THE BOARD'S AI MOMENT

Success is defined not by having all the right answers, but rather by asking the right questions.

protiviti®
Global Business Consulting

BOARDPROSPECTS

TABLE OF CONTENTS

INTRODUCTION AND KEY FINDINGS

As board members and executives calibrate their oversight and execution of their organisation's artificial intelligence (AI) transformation and growth strategy, success is defined not by having all the right answers. Rather, it's defined by asking the right questions.

As AI capabilities mature, create more value and deliver expected return on investment (ROI), directors and C-suite leaders need to ask incisive AI-oriented questions concerning integration into operations, the appropriate governance framework, near- and long-term benefits, risks related to false information being used in or generated by AI applications, and obstacles to effective deployment. Furthermore, it's time for directors to establish AI as a standing agenda item for every board meeting — something that's not the case for most boards today.

These are among the key themes emerging from the findings of our third annual **Global Board Governance Survey**. This year, our focus is on **AI transformation**. Our results, based on a global survey of more than 750 (n=772) board members and C-suite executives conducted in the fourth quarter of

2025, also reveal a telling dichotomy between organisations that perceive themselves as being more advanced in their AI capabilities (and derived ROI) and other organisations.

As we explore in our report, mature AI-driven organisations have far greater confidence in their ability to integrate AI into operations and to deploy the technology ethically and responsibly. Their boards cover AI on a far more frequent basis. They also have much greater concerns about AI innovation-driven risk, lack of necessary talent and skills, and technology infrastructure limitations.

Our survey findings provide a snapshot of the AI transformation journey, including views on benefits, obstacles and priorities, as well as the board's evolving oversight of these endeavours. Bottom line: Progress at the board level is required on multiple fronts. Boards must do more to become better educated about and engaged with AI. They must position themselves and their organisations to address their AI strategy and challenges more swiftly, particularly given stakeholder demands to generate sufficient measurable returns from AI initiatives.

63%
of organisations that see high levels of ROI from their AI initiatives include AI on the agenda in every board meeting, versus just

13%
of boards in the low ROI category.

Key findings

01

Effective AI integration and responsible deployment drive greater ROI.

Organisations gain confidence in their ability to integrate AI technology responsibly into operations by applying comprehensive frameworks, fostering transparency, emphasising ethical practices and addressing risks proactively. To no surprise, most organisations reporting confidence in their ability to integrate AI effectively are experiencing high levels of ROI from their AI initiatives. Specifically, 95% of these organisations are seeing significant ROI, versus just one in three organisations achieving low ROI. The same pattern holds true in regard to the responsible and ethical deployment of AI, with 93% of high ROI organisations confident in their strategy in this area, compared with just 42% in the low ROI cohort.

02

Key benefits include business process efficiency and, for AI-mature organisations, improved customer experience.

Directors and C-suite leaders see more efficient business processes as AI's top benefit, but there are notable differences based on the organisation's AI maturity level. For example, twice as many leaders in AI-mature organisations see customer experience enhancements as a key benefit compared with the lowest maturity group. Companies in the latter category are far more focused on cost savings.

03

Innovation risk is the top AI obstacle.

A majority of organisations at the highest level of AI maturity are concerned about managing risks associated with AI innovation, versus just 20% of those in the initial stages of their AI transformation journey. Talent gaps and infrastructure limitations also are notable concerns for AI-mature enterprises.

04

Directors with AI-mature organisations discuss AI at every board meeting.

One of the strongest differentiators among boards is how often AI appears on the agenda. Nearly two out of three boards (63%) in organisations that see high levels of ROI from their AI initiatives include AI on the agenda in every board meeting, versus just 13% of boards in the low ROI category. This remarkable difference equates to the board adopting a proactive versus reactive approach to engaging with management on AI strategy, transformation and oversight.

05

AI integration into strategy, high-value opportunities are top priorities.
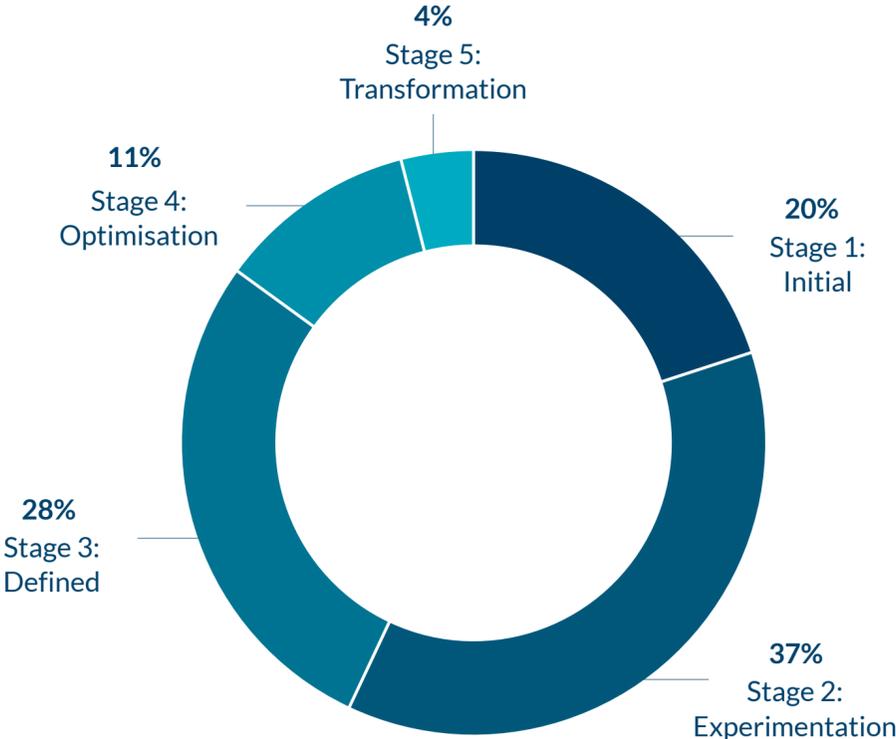
In terms of AI-related board priorities for the upcoming year, integrating AI into business strategy to address innovation and competitive position, along with identifying high-value AI opportunities and use cases, are critical topics. AI-driven organisations are significantly more likely to focus on strategy as well as specific metrics tied to implementation progress.

SETTING THE FOUNDATION: VIEWS ON AI MATURITY AND ROI

Organisations that achieve greater AI maturity and perceive higher levels of AI ROI have distinctive views on AI transformation, from benefits and obstacles to board oversight.

We asked board members and executives to rate their organisations on our AI maturity and ROI continuums. As we explore throughout our report, views among organisations at the higher AI maturity and ROI levels show some distinct differences compared with other groups of respondents.

Figure 1: AI maturity level

4%
Stage 5:
Transformation

11%
Stage 4:
Optimisation

20%
Stage 1:
Initial

28%
Stage 3:
Defined

37%
Stage 2:
Experimentation

Q: At which of the following stages along the AI transformation journey would you place your organisation?

Figure 2: Perceived ROI from AI initiatives

4%
Transformative,
significant ROI

14%
Strong,
noticeable ROI

29%
Still early days;
not realising ROI yet

27%
Moderate,
emerging ROI

26%
Limited early
signs of ROI
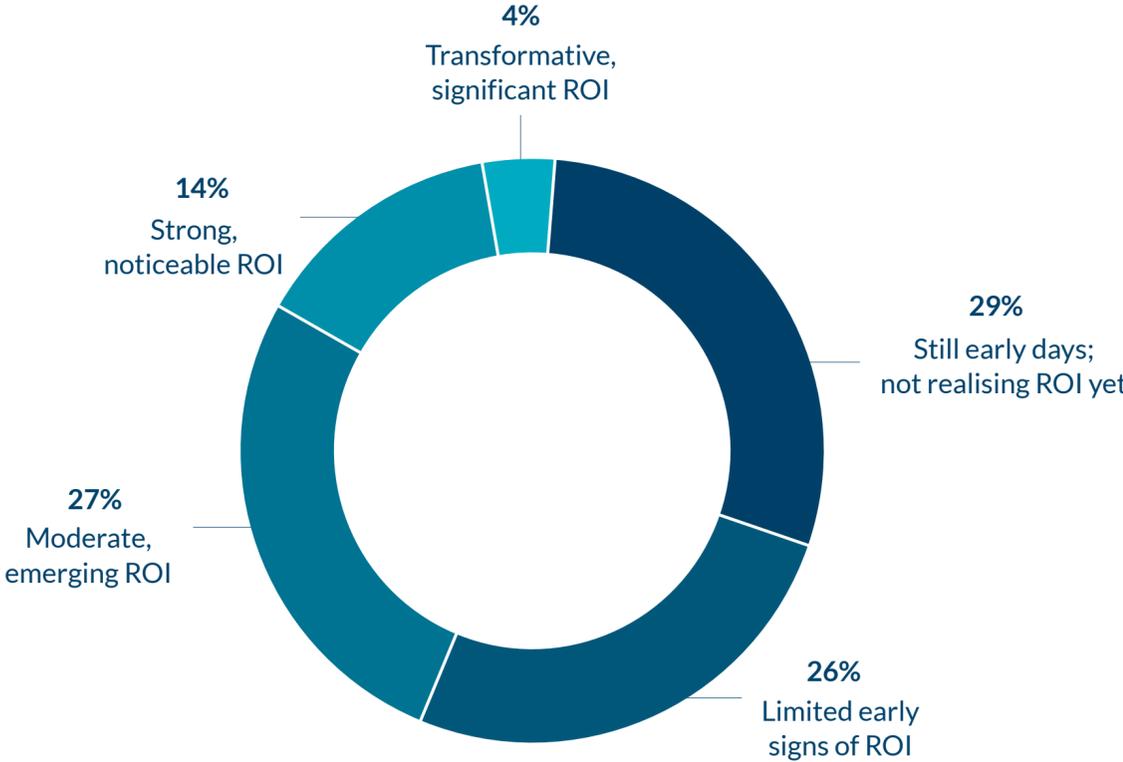
Q: Using the following scale, please select the description that best reflects your perception of the organisation's current experience with the ROI from its AI initiatives to date.

