



**Playtime is over:
AI has reinvented HR**

Personio

Executive summary

Generative AI has been a hot topic this year, and the technology is only increasing in power and capacity. It will have a transformative effect on the HR profession, providing huge productivity gains. Yet organisations on the whole lack the processes to use generative AI in a structured, rigorous way. We surveyed 1500 HR Decision Makers in UK&I, DACH, and Spain and gathered insights from AI and business experts to compile this study, which aims to provide businesses with valuable guidance on leveraging generative AI effectively in HR.

Executive summary

The outcomes of our research are centred around two key pillars:

01 The impact of senior leadership on AI adoption.

The survey reveals **84% of HR managers have seen an appetite from senior leadership to adopt AI**. Among the 70% of HR managers already using any sort of AI in their work, 78% reported interest from senior leaders in AI adoption. In contrast, among the 30% not using AI tools, 74% reported a lack of interest from senior leaders.

This correlation highlights the importance of convincing senior leadership of the value of AI.

Read on for advice on financial forecasting and building business cases to support this endeavour.

Among the **70%** of HR managers already using any sort of AI



78% reported interest from senior leaders in AI adoption

In contrast, among the **30%** not using AI tools



74% reported a lack of interest from senior leaders.

Executive summary

The outcomes of our research are centred around two key pillars:

02 The imperative to get started with AI.

An eye-opening **93% of HR managers who already use AI tools believe they'll contribute to cost savings.** With only 70% of HR managers using AI in their work, those not using AI may be missing out on opportunities for cost reduction for their organisation — and they know it.

The key message? Don't delay. HR managers are already seeing efficiency boosts across a spectrum of processes thanks to AI — and you could be, too. Education is a crucial element in starting to use AI effectively, as is addressing common myths and fears surrounding the technology.

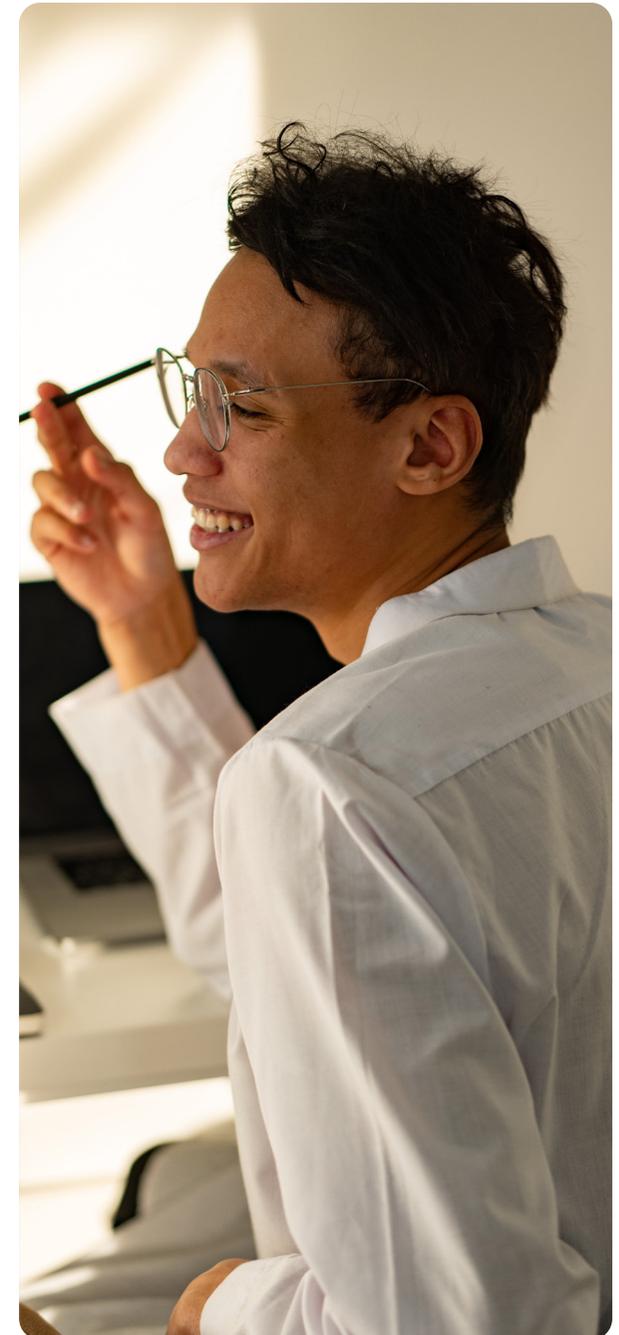
We will offer detailed advice on how you can benefit from AI efficiencies today, as well as practical tips on AI training and expert insights on job loss fears.



