

The Leadership Variable Your AI ROI Depends On

Why AI investments succeed or stall — and what leaders must do differently

EXECUTIVE SUMMARY

THE PROBLEM

AI investments are stalling not because the technology is failing — but because the human infrastructure required to drive adoption, trust and execution is not in place.

3 NUMBERS THAT MATTER

- **20%** Global employee engagement — lowest since 2020 (Gallup 2026)
- **8.7x** More likely to see AI transformation with an engaged manager (Gallup 2026)
- **<1 in 3** Managers actively supporting their team's AI adoption (Gallup 2026)

WHAT BEST-PRACTICE ORGANIZATIONS DO DIFFERENTLY

They treat manager development as infrastructure, not overhead. They communicate the human story of AI — not just the technical one. And they build trust before they deploy tools.

WHAT LEADERS SHOULD DO IN THE NEXT 90 DAYS

Audit where your managers actually are — not where your rollout timeline needs them to be. Then invest in the five human capabilities that determine whether your AI tools get used or ignored.

Your organization's AI investment is not stalling because of the technology. It is stalling because of what was already broken before the technology arrived.

This report draws on Gallup's 2026 State of the Global Workplace report, ADP's 39-country workforce study, and Great Place to Work's global AI adoption research to answer one question: why do AI investments fail to deliver — and what do the organizations getting it right actually do differently?

The answer is not about the technology. It never was.

SECTION 01

The \$10 Trillion Foundation Crack Underneath Your AI Investment

The problem most organizations are deploying AI on top of — without realizing it

Global employee engagement dropped for the second consecutive year in 2025, falling to just 20% — its lowest point since 2020 (Gallup 2026). The cost is not a HR metric. Gallup estimates the global productivity loss from disengaged employees at approximately \$10 trillion annually — 9% of global GDP, gone every year before AI enters the equation.

Disengaged employees don't adopt new tools.

They resist them, ignore them, or use them just enough to check a compliance box. When AI rollouts are layered on top of a disengaged workforce, organizations are not accelerating returns — they are accelerating risk.

The organizations currently executing AI transformations are the same organizations whose managers have experienced the steepest engagement decline. Since 2022, manager engagement has dropped nine points globally. In a single year — 2024 to 2025 — it fell five points, from 27% to 22%.

For the first time in Gallup's data, managers are only as engaged as the people they lead. The engagement premium that historically came with management responsibility has essentially disappeared.

Managers are the transmission mechanism for everything an organization is trying to execute. When managers are disengaged, change initiatives stall — and according to Gallup's findings, AI adoption specifically does not happen.

SECTION 02

The Variable Most Organizations Are Missing

Why your AI investment is evaporating at the manager layer

Gallup asked employees in AI-implemented organizations what is actually driving frequent adoption. The top two answers: integration with existing workflows — and manager-led adoption. Not training programs. Not change management consultants. The direct manager.



The organizations funding the technology are not funding the human infrastructure that makes the technology work.

The fear signal executives are not seeing

In Q1 2026, 23% of employees in AI-deployed organizations said it is likely their job will be eliminated within five years. In finance, insurance, and technology — the sectors leading AI investment — that figure climbs to 31–32%.

That fear is not passive. Researchers document a rise in "intentional friction" — employees quietly slowing AI rollouts, failing to report errors, or selectively using tools in ways that undermine the adoption data leadership is seeing. Fear plus disengagement plus access to powerful AI tools is a present operational condition in most large organizations right now.

Urgency masquerades as strategy.

Leaders under pressure to produce results are accelerating AI rollouts before the human infrastructure — governance, trust, accountability — has been built to support them. (Daniel Goleman, April 2026)

SECTION 03

What Best-Practice Organizations Are Doing Differently

The benchmark — and what it actually looks like inside high-performing organizations



"The anxiety gripping workers today is not inevitable. It is, in large part, a leadership failure."

— ADP Research Institute, 39-Country Workforce Study

Not a technology failure. Not a strategy failure. A leadership failure — one that is correctable when organizations treat it with the same seriousness as their technical infrastructure.

The organizations winning at AI transformation right now share three characteristics:

- **They invest in manager capability as infrastructure, not overhead.** Development is continuous, not episodic. Managers receive the skills and context to lead through change.
- **They communicate the human story of AI, not just the technical one.** Leaders connect AI adoption to their teams' professional growth and career trajectory — not just productivity targets.
- **They build the human conditions first.** Trust, psychological safety, and role clarity are treated as prerequisites to deployment — not afterthoughts.

SECTION 04

The H.U.M.A.N. First™ Leadership Response

What leaders must do differently — and what it looks like in practice

The data points to a consistent conclusion across every study cited in this report: the organizations that realize the full return on their AI investment are not the ones with the most

sophisticated technology stack. They are the ones who built the human conditions that allow leaders — and their people — to move through change with clarity and trust.

Based on this research, five leadership behaviors separate organizations with high AI adoption from those stuck in resistance. They are not new behaviors. They are the ones that get crowded out first when pace and pressure accelerate.

H	Hear	Create the conditions for honest, two-way dialogue about AI — especially when employees are afraid. Fear that is heard loses its power to stall adoption.
U	Understand	Diagnose where each team member actually is in their relationship to change — and meet them there, not where the rollout timeline needs them to be.
M	Motivate	Connect AI adoption to what employees care about — their growth, their expertise, their contribution. This is the 2.1x lever Great Place To Work identified.
A	Amplify	Spotlight early adopters, celebrate small wins, and build the internal narrative that makes AI feel like opportunity rather than threat.
N	Navigate	Provide steady, regulated leadership — slow down when systems accelerate, and bring your team through change without the urgency that erodes trust.

The OpenAI 2025 Enterprise Report is direct: the primary constraints for organizations are no longer model performance or tooling — they are organizational readiness and implementation. Your AI vendor already knows this. The question is whether your leadership strategy reflects it.

If your managers are not ready, your AI investment is not ready.

TWO WAYS TO GO DEEPER

Executive Briefing

One hour with your leadership team, grounded in the data from this report. Your executive team will leave with a clear-eyed view of where the human conditions gap lives in your organization — and what closing it requires.

Complimentary. Available virtual or in person to DC-area organizations.

Request your briefing: email arika@piercingstrategies.com

H.U.M.A.N. First™ Leadership: Your Secret Weapon for AI Adoption

April 30 | 11am ET

A live executive session for leaders navigating AI transformation. We'll cover:

- Why AI adoption stalls at the leadership level — and what to do about it
- The H.U.M.A.N. First™ Leadership framework and how to apply it inside your organization
- A clear path to building certified H.U.M.A.N. First™ leaders at scale.

This webinar is built for: CIOs, CTOs, COO's, CHROs CEOs and senior leaders responsible for organizational performance in the AI era.

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About Piercing Strategies

Piercing Strategies is an award-winning leadership development and organizational consulting firm. Founder Arika Pierce Williams is the creator of the H.U.M.A.N. First™ Leadership Framework and works with Fortune 500 organizations — including Land O'Lakes, Chevron, Fidelity, Nestlé, and General Mills — on the human infrastructure underneath their most complex transformation efforts. A two-time Brandon Hall Excellence Award winner in 2024 and 2025.

Sources: Gallup State of the Global Workplace 2026 | ADP Research Institute Global Workforce Study | Great Place To Work Global AI Adoption Research | Daniel Goleman / Korn Ferry, April 2026 | OpenAI 2025 Enterprise Report | MIT Project NANDA GenAI Divide Study 2025