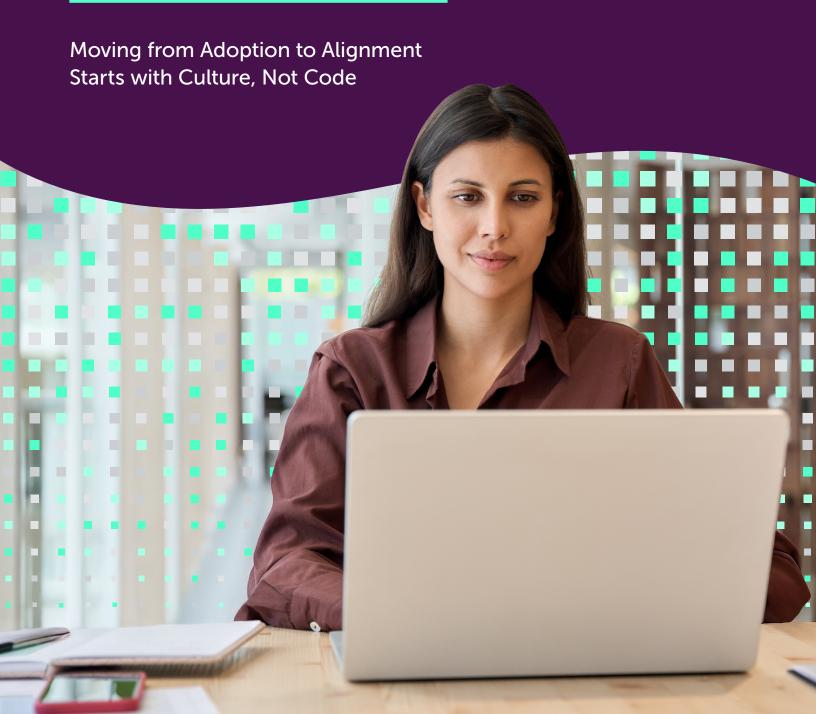


The Three Levers Every CHRO Needs to Close the

AI-Readiness Gap



The Three Levers Every CHRO Needs to Close the AI-Readiness Gap

Project Director

Stephanie Larson, Ph.D.

Designer

Kelsey Stoneham

©2025 by EAB. All Rights Reserved • eab.com

LEGAL CAVEAT

EAB Global, Inc. ("EAB") has made efforts to verify the accuracy of the information it provides to partners. This report relies on data obtained from many sources, however, and EAB cannot guarantee the accuracy of the information provided or any analysis based thereon. In addition, neither EAB nor any of its affiliates (each, an "EAB Organization") is in the business of giving legal, accounting, or other professional advice, and its reports should not be construed as professional advice. In particular, partners should not rely on any legal commentary in this report as a basis for action, or assume that any tactics described herein would be permitted by applicable law or appropriate for a given partner's situation. Partners are advised to consult with appropriate professionals concerning legal, tax, or accounting issues, before implementing any of these tactics. No EAB Organization or any of its respective officers, directors, employees, or agents shall be liable for any claims, liabilities, or expenses relating to (a) any errors or omissions in this report, whether caused by any EAB Organization, or any of their respective employees or agents, or sources or other third parties, (b) any recommendation by any EAB Organization, or (c) failure of partner and its employees and agents to abide by the terms set forth herein.



Introduction	2
Executive Summary: The State of Al Adoption	4
Lever 1: Orchestrate Humans and Machines	7
Lever 2: Empower with Responsibility and Trust	. 10
Lever 3: Build Cultural Resilience	. 12
The Path Forward: Listening as the Master Lever	. 14
Conclusion: From Insight to Action	. 16



Introduction

Earlier this year, Seramount conducted a ninemonth listening tour with more than 100 chief human resources officers (CHROs) to uncover what truly keeps leaders up at night. These conversations revealed dozens of priorities, but four themes surfaced more than any other: workplace culture, hybrid work, mental health, and artificial intelligence (AI). Among these, AI emerged as an urgent opportunity as well as a significant test of leadership. Across industries, CHROs described feeling the pressure of this moment: to turn AI from a source of anxiety into a catalyst for growth, ensuring that people, purpose, and culture remain the anchors of progress.

