



HR's Guide to How the Workforce is Responding to Generative AI Challenges and Opportunities

Introduction

The intense pace of activity around generative AI has generated excitement, experimentation, and innovation as well as fear and uncertainty among employees and organizations.

Betterworks recently commissioned a study of over 1,000 employees representing more than 20 industries in the United States to better understand AI usage and sentiments. Our goal was to explore how employees really feel about the opportunities — and risks — of generative AI technology in the workplace. What excites them? What worries them? Are they already using it? And if so, to do what? We wanted a snapshot of how C-suites across the country are thinking about and responding to the introduction of generative AI.



The findings reveal four significant points:

- 1. Organizations need to act with urgency to enable employees to use GenAI in a structured and safe way.** Employees see a lot of benefits from AI and are already using it to be efficient, whether company-sanctioned or not.
- 2. Employees believe that AI can improve DEI.** While there are uncertainties about bias in AI, a majority of employees think AI has the potential to remove bias from HR processes such as performance reviews, calibration, and compensation. And many feel it will generate greater inclusiveness for underrepresented employee groups.
- 3. AI + HI (human intelligence) is the right solution for removing bias while incorporating human judgment in performance reviews:** 75% of employees would say “yes” to this combination.
- 4. Employees want more communications from HR around AI,** the organization’s use of it, and how it may impact employees’ jobs.

This report explains the major themes arising from the findings. We hope it will provide HR leaders with a baseline for understanding their employees’ knowledge of and feelings about GenAI tools, and equip them with insight to help their leadership teams develop appropriate strategies, policies, and plans that support greater organizational efficiency while prioritizing both job security and organizational security.



Employees Are Using GenAI at Work Regardless of Their Company's Position on It

At 41% of companies, leadership has made the evaluation and use of generative AI in HR processes a top priority; yet, at half of companies, there is either no action or the use of AI is prohibited.

Is your company evaluating the use of generative AI for human resources processes?

41%

Top priority and action among leadership to evaluate GenAI in HR processes

21%

Leadership is interested and asking questions, but no internal use

20%

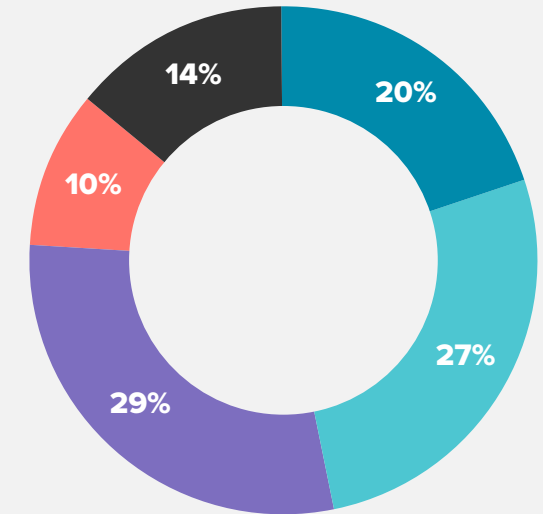
Nothing more than hallway chatter

8%

Leadership does not want employees to use open-source AI technologies

Which most resembles the sentiment around AI at your company?

(Among companies that prohibit the use of GenAI at work or who are not considering its use.)



● The risks outweighs the benefits

● It's too time consuming to learn something new and implement it

● Don't know enough about AI to implement or encourage its use

● I'm not sure

● We don't believe it will help with the business

However, more than half of employees (54%) are using GenAI at work regardless of whether their companies have a usage policy or even allow it. Among HR professionals, 66% use GenAI to accomplish their work.

The top ways employees are leveraging GenAI are for strategic work, idea generation/brainstorming, simple writing (such as emails and summaries), and technical work.

