

A Human-Centered Approach To AI In The Workplace

Exploring The Future Of Artificial Intelligence In HR Through
The Eyes Of Employees And People Leaders

A FORRESTER CONSULTING THOUGHT LEADERSHIP PAPER COMMISSIONED BY WORKDAY, NOVEMBER 2023

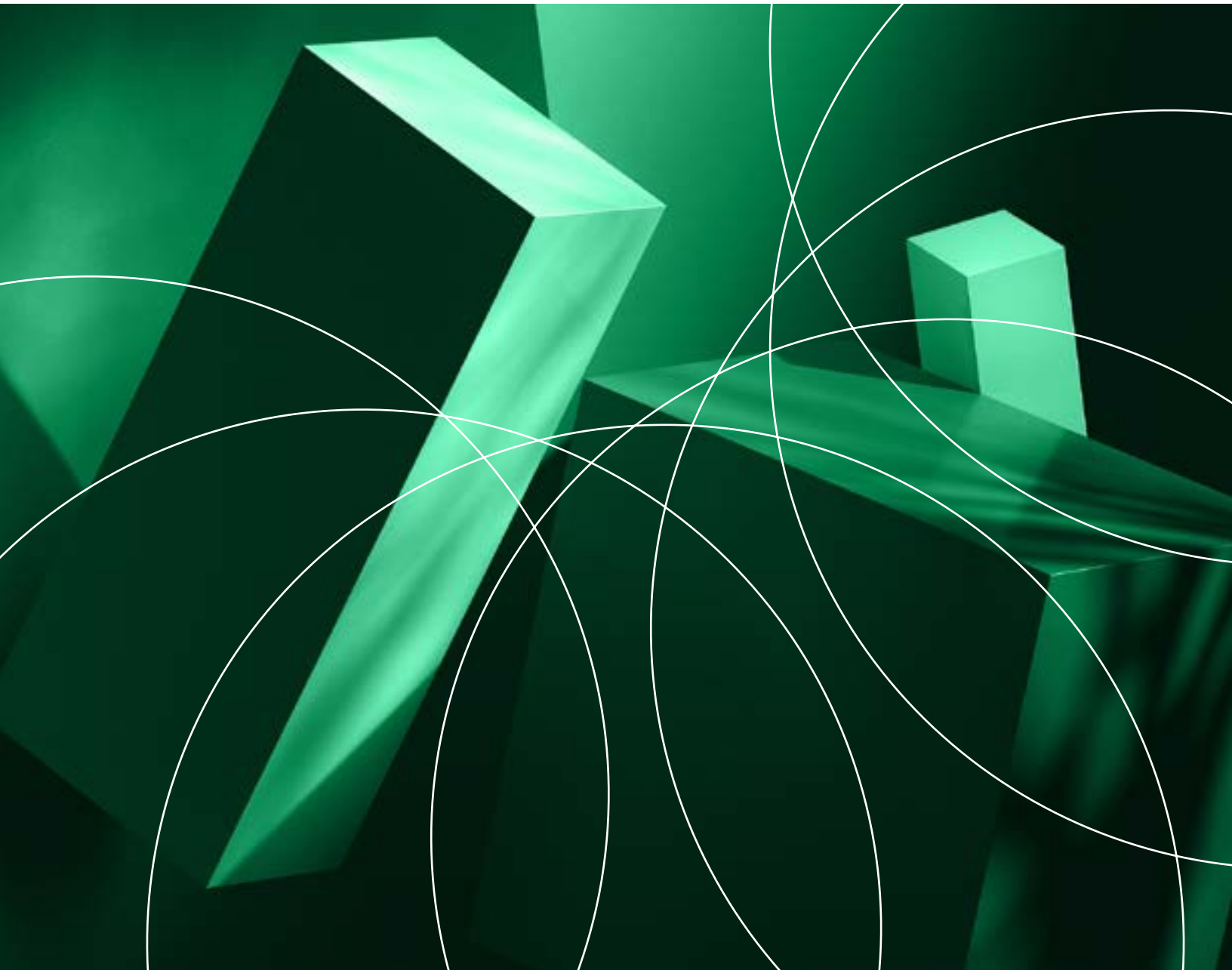


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Project Team:

Josh Blackborow,
Senior Market Impact Consultant

Lillie Sinprasong,
Associate Market Impact Consultant

Contributing Research:

Forrester's Digital & Consumer research group

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Executive Summary

Artificial intelligence (AI) is changing the way we work. From development to accounting to supply chain, organizations are adopting AI across all business areas. This study examines how HR in particular is using AI to reshape employee development, recruiting, and more.

In August 2023, Workday commissioned Forrester Consulting to evaluate the impact of AI in HR and to better understand the perspectives of both people leaders and employees on the adoption of AI in general. To explore this topic, Forrester conducted two online surveys: one with 1,124 HR technology decision-makers and one with 1,340 frontline and office workers at organizations across the globe. We found that while the perspectives between the groups are different in many ways, they are often more similar than leaders might expect. There is definite alignment in some areas and misalignment in others. AI presents an opportunity to revolutionize the way that HR operates. However, the devil is in the details: The ways organizations enact AI programs and, most importantly, the ways they communicate to their employees determines whether AI programs in HR succeed or fail.

Key Findings

AI is a fundamental part of the future of HR. Seventy percent of people leaders believe AI will be crucial for success in HR in the next five years. While adoption of AI use cases (e.g., candidate matching, AI-driven career pathing) is currently in the early stages, they expect use to rapidly increase in the near future.

Employees are far more excited about AI than leaders believe they are. Only 31% of leaders believe their organization's workers are enthusiastic about the use of AI in the workplace, but 73% of employees said they hope their company explores more AI implementation. This disconnect can significantly affect the way an organization communicates with its employees around AI.

Training for AI is critical, but leaders overestimate employees' knowledge of it. While 64% of leaders believe employees have a good understanding of AI, only 34% of employees said they have a good understanding of AI and how it can be used in the workplace. Training is vital for employees to not only know teach them to effectively use AI, but also to empower them and reduce their concerns about the technology.

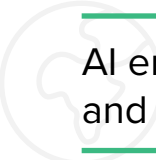
Organizations are not transparent enough about AI with their employees. Transparency and communication are key to alleviating workers' concerns and gaining their buy-in on AI. However, only 16% of leaders believe that having employee buy-in is critical for AI success, and only 36% of leaders feel their organization has been clear and open about the use of AI with its employees.

How do leaders and employees each feel about AI today and for the future?

During the past year, leaders across enterprises have scrambled to see how AI can shape the future of their departments, and HR leaders are no different. However, before looking at the future, it's important to understand the present. By understanding the current landscape, leaders can gain valuable insights into the challenges and opportunities that lie ahead in harnessing the power of AI in HR.

AI IS A KEY COMPONENT OF THE FUTURE OF HR

AI is rapidly emerging as a critical part of the future of HR, and it has the potential to transform employee experience and organizational processes. Seventy percent of decision-makers said AI will be instrumental to success in HR during the next five years. And perhaps even more importantly, 73% of leaders believe AI will have a positive impact on employee experience and engagement.



AI enthusiasm is highest in North America (75%) and lowest in Asia Pacific & Japan (66%).

AI has the ability to reduce repetitive tasks for employees, help companies become more data-driven, and improve self-service offerings for employees, among many other benefits. As one HR director for a financial services company told us, “The possibilities seem endless.”

“We have witnessed faster recruiting, better matching, faster employee issue resolve, and higher satisfaction and employee retention.”

**HR C-level executive,
technology**

Perspectives On How AI Will Shape HR In The Future

“Less administrative work by staff. More time to do high-level work. Less resources necessary for routine tasks. Money savings, time savings, and resource savings.

HR vice president, government

“HR teams will move to be more data-driven and new roles will develop. I can see some manual functions become obsolete or evolve to take on other tasks. It will allow HR to become more strategic [especially] in small/medium-size companies as less time will be spent on reactive/repetitive tasks. The company that develops a data analytics tool/program and associated training for small/medium HR teams will have the potential to be very successful as that skill set does not currently exist in most teams of that size.”

HR director, healthcare

“The possibilities seem endless. A lot of potential in our fraud controls for AI to be proactive about monitoring. I expect that organizations will be able to select from common components to [complement] current systems.”