In the remainder of this report, we analyse many of the survey results through the lens of these two categories, which we have organised and defined as follows:

Table 1: Continuum — AI maturity level

Level	Equates to
Initial	Stage 1: Initial (Organisation recognises AI's potential benefits but has limited understanding and no strategic initiatives; KPIs have not yet been defined)
Experimentation	Stage 2: Experimentation (Organisation has initiated small-scale AI projects and pilot programs to assess feasibility and benefits)
Defined	Stage 3: Defined (Organisation has integrated AI solutions into existing business processes, enhancing operational efficiency and decision-making)
Advanced	Stage 4: Optimisation (Organisation has optimised AI systems for performance and scalability, with continuous improvements based on data feedback); Stage 5: Transformation (AI drives significant business transformation at the organisation, creating new opportunities and reshaping the industry landscape)

Table 2: Continuum — Level of perceived ROI from AI

Low level of perceived ROI	Still early days, not realising ROI yet; Limited early signs of ROI
Moderate level of perceived ROI	Moderate, emerging ROI
High level of perceived ROI	Transformative, significant ROI; Strong, noticeable ROI

AI TRANSFORMATION PERSPECTIVES:
DIVERGING VIEWS ON INTEGRATION, GOVERNANCE, BENEFITS AND OBSTACLES

The more confident the organisation is in integrating AI into operations and deploying the technology responsibly and ethically, the greater the level of ROI it sees in AI initiatives.

Overall, a majority of board members and C-suite leaders (58%) are confident in the organisation's ability to integrate AI technology effectively into operations (Figure 3). However, stark contrasts distinguish AI leaders from beginners and laggards when it comes to integrating AI into operations and doing so in a responsible and ethical manner.

Figure 3: Confidence in integrating AI into operations — overall results
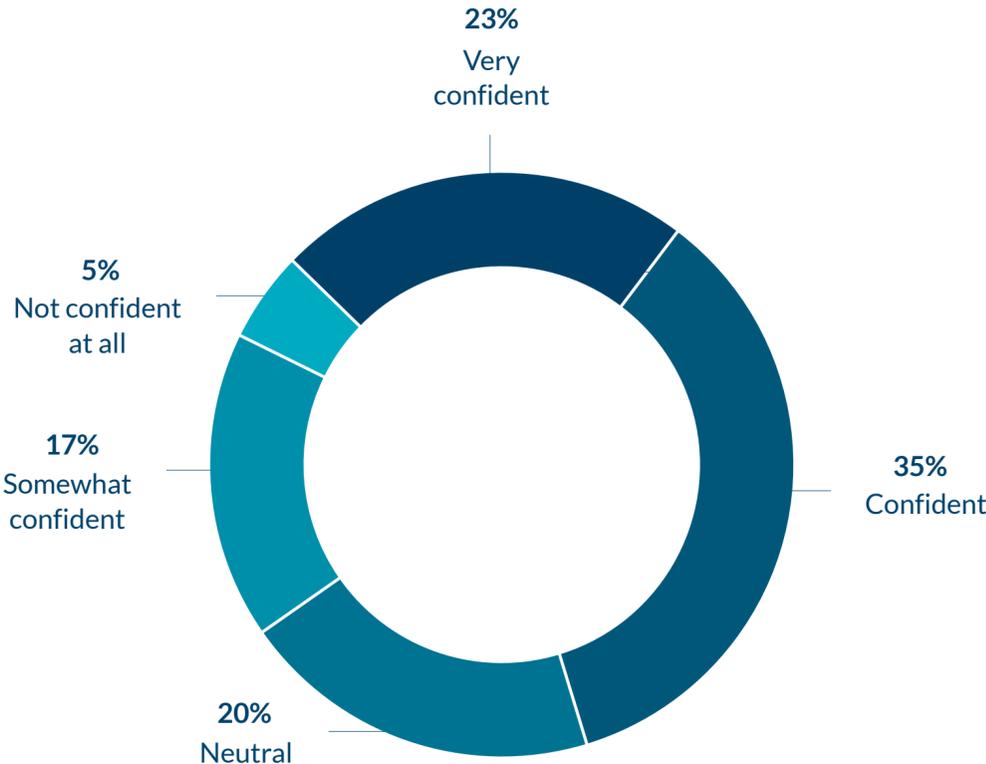
- 23% Very confident
- 35% Confident
- 20% Neutral
- 17% Somewhat confident
- 5% Not confident at all

Q: How confident are you in the organisation's ability to integrate AI technology into its operations?

To illustrate, nearly all respondents (95%) in the high ROI category are confident in the organisation's ability to integrate AI technology into operations, whereas just one in three organisations in the low ROI cohort (33%) express similar confidence (Figure 4). It is logical to presume that confidence likely stems from successful outcomes in embedding AI capabilities into core customer-facing and back-office processes and functions — outcomes that deliver expected results. Successful integration outcomes engender confidence.

95%

of respondents in the high ROI category are confident in the organisation's ability to integrate AI technology into operations, versus

33%

in the low ROI category.

Figure 4: Confidence in integrating AI into operations — by level of ROI
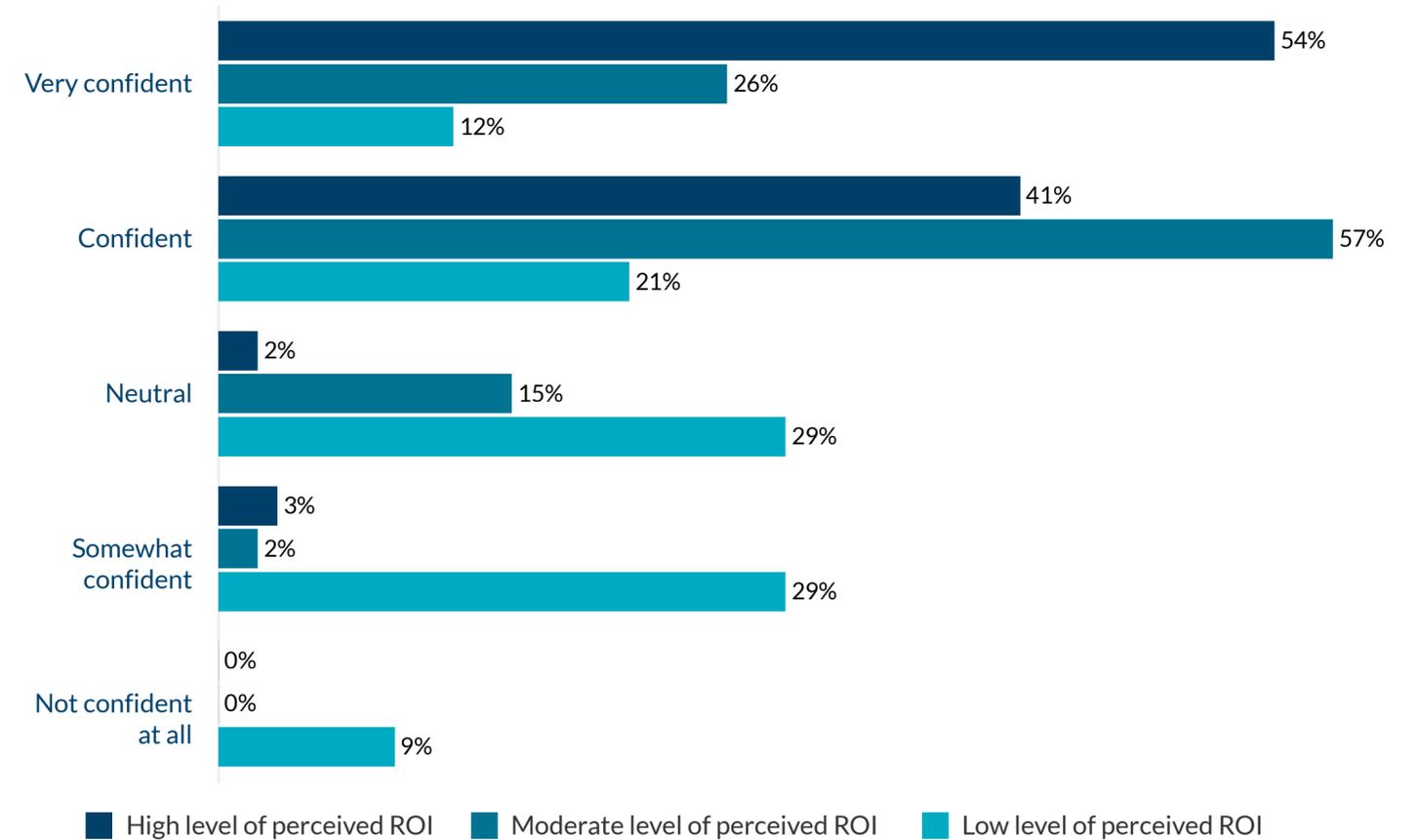
- Very confident: 54%, 26%, 12%
- Confident: 41%, 57%, 21%
- Neutral: 2%, 15%, 29%
- Somewhat confident: 3%, 2%, 29%
- Not confident at all: 0%, 0%, 9%

