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3 Ways CHROs Can Apply AI Right Now

See how AI can help human resources teams meet everyday challenges

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Why we need AI's help

With so much change in the workplace, employees need the full support of your human resources team to continue powering your company's success. An estimated 44% of the core skills necessary to do any job will change by 2027, according to the World Economic Forum, which surveyed more than 800 companies, employing a total of 11.3 million workers worldwide.[1]

Most employees don't know what new skills they need to help the company and foster their own career growth, and they expect their organizations to help. Talent management and recruiting professionals are also struggling to keep up as job hopping shows no sign of slowing. Meanwhile, slower hiring by companies means workers take on more responsibilities, raising the need for productivity gains and increasing the risk of employee stress.

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Chief human resources officers and other HR leaders can use artificial intelligence in practical ways right now to help address these challenges.

AI and related technology can support workforce development by helping identify training and growth opportunities that address both personal goals and company needs. AI can also help get candidates into the right roles. It can automate some repetitive tasks and make others easier, which can increase productivity and make workloads more manageable. In all these instances, AI helps HR professionals solve challenges, but it doesn't take people out of the equation. Their expertise is crucial throughout. Here, we explore three ways HR leaders can apply AI. But first, let's quickly review what AI is.

What is AI, and what does it mean for HR?

AI is a broad term for technologies that can perform tasks we associate with human actions—for example, composing a text or making a recommendation based on past actions. These capabilities are made possible by a subset of AI called machine learning (ML), where a program uses data and algorithms to mimic how people learn. It finds trends and patterns in data and keeps learning as it's given more information, becoming more accurate over time. For example, ML can learn to identify dogs in images, spot data anomalies that represent a failing device on a factory floor, or identify fraud in progress when unusual purchases are charged to a credit card.

Types of AI

AI is a broad term with subsets, including machine learning and generative AI.

AI
ML
GenAI
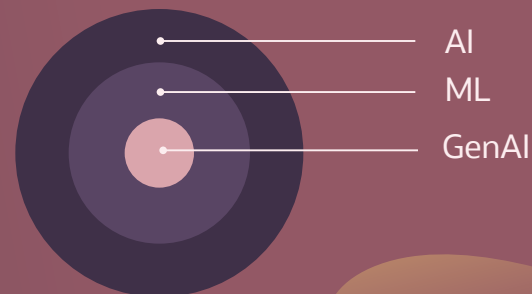
Generative AI, often referred to as GenAI, takes things a step further by creating something new, such as images or text, in response to prompts. You've likely heard of ChatGPT, a public generative AI platform. If you ask it a question, ChatGPT uses a large language model (LLM)—a type of AI algorithm that uses machine learning to learn from massive data sets—to understand what you want. Then, it pieces together information from various sources to create its response. Recently, it started factoring in information from real-time internet searches. As valuable as that is, it's critical to remember that ChatGPT and other GenAI tools only simulate intelligence and can make mistakes when insufficient information is available, an outcome known as hallucination. For instance, when writing a person's biography, such models have added awards or college degrees that the person didn't achieve.

Fortunately for HR, the GenAI tools embedded in some HCM applications can operate in a more controlled environment than public models. They can use your organization's data to help people find answers and to summarize information with the help of an LLM. These models have the advantage of greater context and limited scope compared with a chatbot that's trying to respond to questions based on a limitless number of topics. A GenAI tool might save a recruiter hours of work by creating a first draft for a job requisition form, but the recruiter remains responsible for reviewing and editing any generated text.

In general, think of AI as an assistant and advisor. When paired with the right HCM solution, AI can help increase efficiencies within HR and across the company. Additionally, AI can offer personalization and suggestions in the flow of work, which can further improve the employee experience.

The use cases for AI are quickly growing and could look very different a year from now, but here are three high-impact ways HR can use AI today.

1. Create personalized career development paths with help from AI

2. Find and advance talent with help from AI analysis

3. Increase productivity by simplifying common HR tasks with AI

1 Create personalized career development paths with help from AI

Helping employees develop new skills is a nonnegotiable requirement for HR and people managers today. Beyond being a benefit that employees want, companies need to head off the skills gaps that will arise if workforce capabilities don't advance quickly enough. Six in ten workers will require training before 2027, according to a 2023 World Economic Forum survey.[2] Ultimately, it falls to the CHRO's organization to foster employee growth in a way that ensures the company has the skills it needs to meet its goals.

However, HR teams struggle to create effective skill development programs. The same World Economic Forum survey found that only half of all workers have adequate training opportunities. Even those with access to development programs sometimes have difficulty understanding what skills they should learn. One reason is that there are countless career paths today. We used to assume employees would move up within a business function or product area. Now, people commonly move laterally and switch departments, motivated by fulfillment, money, or the excitement of a new challenge. The right skills make such mobility possible, and what's relevant to one person's journey may not be relevant to another's.

