

The state of AI in 2026

On the road to ROI

August 2026



Organizations are deploying agentic coding tools and coming to grips with the costs of AI while still seeking to capture more of the benefits that their workers are deriving from their individual use of AI.

by Dan Tinkoff, Lieven Van der Veken, and Michael Chui,
with Tara Balakrishnan

Key takeaways

- **Use of agentic AI is increasing, mostly accounted for by large enterprises.** Forty percent of respondents from large organizations (those with annual revenues of more than \$1 billion) report scaling AI agents, up from 27 percent last year. The share of respondents from smaller organizations reporting scaling remained flat at 22 percent.
- **Many organizations are already scaling software coding agents.** About two in ten are scaling them (31 percent at larger enterprises).
- **Organizations are using agentic coding tools to build software in-house in lieu of purchasing it.** Nearly a third of respondents (32 percent) report that their organizations have decided against buying one or more software products or features because they could be built internally with agentic coding tools.
- **The cost of AI is constraining usage in some organizations.** About 20 percent of respondents report that AI-related operating costs (including token costs) constrained their AI use. But the majority plan to increase their AI investments.
- **The share of respondents reporting enterprise-level financial impact from AI use has not changed since last year.** Thirty-seven percent of respondents attribute at least some EBIT impact to AI use (about the same share as last year). And the proportion of AI high performers (those who attribute at least 5 percent of EBIT to their use of AI and describe the technology's impact as "significant") has remained flat at about 6 percent of all respondents.
- **However, AI use is boosting the performance of individuals at work.** Eighty percent of respondents report that AI has improved their individual productivity, and 50 percent report that AI helps them make better decisions.
- **Respondents increasingly expect AI to spark workforce declines.** Thirty-nine percent of respondents expect AI-related declines in their organizations' total employment in the coming year, compared with 32 percent last year. (Forty-three percent expect no AI-related change.) But the share expecting workforce declines in last year's survey was about double the share now reporting actual declines over the past year.



Nearly a decade into McKinsey's survey research on companies' use of AI, organizations are deepening their use of these technologies. The latest [McKinsey Global Survey](#) on the state of AI finds that organizations are scaling AI across the enterprise, deploying it in more business functions, and using a range of tools—from chatbots and software coding agents to agentic systems capable of acting autonomously across workflows. And individual employees are reporting real impact: Eight in ten respondents say AI has improved their own productivity.

However, enterprise-level financial impact hasn't followed the same trajectory. The share of respondents reporting that AI has contributed to their organizations' EBIT is essentially unchanged from a year ago, at 37 percent.

The survey also finds that AI-related operating costs are beginning to constrain AI use for about one in five organizations, even as most respondents expect their organizations to increase AI investments in the year ahead. Nearly a third of organizations report deciding against purchasing at least one software product or feature because they can now build them in-house using agentic coding tools, which could be a sign that AI is beginning to reshape how technology budgets are allocated. Meanwhile, workforce expectations continue to shift: A larger share of respondents than in 2025 anticipates AI-related declines in their organizations' total head count over the coming year. Reported reductions over the past year, however, fell well short of what respondents in last year's survey had anticipated.

The experience of a small group of high performers points to a path forward. These organizations are distinguished by how and to what extent they deploy AI. High performers pursue growth and/or innovation alongside efficiency; they fundamentally redesign workflows that are enabled by AI rather than insert AI into existing ones; and they back their deployments with the leadership commitment and operational rigor needed to achieve real gains. In doing so, they offer a lesson for the majority of organizations still looking to move from individual productivity to financial impact.

Use of AI is deepening as organizations move beyond experimentation, with large enterprises leading the way

Organizations continue to move beyond AI experimentation. Nearly nine in ten respondents report regular use of AI in at least one business function, but more organizations are moving from isolated deployments to enterprise-scale adoption: 44 percent now report that AI is scaling across their enterprise, up from 38 percent a year ago (Exhibit 1).

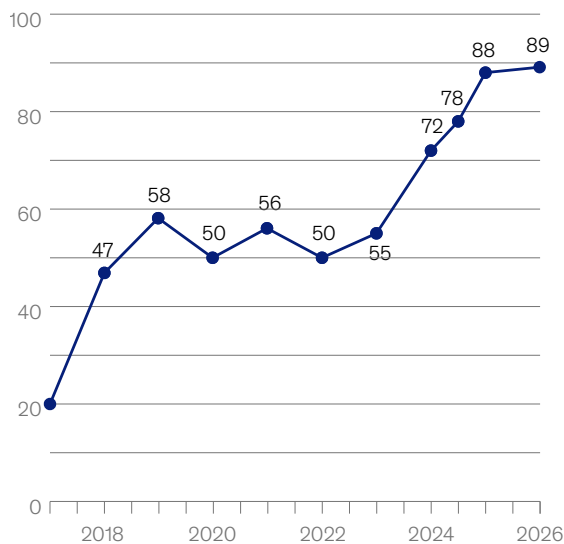
AI is also reaching more parts of the enterprise, with the share of respondents saying their organizations use AI in three or more functions increasing from 51 percent to 56 percent.

Exhibit 1

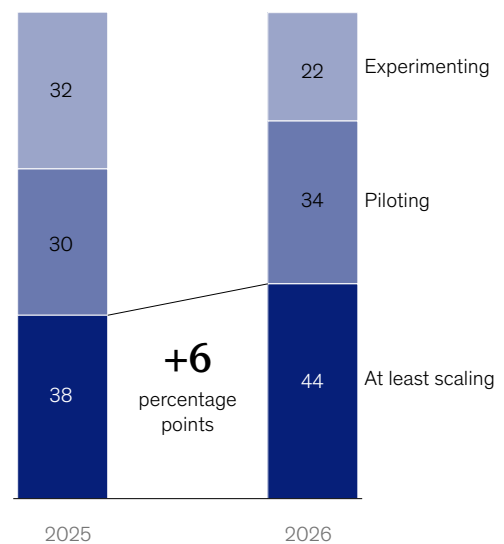
Organizations using AI are increasingly reaching the scaling phase.

Use of AI by respondents' organizations, % of respondents

Organizations that use AI in at least 1 business function¹



Phase of AI use among organizations using AI



¹In 2017, the definition for AI use was using AI in a core part of the organization's business or at scale. In 2018–19, the definition was embedding at least 1 AI capability in business processes or products. From 2020, the definition was that the organization has adopted AI in at least 1 function, and in 2025 and 2026, the definition was regular use of AI in at least 1 function.

Source: McKinsey Global Surveys on the state of AI, 2017–26

McKinsey & Company

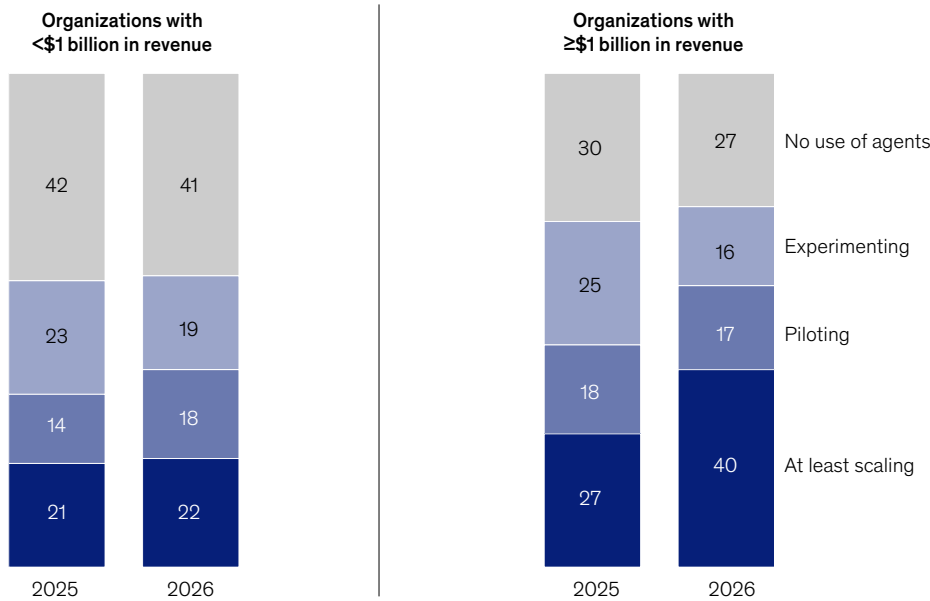
As we have seen in [previous years](#), AI deployment by larger organizations continues to outpace deployment by smaller organizations. Fifty-four percent of respondents from organizations with at least \$1 billion in annual revenue report scaling AI across the enterprise, compared with one-third of those from smaller organizations.

