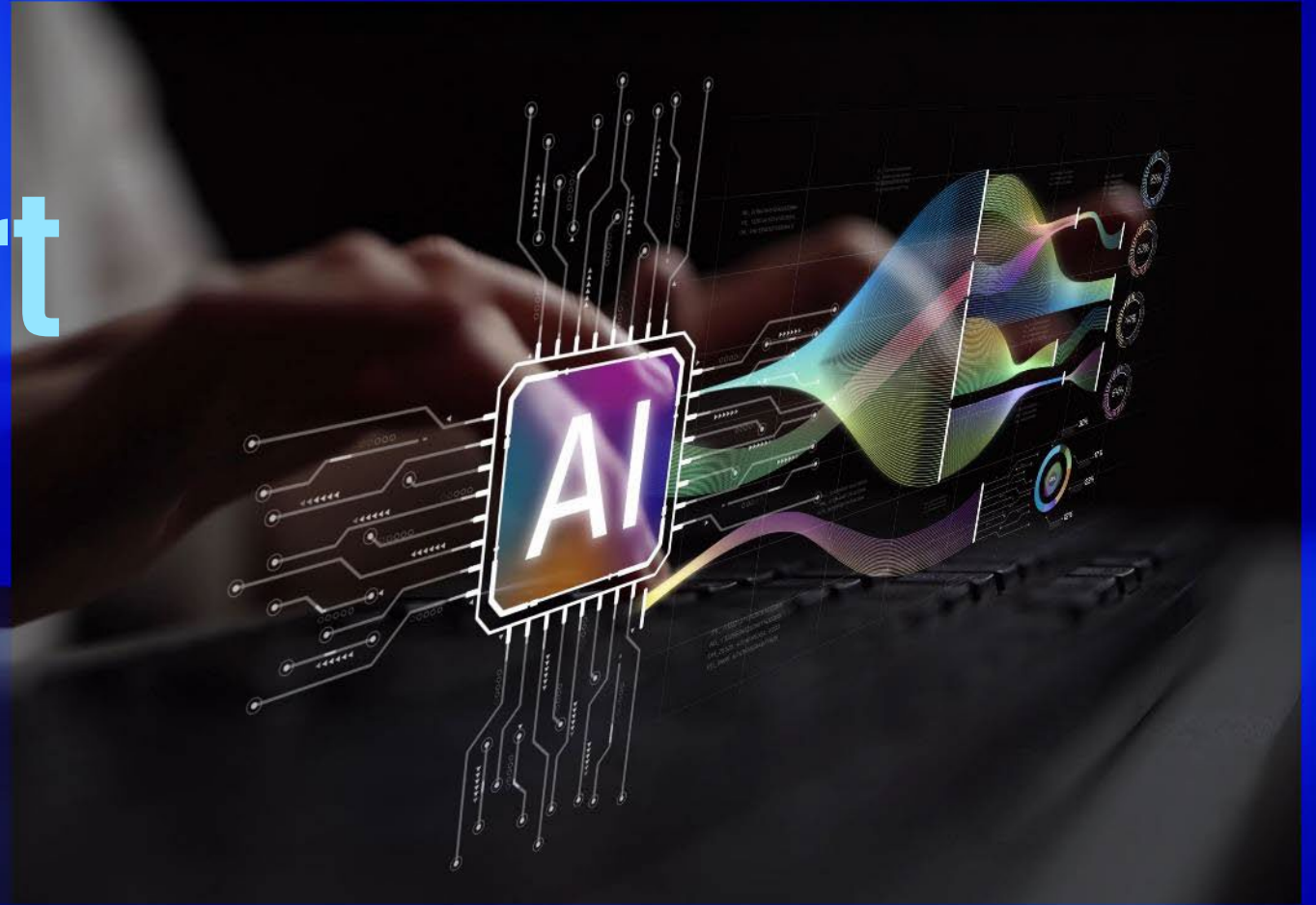# Generative AI survey report 2025

**Board Leadership Center (India)**

December 2025

kpmg.com/in

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# Generative AI survey insights

Across boardrooms today, few topics generate as much curiosity and caution as generative AI (Gen AI). In less than two years, what began as a disruptive experiment has entered strategy papers, risk registers, and talent discussions at the highest levels of governance. Directors are asking not just what Gen AI can do, but what it should do for their organisations. Against this backdrop, KPMG in the U.S's board leadership center conducted a survey '2025 Survey: Boardroom Lens On Gen AI' to capture how adoption is progressing, where value is being created, and where the grey zones of risk and readiness still remain. The survey drew insights from 62 seasoned board members, bringing a diverse and deeply experienced perspective to the findings

The results are telling. While efficiency and productivity dominate the early wins, the larger promise of new business models, cultural transformation, and sustained competitive advantage is still being explored unevenly. The data reveals a landscape of contrasts: ambition on one side, hesitation on the other; experimentation by employees, but governance that is still catching up; optimism about efficiency, tempered by concerns over accuracy, data privacy, and workforce disruption. This survey, therefore, is not just about adoption metrics it is a window into how boards are grappling with the responsibility of steering an organisation through one of the most consequential shifts of our time.

