AI, UNCERTAINTY AND LEADERSHIP DECISION-MAKING IN 2026.

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Artificial intelligence is already shaping leadership conversations across sectors. Yet for many growing and established businesses, the real challenge isn't understanding the technology — it's knowing how to plan, prioritise and invest responsibly amid uncertainty.

This report draws on recent evidence, including **PwC's 2026 Global CEO Survey**, to explore why the gap between AI ambition and measurable impact persists — and how leadership teams can approach AI decisions with greater clarity, proportionality and discipline.

SECTION 1 : What we mean by AI in a leadership context

Artificial intelligence is no longer a future consideration. For most leadership teams, it is already influencing conversations about cost, growth, talent, risk and competitiveness.

Yet when leaders refer to "AI", they are often referring to different things.

Some mean automation and efficiency.

Some mean better forecasting and decision support .

Some mean product innovation.

Others mean existential competitive threat.

Without a shared understanding, strategic conversations quickly become unfocused

For the purposes of this report, AI is not treated as a single project or a technical discipline. It is understood as a capability layer — a set of technologies that can alter how value is created, delivered and protected within a business.

In practice, this usually shows up in four broad ways:

1. Efficiency AI: Using automation and machine learning to reduce manual effort, improve internal performance, streamline workflows, lower operating costs and increase speed.

2. Insight AI: Enhancing forecasting, pricing, scenario modelling and pattern recognition to support better decision-making.

3. Product or service AI: Embedding AI into customer-facing products or services to enhance experience, differentiation or scalability. This is about creating and improving customer-facing value.

4. Competitive AI: Shifting the structure of an industry — altering barriers to entry, compressing margins, or changing the basis of advantage.

Most businesses will not pursue all four simultaneously. The leadership challenge lies in identifying which category is proportionate and strategically relevant — and sequencing accordingly.

It's also worth resetting expectations. Despite widespread attention and significant investment, measurable financial returns from AI remain uneven.

PwC's recently released 2026 Global CEO Survey notes continued investment in AI, yet relatively limited evidence of simultaneous revenue growth and cost reduction across organisations surveyed.[1]

This gap doesn't suggest failure. It highlights something more fundamental: investment alone won't produce transformation. Organisational readiness, data maturity, governance and leadership clarity all shape outcomes.

AI, then, is not simply a tool to deploy. It's a strategic variable that interacts with existing capabilities, constraints and ambitions.

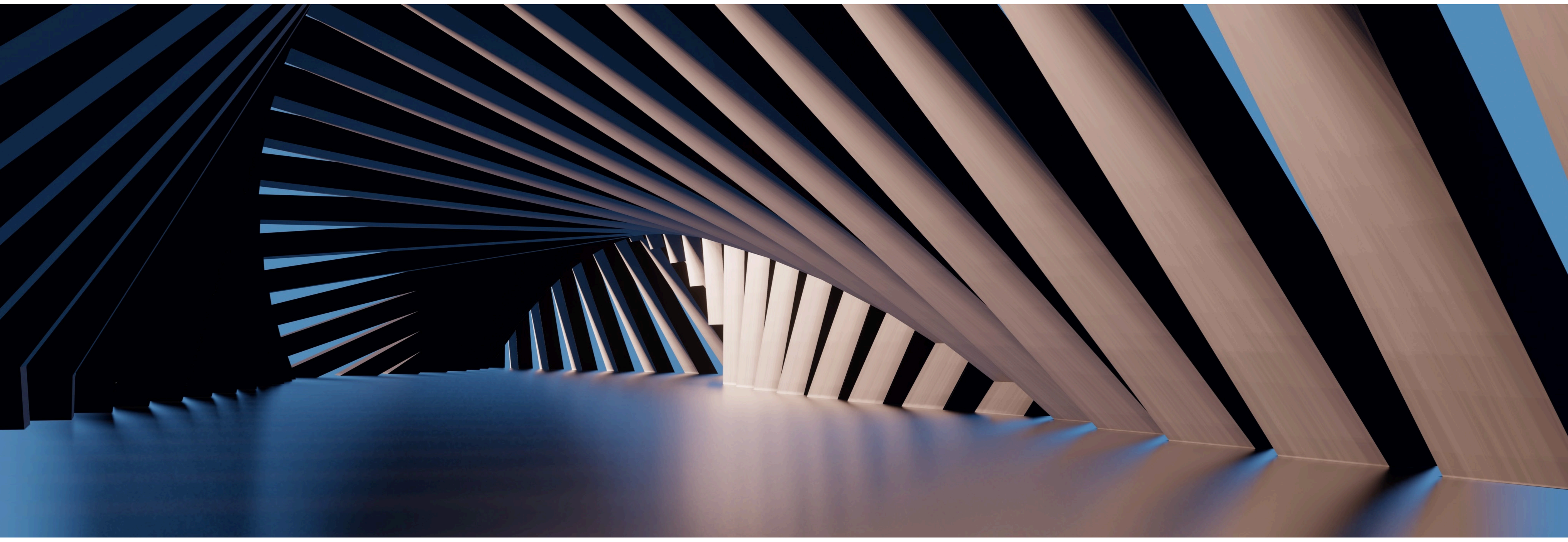
For leaders of growing and established small-to-mid-sized businesses, this distinction matters. Unlike global enterprises with specialist AI teams and significant buffers, smaller organisations must act proportionately.

