



# FOUR CURRENTS™

Adrift or Aligned? The State of Business Transformation

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# From the Founder's Desk

## The Transformation Guild™ is pleased to present The Four Currents™ Wave 3 Report: “Adrift or Aligned”.



**Tom Daly** - Founder,  
The Transformation Guild

This latest report explores how individuals perceive and experience transformation within their organization including the emergence of AI as both a disruptor and catalyst.

With nearly 5,000 cumulative responses collected to date, a clear pattern has emerged. Specifically, greater levels of confidence in each of The Four Currents is associated with stronger belief in transformation value. Statistically, the probability of this result being random is less than 1 in 100 billion. That matters.

Why? As far as we know, ours is the only method that allows executives assess their organization's “transformation acceptance” before starting their journey.

According to KPMG-based research, 96 percent of organizations are currently undergoing some form of transformation—digital, operational, cultural, or strategic.\* And while 5,000 anonymous data points can't diagnose your exact circumstances, they reveal a universal truth: Gaps exist when aggregated.

This isn't about a “go/no-go” inflection point. It's about charting a better course and driving adoption. When you see invisible forces at play, you can lead with enhanced clarity and confidence. And you can ensure transformation delivers lasting value, setting you up for future success.

Sincerely,

Tom



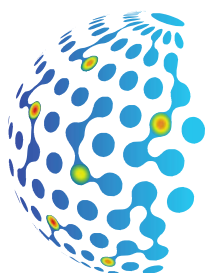
### About the Transformation Guild

Here, enterprise leaders and expert consultants come together to navigate the complexities of change with clarity, control, and confidence.

The Transformation Guild's quantitative methodology, grounded in our proprietary **Four Currents Framework™** - a revolutionary approach unlike any other - diagnoses and resolves hidden misalignments that stall or sabotage progress. Whether you are launching a new transformation effort or trying to recover one that has lost momentum, our model helps organizations regain traction and build lasting alignment.

Our research shows something no other model has proven: closing gaps in confidence and alignment has a statistically significant correlation to perceived transformation value. In other words, our approach isn't just unique - it is essential. Think of it as a strategic compass: sharp, precise, and relentlessly focused on moving your organization forward.

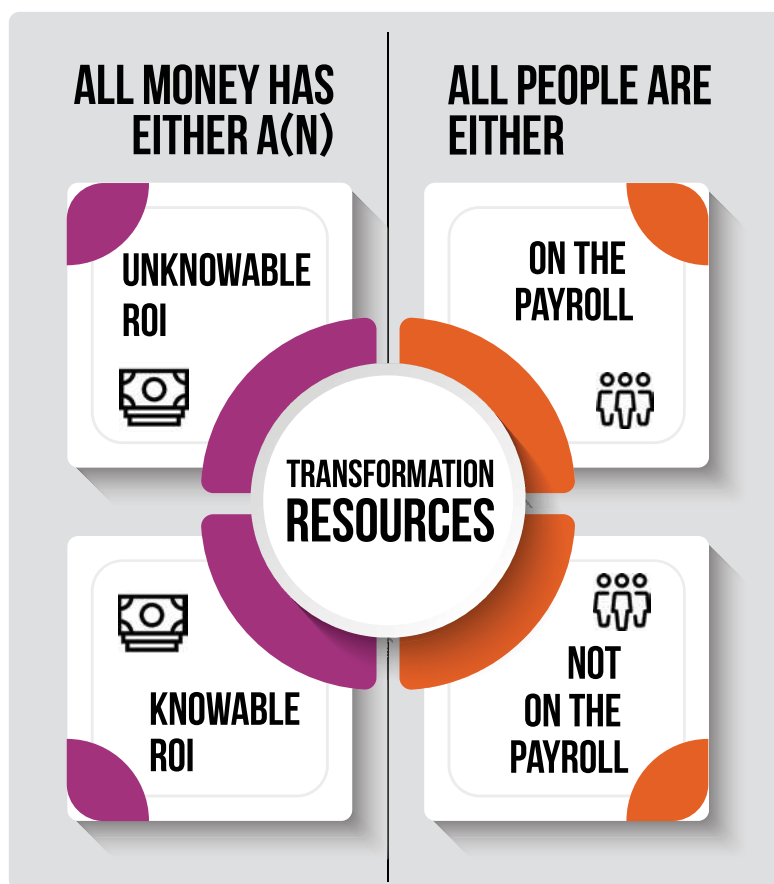
Whether you're driving change from within or guiding clients through it, the Guild equips you with the tools and community you need to turn high-stakes transformation into lasting competitive advantage.



# The Four Currents Framework

Insights stem from the Four Currents Framework, which examines people, money, and time at the most elemental levels. The foundational tenets of The Four Currents are simple but powerful:

- All people are either on your payroll or they are not.
- Every dollar either has a knowable ROI or it does not.
- Transformation takes time (but people's patience is finite).



The Four Currents serve as a starting point to evaluate how resources flow through an organization. Each current influences the others, shaping outcomes in ways leaders often overlook. At its core, the framework assesses confidence and alignment, revealing resources are being used to their highest potential.

## Key Findings from Wave 3

In a business environment defined by volatility, speed, and fatigue, clarity becomes a competitive advantage. Wave 3 of The Four Currents research confirms what experience has already shown: confidence and alignment are not cultural luxuries. They are strategic levers that determine whether transformation gains traction or quietly loses steam.

Based on insights from this unique set of 1,560 respondents across industries, functions, and company types, this report reveals enterprises caught in a middle zone. Many organizations can execute. Fewer are aligned enough to transform. Gaps in trust, confidence, and clarity remain the quiet blockers of momentum.

# The Four Currents Framework



## People on Your Payroll (Internal Confidence):

Only 8.8 percent of leaders express complete confidence in their internal teams. Most responses fall into the moderate confidence zone, which can sustain performance but rarely accelerates it.



## People Not on Your Payroll (External Trust):

Nearly half of respondents are “mostly confident” in their vendors and partners. Yet fewer than one in ten express complete confidence. This points to under-leveraged partnerships at a time when speed and specialized capabilities are critical.



## Knowable ROI (Clear Value Signals):

Just 6.2 percent of leaders say they are fully confident in how their organizations track ROI. Without trusted metrics, decision-making often drifts toward short-term wins and superficial success indicators.



## Unknowable ROI (Future-Facing Bets):

Confidence in long-term investments such as innovation, culture, and brand is uneven and fragile. Leaders want to place strategic bets, but many lack the alignment required to commit.



## The Tide Chart (Organizational Time Horizon):

Confidence is most concentrated in the 6 to 24-month window. Only 6.8 percent of respondents expect results from transformation beyond two years. This short time horizon may limit bold investments and long-term change.



## AI Acceleration (Fast and Uneven):

Executives hold strong expectations for AI's impact, but adoption remains inconsistent across departments and roles. A clear perception-to-practice gap exists between what leadership believes and what teams are actually doing.

