SPECIAL REPORT

Q1 2026

2026 Tech Industry Insights Report

The Year Operational Discipline Becomes a Strategic Advantage



PROPELLER

Trends Overview

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Economic pressure, organizational complexity, and ad-hoc AI adoption are shaping enterprise performance in 2026.

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How decision rights, governance structures, and portfolio discipline influence cross-functional execution, resource allocation, and enterprise performance.

Trend 2: Operationalizing AI at Scale 10

The governance, data foundations, and Human+AI workflows required to move AI from pilots to reliable, enterprise-wide use.

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How leadership readiness, role clarity, and people systems affect organizational effectiveness as AI changes how work is designed and delivered.

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What the three trends demand of enterprise leaders in 2026, and how operational discipline becomes a competitive advantage.

INTRODUCTION

Why 2026 Represents a Turning Point

2026 marks a structural shift for the tech industry. After years of rapid expansion, experimentation, and ad-hoc AI adoption, organizations are entering a phase where performance depends increasingly on the strength of the systems that underpin how work gets done.

Fragmented growth models, ambiguous decision-making, and inconsistent operating discipline are no longer sustainable. Work now moves across more teams, tools, and functions than legacy systems were designed to support. Expectations for transparency and governance have intensified, and AI is accelerating certain workflows while exposing gaps in ownership, data quality, and decision pathways.

Against this backdrop, leaders are navigating pressures reshaping how organizations must operate:

What Leaders Are Confronting

- Work spanning more teams, tools, and functions than existing systems can support
- Cross-functional teams pushed together without shared context, decision clarity, or enabling skills
- Rising expectations for governance, transparency, and accountable execution
- AI accelerating work while fragmented data and processes erode ROI

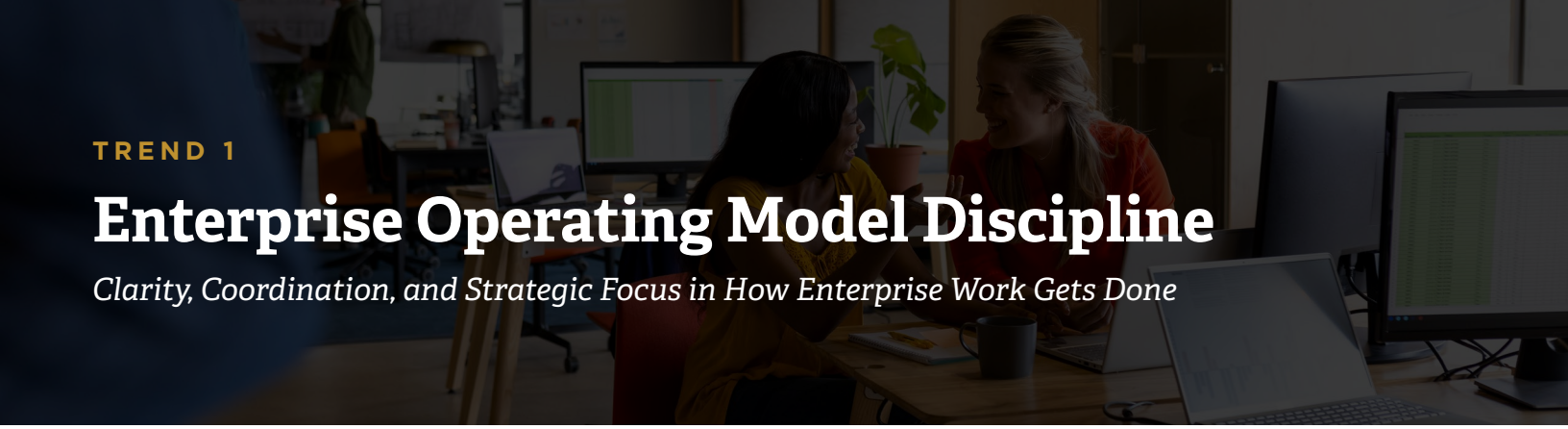
These challenges go beyond individual capability or technical investment. They reflect a deeper structural mismatch: the systems for organizing work haven't kept pace with the complexity and interdependence of the modern enterprise. When foundations drift out of alignment, teams experience friction, leaders face mounting ambiguity, and strategic initiatives lose momentum.

Competing in 2026 requires addressing those system-level gaps: strengthening operating discipline, establishing AI-ready data and governance structures, and equipping leaders and teams to navigate evolving roles, tools, and expectations. These shifts enable clearer decisions, more predictable performance, and the ability to scale AI responsibly and with confidence.

The Three Trends Shaping 2026

1. ***Enterprise Operating Model Discipline***
2. ***Operationalizing AI at Scale***
3. ***Leadership & Talent Strategy for the AI Era***

Organizations that invest in these foundations will move with greater purpose, alignment, and confidence and will be better positioned to outperform in a year defined by operational discipline.



