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Driving HR transformation

How to get executive buy-in for AI

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There was a last-minute opening on your leader's calendar. Your meeting starts in 14 minutes. Finally — this is your chance to talk to them about talent intelligence.

Three minutes before the call, your mind is swirling with all the ways talent intelligence could benefit your department and organization.

You could start hiring for potential by inferring skills adjacencies. You could use real-time data on rising and falling skills to bridge skill gaps and make strategic, cost-effective plans to build, buy, or borrow the right talent. Better yet, you could free up your team's time to focus on higher-value activities, reduce bias throughout the talent life cycle, and deliver a world-class employee experience.

You hop on the call, eager for next steps, and the first thing they say is: "We're paying a lot of money for your existing HR tech stack, and we just upgraded your ATS in May. Why do you need this solution? Besides, I've never heard of talent intelligence."

You freeze. You know exactly why your organization needs talent intelligence. AI is transforming every industry — especially HR — and the rate of digital and industrial change is only increasing. Additionally, HR has evolved from being focused on processes and paperwork to being strategic advisers to the business. Every new hire comes through HR, and AI is essential to fuel and accelerate all your organization's strategic work.

But how do you articulate all that in a way that resonates with key decision-makers?

Whether you're an HR leader trying to get your executives on board for talent intelligence or you're in the C-suite and wondering how talent intelligence can help you, this guide is for you.

The undeniable case for talent intelligence

"Evolve or die" was the prevailing sentiment from PwC's 2023 survey of over 4,410 CEOs. "Transform or perish," echoed The Josh Bersin Company in its 2023 pacesetters report that analyzed common patterns in top-performing companies.

Unrelenting changes in the economy, technology, society, and the climate have created a state of flux and compulsory adaptation for organizations. One of the biggest drivers of this change — and new opportunities — is AI.

According to our *Talent Survey*, 92% of HR leaders planned on increasing their use of AI in at least one area of HR in 2023. And it's not just HR leaders who are eager to take advantage of this technology. According to Deloitte, 94% of business leaders said they believe AI is critical to success.

For HR, the value is clear. Talent intelligence platforms can distill insights and patterns from billions of global data points to help organizations enhance the entire talent life cycle. That includes sourcing, matching, interviewing, retention, internal mobility, mentoring, promotions, and succession planning. Talent intelligence platforms can also streamline time-consuming tasks, like parsing through résumés and scheduling interviews, saving hours each week.

But what about the rest of the organization — what about the C-suite? Why should they care about talent intelligence, especially with the rise of generative AI and all the other departments itching for new AI capabilities? Here's why every executive needs to be concerned with talent intelligence.

IMPERATIVE #1:

Strategic workforce planning

Digital skills have a <u>shorter half-life</u> than ever before — some technical skills are down to 2.5 years. With the latest wave of AI, including the impact of generative tools like <u>ChatGPT,</u> approximately <u>300 million jobs</u> could be affected. The World Economic Forum's <u>*The Future of Jobs Report 2023*</u> predicts that 23% of jobs will change within the next five years, with 44% of workers' core skills being disrupted.

Work is changing lightning fast, and organizations that aren't prepared will lose any advantage they might have in their industry. Talent intelligence platforms can help organizations keep pace and even lead by instantly understanding what skills they possess and which skills are rising or falling in their workforce and their competitors' workforces.

Armed with those insights, HR leaders and hiring managers can make data-driven plans to build, buy, or borrow talent — that is, upskill, hire, or contract out work. The right talent strategies, backed by the right intelligence, can help every organization reduce labor costs and align the workforce to overall objectives, including increasing profitability.

14%
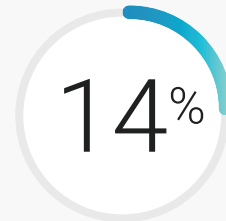
"Only 14% of business executives strongly agree that their organization is using the workforce's skills and capabilities to their fullest potential."

The skills-based organization: A new operating model for work and the workforce, Deloitte

But to benefit from strategic workforce planning, organizations need to implement these AI-powered technologies and strategies today. Budget cuts, layoffs, and hiring freezes dominated headlines in 2023. Many of these layoffs — and severance costs — could have been avoided if organizations had been strategically analyzing workforces in 2020 or earlier. Their leaders would have known which skills and hires they needed, head counts wouldn't have been so inflated, and they wouldn't have had to make sweeping cuts to rightsize their workforces.