According to McKinsey's 2025 "State of Al" report, 78% of organizations report using Al, yet fewer than 1% consider themselves "mature." Seramount research finds that 42% of companies have already abandoned at least one Al initiative, up from 17% last year. Employees cite low confidence in leadership vision or the systems designed to deliver it,

uncertainty due to their own skills, and fear of being replaced. Despite massive investment in AI by progressive, successful organizations, readiness and trust remain scarce commodities. The result: Programs stall before they scale.

Al adoption alone does not guarantee transformation. A <u>2025 MIT study</u> found that 95% of GenAl pilots fail to produce meaningful ROI because leaders struggle to translate experimentation into enterprise-level change. Stanford researchers add that unstructured, unmeasured experimentation—employees testing tools in isolation, without governance or feedback-rarely creates sustainable value. Without intentional oversight, these fragmented adoption patterns tend to mirror broader workplace inequities, with women, people of color, people with disabilities, and/or workers in lower-wage brackets often excluded from early access, training, and influence in AI initiatives (Data Justice Lab, 2025, HAI, 2024, WSJ, 2025).

CHROs now sit squarely at the center of transformation. The role now carries a dual mandate: to accelerate productivity through intelligent systems and to safeguard people, data, and reputation from risks that can derail progress. For human resources (HR) teams, the path to Al readiness cuts across three imperatives:

Modernize the HR function itself

Use AI to streamline and strengthen talent acquisition, learning, and workforce planning.

Prepare the workforce to thrive alongside Al

Build the skills and confidence employees need to mitigate compliance risk and prevent misuse.

5 Evaluate Al's broader implications for the labor market

Anticipate how technology will reshape roles, redefine capabilities, and influence equitable opportunity.

As McKinsey notes, the next frontier is the <u>agentic</u> <u>organization</u>, one where humans and Al agents work side by side and are continuously learning. However, this model is possible only when culture provides the glue and the compass. Confidence encourages collaboration; inclusion promotes fairness; and shared purpose guides both human judgment and machine intelligence.

In other words, the challenge isn't the technology; the challenge is alignment. Many executives can describe Al's potential but struggle to connect it to purpose and people. Doing so requires new leadership capabilities such as sensemaking, adaptive learning, and activation, which are anchored in listening and context. Long-term success will be defined not by algorithms but by culture.

The stakes of this moment are undeniably high. When Al adoption goes wrong, the risks extend far beyond missed efficiency targets. Poorly governed initiatives can erode trust, compromise data integrity, and expose organizations to compliance and privacy failures. According to recent findings from IBM, 13% of organizations experienced a breach involving AI models or applications this year, and nearly all had failed to implement the proper guardrails needed to control how sensitive AI data models are used. Of course, equally concerning is the financial toll. While the global average cost of a data breach fell to \$4.44 million last year, the average U.S. cost of a breach rose to a record \$10.22 million. For HR leaders, managing AI responsibly means both protecting the data that powers transformation and adequately mobilizing a culture that uses AI with purpose.

At Seramount, we call this "the gap between adoption and alignment." Closing it requires deep listening at scale, the kind that reveals not only what employees say but the underlying reasons why readiness stalls and the actions leaders can take to mitigate them. When organizations listen as intelligently as they automate, culture becomes their strongest competitive advantage.

This report explores how leaders can turn that intelligence into impact by identifying the cultural barriers that stall AI adoption and the practical levers that build readiness, risk management, and resilience needed for sustainable transformation.

EXECUTIVE SUMMARY

The State of AI Adoption

Across industries, Al adoption has accelerated, but impact has stalled. The World Economic Forum predicts that nearly 40% of core skills will change by 2030, yet 63% of employers cite skills gaps as their biggest barrier to business transformation. Trust also remains a key tension. In a KPMG and University of Melbourne study, more than half of employees admitted to using Al tools without telling their managers, a signal of weak governance, fear of retaliation, and low psychological safety. When people feel uncertain about policies or anticipate negative consequences, they hide experimentation instead of sharing learning, slowing both innovation and trust building.

