

A person in a blue shirt is using a laptop. The background is a blurred office setting. Overlaid on the image are several floating icons representing HR profiles, each with a person silhouette and text lines. A white semi-transparent box contains the main title and subtitle.

# HR: A Vital Navigator in the Generative AI Transition

*How CHROs can steer a human-centered  
transformation*

**A FlexPaths Insight Report**  
SEPTEMBER 2023

# Advancements in Generative AI will drive radical changes in how people work in the next 3-5 years, impacting nearly every job function.

In the coming years, as business leaders realize the potential for operational productivity and efficiency offered by Large Language Models (LLMs) — the foundation of generative AI tools like ChatGPT and DALL·E — business operations and job roles will undergo a transformative shift.

Many companies are already opting for off-the-shelf tools, like ChatGPT and Microsoft's upcoming AI-enabled product suite, to unlock unprecedented productivity capabilities. At the cutting edge, some organizations are building their own LLMs, capturing their entire knowledge base — data, history, intent, nuances, and context.

Regardless of the approach, all businesses will grapple with complex questions around the integration of these tools into their employees' daily tasks. By harnessing the power of LLMs, organizations are set to supercharge productivity and efficiency across a range of functions, including content creation, software coding, task automation, cybersecurity, research, data analysis, and more.

## Organizations are at widely varying stages of their Generative AI journey

At FlexPaths, we've delved deep into this transformative trend. Our own research, grounded in industry expertise, and client insights in financial services and other sectors, underscores AI's game-changing potential. Many companies are actively testing and rolling out Generative AI solutions for their employees—sometimes even independently initiated by their staffs. Meanwhile, some organizations tread cautiously, adopting a 'wait and see' stance.

## An imperative to ensure human-centered adoption

Some organizations will implement AI in a way that elevates humans to new performance levels, creates new roles and fosters innovation; while others will sow fear, uncertainty and doubt as they look solely for efficiency gains with little regard to the human cost.

Read on to learn how HR plays a central role in championing human-centered generative AI adoption, and how FlexPaths can help.

# 40%

of all working hours can be impacted by LLMs like GPT-4.<sup>1</sup>

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*As organizations begin to explore integrating generative AI into operations, HR emerges not just as a passive observer or participant but as a vital navigator.*  
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## Glossary

**Generative AI:** A type of artificial intelligence that creates new data patterns or sequences, often used to produce human-like text, images, or sounds.

**Large Language Model (LLM):** A type of AI model trained on vast amounts of text data, enabling it to generate human-like text based on the patterns it has learned.

**ChatGPT:** A conversational AI model developed by OpenAI, designed to generate human-like text in response to user prompts, often used for chatbots and assistants.

**DALL·E:** An AI model developed by OpenAI that can generate original images from textual descriptions, showcasing the capabilities of generative AI in visual creativity.

# Current Landscape of Generative AI in the Workplace

Many companies are formally testing and implementing Generative AI solutions for their employees (and even if they aren't, employees are doing it on their own) – but a staggering number of employers haven't begun developing the policies required to manage the risk.

Both employees and employers are recognizing its transformative potential. Employees are already independently experimenting with AI applications to streamline their work (with or without permission). Soon, M365 Copilot, Microsoft's generative AI tool will be rolled out, including features like drafting emails in Outlook and AI-powered assistance in Word, marking another shift towards mainstream AI use. The tangible benefits of AI are also evident. An MIT study highlighted in a recent Science article, showed that employees who used AI tools, specifically ChatGPT, experienced a 40% reduction in task completion time and produced work of 18% higher quality.<sup>2</sup>

It's paying off for workers. In terms of economic benefits, "workers using artificial intelligence are more likely to have received recent salary increases that have outpaced inflation," according to a CNBC|SurveyMonkey Workforce Survey.<sup>3</sup>

Nevertheless, AI's rapid integration isn't without its challenges. Foremost among these is the fear of automation, especially in entry-level roles focused on writing and data analysis. Additionally, many companies have been slow to implement the necessary policies to manage both human and data risk. According to the 2023 Littler Employer Survey, some 40% of employers haven't developed AI policies.<sup>4</sup>

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*When organizations are ready to craft their guidelines/policy, they will need the collective input and support of their legal, HR, operations, technology, compliance, data privacy and security teams.<sup>5</sup>*

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**80%**

of employees are using AI <sup>6</sup>, while 40% of employers haven't developed AI policies<sup>4</sup>



An August 2023 FP Snap Survey indicates the same: experimentation is underway, while policy development lags.

# The Human Element

## Elevating Roles through Generative AI

While some fear that AI might supersede human roles, the reality is more optimistic. While roles will change as some functions are able to be automated, generative AI is poised to transition employees from mundane, repetitive tasks to more vital, human-centric responsibilities that require judgment, empathy, and critical problem-solving skills; while enhancing productivity with quicker task completion and a boost in work quality, with AI amplifying, not overshadowing, human potential.

