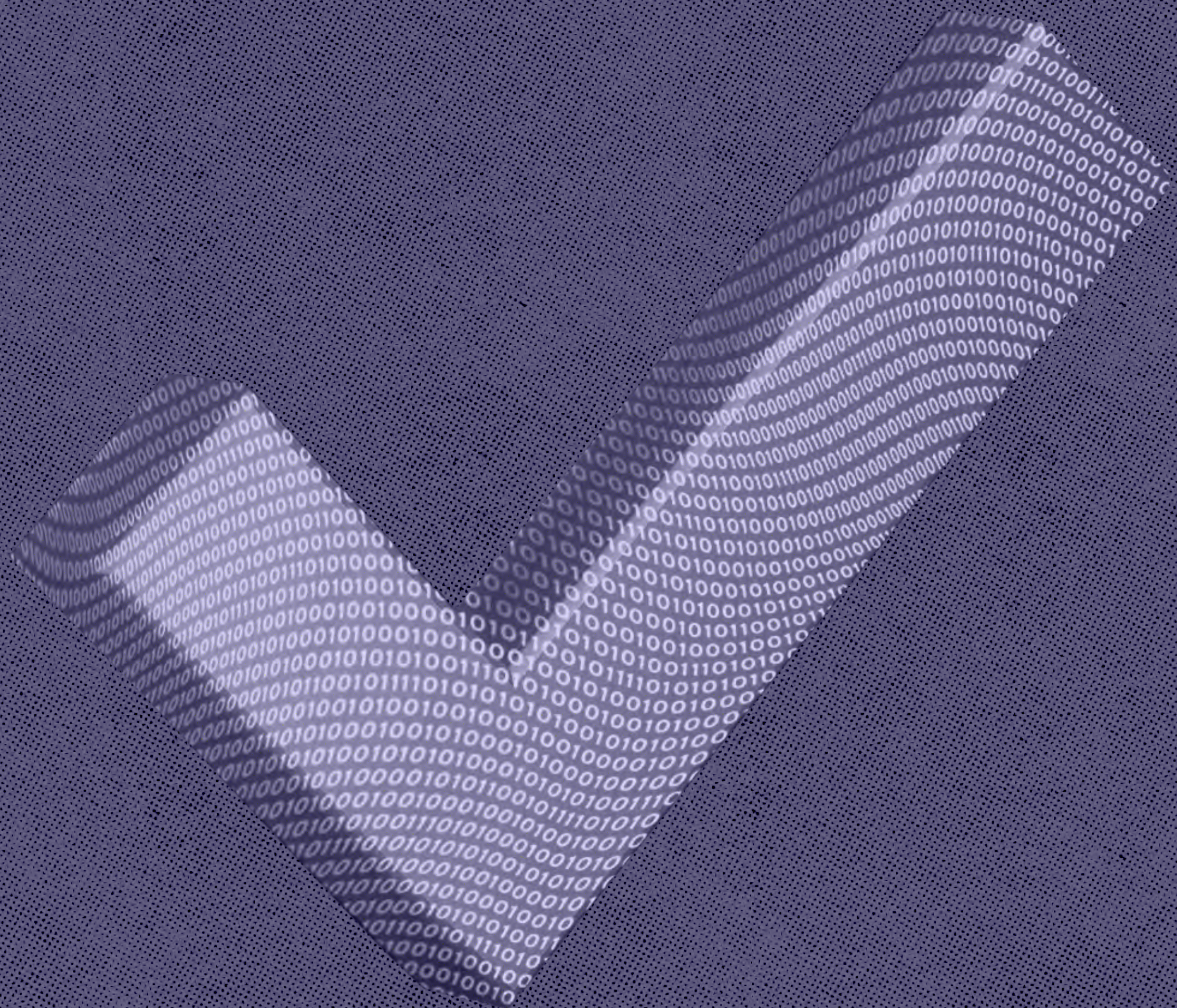


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THE URGENT AI TASKS FOR HR

Charter strategy briefing memo, July 2023



In our first briefing on “[The AI Mandate for HR](#)” we laid out frameworks for addressing what artificial intelligence means from a talent lens. With this second strategy briefing memo, we’re giving you a roadmap for the most urgent tasks to tackle. Throughout this series, we’re encouraging you to lead a structured, people-centered approach to the adoption of AI tools. Our frameworks are rooted in research and the key practices of change management.

