

Unlock the value of GenAI in HR

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People Consulting Point of View (POV)



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GenAI is only one type of AI that HR leaders can leverage in their organizations

Artificial intelligence (AI) encompasses various subfields, including machine learning (ML), deep learning and generative AI (GenAI). These technologies provide HR leaders with diverse tools to improve decision-making and drive innovation within their organizations.

Artificial intelligence ■

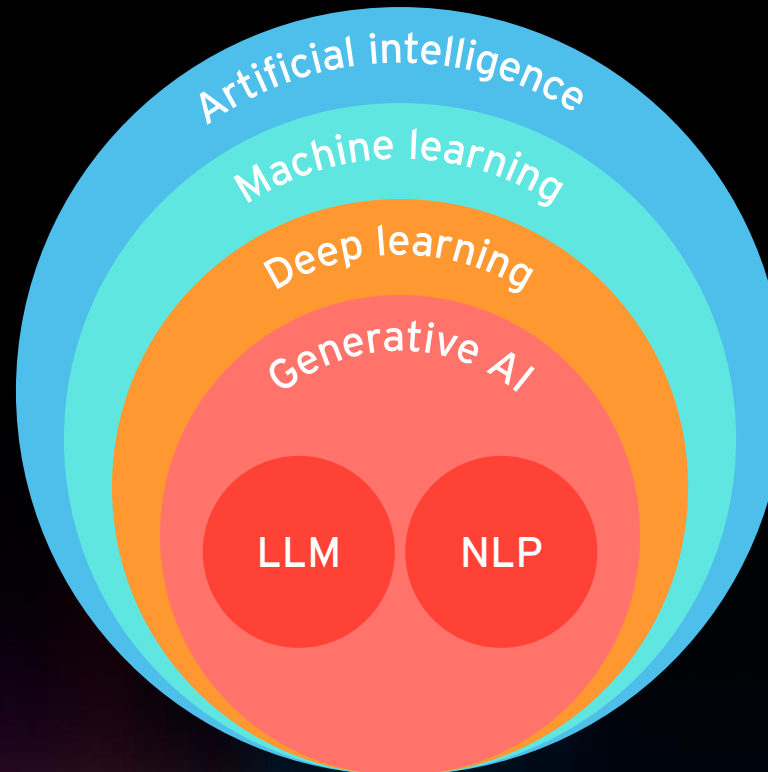
AI is a field of computer science that focuses on creating intelligent machines capable of tasks requiring human intelligence.

Machine learning ■

ML is a subfield of AI, which is broadly defined as the capability of a machine to imitate intelligent human behavior.

Deep learning ■

Deep learning is a subset of ML, which is essentially a neural network with three or more layers.



Generative AI ■

GenAI is a type of AI that can create new content such as images, text, audio or video based on the data it has been trained on, using techniques like large language models, transformer neural networks and generative adversarial networks.

