THE HUMAN MENTAL CAPACITY REPORT

2026

Why AI Speed is Eroding Corporate Judgment

Based on 15 qualitative interviews with HR decision-makers across 8 countries
Referenced with research from McKinsey, WEF, MIT, Gallup and EY
March 2026 | Max Reck, Co-Founder SYLO

FOREWORD

Why I Wrote This

I spent six years in finance; first in asset management, then investment banking. I worked alongside smart, driven people who put in extraordinary hours and made critical decisions that moved significant amounts of capital. Yet most of the time, they were exhausted, running on adrenaline and caffeine, and rarely performed at their best.

I saw good managers make bad calls. I witnessed empathy quietly erode under pressure. I watched as some of the most talented people I knew burned out, not because they were lazy, but because nobody around them noticed what was happening until the damage was already done.

When I left finance, I started asking a different question: what would it actually look like if an organization took the mental capacity of its people seriously? Not as a benefit, but as a strategic asset.

To find out, I conducted 15 qualitative interviews with HR leaders and People and Culture decision-makers across eight countries, spanning everything from tech scale-ups and global consulting firms to logistics companies and family businesses. I asked them about AI, pressure, burnout, what they measure and what they quietly ignore.

The pattern that emerged was striking. Not because it was surprising, but because it kept appearing across very different contexts. Whether the organization was a tech scale-up or a family business, a consulting firm or a logistics company, resources are flowing into technology, while the human infrastructure meant to operate it goes underinvested.

This report is built on those conversations, cross-referenced with recent research from McKinsey, the World Economic Forum, MIT, Gallup, and EY. This is not a product pitch nor a wellness brochure. It’s an attempt to put a clear, business-perspective frame around a problem that is costing organizations far more than they realize, and represents one of the most significant competitive opportunities of the next decade.

The core argument is simple: in the age of AI, human mental capacity has become the new bottleneck. The organizations that figure this out first will win.

Max Reck, March 2026

EXECUTIVE SUMMARY

Five Things That Should Keep You Up at Night

The central idea running through this report is that as AI becomes more embedded in organizational workflows, the role of human judgment becomes more important, not less. At the same time, the conditions required to sustain that judgment are deteriorating in subtle but meaningful ways.

The Five Key Findings

01 / AI makes you faster, but it does not make you less overloaded.

02 / Responsibility is concentrating in senior roles.

03 / Without metrics, you don't have visibility.

04 / Mental resilience programs fail because of how they are framed.

05 / Losing the human side is detrimental to operations and critical decisions.

Most organizations expected AI to reduce workload. In practice, it has increased the pace of work instead. Tasks are completed faster, but the time that is saved is rarely converted into recovery or reflection. Instead, it is filled with additional output, more decisions, and higher expectations. The system becomes more efficient, but also more demanding.

This creates a mismatch. Speed improves, but human capacity does not. And there is a distinction worth making explicit: time and capacity are not the same thing. You can have a free slot in your calendar and no mental resources left to fill it well. AI has created more of the former. It has done nothing for the latter.

As that gap widens, responsibility is also shifting upward. As AI absorbs more junior-level work, fewer people sit between raw output and senior leadership. The burden of validation, interpretation, and accountability becomes concentrated in a smaller group of individuals. In many cases, this increases pressure rather than reducing it.

What makes this harder to manage is the lack of visibility. Organizations are highly sophisticated in how they track financial and operational metrics, yet they have very limited insight into the cognitive state of their most important decision-makers. By the time issues appear in the form of sick days, disengagement, or resignations, they have usually been building for some time.

Attempts to address this often fall short because of how the problem is framed. When mental resilience is positioned as a benefit or a wellbeing initiative, it remains optional and peripheral. When it is understood as something that directly influences performance and decision quality, it becomes central. The final dynamic is more gradual, but potentially more significant. The capabilities that are hardest to replace, such as judgment, empathy, and contextual understanding, are also the most sensitive to overload. Under sustained pressure, they are the first to decline.

Taken together, these trends point to a broader issue. Organizations are optimizing for speed, while neglecting the capacity of the people operating within those systems. Over time, that imbalance becomes a constraint.

Organizations that invest in their human infrastructure will make better decisions, have higher talent retention, and build a more durable competitive advantage. Those that don’t will discover the cost in ways that are impossible to quantify until it's too late.

