TE Connectivity

2026 INDUSTRIAL TECHNOLOGY INDEX

EXECUTIVE SUMMARY

ABOUT THE REPORT

The TE Connectivity Industrial Technology Index is a third-party, independent research study that examines innovation culture within the industries shaping our world.

The online survey was taken by 1,000 engineers and executives at industrial engineering companies in China, Germany, India, Japan, and the U.S. It was designed to provide insights into how companies are managing critical innovation issues.

ARTIFICIAL INTELLIGENCE COMES OF AGE

Results of this year's survey show that when it comes to AI, companies have moved beyond the experimentation phase, with the majority having adopted AI to some degree, with large jumps in some countries reporting "extensive" use.

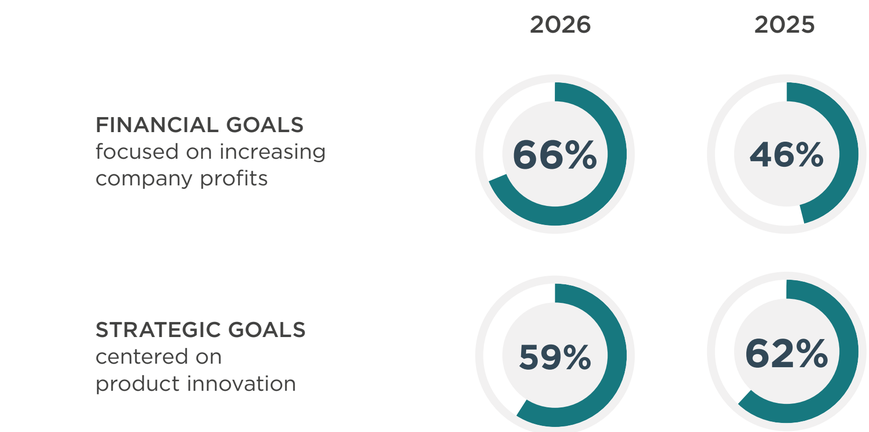
There's also been a notable shift in the overall objectives of these companies. For the first time in four years, businesses are now prioritizing financial goals over product innovation, potentially creating friction between engineers seeking transformative breakthroughs and executives focused more on operational efficiencies.

As businesses deploy AI to both advance innovation and deliver financial results, the TE Connectivity 2026 Industrial Technology Index examines these dynamics in detail and identifies ways businesses can maximize the benefits of AI.

RATES OF EXTENSIVE AI ADOPTION AROUND THE GLOBE
(2026 Findings vs 2025)

	China	Germany	India	Japan	U.S.
2026	29%	37%	37%	33%	41%
2025	28%	15%	25%	31%	15%

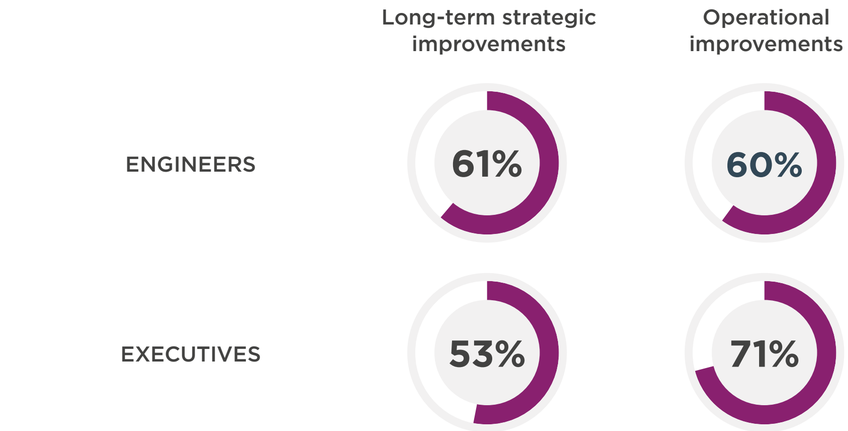
EXECUTIVES' TOP BUSINESS PRIORITIES
(Ranked in Top Two Priorities; 2026 Findings vs 2025)



ANSWERING THE ROI QUESTION

Engineers and executives differ on how to measure AI's value. Engineers are more likely to look for ROI from longer-term strategic improvements while executives tend to be more focused on operational improvements.

HOW DO YOU MEASURE THE VALUE AI DELIVERS?



HOW DO EXECUTIVES MEASURE AI SUCCESS?
(2026 Findings vs 2025)

	2026	2025
Cost savings	53%	50%
ROI	50%	30%
Workforce efficiency improvements	47%	43%
Optimized product designs	32%	55%
Increased automation of manual tasks	45%	53%
Improved data processing and analysis	39%	51%

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THE PATH FORWARD

AI's potential for large-scale positive impact is no longer in doubt. The question is how executive leadership and engineering talent can align their objectives to develop durable AI strategies. Laying out a clear path that recognizes the priorities of both groups will help deliver alignment and enable companies to maximize AI's transformational potential.

VIEW THE FULL GLOBAL REPORT

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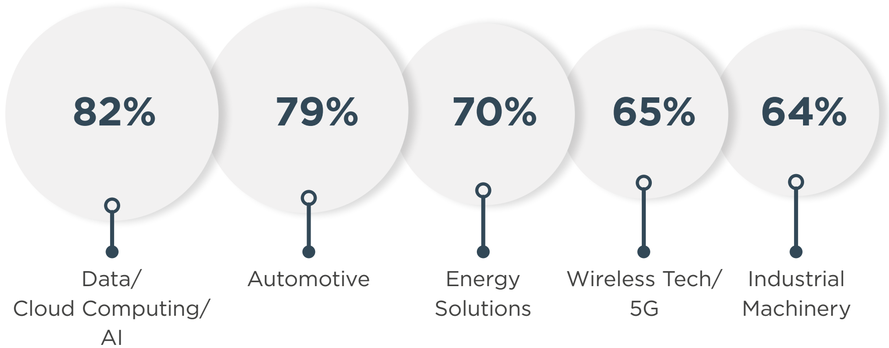
EMBRACING AI-ASSISTED WORK

AI is transforming traditional engineering by reducing the need for entry-level skills and the number of engineers needed to complete certain tasks. Rather than eliminating jobs, however, AI is expanding opportunities: 66% of respondents say that AI is creating new roles and career paths at their companies. That trend is strongest in the data/cloud computing/AI and automotive industries.

AI'S IMPACT ON TALENT NEEDS, ACCORDING TO ENGINEERS

Higher-Value Work Engineers can take on higher-value work because of AI	72%
Reskilling My company is reskilling engineers to work effectively with AI	71%
New Skills AI is creating demand for new skills that didn't previously exist	70%
Entry-Level Capabilities AI is reducing the need for entry-level or routine engineering skills	59%

COMPANIES CREATING NEW AI-RELATED ROLES AND CAREER PATHS



LEARNING FROM THE PAST

The lessons of automation provide a roadmap for AI success. Automation technologies presented similar challenges and opportunities as AI does today. Despite some growing pains, automation ultimately delivered clear gains across a set of objectives remarkably like the ones expected for AI efforts, including innovation, efficiency, and data insights.

HOW AUTOMATION LESSONS APPLY TO AI ADOPTION FOR ENGINEERS AND EXECUTIVES

Proven Benefits
The benefits we achieved with automation are also achievable with AI.

Clear ROI Matters
Automation showed the importance of clear ROI to justify investment in new technologies like AI.

Start Small
Automation proved the value of starting small with pilots before scaling AI organization-wide.

Train First
Automation demonstrated the importance of providing employee training before implementing AI.