THE ATLANTIC CANADA AI GAP

Will Your Business Lead or Fall Behind?

Work Insights

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Why is it so difficult to make the decision to adopt artificial intelligence (AI) into the workplace?

There are two questions on a recent research study of Atlantic Canadian employee perspectives on AI that highlights the challenge we face: when asked if they were comfortable learning new technologies, only 34% of people were opposed ... yet, when asked if they were comfortable learning AI technologies, 86% of employees were opposed. What creates this aversion to AI?

And business owners can invest $60,000 in a new piece of machinery based on a cost-benefit analysis without much resistance. Maybe it is that machinery is tangible. But at the same time, leaders will invest $60,000 in a marketing program, even without clarity on the cost and benefit. And marketing is not that tangible.

What creates this divide for AI?

AI provides the opportunity of our generation to innovate and improve how businesses – and people – work. Applied thoughtfully, AI can generate returns far beyond any piece of machinery, and provide business owners with more money, more time, and less stress. And higher quality of work for employees. And AI provides pathways for reducing the inequality of opportunities for those from underrepresented backgrounds.

And still we hesitate.

This caution led to our study of Atlantic Canadian employees and business owners to AI, to uncover the sources of resistance and focus on the bright spots of where people can feel comfortable committing to AI.

It is not a question of if AI will impact your business or job, but how it will. So, the story needs to be clarified to ensure AI is a positive force in our work.

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What if the hesitation to adopt AI isn't about the technology at all—but about something deeper?

What is it about AI that creates fear, skepticism, or avoidance? And more importantly— how can we change the narrative, so AI becomes an opportunity, not a threat?

This white paper uncovers the real reasons behind AI resistance and, more importantly, the strategies to move beyond it. **Because AI will impact your business**—the only question is how.

Will you shape that future, or will it be shaped for you?

EXECUTIVE SUMMARY

First, let's answer the question.

Hesitation to adopt AI isn't about the technology—it's about *uncertainty*, *fear*, and a *lack of clear leadership*. Employees are willing to learn, but they don't feel supported. Leaders see AI's potential, but they lack a roadmap. Without a vision, communication, and a culture that fosters innovation, resistance takes hold. The solution? Equip people with the skills, confidence, and engagement they need—because AI adoption isn't just about technology, it's about trust.

Atlantic Canada's workforce is at a crossroads with artificial intelligence (AI). Employees are curious and already experimenting with AI in their personal lives, yet many feel unprepared and anxious about its impact at work. Meanwhile, AI adoption by businesses in the region significantly lags national and global trends, posing a competitiveness risk.

This report examines the state of AI adoption in Atlantic Canada's workplaces, the challenges holding organizations back, and how business owners, executives, and HR leaders can respond. Key findings and recommendations include:

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- **AI Readiness Gap:** AI adoption is critical for future success, but most Atlantic Canadian organizations are not AI-ready. A large majority of employees feel under-trained for AI's impact and fear they lack the skills to adapt. Yet, only about 20% of businesses have implemented formal AI training or readiness programs. Recommendation: Begin investing now in AI education and skill development to close this gap.

- **Employee Fear and Skepticism:** Over 60% of Atlantic Canadian employees worry that AI could replace parts of their job, and confidence in adapting is very low (only ~10% feel confident they can adapt to AI-driven changes). This fear of job displacement, along with ethical concerns (data privacy, fairness), fuels resistance. Recommendation: Proactively address these fears through transparent communication, reskilling programs, and clear examples of AI as a tool to augment rather than replace human work.

- **Leadership and Communication Gaps:** Many organizations suffer from a lack of clear vision and communication about AI. Fewer than half of Atlantic employees say their leadership has articulated a clear AI strategy or communicates effectively about AI's role. Employees also feel left out of the AI conversation (participation in AI discussions is 18% lower in Atlantic Canada than elsewhere). Recommendation: Business leaders must define a compelling AI vision and engage employees in dialogue and planning. Leadership should champion AI openly, set a positive tone, and involve staff to build trust and alignment.

- **Cultural Barriers to Innovation:** A risk-averse workplace culture is impeding innovation. When employees feel it is not safe to take risks or experiment, openness to AI plummets. Unfortunately, many Atlantic workplaces have low psychological safety and high change-aversion, which undermines AI initiatives. Recommendation: Foster a culture of innovation and continuous learning. Encourage experimentation, reward initiative, and create an environment where employees can explore new tools (like AI) without fear of failure or reprimand.

- **Opportunities of Embracing AI:** If harnessed, AI can drive significant business growth, efficiency gains, and innovation. Companies that adopt AI are seeing productivity improvements and competitive advantages – for instance, businesses using AI have been found to be five times more profitable on average than those that don't. Atlantic Canada's own early adopters report positive outcomes: 84% of firms in the region that implemented AI saw no net job losses (many saw job growth) alongside efficiency improvements.

Recommendation: Atlantic firms should seize AI as an opportunity to streamline operations, enhance decision-making with data insights, and free employees from mundane tasks to focus on higher-value work. Start with small pilot projects to build quick wins and internal expertise.

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Call to Action: Atlantic Canadian business leaders and HR professionals should act now to prepare their organizations for AI. This means putting people first – equipping your workforce with training and tools, addressing their concerns, and cultivating an agile, innovative workplace culture. AI adoption is not just about technology; it's about empowering your people to leverage that technology. The following report provides a detailed analysis of the current state of AI in Atlantic Canada's workforce, the key challenges to overcome, and practical strategies to successfully integrate AI for sustainable growth.

The real message of the study: AI isn't the future—it's the present. And waiting to act is the biggest risk of all.

In the following sections, we lay out for business owners and leaders what's holding businesses back, where the real opportunities lie, and how Atlantic Canada's leaders can move from hesitation to action. Because AI will shape the way we work—there in no question, but with understanding and data, we can ensure we are thoughtfully doing the shaping of the story.