Large language model (LLM) ■

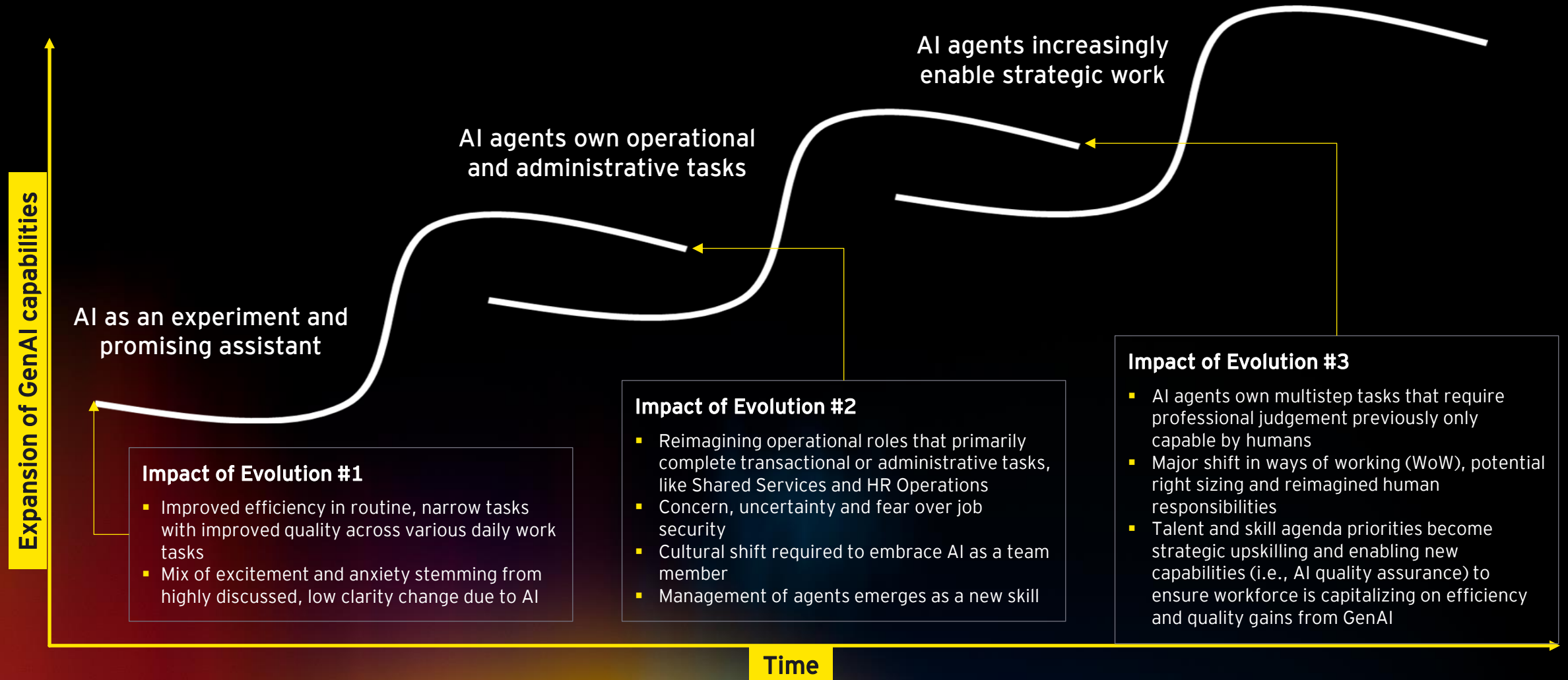
LLMs take advantage of self-supervised learning and can learn from large amounts of unstructured and unlabeled text data. These models are trained on large corpora of data, allowing one model to be used for multiple use cases.

Natural language processing (NLP) ■

Self-supervised learning and pre-trained language models are essential components within the field of NLP. It focuses on the interaction between computers and human language in order to generate new content such as text, images or music.

A working hypothesis: the near-term GenAI journey

GenAI will experience three key shifts over the near-term with the introduction of agentic AI capabilities. Each shift will have unique impacts to the HR function and organization.



