Your journey to a GenAI future:

A strategic path to success for government

Global research study reveals obstacles and opportunities when integrating GenAI technology

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Foreword

**By Jennifer Robinson, Global Government Strategic Advisor at SAS**

As generative AI (GenAI) accelerates into the mainstream, organizations of every kind are seeing the transformative potential of the technology. Many government organizations handle huge data sets, hold sensitive personal information and synthesize details about entire populations. For government, GenAI could create a paradigm shift in productivity and capability.

Our research findings are based on a new survey of 1,600 organizations from a wide range of sectors worldwide. To better understand the unique perspectives that government organizations have about GenAI, we examined the responses from the 237 senior leaders who are responsible for making decisions on GenAI strategy or data analytics.

This report uncovers:

• How governments are implementing GenAI compared to other sectors.

• Which areas governments are already seeing the benefits of GenAI and where they feel less confident.

• How government investment stacks up against other sectors and where it's being spent.

• How you can proactively prepare for the challenges of implementing GenAI to ensure a strong ROI.
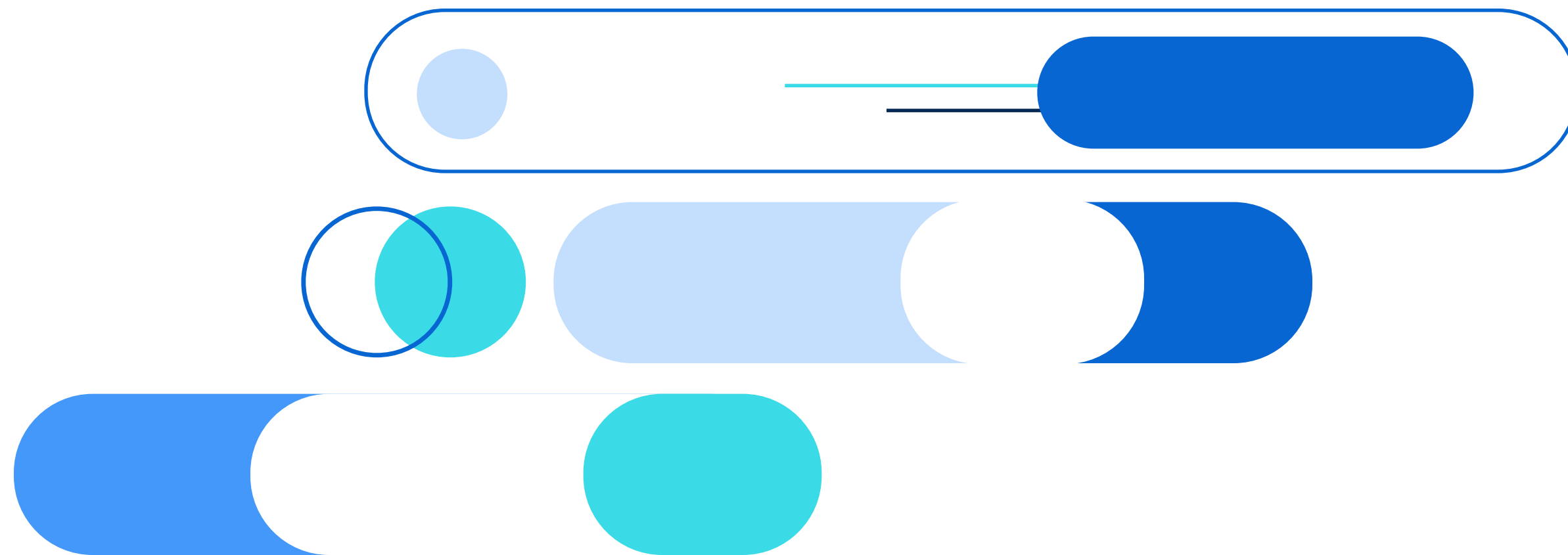
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GenAI in government today

The unique challenges and responsibilities of government mean that the adoption of GenAI is a little behind other sectors – but only just.

Government organizations

44% are already using GenAI.

45% intend to start using GenAI.

9% don't have plans to use the technology.

Lower adoption rates in government correspond with slightly lower policy preparedness and personal understanding.

52% of government organizations have a policy stating how employees are and aren't allowed to use GenAI at work, compared with **61%** across all sectors.

38% of senior decision makers say they understand GenAI and its impacts on business processes well or completely, compared with **48%** across all sectors.

Organizations across all sectors

54% are already using GenAI.

41% intend to start using GenAI.

5% don't have plans to use the technology.

Percentages on charts may not add to 100% due to rounding
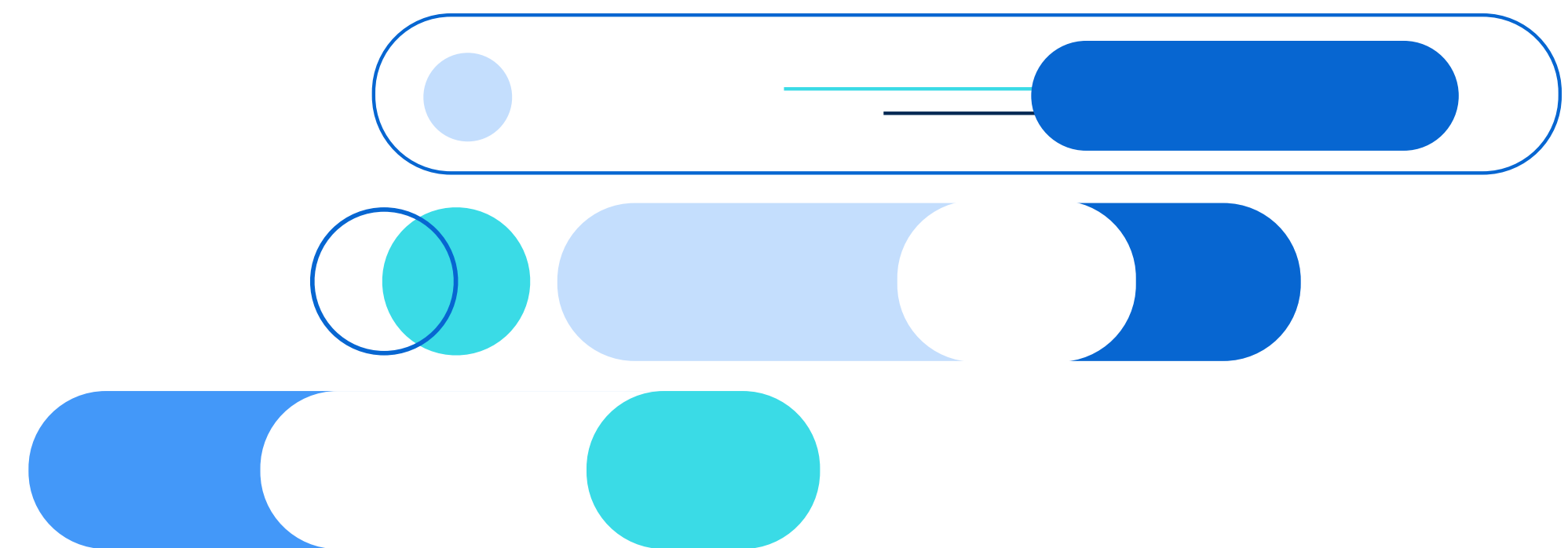
Concerns about using GenAI

While the concerns about using GenAI match the global average for all sectors, government leaders are apprehensive about the use of data, security risks, appropriate regulations and accountability.

