From intent to action:
the leaders' guide to building AI-powered workplaces

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Foreword

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Many organisations and leaders in today's fast changing markets face uncertainty as they seek to turn technological ambition into lasting value. The rapid advance of artificial intelligence (AI)—particularly generative AI—has widened the scope for productivity gains and competitive advantage, while also introducing new challenges related to decision quality, accountability and risk. We supported this independent research: *From intent to action: the leaders' guide to building AI-powered workplaces* by Economist Impact to see how organisations are approaching AI in practice and to offer actionable insights executives can use to make better decisions.

Kyocera Document Solutions Inc. places great importance on sustainable corporate management, and that perspective guided our sponsorship. When applied thoughtfully and within appropriate governance frameworks, AI can advance sustainability by optimising resources and processes, strengthening risk management and compliance, improving the quality and transparency of ESG reporting, and enabling longer term, evidence based decision making that builds resilience. The key challenge is to treat AI not as a short term efficiency tool, but as a foundation for durable value creation.

Technology alone cannot deliver long term value; people and systems do. Effective AI adoption depends on organisational structures, processes and cultures that reinforce trust and clarity of responsibility. AI should support and strengthen human judgement, with governance that protects both customers and employees. Translating ambition into action requires leadership that sets direction, aligns incentives, allocates resources and takes responsibility for governance and culture.

Our mission at Kyocera Document Solutions is to help organisations put knowledge to work.This research highlights the non-technical factors that determine whether technological ambition results in real, sustainable business outcomes. We hope this report provides clear, pragmatic ideas that help leaders bridge intent and impact, ensuring technology serves both performance and purpose.
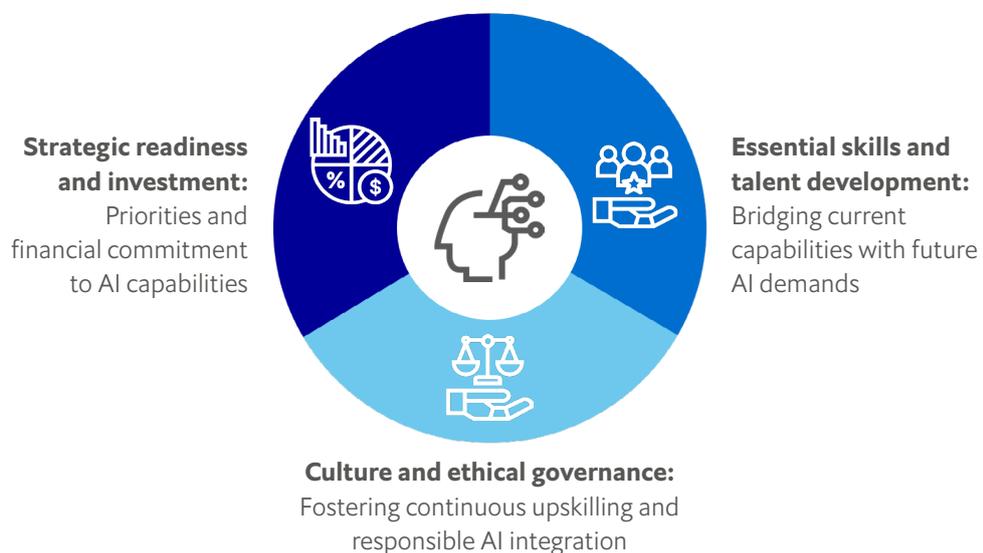
About the report

A report published in 2024 by Economist Impact, sponsored by Kyocera Document Solutions, explored how organisations understand and pursue sustainability. It found that technology and innovation are central to making workplaces more sustainable.[1] When developed and used responsibly, artificial intelligence (AI) can support these efforts by improving operational and energy efficiency, strengthening human capital and workforce wellbeing, and reinforcing good governance.[2]

Building on this foundation, Economist Impact's 2026 report, also sponsored by Kyocera Document Solutions, *From intent to action: the leaders' guide to building AI-powered workplaces*, explores how senior executives in five global financial hubs—London, New York, Singapore, Sydney and Tokyo are preparing their workforces to thrive in an era shaped by AI.

The research draws on a survey of 639 senior executives conducted in October and November 2025. Respondents span a diverse mix of industries, including financial services, information technology, healthcare, education, legal services, public administration, logistics, construction, aerospace and retail, with at least 50 respondents from each sector. Business leaders and decision-makers across both technical and non-technical functions participated, including chief technology officers, chief human resources officers, chief executives and founders.

The survey focuses on three strategic focus areas of AI maturity that are shaping skills development and talent strategies:

- Strategic readiness and investment

- Essential skills and talent development

- Culture and ethical governance

Strategic readiness and investment: Priorities and financial commitment to AI capabilities

Essential skills and talent development: Bridging current capabilities with future AI demands

Culture and ethical governance: Fostering continuous upskilling and responsible AI integration

The research is further informed by a series of in-depth interviews with business and thought leaders in AI, digital transformation and workforce strategy across the five cities.[3] We thank the following individuals for their time and insights:

- **Muneaki Goto**, chief reskilling officer, Japan Reskilling Initiative, Tokyo

- **Nazrul Islam**, chair professor of business, University of East London (UEL) and associate director, Centre of FinTech, London

- **Kian Katanforoosh**, co-founder and chief executive officer, Workera, San Francisco

- **Thorsten Neumann**, executive director, head, AI research & experiment, Standard Chartered, Singapore

- **Michael Priddis**, founder and former chief executive officer, Faethm AI, Sydney

Executive summary

The imperative to adopt and deploy AI has never been stronger. What matters now is how organisations can shape the staff, culture and systems to use it well. Workforce readiness is emerging as one of the critical factors that determine success as organisations move from AI pilots to enterprise-wide deployment in an efficient, ethical and sustainable manner.

Based on a survey of 639 senior decision-makers across five global hubs—London, New York, Singapore, Sydney and Tokyo—this report examines how organisations are preparing for an AI-powered future across three strategic focus areas of AI maturity and workforce readiness: strategic investment, skills and talent development, and culture and governance. These findings are enriched by insights from interviews with leaders in AI capability-building.

Key findings:

- **The ambition–investment paradox.** Most leaders recognise AI's strategic value—88% see it as a source of competitive advantage—yet few have invested in that ambition. Only 38% have a dedicated budget for AI skill development. Without investment, many organisations are struggling to embed AI into their core business processes; only around 4% have achieved repeatable business value at scale.

- **Training without transformation.** Almost every organisation claims to be developing AI skills—99% of executives report having an approach to develop AI-relevant skills. However, most respondents rely on informal or ad hoc approaches. Mentorship (54%) and self-directed online courses (52%) are the most popular, while external partnerships (21%) and structured internal training (16%) are uncommon. Many organisations are ticking the box rather than building real capability at scale for an AI-powered future.

- **The governance imperative.** Many organisations claim to take responsible AI seriously, yet few back it up with structure. Only 8% have implemented a comprehensive governance framework. Cybersecurity is rated essential by 96% of executives, but just 20% say their teams are proficient—a 76-point gap. Similar chasms exist in data privacy (68 points) and bias detection (71 points). Without clear standards or oversight, employees are left to manage AI risk alone. The result is a workforce aware of the dangers but ill-equipped to handle them. AI risk could become a social performance flashpoint for businesses in the coming years.

- **The middle-management bottleneck.** Senior leaders may champion AI talent strategies—nearly 60% of executives say their leadership team is aligned on AI talent strategy—but middle managers are not currently leading the charge. Nearly half (48%) say managers have only minimal responsibility for AI skill development of their teams and 8% say they have none.

Without more momentum and agency, AI goals will be hard to reach. One in three executives cites resistance to change from employees and middle managers as a key barrier to aligning talent strategy with AI goals.

- **The human-skills gap.** As AI automates routine work, human judgment becomes the competitive edge. Executives rank critical thinking (95%) and creativity (95%) as important as technical skills, yet only a third say their staff excel in these areas. The shortage of such skills limits innovation and could inhibit human oversight of AI-driven decisions.

- **The digital divide.** Small firms risk being left behind in the AI transition. Their leaders are four times more likely than those in global firms to cite budget constraints as a barrier to training (18% v 4%), and nearly two-thirds (64%) lack the funds to hire specialists. Only 2% report having a robust governance framework. Without targeted government support, disparities in AI capability between large and small firms will deepen.

AI is not simply a technical upgrade—it reshapes how work gets done. As adoption accelerates, organisations must match technological ambition with human investment. Closing the skills gap will require more than one-off training initiatives. It demands a systemic shift in how firms think about capability, performance and culture.

The organisations that lead the next wave of AI maturity will be those that combine the best tools with the workforce ready to use them safely. Marrying workforce skills with the potential of AI can promote organisational sustainability by strengthening inclusion, improving governance and enriching working life. In contrast, a mismatch between AI's capabilities and workforce readiness can lead to unequal workplace outcomes and, in turn, broader societal risk.

Introduction: building AI-ready workplaces

As organisations move from experimentation with AI systems to enterprise-wide deployment, leaders increasingly recognise that technology alone will not determine success. Forward-thinking firms are building workforces that are able to adapt, learn and evolve alongside technology.

Over the next five years, the global labour market is expected to see 170m new jobs created and 92m displaced, with a net gain of 78m roles.[4] Between 2018 and 2023 demand for AI-related roles grew by 21% as a share of total job postings. At the same time, references to university degree requirements for these roles declined by 15%, signalling a shift toward valuing practical, demonstrable skills over traditional credentials.[5] Positively, this transition could improve workforce inclusivity. AI could, for instance, reduce the barriers to entry in technical roles like coding, allowing more diverse participation. It can also democratise access to technology skills in the wider workforce. To keep pace, many organisations are incentivised to invest more in their existing teams. "Organisations need to look inward," says Kian Katanforoosh, co-founder and chief executive officer of Workera, a skills intelligence platform. "We can't afford to wait five or ten years for the talent shortage to ease or for the talent pool to grow enough that people come to us. Focus inward, and maximise the potential of your existing employees." Michael Priddis, founder and former chief executive officer of Faethm AI, agrees. "It's not about hiring vast numbers of new people," he says. "It's about augmenting and incrementally improving the productivity of the people you already have."

