

The AI-Ready HR Org

HR's Role in Setting the Pace of Corporate Strategy

Roadmap for Today's Discussion

What We Think We Know Today

What We Believe About the Future

- How will AI change work and industries?
- What Will Define Winners and Losers?
- Will HR Lead the Way or Be Diminished?

Implications and Next Steps for CHROs

- Two Possible Paths for HR—Yours to Choose
- No Regret Next Steps and Pitfalls to Avoid
- Questions for Discussion Today and Back Home

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What We Think We Know Today

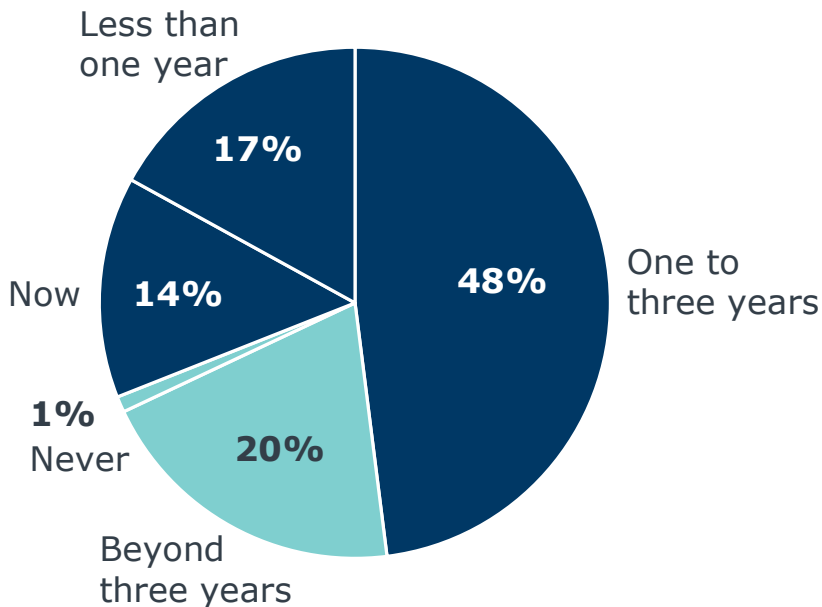
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Corporate Leaders Confident AI Will Transform Work

More than 75% Expect Fundamental Change to Happen within 3 Years

When Is GenAI Likely To Transform Your Organization?

December 2023 Survey of 2,835 Corporate Leaders



Predictions from the C-Suite



"Artificial intelligence is going to replace literally half of all white-collar workers in the U.S."

Jim Farley, CEO Ford Motor



"It is very clear that AI is going to change literally every job."

Doug McMillon, CEO Walmart



"I'll be the last CEO of Salesforce who only managed humans."

Marc Benioff, CEO Salesforce



"It's hard to say exactly what that moment is, but there will come a point where no job is needed."

Elon Musk, CEO Tesla and SpaceX

Sources: Dutt et. al., "[The State of Generative AI in the Enterprise](#)," Deloitte, 2024; "[Ford's CEO on the Essential Economy and Its Untapped Potential](#)," The Aspen Institute, June 29, 2025; Cutter, Nassauer, "[Walmart CEO Issues Wake-Up Call: 'AI Is Going to Change Literally Every Job'](#)," The Wall Street Journal, Sept. 26, 2025; Brown, "[Elon Musk says AI will eventually create a situation where 'no job is needed'](#)," CNBC, Nov. 2, 2023; Seramount interviews and analysis.

AI Is Already Changing How Companies Work



Myriad Examples of AI Helping Companies Do Something Better, Faster

Salesforce



Half of customer conversations handled by AI agents

4,000

Customer support roles eliminated

USAA



Customer service representatives (16k) equipped with AI assistant

20,000

Documents searched by AI to accelerate customer responses

Johnson Controls



AI program diagnoses customer problems, suggests repairs

25%

Reduction in service visit time

PwC



AI tools for data analysis, document summarization, and generation

20-40%

Productivity increase in accounting and tax functions

J.P. Morgan



AI assistant provides client research and advisory support

~ 2X

Faster delivery of client investment recommendations

Schneider Electric



AI monitors equipment performance and adjusts energy usage to demand

20%

Energy savings achieved

Sources: Benioff, Marc, [EP 149: Marc Benioff \(CEO, Salesforce\) Predicts Half of Conversations Will Be With AI Agents Next Year](#), *The Logan Bartlett Show*, August 2025; "USAA takes an 'experiment and see' approach with AI," *TechTarget*, May 13, 2025; "How PwC Is Using Generative AI to Deliver Business Value," *PwC*, 2024; "Agentforce Customer Zero," *Salesforce*, 2024; Seramount interviews and analysis.

Are We Already Seeing an AI Impact on Hiring?



AI Blamed for Rash of Corporate Job Cuts and College Grad Unemployment

AI Made Us Do It

Layoffs in 2025 at Least Partially Attributed to AI

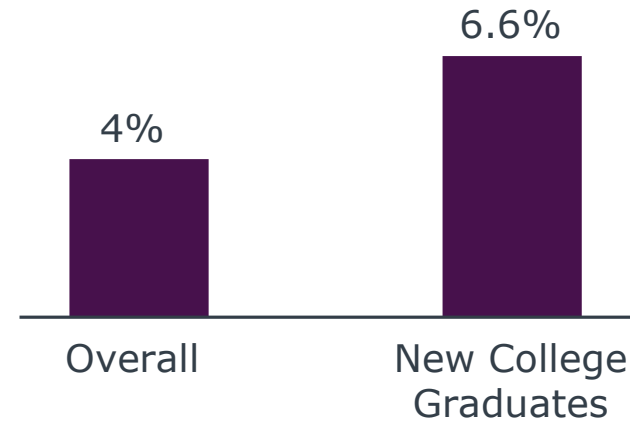
Amazon	14K
UPS	14K
Target	1.8K
Microsoft	15K
Salesforce	4K
IBM	3K
Nike	1.6K
Lufthansa	4K

55K

Layoffs attributed to AI in the US in 2025

New College Grads Losing Out to AI

Unemployment Rate Past 12 Months Ending May 2025



Unless They Fight Fire with Fire

“AI natives” are a hot commodity. Though the entry-level job market is rough overall, recent graduates with AI skills can make as much as \$1 million a year.”

Emma W. Thorne,
LinkedIn News

Sources: [“Challenger Report: March Cuts Rise 25% From February, AI Leads Reasons,” Challenger](#), April 2, 2026; U.S. Bureau of Labor Statistics, [“Employment Situation News Release,” Bureau of Labor Statistics](#), June 6, 2025; [“AI natives’ are making big bucks,” LinkedIn News](#), May 2025; Seramount interviews and analysis.

Is HR Being Targeted for Cost Reductions?



Back-Office Functions Like HR Getting a Lot of (Unwanted?) Attention



IBM CEO on the Value of HR



[HR] is just doing **rote process work**. Hiring in back-office functions — such as human resources — will be suspended or slowed. These non-customer-facing roles amount to roughly 26,000 workers. I could **easily see 30% of that getting replaced by AI** and automation over a five-year period.

Arvind Krishna
Chief Executive Officer, IBM



AskHR at IBM in Brief



80+

HR processes automated



94%

Common employee questions answered by AI



75%

Reduction in HR support tickets

Several hundred HR roles eliminated
Savings reinvested in engineering, sales, and marketing

Sources: ["IBM to Pause Hiring for Jobs That AI Could Do," Bloomberg](#), May 1, 2023; [AskHR, IBM](#), 2024; ["How AskHR Is Transforming Employee Experiences With AI," IBM](#), 2024; Seramount interviews and analysis.

Only Believe **Half** of What You Read in the News

What We Can Say (As of Now) With Relative Certainty



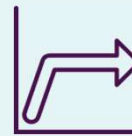
Vast majority of companies are still **only experimenting** with AI



Limited impact on workforce hiring and firing outside a handful of jobs



Uneven (limited) adoption within most companies



Some evidence AI is indeed **slowing entry-level hiring**



AI is increasing personal productivity, **not transforming roles or workflows**



Companies are hoping AI will lead to **reduction in back-office headcount**

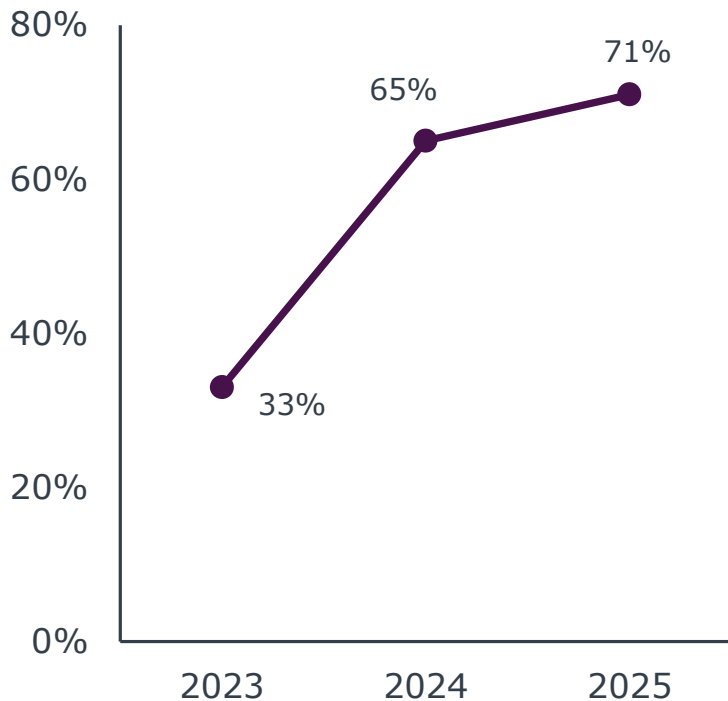


Most Companies Report AI Use in the Workplace

More than 75% Say AI is Being Used Somewhere in the Organization

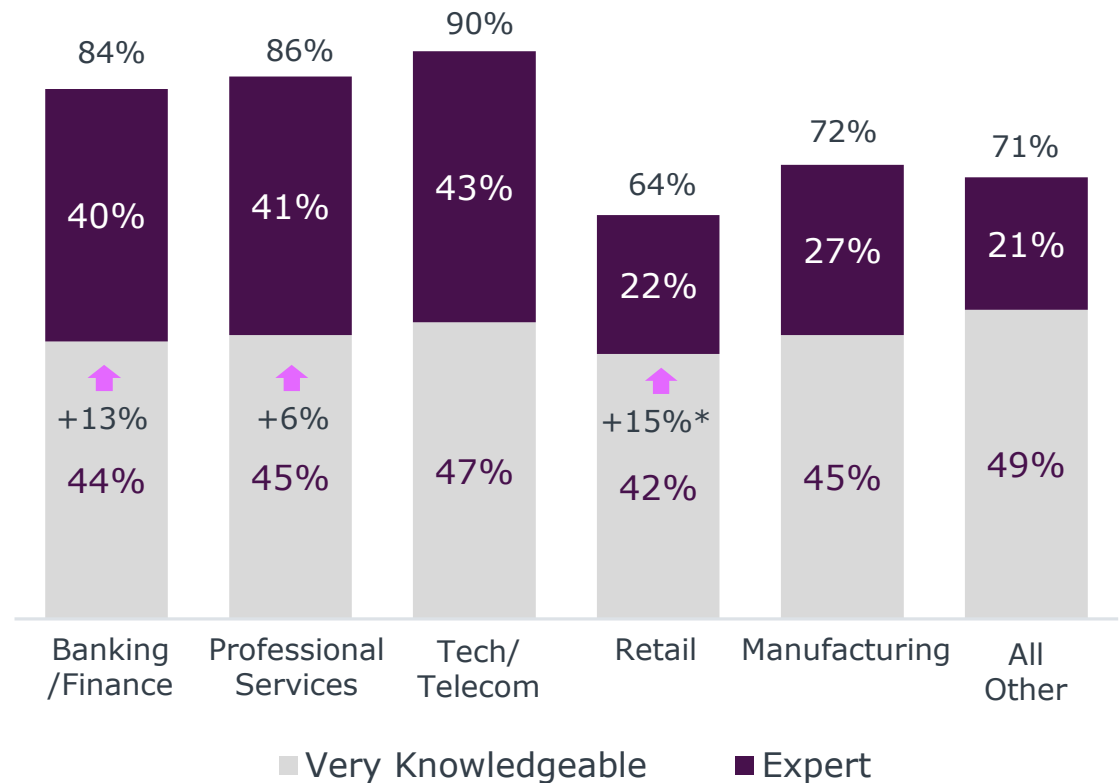
Rapid Corporate Adoption of GenAI

Percentage Using GenAI in at Least One Business Function



Adoption Happening Across All Industries

Knowledge and Familiarity with GenAI by Industry



1) *"Expert", statistically significant shift year over year at the 95% C.I.

Sources: Singla, A. et. al., "The State of AI: Global Survey 2025," McKinsey & Company, 2025; "Accountable Acceleration: Gen AI Fast-Tracks Into the Enterprise," Wharton Human-AI Research and GBK Collective, October 2025; Seramont interviews and analysis.