93% of those already using AI tools believe they'll see cost-saving from AI

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Let's start with the basics

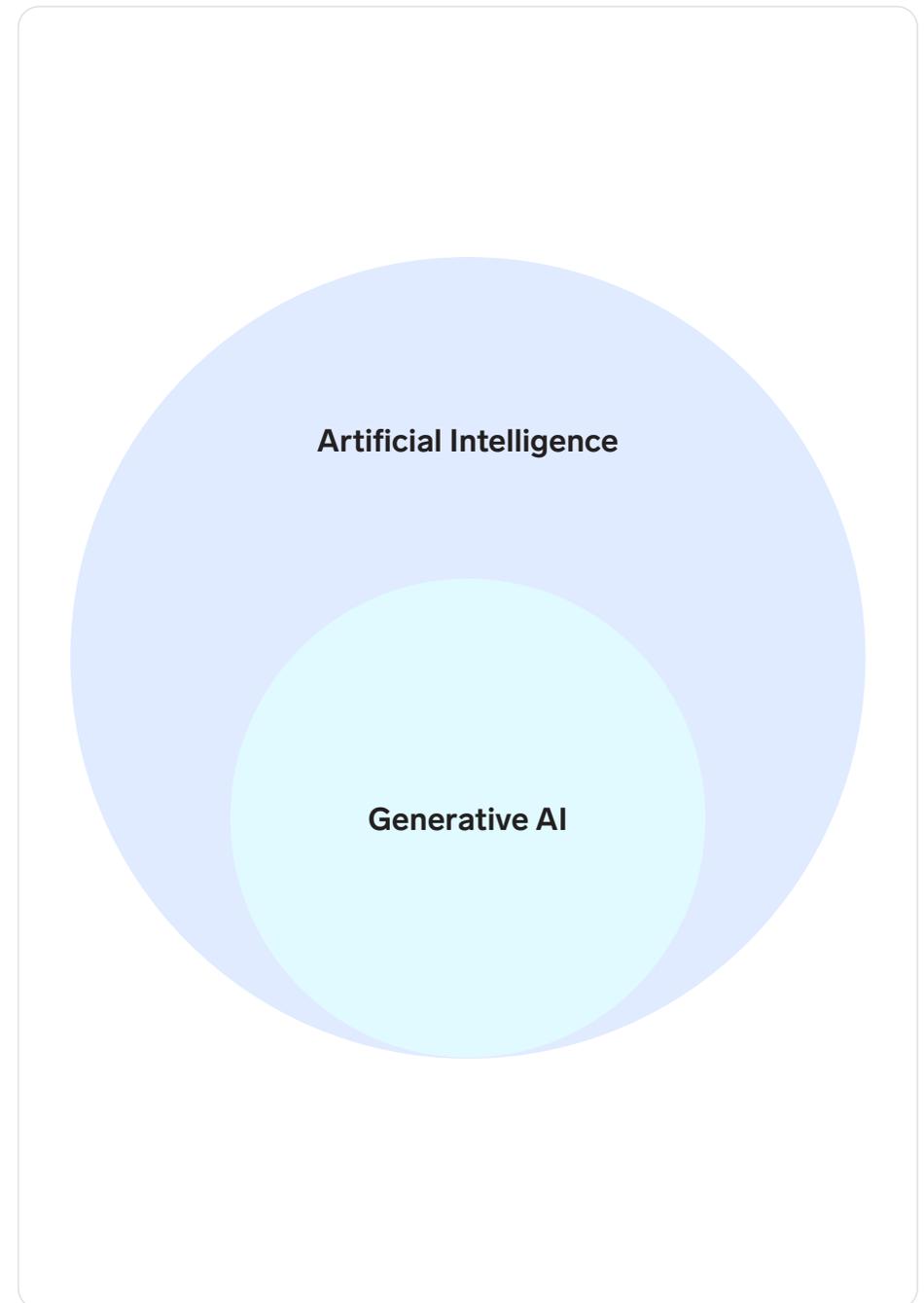
Before we dive in, here are some important definitions. This whitepaper will primarily focus on generative AI, so bear in mind how that factors into AI as a whole:

Artificial Intelligence (AI)

Artificial Intelligence is the ability of machines to simulate intelligence, performing problem-solving and decision-making tasks we associate with human minds. Tools that use AI can analyse and process data, create insights and predictions based on that data, and automate complex processes.

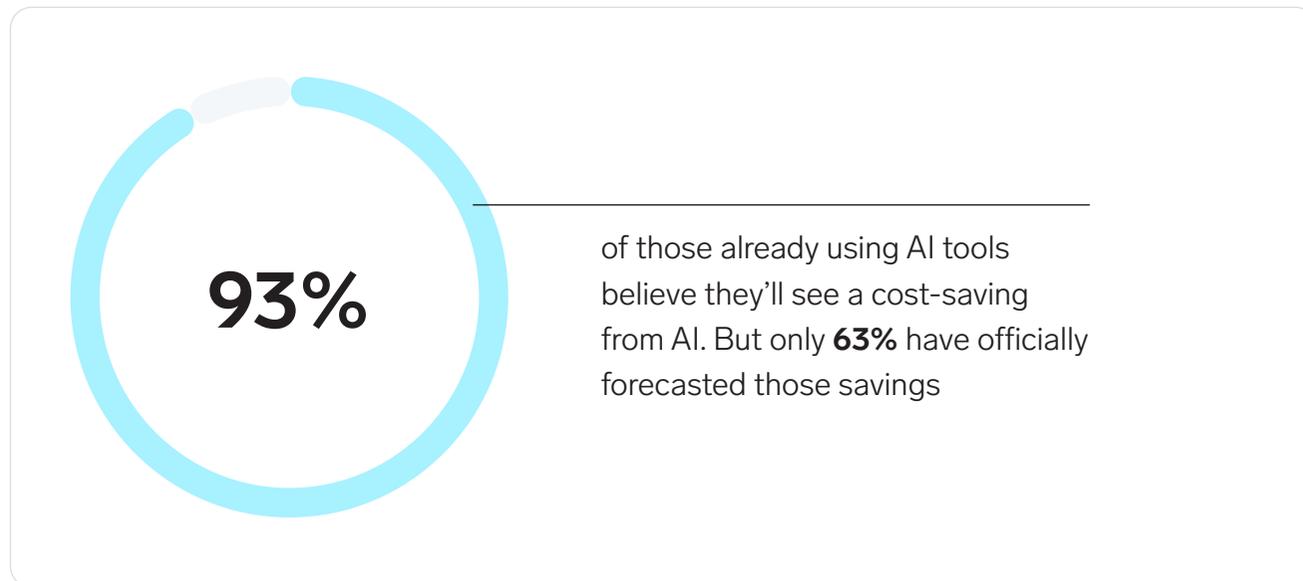
Generative AI

Generative artificial intelligence is a type of AI capable of producing content such as text, images, audio, or other media. It learns from patterns and structures from input training data, then generates new data. Eg: ChatGPT/Bard text generators, DALL-E image generator.





