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People Readiness Report 2025

Are organizations ready for AI?

Foreword

Artificial intelligence is no longer on the horizon — it's here, embedded across enterprise functions to improve operations and efficiency, uplevel customer engagement, and drive business growth. In fact, in this new survey and report by Kyndryl, some 95% of enterprise leaders told us they are already using AI across multiple areas of their organizations. That statistic alone might suggest the initial era of AI adoption has reached maturity. But peel back the layers, and a more complicated picture emerges.

The technology itself is one major dimension. Getting your data in order, your systems to talk, your projects to scale — these are all very real challenges. But that's only a piece of it — you have to bring people along in this transformation as well.

Despite widespread implementation, 71% of leaders admit their workforces are not yet ready to harness AI's full potential. More than half report their organizations lack the skilled talent to manage AI, and yet CEOs and their tech leaders aren't aligned on how to solve the challenge. Even more telling: 45% of CEOs say their employees still actively resist the technology. This dissonance reveals critical fault lines in the AI transformation narrative — ones that sit not in code or compute, but in the culture and capabilities of the workforce.

At a moment when businesses are racing to seize the benefits of AI, the real differentiator is not just who is using technology — but how they are using it, and whether their people are ready to run with it. That's where our findings offer new value.

Our research identifies a small subset of leaders we call AI Pacesetters — leaders who are not only integrating AI across enterprise functions, but who are doing so in ways that earn workforce buy-in and drive business growth. These organizations are ahead of the curve not because they've solved AI, but because they've adopted concrete change management strategies for incorporating the technology into their workforce operations. They've taken steps to develop trust around its implementation and move forward with greater confidence.

At Kyndryl, we have taken a deliberate and responsible approach to AI given the mission-critical work we do for our customers and our focus on being an employer of choice. We overhauled all of our people-related processes and systems, so we know what skills we have, the skills our people need and have the learning programs in place to equip them for the future. Early on, we established an AI governance board to determine new use cases, a tiered AI education program, employee enablement campaigns, and access to Microsoft Copilot. We have learned many lessons on the way, both with how we use AI ourselves, how we bring our global team of Kyndryls along the journey and how we deploy it with our customers to drive business growth.

The insights in this report are for every leader navigating the tension between technological acceleration and human adoption. Because in the age of AI, success belongs to those who align innovation with workforce readiness.

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Michael Bradshaw, Global Practice Leader, Applications, Data and AI, Kyndryl
Maryjo Charbonnier, Chief Human Resources Officer, Kyndryl

Methodology

The Kyndryl People Readiness Report surveyed 1,100 business and technology leaders in 8 markets to uncover how organizations are managing the pace of change related to AI and continuous technological innovation, the roadblocks they have encountered, and the actions they must take to better prepare their workforces.

The survey was conducted by Edelman DXI, on behalf of Kyndryl. Fieldwork was conducted via online survey and telephone interview between February 20 and March 21, 2025.

1,100

Leaders and senior decision-makers

C-Suite business leaders (CEOs, CFOs), C-Suite tech leaders (CIOs, CTOs) and Senior Directors and Business Unit Leaders. Within this sample, 50% of respondents were C-Suite level executives and 50% of respondents represented companies with $1 billion in revenue.

8

Markets

Brazil	France	Germany	India
Japan	Spain	UK	US

25

Industries, with a focus on a core 6

Banking and Financial	Insurance	Other: e.g., Technology, Retail, Professional Services, Automotive, Government
Manufacturing	Healthcare	
Telecommunications	Energy and Utilities	

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Key findings

01   AI is everywhere, but business leaders **don't think their workforces are ready** to leverage it

02   **Businesses have not yet unlocked the full potential of AI**, with few focused on using the technology for business growth

03   AI workforce readiness is held back in part **because CEOs and technology leaders have different views on its workforce impact**

04   **A small group of AI Pacesetters —** just 14% — have aligned their workforce, technology and growth goals, and are seeing benefits from their actions

05   **AI Pacesetters are uniquely addressing 3 key barriers** that are inhibiting AI adoption, and they are seeing benefits from their actions across:

- **Organizational change management**
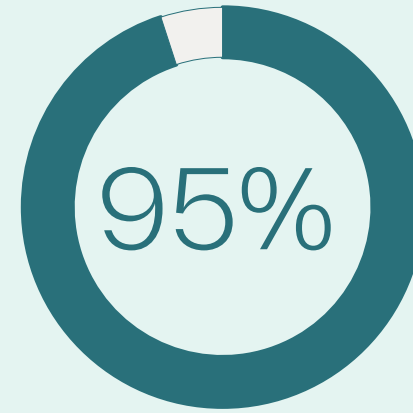- **Lack of employee trust in AI**
- **Workforce skills gaps**

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01.

AI is everywhere, but business leaders don't think their workforces are ready to leverage it

The unveiling of generative AI tools for widespread business use in 2023 was a watershed moment, accelerating the use of the technology for enterprises across the world. Since then, many organizations have explored how to incorporate AI into their business models, IT infrastructure and work processes, with off-the-shelf products and custom-made programs and models.

Kyndryl's research shows that today, almost all organizations are using AI, and more than one-third of business and technology leaders (35%) report that AI is already fully integrated across their enterprise.

However, many organizations are not yet experiencing positive return on investment from their AI explorations, and workforces are not ready to realize the benefits of AI technology in the workplace. Executives say their employees are not fully embracing AI, and therefore their organizations are not poised to fully benefit from their investments. In fact, nearly half of CEOs globally think their workforces are resistant or openly hostile toward the technology.

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95% of organizations are **using AI across various areas of their organization**

HOWEVER

71% of leaders say their organization's **workforce is not ready to successfully leverage AI technology** in the workplace
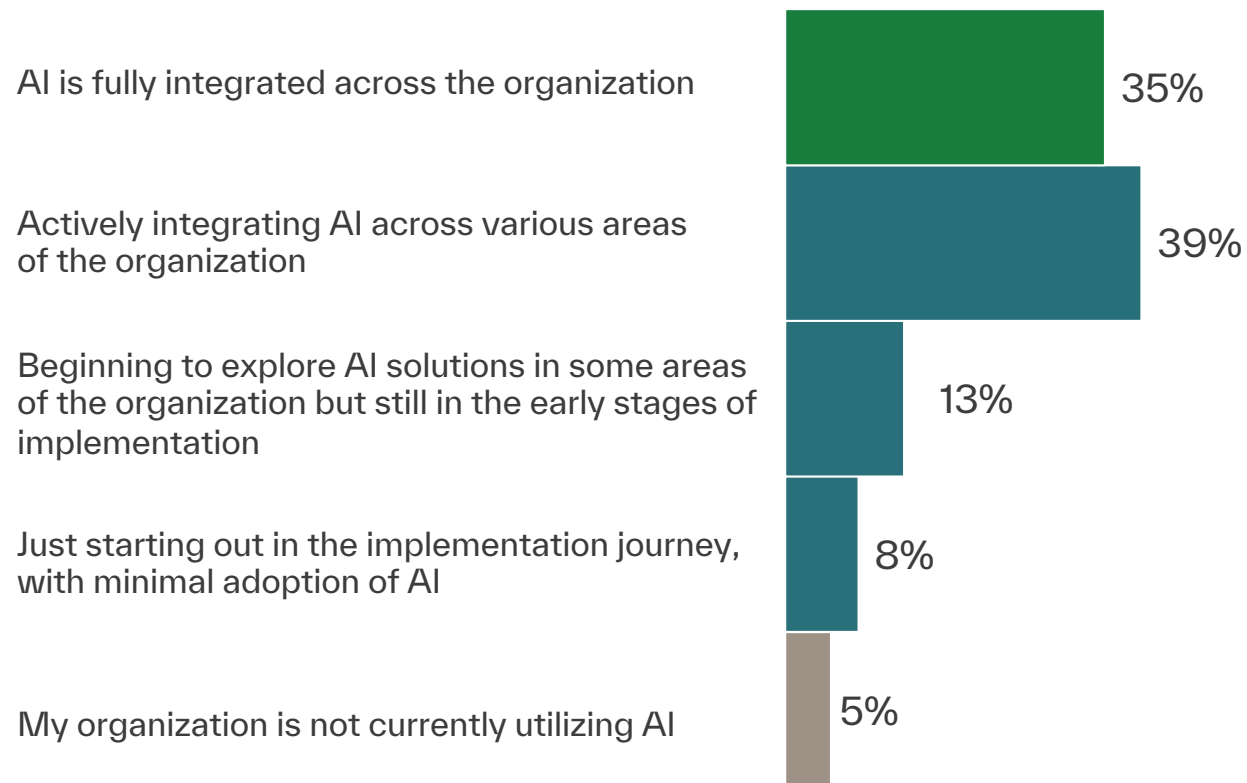
AND

