

Generative AI, Agents, and the Future of Work



Contents

- 4 AI in everyday life**
- 5 The way it all works**
- 6 Generative AI and how we work**
- 7 Agentic AI and how we work**
- 9 With AI, employee experience changes forever**
- 11 The role of HR in the future of AI-enabled transformation**
- 12 Charting a path to thrive with AI**
- 13 Why now, what next**
- 14 About**

Artificial Intelligence is already permeating every facet of our lives, from Amazon's Alexa to Apple's Siri, from wearable devices to smart homes, from personalized recommendations in online shopping and job search, from spellcheck to photo editing to predictive algorithms. We have grown accustomed to modern technology knowing us, helping us, and getting better with use.

Consumer AI is now part of the everyday experience, inside and outside of work. The fuss that began with Generative AI now includes Agentic AI. What are the differences? Are they new or just novel?



AI in everyday life

First, Generative AI (GenAI) is different from what's understood as Predictive AI in a few important ways:

- As the name implies, it **creates** content. This looks and feels a lot like human creativity, even if it's all smart plumbing with and around data that already exists.
- It's **accessible**. When OpenAI released an early demo of ChatGPT on November 30, 2022, it was free, open, public, consumer-grade but user-friendly, and widely available.



Within 5 days of availability, OpenAI's ChatGPT reached over 1,000,000 users. Other generational technology innovations like the smartphone took years to reach the same level of exposure.

- Unlike a task-specific application or tool, GenAI is **integrated** into daily routines — like a Swiss Army knife with lots of explorable use cases.
- Generative AI is **conversational** and interactive. Lots of AI solutions crunch data to provide insights and support recommendations, but this version becomes more relevant and engaging with use and instruction.
- Because it's so intelligent, embedded, and seemingly capable, GenAI begs **ethical** questions. We've never asked if using spellcheck was cheating, but this tech feels too good to be true. Hyper advanced, self-evolving technology like GenAI makes us wonder what it should do, not just what it can do.

There are technical reasons Generative AI is different from Predictive AI, too.

The learning approach, output generation, data requirements, transparency and interpretability of Generative AI represent a significant shift in how data is analyzed, content is created, models are designed, and applications are trained. In fact, **Generative AI models, particularly large language models (LLMs), are what provide the foundation for Agentic AI.** Agents are systems with more sophisticated reasoning, a higher degree of autonomy, and independent decision-making.

We call this a "**printing press moment**" for the ability of AI to fundamentally change society, business, and our human experience of the world. AI advancements are particularly compelling for the C-suite, who rightfully suspect their biggest opportunity to propel the business, reimagine work, increase agility, optimize resources, enhance experiences, and drive innovation.

Time to production and time to measurable value is happening in quarters, not years. Enterprises who purchase technology with embedded AI capabilities will note dramatically accelerated time to value, leapfrogging historic time to value for traditional enterprise technology.

Having an open mind to AI-enabled transformation allows enterprises to gain tremendous competitive advantage, but only if they're willing to engage in new ways of thinking and support the changes that would be required to work differently. This e-book is a collaboration between Mercer and Oracle to help organizations explore Generative and Agentic AI for maximum people and business benefit.

To understand potential value, let's start to build our understanding of the way it all works.

The way it all works

Generative AI focuses on creating content like text, images, or audio. It generates new outputs based on patterns it has learned. Efficiency and quality improvements are seen in **authoring** things like job descriptions, policies, communications, and training materials and **summarizing** things like meeting notes, interview feedback, survey analysis, and key trends from performance data.

- **How LLMs work here:** A large language model (LLM) like ChatGPT is trained on massive amounts of text data. It predicts the next word or phrase in a sentence based on the context of previous words, enabling it to generate coherent and meaningful text. If asked to write a poem or explain a concept, it creates based on what it learned.

Agentic AI involves systems that act to **achieve goals** or **solve problems** autonomously. These systems perform tasks, make decisions, and can interact with their environment. For HR, high impact use cases include fully guided onboarding journeys, real-time employee assistance, goal tracking and nudges, and shift optimization.

- **How LLMs work here:** In an Agentic AI setup, an LLM is integrated into a framework where it isn't just generating responses but actively analyzing input, deciding on actions, and executing them. The LLM replaces the rules-based automation of the past and serves as the "thinking" component, using its language understanding and reasoning to support decisions and actions.

Now blend the concepts: Generative AI can author an action plan, which becomes the basis of an AI Agent taking action on that plan. Consider how transformative this is for designing work.

