KPMG

Generative AI Adoption Index

Navigating the real-world applications and risks of AI in Canadian workplaces

KPMG in Canada | November 2024

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Generative AI platforms are being adopted in workplaces at a faster rate than many realize
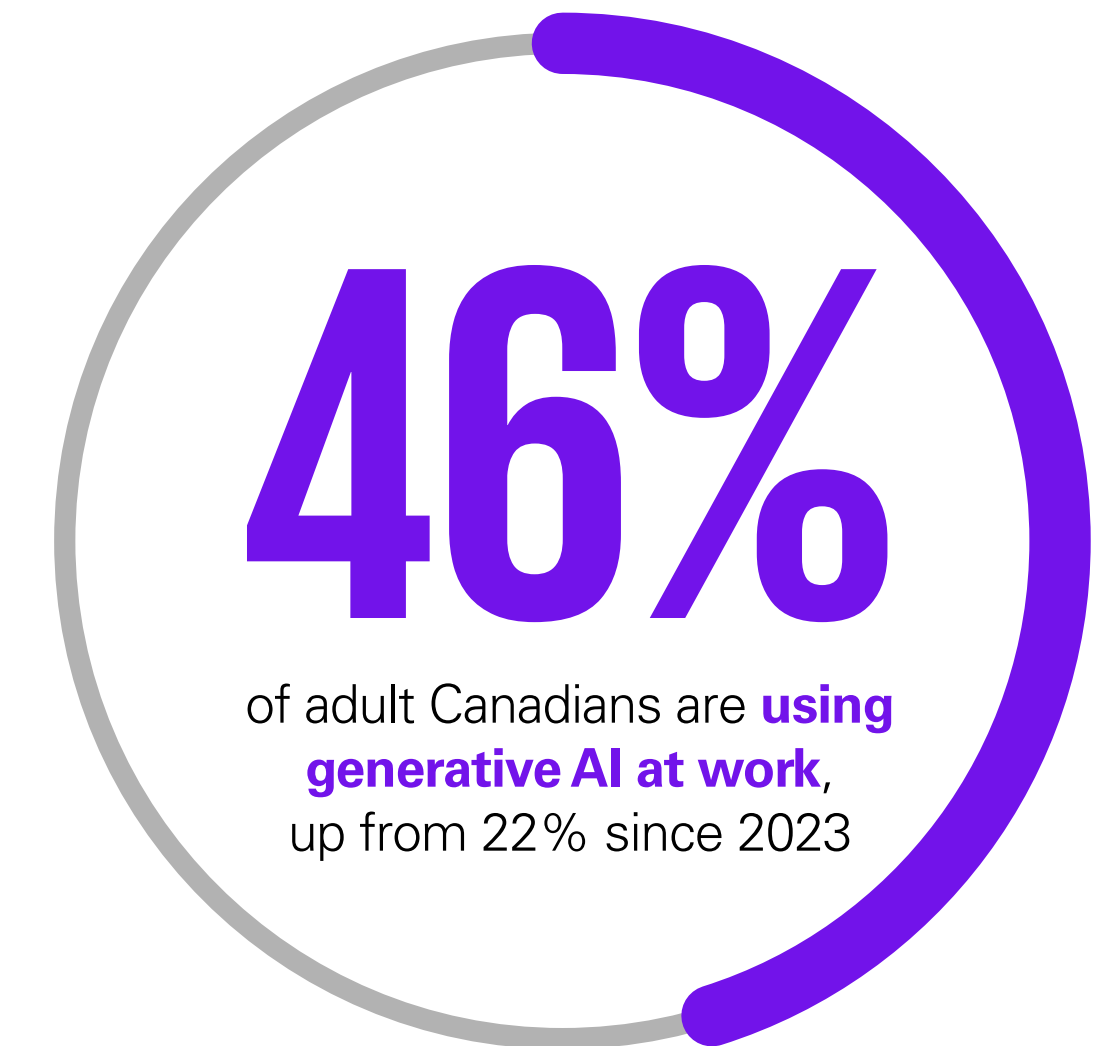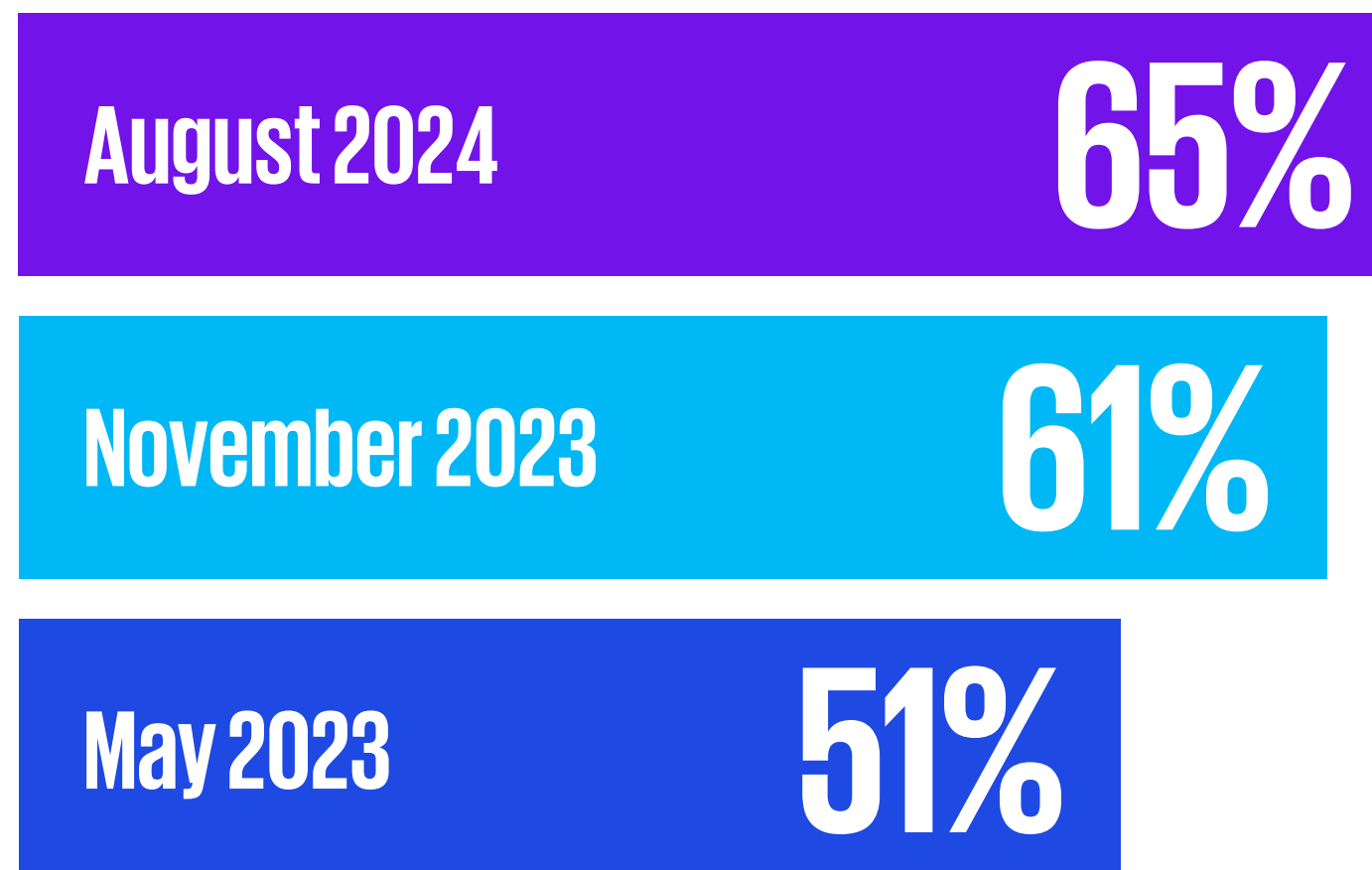
Whether businesses know it or not, employees are finding opportunities to integrate AI into their work at an accelerated pace.