## ★ What This Means for Leaders

The biggest threat to transformation in 2025 is not resistance. It is drift.

The Four Currents Framework exposes the misalignments that erode execution, delay progress, and weaken strategic initiatives. More importantly, it offers a way to act.

- Equip the middle with clarity and support.
- Align your investment timeline with the outcomes you expect.
- Balance immediate ROI with long-term conviction.
- Use data to build trust, not just to report outcomes.

*What does this look like inside your organization? We can help map your currents.*

## The Four Currents

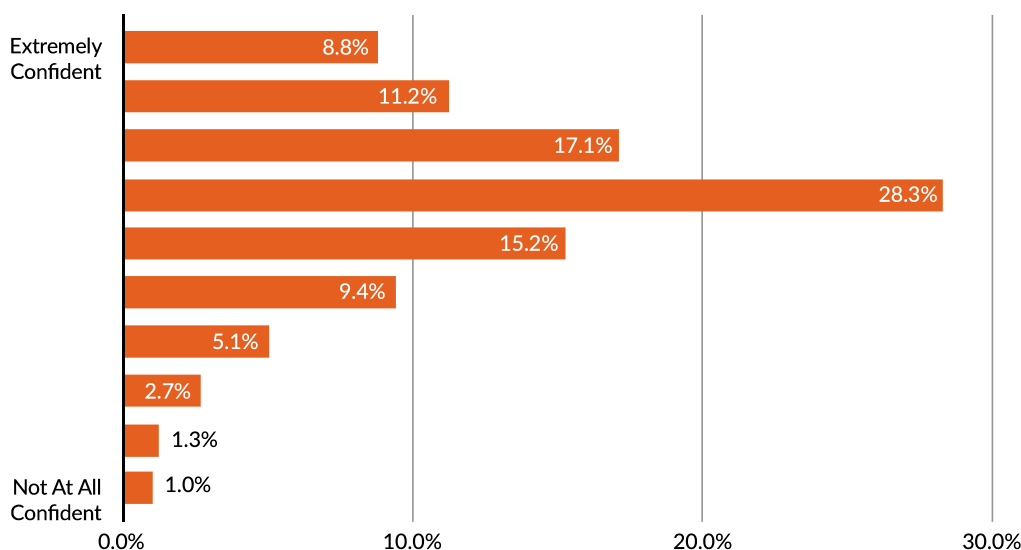


### Current One

# People on Your Payroll

Steadying the Core: Unlocking Internal Confidence

Do You Have the Focus, Alignment, and Resources to Win from Within?



Data from The Transformation Guild, Q2 2025

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### Analysis

Fewer than 10 percent of respondents express complete confidence in their internal capabilities. While 60.6 percent fall into the “moderate confidence” range, this surface-level optimism may mask deeper misalignments in alignment or capacity. These quiet signals often go unnoticed until momentum stalls or resistance emerges.

### Implications

Moderate confidence can create a dangerous illusion of stability. Leaders may believe their teams are equipped for transformation, but when pressure mounts, hesitation and unclear priorities can slow execution. Without intentional investment, the organization may lack the resilience to adapt in real time.

## The Four Currents

### 🚩 Signals for Senior Leadership

This is a call for leaders to interrogate the foundations of team confidence. Moderate scores should not be treated as a win, but as an invitation to act. Strengthen clarity around roles, invest in targeted capability-building, and create a culture where teams feel both equipped and trusted to lead change. The goal is to shift teams from “mostly confident” to “definitely confident,” turning potential into progress.

### Data Notes

Current One data visualized above are a composite index of three questions related to internal capabilities. We ask respondents to consider (a) whether their organization’s people, processes, and technologies are among the industry’s best; (b) whether their organization has clear focus, in which people, processes, and technologies are aligned and coordinated; and (c) whether their organization has sufficient resources to achieve success. Each response indicates a degree of agreement ranging from “Definitely Yes” to “Definitely No.” Together, these provide a contoured assessment of confidence and alignment around internal capabilities.

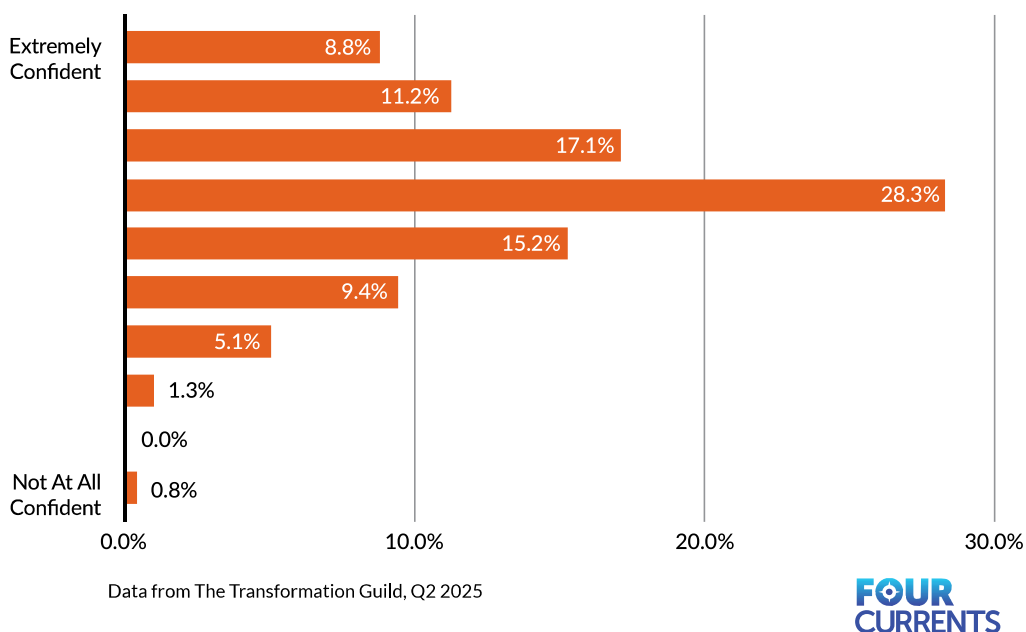


## Current Two

# People Not on Your Payroll

Beyond the Fence Line: Deepening External Trust

Do you feel your company receives clear and consistent value from vendors and partners?



### Analysis

Nearly half of respondents express “mostly confident” views about the value of their external vendors and partners. However, only 8.8 percent say they are “definitely confident.” The narrow gap between “mostly yes” and “mostly no” suggests that while partnerships are appreciated, their impact is not fully trusted. This points to uncertainty about the reliability, ROI, or long-term role of external collaborators in driving transformation.

### Implications

External partners often provide the expertise and capacity needed to scale transformation, but tempered confidence can lead to underutilization. When vendors are seen as merely supplemental, organizations risk missing out on speed, innovation, and resilience during high-stakes change. Without full trust and integration, partnerships remain transactional instead of transformational.

