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Becoming an AI-fueled organization:
How to build an AI-ready culture

"Not to say that technical model building is easy, but the biggest challenge is culture change."
— Phil Thomas, Executive Vice President of Customer Insights Data & Analytics at Scotiabank
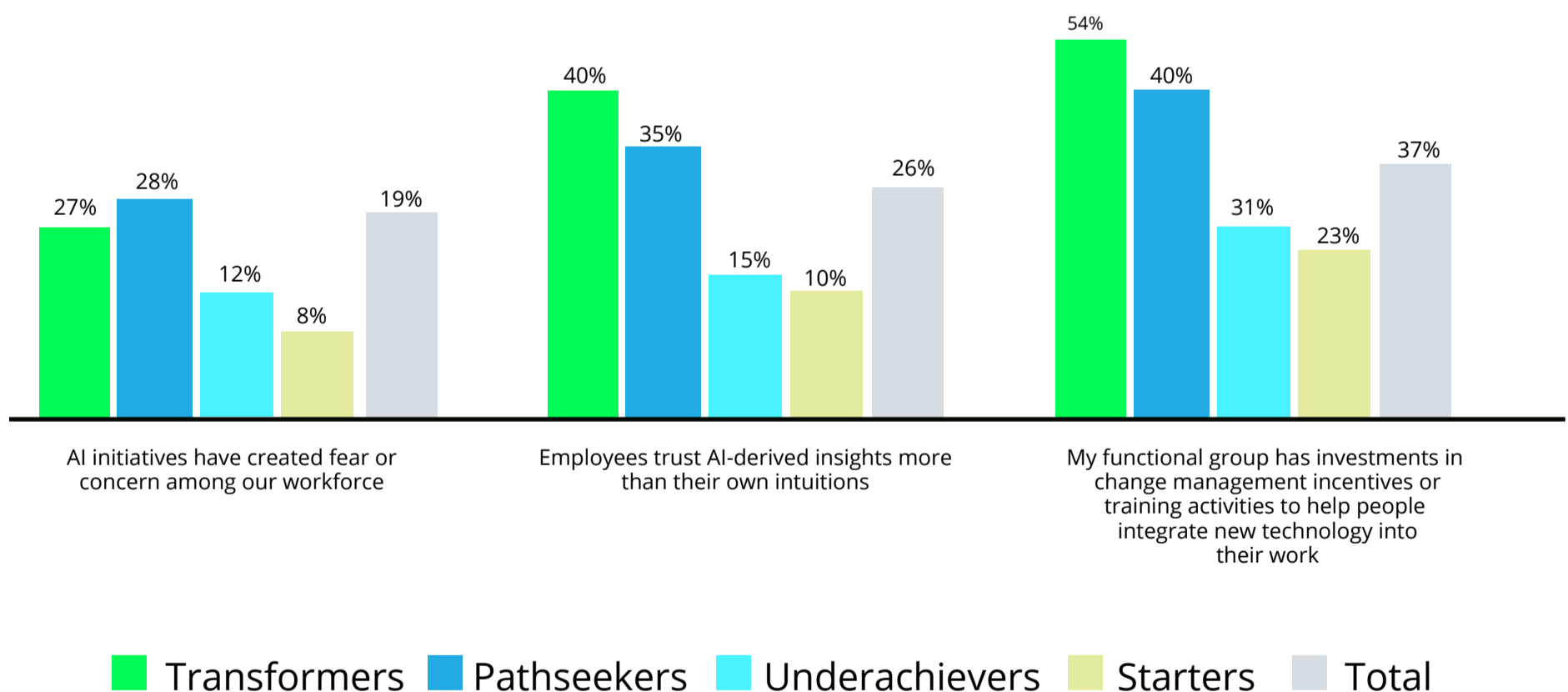
Over the past few decades, the pace of business and technology change has quickened, requiring workers to adapt, perpetually learn new skills, and make decisions amid growing ambiguity. For many organizations, these shifts have challenged a critical facet within their organization: their culture.