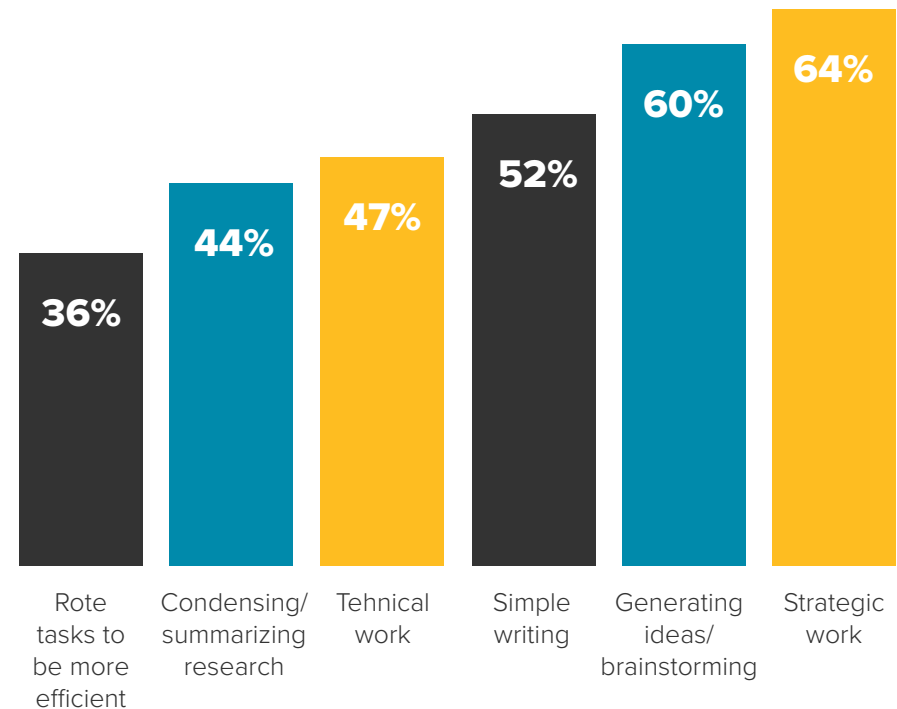
This tells us that employees are going to harness the efficiency gains GenAI provides, with or without your IT, security, and legal teams. At best, you've lost the ability to train your own enterprise-specific AI, and at worst, your employees are training open-source AI models with your company's business intelligence.

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Are you using generative AI to do work?

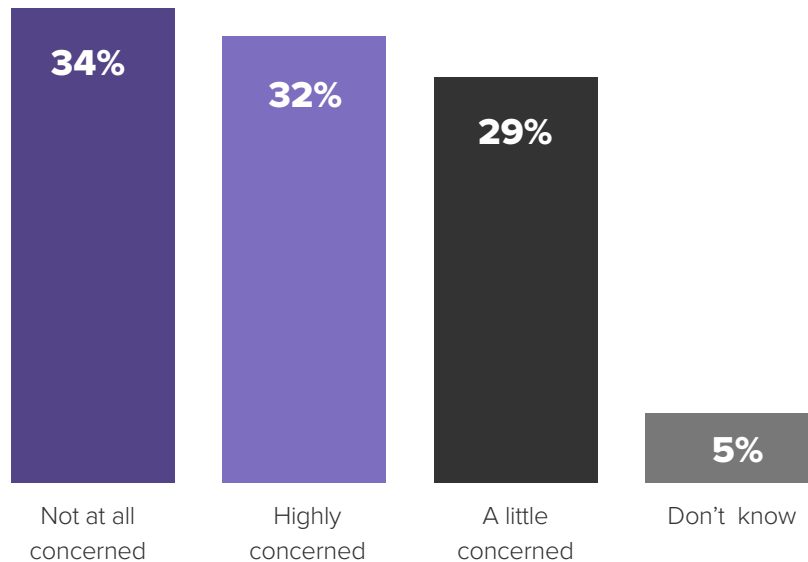


How are you using generative AI at work?
(Select all that apply.)





Employees are about evenly split into thirds about whether AI will upend their jobs as they know them.



Employees Want To Hear From HR

Workers are split on the impact of AI on their roles and job security and want more communication from HR.

