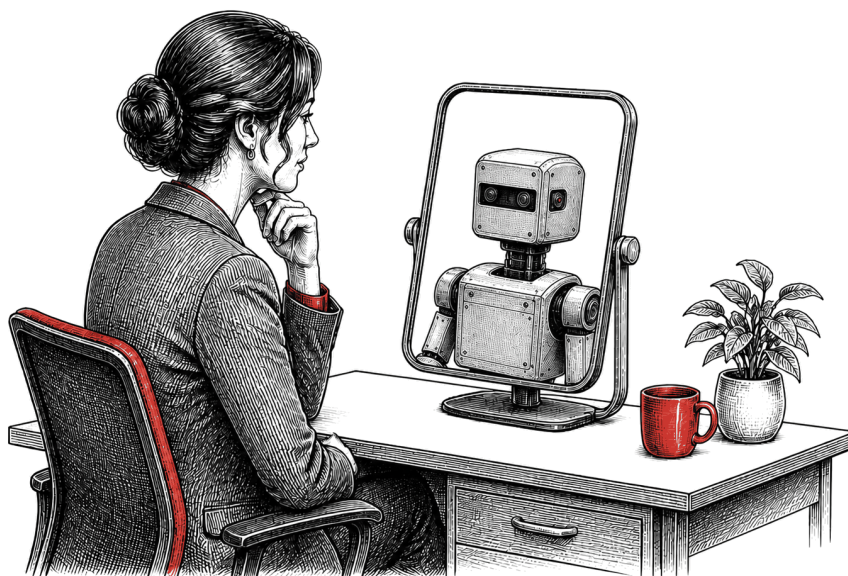


BEHAVIORAL INTELLIGENCE IN 2026

AI and People Leadership Report

How AI is redefining difficult workplace conversations:
Insights from 600 leaders on preparation, privacy,
and policy.



Two surveys of 208 executives and 399 people managers, fielded through the Centiment online research panel.

About this study

The Predictive Index surveyed 607 respondents through the Centiment online research panel between June 26 and July 2, 2026: 208 CEOs and business leaders and 399 people managers. Both groups answered ten questions about how managers prepare for difficult people conversations and where AI fits into that preparation, anchored in two moments: delivering difficult feedback and resolving conflict between two team members.

The two survey instruments were developed in parallel. Most questions posed to executives have a corresponding question for managers, allowing the report to examine the two cohorts side by side. Where the wording differs, those distinctions are noted.

This survey was designed and funded by The Predictive Index, which has studied workplace behavior since 1955 and holds a clear position: used well, AI can make difficult conversations easier. One question follows from that throughout the report: What must an AI tool know about a person before its advice is worth acting on? PI's interpretation appears in the commentary accompanying each finding and in the conclusion, clearly identified as such.

STUDY DESIGN

208 CEOs and business leaders

399 People managers

Key findings

- 1 Executives expect HR to equip managers, not join every conversation.**
 58% of executives say HR should develop guidance that prepares managers in advance. When managers were asked separately what would help them most, 11% of them chose time with HR.
- 2 Both cohorts want AI with context on the person.**
 78% of executives would trust AI coaching more if it incorporated validated behavioral insight about a specific employee. 76% of managers say coaching tailored to the individual would be more useful.
- 3 Managers struggle most with how to frame the message.**
 42% say their last conversation that fell short came down to knowing what to say but struggling with the delivery.
- 4 Executives report greater confidence than managers report preparedness.**
 74% of executives say their managers are very confident in difficult conversations. 57% of managers say they enter those conversations fully prepared.
- 5 Managers already use public AI, including with employee data.**
 Three in four have used public AI at least once to prepare for a people conversation. 43% have entered employee names, performance details, or personal information.
- 6 Formal policy trails actual use.**
 45% of executives report having a written policy on AI in people matters, while 68% express concern about employee information being entered into public tools.

FINDING
1

Executives expect HR to equip managers, not join every conversation

A majority of executives want HR to prepare managers to handle difficult conversations well on their own.