In Deloitte's State of AI in the Enterprise, 4th Edition research, executive interviewees repeatedly emphasized how the cultural characteristics of their organizations either facilitate or hinder their AI-transformation efforts. This aligned with another 2019 Deloitte survey that found that organizations with the most data-driven cultures were twice as likely to significantly exceed business goals.[1]

Through interviews and survey data analysis, we found the organizations with the strongest AI outcomes tend to display some common characteristics, including high levels of organizational trust, data fluency, and agility. And to get there, investment in change management has been key to successful AI transformation: Organizations that invest in change management are 1.6 times as likely to report that AI initiatives exceed expectations and more than 1.5 times as likely to achieve outcomes than those that don't. A recent study also made clear that by providing workers with clear direction and support, change management can boost both trust and engagement.[2]

Leading culture and change management practices

Percentage of respondents who selected "company agree" to these statements about culture and change management

	AI initiatives have created fear or concern among our workforce	Employees trust AI-derived insights more than their own intuitions	My functional group has investments in change management incentives or training activities to help people integrate new technology into their work
Transformers	27%	40%	54%
Pathseekers	28%	35%	40%
Underachievers	12%	15%	31%
Starters	8%	10%	23%
Total	19%	26%	37%

Ingredients of an AI-ready culture: Trust, data fluency, agility

Trust: Surprisingly, surveyed high-achieving organizations (Transformers and Pathseekers) report more than twice the amount of fear compared to low-achieving organizations (Underachievers and Starters). Typically, when we consider AI-related fear, the focus is on job loss or machines replacing humans. But high-achievers also reported little desire to reduce employee headcount as well as high investment in training and change management. When viewed through this lens, fear may be a positive indicator that an organization's AI vision is bold. This can bear fruit when paired with other supportive actions and cultural characteristics to drive success. A culture that trusts, even if they fear, demonstrates agility. Change management can help build that trust.

Executive interviews confirmed this interpretation, calling out a variety of behaviors, such as collaboration, relationship-building, and training, which may collectively point to higher levels of trust within the organization. Trust is based on competence and intent:[3] If employees believe in the organization's ability to build capable AI systems and its intent to use technology for their benefit—not detriment—then trust can grow.

"It's really about working together, building collaborative, trusted partnerships," advises Eileen Vidrine, Chief Data Officer at the US Department of the Air Force. In organizations where that may be lacking, it's imperative to support trust and relationship-building to break down silos.

Data fluency: "In order for there to be AI success, people will have to change their relationship with data," says Andrew Beers, Chief Technology Officer at Tableau. Part of this, of course, involves building advanced technical data capabilities; however, that's often a smaller piece of the puzzle than leaders realize. More foundational tends to be raising the base level of data literacy across all levels of the organization. This means encouraging everyone to build the critical thinking skills needed to ask the right questions, and then find the right data to solve problems in their everyday work. Developing data-literacy skills builds confidence and a deeper trust in models and AI, which in turn can help set

organizations up for positive outcomes. High-achieving organizations from our survey (Transformers and Pathseekers) were approximately three times more likely to trust AI more than their own intuition, compared to low-achieving organizations (Starters and Underachievers). Naturally, trusting AI doesn't mean blindly following model outputs. Tulia Plumettaz, Director of Data Science at Wayfair emphasizes this point: "We have a widespread culture of experimental validation. We don't accept an answer of, 'The model said so.' No. Model outcomes are continuously scrutinized through live testing and validation." In other words, data-focused organizations tend to require a more profound understanding of data. Workers should be incentivized to explain and justify model decisions; this serves to drive more creative insights as well as faster detection of model errors if and when they arise.

Upskilling is important in this effort. "Talent is really one of the big challenges that we see," observes Ong Chen Hui, Biztech Group Cluster Director at Infocomm and Media Development Authority of Singapore. She continues, "it's not strictly the AI scientists. We also see that, in adjacent competencies needed to support AI, there is a talent shortage there also. "Most organizations understand the importance of including training or reskilling to support an AI transformation—in fact, nearly three quarters of all surveyed organizations did not report a strong preference for hiring externally over reskilling their current workforce.

Agility: AI-fueled organizations typically do more than trust data; they demonstrate a willingness to quickly turn insights into action and rapid experimentation. Rajeev Ronanki, SVP and Chief Digital Officer at Anthem agrees, commenting on the degree of change this can require for organizations that have grown prioritizing safer and more secure investments: "A lot of [the challenge] is getting comfortable with the fail-fast, pivot mindset when you take on and do new things," he notes. "With AI investments and digital transformation in general, you need experimentation and learning from failures. It's a big change."

