
The State of Work Management 2026

The most important skill of the AI age will not be using AI. It will be managing work.

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or capacity to coordinate

In 2026, AI made individuals faster and left most organizations no better at turning that speed into results. The year's research points to one cause: the management of work was never built as a capability.

Executive summary

The defining fact of 2026 is a gap. Eight in ten workers say AI improved their own productivity, yet the share of organizations reporting any earnings impact from AI did not move.

Five independent research programs published this year describe that gap in different vocabularies. McKinsey calls it the road to ROI. Atlassian calls it a fragmentation tax. Microsoft calls it a transformation paradox. PMI calls it complexity. Gallup records its human cost in manager engagement.

They are describing one condition. Work is being executed faster than it is being clarified, coordinated, and completed as a system. That system is the subject of Work Management, and in 2026 its absence became measurable.

This report reads the year's evidence against the [Work Management Thesis](#): the most important skill of the AI age will not be using AI. It will be managing work. Six findings follow.

1. **Individuals got faster. Organizations did not.** Individual gains are near universal. Enterprise gains are flat.
2. **The first job is being absorbed, more slowly than forecast.** Agents multiplied, and the work that remains for people is direction and judgment.
3. **Coordination is now the binding constraint.** Most knowledge workers say they lack the time or capacity to coordinate.
4. **Agent adoption has outrun accountability.** Few organizations review the agents their people build or measure agent errors.
5. **Organizations measured the wrong thing.** Token consumption rose and fell as a productivity metric inside a single year.
6. **The people carrying the second job are disengaging.** Manager engagement fell five points in one year.

The evidence supports the thesis on where value now sits. It does not yet support the strongest version of its timing, and this report says where.

2026 in numbers

Each pair below sets an individual or activity measure against the organizational result it was expected to produce.

What rose	What did not follow	Source
80% of respondents say AI improved their own productivity	37% report any EBIT impact from AI, unchanged from 2025	McKinsey, State of AI 2026
89% of executives say AI increases speed	6% are sure they have clear examples of organization-wide AI ROI	Atlassian, State of Teams 2026
85% of knowledge workers use AI at work	29% have embedded it in their flows of work	Atlassian, State of Teams 2026
Active agents in Microsoft 365 grew 15x year over year	26% of AI users say leadership is clearly and consistently aligned on AI	Microsoft, 2026 Work Trend Index
97% of project professionals managed at least one complex project	About one-third of complex projects fail, against 13% of projects overall	PMI, Pulse of the Profession 2026
AI investment: 60% of organizations expect to increase it next year	Global employee engagement fell to 20%, its lowest level since 2020	McKinsey; Gallup, State of the Global Workplace 2026

FINDING 1

Individuals got faster. Organizations did not.

AI adoption deepened in 2026 without a matching change in enterprise results. McKinsey found 44% of organizations scaling AI across the enterprise, up from 38%. The share reporting EBIT impact stayed at 37%, and the share of AI high performers stayed at about 6%.

The gap is not a skills gap. Microsoft tested 29 factors against reported AI impact across 20,000 AI users. Organizational factors such as culture, manager support, and talent practices carried 67% of the explanatory weight. Individual mindset and behavior carried 32%. Microsoft notes this is an association, not proof of cause.

Microsoft places only 19% of AI users in the zone where individual capability and organizational readiness reinforce each other. Another 10% are skilled people inside organizations that have not caught up.

What separates the few organizations that do capture value is how they treat the work itself. Nearly three-quarters of McKinsey's high performers fundamentally redesigned workflows because of AI. One-quarter of everyone else did.

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Speed added to an unmanaged workflow produces more activity, not more outcomes. The Work Value Pyramid separates Activities, Progress, and Outcomes for this reason. In 2026 most organizations bought Activities and expected Outcomes.

FINDING 2

The first job is being absorbed, more slowly than forecast

Execution is moving to machines. Active agents in the Microsoft 365 ecosystem grew 15x in a year, and 18x in large enterprises. Among organizations with more than \$1 billion in revenue, 40% now report scaling AI agents, up from 27%.