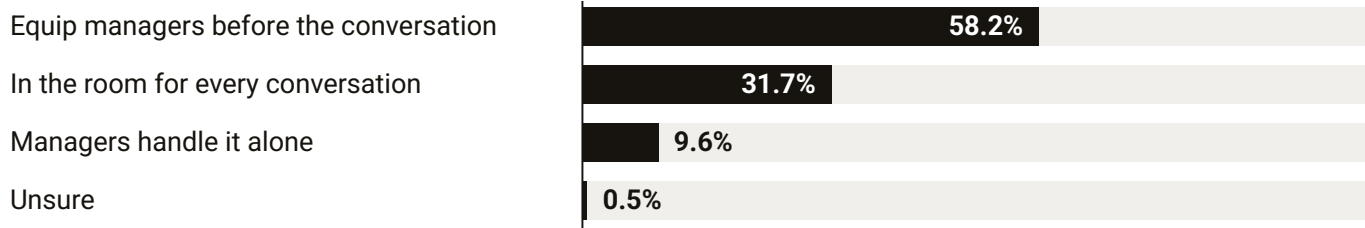
Asked what role HR should play, **58%** of executives choose developing guidance that equips managers before the conversation. **32%** want HR present every time, while **10%** say managers should handle these situations independently. Managers' responses show the practical limits of direct support.

FIGURE 1

Where executives want HR, and how often managers can reach it

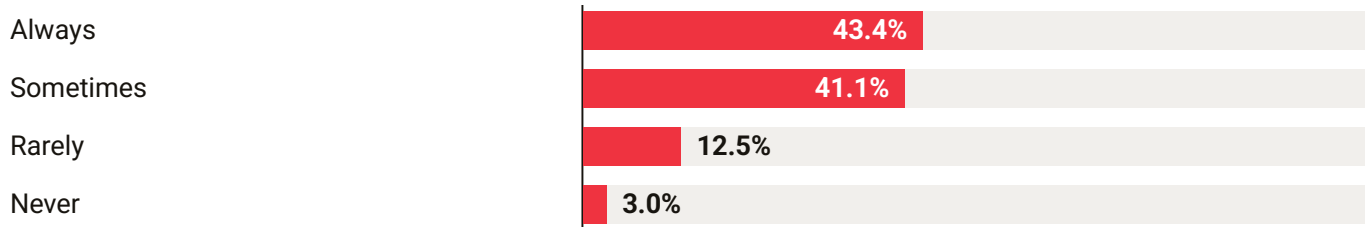
Executives: what role should HR play before these conversations?

n=208



Managers: how often is HR actually available to help you first?

n=399



Full wording and counts in Appendix A.



INTERPRETATION

The practical advantage of equipping managers is scale. Because HR cannot provide individual coaching before every conversation, its greatest leverage lies in giving managers guidance they can apply when the need arises.

FINDING
2

Both cohorts want AI with context on the person

Most respondents agree that generic AI advice usually misses the specific employee it's meant to help. But when forced to choose one resource, managers split almost evenly between a general framework (35%) and a person-specific guide (34%).

Among executives, **78%** would trust AI coaching more if it incorporated validated behavioral insight about the employee, and **92%** say feedback should account for how that person receives it. Managers express a similar preference, with **76%** saying AI coaching would be more useful if tailored to the individual's behavioral profile, and **85%** showing interest in a coaching guide designed on that basis.

FIGURE 2

What respondents expect from AI coaching

Executives

n=208

Would trust AI coaching more if it carried validated behavioral insight about the employee

78%

Say feedback must fit how that specific employee receives it

92%

Managers

n=399

Say AI coaching would be more useful tailored to that person's behavioral profile

76%

Are interested in a coaching guide tailored to the specific person

85%

Full wording and counts in Appendix A.



INTERPRETATION

Respondents appear to value both a sound framework and relevant knowledge of the individual. Without that context, advice remains general by design. Any AI coaching tool, including PI's, should be evaluated against that standard.

FINDING
3

Managers struggle most with knowing how to frame the message

Managers were asked to recall their last difficult conversation that fell short and choose the primary reason from four options. Knowing what to say but not how to say it ranked first, chosen by 42%.

Every manager chose from the same four reasons, so the ranking shows which problem stood out most in memory, not how often conversations fail.

Leaders trust their managers, and that trust isn't misplaced. But trusting a manager and knowing they're set up for a specific hard conversation are two different things.

