16th ANNUAL PULSE OF TALENT

Turning workforce AI buzz into business value

dayforce

Contents

Methodology

In partnership with Hanover Research, Dayforce conducted the *16th Annual Pulse of Talent* survey online from July 22 to August 6, 2025. The study included 6,954 respondents aged 18+ who work at organizations in Australia, Canada, Germany, New Zealand, the United Kingdom, and the United States.

A note from our leadership

Few moments have tested leaders' ability to make decisions with clarity like the rise of generative AI. What once felt like a distant future suddenly arrived on our doorstep. Even the steadiest organizations felt the ground shift beneath them.

The questions AI raises are not only technical, but profoundly human. How do we use this technology responsibly? How do we bring our people along for the journey? And perhaps most importantly, how do we know when we should apply AI, not just when we can? It's a conversation best held at the crossroads of people and technology, which is why you'll hear both our voices here.

A recent, widely discussed MIT[1] study shows how this race to adoption panned out. They found that 95% of enterprise AI pilots have failed. And it wasn't the tech that failed. It was the implementation.

The findings from our *16th Annual Pulse of Talent* survey reveal what might have gone wrong. By surveying nearly 7,000 workers, managers, and executives from six countries around the world, we uncovered the answers to three critical questions.

What's blocking AI ROI?

The MIT study showed only 5% of leaders saw a return on their AI investment. Our findings help explain why. Nearly nine in ten executives and managers in our survey reported barriers to adopting AI. These barriers don't just slow progress, they directly undermine organizations' ability to create value from AI.

What's fueling these gaps?

There's a surprising trend in many organizations. AI positivity abounds at every job level, but that is especially true among executives, causing them to prioritize adoption over caution. The startup mantra of "move fast and break things" has gone mainstream. Executives are racing into AI faster than any past technology shift, but the rest of the workforce is struggling to keep pace. To achieve AI ROI, executives need to bring their managers and workers along for the ride.

What really drives AI ROI?

Enthusiasm alone can't deliver value. Neither can a scattershot approach. Organizations instead need to channel their AI optimism in a new direction, focusing on strategic and specific use cases. When asked about specific AI use cases, only 1% of executives said these uses didn't deliver value to their organization. The takeaway? AI can't be everything, everywhere, all at once.

AI is reshaping the way we work in real time. But as leaders, we believe speed without strategy only widens the gap between optimism and outcomes. Organizations need to align technology with trust, focus, and purpose to unlock true ROI.

This year's *Pulse of Talent* is designed to help leaders do exactly that. By grounding decisions in data, building transparency into every step, and supporting employees through transition, organizations can turn AI from a source of uncertainty into a driver of growth for their people and their business.

Amy Cappellanti-Wolf
Chief People Officer, Dayforce

Carrie Rasmussen
Chief Digital Officer, Dayforce

[1]The GenAI Divide: State of AI in Business 2025, MIT NANDA, 2025

What's blocking AI ROI?

AI holds enormous promise. But as the recent MIT study shows, promise doesn't equal profits. If leaders want ROI, they need to know what's in the way.

