



# Generative AI Adoption Index

The new work order – How generative  
AI is reshaping Canadian workplaces

KPMG in Canada | November 2025



# Executive summary

Generative AI adoption continues to grow, driving more frequent and consistent use across organizations. Ninety-three per cent of organizations now report enterprise-level adoption – up from 61 per cent last year – yet only 2 per cent say they are realizing a measurable return on their AI investments. Among employees, adoption also continues to rise, though at a slower pace: more than half of Canadian employees (51 per cent) are now using generative AI at work, up from 46 per cent in 2024 and 22 percent in 2023. Nearly three-quarters (73 per cent) of users engage with AI tools daily or weekly, and most users (79 per cent) say AI has improved their productivity.

As organizations work to turn adoption into impact, gaps around AI skills and integration into core operations are hindering tangible business outcomes. A capability divide has opened between confident adopters and those who feel unprepared to use AI effectively. Eighty-three per cent of employees say they need stronger skills, and a similar share want employer-provided training. However, only 48 per cent believe their employer provides adequate support, and 44 per cent worry that their job could be affected if they fail to keep up with AI’s pace of change.

For employers, this presents a dual challenge: sustain adoption momentum while ensuring AI investments deliver measurable value – and that every employee can move forward with confidence.

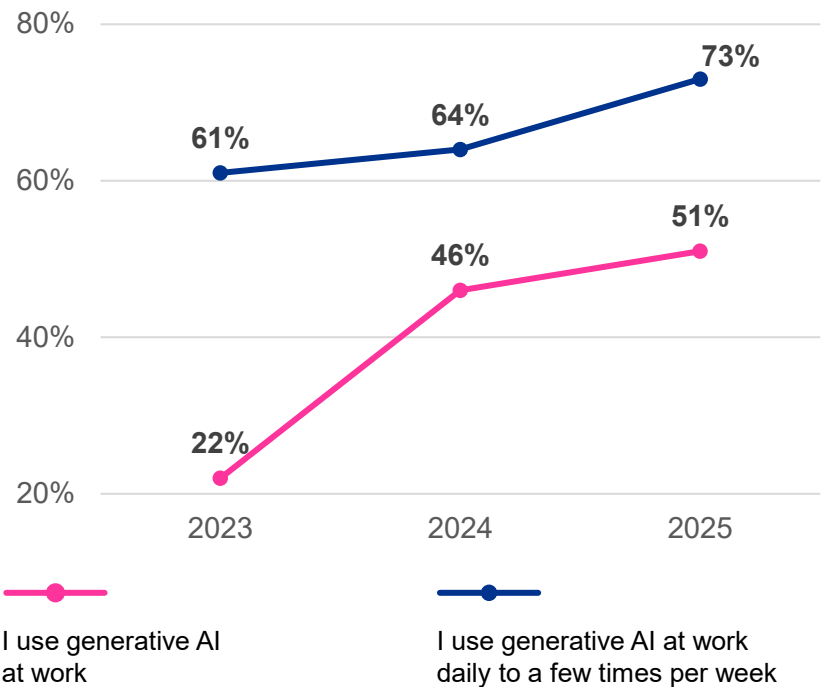
Since ChatGPT’s launch in 2022, KPMG has surveyed Canadian employees and business decision makers annually to track AI use and adoption. This report presents key insights from the KPMG Generative AI Adoption Index 2025.

## Generative AI adoption is rising, but skills gaps and low ROI are holding back its full potential

 **93%** of Canadian organizations report enterprise-level adoption of generative AI, yet only 2% say they are realizing a measurable return on their AI investments.

 **51%** of Canadian employees use generative AI at work, up from 46 per cent in 2024.

Employee generative AI use over time:



 **79%** of employees say generative AI has improved their productivity at work.

 **83%** of employees want and/or need to upskill themselves to learn how to use generative AI tools more effectively.

 **48%** of employees feel that their employer provides sufficient training on how to use AI tools effectively in their role.