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Michael Priddis, founder and former chief executive officer, Faethm AI, Sydney

In an AI-powered workplace where people and technology collaborate, talent development becomes not just a commercial imperative but a core sustainability strategy (see Box 1). Research shows that AI adoption can improve environmental, social and governance (ESG) performance across organisations by accelerating digital transformation, driving green innovation and enhancing transparency in corporate reporting.[6] AI tools have the potential to strengthen corporate due diligence on human rights and sustainability; companies are deploying these tools to map supply chains and identify human rights risks.[7] But ensuring employees are trained and sufficiently informed to safely and accurately use these tools is just as critical.

Organisations that successfully integrate AI into their talent strategies can build higher-performing, more diverse workforces. AI recruiting and human resources tools can flag biases and improve performance management and compensation policies, promoting diversity and improving equity in the hiring process.[8]

On the governance front, AI requires robust frameworks to ensure responsible deployment, characterised by transparent oversight, clear accountability and active monitoring to safeguard employee wellbeing. Embedding ethical AI principles into workforce strategies protects employees, promotes transparency and reinforces organisational trust, resilience and sustainability.

Yet there are many hurdles to embedding these lessons into work. Inclusive learning pathways and responsible leadership development programmes can help ensure that all workers can benefit from the AI transition. Employees must learn to navigate new tools, redesign workflows and embrace evolving roles. And middle managers must be prepared to take responsibility for driving transformation. But employee and managerial efforts can only succeed when combined with business leaders' focus on strategic and investment readiness, supportive culture and governance and a broader ecosystem of external support.

Box 1: What makes an "AI-powered" workplace?

An AI-powered workplace does not treat artificial intelligence as a standalone technology. It uses AI as a core organisational enabler, embedded across daily operations, decision-making and workflows to augment human capability and build sustainable ways of working.

In such environments, employees use AI tools to automate routine tasks, enhance the quality and speed of complex work and generate insights that support smarter decisions. When deployed strategically, AI elevates human roles, boosts productivity and enables more adaptive, resilient and inclusive workplaces—reducing burnout, enhancing engagement and strengthening long-term workforce sustainability. AI-based insights can also strengthen the human resources function, offering data-driven insights and problem-solving mechanisms that help organisations improve the employee experience.[9]

Yet this vision remains unrealised in many organisations, as they continue to treat AI as a standalone technology project rather than part of a broader strategy for workplace sustainability. "Most organisations still treat AI as a technology initiative, not a cross-functional transformation," says Nazrul Islam, chair professor of business at University of East London (UEL) and associate director at Centre of FinTech. "That's why, without governance, ownership or key performance indicator tracking, pilots remain isolated and culture and workforce readiness are left behind."
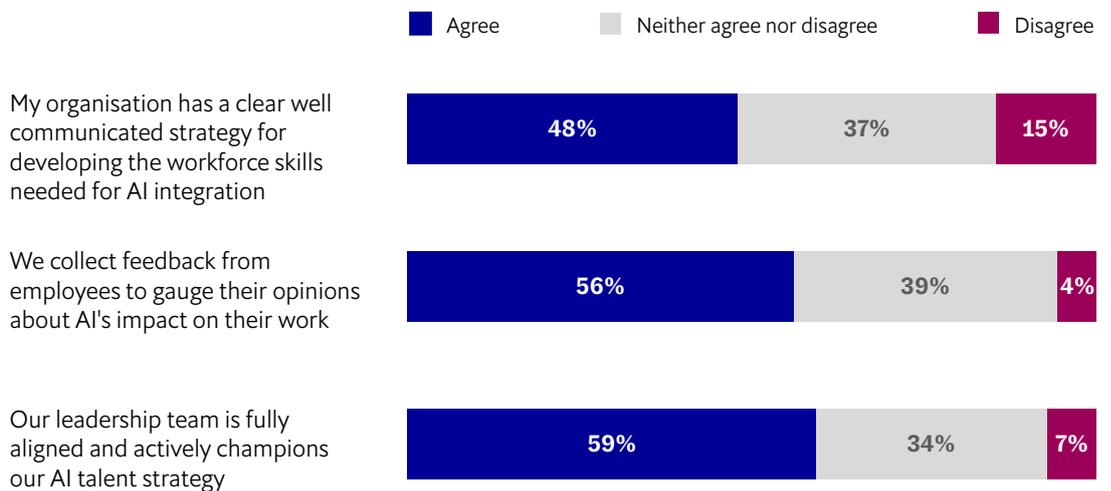
Committing to AI

This chapter focuses on the strategic readiness and investment imperative for AI skill development

Global AI investment is accelerating, with corporate spending reaching US$252.3bn in 2024.[10] Commitment to AI now extends beyond financial investment to include leadership alignment, long-term capability planning and governance structures that embed AI into decision-making—foundations that also support a more sustainable, resilient workplace. This is visible in our survey data. Nearly 60% of executives say that their leadership team is fully aligned and actively championing an AI talent strategy. Over half (56%) collect employee feedback on AI's impact at work and 48% report having a clear, well-communicated strategy for developing the workforce skills needed for AI integration (Figure 1).

Figure 1: Leadership alignment for AI talent development

% responding* (executives selected single response). Numbers have been rounded for ease of interpretation

■ Agree ■ Neither agree nor disagree ■ Disagree

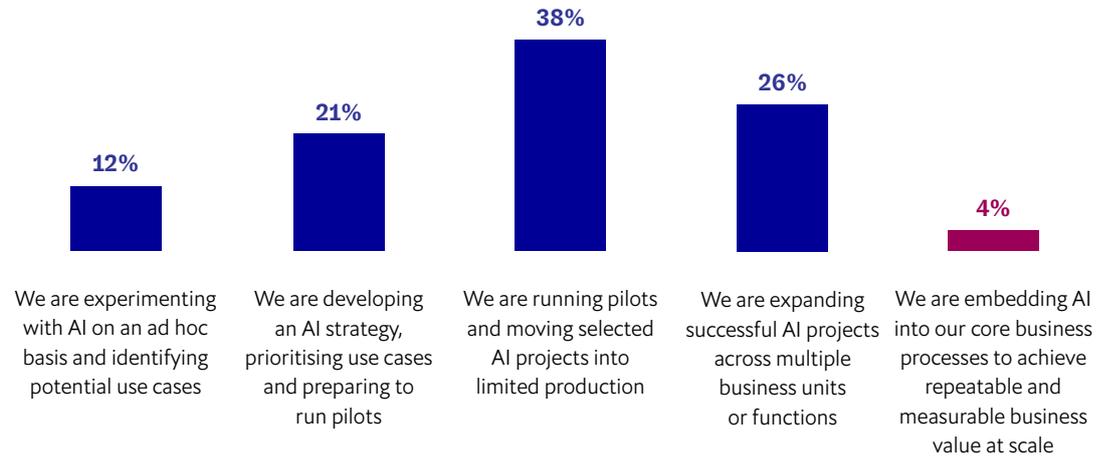|	Agree	Neither agree nor disagree	Disagree
My organisation has a clear well communicated strategy for developing the workforce skills needed for AI integration	48%	37%	15%
We collect feedback from employees to gauge their opinions about AI's impact on their work	56%	39%	4%
Our leadership team is fully aligned and actively champions our AI talent strategy	59%	34%	7%

*N=639, October–November 2025

Source: Economist Impact

Yet readiness remains uneven. Although more than two-thirds of respondents report that they are now moving beyond experimentation and implementing AI in practice, only 4% have embedded it into core business processes (Figure 2). Despite growing ambition, most organisations are still in the early stages of operational maturity.

Figure 2: Organisations' current stage of AI maturity

% responding* (executives selected single response). Numbers have been rounded for ease of interpretation

12%	21%	38%	26%	4%
We are experimenting with AI on an ad hoc basis and identifying potential use cases	We are developing an AI strategy, prioritising use cases and preparing to run pilots	We are running pilots and moving selected AI projects into limited production	We are expanding successful AI projects across multiple business units or functions	We are embedding AI into our core business processes to achieve repeatable and measurable business value at scale

*N=639, October–November 2025
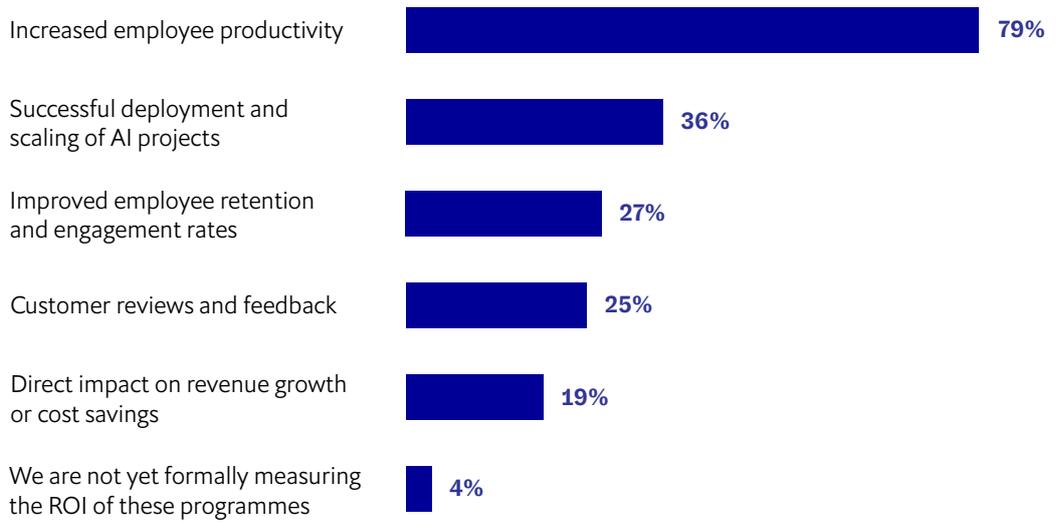
Source: Economist Impact

Proof of productivity

AI is now starting to pay off. In one study, enterprises in the earliest stage of AI maturity saw growth 13% below the industry average, while enterprises in the most advanced stage saw growth 17% above the industry average.[11] To understand where those financial gains come from, many firms look to productivity—AI's most visible indicator of operational impact, as per our survey. Nearly eight in ten executives (79%) cite increased employee productivity as the clearest return on investment (ROI) signal.

Far fewer track longer-term objectives: 27% say employee retention and engagement and 25% point to customer feedback as the leading ROI metric (Figure 3). This narrow lens risks undervaluing the long-term cultural and reputational value of investing in AI talent strategies. By focusing solely on short-term output, firms may miss AI's role in enhancing workplace sustainability—from reducing burnout to strengthening engagement and retention.

