

Is AI Tearing Your Company Apart — Or Just Exposing What Was Already Broken?

A statistic is making its way through boardrooms this year: [54% of C-suite executives say adopting AI is tearing their company apart](#), and 56% report it has created power struggles and disruption inside their organization — both figures up sharply from a year earlier, according to Writer's 2026 enterprise AI survey conducted with Workplace Intelligence.

The pressure isn't confined to the C-suite watching from above. [79% of executives admit to struggling with lagging ROI, strategy gaps, and internal power struggles](#), and 38% of CEOs report high or crippling stress specifically around AI strategy — with 64% fearing they could personally lose their job if they fail to lead the transition. Employees are responding in kind: [29% admit to actively sabotaging their company's AI rollout](#) — entering proprietary data into public tools, deliberately generating poor outputs, or simply refusing to engage — a figure that rises to 44% among Gen Z employees specifically. Layoff pressure compounds it: AI became the leading cause of tech layoffs in March 2026, the first time that's happened since layoff tracking began.

Read as a single narrative, this looks like a technology tearing through organizations faster than they can absorb it. Read more carefully, and it looks like something else — a familiar organizational failure mode, wearing an unfamiliar name.

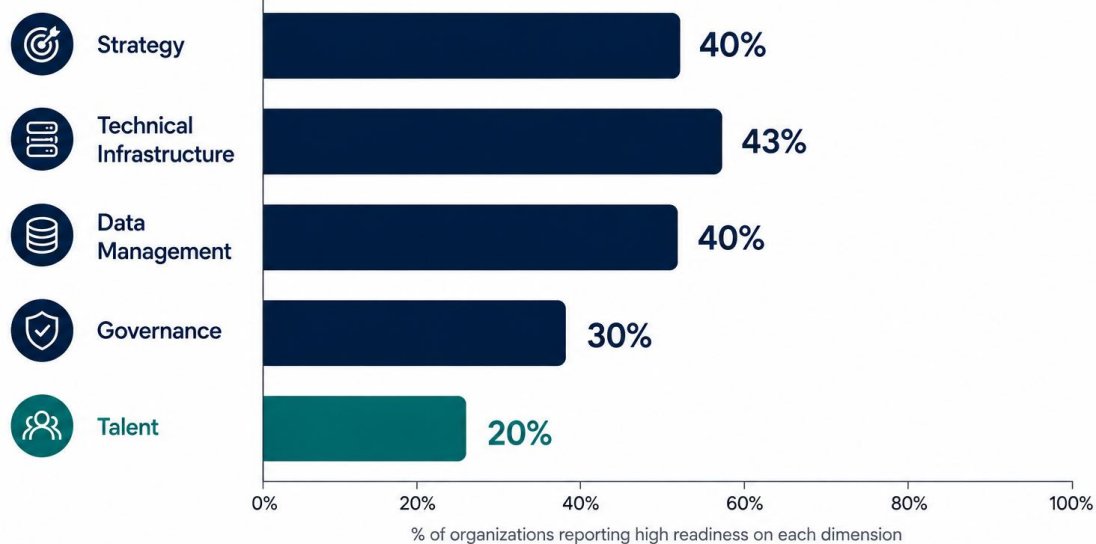
AI adoption is moving faster than organizations can redesign themselves.

[Deloitte's 2026 State of AI in the Enterprise report](#) — based on 3,235 leaders across 24 countries — makes the structural nature of this problem hard to miss. 82% of organizations expect at least 10% of jobs to be automated within three years. Yet [84% have not redesigned a single job around AI](#). Deloitte's own language for this gap is blunt: dangerous.

The preparedness data explains why. Across the dimensions Deloitte tracks, [strategy readiness sits near 40%, governance trails at roughly 30%, technical infrastructure reaches about 43%, data management 40% — and talent readiness, the weakest link of all, sits at just 20%](#), down from the year before. Every other dimension of AI readiness is at least somewhat resourced. The one dimension that determines whether a human workforce can actually absorb the change is the one organizations have invested in least.

The AI Readiness Gap

Most organizations are unprepared where it matters most.



Source: Deloitte, State of AI in the Enterprise 2026

This is the pattern worth sitting with: companies are deploying AI capability faster than they are redesigning the roles, incentives, and decision rights around it. When that gap opens, the friction doesn't show up as a technology problem on a dashboard. It shows up as exactly what the Writer survey is capturing — stress, sabotage, power struggles, disruption. The friction has little to do with the technology itself. It emerges when new AI capabilities are introduced into roles, incentives, reporting lines and decision-making structures that were designed for a different way of working.