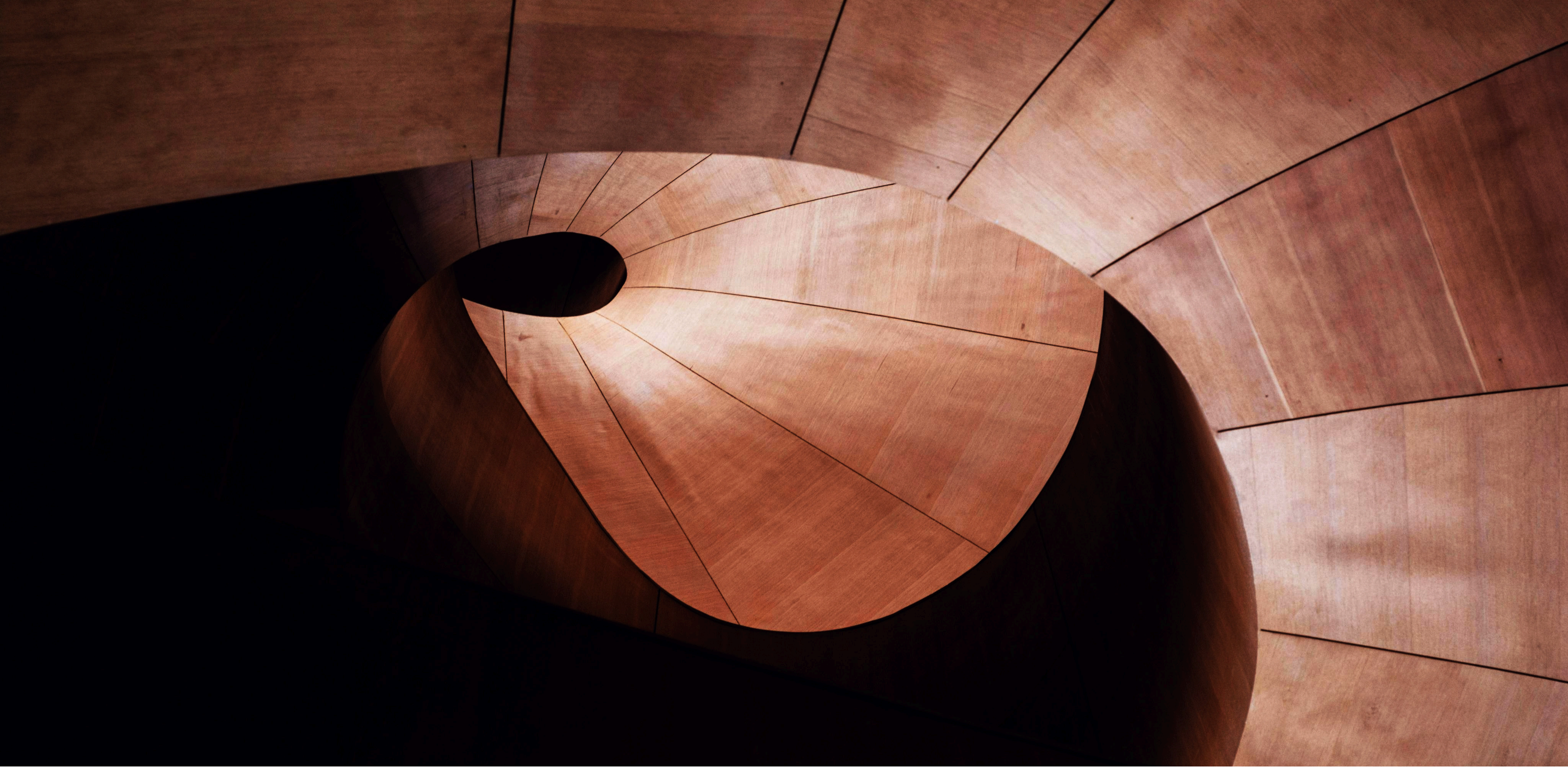
Decisions about AI investment, experimentation and integration compete directly with cash flow priorities, operational stability and growth initiatives.