Building an AI-ready culture: The need for change management

AI in particular is significantly altering the way work gets done, requiring a redefinition of work,[4] and subsequently which skills and capabilities the human workforce needs to deliver value.[5] "Data science touches every single therapeutic area, business unit, and the different functions,"says Najat Khan, PhD, Chief Data Science Officer and Global Head of Strategy & Operations for Janssen Research & Development. "Therefore the change journey that comes with it is significant. It can be uncomfortable at first, certainly not optional, and completely worthwhile to have collective transformational impact on the patients we serve."

This level of change necessitates support to help the workforce adjust, which our survey data reinforced: Transformers invest in change management at nearly twice the rate of Starters and Underachievers. Not only does AI support workers in adopting key skills and behaviors, it can also be an important trust builder by demonstrating that the company values them.

Many organizations go astray even before they initiate a change management initiative. If business sponsors haven't taken the time to work closely with AI solution developers to carefully plan how new technology will improve workers' experience and ability to deliver value, a change management program will not fix the inefficiencies or undesirable behaviors that poorly conceived processes unintentionally introduce. Once confident in the transformation design itself, successful change management comes down to whether the transformation goals and requirements have been made clear, relevent and achievable for the many different audiences within an organization. The better a changeprogram is at addressing these elements for all workers, the more likely desired change is to take hold. A strong program typically spends time identifying a complete set of behaviors it wants to promote, which are then used to create a multilayered program of communication, training, support resources, incentives, and "nudges"[6] that ultimately drive the creation of new norms. In other words, you can't change people's beliefs by just telling them to think differently—but you can share information, educate, incentivize, and support them to behave in different ways. This, over time, can change their beliefs.

Most organizations underinvest in these activities: Only 37% of survey respondents reported significant investment in change management, incentives, or training activities to help their people integrate new technology into their work, often resulting in a slower, less successful transformation.

Even when designed well, organizations should keep in mind that the most successful transformations are typically based on workers' consent and buy-in, and this takes time. Leaders should seek ongoing measurement of KPIs, using them to track progress and iteratively hone the change program. Adding support where behaviors aren't taking hold and celebrating achievements along the way is often key to ultimately arriving at a culture that can drive AI-fueled success.

More change management recommendations:

Analytics and AI-driven enterprises thrive in the Age of With: The culture catalyst | Humanizing Change: Developing more effective change management strategies | Nudging for Good

Download the complete Deloitte State of AI in the Enterprise, 4th Edition report.

About the Deloitte State of AI, 4th Edition Research

AI-fueled organizations leverage data as an asset to deploy and scale AI systematically across all types of core business processes in a human-centered way. They use the power of rapid, data-driven decision-making to enhance workforce and customer experiences to achieve competitive advantage and continuously innovate.

To learn how organizations across the globe are progressing toward this vision, we surveyed 2,875 executives from 11 top economies who have purview into AI strategies and investments within their organizations. We asked them about a wide variety of behaviors—from their overarching AI strategy and leadership, to their technology and data approaches, and how they are helping their workforce to operationalize AI. Then, to understand which behaviors lead to the greatest outcomes, we analyzed the survey responses based on how many types of AI applications a company has deployed full-scale and the number of outcomes achieved to a high degree.

