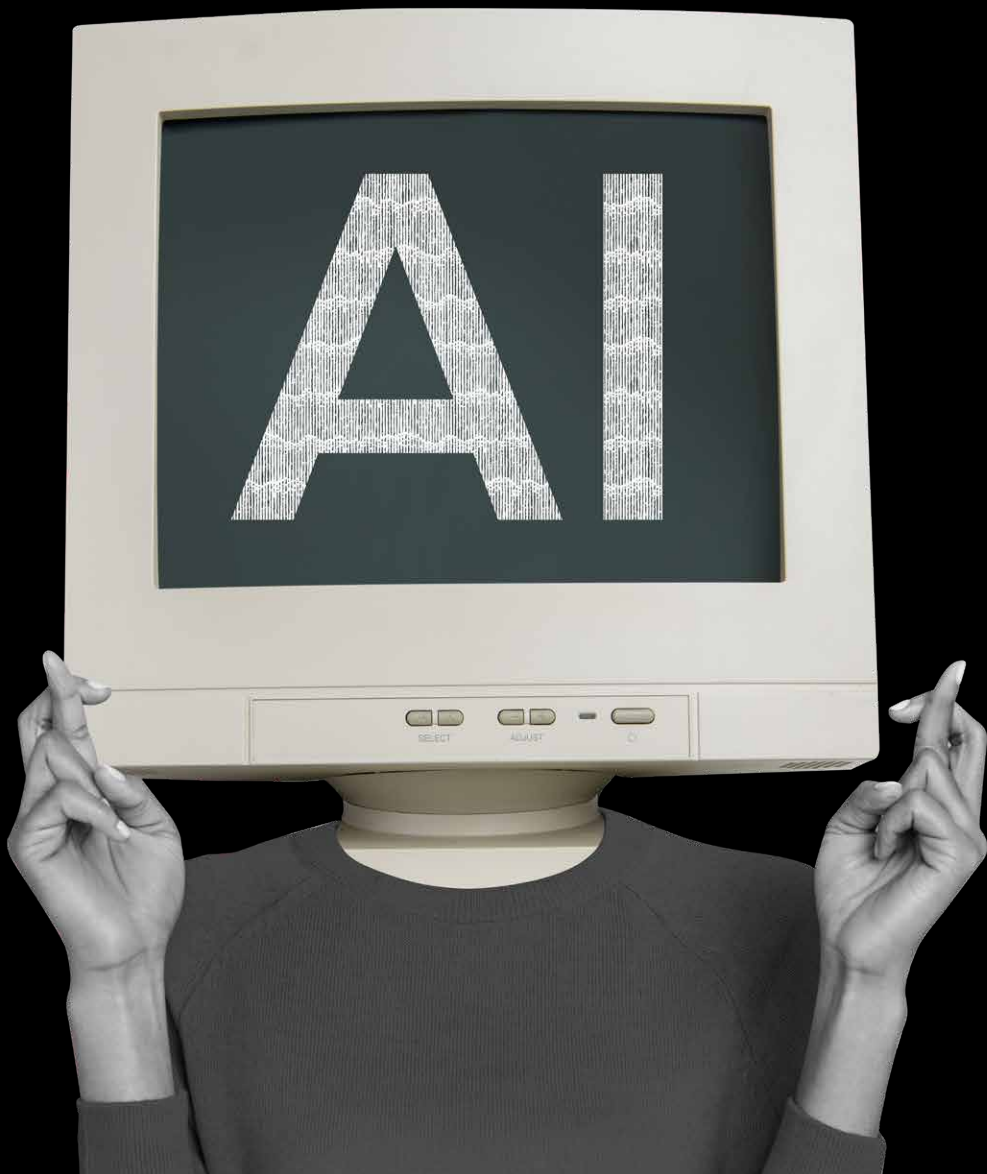


THE STATE OF GENERATIVE AI

IN 2023 IN THE MIDDLE EAST

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OVERVIEW

Generative AI (Gen AI) adoption in the Middle East is surging; it has hit the mainstream driven by large language models such as ChatGPT. Its increasing prominence has implications for every corner of the economy – from retail to transport.