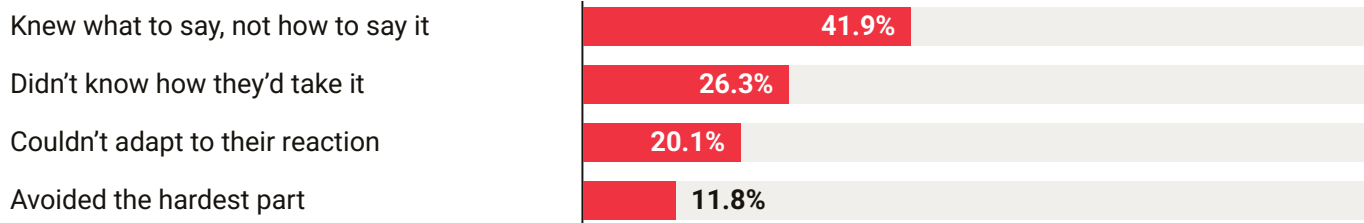
ANTHONY BELLUCCIA, I/O PSYCHOLOGIST, THE PREDICTIVE INDEX

FIGURE 3

Why the last difficult conversation fell short

Managers: the biggest reason the last tough conversation fell short

n=399



14%

of managers say remaining objective is their biggest challenge when preparing

7%

of executives say the same about their managers

Full wording and counts in Appendix A.



INTERPRETATION

Delivery is the central challenge. For the largest share of managers, the difficulty lies less in identifying the message than in expressing it effectively to a specific person. Preparation should address that moment directly.

FINDING
4

Executives report greater confidence than managers report preparedness

74% of executives say their managers are very confident handling difficult conversations on their own. 57% of managers say they enter such conversations fully prepared.

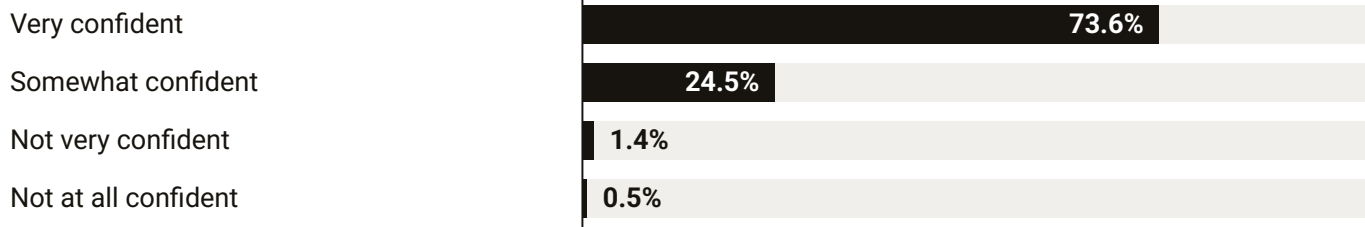
Executives rated managers' confidence, and managers rated their own preparedness, so the comparison is descriptive rather than a direct measure of a gap. Among managers, **36%** are mostly prepared, and **7%** decide their approach on the spot.

FIGURE 4

Executive confidence and manager preparedness

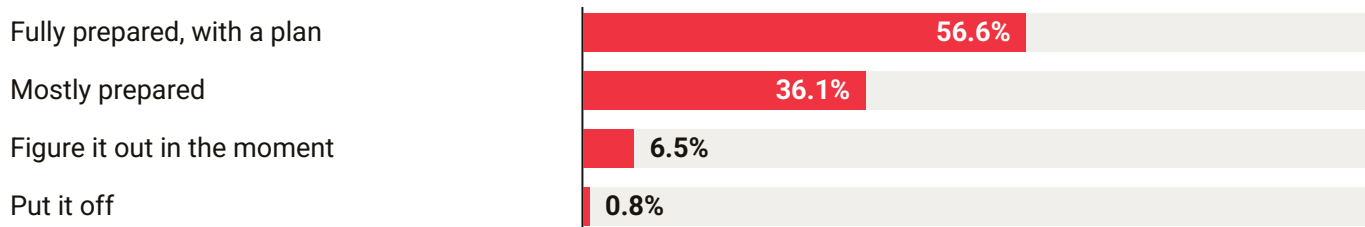
Executives: confidence that managers handle these conversations well on their own

n=208



Managers: how prepared they usually feel walking in

n=399



Full wording and counts in Appendix A.