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**The opportunity is clear: provide access to trusted AI platforms and pair them with practical, role-based learning and clear, well-communicated policies.**

”

**Megan Jones**

Partner, National Workforce Transformation Leader  
KPMG in Canada

# The AI training gap

## A new skills imperative for competitive advantage

Employees are using AI tools more frequently, with 73 per cent using them daily or weekly, and 54 per cent reporting time savings of 1-5 hours per week. However, even with more frequent usage, most recognize they are not yet tapping into AI’s full potential.

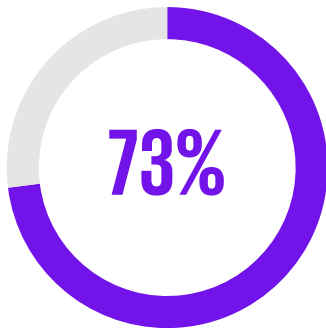
Eighty-three per cent of employees believe they need to improve their skills to use AI tools more effectively, and 82 per cent want company-provided training – up from 80 per cent in 2024. However, only 48 per cent feel that their employer provides sufficient training on how to use AI tools effectively in their role.

By contrast, the KPMG Generative AI *Business Adoption Survey 2025* found that 82 per cent of Canadian business decision-makers say their organization provides generative AI skills training, up from 74 per cent in 2024. While this indicates growing investment, the gap between employees’ desire for AI training and the adequacy of current training, suggests that these efforts may not be fully meeting expectations.

In May 2025, KPMG and the University of Melbourne published Global research that further highlights this gap. Out of 47 countries surveyed, Canada placed 44th in AI training and literacy and 42nd in trust in AI systems.<sup>1</sup>

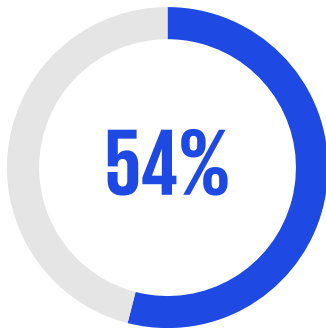
<sup>1</sup> Canada lagging global peers in AI trust and literacy - KPMG Canada

## Employees report growing use of and time savings from AI tools



report using AI tools at work daily or weekly.

Compared to 64% in 2024.

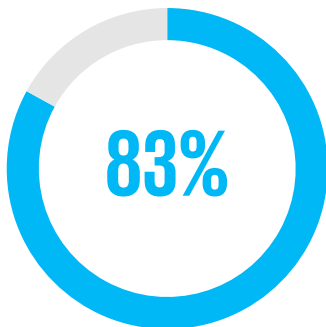


report 1-5 hours of time saved per week.

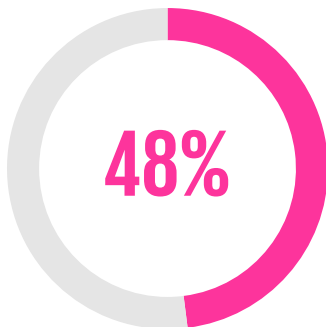
Compared to 52% in 2024.

51% say they are using their time savings on higher-value tasks (e.g., strategic planning, improving operations).

## Demand for AI skills is rising, but training isn’t meeting expectations



of employees want and/or need to upskill to learn how to use generative AI tools more effectively.



of employees feel that their employer provides sufficient training on how to use AI tools effectively in their role.

40% of employees are worried about losing their job if they can't use AI effectively.

