October 2026

THE ADAPTIVE ADVANTAGE: WHO'S WINNING WITH AI AND HOW

Year Four Full Report

Wharton University of Pennsylvania | Human-AI Research

GBK COLLECTIVE

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Jeremy is a seasoned technology executive with past leadership roles at Microsoft, T-Mobile, and Avalara. He has been at the forefront of major technology transformations, including the evolution from packaged software to cloud services, the rise of mobile computing, the permeation of connected ecosystems, and the advent of AI.

Jeremy is a lecturer of operations, information and decisions (OID) at the Wharton School, University of Pennsylvania. Jeremy is founder of Mindspan Labs, a forward-thinking AI consultancy and incubator, as well as a partner at GBK Collective. As an active investor and advisor in the startup ecosystem, he supports a dynamic portfolio of early-stage ventures, including Mint Mobile (acquired by T-Mobile) and Oleria, a cybersecurity startup backed by Salesforce, and Rarefied Bioscience.

He earned his MBA from the Wharton School and now serves on its executive board. His thought leadership has appeared in top-tier outlets such as Harvard Business Review, Fast Company, Entrepreneur, and Forbes.



Stefano Puntoni, PhD

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Stefano Puntoni is the Sebastian S. Kresge Professor of Marketing at the Wharton School, University of Pennsylvania, and faculty director of Wharton Human-AI Research. His research applies behavioral science insights to understand how automation and algorithms affect consumers and society. He has published his findings in many prestigious academic journals as well as popular media outlets such as Harvard Business Review and the Wall Street Journal.

Stefano teaches courses on artificial intelligence and marketing strategy to undergraduates, MBAs, and executives. He is currently an associate editor at the Journal of Consumer Research and the Journal of Marketing, as well as the president of the Society for Consumer Psychology. Stefano earned his PhD in marketing from London Business School and his graduate degree in statistics and economics from the University of Padova, in his native Italy.



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His research leverages internet-scale datasets from online job platforms, career networks, and labor market intermediaries to capture detailed information about worker skills, career trajectories, and employer requirements. His findings have been published in leading academic journals, including Management Science, Review of Financial Studies, Information Systems Research, Nature Communications, MIS Quarterly, California Management Review, Communications of the ACM, and Information Economics and Policy.

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Brian has led all four waves of the Wharton-GBK study. His broader work examines how trust, governance, and sovereignty shape enterprise technology buying. He has led global studies of agentic AI strategies, AI infrastructure, and cloud trust for many of the world's largest technology companies.

Before moving into insights and strategy, Brian drove marketing, emerging markets, and China strategy at Microsoft, consulted in strategy and operations at Deloitte Consulting, and led IT engineering for global investment banks in New York.

He holds an international MBA from the University of Chicago Booth School of Business, an MA in international relations from The Fletcher School at Tufts University, and a BA from Whitman College.



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Brandon leads large-scale research programs across domestic and international markets, with responsibility for design, execution, analysis, and activation. He brings deep expertise in the technology and media sectors, across both B2B and consumer audiences.

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Before GBK, she worked in multicultural consumer research and government consulting.

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Context

It is the intent of the Wharton School and GBK Collective to annually produce an outlook on AI industry adoption. GBK led the inaugural study in 2023 alongside Wharton Professor Stefano Puntoni. In 2024, we began our joint study. Now in its fourth year, this repeated cross-sectional study is co-sponsored by **Wharton Human-AI Research**, part of the **Wharton AI & Analytics Initiative** at the Wharton School, University of Pennsylvania, and GBK Collective. Wharton Human-AI Research directs the research agenda, provides academic direction, and publishes the report; GBK designs the research instrument and sample, runs the study and analytics, and generates the insights.

The Wharton School of the University of Pennsylvania — founded in 1881 as the first collegiate business school — is recognized globally for intellectual leadership and ongoing innovation across every major discipline of business education. The most comprehensive source of business knowledge in the world, Wharton bridges research and practice through its broad engagement with the global business community. For more information about the Wharton School, please visit wharton.upenn.edu

GBK Collective is a decision-grade research and analytics firm built for consequential business questions — when leaders need answers that can withstand scrutiny and guide action. We bring academic rigor to commercial decision-making, combining qualitative inquiry, quantitative research, advanced analytics, and predictive modeling to reveal what conventional approaches often miss. Every engagement is led by senior GBK researchers working alongside academic experts in marketing science, behavioral science, and analytics, pairing methodological depth with real-world judgment from study design through final analysis. To learn how GBK helps organizations make sharper, more defensible decisions, visit gbkcollective.com

EXECUTIVE SUMMARY

Study Objectives and Methodology

Four years ago, in the wake of ChatGPT's debut, we launched our initial study to push past the headlines, asking business leaders how they were actually using AI and soliciting their expectations around the technology's future applications in their organizations.

As AI moves into budgets, processes, and job design, executives need benchmarks, not anecdotes. This year, the study widens: for the first time, it also surveys the entry- and mid-level employees who do the work, so the difference between what leadership reports and what the workforce experiences can be measured rather than assumed.

Objectives

- Take a pulse on enterprise AI adoption, building on results from our previous studies in 2023, 2024, and 2025
- Usage and perceptions: familiarity, frequency of use, sentiment, leaders versus laggards
- Impact: where value shows up in real work for the individual, the department, and the organization
- Investment and ROI: budgets, cost pressure, measurement, realized return
- Agentic AI: autonomy granted, oversight, and accountability for errors
- Models and tech stack: model families in use, open-weight versus proprietary posture, perceived market leadership
- Human capital: readiness, training, hiring outlook, and personal tool use
- Double-clicks: industry, function, company size, seniority

Method

- 15-minute online quantitative tracking survey
- United States, with a mix across regions
- Interviews conducted between July 9 and July 29, 2026
- Total number of respondents:
  - 2026: ~1,400
  - 2025: ~800
  - 2024: ~800
  - 2023: ~670

Audience Criteria

- Age 18+
- U.S.-based enterprise commercial organization (1,000+ employees and >$50 million revenue)
- Full-time employee of a private-sector organization
- Functions: HR, IT, Marketing/Sales, Operations, Product/Engineering, Purchasing/Procurement, Finance/Accounting, Legal, or General Management

Audiences and Year-Over-Year Comparisons

Two Audiences

- Managers+ (n=1,007): managers, directors, VPs, C-suite, owners, and founders
- Entry- and mid-level employees (n=409): new to the study in 2026
- Questions about company strategy, spend, and policy are reported among managers+, who have direct visibility into them. Entry- and mid-level responses to those same questions are reported separately and never combined with them; any difference between the two readings is a finding in its own right. Figures drawn only from the managers+ base are labeled as such.

Comparisons to Prior Years

- Year-over-year comparisons use the managers+ base (n=1,007) against the total 2025 sample, since prior waves surveyed only that population. There is no 2025 benchmark for entry- and mid-level employees.
- Where a question's wording, scale, base, or level of analysis changed between waves, 2026 is reported on its own and no trend is shown. This applies to ROI measurement and realized return, use cases, tool usage, industry impact, and talent challenges.

Defining Markers of Success

Throughout this report, we are examining what distinguishes those adaptive organizations who are implementing AI successfully from those who aren't. We focus on three markers, each defined separately:

1 Proving Value

requires a department to report strongly positive ROI from its AI investments to date; 28% of managers+ do. Departments that do not formally measure their return count as not having shown one.

2 Workflow Transformation

requires all three conditions: AI is fully embedded in core business processes, the department currently uses AI agents in some form, and workflows have changed significantly because of AI. 67% of departments self-report "using agents." Autonomous operation, where AI acts on its own with a human reviewing only afterwards or not at all, applies to 17%.

3 Organizational Alignment

requires four of these five factors: employees receive adequate AI training, leadership has set out a clear long-term vision, people have meaningful choice over how and when they use AI, the department avoids being held back by people and processes rather than by the technology, and there is no real resistance among colleagues.

In addition, when looking at the factors that differentiate organizations on the Proving Value marker above, we further defined a growth vs. efficiency measurement lens:

- **Growth versus efficiency** describes what a department measures when judging AI ROI. Departments pick up to three KPIs to judge AI's return. Four of the eight are growth measures: net-new revenue, sales conversion, output volume, and customer satisfaction. The other four are efficiency measures: operational cost, hours saved, turnaround time, and error rates. A department assesses value in growth terms if at least one of its picks is a growth measure.

Tracking the Rapid Acceleration of Gen AI in the Enterprise

Now in its fourth year, our study tracks AI's shift from exploration to pilots to more disciplined, enterprise-level adoption. This year, the study examines which organizations are converting that adoption into return.

Waves 1 and 2 (2023–24): Exploration

Trial by early adopters gave way to formal experimentation as pilots spread across functions. Enthusiasm matured while scrutiny increased, pointing from excitement toward a search for ROI.

- Weekly use rose from 37% in 2023 to 72% in 2024 (+35pp).
- Spending increased by 130% across the two waves.
- Sentiment moved from fascinated but cautious to pleased and excited, with most negative perceptions softening.
- By 2024, 55% used AI across business functions; of those, 58% rated the performance as “Great.”

Wave 3 (2025): Accountable Acceleration

Regular usage became integrated into core operations, bringing skill enhancement but also fears of proficiency decline. Leaders embedded ROI metrics, invested in internal R&D, and tightened guardrails.

- 82% used AI at least weekly (+10pp YoY), and 46% daily (+17pp YoY).
- 89% agreed that AI enhances employees' skills (+18pp vs. replaces some skills).
- As usage climbed, 43% saw risk of declines in skill proficiency.

Wave 4 (2026) Current: Success through Transformation

Adoption is no longer the question. Employees largely report that AI is embedded in core operations and some workflows have been redesigned around it. While positive returns are near-universal, though, substantial ones are not. What separates organizations seeing real financial return is how completely they have integrated AI up and down the business: what they measure, how far they let AI act, and whether they have settled on an approach. This is the development our 2025 report anticipated: from “accountable acceleration” to “performance at scale.”

- Positive return is near-universal at 80%; strongly positive return reaches 28%. Among departments that assess value in growth terms, 35% report strongly positive return, against 13% for those assessing it on efficiency alone.
- 62% use AI daily (+16pp YoY), and 91% use it more than weekly (+10pp YoY).
- AI is fully embedded in core workflows for 28%, and 73% report workflows significantly changed because of it.
- Sentiment is cooling even as usage climbs: “cautious” +7pp YoY, “skeptical” +8pp YoY, “excited” -8pp YoY.

Tracking the Rapid Acceleration of Gen AI in the Enterprise

What we predicted last year, and what happened

Our 2025 report predicted 2026 would be "the turn from accountable acceleration to performance at scale," with enterprises rewiring core workflows, deploying agentic systems, and reallocating budgets toward proven returns.

The first two have happened: 73% of managers+ report significantly changed workflows and 28% describe AI as fully embedded, and 67% of departments report using agents in some form, with 17% letting them act without a person approving each step. The discipline that budget reallocation depends on is in place, with 93% formally measuring ROI at least occasionally. Last year, four in five expected their investments to pay off within two to three years; 80% now report positive returns (though only 28% report strongly positive returns).

2026 figures are among managers+ (n=1,007). 2023-2025 figures are based on the total sample, as previously published.

Wave 4 (2026) Predictions for 2027+: A Widening Gap?

2027 may turn less on whether AI works than on the distance between organizations that have made substantial progress toward transforming workflows around AI and those that have not, as rising costs make partial implementation harder to justify.

- Cost becomes the constraint: 87% expect budgets to rise in the next 12 months (47% by more than 10%), and the cost of tools, compute, and licenses is already the leading barrier to stronger return (34%).
- Agentic usage will continue to grow as the technology develops and the price of a "supervised middle" approach becomes more evident. Only 17% of departments permit genuine autonomy today, and returns concentrate at both ends of the autonomy ladder rather than in the middle.

With AI adoption now near-universal, who is achieving success?

Four years into our study, few in this population still question whether enterprise AI works. Among managers+, 62% use it daily and 73% say it is either substantially or fully embedded in core workflows. Now, as AI continues to mature, companies can no longer distinguish themselves simply by using AI; they must be successful in their implementation to outpace their competitors. We have identified three key success markers, and will examine exactly who is achieving each and why. Together they describe what we call the adaptive organization: one that rebuilds how its work gets done around AI and brings its people along with it.

1 Proving Value

Only 28% of managers+ report strongly positive ROI. Companies are spending as though AI will transform their industries, but many measure the return on that spending merely by how much time it has saved them. When thinking about how to derive value from AI, organizations that prioritize growth (e.g., net-new revenue, increase in sales conversion rates, increase in output volume) report far stronger returns. The same principle holds for embracing agentic autonomy and for our second marker of success, workflow transformation.

2 Workflow Transformation

In order to derive maximum value from AI, companies must use it to its full potential. This means transforming processes at a fundamental level. Only 20% of departments have attained all three of our key transformation milestones as of this year. Crucially, this marker correlates with ROI success.

3 Organizational Alignment

Internally, success manifests as management and more junior employees aligning on, understanding, and adhering to a cohesive AI strategy. Managers+ report the highest rate of success on this marker, at 39%; however, there is a substantial gap between these more senior stakeholders and entry-/mid-level employees, only 26% of whom say the same.

Broadly, there is substantial room to grow; only 7% of organizations are successful across all three markers.
Read the rest of the executive summary to learn more about the three success markers and discover who has been most successful across each and why.

Proving Value: What Separates Strong Returns From Weak Ones

Companies are spending as though AI will transform their industries, but measuring the return on that spending merely by how much time it has saved them. 83% of managers+ expect AI to fundamentally transform or majorly impact their industry within two to five years. Yet the most common way departments judge that investment is hours saved (40%), and net-new revenue is the least used of the major measures (27%). The distance between what leaders expect AI to do to their industry and what they are asking it to prove inside their own departments is the central tension in this year's data.

Departments judging AI on growth, not just time saved, report far stronger returns. 35% of departments that track at least one growth measure report strongly positive returns, against just 13% of those tracking efficiency alone.

This mindset is all too scarce. Asked what AI's primary job is over the next 12 to 24 months, 52% of managers+ name improving productivity or reducing costs. Only 22% look to AI to grow the business, whether through new revenue, new products, or better customer experience. The rest split between improving decision quality (15%) and managing risk and compliance (10%).

Proving Value: What Separates Strong Returns From Weak Ones (cont.)

Organizations with a dedicated CAIO see stronger returns. 58% of managers+ whose organization has a newly designated Chief AI Officer position report strongly positive ROI. Where the responsibility was added to an existing executive's role, that falls to 24%, and where no such role exists and none is planned, to 8%. Two-thirds of organizations now report a CAIO or equivalent, but nearly all of this year's growth is reassignment rather than dedicated appointment.

Standardizing to one approved AI platform is optimal, but the main goal is any settled approach. 50% of organizations that standardize on a single approved platform report strongly positive ROI, against 30% that allow multiple approved tools under a formal policy and 19% that run a central hub or orchestration layer. Organizations still experimenting without a defined approach report 9%, well behind every settled position.

Proving Value: What Separates Strong Returns From Weak Ones (cont.)

Cost of licenses and tools exceeds cost of labor and skills as the leading constraint on return. The most-cited barrier to stronger returns is the cost of tools, compute, and licenses (34%), level with AI performance problems and ahead of skills shortages (27%). Nearly two-thirds of managers+ agree that rising token, license, and API costs are a major barrier to using AI more, and the concern is strongest at senior levels: 74% of VP+ against 54% of managers and directors.

Confidence in tracking AI spend correlates with higher reported return. 56% of managers+ who are very confident their organization can track its total AI spend report strongly positive returns, against just 10% of those who are less confident. Those same respondents are also more enthusiastic about AI in general, so some of the difference may reflect conviction rather than capability.

Only four in ten companies demonstrate that needed level of confidence in their spend measurement. 40% of managers+ are very confident their organization can track total AI spend once costs bundled into other software and cloud services are counted. The other 60% are attempting to prove a return against a number they are less sure of.

Proving Value: What Separates Strong Returns From Weak Ones (cont.)

Tech-forward industries see positive AI returns. 40% of Tech/Telecom companies report strongly positive ROI, as do 33% of Professional Services organizations.

Department ROI appears to follow how naturally a function already thinks in terms of return on investment. IT (41% strongly positive ROI), Finance/Accounting (37%), and HR (35%) report the strongest returns; Legal (19%) and Product/Engineering (19%) lag behind. The department effects track with measurement discipline: 72% of IT departments and 70% of Finance/Accounting departments use consistent or fully integrated ROI methods, against just 42% in Legal. Across all nine departments the two rankings line up almost exactly, and what the ranking follows is how rigorously a department measures rather than whether it measures at all.

Workflow Transformation: Which Organizations are Furthest Along

Transformation is both an important success marker in its own right and correlated with ROI growth. Taking the core components of workflow transformation in combination, 67% of those achieving success on this marker see strongly positive ROI.

Most departments have changed how they work, but few have finished fully implementing. 73% of managers+ say their department's workflows have changed significantly because of AI. This is not just a pilot here and there: 54% of managers+ say that more than half of the AI pilots their department started in the past year reached full production or scaled deployment. 67% say their department uses AI agents in some form, though only 17% let them act without a person approving each step. Only 28%, however, describe AI as fully embedded in their core business processes. This last component of transformational success is the one most correlated with ROI success.

Where work has transformed, so too has the organization itself. 52% of managers+ say their department has changed its management structure because of AI, 37% report staff reductions, and 33% report slowed or frozen hiring. As companies strive for even more transformative AI uses and even more integration into workflows, labor effects remain unsettled; we would not expect them to resolve neatly in the near term. The natural upheaval this causes highlights the importance of the third success marker: organizational alignment.

Departments with strong returns reorganized; they did not cut more staff than others. Departments with strong ROI did not have more staff reductions or hiring freezes than others. They have changed their management structure (64% vs. 47%), significantly changed workflows (84% against 69%), and are more likely to monitor AI use (92% vs. 74%), include it in performance reviews (87% vs. 65%), and adequately train employees (91% vs. 73%). However, pressure is higher on the entry-level workers: 24% of managers+ expect fewer entry-level hires over the next 2–5 years vs. 14% for executive roles, even as 82% say AI helps newer employees contribute faster.

Workflow Transformation: Which Organizations are Furthest Along (cont.)

Most departments let AI do the work, but few let it act autonomously. In 35% of departments, AI suggests or drafts and a person makes every final call. In the largest group, 48%, AI performs the work and a person reviews and approves it before anything happens. Only 17% permit genuine autonomy: 10% review a sample of AI's output after the fact, and 7% rely on real-time monitoring and systematic guardrails instead of human review.

Unsurprisingly, full automation comes with transformative success; somewhat counterintuitively, though, minimal automation is more correlated with workflow transformation than partial implementation. 31% of departments using agentic AI to its fullest capacity achieve transformational success, along with 25% of departments where AI only advises (i.e., no agentic implementation). Between these two poles, success falls to 16% where every action is approved and 18% where a sample is checked afterward. Return follows the same shape; organizations are highly rewarded for reaching the end of the agentic implementation roadmap but suffer while they are in the middle of implementation.

Workflow Transformation: Which Organizations are Furthest Along (cont.)

Autonomy is more dependent on level of risk than capability. Among departments that let AI act at least at sign-off, 66% of managers+ allow it to complete low-impact internal tasks on its own, 63% routine operations, 45% actions that touch customers, and 32% irreversible financial or legal actions. How much autonomy a department grants depends on who you ask: 42% of C-suite respondents say their department lets AI take irreversible actions, as opposed to just 24% of managers and directors. The barriers managers+ cite are trust and risk (data security 43%, regulation 24%, distrust of the AI's reasoning 23%); a shortage of skills ranks last at 8%.

Accountability for agent errors is unsettled and oversight is not the gap. No single owner reaches 30% accountability: a governance or risk team leads (28%), the deploying employee's manager (26%), the employee (25%), the vendor (9%). 11% say nobody is clearly accountable or do not know, and the uncertainty peaks in the middle of the hierarchy: 20% of managers and directors say nobody is accountable or that they can't say, against 3% of VP+. Oversight itself is in place: fewer than 1% of departments report no formal process for checking agent performance, and governance maturity travels with adoption rather than lagging it.

Agent authority, beyond the presence of agents, separates a transformed department. 25% of departments that let agents take actions touching customers have transformed their workflows, as opposed to 12% who have not; where agents may take irreversible financial or legal actions, 29% against 13%. What drives this is depth rather than reach. The departments granting that authority are the ones where AI has been built into the core of how the work gets done, not just the ones running the most agents. The same split shows up in oversight: departments that monitor agents automatically have transformed at 24% against 9%, while those that rely on people to review the output are roughly equivalent on this success marker.

Workflow Transformation: Which Organizations are Furthest Along (cont.)

IT and HR lead on workflow transformation; Legal and Product/Engineering trail. 32% of IT departments and 26% of HR departments have successfully transformed workflows, against just 11% of Legal departments and 8% of Product/Engineering. This is roughly the pattern with ROI success, with the exception of the IT department: being closer to AI implementation, they are better situated to gauge success, just as Finance/Accounting is for ROI.

The two departments lagging most on transformation are failing for opposite reasons. Product/Engineering uses agents about as much as anyone (62%, against 68% across the other departments), but only 16% have AI built into their core processes, the lowest of all departments tested. Legal is the reverse: 80% of Legal departments say their workflows have changed significantly, second only to IT, but just half use agents at all, and 17% have embedded AI in the core. One department has the tools but has not implemented them as fully as others, while the other has restructured without the appropriate tools.

Entry-/mid-level employees see less change than their managers do. 58% of entry- and mid-level employees say their department's workflows have changed significantly because of AI, against 73% of managers+. On management structure the seniority divide is even wider: 36% vs. 52%. These significant gaps raise the question the final section takes up: whether the organizations rethinking the way they work with AI are bringing people along sufficiently.

Organizational Alignment: Cohesive AI Strategy That Works for All Employees

Fewer than four in ten organizations are aligned on AI, according to managers+; even fewer, if you ask more junior employees. Success in this area takes into account five aspects of the working environment: whether employees receive adequate AI training, whether leadership has set out a clear long-term vision, whether people have meaningful choice over how they use AI, whether the department avoids being held back by people and processes rather than by the technology, and whether real resistance exists among colleagues. 39% of managers+ describe an environment that clears four of those five factors. Among entry- and mid-level employees, 26% do.

The substantial seniority gap is the most consistent finding in this year's data. It appears in every industry and company size category, and every department but one (Purchasing/Procurement). There is no group in this study where managers and the employees they manage describe the same working environment.

The gap holds on sentiment toward AI, though this is generally high across the board. 68% of entry- and mid-level employees say their view of AI improved over the past year, 73% rate its effect on their own role positively, and 84% of those who use it say it saves them time. While they are not quite as positive about the technology as their more senior colleagues, this is far from a backlash against the technology.

Organizational Alignment: Cohesive AI Strategy That Works for All Employees (cont.)

The most advanced tier is the most exposed and the most uneasy. VP+ report the deepest change: 82% say their focus has shifted to managing AI output, 76% trust that output with little checking, 67% would be much less productive without it, and 47% report staff reductions in their department (vs. managers and directors: 63%, 63%, 55%, and 27%). The same VP+ tier carries the most concern: 48% worry about their own skills or cognition declining (managers and directors 32%, entry- and mid-level 46%), 53% see skill proficiency declining in their department (vs. 32%, 44%), and 74% hold ethical concerns about how AI is being used (vs. 58%, 63%). Concern is U-shaped by seniority, with managers and directors at the trough.

Resistance looks like reluctance rather than sabotage. The 7% who describe themselves as resistant to AI use it less (48% daily against 63%) and worry more about their roles (56% against 36%), yet 79% of them say AI saves them time, and 80% say their view of it improved over the past year. There appears to be no hostile segment; there is a reluctant one that is still being carried along.

Where departments have cut staff, concern triples. Among managers+ whose department has reduced staff because of AI, 61% worry about their own role, and 66% fear their skills declining, against 18% and 20% where no cuts have been made, and only 20% describe an aligned organization, against 53%.

Organizational Alignment: Cohesive AI Strategy That Works for All Employees (cont.)

The gap appears on every readiness measure. Employees confident using AI in daily work: 79% of managers+ say so, against 62% of entry- and mid-level employees. Managers empowered to lead AI change: 84% against 65%. Leadership providing a clear long-term AI vision: 79% against 64%. Adequate investment in responsible AI policy: 77% against 59%.

Training shows the largest gap. 78% of managers+ say employees receive adequate training on AI. 56% of entry-/mid-level employees agree. The employees intended to receive the training are less convinced than the managers providing it.

Assessments on impact become less positive as the subject widens, and fall faster at junior levels. Managers+ rate AI's impact positively for their own role, department, and organization at 88 to 89%, falling to 76% for its impact on society. Entry-/mid-level employees start lower and fall further: 73% for their own role, 55% for society. Positive assessment appears to depend on direct experience.

Organizational Alignment: Cohesive AI Strategy That Works for All Employees (cont.)

Usage is up again, and significantly. Among managers+, daily use stands at 62%, up 16 points on last year, and 91% use AI more than weekly, up 10 points. The share using it less than weekly or not at all is down from 16% to 9%.

Sentiment does not follow. Every negative descriptor in the perception battery is up among managers+ compared to last year, while most positive words stay consistent or slip. Excited is down 8 points to 51%. Cautious is up 7 points to 44%, skeptical 8 points to 25%, and worried 5 points to 16%. Optimistic is unchanged at 59%. This is the first wave in which usage and sentiment move in opposite directions.

General Management and IT are aligned behind a singular vision. 53% of those in the General Management department and 52% of those in IT report success on organizational alignment. While General Management is composed solely of managers+ (giving it an advantage over other departments, whose more junior employees are less likely to feel successful), IT's strong performance can again likely be attributed to their direct influence over AI implementation. Marketing/Sales, by contrast, is least likely to report success on these markers (25%).

Organizational Alignment: Cohesive AI Strategy That Works for All Employees (cont.)

Being adaptive is about behavior, not size. The three previous waves of this study found smaller enterprises led in adoption, and the smallest tier still leads on pilot conversion and restructuring. However, in 2026, adoption has risen for every company size and the tiers have converged: 94% of organizations with revenue under $250 million use AI at least weekly, compared to 94% of organizations with revenue of $250 million to $2 billion, and 85% of organizations with revenue above $2 billion. This relative parity contrasts to a year ago, when weekly use was 79%, 87%, and 70% respectively. None of the three success markers we look at differs by company size once department, industry, and seniority are accounted for. Earlier technology waves rewarded scale eventually, once large firms made the necessary organizational investments. Going forward, it remains to be seen whether the scale advantage in returns reappears.

Key Takeaways: What Adaptive Organizations Do Differently

Adaptive organizations in our study:

1 Finish the redesign

Fully embed AI in core workflows rather than bolt it onto a select few and move more than half of AI pilots into production.

2 Rebuild how work is managed rather than cut headcount

Change management structures, monitor AI use, incorporate it into performance reviews, and provide adequate employee training.

3 Establish dedicated AI ownership and a standardized platform

Appoint a CAIO and adopt either a single platform or a formal multi-tool policy instead of allowing open experimentation.

4 Measure value beyond efficiency

Track growth outcomes alongside hours saved and maintain visibility into spending.

5 Give agents meaningful authority

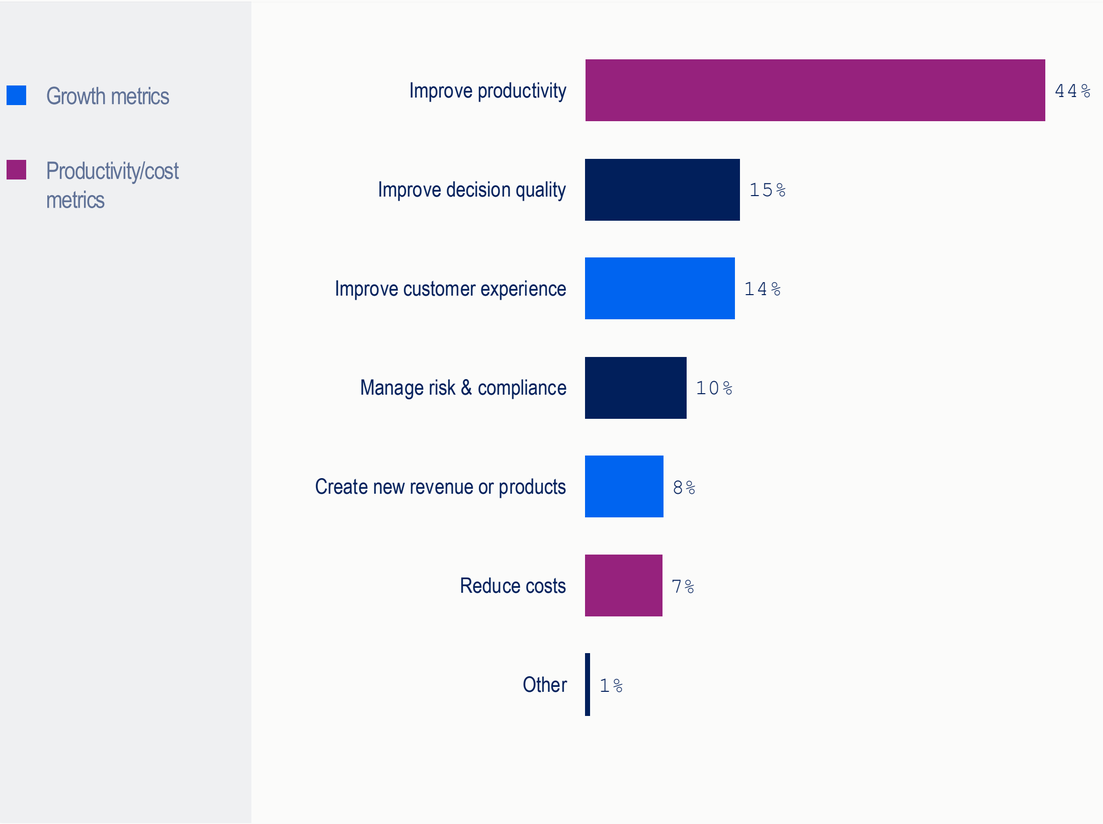
Assign them consequential work, not just low-risk tasks, and use automated monitoring rather than step-by-step human approval.

PROVING VALUE

WHAT SEPARATES STRONG RETURNS FROM WEAK ONES

Most Leaders Look to AI for Productivity and Cost Savings

Primary Role AI Is Expected to Play in the Next 12–24 Months (Among Managers+)



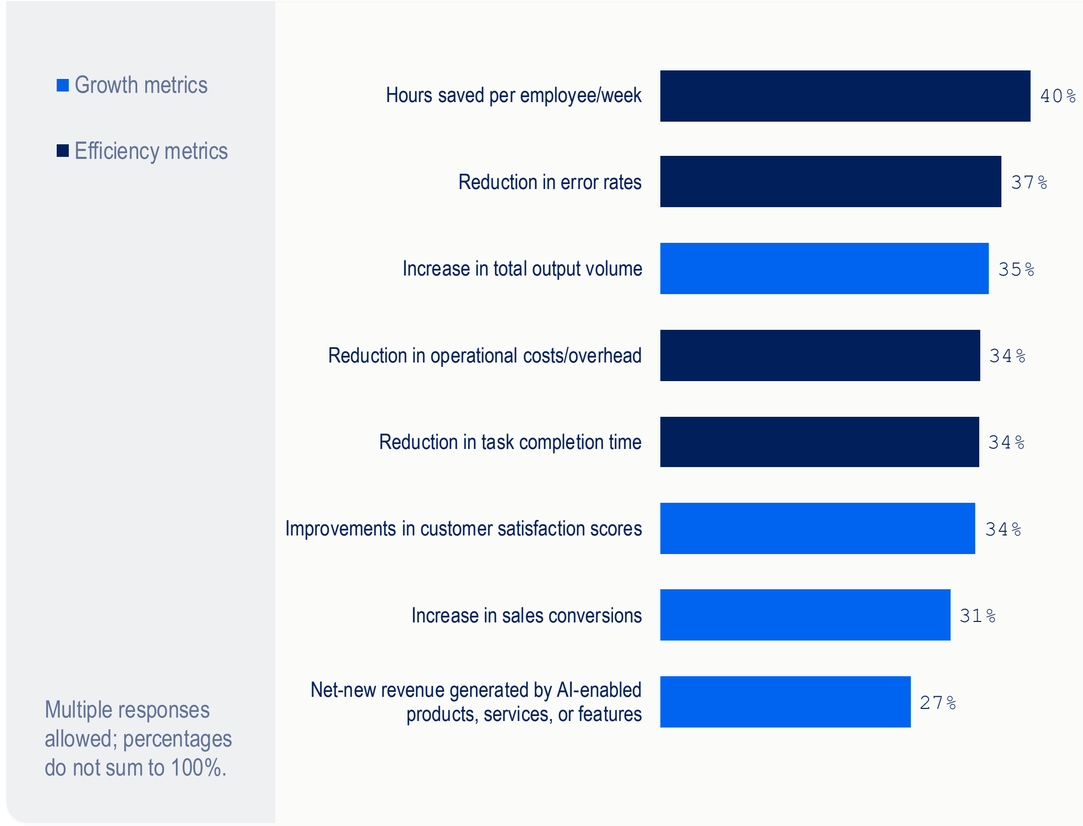
Asked what AI's primary job is over the next two years, **52% of managers+ name productivity (44%) or cost reduction (7%)**. Just 22% are primarily looking to AI to grow the business by improving the customer experience (14%) or creating new revenue or products (8%).

Other metrics are lower on the list, with 15% looking to AI to improve decision quality and 10% to manage risk and compliance.