■ High level of perceived ROI   ■ Moderate level of perceived ROI   ■ Low level of perceived ROI
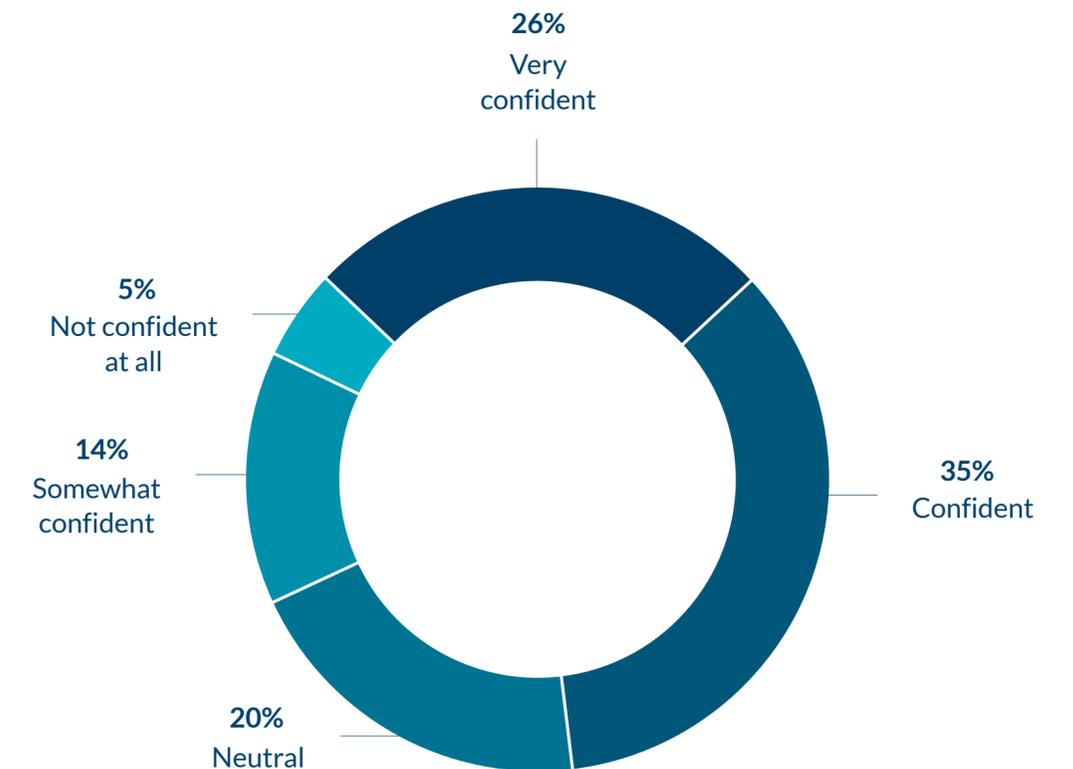
Q: How confident are you in the organisation's ability to integrate AI technology into its operations?

Similarly, most board members and C-suite leaders (61%) indicate their organisations are operationalising AI in an ethical and responsible manner (Figure 5). But again, different ROI cohorts express dramatically different levels of confidence, with 93% of board members and C-suite leaders in the high ROI group confident in their organisation's strategy for deploying AI responsibly and ethically, versus 42% in the low ROI category (Figure 6).

This ROI/confidence correlation is crucial for directors to consider as they assess the progress of their company's AI transformation journey and governance processes. Respondents in the lower and higher ROI groups differ sharply in their views on AI integration and governance. We see a similar trend in regard to AI's benefits and deployment obstacles (see below). These divergences shed light on key mileposts on the route toward the advanced level of AI maturity and generating measurable, consistent ROI.

Stark contrasts distinguish AI leaders from beginners and laggards when it comes to integrating AI into operations and doing so in a responsible and ethical manner.

Figure 5: Confidence in deploying AI ethically and responsibly — overall

26% Very confident

35% Confident

20% Neutral

14% Somewhat confident

5% Not confident at all

Q: How confident are you in the organisation's strategy for deploying AI responsibly and ethically?

Figure 6: Confidence in deploying AI ethically and responsibly — by level of ROI

Very confident
- High level of perceived ROI: 53%
- Moderate level of perceived ROI: 26%
- Low level of perceived ROI: 17%

Confident
- High level of perceived ROI: 40%
- Moderate level of perceived ROI: 54%
- Low level of perceived ROI: 25%

Neutral
- High level of perceived ROI: 3%
- Moderate level of perceived ROI: 18%
- Low level of perceived ROI: 27%

Somewhat confident
- High level of perceived ROI: 3%
- Moderate level of perceived ROI: 2%
- Low level of perceived ROI: 23%

Not confident at all
- High level of perceived ROI: 1%
- Moderate level of perceived ROI: 0%
- Low level of perceived ROI: 8%

■ High level of perceived ROI ■ Moderate level of perceived ROI ■ Low level of perceived ROI

Q: How confident are you in the organisation's strategy for deploying AI responsibly and ethically?

Overall director and C-suite leader feedback on AI benefits suggests that many AI deployments remain focused on tactical areas. When asked to select the primary benefits their organisation expects to see from AI system implementations (beyond expected ROI), the most frequently cited responses include improvements to business process efficiency, followed by cost savings, resource optimisation, employee productivity and customer experience enhancements (Figure 7).

Figure 7: Primary benefits of AI (beyond expected ROI) — overall results

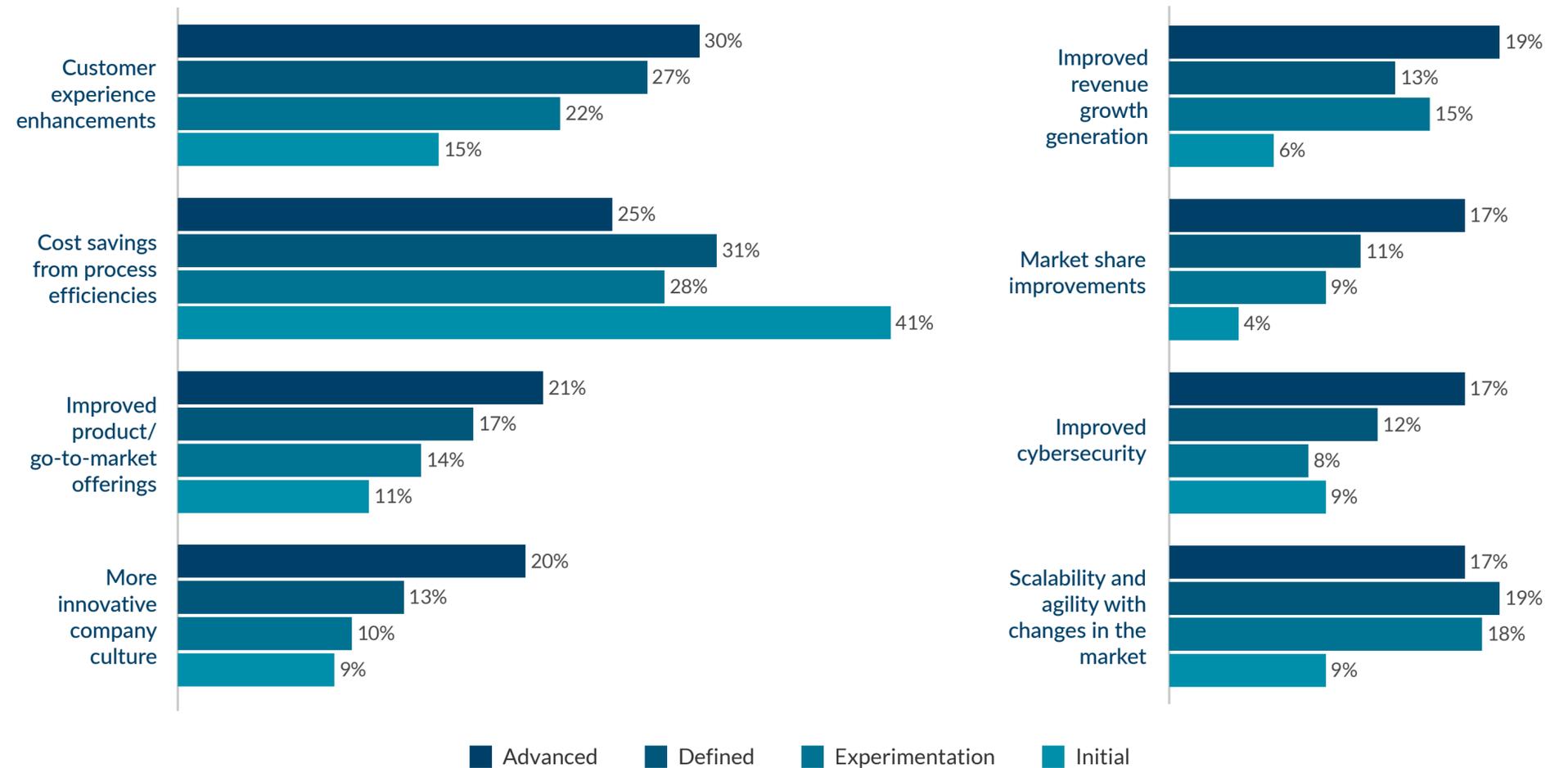| Benefit	%
More efficient business processes	40%
Cost savings from process efficiencies	31%
Resource optimisation	26%
Improved employee productivity	25%
Customer experience enhancements	23%
Scalability and agility with changes in the market	16%
Improved product/go-to-market offerings	15%
Improved revenue growth generation	13%
Lower headcount as processes are automated	13%
More innovative company culture	12%
Improved customer acquisition/retention	12%
Improved cybersecurity	11%
Market share improvements	10%
Fraud detection and compliance monitoring	9%
Energy efficiency	5%

Q: What primary benefits does the organisation expect from implementing AI systems beyond generating expected ROI? (Select up to three.)