# Responsible AI

## Emphasis on responsible AI use gains ground

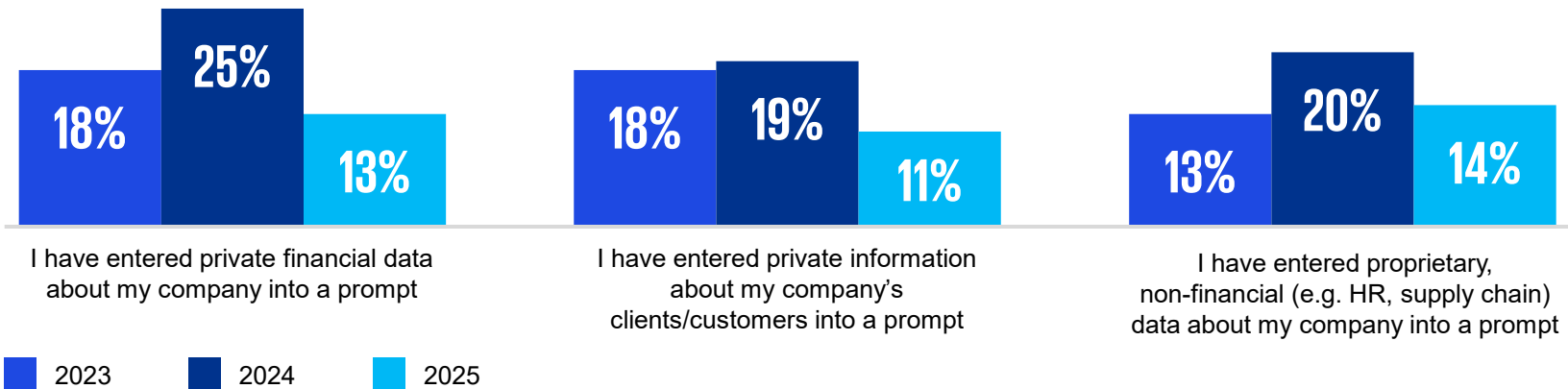
Responsible use of AI at work is improving. Fifty-eight per cent of employees always check their AI output for accuracy, up from 51 per cent in 2024, and 49 per cent in early 2023. In addition, the proportion of users inputting private financial data about their company into prompts has fallen to 14 per cent, down from 20 per cent in 2024.

While this is encouraging, reinforcing the practice of verification and data protection must remain a priority.

Organizational governance is improving but remains inconsistent. Only twenty-nine percent of employees say their employer has a comprehensive AI policy, up from 18 per cent last year. Yet 42 per cent remain unsure whether safeguards, such as data restrictions or upload controls, are in place.

Without this clarity, employees can feel unsure about their employer’s expectations or where to begin, which makes them less likely to use AI tools, and risks disengagement from the broader digital transformation.

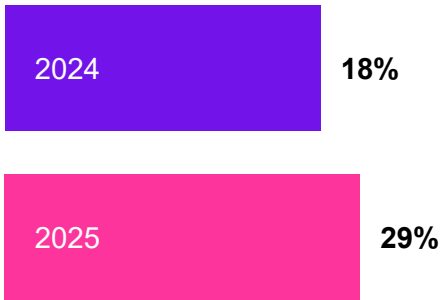
## Employees are improving data protection in their AI prompts



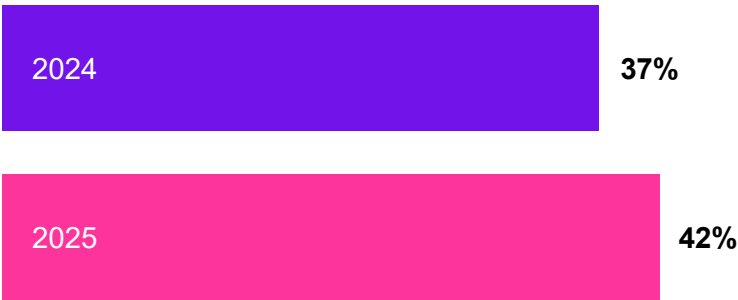
58% of employees always check their AI output for accuracy, up from 51% in 2024 and 49% in 2023.