These concerns highlight the need for careful consideration and proactive measures to ensure responsible development and deployment.

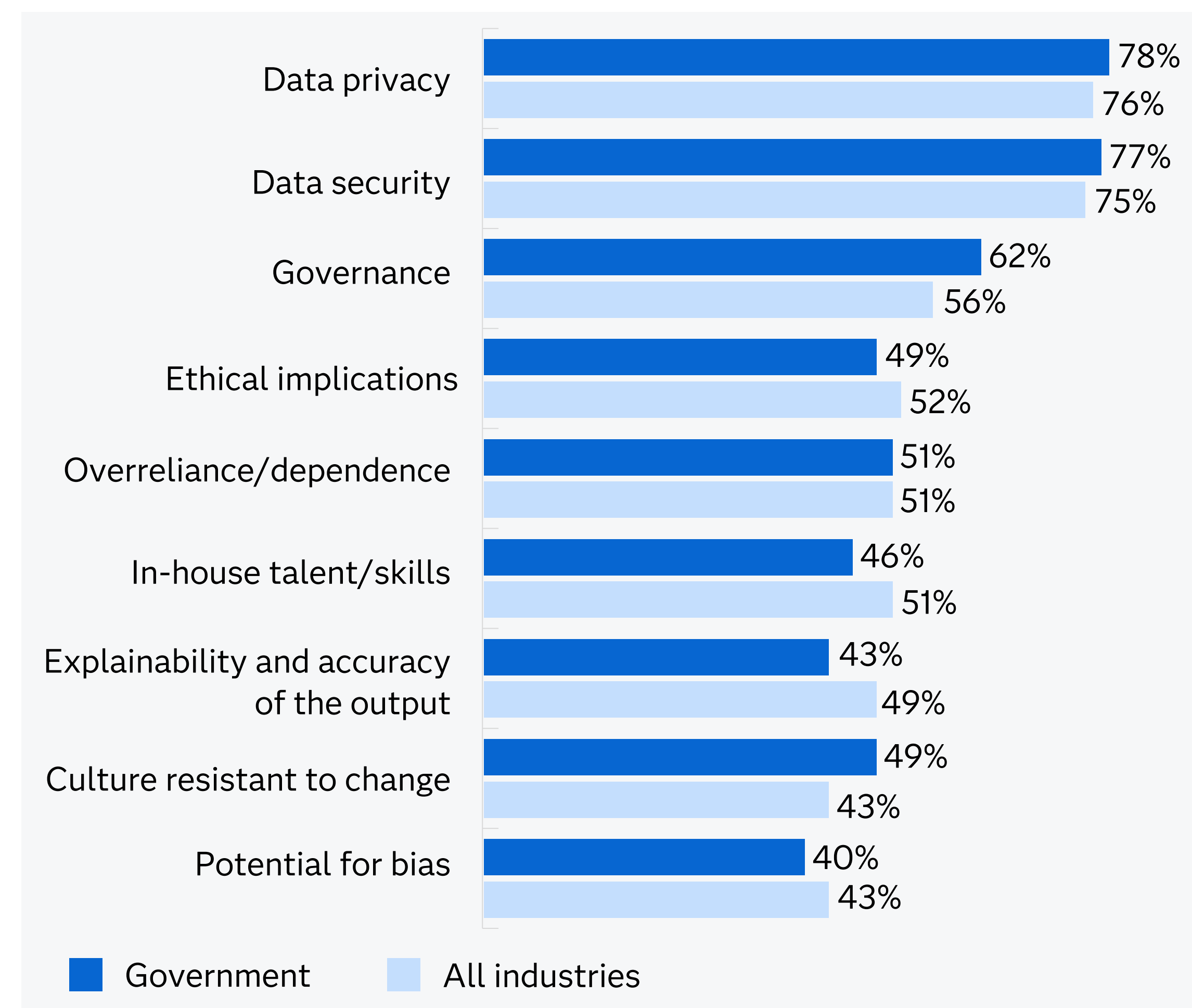| Top concerns	Government	All sectors
1. Data privacy	78%	76%
2. Data security	77%	75%
3. Governance	62%	56%

Culture

49%

of government organizations are worried about a culture resistant to change compared with **43%** across all sectors.

Workforce skills

46%

of government leaders are concerned about a lack of in-house talent, rising to **51%** in other groups.

What are your concerns regarding the usage of GenAI in your organization?

Data privacy — 78% / 76%
Data security — 77% / 75%
Governance — 62% / 56%
Ethical implications — 49% / 52%
Overreliance/dependence — 51% / 51%
In-house talent/skills — 46% / 51%
Explainability and accuracy of the output — 43% / 49%
Culture resistant to change — 49% / 43%
Potential for bias — 40% / 43%

■ Government   ▢ All industries

Based on % ranking as one of their top 5 concerns

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Blockers and barriers: What government needs to overcome

As GenAI adoption continues to grow, governments face many of the same challenges as other industries. But some issues are weighing on them more.

Top implementation challenges

55% of government leaders said using public and proprietary data sets effectively is concerning which is also the biggest issue for most other sectors.

From concept to real application

50% say they are affected by the challenge of transitioning GenAI from conceptual to practical use, perhaps due to the difficulty of combining legacy IT systems with new technology.

