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AI Execution Puts Executive Confidence to the Test: Q2 2026 Market Intelligence Survey

Executive Summary

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Introduction

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Organizations are accelerating their AI ambitions faster than they are improving the leadership systems needed to support them, according to Pearl Meyer's latest *AI Execution Puts Executive Confidence to the Test: Q2 2026 Market Intelligence Survey*. Persistent gaps in senior team effectiveness, decision-making, and talent development remain, with AI raising the stakes on each.

Building on our *While AI Is Advancing, Leadership Systems Are Not: Q1 2026 Leadership Quick Poll*, this survey examines leadership effectiveness, talent and succession, transformation readiness, and AI, to assess where confidence may be outrunning capability.

A consistent pattern emerges: Boards and CEOs often see greater alignment and readiness than the executives responsible for carrying out the work. That divide is especially visible within the senior team.

+ 80% of CEOs believe their executives can make trade-offs for the good of the enterprise, but only 30% of other C-suite leaders agree.
+ At the same time, although 80% of respondents believe their organization has the leadership capability to manage transformation, only 41% believe employees can absorb additional change without becoming overstretched.

AI expectations for near-term gains are high across every stage of maturity, yet clear executive ownership is often absent, and data and talent remain the most common barriers. AI-driven change is concentrated in infrastructure and investment rather than in leadership systems, accountability, or ways of working, suggesting a focus on outcomes over areas that improve decision-making long-term.

As in our Q1 findings, AI is amplifying these leadership and execution challenges. Resolving them will depend more on alignment than technology: clearer ownership, more disciplined talent decisions, and a realistic view of how much change the organization can absorb.

Survey Detail

+ This survey was conducted in May and June 2026
+ 116 respondents
  - 52 publicly traded companies
  - 37 private for-profit companies
  - 25 not-for-profit or government entities
  - 2 mutual/private organizations

Key highlights

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01

The Top Team Blind Spot Is Enterprise Execution

+ While Boards and CEOs see a cohesive team, C-suite leaders experience daily friction of enterprise trade-offs.
+ A two-fold problem: C-suite leaders struggle to collaborate and align as one team, which shows up downstream as unclear priorities the organization can't execute against.
+ Much of what looks like a strategy or communication issue is more of a transparency gap between management and the Board than a performance problem, but can become a governance issue.

02

AI Is a Leadership Test, Not a Technology Project

+ Expectations for AI gains are high even in organizations still figuring out the basics of ownership, data, and talent.
+ Investment is outpacing the structure of decision rights, accountability, and how work gets done.
+ The limiting factor won't be the technology. It will be whether executives can make enterprise-first trade-offs instead of protecting their own function.
+ Getting there means naming an owner for AI decisions before adding more to the investment.

03

As Change Fatigue Builds, Talent Investment Pays Off

+ Most leaders feel ready to lead transformation, but far fewer believe employees can absorb more change without burning out.
+ Organizations that fund leadership development build a deeper bench, and it shows up in AI execution, succession, and strategy delivery alike.
+ The difficult task is separating enterprise potential from an individual doing well in their current role.
+ Confidence in the talent pipeline only holds up when those decisions are funded, assessed, and disciplined, not assumed.

Recommendations

01

The Board and management need to have a candid conversation about how the senior team is functioning.

+ The functions and initiatives most affected by AI-driven change show the transparency gap between management and the Board most clearly.
+ Boards should establish a recurring, structured forum for hearing directly from senior leaders about where enterprise trade-offs are proving difficult, rather than relying on informal updates.
+ A confidential team assessment can clarify whether the gap is perceived or real before structural changes.

02

Establish executive ownership of AI decisions before making further investments.

+ Ambition for AI outcomes is currently outpacing the leadership structure needed to deliver on them, and additional investment without clear ownership will only widen that gap.
+ Leaders responsible for AI-driven change should be evaluated on their capability to lead it, with clear criteria differentiating the requirements of the role from other senior leadership roles.
+ Board-level AI fluency should be developed in parallel, so oversight does not lag what management is already executing.

03

Address talent development and organizational change capacity as a single, connected priority.

+ Organizations with the most confidence in their leadership bench are those that invest deliberately in development.
+ That same discipline should be applied to objectively assessing potential rather than only focusing on identifying development needs.
+ Succession planning should prioritize the roles most critical to transformation and AI execution given the continued need for strategic agility.

01

The Top Team Blind Spot Is Enterprise Execution

CEOs and other C-suite leaders question whether decisions translate into executable priorities

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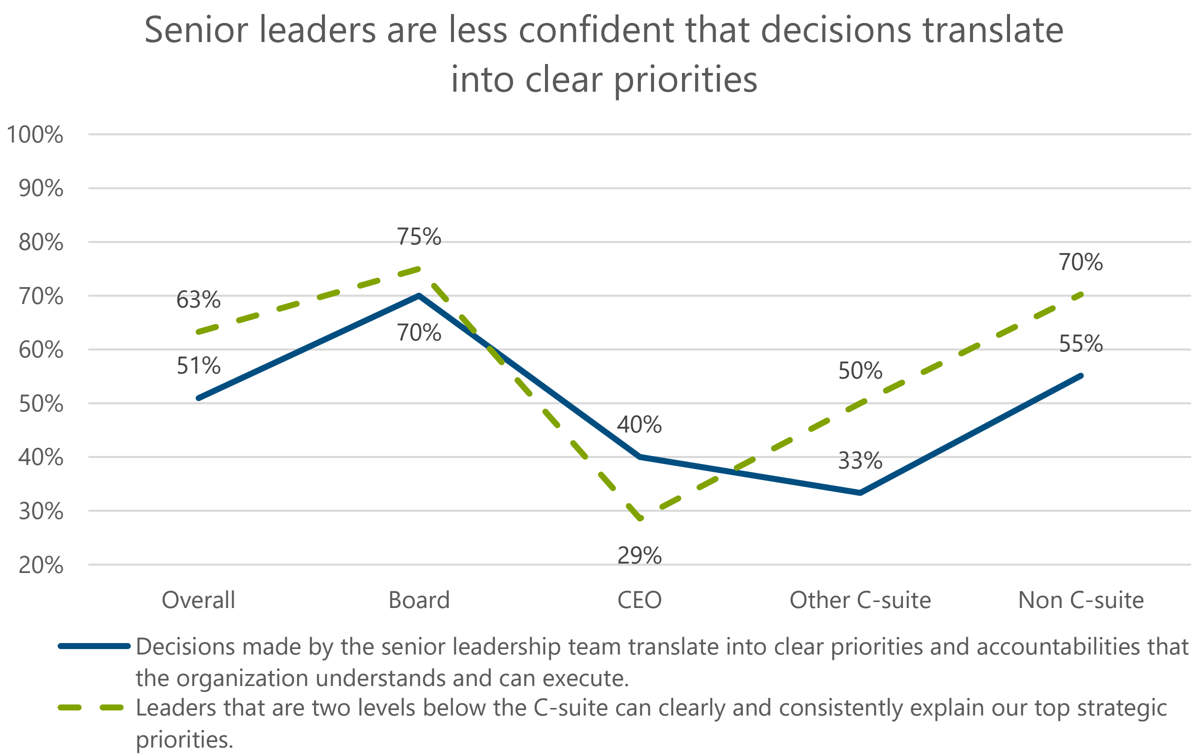
+ Senior leaders express limited confidence that C-suite decisions become clear priorities and accountabilities the organization can execute.
+ Only 51% overall say senior-team decisions translate into clear priorities, compared with 63% who believe leaders below the C-suite can explain the organization's strategic priorities.
+ CEOs and other C-suite leaders are the least positive about decision translation, at 40% and 33%, respectively.
+ CEOs are also notably skeptical of downstream communication, with only 29% saying leaders below the C-suite can clearly explain top priorities.
+ Board members are substantially more positive on both measures, suggesting they may underestimate execution and communication challenges within the organization.



