

A Decade of Distinction

10 Years!



Looking Ahead: The Future of AI in HR

The Future of AI in HR

AI is everywhere, in every work related article discussion right now. I don't know about you, but I get at least one research paper or webinar in my LinkedIn news feed every week discussing the use of AI in HR, how to build your skills, what it will mean for the industry and the big scary question.... Is it going to take all our jobs away in HR.

A few stats (provided by AI!) evidence that the AI in the HR is a defining workplace trend with global searches for AI powered HR tools soaring by almost 5,000% in the last year, HR professionals adding AI skills to their LinkedIn profiles at a 140 fold rate and one article citing that resume help (an AI-assisted task) alone gets over 40,000 monthly searches on Google. In the academic world over 287,000 collaborative works and more than 100,000 authors are engaged in AI + HR themes.

Clearly AI is a game changer and has an immense capacity to drive efficiency and increase productivity. From generative AI helping us to craft compelling and engaging policies, job descriptions and employer brands to machine learning that automates highly repetitive manual tasks such as payroll processing and recruitment activities, saving time and reducing error rates. AI can analyse vast amounts of HR data to identify patterns, predict trends, and provide actionable insights, leading to more informed decision-making. AI agents transform the HR service we deliver, they can interview candidates, assess them against the complex requirements for a role, they can deliver employee training, onboarding, and answer the myriad of policy, benefits and workplace questions people have. A conservative estimate is that AI can do 50—75% of the work we do in HR. Whilst some of this is still in its infancy and is still evolving and developing, it's clearly coming.

So, where does that leave HR teams? CEO's and CFO's are picking up on the efficiency impacts of AI and may be pushing your HR team to adopt more AI, seeking cost reductions and even headcount reduction from AI but that just leaves HR teams reeling and panicking to adopt random pieces of technology. Many HR teams are using some form of AI already, recent surveys showing a range of 40-55% of HR teams using AI in some capacity (most commonly in recruitment and data analysis) with the numbers taking it up increasing year on year. AI clearly has many issues and concerns including security of information, privacy, ethics and criticisms of racial and gender bias never mind a lack of human emotion so what is the way forward? What does the future involve?

Well, we need to reinvent and transform our HR functions for the future. We need to go back to our somewhat out of fashion techniques and theories around organisational design and really examine our HR teams, our workflows, areas of repetitive tasks and data insights that would drive far more impactful HR and redesign our teams around AI. I saw one person advocating drawing a new organisational chart with systems and AI tools included as "team members" as this shows you the workflows and hierarchies much more comprehensively than just mapping people. This back to the drawing board approach means we can get ahead of the panic and random adoption as let's face it there are so many tools (1 in 4 starts ups are AI tools) so we can be spoiled for choice and easily impressed by sales pitches. We need to have honest conversations around our existing skill sets, what we will still need and how we need to evolve.

Many articles I have read have said that there will be a reduction in need for some roles in HR, those that are largely transactional will inevitably be replaced by AI but other roles are still highly valuable, particularly those around strategic insight and the human touch. Chat bots are highly useful for signposting to information and great for transactional queries and basic advice but we still need HR people to provide strategic advice to SMT's, coach line managers or counsel employees through difficult situations.

AI is not at the stage yet where it can truly replace those roles which rely on trust and relationships. But there are also new roles that AI creates in HR teams including Product Owner roles, AI technologist roles which involve supervising the AI tools, quality checking, driving engagement, providing training to others and overall management of the tools. There may be team members that you have that will really enjoy this new type of role and could be a very natural fit. For others, the freeing up from manual tasks allows us to really add value through interaction, deep dive analysis and driving measurable improvements throughout the company. It moves HR from that administrative function that processes paper and payroll to something that truly adds value and drives change.

So, the long and short is that yes, it will take some of our jobs but not all of them. The key is don't wait for IT to push tools upon you, get ahead of the curve, use all your organisational design skills and techniques to design a HR team fit for the future including your new team AI team members. Then, you can lead the way in helping other departments to take the same approach and really drive the efficiencies and improvements that AI can deliver to the whole organisation.

What do you think? Have you redesigned your team already? Are you using AI extensively? Or are you holding off? We'd love to hear your stories and approaches.

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