



Research
Report

The Human Factor

How Leadership and Workplace Culture
Will Determine AI's Success at Work →

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AUSTRALIA

The fact that AI is changing work is hardly up for debate.

We see evidence of it every day. To better understand these changes, Blanchard surveyed a mix of leaders and individual contributors about the role AI is playing in their workplaces.

The results revealed a notable disconnect: while organisations are making significant strides in using AI technologies, they are investing far less time in understanding how AI is changing the human experience of work. Beyond changes to productivity, AI is influencing how people perceive their expertise, identity, and self-worth while reshaping workplace culture and expectations for leadership in subtle and meaningful ways. AI adoption continues to accelerate as employees work to determine how best to integrate the technology into their daily work.

AI Adoption Is Accelerating

- AI tools are becoming part of everyday work.
- Employees are becoming more efficient with AI.
- Organisations are investing in AI capabilities.

The Human Side Is Still Catching Up

- Shared expectations for AI use are still emerging.
- Trust, judgment, and workplace norms remain uncertain.
- Leaders must help people adapt, collaborate, and build confidence.

Organisations are rapidly adopting AI tools, but many employees are still navigating uncertainty about how AI should be used and where human judgment, creativity, and connection add the greatest value. This report discusses these insights in greater detail and outlines the leadership opportunity to help people adapt, contribute, and thrive alongside AI.

Explore these five insights from our research:

Insight 1

Adoption Is Outpacing
Shared Expectations

Insight 2

Hidden Social Stigmas
Exist Around AI

Insight 3

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A Leadership
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Human Judgment Is the
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This document is an interactive PDF.
Click underlined text to navigate to specific insights.



Insight 1 →

AI Adoption Is Outpacing the Development of
Shared Expectations

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Insight #1

AI Adoption Is Outpacing the Development of Shared Expectations

Adoption of artificial intelligence tools is no longer an aspiration—AI usage is widespread. Leaders and their team members are moving from dabbling in the technology to deploying it more broadly. Conversations have rapidly shifted from “should we adopt AI?” to “how can we adopt and integrate it into our workflows?” It’s not the player on the bench waiting to be called onto the field; it’s already in the game alongside the rest of the team.

Although many organisations appear to have begun establishing general expectations around responsible AI use, our findings suggest those expectations have not yet become consistently shared workplace norms that guide daily application. Employees continue to navigate uncertainty about how AI should be used, discussed, disclosed, and evaluated in day-to-day work.

Adoption happened

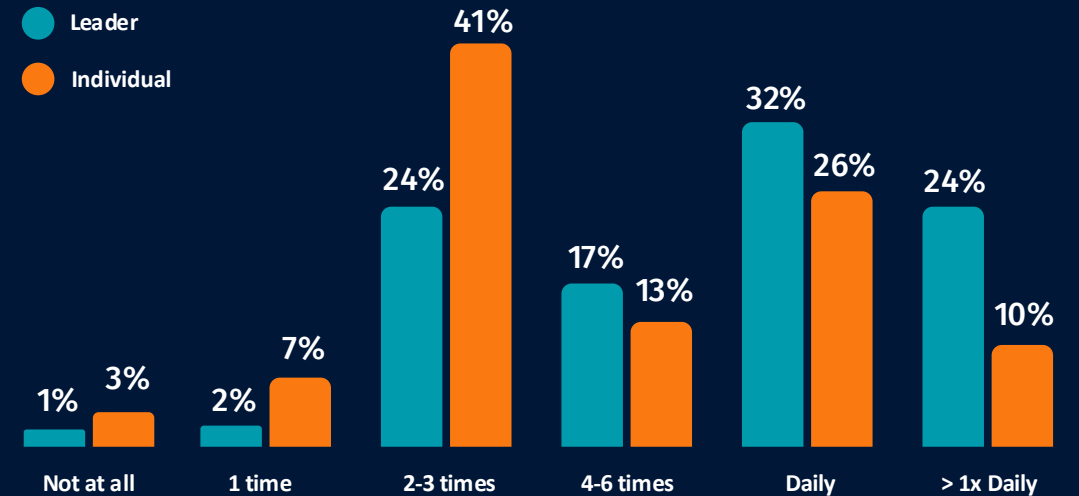
Not only are leaders and individual contributors using AI, but both populations expressed positive sentiments regarding the technology. When asked to provide a word or phrase that described how they were feeling about AI, most responded that they saw it as helpful and felt optimistic and excited about it. Even neutral survey responses reflected a sense of curiosity and exploration.

81%
of individual contributors
say they have access
to AI tools at work

57%
of leaders
are using AI daily or
more than once daily

37%
of individual contributors
use AI daily or more than
once daily

In the last seven days, how often did you use AI tools or AI-enabled features for work?



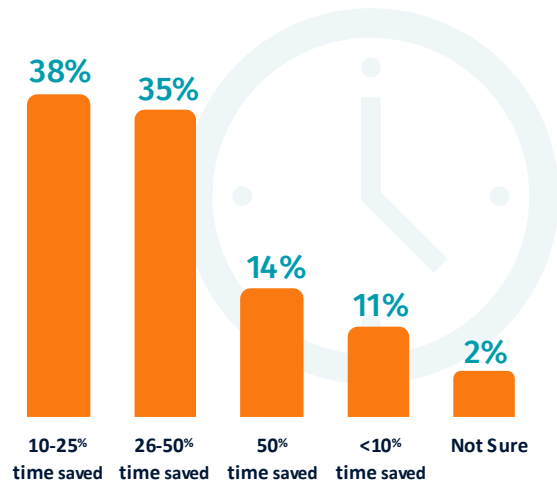
Balancing Efficiency and Accuracy

One of the reasons for user optimism is the increased efficiency AI brings; a point not lost on the **78% of individual contributors** who agree or strongly agree that AI has helped them work more efficiently. How efficiently? Nearly half of those we surveyed say **AI is saving them 26% or more time on the tasks** where they use AI.