## Adoption without Integration

Nearly half of boards report experimentation with Gen AI, yet only **10 per cent** have integrated it into corporate strategy adoption remains at the surface.

## Skills and productivity gap

Efficiency is the strongest gain today (**68 per cent** cite productivity benefits), but **61 per cent** of directors see workforce reskilling as the biggest disruption ahead.

## Governance gap

**53 per cent** of boards have issued responsible-use policies, but only **8 per cent** have ethics boards and **5 per cent** include Gen AI expertise at board level. Governance frameworks remain underdeveloped.

## Strategic priorities in transition

Today, **61 per cent** of boards focus on efficiency and cost savings. Looking forward, **60 per cent** expect customer personalisation and **53 per cent** see competitive positioning as the drivers of Gen AI investment.

## Trust, reliability and control

Data inaccuracy (**48 per cent**), reputational risk (**39 per cent**), and cybersecurity (**35 per cent**) are the top concerns. Trust and reliability remain the biggest brakes on wider adoption.
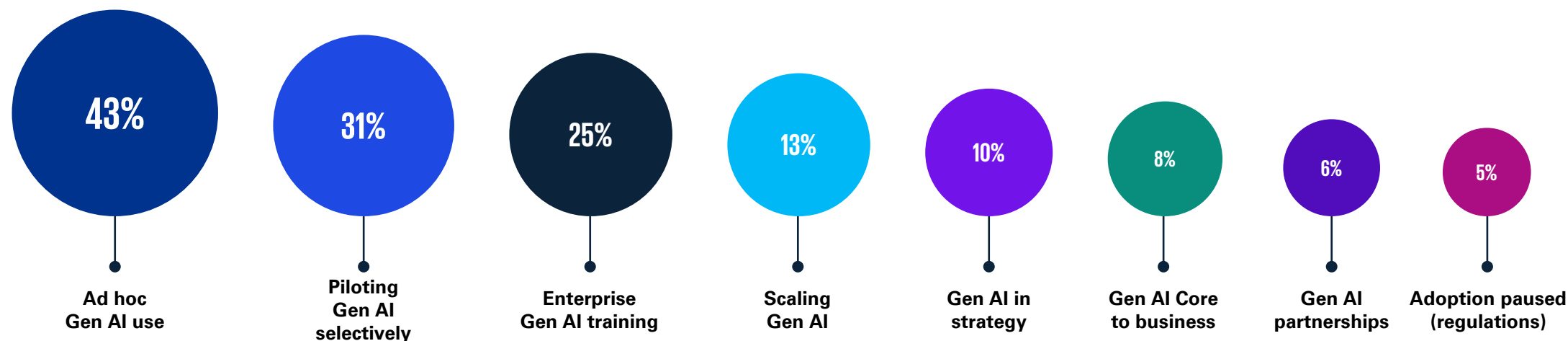
# AI adoption innovation or illusion?

Gen AI has entered indian organisations, but adoption remains at an early stage. **Nearly half of companies report employee-led experimentation, and one in three are running pilots**. Yet the journey slows beyond this point: only 13 per cent have scaled use across the enterprise, and just 8 per cent have embedded Gen AI into corporate strategy.

Additionally, emerging forms of AI - such as agentic AI- are on boards' radar but not yet treated as strategic priorities, with 61 per cent of respondents indicating they are not actively exploring adoption of emerging forms of AI due to challenges in process re-engineering, change management, and the risks of reduced human oversight.

## Key considerations for the board

- How can we ensure that departmental or pilot-level AI initiatives are connected to enterprise strategy?
- Are there structural, organisational, or capability gaps slowing the transition from experimentation to strategic adoption?
- How should boards prioritise emerging AI technologies in the strategic agenda?
- What monitoring or reporting mechanisms will provide assurance that adoption is progressing meaningfully?
- How do we assess whether early adoption is likely to deliver a sustainable competitive advantage?
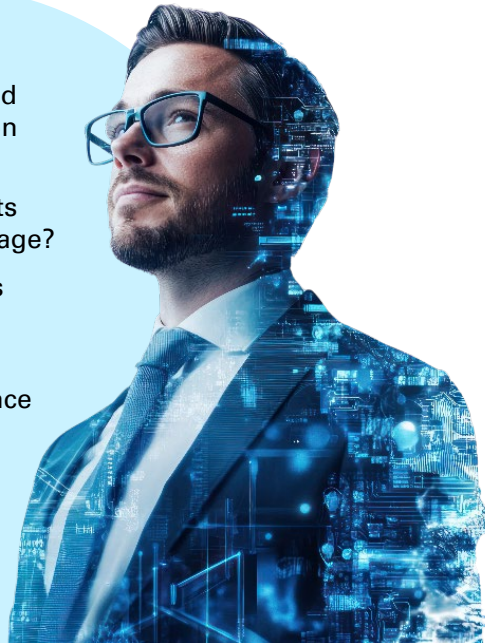
## Gen AI adoption trends