In that context, clarity of definition becomes more than important — it's crucial.

Before deciding what to do, leadership teams must first be clear about what they are actually discussing — efficiency, insight, product evolution or competitive positioning.

This shared language allows subsequent strategic decisions to be better framed, better sequenced and better judged.
It also sets the tone for what follows.





SECTION 2: The current leadership context

Artificial intelligence doesn't sit in isolation. It's arriving — and accelerating — within a broader environment already characterised by volatility, compressed time horizons and increasing scrutiny.

The leadership challenge in 2026 is not simply technological. It's contextual.

PwC's 2026 Global CEO Survey captures that tension clearly. Confidence in short-term growth has softened, while concern about macroeconomic volatility, cyber risk and geopolitical instability remains elevated.[1] Leaders are being asked to protect performance in the near term while still investing in longer-term capability.

How leaders are spending their time (right now) reflects that pressure.

According to PwC, CEOs report spending around 47% of their time on issues with a horizon of less than one year, compared with just 16% on initiatives extending beyond five years.[1] Clearly, the gravitational pull of the immediate is strong.

For leaders of growing and established small-to-mid-sized businesses, that imbalance is often even more pronounced. Without large strategy teams or long capital runways, attention naturally gravitates towards operational delivery, cash flow stability and near-term growth targets.

Against that backdrop, AI enters the agenda.

Not as a single decision, but as a series of interrelated ones:

- How much to invest — and when.

- Where to experiment.
- Which risks to tolerate.
- What capability gaps exist internally.

PwC's findings suggest that while investment in AI is increasing, measurable financial impact remains inconsistent across organisations.[1] That doesn't mean AI lacks potential. It does suggest that execution, sequencing and readiness vary widely.

It also suggests that many leadership teams are navigating ambiguity rather than certainty.

The risk in this environment isn't just inaction; it's misalignment.

When long-term transformation initiatives are layered onto already stretched organisations without clarity of intent, AI can become:

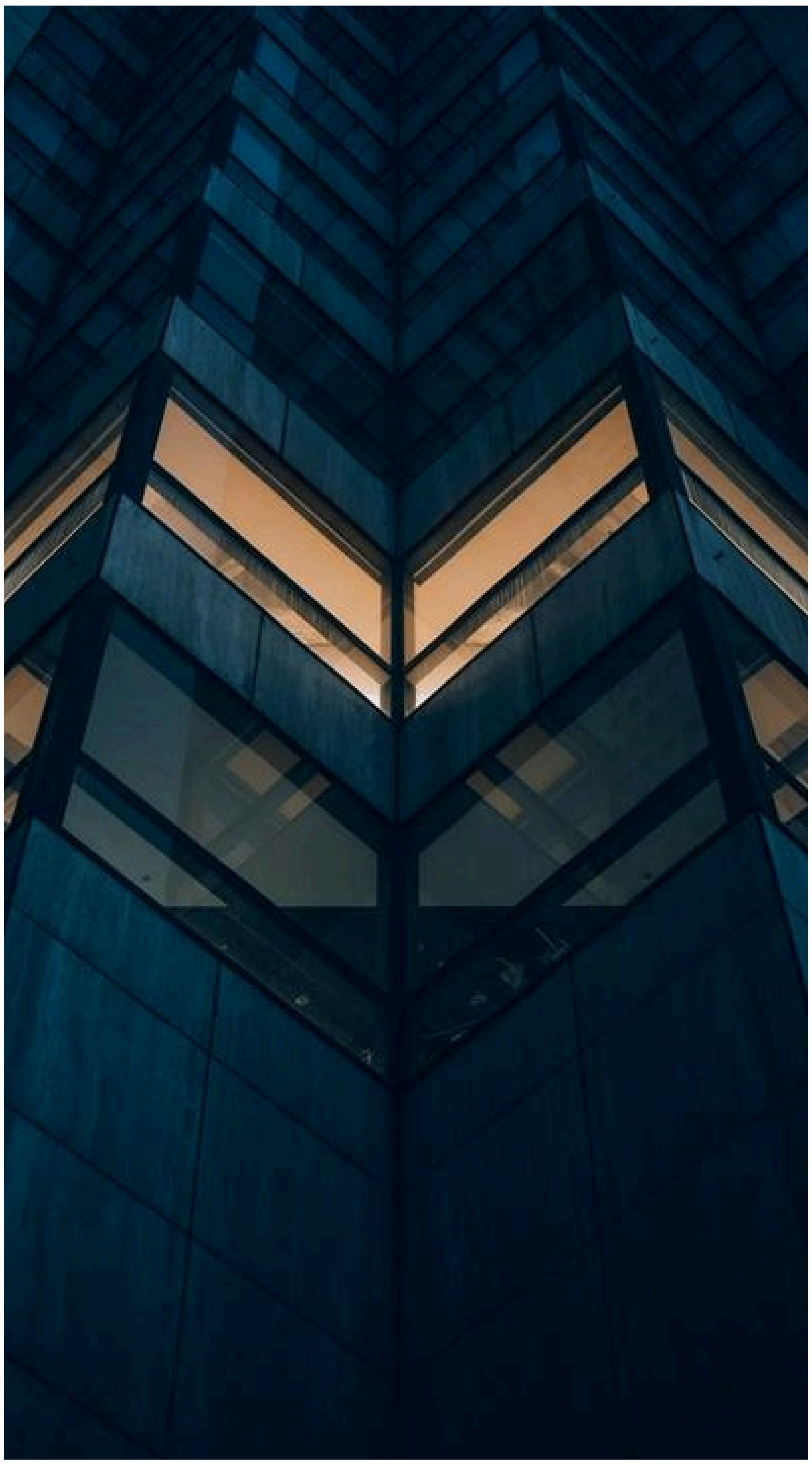
- A distraction from core priorities.
- A symbolic investment rather than a strategic one.
- A pilot programme that may never scale.
- Or, conversely, an overextension that can outpace operational capacity.