## The Four Currents

### 🚩 Signals for Senior Leadership

Senior leaders should treat this moderate confidence as a signal to reframe external partnerships as strategic extensions of the organization. Begin by clarifying the role of each partner, aligning on outcomes, and embedding accountability into shared goals. When external teams are given context, resources, and ownership, their contribution becomes more visible and impactful. The goal is to turn “mostly yes” into measurable results.

### Data Notes

Current Two data visualized above are a composite index of three questions related to external capabilities. We ask respondents to consider (a) whether their organization receives clear and consistent value from vendors and partners; (b) whether the right vendors and partners are in place to achieve strategic goals; and (c) whether sufficient resources are available to support these external engagements. Each response indicates a degree of agreement ranging from “Definitely Yes” to “Definitely No.” Together, these provide a contoured assessment of confidence and alignment around external partnerships and their role in strategic execution.

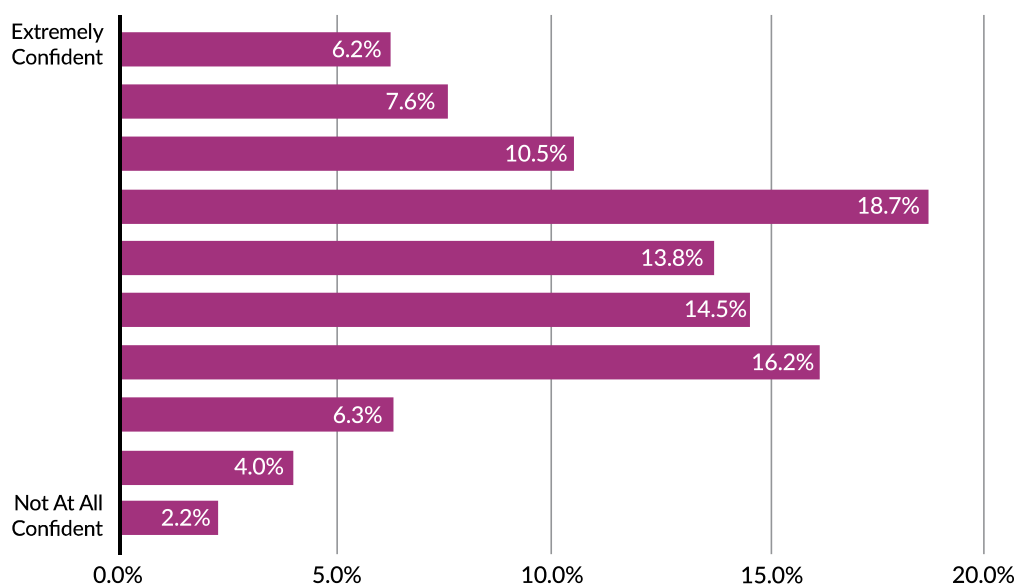
# The Four Currents



## Current Three Knowable ROI

From Metrics to Movement: Making ROI Real

How confident are you in the return on investment your company receives for resources allocated to current priorities?



Data from The Transformation Guild, Q2 2025

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### Analysis

The chart reflects perspectives on the confidence of ROI. This phrase speaks to confidence on priorities, specifically measurable priorities. Those are not the same; This language needs to change. Suggest “Only 6.2% of respondents express full confidence related to (financial) resource allocation.” which is a striking signal that ROI metrics are not functioning as a true compass for transformation. While fewer than 15% outright doubt their priorities, the overwhelming majority occupy the “somewhat confident” middle. This suggests widespread uncertainty about how success is defined, tracked, or communicated.

### Implications

This “middle majority” creates hidden risk. Without strong conviction in ROI measures, decision-making may drift toward vanity metrics or short-term wins. In the context of transformation, unclear ROI priorities do more than weaken reporting. They compromise resource allocation, stakeholder confidence, and long-term momentum.

A lack of trusted metrics doesn’t just slow progress; it distorts it. Organizations may believe they’re advancing when, in fact, they’re veering off course.

## The Four Currents

### 🚩 Signals for Senior Leadership

Leadership should treat this confidence gap not as a reporting issue but as a strategic vulnerability. Begin by identifying a concise set of high-impact indicators that directly connect transformation initiatives to measurable outcomes. These metrics must be tracked consistently, reported transparently, and woven into the fabric of strategic decisions.

But data alone isn't enough. Leaders must also shape the narrative by clarifying why these metrics matter and how they tie into broader success. When ROI is both measurable and meaningful, it becomes a lever for confidence, not just compliance.

### Data Notes

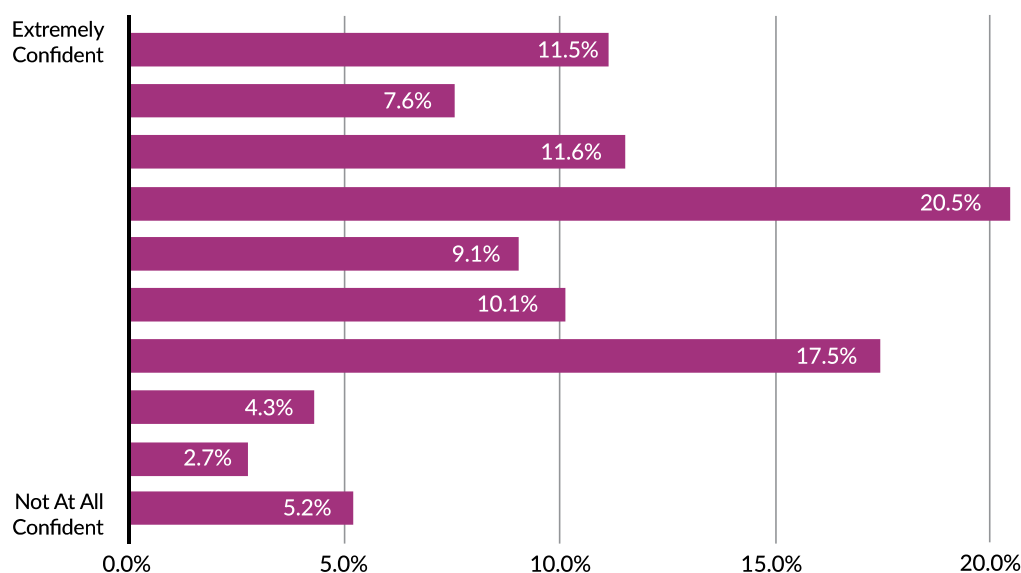
Current Three data visualized above are a composite index of three questions related to measurable ROI. We ask respondents to consider (a) confidence in the ROI received for current priorities; (b) whether their organization is focused on the right priorities; and (c) whether their organization has sufficient resources to achieve current priorities. Each response was rated on a four-point scale ranging from "Extremely Confident" to "Not at All Confident." Together, these inputs provide a contoured assessment of confidence and alignment around initiatives with measurable outcomes.



## Current Four Unknowable ROI

Betting on Tomorrow: Aligning around the Unknowable

How confident are you that your organization will be competitive going forward?