| 43% | 31% | 25% | 13% | 10% | 8% | 6% | 5% |
|-----|-----|-----|-----|-----|-----|-----|-----|
| Ad hoc Gen AI use | Piloting Gen AI selectively | Enterprise Gen AI training | Scaling Gen AI | Gen AI in strategy | Gen AI Core to business | Gen AI partnerships | Adoption paused (regulations) |

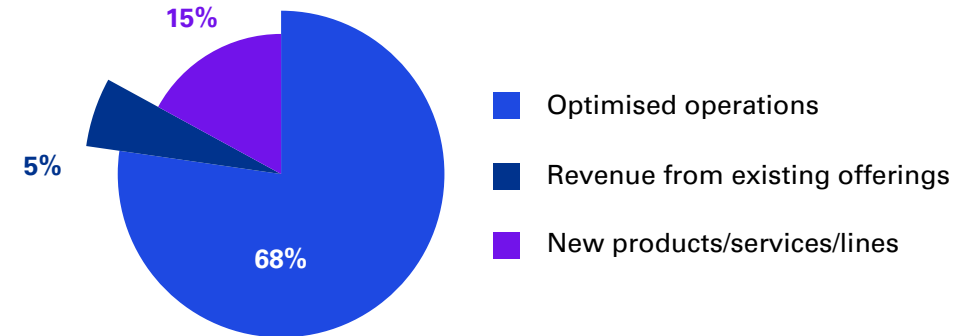# Business value | efficiency now, growth tomorrow

The survey highlights that boards currently perceive Gen AI primarily as a lever for **efficiency and operational improvement**. Optimising processes, productivity, and cost reduction are viewed as the most immediate benefits. At the same time, strategic investment considerations show that boards are also focused on **customer impact, competitive positioning, and digital transformation**, though direct revenue growth and the development of new products or services are less prominent. This suggests a nuanced reality: while efficiency gains are clear and measurable, organisations may not yet be fully capturing **Gen AI's potential to drive innovation, new business models, and long-term growth**. Boards have an opportunity to ensure that AI initiatives are **balanced between operational performance and strategic expansion**, avoiding the risk of underleveraging this transformative capability.
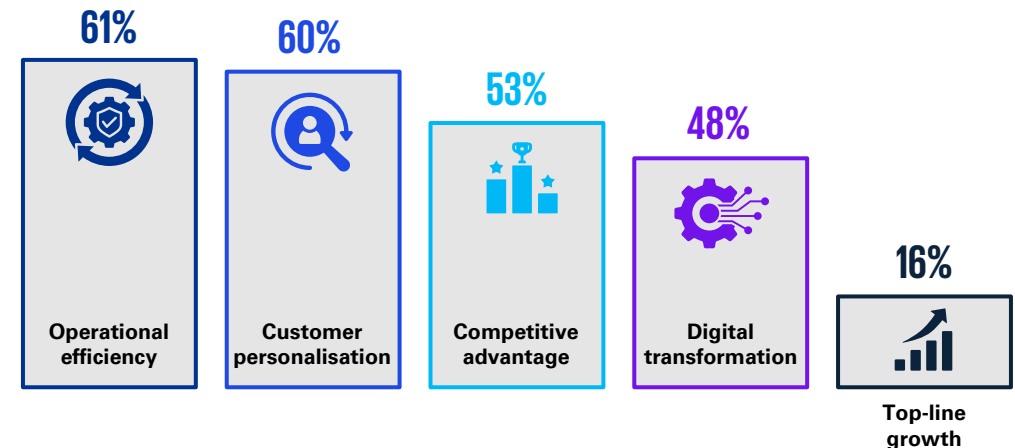
## Key questions for boards

- Are we ensuring that Gen AI initiatives go beyond efficiency gains to support growth and innovation objectives?

- How do we measure the impact of AI investments on customer experience and competitive advantage?

- Are there emerging product, service, or business model opportunities that AI could enable but are currently underexplored?

- Should the board establish a framework to balance short-term operational benefits with long-term strategic objectives?

- How can we monitor whether AI investments are being translated into measurable business outcomes across efficiency, innovation, and growth?