45% of CEOs say **most employees are resistant or openly hostile** to AI

Nearly all organizations have adopted AI technology, though most are still in the process of integrating it into their business operations

Current state of AI implementation
% Selected

AI is fully integrated across the organization — **35%**

Actively integrating AI across various areas of the organization — **39%**

Beginning to explore AI solutions in some areas of the organization but still in the early stages of implementation — **13%**

Just starting out in the implementation journey, with minimal adoption of AI — **8%**

My organization is not currently utilizing AI — **5%**

95%
of organizations are **using AI across various areas of their organization**

60%
of organizations are **just starting their journeys or still in the integration process**
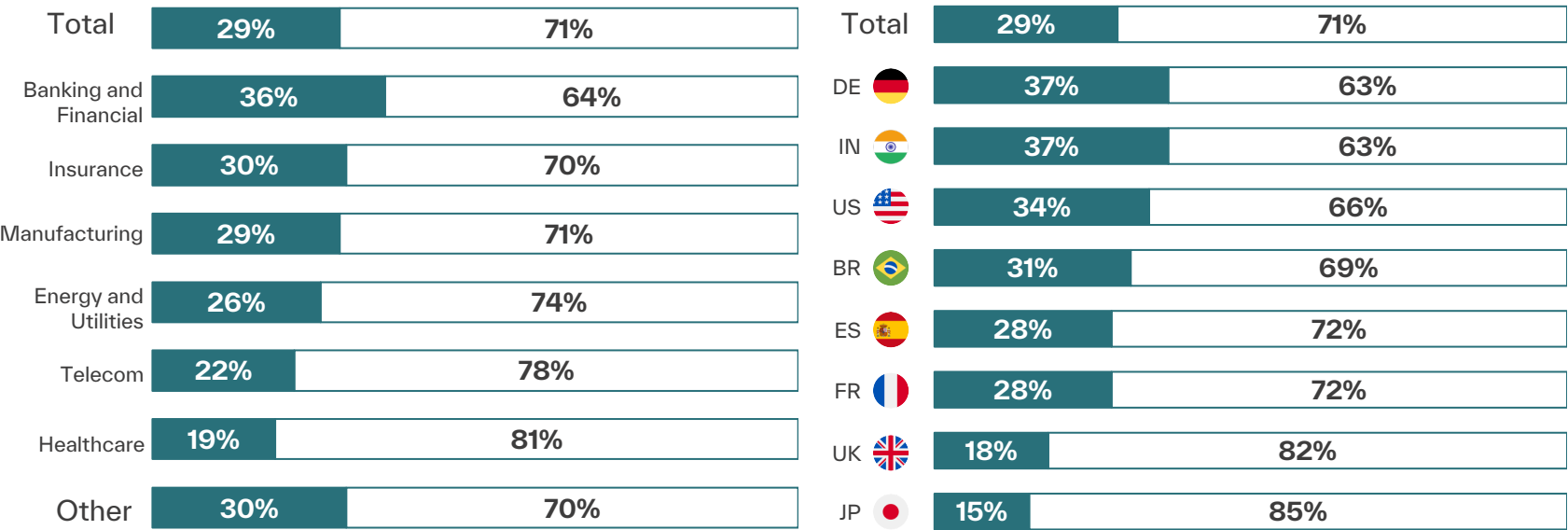
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Most leaders say their workforces are not ready to fully realize the benefits of AI technology

Across industries, Banking/Financial and Insurance businesses report the highest workforce readiness for AI technology — while those in Healthcare trail behind

Across markets, Germany and India lead, while UK and Japan have an opportunity to better empower employees

→ **7 in 10**

leaders say their **workforce is not ready to successfully leverage AI** technology in the workplace (71%)

Current Workforce Readiness for AI
% Completely Ready vs. % Not Completely Ready

Industry	Completely Ready	Not Completely Ready
Total	29%	71%
Banking and Financial	36%	64%
Insurance	30%	70%
Manufacturing	29%	71%
Energy and Utilities	26%	74%
Telecom	22%	78%
Healthcare	19%	81%
Other	30%	70%

Market	Completely Ready	Not Completely Ready
Total	29%	71%
DE	37%	63%
IN	37%	63%
US	34%	66%
BR	31%	69%
ES	28%	72%
FR	28%	72%
UK	18%	82%
JP	15%	85%

Q3. How ready would you say your organization's workforce currently is to successfully leverage AI technology in the workplace? Base: Total (n=1100)
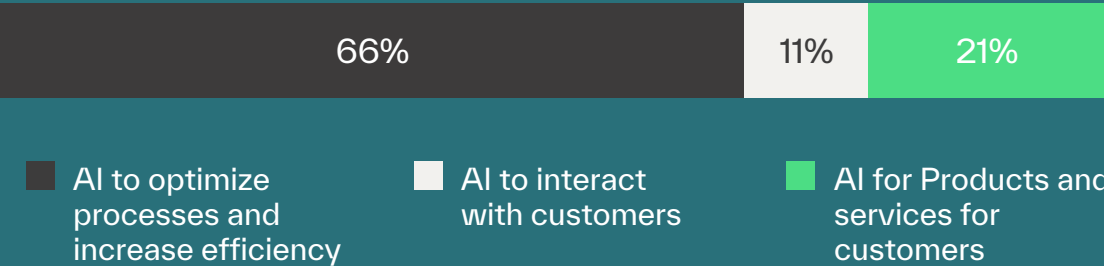
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02.

Businesses have not yet unlocked the full potential of AI, with few focused on using the technology for business growth

Despite widespread attempts at implementation, most organizations are not currently benefitting from game-changing use cases that will drive new products and services for their customers. Only 21% of leaders say their primary AI use is incorporating the technology into products and services.
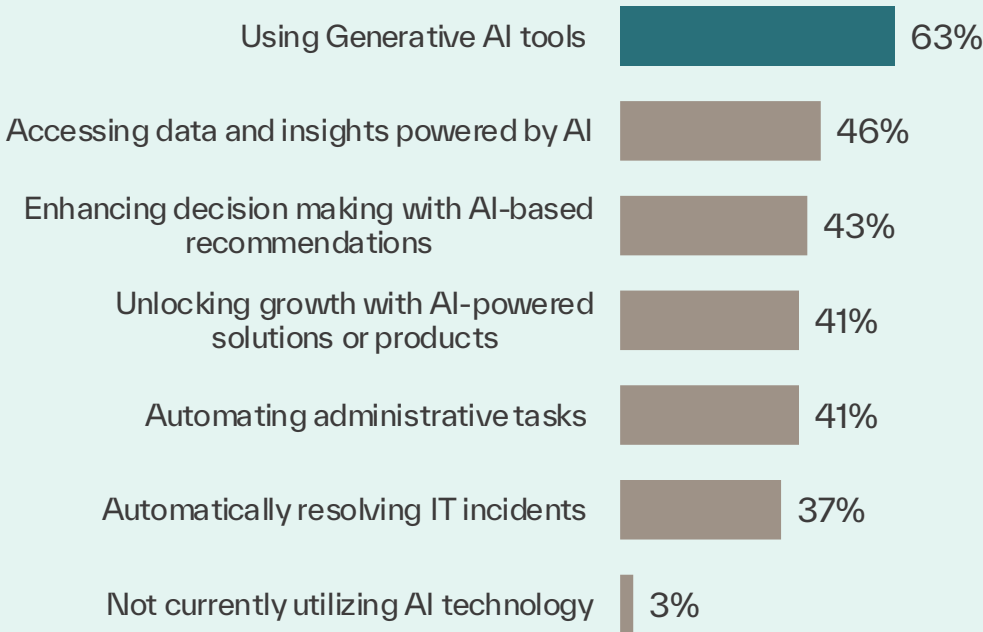
While generative AI tools remain the most popular use case reported by those surveyed, a majority of respondents are not using the technology outside of those tools. Only 4 in 10 leaders are using AI-powered insights to enhance decision making or unlock growth for their business.