INTERPRETATION

These findings can be true at once. Executives can see a manager's general confidence, but not how prepared that manager feels for a particular conversation. Managers who are mostly, rather than fully, prepared may have the clearest immediate need for support.

FINDING
5

Managers already use public AI, including with employee data

These responses describe reported behavior, not future interest. Managers were asked what they had entered into public AI tools while preparing for people-related conversations.

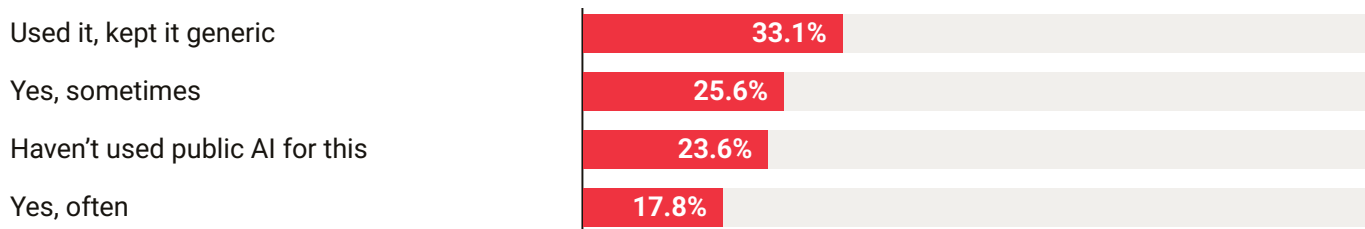
43% report entering employee names, performance details, or personal information. Another 33% have used public AI for this purpose but kept their inputs generic. In total, 76% have prepared with a public AI tool at least once, and 72% consider those tools useful for such preparation. Executives express still greater confidence: 91% agree that AI tools can give managers good advice about a specific employee.

FIGURE 5

What managers have entered into public AI tools

Managers: have you entered employee information into a public AI tool when preparing?

n=399



72%

of managers rate public AI tools very or somewhat useful for preparing for people-related conversations

91%

of executives agree that AI tools can give managers good advice about a specific employee

Full wording and counts in Appendix A.



INTERPRETATION

Public AI is already part of how many managers prepare, and some are including employee information in their prompts. Effective governance must begin with this existing behavior rather than assume that such use has yet to occur.

FINDING
6

Formal policy trails actual use

45% of executives report that their organization has a formal written policy covering managers' use of AI in people matters. Managers describe a less formal day-to-day environment: 43% say AI use is openly encouraged, and another 25% say it is allowed but not discussed.

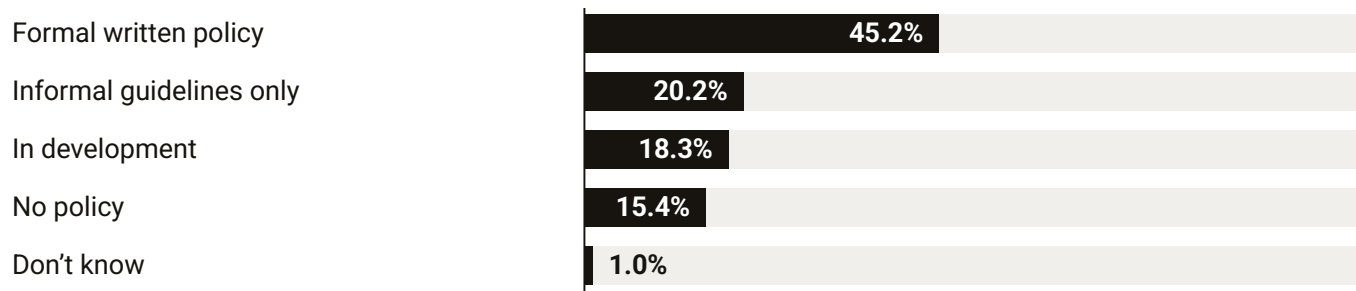
The remaining executives describe a patchwork: **20%** rely on informal guidelines, **18%** say a policy is in development, and **15%** report no policy at all. Concern is widespread: **68%** of executives are worried about employee information being entered into public AI tools.

