

Executive Summary

Artificial Intelligence; Real Leadership:

The Management Imperative
in AI Adoption

CMI Chartered
Management
Institute





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The AI revolution is well underway, and the impact will be transformative. But beneath the hype of this technological revolution lies a classic, age-old management paradox: the enduring ‘say-do gap’. We are seeing senior leaders loudly champion the shiny new promise of AI in the boardroom, yet fall short in equipping their teams to actually put these tools to work on the ground.

The evidence in our latest report points to one undeniable conclusion: AI must be viewed as a core business strategy, not a standalone IT investment. It is a major change management initiative. That requires rigorous planning, crystal-clear communication, and deep colleague buy-in. None of those things can be automated; they require professional human leadership.

We have launched a new suite of Leading AI qualifications designed specifically to help managers at every level confidently navigate this disruption and translate AI hype into hard commercial ROI.

It may be artificial intelligence, but it still requires real human leadership.

**Ann Francke OBE, CMgr CCMi FIC |
CEO, CMI**



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AI is no longer a future ambition, it’s a present-day reality for organisations across every sector. But successful adoption isn’t just a technical challenge. It’s also a leadership and cultural one. Without strong, informed leadership, AI risks being underutilised or delivering uneven results.

To truly unlock AI’s potential, leaders need the strategic foresight to know where AI creates value and the ability to bring people along to new ways of working.

**Jacky Wright, CMI AI Advisory
Council Chair**; a global leader in transformative technology with executive CTO roles spanning Microsoft, GE and McKinsey & Co.

Introduction

As AI rapidly transforms industry and society it offers unprecedented opportunities for innovation, efficiency and competitiveness. Yet despite the potential to significantly boost business outcomes, it nonetheless faces blockers. The primary hurdles to successful adoption are not technological, but human. Strikingly, 93% of global AI and data leaders identify human factors¹ – such as culture, trust and adaptability – as the primary barrier to AI implementation.

CMI's latest research aims to support employers to move beyond their significant investment in game-changing AI infrastructure into identifying the blockers that are preventing that crucial next step – delivering impact. Grounded in real world experiences that move beyond notional benefit, the research points to a worrying managerial capability gap holding back the irrefutable upside of an AI revolution.

AI Adoption: Reality on the Ground

Despite funding and ambition, the research finds significant pinch points for many organisations.

Pilot purgatory:

68%

68% of managers' organisations are still in the early stages of experimenting or building pilots.

Despite this, 52% of managers expect their organisation to be operating using AI ways of working or be "AI future-ready" within the next 12 months. At present, only 29% of managers believe their organisations are performing at these levels.

Stalled productivity:

70%

While 70% of managers see productivity gains, only 5% report "transformational" improvements, with most gains limited to basic speed and efficiency uses.

Worryingly, one in four managers (26%) say they have seen no gains at all.

Generative vs agentic confidence gap:

26%

While only 26% of managers feel "very confident" using generative AI, confidence plummets to just 10% when it comes to using agentic AI.

This highlights that significant steps are needed to build capability for more advanced autonomous workflows and productivity gains.

The "say-do" gap:

64%

The research identifies a disconnect where 64% of senior leaders encourage AI experimentation, but only 13% of managers strongly agree that senior leadership actively experiments with AI tools themselves.

And just one in five (18%) managers strongly believe that their senior leaders fully understand the benefits AI can deliver.

Workplace fallout:

70%

A striking 70% of managers report that they seek advice from generative AI rather than going to their managers for guidance, citing speed and technical detail as the primary reasons.

Confidence gap:

12%

Only 12% of managers feel "very confident" leading AI-enabled teams.

¹ AI & Data Leadership Executive Benchmark Survey (2026)

Future of Work: Agentic-AI Workplaces

To move beyond localised, smaller efficiencies to game-changing use cases, the research looks at what's working, where the workforce risks lie and the need to evolve in the agentic AI era.



Accidental middle-management gap:

It warns that as AI automates routine entry-level tasks, the traditional pipeline for developing future middle managers is being disrupted.



