THE HUMAN SIDE OF AI TRANSFORMATION · PART 2 OF 4

Engage: *From Grand Vision to Monday Morning*

The hard part of AI transformation isn't the vision on the slide. It's translating it into goals a team can start on this quarter.

Dr. Imme Baumüller · 20 July 2026

> A quick orientation: Part 1, *The AI Paradox*, asked why AI investments stall — most companies end up pilot-rich but transformation-poor. This part is about **Engage**: turning a vision into a direction people can act on. *Enable* and *Embed* follow.

THE KEY TAKEAWAYS, UP FRONT

- → The hard part of AI transformation is rarely the vision. It's translating it into goals a team can act on — and most organisations announce a vision and assume the rest follows.
- → Clarity collapses on the way down: 56% at C-level, 27% at middle management.[1] People who can't see how the strategy applies to their work fall back on what they already know.
- → AI initiatives tend to stall for three avoidable reasons: no clear vision, no defined year-one value, and no strategy beyond a handful of pilots.[2]
- → "The organisation" is never one audience — cluster it into three groups (C-level, middle managers, employees), each asking a different question, each with its own way of failing.
- → Before you engage anyone, know where they sit — on skill and appetite. Many programmes are built for the willing learners; the bigger lever is often the skeptics.
- → **Engage is a leadership practice, not a campaign:** co-create the vision, verify the cascade, and put the CEO visibly in the driver's seat.

An existing vision is not yet a lived vision.

Most AI strategies aren't wrong on the slide — they simply never arrive. They're announced at the top, cascaded through a town hall and a deck, and then quietly evaporate somewhere between the boardroom and the work people actually do on Monday morning.

This is **Engage**, the first E of the Transformation Triad, and it's the one most organisations skip — not because engaging people is soft or optional, but because it gets mistaken for communication. Real engagement is something else: making a vision concrete enough, and owned widely enough, that people can act on it. Here's why that breaks — and then what I've learned about how to fix it.