Primary AI Use Cases
% Selected

66%	11%	21%

- ■ AI to optimize processes and increase efficiency
- □ AI to interact with customers
- ■ AI for Products and services for customers

AI Utilization
% Self using across use cases

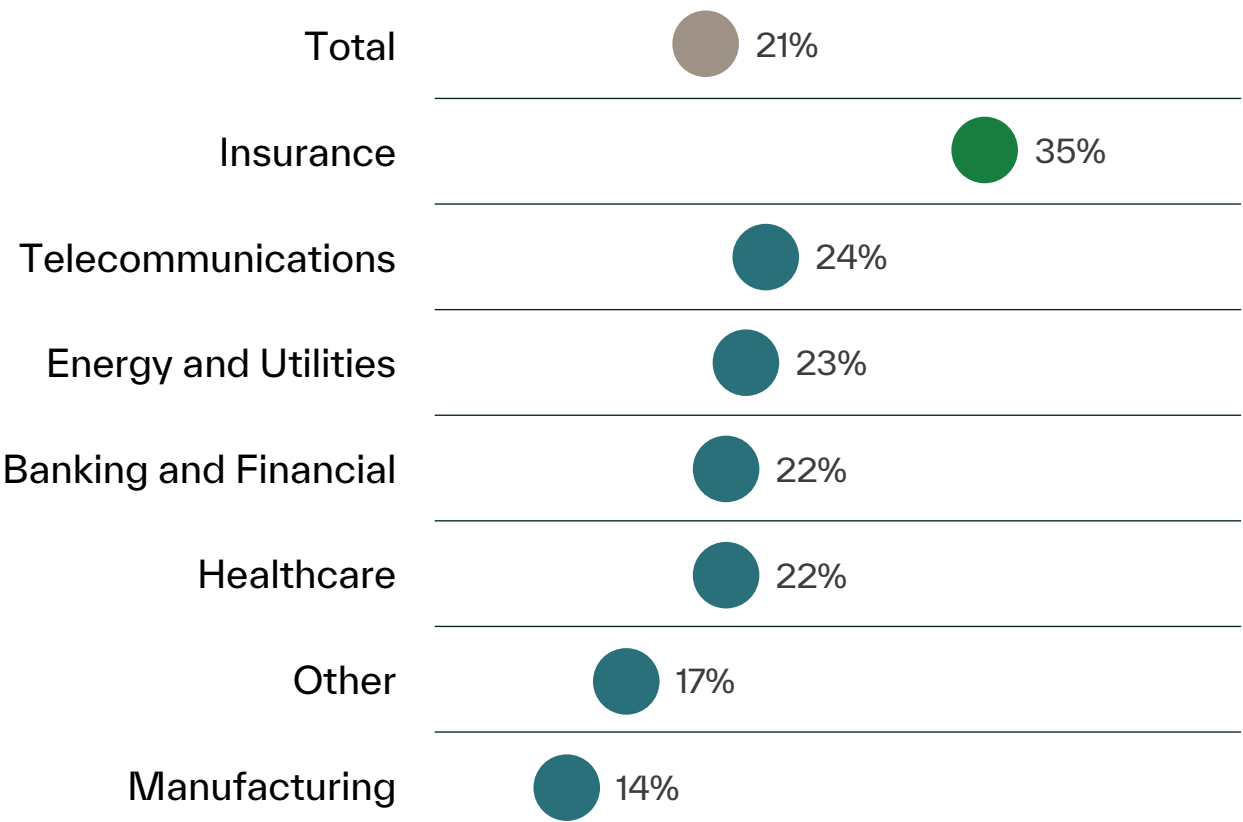| Use case	%
Using Generative AI tools	63%
Accessing data and insights powered by AI	46%
Enhancing decision making with AI-based recommendations	43%
Unlocking growth with AI-powered solutions or products	41%
Automating administrative tasks	41%
Automatically resolving IT incidents	37%
Not currently utilizing AI technology	3%

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Insurance leads in leveraging AI for products and services, while other industries are focused on driving internal efficiencies

AI has been transforming the Insurance industry in recent years, with organizations leveraging the technology in various areas including underwriting, claims processing and risk assessment.

Primary AI Use Case - Incorporating into Products or Services for Customers
% Selected, By Industry

Industry	%
Total	21%
Insurance	35%
Telecommunications	24%
Energy and Utilities	23%
Banking and Financial	22%
Healthcare	22%
Other	17%
Manufacturing	14%

Q6. Which of the following best describes the primary use case of AI technology at your organization today? Base: Total (n=1100), Insurance (n=113), Telecom (n=114), Healthcare (n=130), Banking/Financial (n=201), Energy/Utilities (n=102), Other (n=293), Manufacturing (n=147)

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03.

AI workforce readiness is held back in part because CEOs and technology leaders have different views on its workforce impact

Aligning AI technology strategies with broader business goals is the top action cited by leaders to successfully leverage AI technology in the workplace. CEOs overall think their organizations are less mature and are +28 points more likely than tech executives to say they are in the early stages of AI implementation.

CEOs and tech executives also have conflicting perceptions on how their employees are viewing AI adoption: nearly three-quarters of tech executives think their employees are embracing it, but only 45% of CEOs agree.

This disconnect between CEOs and CIOs/CTOs extends to how they view workforce readiness and how they think they can get their workforces ready. Tech executives are far more focused on upskilling their existing workforce in the technology (80%), while over 4 in 10 CEOs are prioritizing hiring external talent to get those skills.

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#1

Aligning AI technology strategies with broader business goals is the top action leaders recognize to successfully leverage AI technology in the workplace
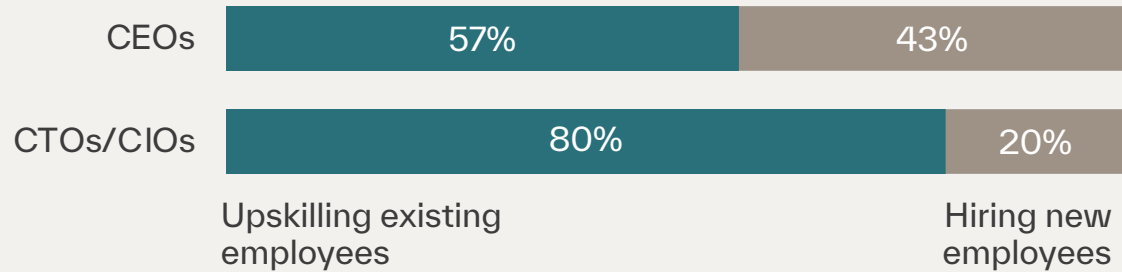
Current state of AI implementation

CEOs are

+28 pts

more likely than tech executives (CTOs / CIOs) to report their organization is **not currently using AI or still in the early stages of implementation**

Organizational priority for AI skills development

CEOs	57%	43%
CTOs/CIOs	80%	20%

Upskilling existing employees

Hiring new employees

Workforce sentiment toward AI implementation

"Most employees are **embracing it**"

45%		**73%**
CEOs	vs.	CTOs/CIOs

"Most employees are **resistant towards it**"