Note: 2% of respondents that selected "Other" are not shown.

Of note, the distinction between "more efficient business processes" and "cost savings from process efficiencies" lies in action versus result. The former refers to the operational improvements themselves, whereas cost savings are about the specific, measurable financial benefits, such as reduced expenses and higher margins that result from those operational improvements.

While these benefits generate value, they are unlikely to satisfy investors' growing demand for larger, more expansive AI payoffs — areas on which the advanced organisations at the top end of our AI maturity continuum are more focused. AI-mature companies are looking beyond efficiency and productivity gains to generate more strategic benefits from their AI investments. Specifically, their top benefit is customer experience enhancements. While cost savings from process efficiencies ranks second for this group, this benefit was cited far more often among organisations in the earliest AI maturity stage (Figure 8). Further, compared to this Initial stage group, organisations more advanced on their AI journeys place significantly greater emphasis on improved go-to-market offerings, revenue growth generation and market share.

Figure 8: Primary benefits of AI (beyond expected ROI) — by AI maturity level*

Customer experience enhancements
- 30%
- 27%
- 22%
- 15%

Cost savings from process efficiencies
- 25%
- 31%
- 28%
- 41%

Improved product/ go-to-market offerings
- 21%
- 17%
- 14%
- 11%

More innovative company culture
- 20%
- 13%
- 10%
- 9%

Improved revenue growth generation
- 19%
- 13%
- 15%
- 6%

Market share improvements
- 17%
- 11%
- 9%
- 4%

Improved cybersecurity
- 17%
- 12%
- 8%
- 9%

Scalability and agility with changes in the market
- 17%
- 19%
- 18%
- 9%

■ Advanced ■ Defined ■ Experimentation ■ Initial

Q: What primary benefits does the organisation expect from implementing AI systems beyond generating expected ROI? (Select up to three.)
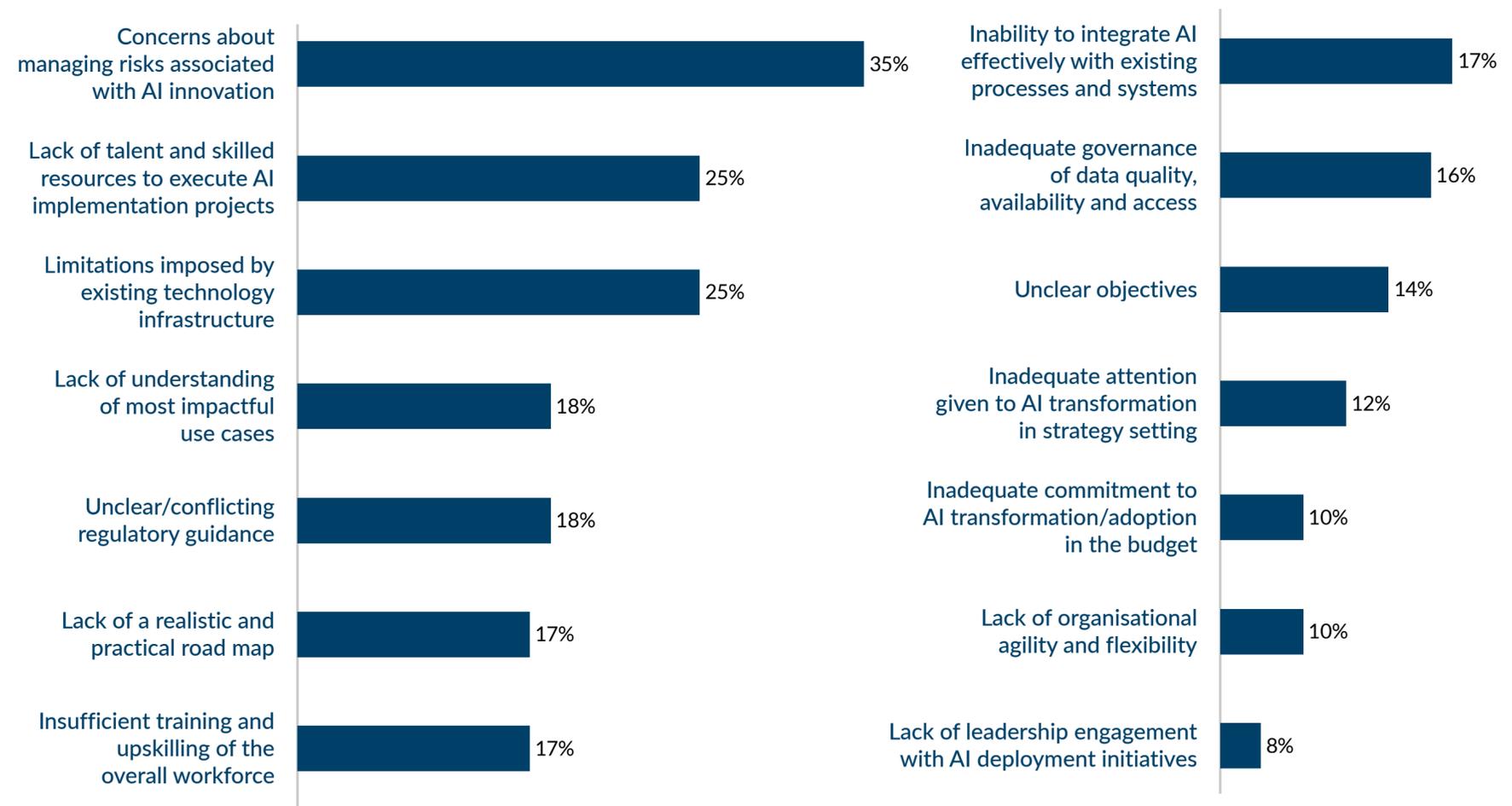
* Shown: Selected benefits with meaningful differences between AI maturity levels.

These responses make sense and point the way forward. Organisations that generate greater returns on their AI investments identify and implement use cases designed to generate more value — today and over the longer term. Customer experience enhancements and product improvements lead to higher customer lifetime value, which in turn helps companies preserve or increase market share. As organisations with less advanced AI capabilities progress on their transformation, their boards and C-suite leaders need to emphasise the importance of prioritising higher-value benefits over near-term cost reductions and one-time productivity improvements. Bottom line: Companies are quickly pivoting to a revenue generation focus as a more mature expectation of their AI efforts.

Shifting to potential roadblocks, the primary obstacles to fully realising AI's value proposition include AI risk management concerns, insufficient access to skilled resources and limitations imposed by technology infrastructure, such as technical debt in legacy systems (Figure 9).

More notable, however, are the variances in perspectives among organisations at different stages of AI maturity, as defined on our continuum (Figure 10).
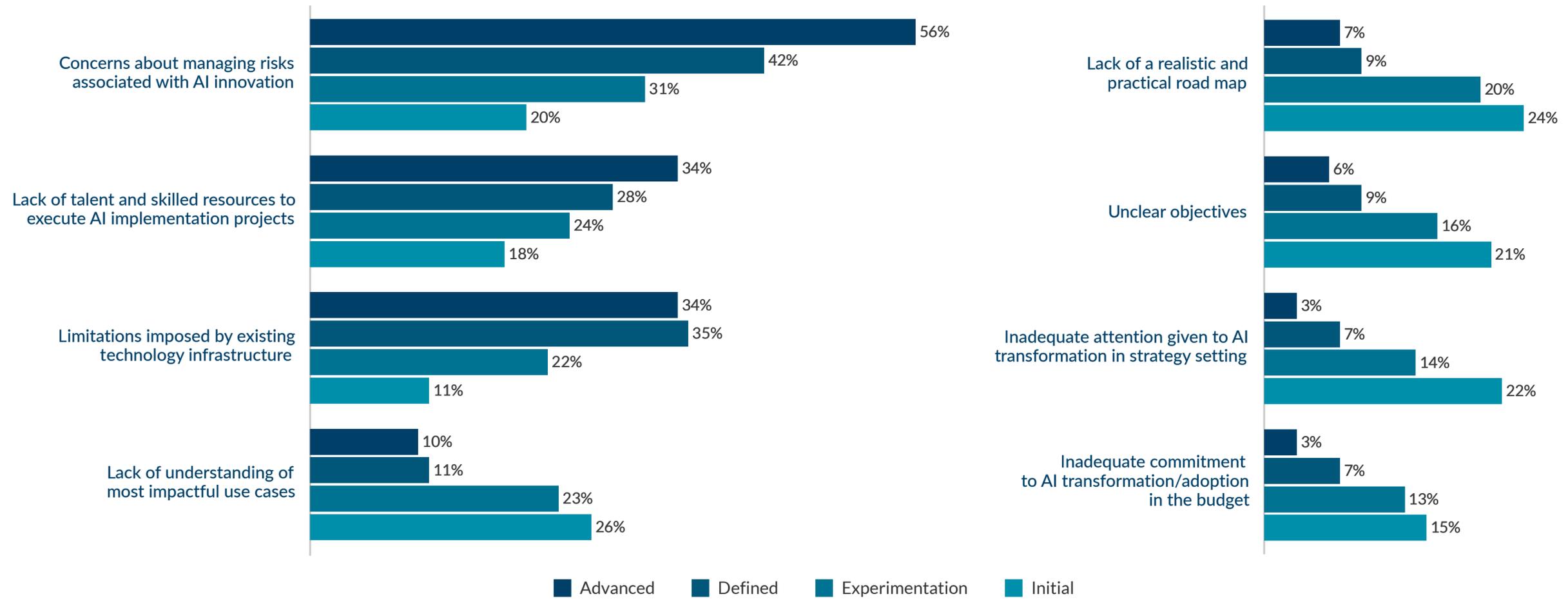
Figure 9: Primary obstacles to realise the value of AI systems — overall results

