QuantumBlack
AI by McKinsey

The state of AI in 2025

Agents, innovation, and transformation

November 2025

Almost all survey respondents say their organizations are using AI, and many have begun to use AI agents. But most are still in the early stages of scaling AI and capturing enterprise-level value.

This article is a collaborative effort by Alex Singla, Alexander Sukharevsky, Bryce Hall, Lareina Yee, and Michael Chui, with Tara Balakrishnan, representing views from QuantumBlack, AI by McKinsey.

Key findings

1. **Most organizations are still in the experimentation or piloting phase:** Nearly two-thirds of respondents say their organizations have not yet begun scaling AI across the enterprise.

2. **High curiosity in AI agents:** Sixty-two percent of survey respondents say their organizations are at least experimenting with AI agents.

3. **Positive leading indicators on impact of AI:** Respondents report use-case level cost and revenue benefits, and 64 percent say that AI is enabling their innovation. However, just 39 percent report EBIT impact at the enterprise level.

4. **High performers use AI to drive growth, innovation, and cost:** Eighty percent of respondents say their companies set efficiency as an objective of their AI initiatives, but the companies seeing the most value from AI often set growth or innovation as additional objectives.

5. **Redesigning workflows is a key success factor:** Half of those AI high performers intend to use AI to transform their businesses, and most are redesigning workflows.

6. **Differing perspectives on employment impact:** Respondents vary in their expectations of AI's impact on the overall workforce size of their organizations in the coming year: 32 percent expect decreases, 43 percent no change, and 13 percent increases.

Three years since the introduction of gen AI tools triggered a new era of artificial intelligence, nearly nine out of ten survey respondents say their organizations are regularly using AI—but the pace of progress remains uneven. While AI tools are now commonplace, most organizations have not yet embedded them deeply enough into their workflows and processes to realize material enterprise-level benefits. The latest McKinsey Global Survey on the state of AI reveals a landscape defined by both wider use—including growing proliferation of agentic AI—and stubborn growing pains, with the transition from pilots to scaled impact remaining a work in progress at most organizations.

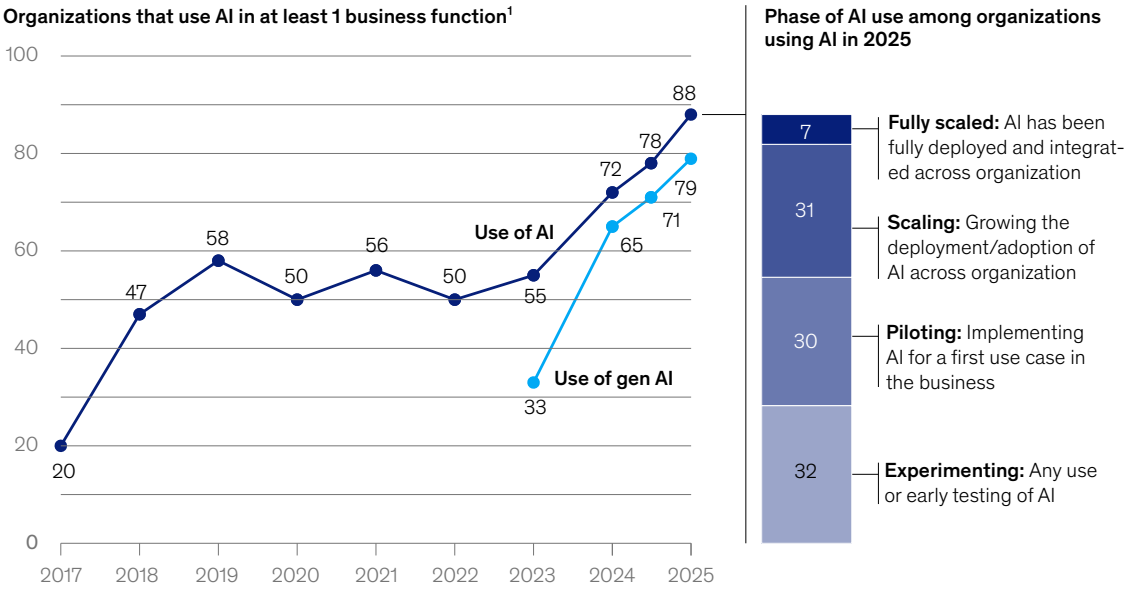
AI use continues to broaden but remains primarily in pilot phases

Our latest survey shows a larger share of respondents reporting AI use by their organizations, though most have yet to scale the technologies. The share of respondents saying their organizations are using AI in at least one business function has increased since our research last year: 88 percent report regular AI use in at least one business function, compared with 78 percent a year ago. But at the enterprise level, the majority are still in the experimenting or piloting stages (Exhibit 1), with approximately one-third reporting that their companies have begun to scale their AI programs.

Exhibit 1

Reported use of AI in at least one business function continues to increase.

Use of AI by respondents' organizations, % of respondents



[1]In 2017, the definition for AI use was using AI in a core part of the organization's business or at scale. In 2018–19, the definition was embedding at least 1 AI capability in business processes or products. From 2020, the definition was that the organization has adopted AI in at least 1 function, and in 2025, the definition was regular use of AI in at least 1 function.
Source: McKinsey Global Surveys on the state of AI, 2017–25

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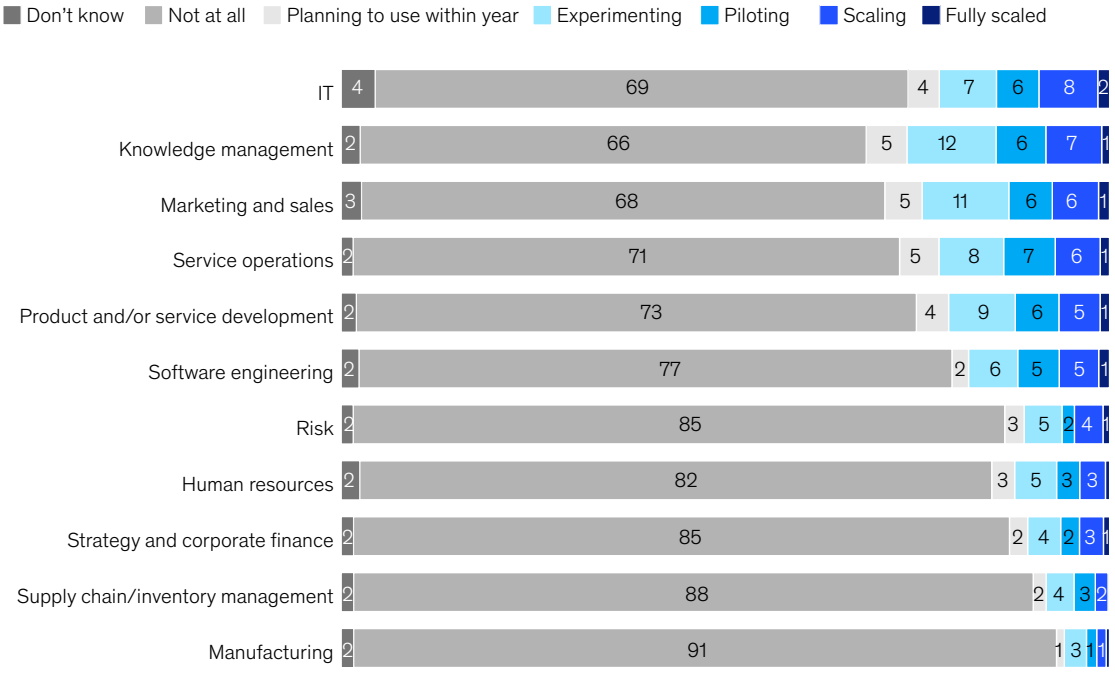
Many organizations are already experimenting with AI agents

Organizations are also beginning to explore opportunities with AI agents—systems based on foundation models capable of acting in the real world, planning and executing multiple steps in a workflow. Twenty-three percent of respondents report their organizations are scaling an agentic AI system somewhere in their enterprises (that is, expanding the deployment and adoption of the technology within a least one business function), and an additional 39 percent say they have begun experimenting with AI agents. But use of agents is not yet widespread: Most of those who are scaling agents say they're only doing so in one or two functions. In any given business function, no more than 10 percent of respondents say their organizations are scaling AI agents (Exhibit 2).

Exhibit 2

No more than 10 percent of respondents report scaling AI agents in any individual function.

Phase of AI agent use at respondents' organizations, by business function,[1] % of respondents (n = 1,933)



Note: Figures may not sum to 100%, because of rounding.
[1]Question was asked only of respondents who reported regular use of AI in the respective functions and was rebased to reflect the total sample.
Source: McKinsey Global Survey on the state of AI, 1,993 participants at all levels of the organization, June 25–July 29, 2025