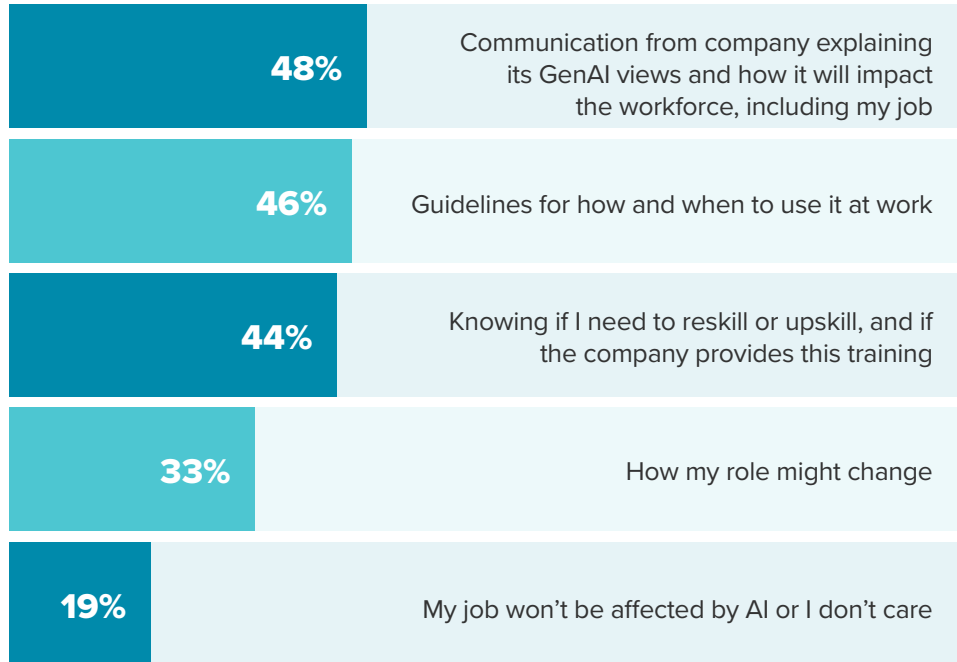
Just under half of employees think GenAI will positively impact their work by making them more efficient — but nearly a quarter expect negative impacts on their roles.



Organizations should make it a point to transparently communicate their view on GenAI, explain how it might impact employees, and let workers know if and how to reskill and upskill.

What factors, if any, would make you feel more confident around AI uses in your job in light of generative AI?

(Select all that apply.)



AI Promises Greater Fairness and Inclusiveness, but It's Not Perfect

On the one hand...

Employees believe AI has the potential to remove bias in several HR practice areas — the top four being learning and development, performance management and evaluations, feedback, and workplace diversity and inclusion. Only one-quarter believe AI poses a considerable risk when it comes to being exclusionary or introducing prejudice in the workplace.

Nearly two-thirds (66%) of employees and 78% of HR professionals are either extremely, very, or somewhat eager to see their company implement GenAI in the following areas to remove bias, and 61% of employees believe GenAI will promote a far more fair and inclusive workplace by reducing bias in HR practices.

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In what specific HR areas do you feel hopeful AI can support bias removal? (Select all that apply.)



On the other hand...

More than half (57%) are somewhat or very concerned that GenAI could intentionally introduce and perpetuate bias due to:

- An algorithm's reliance on historically biased data
- Difficulty in understanding and interpreting AI decisions due to their complexity
- A lack of diverse and representative data used to train algorithms



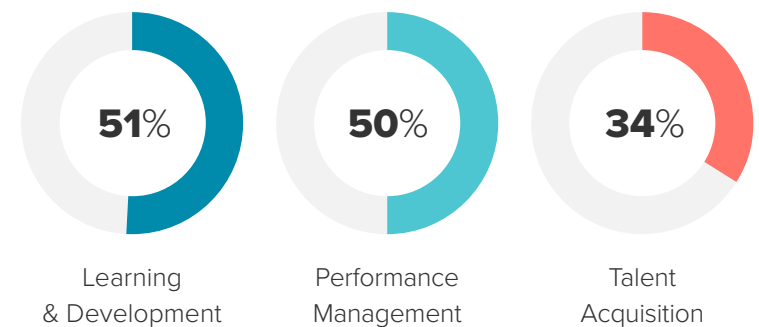
The solution? More clarity...

While employees' concerns about bias sound contradictory, the sentiments make sense upon further consideration. There is still public uncertainty and confusion about whether and how much bias is inherent in the algorithms that train and validate the machine learning systems, of which generative AI is a subset. Developers are continually finding ways to remove bias from algorithms to improve outcomes. The confidence employees express in AI's potential likely represents their belief that AI is evolving to eliminate human bias from HR processes.

Employees want their organizations to ensure AI used in HR remains fair and unbiased by:

- Establishing clear guidelines for AI use in HR
- Being transparent about AI decision-making
- Conducting regular algorithm audits
- Having diverse AI development teams

For Companies Using AI in HR, the Most Popular Uses Are...



