



# AI: The **High-Stakes Gamble** for Enterprises

The Business Leaders' View

# Introduction

The business environment today is filled with noise – from sparring internal stakeholders and rival initiatives to external forces like competitive pressures and economic obstacles – but it is not a game of chance. **To win big, organizations must overcome these obstacles and recognize opportunities for success and growth.** Business leaders must help their organizations identify these openings and differentiate them from the ever-present risks at hand.

It is impossible to deny the magnetic appeal of artificial intelligence (AI) as an opportunity for growth and differentiation. While AI offers unprecedented opportunities to analyze vast amounts of data, identify patterns, and provide actionable recommendations in mere seconds, business leaders believe their companies have rushed to adopt AI without truly addressing AI literacy, ethics, and preparedness or readiness. Companies have raced to embrace the potential of AI to gain a competitive edge or deal with talent shortages without fully considering the necessary precautions they should be taking to harness AI responsibly. Many organizations are using AI and believe they are using it in a responsible way, but there are clear opportunities for improvement.

Business leaders' strong confidence in AI usage might equate to risking their organization's future due to gaps in AI literacy, ethics and preparedness/readiness. It is imperative for business leaders to take a step back and ensure they have the right pieces in place to responsibly use AI.

**To explore how organizations are incorporating AI into their businesses, Stibo Systems commissioned a survey of 500 U.S. business leaders across the retail, CPG, manufacturing, insurance, and life sciences industries.**

## Key Findings

- **32%** of business leaders admit to rushing AI adoption
- **49%** of business leaders admit that business leaders are not prepared to use AI in their organizations responsibly
- **89%** of business leaders are eager to rely on the emerging technology for critical decision making
- **86%** of business leaders agree they want more training on how to responsibly utilize AI
- **61%** of business leaders believe that AI adoption is outpacing the development of ethical guidelines
- **58%** of business leaders acknowledge that their organizations do not have AI ethics training
- **54%** of organizations have not implemented new security measures to keep up with AI
- **79%** of organizations do not have bias mitigation policies and practices in place

# Leaders are rolling the dice on their **organization's** future

Business leaders often fall victim to the notorious Alice in Wonderland Syndrome when they are out of touch with the actual state of their organization, but this trend is especially concerning when it comes to AI due to the risks involved with using AI improperly. AI has become the 'talk of the town' in the broader business world as leaders are rolling the dice on AI, taking calculated risks without fully knowing the outcome. This has largely contributed to a distorted sense of reality, as business leaders are eager and optimistic to utilize AI but fail to recognize the magnitude of the challenges as well as the benefits.

While some business leaders believe they have strong AI literacy skills, the reality of proper preparation to use AI is far more concerning. Business leaders have a misleading sense of preparedness towards AI that is not reflected in their organization's AI policies and procedures.

**The Georgia Institute of Technology** has defined AI literacy as "a set of competencies that enables individuals to critically evaluate AI technologies; communicate and collaborate effectively with AI; and use AI as a tool online, at home, and in the workplace." Over three in five (**65%**) business leaders believe they have strong AI literacy skills. Furthermore, seven in ten (**71%**) business leaders believe that they have an ethical understanding of AI. However, these beliefs are misleading as nearly half (**49%**) admit that business leaders are not prepared to use AI in their organizations responsibly. It is critical for business leaders to have strong AI skills, as they must **lead the charge** on integrating AI into their organizations rather than pushing that responsibility off to IT teams.

Also concerning is that one-third (**32%**) of business leaders believe they rushed into AI adoption. This race to adoption was an unnecessary risk that makes organizations vulnerable to financial and reputational damage. Overall, these gaps in perception and reality highlight the need to return to the basics and build a strong foundation for AI usage within organizations to properly address and prepare for the long-term implications of AI-usage.

## Perception vs. reality of responsible AI adoption

Perception	Reality
<ul style="list-style-type: none"><li>■ <b>94%</b> say their organization currently uses AI responsibly</li><li>■ <b>65%</b> are confident in their AI literacy skills</li></ul>	<ul style="list-style-type: none"><li>■ <b>61%</b> assert that AI adoption is outpacing the development of ethical guidelines</li><li>■ <b>49%</b> say that business leaders are not prepared to use AI responsibly</li><li>■ <b>32%</b> report that their organization rushed to adopt AI</li></ul>

# Two Pair: Lack of **training** & high-stakes **decision making**

Most **(89%)** business leaders are eager to rely on AI for critical decision making, yet **86%** agree they want more training on how to responsibly utilize AI. This indicates a gap suggests that leaders may think their organizations are bluffing their way through AI adoption and gambling with high-stakes decisions without the proper safeguards.

