2026 transformation leader insights

Kearney Transformation Study

Highlights

August 2026

KEARNEY



Introduction

Kearney's **second global transformation study** captures the perspectives of 102 transformation executives across industries. Conducted annually, our study tracks how organizations are adapting their transformation strategies as the pace of disruption, AI adoption, and business complexity accelerates.

The study **explores the full transformation life cycle,** from the forces that trigger change and the governance structures that guide it to the barriers that impede execution, the role of AI, capability building, value realization, and the practices that organizations are using to sustain momentum.

The findings reveal an environment where **only 29 percent of leaders say transformations deliver the anticipated value most of the time**, **AI is taking more organizational energy with limited financial impact** (96 percent have at least one AI initiative underway; more than 80 percent say fewer than half of AI initiatives deliver measurable financial impact), and **80 percent believe transformation should become a able organizational capability** rather than a one-time initiative.

Although more organizations are investing in transformation, **many are struggling to translate strategic ambition into sustained business outcomes**. Our study identifies the common challenges that limit success and the management practices that distinguish higher-performing organizations.

This **report presents the study's findings in full, highlighting the key trends, insights, and leading practices shaping enterprise transformation today**. It is complemented by a companion article, *The adoption gap: why most transformations fail after the strategy is approved*, which explores one of the study's central findings: organizations that outperform aren't simply better at designing transformation; they're better at driving its adoption.

For more information about the **methodology or full results**, please contact: transformation@kearney.com

Prior reports are available here: **Transformation Leaders Insights**

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The second annual Kearney Transformation Study surveyed executives across industries to understand key priorities, challenges, and enablers in driving enterprise-wide change

Objectives

We surveyed more than **100 transformation leaders** across a range of industries, company sizes, and roles to:

- **Gain visibility** into how leading organizations design and deliver transformation
- **Inform future transformation strategies** by surfacing shared challenges and opportunities

Questions were primarily focused on:

- What drives transformation
- Who leads and supports it
- How success is defined and measured
- Key barriers
- Roles of AI, tools, and partners

Survey demographics

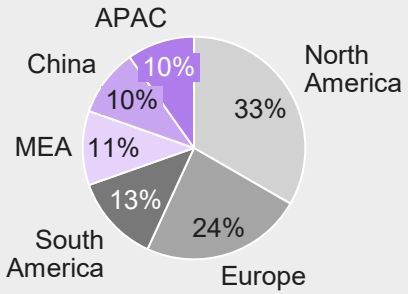
Industry[1]

- **17%** Tech, media, and telecom
- **14%** Financial services
- **12%** Manufacturing and industrials
- **11%** Healthcare and life sciences
- **11%** Retail and consumer goods
- **10%** Energy and utilities
- **10%** Transportation and logistics
- **7%** Construction and engineering
- **5%** Agriculture

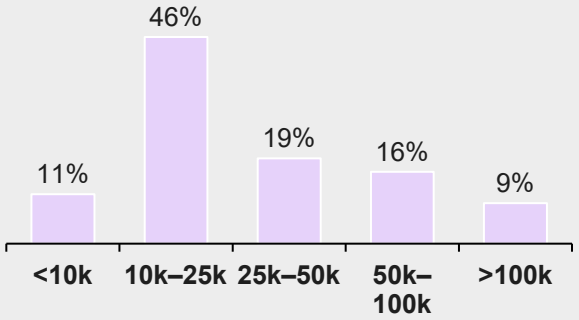
Role

36%	Executive or senior vice president
26%	Chief transformation officer
11%	Chief strategy officer
11%	Chief financial officer
10%	Chief executive or president
4%	Chief technology or information officer
2%	Chief human resources officer

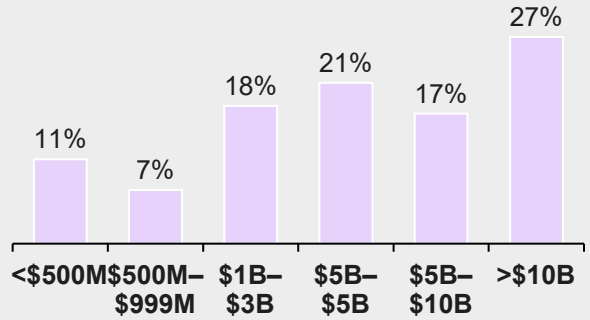
Region



Number of employees



Annual revenue



1. Other industries selected by 5% of respondents include hospitality, higher education, and property insurance.
Source: Kearney Transformation Study 2026, n=102

Transformation success is elusive: only 29% of companies consistently achieve their intended transformation value

Kearney Transformation Study 2026 results: human-shaped indicators



55% cite resistance to change as a top transformation challenge

Potential drivers of resistance

~50%
do not involve middle management in initiative definition

36%
define required capabilities reactively or without a future-back lens

>75%
reprioritize their transformation priorities at least once per quarter

<30%
provide financial incentives to individual contributors (vs. 60% to senior executives)

Transformation leaders must treat adoption as a core design discipline—embedding middle management, capability-building, and incentives into how change is planned and executed

Source: Kearney Transformation Study 2026, n=102

AI is a top priority and transformation trigger but is struggling to deliver measurable financial impact; doing so requires focus on adoption including capability

Kearney Transformation Study 2026: AI-centric indicators

AI initiatives are near universal and universally important …



96% of transformation leaders report **at least one AI initiative underway**

41% cite **AI as a top-three trigger** to starting transformation

… yet AI isn't delivering measurable value



80%+ say **less than half of AI initiatives are delivering measurable financial impact**

~50% cite **lack of technical capabilities** and **limitations across data and infra** as barriers for AI transformation

Source: Kearney Transformation Study 2026, n=102

Kearney Transformation Study 2026 highlights

Transformation drivers and leadership

- 59% of leaders state that transformations are triggered by market opportunity, disruption, or competition, the clear leading trigger.
- 73% say strategy and sequencing are leadership-led; only 26% do so jointly with employees.
- 76% reprioritize monthly or quarterly, reflecting a more volatile planning environment.

