

# Human-first, machine enhanced

Deriving value from AI-driven  
workforce transformation



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# I. Foreword

The conversation around AI in the workplace is moving at extraordinary speed. What began as a moment of fascination three years ago has become something far more significant. Now AI is reshaping boardroom agendas, rewriting business plans, changing the language of business growth, and forcing leaders to rethink how work gets done.



To begin with, the mood was defined by optimism and boundless opportunity for workforce transformation, productivity

improvement, and entirely new ways of working. The emphasis was on innovation and experimentation. Many organizations assumed value would follow quickly.

By 2025, that excitement had become tempered with caution and pragmatism. Businesses were just as committed to AI, but difficulties with deployment were becoming harder to ignore. Questions around value, governance, and what it takes to make AI-driven workforce transformation a success came into sharp focus. The conversation changed from what AI could do in theory to what it would take to make it work in practice.

**AI is no longer something leaders can afford to experiment with. It has become a make-or-break test of how the business operates, grows, and competes.**

In 2026, the story changes again. Increasingly, organizations see AI as part of their operating infrastructure, rather than technology for specific, standalone use cases. With this change in perception comes added and urgent pressure to deliver value and show return on investment. Boards and investors are impatient to see results, but businesses are still struggling to deploy AI effectively.

Confidence in the promise of AI remains high, but equally the stakes have never been higher, commercially and competitively. There's little doubt that AI will reshape the workforce beyond what we foresee today. But for now, every business needs to urgently rethink their approach to workforce transformation and how it connects with business growth. Without this foundation, investment in AI will continue to fall short of expectations..

Workforce design is the key to this puzzle. The organizations that succeed will be those that start with a clear understanding of the work and how their workforce delivers it. The sooner businesses build that clarity into their transformation planning, the faster they'll turn AI from promise into measurable value.

**Oliver Shaw**, CEO, Orgvue

## II. Executive summary

### AI investment continues to increase, but so too does the pressure to make it pay back

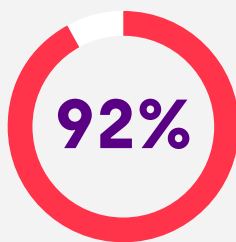
This year's defining question in the ever-evolving conversation around AI is how businesses can turn commitment through investment into commercial value. In the three years that Orgvue has run this survey, we've seen sentiment shift from optimism in 2024, to caution in 2025, to control in 2026.

This may be down to competitive pressure and the urgency to make AI work. 57% of organizations admit they deployed AI because their competitors had. Meanwhile, a whopping 78% told us that their AI projects had either stalled or failed so the pressure is on for them to improve their success rate.

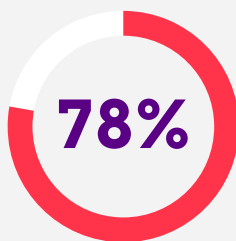
Still, the gap between commitment and control is impossible to ignore. 2026 marks a clear departure from the last two years. While confidence that AI can transform the workforce remains high, many of the barriers to effective deployment persist.

65% of organizations expect workforce change from AI in the next 12 months, but 34% say they lack the expertise to manage this change and 26% say structural issues are barriers to organizational readiness.

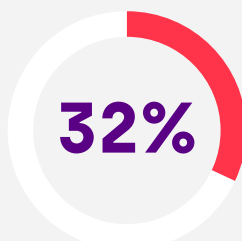
In 2025, 25% admitted they didn't understand which roles and jobs would benefit from AI and 27% said they didn't have a clearly defined roadmap for deployment. Today, 32% say they still don't understand how to make AI work and 28% admit they don't have a clearly defined roadmap. Little has changed in three years.



92% of organizations have invested in AI



78% of organizations have had projects either fail or remain stuck in pilot



32% still don't understand how to make AI work for the business

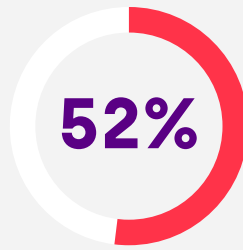
What's more, leaders' concerns and fears remain consistent. 45% said their biggest fear with workforce adoption is employees using AI without proper oversight. 28% say they fear choosing the wrong solutions, leading to wasted investment, while 23% fear their organization will be left behind if they don't develop a better understanding of AI.

Perhaps the most interesting aspect of this year's research though is that organizations acknowledge their approach to AI deployment needs to change and they're beginning to take action.

49% have now committed to upskilling programs across all departments and 44% of leaders have increased their learning and development budgets to support this. 40% are hiring new workers with practical experience of AI, while 25% plan to transfer employees with AI skills between departments to normalize AI usage in all work functions.

