MARKET IMPACT REPORT

Only 12% of enterprises have cracked the AI maturity code—it's catch-up time for the rest

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Executive summary

The enterprise AI landscape is fracturing into a two-speed reality. While every organization is racing to adopt AI, our study reveals a startling truth: **88%** are stuck in the slow lane, constrained by dangerous levels of accumulated enterprise "debts" that derail their digital ambitions. In contrast, a small but significant **12%** have successfully cracked the code for enterprise-wide AI integration, creating a growing chasm between enterprises that have mastered AI and those still grappling with fundamental challenges.

To understand this divide and how to crack this enterprise AI code, HFS Research, in partnership with Infosys, surveyed 553 senior decision-makers from organizations worldwide with revenues ranging from $500 million to more than $50 billion, spanning 15 industries and 17 countries. The process also included in-depth interviews with enterprise AI leaders to understand where organizations are in their AI maturity journey.

A three-phase maturity model that separates AI frontrunners from the rest:

1 **Phase: "Foundational AI" Explorers** (55% of enterprises)—Organizations focused on establishing the basics. While they may have strategies, tools, and partnerships, they struggle with deployment, fragmented data, limited talent, siloed business functions, and inadequate governance.

2 **Phase: "Generative AI" Fast-Followers:** (33% of enterprises)—Organizations that have started scaling AI across functions. However, they face data integration, governance, and cross-functional leadership hurdles. Their AI use cases are more sophisticated, but scaling them remains challenging.

3 **Phase: "Purposeful AI" Frontrunners:** (12% of enterprises)—AI leaders operating in a different league, embedding AI into their core business strategies, cultures, and operations. They achieve AI-driven growth, innovation, guardrails, and enterprise-wide impact by bridging IT and business leadership, centralizing investments, and unlocking data across the enterprise.

The journey from Foundational to Purposeful AI is defined by your ability to pay down five critical Enterprise "debts":

Strategic Debt: The C-suite AI tug-of-war between IT and business is leaving organizations directionless in their AI journey. AI is ultimately a business strategy enabled by emerging technology, but too many enterprises still assign their technology solutions, including emerging AI solutions, to the CIO's organization to lead. In this vein, 44% of organizations still see IT as the primary AI leader, pulling from IT's purse strings—with only a third achieving mature joint IT-business leadership models.

Data Debt: The data hoarding disorder is real, with organizations sitting on valuable data they can't effectively use. Only 7% of organizations fully integrate enterprise data with AI capabilities, while 38% cautiously expose a limited subset of non-sensitive data.

Talent Debt: Organizations face a crippling combination of skills gaps and cultural resistance to AI adoption. Only 15% show genuine enthusiasm about AI, while 65% of employees are worried about job loss, resistant to change, or uncertain about GenAI adoption.

Process Debt: Companies are stuck in pilot purgatory and unable to scale AI beyond isolated experiments. Only 8% of organizations have achieved organization-wide integration, while 37% continue perpetually exploring AI possibilities.

Governance Debt: Build ethical guardrails and centralized governance. These will help ensure responsible AI, protect sensitive data, and enable organizations to scale AI confidently.

The consequences of failing to manage these debts are severe. Organizations stuck in Phase 1 risk falling permanently behind as AI evolves from a competitive advantage to a survival necessity. Meanwhile, the 12% of firms in Phase 3 are driving faster revenue growth, stronger operational efficiency, and sustained market leadership.

The message is clear: Pay down your enterprise debts or face compounding interest on your competitive AI disadvantage.

As AI matures, today's table stakes will become tomorrow's liabilities. Enterprises must stop playing defense and start building an AI-first strategy—one that fuses technology with human ingenuity, breaks down data silos, scales AI deployments, and creates a digitally fluent workforce. Those who master these moves will be the Purposeful AI leaders of tomorrow.

The research provides valuable lessons from enterprises with mature AI initiatives that can help us achieve our AI goals.

Only 12% of enterprises are "purposefully" leveraging AI

While every industry boasts powerful AI use cases (see the appendix for prominent AI use cases by industry), few have successfully integrated AI purposefully into their organizations. Many firms remain stuck in experimentation mode, hindered by legacy processes, cultural resistance, and a lack of clear ROI. True AI integration requires more than technology adoption—it demands reimagining workflows, upskilling talent, and embedding AI into decision-making and operations.

HFS defines AI maturity as progressing through three waves: Foundational AI, Generative AI, and Purposeful AI. Based on a comprehensive evaluation of eight key elements—strategy and leadership, deployment, technology, investments, governance and ethics, ecosystem, data, and people and culture—each wave represents a deeper integration of AI within an organization's core operations and strategies (see Exhibit 1).

> 88% of enterprises are stuck in the basics—only 12% have strategically embedded AI to drive true transformation.
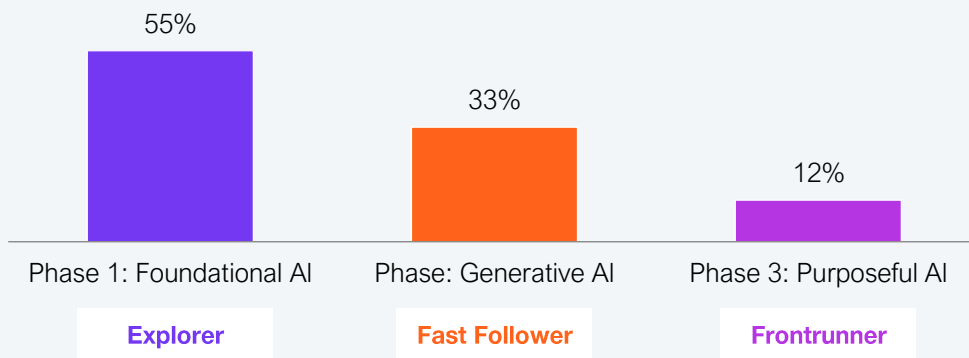
In the first wave, **Foundational AI,** where 55% of organizations currently operate, companies primarily use AI for basic tasks such as workflow automation, usually confined to IT departments. This stage involves classifying data and performing routine, rule-based tasks but often lacks widespread integration across the organization. These organizations grapple with challenges in deployment, talent readiness, and data management.

The second wave, **Generative AI,** sees AI beginning to scale beyond isolated use cases, supporting complex tasks such as real-time data analysis and process automation and expanding into broader business functions. With **33%** of organizations in this phase, they increasingly involve business units in AI initiatives and enhance data practices. However, many still struggle to develop comprehensive talent strategies and governance frameworks for enterprise-wide AI adoption.

In the final wave, **Purposeful AI,** a small group of organizations **(12%)** has successfully embedded AI into core operations and decision-making. These organizations demonstrate advanced deployment, data integration, AI guardrails, and talent management capabilities while fostering cultures that embrace AI innovation with robust governance.

Exhibit 1: The three phases of enterprise AI maturity

- 55% — Phase 1: Foundational AI — Explorer
- 33% — Phase: Generative AI — Fast Follower
- 12% — Phase 3: Purposeful AI — Frontrunner

Sample: 553 executives across global 2000 enterprises
Source: HFS Research in partnership with Infosys, 2025

AI maturity isn't just a theoretical framework—it's a powerful predictor of business success with AI

High-maturity organizations (in Phase 3: Purposeful AI) demonstrate a striking advantage in financial performance over their low-maturity counterparts. This difference is most pronounced in revenue growth, with high-maturity organizations achieving an average growth rate of 7%, compared to just 2% for low-maturity organizations. This means high-maturity organizations grow at an impressive 3.5 times the rate of their less mature peers, underscoring the transformative power of advanced capabilities and strategic investments.

Our analysis also shows a strong correlation between AI maturity and tangible business impact. Phase 3

organizations are leading the pack, with 37% exceeding performance expectations through machine learning (AI/ML) and 25% doing the same with GenAI. In contrast, Phase 1 organizations struggle to move the needle, with less than 1% leveraging AI/ML and only 4% leveraging GenAI for measurable gains (see Exhibit 2).

An organization's AI maturity directly influences its ability to innovate, optimize operations, and stay competitive. Companies with high AI maturity can automate complex tasks, make faster data-driven decisions, and deliver personalized experiences, all of which drive growth and efficiency.