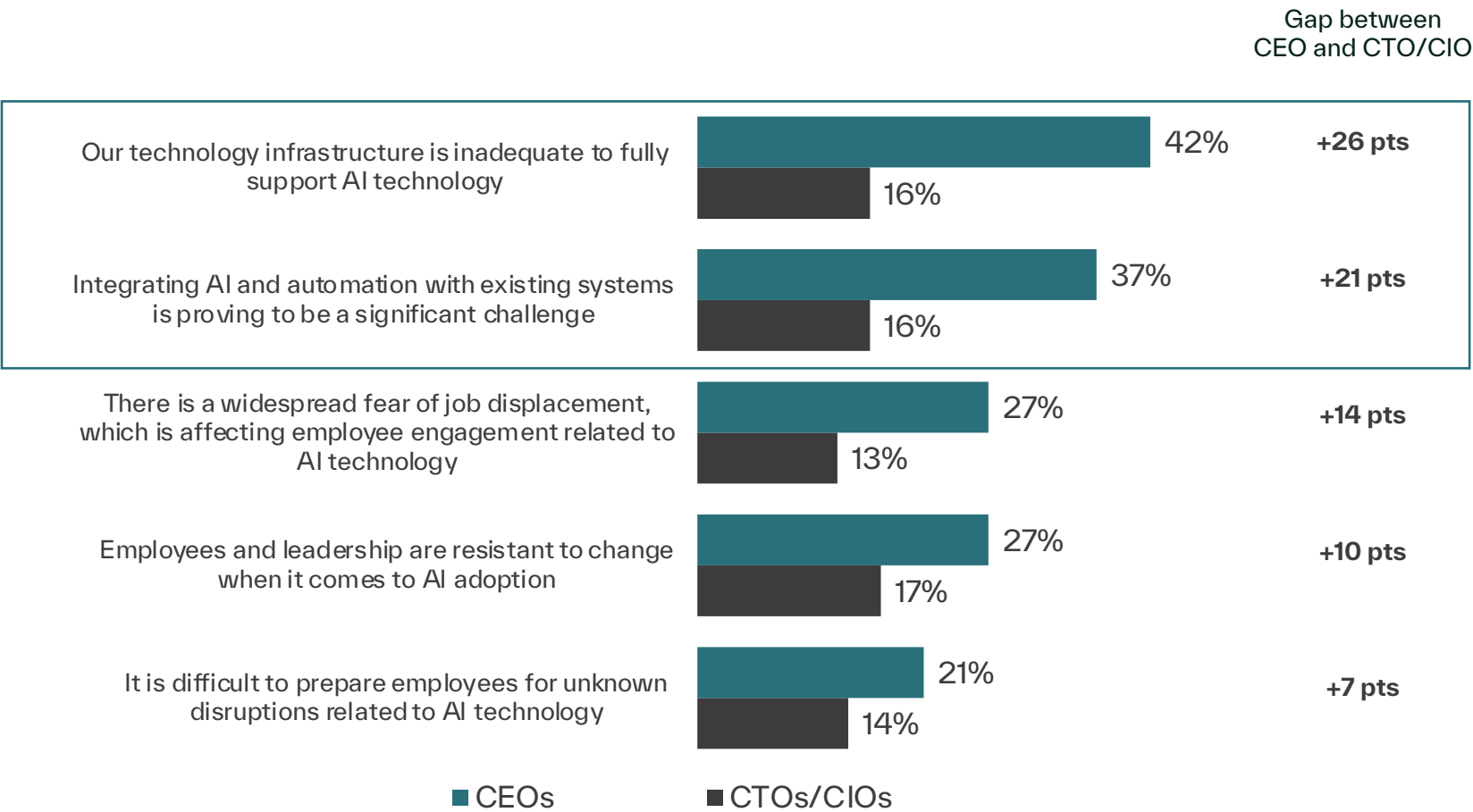| **45%**		**8%**
CEOs	vs.	CTOs/CIOs

CEOs are more likely than tech executives to report infrastructure and workforce-related barriers to AI adoption

Level of agreement on AI-related barriers
% Completely agree

Gap between
CEO and CTO/CIO

Our technology infrastructure is inadequate to fully support AI technology
- 42%
- 16%

+26 pts

Integrating AI and automation with existing systems is proving to be a significant challenge
- 37%
- 16%

+21 pts

There is a widespread fear of job displacement, which is affecting employee engagement related to AI technology
- 27%
- 13%

+14 pts

Employees and leadership are resistant to change when it comes to AI adoption
- 27%
- 17%

+10 pts

It is difficult to prepare employees for unknown disruptions related to AI technology
- 21%
- 14%

+7 pts

■ CEOs   ■ CTOs/CIOs

Q11: To what extent do you agree or disagree with the following statements about the barriers or challenges your organization is facing related to AI technology in the workplace? Base: CEOs (n=105), CTOs/CIOs (n=202)

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CEOs are more likely to cite skills gaps and uncertainty about the future, while tech executives have more confidence in their existing employees
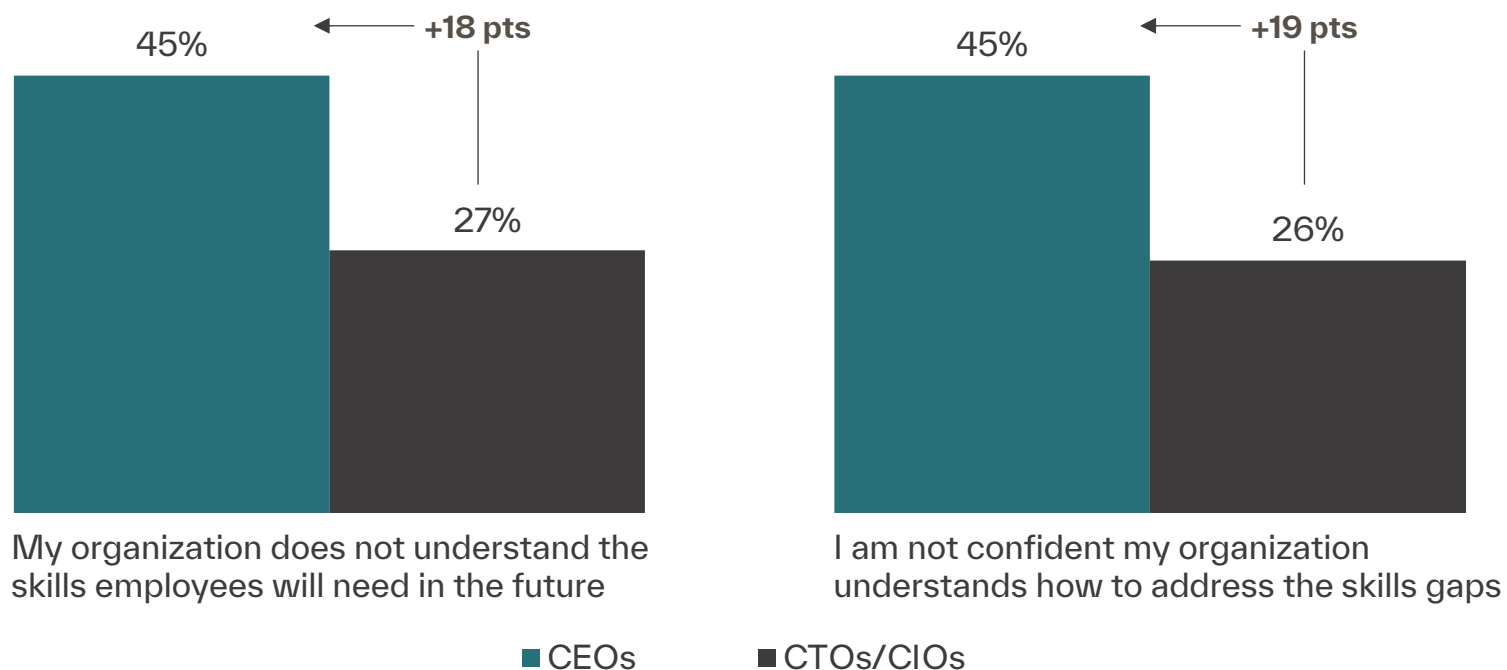
2 in 3

CEOs report there is a **lack of skilled talent to manage AI technology** within their organization

(**68%** vs. 45% of CTOs/CIOs)

Skills gap concerns
% Agree

45% +18 pts 27%

45% +19 pts 26%

My organization does not understand the skills employees will need in the future

I am not confident my organization understands how to address the skills gaps

■ CEOs   ■ CTOs/CIOs

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04.

A small group of AI Pacesetters — just 14% — have aligned their workforce, technology and growth goals, and are seeing benefits from their actions

They are using AI to unlock growth or primarily create products and services for customers, and report high workforce readiness

35%
of organizations are **fully integrating AI across their organization**

69%
of organizations are using AI **to unlock growth** OR primarily **to create products and services for customers**

Pacesetters
14%

29%
of business leaders say their **workforce is ready to successfully leverage AI**

*Definition of AI Pacesetter is based on leaders who meet the following 3 criteria: Fully integrating AI AND Creating AI-powered solutions for customers (EITHER Products and services for customers is the primary use case OR organization is unlocking growth with AI-powered solutions or products) AND Workforce is completely ready for AI in the workplace

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13

05.
AI Pacesetters are uniquely addressing three critical barriers to AI adoption

The Organizational Change Challenge: While many businesses have not implemented the right internal processes and frameworks for AI in the workplace, AI Pacesetters are ahead in having implemented key strategies related to AI adoption in the workplace.

The Trust Challenge: Many leaders cite a widespread fear of job displacement which is affecting employee engagement related to AI technology, however AI Pacesetters are taking unique actions to build trust in the technology — resulting in more positive perceptions and behaviors.

The Skills Challenge: Today's organizations are struggling with a lack of skilled talent to manage AI technology — though AI Pacesetters have a more accurate understanding of their employees' skills, are more confident in their ability to address skills gaps, and are more proactive in their training and development initiatives related to AI.

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ORGANIZATIONAL CHANGE CHALLENGE

ONLY
53%
of leaders believe their workforce is ready to navigate changes related to AI technology **over the next 5 years**

TRUST CHALLENGE

50%
of leaders say there is a widespread fear of job displacement, which is affecting employee engagement related to AI technology

SKILLS CHALLENGE

51%
of business leaders report there is a lack of skilled talent to manage AI technology within their organization