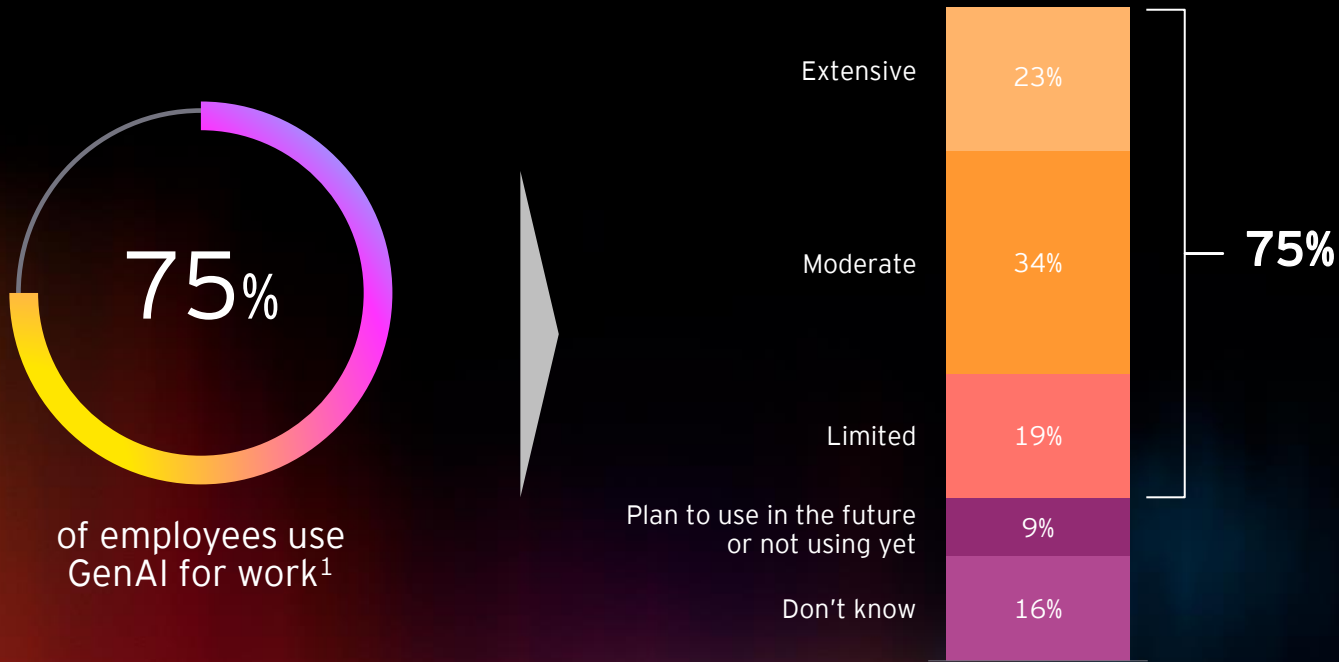
Current business and talent landscape requires HR organizations to transform the way they view work

HR is poised to transform in five key ways by 2030, with GenAI playing a critical role in enabling this transformation. This technology strives to enhance HR's ability to uncover insights and trends that were previously unattainable and create capacity for HR specialists to focus on strategic initiatives and innovative solutions, ultimately driving unprecedented advancements in the function.



Adoption of GenAI across HR organizations and HR professionals is building momentum

GenAI is here to stay, becoming an integral part of modern business operations due to its ability to enhance efficiency, accuracy and decision-making across various functions. HR professionals are already embracing AI tools for tasks such as talent acquisition, employee engagement and performance management.

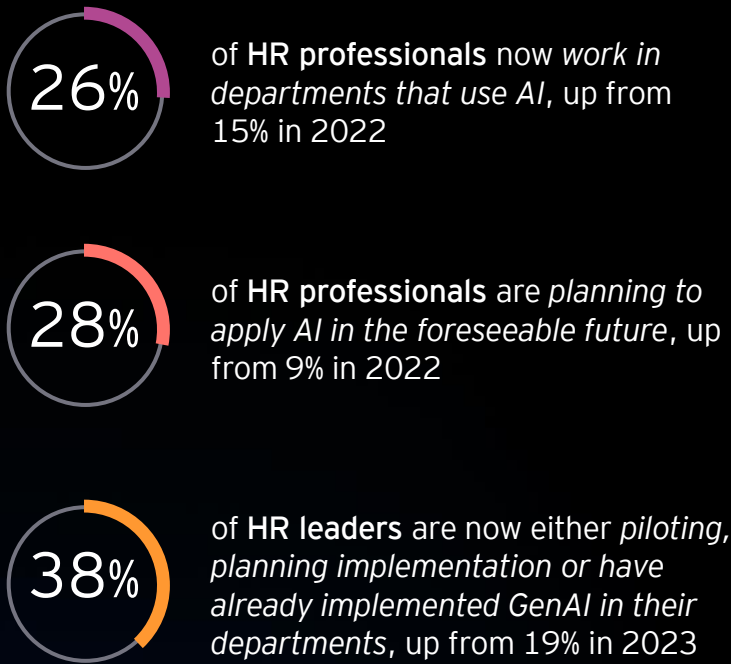


Sources:

1. EY Work Reimagined 2024

2. Generative Artificial Intelligence and the Workforce, SHRM and The Burning Glass Institute (2024)

Adoption Within HR²

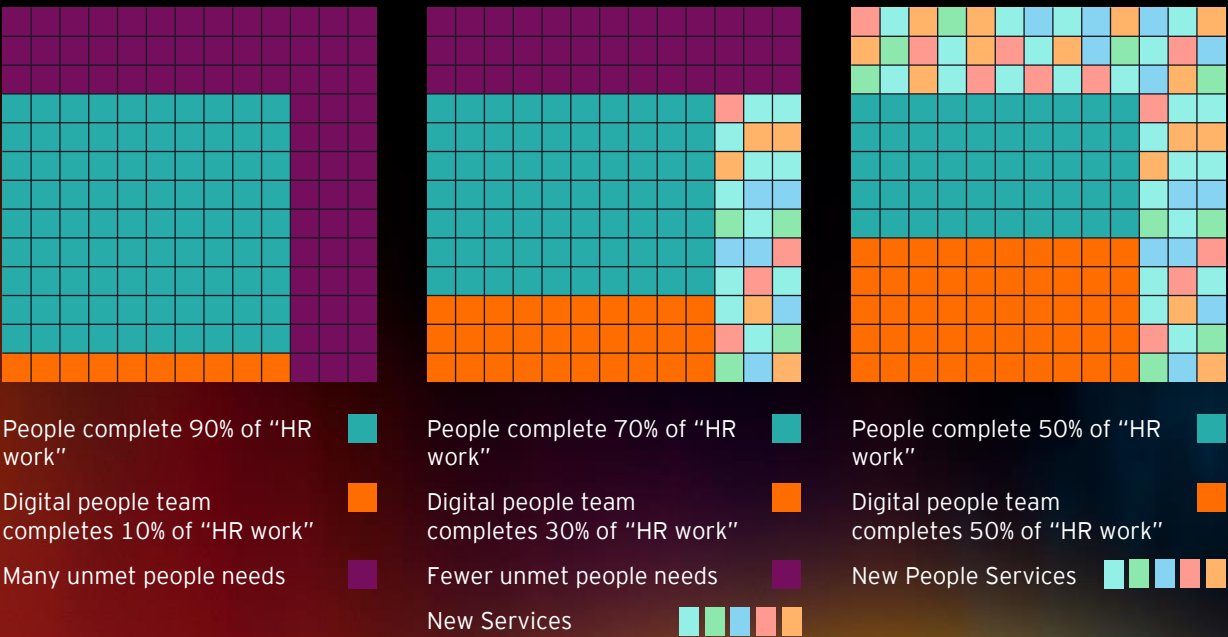


GenAI unlocks the capacity trapped in your current HR service delivery model and enables your team to spend more time on what matters

Investing in GenAI shifts HR functions from being process driven to technology driven by automating routine tasks and enabling more sophisticated data analysis, which leads to more efficient and innovative workflows. This transformation allows HR to unlock new capabilities and provide new value to the organization.

Investing in GenAI moves organizations from being process driven to being **technology driven**

Process driven → Technology enabled → Technology driven



Investing in HR technology through the use of **AI and GenAI** leads to **high return on investment** and can significantly improve HR to help organizations gain a competitive edge.

Increase productivity

AI can automate repetitive tasks, saving time and reducing costs.

Unlock innovation and creativity

GenAI can generate new HR content for policies, processes, training and change.