These larger organizations have moved more quickly than smaller ones over the past year in their use of agentic AI. The share scaling agents in one or more functions increased from 27 percent to 40 percent, while adoption among smaller organizations remained essentially flat, at 22 percent (Exhibit 2).

Exhibit 2

Larger companies are moving from experimentation to scaling AI agents much faster than smaller ones.

Extent of AI agent use at respondents' organizations,¹% of respondents



¹Asked only of respondents who said their organizations are regularly using AI in at least one business function. The data shown was rebased to the full sample. For respondents in 2026 at organizations with revenues of \$1 billion or more, n = 595. For those at smaller organizations, n = 1,035. Source: McKinsey Global Surveys on the state of AI, 2025 and 2026

McKinsey & Company

Among AI tools, chatbots are the most widely scaled, with 47 percent of respondents saying their organizations are scaling them across the enterprise. About two in ten respondents report reaching the scaling phase across their organization with AI agents and a similar share report the same with software coding agents. (For more about the use of agents, see sidebar “Use of agentic AI varies by industry.”) The results show that larger organizations are ahead in scaling across different types of AI tools (Exhibit 3).

Exhibit 3

Respondents from larger companies report higher rates of scaling across different AI tools.

Phase of organization’s use of AI tools, by organizations’ revenue size,¹ % of respondents



Note: Figures may not sum to 100%, because of rounding.
¹Asked only of respondents who said their organizations are regularly using AI in at least one business function. The data shown was rebased to the full sample.
For respondents at organizations with revenues of \$1 billion or more, n = 595. For those at smaller organizations, n = 1,035.
Source: McKinsey Global Survey on the state of AI, 1,719 participants at all levels, May 4–June 8, 2026

McKinsey & Company

Sidebar

Use of agentic AI varies by industry

The survey findings show that organizations are scaling AI in the functions with the greatest potential value for their industries. Overall, respondents most often report scaling AI agents within IT,

knowledge management, and software engineering (exhibit). Use of agents is most widely reported by respondents working for technology companies, as was true in last year's survey, and respondents in the industry much more commonly report using agents in their software engineering than do respondents in other industries. Similarly, respondents working in consumer

goods and retail say their organizations are most often using agents in marketing and sales activities, while those working in advanced manufacturing—such as for automotive, aerospace, and semiconductor companies—are using agents in supply chain and inventory management and in the manufacturing process.

Exhibit

Respondents in technology and media and telecommunications are the most likely to report scaling AI agents within functions.

AI agent use that has reached the scaling phase, by industry and business function,¹ % of respondents

	Total	Technology	Media and telecom	Financial institutions	Healthcare payers and providers	Insurance	Pharma and medical products	Professional services	Energy and materials	Consumer goods and retail	Advanced manufacturing	Engineering and construction	Travel and logistics
IT	12	23	18	17	7	11	12	8	7	9	15	7	17
Knowledge management	11	19	21	17	8	6	9	14	5	11	6	5	5
Software engineering	10	31	16	10	9	11	3	7	7	7	13	8	7
Service operations	9	15	21	14	14	3	7	9	6	5	10	5	6
Product and/or service development	9	22	17	7	5	6	6	9	4	8	13	5	4
Marketing and sales	8	16	13	10	9	2	5	8	7	15	4	5	3
Human resources	7	10	12	11	3	14	9	9	6	7	7	3	3
Risk, legal, and compliance	5	7	13	14	7	5	4	4	2	6	5	3	2
Strategy and corporate finance	5	6	4	6	4	0	7	9	1	4	9	1	0
Supply chain/inventory management	5	4	9	6	0	0	7	3	5	10	14	3	2
Manufacturing	3	2	1	1	0	3	9	2	7	5	14	1	0

¹Agents were defined as "AI systems based on foundation models that act in the real world and are capable of autonomously planning and executing multiple steps in a workflow." Asked only of respondents who reported regular use of AI in the given function and was rebased to the full sample. For respondents in technology, n = 208; for media and telecom, n = 79; for financial institutions, n = 158; for insurance, n = 44; for healthcare payers and providers, n = 52; for pharma and medical products, n = 64; for professional services, n = 230; for energy and materials, n = 177; for consumer goods and retail, n = 128; for advanced manufacturing, n = 105; for engineering and construction, n = 88; for travel and logistics, n = 61.

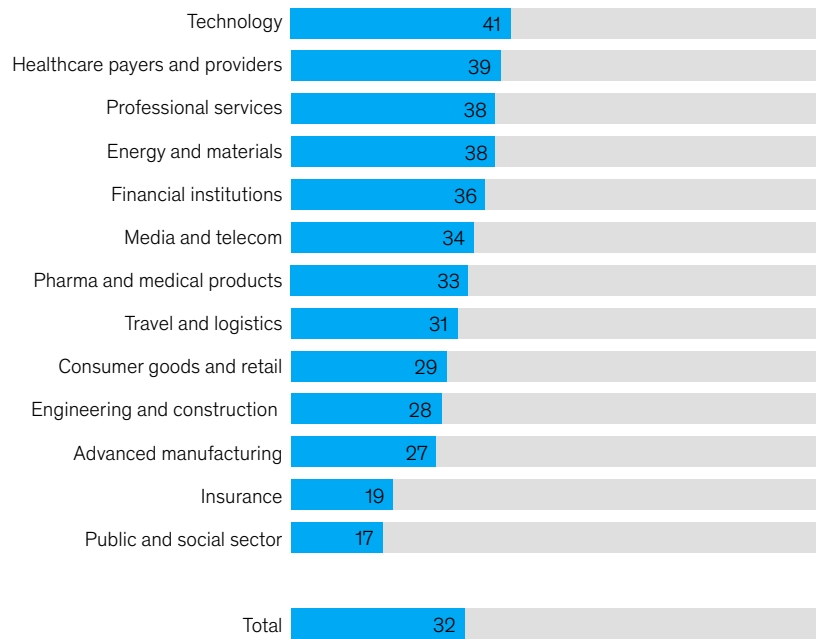
Source: McKinsey Global Survey on the state of AI, 1,719 participants at all levels, May 4–June 8, 2026

Coding agents are emboldening companies to build their own software rather than purchase it. Nearly one-third of respondents (32 percent) report that their organizations have decided against purchasing at least one software product or feature because they were able to build the functionality in-house using agentic coding tools. These decisions are most commonly reported by respondents working in technology and healthcare, followed by those in professional services and energy and materials (Exhibit 4).

Exhibit 4

Across industries, some respondents say their organizations are forgoing software purchases, building software using AI coding tools instead.

Organizations decided against buying one or more additional software products or features in favor of building functionality in-house using AI coding tools, by industry,¹ % of respondents



¹Asked only of respondents who said their organizations were regularly using AI in at least one business function. For respondents in technology, n = 199; for healthcare payers and providers, n = 47; for professional services, n = 205; for energy and materials, n = 153; for financial institutions, n = 148; for media and telecom, n = 71; for pharma and medical products, n = 55; for travel and logistics, n = 56; for consumer goods and retail, n = 116; for engineering and construction, n = 72; for advanced manufacturing, n = 95; for insurance, n = 40; for public and social sector, n = 71.

Source: McKinsey Global Survey on the state of AI, 1,719 participants at all levels, May 4–June 8, 2026

McKinsey & Company



McKinsey commentary

Lieven Van der Veken

Senior partner

Not only are larger organizations scaling AI faster, but many are beginning to take greater ownership of their technology and change agendas. Until recently, many leaders assumed that AI was beyond the capabilities of their own technology teams, and that moving quickly meant securing the right external partnership. Now, the tone is changing. Leaders are asking what their organizations need to build AI tools themselves. The rise of software coding agents and in-house development is one clear sign of this broader shift.