Obstacle	%
Concerns about managing risks associated with AI innovation	35%
Lack of talent and skilled resources to execute AI implementation projects	25%
Limitations imposed by existing technology infrastructure	25%
Lack of understanding of most impactful use cases	18%
Unclear/conflicting regulatory guidance	18%
Lack of a realistic and practical road map	17%
Insufficient training and upskilling of the overall workforce	17%
Inability to integrate AI effectively with existing processes and systems	17%
Inadequate governance of data quality, availability and access	16%
Unclear objectives	14%
Inadequate attention given to AI transformation in strategy setting	12%
Inadequate commitment to AI transformation/adoption in the budget	10%
Lack of organisational agility and flexibility	10%
Lack of leadership engagement with AI deployment initiatives	8%

Q: What are the primary obstacles to realise fully the value proposition of AI systems? (Select up to three.)

Note: 3% of respondents that selected "Other" are not shown.

Figure 10: Primary obstacles to realise the value of AI systems — by AI maturity level*

Concerns about managing risks associated with AI innovation
- 56%
- 42%
- 31%
- 20%

Lack of talent and skilled resources to execute AI implementation projects
- 34%
- 28%
- 24%
- 18%

Limitations imposed by existing technology infrastructure
- 34%
- 35%
- 22%
- 11%

Lack of understanding of most impactful use cases
- 10%
- 11%
- 23%
- 26%

Lack of a realistic and practical road map
- 7%
- 9%
- 20%
- 24%

Unclear objectives
- 6%
- 9%
- 16%
- 21%

Inadequate attention given to AI transformation in strategy setting
- 3%
- 7%
- 14%
- 22%

Inadequate commitment to AI transformation/adoption in the budget
- 3%
- 7%
- 13%
- 15%

■ Advanced   ■ Defined   ■ Experimentation   ■ Initial

Q: What are the primary obstacles to realise fully the value proposition of AI systems? (Select up to three.)

* Shown: Selected obstacles with meaningful differences between AI maturity levels.

ACTION ITEMS FOR BOARDS

Understand how management defines and measures "successful integration" of AI. Constructively engage and, if necessary, challenge management on where AI is being deployed, how outcomes are measured and whether AI initiatives are delivering consistent, scalable value rather than one-off gains. Consider such metrics and indicators as:

- Percentage of AI use cases deployed at scale in core operations

- ROI performance of AI initiatives compared to business cases

- Management confidence trends in AI integration effectiveness

Emphasise ethical and responsible AI as an enterprise governance priority, with defined accountability, risk oversight and integration into the organisation's broader governance framework. Consider such metrics and indicators as:

- Existence and maturity of an ethical AI governance framework

- Management confidence in responsible AI deployment

- Frequency and severity of AI-related risk issues escalated to the board

For organisations early in their AI journey, encourage management to shift the focus beyond process efficiencies, cost savings and productivity gains to a more transformative emphasis, e.g., improvements in customer experiences, products and services that drive revenue growth and market share. Consider such metrics and indicators as:

- Distribution of AI investments across efficiency versus strategic growth use cases

- AI initiatives directly tied to customer experience, revenue or market expansion

- Management's articulation of AI's role in go-to-market and product strategies

Again, these differences by AI maturity level are striking. Organisations at the Advanced level are far more concerned about managing risks associated with AI innovation (56%) than Initial level organisations (20%). The same pattern holds true for lack of talent and skilled resources to execute AI implementation projects (36% vs. 18%) and limitations imposed by existing technology infrastructure (39% vs. 11%).

Conversely, compared with organisations at the Advanced level, Initial level enterprises are far more concerned about the lack of understanding of the most impactful use cases, lack of a realistic and practical road map, unclear objectives, and inadequate focus on AI budgets and strategy setting.

These takeaways suggest that board members and executives need to emphasise how technology modernisation supports and helps in advancing AI optimisation and transformation. Organisations that are more advanced in their AI capabilities also appear more concerned about access to AI skills and related training and upskilling efforts, which indicates that AI talent management is a pervasive, systemic challenge to achieving success. To combat the high cost and scarcity of AI talent, it is no surprise that organisations are increasingly turning to third-party providers for managed services AI arrangements to address critical skills gaps, accelerate AI deployments and mitigate the risk of untimely employee attrition.

Conversely, organisations in the early stages of their AI journey struggle more with tactical obstacles such as planning and identifying impactful use cases. While the emphasis on initial quick wins is understandable given their relative AI immaturity, sustainable long-term ROI is best realised when ethical considerations, transparency and trust are consistently integrated throughout the AI lifecycle. Thus, it is incumbent upon the board to reinforce the importance of focusing on strategic-level obstacles that, once addressed, will enable their organisation to advance more effectively on their AI transformation journey.

ACTION ITEMS FOR BOARDS

Evaluate whether the nature, extent and timing of the board's oversight of management's AI governance framework is fit-for-purpose, given the scope and scale of the company's AI deployments. Consider such metrics and indicators as:

- Evidence that the governance framework is functioning effectively

- Evidence that the framework is periodically recalibrated as the organisation becomes more AI-mature

Ensure that management has formalised AI risk governance and integrated it into the enterprise risk management (ERM) process, with regular board-level visibility as AI initiatives scale. Consider such metrics and indicators as:

- Percentage of major AI initiatives subject to a documented formal risk and governance review

- Nature of AI-related risks incorporated into the ERM process

- Frequency of full board or board committee compliance reporting on AI ethics, transparency and trust

- Periodic risk discussions integrated with assessments of AI value creation opportunities, rather than treated as an afterthought

Evaluate management's end-to-end AI road map that links AI aspirations to enabling, ongoing investments in technology infrastructure and workforce capabilities. Consider such metrics and indicators as:
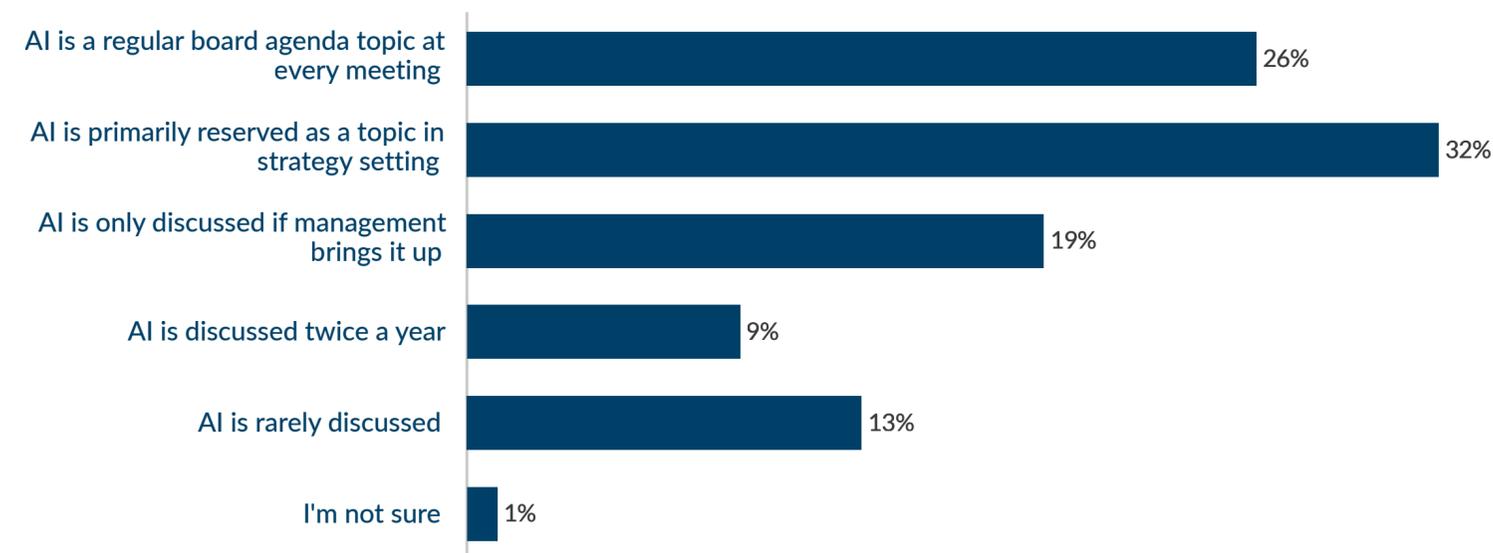
- Progress against the approved AI road map, with emphasis on the technology modernisation and capability enhancement milestones

- Investments in AI training, upskilling and talent linked to management's objectives

- Percent of AI initiatives delayed due to infrastructure or skills constraints

- Management focus shifting from pilots to repeatable, enterprisewide value

FROM PERIODIC TO PERPETUAL: BOARD AI OVERSIGHT AND ENGAGEMENT ARE TRANSFORMING

At every meeting, AI-savvy boards engage management in strategic conversations regarding AI and closely monitor how executives are integrating AI into strategy to address innovation and competitive positioning.

