

Guide

AI in HR: Harnessing AI to Develop Your Future Workforce



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Introduction.

AI is transforming many aspects of HR, notably workforce planning. And it couldn't come at a better time.

Across many fields, companies are experiencing skills gaps and talent shortages, and perpetual change makes it difficult for HR leaders to recruit and care for their company's humans while producing the many other business outcomes expected of them.

We see this as a time of massive opportunity to modernize the functions that make HR successful: everything from talent acquisition and planning to skills gap mitigation, employee feedback and engagement, scheduling and resource management, and much more.

This can all be done efficiently with AI, and recent data shows that HR respondents have a highly favorable attitude toward AI in general and are poised to reap its rewards. Still, HR audiences are unique and therefore deserve a unique treatment of AI and its rising impact in their field.



Not a crystal ball but a time machine.

AI is not a crystal ball. It won't foretell or dictate the future. But AI does enable businesses to accelerate the future's arrival—and ensure it's the kind of future that serves their business interests and people.

This anticipatory posture to change is critical because today, even the definition of the word "workforce" is transforming. For example, as AI agents arrive to handle scores of tasks and processes that used to drain human workers of time and energy, companies are broadening what counts as a workforce and reevaluating how they manage all the actors involved.

With upcoming AI tools such as agents, research shows that the correct use of this technology is to elevate people—bringing out their most human contributions and freeing them from old challenges. For example, a resounding 95% of HR respondents—almost all having had direct experience with AI in the workplace—agree that AI allows them to focus on higher-level responsibilities.

Furthermore, 86% of HR and talent acquisition respondents agree that AI will enhance human creativity and lead to new forms of economic value. If you ask the people who are already experienced with AI in HR, there are exciting and promising times ahead.

It will not surprise HR leaders to hear that human connection is a closely guarded priority, too. In the study, 82% of individual contributors and 65% of managers agreed that employees will crave more human connection as AI usage grows.

So now, let's turn to how that can happen within your department.

HR is already one of the top three uses of AI today.



Survey question: What responsibilities is your department currently executing via AI? Respondents selected all answers that applied.

Elevating human potential.

This guide, tailored for HR, is a follow-up to the broader report "Elevating Human Potential" and explains the Workday approach to AI and an upcoming human skills revolution.



Get the "[Elevating Human Potential](#)" report.

How do HR respondents compare to everyone else?

In the study, HR responses mapped closely to other departments such as finance, IT, and operations. The consistency among departments is one of the interesting takeaways from the data: despite different functions, people have similar interpretations, positivity, and hopes for AI entering the business. We think this speaks to AI's unbelievable versatility and wide application across dozens of common use cases.

Occasionally, HR respondents show slightly more emphasis on protecting or cultivating soft skills—already significant priorities in the broader study—than other respondents. These include human relationship building, cultural sensitivity, and fairness, among other skills. This result will not surprise readers of this guide, though it's worth noting that the emphasis is slight and does not affect the general alignment we see so clearly.



Study insight:

Across multiple scenarios, these human-centric skills consistently ranked as the most valuable—both today and in an AI-driven future:

1

Ethical decision-making and moral judgment

2

Human networking and relationship building

3

Emotional intelligence and empathy

Survey questions: What do you believe are the top human-centric skills that cannot be replaced by AI? What do you believe are the most valuable human-centric skills in your department today? What do you believe are the most valuable skills that humans will still need in your department? Respondents selected up to three (3) skills from a list for each question.

The new era of workforce planning: Practical advice and examples.

Workforce planning is the ideal environment for AI disruption. That's because its core functions map so closely to AI's most significant and consistent benefits:



Heavy analytics: Workforce planning relies on significant movement and analysis of data, with the outputs being used for timely recruitment, onboarding, education, and planning functions. AI improves efficiency and reliability in previously siloed, difficult-to-manage systems.



Constant optimization: With everything from worker culture to employment and work arrangements in flux, HR exists in a constant cycle of optimization. AI enables policies and practices to be refreshed at the speed of business—not the speed at which old systems and workflows could handle change.



Identifying patterns with recommendations: In a data environment based on human characteristics and behaviors, HR naturally finds it crucial—and difficult—to identify patterns and insights in unstructured data or information strewn across several systems. AI is perfectly suited to autonomously consolidate, organize, and understand all sorts of data in real time.



Scaling efforts: Today's companies—and therefore their HR operations—are under pressure to scale their workforce seamlessly according to market needs without disrupting business. AI allows companies to meet fast-moving market opportunities before they're gone.

Cheat sheet: AI's HR-specific benefits.



Become a destination workforce: Attract the best talent by showing—partly through your embrace of AI—that you're an agile, human-centered organization on the move.