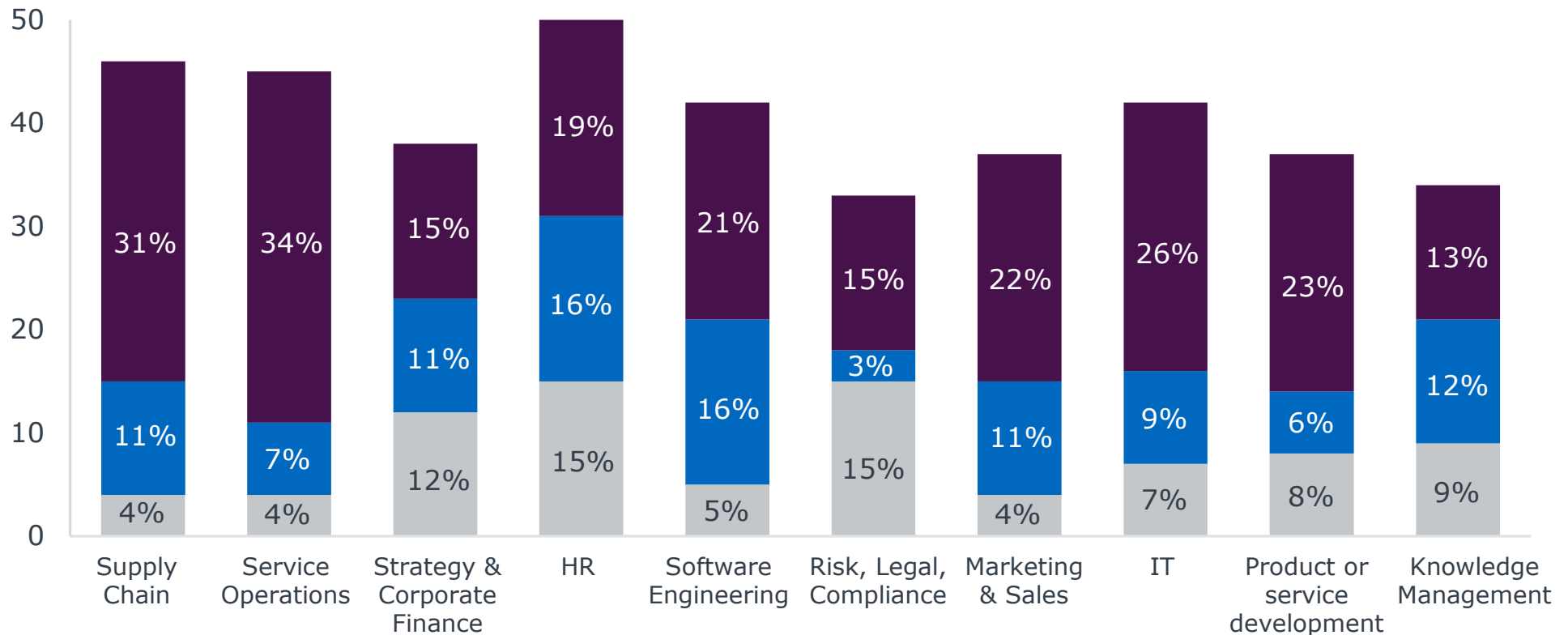
Business Units Using AI Report Positive Results

HR Near Top of List in Reporting Cost Reductions from Use of GenAI

Cost Decreases Under 10% Are the Most Commonly Reported Across Business Units

Percent Reporting Cost Decreases by Business Unit for 12 Months Ending in December 2024

■ Decrease by $\geq 20\%$
■ Decrease by 10-19%
 ■ Decrease by $< 10\%$



Source: Singla, A. et. al., ["The State of AI: How Organizations Are Rewiring to Capture Value,"](#) McKinsey & Company, 2025; SeraMOUNT interviews and analysis.

GenAI Returns Emerging, Not Yet Transformational



Only Small Minority of Companies Seeing Organization-Wide Benefit from GenAI Investments

20%

Report material contribution to earnings from their genAI initiatives (McKinsey 2024 survey)

19%

Report a strong positive impact from genAI across most of their objectives (S & P Global 2024)

5%

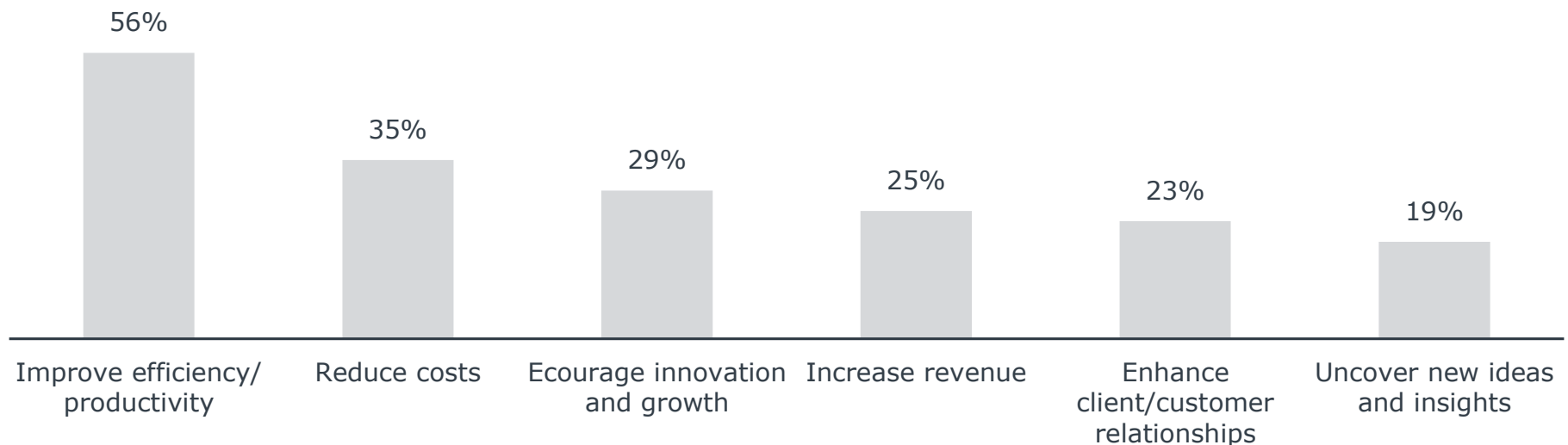
Report getting substantial value from AI (BCG 2025)

35%

Report clear financial returns or major operational improvements (Wharton School 2025 survey)

GenAI Impact Concentrated in Efficiency, Not Revenue

GenAI Benefits Most Frequently Targeted (Deloitte Q1 2024)

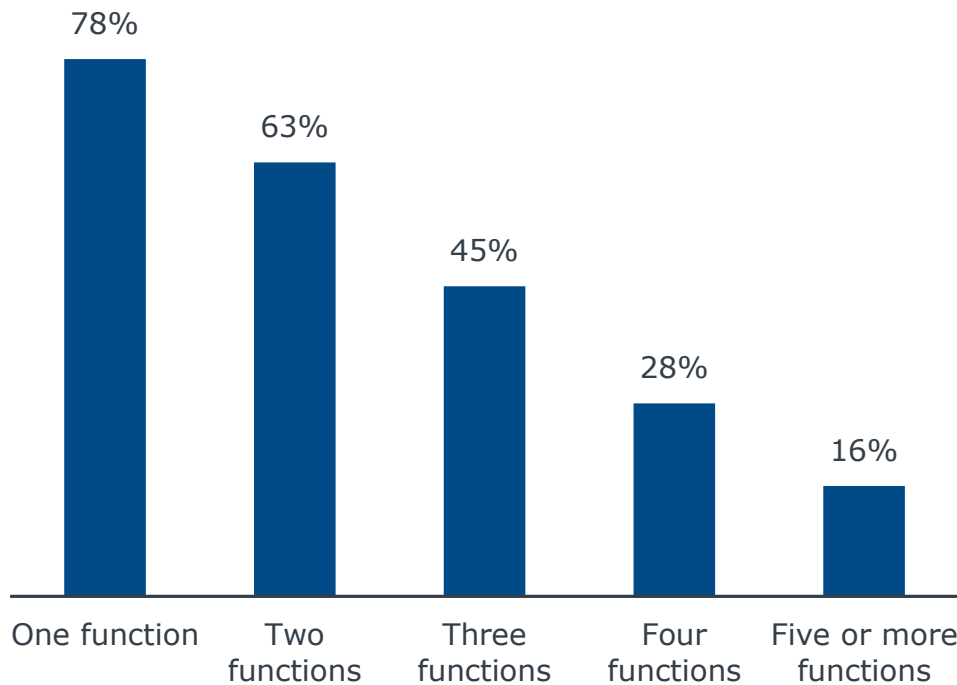


Sources: [State of Generative AI in the Enterprise 2024](#), Deloitte, 2024; [The state of AI in early 2024: Gen AI adoption spikes](#), McKinsey & Company, May 30, 2024; [Generative AI Outlook: From Hype to Value](#), S&P Global Market Intelligence, Nov. 19, 2024; [Accountable Acceleration: Gen AI Fast-Tracks Into the Enterprise](#), Wharton Human-AI Research and GBK Collective, October 2025; Apotheke et. al., [Are You Generating Value from AI? The Widening Gap](#), BCG, 2025; Seramount interviews and analysis.

GenAI Not Yet Penetrating Deeply into Organizations

AI Use Is Concentrated in a Limited Number of Business Functions

Share of Organizations by Number of Business Functions Using AI, McKinsey



Average = Three of 11 business functions

Large Majority of AI Initiatives Never Get Beyond Pilot Stage

“Vertical use cases—those embedded into specific business functions and processes – have seen limited scaling...**Fewer than 10 percent of use cases deployed ever make it past the pilot stage.**”

McKinsey, *Seizing the agentic AI advantage*, June 2025

“Moving from pilot to production is arguably the most important step in capturing AI value— yet this is where many companies stall...Today, **25% of respondents said their organization has moved 40% or more of their AI experiments into production.**”

Deloitte, *State of AI in the Enterprise*, January 2026

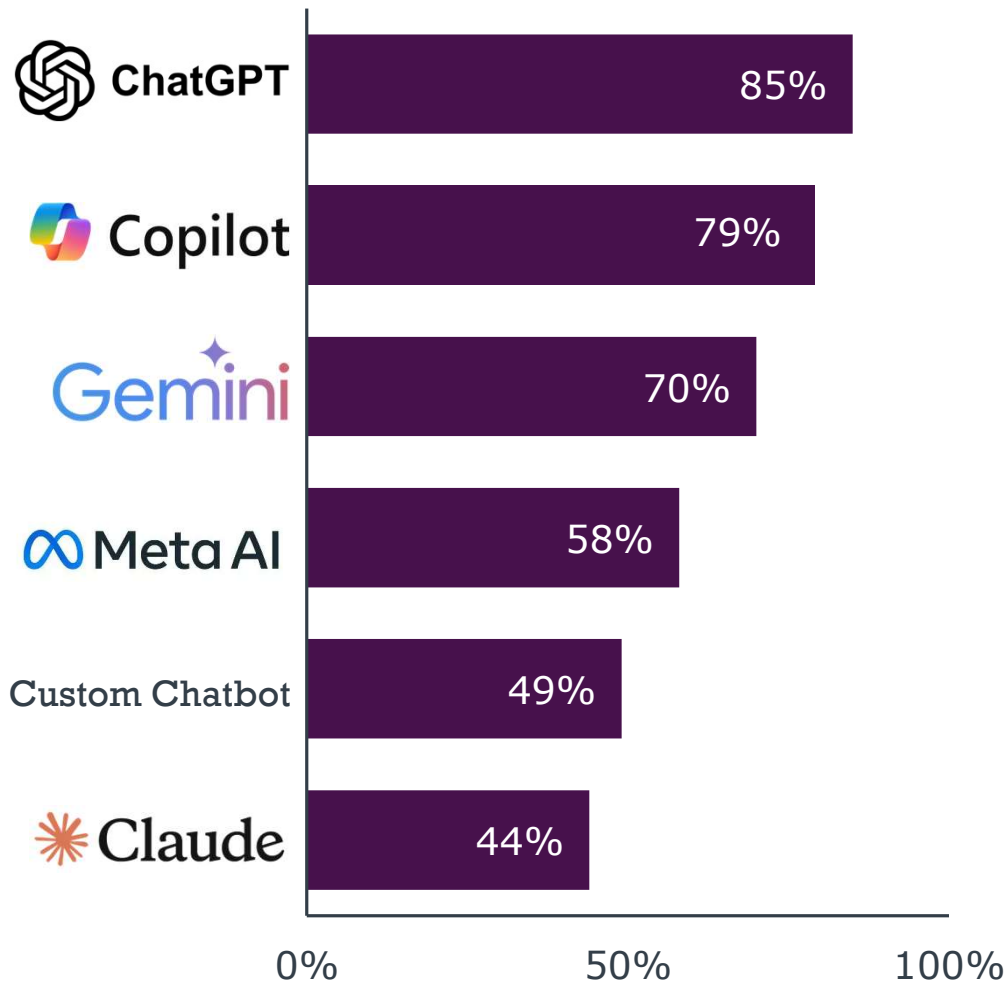
Sources: “[The State of AI in the Enterprise 2026](#),” Deloitte, 2026; Singla, A. et. al., “[The State of AI: Global Survey 2025](#),” McKinsey & Company, 2025; Sukharevsky et. al., “[Seizing the agentic AI advantage](#),” McKinsey & Company, June 13, 2025; Seramount interviews and analysis.