CHAPTER 01

AI makes you faster, but it does not make you less overloaded.

AI promised relief, but it delivered density.

AI has delivered meaningful productivity gains. Tasks that once required hours can now be completed in minutes, and in a narrow sense, that promise has been fulfilled.

What has changed less is how organizations use the time that is saved.

Across the interviews, one pattern was consistent. Time freed up by AI is not used for recovery. It is absorbed immediately by additional work. More decisions need to be made, more output is expected, and the overall pace increases. The system becomes faster, but not lighter.

This is where many organizations make a subtle but important mistake. Productivity and capacity are often treated as if they were interchangeable, when in practice they are not. Increasing the speed at which work is completed does not increase the cognitive resources available to do it well.

> *"The question isn't whether AI saves time. It does. The question is what we do with that time, and the honest answer in most organizations is: more of everything else."*

HR decision-maker, start up organization (interview participant, anonymized)

The Importance of Pausing

One of the less visible consequences of this shift is the disappearance of natural pauses in the workflow. Before AI, work moved in cycles. A draft would be prepared, reviewed, and revised. These delays were not purely inefficiencies, but rather created space for perspective and reflection.

With AI, those pauses have largely disappeared. Outputs arrive instantly, and the expectation to respond keeps pace. The feedback loop compresses, and with it, the opportunity to step back.

1%	95%	$3.5T
of companies consider their AI implementation 'mature '(McKinsey Superagency, 2025)	of AI investments produce no measurable business impact (MIT State of AI in Business, 2025)	in annual global cost of brain health conditions (McKinsey / WEF, 2026)

Most organisations are investing heavily in speed, but much less attention is paid to how that speed is used.

Sources: McKinsey Superagency in the Workplace (January 2025); MIT NANDA State of AI in Business (July 2025); McKinsey Health Institute / WEF, The Human Advantage (January 2026)

The Problem with Higher Decision Density

Several participants described an increase in what they referred to as “decision density”, the number of meaningful decisions required within a given period of time. As AI takes on execution, humans are left with a higher concentration of judgment calls. These decisions tend to be more complex, not less, because they require context, interpretation, and accountability.

There is good evidence that decision quality declines with volume and fatigue. Research on judges, for example, shows that parole decisions deteriorate over the course of the day, recovering only after breaks. Jeff Bezos described his own approach in a widely cited David Rubenstein Show interview: as CEO of Amazon, he aimed to make no more than two or three high-quality decisions per day, always rested, always in the morning. Despite this, most organizations still operate as if cognitive capacity were unlimited.

It is not.

> *"Yes, more decisions can now be made, but I keep seeing colleagues bring me AI outputs and I have to say: this is complete nonsense. The tool gave them an answer and they didn't question it. That's a new kind of risk we haven't even started to think about."*

HR Partner, 4,000-person organization (interview participant, anonymized)

CHAPTER 02

Responsibility is concentrating in senior roles.

AI is automating the bottom. The pressure is moving to the top.

One of the less discussed consequences of AI adoption is how it reshapes the distribution of work within organizations. As AI systems automate routine and junior-level tasks, the work itself does not disappear. Instead, it becomes concentrated and compressed upward. The layers that once filtered and processed information are reduced, and more responsibility sits with fewer individuals.

A 2025 study from Northeastern University found a 16.3% decline in junior-level job postings relative to senior roles following AI adoption. The same pattern is emerging across industries.

16.3%

decline in junior-level job postings relative to senior roles since AI adoption (Westby and Modestino, Northeastern University, 2025)

Source: Westby and Modestino, 'The Impact of Generative AI on Job Opportunities for Junior-Level Software Developers,' submitted to Management Science (2025)

The New Burden of the Senior Leader

For senior leaders, this changes the nature of their role. Previously, their involvement in detailed work was more selective. They focused on the most complex or high-stakes decisions, while execution was handled elsewhere. Now, they are increasingly required to review and validate a much larger volume of output. The responsibility for judgment remains human, but the volume has increased significantly.

This creates a form of pressure not always visible in hours worked, but in sustained cognitive demand. High performers often absorb this pressure. They maintain standards, take ownership, and continue delivering - until it becomes too much.