C-suite enterprise leadership and collaboration are a blind spot for CEOs and Boards

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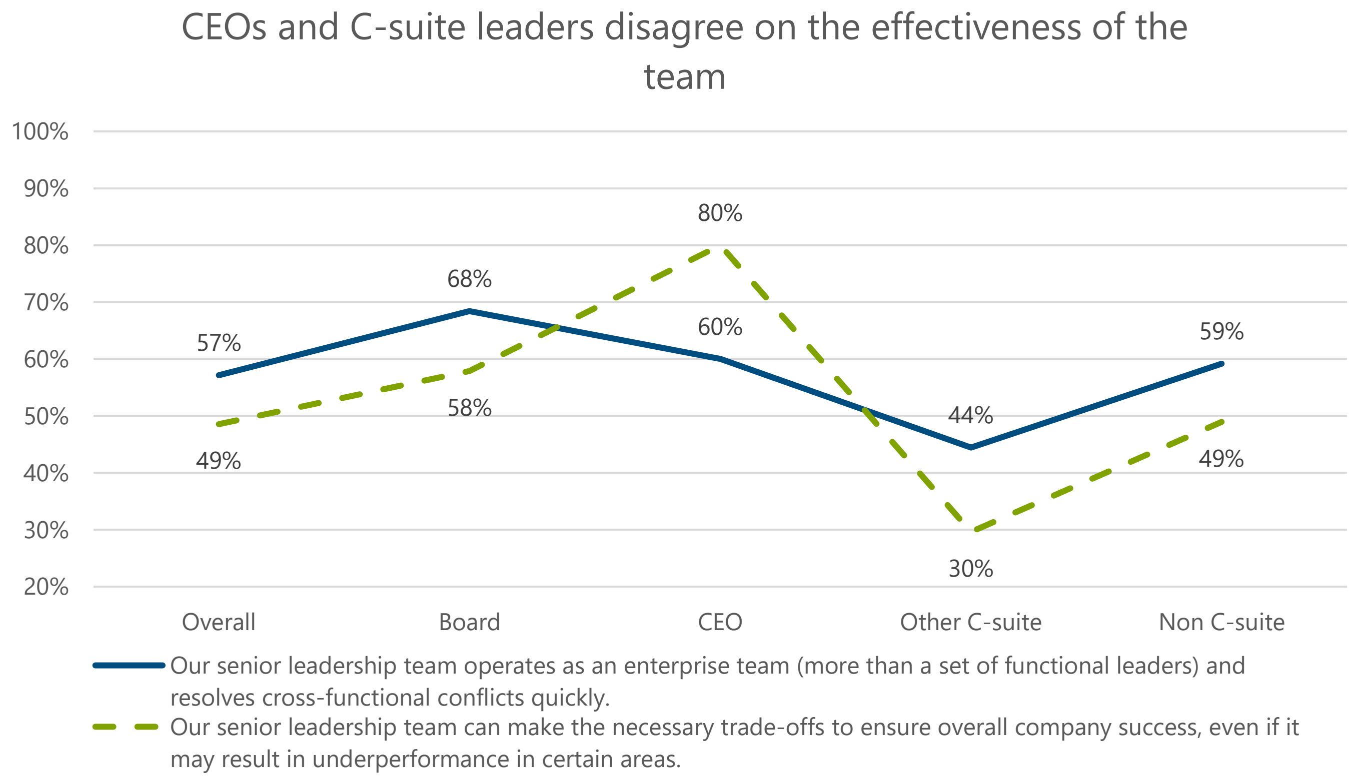
- CEOs appear to misjudge the extent to which the C-suite team is capable of working together effectively to achieve enterprise success, especially when it may affect results in certain areas of the business.
- CEOs felt their C-suite team was functioning as an effective enterprise team (60%) and could make tradeoffs for enterprise success (80%); while Boards (66%, 58%) and the C-suite disagreed (44%, 30%).
- C-suite members appear unlikely to sacrifice the performance of one business unit in service of the organization's success, highlighting the impact of a lack of collaboration among executives.



Change fatigue will be the limiting factor for organizations undergoing additional transformation

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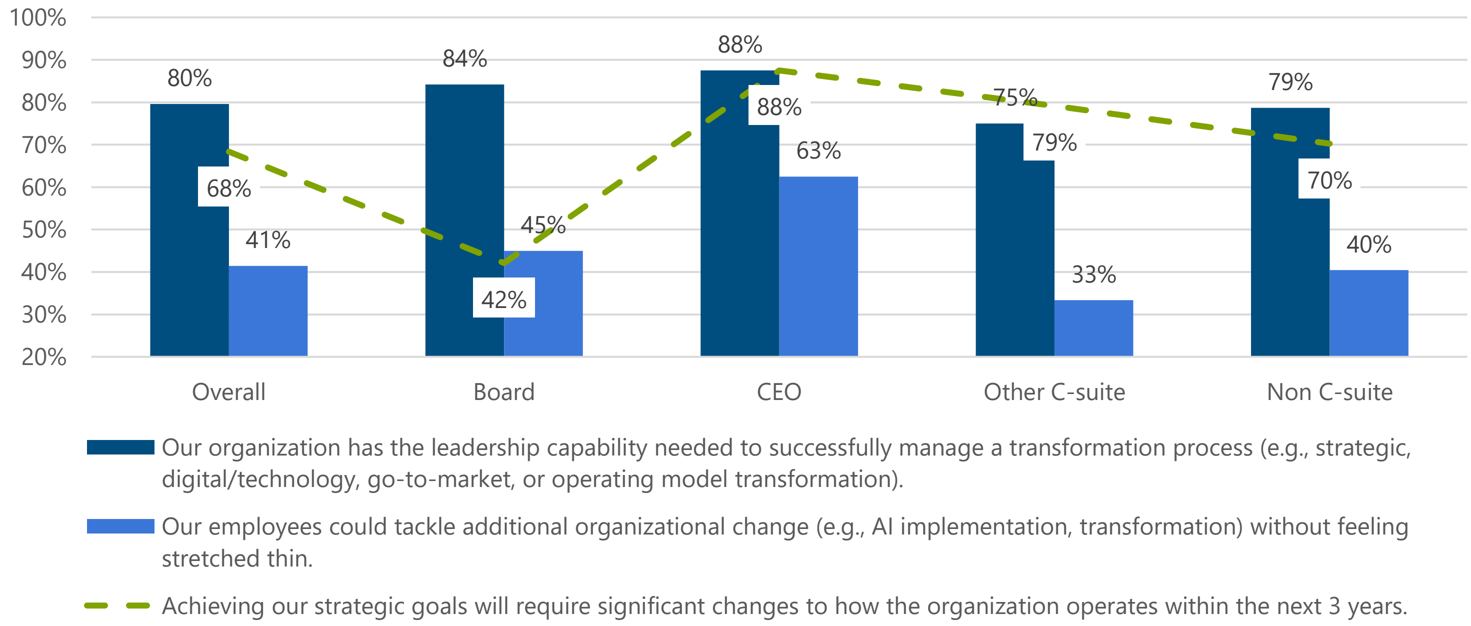
+ Most participants anticipated more change would be necessary to achieve strategic goals within the next 3 years. Boards (42%) were the exception, suggesting they may not see eye to eye with the CEOs (88%) and other C-suite executives (79%) they partner with to develop the strategy.
+ Most respondents felt their organization had the leadership capability needed to manage a transformation, if needed.
+ On the other hand, many felt employees would feel stretched thin if asked to tackle additional change, though CEOs (63%) were less attuned to this trend than Boards (45%), other C-suite executives (33%), and non c-suite executives (40%).

Organizations have the leadership capability to implement change, but employees would feel too stretched thin.



Enterprise capabilities and cross-functional coordination are most critical to executing strategy

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- Respondents view structure less as an org-chart issue and more as a question of enterprise capability, coordination, and accountability.
- Enterprise-level capabilities and teams were the top priority overall (71%), followed by effective cross-functional coordination (61%).
- Clear decision rights and role accountabilities ranked third overall (39%) and were consistent across respondent groups.
- C-suite leaders placed greater emphasis on go-to-market structure (47%) than Board members (15%).
- Board members were more focused on balancing centralization and business unit autonomy (40%), compared with 15% of non-C-suite respondents.

Which aspects of structure are most critical to executing strategy over the next 12–18 months? (Select top 3)

	Overall	Board	C-suite	Non C-suite
Enterprise-level capabilities and teams (e.g., growth, digital, AI, transformation)	71%	70%	63%	77%
Effective cross-functional coordination (how work flows across functions or units)	61%	55%	59%	64%
Clear decision rights and role accountabilities	39%	40%	38%	40%
Go-to-market structure (customer, product, region or channel model)	37%	15%	47%	40%
Balance between centralization and business unit autonomy	25%	40%	31%	15%
Efficient reporting lines and appropriate spans/layers	14%	10%	19%	13%
Minimizing duplication across functions or business units	14%	10%	16%	15%
Not sure	6%	5%	3%	9%
Other	3%	10%	3%	0%

Boards focused on strengthening AI expertise, while executives identify broader strategic gaps

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- Board capability needs are concentrated in AI and technology, but executives see a wider range of gaps across strategy, markets, finance, and talent.
- AI, technology, and cybersecurity was the top priority overall (35%) and among Board members (45%).
- CEOs placed the greatest emphasis on finance, capital allocation, and value creation (50%).
- Other C-suite leaders were more likely to cite strategy and business model evolution (38%) and human capital, talent, and succession (33%).
- Notably, no CEOs selected human capital, talent, and succession, despite its importance to the broader C-suite.