HR director, financial services and/or insurance

“I think it’s going to be drastic. It scares me quite a bit, but I think so much of HR will move to a self-service model and it will provide cost savings.”

HR vice president, healthcare

USE CASES: WHAT DOES AI FOR HR LOOK LIKE?

There are countless ways in which AI and machine learning technology can be utilized within the HR space. For the purposes of this study, we focused on five key use cases that we believe to be core for the near future of AI in HR and the employee experience:

- 1. Conversational experience leveraging generative AI.** AI is used to help people find information and complete transactions such as retrieving specific, highly personalized results through a more human-centric conversational interface and experience.
- 2. Candidate matching.** AI is used to deliver efficiency and greater accuracy in matching external and internal candidates to open job or project opportunities.
- 3. Gig and job matching for internal candidates.** AI is used to curate recommended gigs (i.e., part-time assignment within an individual's own organization) and allow internal candidates to identify and apply for jobs within their organization.
- 4. AI-assisted development.** AI is used to create highly personalized and contextual development plans for job mastery and skill development.
- 5. AI-driven career path.** AI is used to empower employees with greater personalization of career path recommendations by matching job profiles, creating development plans, finding gigs, and more.

“[AI has allowed] HR to focus on higher pay off activities that can improve our company and their own career progression. I think we will see less burnout in the future with people being able to focus on the key functionally of their positions, get more fulfillment, and produce quality work.”

**HR vice president,
financial services**

We found that adoption of these use cases today is still just in the beginning stages. Of the five use cases studied, four have adoption under 45% (see Figure 1). Only conversational experience leveraging generative AI had adoption rates over 50%. It's worth noting that we believe many respondents may be indicating chatbot adoption that isn't actually leveraging generative AI.

North American (61%) and European (63%) respondents were far more likely to have implemented conversational experiences than respondents in APAC and Japan (52%) and South Africa (57%).

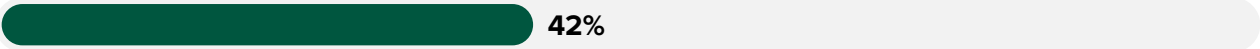
LEADERS **FIGURE 1**

“Which of the following use cases of AI for HR has your organization implemented?”

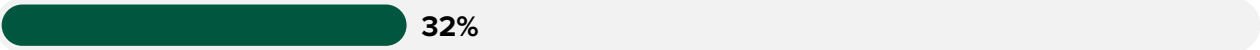
Conversational experience leveraging generative AI (using AI-driven conversational experiences to help employees find answers and resources, e.g., chatbots)



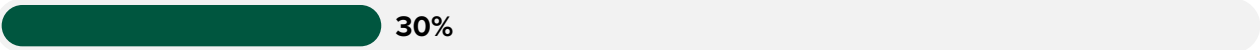
Candidate matching (AI being used to match external job candidates to open job or project opportunities)



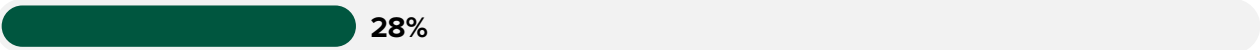
Internal gig (part-time assignment within your own organization) and job matching for internal candidates (AI being used to match employees to internal projects, gigs, or open roles)



AI-assisted development plans (AI used to create and guide employees' development plans for job mastery and skill development)



AI-driven career path recommendations (AI-driven recommendations for employees' career progression)



Base: 1,124 technology decision-makers at global organizations thinking of investing/already investing in AI for HR
Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

Leaders see significant value in each of these use cases and expect them to improve HR and the employee experience in a variety of ways. For example, they think using AI for candidate matching will improve efficiency in the hiring process (63%), AI-assisted development plans can improve employee productivity (65%), and conversational experience using generative AI can help employees get the information they need more quickly (71%) (see Figure 2).

Data indicates that most companies are only just starting to adopt AI for HR. Despite this, leaders expect AI implementation to skyrocket going forward, and they know they're going to need to keep up. Incredibly, 74% of decision-makers already feel like their organizations are behind when it comes to AI adoption. Leaders told us that they wished their organizations had been more proactive in adopting AI sooner. We understand the excitement and, as one HR director told us: “We spent a lot of time debating and waiting before starting on our AI journey. I really wish we would have started sooner.”

While getting the ball rolling on AI is important, it's still crucial for leaders to approach it strategically and carefully. One VP of HR told us that their best advice for those starting their AI journeys: “Take your time and don't rush into it just because everyone else is doing it. Do your due diligence to understand the software/capabilities to understand if it's a fit for your company.” Finding the balance between speed — without sacrificing security — is the key to adopting AI within HR.



FIGURE 2

“What benefits has your organization seen or do you expect it to see from implementing these AI use cases?”

Candidate Matching

Improved efficiency in the hiring process

63%

Less time spent by HR employees reviewing applications

54%

A higher number of diverse candidates

51%

AI-Assisted Development Plans

Employees feel more empowered by the organization providing them with better development tools

69%

Employees are more productive

65%

Employees deliver higher-quality work

62%

AI-Driven Career Path Recommendations

Employees are more productive

56%

Employees are happier

54%

Opportunities have improved for underrepresented groups in leadership or job profiles where they have been traditionally underrepresented

51%

Gig And Job Matching For Internal Candidates

Better use of employee resources

57%

Improved employee retention

55%

Greater ability to fill gaps in staff/skills with internal resources (as opposed to having to outsource or hire)

53%

Conversational Experience Using Generative AI

Employees are able to more quickly get the information they need

71%

Employees are happier

63%

HR employees feel more empowered by the organization providing them with this tool

60%

Base: 1,124 technology decision-makers at global organizations thinking of investing/already investing in AI for HR

Note: Showing top 3 benefits per use case shown

Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

EVALUATING USE CASES ACROSS 4 KEY METRICS

In this study, employees and leaders were each given detailed descriptions of the five key use cases and then asked to rate them across four metrics.

These metrics include the following:

1. Overall level to which they would be happy to have the use case implemented at their organization
2. Value for the organization
3. Level of concern (i.e., level to which they are worried about potential problems/risks with this technology)
4. Personal value (i.e., value for the individual employee or leader)

Employees and leaders ranked the use cases quite differently; what impacted their overall enthusiasm towards the use case was also distinct. While personal value, organizational value, and level of concern were critical inputs to overall happiness for AI use case implementation across both groups, personal value was unsurprisingly the biggest driver for employees and organizational value was the most impactful driver for leaders. For leaders, concern level had almost no effect on their overall happiness level.

Here is how each group ranked these use cases across the four key metrics:

LEADERS
EMPLOYEES

Use Case Rankings

“Overall level to which I’m happy to have this implemented at my organization.”

LEADERS

1. AI-driven career path recommendations
2. Internal gig and job matching
3. AI-assisted development plans
4. Conversational experience leveraging genAI
5. Candidate matching

EMPLOYEES

1. Conversational experience leveraging genAI
2. AI-assisted development plans
3. AI-driven career path recommendations
4. Candidate matching
5. Internal gig and job matching

“Value for organization”

LEADERS

1. AI-driven career path recommendations
2. Internal gig and job matching
3. Conversational experience leveraging genAI
4. Candidate matching
5. AI-assisted development plans

EMPLOYEES

1. Candidate matching
2. Conversational experience leveraging genAI
3. AI-assisted development plans
4. AI-driven career path recommendations
5. Internal gig and job matching

“Level of concern”

LEADERS

1. AI-driven career path recommendations
2. Internal gig and job matching
3. AI-assisted development plans
4. Conversational experience leveraging genAI
5. Candidate matching

EMPLOYEES

1. Candidate matching
2. AI-assisted development plans
3. Conversational experience leveraging genAI
4. Internal gig and job matching
5. AI-driven career path recommendations

“Value for me, personally”

LEADERS

1. AI-driven career path recommendations
2. Internal gig and job matching
3. AI-assisted development plans
4. Conversational experience leveraging genAI
5. Candidate matching

EMPLOYEES

1. Conversational experience leveraging genAI
2. AI-driven career path recommendations
3. AI-assisted development plans
4. Internal gig and job matching
5. Candidate matching

EMPLOYEES HAVE CONSIDERABLE ENTHUSIASM FOR AI — AND CONCERNS

Media narratives often paint a picture of an anxious workforce when it comes to AI. But is that actually how employees feel? We found that:

- **Employees see significant value in the potential of AI ...** Our study found that employees understand the substantial value that AI can provide in making them more productive in their jobs. They believe that AI use within HR can help them access information more quickly, give them a sense of empowerment, help their productivity, and more (see Figure 3).