FIGURE 6

Written policy and reported use

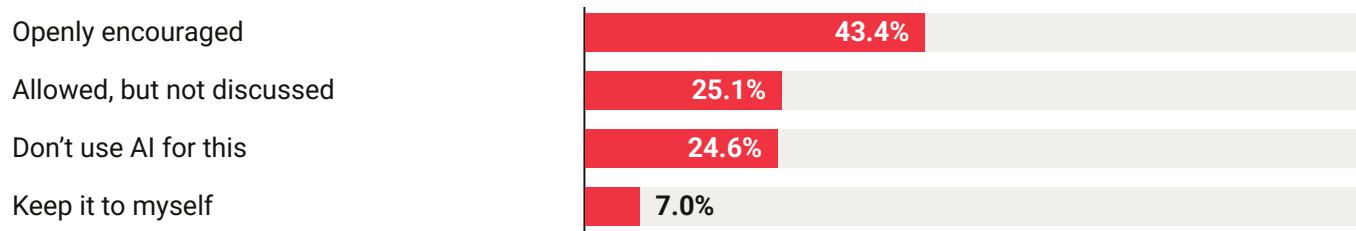
Executives: does your organization have a written policy on AI in people matters?

n=208



Managers: does your company know you use, or would use, AI to prepare?

n=399



Full wording and counts in Appendix A.



INTERPRETATION

The results suggest that AI use is developing faster than formal governance. Organizations that establish clear policies now can define acceptable practices while patterns of use are still taking shape.

CONCLUSION

What the data indicates

Among the managers surveyed, public AI has entered one of the most demanding parts of their work, sometimes with employee information included. Many organizations are still establishing the rules that govern this behavior. Across both cohorts, respondents favor advice that reflects the specific individual and is available before a difficult conversation begins.

Interest in such tools is high. **94%** of executives say they are likely to invest in personalized, science-backed coaching tools, and **85%** of managers express interest in a guide tailored to the specific individual. Both figures represent stated preferences, not observed purchasing or usage behavior. The more demanding standard suggested by these responses is that AI used to advise managers about people should account for the person involved. The Predictive Index builds toward that standard, and buyers should apply it to every tool they evaluate, including ours.

AI knows nothing about the person on the other side of the table. Same model, same generic answer for every manager who asks.

**JOEL PIPHER, VP OF AI TRANSFORMATION,
THE PREDICTIVE INDEX**

FIGURE 7

The study in five numbers

Managers

n=399

Have prepared for a people conversation with a public AI tool

76%

Have entered employee names, performance details, or personal information

43%

Say AI coaching would be more useful tailored to the person

76%

Executives

n=208

Report a formal written policy on AI in people matters

45%

Would trust AI coaching more with behavioral insight about the employee

78%

Full wording and counts in Appendix A.



About The Predictive Index

Since 1955, The Predictive Index (PI) has advanced the application of behavioral science in the workplace, translating what drives people at work into behavioral intelligence organizations can use. PI's platform applies behavioral and cognitive data to hiring, team design, management, and leadership development. The PI Behavioral Assessment and PI Cognitive Assessment are certified by the European Federation of Psychologists' Associations (EFPA), an independent body that evaluates assessments for scientific soundness, validity, reliability, and fairness.

Learn more at www.predictiveindex.com.

APPENDIX

A

Question wording and response distributions

Every distribution below is computed directly from the raw response files. Counts are shown alongside percentages so any figure in this report can be re-derived. Percentages are rounded half-up to one decimal and may not total 100.

Cohort A: Executives (CEOs and business leaders)

A1

Thinking about the toughest people moments your managers face, such as delivering hard feedback or resolving a conflict between two team members: how confident are you that your managers handle these conversations well on their own?

n=208. Every respondent answered.

RESPONSE	COUNT	PERCENT
Very confident	153	73.6%
Somewhat confident	51	24.5%
Not very confident	3	1.4%
Not at all confident	1	0.5%

A2

Based on your experience, what is the biggest challenge managers face when preparing for difficult employee conversations?

n=208. Every respondent answered.

RESPONSE	COUNT	PERCENT
Understanding how the employee is likely to respond	53	25.5%
Knowing what to say	53	25.5%
Delivering feedback in a constructive way	51	24.5%
Managing their own emotions	26	12.5%
Remaining objective	15	7.2%
Following company policies	8	3.8%
Finding time to prepare	2	1.0%

A3

How much do you agree: "AI tools can give managers good advice about a specific employee"?

n=208. Every respondent answered.