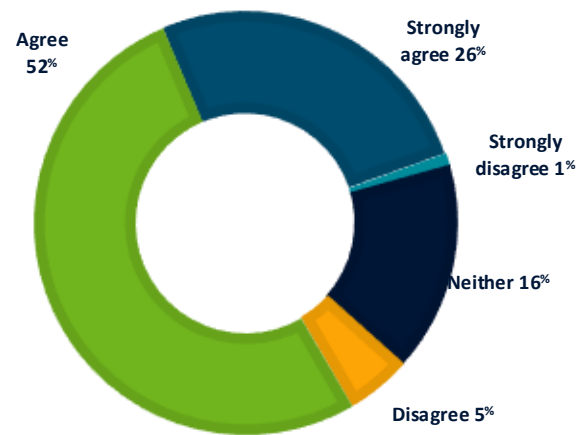
For individual contributors, those tasks include the acceleration of knowledge work, such as summarising, drafting content, researching, and brainstorming. They are less likely to use AI for more human-facing work—presentations, meetings, and conversations—or for higher-order thinking, such as strategic planning.

Reported AI time savings

Individual contributor response in % of time saved



AI improves routine task efficiency



Individual contributor responses



Employees use AI most for information processing and content creation, but far less for presentations, conversations, and strategic planning—suggesting people remain more comfortable delegating tasks than delegating judgment.

In other words, individual contributors are comfortable using AI for more routine tasks, but they are less likely to rely on it for work that requires judgment, context, or strategic decision making.

What they are also comfortable with is their own ability to use AI, when not to, and how to identify bad output.

Respondents generally trust their own ability to use AI appropriately and evaluate its outputs critically. However, they are less confident that their colleagues are applying the same level of judgment or that organisational processes have provided clear guidance for responsible AI use. A consistent theme throughout the research is the gap between confidence in personal AI use and confidence in how AI is regulated in the broader organisational environment.

Leaders specifically recognise that scaling AI successfully requires more than simply providing access to the technology. They identify employee skepticism and insufficient AI training as two of the most significant barriers to broader adoption, suggesting the next phase of AI implementation is less about deploying tools and more about building confidence, capability, and acceptance.

The leaders also appear to see the broader workforce implications of AI adoption. Most report that their organisations have defined goals for AI use, expect AI to change roles and required skills over the next year, and have plans to help their teams build the capabilities needed for an AI-enabled workplace.

Many organisations are beginning to think beyond AI deployment toward workforce transformation.

Individual contributors reported

84%

know when it is appropriate to use AI.

80%

understand what information should not be entered.

74%

can usually tell when AI output is wrong or incomplete.

71%

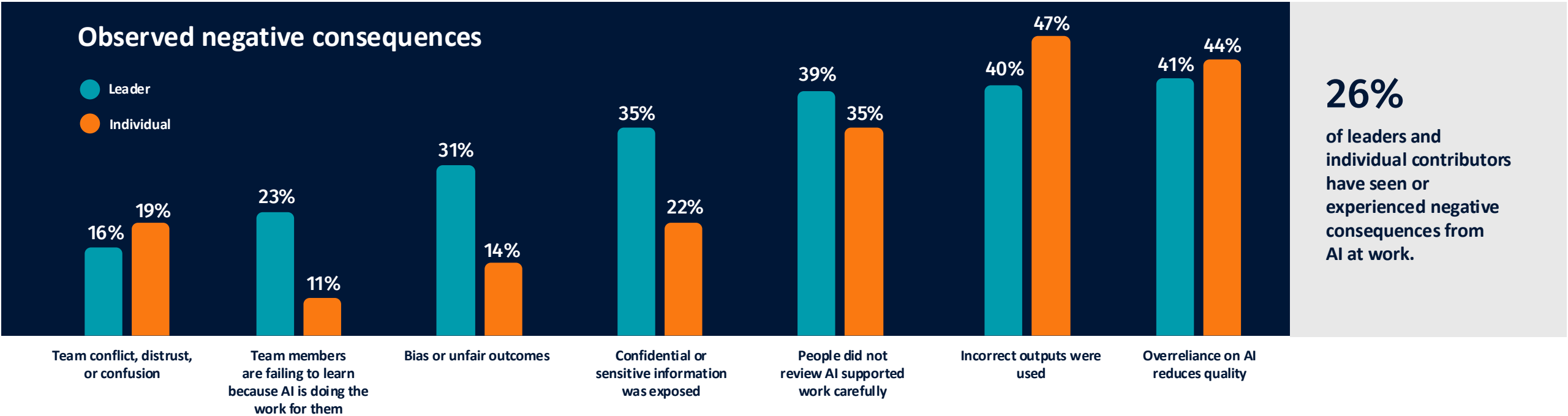
recognise when work may have been created or heavily shaped by AI.

