The AI Leadership Gap: Skills, Education, and Preparedness
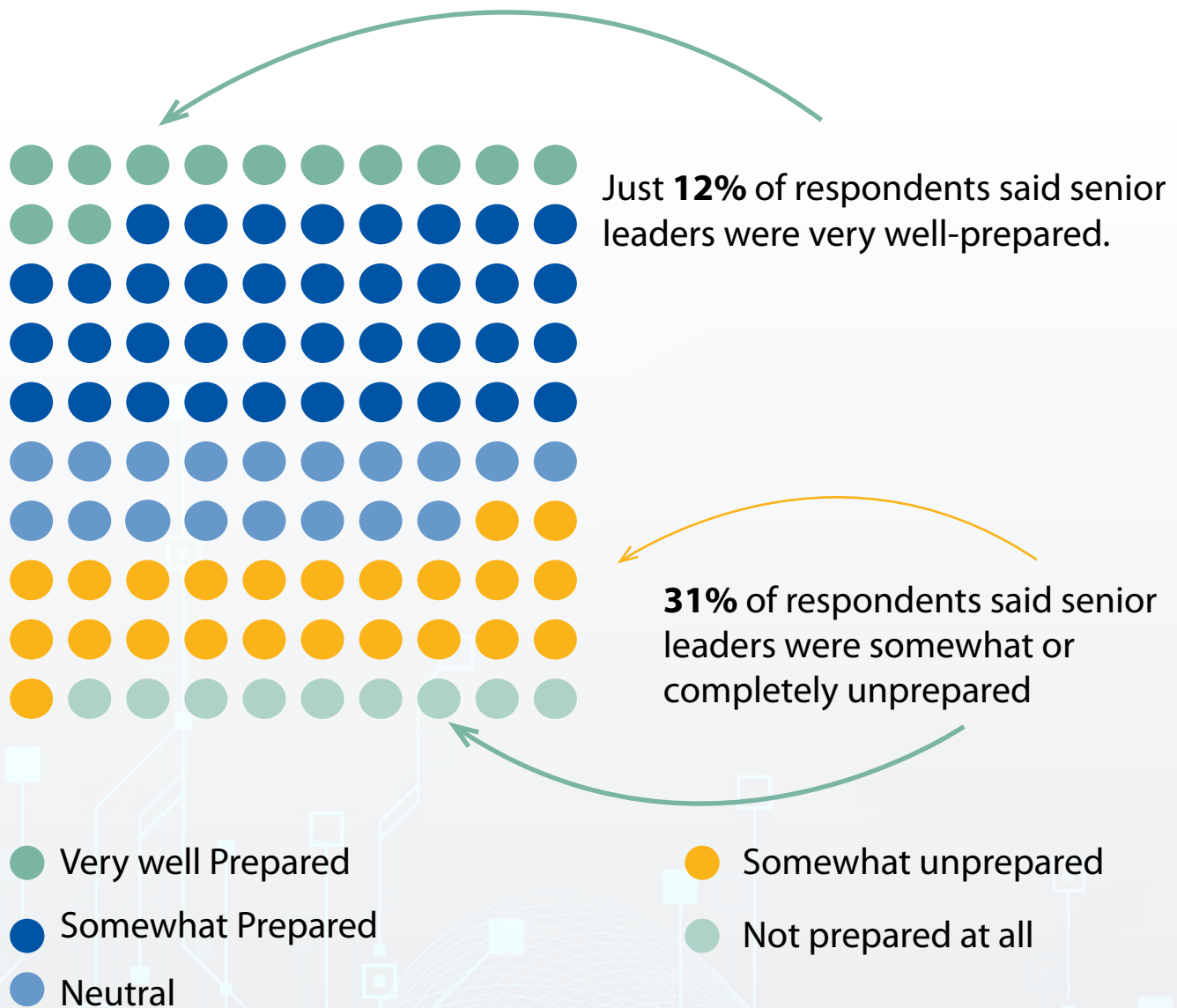
The key barriers, skill gaps, and challenges senior leaders face in navigating Artificial Intelligence