USE6. Which best describes the primary role AI is expected to play in your department over the next 12-24 months?
Does not include "Not sure," hence displayed data does not sum to 100%.
Managers+ (n=1,007)

Hours Saved Is the Most-Used AI KPI; Net-New Revenue the Least

KPIs Used to Assess AI ROI (Among Managers+ Who Measure ROI)

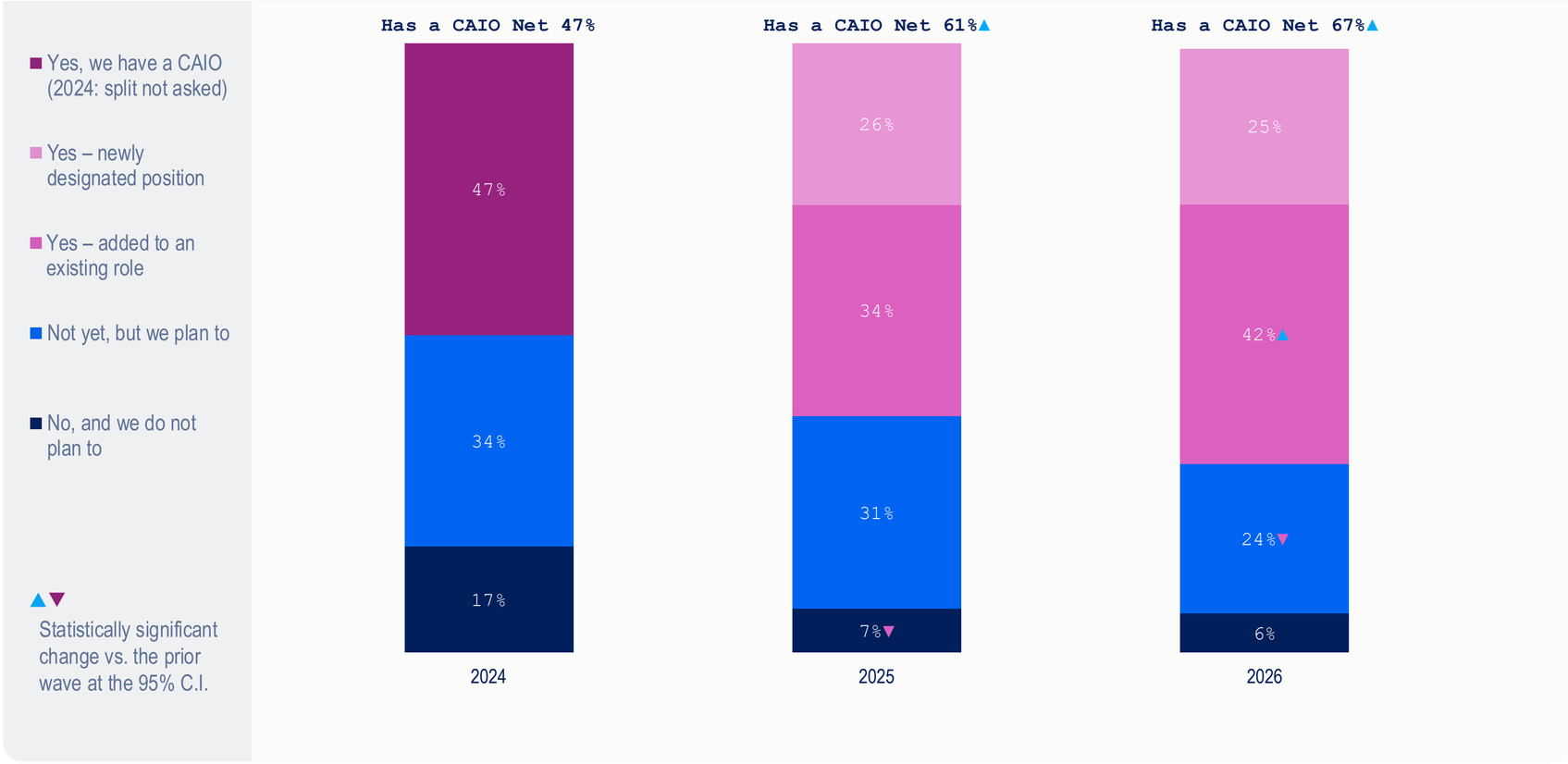


Efficiency is the main focus. Hours saved (40%), reduction in error rates (37%), and turnaround time (34%) are the KPIs departments most often use to judge AI. Net-new revenue is least used, at 27%.

SP5. Which specific KPIs or metrics does your department primarily use to assess the ROI of its AI investments?
Up to three selections.
Managers+ who at least occasionally measure ROI (n=941)

Two-Thirds Now Have a CAIO; Most Are Add-Ons to an Existing Job

Chief AI Officer Presence, 2024 to 2026 (Among Managers+)



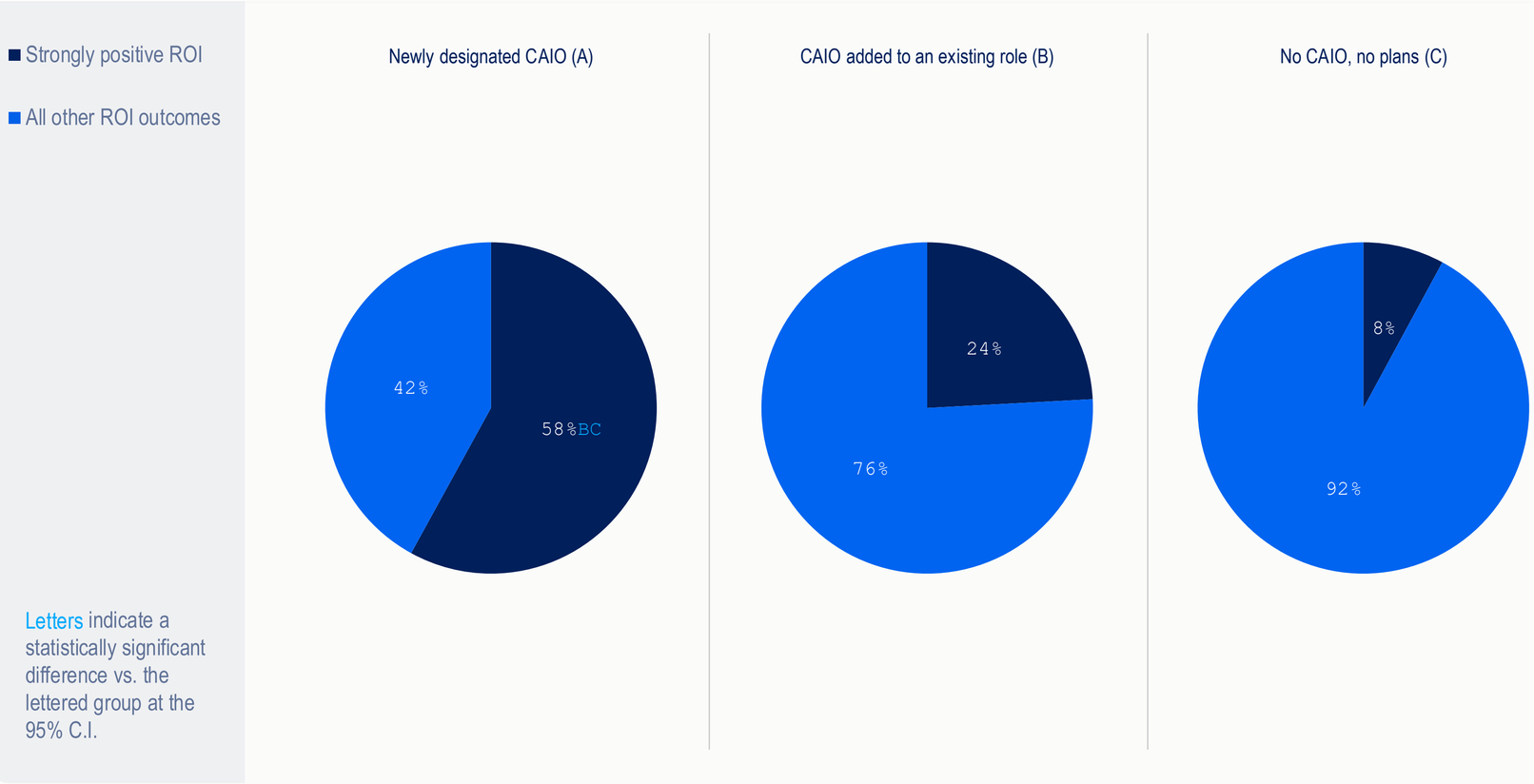
CAIO adoption is leveling off. 67% of managers+ report a Chief AI Officer or equivalent, up from 61% in 2025 and 47% in 2024. Another 24% say their organization plans to add one, down from 31%.

The role is usually shared. 42% say CAIO responsibility was added to an existing executive's role; 25% describe a newly designated position. In 2025, the split was 34% and 26%.

LEAD7. Does your organization have a Chief AI Officer (CAIO) or similar position? 2024 asked Yes / plan to / no only; the newly designated vs. existing-role split began in 2025.
Managers+: 2024 (n=353), 2025 (n=801), 2026 (n=1,007)

A Dedicated CAIO Goes With Far Stronger Returns; a Shared Title Does Not

Strongly Positive ROI by Chief AI Officer Status (Among Managers+)



Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I.

A dedicated role goes with returns. 58% of managers+ whose organization has a newly designated CAIO report strongly positive ROI.

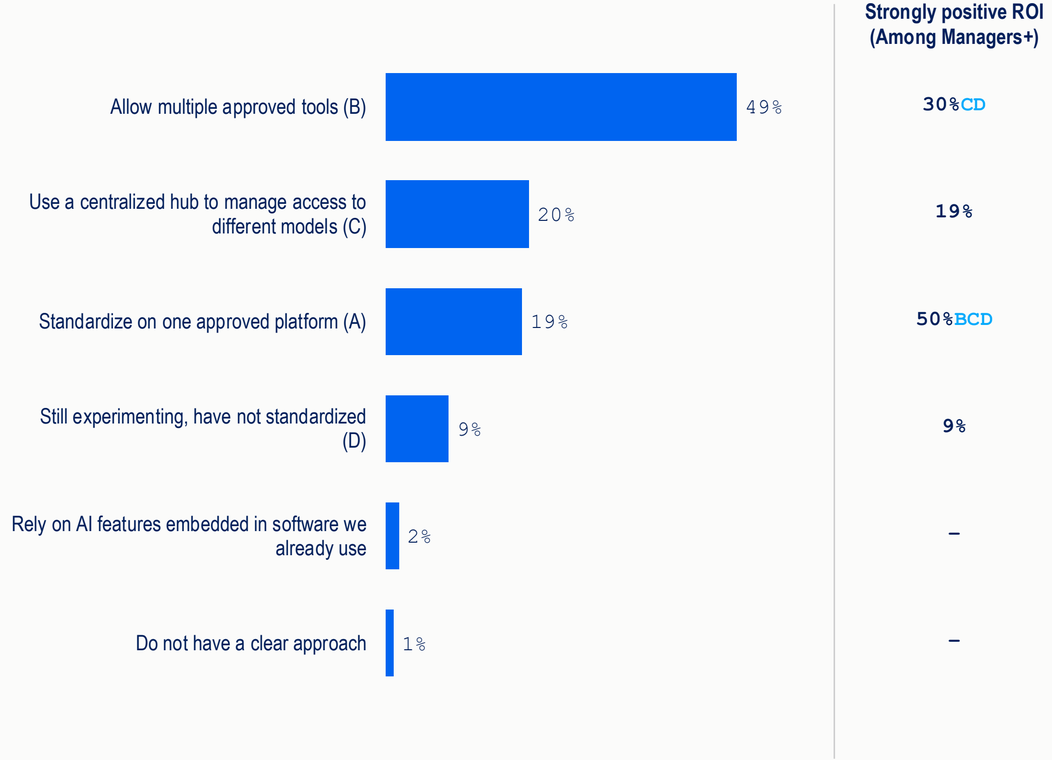
A shared title does not. Where CAIO responsibility was added to an existing executive's role, 24% report strongly positive ROI, no better than organizations still deciding.

Without a CAIO, returns are rarest. 8% of those with no CAIO and no plans for one report strongly positive ROI, though the base is small and directional.

SP6 by LEAD7. "Yes, and it is a newly designated position" vs. "Yes, and it is a new responsibility for an existing role (e.g., current CIO also holds CAIO or similar title)" vs. "No, and we do not plan to." Managers+: new position (n=252), added to existing role (n=421), none planned (n=63, small base, read directionally)

One Standard Platform Goes With the Strongest Returns; Still Experimenting, the Weakest

Organizational Approach to Managing AI Tools and Platforms (Among Managers+ Influencing AI Decisions)



Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I.

49% of managers+ describe a formal policy allowing multiple approved AI tools, and 20% have a central AI tool hub. Only 19% standardize on one platform.

Those who pick one AI platform stack and stay with it see stronger ROI. 50% of those whose organization standardizes on a single approved platform report strongly positive ROI, against 30% with multiple approved tools and 19% with a central hub.

Organizations still experimenting without a defined approach report **9% strongly positive ROI**, well behind every settled position.

STACK4. As far as you are aware, which of the following best describes your organization's overall approach to managing AI tools and platforms?
Managers+ who at least influence AI decisions (n=970)

SP6 by STACK4. Managers+: "We primarily standardize on one approved AI platform or vendor" (n=184), "We allow multiple approved AI tools with employees or departments choosing based on their needs" (n=472), "We use a centralized AI hub or orchestration layer to manage access to multiple AI models/tools" (n=193), "We are still experimenting with multiple tools and have not standardized our approach" (n=85)
Does not include "Not sure," hence displayed data does not sum to 100%.

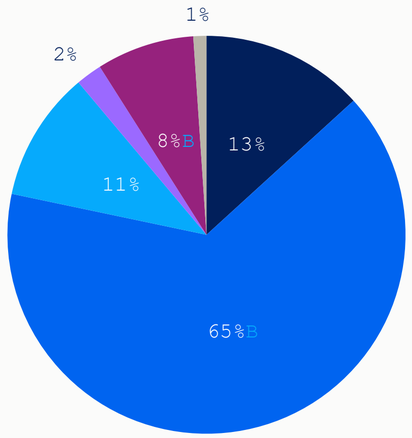
Departments Tracking Growth Metrics Report Far Stronger Returns

Strongly Positive ROI by Number of Growth Metrics Tracked (Among Managers+)

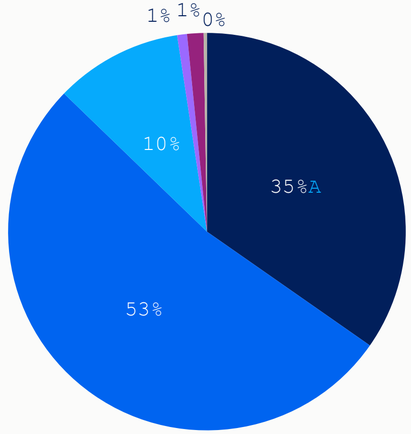
- Strongly positive ROI
- Moderately positive ROI
- Neutral ROI
- Negative ROI
- Too early to tell / Still in pilot phase
- Not applicable / No AI investments to date

Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I.

Tracks no growth KPI (A)



Tracks 1+ growth KPI (B)



Strongly positive ROI by growth metric count

Growth metrics tracked	Strongly positive ROI
Efficiency only	13%
One growth metric	32%
Two growth metrics	37%
Three growth metrics	43%

35% of managers+ tracking at least one growth measure report **strongly positive ROI**, against 13% of those tracking efficiency alone.

Tracking a higher number of growth metrics is associated with better returns. 37% of those tracking two growth metrics and 43% tracking three see strongly positive returns.

SP6 by SP5. Growth metrics = "Net-new revenue generated by AI-enabled products, services, or features"; "Percentage increase in sales conversion rates or customer acquisition"; "Increase in total output volume (e.g., lines of code, marketing campaigns, reports generated)"; "Measurable improvements in customer satisfaction scores (e.g., CSAT, NPS)." "Efficiency only" = tracks none of those four.
Managers+: efficiency only (n=189), one growth metric (n=376), two (n=311), three (n=65). Note: low sample size for those that track three metrics; interpret directionally.

Cost of Tools and Licenses, Not Skills, Is the Leading Barrier to Returns

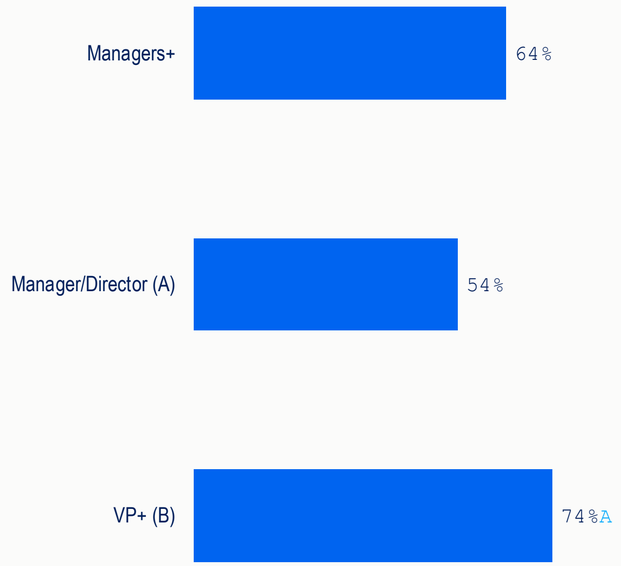
Biggest Barriers to Realizing Stronger ROI From AI (Among Managers+, Showing Top Selections)

Ranked by share of Managers+ selecting each barrier.

#	Barrier	Managers+
1	Cost of tools, compute, or licenses	34%
2	AI performance issues (accuracy, reliability, or capability gaps)	34%
3	Shortage of skills or AI talent	27%
4	Lack of clear strategy or alignment to business priorities	24%
5	Limits in organizational infrastructure, architecture, or tech stack	23%
6	Poor data quality or readiness	20%
7	Slow user adoption or resistance to change	19%
8	Difficulty measuring or proving ROI	19%
9	Regulatory, legal, or security constraints	18%
10	Weak governance, oversight, or portfolio management of AI projects	17%

Multiple responses allowed.

Rising AI Costs (Tokens, Licenses, API Usage) Are a Major Barrier to Using It More (Among Managers+, Strongly/Somewhat Agree)



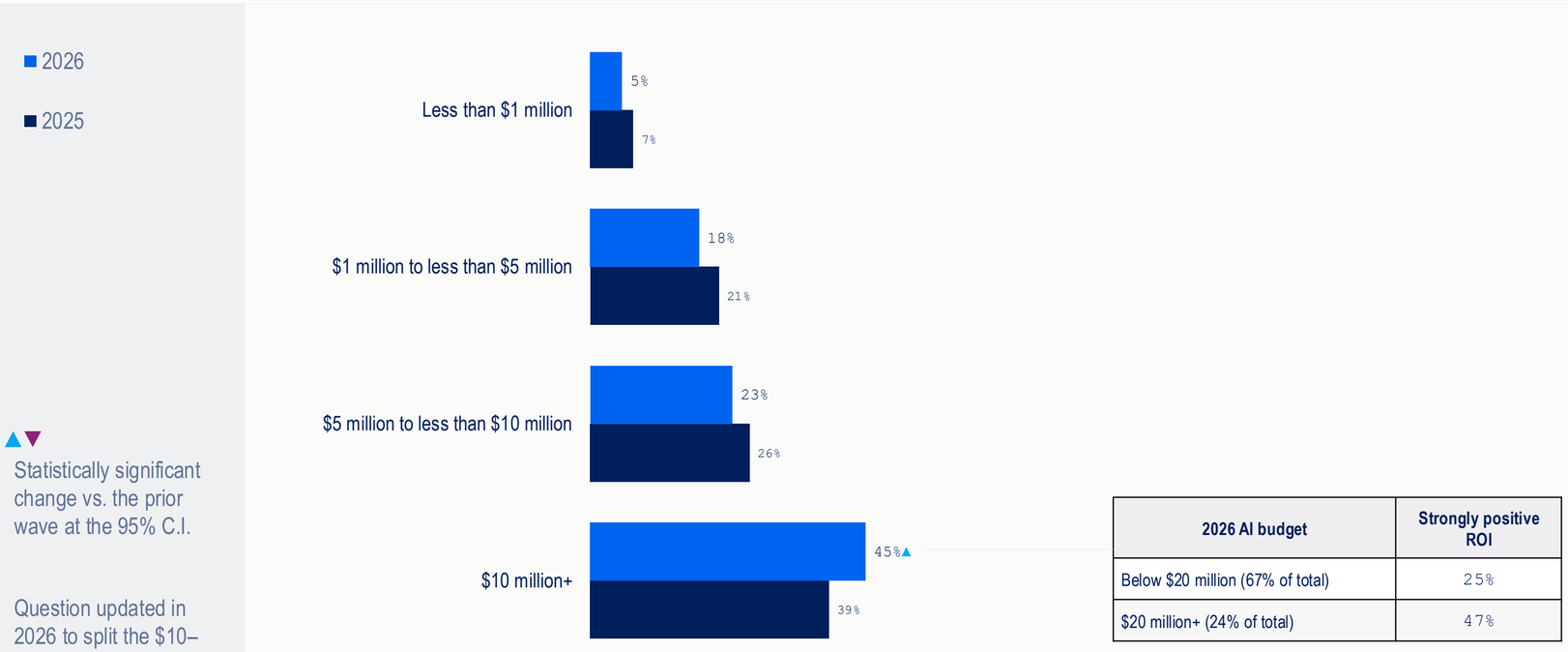
34% of managers+ select **the cost of tools, compute, and licenses** as a barrier to stronger returns, level with AI performance issues and ahead of skills shortages (27%).

When asked directly, 64% agree rising token, license, and API costs are a major barrier to using AI more. The concern is strongest at the top, with 74% of VP+ against 54% of managers and directors.

SP7. What are the biggest barriers to your organization realizing stronger ROI from AI? LEAD5. How much do you agree with each of the following statements about AI across your organization? – "Rising AI costs (tokens, licenses, API usage) are a major barrier to using it more." Managers+ (n=1,007); Manager/Director (n=512); VP+ (n=495)

AI Budgets Move Up: 45% Now Spend $10 Million or More

Current-Year Organizational AI Budget by Spending Band, 2025 and 2026 (Among Managers+)



▲▼ Statistically significant change vs. the prior wave at the 95% C.I.

Question updated in 2026 to split the $10–$20 million and $20 million+ into separate answer options.

2026 AI budget	Strongly positive ROI
Below $20 million (67% of total)	25%
$20 million+ (24% of total)	47%

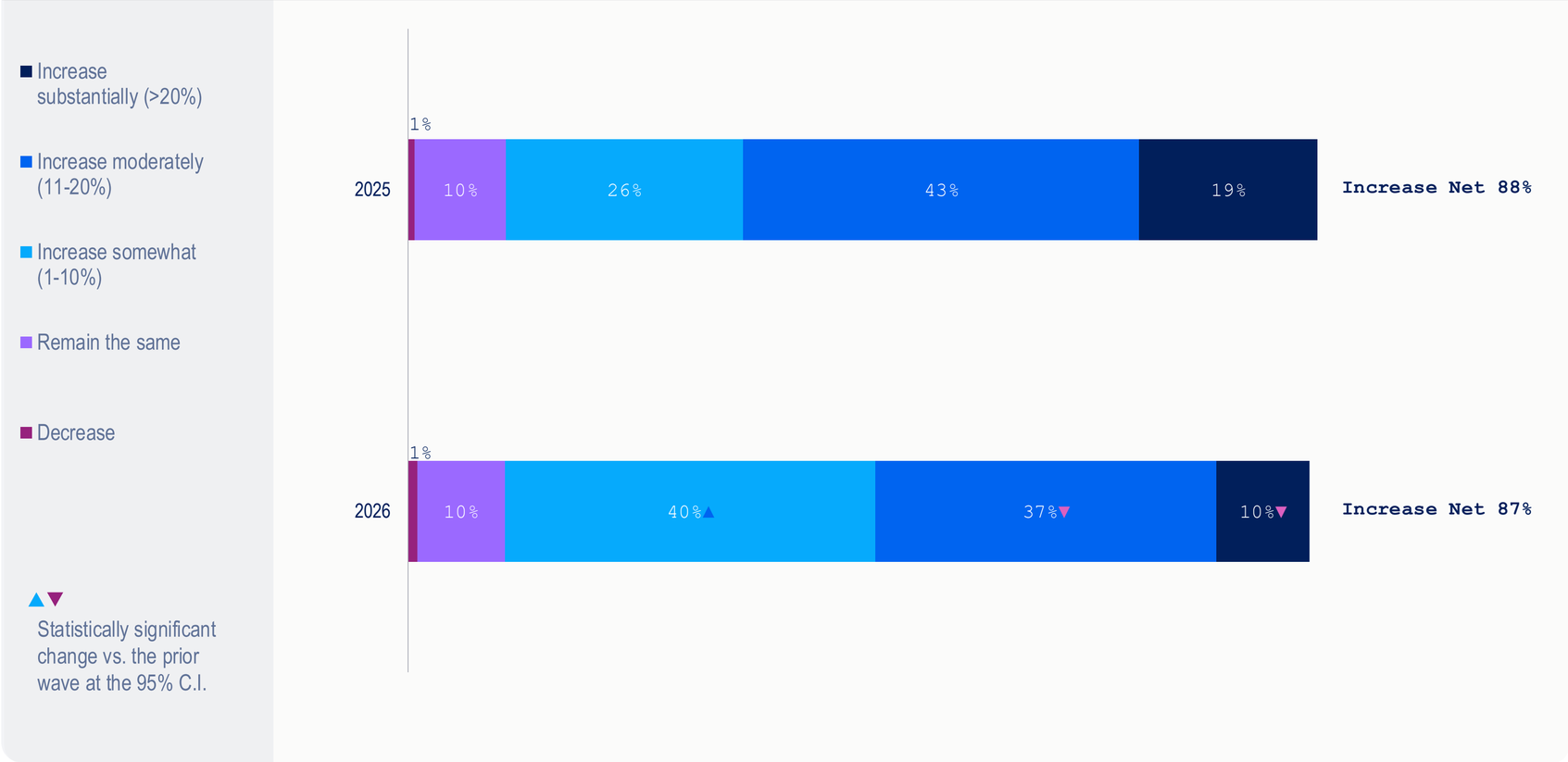
More companies are spending big on AI. 45% of managers+ budget $10 million or more for AI, against 39% last wave.

Returns concentrate at the top. 47% of managers+ budgeting $20 million or more report strongly positive ROI, against 25% below that line.

SP1. Thinking about the current or most recent fiscal year, what is your organization's approximate budget for AI solutions and related services?
Does not include "Not sure," hence displayed data does not sum to 100%.
Among Managers+ (n=1,007). 2025 (n=801).

Nearly All Expect AI Spend to Rise Again, but Fewer Expect Big Jumps

Expected Change in AI Spending Over the Next 12 Months, 2025 and 2026



Even as actual spend has increased, projections have not. 87% of managers+ expect AI spending to rise over the next 12 months, against 88% in 2025, and 11% expect it to be flat or falling.

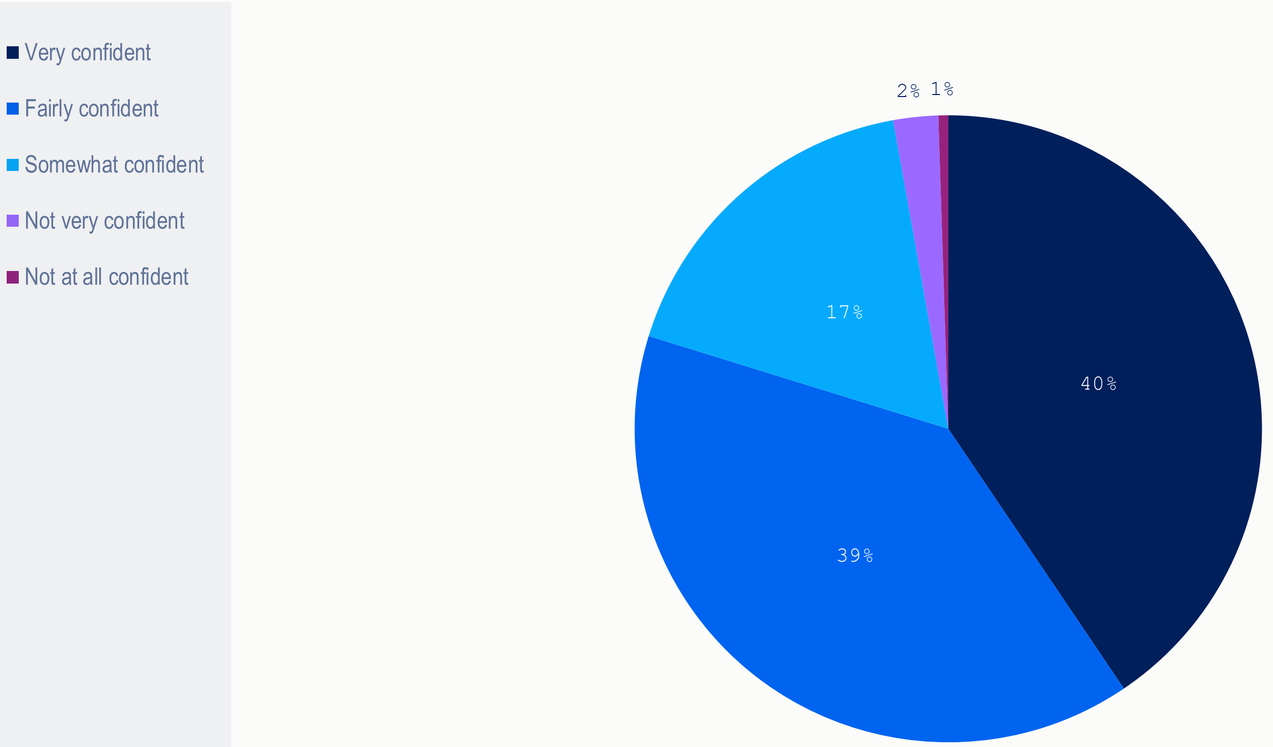
Fewer predict sizable increases in the coming year. Fewer managers+ predict spend increases greater than 10%, and the number predicting more than 20% halves. More this year are predicting more modest spend increases between 1% and 10%.

Bigger plans do correlate with stronger returns. 66% of managers+ planning an increase above 20% report strongly positive ROI, against 22% of those planning 1% to 10%.

SP2. Do you expect your organization's spending on AI, in the next 12 months, to increase, decrease, or remain the same?
Does not include "Not sure," hence displayed data does not sum to 100%.
Among Managers+ (2026 n=1,007, 2025 n=801).

Only Four in Ten Are Very Confident They Can Track AI Spend

Confidence in Tracking Total AI Spend, Including Bundled Costs (Among Managers+)

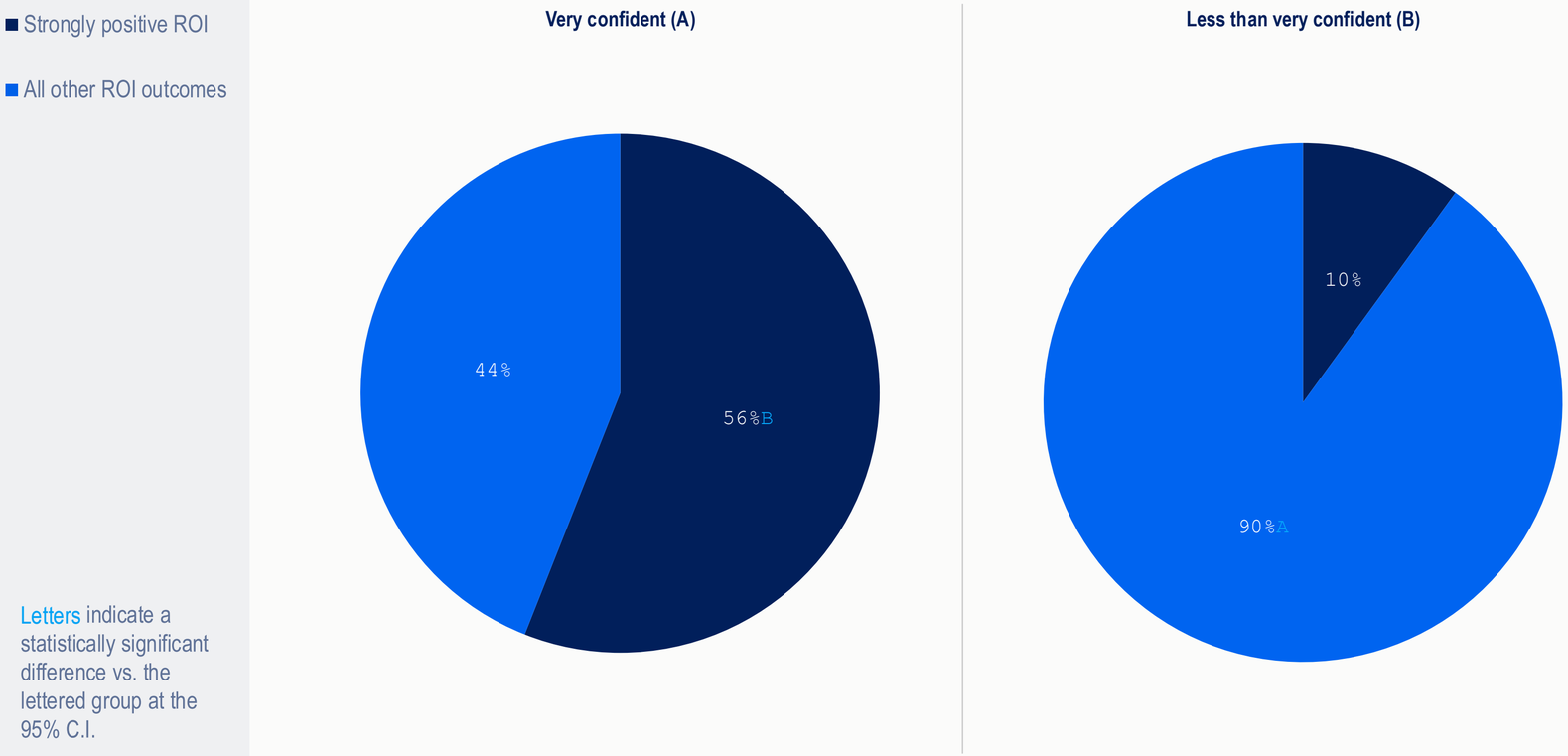


Tracking spend is a challenge for many. **40% of managers+ are very confident their organization can track total AI spend** once costs bundled into other software and cloud services are counted.

SP3. How confident are you in your organization's ability to accurately track its total actual financial spend on AI, including costs bundled into other software, licenses, and cloud services?
Does not include "Not sure," hence displayed data does not sum to 100%.
Managers+ (n=1,007)

Confidence in Tracking AI Spend Goes With Far Stronger Reported Returns

Strongly Positive ROI by Confidence in Tracking Total AI Spend (Among Managers+)



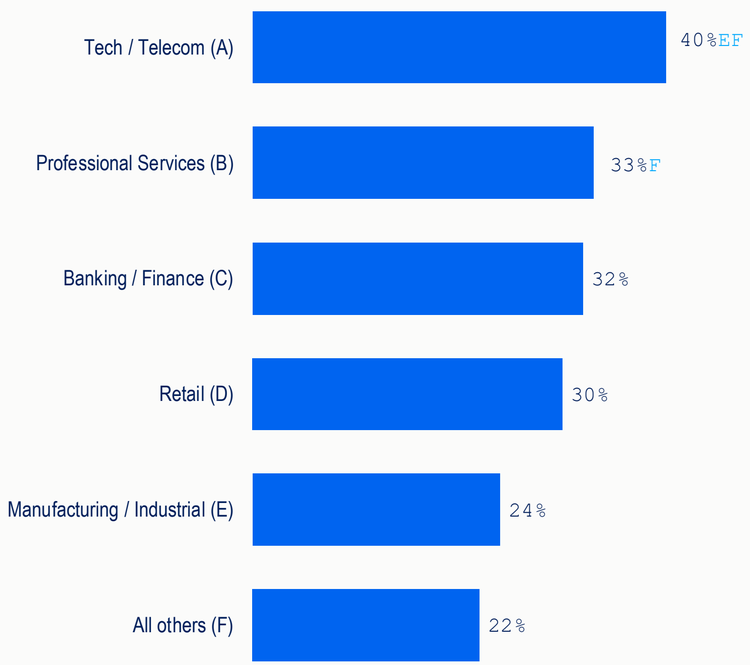
56% of managers+ who are very confident their organization can track total AI spend report strongly positive returns, **against 10% of those less confident.**

While this doesn't suggest that tracking causes high ROI (these respondents are more confident and positive about AI overall), it does illustrate that diligence towards tracking costs and observing returns are associated.

