

The AI Governance Leadership Advantage

How leaders build confidence in their AI strategy, develop AI literacy, institute strong governance, and deliver enterprise value.

Russell Reynolds Associates & EqualAI

As AI reshapes the workforce, how is leadership building trust in its organization's future?

Why this research, why now?

AI adoption has advanced faster than many organizations' ability to govern it.

Leaders are being asked to make consequential decisions before the rules, capabilities, and operating models around AI are fully formed.

Many are still determining where to begin.

Russell Reynolds Associates and EqualAI set out to understand how organizations are governing AI today—and which actions appear to build the most confidence, literacy, and alignment across their teams.

Source: RRA H2 2023–H1 2026 Global Leadership Monitor; The Gap Between AI Adoption and Value Realization—And Why Leaders With Strategic Judgment Are Key to Closing It | Russell Reynolds Associates

RRA has been tracking leaders' AI adoption rates and the ways in which they're governing this technology since H2 2023.

Strong AI governance isn't just about reducing AI risk; it's also about creating the conditions for adoption to translate into sustainable value.

Ultimately, organizations can't achieve either without AI literacy, alignment, and confidence in the strategy.

Research methodology

To understand how leaders are evaluating and developing AI trust, literacy, and governance, we took the following steps.

- **AI trust, literacy, and governance survey:** We collected survey data from 100+ leaders – board directors, CEOs, C-suite leaders, and next-gen leaders (1-2 levels below the C-suite) – to help us understand leaders' views on their organizations' AI governance, trust, and literacy development strategies
- **Global Leadership Monitor data review:** Analyzed data from our H2 2025 & H1 2026 [Global Leadership Monitor](#), RRA's bi-annual survey that reaches 2700+ leaders globally. Further detail on the AI battery from our GLM—which we've been running since 2023—can be found [here](#).
- **Leader interviews:** Conducted interviews with 15 board directors, C-suite leaders, and next generation leaders. These interviews were designed to help us understand how leaders are building trust and alignment around their organization's AI strategy and governance policies, as well as how leaders are evaluating and planning for AI's long-term implications on talent strategy, succession pipelines, and the future of work.
- **Subject matter expert conversations:** Held conversations with a range of colleagues at Russell Reynolds Associates and EqualAI who have expertise relevant to developing trust, literacy and organizational alignment around AI, as well as governance approaches within an AI context.

Defining AI literacy

For the purposes of our research, we leveraged EqualAI's definition of AI literacy: "The essential knowledge and critical thinking skills needed to understand, evaluate, and use artificial intelligence safely and effectively."

Defining AI trust

We define "AI trust" as an aggregate of four questions measuring leaders' level of trust in their organization's AI strategy:

- I trust leadership's AI strategy will...
 - ...enable us to deliver AI-enabled efficiencies at scale.
 - ...drive continued AI adoption in our organization.
 - ...enable the current workforce to develop the skills necessary to continue contributing to and thriving in this company.
 - ...grow our organization's revenues.

Defining AI alignment

In our survey, "AI alignment" was defined as the extent to which a leadership team and the rest of their organization are aligned on the business' AI goals.

The AI Governance Leadership Advantage

- 01 What's shaping the AI leadership landscape?
- 02 Are leaders and their workforce aligned on AI strategy?
- 03 What are the most effective ways to develop confidence in your organization's AI strategy?
- 04 How confident are leaders in their AI literacy—and what does that mean for their organizations?
- 05 Leading through AI transformation by building trust, governance & literacy





What's shaping the AI
leadership landscape?

Two paradoxes shape the AI leadership landscape

Organizations are implementing AI much faster than they're standing up governance. Yet many board directors still don't feel they're moving quickly enough.

Some leaders describe it as driving with no street signs; others, as trying to determine which lighthouse to follow through the fog. This leads to rushed decision making, lower levels of trust, and insufficient governance.

Organizations that accelerate AI adoption without governance are accumulating liability.

The decision velocity paradox

The AI efficiency paradox

Leaders note significant AI-driven productivity and time gains across teams. However, they're also observing more complicated work environments in which people are absorbing new judgment burdens that aren't yet translating to bottom line impacts. Initial efficiency improvements often result in more complexity.

Productivity gains don't automatically become enterprise value. Without workflow redesign, governance and clear leadership, AI can create more review work, complexity, and cost.

The decision velocity paradox

The largest risk emerges when AI adoption moves faster than organizational control.

91% AI adoption has skyrocketed, with a staggering 91% of leaders reporting taking steps to develop, pilot, or—in 35% of cases—fully implement AI in their day-to-day workflows.

47% Only 47% of leaders say their organization has established some form of AI governance guidelines, and less than a quarter engage with most AI governance best practices.

27% More concerning, only 27% of leaders believe that stakeholders understand and reference these AI governing principles.

Still, board directors and leaders overwhelmingly feel like they aren't moving fast enough.

Source: RRA & EqualAI AI Trust, literacy, and governance survey; RRA H1 2026 [Global Leadership Monitor](#); [The Gap Between AI Adoption and Value Realization—And Why Leaders With Strategic Judgment Are Key to Closing It](#) | Russell Reynolds Associates

“

My biggest concern is speed. Most days, I worry we aren't keeping up. But others, I worry that we've started building without pouring the foundation.”

— C-level financial services leader

“

It's incredibly naive to think that we can set long-term goals on something that's evolving this quickly.”

— C-level cybersecurity leader

“

Before, the organization was stable for three to four years; now we're redesigned every six to eighteen months.”

— Next generation engineering leader

“

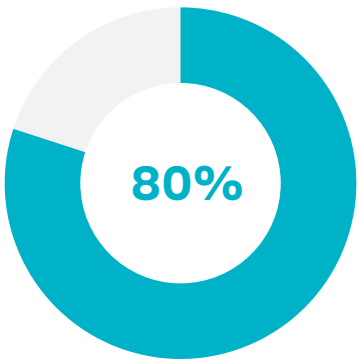
If I begin outsourcing decision-making to an agent that has inherent knowledge of thousands of other businesses, could that agent then take me off strategy?”

— Plural CPG board director

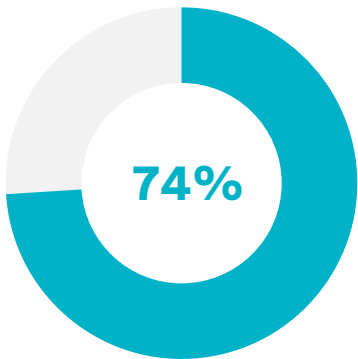
The AI efficiency paradox

AI appears to be everywhere, yet its impact remains hard to discern in many traditional measures of employment, productivity, and growth.

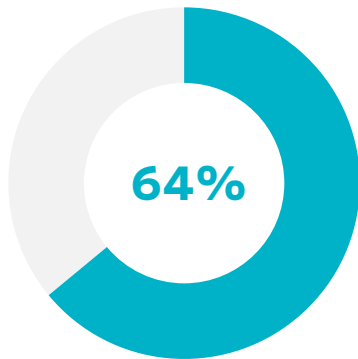
Visible productivity gains, with new quality burdens



say AI is increasing productivity

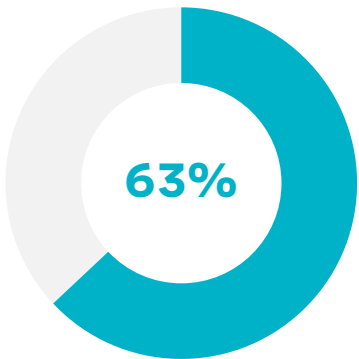


say it has improved the quality of their work



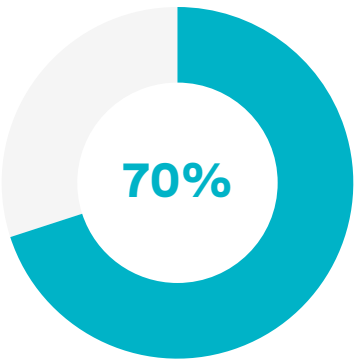
say it has simplified their work

Yet

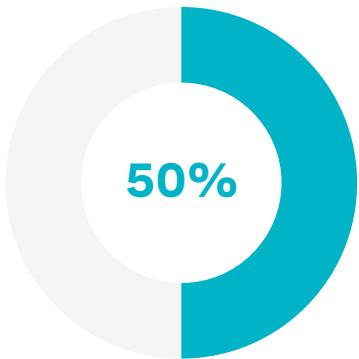


have concerns about quality of AI-generated outputs, and this jumps to 70% among high AI literacy leaders

Low trust in AI's ability to impact revenues

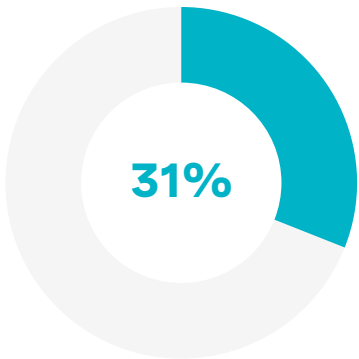


completely/mostly trust leadership's strategy to drive continued adoption



completely/mostly trust it will deliver efficiencies at scale

Yet only



completely/mostly trust it will grow revenues

“

If you gave me the tool and told me to play with it, and now I have to check it all anyway, why'd you give me the tool in the first place?”