> *"It's always the best people who burn out. The ones who care. The ones who hold themselves to the highest standard. They don't say no. They don't ask for help. And by the time anyone notices, they've already been running on empty for months."*

Head of HR, international organization (interview participant, anonymized)

There is a limit beyond which additional effort reduces quality instead of improving it. The challenge is not just reducing workload, but understanding where that limit sits.

70%
of variance in team engagement is determined solely by the manager (Gallup, 2025)

59%
less turnover in highly engaged versus disengaged business units (Gallup)

$322B
in global annual cost of burnout from lost productivity (WHO / Gallup estimate)

Sources: Gallup State of the Global Workplace (2025); World Health Organization; Gallup burnout research

CHAPTER 03

Without metrics, you don’t have visibility.

We measure everything. Except what matters most right now.

Despite this increase in pressure, most organizations have limited visibility into how it is experienced across their organisation.

Modern organizations measure almost everything that can be quantified. Financial performance, operational efficiency, and customer behavior are tracked with increasing precision. Cognitive capacity is not.

Most indicators related to mental strain are lagging. Sick days, disengagement, and turnover all appear after the underlying issue has developed. By the time they become visible, the opportunity for early intervention has usually passed.

This creates a structural blind spot. Leaders are expected to manage performance without a clear view of one of its key drivers.

One participant described her organization's mental health platform, used by 170 of their 1,200 employees each month, as genuinely valuable for those who engaged with it. The problem is she couldn't tell anything meaningful about the 1,030 who didn't or whether any of them needed help more urgently than those who had chosen to reach out.

> *"Do I know if 10 or 20 percent of my staff are close to burning out? Honestly, no. We feel it through our line managers, but that is not data. That is gut feel."*

HR Director, 1,200-person organization (interview participant, anonymized)

A 2025 study in the *American Journal of Preventive Medicine* estimates burnout costs between $4,000 and $20,683 per employee annually, with executives at the higher end. These costs accumulate quietly, long before they become visible.

$20,683

in annual cost of executive burnout per person (American Journal of Preventive Medicine, 2025)

20 to 30%

of sick days attributable to mental health issues (German federal statistics; dark figure significantly higher)

14%

is the typical utilization rate of corporate mental health platforms (estimate derived from interview data, not a published statistic)

Sources: American Journal of Preventive Medicine (February 2025); Bundesanstalt fuer Arbeitsschutz und Arbeitsmedizin; interview data synthesis

The Anonymity Paradox

Many solutions provide support but limit visibility. Mental health platforms provide important support but are typically anonymous by design. This protects privacy, but it also prevents organizations from identifying patterns. Support exists, but insight does not.

Attempts to increase monitoring often backfire. Surveillance erodes trust and adds pressure. More effective organizations focus instead on creating safe conditions in which people feel able to communicate their capacity openly, before reaching a breaking point.

> *"We have the tool, but the tool is anonymous, which is right. It just means we have no visibility into what is actually happening with our people. We are managing in the dark."*

People and Culture Lead, tech scale-up (interview participant, anonymized)

We do not wait for a company to run out of cash before checking liquidity. Yet we often wait for people to collapse before asking how they are doing.

CHAPTER 04

Mental resilience programs fail because of how they are framed.

It's a board topic wearing an HR costume.

Most organizations approach mental resilience as an HR initiative, addressed through benefits, programs, or awareness campaigns.

That framing limits the impact.

When something is positioned as a benefit, it becomes optional. Yet, critical systems are not optional.

Organizations making progress treat cognitive capacity as infrastructure. A resource that underpins performance and must be maintained. You don't choose whether to maintain your servers, financial controls, and compliance frameworks. The same logic applies to human capacity.

McKinsey and the World Economic Forum describe this as “brain capital” - the combined value of brain health and skills. Their estimate: over $6 trillion in potential economic value from scaling brain health interventions by 2050.

87%

of employees say empathetic leadership drives positive organizational change (EY Empathy in Business Survey, 2023)

Source: EY US Consulting, Empathy in Business Survey (March 2023, n=1,012 US workers)

Real change comes from behavior, not programs.