This, of course, does not mean companies should build everything themselves or turn away from forging partnerships. It means that leading organizations are engaging partners from a position of agency. The organizations moving fastest are becoming more deliberate about where to buy, where to build, and where to develop enough internal capability to integrate and scale what works. They are also treating operating costs as a design constraint, not an afterthought, and making the deeper changes in workflows required for value realization.

Coding agents are emboldening companies to build their own software rather than purchase it.

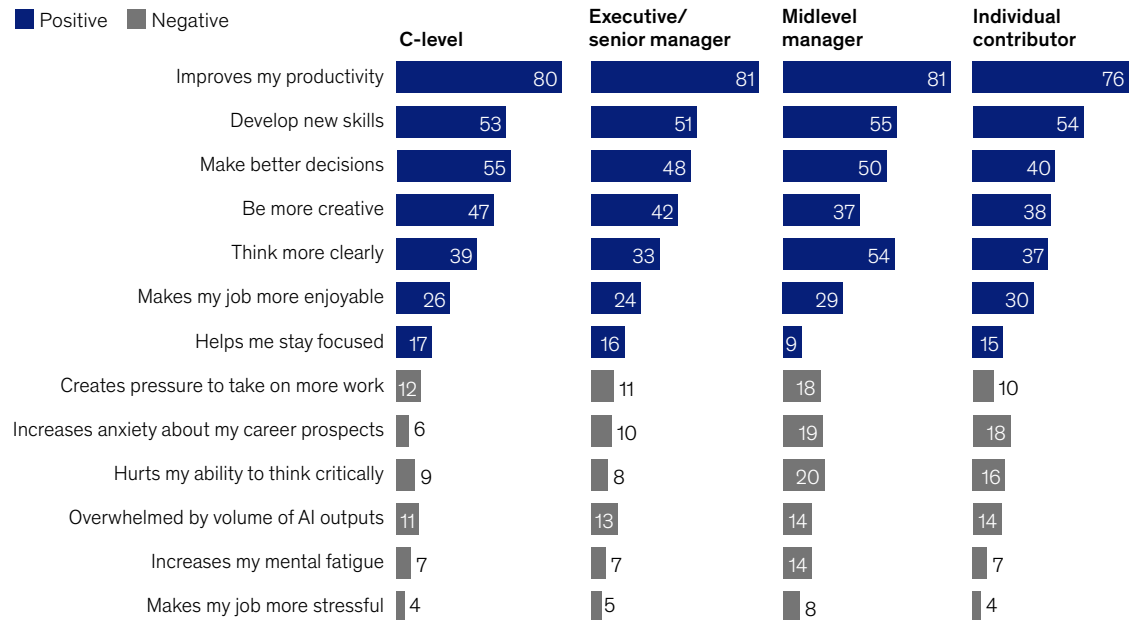
Despite broader use and individual results, AI impact remains concentrated

The survey results show that individual employees are seeing meaningful benefits from AI. Eight in ten respondents say AI has improved their productivity, and about half say it has helped them develop new skills and make better decisions. These impacts are remarkably consistent across organizational levels (Exhibit 5). However, the experience is not universally positive: Midlevel managers and individual contributors are more likely than executives to report AI-related strains. Among midlevel managers and individual contributors, 47 percent say they have experienced one of these negative effects, compared with 31 percent of executives and senior managers.

Exhibit 5

Respondents commonly say using AI has improved their own productivity and has helped them develop new skills and make decisions at work.

Perceived impacts of AI on respondent's work, by role,¹ % of respondents



¹Question: "Thinking about your use of AI tools at work, which of the following describe your experience?" Asked only of respondents who use AI in their roles. For C-level respondents, n = 654; for executives and senior managers, n = 424; for midlevel managers, n = 217; for individual contributors, n = 195. Source: McKinsey Global Survey on the state of AI, 1,719 participants at all levels, May 4–June 8, 2026

McKinsey & Company

These individual gains have yet to translate into broad financial impact for organizations. About four in ten respondents (37 percent) report that AI has contributed positively to their organizations' EBIT, essentially unchanged from 2025—despite growth in the share of organizations scaling AI technologies. Respondents do cite other organization-wide benefits: most notably, improvements in innovation, competitive differentiation, customer satisfaction, and employee satisfaction.¹

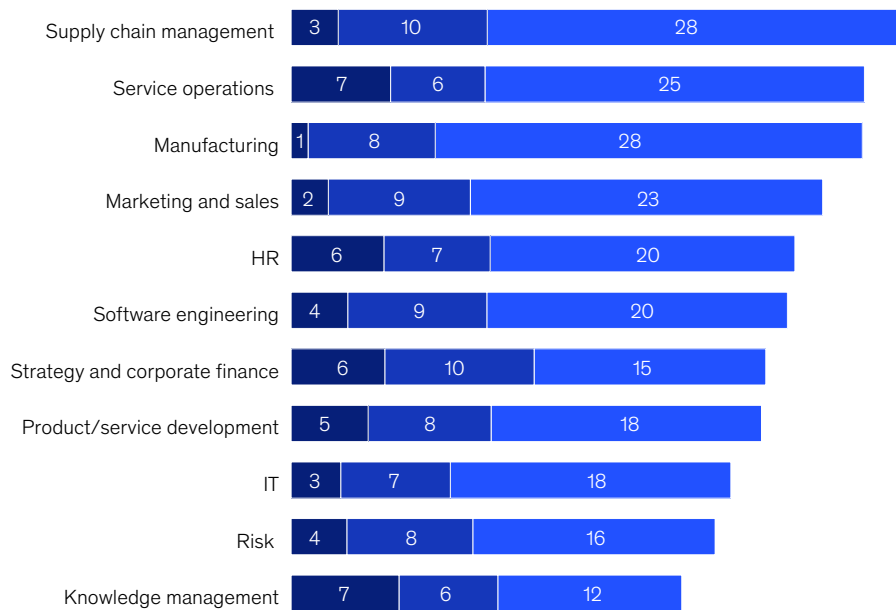
Yet even respondents who don't report enterprise-level EBIT impact do say their organizations are seeing financial impact from specific business functions' use of AI. Respondents most frequently report cost reductions from AI use in supply chain management, service operations, and manufacturing (Exhibit 6).²

Exhibit 6

Respondents most often report cost benefits from AI deployment in supply chain management, service operations, and manufacturing.

Cost change within business units from AI use, past 12 months, by function,¹ % of respondents

■ Decrease by ≥20% ■ Decrease by 11–19% ■ Decrease by ≤10%



Note: Prior editions of this survey asked about the cost impact at the use case level, and the analyses rolled up those answers to the relevant business function level. In the 2026 edition, we asked about the impact at the business function level.

¹Question was asked only of respondents who said their organizations regularly use AI in a given function. Respondents who said "cost increase," "no change," "not applicable," or "don't know" are not shown.

Source: McKinsey Global Survey on the state of AI, 1,719 participants at all levels, May 4–June 8, 2026

McKinsey & Company

¹ These were also the most commonly reported improvements in the 2025 survey.

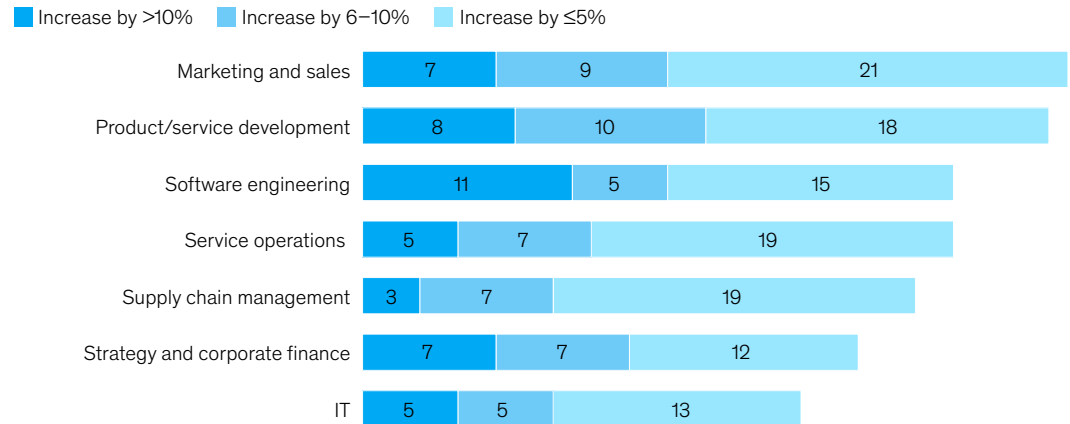
² The 2026 survey measured impact at the business-function level rather than aggregating from individual use cases within each function.