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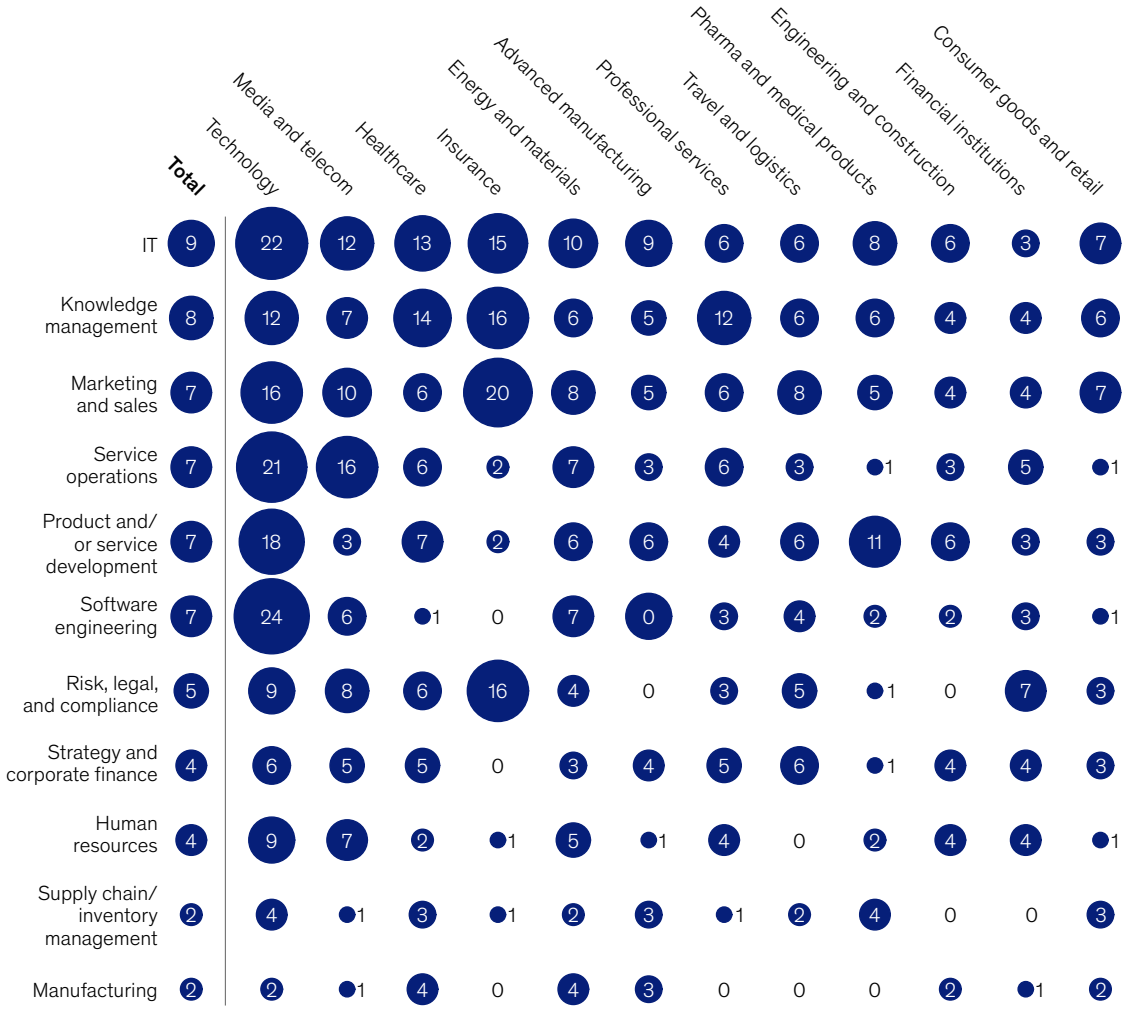
Looking at individual business functions, agent use is most commonly reported in IT and knowledge management, where agentic use cases such as service-desk management in IT and deep research in knowledge management have quickly developed. By industry, the use of AI agents is most widely reported in the technology, media and telecommunications, and healthcare sectors (Exhibit 3).

Exhibit 3

Use of AI agents is most often reported by respondents working in technology, media and telecommunications, and healthcare.

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



[1]Includes respondents who answered "scaling" and "fully scaled." Question was asked only of respondents who reported regular use of AI in the respective functions and was rebased to reflect the total sample. In technology, n = 237; insurance, n = 80; healthcare, n = 129; media and telecommunications, n = 93; energy and materials, n = 141; advanced manufacturing (includes advanced electronics, aerospace, automotive and assembly, and semiconductors), n = 118; professional services (includes legal services, management consulting, market research, and product research), n = 259; consumer goods and retail, n = 116; travel, logistics, and infrastructure, n = 75; engineering, construction, and building materials, n = 77; banking and other financial institutions, n = 153; pharmaceuticals and medical products, n = 78.
Source: McKinsey Global Survey on the state of AI, 1,993 participants at all levels of the organization, June 25–July 29, 2025

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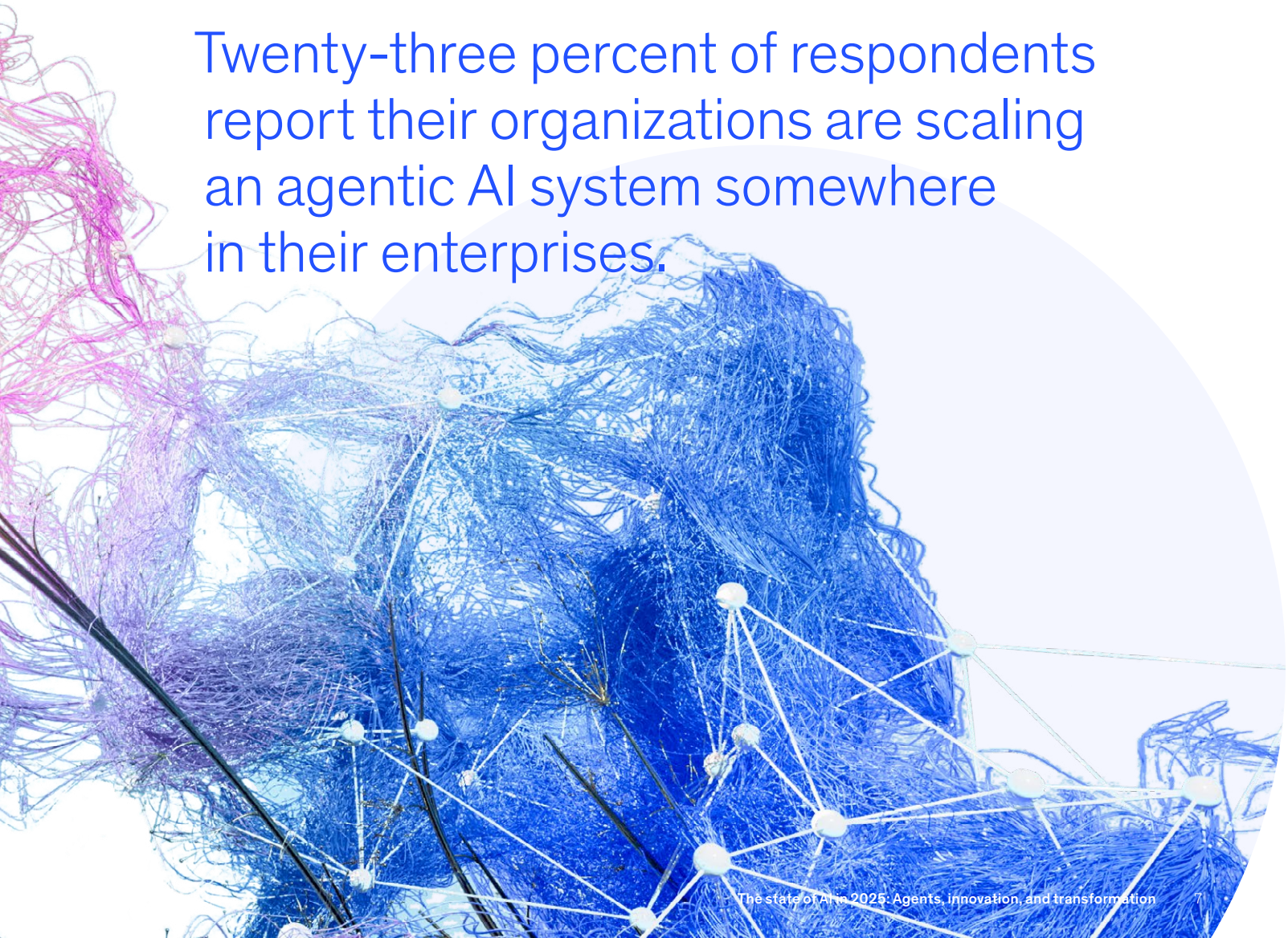
McKinsey commentary

Michael Chui

Senior fellow

AI agents have been the subject of intense buzz and excitement. Already, about a quarter of our survey respondents report that they have started scaling at least one agentic AI system, but usually only in one or two business functions. Looking across the entire enterprise landscape, the use of agents is not yet widespread. This gap highlights the contrast between the great potential that manifests in a "hype cycle" and the current reality on the ground: For those companies that respondents say have started to use agents in any particular business function, most of them are still in the exploratory stages. And as we recently documented in another article about the lessons we've learned from a year of building agentic AI tools: When it comes to agents, it takes hard work to do it well.

Twenty-three percent of respondents report their organizations are scaling an agentic AI system somewhere in their enterprises.



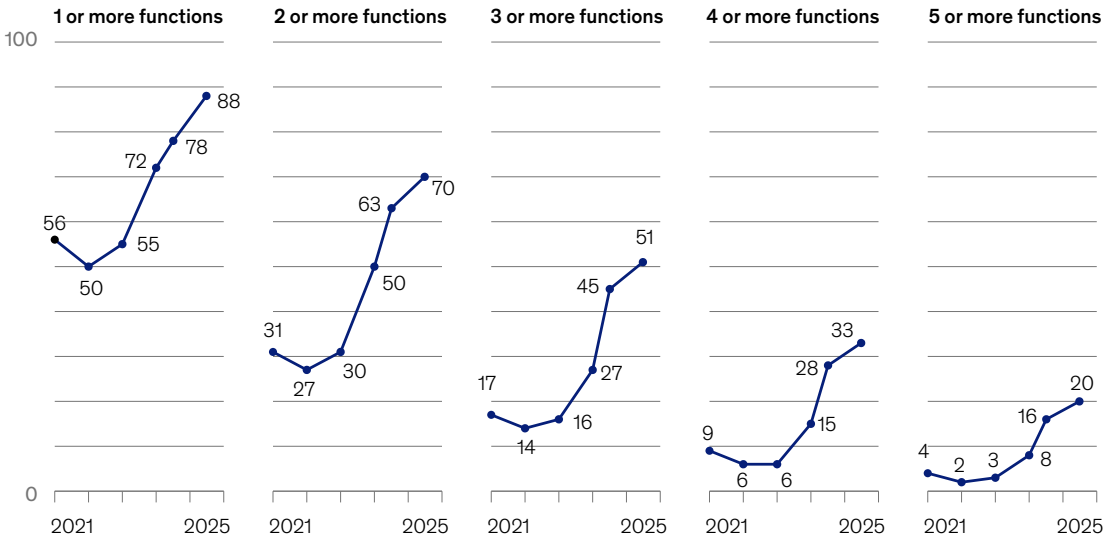
For most organizations, AI use remains in pilot phases

The use of AI overall is broadening within organizations. Respondents increasingly report that their organizations are using AI in more business functions (Exhibit 4). More than two-thirds of respondents now say their organizations are using AI in more than one function, and half report using AI in three or more functions (for a breakdown by industry, see sidebar, "Reported AI use ticks upward in nearly every industry").

Exhibit 4

Organizations are increasingly using AI in multiple functions.