SP6 by SP3. How confident are you in your organization's ability to accurately track its total actual financial spend on AI, including costs bundled into other software, licenses, and cloud services? Managers+: "Very confident (5)" (n=403) vs. all lower confidence answers (n=591).

Tech/Telecom and Professional Services Report the Strongest Returns

Strongly Positive ROI by Industry (Among Managers+)



Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I.

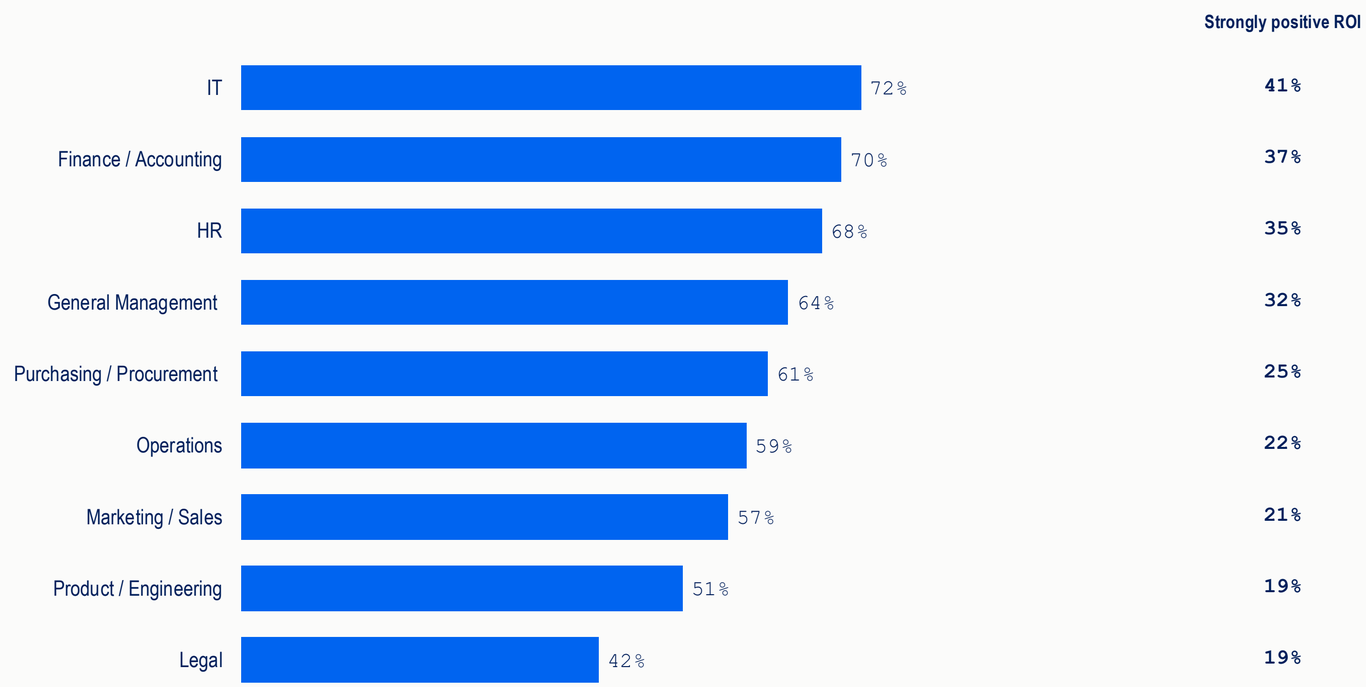
Digital industries are seeing the value: 40% of Tech/Telecom managers+ report strongly positive ROI, as do 33% in Professional Services.

Manufacturing/Industrial reports **24% strongly positive ROI, the lowest of the tracked industries**. Positive return of some kind is near-universal, but the size of it is not.

SP6. Based on your organization's formal ROI measurement, what financial return have AI initiatives delivered to date?
Managers+: Banking/Finance (n=161), Manufacturing/Industrial (n=200), Professional Services (n=130), Retail (n=151), Tech/Telecom (n=160), All Others (n=255)

The Departments That Measure Most Rigorously Report the Best Returns

Consistent/Standardized or Fully Integrated AI ROI Measurement, by Department (Among Managers+)



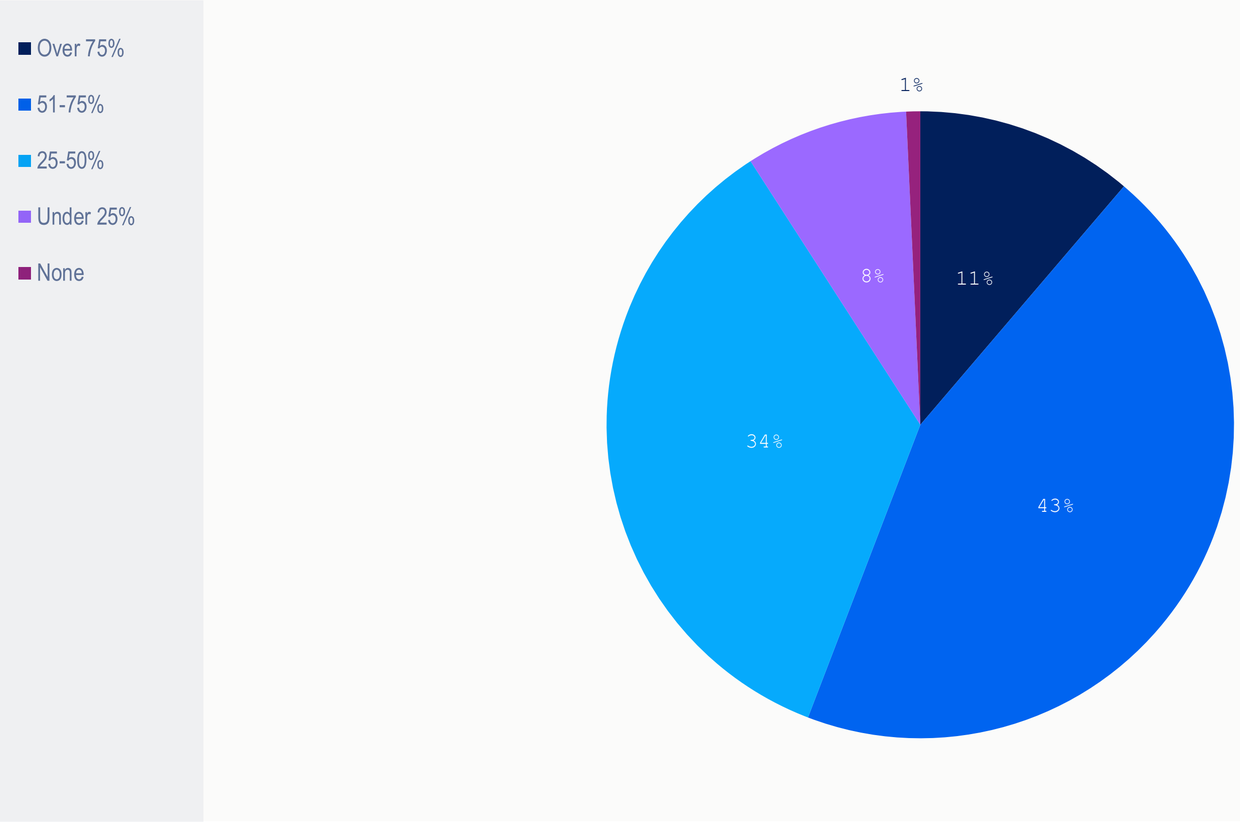
IT, Finance/Accounting, and HR lead. IT (41%), Finance/Accounting (37%), and HR (35%) report the strongest returns. Legal (19%) and Product/Engineering (19%) lag behind.

72% of IT and 70% of Finance/Accounting departments use consistent or fully integrated ROI methods, against 42% in Legal. Across nine departments, the two rankings line up almost exactly.

SP6. Based on your organization's formal ROI measurement, what financial return have AI initiatives delivered to date? Charted answer: "Strongly positive ROI (clear substantial financial returns)."
SP4. To what degree, if at all, does your department formally measure the financial return (ROI) of its AI investments? Charted answers: "Consistent, standardized methods" and "Fully integrated and continuously optimized."
By department (HID_ORG_DEPT_QUOTA). Managers+, department bases n=103 to 133.

In Most Departments, More Than Half of AI Pilots Reach Production

Share of AI Pilots Reaching Full Production or Scaled Deployment (Among Managers+)



54% of managers+ say more than half of the AI pilots their department started in the past year reached full production or scaled deployment (11% say over 75% did, and 43% say 51-75% did).

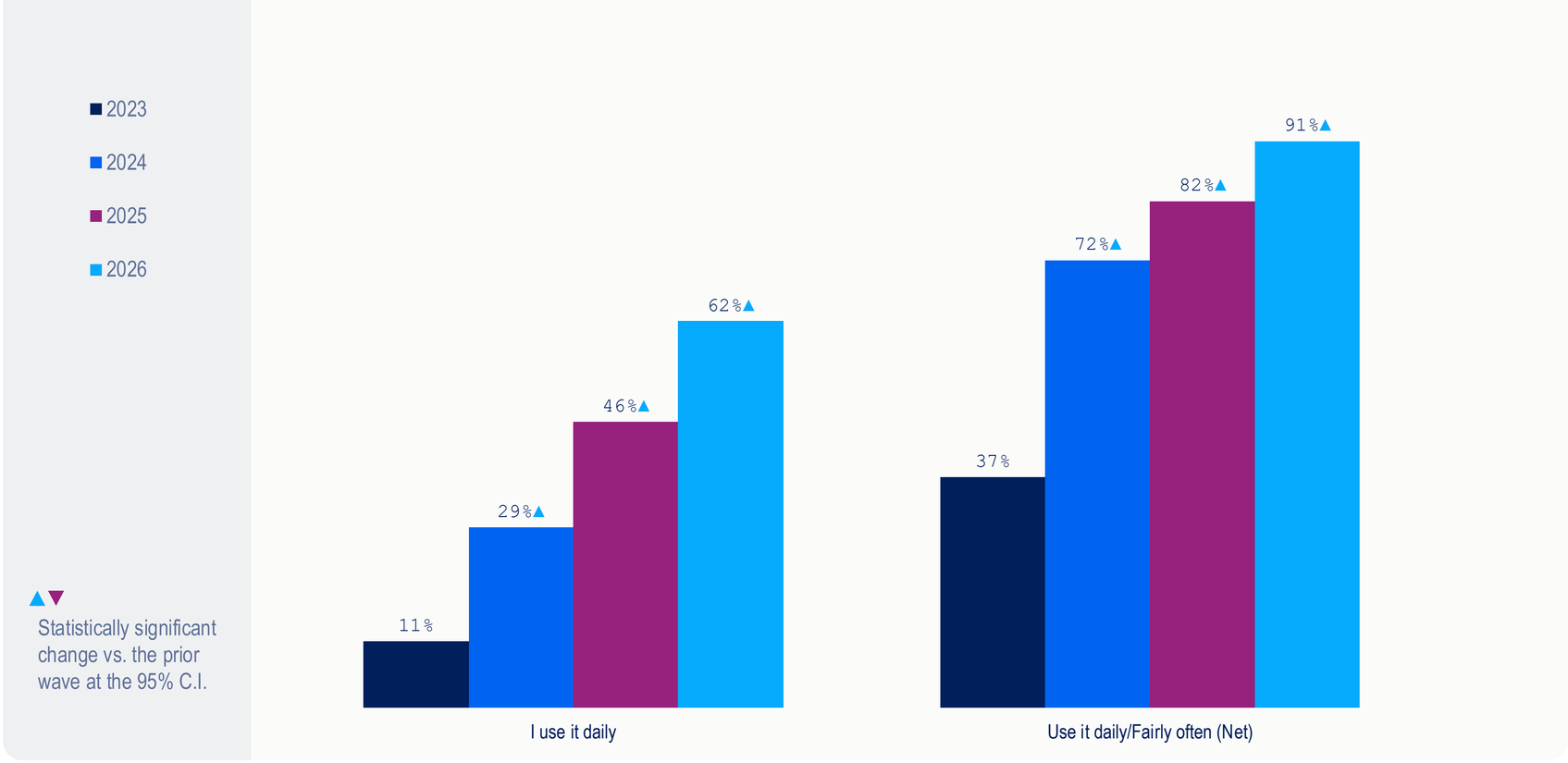
USE5. Of the AI pilots or projects your department started in the past 12 months, approximately what share reached full production or scaled deployment?
Does not include "Not sure," hence displayed data does not sum to 100%.
Managers+ (n=1,007)

WORKFLOW TRANSFORMATION

WHICH ORGANIZATIONS ARE FURTHEST ALONG

Daily Use Jumps Again as AI Becomes the Working Default

Frequency of Using AI for Work, 2023 to 2026 (Among Managers+, Showing “Daily” and “More Than Weekly”)



62% of managers+ now use AI daily, up 16 points on last year, and 91% use it more than weekly, up 10 points.

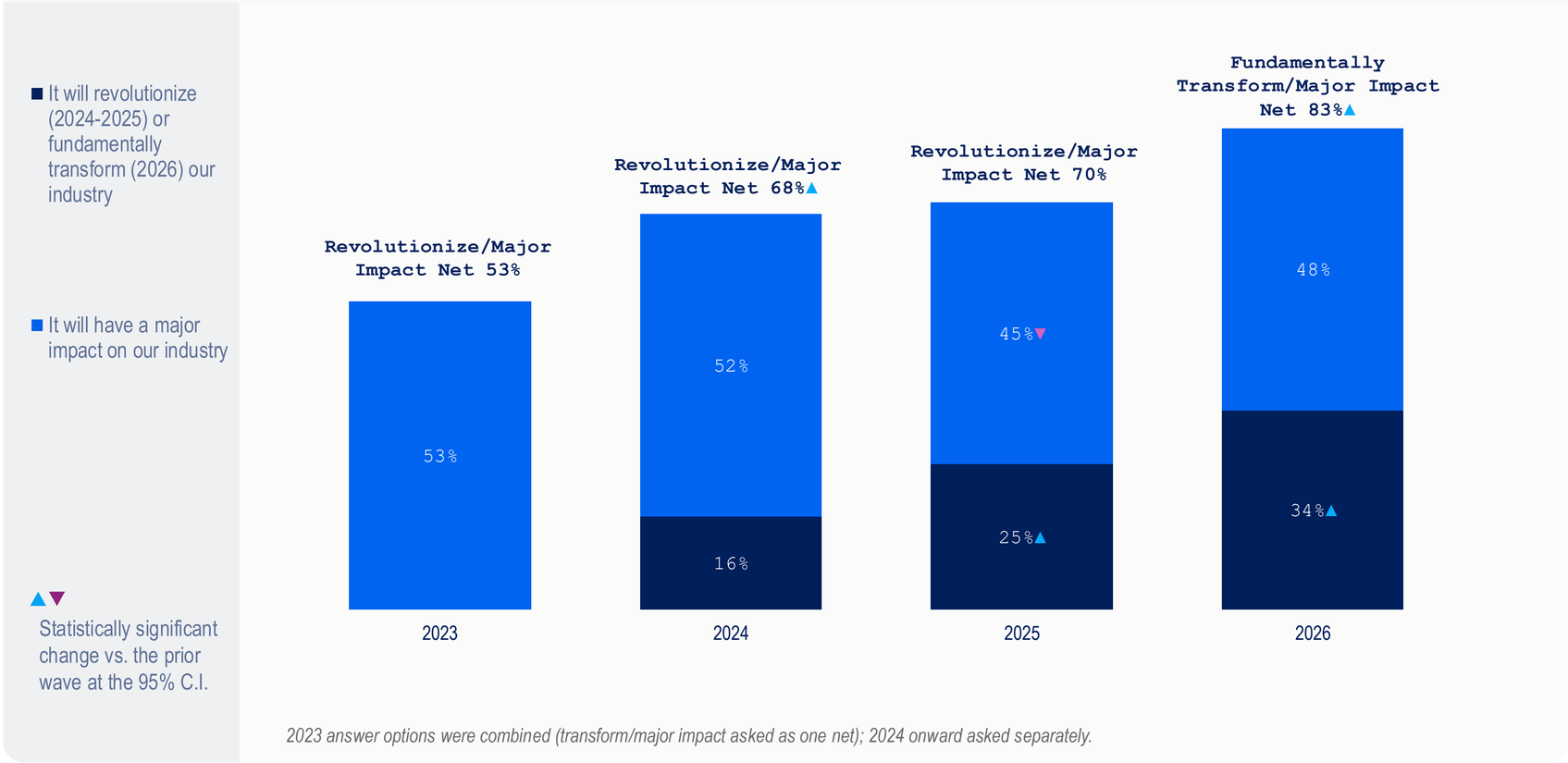
Three years of acceleration. Daily use has climbed from 11% in 2023 to 29% in 2024, 46% in 2025, and 62% today. More-than-weekly use went from 37% to 72%, 82%, and 91%.

The laggard group is shrinking. The share using AI less than weekly or not at all fell from 16% to 9% (not shown in chart).

PERC2. What is your experience using AI for work purposes? (Note: Question wording updated in 2024; 2023 directional.)
Managers+: 2023 (n=672), 2024 (n=802), 2025 (n=801); Managers+ 2026 (n=1,007)

More Managers Than Ever Expect AI to Transform Their Industry

Expected Impact of AI on Your Industry, 2023 to 2026 (Among Managers+, Showing "Transform/Major Impact")



2023 answer options were combined (transform/major impact asked as one net); 2024 onward asked separately.

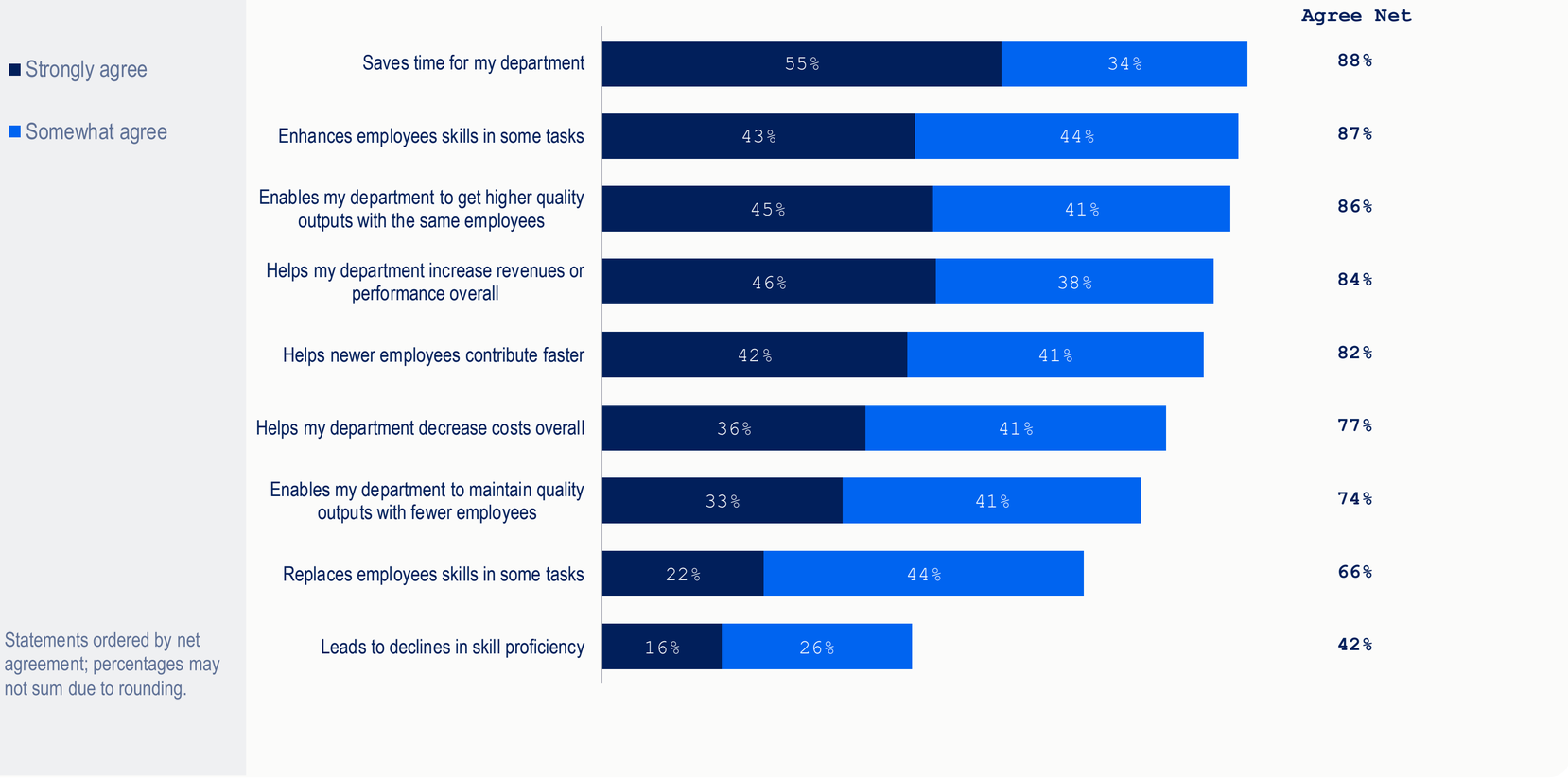
Expectations for AI's impact on industry have **climbed every year**. In 2023, 53% of managers+ expected AI to revolutionize or have a major impact on their industry within two to five years. That rose to 68% in 2024 and 70% in 2025, and continued to rise in 2026.

Note: wording change from "revolutionize" to "fundamentally transform" impacts trending to 2026; interpret directionally.

IMP6. What statement best describes your belief about how much AI will impact (either positively or negatively) your industry over the next 2-5 years? (Note: Top answer reworded from "revolutionize" to "fundamentally transform" in 2026; scale order reversed.)
Managers+: 2023 (n=672), 2024 (n=802), 2025 (n=801); Managers+ 2026 (n=1,007)

Nearly All See Higher-Quality Output From AI; However, Four in Ten See Skills Declining

Current Impact of AI on the Department (Among Managers+, Showing "Strongly/Somewhat Agree")



Statements ordered by net agreement; percentages may not sum due to rounding.

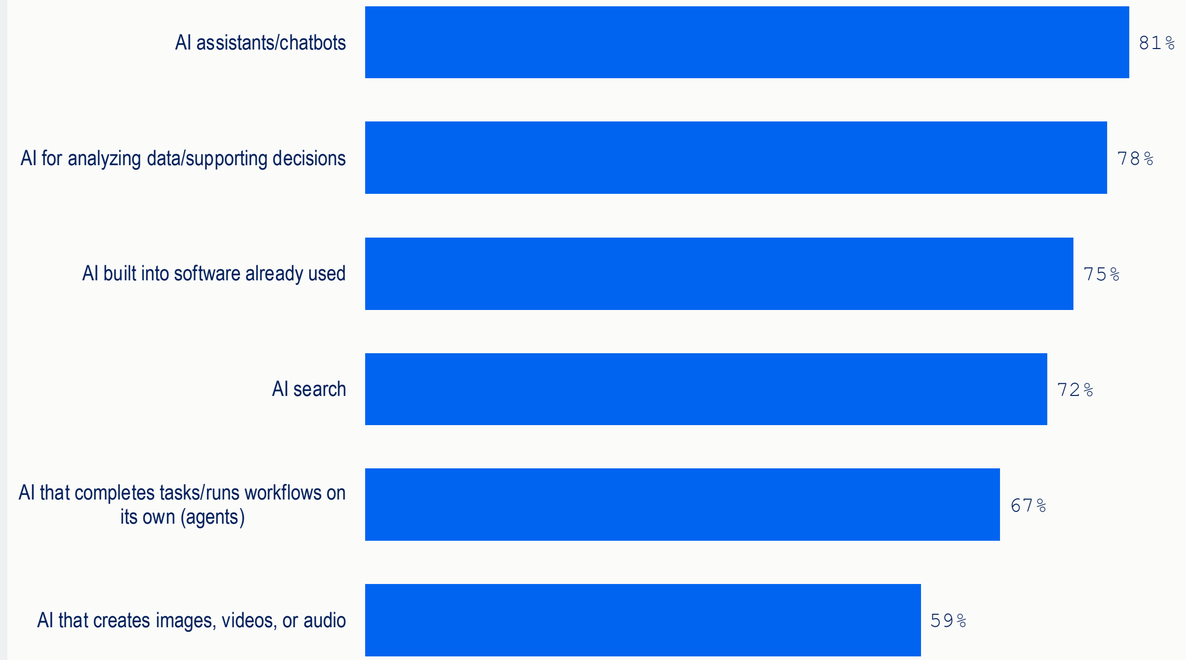
86% of managers+ agree AI enables **higher-quality outputs** with the same employees, 84% that it lifts revenue or performance, and 88% that it saves time.

42% see AI leading to declines in skill proficiency, and 66% say it replaces employees' skills in some tasks, against 87% who say it enhances them.

IMP4. What is your level of agreement with the following statements regarding the current impact of AI on your department? 2025 asked about the organization, so department-level results are not trended.
Managers+ (n=1,007)

Two in Three Departments Use AI Agents in Some Form

Types of AI Tools Departments Currently Use (Among Managers+, Showing "Currently Use")



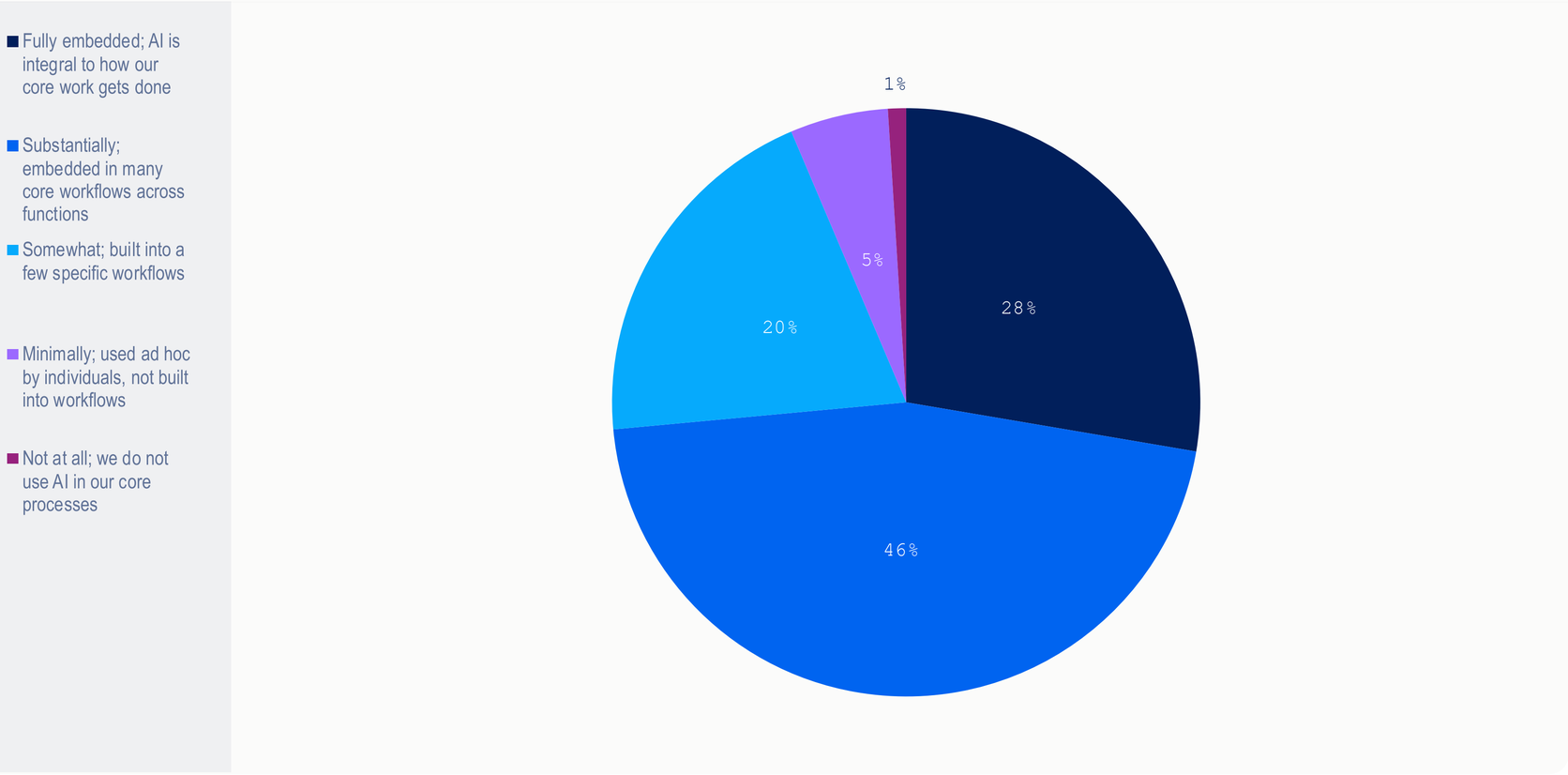
Six separate items; percentages do not sum to 100%.

Chatbots lead, and many are also using agents. 81% of managers+ say their department uses AI chatbots/assistants, 78% use AI for data analysis, and 75% use AI built into existing software. 67% report AI agents that run tasks on their own.

USE3a-f. Does your department use: AI assistants (or "chatbots") to ask questions or draft things (e.g., ChatGPT, Claude, Gemini, Copilot); AI built into business software you already use (like a 'summarize,' 'draft,' or 'ask AI' button in email, documents, messaging app, meeting assistant, or your CRM); AI that completes tasks or runs workflows on its own (AI agents) (e.g., it routes support tickets, schedules and books meetings, or runs a workflow with little human input); AI for analyzing data or supporting decisions (e.g., asking questions of a dashboard, or auto-generated summaries of trends, forecasts, or reports); AI that creates images, videos, or audio (e.g., images, video clips, or synthetic voices); an AI search / knowledge assistant for your own company's information (e.g., an internal AI search or Q&A tool, or a chatbot trained on your policies/file)? Answer options: Currently use; Used in the past, but not currently; Do not currently use, but plan to in the future; Never used; Not sure.
Managers+ (n=1,007)
Multi-select question (six separate items), so percentages do not sum to 100%.

Despite Wide Use, Fewer Than Three in Ten Say AI Is Fully Embedded

Extent AI Is Integrated Into Core Business Processes (Among Managers+, Showing Full Scale)

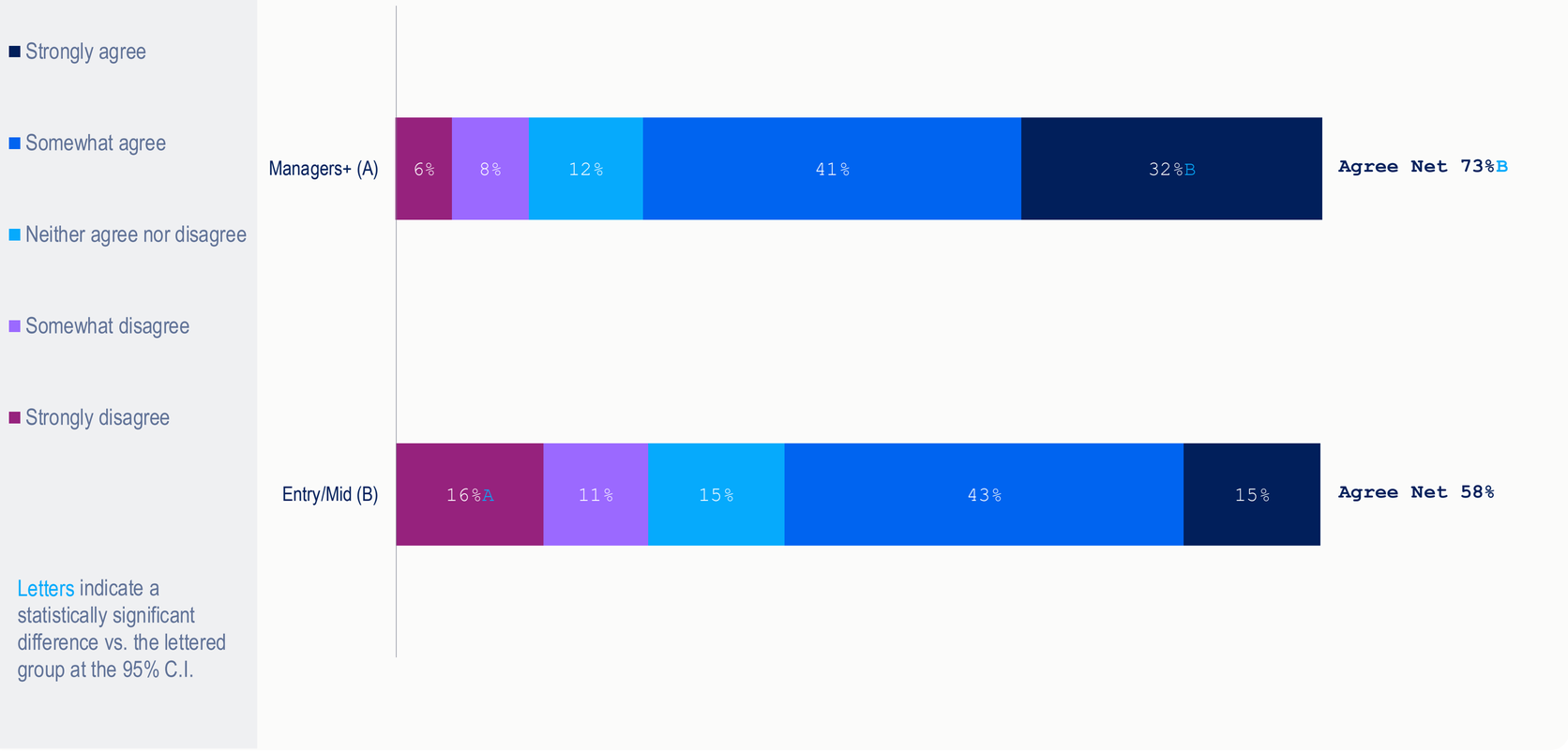


73% of managers+ say AI is **fully (28%) or substantially (46%) embedded** in their department's core processes.

USE4. To what extent is AI integrated into your department's core business processes and workflows?
Managers+ (n=1,007)
Does not include "Not sure," hence displayed data does not sum to 100%.