And while some layoffs are inevitable, organizations could still have used talent intelligence to strategically reskill and redeploy valuable talent. Waiting another one to three years to start using AI-driven workforce planning risks more head count imbalances, disadvantageous skill mixes, and potential layoffs.

1/2   2x
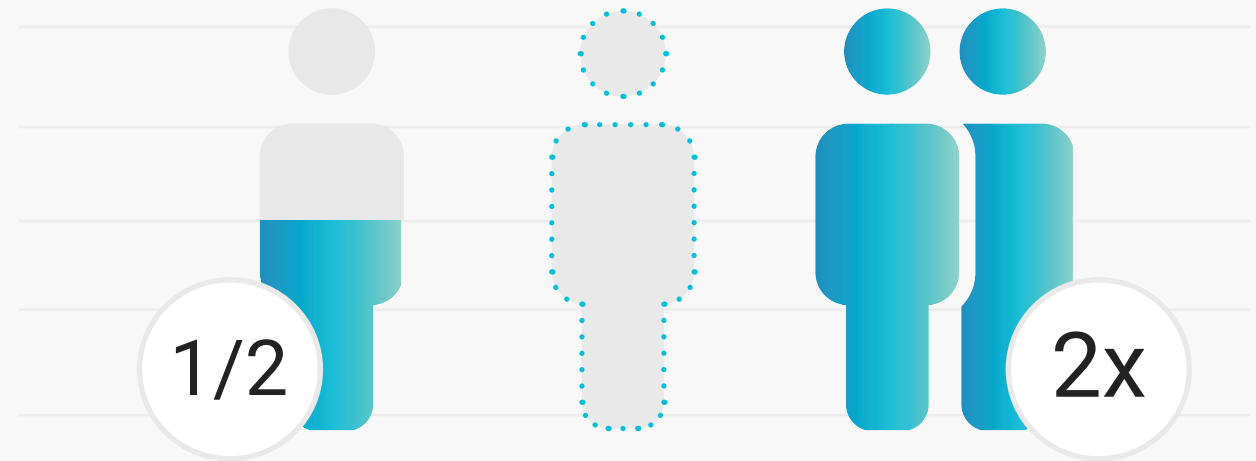
"The cost of replacing an individual employee can range from one-half to two times the employee's annual salary — and that's a conservative estimate."

This fixable problem costs U.S. businesses $1 trillion, Gallup

Increased retention and reduced costs

The Great Resignation is over — or so we thought. In a 2023 report from PwC, which surveyed 54,000 workers, 26% of respondents said they plan to quit their jobs in the next 12 months, up from 19% last year.

But what's causing this spike in turnover? Our *Talent Survey* found that the post-pandemic challenges of architecting a modern workforce include providing an employee experience that aligns with their preferences and expectations, and finding better ways to engage and mobilize talent across the entire ecosystem, including opportunities for internal mobility.

Employees also told us that they're hungry for opportunities for promotions and visibility into current and future skills which could lead to other opportunities inside their organization. Surprisingly, the sentiment that AI will take people's jobs has all but vanished. Almost a third of workers (31%) believe that AI will help them increase productivity and efficiency at work.

As organizations aim to do more with less, bursts in turnover are increasingly expensive — and untenable. The cost of replacing an employee can range from one-half to two times the employee's annual salary. And as organizations remain hyper-focused on budget, losses in productivity from voluntary turnover and the added strain on remaining employees only compound problems.

To help increase retention and employee satisfaction, organizations can use talent intelligence platforms to surface personalized training and career development opportunities at scale. At a time when talent is more valuable than ever, talent intelligence platforms can help you improve the employee experience through:

- **Career planning:** Talent intelligence platforms can connect employees with relevant opportunities — projects, courses, mentors, or jobs — to help them create customized career plans and discover new opportunities within your organization.

- **Internal mobility:** Using skills adjacencies and learnability, talent intelligence platforms can surface relevant internal opportunities to employees and help recruiters quickly discover internal candidates for open roles.

- **Succession planning:** With deep-learning AI, organizations can see everyone's role readiness based on their skills — not their connections — giving managers deeper insights into qualified successors.

