APAC, Europe, North America and Latin America. We included a range of business types, industries, functions, revenue and size.

The findings have been collated, analysed, and shared with participants and our wider global community through targeted distribution at a senior leadership level, and included on Panorama firm websites.



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

Thank you!