People, change, and execution

- 55% cite resistance to change as a top-three challenge, the biggest implementation barrier.
- 37% cite leadership misalignment and 34% cite clarity on measure goals among the top-three barriers.
- 77% involve contributors in execution, but only 28% in strategy setting.
- ~59% of incentive dollars go to senior execs while less than 30% of financial incentives reach individual contributors.

AI, technology, and digital enablement

- 96% report at least one AI initiative underway, making AI activity nearly universal.
- Only 14% say most (>50%) of AI initiatives are delivering measurable financial impact.
- AI transformation efforts are shifting from experimentation to decision support:
  - GenAI pilots dropped 26 points (59% to 33%).
  - Implementation of AI use cases such as AI digital assistants and deployment of agentic AI to execute multistep workflows increased to 48% (↑6%) and 34% (↑12%) respectively.

Capability building and sustaining momentum

- 54% define success of a transformation by sustained business impact.
- 80% agree transformation should be an organizational capability, not a one-off program.
- 26% build capability from the start, while 36% do so reactively or without a future-back lens.
- 57% sustain momentum through change management; only 12% slow down to protect capacity.

Value creation and financial outcomes

- Only 29% of transformations consistently achieve the value they set out to deliver, whereas 56% say they achieve mixed results. Consistency remains the challenge.
- 94% of leaders expect to see tangible results in on year or less; while 25% expect results within six months.
- 60% cite revenue growth as a top-three launch metric, ahead of savings/ROI at 49%.
- 17% average EBITDA uplift is expected from current or upcoming transformations.
- 4.9x average value multiplier; 3.0x median

Strategic positioning and external pressure

- 41% cite AI as a top trigger, now #2 behind market disruption at 59%.
- 63% say product or service changes are a focus area for transformation.
- Nearly two-thirds of leaders have some M&A intent, but of those, 41% are only exploring deals opportunistically, while 23% are pursuing acquisitions.
- Leaders state that internal pressure is a minor trigger: only 9% cite board, stakeholder, or activist pressure versus 59% citing market disruption or opportunity.

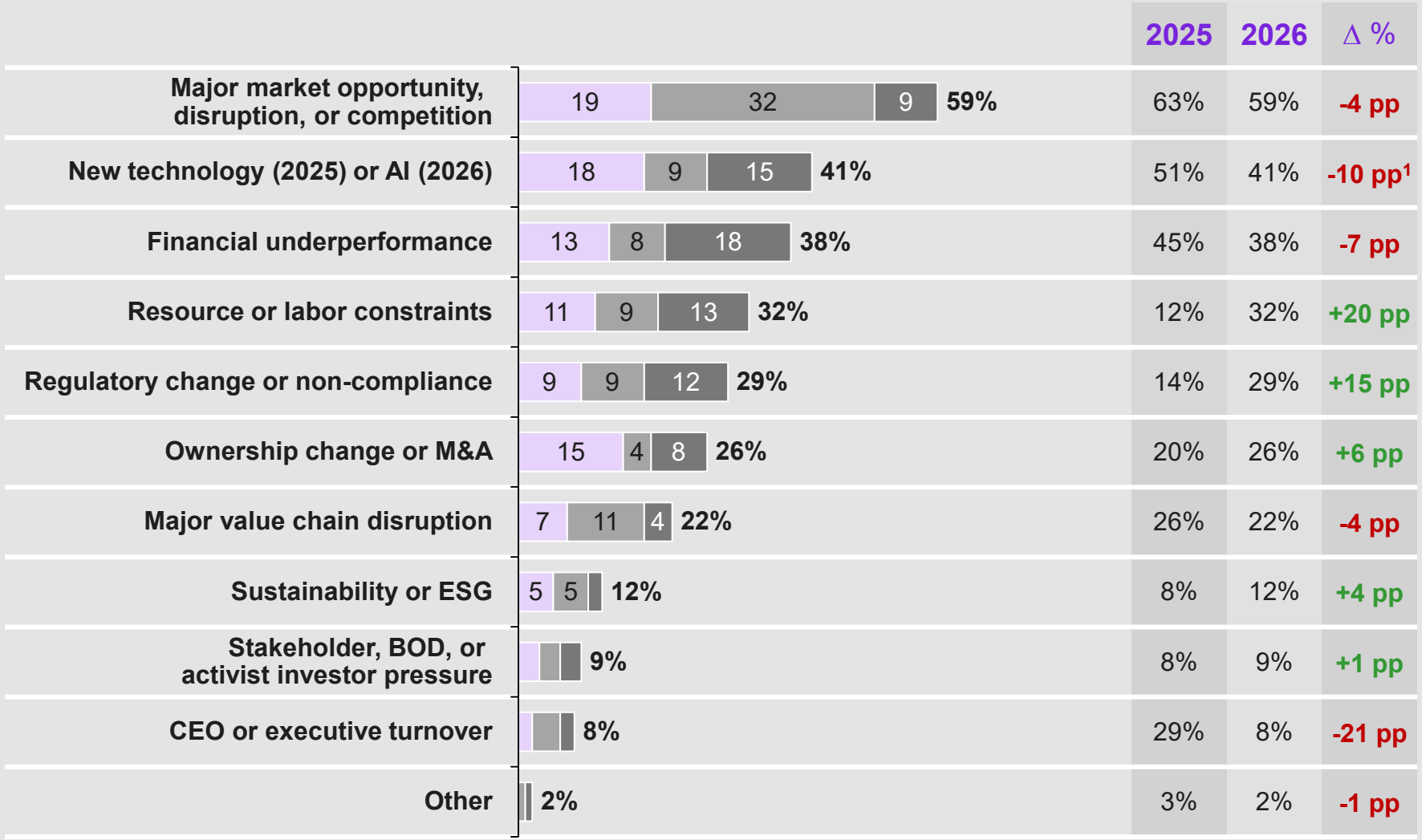
Source: Kearney Transformation Study 2026, n=102

Market disruption remains the top transformation trigger in 2026 despite rising capacity and regulatory pressures

- AI remains a leading trigger, while labor constraints and regulation rose sharply.
- Internal pressure is a minor trigger: only 9% cite board, stakeholder, or activist pressure, versus 59% citing market disruption or opportunity.

