



Turning insight into impact:

AI's promise for people and performance



A research-led guide to adopting
AI for people-first innovation,
efficiency, and adaptability

PREFACE

We've all heard the new adage: 'AI won't take your job, someone with AI skills will'

One minute, AI is a helper, the next it's a hindrance. It's creating a pressurized environment, with demands from business leaders for new efficiencies and cost savings. But it can be impossible to understand what is true, what's just hype, and where organizations actually stand when it comes to AI.

AI is one of the most exciting developments in tech since the invention of the smartphone. It's absolutely going to bring huge changes. However, there's a lot of noise to cut through, and that noise can make things feel nerve-wracking. That's when people start to shut down.

We need an empathetic approach. Empathetic innovation is where the real value lies.

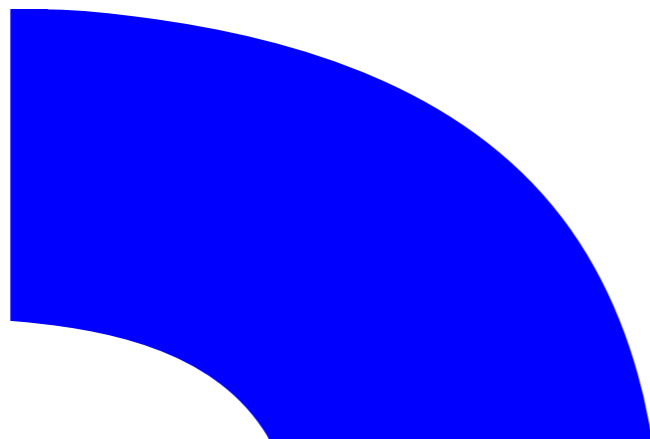
To make that happen, this white paper is packed full of research, digging into what people and organizations really think about AI. We're also going to offer some guidance on building out your own AI roadmap, and how People First can factor into those plans.



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EXECUTIVE SUMMARY

Organizations of all sizes and sectors are rapidly increasing their AI adoption, and only a tiny percentage say they have no current AI functionality and no plans to invest. However, most admit they're only realizing a fraction of AI's true potential, and that many blockers are holding them back.

This report examines these issues and offers practical steps to overcome them.

Stats

64%

of organizations consider adopting AI a high priority

48%

Less than half of organizations feel fully ready to embrace AI

35%

of organizations are facing challenges with human error in data input

How did we collect this data?

We surveyed 1,003 people and finance leaders across the USA, UK and Republic of Ireland across a range of industries. This survey explored key questions around AI adoption, including benefits, readiness and ethics as it relates to HR, payroll, and finance.

Key findings

- The vast majority of organizations now recognize the importance of AI and are taking steps to implement some form of AI technology
- Key areas where AI can add value are being neglected, often due to critical concerns around data security and ethics
- Overcoming these concerns will take training, governance, auditing and accountability

Conclusion

A lot of organizations are trying to run before they can walk, expecting employees to instantly understand how best to utilize AI without causing issues.

Taking a second to reset and bring in expertise may feel like it's not an option when the technology is evolving so quickly, but it will help make AI's many benefits a core part of your operations, rather than a flash in the pan.

Recommendations

- ✓ Get technical expertise to seamlessly integrate AI into daily tasks
- ✓ Consider consultants to ensure AI solves specific, strategic problems
- ✓ Address fears around control, fairness and reliability to build trust
- ✓ Use transparent tools that explain their suggestions and benefits clearly
- ✓ Start with low risk use cases to boost confidence

HOW MUCH OF A PRIORITY IS AI ADOPTION AND WHY?

To start things off, it's helpful to look at the current state of play.

Simply put, strategic intent is very strong across every business. Nearly all organizations across all stripes recognize the importance of AI adoption. But this isn't strictly reflected in the levels of functionality.

But why is there this sense of urgency?

Why has AI become such a priority in what feels like a short space of time?

