IBM Study: Canadian CEOs are prioritizing sustainability and AI to drive productivity and profitability

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IBM has released the results of a new IBM Institute for Business Value global CEO study which polled 3,000+ CEOs in over 30 countries on business priorities, challenges and opportunities. Overall, results show that CEOs are racing to modernize and adopt technologies, like generative AI, as they face pressure from all directions to stay profitable, productive, and increase transparency around ESG and data privacy. CEOs believe that competitive advantage will depend on who has the most advanced generative AI; however, executives are also weighing potential risks or barriers of the technology such as bias, ethics and security.

In Canada, the data has revealed that 50% of Canadian CEOs rank sustainability as their number one priority – the highest ranking out of the 30 countries (tied with Spain), compared to fifth place average ranking globally. Interestingly, Canadian CEOs also rank sustainability as their greatest challenge over the next three years — up from second place in 2022 and seventh in 2021.

Key Highlights for Canadian CEOs

- 50% rank sustainability as their number one priority
- Expect to realize significant value from generative AI, deep learning, machine learning (47%) and advanced analytics (43%).
- 45% of Canadian CEOs identify cybersecurity as their highest priority
- 48% worry about bias or data accuracy
- 33% identify cybersecurity and data privacy as their top challenge (second only to sustainability).

"Canadian leaders are realizing sustainability and profitability can go hand-in-hand. With this recognition, they are searching for specific ways to operationalize their sustainability projects, extend their reach, and achieve more concrete targets," said **Dave McCann, president of IBM Canada**. "To do this successfully, they will need to hone their focus for deeper clarity on their purpose, profit, people, and planet-specific objectives."

Other study highlights from Canadian CEOs:

- **Feeling the pressure:** In Canada, productivity and profitability came second (48%) to sustainability (50%) in terms of priority, due to immense ESG pressure from government and regulators above all other stakeholder groups. Globally, sustainability only ranks as the fifth average priority for CEOs, while productivity has moved to top position as the highest priority, as generative AI fuels workforce changes.

- **Calculating ROI:** 78% of CEOs in Canada expect their sustainability investments will return a positive return on investment within five years or less, but only 48% are confident in their ability to report on ESG initiatives with accuracy. They blame several data-related challenges, including unclear reporting across suppliers/partners, poor visibility into data sources/quality, and difficulty gleaning meaningful insights.
- **Embracing AI:** To deliver the results they need, 78% of CEOs in Canada say they have a clear plan for the role advanced AI will play in their organization's decision-making five years from now, and they expect to realize significant value in the coming years from advanced AI and analytics.
- **Personal incentive:** Roughly 43% of Canadian CEOs now have their personal compensation tied to sustainability goals — slightly higher than global counterparts (40%) but, overall, a significant jump from a year ago when the average global figure was just 15%.

"Canadian CEOs are looking to capitalize on generative AI, with most indicating they have a clear plan for the role advanced AI will play in their organization's decision-making five years from now," said **McCann**. "As they move forward, it is critical they assess its strategic impact on their operations and put measures in place to ensure privacy and fairness."

Some action items for CEOs

- Change the enterprise mindset from "adding AI" to "starting with AI"
- Rely on your Chief Data Officer (CDO) for decisions about data and cybersecurity.
- Create a balanced sustainability/profitability roadmap
- Implement "digital-first" solutions to increase efficiency, engage talent, and develop new skills
- Identify use cases that align with your organization's principles, broader technical guidelines, and architecture

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