The work left for people looks like the second job of knowledge work. Asked which human skills matter more as AI takes on work, Microsoft's respondents put quality control of AI output first (50%) and critical thinking second (46%). The most advanced users are more likely to pause before starting and decide what AI should do and what a person should do (53% against 33%).

Microsoft's own conclusion is that the effective worker will be the one who sets intent and designs how work gets done across humans and AI. That is a description of managing work, written by a vendor that does not use the term.

The pace needs an honest note. In 2025, 32% of McKinsey's respondents expected AI to shrink their workforce within a year. In 2026, 14% reported that it had. Two-thirds reported little or no AI-related change in headcount.

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The thesis distinguishes a mechanical layer of work management, which should be automated, from a judgment layer, which cannot be. The 2026 data shows the judgment layer rising in value before the first job has disappeared. The inversion is underway. It is not complete.

FINDING 3

Coordination is now the binding constraint

Faster individuals have made coordination harder, not easier. In Atlassian's survey of 12,035 knowledge workers, 87% said that with everyone in execution mode they lack the time or capacity to coordinate. Reviews, sign-offs, and alignment decisions cannot keep up with the volume of new work.

Atlassian priced the result. Teams with a high fragmentation tax spend about 6.4 more hours per person per week on coordination overhead than teams with a low one. Extrapolated across the Fortune 500, Atlassian estimates \$161 billion a year.

Leadership attention sits elsewhere. Only 24% of leaders focus on using AI to improve teamwork. Teams that practice all three of Atlassian's coordination pillars cut their fragmentation tax by nearly half. Atlassian places 14% of teams in its top group, which is up to 5.6 times more likely to say AI helps them plan and prioritize work.

PMI reached the same place from the project side. Its 2026 report is subtitled "From Navigating Tasks to Navigating Systems." Professionals who manage complexity effectively raise the likelihood of project success fivefold.

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Coordination is one of the Five Core Components of Work Management, and the C4 Flywheel treats it as the stage between Clarity and Completion. AI accelerated Completion of individual tasks while leaving Clarity and Coordination where they were. A flywheel driven at one point does not turn faster. It strains.

FINDING 4

Agent adoption has outrun accountability

Agents entered workflows faster than anyone was assigned to answer for them. Asana's Work Innovation Lab surveyed 2,025 knowledge workers in the US and UK for a report published in September 2025. It found 77% already using AI agents, while 12% of organizations review employee-created agents and 19% measure agent errors. A third of workers did not know who is accountable when an agent gets something wrong.

Documentation is thin even at the frontier. Among Microsoft's most advanced AI users, 25% to 29% say agent workflows, human handoffs, and quality standards are documented and repeatable. Among everyone else the range is 14% to 19%.

Microsoft frames the gap as three questions every firm must answer. They cover who reviews what agents do, who may change the workflows agents run, and how one team's success reaches the rest of the organization.

The cost of leaving them unanswered is already forecast. Gartner predicts more than 40% of agentic AI projects will be canceled by the end of 2027, citing escalating costs, unclear business value, and inadequate risk controls.

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These are workflow governance questions, and they have workflow answers. AI Workflow Governance™ names three components: Explicit Delegation, Reference Alignment, and Drift Detection. Under the IDEAS Model, every WPI™ has a named Signal Owner. An agent without a Signal Owner is unowned work running at machine speed.

FINDING 5

The year organizations measured the wrong thing

In spring 2026, token consumption became a productivity metric, and by autumn it was in retreat. IBM defines tokenmaxxing as incentivizing employees to maximize AI token usage, enforced through leaderboards and usage tracking. It dates the peak to spring 2026.

The correction was fast. Uber said publicly in May that it had spent its full 2026 AI budget by the end of April. Its COO said he could not show a link between token consumption and productivity. McKinsey found AI operating costs, including tokens, constraining AI use at one in five organizations.

The episode matters less for its cost than for what it revealed. Organizations reached for the only number in the billing console because they had no measure of whether work was producing value. McKinsey's high performers are twice as likely as others to have defined processes for measuring the impact of AI initiatives.

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Tokens measure Activities, the base of the Work Value Pyramid. Flow, Quality, and Stability indicators measure how work moves. Outcomes measure whether it mattered. WMI's analysis in [Tokenmaxxing vs. Valuemaxxing](#) treats the trend as a failure of measurement infrastructure, and the year's data agrees.