What are/were the triggers for the most important transformation program you have run recently or are currently running?

(% of total respondents, rank up to top 3)



	2025	2026	Δ %
Major market opportunity, disruption, or competition	63%	59%	-4 pp
New technology (2025) or AI (2026)	51%	41%	-10 pp[1]
Financial underperformance	45%	38%	-7 pp
Resource or labor constraints	12%	32%	+20 pp
Regulatory change or non-compliance	14%	29%	+15 pp
Ownership change or M&A	20%	26%	+6 pp
Major value chain disruption	26%	22%	-4 pp
Sustainability or ESG	8%	12%	+4 pp
Stakeholder, BOD, or activist investor pressure	8%	9%	+1 pp
CEO or executive turnover	29%	8%	-21 pp
Other	3%	2%	-1 pp

[1] Not fully comparable due to change in answer scope
Note: 2025 n = 76; 2026 n = 102
Source: Kearney Transformation Study 2025 and 2026

Strategy-aligned objectives are the top enabler of transformation success in 2026

- Aligned objectives outrank sponsorship, signaling a stronger focus on strategic clarity.
- Executive sponsorship still matters, but it lost relevance compared with 2025.

Most important enablers of successful transformation programs

(% of total respondents, select up to three)



	2025	2026	Δ %
Strategy-aligned objectives	58%	64%	+6 pp
Executive sponsorship	64%	52%	-12 pp
Measurable goals	42%	48%	+6 pp
Clear decision-making framework	45%	34%	-11 pp
Robust change management program	36%	32%	-4 pp
Dedicated resources	24%	29%	+5 pp
Robust processes	14%	15%	+1 pp
Skilled workforce	11%	9%	-2 pp
External partnerships	5%	7%	+2 pp

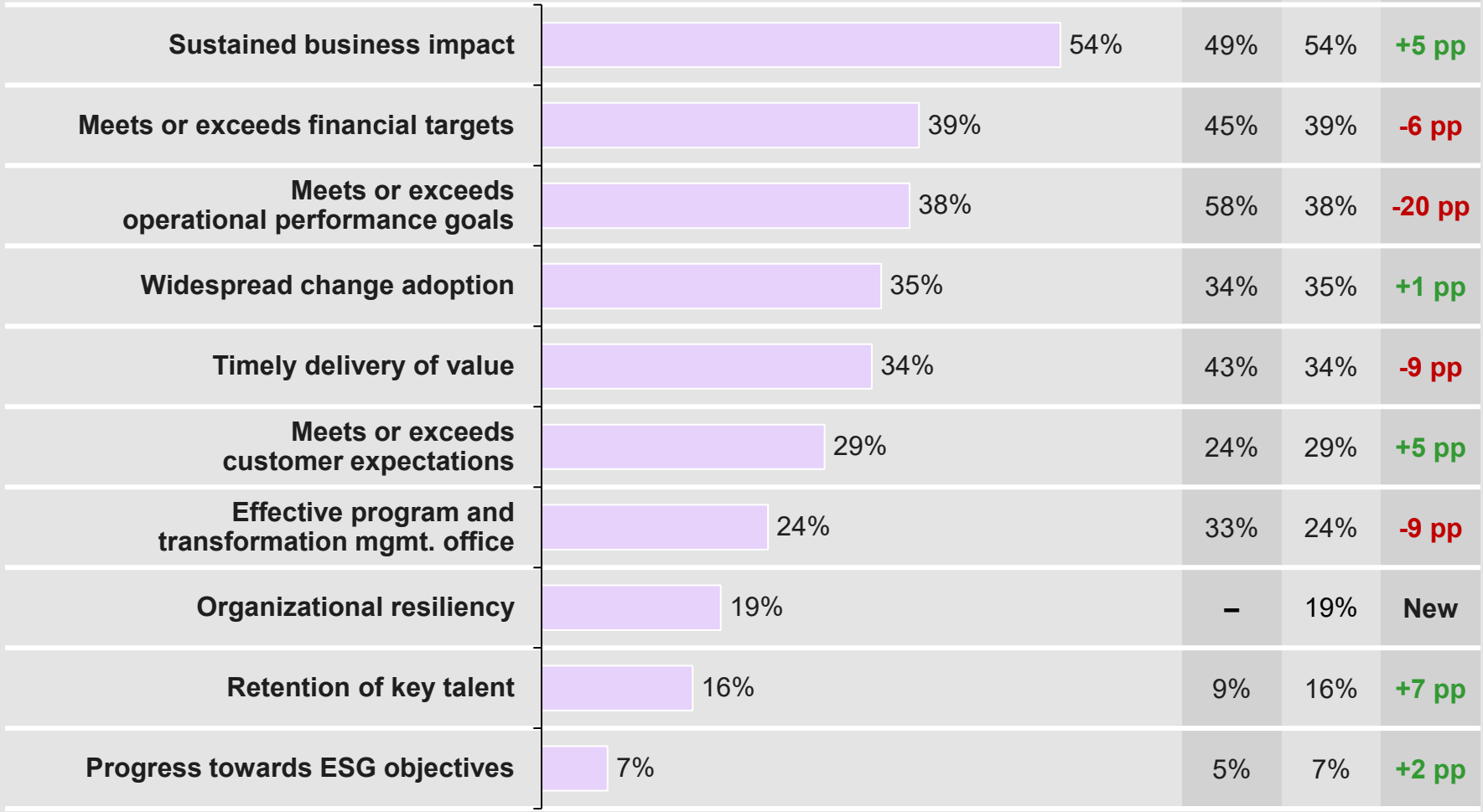
Note: 2025 n = 76; 2026 n = 102
Source: Kearney Transformation Study 2025 and 2026

Organizations increasingly define success through lasting impact, not just execution discipline

- Sustained business impact is the top definition of transformation success in 2026.
- Success metrics shifted away from operational performance goals toward broader business outcomes.

