

AI Success Starts with Culture

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As businesses increasingly integrate AI into their operations, success hinges not only on technology but also on fostering a culture that embraces innovation, collaboration and continuous learning. Organisations must align strategy, skills and security to unlock the full potential of AI.

Singapore is a leader in AI adoption among Southeast Asian countries. It has committed S\$1bn over the next five years as part of its National AI Strategy 2.0. Corporate investment in AI technologies is similarly booming. According to IDC Research, global spending on AI is projected to reach approximately US\$632 billion (S\$847 billion) by 2028.

Singapore's leaders recognise that successful AI adoption requires employees to obtain new skills and companies to create the right culture to foster greater innovation and collaboration. To this end, the country is establishing partnerships with major tech companies to boost AI adoption in Singapore's businesses and equip employees with the right skills.

While AI is making technology more human-like and accessible, a wide gap persists between technology strategy and people strategy in many organisations. Corporate leaders must ensure their organisations are AI-ready before developing their AI strategy.

Workplaces are not prepared for AI

The rapid adoption of AI tools for business and other digital technologies is having a profound impact on organisations and their employees – as non-digital processes and ways of working are fundamentally transformed.

This workplace revolution has resulted in a gap between the rapid availability of AI tools and the extent to which employees are using them.

Employees are broadly optimistic about AI's potential. According to a Gallup survey in 2024 of over 21,543 working adults globally, two-thirds believe AI will have

a somewhat (52 per cent) or extremely (14 per cent) positive impact on their work. However, nearly seven in 10 employees never use AI at all, and only one in 10 use AI applications at least weekly.

One reason for this usage gap is that employees do not feel well-informed about their organisation's plans to implement AI or feel they have not received sufficient AI training.

Only 15 per cent of US employees strongly agree that their organisation has communicated a clear AI strategy. Relatively few employees (11 per cent) feel "very prepared" to work with AI and related digital technologies in their role – down six percentage points from Gallup's 2023 finding (17 per cent).

Among US employees who say their organisation has communicated a clear strategy for integrating AI into its business, 87 per cent indicate they believe AI will have an extremely positive impact on their productivity and efficiency.

What does it mean to be AI-ready?

How can leaders bridge the AI usage gap and ensure success with their organisation's AI-led digital transformation? A recent study by McKinsey & Company found that only about one in five digital transformation initiatives achieve their growth or efficiency goals.

A common factor in many of these failures is organisational culture. Eliminating uncertainty and helping employees embrace AI and its vast potential require organisations to prioritise the cultural component of AI adoption and digital transformation.

Establishing a culture that fosters new ways of working is essential. This encourages the adoption of new technologies that deliver value to the organisation and helps employees feel a strong connection to the organisation. Leaders need to

consider and address three key dimensions of organisational readiness essential to building a culture that prepares employees to make the most of AI and other digital technologies (see box, “Building an AI-Ready Organisation”).

Building an AI-Ready Organisation

Leaders must focus on three critical pillars of organisational preparedness: Strategy, Skills and Security. Here are some considerations which can help organisations cultivate a culture where employees can fully leverage AI and other digital technologies.

Pillar 1: STRATEGY

Leaders need to build and communicate a well-articulated AI strategy with specific goals and provide clear direction and alignment on the optimal use of resources to deliver the strategy efficiently.

- Is there a clear vision for how AI will help the organisation achieve its goals?
- Is your workforce optimistic about the impact of AI on individual, team and organisational performance?
- Do you have the necessary organisational agility to adapt your vision as the company increases its deployment of AI tools and applications?

Pillar 2: SKILLS

Nearly half (47 per cent) of employees who use AI say their organisation has not offered them any training on how to use AI in their job. Leaders must bridge the AI skills gap to alleviate employee frustration and resistance to AI adoption.

- Do your employees know how to use AI and AI tools?
- Have you implemented a robust learning strategy to ensure that the organisation continually tests, adapts and evolves your vision for AI technologies and their deployment?
- Have you created an effective feedback loop for testing and learning as AI adoption grows throughout the organisation?