Respondents Recognise the Risk of AI

The generalised confidence and optimism around AI are balanced with an understanding of its risks, especially when AI provides inaccurate information. Speed and efficiency are strong reasons to adopt AI, but those benefits can come with real consequences. Across both leaders and individual contributors, one in four survey respondents say they have seen those negative consequences at work. Those who have seen these consequences cited quality concerns, such as use of incorrect outputs or decreased quality stemming from over reliance on AI or lack of output review.

Notably, the individual contributors we surveyed focused more on the immediate risks of AI use, expressing greater concern about day-to-day consequences such as incorrect outputs and reduced quality of work. Leaders, by contrast, take a longer-term perspective. They are almost twice as likely to also be concerned about broader issues such as bias and unfair outcomes, team conflict, and the erosion of learning over time.

The different emphasis each group places on AI’s potential downsides may reflect each population’s perspective within the organisation. Individuals are primarily focused on the direct impact AI has on their own work and immediate responsibilities, while leaders are more attuned to the longer-term implications for teams, organisational culture, and capability.





AI's Impact: Already Being Felt

Survey respondents held a clear tension between optimism around AI's potential and wariness around its risks.

Even while expressing concerns about AI, leaders and employees alike believe AI will continue to have a significant impact on how work gets done.

68% of leaders

say AI is already very impactful or transformational in their organisations.

46%

of individual contributors say AI is already very impactful or transformational in their organisations.

64%

of individual contributors say AI will change what strong performance looks like within the next 12 months.



As AI accelerates the completion of routine tasks, employees can redirect their energy toward higher-value work that requires judgment, creativity, collaboration, and human connection.

AI shifts what strong performance looks like—not by replacing the human side of work, but by giving people more capacity to focus on it. It will be up to leaders to thoughtfully guide this transformation and continue to amplify the uniqueness of human creativity and insight.

While the long-term effects are being debated, AI is already a part of our daily existence. Whatever its ultimate impact, one thing is clear: People are using AI regularly and recognise that it is fundamentally changing the way work gets done, while acknowledging there is still a lot to figure out.

Key Takeaway

Leaders and individuals are using and benefitting from AI on a regular basis. They are optimistic about its transformative nature yet many still remain leery of its tendency towards mistakes and negative consequences.

Leadership Opportunities

Continue to encourage AI use while assessing how to make use of the increased efficiency gains.

Monitor long-term concerns, such as the erosion of learning, while paying attention to team members' short-term concerns.

Emphasise the value of human thinking and creativity.



Insight 2 → Hidden Social Stigmas Exist Around AI

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Insight #2

Hidden Social Stigmas Exist Around AI

Despite strong adoption, respondents describe a workplace culture where AI use is not fully socially accepted. A widely held belief is that resistance to AI is based on technological concerns, but social and cultural components may be just as significant.

When discussing AI adoption, many organisations have focused on the technology itself—its accuracy, security, and reliability. However, our research suggests that a different challenge may be slowing adoption inside organisations: a disconnect in which individuals view their own AI-related behaviours positively while perceiving their colleagues' behaviours as lacking—including both whether and how they are using the tools. The resulting friction isn't about the technology; it's about unclear norms.

What is quietly emerging in organisations is an AI shadow culture, a workplace dynamic where people use AI, judge or hide AI use, or avoid AI in ways that remain largely unspoken. This can lead to mistrust, inconsistency, and missed learning opportunities across teams.



