Boyden Survey Reveals AI and Tech Will Dramatically Change HR and People Management

New global poll of HR leaders also finds 61% say hiring right people for new age is a challenge; 60% are concerned with keeping up with advances

NEW YORK and LONDON, June 12, 2019 – Almost all (94%) Chief Human Resources Officers and HR executives believe the rise of AI and technology will alter the HR function, and nearly 40% expect drastic changes to people management with even greater tech influence, according to a new survey released today by Boyden, a premier talent and leadership advisory firm.

Part 1 of the report, *Boyden Senior Executive Survey: The CHRO and the Future Organization*, titled *Impact of AI and Technology*, looks at the global changes and opportunities connected to tech, including people strategy, approaches to the board and management, global workforce alignment, hiring and training.

"AI is both overestimated and underestimated. At first glance, AI is just a tool for faster learning and operational excellence," said Robert Winterhalter, Ph.D., Global Leader, Human Resources Practice and Managing Partner, Boyden Germany. "Good HR leaders and other senior executives will both leverage it to improve operational efficiency and speed of transformation, and to affirm trust and respect from operational lines of management."

"While most CHROs and executives indicate they rely on their team or they are not prepared to implement AI, a much smaller percentage are hiring employees with technology and AI skill sets," added Karen Wefelmeyer, CHRO, d&b audiotechnik, in reviewing the survey results.

The survey included a global panel of 310 CHROs, senior HR executives and other HR decision makers across all industries in United States, Germany, United Kingdom, Canada, Mexico, Brazil and Australia. Additional key findings related to the impact of AI and technology include:

Outlook and Driving Change

- Nearly half (48%) expect AI and technology will streamline performance management and increase skills-based hiring (47%). Similarly, 42% of HR execs surveyed say new technology will speed up hiring, while 41% believe new tech will improve onboarding.

- 67% of respondents from the industrials and energy sectors combined can see AI replacing human recruiters, at least after initial job interviews.

"AI is just a tool, not a solution," said Jörg Kasten, Chairman of Boyden. "HR requires the personal touch of someone who is able to effectively communicate with and inspire people."

Preparedness

Three-quarters (75%) of HR executives believe they are prepared to deploy AI and technology solutions at their company. However, the level of confidence various regionally.

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- Only 60% of Canadian HR execs say they are well versed or have a team that is well versed in AI, while 66% of UK execs say they are prepared. This contrasts with 96% of execs in Mexico believing they are prepared to deploy AI, followed by 88% in Brazil and 84% in Germany. The US and Australia fall somewhere in the middle, with 75% and 70% saying they are prepared, respectively.

Just over one-third of organizations (36%) are encouraging continuous learning around AI for existing employees, and 27% are hiring employees with technology and AI skill sets and backgrounds, while only 20% are focusing on hiring senior-level executives with AI skill sets and backgrounds.

"The very best leaders are very data-oriented, data-driven," said Jeff Hodge, Managing Partner, Boyden United States. "A deep understanding of data analytics will be a foundational skill for every CHRO in the future."

"With digitization, there is common discussion of reduction in hierarchies," said Dr. Michael Pütz, Senior Vice President, Human Resources, Harting Group. "However, from my experience, the representation of the HR function at the top management level is a key lever to implement initiatives. Therefore, it will be interesting to see the impact simultaneous digital development and the dissolution of hierarchies has on the effectiveness of the HR function."

Challenges, Opportunities & Hiring

- Among Human Resources decision makers' views on the potential for HR in the age of AI, 70% selected performance assets aided by AI and technology as the top opportunity in running an HR division, while 60% say relying on analytical processing and data, as opposed to individual observations, is a key opportunity.

- However, 61% of the HR executives surveyed say hiring people with the right skill sets is a challenge, and 60% are concerned about keeping up with technology advancements.

"AI is changing dynamics in the workplace, both in terms of process automation and engineering and in terms of how data is used and value can be created," explains Marco Ryan, Executive VP and Chief Digital Officer, Wärtsilä. "However, AI has many different use cases and so people still need to be in the loop – there is increasing demand for human expert interpretation."

"AI, as a candidate processing and selection tool, will undoubtedly transform the way we hire people in the future," said Francesca d'Arcangeli, Global Leader, Industrial Practice and Managing Partner, Boyden United Kingdom.

The Boyden report's second and third installments, *The CHRO Role in the C-Suite & Board* and *Diversity of People and Thought*, will be released in the coming weeks.

About Boyden

Boyden is a premier leadership and talent advisory firm with more than 65 offices in over 40 countries. Our global reach enables us to serve client needs anywhere they conduct business. We

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connect great companies with great leaders through executive search, interim management and leadership consulting solutions. For further information, visit www.boyden.com.

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