Pillar 3: SECURITY

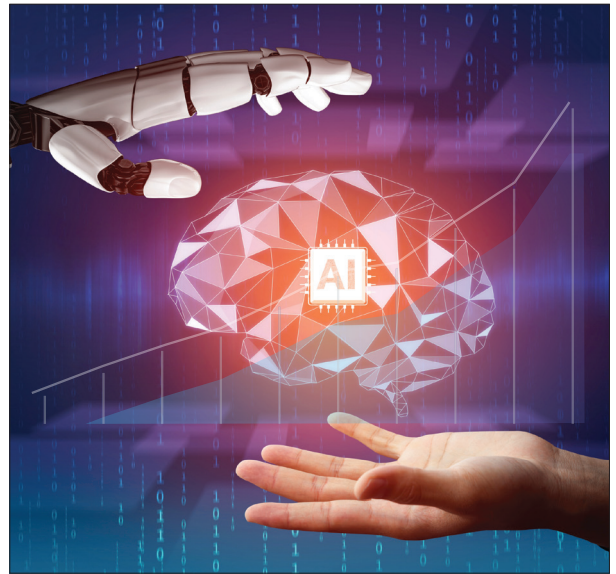
Communicating strategy and developing skills will reinforce employee confidence in the organisation’s implementation of AI technology. This involves providing clear guidance on how AI should be used, and substantially reducing risks associated with data privacy and protection issues.

- Do all employees understand your organisation’s AI policies and guidelines?
- Have you anticipated and planned for potential limits and barriers to AI adoption?
- What assumptions have your organisation’s security measures been based on?
- Are you merely trying to control AI – or unleash its full potential for the organisation?

A human-centred approach

To help leaders respond to the key dimensions of organisational readiness, a human-centred framework for AI adoption and digital transformation should take the following steps.

1. **Diagnose culture.** Leaders should approach the integration of AI technologies by first assessing their organisation's cultural readiness. An effective qualitative and quantitative cultural assessment will provide critical insights to leaders and inform the organisation's AI vision and strategic roadmap.
2. **Align investment with purpose.** New technology investments should align with the organisation's purpose or the reason that underlies the investment. For example, a company with a culture that emphasises agile, collaborative decision-making, extreme innovation or exceptional customer service should invest in AI technologies and applications that help it do these things more effectively and reinforce its competitive differentiation. Aligning decisions about AI deployment and investment across functions and departments with elements that create the greatest value for customers or fulfil the organisation's purpose is crucial.
3. **Communicate a clear AI narrative.** Adopting new ways of working requires a compelling rational and emotional case to help employees understand what will change and what will stay the same. AI is more than just a rational business investment in the organisation's future; it should also inspire hearts and minds. Leaders must create a credible, engaging narrative for AI implementation that addresses employee concerns and fosters buy-in, energy and engagement. When employees strongly agree that leaders have communicated a clear plan for AI implementation, they are more likely to feel prepared and comfortable to work with AI.
4. **Sustain adoption.** New technology adoption will fail if leaders don't foster and replicate the



right cultural behaviours. Initial enthusiasm for AI must turn into habits. Barriers to new ways of working will inevitably arise if leaders and employees do not identify, communicate and overcome them. Leaders must celebrate and reinforce success stories and best practices on an ongoing basis to maintain AI's potential to transform the workplace.

The AI revolution

AI has the potential to improve employee productivity, power innovation and increase efficiency. When deployed in an organisational culture that fosters the adoption of innovative technologies, AI can help teams work more efficiently, drive growth and reduce costs. Ultimately, AI can liberate people from onerous tasks so they can spend more of their precious time on high-value work that humans do best.

There are no signs of a slowdown in corporate investment in AI and other digital technologies. The AI revolution is here – and it is up to leaders to ensure their organisations and people are ready to make the most of it. ●

This article is adapted from “Your AI Strategy Will Fail Without a Culture That Supports It”, published on the Workplace website by Gallup on 1 November 2024. The authors are from Gallup.