Business functions at respondents' organizations that are using AI,[1] % of respondents



[1]In 2021, n = 1,843; in 2022, n = 1,492; in 2023, n = 1,684; in Feb–Mar 2024, n = 1,363; in July 2024, n = 1,491; in June–July 2025, n = 1,993. The survey question asks about 11 functions: HR; IT; manufacturing: marketing and sales; product and/or service development; risk, legal, and compliance; service operations; software engineering; strategy and corporate finance; supply chain/inventory management; and knowledge management.
McKinsey Global Surveys on the state of AI, 2021–25

McKinsey & Company

Sidebar

Reported AI use ticks upward in nearly every industry

In every industry besides the technology sector (which had already exceeded 90 percent reporting AI use), the share of respondents saying that their organization is regularly using AI in at least one business function has meaningfully increased since our previous survey. In last year's research, respondents working for technology companies reported being ahead of other industries with respect to their use of AI. Now, respondents in media and telecommunications and insurance are just as likely as those in technology to report AI use (exhibit). Throughout eight years of AI research, we have consistently seen IT and marketing and sales as the business functions that respondents most often say are using AI. But our latest findings show that knowledge management is now also one of the functions with the most reported AI use.

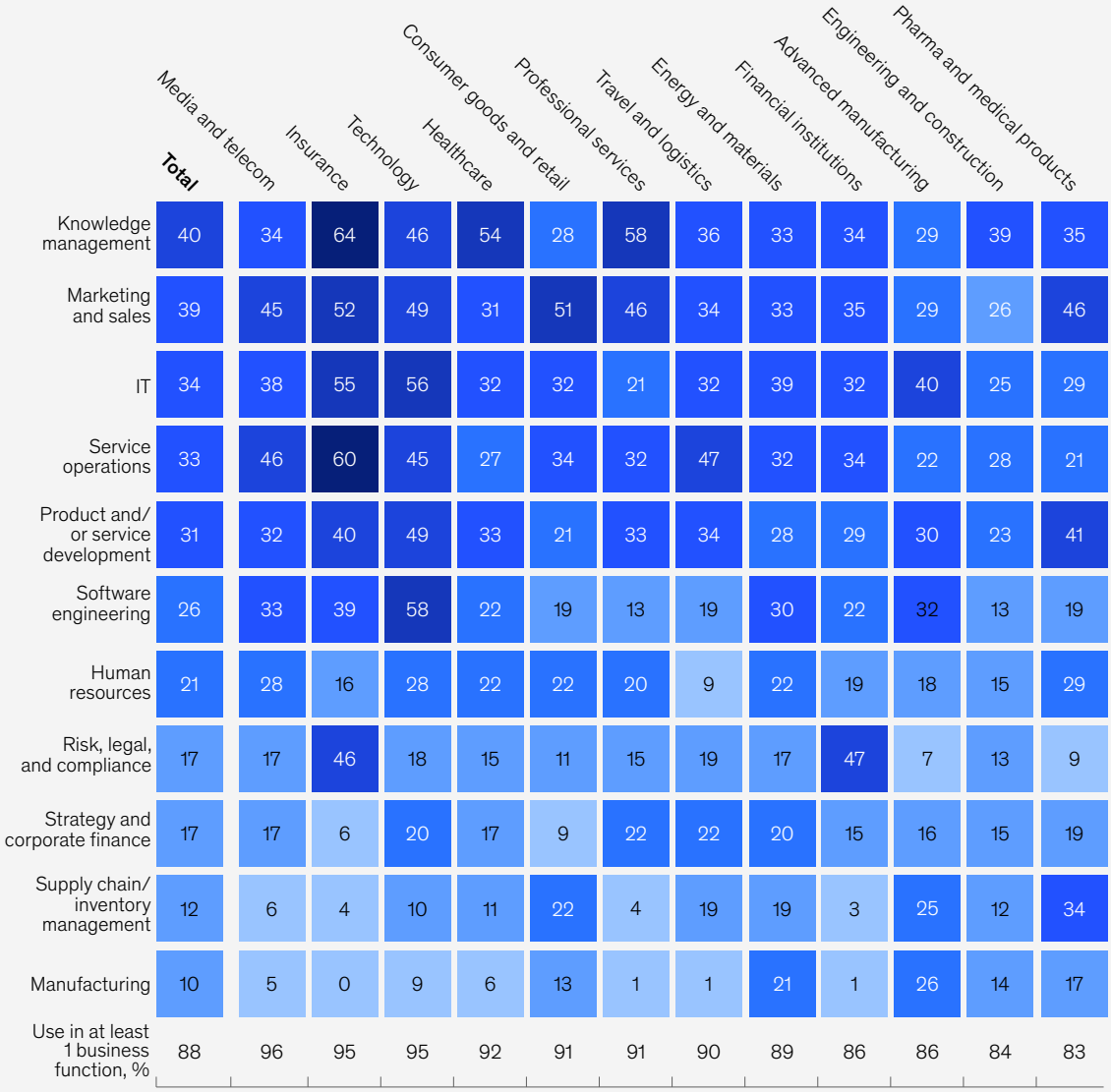
Looking at individual use cases within business functions, respondents most often report using AI to capture information as well as processing and delivering it, such as through a conversational interface; in content support for marketing strategy, including drafting, generating ideas, and presenting knowledge for creating marketing strategies; and in contact-center or customer service automation.

Reported AI use ticks upward in nearly every industry

Exhibit

Respondents working in media and telecommunications, insurance, and technology report the most use of AI.

Business functions in which respondents' organizations are regularly using AI, by industry,[1]
% of respondents



[1]Respondents who said "don't know" or "other" are not shown. In media and telecom, n = 98; insurance, n = 61; technology, n = 249; healthcare, n = 101; consumer goods and retail, n = 129; professional services, n = 291; travel, logistics, and infrastructure, n = 66; energy and materials, n = 191; banking and other financial institutions, n = 152; advanced manufacturing (includes advanced electronics, aerospace, automotive and assembly, and semiconductors), n = 136; engineering, construction, and building materials, n = 90; pharmaceuticals and medical products, n = 77.
Source: McKinsey Global Survey on the state of AI, 1,993 participants at all levels of the organization, June 25–July 29, 2025

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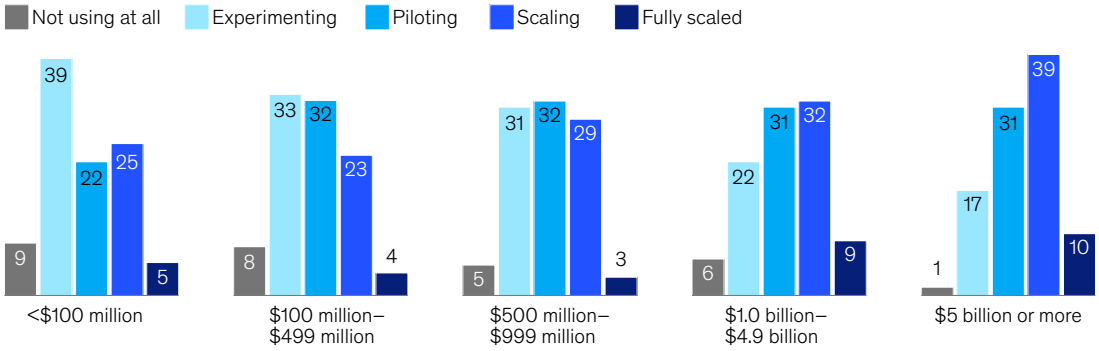
However, many companies—particularly smaller ones—have yet to integrate AI deeply across their workflows. While only one-third of all respondents say they are scaling their AI programs across their organizations, larger companies—both in terms of revenues and the number of employees—are more likely to have reached the scaling phase. Nearly half of respondents from companies with more than $5 billion in revenue have reached the scaling phase, compared with 29 percent of those with less than $100 million in revenues (Exhibit 5).

Exhibit 5

Larger companies lead the way in scaling AI beyond pilots.

Phase of organization's use of AI, by company revenues,[1] % of respondents



Note: Figures may not sum to 100%, because of rounding.
[1]Respondents who said "don't know" are not shown, but represent <2% of the total.
Source: McKinsey Global Survey on the state of AI, 1,993 participants at all levels of the organization, June 25–July 29, 2025

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While only one-third of all respondents say they are scaling their AI programs across their organizations, larger companies are more likely to have reached the scaling phase.

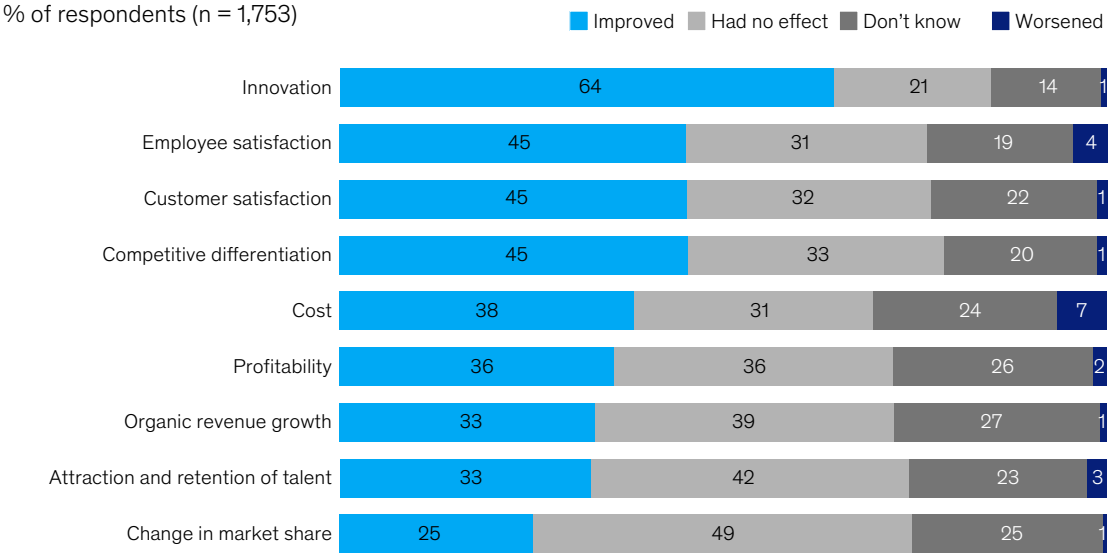
AI as a catalyst for innovation

Responses suggest that for most organizations, the use of AI has not yet significantly affected enterprise-wide EBIT. Thirty-nine percent of respondents attribute any level of EBIT impact to AI, and most of those respondents say that less than 5 percent of their organization's EBIT is attributable to AI use. However, respondents see other company-wide qualitative outcomes: A majority say that their organizations' use of AI has improved innovation, and nearly half report improvement in customer satisfaction and competitive differentiation (Exhibit 6).