Time to get rigorous about reporting



Across Europe, 83% of HR managers view AI tools as a cost saving opportunity. Indeed, 93% of those already using AI tools believe they'll see a cost-saving from AI. But only 63% have officially forecasted those savings, meaning there is a real opportunity to quantify tangible cost benefits that's currently being left on the table.

Our research also highlighted an age divide here: HR Decision Makers aged 18 to 24 are so bullish on AI that 75% have forecasted savings for their businesses, while only 48% of over-55s have done the same. With the right tools and training, the industry can close this gap.

Playing around with AI may have been the norm at the beginning of 2023, but as we approach the end of the year we're seeing more emphasis on rigorous reporting.



We spoke to Lucia Daub, Director of People & Strategy at BearingPoint, to gather her insights on building an AI business case to present to leadership.

“When presenting a business case for an AI tool, use this framework:

- **Focus on the business value.** What problem will AI solve for your company? How much money will it save or generate? How will it improve customer satisfaction or employee experience?
- **Choose the right use case.** Choose a use case that is well-defined, feasible, and aligned with your company’s overall strategy and core processes.
- **Be transparent.** Communicate how employee data will be used, and which processes AI will influence (eg. promotion or up-skilling recommendations). Where possible, allow employees to partially control the usage of their own data.
- **Have a plan for implementation and adoption.** How will you implement AI in your company? How will you train employees to use it? How will you measure success?
- **Ensure responsibility.** Check whether the tool is using AI responsibly with independent quality assessments (eg. the Responsible AI Assessment from BearingPoint or the Digital Trust Label).

Clearly defining a framework for the use of AI in HR from the outset will ensure successful and rapid scaling within the company while protecting employees and their data.”



Dr. Tara S. Behrend, John Richard Butler II Endowed Professor at the School of Human Resources and Labor Relations at Michigan State University, offered further insights on how to measure success for AI programmes.

“Focusing on a broad range of metrics is important here. Performance is not always easy to measure, and financial metrics are lagging indicators that may not be sensitive enough in a quickly changing environment. A holistic approach to measurement should consider indicators like customer satisfaction and employee burnout and well-being, in addition to productivity and financial performance.”

Looking ahead to 2024, generative AI will integrate more formally with HR processes and HR managers will need to ensure they treat it as a business tool rather than a toy.

How to stay ahead of the AI pack

The fact is that 70% of HR Decision Makers across Europe are using some sort of AI tooling in their regular processes. This leaves 30% at risk of lagging behind.

To compound this concern, while 72% of HR managers across Europe plan to use generative AI in the next 3-6 months, that figure is only 65% for the UK, with 21% not planning to use generative AI in that timeframe, and 15% unsure.

75% of senior HR professionals aged 18-44 are using AI tools



56% of those aged 44+ are doing the same



When we break the data down by age, a stark trend emerges. 75% of senior HR professionals aged 18-44 are using AI tools, while only 56% of those aged 44+ are doing the same. That's a huge opportunity gap. We'd urge HR managers not already using AI, especially those in that 44+ age category, to start introducing AI into their work.

Overall, HR managers need to get stuck in. The people who are using AI are seeing benefits and are more likely to plan to use generative AI in the next 3-6 months — meaning those not using any sort of AI may get left further behind.

What HR professionals in our community are saying

Personio's **Voyager Community** is a place for HR professionals to share insights and knowledge, benefitting from a network of thousands of the best minds in HR. Many of them are already seeing the benefits of AI in their work.

“The integration of artificial intelligence in HR enables objectivity as well as transparency and fairness in the applicant selection process. Thanks to AI, human recruiters can invest more of their time in strategic tasks. This leads to a noticeable reduction in workload.”



Felix Hensel
Mr. Lodge GmbH

Getting started: Generative AI prompts

Generative AI can boost your HR team's efficiency and take on time-consuming jobs that prevent you from doing high-impact work — if you ask it in the right way. Taking recruiting as an example, tools like ChatGPT can help generate, translate, and review job descriptions.

Example

Try prompting ChatGPT to help you write a job description. Here's a template you can use, substituting the bolded parts for terms relevant to your organisation:

*Please generate a job description for the position “**Lead Product Manager, Workflow and Automation (Time & Absence)**” at **Personio**.*

After generating the job description, please review each item one-by-one and outline potential biases stemming from language or required qualifications. Please suggest afterwards a second version that is more inclusive and takes into account all bias problems you have found.

With the above instructions, you can prevent AI from introducing new biases into your recruitment process. Take a look at the two versions your chosen tool produces to get a sense of how important the right wording is when working with AI — and always remember to quality-check the finished version to ensure accuracy.

Other things you could ask AI to help with:



- Writing HR policies
- Curating a list of keywords for a job description
- Drafting a LinkedIn outreach sequence for talent attraction
- Compiling a list of interview questions
- Creating onboarding materials

Looking for more strategies for using AI in your daily HR work? Check out our Voyager Academy course, **“AI-enhanced HR: Crafting Recruiting Content with AI”**.