FINDING 6

The people carrying the second job are disengaging

Managers carry a large share of the coordination load, and their engagement is falling fastest. Gallup's 2026 report puts global employee engagement at 20% for 2025, the lowest since 2020 and the first two-year decline it has recorded. It estimates the cost at \$10 trillion in lost productivity.

Managers account for much of the fall. Manager engagement dropped from 27% to 22% between 2024 and 2025, and nine points since 2022.

The pressure is visible in the AI data too. McKinsey found 47% of mid-level managers and individual contributors reporting at least one AI-related strain, against 31% of executives. Microsoft found 65% of AI users afraid of falling behind, while 45% say it feels safer to focus on current goals than to redesign work. Only 13% say they are rewarded for reinventing work if results fall short.

Managers also decide whether AI pays off. In a separate Microsoft study of 1,800 workers, employees whose managers actively modeled AI use reported a 30-point lift in trust in agentic AI.

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Managers are being asked to redesign work, govern agents, and hold delivery steady, usually without training in any of the three. This is the second job at its most concentrated. The seventh principle of Work Management is Humanity Over Tools, and the engagement data is what its absence looks like.

The market: platforms reposition around human-agent work

Work management vendors spent 2026 redefining their category around agents. On May 28, Asana acquired the no-code agent builder StackAI for \$75 million, describing its goal as "[the operating system for human-agent teams](#)." The deal followed its AI Teammates launch and came with first-quarter revenue of \$205.1 million, up 9.5%.

The pressure behind the move is structural. McKinsey found 32% of organizations had decided against buying at least one software product or feature because they could build it in-house with agentic coding tools. A task tracker is worth less when agents do the tasks. A system that directs people and agents toward the same outcome is worth more.

Atlassian and Microsoft made the same turn in their research. Atlassian's 2026 report argues for shared context, redesigned workflows, and a culture of experimentation. Microsoft's argues that every leader's job is to rearchitect work.

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Three large vendors now say in public that the problem is how work is designed and coordinated, not which tool is used. Each describes it in product terms. None can supply a shared, vendor-neutral standard for it, because each sells one answer. That is the role of a discipline and of a standards body.

Scorecard: how the 2025 report's calls held up

Two of the [State of Work Management 2025](#) report's six calls held, two held in part, one cannot be verified, and one is still open.

2025 call	2026 evidence	Verdict
AI moves from tool to teammate	Active agents in Microsoft 365 grew 15x. Asana launched AI Teammates and bought StackAI.	Held
Prioritization becomes a survival skill	87% of knowledge workers lack the time or capacity to coordinate.	Held
Workflows become organizational products	Nearly three-quarters of AI high performers redesigned workflows. One-quarter of others did.	Held in part: confined to leaders
Work management metrics become board-level KPIs	Boards did adopt a new work metric. It was token consumption.	Held in part: wrong metric
Tool consolidation cuts redundant collaboration tools 30% to 40% by 2026	No public data found that confirms the figure. Build-over-buy decisions at 32% of organizations point to a different kind of consolidation.	Not verified
Work Management competencies become as essential as project management skills by 2027	Microsoft and PMI both describe the skill shift without naming the discipline.	Open until 2027

The lesson for this year's outlook is to make calls that a named source can confirm or refute.

What the evidence does not show

The 2026 research supports the direction of the Work Management Thesis and leaves three parts of it unproven.

- **The first job is not gone.** Reported AI-related workforce declines ran at less than half the rate expected a year earlier. The inversion is a trend, not a completed event.
- **Correlation is not cause.** Microsoft states that its organizational-factor finding is a statistical association from self-reported data. McKinsey's high performers may redesign workflows because they are well run, not the reverse.

- **No one has measured Work Management capability directly.** Every figure in this report measures a symptom or a neighboring practice. No public study yet tests whether organizations with mature work management capture more value from AI.

The sources also have interests. Atlassian, Asana, and Microsoft sell products that address the problems their research describes. Their data is large and their methods are published, and their framing should be read with that in mind.