Exhibit 6

Respondents most often cite benefits from AI in innovation, employee and customer satisfaction, and competitive differentiation.

Extent to which AI use has affected organizational measures over the past year,[1]
% of respondents (n = 1,753)



Note: Figures may not sum to 100%, because of rounding.
[1]Asked only of respondents who said their organizations regularly use AI in at least 1 business function.
Source: McKinsey Global Survey on the state of AI, 1,993 participants at all levels of the organization, June 25–July 29, 2025

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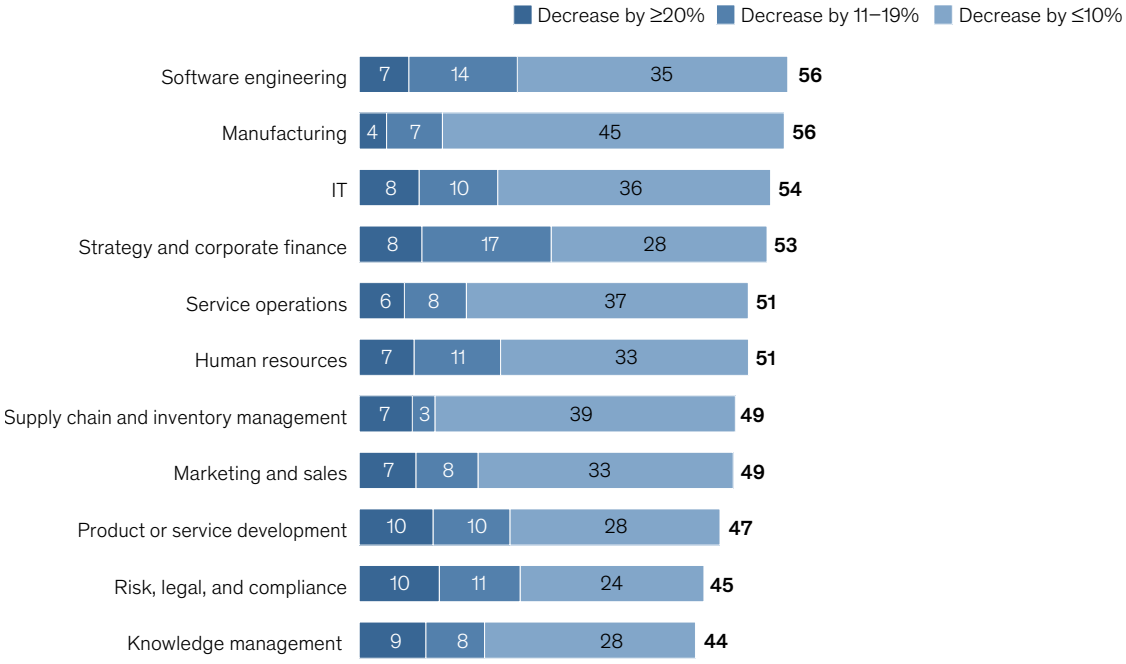
While reported cases of enterprise-wide EBIT impact are limited, many respondents say they are seeing cost benefits from individual AI use cases—especially in software engineering, manufacturing, and IT (Exhibit 7).

Exhibit 7

Respondents most commonly report cost benefits from AI activities in software engineering, manufacturing, and IT.

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



Note: Figures may not sum to totals, because of rounding.
[1]Question was asked only of respondents who said their organizations regularly use AI in a given function. Respondents who said "cost increase," "no change," "not applicable," or "don't know" are not shown.
Source: McKinsey Global Survey on the state of AI, 1,993 participants at all levels of the organization, June 25–July 29, 2025

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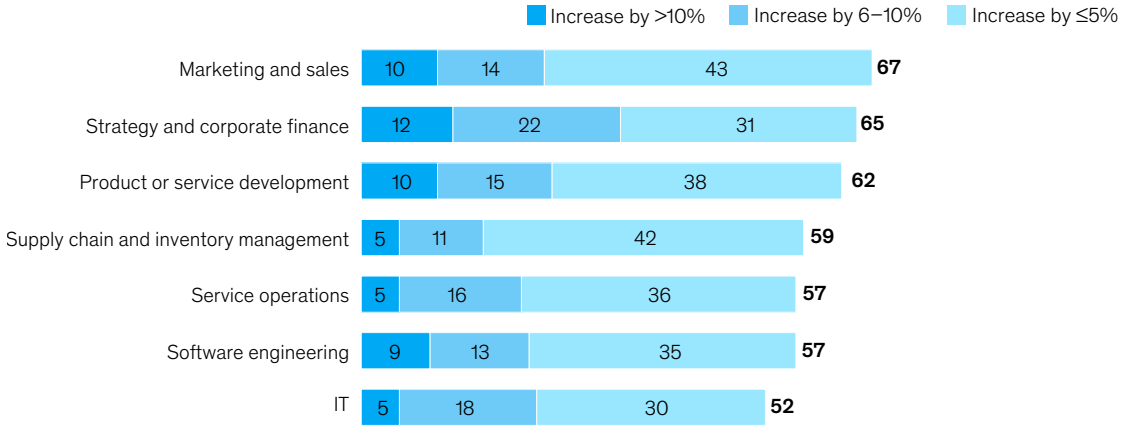
Revenue increases resulting from AI use are most commonly reported in use cases within marketing and sales, strategy and corporate finance, and product and service development, which is consistent with what we've seen over the years we have been conducting the survey (Exhibit 8).

Exhibit 8

Respondents report the greatest revenue benefits from AI in marketing and sales, strategy and corporate finance, and product or service development.

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



Note: Figures may not sum to totals, because of rounding.
[1]Questions were asked only of respondents who said their organizations use AI in a given function. Respondents who said "decreased revenue," "no change," "not applicable," or "don't know" for the effects of AI on revenue are not shown.
Source: McKinsey Global Survey on the state of AI, 1,993 participants at all levels of the organization, June 25–July 29, 2025

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McKinsey commentary

Alex Singla

Senior partner

Last year, we noted that generative AI was no longer a novelty and that enterprise adoption was spreading as companies rewired to help realize value. This year's data confirm that trajectory—AI use is broadening, but scale still lags. We are seeing that while companies may have rolled out AI tools, most have not yet productized use cases, redesigned workflows around AI and agentic capabilities, or built the platforms/guardrails needed to run them at scale. In working with organizations, we find that the largest ones have the scale to invest in AI to advance more quickly. The companies reporting EBIT impact tend to have progressed further in their scaling journeys. All business leaders are seeking to make their companies more efficient, but the real results emerge when leaders are also able to use technology to innovate.

Organizations with ambitious AI agendas are seeing the most benefit

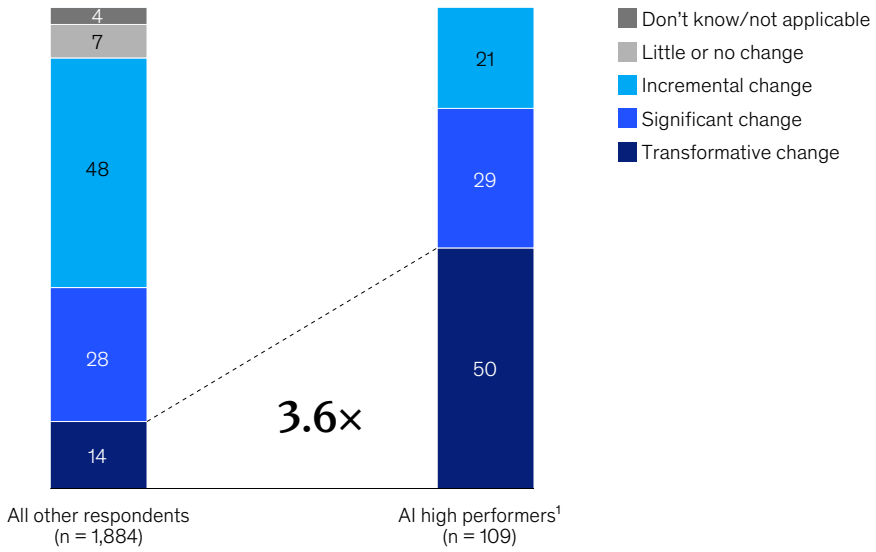
Meaningful enterprise-wide bottom-line impact from the use of AI continues to be rare, though our survey results suggest that thinking big can pay off. Respondents who attribute EBIT impact of 5 percent or more to AI use and say their organization has seen "significant" value from AI use—our definition of AI high performers, representing about 6 percent of respondents—report pushing for transformative innovation via AI, redesigning workflows, scaling faster, implementing best practices for transformation, and investing more.

High performers have bold ambitions to transform their business: AI high performers are more than three times more likely than others are to say their organization intends to use AI to bring about transformative change to their businesses (Exhibit 9).

Exhibit 9

High performers are more likely than others to expect their organizations to use AI for enterprise-wide transformative change.

Extent to which organization intends to use AI to change its business in the next 3 years,
% of respondents



Note: Figures may not sum to 100%, because of rounding.
[1]AI high performers are respondents who reported that more than 5% of their organization's EBIT and "significant value" are attributable to the organization's use of AI.
Source: McKinsey Global Survey on the state of AI, 1,993 participants at all levels of the organization, June 25–July 29, 2025

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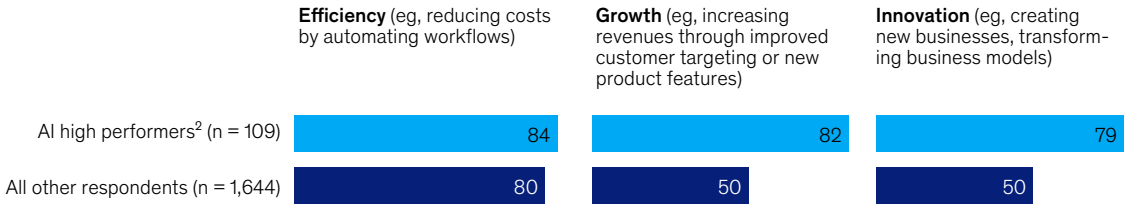
Organizations seeing the greatest impact from AI often aim to achieve more than cost reductions from these technologies. While most respondents report that efficiency gains are an objective of their organizations' AI use, high performers are more likely than others are to say their organizations have also set growth and/or innovation as an objective of their AI efforts (Exhibit 10).