INTRODUCTION

GLOBAL AI TRENDS
IN THE WORKPLACE

Around the world, AI is rapidly reshaping the workplace. What was once cutting-edge is becoming commonplace: recent analyses estimate that over three-quarters of companies globally are either using or exploring AI in their business, and 83% consider AI a top strategic priority. From intelligent chatbots handling customer service to machine learning algorithms optimizing supply chains, AI technologies are being adopted across industries to automate tasks, augment human decision-making, and unlock new insights. This wave of AI adoption is driven by tangible benefits – efficiency gains, cost savings, and innovative capabilities – that can translate into competitive advantage. A 2022 global study by McKinsey, for example, found that 63% of businesses saw at least a 5% increase in annual revenue because of AI adoption. AI is no longer a niche experiment; it is becoming a cornerstone of business innovation and productivity worldwide.

However, adoption is uneven, and Canada has lagged some peers in embracing AI. Statistics Canada released in late November 2024 the startling number that only 6.3% of Canadian businesses had integrated AI into their operational workflow (meaning, beyond testing ChatGPT or other applications and, instead, using AI to change how their businesses work), as compared to 12.7% of SME companies in the United States, and even higher percentages in other regions around the world.

One report noted that Canada ranks 20th among OECD countries in AI adoption. Until recently, only a small fraction of Canadian firms had deployed AI in any capacity – as of 2021, just 3.7% of firms with 5+ employees had done so. Even accounting for the recent surge of interest in generative AI, roughly three in four Canadian businesses have still not tried tools like ChatGPT. This cautious pace presents a risk: globally, competitors are forging ahead, and those who fail to modernize with AI may find themselves at a disadvantage in productivity and innovation.

The Atlantic Canadian Context and Importance of AI Adoption

For Atlantic Canadian businesses, the need to adopt AI is especially important. Atlantic Canada (encompassing Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland & Labrador) has a unique economic landscape of many small-to-medium enterprises and traditional industries alongside emerging tech hubs. The region already faces competitiveness challenges such as lower productivity growth and a rural-urban digital divide. AI offers a chance to "boost productivity at a time when performance is headed in the wrong direction," as one Canadian Chamber of Commerce report put it. Embracing AI could help Atlantic businesses leapfrog some constraints of size and geography by improving efficiency and opening new markets via digital innovation.

Yet, Atlantic Canada currently lags the national pace of AI adoption, posing a threat to its future competitiveness. Studies indicate that the proportion of firms implementing AI in Atlantic Canada is among the lowest in the country – by one estimate only ~2% of firms in the region had adopted AI as of 2021. Even as newer data show pockets of progress (e.g. Nova Scotia now having ~13% early adopters in 2023), the Atlantic region overall remains behind provinces like Ontario or BC. If this gap persists, Atlantic businesses risk missing out on the efficiencies and innovations that AI is bringing elsewhere. In an economy where "Canadian businesses must innovate or die", the stakes are high for Atlantic Canada to catch up.

On the upside, Atlantic Canada has strengths it can leverage. The region has a growing tech talent pool (thanks to its universities and startups) and success stories that showcase AI's potential locally. For example, Atlantic Canadian firms have begun using AI to drive improvements – from maritime logistics companies using AI for safer, more efficient operations, to healthcare startups using AI to improve medical outcomes.

These examples prove that AI can work in Atlantic Canada, and they provide inspiration and lessons for others to follow.

Purpose and Structure of This Report

The purpose of this report is to inform Atlantic Canadian business owners, executives, and HR professionals about the current state of AI adoption in the region's workforce and to provide practical guidance on how to move forward. We start by examining employee perspectives – their sentiments, knowledge levels, and readiness for AI – as well as how Atlantic Canada compares to broader trends. We then discuss the key challenges and barriers hindering AI adoption in workplaces, from fears of job loss to cultural resistance. Next, we explore the opportunities and potential benefits of AI for businesses and employees, including real examples of successful AI integration in Atlantic Canada. Finally, we outline strategies for successful AI adoption, highlighting best practices for leaders to prepare their people and organizations, and conclude with a call to action for Atlantic Canadian businesses to proactively embrace this wave of technological change.

Each section of the report is structured with clear headings and evidence-based insights, drawing on recent surveys, studies, and examples (with citations) to ground the analysis. Throughout, the focus is on actionable insights – what leaders can do to ensure their organization is AI-ready and their workforce is engaged in the process. By the end of this report, readers should have a clear understanding of where Atlantic Canada's workforce stands on AI, what obstacles must be addressed, and how they can begin to turn AI from an abstract threat into a practical tool and competitive advantage for their business.

CURRENT STATE OF AI IN THE ATLANTIC CANADIAN WORKFORCE

EMPLOYEE SENTIMENT AND KNOWLEDGE GAPS

> "AI will reduce the workforce. To save costs, jobs will be replaced by AI. Humans will be jobless."
>
> -Survey Respondent

This stark statement encapsulates the fear and resistance many employees feel toward AI. It immediately sets the stage for a discussion on why AI adoption in Atlantic Canada lags, how misconceptions shape resistance, and what leaders must do to build trust and guide a successful transition.

And it is not true – AI enables employees to work on more meaningful activities, opening avenues for new work with other people (ironically), and provides better access to new skill development and greater value creation – people need to know this, or they play to the horror movie playing in social media and online posts.

Employees in Atlantic Canada are caught between two realities: AI is already embedded in their personal lives, yet at work, fear and uncertainty dominate. Some see AI as a tool for creativity and efficiency, while others see it as the beginning of job loss and dehumanization. But the critical causes of resistance to AI rests with lack of communication from leaders, leaving people to worry about the future, and low awareness of AI, being fearful without knowing why.

Atlantic Canadian employees exhibit a mix of curiosity and concern when it comes to AI. On one hand, workers are not oblivious to AI – in fact, a large portion of employees report having some knowledge of AI. Survey data shows that over two-thirds of employees say they have at least a "solid understanding" of what AI is. Many have been experimenting with AI tools on their own time. It's not uncommon for staff to try out tools like ChatGPT or AI image generators at home, discovering ways these tools could make tasks easier or spark creativity. This indicates an underlying openness and even enthusiasm among the workforce to learn about and utilize AI.