Revenue gains, meanwhile, are most often attributed to the use of AI in marketing and sales, followed by product and service development and software engineering (Exhibit 7).

Exhibit 7

Respondents most commonly report revenue gains from AI use in marketing and sales and product or service development.

Revenue increase within business units from AI use, past 12 months, by function,¹ % of respondents



Note: Prior editions of this survey asked about the revenue impact at the use case level, and the analyses rolled up those answers to the relevant business function level. In the 2026 edition, we asked about the impact at the business function level.

¹Questions were asked only of respondents who said their organizations use AI in a given function. Respondents who said "no change," "decreased revenue," or "don't know" for the effects of AI on revenue are not shown.

Source: McKinsey Global Survey on the state of AI, 1,719 participants at all levels, May 4–June 8, 2026

McKinsey & Company



McKinsey commentary

Dan Tinkoff

Senior partner

A striking finding this year is the gap between individual gains and enterprise impact. At the individual level, AI is clearly a boon: 80 percent of survey respondents say it has improved their productivity and half say it helps them make better decisions. Yet, only 37 percent of organizations report any positive EBIT contribution, essentially flat compared with last year. What has changed, however, is [the human foundation](#) available to close that gap. Employees are building [AI fluency](#)—on their own or with assistance from company rollouts of general-purpose AI tools—and that shift matters. The opportunity for business leaders is to harness the energy created by growing employee literacy and to establish an operating model that enables them to lead the end-to-end reimagining of workflows in their areas of responsibility at speed and at scale.

About four in ten respondents report that AI has contributed positively to their organizations' EBIT, essentially unchanged from 2025.

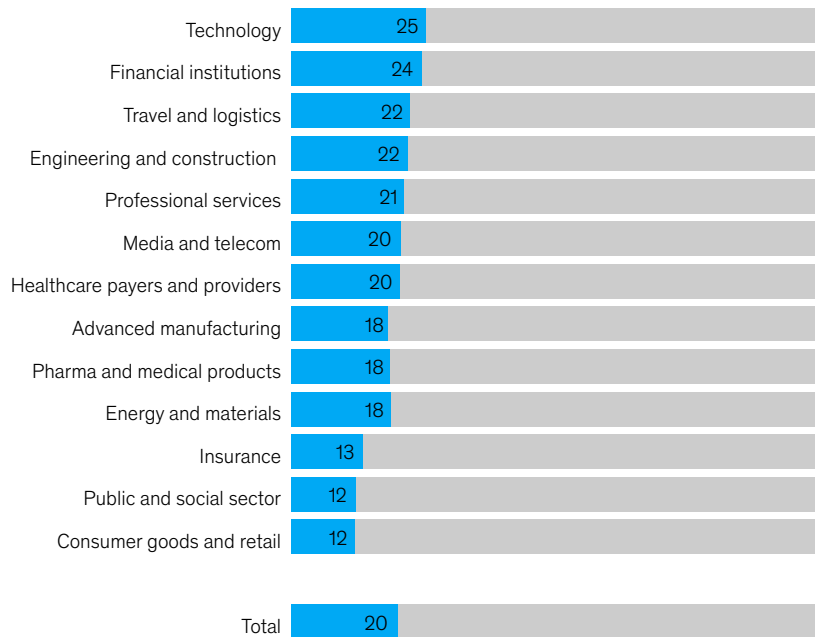
While AI investments are increasing, operating costs are constraining AI use for some

As organizations expand deployment, AI operating costs (including for tokens) are becoming a meaningful consideration—but not yet a widespread constraint. One in five respondents says their organization is limiting AI use because of operating costs, a share that is broadly consistent across organizations of different sizes and across many industries (Exhibit 8).

Exhibit 8

One in five respondents report that their organizations' use of AI has been constrained by their operating costs, including tokens.

Organization has constrained AI use because of AI-related operating costs,¹ % of respondents



¹Asked of respondents whose organizations regularly use AI in at least 1 function. For respondents in technology, n = 202; for financial institutions, n = 154; for travel and logistics, n = 58; for engineering and construction, n = 78; for professional services, n = 220; for media and telecom, n = 76; for healthcare payers and providers, n = 49; for advanced manufacturing, n = 97; for pharma and medical products, n = 57; for energy and materials, n = 159; for insurance, n = 42; for public and social sector, n = 81; for consumer goods and retail, n = 122.

Source: McKinsey Global Survey on the state of AI, 1,719 participants at all levels, May 4–June 8, 2026

McKinsey & Company

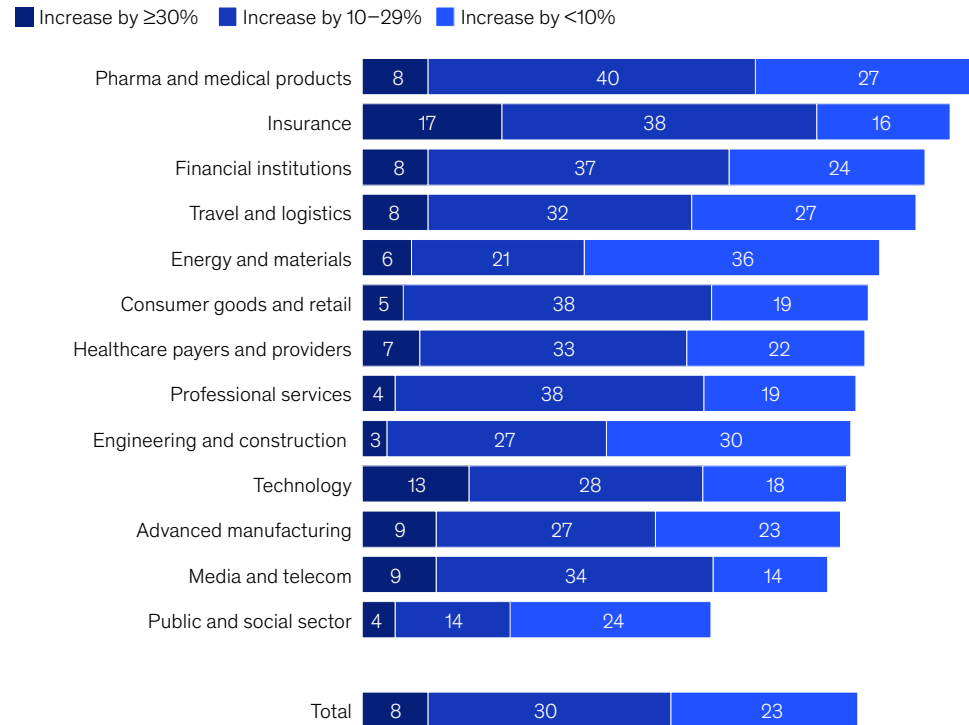
Those cost constraints are being reported across the full range of AI tools. For each of three tools—AI chatbots, AI agents, and software coding agents—about one in ten respondents say their organizations' use has been constrained by costs.

Despite emerging cost pressures, organizations are still investing meaningfully in AI. Twenty-eight percent of respondents say their organizations are spending more than 10 percent of their total enterprise-wide budget for information and communication technology on AI technologies. And looking ahead, 60 percent of respondents expect their organizations to increase their AI investments over the next year. Respondents in pharmaceuticals and medical products, insurance, and banking and other financial institutions are the most likely to expect increasing investment (Exhibit 9).