In August 2024, KPMG in Canada surveyed 2,183 Canadians over the age of 18 about their generative AI use at work. This survey closely follows similar surveys we conducted in May and November 2023 to identify emerging trends around this still-budding technology. The latest survey found that Canadian workers are more than simply curious; they're embracing generative AI.

In just under a year, the percentage of Canadians who say they use generative AI at work has jumped to 46%, an increase from 22% last year. Moreover, the number of Canadians who say they use generative AI at work every day or at least a few times a week has risen to 65%, up from 51% in May 2023.

Remarkably, the survey didn't find a single respondent who said they didn't see a use for AI after trying it.

Canadians using generative AI tools at work at least a few times a week

August 2024	**65%**
November 2023	**61%**
May 2023	**51%**

46% of adult Canadians are **using generative AI at work**, up from 22% since 2023
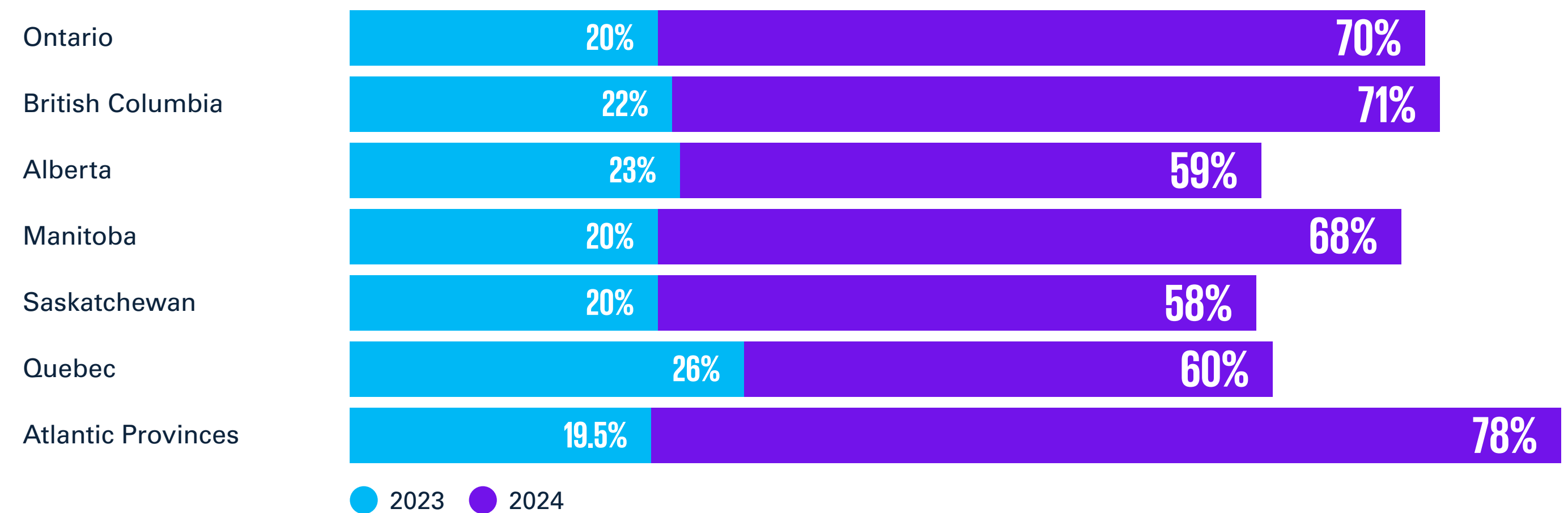
Generative AI use varies across Canada

Generative AI use across Canada has grown significantly this year over last as employees and companies have become more aware of and comfortable with this technology.