TREND 1

Enterprise Operating Model Discipline

Clarity, Coordination, and Strategic Focus in How Enterprise Work Gets Done

WHY IT MATTERS

Enterprise Systems Built for a Different Era Can't Support the Complexity of 2026

Tech companies are entering a phase where speed alone is no longer an advantage. The differentiator is whether the enterprise can coordinate decisions, allocate resources intentionally, and adapt workflows fast enough to meet rising expectations from customers, regulators, and markets. AI is accelerating this shift by compressing planning cycles and increasing the need for real-time prioritization.

Most operating models were built for a period when:

- Functions optimized within their own domains
- Cross-functional dependencies were narrower
- AI wasn't impacting workflows, risk, or compliance

Economic pressure, ongoing restructuring, and tighter investment scrutiny across the tech sector are amplifying the need for greater operating discipline and clearer pathways for cross-functional execution.

***61%** of organizations are evolving or rethinking their operating model because of disruptive AI technologies.*

Source: Gartner



The enterprise has outgrown its operating scaffolding

Work increasingly cuts across Product, Engineering, Data, Security, HR, and Finance — exposing the limits of systems designed for a more linear, function-by-function enterprise. Regulatory scrutiny is intensifying. These shifts expose operating models built for linear, function-by-function delivery rather than the horizontal, interconnected workflows now required.

When the operating model lags behind business complexity, strategic initiatives slow down, risk increases, and investment becomes diluted across too many priorities.

Why this matters for 2026

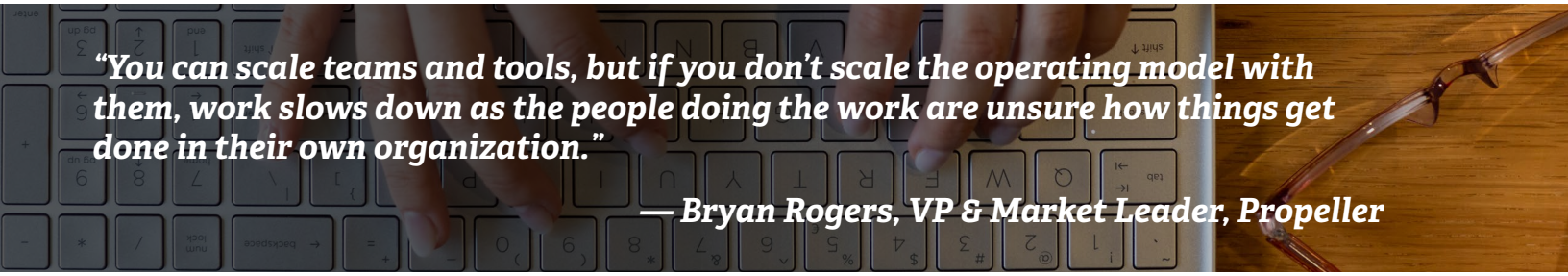
The year ahead will require tech organizations to redesign how the enterprise actually operates:

- Decision authority must move closer to execution
- Governance must become faster and more consistent
- Portfolios must shrink to match delivery capacity
- Platform consolidation will become unavoidable
- AI will require new operating pathways, not just new tools.

2026 will favor organizations that replace ad-hoc coordination with dynamic, system-level design capable of absorbing emerging regulatory, technological, and operational demands.

Only 48% of digital initiatives meet or exceed their business outcome targets, underscoring execution gaps in many organizations.

Source: 2025 Gartner CIO and Technology Executive Survey



"You can scale teams and tools, but if you don't scale the operating model with them, work slows down as the people doing the work are unsure how things get done in their own organization."

— Bryan Rogers, VP & Market Leader, Propeller

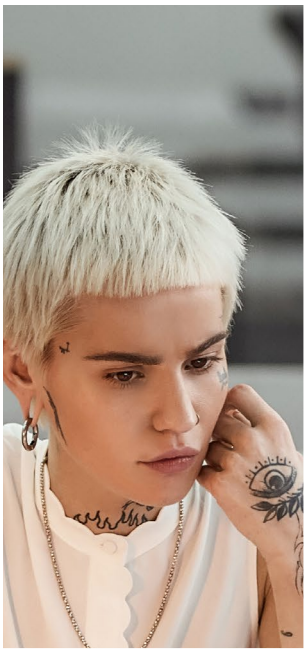
WHAT'S AT STAKE

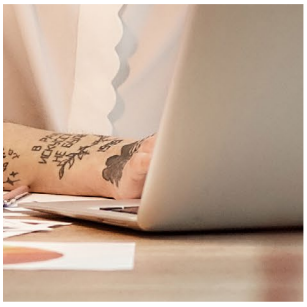
When Enterprise Systems Lag Behind Complexity, the Organization Absorbs the Cost

When enterprise systems fall out of sync with business complexity, the impact extends across the organization. Strategic initiatives slow as priorities are spread thin. Execution becomes dependent on informal coordination and escalation rather than predictable, repeatable processes that would allow the organization to mature and scale.

