



Voice of the CHRO

A recurring conversation with CHROs
on human resources-related issues



June 2025

CHROs navigate AI's impact on the workforce

The relationship between HR and AI is evolving rapidly. Until recently, AI tools were primarily valued for assisting human workers; today, AI capabilities are far greater and can handle more action-oriented tasks. This change gives CHRO leaders the opportunity to rethink roles within the organization and to develop a workforce strategy and plan that is more holistic in how it integrates human, and digital labor.

The following insights emerge directly from KPMG LLP's conversations with CHRO executives who are at the forefront of this monumental change.

They speak to both the challenges and rewards involved in the future of work at their respective organizations. As AI becomes more prevalent across functions and industries, CHRO leaders are at the forefront of planning and activating the transition to a human-digital hybrid labor ecosystem. The key is agility—designing and implementing a continuously evolving work ecosystem that efficiently unites these components together to produce greater efficiency and value.

On the CHRO agenda

Redesigning work

Reskilling labor for the new world of AI

Orchestrating HR and AI

Finding the digital and human labor balance

Serving the enterprise

Deploying AI beyond HR

Redesigning work

Reskilling labor for the new world of AI

AI is creating new opportunities for CHROs to build greater capacities and experiences for their human employees. The key is reshaping the dynamic between digital labor and its human counterparts that augments all workers with AI-assistants and offloads tasks and activities to AI agents appropriately. In this new landscape, jobs may change, and HR will play a significant role in filling capability gaps, making business leaders understand the value of reinvesting in human capital, and determining opportunities for employees to learn new skills.

“More and more of what we’re going to ask humans to do is perform at higher and higher cognitive capabilities, and with that we’re going to need leaders with deep emotional intelligence (EQ) capabilities,” said one CHRO leader with a US staffing provider. She added that AI is just six months away from replacing all transactional work at her firm that is traditionally performed by administrators. Such rapid change means CHROs are faced not only with finding ways to reimagine roles at a large scale, but to also determine which skills are needed to fill them.

“We’ve got to worry about the eroding entry level roles in every career family,” she said. “What are you going to do when you don’t need coordinators” or similar employees whose administrative duties are being replaced by AI?

One answer, she said, was apprenticeships. “I’ll want to hire people who have the most consulting, curiosity, and business capabilities, then teach the HR competencies, and do it through an apprenticeship,” she said, “opposed to hiring a transactional type of role” that is already being filled by AI.

A CHRO with a multinational software company agreed that reimagining the potential of the human workforce is necessary sooner than later. “Technology will let you down if you don’t bring people along,” she said. The role of the CHRO is to “make people think differently so they’ll create different things.”

A dynamic change management program is essential to help drive the necessary role reskilling at each organization. Not only will it outline which skills are needed in the future, but it will establish the training necessary to set each new role on a successful path.

“Change is not just about implementing amazing technology powered by AI, but what are the human capabilities we need too?”

—Multinational software company CHRO

Orchestrating HR and AI

Finding the digital and human labor balance

How HR and IT departments work in tandem to successfully elevate the role of AI within a company is still evolving. Some organizations have collapsed both sides into a single entity with the idea that everything that emanates from IT will ultimately impact the workforce.

While some CHROs considered that the most extreme form of collaboration, the point is clear: Organizations need to go beyond a use case approach to AI and toward a more scalable approach, focused on broad-based enablement of all employees through a deep understanding of increasing roles, tasks, activities and skills across the

digital-human ecosystem. Once that is achieved, HR is positioned to implement how to make that happen.

One way to approach strategic workforce planning is to think about digital agents as a new type of worker, that can fill roles within the organization in a similar way to its human counterpart. In this way of thinking, IT naturally emerges as a powerful business partner.

“If the digital transformation around AI means we’re bringing in digital labor, we need a way to orchestrate that in a structured way,” said John Doel, KPMG Workforce and AI Transformation Leader. “As you’re

advising segments of the business, you’re now able to increase the digital side just as much as you are the human side. And then connect the dots into strategic work planning where we need to be thinking about these assets together.”

Many organizations are transitioning AI’s role from a more complimentary role in assisting human labor to more task-oriented roles that replace human action. Unlike assistance-oriented roles, where productivity and value are difficult to measure, AI’s transition to more actionable roles will become more quantifiable for organizations, which will

ultimately help them understand the key roles that digital and human labor can play, both separately and together, across the enterprise.

A CHRO with a multinational pharmaceutical company said one way his organization is exploring opportunities for AI in the recruiting space is by assigning a member of the IT department to report to him directly. The partnership helps drive faster innovation and fine-tune the technology, so it is better positioned to increase ROI.

“We just have got to have the fortitude to do it,” he said.

“I see a lot of opportunity within the recruiting space, especially with chat agents.”

—Multinational pharmaceutical company CHRO

Serving the enterprise

Deploying AI beyond HR

Past conversations among CHRO leaders around AI tended to focus on how to best understand the technology's effect on their own segment of the business. Today, the conversation has evolved and is more about determining how AI will play a leading role in transforming the workforce across the enterprise.

CHROs are in a moment where they are best equipped to, not only adopt AI for functions, but to also enable it throughout the organization. The key

is creating and then implementing a hybrid workforce strategy that delivers cost savings and strategic value for the organization.

However, some CHROs said their organization struggles to realize the ROI potential of AI in certain areas of their business when the technology is not yet fully reliable. For example, the CHRO of a US energy company said that chatbots that deliver correct answers only 80% of the time "is not good enough," which makes greater

AI investment a challenge. She said that today her organization is leaning in on AI only in areas where the ROI is clear.

The preeminent model for successfully deploying AI's value throughout the enterprise is a centralized committee that is responsible for AI strategy and related compliance, policy, regulatory, and risk issues. The governance structure can be applied to all aspects of AI deployment, such as recruiting,

performance management, training and development, and workforce planning.

CHROs discussed different governance structures at their respective organizations, all with varying degrees of maturity. The common thread, however, was the same: To ensure that the deployment of AI across all functions of the organization is robust, ethical, and delivers the highest potential value.

"There's going to be a point where tools are just table stakes. And if you're not using those tools, people are going to say, 'what the heck?'"

—US energy company CHRO

Considerations

- While assigning digital labor action-oriented tasks, reskill human labor to achieve greater potential.
- Take a more holistic approach to your workforce ecosystem, now comprised of human, contingent, and digital workers.
- Develop a hybrid workforce strategy focused on delivering cost savings and strategic value.

Additional insights

Create AI Value Across your Workforce

AI Agents: Shaping the Future of Workforce Strategy

Rethinking Strategic Workforce Planning with AI Agents

Connect with us



Sandra Torchia
Vice Chair, Talent and Culture
KPMG LLP
T: 412-232-1554
E: storchia@kpmg.com



Lisa Massman
Principal, Corporate Services Advisory
KPMG LLP
T: 213-955-1524
E: lmassman@kpmg.com





Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us:  [kpmg.com](https://www.kpmg.com)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2025 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS028207-2A

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.