What areas would most strengthen the Board's expertise or perspective? (Select top 3)

	Overall	Board	CEO	Other C-suite
AI, technology, and cybersecurity	35%	45%	25%	29%
Strategy, innovation, and business model evolution	33%	30%	25%	38%
Industry, market, and customer perspective	31%	25%	38%	33%
Finance, capital allocation, and value creation	27%	15%	50%	29%
Human capital, talent, and succession	25%	25%	0%	33%
M&A and portfolio strategy	17%	15%	38%	13%
No significant needs at this time	15%	15%	38%	8%
Organizational change	13%	0%	25%	21%
Risk, compliance, and regulatory matters	12%	20%	13%	4%
Not sure / no direct visibility	12%	5%	13%	17%
Global markets and geopolitical risk	6%	15%	0%	0%

C-suite leaders see a more significant gap in executive AI ownership than other respondents

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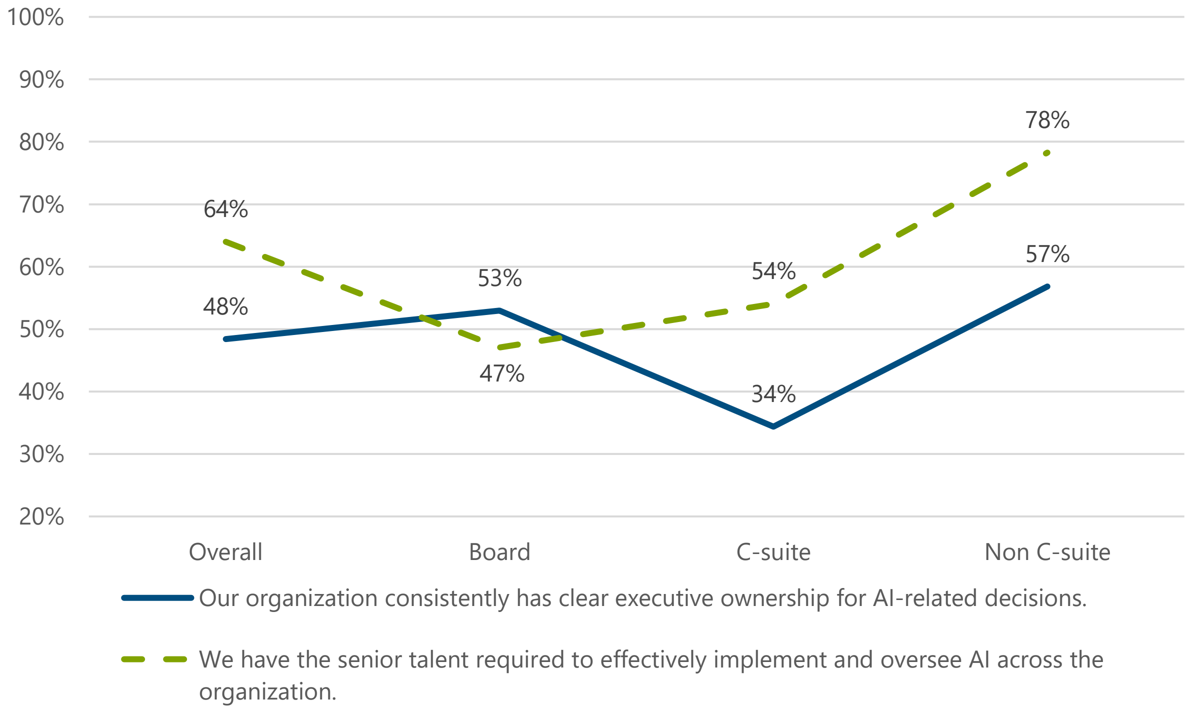
- Organizations may be underestimating gaps in AI leadership, as non-C-suite respondents are substantially more confident than senior leaders in both executive ownership and available talent.
- Fewer than half of respondents overall (48%) said their organization consistently has clear executive ownership for AI-related decisions.
- C-suite leaders were the least likely to report clear AI ownership (34%), compared with Board members (53%) and non-C-suite respondents (57%).
- Respondents were more confident in the availability of senior talent, with 64% overall indicating their organization has the leadership capability required to implement and oversee AI.
- Perceptions differed substantially by role. Only 47% of Board members believed the organization had the required senior talent, compared with 54% of C-suite leaders and 78% of non-C-suite respondents.

C-suite leaders often feel the organization does not consistently assign executive AI ownership



02

AI Is a Leadership Test, Not a Technology Project

AI-driven change is centered on infrastructure and investment, while Boards lack impact visibility

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- AI is driving the most visible change in enabling infrastructure, technology investment, and resource allocation rather than leadership systems or accountability.
- Data governance and infrastructure was the most frequently cited change overall (42%), followed by broader technology investments (36%).
- C-suite leaders emphasized strategic planning and resource allocation (40%) and cross-functional ways of working (37%).
- More than one-quarter of Board members (26%) were unsure what changes AI is driving, compared with 9% of both C-suite and non-C-suite respondents.
- Board responses were also dispersed across several areas, suggesting less clarity about where AI transformation is taking hold.

What are the most significant changes being driven by AI efforts? (Select top 3)

	Overall (n=100)	Board (n=19)	C-suite (n=35)	Non C-suite (n=46)
Data governance and infrastructure	42%	47%	46%	37%
Broader technology investments	36%	26%	31%	43%
Strategic planning and resource allocation	34%	21%	40%	35%
Cross-functional ways of working	32%	21%	37%	33%
Talent and workforce planning	26%	26%	23%	28%
Risk management and governance	25%	21%	31%	22%
Organizational structure or operating model	19%	16%	23%	17%
Not sure	12%	26%	9%	9%
Decision rights and accountability	11%	5%	14%	11%
Leadership capability requirements	7%	5%	6%	9%
Other	5%	16%	3%	2%
Leadership assessment, selection, and promotion criteria	4%	0%	0%	9%

Note: Percentages exclude respondents who selected N/A.

Organizations that invest sufficiently in talent development are more confident in both AI and broader leadership capability

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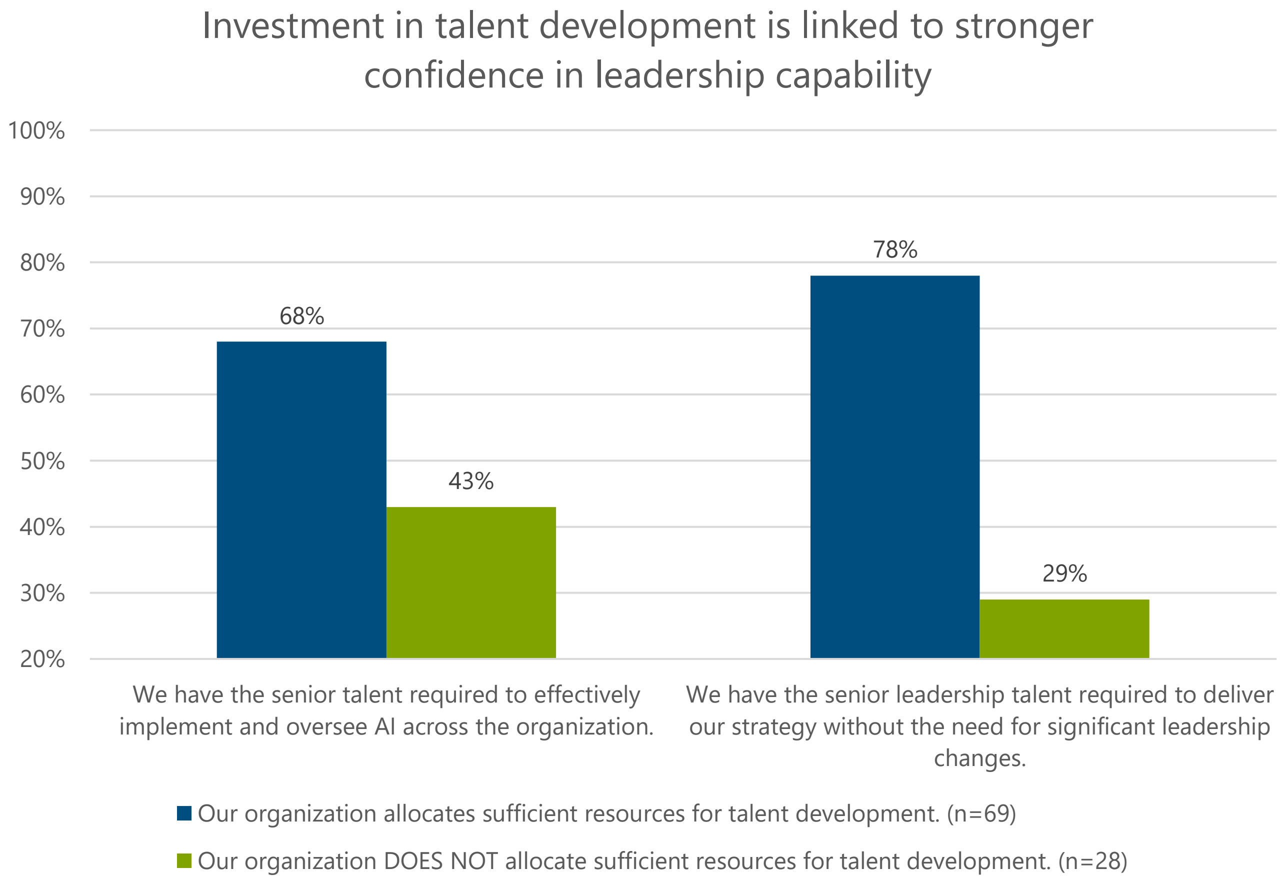
- Organizations with sufficient talent-development resources express substantially greater confidence in their leadership bench.
- They are more likely to report having the senior talent needed to execute AI, 68% versus 43%.
- The gap is even larger for broader strategy execution, 78% versus 29%.
- Under-resourced organizations are therefore not only less confident in AI leadership, but also in their overall ability to deliver strategy without significant leadership changes.