AI Will Elevate Fairness in Performance Reviews and Improve DEI

As data from our **2023 State of Performance Enablement report** revealed, employees said fairness is the most important aspect of their employee experience. When they felt their performance reviews were somewhat or completely biased, as many told us they did, it eroded their trust. When employees felt their performance management process — which includes the element of fairness — was successful, their trust in leaders

and HR was four times as high and their trust in their managers was double compared with employees who felt their performance management processes were a failure.

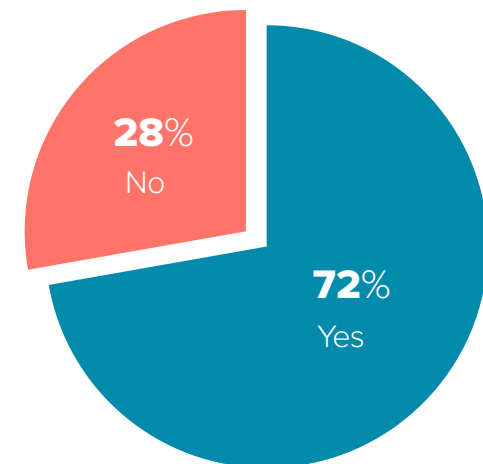
Clearly, finding a way to generate unbiased performance reviews and performance management processes has a huge impact on trust, which is foundational to every positive human relationship.



Performance Evaluations

Nearly three-quarters of respondents in the AI survey think that GenAI can lead to fairer (objective and unbiased) performance evaluations, especially when it comes to removing age bias, gender bias, and racial prejudice. This rose to 79% among HR professionals.

Do you believe that generative AI could lead to more objective and unbiased performance evaluations?



Greater fairness across a spectrum of HR activities

A significant number of respondents also gave AI a thumbs up when it comes to trusting it with calibration, compensation, and employee sentiment analysis.

Would you trust AI to do any of the following?

(Select all that apply.)

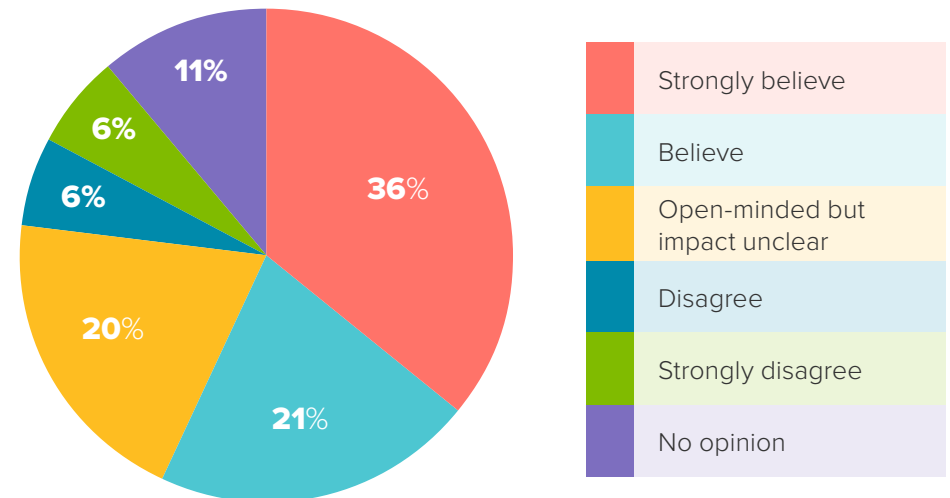


Workplace diversity and inclusivity

A majority of employees believe AI can elevate DEI: 57% of respondents and 66% of HR professionals believe or strongly believe AI can help create a more diverse workforce by identifying high-potential employees from underrepresented groups. More than half (55%) of workers and 69% of HR professionals believe AI will have a transformative or substantially positive impact on inclusivity. That's a potentially huge win for culture and retention, too.



Does generative AI have a role to play in helping companies identify high-potential employees from underrepresented groups?



