



EMERGING INSIGHTS ON

AI IN TOTAL REWARDS

The AI in Total Rewards Mini-Study explores the current implementation of AI in HR, specifically focusing on key industry trends and strategic challenges. This study synthesized mixed-methods data to offer an initial look into AI's impact in the HR domain.

AI OUTCOMES: RANKED BY TOTAL REWARDS LEADERS

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How can AI streamline workflows and increase efficiency? It automates repeatable tasks, improves employee communication, provides key facts quickly and simplifies daily activities.

A Senior Director of TR

- 1 Streamlined administrative processes
- 2 Competitive advantage in talent acquisition and retention
- 3 Enhanced employee satisfaction
- 4 More accurate forecasting and budgeting

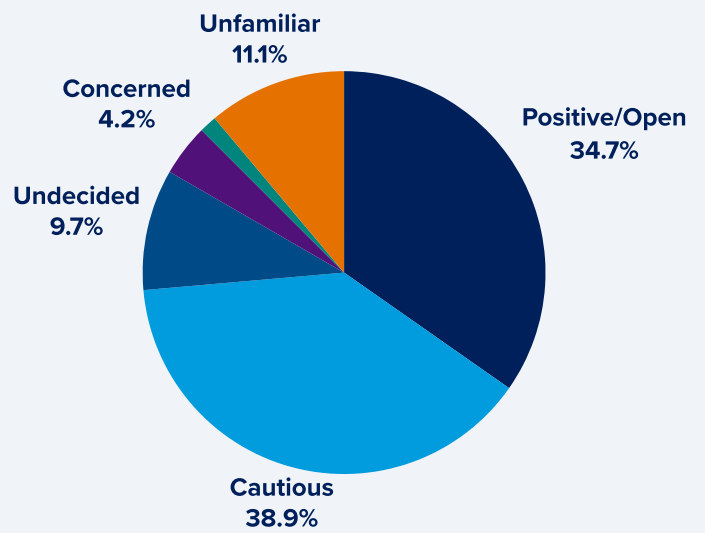
USE CASES

33%

use AI for recruitment

TR leaders report the highest current use of AI in recruitment and administrative tasks, with many yet to implement AI tools.

SENTIMENT ON AI



Although cautious about its implementation, more than a third of TR leaders view AI positively or are open to considering it.

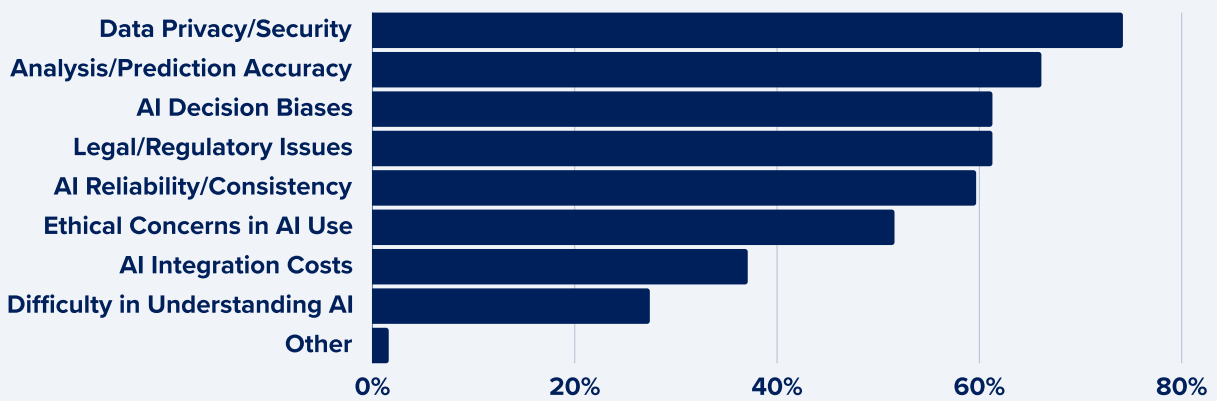
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TR professionals could benefit from generative AI's capabilities in refining communications, summarizing articles, analyzing metrics and monitoring turnover.