Let's Give Every Employee a Copilot or Chatbot

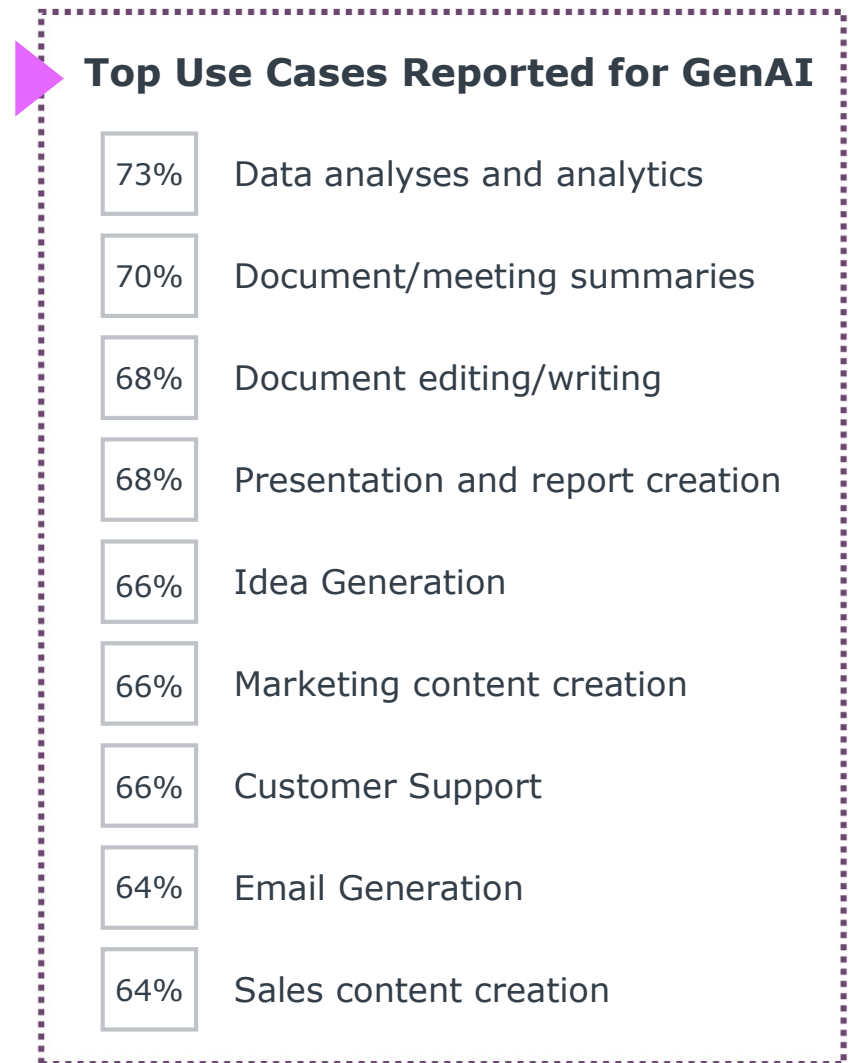


Top Used Tools in Corporate America

Percentage of Respondents Using or Have Used



...and What They're Used For



But What About All Those Layoffs?



“AI-Washing,” Paying for AI Investments, and Betting on an “AI Dividend”



Andy Jassy, CEO of Amazon

Email to employees, June 17, 2025

“As we roll out more Generative AI and agents, it should change the way our work is done. We will need fewer people doing some of the jobs that are being done today, and more people doing other types of jobs. It’s hard to know exactly where this nets out over time, but in the next few years, **we expect that this will reduce our total corporate workforce as we get efficiency gains from using AI extensively across the company.**”



Beth Galetti, SVP of People Experience & Technology, Amazon

Email to employees, Oct. 28, 2025

“Some may ask why we’re reducing roles when the company is performing well...What we need to remember is that the world is changing quickly. This generation of AI is the most transformative technology we’ve seen since the Internet, and it’s enabling companies to innovate much faster than ever before (in existing market segments and altogether new ones). **We’re convinced that we need to be organized more leanly, with fewer layers and more ownership, to move as quickly as possible for our customers and business.**”

Job Losses Tied to AI Exception, Not the Rule

4.5% of 1.2 million job cuts announced in 2025 attributed to AI

Sources: Andy Jassy, “[Message from CEO Andy Jassy: Some thoughts on Generative AI](#),” *AmazonNews*, June 17, 2025; Beth Galetti, “[Staying nimble and continuing to strengthen our organizations](#),” *AmazonNews*, Oct. 28, 2025; [Challenger Report: March Cuts Rise 25% From February, AI Leads Reasons](#), *Challenger, Gray & Christmas*, April 2, 2026; Seramount interviews and analysis.

GenAI Is Having an Impact on Entry-Level Hiring

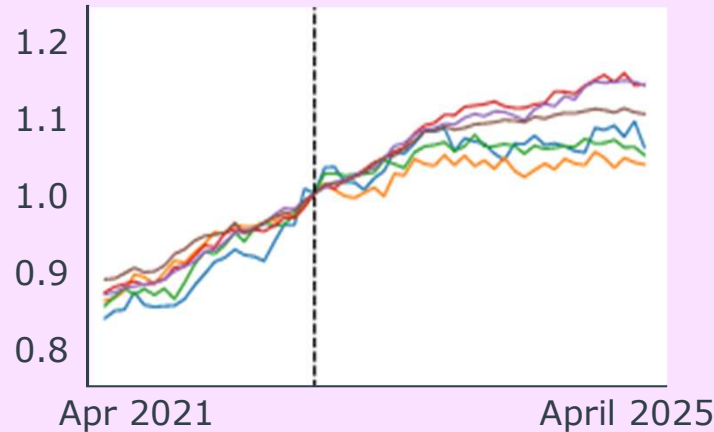


Early-Career Workers in Jobs Exposed to AI Especially at Risk

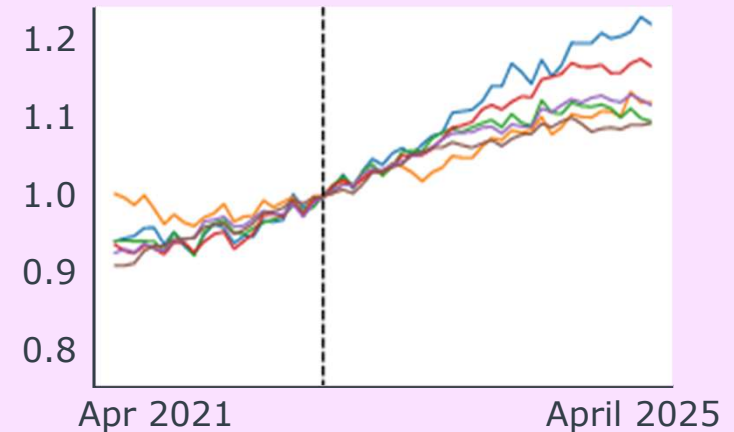
- Early Career 1 (22-25)
- Early Career 2 (26-30)
- Developing (31-34)

Low AI Exposure

First-Line Production Supervisors



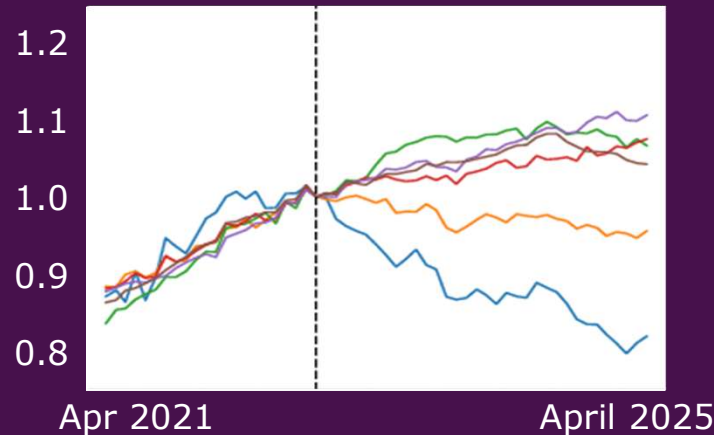
Health Aides



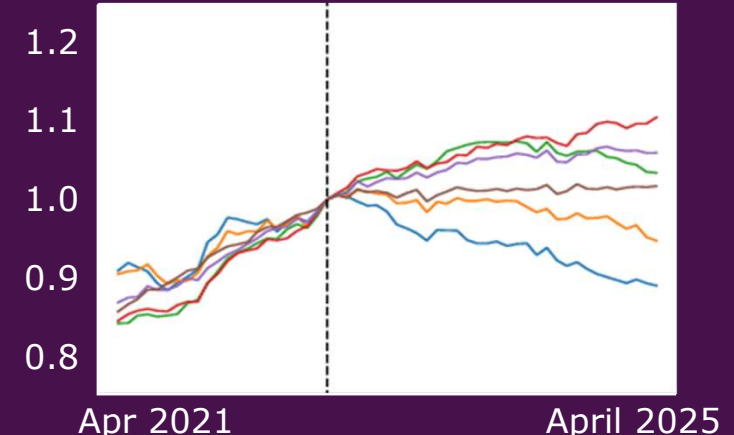
- Mid-Career 1 (35-40)
- Mid-Career 2 (41-49)
- Senior (50+)

High AI Exposure

Software Developers



Customer Service Representatives



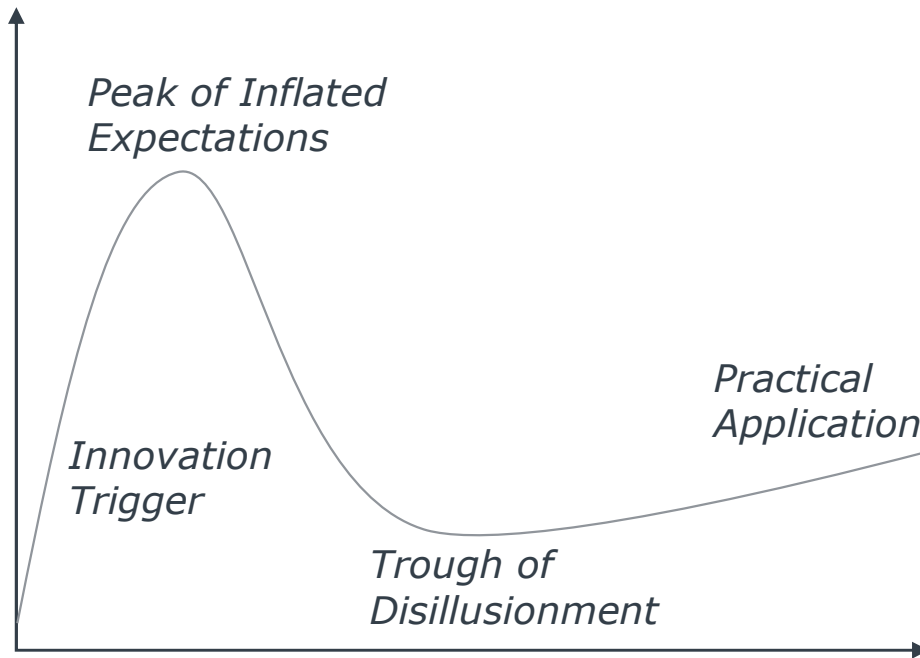
Sources: ["Beyond the Binary: How Automation and Augmentation Are Combining to Reshape Work,"](#) Burning Glass Institute, January 2026; ["No Country for Young Grads,"](#) Burning Glass Institute, July 2025; ["The Expertise Upheaval,"](#) Burning Glass Institute, July 2025; Seramount interviews and analysis.

The Bloom is Off the AI Rose (a Little Bit)

Gartner Declares GenAI Has Slid into the “Trough of Disillusionment”

We’re at the Bottom of the Hype Cycle for AI...

...or Are We?



78%

Of leaders in 2026 express greater confidence in AI technology

84%

Of leaders in 2026 plan on increasing their AI investments

“Despite an average spend of \$1.9 million on GenAI initiatives in 2024, less than 30% of AI leaders report their CEOs are happy with AI investment return.”



