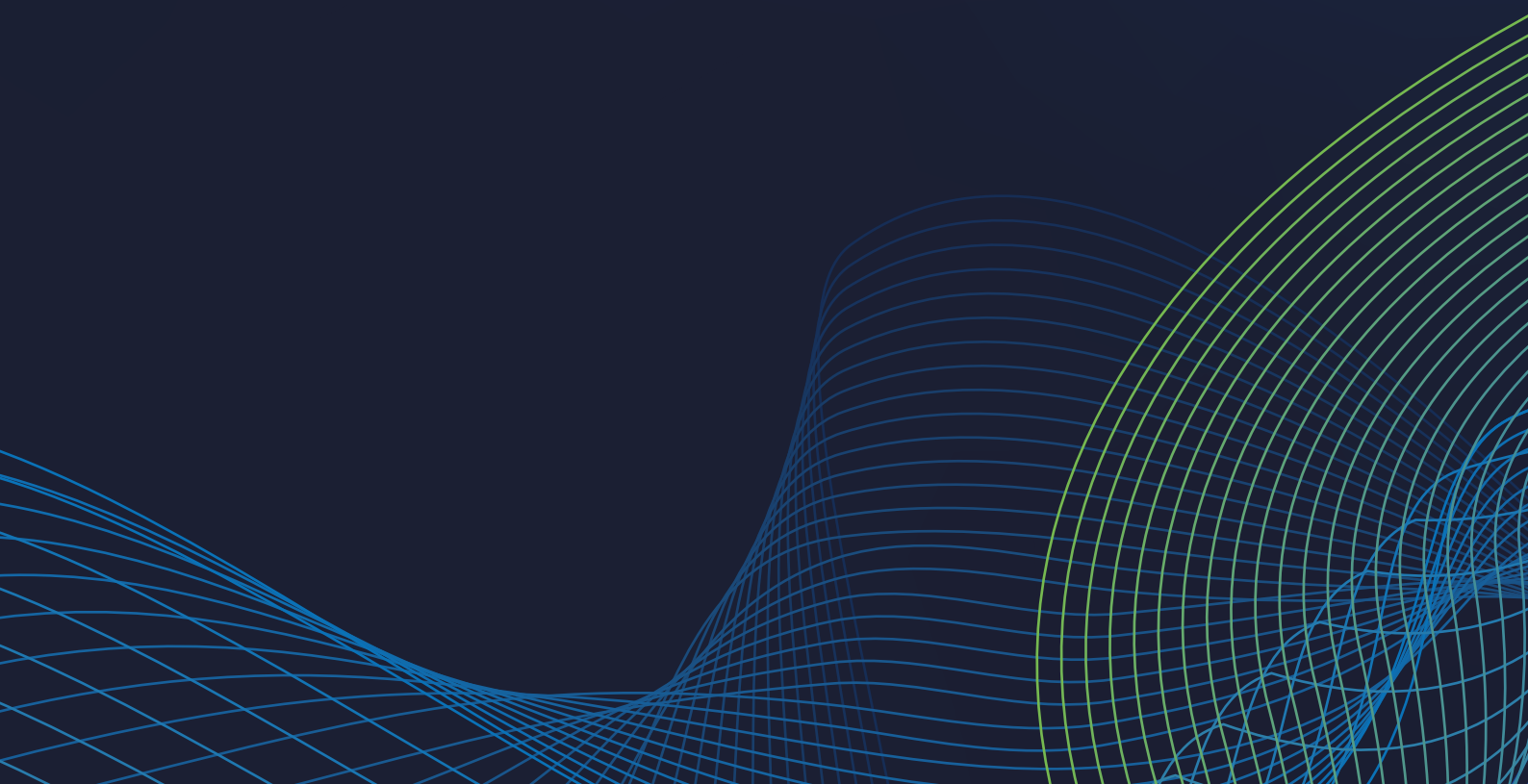
AHRI
Australian HR Institute®

QUT

The State of AI in Australian Human Resources

2024 Report



Contents

Acknowledgement

This research was undertaken as a collaboration between the Australian HR Institute (AHRI) and Queensland University of Technology (QUT).

The authors of this report acknowledge the Turrbal and Yugara as the First Nations owners of the lands on which QUT is based and the Wurundjeri people of the Kulin Nation as the First Nations owners of the lands on which the offices of AHRI are situated. We pay respect to their Elders, lores, customs and creation spirits, and recognise that these lands have always been places of research and sharing knowledge.

This research was funded through an Australian Research Council (ARC) Discovery Early Career Researcher Grant (DE230100950), with support from the Centre for Decent Work and Industry (CDWI) at QUT. It has QUT Human Research Ethics Approval (8765).

CITATION
Williams, P., Kummer, T.-F., Maskor, M. & Kennon, C. (2024). The State of AI in Australian Human Resources. Australian HR Institute. doi: http://doi.org/10.5204/rep.eprints.254106

Foreword – Queensland University of Technology

Alongside work of all forms, the human resources (HR) profession is undergoing a transformation fuelled by rapid developments in artificial intelligence (AI) and the automation of HR and management processes.

This report presents findings from research undertaken as a collaboration between Queensland University of Technology (QUT) and the Australian HR Institute (AHRI), to understand how these transformations are shaping the experiences of HR professionals in Australia, including their concerns and perspectives on the use of Generative AI in the workplace.

This report has been compiled by researchers from the Faculty of Business and Law at QUT; Associate Professor Penny Williams (Project lead), Associate Professor Tyge-F Kummer, Dr Mazlan Maskor, and Catherine Kennon, and presents the findings from a 2024 survey of AHRI members.

We are proud to have collaborated with AHRI on this research. We thank Gerwyn Davies and his colleagues at AHRI for their contribution to the design, testing and distribution of the survey and for their support and advice in preparing this report.

We also thank the many individuals who responded to the survey and took the time and energy to share with us their experiences of using (or not using) AI in their HR work. Their generous participation enables us to understand the benefits and challenges of using AI in workplaces and the lived experience of HR professionals navigating the changing world of work in Australia.

The report is divided into two sections. The first section presents findings from the research conducted by QUT. This is followed with two case studies, developed and written by AHRI and presented in section two.

Foreword – Australian HR Institute

While much has been written about the current and future impact of AI on the workplace, limited research has been conducted into the specific impact of AI on the HR function and employers in Australia.

AHRI is pleased to shed new light on this critical area in partnership with QUT. As the research indicates, while HR practitioners clearly recognise AI's potential to improve performance and productivity, there are concerns about the risks associated with adopting AI, especially pertaining to fairness, discrimination and accuracy.

It is often assumed that AI adoption will automatically lead to productivity improvements. Whether it does is dependent on a range of factors, including investment in effective training, information sharing, employee consultation and employee empowerment. These complementary HR practices are critical to ensuring that higher productivity can be achieved via the responsible adoption of AI.

The AHRI HR Capability Framework (AHRI, 2024a) is a key resource that can support HR practitioners to position AI alongside other complementary organisational enablement drivers. These include HR operations and compliance, data analytics and insights, and perhaps most significantly, change management.

At the same time, the report's findings reinforce the case for investment in leadership and management capability. Effective people management is crucial to making employees feel supported in their use of AI, most notably in navigating the necessary conversations between managers and workers. Effective people management can also help address employees' legitimate concerns about work design, such as any negative impacts on discretion, creativity and control over work created by algorithmic management.

The other key takeaway for the HR profession from the report's findings is the need to upskill with the latest developments in AI in order to contribute fully to the strategy and direction of the organisation. While it is understandable that some HR practitioners have been hesitant to develop expertise in AI due to the risks and concerns documented in this report, knowledge is crucial for developing guidelines or policies and educating and training the workforce about AI — responsibilities which largely fall to the HR function. As our case studies indicate, successful AI adoption can lead to significant improvements in both productivity and job quality in HR teams and across the workforce.

We hope that these insights are useful to HR practitioners and help them take a balanced and considered view of AI. We believe that HR practitioners have a significant contribution to make in terms of unlocking the value of AI. This could be supported by a combination of increased adoption of the Australian HR Capability Framework, a greater focus on effective people management and increased understanding of AI.

We would like to thank the many individuals who responded to the survey. In particular, we would like to thank our two case study participants, who demonstrated meeting the dual challenge of improving productivity while addressing many of the risks identified in the report's findings.

Sarah McCann-Bartlett
CEO, Australian HR Institute

Research Findings

1 / Introduction

Few contemporary business trends seem to compare to the current seismic shift that Artificial Intelligence (AI) has brought to the world of work.

Imagine a future where talent management in organisations is conducted with little to no human-based decisions or intervention. This scenario, once a topic of Hollywood fiction, appears to be an increasingly likely reality. Indeed, AI is already changing how people work in organisations which, in turn, suggests that traditional human resource management (HRM) approaches to talent management are being disrupted (Roslansky, 2023). The field of HRM finds itself needing to transform to capitalise on the capabilities of AI and automation. However, with this evolution come potential challenges in how HRM creates strategic value, builds capability, and protects ethical boundaries (Dima et al., 2024). Foreseeing these issues, the Australian HR Institute (AHRI) endorsed this study to explore the current state of automation and AI adoption in the HR profession within Australia.

This report provides much needed information on the current use of AI, Generative AI (GenAI) and other related technologies in human resource management in Australia, and discusses the barriers, concerns and challenges to adoption faced by the HR profession. The first section, authored by QUT, maps the current state-of-play on the use of AI and GenAI in HRM, then provides actionable insights for navigating the rapid rise of AI in our workplaces. The second part of the report, written by AHRI, presents two case studies on AI use in AHRI member organisations.

2 / Report Objectives

This report has five objectives:

1. Understand how AI, including GenAI is being used in the HR profession in Australia
2. Ascertain which HR practices are being automated and how
3. Illuminate the challenges and concerns that AI presents for HR professionals
4. Share and learn from the experiences of organisations who have explored the use of AI
5. Provide useful strategies to support HR professionals in the ethical and responsible adoption of AI in the workplace.

3 / Key Insights

HR's lack of AI knowledge is limiting its impact.

HR has been slow to adopt AI and reluctant to provide advice to business regarding the use of AI, because of a limited understanding of AI. There is limited HR involvement in employee training and few organisations have policies guiding the use of AI. There is a clear need to educate and upskill HR regarding AI.

The strategic use of AI in HRM is in its infancy.

AI is largely being used for operational and administrative activities in HR, such as employee self-service, training administration, or writing communications. There is a significant opportunity to leverage AI capability strategically.

HR's use of AI requires a supportive organisational environment.

One third of respondent HR professionals were unsure if senior leaders, other HR staff, and employees would support the use of AI in HRM. The most supportive environments were experienced by early adopters of AI, and these organisations were most likely to have a policy on AI and be transparent about the use of AI with employees.

AI is believed to provide productivity and performance benefits but not job losses.

The benefits of using AI included improved job performance and productivity in the workforce and reduced stress. These improvements, however, did not translate to a belief that employees would lose their jobs. Less than a quarter of HR professionals raised job losses as a concern, and they were more likely to be late adopters than early adopters of AI. Uncertainty about AI may feed uncertainty about job security.

AI should be viewed as a tool that complements, not replaces human judgment.

HR professionals are uncertain about AI's role in HR decision-making and are grappling with issues of trust, transparency, accuracy, fairness and the potential for bias when AI is used. Education on AI for HR professionals may help navigate these issues.

Caution is being exercised when using AI in recruitment.

Most organisations were not using, or planning to use AI to screen, shortlist, test or interview candidates. This caution is warranted, given that future regulatory changes may limit the use of AI in recruitment.

Reviews are necessary to ensure the ethical and responsible adoption of AI.

AI has been found to disadvantage some groups, but few organisations have closely examined the impact of AI on different cohorts in their organisation. Half of the organisations that conducted a review found some groups were disadvantaged.

AI concerns vary between early and late adopters, but data security, privacy, errors and AI's reliance on poor data are shared concerns.

Early adopters report that AI makes the HR function more efficient and provides the opportunity to focus on strategic value-add activities. Late adopters have more concerns about the use of AI in HRM, including job losses in HR, lack of transparency, employee disadvantage and resistance.

4 / Artificial Intelligence and Human Resources

HR management is undergoing a technological evolution driven by artificial intelligence and algorithmically-enabled technologies that automate many administrative and operational HR tasks and simultaneously collect and collate data to improve strategic HR decision-making *(Meijerink et al., 2021; Vrontis et al., 2022; Williams & Khan, 2024).*

These new technologies provide many organisational and productivity benefits by reducing manual processes previously undertaken in HRM and by automating or augmenting many people management practices that were previously the responsibility of middle managers or supervisors (Malik et al., 2019; Vrontis et al., 2022; Wood, 2021). The pace of technological change and the wide variety of technologies available can, however, be overwhelming and this is exacerbated by a lack of understanding or confusion over the distinctions between algorithmic management, artificial intelligence, machine-learning, large language models and generative AI, among others (Cameron et al., 2024; Meijerink et al., 2021).

4.1 What is AI?

There is no one agreed definition for Artificial Intelligence (AI). This is because AI encompasses an array of systems that are capable of performing tasks usually requiring human cognition or human intelligence (Charlwood & Guenole, 2022; Holman, 2024; Tambe et al., 2019). In HRM, AI can automate some tasks that were previously completed by a human or required human supervision, such as the allocation of rosters or distribution of daily jobs, or the collation of data into people analytics reports (Budhwar et al., 2023).

AI encompasses Machine Learning (ML), which uses mathematical algorithms to find patterns in large amounts of historical data to make predictions or decisions and perform tasks. This is sometimes called Predictive AI (PAI).

Large language models (LLMs) are another form of AI that uses algorithms to “recognise, translate, summarise, predict, and generate text” (Holman, 2024). LLMs underpin Generative AI (GenAI) systems such as ChatGPT and Microsoft’s CoPilot. Unlike Predictive AI, Generative AI can translate data into different formats to create new content, whether that be text, music, images, video or other forms (Andrieux et al., 2024). Both draw from existing data sets and as such the quality of that ‘training data’ influences the outcomes.

Existing biases or inaccuracies within the training data and poor-quality training data have been shown to lead to inaccurate or biased AI generated recommendations (Chowdhury et al., 2024; Tambe et al., 2019). Moreover, the processes used by AI when generating an output are not transparent and are difficult to explain (Andrieux et al., 2024). These can lead to a lack of trust in AI and a reluctance to adopt AI in HRM (Budhwar et al., 2023). Regardless, PAI and GenAI are being incorporated into new HR technologies in ways that further enable the ‘automation’ of HRM activities, the ability to do some HR activities with less, or without, human involvement.

In this study, AI was defined as technological systems able to autonomously solve problems and perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages, and including GenAI, ML, and LLM.

There are many potential benefits of using AI in HRM. These include automating low-value operational activities such as using chatbots in HR service centres to answer queries from employees, automatic screening and shortlisting of employee resumes, or in the case of GenAI, assistance with writing HR policy or communications (Budhwar et al., 2023; Charlwood & Guenole, 2022; Korzynski et al., 2024; Malik et al., 2022). Much has also been written about the challenges, including the ethical issues, posed by AI and automation in HRM (Andrieux et al., 2024; Charlwood & Guenole, 2022; Vrontis et al., 2022). In Australia, research conducted by Nankervis and Cameron (2023, p. 248) in conjunction with AHRI found “a patchy uptake of smart technologies, artificial intelligences, robotics and algorithm (STARA) technologies”, and this was prior to the launch of ChatGPT and rapid development of GenAI tools. In this report, we foreground the experience of HR professionals in Australia to understand how and why AI is being used (or not used) in HRM and consider what HR professionals can do to navigate this fast-changing environment.