## Potential benefits to the company of adopting Gen AI



- 68% Optimised operations
- 5% Revenue from existing offerings
- 15% New products/services/lines

## Investment priorities

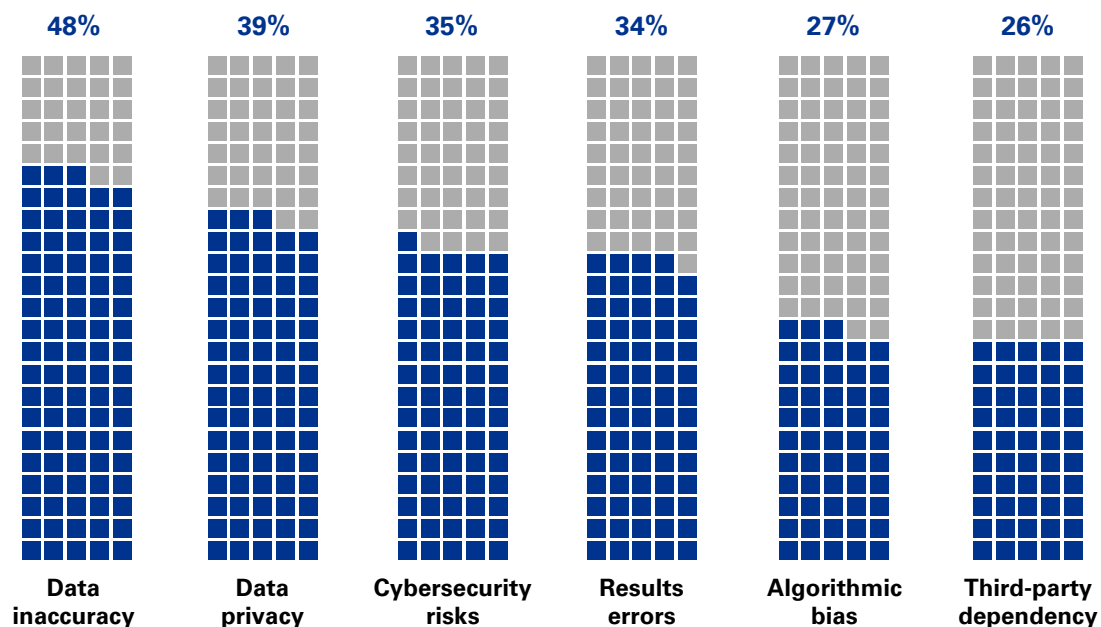| 61% | 60% | 53% | 48% | 16% |
|---|---|---|---|---|
| Operational efficiency | Customer personalisation | Competitive advantage | Digital transformation | Top-line growth |

# Risks — trust, reliability and control

Boards recognise that Gen AI adoption carries significant operational and ethical risks. Key concerns include data accuracy, privacy, cybersecurity, and algorithmic bias. While responsible-use policies and developer guidelines are widely adopted, formal governance structures such as ethics boards or independent audits are far less common. This juxtaposition suggests that while organisations are attentive to immediate risks, there is an opportunity for boards to strengthen oversight and embed ethical considerations systematically to safeguard long-term trust and accountability.

## Concerns related to adoption of AI

| Data inaccuracy | Data privacy | Cybersecurity risks | Results errors | Algorithmic bias | Third-party dependency |
|---|---|---|---|---|---|
| 48% | 39% | 35% | 34% | 27% | 26% |