Governance issues

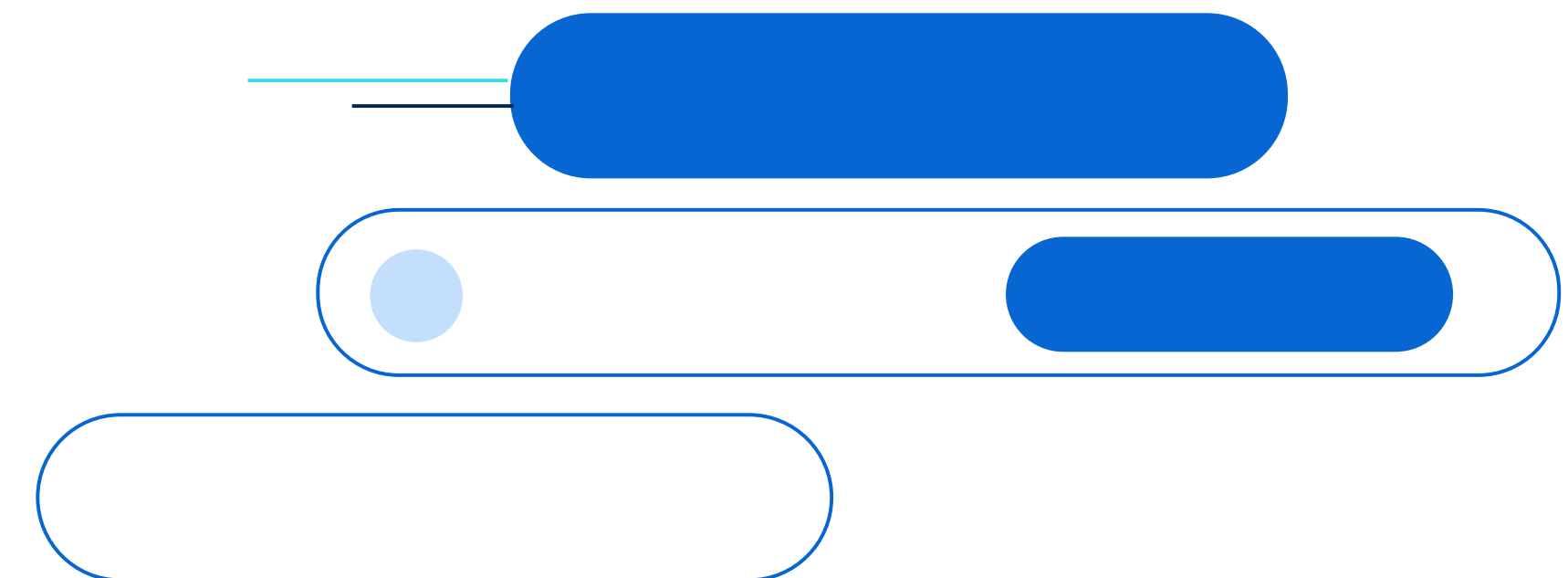**4%** of organizations say their GenAI governance framework is well-established and comprehensive.

50% of respondents said they don't have a framework or that it's ad hoc or informal, in comparison with **39%** across the board.
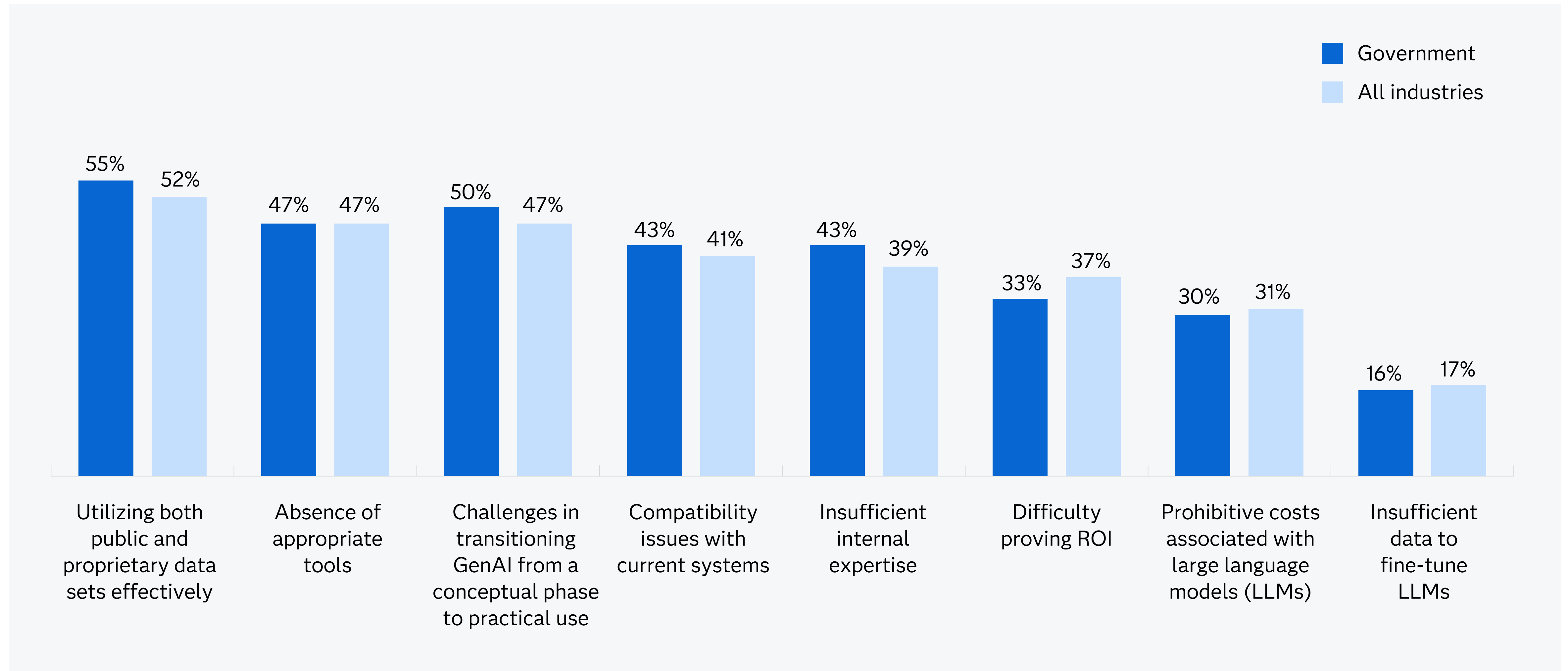
Technical limitations

Why is governance adoption slower? **38%** indicated that technological limitations are the biggest hurdle in implementing effective governance and monitoring.

Communication and education

35% of government employees are familiar with their organization's adoption of GenAI, far less than the **46%** average, suggesting leadership needs to increase communication about their plans and develop staff training programs.