## AI policies are gaining visibility, but awareness of guardrails remains low

My employer allows employees to use generative AI tools and has a comprehensive policy:



I am not aware of any controls from my employer over the use of generative AI:





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**Clarity drives adoption. When teams have simple, role-specific guardrails and examples of acceptable use, they can harness AI with speed and confidence while safeguarding quality and trust.**

”

**Davin Gnanapragasam**

Chief Technology Officer and Partner, Tax  
KPMG in Canada



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# The human side of AI

## One workforce, two speeds

Behind the numbers, employees have mixed perspectives regarding AI use. Among those who use AI at work, many see it as a valuable aid: 80 per cent say it helps them thrive, and 49 per cent support making AI use mandatory in all Canadian organizations. However, 43 per cent of employees report feeling overwhelmed by the pace of technological change.

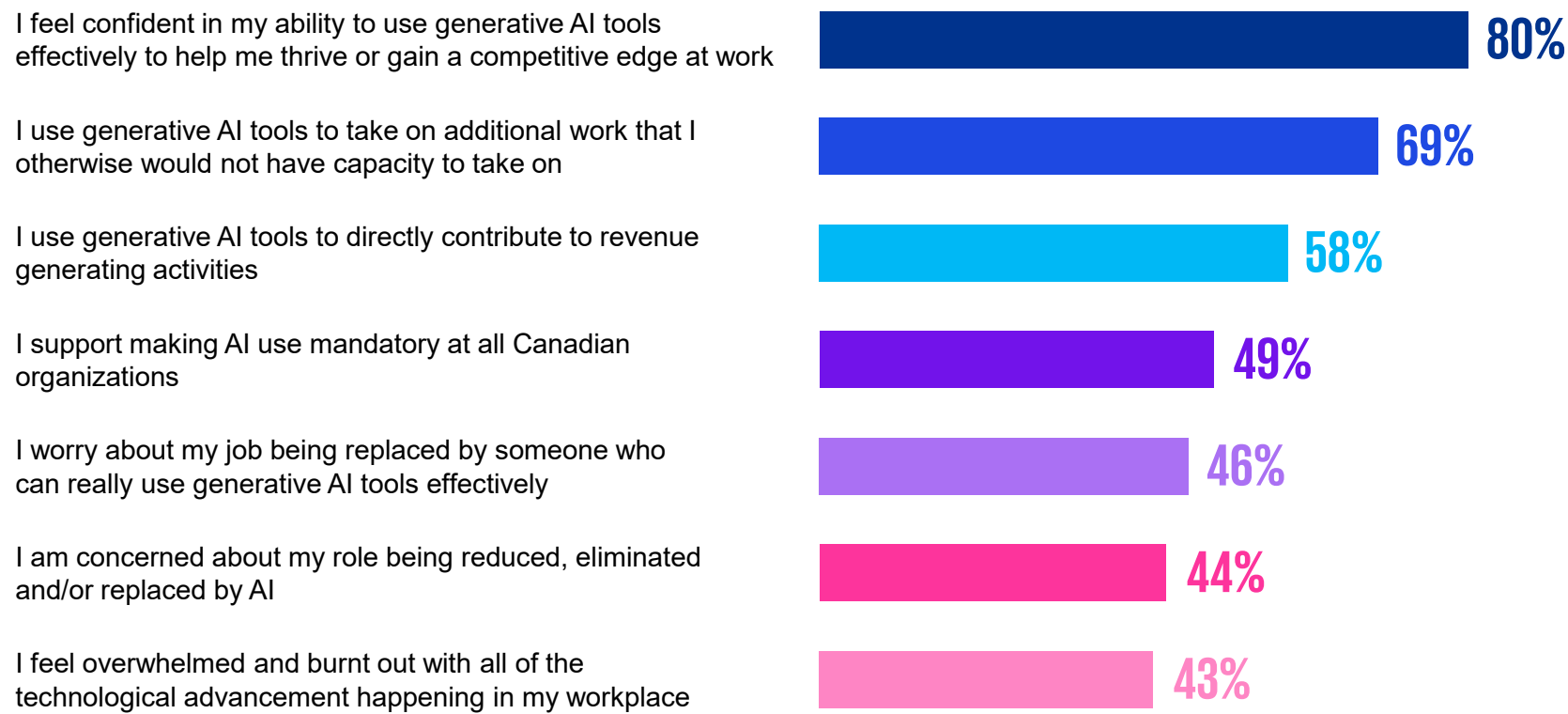
Employee adoption continues to rise, though at a slower pace: over half of employees (51 per cent) now use generative AI at work (up 5 percentage points since 2024, compared to a 24-percentage point increase from 2023). This suggests AI adoption may be hitting a plateau among workers, driven by concerns over inadequate training and confidence in using new tools. Without strong change management and a focus on building AI literacy and skills, adoption risks stalling further.