RESPONSE	COUNT	PERCENT
Strongly agree	113	54.3%
Somewhat agree	77	37.0%
Somewhat disagree	14	6.7%
Strongly disagree	4	1.9%

A4

Does your organization have a written policy covering how managers can use AI in people matters such as feedback, reviews, and conflict?

n=208. Every respondent answered.

RESPONSE	COUNT	PERCENT
Yes, a formal written policy	94	45.2%
Informal guidelines only	42	20.2%
In development	38	18.3%
No policy	32	15.4%
I don't know	2	1.0%

A5

When a manager is preparing for tough feedback or a conflict between two team members, how often does someone from HR coach them first?

n=208. Every respondent answered.

RESPONSE	COUNT	PERCENT
Often	76	36.5%
Always	63	30.3%
Sometimes	54	26.0%
Rarely or never	15	7.2%

A6

Compared to general-purpose AI tools, how much more would you trust AI coaching that incorporates validated behavioral insights about a specific employee?

n=208. Every respondent answered.

RESPONSE	COUNT	PERCENT
Significantly more	86	41.3%
Somewhat more	77	37.0%
No difference	35	16.8%
Less	10	4.8%

A7

When a manager delivers feedback, how important is it that the approach fits how that specific employee receives and processes feedback?

n=208. Every respondent answered.

RESPONSE	COUNT	PERCENT
Very important	97	46.6%
Essential	95	45.7%
Somewhat important	14	6.7%
Not important	2	1.0%

A8

How concerned are you about employee names, performance details, or personal information being entered into public AI tools?

n=208. Every respondent answered.

RESPONSE	COUNT	PERCENT
Very concerned	75	36.1%
Somewhat concerned	67	32.2%
Not very concerned	49	23.6%
Not at all concerned	17	8.2%

A9

What role should HR play before managers have tough feedback conversations or handle team conflicts?

n=208. Every respondent answered.

RESPONSE	COUNT	PERCENT
Build guidance that equips managers directly, before the conversation	121	58.2%
In the room for every conversation	66	31.7%
Managers should handle it on their own	20	9.6%
Unsure	1	0.5%

A10

How likely are you to invest in tools that put personalized, science-backed coaching in every manager's hands before feedback conversations and team conflicts?

n=208. Every respondent answered.

RESPONSE	COUNT	PERCENT
Very likely	118	56.7%
Somewhat likely	77	37.0%
Not very likely	9	4.3%
Not at all likely	4	1.9%

Cohort B: People managers

B1

When you walk into a tough feedback conversation or a conflict between people on your team, which best describes how prepared you usually feel?

n=399. Every respondent answered.

RESPONSE	COUNT	PERCENT
Fully prepared; I walk in with a plan	226	56.6%
Mostly prepared	144	36.1%
I figure it out in the moment	26	6.5%
I put it off because I don't know how it will land	3	0.8%

B2

Based on your experience, what is the biggest challenge you face when preparing for difficult employee conversations?

n=399. Every respondent answered.

RESPONSE	COUNT	PERCENT
Delivering feedback in a constructive way	91	22.8%
Understanding how the employee is likely to respond	78	19.5%
Remaining objective	57	14.3%
Managing my own emotions	55	13.8%
Knowing what to say	46	11.5%
Following company policies	45	11.3%
Finding time to prepare	27	6.8%

B3

How useful do you think public AI tools are for preparing for people-related conversations?

n=399. Every respondent answered.

RESPONSE	COUNT	PERCENT
Somewhat useful	158	39.6%
Very useful	129	32.3%
Not very useful	55	13.8%
I haven't used them for this	39	9.8%
Not at all useful	18	4.5%

B4

Does your company know you use, or would use, AI to prepare for people conversations?

n=399. Every respondent answered.

RESPONSE	COUNT	PERCENT
Yes, it's openly encouraged	173	43.4%
It's allowed but nobody talks about it	100	25.1%
I don't use AI for this	98	24.6%
I keep it to myself	28	7.0%

B5

When you're preparing for a tough feedback conversation or a conflict between team members, how often is HR actually available to help you first?

n=399. Every respondent answered.