Cross-functional work slows where pathways are unclear

Most modern work requires multi-team collaboration, yet many organizations weren't designed for that reality. As functions scale independently, misalignment grows, creating dependency chains difficult to unwind. These gaps often remain hidden until initiatives stall or escalate unexpectedly, or when employees express frustration at the amount of workarounds needed to perform their jobs. AI-enabled workflows rely on horizontal flow rather than sequential handoffs, making unclear pathways and uneven ownership even more disruptive.







Enterprise priorities lose clarity and momentum

When governance expectations vary by function or intake process, and prioritization is inconsistent, initiatives move forward without well-defined outcomes or the capacity to deliver them. Portfolios expand beyond what teams can support, slowing measurable progress. When everything is a top priority, nothing is.

Regulatory and operational risk increases

AI-driven workflows and tightening regulations require consistent documentation, data tracability, and clear ownership — conditions many organizations are still building. Gaps in these areas introduce compliance and operational risk, particularly for workflows that span multiple functions.

The cost of misalignment accumulates quickly

- More decisions escalate to senior leaders
- Handoffs slow or create rework
- Customer timelines slip
- Teams rely on meetings and manual workarounds
- Platform redundancy increases technical debt
- Investments spread across too many initiatives

Organizations making progress address these challenges at a system level: clarifying shared processes and decision rights, pushing accountability closer to where work happens, and strengthening alignment between strategy, prioritization, and delivery. With these foundations in place, the enterprise can absorb complexity instead of amplifying it.



What Leaders Should Do Next

Leaders can strengthen enterprise performance by redesigning how the organization coordinates work and allocates resources. The goal is to build systems that enable adaptive, reliable execution — with clear accountability and measurable outcomes — as complexity and AI-driven change accelerate.

1. Clarify how cross-functional decisions are made

Unclear decision rights are a primary source of collaboration drag. Leaders should define where decisions sit within functions, where shared ownership is required, and which decisions must move closer to execution. Clear decision rights reduce escalations, shorten cycle times, and help teams act with confidence instead of waiting for alignment.

2. Standardize shared workflows that span teams

Many critical workflows, including intake, prioritization, approvals, and handoffs, cut across multiple functions but lack a consistent structure. Leaders should identify these shared pathways and formalize how work moves end-to-end. Standardization reduces rework, creates predictability, and allows teams to collaborate without reinventing processes each time.

3. Strengthen governance to accelerate, not slow execution

Governance should reinforce accountability and momentum, not add friction. Leaders should shift from episodic checkpoints to consistent operating rhythms that track progress, surface tradeoffs, and adapt to AI-driven workflow changes. Governance must also capture the documentation, validation, and quality signals required to meet regulatory and compliance expectations without overburdening teams.

78% of organizational leaders report "collaboration drag" caused by unclear handoffs and decision friction.

Gartner, Harvard Business Review



4. Rebuild performance discipline around capacity and value

As portfolios expand, performance suffers when priorities exceed real delivery capacity. Leaders should apply consistent intake and scoring criteria, move to rolling prioritization, and align commitments with actual resources. Platform consolidation is often part of this shift. Eliminating redundant tools reduces cost, technical debt, and coordination overhead while sharpening focus on the initiatives that matter most.

5. Reinforce enterprise-wide signals that guide execution

Operating models change when leaders consistently reinforce what "good" looks like. Funding decisions should be tied to clear outcomes, initiatives treated as products with accountable owners, and performance signals aligned across planning, funding, and delivery. When those signals reward focus rather than volume, teams can respond more effectively as priorities shift.



What This Enables

In organizations that put these shifts into practice, coordination becomes disciplined and execution becomes more predictable. Decisions move faster with fewer escalations. Portfolios reflect real capacity. Governance supports speed and accountability. The operating model can absorb regulatory pressure, platform complexity, and AI-driven change without stalling performance.



2026 FORWARD LOOK

How to Stay Ahead in 2026

The external signals and emerging forces shaping modern operating models.

Regulation will reshape workflows

EU AI Act enforcement begins in 2026, and U.S. guidance continues to expand. Companies are restructuring documentation, audit trails, and validation steps to meet transparency and accountability expectations.

Platform fragmentation will trigger broad scrutiny

MuleSoft's Connectivity Benchmark Report shows enterprises now run 897+ applications on average, yet only 2% have integrated more than half of them. Leaders can expect rising pressure to simplify systems before taking on new initiatives.