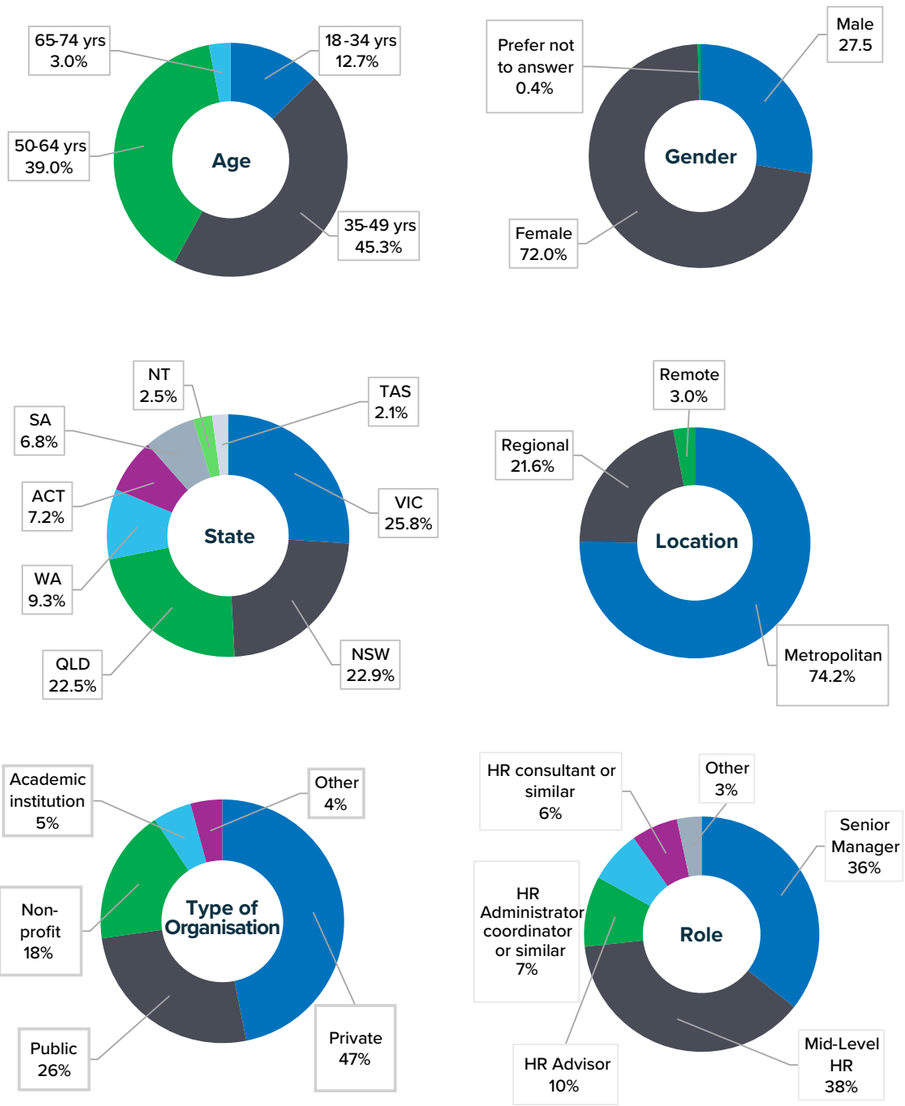
5 / Methodology

The survey focused on the use of AI in HRM, with the aim of understanding the views and knowledge on AI held by HR professionals in Australia, as well as how AI and other related technologies were being used in HR practice within organisations in Australia.

Insights in this report have been gathered through a combination of statistical analysis of the quantitative data gathered, and qualitative analysis of the views of respondents provided through free text response options.

The online survey was conducted in July 2024, hosted by QUT and distributed to AHRI's database. All responses were anonymised and accessible only by the QUT researchers who reviewed and removed non-genuine or incomplete responses (following steps outlined by DeSimone and Harms, 2018). This resulted in 236 valid responses from HR professionals across Australia, representing all industries, public, private, not-for-profit and academic institutions, and a diverse spread of organisation size (Figure 1 and Appendix A).

Figure 1. Survey respondents by demographic characteristics



Job tracking and efficiency improvement were the main reasons cited for implementing AI.

6 / Knowledge and Use of AI in Organisations

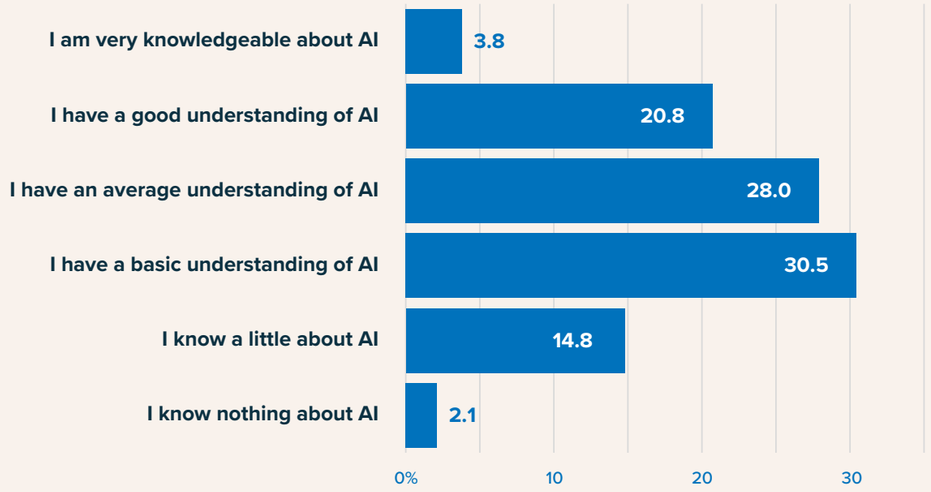
Before exploring how HR professionals use AI, and their views on use in their organisation, we first sought to understand their knowledge of artificial intelligence.

Most HR professionals feel they have only a basic or average understanding of AI (Figure 2). Approximately 20% of HR professionals in academic institutions and private and not-for-profit sectors stated they had a good understanding of AI. The public sector was the least familiar, with 22.9% indicating they know little, or nothing about AI compared to 14.9% in the private sector.

This lack of familiarity with AI likely informs responses to other survey questions and may contribute to HR professionals' views on the potential risks and benefits of using AI in HRM. It may also reflect the extent to which AI is used within their sector, and therefore how much daily exposure they experience. This is a likely contributing factor, given that 54.7% of respondents described their organisation's use of AI as "slow to adopt" (37.3%) or "not using" (17.4%), and 51.2% rated HR's use in similar terms — 29.2% said HR was slow to adopt, with 22% saying HR was not using AI.

Private sector organisations were the most likely to rate themselves as "early adopters of AI" — 32.73% of private sector respondents reported they were early adopters, as were respondents in the not-for-profit sector. The *public* sector is

Figure 2. How familiar are you with AI?

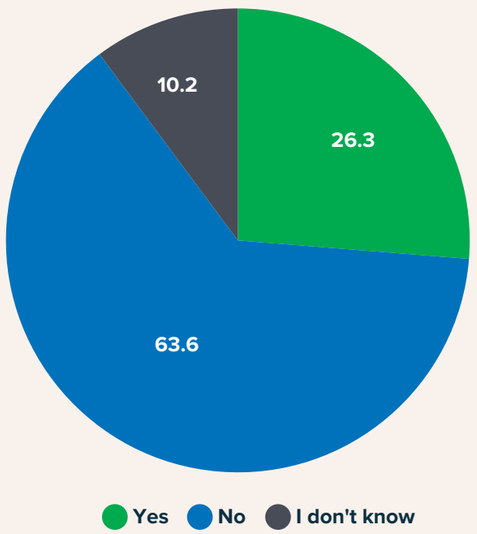


the slowest adopter, being the most likely to rate themselves as a late adopter or "not using or one of the last to use AI"[1]. Those working in the *academic institutions* stated that they would use AI after seeing the evidence of its use.

There was a strong correlation between how respondents rated their use of AI in their organisation and the HR department's use of AI. That is, where organisations were leaders in the use of AI, the HR department also considered themselves leaders or were willing to experiment and use AI early.

HR does not yet appear to be leading the adoption of AI in organisations. In addition to not using or being slow to adopt (51.2%), only 10.2% of respondents said that their HR department had provided advice to the business on the use of AI in business processes, products or services beyond HR. An overwhelming 63.6% had not provided any advice to the business (Figure 3). In most cases (56.4%) participants said this was because "the HR department was not equipped to provide this advice". The provision of advice to the business on using AI was associated with HR's willingness to adopt AI. Specifically, the organisations most likely to have received advice were the ones who also described HR as 'willing to experiment, an early adopter of AI'[2].

Figure 3. Has HR provided advice to the business on using AI?



Together, these findings indicate a clear need to build knowledge of and familiarity with AI systems within the HR profession. It is important for HR professionals to be competent in assessing where AI can help HRM and where it can be *unhelpful*. Without this knowledge, HR's role in influencing how and when AI is used in the workplace is diminished.

Some respondents provided further explanation, noting that while HR had been consulted in some organisations, the advice on the use of AI has largely been coordinated from the legal or technology department in their organisation, or been provided by AI specialists as indicated by the following statement from a participant: *"This [advice on the use of AI] is currently owned by IT. The HR Department has very little capability in this space and is not proactive about the opportunities it presents".*

1. A cross tabs analysis was conducted to explore which sectors were more likely to have adopted AI tools in their HR department (χ^2 (16) =55.53, $p < .001$).

2. A cross tabs analysis was conducted to explore when advice on AI was provided were organisations more likely to be early adopters of AI tools (χ^2 (8) =36.91, $p < .001$).

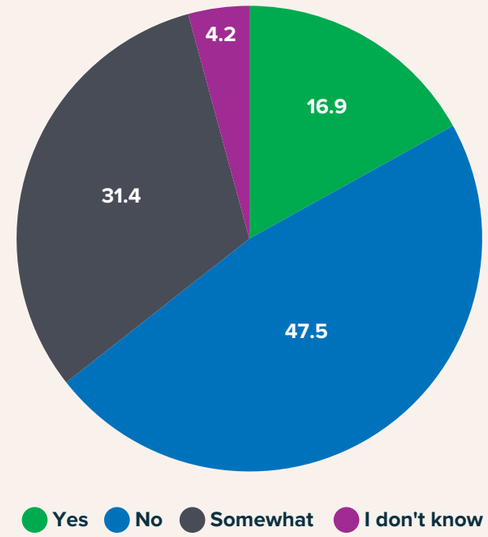
6.1 Training and Guidelines for Employees

While there have been many calls for HR to play an active role in training employees to use AI in their work, our results show that, for the most part, employees are not being trained to use AI (Figure 4). When employees are being trained or somewhat trained, respondents reported that HR usually has no role in the provision of the training (46.5%) or is mostly providing advocacy (43.9%) promoting the need for employee training, or some coordination (31.6%). Less than a quarter of respondents were involved in design or delivery of AI training.[3]

Additionally, few organisations have a policy or guidelines when using AI specifically for HRM activities (Figure 5). Almost 50% of respondents disagreed or strongly disagreed with the statement *"we have a policy or guidelines for the use of AI in HRM"*. In some cases, a lack of policy may be because of limited use of AI for HR or other activities across the organisation. Nonetheless, an absence of policy in turn creates a vacuum of guidance for HRM and workplace leaders who may wish to responsibly adopt AI but are concerned about the associated risks.

The ease of access that employees have to generative AI tools, such as Microsoft Copilot and ChatGPT, suggests that even where AI is not widespread or encouraged in an organisation, businesses may be vulnerable to ethical, legal and regulatory risks, including discrimination, inaccuracy, plagiarism, misappropriation, and privacy breaches (Botero Arcila, 2024). A policy outlining restrictions on use and educative guidelines on the organisation's stance on AI should be considered to encourage responsible adoption and mitigate the risks of unauthorised or ill-considered use.

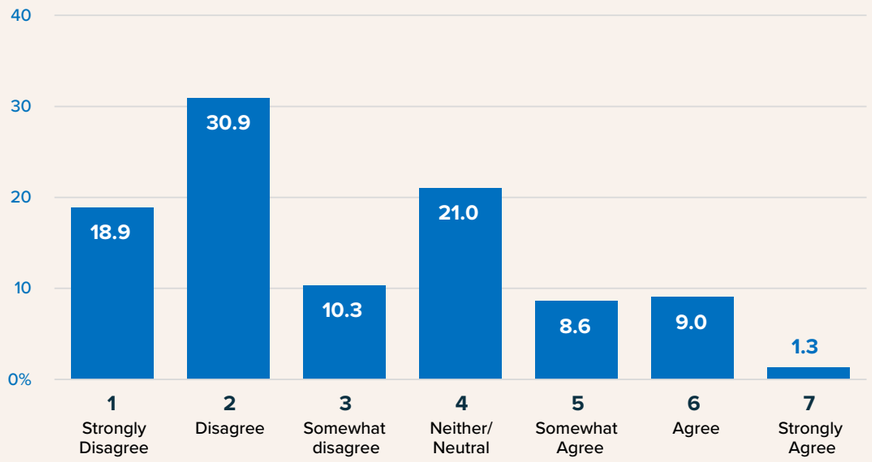
Figure 4. Are employees being trained to use AI?



3. Only respondents who said employees were being trained or somewhat trained answered this question (n=114). More than one response could be selected.

4. For this analysis, participants were classified as "Early Adopters" if they reported working for an organisation that is a leader in AI usage, has actively experimented with AI, or has adopted AI technologies. Conversely, participants whose organisations are slow to adopt AI or do not use AI at all were classified as "Late Adopters."

Figure 5. Existence of policy/guidelines on the use of AI in HRM



6.2 Support for using AI in HRM

The use of AI in HRM is linked to support from the wider organisation. A comparison between early and late adopters[4] of AI underscores the importance of a supportive organisational environment.

When asked about senior leaders' support, almost a third of HR professionals agreed (23.5% agree, 6.0% strongly agree), and a further 27.8% somewhat agreed that using AI in HRM would be supported by their senior leaders. However, similar numbers (29.1%) were unsure of senior leader support (neither agreed nor disagreed). Many were also unsure or neutral (37.2%) about whether using AI in HRM would help supervisors and managers with team management, although almost half (48.3%) strongly agreed, agreed or somewhat agreed that it would (Figure 6). Almost 20% of HR professionals agreed or strongly agreed that employees would respond positively to the use of AI in HRM (Figure 7).

That a higher proportion of HR professionals (38.9%) only somewhat agreed that employees would respond positively to the use of AI in HRM (Figure 7), suggests that HR professionals believe that support for the use of AI in HRM may vary among employees within their organisation. That is, some may be supportive, while others may resist adoption. This is to be expected given the vast array of applications for AI in HRM and how using AI is likely to impact on some groups of employees more than others. For example, AI applications that involve algorithmic management, such as those used to monitor the productivity

Figure 6. Using AI in HRM helps managers and supervisors manage their teams

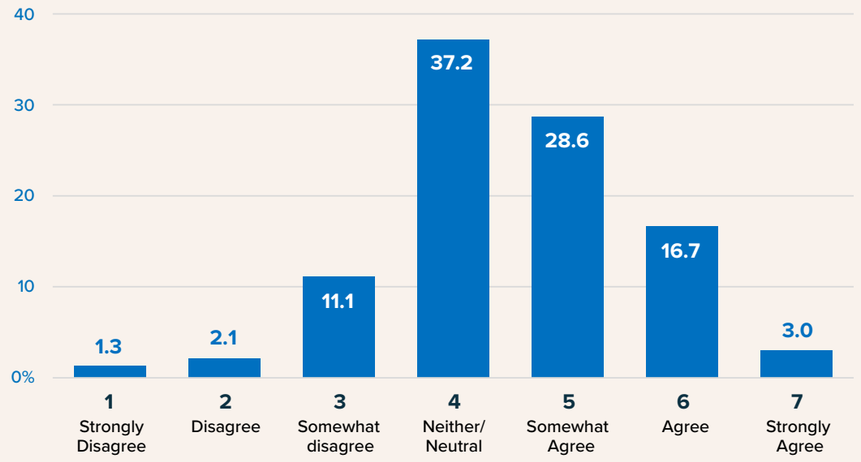
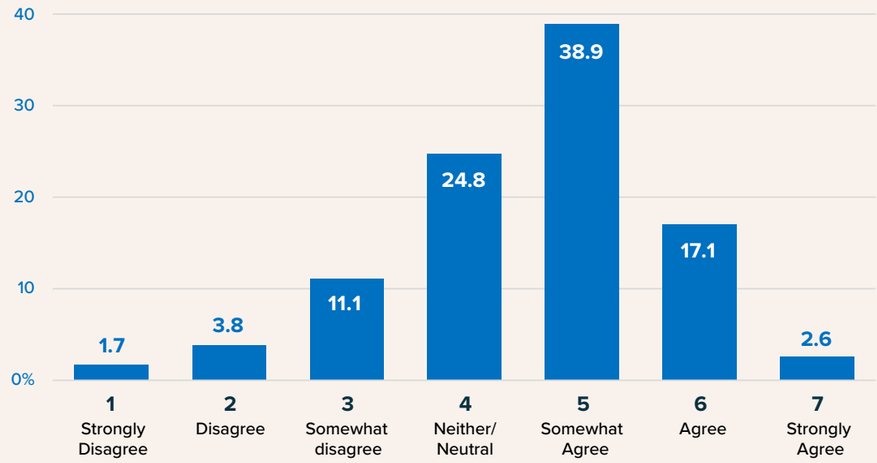


Figure 7. Employees in my organisation will respond positively to the use of AI in HRM



of warehouse workers have been shown to contribute to work intensification and even worker terminations (Bernhardt et al., 2021). Yet workforce optimisation technology that automates rostering and scheduling may also empower some employees to manage a flexible work schedule (Williams & Khan, 2024), creating paradoxical or variable impacts on different work groups.