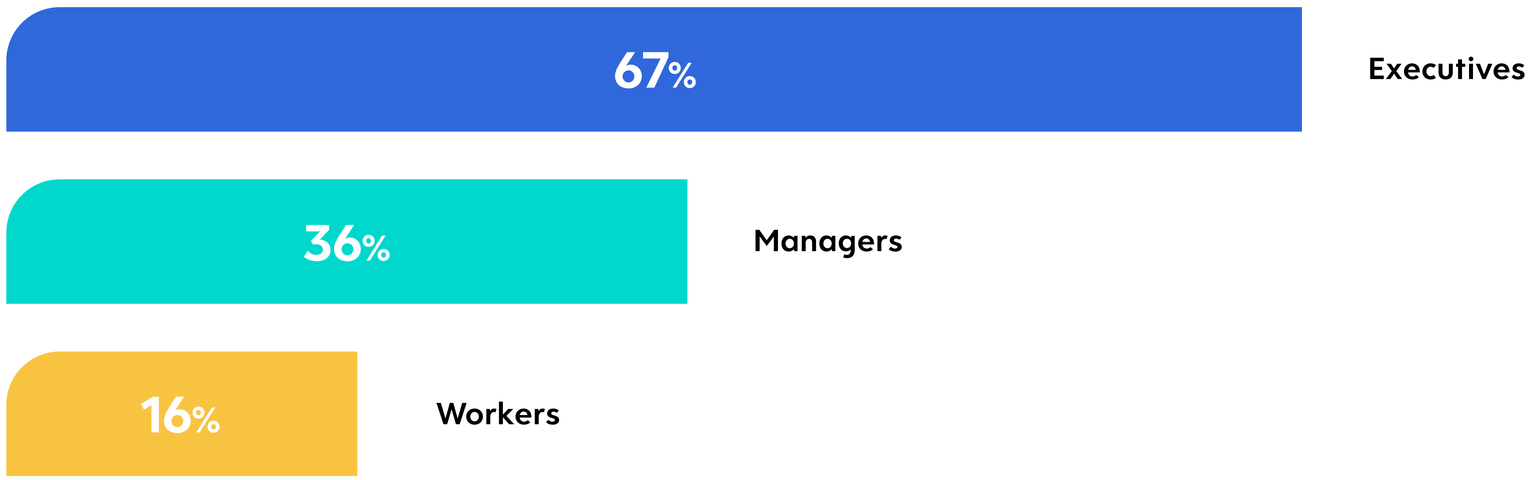
Our data shows organizations repeatedly hit the same roadblocks. Three common barriers stand out.

Lack of training

Employees know skills are the currency of the future. In fact, 63% said it's somewhat or very important for them to develop AI skills. They see what's coming. They know that the ability to understand and use these tools is going to shape their careers.

But wanting skills and getting them are two different things. Most workers and managers feel underprepared. Eighty-four percent of workers and 64% of managers said they haven't received any AI training at work in the past year. That's not a minor oversight. It signals that organizations are racing to adopt new technologies without giving their people the tools to keep up.

Have you received any learning/training at work about AI in the past 12 months?



Executives aren't blind to this reality, either. Eighty-two percent agree that employers should reskill workers whose jobs are reshaped by AI. But so far, the follow-through isn't there. Only 17% of organizations currently offer these programs.

82%
of executives said employers should reskill workers impacted by AI

Only
17%
of organizations currently offer these programs

Without training, AI enthusiasm can turn into resistance. Workers who feel left behind become disengaged. And disengaged employees are unlikely to champion new tools. In other words, every gap in training pushes ROI further out of reach.

Lack of transition support

AI adoption isn't just about layering on new tools. It's reshaping jobs from the inside out. Already, 12% of employees say their role has changed because of AI. Another 35% expect changes soon. For many, that means new responsibilities, different workflows, and an uncertain future.

Executives feel the pressure, too. They were far more likely than the rest of the respondents surveyed to say they would have chosen a different career path had they known how AI would impact their role. That's a warning sign. If the leaders setting the AI agenda are second-guessing their own path, it raises the question: where exactly is that agenda leading? This increases the risk of organizations sprinting into the future without a clear direction — fast, but not necessarily forward.

Reflecting on your chosen profession, would you have selected a different career path if you had considered the impact of AI on job security?

("Yes" responses shown)

And yet, most companies aren't offering the support people need to navigate this transition — even when AI itself could help. Only 30% use AI to match employees with internal opportunities, and just 23% use it to guide career paths. These tools could help employees see a future inside their organizations, but they aren't being deployed at scale.

Roles and skills are shifting, but the support structures people need to move forward are often nowhere to be found. For workers, that can make AI feel less like an opportunity and more like a disruption. For organizations, it means missed chances to retain talent, unlock the benefits of an adaptable workforce, and achieve AI ROI.

Lack of trust

Trust in the age of AI is in short supply. More than half of respondents (58%) told us AI presents ethical challenges at work. They're not wrong to worry. The risks are real, from bias in algorithms to privacy threats to decisions made without fairness or accountability.