> *"The moment our managing director went home sick and told the whole company why, our sick day stigma dropped measurably. People started being honest. One action from one person did what a year of campaigns couldn't."*

HR Lead, professional services firm (interview participant, anonymized)

Leadership signals define culture. Decades of research in organizational psychology on company cultures demonstrate this.

> *"We had a board member come to our all-hands and publicly share that he had taken a week off because he was approaching burnout. The effect on the organization was more powerful than any wellness program we had ever run."*

Chief People Officer, consulting firm (interview participant, anonymized)

The ROI Conversation Leaders Are Not Having

The cost of burnout is measurable. Research from the American Journal of Preventive Medicine puts the annual cost of burnout at above $5 million for a typical 1,000-person organization. The value of sustained cognitive performance is negligible in comparison, compounding through better decisions, lower turnover, and stronger retention of high-performers over time.

Organizations are investing heavily in AI. At the same time, performance ceilings are set by the cognitive state of the people using those systems. You cannot optimize the machine while ignoring the operator.

CHAPTER 05

Losing the human side is detrimental to operations and critical decisions.

The last thing machines can't do is the first thing we're losing.

AI makes it easier to offload cognitive work. In moderation, this is beneficial. The challenge arises when offloading becomes the default at scale.

Instead of generating ideas, people increasingly review AI outputs. Over time, this shifts how skill and judgment develops. The junior employee who always writes their own emails develops a voice and a sensibility, while the one who always has AI draft them develops a review habit. These are not the same thing and that difference compounds over years.

> *"I am becoming dumber. I'm not using my brain as much as I used to. The tool does it. And I notice the difference."*

Global Head of HR, international organization (interview participant, anonymized)

At the same time, overload affects interpersonal dynamics. Empathy, attention, and presence require cognitive resources. When those are depleted, these capabilities decline.

The Shadow AI Signal

~90%
of employees use private AI tools for work tasks (MIT State of AI in Business, 2025)

59%
of employees hide their AI usage from employers (Cybernews, 2025)

87%
of employees say empathy is essential for positive organizational change (EY, 2023)

Sources: MIT NANDA (2025); Cybernews survey (October 2025); EY Empathy in Business Survey (2023)

People are optimizing for speed, regardless of policy, to meet expectations and outperform. This creates a second risk: cognitive offloading reduces engagement with the underlying work, and over time, that affects judgment.

Empathy is not a soft skill - it’s a capacity-dependent one. Organizations may value it, but without the conditions to sustain it, it does not show up in practice.

CHAPTER 06

What Now

Three principles. No tool list.

The organizations making progress are not those with the most tools, but those making different choices about human performance.

For CEOs

01 / Treat cognitive capacity as a business risk.

Decision quality depends on it.

02 / Protect decision-makers.

Limit unnecessary load. Create space for focus.

03 / Model it.

Culture follows behavior.

For CHROs

01 / Build conditions for honest conversations.

Sick days are a fire alarm. They tell you the building is already burning. The solution is not more monitoring. It is trust.

02 / Read shadow AI as a signal.

It reveals what people actually need.

> **03 / Speak the board's language.**
>
> Frame capacity as performance, not wellbeing.

For Everyone With People Responsibility

Start with yourself. Leaders who cannot recognize their own capacity limits cannot protect the capacity of others. Self-awareness is not a personal virtue here. It is an organizational function.

Even the strongest individuals have limits. Sustained performance comes from knowing when to push and when to recover.

This isn't a soft conversation. It's the conversation that determines whether an organization can sustain excellence over time, or whether it burns through its best people in cycles and wonders why the talent pipeline keeps running dry.

A FINAL THOUGHT

What We Cannot Afford to Lose

There is a version of the future where organizations become faster and more efficient, while losing the qualities that make good decisions possible.

This outcome is not inevitable, but it is a natural consequence of optimizing for speed without considering human limits.

What remains difficult to replicate is human judgment. The ability to interpret context, to navigate ambiguity, and to make decisions that are not only efficient but appropriate.

It depends on sustained cognitive and emotional capacity. They do not survive constant overload.

Managing mental capacity is not about wellbeing as an end. It is about maintaining the conditions that make high-quality performance possible in the first place.

The organizations that protect their people's capacity to think clearly,
decide well, and lead with empathy
will be the ones still standing in ten years.
That is not a prediction.
It is the logical conclusion of everything this research has shown.