# What are the concerns regarding the usage of GenAI?

Government
All industries

Concern	Government	All industries
Utilizing both public and proprietary data sets effectively	55%	52%
Absence of appropriate tools	47%	47%
Challenges in transitioning GenAI from a conceptual phase to practical use	50%	47%
Compatibility issues with current systems	43%	41%
Insufficient internal expertise	43%	39%
Difficulty proving ROI	33%	37%
Prohibitive costs associated with large language models (LLMs)	30%	31%
Insufficient data to fine-tune LLMs	16%	17%

Tackling privacy risks

Decision makers are split on the best way to measure privacy risk in large language models (LLMs).
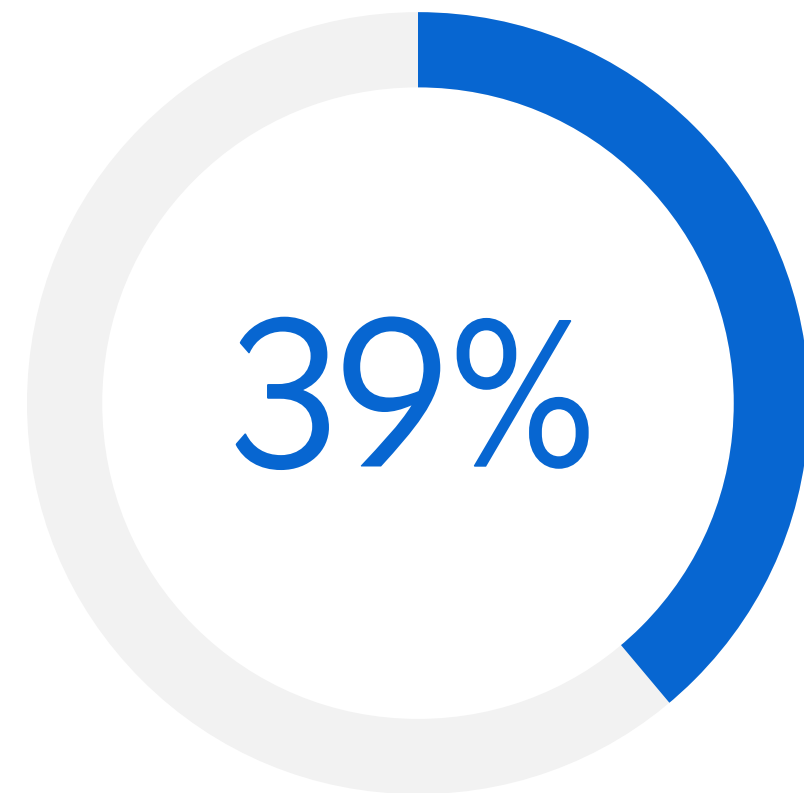
39% are considering developing in-house capabilities to detect privacy risk, while the same number intend to buy a third-party solution.
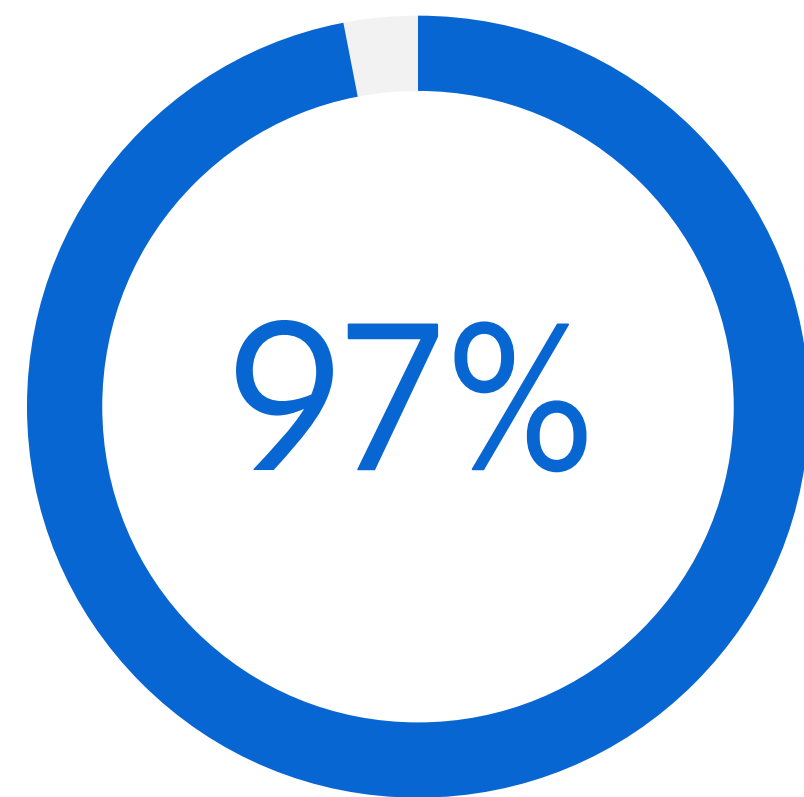
97% of those considering using LLMs don't have any systems in place for measuring privacy risk. Given the sensitivity of the data government organizations hold, having a way to measure risk is paramount.