But here's the problem: only 26% of organizations have a person or team responsible for ethical AI use. Without someone clearly accountable, ethics become an afterthought. And employees notice.

There is a sharp divide in trust across job levels. Executives are 20% more likely than managers and 29% more likely than workers to trust their employer to use AI responsibly.

And that gap matters. When workers don't trust AI, they resist using it, and adoption slows. And when adoption slows, ROI never materializes.

To what extent do you agree with the following statement? "I trust my employer to use AI responsibly."

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
Executive	**2%**	**4%**	**12%**	**43%**	**40%**
Manager	**4%**	**9%**	**25%**	**41%**	**22%**
Worker	**6%**	**10%**	**31%**	**36%**	**17%**

What's fueling these gaps?

Optimism is spreading across the workforce — but not evenly, and not without consequences. Workers and managers see AI's potential to ease their workloads and open new career possibilities. Executives, meanwhile, are adopting AI at far higher rates, creating a widening gap between strategy and everyday use.

And underneath that optimism lies another force: pressure. Leaders feel the urgency to keep pace with disruption, often moving faster than guardrails can catch up. Broad enthusiasm, uneven adoption, and high-stakes urgency fuel the divide shaping AI's role at work.

AI's growing appeal

AI has captured the imagination of the workforce. What was once seen as futuristic is now part of how work gets done. Two-thirds of employees (66%) believe AI has the potential to take busywork off their plates and free them up so they can do the work they're meant to do.

66%

believe AI can help them do the work they're meant to do

That sense of possibility is growing. Half of respondents said they feel more optimistic about AI's potential than just a year ago. For many, the shift isn't just about new tools, it's about a new way of thinking about their roles and the future of their careers.

Looking ahead, optimism turns into expectation. Eighty percent of respondents said they anticipate positive impacts at work as AI adoption increases, with efficiency and productivity topping the list of benefits (56%). In other words, people aren't just hoping AI will make work life better — they're counting on it.

What positive impacts do you expect to experience with more AI use in the workplace?

(Select all that apply)

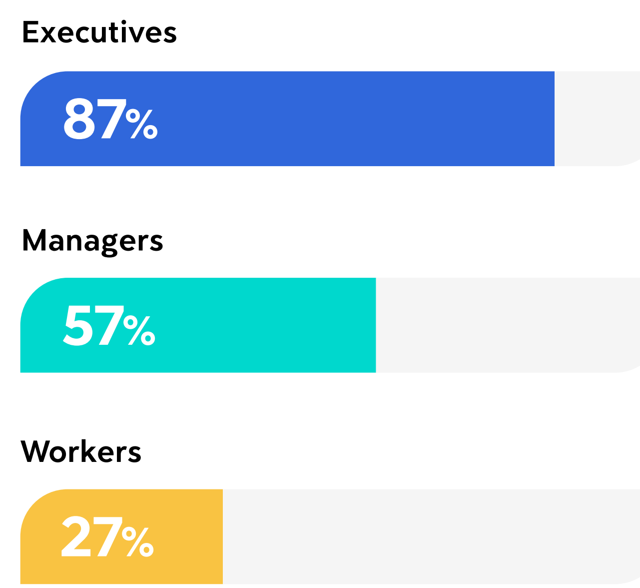
Improved efficiency and productivity	56%
More time available for high-priority tasks	44%
Better work-life balance	32%
Opportunities for upskilling and professional development	31%
Better decision-making	30%
Increased job satisfaction	21%
I don't expect any positive impacts on my work from AI	20%
Other	1%

Executives are sprinting, workers are walking

Optimism is shared, but adoption isn't. Eighty-seven percent of executives already use AI at work, compared to just 57% of managers and a mere 27% of workers. That's no slight difference.

Do you use AI in your job?

("Yes" responses shown)



Even outside of work, executives are still the most active adopters. Eighty-five percent said they use AI in their personal lives, compared to 67% of managers and 49% of workers. That means the people at the top of the org chart are experimenting with AI in their daily lives at almost twice the rate of people carrying out the day-to-day work.

