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EU survey: AI adoption soars as trust and ROI lag

Executive Summary

A new European Commission survey finds artificial intelligence now used in the majority of smaller companies, but with persistent low trust in AI for workforce decisions. At the same time, global CEO and CFO studies reveal that while leaders report efficiency gains from AI, few can clearly measure its return on investment. As some firms cite AI to justify layoffs, others are ramping up hiring and training for new AI-related roles - underscoring the need to redesign work and skills to capture AI's value.

Europe's high AI uptake - and a trust gap

The European Commission reports that most of the continent's smaller businesses are embracing AI, albeit cautiously. A new Eurobarometer survey found 42% of EU small and mid-sized companies already use artificial intelligence or algorithmic management tools, and another 21% plan to adopt them (employment-social-affairs.ec.europa.eu [1]). These systems are most commonly applied in customer service, performance monitoring and staff scheduling (employment-social-affairs.ec.europa.eu [2]). Yet confidence in AI remains shaky. Almost half (49%) of the firms surveyed said they do not trust AI-driven systems for decisions about employees (employment-social-affairs.ec.europa.eu [3]), citing concerns about transparency and fairness. Key barriers to wider uptake include high implementation costs (reported by 50% of firms), legal uncertainties (49%) and lack of expertise (48%) in deploying AI effectively (employment-social-affairs.ec.europa.eu [4]).

Policymakers are moving to bolster trust and worker protections as AI spreads. EU institutions have already introduced rules - such as the AI Act's transparency and oversight mandates - aimed at ensuring "human-centric" AI use in workplaces (employment-social-affairs.ec.europa.eu [5]). Now the European Commission is preparing a new "Quality Jobs Act" to clarify companies' responsibilities around algorithmic management and safeguard employee rights (employment-social-affairs.ec.europa.eu [6]). The assumption is that AI can improve job quality - a belief shared by 75% of the surveyed firms (employment-social-affairs.ec.europa.eu [7]) - but only if its deployment is accompanied by proper governance. European leaders are signalling that as AI transforms work, it must be implemented in consultation with employees and unions, with clear rules to maintain trust and accountability.

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Productivity promise meets ROI reality

Recent surveys of business leaders highlight a growing gap between initial productivity boosts from AI and tangible business results. In an October global poll by EY, half of chief executives identified AI as the single biggest driver of productivity gains in the past year (www.ey.com [1]). Nearly as many said they are reinvesting the time and cost savings into innovation projects to fuel future growth (www.ey.com [2]). However, translating efficiency into bottom-line impact is proving difficult. Almost one in four CEOs admitted that AI-driven gains often get “absorbed” by organisational complexity before they improve profitability (www.ey.com [3]). More than half of CEOs have at least some visibility over what their AI investments are yielding - but only 16% say they have a clear, real-time view of return on investment (www.ey.com [4]).

Finance chiefs share similar frustrations about realising value from AI. An IBM Institute for Business Value study of 1,500 CFOs finds broad enthusiasm for AI, with 62% saying their role now involves guiding enterprise technology and AI strategy (newsroom.ibm.com [5]). Yet just 6% of those finance leaders consider their own function “transformation-ready,” meaning they have AI embedded in most workflows and decisions (newsroom.ibm.com [6]). Another multi-country survey of nearly 6,000 executives earlier this year found that 69% of businesses were using some form of AI, but 89% still saw no noticeable productivity improvement, and over 90% reported no net reduction in their workforce as a result (www.nber.org [7]). These findings suggest that many organisations are adopting AI without fully reworking processes or roles around it - and consequently, they are not yet reaping significant performance benefits.

