IBM Canada Newsroom

IBM Study: Shadow AI Use Surges as Canadian Workers Outpace Employers in AI Adoption

- *79% of Canadian office workers use AI tools – only 1 in 4 use enterprise-grade AI solutions*
- *97% said AI improves productivity; nearly 80% said it enhances strategic or creative work*
- *46% of employees would leave their job for a company that uses AI more effectively*

MARKHAM, ON, Sept. 3, 2025 /PRNewswire/ -- A new study commissioned by IBM (NYSE:IBM) reveals that Shadow AI - the use of artificial intelligence (AI) tools and applications in the workplace without formal approval or oversight from a company's IT department, is becoming increasingly common across Canada. While 79% of full-time office workers said they use AI at work, only 25% rely on enterprise grade AI tools, signaling a widening disconnect between employee expectations and enterprise readiness.

The rest rely on a mix of personal and employer tools (33%) or entirely on personal apps (21%). The growing reliance on using personal AI tools in the workplace introduces serious risks to Canadian businesses, from potential data leaks and compliance issues to losing control of sensitive business information.

"AI adoption in the workplace is no longer theoretical - it's happening, and it's being led by employees," said **Deb Pimentel, President, IBM Canada and General Manager, Technology, IBM Canada**. "To securely and efficiently harness the value of

AI for smarter business operations, leaders should prioritize secure solutions, align AI with tangible business objectives, and foster a data-driven culture. The urgency for action is clear: lead with foresight, invest in robust data infrastructure, and unlock AI's transformative power to build a thriving future of work in Canada."

While AI offers organizations the opportunity to significantly improve productivity, the technology presents new challenges that organizations must tackle to ensure security of business data – particularly with many Canadian employees testing personal AI tools in the workplace. The 2025 IBM Cost of a Data Breach Report underscores the increased risks posed by "shadow AI", the action of employees using unsanctioned AI tools in the workplace. In the past year, shadow AI has added nearly CA$308,000 per data breach.

Rob Wilmot, General Manager & Managing Partner, IBM Consulting Canada said, "The AI workplace revolution, faces a significant gap between employee expectations and enterprise readiness. Without secure, enterprise-grade solutions, to transform core systems and processes, businesses risk productivity losses and data exposure as employees seek alternatives. Considered and focused action is needed to bridge this gap for Canadian enterprises to capture tangible productivity gains and robust data protection. The good news is that some leading companies are already doing this and capturing the value. Its real. Our collective challenge is to scale this thoughtfully but at speed."

Employee-led AI adoption is transforming how we work

Canadian workers overwhelmingly view AI as a tool that makes them better at their jobs. In the study, 97% said they agree AI improves their productivity at work. 86% felt confident using AI, and nearly 80% said AI allows them to spend more time on the strategic or creative aspects of their roles.

Canadian workers also believe productivity gains from AI are tangible. More than half (55%) said AI saves them between one and three hours per week; 26% reported saving up to six hours. The top benefits identified include:

- Faster task completion (61%)
- More efficient workload management (43%)
- Improved accuracy (40%)
- Increased creativity (39%)

Canadian business AI adoption lags employee adoption

Despite high usage and clear benefits, just 29% of workers believed their employer is using AI to its full potential. The confidence gap is especially pronounced among workers aged 45-54. Only 20% of this group said their organization is getting it right.

Employees also have a clear sense of where AI could deliver the most value across the business, pointing to data analysis and reporting (60%), automation of repetitive tasks (55%), and content creation (37%) as top opportunities.

For employers, this disconnect comes at a cost. Nearly half of workers (46%) said they would leave their current job for one that uses AI more effectively. Among Gen Z workers, that number jumps to 62%.

A roadmap for responsible enterprise AI adoption

To keep pace with the workforce and become more efficient, agile and innovative with AI, IBM recommends Canadian businesses focus on five key priorities:

- **Build a modern data foundation:** AI depends on structured, well-governed data. Organizations must invest in infrastructure that allows AI models to access clean, trusted data, while addressing bias, privacy, and regulatory requirements from the outset.
- **Integrate AI governance**: Organizations need tools and processes to assess AI maturity, manage risk, and ensure compliance with global regulations. Integrated AI governance provides the structure needed to monitor AI systems, mitigate risks, and align AI applications with ethical and legal standards.
- **Implement a Responsible AI Framework**: AI systems must be designed and deployed ethically, prioritizing principles such as explainability, fairness, robustness, transparency, and privacy. These measures help minimize bias, safeguard user data, and build trust in AI applications. For instance, frameworks like IBM's organizations align AI strategies with ethical standards and regulatory requirements.
- **Focus on business-driven use cases:** AI must be aligned to real operational outcomes – whether that's streamlining internal services, improving customer interactions, or reducing costs. At IBM, we've adopted this approach internally through our "Client Zero" strategy. Using our own watsonx AI platform, IBM optimized core functions in HR, finance, and legal. One example is AskHR, an Ai-powered virtual agent. In 2024, AskHR handled 11.5 million employee interactions and resolved 94% of common employee inquiries while helping to reduce costs and create new roles in the process.
- **Invest in inclusive skilling and adoption:** Technology alone is not enough. Employees must be equipped with the skills to use AI confidently and responsibly. While 61% of workers say their employer is prioritizing AI upskilling, many remain unsure whether a formal plan is in place. Bridging this gap is essential to ensure AI success at scale.

Study Methodology: The research was conducted by Censuswide, among a sample of 4,000 Full-time office workers who are not sole proprietors and are familiar with AI tools in the USA, Canada, Mexico, and Brazil (18+).The data was collected between 23.05.2025 - 30.05.2025.

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