We’ve spoken with people leaders who’re opting to take a “fast-follower” approach, adopting policies restricting the use of generative AI tools in their workplaces and waiting to learn from early adopter peers. Other HR leaders haven’t yet found the time to build their experience or confidence with AI tools, and aren’t playing a role in strategic planning around AI usage in their organizations.

We’d recommend a different approach, with more urgency, for some key reasons:

- Your teams are already using AI tools. Nearly half of managers and 20% of frontline employees report using generative AI tools at least weekly, according to [a recent BCG survey](#).
- This is the moment to build a foundation of knowledge, policies and communication, systems, and culture that support the multi-year implications that AI will have on your budgeting, talent approach, and business strategy.

With that in mind, in the following pages of this briefing you’ll find a guide to the four-point framework for tackling the most urgent tasks:

- 1. Increase your organization’s AI aptitude**
- 2. Establish the groundwork for sustainable experimentation**
- 3. Mobilize your people to drive AI innovation**
- 4. Plan for the future**

At Charter, we're supporting HR leaders' strategic leadership on AI and work, equipping them to own the redefinition of jobs and establishment of planning, policies, and culture around this far-reaching technology shift. Our expertise is rooted in the latest academic and business research and our reporting on the emerging best practices across leading organizations.

Contact us directly at ai@charterworks.com to talk about how to adapt your organization to the changing world of AI, and follow along with our upcoming AI strategy briefing memos, all designed to get you everything you need to know for 2024 planning. Over the following weeks, we'll be covering:

- AI Wave One
- The HR Function in an AI World
- The Employer-Value Proposition Post-AI

Sign up here to be notified when new briefings are available. (You can access briefing 1, "The AI Mandate for HR," here.)



FRAMEWORK 1

Increase your organization's AI aptitude

The first, urgent step is to develop familiarity and confidence in using generative AI tools. For yourself, we recommend:

- Start with [ChatGPT](#) (for text) and [Dall-E](#) (for images) and make an effort to use them on a daily basis to assist with your work. Some good tasks include asking the tool to write a job description, draft a memo, or edit a document.
- Sign up for a free newsletter like [Inside AI](#) to keep track of developments in how organizations are using AI.
- Take a short course to better understand how AI works, such as the (currently free) [offering from DeepLearning.AI](#).

For your organization, we recommend holding training sessions to make sure that everyone is introduced to the tools. Create a group on your enterprise messaging platform for people to share tips and ask questions about using them.

We know [from surveys](#) that women are less likely than men to experiment with generative AI tools on their own, so it's especially important to make sure that there are opportunities for everyone at your organization to learn more about them. (Charter can recommend training options if you need.)

Consider buying subscriptions to the paid versions of some AI tools, such as [GitHub Copilot](#) (for coders), [Jasper](#) and [Descript](#) (for marketers), and [ChatGPT](#) (for anyone.) [Research suggests](#) that there are significant productivity gains from using generative AI tools across a variety of activities, so the investment in subscriptions will likely pay dividends. (See section 2 for specific recommendations for guidelines and restrictions on use in the workplace.)

We've also put together a repository of must-read resources, and we encourage you to share it with your colleagues.

EXAMPLE

EY has a program called EY Badges that allows any employee to select courses they want to take, and then get recognized for building skills through those courses. Dan Diasio, EY's global artificial intelligence consulting leader, told Charter that his company is already working on a series of badges focused on generative AI.

FRAMEWORK 2

Establish the groundwork for sustainable experimentation

Define your AI philosophy

In the same way that values are established at an organization, it's imperative that HR leaders drive the co-creation of an AI philosophy with their key stakeholders (the c-suite and even investors). Your philosophy is intended to guide how your organization fundamentally thinks about AI—business impact over technical capabilities as an example—how it will be used, and what boundaries must be in place to ensure safety and equity across the business. This includes how you believe AI should impact near-term planning and budgeting, and talent pipelines, and if done well, a clear view to the board that will support the CHRO when they are asked to answer questions in a rapidly evolving environment.