Despite this curiosity, there is a pronounced feeling of unpreparedness. When it comes to applying AI in their actual jobs, most employees feel they lack the training or guidance to do so. Nearly 75% of Atlantic Canadian employees feel unprepared or under-trained to integrate AI into their work. In other words, while employees might dabble with AI personally, they often don't know how to translate that into their workplace tasks safely and effectively. This gap between personal exploration and workplace implementation points to missing support structures in organizations (such as formal training, clear policies, or encouragement from leadership).

Another striking sentiment is anxiety about AI's impact. Employees are wary about what AI might mean for their roles. Surveys reveal that over 60% of employees in the region fear that AI could replace their jobs or take over significant portions of their duties. This apprehension coexists with optimism – many employees also acknowledge AI could make their work better or open new opportunities – but the fear factor is prominent. For instance, one analysis found only 10% of Atlantic workers are confident in their ability to adapt to AI-related changes. The prevailing mood is that employees are "craving direction and support" from their leaders to navigate AI. They don't want to be left behind, but right now they largely feel under-informed and uncertain, which breeds unease.

AI Adoption Rates in Atlantic Canada vs. National/Global Trends

Within workplaces, the adoption of AI tools and systems in Atlantic Canada remains low relative to the rest of Canada and the world. Many organizations are only in the very early stages of experimenting with AI, if at all. Employees' perceptions reinforce this: when asked if AI is being adopted throughout their company, Atlantic Canadian employees responded with ratings 35% lower on average than employees in other regions of Canada. This suggests that far fewer Atlantic companies have integrated AI into business processes compared to the Canadian average.

This lag is also evident when comparing Atlantic Canada to more tech-centric provinces. For example, Ontario and BC each had 15-18% of businesses identified as early AI adopters in a 2023 report, whereas Nova Scotia (the leader in Atlantic Canada) had about 13%, and the other Atlantic provinces were around 10-12%. While those newer figures show improvement, the Atlantic region still trails in widespread implementation of AI. Another dimension is the rural-urban divide within Atlantic Canada: rural firms have an AI adoption rate of just ~2%, compared to 7% for urban firms in the region.

This indicates that smaller and rural businesses, which are common in Atlantic Canada, face even greater hurdles in adopting AI (such as limited access to digital infrastructure or expertise). Overall, the current state is that AI usage in Atlantic Canadian workplaces is the exception rather than the norm, and the region is playing catch-up to national and global trends.

Leadership Perspectives and Communication Gaps

A critical factor in the current state of AI readiness is the role of leadership – and here, Atlantic Canada's employees perceive a significant leadership and communication gap. Simply put, many employees do not feel that their leaders have a plan for AI or are talking about it openly. Only about 42% of Atlantic Canadian employees agree that their leadership has a clear vision for AI in the company.

This is substantially lower than in other regions (leadership vision was rated 21.7% higher elsewhere in Canada). In practice, this means most workers in Atlantic Canada are not hearing a clear message from the top about how AI will be used or why it's important.

In addition, communication around AI is lacking. Less than half of employees feel that leaders communicate effectively about the role of AI in the organization. Many workers report they do not have access to the information they need regarding AI's use in their workplace (Atlantic employees rated this 41% on average, versus 54.5% in the rest of Canada). This poor communication leaves employees in the dark, fueling uncertainty and speculation. It also correlates with employees feeling excluded from AI discussions – only 46% of Atlantic employees say they have opportunities to voice opinions or input on where AI will be used, significantly lower than employees elsewhere. In short, there is a communication breakdown: employees aren't being informed or involved enough in their companies' AI journey.

Another telling statistic: Very few Atlantic companies have formal initiatives to prepare their workforce for AI. As noted earlier, just 1 in 5 businesses have instituted any AI training or readiness program for employees. Likewise, only ~30% of employers even plan to offer AI-related training in the next year, despite strong employee desire for it. This indicates a leadership blind spot or inertia – executives may recognize AI is important, but many have yet to take concrete action to ready their teams. The current state, then, is one where employees are eager for guidance, but leadership has so far not risen to the challenge in a majority of organizations. Bridging this gap in vision and communication will be vital moving forward, as we discuss later in the strategies section.

Key Challenges and Barriers to AI Adoption

> "AI isn't just changing how we work—it's changing whether we work at all."
>
> Survey Respondent

Implementing AI in the workplace is not just a technical endeavor; it involves overcoming human and organizational challenges. In Atlantic Canada, several key barriers are impeding AI adoption. These include employee fears and misconceptions, skills and training gaps, cultural resistance to change, and shortcomings in leadership. Below, we detail each of these challenges and why they matter.

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Fear of Job Displacement: The most pervasive challenge is the fear among employees that AI will take away their jobs or render their roles obsolete. This anxiety about job security is widespread – surveys show 60-65% of Atlantic Canadian employees are concerned that AI will replace part of their job duties. Such fear is even higher in Atlantic Canada than other regions (about 20% higher than the rest of Canada). Employees have heard media stories of automation and robots causing layoffs, and without a clear counter-narrative, many assume the worst. This mindset can lead to resistance or skepticism whenever AI initiatives are introduced.

Some workers may view AI tools as a threat, even sabotaging or avoiding them to protect their jobs. The fear isn't just about economics; it's also about loss of purpose – people worry that if a machine does the "heavy lifting," their work might become less meaningful. In focus groups, employees have described AI as potentially "dehumanizing" work or even akin to cheating. This emotional barrier is significant. If employees fear AI, they will not embrace it.

Overcoming this challenge requires leaders to reassure staff that AI is meant to assist them, not replace them – a point we'll return to in the strategies (e.g. through upskilling and clear communication about role changes). But as it stands, fear of job displacement remains a top barrier that must be acknowledged. As one key insight put it, "a significant majority of employees perceive AI as a threat… the fear of its impact is pervasive". Ignoring or downplaying these concerns would only deepen resistance.

