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The CHRO's Guide to Evolving AI

Get tips from HR leaders for HR leaders to help you advance
the adoption of artificial intelligence within your organization



Imagine leading an HR team that redefines how work gets done and creates an environment where employees thrive and push the business forward—a workplace where your people have time to focus on more impactful work, where it's easier for them to learn critical skills, and where their overall experience is better. It's possible with artificial intelligence. Advances in AI can help give you the opportunity to deliver a new level of value to your workforce and the business as a CHRO.

Whether you're just starting your AI adoption journey or are well on your way, this guide is for you. We start by quickly explaining the different types of artificial intelligence, and, specifically, what each one can do, to help you confidently discuss AI with your colleagues in the C-suite and IT. Then, we cover how AI can help HR and share some of our customers' successes. And while we've designed this guide so each chapter builds on the next, you might choose to skip ahead to the assessment to discover what stage of AI adoption you're at and learn about the tangible steps you can take to advance your organization further. It's up to you.

As you forge ahead, we recommend keeping this guide nearby so you can reference the tools, strategies, and questions outlined by our experts, a group of former CHROs and HR operators, to help you build an adaptable, future-ready workforce.

Where do you want to begin?

Jump to chapter

- [AI overview](#) explains what the different kinds of artificial intelligence can do.
- [AI's impact on HR](#) highlights the top ways it can help you make a difference for the business.
- [Considerations](#) covers important questions you need to answer and areas you need to address to set yourself up for successful AI adoption.
- [AI readiness assessment for CHROs](#) helps you determine what stage you're at in your AI journey.
- [CHRO AI adoption model guide](#) provides specific guidance based on your stage to help you advance your AI strategy. There are six stages.
- [Excelling with AI checklist](#) lets you quickly reference key ideas to keep in mind.
- [How Oracle can help](#) outlines the next steps you can take.