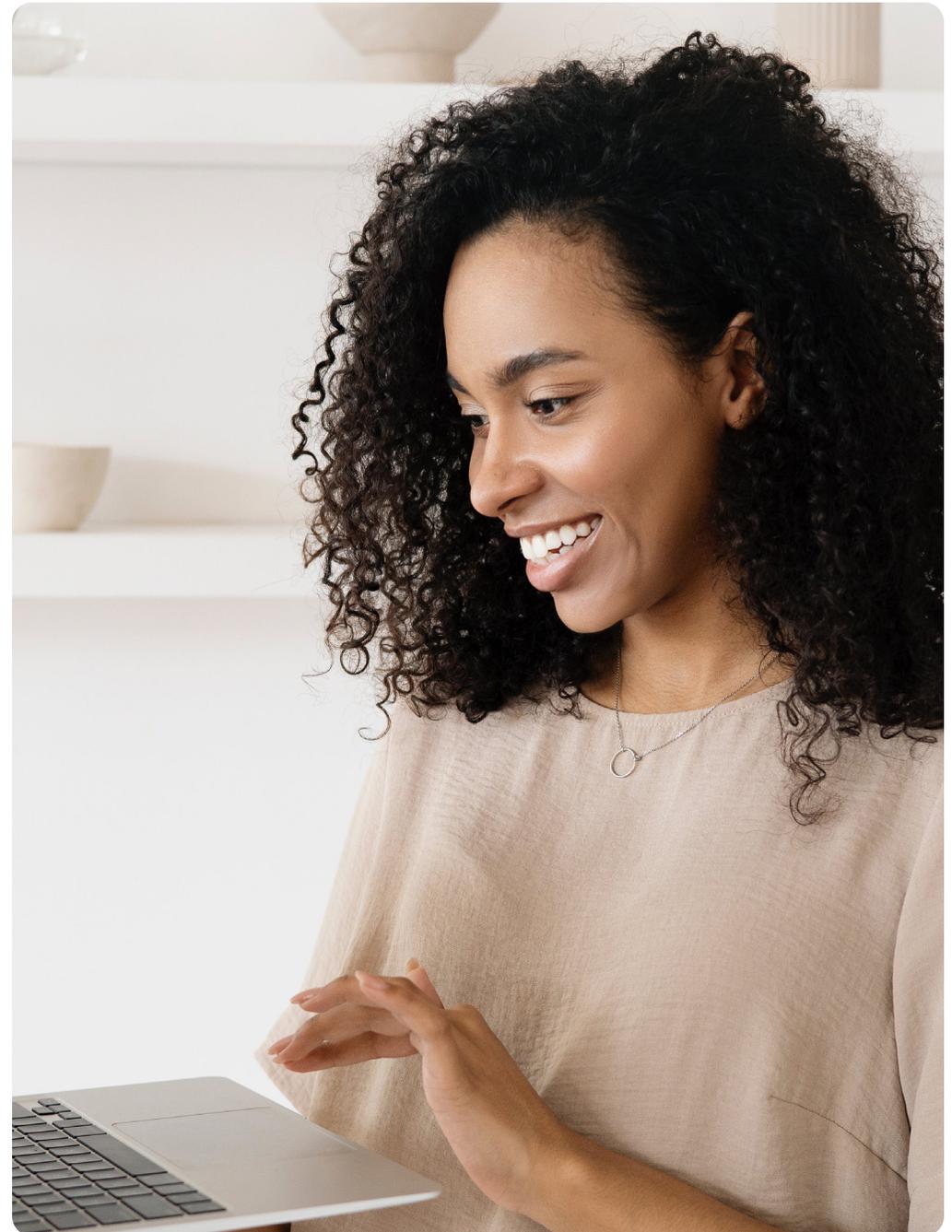
A step-by-step guide to implementing generative AI

At Personio, we believe AI will (and should) become an integral part of how we work in order to open up time for people to do even greater work. To do that, we've taken a systematic approach to realising the potential of AI while ensuring security and data privacy stay at the core of everything we do.

In this section, we'll share our step-by-step guide for implementing a generative AI programme in your own organisation.

“Generative AI has the potential to be a game-changer for HR. It aligns exactly with Personio’s mission: unlocking the power of people by empowering employees to focus on high-impact work. I believe enhancing workflows securely with AI can help us do exactly that, but it also touches some of a company’s most sensitive data, which means we need to prioritise data privacy above all else.”

Hanno Renner, Co-founder and CEO of Personio



Step 1

Identify areas that could be improved with generative AI

- Assess your current HR processes across the employee lifecycle. Look for places where AI can assist humans in generating structures, free-form text, or other net-new things.
- Identify areas that could be improved, based on impact.
- Don't constrain yourself too early in this ideation phase — technology is evolving rapidly, and current constraints may be gone tomorrow.
- Evaluate those areas against their potential impact (ie. Time and cost savings, implementation effort, and risk).



Step 2

Evaluate and start small

- Select only one pilot, something with a high potential value and a low risk, that you will pursue to begin with.
- Roll your pilot out iteratively, sticking to a short timeline to avoid getting lost in the detail.

Step 3

Choose the right tools and platforms

- It's easier to work with vendors you already use, but it may be necessary to find a new vendor.
- You'll see startups doing seemingly more innovative things with AI than larger vendors, but this is often because they have less reputational risk and therefore less to lose. It may be a considerable risk to go with a small, unproven AI startup when larger businesses will have established processes around legal oversight, data protection, and more.



Step 4

Collaborate with your IT, Security, and Legal teams

- Small to midsize businesses may not have dedicated teams for IT, Security, or Legal, but if you do, it's best to include them at this stage.