Gartner, July 8, 2025

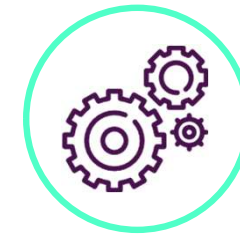
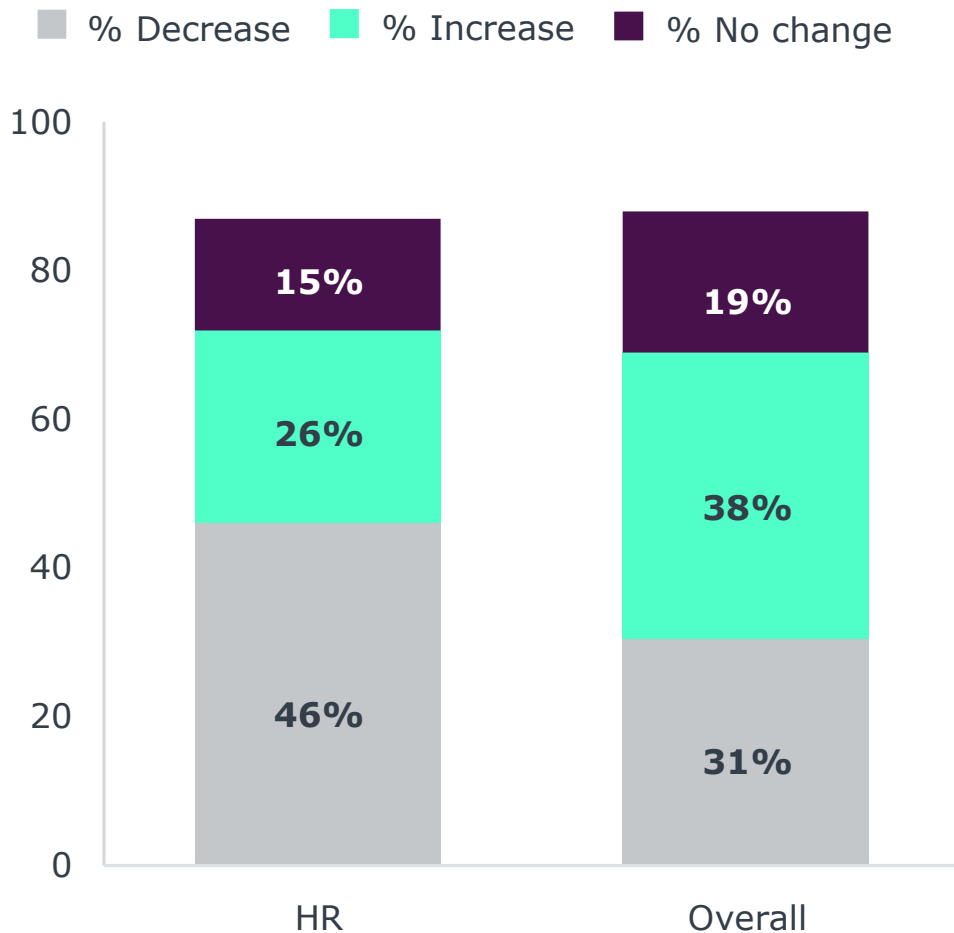
IBM Is Not an Outlier When It Comes to HR



Companies May Be Undervaluing Need to Invest in Human Capital

Most Companies Expect AI to Reduce HR Headcount

Expected Change in Headcount Due to GenAI, Next Three Years¹



Automation Overshadowing Workforce Development

In the study of annual reports, the term “automation” is nearly seven times more prominent than upskilling, training, or education...While automation is undoubtedly a key aspect of AI’s impact, the relatively lower prominence of workforce-related topics suggests businesses may be underemphasizing the need to invest in human capital alongside technological advancement.

BSI, Evolving Together: AI, automation and building the skilled workforce of the future, 2025

1) Asked only of respondents who said their organizations use genAI in the given business function. Figures may not sum to 100% due to rounding.

Sources: “[Evolving Together: Flourishing in the AI Workforce](#),” BSI 2025; Singla, A. et. al., “[The State of AI: Global Survey 2025](#),” McKinsey & Company, 2025; Seramount interviews and analysis.

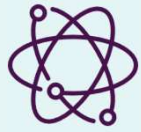
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What We Believe about the Future

2

Believe Three-Quarters of What You're About to Hear

How Seramount Believes AI Will Unfold Across the Next Decade



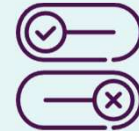
AI will have a **seismic impact** on work and the workforce



Expect things will get **worse until they get better**



AI will change how work gets done, redefine roles, but will **not lead to large job losses** across the economy



Ability to **manage change** will separate winners from losers



As with past technologies, these changes **will take time**



Is this the **moment HR** has been waiting for?

Why You Might Get the Impression AI is a Ragnarok

20

Even the Business Press Often Clouds What the Research Says

**Business
Observer**

Two-Thirds of Jobs Are at Risk: Goldman Sachs A.I. Study

Economists estimate that 46% of administrative positions, 44% of legal positions, and 37% of engineering jobs could be replaced by AI

March 28, 2023

“As many as 300 million full-time jobs in the world, including two-thirds of jobs in the U.S. and Europe, are at risk of being replaced in some way by generative artificial intelligence, the technology behind tools like ChatGPT, according to a Goldman Sachs study this week.”

**Goldman
Sachs**

What does the study actually say? 

Exposure ≠ replacement

- Two-thirds of jobs are exposed to some AI automation
- Gen AI could substitute up to one-fourth of work tasks (not jobs)

Long-term productivity gains

~1.5pp annual boost to U.S. labor productivity

Sources: Goldman Sachs, "[The Potentially Large Effects of Artificial Intelligence on Economic Growth](#)," Goldman Sachs Publishing, March 26, 2023; Metz, C. "[Generative AI could automate 300 million full-time jobs...](#)," Business Insider, March 28, 2023; Seramount interviews and analysis.

Most U.S. Jobs Will Be Reshaped in Some Way by AI

But GenAI Will Augment Rather than Replace the 70% of Jobs It Touches

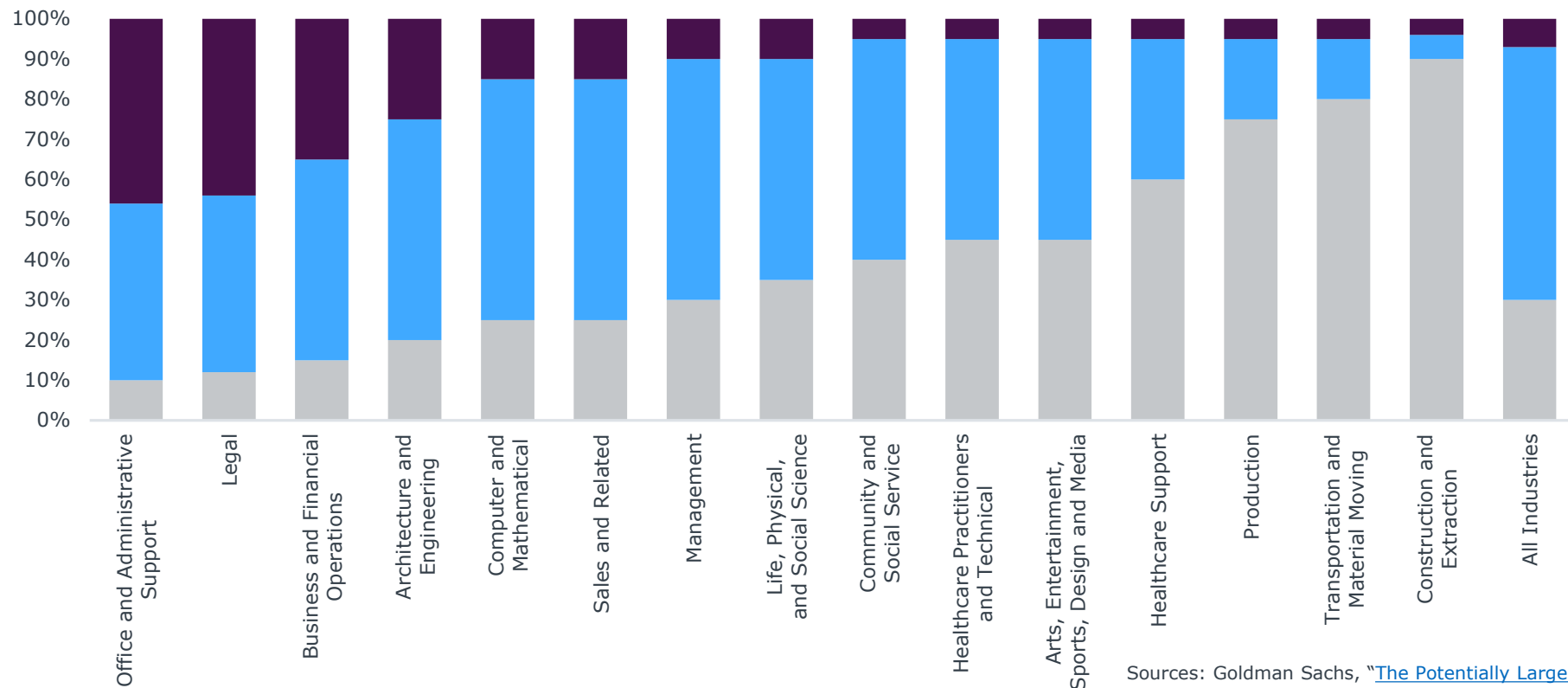
Goldman Sachs Forecast for How AI Will Affect Jobs by Industry

Share of Industry Employment by Relative Exposure to GenAI

0–10%: No Automation
 10–49%: AI Complement
 50%+: Likely Replacement

Impact on Total U.S. Employment

30% Unaffected
63% Augmented
7% Replaced



Sources: Goldman Sachs, "The Potentially Large Effects of Artificial Intelligence on Economic Growth," Goldman Sachs Publishing, March 26, 2023; [Generative AI Could Raise Global GDP by 7%](#), Goldman Sachs, April 5, 2023; Seramount interviews and analysis.

Why GenAI Won't Replace Many Workers

Every Job Is a Bundle of Tasks, Not All of Which AI Can Do

How Many Different Tasks Do U.S. Workers Complete?

According to the U.S. Labor Department

19,000

Occupation-specific tasks statements mapped to more than 900 occupations in O*NET database

According to Workhelix

200,000

Granular tasks across 20,000 distinct jobs on the platform

Case in Point: Financial and Investment Analysts

26 Occupation-Specific Tasks

- Advise clients on capitalization
- Analyze financial performance of companies ◀
- Assess companies as investments for clients ◀
- Collaborate with lawyers and accountants
- Create client presentations ◀
- Perform securities valuation or pricing ◀
- Confer with clients to restructure debt
- Recommend investments to clients
- Evaluate capital needs of clients ◀
- Develop and maintain client relations

We've Seen This Story Before

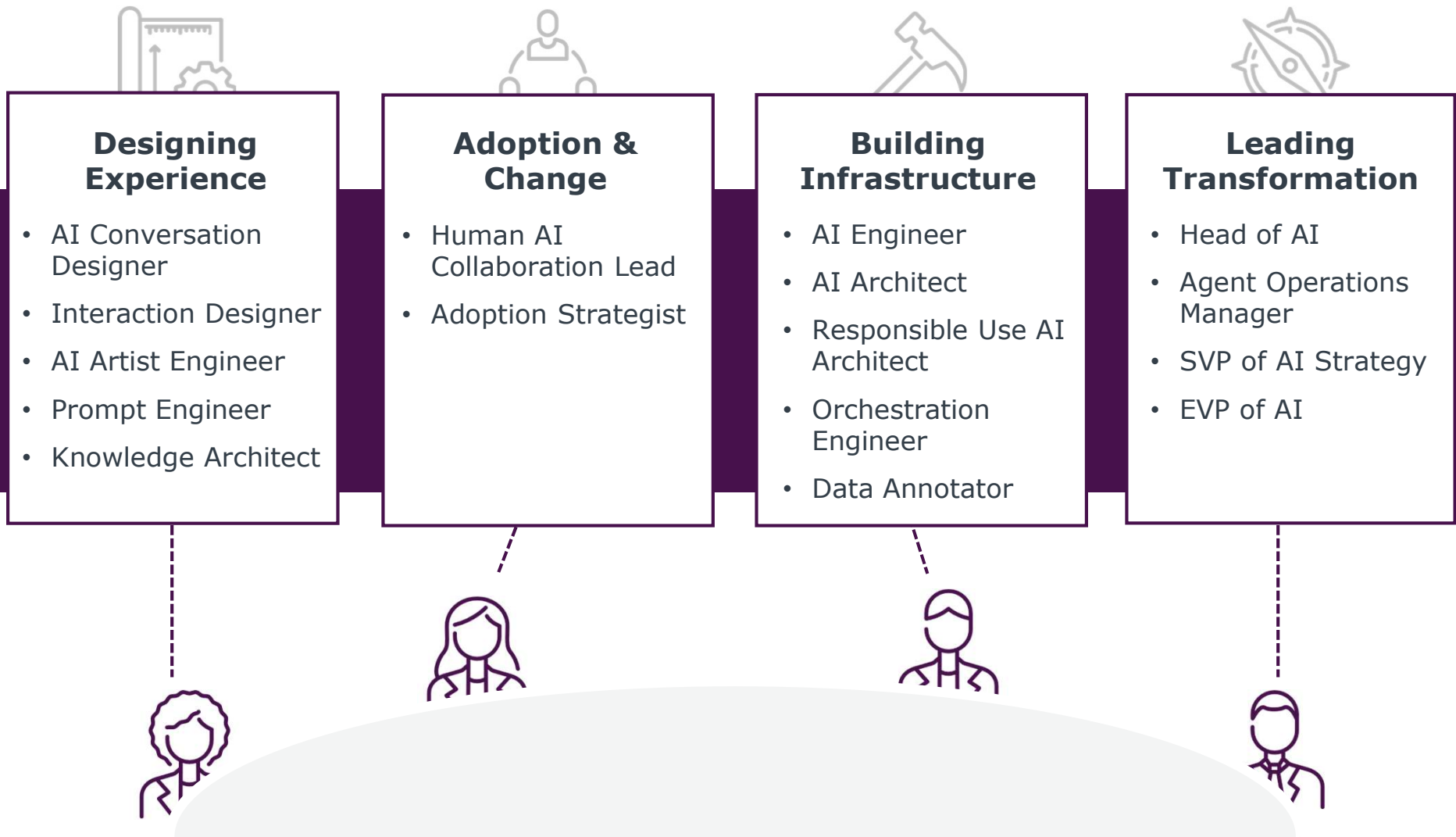
“Our mental model often defaults to an industrial image—John Henry versus the steam drill—where jobs are one dominant task, and automation maps one-to-one: Automate the task, eliminate the job. The internet revealed a different reality: Modern roles are bundles.”

Matt Sigelman,
Present, Burning Glass Institute

GenAI Will Also Spawn Many New Roles

Companies Are Already Creating New Roles as a Direct Result of GenAI

Sixteen New AI-Driven Roles in Need of Detailed Job Descriptions



Sources: Durth, S. et. al., "[Rethink Management and Talent for Agentic AI](#)," McKinsey & Company, 2025; [The Future of Jobs Report 2025](#), World Economic Forum, Jan. 7, 2025; Seramount interviews and analysis.