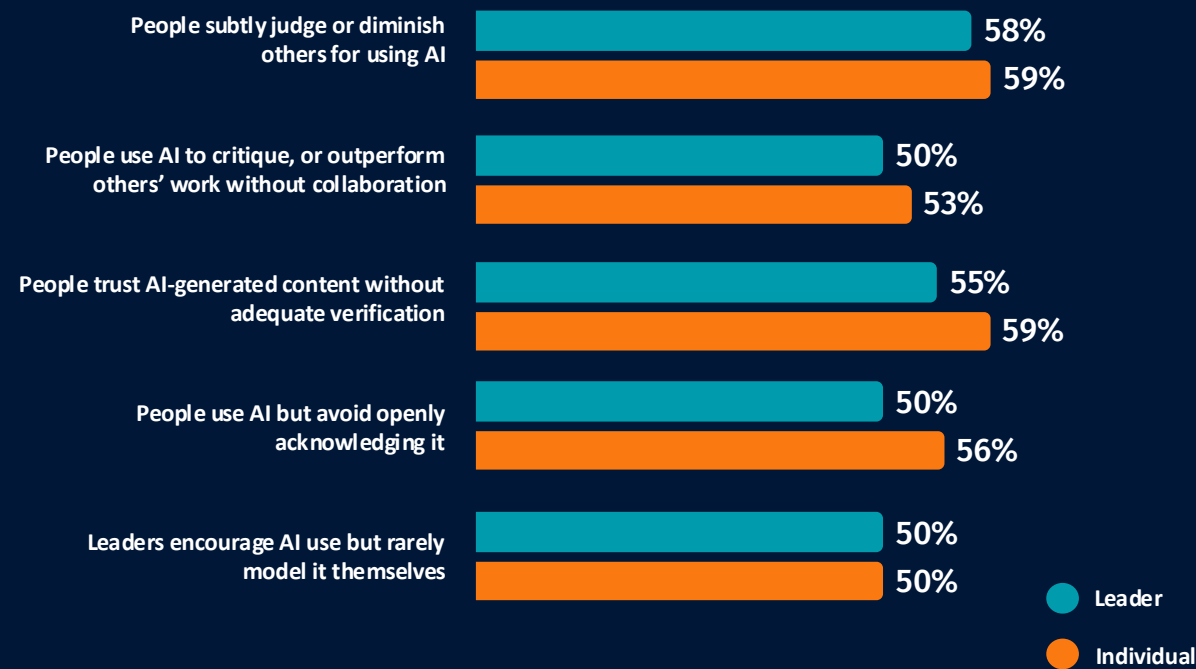
The rise of the AI shadow culture

AI Shadow Culture

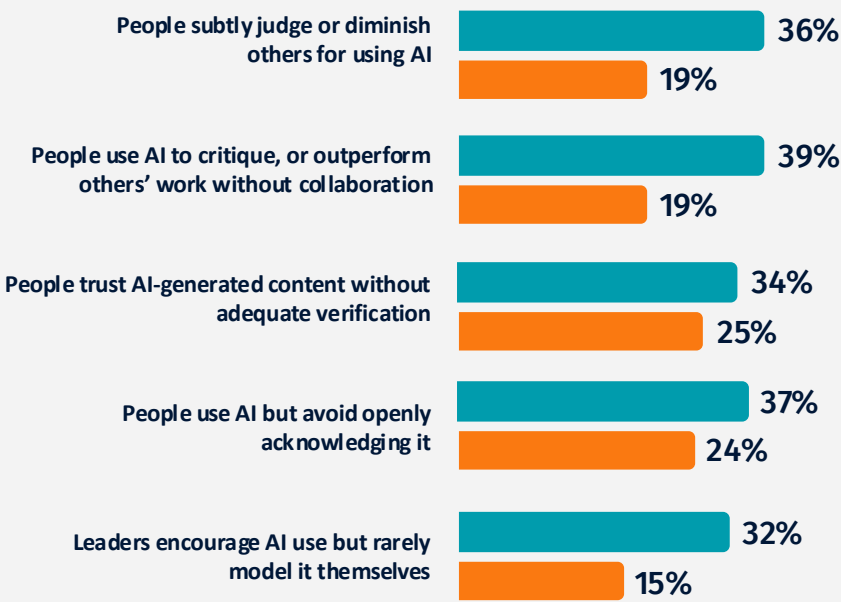
AI shadow culture appears when employees feel uncertain about the social rules of AI use. Some hide their use of AI, some overuse it, some weaponise it against others, and some leaders fail to model it openly. The result is not a technology problem but a culture problem: AI is present everywhere, yet individual use is not universally discussed.

This distinction is important. Formal guidance and organisational policies may exist, particularly around reviewing, validating, or disclosing AI-supported work. But policies alone do not create culture. Shared workplace norms emerge only when expectations become visible, consistently modelled, and broadly practiced across teams

AI-related workplace behaviours observed in others



Self-reported AI-related workplace behaviours



The Shadow Culture Exists at All Levels

The data revealed the existence of this AI shadow culture among individual contributors and leaders alike. Both groups reported observing others:

- Subtly judging or diminishing others for using AI
- Using AI to critique, improve, or outperform others' work without collaboration
- Trusting AI-generated content without adequate verification
- Using AI without openly acknowledging it
- Leaders, encouraging AI use but rarely modeling it themselves

Yet only a small minority admitted engaging in these same behaviours themselves. This perception gap suggests that many of the obstacles to AI adoption are social rather than technical. Across the behaviour items, an average of 23% of respondents say the behaviours have become normalised in their workplace, while only 28% admit engaging in these behaviours themselves.

Taken together, these findings suggest that organisations may have established procedural expectations for AI use without fully establishing shared social expectations. Employees appear to understand some of the rules yet remain uncertain about how AI use is viewed by others and what behaviours are expected in everyday work.



1 in 4

respondents believe
shadow culture
behaviours have become
part of normal workplace
culture.

To illustrate common but problematic AI behaviours, we created five archetypes:

- **The Judgmental Observer**
subtly signals that AI use reflects lower competence, causing other employees to hide their use rather than discuss it openly
- **The Competitive User**
employs AI to critique, improve, or outperform others' work without collaboration, creating resentment and reducing trust
- **The Overconfident Adopter**
accepts AI outputs with insufficient scrutiny, increasing the risk of errors and weakening confidence in judgment
- **The Silent Explorer**
relies on AI but avoids disclosing it, limiting opportunities for shared learning and norm-setting
- **The Sideline Sponsor**
advocates for AI adoption while rarely demonstrating its use, creating uncertainty about expectations and risks

The behaviours demonstrated by these archetypes are rarely driven by bad intentions. Rather, they reflect the uncertainty that employees face as organisations integrate AI into daily work. The challenge is no longer whether AI should be used, but rather how its use is understood, discussed, and normalised.

As AI becomes embedded in everyday work, organisational culture—not the technology itself—will determine whether adoption strengthens collaboration and performance or creates new forms of mistrust. Unclear AI social norms lead to unclear expectations of what's appropriate. When users are shamed, AI use goes underground, eroding trust. The most successful organisations will be those that make AI use visible, responsible, and collaborative.

Key Takeaway

Lack of established AI norms within organisations has led to an AI shadow culture that undermines trust.

Leadership Opportunities

Eliminate stigma by creating team norms that close the gap between organisational rules and daily use.