77% of executives globally agree their organizations should help workers become more employable by helping them learn relevant skills, but only 5% strongly agree they're doing enough.[3]

More HR teams are using AI-supported learning platforms that help personalize career development paths for each employee, helping people take a more active role in their professional growth. AI can automatically tailor training recommendations to the individual, taking several factors into consideration. AI may suggest learning materials related to an employee's current role, based on skills that are missing from their talent profile or the skills of colleagues in similar roles.

Further, since HCM platforms often connect numerous areas of HR, AI analysis could recognize that new skills are being listed in job requisitions more often and recommend related skill development opportunities to employees. In doing this analysis, AI can help organizations detect and catalog their workforce's skill set as it evolves over time. And AI offers many other possibilities for doing this kind of critical skill detection and cataloging.

> AI analysis could recognize that new skills are being listed in job requisitions more often and recommend related skill development opportunities to employees.

For example, embedded AI tools help CHROs continually assess the workforce and actively spot and flag emerging skills gaps. Because AI continually detects and catalogs changes in an organization's collective skill set, it gives HR greater visibility than it has traditionally had. Learning platforms also give employees the option to list areas of interest and specific skills they want to develop, providing more data for AI algorithms to assess. Having this skills catalog helps CHROs consider an array of development options to address gaps, including training, mentoring, and short-term assignments.

While skill requirements vary from company to company, soft skills that technology can't replace are in high demand universally. The World Economic Forum survey found the most important worker competencies in 2023 were analytical and creative thinking skills.[4] Flexibility, motivation, and curiosity were also highly rated.

Managers play a critical role in helping employees develop in both tactical and more analytical and creative areas—and AI can help. AI models can recommend development tips, learning paths, and articles that managers can share with employees.

> Managers can work with AI tools to suggest relevant skill development opportunities.

Additionally, some learning platforms give managers visibility into the skills that exist within their team and help them identify emerging gaps using AI in the same way the HR team finds skills gaps in the larger organization. With this knowledge, managers can work alongside the AI-embedded tools in the learning platform to suggest relevant skill development opportunities to employees that benefit the individual and team. This visibility can help managers have more-meaningful career conversations and build better relationships with their direct reports. The business impact can be massive.

When employees are happy with their manager's support, their job satisfaction increases significantly and the risk of attrition is reduced by as much as 72%, according to a 2023 Boston Consulting Group survey of 11,000 employees across eight countries.[5] And happy employees are often more productive.

2 Find and advance talent with help from AI analysis

You're not imagining it—filling open roles is taking longer than it used to. LinkedIn data from 178,000 confirmed US hires in 2023 shows it takes 46.5 days, or nearly seven weeks, on average, to fill entry-level positions and slightly longer for senior roles.[6] Globally, in 2022, it took 44 days.[7] In part, this lag is because of skill shortages in the labor force, further emphasizing the importance of developing your existing talent. No matter how strong your skill development, though, sometimes HR professionals must look outside the organization to find candidates. The pressure is on CHROs to help their talent acquisition managers and recruiters find top candidates quickly, get them in the door, and keep them for the long term.

A range of talent-based AI features can help, starting with assisted authoring. GenAI-assisted authoring can help get new positions approved and posted faster by reducing the time it takes to fill out forms and write job descriptions. Additionally, AI could help improve the candidate experience. When a job seeker creates their talent profile to apply for a job, AI can suggest skills to list based on their work history and experience and the requirements of the role. Some HCM platforms can use GenAI to create a summary of an applicant's best-fit capabilities and attributes, which they can refine and submit with their application. These capabilities may help them showcase their best selves. Plus, an HR department can also use AI to suggest similar open jobs to applicants, which can help the company fill openings faster.

> Employees at companies with high internal mobility stay 60% longer.[8]

Some HCM platforms can help speed up selection by using AI to scan resumes to create candidate summaries for busy recruiters and hiring managers. And while some recruiters prefer to review the full applications manually, they could still use a similar AI-supported process to see if they missed a promising applicant. Say they find an applicant that fits their profile of an ideal candidate. Some platforms would let them use AI to look for comparable applicants with similar skills and qualifications who may have been overlooked. HR teams can also use this capability to help make succession planning more equitable by identifying employees that managers may be unfamiliar with—for example, skilled employees working in other departments.

> Predictive analytics can help spot people ready for an internal move and those at risk of leaving.

Internal mobility is crucial to any retention strategy, as is identifying which employees are at high risk of attrition. Predictive analytics tools in HCM platforms can use machine learning to help spot people prepared for an internal move and those at risk of leaving. When it comes to preventing attrition, machine learning models could look at overall employee sentiment trends, such as a department's or manager's employee satisfaction ratings, when a person last received a raise, and other factors, to determine how likely they are to leave, letting HR step in proactively. HR leaders are also keenly aware that improving the workforce's daily employee experience boosts retention rates and can have a significant impact on productivity.