When assessing the adoption of generative AI among Canadians at work, Atlantic Canada, Ontario and British Columbia experienced bigger increases in adoption than Alberta and Saskatchewan.

As Lewis Curley, Partner of KPMG in Canada's People & Change practice, notes:

> *"AI adoption could vary because of the types of jobs in each region. For instance, the latter have more energy-related jobs that require workers to be on-site versus the technology and traditional office jobs in the former areas that typically benefit more from generative AI."*

Provincial adoption rate* of generative AI – August 2024 versus November 2023

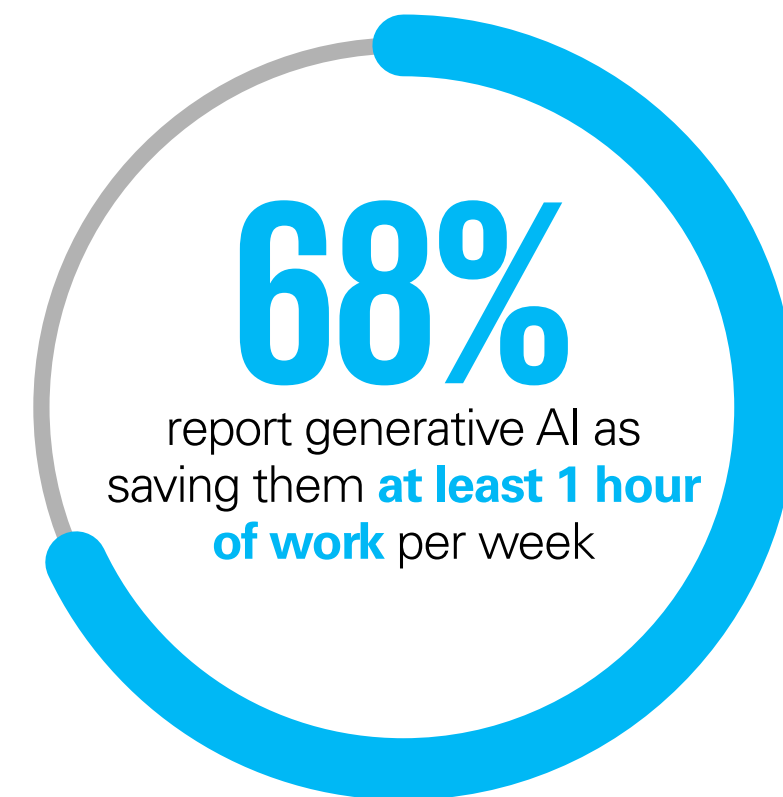| Province	2023	2024
Ontario	20%	70%
British Columbia	22%	71%
Alberta	23%	59%
Manitoba	20%	68%
Saskatchewan	20%	58%
Quebec	26%	60%
Atlantic Provinces	19.5%	78%

● 2023 ● 2024

*The percentage of our survey respondents who said they use generative AI at work, on an ad hoc basis up to daily or all the time.
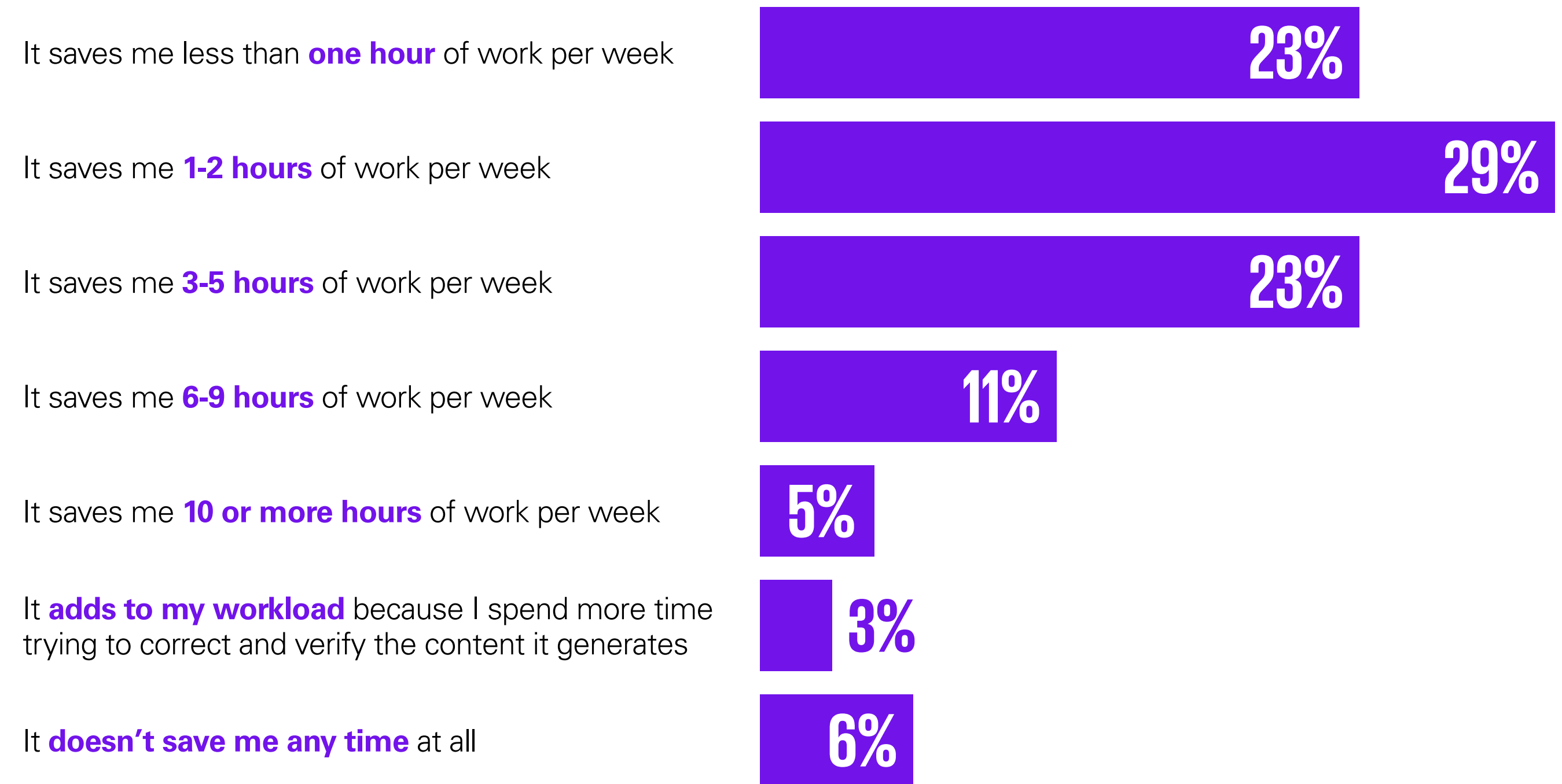
Meaningful productivity increases