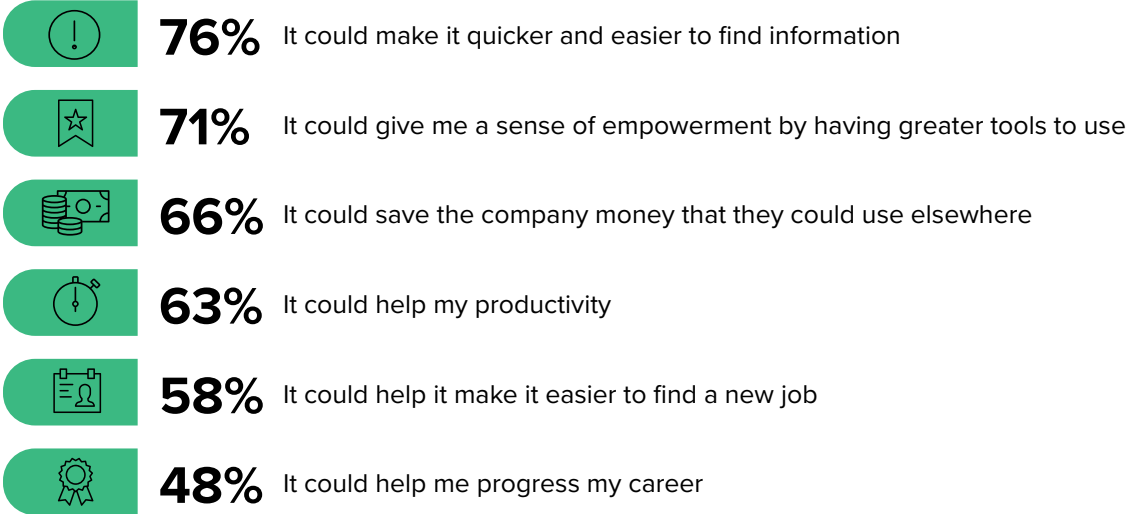
Employees understand the substantial value that AI can provide in making them more productive in their jobs.

Employees' enthusiasm for AI was particularly high in South Africa and North America and was lower within Europe.

EMPLOYEES FIGURE 3

“To what extent would you agree with each of the following about how AI use in HR could have a positive impact on you?”

(Showing “Agree” and “Strongly agree”)



Base: 1,340 global frontline and office workers at a manager level or below
Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

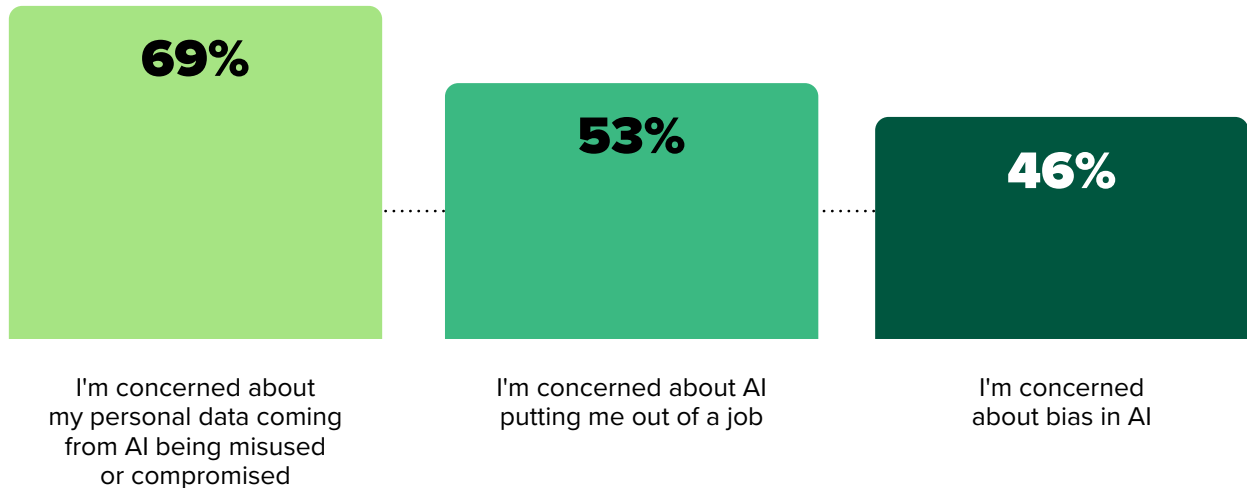
- ... **But they have concerns about the personal impact of AI.** Despite optimism, employees still have practical concerns with AI. Nearly 70% say they are concerned with AI misusing their personal data, while 53% are worried about being put out of a job and 46% are concerned about AI bias (see Figure 4). Bias is a particularly significant concern when it comes to those who it will affect most. For example, in candidate matching — a use case with significant risk for unethical bias — bias plays a significantly higher role in the overall concern level for women and non-white employees than it does for men and white employees.

EMPLOYEES

FIGURE 4

“To what extent do you agree with the following statements related to AI?”

(Showing “Agree” and “Strongly agree”)



Base: 1,340 global frontline and office workers at a manager level or below

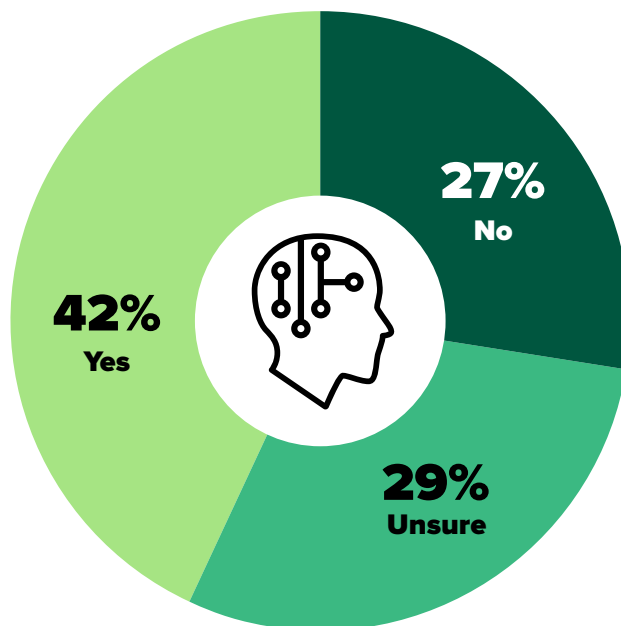
Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

- **Overall, AI enthusiasm levels vary.** Employees have seen benefits in AI adoption but also have concerns. Each employee will weigh these differently. Because of this, the overall population is somewhat split: 42% believe AI adoption will be overall positive for them, 27% feel like it won't, and 29% are unsure (see Figure 5).

Workers from South Africa had the most positive outlook on AI (57% believe it will be net positive). Respondents from North America had the most negative outlook (29% believe it will not be a net positive).