For HR leaders, the message is clear: Innovation moves faster than culture. Despite high levels of investment, most organizations struggle to move from pilot to scale because their experimentation lacks structure and alignment. Many rely on uncoordinated, bottom-up pilots rather than enterprise design, resulting in isolated wins that never integrate into broader workflows (HBR, 2025). Others fall into siloed ownership, where specialized functions optimize AI for local efficiency but fail to connect systems across departments (HBR, 2025). Even when adoption gains traction, measurement remains narrow. Few organizations track readiness or culture metrics alongside technical KPIs (EY, 2025). Compounding these issues is a wider cultural mistrust: When employees don't understand why Al is introduced or fear its implications, adoption slows, resistance emerges, and engagement declines (Seramount, 2025).

The anxiety that "robots are coming for our jobs" remains pervasive, but growing evidence suggests a different story: Al is reshaping—not

replacing—work. Microsoft's 2025 findings show that most roles will evolve in scope rather than disappear. Put differently, the real risk isn't that AI will replace workers, but that workers without the necessary AI skills will be replaced by those who have them. For HR leaders, the opportunity lies in helping employees see how AI can amplify their impact, not diminish it.

However, governance and inclusion remain critical gaps in an organization's ability to do just that. Research from the Algorithmic Justice League and Brookings shows that access to AI skilling is still uneven: Women, people of color, lower-income earners, and latercareer professionals are significantly less likely to receive AI training or visibility in pilot programs. In addition, bias originates in the technology itself. Al systems learn from data that reflects existing inequities and deepens when unequal opportunity and representation persist in the workplace (Seramount, 2024). Weak governance exacerbates these challenges even further. IBM's 2025 analysis found that most breached organizations lacked AI governance policies or regular audits, with one in five reporting incidents linked to "shadow AI," or the unsanctioned use of AI tools by employees without oversight. Without clear accountability and intentional design, innovation can drift into compliance and ethical risk and inadvertently create a two-tier workforce of those who benefit from AI and those who are left behind.

HR leaders who are breaking through share a common playbook. They treat AI not as a technical rollout but as a cultural redesign, anchored in listening, transparency, and learning. Three levers consistently distinguish organizations that turn AI ambition into impact.

The Three Levers of an AI-Ready Culture

Orchestration:

Align people, process, and technology so humans and intelligent systems complement one another. Orchestration turns isolated pilots into coordinated progress.

Empowerment:

Build trust through transparency. Make accountability visible and invite employees into the "how" and "why" behind AI decisions. Empowerment mitigates ethical and reputational issues by replacing uncertainty with clarity and shared responsibility.

Resilience:

Create a culture that learns faster than change by integrating cultural feedback loops and continuous training into the strategy. Strengthening resilience manages workforce risk by equipping employees with the confidence needed to close skills gaps and continually transform.

At Seramount, we believe these levers are measurable and that, when measured well, can accelerate insights into action. By revealing the forces behind readiness and resistance, organizations can transform employee feedback into decision-ready intelligence that strengthens performance. Measured, operational insight becomes momentum for change. The following sections explore how these strategies translate into cultural and business outcomes, showing how leaders can turn Al ambition into sustained advantage.





LEVER 1

Orchestrate Humans and Machines

The future of AI isn't automation; it's orchestration. For HR leaders, that means redesigning how people and intelligent systems work together so technology amplifies human capability instead of replacing it. Orchestration closes that gap by making human judgment and machine intelligence part of one adaptive system, anchored in culture, not code.