Routinely make better, data-driven decisions: Gain a complete view of your workforce with unified data, and act more decisively and reliably as needs and pressures change.



Get your costs dialed in: More effectively track and manage workforce expenses, including total cost of work and other key metrics, as well as technological costs—through consolidated systems and AI agent management, for example.



Develop your workforce proactively, not reactively: Forecast talent needs with agile planning tools, preparing the workforce at the right time to meet demand without wasted investment.



Drive a skills-based approach to productivity: Identify, develop, and deploy the right skills to the right jobs using outside talent or a refined understanding of existing personnel.



of HR respondents agree that AI is fundamentally changing the skills needed to succeed in the workplace



Spotlight: How a global consumer goods company is retaining top talent.



Company type:

Consumer goods
Global | 45,000+ EEs

A new foundation with Workday.

- Accurate job titles to produce best match between employee and job
- Meaningful job profile descriptions to create clear skills requirements
- Job summaries within opportunity graph to drive internal mobility
- Maintained job profiles to reflect ever-changing skills and talent requirements

Deploying Workday Illuminate™.

- Using Workday Illuminate to match employee skills with opportunities or to suggest skills for desired jobs
- Using Workday Skills Cloud in 2020 to drive visibility into career paths and reduce the cost of external hiring

Business value unlocked.

40%

increase in skills
and talent data

26%

decrease in
external hiring
for skills

39%

reduction in top
talent turnover

Survey says: “Soft” skills aren’t so soft anymore.

One of the most powerful results of our study is that it highlights the connection between skills and business value. If you’re looking for a skills roadmap for 2025 and beyond, this is it.

Skills Group	Qualities	Business Value
Adaptability and resilience	<ul style="list-style-type: none">Ability to adjust to changesCultural sensitivity and adaptationEmotional intelligence and empathy	Critical for navigating business disruptions. Demands emotional intelligence, empathy, and readiness for evolving workplaces.
Analytical thinking and decision-making	<ul style="list-style-type: none">Creative thinking and innovationCritical thinking and problem-solvingInformation synthesis and analysisStrategic planning	A prime area for AI influence: augmenting human-centric critical thinking and problem-solving, innovation, and efficiency.
Interpersonal connection and collaboration	<ul style="list-style-type: none">CollaborationCommunicationConflict resolutionHuman networking and relationship buildingNegotiation and persuasion	The most emphasized skills group in the study, highlighting the enduring importance of human connection, teamwork, and healthy conflict resolution.
Leadership and guidance	<ul style="list-style-type: none">Ethical decision-making and moral judgmentLeadership and managementMentorship	Emphasizes ethical reasoning, sometimes without clear precedents to follow, as well as moral judgment rooted in shared values.



HR as an innovation hub.

The above results highlight a major opportunity for HR: not only does AI enable you to improve and accelerate your core processes and workforce planning outcomes but it also enables you to elevate the strategic influence of HR within the company. **Before, HR might have been seen as a “tender of the flock” or a transactional division. Today, it can emerge as a major strategic influencer.**

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We are experiencing a profound transformation in how we work and connect. AI is already breaking down communication barriers, helping us find the right words and the right tone and bridge cultures. This is just the beginning. With the right balance of when to use technology, AI empowers us to unleash our creativity, collaborate with empathy, and tackle challenges with a renewed sense of purpose. This is the promise of AI centered on people—to not only make us more efficient but also more human.

Kathy Pham

Vice President of Artificial Intelligence, Workday



How AI changes key HR processes and outcomes.

If you're in HR, how does AI really change your life?

What follows are some of the most impactful ways AI can affect your day-to-day processes and outcomes. You'll see that many of these activities are constant among HR departments in different industries. Many overlap with other parts of your business, making AI a smart investment for the company as a whole.

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Workday's use of AI is powering intelligent services that help us support our people, build capability in future skills, and provide that powerful user experience.

Chief People Officer, Elders

[Read the customer story.](#)



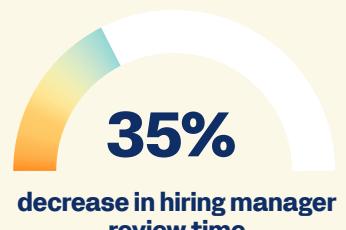


Recruiting.

AI's automation and the insights it surfaces can significantly increase recruiter capacity, proactively source passive candidates, automate outreach, and recommend top talent for open roles. All of these factors reduce time to fill and improve hiring quality.

Hiring results.

HiredScore AI for Recruiting* customers achieved:



*HiredScore is a Workday company.



Skills gap prediction and mitigation.