EMPLOYEES **FIGURE 5**

AI Use Expected To Be Mostly Positive Overall

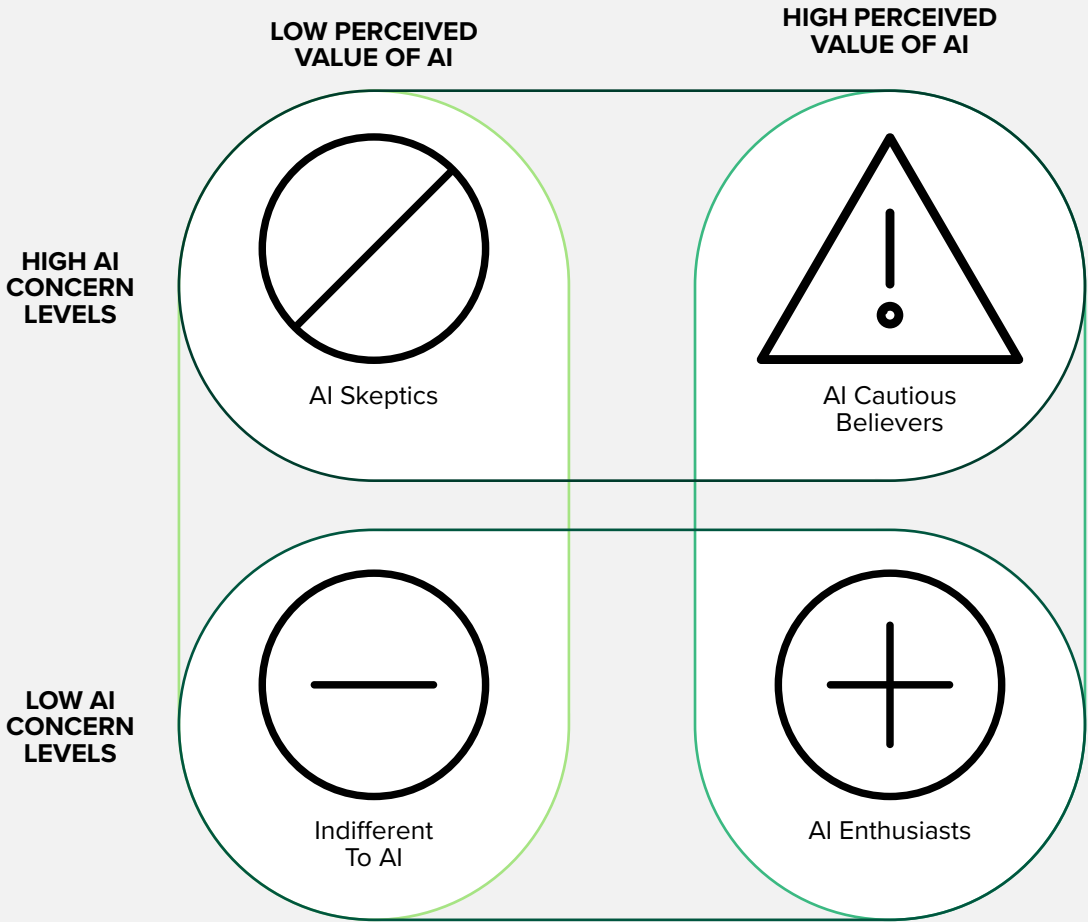


Base: 1,340 global frontline and office workers at a manager level or below
Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

EMPLOYEE PERSONAS

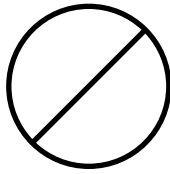
Unsurprisingly, employees have a wide range of enthusiasm and concern levels when it comes to AI in their work. To dig into the nuances and better advise decision-makers, we grouped employees into four personas based on their reported level of concern for AI implementation and their perceived value of AI in the workforce. The four personas include: 1) AI Enthusiasts, 2) AI Cautious Believers, 3) Indifferent To AI, and 4) AI Skeptics.

These personas serve as valuable tools for analyzing and categorizing employee attitudes and behaviors towards AI, allowing for a more nuanced examination of the potential benefits and challenges associated with AI integration in HR.



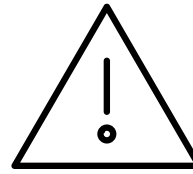
Base: 879 global frontline and office workers at a manager level or below
Note: Base is lower than the total number of respondents in survey because not all respondents categorized into one of these 4 personas.
Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

Persona facts



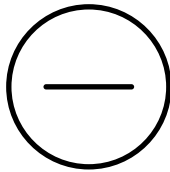
AI Skeptics

- Second youngest persona on average
- Greatest concerns are with ethics and privacy in AI
- Least common persona in EMEA
- Most common persona for IT professionals
- Least common persona for HR employees



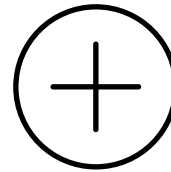
AI Cautious Believers

- Second oldest persona on average
- The persona that has the greatest concerns around job security with AI
- Most common persona in APAC & Japan
- Most common persona for HR employees
- Most common persona for healthcare employees



Indifferent To AI

- Oldest persona on average
- The persona with the lowest concerns about AI privacy
- Most common persona in North America and least common persona in APAC & Japan
- By far the least likely persona for those working in nonprofits and healthcare



AI Enthusiasts

- Youngest persona — most likely by far to be 18 to 25
- Greatest concerns are with AI ethics
- Most common persona in EMEA and least common persona in North America
- Most common persona for people in sales

KEY TAKEAWAYS



AI will play a critical role in the future of HR.



Adoption levels of AI technology within HR are still fairly low today.



Employees have significant enthusiasm for how AI can help them in their work, but they also have some serious concerns.

Where are the key points of contention and misunderstanding between employees and leaders when it comes to AI?

The use of AI in HR processes is seen as valuable for workers and leaders; however, there are substantial factors in which these groups differ in how they understand and value AI as well as their expectations for one another.

LEADERS VASTLY UNDERESTIMATE EMPLOYEE INTEREST IN AI

There is a substantial disconnect between workers and leaders around employee perceptions of AI. Our research found that most leaders don't think that their employees have any enthusiasm towards AI. Less than one-third of leaders (31%) cited that they believe workers are excited about the use of AI in the workplace. However, nearly three-quarters of employees (73%) said they hope their company explores more ways to implement AI in different parts of the organization (see Figure 6).

LEADERS

FIGURE 6

Only
31%
of decision-makers think that workers are excited about the use of AI in the workplace ...

Base: 1,124 technology decision-makers at global organizations thinking of investing/already investing in AI for HR
Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

... but
73%
of workers told us that they hope their company explores more ways to implement AI in different parts of the workplace and organization.

Base: 1,340 global frontline and office workers at a manager level or below
Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

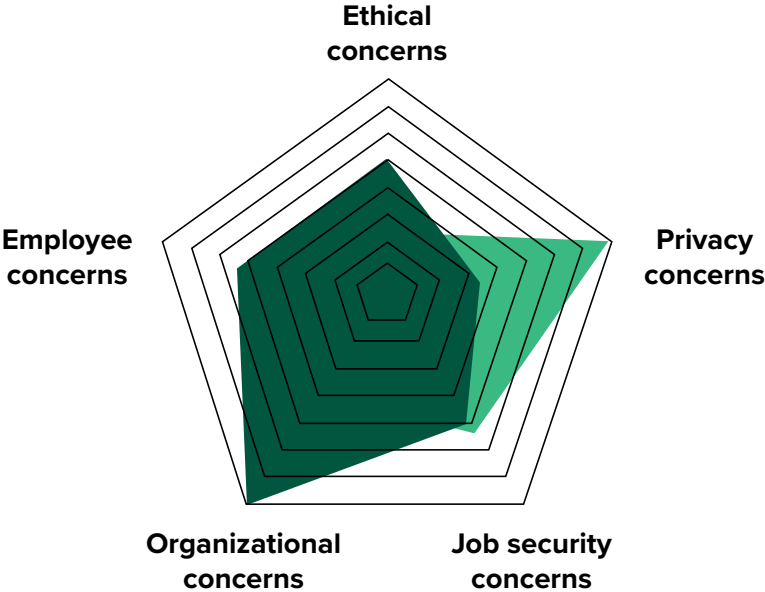
This is a crucial disconnect. If leaders don't expect employees to have any enthusiasm towards AI, there is a strong chance that they may not put effort into quelling their concerns and instead see employee buy-in for AI as an obstacle. This also has the potential to delay organizational AI adoption if they incorrectly believe they will meet resistance.

DISCONNECTS IN ORGANIZATIONAL AND EMPLOYEE PRIORITIES

We asked each group about their concerns about each potential use case as well as their concern levels overall. We found that many concerns were shared between each group. Ethical concerns in particular were important to both employees and leaders. However, when looking at which concerns impacted the overall concern level, i.e., which concerns really mattered to each group, we found a substantial disconnect. Employees were far more concerned with privacy (e.g., concerns about how data is used) and potential job loss, whereas leaders focused more on organizational concerns (e.g., AI being an inefficient use of resources, costs to the organization, litigation exposure, etc.) (see Figure 7).

LEADERS
EMPLOYEES

FIGURE 7



Base: 1,340 global frontline and office workers at a manager level or below (Employees)
Base: 1,124 technology decision-makers at global organizations thinking of investing/already investing in AI for HR (Leaders)
Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

KEY TAKEAWAYS



Employees are far more enthusiastic about AI adoption than leaders realize.



There are considerable disconnects in employees' and leaders' concerns when it comes to AI.

What can organizations do to ensure a happy and empowered workforce utilizing AI to its fullest?

