Accelerating generative AI success by activating change

The biggest risk with adoption may not be what you think.
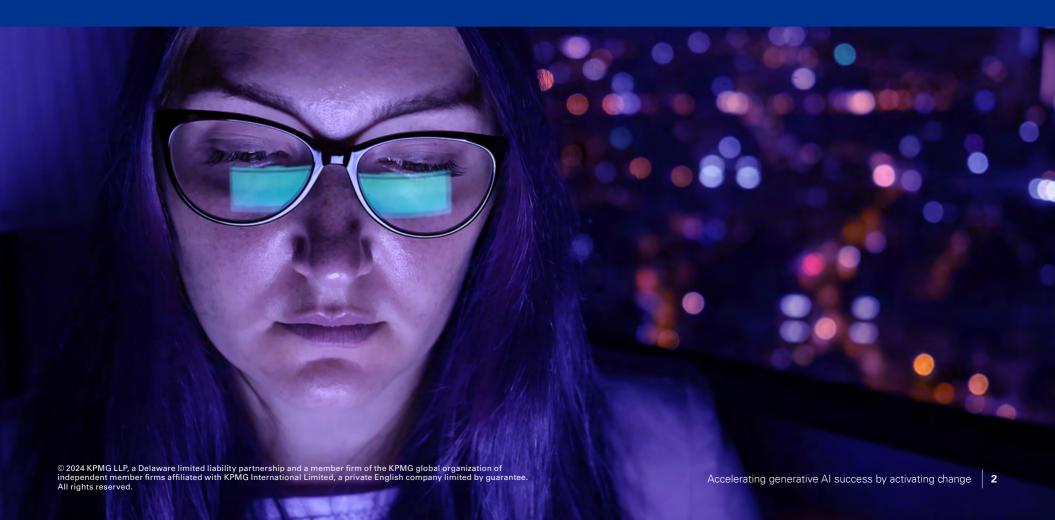
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It's increasingly rare to find an enterprise today that doesn't have its foot on the generative artificial intelligence (AI) accelerator. One recent survey of companies with revenue greater than $1 billion showed that more than two-thirds saw adopting generative AI as a top priority.[1] It's not surprising given the potential business benefits of this incredible technology.

It seems equally rare to read an article about generative AI that doesn't include some mention of the associated risks, including misinformation, algorithmic biases, privacy issues, security concerns, and even the existential threat it may pose to humanity.

Any competent professional services firm that helps enterprises implement AI in any form—certainly any of the "Big Four" including KPMG—will be talking about its risk management capabilities, and specifically its "trusted AI" approach, designed to address the risks generative AI poses to the business. But one risk you may not hear mentioned—and one we'd argue may be one of the biggest risks to any generative AI initiative—is the risk that your employees pose, not by being duped by a deep fake or by publishing sensitive intellectual property, but simply by choosing to not use it. Their resistance can be rooted in skepticism, mistrust, or even fear, especially the fear of job displacement.

Generative AI is different from other disruptive enterprise technologies

Generative AI has made its way into the news and popular culture in a way few other enterprise technology advances have. A Pew Research survey in March 2023 found that 58 percent of US adults have heard of ChatGPT,[2] for example, and by now that number is almost surely higher.

That high level of awareness appears to be accompanied by an equally high level of apprehension and even opposition. Another Pew survey about Americans' views of AI use in the workplace revealed that 62 percent of Americans believe that AI will have a major impact on workers generally, and that only 13 percent believe it will help workers more than hurt them.[3] The same survey shows that 71 percent opposed the use of AI in making hiring decisions, 61 percent opposed its use in tracking employee movements, and 70 percent opposed its use for analyzing employee facial expressions, for example.

With all the incredible buzz associated with generative AI, another concern is that AI fatigue may set in (if it hasn't already), accompanied by a "this, too, shall pass" mentality. This may prompt employees at all levels to adopt a "let's wait and see" approach.

Perhaps more so than with any other enterprise technology or process change in recent memory, there's an enormous chasm between business leader enthusiasm for generative AI and employee apprehension. As a result, generative AI requires a different implementation approach than other disruptive technologies. Unless the chasm is addressed, there's a considerable risk that an enterprise's generative AI initiative may be slow to realize its full value potential—or perhaps even fail entirely.