The third gap is the one WMI is best placed to close. A direct measure of work management maturity, set against AI outcomes, is the study this field does not have.

Recommendations

The organizations pulling ahead in 2026 changed how work is designed before they scaled the tools. Each recommendation below follows from a finding above.

For organizations

1. **Give the management of work an owner.** Someone should be accountable for how work is clarified, coordinated, and completed across teams, separate from who owns the tools.
2. **Diagnose before you delegate.** Before a unit of work goes to an agent, answer the five Coordination Stack questions: Why, What, Who, When, and How. For whole workflows, apply the [CLEAR™ Workflow Method](#).
3. **Govern agents as workflow participants.** For every agent, record what was delegated, what reference it works from, and who watches for drift.
4. **Replace usage metrics with work metrics.** Track Flow, Quality, and Stability indicators and tie them to outcomes. Retire token and seat counts as performance measures.
5. **Train managers first.** Manager support is among the strongest correlates of AI impact in the 2026 data, and manager engagement is falling.
6. **Know your maturity level.** Human-AI Workflow Collaboration Maturity™ runs from Isolated AI Assistance to Adaptive Multi-Agent. With 29% of workers reporting AI embedded in their flows of work, most organizations are likely at the first two levels.

For professionals

1. **Treat the second job as a skill.** Prioritizing, coordinating, and judging output are now the work, and they improve with deliberate practice.
2. **Decide who does what before you start.** The most advanced AI users pause to assign work between people and AI. Most others do not.

- 3. **Learn to design workflows, not only run them.** Workflow Architecture is the practice behind every finding in this report.
- 4. **Build evidence of the skill.** WMI's [certification pathway](#) begins with CAWM™.

Outlook for 2027

WMI expects the gap between individual and organizational results to persist through 2027, because its cause is structural. Each call below names the source that will confirm or refute it.

Call for 2027	How it will be checked
The share of organizations reporting EBIT impact from AI stays below 45%	McKinsey, State of AI 2027 (37% in 2025 and 2026)
AI operating costs constrain use at more than 20% of organizations	McKinsey, State of AI 2027 (20% in 2026)
At least two major research programs lead with coordination or workflow design, not adoption	2027 editions from Microsoft, Atlassian, McKinsey, PMI, and Gallup
Global manager engagement does not return to its 2024 level of 27%	Gallup, State of the Global Workplace 2027
At least one more work management vendor acquires an agent-building company	Public deal announcements

The 2025 call stands as written. By 2027, Work Management competencies will be as essential as project management skills became in the early 2000s. The 2026 evidence shows the need arriving ahead of the name.

About this report

This report is a synthesis of published 2026 research, read through the frameworks of the Work Management Institute. It contains no original survey data. Figures are reported as their sources state them, and all are self-reported survey results unless noted.

Work Management is the discipline of clarifying, coordinating, and completing all organizational work in a predictable, effective, and sustainable way. The frameworks cited here were developed by Brandon Hatton and are formalized and stewarded by the Work Management Institute.

Sources

Source	Published	Basis
McKinsey, The state of AI in 2026: On the road to ROI	August 2026	1,719 respondents in 97 nations, surveyed May to June 2026
Microsoft, 2026 Work Trend Index Annual Report	May 2026	20,000 AI-using knowledge workers in 10 countries, plus Microsoft 365 telemetry
Atlassian, The State of Teams 2026 and fragmentation tax method	April 2026	12,035 knowledge workers and 173 Fortune 1000 executives, surveyed January to February 2026
PMI, Pulse of the Profession 2026	May 2026	PMI's annual global survey of project professionals
Gallup, State of the Global Workplace 2026	April 2026	Gallup World Poll data collected January to December 2025
Asana Work Innovation Lab, 2025 Global State of AI at Work, as reported by Techstrong and Small Business Trends	September 2025	2,025 knowledge workers in the US and UK
Gartner, agentic AI project forecast	June 2025	Analyst prediction
IBM, What is tokenmaxxing?	September 2026	Explainer, including Uber's public statements
TechCrunch, Asana acquires no-code agent-builder StackAI and Asana Q3 FY26 results	May 2026; December 2025	News report and company release
WMI, The Work Management Thesis	July 2026	Canonical page

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