RESPONSE	COUNT	PERCENT
Always	173	43.4%
Sometimes	164	41.1%
Rarely	50	12.5%
Never	12	3.0%

B6

Would AI coaching be more useful if it were tailored to the behavioral profile of the specific person you're about to talk to?

n=399. Every respondent answered.

RESPONSE	COUNT	PERCENT
Somewhat more useful	176	44.1%
Significantly more useful	126	31.6%
No difference	66	16.5%
Less useful	31	7.8%

B7

Think about the last tough feedback conversation or conflict that didn't go the way you wanted. What was the biggest reason?

n=399. Every respondent answered.

RESPONSE	COUNT	PERCENT
I knew what I needed to say but not how to say it	167	41.9%
I didn't know how they'd take it	105	26.3%
I couldn't adapt when they reacted unexpectedly	80	20.1%
I avoided saying the hardest part	47	11.8%

B8

Have you ever entered employee names, performance details, or personal information into a public AI tool when preparing for a people-related conversation?

n=399. Every respondent answered.

RESPONSE	COUNT	PERCENT
No, I kept it generic	132	33.1%
Yes, sometimes	102	25.6%
I haven't used public AI for this	94	23.6%
Yes, often	71	17.8%

B9

What would actually help you most before a tough feedback conversation or team conflict?

n=399. Every respondent answered.

RESPONSE	COUNT	PERCENT
A general framework or checklist	139	34.8%
A coaching guide tailored to how that specific person thinks, works, and receives feedback	136	34.1%
I'd rather prep on my own	80	20.1%
Time with HR	44	11.0%

B10

How interested would you be in a coaching guide tailored to the specific person, ready before tough feedback conversations and team conflicts?

n=399. Every respondent answered.

RESPONSE	COUNT	PERCENT
Somewhat interested	175	43.9%
Very interested	165	41.4%
Not very interested	37	9.3%
Not at all interested	22	5.5%

APPENDIX

B

Sample composition

Who answered. Two compositional facts matter when reading the cohorts side by side. The cohorts are not matched on company size: 63.5% of executives are at organizations of 50 to 249 employees, while most managers are at larger ones. And the manager cohort's seniority is self-described: 59.4% managers or directors, 7.8% executives, and 32.8% individual contributors or entry level; all reported experience leading people. Cross-cohort comparisons in the findings are descriptive and should be read with this composition in mind.

Cohort A: Executives (CEOs and business leaders)

Industry

What industry best describes your organization?

n=208

RESPONSE	COUNT	PERCENT
Other	37	17.8%
Construction	36	17.3%
Software / Technology	34	16.3%
Manufacturing	23	11.1%
Healthcare	20	9.6%
Hospitality	16	7.7%
Financial Services	16	7.7%
Education	11	5.3%
Real Estate	11	5.3%
Automotive	4	1.9%

Company size

How many employees work at your organization globally?

n=208

RESPONSE	COUNT	PERCENT
50 - 249 employees	132	63.5%
250 - 999 employees	64	30.8%
1,000+ employees	12	5.8%

Age group

What is your age group?

n=208

RESPONSE	COUNT	PERCENT
35 - 44	89	42.8%
Under 35	66	31.7%
45 - 54	35	16.8%
55 - 64	13	6.3%
65 or older	4	1.9%
Prefer not to say	1	0.5%

Cohort B: People managers

Company size

How many employees does your organization have globally?

n=399

RESPONSE	COUNT	PERCENT
100 - 499 employees	119	29.8%
500 - 999 employees	83	20.8%
5,000 or more employees	79	19.8%
1,000 - 4,999 employees	71	17.8%
50 - 99 employees	47	11.8%

Department

What department do you work in?

n=399

RESPONSE	COUNT	PERCENT
Operations / Administration	124	31.1%
HR / People Ops	83	20.8%
Other	58	14.5%
Customer Success / Support	40	10.0%
Sales	31	7.8%
Engineering / Product	29	7.3%
Finance / Legal	20	5.0%
Marketing	14	3.5%

Seniority

What is your seniority level?

n=399

RESPONSE	COUNT	PERCENT
Manager / Director	237	59.4%
Mid-level / Individual Contributor	74	18.5%
Senior-level Individual Contributor	54	13.5%
Executive (VP, C-level)	31	7.8%
Entry-level	3	0.8%