Data from The Transformation Guild, Q2 2025

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### Analysis

Confidence in long-term, harder-to-quantify investments remains uneven. Just 11.5% of respondents report being “extremely confident.” By contrast, 17.5% express relatively low confidence, while a clear majority — 68.8% — fall into the cautious middle. This distribution shows a pattern of hesitation: leaders recognize the importance of future-facing bets, but most stop short of full conviction. The willingness to invest is present, yet tempered by a demand for near-term validation.

### Implications

Investments with an unknowable ROI (a.k.a. “innovations”) represent big and little bets that can unlock competitive advantage, but only if organizations make those bets in a disciplined and purposeful way. Hesitation here is risky. Leaders who default to short-term certainty may deprioritize the very initiatives that drive sustainable transformation.

The result? Organizations drift in circles, never reaching open water. Without a willingness to explore uncharted waters, companies risk optimizing for the present at the expense of the future.

## The Four Currents

### 🚩 Signals for Senior Leadership

This is not a call for recklessness. It's a call for alignment. Confidence in unknowable ROI improves when leaders clearly define the "why," establish boundaries around risk, and celebrate progress even when it isn't financial.

To strengthen trust in the long game:

- Align leadership around a shared vision for long-term outcomes.
- Clarify what success looks like, even if ROI is indirect or delayed.
- Reinforce cultural support by telling the story of strategic bets in action.

When leaders bridge the gap between bold intention and internal belief, the unknowable becomes not just acceptable, but investable.

Senior leadership should recognize that hesitation around unknowable ROI is often less about skepticism and more about a lack of shared vision and risk alignment. Addressing this requires creating a compelling, evidence-informed narrative for why certain future-focused investments matter, and how they connect to the organization's mission and competitive strategy. Leaders should set clear guardrails for risk tolerance, ensure ongoing communication about progress (even when measured in non-financial terms), and celebrate early indicators of momentum. When leaders build organizational trust in the "bets" being placed, they turn unknowable ROI from a leap of faith into a confident step toward the future.

### Data Notes

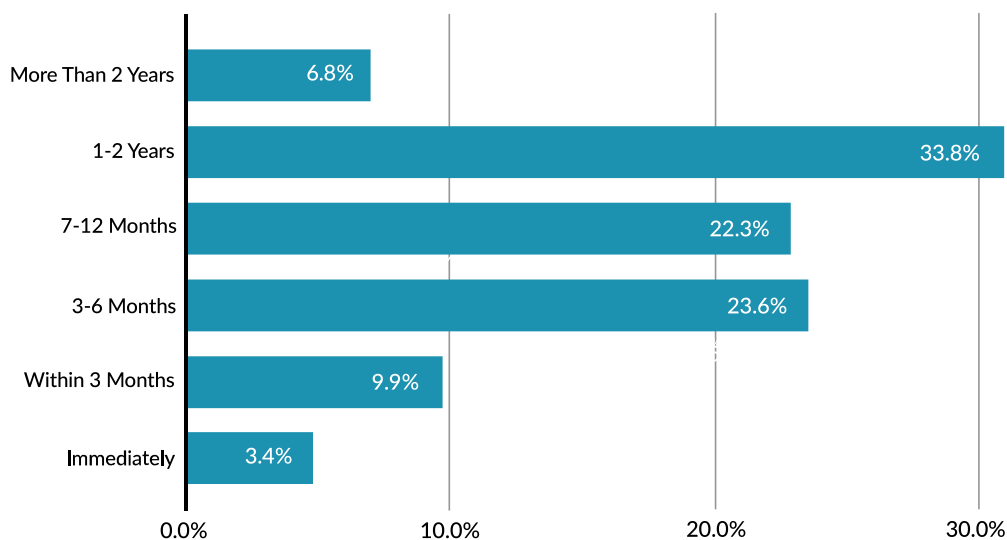
Current Four data visualized above are a composite index of three questions related to unknowable ROI. We ask respondents to consider (a) confidence that their organization will be competitive going forward; (b) whether their organization is making the right investments for the future; and (c) whether their organization is investing enough resources for the future. Each response indicates a degree of agreement ranging from "Extremely Confident" to "Not at All Confident." Together, these provide a contoured assessment of confidence and alignment around initiatives where ROI is not measurable.



## Tide Chart Confidence Time Horizon

Time as a Current: Matching Ambition to Reality

How soon must a new project show measurable benefits before you would become skeptical or frustrated?



Data from The Transformation Guild, Q2 2025

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### Analysis

The Tide Chart shows confidence clustered between 6 and 24 months: 45.9% expect results within 3–12 months, and 33.9% in 1–2 years. Just 3.4% anticipate immediate outcomes. After the two-year mark, conviction falls sharply, mirroring the previous Unknowable ROI Current and underscoring how organizations struggle to sustain belief in long-horizon initiatives. Long-term conviction is where transformation falters.

### ⚙️ Implications

The majority of leaders' confidence is anchored within a 3–12 month horizon, underscoring the pressure to demonstrate near-term wins before belief begins to erode. A third will allow up to two years, but conviction collapses beyond that point. Immediate payoff is rarely expected, yet tolerance for long-horizon outcomes is equally scarce. This dynamic reveals a credibility gap: transformation efforts that cannot produce visible value within the first year risk losing alignment and momentum, regardless of their ultimate potential. Sustaining belief past the 24-month mark is where most organizations falter.

## The Four Currents

### ★ Signals for Senior Leadership

A concentration of confidence in the mid-term can offer both stability and risk. On one hand, it reflects realistic expectations that transformation is not instant. On the other, it creates pressure to produce visible results within an 18-month window. That urgency may shift focus toward faster payoffs and away from foundational changes that require more time.

If time horizons are not deliberately aligned with strategy, organizations risk over-investing in short-term wins and under-investing in long-range growth. Foundational efforts like cultural change, innovation, and leadership development may be deprioritized simply because they take longer to show returns.

# A Deeper Dive

## Four Currents by Department

Where Confidence Clusters and Where It Frays

Department	People on the Payroll		People Not on the Payroll		
	Knowable ROI	Unknowable ROI	Knowable ROI	Unknowable ROI	
	Management	9.5	9.5	8.5	8.7
	Finance	9.3	9.4	8.4	8.8
	IT	9.0	9.2	8.1	8.4
	Operations	8.8	9.0	7.9	8.2
	Marketing	8.8	9.0	7.7	8.0
	Other	8.6	9.0	7.4	7.4
	Quality/R&D	8.6	8.9	7.6	7.8
	Sales	9.4	9.4	8.5	8.8

### Analysis

Confidence in people runs high across all departments, but ROI confidence lags. Management, Sales, and Finance stay balanced above 8.4 on all Currents. IT and Operations dip on ROI, while Marketing, R&D, and “Other” show the weakest ROI confidence, underscoring unclear measures of value.