When we think about all the ways work gets accomplished and employee support is provided, it's helpful to visualize Mercer's Hands-Heads-Hearts framework. This not only applies to the way we design work for what people should be doing, it also applies to the way we think about human-machine teaming.

- **Hands work** is largely transactional and should be automated. The basic rule of automation applies: if it's repeatable, auditable, and documented, it is well suited for automation to drive efficiency and accuracy.
- **Heads work** is computational and relational and should be augmented. Not only are machines more proficient at crunching data, for example, AI-enabled workflows can also support combinations, interpretations, and analysis of data to get to insights and recommendations faster.
- **Hearts work** drives feeling and empathy. We'll not only have more time to do this with the support of AI and automation, but we'll be also better positioned to take timely and relevant actions. For example, AI could certainly automate career pathing or benefits management, but it can also nudge or assist a manager or HR business partner to have a growth and development conversation or step in for a family health crisis.



Generative AI and how we work

Significant productivity gains are already evident. In some cases, AI is performing tasks more efficiently and effectively. This indicates a shift toward smarter automation aimed at enhancing output. But it goes beyond that, it involves creating a comprehensive system that collaborates with people, offering an unprecedented opportunity for innovative work design.

Digital workforce experiences, including those enabled by AI, are more accessible, individualized, and inclusive. Getting assistance, knowledge, resources, and help to all people in the flow of where and how they work is empathy at scale.



Besides doing more work more efficiently and with more personalized support, Generative AI also helps managers lead more effectively.

- **As an Idea Partner**, AI supports enhanced decision-making, drafts communications and analyzes feedback, recommends personalized employee development plans, monitors patterns of burnout or disengagement, and helps identify bias.
- **As a Transformation Partner**, AI drives change, streamlining processes, providing predictive analytics for strategic workforce planning or role design, supporting automation of tasks and smart workflow design, assisting in change communications and sentiment analysis, and enabling agile leadership.
- **As a Thought Partner**, AI stimulates creative thinking and helps generate novel solutions to traditional workforce challenges, identifies and explains workforce trends, supports benchmarking against industry standards to highlight areas for improvement, and supports continuous learning and growth to enhance managerial skills.

Generative AI can significantly enhance workforce management, particularly in areas like shift scheduling for frontline workers in sectors like healthcare, manufacturing, and retail. It simplifies the scheduling process by automatically suggesting optimal shifts while considering compliance and skills requirements.

Additionally, AI supports personalized conversations between managers and their teams by recommending discussion topics based on feedback and milestones. In the performance review cycle, GenAI assists managers by drafting review summaries from 360 feedback and notes, streamlining the process and improving the quality of reviews.

Agentic AI and how we work

Generative AI provides guidance and support for better outcomes based on input prompts, and it also provides a necessary ingredient in agents workflows. Where Generative AI is reactive and dependent upon user prompts, Agentic AI is contextual, dynamic, self-optimizing, and goal oriented. Agents are designed to perform tasks autonomously, combining the generative capabilities of LLMs with decision-making algorithms that allow it to set goals, create action plans, and execute tasks with minimal human intervention.

Agents leverage the same LLM capabilities but take more initiative, interpreting data, executing commands based on its own assessments, and creating prompts based on prior interactions or learned information. Oracle agents, for example, are capable of handling complex workflows, like shift scheduling, interview scheduling, or offer management, without constant human input.

AI agents have goals, and they are often specialized – like a benefits enrollment agent. They can take on a complete persona or set of tasks, and they learn and get better over time. They learn from new data, each other, and from outcomes. They talk to each other, and they discern patterns and new data to self-optimize. There is nothing static about Agentic AI; its very nature is dynamic.

This is quite a leap forward from bots, an early form of AI that is designed to perform specific, repetitive tasks quickly and efficiently. They are rule-based, reactive, and work within defined parameters. Bots typically operate on “if-this-then-that” logic and go no further in complex, nuanced interactions or any situation outside their programmed scope.

In contrast to bots, agents can converse with a human like a human, and they can both reason and take action. Agents are more sophisticated, leveraging AI to learn, reason, and make decisions. Unlike bots, they aim to act autonomously and proactively, trying to achieve higher goals across multiple domains. Agents excel in complex problem-solving, multistep tasks requiring contextual understanding, and personalized and dynamic interactions.



There are several types of agents, too. In *An Introductory Guide to Oracle Fusion AI Agents*, we learn about the various types and their primary use cases.



Conversational agents with humans or another software program

Think about a digital assistant for common employee self-service tasks, like requesting time off, accessing payroll information, or checking benefits. Or managers leveraging approval workflows, querying how many team members are available for scheduling, etc.



