AI for Measurable Outcomes

Embracing AI with Confidence

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A business of Marsh McLennan

Today's Speakers

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This is a journey

So, what did you miss in our last session?

Session 1

From Ideation to Investment to Impact

Session 2

Building an AI-Ready HR Technology Foundation

Session 3

Digital HR Strategy, Amped by AI

Session 4

Deploying AI for Measurable Outcomes

Session 5

HR Operating System, Powered by AI

Session 6

AI & the Skills-Powered Organisation

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Why AI, if you can't see the value?

Learn the essential steps and best practices for successfully deploying AI solutions within your organization. This session will cover key considerations, potential challenges, and strategies to ensure a smooth implementation that aligns with business goals.

Embracing AI with Confidence

3 in 4 executives predict high revenue growth (10% or more) setting high expectations for 2025, which raises C-1 level concerns about their capability to execute.

But…
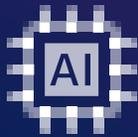
AI **failing to realize technology's potential** is a top-three risk to growth.

3 in 4 executives say GenAI's impact makes long-term talent planning more difficult.

83% prioritize retaining current talent over attracting new talent, the mantra being *invest in what you have.*

Top 10 HR priorities
Europe and UK (out of 22 items)

1. Improving people managers' skills
2. Designing talent processes around skills
3. Enhancing the EX / EVP to attract and retain top talent
4. Improving HR/People analytics capabilities
5. Rolling out new HR technology or optimizing existing platforms
6. Improving workforce planning to inform buy/build/borrow strategies
7. Delivering on DEI goals, including pay transparency and pay equity
8. Redesigning work to incorporate AI and automation
9. Optimizing the operating / service delivery model of the HR function
10. Enhancing or modernizing pay practices

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Exponential business value over time
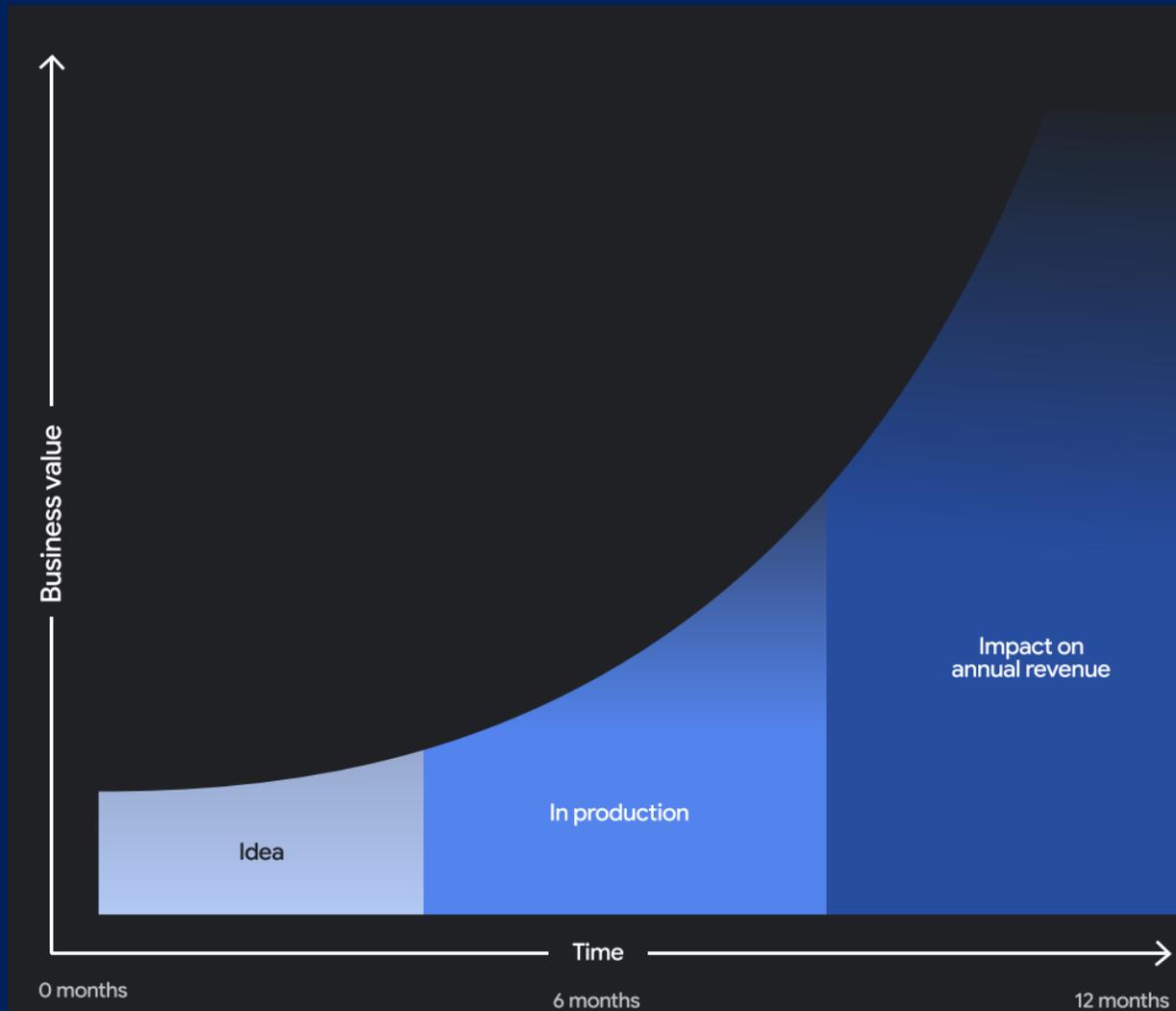
<6 months: 84% of organizations transform a gen AI use case idea into production in less than six months