Exhibit 9

In almost every sector, most respondents expect their organizations to increase their AI investment in the next year.

Expected change in enterprise-wide investment in the next year,¹ % of respondents



¹Asked only of respondents whose organizations have adopted AI in at least 1 function. For respondents in pharma and medical products, n = 57; for insurance, n = 42; for financial institutions, n = 154; for travel and logistics, n = 58; for energy and materials, n = 159; for consumer goods and retail, n = 122; for healthcare payers and providers, n = 49; for construction and building materials, n = 78; for professional services, n = 220; for technology, n = 202; for advanced manufacturing, n = 97; for media and telecom, n = 76; for public and social sector, n = 81.

Source: McKinsey Global Survey on the state of AI, 1,719 participants at all levels, May 4–June 8, 2026

McKinsey & Company



McKinsey commentary

Michael Chui

Senior fellow

CFOs and chief AI officers are increasingly talking about “tokenomics” and the ROI of AI. They’ve discovered that AI isn’t “too cheap to meter” when it comes to agentic software development and complex reasoning tasks that benefit most from frontier models: Even as per-token costs have declined, the number of tokens consumed and generated has increased even faster. But these use cases have demonstrated value, so organizations are planning to invest more, even as they develop new disciplines for [optimizing ROI](#) from their AI expenditures. Spend on horizontal AI-enabled tools, such as chatbots, is increasingly managed as a necessary cost of doing business, similar to office productivity and communications tools. AI influences other parts of the IT budget, too: Agentic coding tools are creating a more capable option for moving some software development in-house, rather than buying packaged software.

High-performing organizations are transforming with AI

AI high performers—respondents who attribute an EBIT impact of 5 percent or more to AI use and say their organizations have seen “significant” value from AI use—account for just 6 percent of survey respondents, unchanged from 2025. Compared with their peers, AI high performers are more likely to use AI to transform their organizations, adopt a broader set of best practices, deploy a wider range of AI technologies, and actively manage AI-related risks.

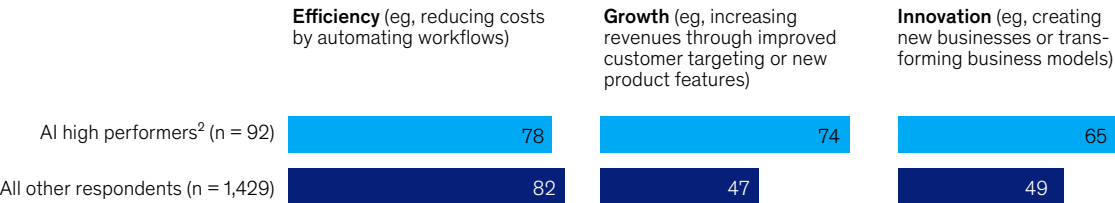
High performers have bigger AI aspirations

High performers have broader aspirations for their AI deployments than others do. While about 80 percent of both high performers and other respondents say their organizations are pursuing efficiency gains from AI, most high performers also report using AI to pursue growth and/or innovation (Exhibit 10). High performers are also 3.3 times more likely than others to intend to use AI to fundamentally transform their business within the next three years. And they are increasingly transforming their workflows. Nearly three-quarters of high performers report fundamentally redesigning workflows because of their AI use, up from 55 percent last year. By comparison, just one-quarter of other respondents report doing so.

Exhibit 10

High performers tend to set growth and/or innovation objectives for AI efforts, in addition to efficiency goals.

Objectives of AI efforts at respondents' organizations,¹ % of respondents



¹Asked only of respondents who say their organizations are regularly using AI in at least one business function. Respondents who said "don't know" or "other" are not shown.
²AI high performers are respondents who reported that 5% or more of their organization's EBIT and "significant value" are attributable to the organization's use of AI.
Source: McKinsey Global Survey on the state of AI, 1,719 participants at all levels, May 4–June 8, 2026

In addition to fundamentally redesigning workflows, high performers often follow a set of practices that help [rewire their organizations to realize value from AI](#) (Exhibit 11). For example, they are twice as likely as others to say that their senior leaders demonstrate commitment to AI initiatives and to report that their organizations have defined processes to measure the impact of those initiatives.

High performers invest more in AI as well. They are more than twice as likely as others to spend more than 15 percent of their enterprise-wide budget for information and communication technology on AI. They also expect to invest much more than others do in the months ahead. More than half of high performers expect to increase their AI investments by 10 percent or more in the next year, compared with 36 percent of other respondents.

Exhibit 11

AI high performers are more likely than others to follow a range of AI-related best practices.



¹Respondents who say their organizations are seeing 5% or more of EBIT from their AI use and report seeing "significant value" as a result of AI use. For AI high performers, n = 92; for all others, n = 1,429.

²I.e., a process to understand the organization's current workforce and a plan for the future state of the workforce, including roles and skills, taking into account how AI affects the entire workforce.

³I.e., a structure that organizes disparate data sources into coherent objects, properties, and links.

⁴Eg, championing them across the organization over time, role modeling, providing continued funding and engagement in regular budget reprioritization.

Source: McKinsey Global Survey on the state of AI, 1,719 participants at all levels, May 4–June 8, 2026

High performers use AI—and manage the associated risks—more broadly

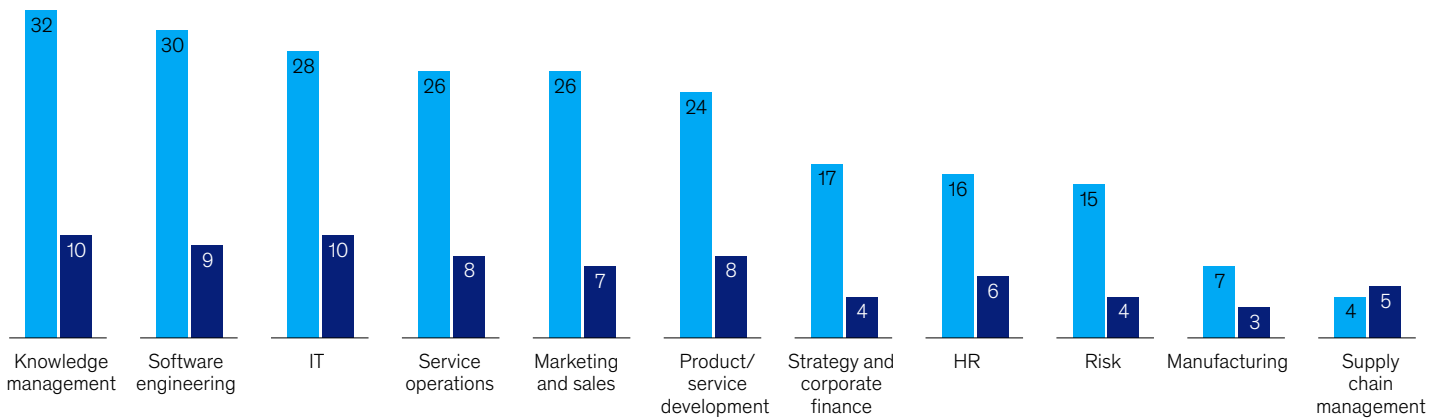
High performers are using AI in more business functions than others are, and they more commonly report scaling AI technologies. High performers are more than three times as likely as others to be scaling agents in most of the business functions covered in the survey (Exhibit 12).

Exhibit 12

In most business functions, high performers are much more likely than others are to have reached the scaling phase with AI agents.

AI agent use that has reached the scaling phase,¹ % of respondents

■ AI high performers² ■ All other respondents



¹The question asked: "To what extent is your organization using AI agents—that is, AI systems based on foundation models that act in the real world and are capable of autonomously planning and executing multiple steps in a workflow—in each of the following business functions?"