Research shows that most companies have yet to make this shift:

- Only 21% of organizations have fundamentally redesigned workflows to integrate AI effectively (McKinsey, 2025).
- Departments that adopt AI independently risk creating "AI-powered silos" that weaken cross-functional collaboration and dilute strategy (<u>HBR</u>, 2025).
- Despite widespread adoption, most leaders know where AI is being used but not how employees experience it. Employees often report confusion, overlapping roles, and fear of redundancy (Bentley University and Gallup, 2023).
- Only 5% of companies derive measurable value from AI, largely because of workflow friction and misaligned processes (<u>Business</u> <u>Insider</u>, 2025).
- A majority of companies remain trapped in "pilot purgatory," struggling to convert experimentation into scalable business outcomes (Forbes, 2025).

The challenge, in other words, is not the adoption of AI but rather the coordination of it across people, processes, and systems. AI's benefits disappear when employees can't see how new tools fit into their work or contribute to shared goals. As autonomous systems begin to make decisions and execute tasks, the goal for leaders is no longer simply to deploy technology but to redesign how humans and AI collaborate.

Organizations that treat AI adoption as process redesign rather than tool deployment are already seeing measurable top- and bottom-line gains (*Forbes, 2024*), demonstrating that alignment through orchestration creates the foundation for scalable impact. In this paradigm, culture becomes the organizing principle of work.

Across industries, companies are learning that even the most well-funded transformation efforts can falter without a clear view of how employees experience change. Many invest heavily in communication, training, and technology, yet still struggle to turn awareness into action. When organizations uncover the reality of that experience—where energy builds, where friction forms, and where understanding breaks down—they can redesign workflows that are not just efficient but also built for long-lasting adoption.

Orchestration will soon be a defining leadership skill. Experts estimate that organizations that redesign work around human-machine complementarity will outperform peers by 30%–50% in productivity and innovation (McKinsey, 2025; HBR, 2025; Forbes, 2024). Effective listening is the feedback loop that keeps these systems coordinated.

CASE IN POINT:

Listening in Times of Transformation

A global insurance, Fortune 500 enterprise launched an ambitious digital and Al transformation. The initiative included extensive communication, leadership boot camps, and digital resource hubs. On paper, it was robust. In practice, adoption lagged:

- Only one in three employees completed the company's boot camps.
- Those who did attend described them as "overwhelming" or "too theoretical," i.e., interesting but disconnected from daily work.
- Employees felt "talked at" rather than engaged, signaling communication fatigue and quiet resistance.

Through anonymous Employee Voice Sessions (EVS) with more than 450 employees across regions and functions, Seramount uncovered the root causes. The transformation wasn't failing from lack of investment; rather, it was failing from lack of understanding:

- Almost 60% said workloads had increased while efficiency dropped.
- Only 32% of managers felt equipped to communicate "digital-first" expectations.
- Just 34% understood how their role connected to the transformation.
- Only 39% felt engaged in the initiative.

It wasn't that people opposed the change; they just didn't get it. They'd say, 'I keep hearing about AI, but I don't know what I'm supposed to do differently tomorrow.'"

Seramount Partner, Fortune 500 enterprise

They had all the right materials—communications, training, bootcamps—but when we looked at it through EVS, we saw that people weren't actually changing. They didn't understand what it meant for them, and many felt overwhelmed."

Seramount Partner, Fortune 500 enterprise

Armed with Seramount insights, leaders refined their approach. They:

- Shifted from broadcast communication to two-way dialogue.
- Reframed messaging in employee language (e.g., "what this means for me").
- Introduced sequenced learning experiences tied to real work.
- Normalized curiosity around AI and made it safe not to have all the answers.

Within months, confidence and adoption rose sharply. Employees described renewed clarity and belief in the change. What began as a lagging transformation evolved into a culture of accountability and engagement.

Once they used the EVS data to adjust, they didn't need to redo the whole strategy—they just needed to talk about it differently and meet people where they were."

Seramount Partner, Fortune 500 enterprise

What CHROs Can Do Now



Orchestration: Turn Adoption into Alignment

Listen before redesigning.

Use employee listening to surface where Al creates confusion or friction.

Clarify human roles.

Define decision points that remain human-led and make them visible.

Pilot intentionally.