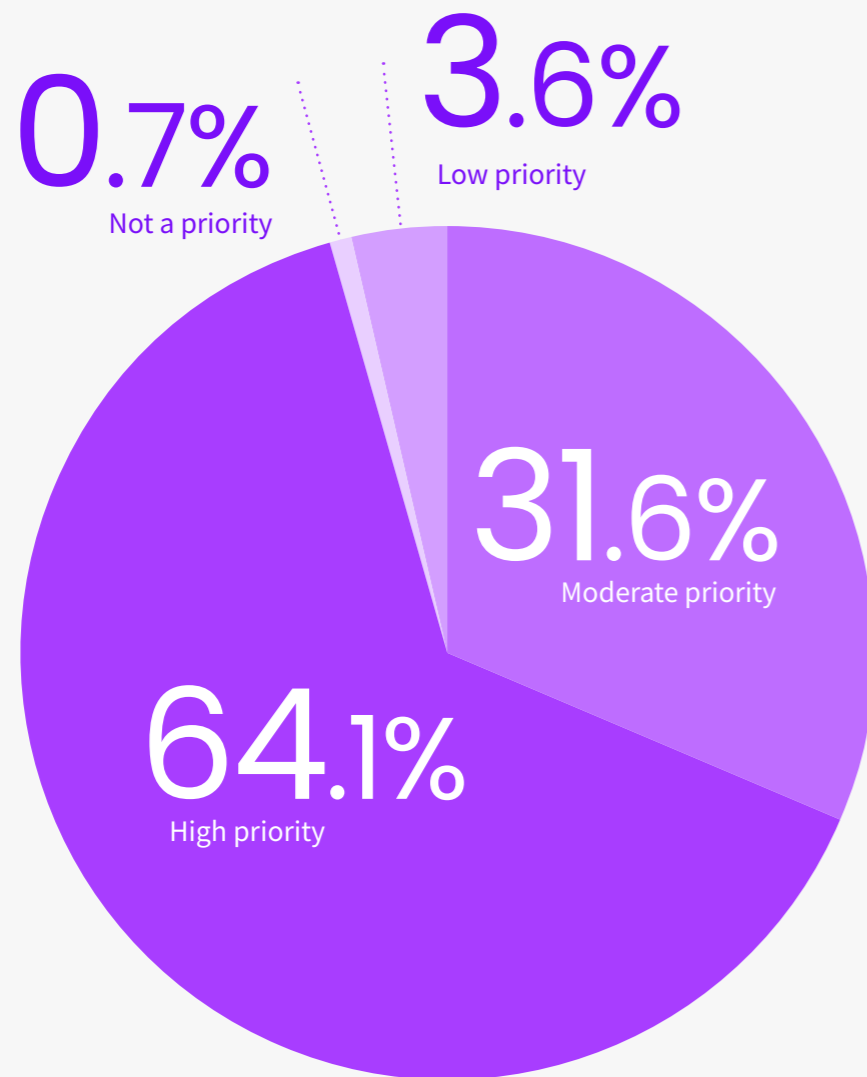
We'll dig into the more nuanced benefits later in this white paper, but the broad strokes all come back to staying competitive in an evolving market.

When you get AI working, the potential efficiency gains are so huge that it can catapult you ahead of all competitors.