THE **ORGANIZATIONAL CHANGE** CHALLENGE
TOTAL BUSINESS LEADERS

Organizational change demands a strategic foundation, though many organizations haven't taken the necessary steps
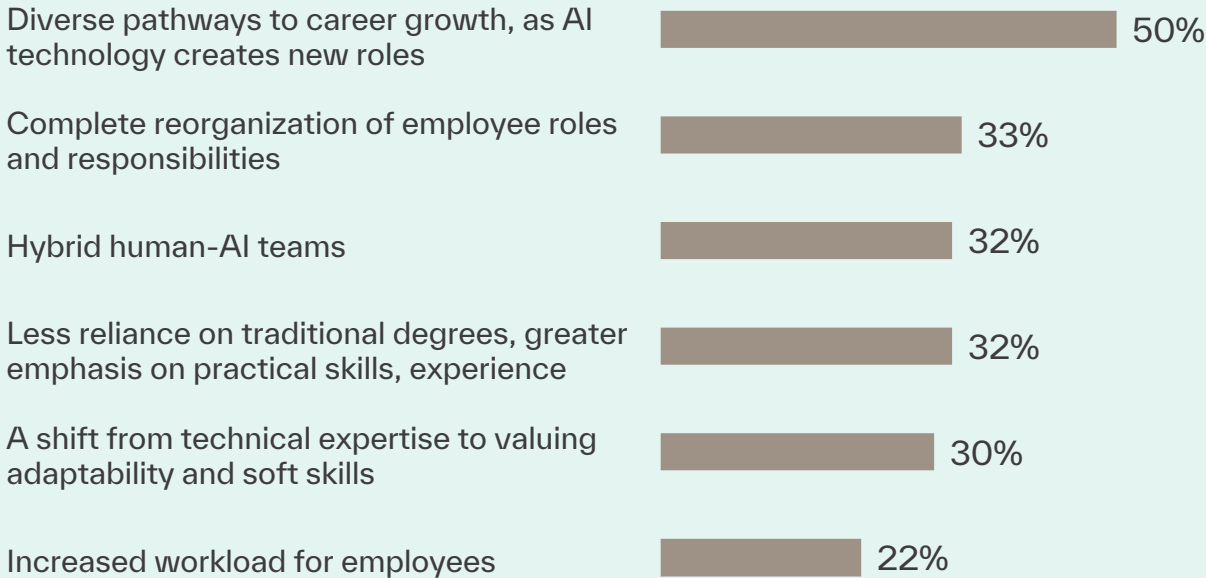
Readiness requires action, and action requires strategy — for both the adoption of AI and its planned effects on its existing processes and frameworks. Leaders see many different ways their organizations could change due to AI adoption — from the creation of new job roles to reorganizing departments and redistributed workloads.

However, only 4 in 10 leaders say their organization has fully implemented an overall AI adoption strategy to take them from their current state to a future state. Even fewer have implemented foundational strategies like an AI governance framework or a change management strategy.

This lack of a strategic framework is inhibiting future readiness among today's workforce. However, AI Pacesetters are taking action to revamp their organizational culture and set themselves up for future success.

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Expected changes to workforce due to AI, 5 to 10 years from now
% Selected

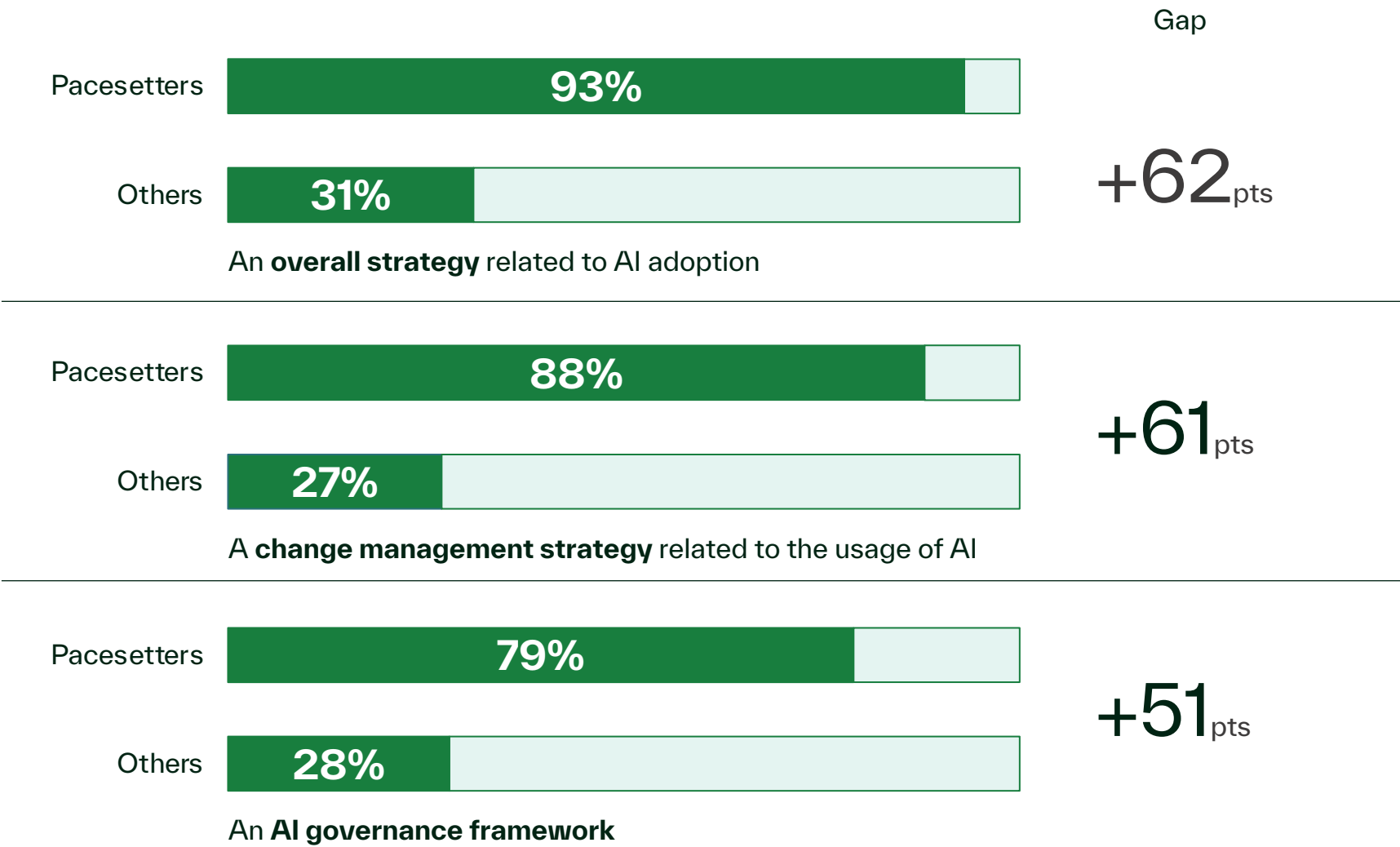|	
Diverse pathways to career growth, as AI technology creates new roles	50%
Complete reorganization of employee roles and responsibilities	33%
Hybrid human-AI teams	32%
Less reliance on traditional degrees, greater emphasis on practical skills, experience	32%
A shift from technical expertise to valuing adaptability and soft skills	30%
Increased workload for employees	22%

ONLY
53%
of leaders believe their workforce is ready to navigate changes related to AI technology **over the next 5 years**

AI Pacesetters show near-universal adoption of critical AI implementation strategies

Just 3 in 10 of those who are not AI Pacesetters have fully implemented an overall strategy related to AI adoption. Even fewer have fully implemented a change management strategy or an AI governance framework.

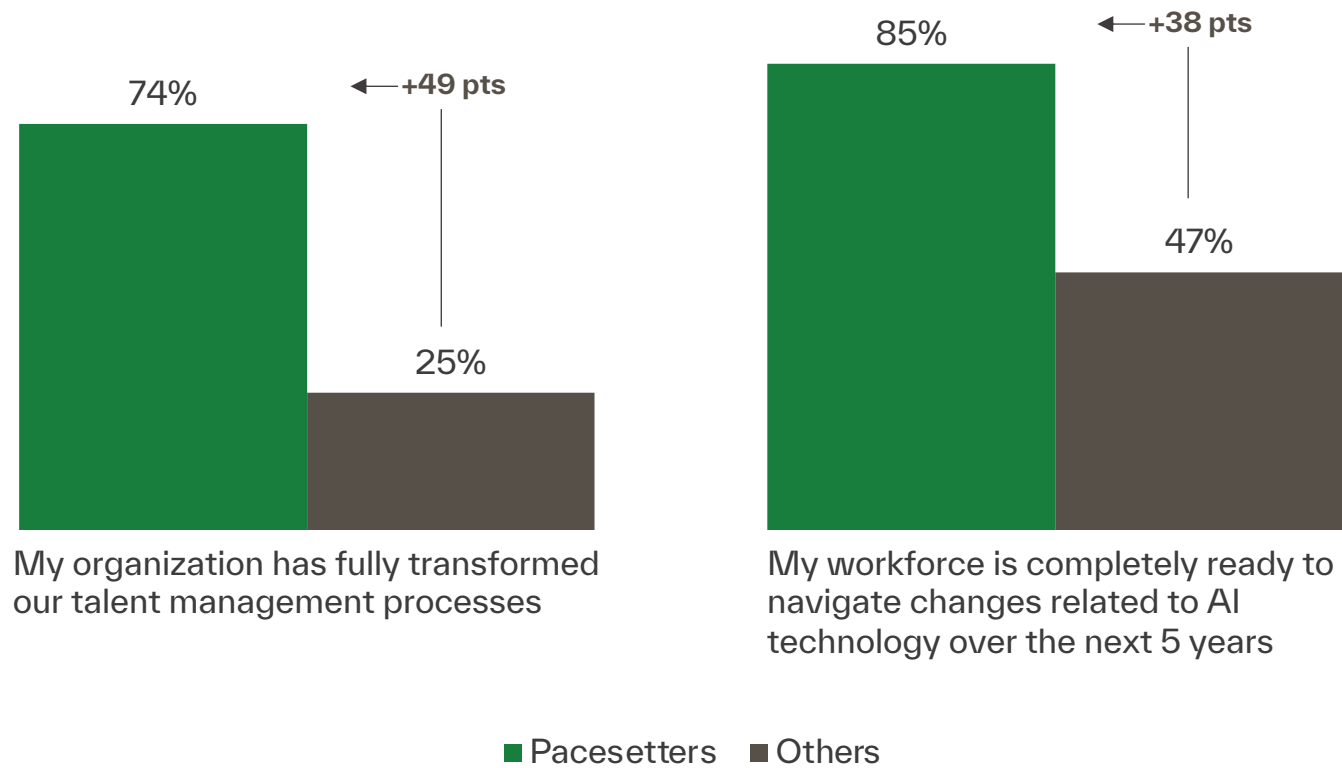## Implementation of Key Strategies
% Fully implemented