Nearly Three in Four Managers+ Say Workflows Have Changed Significantly

Department Workflows Have Changed Significantly Due to AI (Among Total, Managers+ vs. Entry/Mid)



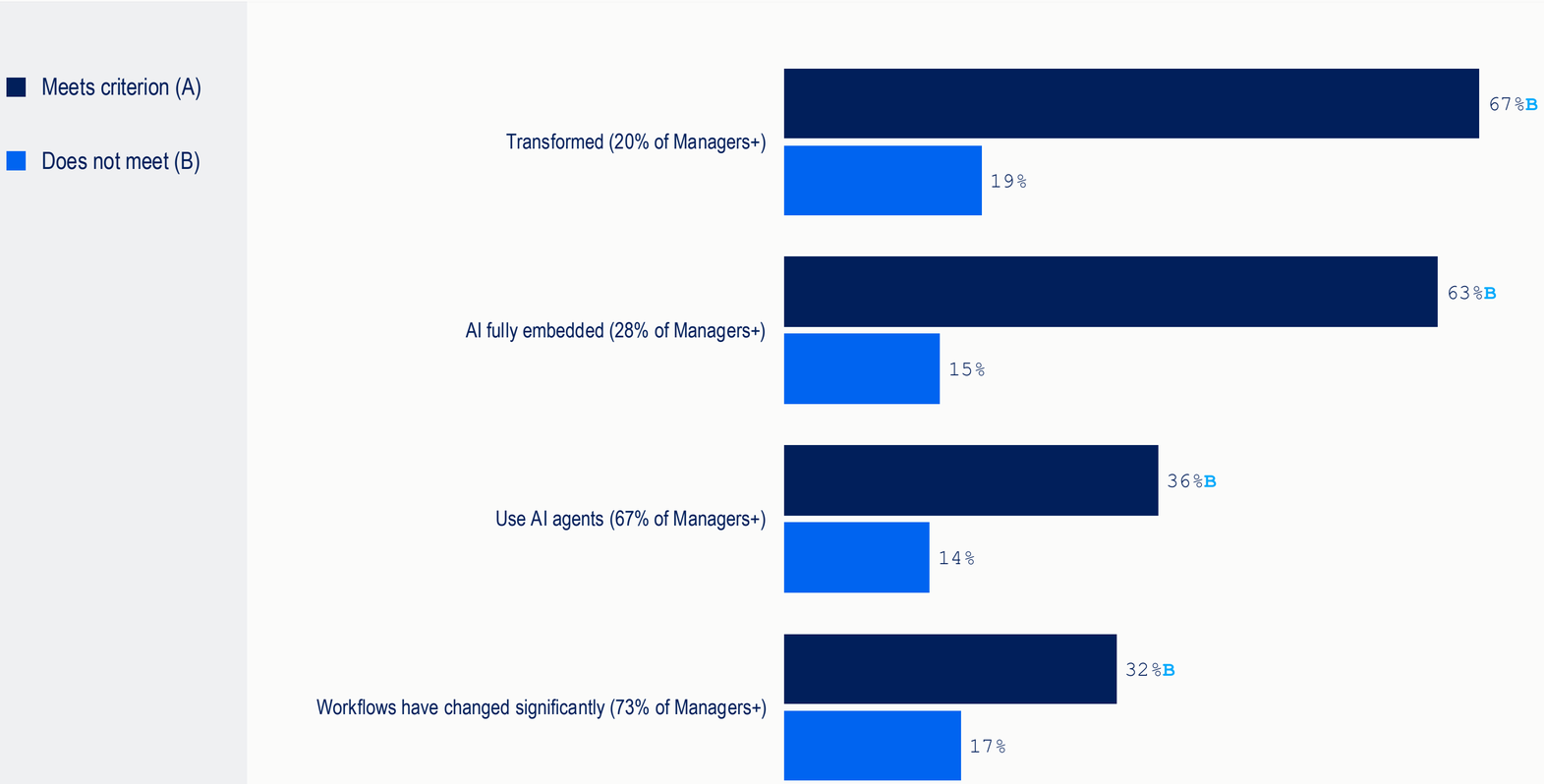
73% of managers+ say their department's workflows have changed significantly because of AI, and 32% strongly agree.

But this is slightly less visible for lower-tier employees. 58% of entry- and mid-level employees agree that their department's workflows have changed significantly.

IMP3. What is your level of agreement with each of the following statements about the effect AI has had across your department? - My department's workflows have changed significantly due to AI.
Managers+ (n=1,007); Entry/Mid (n=409)
Does not include "Not sure," hence displayed data does not sum to 100%.

Fully Transformed Departments Report Three Times the Strong Returns

Workflow Transformation Marker and Its Components (Among Managers+, Showing % Meeting Each)



67% of managers+ whose department meets all three transformation components report strongly positive ROI, against 19% of those that do not.

Departments where AI is **fully embedded** report 63% strongly positive ROI against 15% elsewhere. Using agents (36% vs. 14%) and changed workflows (32% vs. 17%) are also correlated with strong ROI.

Few are fully transformed. 20% of managers+ describe a department that meets all three transformation components, and 9% of entry- and mid-level employees.

SP6 by Workflow Transformation (AI fully embedded, USE4; department currently uses AI agents, USE3c; workflows changed significantly, IMP3). Managers+: all three (n=203) vs. not (n=804); fully embedded (n=277) vs. not (n=730)

IT, Finance, and HR Lead on Transformation

Workflow Transformation Success and Its Components, by Department (Among Managers+)

Meet Workflow Transformation Marker



Components of Workflow Transformation Success

Department	Fully embedded	Currently use AI agents	Workflows changed significantly (Net agree)
Total Managers+	28%	67%	73%
HR	32%	69%	75%
IT	37%	86%	91%
Marketing / Sales	25%	63%	66%
Operations	24%	67%	61%
Product / Engineering	16%	62%	65%
Purchasing / Procurement	32%	65%	77%
Finance / Accounting	36%	71%	73%
Legal	17%	51%	80%
General Management	27%	65%	66%

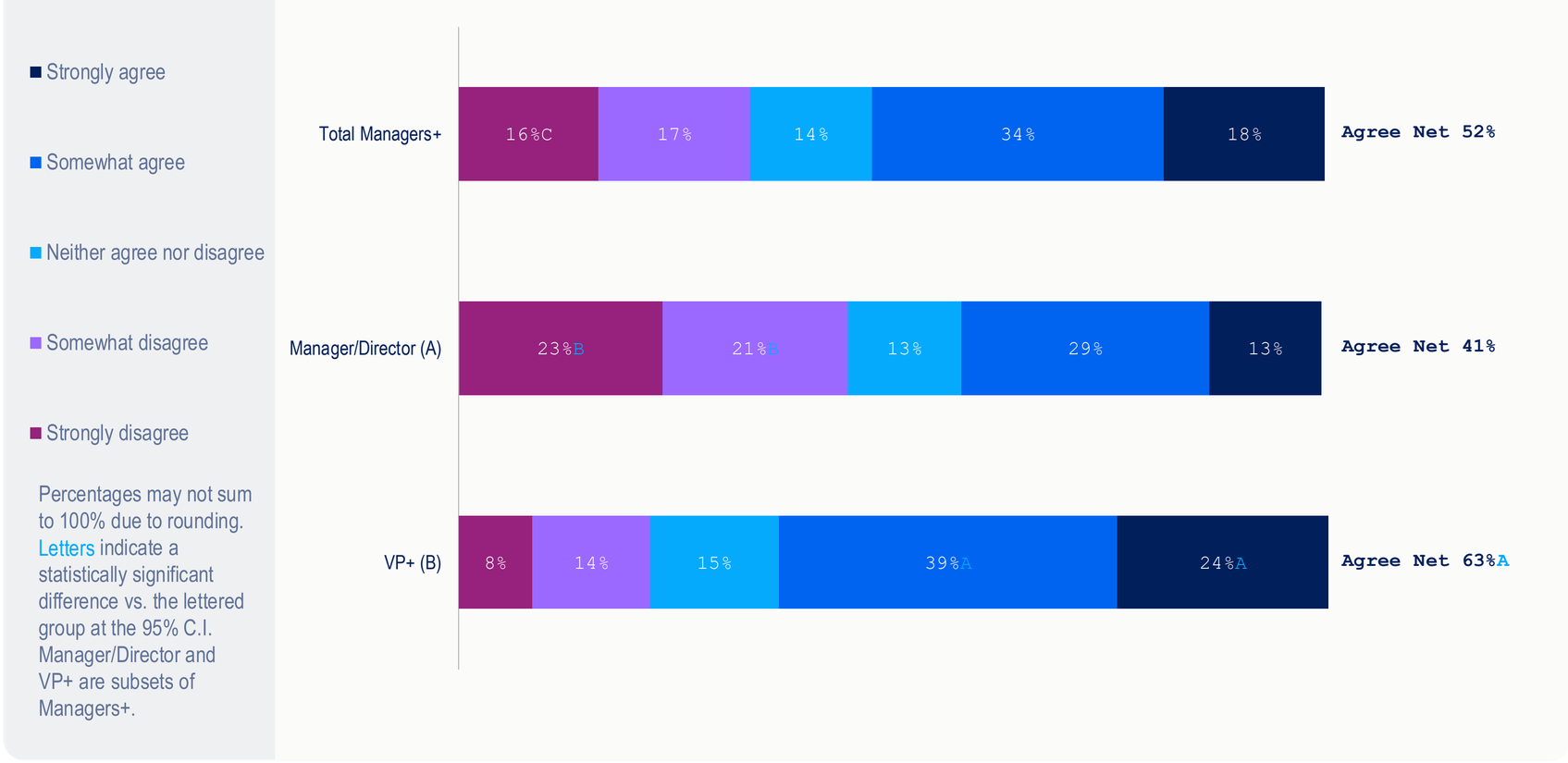
32% of IT departments, 27% of Finance/Accounting departments, and 26% of HR departments meet all three transformation components, against 11% in Legal and 8% in Product/Engineering.

Product/Engineering departments **use agents at similar levels** to other departments (62%), but **only 16% have AI built into core processes**, the lowest of any department.

Workflow Transformation marker (AI fully embedded, uses agents, workflows changed significantly) and each component by department (HID_ORG_DEPT_QUOTA).
Managers+; department bases n=103 to 133.

Half of Managers+ Say AI Has Changed Their Department's Management Structure

Department Has Changed Its Management Structure Due to AI (Among Managers+, Showing Full Scale)



Percentages may not sum to 100% due to rounding. Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I. Manager/Director and VP+ are subsets of Managers+.

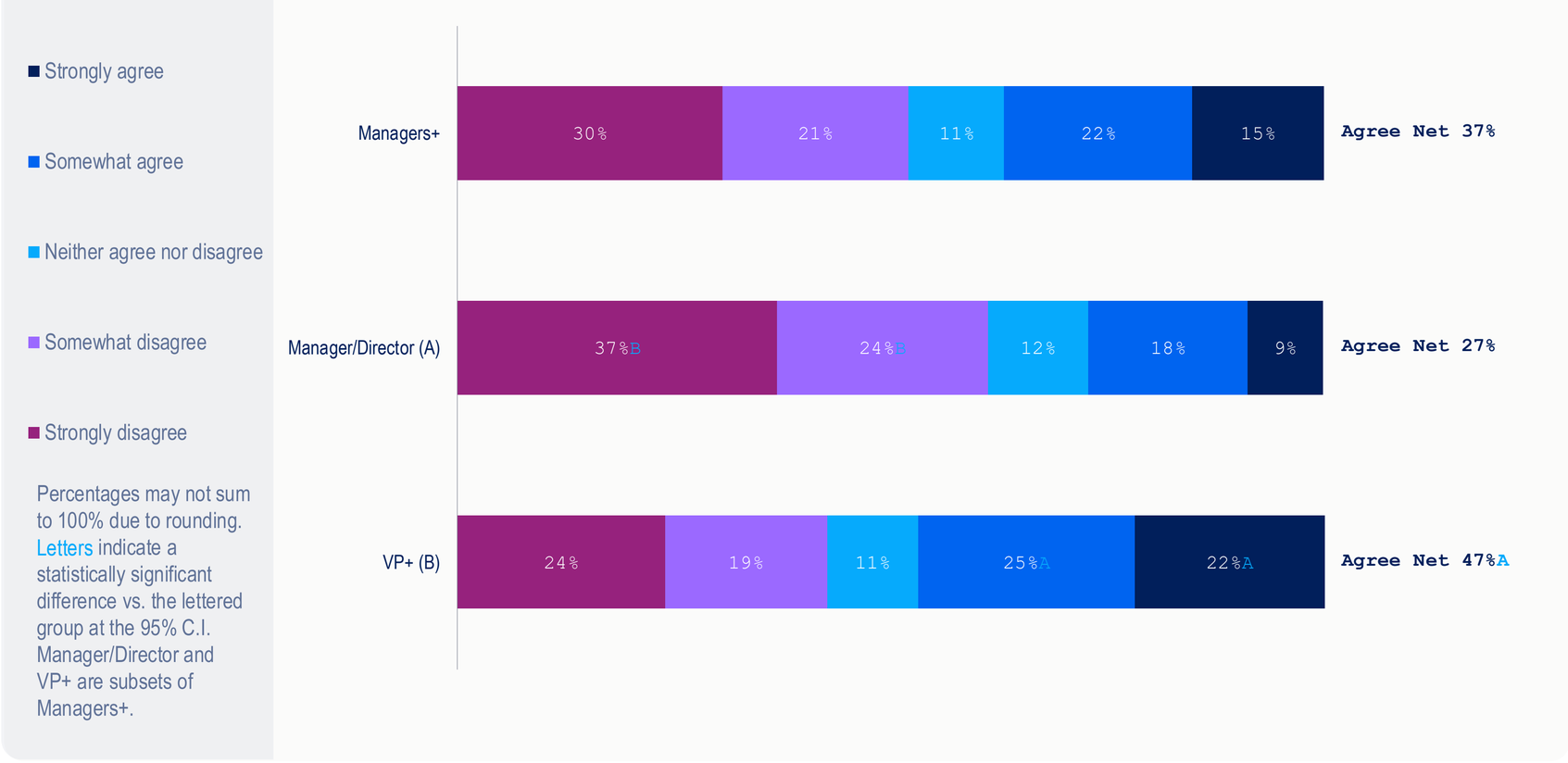
52% of managers+ say their department has changed its management structure because of AI. 18% strongly agree.

63% of VP+ report a structural change, against 41% of managers and directors.

IMP3. What is your level of agreement with each of the following statements about the effect AI has had across your department? – My department has changed our management structure due to AI. Managers+ (n=1,007), VP+ (n=495), Manager/Director (n=512)

Nearly Four in Ten Report AI-Driven Staff Reductions; VP+ Report Far More

Department Has Made Staff Reductions Due to AI (Among Managers+, Showing Full Scale)



Percentages may not sum to 100% due to rounding. Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I. Manager/Director and VP+ are subsets of Managers+.

37% of managers+ say their department has made staff reductions because of AI; 15% strongly agree. A majority (52%) disagree.

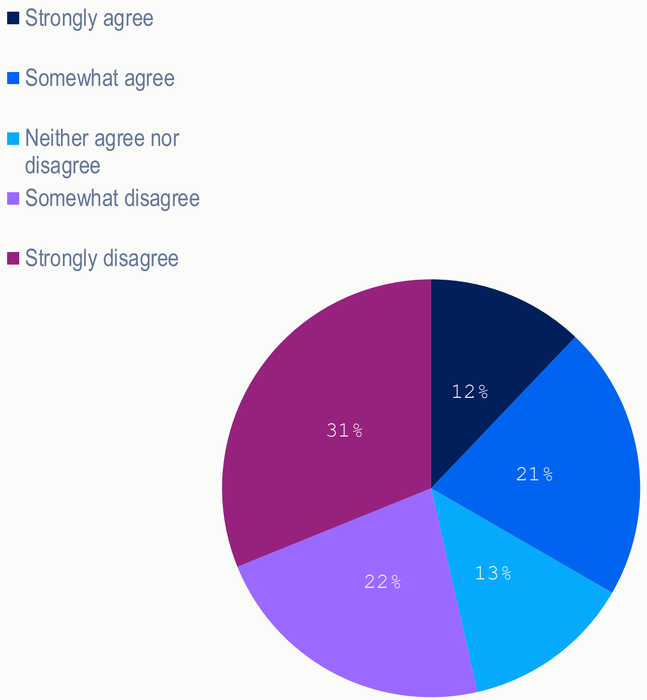
VP+ report far more cuts: 47% of VP+ say their department has reduced staff, against 27% of managers and directors.

"[AI] has created an increased level of efficiency within the organization. We can accomplish much more in a day. It has also eliminated the need for certain non-customer-facing positions." —VP, General Management, Banking, $2B+

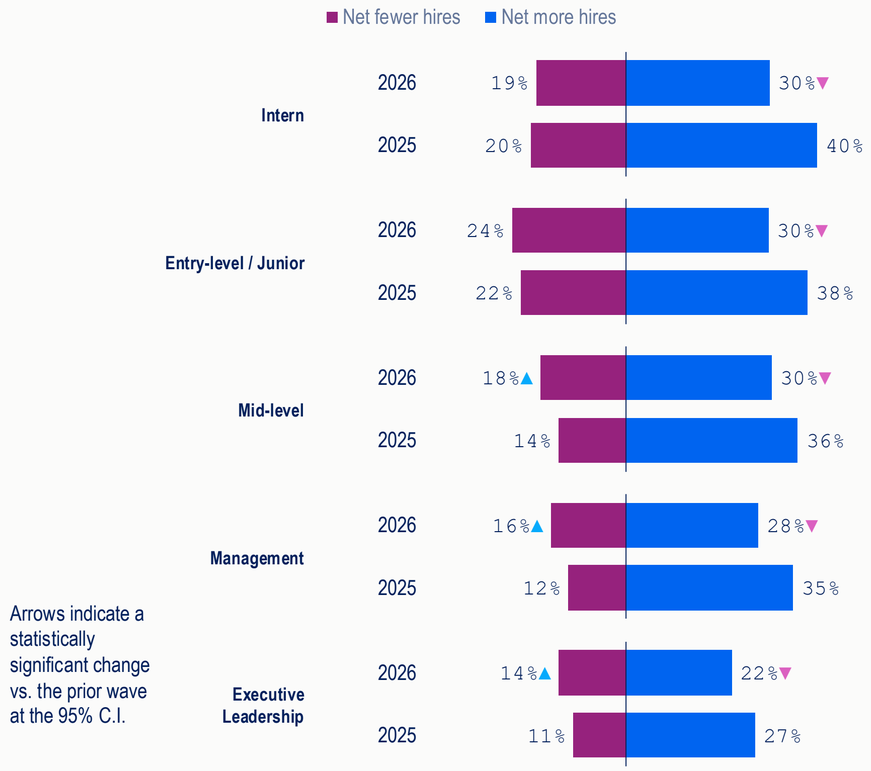
IMP3. What is your level of agreement with each of the following statements about the effect AI has had across your department? – My department has made staff reductions due to AI. Managers+ (n=1,007), VP+ (n=495), Manager/Director (n=512)

A Third Have Slowed Hiring Due to AI, and Entry-Level Hiring Plans Have Softened

Slowed or Frozen Hiring Due to AI (Among Managers+, Full Scale)



Expected Hiring Impact by Level, 2025 vs. 2026 (Among Managers+, Net More vs. Net Fewer Hires)



A third have slowed hiring. 33% of managers+ report slowed or frozen hiring in their department because of AI.

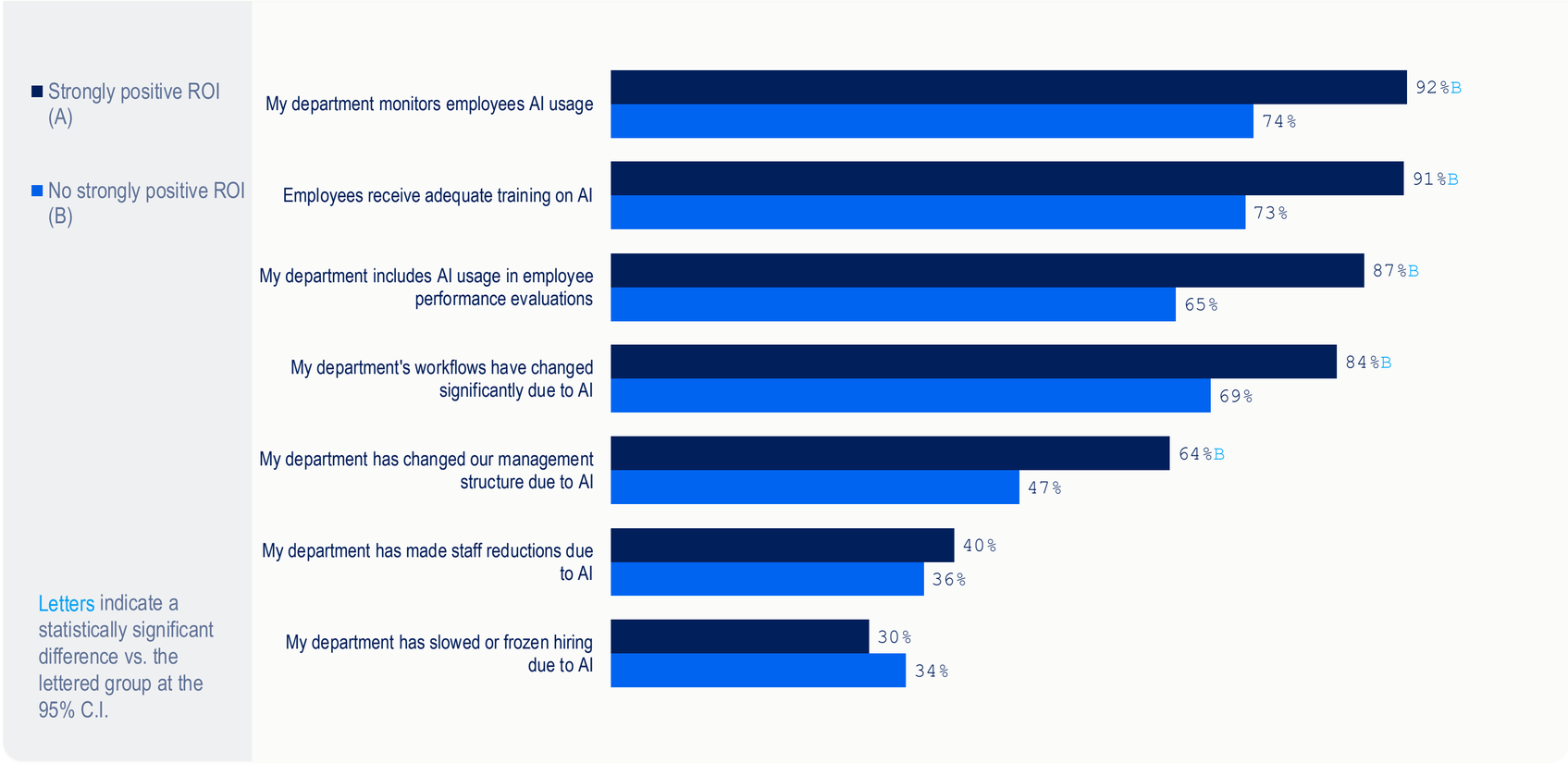
24% of managers+ expect fewer entry-level hires over the next two to five years, against 14% for executive roles. Those expecting more fell to 30% from 38% in 2025.

"It can cut down on employees, so that we don't have to hire as many new employees" — Manager/Director, HR, Banking, $2B+

IMP3. – My department has slowed or frozen hiring due to AI. LEAD3. In the next 2–5 years, how do you expect AI to impact hiring for your department? Levels: Intern; Entry-level / Junior (e.g., recent college graduate); Mid-level (e.g., associate, manager); Management (e.g., director); Executive Leadership (e.g., C-Suite, VP). Answer options: Net more hires; Net no change; Net fewer hires; Not sure. (Note: LEAD3 new in 2025.)
Managers+ 2026 (n=1,007); Managers+ 2025 (n=801)

Strong-ROI Departments Reorganized and Trained; They Did Not Cut More Staff

Organizational Changes by ROI Outcome (Among Managers+, Strongly Positive vs. Other, Showing “Agree”)



Managers+ in departments with strongly positive ROI are **more likely to have changed their management structure** (64% vs. 47%) and significantly changed workflows (84% vs. 69%).

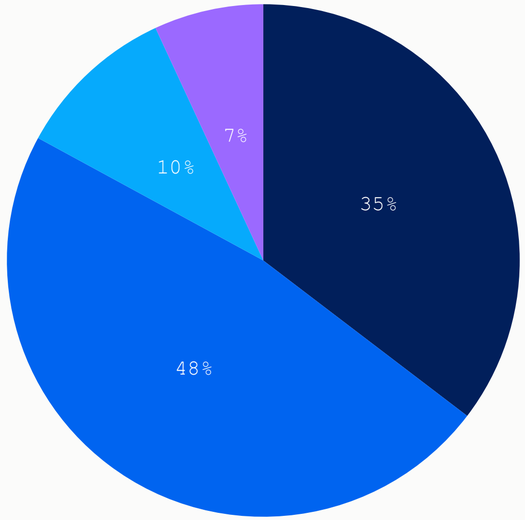
They are also more likely to **monitor AI use** (92% vs. 74%), include it in performance reviews (87% vs. 65%), and train employees adequately (91% vs. 73%).

However, strong-ROI departments **don't report significantly more staff reductions or hiring freezes** than others, indicating that high ROI doesn’t necessarily come at the expense of human labor.

IMP3 and LEAD2 by SP6.
Managers+ reporting “Strongly positive ROI (clear substantial financial returns)” (n=286) vs. all other Managers+ (n=721)

Most Departments Let AI Do the Work, but a Person Still Signs Off

Highest Level of AI Autonomy Allowed in the Department (Among Managers+)



Percentages may not sum to 100% due to rounding.

Human Decides: AI provides suggestions or drafts, but a human makes the final call in all cases
Human Signs Off: AI performs the work and a human reviews and approves before execution
Human Samples: AI acts autonomously and a human reviews a sample of outputs after the fact
Guardrails Watch: AI acts autonomously with real-time monitoring and systematic guardrails

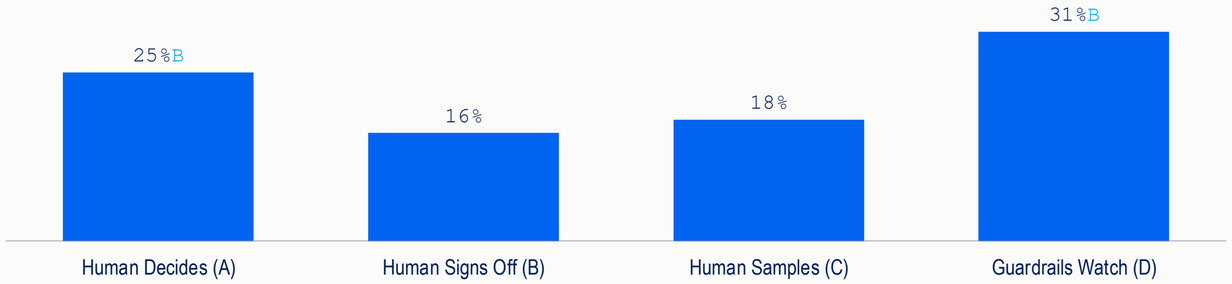
Half (48%) of managers+ say that, in their department, **AI does the work and a human approves** it before moving forward.

Genuine autonomy is rare, at 17%. 10% say that human involvement only extends to reviewing a sample of AI's output after the fact, and 7% rely on real-time monitoring and systematic guardrails instead of human review.

AG1. In your department, what is the highest level of autonomy allowed for AI products?
Answer options verbatim: "Human Decides: AI provides suggestions or drafts, but a human makes the final call in all cases"; "Human Signs Off: AI performs the work and a human reviews and approves before execution"; "Human Samples: AI acts autonomously and a human reviews a sample of outputs after the fact"; "Guardrails Watch: AI acts autonomously with real-time monitoring and systematic guardrails"; "Not sure"; "My department does not use AI."
Managers+ (n=984)
Excludes "Not sure" and "My department does not use AI" (2% combined); percentages rebased to those selecting a level.

Transformation Concentrates at Both Ends of the Autonomy Spectrum

Workflow Transformation Success by Level of AI Autonomy Allowed (Among Managers+)



Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I.

Workflow Transformation Success = AI fully embedded in core work, department currently uses AI agents, and workflows have changed significantly.

Note: small base size for (D); interpret directionally

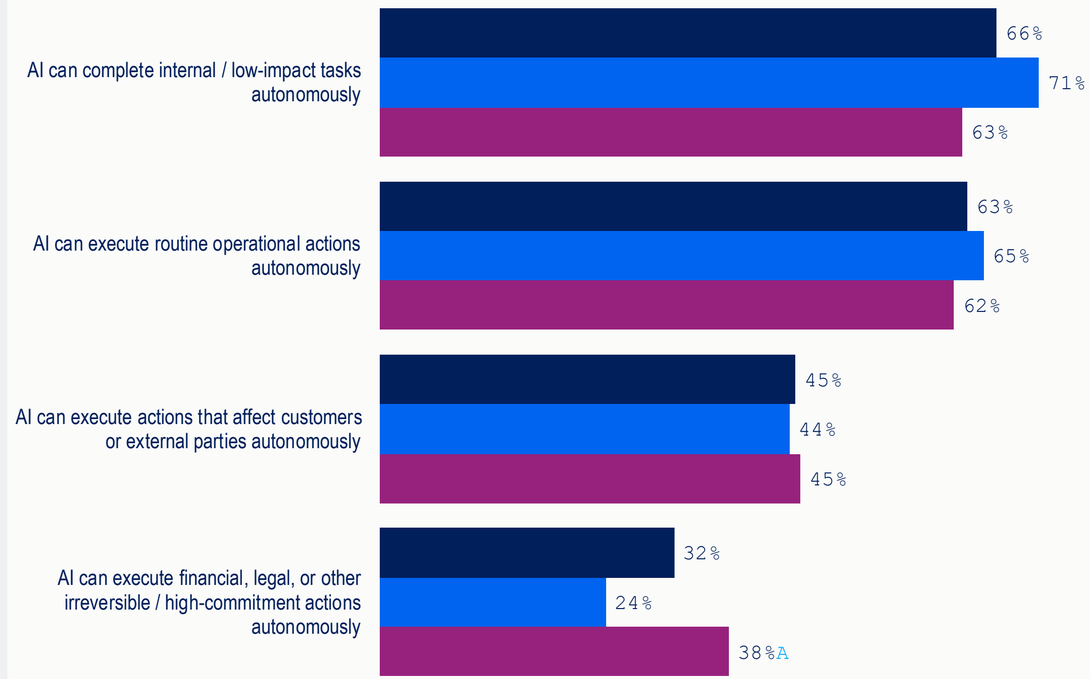
Full autonomy is associated with transformation: 31% of managers+ whose departments use guardrails-based autonomy meet the transformation marker, the highest of the four levels.

So does keeping AI advisory. 25% of those in departments where AI only advises meet the transformation definition. But between these extremes, success falls to 16% where every action is approved and 18% where samples are checked.

Workflow Transformation marker by AG1 autonomy level: "Human Decides: AI provides suggestions or drafts, but a human makes the final call in all cases" (n=348), "Human Signs Off: AI performs the work and a human reviews and approves before execution" (n=468), "Human Samples: AI acts autonomously and a human reviews a sample of outputs after the fact" (n=100), "Guardrails Watch: AI acts autonomously with real-time monitoring and systematic guardrails" (n=68). Managers+ selecting a level (n=984). Human Guardrails Watch has small base; read directionally.

Where AI Acts on Its Own, It Is Mostly Trusted With Low-Stakes Work

Tasks AI Is Allowed to Carry Out on Its Own (Among Managers+ Allowing AI Autonomy)



Multiple responses allowed; Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I. Manager/Director and VP+ are subsets of Managers+.

Among departments that let AI act at least at sign-off, **66% allow it to complete low-impact internal tasks on its own,** and 63% routine operational actions.

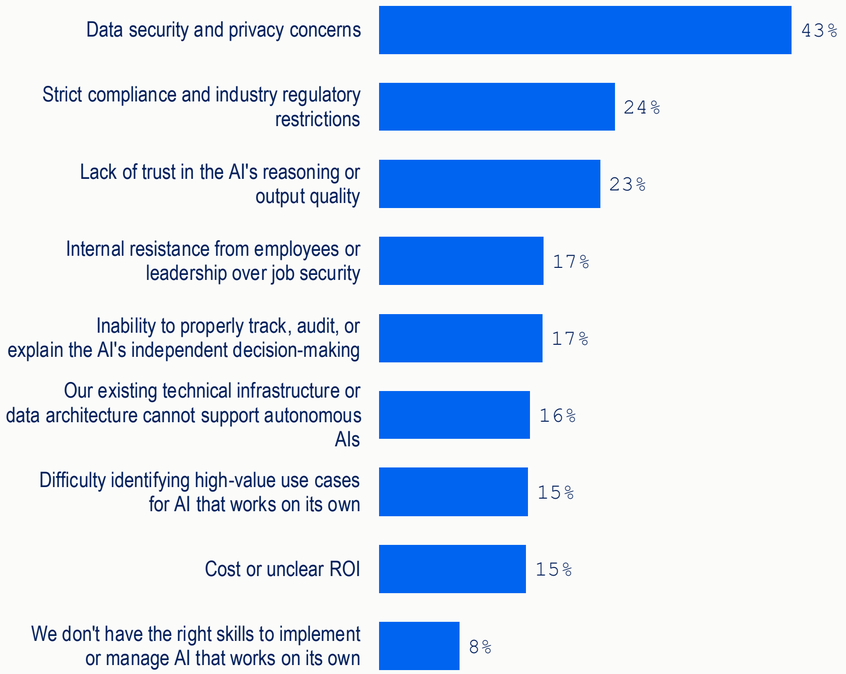
But trust is lower on customer-facing and financial decisions. 45% allow actions that touch customers or external parties, and 32% irreversible financial or legal actions.

Senior leaders describe a broader remit for AI. 38% of VP+ say their department lets AI take irreversible financial or legal actions, against 24% of managers and directors.

AG3. Which of the following types of tasks does your department currently allow AI to carry out on its own?
Asked of those whose department allows AI to act.
Managers+ (n=636); Manager/Director (n=284); VP+ (n=352)

Concerns about Security and Trust, Not Lack of Skills, Hold Autonomous AI Back

Main Barriers to Using AI That Works on Its Own (Among Managers+)



Multiple responses allowed; percentages do not sum to 100%.

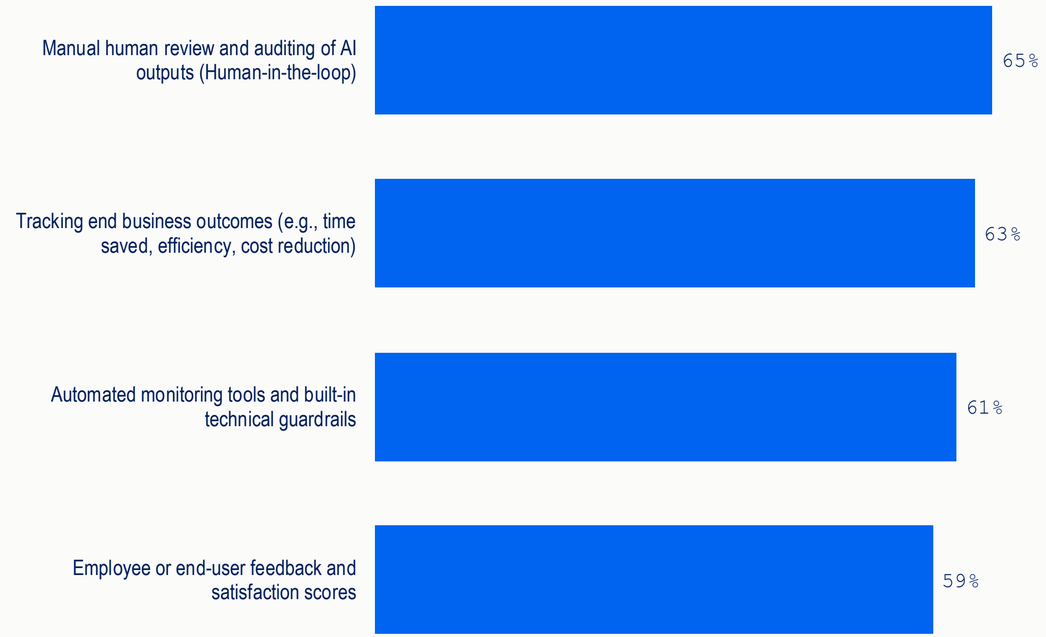
43% of managers+ name data security and privacy as a barrier to autonomous AI, ahead of compliance and regulatory restrictions (24%), and lack of trust in the AI's reasoning (23%).