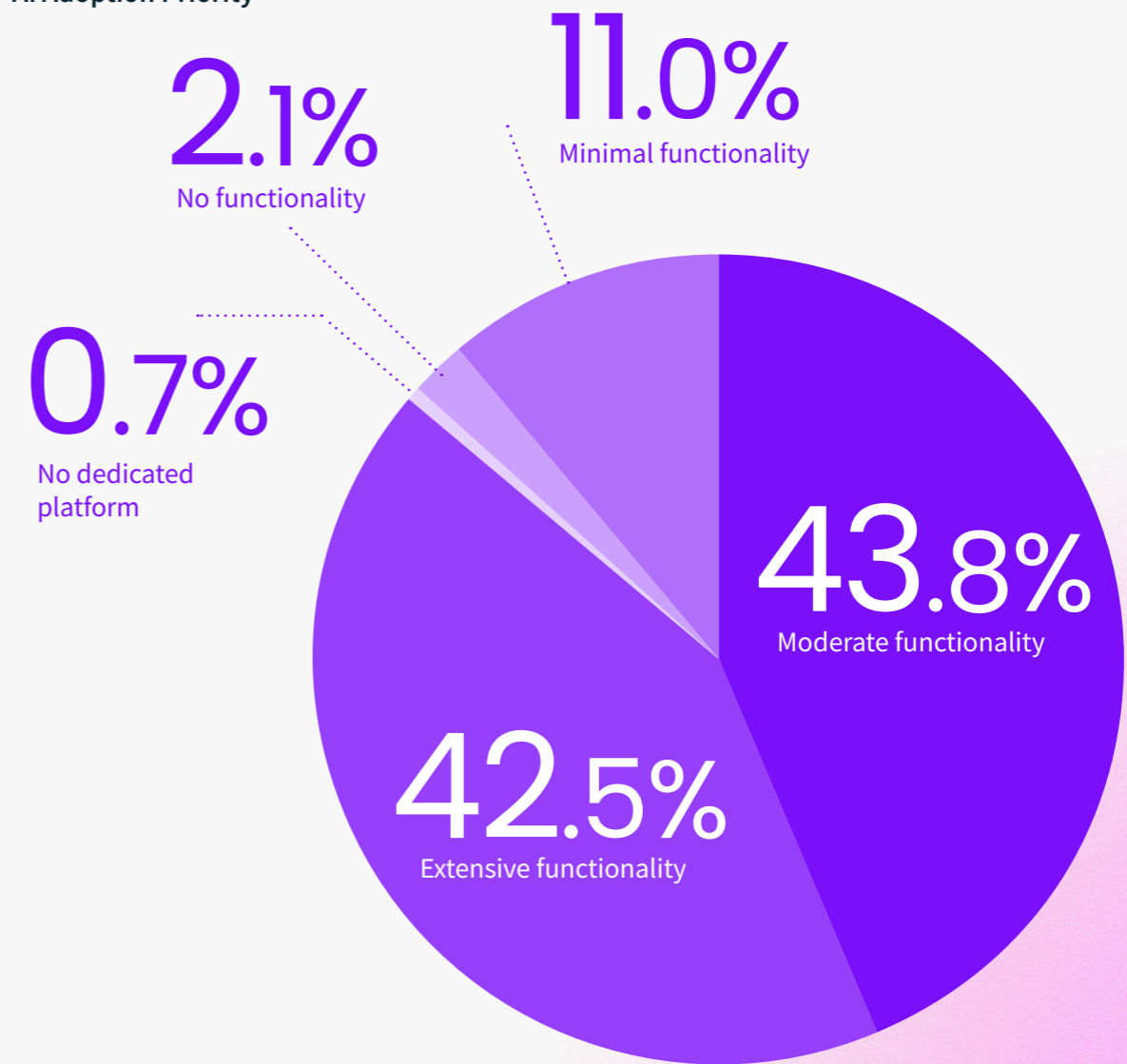
The stakes are very high. Everyone understands that. We all want the same things.

How do we get there?

Q1
AI Adoption Priority



Q2
AI Adoption Priority





What is AI being used for?

and what are the big blockers?

WHAT IS AI BEING USED FOR?

AI functionality use cases in HR, payroll, and finance

This data indicates that while AI adoption is a high priority, some potential areas where there can be huge benefits are being neglected, which becomes especially apparent when you look at the most desired improvements.



WHAT IS AI BEING USED FOR?

Most desired AI improvements (All respondents)

This indicates that automation is a desired improvement, but AI is so much more than that and has a lot of potential to help with more cultural areas, such as employee experience. For example, streamlining employee self-service or analyzing employee sentiment can help retain and develop great talent. This suggests that there may be a lack of understanding and confidence in what AI can actually deliver.

Automating payroll for greater accuracy and speed	32%
Efficiency in consolidating and analysing data	29%
Financial forecasting and budget optimisation	23%
Enhanced data security and trust	21%
Better workforce planning and talent management	21%
Recruitment and candidate screenings	19%
Automating expense management and reporting	18%
Improved communications and culture building	16%
Skills identification and task matching/planning	16%
Streamlined admin and increased employee self-service	16%
Creating structured pathways for employee progression	15%
Personalised learning and development opportunities	15%
Proactive compliance management to reduce risks	15%
Monitoring employee sentiment for retention strategies	14%
Benchmarking and understanding employee and company performance	13%

WHAT ARE THE BIG BLOCKERS?

Key challenges in implementing AI (HR, payroll, finance)

Predictably, accuracy, security and ethics are the biggest areas for concern. We'll take a deeper look at how to handle these concerns later.