Employees are not averse to the idea of AI. In fact, most have real excitement for it. This should come as great news for employers, many of whom don't seem to perceive any employee enthusiasm. However, organizations would be making a critical mistake if they were to simply take this unexpected interest level from employees as a win and move on. Employees have very real concerns and gaps in their knowledge about AI. To create a truly effective AI program, leaders will need to focus on alleviating employee concerns and empowering them with the knowledge, skills, and information they need to thrive in an AI-driven world.

FOSTERING KNOWLEDGE AND SKILLS FOR AI ADOPTION IN HR

The first step in maximizing the potential of any new technology is ensuring that those who will use it — and those it impacts — understand the technology and are given the skills they need to succeed. As one HR VP told us, “We believe that training and education are key in making AI work for our organization and growth.” However, AI training may not yet be where it needs to be. We found that:

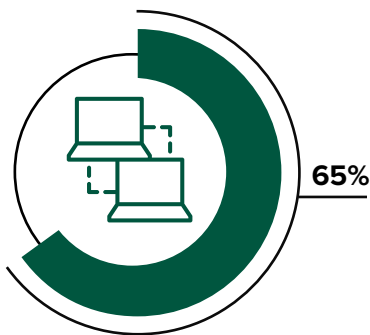
- **There is a clear need for training on AI.** Sixty-three percent of employees surveyed perceive AI as intimidating due to its complexity and 61% believe they could benefit from receiving training on how to effectively use AI in the workplace. By delivering adequate training on AI, organizations can empower their workforce, alleviate concerns, and foster a culture of continuous learning and development.

- **Leaders understand the need for upskilling the workforce.** Decision-makers rated “ensuring adequate training to upskill workers” as the factor that will have the biggest impact on the success of AI use cases in HR. Additionally, 75% of leaders agreed that when employees are trained on how to use AI, it gives them a sense of empowerment and reduces concerns by demystifying the technology.
- **But leaders overestimate employees’ knowledge on AI.** Leaders and employees are aligned on the importance of training the workforce on AI. However, leaders don’t seem to understand employees’ current level of AI knowledge. A vast majority of employees don’t feel like they understand what AI is and how it can be used in the workplace, while nearly two-thirds of decision-makers said they believe workers have a good understanding (see Figure 8). This issue is even more pronounced among frontline/deskless workers where only 29% feel like they have an understanding of AI (compared to 43% of desk workers).

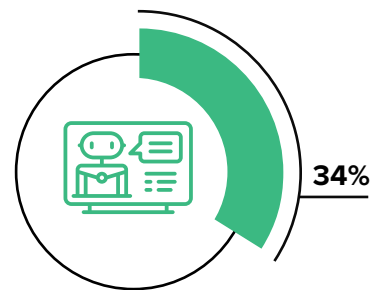
LEADERS

FIGURE 8

EMPLOYEES



65% of decision-makers believe that workers have a **good understanding of how AI can be used in the workplace**



34% of employees say they feel like they **understand what AI** is and how it can be used in a professional setting*

Base: 1,124 technology decision-makers at global organizations thinking of investing/already investing in AI for HR

*Base: 1,340 global frontline and office workers at a manager level or below

Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

Best Practices For Training

“We have training modules for impacted programs 90 days prior to launch, training assigned and tracked for completion prior to use of AI tools, and awards for completing training.”

HR director, healthcare

“We are already offering training in various levels to the employees — including making them aware of this space. We also offered a tuition reimbursement program which has been further boosted for anyone’s pursuit of AI courses. We are also conducting AI hackathons every six months as an opportunity for employees to get a chance to learn and get hands-on experience with AI.”

HR director, technology and/or technology services

“We have AI-specific training programs, both in micro- and macrolearning models to enable and upskill employees for the use of AI in their job functions.”

HR C-level, technology and/or technology services

“We use internal training modules. They have been effective. Some training classes are introduced as a part of the new employee orientation while others are handled as a part of compliance training.”

HR director, healthcare

So, even if leaders understand the need for AI training, this disconnect raises concerns about what training may look like. If leaders overestimate their employees' AI knowledge, they may implement training that also assumes a higher baseline of information than employees actually have, which could hinder the adoption and utilization of AI technologies.

- **Training is a challenge when organizations lack internal expertise.** Even those making the decisions about AI use in HR often feel like they are behind where they need to be in terms of knowledge. In fact, 64% of leaders say they themselves have not been given adequate training to take advantage of AI, while an additional 54% said that they are having difficulty training leadership to utilize AI use cases in HR.

This issue starts at the highest levels: 67% say their leadership lacks understanding of how to get started with utilizing AI within HR and 57% say that they lack internal expertise around AI.

ENSURING EFFECTIVE COMMUNICATION IS CRUCIAL TO GAIN EMPLOYEE BUY-IN

Training and education around AI helps build employee skills, confidence, and sense of empowerment. But to get full buy-in from employees, communication and transparency from leaders is critical. As a VP of HR at a healthcare organization put it, “For us, open communication is a necessity or otherwise, people will not embrace AI.”

However, we found that while nearly half (43%) of leaders acknowledge the significance of providing training on AI to their employees, only 16% are focused on gaining their employees' buy-in (see Figure 9). Neglecting to gain their employees' trust for AI could lead to a combative or adversarial dynamic between leaders and employees instead of a collaborative one.

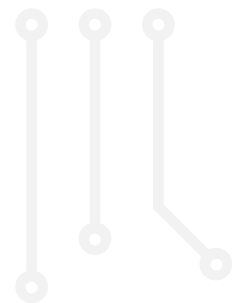


FIGURE 9

“At your organization, which factors will have the biggest impact on the success of AI use cases in HR?”

Ensuring we have adequate training in place to upskill workers around this technology **43%**

Being transparent with employees **40%**

Having the right talent and expertise **40%**

Executive knowledge and understanding of AI **35%**

Remaining ethical and responsible **34%**

Having executive buy-in for AI initiatives **28%**

Working with the right technology partner(s) **27%**

Feeding the tech with the right/clean data **24%**

Having employee buy-in **16%**

Leveraging data coming out of AI effectively for other purposes **10%**

Base: 1,124 technology decision-makers at global organizations thinking of investing/already investing in AI for HR

Note: Showing top 3 ranked responses

Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

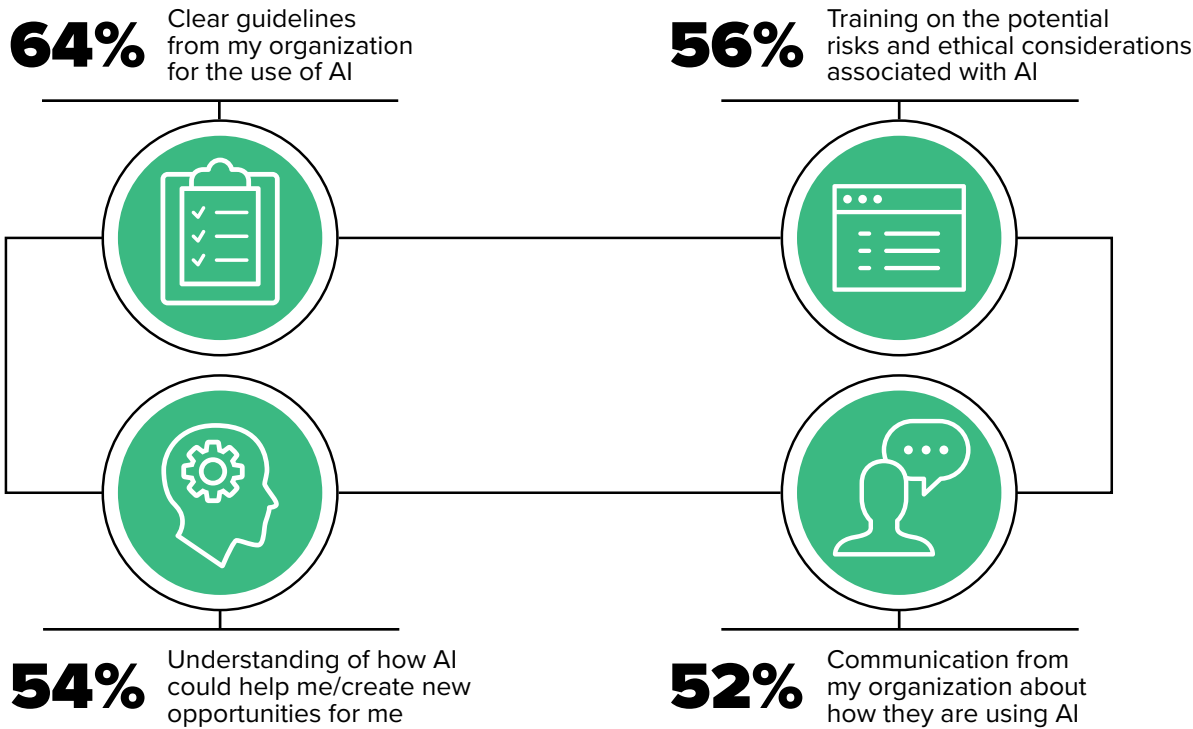
What are organizations doing to communicate their AI plans to employees? Are they being transparent about how they are using AI? We found that:

- **Transparency is key in boosting employee engagement and alleviating concerns.** To gain employee buy-in, it's critical that leaders conscientiously work to alleviate their AI concerns. This cannot be achieved without open communication and organizational transparency. Nearly two-thirds (64%) of employees said having clear guidelines from their organizations would alleviate their concerns about AI use in HR (see Figure 10). Employees at organizations that have been transparent about AI are far more excited to learn more ways to implement AI throughout the workplace and have a more positive view of AI adoption than employees at organizations that are not transparent (see Figure 11).

EMPLOYEES **FIGURE 10**

“To what extent would each of the following alleviate or raise your concerns/fears about AI use in HR in your organization?”

(Showing “Somewhat/Significantly alleviates my concerns and fears about AI use in HR”)

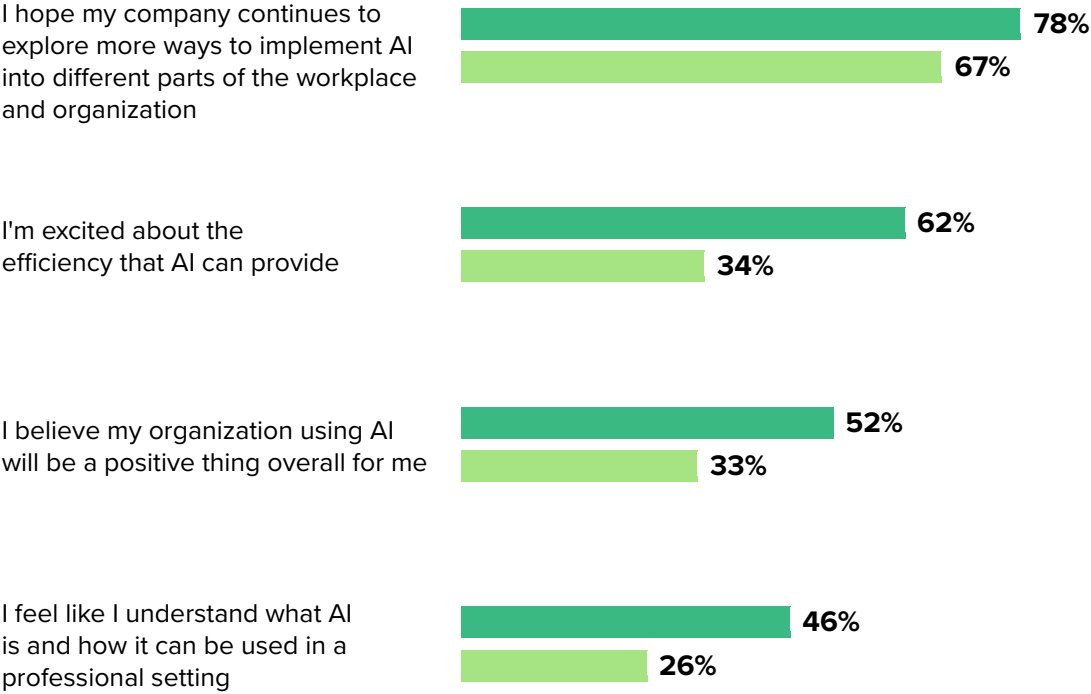


Base: 1,340 global frontline and office workers at a manager level or below
Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

FIGURE 11

“To what extent do you agree with the following statements related to AI?”

- Employees at orgs who have been transparent about AI
- Employees at orgs who have not been transparent about AI



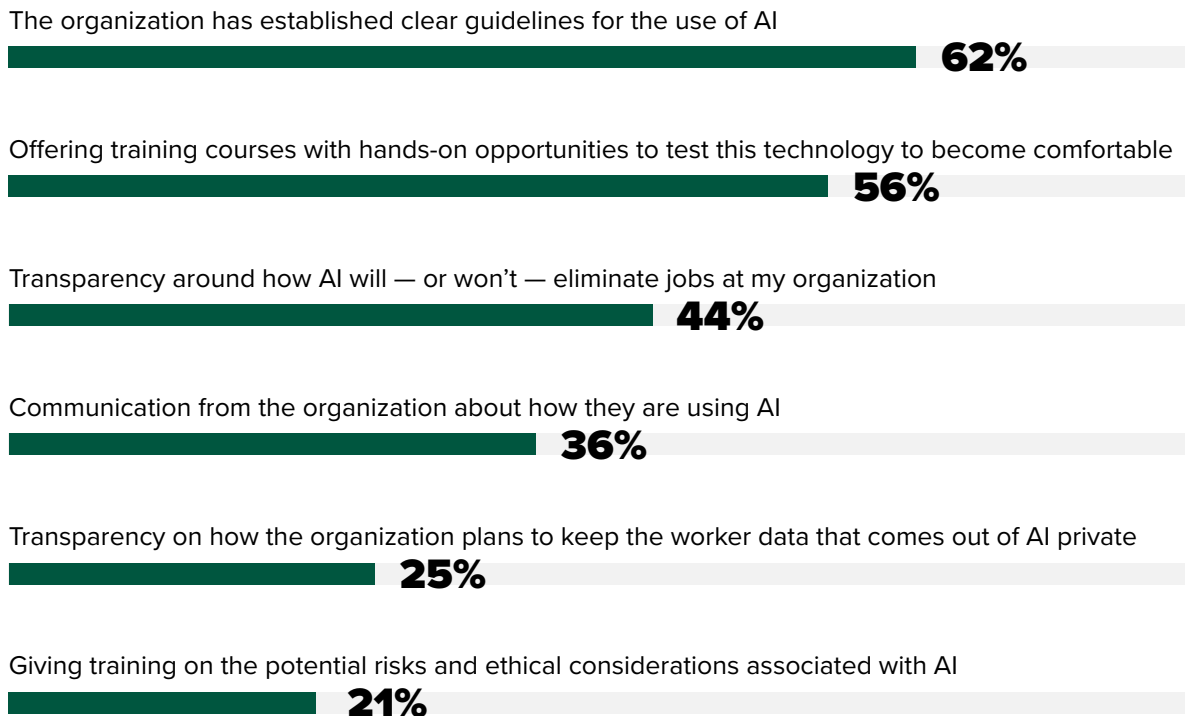
Base: 1,340 global frontline and office workers at a manager level or below
Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

- **However, current communication tactics aren't resonating.** Only one-third of leaders feel that their organization has been openly communicating about the utilization of AI and just 25% say their organization has been transparent on their plans to protect worker data when using AI (see Figure 12). This is further underscored by employees: Only 39% feel like their employer has been transparent about how they are using AI and how it could affect employees.

Just 33% of respondents in APAC & Japan noted that their organization has been transparent, compared to 39% of European respondents and 40% of North American respondents.

LEADERS **FIGURE 12**

“What is your organization doing to try to educate employees and alleviate potential concerns about AI?”



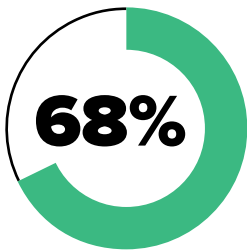
Base: 1,124 technology decision-makers at global organizations thinking of investing/already investing in AI for HR
 Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

- **Lack of communication poses significant risks to AI adoption.** It is crucial for leaders to encourage discussions among employees about the use of AI and openly communicate how AI impacts their daily work. Without improving communication and alleviating employee concerns around AI, organizations run the risk of employees avoiding using the technology (38%), feeling less comfortable in their work environment (49%), or even choosing to leave their organization entirely (34%) (see Figure 13).