Enterprise-oriented senior teams establish stronger foundations for AI execution

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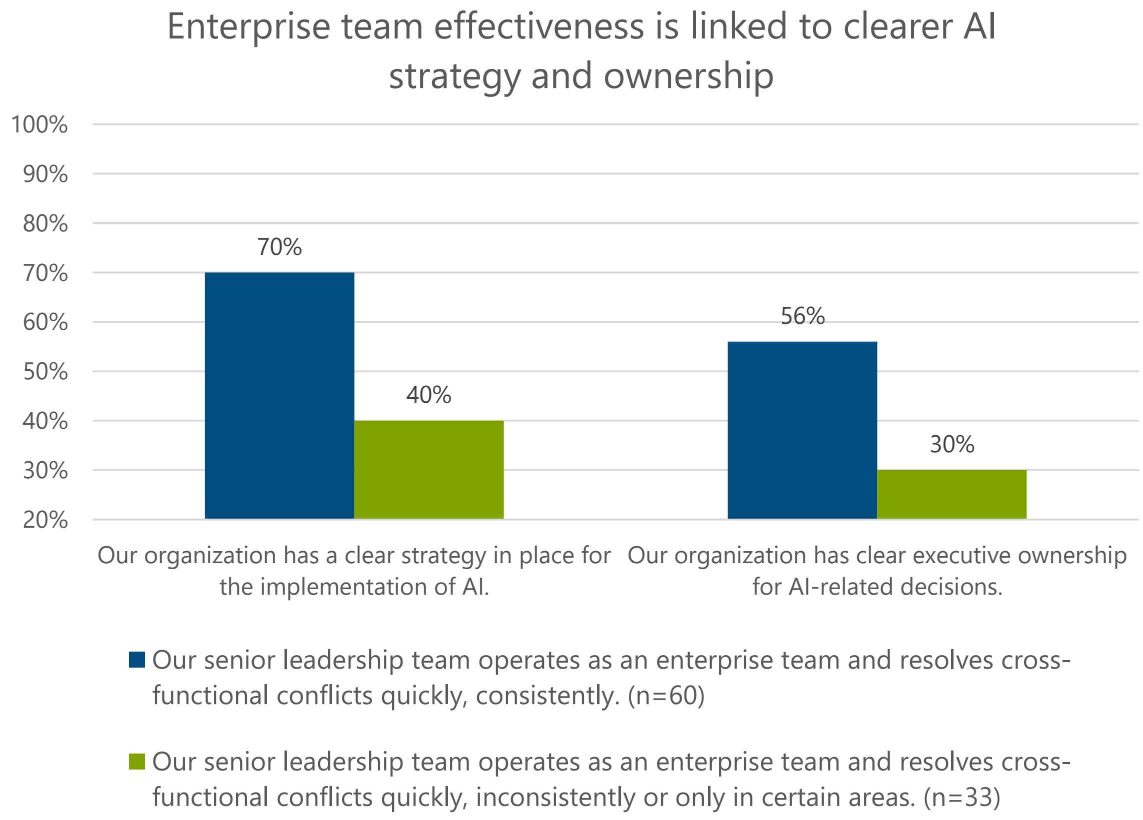
- Senior teams that consistently operate as an enterprise team are substantially more likely to have the governance needed to execute AI.
- 70% report having a clear AI implementation strategy, compared with 40% of teams that operate this way inconsistently.
- Clear executive ownership is also more common among effective enterprise teams, 56% versus 30%.
- The results suggest that cross-functional leadership effectiveness may be an important prerequisite for coherent AI implementation.



C-suite teams that put enterprise success above functional interests are better positioned to execute AI

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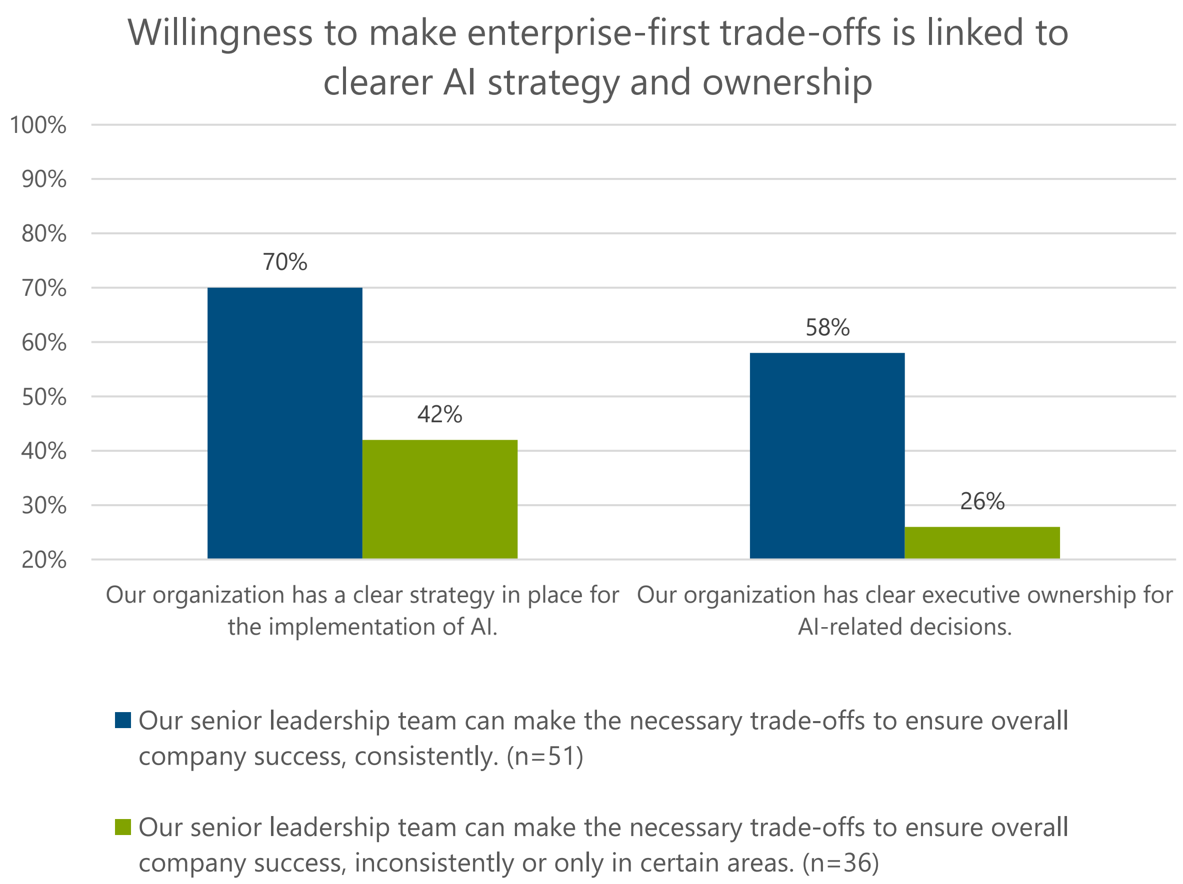
- AI execution is stronger when C-suite leaders are willing to sacrifice functional performance, share resources, and make decisions for the good of the enterprise.
- 70% of teams that consistently make enterprise-first trade-offs report having a clear AI strategy, compared with 42% of less consistent teams.
- Clear executive ownership shows an even wider gap, 58% versus 26%.
- The results suggest that functional self-interest can become a barrier to coordinated AI execution.