Data security concerns around personal data access

41%

Ethical concerns about AI's role in decision-making

35%

Concerns about AI's accuracy in financial forecasting or reporting

35%

Lack of internal skills, knowledge or expertise

34%

Resistance to change across the team

30%

Legacy systems not built for AI integration

29%

Budget constraints

27%

Not knowing where to start

14%

Three big ideas

IDEA ONE

Trust and ethics are a worry, but the response is uneven

IDEA TWO

AI readiness is self-assessed and doesn't align with internal skills

IDEA THREE

Cost isn't the big blocker



IDEA ONE

Trust Ethics are a worry, but the response is uneven

31.5%

cite ethical concerns as a top barrier

38.8%

say they're encouraging employee feedback on AI

16

respondents said no ethical steps are needed

A lot of people are willing to talk about managing ethical concerns, but there's a huge risk of it becoming a box-ticking exercise. Organizations shouldn't just acknowledge those risks but place thoughtful protections in place and meaningfully consider their impact.

This is especially important in people-focused functions like HR. Without due care, you can find trust eroding. When implementing any new solution, trust and buy-in are your most vital currency.

Do your due diligence on new software solutions to make sure they're being used ethically and with accountability, and you will build that trust.

Prioritize efficiency and growth over cost-cutting. Integrate AI with existing systems. Research and involve experts and you'll ensure everything is covered.



IDEA TWO

AI readiness is self-assessed and doesn't align with internal skills

A lot of organizations are claiming they're ready to bring in AI, but the lack of skills is going to be a huge blocker.

Regardless of what form they're in (LLMs, agentic, machine learning), AIs are tools that take practice to use. You can't just give a tool to an employee with no experience and hope they figure it out.

They need to be given space to experiment and learn in order to get the most value out of the systems.

Likewise, AIs need to be considered at a strategic level. A lack of internal expertise can lead to all kinds of problems, from poorly implemented tools to overreliance on external vendors.