Reduce uncertainty by clarifying disclosure, privacy, quality, and accountability rules and guidelines.

Act as a role model for AI use by experimenting with AI tools, practicing transparency, and openly discussing the pros and cons of AI usage.

Insight 3 → Trust in AI Depends on the Context

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Insight #3

Trust in AI Depends on the Context

If AI adoption were a trust equation, we might expect trust to rise alongside use. But that's not what the data suggests. AI use is widespread, yet trust-related concerns remain. In fact, 28% of individual contributors identified "feeling I can trust AI use" as the biggest challenge when using AI right now—the most frequently selected challenge in the survey—even as access to and use of AI continues to grow.

This tension appears throughout the findings. Privacy and confidentiality concerns remain the leading barrier to using AI more effectively at work. Among individual contributors, the most commonly identified risks of relying too heavily on AI were inaccurate information (34%), loss of critical thinking (29%), and poor decisions made without sufficient human judgment (15%). Employees may be embracing AI's capabilities, but they are still questioning the technology and the way it's being used.

While respondents reported that trusting AI use is their biggest challenge, that concern is not directed equally at everything related to AI. In fact, employees expressed relatively high confidence in their leaders and organisations in several important areas. Most respondents say they trust their organisation to use AI responsibly, feel safe admitting when they don't understand AI, and feel comfortable raising concerns about AI use.

Leaders generally see themselves as managing AI-related change thoughtfully, reporting that they balance productivity expectations with the effects AI has on workload, morale, engagement, and well-being. This suggests that many leaders recognise that AI adoption is not simply an operational initiative but also a human transition requiring connection and judgment.

Human factors in AI adoption

Individual contributors who perceive these conditions vs. leaders who report creating them

I feel safe raising concerns about AI use



I feel safe admitting when I do not understand AI



I trust my organisation to use AI responsibly



● Leader ● Individual



The Three Dimensions of Trust

Trust Dimension	Individual Contributor Barriers to Scaling AI	Affirmative Responses
Technology Trust	Data privacy and confidentiality concerns	37%
Process Trust	Unclear policies or expectations	29%
People Trust	Lack of time to learn	28%

If feeling able to trust AI use is the number-one challenge but trust in leaders remains relatively strong, what exactly is it that people don't trust? The answer points to a lack of generalised trust or lack of trust in the larger system. While respondents may feel they can trust an individual, like their leader, they are missing a sense of confidence in the larger entity or collective. Employees are still deciding whether they trust the technology, the processes governing its use, and the colleagues using it. They are evaluating whether the larger AI ecosystem is reliable, understandable, ethical, and accountable. They are in a new world, and while they may be leaning into it, they aren't entirely sure what to make of it.

One contributing factor to this system-level challenge appears to be the gap between formal expectations and everyday practice. While many employees recognise that organisations have established some guidance for responsible AI use, they are less certain that those expectations are consistently modeled, interpreted, and followed across the workplace.

Trust in AI is not a single-variable problem; it's an algorithm. And like any algorithm, it is shaped by multiple interconnected inputs. Our findings suggest that trust can best be understood across three interconnected dimensions: trust in the technology, trust in the processes that govern its use, and trust in the colleagues who use it.





The First Dimension:

Technology Trust— Can I Trust the Machine?

The AI trust gap starts with the most obvious question: Can I trust the technology? Many employees question the privacy and confidentiality of AI. In fact, 37% identified concerns about data privacy and confidentiality as one of their biggest concerns around using AI. Before people can fully trust what AI produces, they need confidence that the information they share with it will be handled securely and appropriately.

Considering the lack of clarity around how the technology works and the fact that AI is well known to make mistakes, it's no wonder people question whether they can rely on it.

Security, confidentiality, and reliability are all core elements of technology trust. What employees are asking is whether AI is reliable enough that they can confidently incorporate it into their work. Few people expect perfection. In fact, AI's reputation for imperfection often precedes it. But there is a meaningful difference between knowing something isn't perfect and knowing when it can be trusted.

That distinction matters because if AI gets something wrong, the consequences rarely fall on the technology itself. The tool doesn't have to explain the mistake to a client, defend a bad recommendation to a manager, repair damaged credibility with a colleague, or live with the consequences of a poor decision. The human does.

Employees are being asked to place their confidence in technology that is evolving rapidly, remains largely misunderstood by users, and is widely known to make mistakes. Add in the reality that AI is also viewed as a threat to jobs, and it becomes easier to understand why people remain reluctant to trust it, even as they increase their use.



The Second Dimension:

Process Trust— Can I Trust the Rules?

The second trust dimension revolves around process. While many organisations have moved quickly to establish general AI policies, the day-to-day rules of engagement remain far less clear. Employees may know there is a broad policy, but many are uncertain about how AI is meant to fit into the actual flow of work. That uncertainty is reflected in the survey findings. Nearly three in 10 employees (29%) identified unclear policies or expectations as one of their biggest challenges when using AI. The issue is not simply whether organisations have policies; it is whether employees understand how those policies translate into everyday decisions and behaviours.

What people are looking for is not necessarily more policy but more clarity. They want to know not only how to use AI but also when and where to use it and, perhaps most importantly, when not to use it.

Employees are trying to determine what work should remain human-led, what level of review AI-generated output requires, when human judgment should override AI recommendations, and who owns mistakes when they occur. The 29% who cited unclear policies or expectations are, in many ways, describing this very uncertainty. Organisations have opened the road but have not yet installed the guardrails and traffic lights.