Figure 3: Organisations' approach to measuring the ROI from its AI talent development programmes

% responding* (executives could select up to two options). Numbers have been rounded for ease of interpretation

Increased employee productivity — **79%**

Successful deployment and scaling of AI projects — **36%**

Improved employee retention and engagement rates — **27%**

Customer reviews and feedback — **25%**

Direct impact on revenue growth or cost savings — **19%**

We are not yet formally measuring the ROI of these programmes — **4%**

*N=639, October–November 2025

Source: Economist Impact

Global productivity growth has been weak; in America, for example, labour productivity growth has been only about 1.5% per year in recent years.[12] AI offers a possible lift. At one tech company, AI adoption boosted productivity by 14% on average, and by 35% for new and low-skilled workers.[13] Other research finds almost three in ten AI users say these tools save them more than half an hour a day at work.[14] Such findings may explain why 73% of our survey respondents see productivity as the main reason for investing in AI.

Box 2: Tokyo's take on productivity through collaboration with AI

Productivity is a key priority for executives in Tokyo. With 95% of Tokyo respondents considering AI talent development as a critical competitive advantage, the overwhelming metric for success has become employee productivity. Nearly nine in ten (88%) say increased employee productivity is the primary way they assess ROI from AI talent development—well above New York (72%), Singapore (78%) and Sydney (69%).

This focus aligns with a distinctive outlook: 47% of Tokyo executives say AI will augment, not replace, human roles, becoming a tool for employees to use. "Employees need to be able to automate their own tasks," says Muneaki Goto, chief reskilling officer of the Japan Reskilling Initiative. "When done successfully, this improves their efficiency, and makes them more able to see how to use AI in the future." AI should be viewed not as a replacement for labour, but as a collaborator—enhancing human performance, rather than eliminating it.

At the same time, the concept of productivity itself is being reimagined. "Ultimately, productivity gains aren't sustainable unless they translate into new competencies and new value creation," says Professor Islam. "The real gains happen when humans and AI work together, complementing each other and coexisting."

"Ultimately, productivity gains aren't sustainable unless they translate into new competencies and new value creation. The real gains happen when humans and AI work together, complementing each other and coexisting."

Nazrul Islam, chair professor of business, University of East London (UEL) and associate director, Centre of FinTech, London

One study shows that half of organisations are now redefining workflows around AI, signalling a shift from task-driven to goal-driven systems that act as partners in achieving strategic outcomes.[15]

This shift requires leaders to rethink what an efficient workplace truly looks like. With 82% of workers reporting feeling at risk of burnout, firms cannot expect staff simply to do more.[16] Allowing AI to handle mundane tasks and reduce the amount of low-value work can foster a more engaged and effective workforce; 40% of respondents believe AI's primary impact will be elevating human roles by freeing employees to focus on higher-value tasks. "AI will never replace the need for people and their expertise. But individuals who are able to leverage AI tools to augment the value of their roles will outperform those who have not," says Thorsten Neumann, executive Director and head of AI research & experiment at Standard Chartered. Building a holistic, organisation-wide understanding of productivity can lead to better performance management, more informed workforce planning and a clearer view of where AI delivers the most returns.[17]

Investing in talent

Preparing people for AI's impact on the workplace requires investment. Training existing employees to work with new technologies has become a major area of spending, with comprehensive programmes costing between US$3,000 and US$10,000 per employee.[18] Meanwhile, the global shortage of qualified AI professionals has intensified competition for talent, driving up hiring and retention costs by an estimated 15-25% each year.[19] Although 88% of executives we surveyed say AI skills development is a key source of competitive advantage, only 38% have allocated a dedicated and sufficient budget for AI-related skill development, suggesting a gap between ambition and readiness (Figure 4).

Figure 4: Gap between strategic importance and budget commitment for AI skills

% responding* (executives selected single response). Numbers have been rounded for ease of interpretation

Agree Neither agree nor disagree Disagree

We have allocated a dedicated and sufficient budget for AI-related skill development

| 38% | 27% | 35% |

We see our AI skills development strategy as a key source of competitive advantage in our industry

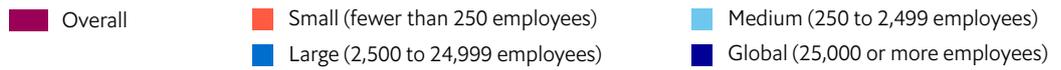| 88% | 10% | 1% |
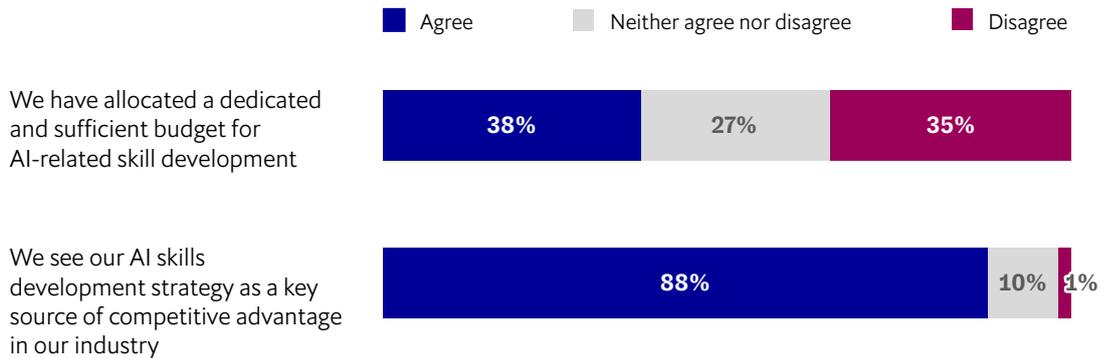
*N=639, October–November 2025

Source: Economist Impact

Budget is a particularly salient obstacle for smaller organisations struggling to keep up with the fast pace of technology. Almost two-thirds (64%) of executives from small businesses and 60% executives from medium-sized businesses cite an insufficient hiring budget as a significant barrier, which is almost four times the share among executives from global firms. Budget pressures extend beyond recruitment: 18% of executives from small and 11% from medium firms cite insufficient budget for training and development as a significant barrier, compared to just 4% executives from global firms (Figure 5).
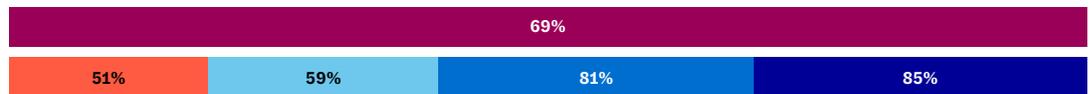
Figure 5: Key barriers to aligning talent development with AI strategy, by organisation size
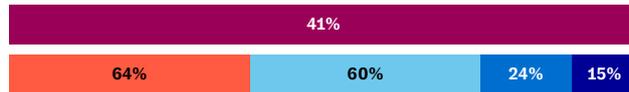
% responding* (executives could select up to three options). Numbers have been rounded for ease of interpretation
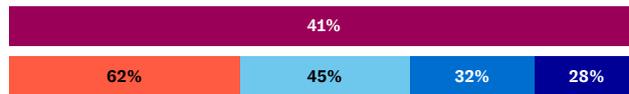
- Overall
- Small (fewer than 250 employees)
- Medium (250 to 2,499 employees)
- Large (2,500 to 24,999 employees)
- Global (25,000 or more employees)

Strong external market competition for skilled talent

| Overall | 69% |
| Small | 51% | Medium | 59% | Large | 81% | Global | 85% |

Insufficient budget for hiring specialised AI talent

| Overall | 41% |
| Small | 64% | Medium | 60% | Large | 24% | Global | 15% |

Lack of internal AI expertise to design and lead training

| Overall | 41% |
| Small | 62% | Medium | 45% | Large | 32% | Global | 28% |

Resistance to change from employees or middle management

| Overall | 33% |
| Small | 10% | Medium | 28% | Large | 37% | Global | 56% |
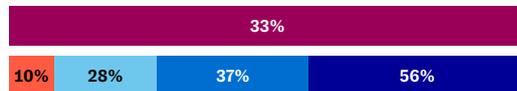
Shifting talent priorities due to rapid obsolescence of AI skills, in turn due to continuously evolving technology

| Overall | 26% |
| Small | 13% | Medium | 17% | Large | 37% | Global | 37% |
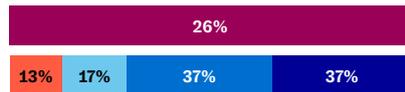
Difficulty in identifying the right skills needed for building and thriving in an AI-powered future

| Overall | 25% |
| Small | 14% | Medium | 15% | Large | 35% | Global | 36% |
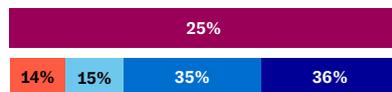
Lack of a clear skills vision or strategy in the organisation
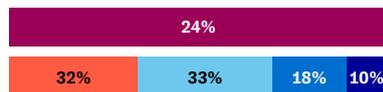
| Overall | 24% |
| Small | 32% | Medium | 33% | Large | 18% | Global | 10% |

Insufficient budget for training and development

| Overall | 9% |
| Small | 18% | Medium | 11% | Large | 5% | Global | 4% |
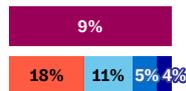
Lack of time or capacity of employees to participate in training
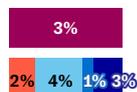
| Overall | 3% |
| Small | 2% | Medium | 4% | Large | 1% | Global | 3% |

*N=639 [small= 125 respondents, medium= 192 respondents, large= 198 respondents and global= 124 respondents], October–November 2025

Source: Economist Impact

But AI is rapidly becoming more accessible to smaller businesses. In some markets, the costs of some training and implementation programmes have been declining, thanks to the rise of accessible cloud-based services and affordable implementation programmes. In Ireland and Britain, some comprehensive training and implementation programmes that once cost over £100,000 (US$132,183) now go for under £10,000 (US$13,218).[20] The money saved by AI's productivity gains can help meet these costs. "Forward-looking organisations must shift toward dual-track strategies, automating low-value tasks while reinvesting the gains in skill development," says Professor Islam. Additionally, government initiatives aimed at promoting digital innovation have further lowered barriers to entry, making it easier for small and medium-sized businesses to integrate AI into their operations. Government funding mechanisms in the UK can cover as much as 70% of implementation costs, and research and development tax credits can reduce costs by 33%.[21] Of small business executives surveyed, 62% say that city or municipal-level financial support (such as tax credits, grants, training vouchers and co-funding for training or apprenticeships) has had an impact on their ability to promote and develop skills.