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Layoffs surge as firms chase efficiency

Despite the modest overall impact of AI on jobs so far, some companies have been quick to cut staff in the name of automation. According to outplacement firm Challenger, Gray & Christmas, U.S. employers announced nearly 90,000 AI-related job cuts in the first five months of 2026 (www.cnbc.com [1]). In May alone, about 40% of all announced layoffs in the US were attributed to companies’ adoption of AI and other automation technologies (www.cnbc.com [2]). This trend has continued into the autumn - by the end of September, AI was cited as a factor in roughly 120,000 U.S. job cuts, making it the leading cause of layoffs this year. Just this week, the EU survey found 36% of firms implementing AI had restructured or reduced staff as a result (employment-social-affairs.ec.europa.eu [3]). In the retail sector, for example, a memo to employees revealed that U.S.

grocery chain Kroger plans to eliminate around 3,000 corporate roles (about 37% of its office staff) over the next three years as it integrates AI tools to streamline workflows and cut costs (money.usnews.com [4]).

However, analysts warn that sweeping workforce reductions may be premature - and potentially counter-productive - if AI's benefits remain unproven. In many cases, the technology is still in early stages of deployment, requiring human oversight and facing constraints like data quality and employee pushback (www.spglobal.com [5]) (www.spglobal.com [6]). Some experts suggest that companies might even be "scapegoating" AI to justify layoffs for cost-cutting purposes, without clear evidence of immediate efficiency gains (www.cnbc.com [7]). In the longer run, excessive cuts could leave organisations shorthanded just as AI-led growth opportunities emerge. As IMF Managing Director Kristalina Georgieva cautioned recently, young workers may lose entry-level roles to automation "like a slow-moving tsunami," even as new tech-driven jobs eventually appear (www.cnbc.com [8]) (www.cnbc.com [9]). The challenge for leaders is deciding how to balance short-term efficiency drives with the need to retain and retrain talent for an AI-enabled future.

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Investing in skills and new roles pays off

On the other side of the AI equation, a number of organisations are pursuing growth by redesigning work and upskilling staff - and seeing better outcomes. In its latest earnings report, consulting firm Accenture said it now employs nearly 110,000 AI and data specialists, far exceeding its original goal to double that talent pool to 80,000 by 2026 (investor.accenture.com [1]). Other companies are similarly adding new roles or shifting employees into AI-related positions instead of eliminating them. A study of 22,000 firms by Ramp and Revelio Labs found that "high-intensity" AI adopters - those investing most heavily in the technology - increased their overall headcount by over 10% on average, even in job categories often assumed to be automatable (techcrunch.com [2]). Notably, entry-level hiring rose by 12% in these AI-forward companies, countering fears that the first jobs to go in an AI age will be junior roles (techcrunch.com [3]). This aligns with analysis by PwC showing that positions enhanced by AI - so-called "professionalised" roles where the technology amplifies expert workers - are growing faster and commanding higher pay. Employers most adept at using AI have expanded headcount 52% since 2018 (versus 36% at less AI-intensive peers) and are paying a 62% wage premium for employees with AI skills (www.pwc.com [4]).

The emerging divide suggests that AI's impact on work will reflect strategic choices by employers. Those leveraging the technology to complement and elevate human capabilities are pulling ahead in productivity and innovation, while those focused narrowly on short-term automation gains risk losing talent and future competitiveness. As one bank's wealth management chief observed, AI efficiency "cannot replace the valuable judgment, empathy and personal connection" that human professionals provide (www.prnewswire.com [5]) (www.prnewswire.com [6]). In practice, converting AI into sustainable performance gains requires reimagining roles and career paths - and investing in training so employees can work *with* AI. With research firm McKinsey estimating that up to 11 million US workers in at-risk occupations may need to shift into new roles by 2030 (247wallst.com [7]) (247wallst.com [8]), leaders should ensure their AI strategies include clear pathways for workforce transition and growth.

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Key Statistics

- 63% of European SMEs already using or planning AI (European Commission, 2026)
- 90% of senior executives reported no AI impact on jobs over past 3 years (NBER, 2026)
- 16% of CEOs have clear real-time visibility into AI ROI (EY, 2026)
- 62% average wage premium for workers with AI skills (PwC, 2026)
- 120,136 US jobs cut in 2026 with AI cited as the reason (Challenger Gray & Christmas, 2026)

KEY TAKEAWAY

Don't bank on quick AI-driven cost cuts. Instead, audit where AI is truly adding value and where it isn't. Bolster transparency and training around new tools - and redeploy time saved into higher-value work - before restructuring roles or headcount.

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