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WHAT BOARDS ARE REALLY EXPECTING FROM AI TRANSFORMATION

A boardroom briefing for CEOs, CHROs, and executive teams preparing for the next AI transformation discussion, with a worked example using publicly disclosed Walmart data.

Executive Summary

AI has become the defining boardroom agenda of 2026. Boards are no longer evaluating the number of AI initiatives underway; they are evaluating whether management teams can convert AI investments into measurable enterprise value, sustainable competitive advantage, and greater organizational capacity. Increasingly, boards are discovering that workforce transformation—not technology adoption—is the primary constraint on AI value realization." Does the organization have the workforce, skills, and operating model required to execute its strategy faster than competitors? The companies that will lead in the AI era are not those deploying the most technology, but those redesigning work, redeploying talent, and reallocating capital most effectively. This paper outlines the questions boards are asking, the workforce signals they are monitoring, and the scorecard management teams should use to demonstrate readiness, accountability, and value realization.

The Boardroom Has Shifted

Boards are no longer evaluating AI initiatives. They are evaluating management teams.

Two years ago, AI was a standing item under the CIO update. In 2026, it is the agenda. Audit committees are asking about AI-related controls. Compensation committees are linking executive scorecards to AI productivity. Nominating committees are recruiting directors with AI fluency. The question is no longer

whether to invest in AI — it is whether the company is converting investment into durable competitive advantage faster than its peers.

In our work with global enterprises across financial services, healthcare, manufacturing, and technology, five questions now dominate boardroom discussions. They are not technical questions. They are strategic questions that increasingly determine how directors evaluate management credibility, organizational readiness, and long-term value creation.

Increasingly, boards are discovering that the limiting factor is no longer technology adoption. It is workforce transformation. Organizations that cannot redesign work, redeploy talent, and build AI-relevant skills at scale are finding that AI investment alone does not translate into competitive advantage.

The five questions boards now lead with

- **Where is the value actually landing?** Boards have moved past pilot counts. They want dollars — cost out, revenue lift, cycle time reduction — tied to specific workflows, with a credible attribution method.
- **Do we have the workforce to execute?** Strategy is constrained by skills. Boards want to see how the workforce is being redesigned, where critical talent sits, and how quickly the organization can reskill at scale.
- **How do we compare to peers?** Directors increasingly arrive with external benchmarks in hand. They expect management to know where the company sits on adoption, talent depth, and use-case maturity — and to explain the gap.
- **What is the risk envelope?** Model risk, IP exposure, vendor concentration, and — critically — reputational risk from workforce decisions. Boards do not want surprises in the press release.
- **Are we allocating capital like we believe our own strategy?** If AI is the thesis, the capital plan, the M&A pipeline, and the talent plan should show it. Boards check for coherence across all three.

The pattern is consistent: boards are no longer satisfied with activity metrics. They are pressing for value realization, workforce readiness, and competitive positioning — simultaneously, and with evidence.

What this means for the CEO conversation

The most successful CEOs we observe enter the board meeting with three artifacts: a value realization view (dollars by workflow), a workforce intelligence view (skills supply and gap by role), and a competitive view (where we lead, where we trail). Showing up with only the first is now the most common reason boards push back.

Talent & Workforce Transformation: The Question Behind Every Other Question

Every board AI conversation eventually becomes a talent conversation. AI changes what work looks like, who does it, and where it gets done. Boards have started to treat this as a first-order strategic question — not a delegated HR matter. Three shifts are reshaping how boards engage on workforce.

Shift 1: From headcount actions to role redesign

The cleanest early wins from AI come from removing tasks, not people. Boards are wary of management teams that lead with workforce reduction as the AI thesis — Forrester now projects that a majority of employers will regret AI-attributed layoffs from this cycle. The boards we work with are asking management to model role redesign — task-level decomposition, augmentation, and redeployment —

before any reduction-in-force is approved. JPMorgan Chase frames it directly in its most recent annual report:

“AI will affect virtually every function, application, and process in our company. AI will definitely eliminate some jobs and change many others. We will have definitive plans on how we can support and redeploy our affected workforce.”

— Jamie Dimon, Chairman & CEO, JPMorgan Chase — 2024 Annual Report Letter to Shareholders (released April 2025)

The signal in that passage is not the acknowledgement that AI will eliminate some jobs — every CEO says that now. It is the commitment to definitive redeployment plans. Boards are reading that as the new floor for an acceptable workforce thesis.

Shift 2: From training programs to skills supply intelligence

The reskilling number that gets repeated — roughly 80% of the global workforce needing new skills by 2027 — is useful only as a backdrop. The board-level question is more precise: which 5,000 of our 50,000 people are mission-critical to the AI plan, where do they sit today, and where can we source the rest? This requires skills supply intelligence at the level of role, geography, and competitor — not generic learning curricula.