Of course, none of these outcomes are inevitable. They're simply contextual.

The real leadership question, then, isn't whether AI matters. It's how to integrate it into an already complex decision landscape without destabilising the foundations of the business.

That question sits at the intersection of strategy, finance, risk and organisational capability — not technology alone.

And it's this intersection that makes AI a leadership issue rather than an IT initiative.



SECTION 3: The strategic tension — short-term performance versus long-term capability

Every leadership team understands the theory of long-term thinking.

Sustainable growth usually requires some degree of reinvention. Competitive advantage rarely stands still, and capability must evolve.

The difficulty isn't intellectual. It's practical.

Most businesses are judged — internally and externally — on near-term performance. Revenue targets, margin expectations, cash flow stability and operational reliability don't pause simply because a longer-term transformation agenda exists.

AI intensifies that tension.

It represents potential future advantage, but it demands present-day investment — in time, capital, leadership attention and organisational energy. And those resources are, of course, finite.

For large global enterprises, that tension is often absorbed across layers of management and specialist teams. For growing and established small-to-mid-sized businesses, it is usually concentrated.

Specifically, the same leadership group responsible for delivering this quarter's results is also responsible for shaping the next three to five years.

That naturally creates a structural pull towards the immediate.

Short-term performance is visible, measurable and reported.
Long-term capability is slower, less certain and harder to quantify in the early stages.

This is where AI can become distorted. If prioritised too aggressively, it can divert attention and capital from core operations that sustain the business today.

If deprioritised indefinitely, it can leave the organisation exposed to competitive shifts that erode advantage gradually, then suddenly.

The strategic tension, therefore, isn't simply about whether to invest in AI. It's about sequencing and proportionality.

Questions begin to surface:

- Is this the right moment to experiment?
- What are we protecting if we wait?
- What are we risking if we move too quickly?
- How do we measure progress before clear financial returns appear?
- Who owns this agenda internally?

None of these are purely technological questions. Instead, they're questions of leadership judgement.

PwC's findings reinforce that many CEOs are already balancing short-term performance pressure with longer-term transformation demands.[1] The imbalance in time horizons suggests that even when leaders recognise the importance of reinvention, operational pressure remains strong.

For small and mid-sized organisations, that pressure can be even stronger. Cash discipline, client delivery and team capacity aren't abstract concerns — they are daily realities.

Which is why AI decisions made without clarity of intent often drift.

Transformation becomes experimentation without direction.

Experimentation becomes cost without impact.

Or ambition becomes overextension. The most resilient organisations are not usually those that move fastest. They are those that move deliberately — aligning ambition with capacity and sequencing change in a way the organisation can absorb.