Whether or not they qualify as high performers, respondents who say their organizations are using AI to spur growth and/or innovation are more likely than others are to report achieving a range of qualitative enterprise-level benefits from their AI use—such as improved customer satisfaction, competitive differentiation, profitability, revenue growth, and change in market share.

Exhibit 10

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

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



[1]Asked only of respondents who said their organizations regularly use AI in at least 1 business function. Respondents who said "don't know" or "other" are not shown.
[2]AI high performers are respondents who reported that more than 5% of their organization's EBIT and "significant value" are attributable to the organization's use of AI.
Source: McKinsey Global Survey on the state of AI, 1,993 participants at all levels of the organization, June 25–July 29, 2025

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Respondents who say their organizations are using AI to spur growth and/or innovation are more likely than others are to report achieving a range of qualitative enterprise-level benefits from their AI use.

In addition to high aspirations at the enterprise level, high performers are also nearly three times as likely as others are to say their organizations have fundamentally redesigned individual workflows (Exhibit 11). Indeed, this intentional redesigning of workflows has one of the strongest contributions to achieving meaningful business impact of all the factors tested.[1]

Exhibit 11

High performers are nearly three times as likely as others are to fundamentally redesign their workflows in their deployment of AI.

Respondents who report fundamental redesign of organization's workflows in their deployment of AI,[1]
% of respondents

[1]Question was asked only of respondents whose organizations use AI in at least 1 function.
[2]AI high performers are respondents who reported that more than 5% of their organization's EBIT and "significant value" are attributable to the organization's use of AI. For AI high performers, n = 109; for all others, n = 1,644.
Source: McKinsey Global Survey on the state of AI, 1,993 participants at all levels of the organization, June 25–July 29, 2025

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[1] To identify which organizational practices differentiate high performers, we conducted a relative weights analysis on 31 variables. This method estimates each variable's unique contribution to explaining high-performance status, accounting for correlations among predictors.

McKinsey commentary

Tara Balakrishnan

Associate partner

What stands out most about the high performers is their level of ambition. Their AI agendas go beyond driving incremental efficiency gains: High performers are setting out to fundamentally reimagine their businesses. This level of ambition becomes a key differentiator and catalyst for change in the organization. When leaders articulate a transformative vision for AI, we see that it galvanizes the organization in terms of alignment, investment, and overall energy. As a result, leading organizations are not just seeing improved automation results; they are redesigning workflows and customer experiences to capture new forms of value.

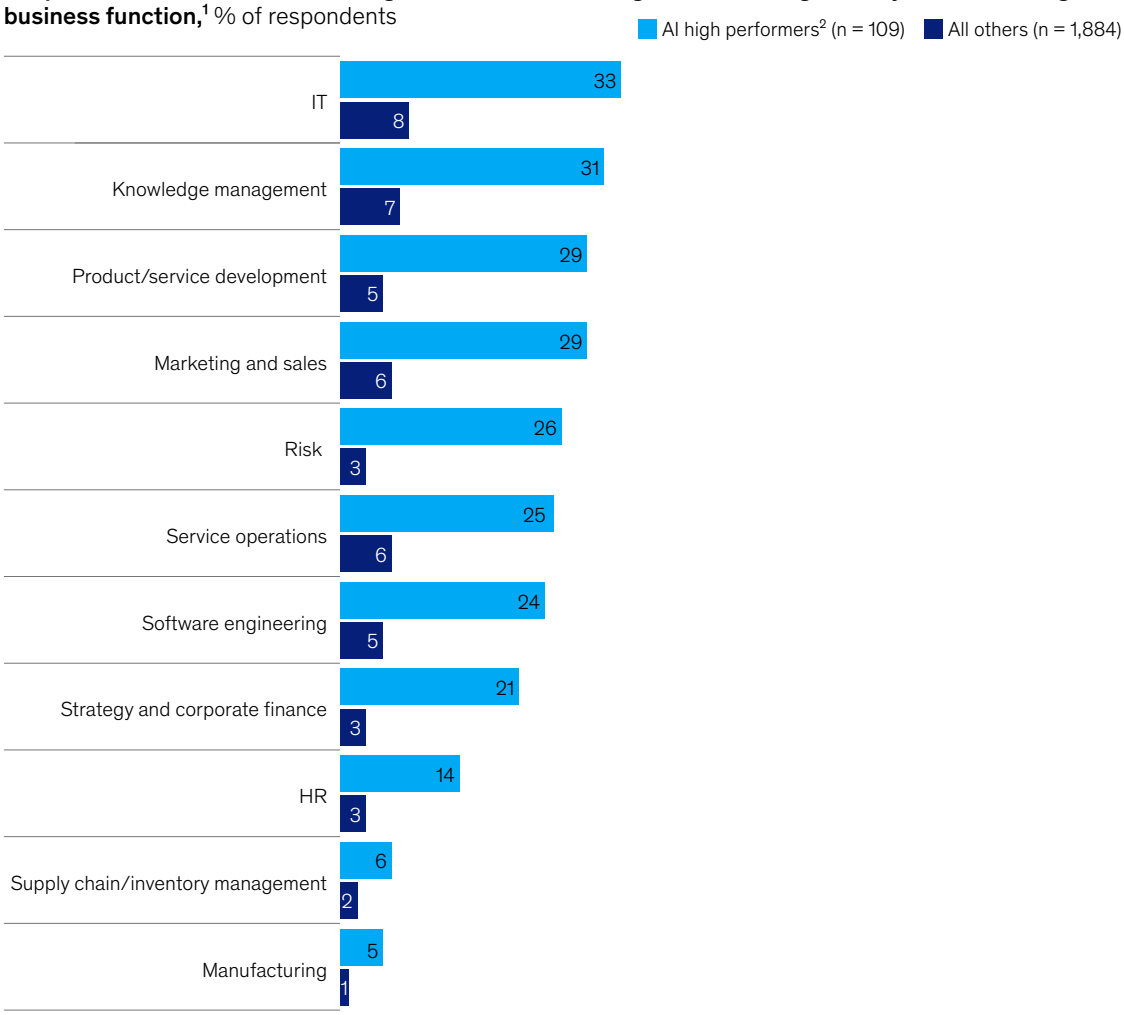
Often, organizations approach AI through a cost-first mindset. While many see leading indicators from efficiency gains, focusing only on cost can limit AI's impact. Positioning AI as an enabler of growth and innovation creates space within the organization to go after the cost and efficiency improvements more effectively. And for many organizations, an efficiency play will not be sufficient to navigate AI disruption. They will need to consider how AI can be leveraged to tell a transformational story to their stakeholders. Doing so also supports change management internally. Employees tend to rally behind a shared vision of opportunity. In our experience, many of the organizations that use AI to inspire growth and innovation are the same ones that find it easier to scale AI use and ultimately realize sustainable productivity improvements.

AI high performers are also regularly using AI in more business functions than their peers. These respondents are much more likely than others are to report use in marketing and sales, strategy and corporate finance, and product and service development, for example. Additionally, high performers have advanced further with their use of AI agents than others have. In most business functions, AI high performers are at least three times more likely than their peers to report that they are scaling their use of agents (Exhibit 12).

Exhibit 12

High performers are much more likely than others are to have taken AI agents to the scaling phase.

Respondents who describe their organization's use of AI agents as 'scaling' or 'fully scaled' in the given business function,[1] % of respondents



[1]The question asked to what extent respondents' organizations are using AI agents (ie, AI systems based on foundation models that act in the real world and are capable of autonomously planning and executing multiple steps in a workflow) in each of the following business functions. Only asked of respondents whose organizations use AI in at least 1 function.
[2]AI high performers are respondents who reported that more than 5% of their organization's EBIT and "significant value" are attributable to the organization's use of AI.
Source: McKinsey Global Survey on the state of AI, 1,993 participants at all levels of the organization, June 25–July 29, 2025

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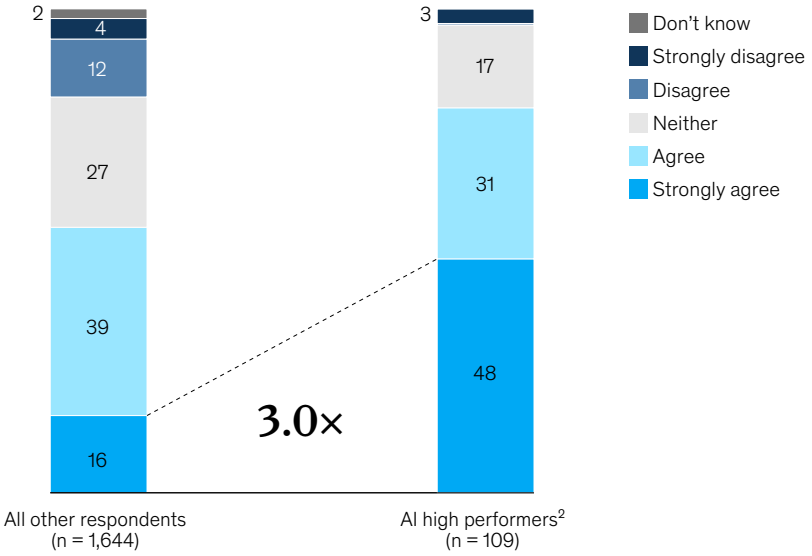
The findings also show that AI high performers' use of AI is more often championed by their leaders. High performers are three times more likely than their peers to strongly agree that senior leaders at their organizations demonstrate ownership of and commitment to their AI initiatives (Exhibit 13). These respondents are also much more likely than others are to say that senior leaders are actively engaged in driving AI adoption, including role modeling the use of AI.

Exhibit 13

High performers tend to have senior leaders who demonstrate strong ownership and commitment to AI initiatives.