Data from The Transformation Guild, Q3 2025



### Implications

This pattern highlights a common divide. People tend to have more confidence in their teams and partners than in their ability to measure value. When measurement systems are clear and consistent, confidence follows. When results are harder to define or delayed, alignment begins to fray.

Departments like Sales and Finance operate with well-established metrics and feedback loops, which helps reinforce ROI confidence. Other departments, such as Marketing or R&D, are often focused on longer-term initiatives like brand development, innovation, or quality improvements. These investments can be difficult to quantify in the short term. Without a shared lens on value creation, transformation efforts may be slowed by internal skepticism or misalignment.

## A Deeper Dive

### ★ Signals for Senior Leadership

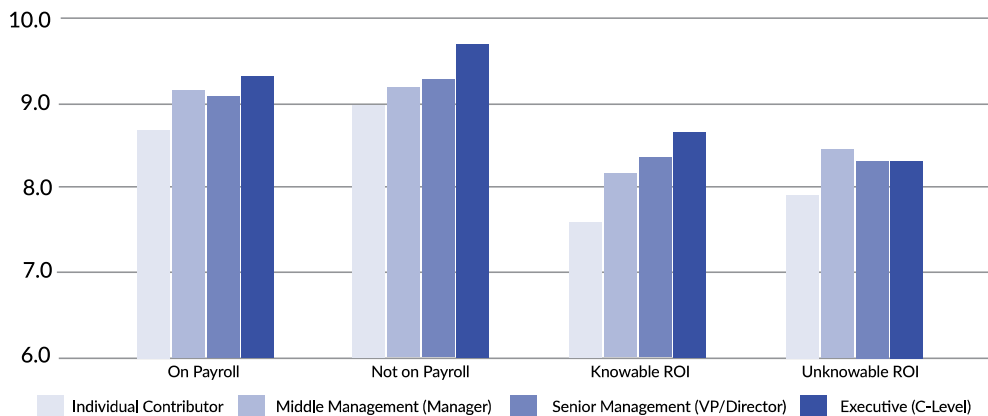
Senior leaders should not assume departmental confidence is evenly distributed. Instead, they should treat it as a reflection of how well value is defined, tracked, and communicated. Improving ROI alignment starts by building shared fluency in what value looks like, how it is tracked, and why it matters.

Leadership should create cross-functional learning loops, pairing teams with strong ROI confidence with those seeking clarity. Departments must be equipped to tell their value story, whether through financial outcomes or strategic contribution. Metrics should account for both short-term deliverables and long-term impact to ensure that every department feels connected to the transformation's success.

# A Deeper Dive

# Four Currents by Role

When Confidence Rises Faster Than Clarity



Data from The Transformation Guild, Q2 2025

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## Analysis

Confidence rises with seniority. Executives lead across all Currents, scoring 9.7 in Current Two and averaging 8.7/8.3 in the ROI Currents. Senior and Middle Managers also show strong confidence, especially in people-related Currents. Individual Contributors trail, with 7.6 and 7.9 in ROI, highlighting how limited context and decision-making access reduce confidence.

## Implications

The data points to a growing confidence divide between leadership and the rest of the organization. While executives are optimistic about people and ROI, their conviction is not always mirrored by those closer to the work. This misalignment is the “credibility gap” and it is independent of “change management”. Indeed, understanding the gap informs a change management agenda.

If front-line teams do not understand or trust the rationale behind transformation initiatives, even the most ambitious strategies may struggle to gain traction. The challenge is not just to build confidence at the top, but to make sure it flows all the way through the organization.

## A Deeper Dive

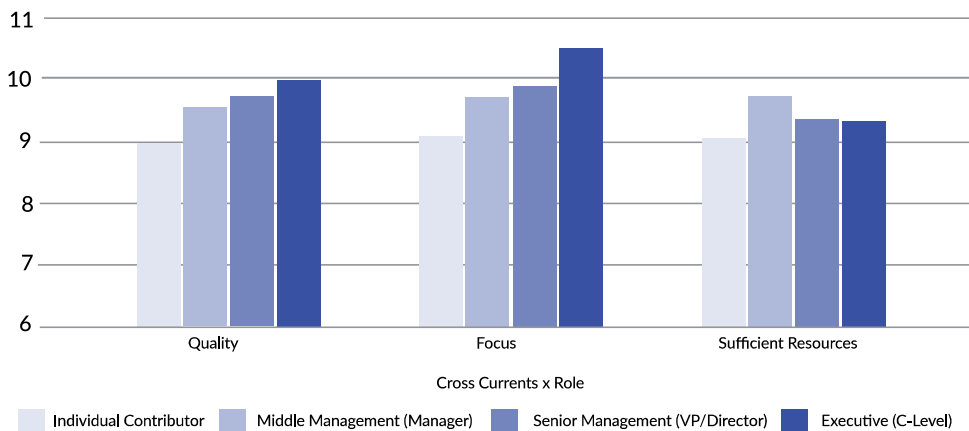
### Signals for Senior Leadership

Senior leadership must ensure confidence is not concentrated at the top. That means translating strategic priorities into clear, relevant narratives for every level of the organization. Middle managers are key players in this effort. They are close enough to senior leadership to understand intent, and close enough to teams to make that intent actionable.

Invest in communication practices that make the “why” behind change as tangible as the “what.” Empower managers to reinforce these messages consistently. Build feedback mechanisms to ensure confidence gaps are addressed in real time. When teams believe in the strategy and see their role in delivering it, transformation gains real traction.

# Cross-Currents by Role

Alignment Is Not Just About Resources; It's About Understanding



Data from The Transformation Guild, Q2 2025

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## Analysis

Confidence in Quality and Focus rises with seniority. Across the Four Currents, confidence rises with role in relation to overall assessments and prioritization. Resource Sufficiency, however, is flat across roles, shows resource concerns are shared more evenly.

## Implications

A rising confidence in Quality and Focus among leaders may not be enough if teams further from the C-suite lack the same clarity. Gaps in understanding can slow execution, increase friction, and reduce the impact of otherwise sound strategies. The flatter scores in Resource Sufficiency also highlight a shared awareness of capacity constraints, even at the highest levels.

If executives see the vision clearly but others don't, transformation risks becoming top-heavy, strong on ambition but shaky in follow-through. Without intentional effort to close these gaps, the organization may appear aligned on the surface while key contributors remain uncertain or disconnected.

## A Deeper Dive

### Signals for Senior Leadership

To improve alignment across roles, leadership must go beyond information cascades. They must ensure that Quality and Focus are understood, not just declared. This means engaging middle managers not just as messengers, but as translators of strategy into day-to-day guidance.

The shared concerns around Resource Sufficiency also deserve attention. Leaders should openly address any capacity gaps and demonstrate how trade-offs are being managed. By doing so, they validate team concerns while reinforcing commitment to a sustainable transformation path.

When every level of the organization understands the what, the why, and the how behind transformation, alignment becomes more than a strategy. It becomes a culture.

