



FranklinCovey

The AI Winners Won't Just Be The Most Technological. They'll Be The Most Human.

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FranklinCovey's research reveals why early productivity gains don't guarantee lasting competitive advantage in the AI era.

SALT LAKE CITY--(BUSINESS WIRE)--Jul. 1, 2026-- Technology investments in AI tools are leading to greater organizational productivity and efficiency, but the time savings are not being applied to work that is essential to advancing the team's overall performance, according to a new research report on AI adoption conducted by [FranklinCovey \(NYSE:FC\)](#).

Only 35% of employees reinvest time saved through use of AI tools in innovation, strategic thinking, or deeper client engagement, FranklinCovey Institute researchers found.

"Technology enables progress, but humans mobilize technology *and* people to drive breakthroughs," said [Paul Walker](#), Franklin Covey CEO. "AI frees up time for employees, but that doesn't automatically result in higher-value work. That comes from human leadership with the mindsets and behaviors that drive performance. Organizations winning with AI won't just be the most technological. They'll be the those that will value and develop leaders with capabilities that amplify human potential."

FranklinCovey's research findings are published in a comprehensive Insight Report titled "[AI Transformation & the Human Imperative: From Baseline to Breakthrough](#)." Despite massive investments in AI tools and automation, the report reveals a paradox at the heart of enterprise AI adoption:

- Just 9% of employees say their manager explains how AI will help the business grow
- 92% of workers spend hours each week waiting for clarity to resolve misalignment
- 36% of employees hesitate to make decisions without manager approval

The report is based on extensive research including a global survey of more than 500 managers, individual contributors, director- to executive-level leaders, and in-depth consultant interviews across diverse industries.

Mistaking Early Productivity for Lasting Advantage: AI Raises the Performance Baseline, Not the Ceiling

AI delivers impressive short-term gains. In an interview, a global technology leader cited that his organization's AI tools cut time by 75%, reduced costs by 30-40%, and improved productivity across the board, freeing up time for more strategic work. The survey data reinforces that optimism:

- 74% of employees agree that AI improves their work, and
- 80% can clearly articulate how it increases efficiency

However, the report identifies "the baseline trap" of mistaking early productivity wins for lasting advantage. As AI becomes standard across industries, early wins become baseline, and competitive advantages equalize quickly. What differentiates organizations today becomes standard practice tomorrow. AI raises the performance baseline, but it doesn't raise the ceiling. The question isn't just how to adopt AI, but how to achieve performance above the new baseline once others catch up.

"AI is a technology that can lift everyone, so if you don't work to reimagine your own performance ceiling and that of your organization, the gap between 'standard' and 'excellence' eventually vanishes," said Adam Merrill, EVP of Market & Customer Intelligence. "Achieving breakthroughs beyond the baseline requires effective human leadership. AI does not decide what matters most. It does not build trust across teams. It does not translate strategy into shared meaning. That's why human capabilities that can't be automated are more valuable now than ever before."

The Hidden Cost: Energy Drain and Adoption Gaps

Despite AI's efficiency gains, the research uncovered a troubling secondary effect. Nearly three in ten employees report feeling less motivated today than a year ago. Many are experiencing an "energy drain" despite increased productivity. Reliance on AI has reduced peer interaction, leaving people feeling more isolated despite being more "efficient." This is an overlooked cost of many tech-first strategies, which optimize output while slowly sapping human energy. The result is a rise in burnout and a decline in employee engagement.

Additional AI adoption barriers persist across organizations:

- 36% of employees disagree that their manager reinforces AI use in day-to-day work
- 25% say expectations for AI use are unclear
- 42% report that best practices are not consistently shared

"Driving AI adoption is not primarily a technical challenge. It is a human one," said Merrill. "Without clear, intentional leadership and communication, it's common for employees to fill information voids with negative assumptions rather than embracing new tools."

Trust: The Infrastructure That Cannot Be Automated

The research reveals a critical finding. Organizations intentionally investing in people-first leadership are nearly three times more likely to outperform their peers, in results, speed, adaptability, and engagement. High-trust environments deliver measurable performance improvements in higher

employee motivation, lower absenteeism, lower turnover, more revenue per employee, and outperformance in market value.

“In an AI-enabled world, distinctly human capabilities matter more, not less. Trust, judgment, character, discernment, creativity, collaboration, and execution cannot be automated or outsourced,” said [Holly Procter](#), President, FranklinCovey Enterprise Division. “AI adoption doesn’t move at the speed of technology. It moves at the speed of trust. And great leaders who intentionally build high-trust cultures are the accelerators of transformation.”

The Perception Gap: A Blind Spot for Leaders

The research conducted by FranklinCovey Institute uncovered a widening perception gap between how leaders believe they are showing up and how their teams experience them. Fewer than 7% of teams describe their trust level as world-class, and when employees graded executive leadership overall, the average score was a failing grade.

Technology itself can unintentionally widen these gaps. AI systems obscure decision-making logic, automated workflows reduce human interaction, and messages pushed at scale are rarely translated with care. Leaders might believe clarity has been delivered because information has been distributed, while employees experience confusion, distance, or a sense of threat, the report found.

The Path Forward: The “Breakthrough Zone”

The report identifies a “Breakthrough Zone” where human capabilities like trust, judgment, and collaboration act as force multipliers, accelerating performance beyond what technology alone can deliver. In this zone, teams move faster because friction is reduced, and energy flows toward progress rather than protection.

The research reveals that the most critical leadership activities remain profoundly human and cannot be outsourced to AI.

- Mobilizing people
- Holding others accountable
- Building shared momentum

“The future doesn’t belong to organizations that simply adopt AI faster,” said Walker. “It belongs to those who integrate it wisely, using technology to amplify human capabilities rather than replace them. The work of leadership has never been more consequential. That’s the Human Imperative.”

FranklinCovey’s AI Readiness Solution

FranklinCovey is helping companies, including some of the world’s largest technology firms, get more from their AI investments. Its solution builds the behaviors that drive adoption across entire organizations: a mindset for experimentation, a framework for leading teams through disruption, and the path to move through resistance and uncertainty. **To learn more, call 1-888-868-1776 or visit www.franklincovey.com.**

Download the full FranklinCovey Institute Impact Report, “AI Transformation & The Human Imperative,” [here](#).

About FranklinCovey

[FranklinCovey \(NYSE: FC\)](#) is a global leadership and organizational performance partner that gives strategy the human edge. It helps organizations achieve the breakthrough results that matter most. Using proven, principle-centered frameworks and practices, it builds high-trust leaders, teams and cultures and helps clients translate strategy into consistent execution. For more than 40 years, it has tested this approach with thousands of clients from Fortune 100 companies to educational and government institutions, providing professional services across 160 countries. Visit FranklinCovey.com and explore leadership insights on [LinkedIn](#), [Facebook](#), [X](#), [Instagram](#), and [YouTube](#).

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