In the digital era, technology has become essential to effective operations, value creation and competitive strategy in virtually every industry. Digital infrastructure is table stakes, customer preferences are shifting, data drives value, industry lines are fading, and automation is a critical imperative. Thus, it is surprising that just one in four directors (26%) report that AI is an agenda topic discussed at every board meeting (Figure 11). In more than 40% of organisations, AI appears to remain an ad hoc topic for the board, discussed rarely or only when management brings it up. It is possible that some respondents might have thought the survey question referred only to the full board and not its committees, such as the audit committee. If so, this finding suggests that while certain board committees may regularly address AI, most full boards do not.

Figure 11: Integrating AI into the board oversight agenda — overall results

Category	Percentage
AI is a regular board agenda topic at every meeting	26%
AI is primarily reserved as a topic in strategy setting	32%
AI is only discussed if management brings it up	19%
AI is discussed twice a year	9%
AI is rarely discussed	13%
I'm not sure	1%

Q: To what extent is the board integrating AI into its oversight agenda?

However, the data reveals a different story when assessing the results by the level of ROI the organisation perceives from its AI initiatives.

Specifically, in 63% of organisations that perceive high levels of ROI, AI is a regular board agenda topic at every meeting, compared with just 13% within organisations in the low ROI cohort (Figure 12). This 50-point gap is remarkable and speaks to the level of interest and engagement at the board level in the enterprise's progress along its AI transformation journey. Stated another way: In a majority of organisations in the low ROI group, AI is discussed rarely in the boardroom or, at best, when management brings it up.
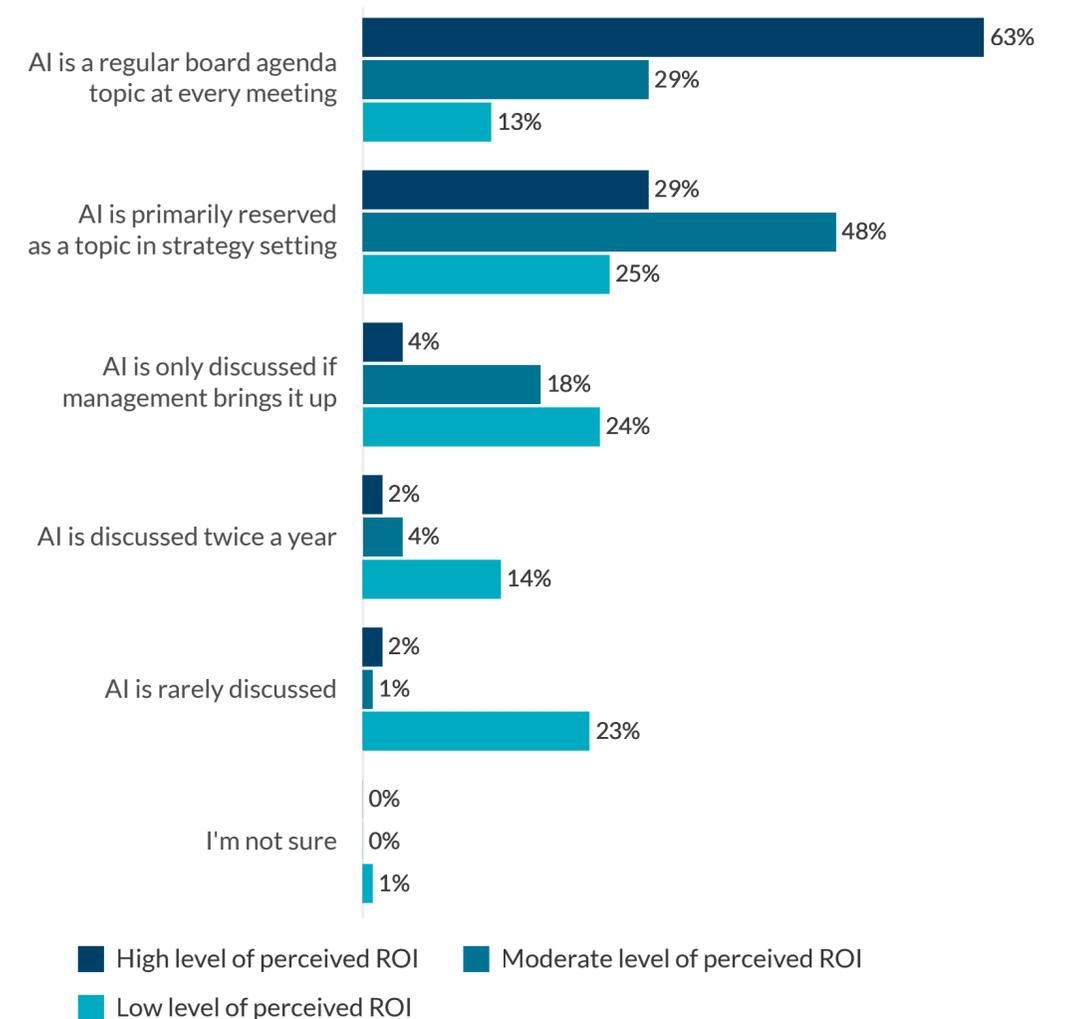
The reality is that many boards struggle with insufficient expertise in the boardroom, a lack of strategic clarity and unclear AI ROI. As a result, they may tend to delegate technology issues to management. This is typical for companies still in the early, reactive stages of AI governance in which the board may view AI as a peripheral "tech issue" rather than a core strategic, operational and legal priority requiring regular, ongoing oversight.

Many boards struggle with insufficient expertise in the boardroom, a lack of strategic clarity and unclear AI ROI.

The stakes of this AI information gap are high: Without regular updates on the evolving nature of organisational AI use, the board's input into AI strategy and governance diminishes.

Of note, there are some variations in the results by industry and organisation size. For example, as expected, a majority of boards with technology, media and telecommunications organisations (55%) include AI on the agenda of every board meeting, as do 38% of aerospace and defense companies and 33% of financial services organisations. In addition, four in 10 boards with large organisations discuss AI in every meeting.