WHAT TO SAY

Our AI philosophy

We believe that AI and automation technologies should be leveraged responsibly, ethically, and equitably wherever possible to augment and empower our human employees, not replace them. Our AI and automation programs will be designed and implemented with the following principles in mind:

- 1. AI and employees will collaborate, not compete.** We will use AI to automate repetitive and mundane tasks, freeing up time for our employees to focus on higher-value activities like critical thinking and interacting with clients. We will also use AI to augment our employees' ability to solve complex problems.

- 2. We will foster a culture of curiosity and experimentation.** AI is developing rapidly, and we are learning as we go along. Our organization will remain open to new developments and experiment responsibly. We also encourage our employees to experiment while following our organization's guidelines.
- 3. Employee retraining will be prioritized.** AI will change the tasks that workers focus on, shifting the skills required for each job. Our employees remain the source of our advantage, and we are committed to retraining and upskilling them for the changes ahead.
- 4. We will pilot new AI tools and review their impact in detail before deploying them widely.** We will monitor both the benefits as well as unintended consequences of these tools closely. We will make iterative improvements to AI models based on feedback.
- 5. Humans will remain in control of and accountable for AI systems.** AI will make recommendations, but our employees will make the final decisions. Employees are responsible for their output, regardless of whether they use an AI tool—and they will be responsible for decisions that affect our employees, customers, and business.
- 6. AI use will be fair, unbiased, and equitable.** We will evaluate AI systems for bias and make adjustments to prevent discriminatory treatment before deployment. AI must be designed to make fair, unbiased, and equitable decisions and recommendations for all people.

Develop AI workplace policies and norms

In order to experiment safely, your organization will need a working policy along with a set of norms to inform how AI will be handled by employees. One good approach is to set up an AI council that meets regularly and sets and updates the policy. Once those guardrails are in place, you can enforce them in the same way you enforce any rule at your company.

Here's an example working policy:

DO

- ✓ Use AI as a co-pilot to augment your work.
- ✓ Find ways to experiment with non-proprietary information.
- ✓ Rigorously test AI systems before deployment and closely monitor impact and unintended consequences.
- ✓ Pilot new AI tools and make iterative improvements based on feedback.
- ✓ Keep humans in control of and accountable for AI systems.
- ✓ Disclose when you use AI to generate work product.
- ✓ Evaluate AI for unfair bias and make adjustments to prevent discrimination.
- ✓ Fact check outputs before sharing with internal or external parties.

DON'T

- ✗ Share personal or proprietary information.
- ✗ Use AI for public-facing documentation unless thoroughly vetted.
- ✗ Use AI in ways that increase cyber-security risks, such as by implementing AI-generated computer code without vetting it.
- ✗ Assume AI is unbiased or empathetic. Humans must be actively involved in developing, deploying and monitoring AI to address these limitations. AI does not match human judgment and emotional skills.

Communication plan

To ensure that the AI framework is known and practiced, HR leaders will need to establish a communication plan to stakeholders. Make all of the components of the AI framework—your philosophy, workplace policies, and norms—easily accessible. Be sure to include all documentation in your onboarding process so that new hires are up to speed.

- 1. Share the vision.** Explain why AI policies and norms matter for the long-term success of both employees and the business. Help others understand how policies will empower humans and create opportunities rather than constrain innovation. Communicate the benefits.
- 2. Address questions and concerns transparently.** HR leaders must be open to feedback over AI policies and plans. Explain policies, listen to concerns, and discuss how certain rules and limits aim to reduce risks and promote equity rather than slow progress. Be transparent about the risks as well as rewards of AI.
- 3. Share real examples.** Don't just summarize AI policies in a high-level document. Show examples of what policies mean through case studies, pilot results, or other situations employees will recognize. Make the content relatable and help teams develop an intuitive understanding.
- 4. Provide ongoing guidance and coaching.** Policies are not "set it and forget it." HR leaders need to consistently guide how policies are being interpreted and applied. Offer coaching to leaders and team members to address challenges or questions. Look for ways to strengthen policy practice and make adjustments based on feedback.
- 5. Monitor compliance and impact regularly.** Survey and report regularly on how well AI policies and governance standards are understood and being complied with. But also monitor for any unintended impacts or consequences of policies on innovation, productivity or employee experience. Be prepared to revisit and revise policies as needed to optimize their effectiveness.