Today: 74% of organizations report seeing ROI from gen AI

12+ months: 87% of organizations with gen AI in production for more than one year and reporting revenue growth estimate a 6% or more increase in revenue

Key takeaway

The accelerated time-to-value for gen AI projects presents a significant opportunity. Select high-impact use cases based on your organization's unique needs to achieve the greatest impact.

Google Cloud   14

Source: Google Cloud ROI of Gen AI
October 2024

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The business benefits of GenAI, bigger than HR

To understand the most common outcomes experienced as a direct result of GenAI, our MMC survey asked about a multitude of business benefits. These benefits are used to measure the health of technology transformation initiatives and serve as leading indicators of financial performance.

Four key benefits emerged from the global data set as having the greatest overall gains attributed to GenAI:

Productivity	Growth	Experience	Security
45%	**63%**	**85%**	**56%**
of organisations that report improved productivity indicate employee productivity has at least doubled as a result of GenAI	of organisations have experienced business growth as a result of GenAI solutions	of organisation that report an improved user experience have seen increased engagement, and 80% report improved satisfaction due to GenAI	of organisation that report improvements to their security posture, 82% report improved ability to identify threats & 71% see reduction in time to resolution

Source: Oliver Wyman Gen AI Report

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The tech will only get you so far

How do we move to transformational business impact?

Mindset

- **Perpetual Beta**: "Always a work in progress"
- **Outcome-Centric:** "Begin with the end in mind"
- **Adaptive Collaboration**: "Blend and transcend"

Culture

- **Work-Life Balance**
- **Continuous Learning Culture**
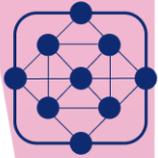- **Leadership Ambassadors**

Unlearning

- From Search-and-Sift to **Conversational Querying**
- From Solo Ideation to **AI-Assisted Conceptualisation**

We must change from *doing* technology projects to
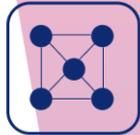
being digital

Meeting people where they are

Depending on your business maturity, will drive your AI adoption strategy

Pioneering
- Leads industry innovation
- Generates sustained competitive advantage
- Shapes industry standards, wins accolades

Strategic
- Drives competitive advantage and differentiation with AI
- Integrates AI into decision-making processes

Systemic
- Integrates AI into core processes and workflows
- Manages AI with systematic defined goals and clear success metrics