Helping instill new skills that align with your organization's short- and long-term needs will give your employees greater satisfaction and autonomy over their careers while boosting your organization's productivity — and top and bottom lines.
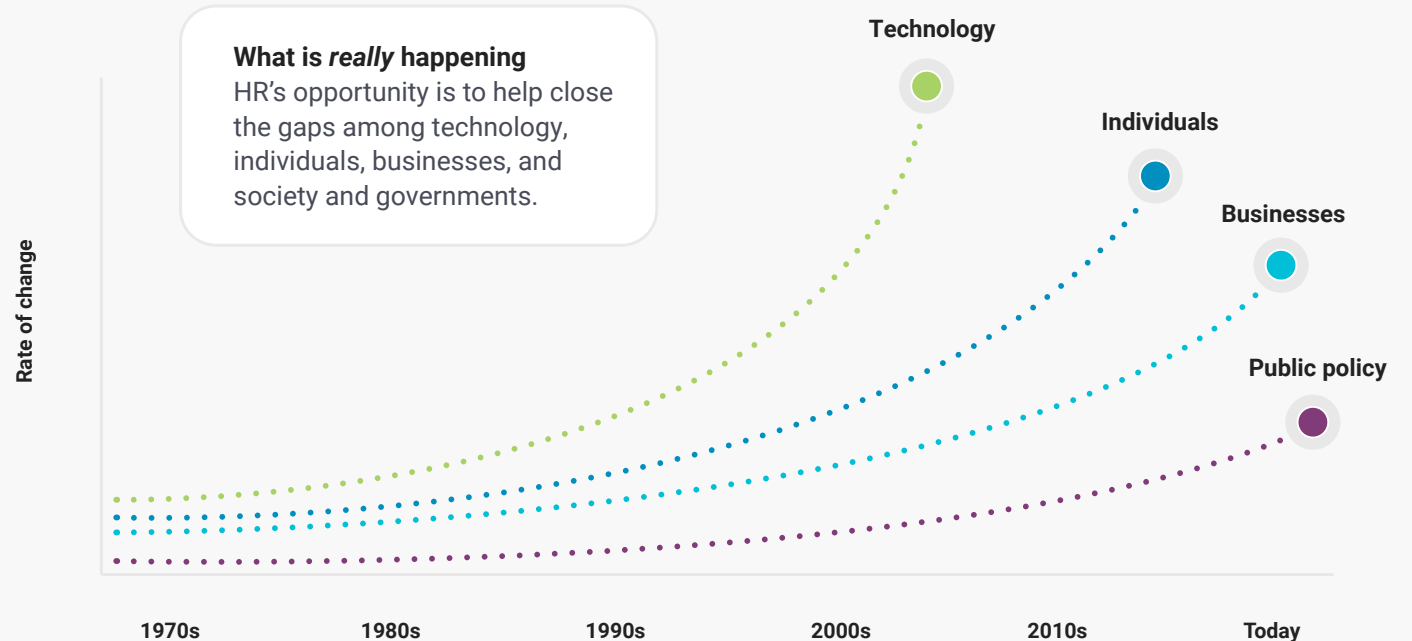
IMPERATIVE #3:

Competitive advantage

Organizations can be somewhat sluggish in adopting new technology, but waiting until others in your industry have proven the efficacy of certain technologies is a risky approach.

According to **McKinsey**, organizations that persisted in innovation during the 2009 financial crisis outperformed their peers by 10%. Over the following years, they continued to outperform their competitors by upward of 30%.

The world has its eyes on AI, but the truth is, AI has been around for decades. Organizations that lead the way in adopting AI will outperform competitors for years to come. And while this principle is true for AI in any function — whether finance, IT, or sales — it's especially true in HR, where top talent drives innovation and having the right skills powers a competitive edge across every team.

The rate of adopters, individuals, society, businesses, and government agencies

What is *really* happening
HR's opportunity is to help close the gaps among technology, individuals, businesses, and society and governments.

Technology

Individuals

Businesses

Public policy

Rate of change

1970s 1980s 1990s 2000s 2010s Today

Source: Deloitte University Press | *dupress.deloitte.com*

What about generative AI?

Generative AI is a form of artificial intelligence that uses large language models (LLMs) and natural language processing (NLP) to help people complete tasks using written prompts. AI has been around for years, and generative AI is simply another iteration and evolution of this technology — but it is becoming table stakes.