Orgvue's three-year research journey into AI and workforce transformation tells the story of excitement and optimism in the wake of ChatGPT, followed by caution and regret in the face of AI failures and rash redundancies.

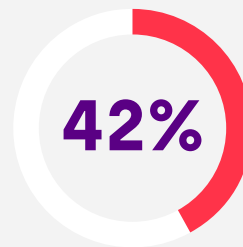
Now, organizations accept that AI-driven workforce transformation is going to be harder than they first thought and that nobody knows how this story will play out. They also accept that making AI work will require a more grounded, sober view of automation. Doing the hard yards in understanding their workforce in detail and how work will change is what will make deployment successful.



**of business leaders  
said they're introducing  
new internal policies  
to shape how AI is  
used in the workforce**



**say they're embedding  
AI in every role across  
the organization**



**are working with  
a third party that  
specializes in AI**

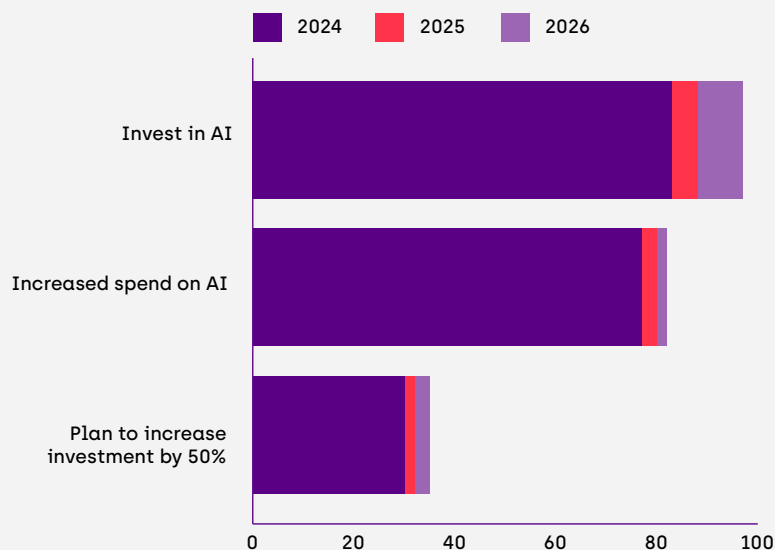
# III. The 2026 mindset: Value and return on investment from AI

Since the introduction of ChatGPT in 2022, AI has sounded like a claxon throughout the business world. Yet despite record investment, many business leaders are beginning to realize this latest technology goldrush is not delivering the outcomes and return on investment they had expected.

A year ago, the majority of organizations believed they'd be taking full advantage of AI within 12 months, but this hasn't happened and wishful claims of cost savings haven't materialized.

Still, it seems some lessons are hard fought. Our research found that 73% of business leaders still think they'll achieve this in the coming year, down just 3% on 2025. Yet the findings also show that little seems to have changed in the way organizations approach AI-driven workforce transformation.

In 2025, 27% said they didn't have a clearly defined roadmap for AI deployment. Today, that figure remains steady at 28%, while 84% of business leaders now agree their organization should have a deployment roadmap with specific return on investment targets.





# Orgvue commentary

## With better workforce intelligence, AI becomes an engine for growth

We've seen numerous high-profile failures in the last few years as businesses have too quickly replaced employees with AI systems and later had having to roll back deployment. These failures have not been caused by technology but by poor or absent workforce design.

Too many business leaders don't understand what they're trying to automate. They haven't thought through how new technology and processes will change work, how roles will need to be reconfigured, and what skills will be needed to support AI. Too many assume deploying AI is a simple lift-and-replace exercise and they're disappointed when the technology doesn't deliver.

This situation is perpetuated by a tactical approach to investment, planning, and deployment, rather than an integrated, company-wide strategy that includes clear milestones for value delivery. To add to that, many organizations still don't understand how AI will impact their business long term when it comes to workforce structure, productivity, and growth.

In our experience, few companies are doing the groundwork to understand their workforce as it is today in terms of roles, skills, costs, and capacity. And even fewer have modeled transformation outcomes on which to base return on investment projections.

Without this, it will become increasingly difficult to manage stakeholder expectations and to preserve trust among boards, investors, and the workforce. AI will not deliver long-term growth on its own. But when deployed intentionally, grounded in workforce data, it becomes one of the most powerful tools leaders have to shape the organization's future.



28% of organizations say they don't have a clearly defined roadmap for AI deployment



84% of business leaders now agree their organization should have a deployment roadmap with specific return on investment targets.