Generative AI isn't just helping employees get their work done faster – it's also enhancing the quality of their output and freeing up time for more creative or high-value tasks. More than two-thirds of employees reported saving at least an hour of work per week using generative AI, while 39% claim to be saving three hours or more per week.

The results are encouraging, as they prove that generative AI can indeed save people time during the workday. What they do with that time, however, is becoming an increasingly important question for companies and employees to understand.

68%
report generative AI as saving them **at least 1 hour of work** per week

How generative AI use has impacted work productivity

It saves me less than **one hour** of work per week — **23%**

It saves me **1-2 hours** of work per week — **29%**

It saves me **3-5 hours** of work per week — **23%**

It saves me **6-9 hours** of work per week — **11%**

It saves me **10 or more hours** of work per week — **5%**

It **adds to my workload** because I spend more time trying to correct and verify the content it generates — **3%**

It **doesn't save me any time** at all — **6%**

"Generative AI is a powerful tool that can save people time—

enabling organizations to explore new business opportunities and innovative ideas. However, it's essential for organizations to guide employees on how to use this saved time effectively. We need to clearly define our expectations for this time—whether it's for personal well-being, networking, brainstorming new ideas, or completing new tasks.

Lewis Curley

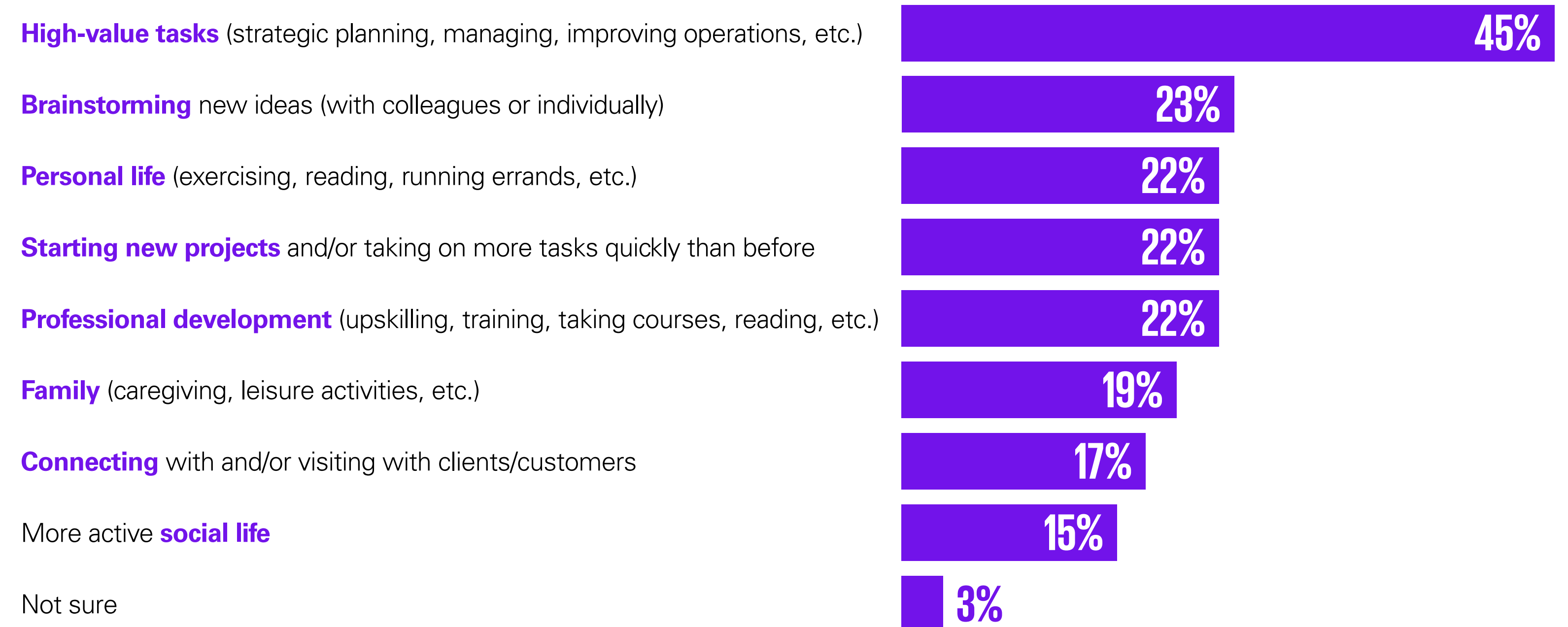Partner, People & Change Practice, KPMG in Canada

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How employees are putting saved time to work

Employees appear to be using the time they are saving in a variety of ways. Some are focusing more on high-value tasks, while others are spending more time with family and on personal activities.