Top factors to consider a transformation program successful

(% of total respondents, select up to three)



	2025	2026	Δ %
Sustained business impact	49%	54%	+5 pp
Meets or exceeds financial targets	45%	39%	-6 pp
Meets or exceeds operational performance goals	58%	38%	-20 pp
Widespread change adoption	34%	35%	+1 pp
Timely delivery of value	43%	34%	-9 pp
Meets or exceeds customer expectations	24%	29%	+5 pp
Effective program and transformation mgmt. office	33%	24%	-9 pp
Organizational resiliency	–	19%	New
Retention of key talent	9%	16%	+7 pp
Progress towards ESG objectives	5%	7%	+2 pp

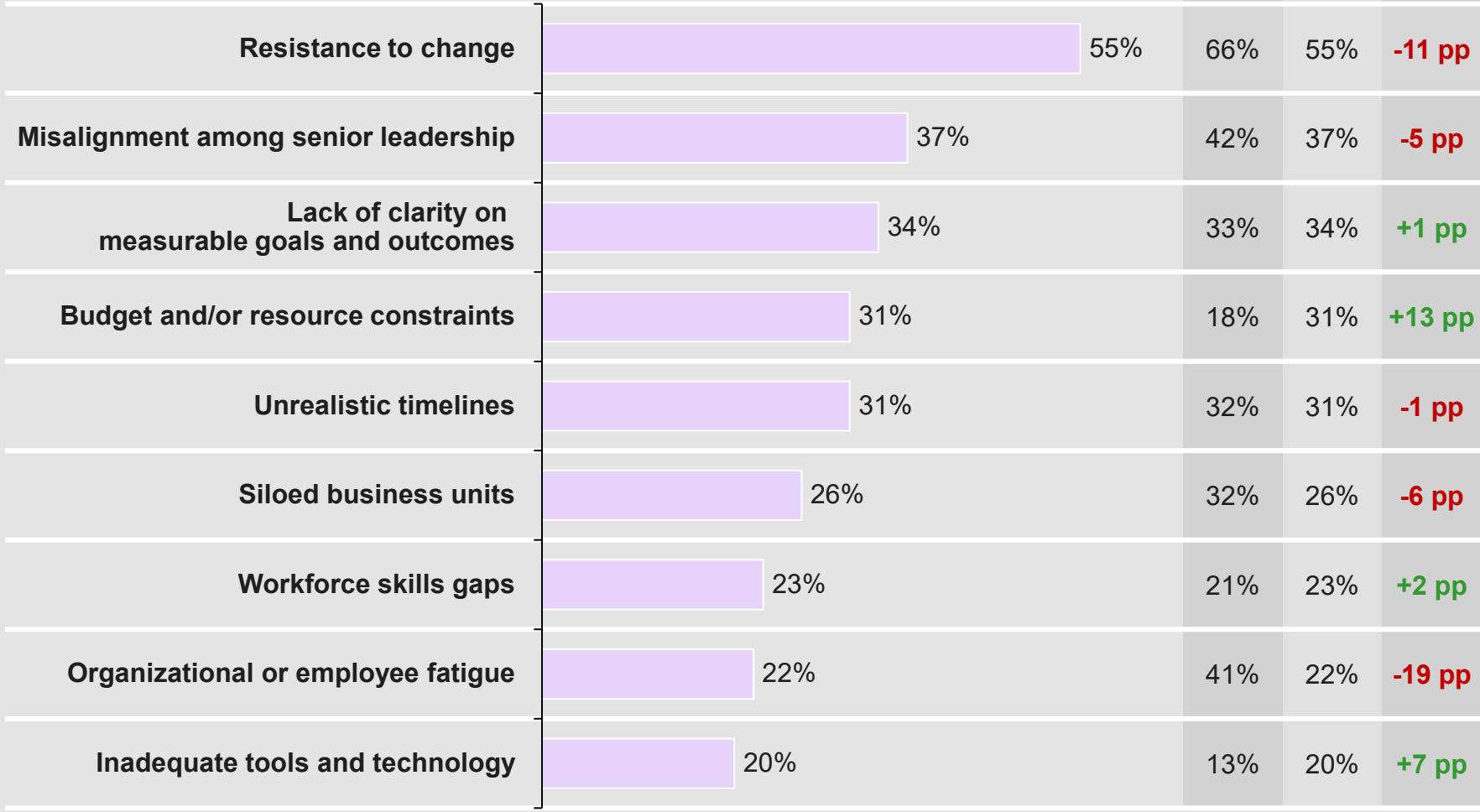
Note: 2025 n = 76; 2026 n = 102
Source: Kearney Transformation Study 2025 and 2026

Resistance to change remains the biggest barrier to transformation success

- More than 50% of leaders agree that the biggest challenge during implementation is resistance to change.
- Budget and resource constraints became materially more important.

What are the most prominent challenges faced when implementing transformation programs?

(% of total respondents, select up to three)



	2025	2026	Δ %
Resistance to change	66%	55%	-11 pp
Misalignment among senior leadership	42%	37%	-5 pp
Lack of clarity on measurable goals and outcomes	33%	34%	+1 pp
Budget and/or resource constraints	18%	31%	+13 pp
Unrealistic timelines	32%	31%	-1 pp
Siloed business units	32%	26%	-6 pp
Workforce skills gaps	21%	23%	+2 pp
Organizational or employee fatigue	41%	22%	-19 pp
Inadequate tools and technology	13%	20%	+7 pp

