The AI Value Gap: A Crisis of Impact

<5%

Of all organizations deploying AI, fewer than 5% generate value at scale. The problem isn’t the technology. It’s the approach.

Bedard et al., 2025

We Are Facing a Persistent Adoption-Impact Gap

- **Widespread Adoption:** Most organizations have deployed AI tools across the enterprise.
- **Minimal Impact:** Nearly 60% report little to no measurable value from their AI investments.

The instinctive response—deploying more tools, faster—misses the fundamental issue. The critical constraint is not technological; it's human.

The Capability Gap Carries Significant Organizational and Individual Costs

Financial & Strategic Costs

70-80% of AI initiatives fail, often due to human and organizational factors, not technical limitations. Opportunity costs mount as capable competitors capture value pools and widen performance gaps.

Productivity Drag

Organizations with weak capabilities see productivity gains of **under 10%**, despite deploying similar tech. Capable organizations achieve gains of **40-60%** in targeted functions.

Employee Experience

Workers without support experience **anxiety, frustration, and reduced job satisfaction**. AI can be perceived as a threat to job security and autonomy, eroding engagement and wellbeing.

Traditional Training is Not the Answer

Conventional, one-size-fits-all training fails to create lasting change. The challenge is not knowledge retention, but building new judgments, mindsets, and behaviors.

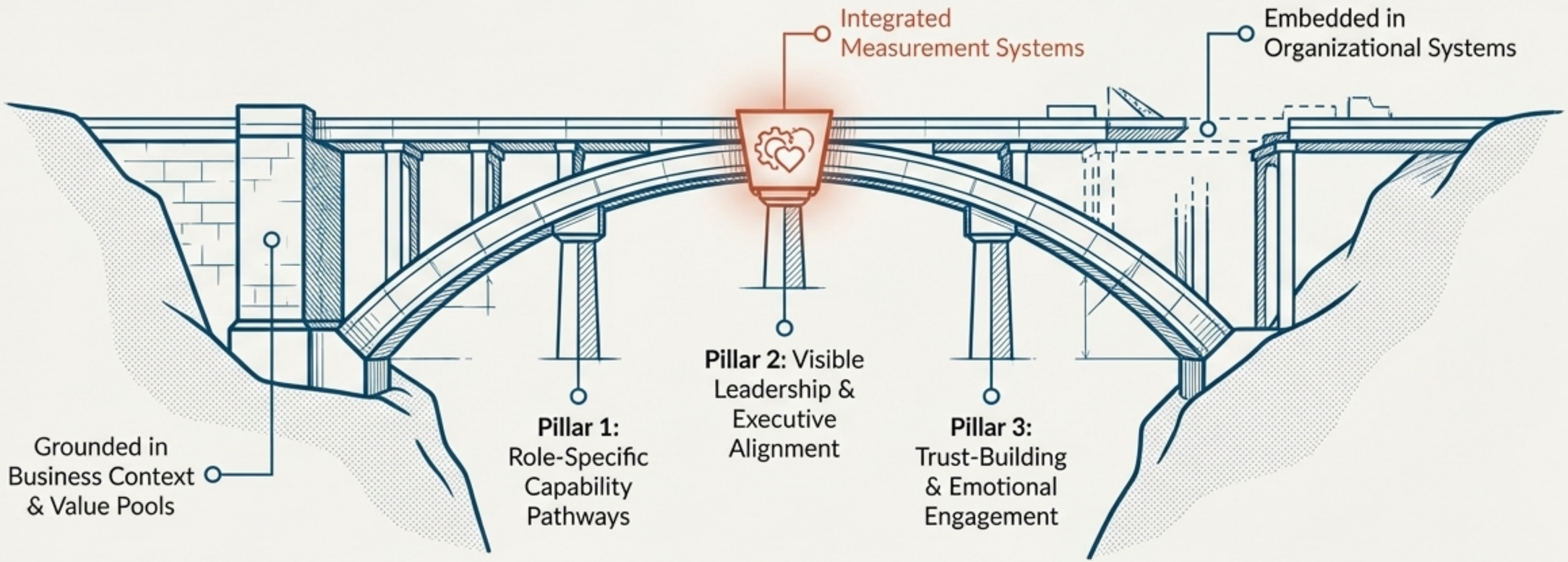
The Transfer Problem

Research consistently shows that fewer than 15% of learning interventions produce sustained behavior change in the workplace.

The Illusion of Capability

Generative AI's apparent ease of use creates a false sense of competence, masking the deeper skills required for effective, high-value application.

The Solution: Build a Human Capability Bridge to Span the Gap



Shift from isolated training events to an integrated system that develops new ways of working.

Foundation: Start with High-Value Workflows, Not Generic Tools

Effective capability-building begins with strategic clarity. Identify specific 'value pools' where AI can deliver the greatest returns, redesign the workflow, and ***then*** build the necessary skills.

Case in Point: European Retail Bank

Value Pool Identified: Lending Operations (to reduce costs and improve customer experience).

Workflow Redesigned: An 'Ops AI Agent' was integrated to automate document validation, data checks, and transfers.

Targeted Capability Built: Staff were trained on the new process: validating AI outputs, handling exceptions, and managing AI-escalated cases.

The Impact

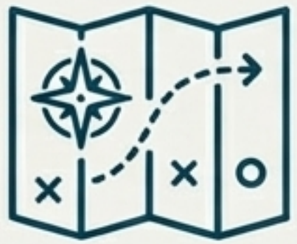
>50%
productivity gains

70%
reduction in manual processing time

under 30 minutes
Approval cycles compressed from days to

Pillar 1: One Size Fits None. Develop Role-Specific Capability Pathways.