03

As Change Fatigue Builds, Talent Investment Pays Off

Organizations feel they understand leadership development needs even when they are not assessing for enterprise leadership potential

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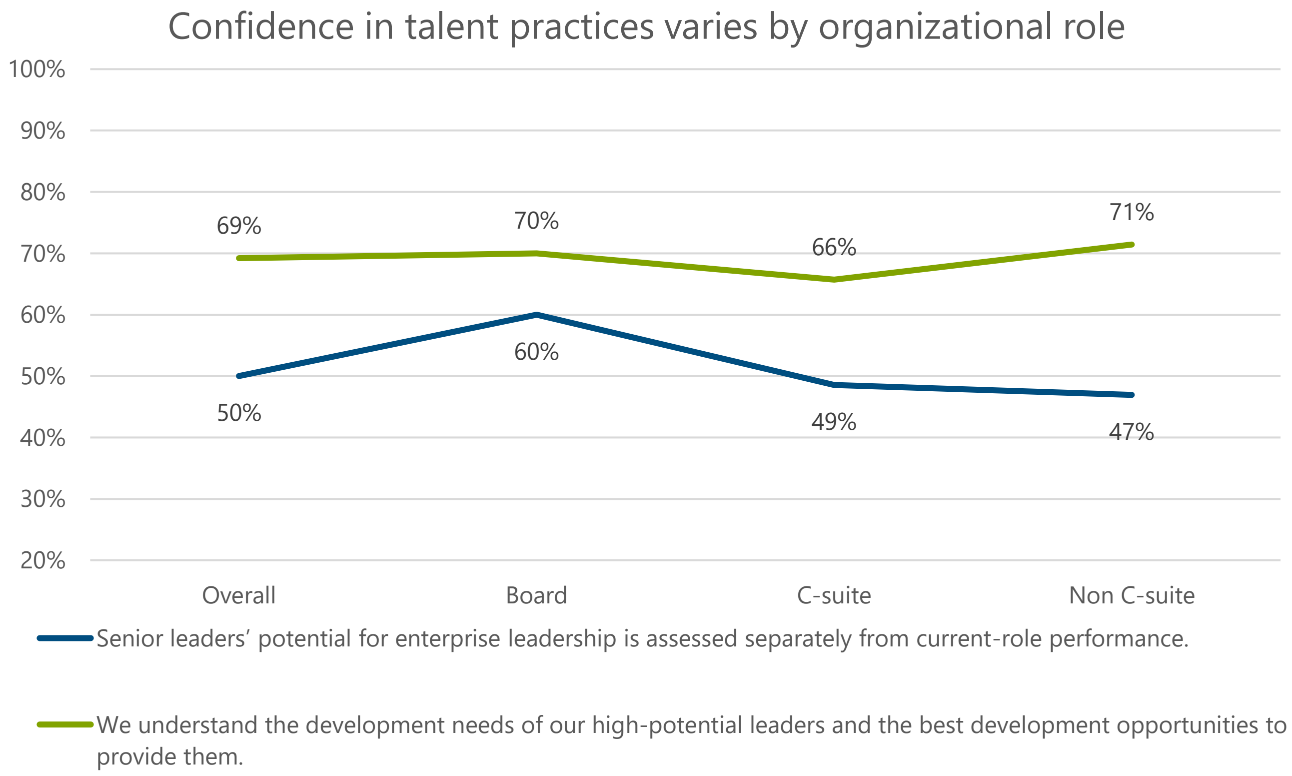
- **Organizations appear better at identifying what high-potential leaders need than at distinguishing enterprise potential from strong performance in a current role.**
- Overall, 69% say they understand high-potential leaders' development needs, while only 50% assess enterprise potential separately from current-role performance.
- The gap is widest among non-C-suite respondents, 71% versus 47%, suggesting development activity may be outpacing assessment rigor.
- C-suite respondents report a similar disconnect, with 66% confident in understanding development needs but only 49% confident that potential is assessed distinctly.
- Board members are the most positive about potential assessment (60%), although this still trails their confidence in understanding development needs (70%).



Sufficient talent development investment strengthens leadership pipelines and succession readiness

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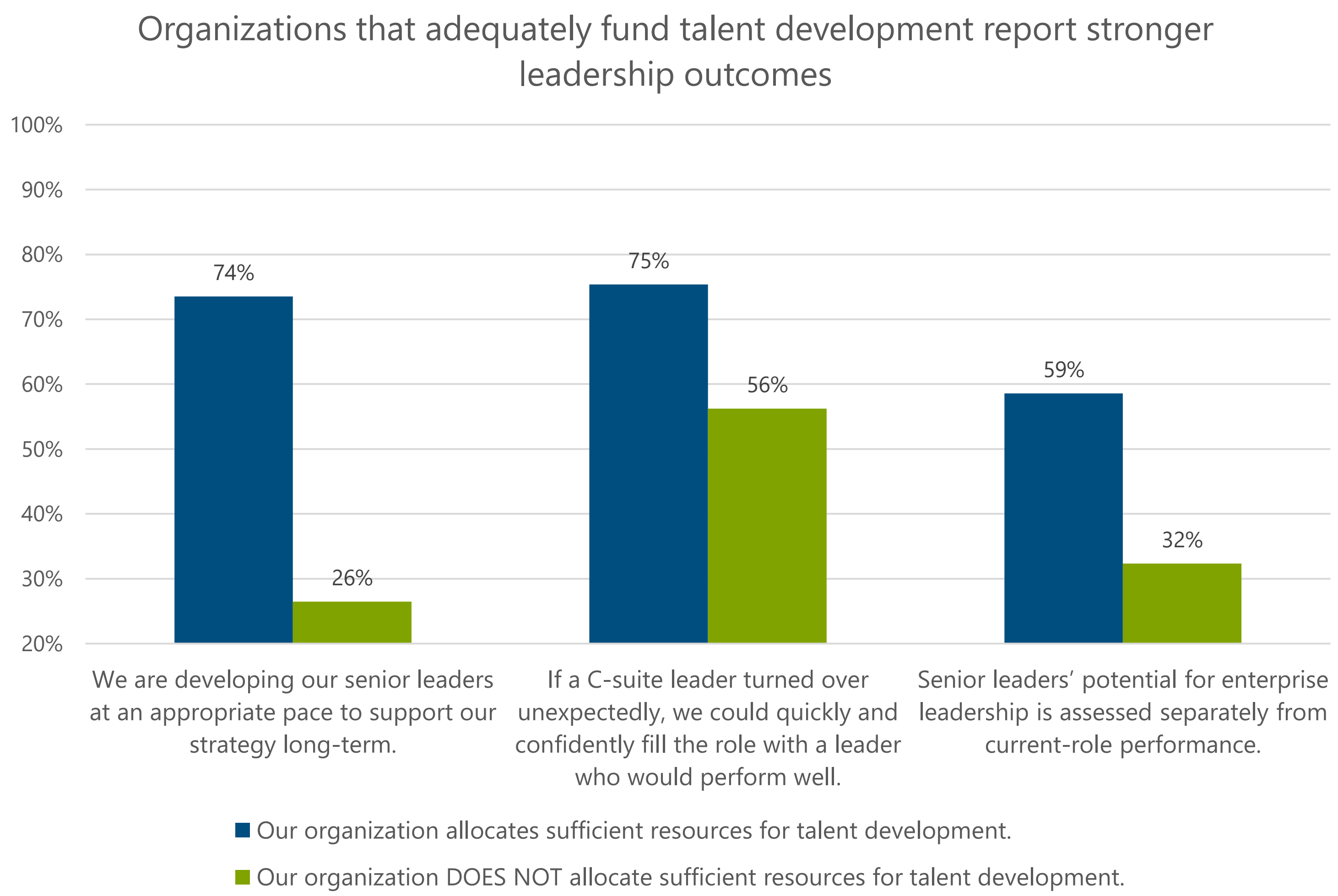
- Organizations with sufficient talent-development resources are far more confident in the strength and readiness of their leadership pipeline.
- Nearly three-quarters report developing senior leaders at the pace required to support long-term strategy, compared with 26% of under-resourced organizations.
- Confidence in quickly filling an unexpected C-suite vacancy is also higher, 75% versus 56%.
- Well-resourced organizations are nearly twice as likely to assess enterprise potential separately from current-role performance, 59% versus 32%.
- The pattern suggests that adequate resourcing supports not only development activity, but also succession depth and more disciplined talent decisions.