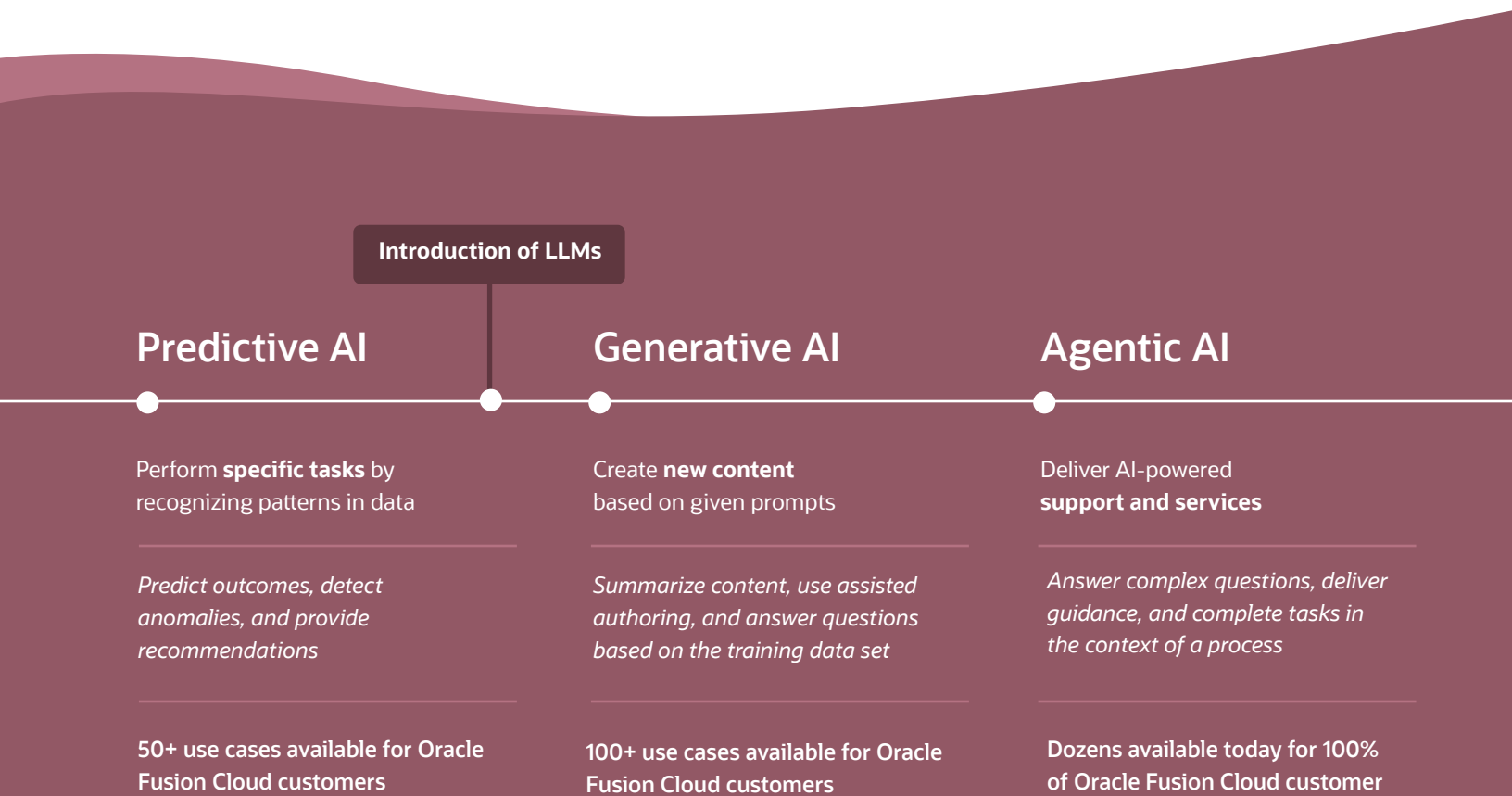
AI overview

You probably hear the term artificial intelligence a lot in reference to the ability to train computers to think and act like humans. But, often, people use AI as a blanket phrase when they're really talking about a specific type.

Predictive AI, sometimes called traditional or classic AI, identifies patterns. This ability lets it predict what's likely to happen next and spot anomalies in data that fall outside an expected range.

The introduction of large language models (LLMs) has allowed AI to become even more humanlike, with the ability to understand natural language. LLMs also opened the door for generative AI capabilities. GenAI can help summarize and create new content, such as text, videos, images, and audio, based on its training data set.

Agentic AI is the most advanced implementation of artificial intelligence yet. It can offer support by answering complex questions or automating end-to-end processes that require one or more AI agents to work together to find an answer, suggest guidance, and complete multistep tasks. AI agents can also act autonomously, making decisions and taking actions to help you achieve a goal, such as automating an HR workflow.



For example, your team could create a performance management agent using [Oracle AI Agent Studio for Fusion Applications](#) that would provide a constant flow of feedback, coaching, and development advice to help employees and managers. This agent would manage a complex workflow and dispatch other agents to get your workforce the help and insights they need without asking. The performance management agent could tell the Performance and Goals Assistant, one of the AI agents embedded in Oracle Fusion Cloud HCM, to help employees set new goals each fiscal year, automatically share progress updates with managers, give employees advice, and help reprioritize goals quarterly.

Another agent could schedule one-on-one meetings to talk about performance, put together the agenda, include a recap of past conversations, and suggest next steps. You might add an agent that can share noteworthy feedback about an employee with their manager automatically by detecting praise shared in an email or a milestone reached in a project management app. It could also draft a recognition note for the manager to review and send to their direct report.

This base-level knowledge will help you identify what kind of AI can help you accomplish a specific goal or solve a certain problem within your department or organization. Also, it can boost your comfort level when having conversations with others on the topic.



AI's impact on HR

Businesses are making a real impact with AI, and it can help HR leaders like you reimagine strategies and what's possible for your teams and the greater workforce. Here are five ways artificial intelligence is helping reshape work.

1. It helps improve processes and productivity

Organizations expect their employees to do more and more with less—but you know that's only realistic if you offer them the necessary support. Many are turning to AI to automate repetitive tasks and help surface keen insights that help people leaders make decisions, helping improve HR processes overall and helping the workforce accomplish tasks faster and more effectively.

For example, Jennifer Palmieri, chief people officer at Westfield Insurance, said, “AI is revolutionizing how we approach work, transforming not only the efficiency of our operations, but also how we develop critical skills strategies that drive organizational success.” By combining its skills, workforce, and operational data and using embedded AI in Oracle Dynamic Skills to help identify skills gaps, Westfield Insurance can nurture employees and prepare them for the future.

2. It helps enhance the employee experience

Giving your people back valuable time by assisting with cumbersome tasks helps improve the employee experience. The AI in Oracle ME helped a leading media and communications company reduce help desk calls by more than 40%. When employees spend less time searching for the answers they need, they can spend more time on higher-value tasks and making a difference in their role.