Interestingly, despite believing that employees are at least somewhat likely to respond positively, 44.4% of HR professionals said that employees often don't know when AI is being used in HR activities that impact them — 9.0% strongly disagreed, 20.9% disagreed, and 14.5% somewhat disagreed with the statement, *"employees know when AI is being used in HR activities that impact them"* (Figure 8). Early adopters were more likely to indicate that employees are more aware when AI is used in HR activities that impact them (mean score: 3.7 vs. 3.3)[5].

There was general agreement that HR staff are supportive of the use of AI (Figure 9). Early adopters, however, were significantly more likely to agree that HR staff (mean score: 5.3) and senior leaders (mean score: 5.3) support the use of AI in HRM compared to late adopters, who rated support lower (mean score: 4.6 and 4.2, respectively). Early adopters also felt that employees would respond more positively to AI in HRM (mean score: 5.0 vs. 4.3) and were more likely to have an AI policy or guidelines in place (mean score: 3.3 vs. 2.8). All these differences were statistically significant[6]. Both groups had similar views on whether AI in HRM helps managers and supervisors in team management. Together, these results suggest that the supportive environment of early adopters may enhance their positive experiences with AI. At the same time, it raises concerns about whether late adopters, with less supportive environments, can achieve similar efficiency gains and strategic focus. There is a risk that late adopters may miss out on AI's benefits, potentially widening the gap between organisations that have embraced AI and those that have not.

Figure 8. Employees know when AI is being used

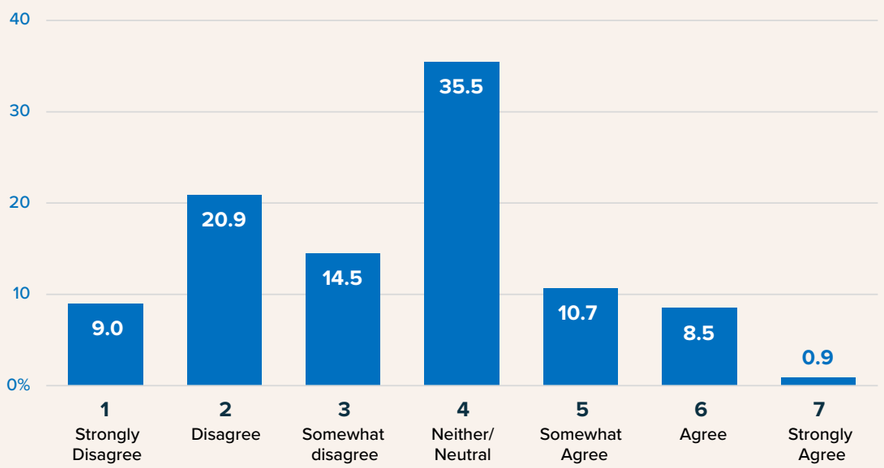
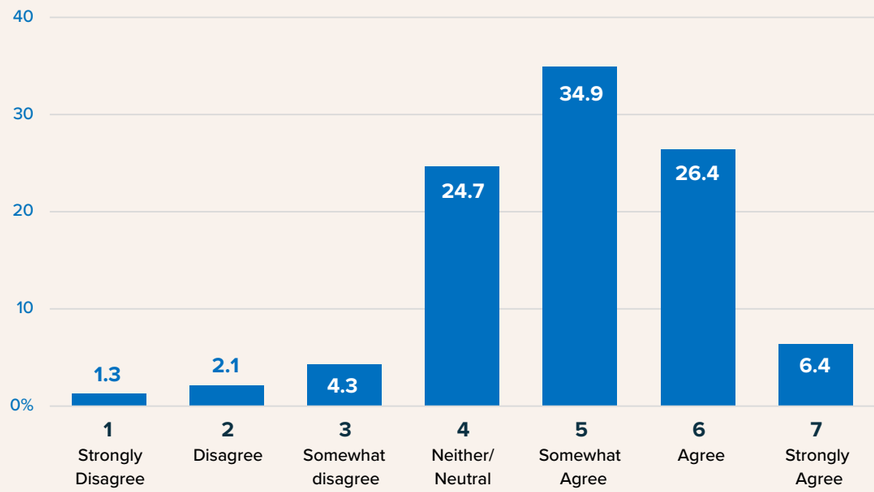


Figure 9. HR staff support use of AI



KEY FINDINGS

HR's lack of AI knowledge is limiting its impact. HR has been slow to adopt AI and reluctant to provide advice to the business regarding the use of AI, because of a limited understanding of AI. There is limited HR involvement in employee training and few organisations have policies guiding the use of AI. There is a clear need to educate and upskill HR regarding AI.

HR's use of AI requires a supportive organisational environment. One third of respondent HR professionals were unsure if senior leaders, other HR staff, and employees would support the use of AI in HRM. The most supportive environments were experienced by early adopters of AI, and these organisations were most likely to have a policy on AI and be transparent about the use of AI with employees.

5. The results are based on a 7-point Likert scale (1 = Strongly Disagree to 7 = Strongly Agree). A higher score indicates a higher level of agreement.

6. Statistical significance is determined at a p-value of less than 0.05.

6.3 Perceptions about AI

The extent that individuals trust AI outputs and their perceptions of AI are important factors that influence AI adoption or the use of GenAI tools. The risks and benefits of using AI have been widely debated in the media and within the HR profession and research (Kellogg et al., 2020; Lohr, 2024; Migliano, 2023; Tursunbayeva et al., 2022). Many highlight the potential for AI to improve productivity and performance in workplaces (Cappelli & Rogovsky, 2023; Yu & Qi, 2024), yet the inaccuracies and biases that can emerge, especially when using GenAI, have also drawn considerable attention (McDonald et al., 2024; Sheard, 2022). Academic research, too, points to paradoxical or mixed results when AI is used (Charlwood & Guenole, 2022). Within this context, it is necessary to understand how HR professionals perceive AI and the extent to which they agree with common statements made about AI as these may shape when and how AI tools are adopted and/or HR's willingness to advocate and support the use of AI in organisations.

6.3.1 Trust, Fairness, Transparency, Accuracy and Bias

Trust remains a major barrier to the adoption of AI in decision-making. A large portion of respondents (61.7%) felt some disagreement with the statement that *"AI is more trustworthy than humans"*, while 6.8% strongly disagreed, 27.7% disagreed and 27.2% somewhat disagreed. A further 26.8% of participants remained neutral on the topic. Only 8.9% somewhat agreed (and 2.6% agreed) with this statement. None of the participants strongly agreed that AI was more trustworthy than humans. These results reflect a general sense of uncertainty or scepticism regarding the trustworthiness of AI (Figure 10).

When it comes to fairness, a significant number of participants (total of 43.8%) disagreed with the notion that *"AI decisions are fairer than those made by humans"*. While 22.5% of respondents agreed somewhat to strongly, a high percentage (33.6%) of neutral responses highlights that fairness in AI is still a topic of debate (Figure 11).

Transparency also emerged as a contested topic, with 39.5% disagreeing (somewhat to strongly) that *"AI decisions are more transparent than human decisions"*. However, 34.1% of participants agreed or somewhat agreed with this statement, and a further 26.4% remained neutral. This split suggests that transparency is seen as a challenge not just for AI but potentially for human decision-making processes as well (Figure 12).

Similarly, when considering the accuracy of AI, 41.3% of respondents expressed disagreement that *"information obtained through AI is accurate"*. Once again, neutrality was prevalent, with 27.7% of respondents neither agreeing nor disagreeing, and 26.4% agreeing only somewhat. This points to a general uncertainty

Figure 10. AI decisions are more trustworthy than human decisions

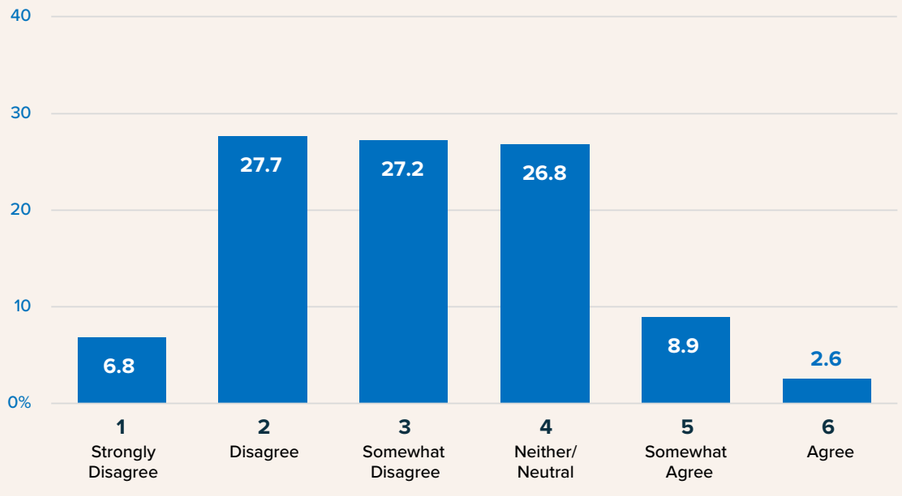


Figure 11. AI decisions are more fair than human decisions

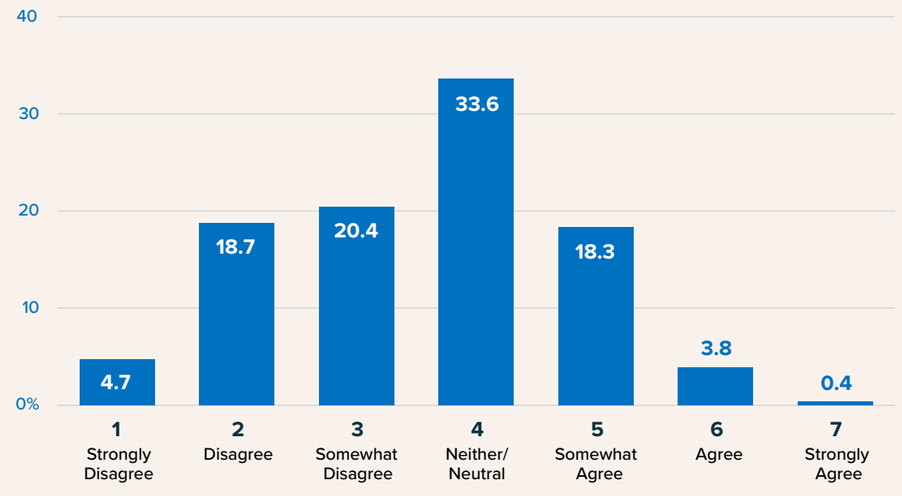


Figure 12. AI decisions are more transparent than human decisions

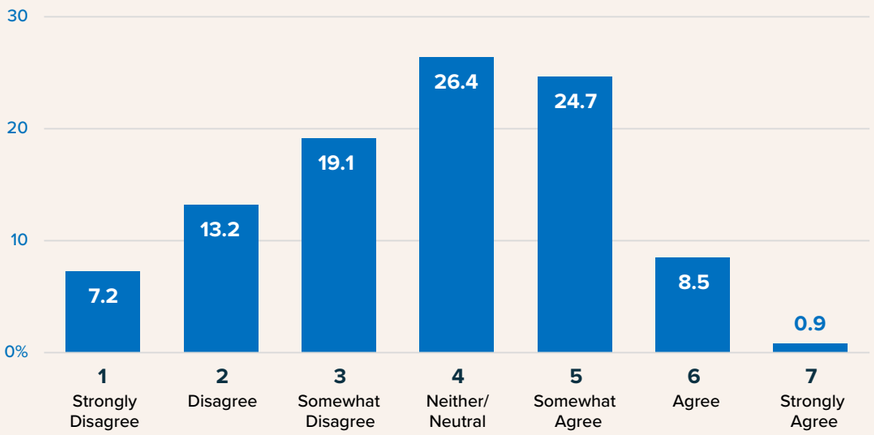
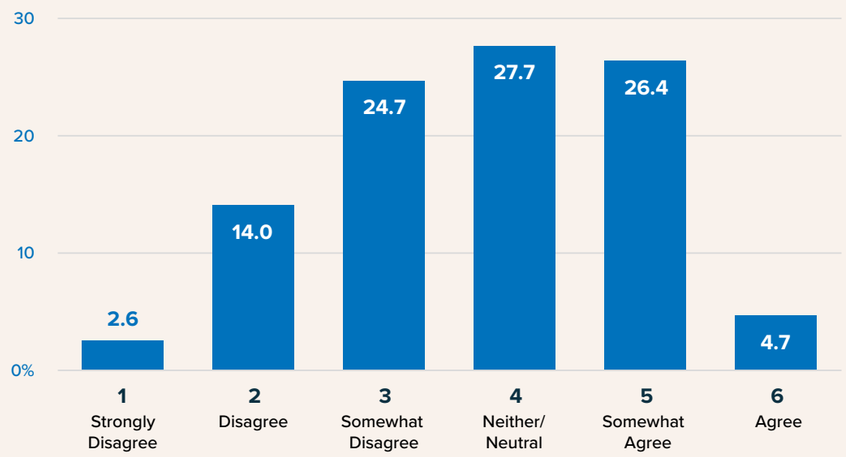


Figure 13. Information obtained using AI is accurate

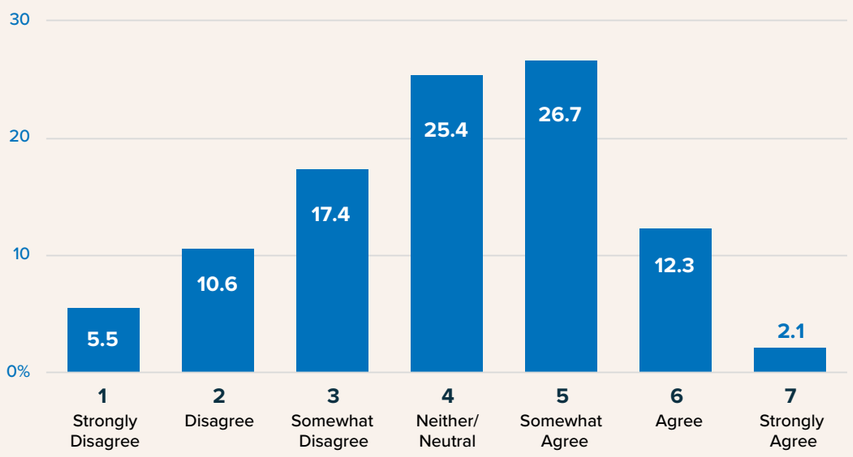


about AI's ability to deliver reliably accurate information (Figure 13).