In the absence of clear processes, people naturally fill the gaps themselves. They create personal rules, informal approval systems, and individual thresholds for what feels acceptable. Some become overly cautious. Others move ahead with little oversight. Neither of these approaches creates confidence. Trust depends on having clear processes, consistent expectations, and confidence that AI is being used responsibly across the organization.



29%
say unclear
expectations are
one of the biggest
AI challenges.



Employees are not only evaluating AI; they are also evaluating one another's use of it.

The Third Dimension:

People Trust—Can I Trust the People Using AI?

The third dimension of trust in AI use, the human element, must not be underestimated. While leaders set the stage, they cannot drive smart, ethical, and effective AI adoption alone. One reason people struggle to trust how AI is being used is that many do not feel they have enough time to develop their own capabilities with it: Nearly three in 10 (28%) identified lack of time to learn as one of their biggest AI challenges. When people are still building their own confidence, it becomes harder to feel confident that others are using AI responsibly and applying sound judgment as well. While employees are increasingly using AI, they are concerned they haven't had enough time to learn. They are worried about their own ability to balance speed with human judgment, but they are also evaluating their colleagues, trying to determine whether they can trust others' use of AI.

This is where the trust conversation becomes more complicated. Employees are not just unsure whether AI output is trustworthy, they are unsure whether they can trust the humans using it. They're asking questions like:

- **Are my colleagues validating AI output before acting on it?**
- **Are important decisions still being made with sufficient human judgment?**
- **Are others using AI responsibly, ethically, and transparently?**

The lack of time many employees report having to learn AI may help explain why trust in AI adoption is becoming as much a human issue as a technology issue. People are not only evaluating the technology itself—they are also evaluating whether their colleagues have developed the judgment, experience, and discipline to use it responsibly.

Ultimately, confidence in AI is built through more than the technology itself. It also depends on the processes that govern its use, the people who use it, and the leaders who model responsible behaviour. When any one of those elements is missing, trust begins to erode.



Top individual contributor concerns about AI

38%

worry about job security or job loss

29%

worry that their skills are becoming less relevant

29%

are concerned about reduced human connection



Why Trust Feels Personal

Trust concerns extend beyond whether AI is accurate, secure, or used responsibly. They are also connected to how employees see their future at work. Thirty-eight percent of individual contributors worry about job security or job loss. Twenty-nine percent are concerned that their skills are becoming less relevant, and 29 percent are concerned about reduced human connection.

These concerns raise the stakes of the trust conversation. Employees are being asked to use a technology that may affect their role, professional identity, relationships, and sense of value. As AI takes on work closely tied to human intellect, creativity, and judgment, employees are evaluating more than the technology. They are also asking whether there will continue to be a meaningful place for their experience, capabilities, and contribution.

Key Takeaway

People are using AI, but they are still calibrating their trust in the technology, the rules of engagement, and the colleagues who are using it.

Leadership Opportunities

Help employees understand where AI adds value and where human judgment remains essential.

Balance productivity expectations with the human impact that AI-related changes have on workload, morale, engagement, and well-being.

Create regular coaching conversations to help employees navigate uncertainty.

Help clarify expectations to build confidence in responsible AI use.



Insight 4 → A Leadership Credibility Gap Exists

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Insight #4

A Leadership **Credibility Gap** Exists

Our research revealed a credibility gap: leaders report modeling AI significantly more often than individual contributors report observing it. Although leaders believe they are supporting AI adoption, individual contributors want more visibility and clarity around AI use from those who lead them. This disconnect creates a credibility gap that may slow broader AI adoption.

Across all dimensions, meaningful gaps exist between leaders' and employees' perceptions of how AI guidance is put into practice. Employees experience AI expectations as inconsistent, with different standards applied to different people. The gap appears to reflect the difference between formal expectations and everyday experience. Leaders generally believe they have established clear guidance around AI use, but employees report seeing far less evidence that those expectations are consistently reflected in daily work.

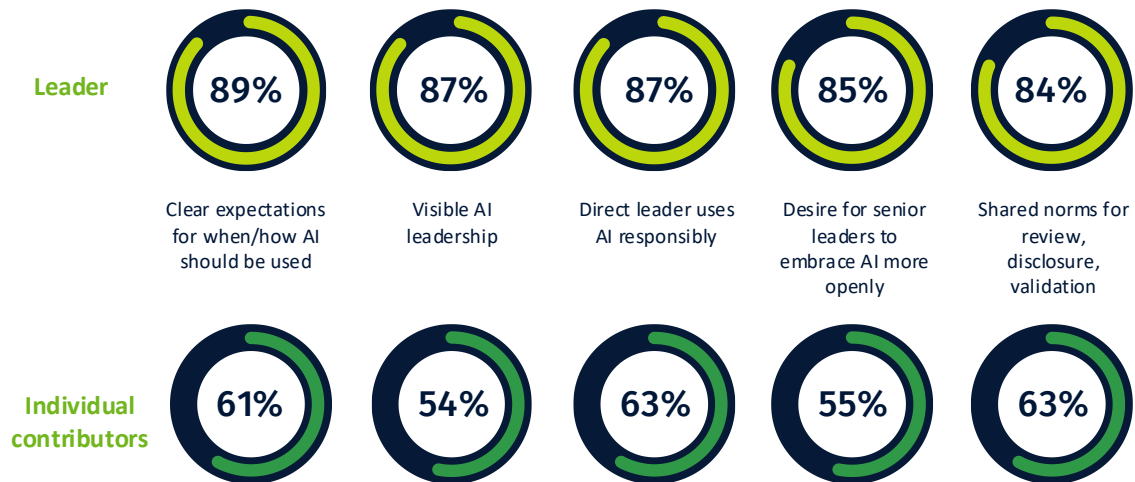
Encouraging AI use is not enough. Leaders must visibly model the behaviours they expect and actively involve employees in shaping AI practices. Yet our findings suggest they overestimate the degree to which employees feel involved in AI-related workflow changes. Without greater consistency and transparency, leaders risk weakening employee confidence in their AI initiatives.