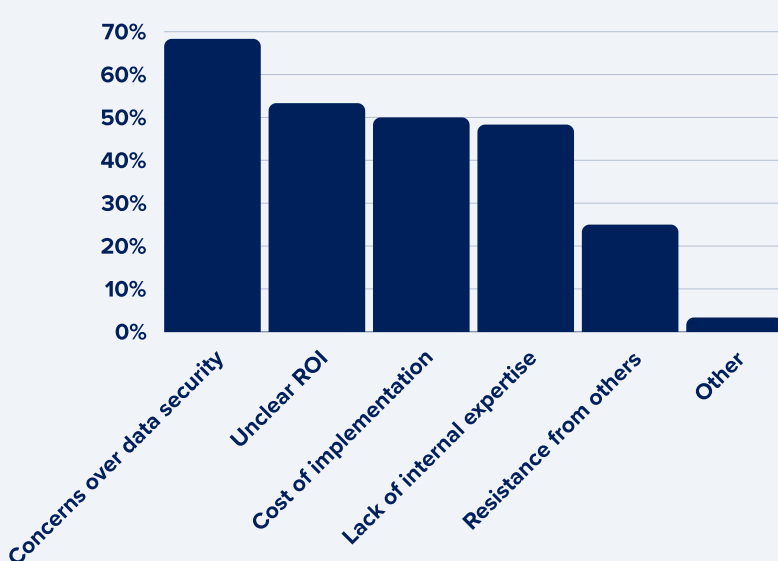
A Senior Manager of TR

PRIMARY CONCERNS IN ADOPTING AI: BREAKDOWN BY TR LEADER SELECTION

Key AI adoption concerns for Total Rewards and HR are data privacy/security (74%), analysis accuracy (66%), and decision biases (61%), indicating areas for enhancement and cautious implementation.



TOP CHALLENGES IN IMPLEMENTING AI: BREAKDOWN BY TR LEADER SELECTION



POSITIVE IMPACT



Respondents stating AI has already improved TR effectiveness.

IMPLEMENTING AI IN TR: A DEEP DIVE INTO A TOTAL REWARDS USE CASES

Exploring AI's Role in HR: In today's complex HR landscape, we're seeing companies turn to AI for a smarter, time-efficient approach.

HR professionals spend a lot of time working on tasks like creating job descriptions and employee communications, particularly in compensation and benefits. This is not only time consuming, but also shifts focus away from strategic initiatives and big-picture thinking.

AI tools turned out to be a solution in cutting down the hours on redundant and time consuming tasks. They have allowed TR leaders to implement a better work-life balance, all while maintaining high quality outputs.



SOLUTION 1: GENERATIVE AI FOR PROCESS IMPROVEMENT

- Organizations are using generative AI tools such as Bard and ChatGPT to help simplify complex employee communication, ensuring clarity in conveying compensation and benefits information.
- GenAI has proven to be a timesaver when drafting robust job descriptions, leading to improved work-life balance.
- GenAI is also helpful in providing foundational work for big picture summaries and presentations to senior leaders, including the CEO.



SOLUTION 2: MACHINE LEARNING FOR ANALYTIC INSIGHTS

- Organizations are implementing salary-prediction AI tools for automated salary benchmarking, enhancing analytics, reporting and insights on employee dynamics.
- Machine learning is also saving time on analysis: Organizations are leveraging AI for advanced analytics and detailed reporting.
- Predictive machine learning tools are helping improve foresight in addressing HR challenges like turnover and engagement.
- Overall, machine learning is empowering TR leaders to make more confident decisions, instilling greater faith in their strategic decision-making.

The integration of AI in HR and Total Rewards has led to a transformative change in organizations. It's proven helpful to streamline routine tasks, to contribute to confident decision making through the use of predictive analytics and to address challenges across organizations. These are early field examples of the potential uses of AI as a pivotal tool in modernizing HR practices.

EARLY OPPORTUNITIES FOR AI IMPLEMENTATION

- 1 **Implementing generative AI for routine tasks such as email cleanup, summaries and employee communications.**
- 2 **Using machine learning predictions for enhanced analysis and reporting.**
- 3 **Integrating in-house AI solutions for comprehensive metric analysis.**
- 4 **Utilizing AI dashboards to monitor organizational trends.**
- 5 **Enhancing data security measures through internal AI applications.**

METHODOLOGY

Mini-studies are open all site visitors to research.worldatwork.com. These studies target a sample size at least 75 qualified participants (generally Total Rewards and HR professionals). These studies focus on in-depth insights on specific topics within the Total Rewards field.

- Survey fielded from October through December 2023
- Some respondents were selected for follow-up interviews conducted in December 2023 and January 2024, based on their initial responses.
- Sample size: 75 participants.

Please direct any questions to media@worldatwork.org.