



Business sentiment towards AI has changed

One year on from our first survey into AI and workforce transformation, optimism has turned to pragmatism and caution.

Although confidence remains high and investment is growing, **organizations acknowledge that deploying AI isn't as easy as they first thought.**

This has brought skills into sharp focus, with many businesses now planning to **reskill their employees to work with AI** and increase their training budgets accordingly.



AI remains the dominant driver of workforce transformation

Most businesses that invested in AI in 2024 plan to increase their investments in 2025. Yet there's **reason to think this confidence in growth could be misplaced**, as business leaders admit mistakes in replacing people with AI.

72%

of business leaders think AI will be the **main driver for workforce transformation** over the next three years

76%

are confident their organization will be taking **full advantage of AI** by the end of 2025

77%


are confident that their organization will have **implemented AI into core business operations** by the end of 2025



But pragmatism is setting in

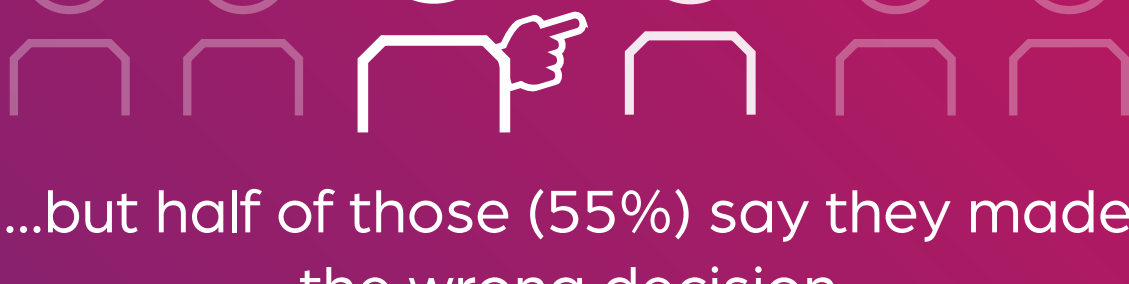
This year's study sees growing caution among business leaders, as **many admit that decisions about redundancies were wrong**. Even so, fewer leaders are concerned that AI will replace people but, paradoxically, also feel less responsibility to protect their workforce from redundancy.

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39% say they've **made people redundant** because of AI...

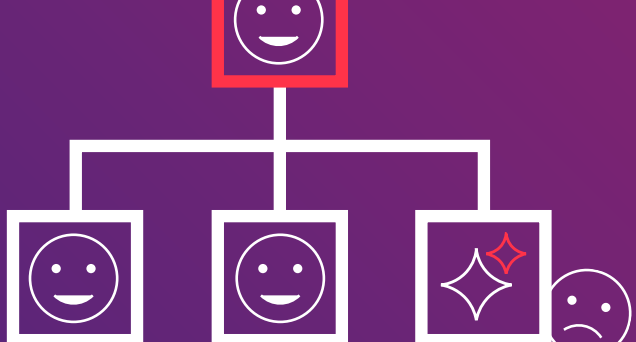
EXIT



...but half of those (55%) say they made the wrong decision

And 34% say they've had employees **quit** because of AI

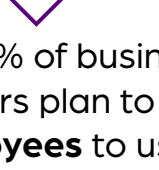




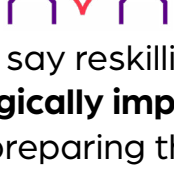
48% of business leaders think AI **will replace people in the organization** (down from 54% in 2024)

Prioritization of skills is top-of-mind

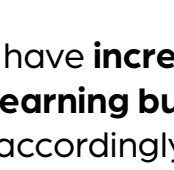
Skills is an important theme in this year's research. Over a third of business leaders say they're confident AI **will make their workforce more productive** by the end of 2025. Yet many admit to working with third parties while they train their employees to use AI.



80% of business leaders plan to **reskill employees** to use AI in the workplace



51% say reskilling is **strategically important** in preparing their workforce for AI



41% have **increased their learning budgets** accordingly

The AI knowledge gap is widening

Organizations are beginning to understand that deriving value from AI will take **more than just investing in and deploying the technology**. They need to understand how AI will impact their people in the coming months and years. And this gap in understanding could hold some organizations back.

27%

don't have a clearly defined roadmap for deploying AI

25%


don't understand which roles and jobs will benefit most from AI


22%

are fearful they'll be left behind because of their lack of understanding of AI

"While it's encouraging to see investment in AI continue to grow, businesses need a better understanding of how the technology will change their future workforce. **Questions remain unanswered over whether AI will yield enough return on investment** in the near term to justify the costs associated with lost talent and downturn in productivity."

- **Oliver Shaw, CEO, Orgvue**





EBOOK

Human-first, machine enhanced: From optimism to pragmatism in AI-driven workforce transformation

Read the annual 'State of the Nation' perspective on AI and workforce transformation.

orgvue.com/ai-ebook

How Orgvue helps

Orgvue is an organizational design and planning platform that empowers businesses to transform their workforce by understanding the work people do and the skills they have.

Our platform connects strategy to structure, providing clarity of vision, so you can build a more adaptable organization that thrives in a constantly changing world.

The world's largest and best-known enterprises and consulting firms use Orgvue to visualize and model current and future states of the organization and make faster, more informed decisions.

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