– CPG board director

“

[AI is] delivering headcount reductions, but that's not translating into cost savings. However, we see value as better customer outcomes, not just money.”

– Financial services board director

“

My team estimates roughly one hour per day of [AI-driven] time savings...I am skeptical about more technical manufacturing decisions where data accuracy is not good enough.”

– C-level technical leader



Are leaders and their workforce
aligned on AI strategy?

AI alignment is still being built

Leaders know they still have work to do in connecting leaders' AI ambitions with a shared understanding of goals across the organization.

Only

53%

of leaders believe that leadership and the rest of the organization are completely or mostly aligned on the business' AI goals

Closing this gap is crucial to achieving future transformation goals, as

68%

of leaders say AI implementation is extremely/very important to their broader transformation strategy

“

The CEO and the rest of the organization are absolutely not aligned on the AI strategy. The most important change we'll be making [in the age of AI] isn't adopting this tech; it's how our culture will transform.”

— CFO of a consumer goods organization



What are the most effective ways
to develop confidence in your
organization's AI strategy?

70%

trust that leadership's AI strategy will **drive continued AI adoption** in their organization.

50%

trust that leadership's AI strategy will **enable them to deliver AI-enabled efficiencies** at scale.

54%

trust leadership's AI strategy will **enable their current workforce to develop the skills necessary** to continue developing.

29%

trust leadership's AI strategy will **grow their organization's revenues**.

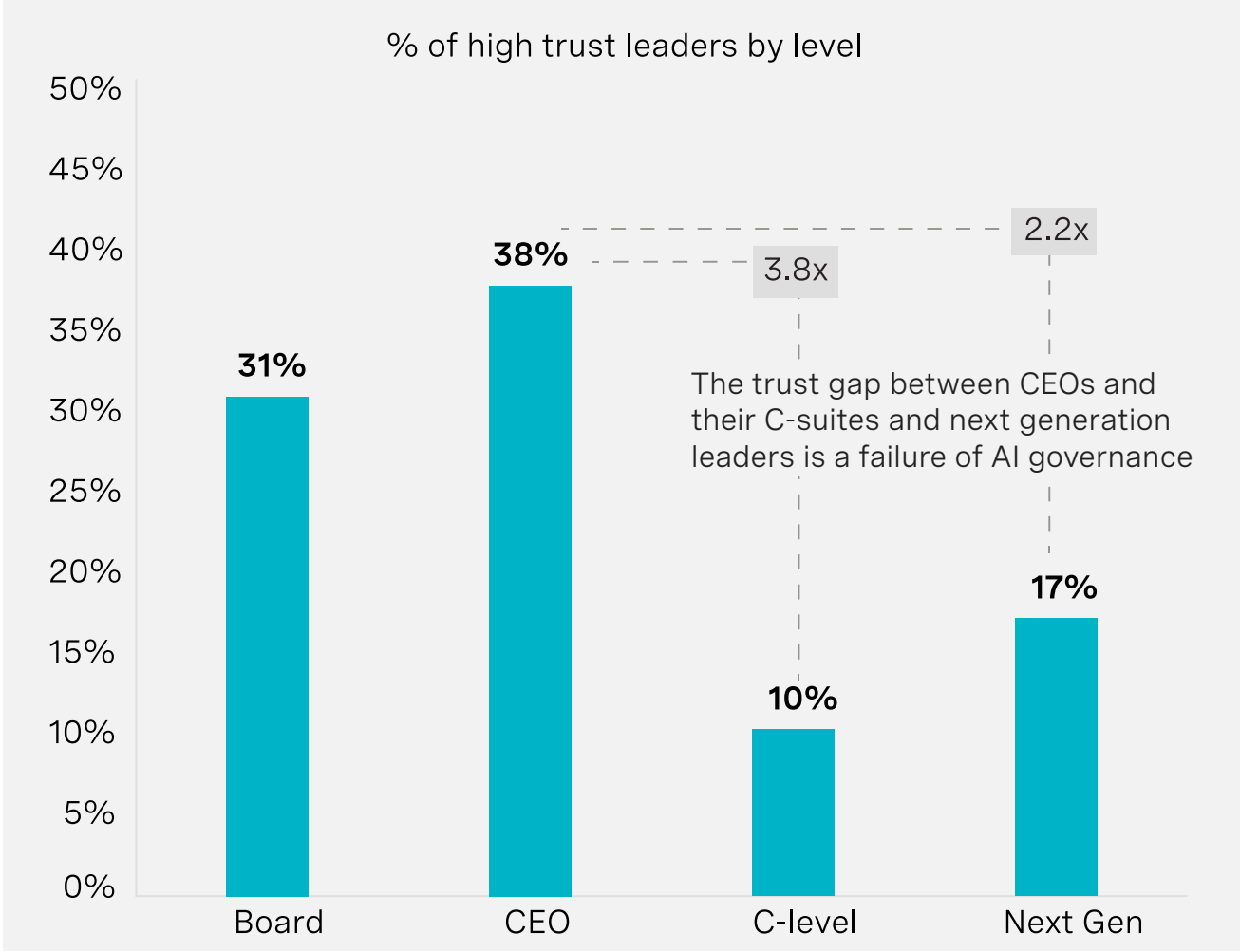
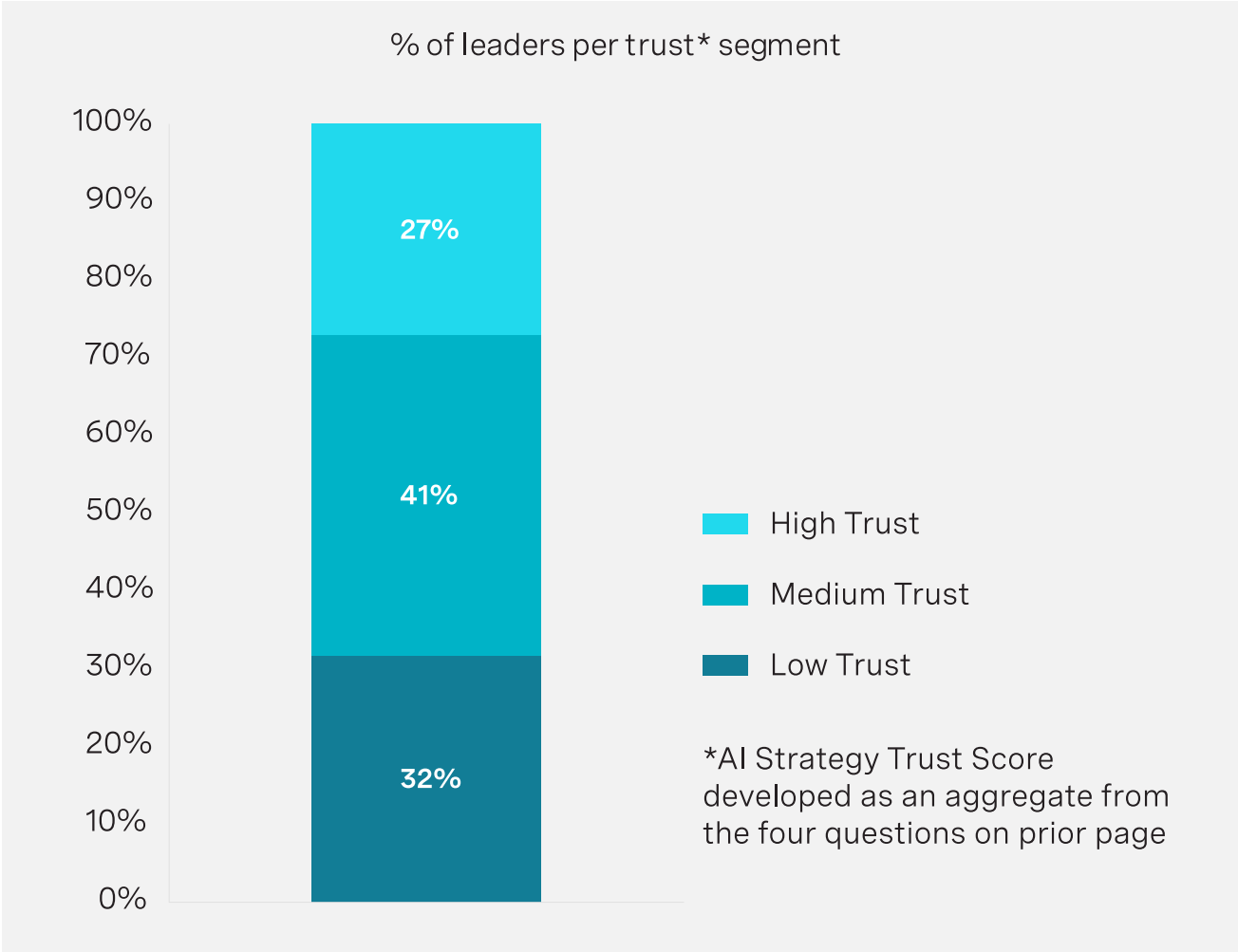
None of our interviewees had observed any revenue improvements due to their AI implementation to date.