It's About More than Doing Today's Work Better



Like the Internet, GenAI Will No Doubt Result in New Business Models

Internet-Driven Business Models We Barely Glimpsed in the Late 1990s



Retail

Online commerce



Manufacturing

JIT and global supply chains



Higher Education

Online degrees



Utilities

Smart grids



Financial Services

Online payment platforms (PayPal, Venmo)



Media

Social media and digital content creation



Entertainment

On-demand, digital streaming (Netflix, Spotify)



Transportation

2-sided online marketplaces (Uber, Lyft, Airbnb)

Most Companies Just Hitting the Hard Gravel Road



Real Transformation Requires Vertical (Not Horizontal) Applications of GenAI

GenAI Uses Across the Corporation (Horizontal) and in Specific Units (Vertical)

Functions



R&D



Procurement



Supply Chain



Marketing & Sales



Customer Service

Horizontal Use Cases

Employee copilots

General-purpose assistants (e.g., M365, Workspace)

Chatbots

Internal AI tools with secured access (ChatGPT, Gemini)

Vertical Use Cases

R&D

Idea generator - Surface trends and research directions

Research curator - Auto-tag and organize content

Supply Chain

Supply risk assessor - Identify supplier vulnerabilities

Demand forecaster - Predict demand patterns

Customer Service

Support assistant - Suggest responses & knowledge articles

Ticket categorizer - Route by urgency

Procurement

Negotiation assistant - Suggest next-best terms

RFP generator - Auto-create responses

Marketing & Sales

Sales assistant - Prioritize and qualify accounts

Insight provider - Translate data into campaign KPIs

HR Operations

Payroll automation - Process compensation

Compliance reporting - Generate required filings

From Copilots and Chatbots to “Agentic” AI

AI Agents Automate Complex Workflows without Human Intervention

Retail Bank Developed an AI Agent to Automate Creation of Credit-Risk Memos

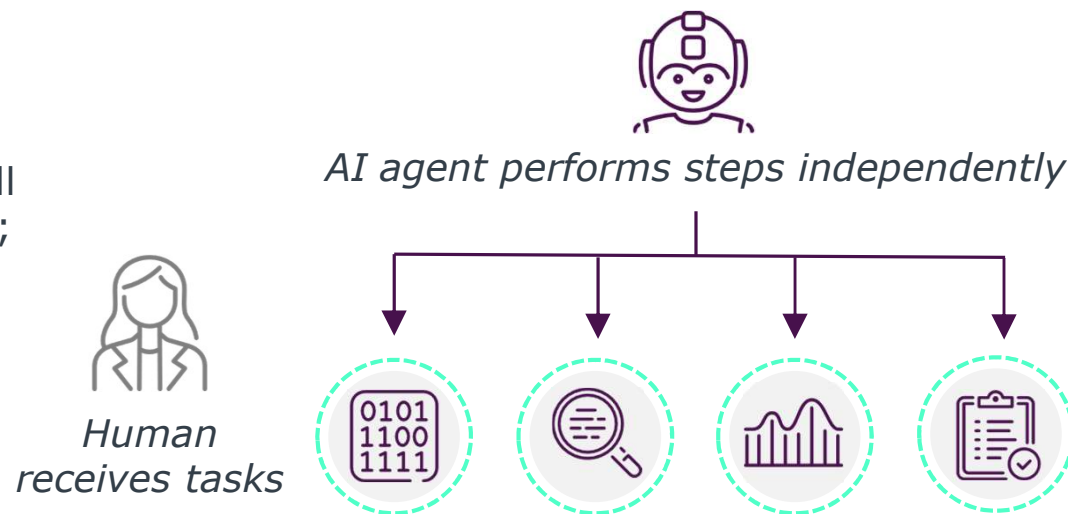
Before agents

Share of Industry Employment by Relative Exposure to GenAI



After agents

AI agent performs all steps independently; human reviews completed tasks



Impact

20-60%
Productivity gain

30%
Faster decisioning speed

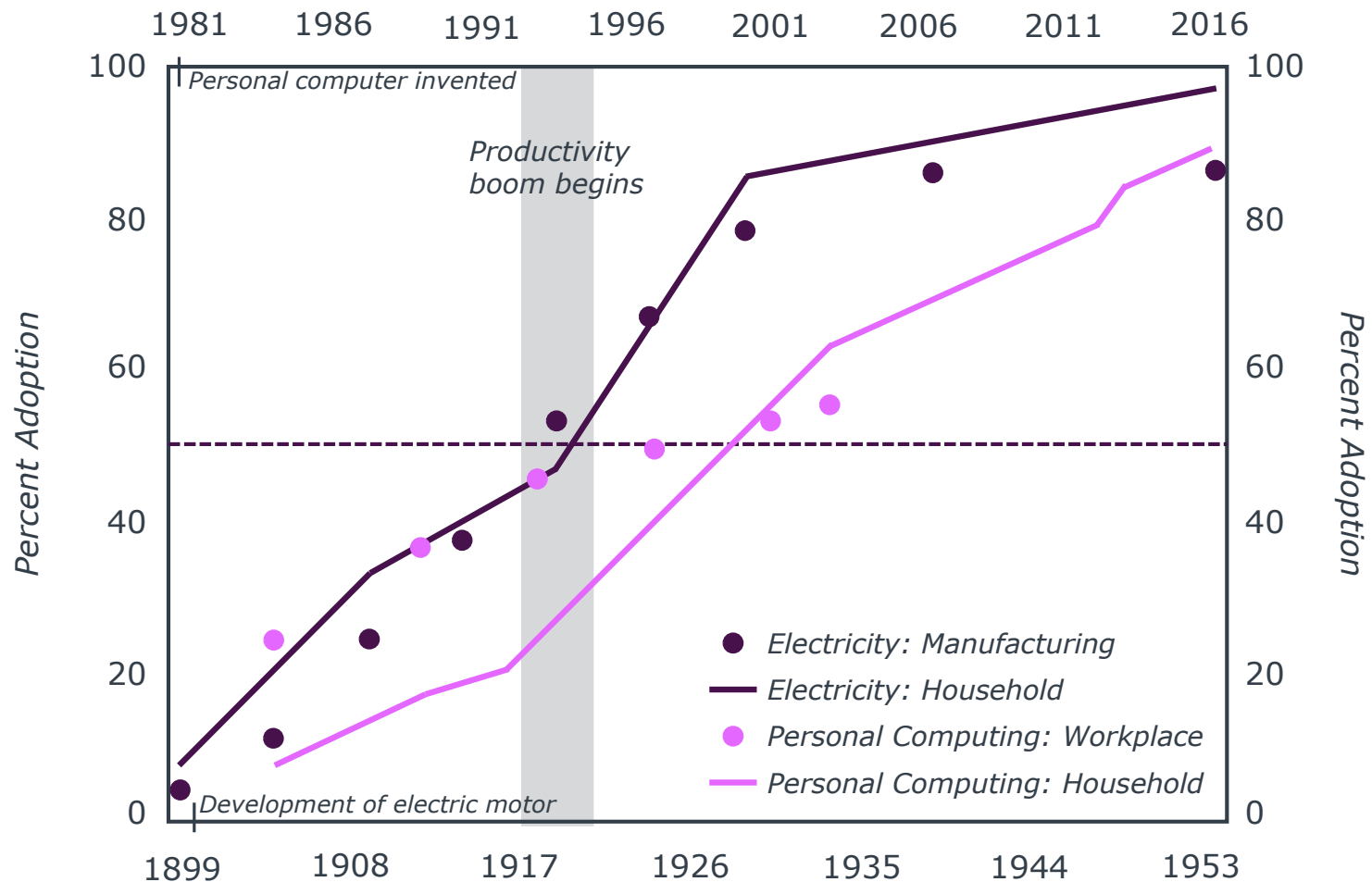
Expect All These Changes To Take Years To Unfold



General Purpose Technology (GPT) Productivity Gains Can Take Decades

Electricity Needed Further Tech Innovation, Rethinking of Manufacturing Process

Adoption of Previous Technologies Over Time



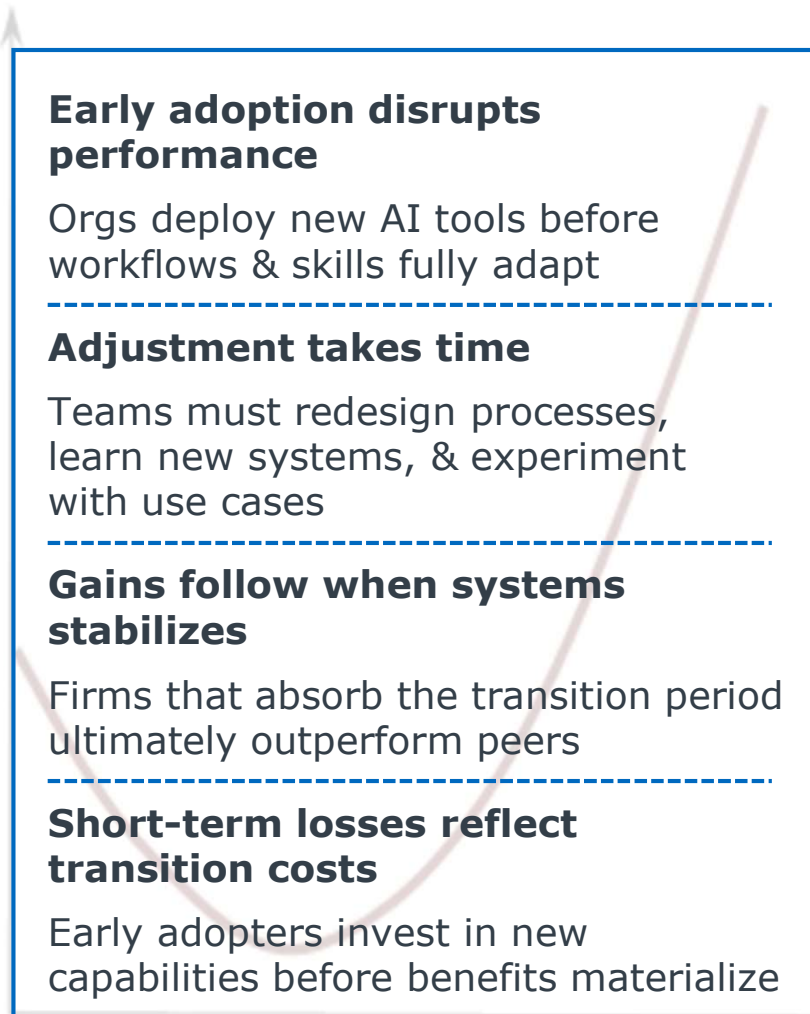
Sources: Brynjolfsson, Erik et al., "The Productivity J-Curve: How AI Impacts Performance Over Time", National Bureau of Economic Research, 2023; Gordon, Robert, The Rise and Fall of American Growth, Princeton University Press, 2016; Seramount interviews and analysis.

Expect Things to Get Worse Before Getting Better

Evidence Piling Up That AI is Following Classic J-Curve Trajectory

J-Curve in Brief

Productivity dips then soars



Case Studies of AI and the J-Curve

Two early AI examples showing short-term disruption and conditions for long-term gains

Manufacturing

Context

- Study of 28,000+ manufacturing firms
- Examined use of 1st-gen AI (predictive analytics) 2017–2021

Short-term Impact

60 percentage-point drop in productivity across four years

Long-term Outcome

Firms adopting AI ultimately outperformed peers

Software Development

Context

16 developers completed 246 tasks with & without AI tools

Short-term Impact

Expected ~20% faster completion, but the tools increased completion time 19%

Long-term Outcome

Gains emerge only after teams adapt workflows and build AI fluency

Sources: Brynjolfsson, Erik et al., "[Artificial Intelligence and the Modern Productivity Paradox](#)", National Bureau of Economic Research, 2018; McElheran et al., "[The Rise of Industrial AI in America: Microfoundations of the Productivity J-Curve\(s\)](#)," U.S. Census Bureau, 2025; Seramount interviews and analysis.

Speed of Organizational Change Key to Success

Better Change Management, Not Tech, Will Separate Winners from Losers

Every Consultant Stresses Importance of People Management

“Most companies are transforming at the speed of organizational change, not at the speed of technology. This is not surprising but is something that needs to be addressed.”