In the same way, AI can also help improve your team's experience. Oracle customers have gained a 15% increase in HR staff productivity with our AI-powered complete HCM solution, which connects every process from hire to retire using a single user experience and data model for seamless processes. Recruiters especially benefit. One company reduced the time to hire by 50% by using AI-driven candidate recommendations, digital assistants, and native candidate relationship management tools and by automating recruiting tasks. Every kind of AI is valuable in helping improve the employee experience.

3. It helps improve business outcomes

AI can help organizations answer key questions that drive better business outcomes. For instance, Dan Kosinski, director of talent acquisition at Equity Residential, an S&P 500 real estate investment trust (REIT), explained, “We needed to give our business leaders the data to efficiently answer important talent questions. Are we finding the right kind of talent? Are we paying the right amount? AI is helping us answer these questions, explore our employee data, and make better workforce decisions.”

HR’s people data is crucial to your organization’s success—especially in this rare moment in history when AI is rapidly changing how people work across all roles and industries. As a CHRO, you can use your people data, experience, and AI-surfaced insights to guide your colleagues and further your position as a trusted, knowledgeable leader and change agent to redefine work.

4. It helps redefine what’s possible

Agentic AI powered by AI agents, a digital workforce of single and multiagent assistants, further pushes the bounds of what artificial intelligence can help HR achieve. These AI agents can work alone or in tandem to perform tasks day or night and deliver personalized guidance to help employees move faster and accomplish more. In a sense, everyone in your organization could have their own support team.

Take career development, an area where many employees struggle to figure out what paths are available to them within an organization and what skills will help them accomplish their goals. Oracle’s Internal Mobility Assistant AI agent can reference someone’s skills and career history to help them find advancement opportunities and identify the skills required to move into new roles.



Another Oracle AI agent, the Career Planning Guide, can then take this information and use the recommended career paths created by predictive AI to help individuals define their own goals and develop a roadmap to achieve them. Plus, the Career Planning Guide can offer advice on skill development and career progression over time—all with some input from the employee, of course, but little to no work required of HR.

In addition to helping out as a career coach, AI agents can complete many supportive tasks, such as assisting employees and managers with performance reviews and goal setting, giving hiring managers advice to help them make decisions, helping employees get the most out of company perks and benefits, gathering data to assist HR in making decisions about compensation, scheduling meetings and interviews, and much more. Agentic AI can plan a way to complete a specific task, delegate pieces to the right agents, and gather information to help an employee make an informed decision, much like a trusted colleague.

If everyone in your workforce had this kind of help available 24/7, what could your organization achieve?



Considerations

To evolve your HR team's and organization's AI strategy and successfully drive adoption, you should consider thinking through some key considerations. These fall into three categories: governance, functional collaboration, and the AI skills HR needs.

Governance

Organizations need a governance framework and should rely on their legal department for specific guidance. However, consider some of the possibilities.

- ☒ **Structure:** There's no one-size-fits-all approach to governance, and what may work for one company in one industry may not be sufficient for another company in different circumstances. One possibility may be a steering committee with oversight responsibilities. But there are many possibilities to this approach, from the composition to the scope of authority, that each organization must evaluate based on its own situation.
- ☒ **Performance monitoring:** Implementing a process to monitor AI performance using real-time analytics or other tools can help identify issues early. For example, if metrics are agreed upon and benchmarks are set, a team could be engaged to look for drift over time.
- ☒ **Data management:** Every company today understands that data quality is relevant to AI performance. Having a dedicated team with responsibility for setting and executing the data strategy, including as it evolves over time and in different circumstances, is therefore important.

Functional collaboration

Cooperation between HR and IT is crucial for AI success. Here are some key points to discuss with your IT counterparts.

- ☒ Where does HR data reside, and what integrations may be required to process the data effectively for AI purposes?
- ☒ Will data cleansing be needed, and what initiatives may HR need to lead to address any gaps or low quality in our people data?
- ☒ How mature is our use of AI internally, and how expert is our IT function—for example, are we managing our own hosted AI models?
- ☒ How can HR get more involved in reviewing or testing employee-facing AI features?

- ☒ When using AI within HR, are there any operating principles or guidelines we may need to adhere to?
- ☒ How can we work more closely together as the HR function becomes more digitally minded?

AI skills for HR

HR professionals should consider developing new skills to help organizations adopt AI effectively. Think about how you'll foster growth in these areas so your team can help shape new business processes and effectively manage ongoing change.