The organizational dynamics are familiar. AI is accelerating them.

There's a temptation to treat 2026's AI turmoil as unprecedented — a uniquely disruptive technology breaking uniquely unprepared organizations. The research literature on technology adoption suggests otherwise.

A well-cited 2005 study in *MIS Quarterly* — [Lapointe and Rivard's multilevel model of resistance to IT implementation](#), built on case studies of hospital information-system rollouts — found that resistance to new systems frequently stems from a group perceiving a threat to its position relative to the people advocating for the change, not simply friction against the technology itself. Two decades before agentic AI existed, researchers were already documenting that "resistance to the tool" is often really "resistance to what the tool does to who holds power."

Kotter and Schlesinger's classic change-management framework, still taught decades after it was written, names the same root causes companies are rediscovering right now:

self-interest when a change threatens someone's position, uncertainty from unclear communication about what's actually changing, and a basic human preference for the stability of the known process over the promise of a better one. None of this required generative AI to exist. AI has simply compressed the timeline in which these dynamics play out — from years, in a typical ERP or CRM rollout, to months.

Before this becomes a doom narrative, a caution

It's worth being honest about a stat that gets attached to nearly every "transformation is hard" argument: the claim that roughly 70% of digital transformations fail. [A detailed trace of this figure](#) through McKinsey and BCG citations, Hammer and Champy's 1990s reengineering estimates, and a chain of secondary sources found no single study that actually supports it as a precise, consistently measured figure. It's a blend of a strict success bar, borrowed language from a different era of management theory, and a number that simply proved too quotable to correct once it started circulating.

The lesson isn't that transformation is actually easy — the Deloitte and Writter data above are real and specific. The lesson is that the *narrative* of inevitable failure has itself been oversold for thirty years, the same way today's AI turmoil is being framed as an unprecedented crisis when it's a recognizable pattern with new vocabulary.

The pattern looks different from India

Most of the data driving this narrative — the Writter survey, much of Deloitte's headline commentary — disproportionately reflects US and European enterprises. India's pattern, so far, looks structurally different.

[Indian enterprises report roughly 40% "significant or full" AI usage](#), against a global average closer to 28%, and lead global peers in embedding AI directly into functions like product development, strategy and operations, and supply chain — rather than keeping it confined to pilots. [NASSCOM and EY's joint adoption index](#) adds a telling detail: fewer than 25% of Indian enterprises report budget concerns when starting or scaling AI projects, and fewer than 20% cite legacy-system or cultural-resistance issues as a barrier — suggesting comparatively better alignment between IT and business functions on these decisions.

This doesn't mean Indian enterprises are immune to the org-chart gap described above — talent readiness and governance maturity are real constraints everywhere, India included.

But it does mean the "AI is tearing companies apart" narrative, as currently reported, is substantially a story about how Western enterprises are managing this transition, not a universal law of AI adoption.

What this actually means for the decision in front of you

None of the data above suggests AI itself is the problem. It suggests something more specific and more useful: organizations that treat AI adoption as a tooling decision — buy the platform, provision the licenses, announce the rollout — are running directly into a governance and workforce-design gap that was already there, waiting to be exposed by the first technology disruptive enough to find it.

The organizations Deloitte identifies as actually redesigning roles, not just deploying tools, are a minority — but they're not experiencing the same "tearing apart" dynamic, because they've closed the gap between capability and structure before the capability arrived. That's not a technology project. It's an organizational design decision, made deliberately, before the disruption forces it to be made under pressure instead.

The uncomfortable version of this thesis: if AI is currently causing power struggles, stress, and sabotage inside your organization, the most useful diagnostic question isn't "is our AI strategy wrong?" It's closer to: what was already fragile in how decisions, incentives, and authority worked here — and did AI simply arrive first, before anything else was going to expose it?

The real leadership question

The real leadership question is: if AI is causing power struggles, stress and resistance inside your organization, what does that reveal about the way decisions, incentives and authority already worked?

AI may be accelerating the problem, but the underlying tensions often predate the technology. Where roles were already unclear, AI can make ownership harder to define. Where decision-making was concentrated in a few hands, automation can challenge established authority. Where incentives rewarded individual control rather than collaboration, AI can create new sources of friction.

That makes AI adoption a useful organizational diagnostic. The companies that handle the transition well will be the ones willing to examine how work is structured, who makes decisions, how performance is measured and where accountability sits — and redesign those elements as the technology changes the nature of the work.

The question, therefore, is not simply how quickly an organization can deploy AI. It is how deliberately it can redesign itself around what AI makes possible.

Sources

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