

The State of Teams

Technology Executive Insights



Executive summary

“Right now, people are thinking of AI at niche levels. I don’t think anyone has looked at it for end-to-end processes. That will be the panacea.”

Vice President of Digital Technology, Fortune 500 healthcare company

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➔ Tech teams lead AI adoption, but haven't cracked transformation

96% of IT and software development workers use AI, the highest of any function—making them 1.5x more likely to do so than the average worker. Yet the focus remains on accelerating individual tasks, not the collaboration where 80% of work happens.

➔ AI ROI is a black box, even for the function furthest ahead

Just 9% of IT and software development executives are sure they have clear org-wide ROI. 52% of IT and software development workers say leadership treats AI as a "magic switch," calling into question what their objectives are in the first place.

➔ Tech teams aren't immune to a \$161B AI fragmentation tax

When AI is narrowly focused on making individuals faster, collaboration can suffer. Case in point: 85% of IT and software development workers say they now lack the time or capacity to coordinate with everyone in execution mode. This fragmentation tax, how much collaboration friction teams experience as they adopt AI, costs the Fortune 500 an estimated \$161 billion annually.

➔ Top teams close the gap by redesigning work for human-AI collaboration

AI can be transformative, but not from the technology alone. 59% of IT and software development workers say their processes aren't optimized for AI. Teams that embed their AI in the right context, workflows, and culture cut their fragmentation tax in nearly half.



Enterprise AI that overlooks teams curbs ROI

AI adoption has surged across departments and functions over the past year, with technology teams at the forefront.

96%

of IT and software development workers use AI at work, compared to **85%** of all knowledge workers

9%

of IT and software development executives are sure they have clear examples of AI ROI

47%

of IT and software development executives say they need help understanding AI's ROI framework

But even among technology teams, strategies focus narrowly on increasing the speed and outputs of individuals. Case in point: IT executives' top AI success measures remain productivity and efficiency. This overlooks the collaborative workflows where 80% of work happens.¹

“When you look at team effort, how do you calculate ROI? That’s a simple black and white at the individual level.”

Vice President of Digital Technology,
Fortune 500 healthcare company

86%

of IT and software development executives say AI increases speed

15%

of IT and software development executives are fully confident they know where AI provides the most value

23%

of IT and software development executives focus AI at the team level

¹ Source: Cross, R., Rebele, R., & Grant, A. (2016). "Collaborative Overload." Harvard Business Review.



The AI fragmentation tax

Today's default approach to AI brings chaos, not coordination

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55%

of IT and software development workers haven't embedded AI into their daily workflows

87%

of IT and software development workers say they lack time or capacity to coordinate with everyone in execution mode

81%

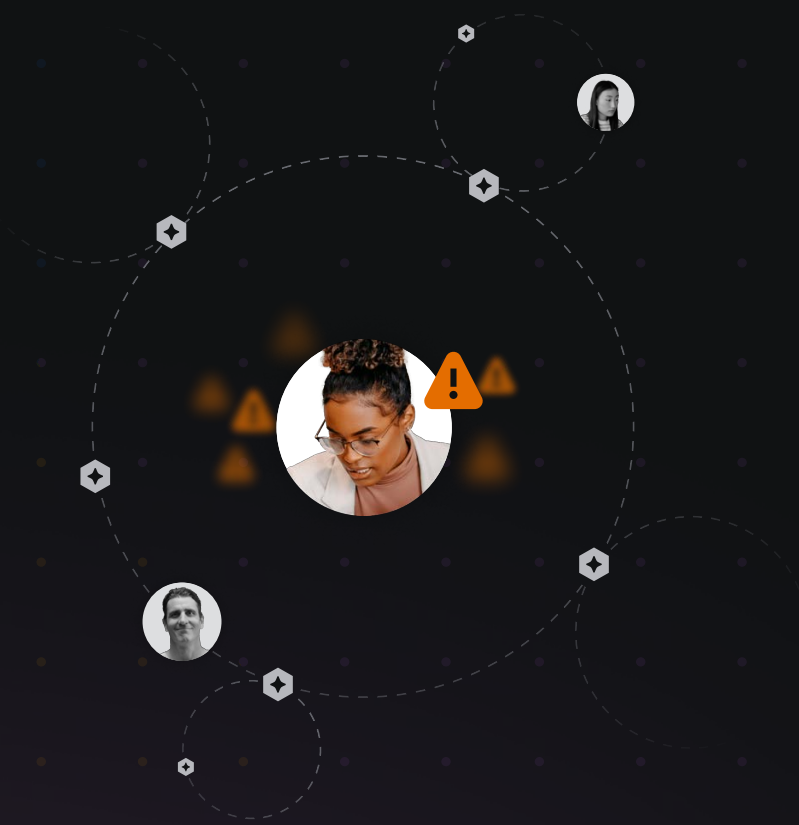
of IT and software development workers have unclear or conflicting goals and priorities across teams