Leaders are confident that AI adoption will continue; they're unsure whether efficiencies, reskilling, and revenue improvements will follow.

Leaders' trust in their organization's AI strategy is mixed

The largest share of leaders report a medium level of trust. Fewer than one in three report high trust, suggesting there is significant room to improve confidence around AI strategy.

CEOs are significantly more confident in their AI strategy than the C-suite and next generation leaders who are typically responsible for executing it.



Source: RRA & EqualAI AI Trust, Literacy, and Governance survey, n=107, Q2 2026

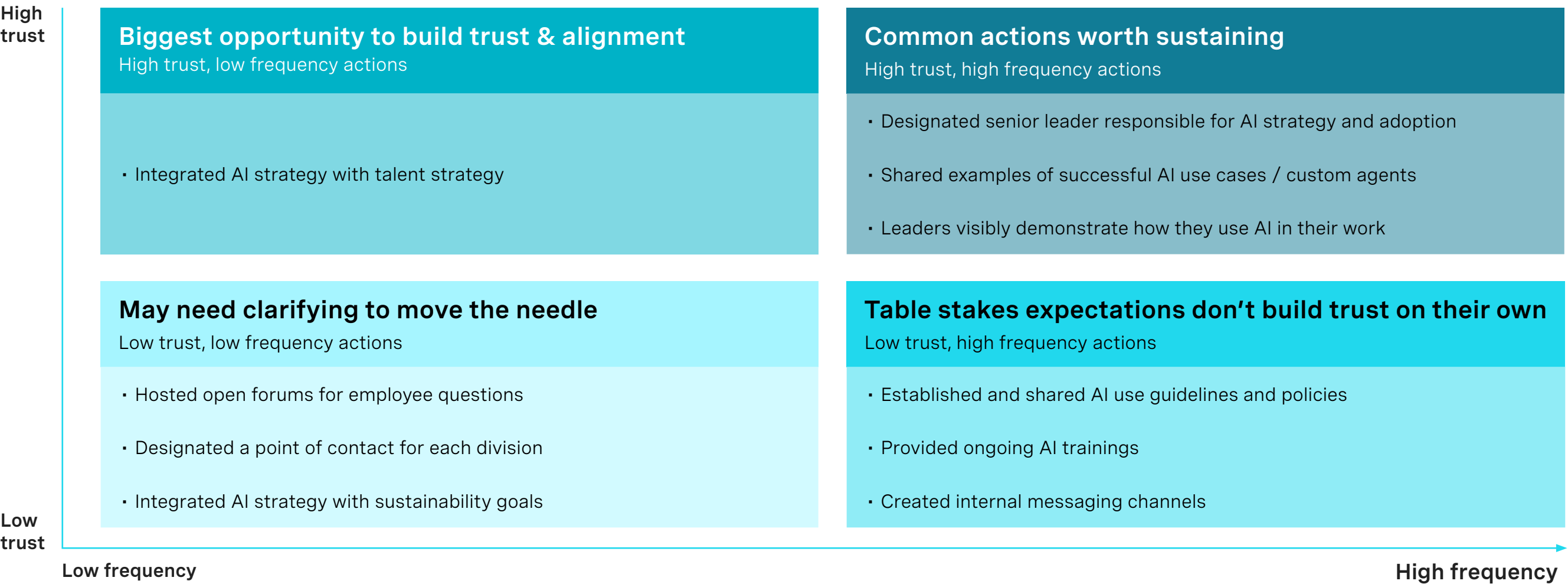
What actions are organizations taking to develop alignment and trust in their AI strategy?



And are they working?

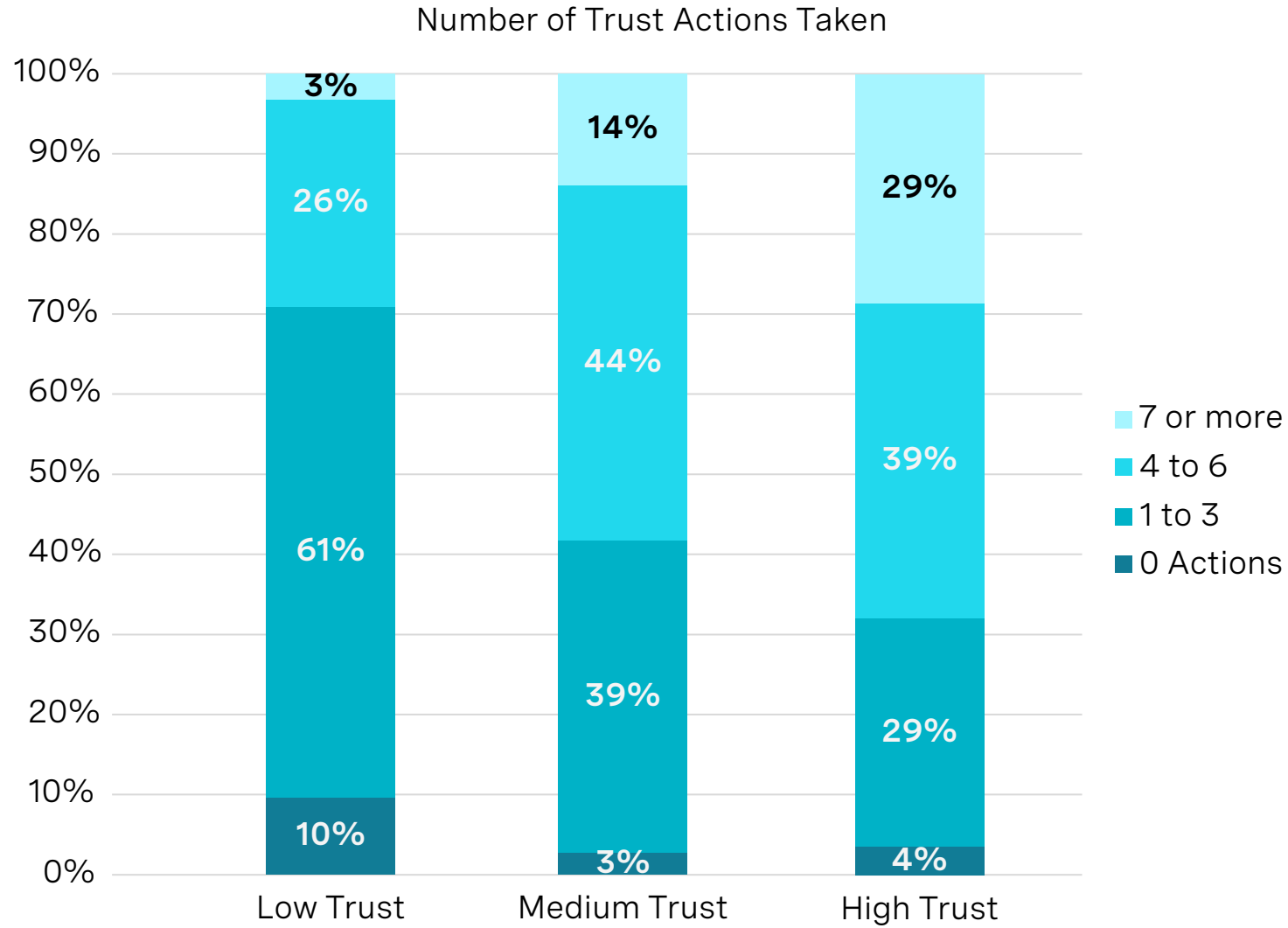
The actions that drive the most trust in the AI strategy aren't the ones organizations take most often

We ran a relative importance test to determine which actions drove the most trust and alignment amongst leaders.