Key leadership takeaways for building strategic readiness and investment in AI skill and talent development:

- **Redesign workflows to embed AI as a proactive collaborator.** Shifting from task-driven to goal-driven systems so employees can focus on higher-value work while delegating routine tasks to AI.

- **Allocate dedicated budgets to upskill and reskill employees.** Investing in comprehensive AI capability building to secure long-term competitiveness and organisational resilience.

- **Implement a dual-track productivity strategy**, automating low-value tasks to generate savings and reinvesting those gains into scaling workforce skills for continuous improvement and value creation.

- **Leverage municipal government programmes.** Tapping into grants, tax incentives, and subsidised training to reduce budget barriers and accelerate AI readiness.

Bridging the skills gap

This chapter explores essential skills and talent development priorities for an AI-powered workplace

AI is reshaping how decisions are made, how tasks are executed and what organisations expect from their people. Developing AI skills and capabilities is central to building inclusive, sustainable workplaces—where employees at all levels can adapt and thrive alongside emerging technologies. In one example, AI tools can help employees that are working in a non-native language, or employees with disabilities that impact communication, to communicate more effectively and feel more included in the workplace.[22] While nearly all executives agree on the importance of a wide range of technical and non-technical skills for an AI-powered workplace, far fewer believe their workforce is proficient in them (Figure 6). Workforce capabilities have not kept pace with this shift.

The largest gaps appear in specialist capabilities—data engineering, model development and cloud infrastructure—where fewer than 30% report high levels of proficiency. Even "AI-for-all" skills, such as prompt engineering, ethical AI use and output interpretation, show a similar lag.

Soft skills remain important too. Creativity, critical thinking and collaboration remain central to decision-making in an AI-augmented environment. But these, too, fall short of expectations. "We're seeing a widening gap between knowing which skills are important and actually developing them," says Professor Islam.

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Nazrul Islam, chair professor of business, University of East London (UEL) and associate director, Centre of FinTech, London
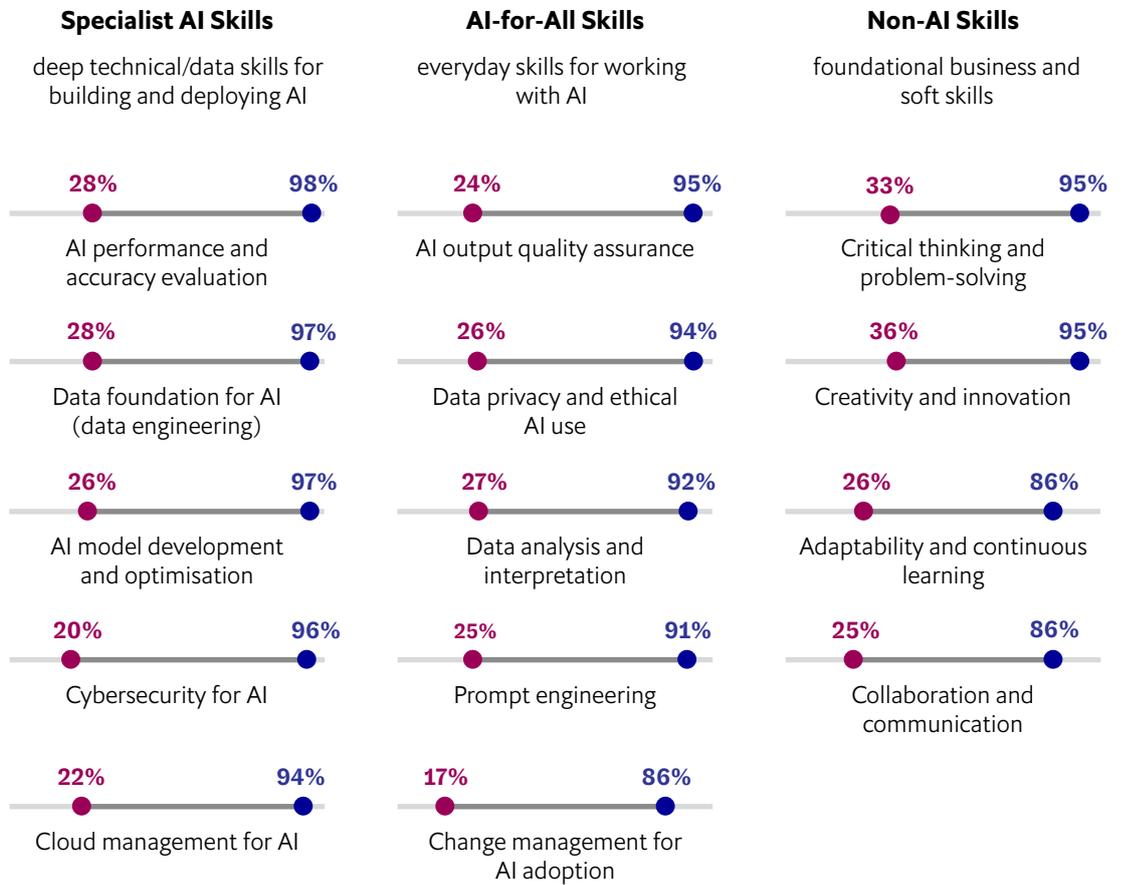
The result is a growing disconnect between what organisations know they need and what they're currently equipped to deliver—posing a long-term challenge to building sustainable, AI-ready workplaces.

Figure 6: The AI skills gap—what matters most and where proficiency falls short

% responding* (executives ranked the importance of each skill and their organisation's proficiency level with respect to that skill). Numbers have been rounded for ease of interpretation

■ **Proficiency:** % of executives rating workforce proficiency as high or very high

■ **Importance:** % of executives rating the skill as very or critically important

Specialist AI Skills	**AI-for-All Skills**	**Non-AI Skills**
deep technical/data skills for building and deploying AI	everyday skills for working with AI	foundational business and soft skills

Specialist AI Skills

28% — 98%
AI performance and accuracy evaluation

28% — 97%
Data foundation for AI (data engineering)

26% — 97%
AI model development and optimisation

20% — 96%
Cybersecurity for AI

22% — 94%
Cloud management for AI

AI-for-All Skills

24% — 95%
AI output quality assurance

26% — 94%
Data privacy and ethical AI use

27% — 92%
Data analysis and interpretation

25% — 91%
Prompt engineering

17% — 86%
Change management for AI adoption

Non-AI Skills

33% — 95%
Critical thinking and problem-solving

36% — 95%
Creativity and innovation

26% — 86%
Adaptability and continuous learning

25% — 86%
Collaboration and communication

N=639, October–November 2025
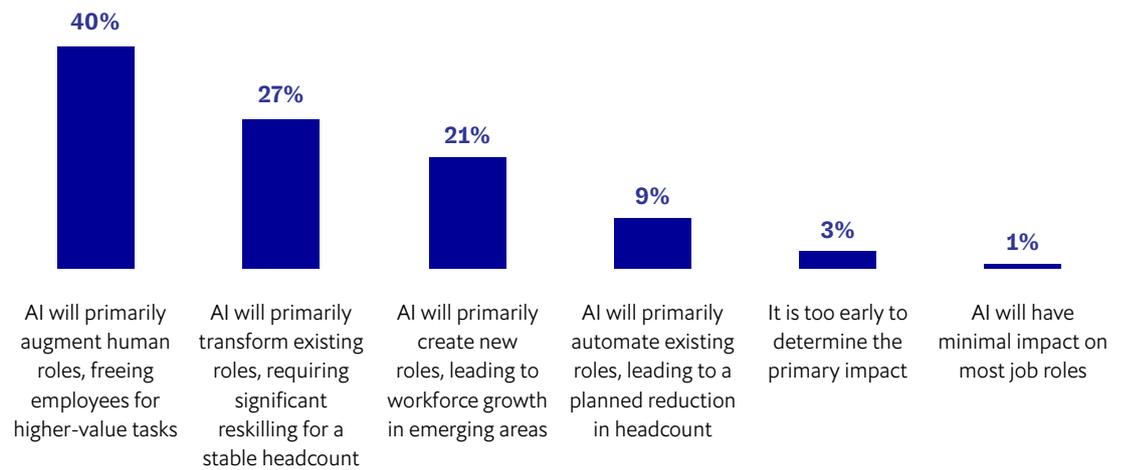
Source: Economist Impact

The shifting skills landscape

Despite AI's disruptive potential, most organisations do not expect large-scale job losses. Only 9% of executives foresee planned headcount reductions due to AI-led automation (Figure 7).

Figure 7: Executives recognise AI will change the way employees work in their existing roles

% responding* (executives selected single response). Numbers have been rounded for ease of interpretation

40%	27%	21%	9%	3%	1%
AI will primarily augment human roles, freeing employees for higher-value tasks	AI will primarily transform existing roles, requiring significant reskilling for a stable headcount	AI will primarily create new roles, leading to workforce growth in emerging areas	AI will primarily automate existing roles, leading to a planned reduction in headcount	It is too early to determine the primary impact	AI will have minimal impact on most job roles

*N=639, October–November 2025

Source: Economist Impact

While job cuts remain unlikely, demand for technical skills is rising sharply. Some firms are closing gaps faster than others—and they are doing it by looking outward. Among executives who report high technical proficiency (rating at least two of five core technical skills "high" or "very high"), 74% prioritise hiring experienced AI professionals and 68% partner with universities to recruit AI-skilled graduates.

This suggests that for many organisations, the fastest route to technical capability is not internal upskilling, but targeted external acquisition. Yet this strategy may be out of reach for smaller or resource-constrained firms, especially as competition for AI talent intensifies.

Training has not kept pace with transformation. Nearly half of executives say fewer than 10% of their employees received formal AI training last year. External research echoes this lag: just one in four global learning and development teams plan to offer generative AI training in 2025.[23] "When there's a new technology that requires reskilling or upskilling, it naturally takes a bit of time for those skills to be developed, learned and applied," says Mr Priddis at Faethm AI.
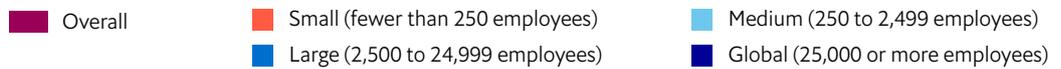
Training gaps: knowing isn't doing

The vast majority of executives are aware of the importance of AI skill development: 99% of executives report having a skills development approach in place. However, most organisations rely o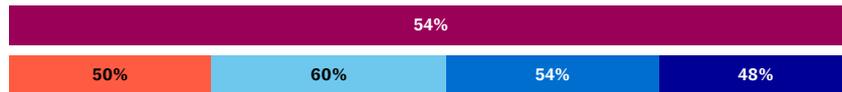n informal and ad hoc methods to build AI capability. More than half of executives report using mentorship (54%) or subsidised access to online learning platforms (52%). Yet only 21% partner with external training providers and just 16% offer structured internal training (Figure 8).