Regulation hesitation

GenAI regulation is moving quickly and keeping up with it while unlocking the technology's value is a universal challenge. However, governments are less prepared than other sectors.
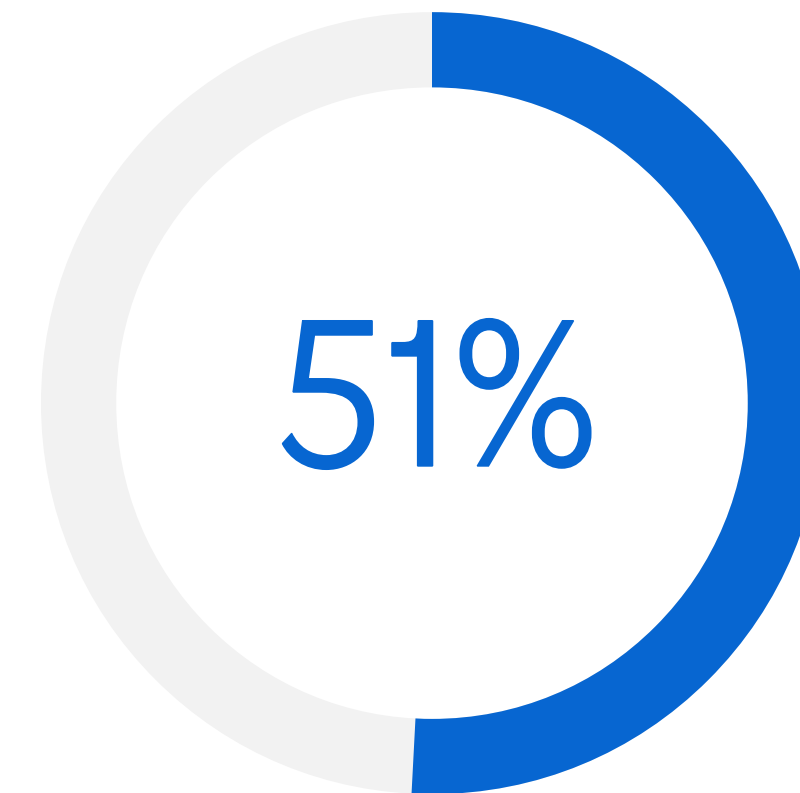
51% of government leaders say they're fully or moderately prepared to comply with current and upcoming GenAI regulations, compared to an average of **58%** across all sectors.
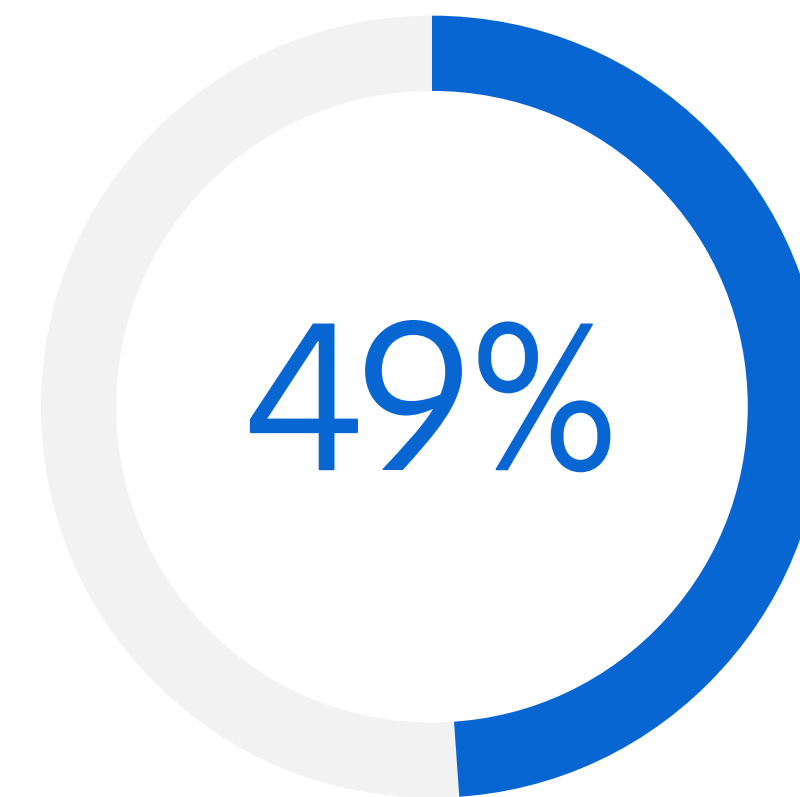
49% only health care is behind government, with **49%** of leaders saying they're prepared.

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Intelligent adoption: How government organizations are integrating GenAI

Our research reveals that governments are already taking GenAI seriously. Many are creating space in their budget and finding use cases for the technology across different departments. But they may need to pay more attention to their safety checks, and there are still areas where they are hesitant about unlocking potential advantages.
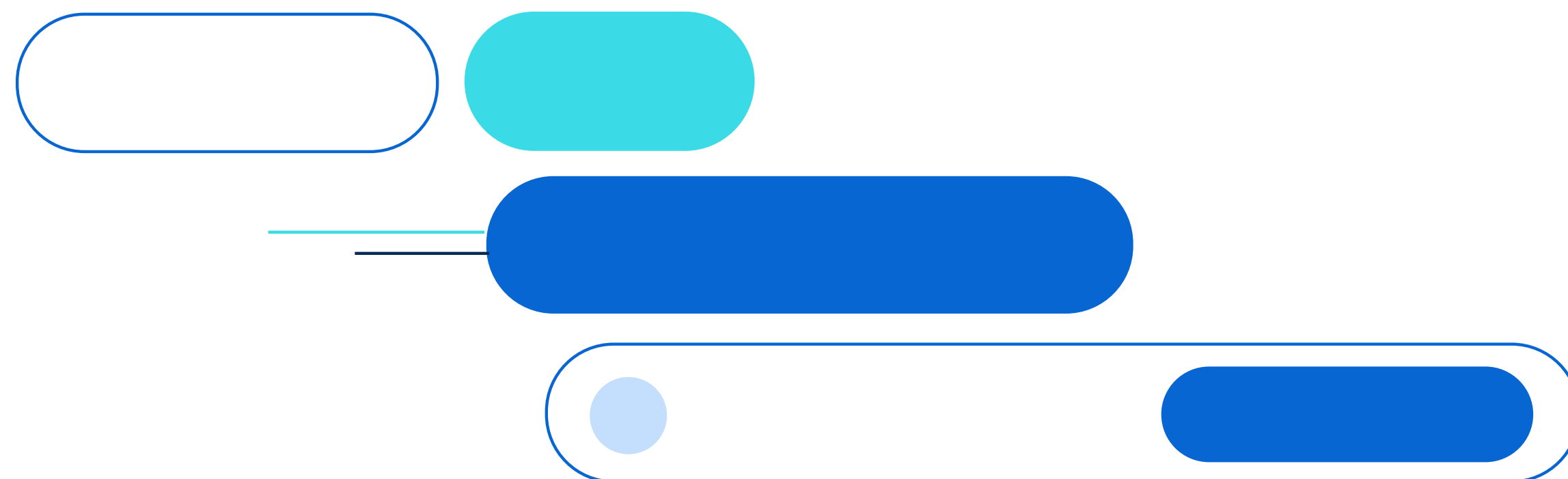
Widespread adoption

84% of decision makers say their organization is planning to invest in GenAI in the next financial year.

91% of those planning to invest have a dedicated GenAI budget.

Departmental use cases

31% of IT departments are already using GenAI.

61% of government finance departments plan to start adopting GenAI.

Investing in governance

Governments set aside less of their budget for governance and monitoring than other sectors – which is concerning, given this is something they are particularly worried about.

13% don't have any of their GenAI budget allocated to governance and monitoring.

**51%** allocate between one and ten percent of their budget.

The top **2%** allocate between a quarter and half of their budget.