Agentic AI will reshape cross- functional workflows

As AI systems begin taking multi-step actions across functions, operating models will need clearer patterns for how AI-led work flows, escalates, and reconnects with human decision-makers to ensure accuracy. Leaders will require new pathways for exception handling and accountability as semi-autonomous activity becomes more common.

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TREND 2

Operationalizing AI at Scale

AI as a Governed, Measurable Enterprise Capability

WHY IT MATTERS

AI Won't Scale Without Structure

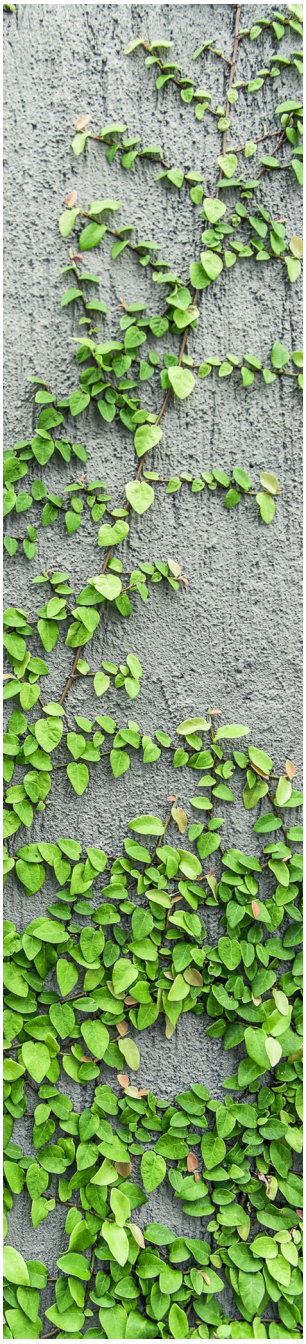
AI activity is accelerating across tech industry organizations, but the foundation required to scale it has not kept pace. Leaders are pushing forward with pilots, yet many are discovering that AI exposes gaps in ownership, data quality, governance, and validation as soon as it moves from isolated teams to enterprise workflows. IBM's 2025 CEO Study reports that half of CEOs say rapid investment cycles have created disconnected technologies, highlighting the difficulty of supporting AI consistently across the enterprise.

Data foundations and integration determine enterprise value

Unlocking meaningful value for enterprises doesn't come from AI models themselves; it comes from the combination of robust models with relevant data sources and the systems that govern, orchestrate, integrate, and support them. It's why 68% of CEOs now view integrated, enterprise-wide data architecture as essential for enabling cross-functional collaboration. Without shared data foundations and consistent guardrails, organizations experience wide variation in output quality.

Pilot success does not translate to enterprise scale

Recent industry data shows that organizations continue to struggle to move AI beyond proof-of-concept. S&P Global reports that companies now abandon over 40% of their AI initiatives, and nearly half of AI pilots never reach production. Even when pilots perform well in controlled environments, scaling stalls as teams struggle with ownership of AI-generated outputs, validation requirements, and integrating AI into shared enterprise systems and workflows.

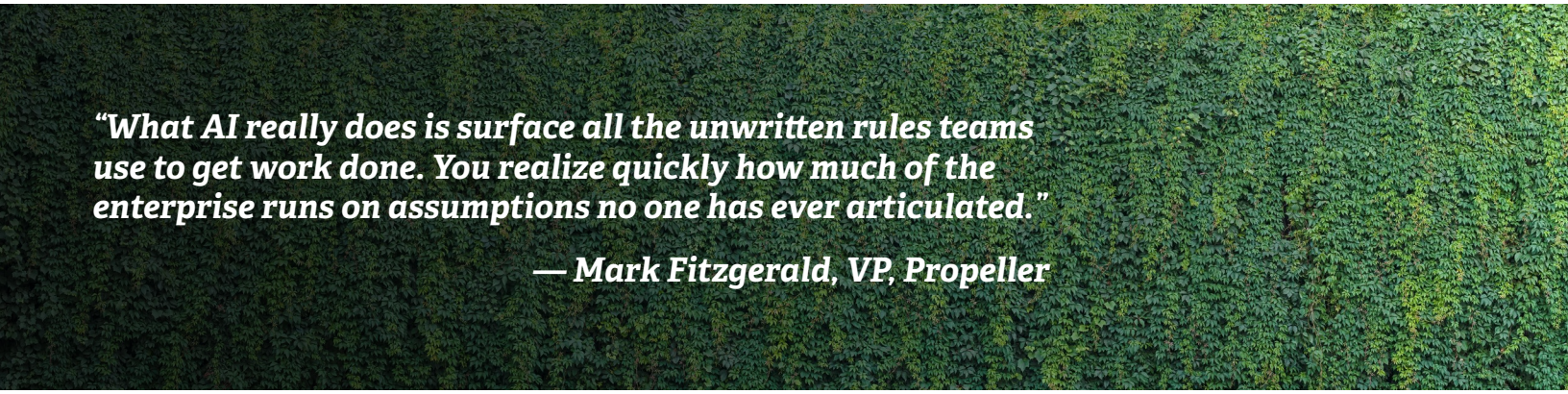


Regulation and risk are accelerating the need for structure

Sixty percent of CEOs are mandating additional AI policies to manage risk, ownership, and accountability as regulatory expectations increase. Without aligned workflows, clear guardrails, and behavioral consistency, AI solutions that succeed in isolation can't scale reliably across the enterprise.