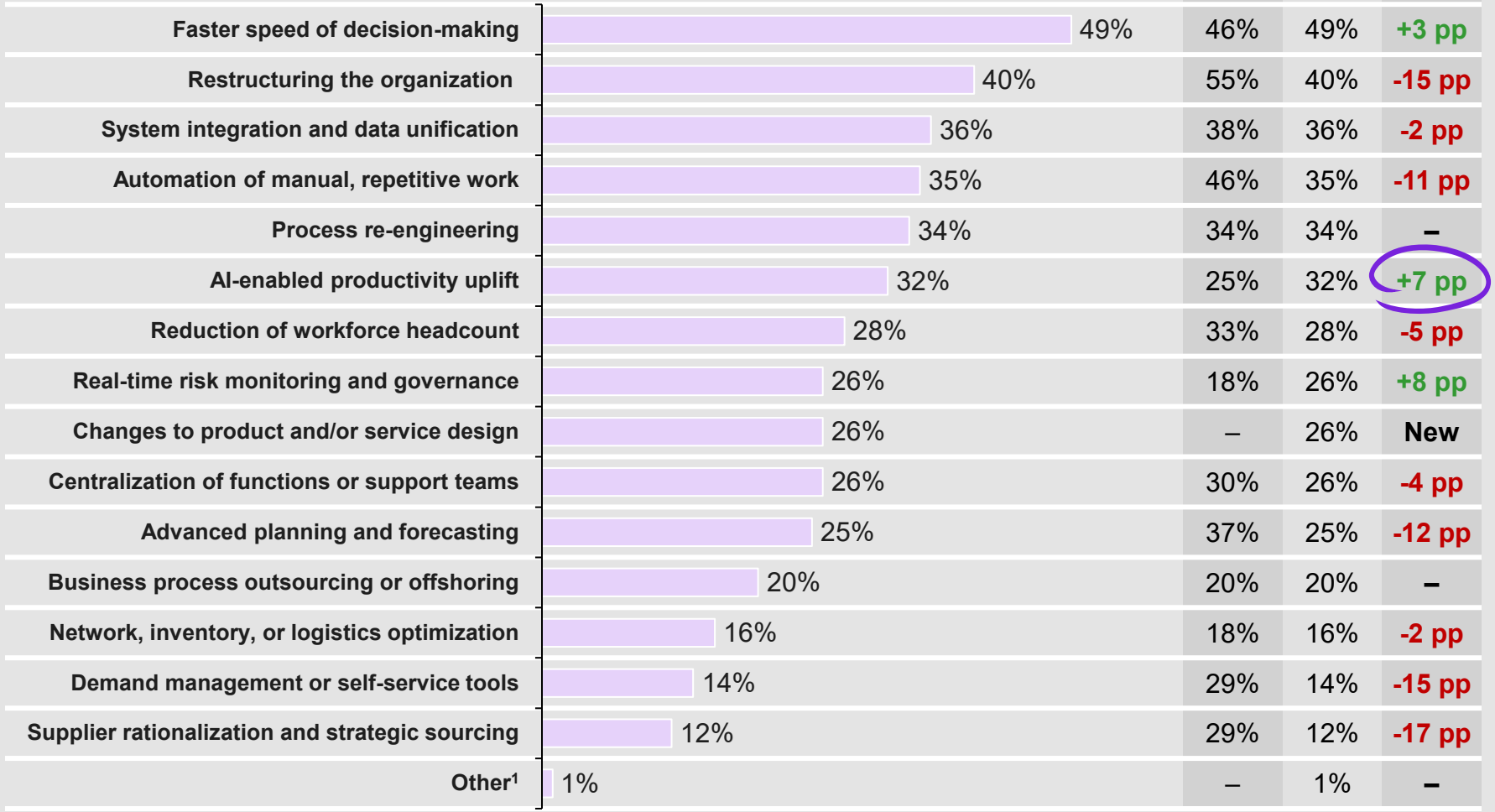
Note: 2025 n = 76; 2026 n = 102
Source: Kearney Transformation Study 2025 and 2026

AI-enabled productivity uplift increased significantly in importance as a top value driver

- AI-enabled productivity uplift increased significantly in importance as a top value driver.
- Traditional efficiency levers lost ground as speed and intelligence gained prominence.

Top value drivers in recent large-scale transformation programs

(% of total respondents, select all that apply)



	2025	2026	Δ %
Faster speed of decision-making	46%	49%	+3 pp
Restructuring the organization	55%	40%	-15 pp
System integration and data unification	38%	36%	-2 pp
Automation of manual, repetitive work	46%	35%	-11 pp
Process re-engineering	34%	34%	–
AI-enabled productivity uplift	25%	32%	+7 pp
Reduction of workforce headcount	33%	28%	-5 pp
Real-time risk monitoring and governance	18%	26%	+8 pp
Changes to product and/or service design	–	26%	New
Centralization of functions or support teams	30%	26%	-4 pp
Advanced planning and forecasting	37%	25%	-12 pp
Business process outsourcing or offshoring	20%	20%	–
Network, inventory, or logistics optimization	18%	16%	-2 pp
Demand management or self-service tools	29%	14%	-15 pp
Supplier rationalization and strategic sourcing	29%	12%	-17 pp
Other[1]	–	1%	–