Extent of agreement that senior leaders at respondents' organization demonstrate ownership of and commitment to its AI initiatives,[1]
% of respondents



Note: Figures may not sum to 100%, because of rounding.
[1]Question asked to what extent the respondent agreed that senior leaders in their organization demonstrate true ownership of and commitment to its AI initiatives (eg, championing them across the organization over time, role modeling, providing continued funding and engagement in regular budget reprioritization).
[2]AI high performers are respondents who reported that more than 5% of their organization's EBIT and "significant value" are attributable to the organization's use of AI.
Source: McKinsey Global Survey on the state of AI, 1,993 participants at all levels of the organization, June 25–July 29, 2025

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In addition to having senior leadership ownership and commitment, AI high performers are also more likely to employ a range of practices to realize value from AI use. For example, high performers are more likely than others are to say their organizations have defined processes to determine how and when model outputs need human validation to ensure accuracy (Exhibit 14). This is another one of the top factors we tested to determine those that most distinguished high performers. The full set of management practices align with our broader *Rewired* research, which is based on more than 200 at-scale AI transformations. They span six dimensions essential to capturing value from AI: strategy, talent, operating model, technology, data, and adoption and scaling. All of the management practices we tested correlate positively with value attributable to AI. These practices enable organizations to innovate and capture value from AI at scale.

High performers are more likely than others are to say their organizations have defined processes to determine how and when model outputs need human validation.

Exhibit 14

Organizations seeing the largest returns from AI are more likely than others to follow a range of best practices.

Organizations engaging in each practice,[1] % of respondents — AI high performers[2] (n = 109) — All other respondents (n = 1,643)

Highest prevalence

		AI high performers	All other respondents
Strategy	**Human in the loop:** Have defined processes to determine how and when model outputs need human validation to ensure accuracy	65	23
Technology	**Technology infrastructure:** Technology infrastructure and architecture allow implementation of core AI initiatives using the latest technologies	60	23
Strategy	**Clearly defined AI road map:** Have defined a road map with specific AI initiatives and use cases across priority business domains, aligned with our broader AI strategy	60	31
Strategy	**Leadership alignment on value creation:** Top leaders understand how AI can create value for the business	60	41
Adoption and scaling	**Rewiring business processes:** Embeds AI solutions into business processes effectively (eg, changing frontline employees' processes, creating user interfaces)	58	20
Adoption and scaling	**Senior leadership engagement:** Senior leaders are actively engaged in driving AI adoption, including role modeling the use of AI	57	33
Operating model	**Product delivery:** Have an agile product delivery organization or an enterprise-wide agile organization with well-defined agile team delivery processes	54	20
Talent	**Strategic workforce planning:** Have developed a clear workforce plan (for technology and nontechnology roles) that incorporates the anticipated changes from AI	54	19
Data	**Iterative solution development:** Have an established process for building AI solutions and iteratively improving them (eg, guardrails, approach to development)	54	22
Operating model	**Rapid development cycles:** AI efforts progress quickly and are adaptive (ie, characterized by quick decision-making and iterative learning)	54	24

Relative importance

		AI high performers	All other respondents
Operating model	**Product development:** Have an agile product delivery organization or an enterprise-wide agile organization with well-defined agile team delivery processes	54	20
Strategy	**Human in the loop:** Have defined processes to determine how and when model outputs need human validation to ensure accuracy	65	23
Operating model	**Governance:** Have a centralized team that coordinates and links AI efforts across the organization	46	38
Strategy	**Vision and strategy:** Have clearly defined an AI vision and strategy	44	21
Strategy	**Leadership alignment on value creation:** Top leaders understand how AI can create value for our business	60	41
Adoption and scaling	**Rewiring business processes:** Embed AI solutions into business processes effectively (eg, changing frontline employees' processes, creating user interfaces)	58	20
Data	**Data products:** Have created reusable, business-specific data products	25	21
Talent	**AI upskilling:** Have curated learning journeys, tailored by role, to build critical AI skills for technical talent (eg, data scientists, data engineers)	34	24
Talent	**AI talent strategy:** Have created a talent strategy that allows us to effectively recruit, onboard, and integrate AI-related talent	47	18
Data	**Iterative solution development:** Have an established process for building AI solutions and iteratively improving them (eg, guardrails, approach to development)	54	22

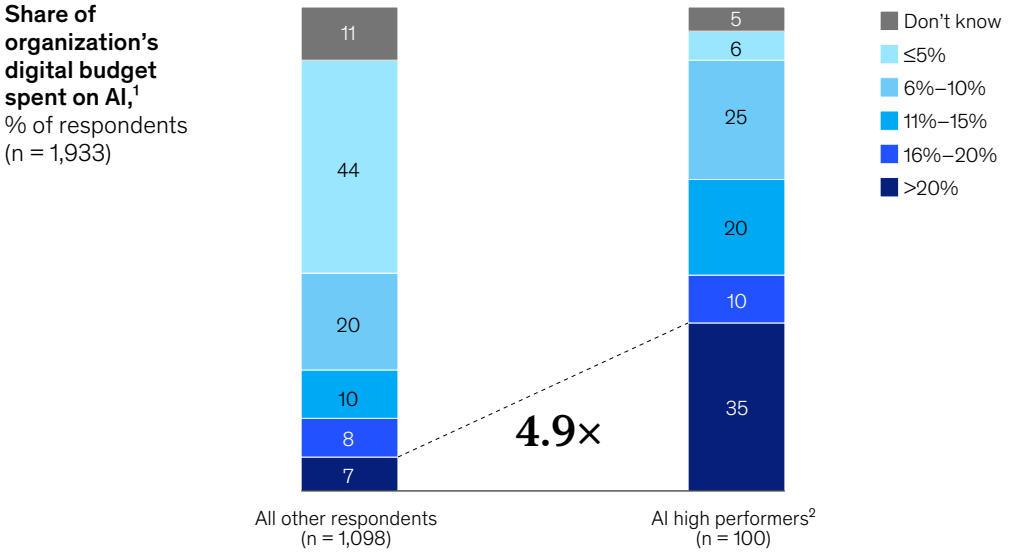
[1]Asked only of respondents who said their organizations regularly use AI in at least 1 business function. To identify which organizational practices differentiate high performers, we conducted a relative weights analysis. This method estimates each variable's unique contribution to explaining high-performance status, accounting for correlations among predictors.
[2]AI high performers are respondents who reported that more than 5% of their organization's EBIT and "significant value" are attributable to the organization's use of AI.
Source: McKinsey Global Survey on the state of AI, 1,993 participants at all levels of the organization, June 25-July 29, 2025

Having an agile product delivery organization, or an enterprise-wide agile organization with well-defined delivery processes, is also strongly correlated with achieving value. Establishing robust talent strategies and implementing technology and data infrastructure similarly show meaningful contributions to AI success, and practices such as embedding AI into business processes and tracking KPIs for AI solutions further contribute to achieving significant value.

Finally, high-performing organizations are investing more in AI capabilities. More than one-third of high performers say their organizations are committing more than 20 percent of their digital budgets to AI technologies (Exhibit 15). These resources are helping them scale AI technologies across the business: About three-quarters of high performers say their organizations are scaling or have scaled AI, compared with one-third of other organizations.

Exhibit 15

One-third of high performers spend more than 20 percent of their digital budgets on AI.



Note: Figures may not sum to 100%, due to rounding.
[1]The question asked what share of respondents' organization's total enterprise-wide budget for digital technologies is spent on AI-related technologies. Only asked of respondents who said their organizations regularly use AI in at least 1 function and who reported knowledge of their organization's operating budget.
[2]AI high performers are respondents who say their organizations are seeing more than 5% of EBIT from their AI use and report seeing "significant value" as a result of AI.
Source: McKinsey Global Survey on the state of AI, n= 1,993 participants at all levels of the organization, June 25–July 29, 2025

McKinsey & Company

McKinsey commentary

Bryce Hall

Associate partner

Particularly in the context of massive investments in AI and lofty valuations of many AI companies, it makes sense that executives are taking a hard look at *where* AI is actually creating value, and *how* AI leaders are successfully capturing value from their investments. This year's survey suggests that leading organizations successfully implement a set of practices that bridge the interface between AI and human users. In fact, one of the leading practices is effectively determining how and when to incorporate "human in the loop," for example, in the development, testing, and deployment of AI solutions. This is consistent with our real-world experience with companies, too; AI is rarely a stand-alone solution. Instead, companies capture value when they effectively enable employees with real-world domain experience to interact with AI solutions at the right points. The combination of AI solutions alongside human judgment and expertise is what creates real "hybrid intelligence" superpowers and real value capture. AI leaders adopt a set of other practices that point in this same direction, including fully embedding AI solutions into business workflows and having senior leaders actively engaged in driving adoption at scale.

Interestingly, the ten leading management practices highlighted by this year's survey include all six elements of McKinsey's *Rewired* playbook for digital and AI transformations. While each year we test new practices, one evergreen principle holds true: Companies that effectively deliver across six primary elements (strategy, talent, operating model, technology, data, and adoption and scaling) are the ones reporting significant value creation from their AI investments.