For HR practitioners, generative AI can help the HR team quickly accomplish repetitive or time-consuming tasks using natural language. For example, through a text interface, a recruiter can ask a generative AI assistant to compose a job description or surface the best candidates based on specific criteria. The generative AI solution will instantly deliver those outputs.

As another example, that recruiter could then use generative AI to compose a personal email to promising candidates in seconds and instantly generate an email to send the hiring manager, using AI-generated candidate summaries.
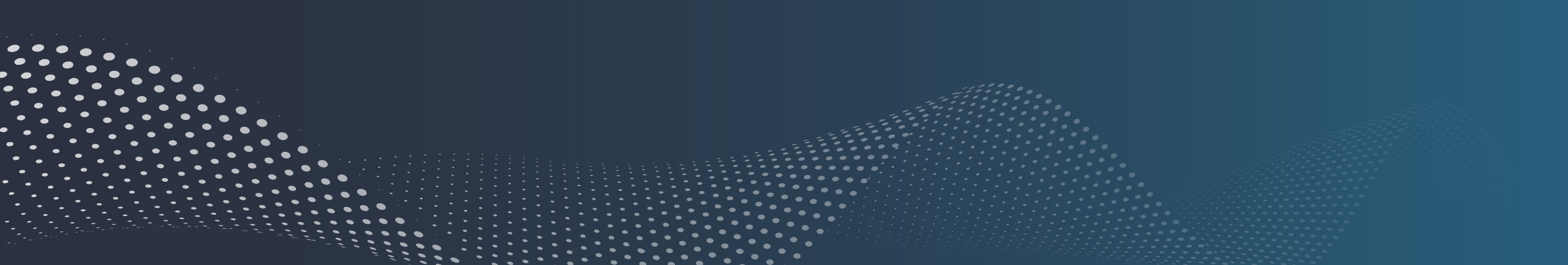
Workflows that took minutes or hours can be finished in seconds, all with generative AI models that have been trained to reduce bias and increase diversity and equality. The resulting time efficiencies are simply something top-performing organizations can't afford to miss out on. To make full use of this technology, your organization should prioritize talent intelligence platforms with plans to integrate generative AI capabilities into the solution.

Showing the C-suite the value of talent intelligence

While strategic workforce planning, reduced costs, and competitive advantage appeal to the entire C-suite, each leader has their own focus, expertise, and concerns. **Let's take a look at each.**

CHRO

If you're an HR practitioner, it may be that the first executive you need buy-in from is your CHRO. If that's the case, this section is for you.

Today's CHROs are much more than HR administrators who spend their days managing benefits, paperwork, and payroll issues. They're **focused on evolving priorities**, like developing effective leaders, managing digital transformation, and creating stellar employee experiences. They need the right technology to drive organizational transformation, shape corporate culture, and nurture talent.

Talent intelligence platforms help CHROs provide seamless strategic guidance with real-time talent insights that help guide enterprise strategy. These platforms augment every function within HR, including talent acquisition, management, and learning and development (L&D). Armed with real-time talent insights, CHROs are vital partners to the organization, guiding workforce planning, and ensuring that their organization has future-ready skills and leaders in the making.

29%

"While 89% of CEOs say they want their CHROs to play a key role in driving long-term growth, only 29% have the skill sets and connections they need to successfully shape enterprise strategy."

The CHRO as a growth executive, Accenture

Chief human resources officer (CHRO)

Top concerns/strategic focus:

- Creating a "people-first" organization to drive business success
- Meeting the priorities of the organization's chiefs and presidents
- Determining how the organization will have the people and skills to move forward and lead in their industry
- Ensuring successful technical implementation and quick adoption of the latest HR technologies

Key challenges:

- Achieving more with the same budget: Need to show justification for investments in systems and technology
- Identifying talent gaps and creating a plan to address them so that talent strategy is aligned with business strategy
- Having a "seat at the technology table" requires being a strategic partner to CEO, CIO, and peer-to-executive team

Talent intelligence platforms help by:

- Increasing revenue and productivity by identifying talent with the most potential and future-ready skills
- Providing real-time insights into the organization's skills and skills trends in the industry to make plans to build, buy, or borrow talent
- Reducing turnover and expenses by offering scalable talent development opportunities

Questions to start a conversation:

- What elements of your talent ecosystem are you most focused on transforming this year?
- What's your vision for how the HR organization will support [X strategy or company goal]?
- Which areas of HR do you see AI having the most significant impact?

