

3. Leadership in the Age of Artificial Intelligence (AI)

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Abstract

Artificial intelligence is becoming an integral part of company strategy. AI's capabilities are always evolving, with the focus shifting from what it can accomplish to what it cannot. Furthermore, substantially transforming in every aspect, the senior management leads from how they raise and coach, to the way they inspire teams, to the way they use AI and Human power together to achieve their goal for the firm, to the manner they drive transformation and challenge. AI promises, concern, and excitement over the wayward role it will play are running High because to its limitless breadth. One thing is clear: ensuring that your organization is prepared. For the paradigm transition, AI is no longer an option. The challenge now is: are leaders ready to go up and deliver the vision, and adapt to Seize the opportunities? To respond, the UAE's leading smelting manufacturing businesses polled. Over 450 C-Level executives across the country, by analyzing their perspectives on their acceptability and Adaptability within themselves and the organization of the next AI generation. The company, even to further refine the findings, I conducted approximately 12 to 15 interviews with worldwide leaders. The poll and interviews clearly indicated that leaders in general are very Strong see AI as an opportunity, rather than a danger, but they also see the route to the relationship between development and success remains ambig-

uous. On the one hand, the material opportunity identified by leaders, both for their role and for their organization, was the increased efficiency that the effective use of AI could bring, more effective decision-making, improved risk management, and the creation of innovative products and services. On the other hand, executives were watchful to the potential threat associated with AI. 'Manpower redundancy' and 'data protection' appeared as the two main concerns for leaders, both as individual roles and their organizations. The implications of these technologies on the workforce and the nature of work have caused Extensive debate and analysis. By 2030, roughly 375 million workers will constitute Approximately 14% of the worldwide workforce may need to migrate into new occupations or acquire Automation and artificial intelligence have influenced the development of new skills. This shift will provide challenges and executives who must adjust to a changing workforce and develop new ways for managing people in a technologically driven workplace. A cross-functional team of researchers at MIT Sloan demonstrated an outstanding gain of up to 40% in highly. Using generative AI to improve skilled workers' performance (* The term "Generative AI" relates to Deep-learning AI models can generate high-quality writing, graphics, and other content depending on the data on which they were taught has the potential to add trillions to the global economy. This monumental shift will revolutionize the way people work, study, and interact. It has the ability to shake up entire industries and even society as a whole. According to a Boston Consulting Group report, 61% of executives in the Middle East anticipate these technologies will enhance productivity by over 10% by 2024. Despite regional training surpassing global norms, issues remain in fully equipping the personnel and overcoming Future AI regulations. This article offers in-

sight into how leaders anticipate AI's influence. organizations, employment, and their positions in the Middle East, and how ready they feel to lead through this Revolutionary disruption. We will investigate the factors and determinants of leadership and organization. Leaders should be prepared to navigate the inevitable technological revolution.

Key words: *Artificial Intelligence; Generative AI.*

1. INTRODUCTION

Effective leadership in the digital age demands strong organizational, interpersonal, and technological abilities. AI is drastically altering employment markets by automating tasks and processes that previously required human interaction. While we are still speculating about the consequences, rather experiencing them, it appears certain that the future of many jobs will be tied to artificial intelligence. AI models are demonstrating advanced proficiency particularly every day, to the point where the question is no longer what AI can do, rather than what it cannot. Unlike the hype surrounding the metaverse and blockchain technology, AI is already improving profitability across multiple industries. Recent BCG research reveals that ~40% of the industries are the true pioneers generative AI. This remarkable shift will transform the way individuals work, study, and communicate and has the potential to overhaul entire sectors.

Despite, or perhaps because of, the limitless possibilities AI indicates, anxiety and excitement over the disruptive role it will play are running high. One thing is clear: ensuring that the organization is preparing for the present era of AI is no longer an option. The question today is: are leaders ready to rise? tackle the challenge

while also providing the vision and adaptability required to grab opportunities? Almost, two dozen interviews with leaders to measure their perspectives on how equipped their organizations are, and they are for the coming AI future. We heard that leaders largely view AI as an path to achievement, more than a risk, but that leaders feel the path to success remains uncertain (Egon Zehnder and Kearney).