Lack of AI Training and Preparedness: Another fundamental barrier is the skills and knowledge gap. While many employees have basic awareness of AI, they lack the training to effectively use AI tools in their jobs. Currently, very few employers provide formal AI education or training opportunities to their workforce. Only about 40% of Atlantic Canadian employees say they have access to AI-related training at work, a figure over 20% lower than employees in other regions. Moreover, fewer than one-third of Atlantic businesses have any plans to offer AI training in the near future. This lack of investment in people creates a preparedness problem: nearly 3 in 4 employees feel ill-prepared for AI's impact on their role. They don't know how to use emerging AI systems, nor how their job might evolve alongside AI.

Without guidance or skill development, employees understandably feel anxious and powerless, which ties back into fear. The skills gap is not just about technical know-how (like understanding data science); it includes digital literacy, critical thinking, and adaptability that employees will need to work effectively with AI. At present, this gap is a major barrier – even if a company acquires AI software, it may see poor uptake or benefits because employees aren't trained or confident in using it. The flip side is that this challenge is also an opportunity: employees want to learn (over 60% have expressed strong desire for AI training), so companies that proactively upskill their people can turn a potential weakness into a strength. For now, however, the lack of structured AI training and workforce preparedness is holding Atlantic organizations back from adoption.

Cultural Resistance and Workplace Innovation Barriers: Beyond fear and skills, there are often deeper cultural issues that hinder AI adoption. Atlantic Canada's workplace culture in many organizations is described as risk-averse – change is slow, and experimenting with new ideas or technologies is not always encouraged. This resistance to change can manifest in various ways. For example, some companies have outright policies banning the use of certain AI tools (like generative AI) due to security concerns, inadvertently sending a message that "AI is not welcome here" and stifling grassroots innovation. Even without explicit bans, employees might feel it's "not safe to take risks" or propose new tech solutions in a culture that has long tenures, traditional processes, or siloed decision-making. Research shows that when employees feel psychologically unsafe – fearing that mistakes will be punished, or that taking initiative is not valued – they are much less likely to be open to new technologies like AI.

In Atlantic Canada, one of the strongest negative influences on openness to AI was the belief that the workplace does not tolerate risk or failure. High stress environments add to this barrier; if workers are already stretched thin or anxious, introducing AI can be seen as an unwanted extra burden, not an exciting innovation. Another aspect of cultural resistance is distrust of technology – some employees have ethical or personal reservations about AI (seeing it as too "robotic" or doubting its decisions). For instance, a portion of employees view AI outputs with skepticism or feel using AI is akin to cutting corners. All these cultural factors – fear of change, lack of experimentation, and general skepticism – can combine to create an innovation inertia where AI projects stall or never get started.

Overcoming this requires cultural change management: building a more open, learning-oriented workplace where experimentation is supported. But currently, cultural resistance remains a notable barrier, especially in more traditional Atlantic industries and organizations that have not had to change rapidly in the past.

Leadership and Vision Gaps: Finally, shortcomings at the leadership level act as a barrier to AI adoption. Leaders in Atlantic Canada, in many cases, have not yet provided the necessary vision, strategy, or inspiration for AI. As noted in the Current State, most employees do not see a clear game plan from their executives regarding AI (with only ~4 in 10 reporting that leadership has articulated a vision). This lack of vision matters because without leadership driving an initiative, significant changes like AI adoption tend not to gain traction. If CEOs and managers are not actively prioritizing AI, it easily falls by the wayside amid day-to-day demands. In addition, leaders are often not effectively communicating or educating themselves, resulting in a top-down knowledge gap.

Many Atlantic Canadian business leaders may not fully understand AI capabilities or may underestimate its relevance to their industry, leading to hesitancy. This trickles down as a lack of direction for their teams. Another related gap is not involving employees in the process – decisions about new technologies might be kept to a small executive circle or IT department, leaving employees feeling alienated.

In Atlantic Canada, employees rated their leaders' inclusion of employee input in AI decisions much lower than elsewhere (only 46% feel included). Such exclusion not only breeds resentment, but it also means leaders miss out on front-line insights that could make AI implementations more successful. Additionally, many organizations lack a dedicated champion or cross-functional team for AI. Without ownership and advocacy at the leadership level, AI initiatives lack momentum. In sum, where there is no clear vision or strong leadership drive, AI adoption stalls. Employees might be curious and even skilled, but they need empowerment and resources from leadership to act on AI opportunities. This leadership gap – be it in vision, communication, or active support – is a significant barrier that Atlantic Canadian firms will need to address to move forward.

These challenges are substantial, but they are not insurmountable. In fact, recognizing these barriers is the first step to overcoming them. The next sections of this report will explore the flip side: the opportunities that AI offers (despite these challenges) and proven strategies to tackle each barrier. By addressing fears with empathy, closing skill gaps, adapting culture, and stepping up as leaders, Atlantic Canadian businesses can break through the inertia and successfully adopt AI.

Opportunities and Potential Benefits of AI

> "AI will take over the more mundane tasks, freeing up time for work that actually matters."
>
> Survey Respondent

Despite the challenges, the adoption of AI presents tremendous opportunities and benefits for businesses and their workforces. For Atlantic Canadian companies – many of which operate in competitive markets or face productivity constraints – AI can be a game-changer when used thoughtfully. This section highlights how AI can drive growth, efficiency, and innovation, how it can enhance employee engagement and skill development and provides examples of successful AI integration to illustrate these benefits in practice.

Driving Business Growth, Efficiency, and Innovation

The primary allure of AI for any business is the promise of doing things better, faster, and smarter. AI technologies excel at automating routine, repetitive tasks and analyzing large sets of data – two capabilities that directly translate into efficiency gains and cost savings.