Despite a lack of preparedness and training, AI is becoming increasingly integrated within high-stakes decision making at organizations. Business leaders are comfortable using AI to inform decisions across all key areas of their business from risk management to operations decisions and strategic planning. This finding should greatly concern customers and employees, who will likely be directly impacted by ill-informed decisions.

## What types of **business decisions** does AI help you make? (Top 5)

<b>Risk Management</b>	<b>41%</b>
<b>Operations</b>	<b>40%</b>
<b>Strategic Planning</b>	<b>38%</b>
<b>Product Development</b>	<b>35%</b>
<b>Customer Relationship Management</b>	<b>34%</b>

Business leaders recognize that they will need a specific set of skills or competences to effectively navigate the use of AI within their organizations, most notably, an ethical understanding of AI implications **(49%)**, AI literacy **(47%)**, risk management **(32%)**, and strategic thinking **(28%)**.

However, many organizations have not done the proper due diligence on how to use AI to strengthen decision-making. For example, nearly seven in ten **(69%)** organizations have not provided data governance training. Business leaders are rushing to use AI in decision-making without the proper training on how to use AI safely and efficiently, putting themselves and their organizations at risk.

This is also one of the greatest challenges of implementation within organizations. Business leaders state that lack of talent or lack of employees with AI literacy skills is the second greatest challenge their organization has faced related to using AI within their business, underscoring the importance of developing and implementing training around AI.

Industry leaders worldwide have recognized the need for greater training around AI. According to the **World Economic Forum**, “companies of all sizes should look to deploy inclusive AI skilling initiatives at scale and at every level.” Training programs will not only benefit employees but also their companies, as the cost of hiring a new employee can be up to **seven times** the cost of upskilling an existing employee. Organizations will need to keep training programs updated as AI tools rapidly evolve to ensure their business is protected and ready for the future.

# Organizations are all in, and that could mean **exposure**

Just like a gambler going “all-in” at the poker table, business leaders sometimes commit all their resources and focus to a single initiative, knowing it could either pay off big or lead to a significant loss. One of the largest hurdles for businesses has been the singular focus on and rapid pace of AI adoption, leaving organizations exposed to potential negative consequences. Substantial growth in the usage of AI has forced organizations to play ‘catch up’ to regulate and monitor implementation to protect their organizations from negative consequences. These can include issues protecting confidential information, managing potential discrimination or bias, intellectual property concerns, and more.

## 61%

**of business leaders agree that AI adoption is outpacing the development of ethical guidelines**

The rush towards AI adoption has led to overlooked basics, such as new data quality assurance procedures and security practices. Four in five (**79%**) organizations do not have bias mitigation policies and practices in place and over half (**54%**) of organizations have not implemented new security measures to keep up with AI.

- **79%** do not have bias mitigation policies and practices in place
- **54%** have not implemented new security measures
- **46%** have policies to ensure AI fairness
- **48%** ensure compliance and regulatory adherence

Many organizations are not only overlooking compliance and security, but also the ethical implications of AI. Over half (**58%**) of organizations are not implementing ethics training to ensure they are using AI responsibly. This lack of training can be problematic for organizations, particularly when individuals are feeding confidential or sensitive data into open AI systems or when individuals are not providing appropriate disclosures when AI has been used.

Organizations are failing to address AI systematically across all departments. Over half (**52%**) of organizations are using AI, but not in a systematic way across all departments. The fact that many organizations have departments that are using AI differently without guardrails in place is deeply concerning. While some departments may be going all in, others may be exercising caution on using AI. Organizations must address AI systematically across the entire organization to avoid potential data security violations and ensure regulatory compliance. Systematic rules for how AI should be used across an organization can also help organizations avoid bias, fairness, and ethics issues.

While business leaders are bluffing their way through AI adoption, the negative consequences of this are still on their minds. According to leaders, the top challenges of AI that keep them up at night or make them feel stressed are data privacy concerns, ethical dilemmas, and reputation or brand damage. While it is a step in the right direction that leaders have these concerns top of mind, it is a risky gamble to go ‘all in’ without thinking through and setting up a long-term strategy for AI implementation within their organizations.