Interestingly, when asked whether *"AI decisions are less biased than human decisions"*, the results were more positive. Combining responses from strongly to somewhat, 41.1% of respondents agreed that AI is less biased, while 33.5% disagreed, and 25.4% remained neutral. These findings suggest that while AI is viewed with some scepticism in terms of trust, fairness, transparency, and accuracy, it may still be seen as an improvement over biases in human decision-making (Figure 14).

A recurring trend in the survey results is the high percentage of neutral responses, indicating a level of uncertainty or indecision among participants about AI's role in HR decision-making. For example, between 25.4% and 33.6% of respondents selected "neither agree nor disagree" when asked about AI's trustworthiness, fairness, transparency, and accuracy. Research and case studies show that concerns about biases and inaccuracies in AI-generated information are not without basis and most users find a lack in transparency behind how AI produces its results (Chowdhury et al., 2024; Tambe et al., 2019). The lack of familiarity with AI expressed by most HR professionals would only further contribute to the uncertainty surrounding when to trust AI decisions. This hesitance could stem from limited exposure to AI systems in their day-to-day operations.

Figure 14. AI decisions are less biased than human decisions



While AI might assist with decision-making, the lack of transparency and trust in AI decisions continue to make many participants uncomfortable with AI being used without human involvement. The results therefore highlight the importance of human oversight in AI-driven processes. In other words, AI should be viewed as a tool that *complements* rather than *replaces* human judgment.

6.3.2 Views on how AI will impact work

Next, we asked participants to assess how AI will influence work in their organisation. A significant majority of respondents (81.3%) believe that using AI will improve job performance to at least some extent. Specifically, 40.0% of respondents somewhat agreed, 28.5% agreed, and 12.8% strongly agreed with the statement. Few disagreed or were neutral, indicating a generally positive view of AI's potential to enhance job performance (Figure 15).

When asked about productivity, 86.3% of respondents agreed or somewhat agreed that AI will improve output per hour. This includes 32.3% who somewhat agreed, 33.6% who agreed, and 20.4% who strongly agreed. The very low proportion (<5.0%) of HR professionals who disagreed with this statement indicates a predominantly positive sentiment towards AI's impact on productivity (Figure 16).

Perceptions of AI's ability to reduce role ambiguity were also split, with 31.5%[7] having a positive

Figure 15. Using AI will improve job performance

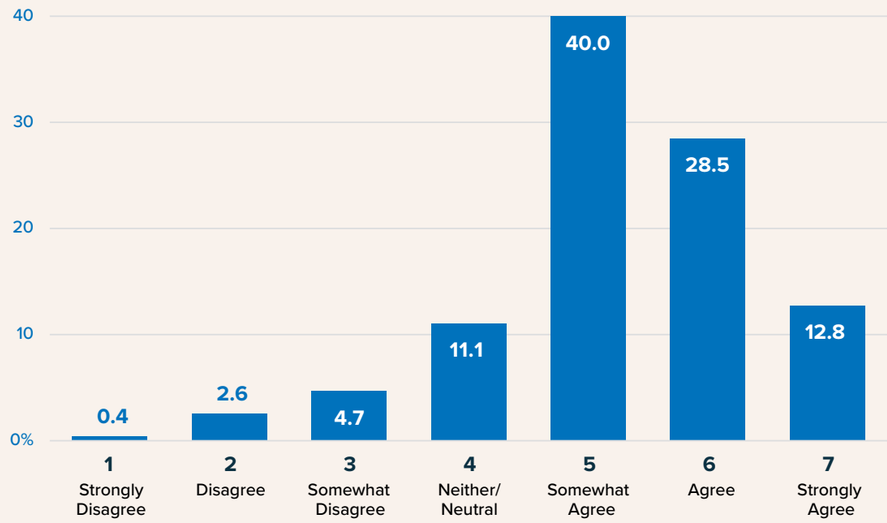


Figure 16. Using AI will improve productivity (output per hour)

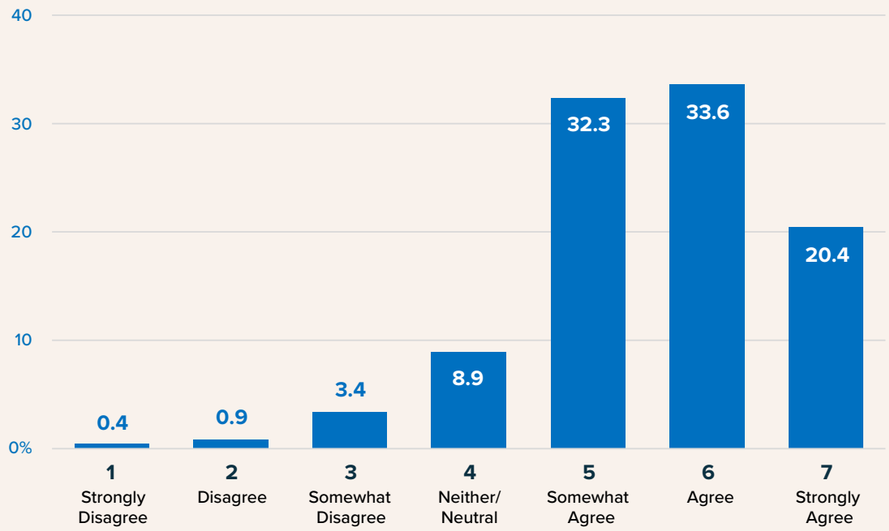
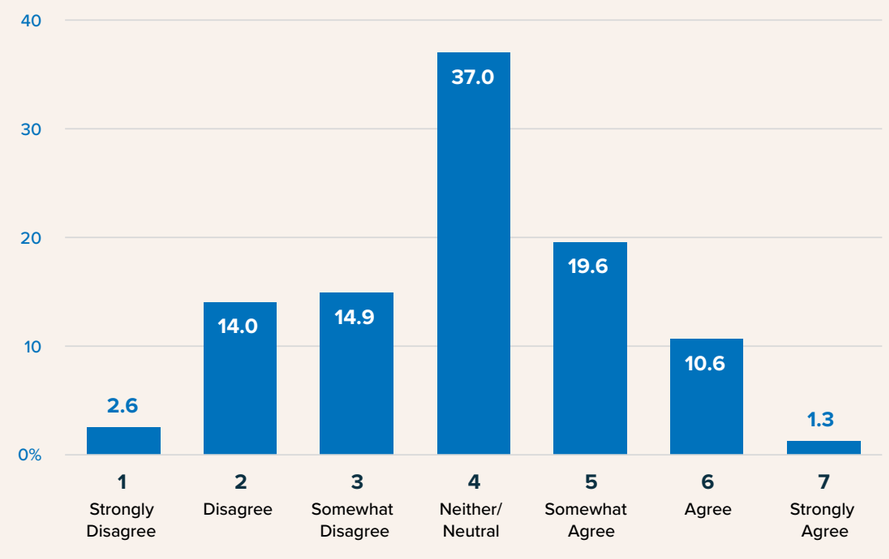


Figure 17. Using AI will reduce role ambiguity



view and the same percentage being sceptical that AI would reduce role ambiguity. A notable 37.0% remained neutral. The findings suggest that many remain unconvinced or uncertain about AI's role in clarifying job roles (Figure 17).

Regarding job satisfaction, 60.8%[8] of respondents felt that AI would improve it to some extent, while 25.5% of respondents were neutral, indicating mostly positive but some mixed views on AI's impact on job satisfaction (Figure 18).

Finally, perceptions of AI's impact on work-related stress show a predominantly positive outlook, with 62.1% of respondents agreeing or somewhat agreeing that AI will help reduce stress. However, 18.7% of respondents remained neutral on this issue (Figure 19).

Overall, while there is a general optimism regarding AI's capacity to improve job performance and productivity, the views on AI's impact on role ambiguity and job satisfaction are mixed. The positive outlook on reducing work-related stress reflects a hopeful perspective on AI's potential to improve productivity without adding additional pressure on workers.

7. This includes 19.6% who somewhat agreed, 10.6% who agreed, and 1.3% who strongly agreed.

8. This includes 33.2% who somewhat agreed, 22.1% who agreed, and 5.5% who strongly agreed.

Figure 18. Using AI will improve job satisfaction

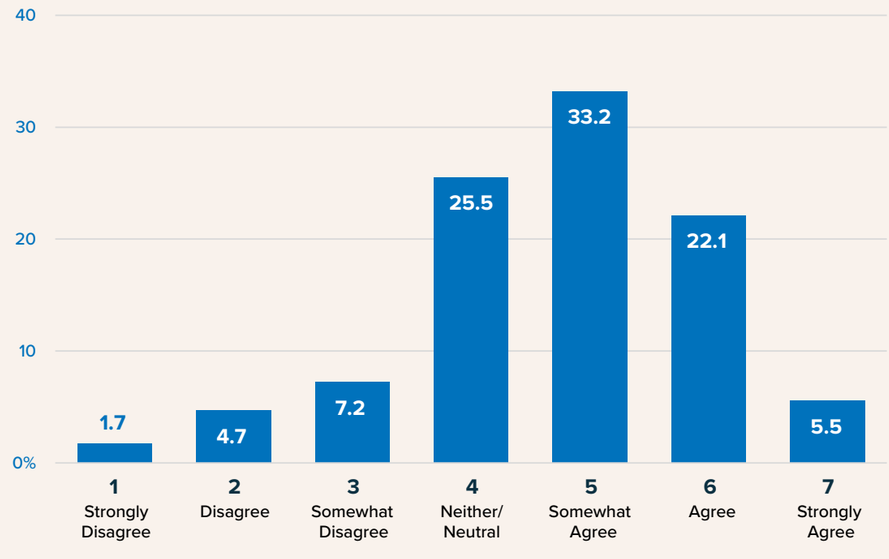


Figure 19. Using AI will reduce work-related stress

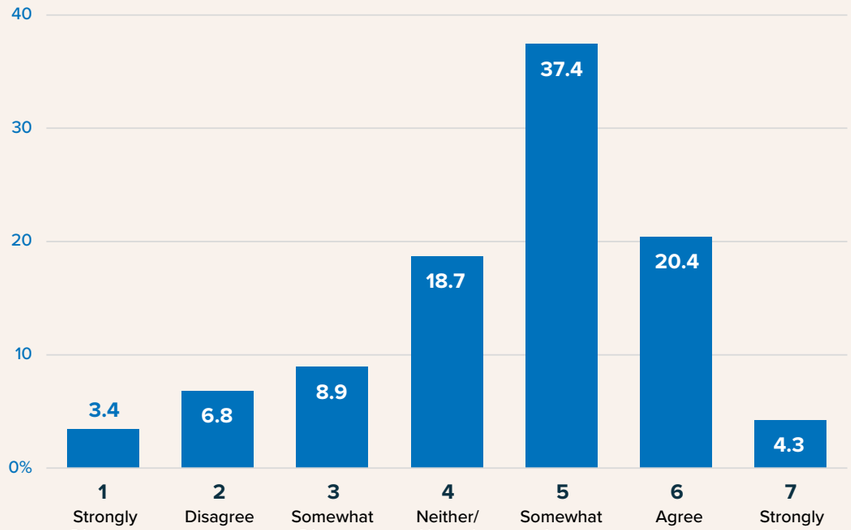
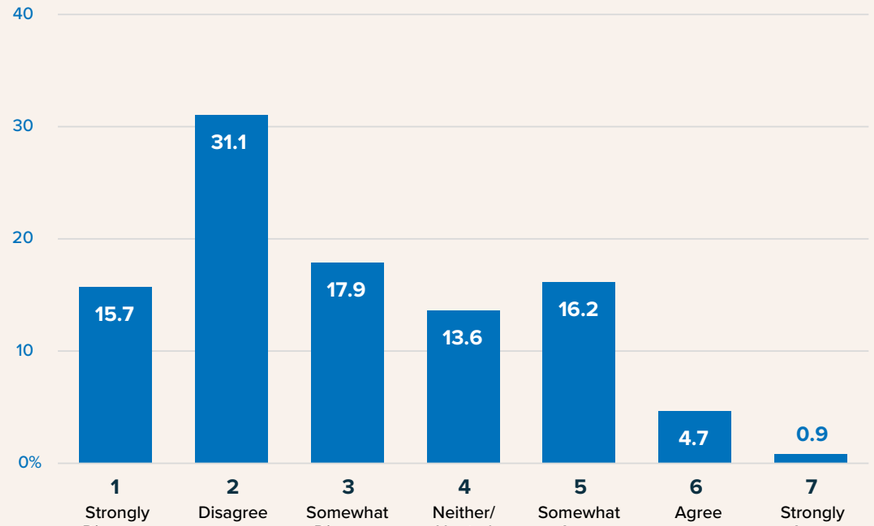


Figure 20. Employees in my organisation will lose their jobs because of AI

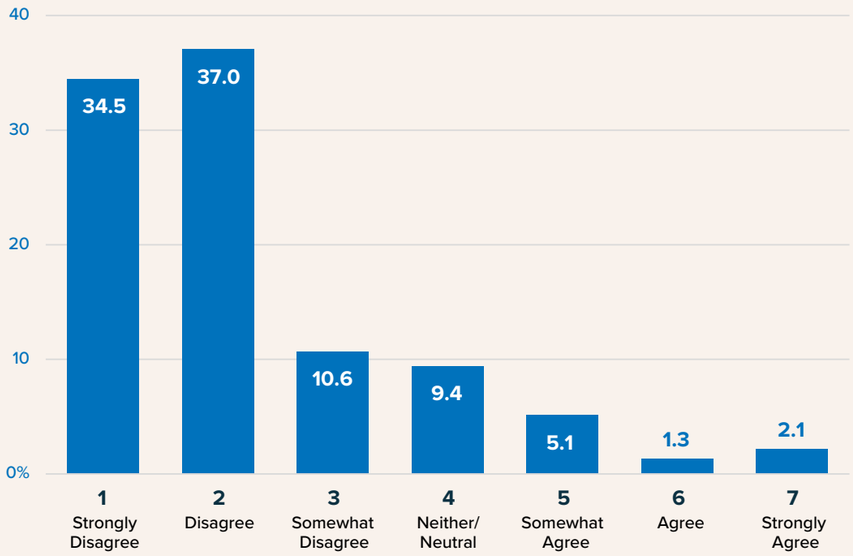


6.3.3 AI and job losses

When asked whether employees in their organisation will lose their jobs because of AI, most respondents were not concerned. 64.7% disagreed at least to some extent with the statement (Figure 20). Despite public discussion of wide-spread AI-induced job losses (World Economic Forum, 2023), only 21.8% agreed (to some extent) that AI would lead to job losses in their organisation. Late adopters were most likely to believe that employees would lose their jobs because of AI, while early adopters were least concerned about job losses[9]. These results suggest that even though concerns about job losses and slow adoption are linked, these concerns may be unfounded given that early adopters were more likely to disagree that AI leads to job losses.

In terms of personal job security, a substantial majority of HR professionals were not concerned that they would lose their job because of AI (Figure 21). Specifically, 82.1% of participants disagreed to some extent with the notion that they might lose their job because of AI (34.5% strongly disagreed, 37.0% disagreed, and 10.6% somewhat disagreed). Only 9.4% were neutral on the issue, and an even smaller proportion of respondents expressed concern that they might face job loss due to AI (5.1% somewhat agreed, 1.3% agreed, and 2.1% strongly agreed). The respondents who were most likely to be concerned about losing their job were in HR

Figure 21. I am concerned I may lose my job because of AI



administrative roles (or similar)[10]. The loss of HR roles was primarily a concern in organisations classified as *“not using AI, will be a late adopter”,* with almost half of respondents from this group expressing concern (see Section 6.7.2).