By offloading mundane tasks to AI, companies can increase productivity and redirect human effort to more value-added activities. Atlantic Canadian employees themselves have observed this benefit: many report that AI tools significantly improve productivity by automating repetitive tasks and generating templates or first-drafts for larger projects. For example, AI might handle data entry, schedule optimization, or basic customer inquiries, thereby freeing employees to focus on complex problem-solving, strategy, or creative work. In one survey, 45% of Atlantic employees believed AI would help them focus on more strategic, meaningful aspects of their job (and 35% felt it could even improve their work-life balance by taking over grunt work). This demonstrates that workers see how efficiency gains from AI can be mutually beneficial – the company gets more output, and employees get more interesting work.

Beyond efficiency, AI can drive innovation and quality improvements. AI isn't just about doing the same work faster; it often enables doing things previously not possible. For instance, machine learning algorithms can detect patterns or insights in data that humans might overlook, leading to better decision-making and new solutions. AI can help businesses identify trends and optimize processes – such as predicting maintenance needs in manufacturing, analyzing customer behavior to tailor services, or optimizing logistics routes to save fuel. A concrete benefit is in quality control: AI systems can reduce errors by consistently applying rules or flagging anomalies. As one source noted, AI can scan vast volumes of data for patterns, helping businesses anticipate needs and fine-tune their operations. This means fewer mistakes and higher quality outputs, which is good for the bottom line and customer satisfaction.

Crucially, AI can spur business growth by unveiling new opportunities and enhancing competitiveness. Companies that effectively leverage AI often gain insights that lead to new product ideas or better customer experiences. They can innovate faster by prototyping with AI (for example, generating multiple design concepts using an AI tool) or by offering AI-driven features that differentiate them in the market. Moreover, adopting AI early can be a competitive advantage: it allows businesses to be more agile and responsive to market changes. In Atlantic Canada, where many firms are SMEs, a smart AI implementation can help a smaller player punch above its weight, reaching customers globally through digital means or optimizing operations to compete on cost. There is evidence that AI-adopting companies financially outperform others. Research by the Business Development Bank of Canada found companies using AI are five times more profitable on average than those not using AI. While correlation is not causation, it underscores that AI-ready businesses tend to have better data-driven decision processes and efficiency that drive profits. Globally, we see similar trends: in addition to the McKinsey stat (majority seeing revenue gains), AI is projected to contribute trillions to the economy over the next decade. For Atlantic businesses, this means there is real dollars on the table – AI could help increase sales (through better targeting or new services) and reduce costs (through automation and smarter resource use). In sum, AI can catalyze growth, streamline efficiency, and ignite innovation, making companies more competitive and resilient.

ENHANCING EMPLOYEE ENGAGEMENT AND SKILL DEVELOPMENT

One might assume AI only benefits the company, not the employee, but if implemented well, employees stand to gain significantly from AI adoption. Far from rendering human workers obsolete, AI can augment their capabilities and even improve job satisfaction. A key opportunity lies in using AI to enrich jobs rather than eliminate them. By automating the drudgery, AI allows employees to focus on work that is more engaging, creative, and fulfilling. Atlantic employees have echoed this, noting that AI can be an "empowering" tool for creativity and problem-solving rather than just automation. For instance, employees using AI for brainstorming report that it helps them generate fresh ideas and perspectives, effectively acting as a creative partner. This can make work more interesting and innovative. Instead of spending hours on a tedious report, an employee might use an AI assistant to draft it in minutes, then spend the freed-up time refining strategy or learning a new skill. This shift toward higher-value activities can increase an employee's sense of purpose and contribution.

Moreover, adopting AI can drive skill development and growth opportunities for employees. As companies introduce AI tools, employees have the chance to learn new competencies – whether it's data analysis, prompt engineering for generative AI, or simply leveraging AI outputs effectively in their domain. Employers that invest in AI training and upskilling programs often find that employees become more engaged because they see the organization investing in their future. It turns a threat into a challenge to grow. In fact, most employees (around 60%) in Atlantic Canada are eager for AI training opportunities. When that desire is met, it can boost morale and loyalty. People want to stay at companies that are keeping them at the cutting edge of skills. Additionally, developing internal AI skills can open new career pathways – an employee could become an "AI champion" or analyst within their team, for example, elevating their role. This is particularly relevant for younger professionals who are keen on professional development; offering AI-related growth can help attract and retain talent in Atlantic Canada, rather than losing them to larger tech hubs.

Another engagement benefit is that involving employees in AI initiatives can increase their sense of ownership and alignment with company direction. When employees are consulted about where AI could help or are invited to pilot new AI tools, they feel heard and valued. This inclusive approach can turn skeptics into advocates. Some Atlantic companies have started forming cross-functional teams to explore AI, which not only surfaces great ideas from the front lines but also keeps employees invested in the outcome.

As we saw, one barrier is fear – but the opposite of fear is familiarity and mastery. By demystifying AI through hands-on experience and education, employees move from fearing it to seeing it as a helpful personal tool. In time, AI can become as accepted as, say, spreadsheets or email – just another aid that makes work easier.

It's also worth noting that early evidence does not support the notion of AI causing mass job losses at the firm level, especially in Atlantic Canada. According to a recent Atlantic report, 84% of firms that adopted AI reported no job losses – and many saw job gains outweighing any reductions. This suggests that AI is being used to grow businesses (thus requiring more staff in new roles) or to augment existing staff rather than replace them. Knowing this can ease employee anxieties and improve openness – if communicated properly, employees can see that mastering AI might secure their job (by making them more productive and valuable) rather than jeopardize it.

In summary, the opportunity is to reframe AI as a tool for empowerment: something that takes away the boring parts of the job, helps employees work smarter, and pushes them to learn new, exciting skills. When handled in a people-centric way, AI adoption can lead to higher employee engagement, not lower. Engaged employees, in turn, are more likely to contribute ideas for how AI can further improve the business, creating a positive feedback loop of innovation.