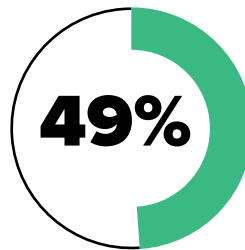
EMPLOYEES **FIGURE 13**

“If your organization is unable to alleviate your concerns around AI use in HR, to what extent would you agree with each of the following about how this will impact you?”

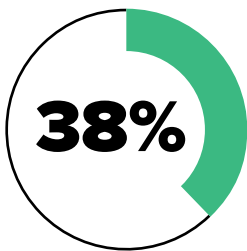
(Showing “Agree” and “Strongly agree”)



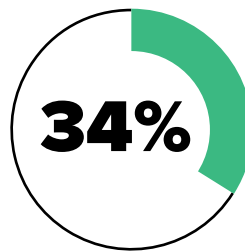
I will limit which tasks I think are safe to use with AI



I won't feel as comfortable at work



I will try to avoid using the technology as much as possible



I'm more likely to leave the organization

Base: 1,340 global frontline and office workers at a manager level or below

Note: Showing top 4 responses

Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

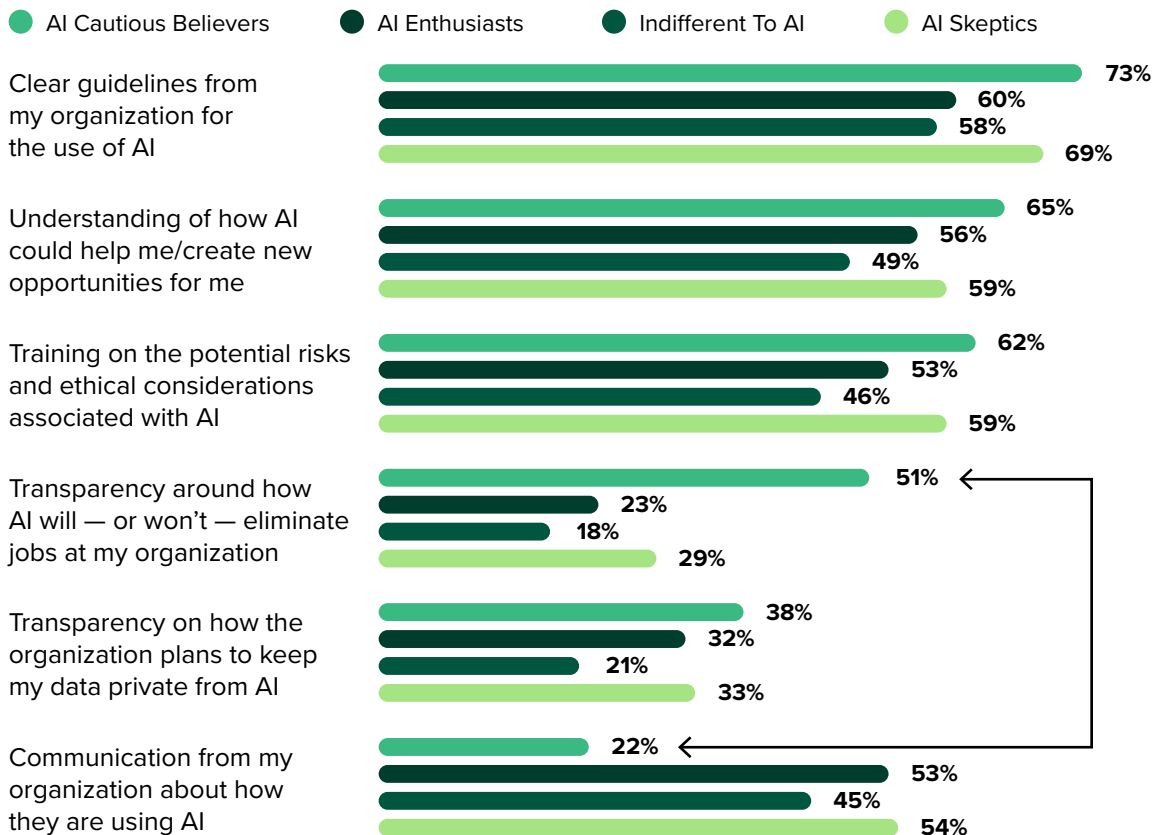
- Different employees respond to different types of communication.**

Communication cannot be universally applied. For example, more than half (51%) of AI Cautious Believers (those with high perceived value of AI but also high concerns) want more transparency on how AI will affect job roles at their organization, compared to just 29% of AI Skeptics (those with high concern levels and low perceived value of AI). This is important to note because if the organization is unable to alleviate their concerns, AI Cautious Believers and AI Skeptics also have an outsized response to not having their concerns addressed (see Figure 14). These personas are far more likely to avoid using AI or leave the organization altogether if their worries are not alleviated (see Figure 15).

EMPLOYEES

FIGURE 14

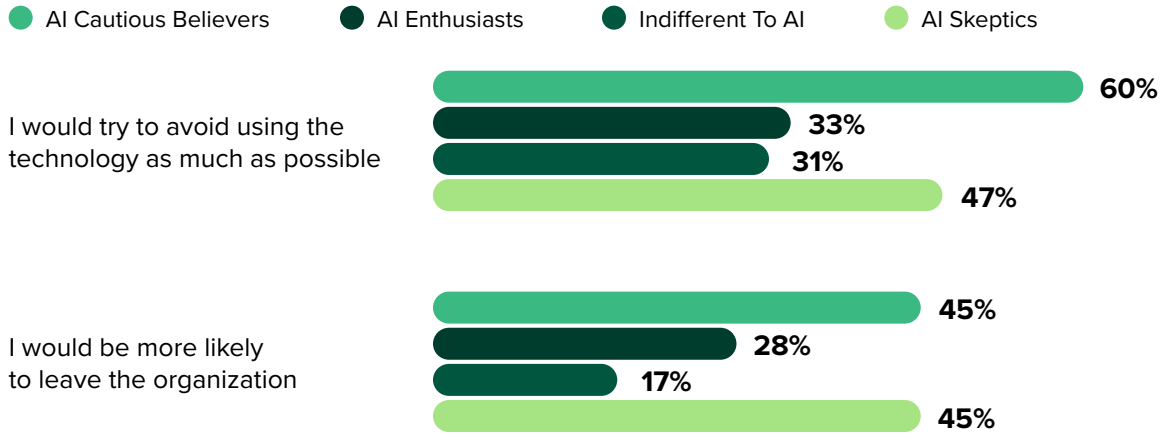
“To what extent would each of the following alleviate or raise your concerns/fears about AI use in HR in your organization?”



Base: 1,340 global frontline and office workers at a manager level or below
 Note: Showing “Somewhat alleviates my concerns and fears about AI use in HR” and “Significantly alleviates my concerns and fears about AI us in HR”
 Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

“If your organization is unable to alleviate your concerns around AI use in HR, to what extent would you agree with each of the following about how this will impact you?”

(Showing “Agree” and “Strongly agree”)



Base: 1,340 global frontline and office workers at a manager level or below
Note: Showing two responses
Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

Best Practices For Communication

“Information sharing, taking it slow, and business readiness events. We have offered workshops and training sessions to help employees understand AI, its capabilities, and its limitations. This empowers them to work alongside AI systems effectively.”

HR director, financial services and/or insurance

“Engage with employees, listen to concerns, respond transparently, and educate as much as possible. The keys are to challenge them, not push; question for exploration and keep the momentum moving forward; give feedback constructively; demonstrate partnership; and intervene tactically rather than micromanaging.”

HR C-level, education

“Provided layered approach to communications and beta programs to trial feedback and response rates, created user surveys to address successes and challenges with the use of tools.”

HR director, healthcare

“We are providing coaching and education in this space. Management is also conducting open forums to answer any concerns employees may have. Also created an anonymous survey to hear their concerns.”

HR director, technology and/or technology services

KEY TAKEAWAYS



Both leaders and employees agree there is a clear need for employee training and education around AI.



Leaders overestimate the level of knowledge that employees have when it comes to AI, leading to questions about whether training efforts will be correctly calibrated to employee needs.



Transparency and communication are critical when it comes to AI, but it is not yet where it needs to be.



Without good transparency, leaders risk employees avoiding using AI technology or even leaving the company altogether.

What best practices, use cases, and tactical changes are organizations planning to adopt going forward?