Gap

Pacesetters **93%**

Others **31%**

+62pts

An **overall strategy** related to AI adoption

Pacesetters **88%**

Others **27%**

+61pts

A **change management strategy** related to the usage of AI

Pacesetters **79%**

Others **28%**

+51pts

An **AI governance framework**

Q2. Does your organization currently have a strategy in place for the adoption and implementation of AI technology? Q9. Has your organization implemented a change management strategy as it relates to the usage of AI technology in the workplace? Q10. Has your organization implemented an AI governance framework? Base: Pacesetters (n=156), Others (n=944)

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AI Pacesetters are more likely to have fully transformed talent management — and show greater confidence in their workforce's readiness

Talent transformation and future readiness
% Selected

74%   +49 pts

25%

85%   +38 pts

47%

My organization has fully transformed our talent management processes

My workforce is completely ready to navigate changes related to AI technology over the next 5 years

■ Pacesetters ■ Others

Q19. To what extent, if at all, has your organization adjusted its talent management process as a result of the increased implementation of AI technology in the workplace? Q4. Similarly, how ready would you say your organization's workforce is to navigate any changes related to the use of AI technology over the next 5 years? Base: Pacesetters (n=156), Others (n=944)

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Employees need to trust AI's outputs and that their organizations will implement AI responsibly

Leaders recognize a need to build employee trust in AI — citing it among the most important actions for organizations to take to fully leverage the technology. This trust comes in two forms: trusting AI technology to deliver accurate, insightful responses; and employee trust that their organizations consider people to be a key component in its future use, which lowers anxiety around career and job safety.

This is evidenced in their workforce concerns, with many organizations reporting their employees are fearful and resistant to change when considering the implementation of AI into daily operations.

Despite this, less than half of business leaders report they are taking actions to mitigate employee fears, with only 44% involving employees in the implementation process or creating ethical guidelines for AI use.

4 in 10

leaders cite building employee trust around AI technology among the most important actions to fully leverage AI (42%)

50%

of leaders agree "there is a widespread fear of job displacement, which is affecting employee engagement related to AI technology"

47%

agree "employees and leadership are resistant to change when it comes to AI adoption"

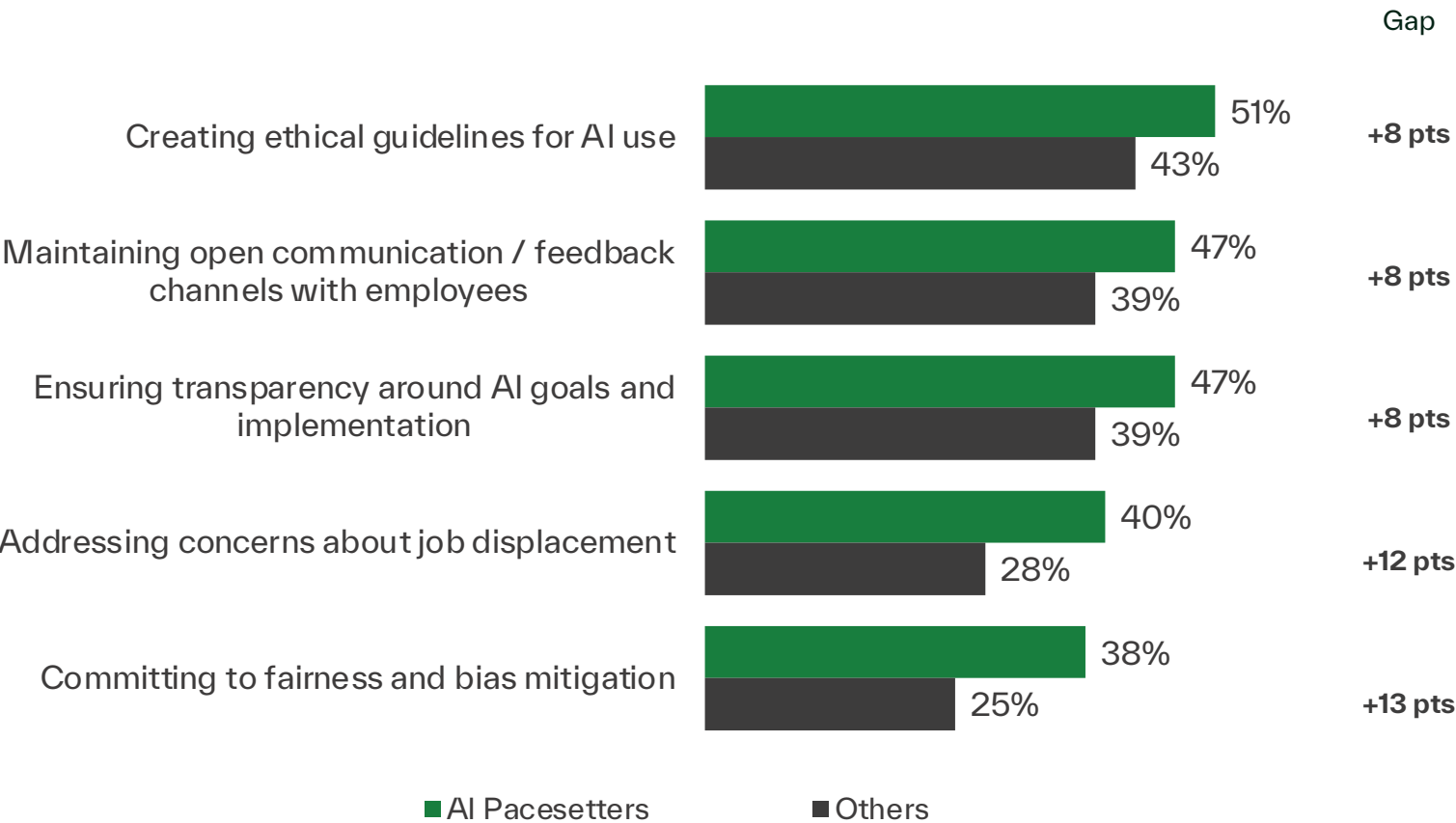**Top 3 actions leaders are taking to build workforce trust with AI**

1. Involving employees in the implementation process (44%)

2. Creating ethical guidelines for AI use (44%)

3. Ensuring transparency around AI goals and implementation (40%)

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AI Pacesetters are prioritizing building employee trust in AI technology

AI Pacesetters are more likely to be taking multiple actions to build this trust with employees, including addressing concerns about job displacement (+12 pts) and committing to fairness and bias mitigation (+13 pts).