Put simply: The success of your generative AI initiative depends on employees—especially knowledge workers—choosing to adopt it. Inspiring employees to embrace generative AI in how they approach their work every day will produce many more meaningful and long-term results than mandating it.

This significant change provides leaders with an incredible opportunity to build trust with their teams. By continuously showcasing the benefits of generative AI, publicly recognizing passionate users, role modeling their own usage, and giving employees the autonomy to determine how best to use AI in their own work, leaders will create believers. One of the biggest barriers to success, therefore, is not some technology or regulatory hurdle; it's a lack of employee trust.

1. Source: "Enterprise Generative AI Adoption," AI Infrastructure Alliance, August 2023.

2. Source: Emily A. Vogels, "A majority of Americans have heard of ChatGPT, but few have tried it themselves," Pew Research Center, May 24, 2023.

3. Source: Lee Rainie, et al., "AI in Hiring and Evaluating Workers: What Americans Think," Pew Research Center, April 20, 2023.

4. Source: Gartner, Organizational Change Management: Deliver on complex organizational change management initiatives, HR Insights.

Change is hard

Organizational transformation initiatives face a significant uphill battle even without the cloud of employee apprehension that surrounds generative AI. According to Gartner, half of change initiatives fail.[4] Other sources suggest the failure rate may be as high as 70 percent.[5] The primary reason isn't some technology complication or a failure to provide adequate training. Nearly three-quarters of companies with failed transformation programs identify "people problems" as the major barrier to success—specifically, employee resistance or management behavior.[6]

Strategic change management can help increase the chances of success of such significant change initiatives. These efforts are usually focused on the mechanics required to help enable the change, things such as change impact mapping, stakeholder assessments, and implementation plans with clearly defined steps and responsibilities, including training sessions and other resources designed to help employees understand how to use the new technology or implement the new processes or workflows.

These elements of change management are critical, but additional, more human-centric efforts are required to truly activate change. All the preparation and training in the world may not assuage an employee's fear, disdain, or skepticism of the technology or related business process changes.

Employees can be remarkably creative when it comes to finding ways to stall, work around, or undermine the best laid plans if those employees haven't fully bought in to the change. The result can be more than just a delay or failure to adopt the new technology and fully realize its value. What might the cost to the business be if employees can't perform their day-to-day jobs given the disruption, overload, or "change fatigue" they may experience? How willing are employees to invest the extra time and energy it may take to overcome such hurdles? How committed are they to seeing the change work?

Don't just manage change, activate it.

The key ingredient that's often missing in change management approaches isn't a practical one, per se—it's the emotional one. At KPMG, we call it creative activation. If change management is the science behind effecting change successfully, creative activation is the art. The goal is to connect with employees on an emotional level to activate them as partners in the change from the very beginning—active participants who are eager to share their input and experience to help the change succeed because they feel the change is being done with them instead of to them.

Marketers and advertisers know this well. While we all like to think of ourselves as rational beings, marketers know that consumers are driven by unconscious urges, the biggest of which is emotion. Emotion is what really drives the purchasing behaviors, and also, decision-making in general.[7] Most marketing campaigns, therefore, don't simply explain the features or the benefits of a new product; they try to make an emotional connection with consumers.

Making these emotional connections requires understanding consumers, their world, needs, beliefs, desires, habits, and so on. There is no one-size-fits-all approach. Consumers are not all alike—different people will respond to different messages in different ways. Marketers often develop journey maps for their different buyer personas, to describe the different emotions different people may experience when interacting with their product, from initial awareness through ongoing loyalty.

Creative activation adds that same dimension to change management. Creative activation is designed to drive behavior change through immersive experiences that resonate at the emotional level. It's not just "selling" them on the change. It's establishing a bond of trust and respect. It requires a deep understanding of the current mindset of employees and any resistance they may have to the change in order to identify where creative interventions can help address their concerns.

It's especially important with generative AI implementation projects given the negative emotions that can accompany AI for many employees.

It begins by crafting a compelling story and then bringing it to life in a compelling way through a multifaceted "surround-sound" approach tailored to a variety of employee personas, taking into account where employees are in their change journey and the degree to which they are impacted.