Improve employee engagement

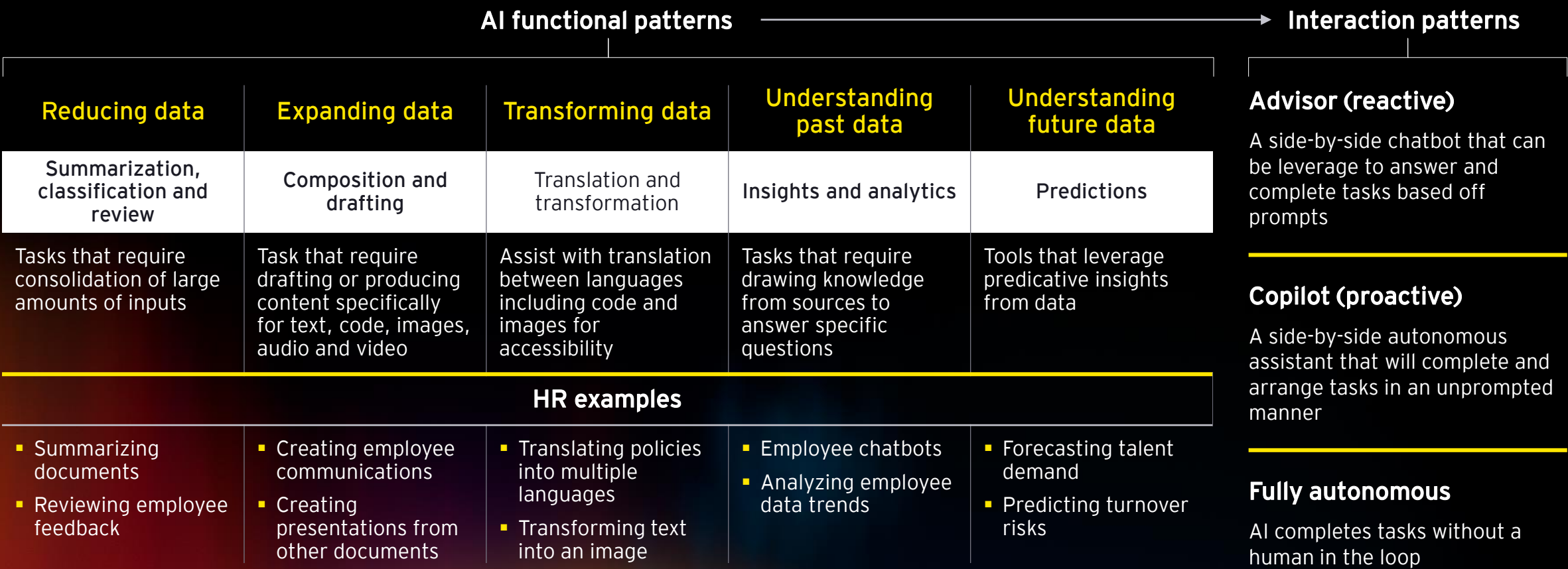
AI can personalize HR services and experiences to help improve employee engagement and gain competitive edge.

Gain competitive edge

AI can analyze large amounts of data, uncovering patterns and insights that humans may miss.

GenAI supports many functional patterns across the employee lifecycle to support business and HR objectives

There are many different functional and interaction patterns that GenAI can enable, creating endless possibilities for supporting transactional and strategic work across the employee lifecycle to drive value across the organization via **attracting**, **developing**, **engaging** and **rewarding** employees.



Potential GenAI use cases across the HR function

GenAI offers a wide range of potential use cases across various HR functions. These use cases span the entire employee lifecycle, offering transformative benefits.

HR strategy and planning

- Automated monitoring of HR Strategy performance
- Real-time expense tracking
- Generative workforce forecasting
- ROI analysis on HR investments
- Strategic HR policy formulation and management
- HR scenario planning and analyses
- Automated personalized communications

Recruiting and onboarding

- Job description creation and posting
- Applicant tracking and reporting
- Intelligent resume screening
- Candidate sourcing/screening
- Onboarding documents/reference checks
- Interview transcription analytics
- Onboarding chatbots
- Automated communication and feedback

HR admin. and operations

- Workforce planning and predictions
- Automated time and attendance
- Interactive chatbots for employees
- Tier 1 inquiry management
- Automated compliance
- Predictive turnover analysis
- Dynamic escalation management
- Predictive analytics for HR plan adjustments

Learning and development

- Automated content creation
- Intelligent coaching systems
- Personalized learning
- Adaptive testing
- Chatbots
- Skill gap analysis
- Facilitator and learner matching
- Real-time skill inventory
- Skill demand prediction

Performance and career

- Continuous real-time assessments
- Automated performance reviews
- Predictive performance analysis
- Advanced insights and improved output
- Feedback drafting and coaching
- Behavioral analysis for performance enhancement
- Bias detection in reviews
- Career development and career modeling

Employee engagement

- Wellbeing chatbots
- Automated offboarding
- Predictive role suitability modeling
- Exit interviews
- Compensation and benefits program design
- Customized rewards

Compensation and benefits

- Compensation package customization
- Compensation analysis and benchmarking
- Employee survey analysis
- Incentive strategy simulation and forecasting
- Automated rewards and recognition
- Pay equity analysis
- Predictive cost analysis
- Rewards personalization
- Benefits utilization analysis
- Policy alignment evaluation

Payroll

- Vendor performance evaluation
- Automated invoice processing/reconciliation
- Payroll security, authentication and verification
- Automated tax calculations/deductions
- Audit and reconciliation
- Compliance/regulatory considerations
- Chatbots and virtual assistants

GenAI will shift traditional HR roles to become more strategic business partners

As HR functions implement GenAI use cases and technology, there will be shifts from a functional design perspective. Traditional HR roles, responsibilities and skillsets will change and evolve to support the new technology-enabled function.