### Data Notes Cross-Current by Role

Cross Current One: Index of the Four Currents sub-dimension questions pertaining to overall quality assessment.

Cross Current Two: Index of the Four Currents sub-dimension questions pertaining to the “right focus” assessment.

Cross Current Three: Index of the Four Currents sub-dimension questions pertaining to resource sufficiency assessment.

# Mapping the Moment

## Shifting Tides: How AI is Reshaping Confidence and Alignment

Transformation does not happen in isolation. It is shaped by, and responds to, forces beyond the control of any single organization. Each quarter, we surface internal misalignments in confidence and capability, but those signals must be read in context. External dynamics, PEST-T, such as Political disruption (P), Economic pressure (E), Social (S), Technological disruption (T) and Trust (T) create ripple effects that reinforce or erode internal momentum.

This quarter we focus on Transformation Technology (T) to give leaders a better understanding of the market they’re operating in now and how they can prepare for drift. Artificial Intelligence (AI) is one of the most influential of these forces today. Once viewed as experimental, AI is now a central factor in strategic planning, workflow redesign, and workforce expectations. The conversation has shifted from whether to adopt AI to how it can be integrated effectively, governed responsibly, and deployed in ways that align with culture and trust.

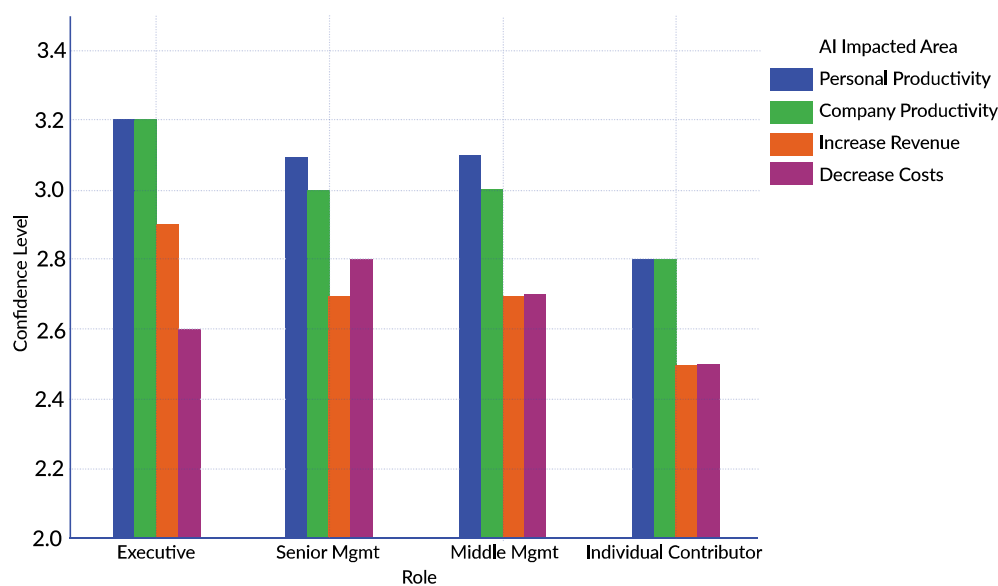
But adoption is uneven. Expectations often outpace usage. Confidence is highest at the top of organizations and lowest among those closest to execution. These variations aren’t just noise; they are signals that reveal how ready an organization is to absorb and operationalize technological change.

This section explores the organizational impact of AI adoption, usage patterns by role and department, and how company type influences the pace and promise of transformation.

Companies that understand these currents in context will be better equipped to navigate this moment, adjust course proactively, and avoid being swept up by the waves of external disruption.

## Expectations for AI Gains by Role

When Optimism Lives at the Top, but Action Lags Behind



Data from The Transformation Guild, Q2 2025

**Analysis**  
Executives show the strongest optimism for AI. Confidence declines steadily by role, with Individual Contributors lowest, especially on business outcomes. The result: a clear optimism gradient: those shaping AI strategy believe most, while those expected to apply it believe least.

## Mapping the Moment

### Implications

When AI expectations are not shared across roles, organizations risk building transformation strategies on incomplete foundations. Executive confidence may be high, but without equivalent belief from those tasked with implementation, progress stalls. This isn't simply a technology adoption issue; it's a trust and clarity challenge.

If the people doing the work do not understand how AI benefits them or the company, they are unlikely to invest time or effort into using it. The result is underutilized tools, missed efficiencies, and reduced ROI.

### Signals for Senior Leadership

Senior leaders must close the expectation gap before it becomes a credibility gap. Start by linking AI initiatives directly to role-specific value. What productivity looks like for an executive is not the same for a frontline team.

Use internal success stories and pilot programs to make abstract benefits concrete. Encourage middle managers to act as translators of AI strategy, and provide them with the context and tools to do so.

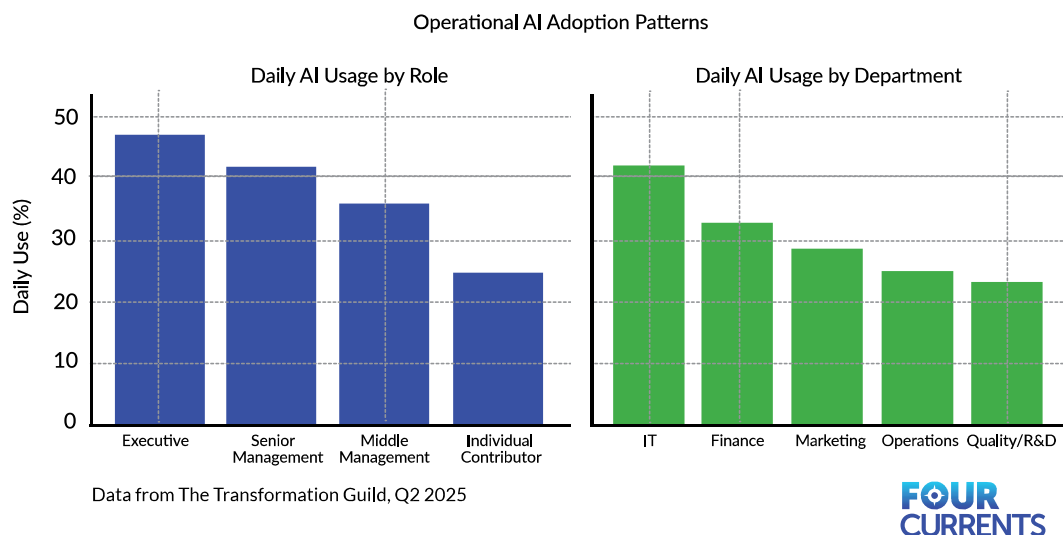
Most importantly, treat skepticism not as resistance, but as a request for clarity. When employees are unsure, they are asking for proof that change is worth the effort. Provide that proof, consistently and visibly.

### Data Notes

The number of responses differ for each employee category, with 52 observations for those in Executive (C-Level) roles and 509 for Middle Management (Manager) roles.