Among those not using AI at work, the top reasons include the preference to work without a machine’s help (25 per cent, up from 17 per cent last year), not understanding how it will benefit them (19 per cent) and not trusting generative AI tools (13 per cent).

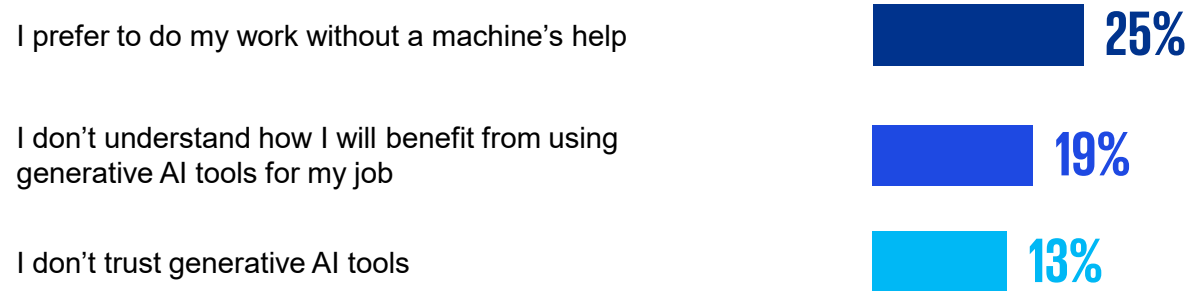
This growing divergence points to a “two-speed workforce” where confident users and hesitant adopters experience AI very differently. If unaddressed, this divide could continue to widen.

By fostering empathy and creating supportive learning environments, leaders can bridge the gap between confident users and hesitant adopters, ensuring that every employee feels empowered to thrive in an AI-driven future.

## Employees using AI feel both optimistic and concerned about job impact



## Employees not using AI remain hesitant and unsure of its value





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**To unlock the benefits of AI in the workplace, organizations must meet employees where they are when it comes to AI adoption. This means developing targeted literacy programs customized to their AI usage journeys.**

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**Christine Andrew**

Managing Director, AI Acceleration  
KPMG in Canada





# Business adoption

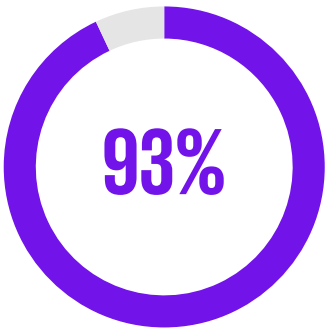
## AI skills and integration are key to unlocking value

According to our survey of business decision-makers, generative AI adoption among Canadian enterprises has surged, with 93 per cent of respondents reporting usage in some form, up from 61 per cent in 2024.

Despite the widespread interest and growing investments in generative AI, tangible returns remain limited with only 2 per cent of business leaders report seeing a return on their AI investments. This gap underscores a critical insight: achieving ROI requires integration of AI into core business functions, supported by a redesigned operating model and talent strategy. Yet, enterprise-level adoption is still limited. When asked about the depth of implementation, less than a third (31 per cent) of respondents say they have fully embedded generative AI into their operations and workflows, highlighting the distance between ambition and execution.

