The AI-People Conundrum: Learning to Lead, Not Lag

What happens when C-suite expectations and workforce realities diverge

AI PULSE SURVEY — VOL 5

protiviti®
Global Business Consulting

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Executive summary

The Human Resources (HR) function in the age of AI has a dual responsibility: updating core people management processes so employees can use AI effectively and integrating AI into its own operating model to support the workforce more efficiently. According to the latest AI Pulse Survey, HR is falling behind on both fronts.

Lack of cohesion in the C-suite is a major factor. Our survey results show, compared to their C-suite peers, chief human resource officers (CHRO) — responsible for building an AI-ready workforce — are not aligned on AI preparedness, value expectations and the scale of workforce transformation required.

Case in point: The CHRO is the only C-suite leader who does not rank business value capture as the top AI driver three years from now. Also, nearly one in five CHROs disagrees that the enterprise's 2030 organisational chart will include a mix of human and digital workers. In effect, the function responsible for enabling workforce transformation is not yet positioned to lead it.

Consensus on AI's potential value isn't completely lost in the C-suite. Of the nearly 800 executives surveyed, nearly 80% expect AI investments to improve bottom-line performance, reduce time to market and drive top-line revenue growth in the next three years. But, to achieve these gains, it is imperative that HR leadership and the rest of the C-suite be on the same page.

HR teams have spent years working to become strategic partners to the business. *But if their executive stakeholders are forced to work around HR instead of with HR on enterprise AI strategy, they could lose that position. There is therefore an urgent need for HR leaders to step forward and actively shape key decisions on AI adoption and workforce transformation.*

Achieving AI's full potential hinges on how work gets done — not just deploying technology. Without HR's complete involvement at the decision table, organisations risk deploying AI into an operating model that is not designed to absorb it. The risk is not just slower adoption; AI investments will fail to deliver expected returns without workforce alignment.

About

82%

of CHROs expect a human + digital workforce by 2030, compared to

93%

of most C-suite leaders.

Notable findings

01

IT leads, HR lags in AI adoption

- IT has the highest AI penetration rates, followed by research and development (R&D) and engineering. **Three out of five CIOs and CTOs expect most of the IT work to be AI-enabled within three years.**
- HR, internal audit and supply chain have the lowest AI adoption rates. About **60% of CHROs** expect less than 25% of HR work to be AI-enabled within three years — even though typically more than 80% of HR activities are well-suited for some form of automation.

02

Organisational readiness requires overhauls of traditional HR functions

- **More than 75% of respondents** believe core HR functions are ready to support an AI-enabled workforce.
- However, CHROs' more cautious views suggest that other C-suite leaders may be underestimating the scope and complexity of redesigning job roles, compensation programs, and training and development capabilities.

03

Today, AI supports efficiency; tomorrow, it is expected to drive growth

- Currently, the primary drivers for AI investments are process optimisation (50%) and productivity (40%).
- By 2029, business value capture is expected to become the leading driver of AI investment.

04

AI-augmented teams are expected to drive faster go-to-market cycles

- **91% of respondents** expect organisational structures to include both human and digital workers by 2030.
- **89%** expect AI to reduce time to market for new products and services by 2030.

Table 1: Across multiple dimensions — adoption, priorities and expected outcomes — CHROs diverge most from CIO/CTO and CEO perspectives, highlighting a critical alignment gap in how organisations approach AI transformation and people enablement.

Lens	Primary AI driver today	Primary AI driver in 3 years	Key risks/blind spots	2030 outlook
CTO / CIO	Worker productivity (44%) and process optimisation (43%)	Business value capture (56%)	Less emphasis on "leading" as an enablement approach (16%) than some peers	Most bullish overall: 97% expect mixed human/digital org charts; 96% expect AI to improve bottom-line performance
CEO	Process/workflow optimisation (47%) and worker productivity (46%)	Business value capture (53%)	More cautious than CTOs on workforce redesign: 74% positive on job design/role changes	Highly optimistic: 91% expect mixed human/digital org charts; 87% expect AI-driven revenue growth
CFO	Process/workflow optimisation (51%)	Business value capture (44%)	More conservative on HR transformation and scaling AI in people functions	Confident on performance: 91% expect improved bottom-line results; 80% expect top-line revenue growth
COO	Process/workflow optimisation (55%) — strongest efficiency focus	Business value capture (51%)	Lowest overall transformation maturity; particularly cautious on HR and audit adoption	Moderately bullish: 90% expect mixed human/digital org charts, but only 78% expect most admin/ops work to be automated
CHRO	Worker productivity enhancements (58%) — strongest people-centric focus	Process optimisation (51%) followed by business value capture (44%)	Most cautious on job design (59% positive) and least confident in AI-driven revenue growth (71%)	Less bullish than peers on structural/value outcomes: 82% expect mixed human/digital org charts