The latest MIT Sloan Management Review - Middle East survey on the current state of Generative AI (Gen AI) in the Middle East confirms its explosive growth, but there are ethical concerns.

Within a year of its debut, almost one-third of our survey respondents, C-suite executives, and senior management representing energy, insurance, healthcare, education, travel, automotive, and aviation sectors, said they regularly use Gen AI in at least one business function.

What's more, with businesses increasingly adopting the technology, all survey respondents indicated that Gen AI will have a bigger impact on business than any other emerging technology in the next five years.

But the recent advances and the rush to deploy powerful Gen AI technologies have raised alarms about potential harm and misuse. Nearly half of surveyed executives say they are “very concerned” about ethical issues and bias.

Around 4% of respondents said while their organizations will increase their investment in Gen AI, the major hurdle in the adoption is the “lack of governance.”

But what, exactly, does that mean?

Gen AI is evolving quickly, so the concrete steps businesses need to take will evolve over time.

The findings show that it's still early for managing Gen AI-related risks. The straightforward answer would be to align a business's operations with one or more of the dozens of sets of AI ethics principles that governments and academics have produced in the region so far.

Business disruption from Gen AI is significant. According to the survey, contrary to popular beliefs, organizations are exploring Gen AI's potential to automate repetitive tasks, data analysis, and insights rather than for content generation.

And as businesses hungry for easy ways to scale and inexpensive productivity solutions have been quick to integrate Gen AI into industries ranging from content production to human resources to healthcare – respondents predict Gen AI will “significantly impact” employment in the future – they anticipate workforce cuts in certain areas and extensive reskilling efforts to address shifting talent needs.

The hype around Gen AI has put ethical considerations, such as copyright issues and potential biases in AI models.

While some big tech firms and industry regulators are addressing some of those considerations through ethical guidelines, the tech is spurring more people to demand organizations take AI ethics more seriously.

But, as the saying goes, you can't stop progress. We see few meaningful increases in organizations' adoption of these technologies.

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THE USE OF GEN AI IS WIDESPREAD

Gen AI applications have helped businesses become more efficient. We've been witnessing businesses applying Gen AI tools to provide consumers with answers to their questions to accelerate the work of creative directors to generate ideas, provide fodder for creative riffing, and ultimately bolster team output. The ability of algorithms to create new text, images, sounds, animations, 3D models, and even computer code is transforming how people work and play.

By employing large language models (LLMs) to handle queries, the technology can dramatically reduce the time people devote to manual tasks like searching for and compiling information.

The findings from the survey show that, despite Gen AI's nascent stage, respondents expect the new capabilities to transform business operations, service offerings, and productivity across industries — from drug discovery, financial services, retail, and telecommunications to energy and higher education in the Middle East. Gen AI has captured interest across the workforces — individuals across industries and seniority levels are using Gen AI for work.

About 72% of the executives said they use generative AI tools in their organization, and 21% are "seriously looking into it." Around 74% of all respondents said they've been exposed to Gen AI and are "very comfortable" using Gen AI tools for work, and 26% said they are "somewhat comfortable" regularly using it. They are using it to automate repetitive tasks (44%), content generation (21%), and data analysis and insights (35%).

While repetitive tasks and roles may be easily replaced with Gen AI in the next few years, using AI in specific industries, such as human resources and recruiting, can even come with surprising benefits, such as impartiality.

While across every field, organizations are transforming employee productivity, improving products, and delivering higher-quality services with Gen AI, businesses need expansive amounts of data, deep AI expertise, and sufficient computing power to deploy and maintain models quickly.

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WHAT DOES IT LOOK LIKE FOR WORKERS AND WIDER GEN AI ADOPTION?

When any new technology arrives in a workplace, some automation inevitably follows. So, what does the future look like for workers?