## Key questions for boards

- What independent assurance mechanisms (audits, bias testing, validation) are in place?
- What steps are being taken to align with evolving regulatory expectations?
- Are our governance frameworks sufficient to address operational, ethical, and reputational risks?
- Should we institutionalise independent oversight or ethics committees for AI?
- Are current policies and controls integrated into enterprise risk management effectively?
- How can the board ensure that risk and ethical considerations are part of strategic decision-making, not only operational compliance?
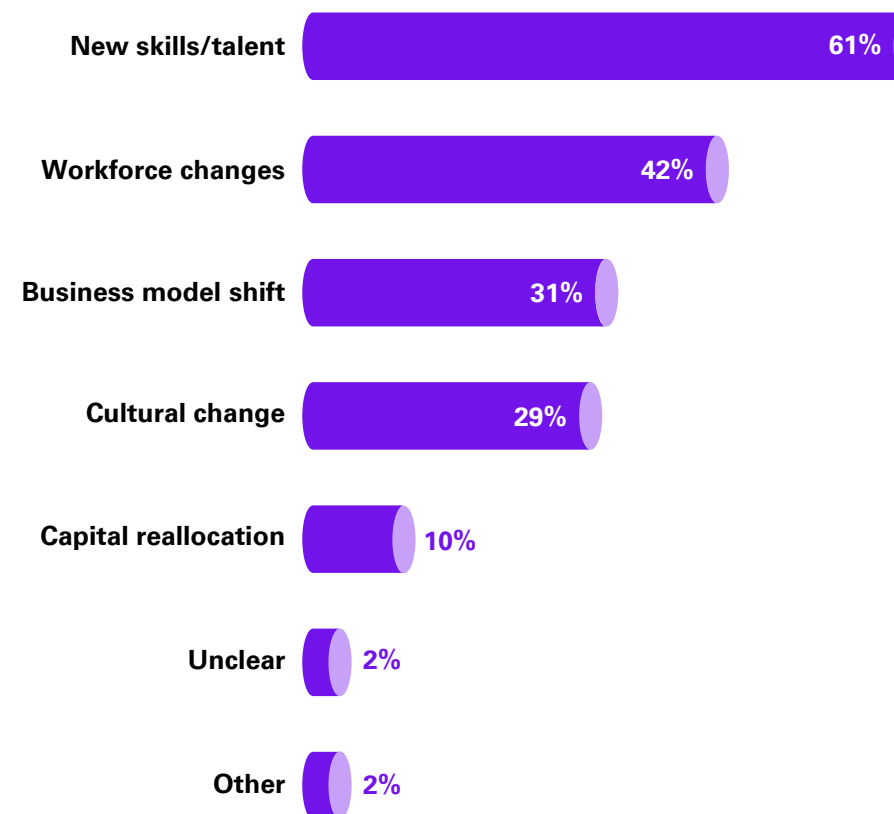
# Workforce and culture

The survey highlights that workforce transformation is **a critical concern for boards**. New skills requirements and cultural adjustments are seen as significant disruptions to adoption, yet satisfaction with training, upskilling, and productivity reinvestment is moderate at best. Employees may be using Gen AI tools, but the intended productivity gains are not consistently realised. For boards, this underlines the importance of aligning talent development and organisational culture with AI adoption to ensure meaningful business outcomes.

## Key questions for boards

- Are we investing adequately in upskilling and change management to support AI adoption?

- How is the board tracking whether employees are effectively translating freed-up time into higher-value tasks?

- What measures ensure alignment between workforce capabilities and AI-driven transformation?

- Are current adoption and training efforts sufficient to support broader organisational goals?

- How do we anticipate and manage workforce disruptions related to AI adoption?

### Challenges in adoption of Gen AI

| Challenge | Percentage |
|---|---|
| New skills/talent | 61% |
| Workforce changes | 42% |
| Business model shift | 31% |
| Cultural change | 29% |
| Capital reallocation | 10% |
| Unclear | 2% |
| Other | 2% |

# Governance   policies without power

Governance around Gen AI is beginning to take shape. Over half of organisations report publishing responsible-use policies, and many are investing in developer training. On the surface, progress appears steady.

Yet maturity remains limited. Fewer than one in four companies conduct regular audits, only 27 per cent bring in external reviewers, and just 8 per cent have established dedicated AI ethics boards. Board-level expertise is also thin, with only 5 per cent of boards including board members who bring direct Gen AI knowledge.

This is where governance must evolve: policies alone will not build trust. Assurance mechanisms, independent validation, and board-level fluency are essential to move from statements of intent to systems of accountability.
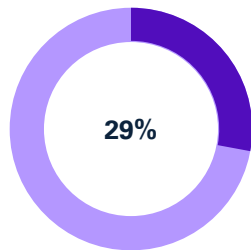
## Key questions for boards

- How is bias monitoring, explainability, and model drift being addressed?
- Does the board have sufficient Gen AI literacy to exercise informed oversight?
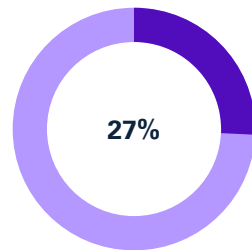- How can governance evolve as technology capabilities expand?
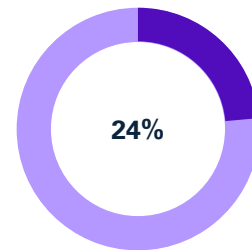
## Governance for responsible AI deployment
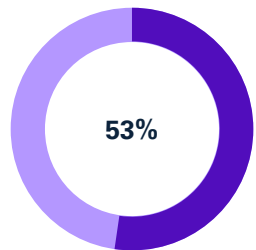
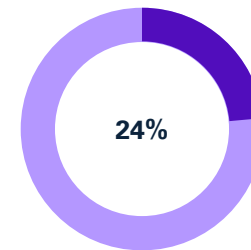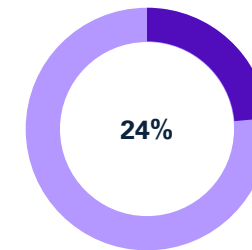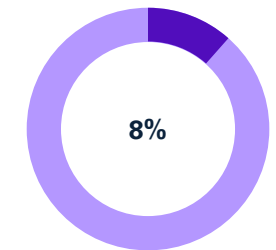| 53% | 29% | 27% | 24% | 24% | 24% | 8% |
|-----|-----|-----|-----|-----|-----|-----|
| Responsible use policy | Ethics guidelines and developer training | Third-party AI validation | Risk and governance framework | Ethics in AI development and decisions | Regular AI audits | AI ethics board |

