# AGENDA

# How Culture Unlocks GenAI's True Potential

The companies that outperform will be those that built smart cultural architecture for adoption

By David Niles | July 21, 2025

C-suite leaders have managed countless transformations — from digital overhauls and re-organizations to new ways of working and acquisitions. These often follow familiar play-books. Yet generative AI presents a fundamentally different challenge, one that reshapes how organizations operate at every level, not just the technological systems they use.

Companies that are leading the way are making this clear. At **AIG**'s 2025 investor day, CEO **Peter Zaffino** made it clear that AI is no longer a stand-alone initiative; it's embedded across the organization. What might sound like semantics reflects a strategic shift from treating AI as a set of isolated projects to viewing it as a distributed capability that generates impact across teams, leaders and processes. As Zaffino emphasized, "We're focusing on this as an end-to-end process — not on the fringes, [and] not just for expense savings."

The urgency is undeniable. Cisco's 2025 data shows 97% of CEOs plan AI integration, but only 1.7% feel fully prepared.

While board and executive teams are often aligned in their concerns, many are still grap-pling with core questions around AI's impact, scalability and risk. The core challenge isn't what GenAI can technically accomplish but how it integrates within organizations. Scaling GenAI successfully depends on diffusion — that is, how quickly knowledge and behavior spread across an organization and influence its culture.

Yet diffusion remains the overlooked variable in implementing GenAI at scale. For AI to have a meaningful impact on business outcomes, CEOs must create cultural conditions that enable AI to become embedded across functions, leadership behaviors and team ap-proaches. This makes scaling AI more of a leadership task than a technical one.

## Four Strategic Approaches

**Design for organizational integration from Day 1**. Some companies are stuck in pilot phases, seeing little or no returns on already hefty investments, according to research from Goldman Sachs. Others approach AI like a product rollout: pilot, publicize and scale. Yet designing for cultural integration goes a level deeper, emphasizing that AI will scale only if it aligns with how people work and interact, not just how systems are built.

**Erik Brynjolfsson** of **Stanford**'s Digital Economy Lab advocates for task-based analysis to break down companies into "atomic units for work" rather than individual departments, then evaluating each for AI integration against clear KPIs. Other companies benefit by aligning data with enterprise use cases, ensuring visible executive sponsorship and connecting leaders across business units to form centers of excellence.

**Ensure meaningful business impact drives change.** Many companies experiment with GenAI in areas that are adjacent to the "core" of the business, usually support or corporate functions. While risks are low, the impact is limited. Real culture change, however, comes from efforts to reshape and improve how work gets done. Leaders won't fully embrace new tools or methods until they see a clear link to improved P&L results — faster growth and/or lower costs. The key to breaking that inertia is to demonstrate how GenAI initiatives and innovation will directly advance the company's core mission and performance.

AIG exemplifies this approach. GenAI is being embedded into claims processing, underwriting and risk modeling, not as an overlay but as a critical component of each function. Use cases are tied to operational KPIs and results — faster cycle times, sharper capital allocation — stimulate adoption. The proof is in the outcomes: AIG cited that early pilots increased data accuracy in insurance submissions from 75% to upwards of 90%.

**Redesign workflows where AI becomes real for teams**. Culture changes through leadership behaviors that reshape how teams work. The firms succeeding with GenAI aren't asking employees to think differently in abstract terms; they're embedding AI into daily routines, so it becomes a natural part of how work gets done.

Colgate-Palmolive launched an internal AI Hub in 2025, empowering employees to build task-specific assistants without technical skills. The rollout was intentionally designed with "AI champions" across teams to demonstrate use cases, answer questions and reinforce adoption through everyday work. Leadership signaled that AI fluency was part of the company's evolving standard and critical for team-level change.

**Align cultural norms to new ways of working**. Most leaders realize that scaling GenAI is about human-AI collaboration, but promoting a culture of curiosity can feel more abstract than the realities of technical implementation. For executives, it's important to play the long game and create environments where employees feel comfortable experimenting, taking risks — and sometimes failing. This cultural shift takes time — as does any mean-

ingful transformation — but investing in this critical element of team experience is essential for scaling GenAI.

## The Bottom Line

Cultural readiness is as critical as the technological implementation of generative AI. The companies that outperform won't be those that piloted AI fastest, but those that built smart cultural architecture for diffusion — smart ways to move technology and behaviors through the business with velocity and intention.