Examples of input the Personio team gathered:

- Full automation of decision making can be tricky to implement for legal and technical reasons. Rather, aim to find tools that act as a personal assistant in decision making, leaving the big calls to the humans.
- Don't send sensitive or personal information to an external vendor.

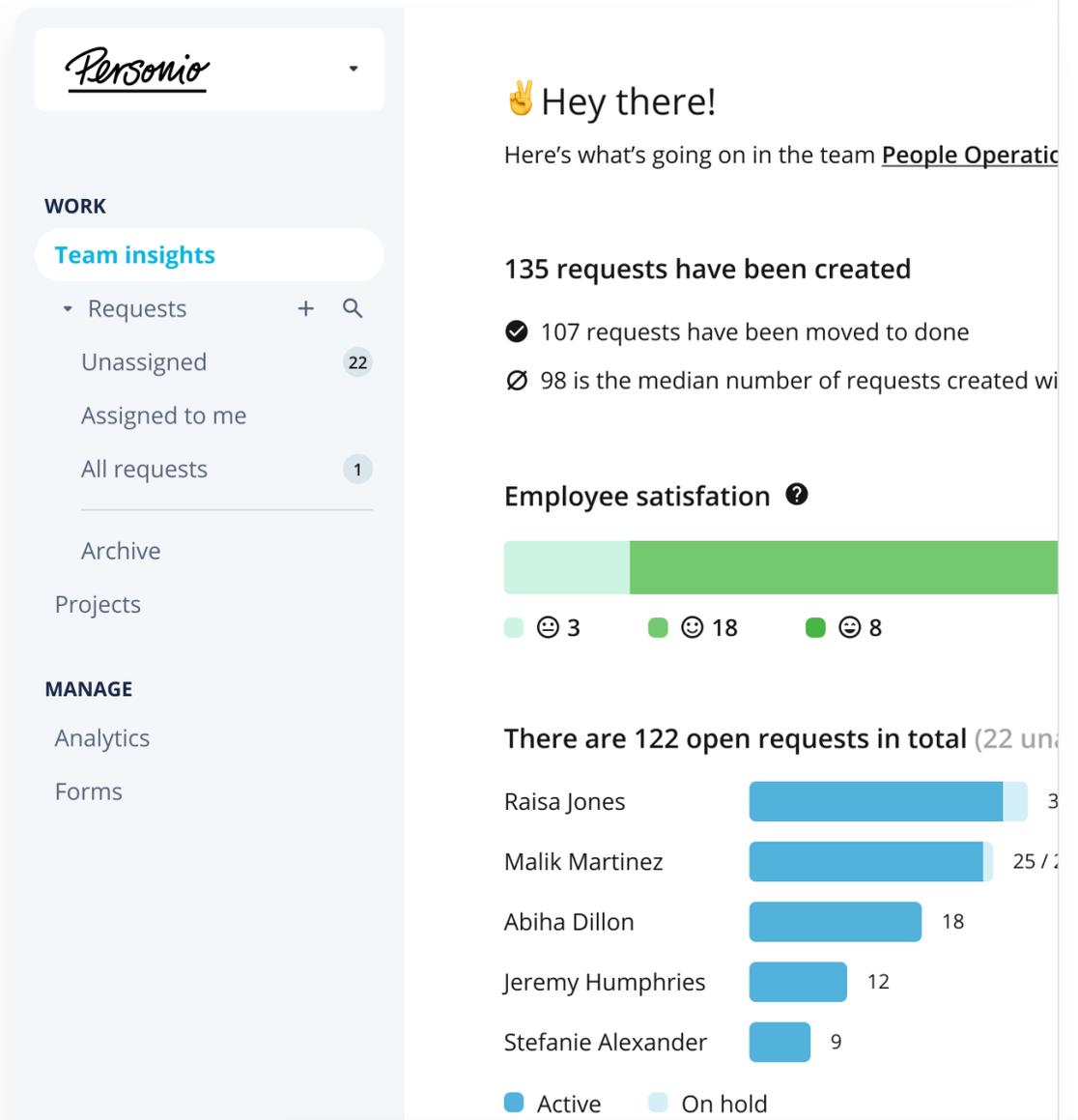
Step 5

Implement AI solutions and monitor their performance

→ Ensure you've identified key metrics to measure how the AI tools impact your business. These should relate to time and cost savings.

Example

If you want to reduce time spent on answering employee requests, track metrics such as how many requests you're getting per month, and the percentage of those being automatically answered to a satisfactory level by AI. You can then measure that against the time spent per request if a human were answering them, and you'll have your time savings result.



Personio's Conversations tool provides a dashboard tracking how many employee requests are resolved by the AI, as well as how your HR team is doing in response.

Step 6

Communicate the results to your organisation

- Stakeholders within your organisation, may have preconceptions about AI based on anecdotal wisdom they've read in media headlines. But you may see surprising results — and it's important to share those as soon as they arise.

Example

On the Personio team, some hypothesised that introducing an AI chatbot to answer HR questions may lead to disappointed employees who wanted to speak to a human. But in a study with one customer, we found that 92% of employees preferred the AI chatbot over manually asking HR due to the immediate response time.

Step 7

Iterate and refine based on feedback and results

- Use the metrics you measure to tweak your test, building your own roadmap of what you want to test quarter by quarter.

Example

You could adopt a **sprint framework** to ensure your tests don't overrun, but instead lead to immediate, iterative improvements on the business.



Getting real about the risks of AI

Of course, there are several risks associated with adopting AI in an organisation — some more critical than others. We spoke to AI experts [Dr. Tomas Chamorro-Premuzic](#), [Dan Sodergren](#), and [Tom Cheesewright](#) for their specialist insights into a few key fears that surround AI.