Expectations vary on AI's effect on workforce size

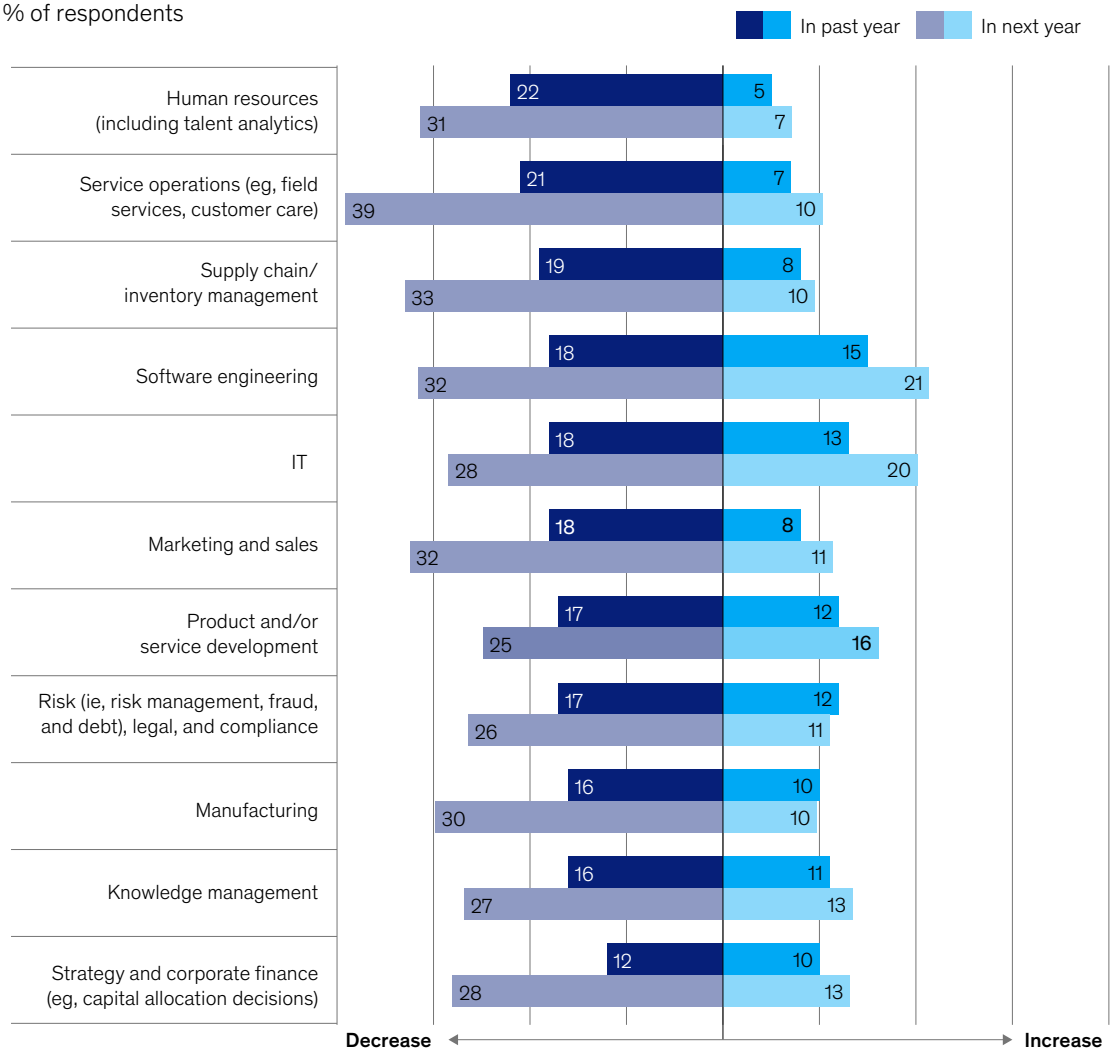
As organizations expand their use of AI, respondents share differing perspectives on how AI might affect their workforce size in the year ahead. Looking at the functions in which organizations are using AI, a plurality of respondents observed little to no change in the number of employees due to their organization's use of AI in the past year. In most functions, fewer than 20 percent of respondents report decreases of 3 percent or more, and smaller shares say their organization's AI use led them to add head count within functions.

However, larger shares of respondents expect changes in the number of employees in these functions in the year ahead (Exhibit 16). Across business functions, a median of 17 percent of respondents report declines in functions' workforce size in the past year as a result of AI use, but a median of 30 percent expect a decrease in the next year.

Exhibit 16

Larger shares of respondents expect AI to affect the workforce size in their organizations' business functions next year than observed changes last year.

Change in number of employees over the past year due to AI in the given business functions,[1]
% of respondents



[1]Question was asked only of respondents who said their organization regularly uses AI in the given business function.
Source: McKinsey Global Survey on the state of AI, 1,993 participants at all levels of the organization, June 25–July 29, 2025

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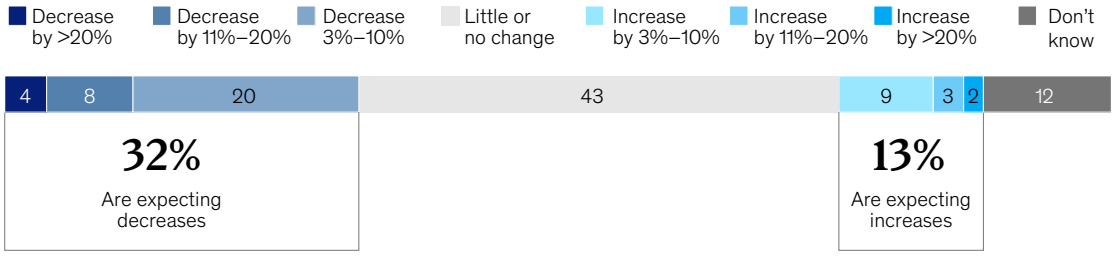
Expectations differ on the impact of AI on the size of respondents' enterprise-wide total workforce. While a plurality of respondents expect to see little or no effect on their organizations' total number of employees in the year ahead, 32 percent predict an overall reduction of 3 percent or more, and 13 percent predict an increase of that magnitude (Exhibit 17). Respondents at larger organizations are more likely than those at smaller ones to expect an enterprise-wide AI-related reduction in workforce size, while AI high performers are more likely than others are to expect a meaningful change, either in the form of workforce reductions or increases.

Exhibit 17

Respondents have differing expectations for AI's impact on their organizations' workforce size in the year ahead.

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



Note: Figures do not sum to 100%, because of rounding.
[1]Asked only of respondents who said their organization regularly uses AI in at least 1 business function; n = 1,753.
Source: McKinsey Global Survey on the state of AI, 1,993 participants at all levels of the organization, June 25–July 29, 2025

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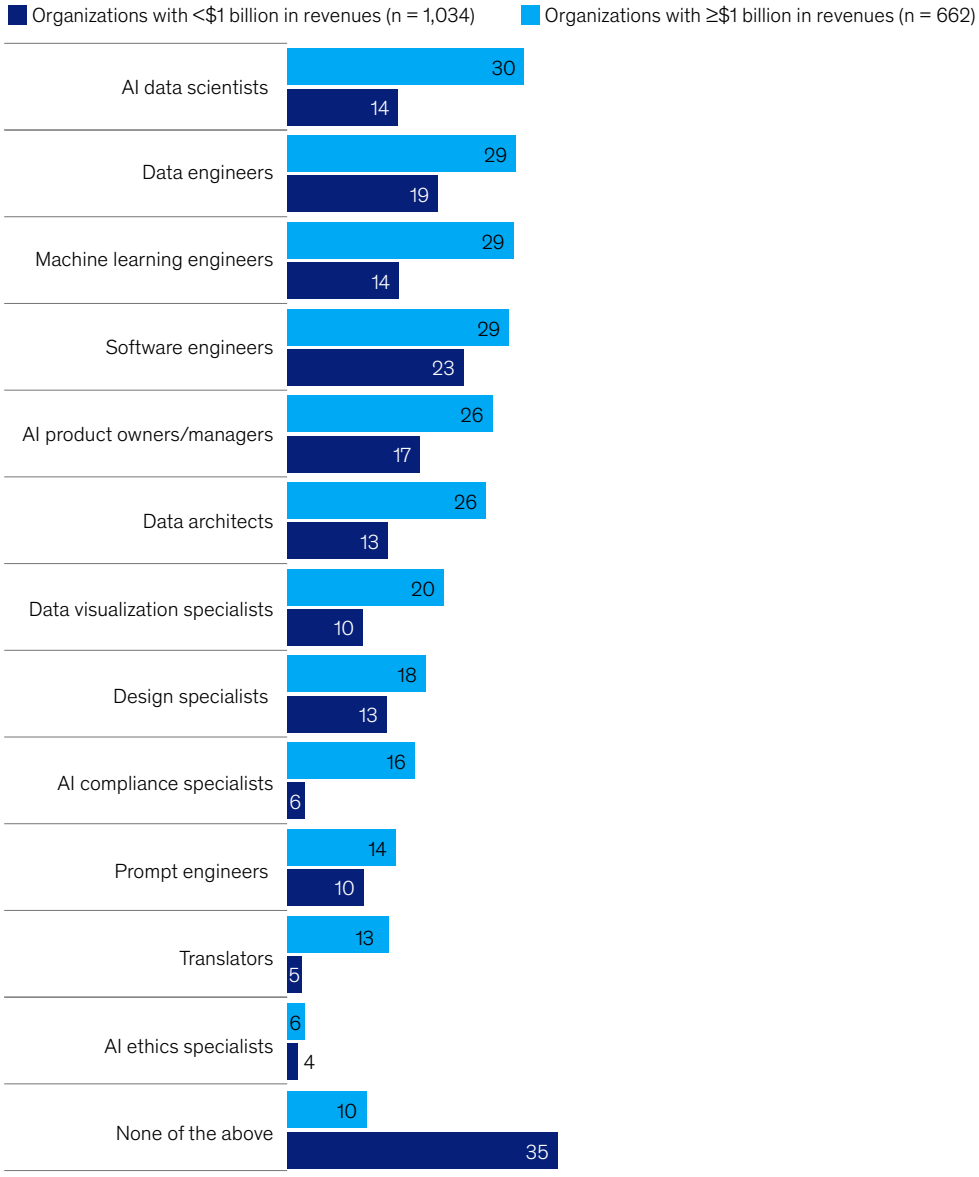
A plurality of respondents expect to see little or no effect on their organizations' total number of employees in the year ahead.

At the same time, most respondents—and an even larger share from larger companies—note that their organizations hired for AI-related roles over the past year (Exhibit 18). While the talent needs differ by company size overall, software engineers and data engineers are the most in demand.

Exhibit 18

Respondents at larger organizations are more likely than peers at smaller organizations to report AI-related hiring in the past year.

Share of organizations that have hired given role within the past year,[1] % of respondents



[1]Asked only of respondents who said their organization regularly uses AI in at least 1 business function; respondents who said "other" or "don't know" are not shown.
Source: McKinsey Global Survey on the state of AI, 1,993 participants at all levels of the organization, June 25–July 29, 2025

McKinsey & Company

McKinsey commentary

Lareina Yee

Senior partner and McKinsey Global Institute director

As many companies are still in pilot and early production phases of AI use, it is not yet clear what impact AI will have on the number of jobs and nature of work. Still, even in these early days of adoption, we are seeing changes in the skills demanded for a range of jobs. Across positions like claims adjusters, digital marketers, and wealth managers, we are seeing increasing demand for AI skills; typically, this is about incorporating AI into existing roles or workflows. In terms of how AI will affect head count, about a third of respondents say they expect their organization's workforce to decline in size—though interestingly, a small percentage of respondents say they expect their organization's head count to increase, and some report head count increases over the past year across functions as diverse as IT, supply chain, and sales. Some of these jobs will become more critical as AI adoption increases. AI success, for example, requires data readiness and MLOps. We see larger companies in particular hiring for those skills; they are twice as likely to hire roles that integrate, model, and industrialize data.