Even in times of change, companies can maintain continuous, holistic skills and workforce visibility to understand where skills gaps are likely to open up and how to address them most efficiently. Managers can direct and reskill existing talent to create ideal solutions, save recruitment effort, and reduce costs. They can also gain new visibility into inactivated or passive talent already in the organization, mobilizing great people who might otherwise be overlooked—avoiding skills gaps in the first place.





Expanded, diversified hiring pools.

Without the right data outlook, companies may inadvertently recruit employees who are similar to their current talent—without considering the emerging skillsets needed to grow the business. AI-driven hiring tools help you build diverse teams by expanding candidate pools with equitable, intelligent job recommendations.



Predictive analytics.

AI speeds and improves trend and historical analyses while combining disparate datasets, improving the foresight and reliability of your analytics.



Modern, effective performance management.

Many companies still fall back on infrequent performance reviews and spotty employee engagement methods. New talent management practices help people develop transferable, skills-based portfolios and tailored learning, as well as active and continuous career development.



Task simplification.

The new Workday Assistant facilitates seamless, intuitive assistance across routine HR and finance tasks, providing real-time guidance through complex processes to allow employees to focus on more strategic work.



Business orchestration with AI agents.

AI anticipates and streamlines common business processes to transform the way work gets done. AI agents provide every user with a “team” of business process experts that can go beyond task completion—operating not only with but on behalf of the user on key functions across recruiting, succession, and more.

The agentic AI workforce.

Agentic AI is transforming how companies define and plan their workforce. Workday has begun ongoing development of AI agents focused on the most critical use cases.

[Learn more about agentic AI](#), including the Workday Agent System of Record that enables one-stop management of Workday and third-party agents.



Continuous succession preparedness.

AI allows businesses to automate succession processes and proactively identify future leaders with automated prompts and guidance for managers as well as top talent.



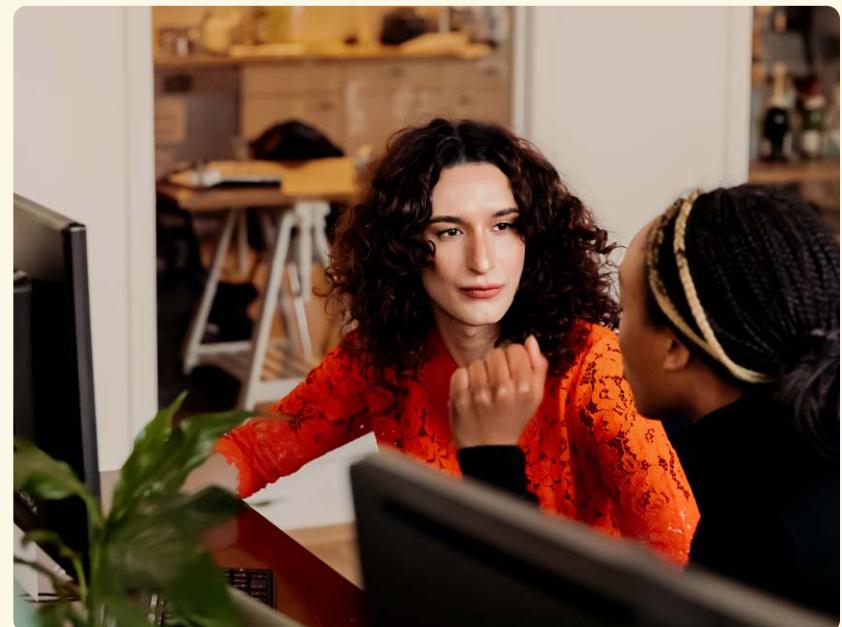
Employee feedback and engagement.

With active listening and feedback tools, employees feel heard and valued. Make changes that matter to the people within your organization, increase loyalty and retention, and establish objective data around employee-facing business changes.



Intelligent, tailored talent development.

Working from large datasets, including employee-provided data, AI can generate career paths based on personal goals and predictive analytics. By suggesting individualized gigs, mentors, and opportunities for internal mobility, you ensure employees see their future careers at your company.



AI is a new foundation.

We want to make it clear that AI is not an “add-on” to HR—it’s a foundation-level mode of operating that’s key to meeting your most pivotal challenges. The above sections demonstrate the specific ways AI impacts your operations and outcomes and the new performance frontiers you can reach by freeing your human talent for higher-level work.

It’s worth noting that the study reveals the top four human-centric skills deemed least likely to be replaced by AI are also considered the most important:

- Ethical decision-making and moral judgment
- Human networking and relationship building
- Emotional intelligence and empathy
- Conflict resolution

In other words, almost everyone already recognizes that the most valuable human skills a company must cultivate are HR thought-leader skills. Imagine the value of improving all of these skills across your entire organization—and being the change agent getting it done.

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The right AI can help make notoriously noisy skills data actionable to empower businesses and governments to unlock their workforce and expand employee opportunities at scale.