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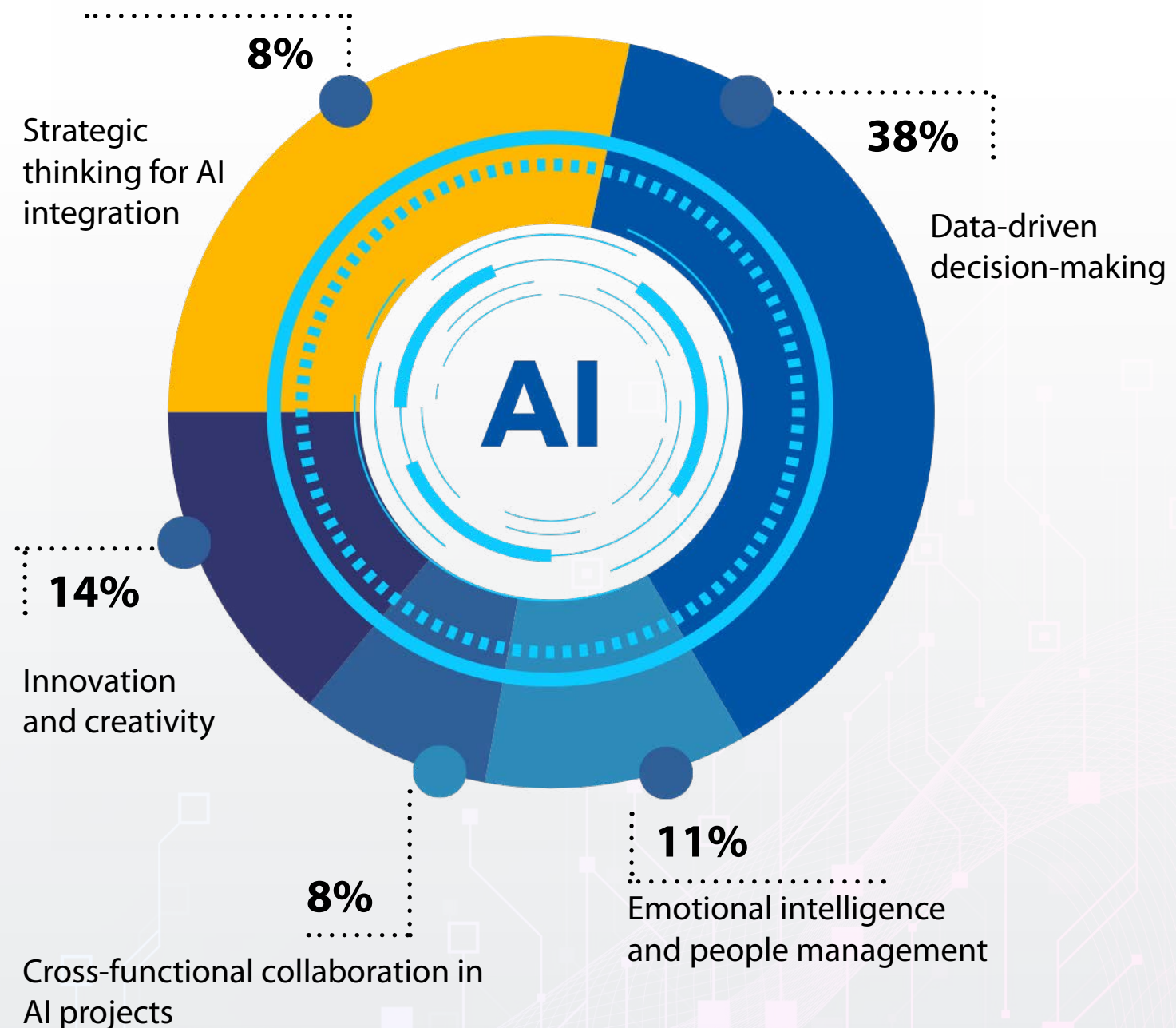CAMBRIDGE
Judge Business School

ExecutiveEducation

How prepared are senior leaders to adapt to AI and digital transformation

Just **12%** of respondents said senior leaders were very well-prepared.