Source: RRA & EqualAI AI Trust, Literacy, and Governance survey, n=107, Q2 2026

More actions = More trust in the AI strategy



Respondents were asked to select all actions taken at their organization from a list of 11 options. While this list may not capture every action organizations take to build trust, it represents a range of common approaches.

Source: RRA & EqualAI AI Trust, Literacy, and Governance survey, n=95, Q2 2026



Leaders with **high trust** report their organizations **taking more actions** (avg = 5.0).



Those with low trust select an avg of 2.7 actions.



Those who selected the high trust action of "Integrated AI strategy with talent strategy" were also more likely to select lower rated items, suggesting **impact compounds as organizations take more actions**.



To move the needle on building trust & alignment in AI, organizations need to focus on **leadership, accountability, and talent strategy**.

Table stakes vs. Moving the needle

All actions—including those that have a lower relative impact on trust/alignment—are important for developing and maintaining trust in the organization's AI strategy.

However, as leaders hear more and more about AI, those lower-impact actions have become **table stakes**. Leaders expect their organizations to be doing these things.

To truly move the needle on AI confidence & alignment, organizations need to place additional focus on **leadership, accountability, and talent strategy integration**.



Deep dive: AI + talent strategy integration is the most underused trust & alignment builder

Only
15%
of leaders report that their organization is integrating AI strategy with talent strategy
...making it the 2nd least common action

Yet it's the...

#1
action associated with **alignment**
(26% relative importance)
ALIGNMENT

⇒

#2
action associated with **trust**
(22% relative importance)
TRUST

The leaders who do this well are not just developing teams to enact an AI strategy; they are making intentional shifts to their leadership development pipelines.

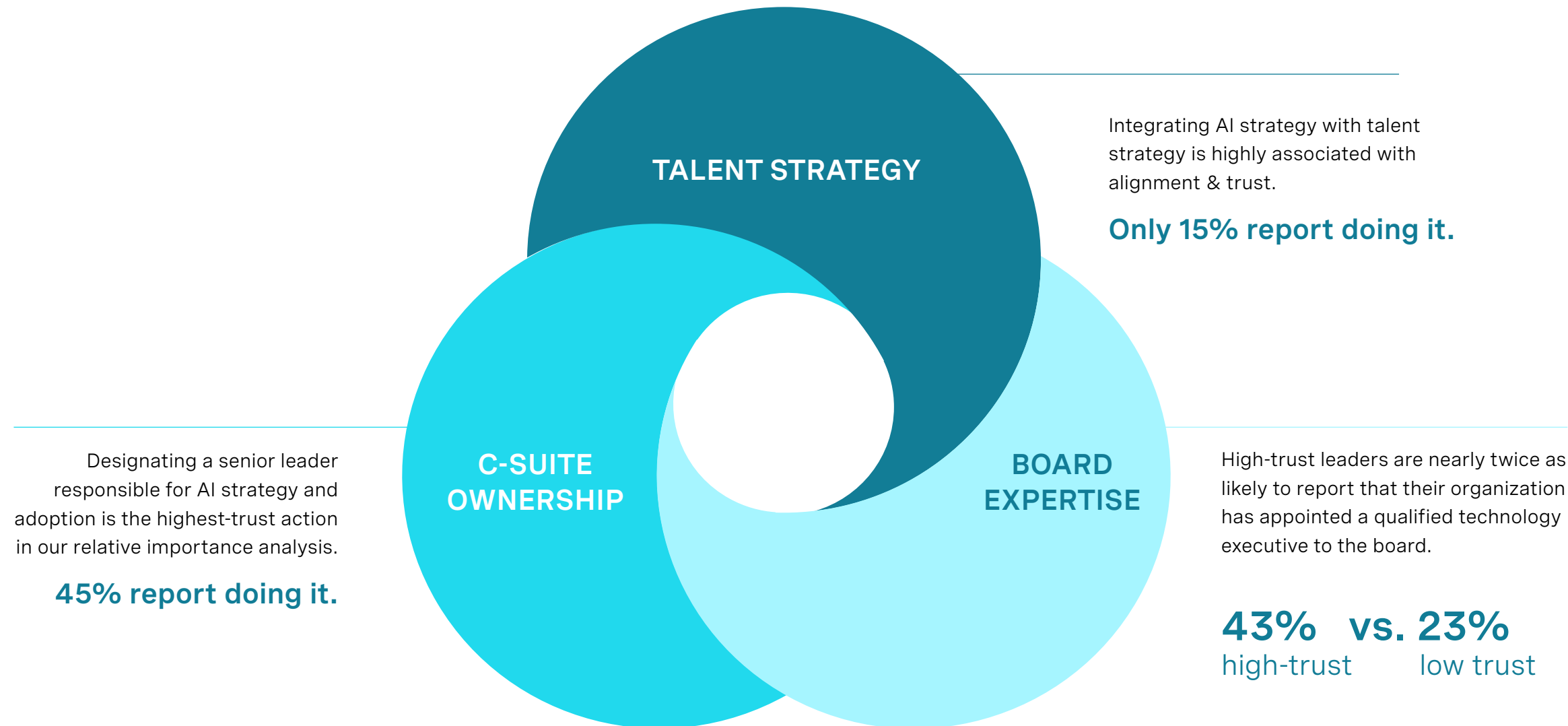
“Are we inadvertently taking future leaders out of the organization with today’s AI strategy?”

— Financial services board director

Source: RRA & EqualAI AI Trust, Literacy, and Governance survey, n=107, Q2 2026

Trust in AI strategy is a leadership architecture challenge

Strong trust is associated with visible ownership and judgment across the C-suite, talent system, and board.



Boards, executive ownership, and talent strategy reinforce one another.

As leaders consider AI's impacts on future succession pipelines, communicating early and often about apprenticeship, development, and talent redesigns is key to earning and keeping the organization's confidence in the AI strategy.

“

If you haven't built the trust already, it's going to be that much harder.”

—Plural health services board director

“

Be open to what you know and what you don't know. Create a space where people don't feel like they need to be perfect.”

—Financial officer in the healthcare space

“

I trust my organization's [AI approach] more when leadership gives specifics. That transparency makes a big difference for me and my team.”

—Next generation manufacturing leader

3x

Leaders who understand how their organization expects them to use AI in their day-to-day are 3x more likely to be “high trust”

Three development shifts organizations must make in the age of AI



Roles: Redefine what leadership looks like

- Prioritizing adaptability over consistency
- Elevating curiosity and humility
- Recognizing transformational leadership not as a niche, but as the baseline



Capabilities: Bring greater rigor to assessing potential

- Moving beyond intuition to evidence-based assessment of potential
- Distinguishing readiness from future capability
- Integrating potential into hiring, promotion, and succession decisions



Pipelines: Be intentional about long-term development

- Creating real, enterprise-level experiences that stretch judgment, not just skills
- Building thinking capacity, not just execution capability
- Providing cross-functional exposure and diverse experiences that broaden perspective
- Embedding reflection into the flow of work so leaders can process and learn from experience

Source: [The Emerging Leadership Development Gap of the AI Era | Russell Reynolds Associates](#)



How are
organizations
developing AI
governance



And is it working?

“

We had an issue in which our first AI pilot allowed users to surface sensitive information. We had to pause the rollout, undertake a major access-control overhaul, and reintroduce the tool.”

—Technology leader at a North American telecommunications

“

I’m concerned about people checking out from an ownership standpoint.”