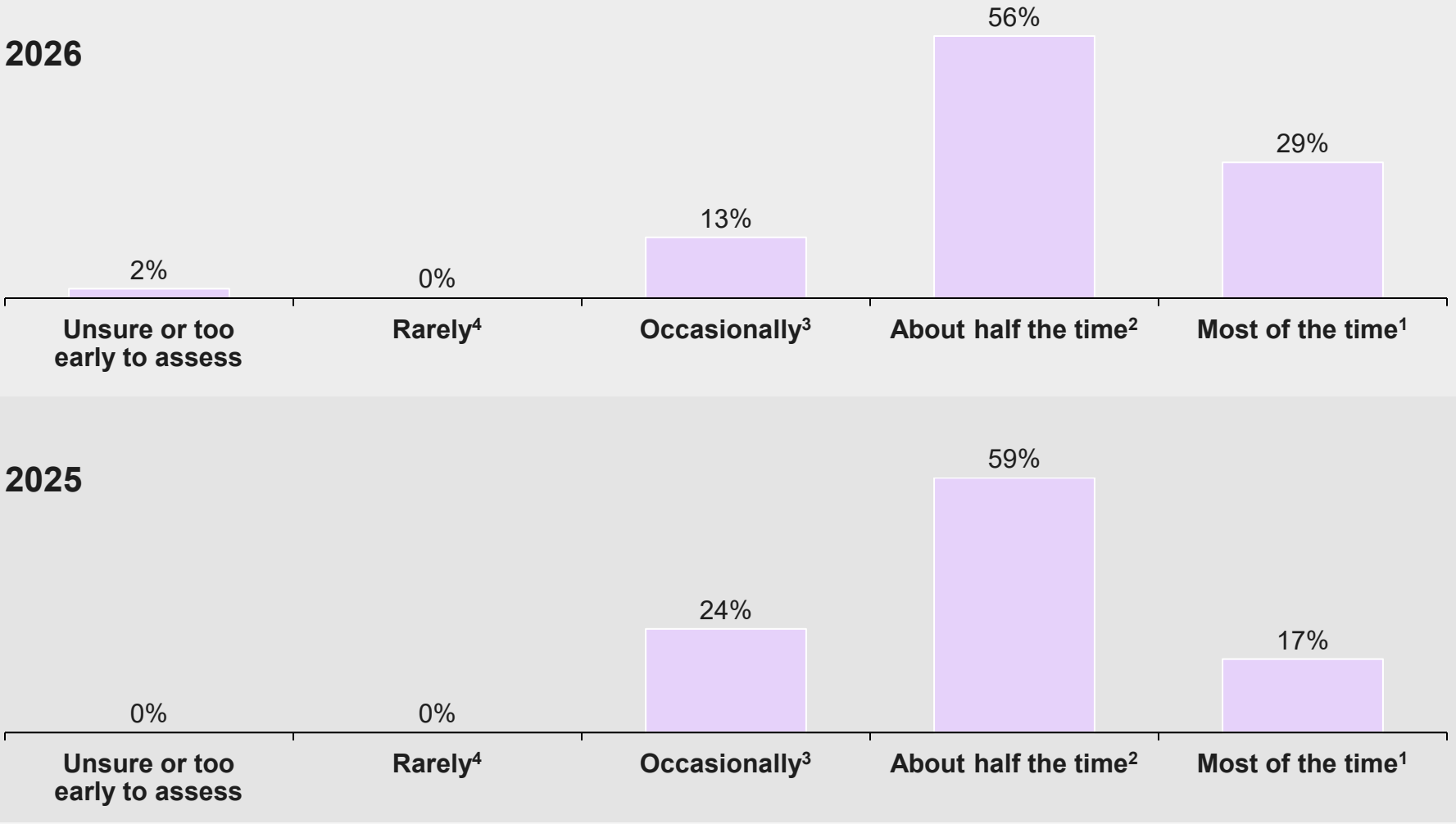
[1] Response: change management and communications
Note: 2025 n = 76; 2026 n = 102
Source: Kearney Transformation Study 2025 and 2026

Reliable value delivery improved in 2026, even if consistency remains limited

- Only 29% of transformations consistently achieve the value they set out to deliver, up from 17% in 2025.
- 56% say they achieve mixed results.

How often did your transformation efforts deliver the value you originally expected at the outset

(% of total respondents, select top choice)



1. Most of the time: We typically achieve or exceed our program's original value targets.; 2. About half the time: Results are mixed; some programs hit the mark, others fall short.; 3. Occasionally: We often need to reset program expectation mid-flight or scale back scope.; 4. Rarely: Our program efforts frequently under-deliver relative to initial ambitions.;
Note: 2025 n = 76; 2026 n = 102; Source: Kearney Transformation Study 2025 and 2026

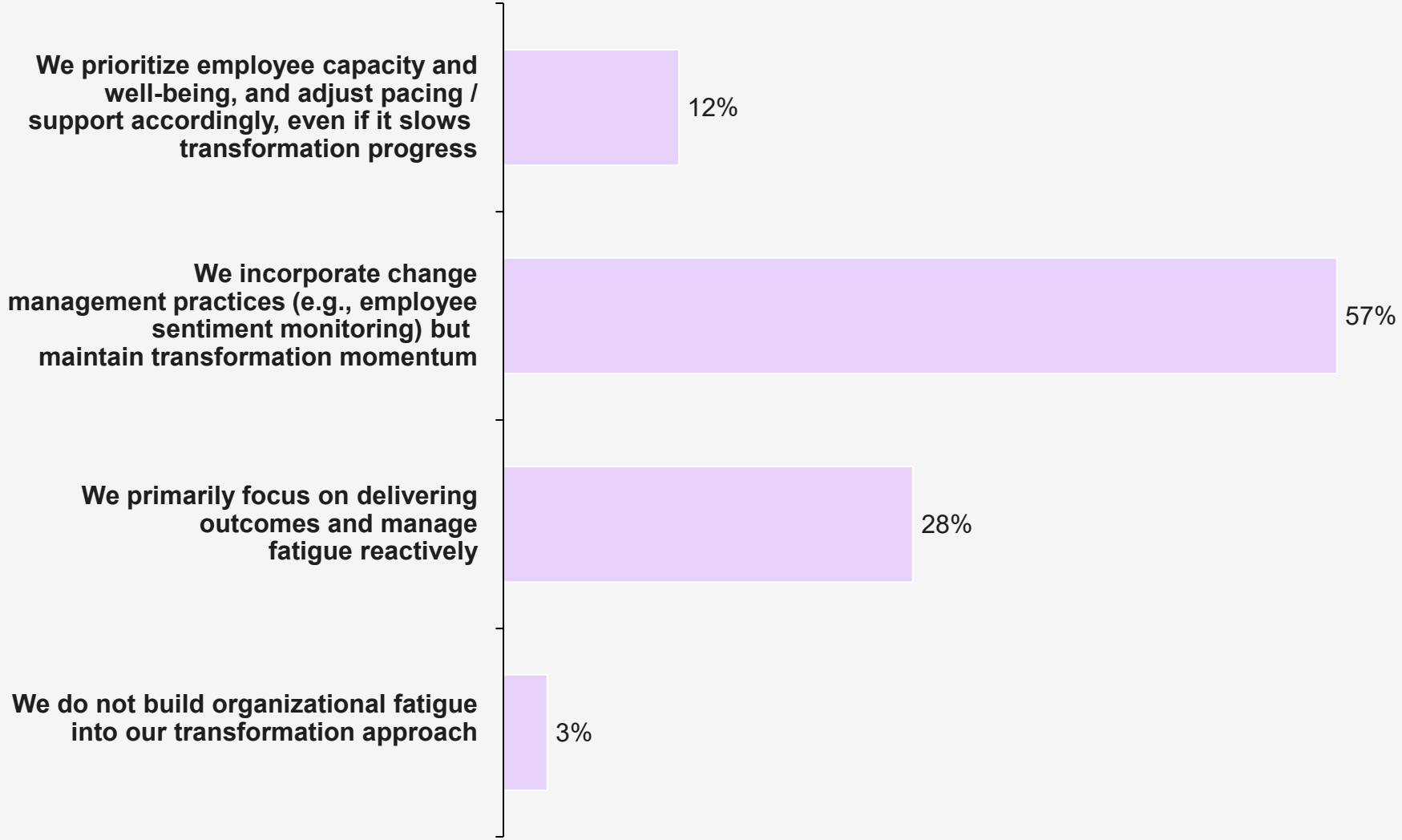
Kearney XX/ID

Few organizations prioritize employee capacity and well-being over maintaining transformation momentum

- Only 12% of leaders intentionally slow transformation to protect employee capacity and organizational readiness.
- Few organizations admit to managing transformation fatigue only reactively.