### Investment in AI is rising

2026	92%
2025	88%
2024	82%

### Investment in AI is accelerating

Organizations plan to increase their investment in AI

2026	83%
2025	80%
2024	77%

Organizations plan to increase investment by 50%

2026	35%
2025	31%
2024	27%

# IV. Deploying AI proves doggedly problematic as organizational challenges persist

This year, we found that many organizations felt pressure to deploy AI systems quickly, leading to 35% of projects failing and 43% remaining in pilot. 57% of business leaders also told us that the main reason they had deployed AI was because their competitors had. The stakes in the corporate AI race have never been higher.

Speed of adoption without a clear strategy for organizational change remains a major issue. In 2024, our findings showed that 50% of organizations were investing in AI without understanding the impact it would have on their business.

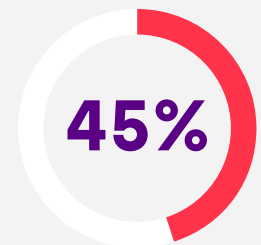
Although the research shows that attempting to deploy AI without a long-term, intentional plan, increases the risk of project failure, confidence remains high, with 73% organizations saying they expect to be taking full advantage of AI by the end of this year (71% in 2024 and 69% in 2025).

While this year's findings suggest businesses are now more focused on how AI is being used and whether it will derive value, fear remains a driving force. 28% of business leaders say they fear that choosing the wrong AI solution will lead to wasted investment (23% in 2025), while 23% fear their organization will be left behind if they don't develop a better understanding of the technology (22% in 2025).

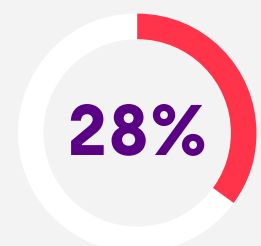
Yet it's clear that organizations still face the same challenges as when Orgvue first conducted this study. In 2025, 25% admitted they didn't understand which roles and jobs would benefit from AI. Today, 32% say they still don't understand how to make AI work for their organization.

Practical expertise in AI is another major barrier for organizations. While 65% expect workforce change from AI in the next 12 months, one in three (34%) say they lack the expertise to manage this change (down 5% from 2024) and 26% say structural issues are barriers to organizational readiness. Meanwhile, 49% have committed to upskilling programs because they lack the talent to deploy AI successfully.

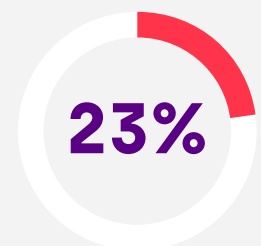
Our study also points to concerns when it comes to governance. One in two (45%) organizations say their biggest fear is employees using AI without proper oversight (down 2% on 2025), threatening operational risk and reputational damage. 28% are concerned that AI hallucinations will worsen as new solutions are developed and that decisions based on AI-generated insight and situational analysis later prove to be flawed.



of business leaders fear their employees are using AI without proper foresight



of business leaders say they fear that choosing the wrong AI solution



fear their organization will be left behind if they don't develop a better understanding of AI



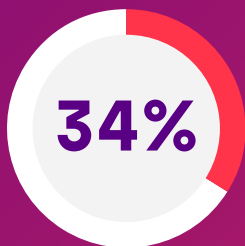
# Orgvue commentary

## Barriers remain because the basic challenges haven't been addressed

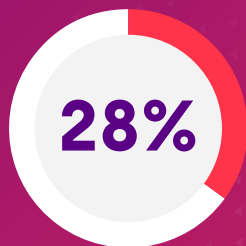
Lack of expertise remains a critical issue for many organizations, but with so much investment and focus on AI skills and resources, why is this still a problem? It's clearly an area that business leaders must solve urgently.

We suspect this problem boils down to a lack of understanding of the current state of the workforce, which work to automate, and thereby which skills are needed integrate the technology into the redesigned workflow.

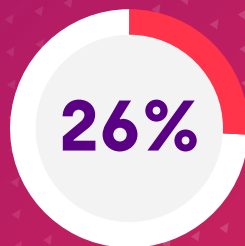
Equally, the concerns that organizations call out as risks to deployment are wholly reasonable at this inflection point in the growth of AI. But again, with a foundational understanding of the workforce, many of these fears would dissolve as organizations systematically build up a deployment strategy that brings clarity to what they should automate and consequently which technology fits the job.