91% of organizations say they're ready to embrace AI

34%

say they lack internal skills and expertise

14%

say they don't even know where to start



IDEA THREE

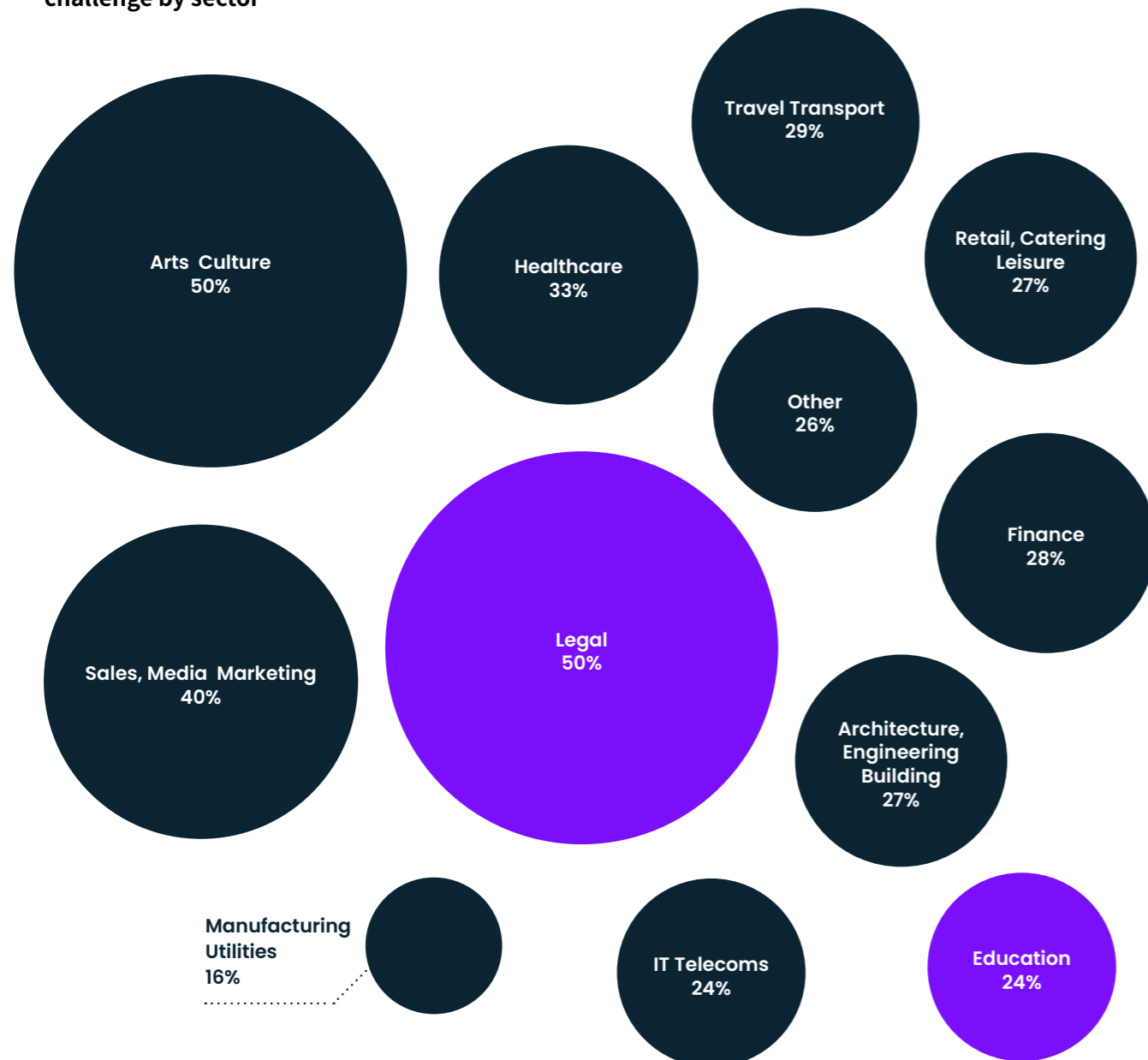
Cost isn't the big blocker

Only 27% of organizations cite budget constraints as a top challenge for implementing AI

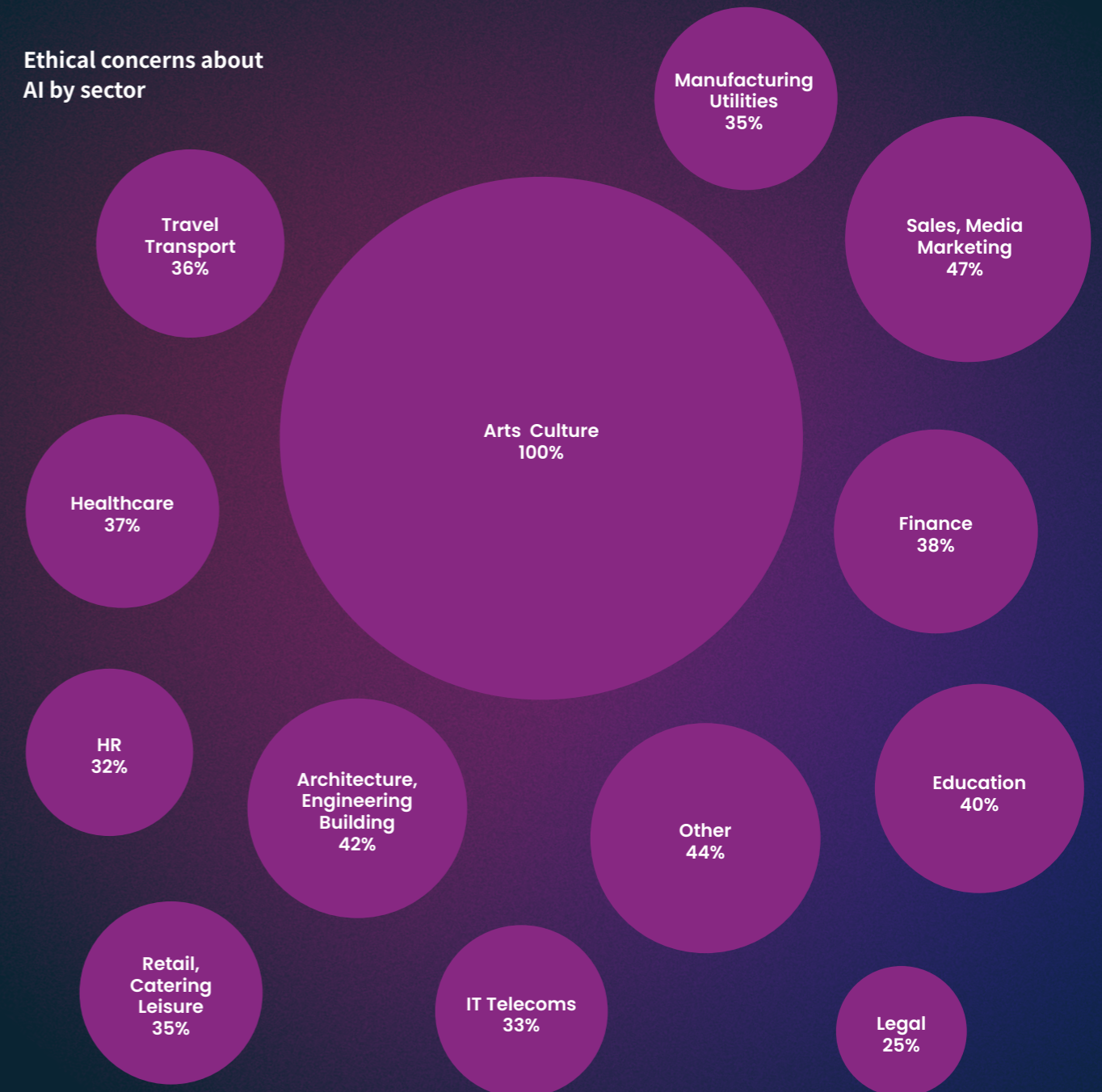
A common narrative we see around AI is that it's too expensive to implement properly. But this data suggests that cultural and ethical barriers are a bigger issue.