The tension between short-term performance and long-term capability isn't new. What's different now is the pace at which AI is evolving and the visibility it commands in leadership discourse. That combination makes disciplined judgement more important than ever.

SECTION 4: Why the AI promise–reality gap exists

Despite the visibility AI now commands in leadership conversations, measurable results remain uneven.

PwC's 2026 Global CEO Survey highlights a clear pattern: investment in AI is increasing, yet consistent dual impact — simultaneous revenue growth and cost reduction — remains limited across many organisations surveyed.[1]

That gap isn't primarily technological. It's strategic.

In many cases, AI initiatives are launched before leadership teams are fully aligned on what they're trying to achieve.

Efficiency, growth, experimentation and competitive positioning are often discussed interchangeably. The result is movement without clarity.

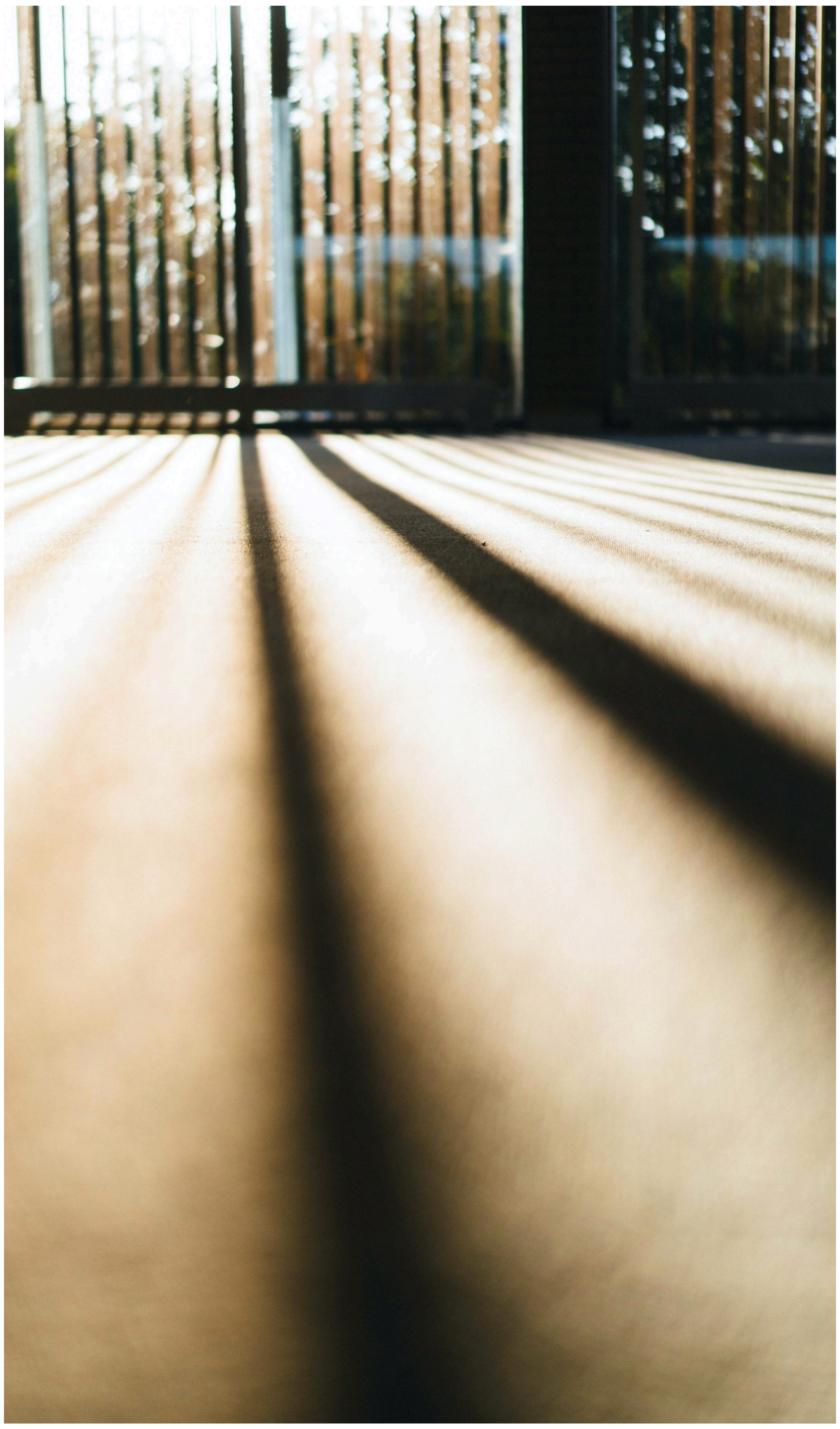
When objectives are blurred, measurement becomes difficult. When measurement is difficult, confidence erodes.