**Figure 8: AI skills development approaches adopted by organisations, by organisation size**

% responding* (executives could select up to three options). Numbers have been rounded for ease of interpretation
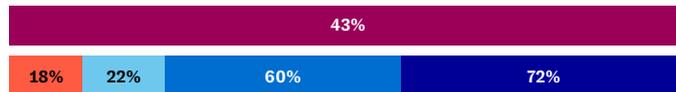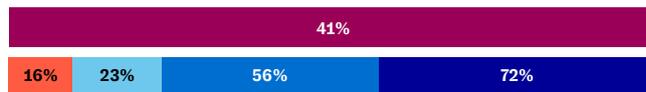
Legend:
- Overall
- Small (fewer than 250 employees)
- Medium (250 to 2,499 employees)
- Large (2,500 to 24,999 employees)
- Global (25,000 or more employees)

Mentorship

Overall	Small	Medium	Large	Global
54%	50%	60%	54%	48%

Subsidised employee access to self-directed online learning platforms (e.g., Coursera, LinkedIn Learning)

Overall	Small	Medium	Large	Global
52%	75%	67%	39%	25%
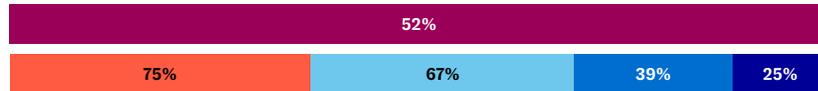
Partnering with universities to recruit fresh graduates with AI skills

Overall	Small	Medium	Large	Global
43%	18%	22%	60%	72%

Hiring experienced professionals with specialised AI skills

Overall	Small	Medium	Large	Global
41%	16%	23%	56%	72%

Informal and experiential learning (eg 'Lunch and Learn' sessions, peer-to-peer learning demonstrations)

Overall	Small	Medium	Large	Global
39%	53%	52%	32%	17%

Partnering with external training providers

Overall	Small	Medium	Large	Global
21%	3%	11%	28%	44%
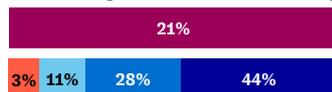
Internal training (training facilitated without external partnerships)

Overall	Small	Medium	Large	Global
16%	22%	21%	13%	10%
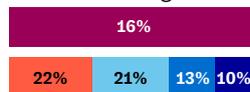
We do not currently have formal programmes for AI skill development

1% of overall respondents

**N=639 [small= 125 respondents, medium= 192 respondents, large= 198 respondents and global= 124 respondents], October–November 2025*

Source: Economist Impact

These models have clear limitations. Purely optional models will disadvantage those who do not opt in. Making learning a requirement, rather than a perk, is essential. "Companies that view learning as a benefit are stagnant compared to those who view learning as a mandate," says Mr Katanforoosh at Workera. Most subsidised optional online learning courses, for instance, are convenient but rarely sufficient. "Even when employees complete online courses, they often have no opportunity to apply what they've learned," says Mr Goto at the Japan Reskilling Initiative. "I call this the 'learn-and-forget' problem. They learn—but then it ends. There's no chance to put it into practice."

"Even when employees complete online courses, they often have no opportunity to apply what they've learned. I call this the 'learn-and-forget' problem. They learn—but then it ends."

Muneaki Goto, chief reskilling officer, Japan Reskilling Initiative, Tokyo

Making learning accessible, applied and continuous is essential to workplace sustainability. Without it, organisations risk leaving large parts of the workforce behind.
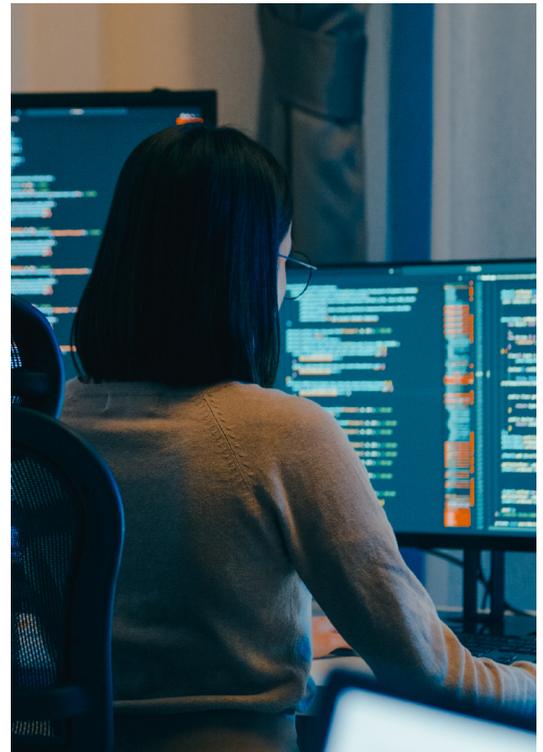
Box 3: London turns to academia to build AI talent

While many firms still rely on ad hoc online courses, London-based organisations are formalising their talent pipelines through university partnerships. More than half (53%) of London executives prioritise recruiting AI-skilled graduates through academic institutions—the highest of any city surveyed.

This structural approach to talent acquisition aligns with London's broader maturity in AI deployment: 41% of executives in the city report expanding successful AI initiatives across multiple business units, well above the overall average (26%). The drivers behind this momentum are varied. "London benefits from a unique ecosystem advantage—the density of data-intensive industries like fintech, insurance and healthcare; strong regulatory-innovation interfaces such as the sandbox and open banking; and access to globally mobile, high-skill talent," says Professor Islam.

Meanwhile, external hiring is becoming less viable. Around 70% of executives cite intense competition for AI talent as a key barrier to aligning talent development with AI strategy and 41% say they lack sufficient budget to recruit (Figure 5). In this context, the most effective strategy may start from within. "Before jumping straight to hiring, start by measuring your internal capabilities," says Mr Katanforoosh.

"You'll find your champions and ambassadors, identify your gaps and understand which of those gaps can actually be filled internally." For instance, AI elevates the importance of human-centric skills—such as critical thinking, creativity and contextual judgment—that already exist across industries. Organisations that assess and activate these latent strengths may find that the skills they need are closer than they think.

Box 4: The small firm challenge

The capability gap is widest among small businesses. Compared to global peers, they report the lowest proficiency levels across all skill categories. Just 10% of small business executives say they offer improved compensation or benefits for AI talent, compared with 30% of executives from global organisations. And nearly a quarter have no AI talent retention measures. "Smaller firms lack capital, infrastructure and manpower, so they rely on off-the-shelf tools that accelerate experimentation but limit deeper transformation," says Professor Islam. "They need regulatory guidance and public-private partnerships to close the gap."

Training pathways help explain this divide. Only 18% of executives at small firms cite partnerships with universities, and just 3% mention partnerships with training providers, compared with 72% and 44%, respectively, at global organisations. Instead, they rely heavily on subsidising optional online learning (Figure 8). Mr Goto recommends more structured models. What small firms lack in scale, they must make up for in structure. "Apprenticeship programmes that enable learning during working hours and can help employees put the learnings into practice, to make them acquire real skills," he explains.

The rise of soft skills

As AI automates or augments technical tasks, human skills are becoming the key differentiators. Evidence increasingly shows that AI is elevating the importance of soft skills.[24] "AI is allowing us to automate or augment the technical aspects of all of our jobs," says Mr Priddis. "That means the human aspects, such as contextual insight, behaviour, interpersonal skills like tone of voice and cultural awareness, are the skills that will separate the good from the brilliant." Developing these soft skills supports a more human-centred AI workplace where adaptability, creativity and ethical reasoning become the foundations of long-term sustainability.

"AI is allowing us to automate or augment the technical aspects of all of our jobs. That means the human aspects, such as contextual insight, behaviour, interpersonal skills like tone of voice and cultural awareness, are the skills that will separate the good from the brilliant."

Michael Priddis, founder and former chief executive officer, Faethm AI, Sydney

As these skills are applicable across industries, employees are broadly more proficient in these than in technical categories. Respondents say that employees are strongest in critical thinking and problem-solving (33%) and creativity and innovation (36%), but the level of proficiency is still significantly lower than their perceived importance (Figure 6). Not all firms are prepared for the soft-skill development needed in an AI-enabled workplace. "The ability to make mistakes, reflect and adapt to change is inherent to soft skill development," says Mr Goto. "But this ability is underdeveloped in Japanese enterprises because of a conservative labour culture and an obsession with avoiding failure."

Building ecosystems for skills

Universities, training providers and governments play a pivotal role in building the training infrastructure needed to close the skills gap. "Top talent gravitates toward major hubs, like London, San Francisco and New York, where the talent ecosystem can bring together the private sector, the public sector, higher education and investor capital in one place," says Mr Katanforoosh.

> **"Top talent gravitates toward major hubs, like London, San Francisco and New York, where the talent ecosystem can bring together the private sector, the public sector, higher education and investor capital in one place."**

Kian Katanforoosh, co-founder and chief executive officer, Workera, San Francisco

London, Europe's top hub for AI venture capital investment illustrates the advantages of a robust public-private ecosystem.[25] As noted in Box 3, majority respondents from London report expanding successful AI projects across multiple business units or functions. The city government's London Growth Plan has positioned AI as a central pillar of its economic strategy alongside a co-ordinated talent agenda designed to create new jobs.[26]

Box 5: Singapore's model for AI workforce development

Singapore offers a clear example of what aligned public-sector support looks like. It has adopted a whole-government approach, driven by the Smart Nation and Digital Government Group, to advance and oversee AI development and governance.[27] Nearly two-thirds (65%) of executives say municipal financial support—such as grants, tax credits and co-funded training—has a strong impact, the highest among all cities surveyed.