# Board capability preparedness and oversight

Boards are central to guiding responsible AI adoption, yet the survey reveals gaps in expertise and preparedness. Only a 5 per cent of boards include members with direct Gen AI expertise, while most rely on general technology knowledge or external advisors. Formal training programs for directors remain limited. This raises a key strategic question: are boards equipped to provide effective oversight, challenge assumptions, and guide AI-driven transformation? Strengthening board-level fluency is essential to safeguard governance and ensure informed decision-making.

## Key questions for boards

- Do we have sufficient AI expertise within the board to guide strategy and governance effectively?
- Should AI fluency be a priority in director recruitment and professional development?
- How can the board balance reliance on external experts with internal capability-building?
- What frameworks can ensure AI governance is integrated across board committees?
- How do we monitor and assess the board's readiness to oversee evolving AI initiatives?

### Board's current Gen AI knowledge, skills and experience

| 10% | 37% | 15% | 44% | 5% |
|---|---|---|---|---|
| Board has Gen AI training plan | Board consulting external Gen AI experts | Board recruiting Gen AI/tech experts | Board has tech/data skills | Board includes Gen AI expertise |

### What steps ensure ethical AI/Gen AI?

| 8% | 24% | 29% | 53% | 24% | 27% | 24% | 13% |
|---|---|---|---|---|---|---|---|
| AI ethics board | AI audits | Ethics training | Responsible use policy | Ethics in development | Third-party review | Risk and governance framework | Other |

# Conclusion

The survey reveals that while Gen AI has captured imagination, it has yet to anchor in governance. Boards today stand at a defining intersection — between innovation and oversight, speed and accountability, human judgment and algorithmic scale. The early stages of adoption have been driven by efficiency, but the next phase will test how effectively boards can translate experimentation into enduring enterprise value.

This is not merely a technology question — it is a governance test. Directors must now extend their lens beyond policy compliance to anticipate how AI Reshapes culture, talent, disclosure, and trust. As the ethical and strategic implications of AI deepen, boards are being called to lead — not follow — the governance architecture of the intelligent enterprise.

## Leading practices for consideration:

Integrate AI into enterprise strategy – ensuring its use aligns with purpose, risk appetite, and long-term value creation

Formalise AI oversight – establishing ethics committees or independent review structures that complement existing board mechanisms

Enhance director fluency – through structured learning on AI governance, bias, explainability, and emerging regulatory frameworks

Re-skill for the AI era – aligning leadership and workforce capability to sustain productivity and cultural readiness

Revisit board composition – to include diverse expertise spanning data, risk, human behavior, and digital transformation
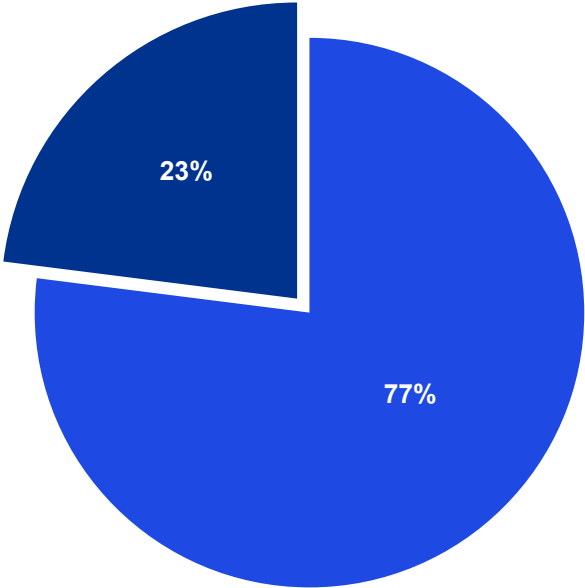
Foster cross-industry collaboration – engaging with regulators, investors, and peers to co-create principles for responsible AI