The results reflect a general sense of confidence that AI will not lead to significant job losses either within their organisations or personally. A possible explanation could be that participants predominantly use GenAI at this stage to draft documents such as job descriptions, policies, email and reports (see section 6.4 below). These low-level tasks are not perceived as a risk for HR employees in more senior positions. However, there also seems to be a lack of knowledge on AI and its potential implications for HR (or other) roles. As one participant stated in a comment: *“We really don’t have much insight into AI’s place in HRM.”*

KEY FINDINGS

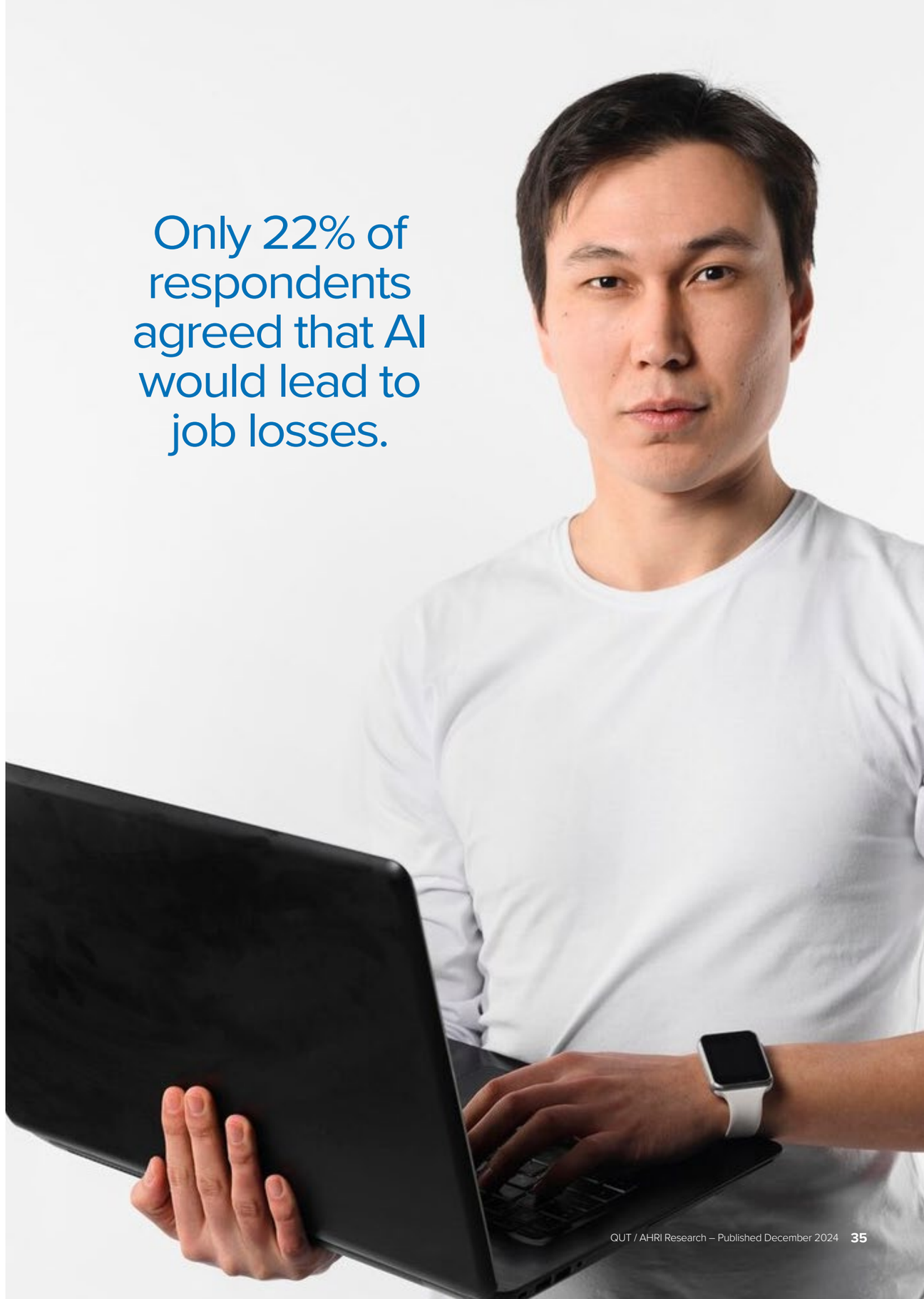
AI should be viewed as a tool that complements, not replaces human judgment. HR professionals are uncertain about AI’s role in HR decision-making, grappling with concerns about trust, transparency, accuracy, fairness and the potential for bias when AI is used. Education on AI for HR professionals may help navigate these issues.

AI is believed to provide productivity and performance benefits but not job losses. The perceived benefits of using AI included improved job performance and productivity in the workforce and reduced stress. These improvements however did not translate to a belief that employees would lose their jobs. Less than a quarter of HR professionals raised job losses as a concern, and they were more likely to be late adopters than early adopters of AI. Uncertainty about AI may feed uncertainty about job security.

9. A cross tabs analysis was conducted to explore if AI use in organisations was associated with concern about their employees losing their jobs (x2 (24) =36.87, p < .045).

10. A cross tabs analysis was conducted to explore which roles were more likely to be concerned about losing their jobs (x2 (30) =48.14, p < .019).

Only 22% of respondents agreed that AI would lead to job losses.



6.4 AI tools, technologies, and applications

Since the launch of ChatGPT in late 2022, much attention has been placed on GenAI, yet other forms of AI, ML, and algorithmic decision-making have underpinned technology development for many years. These techniques are being incorporated into a wide variety of HR tools and applications, and the technologies now available to automate HR processes and activities have expanded dramatically in recent years (De Stefano, 2020; Oravec, 2023). They may be further transformed as AI is increasingly integrated into their functionality. In this section we provide an overview of the current technological landscape in HRM, looking more closely at the automation of HR processes and practices and how different types of technologies are being used in HRM.

As illustrated in Table 1, the most common technologies for monitoring or managing workers used by the organisations in our survey were laptops, tablets, smartphones, or other mobile computer devices such as monitoring or tracking software. Other commonly used devices were biometrics such as fingerprint or eye-scanning, video surveillance to monitor employees, chatbots to answer employee questions, GPS or other forms of location tracking of employees. Less common was remote monitoring of employees via webcams. This is interesting given claims of a rise in remote monitoring during and following the COVID-19 pandemic and the in-built capability of many common HR technologies (Williams and Khan, 2024).

The *private* sector was more likely to use all devices except keystroke tracking and wearable devices.

In contrast, *public* sector organisations were more likely than other sectors to have implemented keystroke tracking and wearable devices.

Job and productivity tracking or efficiency improvement were the most common reasons given by respondents when asked why these technologies were implemented in their workplace. Improving safety for employees and/or customers and improving the security of the organisation were other commonly provided reasons.

HR departments using GenAI were overwhelmingly using MS Copilot and/or ChatGPT. Many respondents noted that they were shifting from using ChatGPT to using CoPilot in their organisations. Much less commonly used were AI tools such as OtterAI, Scribe, or Textio, or AI tools that create images (e.g., Dalle2). Several organisations indicated they were using Chatbots to answer queries or were intending to use them in the future, and some were developing their own in-house GenAI system. It was very common for HR departments to be using two or more GenAI systems.

6.4.1 What is HR tech being used for?

Given that AI can be used in a wide range of HR activities, our survey aimed to understand the most common applications for AI, and the extent to which AI is currently being used in operational versus strategic HR activities. AI is most commonly used in providing employee self-service functions or policy advice, with over a third of respondents using or partially using AI in these activities, and another 24.3% planning to use AI in the future. Similarly, AI is commonly used for HR reporting (4.3% using, 19.6% partially), with 36.2% planning to use it for this purpose in the future.

The next most common area in which AI is used— at least partially—is in training. AI is being used to prompt employees to complete training (4.3% using AI, 9.8% partially using AI, 32.8% planning to use AI in the future) and to monitor training completion (4.3% using AI, 10.6% partially using, and 29.4% planning to use AI in future). Almost 32% also have future plans to use AI to assist in identifying skill requirements, but only 2.1% are doing so now with a further 6.4% partially using AI this way.

Onboarding is another area in which there is emergent use of AI with 3% using, 12.8% partially using and 29.5% planning future use. There is relatively little use of AI for forecasting, monitoring performance, or planning promotions, rewards or other activities, with more than a third of respondents stating they

Table 1. HRM technologies in Australian Organisations[11]

Technology Type	Count	Percentage
Laptops, tablets, smartphones or other mobile computer devices which include monitoring or tracking software	99	56.9
Video surveillance to monitor employees	51	29.3
GPS or other forms of location tracking of employees	50	28.7
Chatbots to answer employee questions	49	28.2
Biometric devices (e.g. fingerprint or eye scanning)	40	23.0
Other devices	27	15.5
Hand-held scanners or voice-picking	21	12.1
Wearable devices (body camera, heart rate monitor, proximity card, fitness tracker, smartwatch, others)	17	9.8
Key-stroke tracking software	12	6.9
Remote monitoring of employees via webcams	5	2.9

11. Respondents (n=174) could select more than one answer.

are not using AI to assist with these activities and have no plans to do so in the future.

HR professionals also explained how, beyond these activities, AI is currently being used to:

- write job descriptions and job ads
- write policy documents
- summarise survey results and qualitative feedback
- draft staff communications
- develop training content
- assist with other administrative tasks such as generating meeting minutes.

Using AI allows HR professionals to research policies, analyse data, and write reports. AI simplifies writing job advertisements and interview questions and tracking the recruitment of new employees (see more on Recruitment in Section 6.5). AI tools are also used to gauge productivity outcomes and for communication purposes such as emails and newsletters. The benefits GenAI can provide when compiling or reviewing information is recognised by HR professionals who are considering other ways it could be used in the future, as illustrated in the quote below.

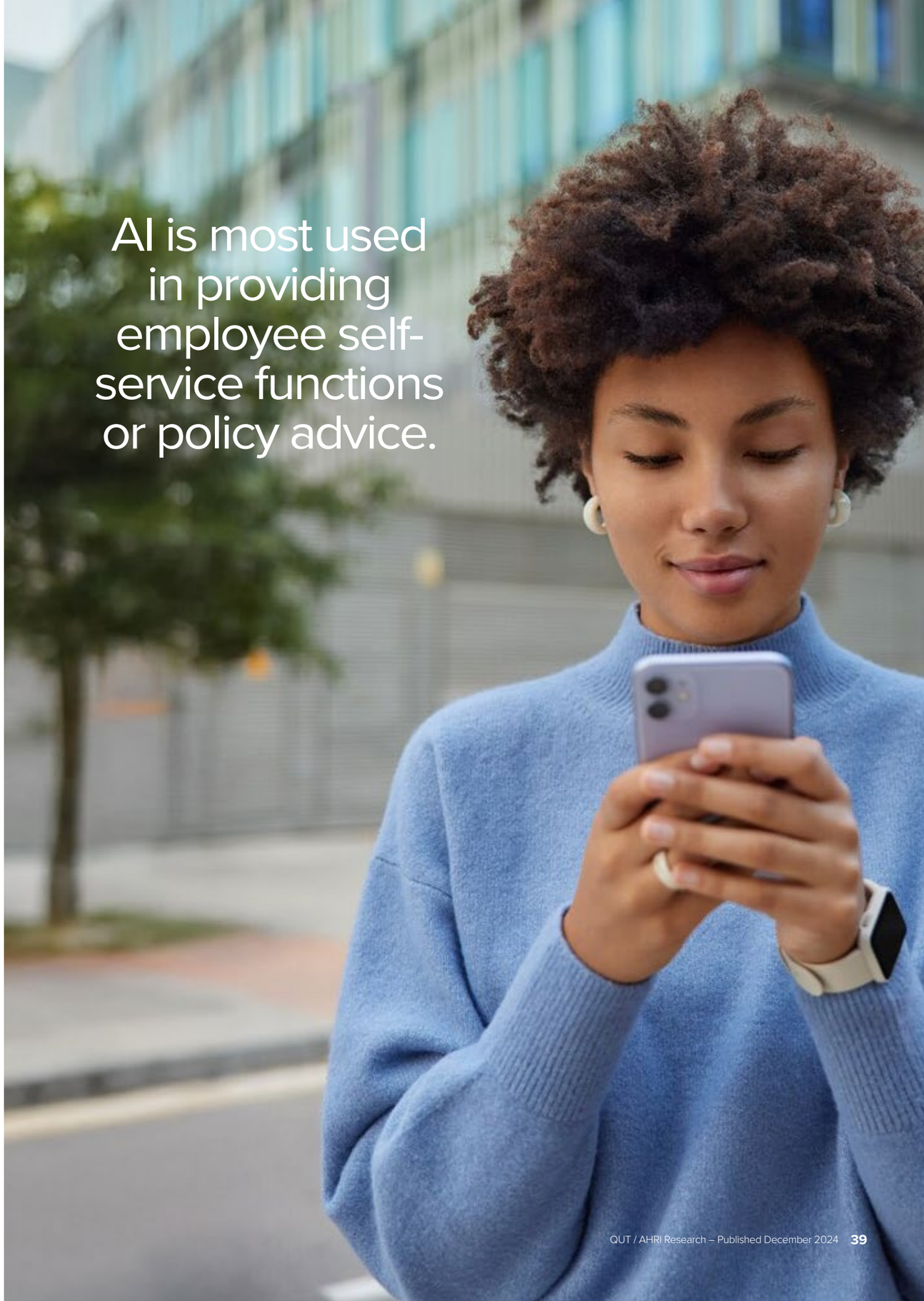
> *"AI use is also planned for our contractual negotiation process, which will take burden off team members currently needing to review extensive contract material to check for changes or discrepancies from negotiated and agreed outcomes".*

Respondents also commonly have plans to use AI in the future to develop chatbots as a first contact to address HR or contact centre enquiries.

These findings illustrate that AI has been more readily adopted to assist with operational and administrative activities, such as managing training completion rates, providing employee self-service, and reducing paperwork. This is somewhat consistent with the view that AI can be used to free up HR professionals' time, allowing them to focus on higher value-add activities. However there remains a significant opportunity for HR to consider how AI might support improved strategic decision-making or accelerate strategic activities. For example, there is limited evidence of the use of AI (GenAI or PAI) to assist with workforce planning, scenario planning, environmental scanning, or modelling.

KEY FINDINGS

The strategic use of AI in HRM is in its infancy. AI is largely being used for operational and administrative activities in HR, such as employee self-service, training administration, or writing communications. There is a significant opportunity to leverage AI capability strategically.



6.5 Recruitment

There are a wide range of AI tools available that are designed to assist with recruitment and selection activities. However, the survey findings indicate a reluctance to use AI to conduct recruitment and selection activities in Australia. Screening and shortlisting of applicants has been AI-enabled in 3.4% of cases, with a further 20.9% partially or somewhat using AI to help with screening and shortlisting, and a further 25.5% stating that while not applicable now, the use of AI for screening and shortlisting is planned for the future.

Fewer than 1% of respondents were conducting AI-enabled interviews, although 7.2% did use AI partially or 'somewhat' during the candidate interview process. A larger proportion (12.8%) were planning to use AI-enabled interviews in the future. A much smaller proportion of respondents used AI to administer or score psychometric testing of candidates – 3.4% were using AI, 8.1% were partially using it, and 16.7% were planning to use it in the future, although approximately one third of respondents did not do psychometric testing. About 30% are also planning the future use of AI in onboarding processes, with 15.8% having partially (12.8%) or fully automated (3%) onboarding already (Figure 22). It must also be noted that about 10% of respondents 'did not know' if AI was used in any of these processes.