According to the survey of professionals, all of the respondents believe AI will have a bigger impact on their profession and business in the next five years than any other emerging technology in the next five years.

About 53% of all respondents believe generative AI will impact employment in the future “significantly,” 35% said it will have a “moderate” impact, and only 12% said the impact will be “minimal.”

For the millions of professionals working in those fields, developing the skills to leverage AI tools can create even greater growth opportunities that would otherwise be nearly impossible to achieve.

The survey found that Gen AI’s potential use levels far exceed today’s readiness levels of most modern businesses. There may be a lot of catch-up to accomplish. One of the missing links is having proper governance and clean, quality datasets. Both remain crucial.

Unfortunately, most companies have fragmented data spread across siloed systems. AI tools can help. Companies can invest more strongly in data pipelines and governance to improve internal data quality and explore targeted and well-scoped AI proofs of concept for the business.

Despite its evident potential and usage and businesses actively exploring its benefits, 53% of respondents said one of the biggest barriers to its adoption in organizations is the human skill gap in managing AI tools; 23.5% said data privacy, and 12% said intellectual rights infringement.

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ETHICAL CONSIDERATIONS AND GOVERNANCE TAKE CENTER STAGE

Gen AI is looked at with excitement and trepidation in equal measures. As the Gen AI tools continue to get bigger and faster, unlocking countless possibilities for how they can impact work – from text-based ChatGPT, Bard, and others; image-based Dall-E and Midjourney, and other AI-assisted business-finance-operations tools coming to market – the potentially limitless possibilities of such tools have instigated calls for ethical considerations and governance.

The discussion of AI ethics starts with a set of principles – human-centric, offering explainability and transparency, being secure and safe, and showing accountability – guiding the use of AI, and then applying in practices.

Businesses using Gen AI technology need to adhere to regulations relevant to their respective industries, and there's a minefield of legal, financial, and ethical implications if the content generated is inaccurate, inaccessible, or offensive.

Around 53% of all respondents said they are concerned about ethical issues and bias in generative AI, and 47% are “very concerned,” stressing the need for a responsible version of Gen AI that will consider, at its core, among other areas, privacy, and bias. About 64.7% said the major hurdles in adopting generative AI are a lack of governance, followed by a lack of clear business cases (23.5%) and a lack of talent (11.8%).

The survey found that executives want clearer guidelines for the employees responsible for developing the future of a technology that will become so embedded within our daily lives. Without these structures to hold developers to account, they say there's an increased risk that the use of AI could become irresponsible and unsafe.

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IN GEN AI, WE TRUST

Gen AI can revolutionize how organizations approach data analysis and decision-making. By automating the data collection, cleaning, and preparation process, the technology can provide near real-time insights and predictions that can inform strategic decisions and drive business growth.

People are aware of the latest trends in Gen AI and have explored the tools. But, the awareness of the misuse of Gen AI could be higher. As a result, the survey found that 81% of all respondents are “somewhat in favor” of involving Gen A in critical decision-making, while 19% said Gen AI should have “minimal involvement.”

Additionally, 86% indicated that they trust AI-generated marketing content as much as human-generated content to “some extent”; 7% said they trust AI-generated content, and an equal number said they trust human-generated content more.

While the awareness of generative AI amongst executives is remarkable, and the adoption rate has been massive, understanding how this technology works and the associated risks is still low.

However, the key to success is the safeguards that humans build around them to guarantee the quality of their output. The success of the technology depends heavily on the quality of the data it is trained on. Raw data must be cleansed, standardized, and transformed into a format that can be used for analysis.

With Gen AI going mainstream, enterprises have the responsibility to ensure that they’re using this technology ethically and mitigating potential harm.

Ethical considerations and governance will take center stage as Gen AI evolves, ensuring responsible AI usage. Undoubtedly, Gen AI is one of our time’s most transformative technologies, promising a future filled with innovation and possibilities.

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