Strengthen assurance and transparency – embedding auditability, accountability, and disclosure into AI systems and outputs.
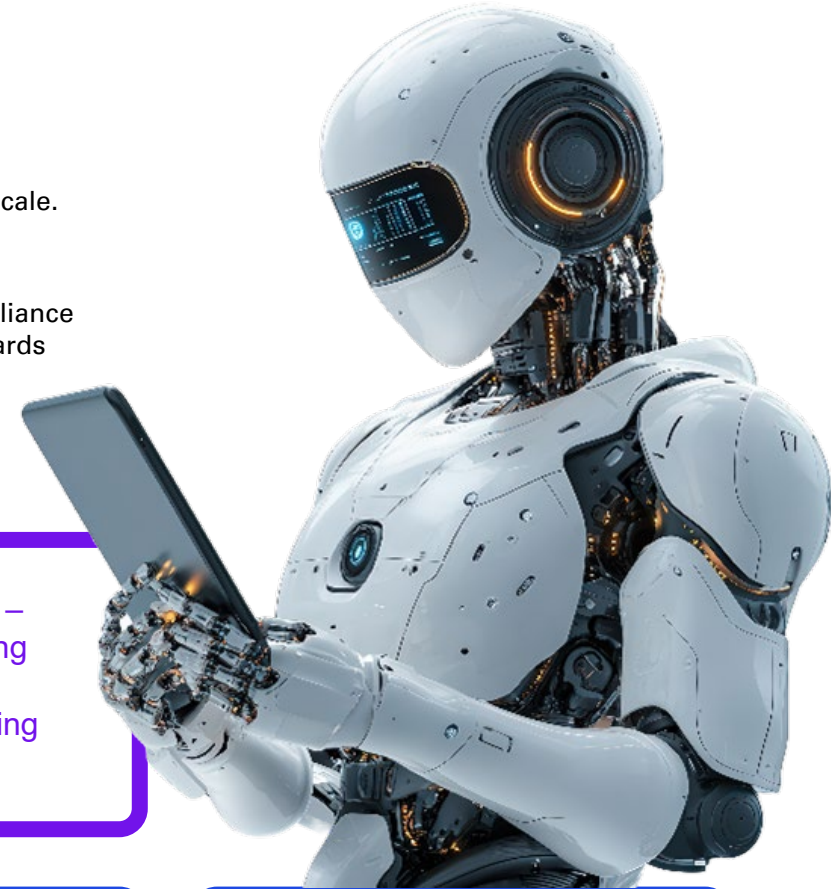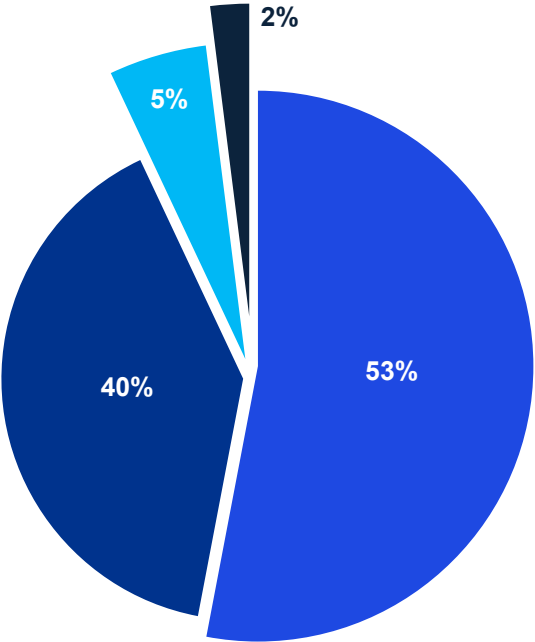
# Survey questionnaire:

**ROLE**



- ■ Nonexecutive director
- ■ Nonexecutive chair or lead director

**TYPE OF COMPANY**



- ■ Public Company
- ■ Private company
- ■ Not-so-profit
- ■ Other

# Survey questionnaire:

| What is the state of your company's adoption of Gen AI? (select all that apply) - Selected Choice | |
|---|---|
| Ad hoc use by employees | 48% |
| Responsible Gen AI usage guidelines published and communicated | 8% |
| Enterprise-wide Gen AI training currently in place or being developed | 13% |
| Proof of concept/piloting Gen AI selectively | 31% |
| Starting to scale Gen AI | 13% |
| Gen AI is core to the business and being used robustly | 8% |
| Gen AI is integrated into the company's strategy | 10% |
| Formal partnerships/alliances planned or in place | 6% |
| Processes are in place to measure Gen AI bias/drift | 3% |
| Gen AI adoption is paused pending greater clarity on regulatory developments in the US and internationally | 5% |
| Other | 0% |
| Unclear | 10% |

| Which of the following risks posed by the company's adoption of Gen AI are of greatest concern? (select up to 3) - Selected Choice | |
|---|---|
| Inaccuracy of underlying information/data | 48% |
| Inaccuracy of results—including hallucinations | 8% |
| Reliance on external Gen AI services provider | 13% |
| Algorithmic bias | 31% |
| Cybersecurity | 13% |
| Regulatory compliance | 8% |
| Intellectual property (IP) infringement | 10% |
| Reputational | 6% |
| Data privacy | 3% |
| Other | 5% |