say they lack the expertise to manage workforce change

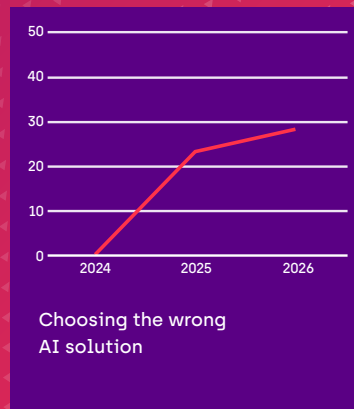
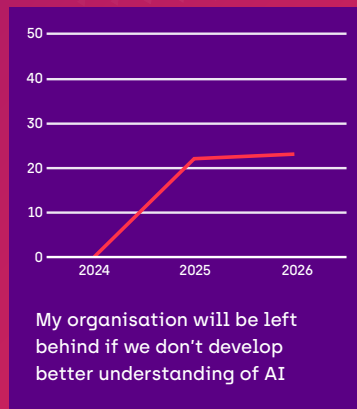
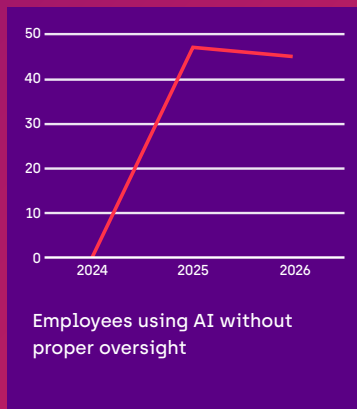


of leaders are concerned that AI hallucinations and bias will worsen



say structural issues are barriers to organizational readiness

## What's your biggest fear?



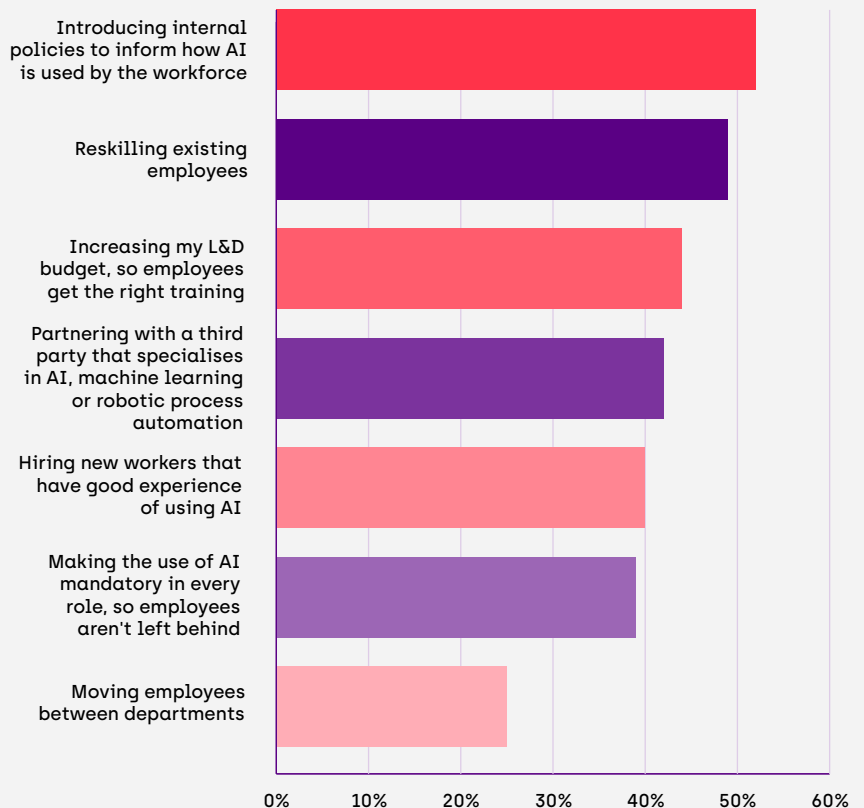
# V. Becoming AI-ready and preparing for the future workforce

We see from our research that businesses recognize their shortcomings and are investing in a number of initiatives to both stabilize adoption of AI across their entire workforce and to improve the strategic intent of their transformation.

These initiatives target those areas that present the most risk in the short term, so they begin delivering value and at the same time set themselves up for long-term success:

- Improving adoption through better governance.** 52% of business leaders said they're introducing new internal policies that will shape how AI is used in the workforce, with the aim of improving adoption, productivity, and risk mitigation (an increase of 5% on 2024).
- Reskilling the workforce.** 49% report they have committed to new training programs dedicated to upskilling talent across all departments to use AI. To achieve this, 44% of leaders have increased their learning and development budget for this purpose (a 3% rise on 2025).
- Partnering with specialists.** 42% are now working with a third party that specializes in AI, machine learning or robotic process automation where internal knowledge or expertise is lacking.
- Recruitment.** Two in five (40%) organizations are hiring new workers with practical experience of AI across system design, deployment strategy, and use of AI tables stakes. 39% of businesses say they're embedding the use of AI in every role across the organization, updating job descriptions, personal objectives and personal development plans.
- Retasking employees as roles change.** 25% of companies plan to transfer employees between departments, which involves moving AI-skilled workers to areas of the workforce where adoption is at lower levels to help normalize AI use in all work functions.