Exhibit 2: AI maturity and business impact are tightly correlated

How would you rate the success of your AI/ML and GenAI initiatives to date?
% respondents whose AI initiatives exceeded expectations
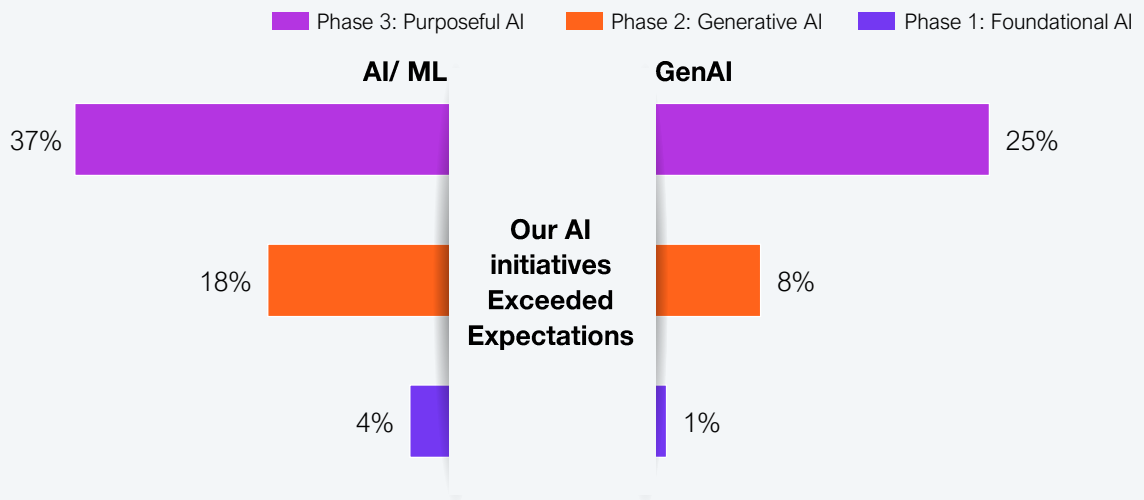
Phase 3: Purposeful AI   Phase 2: Generative AI   Phase 1: Foundational AI

AI/ ML | **GenAI**

Our AI initiatives Exceeded Expectations

AI/ML	GenAI
37%	25%
18%	8%
4%	1%

Sample: 553 executives across global 2000 enterprises
Source: HFS Research in partnership with Infosys, 2025

The AI Maturity Playbook: What sets the leaders apart

What differentiates Frontrunner organizations in phase 3 is their ability to create a symbiotic relationship between AI technology and human expertise. These organizations have successfully integrated AI into their core business strategy, culture, and operations, treating it not as a separate initiative but as a fundamental aspect of doing business.

Companies in this phase have reshaped their entire operating model around AI, creating a new organization that seamlessly blends human and artificial intelligence to drive innovation and competitive advantage.

This holistic approach to AI integration distinguishes the leaders in the AI race from the followers, enabling them to realize the full potential of AI technologies across all aspects of their business.

Strategy and leadership: Flip the script on your IT-business tug-of-war

AI is ultimately a business strategy enabled by emerging technology, but too many enterprises still place their technology solutions in the CIO's organization to lead. As enterprises strive to unlock AI's full potential, this divide between those who treat it as a strategic imperative and those stuck in fragmented, IT-driven approaches becomes increasingly evident. Mature enterprises are leading the way by embedding AI into their core leadership and decision-making frameworks.

AI success demands breaking down silos, with mature organizations applying integrated IT-business leadership

When AI ambitions exceed an organization's ability to align leadership and strategy, it incurs "strategy debt,"

a common challenge for most organizations, especially those in the earlier phases of maturity. These organizations often lead with IT-centric models, prioritizing technical implementation over cross-functional collaboration, which confines AI efforts to operational efficiency rather than driving strategic growth. This siloed approach leaves initiatives dependent on IT teams without broader executive buy-in, preventing scalability and limiting the ability to achieve enterprise-wide impact.

In contrast, Phase 3 (Purposeful AI) organizations bridge this gap by embedding AI leadership into their core strategy, creating joint IT-business structures, and driving transformative outcomes through strategic board mandates rather than short-term efficiency plays. While others remain trapped in siloed thinking, these organizations demonstrate true IT-business fusion, with 48% reporting joint leadership structures (see Exhibit 3).

Exhibit 3: AI success demands tight integration between technical expertise and business acumen

Who is responsible for leading AI initiatives in your organization?
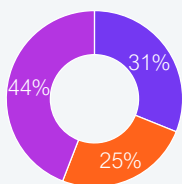
- 31% ■ AI initiatives are jointly led by IT and business leaders.
- 25% ■ AI initiatives are led primarily by business leadership and have some input from IT leadership.
- 44% ■ AI initiatives are led primarily by IT and have some input from business leadership.

Scores across maturity
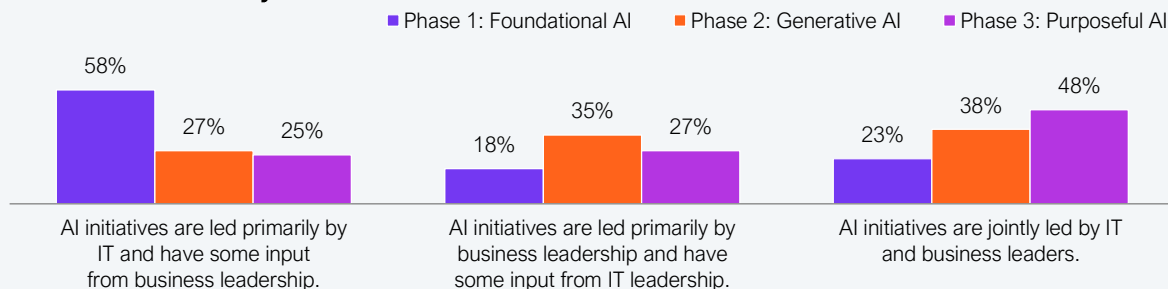
■ Phase 1: Foundational AI   ■ Phase 2: Generative AI   ■ Phase 3: Purposeful AI

AI initiatives are led primarily by IT and have some input from business leadership.	AI initiatives are led primarily by business leadership and have some input from IT leadership.	AI initiatives are jointly led by IT and business leaders.
58% / 27% / 25%	18% / 35% / 27%	23% / 38% / 48%

Sample: 553 executives across global 2000 enterprises
Source: HFS Research in partnership with Infosys, 2025

Their AI initiatives are driven by strategic board mandates rather than mere efficiency plays, showing a sophisticated understanding of AI's transformative potential that far exceeds cost-cutting.

AI investments are fractured: From IT raids to boardroom-led bets on GenAI

Organizations are significantly expanding their GenAI investments, with an average year-over-year increase of 26%. However, a stark contrast emerges when comparing GenAI spending with traditional AI/ML investments. While organizations spend an average of ~$3M annually on GenAI initiatives, their AI/ML investments are nearly double, exceeding $6M annually, reflecting the more established nature of traditional AI programs.

While organizations are pumping enterprise dollars into AI initiatives, the funding source is concerning—55% of GenAI investments come from IT budgets, suggesting many organizations still view AI primarily as a technology initiative rather than a business transformation tool (see Exhibit 4). Only 20% of organizations tap into corporate strategy budgets, highlighting a disconnect between AI investments and strategic business priorities.