Focusing on individual speed often comes at the expense of alignment

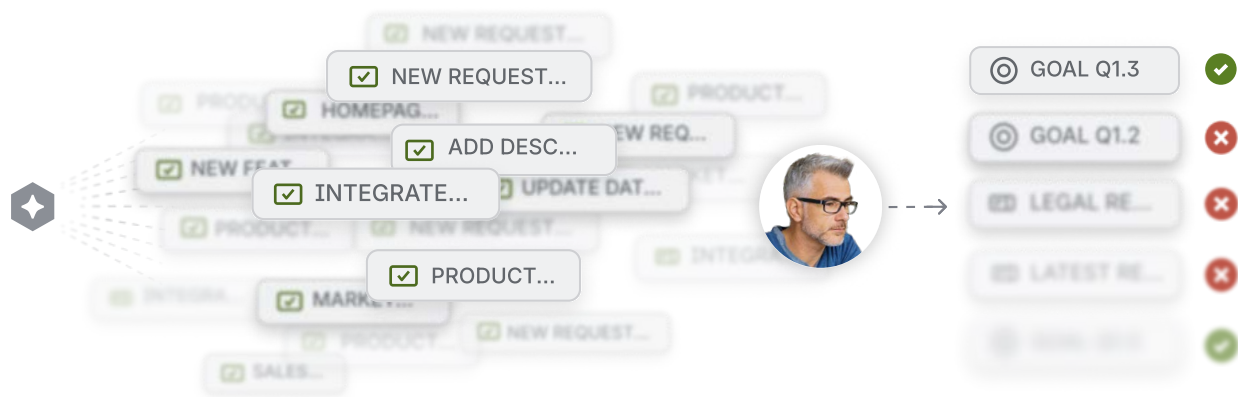
The AI fragmentation tax, or how much collaboration friction teams experience teams as they adopt AI, costs the Fortune 500 an estimated \$161 billion annually through misaligned priorities, poor coordination, and other pain points.

“At the team level—I don’t know if we’ve seen much AI impact yet. We’ve improved the ability to search and get faster data delivered, but how much impact that has I’m not sure.”

Chief Technology Officer,
Fortune 500 travel company



Scenario: The fragmentation tax in IT



The cost of non-strategic implementation:

With AI, a product manager drafts a release plan in minutes. A security agent flags potential vulnerabilities, a coding agent generates service stubs and tests, and a documentation agent compiles API docs. Meanwhile, a site reliability engineer spins up runbooks, a change manager prepares a ticket, and a data engineer wires metrics into the pipeline. Individual tasks fly.

But in the background, coordination frays.

Product and engineering specs diverge. Security requirements conflict across services. Sources of truth are fragmented. Runbooks are inconsistent. Policy exceptions pile up. There's no shared checklist, SLA, or single source of truth that people and agents follow end-to-end.

The result: release trains slip, incidents spike during handoffs, rework and audit gaps increase, and reliability and stakeholder trust erode—all examples of the fragmentation tax at work across delivery and operations.

“If one part of the team isn’t AI-augmented, you won’t achieve shared outcomes as others race toward their individual goals.”