Transformers

(High outcome and high deployed—28% of survey respondents): Transforming but not fully transformed, this group has identified and largely adopted leading practices associated with the strongest AI outcomes. They average 5.9 out of 10 possible full-scale deployments of different types of AI applications, and 6.8 out of 17 possible outcomes achieved to a high degree. They are the market leaders on their way to becoming AI-fueled organizations.
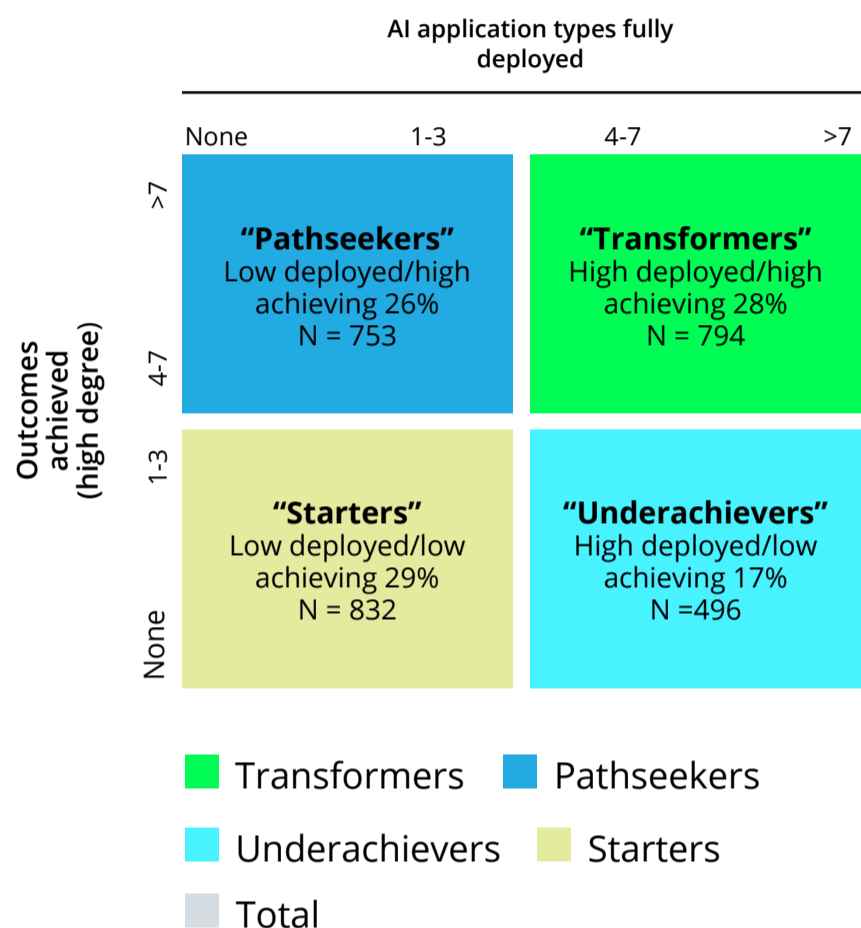
Pathseekers

(High outcome and low deployed—26% of survey respondents): Pathseekers have adopted capabilities and behaviors that are leading to success, but on fewer initiatives. They are making moves but have not scaled to the same degree as Transformers. They average 1.9 out of 10 possible full-scale deployments of different types of AI applications, and 6.2 out of 17 possible outcomes achieved to a high degree.

Underachievers

(Low outcome and high deployed—17% of survey respondents): A significant amount of development and deployment activity characterizes this group; however, they haven't adopted enough leading practices to help them effectively achieve meaningful outcomes. They average 5.5 out of 10 possible full-scale deployments of different types of AI applications, and 1.4 out of 17 possible outcomes achieved to a high degree.

Starters

(Low outcome and low deployed—29% of survey respondents): Getting a late start in building AI capabilities seems to characterize this group. They are the least likely to demonstrate leading practice behaviors. They average 1.6 out of 10 possible full-scale deployments of different types of AI applications, and 1.0 out of 17 possible outcomes achieved to a high degree.

AI application types fully deployed

	None	1-3	4-7	>7
>7 / 4-7		**"Pathseekers"** Low deployed/high achieving 26% N = 753	**"Transformers"** High deployed/high achieving 28% N = 794	
1-3 / None		**"Starters"** Low deployed/low achieving 29% N = 832	**"Underachievers"** High deployed/low achieving 17% N =496	

Outcomes achieved (high degree)

- Transformers
- Pathseekers
- Underachievers
- Starters
- Total

1 Tom Davenport et al., Analytics and AI-driven enterprises thrive in the Age of With: The culture catalyst, Deloitte Insights, July 25, 2019.
2 Paul J. Zak, "The neuroscience of trust," Harvard Business Review, January 1, 2017.
3 Deloitte, The future of trust: A new measure for enterprise performance, 2021.
4 John Hagel, John Seely Brown, and Maggie Wooll, Redefine work: The untapped opportunity for explaining value, Deloitte Insights, 2018.
5 John Hagel, John Seely Brown, and Maggie Wooll, Skills change, but capabilities endure: Why fostering human capabilities first might be more important than reskilling in the future of work, Deloitte Insights, August 30, 2019.
6 Shrupti Shah et al., Nudging for good: Using behavioral science to improve government outcomes, Deloitte Insights, June 24, 2019.

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