Missed opportunities

32% of government decision makers wouldn't consider using fabricated data that is generated to replicate real-world data, referred to as synthetic data.
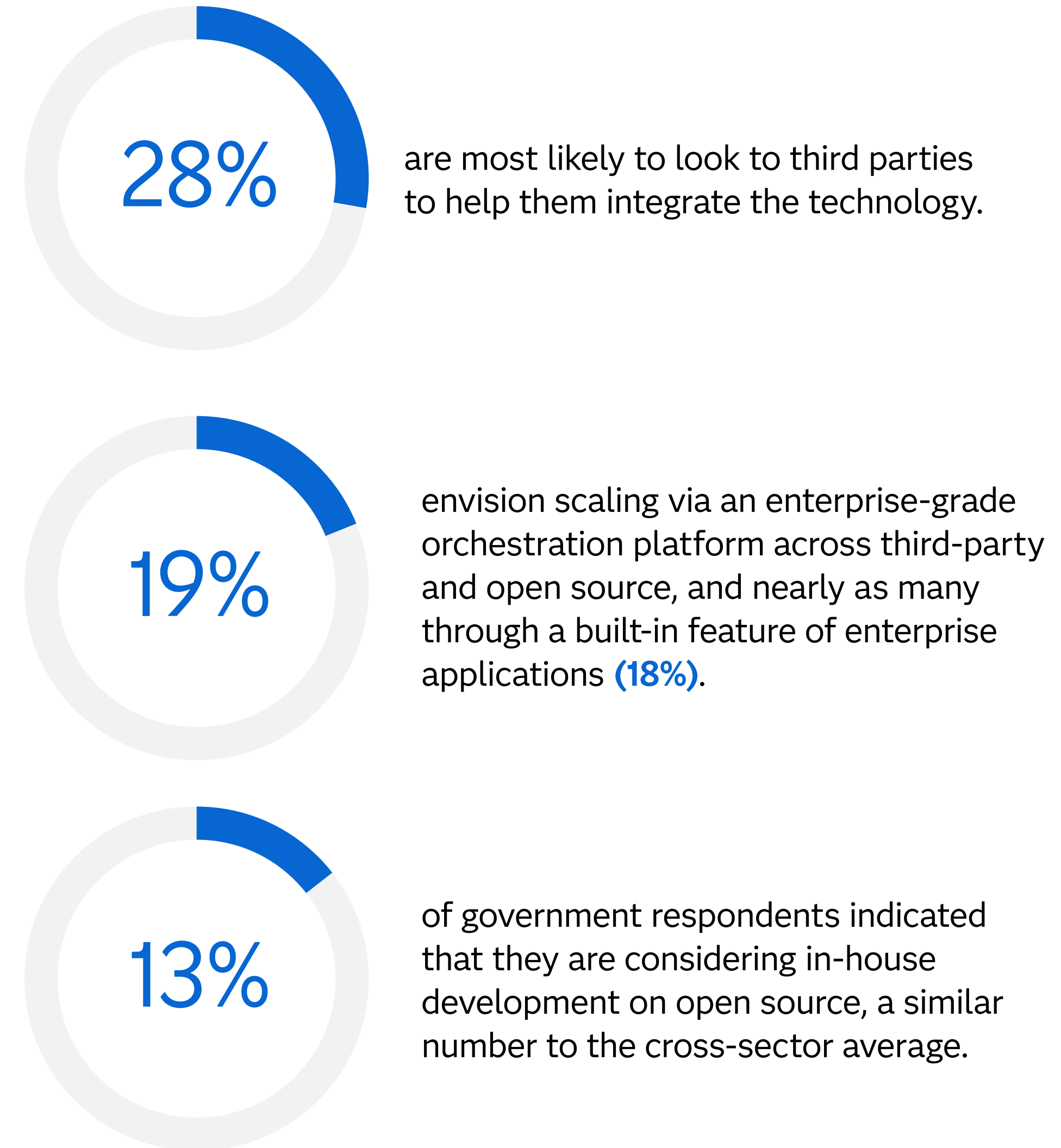
Across all sectors, only **23%** are averse to using synthetic data.

How much of the GenAI budget is allocated to governance and monitoring?

13% None

2% 26% – 50%

51% 1% – 10%

33% 11% – 25%
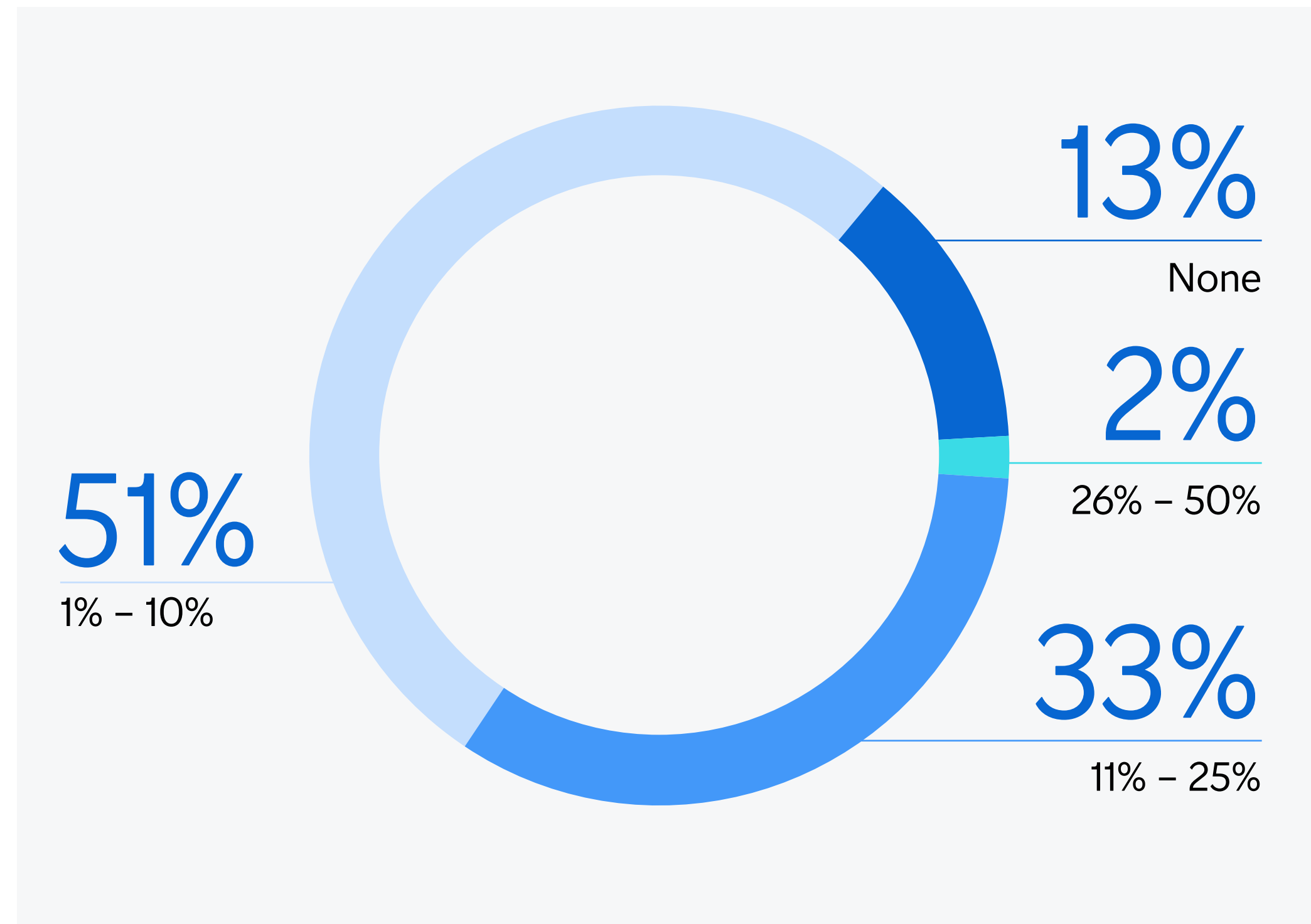
Budgets for GenAI typically cover several key areas, such as policy development, risk management, continuous monitoring systems, employee training and technology infrastructure. These allocations help maintain transparency, accountability and public trust.