Balance of speed to impact and value realization with organizational fatigue

(% of total respondents, select top choice)



Source: Kearney Transformation Study 2026, n = 102

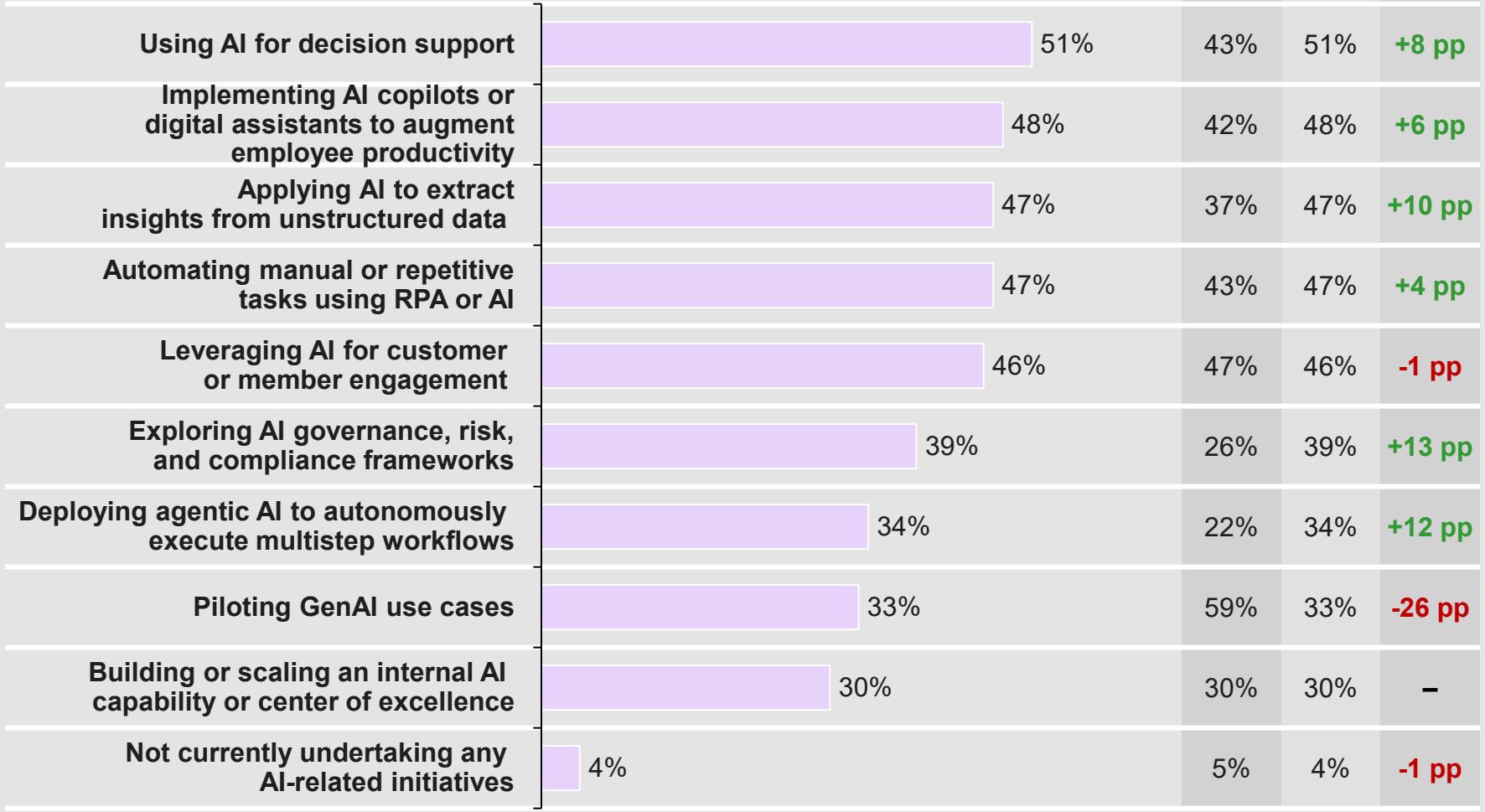
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Most organizations now emphasize practical AI applications over stand-alone experimentation

- Decision support is the top AI use case in 2026.
- AI priorities shifted from pilots toward insight extraction, governance, and agentic workflows.
- 96% have at least one AI initiative underway.

Current transformation efforts

(% of total respondents, select all that apply)



	2025	2026	Δ %
Using AI for decision support	43%	51%	+8 pp
Implementing AI copilots or digital assistants to augment employee productivity	42%	48%	+6 pp
Applying AI to extract insights from unstructured data	37%	47%	+10 pp
Automating manual or repetitive tasks using RPA or AI	43%	47%	+4 pp
Leveraging AI for customer or member engagement	47%	46%	-1 pp
Exploring AI governance, risk, and compliance frameworks	26%	39%	+13 pp
Deploying agentic AI to autonomously execute multistep workflows	22%	34%	+12 pp
Piloting GenAI use cases	59%	33%	-26 pp
Building or scaling an internal AI capability or center of excellence	30%	30%	–
Not currently undertaking any AI-related initiatives	5%	4%	-1 pp