Perceived trust in leaders is stronger than their perceived credibility. What leaders say versus what they signal with their actions is creating a credibility gap.



The Credibility Gap

Leader and individual contributor perceptions of how leaders support AI



Leaders believe they are demonstrating AI-supportive behaviours more often than employees experience them. The issue may not be leaders' intentions. Rather, the behaviours employees need most—visible modelling, transparency about AI use, and shared learning—are not happening in ways employees consistently recognise.

AI role modelling illustrates this change particularly well. Half of individual contributors report seeing leaders encourage AI adoption without modelling its use themselves. This creates a "do what I say, not what I do" mentality that weakens their credibility.

AI adoption is not a space where leaders can simply announce expectations and hope adoption follows. Employees want leaders to walk the AI path alongside them—to learn, experiment, and apply AI in real work. When leaders demonstrate thoughtful AI use, they model not only the technology but also the judgment required to use it responsibly. That visibility creates clarity, builds confidence, and strengthens leaders' credibility.

Key Takeaway

AI adoption succeeds or stalls based on what leaders visibly do, not just what they say.

Leadership Opportunities

Model AI use transparently—ensure people know where it is and is not being used.

Demonstrate how AI is being integrated into workflows.

Share how to think critically about the outputs or results.

Involve employees in AI-related workflow changes that affect their work.

Insight 5 → Human Judgment Is the New Premium Skill

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Insight #5

Human Judgment Is the New Premium Skill

Our research underscored something we have long known to be true: In an age of hyper-efficiency and hyper-technology, it is the human in the loop who holds the greatest value.

What AI Can't Do: Value Added by Individual Contributors

AI may replace some basic human skills, but it cannot replace human value. The people we surveyed said their greatest value comes from creative thinking, solving hard problems through personal experience, and applying judgment to AI-generated work. AI can help solve complex problems, but people bring something different. They use experience, judgment, and wisdom to decide what to do.

The greatest decision-making machine is not AI, nor is it the human brain alone. It is the combination of a human brain, heart, and lived experience with AI insights and the assistance of an AI tool. Real value doesn't come from information generated in seconds but rather from wisdom gleaned through living. Human experiences—admiring a beautiful sunset, surviving loss, knowing what it means to struggle, achieve, and create—fuel the unique human ability to distinguish right from wrong, feel a sense of agency, and make responsible decisions.

This is why the human skills our respondents emphasised remain so valuable. They require us to connect disconnected ideas and to draw on our heads, hearts, and gut instincts to make decisions and take action.

Human value when using AI

Individual contributor response (Selected up to 3)



AI excels at identifying similarities, patterns, and probabilities. But human judgment is what allows us to move beyond patterns and toward meaning, originality, and possibility. Even when AI is asked to produce divergent thinking, it can only draw from existing patterns of divergence, not true novelty. And AI can't make a values-based decision because that requires drawing upon feelings, emotions, experience, and intuition, which are uniquely human.



Leadership priorities for AI adoption

Individual contributor responses



Employees are not asking leaders to become AI experts. They are asking leaders to become better decision makers and coach them to become the same.

Employees Are Already Applying Human Judgment

The findings suggest many employees are already applying human judgment as they work with AI. Despite—or maybe because of—its accelerated pace, individual contributors who use AI report they do not simply accept AI-generated output at face value.

82% say they always or often review AI-generated content before using or sharing it

69% say they always or often edit, verify, or adapt AI output before relying on it

The increasing value of human judgment is not merely theoretical. It is already part of how people work with AI every day. The ability to evaluate, refine, challenge, and contextualise AI-generated output may be just as important as, if not more important than, the ability to generate it in the first place.

The Value Leaders Bring That AI Can't Match

While AI can accelerate analysis and generate recommendations, employees want their leaders to guide them. Leadership is not obsolete because of AI. If anything, the skills of connecting with and supporting others have become even more critical. Among all leadership capabilities measured, individual contributors ranked coaching and development highest as an area of focus even in, or maybe because of, our AI-enabled world. They also placed a high value on judgment, decision making, and strategic thinking. In a world of uncertainty and ambiguity, both of which are accelerated by AI, leaders who can demonstrate good judgment are a must-have. This is particularly true when decisions involve ambiguity, competing priorities, ethics, risk, or human consequences.





Key Takeaway

The future of work is not human versus AI. It's human insight, judgement, and creativity elevating AI output.

Leadership Opportunities

Teach people how to validate AI output.

Help people look beyond quick AI solutions to visualise long-term success.

Show how low-quality AI solutions can damage credibility.

Help people contextualise AI recommendations.

Teach people how to ask better questions.

Coach people in ethical decision making.

Apply the time savings from AI efficiencies to strengthening uniquely human skills, such as critical thinking, creativity, collaboration, and good judgment.