Human skills rank last. 8% cite a lack of the right skills to implement or manage autonomous AI as a barrier.

AG5. What are the main barriers limiting the use of AI that works on its own, or using it more, in your department?
Managers+ (n=1,007)

Departments Check Agents Several Ways, With Manual Review Being The Most Common

How Departments Check the Performance of AI Working on Its Own (Among Managers+ Allowing AI Autonomy)



Multiple responses allowed; percentages do not sum to 100%.

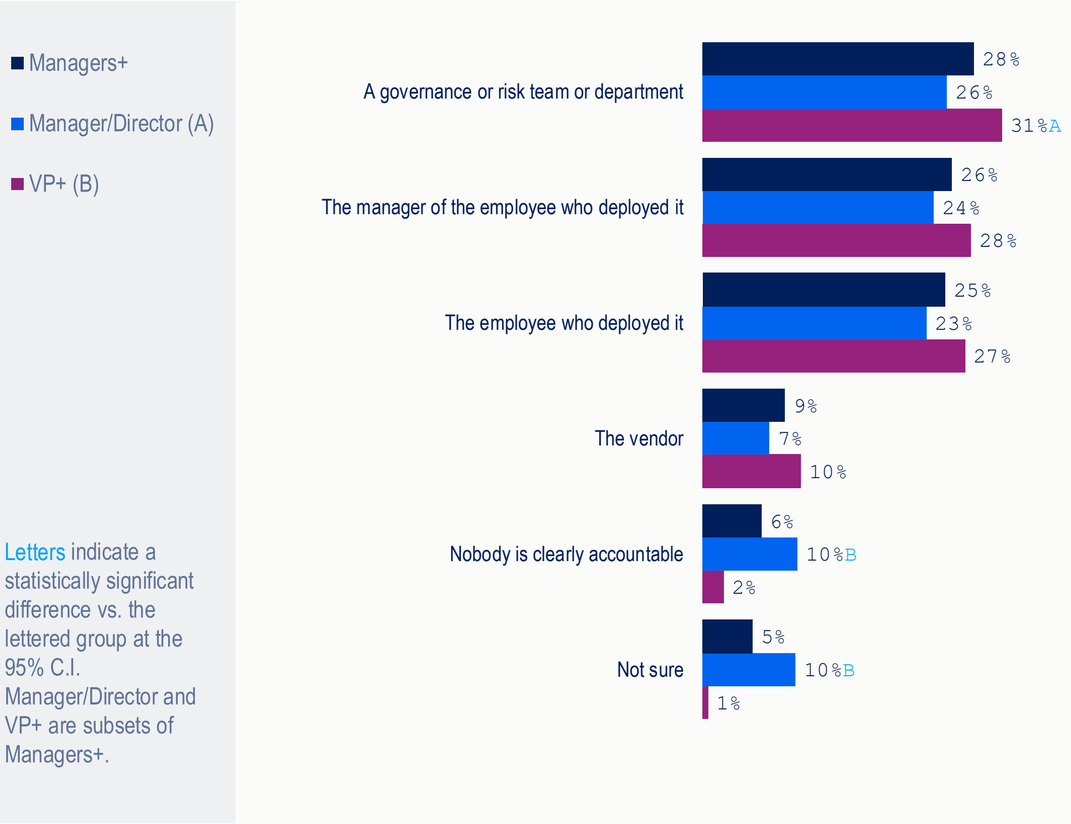
Humans check agent outputs. 65% of managers+ whose department allows AI to act rely on manual review of outputs, 63% track business outcomes, and 61% use automated monitoring and guardrails.

Fewer than 1% report no formal way of checking agent performance.

AG4. How does your department check how well its AI is doing when it works on its own? Asked of those whose department allows AI to act on its own.
Managers+ (n=636)
Does not include "Not sure," hence displayed data does not sum to 100%.

Managers Are Divided on Who's Held Accountable for AI's Mistakes

Who Is Held Responsible When AI Working on Its Own Makes a Consequential Error (Among Managers+)



Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I. Manager/Director and VP+ are subsets of Managers+.

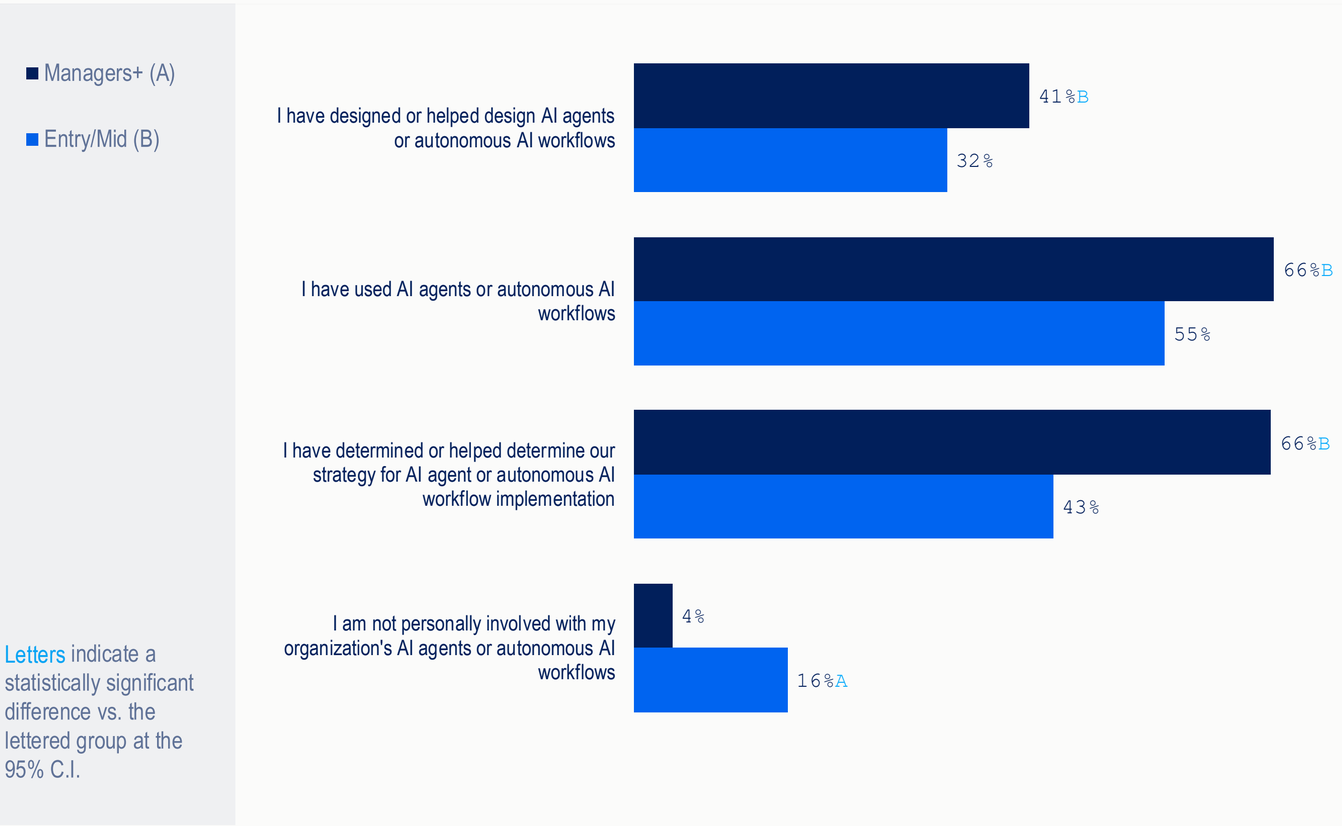
There's no consensus on who's responsible for AI errors. **A governance or risk team leads** (28%), then the deploying employee's manager (26%), the employee themselves (25%), and the vendor (9%).

11% of managers+ say nobody is clearly accountable or cannot say. Managers and directors are more likely to be unclear (20%) than VP+ (3%).

AG6. When an AI working on its own makes a consequential error within your organization, who is held most responsible?
Managers+ (n=1,007); Manager/Director (n=512); VP+ (n=495)

Most at Every Level Have Used AI Agents Where Departments Allow Them

Personal Involvement With AI That Works on Its Own (Among Those Allowing AI Autonomy)



Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I.

Two-thirds (66%) of managers+ in departments allowing AI autonomy **have used agents,** and an equal number (66%) say they helped set the strategy for them.

Among entry- and mid-level employees, **55% have used agents.**

AG2. What, if any, personal involvement do you have with AI that works on its own? Asked of those whose department allows AI to act on its own.
Managers+ (n=636); Entry/Mid (n=183)

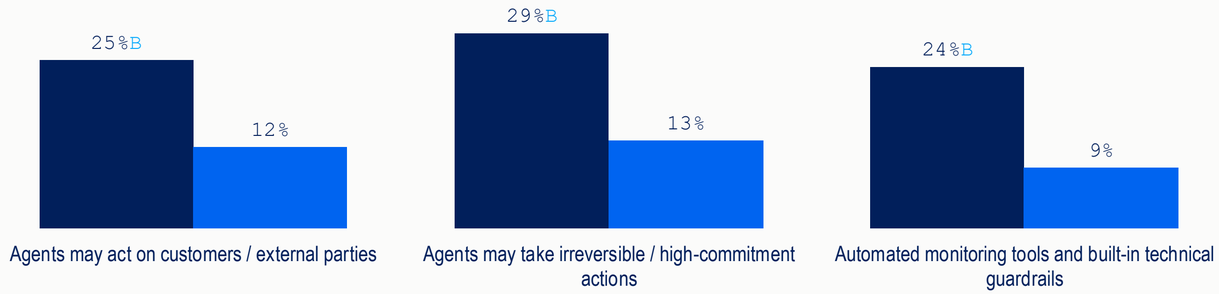
Transformed Departments Grant Agents More Authority and Monitor Them Automatically

Workflow Transformation Success by Agent Authority / Oversight Method (Among Managers+ Allowing Autonomy)

- Department grants this authority / uses this method (A)
- Department does not (B)

Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I.

Workflow Transformation Success = AI fully embedded in core work, department currently uses AI agents, and workflows have changed significantly.



One in four (25%) managers+ in departments that **let agents take actions reaching customers** have transformed their workflows, against 12% that do not.

Departments that **monitor agents automatically have transformed at 24%, against 9%.**

Workflow Transformation marker by select options from AG3 and AG4.
Managers+ whose department allows AI to act autonomously(n=636); subgroup bases vary.

Automation of Routine Work in Respondents' Words

The Biggest Impact of AI, in Their Own Words (Among Managers+ and Entry/Mid, 2026, Showing Verbatims Coded to "Automation of Repetitive Tasks")

"It has reduced the work on updating trades from 4 hours to 15 minutes. Claude now looks at all the steps involved in verifying a trade and automatically does all the steps."
—Manager/Director, Finance, Financial Services, $2B+

"It has allowed for automation of privacy forms. Where it would take up to 13 minutes to process, now it's 6 minutes."
—Manager/Director, Legal, $250M–$2B

"Compliance monitoring got way easier, flags issues almost instantly instead of waiting on manual audits every few weeks like before."
—VP, Legal, Insurance, $250M–$2B

"AI automates production scheduling, inventory tracking, quality checks, and report generation, saving time and improving accuracy."
—C-Suite, General Management, Manufacturing, $250M–$2B

"We set up an automated workflow where AI imports data, cleans it, and creates standard CSV/Excel reports."
—C-Suite, IT, Banking, $250M–$2B

"Our cabinets automatically track every item and log the usage into patient charts. It also reorders when we are running low."
—VP, HR, Healthcare, $2B+

"Software labels every contract file by topic immediately, which stops my team members from sorting through messy attachment folders manually."
—Mid-level, Legal, Professional Services, $50M–$250M

"Automatic data extraction helps new employees avoid copying, create cleaner comparison sheets, and spend more time reviewing important details."
—Entry-level, Purchasing, Insurance, $250M–$2B

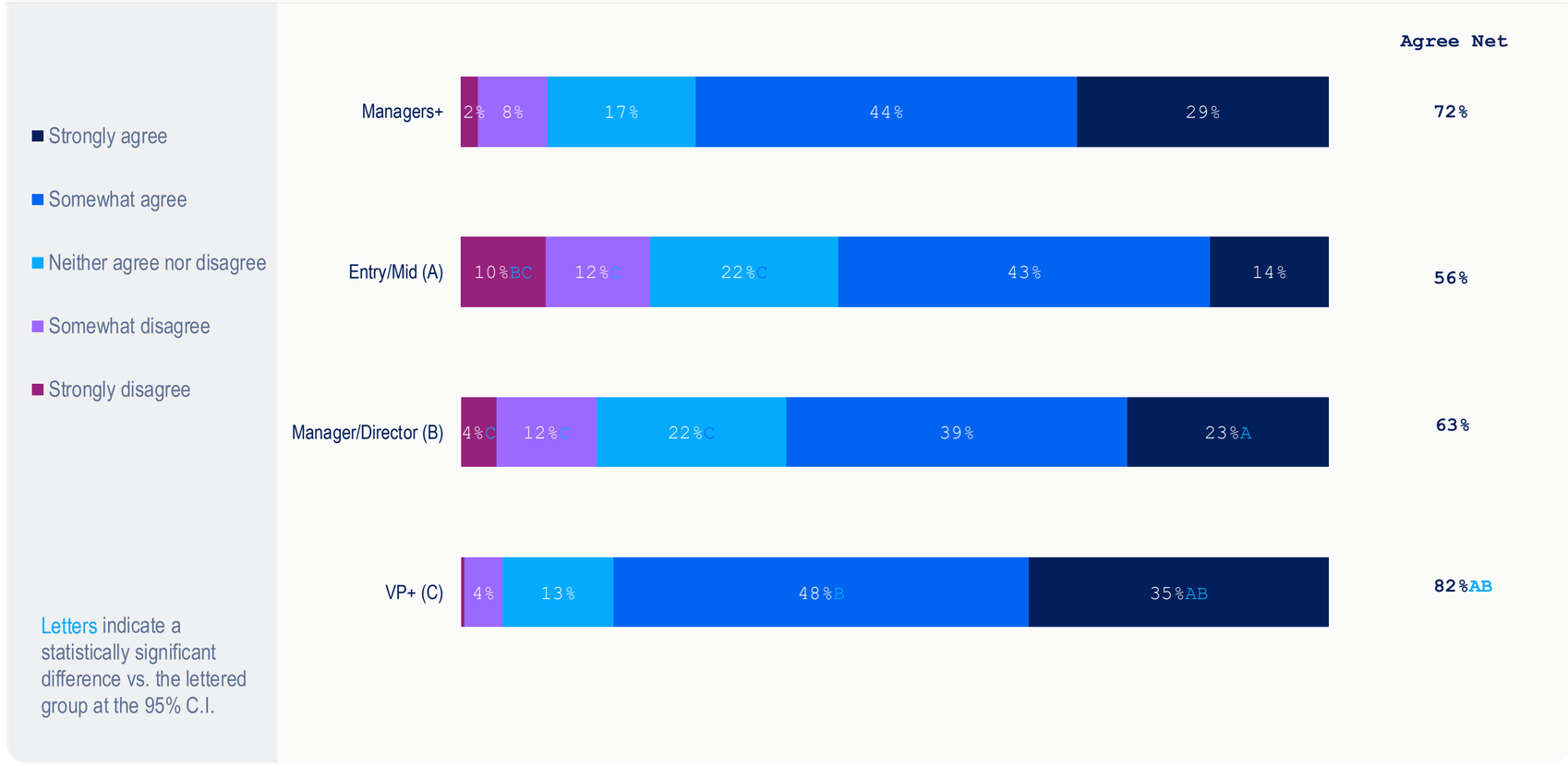
Quotes lightly edited for spelling. 2025 comparison is directional: 2026 included a follow-up probe; 2025 did not.

33% of managers and above name automation of routine tasks as AI's biggest impact, up from 16% in 2025 (directional)

IMP1. Describe in your own words the biggest impact you believe AI has had within your team, department, organization, or industry. Verbatims from 2026. Coded to a 23-theme frame; 2025 comparison from the equivalent 2025 open end (n=801, Managers+). Managers+ 2026 (n=1,007)

Most Say Their Job Has Shifted From Creating Output to Managing AI's

My Focus Has Shifted From Creating Outputs to Managing AI-Generated Outputs (Among Total, by Seniority)



Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I.

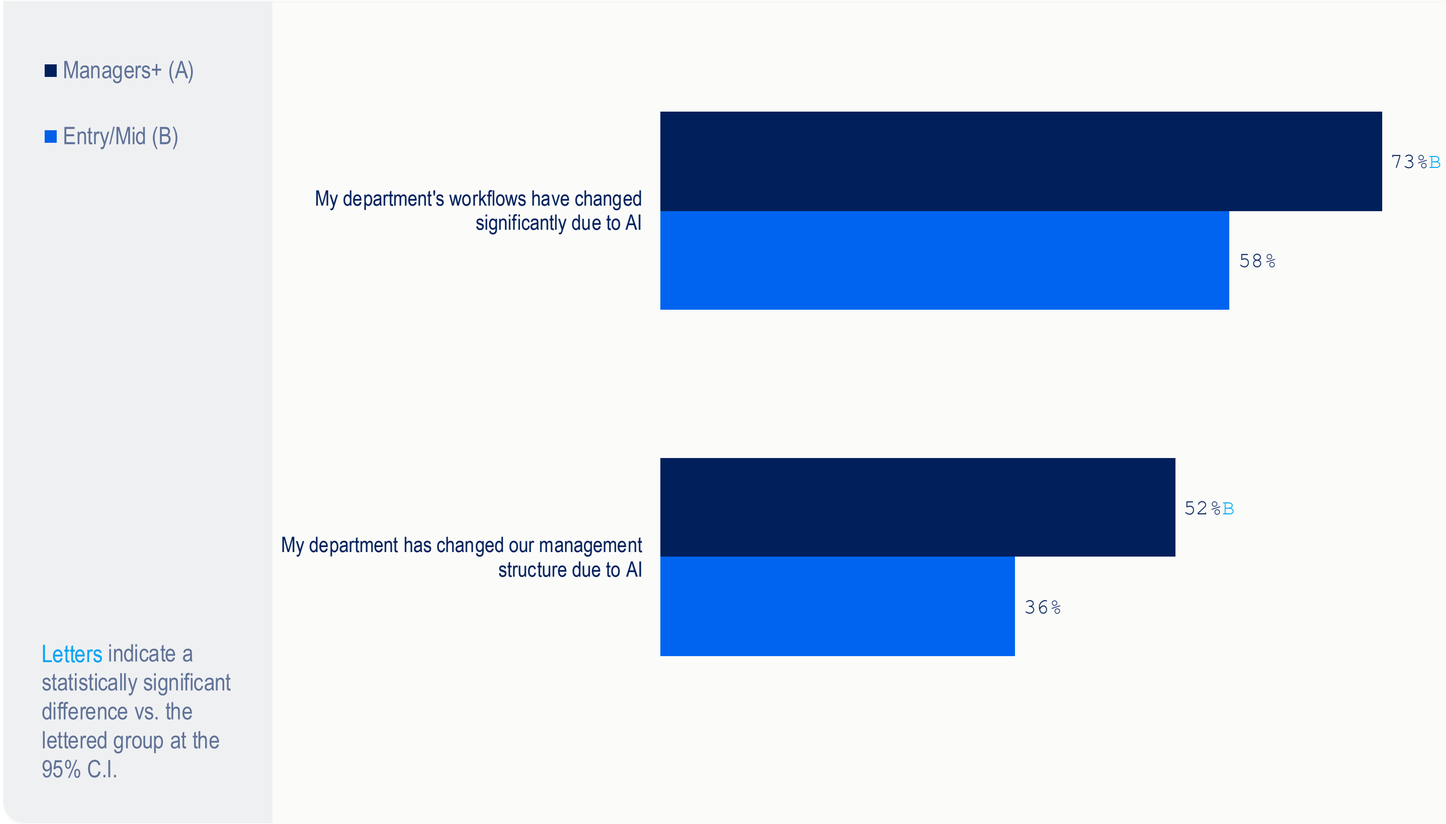
72% of managers+ (and 82% of VP+) agree their **focus has moved from creating outputs to managing AI-generated ones**. 56% of entry- and mid-level employees say the same.

"It does most of the work, in which we have to go back and check it to make sure it's correct." — Manager/Director, General Management, Healthcare, $250M–$2B

IMP2. What is your level of agreement with each of the following statements about the effect AI has had on your role?
Entry/Mid (n=409); Manager/Director (n=512); VP+ (n=495)

Entry- and Mid-Level Employees See Less Change Than Their Managers

Workflow and Management-Structure Change, Managers+ vs. Entry/Mid (Among Total, Showing "Agree")



58% of entry- and mid-level employees say their department's workflows have changed significantly because of AI, against 73% of managers+.

Just a third (36%) of entry- and mid-level employees **report a changed management structure,** against 52% of managers+.

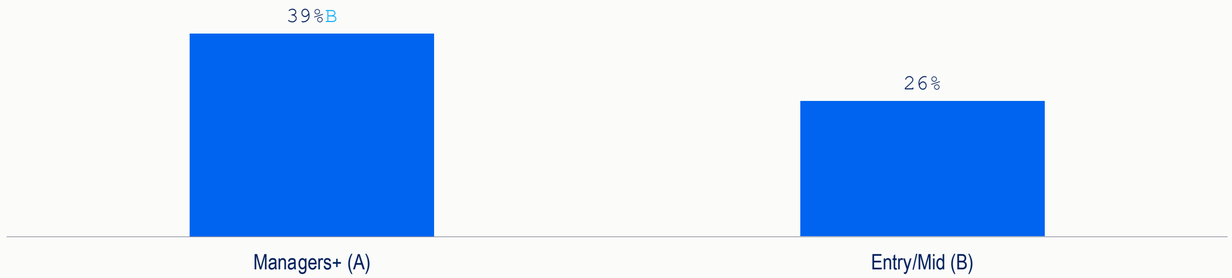
IMP3. What is your level of agreement with each of the following statements about the effect AI has had on your department?
Managers+ (n=1,007); Entry/Mid (n=409)

ORGANIZATIONAL ALIGNMENT

COHESIVE AI STRATEGY THAT WORKS FOR ALL EMPLOYEES

Less Than Forty Percent Describe an Aligned Organization

Share Meeting Definition of Aligned Organization, Four of Five Factors (Among Total, Managers+ vs. Entry/Mid)



Aligned = at least 4 of 5 factors (share agreeing)	Managers+ (A)	Entry/Mid (B)
Employees receive adequate training on AI	78%B	56%
Leadership provides a clear long-term AI vision	79%B	64%
I have meaningful choice over how and when I use AI in my work	90%B	77%
Does not agree: What holds my department back with AI is mostly people and processes	34%	39%
Does not agree: I see real resistance to AI among my colleagues	45%	49%

Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I.

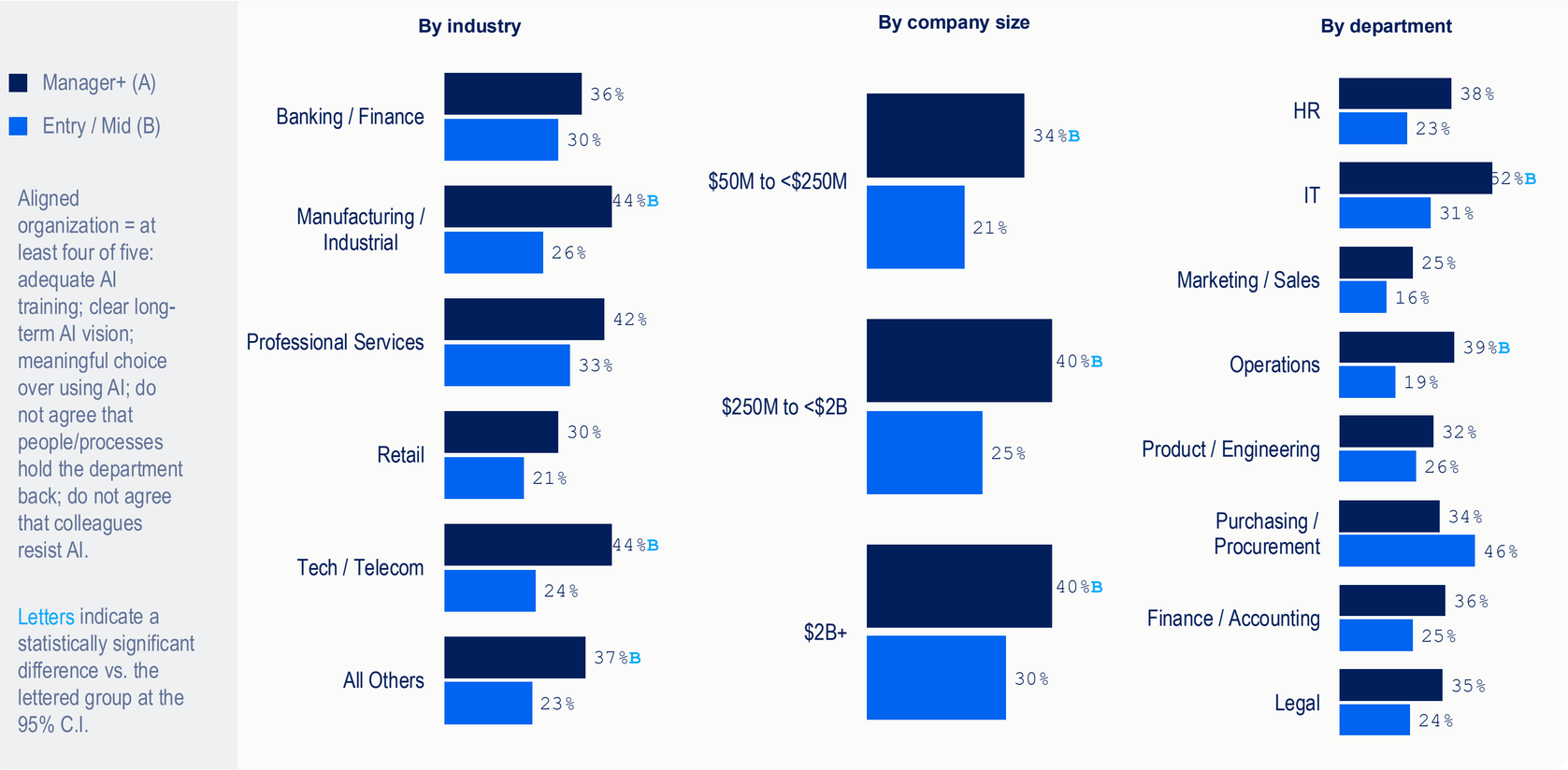
39% of managers+ describe an aligned organization, meeting at least four of the five alignment factors.

Fewer non-managers agree. Among entry- and mid-level employees, only 26% say their workplace meets four of five factors.

Aligned = at least four of: "Employees receive adequate training on AI" (LEAD2); "Leadership provides a clear long-term AI vision" (LEAD5); "I have meaningful choice over how and when I use AI in my work" (IMP2); do not agree that "What holds my department back with AI is mostly people and processes, not the technology" (LEAD2); do not agree that "I see real resistance to AI among my colleagues" (LEAD2).
Managers+ (n=1,007); Entry/Mid (n=409)

The Seniority Gap on Alignment Appears in Firms of All Types

Aligned Organizations, Managers+ vs. Entry/Mid, by Industry, Company Size, and Department (Among Total)



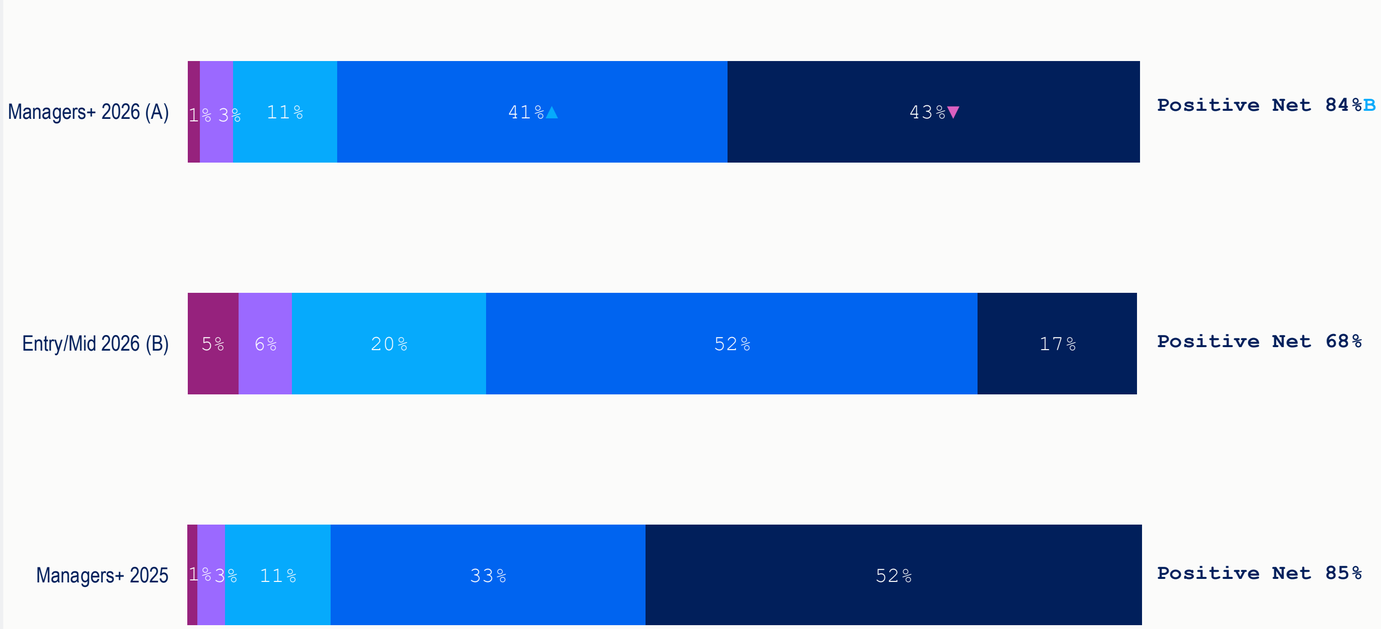
Managers+ report an aligned organization more often than entry- and mid-level employees in **every industry, every company size band, and every department but one.**

Similarly, the seniority gap spans company size, at 34% vs. 21% in firms with under $250M in revenue, 40% vs. 25% at $250M to $2B, and 40% vs. 30% at $2B and above.

Organizational Alignment marker by seniority within industry (ORG_IND), revenue tier (HID_ORG_REVENUE_3TIER), and department (HID_ORG_DEPT_QUOTA).
Managers+ (n=1,007) vs. Entry/Mid (n=409); cell bases n=50 to 498.

Most at Every Level Feel They've Become More Positive on AI

Change in Perception of AI Over the Past Year, 2025 vs. 2026 (Among Total, Managers+ vs. Entry/Mid)



▲▼ Statistically significant change vs. the prior wave at the 95% C.I.

Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I.

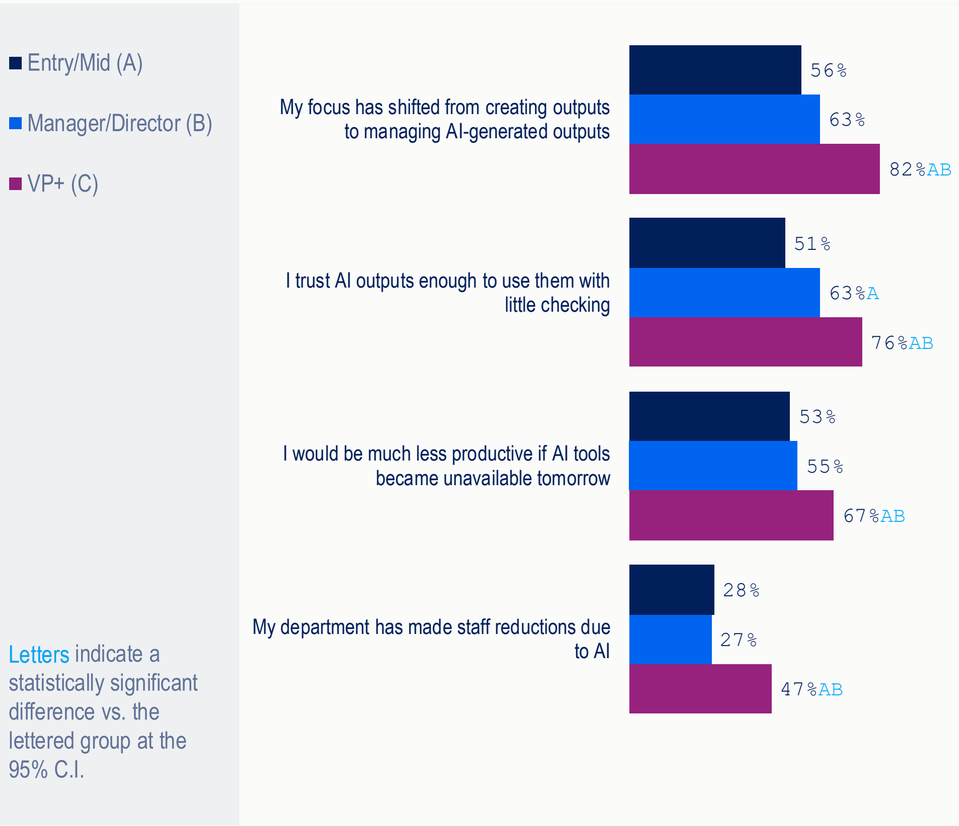
84% of managers+ and 68% of entry- and mid-level employees say their view of AI improved over the past year, vs. just 5% and 11% who say it worsened — there is not much backlash to AI even at junior levels.

The total who say they are more positive among managers stayed constant from 2025 to 2026. However, those who say they're **much more positive declined** from 52% to 43%.

PERC5. How has your perception of AI changed over the past year?
Managers+ 2025 (n=801); Managers+ 2026 (n=1,007); Entry/Mid 2026 (n=409)
Does not include "Not sure," hence displayed data does not sum to 100%.