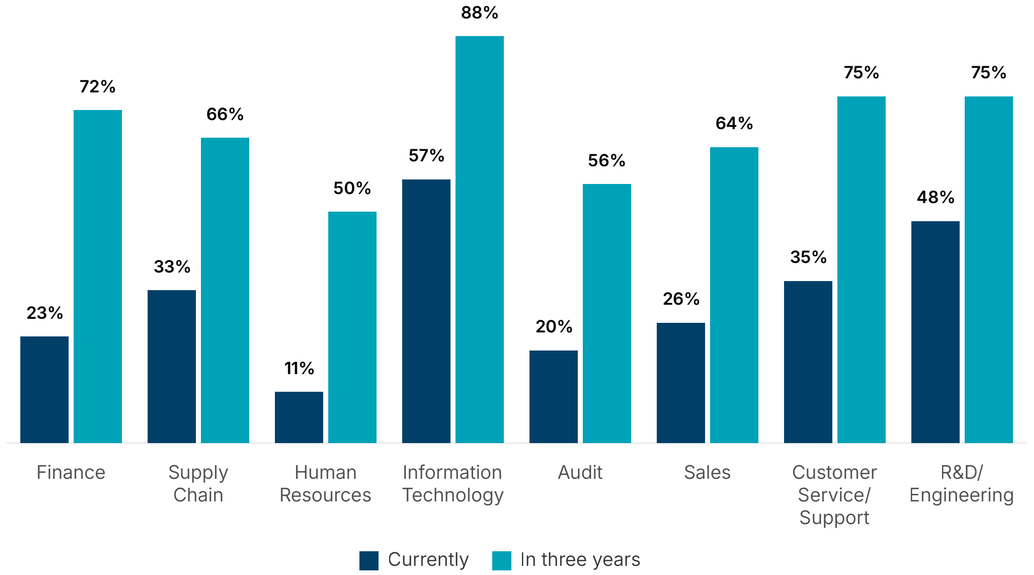
C-suite perceptions of AI maturity

Most organisations remain in the middle of the AI maturity curve, clustering in Stage 2 (Experimentation) and Stage 3 (Defined), with fewer advancing to Stage 4 (Optimisation). *See page 13 for definitions of the various stages of AI maturity*.

However, perceptions differ sharply across the C-suite. CEOs and IT leaders consistently rate maturity higher, while CFOs, COOs, and CHROs are more cautious, revealing a clear perception gap. These differences reflect actual adoption patterns: AI penetration is highest in IT and R&D, while HR, audit and supply chain lag behind.

The gap becomes even more pronounced when leaders assess their own functions. Nearly two-thirds (62%) of CIOs and CTOs expect at least 50% of IT work to be AI-enabled within three years, while only 5% of CHROs say the same about HR work.

Figure 1: **Functional AI penetration (current vs. three years):** AI adoption is accelerating across all functions — but the gap between leaders and laggards is widening, not closing.



* Functional AI penetration represents the percentage of respondents who indicated that more than 25% of work within a given function is currently AI-enabled or is expected to be AI-enabled within three years.

Workforce readiness: Confidence versus reality

At a high level, leaders express strong confidence in workforce AI readiness. However, levels of confidence are not equal across the C-suite. CHROs are consistently less optimistic across key areas:

- Only 13% strongly agree that job descriptions and role designs are AI-ready, compared with 28% overall.
- Only 14% strongly agree that their learning capability is AI-ready, compared with 36% overall.

Two factors help explain this disconnect. First, as AI continues to compress work into fewer, higher-impact roles, CHROs have a more grounded view of the complexity involved in redesigning positions, compensation and career paths. Non-CHRO leaders appear to be underestimating these challenges.

Second, the survey shows HR has lower AI adoption maturity than leading functions such as IT and R&D—and even trails several front- and back-office areas like finance and sales. This suggests that many CHROs have limited direct understanding of how AI tools can enhance and accelerate the redesign of core HR processes needed to support enterprisewide AI enablement.

Overall, organisations appear more confident in their ability to train employees than in their ability to redesign work itself. This creates a structural gap: **Learning capabilities are strong, but job structures, incentives and compensation models are not yet fully aligned with AI-enabled work.**

IT leaders are the most confident C-suite group on workforce readiness, with

96%

positive on learning readiness and

88%

positive on role design readiness.