Lean into Gen Z:

It frames the incoming, AI-fluent Gen Z workforce not just as “juniors”, but as “accelerated citizen developers” who can fundamentally change team output.



SMEs on the front foot:

It highlights that SMEs are currently outpacing larger organisations in experimentation (51% vs. 34%) and achieving early productivity gains, suggesting a shift in competitive advantage.



The new hybrid:

It moves the conversation from “human vs. AI” to the management of “hybrid human-machine workflows” where processes are completed by a mix of human effort and AI automation working together.

AI Leadership: New Ways of Working

The report speaks to the evolving nature of leadership in the age of AI and the skills needed to execute a generational workplace change. They include:



The “agent boss”:

A shift from supervising human tool-users to orchestrating complex workflows involving human staff and autonomous AI agents.



“Intelligent commissioners”:

Leaders are urged to act as commissioners who use their experience to oversee, validate, and own the consequences of AI outputs rather than just procuring AI stacks and consuming AI deliverables.



Practical risk calibration:

Instead of rigid no-use policies, it advocates for risk calibration – managing security and ethics as accountability shifts from IT departments directly to line managers.



Human-centric soft skills:

It argues that as AI handles analytical work, the premium on emotional intelligence, empathy, and human-in-the-loop decision-making becomes a critical differentiator.

Key Recommendations:

To bridge the managerial capability gap and deliver transformational return on investment, the report presents four core recommendations for leadership:

1

Drive accelerated change:

Treat AI adoption as a major change project that is happening at pace, one that requires an experimental mindset and buy-in across an organisation, and is aligned to strategic goals. This shifts the management model to “agent bosses”: directing and orchestrating complex projects involving human employees alongside autonomous AI systems.

2

Elevate human skills:

Act as “intelligent commissioners” by dialing up human leadership skills (e.g. emotional intelligence) and maintaining a human-in-the-loop approach to oversee AI outputs.

3

Commit to continuous learning:

Personally engage with AI to gain hands-on familiarity, moving beyond basic usage to understanding underlying concepts and committing to continual development. This includes sharing of AI use cases – including best practice, success stories and learnings – across the organisation and peer networks to accelerate learning and build practical capability and confidence.

4

Uphold governance and ethics:

Focus on practical risk calibration, managing security, intellectual property, and ethical alignment as accountability shifts to line-of-business managers.

AI fluency

The research suggests that organisations must proactively invest in developing AI-fluent leaders by moving beyond generic technology training to focus on the human and strategic dimensions of AI. To support businesses and training providers in this critical transition, CMI has developed a robust suite of Leadership for AI Qualifications.

CMI worked in collaboration with TechSkills – the UK’s employer-led accreditation body for digital skills – to develop brand new units in AI, cybersecurity and data to ensure that technical AI skills are part of the syllabus. This partnership ensures that CMI’s new offerings are both academically robust and directly aligned with the real-world needs of leaders navigating the AI era.



techskills

AI is not just reshaping what organisations do, and how they do it, it is redefining who leads within them. Leadership is no longer tied to title or tenure, it is becoming a capability expected at every level. Entry level roles are increasingly required to manage and collaborate with teams of AI agents. And as AI introduces greater uncertainty, the need for strong, clear leadership has never been greater.

In this landscape, technical skills alone are not enough. The qualities that matter most are deeply human: clarity, calm, curiosity, the confidence to challenge and question, and the ability to communicate with purpose and conviction.

Lorna Willis, CEO of TechSkills

Scan the QR code to download the full report.



We acknowledge the invaluable expertise of the CMI AI Advisory Council. Composed of distinguished leaders in AI and management, the Council was instrumental in shaping this report's findings and guiding the development of the new Leading AI qualifications suite:

Jacky Wright; Former Chief Technology and Platform Officer, McKinsey & Company (chair)

Dame Alison Rose DBE; Senior Partner, Charterhouse; former CEO of RBS

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Emily Campbell-Ratcliffe; Head of AI Adoption, Governance and Skills, DSIT
Rahul Chakkara; Founder at Magikx AI
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