FRAMEWORK 3

Mobilize your people to drive AI innovation

Alphabet CEO Sundar Pichai said that he thinks people tend to overthink the initial approach to adopting generative AI. “Literally this is about seeding your organization with four to five pilot ideas—challenging your organization from the top down and saying, ‘Where all can you apply generative AI,’ seeking ideas, and then getting a few pilot proposals underway.”

As we wrote in our [AI Mandate for HR briefing](#), the successful adoption of AI depends on workers’ embrace of AI tools. HR leaders are essential here, and they need to play a role in the creation and assignment of the organization’s pilot ideas.

For individuals

In a [recent BCG survey](#), an impressive 26% of people said that they use generative AI tools at least several times a week. Still, leaders should be asking themselves, “What about the other 74%?” says Julia Dhar, a managing director and partner at BCG.

Companies need to be explicit that they encourage their employees to experiment with these tools within the guidelines they’ve set—and they should create opportunities and incentives for their employees to do so.

This experimentation can be simple. Brandon Clark, global head of talent development at Adobe, recently told Charter that his team has been experimenting with generative AI to see if it can make them move faster. He gives the example of one of his direct reports using ChatGPT to develop an outline for an L&D course. “We’re obviously not going to use that,” he says, “but it is a good way to start and sort of augment.” And, he explains, it

shows how fast these tools can give you ideas. In the long term, Clark says he hopes generative AI will allow him to deliver personalized skills to someone “in the way they want to learn it.” He’s not waiting for that long-term goal to materialize—he and his team are experimenting to see how they can use these tools today.

CoderPad, a technical assessment platform, has taken a bottom-up approach to experimentation. Employees are using generative AI tools for a variety of tasks, from coding to writing. They also plan on using generative AI to create interview questions. “It hasn’t been a challenge to get people to try it,” says CoderPad CEO Amanda Richardson.

Empowering employees to experiment with generative AI tools will help businesses unlock potential use cases. Ethan Mollick, an associate professor of management at Wharton, argues that workers are the ones who best understand how to use AI to get their work done because they’re “experts at their own jobs.” Companies should encourage their employees to come forward with ideas for where this technology can be applied, and they should reward them for doing so.

HERE ARE SOME CREATIVE WAYS TO ENCOURAGE EMPLOYEES TO START EXPERIMENTING:

- **Host training sessions with your employees, teaching them the tips and tricks you’ve learned.** Encourage them to share what they’ve found.
- **Dedicate a day to AI learning.** [Thomson Reuters](#) just did this recently.
- **Carve out a full day for your employees to experiment with these tools and discover ways to use them in their jobs.** Stanford’s Erik Brynjolfsson recently [told the story](#) of an executive he spoke with who did exactly that.
- **Offer cash bonuses, promotions, or other rewards to employees who identify possible generative AI use cases for the company.** “With the potential productivity gains possible due to LLMs, these are small prices to pay for truly breakthrough innovation,” [writes Mollick](#).

For enterprise

Encouraging employees to experiment is step one. Step two is launching pilot use cases for your company.

Define your AI goal(s)

With their executive team and key stakeholders, HR leaders should determine what the organization is looking to accomplish with AI. Every pilot idea should have a business use case. Keeping these goals front and center will allow your teams to better determine when to start, stop, and or continue experimentation.