Vice President of Digital Technology,
Fortune 500 healthcare company



The growing risk of fragmented AI

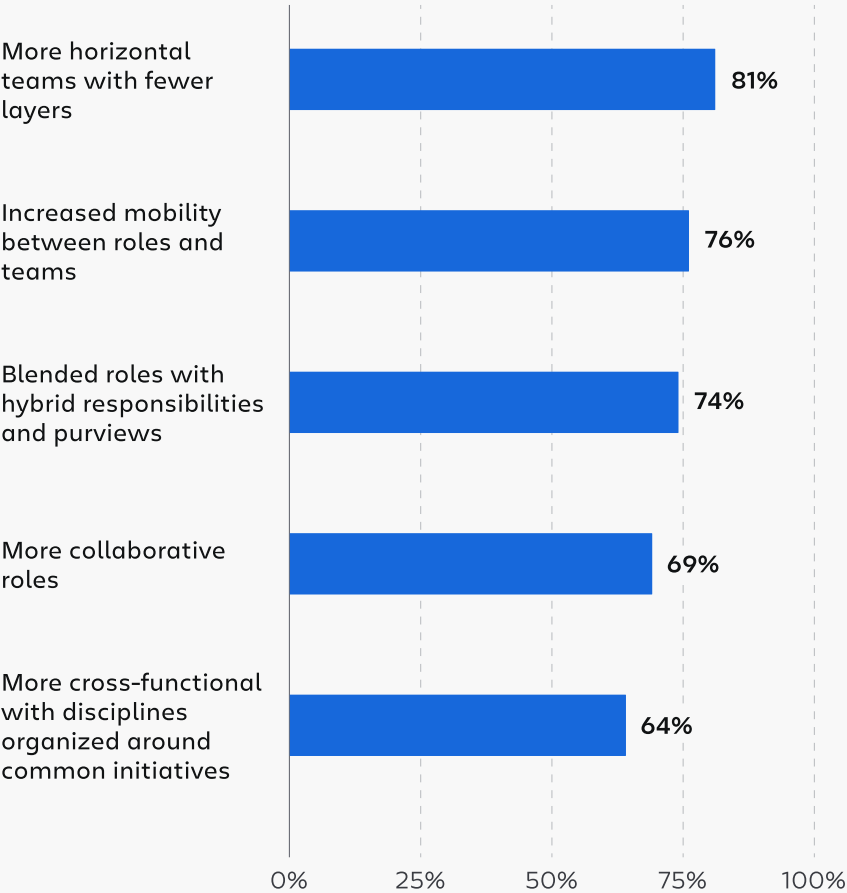
The individually-oriented approach to enterprise AI is creating schisms within and across teams

Ironically, AI is quickly making coordination more essential, not less. This is especially true as teams are increasingly comprised of people and agents. If not addressed soon, the tax will grow.

“With agents, coordination will get worse before it gets better.”

Chief Technology Officer,
Fortune 500 travel
company

How IT and software development executives expect AI to reshape roles and teams:



68%

of IT and software development executives say teams use AI with varying sophistication across the organization



Key capability gaps hold back AI transformation

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AI needs holistic strategies that account for people, processes, and technology

Only 36% of IT and software development workers think their companies' AI implementations balance technology and human elements

52% of IT and software development workers think their management views AI as “magic switch”

Work cultures need overhauls to empower people for the AI era

Only 19% of IT and software development workers say they have “celebrated” AI cultures where people demo use and highlight wins

58% of IT and software development workers don't have extensive AI learning and skill development opportunities

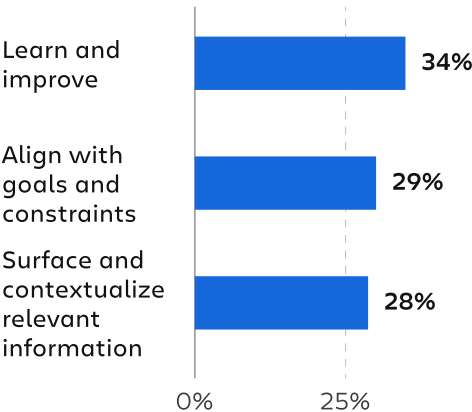
62% of IT and software development workers don't have extensive AI experimentation opportunities

"AI is transformative, but it has to be rolled out with people, process, and structure. It has to be measured, accounted for, and governed. Otherwise it'll be all over the place."