Business leaders should worry about organizational exposure and the potential implications of using AI in their organizations. Data privacy concerns, ethics, and the chance for reputational damage are just the start of the negative consequences of gambling on AI without the proper safeguards in place. Many businesses have already faced several of these ramifications. For example, in 2023, tutoring company **iTutor Group** agreed to pay \$365,000 to settle an age discrimination lawsuit after the company’s AI recruiting software automatically rejected more than 200 qualified job applications due to age.

# How organizations can hit the jackpot and **move forward safely with AI**

By adopting policies and frameworks for the usage of AI, organizations can effectively mitigate the dangers of AI and allow the business to reap the benefits of successful AI implementation. Business leaders must be willing to play the long game, though. Successful gamblers know when to walk away and when to stay the course. If business leaders choose to stay the course on their AI journey, they must be willing to put in the work to make it a success.

Organizations should take several steps to effectively manage AI-generated data, from new security or privacy procedures to greater investments in infrastructure. Many organizations plan to adopt new strategies to manage AI-generated data in the next year.

## 80%

**of business leaders say they plan to adopt new strategies for managing AI-generated data over the next 12 months**

Only some business leaders will admit that their organizations are not effective at managing AI-generated data and that they are afraid to use AI to make decisions. However, most leaders report that they aren't doing the basic tasks to manage data from AI properly. They are skipping critical steps like creating new data quality assurance procedures and developing new security and privacy practices. How can business leaders rely on and trust AI-generated data to inform decisions if they do not have proper data security and quality practices in place?

- **73%** are not investing in metadata management tools to help manage AI-generated data
- **79%** have not revised data retention and deletion plans in the context of AI deployment
- **36%** agree that AI makes it difficult to find a single source of truth



As AI becomes increasingly integrated throughout businesses and across industries, organizations must develop systematic implementation plans. Integrating AI in a methodical and purposeful fashion in key sectors of the business or companywide will help foster trust in AI-generated data and outcomes. Rather than introducing an AI tool and letting employees fend for themselves in understanding when and how to use it, organizations must provide the proper guidance and support if they have any hope of their employees and leaders trusting and using AI-driven insights.

Responsible AI practices involve providing AI training to employees and senior leaders, setting up data quality assurance procedures, and revising data security and privacy policies. Managing AI-driven data in an accountable way will ensure accuracy, fairness, and transparency in data processing and analysis, leading to decisions leaders can trust.

While organizations will need to thoughtfully and responsibly manage AI moving forward, it is evident that AI will greatly impact the business world as we know it.

# 89%

**89% of business leaders say AI will impact the way they make business decisions over the next 5 to 10 years**

Nearly half (**47%**) of business leaders say AI will autonomously make some decisions on key business areas, such as strategic planning, resource allocation, and risk management. Another **42%** say that AI will autonomously make **all** decisions on key areas within the next 5 to 10 years.

Organizations must move beyond the initial hype around AI and focus on long-term implications of AI-usage. This includes investing in metadata management tools and providing training. By doing so, business leaders can build a lasting, trustworthy relationship with AI that is built on solid data management principles.



# Conclusion

The advent of AI has resulted in business leaders taking a risky gamble and a race to the jackpot. Everyone is rushing to adopt AI – from employees in their day-to-day responsibilities to companies implementing AI to create operational efficiencies. Business leaders have blind trust in AI and its usage within their organization, but this may not be an accurate portrayal of the bigger picture. Business leaders are risking their organization's success due to significant gaps in AI literacy, ethics and preparedness/readiness.

Organizations and their leaders need to take a step back from the metaphorical poker table to ensure successful and safe implementation of AI. Creating trustworthy sources of data, comprehensive bias and AI literacy training programs, and strong data security and policy policies will allow organizations to protect their employees, customers, data, and reputation while harnessing the multitude of opportunities for synergies and innovation created by AI.

## About the study

The findings detailed in this report are based on data collected by TEAM LEWIS through an online survey of 500 U.S. business leaders of director level or above within retail, CPG, manufacturing, insurance, and life sciences industries. Data was collected from June 4 to June 21, 2024 with a margin of error of +/- 4.3 percentage points.

### About Stibo Systems

Stibo Systems is a leading enabler of trustworthy data through AI-powered master data management. Built on a robust and flexible platform, our SaaS solutions empower enterprises around the globe to deliver superior customer and product experiences. Our trusted data foundation enhances operational efficiency, drives growth and transformation, supports sustainability initiatives and bolsters AI success. Headquartered in Aarhus, Denmark, Stibo Systems is a privately held subsidiary of Stibo Software Group, which guarantees the long-term perspective of the business through foundational ownership. More at [stibosystems.com](https://stibosystems.com).