We are still just at the tip of the iceberg when it comes to AI adoption in HR. Leaders understand that there is still significant work to be done. This will require adopting new technologies, rethinking current practices, and developing a strategic roadmap for AI use going forward.

How will organizations improve their adoption of AI in HR? What use cases are they looking to adopt? What are the keys to success in the future? We found that:

- **Decision-makers are prioritizing training and transparency.**
Leaders are beginning to understand the importance of transparency and bringing their employees along for the AI transition. Going forward, 56% of leaders said they are going to start actively addressing employees' concerns regarding AI technology by prioritizing training on the risks and ethical considerations associated with AI, and 41% plan to be more transparent about data privacy within AI (see Figure 16).



FIGURE 16

“What future plans does your organization have to try to educate employees and alleviate potential concerns about AI?”

Giving training on the potential risks and ethical considerations associated with AI

56%

Transparency on how the organization plans to keep the worker data that comes out of AI private

41%

Transparency around how AI will — or won't — eliminate jobs at my organization

37%

Offering training courses with hands-on opportunities to test this technology to become comfortable

33%

The organization having established clear guidelines for the use of AI

29%

Communication from the organization about how they are using AI

27%

Base: 1,124 technology decision-makers at global organizations thinking of investing/already investing in AI for HR
Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

- **Organizations are actively seeking ways to improve their AI capabilities in the coming years.** In addition to initiatives around employee buy-in, decision-makers noted that their organizations are also continuing to build out their AI infrastructure and strategy by increasing employee training (59%), improving documentation (56%), hiring employees with AI skill sets (51%), creating AI centers of excellence (48%), and investing in new technology vendors (39%) (see Figure 17).

FIGURE 17

“Going forward, which of the following initiatives does your organization plan to implement to improve AI use in HR?”

**59%**

Training employees on how to better use AI

**56%**

Creating/improving on our training/documentation around AI

**51%**

Hiring new employees for their AI skill sets

**48%**

Implementing an AI center of excellence

**39%**

Testing where AI might work best

**39%**

Investing in new technology vendors

Base: 1,124 technology decision-makers at global organizations thinking of investing/already investing in AI for HR
Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

- **AI in HR use case adoption will rise significantly.** Although current AI for HR use case adoption is fairly low, our data indicates this may quickly change in the near future. More than half of decision-makers have expressed their interest in increasing their adoption of all five use cases in their organization in the future (see Figure 18).

It is critical for organizations to undertake this rapid expansion in a strategic way that values employees as partners and not merely passengers on the AI journey.

LEADERS **FIGURE 18**

“To what extent would you be interested in adding these use cases for your organization in the future?”

- We already have plans to implement this in the future
- Very interested
- Interested
- Somewhat interested
- Not very interested
- Not at all interested

AI-drive career path recommendations



Gig and job matching



AI-assisted development plans



Conversational experience



Candidate matching



Base: 1,124 technology decision-makers at global organizations thinking of investing/already investing in AI for HR
 Source: A commissioned study conducted by Forrester Consulting on behalf of Workday, August 2023

Keys To Success For Implementing AI

“Involve employee groups, external consultants, and decision-makers across the board as early as possible. Make multidiscipline working groups to develop plans and implementation. Make people part of the delivery engine.”

HR C-level executive, technology and/or technology services

“Understand AI capabilities, set clear internal goals, ensure data quality and privacy, provide adequate training, and continuously monitor AI systems using an outside consultant and/or internal IT staff as appropriate. Be open to experimentation, realizing that you may not get things right the first time. Get all your stakeholders together — finance, IT legal, internal audit/compliance, etc.”

HR C-level executive, education

“Make sure to test with employees and get as much feedback as early as possible. Ensure that your leadership team is aligned before rolling it out to the broader population.”

HR director, manufacturing and materials

“My greatest piece of advice is don't be afraid of AI. Get involved in conversations with your peers, start using it personally, and in your role to get comfortable and experience for yourself all of the capabilities.”

HR vice president, technology and/or technology services

KEY TAKEAWAYS



Going forward, leaders are putting their focus on improving training and transparency in their AI programs.



Adoption rates for AI use cases within HR are rapidly increasing and could become ubiquitous in the near future.

Key Recommendations

When it comes to implementing an effective AI program within HR, understanding employee sentiment and pain points is the first step. But what should leaders do with this knowledge?

Forrester's in-depth survey of HR leaders and employees about AI in HR yielded several important recommendations:

Treat AI implementation as a transformational opportunity.

Employees and leaders agree that AI will revolutionize the way organizations get work done. Leaders must recognize the magnitude of these changes and respond appropriately with high levels of change management, change leadership, communication, and transparency about the ways they plan to integrate AI into the flow of work and HR processes.

Invite your employees behind the curtain.

One of HR's key stakeholders is the workforce at all levels. To help employees feel confident and comfortable with how AI will add value to jobs, leaders must communicate clearly, invite them to see the use cases in action, test them, help train them, and provide feedback — just as you would test a new product with customers.

Monitor the AI for disparate impact.

Machine learning models can replicate and exacerbate existing biases. Decision-makers need a comprehensive and diverse monitoring and mitigation process to ensure the AI leveraged is lawful, ethical, and trustworthy.

Find the partners you need.

Leading organizations are not moving ahead with AI alone. Assemble your AI support team with internal subject matter experts from your technology, leadership, and communication teams, and your external support team with technology vendors, consultants, auditors, and advisors.

Always lead with the human first.

AI is not a people-replacer; it is a task-replacer. A human-centered approach is critical for a successful and sustainable rollout. Organizations must practice human-centered design of trusted AI: AI that is designed, developed, deployed, and governed to meet diverse stakeholder needs.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 1,340 global frontline and office workers at a manager level or below and 1,124 technology decision-makers at global organizations thinking of investing/already investing in AI for HR in North America, Europe, APAC & Japan, and South Africa. Survey participants included frontline/deskless workers, office workers, and HR technology decision-makers. Respondents were offered a small incentive as a thank-you for time spent on the survey. The study began and was completed in August 2023.

Appendix B: Demographics

LEADERS

REGIONS	
North America	44%
Europe	33%
APAC & Japan	18%
South Africa	5%

COMPANY SIZE	
20,000 or more employees	21%
5,000 to 19,999 employees	27%
1,000 to 4,999 employees	31%
500 to 999 employees	21%

CURRENT POSITION/DEPARTMENT	
Recruiting/staffing	20%
Employee experience	18%
Human resources (non-IT, including people analytics)	18%
Training and learning	17%
IT	9%
HR (IT-focused)	9%
Finance/accounting	9%

LEVEL OF RESPONSIBILITY	
I influence decisions related to my organization's HR technology purchases.	37%
I am part of a team making decisions of my organization's HR technology's purchases.	41%
I am the final decision-maker for my organization's HR technology purchases.	22%

RESPONDENT LEVEL	
C-level executive	18%
Vice president	37%
Director/team leader	45%

Note: Percentages may not total 100 due to rounding.

EMPLOYEES

REGIONS	
North America	54%
Europe	27%
APAC & Japan	15%
South Africa	4%

CURRENT POSITION/DEPARTMENT	
IT	32%
Operations	17%
Sales	14%
Marketing/advertising	13%
Human resources/training	13%
Finance/accounting	9%

RESPONDENT LEVEL	
Manager/project manager	39%
Full-time practitioner	61%

DIRECT REPORTS	
Yes	28%
No	72%

COMPANY SIZE	
20,000 or more employees	21%
5,000 to 19,999 employees	25%
1,000 to 4,999 employees	29%
500 to 999 employees	25%

OFFICE WORKERS VS. FRONTLINE/DESKLESS WORKERS	
Frontline or deskless worker	64%
Office worker	36%

CURRENT POSITION	
Retail worker	46%
Healthcare worker	13%
Education worker	9%
Transportation worker	6%
Food service and supply worker	6%
Utility worker	6%
Public safety worker	4%
Sanitation worker	4%
Postal or delivery worker	4%

Note: Percentages may not total 100 due to rounding.

The image features a dark green background with several large, light green, three-dimensional geometric shapes. These shapes, which include a large arrow-like form on the left and a rectangular block on the right, are rendered with soft shadows and highlights, giving them a sense of depth and volume. The word "FORRESTER" is centered in the middle of the image in a white, classic serif typeface. A small registered trademark symbol (®) is positioned at the top right of the word.

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