Figure 12: Integrating AI into the board oversight agenda — by level of ROI

AI is a regular board agenda topic at every meeting
- 63%
- 29%
- 13%

AI is primarily reserved as a topic in strategy setting
- 29%
- 48%
- 25%

AI is only discussed if management brings it up
- 4%
- 18%
- 24%

AI is discussed twice a year
- 2%
- 4%
- 14%

AI is rarely discussed
- 2%
- 1%
- 23%

I'm not sure
- 0%
- 0%
- 1%

■ High level of perceived ROI   ■ Moderate level of perceived ROI
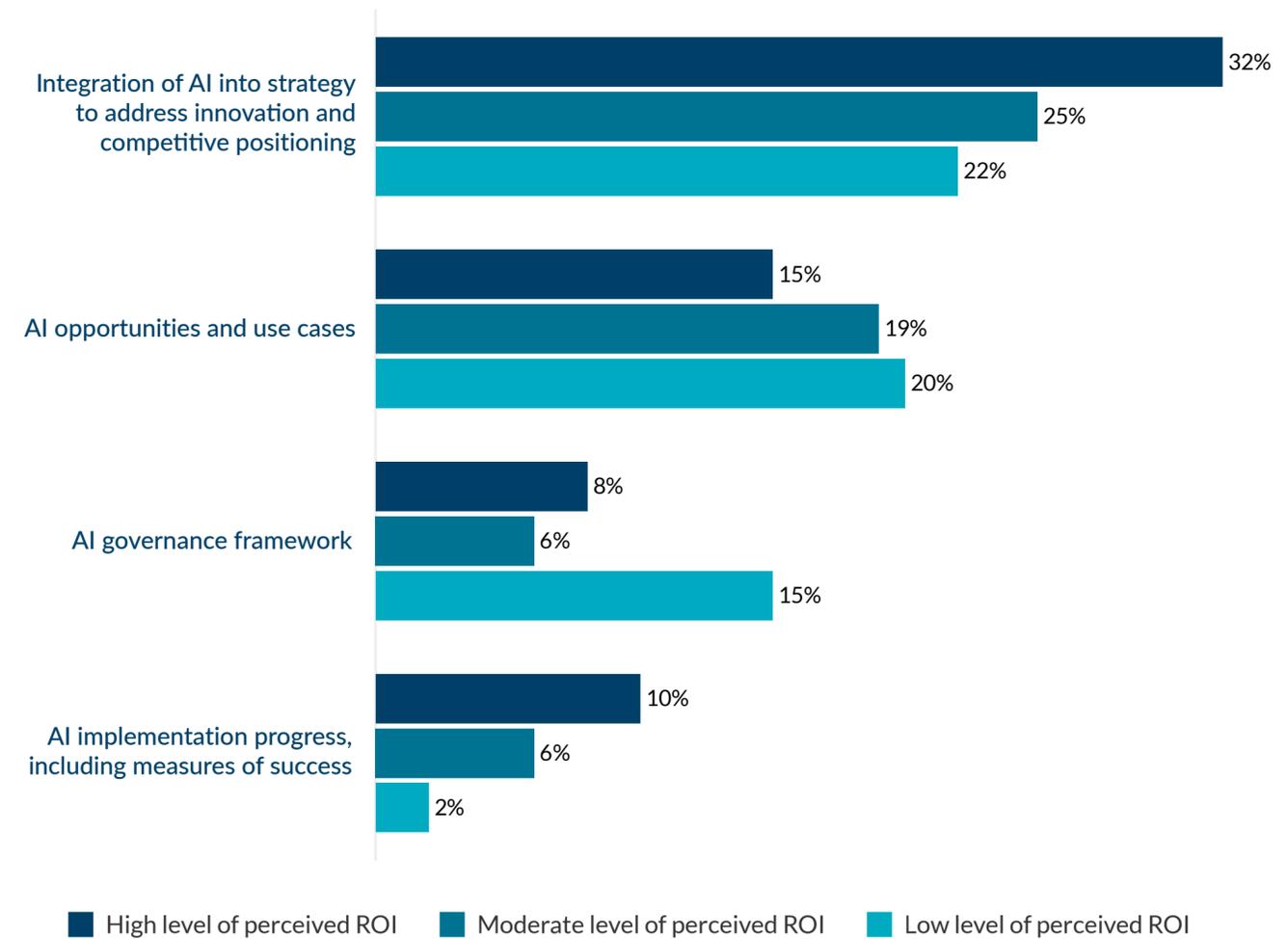■ Low level of perceived ROI

Q: To what extent is the board integrating AI into its oversight agenda?

Based on where an organisation stands on our AI ROI continuum, there also are notable variations in AI topics the board should cover over the next year (Figure 13). For organisations in the high ROI category, the integration of AI into strategy to address innovation and competitive positioning represents a higher priority compared with the views of leaders in the low ROI cohort. The same holds true regarding AI implementation progress, including measures of success. On the other hand, organisations in the low ROI group plan to place greater emphasis on AI opportunities and use cases along with a governance framework.

Less mature companies are focused on the foundational aspects of AI adoption and integration, whereas more AI-mature organisations are focused on scaling and optimising their AI initiatives.

This distinction in emphasis is likely because more AI-mature organisations *already have* a framework. Simply stated, less mature companies are focused on the foundational aspects of AI adoption and integration, whereas more AI-mature organisations have advanced beyond these initial early stages of the AI journey and are focused on scaling and optimising their AI initiatives. Of note, a few years back the focus was more on the risk and governance aspects of AI. Today, however, AI-mature organisations have shifted their focus to a strategy and business outcomes discussion.

Figure 13: AI topics for boards to cover over next year — by level of ROI

Integration of AI into strategy to address innovation and competitive positioning
- 32%
- 25%
- 22%

AI opportunities and use cases
- 15%
- 19%
- 20%

AI governance framework
- 8%
- 6%
- 15%

AI implementation progress, including measures of success
- 10%
- 6%
- 2%

■ High level of perceived ROI ■ Moderate level of perceived ROI ■ Low level of perceived ROI

Q: With respect to AI go-to-market strategies and initiatives, what topics do you believe should be covered in the boardroom and between board meetings over the next 12 months? (Respondents ranked top four responses. Percentages reflect frequency with which each area was ranked first. Shown: Selected areas with meaningful differences between levels of perceived ROI from AI initiatives.)

Based on these findings, AI-mature organisations have more established AI governance capabilities and continue to recalibrate those policies as needed. They have executed enough use cases to engender confidence from successful outcomes and pursue more advanced AI opportunities designed to generate more strategic benefits and long-term value.

That said, it's important to keep in mind that the nature of the board's engagement with management on AI matters often depends on the size of the board, the bandwidth of board committees, and the strategic importance management and the board assign to AI investments and capabilities. Some leadership groups may determine there is not a strategic rationale for an extensive, enterprisewide AI transformation program, especially for companies providing personalised physical services or brands focused on a "human touch" marketing strategy.

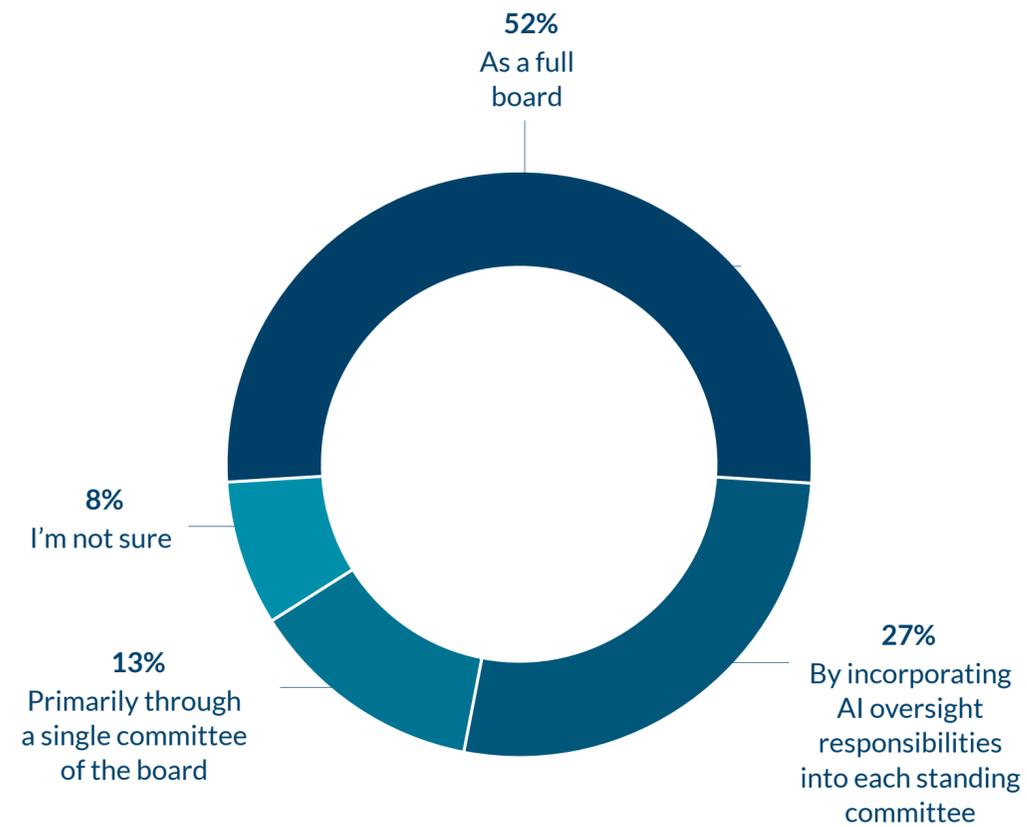## Other notable survey findings regarding the board's AI oversight:

- Most boards either engage with management as a full board (52%) or incorporate AI oversight responsibilities into each standing committee (27%) in accordance with each committee's respective chartered activities (Figure 14).

- Far fewer boards assign AI oversight to a single committee; for those that do, it is either the Technology Committee or Strategy/Executive Committee in a majority of cases. AI also is a common topic in Audit and Risk committees.

- In terms of executive accountability for the success of AI transformation efforts, the CEO holds this responsibility in nearly two out of three organisations (Table 3).

- There are notable variations in how directors and C-suite executives build their technology savviness when it comes to AI strategy setting, market opportunities and investments (Table 4). C-suite leaders lean more on industry and competitor intelligence and networking with peers. Directors rely primarily on independent learning, regular management briefings and ongoing board education.

Table 3: Executives responsible for success of AI transformation efforts

Chief Executive Officer	63%
Chief Information Officer/ Chief Technology Officer	41%
Chief Operations Officer	35%
Chief Financial Officer	33%

Q: Which members of the company's executive management team have accountability for the success of its AI transformation efforts? (Select all that apply.) Note: No other executive role received more than 16% of the response.

Figure 14: How the board interfaces with management on AI — overall results

52%
As a full board

8%
I'm not sure

13%
Primarily through a single committee of the board

27%
By incorporating AI oversight responsibilities into each standing committee

Q: How is the board interfacing with management on AI?

Table 4: How leaders are increasing AI savviness

	Board	C-suite
Independent learning	55%	55%
Regular management briefings	46%	44%
Ongoing board education	37%	31%
Industry/competitor technology intelligence	34%	47%
Guest speakers and outside advisers	34%	39%
Networking with peers	31%	41%
Board refreshment via targeted recruitment	7%	10%

Q: How is the board/management increasing its technology savviness with respect to AI strategy setting, market opportunities and investments? (Select all that apply.)

Note: 4% of respondents that selected "Other" are not shown.