Start with a few workflows, prove value, then scale.

Measure culture, not just performance.

Track and re-measure readiness, adoption, and trust alongside productivity, annually.

LEVER 2

Empower with Responsibility and Trust

Experts estimate that trust capital will stand alongside financial capital as a marker of enterprise health in our near future. Investors, regulators, and employees will all assess how responsibly organizations deploy AI. Those that lead with transparency and inclusive governance will outperform peers in both productivity and retention (*HBR*, 2024; EY, 2025; KPMG/The University of Melbourne, 2025; McKinsey, 2025).

If orchestration aligns people and technology, trust sustains that alignment. For HR leaders, credibility is the new competitive advantage. Al adoption will rise or fall on the confidence that employees place in how it is used, governed, and explained.

Research shows that trust remains the missing ingredient in most AI strategies:

- Only 46% of people globally say they are willing to trust AI systems (<u>KPMG/University</u> of Melbourne, 2025).
- Among employees who do use AI in the workplace, 49% report keeping it to themselves for fear of being seen as lazy, risky, or noncompliant (<u>Security Today</u>, 2025).
- More than \$4 billion in early losses have already been reported across large firms due to failures related to bias and data security, intellectual property, and compliance (EY, 2025; McKinsey, 2025).
- Al models have been shown to mirror societal bias, skewing hiring outcomes across race and gender (<u>University of</u> Washington, 2024).

Even when systems function properly, opaque decision-making erodes trust. According to *The AI-Savvy Leader: 9 Ways to Take Back Control and Make AI Work*, active employee involvement, collaboration among tech and non-tech teams, and increased opportunity for social connection during rollout dramatically increase adoption, demonstrating that transparency and participation drive engagement (De Cremer, 2024).

As organizations become more agentic, decision-making is increasingly distributed across Al systems. Yet many of these systems inherit and amplify the inequities embedded in their data. Al models trained on historical patterns can reproduce and scale systemic bias, favoring dominant groups while marginalizing others. Hiring algorithms, for example, have been shown to disadvantage women and underrepresented racial and ethnic groups, while LLMs often underrepresent or distort certain communities, particularly across gender, race, and neurodiversity. Similarly, Algenerated outputs, from text and imagery to speech synthesis, can perpetuate stereotypes or overlook cultural nuance, undermining inclusion and credibility in global contexts. Automation itself risks deepening inequality if it disproportionately impacts historically underrepresented talent pools or recreates the opportunity gaps that emerged during earlier tech revolutions.



To build meaningful trust, organizations must confront these risks directly and design safeguards that prevent bias from scaling through their systems (Seramount, 2025). This includes collaborating across functions to build equitable reskilling and upskilling programs and embedding fair hiring practices into every Al strategy. It also requires deliberate transparency and inclusive governance, localizing models, culturally vetting outputs, and involving diverse stakeholders in review and oversight. Importantly, Al also presents new opportunities to advance inclusion (Seramount, 2025): Tools such as sentiment analysis, bias detection in job descriptions, and inclusive language models can help leaders identify inequities and make systems fairer by design. When employees see Al applied fairly and inclusively, confidence grows; when they perceive bias or exclusion, confidence erodes, and with it, engagement and innovation.

Organizations can no longer rely on engagement scores to tell them what's really happening beneath the surface. During transformation, they need to be able to grasp how trust is built and to surface early warning signs before resistance spreads. When organizations listen at that scale, leaders can tailor communication, refine governance, and rebuild confidence where it matters most.

EVS made it safe for people to say they were confused or scared—things they'd never tell their manager directly. Once we had that, we could tailor comms and make the rollout human."

Seramount Partner, Fortune 500 enterprise

What CHROs Can Do Now



Empowerment: Turn Transparency into Credibility

Make Al visible.

Publish clear, plain-language guidance on how the organization uses AI and where human oversight remains.

Create shared governance.

Launch an Al Ethics Council to review bias, explainability, and employee sentiment data.

Enable safe learning.

Encourage experimentation and feedback and reward curiosity within clear guardrails.