One of the main obstacles in the integration of AI technology in leadership is the potential replacement of human personnel with automated systems. The fear of job loss and the need to up-skill or reskill the workforce, the leaders must address severe concerns on these developments (Kamis et al., 2017; Rakhmawati & Mustadi, 2022);(García-Peñalvo, 2016; Nugraha et al., 2022). Additionally, ethical considerations bordering AI, such as bias in algorithms and data privacy concerns, raise complex conundrums for leaders to navigate effectively. Utilize for good, AI offers endless possible solutions to various intersecting crises, that the leaders navigate today.

The main intent of this study is to determine the best techniques and tactics for assimilating AI technology into leadership roles, in the long run resulting in improved decision-making, increased productivity, and long-term organizational success.

2. THE RISE OF AI - LEADERS SEE IT AS AN OPPORTUNITY MORE THAN A RISK

“AI is not about disruption; it is about opportunities.” David R. Hardoon, Aboitiz. Although AI is certainly not new (Mitrovic, du Boulay, and Yacef Citation2023; Ouyan Citation2023; Selwyn Citation2020), it has recently become

significantly more prominent inside the education sector because of GenAI, most specifically in the form of the application ChatGPT^{Footnote1} (Chen et al. Citation2020). ChatGPT, developed by OPENAI^{Footnote2}, has caused an educational watershed moment and raised a wide range of urgent ethical, technical, and practical difficulties that effect the the learning and teaching relationship.

Senior Management are aware of the opportunities that AI could present. Particularly, these opportunities include AI applications that could hold up or reinstate office jobs, such as robotics, machine learning technology, expert systems, and generative AI. Over 80% agree that AI represents an opportunity in their employment, and not a risk. Leaders are also confident in AI. Almost 73% see AI as an opportunity to improve their organization. is an opportunity for their organization capabilities (see Figure 1).

This study reveals numerous findings pertinent to affiliate AI technology in management including leadership practices. One of the primary results is that the employment of AI in a leadership environment is not only connected with operational efficiency but also with significant changes in the nature and function of leaders. Other AI opportunities that executives identified included more effective decision-making, improved risk management, and the creation of innovative products and services.

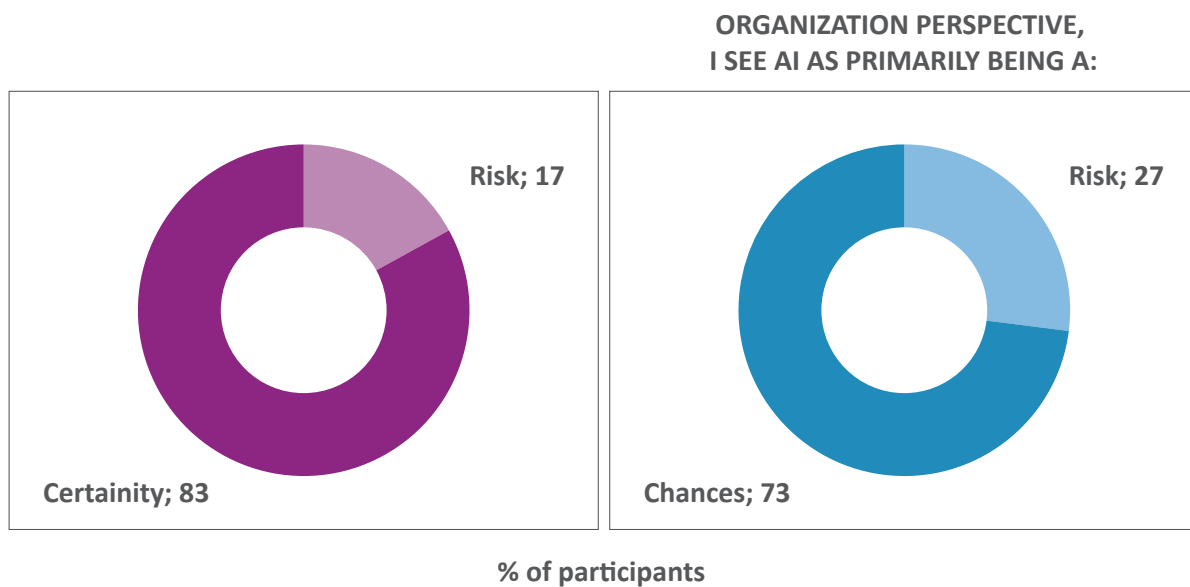


Figure 1

3. THE IMPACT OF AI – RISKS/CONCERNS THAT LEADERS SHOULD EXPLORE

“The fear of [AI’s] failure is a concern but is heavily outweighed by the opportunity it promises.” Mark Rose, Avison Young