Industry

Which industry best describes your organization?

n=399

RESPONSE	COUNT	PERCENT
Other	87	21.8%
Software/technology	69	17.3%
Healthcare	51	12.8%
Manufacturing	50	12.5%
Hospitality	41	10.3%
Education	32	8.0%
Construction	27	6.8%
Financial Services	26	6.5%
Automotive	10	2.5%
Real Estate	6	1.5%

Years as a people leader

How many years of experience do you have as a people leader?

n=399

RESPONSE	COUNT	PERCENT
More than 10 years	174	43.6%
6 to 10 years	125	31.3%
2 to 5 years	88	22.1%
Less than 2 years	12	3.0%

HOW THIS WAS MEASURED

Methodology

- The survey was fielded in English from June 26 to July 2, 2026, through the Centiment online research panel. Panel tabulations were delivered July 7, 2026, and this report was prepared in August 2026.
- Cohort A consists of 208 CEOs and business leaders recruited through panel targeting. The survey instrument did not record respondents' job titles. Industry, company size, and age are reported in Appendix B.
- Cohort B consists of 399 people managers recruited through panel targeting. Every respondent reported experience as a people leader. By self-described seniority, **59%** are managers or directors, **8%** are executives, **32%** are individual contributors, and **1%** are entry-level employees (Appendix B). References to "managers" throughout the report should be understood in light of this composition.
- The cohorts are not matched by company size. **64%** of executives work at organizations with 50 to 249 employees, while **38%** of managers work at organizations with 1,000 or more employees. Cross-cohort comparisons are descriptive, and observed differences may reflect sample composition as well as role.
- Every respondent completed the survey and passed an attention check. The full sample for each cohort therefore serves as its analysis base.
- Both samples are nonprobability online panel samples. The results describe these respondents, are not weighted to a broader population, and carry no claimed margin of sampling error.
- The Predictive Index designed and funded the survey. PI's products include behaviorally informed coaching tools, and several questions refer to concepts represented in those products, including validated behavioral insight and personalized coaching. Responses to those questions reflect stated preferences for the concepts as described.
- Each cohort answered ten substantive questions, organized as related pairs, as well as demographic and attention-check items.
- Percentages in the body are rounded to whole numbers. Tables and figures use one decimal place, rounded half up. Figures that combine two response options are calculated as the sum of the two rounded components and may differ by 0.1 percentage point from figures recomputed directly from respondent counts.
- Full question wording, response distributions, and sample composition appear in the appendices.

Limitations

- All measures are self-reported. Social desirability may increase reported confidence and preparedness while reducing reports of potentially risky behavior.
- The two cohorts represent different organizations. Executive responses about policy and manager responses about behavior therefore describe different companies, and the report does not link them at the organizational level.
- Paired questions across the cohorts are related but not identical. Side-by-side results are descriptive and should not be interpreted as like-for-like measurements of a gap.
- The question underlying Finding 3 required every respondent to recall a conversation that fell short and did not provide an opt-out. It measures the relative prominence of the listed reasons in respondents' recollections, not the frequency with which conversations fail.
- Questions about preference and intent, including those concerning behaviorally tailored coaching, measure stated preferences. The survey did not test the quality, outcomes, privacy, or fairness of any AI tool, including PI's.
- Survey design by the study sponsor may influence results. PI determined the question order, wording, and response options, which were not independently reviewed.
- The findings do not support causal claims. All patterns reported here are descriptive.

About the survey

The Predictive Index AI and People Leadership Report is based on two surveys conducted from June 26 to July 2, 2026, through the Centiment online research panel. Respondents included 399 people managers and 208 CEOs and business leaders across a range of industries and company sizes. The report includes the full methodology, question wording, response distributions, and sample composition. Direct methodology questions to The Predictive Index at predictiveindex.com.

Citation. The Predictive Index AI and People Leadership Report, 2026. The Predictive Index, www.predictiveindex.com.

Percentages are rounded half-up to one decimal. Figures combining two response options are stated as the sum of the two rounded components and may differ by 0.1 from the same figure recomputed from raw counts. Response counts appear beside every percentage in Appendix A.

Built August 17, 2026 from the source response files. The Predictive Index, 2026.