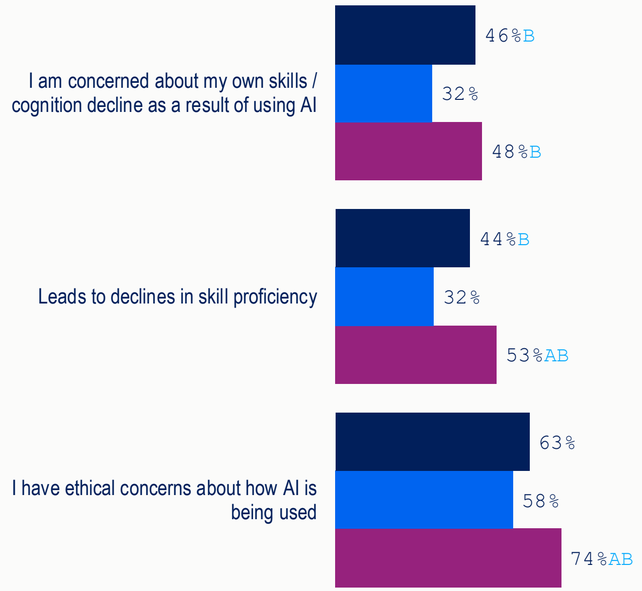
Concern About AI Is Highest at the Top and Bottom of the Hierarchy

Depth of Change by Seniority (Among Total, Showing Strongly/Somewhat Agree)



Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I.

Level of Concern by Seniority (Among Total, Showing Strongly/Somewhat Agree)



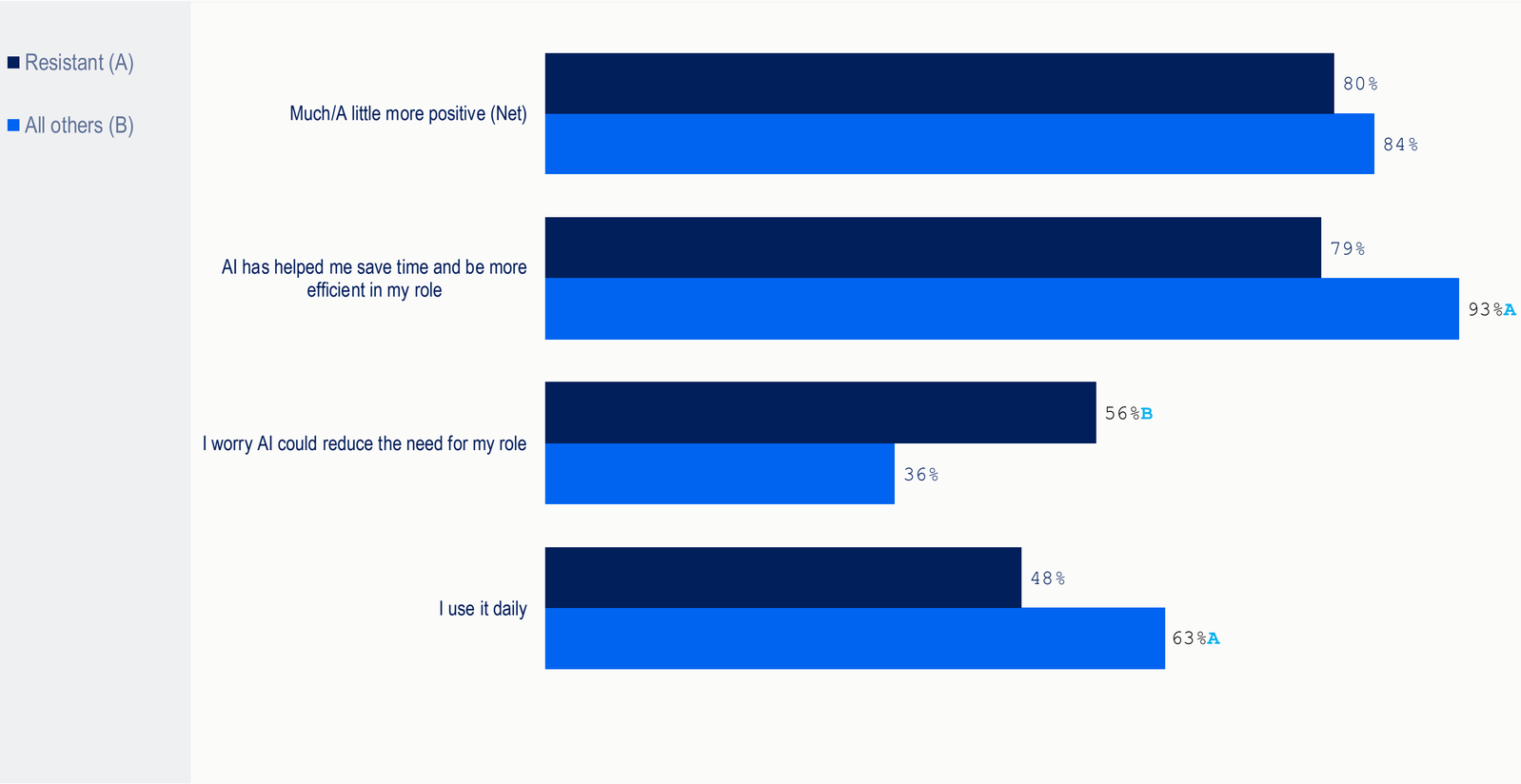
48% of VP+ worry about their own skills declining as a result of AI (vs. 32% of managers/directors and 46% of entry/mid), 53% see skill proficiency falling in their department, and 74% hold ethical concerns. Concern is highest at the top and the bottom of the hierarchy, with managers and directors less worried.

"AI has made us faster and more data-driven, but it has not, and should not, replace the human element of trust, accountability, and strategic foresight that defines our industry. The balance between AI efficiency and human judgment is the central strategic challenge we face today." —C-Suite, Finance, Banking, $250M–$2B

IMP2. What is your level of agreement with each of the following statements about the effect AI has had on your role?
IMP3. What is your level of agreement with each of the following statements about the effect AI has had on your department?
Entry/Mid (n=409); Manager/Director (n=512); VP+ (n=495)

AI Resistance Looks Like Reluctance Rather Than Sabotage

Profile of Employees Who Describe Themselves as Resistant to AI (Among Managers+, Resistant vs. All Others)



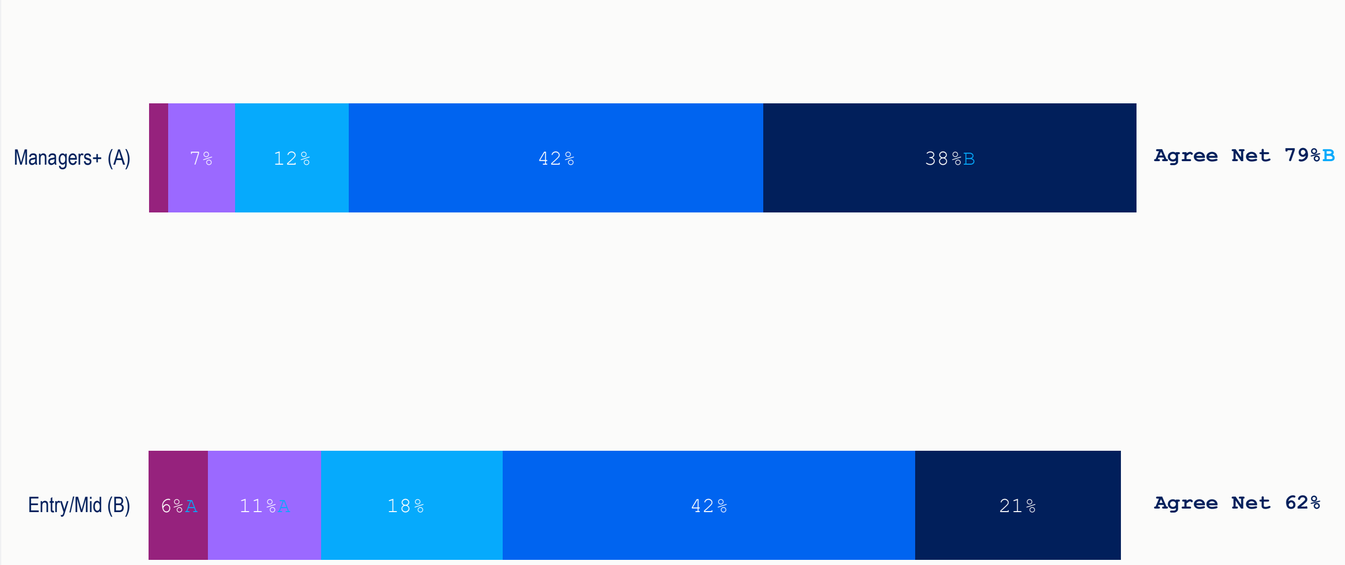
Just 7% of respondents **describe themselves as resistant to AI**. These resisters use AI less (48% daily against 63%) and also worry more about AI's impact on their role (56% against 36%).

However, **even these more resistant workers see AI benefits.** 79% of those who use AI say AI saves them time, and 80% say their view of AI has improved over the past year.

PERC5. How has your perception of AI changed over the past year?
PERC2. What is your experience using AI for work purposes?
IMP2. What is your level of agreement with each of the following statements about the effect AI has had on your role? "AI has helped me save time" asked of current AI users only (resistant n=61; all others n=929).
Managers+: those who describe themselves as "Resistant" to AI at PERC4 (n=66, very small base, read directionally) vs. all other managers+ (n=941).

Managers Rate Employee Confidence With AI Higher Than Employees Do

Employees Are Confident Using AI in Daily Work (Among Total, Managers+ vs. Entry/Mid)



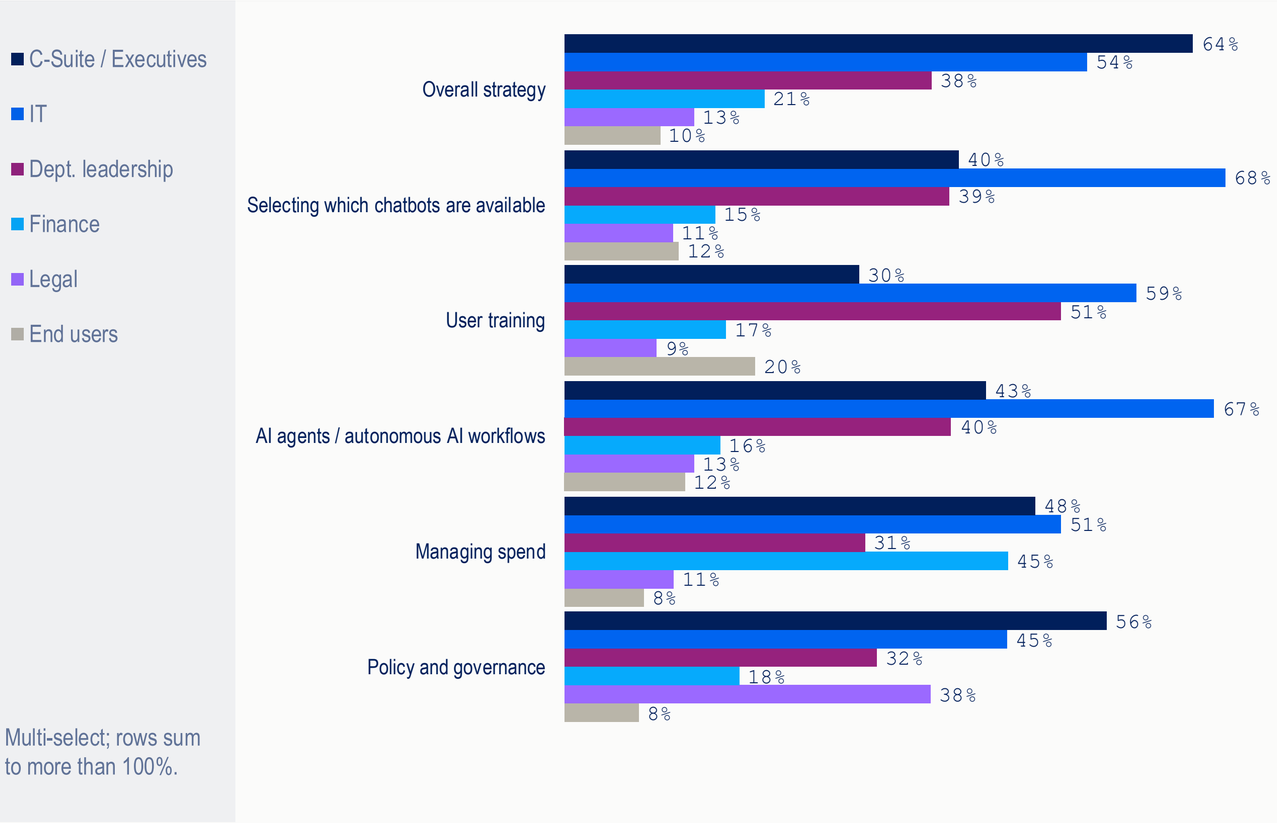
Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I.

79% of managers+ agree employees are confident using AI in their daily work. 62% of entry- and mid-level employees agree, **a gap of 17 points.**

LEAD5. How much do you agree with each of the following statements about AI across your organization?
Managers+ (n=1,007); Entry/Mid (n=409)
Does not include "Not sure," hence displayed data does not sum to 100%.

Leadership Owns AI Strategy and Governance; IT Owns Tools and Agents

Parties Responsible for Each Part of AI Strategy (Among Managers+ with influence over AI decisions)



Multi-select; rows sum to more than 100%.

AI decision influence is split between leadership and IT, the former for big-picture strategy and governance, the latter for detailed implementation. The C-suite/executives are named on overall strategy (64%) and on policy and governance (56%); IT leads on tool selection (68%) and on agents (67%).

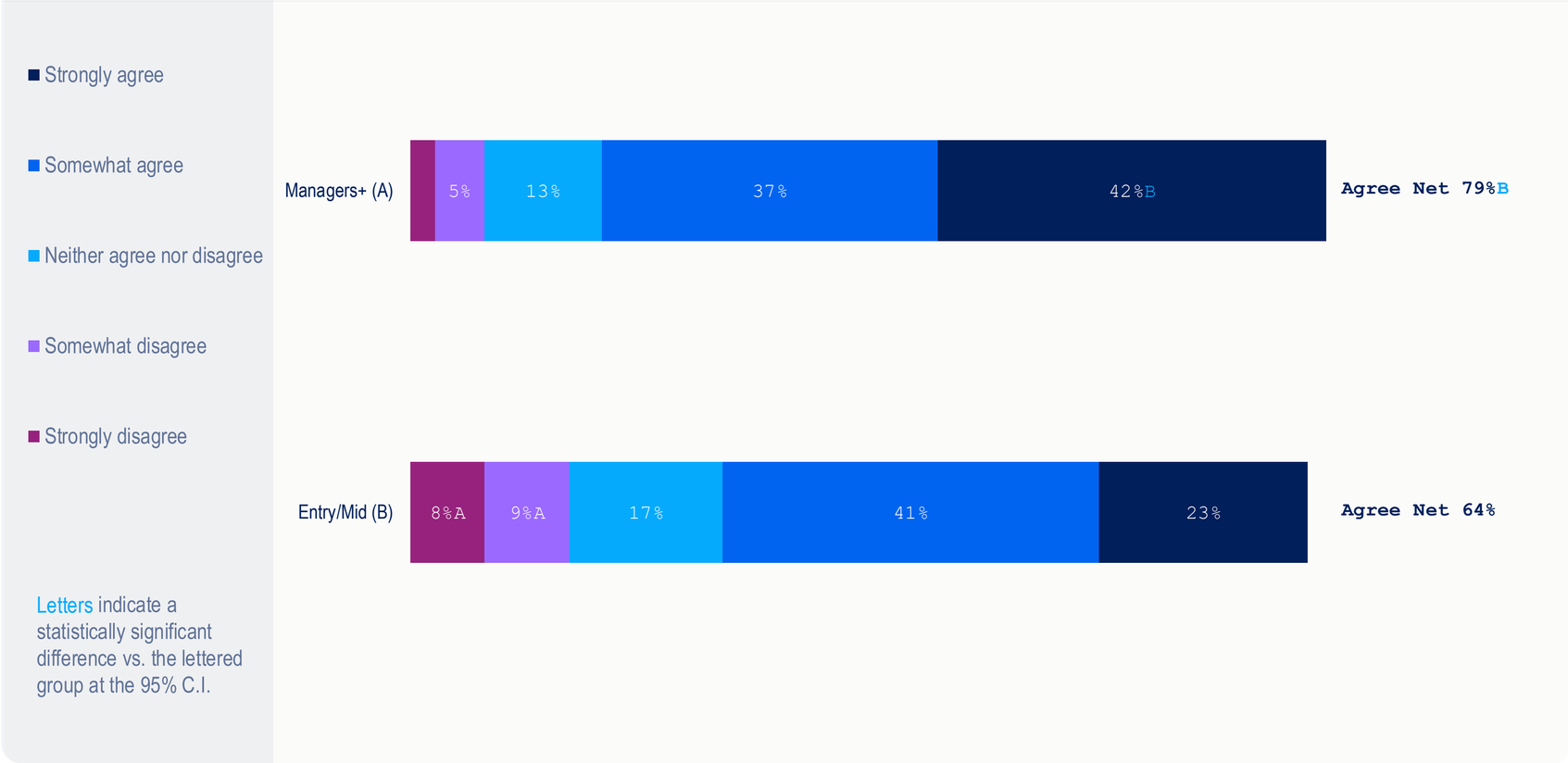
46% of managers+ with AI decision influence who say the C-suite/executives are responsible for AI policy and governance meet the organizational alignment definition, vs. 32% of those who do not.

Training is left to the department level. Department leadership is named on user training by 51%, well ahead of the C-suite at 30%.

Does not include "Not sure," hence displayed data does not sum to 100%.
LEAD6. Who in your organization is responsible for each of the following parts of your AI strategy? Select all that apply.
Among Managers+ with at least some influence over AI decisions (n=970). Multi-select; rows sum above 100%.

Four in Five Managers See a Clear AI Vision; Two in Three Employees Agree

Leadership Provides a Clear Long-Term AI Vision (Among Total, Managers+ vs. Entry/Mid, Showing Full Scale)



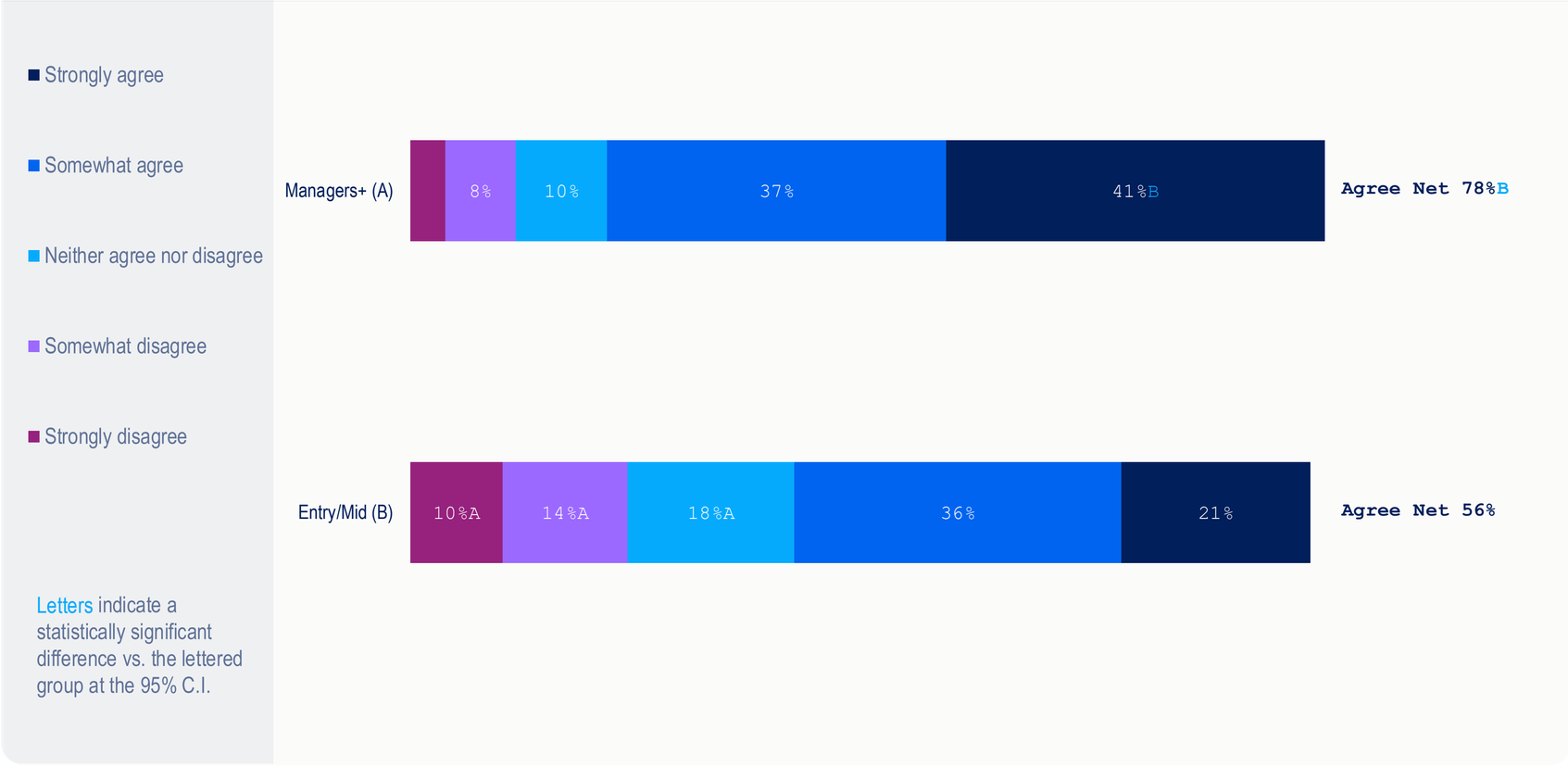
Managers more often believe that their organization has communicated a clear vision for AI. 79% of managers+ agree leadership provides a clear long-term AI vision, and 87% of VP+ do. 64% of entry- and mid-level employees agree, a 15-point gap.

"Leadership wants us to use AI day to day… They have made a large investment in AI user licenses, but with almost no clear vision of what benefits they want to see." —Mid-level, HR, Transport/Logistics, $250M–$2B

LEAD5. How much do you agree with each of the following statements about AI across your organization?
Managers+ (n=1,007); Entry/Mid (n=409)
Does not include "Not sure," hence displayed data does not sum to 100%.

Training Shows the Largest Gap Between Managers and Employees

Employees Receive Adequate Training on AI (Among Total, Managers+ vs. Entry/Mid, Showing Full Scale)



78% of managers+ say employees receive adequate training on AI, but **only 56% of entry- and mid-level employees agree**, and 24% disagree.

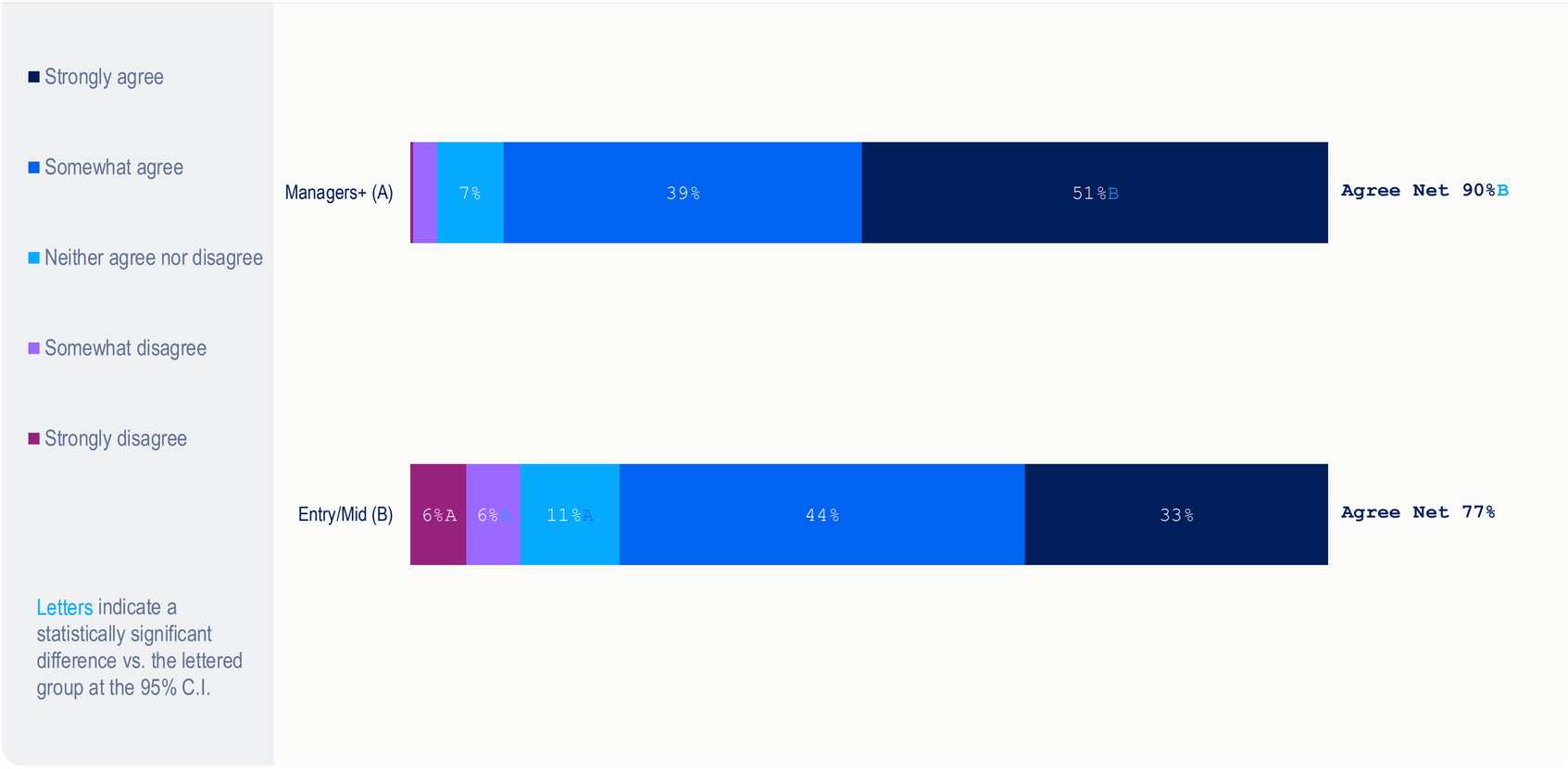
This indicates that recipients of that training are unconvinced that it's working. Training is the alignment factor where the two tiers disagree most.

"Using AI requires our teams to train and get up to speed although we are all working on projects and may not have sufficient time… Some of the material is confusing, seems there's not enough step by step instructions." —Mid-level, IT, Tech/Telecom, $2B+

LEAD2. How much do you agree with each of the following statements about how AI is used and managed in your department?
Managers+ (n=1,007); Entry/Mid (n=409)
Does not include "Not sure," hence displayed data does not sum to 100%.

Most Say They Have Meaningful Choice Over Using AI

I Have Meaningful Choice Over How and When I Use AI (Among Total, Managers+ vs. Entry/Mid)



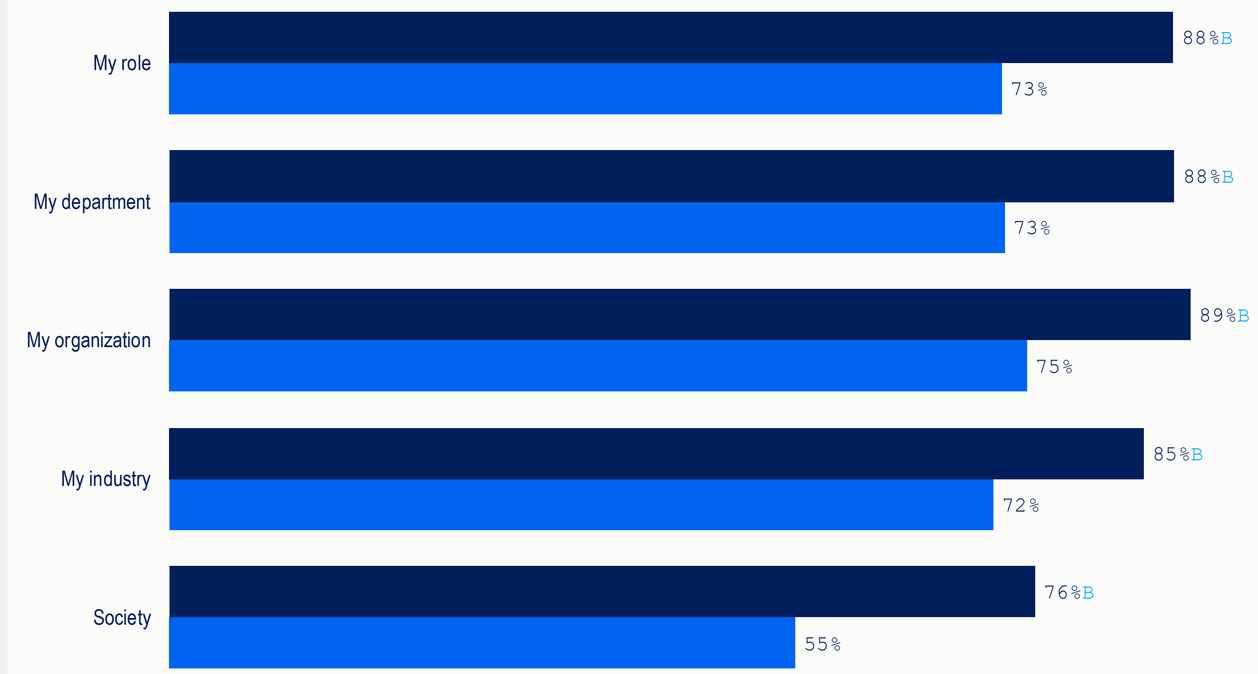
90% of managers+ agree they have meaningful choice over how and when they use AI in their work. 77% of entry- and mid-level employees agree.

12% of entry- and mid-level employees actively disagree, against 3% of managers+.

IMP2. What is your level of agreement with each of the following statements about the effect AI has had on your role?
Managers+ (n=1,007); Entry/Mid (n=409)

Positivity Towards AI Is Weakest at the Societal Level

Overall Impact of AI on Society vs. Own Role and Organization (Among Total, Managers+ vs. Entry/Mid, Showing % Very/Somewhat Positive)



Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I.

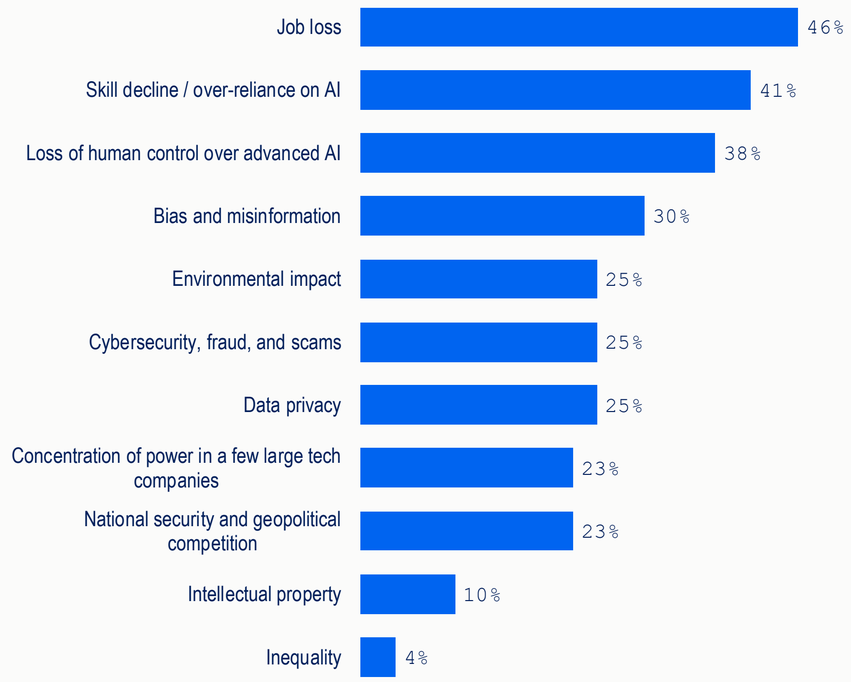
Managers+ rate AI's impact **positively for their own role**, department, and organization at 88% to 89%, falling to 85% for their industry and 76% for society.

Entry- and mid-level employees **start lower and fall further**: 73% rate the impact on their own role positively, and 55% on society.

IMP5. How would you describe the overall impact AI has had on each of the following?
Managers+ (n=1,007); Entry/Mid (n=409)

Job Loss and Skill Decline Top Concerns Among Those Negative on AI's Societal Impact

Areas of Greatest Concern About AI's Effect on Society (Among Managers+ Negative on Societal Impact)



Multiple responses allowed; small base, directional only.

Among managers+ who believe AI has had a negative impact on society, **job loss** (46%), **skill decline and over-reliance** (41%), and loss of human control over advanced AI (38%) are the top reasons.

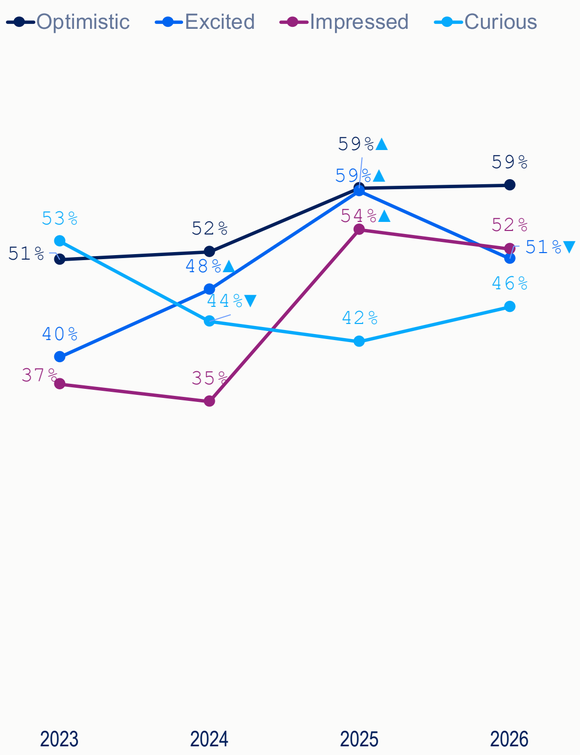
Misinformation and environmental impact follow. Misinformation (30%), Environmental impact (25%), and cybersecurity and fraud (25%) round out the top six.