Top actions leaders are taking to build workforce trust with AI
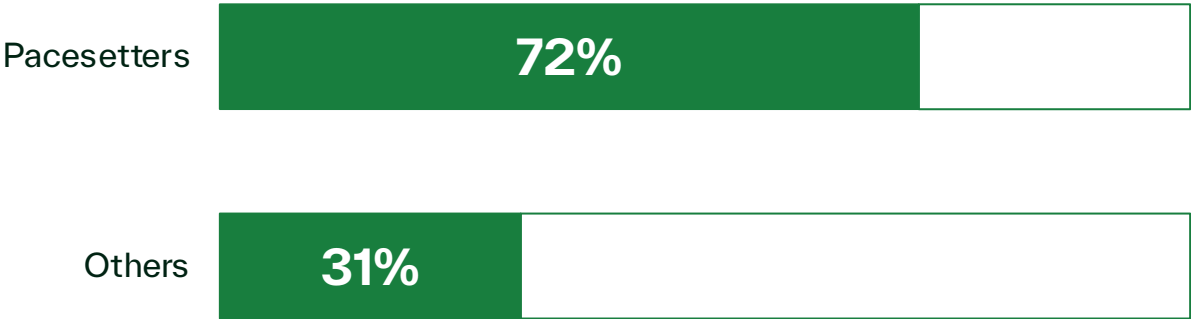% Selected

Gap

Creating ethical guidelines for AI use
AI Pacesetters: 51%
Others: 43%
+8 pts

Maintaining open communication / feedback channels with employees
AI Pacesetters: 47%
Others: 39%
+8 pts

Ensuring transparency around AI goals and implementation
AI Pacesetters: 47%
Others: 39%
+8 pts

Addressing concerns about job displacement
AI Pacesetters: 40%
Others: 28%
+12 pts

Committing to fairness and bias mitigation
AI Pacesetters: 38%
Others: 25%
+13 pts

■ AI Pacesetters   ■ Others

Q26. In which of the following ways, if any, is your organization currently working to build trust among its workforce towards AI technology?
Base: Pacesetters (n=156), Others (n=944)

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AI Pacesetters report that most employees are enthusiastically embracing AI — and are less likely to report employee fear towards the technology

Other leaders show much more hesitancy, with roughly 1 in 4 (23%) saying most of their employees are resistant or openly hostile towards AI technology.

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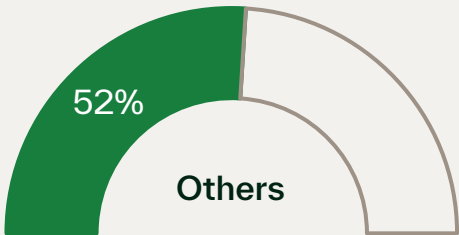
Employee attitudes around AI adoption
% Selected

Gap

Pacesetters **72%**

Others **31%**

+41pts

Most employees are **enthusiastically embracing** AI technology

Employee fear around AI adoption
% Selected

"There is a **widespread fear of job displacement**, which is affecting employee engagement related to AI technology"

37% **Pacesetters**

52% **Others**

Q7. Which of the following best describes how your organization's workforce feels about the implementation of AI technology into daily operations? Q11. To what extent do you agree or disagree with the following statements about the barriers or challenges your organization is facing related to AI technology in the workplace? Base: Pacesetters (n=156), Others (n=944)

20

The speed of AI advancements is exposing uncertainty around workforce skills

Uncertainty around how to address skills gaps and how to best prepare for future advancements in AI is inhibiting organizations — roughly 1 in 3 leaders are not confident they know how to manage current skills gaps, and a similar portion report their organization does not understand the skills employees will need in the future. And skills now have a rapidly shrinking shelf life as new technologies and business processes accelerate.

Challenges around training and upskilling dominate concerns of today's leaders. As a result, 76% of leaders report they are prioritizing reskilling their existing workforce to accommodate AI implementation rather than hiring new employees.

As they try to future-proof their organizations, less than 4 in 10 leaders say they are taking employee-focused actions, such as hosting reskilling programs, developing personalized coaching programs, or providing access to external certifications or courses specific to AI.

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3 in 10
leaders agree…

I am **not confident my organization understands how to address the skills gaps** (31%)
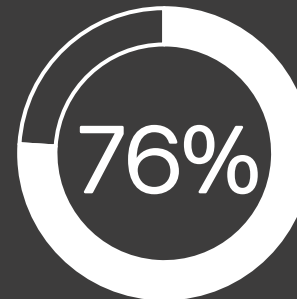
My **organization does not understand the skills employees will need** in the future (32%)

#1
Training and Upskilling is the #1 concern related to AI skills gaps

Top challenges related to training and upskilling

1. Lack of / insufficient training programs
2. Limited organizational knowledge around AI and its benefits
3. Difficulties acquiring / retaining qualified talent
4. Need for rapid skills development

76%
of leaders report prioritizing internal upskilling over hiring new employees

YET, LESS THAN

4 in 10
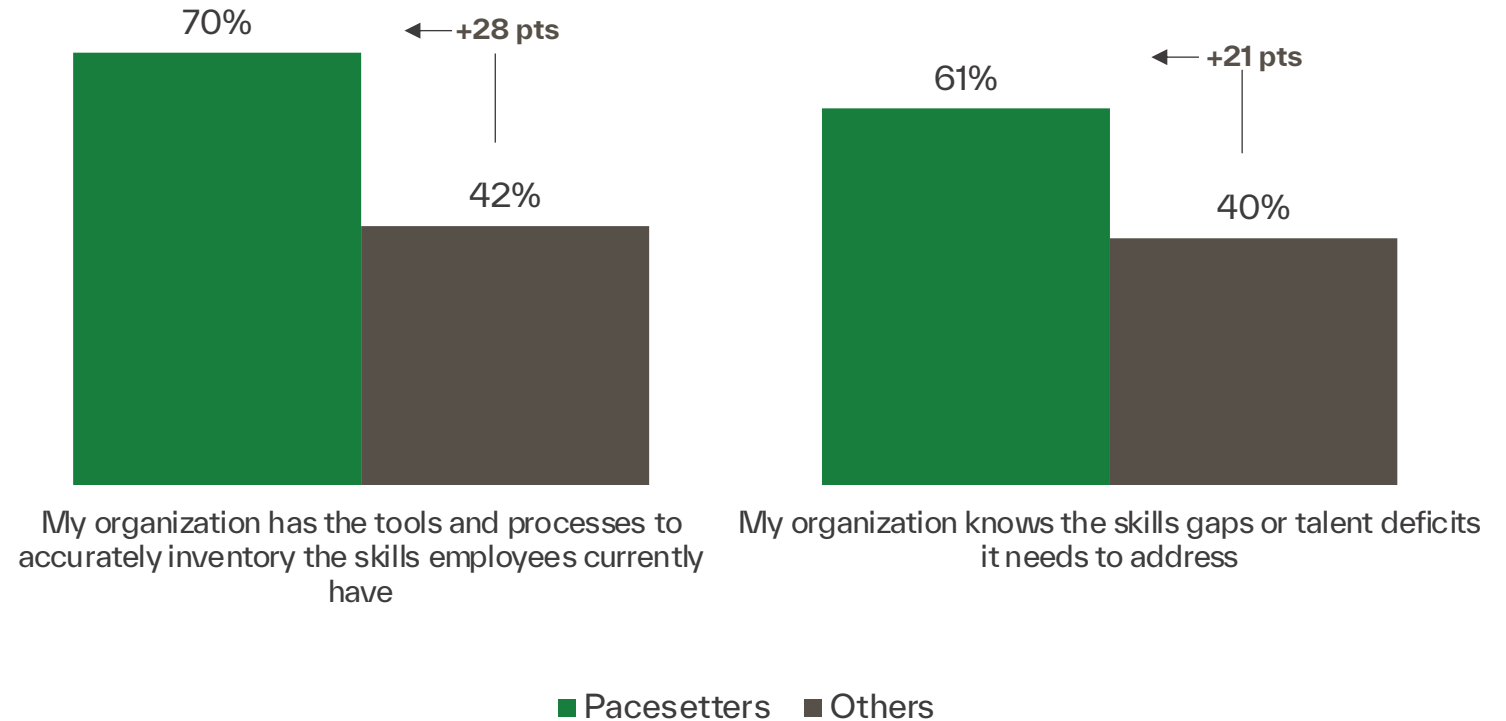report taking actions related to AI training and development

Pacesetters are much more likely to have tools and processes in place to inventory their current skills – and understand where where gaps exist