Chandler Morse

Vice President of Public Policy, Workday



illuminate.
Workday AI

Workday Illuminate: The next generation of AI.

The capabilities we’re talking about are driven by Workday Illuminate, which brings AI into a new era of managing people and money.

Illuminate is fueled by more than 800 billion transactions a year, creating a one-of-a-kind AI platform with models, agents, and further development rooted in real usage data of exceptional quality and quantity. This makes work smarter and faster—and reimagines how work works, unlocking business value like never before.

R \wedge Z \equiv R™

Razer-sharp AI and people practices.

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Through Workday . . . we managed to build a unified employer value proposition whereby we streamlined people practices . . . Workday continues to be at the forefront in terms of what AI and ML can bring to us.

Global Head of Human Resources, Razer Inc.

[Watch a video](#) about how Razer, a rapidly growing lifestyle brand for digital gamers, used Workday Illuminate to reinvent its HR and people practices.

Conclusion.

Make HR the strategic powerhouse it was meant to be.

Toby Stuart, Helzel chair in Entrepreneurship, Strategy, and Innovation at UC Berkeley and chair of the AI Advisory Board for Workday, is a keen observer of AI's amazing rate of adoption.

"There were a bunch of us who believed that there might never be a technology that diffuses globally as quickly as a smartphone," Stuart says. "But if you look at the early adoption trajectory of LLM [AI] use, it blows away the rate at which the [smartphone] was adopted."

The takeaway, Stuart concludes, is that "the real risk is actually nonadoption."

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Toby Stuart

Helzel Chair in Entrepreneurship, Strategy, and Innovation, UC Berkeley
Chair of the AI Advisory Board for Workday

For HR departments across many sectors, the risks of nonadoption take human forms. Falling behind amid skills gaps and talent shortages can be catastrophic. Failure to create human-centric organizations can permanently alter your performance, relevance, brand, and more.

But we don't see this as a time of doom and gloom. Behind every risk is a handful of opportunities and AI, above any other technology your company might adopt, is the key that unlocks them.

You can do it while elevating your people, not relegating them to the background. Increasing agility and efficiency, not adding layers and silos to the tech stack. Differentiating your workforce and therefore your company, not falling in line with everyone else.

That journey starts now.

PHILIPS

AI's potential to reshape HR operations.

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AI will be a game-changer in how we manage and support our workforce. We are taking a careful, responsible approach, ensuring that as we adopt AI it brings real value while maintaining transparency and trust in our processes.

Global Director HRIS, Philips

[Read more](#) about how Workday empowers Philips in its global HR transformation journey.



Workday: Resilient, de-risked HR.

More than 60% of Fortune 500 companies [use Workday](#). You don't have to be a Fortune 500 company to benefit from that track record.

These leaders use Workday because, at the same time that we're leading the way to agentic AI and new ways of understanding workforces, we're bringing our own resiliency and trustworthiness to partnerships. Here are some of the ways Workday helps you create more resilient, de-risked HR operations—all while you're innovating like never before.

Workday is a leader in [responsible AI \(RAI\)](#) with assertive thought leadership backed by a robust RAI team, RAI best practices infused into our operations at every stage, and an innovative RAI charter that's available for use by everyone.

We've brought a robust [AI agent system of record](#) and a growing roster of agents to market, preemptively giving everyone the central platform they'll need for managing AI agents, both from Workday and from third parties.

In the [Workday AI Masterclass series](#), our expert leaders teach you how to responsibly build, deploy, and govern AI within your organization.

As you've seen, Workday has put a stake in the ground around a positive, humanist vision for AI and how it will impact HR specifically. We have heard from HR leaders in one of the biggest and most relevant global AI studies out there, and we believe that "[Elevating Human Potential](#)" is the correct and most sustainable approach to AI.

[Learn more about Workday Illuminate.](#)



Responsible AI is not only the right thing to do, it's the smart thing to do. At Workday, we've developed a culture of trust and integrity around our development and use of AI technologies, with our ethical AI principles at the center—amplify human potential, positively impact society, champion transparency and fairness, and deliver on our commitment to data privacy and protection. We understand that a responsible-AI-by-design approach speeds up innovation by clarifying guardrails to remove roadblocks and foster trust, which ultimately boosts AI adoption.

Kelly Trindel

Chief Responsible AI Officer, Workday

About the study guiding this document.

This guide uses data from a global study commissioned by Workday and fielded by Hanover Research. The findings are based on a global survey of full-time workers from a variety of industries across 22 countries spanning North America, APAC, and EMEA. A sample size of 2,500 respondents ensured representation from diverse demographics and professional experiences. HR and talent acquisition audiences comprised 26% of the sample. For more information, see our previous "[Elevating Human Potential](#)" report.