Supervisory agents to direct other agents, request human-in-the-loop when needed

Think real-time data analysis to help manage workforce metrics like team performance, workload patterns, or burnout. Agents can also track and manage team attendance for proper staffing, identify skill gaps, or monitor recruitment workflows.



Functional agents, or user-proxy agents acting like a persona or role

Think hiring manager agent to document role requirements, field service agent to automate scheduling or diagnostics, customer support agent to retrieve relevant information to human support agents or direct to customers, onboarding agent to provision equipment, etc.



Utility agents, or task-based agents to do what it's told, maybe even by a supervisory agent — like search a database, produce copy, enrich skills, or write code

Think about the completion of tasks a supervisory agent might instruct, like notifying an employee of unused PTO before it expires, providing status updates on a purchase order or approval request, completing time reporting, or completing forms or enrollment.

Key comparisons

Feature	Generative AI	Agentic AI
Nature	Reactive (responds to prompts)	Proactive (initiates actions)
Task execution	Responses focused on content generation and augmentation	Capable of completing complex workflows
Decision making	Lacks autonomy; relies on user	Autonomous; can set goals and make decisions
Adaptability	Static; learns and adapts over time	Dynamic; learns and adapts in real-time
Applications	Content creation, chatbots	Process automation, real-time decision-making

With AI, employee experience changes forever

The integration of Generative AI and Agentic AI profoundly changes the employee experience landscape. Certainly, experience and outcome improvements are realized with enhancements to productivity, engagement, and overall job satisfaction.

But employee experience approaches and architecture change in more fundamental ways, too.

- 1. AI changes HR processes,** streamlining and automating HR workflows to make them more efficient and employee-centric.
- 2. AI empowers people with personalization,** tailoring employee interactions, learning paths, and benefits to individual preferences and needs.
- 3. AI increases efficiency and autonomy,** reducing dependence on HR for routine tasks and enabling self-directed growth and agency.
- 4. AI transforms employee engagement** by identifying needs, recognizing achievements, and offering timely interventions.



To visualize how this looks in practice, it's helpful to understand the difference between intent and infer concepts.



Intent-based navigation

transforms HR technology, really enterprise software overall, by letting employees express natural language requests instead of navigating complex menus. AI agents understand statements like "I need to update my benefits" or "show my team's performance" and guide users directly to their destination while automating related workflows. This creates a fluid experience where complex tasks happen seamlessly based on simple requests.

This shift dramatically impacts training and change management. Traditional software training focused on teaching specific click paths, menu structures, and system processes becomes largely obsolete. Instead, training shifts to helping employees understand what's possible and how to effectively communicate their goals to AI agents. Change management focuses on building trust in AI assistance and helping teams adapt to a more conversational approach to work.

The learning curve for new systems drops significantly since employees no longer need to memorize interfaces or processes. When organizations deploy new tools or update existing ones, the AI agent absorbs the complexity of these changes. Rather than retraining staff on new interfaces, updates focus on communicating new capabilities that employees can access through natural language requests.

This evolution creates a more intuitive digital workplace where technology adapts to human behavior rather than the reverse. AI agents learn from interactions, becoming increasingly sophisticated at understanding personal work styles and organizational contexts. The result is reduced training overhead, faster technology adoption, and improved employee productivity as people focus on their work rather than navigating tools to accomplish it.



Inference in Generative AI

works by understanding context and meaning beyond literal inputs. It analyzes patterns, predicts connections, and fills gaps in understanding — much like humans do when hearing incomplete information.

If an employee says, "out sick today," inference engines understand this means updating attendance, adjusting calendars, and notifying relevant teams, even without explicit instructions for each step.

Think about typing "need to update my benefits after having baby" into your workplace portal. Even with typos and casual language, inference engines understand you're discussing a qualifying life event requiring benefits updates. The system immediately guides you to parental leave and benefits forms while surfacing relevant policy information.

No more hunting through HR portals or remembering official terms like "I'm having a dependent." The system understands intent through natural language, handles misspellings, and connects dots between "having baby" and required actions. It might even note you haven't submitted birth documentation and prompt for that, too.

The result is simple: employees work naturally, speaking their needs in plain language, while AI handles the translation to system processes. No more learning special terms or exact menu paths — just express what you need, and the system figures out the rest. By combining inference capabilities with generative AI, these systems create a more natural, intuitive workplace where technology adapts to humans rather than forcing humans to adapt to technology.