Why this matters for 2026

AI is moving from task support to decision impact. Organizations will need clearer ownership, stronger data foundations, and Human+AI validation standards to scale responsibly. Treating AI as an enterprise capability, not a collection of experiments, will become a defining differentiator in 2026.



WHAT'S AT STAKE

When AI Scales Without Structure, Variability and Risk Multiply

When AI expands beyond pilots without the systems to support it, risks surface quickly. Outputs become unpredictable across teams, making it difficult to trust or validate decisions. Data quality issues surface faster — 43% of businesses cite this as their primary obstacle to AI deployment. Compliance expectations increase as regulations like the EU AI Act evolve, requiring stronger documentation and oversight. Without clear ownership, AI-driven work stalls as teams debate who is responsible for managing risk.

Accountability becomes more complex

As AI moves from answering questions to taking autonomous actions, accountability becomes harder to define. Teams struggle to determine who owns AI-generated work, how to remediate errors, and how to manage risk when responsibility spans technical and business domains. Without clear pathways for escalation and decision rights, AI slows execution instead of accelerating it.

Accountability problems are rarely resolved by policy alone; they require explicit decision rights and escalation paths built into workflows and systems.





Fragmented usage slows value realization

Organizations also encounter adoption challenges with AI platforms. Employees hesitate to rely on tools they don't fully understand or trust. According to Microsoft's recent Work Trend Index Pulse Report, 61% of organizations say AI adoption is slowing because employees aren't sure when to trust AI tools or outputs. Leaders struggle to measure ROI because AI activity happens in disconnected teams or data environments, rather than within a unified system. Research shows that many pilots fail not due to model performance, but due to execution failures: weak workflow integration, learning gaps, and lack of alignment with business processes. When AI isn't connected to shared systems or data foundations, it makes it difficult for leaders to see where value is being created, where risk is accumulating, or which use cases deserve further investment.

What organizations making progress do differently

Organizations successfully scaling AI are shifting from experimentation to operational discipline. They:

- Clarify risk and decision rights through governance
- Strengthen data lineage and quality so AI can produce consistent, auditable results
- Design Human+AI workflows that define when AI leads, when people lead, and how outputs are validated
- Measure AI value through business outcomes, not technical performance and activity metrics
- Apply systems thinking — designing AI and agent-to-agent workflows as interconnected, socio-technical systems with intentional flows, feedback loops, and governance — rather than optimizing isolated tools or tasks

These foundations allow organizations to scale AI with confidence rather than uncertainty.



What Leaders Should Do Next

AI will not scale on technical capability alone. Enterprise readiness, including governance, data quality, workflow design, and value measurement, determines whether AI becomes a reliable capability or remains a collection of isolated pilots. Leaders must create the structural conditions that enable consistent, trusted, and responsible AI adoption across the business.

1. Establish clear governance, decision rights, and accountability

Scaling AI requires explicit ownership. Leaders should define who owns AI-generated outputs, how decisions escalate, and where human oversight is required across the enterprise. Clear accountability models, including when humans must review, approve, or override AI-generated work, reduce risk, accelerate adoption, and prevent AI from stalling in gray areas of responsibility.

2. Strengthen data foundations to ensure reliability and auditability

AI cannot perform consistently without high-quality, well-governed data. Leaders should strengthen data lineage, quality controls, and access standards so outputs are reliable and auditable across functions. Data observability and monitoring systems are essential to detect drift, surface quality issues early, and maintain trust as AI use expands.

3. Design clear Human+AI workflows across the enterprise

Successful AI adoption depends on well-defined handoffs between humans and machines. Leaders should design Human+AI workflows that clarify where AI can act autonomously, where humans retain responsibility, and how coordination occurs across functions. Clear patterns reduce variability, support validation, and build confidence in AI-supported decisions.

70% of business leaders believe AI should be developed in ways that allow for easy human review and intervention.