While people are clearly making use of their freed-up time, the different ways they are using it show that neither staff nor management have a clear idea about how those unlocked hours should be used. Without clear communication about how to use this saved time, it will be hard to measure the value created by AI tools. Employees might also be unsure how to use their saved time, possibly leading to unproductive activities.

Ultimately, how this extra time is managed will depend on each business. However, as generative AI adoption continues to rise, companies must establish a clear strategy for how these hours should be used.

How are Canadian employees spending or redeploying the time they save per week

High-value tasks (strategic planning, managing, improving operations, etc.) — **45%**

Brainstorming new ideas (with colleagues or individually) — **23%**

Personal life (exercising, reading, running errands, etc.) — **22%**

Starting new projects and/or taking on more tasks quickly than before — **22%**

Professional development (upskilling, training, taking courses, reading, etc.) — **22%**

Family (caregiving, leisure activities, etc.) — **19%**

Connecting with and/or visiting with clients/customers — **17%**

More active **social life** — **15%**

Not sure — **3%**

"Business leaders should keep in mind that generative AI extends beyond helpful personal productivity tasks

such as drafting emails. Productivity with AI also involves optimizing core operations. This takes more time and effort, but the payoff is greater and can generate even more business value."

Stephanie Terrill

Canadian Managing Partner, Digital and Transformation and National Leader, Management Consulting, KPMG in Canada

Impact on use cases at work

As employees become more familiar with these tools, generative AI's usage appears to be broadening. While generating ideas and conducting research remain top uses, the frequency of tasks such as editing reports (16%) and coding (13%) has increased since May 2023.

While it's encouraging to see employees use generative AI for a wider range of tasks, as people become more familiar with these tools, more clarity around how to use them will be required. Experimentation is important, but guardrails may need to be applied to ensure that employees spend their time using generative AI in the most optimal and appropriate ways.

The top use cases for generative AI for Canadians at work among respondents

	Poll #3 August 2024	Poll #2 November 2023	Poll #1 May 2023
Generating ideas	33% ↓	45%	49%
Research	30% ↓	48%	48%
Writing emails to colleagues	26% ↑	21%	24%
Creating presentations	22% ↓	29%	30%
Summarizing/analyzing information from publicly available sources	19% ↓	22%	20%
Drafting or editing marketing content (company website, newsletter, social media posts, advertisements, etc.)	18% ↑	15%	16%
Drafting or editing a report for a client/customer	16% ↑	9%	10%
Writing or editing programming code	13% ↑	7%	9%

Are employees too trusting?

There's a concern that employees may be overly trusting of AI-generated content. Only half of employees say they always verify the accuracy of the information provided by generative AI tools; the rest only look occasionally – if at all.

Moreover, the survey found that only 14% of employees are using private, secure AI platforms developed by their employer, with the majority relying on publicly available tools. This could expose organizations to security risks, as employees may inadvertently share proprietary or sensitive information with these external platforms.

These data points suggest that much more education around generative AI is needed. That includes understanding how generative AI models are created and the data that goes into them, learning how to validate information and when to be skeptical of results.

Companies must also create policies that outline how to use generative AI tools and indicate what data can or cannot be shared with these solutions. Businesses should consider providing their own internal AI platforms so users and management can feel more confident that the information they're using is accurate, and that sensitive information is kept private.

However, it is important to note that regardless of whether the generative AI tools used by an organization are public or private, they can still produce incorrect results. Therefore, it is essential to verify the accuracy of all AI generated outputs.

How often Canadians check the accuracy of the information produced by generative AI tools at work