This enthusiasm, however, is being tempered by concerns about security and the developing regulatory and ethical landscape, as well as talents. The analysis reveals that AI deployment is evolving the idea of leadership – away from a concentration on the bottom line towards a proactive involvement in managing the societal costs and advantages. Approximately 90% of respondents have implemented generative AI, or are going to put it out, stated that they are already involved in defining new ethical and governance structures.

With so many risks and analysis, where should leaders spend their attention? However, it can. It is difficult to recognize and focus on the numerous risks linked with the current wave of AI, the using client experience and research, a manufacturing company identified four critical (see Figure 2) illustrates the threats that leaders should be aware of.

Furthermore, although regulators in the UAE aim to quickly build AI legislation frameworks, business executives are taking ownership of important security issues, citing concerns about data privacy and surveillance is the most fundamental challenge facing responsible AI. Meanwhile, the skills gap is addressing a concentrated effort to develop AI capabilities across the workforce; 82% of those surveyed executives indicated they were taking steps to guarantee that they have the right AI skills in their organizations. On a personal level, respondents wanted to improve their own understanding of generative AI technology (32%), the regulatory and compliance landscape (29%) and ethical implications (30%).

Despite this optimism, there are still challenges to conquer. Only 48% of top executives reported that they were explicit about how regulations would affect their company’s usage of generative AI, demonstrating a need for continual collaboration among businesses, industry associations and policymakers.



Figure 2

4. HOW PREPARED ARE LEADERS AND THEIR ORGANIZATIONS— FOR AI??

*“Organizations and CEOs are not ready for AI as the full-fledged implications are not yet understood.” **Bill Anderson, Bayer AG***

Artificial intelligence (AI) is revolutionizing enterprises, with substantial implications for executives and their jobs. Leaders fear their organisations are not prepared for the transition. Only 23% of leaders strongly think that their organization has the required competencies to deal with the situation. AI disruption is likely within the next five years. From the shopfloor to the boardroom, artificial Data Mirage: False/Misleading information Ballooning Costs: Collection, Storage and Processing charges. Risk for third parties' services: Data breaches. Variable compliances, standards Bias: skewed outputs. Artificial Intelligence (AI) has emerged as a disruptive force in the commercial world, providing organizations have the capacity to transform processes and increase productivity.

The magnitude and extent of this transformation substantially alters the boundaries for corporate executives in 2024 brings new prospects for increased competitiveness and prosperity. Almost 82 percent of business leaders have already adopted or plan to deploy AI within the next year. This is according to new European IBM study aimed to establish what effective leadership in the age of AI genuinely entitles. The emergence of generative AI in 2023 has been nothing short of amazing, with a true sense of potential in European boardrooms.

It's no surprise to see generative AI deployment as a CEO priority for 2024. But as adoption accelerates, the pressure is building the Leaders

to make the right calls and lead responsibility. Leaders are ready but there are still barriers that must be overcome. This ties back to our findings regarding a higher expected disruption, with the understanding of CEOs that this disruption would require significant resources to be handled. In turn, CEO may also feel better informed than their organizations of what's to come. Business leaders are aware of the challenges they face. Nearly 90% agree that leadership's understanding was a core reason behind their organization's readiness. Leadership understanding also has a role to play just over half of the respondents agreed that a lack of leadership understanding contributed to a lack of readiness. The top three deployment challenges senior leaders highlighted were,

- A) The development of ethical AI frameworks
- B) Talent acquisition
- C) Costs

5. HOW CAN ORGANIZATIONS IMPROVE AI READINESS TO PREPARE FOR THE FUTURE?

“You better embrace it as a business leader because, if not, your competition and the rest of the market is going to absorb the necessary dynamic capabilities in real-time, and you’re going to be lethargic and left behind.” **Richard Ashworth, Amedysis**

Radical change and substantial cultural growth are required, which will not occur if leadership is not at the forefront. We believe that disruption does not begin with strategy or operations, but with leaders themselves. They can act boldly and strategically to achieve organizational readiness for AI. Leaders have shared personal lessons to guide their organizations through this shift. Understanding AI is a necessary prerequisite for initiating any transformation attempts. More than three quarters of respondents believe that formulating a strategy is at the forefront of these efforts and are taking this move, despite the lack of a clear roadmap for leaders to follow. While leaders may be unsure of the next actions

in the face of the transformation, as our conversations that making a start with adoption, even if uncertain, is better than not.