Initiatives that companies are investing in [%]





# Orgvue commentary

## Workforce design is the key to AI transformation

Although upskilling the workforce and normalizing AI as part of every role is important, we see that shortfalls in knowledge, skills, and expertise still impact organizational capability to deploy AI systems effectively.

By focusing on transformation strategy first and foremost, organizations can address the challenges they face from the ground up. By investing time and effort in detailed workforce planning, they'll begin to spot low-hanging opportunities to automate and redistribute simple tasks, and to understand the impact on roles and positions as they do so.

Most important of all, transformation planning and modeling helps frame the organization's future state, where AI is proportionately integrated into the workforce in balance with unique human qualities that enhance and compound its effectiveness.

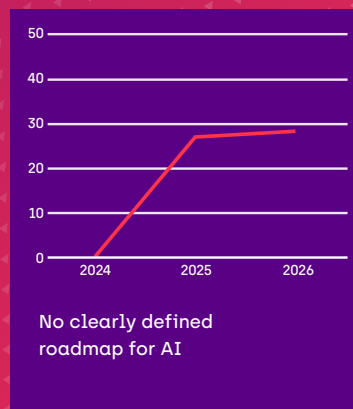
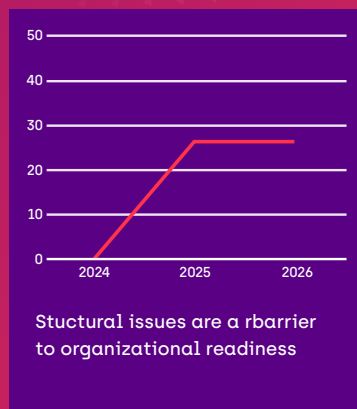
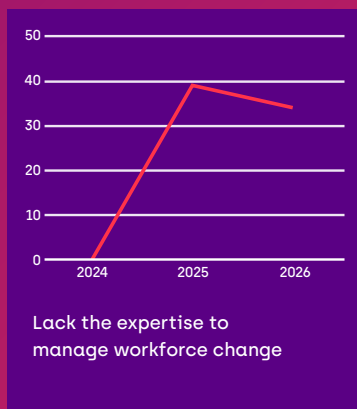
Current workforce structure and capabilities, business strategy, competitive context, and other factors need to be reflected in each model through workforce data and market intelligence to ensure scenario planning is visionary yet pragmatic.

Our research shows business leaders acknowledge that AI is a highly specialist and time-consuming activity and that they need specialist support to tackle the challenges of AI deployment. But without good workforce design, any transformation will still be at risk of stalling or failing.

To be AI-ready, organizations should start with workforce analysis to understand their current state. Alongside this, governance is clearly needed to ensure secure data handling, as well as manage algorithmic bias, hallucinations, and model drift. It's consistently been a concern among business leaders over the past three years, such that many are making it a priority in 2026.

Businesses will need to adapt quickly to keep up with the speed of change, so having good governance to deal with legislative and regulatory changes without being compromised by rigid processes and structures will be paramount.

## Challenges organizations face when deploying AI



# VI. Urgency and control: Regional differences and commonalities

Our research consistently shows that attitudes to AI and technology deployment differ by country and region. Changes in how business sentiment towards AI has developed also vary considerably.

These regional variations in part reflect cultural confidence and economic factors, particularly when it comes to differences concerning the time horizon for changes to the workforce from AI. These ranging from 75% in Ireland to 51% in Singapore and 48% Hong Kong for year one, and 90% in Australia and 80% in Malaysia to 67% in Canada for years two to five.

## United States

The American market is operating at a highly accelerated pace, with 93% of businesses having invested in AI. Business leaders in the US anticipate rapid changes to their workforce composition, with nearly 70% expecting this in the first year alone, holding steady at around 75% over a four-to-five-year time horizon.

Driven by the need to capitalize on their investments, 77% of US businesses are pushing to adopt an intentional, goal-oriented approach to AI across their entire workforce within the next 12 months.

Despite this momentum, leaders are acutely aware of the risks of moving too fast without guardrails. The main barriers to AI-driven workforce transformation remain a lack of internal expertise (38%) and employee skepticism (35%).