The role of HR in the future of AI-enabled transformation

AI is a seminal moment in the broadest terms and certainly in the world of work. With this technological advancement more than any other, HR is perfectly and rightfully poised to act as strategic advisor to the business. AI transforms work and the people who do it, and HR owns that mindset and strategy, including investment recommendations, necessary resources, and measures of success. AI presents a unique opportunity to better leverage people and their skills as a dynamic asset and rethink work design as a lever to not only increase efficiency but to drive exponential value.

AI pours fuel on the digital transformation fire in timely response to the evolving, modern expectations of workers and the rapidly changing needs of business. Making this transformative shift will demand a keen focus on agility and sustainability. It will also require building a smarter HR function and delivering more consumer-like experiences to keep pace.

This means HR will need to improve their own skills, learning to think digital, understanding data for design, embracing changefulness and agility as an operating norm, and truly understanding AI at a foundational level. How does Generative AI work, how do agents function and support workflows, how is data used and kept secure, how are outputs audited and governed, and how are models trained for continuous improvement?

As this transformation takes place, the nature of work significantly shifts. For some workers, the majority of tasks they perform today won't be the same in coming months. HR will need to continue to pave the way for this transition so the workforce is empowered with the skills, support, and experiences they need to succeed in a new world of work.

To thrive in this era of change, HR will necessarily evolve from its legacy as a steward of employment to become a steward of work.

HR's legacy role was to ensure the silent running of the enterprise – enough people with the right skills, available at the right time and price. This often led to one-size-fits-most talent and workforce solutions that were built for efficiency. As AI and the democratization of work exponentially increase velocity and variability, progressive HR functions are redefining their mandate.

They are enabling talent to connect to work as seamlessly as possible while meeting more talent on their individual terms, bending the supply and demand curves of work in a fundamentally different way.

We must also consider the risks to be mitigated if we are to maximize the rewards to be gained. While the benefits of AI are compelling, organizations must recognize and navigate these challenges:

- **Trust and Transparency:** Employees may resist AI tools if they don't understand how decisions are made. Explainability is key to building trust, and transparency upholds accountability.
- **Ethics and Bias:** AI systems need careful oversight to prevent biased outcomes or unethical recommendations. Regulation will play a role, but industry must lead the way.
- **Governance:** Governance doesn't prevent innovation, it protects it. Responsive, scalable governance provides quick decision-making that keeps everyone safe.
- **Skill Gaps:** Employees, including HR, need help effectively using AI-powered tools. It's also critical to identify and develop other skills humans will bring to the table — like innovation, creativity and collaboration.

Charting a path to thrive with AI

There's no doubt 2025 will be the Year of Agentic AI, and HR will be at the heart of conversations around how agents complete work alongside humans and the measurable value they produce. The promise of AI is not only to complete tasks but to work for the person, to truly empower people to do higher value work.

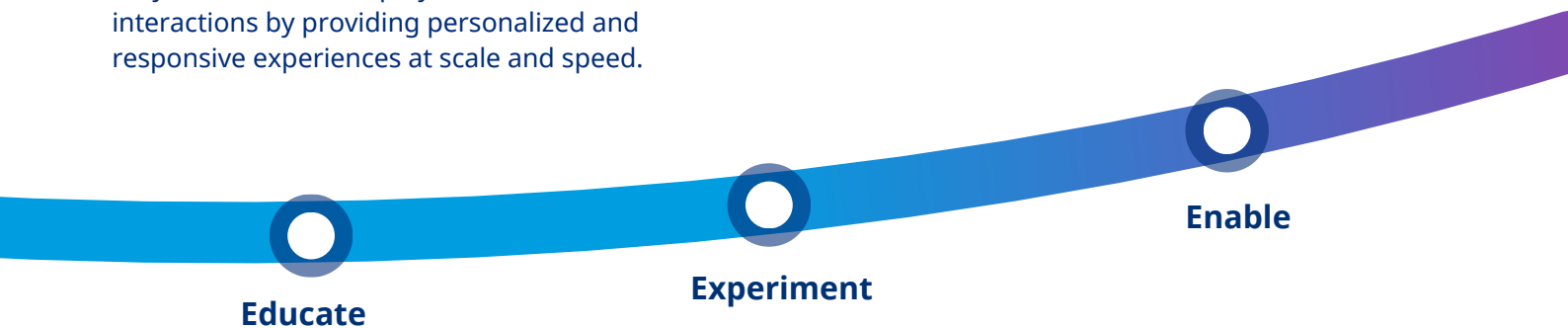
Transformation is achieved when a technology is used to deploy new capabilities and support new ways of working. Agentic AI is really Generative AI of an Agentic variety, like GenAI "multistep," and it will be the most important transformation enabler for HR and business. It's a truly groundbreaking advancement in Artificial Intelligence that enables the creation of a new, virtual workforce. It combines different AI techniques, models, and approaches to empower autonomous agents that can analyze data, set goals, and take action to achieve them with minimal human supervision.