The key to making the most use of AI-powered technologies is to establish trust in their operations. To accomplish this, AI systems must be explicit and interpretable, they should mount rather than replace staff, and data utilization must be supported by strong governance. Doing this correctly will ensure companies are prepared to take advantage of the AI revolution in a thoughtful, explainable manner.

Regardless of the challenges, generative AI is an extremely remarkable opportunity; and is predicted to annually add between \$2.7 trillion and \$4.4 trillion to the global economy (McKinsey). Leadership in the age of AI contains clear recommendations to help UAE’s CEOs and senior business leaders successfully navigate their way through this dynamic new landscape, instilling good governance into every action taken to secure their share of the AI bounty.

Based on the interviews and conversations, leaders identified five keys ‘success factors’—they can serve as pillars for leaders as they drive AI adoption strategies (see Figure 3)

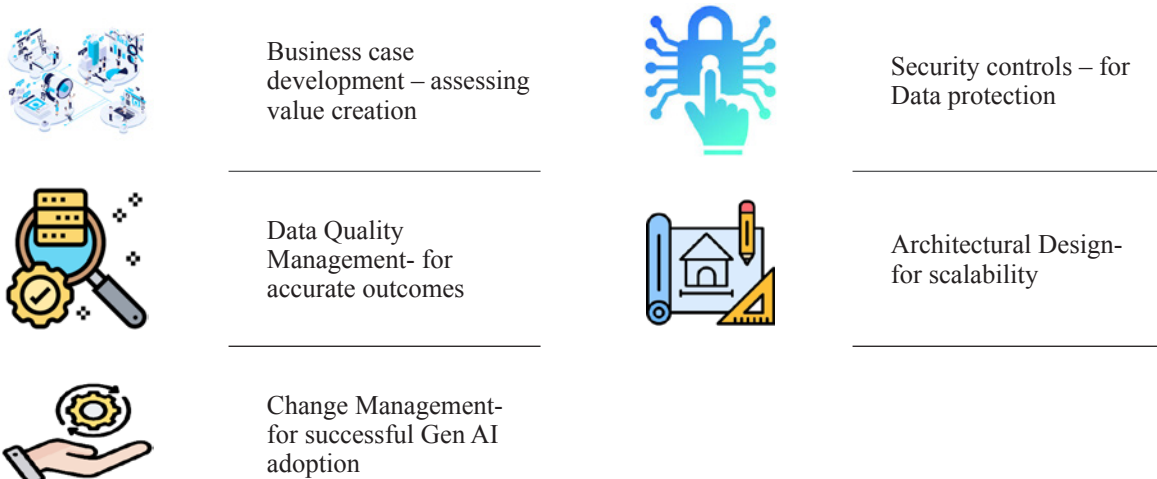


Figure 3

UAE governments are focusing on developing AI frameworks, but industry leaders must also take responsibility for security risks. The arrival of AI arrives at a time when leaders are already stretched, navigating Today's organizations encounter numerous obstacles. Promisingly business executives understand What is at risk. 96% of those who have used or plan to deploy generative AI solutions reported are making excellent progress in governance. This includes the following:

- A) The development of a dedicated ethics board
- B) Governance frameworks
- C) Impact assessments

As they take a lead on transparency and ethics, business leaders are also maintaining a focus on continuous skills development, with 95% saying they are taking steps to ensure that they have right AI skills in their businesses

6. CONCLUSION

Few leaders possess expertise in AI or know how to effectively apply technology for strategic purposes. We find that professionals are excited about how AI may help improve their Increase productivity and lower their workloads. Microsoft's Work Trend Index reveals that 70% of Employees want to assign as much work as possible to AI to reduce their workloads and, at LinkedIn estimates that more than 80% of its members can utilize AI to automate. At least one-quarter of the tedious and repetitive jobs we perform every day. Nevertheless, beyond the solutions previously outlined, our talks with executives across sectors have uncovered many. Practical strategies to position oneself—and their organizations—for success. While No

organization wants to be left behind; credible leadership is essential to implement this exciting new Use technology effectively. UAE CEOs should follow four fundamental principles:

1. Prioritize value creation by leveraging powerful foundation models
2. Integrate a mix of the best open source, private and proprietary models
3. Build with open hybrid cloud technologies
4. Instill good governance into every action taken.