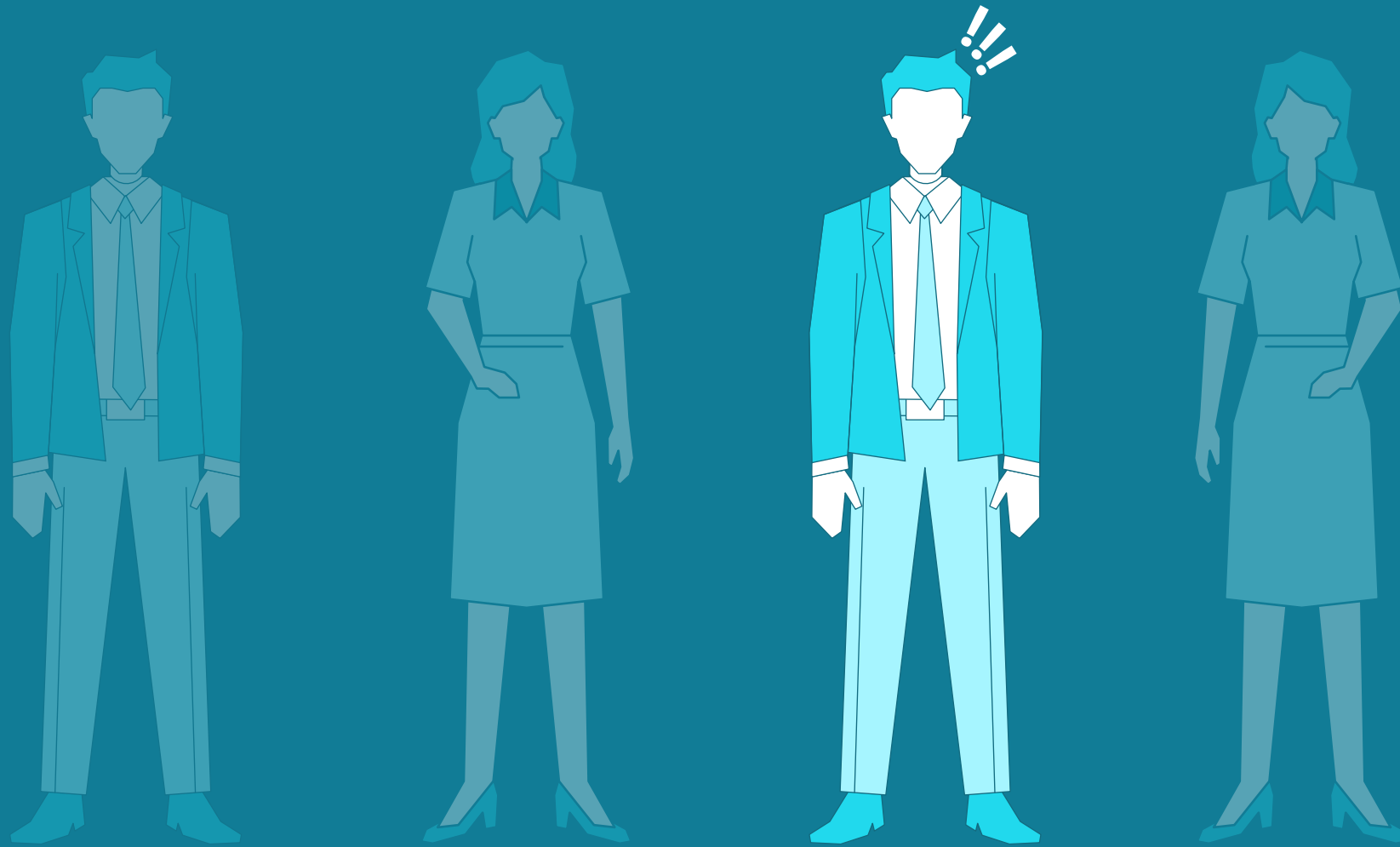
—C-level financial services leader

“

Accountability is highly contextual. If AI supports a specific process, accountability may sit with the executive owner of that process, such as the CFO for order-to-cash. If an individual uses AI to perform their own work and fails to review it, responsibility sits with that individual. It becomes a gray area when leaders require people to use it without teaching them how to critically judge its outputs.”

—Plural CPG board director

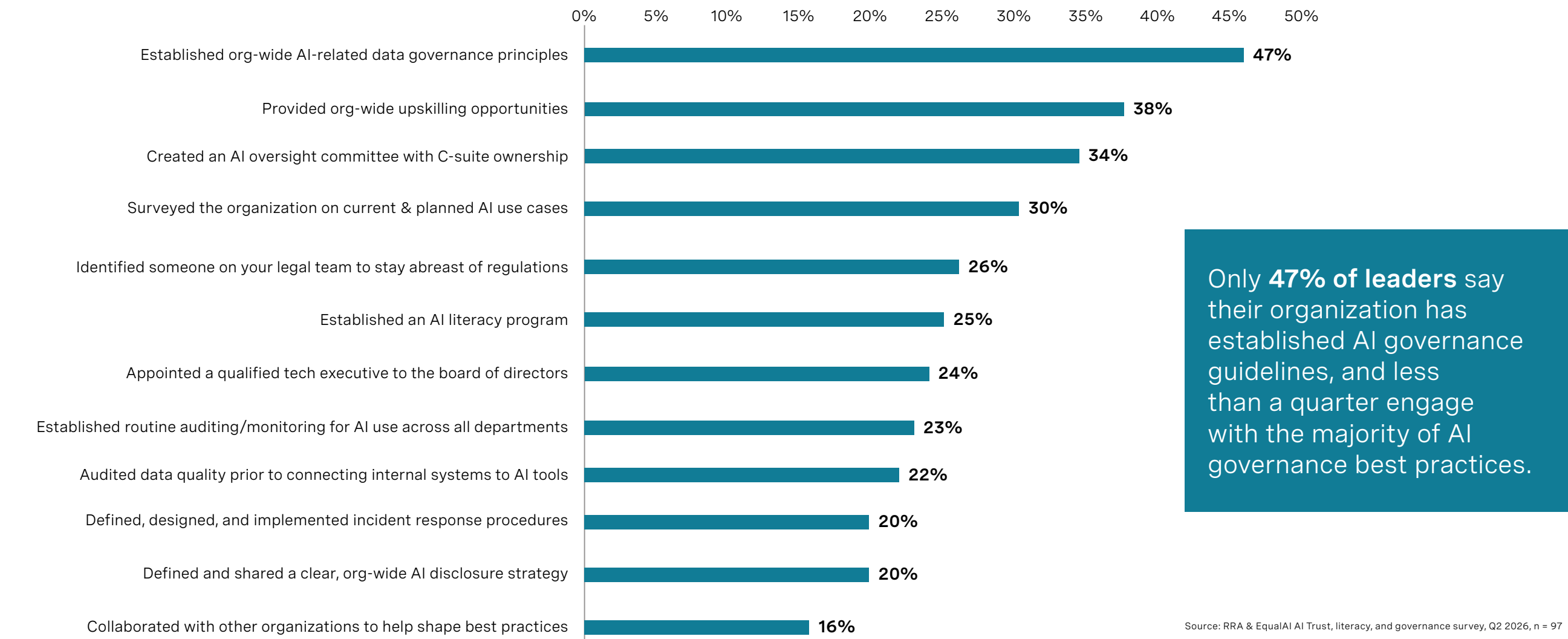
Leaders are already seeing risky behavior, but most have not built the mechanisms to detect, manage, or respond to it.



**1 in 4 leaders are aware of colleagues using
AI in ways that put the organization at risk.**

AI governance actions are not widespread nor evenly implemented

% of leaders answering "What specific steps has your organization taken to ensure AI use is being effectively governed?"

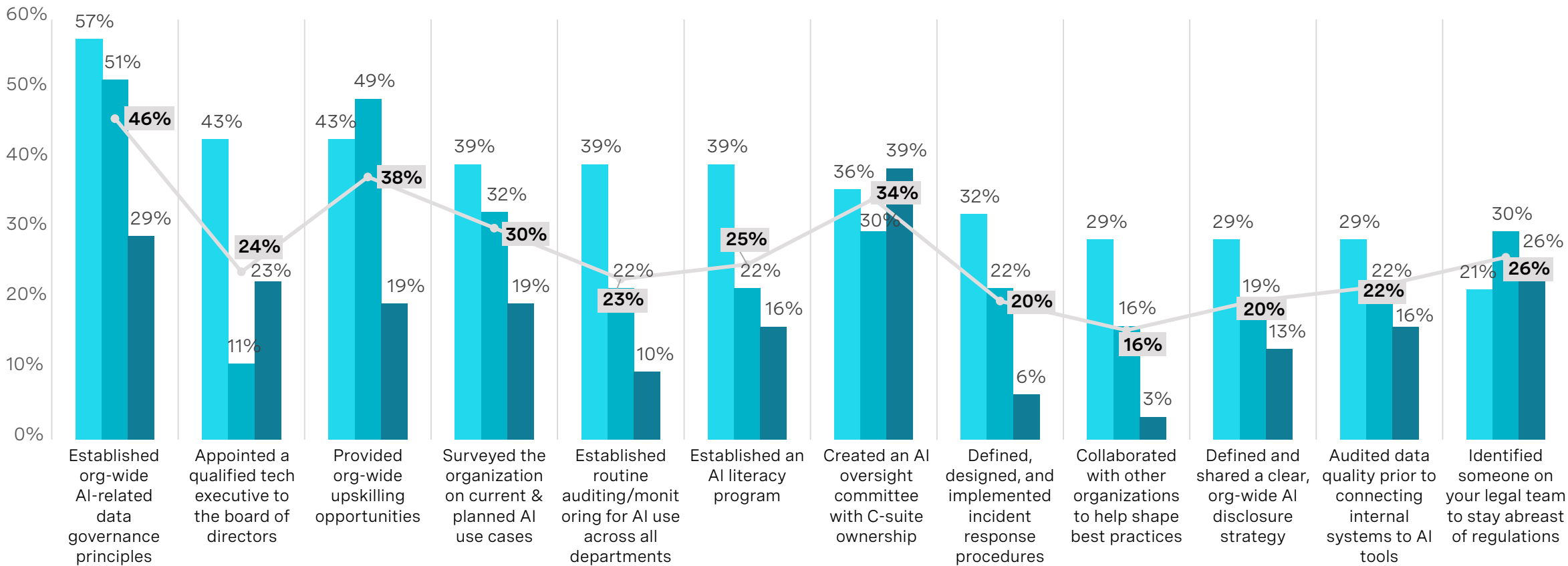


What AI governance actions drive the most leadership trust?