At leadership level, there's a dominant fear of "shadow AI", with 49% of respondents saying they're concerned about people using AI without proper oversight.

Furthermore, 35% of leaders worry about wasting money by investing in the wrong AI solutions, highlighting the tension between pressure to adopt quickly and the need for strategic judgment.

## United Kingdom

British businesses show robust commitment to AI, with 91% of organizations reporting investment in 2025. 63% expect changes to the workforce as a result of AI within the first year, a figure that scales consistently to over 74% over four-to-five year forecast. To manage this transition, 74% of business leaders plan to adopt a fully intentional approach to AI deployment within the next 12 months.

However, the UK market is grappling with cultural and governance challenges. Security and transparency is the biggest barrier to workforce readiness (32%), closely followed by employee skepticism (30%).

These barriers mirror deep-seated fears held by leadership teams; 44% are concerned about the consequences of employees using AI without proper oversight and over a third (35%) fear that agentic AI will lead to mass redundancies. Consequently, British leaders are prioritizing safe, controlled deployment to persuade and reassure a skeptical workforce.

## Canada

Canadian organizations display a more conservative but effective approach to AI adoption compared to their North American neighbors.

While 88% of businesses invested in AI in 2025, their projections for workforce disruption are more tempered. Only 58% expect workforce changes in the first year, growing gradually to 67% by year five.

Similarly, their timeline for organizational maturity is less aggressive, with 66% aiming to establish an intentional AI approach within the next 12 months. Canada's caution is largely rooted in governance constraints and capability gaps.

Businesses are equally split on the biggest barriers to deployment. 37% mention concerns over security and transparency, and another 37% say a lack of internal expertise to execute AI strategies effectively is holding them back.

Leadership fears reflect this reticent stance, with 40% worried about lack of proper oversight over AI usage and 36% are concerned that agentic AI will make too many employees redundant. For Canada, the focus is clearly on building secure, expert foundations before scaling AI-driven workforce transformation.

## Ireland

Ireland stands out as a unique and highly impacted market. An overwhelming 96% of Irish businesses invested in AI in 2025, which indicates significant shock to the workforce is coming.

75% of organizations expect workforce transformation in year one, although this expectation levels off at around 65% in the subsequent two-to-five-year timeframe. This suggests Ireland anticipates a rapid, immediate structural realignment rather than slow-burn change.

To adapt to this rapid shift, 75% plan to formalize an intentional AI strategy this year. But they also face acute capability hurdles, with 43% calling out a lack of internal expertise and 39% saying they struggle to understand how to make AI work optimally.

Irish leaders are also skeptical of the technology's inherent flaws: 43% fear that hallucinations and biases will only worsen as new solutions are developed. 41% also fear a lack of oversight in employee usage will lead to unintended consequences.

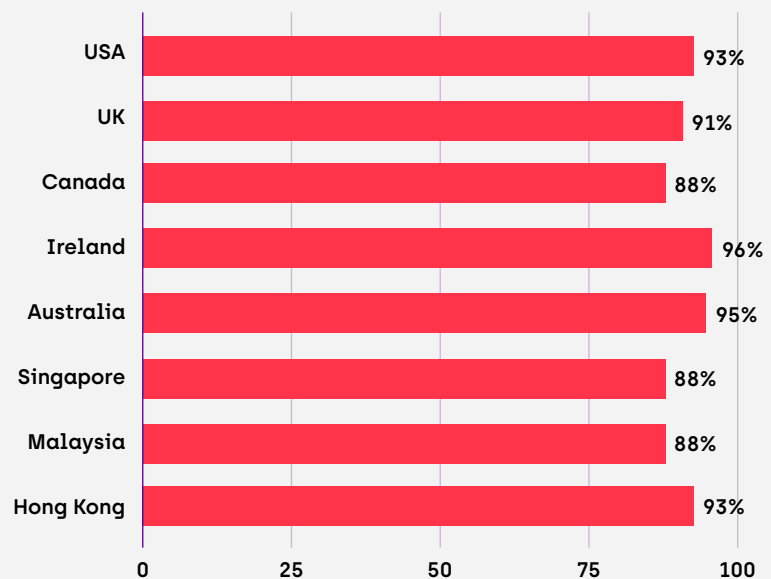
## Australia

Australia is arguably the most confident and aggressive market in the research. With 95% of organizations investing in AI, Australian businesses are preparing for hyper-transformation. While 73% expect workforce changes in year one, this figure skyrockets to 90% within two to three years.

To manage this explosive growth, an overwhelming 93% of Australian organizations are driving toward a fully intentional, deliberate AI deployment strategy within the next 12 months, the highest of any region globally.