AI literacy

- ☒ Understand the basics of AI, such as machine learning, generative AI, and agentic AI.
- ☒ Know how AI can be applied throughout HR—for example, in hiring and performance assessments—and how to use AI tools in predictive analytics and workforce planning.
- ☒ Get hands-on experience with basic prompt engineering and testing models for reliability within HR.

Ethics and compliance

- ☒ Keep current on emerging AI-related laws and regulations to protect the organization and stay compliant.
- ☒ Maintain knowledge of data privacy regulations and how they may apply to AI capabilities and develop internal guidelines to help support AI-informed decision-making is applied fairly.

Leading AI-enabled change

- ☒ Understand stakeholders' needs and fears and manage the transition to AI-driven HR processes.
- ☒ Focus on promoting the benefits of engagement, training, and productivity for employees and managers.
- ☒ Take an employee-centric approach to adopting AI features and implement key feedback mechanisms to keep HR's finger on the organization's pulse.

AI readiness assessment for CHROs

AI in all its forms can help dramatically reshape how we work, challenging CHROs to reimagine what individuals and organizations can achieve with its help. However, as with anything else, consistency, improvement, and innovation are crucial to success. If you haven't started using AI within HR, now is the time to start exploring and get comfortable with it. If you have, keep moving forward.

Let's discover how far along you are on your AI adoption journey.

Each time you answer "yes" to a question, you get a point.

1. Is AI fundamentally transforming how your HR organization operates and delivers value?
2. Is your HR organization continuously improving AI implementations and measuring the value created?
3. Is your organization systematically deploying AI solutions across multiple HR functions?
4. Has your organization established standard processes for AI implementation and governance in HR?
5. Is your organization currently experimenting with AI through controlled pilots and proofs of concept in HR?

Assessment

Click on the number of points you got to jump to tips to help you evolve your AI adoption journey.

0

Welcome to the world of AI. Today marks the beginning of your journey into understanding and adopting AI in HR. Embrace the opportunities ahead.



1

You're experimenting with AI. You're in the initial stages of exploring AI's possibilities in HR, laying the foundation for future advancements.



2

You're standardizing HR with AI. You've established a standardized approach to deploying and using AI within HR.



3

You're deploying AI in HR. You're systematically scaling AI solutions across HR functions and driving tangible improvements.



4

You're improving HR with AI. You have advanced knowledge of AI's potential in HR and are continuously enhancing your capabilities.



5

You're transforming HR with AI. Congratulations! Your organization is at the forefront of AI innovation in HR, leading the way on a global scale.





Welcome to the world of AI

Today marks the beginning of your journey toward understanding and adopting AI in HR. Embrace the opportunities ahead!



Things you can start doing now

- Investigate and analyze how other organizations are implementing and benefiting from AI in HR.
- Assess your organization's existing technology infrastructure and data management processes to identify areas for improvement.
- Collaborate with your IT department to explore potential AI solutions and their feasibility within your organization.
- Find and partner with experts and consultants to help formulate a comprehensive AI strategy for your organization.
- Organize and facilitate focus groups with HR team members to gauge their interest and gather insights on potential AI applications.
- Develop and implement a structured change management plan to facilitate the smooth adoption and integration of new AI technologies.



Personnel suggestions

- Create an HR AI liaison to begin coordinating with IT.
- Identify HR team members to become AI subject matter experts.



Key performance indicator

- Successful rollout of initial AI training

1 You're experimenting with AI

You're in the initial stages of exploring AI's possibilities in HR and exploring it with controlled proofs and proofs of concept, laying the foundation for future advancements.



Things you can start doing now

- Initiate controlled AI experiments in low-risk areas to test and validate potential solutions.
- Develop foundational knowledge of both classic and generative AI to understand their potential applications, benefits, and risks.
- Create an approach to manage the development or deployment of AI.
- Explore and document potential or actual AI use cases across various HR functions identify opportunities for improvement and innovation.



Personnel suggestions

- Identify a core HR team with basic AI knowledge.
- Engage an AI executive sponsor.
- Identify key AI business stakeholders.



Key performance indicator

- Successful AI pilot completion rate (number of completed pilots / total pilots initiated)

2 You're standardizing HR with AI

You've established a standardized approach to deploying and using AI within HR.



Things you can start doing now

- Create standardized documentation for identifying and evaluating AI initiatives.
- Develop a process to approve AI initiatives with consistency and transparent decision-making.
- Develop and implement standardized templates for AI-related business cases and risk assessments to streamline and formalize these processes.
- Develop and deliver foundational training programs for HR practitioners to build their understanding of and competence in AI technologies.



Personnel suggestions

- Create a team to establish accountability and make decisions related to AI.