The Future of AI is Cultural, Not Technical

Uniquely human skills—and more importantly, human connection—are not being replaced by AI; they are becoming more valuable. The more AI handles information processing, content generation, and automation of routine work, the more people are coming to value trust, empathy, coaching, connection, and judgment.

Organisations need more than AI policies. They need shared behavioural norms. The challenge is increasingly less about whether AI should be used and more about creating a common understanding of what responsible AI use looks like in practice.

Leaders need to direct their focus toward building organisational cultures that prioritise getting to know their people and fostering the good judgment and wisdom that only humans can bring. These are not technical capabilities. They are leadership capabilities—and organisations that develop them will be best positioned to realise the benefits of AI while preserving the human side of work.

75%

of individual contributors say human connection is essential or very important when leading in an AI-enabled workplace.

86% **of leaders**

say human connection is essential or very important when leading in an AI-enabled workplace.

Leader's Toolkit

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How Leadership Changes in an AI-Enabled World

AI is changing how work gets done, but leadership will shape how people experience that change.

As AI becomes part of everyday work, the leader's role does not become less important—it becomes more human-centred and valuable. While AI can generate information, only leaders can develop judgment. While AI can improve efficiency, only leaders can build confidence, trust, and capability.

The future of leadership is not about competing with AI. It is about helping people use it wisely while continuing to grow the uniquely human capabilities that AI cannot replace.



Solving, Evaluating, and Elevating

Leaders have traditionally been the guardians of historical knowledge, analysis, information, and experience. That remains true. But the advent of AI calls on them to apply their knowledge and experience in different ways. Leaders must now shift from solving problems to evaluating and elevating the answers.

In an AI-enabled world, the key differentiator is no longer simply producing answers—it is evaluating and elevating them. AI has created a paradigm shift in how we define strong leadership actions. Beyond evaluating AI-generated answers, people need to use human insight to elevate answers from good to exceptional.

This shift also changes how leaders support the people they lead. In a world where AI can generate answers instantly, leadership becomes less about being the source of expertise and more about helping others build the judgement to evaluate information, assess risks, and make sound decisions. As people develop these capabilities, leaders must adapt their approach—providing guidance and perspective when evaluation skills are still developing and increasing autonomy as confidence and competence grow.



From Solve →

To Evaluate →

And Elevate

What is the answer?



What is wrong with this answer?



How could we make this better?

What is the result?



How is this result correct? Helpful?



What isn't AI seeing?

How does this information validate what we know?



Will this work in the real world?



What would delight our customer?

How can this help me address my challenge?



Should I use this to help me address my challenge?



What's possible that no one has tried before?

How can I use this information?



What's dangerous or wrong about this information?



What human insight could transform this from good to exceptional?



Five Leadership Priorities for an AI-Enabled Workplace

INSIGHT

Adoption is outpacing shared expectations.

01

PRIORITY

Lead AI Use by Example

ACTION →

- Be transparent about how you use—and challenge—AI.
- Explain your reasoning and remain accountable for final decisions.
- Share what you're learning and recognise responsible AI use.

IMPACT

Builds trust and establishes shared norms through visible leadership.

INSIGHT

Hidden social stigmas exist.

02

PRIORITY

Coach with Curiosity and Candour

ACTION →

- Ask how people used AI, what worked, and what they questioned.
- Make space to discuss mistakes, uncertainty, and ethical concerns.
- Encourage open learning and responsible experimentation.

IMPACT

Creates psychological safety and accelerates shared learning.

INSIGHT

Trust in AI depends on the context.

03

PRIORITY

Build Judgement, Not Dependence

ACTION →

- Ask how AI recommendations were evaluated and validated.
- Challenge assumptions and explore alternative perspectives.
- Reinforce that people remain accountable for decisions.

IMPACT

Builds confidence in people—not simply in the technology.

INSIGHT

A leadership credibility gap exists.

04

PRIORITY

Meet People Where They Are

ACTION →

- Assess each person's confidence and capability with AI.
- Tailor direction, coaching, and guardrails to individual needs.
- Increase experimentation and autonomy as competence grows.

IMPACT

Turns AI adoption into meaningful individual growth.

INSIGHT

Human judgment is the new premium skill.

05

PRIORITY

Elevate Human Value

ACTION →

- Recognise sound judgement—not simply speed or efficiency.
- Create opportunities for creativity, problem-solving, and innovation.
- Reinforce empathy, collaboration, experience, and human insight.

IMPACT

Strengthens the human capabilities AI cannot replace.



Blanchard is a global leadership development company that helps organisations build leaders who bring out the best in people and drive performance.

For more than 45 years, we have partnered with organisations around the world to help leaders build trust, create clarity, and strengthen accountability. Our research-backed programs, expert consulting, and flexible learning experiences give leaders practical tools they can use right away to navigate change and deliver measurable business results.

As AI changes how work gets done, Blanchard helps leaders strengthen the human skills that matter most, including connection, resilience, adaptability, and the ability to lead people through change.

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Methodology: In June 2026, Blanchard surveyed 620 employed adults, including 310 people leaders and 310 individual contributors, across a variety of industries and organizational settings. The survey examined how AI is shaping work, leadership, workplace culture, trust, and the human experience of work. Results are reported as percentages and may not total 100% due to rounding. Some findings reflect responses from specific subgroups or questions that allowed multiple selections.