3 Increase productivity by simplifying common HR tasks with AI

Repetitive tasks drain employee energy and are a source of stress for many, particularly as individuals take on more responsibilities. With hiring rates slowing globally year over year, according to an October 2023 report from LinkedIn, workers have to do more.[9] AI can help by making workloads related to certain writing and analytics tasks more manageable.

AI can help HR professionals and line-of-business managers by supporting some of the more basic elements of HR-related writing tasks. For some managers who must write annual performance summaries for their direct reports, knowing where to start can be intimidating. GenAI-powered tools embedded in HCM applications can help counter blank page syndrome by creating a first draft based on feedback provided throughout the year. The manager still needs to review, edit, and add to the draft, of course. But providing them with a place to start could save them hours, giving them time back to focus on their other work and helping reduce stress.

38% of organizations worldwide are highly effective at providing reliable technology that helps employees accomplish tasks more easily.[10]

Similarly, writing new job descriptions or requisitions can be time-consuming and challenging. GenAI can help by taking a prompt from a recruiter or hiring manager and scanning your organization's existing job database to fill in missing pieces and generate a first draft they can review and edit. AI can also recommend skills that may be relevant to add to existing job descriptions that HR updates periodically.

AI can help HR leaders and managers with another time-consuming task: analyzing large data sets, such as employee feedback surveys, to pull out valuable insights. AI could scan workforce responses to open-ended questions to help HR understand employee sentiment in a single snapshot—similar to how online retailers use AI to summarize dozens or hundreds of customer reviews into a one-paragraph product overview. HR leaders and line-of-business managers can then dive into the individual responses for a more nuanced understanding. By saving people time, AI could help increase productivity and efficiency for managers and HR teams while reducing stress.

> By saving people time, AI could help increase productivity and efficiency.

HR chatbots are another example of how AI can support routine tasks. Chatbots can allow employees to get answers to basic and frequently asked questions immediately, 24/7, which can improve the employee experience and let them get back to work faster. Access to a chatbot spares employees from spending time hunting around the company website for an answer to a simple question such as, "What holidays do we have off in 2024?" Shift workers, who may typically sleep through HR's workday, or people in the field especially benefit. So do HR professionals themselves, since chatbots free them up to focus on more strategic activities. Chatbots rely on natural language processing, a subset of AI, to understand text and reply.

Looking ahead

HR leaders are just beginning to unlock the potential of AI, especially generative AI, and understand how, with the right HCM platform, it can improve work for HR team members, managers, and employees. The future of AI for human resources is exciting, and it's worth HR leaders spending some time thinking about how one day it may help HR navigate change in new ways.

What if AI could someday assess a new piece of employee-related legislation and suggest how your standard job application should be reconfigured, what software needs to be updated, and what needs to be communicated to the workforce to comply with the new law? What if, during an acquisition, it could recommend changes to HR processes and communications to help your organization integrate people from the acquired company, assessing which policies are in sync and which in conflict? What other HR challenges would you like AI to help you solve?

How Oracle can help

Oracle Fusion Cloud HCM connects processes across human resources, letting HR teams make more-strategic decisions. And the suite's embedded AI tools help speed up the decision-making process and allow HR teams to surface insights faster by automating complex, time-consuming tasks. Oracle Cloud HCM can also help boost employee productivity with chatbots that answer questions quickly and with generative AI tools that make completing HR-related writing tasks easier by providing a first draft. Oracle Cloud HCM leverages the most advanced AI capabilities to allow customers to pursue the above use cases, dependent on their organizational need.

Work is always evolving. Oracle Cloud HCM's continuous innovations help HR keep pace with change. Further, since Oracle Fusion Applications run on Oracle Cloud Infrastructure (OCI), it's easy to share data across the organization, which can improve business strategy alignment to help you gain a competitive edge. OCI also offers AI services that let you develop applications to fit your company's unique use cases while remaining unified with your Oracle Cloud HCM platform.

Learn more

1. "Future of Jobs Report 2023," World Economic Forum
2. "Future of Jobs Report 2023," World Economic Forum
3. "The skills-based organization: A new operating model for work and the workforce," Deloitte
4. "Future of Jobs Report 2023," World Economic Forum
5. "More Than a Quarter of Employees Globally Are Ready to Move on From Their Current Jobs," Boston Consulting Group
6. "Who hires fastest? New LinkedIn data ranks 10 key job functions," LinkedIn
7. "New Research Shows That Hiring Is Harder Than Ever: Time to Hire Increasing Significantly for Almost All Roles," Josh Bersin Company
8. "Future of Recruiting 2023," LinkedIn Talent Solutions
9. "Global Talent Trends," LinkedIn
10. "HR Trends Report for 2024," McLean & Company