31% of respondents said senior leaders were somewhat or completely unprepared

● Very well Prepared

● Somewhat Prepared

● Neutral

● Somewhat unprepared

● Not prepared at all

As AI and digital transformation continue to shape the business landscape, organisations are evaluating how ready their senior leaders are to adapt. Our survey shows varied confidence levels: just **12%** consider their leaders very well-prepared, while **38%** feel they are somewhat prepared. However, **23%** see them as somewhat unprepared, and **8%** feel they are not prepared at all.

This highlights the need for focused training and strategic development to equip leadership with the skills to navigate the digital future.

Key Focus Areas for Leadership Development to Tackle AI Challenges

8%

Strategic thinking for AI integration

38%

Data-driven decision-making

14%

Innovation and creativity

11%

Emotional intelligence and people management

8%

Cross-functional collaboration in AI projects

AI

As AI reshapes industries, leaders need a specific skillset to keep pace. Our survey shows data-driven decision-making is the top priority, chosen by **38%** of respondents, followed by strategic thinking for AI integration at **29%.** Other important areas include innovation and creativity (**14%**), emotional intelligence (**11%**), and cross-functional collaboration (**8%**).

Effectiveness of Organisations in Using Data and AI for Leadership Decisions

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As data and AI become essential tools for decision-making, organisations vary widely in how effectively they leverage these resources. Our survey reveals that only **7%** of respondents consider their organisation very effective at using data and AI to inform leadership decisions, with **37%** describing it as somewhat effective. However, **24%** find their organisation somewhat ineffective, and **11%** see it as very ineffective, indicating a substantial gap in data-driven decision-making capabilities.

This snapshot highlights both progress and areas for improvement in adopting data and AI to strengthen leadership insights.

- Very effective: 7%
- Somewhat effective: 37%
- Neutral: 22%
- Somewhat ineffective: 24%
- Very ineffective: 11%
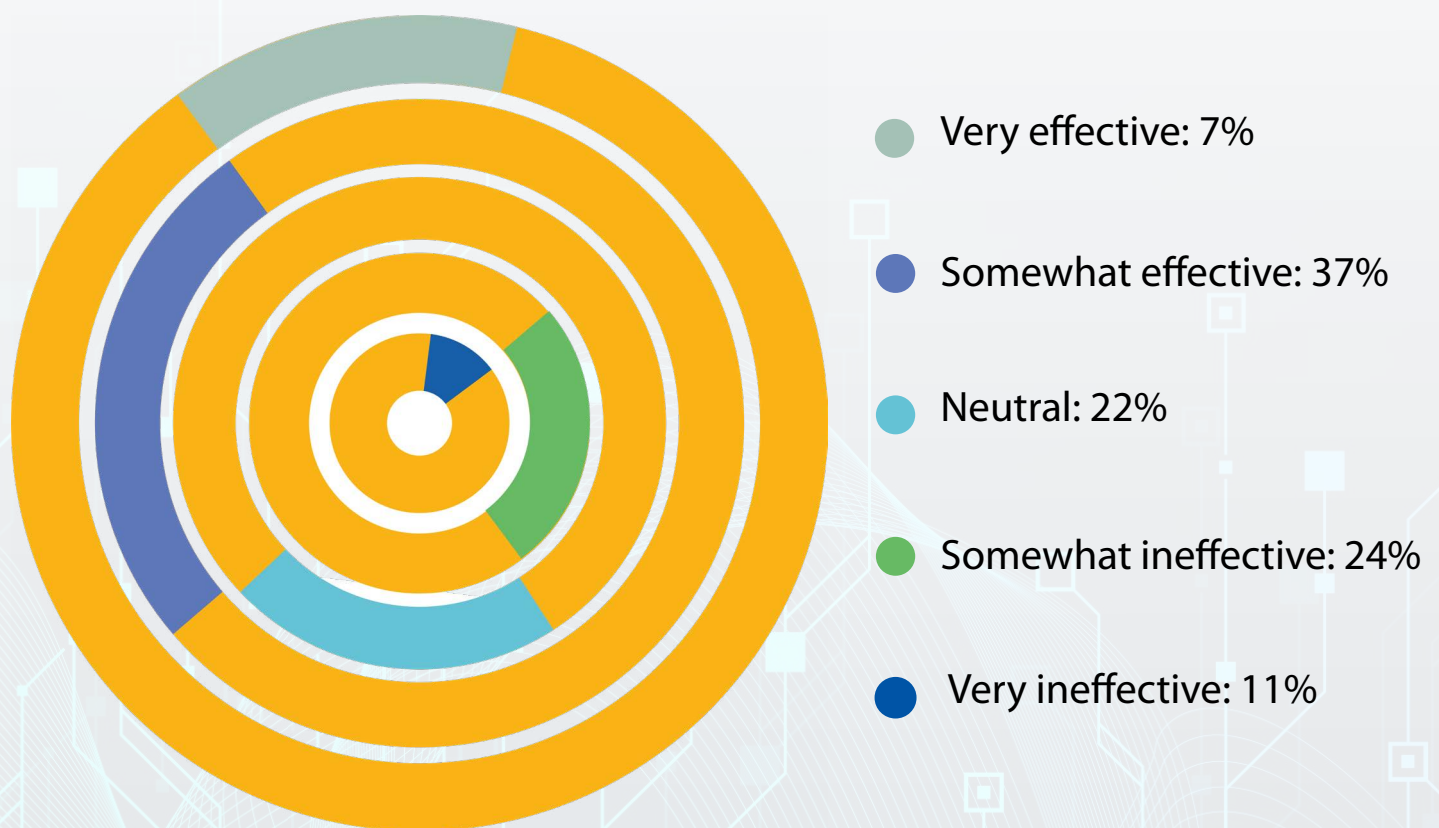
Key Barriers for Leaders in Managing AI Initiatives