Experimental
- Actively pilots tools, technologies, or systems for quick wins
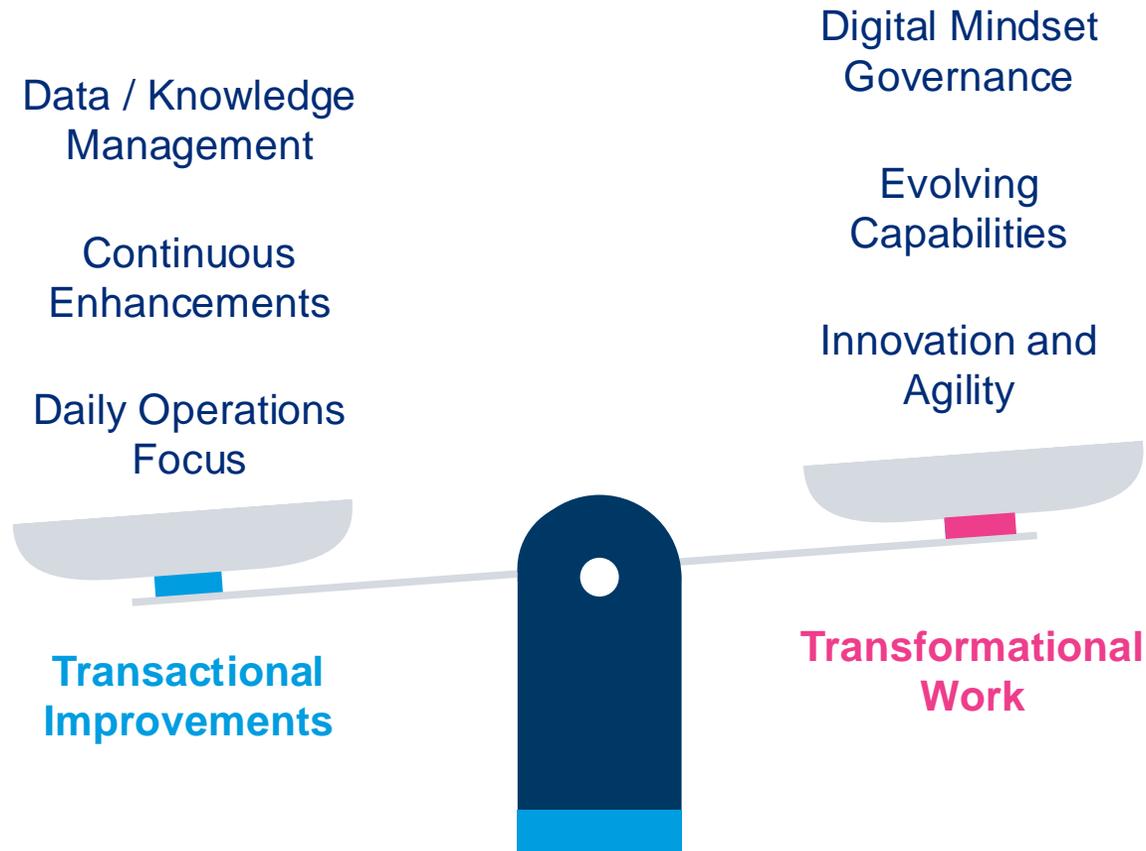- Aligns AI use with specific objectives but not key workflows

Ad hoc
- Experiments with a few isolated AI projects
- Lacks objectives and business cases
- Uses AI at the individual contributor level
- Operates without sufficient guidelines, guardrails & governance for scale
- Incurs higher risks

Successful AI deployment requires adherence to best practices, including stakeholder engagement, clear communication, and iterative testing.

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Alignment with Business Goals

Data / Knowledge Management

Continuous Enhancements

Daily Operations Focus

Digital Mindset Governance

Evolving Capabilities

Innovation and Agility

Transactional Improvements

Transformational Work

AI initiatives should be closely aligned with overall business objectives to ensure they deliver measurable outcomes and drive value.

Balancing Daily Operations with Innovation

Changing change

Change isn't the enemy; change is the STRATEGY!

Changefulness

The organization's ability to be "fluid"

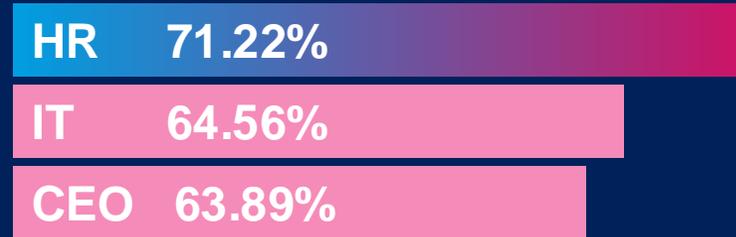**Change management**

A process for making changes "stick"