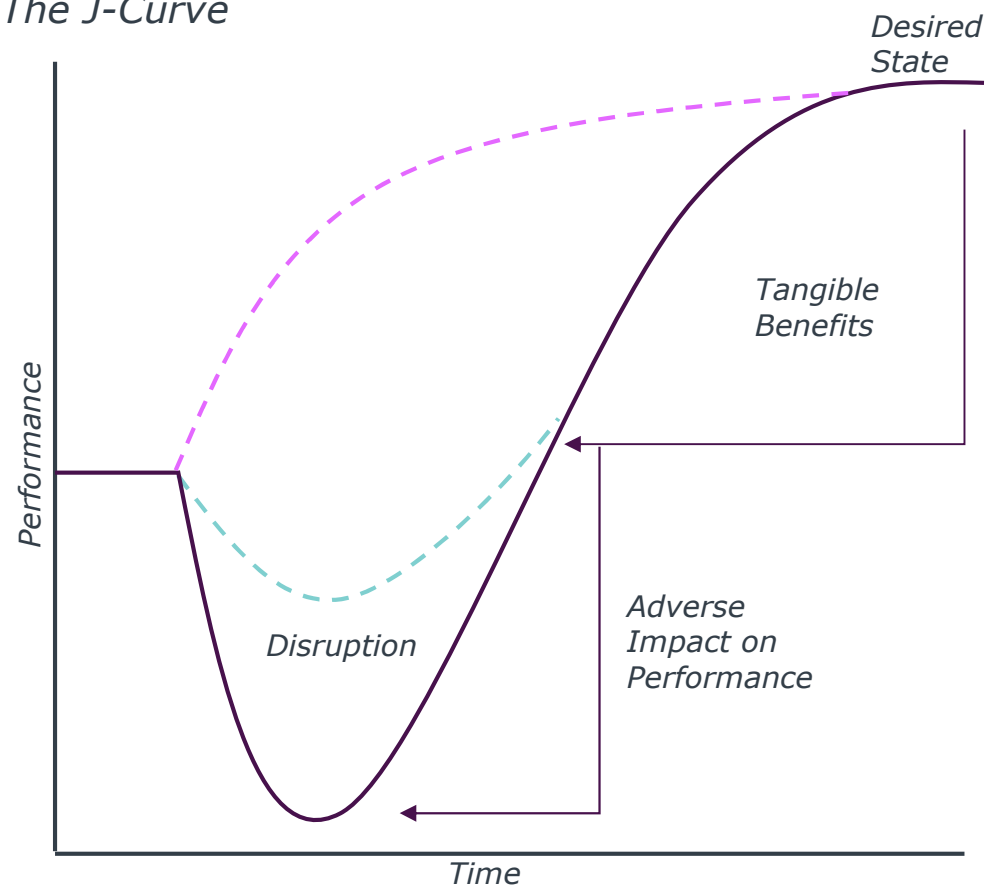
Ranjit Bawa, Chief Strategy and Technology Officer
Deloitte

“Getting real value out of AI requires transformation, not just new technology. It’s a question of successful change management.”

Alexander Sukharevsky, Senior Partner
McKinsey

Managing Change Key To Reducing the Productivity Dip

The J-Curve



- What stakeholders expect
- What to expect with better change management
- Typical outcome

Sources: Brynjolfsson et. al., [“Artificial Intelligence and the Modern Productivity Paradox: A Clash of Expectations and Statistics,”](#) *National Bureau of Economic Research*, Nov. 2018; McElheran et al., [“The Rise of Industrial AI in America: Microfoundations of the Productivity J-Curve\(s\),”](#) *U.S. Census Bureau*, 2025; Wong, [“AI coding tools may decrease productivity for experienced software engineers, study finds,”](#) *Business Insider*, 2025; Seramount interviews and analysis.

Is This the Moment HR Has Been Waiting For?



Some Foresee AI Allowing HR to Move Up the Value Curve

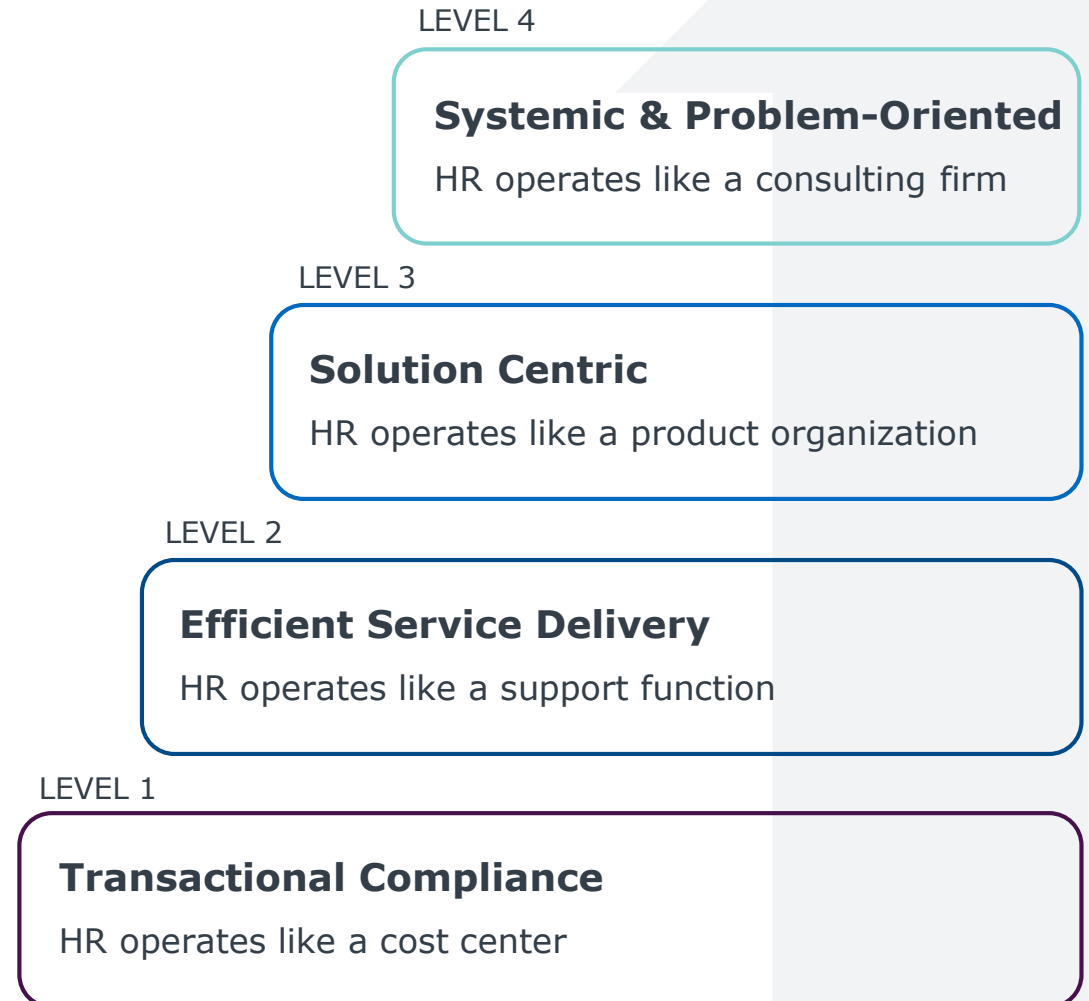


HR has always struggled with two identities. Is HR a strategic partner, a driver of organizational value and inspired human capital growth? Or is it an administrative function, acting as the 'company police,' here to enforce rules, policies, legal, and labor regulations?

The HR profession is undergoing a massive, AI-driven reinvention that will resolve this conflict, moving HR away from administrative overhead and toward a truly strategic, full-stack model."

Josh Bersin

Systemic HR™ Maturity Model



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Implications and Next Steps for CHROs

3

CHROs Need to Adopt a “Transitional HR” Strategy

All Aspects of HR Planning, Org and Process Must Focus on the AI Transition

HR Back Office Operations

- Automate back-office processes
- Reduce headcount, reskill staff

Organization and Role Design

- Redesign roles around AI
- Create new AI-specific roles
- Redesign organization around AI agents



Do you have a transitional HR strategic plan?

Talent Management

- Prioritize AI skills for most roles
- Shift away from entry-level recruiting
- Reallocating reskilled talent

Leadership Development

- Emphasis on change management skills
- Emphasis on transformational leadership

Learning and Development

- Redesign entry-level training
- Short-term investment in reskilling programs

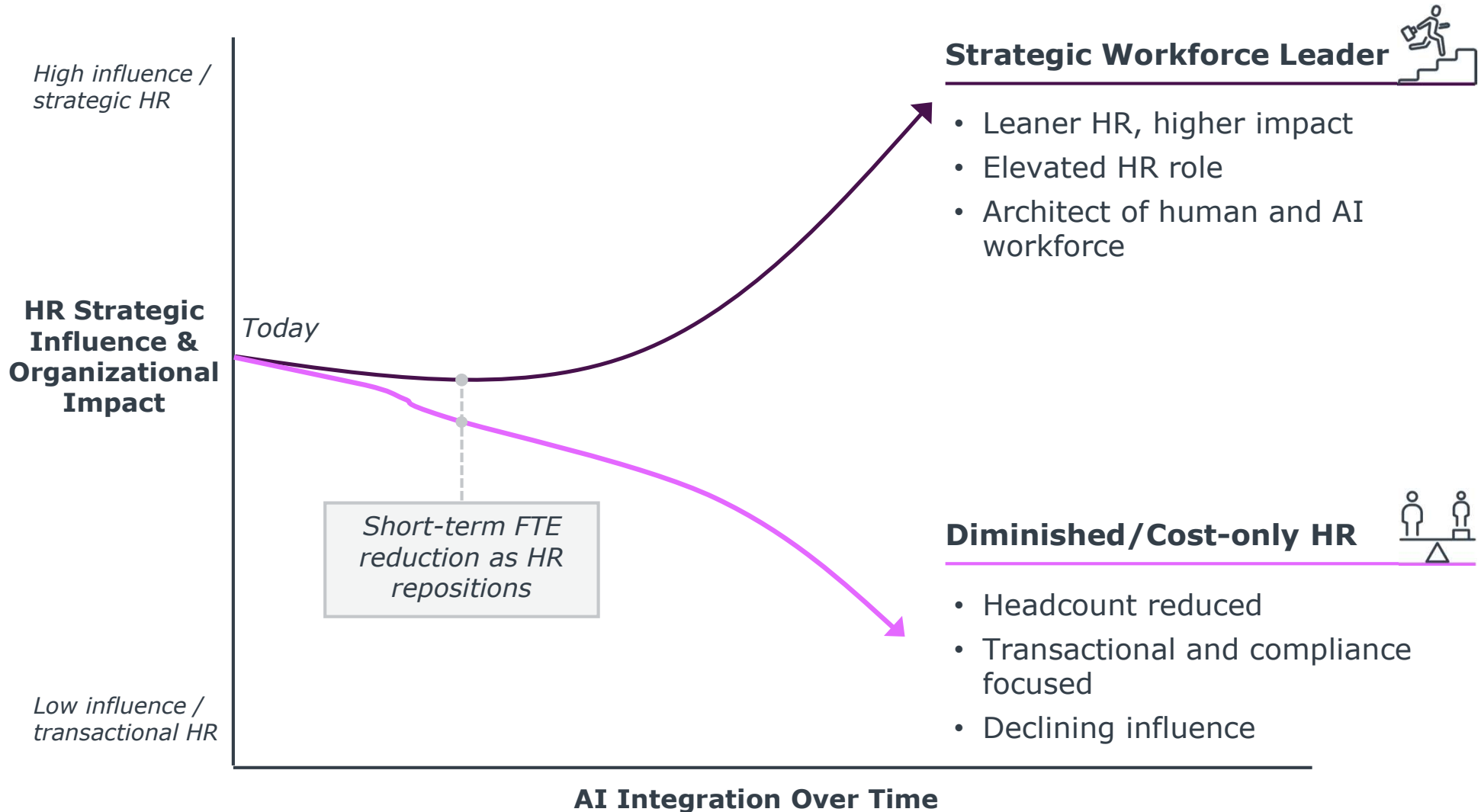
Trust, Governance & Culture

- Focus on self-service through chatbots
- Invest in AI-driven experience analytics

Two Possible Paths Forward for CHROs and HR

Evolution of the HR Function Under AI Integration

Potential trajectories based on emerging AI integration and workforce dynamics

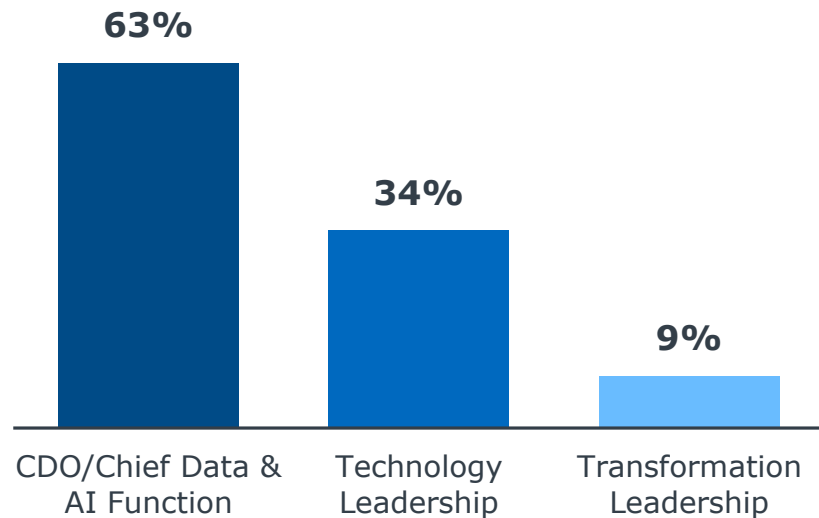


HR Not Top of Mind When It Comes to Leading on AI

Most Companies Defaulting to CIOs, CDOs, or CAIOs to Lead Their Efforts

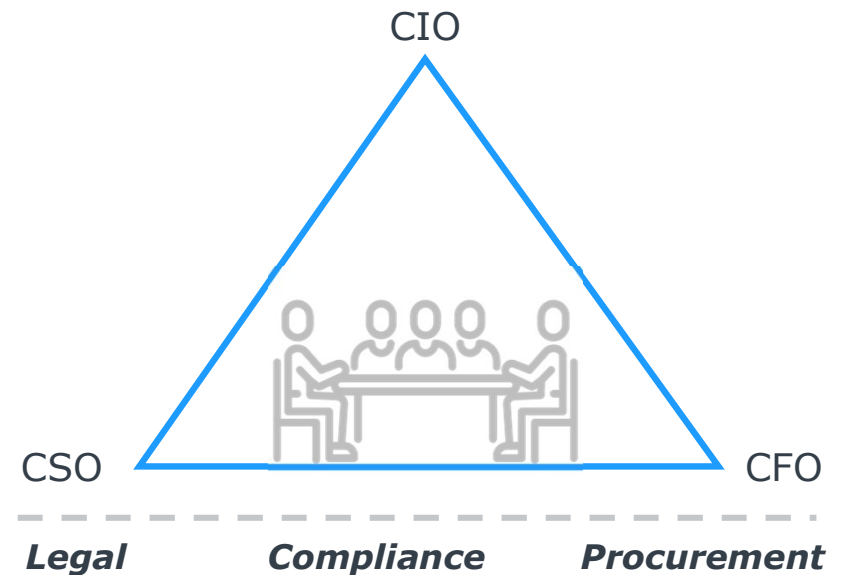
Where Does AI Leadership Sit?