Data governance principles, qualified tech experts on the board, and consistent upskilling opportunities all equate to higher levels of trust.

% of leaders answering “What specific steps has your organization taken to ensure AI use is being effectively governed?” by AI trust level

High Trust Medium Trust Low Trust Frequency of action



Source: RRA & EqualAI AI Trust, literacy, and governance survey, Q2 2026, n = 97

Cybersecurity: The most common AI governance concern is the one leaders are least likely to have taken steps to address

Despite being the concern interviewees cited most often, cyber-related governance efforts are rare.

Only...

20%

of leaders report clearly defined, designed, and implemented AI incident response procedures

22%

of leaders reported data-quality audits prior to connecting internal systems to GenAI tools

23%

routinely audit/monitor AI use across departments

“Security and risk mitigation must be designed in each step of the design and deployment, not bolted on.”

Source: RRA & EqualAI AI Trust, Literacy, and Governance survey (n=110 surveyed, 15 interviewed), Q2 2026; [AGENTIC AI GOVERNANCE: A Practitioner Roadmap for Deploying Agentic AI Whitepaper](#)

“

Crawl, walk, run. Give teams the opportunity to experiment in a safe environment, with strong guiding policies in place.”

— Financial officer in the healthcare space

“

Our governance approach focuses on data sensitivity, confidentiality and IP protection. We believe in ‘anticipated accountability’—defining, in advance, who is responsible for appropriate AI use, rather than waiting for issues to arise.

— Former CEO and family office board director

“

We required the CEO and chief risk officer to spend 3+ hours a week in trainings with the team. They display their accountability and weigh in on which items have the highest return. We also run our AI model against the old system for six months in comparison with the old system. We’re deeply data-driven; AI needed to prove enhanced outcomes before it was deployed.”

— Financial services board director

“Asking which single AI risk matters most is often the wrong question. Strong governance creates the system for identifying, prioritizing and addressing all material risks. Leaders who build strong oversight, accountability, and risk management alongside AI development will be better positioned to innovate, earn public trust, and realize AI’s full potential.”

— Miriam Vogel, EqualAI CEO & President



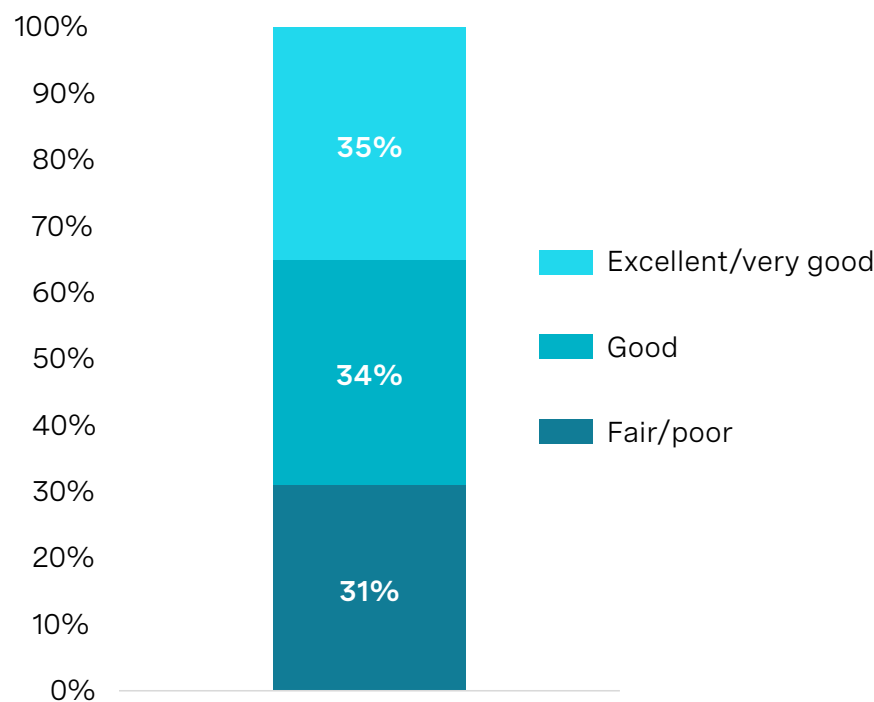
How confident are leaders in their
AI literacy—and what does that
mean for their organizations?

How confident are leaders in their AI literacy?

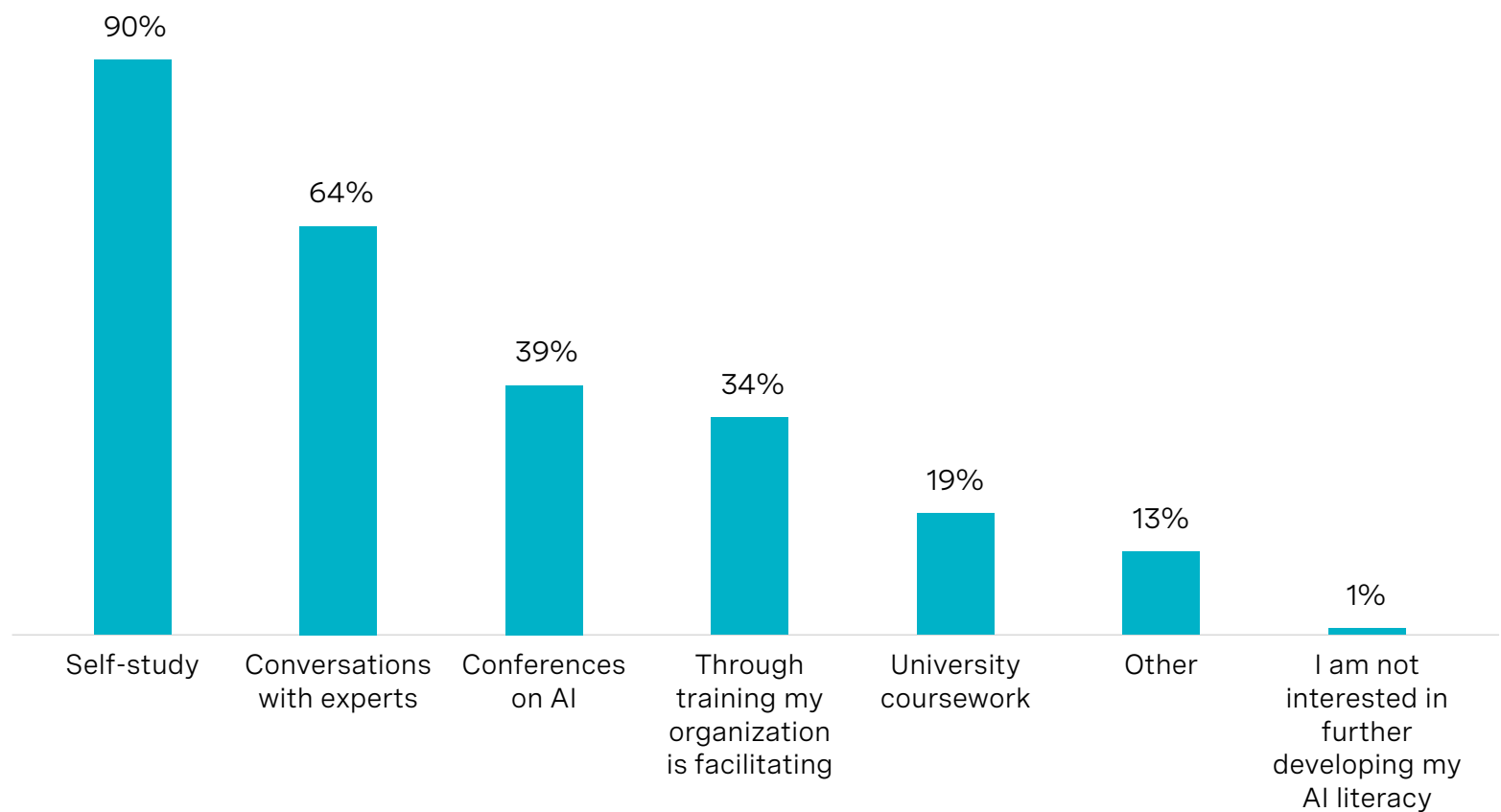
Leadership populations are evenly split in their views of their personal AI literacy

AI literacy among leaders is mostly self-driven today.