When it comes to scaling GenAI, will government organizations choose staff or suppliers?

28% are most likely to look to third parties to help them integrate the technology.

19% envision scaling via an enterprise-grade orchestration platform across third-party and open source, and nearly as many through a built-in feature of enterprise applications **(18%)**.

13% of government respondents indicated that they are considering in-house development on open source, a similar number to the cross-sector average.
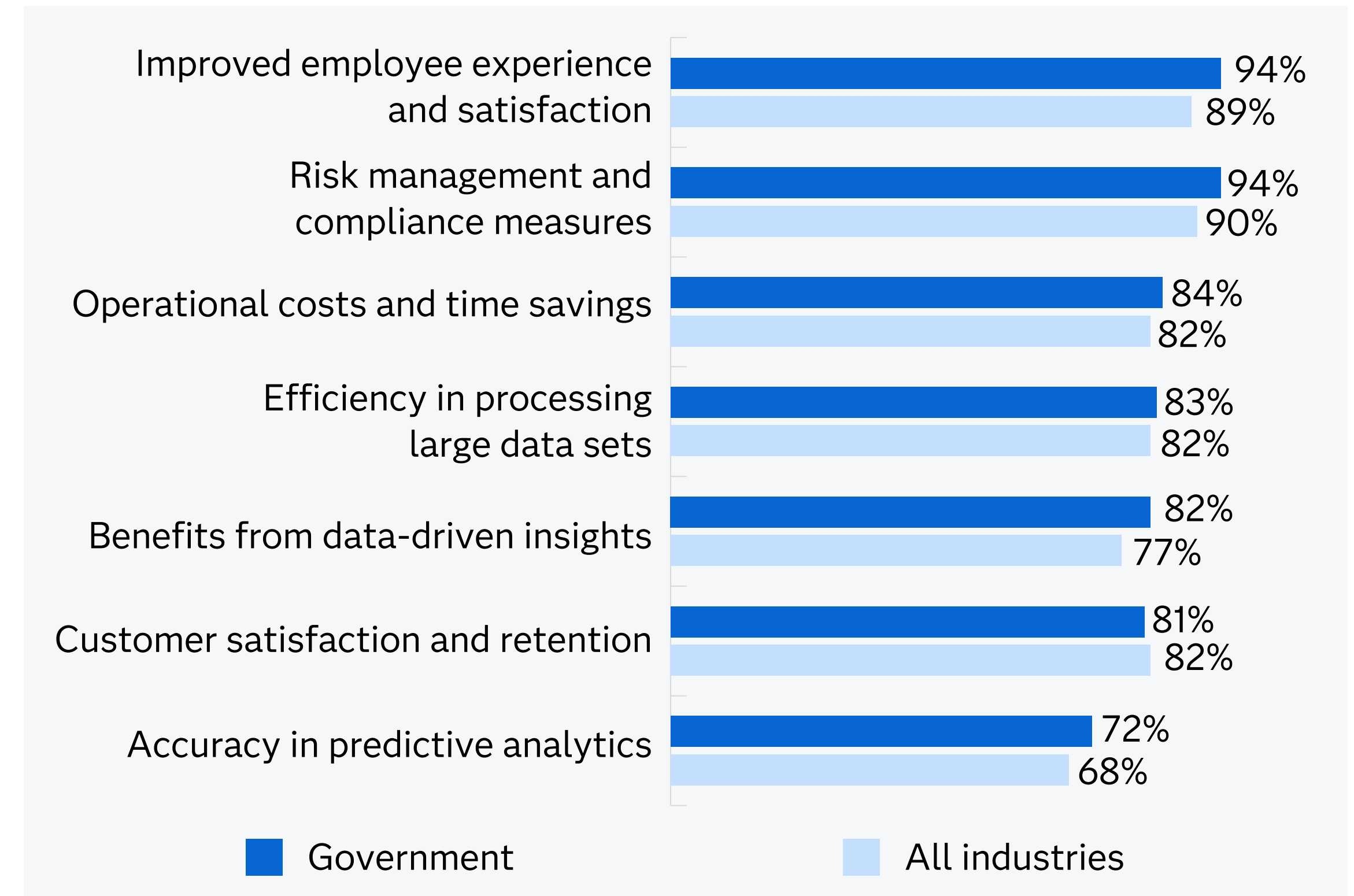
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The future of GenAI in government

Governments are steadily gaining momentum in adopting GenAI, countering the stereotype of being slow to change. In fact, decision makers are feeling more optimistic about many of GenAI's benefits than the cross-sector average:

- **60%** say GenAI will help them drive innovation, compared with **57%**.

- **54%** expect GenAI integration will lead to substantial increases in efficiency and cost savings, more than the **49%** average and higher than any other sector.

- **55%** think GenAI will create measurable improvements in their predictive analytics accuracy, against **53%** in other sectors.

Most importantly, government organizations that are implementing GenAI now are already seeing a range of benefits, in many cases outpacing other sectors. More government decision makers than the cross-sector average say that implementing GenAI has improved employee experience and satisfaction or created operational cost and time savings.

With adoption rates growing and organizations already reaping the benefits, GenAI is set to play an increasing role in helping governments be more productive, making their work easier, faster and more economically efficient.

What measurable outcomes are being realized with the integration of GenAI into analytics processes?

| Outcome	Government	All industries
Improved employee experience and satisfaction	94%	89%
Risk management and compliance measures	94%	90%
Operational costs and time savings	84%	82%
Efficiency in processing large data sets	83%	82%
Benefits from data-driven insights	82%	77%
Customer satisfaction and retention	81%	82%
Accuracy in predictive analytics	72%	68%

■ Government □ All industries

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Next steps

Government organizations have a golden opportunity to capitalize on GenAI, and they are already making good strides. Looking forward, technology decision makers need to make sure that they:

- Establish AI and GenAI policies for the organization or update existing IT policies to incorporate AI and GenAI guidance.