Biases:

“One obvious risk with AI is that it can be trained with biased data. That is, data that captures subjective human preferences as opposed to objective facts or realities. For example, training AI to predict who gets promoted in a company will likely replicate past dynamics of power, politics, and privilege as opposed to improving the quality of future candidates. In order to mitigate these biases, special attention must be paid to decontaminating the outcome variables AI is trained to predict. In fact, models should not include historical individual success factors, but desirable or ideal indicators of future value for the business.”



[Dr Tomas Chamorro-Premuzic](#) is the Chief Innovation Officer at ManpowerGroup and Professor of Business Psychology at Columbia University and University College London.

Data privacy:

“AI requires large datasets to be trained, and the tendency to track, trace, and record everything also increases data privacy risks. Without preserving and protecting company and individual data, there can be no ethical uses of AI, so organisations must adhere to the safest cybersecurity protocols and take precautions to keep their people and assets safe.”

Dr Tomas Chamorro-Premuzic



Tip from Personio

Data privacy and GDPR compliance are top priorities for Personio when using AI in internal processes. To ensure sensitive or confidential data is protected, implement a **data classification framework** within your organisation, sorting your data into categories. While data classification is never one-size-fits-all, here's what such a framework could look like:

- Public data (eg. Public blog posts, help centre entries, or source code)
- Internal data (eg. Internal policies, procedures, and news)
- Confidential data (eg. GDPR personal data, proprietary source code, or trade secrets)
- Restricted data (eg. IP addresses, payment information, or passwords)

We would recommend implementing a framework that works for your organisation and ensuring employees are instructed on data classification as part of their AI training. You can then create rules for categories of data that should never be shared with an AI tool, for example.

Job loss fears

According to our research, UK HR managers rank fears of job loss as the primary challenge in implementing AI in their organisation, with 51% of respondents identifying it as a key concern. That's natural — when the machines take on human tasks, people fear losing their individuality. But two of our expert speakers at Personio's HR event, HUG 2023, addressed this fear head-on.

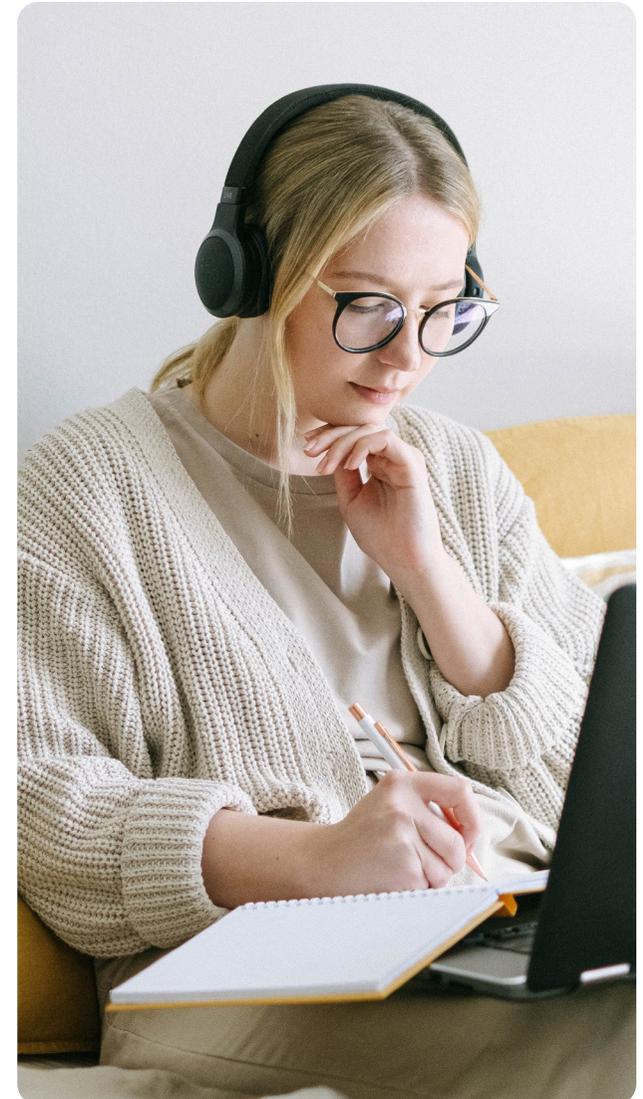
“I spend a lot of my time reassuring people that AI cannot do your job. A job is a complex collection of tasks. AI can do *some* of your work, it cannot do your whole job — or anyone's. Instead, using AI you can do a lot of things better, and stop doing some of the tasks that you don't enjoy. Let the robot do the work! The more technology we introduce and the more we use AI, the more we're going to value people and the qualities that are uniquely human.”

Tom Cheesewright



“This is a democratisation of skills and talent as it is the lower performers in the team who will get the biggest gains from using AI. AI can give us all a superpower, as using AI now gives us two brains: everyone now can have their own intern — one that knows almost everything and never gets tired. AI will not replace you, but maybe those people who use AI will replace people that refuse to. The good news is everyone has the power and ability to use AI right now.”