Confidence in future CEO readiness often precedes clarity about what the role will require

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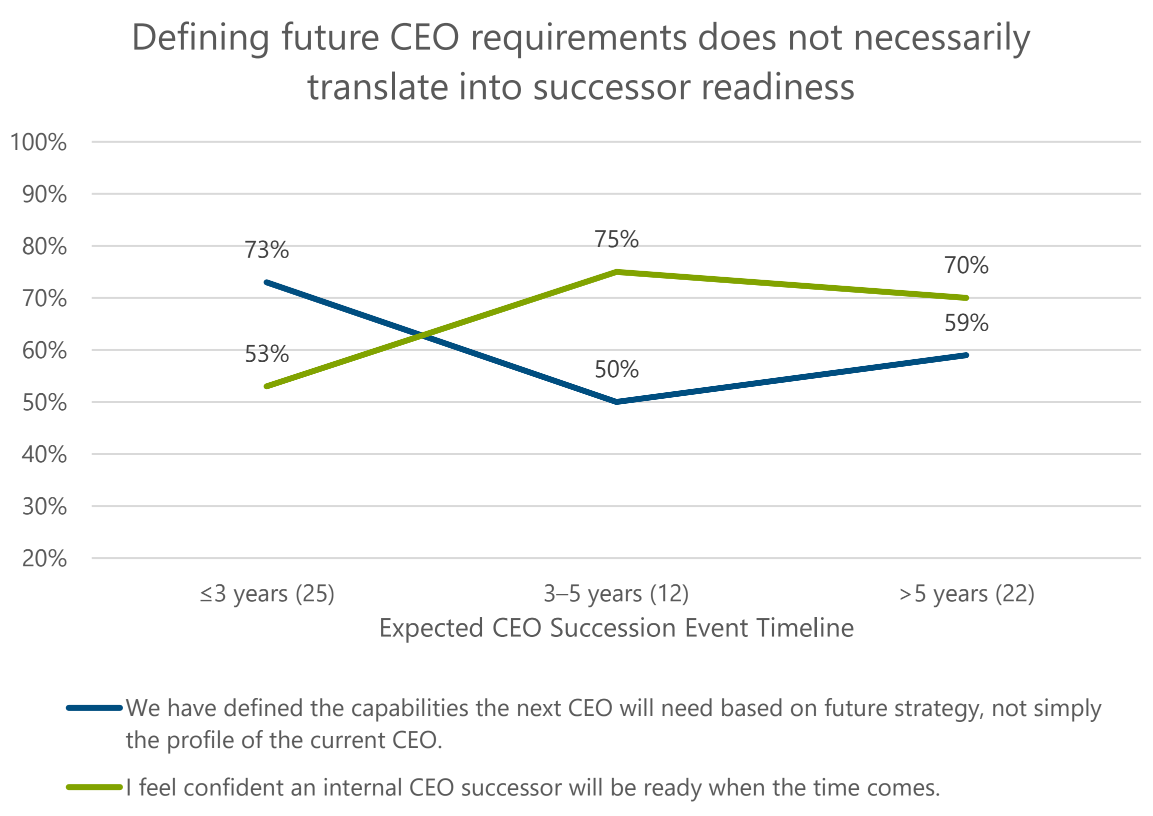
- **Organizations with longer succession horizons appear optimistic about internal options, even when the future CEO profile has not been clearly defined.**
- Among organizations expecting succession in 3–5 years, 75% feel confident an internal successor will be ready, while only 50% have defined the capabilities the next CEO will need.
- A similar pattern appears beyond five years, with 70% confident in readiness versus 59% with a defined future-focused profile.
- Near-term organizations show the opposite pattern, suggesting that urgency may force greater clarity about the role before confidence in candidates is established.



Note: Responses are limited to Board and C-suite participants.

Use of external assessment remains limited regardless of CEO succession horizon, including those expecting a transition within three years

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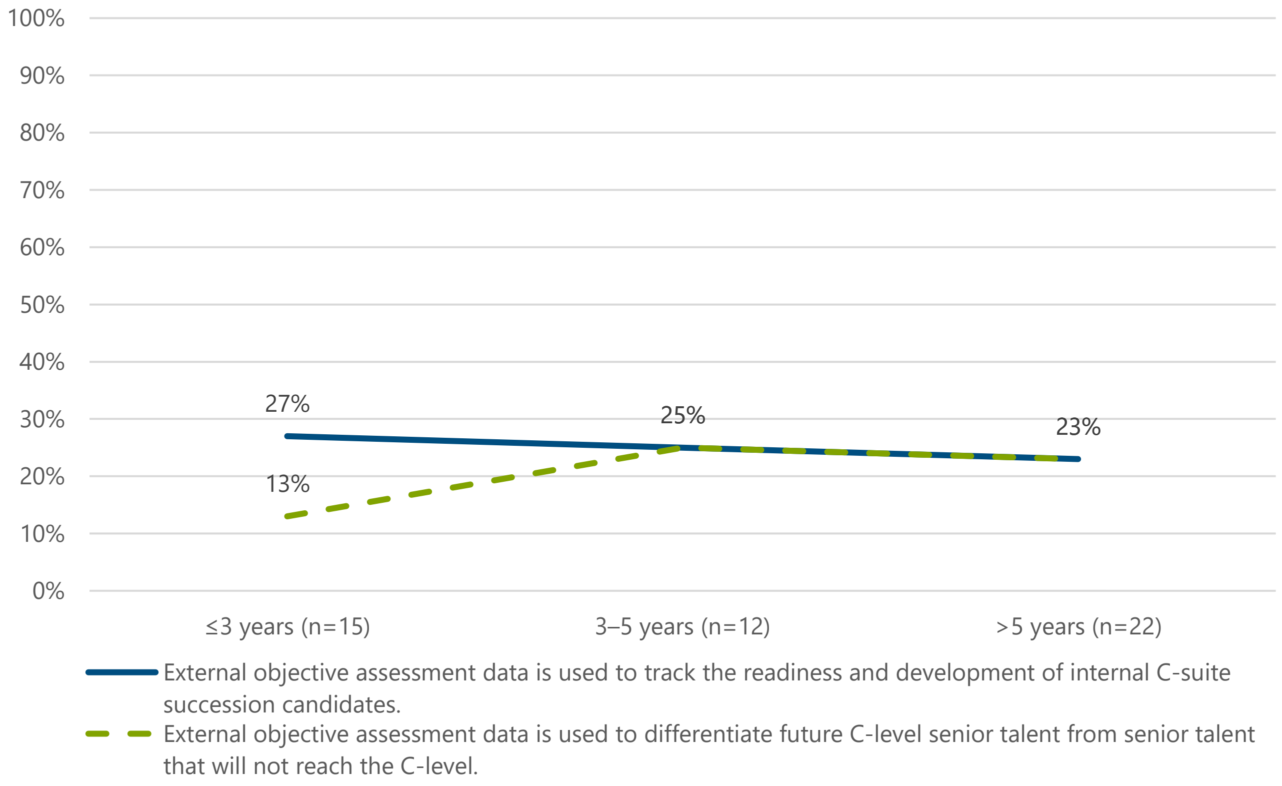
- Even as CEO succession approaches, few organizations use external assessment to validate candidate readiness or distinguish future C-level talent.
- Only 27% of organizations expecting a CEO transition within three years use external assessment to track internal C-suite successor readiness.
- Use is even lower for differentiating future C-level talent, at just 13% among near-term succession organizations.
- External assessment remains similarly limited across longer succession horizons, generally around one-quarter of organizations.
- The pattern suggests many organizations may be relying primarily on internal judgments when making high-stakes succession decisions.

External assessment remains uncommon even as CEO succession approaches



Note: Responses are limited to Board and C-suite participants. External objective assessment includes use of external data alone or in combination with internal assessment data.

External assessments build confidence organizations can withstand unexpected C-suite turnover

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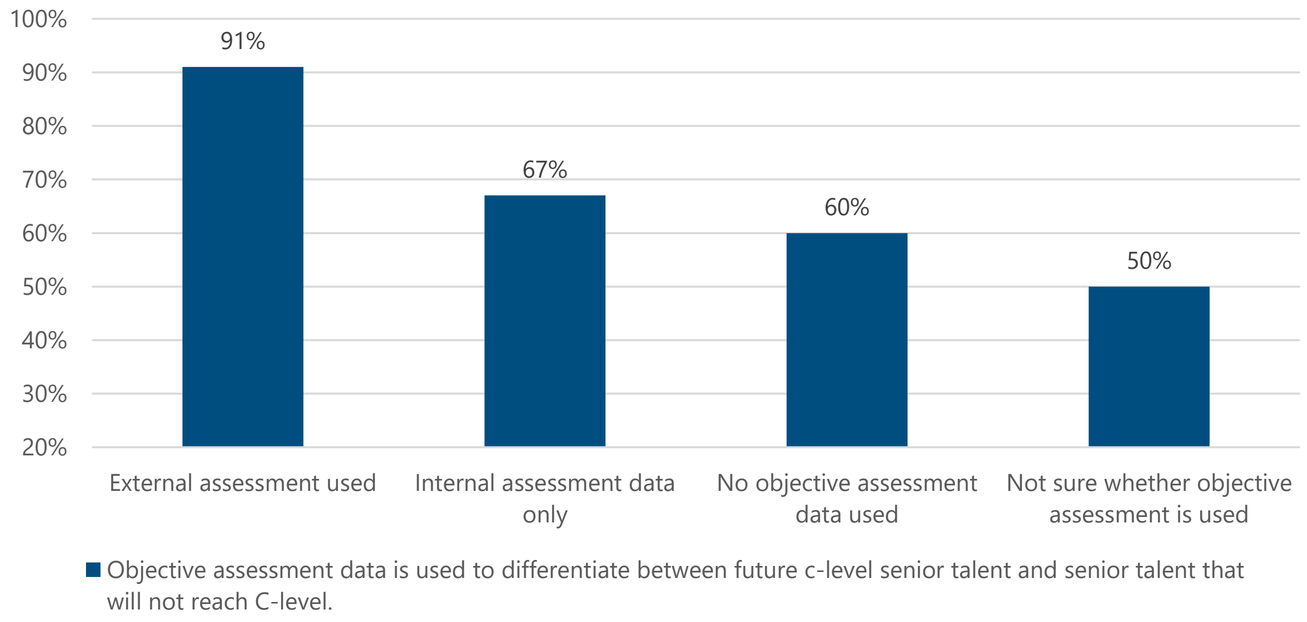
- Organizations using external assessment to differentiate future C-level talent are far more confident they can respond quickly to an unexpected C-suite vacancy.
- 91% of external-assessment users believe they could fill the role with a leader who would perform well, compared with 67% of organizations relying only on internal assessment data.
- Confidence drops further among organizations using no objective assessment data (60%) or those unsure whether it is used (50%).
- The pattern suggests that independent assessment may reduce succession risk by giving organizations a clearer view of who is genuinely ready for C-level responsibility.

