

November 14, 2022

Al Works Best for Companies When It Works for Employees

To BCG's network around the world,

A myth that has challenged AI from the beginning is that it brings value to organizations, but only at the expense of workers. Now, a <u>new report</u> from BCG GAMMA, the BCG Henderson Institute, and *MIT Sloan Management Review*—based on survey responses from more than 1,700 business leaders in over 20 industries and 100 countries—turns that worry on its head.

Organizations whose employees personally derive value from AI are 5.9 times as likely to gain significant financial benefits from it as organizations whose employees do not.

One example is how Land O'Lakes, a US-based, member-owned agribusiness, is using AI. The organization provides its farmers with AI-driven recommendations, which are on track to help them triple their average yields by the end of this decade.

Balance is critical. While farmers may no longer be sticking exactly to family traditions as they cultivate their land, they are also not taking direct orders from AI. The recommendations allow them to make smarter decisions. They can incorporate long-term weather forecasts into complex planting plans, for example, or farm in ways that increase soil health and sequester carbon. At the same time, farmers are learning more from each other, sharing their knowledge at events focused on the new technologies.

AI as a Win-Win

As the authors explain, this AI-driven dynamic—in which people feel more

competent, independent, and connected to their work, colleagues, and customers—feeds into a more satisfied workforce.

The team's research uncovered further good news on the value of AI for individual employees, including:

- **Unexpected Attitudes.** Most employees (60%) see AI as a coworker, not a job threat.
- **Personal Benefits.** Among survey respondents, 64% say they derive at least moderate value from AI, and these employees are 3.4 times more likely to be satisfied in their work than those who feel they don't benefit from AI.
- **Valuable Mandates.** Workers who are required to use AI are actually 1.4 times more likely to gain value from it than those who are not.

While many workers may still be wary of AI, companies can overcome obstacles through a range of approaches. Promoting awareness can make a big difference, something managers can do by highlighting when AI is powering everyday employee apps and software. Fostering autonomy is also key. Although companies may need to mandate the use of AI to get more workers to use it, its use must serve to empower them rather than make them feel less essential.

Companies across industries are increasingly AI-ready. While there are still many that have yet to adopt it, consumer goods, retail, and wholesale are catching up to technology companies, 75% of which have adopted or are piloting AI. Value creation comes from higher revenue and lower costs, but AI can also deliver <u>cultural benefits</u>.

Those companies lagging behind in their adoption plans should consider the full range of potential value—including what AI can offer to employees. These new findings—showing that organizations stand a better chance of gaining value from AI when their workers do, too—is energizing.

Please see below for more on this and related content.

Until next time,

Kritogh

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