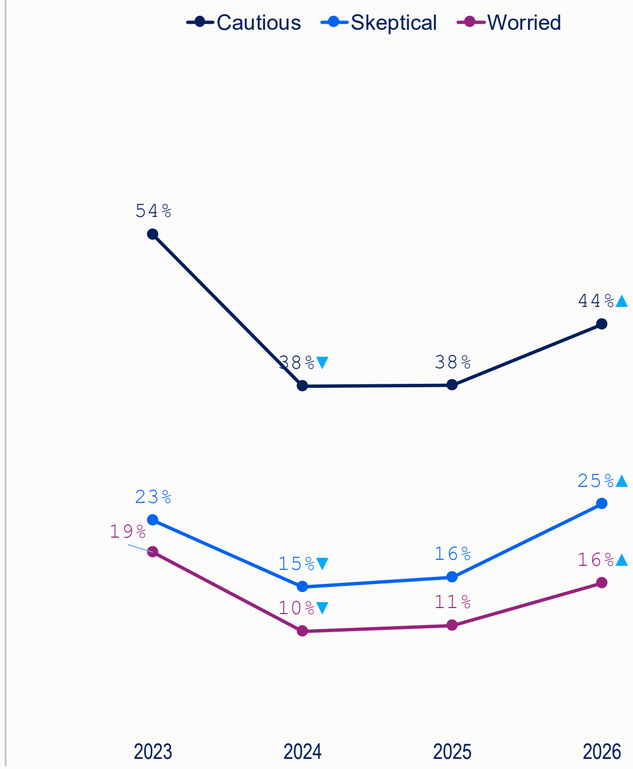
"Loss of critical thinking skills and decision making… People no longer understand why something is being done or the nuances involved. They just let a thing decide and go with it." —Mid-level, Legal, Financial Services, $2B+

IMP7. In which of the following areas are you most concerned about the effects of AI on society?
Managers+ rating AI's impact on society negatively (n=80)

AI Excitement Cooled Slightly This Year, While Caution and Skepticism Grew

Words Describing Perception of AI Today, 2023 to 2026 (Among Managers+, Positive and Negative Words)





Multiple responses allowed; the prior year. Arrows indicate a statistically significant change vs. the prior wave at the 95% C.I.

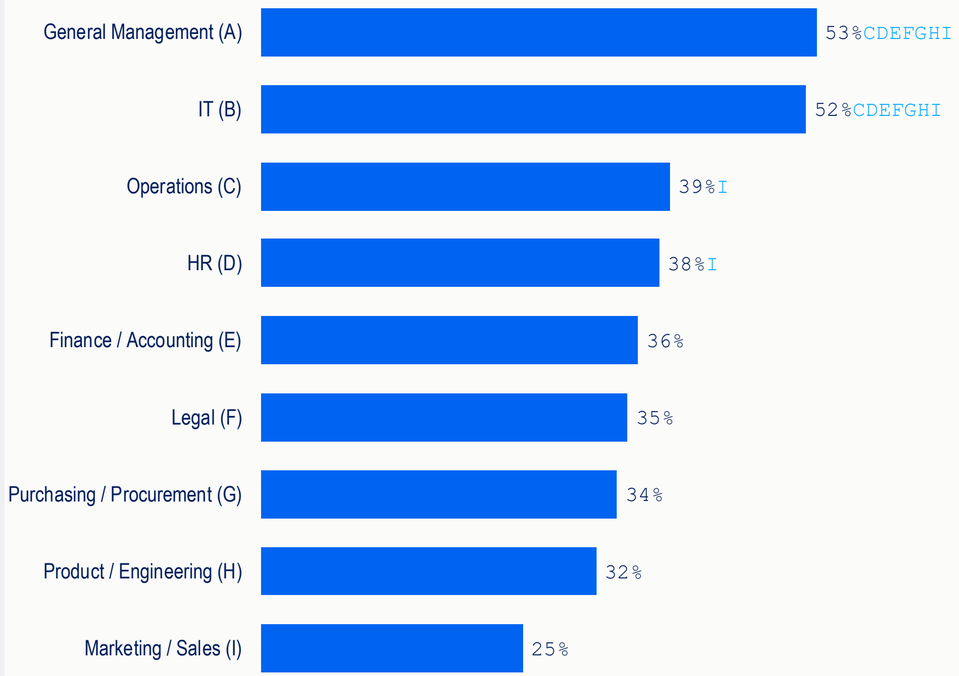
While each negative word was still selected by a minority, **negative feelings towards AI rose from 2025 to 2026:** Among managers+, cautious is up 7 points to 44%, skeptical up 8 points to 25%, and worried 5 points to 16% versus last year. This is a shift **back toward 2023 levels:** Caution fell from 54% in 2023 to 38% in 2024 and 2025, and skepticism from 23% to 15%.

Selection of excited fell 8 points to 51%, while optimistic is unchanged at 59%. This is the first wave in which usage and excitement moved in opposite directions.

PERC3 / PERC4. Which (if any) of the words below describes your perception of AI as it stands today?
Positive list (PERC3) and negative list (PERC4) shown separately.
Managers+: 2023 (n=672), 2024 (n=802), 2025 (n=801); Managers+ 2026 (n=1,007)

General Management and IT Are Most Aligned; Marketing and Sales are Least Aligned

Share Meeting Alignment Marker, by Department (Among Managers+)



Aligned organization = at least four of five: adequate AI training; clear long-term AI vision; meaningful choice over using AI; do not agree that people/processes hold the department back; do not agree that colleagues resist AI.

Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I.

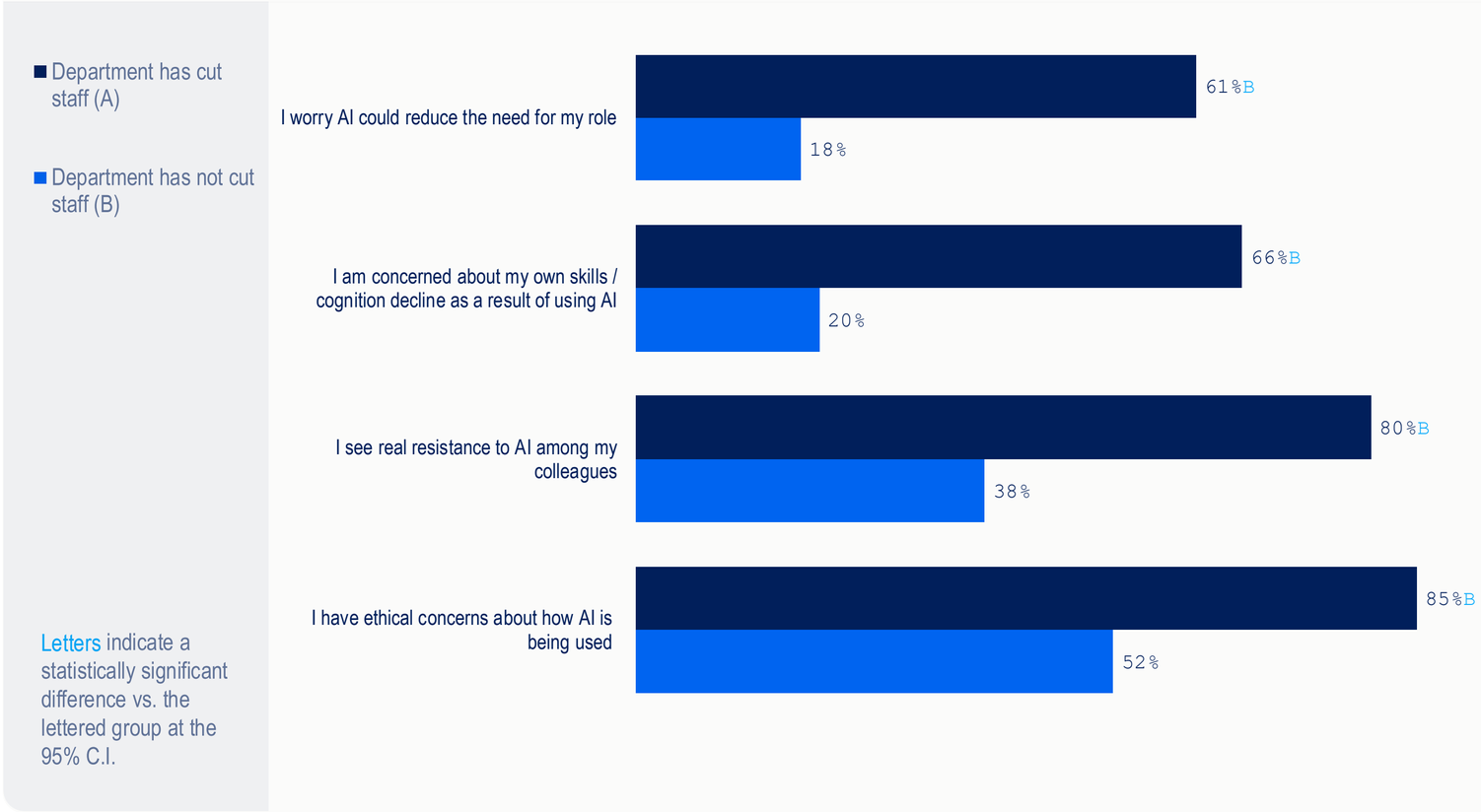
Two departments are succeeding on alignment: 53% of those in General Management and 52% of managers+ in IT report an aligned organization, against 39% overall.

25% of Marketing/Sales managers+ describe alignment, the lowest of any department. Product/Engineering (32%) and Purchasing (34%) are next lowest.

Organizational Alignment marker (four of five factors) by department (HID_ORG_DEPT_QUOTA). Managers+; department bases n=103 to 133.

Where Departments Have Cut Staff, Concern About AI Triples

Concern About AI by Whether the Department Has Cut Staff (Among Managers+, Showing “Agree”)



Where a department has cut staff because of AI, 61% of managers+ worry about their own role, and 66% fear their skills declining. Where it has not, those figures drop to 18% and 20%.

They are also more likely to observe resistance to AI among colleagues: 80% against 38%.

Ethical concerns about AI run 85% against 52%.

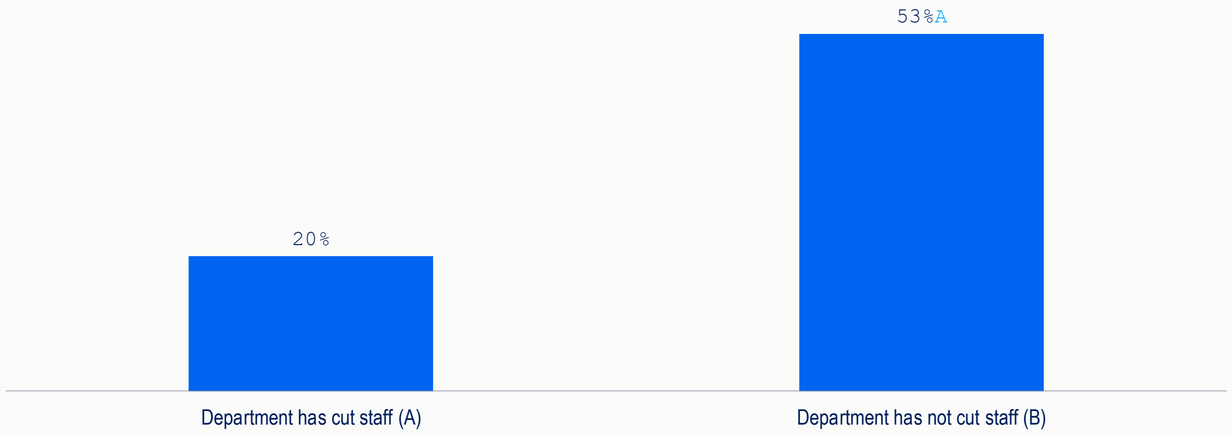
IMP2 (“I worry AI could reduce the need for my role”; “I am concerned about my own skills / cognition decline as a result of using AI”), LEAD2 (“I see real resistance to AI among my colleagues”), LEAD1 (“I have ethical concerns about how AI is being used”) by IMP3 “My department has made staff reductions due to AI”: agree (n=369) vs. disagree (n=522). Managers+;

Organizational Alignment Is More Than Twice as Common Where No Staff Have Been Cut

Aligned Organizations by Whether the Department Has Cut Staff Due to AI (Among Managers+, Showing % Aligned)

Aligned organization = at least four of five: adequate AI training; clear long-term AI vision; meaningful choice over using AI; do not agree that people/processes hold the department back; do not agree that colleagues resist AI.

Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I.

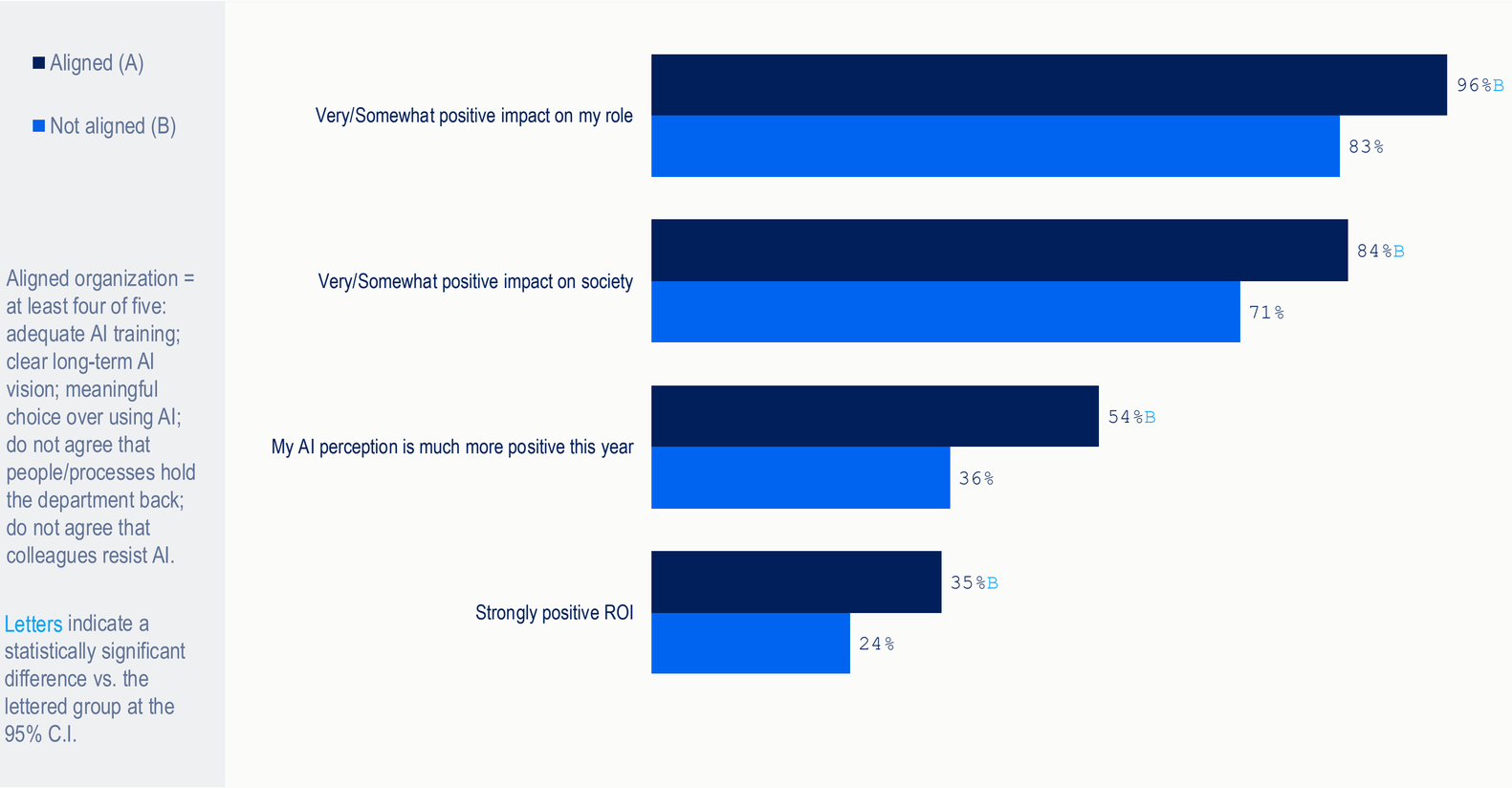


53% of managers+ e whose department has not cut staff because of AI **describe an aligned organization**. Where staff have been cut, 20% do. It may be that departments that cut staff were less aligned to begin with, or that staff cuts weakened alignment.

Organizational Alignment marker (four of five factors) by IMP3 "My department has made staff reductions due to AI": somewhat/strongly agree (n=369) vs. somewhat/strongly disagree (n=522). Managers+

Aligned Organizations Are More Positive About AI and Report Stronger Returns

Perception of AI and Strongly Positive ROI, Aligned vs. Non-Aligned Organizations (Among Managers+)



Alignment and positive AI sentiment go hand-in-hand. 54% of managers+ at aligned organizations say their view of AI is much more positive than a year ago, against 36% in non-aligned organizations. 96% rate its impact on their role positively (vs. 83%).

35% of managers+ at aligned organizations report strongly positive ROI, against 24% where the organization is not aligned.

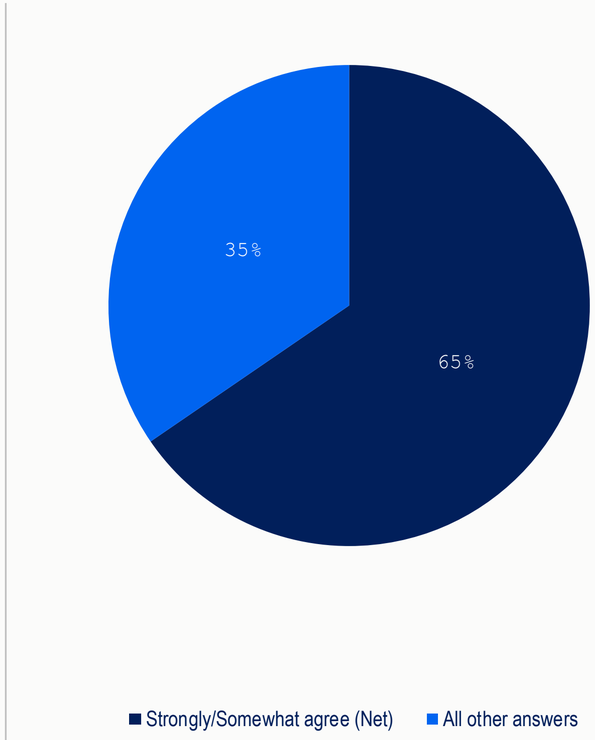
PERC5 ("Much more positive (5)"), IMP5 ("Very/Somewhat positive (Net)" for "My role" and for "Society") and SP6 ("Strongly positive ROI (clear substantial financial returns)") by Organizational Alignment marker.
Managers+: aligned (n=390) vs. not aligned (n=617)

People and Processes, Not Technology, Are the Biggest Perceived Constraint

Biggest Challenges Adapting the Talent Pipeline to AI
(Among Managers+, 2025 vs. 2026)



People and Processes, Not Technology, Hold the Department Back
(Among Managers+, Strongly/Somewhat Agree vs. All Other Answers)

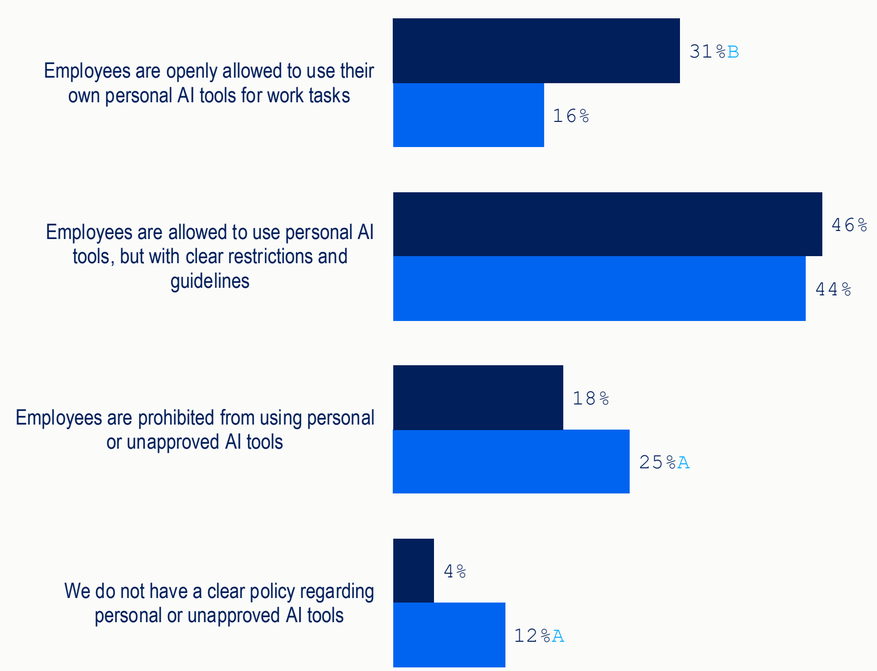


65% of managers+ agree that what holds their department back with AI is mostly people and processes, not the technology.

LEAD4. In your view, what are the biggest challenges your department faces in adapting its talent pipeline to keep pace with AI adoption?
LEAD2. How much do you agree with each of the following statements about how AI is used and managed in your department?
Managers+ 2025 (n=801); Managers+ 2026 (n=1,007)

Most Organizations Permit Personal AI Tools, Usually With Rules

Organizational Policy on Personal AI Tools (Among Total, Managers+ vs. Entry/Mid)



Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I.

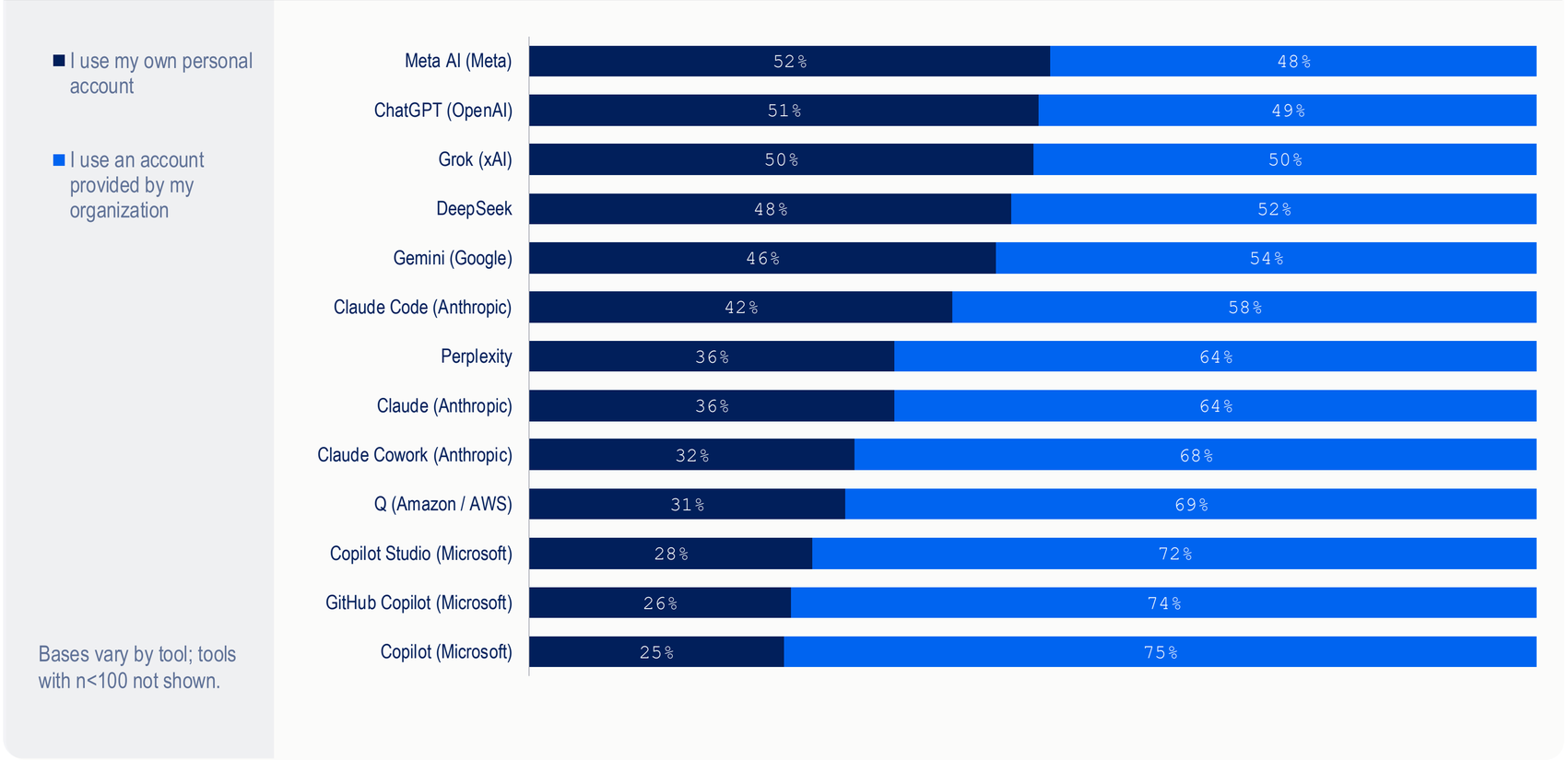
Permission with rules: 46% of managers+ say personal AI tools are allowed with clear rules, and 31% say they are openly allowed. Only 18% say they are prohibited.

Employees hear a stricter message. 25% of entry- and mid-level employees believe personal tools are prohibited, and 12% say there is no clear policy, against 4% of managers+.

APP3. Which of the following best describes your organization's policy regarding the use of personal AI tools (i.e., consumer accounts)?
Managers+ (n=1,007); Entry/Mid (n=409)
Does not include "Not sure," hence displayed data does not sum to 100%.

ChatGPT, Meta, and Gemini Are Often Used on Personal Accounts at Work

Personal vs. Organization-Provided Accounts for AI Tools Used at Work (Among Managers+ Using Each Tool)



Bases vary by tool; tools with n<100 not shown.

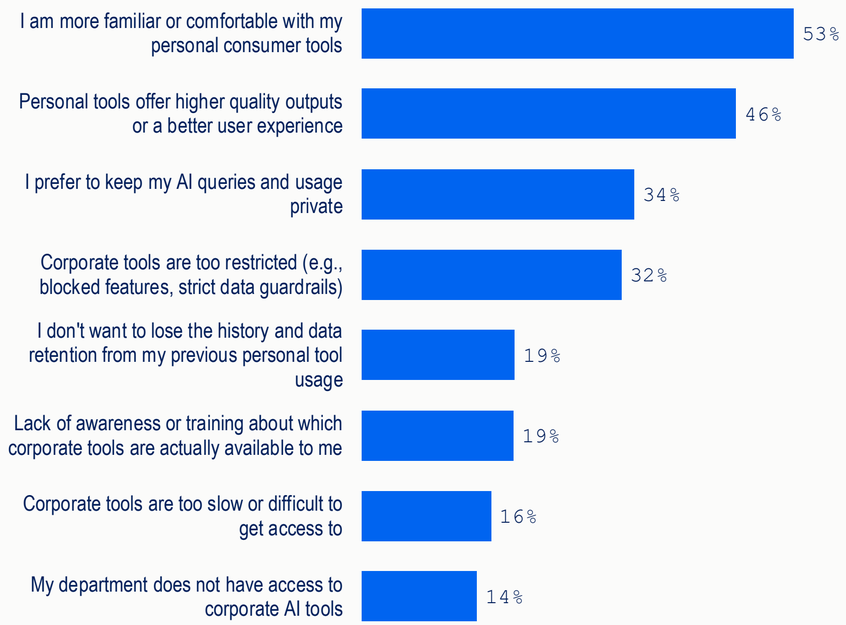
Consumer-facing tools are more often used on personal accounts. 52% of Meta AI users, 51% of OpenAI users, and 46% of Gemini users access them for work through a personal account.

Copilot (75%), GitHub Copilot (74%), and Copilot Studio (72%) **are mostly organization-provided**.

APP2. In what capacity do you use each of the following AI tools for work purposes, even if just occasionally?
Managers+; Asked per tool selected at APP1; bases vary by tool.

Familiarity and Better Output Drive the Choice of Personal Tools

Reasons for Using Personal AI Tools Instead of Corporate Tools (Among Managers+ Using a Personal Account at Work)



Multiple responses allowed.

53% of managers+ using personal accounts say they choose them because they prefer the tools they already know, and 46% say personal tools give better output or a better experience.

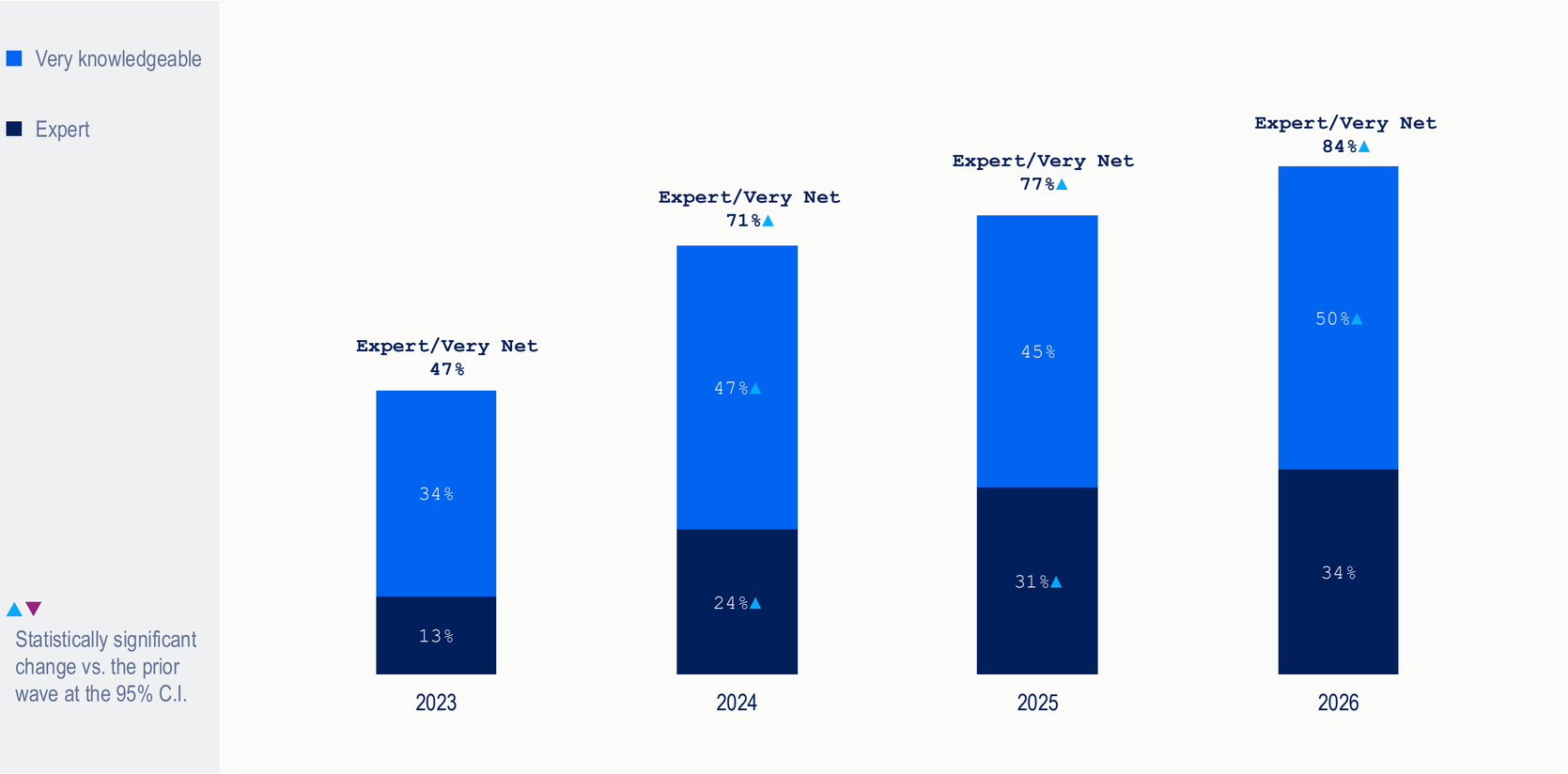
Avoiding corporate restrictions and maintaining privacy are the next biggest motivators for personal tool use. 34% prefer to keep their AI use private and 32% find corporate tools too restricted. 14% say their department has no corporate AI tools at all.

APP4. What are the primary reasons you choose to use personal AI tools instead of tools provided by your organization?
Managers+ (n=643); Asked of those using a personal account for any AI product.

APPENDIX

Self-Rated AI Expertise Rises Again; a Third Now Call Themselves Experts

Personal Knowledge and Familiarity With AI, 2023 to 2026 (Among Managers+, Showing "Expert/Very Knowledgeable")



Most are confident in their knowledge. 84% of managers+ describe themselves as very knowledgeable or expert on AI, up from 77% in 2025. A third (34%) now claim expert status.

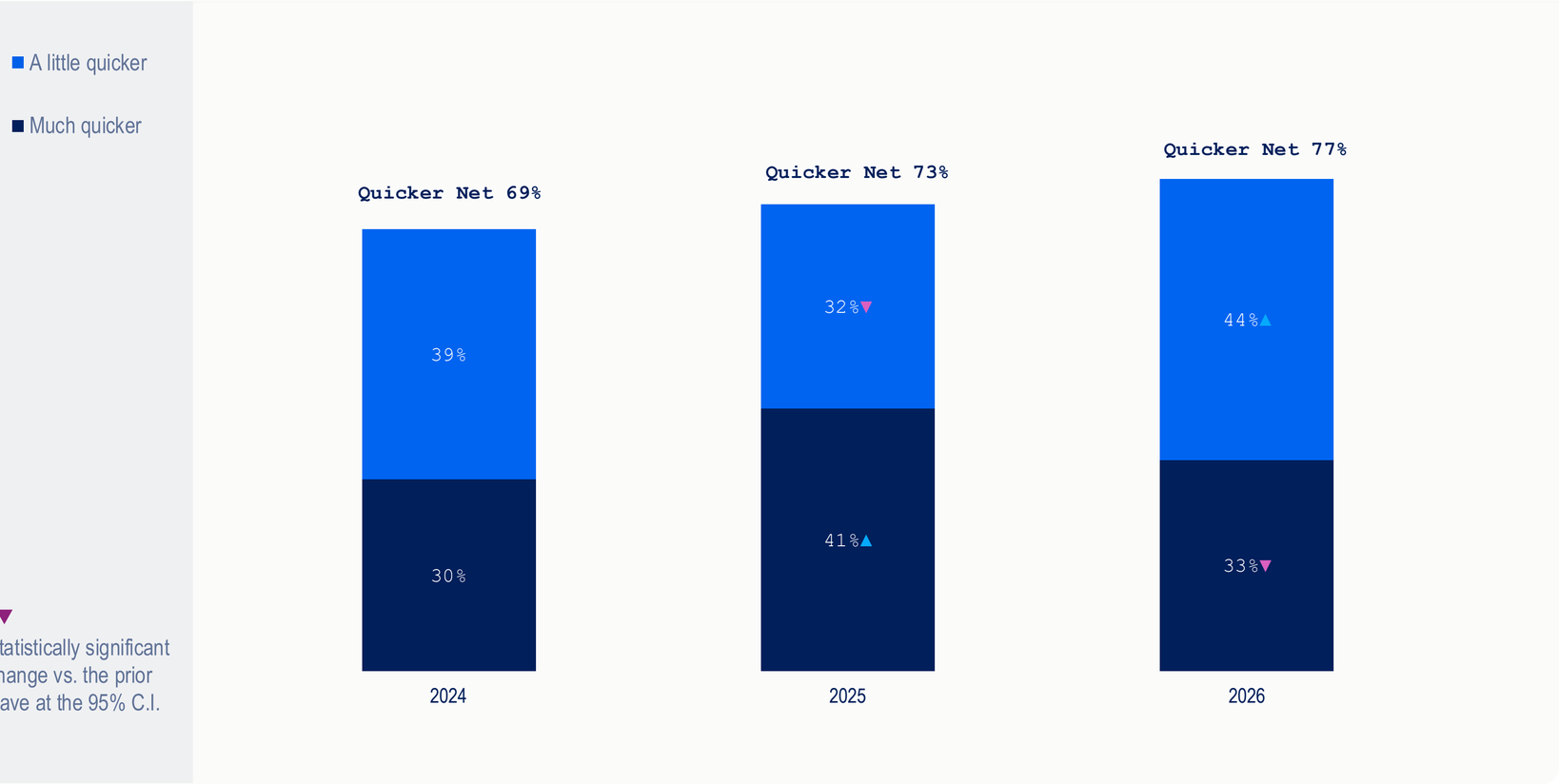
3% of managers+ say they know little or nothing or have limited understanding. Among **entry- and mid-level employees, the figure is 11%.**

Gains are slowing as AI adoption reaches maturity. 47% in 2023, 71% in 2024, 77% in 2025, and 84% today. Expert alone: 13%, 24%, 31%, 34%.