Exhibit 4: The IT budget remains the primary funding source for GenAI initiatives

What are the primary sources of funding for your GenAI initiatives?
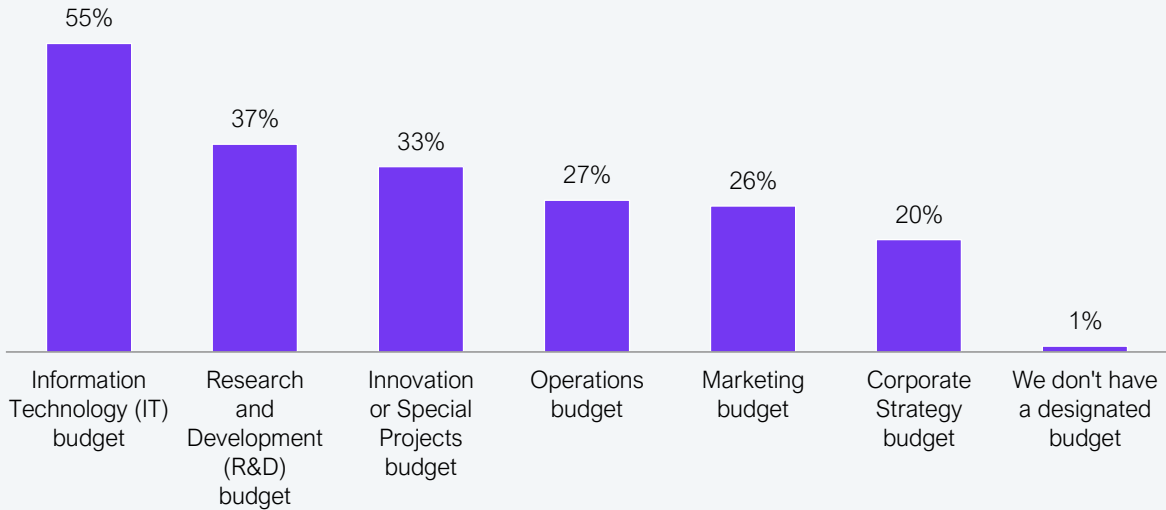
Funding source	Percentage
Information Technology (IT) budget	55%
Research and Development (R&D) budget	37%
Innovation or Special Projects budget	33%
Operations budget	27%
Marketing budget	26%
Corporate Strategy budget	20%
We don't have a designated budget	1%

Sample: 553 executives across global 2000 enterprises
Source: HFS Research in partnership with Infosys, 2025

Most enterprises limit AI's potential by relying on IT budgets rather than treating it as a strategic asset. While only 9% of organizations make AI investment decisions through executive board-level analysis, Phase 3 (Purposeful AI) enterprises stand apart—more than 60% manage AI investments through centralized committees using rigorous ROI analysis.

As one manufacturing CIO notes: "When you have a cross-functional AI board and senior leadership allocating a dedicated budget, you can drive real transformation. But if you just try to fund it from IT budgets, you'll never realize the full strategic value."

Exhibit 5: Successful enterprises rely on centralized committees or executive boards when making AI investment decisions

How does your organization prioritize funding for GenAI initiatives?

■ Phase 1: Foundational AI   ■ Phase 2: Generative AI   ■ Phase 3: Purposeful AI

	Phase 1: Foundational AI	Phase 2: Generative AI	Phase 3: Purposeful AI
No formal process; decisions are made on an ad-hoc basis by individual departments.	29%	13%	9%
Funding decisions are made by individual department heads based on immediate needs.	34%	22%	16%
A dedicated GenAI team prioritizes funding based on project proposals and short-term goals.	18%	24%	12%
A centralized committee evaluates and prioritizes GenAI funding based on strategic alignment with long-term business objectives.	13%	33%	36%
An executive board uses a comprehensive, data-driven analysis to make funding decisions, considering potential ROI, strategic impact, and risk assessment.	7%	8%	27%

Successful enterprises are making AI investment decisions leveraging centralized committees or executive boards

Sample: 553 executives across global 2000 enterprises
Source: HFS Research in partnership with Infosys, 2025

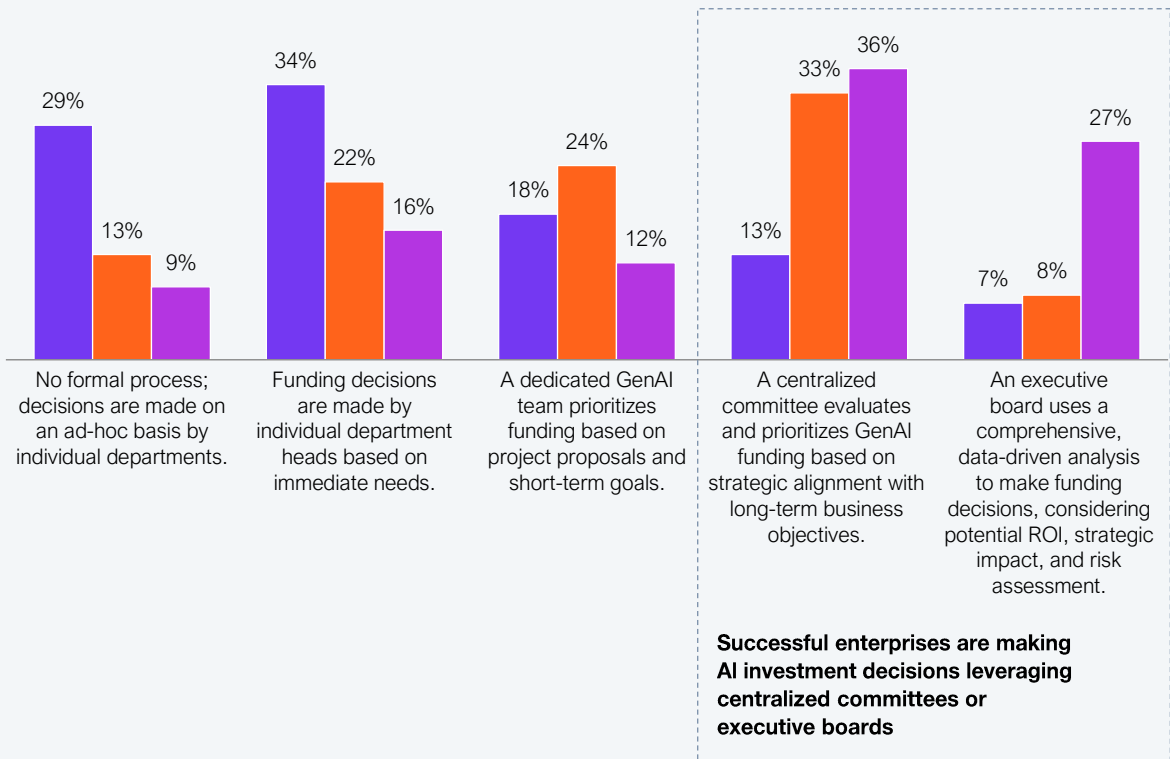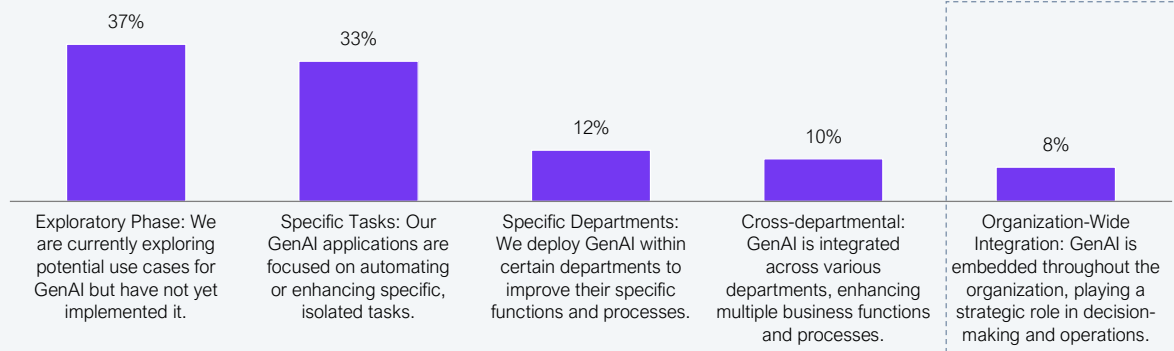# AI deployment: Escape your pilot purgatory to achieve enterprise–scale AI

The promise of enterprise-wide AI deployment remains elusive for most organizations as they struggle to evolve from proven concepts to deploying actual processes and infrastructure. While business leaders rush to embrace GenAI's potential, the reality of scaling beyond pilots presents a formidable challenge that few have mastered. While most organizations find themselves stuck in perpetual proofs-of-concept,

Phase 3 enterprises achieve 34% enterprise-wide AI deployments, which is vastly different from those in Phase 1, which have only reached 1% (see Exhibit 6).

For the rest, this gap highlights the growing burden of process debt as organizations struggle to establish the frameworks and operational readiness needed to scale AI effectively.