51% Always

44% Sometimes

5% Never

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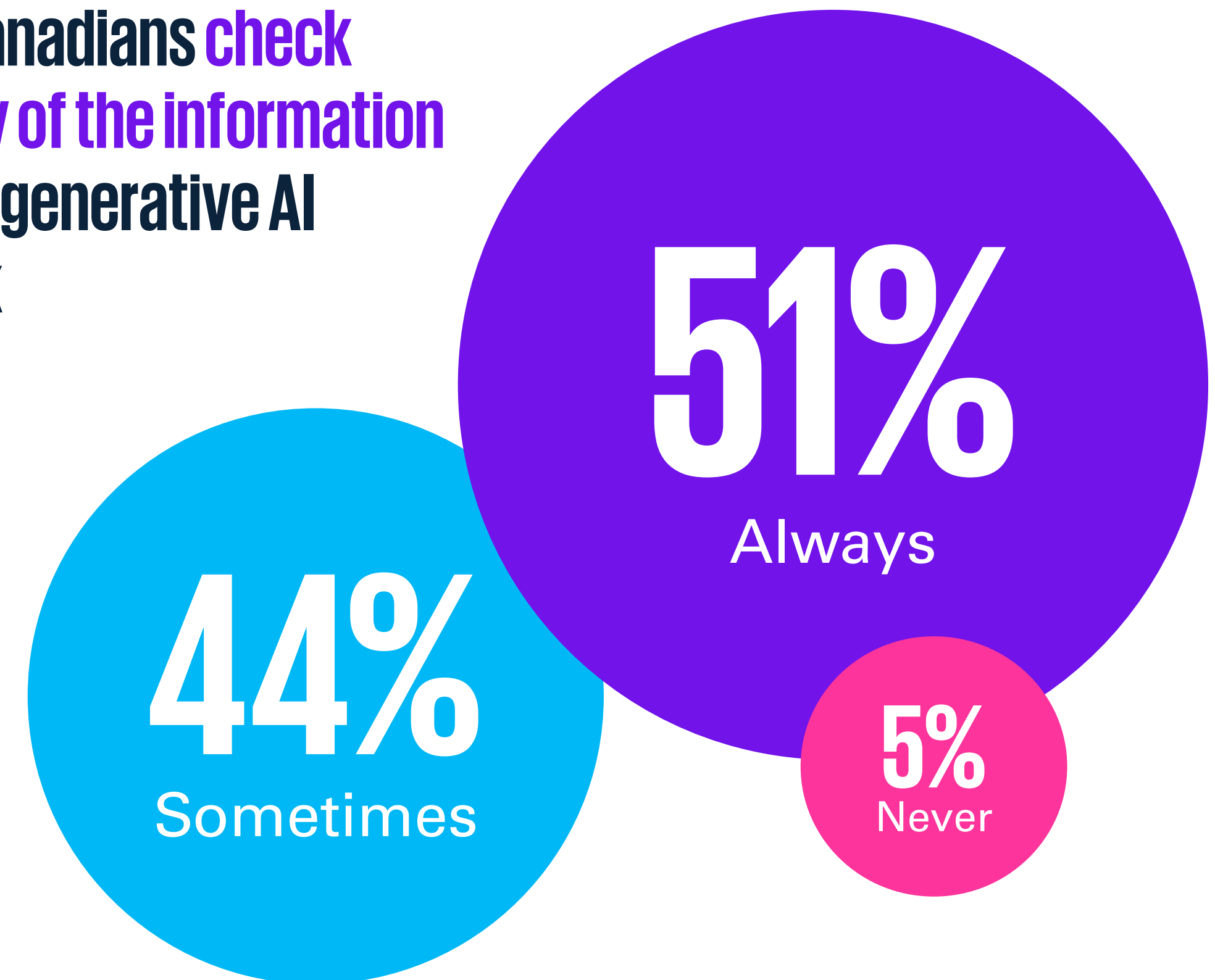
"People need to start thinking about the different skills required in the age of AI.

While many associate AI skills with programming and prompt engineering, we need enduring skills such as critical thinking, review, and deeper strategic thinking skills that have been somewhat neglected in recent years due to the rise of technology.

Megan Jones

Director, People & Change Practice, KPMG in Canada

Generative AI tools and the adoption gap

Employees are using generative AI, even if businesses haven't directed their staff to use these tools. Roughly two-thirds of respondents say they've used generative AI tools at work – although only 14% are using a secure internal AI platform. The majority of those employees are using publicly available tools like ChatGPT.

AI use is still in the early stages, but these results signal that generative AI is something that businesses and organizations must think about. Otherwise, like other consumer technologies that have come before this, employees may apply generative AI in the same ways they're using it on their personal time, which may not align with the company's expectations.

AI isn't for everyone (yet)

Of course, not everyone is rushing to AI to help with their work. Those who have steered clear of the technology have largely been doing so because they either don't see the benefit to their job or prefer to work without the help of AI.

Workplace culture may also be a factor in adoption. Companies that put more of a focus on innovation and experimentation will likely be more willing to try these tools than organizations that don't emphasize these values.
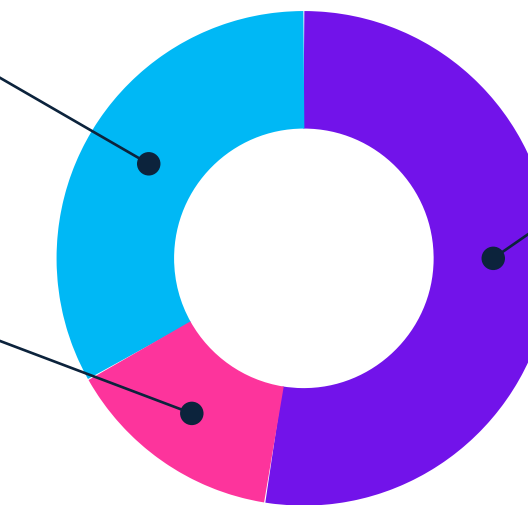
Use of public versus private generative AI tools at work

33%
I have not used generative AI tools for work

14%
Yes, I use a private generative AI platform developed by my employer for internal use

52%
Yes, I use publicly available tools

Note: Some figures may not add up to 100% due to rounding

Primary reasons for not using generative AI tools for work

Reason	%
I prefer to do my work without a machine's help	22%
I don't see how I will benefit from using generative AI tools for my job	22%
My employer prohibits the use of generative AI tools	16%
I don't have the proper training on how to use generative AI	10%
I don't trust generative AI	8%
I don't know where or how to access generative AI tools	8%
I don't know how to use generative AI tools effectively; they're too complicated	7%
Generative AI is too futuristic for me	1%
Other	6%

"Without the right guidance, employees are unsure how to use AI.

Establishing a clear policy is essential, but it must be backed by the right tools and training to help employees use AI effectively while safeguarding sensitive data.