## AI Usage by Department and Role

Where AI Is Active, and Where It's Still Waiting to Be Turned On



### Analysis

AI adoption is highest at the top: 47.6% of executives use it daily, compared to 25.1% of Individual Contributors, with 16.5% of the latter never using it. By department, usage peaks in Sales (48.4%) and IT (42.4%), while Operations and R&D lag. Overall, AI is treated more as a strategic and analytical tool rather than an operational one, favored by data-oriented functions and decision-makers over executors.

### Implications

When adoption is concentrated in leadership and technical functions, organizations risk missing AI's full potential. Teams in Ops, R&D, or Marketing may lack awareness, access, or clear use cases, but do not lack capability. That leaves productivity gains and process improvements on the table.

Moreover, AI adoption without cross-functional consistency can create workflow fragmentation, duplicated effort, or even trust gaps between departments.

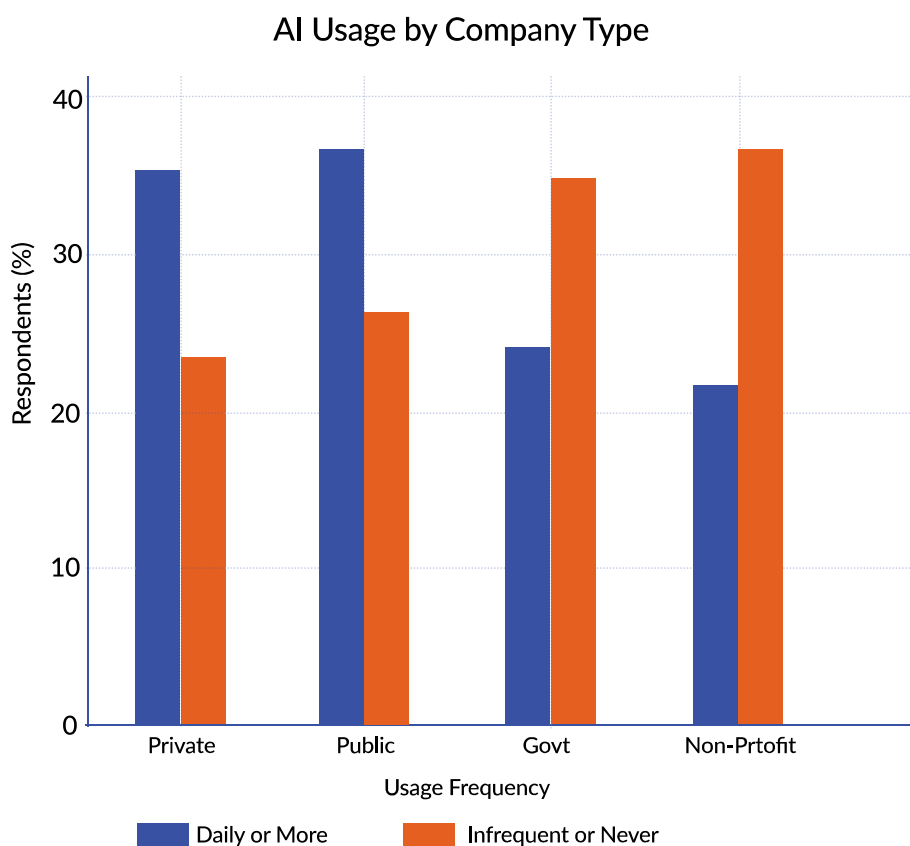
### Signals for Senior Leadership

Leaders must treat AI adoption as a cross-functional initiative, not just a tech project. Design rollouts that serve the specific needs of each department, and involve teams early in identifying valuable use cases. Avoid generic AI strategies that focus only on data-heavy roles.

Equip departmental champions outside of IT to act as advocates and early adopters. Provide middle managers with both the tools and the mandate to lead AI integration in daily workflows. Success depends not only on access to AI tools, but on clarity around how those tools connect to team goals and daily priorities. Spread adoption by making relevance unmistakable.

## AI Usage by Company Type (Private / Public / Govt / Non-Profit)

Why Sector Context Shapes the Pace of Transformation



Data from The Transformation Guild, Q2 2025

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### Analysis

AI adoption varies by company type. Public and private companies lead, with about one-third of respondents using AI daily. Government and non-profits lag, with over one-third in each using AI infrequently or not at all. The gap is sharpest in the “infrequent or never” segment: 36.6% of non-profits and 36% of government, compared to 23.5% of private companies. These results show how compliance, budgets, and governance structures shape the pace of adoption.

### ⚙️ Implications

Organizations do not adopt AI in a vacuum. Their context matters. Public companies face pressure to innovate but also navigate regulatory risks. Non-profits and government entities must consider mission integrity, transparency, and constrained resources. Even when leaders in these sectors are optimistic, their AI roadmaps often face slower ramp-ups and higher scrutiny.

If strategies fail to reflect these constraints, adoption suffers. Overreliance on best practices from high-growth sectors can lead to unrealistic expectations and poor fit.

# Mapping the Moment

## Signals for Senior Leadership

Leaders must ground their AI transformation strategy in sector-specific realities. Start by building flexible adoption plans that can scale as readiness improves. Avoid pushing a one-size-fits-all playbook across sectors with vastly different needs and timelines.

Use cross-sector benchmarks not to pressure under-adopting industries, but to spot useful practices that can be adapted within appropriate boundaries.

Finally, clarify how AI supports your mission, not just your margin. When teams understand that technology enables, not replaces, their core purpose, transformation gains traction, even in more risk-sensitive environments.

## Summary: AI's Uneven Wake

Artificial Intelligence is no longer theoretical. It is operational. Strategic. Embedded in leadership expectations and organizational roadmaps. But as our latest data shows, its adoption, impact, and perceived value remain uneven across roles, departments, and company types.

Executives hold the strongest confidence in AI's potential to boost productivity and drive growth. Their expectations outpace every other group. Yet that confidence does not translate evenly into usage. Daily adoption drops sharply among middle managers and individual contributors, where confidence in AI's value is also lower. This perception-to-practice gap signals a clear risk: transformation driven from the top may lack traction at the core.

Functional disparities are just as stark. IT and Finance teams report the highest levels of AI integration, while Operational and R&D teams lag behind. In these areas, usage is inconsistent and, in many cases, absent.

Organizational structure also plays a role. Privately held and publicly traded companies report higher daily AI usage than government agencies and non-profits. The latter groups face adoption challenges tied to compliance, funding, and mission focus.

Across all segments, one pattern is clear: belief in AI is not the same as readiness to apply it. Confidence is not cascading. Value is not evenly understood. Usage is not universally embedded.

## What This Means for Leadership

To navigate this moment, senior leaders must act on three fronts:

- ▶ Clarify the why. Link AI strategy to real, role-specific value.
- ▶ Empower the middle. Equip managers to lead AI integration, not just react to it.
- ▶ Tailor transformation. Customize rollout strategies to fit organizational structure and function.