The most surprising finding? Executives are 45% more likely to use AI at work than Gen Z respondents, the so-called digital natives. When leaders outpace the youngest generation in the workforce, it says a lot about how differently this new technology era is unfolding.

Executives are
45%
more likely to use AI at work than Gen Z respondents

This enthusiasm gap is creating a three-speed organization. On the fast track are executives, sprinting ahead, setting strategies, and doubling down on AI's potential. In the middle lane are managers, adopting AI more than workers but far less than executives, juggling the pressure to enable their teams while managing risk. Then, there are workers moving more cautiously and experimenting with AI for task work, but at much lower rates.

It's not just a difference in adoption. It's three distinct experiences of AI in the workplace. And that disconnect is setting up a clash between expectations at the top and the reality on the ground.

Pressure breeds risk

AI's existential pressure pushes executives to move much faster than they did in past digital transformation eras. Cloud. Mobile. Even the internet itself. For many leaders, this isn't just about how their companies adapt. It's about how they themselves stay relevant.

That pressure shows up in the data. Nearly half of executives (45%) believe their skills are becoming obsolete because of AI, compared to just 15% of workers. Leaders instinctively move quickly when they feel the ground shifting beneath their feet.

To what extent do you agree with the following statement?
"My skills are becoming obsolete due to the increasing presence of AI at work."

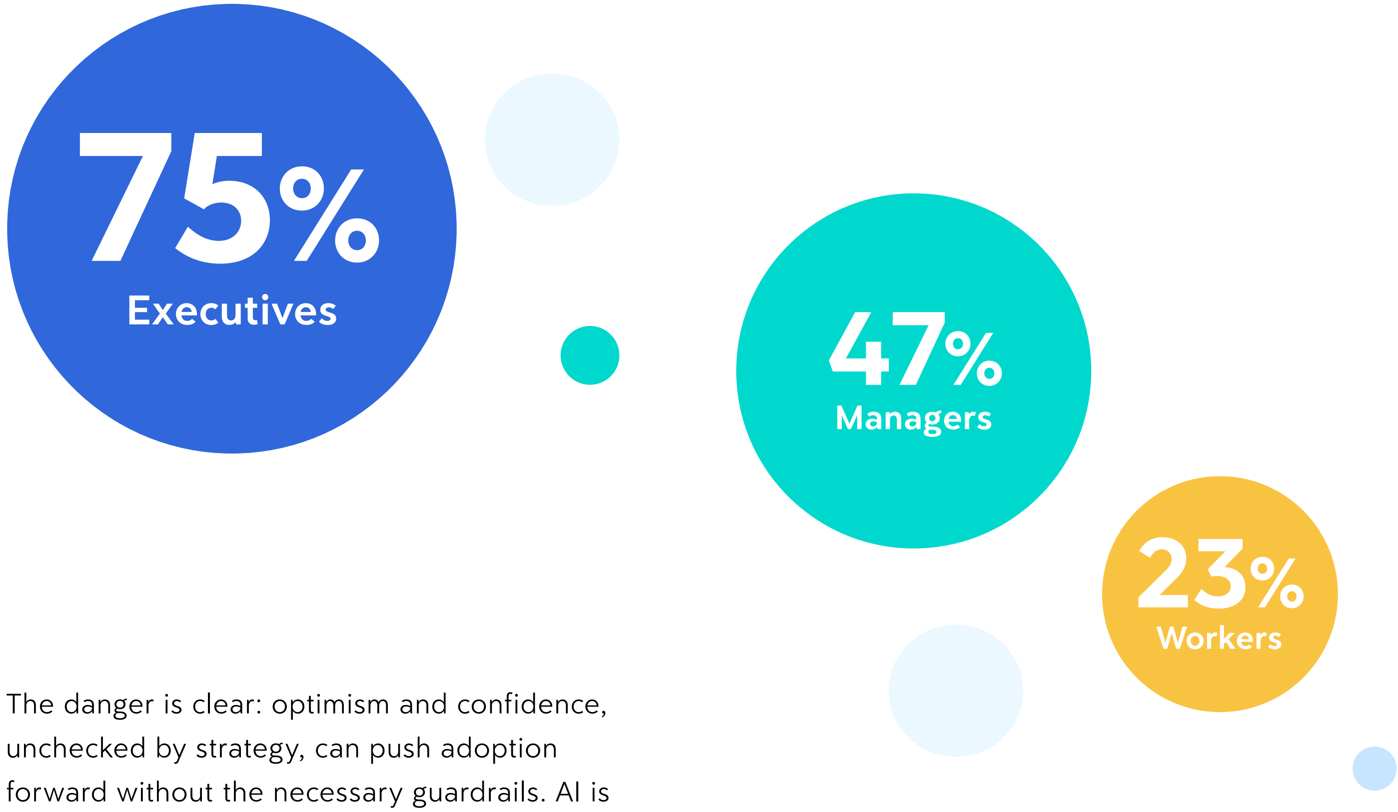
	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
Executives	19%	19%	16%	28%	17%
Managers	24%	26%	23%	20%	6%
Workers	36%	25%	24%	11%	4%