Vice President of Digital Technology,
Fortune 500 healthcare company

Companies need trusted, shared context to underpin AI

IT and software development workers who fully trust AI to:



56% of IT and software development workers say their data and knowledge foundations aren't optimized for AI

Teams need new ways of working built for human-AI collaboration

59% of IT and software development workers say their processes and workflows aren't optimized for AI

Only 17% of IT and software development workers view AI as a collaborative teammate; **65%** view it as a simple tool or personal assistant



How AI coordination pillars cut the tax

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The teams who improve speed *and* coordination with AI look beyond the technology itself, focusing implementations on three AI coordination pillars:

1. Context

Documenting clear, shared goals across teams and grounding work in trusted data accessible to people and agents

2. Workflows

Designing clear paths for how work flows and progresses across teams of people and agents

3. Culture

Enabling people through continuous learning and experimentation that fosters human-AI collaboration

Teams with all three pillars cut their fragmentation tax by 46% and increase their collaborative velocity—the extent to which they get both speed and alignment with AI.

These teams are up to:

- **5.6x more likely** to say AI helps them better plan and prioritize work
- **9.4x more likely** to say AI increases collaboration
- **7.3x more likely** to say their data and knowledge foundations are optimized for AI

"AI could help people collaborate more by helping them see signal through noise."

Chief Technology Officer,
Fortune 500 travel company





CIO/CTO action checklist

CIOs, CTOs, and the teams they lead own the platforms, pipelines, and data foundations that every team and agent runs on. As AI reshapes how technology organizations plan, build, and operate, focus on driving speed and reliability through context, workflows, and culture built for this new era.

✓ Unify an AI-ready system of work.

Consolidate scattered tools and instances into a single, trusted source of truth. Ensure teams, and their agents, operate from the same trusted source of context with shared objectives and goals.

✓ Modernize workflows for AI speed.

Redesign the path from idea to production with clear human-to-agent handoffs and roles. Build in guardrails and SLAs that allow AI to accelerate releases without increasing risk and give people the confidence to forge ahead.

✓ Lead the AI operating model.

Set responsible-use standards and sponsor pilots where agents handle real-world delivery and ITSM. Back your platform teams to automate toil and shift focus to innovation, and model how you're doing this yourself.





About the research

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This report is based on research conducted by Atlassian's Teamwork Lab, a group of scientists dedicated to developing best practices for modern teams. Their findings guide the design of Atlassian's products and practices.

Double-blind survey data was collected in January and February 2026.

Survey: 12,035 knowledge workers, including 2,376 in IT and software development

- Work across the U.S., U.K., Australia, India, Germany, and France
- Top industries represented:
 - Technology (16%)
 - Manufacturing and industrial (13%)
 - Public sector and education (12%)
 - Financial services (11%)
 - Consumer & retail (10%)

Survey: 172 Fortune 1000 executives, including 74 in IT and software development

- VP level or higher
- Top industries represented:
 - Financial services (28%)
 - Consumer & retail (23%)
 - Technology (16%)
 - Manufacturing and industrial (9%)
 - Healthcare & pharmaceuticals (9%)

Interviews: 25 Fortune 500 executives, including 8 in IT and software development



Read the full report:

atlassian.com/blog/state-of-teams-2026





About us

Atlassian unleashes the potential of every team

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A recognized leader in software development, work management, and enterprise service management software, Atlassian enables enterprises to connect their business and technology teams with an AI-powered system of work that unlocks productivity at scale. Atlassian's collaboration software powers over 80% of the Fortune 500 and 350,000+ customers worldwide—including NASA, Rivian, Deutsche Bank, United Airlines, and Bosch—who rely on our solutions to drive work forward.

Learn more about our products, including Rovo, Jira, Confluence, and Jira Service Management, at atlassian.com.

Want to learn more?



Domino's unifies 130,000+ employees on Atlassian Cloud

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Sprout Social saves \$180,000 annually with Teamwork Collection

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Delivery Hero centralizes 40k employees on one System of Work

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