Efforts to mitigate AI risks are becoming more common as challenges materialize

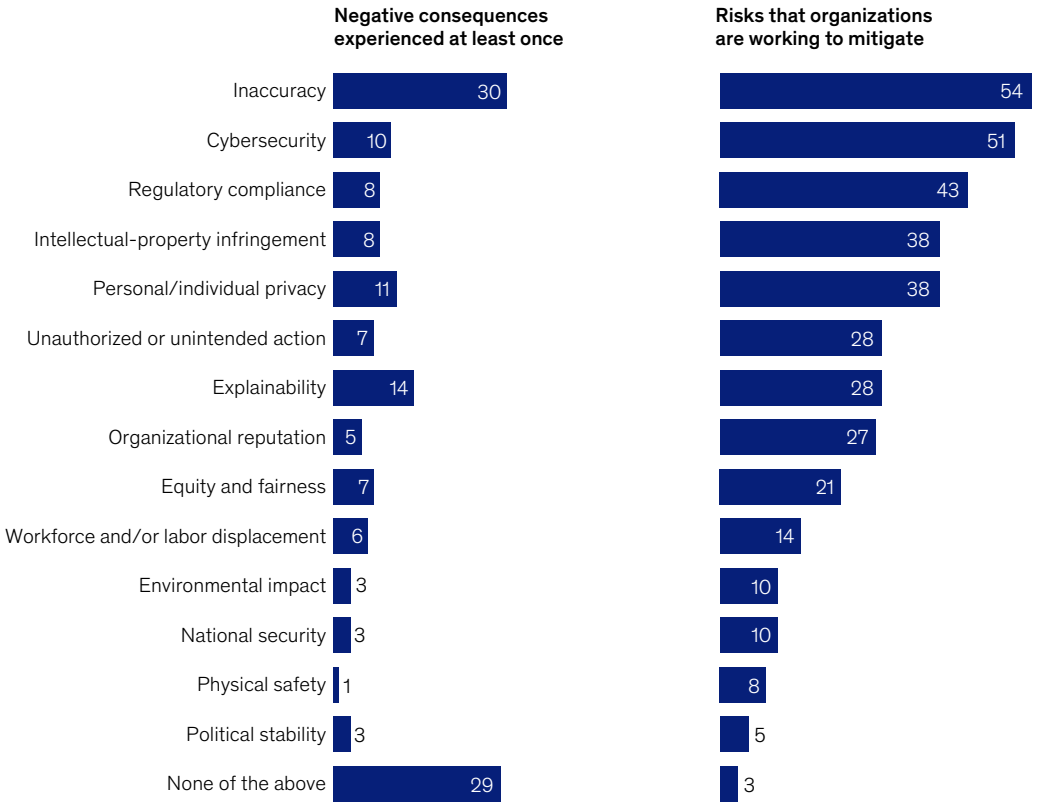
Over the past six years, our research has consistently found that few risks associated with the use of AI are mitigated by most respondents' organizations. In our latest findings, the share of respondents reporting mitigation efforts for risks such as personal and individual privacy, explainability, organizational reputation, and regulatory compliance has grown since we last asked about risks associated with AI overall in 2022. (In 2023 and 2024, we asked specifically about gen AI–related risks.) Back in 2022, respondents reported acting to manage an average of two AI-related risks, compared with four risks today.

We also see that, largely, the risks that organizations are experiencing and are working to mitigate are connected: Respondents are more likely to say their organizations are mitigating each of the risks they have experienced consequences from. Overall, 51 percent of respondents from organizations using AI say their organizations have seen at least one instance of a negative consequence, with nearly one-third of all respondents reporting consequences stemming from AI inaccuracy (Exhibit 19). Inaccuracy is one of two risks that most respondents say their organizations are working to mitigate. However, the second-most-commonly-reported risk—explainability—is not among the most commonly mitigated.

Exhibit 19

Inaccuracy is the AI-related risk that respondents most often say their organizations have experienced and are working to mitigate.

Negative consequences and risk mitigation in the past year,[1] % of respondents (n = 1,753)



[1]Questions were asked only of respondents whose organizations regularly use AI in at least 1 function. Respondents who said "don't know/not applicable" are not shown.
Source: McKinsey Global Survey on the state of AI, 1,993 participants at all levels of the organization, June 25–July 29, 2025

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Respondents from AI high performers, who say their organizations have deployed twice as many AI use cases as others have, are more likely than others to report negative consequences—particularly related to intellectual property infringement and regulatory compliance. High performers also try to protect against a larger number of risks.

McKinsey commentary

Alexander Sukharevsky

Senior partner

We know that AI high performers—respondents who say their organizations are deriving higher impact from their use of AI—tend to have more ambitious agendas than their peers. Interestingly, they are also more likely than their peers to report *more*, rather than fewer, negative consequences from AI use. This isn't as counterintuitive as it might seem. After all, because they are more ambitious, AI high performers are likely to be using the technology in mission-critical contexts that require sensitive monitoring. They also report mitigating these risks at a higher rate than others, given that they are aware of them. Their ambition also has considerable upside: It helps explain *why* these organizations tend to outperform—and offers an important lesson to those who are still struggling to realize value from their AI efforts. Approaching AI solely through the lens of efficiency, our survey suggests, is not enough. Achieving measurable results requires leaders to pursue a bold agenda, driven by innovation and transformation. That, we are learning, may be the true pathway to high performance.

While the use of AI is now common, our new survey suggests that its full promise still remains ahead. Most organizations are still navigating the transition from experimentation to scaled deployment, and while they may be capturing value in some parts of the organization, they're not yet realizing enterprise-wide financial impact. The experience of the highest-performing companies suggests a path forward. These organizations stand out for thinking beyond incremental efficiency gains: They treat AI as a catalyst to transform their organizations, redesigning workflows and accelerating innovation. As AI tools, including agents, improve and companies' capabilities mature, the opportunity to embed AI more fully into the enterprise will offer organizations new ways to capture value and create competitive advantage.

About the research

The online survey was in the field from June 25 to July 29, 2025, and garnered responses from 1,993 participants in 105 nations representing the full range of regions, industries, company sizes, functional specialties, and tenures. Thirty-eight percent of respondents say they work for organizations with more than $1 billion in annual revenues. To adjust for differences in response rates, the data are weighted by the contribution of each respondent's nation to global GDP.

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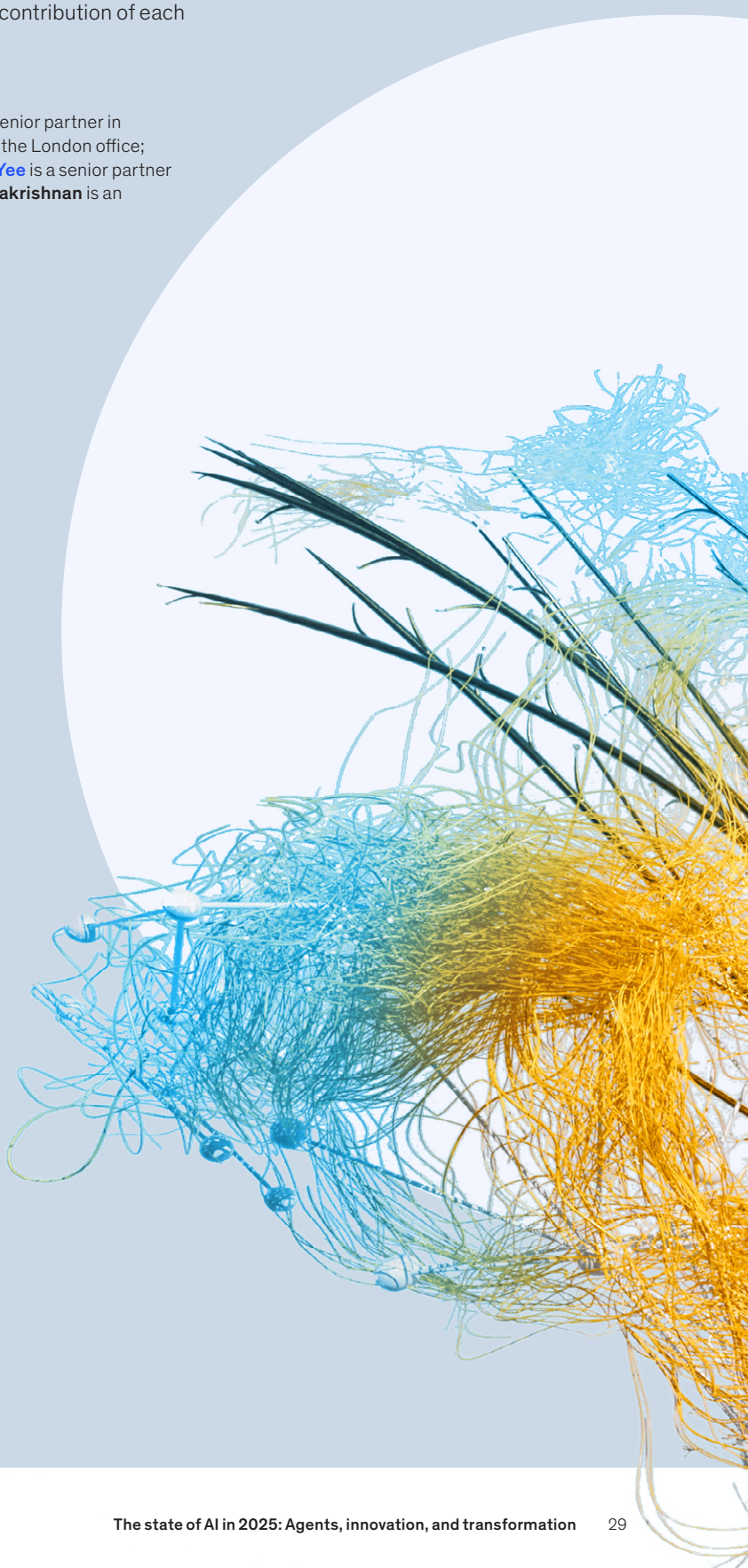

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