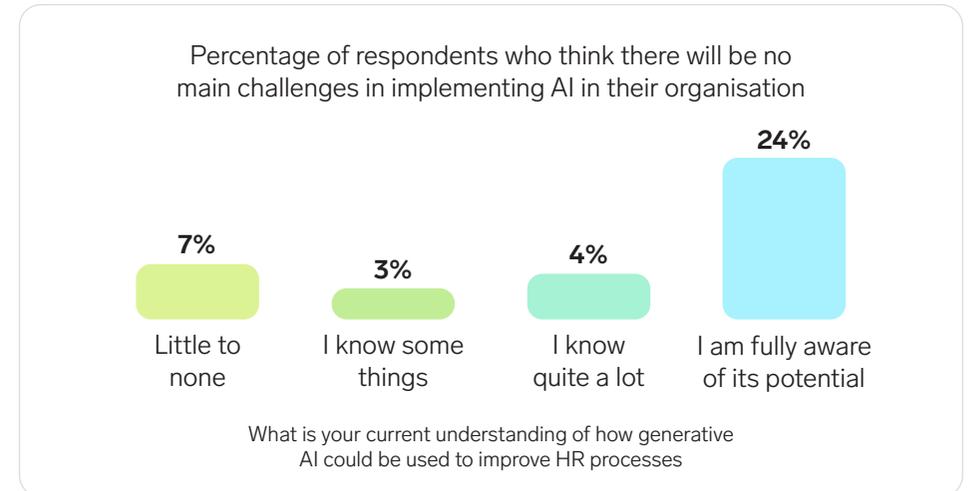
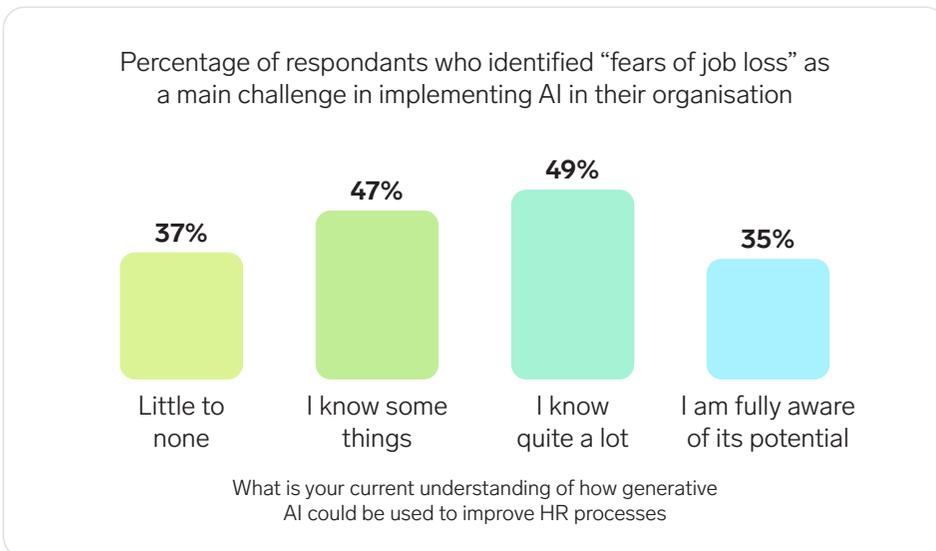
Dan Sodergren





This reassurance should leave you better equipped to address these concerns in your own organisations. And it's backed up by our research: concerns over fear of job loss increase as education about AI's influence on HR's role increases — until the moment when you are fully aware of how it can be used to improve HR, at which point it drops significantly from 49% to 35%. This suggests that education about AI's potential can reduce those fears.

In addition, HR managers who consider themselves fully aware of the potential of AI are much more likely than those with lower levels of AI education to think there will be no main challenges implementing AI in their organisation.



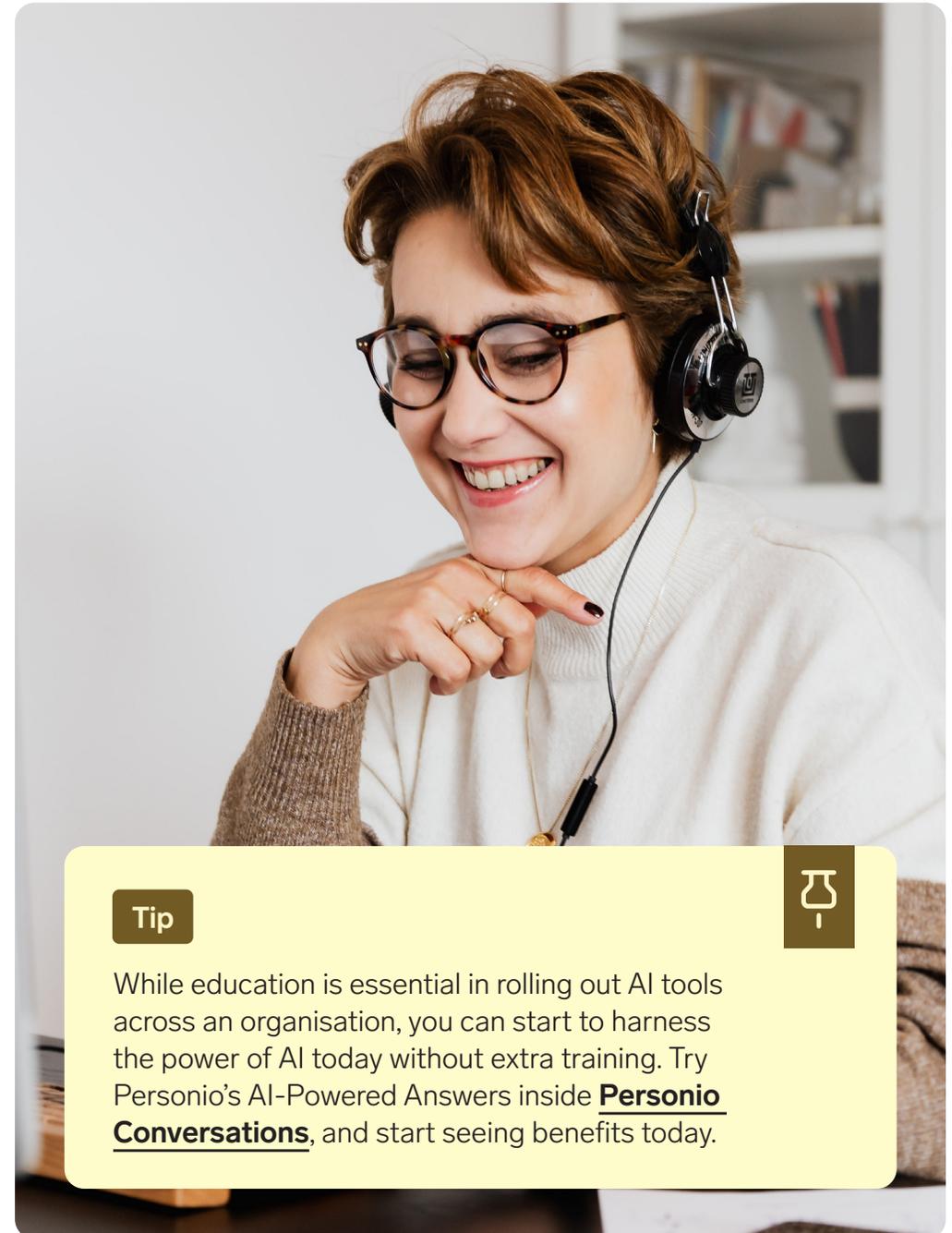
As Dan Sodergren emphasised: **“The more we know about AI, the less we worry about it and the more we are likely to use it.”**