**An AI-Human Synergy: Creating a future where AI manages data-intensive tasks, while humans use insights for strategic decisions, emphasizing the irreplaceable human touch.**

# The Future

## Generative AI's Growing Role and HR's Central Position

**As organizations begin to explore integrating Generative AI into operations, HR emerges not just as a passive observer or participant but as a vital navigator.**

HR should not only be AI-ready but also central in steering organizations through the AI transition.

### **What's paramount:**

- Staying current on AI developments and implications

### **What does HR involvement look like?**

- Active participation in strategic decisions, ensuring that they are made with the well-being of employees in mind.
- Ensuring the implementations benefits both the organization and its employees.

### **MANAGING THE HUMAN CAPITAL RISKS**

As generative AI makes deeper inroads, human capital risks such as potential job displacement, outdated skills, and changes in workplace culture come to the fore. Additionally, concerns about trust, ethical considerations in AI usage, unintentional biases, the increasing dependency on technical proficiency, mental well-being, and the secure handling of employee data further highlight the need for HR's proactive involvement. Without HR's central role, these concerns may escalate, undermining the potential advantages that AI can bring.

**Without HR at the table, the generative AI transition risks leaving employees feeling unsupported, undervalued, and unprepared.**

# CHROs

## Leading the AI Conversation

**CHROs have a pivotal role in ensuring that the AI transition remains human-centered.**

The CHRO vantage point allows them to assess the risks AI poses to human capital, guiding the organization towards mindful and ethical integration.

Their accountability extends to initiating and driving crucial conversations about AI. They must be equipped to probe, question, and collaborate with other top executives, ensuring that every AI-related decision, whether strategic or technical, is made with the organization's most valuable asset in mind - its people.

CHROs are no longer just custodians of human resources; they are essential stakeholders in AI-related decision-making processes.

### TOPICS FOR STAKEHOLDER DISCUSSIONS

#### With the CEO

- Aligning generative AI with long-term vision and mission
- Assessing cultural ramifications
- Establishing ethical boundaries
- Setting operational AI expectations
- Orchestrating change communication

#### With the CIO

- Ensuring data integrity
- Security measures
- Technical infrastructure, oversight and maintenance
- Interoperability with other company systems and tools
- Transparency and accountability for use

#### With Business Unit Heads

- Gauging AI's impact on teams
- Identifying training necessities
- Employee feedback mechanisms
- Preserving human innovation and autonomy

# FlexPaths' AI Solutions

Your Guiding Partner

Contemplating the future of an AI-enabled workplace is challenging, but with FlexPaths, you're not alone.

## HOW WE CAN HELP

### ASSESSING AI IMPACTS TO JOB FUNCTIONS

Identify and prioritize the roles and areas where generative AI can enhance employee performance and operational outcomes.

### CHANGE MANAGEMENT & COMMUNICATIONS

Facilitate AI adoption by streamlining processes and nurturing a proactive transition mindset. Empower leaders and teams to confidently navigate the transformation.

### HR TESTING & PILOTING

Begin with HR to evaluate and implement generative AI solutions, setting the stage for broader organizational application. This includes performance evaluation analysis, refining job descriptions, and benchmarking against industry standards.

### EMPLOYEE UPSKILLING, ENGAGEMENT, AND LEARNING & DEVELOPMENT

Collaborate with L&D teams to ensure the workforce is equipped and agile in the face of AI-driven changes. Prioritize continual learning, engagement, and skill enhancement.

### TAILORED POLICIES & PRACTICE STRATEGIES

Design and establish AI usage guidelines, best practices, and disclaimers to safeguard against potential risks and liabilities. Establish and streamline internal AI processes for consistency and clarity.

### LEADERSHIP COACHING & STAKEHOLDER ENGAGEMENT

Align top leadership for a unified AI transition strategy. Facilitate stakeholder understanding and engagement at all organizational levels.

# Champion a human-centered AI journey, with help from FlexPaths, the innovators in workplace change.

For nearly 20 years, FlexPaths has provided bespoke approaches to help clients manage the acceleration and complexity of change in today's workplaces. The transition to a generative-AI enabled organization may be one of the biggest changes faced — not just a technological shift, but the future of business. Ensure that HR is not just at the table but leading the conversation.

Schedule a complimentary initial consult with FlexPaths CEO Meryl Rosenthal:

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2. "Experimental evidence on the productivity effects of generative artificial intelligence," Science, 2023.
3. "Artificial intelligence early adopters in the workplace are profiting," CNBC|SurveyMonkey Workforce Survey
4. The Littler® Annual Employer Survey Report, 2023
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*Shifting business priorities increase the rate and complexity of change needed in every company.*

We're here to help.

[www.flexpaths.com](http://www.flexpaths.com)