In a moment shaped by fast-moving technology and fragmented adoption, clarity is your most strategic asset. Companies that understand where the gaps are, and why they exist, will be better positioned to align internal momentum with external opportunity.

# From Insight to Action

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## Charting the Course

Wave 3 of the Four Currents research confirms a critical truth: confidence and alignment are not just enablers of transformation. They are preconditions. Even the most well-designed strategy will falter if belief, clarity, and capability do not reach every level of the organization.

This quarter's data acts as a timely navigation tool. It surfaces where momentum is building and where it is quietly breaking down. From the growing confidence gap between executives and individual contributors, to the uneven adoption of AI across roles, departments, and company types, the signals are clear. Transformation does not fail all at once. It loses traction in places where misalignment goes unaddressed.

That is why insight is not enough. This moment calls for orchestration.

- ▶ People on your payroll need more than motivation. They need clarity, coordination, and evidence that progress is being made.
- ▶ Vendors and partners must operate as extensions of your values and culture.
- ▶ ROI thinking must move beyond spreadsheets to include conviction in long-term bets.
- ▶ Trust in future outcomes is not about blind optimism. It is built through shared direction and visible momentum.

An organization with uneven confidence is like a ship with a skilled crew but no shared heading. It may move, but not with speed or certainty.

## From Insight to Action

Wave 3 of the Four Currents research confirms a critical truth: confidence and alignment are not just enablers of transformation, they are prerequisites. The good news is that confidence gaps are actionable. They are not fixed through slogans or reorgs, but through clear, targeted steps rooted in how people actually think, work, and decide.

The Four Currents Framework helps leaders stop guessing and start directing. It turns abstract challenges like transformation fatigue into measurable signals. It shows where belief is strong, where clarity is missing, and where momentum may be leaking.

The Wave 3 findings are not just a reflection of today's challenges. They are a roadmap for how to lead with precision.

- ▶ Empower talent by making strategy feel relevant and achievable at every level.
- ▶ Reset vendor relationships to operate like true extensions of the organization.
- ▶ Clarify value by balancing urgent ROI with long-term strategic ambition.
- ▶ Build trust by aligning teams not just to goals, but to the system that delivers those goals.

The result is faster execution, better prioritization, and stronger alignment from top to bottom.

The Four Currents is not just a report. It is a readiness engine. It equips leaders to spot friction early, align teams with confidence, and move transformation forward with intention.

*You don't need more tools. You need more clarity. Want to see how it applies inside your organization? Let's map your currents.*

## Strategic Implications & Signals for Senior Leadership

**Confidence gaps are not soft spots. They are strategic risks.**

Wave 3 of the Four Currents research makes one thing clear. Misalignment is not abstract. Senior leaders can no longer assume alignment. They must verify it. The data shows that belief in direction, clarity around priorities, and trust in ROI are unevenly distributed across most organizations. And where those gaps exist, credibility can be at risk.

To respond, leaders must shift from intention to precision. That means moving beyond broad change efforts and targeting the signals that matter most.

### What This Moment Demands:

 **Diagnose before you direct.**

Treat confidence and alignment data as seriously as you treat financial performance. Use it to uncover friction early and avoid costly course corrections later.

 **Balance long-term vision with short-term clarity.**

Transformation does not require abandoning bold goals. But it does require translating those goals into steps teams can act on today.

 **Equip the middle.**

Your managers are more than communication channels. They are the most powerful alignment lever in your organization. Enable them to drive confidence, clarity, and coordination where strategy meets execution.

 **Redefine ROI.**

The future will not be won on measurable value alone. Leading organizations know how to bet smart on the unknowable and build internal belief in those bets.

Transformation is not a campaign. It is a leadership discipline. And clarity is your most strategic asset.

*Your strategy may be solid. But if alignment and confidence are drifting, we can show you where and why.*

# Research Methodology

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Data for this report was collected in July 2025. The survey was fielded among full-time employees earning \$70,000 or more per year. In total, 1560 respondents completed the survey, answering up to 59 questions. Analysis was based on responses meeting data quality checks.

Overall, respondents represent a mix of men (60%) and women (40%) employed in a variety of organization types (46% privately held; 27% publicly traded; 15% government; 12% non-profit) and sizes (70% work for an organization with more than 200 employees). The median tenure at the current organization was 3-7 years, with 42% of respondents indicating more than 7 years of experience at their current organization. The median respondent indicated household income of \$125,000 - \$149,000; 21% of respondents indicated household income in excess of \$200,000.

The Four Currents are measured as twelve questions in total. Each Current is measured as three questions capturing evaluations of quality, focus, and resource availability, providing dimensionality to areas where there may be gaps in confidence and alignment. Results shared in the Four Currents Overview section focus solely on the quality dimension for clarity. Results shared in the Four Currents Diagnostics section incorporate the richer dimensionality.

## About the Research Team

This report was developed by Tom Daly, Founder, The Transformation Guild, and led by Head of Research, Ethan Pew, PhD. Additional contributions were made by Lisa West, CMO, The Transformation Guild.



Tom Daly



Ethan Pew



# Where To Steer Next

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**You've seen the data. Now it's time to move with clarity.**

Whether you're ready to go deeper or want to start the conversation, we're here to help you act on what matters.

## Sign Up to Read Past or Future Reports

## Schedule a Custom Readiness Assessment & Clinic

Saw something that hit home?

Let's run a Four Currents Diagnostic inside your organization and design a transformation clinic tailored to your leadership team.

## Join Our Executive Community

Be part of a private network of senior leaders and certified consultants shaping the future of transformation - from AI integration to organizational alignment.

## Invite Tom Daly to Speak at Your Next Company Event

Bring Tom to your next leadership summit, board retreat, or offsite.

He delivers eye-opening, practical insights on transformation, alignment, and how to lead when the ground keeps shifting.

## Share Your Transformation Story

If you, your organization, or someone you know, has cracked the code on successful transformation strategies. Nominate a Transformation Trailblazer:

<https://info.thetransformationguild.com/chart-room-nomination>

Ready to take the next step in driving adoption?

Email us or scan the QR Code to learn more and start your journey with The Transformation Guild.

**[Info@TheTransformationGuild.com](mailto:Info@TheTransformationGuild.com)**





**“The Four Currents survey approach was valuable to myself and my organization. We were able to confirm our understanding of digital transformation in our enterprise and come away with actionable direction to expedite growth in this key area of our business.”**

*Eli Wendkos, VP Digital Transformation, Thibaut Design, Inc*

**“The Four Currents survey provided me with critical insight into where gaps existed in our corporate alignment around sustainability. The analysis resulted in a course correction around our sustainability strategy, securing cross-departmental alignment, and capturing additional budget allocation for implementation.”**

*Andrew Harner, VP Sustainability, Blommer Chocolate*

**“Transformation is like turning a ship in a narrow channel-complex, but possible with the right guidance.”**

*Tom Daly*