Workday Global Survey

4. Build reusable architecture and standard deployment patterns

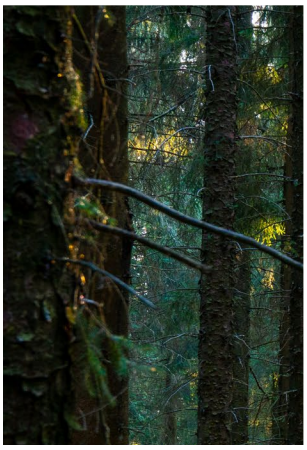
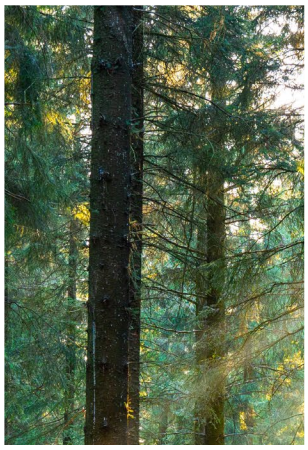
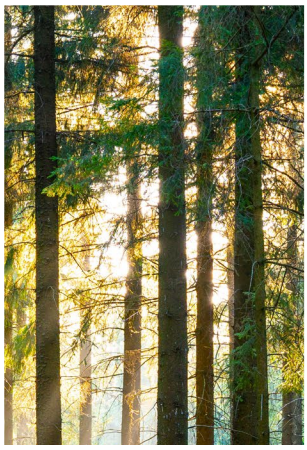
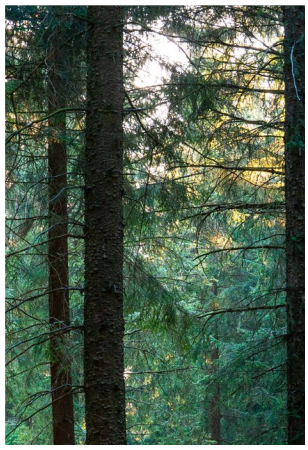
To scale efficiently, AI must be supported by shared platforms, standardized templates, and reusable validation components. Leaders should establish consistent integration and deployment patterns so new use cases can scale without rebuilding foundational work. Reusable architecture reduces duplication, accelerates deployment, and ensures consistency as AI expands across teams.

5. Measure value through outcomes and reinforce adoption

AI value should be measured through business impact, not activity. Leaders should track operational, financial, and customer outcomes using enterprise scorecards, paired with reliability metrics such as response times, accuracy thresholds, and escalation rates. Ongoing enablement, including playbooks, real examples, and leadership modeling, helps teams understand when to trust AI, how to validate outputs, and how to escalate exceptions as workflows evolve.

What This Enables

When these changes are in place, AI shifts from experimentation to an enterprise capability. Outputs become more consistent and auditable. Ownership and accountability are clear. Teams trust AI-supported decisions because workflows and validation standards are explicit. Leaders gain visibility into where AI is creating real value, allowing them to scale confidently, manage risk, and prioritize the use cases that matter most in 2026.

2026 FORWARD LOOK

How to Stay Ahead in 2026

The external signals and emerging forces shaping enterprise-scale AI.

AI will increase the volume and velocity of change beyond what most organizations can absorb

As AI drives continuous updates to workflows, decision pathways, and coordination patterns, the rate of operational change will exceed the capacity of traditional change-management approaches. In 2026, organizations will need more adaptive, system-level methods for enabling people to keep pace with AI-driven shifts and maintain consistent execution.

AI autonomy will accelerate faster than governance maturity

Agentic AI will take on multi-step, cross-functional work faster than enterprises can update escalation rules, validation pathways, and decision rights. Leaders will need clear patterns for when AI acts, when humans intervene, and how exceptions flow across functions to maintain reliability as autonomy grows.

Executives will demand clearer evidence of AI's enterprise impact

In 2026, boards and executive teams will expect AI-powered improvements to be visible in operational performance, decision quality, and customer outcomes — pushing organizations to strengthen impact measurement, link AI to core workflows, and prioritize the use cases most capable of delivering meaningful value.

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TREND 3

Talent Strategy & Organizational Effectiveness in the AI Era

Strengthening Leadership, Roles, and Team Conditions for Modern Work

WHY IT MATTERS

Leaders Are Being Asked to Deliver More Than Their Teams and Talent Systems Are Designed to Support

Tech companies are facing a widening gap between the work they must deliver and the organizational conditions, skills, and leadership capacity required to deliver it. AI is influencing how work is distributed — automating routine tasks while increasing the importance of judgment, coordination, and adaptability. Yet many organizations still rely on talent systems, leadership norms, and performance expectations built for a different pace of change.

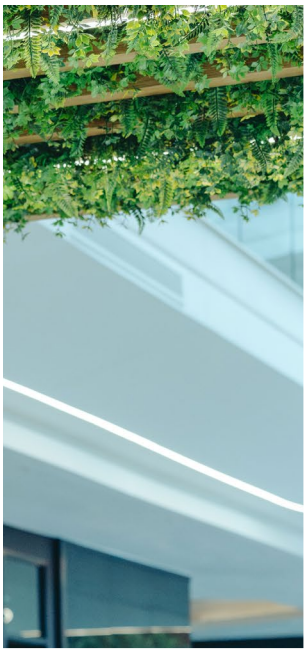


As AI transforms organizational workflows and expectations, long-standing issues like role ambiguity, uneven leadership capacity, unclear expectations, and inconsistent working norms are becoming more visible and more consequential, especially in fast-iteration environments.