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Implementing AI successfully requires overcoming several leadership challenges. Our survey shows that the biggest barriers are uncertainty about AI's business impact (**30%**) and resistance to change (**27%**). Additionally, lack of relevant skills and knowledge affects **24%** of organisations, while insufficient investment in training (**12%**) and lack of cross-departmental collaboration (**6%**) are also hindrances.

This data highlights the need for clarity on AI's value, enhanced training, and a culture that embraces change.

6%

Lack of collaboration between departments

12%

Insufficient investment in training

27%

Resistance to change

30%

Uncertainty about AIs business impact

25%

Lack of relevant skills and knowledge

The Role of Executive Education in AI Readiness

Executive education is seen as essential for navigating AI-driven changes. According to our survey, **43%** view it as an important role, while **16%** consider it critical. However, **20%** feel it plays only a minimal role, and **3%** say it has no role at all.

43

16

18

77% of senior leaders see Executive Education as playing a critical or important or somewhat important role in preparing leadership for AI driven challenges.

20

3

Only **23%** of senior leaders see Executive Education as having a minimal role or no role at all in preparing for AI driven challenges.

Bridging the AI Readiness Gap: Empowering Leaders for a Digital Future

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The findings in this document underscore a clear gap in AI preparedness among senior leaders. While some executives are making progress, many still lack the necessary skills, strategic foresight, and collaborative abilities to fully engage with AI advancements.

This points to the need for targeted development efforts—both in skill-building and in developing a workplace culture that embraces change and adaptability.

Practical Actions for Leaders and Organisations

- **Develop Leadership through Education:** With **77%** of senior leaders acknowledging the value of specialised training, prioritising executiveprogrammes focused on AI and digital transformation is crucial.
- **Strengthen Data-Informed Decision-Making:** With only **7%** of organisations viewing their capabilities in this area as highly effective, enhancing this skill set will be vital for leaders.
- **Tackle Core Challenges:** Addressing uncertainty around AI's role, supporting change initiatives, and improving cross-departmental collaboration can prepare leaders to guide meaningful AI projects.

By focusing on these priorities, organisations can equip their leadership teams to better handle AI-related challenges and lead in a rapidly evolving digital environment.

Contact Us For further insights or to learn how we can assist your leadership team in achieving AI readiness, please visit:
https://execedinfo.jbs.cam.ac.uk/artificial_intelligence