This is where misalignment begins.
AI can be introduced:

- As a signal to the market that the organisation is forward-looking.
- As a response to competitor activity.
- As a pilot driven by internal enthusiasm.
- Or as a defensive hedge against perceived disruption.

None of these motivations are inherently wrong. But without clear prioritisation and sequencing, they can pull in different directions.

For small and mid-sized organisations in particular, capital allocation decisions are rarely abstract. Investment in AI competes directly with investment in talent, product development, client acquisition and operational resilience. When strategic intent isn't explicit, AI risks becoming either symbolic or fragmented.



This is where organisational readiness enters the picture.

Even when strategic intent is clear, execution will depend on:

- Data quality and accessibility.
- Governance and risk oversight.
- Leadership bandwidth.
- Internal capability and skills.
- Cultural willingness to adapt workflows and decision-making processes.

PwC's findings suggest that while enthusiasm for AI is widespread, confidence in translating that enthusiasm into measurable outcomes varies.[1] That variation often reflects differences in organisational maturity rather than differences in ambition.

Readiness, however, isn't a static checklist.

It is shaped by sequencing.

An organisation that attempts to embed AI across multiple functions simultaneously may quickly encounter capacity constraints. Conversely, an organisation that defines a narrow, strategically aligned use case — and builds capability incrementally — may be more likely to see tangible results.
The promise–reality gap, then, isn't evidence that AI doesn't work. It is evidence that alignment and absorption matter.

When ambition outpaces capacity, friction can increase.

When experimentation lacks direction, learning can stall.

When investment precedes clarity, outcomes can become harder to evaluate. For leaders of growing and established small-to-mid-sized businesses, this distinction is particularly important. They don't have unlimited slack resources. Every initiative has an opportunity cost.

The question isn't whether AI has potential. It's whether the organisation is clear about where that potential sits within its own strategy — and whether it can absorb the change required to realise it.

That's a leadership judgement call, not a technical one.

SECTION 5: A practical leadership lens

If AI is a capability layer rather than a single initiative, and if misalignment rather than technology is often the root of the promise–reality gap, then the leadership task becomes clearer.

It's not to move fastest. It's not to move first. It's to move deliberately.

What follows is not a checklist, but a set of lenses through which leadership teams may choose to view AI decisions.

1. Strategic intent

Before discussing tools, pilots or vendors, clarity is needed on intent.

Is AI being explored primarily to:

- Improve efficiency?
- Enhance decision-making?
- Strengthen customer value?
- Protect competitive position?

Ambiguity at this stage can lead to fragmented experimentation.

Leadership teams may find it useful to ask:

- What problem are we actually trying to solve?
- If this initiative succeeds, what will meaningfully change?
- How does this align with our current strategic priorities?

Without explicit intent, measurement and sequencing become difficult.

2. Proportionality and sequencing

Not every organisation needs to pursue multiple AI initiatives simultaneously. Ambition must be weighed against capacity.

Questions worth considering:

- Do we have the bandwidth to absorb this change now?
- What would we need to pause or deprioritise to pursue this properly?
- Would a narrower, clearly defined use case create more learning than a broad rollout?

In many cases, disciplined sequencing will outperform scattered activity.

3. Organisational readiness

Even well-aligned initiatives can falter if foundational elements are weak.

This includes:

- Data accessibility and quality.
- Governance and oversight.
- Leadership sponsorship and consistency.
- Internal capability.
- Cultural willingness to adjust established workflows.

Rather than asking whether the organisation is "ready" in abstract terms, it may be more useful to ask:

- What would make this initiative easier to execute six months from now than it is today?

That framing shifts readiness from a binary judgement to a more strategic decision.