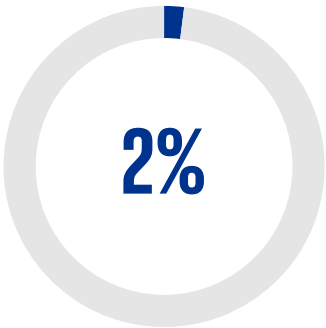
Skills also remain a critical barrier. Only 35% of business leaders strongly agree that their employees have the right capabilities to fully leverage AI's benefits. Combined with a slowing rate of employee adoption, this suggests that gaps in AI integration and literacy may be holding organizations back from realizing measurable returns.

## Most Canadian businesses are using generative AI, few are seeing ROI



report using generative AI in some form.

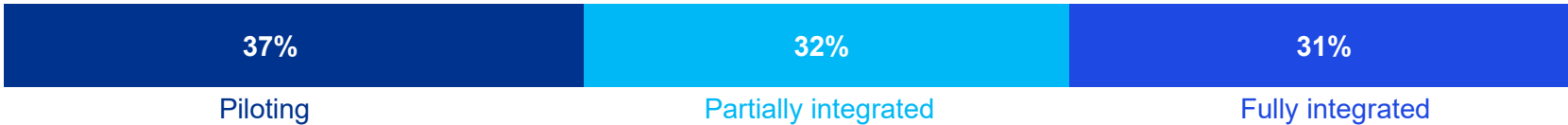
Compared to 61% in 2024.



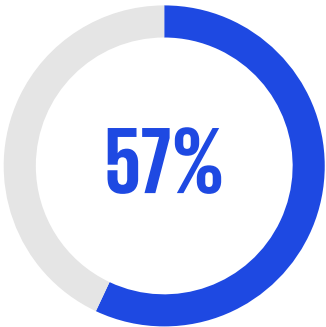
report a return on their AI investments.

63% of which are large companies with at least \$1bn in annual revenue.

## Enterprise AI adoption levels:

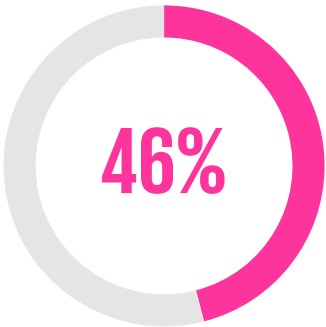


## Leaders are committed to AI, despite the challenges of reporting ROI



describe their ROI as between 5-20%.

31% were not able to quantify a return at all.



say generative AI is extremely important to their competitive advantage and gaining market share.

73% of Canadian CEOs are planning to invest 10-20% of their budgets in AI over the next 12 months (KPMG CEO Outlook 2025).

# Turning AI potential into measurable impact

Canadian employees are building momentum with AI. Time savings and responsible use are increasing, and many want company-provided training to deepen their skills. With only a small proportion of organizations realizing measurable returns from their AI investments, it is clear that closing this gap requires more than technology; it demands a focus on people.

## Employee adoption, literacy, and responsible AI are foundations for success

When organizations invest in change management and tailored, hands-on training, they empower employees to learn, experiment, and adapt as the workplace evolves. Equally critical is embedding responsible AI practices and strong governance to foster trust and compliance as adoption scales.

At KPMG, we help clients build the skills, processes, and trust needed to use AI responsibly and effectively. Our teams combine deep business expertise with technical knowledge to identify the right use cases, implement secure solutions, and measure impact. Whether you're testing your first AI tool or integrating AI across your core functions, we bring experience that connects AI adoption with tangible outcomes.

## Connect with us



Book a discovery session with our AI & Data consultants



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# About the study

The KPMG Generative AI Adoption Index measures the use of generative AI tools among Canadian employees and is weighted on frequency of use, with a score of 100 indicating mass adoption. The index is based on a KPMG in Canada survey of 2,239 employees (aged 18+) and 753 business leaders from August 15 – September 3, 2025, using Sago's Methodify online research platform. The index score for 2025 is 36.74, an increase of 22 points since 2023. The margin of error is +/- 3 percentage points, with a confidence level of 95 per cent.



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