Perceptions about tracking and managing employee skills
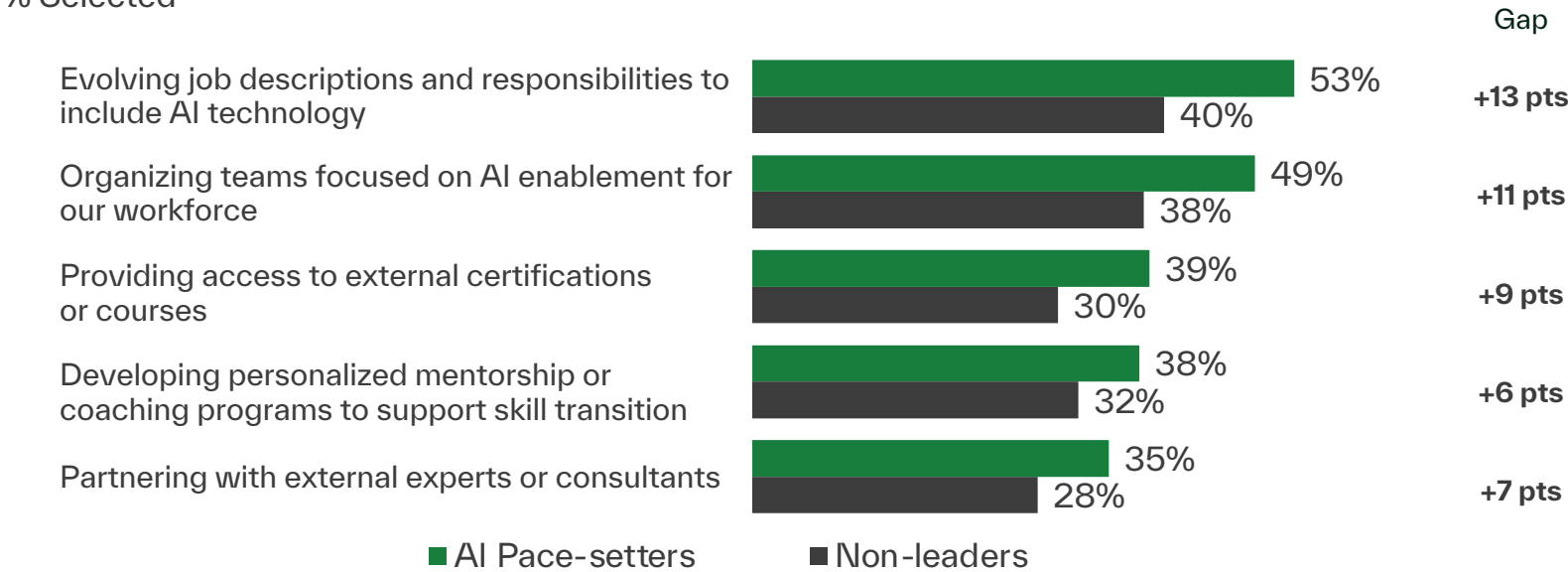% Completely Agree

70%   ← **+28 pts**

61%   ← **+21 pts**

42%

40%

My organization has the tools and processes to accurately inventory the skills employees currently have

My organization knows the skills gaps or talent deficits it needs to address

■ Pacesetters   ■ Others

Q14. To what extent do you agree or disagree with the following statements about how your organization is tracking and managing employee skills? Base: Pacesetters (n=156), Others (n=944)
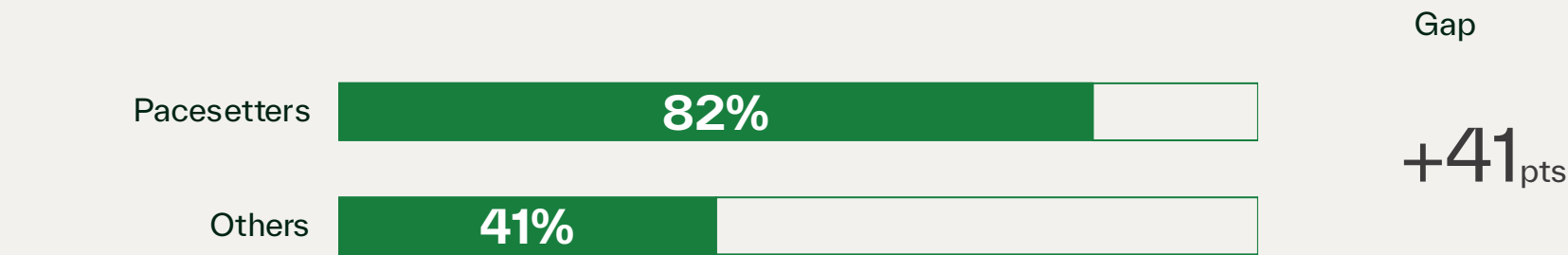
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Pacesetters are also taking unique actions to ensure their workforces are empowered to fully leverage AI — and they are proving to be effective in driving positive business outcomes

Actions taken to empower current workforce
% Selected

Gap

Evolving job descriptions and responsibilities to include AI technology
53%
40%
+13 pts

Organizing teams focused on AI enablement for our workforce
49%
38%
+11 pts

Providing access to external certifications or courses
39%
30%
+9 pts

Developing personalized mentorship or coaching programs to support skill transition
38%
32%
+6 pts

Partnering with external experts or consultants
35%
28%
+7 pts

■ AI Pace-setters   ■ Non-leaders

Effectiveness on actions taken to empower current workforce
% Selected Very Effective

Gap

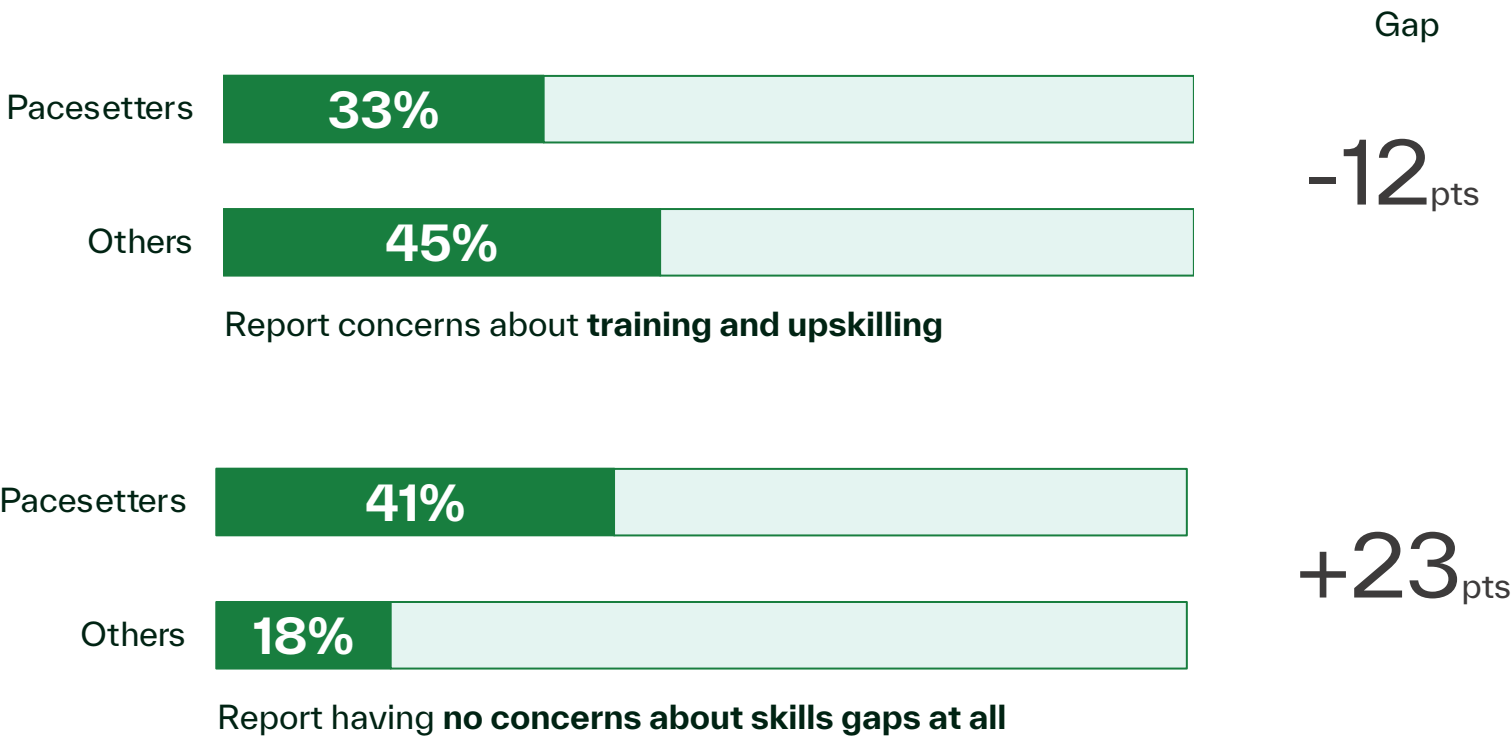Pacesetters **82%**

Others **41%**

+41pts

Q21. What actions, if any, is your organization currently taking to empower its current workforce to successfully leverage AI technology in the workplace? Base: Pacesetters (n=156), Others (n=944) Q22. You mentioned your organization is taking action to empower its current workforce to successfully leverage AI technology in the workplace. How effective have these been in driving positive business outcomes? Base: Organization is taking action to empower its workforce; Pacesetters (n=151), Others (n=914)

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As a result, Pacesetters are less concerned about skills gaps — with 4 in 10 reporting no concerns whatsoever

Concerns about skill gaps among leaders
Coded open-end: % Coded

Gap

Pacesetters **33%**

Others **45%**

−12pts

Report concerns about **training and upskilling**

Pacesetters **41%**

Others **18%**

+23pts

Report having **no concerns about skills gaps at all**

Q18. Thinking about the use of AI technology, what is your biggest concern related to skills gaps or talent deficits within your organization?
Base: Pacesetters (n=156), Others (n=944)

kyndryl.

24

kyndryl.