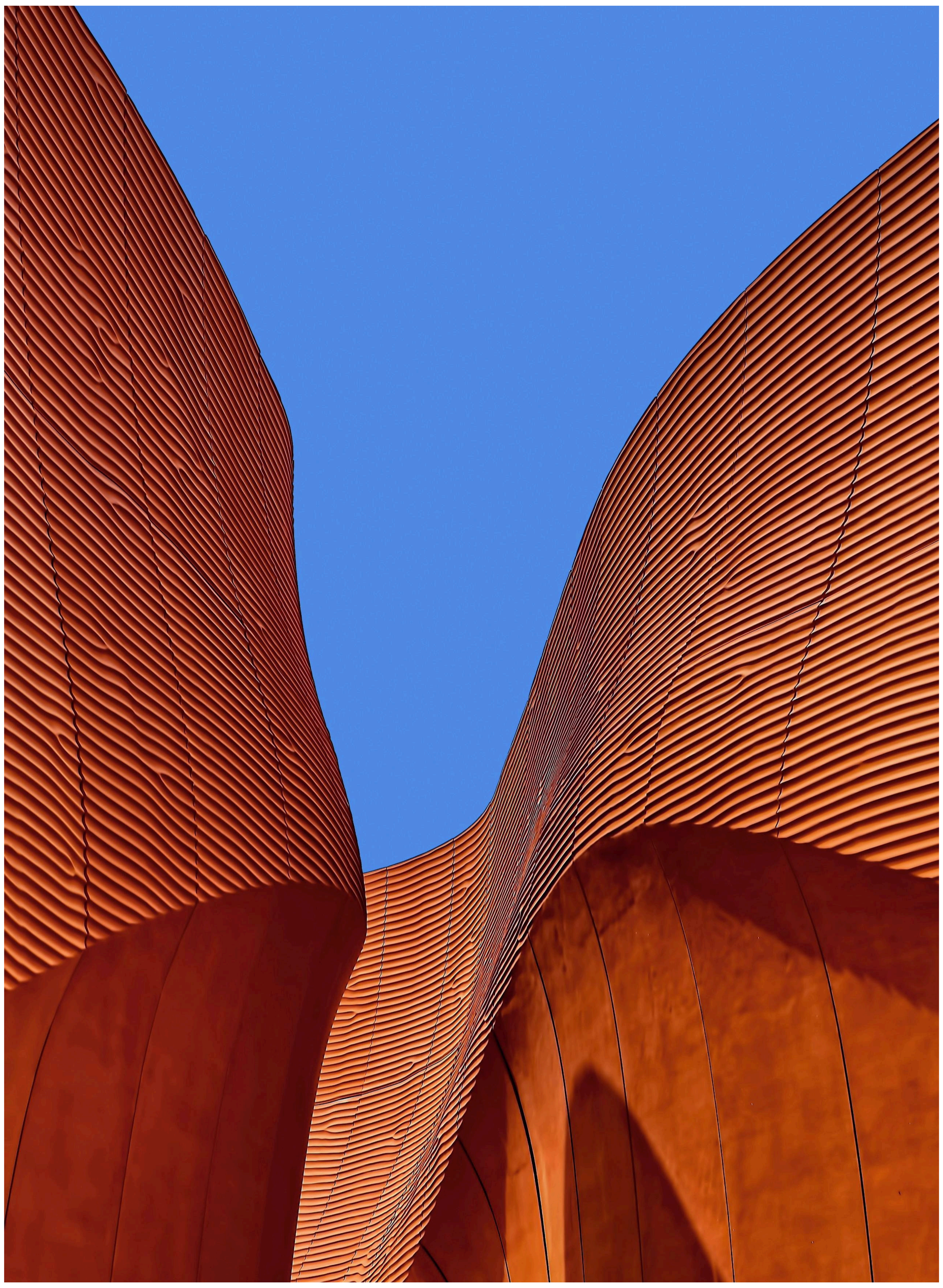
4. Measurement and learning

Early-stage AI initiatives rarely produce immediate, visible financial returns. If expectations are set unrealistically high, confidence may erode before capability matures.

Leadership teams might consider:

- What leading indicators would signal meaningful progress?
- How will we distinguish experimentation from distraction?
- At what point would we decide to scale, adjust or stop?

Clarity around evaluation reduces the risk of symbolic investment.



5. Leadership ownership

AI is often framed as a technical agenda. In practice, its impact cuts across strategy, finance, operations and culture.