²Respondents who say their organizations are seeing 5% or more of EBIT from their AI use and report seeing "significant value" as a result of AI use. For AI high performers, n = 92; for all others, n = 1,429. Source: McKinsey Global Survey on the state of AI, 1,719 participants at all levels, May 4–June 8, 2026

McKinsey & Company

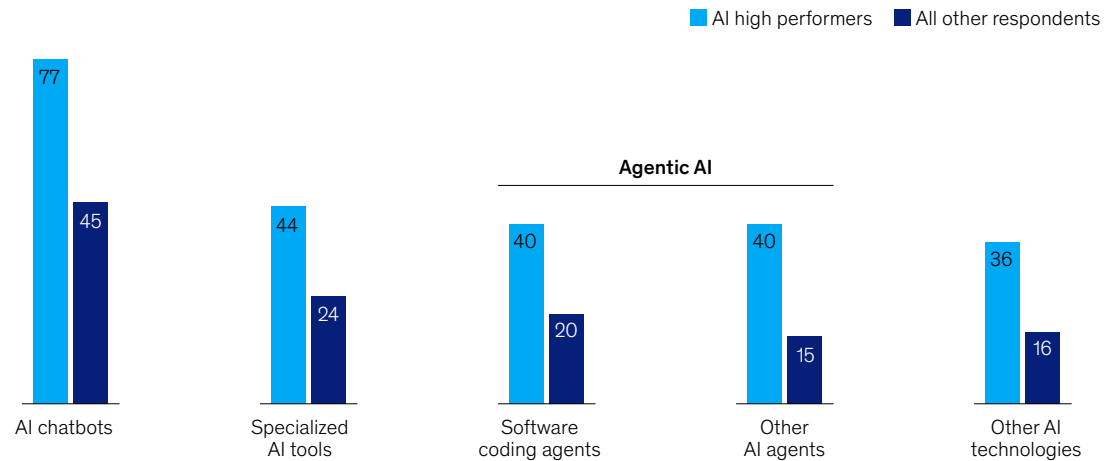
High performers are more than three times as likely as others to be scaling agents in most of the business functions covered in the survey.

High performers are twice as likely as others to report scaling software coding agents and 2.7 times more likely to report scaling other agentic AI (Exhibit 13). They are also much more commonly using those software coding agents to build in-house instead of purchasing new software. Nearly half report that their organizations have decided against buying one or more software products or features because they could be built in-house using software coding agents, compared with 31 percent of other respondents.

Exhibit 13

High performers are scaling a wider range of AI tools than others are.

Share of respondents' organizations reaching the scaling phase with given AI tools,¹ % of respondents



¹Asked only of respondents reporting use of AI in at least one business function and was rebased to the full sample. High performers are respondents who say their organizations are seeing 5% or more of EBIT from their AI use and report seeing "significant value" as a result of AI use. For AI high performers, n = 92; for all others, n = 1,429.

Source: McKinsey Global Survey on the state of AI, 1,719 participants at all levels, May 4–June 8, 2026

McKinsey & Company

High performers report being constrained by costs in their use of software coding agents about three times as often as others do, whereas they are about as likely as other respondents to report being constrained by costs for other types of tools (Exhibit 14).

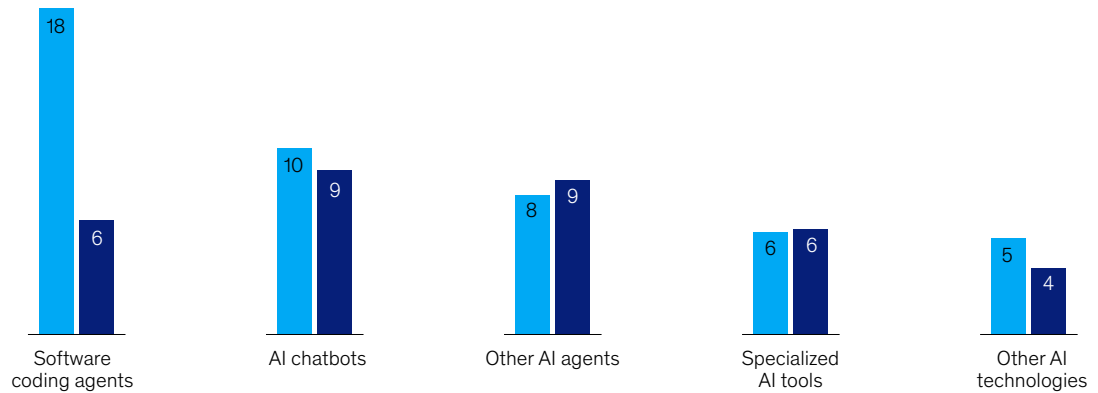
Exhibit 14

For AI high performers, AI operating costs (including tokens) have most commonly constrained the use of software coding agents.

Use of the given AI tool has been constrained by costs at respondents' organizations,¹

% of respondents

■ AI high performers ■ All other respondents



¹Asked only of respondents reporting constrained use of AI because of AI-related operating costs and was rebased to the full sample. High performers are respondents who say their organizations are seeing 5% or more of EBIT from their AI use and report seeing "significant value" as a result of AI use. For AI high performers, n = 92; for all others, n = 1,429.

Source: McKinsey Global Survey on the state of AI, 1,719 participants at all levels, May 4–June 8, 2026

McKinsey & Company

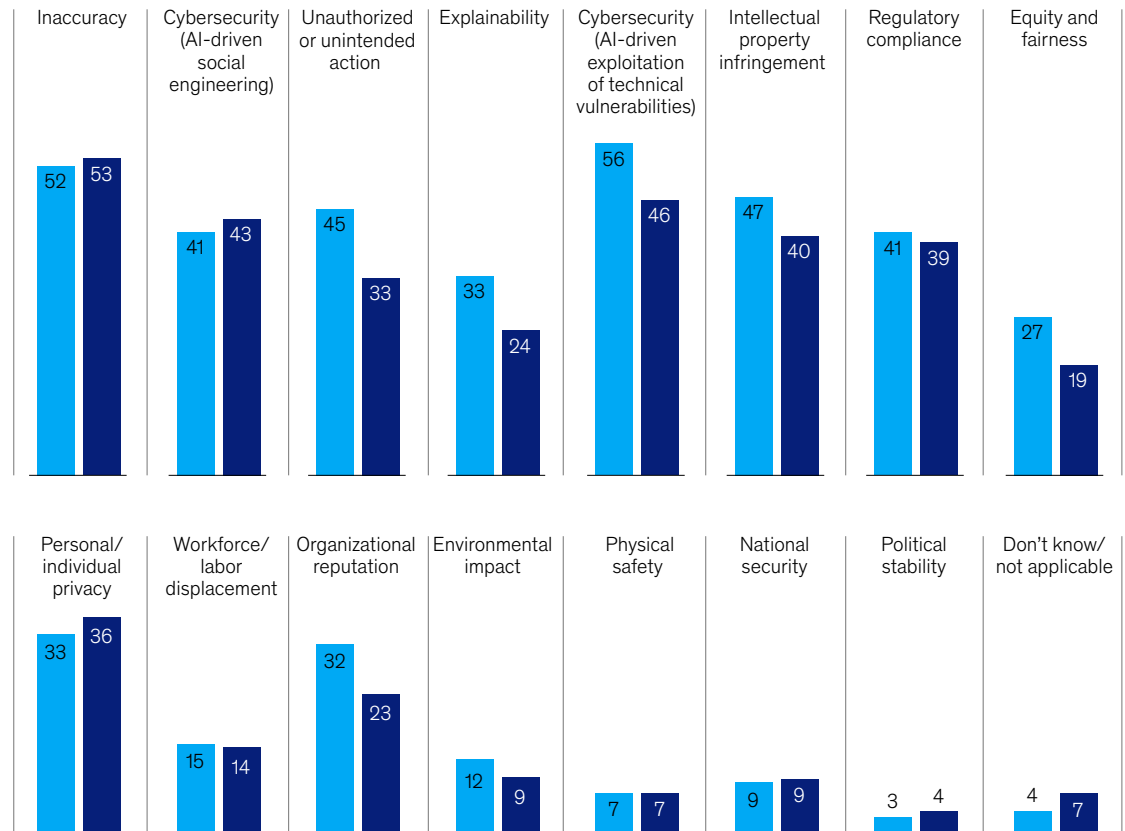
Additionally, high performers are managing more of the risks associated with AI deployment. For example, high performers are much more likely than others to report working to mitigate the exploitation of AI-driven technical vulnerabilities as well as unauthorized or unintended actions (Exhibit 15).