2026 Survey of 110 Fortune 1000 Corporations



The Deloitte AI Leadership “Triumvirate”

Where’s the CHRO?



Did They Mean to Say CHRO?

“The path ahead demands more than technical prowess. **It calls for transformative leadership.** CIOs can take on the mantle of AI steward, C-suite strategist, talent champion, and ecosystem orchestrator, actively shaping culture.”

Deloitte

The Technology Operating Model of the Future, WSJ

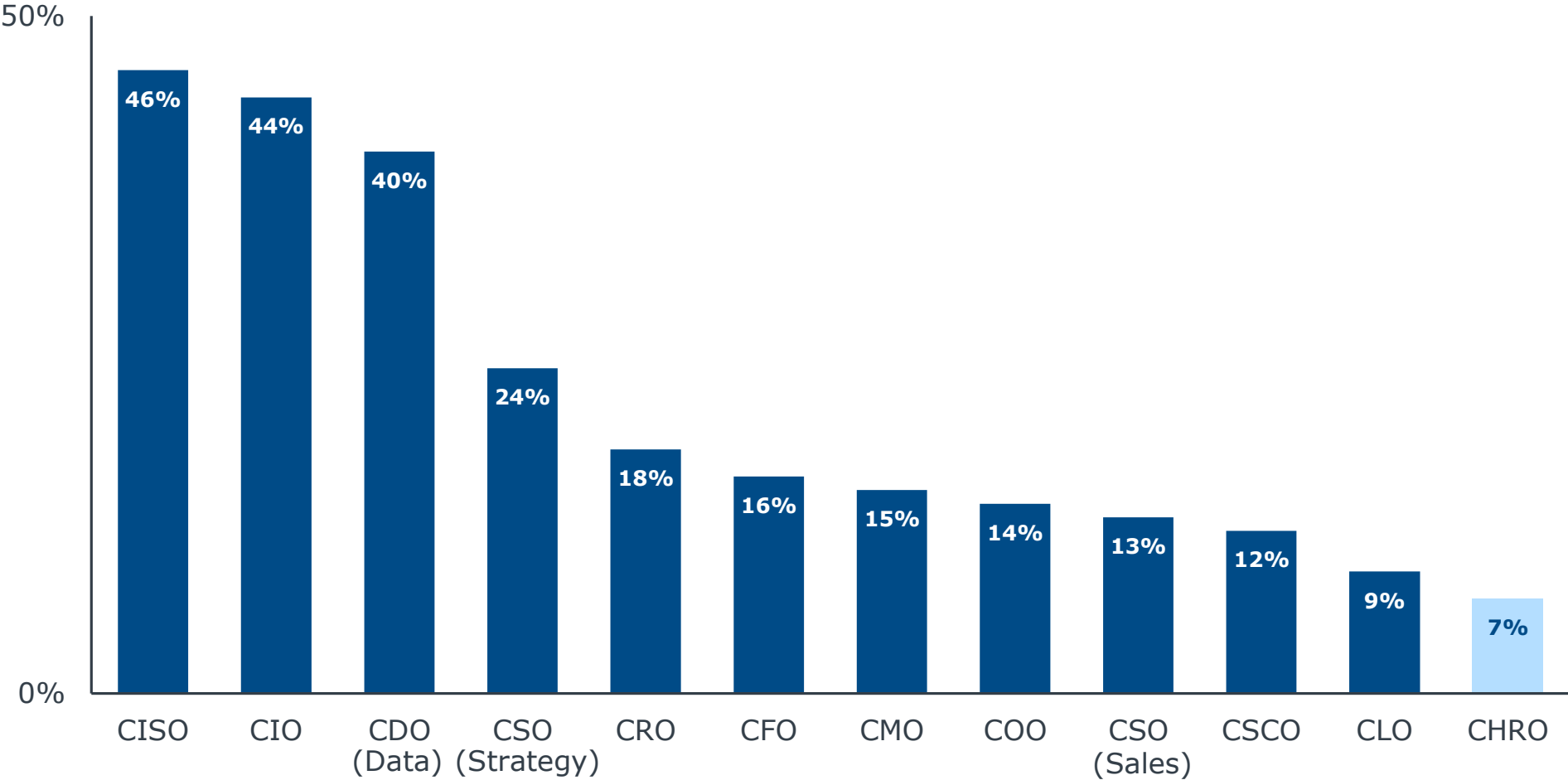
Sources: Bean, Davenport, “[Survey: How Executives Are Thinking About AI in 2026](#),” *Harvard Business Review*, Jan. 12, 2026; Bean, Davenport, “[2026 AI & Data Leadership Executive Benchmark Survey](#),” *NewVantage Partners*, 2026; DiLorenzo et. al., “[AI’s ROI Triumvirate: CIO, CFO, and Chief Strategy Officer](#),” *The Wall Street Journal*, May 9, 2025; Seramont interviews and analysis.

We Have a Wide Credibility Gap to Close

CHROs Rank Dead Last on CEO Perception of AI Savviness

Are Your Executive Team Members AI Savvy?

2024 Gartner CEO and Senior Business Executive Survey of 456 CEOs



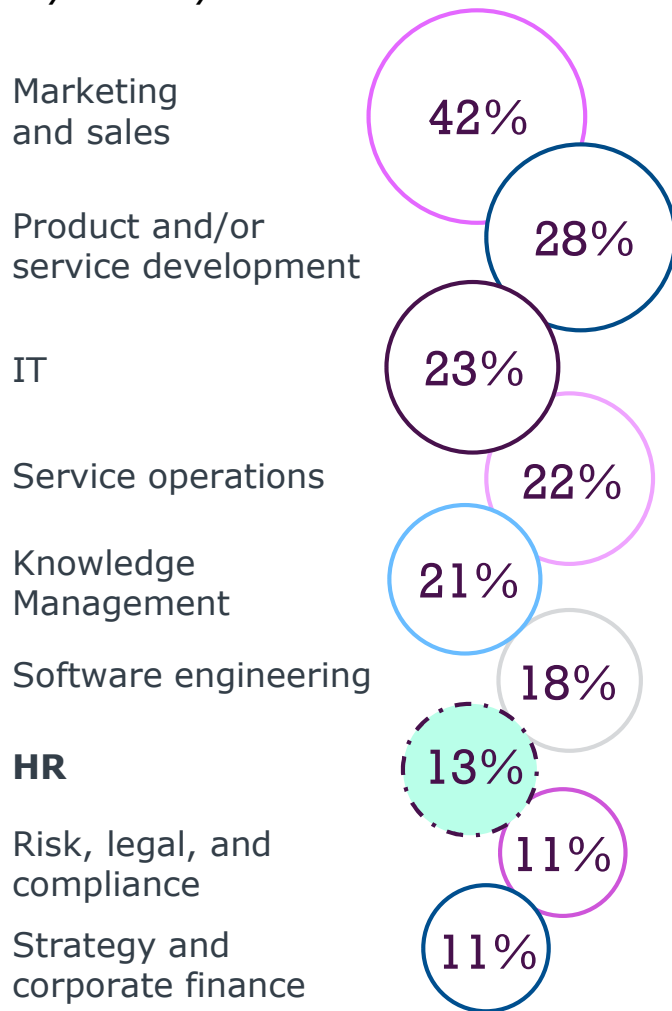
Source: "Gartner Survey Reveals That CEOs Believe Their Executive Teams Lack AI Savviness," Gartner, May 6, 2025; Seramount interviews and analysis.

Starts with Getting Our Own House in Order

HR Ranks Near Bottom of List for Having Advanced GenAI Initiatives

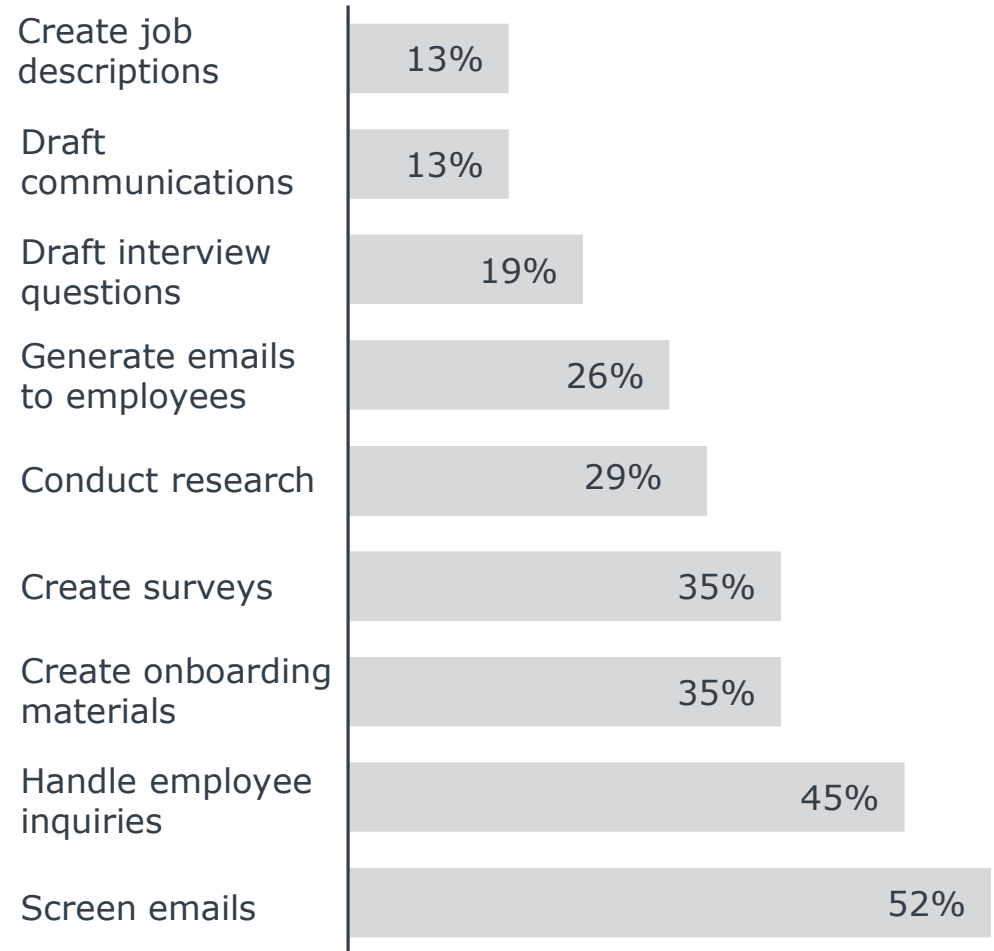
Does Your Function Regularly Use AI?

Percentage Responding Yes in 2025
McKinsey Survey



HR Is a "Horizontal" GenAI User

Hackett Group 2025 Survey of HR Executives



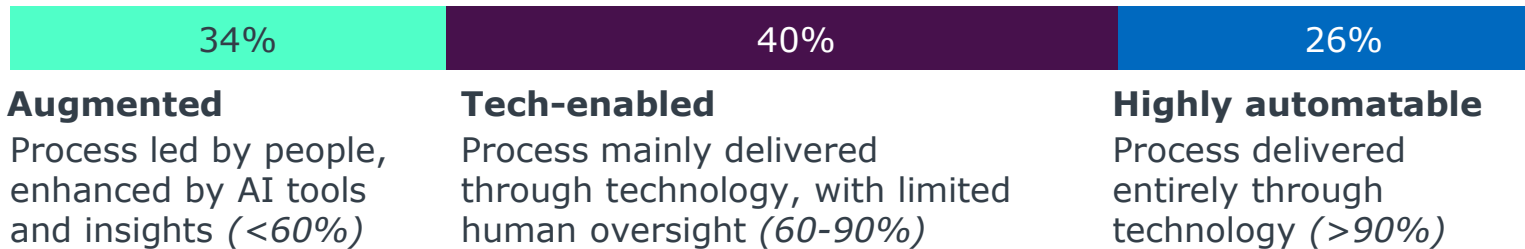
Sources: Haley, J, "The HR Imperative: Scaling Gen AI and Reimagining Work," The Hackett Group, March 13, 2025; Singla et. al., "The state of AI in 2025: Agents, innovation, and transformation," McKinsey & Company, Nov. 2025; Seramont interviews and analysis.

We Know Where It Ends—But Where to Start?