CEO

According to **PwC's 2023 CEO report**, nearly 40% of CEOs think their company will no longer be economically viable a decade from now if they continue on the current path. When asked about the biggest challenges to profitability, 52% of CEOs in PwC's survey said labor and skill shortages.

Talent intelligence platforms can help CEOs more easily find and acquire the talent needed for today who aligns with the organization's trajectory toward the future, whatever that future may hold. These AI-driven platforms can also increase retention by offering upskilling and development opportunities at scale. A robust workforce with digital skills and staying power will help CEOs increase their organization's resilience and profitability for years to come.

Chief executive officer (CEO)

Top concerns/strategic focus:

- Developing business strategy
- Driving long-term profitability and shareholder sentiment
- Staying ahead of market disruption and competitors

Key challenges:

- Slowing economic growth and rising inflation
- Turnover and labor shortages
- Remaining profitable amid disruption and changing customer expectations

Talent intelligence platforms help by:

- Guiding strategic workforce planning to optimize budget and people strategies
- Increasing revenue and productivity by helping the organization hire top talent with future-focused skills and high potential
- Reducing turnover and expenses by offering scalable talent development opportunities that increase employee satisfaction

Questions to start a conversation:

- How is your board of directors going to measure success over the next six months to a year?
- What are our plans to combat a tightening talent market and rapid skills disruption?
- How do you see AI transforming our HR processes, and how will that support our strategic goals?

CIOs and CHROs have a direct and profound impact on one another. IT relies on HR to acquire and retain valuable tech talent, while HR looks to IT for help with tech enablement, including systems of record, ATS, and talent intelligence platforms.

"The pandemic and the great reshuffling caused us all to focus more strategically on our recruitment and retention efforts," said Kathy Kay, EVP and Chief Information Officer at Principal Financial Group, in CIO magazine. "The CIO plays a pivotal role in understanding the digital demands of HR to attract a global workforce, and the need to provide tech solutions [to meet] the needs of remote and hybrid team members."

Talent intelligence platforms can help HR and IT better find top talent for IT and the organization at large. From an investment perspective, leading talent intelligence platforms can integrate with existing HR infrastructure easily and deploy in as little as a few weeks, keeping total cost of ownership (TCO) low and ROI high. The immediate benefit is better quality hires. The long-term benefit is an organization with future-proof skills, and higher-performing, engaged workers.

CIO

Chief information officer (CIO)

Top concerns/strategic focus:

- Overseeing the technology budget and driving ROI
- Ensuring successful technical implementation and quick adoption of the latest technologies
- Maintaining a high-performing tech stack that drives modern digital experiences

Key challenges:

- Lack of talent with future-focused tech skills
- Growing cybersecurity concerns
- Siloed or disconnected tech solutions that create friction and slow down the organization

Talent intelligence platforms help by:

- Attracting and retaining highly valuable technology generalists
- Promoting organizational health and profitability with data-driven hires and employee development
- Empowering HR to accomplish more through automation and AI-powered insights

Questions to start a conversation:

- What are the most critical factors to consider when implementing an AI solution in HR (business value, deployment speed, cost, security, or something else)?
- Do you feel your IT team has the skills it needs to succeed over the next one to three years?
- I know business value and staying within budget are big concerns. What would you need to see in a talent intelligence solution to consider next steps?

CFOs have the daunting task of managing their organization's financial strategy and investments while ensuring long-term growth and profitability.

In the current economy, this isn't an easy task. To succeed, CFOs are taking action. More than three-quarters (77%) of CFOs are **introducing** new cost-cutting measures; 57% plan to hire in specific areas to drive growth; and 74% say they've balanced price increases with long-term customer demand.

Just like financial professionals can forecast different financial scenarios, talent intelligence platforms can help hiring managers forecast skills needs. Talent intelligence platforms help streamline the hiring process for hiring managers across the organization (including finance), and also reduce turnover by nurturing employees with upskilling opportunities and learning materials. This helps ensure long-term success, lower turnover costs, and engage high-performing employees who boost the bottom line.