And in many cases, that instinct is fueled by a fear of missing out. Executives know competitors are experimenting with AI, and they don't want to be left behind. The result is a mindset less about caution and more about speed.

That urgency leads to riskier behavior. Nearly half of executives (43%) said they'd be comfortable letting AI message their boss on their behalf without looking at what's being sent. Just 24% of managers and 9% of workers said the same. Confidence levels tell a similar story.

How confident are you in your ability to use AI tools effectively at work?

("Very confident" and "Extremely confident" responses shown)



The danger is clear: optimism and confidence, unchecked by strategy, can push adoption forward without the necessary guardrails. AI is evolving faster than any past transformation, and if executives move too quickly without a plan, the fallout won't just land on them. It will ripple across the entire workforce.

What really drives AI ROI?

This year's *Pulse of Talent* findings show real bright spots in AI adoption. Our data reveals that certain HR-related use cases are already creating measurable returns. The key is focus.

Take the case of using AI to recommend new and personalized learning opportunities to workers. Sixty-nine percent of executives said these tools deliver significant or even transformational value. That makes sense. Employees with access to AI-driven learning build new skills faster and gain confidence.

Or look at using AI to deliver quick answers to HR questions. Seventy-one percent of executives and 55% of managers report this as a high-value use case. By taking repetitive, time-consuming questions off HR's plate, AI frees people up to do higher-value work. It's a win for employees, too — they get faster answers to everyday questions that otherwise slow them down.

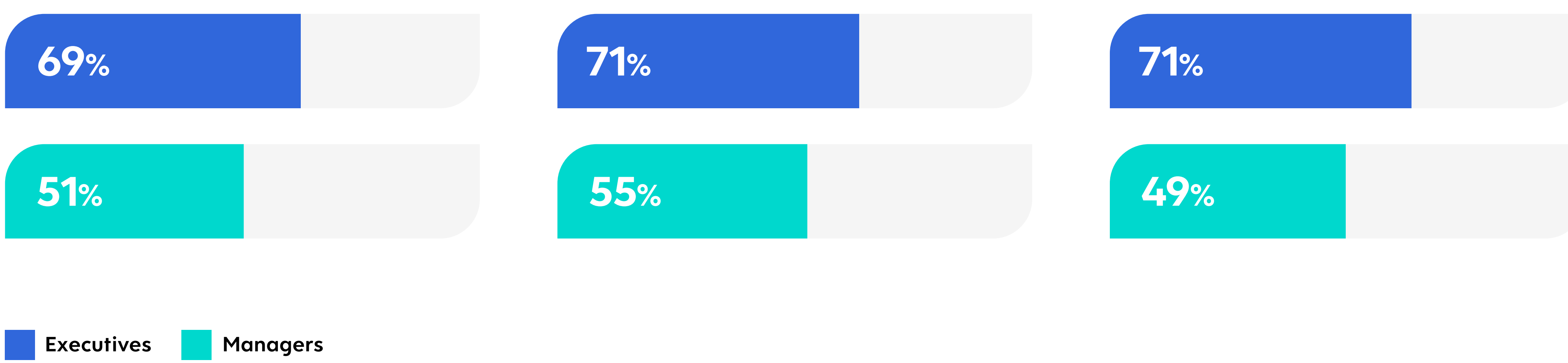
As of today, how much value have you achieved from adopting any of the following use cases?