The strength of its local ecosystem is also notable: 31% cite strong impact from Singapore's tech and talent network, and one in three highlight the role of clear municipal regulation. From SkillsFuture to the AI Trailblazers programme, Singapore's city-level policies align across funding, infrastructure, and governance—creating an environment where AI workforce development is not just encouraged, but enabled.[28]

A large number (88%) of respondents say local education and training capacity has impacted their ability to develop AI skills. "Startup hubs, scaleup hubs and other collaborations between government, universities and the private sector are the perfect spaces for these skills to be nurtured," says Mr Priddis at Faethm AI. He explains that these innovation hubs are low-risk environments. In 2023 Singapore's government partnered with Google Cloud on the AI Trailblazers initiative, aiming to develop 100 public-private AI use cases by creating workshops and sandboxes for innovation and experimentation.[29] Initiatives like Japan's Reskilling Initiative, which mobilised 27 municipal governments to enhance digital skills and workforce mobility, show how public bodies can help smaller firms keep pace—provided that leaders themselves are digitally literate.[30] Yet government respondents were less likely than average to say their leadership champions an AI talent strategy (38% v 60%). Digital literacy must extend to government leaders as well.

Upskilling is equally vital within universities themselves. Respondents in educational services were twice as likely as average to identify "attracting, developing and retaining talent" as a key driver of AI adoption; this suggests that universities are already recognising the importance of keeping pace with new technologies and evolving student expectations. For example, the University of New South Wales, in Australia, provides an upskilling model, offering staff an AI Fundamentals course that delivers immediately applicable workplace skills, including training on ethical and privacy implications.[31]

Key leadership takeaways on essential skills and talent development for building a sustainable AI-powered workplace:

- **Build structured, practice-based training programmes.** Complement informal learning with formal internal training and modular learning paths tied to company strategy that enable employees to apply new skills directly on the job.

- **In a highly competitive AI talent market, most firms should look to develop internal capabilities.** Mapping roles and conducting skills audits can identify gaps.

- **Balance technical and human-centric skill development.** Enabling knowledge sharing and pairing tech and non-tech teams together to cultivate creativity, collaboration and critical thinking.

- **Leverage public-private ecosystems to create sustainable talent pipelines.** Engaging with universities, government programmes and innovation hubs to access training infrastructure, expert guidance and supportive regulation.

Culture, curiosity and continuous learning

This chapter delves into the culture and ethical governance foundations that promote responsible AI adoption
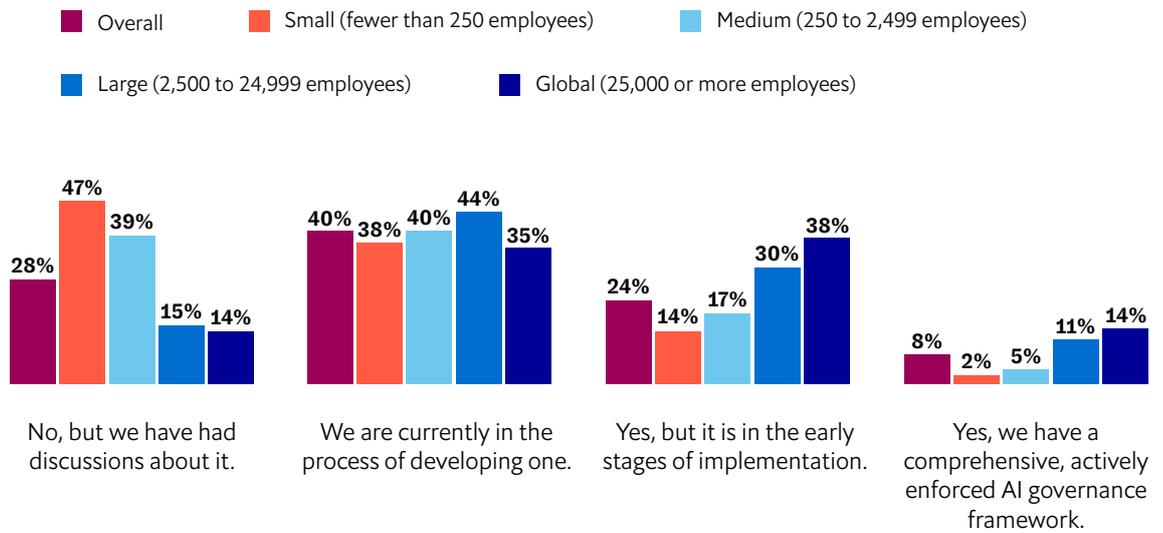
Closing the skills gap is only part of the story. True AI maturity rests on three foundations: culture, leadership and governance. As firms progress, curiosity, accountability and ethical guardrails become the levers that turn capability into lasting advantage. An AI governance strategy is no longer optional. Every organisation we surveyed has discussed or planned a framework for responsible and ethical AI, yet aspiration has outpaced execution. Only 8% report having a comprehensive, actively enforced governance system. And just 24% are in early implementation (Figure 9). Global

firms are far ahead: 14% of executives at global companies report having a comprehensive, actively enforced AI governance framework, and 38% say implementation is underway. Among small businesses, just 2% report a comprehensive framework, and only 14% say they are in the early stages of governance implementation, calling for targeted efforts to promote AI governance practices among the small organisations. As companies move from planning to practice, cultural readiness will determine whether governance succeeds.

Figure 9: Implemented formal AI governance framework development for responsible/ethical use by employees among organisations, by organisation size

% responding* (executives selected single response). Numbers have been rounded for ease of interpretation

- Overall
- Small (fewer than 250 employees)
- Medium (250 to 2,499 employees)
- Large (2,500 to 24,999 employees)
- Global (25,000 or more employees)

No, but we have had discussions about it.
Overall 28%, Small 47%, Medium 39%, Large 15%, Global 14%

We are currently in the process of developing one.
Overall 40%, Small 38%, Medium 40%, Large 44%, Global 35%

Yes, but it is in the early stages of implementation.
Overall 24%, Small 14%, Medium 17%, Large 30%, Global 38%

Yes, we have a comprehensive, actively enforced AI governance framework.
Overall 8%, Small 2%, Medium 5%, Large 11%, Global 14%

* N=639, October–November 2025
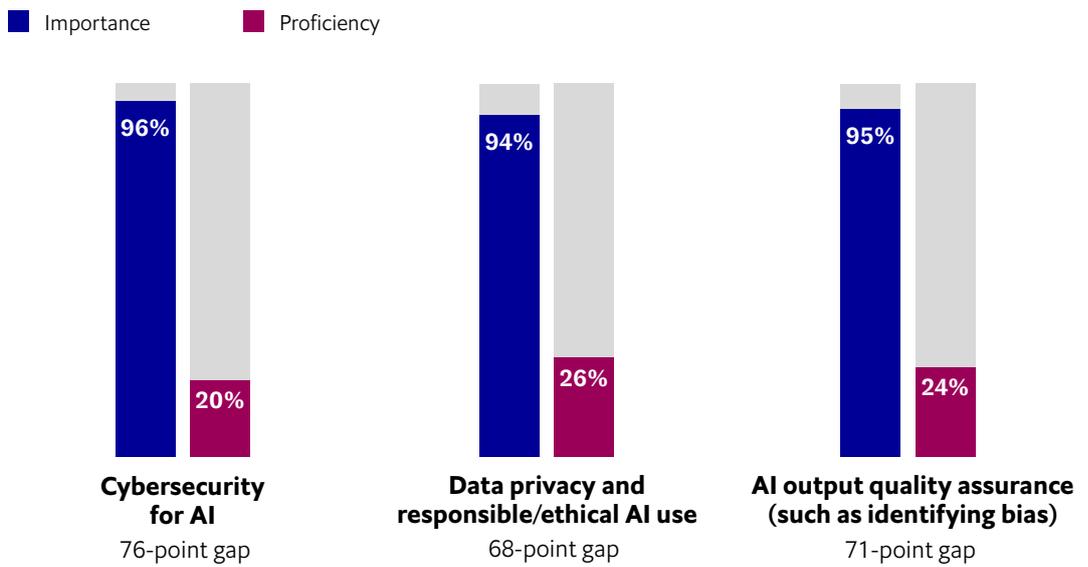
Source: Economist Impact

Governance for guidance

Security, privacy and ethics remain major concerns for effective AI adoption. Risks include biased or opaque decision-making, exposure of private data, and regulatory non-compliance, which can undermine organisational integrity and ESG commitments.[32] The greatest risks often arise not from hackers but from internal errors such as poor data handling, weak oversight and unguarded use of sensitive information. The World Bank cites limited technical expertise and knowledge gaps as one of the top challenges for AI governance, as a workforce without AI knowledge is more likely to make mistakes that hinder ethical or regulatory compliance.[33] This highlights the need for employee training. Although cybersecurity knowledge can make employees aware of what not to do, only one in five respondents says their employees are highly proficient in cybersecurity, placing it among the three lowest-rated skills. Strengthening cybersecurity is therefore critical to maintaining trust in AI systems, protecting sensitive data and ensuring that human–AI collaboration does not introduce new operational vulnerabilities. Similar gaps are seen in other related skills (Figure 10).

Figure 10: Perceived importance of AI governance skills versus perceived actual proficiency, overall

% responding* (executives ranked the importance of each skill and their organisation's proficiency level with respect to that skill). Numbers have been rounded for ease of interpretation

■ Importance   ■ Proficiency

96% / 20%	94% / 26%	95% / 24%
Cybersecurity for AI	**Data privacy and responsible/ethical AI use**	**AI output quality assurance (such as identifying bias)**
76-point gap	68-point gap	71-point gap

*N=639, October–November 2025

Source: Economist Impact

Regulators, too, are just starting their AI journeys. Guidance varies widely across jurisdictions, leaving employers unsure what responsible governance looks like in practice. "A key challenge today is transitioning from writing [governance] principles to operationalising AI responsibility," observes Professor Islam at UEL. Cultural context further shapes governance. In Japan, companies take an especially tentative approach. "Due to Japan's conservative culture, companies handle responsible and ethical AI with extreme caution," says Mr Goto of the Japan Reskilling Initiative. Australia shows similar patterns. "Australian enterprise leaders tend to be too cautious about high-risk, uncertain topics like technological changes, particularly when they can learn from observing global leaders. Culturally, they prefer to wait and see.

However, the pace of technological change means that being a fast follower is not a smart position to take: in an exponential world being a fast follower means you're choosing to be an ever smaller dot in the rear-view mirror of the leaders," explains Mr Priddis at Faethm AI.