95% of respondents believe that generative AI has the ability to drive better leadership decisions. Getting the balance right will guarantee firms are ready to reap the benefits. One thing is I am confident that this new AI era will have the greatest revolutionary influence of any other technology before. Doing things correctly is equally crucial as doing it quickly.

UAE CEOs and senior corporate leaders must negotiate the new legislative frameworks. changing AI ecosystem with trust and openness, incorporating good governance concepts into its development and adoption, establishing ethical and legal boundaries, and increasing power throughout the workforce. This new era of leadership requires trust and clarity from the top down, and it will be A vital component for growth and ROI.

Look into with low-cost initiative to be in the market: At present a significant opportunity that AI promises is clearly recognized, capturing the opportunity with practical next steps can be an overwhelming ask. Leaders we've spoken to suggest starting small. Driving smaller, manageable initiatives with tangible results can

break down the challenges that comes with the shift, educating and boosting curiosity along the way. This is the foundation for fast and sustainable transformation.

Make room for unambiguous study. Leaders can establish a psychologically safe environment for exploration within their teams and organizations. Allow for the experimentation with different forms of AI within a secure sandbox—embrace utility-ready tools and capabilities at your fingertips, guided by organizational oversight and governance. This will bring playfulness to the transition at hand and could boost overall engagement and enthusiasm. Allow for consistent dialogue and organization-wide exposure of the sandbox learnings and outcomes; it could create a cultural shift of openness to the new technology. Moreover, leaders should ensure that all necessary stakeholders are included in this process.

It definitely helps to start slowly, just remember that this is a marathon and not a sprint. Changes don't happen overnight. Most people are quite uneasy with this change. So, a major component of guiding your teams going through this technological revolution have a lot of empathy and can relate to people. This is something that cannot be outsourced to AI. AI cannot pick up on these non-verbal cues. So, AI cannot manage your team for you. It cannot think strategically for you. So, if one of your team members do not do things right at the first time, help them through this huge change and realizing and communicating to them that this technology here is to make us more efficient as a team and to get us to that next level, its not here to replace what you're doing. Giving this new skill set it can be more efficient to maximise their output.

As we navigate through this period of extraordinary digital growth, the differ-

ence between success and failure will increasingly depend on the quality of an organization's leadership. Companies like Adidas, Heineken, and Mastercard illustrate the heights that can be achieved when leaders blend technological understanding with strategic vision. Finally, firms that are willing to invest in developing a new generation of innovative leaders will not only overcome the transformation divide, but also solidify their position at the vanguard of their Industries in the Age of AI. It all comes down to having the right leadership mindset. Today, we do not discuss the «internet.» We focus on internet-related activities such as e commerce, content development, remote work, and more. The same will be true for AI. We will eventually stop talking about “AI” and instead discuss how AI is changing the way we work and live is what makes this such a watershed time. Distort yourself first, or AI will. Allow yourself as a leader to engage with this new technology by, for example, enrolling in an introductory online course, encouraging your colleagues to take the same approach. Some leaders we've spoken to emphasized personal learning, or understanding of AI, as one of the most crucial characteristics for embarking on a successful transition. Engage with experts in the field and embrace an internal shift of continuous learning.

Firstly, leaders need to keep a sharp eye on investments in AI and not lose the “venture mindset” on those investments. This would mean being sharp about choosing the “right investment use cases” where the business case is clear, either to manage risk or to drive growth potential. And secondly, being ruthless about killing those investments where “value can't really be realized” due to some real obstacles. Finally, never losing sight or focus on “scaling” value-creating use cases, as that is key to realizing more

sustainable value.

This is leadership moment to rebuild the systems and pathways in place today and make them more equal, dynamic, and transparent than ever before. Are you ready?

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