Exhibit 6: GenAI deployment is stuck in pilot purgatory

How would you best describe the use cases of GenAI within your organization?

37%	33%	12%	10%	8%
Exploratory Phase: We are currently exploring potential use cases for GenAI but have not yet implemented it.	Specific Tasks: Our GenAI applications are focused on automating or enhancing specific, isolated tasks.	Specific Departments: We deploy GenAI within certain departments to improve their specific functions and processes.	Cross-departmental: GenAI is integrated across various departments, enhancing multiple business functions and processes.	Organization-Wide Integration: GenAI is embedded throughout the organization, playing a strategic role in decision-making and operations.

Across maturity

■ Phase 1: Foundational AI   ■ Phase 2: Generative AI   ■ Phase 3: Purposeful AI

	Phase 1	Phase 2	Phase 3
Exploratory Phase	63%	8%	0%
Specific Tasks	26%	48%	24%
Specific Departments	8%	18%	16%
Cross-departmental	3%	15%	25%
Organization-Wide Integration	1%	10%	34%

Sample: 553 executives across global 2000 enterprises
Source: HFS Research in partnership with Infosys, 2025

Most enterprises struggle to move beyond small–scale AI experiments, highlighting a fundamental gap in their ability to integrate AI effectively

Our research paints a sobering picture: 37% of organizations remain in the exploratory phase, while only 8% have achieved genuine organization-wide integration. The challenge runs deeper than surface-level deployment hurdles. Organizations that are still in the Foundational AI phase are particularly affected, with 63% remaining in exploratory stages with minimal frameworks for scaling.

As one CTO of a Fortune 500 manufacturing company notes:

> "You can run small pilots and validate thousands of outputs manually. But scaling to millions of outputs requires automated validation and robust frameworks. Most companies focus on technology but miss this operational foundation—that's where they get stuck."

This crystallizes the core challenge: while organizations can run controlled pilots, they lack the automated validation, standardized governance, and operational processes needed for industrial-scale deployment. Companies find launching new experiments easier than building comprehensive frameworks for enterprise integration, creating compounding "process debt" as pilots multiply without addressing foundational scaling requirements.

Data readiness: From AI water torture to an AI-ready data torrent

Data is the lifeblood of AI transformation, yet most organizations are caught between the imperative to innovate and the instinct to protect. This cautious approach to data integration places an artificial ceiling on AI's potential and exacerbates data debt.

However, Phase 3 enterprises weaponize their data advantage—39% fully integrate enterprise data with AI capabilities while enabling 64% cross-departmental access. Rather than cautiously limiting data exposure like most organizations, they implement comprehensive governance frameworks that enable the safe utilization of sensitive data, turning their full data estate into a strategic asset.

The reality is most organizations are afraid of their own data

Only 7% of organizations have fully integrated enterprise data with GenAI capabilities, while 38% take a highly cautious approach, exposing only limited, non-sensitive data. This extreme caution stems from deep-rooted data protection obligations, as the security leader of a global professional services firm reflected:

> "From the moment data comes into our system, we are responsible for it at all times. When we first started, we were working with third-party providers… but I couldn't tell you how those systems' data was being protected. With our clients, we have contractual obligations that say we will not sell, share, give away, or reveal any of their sensitive information."

This protective mindset artificially constrains AI's potential. Many organizations are essentially trying to build sophisticated AI capabilities while keeping their most valuable data locked away, installing a self-imposed ceiling on what their AI initiatives can achieve.
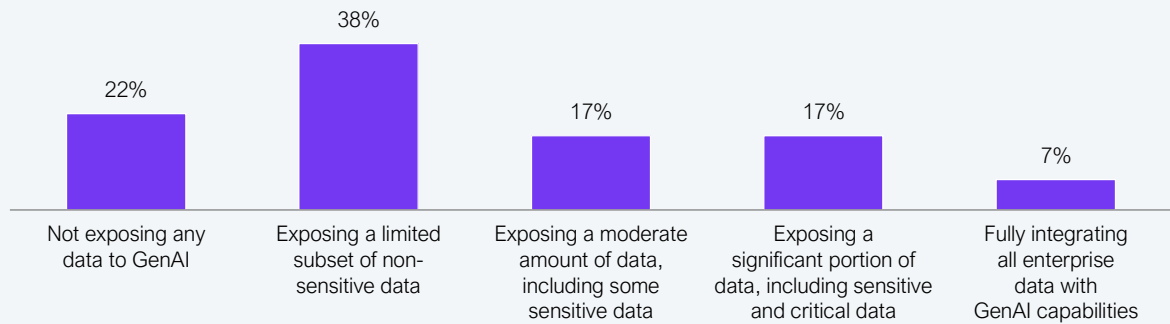
Organizations in the Purposeful AI phase demonstrate a dramatically different approach to data integration. Our research shows that 39% of these mature organizations fully integrate all enterprise data with GenAI capabilities, compared to just 1% in the Foundational phase (see Exhibit 7). These leaders have overcome data privacy concerns through robust governance frameworks, enabling them to leverage sensitive data safely and effectively for AI initiatives.

Data silos continue to strangle innovation

On average, only 15% have achieved wide data accessibility across departments for AI purposes, while 34% report limited to no accessibility at all. A quarter of organizations are still developing their data accessibility policies, suggesting widespread recognition of the problem but slow progress in addressing it. This fragmentation creates digital barriers between departments that prevent AI from delivering enterprise-wide value.

Exhibit 7: Enterprises are keeping their most valuable data locked away from AI

To what extent is your organization exposing the enterprise data to GenAI capabilities? (billing systems, operation, HR systems etc.)

Not exposing any data to GenAI	Exposing a limited subset of non-sensitive data	Exposing a moderate amount of data, including some sensitive data	Exposing a significant portion of data, including sensitive and critical data	Fully integrating all enterprise data with GenAI capabilities
22%	38%	17%	17%	7%

Across maturity

■ Phase 1: Foundational AI ■ Phase 2: Generative AI ■ Phase 3: Purposeful AI

	Not exposing any data to GenAI	Exposing a limited subset of non-sensitive data	Exposing a moderate amount of data, including some sensitive data	Exposing a significant portion of data, including sensitive and critical data	Fully integrating all enterprise data with GenAI capabilities
Phase 1	32%	50%	12%	5%	1%
Phase 2	11%	30%	26%	28%	5%
Phase 3	1%	3%	16%	40%	39%

Sample: 553 executives across global 2000 enterprises
Source: HFS Research in partnership with Infosys, 2025