CASE STUDY

When EY conducted a strategic review of where it wanted to invest in building AI capabilities, it noticed something: “We found that we are probably one of the largest consumers in the world of business documents,” says EY’s [Dan Diasio](#). “We process...many, many, many pages of documents every year, and that's not the favorite part of everybody's job.” So over the past few years, the professional services company has built a series of tools to help, such as the EY Document Intelligence for Contract Review (DICR) tool. [Rodrigo Madanes](#), EY’s Global AI Leader, says one of the first use cases for the tool was to provide employees with assistance when reading commercial real estate leases. “Some of these leases could be like 50 or a hundred pages long, and they're complex to read,” says Madanes. When reading a document, an employee can define a key piece of information they want to know, such as a lease commencement date. Then the DICR’s sidebar will extract the most likely response. Employees can click through and confirm that the information is correct, with the DICR highlighting the associated place in the document for context. This allows employees to quickly glean insights from long documents without having to leaf through the entire thing for the information they need. “These are the more menial tasks,” says Madanes. “We want people to have an augmented experience and be more productive and more thoughtful about it.”

EXAMPLE GOALS

- Task automation
- Cost savings
- Time savings
- Better outcomes
- Faster time to knowledge
- Predictive analysis

Organize a task force

An AI task force can develop policies, strategy, and practices that benefit both employees and the business. As an HR leader, your goal is to assist in the mobilization of task force members across the organization.

1. **Recruit diverse members.** Include a mix of leaders and subject-matter experts. Generative AI technology is generally accessible to people who aren't technology experts, and this is a great opportunity to involve people who know the business but haven't traditionally been involved in the tech side of it.
2. **Establish leadership and governance.** Appoint a task force leader to guide workstreams and delegate responsibilities.
3. **Stay adaptable and keep learning.** Review policies and strategy based on feedback and changes in technology, risk levels, and workforce needs. Get continuous input and adjust as needed to have the most responsible, empowering, and ethical approach possible.

Determine focus areas

Support the task force in identifying four to five focus areas for experimentation. Determine what will satisfy the requirements of your established AI framework and a criteria for success.

Not sure what focus areas to look into? Here are some potential criteria for promising use cases:

- **Admin heavy**—A significant portion of the task involves managing administrative duties, including paperwork, documentation, scheduling, or record-keeping.
- **Time consuming**
- **Will amplify human expertise and knowledge**—High-level tasks that can be augmented by an AI copilot, such as a GPT tool you can query to assess trends and make projections for your business
- **Low risk**—The task carries minimal risk of negative consequences or adverse effects if the AI introduces errors

Some example use cases:

- EY is currently piloting a multilingual chatbot, capable of answering payroll questions. The company plans to launch the chatbot in the fall.
- Goldman Sachs has a proof-of-concept use case for AI to classify incoming documents, which it can do “at least as good as humans,” the bank’s CIO told the Wall Street Journal.
- Employees in KPMG’s Advisory and Tax practices have access to a GPT tool through Azure OpenAI Service, which they can use for research, writing documents, etc.
- Attorneys at employment law firm Fisher Phillips use CoCounsel, an AI tool by Casetext and powered by GPT-4, for more advanced tasks like legal research.
- AT&T is using an OpenAI-based tool called Ask AT&T that, among other things, helps employees find data stored in HR and support documents.
- Raiffeisen Bank International AG uses one of OpenAI’s large language models through Microsoft Azure to summarize articles for its risk managers. Based on those summaries, the managers can decide whether or not the article is relevant enough to read in full.

HR, specifically, is ripe to benefit from AI. We've outlined the most high-leverage HR focus areas in the table below. To be clear, these are not menial tasks, but these functions are filled with menial tasks that often prevent HR leaders and their teams from pursuing high-impact initiatives.

