AI Transformation in HR:

What Change Looks Like

AI PILLAR	Business as usual	Present & active	Formalized	Strategic	Converged	Innovative & adaptive
Culture (1)	Skeptical or unaware. HR teams operate under the assumption that traditional processes will remain effective.	Curious and cautious. Early adopters in HR begin exploring AI on their own initiative.	Open and engaged. There is a growing organizational acceptance that AI is not a trend but a needed capability.	Forward-thinking and collaborative. HR partners with IT, data teams, and leadership to shape a people-centered AI strategy.	Confident and integrated. AI becomes a trusted part of how HR delivers value.	Proactive and future-ready. The HR organization embraces a culture of ongoing innovation and responsiveness to change.
Governance (2)	HR governance focuses on rules, processes, and policies that guide how the organization manages its people.	Some people within the HR team start experimenting with AI and quickly realize the need for a safety net.	There's a growing understanding within the HR function and beyond that the use of AI needs to be proactive, transparent, fair, and in accordance with human-centric principles.	Together with legal, IT, operations, and other departments, HR develops a cross-functional governance framework that approaches AI as a shared responsibility.	The AI governance framework becomes people's go-to reference for using AI in HR in the company, with everyone knowing their role and the responsibilities that come with it.	Together with the other departments involved, HR stays on top of the latest developments both in and outside the organization to ensure the AI framework evolves with relevant changes.
Technology (3)	HR teams operate using legacy systems and HR technology, believing this will not change soon.	A couple of tech enthusiasts in the team start trialing some AI-driven technology and tools.	The rest of the HR team quickly realizes the benefits that AI and automation in HR can offer the department and the organization.	HR involves relevant stakeholders to ensure its AI HR roadmap aligns with the company's business goals and the overall tech roadmap.	Based on the company's and HR's priorities, AI-driven solutions addressing real HR pain points are rolled out according to the organization's implementation playbook.	The HR team embraces continuous feedback and changing circumstances as opportunities to keep assessing the effectiveness of its AI transformation strategy and correct course where needed.
Competencies (4)	The HR function has the skills needed to operate within the organization, but is unaware of the skills required to be future-ready.	While experimenting with some AI tools, certain people on the HR team realize the need for AI fluency and the skills to get there.	As the use of AI in HR becomes more common, so does the realization that the HR team needs to upskill.	The HR department starts to map out the specific AI needs for each role in the HR function so that training can be tailored and effective.	Everyone on the HR team has the AI competencies and support they need to perform best.	Building and maintaining AI-readiness has become the new normal. HR leaders know where their teams stand and what skills, knowledge, and behavior they need to remain successful in an ever-evolving landscape.
Goals (5)	HR goals and OKRs are linked to those of the business but don't include any objectives for strategic AI adoption.	As the possibilities of AI and automation in HR become clear to a few individuals on the team, so does the need for specific AI-related OKRs.	The rest of the team understands AI's impact and sees the need for clear AI adoption goals if they want the transformation to be successful.	Strategic and achievable OKRs aligned with the organization's business strategy are set, keeping in mind the HR function's current AI readiness, workflows, and resources.	The HR team sticks to its AI adoption goals to track progress, demonstrate business value, and stay focused.	The new normal for the HR function includes strategic AI OKRs that are regularly evaluated based on feedback and changes in the organization's priorities.

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