Organisations must be prepared to face potential challenges during AI implementation, such as resistance to change and integration issues, and develop strategies to mitigate these risks.
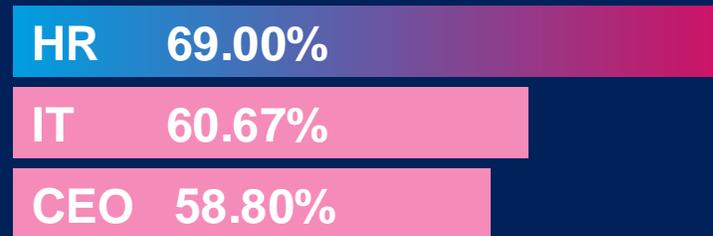
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HR has more influence over employees trying AI at work than any other executive, including IT and the CEO.
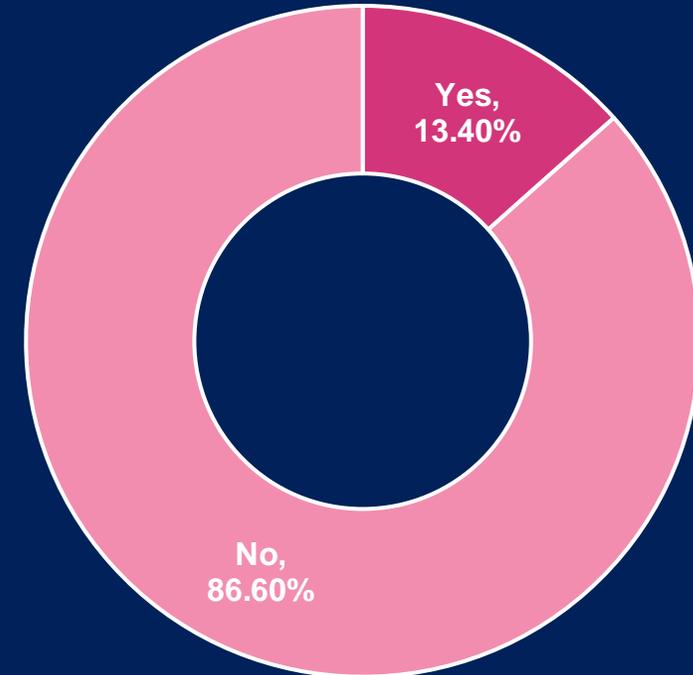
The problem is, HR isn't talking enough about AI at work.

Have tried AI to help with work

Talked to employees about AI's impact on their role

HR	71.22%
IT	64.56%
CEO	63.89%

Talked to employees about AI's impact on the business

HR	69.00%
IT	60.67%
CEO	58.80%

Yes, 13.40%

No, 86.60%

My HR leader(s) have spoken to me about the impacts of AI on my job or role

In organisations where no one is talking about AI, only 10% of employees have tried AI to help with their job.

Let's look at some actual metrics to consider

A bit more tactical

Recruitment and Talent Acquisition

✓ **Time-to-Hire Reduction:** Measure the decrease in time taken to fill positions using AI tools like resume screening and chatbots.

✓ **Cost-per-Hire:** Assess cost savings from automation in recruitment processes.

✓ **Quality of Hires:** Track improvements in employee performance or retention

Employee Engagement and Retention

✓ **Attrition Rate Reduction:** Measure decreases in employee turnover through AI-driven retention strategies

✓ **Employee Sentiment Analysis:** Use AI to gauge engagement levels, linking improvements to reduced turnover costs.

Learning and Development (L&D)

✓ **Training Cost Savings:** Track reductions in expenses from personalized AI-driven training

✓ **Productivity Gains:** Measure improvements in employee output post-training.

Administrative Efficiency

✓ **Task Automation Savings:** Quantify time and cost saved by automating payroll, compliance, and other HR tasks

✓ **Error Reduction:** Measure the decrease in compliance penalties or administrative errors.

Innovation and Productivity

✓ **Efficiency Gains:** Assess time saved by employees due to task automation, allowing focus on strategic work.

✓ **AI Adoption Rate:** Measure how widely GenAI tools are used across HR functions.

Financial Metrics

✓ **Cost-Benefit Ratio:** Compare implementation costs to financial returns (e.g., $1 invested yielding $3.50 in returns).

✓ **Revenue Uplift:** Track additional revenue generated from improved workforce productivity

Let's look at some actual metrics to consider

Think more transformational

Workforce Agility and Strategic Alignment

✓ **Workforce Capability Index:** Measure how effectively GenAI identifies and develops future-ready skills aligned with business goals. For example, track the percentage of employees reskilled for emerging roles or strategic initiatives.

✓ **Strategic Talent Alignment:** Assess how well GenAI helps align workforce planning with long-term business objectives, such as identifying high-potential employees for leadership pipelines or critical projects.