Key performance indicator

- Process standardization rate (number of AI initiatives following a standard process / total AI initiatives)

3 You're deploying AI with HR

You're systematically scaling AI solutions across HR functions and driving tangible improvements.



Things you can start doing now

- Create comprehensive documentation for each AI use case currently in production, detailing their implementation and impact.
- Seamlessly embed AI solutions into fundamental HR processes to help enhance efficiency and effectiveness.
- Form dedicated AI think tanks within existing programs to drive continuous innovation and strategic AI initiatives.
- Implement a structured approach for consistently measuring and analyzing the impact of AI on HR outcomes.
- Focus on creating an AI innovation culture.



Personnel suggestions

- Create an internal AI champions network.
- Form an AI review/monitoring function.



Key performance indicator

- Active user adoption rate (number of active users of AI features / total eligible users)

4 You're improving HR with AI

You have advanced knowledge of AI's potential in HR and are continuously enhancing your capabilities while measuring value creation.



Things you can start doing now

- Conduct in-depth analysis to understand AI's current usage and its impact on HR outcomes.
- Regularly refine and enhance AI models to help improve their performance and accuracy.
- Facilitate seamless integration between various AI solutions to enable cohesive and efficient HR processes.
- Empower HR teams by implementing self-service AI tools that help enhance productivity and decision-making.
- Establish an AI innovation culture.
- Establish metrics and continuously assess the tangible business outcomes generated by AI-driven HR initiatives.



Personnel suggestions

- Identify more stakeholders to engage in and expand the scope of the AI-driven HR initiatives.



Key performance indicator

- Value realization rate (actual benefits achieved / projected benefits in the business case)

5 You're transforming HR with AI

Congratulations! Your organization is at the forefront of AI innovation in HR, leading the way on a global scale.



Things you can start doing now

- Continue to prioritize the integration of AI in the initial stages of HR process development to help enhance efficiency and innovation.
- Focus on implementing AI solutions that enable predictive and prescriptive analytics to help drive informed decision-making in HR.
- Actively seek out and explore new AI technologies and applications to help maintain a competitive edge.
- Create more training and enablement opportunities for HR professionals to continue to learn how to design, implement, and manage AI solutions effectively.



Personnel suggestions

- Consider having HR AI solution architects.



Key performance indicator

- Business impact index (composite score of employee engagement + process efficiency + decision quality)

Excelling with AI checklist

Use this list to help keep you grounded throughout your AI adoption journey.

- ☒ **Communicate the value and impact of HR improvements.** Clearly articulate the benefits to employees and colleagues in leadership to secure their buy-in.
- ☒ **Collaborate with IT, business operations, and others.** Agree on roles and responsibilities and define the tasks to be completed and the skills required.
- ☒ **Embark on AI upskilling.** Know which HR roles will be impacted and what new skills and knowledge will be required to set team members up for success with AI.
- ☒ **Avoid overcommitting.** Introduce processes and tools gradually using a phased approach to check whether the organization is ready for each step.
- ☒ **Understand your data.** Establish a data strategy to know the data you have and how it may be used with your AI initiatives.
- ☒ **Optimize processes before scaling.** Adjust and refine HR processes before expanding AI initiatives organizationwide.
- ☒ **Establish KPIs and schedule check-ins.** Define clear key performance indicators for each AI initiative and regularly assess progress to identify roadblocks and adjust as needed.
- ☒ **Celebrate successes.** Recognize and celebrate achievements both within HR and throughout the business to maintain momentum and motivate HR colleagues.

AI is exciting. Your colleagues in the C-suite, and even you, might have lofty ideas for how to improve business processes and the way employees work. Those big ideas are important. However, it's crucial to start small—and start now if you haven't.

Successfully evolving your organization's AI strategy doesn't mean you start using AI everywhere. It means you adopt AI thoughtfully, solve your biggest challenges first, and optimize one area before moving on to the next. You're more likely to make meaningful progress using a targeted, phased approach.

Stay focused, keep moving forward, and keep this guide handy to help.

How Oracle can help

Getting started with artificial intelligence can feel overwhelming and so can figuring out what to do next once you've taken that first step. However, you don't have to navigate the journey alone.

Explore [Oracle AI for Human Capital Management](#) to learn more about how Oracle can help you unlock the full potential of AI and position your organization for success in the evolving world of work.

You can also request a live demo to see our AI in action or join our GenAI Innovator Program to work with us throughout your generative AI adoption journey.

Request a demo

Join the program

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