This aggressive posture is fueled by high market confidence. While 34% of Australian respondents acknowledge security and transparency as a barrier, a remarkable 27% confidently state they don't face any barriers to preparing their workforce.

### Have invested in AI



Equally, they're less concerned about those situations that cause other leaders anxiety. 39% of Australian respondents claim they have none of the fears regarding AI implementation that affect organizations elsewhere. Where fear does exist, it's strictly operational; 34% expressed some concern about employees using AI without proper oversight.

## Singapore

Singapore presents a highly deliberate, "wait-and-see" approach to AI-driven workforce transformation. Despite high investment (88%) organizations expect a slow-burn effect when it comes to human capital impact. Only half (51%) expect workforce changes in year one, though this metric jumps significantly to 76% in the two-to-three-year window.

Reflecting this cautious pacing, less than half of the market (49%) plans to adopt an intentional AI approach within the next 12 months, preferring to play the long game.

Any barriers facing Singaporean businesses appears to be more strategic than technological. Organizations say they're primarily blocked by a lack of understanding about how to translate AI into core business value (39%) and a lack of internal expertise (37%) to build those bridges.

Leadership fears remain focused on control and human cost. 49% worry about AI usage lacking proper oversight, while a third (34%) fear agentic AI will make too many employees redundant. Singapore is clearly choosing careful workforce planning over rushed execution.

## Malaysia

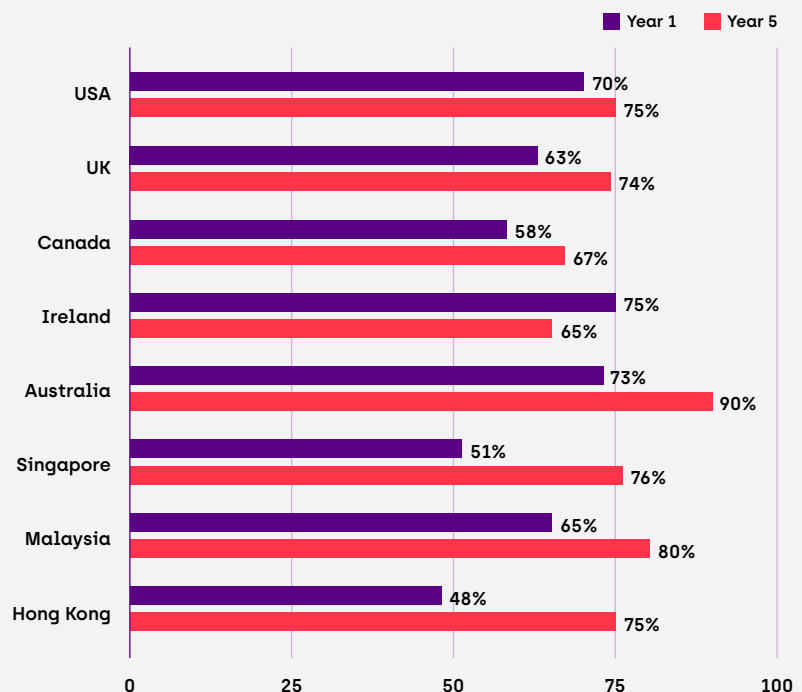
Malaysia demonstrates strong foundational AI investment (88%). The market anticipates significant mid-term workforce changes. While 65% expect disruption in the first year, this leaps to 80% in the two-to-five-year timeline.

However, compared to Western markets, Malaysia is taking a slower path to organizational maturity, with only 60% of businesses aiming to adopt an intentional AI approach within the next 12 months.

This slower timeline to intentionality is directly tied to substantial governance and regulatory worries. Just over half (55%) of Malaysian organizations say security and transparency is the main barrier to workforce readiness, while just under half (45%) are concerned that current AI deployments will come under strict regulatory scrutiny later on.

These external pressures have created deep internal fears. An intense 63% of leaders worry about people using AI without oversight and 45% fear that agentic AI will eventually trigger mass redundancies.