% of leaders answering "How would you rate your personal AI literacy?"



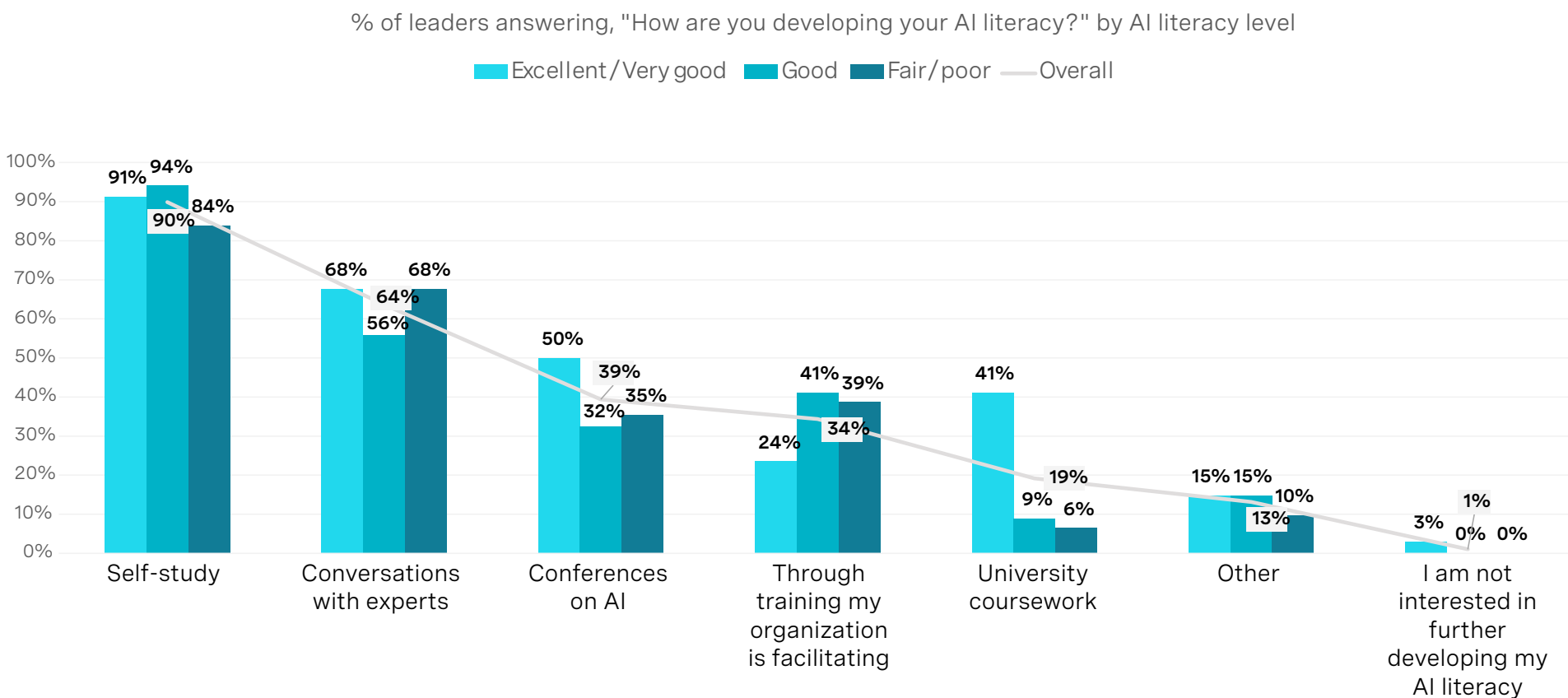
% of leaders answering, "How are you developing your AI literacy?"



Source: RRA & EqualAI AI Trust, Literacy, and Governance survey, n=99, Q2 2026

Not all AI literacy efforts are created equal

While self-study is the most common action leaders take to develop personal literacy overall, high literacy leaders are more likely to engage with university coursework and expert conferences



Source: RRA & EqualAI AI Trust, Literacy, and Governance survey, n=99, Q2 2026

Over relying on self-study likely won't get you a highly AI-literate workforce

Can individuals realistically re-skill themselves at scale?

The current model may not be strong enough to protect apprenticeship pipelines at scale.

Self-study

90%

leaders report building literacy on their own

Org-facilitated training

34%

report organization-facilitated training

“

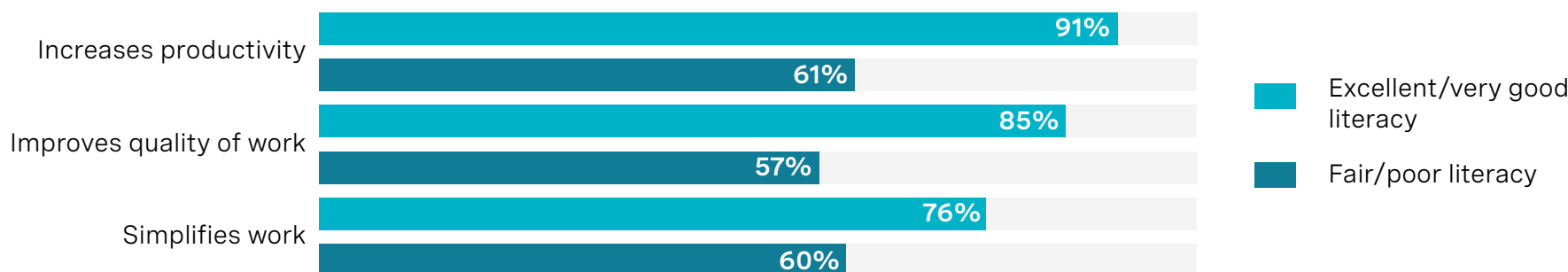
“AI literacy is not a nice-to-have; it is a precondition for governance.”

Source: RRA & EqualAI AI Trust, Literacy, and Governance survey, n=99, Q2 2026; [AGENTIC AI GOVERNANCE: A Practitioner Roadmap for Deploying Agentic AI Whitepaper](#).

High AI literacy creates more benefits *and* more skepticism

Interviewees agreed: literacy should focus on what AI should enable, what must remain human-led, how to judge AI-generated outputs, and how to redesign workflows around AI.

Stronger self-reported benefits for high AI literacy leaders



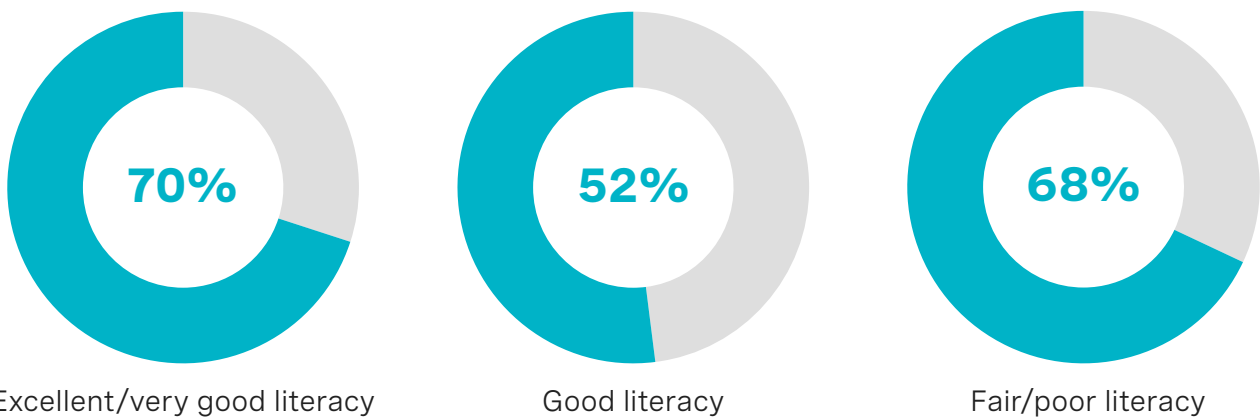
Criticality persists

2x

High literacy leaders are more than twice as likely to be aware of individuals **using AI in ways that put the organization at risk** than low literacy leaders

Source: RRA & EqualAI AI Trust, Literacy, and Governance survey, n=99, Q2 2026

% of leaders agreeing, "I have concerns about the reliability and quality of AI-generated outputs."



“

One of our key challenges is that we're so focused on training the LLMs. But who is training the users? How are we ensuring that training is consistent?”