A final question therefore matters:

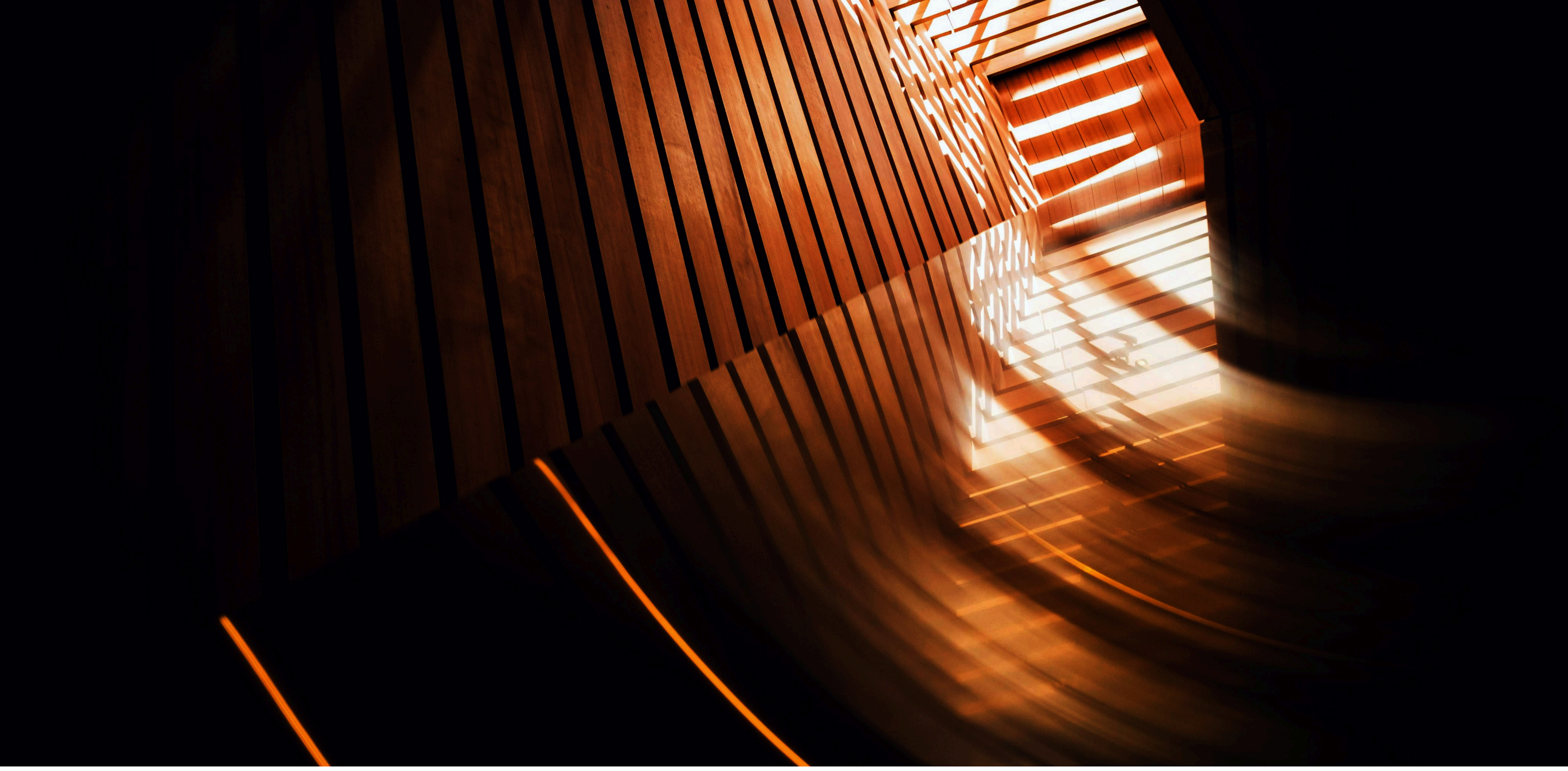
- Who is accountable for ensuring this remains aligned with strategy rather than becoming an isolated project?

Ownership doesn't require technical expertise. It requires strategic oversight. None of these lenses guarantee success. They are intended to improve the quality of decisions made in conditions of uncertainty.

For growing and established small-to-mid-sized businesses, that discipline is often the difference between sustainable capability and initiative fatigue.

AI will continue to evolve. Competitive landscapes will continue to shift.

The advantage is less likely to belong to those who react fastest, and more to those who maintain clarity — aligning ambition with capacity and sequencing change in a way the organisation can absorb.



AI doesn't demand urgency for its own sake. It demands clarity. For leadership teams navigating volatility, competing priorities and finite capacity, the advantage will lie less in speed and more in judgement — in aligning ambition with reality, sequencing change deliberately and building capability the organisation can genuinely absorb.

We believe AI is not a single decision to be made, but a series of decisions to be made well.

Endnote (citations)
PwC, 28th Annual Global CEO Survey: 2026 findings, PwC Global. Available at: https://www.pwc.com/gx/en/issues/c-suite-insights/ceo-survey.html (accessed 2026).

Images (Unsplash)
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