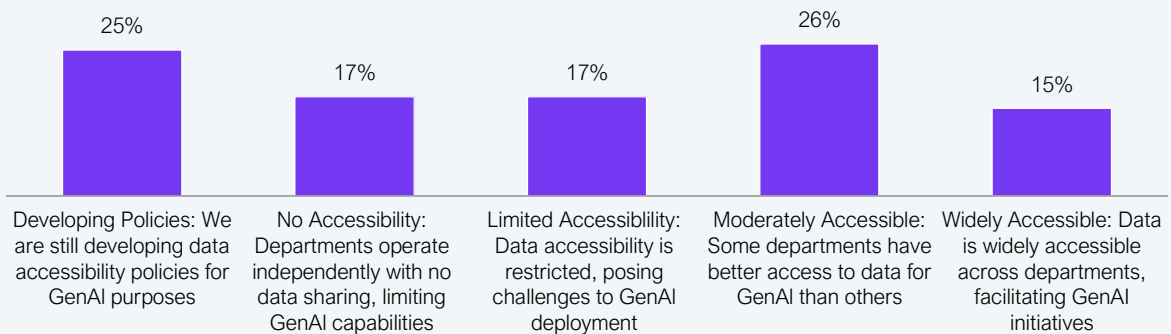Mature organizations have solved this challenge through systematic data sharing and integration approaches. Among Purposeful AI organizations, 64% report wide data accessibility across departments, enabling comprehensive AI implementations (see Exhibit 8). These organizations have moved beyond departmental data ownership to create enterprise-wide data assets. They've achieved this through clear governance frameworks, standardized data-sharing protocols, and technology platforms that enable secure data access across the organization.
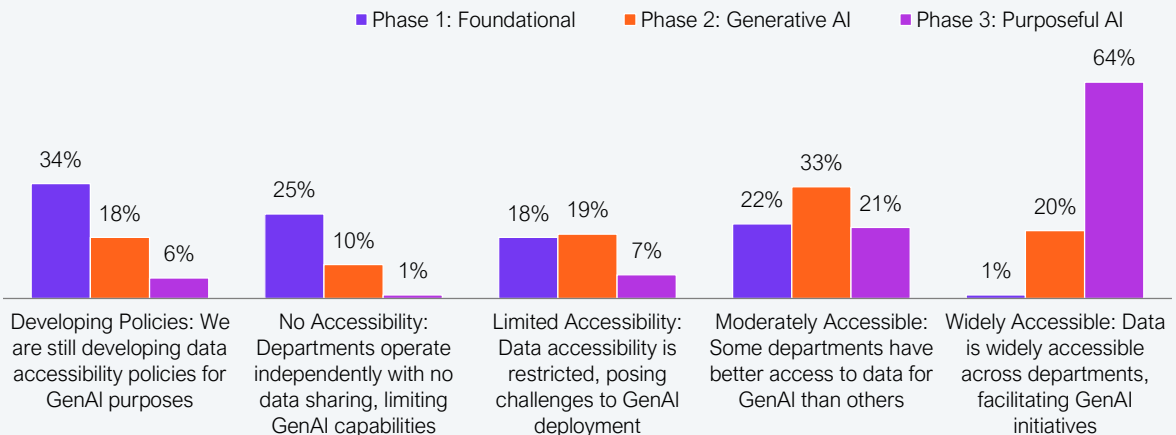
While most organizations struggle with accessing and exposing their data to AI, Purposeful AI enterprises are weaponizing their enterprise data, unleashing full data integration and cross-departmental access to power their AI initiatives. 39% of mature organizations fully integrate all enterprise data with GenAI capabilities, while 64% report wide data accessibility across departments. They've also cracked the code on data variety, with 43% maintaining a balanced mix of structured and unstructured data. This comprehensive approach to data integration enables them to tackle more sophisticated use cases and derive deeper insights that drive competitive advantage.

Exhibit 8: Lack of data access prevents AI from delivering enterprise-wide value

How would you describe the state of your data accessibility across different departments for GenAI purposes?

Developing Policies: We are still developing data accessibility policies for GenAI purposes	No Accessibility: Departments operate independently with no data sharing, limiting GenAI capabilities	Limited Accessiblility: Data accessibility is restricted, posing challenges to GenAI deployment	Moderately Accessible: Some departments have better access to data for GenAI than others	Widely Accessible: Data is widely accessible across departments, facilitating GenAI initiatives
25%	17%	17%	26%	15%

Across maturity

■ Phase 1: Foundational   ■ Phase 2: Generative AI   ■ Phase 3: Purposeful AI

	Developing Policies: We are still developing data accessibility policies for GenAI purposes	No Accessibility: Departments operate independently with no data sharing, limiting GenAI capabilities	Limited Accessibility: Data accessibility is restricted, posing challenges to GenAI deployment	Moderately Accessible: Some departments have better access to data for GenAI than others	Widely Accessible: Data is widely accessible across departments, facilitating GenAI initiatives
Phase 1: Foundational	34%	25%	18%	22%	1%
Phase 2: Generative AI	18%	10%	19%	33%	20%
Phase 3: Purposeful AI	6%	1%	7%	21%	64%

Sample: 553 executives across global 2000 enterprises
Source: HFS Research in partnership with Infosys, 2025

AI governance: Turning ethical chaos into controlled confidence

As AI capabilities grow more sophisticated, the gap between technical implementation and ethical governance widens. Organizations face mounting pressure to balance innovation with responsible AI deployment, yet most lack the frameworks to do so effectively. The result is a widening governance debt that is a ticking time bomb waiting to go off.

Phase 3 organizations implement sophisticated governance models, including building ethics boards, providing regular employee training, and creating clear pathways for reporting ethical concerns about GenAI projects. Unlike the majority, which are stuck defining basic frameworks, these leaders have established clear protocols for ethical AI deployment, data protection, and cross-functional scaling.

Organizations face significant governance gaps in AI ethics, with only a minority adopting robust frameworks

While there is widespread recognition of ethical concerns related to AI, as evidenced by, on average, 41% of respondents partnering with third-party experts and 35% implementing human-in-the-loop

protocols, there is a notable lack of comprehensive, internal ethical frameworks (see Exhibit 9).
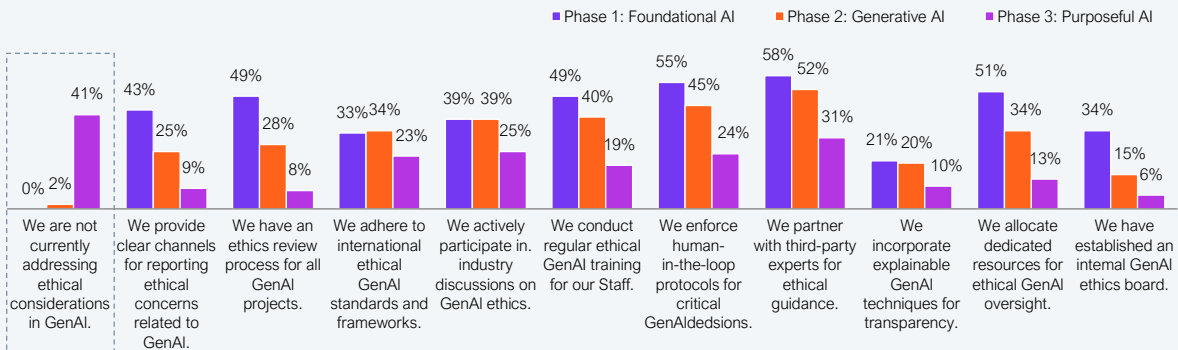
Phase 3 organizations are more likely to provide clear channels for reporting ethical concerns related to GenAI (43% compared to 9% of Foundational levels), as well as more likely to have an ethics review process for GenAI projects (49% compared to 8% in Foundational levels. They are also more likely to allocate dedicated resources for ethical guidance and establish internal GenAI ethics boards.

Data governance also remains a critical weakness. Only 28% of organizations still define their data governance frameworks for GenAI, and 10% operate without any enterprise-wide framework. This governance deficit creates compound risks as organizations attempt to scale their AI initiatives. Only 14% have implemented centralized data governance offices to support cross-functional teams and facilitate GenAI integration.

The impact of weak governance extends beyond regulatory compliance. Organizations lacking robust governance frameworks struggle to balance data accessibility with security requirements, creating a trust deficit that limits AI adoption.

Exhibit 9: Alarmingly, 4 in 10 organizations in Phase 1 at the start of their AI journey aren't addressing ethical considerations at all

How is your organization addressing ethical considerations in GenAI?

Legend: ■ Phase 1: Foundational AI ■ Phase 2: Generative AI ■ Phase 3: Purposeful AI

Category	Phase 1: Foundational AI	Phase 2: Generative AI	Phase 3: Purposeful AI
We are not currently addressing ethical considerations in GenAI.	0%	2%	41%
We provide clear channels for reporting ethical concerns related to GenAI.	43%	25%	9%
We have an ethics review process for all GenAI projects.	49%	28%	8%
We adhere to international ethical GenAI standards and frameworks.	33%	34%	23%
We actively participate in. industry discussions on GenAI ethics.	39%	39%	25%
We conduct regular ethical GenAI training for our Staff.	49%	40%	19%
We enforce human-in-the-loop protocols for critical GenAIdedsions.	55%	45%	24%
We partner with third-party experts for ethical guidance.	58%	52%	31%
We incorporate explainable GenAI techniques for transparency.	21%	20%	10%
We allocate dedicated resources for ethical GenAI oversight.	51%	34%	13%
We have established an internal GenAI ethics board.	34%	15%	6%

Sample: 553 executives across global 2000 enterprises
Source: HFS Research in partnership with Infosys, 2025

People and culture: From brain drain to brain gain in the age of AI

The human element remains AI transformation's most critical—and challenging—aspect. As organizations race to implement new capabilities, their workforce readiness and cultural adaptation lag behind dangerously.