— Family office CEO and board member

“

It's hard to judge other people's work without at least understanding the technology. My peers are trying to learn; approaches are inconsistent.”

— Private equity leader in Europe

“

The core gap that I'm seeing is not technical capabilities; it's strategic literacy.”

— Chief marketing officer in the Middle East

The background of the slide features a teal-colored candlestick chart, commonly used in financial trading to represent price movements over time. The chart includes several trend lines: a solid line that rises from the bottom left and peaks in the upper right, and a dashed line that follows a similar but lower trajectory. The text is overlaid on the left side of the chart.

Leading through AI
transformation by building
trust, governance & literacy

Findings → Action

Asking the right questions to build AI literacy & governance architecture

Board

Do we have the judgment and expertise needed to oversee AI?

Boards need an expert who understands AI decision rights, risk oversight, and can credibly support and challenge management on AI strategy.

C-Suite

Is ownership visible and accountable?

Designating a senior leader who owns AI strategy, adoption, communication, and outcomes across the enterprise is key.

Talent

Are AI strategy and talent strategy being redesigned for the long-term together?

Workforce design, apprenticeship, development, succession, and future leadership pipelines cannot be treated as downstream consequences.

Organization

Are literacy and governance institutionalized?

Move beyond self-study and standalone policies toward role-based capability building, embedded controls, and clear escalation paths.

The time to act was yesterday.

5 steps for establishing AI governance, literacy, and trust

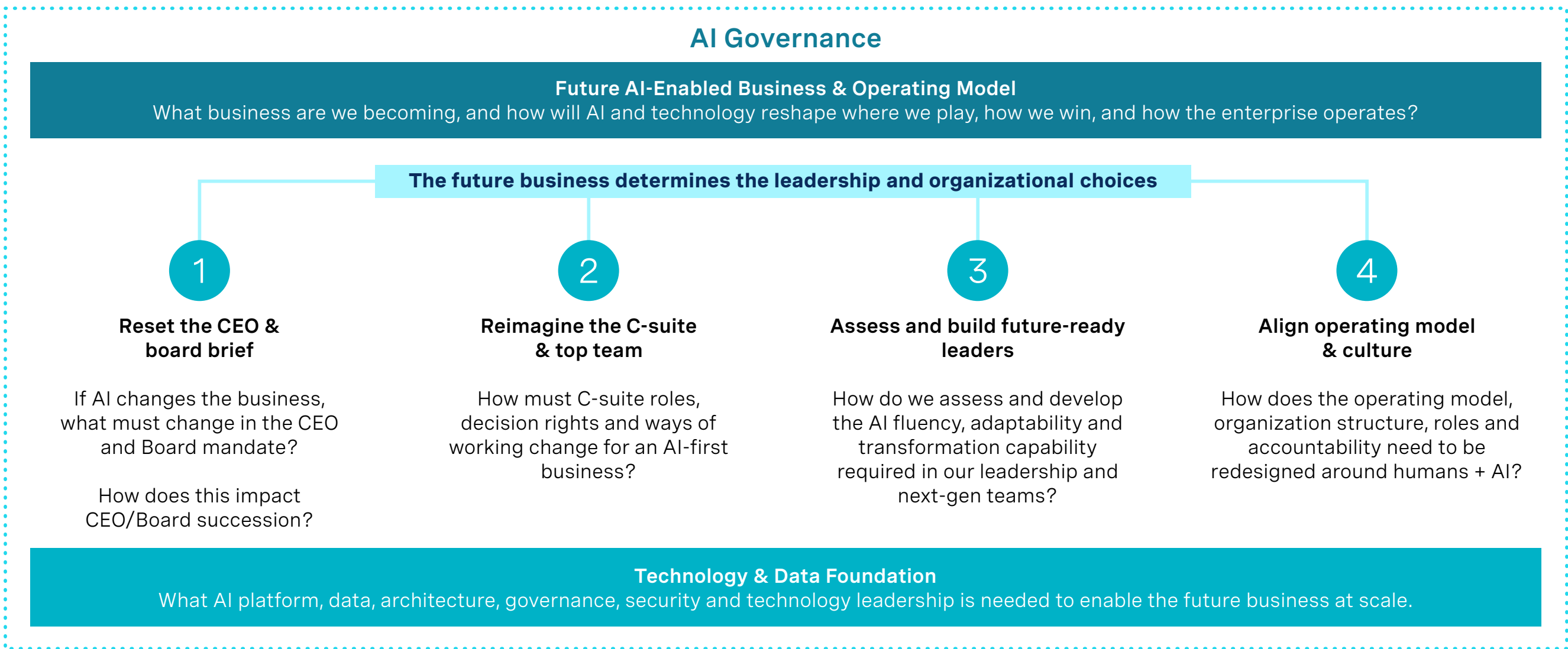
Step 1	Step 2	Step 3	Step 4	Step 5
Discovery & assessment	Governance architecture	Framework implementation	Empower your team	Competitive advantage
Do we know where AI is being used? • Inventory current and planned AI use by function. • Surface unauthorized tools and shadow AI use. • Classify risks: accuracy, bias, privacy, security, IP, workforce. • Assess legal exposure under consumer, IP, and civil-rights law.	Is ownership clear? • Stand up cross-functional AI oversight, • Define roles, purpose, board reporting, and accountability. • Designate a highly-visible leader to own strategy and adoption • Document lifecycle testing, vendor review, and incident response. • Ensure AI and talent strategies are clearly linked and explained	Are policies embedded into workflows? • Set data controls for privacy, IP, training data, quality, and bias. • Create disclosure rules by audience and decision context. • Use human safeguards for high-stakes decisions. • Build escalation trails, routine audits, and continuous monitoring. • Communicate, model, and communicate some more	Have we established literacy programs and made escalation paths explicit? • Get beyond self-study: launch role-based training and competency development. • Give employees channels to raise AI concerns safely. • Create consumer-facing reporting paths for questions or harms. • Coordinate across functions and engage customers and communities.	Do we use governance to drive value, rather than only constrain risk? • Streamline governance for faster, safer AI deployment. • Use an incident loop: log, analyze, adapt, and share lessons. • Track time-to-market, incident rates, CSAT, and contract wins. • Publish principles, report progress, and validate through audits.

Source: RRA & EqualAI AI Trust, Literacy, and Governance research, Q2 2026; [AI Governance Playbook - EqualAI](#)

18
months

**How long it takes to
stand up strong AI
governance functions**

Our AI Transformation Leadership Framework starts with the future business and works back to the leadership system required to deliver it



And CEOs need to reimagine how jobs are structured, focus on future forward skill-sets and align the organization around new ways of working

1	2	3	4	5	6	7
Redesign every job	Embed new leadership skills	Elevate those with an AI First mindset	Critically assess top leadership talent	Upskill leadership and organization	Drive organizational alignment	Nurture next generation culture
Roles shift from static tasks to decision-making, judgment, and AI-orchestrated processes, with clear cross-functional interdependencies	Advantage shifts from prior role experience to learning agility, adaptability, and leadership potential. Leaders must operate in ambiguity and reskill continuously	Transformation is led by active AI practitioners, not sponsors. Leaders must embed AI into daily decisions and workflows, not retrofit legacy models	New assessment models identify forward-leaning skills, learning capacity, and mindset. CEOs must ensure their inner circle meets the bar on these capabilities	AI-First requires new skills across leaders and teams. Organizations must build practical AI literacy, strengthen judgement, and protect time for innovation and experimentation	AI-driven workflow change across functions, geographies, and business units is complex. CEOs must rally teams around a shared direction and accelerate alignment	In an AI-First world, culture, values, and purpose differentiate performance. The best CEOs create a culture of open experimentation and sharing, free of fear of failure

Each step enables more effective AI transformation and governance.

Acknowledgements

This research was shaped by the leaders who shared their expertise, experience, and candor.

100+ leaders surveyed 15 leaders interviewed

Their perspectives helped ground this work in the decisions, tensions, and trade-offs leaders are navigating today.

With thanks to

EqualAI

For its partnership and input into survey design, research framing, and the interpretation of findings.

The leaders who participated

To the board directors, CEOs, C-suite leaders, and next-generation leaders who shared candid perspectives through our survey and interviews—helping us understand how AI is reshaping trust, governance, literacy, talent, and leadership.

Thank you for making this research possible.

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About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory firm. Our 600+ consultants in 47 offices work with public, private, and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today’s challenges and anticipate the digital, economic, sustainability, and political trends that are

reshaping the global business environment. From helping boards with their structure, culture, and effectiveness to identifying, assessing, and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues.

We exist to improve the way the world is led.