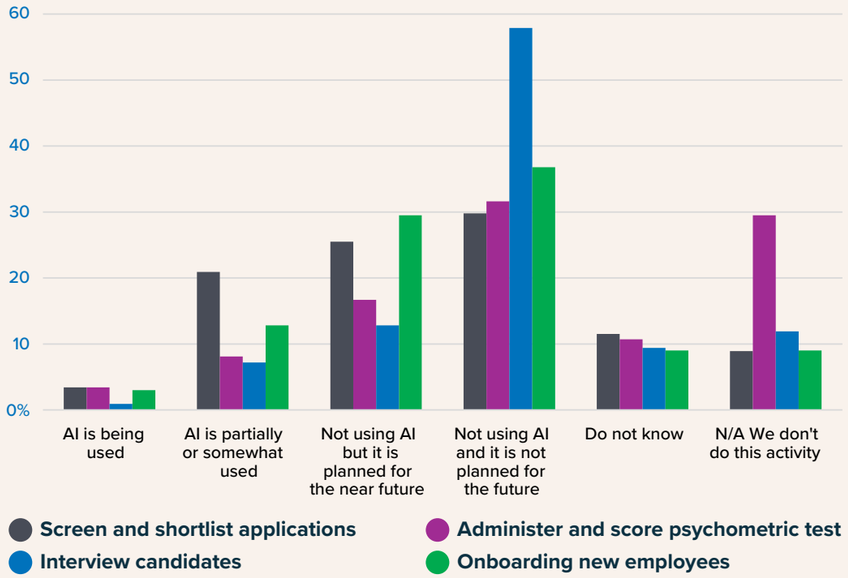
The majority of HR departments in Australia are not currently using, nor are they planning to use AI for the recruitment and selection activities of screening, shortlisting, testing or interviewing candidates.

Many industry case studies and some research also indicate that AI can provide significant efficiency gains when used in recruitment, particularly for screening and shortlisting applicants during high-volume recruitment activities in industries such as retail or for campaigns such as graduate recruitment (Black & van Esch, 2020). Yet, the use of AI in recruitment has also drawn negative attention, with many suggesting it heightens the potential for discrimination, particularly in light of case studies where AI selection decisions have been shown to be gender-biased (Tambe et al., 2019; Tursunbayeva et al., 2022). While much work has been done by AI-developers to minimise the potential for bias, concerns remain and are reflected in these results.

Australia currently trails behind the European Union and the United States in the development of regulation to govern the use of AI in workplaces. Specifically, in those regions, HR activities, such as automated screening of job applications with AI, are considered 'high-risk' activities because they have a direct effect on an individual's access to employment and, in turn, on their economic freedom. While no such regulations currently exist in Australia, they are being proposed[12].

Given that almost a quarter (24.3%) of HR professionals in our survey are using AI to at least partially shortlist or screen job applications, the adoption of similar regulation in Australia is likely to have a significant impact on current HR practice. Considering these changes and the mixed findings on bias and discrimination, the cautionary approach to using AI in recruitment that has been demonstrated by most Australian HR professionals is warranted.

Figure 22. Recruitment and Selection Activities: Screen and shortlist applications



12. See the Department of Industry, Science and Resources https://www.industry.gov.au/science-technology-and-innovation/technology/artificial-intelligence

KEY FINDINGS

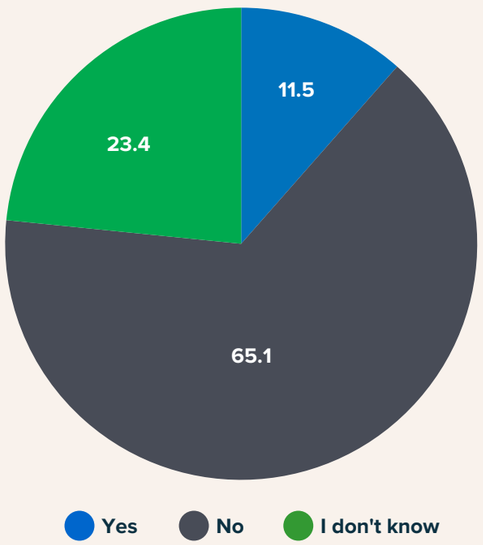
Caution is being exercised when using AI in recruitment. Most organisations were not using, or planning to use AI to screen, shortlist, test or interview candidates. This caution is warranted, given that future regulatory changes may limit the use of AI in recruitment.

6.6 Disadvantaged Groups

In March 2024, results from the *AHRI Quarterly Australian Work Outlook* survey (p.20) indicated that existing recruitment processes may discriminate against some under-represented groups, with 63% of employers actively excluding people with certain characteristics (AHRI, 2024b). As noted earlier, there have been mixed results emerging from research on the use of AI in recruitment (Andrieux et al., 2024; Chowdhury et al., 2024) and to date, limited empirical research on the impact of AI-enabled recruitment practices on under-represented groups.

Of our survey respondents that were using or partially using AI in recruitment and selection activities, 39.4% of those using AI in recruitment believed that it discriminated against under-represented groups. A further 35.2% were unsure, answering "I don't know".

Figure 23. Have you reviewed the use of AI in HRM?



Those who believed that discrimination occurred when AI was used identified the following groups as being discriminated against: Culturally diverse people (77.8%), followed by people aged 55 and above and Aboriginal and Torres Strait Islander peoples (both 59.3%), people who identify as having a disability/neurodiverse (55.6%) and women and people from a lower socio-economic background (both 48.1%). This question asked for respondent's perceptions, which is not necessarily fact, and because only survey participants using AI in recruitment were presented this question, the response rates are lower. Consequently, the results should be treated with caution. Nevertheless, they provide an interesting insight into the perceptions of HR professionals who have some exposure to the use of AI in recruitment.

In addition to asking if HR professionals believed that using AI would discriminate against under-represented groups during the recruitment and selection process, we asked if organisations had reviewed or examined whether using AI in HRM has or would disadvantage specific groups in the workforce; only 23.4% of responding organisations (n=27) had examined the issue. The vast majority (65.15%) had not undertaken any such review.

The small number of respondents who had conducted a review were further asked if that review had found that any groups were disadvantaged, and if so, which groups. Almost half, 48.1% or 13/27 organisations found that some groups were disadvantaged, while another 22% did not know.

In the few instances (13) that reviews were undertaken, the groups that were found to be disadvantaged when AI was used (in order of those most commonly identified) included: Women, people aged 55 and above, people who identify as having a disability/neurodiverse, Aboriginal and Torres Strait Islander People and Culturally diverse people, people from a lower socio-economic background, and people from the LGBTQIA+ community[13]. Interestingly the reviews conducted did not find that men, people with caring responsibilities, people with health issues or people with criminal records were disadvantaged. This result may indicate that using AI in HRM does not discriminate against these groups or it may simply be that the reviews undertaken in respondent organisations did not examine the impact on these specific groups.

These findings suggest firstly, that despite concerns about discrimination and biases, few organisations have closely examined whether those concerns are founded in the context of the AI tools they use in their organisation or the purposes for which they use them. These findings also highlight the importance of human oversight when AI is used in HRM, to ensure that it is not inadvertently disadvantaging cohorts of workers or potential employees. The effective use of AI in HRM should comply with anti-discrimination laws and support, not work against the delivery of diversity, equality and inclusion strategies. Undertaking a review of any AI-enabled or automated HR technology both prior to its use and following a period of implementation is critical to supporting equity and diversity, and mitigating risks of bias and discrimination. The important role that HR has always had and continues to play in ensuring fair and equitable employment practices was highlighted in respondent comments:

> *"AI does not take into consideration the individual or the circumstances of the individual. HR will also review each situation based on the individual and facts."*

> *"There is potential for people to be disadvantaged dependent on how AI is used and on how users make decisions – however there is potential for people to be disadvantaged without AI use as well, if data is misinterpreted or context is missing. The lack of transparency of some AI applications does create a greater risk of disadvantage, but also depends on how users engage with it and choose to apply it."*

KEY FINDINGS

AI has been found to disadvantage some groups, but few organisations have investigated. Few organisations have closely examined the impact of AI on different cohorts in their organisation, but half of those that have, found some groups were disadvantaged.

Reviews and human oversight are necessary to ensure the ethical and responsible adoption of AI.

13. As few respondents had undertaken a review of the use of AI, the response rates to this question were very low, so only trends, not percentages have been reported.

6.7 Perceived Benefits and Concerns of using AI in HRM

In addition to being asked how it is used in their organisation and their general views on AI (Section 6 and 6.3), respondents were asked specifically about the use of AI for human resource management, including whether they agreed with some of the often-cited benefits of using AI in HRM, and what most concerned them, if anything, about using AI in HRM.

6.7.1 Benefits of using AI in HRM

Most HR professionals (83.9%) believed that using AI *"makes the HR function more efficient"*, although the majority of these (42.6%) only somewhat agreed with this statement (31.5% agreed, 9.8% strongly agreed), suggesting there may be caveats on when and how efficiency gains could be achieved. Consistent with this answer, 88.9% also responded positively that using AI lets HR focus on more strategic or 'value-add' activities – 16.2% strongly agreed with this statement, 37.4% agreed and 35.3% somewhat agreed.

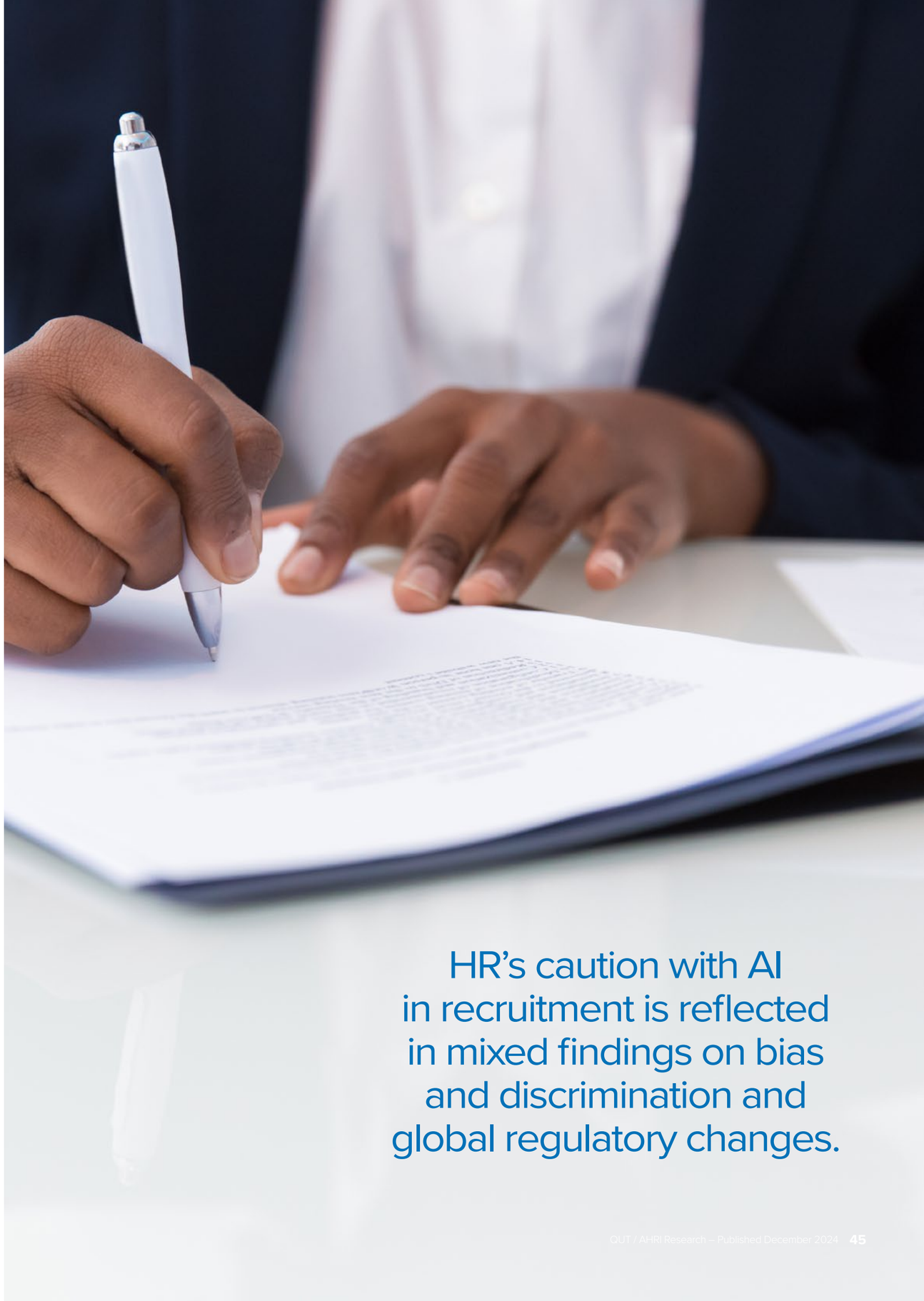
We observed a notable distinction in perceptions of AI between early adopters, who have considerable experience with AI, and late adopters, who have limited experience[14]. This divide is particularly insightful as it underscores differences between expectations and actual experiences with AI. Both early and late adopters generally agreed that AI enhances the efficiency of the HR function. However, early adopters expressed stronger agreement with this statement, reflected in a mean score of 5.5 compared to 5.1[15] for late adopters. This indicates that those with more extensive experience with AI perceive a greater impact on efficiency. Similarly, when assessing whether AI enables HR to focus more on strategic or value-adding activities, early adopters again reported a higher mean score of 5.7, compared to 5.4 for late adopters. This suggests that early adopters have observed these benefits more concretely, likely due to their practical experience with AI.

6.7.2 Concerns about using AI in HRM

HR professionals were asked to identify the issues they were most concerned about when using AI in HRM. The participants reported data security and privacy as the most pressing concerns (65.8%). Following this, AI drawing from poor data or evidence when used in HRM was a notable issue for 49.3%, as were errors in AI systems (45.2%).

14. For this analysis, participants were classified as "Early Adopters" if they reported working for an organisation that is a leader in AI usage, has actively experimented with AI, or has adopted AI technologies. Conversely, participants whose organisations are slow to adopt AI or do not use AI at all were classified as "Late Adopters."

15. The results are based on a 7-point Likert scale (1 = Strongly Disagree to 7 = Strongly Agree). A higher score indicates a higher level of agreement.



HR's caution with AI in recruitment is reflected in mixed findings on bias and discrimination and global regulatory changes.

Consistent with their views about AI in general (Section 6.3), when asked specifically about using AI in HRM, similar concerns arose, including discrimination, bias, disadvantage, transparency, errors and drawing from poor data or evidence (Figure 24). In addition, 25.1% of HR professionals were concerned about compliance with policy or regulations. Operational challenges were also highlighted, with 26.5% concerned about a lack of skills in using AI, 21.9% concerned about the challenges of integrating AI with other HR systems, and 16.0% raising the issue of employee resistance.

The de-humanisation of HRM was an issue of most concern for many (37.4%) respondents. Over half of respondents were also concerned that by using AI in HRM, empathy in HR decisions would be negatively impacted or somewhat lost (32.1% somewhat agreed, 13.7% agreed and 5.6% strongly agreed that ‘empathy in HR decisions will be lost when AI is used”).