APPENDIX

Research Methodology and Sources

Research Design

This report is based on 15 qualitative interviews conducted between January and March 2026 with HR decision-makers, People and Culture leads, and executives with direct people responsibility across 8 countries. Participants represented organizations ranging from 80 to 4,000 employees across industries including technology, consulting, logistics, entertainment, manufacturing, and financial services. Interviews were conducted in German and English, recorded with participant consent, and transcribed. All participants are anonymized throughout the report.

Interview findings were cross-referenced with a review of externally published research from 2024 to 2026. Direct claims attributed to external sources are cited below.

Interview Questions

The interview protocol evolved across the research period. Core questions included:

- The MIT research suggests 95% of AI investments produce no measurable business impact, largely because tools increase individual speed without transforming processes. How does this manifest in your organization, and what happens to the time that AI saves?
- In the past, work contained natural cognitive pauses: waiting for a junior's draft, a client response, a review cycle. How have those pauses changed, and what do you observe in yourself and your teams as pace has accelerated?
- We're seeing junior tasks automated while pressure concentrates at the senior level. How does this play out in your organization, and how do you ensure your highest performers don't become your highest risk?
- Sick days are a lagging indicator. If you could design any early warning system you wanted for cognitive overload in your organization, what would it look like?
- How do you position mental resilience internally: as an employee benefit or as strategic infrastructure? And where do you encounter resistance to that framing?
- The MIT research suggests 90% of employees use personal AI tools for work without their organization's knowledge. What does that signal to you, and how are you responding?
- Is there a reliable mechanism in your organization for monitoring decision quality at the senior level, before errors become visible?

External Sources

The following external sources are cited or referenced in this report. All have been independently verified.

- **McKinsey Health Institute and World Economic Forum (January 2026):** 'The Human Advantage: Stronger Brains in the Age of AI.' Introduces the concept of brain capital and argues for cognitive health as a strategic economic asset. Available at mckinsey.com/mhi and weforum.org.
- **McKinsey and Company (January 2025):** 'Superagency in the Workplace: Empowering People to Unlock AI's Full Potential.' Based on surveys of 3,613 employees and 238 C-suite executives across six countries. Finds that only 1% of organizations describe their AI deployment as mature.
- **MIT NANDA / Project NANDA (July 2025):** 'The GenAI Divide: State of AI in Business 2025.' Based on 52 structured interviews and analysis of 300+ public AI implementations. Documents the 95% failure rate of enterprise AI to produce measurable P&L impact.
- **Westby and Modestino, Northeastern University (2025):** 'The Impact of Generative AI on Job Opportunities for Junior-Level Software Developers.' Submitted to Management Science. Documents a 16.3% relative decline in junior job postings following AI adoption.
- **American Journal of Preventive Medicine (February 2025):** CUNY Graduate School of Public Health study quantifying the annual employer cost of employee disengagement and burnout: $3,999 to $4,257 for non-managerial staff; $10,824 for managers; $20,683 for executives.
- **Gallup (2025):** 'State of the Global Workplace.' Documents global employee engagement at 21%, matching pandemic-era lows. Manager engagement declined from 30% to 27% in 2024. 70% of team engagement variance attributable to the manager. Engaged business units show up to 59% less turnover.
- **EY US Consulting (March 2023):** 'Empathy in Business Survey.' Study of 1,012 employed US workers. Finds 87% of employees believe empathetic leadership drives positive organizational change; 52% find company empathy efforts feel dishonest.
- **ISO 45003 (2021):** First international standard for the management of psychosocial risks as part of occupational health and safety. Increasingly referenced as a compliance framework for cognitive and mental wellbeing at work.
- **Cybernews (October 2025):** Survey of US employees finding that 59% hide their AI usage from employers.

A Note on Methodology

This research is qualitative and exploratory, not statistically representative. Interview participants self-selected and represent a particular subset of organizations: those whose HR leaders were willing to engage openly with these questions. Findings should be read as directional and illustrative, not definitive. Where specific statistics are cited from interview data, such as utilization rates for mental health tools, these are drawn from participant reports and reflect individual organizational contexts.

All reasonable effort has been made to verify external sources prior to publication. Readers are encouraged to consult original reports directly.

All interview data anonymized. External sources independently verified.