Exhibit 15

High performers report working to mitigate more AI-related risks than others do.

AI-related risks that respondents' organizations are working to mitigate, % of respondents

■ AI high performers¹ ■ All other respondents



¹ Respondents who say their organizations are seeing 5% or more of EBIT from their AI use and report seeing "significant value" as a result of AI use. For AI high performers, n = 92; for all others, n = 1,429.

Source: McKinsey Global Survey on the state of AI, 1,719 participants at all levels, May 4–June 8, 2026

McKinsey & Company



McKinsey commentary

Tara Balakrishnan

Associate partner

More than anything else, AI high performers distinguish themselves by the coherence of their approach to the technology. While they do spend more on AI, their advantage cannot be reduced to budget. What do they do differently? High performers use AI to pursue growth and/or innovation alongside efficiency; they fundamentally redesign workflows rather than layer AI onto existing ones; and they embrace practices that sustain deployment, such as senior-leadership role modeling, human-in-the-loop design, impact measurement, and risk management. These are all practices that, in our experience, reinforce one another.

The ongoing challenge—for all organizations, not just high performers—is to avoid simply accumulating tools or pilots and instead to build a repeatable capability to transform these efforts into new ways of working. That requires business leaders to reimagine end-to-end workflows, decide how roles and capacity should shift, and build the cross-functional operating muscle to scale what works. This is no simple task, which helps explain why adoption tends to move more slowly than the technology does: The limiting factor is increasingly the organization's ability to absorb change.

High performers are much more likely than others to report working to mitigate the exploitation of AI-driven technical vulnerabilities as well as unauthorized or unintended actions.

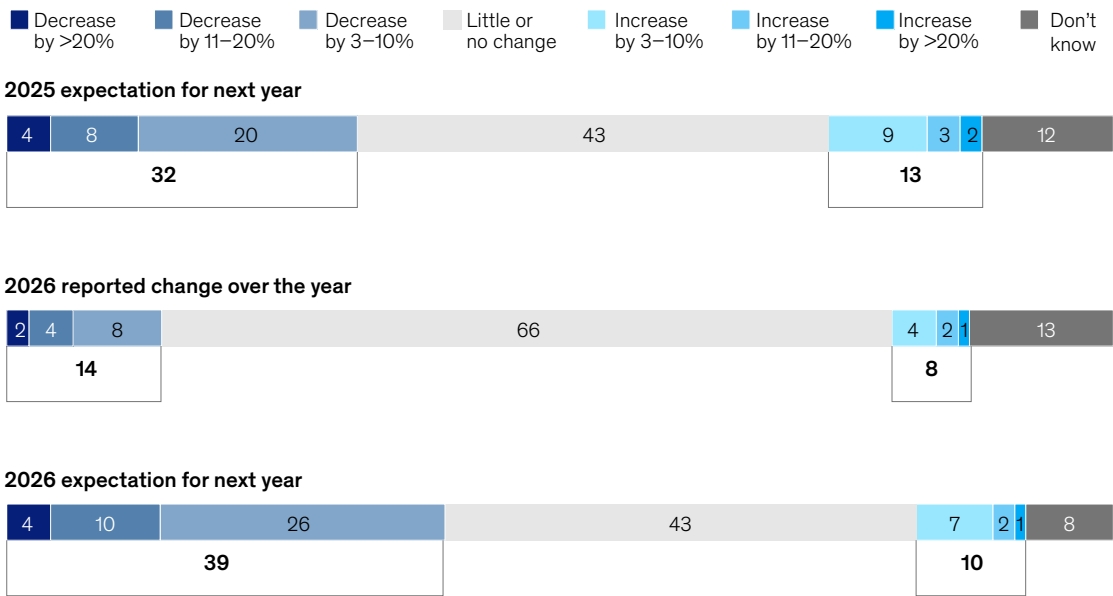
Previous expectations of AI-driven workforce reductions were overstated, but a larger share expects declines going forward

Respondents increasingly expect AI use to result in reductions in their workforce. That said, the organizational changes realized over the past year fell well short of what respondents had anticipated a year ago. Just 14 percent of respondents from organizations using AI report that AI contributed to an overall decline in workforce size in the past year—less than half the 32 percent who, in last year’s survey, expected workforce reductions over the same period.³ Two-thirds of respondents report little or no AI-related change in their organizations’ total employment in the past year. In this year’s survey, 39 percent of respondents expect AI to decrease their organizations’ overall head count over the next year, while a similar share (43 percent) expects little or no change (Exhibit 16).

Exhibit 16

Last year’s respondents overestimated AI’s impact on head count, and expected reductions in the next year are larger still.

Expected change in number of employees across the enterprise as a result of AI in the next year,¹
% of respondents



Note: Figures do not sum to 100%, because of rounding.
¹Asked only of respondents who said their organizations regularly use AI in at least 1 business function. In 2025, n = 1,753; in 2026, n = 1,521.
Source: McKinsey Global Surveys on the state of AI, June 25–July 29, 2025

McKinsey & Company

³ While the surveys’ samples were similar in their characteristics enough to accurately compare the data year over year, we also looked only at the 552 respondents who completed the survey in both 2025 and 2026 and the findings fully reflected that of the overall sample.

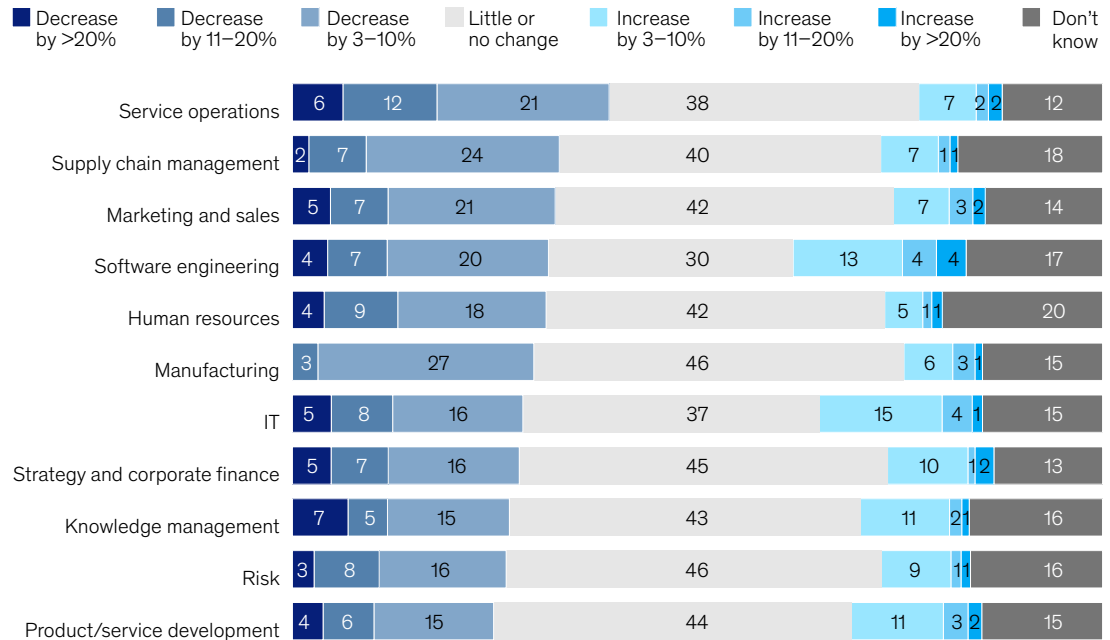
A similar pattern emerges across individual business functions. In every function we asked about, the share of respondents reporting workforce reductions is smaller than the share that predicted workforce declines last year (Exhibit 17). Looking at expected changes over the coming year, the largest share of respondents predicts reductions within service operations and supply chain management, as was true last year. In many functions, respondents remain more likely to expect no change than a reduction.

Exhibit 17A

In 2025, respondents most often expected to see head count reductions within service operations and supply chain management.

Expected change in organizations' workforce size over the next year due to AI in the given business functions,¹ % of respondents in 2025 survey reporting AI use in at least 1 function

2025 expectation for next year



Note: Figures do not sum to 100%, because of rounding.