Function	Hiring	Employee Onboarding	Compliance, HR Ops, and Admin	HR Analytics and Data-driven Insights	Board
Tasks	<p>Automate resume screening</p> <p>Assess candidate qualifications and match with roles</p> <p>Provide a strong candidate experience</p> <p>Draft and improve job descriptions in seconds</p>	<p>Automate paperwork like contracts, offer letters, and other documents</p> <p>Schedule follow up and other activities</p> <p>Monitor and gauge engagement</p> <p>Provide engaging trainings with 'smart' quizzes</p>	<p>Provide virtual employee support like an HR benefits chatbot</p> <p>Monitor and audit hiring practices</p>	<p>Detect patterns and trends in surveys, applicant tracking systems, and performance reviews</p> <p>Prescribe data-driven actions</p> <p>Generate and automate standard HR reporting</p>	<p>Automate the design and tailor content for different board members based on their priorities and areas of expertise</p> <p>Review board meeting minutes, presentations, and discussions</p> <p>Improve presentation effectiveness</p>
Examples	<p>In SAP SuccessFactors, hiring managers and recruiters will be able to use AI to enhance job descriptions, starting in Q4 2023.</p>	<p>One telecom executive we spoke with has used ChatGPT to draft onboarding plans for new employees.</p>	<p>EY is piloting an AI assistant powered by Microsoft Cloud and Azure OpenAI Service to handle basic employee questions and payroll/HR tasks as a way to improve the employee experience, increase efficiency and drive wellbeing.</p>	<p><u>Oracle Fusion Cloud HCM</u> can summarize employee performance for regular reviews based on feedback, goals, and achievements gathered throughout the year from employees, peers, and managers.</p>	<p>One HR exec at a finance startup shared with us that they're using AI tools to help them create board presentations.</p>

Measure progress

You'll want to determine if your AI experimentation efforts are trending toward your goals.

EXAMPLE GOALS

- Regularly evaluate employee sentiment and experience working with AI tools.
- Track how AI tools and experiments impact employee productivity, work quality, and efficiency.
- Look for measurable time savings and process improvements. But also monitor for potential dips in productivity or quality as employees adjust to new tools.
- Carefully monitor AI systems for signs of unfair bias or errors.
- Track incidents involving incorrect AI recommendations or predictions and make adjustments to continue improving systems.

FRAMEWORK 4

Plan for the future

You've begun to lay the groundwork for your AI philosophy and policies, your team has at least started individual experimentation, and now what?

Talent planning will be your crucial next step. Most immediately, you'll need to consider the following:

- **Staffing and budgeting for 2024 and beyond.** Our high-level analysis is that it's premature for most organizations to make decisions about staffing changes based on generative AI. But corporate executives, boards, and investors are surely looking for HR leaders to have views on how this will evolve. Our subsequent briefing memos will dive into more detail on what we can say at this point about how the talent landscape will be impacted. One additional wrinkle is that the introduction of AI could change how you use outsourcing and contract workers.
- **Skilling.** What's your plan—and budget required—for training your organization on AI in 2024? What are the positions most vulnerable to automation in the near-term and are there higher-value activities you can train and orient those workers toward? How can you shift toward skills-based hiring, transfers, and promotions?
- **Performance management.** AI skills and aptitude will soon need to be a consideration in performance assessment for both current and future employees. For current employees this means getting clear on which AI skills and knowledge are most important at your organization (eg the ability to use certain tools or applications in their work), making those skills and knowledge targets of your skilling efforts, and determining what success will look like. When looking for talent this will mean updating jobs to attract candidates who are AI proficient as well as having meaningful criteria to assess their effectiveness and performance over time.

Conclusion and next steps

Proactivity and preparation will set the stage for success.

The steps that you and your organization take today will be the building blocks for an AI-adept workplace. Those steps should be thoughtful, experimental, collaborative, and grounded in values and policy that uplift employees, don't cause harm, and seek to create a better future of work.

AI should enhance what people can achieve and HR leaders must be at the forefront of that change. With vision and oversight, organizations can start unlocking the potential benefits of AI through discovery, partnership between humans and technology, and strategies that empower and inspire workers.

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Human work in the age of AI is a central focus of Charter's research and support for our members. Please contact us at pro@charterworks.com for information on how to sign up.

We are releasing further detailed strategy briefings for people leaders around AI and work in the coming weeks. [Sign up here](#) to be notified when they're available.



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Our Charter Pro membership is a secret power for people leaders, giving them essential tools, insights, and expertise to steer business strategy.

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