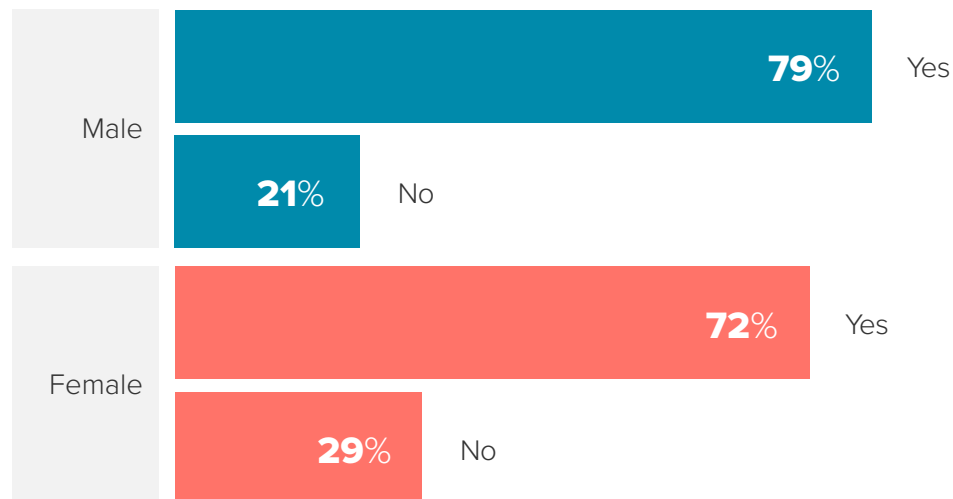
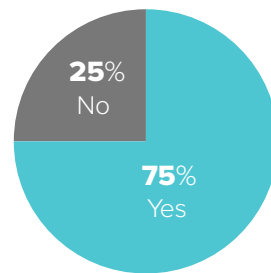
AI + HI (Human Intelligence) Is the Answer

Who do you trust to write a fair performance review? A majority of employees (56%) say AI.

It's worth noting that trust differs between men and women. More men (68%) than women (43%) trust GenAI to write a review, and distrust is far higher among women than men (57% vs. 32%). This is likely due to concerns with the use of historically biased data in algorithms. As a result, more women prefer to have their manager, not GenAI, write a performance review (68% vs. 32%).

The lack of trust melts away when the manager retains control. When managers can review and adjust AI-generated performance reviews, acceptance of GenAI shoots up for all with an average of 75% saying "yes" to an AI-drafted performance review.

Would you be okay with generative AI writing your performance review as long as your manager reviewed it and adjusted it if needed?



AI Plays a Role in Manager Effectiveness

Managers are overburdened and stressed. Analysts such as Gartner and RedThread Research have called for a reimagining of the manager's role. As Gartner puts it in [Top Priorities for HR Leaders in 2024](#), "Managers are cracking and more training won't help." Rethinking their roles and what they're responsible for — giving them less, not more — is the first step.

Says Stacia Garr of [Red Thread Research](#), "No matter how fair an individual manager is, if the process that is set up doesn't actually help them, doesn't actually enable them to give fair and thoughtful feedback, then it doesn't matter. You're going to end up in a situation where managers are going to be seen to be ineffective."

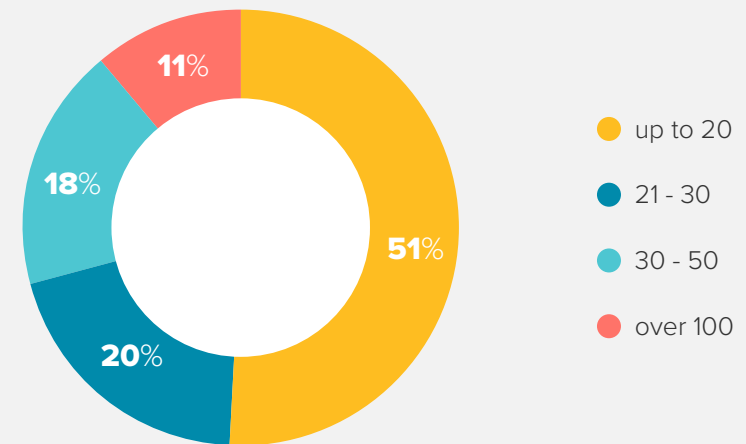
AI can help managers be both more effective and fair. How?



Let AI do the heavy lifting

Almost half of managers would save upwards of 20 hours a year simply by using GenAI to write employees' performance reviews, according to the Betterworks AI survey.