Strategies for Successful AI Adoption

Without question, the three critical takeaways for business owners and executives from this report are clear:

- **Have the conversation about AI now–** understand, raise awareness, and find how it fits
- **Include employees early and throughout the process–** they know better than any where bottlenecks and opportunities lie
- **Build and communicate the narrative for AI and the business–** tell the story, so employees do not make up their own version

Successfully adopting AI in the workplace requires more than just buying software or hiring a data scientist. It calls for an integrated and thoughtful approach that involves people, processes, and technology. Business owners, executives, and HR professionals play a pivotal role in guiding their organizations through this transformation. Below are best practice strategies for AI adoption, tailored to the Atlantic Canadian business context. These strategies focus on investing in your workforce, fostering an inclusive and innovative culture, and building trust and clarity around AI initiatives.

Establish a Clear Vision and Communicate It Regularly: As a leader, set a clear direction for AI adoption in your organization. This means developing an AI strategy or roadmap that aligns with your business goals – identify 2-3 key areas where AI could have the most impact (e.g., improving customer service via a chatbot, optimizing inventory with predictive analytics, enhancing marketing with AI-driven insights). Once this vision is in place, communicate it transparently and frequently to your employees. Explain why the company is exploring AI, what you hope to achieve, and how it will affect (and benefit) everyone. Right now, a lack of leadership communication is a major issue (less than half of employees feel leadership communicates about AI effectively), so closing this gap is vital. Use multiple channels: town hall meetings, internal newsletters, team discussions, etc., to talk about AI plans.

Be honest about expectations and timelines – AI adoption is a journey, and not everything will change overnight. Importantly, frame AI as a strategic opportunity, not a threat. Reinforce that the company intends to use AI to augment capabilities and grow the business, which can create more opportunities for employees. When employees hear a confident, purposeful message from the top, it replaces rumor and uncertainty with clarity. They should understand that leadership is proactively steering this change. A clear vision also involves setting policies on AI use (for example, guidelines on using generative AI safely) – publish these so employees know the rules and can innovate within a safe framework. Don't let AI adoption feel like a nebulous concept; make it a core part of the company narrative. Leaders who champion an AI vision and communicate it well will find their teams more unified and motivated to make it succeed.

Create an Inclusive AI Adoption Process (Employee Involvement): Including employees in the AI journey is not only beneficial, it's essential. Those doing the day-to-day work often have the best ideas about where AI can help and the keenest sense of what could go wrong. Make AI adoption a collaborative effort between leadership, technical teams, and front-line staff. One approach is to form an AI task force or working group with representatives from different departments and levels. Solicit volunteers who are enthusiastic about AI to be "AI ambassadors" that test new tools and gather feedback from peers. By involving employees early – e.g., in selecting an AI platform or in brainstorming which tasks to automate – you create buy-in. People are far more likely to support a change that they had a hand in shaping. This inclusivity directly tackles the communication/inclusion gap highlighted earlier (where only ~46% felt included in AI discussions). Increase that number by actively opening forums for input. For example, host workshops or focus groups asking employees: "What repetitive tasks take up a lot of your time?"

"What data do you wish you had faster access to?" – their answers can identify high-value AI projects and make employees feel heard. Another tactic is to pilot AI solutions with a small team of end-users and incorporate their feedback before a wider roll-out. This not only improves the solution but turns those pilot users into advocates who can train others. Communication should also be two-way: have a channel (like an internal Slack or email alias) for employees to ask questions or express concerns about AI. Then respond to them transparently.

When employees see that leadership is listening and addressing questions, trust grows. Remember, employees are the ones who will make AI succeed or fail by choosing whether to adopt it in their daily work. As one analysis insightfully noted, "actively listen to employees, involve them in discussions about AI integration, and address their worries with empathy and concrete solutions". By creating an inclusive process, you turn AI adoption into a partnership with your people, rather than a top-down mandate. This approach can mitigate fears and resistance significantly– when employees contribute to the plan, they are more likely to support it.

Invest in AI Training and Workforce Development: One of the most actionable steps is to equip your employees with the skills and knowledge to work with AI. Given the current training gap (only 20% of companies have formal AI readiness programs), there is a huge opportunity for leaders to differentiate their organization by developing their people. This can include formal training sessions, workshops, online courses, or partnering with local colleges to offer AI literacy programs. The goal is not to turn every employee into a data scientist, but to ensure everyone has a baseline understanding of AI tools relevant to their role. Emphasize upskilling and reskilling: identify roles likely to be impacted by AI and offer pathways for those employees to learn new competencies (for example, a marketing analyst learning to use AI for data insights, or an HR coordinator learning to use AI for resume screening). Also, encourage peer learning – employees who are early adopters can mentor others. Investing in training has dual benefits: it reduces fear (knowledge builds confidence) and unlocks the technology's value.

Employees themselves are eager – about 60% want more AI training– and providing it shows that management is committed to their growth. HR professionals should incorporate AI competencies into talent development plans and even into recruitment (hiring for adaptability and willingness to learn, since specific AI tools will evolve). In short, treat AI skills as the next critical skill set for your workforce and invest accordingly. The companies that do so will have a more capable and adaptable team ready to leverage AI, rather than resist it.

Foster a Culture of Innovation and Psychological Safety: Culture can make or break an AI initiative. To successfully integrate AI, cultivate a workplace culture that embraces change, experimentation, and continuous learning. Start by addressing the fear-of-risk issue: explicitly encourage employees to try new tools and ideas without fear of punishment if something fails. This might involve setting up sandbox environments where teams can pilot an AI solution on a small scale or running hackathons/innovation challenges that invite employees to come up with AI use cases.

Managers should reassure their teams that not every experiment will yield a big result – and that's okay. What's important is learning and iterating. Given that feeling "unsafe to take risks" is strongly correlated with resistance to AI, leaders must work to build psychological safety.This can be done by rewarding initiative and treating mistakes as learning opportunities rather than failures. For example, if an employee tries an AI tool to automate a task and it doesn't work perfectly, celebrate the effort, and discuss what was learned, rather than scolding the imperfections.