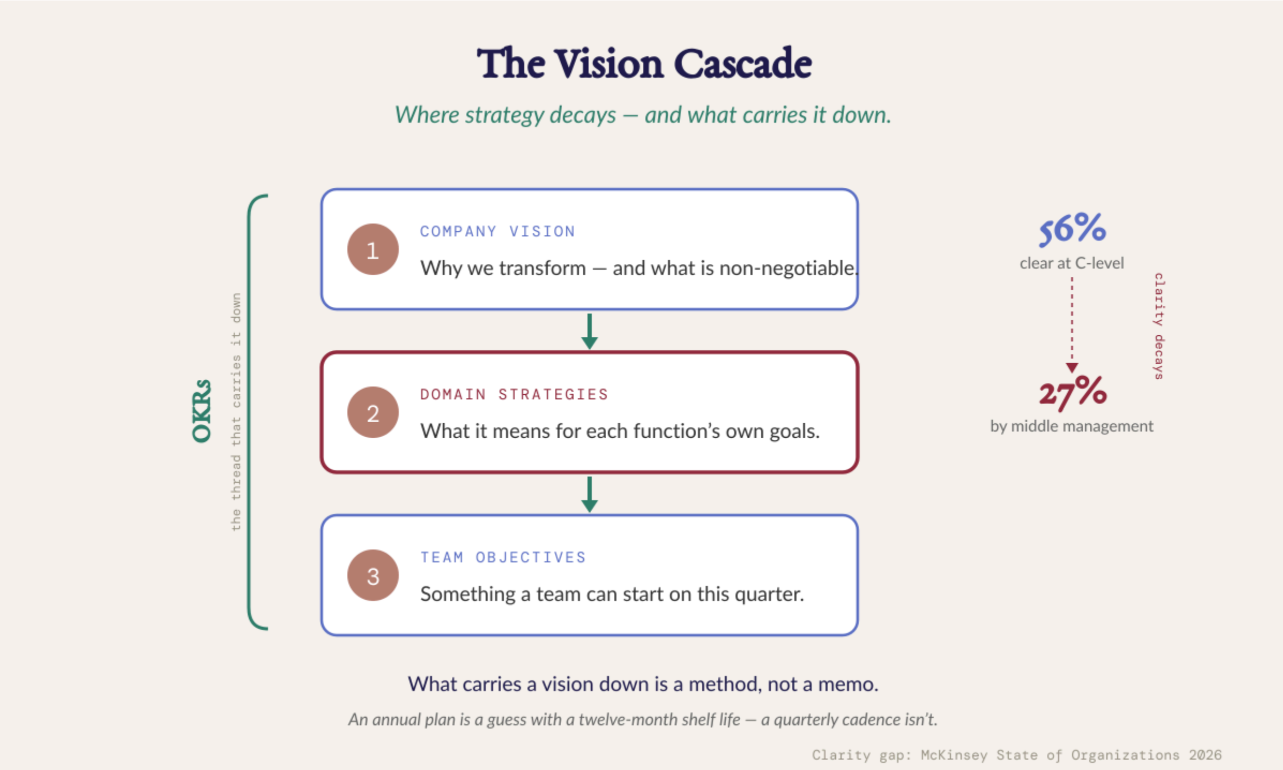
What the research shows

Start with the three ways AI initiatives most commonly stall, because they're mundane and avoidable: leadership has no clear vision for its AI effort; no one has defined what concrete value the first use cases should deliver in year one; and there's no strategy beyond a handful of pilots.[2] None of those is a technology problem. All three are a failure to turn a vision into something that reaches the ground.

You can see where it breaks in the numbers. In McKinsey's *State of Organizations 2026*, a survey of 10,000 leaders, 56% of C-suite executives said they were clear on their organisation's strategic priorities. By the time that signal reaches middle management, the figure drops to 27%.[1] Barely half at the top; fewer than one in three in the layer that turns strategy into daily work. A vision doesn't fail because it's wrong. It fails because it decays on the way down the building.

And the people it decays around aren't laggards. Research by Jin Li, Feng Zhu and Pascal Hua in *Harvard Business Review* found that the biggest barriers to AI adoption are organisational, not technical — unclear direction, workflows that punish experimentation, and a middle layer left to absorb inconsistent signals from above.[3] Middle managers are not an obstacle between strategy and execution. They are the translation layer — the point where a strategy either becomes real for a team or disappears.

Why doesn't communicating harder fix this? Because engagement isn't an information problem. Decades of Self-Determination Theory, from Deci and Ryan, show that people commit to something when they have a genuine say in it, can be competent at it, and feel connected to others through it.[4] A strategy announced to people meets none of those. You can't broadcast your way to ownership — which is why the fix is never a better memo, but a better way of bringing people in. McKinsey's *Rewired* reaches the same conclusion from the practitioner side: transformations do better when the people who must implement the vision helped shape it, and struggle when it's handed down finished.[5]



The Vision Cascade — clarity decays between the vision and the team unless a method carries it down.

What I've seen in practice

Some years ago I was building a data organisation inside a German mid-sized industrial company. I presented the plan to the steering committee with real enthusiasm: agile sprints, iterative delivery, cross-functional collaboration, democratised access to data. We wanted to be a speedboat — fast, unbureaucratic, a driver of innovation.