How many hours would I save a year if AI wrote my employee's performance reviews?



Apply GenAI to assist managers with writing feedback. A large language model (LLM) trained on structured and unstructured data from your performance management system can provide managers with the ability to offer employees personalized, constructive, and unbiased feedback that's comprehensive. Doing so will lead to greater trust, focused career planning, and better outcomes.

Similarly, managers can improve their communications with employees by using AI to draw on employee goals, feedback, recognition, and other data to prepare for manager-employee communications. This use of AI helps managers clearly and confidently coach, express their expectations, and provide actionable takeaways for employees.

More Resources

Visit [AI for HR](#) to learn more about how Betterworks uses AI safely and responsibly to help your managers and employees simply and elevate performance.

Visit our [AI and analytics resource center](#) for additional insights and education about AI.

For more information about our comprehensive software that supports strong performance enablement, feedback, and goal setting — and leverages human-centered and human-controlled AI, [contact us today](#) for a tour of the Betterworks platform.

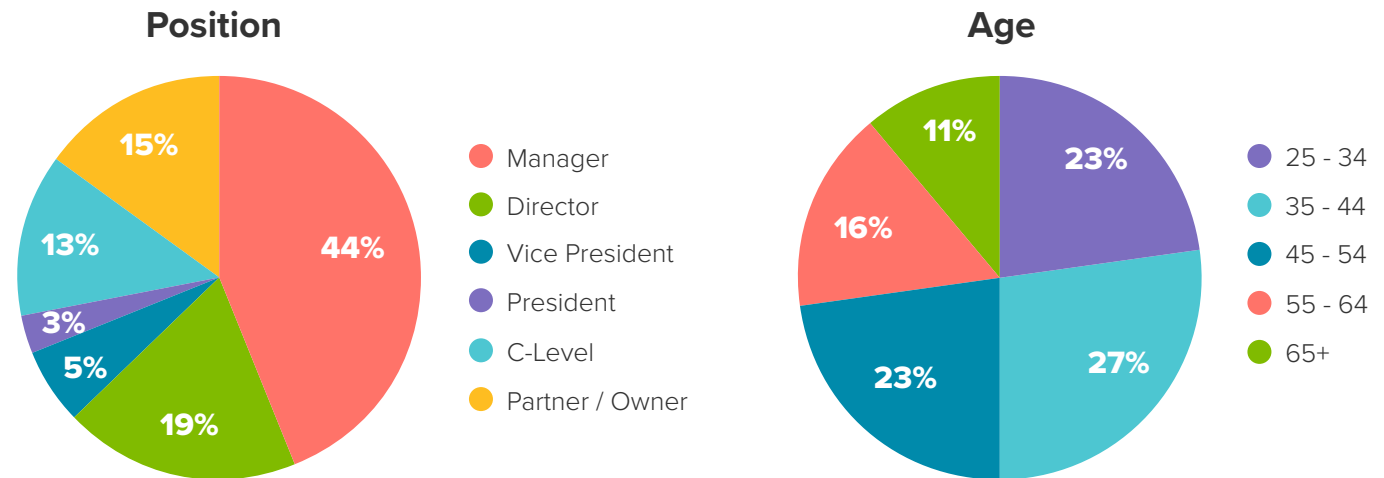
[Betterworks Resource Center](#)



About Our Survey

The Betterworks State of AI survey was conducted in October of 2023. The sample comprised employed individuals from throughout the United States representing well over 20 industries. Gender presentation was approximately 50% men, 50% women, and 0.3% transgender, gender variant, or non-conforming.

1018 Total Respondants



Discover Betterworks

Founded in 2013, Betterworks is the pioneer in intelligent performance management solutions that help workforces and organizations achieve their highest potential. Betterworks reimagines performance management for all with an enterprise-ready platform that fosters greater manager effectiveness and employee performance, leading to higher satisfaction and retention and better business outcomes.

Our customers' employees are proven more engaged and satisfied in their roles, which is why industry leaders like Colgate-Palmolive, Intuit, Udemy, Freddie Mac, Vertiv, and the University of Phoenix rely on Betterworks to manage and enable excellent performance. Betterworks is backed by Kleiner Perkins, Emergence Capital, and John Doerr.

For more information, please visit www.betterworks.com.



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