Figure 24. Key concerns

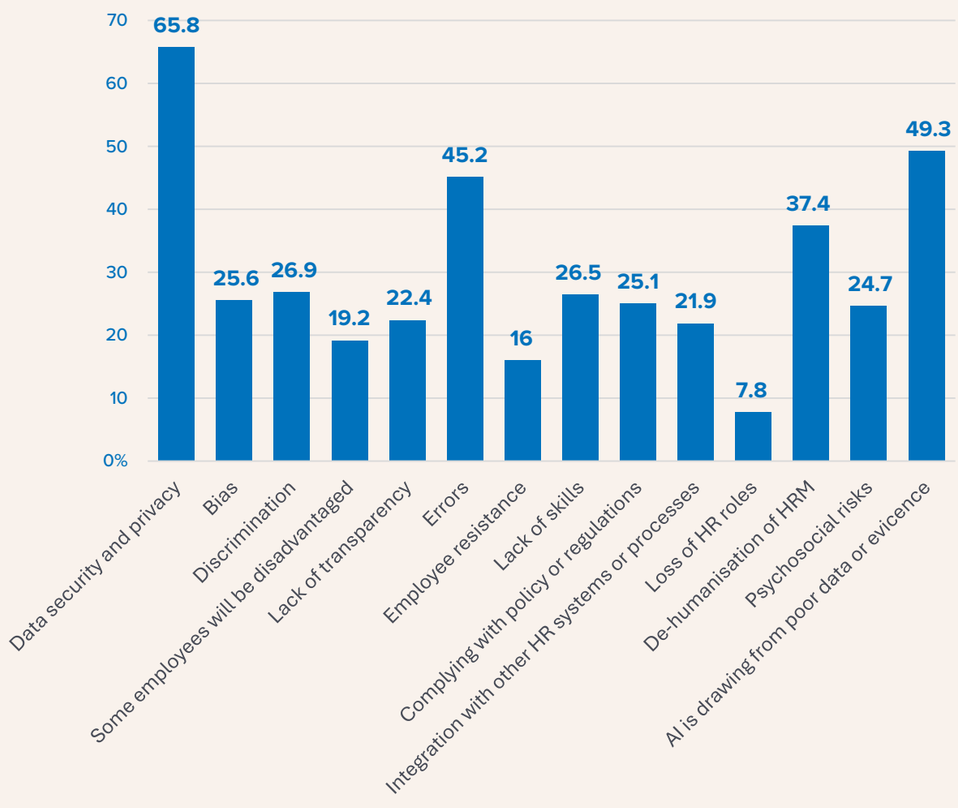
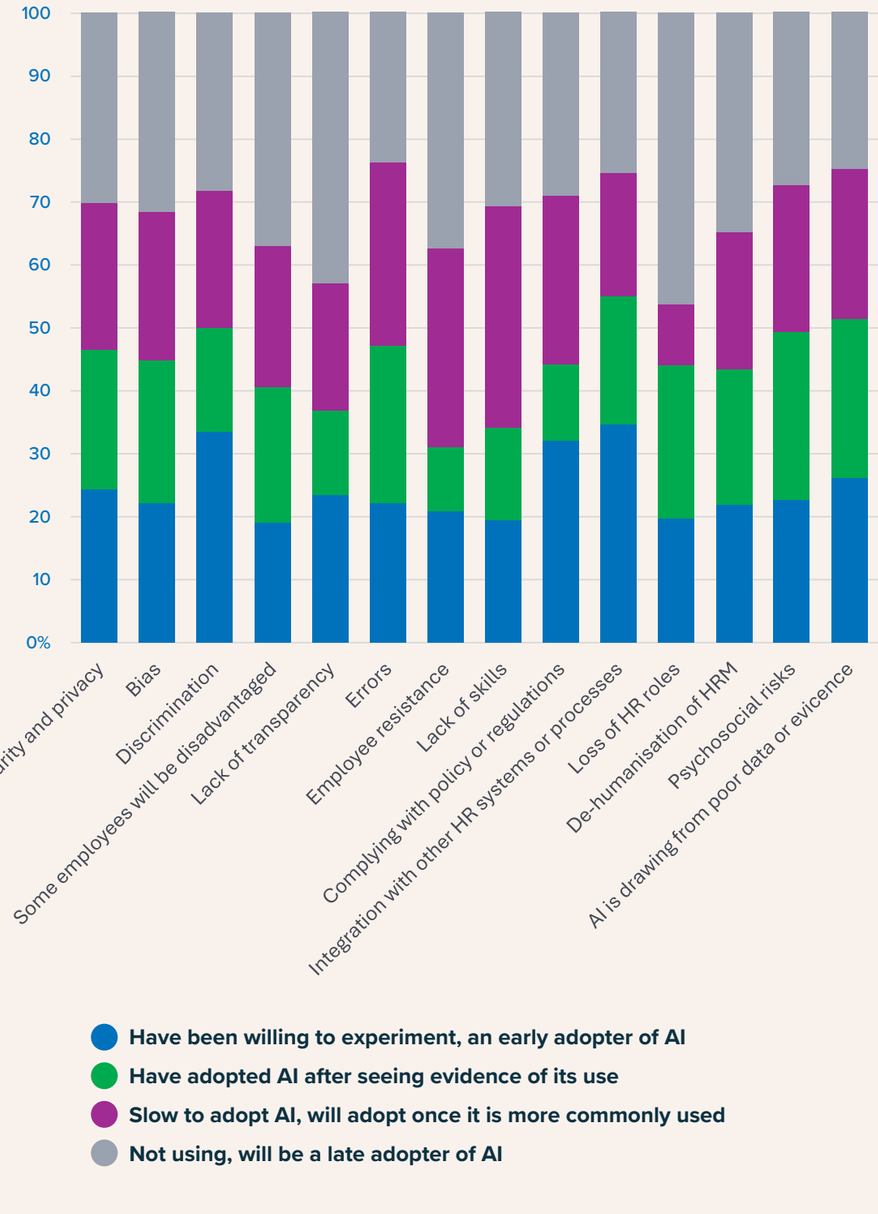


Figure 25. Key concerns across different implementation stages



While a sense of de-humanisation and a loss of empathy is not surprising, it remains important to explore solutions that maintain the 'human' in AI-enabled HR management.

In addition to being asked if they were concerned about losing their own job (section 6.3.3), HR professionals were asked to rank their concern about job losses in HR generally. The loss of HR roles was a concern for just 7.8%, making it the least-cited issue (see Figure 24) and may reflect the higher proportion of senior HR professionals in the sample.

Examining the most cited key concerns in relation to AI adoption stages[16] within organisations reveals notable differences. Figure 25 shows that while the loss of HR roles was not a significant issue overall, it remains so for late adopters, with almost half expressing this concern. Late adopters also highlighted lack of transparency as a greater issue compared to those using AI. Other key concerns they mentioned include employee disadvantage, employee resistance, and the de-humanisation of HR. In contrast, early adopters more often cited concerns about discrimination, compliance with policy or regulations, and integration with other HR systems. However, the three most frequently mentioned concerns, including data security and privacy, errors, and AI relying on poor data or evidence, were consistent across all groups regardless of their AI adoption stage.

The highly ranked concerns about data security and privacy, accuracy and errors, discrimination, disadvantage and biases in the information drawn from AI are not unwarranted, given existing research that demonstrates inaccuracies and biases do occur when AI is used in HRM (McDonald et al., 2021; Sheard, 2022). GenAI in particular has been shown to provide incorrect responses, 'hallucinate' or make up information (Chowdhury et al., 2024). The potential for errors, bias, or discrimination is likely linked to HR professionals' concerns about complying with policy or regulations, with participant comments identifying the lag between the fast pace of AI developments and use, and slow development of policy/regulation (especially privacy) to govern its use in Australia, as compounding their concerns.

Despite the lack of regulations, policy, or guidelines, by maintaining human oversight on AI decisions and adopting risk mitigation strategies (e.g., creating organisational policies and guidelines) and by undertaking a review of the impact of using AI on different groups of employees (and potential employees) in the organisation, HR can uphold their legal and ethical responsibilities.

KEY FINDINGS

Early adopters reap the benefits of using AI in HRM. Early adopters report that AI makes the HR function more efficient and provides the opportunity to focus on strategic value-add activities.

Late adopters have more concerns about the use of AI in HRM. Job losses in HR, lack of transparency, employee disadvantage and resistance, and the de-humanisation of HR worry late adopters.

Data security and privacy, errors, and AI relying on poor data or evidence, are shared concerns regardless of the stage of adoption.

16. We excluded the category "One of the first or a leader in the use of AI" to avoid potential biases resulting from the low sample size.

7 / Actionable Insights

The survey results highlight a range of benefits, risks, and practical as well as ethical considerations when using AI in HRM. From the key findings summarised throughout the report, we provide eight specific actions that HR professionals can take to support the responsible adoption of AI in their organisation.

1

Build a team of educated and conscientious AI users in HR.

To increase confidence in how and when to responsibly use AI, prioritise investment in AI training and building AI knowledge and skills within the HR team.

2

Develop guidelines on the responsible use of AI in your organisation.

Even if AI use is limited in your organisation, provide employees with clear policy to guide what AI tools can be used when and how in the organisation, to ensure responsible use of AI and minimise data security risks. Develop a policy to guide the protection of and ethical use of data generated when automated HR technologies are used.

3

Monitor changes to regulation relating to the use of AI.

Government policy is changing in response to the technological transformations that AI brings. Subscribe to State and Federal Government websites to keep abreast of regulatory changes that may shape your organisation's use of AI. These sites also provide useful guides and tools on AI use.

4

Ensure human oversight. Undertake regular AI reviews.

Use AI as a tool to complement not supplant human decision-making. Keep a human in-the-loop by requiring AI outputs to be reviewed by employees. Implement periodical human-driven reviews of any automated processes to determine if the benefits are being realised, without a reduction in job quality or work conditions, or creating disadvantage.

5

Apply AI operationally, leverage AI strategically.

Use GenAI to assist with low-risk administrative tasks and automate operational HR. Explore how AI or automation can support organisational strategy and growth. At the strategic level, AI could be leveraged for planning, governance, knowledge sharing, and culture (Pereira et al., 2023).

6

Build organisational support for AI use.

Build support from senior leaders, managers, and employees through providing training and education, policies and guidelines, and being transparent about why, when and how AI is being used, including how employee and organisational data will be protected.

7

Invest in management capability.

Effective people management is essential to the successful adoption of AI. Building capability in line managers to understand the impacts of AI in areas such as job design will help support workers in the responsible use of AI.

8

Align AI adoption with HR Strategy and supportive HR practices.

Investment in learning and development, complemented with sharing information about new AI developments, consultation on AI adoption and a continuous focus on empowerment and autonomy of workers can align AI adoption with High-Performance Work Systems (AHRI, 2024c).

References

AHRI (2024a). The Australian HR Capability Framework. Australian HR Institute (AHRI). https://www.ahri.com.au/certification-and-training/the-australian-hr-capability-framework#framework

AHRI. (2024b). AHRI Quarterly Australian Work Outlook: A forward view of the Australian labour market. March Quarter 2024. Australian HR Institute (AHRI). https://www.ahri.com.au/wp-content/uploads/AHRI-WorkOutlook-Report-Q1.pdf

AHRI (2024c). Improving Organisational Performance. Through High-Performance Work Systems. Australian HR Institute (AHRI). https://www.ahri.com.au/wp-content/uploads/AHRI-HPWS-Report.pdf

Andrieux, P., Johnson, R. D., Sarabadani, J., & Van Slyke, C. (2024). Ethical considerations of generative AI-enabled human resource management. Organizational Dynamics, 53(1), 101032. https://doi.org/10.1016/j.orgdyn.2024.101032

Bernhardt, A., Suleiman, R., & Kresge, L. (2021). Data and Algorithms at Work: The Case for Worker Technology Rights. UC Berkely Labor Center. https://laborcenter.berkeley.edu/data-algorithms-at-work/

Black, J. S., & van Esch, P. (2020). AI-enabled recruiting: What is it and how should a manager use it? Business Horizons, 63(2), 215–226. https://doi.org/10.1016/j.bushor.2019.12.001

Botero Arcila, B. (2024). AI liability in Europe: How does it complement risk regulation and deal with the problem of human oversight? Computer Law & Security Review, 54, 106012. https://doi.org/10.1016/j.clsr.2024.106012

Budhwar, P., Chowdhury, S., Wood, G., Aguinis, H., Bamber, G. J., Beltran, J. R., Boselie, P., Lee Cooke, F., Decker, S., DeNisi, A., Dey, P. K., Guest, D., Knoblich, A. J., Malik, A., Paauwe, J., Papagiannidis, S., Patel, C., Pereira, V., Ren, S., … Varma, A. (2023). Human resource management in the age of generative artificial intelligence: Perspectives and research directions on ChatGPT. Human Resource Management Journal, 33(3), 606–659. https://doi.org/10.1111/1748-8583.12524

Cameron, R., Herrmann, H., & Nankervis, A. (2024). Mapping the evolution of algorithmic HRM (AHRM): A multidisciplinary synthesis. Humanities and Social Sciences Communications, 11(1), 1–14. https://doi.org/10.1057/s41599-024-02786-z

Cappelli, P., & Rogovsky, N. (2023). Artificial intelligence in human resource management: A challenge for the human-centred agenda? ILO. https://doi.org/10.54394/OHVV4382

Charlwood, A., & Guenole, N. (2022). Can HR adapt to the paradoxes of artificial intelligence? Human Resource Management Journal, 32(4), 729–742. https://doi.org/10.1111/1748-8583.12433

Chowdhury, S., Budhwar, P., & Wood, G. (2024). Generative Artificial Intelligence in Business: Towards a Strategic Human Resource Management Framework. British Journal of Management, 0, 1–12. https://doi.org/10.1111/1467-8551.12824

De Stefano, V. (2020). Algorithmic Bosses and What to Do About Them: Automation, Artificial Intelligence and Labour Protection. In D. Marino & M. A. Monaca (Eds.), Economic and Policy Implications of Artificial Intelligence (pp. 65–86). Springer International Publishing.

DeSimone, J. A., & Harms, P. D. (2018). Dirty Data: The Effects of Screening Respondents Who Provide Low-Quality Data in Survey Research. Journal of Business and Psychology, 33(5), 559–577. https://doi.org/10.1007/s10869-017-9514-9

Dima, J., Gilbert, M.-H., Dextras-Gauthier, J., & Giraud, L. (2024). The effects of artificial intelligence on human resource activities and the roles of the human resource triad: Opportunities and challenges. Frontiers in Psychology, 15. https://doi.org/10.3389/fpsyg.2024.1360401

Holman, A. (2024). Four things to know about AI. CSIRO. https://www.csiro.au/en/news/All/Articles/2024/July/Four-things-to-know-about-AI

Kellogg, K. C., Valentine, M. A., & Christin, A. (2020). Algorithms at Work: The New Contested Terrain of Control. Academy of Management Annals, 14(1), 366–410. https://doi.org/10.5465/annals.2018.0174

Korzynski, P., Kim, S., & Egan, T. (2024). Bridging human resource development processes through generative Artificial Intelligence. Human Resource Development Quarterly, 35(3), 247–256. https://doi.org/10.1002/hrdq.21551

Lohr, S. (2024, February 1). Generative A.I.'s Biggest Impact Will Be in Banking and Tech, Report Says. The New York Times. https://www.nytimes.com/2024/02/01/business/ai-impact-jobs.html

Malik, A., Sinha, P., Pereira, V., & Rowley, C. (2019). Implementing global-local strategies in a post-GFC era: Creating an ambidextrous context through strategic choice and HRM. Journal of Business Research, 103, 557–569. https://doi.org/10.1016/j.jbusres.2017.09.052

Malik, H. M., Lepinkäinen, N., Alvesalo-Kuusi, A., & Viljanen, M. (2022). Social harms in an algorithmic context. 5, 193–207. https://doi.org/10.1332/OYUA8095

McDonald, P., Laundon, M., & Williams, P. (2024). Automated management in work and employment. QUT Centre for Justice Briefing Papers, 48. https://research.qut.edu.au/centre-for-justice/wp-content/uploads/sites/304/2024/05/BP48_McDonaldLaundonWilliams_AutomatedMgt.pdf

Meijerink, J., Boons, M., Keegan, A., & Marler, J. (2021). Algorithmic human resource management: Synthesizing developments and cross-disciplinary insights on digital HRM. The International Journal of Human Resource Management, 32(12), 2545–2562. https://doi.org/10.1080/09585192.2021.1925326

Migliano, S. (2023). Report: Privacy Risks of Employee Monitoring Software. https://www.top10vpn.com/research/employee-monitoring-software-privacy/

Nankervis, A. R., & Cameron, R. (2023). Capabilities and competencies for digitised human resource management: Perspectives from Australian HR professionals. Asia Pacific Journal of Human Resources, 61(1), 232–251. https://doi.org/10.1111/1744-7941.12354

Oravec, J. A. (2023). The Shape of Workbreaks to Come: Reframing Cyberslacking With Bossware and Artificial Intelligence. Journal of Organizational and End User Computing (JOEUC), 35(3), 1–17. https://doi.org/10.4018/JOEUC.329596

Pereira, V., Hadjielias, E., Christofi, M., & Vrontis, D. (2023). A systematic literature review on the impact of artificial intelligence on workplace outcomes: A multi-process perspective. Human Resource Management Review, 33(1), 1–22. https://doi.org/10.1016/j.hrmr.2021.100857

Roslansky, R. (2023). Talent Management in the Age of AI. Harvard Business Review. https://hbr.org/2023/12/talent-management-in-the-age-of-ai

Sheard, N. (2022). Employment Discrimination by Algorithm: Can Anyone Be Held Accountable? University of New South Wales Law Journal, 45(2). https://doi.org/10.53637/XTQY4027

Tambe, P., Cappelli, P., & Yakubovich, V. (2019). Artificial Intelligence in Human Resources Management: Challenges and a Path Forward. California Management Review, 61(4), 15–42. https://doi.org/10.1177/0008125619867910

Tursunbayeva, A., Pagliari, C., Di Lauro, S., & Antonelli, G. (2022). The ethics of people analytics: Risks, opportunities and recommendations. Personnel Review, 51(3), 900–921. https://doi.org/10.1108/PR-12-2019-0680

Vrontis, D., Christofi, M., Pereira, V., Tarba, S., Makrides, A., & Trichina, E. (2022). Artificial intelligence, robotics, advanced technologies and human resource management: A systematic review. The International Journal of Human Resource Management, 33(6), 1237–1266. https://doi.org/10.1080/09585192.2020.1871398

Williams, P., & Khan, M. (2024). Framing algorithmic management: Constructed antagonism on HR technology websites. New Technology, Work and Employment, 1–22. https://doi.org/10.1111/ntwe.12305

Wood, A. J. (2021). Algorithmic management consequences for work organisation and working conditions. JRC Working Papers Series on Labour, Education and Technology, 2021/07. https://www.econstor.eu/bitstream/10419/233886/1/1757203559.pdf

World Economic Forum. (2023). Future of Jobs Report: Insight Report. World Economic Forum. https://www3.weforum.org/docs/WEF_Future_of_Jobs_2023.pdf

Yu, J., & Qi, C. (2024). The Impact of Generative AI on Employment and Labor Productivity. Review of Business, 44(1), 53–67.