Agentic AI is important because it opens up new possibilities in designing work processes deciding on the split of work between agents and people, boosting performance and engagement while enabling companies to adapt quickly in a competitive environment.

AI produces abundance at low cost. Not only do Agentic AI systems independently analyze challenges, develop strategies and execute tasks, they revolutionize employee and customer interactions by providing personalized and responsive experiences at scale and speed.

To catch the AI wave and the competitive advantage it represents, HR and business leaders might consider Mercer's approach to deploying AI for impact:

- **Educate:** The sooner HR (and the workforce) understands the art of the possible with Generative and Agentic AI, the better positioned everyone will be to start the journey. Hands-on, domain-specific training is best.
- **Experiment:** HR needs to determine where AI impacts the function itself as well as where it elevates workforce experience and improves business outcomes. With a focus on scale and impact, stakeholders should identify a few use cases (vs. many) to drive value.
- **Enable:** From here, deploy an actionable strategy and roadmap for AI in HR where it brings a competitive advantage and generates measurable business value. Be prepared to design for change, leverage governance, and bring necessary stakeholders on board.



Why now, what next

When it comes to AI, every enterprise is understanding how to move from ideation to investment to impact. Not only is 2025 the Year of Agentic AI, it will be the first year we hear HR functions illustrate early value achieved. This is a wave everyone needs to catch; being left behind isn't an option, it's a sign of demise.

Mercer and Oracle offer critical advice to make sure every organization has an opportunity to change work for good in the Generative and Agentic AI revolution.

Advice from Mercer

Unlocking AI value begins with embracing digital transformation, which fosters innovation and evolves HR. Adopt AI-first, intent-driven architectures by integrating AI into core processes. Prioritize real-time insights and automated decision-making while aligning technology and teams for faster innovation. Establish clear governance and compliance protocols outlining stakeholder responsibilities in developing and deploying Agentic AI systems. Ensure security and compliance through system validation and ongoing monitoring. A cross-ecosystem approach will leverage innovations from startups and established players, minimizing risks and technical debt. Lastly, collaborate when integrating next-generation technologies, ensuring alignment with technical and business priorities.

Learn more about how [*Mercer can support your HR Transformation Journey.*](#)

Advice from Oracle

HR leaders are uniquely positioned to drive their organization's AI transformation because their keen insights cut across people and business needs. Use that knowledge and be a changemaker. First, get grounded and understand how AI is evolving and its use across your organization to ensure HR's voice shapes the overall strategy. Then, identify opportunities to make a significant impact. Finally, assess and prioritize what's most important to drive ideal business outcomes. In many cases, the key is to start small — identify one process optimization that's easy to execute and prove value, allowing success to grow from there. Now is the time to embrace innovation to empower your people, foster growth, and lead the future of work.

Learn more about [*Oracle's AI for Human Capital Management.*](#)



About

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Jess Von Bank is a 23-year industry veteran and impassioned evangelist of the modern experience of work and the future of talent. As both a former recruiting practitioner and an expert in bringing workforce solutions to market, Jess looks to broaden executive mindset to better design and deliver digital-first cultures that exceed the expectations of talent and the needs of the business.

Jess is a global thought leader on HR transformation, digital experience, and workforce technology. She offers specialized expertise in recruiting, talent strategy, employer branding, DEI&B, brand building, and storytelling. She also runs the Now of Work, Mercer's global community for HR and work tech.

Jess is the President of Diverse Daisies, a nonprofit to enrich and empower girls. She lives in Minneapolis, where she races for free swag and raises her three daughters.

Mercer

Mercer designs and deploys innovative digital strategies to transform how HR delivers value to an organization and how people experience work. We fuel the success of digital transformation programs by offering market-leading advice, human-centered consulting, knowledge, research, and tools to enterprises and solution providers. We believe workforce technology should make work smarter, not get in the way. We help organizations evolve from technology implementation to holistic digital deployment. Turn your challenges into successful solutions by partnering with the most experienced and passionate bench of HR thought leaders who deliver on vision, strategy, design, deployment, and continuous innovation.

For more information, please visit:
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Oracle

Oracle Fusion Cloud HCM is a complete cloud solution that connects every human resource process — and every person — across your enterprise. We help you create a community where people feel valued, heard, and like they belong. With a single user experience and data model, and AI-embedded processes, and infrastructure, Oracle Cloud HCM helps empower your people so they can power your business success

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