Leadership capability is becoming a central constraint

Gartner research shows that only a handful of technical roles, like CIOs and CISOs, are perceived as "AI-savvy," while the rest of the C-suite falls sharply behind, with fewer than 1 in 5 leaders feeling prepared for AI-era responsibilities. CHROs rank lowest, highlighting a growing tension: leaders are turning to HR for guidance on AI-era workforce design, yet many HR teams lack the AI literacy to advise with confidence.

This uneven readiness creates inconsistent decision-making and slows execution at a time when organizations need leaders to guide teams through evolving responsibilities, validate AI-assisted outputs, and maintain clarity amid continuous change.



Talent pressures are intensifying

AI is affecting early-career pathways as task-heavy work is automated and demand grows for specialized technical and analytical skills. Visa policy changes are tightening access to global talent pools, heightening competition for critical roles. More than half of CEOs (54%) are hiring for AI-related roles that did not exist a year ago — a signal of how quickly talent needs are shifting.

What leaders are experiencing inside their organizations

Inside many organizations, roles are evolving faster than job architectures, managers are stretched across competing priorities, and rising skill demands — combined with pressure to do more with less — are amplifying ambiguity around expectations.

Why this matters for 2026



Organizations will need to strengthen leadership capability and intentionally shape the conditions the workforce operates within. This year, companies must:

- Redesign roles as responsibilities shift with AI
- Align skills, tasks, and performance expectations to modern work
- Build healthier, more adaptive teams and organizations to absorb ongoing change

Organizations advancing their talent strategy and organizational effectiveness will be better positioned to deliver predictable performance as AI reshapes work.

WHAT'S AT STAKE

When Leadership Readiness and People Systems Lag, Performance Becomes Unpredictable

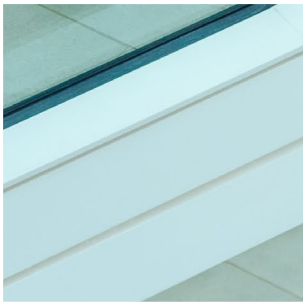
AI is changing how work gets done, but leadership expectations, role definitions, and performance systems haven't evolved at the same pace. This misalignment creates execution risk: teams are being asked to operate in new ways without the clarity or support they need to perform consistently.

Leadership readiness becomes a bottleneck

Executives and managers are navigating unfamiliar responsibilities — interpreting AI-assisted outputs, coaching teams through shifting roles, and sustaining clarity amid ongoing transformation. A recent Harvard Business Review study found that 47% of senior executives see leadership effectiveness as the single biggest driver of AI ROI, yet fewer than half believe their organization has the leaders required to scale it. This gap slows adoption, introduces hesitation, and creates uneven momentum across the enterprise.











Roles are evolving faster than organizations can keep up

As automation takes on routine tasks, roles are shifting toward higher-judgment and coordination work. Roles are evolving faster than job architectures can adjust, creating mismatches between what work requires and how roles are defined. LinkedIn's Work Change Report projects that 70% of the skills used in most jobs today will change by 2030 — a pace most systems, career paths, and competency models are not designed to support. When responsibilities shift informally, employees face unclear ownership and mismatched workloads, eroding confidence and slowing execution.

Talent shortages amplify capability gaps

Organizations feel intensifying pressure to skill and reskill their workforce. Microsoft research shows that 47% of leaders list upskilling existing employees as a top workforce strategy, and 51% of managers expect AI training to become a key responsibility within five years. Yet many organizations have not equipped managers for this shift. Hiring alone cannot close capability gaps, and early-career employees often lack the developmental pathways needed to grow into evolving roles.

Teams show signs of strain

Shifting responsibilities and continuous iteration in fast-paced tech environments increase cognitive and emotional load, especially when expectations or working norms feel unclear or inconsistently reinforced. When people systems lag behind the work, teams struggle to adapt without clear norms, communication patterns, and leadership support — revealing deeper organizational effectiveness gaps.

Why this matters

Without strengthening leadership capability, clarifying roles, and modernizing people systems, organizations will struggle to activate the operating model improvements and AI foundations outlined in earlier trends. Performance becomes uneven, transformation slows, and the gap between ambition and daily execution widens.

What Leaders Should Do Next

Closing the readiness gap requires strengthening leadership capability, clarifying roles, and aligning people systems to how work actually happens now. This enables teams to adapt confidently as AI and business priorities continue to evolve.