PERC1b. Which best describes your personal knowledge and familiarity with AI?
Managers+: 2023 (n=672), 2024 (n=802), 2025 (n=801); 2026 (n=1,007)

Fewer Now Claim a Big Lead on Adoption

Speed of AI Adoption vs. Industry Peers, 2024 to 2026 (Among Managers+, Showing "Much/A Little Quicker")



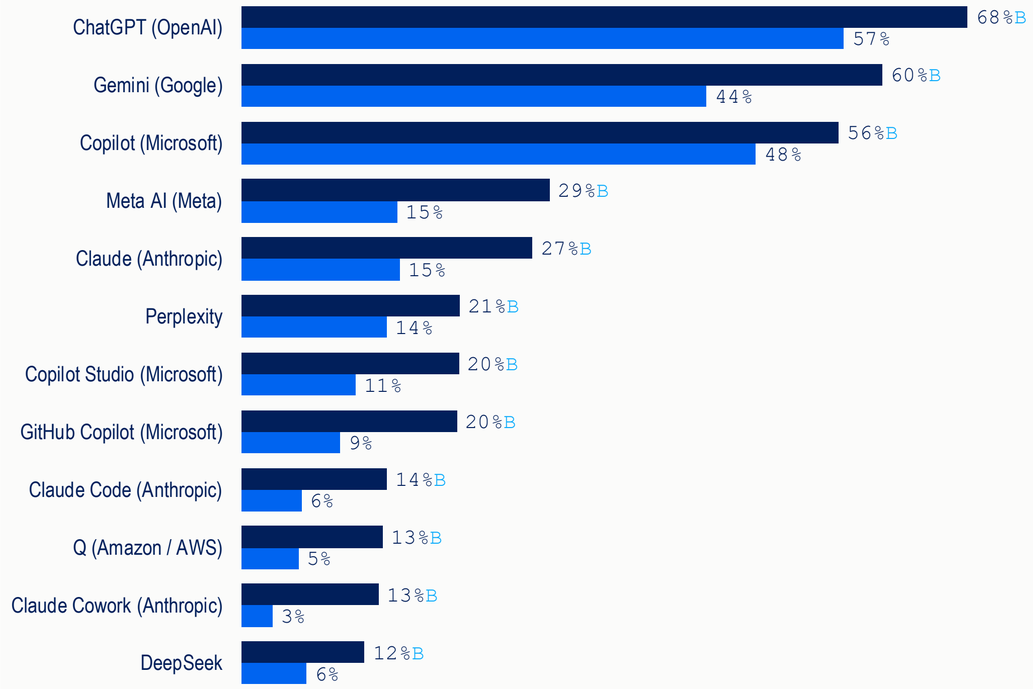
33% of managers+ say their organization adopts AI much quicker than industry peers, down from 41% in 2025. Including "a little quicker," 77% still see themselves ahead.

As weekly use approaches saturation, fewer organizations can plausibly **claim to be far ahead** of the pack. The gap they perceived a year ago has lessened.

PERC6. Compared to other organizations in your industry, which best describes your organization's speed of adoption of AI?
Does not include "Not sure," hence displayed data does not sum to 100%.
Managers+: 2024 (n=802), 2025 (n=801); Managers+ 2026 (n=1,007)

ChatGPT, Gemini, and Copilot Are Top Platform Choices

AI Products Used for Work (Among Total, Managers+ vs. Entry/Mid, Showing Top Mentions)



Multiple responses allowed; Letters indicate a statistically significant difference vs. the lettered group at the 95% C.I.

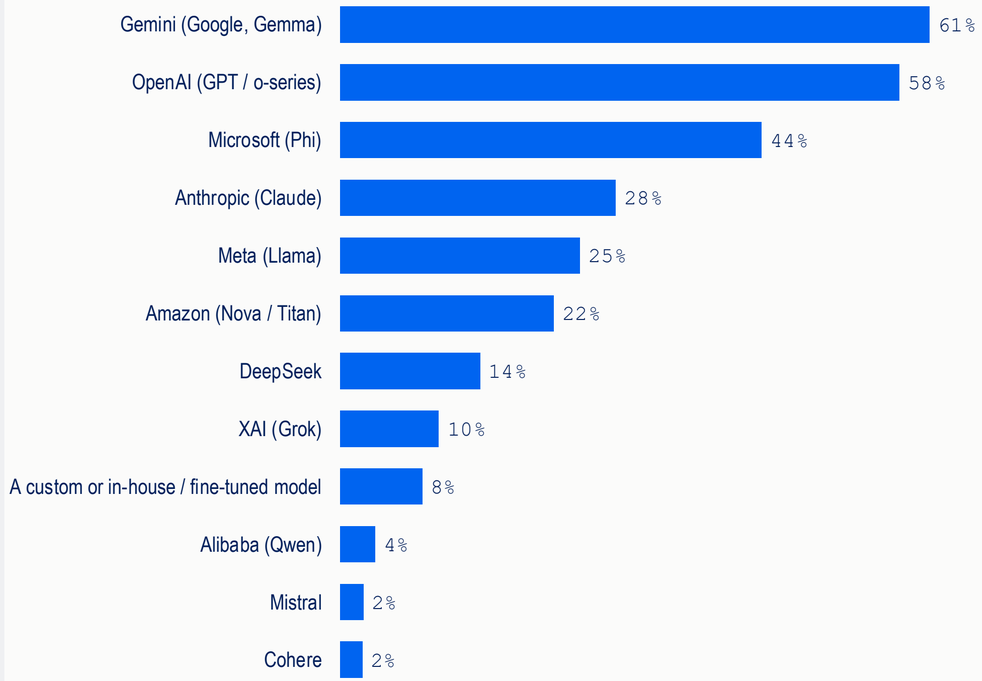
ChatGPT is the most-used AI platform. 68% of managers+ use ChatGPT for work, while 60% use Gemini and 56% use Copilot. Meta AI (29%), Claude (27%), Perplexity (21%), and Copilot Studio (20%) are second-tier choices.

Consistent with their lower reported AI use, entry- and mid-level worker usage **trails on every product**, by 12 points on ChatGPT and 17 on Gemini. 8% use none of the tools listed, against 1% of managers+.

APP1. Which of these AI products do you use for work purposes, even if just occasionally?
Managers+ (n=1,007); Entry/Mid (n=409)

Gemini and OpenAI Are Leading Model Family Choices

Foundational AI Model Families in Use (Among Managers+ Influencing AI Decisions)



Multiple responses allowed; percentages do not sum to 100%.

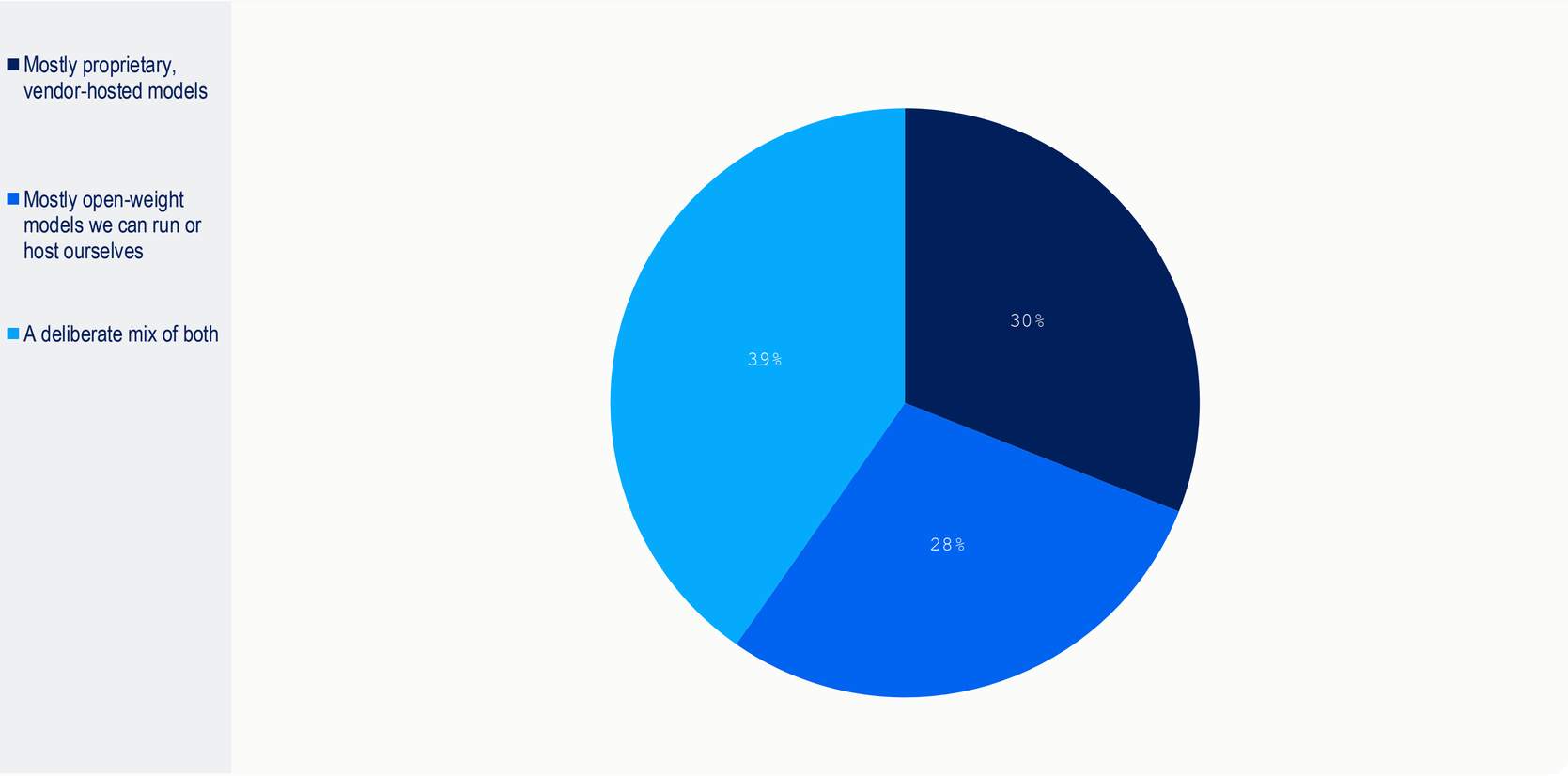
61% of managers+ who influence AI decisions say their organization uses Gemini models, and a similar proportion (58%) use OpenAI models. Microsoft (Phi) (44%), Anthropic Claude (28%), Meta Llama (25%), and Amazon (22%) follow.

Only **8% report a custom or in-house fine-tuned model**.

STACK1. Which of the following foundational AI models or model families does your organization currently use, through any method? Underlying models, not the app or assistant they come in.
Managers+ who at least influence AI decisions (n=970)
Microsoft (Phi) is likely read by some respondents as Copilot/Microsoft generally.

Enterprises Split Three Ways Between Proprietary, Open-Weight, and Mixed Models

Proprietary vs. Open-Weight Foundation Models in Use (Among Managers+ Influencing AI Decisions)

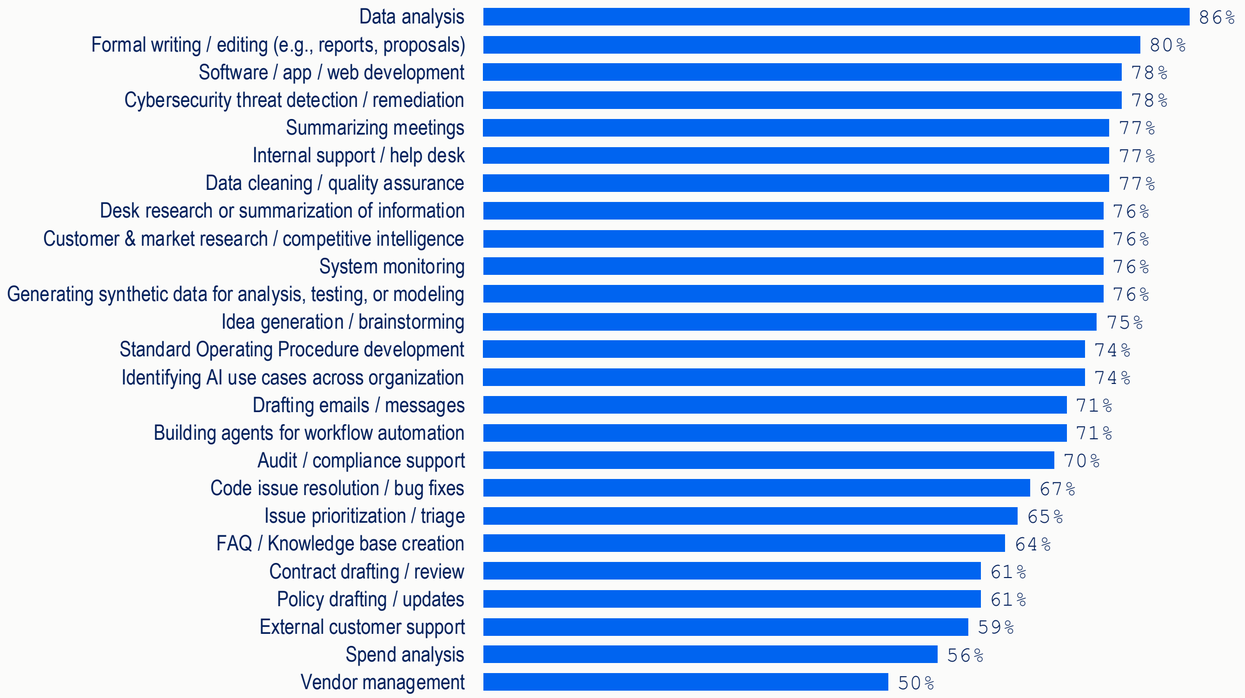


39% of managers+ with AI decision influence say their organizations use a **mix of proprietary and open-weight models**. 30% are mostly proprietary and vendor-hosted; 28% mostly open-weight, run or hosted in-house.

STACK2. Which best describes the foundational AI models your organization uses today? Answer options verbatim: "Mostly proprietary, vendor-hosted models"; "Mostly open-weight models we can run or host ourselves"; "A deliberate mix of both"; "Not sure." Managers+ who at least influence AI decisions (n=970) Does not include "Not sure," hence displayed data does not sum to 100%.

IT Departments Are Applying AI to a Wide Set of Use Cases

Areas Where IT Departments Currently Use AI (Among IT Managers+)



Multiple responses allowed; percentages do not sum to 100%.

IT departments are the heaviest AI users, spanning a variety of cases. 86% of IT managers+ report AI in data analysis, 80% in formal writing, and 78% each in software development and cybersecurity threat detection.

"AI automates documentation, code reviews, ticket routing, meeting summaries, report generation, and routine support tasks, reducing manual work and improving productivity." —Manager/Director, IT, Tech/Telecom, $250M–$2B

USE1. To the best of your knowledge, in which of the following areas is your department currently using AI?
Items tailored to department.
IT, Software Development, and Data Science/Analytics Managers+ (n=133)

General Management Is Incorporating AI Into Strategic Planning and Performance Reviews

Areas Where General Management Currently Uses AI (Among General Management Managers+)



Multiple responses allowed; percentages do not sum to 100%.

87% in General Management report using AI in data analysis, higher than any other department. 80% use AI in business performance analysis, and 74% each in strategic planning and performance reviews.

"We now use AI-generated insights and rapid prototypes as starting points to debate higher-level decisions and evaluate market positioning."
—C-Suite/Owner, General Management, Professional Services, $250M–$2B

USE1. To the best of your knowledge, in which of the following areas is your department currently using AI?
Items tailored to department.
General Management is Managers+ only by design.
Managers+ (n=113)

HR Departments Are Active AI Users Across Hiring and Analytics

Areas Where HR Departments Currently Use AI (Among HR Managers+)



Multiple responses allowed; percentages do not sum to 100%.

HR uses AI heavily for analysis and planning. 83% of HR managers+ report AI in data analysis, 79% in people analytics and workforce planning, and 77% in onboarding and training.

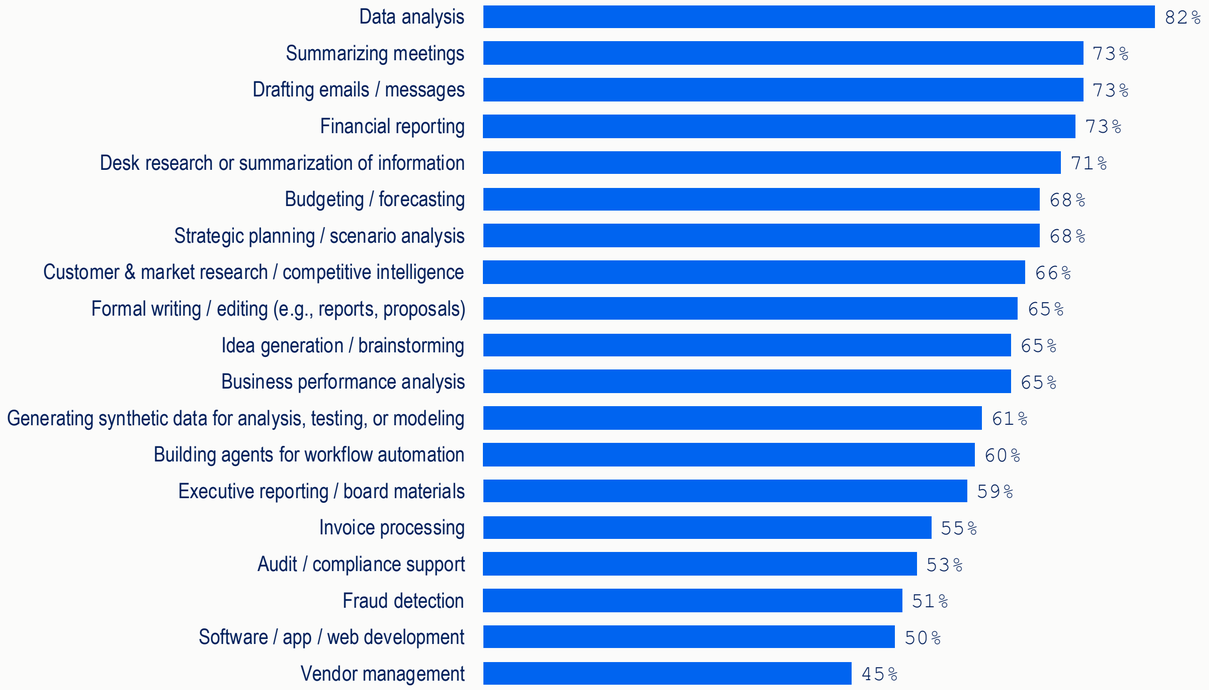
They've also incorporated AI into hiring and reviews. 68% use AI for performance review support, 66% for candidate screening, and 65% for job description creation.

"AI can scan thousands of resumes and find the candidates most qualified for a given job… We need fewer employees to search resumes for qualified employees." —Manager/Director, HR, Retail, $250M–$2B

USE1. To the best of your knowledge, in which of the following areas is your department currently using AI?
Items tailored to department.
HR Managers+ (n=108)

Finance Departments Are Leaning on AI for Reporting and Forecasting

Areas Where Finance/Accounting Departments Currently Use AI (Among Finance/Accounting Managers+)



Multiple responses allowed; percentages do not sum to 100%.

Within finance/accounting departments, AI is most used for reporting and analytical tasks. 82% of finance managers+ report AI in data analysis, 73% in financial reporting, and 68% each in budgeting/forecasting and strategic planning.

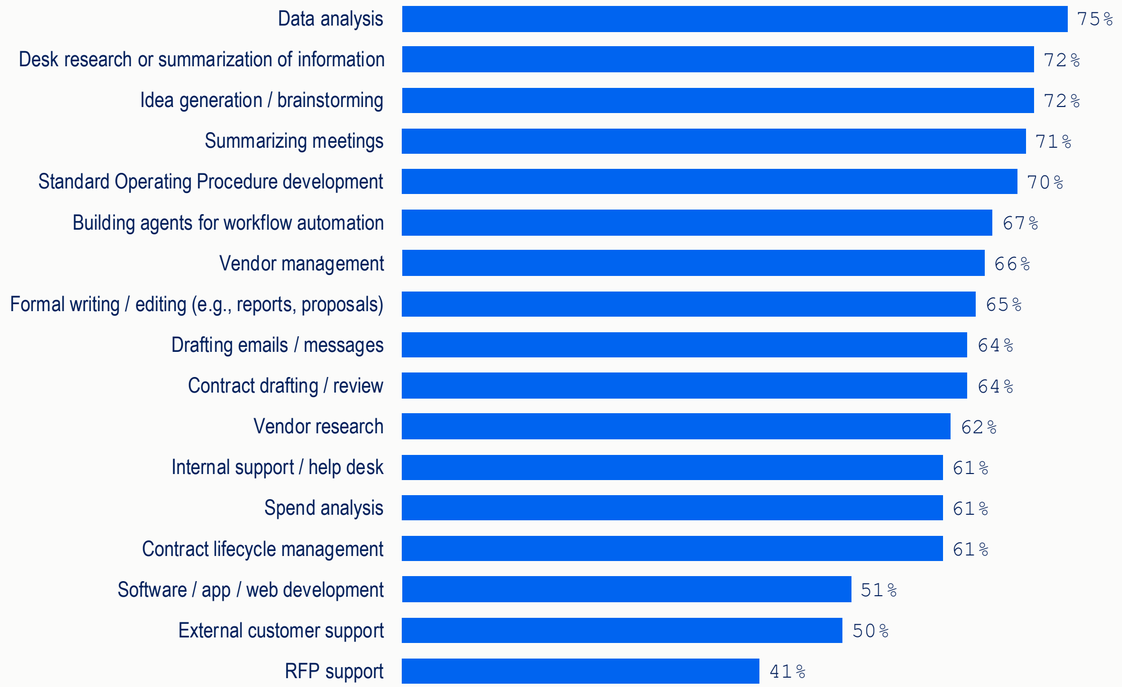
Many also use AI for invoice processing (55%), audit and compliance (53%), and fraud detection (51%).

"The most impactful way our finance department has utilized AI in the past year is by replacing our static, spreadsheet-based forecasting." —VP, Finance, Professional Services, $250M–$2B

USE1. To the best of your knowledge, in which of the following areas is your department currently using AI? Items tailored to department. Finance/Accounting Managers+ (n=113)

Most Purchasing/Procurement Departments Use AI to Research and Manage Vendors

Areas Where Procurement Departments Currently Use AI (Among Purchasing/Procurement Managers+)



Multiple responses allowed; percentages do not sum to 100%.

General-purpose AI uses are common in Purchasing/Procurement departments. 75% of procurement managers+ report AI in data analysis, 72% each in desk research and idea generation, and 70% in SOP development.

Procurement-specific work is close behind. Over six in ten also use AI for vendor management (66%), contract drafting (64%), vendor research (62%), spend analysis (61%), and contract lifecycle management (61%).

"Our department uses AI to summarize vendor proposals, compare pricing, and highlight meaningful differences before recommendations are shared with senior leaders."
—VP, Purchasing, Manufacturing, $50M–$250M

USE1. To the best of your knowledge, in which of the following areas is your department currently using AI? Items tailored to department.
Purchasing/Procurement Managers+ (n=106)

Legal Departments Are Primarily Using AI for Research and Writing

Areas Where Legal Departments Currently Use AI (Among Legal Managers+)



Multiple responses allowed; percentages do not sum to 100%.

Research and writing lead legal use cases. 69% of legal department managers+ report AI in desk research and summarization, 68% in drafting emails, and 64% each in meeting summaries and idea generation.

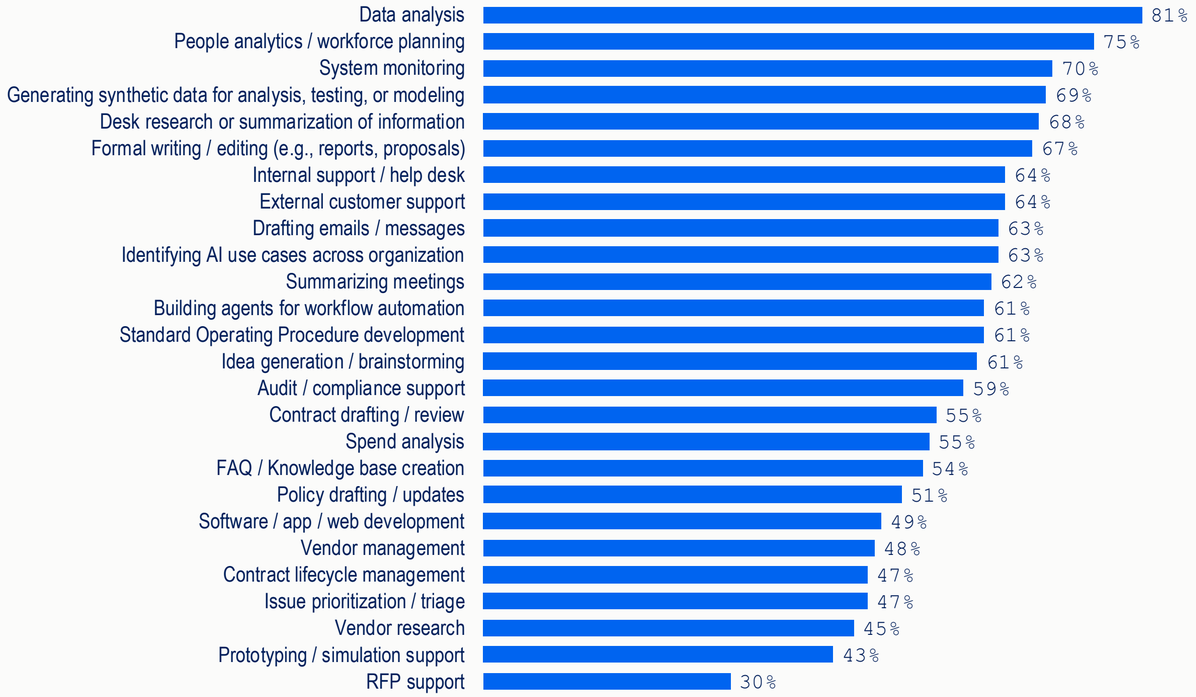
Many have brought AI into contract drafting. 62% report AI in contract drafting and review and 57% in policy drafting; contract lifecycle management (53%) trails.

"Research summaries are prepared much faster, while attorneys still verify citations and conclusions before using the information." —C-Suite/Owner, Legal, Insurance, $250M–$2B

USE1. To the best of your knowledge, in which of the following areas is your department currently using AI?
Items tailored to department.
Legal Managers+ (n=108)

Operations Departments Apply AI to Monitoring, Analysis, and Workforce Planning

Areas Where Operations Departments Currently Use AI (Among Operations, Supply Chain, and Customer Service Managers+)



Multiple responses allowed; percentages do not sum to 100%.

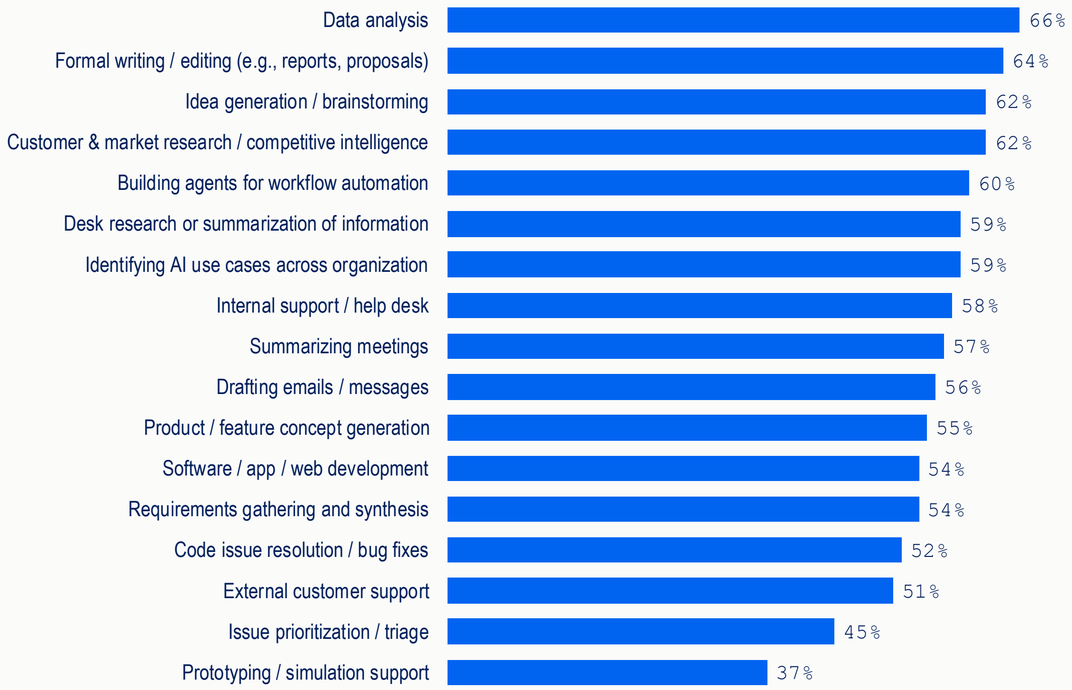
Data analysis and monitoring are the top AI use cases for operations departments. 81% of operations, supply chain, and customer service managers report AI in data analysis, 75% in people analytics and workforce planning, and 70% in system monitoring.

"While we have let go a large percentage of specific departments, which is unfortunate, AI is easily able to handle most help desk and customer queries… Customer satisfaction has been practically unaffected, though employee morale has suffered."
—Manager/Director, Operations, Transport/Logistics, $250M–$2B

USE1. To the best of your knowledge, in which of the following areas is your department currently using AI?
Items tailored to department;
Operations, Supply Chain Management, and Customer Service/Support Managers+ (n=119)

Product and Engineering Departments Have Broad but Lower AI Usage

Areas Where Product and Engineering Departments Currently Use AI (Among Product Development and Engineering Managers+)



Multiple responses allowed; percentages do not sum to 100%.

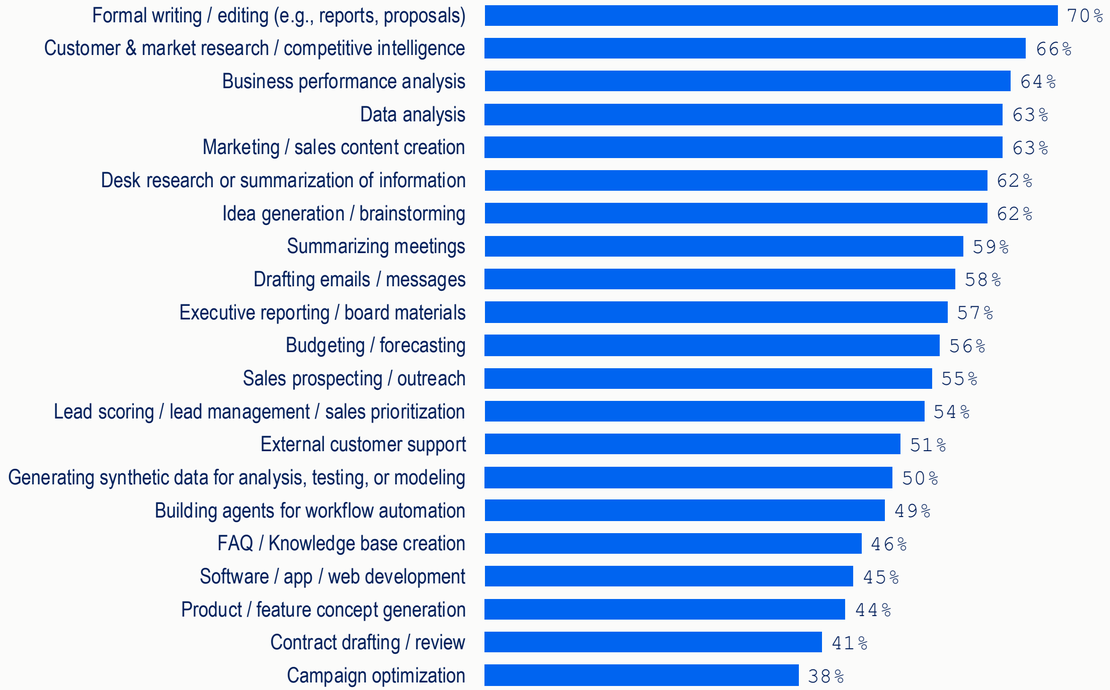
Product/Engineering teams are analyzing and developing ideas with AI, but not yet prototyping. 66% of product and engineering managers report AI in data analysis, 64% in formal writing, and 62% each in idea generation and customer research. Only 37% use AI for prototyping or simulation, the lowest item.

"We built a tool that real-time processes what's happening with our customer behavior across trillions of data events. We used to have to process manually and would take a data engineering team of two three months to deliver insights... What used to take three months now takes 30 seconds." — Manager/Director, Product/Engineering, Other industry, $2B+

USE1. To the best of your knowledge, in which of the following areas is your department currently using AI?
Items tailored to department.
Product/Engineering Managers+ (n=103)

AI Is Helping Marketing and Sales Departments Research Customers and Develop Content

Areas Where Marketing and Sales Departments Currently Use AI (Among Marketing and Sales/GTM Managers+)



Multiple responses allowed; percentages do not sum to 100%.

Writing and reporting lead marketing/sales use cases. 70% of marketing managers report AI in formal writing, 66% in customer and market research, and 64% in business performance analysis.

Content creation with AI is mainstream, while campaign optimization trails. 63% use AI for marketing and sales content, but only 38% for campaign optimization.

"We can identify specific procedures hospitals and surgeons are performing and what they are utilizing, so we can cut out the guessing part and get to business, make deals faster." — Manager/Director, Sales, Other industry, $2B+

USE1. To the best of your knowledge, in which of the following areas is your department currently using AI?
Items tailored to department.
Marketing/Sales Managers+ (n=104).