("Significant value" and "Transformational value" responses shown)

Recommending new learning/training opportunities

Getting quick answers to HR-related questions

Matching employees with internal job opportunities



Then there's internal mobility. Seventy-one percent of executives and nearly half of managers surveyed also saw substantial value here. When employees see clear career paths and opportunities inside their organization, retention increases, and engagement strengthens. AI can surface those opportunities in ways that are both personalized and scalable.

What these HR-specific examples have in common is that they solve real, specific problems with measurable impact. Cutting down on repetitive tasks, helping people grow, and enabling smarter decisions. They focus on the use cases that matter most.

AI can't be everything, everywhere, all at once. But it can deliver immediate and lasting results when aimed at the right targets.

The path forward

The story that emerges from this year's *Pulse of Talent* is one of tension. On the surface, the outlook is bright. Leaders are confident. Optimism is rising. But peel back the layers, and the cracks start to show.

Workers feel underprepared. Managers are stretched thin, trying to bridge the gap between strategy and execution. And while ethics are on everyone's mind, accountability is no one's job. The technology is moving fast, but the people and processes surrounding it can't keep up.

To achieve AI ROI, organizations need to focus on what matters most: equipping people with the right skills, building trust through responsible use, and helping employees navigate the career shifts AI already brings. When those foundations are in place, AI moves from aimless to impactful.

Three imperatives for unlocking AI value

01 Training

The next wave of career growth will be built on AI skills. Employees recognize this, but most feel underprepared, and that gap puts careers and organizational competitiveness at risk. Employers can no longer treat reskilling and upskilling as perks for the few. Just as organizations once invested in digital fluency, data literacy, and leadership development, AI training will be the next baseline expectation embedded as a core business strategy. Here's how organizations will succeed:

- Incorporate AI into everyday work situations and tasks, so people can become more comfortable with the technology and confident in its use.
- Make training available and easily accessible at every level of the organization throughout the employee life cycle, using AI to help match employees with recommended learning to close skills gaps.
- Adopt learning technology that provides complete visibility into employee progress to ensure the entire organization is on track with skill building.

02 Transition

AI isn't just a new layer of technology. It's actively reshaping how we work. Some tasks will be automated away. Others will emerge for the first time. This creates a moment of vulnerability, but also tremendous opportunity. Organizations that invest in structured career development, internal mobility programs, and workforce planning can help employees transition into new roles that align with business needs and individual aspirations. By treating AI as a catalyst for career growth, leaders can strengthen retention and resilience. Here's how to get started:

- Empower employees to take charge of their career planning by adopting AI-driven, skills-based career exploration tools.
- Promote internal mobility by using technology that matches employees with open opportunities based on their talent profile, skills, and interests.
- Build organizational agility with data-driven insights into current employee skills and future development needs.

03 Transparency

The promise of AI collapses without trust. Workers want to know what tools they'll be asked to use and how those tools affect decision-making, data use, and fairness in the workplace. Transparency means more than a one-time announcement — it requires ongoing communication, visible ethics processes, and clear accountability. When employees see that their organization is willing to explain the "why" behind AI choices, admit risks, and implement safeguards, skepticism turns into confidence. Use these tips to build trust, increase adoption, and encourage ROI:

- Keep employees informed with a centralized place where they can get important updates about AI in the workplace, regardless of job level or physical work location.
- Use technology that respects organizational permissions at every level with built-in safeguards and security controls to maintain trust.
- Implement solutions that allow organizations to stay in control and limit or restrict AI capabilities where needed, so everyone feels confident about who's in charge.

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