ACTION ITEMS FOR BOARDS

Make AI a standing board agenda item linked explicitly to enterprise strategy, value creation, innovation priorities and competitive positioning. Consider such metrics and indicators as:

- Frequency with which AI appears as a standing agenda item at full board or designated board committee meetings

- Management's ability to articulate how AI initiatives support strategic objectives, innovation priorities and competitive positioning through a consistent reporting cadence

- Extent to which AI discussions shift from ad hoc and reactive updates to forward-looking strategic dialogues

- Increased board confidence in management's AI narrative and linkage to long-term value creation

Calibrate the board's AI oversight priorities with the organisation's positioning on the AI maturity and ROI continuums, adjusting discussion topics as progress is made toward higher maturity and acceptable ROI. (**Note:** As we have reported, high ROI organisations focus on integrating AI into strategy, innovation and competitive position; low ROI organisations concentrate on identifying opportunities and use cases and establishing governance frameworks.) Consider such metrics and indicators as:

- Management's clarity on where the organisation is positioned on the AI maturity and ROI continuums

- How the board's agenda is allocated across AI strategy and competitive positioning, AI implementation progress and measures of success, and governance frameworks and foundational capabilities

- Shift of oversight discussions beyond foundational questions as maturity increases, e.g., fewer repeated debates about "what AI is" and more focus on scaling, optimisation and strategic impact

Evaluate the executive accountability framework for AI transformation and the board–management engagement model and, if necessary, take steps to strengthen them. Consider such metrics and indicators as:

- Clarity and consistency of executive ownership for AI outcomes, as reported to the board

- Clarity of AI oversight responsibilities across the full board and board committees and alignment of the oversight model (full board versus distributed committee model) with AI's strategic importance to the organisation

- Frequency and quality of management briefings on AI risks, opportunities and progress emphasising AI as an enterprise priority, not a technology issue

- Board members demonstrating increasing AI fluency through regular management briefings, independent learning and ongoing board education

THE ART OF ASKING
THE RIGHT QUESTIONS

Boards and C-suite executives recognise that AI-driven transformation represents a strategic imperative that requires the board's oversight and active engagement to ensure management is undertaking a strategic, customer-focused and responsible approach to implementing AI solutions. As we noted at the top of this report, directors need to ask the right questions regarding AI integration, operationalisation, benefits, obstacles and governance. As the psychologist Carl Jung observed, "To ask the right question is already half the solution to a problem."

Based on our research results and analysis of what distinguishes organisations that have more mature AI capabilities and are generating greater ROI from their AI initiatives, relevant questions board members and executives should ask and address in strategic discussions include the following:

> *Directors need to ask the right questions regarding AI integration, operationalisation, benefits, obstacles and governance.*

Board oversight

- Which committee or committees of the board are responsible for AI oversight — or is it time to address AI as a full board?

- Is AI a regular agenda topic in board meetings? Does the frequency with which board agendas include AI topics support the board's AI oversight objectives?

- Which AI topics do the board and management address most frequently, and to what extent do these discussions lead the organisation toward generating higher returns on AI investments?

- Which members of the company's executive management team have accountability for the success of the organisation's AI transformation efforts, including their continued relevance in responding to changing customer needs and complying with internal policies and applicable laws and regulations?

- Does management provide regular briefings to the board on AI developments, regulations, opportunities and risks?

- How do board members and executives regularly monitor and evaluate the organisation's progress toward integrating AI into operations?

- In which modes of AI-related learnings do board members and executives engage to ensure they are positioned to contribute to strategic conversations regarding the organisation's awareness of AI opportunities and risks as market developments rapidly evolve?

- How do board members get additional insights into the ecosystem/technology providers being used by the organisation and how those relationships are being managed?

AI deployment and transformation

- Does management have a clear view as to why, where, how and when to deploy AI, and how the deployment of AI fits within the organisation's overall transformation strategy? What use cases are being considered, and how are they prioritised? How is the value contributed being measured, including the time frame for delivering expected ROI?

- Is the organisation preparing for potential future developments in AI technologies and for adapting them to the business as its strategy and markets evolve? If so, how?

- How will the customer experience be affected by the deployment of generative and agentic AI? How will these systems be integrated with existing processes and technologies to ensure seamless fit, scalability and ease of use — and with sufficient speed?

- If multiple AI technology providers are being used, how is the company maximising the benefits of the providers and orchestrating their capabilities across their platforms?

- How is the efficacy of AI governance assessed, and what processes are in place to enable AI governance policies and processes to evolve in response to emerging threats and opportunities?

  - Has the organisation documented its guidelines and values in deploying AI technology regarding legal, regulatory and ethical matters such as data privacy, security, transparency and human-versus-machine responsibilities?

  - Do the documented values consider bias, discrimination, and other operational, ethical and reputational risks?

  - Are guidelines and values updated timely based on changes in legal and regulatory requirements in all global, national and state jurisdictions in which the organisation operates?

  - How is management monitoring and enforcing compliance with the organisation's documented guidelines and values?

- What benefits are AI solutions designed to achieve, and are these benefits generating returns that satisfy shareholders' ROI expectations?

- What technology modernisation investments and improvements are needed to overcome AI limitations posed by existing technology infrastructure?

- How is the organisation identifying and addressing AI talent, skills and expertise gaps? How do we know that the steps being taken to close identified gaps are effective? What training and development programs are in place to reskill, upskill and enhance the change readiness of the workforce?

- Does the organisation have the necessary talent and expertise to build, train and use AI technology and scale its implementation across the organisation appropriately? Are AI agents thoroughly trained to identify and address potential issues before deployment, ensuring they meet customer expectations consistent with their stated objectives?

IN CLOSING

The "show me the money" era of AI has eclipsed the technology's experimentation phase. It is time to move beyond trial-and-error mode into practical, revenue-generating applications of AI in the enterprise.

In response, directors need to recognise that this is their AI moment. The board's oversight must evolve and advance. With few exceptions, directors should discuss AI at every meeting, improve how they interface with the C-suite on AI matters, request regular management briefings on AI developments affecting the organisation, and delve into increasingly strategic topics (e.g., monitoring AI's integration with corporate strategy to drive innovation and strengthen competitive positioning). These approaches will enable boards to become more proactive and less reactive during these dynamic times when AI is among several emerging technologies threatening to upend business models in historically short time frames.

SURVEY DEMOGRAPHICS

Position	
Board Member (or equivalent position)	58%
Chief Executive Officer (or equivalent position)	7%
Chief Financial Officer (or equivalent position)	4%
Chief Operating Officer (or equivalent position)	3%
Chief Audit Executive (or equivalent position)	3%
Chief Risk Officer (or equivalent position)	3%
Chief Strategy Officer (or equivalent position)	3%
Chief Technology Officer (or equivalent position)	2%
Chief Human Resources Officer (or equivalent position)	2%
Chief Compliance Officer (or equivalent position)	2%
Chief Legal Officer or General Counsel (or equivalent position)	2%
Chief Information Officer (or equivalent position)	2%
Chief Information Security Officer (or equivalent position)	2%
Chief Digital Officer (or equivalent position)	2%
All other	5%

Board/C-suite role	
Independent Board Member	54%
C-suite	36%
Both Board Member and C-suite	10%

Region	
North America	42%
Europe	30%
Asia-Pacific	27%
Other	1%

Industry	
Manufacturing and Distribution	22%
Financial Services	21%
Technology, Media and Telecommunications	14%
Healthcare	14%
Consumer Products and Services	13%
Energy and Utilities	7%
Public Sector	6%
Aerospace and Defense	2%
Other	1%

Organisation size	
Largest organisations: Revenues $10 billion or greater; assets or budget under management $50 billion or more	13%
Medium-to-large organisations: Revenues $1 billion to $9.99 billion; assets under management $10 billion to $49.99 billion; budget under management $5 billion to $49.99 billion	31%
Small-to-medium organisations: Revenues $100 million to $999.99 million; assets under management $1 billion to $9.99 billion; budget under management $500 million to $4.99 billion	29%
Smallest organisations: Revenues less than $100 million; assets under management less than $1 billion; budget under management less than $500 million	27%

About Protiviti

Protiviti (www.protiviti.com) is a global consulting firm that helps clients transform and protect their businesses, and respond to planned and unexpected events. Through a network of more than 90 offices in over 25 countries, Protiviti and its independent and locally owned member firms deliver deep expertise and tailored capabilities across technology, artificial intelligence, data, operations, finance, legal, compliance, HR, marketing, digital, risk, and internal audit—enabling organisations to accelerate innovation, navigate risks and safeguard what matters most.

Named to the *Fortune* 100 Best Companies to Work For® list since 2015, Protiviti Inc. has served more than 80 percent of Fortune 100 and nearly 80 percent of Fortune 500 companies. The firm also works with government agencies and smaller, growing companies, including those looking to go public. Protiviti Inc. is a wholly owned subsidiary of Robert Half (NYSE: RHI).

About BoardProspects

BoardProspects is an online community equipping modern board members with resources to advance their board careers, and a board recruitment marketplace for public and private companies to find prepared, engaged leaders for their boards. Founded in 2010, BoardProspects' mission is to develop modern directors and build boards that meet the moment of increasing complexity and consequence in corporate governance.

protiviti®

Global Business Consulting

www.protiviti.com

BOARDPROSPECTS

www.boardprospects.com