# Survey questionnaire:

| In your view, what are the most significant disruptions facing the company in its adoption of Gen AI? (select up to 2) - Selected Choice | |
|---|---|
| Workforce transformation—retraining and/or reductions | 42% |
| New skills and talent required | 61% |
| Cultural change | 29% |
| Reallocation of capital to fund new Gen AI initiatives | 10% |
| Transformation of the business model | 31% |
| Other | 2% |
| Unclear | 2% |

| In terms of specific Gen AI-related knowledge, skills, and experience, which of the following apply to the board currently? (select all that apply) - Selected Choice | |
|---|---|
| The board includes Gen AI expertise | 5% |
| The board includes general technology/data skills | 44% |
| The board is actively recruiting for deeper technology/Gen AI expertise | 15% |
| The board is tapping external Gen AI expertise | 37% |
| The board has a formal plan for Gen AI-related training for board members | 10% |
| Other | 10% |
| Unclear | 18% |

# Survey questionnaire:

| What governance approach is your company implementing to ensure effective, ethical, and responsible /Gen AI deployment? (Select all that apply) - selected choice | |
|---|---|
| Establishing an AI ethics board | 8% |
| Conducting regular audits to govern AI use | 24% |
| Developing ethical guidelines and training programs for AI developers | 29% |
| Developing responsible use policy for employees | 53% |
| Integrating ethical considerations into AI development cycles and decision-making processes | 24% |
| Engaging third-party experts to review and validate AI applications | 27% |
| Implementing a recognised AI risk and governance framework | 24% |
| Other | 13% |

| What strategic considerations will drive your company's investment in Gen AI—and measures of success—over the next 2–3 years? (Select up to 3) - selected choice | |
|---|---|
| Achieving competitive advantage—measured by market share gains and innovation milestones | 53% |
| Enhancing customer centricity and personalisation—measured through customer satisfaction scores and customer retention rates | 60% |
| Accelerating digital transformation—evaluated by the pace of digital innovation and process automation | 48% |
| Optimising operational efficiency—monitored through cost reduction metrics and productivity gains | 61% |
| Driving top-line growth—assessed via revenue growth attributed to AI-enabled initiatives | 16% |
| Other | 0% |

# Survey questionnaire:

| How satisfied are you with your company's efforts to train and upskill current workers and stimulate the behavioral change at scale to realise the anticipated benefits of Gen AI? (Select one per row) | | |
|---|---|---|
| Company is making Gen AI tools available to employees (e.G., Llms, copilots, or embedded in enterprise software suites) | Satisfied | 8% |
| | Somewhat satisfied | 48% |
| | Not satisfied | 27% |
| | Unclear | 16% |
| Employees are adopting these tools and using them frequently in their daily work | Satisfied | 6% |
| | Somewhat satisfied | 48% |
| | Not satisfied | 27% |
| | Unclear | 18% |
| Employees who use these tools are able to free up significant time | Satisfied | 10% |
| | Somewhat satisfied | 35% |
| | Not satisfied | 26% |
| | Unclear | 29% |
| Employees are reinvesting freed-up time for equally/more productive tasks | Satisfied | 8% |
| | Somewhat satisfied | 31% |
| | Not satisfied | 27% |
| | Unclear | 34% |

| To what extent is the company focused on adopting emerging forms of ai—including Agentic AI—to automate and re-engineer workflows in 2025? (Select one) - selected choice | |
|---|---|
| Strategic 2025 | 53% |
| Not a strategic priority for 2025, but should be | 60% |
| Actively exploring; potential adoption over next two - three years | 48% |
| Not actively exploring; challenges of process re-engineering, change management, and/or risks of having less "human-in-the-loop" are currently too great | 61% |
| Limited or no boardroom discussion about emerging forms of AI | 16% |
| Unclear | 2% |

# Survey questionnaire:

| What is the annual revenue of the largest company for which you serve as a director? (select one) | |
|---|---|
| Less than USD500 million | 50% |
| USD500 million to less than USD1.5 billion | 27% |
| USD1.5 billion to less than USD5 billion | 15% |
| USD5 billion to less than USD10 billion | 0% |
| USD10 billion or more | 5% |

| In your view, what is the top benefit to the company of adopting/leveraging Gen AI ? (select one) - Selected Choice | |
|---|---|
| Optimised operations—efficiency, productivity, cost savings | 68% |
| Increased revenue from existing products and services | 5% |
| Development of new products, services, or new line(s) of business | 15% |
| Other | 3% |
| Unclear | 10% |

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