Walter Pela

GVA Regional Managing Partner and AI Client and Market Development Leader, KPMG in Canada
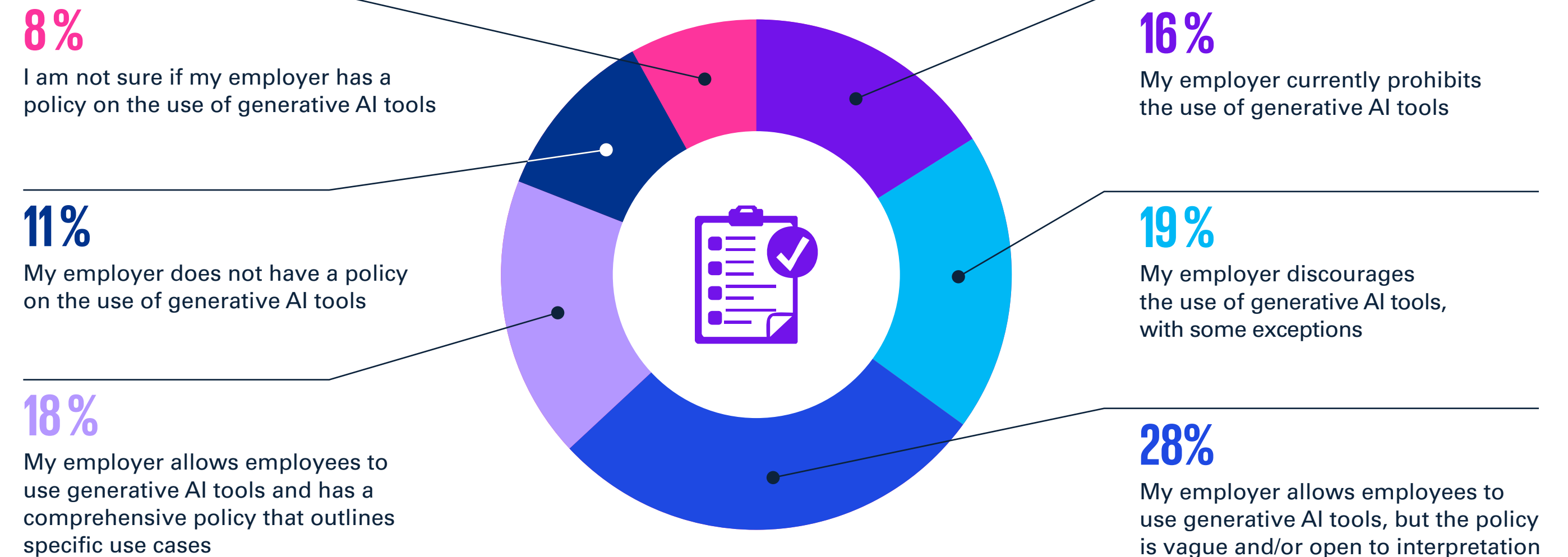
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Uncertainty around guidelines and guardrails

While 51% of respondents say their companies encourage employees to use AI, it's the users who are deciding how to apply generative AI to their work. Few companies have developed policies or offer training around the use of AI, while only 18% of employees say their organization allows the use of generative AI tools and has a comprehensive policy.

Conflicting approaches that encourage and discourage the use of generative AI at the same time pose a significant risk. Even with an increasing number of employees saying that their company now has a policy on generative AI, more describe that policy as being vague (28%) and open to interpretation compared to 25% in May 2023.

These figures should be a wake-up call for organizations to create clear generative AI policies. Without guidelines to follow, a host of issues can arise, such as staff using the wrong tools or security challenges around private data leaking to the public.

How Canadians describe their employer's policy on generative AI

8 %
I am not sure if my employer has a policy on the use of generative AI tools

11 %
My employer does not have a policy on the use of generative AI tools

18 %
My employer allows employees to use generative AI tools and has a comprehensive policy that outlines specific use cases

16 %
My employer currently prohibits the use of generative AI tools

19 %
My employer discourages the use of generative AI tools, with some exceptions

28 %
My employer allows employees to use generative AI tools, but the policy is vague and/or open to interpretation

Canadians are sharing private information with generative AI

AI may be helping employees be more productive, but the usage could also be exposing private company data. Twenty four percent of respondents say they've entered proprietary, non-financial information about their company into a public AI tool, up from 15% in May 2023. Over the same period, the number of employees entering private financial data into public AI tools rose to 19%.

This is part of a wider trend of employees' willingness to enter a variety of information into AI, including sensitive proprietary data, financial data and private customer information. Given only 14% of respondents say they have access to a private company AI tool, that suggests employees are sharing a range of private information with unsecure, public platforms.

Companies need guardrails and education in place to help staff better understand the risks associated with putting company information into public platforms. At the same time, these numbers show that employees interested in generative AI are going to use these tools regardless of whether their workplaces have policies in place to guide them. Businesses must tackle this issue before more employees use generative AI in their own ways.

	Poll #3 August 2024	Poll #2 November 2023	Poll #1 May 2023
Have entered proprietary, non-financial (human resources, health and safety, supply chain) data about their company	24% ↑	16%	15%
Have entered private financial data about their company	19% ↑	12%	10%
Have entered information about their sector or industry into a prompt	43% ↓	45%	54%
Have entered publicly available information about their company	30% ↑	22%	23%
Have entered publicly available financial data about their company into a prompt	22% ↑	16%	16%
Have entered publicly available information about their company's clients/customers	20% ↓	24%	28%

Note: Percentage of survey respondents who entered responses into public generative AI tools only.

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Many people are using generative AI without any training or understanding of how it works.

This is a critical challenge and risk. The longer you wait to set up guardrails, the more likely people will do things that could leave your organization open to risks.