If a C-suite leader turned over unexpectedly, we could quickly and confidently fill the role with a leader who would perform well.



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Use of assessment data in C-suite succession is inconsistent and often too narrow

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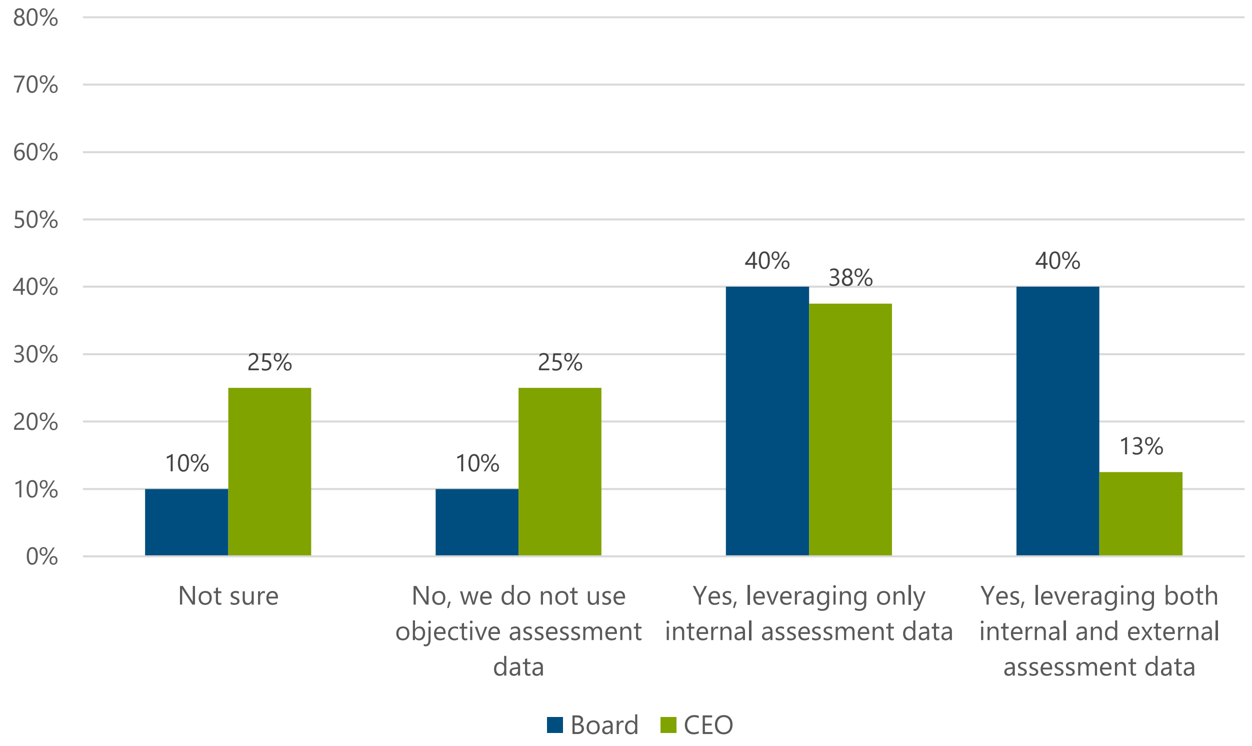
- Few organizations appear to use the full range of objective data needed to evaluate C-suite succession candidates rigorously.
- Boards are more likely than CEOs to report using both internal and external assessment data, 40% versus 13%. CEOs are more likely to rely on internal data alone, suggesting less independent validation of candidate readiness.
- One-quarter of CEOs and 10% of Board respondents are unsure whether objective assessment data is used, raising concerns about visibility and process discipline.
- The findings suggest many organizations have not yet established a consistent, evidence-based approach to C-suite succession assessment.

Is objective assessment data is used to track the readiness and development of internal C-suite succession candidates?



Demographics

Survey respondent demographics

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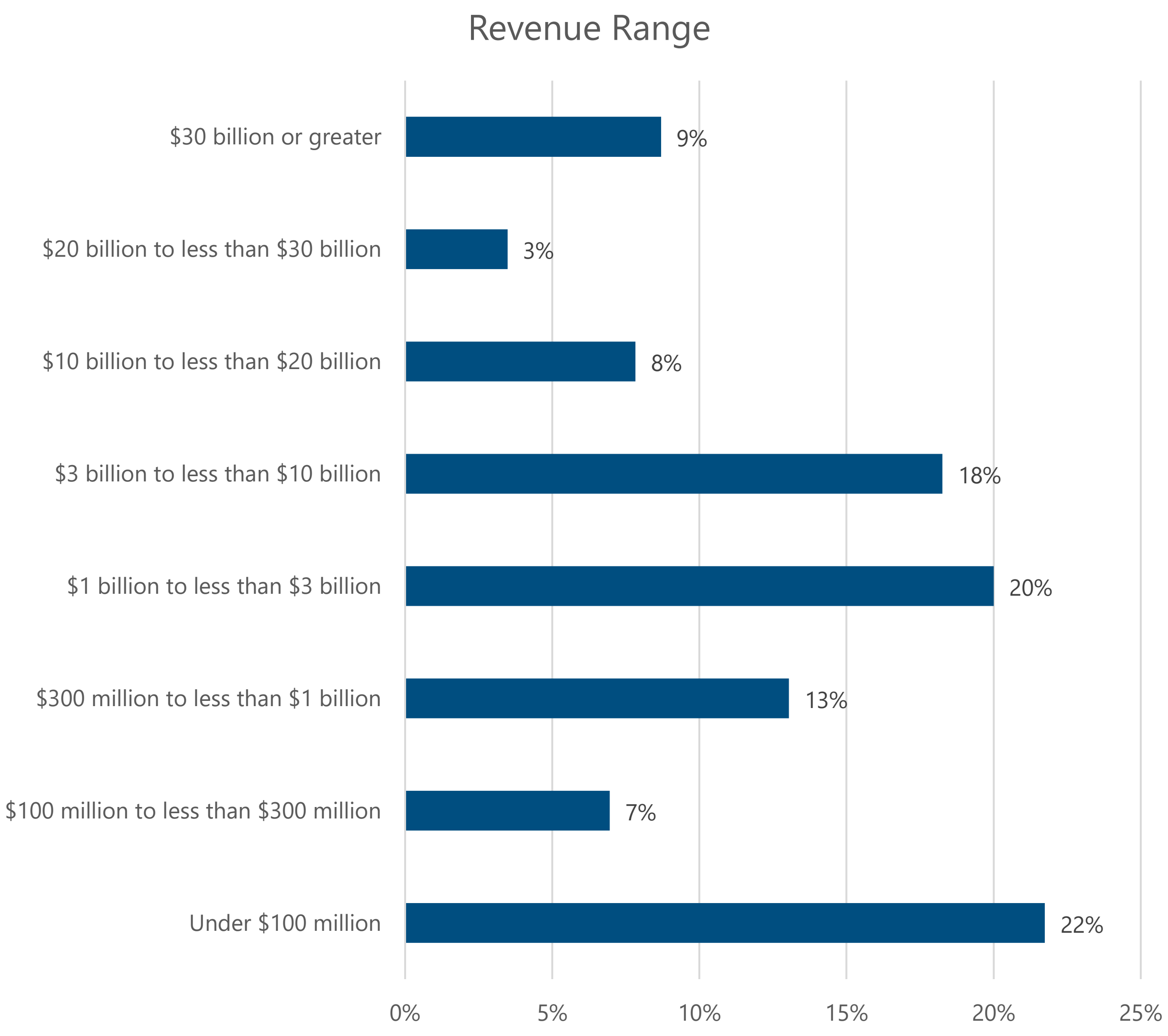