Appendix A – Survey Respondents by Demographic Characteristics

Table 2. Survey respondents by demographic characteristics

Demographic Characteristics		% n=236
Age	18 - 34	12.7
	35 - 49	45.3
	50 - 64	39.0
	65 - 74	3.0
Gender	Male	27.5
	Female	72.0
	Prefer not to answer	0.4
State or territory	Victoria	25.8
	New South Wales	22.9
	Queensland	22.5
	Western Australia	9.3
	Australian Capital Territory	7.2
	South Australia	6.8
	Northern Territory	2.5
	Tasmania	2.1
Location	Metropolitan area	74.2
	Regional area	21.6
	Remote area	3.0
Type of organisation	Private	46.6
	Public (Local, state or federal)	25.8
	Non-profit	17.8
	Academic institution (Tertiary college, institute or university)	5.1
	Other	4.2

Demographic Characteristics		% n=236
Type of industry	Professional, scientific and technical services	14.4
	Education and training	12.3
	Public administration and safety	11.9
	Healthcare and social assistance	11.0
	Financial and insurance services	5.1
	Manufacturing	4.7
	Mining	3.4
	Retail trade	2.5
	Electricity, gas, water and waste services	2.5
	Construction	2.5
	Accommodation and food services	2.5
	Information, media and telecommunications	2.1
	Agriculture, forestry and fishing	1.7
	Administrative and support services	1.7
	Wholesale trade	1.7
	Transport, postal and warehousing	1.7
	Arts and recreation services	1.3
	Rental, hiring and real estate services	0.4
	Other	16.5
Role	Senior Manager	35.6
	Mid-Level HR	37.7
	HR Advisor	9.7
	HR Administrator, coordinator or similar	7.2
	HR consultant or similar	6.4
	Other	3.4
Number of employees in organisation	500 or more employees	35.6
	200 - 499 employees	16.5
	100 - 199 employees	14.8
	50 - 99 employees	13.6
	20 - 49 employees	9.3
	5 - 19 employees	3.4
	0 - 4 employees	6.4

Case Studies – Using AI in HRM

Davies, G, (2024). Case Studies: Using AI in HRM.
The Australian Human Resources Institute.

1 / Introduction

This section of the report presents two case studies of Australian organisations who are using AI in HR management. Compiled and written by AHRI, these case studies were developed from interviews between AHRI staff and HR Professionals who have agreed to publicly share their experiences of using AI.

The case studies were developed independently from the survey conducted by QUT researchers[17], however they complement the survey findings by providing examples of the variety of ways AI is being used in HRM and the diversity of views about the benefits and challenges associated with AI.

These case studies present the views of two HR professionals, Dani Schlesier from the Australian Public Service Commission and a senior HR practitioner who until recently worked in the hospitality industry. They illustrate how HR professionals in the public and private sectors are grappling with some of the issues raised in the survey findings.

17. AHRI coordinated, selected, conducted interviews and compiled the case studies in this section. QUT Ethical clearance did not include the case studies and QUT researchers were not involved in case study development.

2 / The Australian Public Service Commission (APSC)

The Australian Public Service Commission (APSC) is a policy agency within the portfolio of the Department of Prime Minister and Cabinet that employs around 400 employees. Dani Schlesier is the Assistant Commissioner for Professions and Pathways Branch at the APSC and has been at the organisation for two years.

Dani sees AI as playing a key role in meeting the organisation's strategic goals, most notably to drive innovation and capability across the Australian Public Service. Dani's key areas of focus include workforce planning, professional capability and entry-level pathways.

2.1 Perceived benefits of using AI in HRM

According to Dani, improving productivity is the biggest benefit of using AI. The most dramatic example of this comes from a recent AI-generated learning content pilot, which generated 70% of usable content for the program. It reduced the time required to develop a first draft of learning content from 15 weeks to just three minutes. Looking ahead, Dani sees opportunities for further productivity improvements and, in a rapidly changing environment, providing up to date and relevant content to learners more quickly.

These kinds of tools can support processing large numbers of applicants in recruitment processes. However, Dani cautions that it's very important to offset the risk of AI discriminating against some under-represented groups. This can be done by undertaking analysis at each stage of the recruitment process to assess the quantity of applicants from all groups. Indeed, Dani believes that AI can be harnessed to improve diversity, equity and inclusion in organisations. As Dani explains:

> *"I take the alternative view, which is that AI can level the playing field for under-represented groups, especially people who don't know how to apply for jobs in the public service."*

> *"I think it can also help drive the shift to skills-based and task-based recruitment and hiring practices. The recruitment process is about finding the best candidate for the job, not the best person who can go through the ringer of your recruitment process."*

2.2 Leveraging AI across the organisation

The HR team is leading the adoption of AI to deliver on its strategic goals, both by providing guidance and leading specific upskilling initiatives. For example, Dani's team is leading on a specific initiative that aims to promote moving from 'digital literacy to digital fluency' across the workforce. As Dani puts it:

> *"We also need to equip leaders with the skills to be able to assure themselves that what they're doing is the right thing to be doing and there are sufficient guardrails and education pieces around that."*

The department has recognised the need to educate the workforce about the appropriate use of AI. To help improve understanding about the use of AI, the team provided guidance about when it is appropriate to use AI, while addressing common misunderstandings among employees, such as the distinction between AI, generative AI and automation.

2.3 Guidance

The Digital Transformation Agency (DTA) has released guidelines on the responsible use of AI in government, which have been adopted by the APS. These guidelines include standards for transparency statements and a risk matrix.

According to Dani, the guidance [which is available publicly] has led to "a lot of people pausing what they're doing to ensure that they are using AI appropriately and ethically".

2.4 Barriers to the strategic use of AI

Dani noted that the organisation faces various operational challenges in implementing AI. These are largely due to existing IT infrastructure and software arrangements, which make innovation and integrating AI with other HR teams across the public service especially difficult. A recent example saw the organisation unable to participate in a Microsoft Copilot trial.

2.5 Perceived concerns about using AI in HRM

Dani claimed that employee insecurity about AI was a pressing concern, especially in terms of potential job losses and having the skills and capability to the do the job. Underlining the importance of communications as well as guidance, Dani comments: "We all know that that's not the case, but equally scary for some people is having to do something different".

In addition, Dani pointed to the specific challenges of balancing automation with supporting creativity and independent thought, increasing cognitive load and greater demands on HR professionals in response to changes to work design. These apply especially to early-career employees, who will no longer have to undertake "obsolete foundational tasks".

3 / Former Employee of a Large Hospitality Employer

Until a year ago, this former employee was a key member of the project team that implemented AI at a multi-national hospitality firm. She shares her reflections on the benefits and challenges of adopting AI during this period, using the example of an AI software system provided by UKG.

3.1 Perceived benefits of using AI in HRM

This former employee believes that improving productivity is the biggest benefit of using AI. In the most dramatic example of productivity improvements, this former employee helped introduce an AI-based rostering system that saved significant time, improved efficiency and better managed staff workloads.

According to this former employee, the ability to measure productivity was key to the success of the system. The new system achieved productivity gains through:

- identifying hotels and teams that were under or over-staffed in terms of demand
- identifying hotels and teams that were not adopting the technology
- freeing up management time to focus on business performance and innovation rather than administering rosters.

As this former employee explains:

> *"The new auto scheduling system meant that we saved a hotel 30 to 40 hours a week of work. When you translate that into 7600 hotels worldwide, that's money back in your pocket or that's time. That's time to review things like quality, talking to guests and managing people ... An issue with rostering is that middle management come into manager roles and don't necessarily have the skills-set to administer rosters effectively. It is a skill that you build up over a number of years. It is also largely an administrational function that has rules and is repetitive. So it was kind of a perfect way to use AI."*

According to this employee, the new system has improved job quality, including fewer cases of burnout, fewer cases of physical harm that were caused by over-work, and greater job clarity. An additional benefit of the new system is that it is better able to recognise people's preferences in terms of shift patterns, their availability, learning styles and job roles. This former employee believes that AI has also led to a reduction in "subjective discrimination" by basing rostering decisions on skill sets and clear rules.

3.2 Leveraging AI across the organisation

According to this former employee, HR's role in the implementation of AI systems is critical to its success. She claims that HR's greater understanding of the breadth of the roles within an organisation gives it a unique insight into how AI might impact an organisation at all levels.

Indeed, the project faced challenges in the early stages due to insufficient consultation with staff, which led to significant mistrust and high levels of stress across the entire workforce. However, this was rectified when change management and HR expertise was added to the project team, according to this former employee. In addition, she highly recommends a cross-functional team comprising all the back-office functions such as operations, IT, finance and HR to minimise the risk of error and re-work.

This former employee cautions that considerable patience and time investment is required because it takes many iterations of telling AI what rules it should adopt before it operates effectively. She also warns HR practitioners that implementation is particularly complex in Australia due to the requirement to align the awards systems with other key requirements of the new system. These include aligning staff availability, staff preferences, employee skill sets and customer arrivals.

3.3 Perceived concerns about using AI in HRM

This former employee is uncertain about AI's role in the recruitment process. In particular, she grapples with issues of fairness and the potential for bias when AI is used. This could have implications for some under-represented groups, including women, culturally diverse individuals and those from lower socio-economic groups:

> *"I just don't think is sophisticated enough for AI not to discriminate because it's based on people's skill sets and it's usually based on words people say. It's taught to read the words people say, it's taught Western culture, it's taught masculine vocabulary as well, which is, you know, a bit different from a more feminine vocabulary. It's therefore not a true test of how smart someone is."*

About QUT Authors – Survey Findings

Penny Williams is an Associate Professor and the Director of the Centre for Decent Work and Industry at QUT. Penny is co-lead of the Human-Robot Workforce Program in the Australian Cobotics Centre and the recipient of an Australian Research Council (ARC) Discovery Early Career Research Award (DECRA) 2023-26 investigating the automation of people Management in Australia.

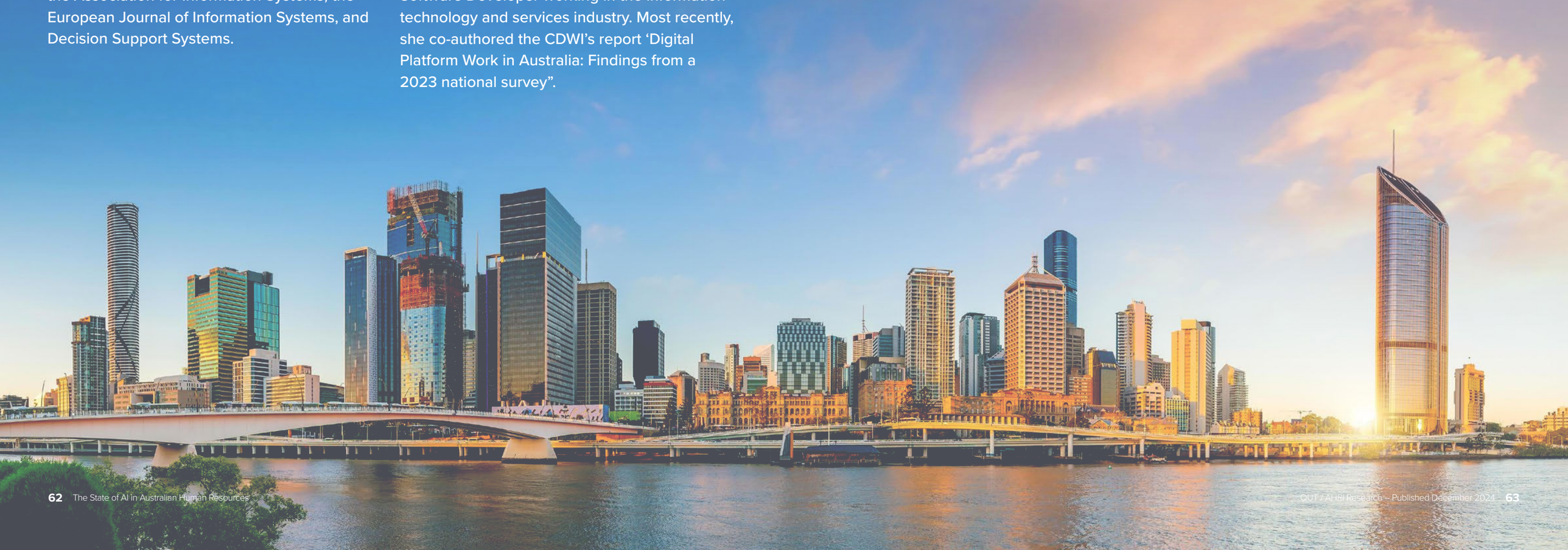
Tyge-F. Kummer is an Associate Professor at QUT. His research primarily focuses on the acceptance and usage behaviour of emerging technologies to support judgement and decision making. He has authored over 50 publications, with his work appearing in renowned journals such as the Journal of the Association for Information Systems, the European Journal of Information Systems, and Decision Support Systems.

Mazlan Maskor is a lecturer, a QUT Ideas Research Fellow, and an Australian Health Practitioner Regulation Agency (AHPRA)-registered organisational psychologist. His research examines the social psychology of workers' responses to leader transgressions within multi-level organisations and the social dynamics between workers, leaders, and artificial intelligence during organisational crises. Mazlan is a recipient of the 2022 Ray Ball Prize for most outstanding paper published in the Australian Journal of Management.

Catherine Kennon is a Technical Support Officer in the Faculty of Health at QUT with expertise in survey design and data management. She is also an experienced Software Developer working in the information technology and services industry. Most recently, she co-authored the CDWI's report 'Digital Platform Work in Australia: Findings from a 2023 national survey".

About AHRI Authors – Case Studies

Gerwyn Davies is Research and Advocacy Specialist at AHRI. He has spent the vast majority of his career in the UK, where he was a media commentator on labour market issues and a member of various government advisory groups. Most recently, he has led on various AHRI research reports; including the Australian Quarterly Work Outlook as well as reports on hybrid and flexible working, diversity, equity and inclusion, older workers and High-Performance Work Systems.



ahri.com.au
1300 811 880
enquiries@ahri.com.au

qut.edu.au
centrefordecentwork@qut.edu.au