How education and training will win the day

96% of HR managers across Europe say at least some training will be necessary to successfully implement generative AI in HR processes. We recommend prioritising training not only for HR, but for your entire organisation — on both AI as a concept, and on how to implement specific tooling. Take this opportunity to turn any potential fears into confidence.

What should AI training look like as a whole?

- **It should be mandatory.** That way, certain cohorts of the business won't be left behind.
- **It should be tailored.** For instance, IT teams or roles responsible for data protection will need more technical training than other functions.
- **It should cover the basics.** Only then can it dive into real-life use cases to make the learnings tangible.
- **It should include data classification rules.** It is essential that all employees know what types of data they can't share with a generative AI tool.



Tip



While education is essential in rolling out AI tools across an organisation, you can start to harness the power of AI today without extra training. Try Personio's AI-Powered Answers inside **Personio Conversations**, and start seeing benefits today.

What should AI training look like for HR?

We spoke to experts with experience of building AI training courses to gather their top tips.



Aisling MacNamara, Senior Manager Learning & Development at LearnUpon



We need to demystify AI for HR. I believe that happens when you focus on AI's practical application and how it can enhance productivity and impact.

Cut through the noise that accompanies AI. Your HR team doesn't need to know the technical setup, but they do need easy-to-use prompts and guides.

Not all training needs to be formal from the start.

Practising will help your team get comfortable using AI, and then you can start to layer in some more formal courses that level up its impact.

Build a knowledge base that your team can access. Explain the basics of AI, outline the security policy for using generative AI, share useful resources, and store relevant prompts.

Tap into the knowledge of others so you don't need to create training from scratch. LinkedIn Learning, YouTube, and other teams working on AI in your organisation can all be invaluable resources. I'm also seeing more and more formal 'AI for HR professionals' courses, which I believe will be incredibly powerful for every HR team.



Susanna Bogardus, Product Marketing Manager at 360Learning



Show people what they already know: I started the **AI for L&D Certification** with a brief history of AI. By reminding learners that they are familiar with and probably already use AI, they may see the value and benefits of leveraging it at work.

Make sure everyone's on the same page: Next, I covered high-level risks and prompt engineering so learners had a foundational grasp of how to use generative AI.

Create opportunities for experimentation and community: I provided opportunities to test and practice prompts in AI, and asked learners to share their results with their cohort to solidify their understanding.

Highlight the practical applications of the course: Most importantly, I wanted to deepen learners' understanding of how AI can help in the day-to-day and for more strategic projects. By focusing on specific outcomes, even an hour-long certification can develop key skills that provide long-term value.

This is only the beginning

The progress of generative AI in 2023 has put opportunities on the table that weren't there before. To capitalise on those opportunities, organisations will need to kick-start processes for incorporating AI — and our research has shown HR is a fertile ground for taking that first step.

Our main takeaway for HR professionals? Be diligent and precise in your reporting, identifying key cost savings AI can make for your department. Getting leadership on-side is essential, or you might just miss the boat. Heed this warning from **Dr Tomas Chamorro-Premuzic**:

“AI is good at turning data into insights, but going from insights to action requires sound human judgement, experience, and strategic thinking. This is where leadership plays a fundamental role, and we have already seen multiple examples where organisations fail to execute on their digital transformation and AI strategies because leadership is disengaged, disinterested, or unwilling to drive progress.

The risk here is that AI ends up being a fancy toy, a shiny new object, a solution waiting for a problem to be solved, while organisations remain resistant to change.”



Dr Tomas Chamorro-Premuzic



We have just what you need to get started

In collaboration with author and consultant recruiting strategist **Sandra Feldmann**, Personio has crafted a course to empower HR generalists and recruiters with the latest AI-driven strategies and techniques.



Explore common AI terminology



Navigate the evolving landscape of AI and its impact on HR



Discover how AI can revolutionise your HR processes



Learn strategies for effective AI use in HR



Craft compelling recruiting content using AI



Recognize AI's limitations and ensure responsible use

[More about Personio](#)

[Access the course here](#)

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