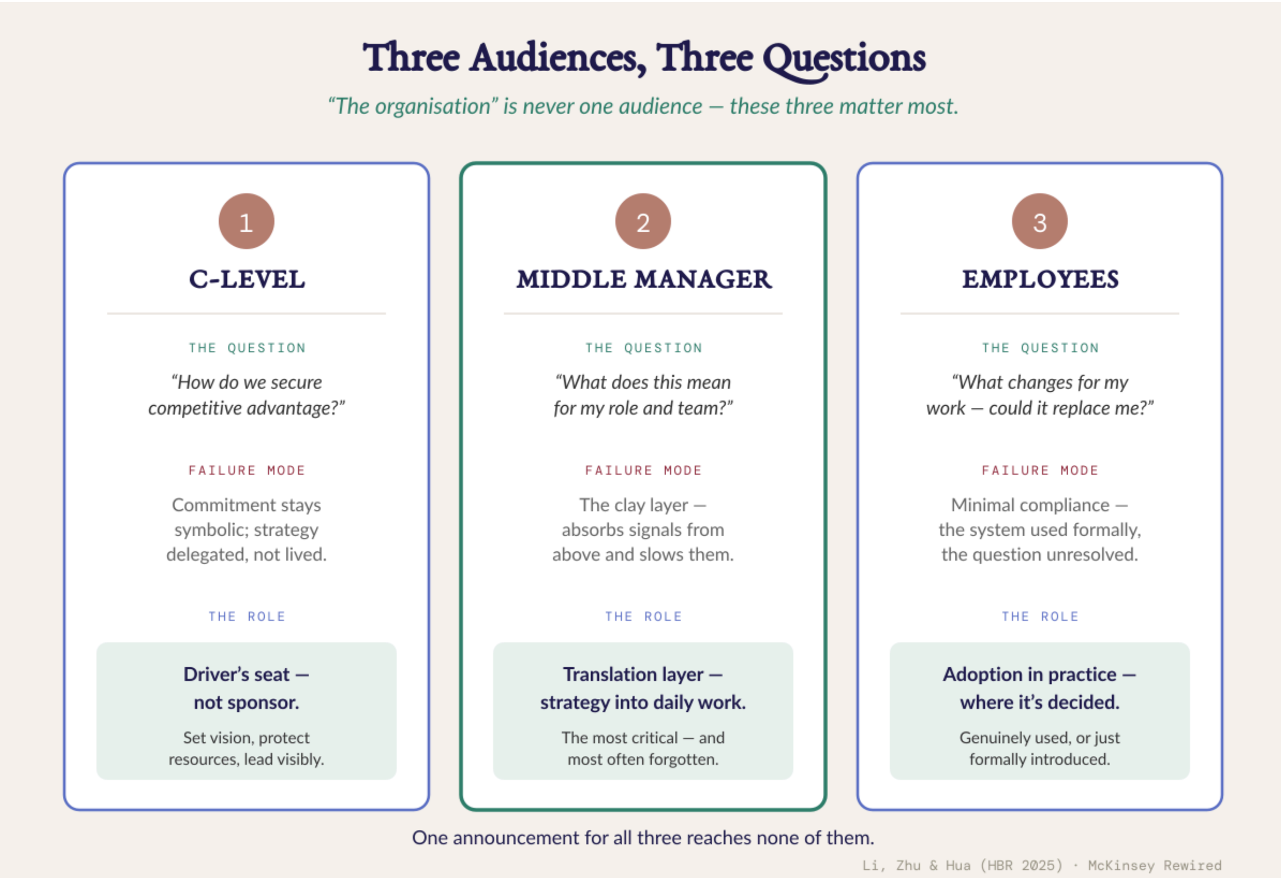
When I finished, silence. Then one of the most senior people in the room, friendly but firm: *"That all sounds very nice. But I'm missing proper project management. Where is your slide with clear deadlines, so we can steer you?"* I explained that this kind of transformation doesn't work that way — that what we'd need instead was quarterly reprioritisation, flexible budgets, and learnings built straight back into the product.

A short pause. Then, very calmly:

> *"I hear a lot of talk about agility at the moment. But to be honest, I wonder — is agile perhaps just a wonderful method for lazy people who don't like the effort of proper planning?"*

For years I filed that line under cultural resistance. That reading was too easy. The manager wasn't wrong to want to steer; he was accountable for delivery, and the only instrument he'd ever been handed for it was the annual plan. What I was offering didn't look like a better method to him — it looked like the absence of one. And here's the uncomfortable part: we had a vision, but we hadn't broken it down into concrete goals for his domain, with visible dependencies and a cadence he could hold us to. We'd skipped the step between the vision on the slide and the work on Monday morning. The method I now reach for to close that step is **OKRs** — one option, not the only one — because they cascade company goals into team objectives, make cross-functional dependencies visible, and replace the annual plan with a quarterly rhythm.

The second thing that scene taught me: "the organisation" was never one audience. It's many — but you can cluster them into three groups that matter a lot, and each is asking a different question, and each fails in its own way.



Three Audiences, Three Questions — each with its own question, failure mode and role.