¹Asked only of respondents who said their organization regularly uses AI in at least 1 business function; n = 1,753.

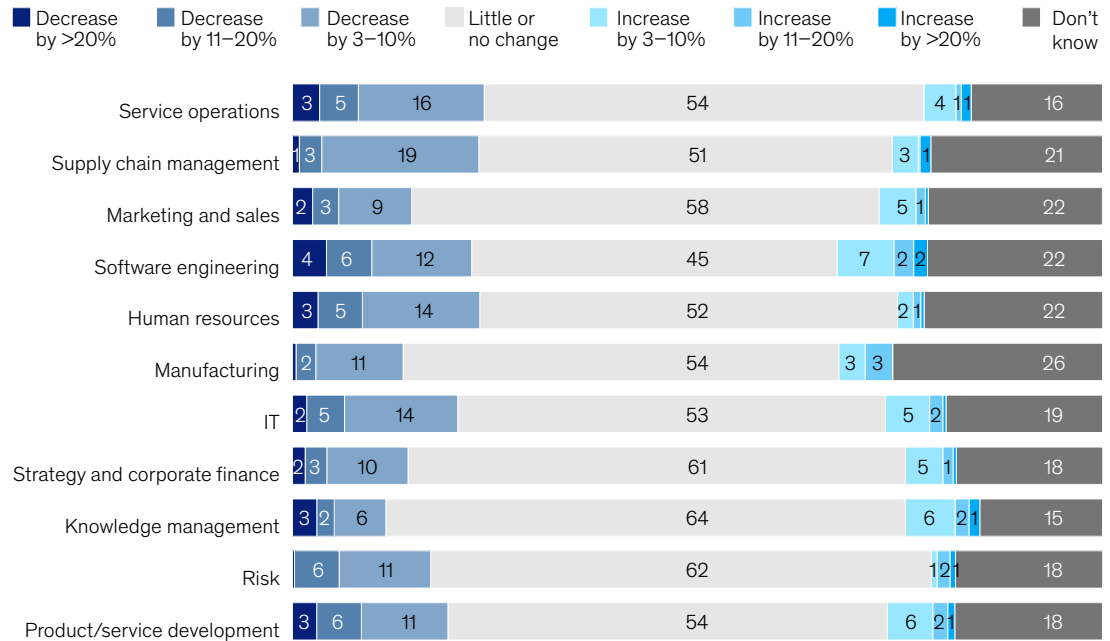
Source: McKinsey Global Surveys on the state of AI, June 25–July 29, 2025

McKinsey & Company

The share of respondents reporting head count changes in many functions is smaller than the share in 2025 who predicted changes.

Reported percent change in employees over the past year due to AI in the given business functions,¹
 % of respondents in 2026 survey reporting AI use in at least 1 function

2026 reported change over the past year



Note: Figures do not sum to 100%, because of rounding.

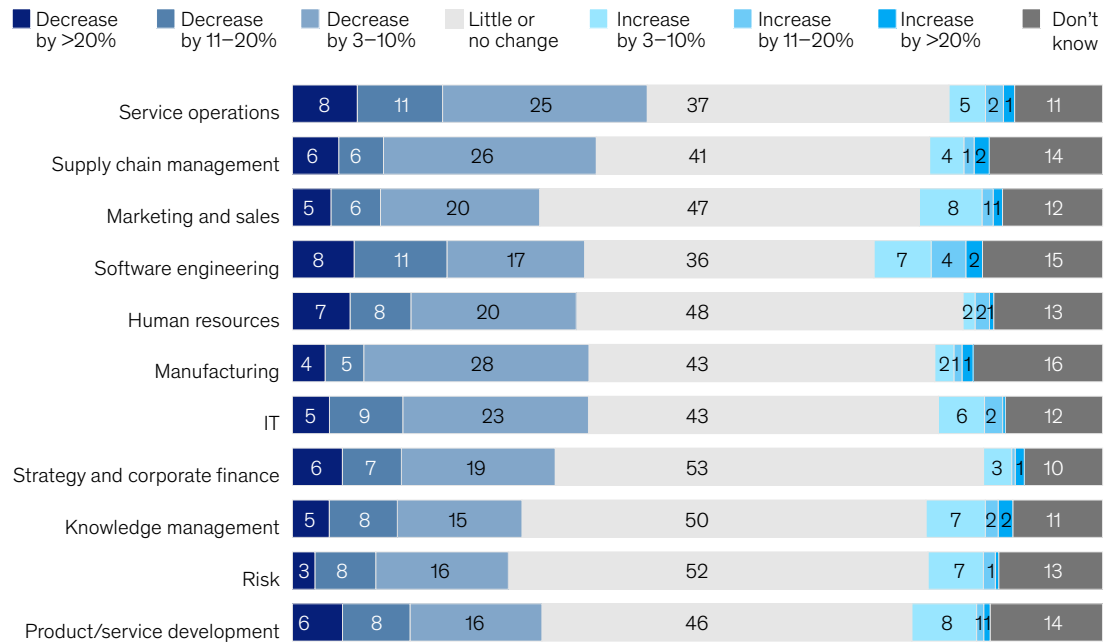
¹Asked only of respondents who said their organization regularly uses AI in at least 1 business function; n = 1,753.

Source: McKinsey Global Surveys on the state of AI, May 4–June 8, 2026

While expectations for head count reductions have increased, a plurality continue to expect no change in many functions.

Reported percent change in employees over the past year due to AI in the given business functions,¹
% of respondents in 2026 survey reporting AI use in at least 1 function

2026 expectation for next year



Note: Figures do not sum to 100%, because of rounding.

¹Asked only of respondents who said their organization regularly uses AI in at least 1 business function; n = 1,753.

Source: McKinsey Global Surveys on the state of AI, May 4–June 8, 2026

McKinsey & Company

Despite increasing expectations for reduced workforces, most respondents do not see AI as a threat to their own careers.

Despite increasing expectations for reduced workforces, most respondents do not see AI as a threat to their own careers. Just 13 percent say “AI makes me feel anxious about my career prospects.”

Organizations' conviction in AI is growing faster than the immediate financial returns they can attribute to it. Organizations continue to scale AI deployments more broadly and deeply across the enterprise, expand their use of increasingly capable technologies, and increase their investments—even as the share reporting meaningful EBIT impact remains essentially unchanged so far. Organizations are discovering that AI capabilities not only give them more options for building rather than buying enterprise software but also increasingly require them [to develop new disciplines for managing AI's costs](#). At the same time, companies are becoming more willing to make the kinds of organizational changes that can enable bottom-line effects: More expect AI to reshape their business over the next three years than did a year ago, and they continue to plan to invest more.

As AI becomes embedded in more business processes and employees become increasingly fluent in using it, the organizations that translate individual productivity gains into lasting enterprise-level financial performance are likely to be those that transform their businesses, not just adopt AI tools.

About the research

The online survey was in the field from May 4 to June 8, 2026, and garnered responses from 1,719 participants in 97 nations representing the full range of regions, industries, company sizes, functional specialties, and tenures. Thirty-six percent of respondents say they work for organizations with more than \$1 billion in annual revenue. To adjust for differences in response rates, the data are weighted by the contribution of each respondent's nation to global GDP.

Dan Tinkoff is a global leader of QuantumBlack, AI by McKinsey, and a senior partner in McKinsey's New Jersey office; **Lieven Van der Veken** is a global leader of QuantumBlack, AI by McKinsey, and a senior partner in the Lyon office; **Michael Chui** is a senior fellow in the Bay Area office; and **Tara Balakrishnan** is an associate partner in the Seattle office.

The authors wish to thank Anupama Agarwal, Bryce Blair, Cameron Camozzi, Daniel Swan, Hannah Wagner, Jacqueline Brassey, Kim Baroudy, Larry Kanter, Mallika Jhamb, Robert Levin, Roger Roberts, and the McKinsey Health Institute for their contributions to this work.

This article was edited by Heather Hanselman, a senior editor in the Atlanta office.



Find more content like this on the
McKinsey Insights App



Scan • Download • Personalize