CFO

Chief financial officer (CFO)

Top concerns/strategic focus:

- Driving long-term profitability and organizational health
- Overcoming disruption, and becoming more agile and resilient
- Supporting talent acquisition and retention as it relates to organizational health and cost optimization

Key challenges:

- High costs and inflation
- Supply chain disruption
- Voluntary turnover

Talent intelligence platforms help by:

- Ensuring the organization has the right skills to succeed
- Empowering strategic workforce planning to optimize for budget and skills
- Decreasing turnover by engaging employees with upskilling opportunities

Questions to start a conversation:

- Do you feel your team has the skills it needs to succeed over the next one to three years?
- What are your views on investing in AI for HR in terms of ROI and long-term financial benefits?
- Would you be open to using an AI-powered solution to forecast and manage our workforce budget and expenses?

Chief operating officers play a critical role in managing and overseeing key business operations. They must manage people and technology components and the interplay of each — ensuring that they have the right people — and that they're properly equipped to succeed in their roles.

According to PwC, the top challenges for COOs are worker shortages, turnover, and digital-transformation initiatives. Talent intelligence platforms can help COOs find and retain top talent while enabling HR teams to function smoothly and efficiently as they build the workforce with quality hires.

COO

Chief operating officer (COO)

Top concerns/strategic focus:

- Driving supply chain sustainability and resilience
- Digitizing operations for optimal productivity and profitability
- Staying ahead of labor shortages and employee turnover while maintaining the right internal talent and enabling them to work efficiently
- Ensuring successful technical implementation and quick adoption of the latest technologies

Key challenges:

- Turnover and skills gaps between currently available and needed talent
- Supply chain disruptions and vulnerabilities
- Global political and environmental upheavals

Talent intelligence platforms help by:

- Streamlining HR processes to improve and enhance HR workflows
- Increasing retention through personalized development opportunities
- Finding and hiring high-performing talent with the digital skills needed for the future

Questions to start a conversation:

- What is your biggest challenge as it relates to our workforce today — and do you see AI helping?
- Do you feel like our organization has the right skills to succeed over the next one to three years?
- In what ways can the HR team help in optimizing our workforce planning and organizational productivity?
- Do you think strategic workforce planning could help our organization become more productive and resilient?

Chief data or strategy officers are responsible for leading their organizations through volatility with hard facts and insights. But the shortage of data scientists and the costs associated with top analytics talent has put a strain on what most data or strategy teams can accomplish.

Talent intelligence platforms can help chief data or strategy officers widen the talent pool by focusing on candidates with adjacent skills and high potential to succeed in these roles. They can also help CDOs or CSOs increase organizational data literacy through curated upskilling programs.

CDO or CSO

Chief data or strategy officer (CDO or CSO)

Top concerns/strategic focus:

- Answering critical business questions with data
- Hiring skilled data talent to support data-driven decision-making across the organization
- Maintaining high-quality data and enabling the data team and business stakeholders to find key insights

Key challenges:

- Shortage of analytics experts and the costs associated with top data talent
- Lack of organizational data literacy
- Competing demands from business and executive stakeholders

Talent intelligence platforms help by:

- Finding capable talent with high potential and skills adjacencies
- Increasing organizational data literacy through curated upskilling programs
- Equipping HR with real-time, data-driven insights to make strategic hiring and workforce decisions

Questions to start a conversation:

- How do you support the HR team with data-driven insights today?
- How do you envision AI transforming the way HR uses data to make decisions?
- What impact do you think it would have on your team if you could find top data talent in a fraction of the time and cost?
- How do you think your organization would change if more workers had personalized upskilling pathways, including data literacy programs?

Start building your ideal future workforce today

Eightfold's Talent Intelligence Platform uses deep-learning AI and one of the world's largest global talent data sets to provide unrivaled insights into your workforce and the industry at large. Recruit talent efficiently, exceed diversity goals, retain top performers, and upskill and reskill your workforce with a single solution for all your talent needs.

Discover how we can assist you in building a future-focused workforce built for purpose today.

Get a personalized demo

About Eightfold AI
Eightfold AI's market-leading Talent Intelligence Platform™ helps organizations retain top performers, upskill and reskill their workforce, recruit talent efficiently, and reach diversity goals. Eightfold's patented deep learning artificial intelligence platform is available in more than 155 countries and 24 languages, enabling cutting-edge enterprises to transform their talent into a competitive advantage. For more information, visit www.eightfold.ai.