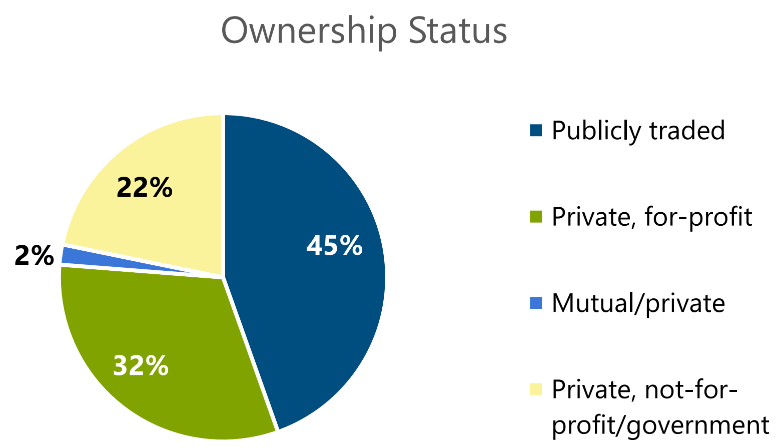

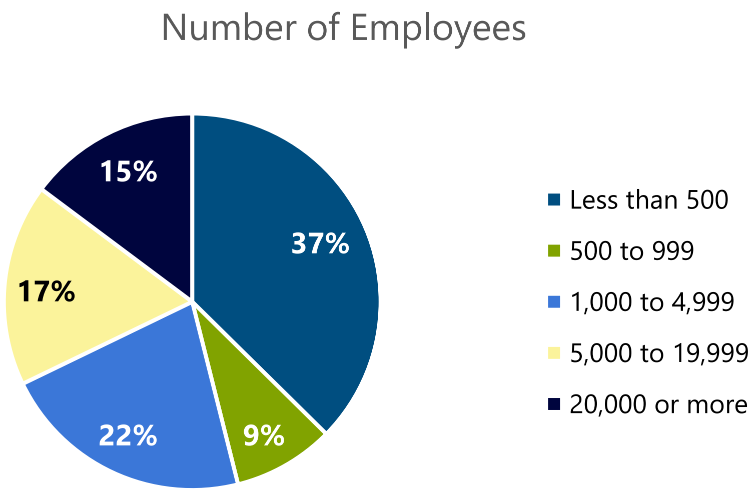

Survey respondent demographics (cont.)

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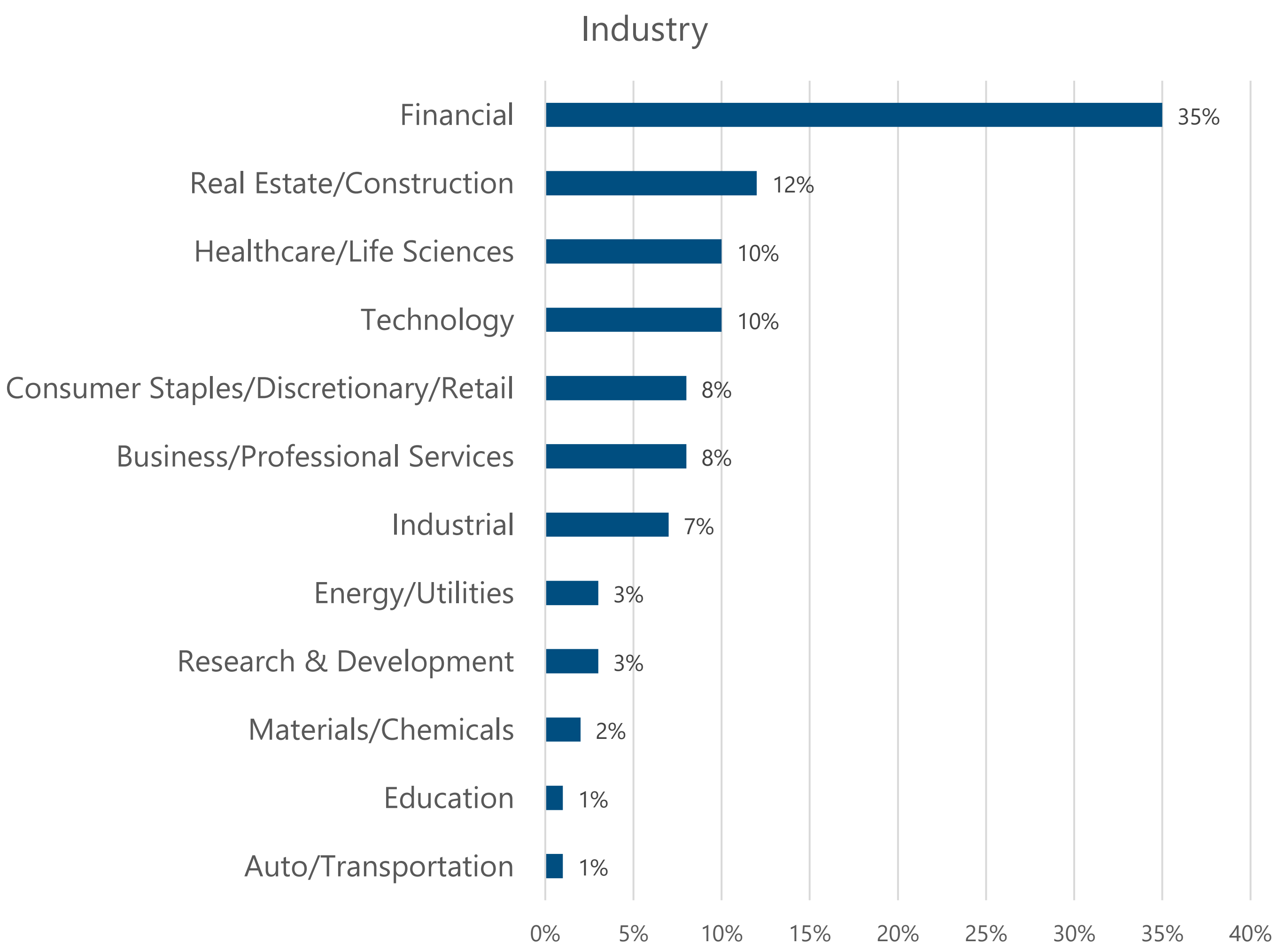

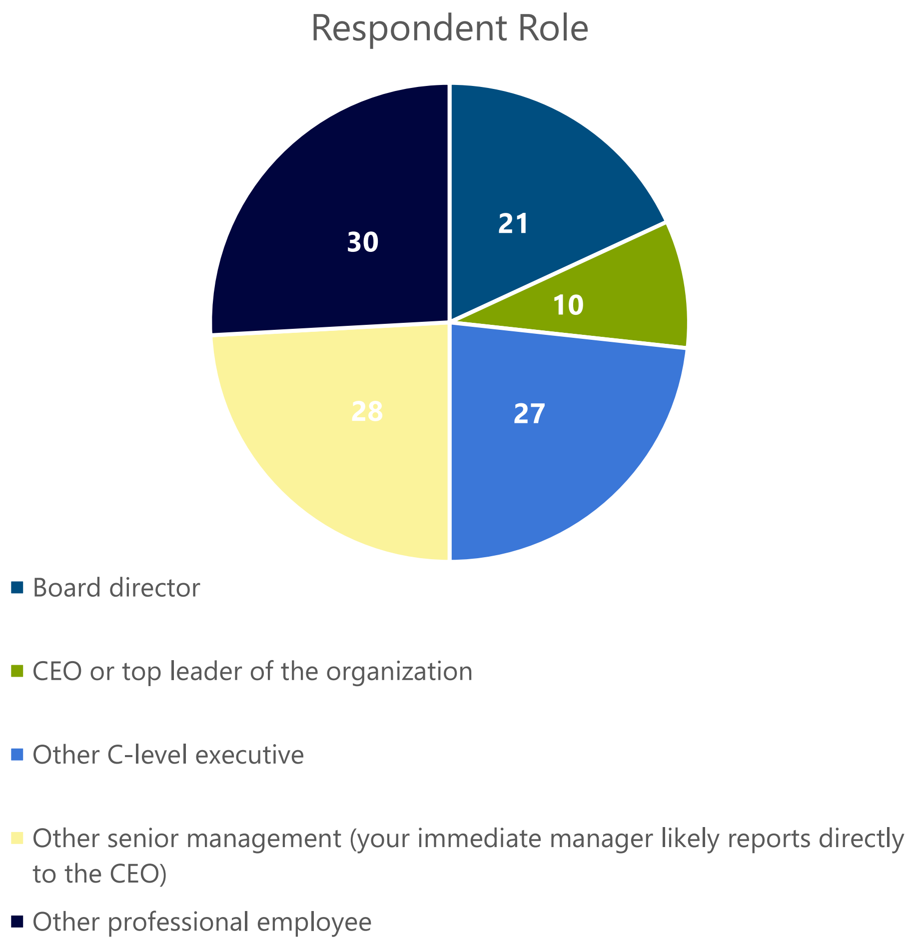

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Thank you

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