The **C-level** asks: how do we secure competitive advantage from this? Its failure mode is symbolic commitment — the strategy delegated, not lived, with no hands-on AI use of its own. Its real job is to sit in the driver's seat, not sponsor from a distance. The **middle managers** ask: what does this mean for my role and my team? Their failure mode is the clay layer — absorbing signals from above and slowing them, with no translation into concrete action. They are the most critical and most often forgotten lever. The **employees** ask: what changes for my daily work — my tasks, my workflows — and, in the worst case, will it replace me? Their failure mode is minimal compliance: the system used formally, the identity question unresolved. This is where adoption is actually decided.

What this means for you

Engage is a leadership practice, not a communication project — and it’s slow, unglamorous work: offsites, top-down direction meeting bottom-up reality, alignment negotiated back and forth over weeks. Far more goes into it than fits here. Three things distinguish the organisations that get it right.

First, co-create the vision — don’t announce it. The executive team sets the frame (why we transform, what’s non-negotiable); domain leaders and their teams shape what it means for their part of the business; the frontline validates it against daily reality. A useful structure is a small cross-functional advisory group — eight to twelve people, including your most credible skeptics.[5]

Second, verify the cascade — don’t assume it. Communicating a vision and cascading it are different things. The test is whether your middle managers can answer, without a slide deck, why you’re transforming, what success looks like in twelve months, and what it means specifically for their team. If they can’t, the cascade isn’t done — and that’s a leadership accountability, not an HR one.

Third, put the CEO in the driver’s seat — visibility isn’t optional. In practice that means real time (leaders who get this spend a couple of days a month on the transformation), showing up at town halls and sprint reviews, appointing a dedicated transformation driver — and, above all, using AI visibly in their own work. As I often put it: if your people have never seen you use an AI tool, it doesn’t much matter what the strategy document says.[5]

Before you design any of this, though, it helps to know who you’re actually engaging — because people don’t arrive at a transformation in one state. They differ on two axes: how much skill they have, and how much appetite. A simple, well-worn management tool — the Skill–Will matrix — captures it.

The Skill–Will Matrix — meet people where they stand before you design a single session.

The counterintuitive part: many engagement efforts are built for the *Learners* — the motivated ones who just need structure. In my experience the bigger lever is the *skeptics*. They're competent and vocal, which makes them the most credible doubters in the room — and the most valuable to bring across. A converted skeptic shifts the temperature of a team more than a handful of enthusiasts do. You rarely win them with a campaign; you win them by giving them a real role in shaping the thing.

Finally, what each layer actually does — concretely, not symbolically:

→ **C-level:** articulate a specific AI vision (not an abstract one); use AI tools visibly yourself; involve key people before decisions are made, not after.

→ **Middle managers:** translate the vision into your own domain in your own words (not the company deck); define 90-day milestones with your team; create regular touchpoints for progress, fears and wins.

→ **Employees:** ask "why" until it makes sense for your specific work; help design your new role rather than waiting for it; name what worries you — silence isn't agreement.

THE ONE-CASCADE TEST · ONE OBJECTIVE, 20 MINUTES

For whoever leads a slice of the organisation — a function, a unit, a team. (If you sit at C-level, run it on your domain leaders: can they pass it?)

Take the company's most important AI priority as given, and translate it into your own patch:

1. → the one company-level objective it serves;
2. → one measurable key result for your area this quarter;
3. → one dependency on another team you'd need to deliver it — and how you'd align and keep in regular contact with the people responsible for it.

If (b) and (c) don't come in one sitting, the priority hasn't been cascaded to you yet — it's still a slogan, not a steerable direction. And that, not the tooling, is your real starting point.

Engagement creates a direction people can act on. It doesn't yet create the ability to act — that's the second E, ***Enable****, where most organisations mistake a training budget for a transformation. That's the next essay.*

Sources

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2 McKinsey QuantumBlack. (n.d.). *Artificial intelligence in business.* McKinsey & Company. Retrieved 2026.

3 Li, J., Zhu, F., & Hua, P. (2025, November 11). Overcoming the organizational barriers to AI adoption. *Harvard Business Review.*

4 Ryan, R. M., & Deci, E. L. (2000). Self-determination theory and the facilitation of intrinsic motivation, social development, and well-being. *American Psychologist, 55*(1), 68–78.

5 Lamarre, E., Smaje, K., Levin, R., Singla, A., & Sukharevsky, A. (2026). *Rewired: The McKinsey guide to outcompeting in the age of digital and AI* (2nd ed.). Wiley.