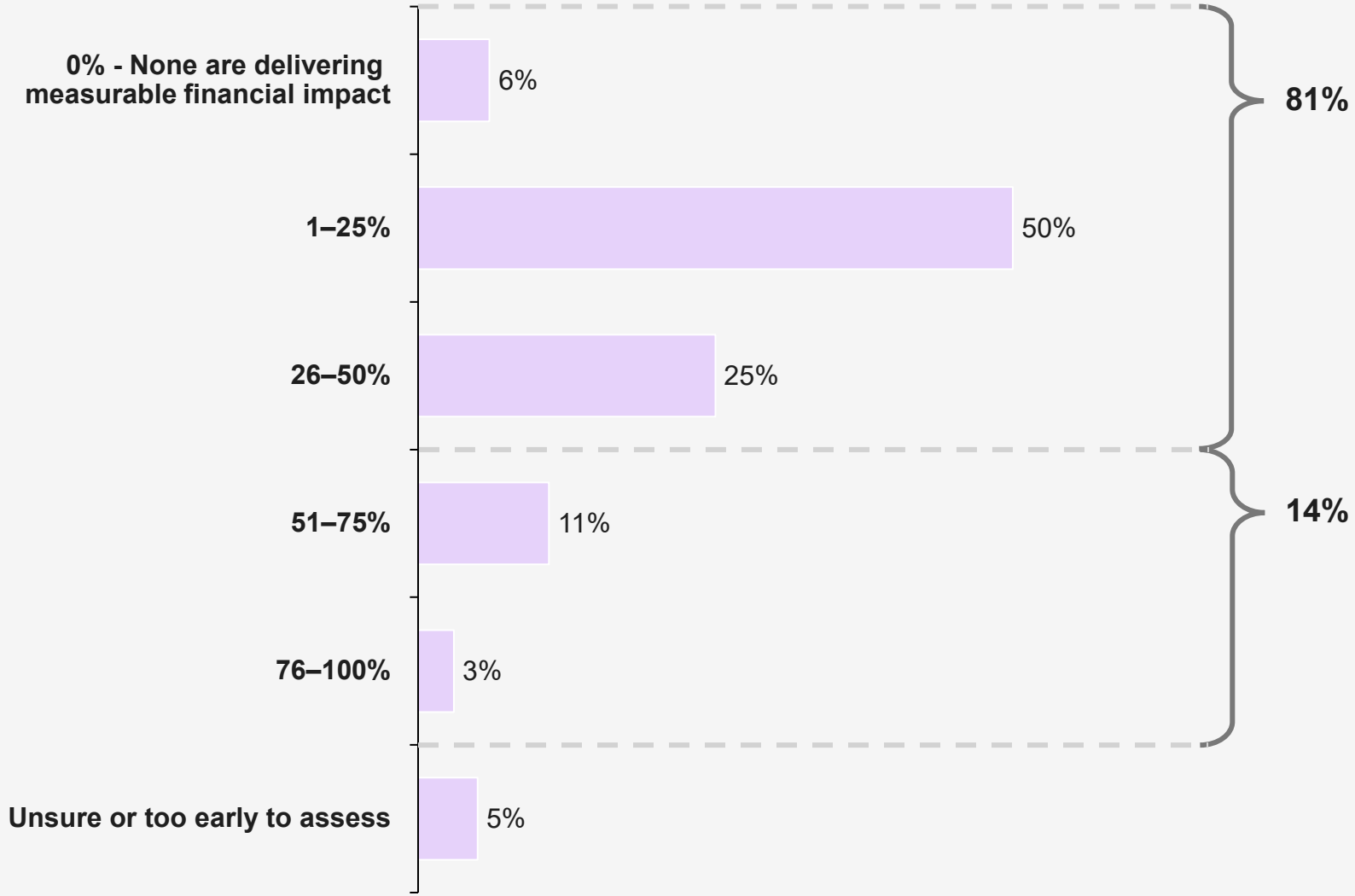
Note: 2025 n = 76; 2026 n = 102
Source: Kearney Transformation Study 2025 and 2026

Few organizations report measurable impact from more than half their AI initiatives

- More than 80% of transformation executives say less than half of their initiatives are delivering measurable financial impact.
- Only 14% say most (>50%) or more of AI initiatives are delivering measurable financial impact.

AI initiatives delivering measurable financial impact

(% of total respondents, select top choice)



Source: Kearney Transformation Study 2026, n = 102

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Based on the transformation experiences you have had over your career, what is the biggest mistake that leaders make which limits long-term sustained impact?

Successful transformations depend on bringing people along

"It is about people first. If employees do not understand the why, adoption will stall."

- Communicate transparently and consistently.
- Address resistance early, instead of reactively.
- Involve middle management throughout execution.

Balance speed with capacity

"Move fast, but don't overload the org with too many simultaneous transformation priorities."

- Sequence initiatives realistically against organizational capacity.
- Balance urgency with long-term adoption and sustainment.
- Recognize that transformation fatigue can slow value realization.

AI should support transformation goals

"Use AI and emerging tech strategically, but stay grounded in business needs and value."

- Apply AI where it solves measurable business problems.
- Avoid pursuing technology without a clear use case or focused adoption plan.
- Pair AI investments with process redesign, governance, and workforce readiness.

Leadership alignment must remain consistent throughout execution

"Lack of clear vision, shifting priorities, and inconsistent leadership alignment slowed execution and created confusion."

- Align early on goals, decision rights, and trade-offs.
- Keep governance and accountability visible.
- Avoid frequent shifts in direction during delivery.

Focus on value realization

"Plan beyond go-live and stay focused on measurable business outcomes."

- Define KPIs and track progress visibly.
- Build capability alongside implementation.
- Reinforce accountability after deployment.

Sustaining transformation requires more effort than expected

"Do not underestimate the effort required To … sustain momentum over time."

- Plan long-term, not just initial launch.
- Maintain leadership engagement throughout execution.
- Account for fatigue and change saturation.

Source: Kearney Transformation Study 2026

Thank you



Jennifer McGee
Partner
Washington, D.C.



Bryan Arcati
Partner
New York



Vanessa Redensek
Consultant
Dallas



Kay Polito Sidibe
Consultant
New York



Samuel Morales
Consultant
New York

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