✓ **Organizational Agility Score:** Evaluate how quickly the organization can adapt to changes (e.g., market shifts or new technologies) by leveraging AI-driven insights into workforce readiness.

Employee Experience Transformation

✓ **Personalization Impact Index:** Measure the extent to which GenAI enhances personalized experiences in recruitment, onboarding, learning, and career development, leading to higher employee satisfaction and loyalty.

✓ **Employee Lifetime Value (ELTV):** Quantify the long-term value an employee contributes to the organization, factoring in how AI-driven engagement and development programs increase retention and productivity over time.

✓ **Culture Alignment Metrics:** Assess how well GenAI fosters a culture of innovation, inclusion, and collaboration by analyzing sentiment data and employee feedback trends.

Let's look at some actual metrics to consider

Think more transformational

Leadership and Decision-Making Evolution

✓ **Data-Driven Decision Adoption Rate:** Measure the percentage of HR decisions influenced by AI-generated insights at a strategic level (e.g., workforce planning, diversity initiatives).

✓ **Leadership Development ROI:** Track improvements in leadership pipeline effectiveness as a result of AI-powered identification of high-potential talent and tailored development programs.

✓ **Predictive Accuracy of Workforce Trends:** Evaluate how accurately GenAI predicts key trends like attrition risks, skill gaps, or workforce engagement levels, enabling proactive decision-making.

Innovation Enablement

✓ **Innovation Capacity Index:** Assess how much time and resources are freed up by GenAI automation to focus on strategic innovation initiatives within HR and beyond.

✓ **HR Transformation Progression:** Measure the maturity of HR's transformation journey using AI tools (e.g., from reactive processes to predictive and prescriptive strategies).

✓ **Cross-Functional Collaboration Impact:** Track improvements in collaboration between HR and other departments (e.g., finance, operations) driven by AI-powered insights that break down silos.

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Let's look at some actual metrics to consider

Think more transformational

Organizational Resilience

✓ **Crisis Response Effectiveness:** Evaluate how well GenAI supports HR in responding to crises (e.g., economic downturns or pandemics) by enabling rapid scenario planning and workforce adjustments.

✓ **Future Workforce Readiness:** Measure the percentage of employees prepared for future roles or industries based on AI-driven upskilling initiatives.

✓ **Sustainability Metrics in Workforce Management:** Assess how AI helps optimize workforce sustainability (e.g., balancing workloads or reducing burnout).

Long-Term Financial Impact

✓ **Human Capital ROI (HCROI):** Calculate the return on investment for every dollar spent on human capital initiatives enhanced by GenAI (e.g., smarter hiring decisions or better retention strategies).

✓ **Cost Avoidance from Proactive Interventions:** Quantify savings from avoiding costly issues like mass attrition or compliance penalties through predictive analytics.

✓ **Revenue Growth Attribution to Talent Strategy:** Link revenue growth directly to improved talent strategies enabled by GenAI (e.g., faster innovation cycles due to better talent alignment).

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Three Actions to Take

Let's get started and let's plan for the future

NOW
Next 1-2 weeks

Define Maturity

Align on measures of success with overall digital HR strategy. Capture what you do today, and establish consistency.
Set up for ongoing monitoring,, and not just the tech – think **Mindset, Skillset**, and **Toolset.**

NEAR
Quickly following Maturity Assessment

Align to Business

Understanding the types of use cases (Expedite, Elevate, Evolve) and how those align with the business goals and expectations. Ensure you match business maturity with viability, feasibility, and desirability.

NEXT
This requires a double click on Mindset

Build Scale

We all are tech people, so if feels a bit hard to grasp, but Mindset is the most important success metric and will drive sustainable ROI. Measuring your cultures perception and reception to AI and emerging technology is key.

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The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.

Alvin Toffler, Author of Future Shock

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Have your say:
HR Tech Confidence Check

Take the survey to see what we've learned —
and uncover your own HR tech ROI story.

**SCAN TO
TAKE THE
SURVEY**

96%
YoY increase in plans to invest
in HR service delivery
technology

63%
Of HR teams plan to invest or
increase investment in Gen AI

Only 1 in 3
Say HR tech is effective or
very effective at improving
productivity and efficiency

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The channels to keep you up to speed

HR Technology Forum

AI-volution: Redefining HR podcast

Now of Work Digital Meetup
Weekly, Every Friday at 7 PM ET

Generative AI Forum

New Shape of Work podcast

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