Track trust as a metric.

Measure how perception shifts across functions and demographics and act before confidence erodes.

LEVER 3

Build Cultural Resilience

Technology will keep evolving. The only lasting advantage is a workforce that evolves with it. For HR leaders, resilience means creating a culture that learns faster than the pace of change, where experimentation is encouraged, upskilling is continuous, and inclusion is built into every learning opportunity.

Current Reality:

- Only one in five organizations has a defined strategy for Al adoption (<u>Thomson Reuters</u>, 2025).
- Only 23% of employees say they have all the skills needed to incorporate AI into their workflows (Seramount, 2025).
- Firms with formal AI roadmaps achieve adoption twice as fast as those that approach deployment ad hoc (<u>Thomson Reuters</u>, 2025).
- Forty-five percent of IT leaders rank
 GenAl as their top budget priority, yet
 cultural readiness remains significantly
 underfunded (AWS, 2025).

Organizations often teach what AI does but not how employees can work with it confidently. Managers rarely receive the guidance or tools needed to model new behaviors, leaving teams uncertain and overwhelmed. The most effective organizations take an AI-first approach, but this doesn't mean deploying every available tool. It means being intentional, **identifying high-value workflows where AI can enhance performance** rather than treating it as an afterthought. Use of a formal adoption roadmap is critical. Without it, organizations run the risk of efforts becoming fragmented, costly, and met with employee resistance (*Forbes*, 2025).

Over the next few years, adaptability will surpass efficiency as a critical measure of AI performance. McKinsey's agentic framework emphasizes that resilient organizations are those that embrace ongoing training, coordinating humans and AI systems through feedback and iteration. The organizations that thrive will be those that embed listening and learning into their culture, turning adaptation into a daily habit rather than a periodic response to disruption. In the end, sustainable success will come not from deploying smarter systems but from building smarter cultures, ones that learn and evolve faster than the pace of change.

CASE IN POINT

From Adoption to Resilience

After uncovering and addressing the root causes of employee sentiment, the same Fortune 500 enterprise embedded continuous listening into its transformation journey.

What changed?

Following Seramount's guidance, they:

- Redefined training as multiphase, role-specific programs built around real scenarios and on-the-job practice.
- Integrated ongoing employee listening and pulse analytics to monitor adoption sentiment and sustain progress.
- Introduced metrics to track adoption, leadership effectiveness, and employee experience.

The Results:

The transformation shifted the organization from reactive problem-solving to continuous learning and cultural adaptability.

Listening made learning actionable and sustained momentum through constant change.



I finally understood what this meant for me-not just for the company."

> Seramount Partner, Fortune 500 enterprise

What CHROs Can Do Now



Resilience:

Turn Learning into Advantage

Make learning continuous.

Replace stand-alone training with ongoing sprints tied to real workflows.

Model curiosity.

Equip managers to explore AI openly and share what they learn.

Track readiness by group.

Use employee data to see where confidence or opportunity gaps persist.

Celebrate iteration.

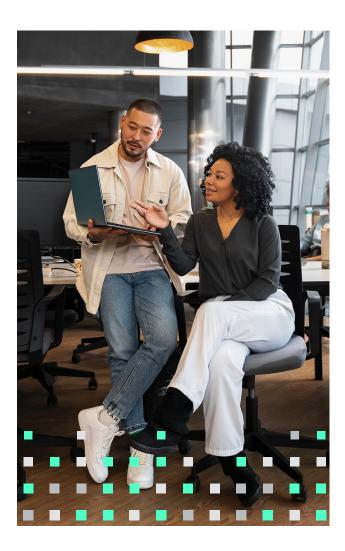
Recognize teams that test, learn, and improve, not just those that "get it right."

THE PATH FORWARD

Listening as the Master Lever

Al maturity doesn't follow a technical curve; it follows a human one. Most organizations move through predictable stages: skepticism, experimentation, confidence, and ultimately, advocacy. The speed of that journey depends on how well leaders listen, diagnose, and transform.