Shift 3: From annual workforce plans to continuous workforce sensing

AI shortens every planning cycle. Boards expect management to monitor external talent signals — competitor hiring, attrition patterns, emerging skill clusters, geographic shifts — with the same cadence as financial KPIs. A workforce plan refreshed once a year is no longer a plan; it is a snapshot of yesterday.

What boards want to see in the talent slide

- **A skills graph, not an org chart.** Roles are decomposed into tasks and skills, with AI augmentation potential scored at the task level.
- **Internal mobility throughput.** % of critical roles filled internally; below 40% is a yellow flag.
- **External benchmarks.** Headcount in AI-critical roles versus the top three peers, with trailing six-quarter growth.
- **Location strategy.** Where the talent actually lives, including emerging hubs that may be cheaper, deeper, or less contested than the obvious markets.
- **Retention signal.** Voluntary attrition in AI-critical roles relative to the broader organization — a leading indicator of strategic exposure.

Board Observation

Boards are increasingly skeptical of internal-only workforce data. The companies winning the AI talent cycle pair internal skills inventories with external talent intelligence — visibility into where AI talent is concentrating, what competitors are paying, and which emerging roles are about to matter. Without that external lens, every workforce plan is being made in the dark.

The AI Dividend at Constant Headcount

The strongest boards have stopped asking how much we spend on AI and started asking what AI buys us at constant headcount. That question resolves into three measurable angles. Companies pulling ahead competitively can answer all three with named, instrumented commitments.

Angle	What boards ask	What “yes” looks like	Common failure mode
M&A capacity	Does AI free up integration bandwidth so we can do more deals, faster, with the same team?	Acquisitions per year rise while corporate and integration headcount holds flat; AI-augmented diligence and integration playbooks documented	Capacity named the constraint but never instrumented; deal cadence slows when the team is busy
Innovation reallocation	What share of our top talent's time shifts from run-the-business to change-the-business?	% of top-quartile talent on net-new initiatives rises quarter-over-quarter; pipeline of innovation pilots grows	AI eats the easy BAU tasks but the freed-up time refills with BAU complexity, not new bets
Growth + efficiency	Are revenue per FTE and cost per unit both moving the right way at the same time?	Both metrics improving year-over-year — not one at the expense of the other	Revenue per FTE rises only because cost per unit was cut; no organic revenue lift

These three angles are not alternatives — they are stacking tests. A company that can answer one is doing fine; a company that can answer all three is gaining ground that compounds. The hardest signal to fake is the third: revenue per FTE and cost per unit moving the right way at the same time, without one funding the other.

Three positioning questions boards are asking

- **Where do we lead, and where are we structurally behind?** Not feature-by-feature, but in underlying capabilities — data assets, talent depth, distribution, customer trust — that determine whether AI compounds advantage or erodes it.
- **Build, buy, or partner — and on what timeline?** Boards want a clear point of view on which capabilities are core (build), which are catalysts (buy), and which are accelerants (partner).
- **What does our peer set actually look like in three years?** AI is restructuring industry boundaries. The competitor set in 2029 will likely include companies that are not on the watchlist today — and may not include some that are.

The boards making the sharpest decisions insist on outside-in evidence: peer hiring patterns, AI-native entrant tracking, customer-side adoption signals, and partner ecosystem moves. They treat external intelligence as a board-level input, not an investor-relations afterthought.

What “Good” Looks Like: The Board-Level AI Scorecard

Boards do not need more dashboards. They need a small set of leading indicators that connect AI investment to enterprise value — and that surface problems while there is still time to act. The scorecard below is the one we see working in practice.

Lens	What the board tracks	Healthy signal
Value	Dollars realized by workflow; attribution method disclosed	More than half of AI initiatives have a named P&L owner
Workforce	AI-critical roles: coverage, attrition, internal fill rate	Internal fill rate above 40%; attrition at or below baseline
Skills	% of workforce with verified AI-relevant skills	Trending up quarter-over-quarter against a named target
Competitive	Peer hiring velocity in AI-critical roles	Within striking distance of top peer; gap narrowing
Risk	Model, data, vendor, and reputational exposure	Annual AI risk review with named accountable executive
Capital	AI-tagged spend across opex, capex, and M&A	Coherent with the stated AI thesis; reviewed each quarter

Three asks boards are making of management in the next 90 days

- **Name a value realization owner.** Not the CIO or the Chief AI Officer — a senior executive whose scorecard is the realized value, with authority to redirect funding across business units.
- **Publish an internal skills and workforce baseline.** AI-critical roles, current coverage, gap to plan, and the supply strategy — internal mobility, reskilling, hiring, and location — for each gap.
- **Commission a peer and adjacency scan.** An outside-in view of competitor moves, AI-native entrants, and adjacent market shifts, refreshed at least twice a year and presented at the board.

Closing point of view

Boards in 2026 are not asking management to predict the future of AI. They are asking management to demonstrate that the organization can adapt faster than competitors. The companies that win the next decade will not be those deploying the most AI models. They will be those that redesign work, redeploy talent, and reallocate capital faster than the market changes around them. Increasingly, that is the standard by which boards are judging leadership teams