Moreover, integrate AI into the narrative of the company's purpose – frame it as part of being an innovative, forward-thinking organization. This helps shift attitudes from "we've always done it this way" to "we continually improve how we work." Also ensure managers are supportive: research shows that when managers take time to help employees make sense of changes and show genuine interest in their development, it boosts openness to AI. Training managers on change leadership can therefore pay off. Another cultural element is fairness and inclusivity – address any perceptions that AI will be used for surveillance or biased decision-making by developing ethical guidelines (more on that below) because a culture that values ethics will ease those worries.

Overall, aim to build a growth mindset culture where employees see AI as a tool for them to grow and succeed, and where the organization isn't afraid to evolve. This kind of culture will naturally accelerate AI adoption because employees themselves will start to suggest and champion AI solutions once they feel safe and empowered to do so.

Address Ethical Concerns and Build Trust in AI: Trust is the foundation of any successful AI deployment – trust from your employees and trust from your customers. To build that trust, proactively address the ethical and practical concerns surrounding AI. Start by establishing clear policies or guidelines on the responsible use of AI in your organization. These should cover issues like data privacy (e.g., how employee or customer data is handled by AI systems), fairness and non-discrimination (ensuring the AI's decisions or recommendations don't inadvertently reflect biases), and transparency (to what extent AI's role in decisions is communicated). The earlier-discussed data showed only ~45% of Atlantic Canadian employees felt their company had adequate ethical guidelines for AI– leaving a majority uncertain or worried. Close this gap by engaging stakeholders (HR, legal, IT, and employee reps) to formulate and publish an AI ethics charter. For example, state that "AI will not be used for employee monitoring beyond normal performance metrics" or that "All AI decisions in hiring will be audited for bias." These assurances can alleviate fears of AI being a "big brother" or an unfair arbiter. Educate employees on how specific AI tools work and their limitations, so they understand, for instance, that a predictive model is not infallible but a tool to assist. Encourage employees to question and report any AI outputs that seem wrong or biased - create a feedback loop to keep AI systems accountable. In terms of building trust, also consider early use cases where AI augments human judgment rather than fully automates it – this can show employees that final control remains with people.

For instance, an AI might shortlist candidates, but HR makes the hire decision with human judgment, or an AI might flag anomalies, but managers investigate them. Highlight positive uses of AI that align with values, like using AI to improve workplace safety or reduce repetitive strain on workers – this frames AI as a helping hand. Leadership should communicate what steps are being taken to ensure AI is implemented ethically. When employees see that management is thoughtfully addressing privacy, fairness, and accuracy, they become more comfortable with the technology.

Over time, as small wins accumulate (like an AI system that employees find reliably reduces their workload), trust builds naturally. The key is to be transparent: if, for example, an AI forecasting tool made a mistake, openly acknowledge it, and show what's being done to fix it. This honesty will earn credibility. Building trust is not one-and-done; it's an ongoing effort. But it is crucial in Atlantic Canada where skepticism runs high – directly tackling ethical questions will help turn cynics into cautiously trusting users.

Lead by Example and Champion AI from the Top: Finally, a strategy that ties the rest together is strong leadership advocacy. Leaders should not only talk the talk, but also walk the walk with AI. This means visibly using AI tools in your own workflow and sharing those experiences. For example, an executive might mention in a meeting, "I used an AI tool to help draft this strategy memo – it saved me a couple of hours, which I spent on refining our product roadmap." Such anecdotes normalize AI use and signal that it's encouraged. It also shows humility and learning – that everyone, including the CEO, is adapting, and learning AI. When employees see their leaders embracing new technologies, it creates a culture of "following by example." Additionally, allocate resources to AI initiatives to demonstrate commitment: that could be budget for pilot projects, time allocation for employees to do training, or hiring a specialist to guide implementations.

Set realistic but ambitious targets for AI adoption (e.g., "By next year, we aim to have three departments using AI in daily processes" or "we will automate 15% of our manual report generation tasks"). Track and communicate progress on these goals. Celebrate successes publicly – if a team successfully implements an AI solution that improves something, recognize them in front of the company. This not only rewards the innovators but also reinforces that AI progress is company progress. Conversely, if challenges or setbacks occur, address them constructively rather than abandoning the effort, to show persistence. Leaders may also consider forming external partnerships – for instance, collaborating with local tech firms or universities on AI projects – to bring in expertise and demonstrate that the company is serious about learning.

The presence of leadership in AI-focused events (like attending an AI conference or local tech meetup) can also signal to employees that this is a priority. In summary, leadership engagement is a strategy in itself: a committed leader can inspire and mobilize an entire organization. As the adage goes, "culture eats strategy for breakfast," but leadership shapes culture.

By championing AI adoption through their actions and decisions, business leaders in Atlantic Canada can accelerate the change and ensure all the above strategies (training, communication, culture, inclusion, ethics) are put into practice effectively.

Combining these strategies creates a comprehensive approach: educate and empower your people, clearly chart the course, cultivate the right environment, involve everyone in the journey, uphold ethics, and lead from the front. Organizations that implement these will be well-positioned to navigate the AI revolution successfully. The path isn't always easy – it requires investment, change management, and continuous effort – but the payoff is a workforce that is AI-ready, engaged, and innovative, and a business that can thrive in the new era. Atlantic Canada's companies may be starting a bit behind, but with the right strategies, they can catch up and even become leaders in effective human-centric AI adoption.

CONCLUSION AND CALL TO ACTION

"AI will allow me to focus on a better career path."

Survey Respondent

The businesses that thrive in this new era won't be the ones that hesitate, waiting for clarity amid uncertainty. They'll be the ones that reframe AI as an opportunity, using it to remove bottlenecks, amplify creativity, and give employees more time to focus on high-value, meaningful work.

- **AI isn't taking jobs**- it's taking the busywork so employees can focus on what truly drives value.
- **AI isn't about replacement**- it's about opening time for employees to explore their potential in ways we've never seen before.
- **Leaders who embrace AI as an enabler**- rather than a disruptor—will create workplaces that thrive in innovation, efficiency, and employee engagement.