For example, budget controls are tighter in industries such as education, but only 24% of respondents listed budget as a key blocker. Compare this to ethical concerns, which 33.8% of respondents listed as a key concern.

Budget constraints as a challenge by sector



Ethical concerns about AI by sector



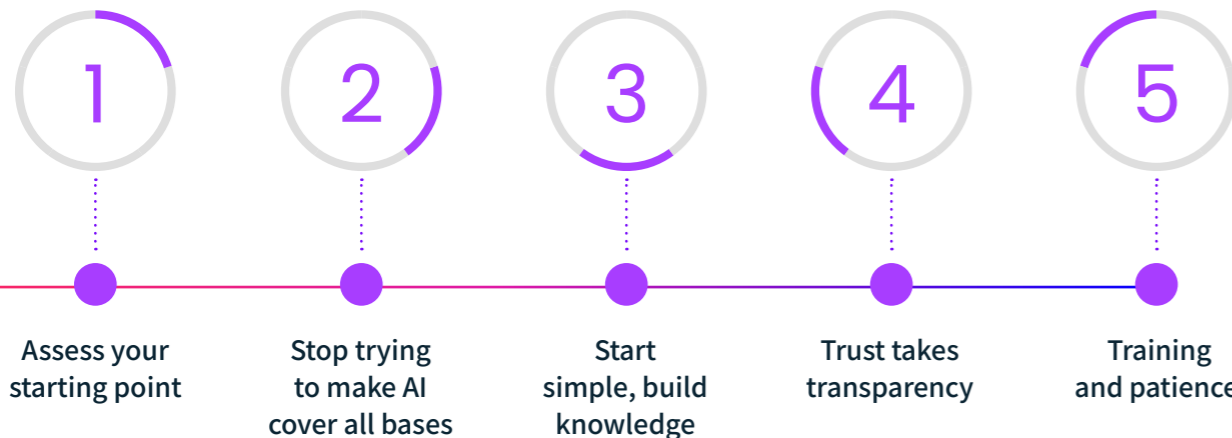
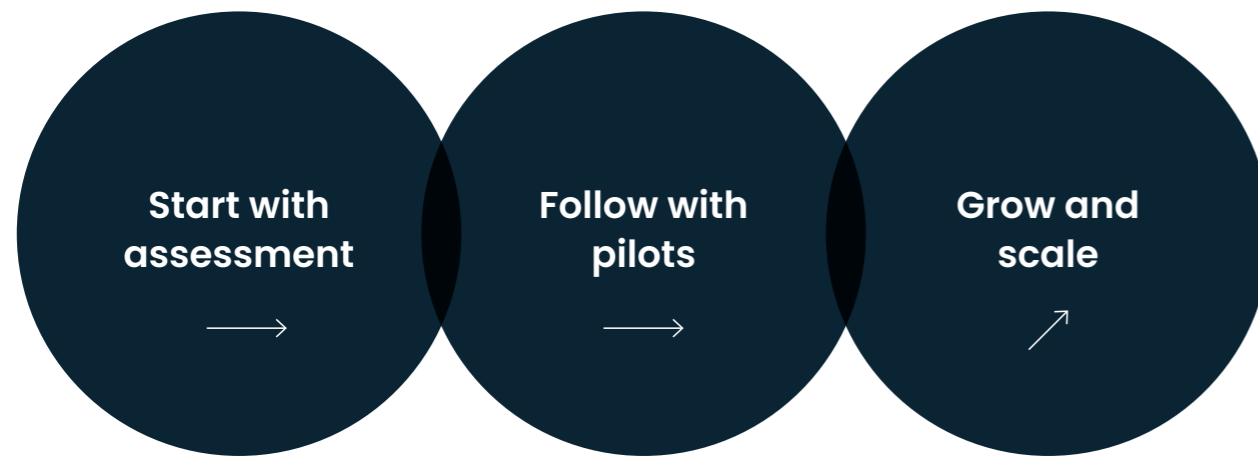
It makes sense that ethical concerns would be a large issue for the arts sectors, with generative AI being especially controversial there. However, the 100% rating here is due to a smaller sample size for this industry, which can skew the result.