1 in 10

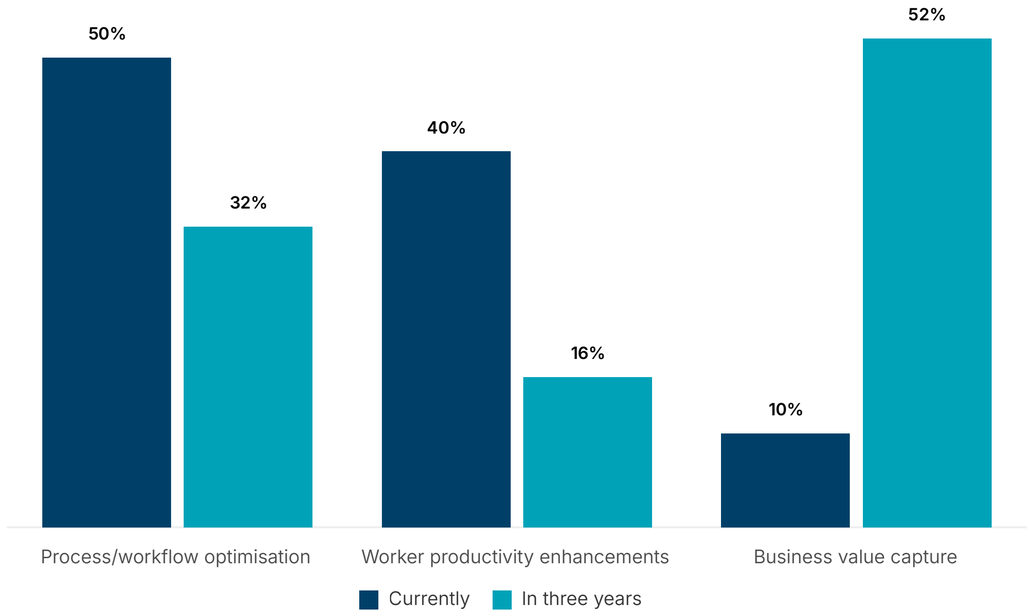
organisations currently use AI primarily for business value creation.

AI drivers: Efficiency gains versus value creation

AI investment is shifting from efficiency to value creation. Today, organisations use AI primarily for process optimisation (50%) and productivity improvements (40%), with relatively little focus on direct business value.

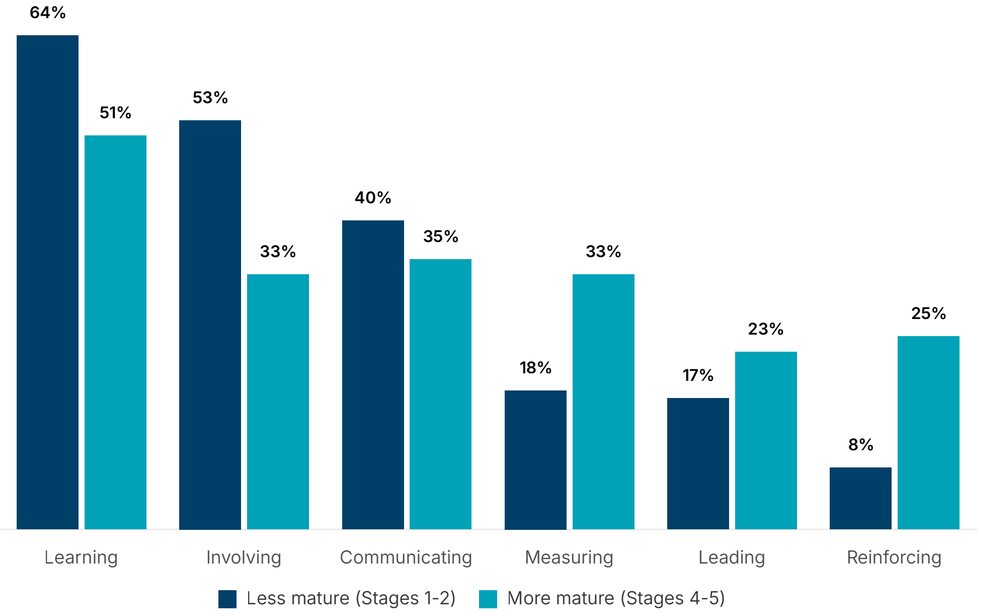
Over the next three years, the balance is expected to shift dramatically — business value capture will become the leading driver, our survey shows. This marks a critical transition from improving how work gets done to transforming how value is created. Realising this shift will depend heavily on workforce readiness.

Figure 2: **AI drivers (today vs future):** AI is shifting from an efficiency tool to a value-creation engine but most organisations aren't there yet.



People enablement is becoming more complex

Figure 3: **AI enablement strategies by maturity level:** Less mature organisations rely on training and involvement, while more mature organisations differentiate through measurement, leadership and reinforcement.