Clear and confident regulatory leadership can ease these concerns. Two-thirds of respondents say city- or municipal-level policy, whether on data sharing or visa policies, directly affects their ability to build AI-ready workforces. As regulation matures and cities commit to AI skills development, organisations gain the confidence to trust AI's ethical guardrails. Municipal initiatives such as New York City's AI Action Plan and Singapore's SkillsFuture programme offer compelling examples of how local leadership can

drive responsible innovation and workforce development. The AI Action Plan seeks to equip New York City government employees with the knowledge and skills to use AI effectively and responsibly[34] Meanwhile, SkillsFuture, which represents a national effort to upskill and reskill Singapore's workforce, emphasises AI as the future of the workplace.[35] Similarly, the Mayor of London has prioritised AI through initiatives such as the Data for London Library, designed to expand access to data and power AI-enabled public services.[36] All three cities have appointed dedicated municipal AI leaders, showing a strong commitment to public-sector leadership.

Cultural challenges

Sustaining transformation depends on culture. Research shows that organisations that build inclusive, continuous learning cultures supported by AI-enabled tools are better positioned to support long-term adaptability and equitable talent development.[37] How organisations nurture and inspire their staff will be critical to determining workforce readiness and acceptance of AI. Employee resistance is a major barrier to AI adoption currently. One in three executives (33%) cites it as a top challenge in aligning talent development with AI strategy—rising to 56% among global organisations, where it is the second most frequently cited obstacle. Looking ahead, leaders expect this to remain a defining cultural challenge: 44% say overcoming employee fear or resistance to AI-driven changes in job roles will be one of the most important priorities over the next three to five years (Figure 11). Fears about job security, autonomy and opaque decision-making fuel hesitation and distrust. Companies can allay these fears by giving workers time to explore AI in the context of their own work. Reluctance and a lack of confidence mean many employees simply don't experiment enough with AI to build real capability, especially in industries where the perceived risks of misuse are high. "There's a real confidence hurdle, particularly in highly regulated industries, where employees are not

yet familiarised with how best to use these new powerful tools," says Mr Neumann. "The industry has already attuned the workforce to the importance of responsible AI. We believe that it is critical to further expand this education with training, knowledge-sharing, strategic organisational frameworks, and empowering our colleagues with more opportunities for hands-on use and adoption."
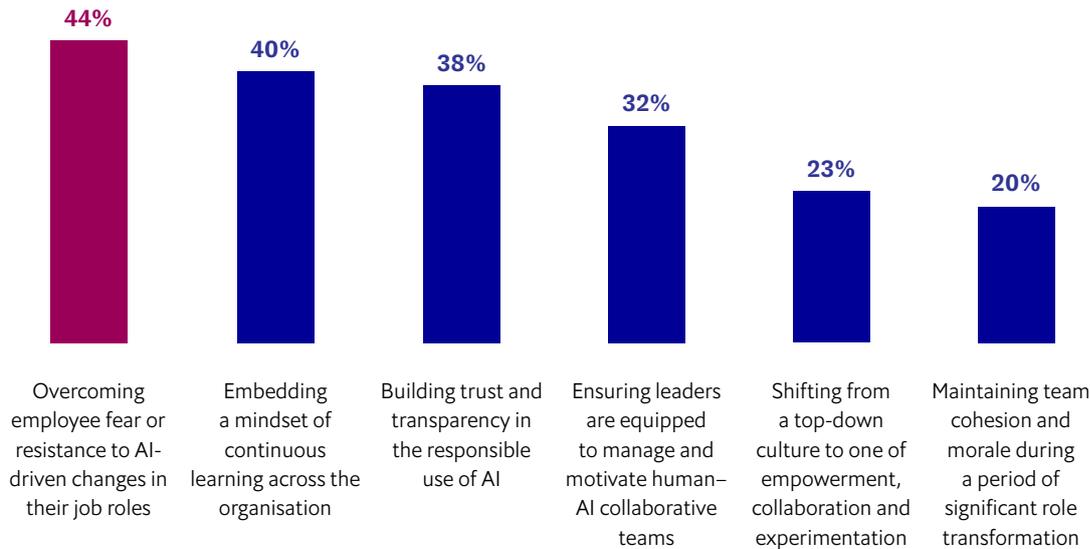
"There's a real confidence hurdle, particularly in highly regulated industries, where employees are not yet familiarised with how best to use these new powerful tools. The industry has already attuned the workforce to the importance of responsible AI. We believe that it is critical to further expand this education with training, knowledge-sharing, strategic organisational frameworks, and empowering our colleagues with more opportunities for hands-on use and adoption."

Thorsten Neumann, executive director, head, AI research & experiment, Standard Chartered, Singapore

Figure 11: Key cultural challenges organisations expect to matter most over the next 3–5 years

% responding* (executives could select up to two options). Numbers have been rounded for ease of interpretation

44%	40%	38%	32%	23%	20%
Overcoming employee fear or resistance to AI-driven changes in their job roles	Embedding a mindset of continuous learning across the organisation	Building trust and transparency in the responsible use of AI	Ensuring leaders are equipped to manage and motivate human–AI collaborative teams	Shifting from a top-down culture to one of empowerment, collaboration and experimentation	Maintaining team cohesion and morale during a period of significant role transformation

*N=639, October–November 2025

Source: Economist Impact

Providing a supportive adoption environment requires clear communication, explainable and transparent systems and leadership that promotes a culture of curiosity. "If organisational culture rewards accuracy and efficiency over curiosity, and employees are penalised for failure, they will avoid experimentation," says Professor Islam at UEL. Creating space for experimentation and reframing failure as part of learning is, therefore, essential to building AI confidence and reducing resistance. "A lot of organisations are scared of challenging their people, but learning will not happen without challenges," says Mr Katanforoosh at Workera. Some leaders are already putting this culture into practice. "If I have a team doing work today which AI could help optimise or offload, the impact on staff may not be clear or directly visible, which can create uncertainty," says

Mr Neumann. "In this environment, it is even more important to support our colleagues in upskilling as well as re-imagining their roles and tasks alongside the adoption of AI. This creates a dynamic relationship that will allow teams to adapt and thrive in tandem with advancements in the technology."

Continuous learning is equally essential. While 86% of respondents agree that adaptability and lifelong learning are critical in an AI-enabled workplace, only a quarter of executives believe their employees are highly proficient in these skills (Figure 6). Closing this gap demands a culture that rewards exploration. "You can't force learning: training has to be led by an environment that supports an individual's curiosity," says Mr Neumann. "And this spirit of learning and curiosity can be cultivated

through a number of drivers – such as establishing a practice or network for knowledge-sharing, and building cross-functional teams." Leaders expect embedding a learning mindset to be one of their biggest cultural challenges over the next three to five years. The ability to learn by doing, supported by leaders who foster curiosity and knowledge sharing, is becoming a core organisational capability. "The most critical thing is to act. The half-life of learning is 30 minutes unless you

apply it," says Mr Priddis. "In the fast-evolving landscape, you have to be open to uncertainty." Mr Neumann agrees. "In all my experimentation and research, I haven't found a single AI use case that isn't worth pursuing, and it principally comes down to a matter of prioritisation" he says. Safe, exploratory work cultures are necessary to build a welcoming environment for testing and deploying these use cases, and help employees see AI as a tool, not a threat.

Box 6: New York cultivates a culture of communication, learning and innovation

New York firms favour fast, flexible training models. Of respondents there, 42% prioritise informal formats such as "lunch and learn" sessions and peer-led demonstrations—the highest across all cities. This informal approach is supported by a culture of communication: 55% of New York executives say they collect employee feedback on AI's workplace impact, signalling strong engagement between leadership and teams.

To retain AI talent, New York companies lean on internal innovation rather than compensation. Two-thirds (67%) say offering opportunities to work on cutting-edge projects is their primary retention strategy, again well above the global average. The training provided to New York State employees includes a secure generative AI toolset to enable hands-on application.[38]

Missing managers

Despite recognising the importance of AI-driven workplace transformation, few organisations hold managers accountable for building AI skills. Just over 10% of executives say it is a core managerial responsibility; nearly half say managers are only minimally accountable. Small businesses are particularly exposed: 21% report that managers bear no responsibility at all (Figure 12).
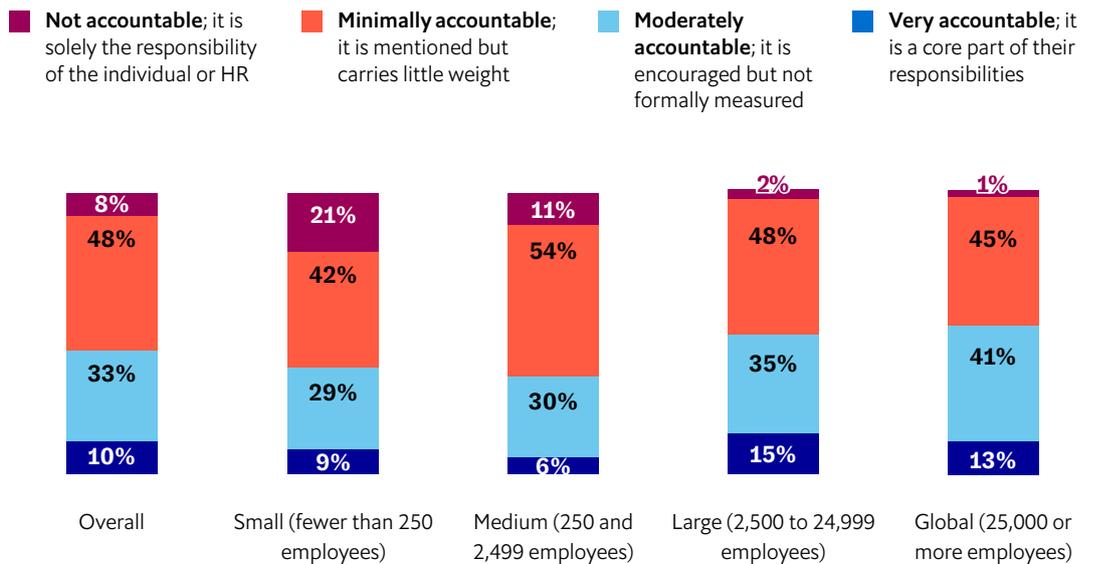
This creates a structural barrier to transformation. Leadership at all levels is essential to building and sustaining AI-powered workplaces. As intelligent systems become embedded across teams and tasks, organisations need "hybrid" leadership capabilities that enable executives and managers to guide human–AI collaboration in a confident, ethical and inclusive way.[39]

Figure 12: Middle managers accountability towards AI skill development of their team members, by organisation size

% responding* (executives selected single response). Numbers have been rounded for ease of interpretation

- ■ **Not accountable**; it is solely the responsibility of the individual or HR
- ■ **Minimally accountable**; it is mentioned but carries little weight
- ■ **Moderately accountable**; it is encouraged but not formally measured
- ■ **Very accountable**; it is a core part of their responsibilities

	Overall	Small (fewer than 250 employees)	Medium (250 and 2,499 employees)	Large (2,500 to 24,999 employees)	Global (25,000 or more employees)
Not accountable	8%	21%	11%	2%	1%
Minimally accountable	48%	42%	54%	48%	45%
Moderately accountable	33%	29%	30%	35%	41%
Very accountable	10%	9%	6%	15%	13%

*N=639 [small= 125 respondents, medium= 192 respondents, large= 198 respondents and global= 124 respondents], October–November 2025

Source: Economist Impact

Senior leaders may set the vision, but it is frontline managers who must translate that into daily practice. Yet many lack the mandate or support to do so. "A lot of organisations are afraid to challenge their people, but learning doesn't happen without challenge," says Mr Katanforoosh. "Leaders hesitate to block off half a day for their teams to learn AI when there's so much else to do, but they should. It might slow them down for a day, but over a month or a year, it pays dividends."