### Expect workforce change from AI



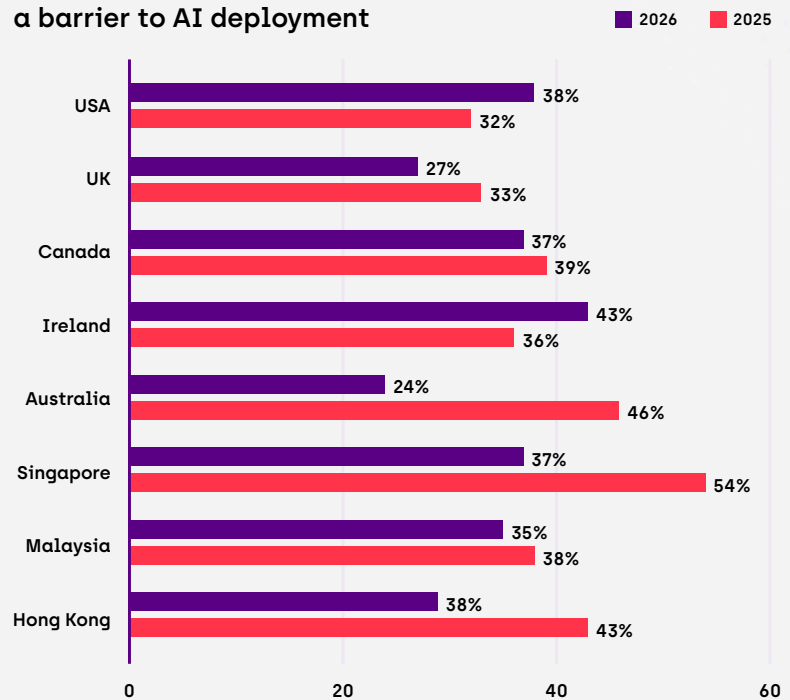
## Hong Kong

Much like Singapore, Hong Kong exhibits high investment alongside cautious, delayed workforce integration. While 93% of organizations have invested in AI, just under half (48%) anticipate any workforce changes in the first year. However, this appears to be the calm before the storm, as expectations for workforce disruption leap to 75% in the two-to-three-year horizon.

Organizations are moving at a measured pace, with just 57% aiming for an intentional AI deployment strategy within the next year, while barriers faced by businesses in Hong Kong are a mix of capability shortages and legal caution. A lack of internal expertise (38%) is the main hurdle, closely followed by worries over future regulatory scrutiny (33%).

Interestingly, leadership fears in Hong Kong are somewhat more subdued and evenly distributed than in other markets, with 30% citing five distinct challenges: a lack of oversight, hallucinations, and biases worsening as new AI solutions develop; wasting money investing in the wrong AI solution; agentic AI making too many roles redundant; and their organization being left behind because they don't understand the technology.

### Acknowledge lack of expertise as a barrier to AI deployment



# VII. Conclusion

## A make-or-break moment for AI in workforce transformation

Businesses are now judging AI on whether it can deliver value at scale, support growth, and reshape the workforce in ways that are deliberate, productive, and sustainable. So the stakes are higher than ever. Organizations are still investing heavily in AI, but they're under greater pressure to prove that those investments will translate into returns, readiness, and real operational impact.

This year's findings make that shift clear. Investment in AI continues to rise and leaders increasingly see it as central to growth. But 2026 also reveals a hard truth: many organizations are struggling to move from ambition to execution. Projects are stalling, deployments are failing, and concerns about oversight, governance, and wasted investment are becoming more pronounced.

In that context, the progress of the past three years reads very differently. 2024 was shaped by optimism and experimentation. In 2025, caution set in as leaders confronted the organizational consequences of moving too fast. Now in 2026, the priority is control in terms of stronger governance, clearer accountability, and a more disciplined path to value.

That's why organizations need to be more intentional. If AI is to support long-term business growth, it shouldn't be treated simply as a software tool. It should instead be seen as a strategic transformation pillar with clear links to business strategy, workforce design, skills, governance, and return on investment.

The organizations that succeed with AI-driven workforce transformation will be those that approach it as a continuous discipline, grounded in workforce data, role clarity, and operational reality rather than as a one-off technology rollout.

# VIII. Methodology

This report compares findings from Orgvue's 2024, 2025, and 2026 research into AI and workforce transformation.

The latest study was conducted by Vitreous World using an online methodology and gathered responses from 1,163 senior decision-makers across the United States, the United Kingdom, Canada, Ireland, Australia, Malaysia, Singapore, and Hong Kong.

Respondents in the United States, the United Kingdom, Canada, and Ireland work in organizations with more than 2,000 employees, while respondents in Australia, Singapore, Malaysia, and Hong Kong work in organizations with more than 500 employees. Comparisons across years are directional where question wording or routing changed.

Previous studies were also conducted by Vitreous World, but sample sizes differed year by year.

# How Orgvue helps

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

We do this by merging disparate datasets in a schemaless way, then visualizing and modeling current and future states of the organization to enable faster, more informed decisions.

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

Orgvue is used by the world's largest and best-known enterprises and consulting firms to ensure the right people are doing the right work at the right cost to meet their business objectives.

We operate from offices in the United Kingdom, the United States, Canada, Europe, and Australia.