1. Define clear expectations for AI-era leadership

Leaders need explicit guidance on how their roles are changing: how to coach teams through evolving responsibilities, balance AI input with human judgment, and maintain clarity during ongoing transformation. Shared expectations and simple playbooks reduce variability across teams and help leaders operate with confidence. HRBPs also need AI literacy and workforce design capability to support leaders and guide the organization through these shifts.

2. Refresh roles and capabilities for modern work

Organizations should clarify where responsibilities sit, update competency models, and ensure spans and layers support rather than overload leaders. As AI agents take on more information-processing and routine tasks, human work shifts toward judgment, coordination, and interpersonal effectiveness. Stanford research shows that these higher-order skills are rising fastest in value, while task-heavy skills decline. Roles must reflect this shift by emphasizing modern capabilities rather than legacy task execution. This is not a reorganization; it's a realignment to how work now happens.

3. Rebuild early-career pathways intentionally

Big Tech hired nearly 30% fewer entry-level employees last year, as task-based work is automated and traditional "first rung" roles declined. Without deliberate alternatives, organizations risk weakening their future leadership pipeline.

Intentional early-career design—including AI literacy onboarding, structured rotations, shadowing, and hybrid AI+human roles—can build judgment, learning agility, and integration skills no longer developed through routine tasks.



4. Align performance management with strategic priorities

Performance systems must reflect the evolving responsibilities and skills. That includes clearer expectations, consistent feedback rhythms, and measures aligned to modern priorities. Yet only 2% of CHROs think their performance management systems work. When performance systems lag, teams optimize for outdated norms even as roles shift.

5. Strengthen adaptability and conditions for sustained performance

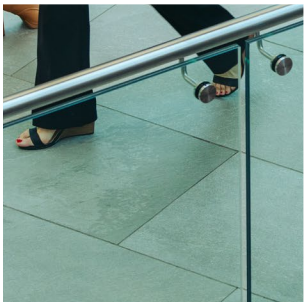
Leaders must shape the organizational conditions that enable adaptability: clear priorities, reliable communication rhythms, and realistic workloads. Creating space for upward feedback and strengthening documentation and knowledge-sharing helps teams stay aligned as responsibilities evolve. In modern work environments, consistent expectations and transparency often determine whether the workforce absorbs change or stalls under it.

What This Enables

Organizations that invest in leadership capability, role clarity, early-career development, and modern performance systems create the conditions for AI-era work to be productive, sustainable, and scalable. These foundations determine whether transformation accelerates or stalls.









How to Stay Ahead in 2026

The external signals and emerging forces shaping leadership, talent strategy, and team performance.

Leadership capacity will become a binding constraint

AI will keep raising the bar on what leaders must do: interpret AI-assisted outputs, realign roles, coach teams through continuous change, and hold clarity in flatter, faster-moving structures. In 2026, organizations that invest in practical, role-based leadership enablement—not generic training—will see more predictable execution and less variation in team performance.

Differentiation will depend on how organizations build capability, not just hire it

Competition for AI, data, and engineering talent will remain intense while immigration and labor constraints limit external supply. Two thirds of CEOs believe differentiation depends on having the right expertise in the right positions with the right incentives — signaling a shift toward internal reskilling engines, redesigned early-career pathways, and smarter use of partners and automation to close gaps.

Organizational conditions will become leading indicators of transformation success

As AI absorbs more task-level work, human value concentrates in higher-agency skills. In 2026, organizational effectiveness at the team level — clarity of expectations, decision confidence, and sustainable workloads — will be as important as technical capability. Organizations that intentionally strengthen these conditions will adopt AI faster, sustain performance under change, and build more resilient teams.

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The Path Forward

The organizations that thrive in 2026 will be those that treat transformation as a system rather than a set of projects. They strengthen operating discipline, build AI-ready foundations, and equip leaders and teams to navigate continuous change. These capabilities are interconnected. When reinforced together, they create the conditions for clarity, predictability, and enterprise-wide performance.

The shift from expansion to intentional redesign requires leadership conviction: the willingness to simplify what has become complex, to realign priorities with true capacity, and to build governance even when speed feels more urgent. Organizations that make these decisions early will move with greater focus, absorb complexity more effectively, and compete with confidence.

2026 is the year operational discipline becomes a strategic advantage.



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Translating These Trends Into Executive Priorities

If you would like a tailored executive briefing on what these trends mean for your organization, our team can walk your leadership group through the implications and priority actions for 2026.

LET'S TALK



ABOUT PROPELLER

Propeller is a business consulting firm that helps organizations bring transformation to life. We work with leaders to redesign operating models, scale enterprise technology and AI, and strengthen organizational effectiveness — aligning strategy, technology, and people to improve enterprise performance. Our work focuses on turning complex challenges into practical, executable change.

PROPELLER

Make momentum