Research Suggests Majority of What HR Does Can Be Automated

Level of automation potential, selected processes



Augmented

Process led by people, enhanced by AI tools and insights (<60%)

Tech-enabled

Process mainly delivered through technology, with limited human oversight (60-90%)

Highly automatable

Process delivered entirely through technology (>90%)

People and organizational strategy

- Translate business strategy into people strategy
- Design organizational structure
- Continuously measure, improve effectiveness

People development

- Develop learning strategy
- Create and source training content
- Deliver learning offerings

People planning

- Define value-to-skill needs
- Analyze skill gaps
- Conduct operational resource planning
- Measure experience

People management

- Succession planning
- Performance management systems
- Total rewards administration

People attraction

- Design, deliver onboarding workflows
- Interview scheduling, offer management
- Screen and assess candidates
- Design sourcing strategy

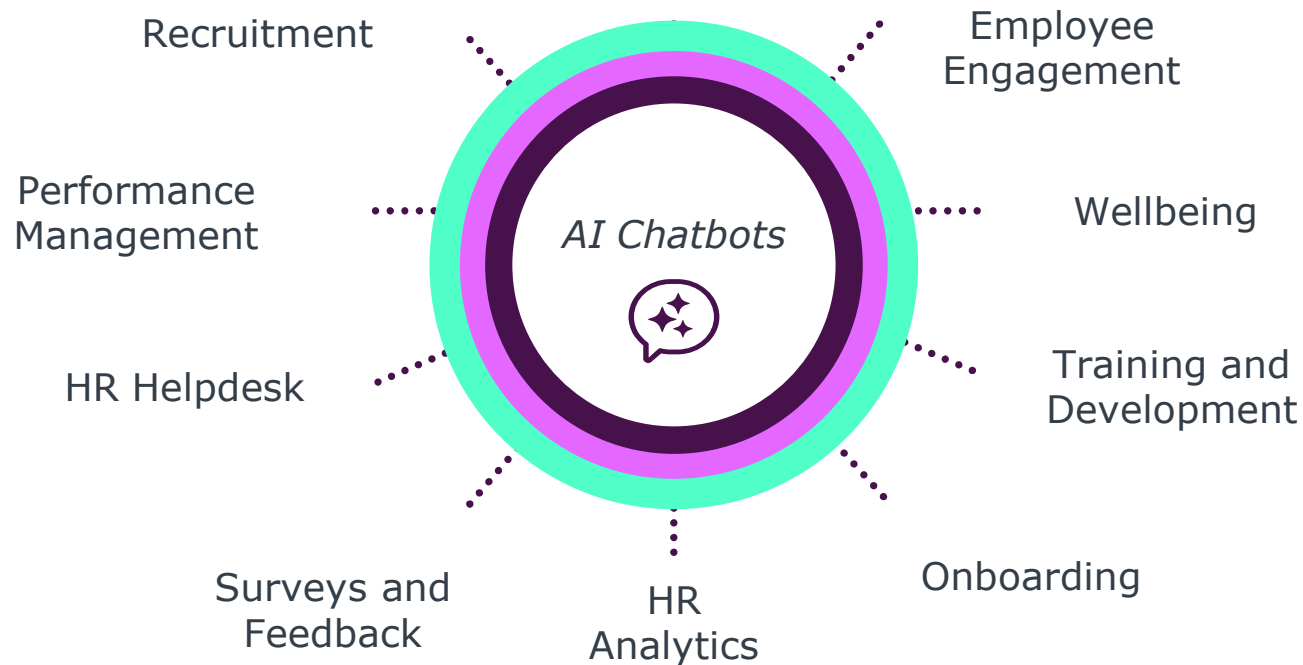
Organizational effectiveness

- Design initiatives
- Deliver, implement change
- Measure experience and effectiveness

There's a Chatbot for That (Actually, a Dozen)

Avoid Multiple, Siloed Point Solutions—Plan for a Single, Unified Platform

Vendors Emerging for Every HR Function and Activity



Too much of a good thing?



A proliferation of AI chatbots in the enterprise is leading to inefficiency, poor adoption and poor ROI. Enterprise application leaders reevaluating their chatbot portfolio should create an AI chatbot governance process and establish a chatbot portfolio roadmap grounded by essential metrics.”

Gartner Research, May 5, 2025

Liberate Key HR Roles to Work “Top of-License”

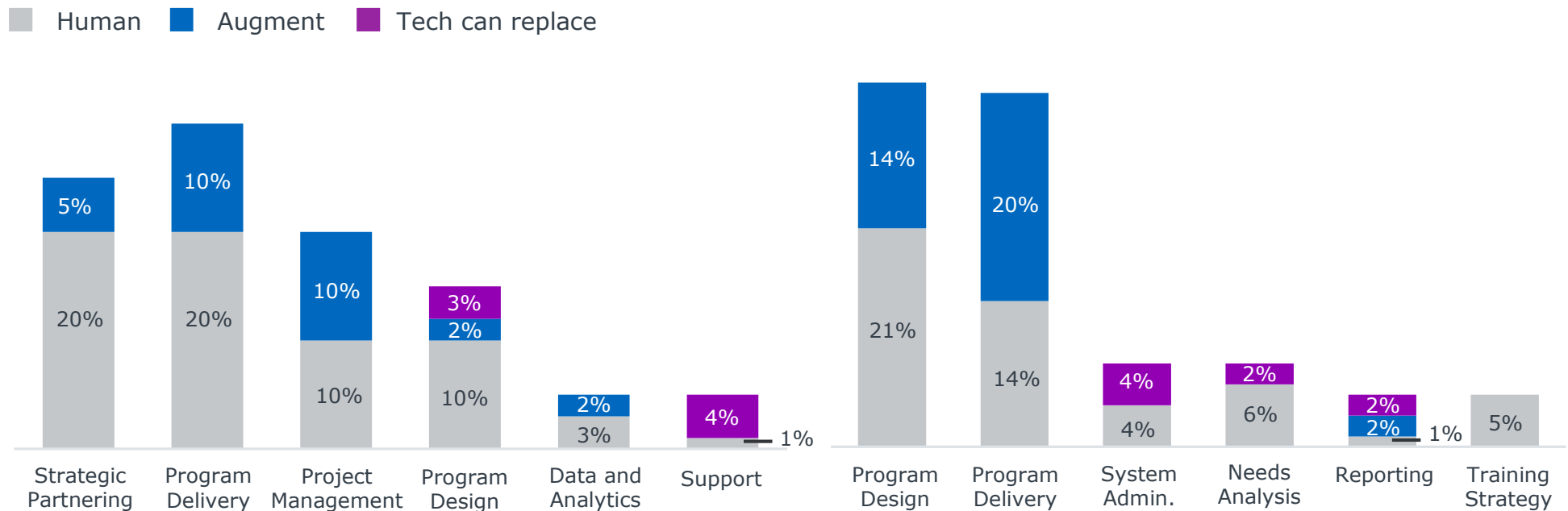


HR Business Partners and L&D Professionals Best Positioned to Help with AI

GenAI Can Eliminate Transactional and Routine Parts of Both Roles

Time by task: HRBP vs AI & automation

Time by task: L&D vs AI & automation



Is This Why IBM Eliminated HRBPs?



HRBP roles are in a never-ending crisis of purpose and mired in transactional work. High-performing HRBPs are those that spend a majority (60% or more) of their time on business advisory rather than mundane tasks — yet 47% of organizations say their HRBPs are still trapped in these kinds of transactions.

Gartner Research, May 5, 2025

Source: “[HR Business Partner Effectiveness Report](#),” Gartner, May 5, 2025; Seramount interviews and analysis.

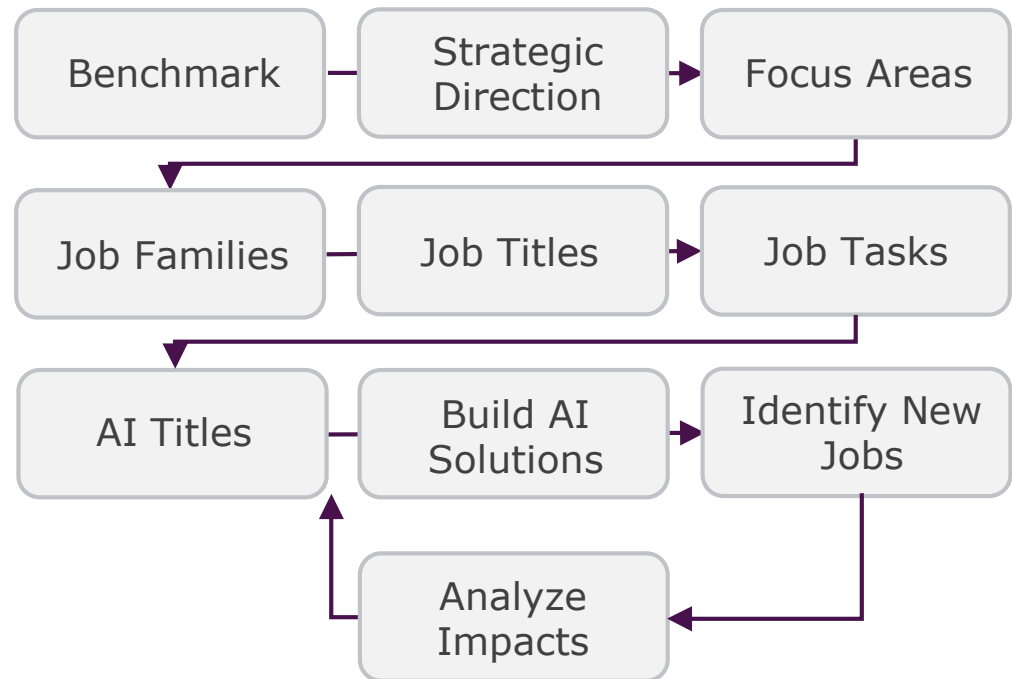
Be Wary of Tops-Down, Enterprise-Wide Solutions

Trying to Reconfigure Every Role May Produce More Data Than Results



A Roadmap for AI-Powered Task Analytics

Josh Bersin Blueprint for AI-Driven Redesign



WWP AI-Driven Workforce Transformation to Date

100,000+ employees

with 55,000 job titles

reduced to 6,000 job titles

then to 600 role archetypes

mapped to 750 tasks & 18,000+ skills

Instead, Support the 1,000 AI Flowers Blooming

With GPTs¹, Bottoms-Up Experimentation & Failure Are Features, Not a Bug

Centralized AI Playbooks Often Miss the Moment



Attempt enterprise-wide reengineering before understanding use cases



Centralize experimentation too early, limiting bottoms-up innovation



Treat pilot failures as problems instead of signals



Over-standardize before identifying what creates value

How Microsoft Operationalized AI at Scale



Target specific, high-friction workflows (e.g., support engineer onboarding)



Run time-bound pilots (e.g., six-week sprints) before scaling



Keep humans in the loop to manage bias & reputational risk



Identify high-traction initiatives & scale them with HRBP & L&D support

Should HR Get Involved?

- ▶ Where are employees already experimenting with AI?
- ▶ Which initiatives show measurable traction?
- ▶ How are we capturing lessons from failed pilots?
- ▶ How can HRBP and L&D accelerate promising use cases?

1) General Purpose Technologies

View Every Job Req as a Role Redesign Opportunity

Yahoo HR Department Asks How AI Could Resculpt Open Roles

Every Role a Cluster of Tasks...



...Which Can Be Absorbed by AI?



Talent Acquisition

- Candidate relationships
- Hiring decisions

Effectiveness

- Design initiatives
- Implement change

Management

- Succession planning
- Coaching strategy



Talent Acquisition

- Screening
- Coordinating
- Recordkeeping

Effectiveness

- Measure experience
- Track metrics

Management

- Total rewards admin
- Performance management systems

Get HR In Early on “Enterprise-Critical” AI Initiatives

Ask “Where Might AI Create Competitive Advantage for the Organization?”

Examples of “Enterprise-Critical” AI Uses across Industries



Financial Services

Real-time fraud detection

JP Morgan uses AI to model defaults on non-performing loans



Manufacturing

Downtime, waste reduction

Siemens uses AI to predict failures, reducing maintenance costs and unplanned down time



Automobiles

Faster product design

General Motors uses AI to optimize vehicle aerodynamics



Professional Services

Productivity, service redesign

McKinsey pairs AI agent with consultants to augment work and speed engagement results



Life Sciences

R&D productivity

Moderna used AI to develop COVID-19 vaccine in just 65 days



Retail & E-Commerce

Marketing, inventory optimization

Amazon uses AI recommendation engines to drive cross-selling and upselling

Manage the Top and Mind the Middle



Recognize the Healthy Tension Between the C-Suite and Middle Management



C-Suite Imperatives

- Move fast to capture AI advantage
- Deliver productivity and cost gains
- Signal bold transformation to markets



HR's Role

- Translate urgency into executable plans
- Sequence change and set guardrails



Middle Management Reality

- Own day-to-day execution
- Manage workforce anxiety and adoption
- Balance timeline with operational risk

Strategic Questions to Ponder

How AI will Redefine Workforce Strategy, HR's Mandate, and Enterprise Value

- 1 What is HR's uniquely human, and defensible, source of value?
- 2 What decisions are we making today about workforce size, structure, and entry-level investment based on AI assumptions that may not hold?
- 3 If AI value depends on redesigning work, what capabilities do you and your HR function need to build to actually lead that transformation?
- 4 How should you define accountability in a workforce where decisions are increasingly shaped by AI, but performance, risk, and culture are still owned by people?
- 5 If AI delivers the expected productivity gains, where does the value really go? Who decides this?



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