In conclusion, AI adoption in the Atlantic Canadian workforce is not just a technology issue – it's a people and strategy issue. The findings of this report make it clear that while Atlantic Canada's employees are interested in and aware of AI, they currently lack the necessary support, training, and reassurance from leadership to fully embrace it. Many are fearful of what AI might mean for their jobs, and organizations have been slow to prepare them for the changes to come. At the same time, the potential benefits of AI – from increased productivity and innovation to enhanced employee job satisfaction and growth – are enormous. Businesses that successfully integrate AI can gain a significant competitive edge, while those that delay risk falling further behind in a fast-moving global economy.

The good news is that Atlantic Canadian businesses still can turn the situation around. As of today, the majority of businesses (including three-quarters of Canadian companies) have yet to fully adopt AI, which means proactive organizations can leap ahead by acting now. The region's workforce is "craving direction and support"– they are ready to be partners in this journey if leaders step up. The call to action is therefore urgent and clear: Atlantic Canadian business leaders and HR professionals must take decisive action to build AI readiness and trust within their organizations.

Here are final recommendations and next steps for business leaders to consider, as a practical roadmap coming out of this report:

1 Assess Your AI Readiness:

Conduct an internal audit or survey to gauge your organization's current AI readiness. Identify areas where AI could have quick wins (e.g., processes that are data-heavy or repetitive). Also assess employee skills and confidence levels regarding digital tools. Use this assessment to develop a targeted AI adoption plan. If needed, engage an external consultant or leverage government programs (many federal/provincial initiatives exist to support digital adoption for businesses) to help with this readiness assessment.

2 Invest in People and Skills Development:

Carve out a budget and schedule for AI training initiatives. This could mean enrolling teams in online AI courses, bringing in a trainer for on-site workshops, or simply dedicating time each week for self-learning and experimentation. Pair this with hands-on projects – for example, task a small group with trying out a new AI tool on a pilot project, so learning is applied. Remember that an investment in your people's AI skills is an investment in the resilience of your business.

3 Develop an AI Roadmap and Communicate the Vision:

Draft a simple AI roadmap for your organization – list the pilot projects or implementations you plan over the next 6-12 months, along with desired outcomes (efficiency gains, better analytics, etc.). Share this roadmap with your employees so they know what to expect and why it matters. For instance, if you decide to implement an AI customer service chatbot, explain that "our goal is to speed up response times for customers and free our service reps to handle more complex issues." Clarity of vision will reduce uncertainty and speculation.

4 Involve Employees at Every Stage:

Make AI adoption a team effort. Before adopting an AI solution, ask employees for their input on pain points and ideas. As you implement, involve the end-users in testing and refining. After deployment, solicit feedback on how it's working and what could be improved. This continuous loop not only improves the AI systems but also makes employees feel co-owners of the change rather than passive recipients. Consider appointing some enthusiastic staff as "AI champions" to help drive peer learning and maintain momentum.

5 Address Fears and Highlight Positives:

Be very intentional in addressing the fears of job loss or change. Clearly state (and demonstrate through actions) that no layoffs are being planned because of AI – rather, the aim is to grow and create more interesting work. If AI does impact certain tasks, outline how roles will be redefined or how employees will be supported to transition to new roles. At the same time, start highlighting any positive outcomes: did AI save time on a project? Did it help win a new client? Share these stories internally, so people see concrete examples of AI as a helpful tool. Celebrating small wins will help shift the narrative from fear to excitement.

6 Implement Ethical Guidelines and Transparency:

Don't wait for a crisis – establish your principles for ethical AI use now. Publish a brief guideline for staff that covers data usage, privacy, and the oversight of AI decisions. Make sure employees know what the AI will not be used for (e.g., monitoring personal conversations, etc.), as well as how to raise concerns. Being proactive here builds trust. Additionally, for any AI system implemented, provide transparency: let employees (or customers, if relevant) know when they are interacting with an AI vs a human, and give them basic insight into how it works or how its decisions can be appealed or checked.

7 Champion a People–First, AI–Second Philosophy:

Finally, always center your strategy on people. Make it your ethos that "our people are our most important asset, and AI is here to make them even more effective, not replace them." By consistently making decisions that reflect a people-first approach – whether it's how you introduce a tool, how you retrain someone, or how you measure success (include employee engagement as a metric!) – you will build trust. Employees will see that leadership means it when they say the workforce is a partner in this. This culture of trust and collaboration is what ensures AI adoption is successful and sustainable.

The urgency for Atlantic Canadian businesses to act on AI readiness cannot be overstated. AI is advancing and being adopted at a rapid pace globally. The region cannot afford to take a "wait and see" approach. The cost of inaction may be felt in lost competitiveness, talent drain (as skilled workers leave to work with modern technologies elsewhere), and diminished growth prospects. On the other hand, those who act now can transform these challenges into opportunities. By harnessing the creativity and resilience of Atlantic Canada's workforce and combining it with powerful AI tools, businesses in the region can leapfrog ahead, increase their productivity, and even become leaders in human-centric AI adoption.

As this report has shown, the key is to blend technological adoption with human empathy and vision. Implementing AI effectively starts with the problem to be solved – not the technology itself – and involves employees from the start to see how AI can reduce the pressure of workloads and repetitive tasks that create stress and drain energy.

Atlantic Canada's story has always been one of **adaptation** and **innovation** – from traditional industries finding new markets to a growing startup scene in the region. AI is simply the next chapter. It's time for business leaders to write that chapter, ensuring that their people are not just passengers but co-authors in the journey.

The message is clear:

Embrace AI with a people-first strategy and do so now. Those who do will position their organizations – and by extension, Atlantic Canada's economy – for success in the emerging AI-driven era.

The future of work in our region can be one where AI and human talent work hand in hand to achieve greater prosperity and fulfillment. It starts with the leadership decisions you make today. **Let's get to work.**

LET'S
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