5. Source: Anita Baggio, et al., "Organizations do not change. People change!," McKinsey & Company, October 7, 2019.

6. Ibid.

7. Source: Logan Chierotti, "Harvard Professor Says 95% of Purchasing Decisions Are Subconscious," Inc., March 2018.

8. Source: Gleb Tsipursky, "Build Trust Through Effective Leadership Storytelling," Psychology Today, June 9, 2023, and Jeff Gothelf, "Storytelling Can Make or Break Your Leadership," Harvard Business Review, October 19, 2020.

Inspiring commitment

In times of change, business leaders who tell great stories can inspire commitment and unlock change potential from the people that matter most. Stories are memorable. They light up our brains capturing attention, creating energy, and building trust, and they help change stick.[8]

Storytelling is a skill—but one you're not likely to find taught in most business schools. Yet for emotion-laden projects such as generative AI to succeed, business leaders must be able to develop and tell a compelling story that can inspire and motivate people to support the change, not just at the intellectual level (which many leaders may feel comfortable doing) but also at the emotional level (which many leaders may have little experience with). Consider that generative AI will be new for business leaders too. Helping them navigate their own emotions while equipping them to lead with empathy will improve both their communication and leadership effectiveness.

The story becomes the foundation for the rest of the activation program, but it's by no means the only part. Here, too, it's important to take a page from the marketer's playbook and consider the creative execution that can bring the story to life and make it part of an immersive experience.

There's also no escape from marketing fundamentals—the legwork that will need to be done before you jump right to the "creative." You'll need to get leaders and influencers on board. You'll need to do the research to understand the current sentiment of your employees and identify and prioritize opportunities to demystify or build positive perceptions of generative AI. You must define what success looks like for all stakeholders and communities of users—for employees, the business, and customers.

Generative AI journey

There are many such things you'll need to consider depending on where you are in your generative AI journey, but a typical activation program, including the story development, involves five steps:

1 **Make it clear** — Get leader alignment on the what, the why, and the how generative AI can make a positive difference for our employees, our company, and our customers. This includes cocreating the case for change, a strategic story, and persona-based journey maps for different roles to help personalize their specific experiences and better address the emotional impact of changes driven with new generative AI tools.

2 **Make it known** — Much like an ad campaign, you need to design a program theme and visual identity that resonate with employees and create a campaign activation strategy and plan that can help address the myths and amplify the value of generative AI. You'll need to equip leaders at all levels throughout the organization with storytelling tools and other capabilities to help them be key communication channels for their teams.

3 **Make it real** — Create content for "surround-sound" experiences—immersive experiences that can engage and activate, such as videos, portals, signage, and infographics, that help employees begin to visualize their futures with generative AI. People absorb information in different ways; some are more auditory, some more

visual, for example. Consistent and compelling strategic messaging, reinforced in multiple dynamic ways, can help you connect with everyone you're trying to reach.

4 **Make it happen** – Develop inspiring events to highlight new generative AI tools and the added value they will help your teams deliver. Digital and environmental content, design toolkits and templates, and gamified learning programs help tap into the employee emotion that ultimately changes behavior. Keep in mind that this takes time. Creating the space for people to explore, try, and learn new AI solutions can't be rushed regardless of any business pressures to do so. Given how fast AI is evolving and the complex emotions that come along with constant change, being flexible in this phase and ready to pivot quickly based on the needs of your people is paramount.

5 **Make it stick** – Design rewards and recognition programs, build employee-led communities, and develop and deploy success story programs inspiring innovation and growth while continuously measuring adoption to ensure you're realizing the full value of your generative AI investment. Clarify for employees how embracing AI will positively impact their career to fuel a culture of continuous advancement and progress. This is a long-term journey, not a short-term sprint.

How KPMG can help

We help clients identify powerful use cases for generative AI, implement the technology itself, and make the organizational and process changes required to help increase its effectiveness. However, we believe those elements alone are not sufficient. Given the fear and uncertainty surrounding generative AI, we believe it's also essential to address the emotional component to increase generative AI implementation success.

At KPMG, our change team can help you accelerate behavioral change so you realize the value of your generative AI investment faster. Our experienced change management strategists combined with our creative activation specialists can help build belief and buy-in for individual use case adoption while simultaneously building a generative AI cultural movement across the enterprise. Working alongside your team, we'll equip your leaders and activate and engage your employees to become committed partners in your generative AI success.

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