Building your own AI roadmap in five steps



BUILDING YOUR OWN AI ROADMAP IN FIVE STEPS

To overcome some of the ethical and practical barriers to implementing AI, clear road mapping is the best step.



1

Assess your starting point

Your AI roadmap should fit your specific challenges. If you're highly prepared, focus on software pilots and scaling. If you're less prepared, prioritize training and confidence-building before aiming for quick results.

2

Stop trying to make AI cover all bases

AI excels when solving specific problems with the right data. Use tools for their intended purposes. For example, don't ask a content platform to perform data analysis, or a chatbot to handle complex, human-centric topics.

3

Start simple, build knowledge

AI can feel intimidating. Start with easy, low-risk tools, like using AI to summarize notes and suggest talking points. These tools improve digital literacy while building trust and confidence in AI's potential.

4

Trust takes transparency

Trust in AI isn't just about tech; it's about people. Explain the limitations and potential inaccuracies of AI tools, involve your team in their design, and regularly audit systems. Make AI decisions transparent and explainable to foster confidence.

📌 **46% of organizations support regular audits as a means to ensure fairness, accuracy, and compliance.**

5

Training and patience

Don't overwhelm your team with too many tools at once. Give them time to experiment and provide clear cybersecurity guidance.

Pair hands-on exploration with formal training to build expertise and ensure employees feel empowered to use AI confidently.

Conclusion

Discover how People First integrates human-centered AI into the workflows your HR team uses every day.

Explore People First

CONCLUSION

With over 90% of organizations feeling at least somewhat ready for AI, the momentum to act is there. What are the key things you, as someone looking to implement AI in your organization, need to know?

Experiment and grow

While our survey suggests a fairly unified response across organizations of all sizes and sectors, a one-size-fits-all AI roadmap won't work. You need to make sure your approach is tailored to your digital maturity and specific goals. Don't just bring out an AI system for the sake of it, and don't expect a roadmap that accounts for all your needs out of the box.

Build awareness among the team, experiment with pilot schemes, and test as you go.

Remember:

AI is just one part of your digital transformation journey. That journey is a steady evolution, not a sudden pivot.

Stay accountable

Trust is vital, especially in an area as controversial as AI development. Employees are worried that AI is coming for their jobs, and many of them have concerns about the effectiveness of AI. Telling them this is the way forward and they need to 'figure it out' will breed more caution. Instead, be open and honest with your team about your plans, audit your tools regularly.

Bring in the experts

Regardless of how ready you feel, the sheer amount of noise in the AI market can make starting feel daunting. You need to find a digital transformation partner that will scale and evolve with you, helping you find your feet and then elevate the whole team.

That's us.