Box 7: Sydney's next step—activating managerial leadership

In Sydney, managers are not yet central to AI capability-building. Nearly half (47%) of executives surveyed from Sydney say managers have only minimal responsibility for developing AI skills and 18% say their managers have no accountability at all. This is the highest across all cities surveyed.

The executives from Sydney rely on self-directed learning (54%) and hiring experienced professionals (40%) to develop AI-relevant skills in the workforce. This strategy is underpinned by a strong local talent pool: 80% say the availability of skilled professionals in the city positively influences their workforce planning.

This approach has enabled early experimentation—22% of executives in Sydney are currently exploring AI use cases on an ad hoc basis, suggesting openness to innovation. But greater managerial accountability will be essential to unlock enterprise-wide capability. Mr Priddis observes, "Middle management teams looking after AI training and development programmes worry about the rapid pace of AI developments versus their training budget, often fearing that skills gained through training courses will keep getting irrelevant as new skill needs arise, resulting in futile investments. This is not an unreasonable fear, but rather than not spend and defer until 'times are stable' it is more important for them to be strategic about training initiatives, looking at them as iterative and building upon previously gained skills, and show this strategic focus, and the results, to executives to unlock more budget."

There are promising signs: nearly 60% of respondents say their leadership is aligned and actively champions their AI talent strategy (Figure 1). The next step is embedding leadership development deeper into the organisation and holding people managers accountable for progress. Almost one in three (32%) respondents says equipping leaders to manage human–AI teams will be a key cultural challenge in the coming years (Figure 11). Addressing this gap will determine whether organisations can scale AI beyond isolated pilots.

"Our principle is 'leaders for leaders'," says Mr Neumann. "We build competence at the centre of the organisation, giving leaders the responsibility to take solutions through to production and demonstrate impact on the rest of the organisation. Along the way, as you expose others to these projects and empower them to take ownership of key strategies or workflows, this knowledge transfer creates even more experts across the business."

Key leadership takeaways for cultivating a culture and ethical governance for AI adoption:

- **Develop a deeper understanding of local regulation and city-level infrastructure.** Cities play a critical role in enabling responsible innovation. Local policies, sandboxes, funding programmes and dedicated AI leadership provide the guardrails organisations need to develop AI skills and deploy systems responsibly.

- **Reduce resistance by creating safe, transparent environments for experimentation.** Address employee fears about job security, data misuse and ethical risks by encouraging curiosity, open communication and hands-on learning.

- **Embed continuous learning into the organisational mindset.** Shift from occasional training to lifelong learning by creating role-specific learning paths that combine formal training with on-the-job projects and self-directed learning, supported by peer review sessions.

- **Make managers accountable and equip leaders to guide human–AI collaboration.** Manager accountability is one of the biggest structural gaps. Tie manager performance to learning adoption and human–AI collaboration outcomes. Require practical AI training for leaders across levels to close capability gaps.

Conclusion

The rise of AI marks a structural shift in how organisations create value and organise work. The findings of this report confirm a fundamental truth: the successful adoption of AI is no longer a question of "if," but of human readiness. Technology may be advancing exponentially, but workforce readiness is not keeping pace. Widening gaps in skills, confidence and governance threaten to slow progress just as the potential rewards grow larger.

The organisations that succeed will be those that recognise AI as a long-term transformation of work itself. Across industries, the most advanced organisations share a common pattern: they look for internal skills-building, reward learning and treat governance as essential. They balance experimentation with accountability, with clear ethical guardrails, and empower managers and leaders to guide human–AI collaboration. They view AI not just as a technology investment, but as a long-term commitment to sustainable talent development. Technical upskilling must be matched with the development of human capabilities, which will grow in importance as AI takes on more routine work. And learning must become a continuous, embedded habit of the organisation rather than a periodic intervention.

Building a sustainable, AI-ready workplace demands strong governance, inclusive leadership and future-focused approaches to culture and capability-building. Done well, this can strengthen organisational resilience, expand opportunity and ensure technological progress supports long-term workforce wellbeing.

For business leaders navigating the rise of AI, the table below offers a practical roadmap for building—and thriving in—a sustainable, AI-powered workplace.

Leaders must..	What it enables..	Strategic focus area..	How to act..	Why does it matter..
Commit to strategic, long-term investment.	Long-term strategic sustainability: resilient, future-ready operations	Strategic readiness and investment	• Redesign workflows for human–AI collaboration that elevates human roles • Allocate dedicated budgets for workforce upskilling and reskilling • Implement a dual-track productivity strategy: automate low-value tasks and reinvest gains into workforce capability • Tap into public incentives—such as grants, tax credits and co-funding—to reduce barriers to readiness	**Back your ambition:** Without investment, AI remains a pilot project. Scale requires dedicated funding and design.
Set ownership and track impact.	Sharper prioritisation and accountability for outcomes	Strategic readiness and investment	• Prioritise use cases and define what "ready to scale" looks like • Collect employee feedback to gauge AI's impact on work • Track longer-term outcomes, not only short-term ROI metrics • Assign clear owners and performance indicators to review progress and unblock scaling decisions	**Turn intent into outcomes:** Without ownership and measurement, prioritisation drifts and scaling stalls.
Build structured, inclusive talent development.	Social sustainability: inclusive, scalable internal capability	Essential skills and talent development	• Engage with regulators and align internal policies to ensure responsible, ethical AI practices • Create safe, transparent environments that encourage experimentation and reduce resistance • Embed continuous learning into everyday operations—not one-off interventions • Make people managers accountable for team learning and AI integration outcomes • Provide hands-on AI and governance training for leaders at all levels	**Formalise skills development:** Ad hoc learning doesn't build workforce resilience. Structured pathways drive scale, equity and ROI.
Reward learning—and make it a mandate.	Reduced "learn-and-forget" and stronger day-to-day application	Essential skills and talent development	• Make learning a requirement, rather than a perk • Block off time for teams to learn AI, even when workloads are high • Recognise and reward learning through performance goals, progression and promotion signals • Equip people managers to remove barriers to participation and sustain momentum	**Make learning stick:** Optional courses without time and incentives create "learn-and-forget"—skills that don't translate into day-to-day capability.

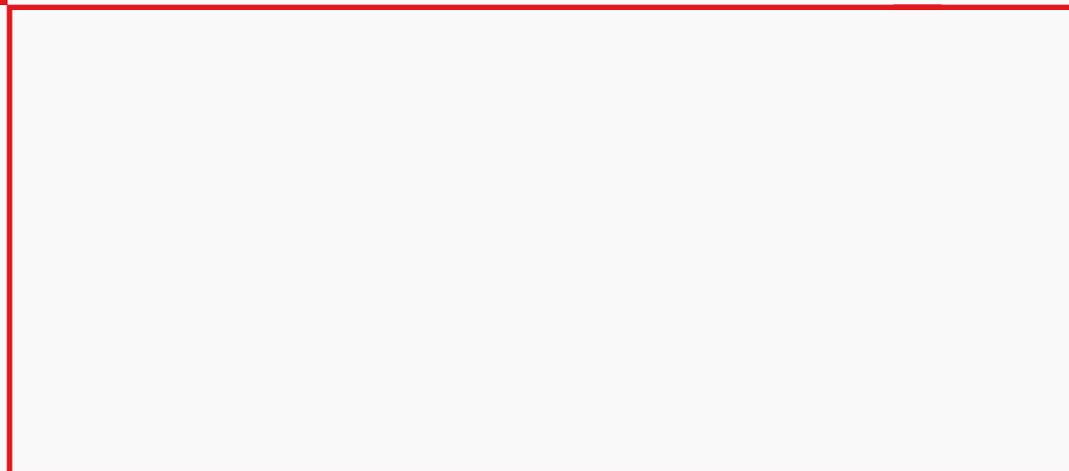| Leaders must..	What it enables..	Strategic focus area..	How to act..	Why does it matter..
Embed curiosity, confidence and accountability into culture.	Governance and cultural sustainability: trust, adaptability and workforce resilience	Culture and ethical governance	• Engage with regulators and align internal policies to ensure responsible, ethical AI practices • Create safe, transparent environments that encourage experimentation and reduce resistance • Embed continuous learning into everyday operations—not one-off interventions • Make people managers accountable for team learning and AI integration outcomes • Provide hands-on AI and governance training for leaders at all levels	**Own cultural change:** Culture drives adoption. Equip teams to experiment safely and lead responsibly— across all levels.
Build robust guardrails with active monitoring.	Trust, transparency and resilience aligned with ESG expectations	Culture and ethical governance	• Move beyond intent and implement a formal AI governance framework for responsible/ethical employee use • Set clear standards and oversight for tool use, data handling and escalation routes • Prioritise controls and capability-building in cybersecurity, data privacy and bias detection • Monitor usage and incidents to strengthen standards and guardrails over time	**Protect ESG trust:** Weak standards and oversight shift risk onto employees and can undermine organisational integrity and ESG commitments.

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