Core Principle: Different roles require fundamentally different AI capabilities. Generic training fails because it doesn't align with specific job demands and contexts.



The Shapers (Executives)

Need strategic fluency to set vision, make investment decisions, and lead change.

The Leaders (Managers)

Need coaching and change management skills to guide teams, build trust, and redesign local processes.

The Transformers (Process Owners)

Need deep process and AI knowledge to rewire core workflows and drive implementation.

The Contributors (Frontline)

Need practical, hands-on skills for prompt engineering, output evaluation, and task-specific application.

Activating Your Leaders and Contributors

Enabling Your Leaders (Managers)

The Challenge: Middle managers are a crucial bridge but are often ill-equipped to lead AI adoption.

The Solution (Global Tech Company): Faced with low GenAI adoption by engineers, the company first upskilled managers in GenAI fluency and empathetic change leadership. These managers then led their teams in adoption sprints, creating psychological safety and normalizing new workflows.

The Result: Higher adoption rates, stronger team confidence, and increased motivation.

Empowering Your Contributors (Frontline)

The Challenge: Frontline employees need practical skills directly applicable to their daily tasks.

The Solution (Biopharmaceuticals Company): Segmented over 100,000 employees by role. Frontline contributors engaged in hands-on simulations and applied use-case labs tied directly to their work.

The Result: AI tool adoption increased from **~20% to nearly 90%.**

Pillar 2: Go Beyond Endorsement. Leaders Must Visibly ‘Model New Behaviors.

Core Principle: Transformation stalls without a unified, active executive team. Leaders influence change through demonstration, not just articulation.

How to Build Executive Alignment

Create a Shared Language: Use immersive experiences (e.g., CEO-championed summits) to build common AI fluency across the executive team. Move from fragmented conversations to strategic, cross-functional problem-solving.

Practice Visibly (FMCG Company Example): Senior leaders participated in hands-on labs, applying AI tools to actual business problems. This built not just knowledge, but the comfort and confidence to lead authentically by experimenting and sharing learnings.

Key Takeaway: When leaders operate from a shared understanding and model desired behaviors, their collective influence compounds.

Pillar 3: Acknowledge Fear, Build Trust, and Create Psychological Safety

Core Principle:
AI adoption triggers emotional emotional responses—skepticism, anxiety, and uncertainty. Ignoring these emotions leads to resistance, regardless of training quality.

Strategies for Building Trust

Address Skepticism Directly: Create forums for discussing concerns. Equip managers to lead with empathy.

Create Psychological Safety: Give explicit permission for experimentation. Celebrate thoughtful failures as learning opportunities. Be transparent about AI's limitations.

Involve Employees: Use co-creation workshops to identify use cases and shape AI's application. Research shows that involvement in the process is critical for acceptance.

Key Insight: People take interpersonal risks—like trying unfamiliar technology—only when they trust they won't be penalized for mistakes.

Keystone: Measure What Matters—From Activity to Business Impact

Old Metrics (That Don't Correlate with Value)	New Metrics (That Demonstrate Capability & Value)
✗ Training completion rates ✗ Satisfaction scores ✗ Tool adoption rates	✓ **Behavior Change:** Depth and variety of AI use, experimentation rates. ✓ **Business Outcomes:** Time saved, efficiency gains, decision quality improvements, new use cases generated.

Case in Point: Financial Services Firm

Measured not just adoption but impact from a GenAI upskilling program.

Results

98% of learners generated new use case ideas

80% applied learnings directly to projects

85% reported more frequent, effective AI use at work

Shifting from a Traditional Approach to a Capability System

The Old Way: Disconnected Training

- **Focus:** Technology deployment
- **Design:** Generic, one-size-fits-all curriculum
- **Leadership:** Passive endorsement
- **Motivation:** Top-down mandate
- **Measurement:** Activity (e.g., completion rates)

The New Way: Integrated Capability Building

- **Focus:** Business value pools
- **Design:** Role-specific, contextual learning journeys
- **Leadership:** Active, visible modeling
- **Motivation:** Trust, psychological safety, and co-creation
- **Measurement:** Behavior change and business impact

Make It Stick: Embed Capabilities into Your Organizational Systems

Behavior change becomes self-sustaining only when integrated into formal structures and informal norms.

Key Levers for Embedding AI Capability

Performance Management: Recognize and reward AI fluency and effective use.

Roles & Hiring: Update role definitions and hiring criteria to include AI capabilities.

Social Structures: Establish communities of practice and champion networks for peer-to-peer learning and diffusion of best practices.

Governance: Create clear governance structures that support responsible scaling and continuous improvement.

Goal: Move from event-based training to a culture of continuous, embedded learning.

Your Mandate: Build the Human Foundation for AI

1 **Start with Value Pools, Not Tools**

Identify where AI can deliver the greatest business impact first.

2 **Design for Roles, Not the Enterprise**

Tailor learning journeys for executives, managers, transformers, and contributors.

3 **Lead from the Front**

Develop your own fluency and visibly model the behaviors you expect.

4 **Build Trust Proactively**

Create psychological safety and involve employees in shaping AI's role.

5 **Measure Business Outcomes**

Track behavior change and value creation, not just training activity.

6 **Embed Capabilities Systematically**

Integrate AI expectations into roles, performance management, and incentives to sustain change.

The AI Moment Demands More Than Technology

"The critical constraint isn't technological; it's human. Organizations that make this investment position themselves to capture AI's full value potential. Those that don't will watch as more capable competitors pull ahead."

The opportunity is here. The imperative is to build.