Phase 3 enterprises drive cultural transformation by embedding AI capabilities across every business function. Rather than treating AI as a technical initiative, they invest heavily in workforce development, change management, and establishing clear frameworks for AI adoption—turning potential resistance into enthusiasm for AI-driven innovation.

Organizations prioritize AI infrastructure but neglect human and partnership elements crucial for success

The impact of this cultural resistance extends beyond mere adoption challenges. Organizations are notably underinvesting in cultural transformation, with "changing organizational culture" ranking near the bottom of priority lists, while technical aspects such as data cleaning and software acquisition dominate. This misalignment between technical investment and cultural readiness creates a compounding debt that becomes increasingly costly as organizations attempt to scale their AI initiatives (see Exhibit 10).

Exhibit 10: Changing organizational culture is at the bottom of the AI priority list for organizations

What are the top 3 specific actions your organization is taking to effectively utilize AI technologies?

Rank	
1	Cleaning and optimizing data for GenAI use
2	Buying specialized GenAI software
3	Enhancing cybersecurity measures
4	Revising business processes to integrate AI
5	Implementing AI governance and ethical guidelines
6	Upskilling employees to work with GenAI technologies
7	Transitioning to cloud-based services
8	Investing in AI research and development
9	Rationalizing and modernizing applications to support AI
10	Changing organizational culture to embrace AI technologies
11	Restructuring the organization to accommodate AI initiatives
12	Expanding our network of strategic partnerships

Sample: 553 executives across global 2000 enterprises
Source: HFS Research in partnership with Infosys, 2025

Fear and resistance dominate the AI conversation

A startling talent crisis overhangs AI transformation efforts. While enterprises rush to implement AI capabilities, 65% of employees remain worried about job loss, resistant to change, or uncertain about GenAI adoption. Only 15% demonstrate genuine positivity toward AI initiatives, creating a significant people debt that undermines implementation efforts.

Resistance peaks in organizations at the Foundational AI phase, where 29% report explicit resistance due to fears of job loss and disruption. This cultural roadblock creates a compound effect: As organizations invest more heavily in AI technology, they face increasing resistance from the workforce needed to make these investments successful.

Phase 3 Purposeful AI enterprises recognize that AI isn't just a technology shift—it's a cultural one

(see Exhibit 11). They are investing in transforming their workforce into digital champions, embedding AI capabilities into daily operations across every business function.
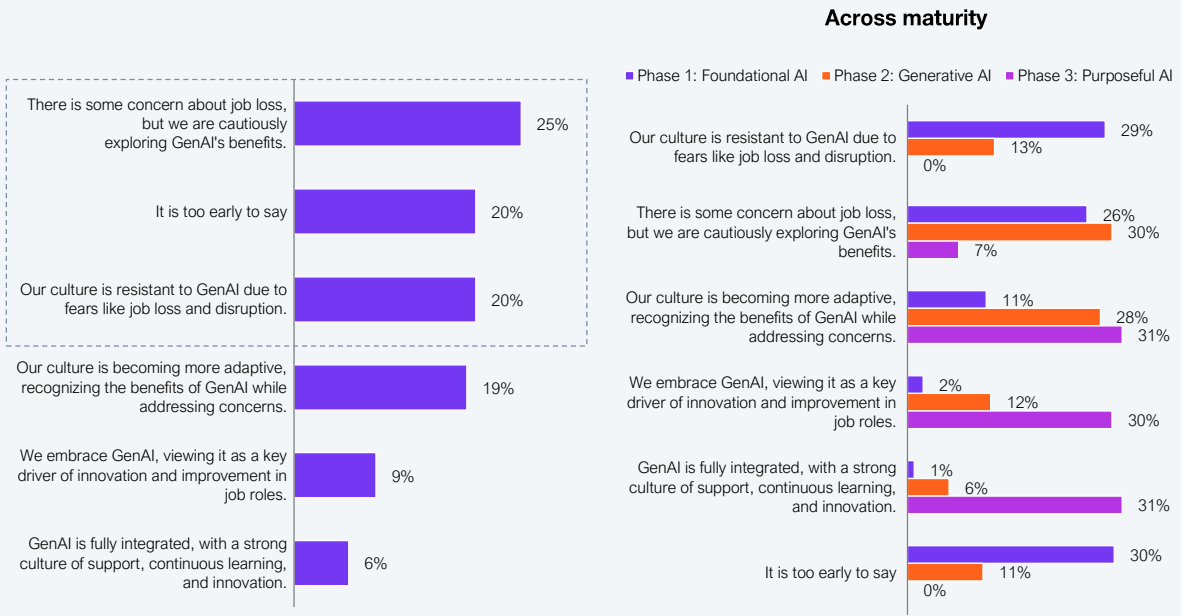
A product leader at a global technology company highlights this challenge:

> "We have two similarly skilled engineers who are very good at their job—one decided to embrace AI tools, the other didn't. You see a 2x, 3x, 5x step change in productivity from the ones that do... But there's no guidance. You have to be a complete self-starter versus having a cookbook and formalized guidance. That disparity is alarming."

This underscores the critical need for structured cultural transformation to unlock AI's full potential.

Exhibit 11: 65% are either worried about job loss, resistant to change, or still on the fence

How would you describe the culture within your organization regarding GenAI adoption?

Across maturity

Legend: ■ Phase 1: Foundational AI ■ Phase 2: Generative AI ■ Phase 3: Purposeful AI

Left chart:
- There is some concern about job loss, but we are cautiously exploring GenAI's benefits. — 25%
- It is too early to say — 20%
- Our culture is resistant to GenAI due to fears like job loss and disruption. — 20%
- Our culture is becoming more adaptive, recognizing the benefits of GenAI while addressing concerns. — 19%
- We embrace GenAI, viewing it as a key driver of innovation and improvement in job roles. — 9%
- GenAI is fully integrated, with a strong culture of support, continuous learning, and innovation. — 6%

Right chart (Across maturity):
- Our culture is resistant to GenAI due to fears like job loss and disruption. — 29%, 13%, 0%
- There is some concern about job loss, but we are cautiously exploring GenAI's benefits. — 26%, 30%, 7%
- Our culture is becoming more adaptive, recognizing the benefits of GenAI while addressing concerns. — 11%, 28%, 31%
- We embrace GenAI, viewing it as a key driver of innovation and improvement in job roles. — 2%, 12%, 30%
- GenAI is fully integrated, with a strong culture of support, continuous learning, and innovation. — 1%, 6%, 31%
- It is too early to say — 30%, 11%, 0%

Sample: 553 executives across global 2000 enterprises
Source: HFS Research in partnership with Infosys, 2025

Organizations are struggling to democratize AI expertise

While 66% of organizations are attempting to integrate AI experts into business units or embed AI across all employees' work, the execution of these initiatives reveals concerning gaps. Our analysis shows that 20% of organizations in the Foundational AI phase report having no AI experts, while others struggle with effectively deploying AI expertise. Most concerning is the disconnect between AI talent placement and business outcomes, with only 31% of organizations achieving meaningful integration between AI capabilities and core business functions.

Insufficient investment in upskilling programs further exacerbates the skills gap. Despite recognizing the need for AI expertise, organizations consistently rank "upskilling employees" low on their priority lists. This creates a dangerous reliance on external expertise, with 46% of organizations primarily depending on partnerships with startups, academia, and consultants rather than building more sustainable internal capabilities.

The Bottom Line: Pay your enterprise debts or accumulate compound interest on organizational deficits. There's no middle ground in 2025 to realize your AI ambitions.

AI isn't an aspiration—it's here, working and advancing at an incredible pace. The real question is: Are we ready to keep up?

The gap between AI leaders and laggards is set to explode in 2025. While 12% of organizations push ahead with robust foundations and integrated AI capabilities, the remaining 88% risk getting trapped in a vicious cycle of compounding organizational debts that become increasingly expensive to address.

Even organizations in higher maturity phases can't rest easy. As AI technology evolves exponentially, today's maturity becomes tomorrow's table stakes. Those trapped in cycles of paying off strategy, process, data, and talent debts will perpetually play catch-up.

To avoid permanent relegation to the digital slow lane, organizations must:

1 **Think human + machine, not human vs. machine:** Real AI leaders don't see tech as competition—they see it as a teammate. Success comes from blending human ingenuity with machine precision.