* See full definitions for each enablement strategy.[1]

Helping employees work effectively alongside AI is becoming a strategic leadership capability, not merely a training exercise.

Organisations with more advanced AI capabilities place greater emphasis on measurement and leadership, showing that enablement approaches evolve with maturity.

At the same time, management and work are becoming more complex. Managers now oversee both human and digital workers. AI is compressing work into fewer, higher-impact roles, raising expectations for speed, judgement and output quality.

Managers must quickly assess AI-generated outputs, coach employees working alongside AI and adapt roles continuously. They must also address employee concerns about job security while reinforcing the importance of human skills such as judgement, creativity and ethics.

[1] **Learning:** Employees receive formal training and informal on-the-job coaching to improve skill sets.
Involving: We use our teams and expertise to shape the AI use cases that are most relevant to our customers and business.
Communicating: Leadership is explicit in how they talk about the ways AI is advancing business strategy.
Measuring: KPIs and incentive programs have been updated to reward AI outcomes.
Leading: Leaders model AI behaviours in their ways of working.
Reinforcing: The organisation celebrates AI innovation by our teams and showcases exciting AI use cases.

Closing the gap: Bringing HR into AI alignment

AI success will depend as much on workforce transformation as on technology investment. That is why leadership alignment on how the nature of work is changing — and deliberate action across role design, compensation, learning and management capability — are critical.

C-suite leaders and board members should be asking these questions:

- Do leaders throughout the enterprise — CFO, CIO, CHRO, etc. — agree on how roles, compensation and career paths must evolve?
- Is HR's operating model (and capabilities within the function) aligned with the needs of the business?
- Is each function's AI learning and development strategy designed for rapid, continuous reskilling?
- How well are business-led AI initiatives aligned with enterprise HR programs (performance, talent reviews, succession, differentiated pay, etc.)?
- Are managers prepared to lead teams that include both human and digital workers?
- What barriers are slowing AI adoption within HR?
- How can AI accelerate HR's own transformation and create the capacity needed for the function to amplify the impact of AI across the enterprise?

AI transformation is ultimately workforce transformation. No matter how sophisticated the technology is, AI investments will fall short if enterprises fail to align their workforce, operating model and leadership around how work is changing.

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Survey demographics and methodology

Protiviti launched its AI Pulse Survey in 2025 to gather insights from a broad range of leaders and professionals into how their organisations are currently using or preparing to use AI, where they see growth opportunities and how they are addressing related challenges. This survey was conducted in April 2026.

Nearly 800 executives globally participated in the survey, with over 80% representing the C-suite. Respondents span a wide range of roles — including CEOs, CFOs, COOs, CIOs/CTOs, CHROs and other functional leaders — providing a top-level view of enterprise AI strategy.

The sample covers all major industries, with strong representation from the financial services, manufacturing, technology, healthcare, and energy sectors. Organisations range from under $25 million in annual revenue to more than $50 billion, with a concentration in mid-to-large enterprises.

Respondents are globally distributed, with the largest share based in the United States (approximately 29%), followed by Canada, the United Kingdom, Mexico, France, Germany and India. Additional participation came from Italy, Australia, Japan and a long tail of countries across Europe, Asia-Pacific and Latin America.

Stages of AI maturity

In this survey, respondents were asked to identify their organisation's AI maturity level based on five stages. We found that most organisations are in the middle of the AI maturity curve, with relatively few having reached true transformation. Here's how Protiviti defines the various AI maturity stages:

Stage 1: Initial
Organisation recognises AI's potential but has limited understanding.

Stage 2: Experimentation
Organisation has begun small-scale pilots and proofs of concept.

Stage 3: Defined
AI solutions are embedded in selected workflows.

Stage 4: Optimisation
AI is deployed across multiple functions at scale.

Stage 5: Transformation
AI drives enterprise-wide transformation.

About Protiviti's AI capabilities

Protiviti helps organisations prioritise, build and deliver AI solutions that create measurable business value. We focus on delivering AI that is innovative, controlled and accountable to your business, ensuring every capability is secure, transparent and aligned to your goals. Our teams build AI solutions that clients can trust, so their reputation and results lead the way, supported by strong governance, responsible design and solutions that scale confidently across the enterprise.

We also help organisations manage change and maximise adoption, empowering people to learn, adapt and lead with confidence. Through our AI Studio, proprietary accelerators, technology partners and AI Factory, we provide end-to-end strategy, solution development, deployment and ongoing lifecycle oversight — serving as a trusted managed services partner to keep AI safe, effective and continually delivering value.

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.

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