HR business partner (HRBP)

- **Shift from administrative tasks to strategic advising:** automation of many of the administrative tasks currently handled by HRBPs, freeing up their time to focus on strategic advising and partnering with business leaders
- **Enhanced data-driven decision-making:** HRBPs will be enabled with real-time data and insights to make more informed decisions about talent management, workforce planning and employee engagement

HRBPs will focus more on strategic advising

HRBP critical skills

- Consulting
- Business acumen
- Data literacy
- Employee listening
- Executive presence
- Critical thinking

Center of excellence (CoE)

- **AI strategy development:** CoEs can play a key role in developing and implementing an organization's AI strategy for HR, helping to ensure that AI is used ethically, responsibly and in alignment with business goals
- **AI governance and risk management:** CoEs can establish AI governance frameworks and processes to manage risks, help ensure compliance and protect employee privacy

CoEs will play a crucial role in ensuring the responsible and effective use and monitoring of AI in HR

CoE critical skills

- AI literacy
- Data literacy
- Business acumen
- Employee listening
- Critical thinking
- Product management
- Responsible AI

HR operations (HR Ops)

- **Automated HR processes:** GenAI can automate many HR processes, such as onboarding, payroll and benefits administration, reducing manual effort and improving efficiency
- **Self-service HR portals:** GenAI-powered chatbots and virtual assistants can provide employees with 24/7 access to HR services, answering questions, resolving issues and providing guidance.

HR Ops will become more automated and self-service driven with a shift to supporting inquiries and transactions that require specialized consulting

HR Ops critical skills

- AI literacy
- Data literacy
- Consulting
- Business acumen
- Critical thinking
- Quality assurance
- Responsible AI

Illustrative

Key considerations for implementing GenAI in your HR organization

Lessons learned from early adopters indicate that there are several key considerations that HR leaders need to consider as they embark on their journey to embed GenAI into their functions.

Understand your organization's future vision of AI

Whether you aim to be a market leader in AI innovation or prefer a moderate, strategic use of AI, having a clear vision will guide your investment and implementation strategies.

Balancing GenAI with the human experience

This involves taking into account how GenAI can enhance, rather than replace, human interactions and creativity.

Preparing your data

Be sure your data is organized, clean and accessible. Being data-ready means your organization can train, test and deploy GenAI models more efficiently and with better outcomes.

Prepare your HR team

Clearly defining the responsibilities and collaboration needed across teams during and after the implementation helps to ensure effective upskilling and assessing the impact of AI on HR functions while maintaining compliance and strategic alignment.

Navigating the vendor landscape

This involves understanding the capabilities of your current vendors compared to the capabilities of vendors in the market when it comes to GenAI.

Alignment to enterprise approach by engaging cross-functionally

Engaging stakeholders across the organization helps to ensure that GenAI initiatives are aligned with various departmental goals and that the benefits of GenAI are maximized.

Elevate AI to provide value to HR and the business

It is critical to not only to pinpoint AI opportunities within the organization, but to also assess where AI can make the most significant impact. A key focus should be placed on quantifying financial implications and helping leadership to understand how AI investments in HR translate into tangible economic value to the organization. *HR leaders are left with a focused set of opportunities based on potential value-add to the business.*

Our approach

A well-designed, balanced scorecard and prioritization system provides insights into:

- Strategic fit
- Economic metrics
- Sustainability

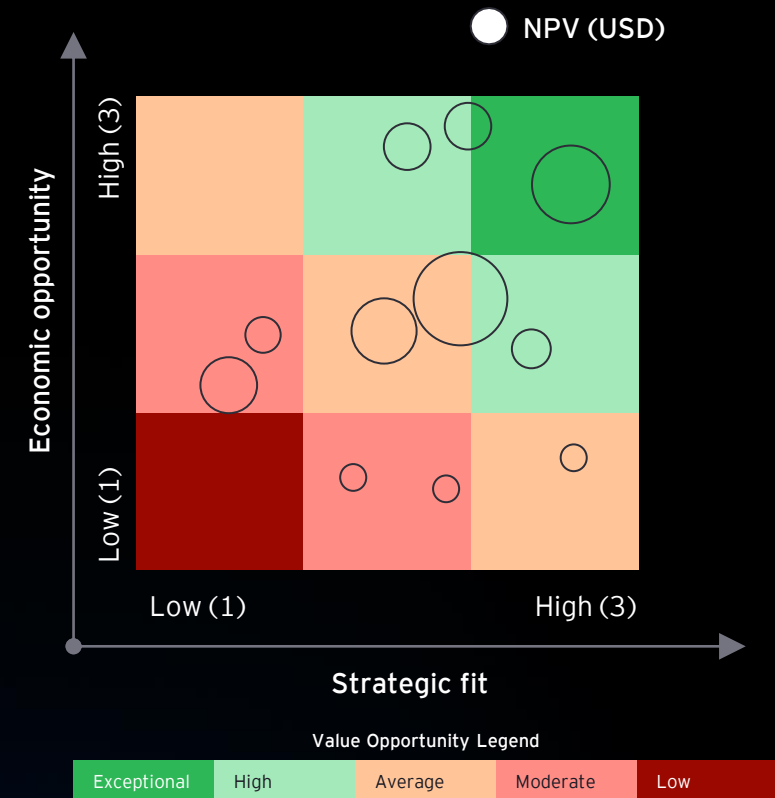
The holistic balanced scorecard approach will allow for:

- Ranking based on composite scores
- Tiering mechanism (such as validate, consider or backlog)
- Risk and return analysis

Sample criteria

Economic opportunity	Impact (e.g., net present value (NPV), return on invested capital (ROIC), payback period, and required investment).
HR value	HR service efficiencies
	HR customer satisfaction
	Employee retention
Technological disruption	Innovation

Illustrative



To learn more about the EY approach to AI value measurement, click here: [EY.ai Value Accelerator](#)

To begin your GenAI in HR journey, conduct assessments to prioritize use cases and determine technology and functional readiness

EY professionals can support HR leaders to prepare for their HR journey by supporting a variety of different assessments to identify use cases, understand technology readiness and the vendor landscape and determine functional impacts of leveraging GenAI.

		Analyze	Align	Develop	Roadmap
GenAI use case identification	Create GenAI vision for future Develop North Star vision for GenAI in HR	Brainstorm GenAI use cases across HR functions based on current processes and capabilities	Align on criteria to evaluate use cases	Determine the feasibility, value and prioritization of GenAI use cases for HR	Develop a roadmap, including a business case, for deploying pilot use cases in Total Rewards
GenAI vendor and technology assessment		Analyze and document your current AI capabilities and assess data quality	Align on GenAI technology philosophy and vendor evaluation criteria	Conduct vendor demos to gather additional insight into GenAI capabilities in the marketplace and refine technology strategy	Develop a roadmap, including a business case, to enable GenAI in Total Rewards technology strategy
GenAI functional readiness assessment		Analyze and document your current state HR and Total Rewards strategy, culture and organizational structure	Align on design criteria for a GenAI-enabled HR function	Develop a GenAI strategy, framework and operating model for the Total Rewards function, identifying major change impacts and potential blockers	Develop a roadmap, including a business case, to implement the GenAI strategy, framework and operating model

Reach out to learn more on generative AI and its impact on HR organizations

We are excited to work with you to unlock the power of GenAI for your HR functions and deliver exponential value to the organization. For further queries, please reach out to us.



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GenAI in HR service offerings

GenAI in HR strategy development

GenAI in HR technical and functional readiness assessments

GenAI in HR use case design and implementation

GenAI in HR operating model and functional design

GenAI in HR use case identification

GenAI in HR vendor assessment and selection

GenAI in HR experience design

GenAI in HR adoption and change management

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