2 **Leverage AI at the core, not on the sidelines:** Stop treating AI as a side project. The winners bake it into strategy, culture, and operations—transforming it from an initiative into an instinct.

3 **Dethrone the IT monarchy:** Stop letting IT hog the AI spotlight. Force-feed collaboration between IT and business units until they finish each other's sentences. Your AI strategy should be a chorus, not a solo performance.
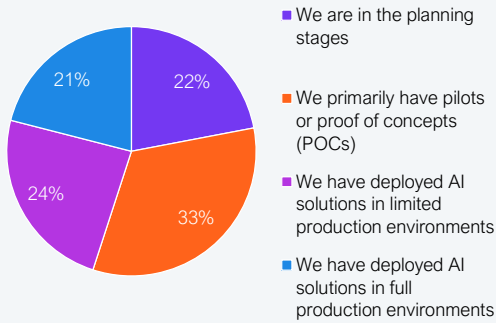
4 **Unleash your data from departmental dungeons:** Break down data silos with the ferocity of a wrecking ball. Implement a company-wide data integration initiative that makes your data scientists dance with joy.

5 **Cultivate an AI-first culture or risk becoming a digital dinosaur:** Launch an aggressive upskilling program that turns AI skeptics into AI evangelists. Your workforce should be fluent in AI.

6 **Ethical AI isn't just nice to have; it's your digital lifeline:** Develop and implement a standardized AI deployment playbook to ensure consistent, scalable, and responsible AI implementation across the organization.

7 **Graduate from GenAI pilots to full-scale, business-altering implementations:** You're doing it wrong if your GenAI isn't causing significant disruption (the good kind) in at least three departments.

8 **Reward the bold:** Stop playing it safe. Celebrate and reward people who dive into change and embrace tech like it's their lifeline (because it is).

9 **Get uncomfortable now:** The future belongs to those willing to take risks, break things, and embrace the chaos of transformation.
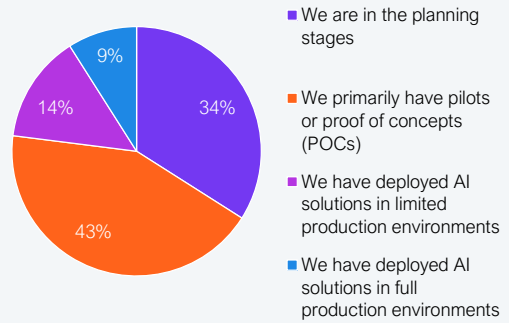
The consequences of carrying organizational debt will become severe as we enter the next phase of AI maturity, characterized by increasingly sophisticated technology and higher stakes for digital transformation. Those who fail to systematically address their strategic misalignments, process fragmentation, data silos, and talent gaps will find themselves unable to harness AI's evolving potential.
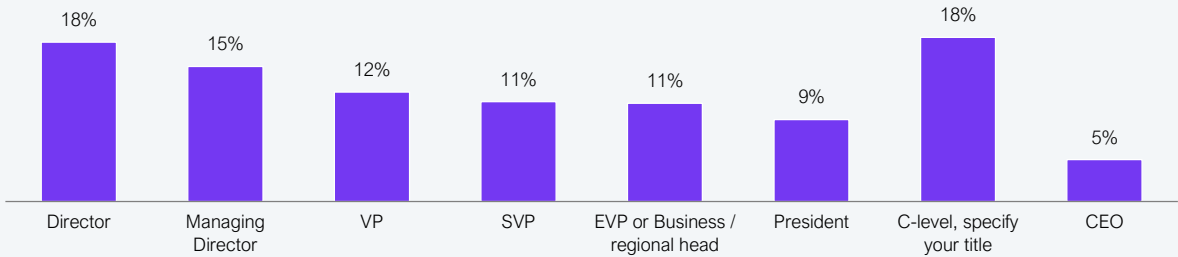
Survey Demographics (1/2)

State of company's initiatives in AI and ML

- 22% ■ We are in the planning stages
- 33% ■ We primarily have pilots or proof of concepts (POCs)
- 24% ■ We have deployed AI solutions in limited production environments
- 21% ■ We have deployed AI solutions in full production environments

State of company's initiatives in GenAI

- 34% ■ We are in the planning stages
- 43% ■ We primarily have pilots or proof of concepts (POCs)
- 14% ■ We have deployed AI solutions in limited production environments
- 9% ■ We have deployed AI solutions in full production environments

By Role

Director	Managing Director	VP	SVP	EVP or Business / regional head	President	C-level, specify your title	CEO
18%	15%	12%	11%	11%	9%	18%	5%

By Primary Function

Information Technology	Global Business Services	Finance & Accounting	Customer Service	Marketing	Research and Development	Operations	Procurement & Supply Chain Management	Sales	Human Resources	Product Development	Legal & Compliance
20%	19%	9%	8%	8%	7%	6%	6%	5%	5%	5%	2%

Sample: 553 survey participants
Source: HFS Research, 2025

Survey Demographics (2/2)

By Country

Country	Percentage
US	26%
Canada	14%
Rest of the world	10%
Germany	6%
UK	5%
Australia	5%
India	5%
France	5%
Sweden	4%
Other European Countries	4%
Netherlands	3%
Spain	3%
Hong Kong	3%
China	2%
Singapore	2%
Japan	2%
Other Asia Pacific Countries	1%
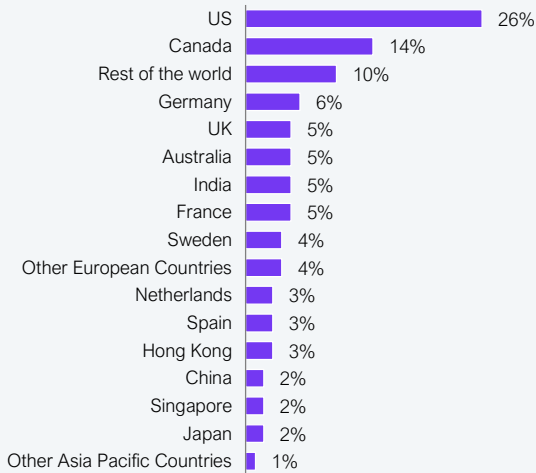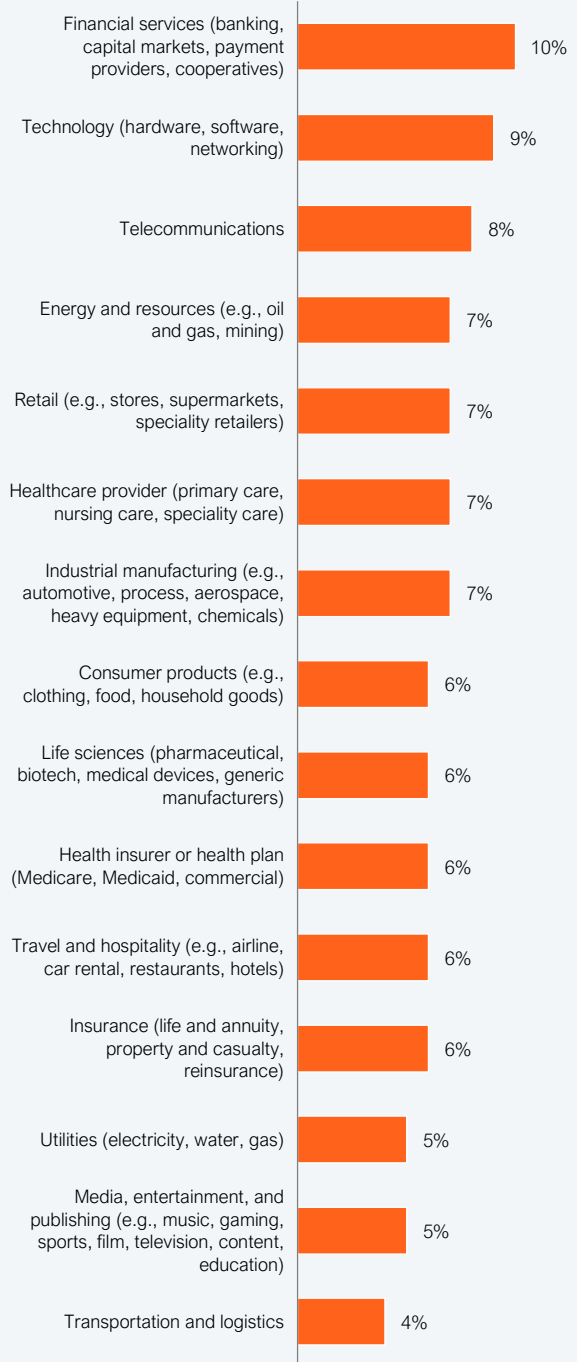
Role by organization's investments and initiatives around AI