Kareem Sadek

Partner, Emerging Tech Risk Leader and Co-lead for Trusted AI, KPMG in Canada

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It's clear from the survey that employees are using generative AI at work, and adoption will likely continue as people become more used to these tools in the office and in their personal lives.

Companies must get ahead of these technologies, including assessing risks to the business and developing guardrails and policies for people to follow yet still allowing for experimentation. Establishing what individuals should do with their saved time is also critical – and that guidance should be provided soon, or they risk employees using their time on activities that may not benefit the business.

Generative AI is quickly becoming a key part of people's work lives. Now is the time to think carefully and consult – with employees, with management and with experienced specialists, such as KPMG – about how to effectively embrace generative AI in your business.

Unlock the value of AI with KPMG

The Artificial Intelligence (AI) era is here, filled with untapped value waiting to be realized. But opportunity alone isn't enough — ideas need to be transformed into tangible results.

KPMG has helped hundreds of organizations turn AI opportunities into impact. Whether it's taking a small step or tackling a complex challenge, we're here to help create value from AI – providing support from use case to seamless implementation, built on a foundation of trust.
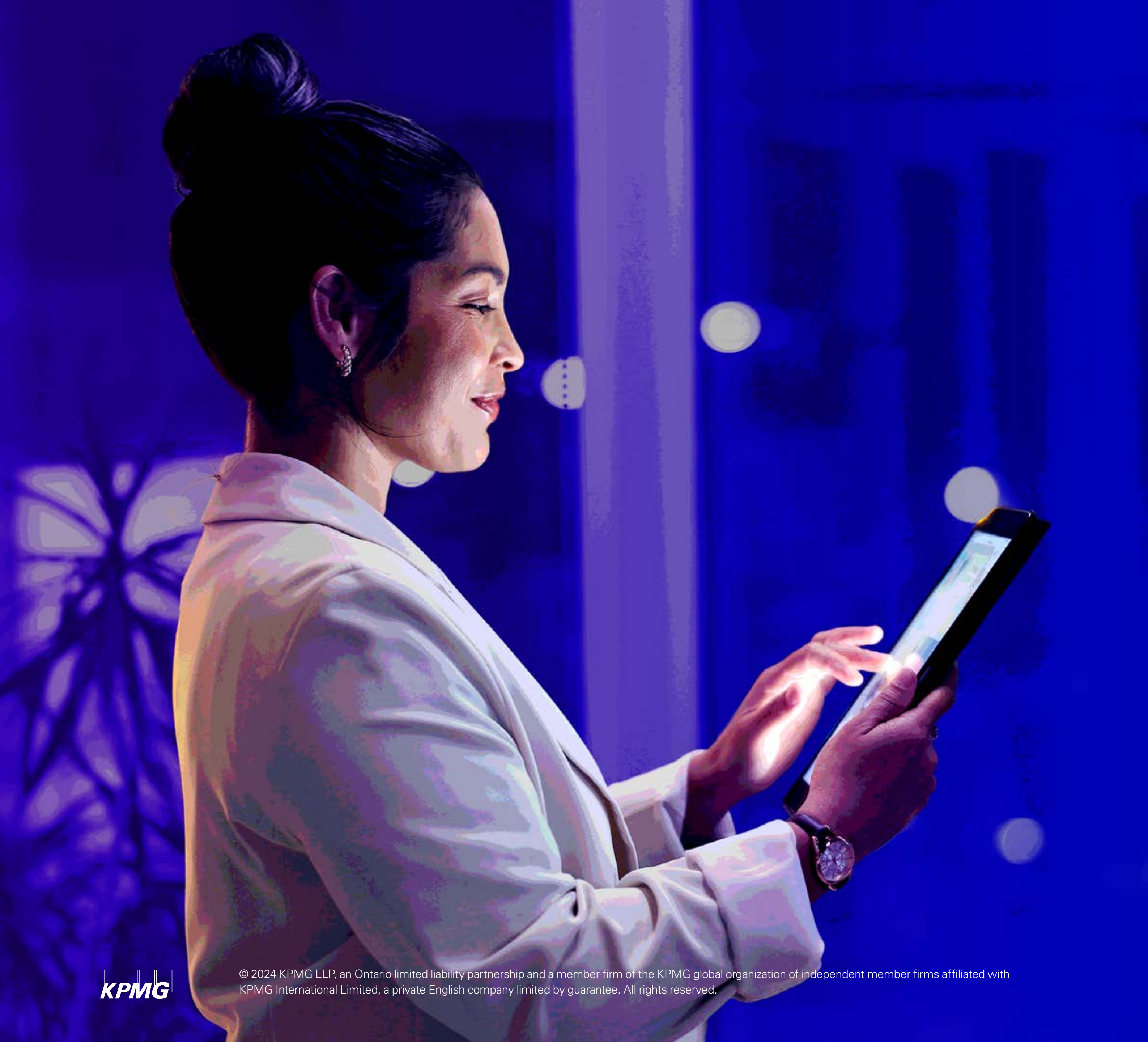
Discover how KPMG can help accelerate AI with confidence.

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? **Book a discovery session with our AI & Data consultants**

Research methodology

The KPMG Generative AI Adoption Index measures the use of generative AI tools among Canadian employees and is weighted on frequency of use, with a score of 100 indicating mass adoption. The index is based on a KPMG in Canada survey of 2,183 employees (aged 18+) from August 6-21, 2024, using Sago's Methodify online research platform. The index score for 2024 is 31.6, an increase of 17 points since 2023. The margin of error is +/- 3 percentage points, with a confidence level of 95 per cent.

kpmg.com/ca/AI