- Communicate with employees across the organization about the current and projected use of AI and GenAI and the policies governing their use.

- Begin training programs so that employees can understand what GenAI is and how to use it responsibly – and effectively.

- Implement robust data governance across the organization as data integrity in the use of AI and GenAI will continue to be important. This framework should establish the strategy, objectives and policies for enterprise-wide data.

- Investigate use cases for synthetic data, which can add significant value when supplementing incomplete data or masking personally identifiable information (PII).
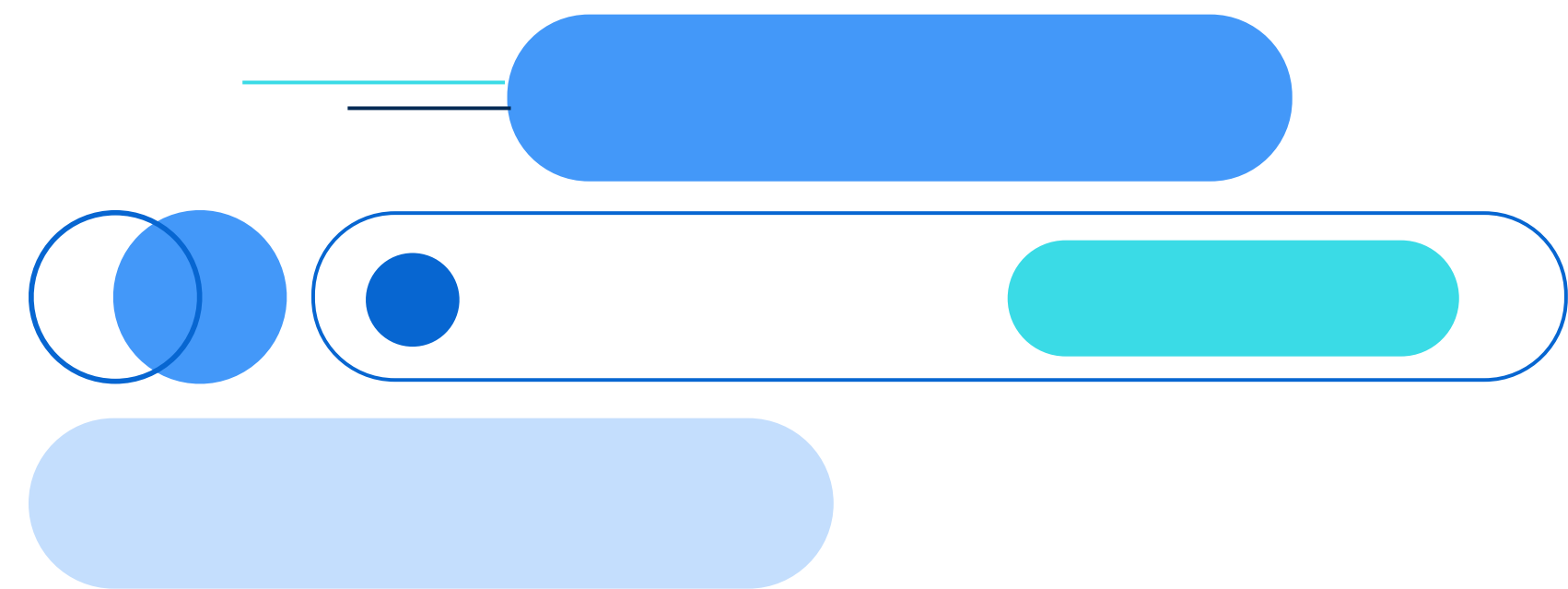
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About this research

The survey was conducted by Coleman Parkes from February to April 2024 and targeted 1,600 decision makers in GenAI strategy or data analytics in organizations across key sectors globally. Survey respondents work across a range of sectors: banking, insurance, government, life sciences, health care, telco, manufacturing, retail, energy and utilities and professional services. Their job titles include data manager, IT director and chief information officer. The smallest organizations we surveyed employed a workforce of 500-999 people and the largest had more than 10,000 employees.

About Coleman Parkes

Coleman Parkes is a full-service B2B market research agency specializing in IT/technology studies, targeting senior decision makers in SMB to large enterprises across multiple sectors globally.

For more information, contact Stephen@coleman-parkes.co.uk.

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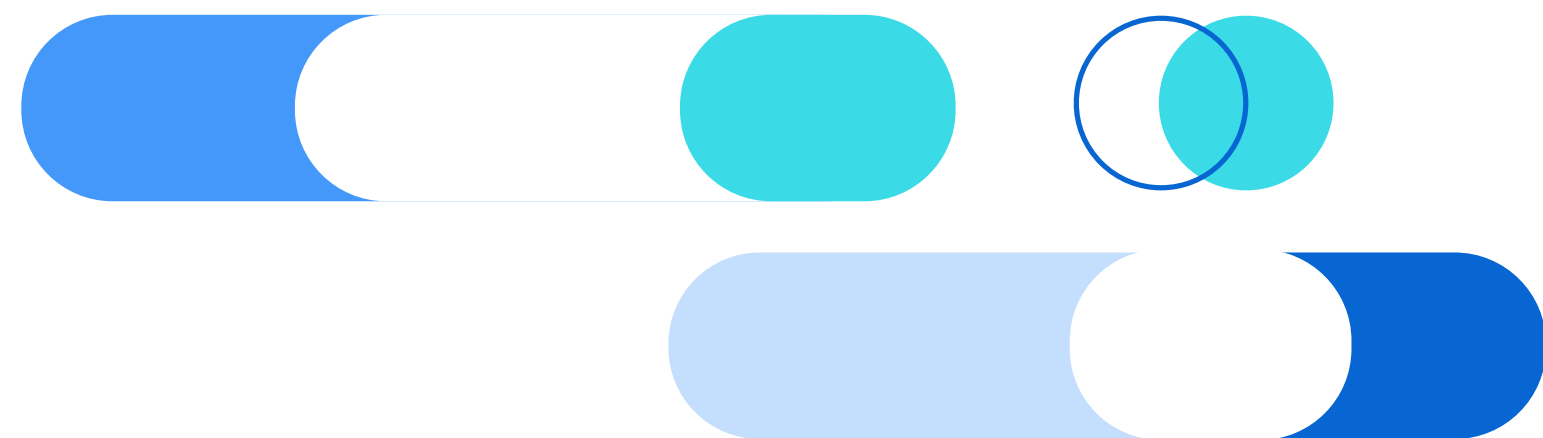
Want to know more? Get the [full research report](#): Generative AI: Strategies for a Competitive Advantage.

To contact your local SAS office, please visit: **sas.com/contact**