Role	Percentage
I am the decision maker for our AI initiatives	34%
I am influencing and advising my organization's AI initiatives	25%
I own / partly own the budget for our AI initiatives	20%
I am responsible for executing my organization's AI ambitions	14%
I have a good understanding of my organization's AI initiatives	7%

By revenue

Revenue	Percentage
Greater than $50 billion	20%
$10 billion to $50 billion	5%
$5 billion to $10 billion	30%
$1 billion to $5 billion	30%
$500 million to $1 billion	15%

By Industry

Industry	Percentage
Financial services (banking, capital markets, payment providers, cooperatives)	10%
Technology (hardware, software, networking)	9%
Telecommunications	8%
Energy and resources (e.g., oil and gas, mining)	7%
Retail (e.g., stores, supermarkets, speciality retailers)	7%
Healthcare provider (primary care, nursing care, speciality care)	7%
Industrial manufacturing (e.g., automotive, process, aerospace, heavy equipment, chemicals)	7%
Consumer products (e.g., clothing, food, household goods)	6%
Life sciences (pharmaceutical, biotech, medical devices, generic manufacturers)	6%
Health insurer or health plan (Medicare, Medicaid, commercial)	6%
Travel and hospitality (e.g., airline, car rental, restaurants, hotels)	6%
Insurance (life and annuity, property and casualty, reinsurance)	6%
Utilities (electricity, water, gas)	5%
Media, entertainment, and publishing (e.g., music, gaming, sports, film, television, content, education)	5%
Transportation and logistics	4%

Sample: 553 survey participants
Source: HFS Research, 2025

Appendix: Prominent AI use cases by industry

Manufacturing	Energy & Utilities	Transportation & Logistics	Technology & IT
Quality Control & Efficiency: • Use AI for real-time defect detection and classification. • Optimize production processes and schedules. • Simulate manufacturing processes for potential improvements. **Customization & Innovation:** • Customize product designs based on consumer data. • Design and produce parts tailored to specific engineering requirements. **Predictive Maintenance:** • Predict equipment failures and optimize maintenance schedules. • Monitor equipment health to extend machinery lifespan.	**Optimization of Energy Consumption:** • Predict energy demand and optimize production/distribution. • Generate models for balancing energy supply and demand. • Optimize industrial energy consumption. **Infrastructure Management:** • Simulate utility infrastructure resilience under various conditions. • Predict and prevent utility network failures. • Monitor networks for cybersecurity threats and automate responses. **Resource Management & Environmental Impact:** • Optimize drilling locations for resource extraction. • Generate insights to reduce energy consumption and environmental impact.	**Route & Fleet Optimization:** • Predict traffic patterns and optimize delivery routes. • Determine optimal fleet size and composition. **Supply Chain Efficiency:** • Predict supply chain disruptions and manage inventory. • Use real-time tracking for enhanced logistics management. **Customer Experience:** • Personalize travel plans and enhance vacation experiences. • Suggest restaurants and other services based on preferences.	**Automation & Development:** • Automate software development tasks like coding and debugging. • Optimize cloud resource allocation and scaling. **Cybersecurity & Network Management:** • Predict and prevent network failures and cyber threats. • Optimize network traffic and bandwidth allocation. • Generate models to detect anomalies and protect systems. **Data-Driven Innovations:** • Use AI to analyze large datasets for insights and innovation. • Automate responses to customer service inquiries. • Customize software features based on user behavior.

Healthcare	Financial Services	Retail & E-commerce	Media & Entertainment
Personalized Treatment & Diagnostics: • Analyze patient records for personalized treatment plans. • Enhance diagnostic accuracy through AI-enhanced imaging. • Predict patient risks and tailor mental health treatments. • Use genomic data for personalized therapies and disease prediction. • Custom medical devices and parts tailored to individual needs. • Predict drug interactions and assess disease mechanisms. **Operational Efficiency:** • Optimize staff scheduling and resource allocation. • Generate reports for clinical decision-making. • Improve patient communication and adherence.	**Personalized Financial Solutions:** • Tailor investment portfolios to individual risk profiles. • Generate personalized insurance policy recommendations. • Create custom financial health reports and savings recommendations. **Fraud Detection & Risk Management:** • Analyze market trends and detect fraud. • Predict loan defaults and creditworthiness. • Automate financial report generation for regulatory compliance. **Market Insights & Strategic Planning:** • Forecast market trends and future sales. • Generate insights from financial data to drive innovation. • Optimize pricing strategies based on market analysis.	**Personalized Shopping Experiences:** • Recommend products based on shopping habits and preferences. • Enable virtual try-ons and custom product designs. • Offer personalized marketing campaigns and content. • Create virtual store layouts for better visual merchandising. **Inventory & Supply Chain Optimization:** • Predict demand and manage inventory efficiently. • Optimize delivery routes and logistics management. • Forecast supply chain disruptions and maintain continuous production. **Customer Engagement & Service:** • Use sentiment analysis to refine marketing strategies. • Customize product options and shopping experiences.	**Content Creation & Personalization:** • Automate video editing and post-production. • Predict audience reactions and optimize content distribution. **Creative Innovation:** • Generate unique music tracks and soundscapes. • Improve film scriptwriting with AI-generated ideas. • Create realistic virtual characters and gaming environments. **Operational Efficiency:** • Automate production processes and enhance content creation. • Optimize content delivery based on viewer preferences.

HFS Research authors

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Practice Leader

Dana Daher is a Practice Leader at HFS Research, spearheading research initiatives in emerging technologies and employee experience. With a unique blend of expertise in anthropology and IT, Dana leads cutting-edge research that shapes industry landscapes across various domains, including employee experience, Agentic AI, generative AI, diversity, equity, and inclusion (DEI), and sustainability. Her multidisciplinary background allows her to bridge the gap between strategy, people, and technology, offering a holistic perspective on today's rapidly evolving business landscape.

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Saurabh Gupta is president, Research and Advisory Services for HFS Research. He sets the strategic research focus and agenda for HFS Research, understanding and predicting the needs of the industry and ensuring that HFS maintains its position as the strongest impact thought leader for business operations and services research. Saurabh oversees HFS' global research function, managing the team of analysts and operations across the US, Europe, and Asia.

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Phil Fersht is a globally acclaimed industry analyst specializing in business transformation through technology and global talent. He founded HFS Research (2010), the leading global research and advisory firm helping Fortune 500 companies through IT and business transformation with bold insights and actionable strategies.

Phil has pioneered concepts like Generative Enterprise (2023), which leverages AI technologies like ChatGPT to redefine workflows and disrupt outdated business models, and OneOffice (2016), a hybrid workforce model integrating automation and AI.

![Infosys logo]

About Infosys Topaz

Infosys Topaz is an AI-first set of services, solutions and platforms using generative AI technologies. It helps amplify the potential of humans, enterprises and communities to create value from unprecedented innovations, pervasive efficiencies and connected ecosystems.

About Infosys

Infosys is a global leader in next-generation digital services and consulting. Over 300,000 of our people work to amplify human potential and create the next opportunity for people, businesses and communities. We enable clients in more than 56 countries to navigate their digital transformation. With over four decades of experience in managing the systems and workings of global enterprises, we expertly steer clients, as they navigate their digital transformation powered by cloud and AI. We enable them with an AI-first core, empower the business with agile digital at scale and drive continuous improvement with always-on learning through the transfer of digital skills, expertise, and ideas from our innovation ecosystem. We are deeply committed to being a well-governed, environmentally sustainable organization where diverse talent thrives in an inclusive workplace.

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- **INTREPID**
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