For HR leaders, listening is no longer a check-in; it's the control system for transformation. The same feedback loops that strengthen culture also accelerate adoption. When employees see how AI supports their work, adoption becomes faster, engagement stronger, and outcomes more enduring.



CASE IN POINT

Results Through Resilience

After recognizing that generic AI training wasn't translating into adoption, Hearst, a leading global information and mass media company, redesigned its approach around employee context and function-specific learning.

What changed? They:

- Explained GenAl from a nontechnical perspective, examining its strengths and shortcomings.
- Developed customized GenAl training for 16 functional groups, including sales, marketing, news and content, and technology.
- Built sessions around real use cases and practical exercises in prompt writing, responsible use, and risk awareness.
- Established a GenAl adoption task force, a quarterly GenAl "champion program" for Al advocates, and a "piloting Al" coaching tool to support higher-order use.
- Continue to promote usage and training within the organization to sustain learning and surface new needs.

The Results:

Employees increased their GenAl usage by 174%, and visits to the internal GenAl intranet page increased by 84%. Adoption shifted from a compliance exercise to a culture of curiosity and shared accountability.

Many organizations are still taking a "wait and see" approach to Al adoption, hoping to learn from early movers before committing to large-scale change. But in practice, waiting compounds risk. As the *Harvard Business Review* and *McKinsey* both note, successful transformation depends on experimentation, feedback, and iteration, capabilities that take time to develop. Organizations that delay action risk falling behind not only in technology but in cultural readiness: Trust, governance, and employee adaptability can't be built overnight. The longer leaders wait, the steeper the climb becomes.

Most companies already run engagement surveys. They track scores, sentiment, and pulse data but still miss the why behind the numbers. What's needed now isn't another survey, but a culture intelligence accelerator that turns listening into leadership. By revealing where adoption stalls, progress builds, or inclusion needs reinforcement, deep listening connects employee experience to business outcomes, giving leaders the foresight and support to act decisively, not just react to data. In practical terms, deep listening unites three levers—

Orchestration, Empowerment, and Resilience—into one adaptive cycle that keeps culture and performance in sync:

1 Listen:

Capture real-time feedback across teams and demographics.

2 Diagnose:

Translate insights into targeted interventions.

Transform:

Act quickly and visibly, showing employees that their input drives change.



CONCLUSION

From Insight to Action 💝

The question for CHROs is no longer whether to use AI, but how to lead its use responsibly. The difference between transformation that scales and transformation that stalls lies in culture, the orchestration, empowerment, and resilience behaviors that make technology work for people. This is the moment organizations have been preparing for when culture and technology converge to define what comes next.

With four decades of research and advisory experience, here at Seramount we don't just identify challenges. We help leaders solve them. Our work equips organizations to redesign how work happens, rebuild confidence where it's been lost, and reinvest in learning that endures.

Al will reshape work, but culture determines whether it thrives. Seramount ensures your people are not only ready to adapt but empowered to believe—and belong—in what comes next.



Talent Solutions for Better Workplaces









Insight-Powered Solutions Trusted by Talent and HR Leaders

TALENT SOURCING

Identify, Engage, and Hire Top Early Career Talent

Branding and recruiting platform that surfaces engaged, prepared candidates more efficiently, effectively, and at scale

ASSESSMENT AND STRATEGY

Uncover the Real Levers to Unlock Enduring Employee Engagement

Actionable
intelligence into the
employee experience
powered by innovative
technology and over 40
years of workforce data
and insights

RESEARCH AND ADVISORY SERVICES

Set Strong DEI Foundations and Build Adaptable Roadmaps

Expert guidance rooted in research and experience to support and advance your strategic talent and DEI priorities in every environment LEARNING AND DEVELOPMENT

Create a
More Resilient,
Connected
Workforce

Impactful content designed and delivered to inflect productivity and positive behavior change at every level

We partner with **600+** corporations, government entities, and nonprofits **globally**.

Including ~50% of the Fortune 100 and ~25% of the Fortune 500.



