

How to create, capture, and measure Al value across your workforce

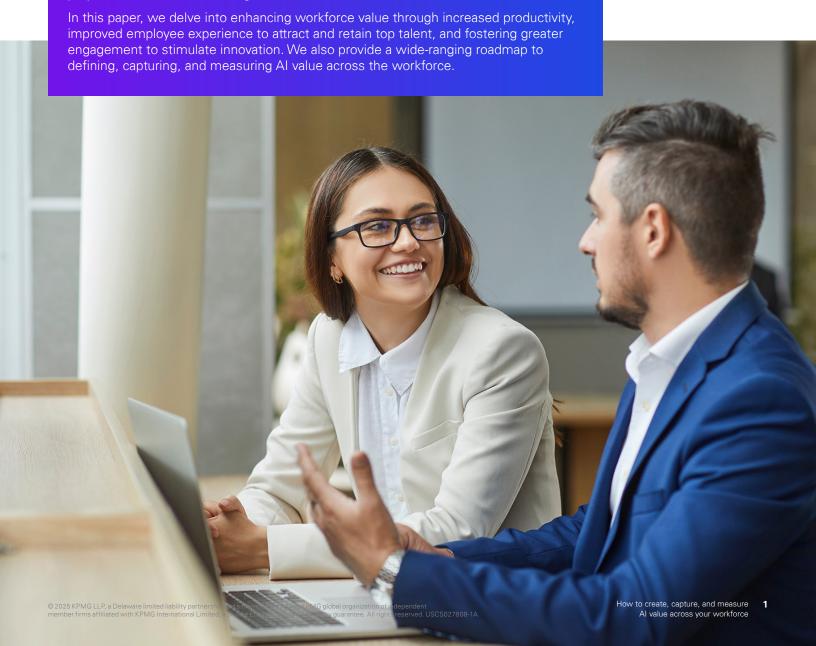


Paving the way for greater Al value

As organizations transition from integrating artificial intelligence (AI) to quantifying its return on investment (ROI), human resources (HR) and talent executives face some crucial questions:

How can my workforce use these innovative tools to create value across the organization? And how can I capture and quantify that value?

The key to integrating AI into the workforce hinges on building an intentional, sustainable, and holistic strategy that blends both talent and technology. This involves driving adoption, embedding technology into workflows, and redefining roles ripe for AI enhancement. In these efforts, it is important to focus on how and where the technology can best be applied to enhance roles and drive value. AI's adaptability is remarkable. Not only can it perform simple workflow automation but also can augment and inform workforce capabilities and significantly enhance creativity and decision-making. This creates a tremendous opportunity to empower people rapidly, propel business forward, and generate substantial value.



Understanding the current workforce landscape



Business leaders are increasingly recognizing the potential of Al and generative Al (GenAl) to elevate workforce productivity and creativity across the enterprise. According to an Infosys study, companies anticipate

productivity gains of up to 40 percent with GenAl.¹ However, the same survey reveals that only 2 percent of firms are prepared for GenAl across strategy, governance, data, technology, and talent—indicating significant room for growth.

On a more positive note, concerns about GenAl rendering jobs obsolete are diminishing. The KPMG American Worker Survey shows that only 28 percent of respondents fear job loss due to automation, down from 59 percent last year.

Defining workforce value

Before determining how AI can add value, it is important to define the meaning of value when it comes to the workforce.

A holistic approach to AI can help achieve value in an organization's workforce in three specific ways: **improved productivity, better employee experience, and a culture of continuous learning**. While AI promises immediate changes, its full potential will be realized incrementally. AI utilization requires a robust change-management strategy to navigate cultural shifts and help ensure widespread adoption.



Below are specific ways Al can elevate workforce value:



Unlocking enhanced productivity

GenAl can offer immediate benefits in productivity and efficiency, though most organizations do not yet measure these gains. According to a World Economic Forum survey,² organizations plan to track productivity improvements in the next phase of their GenAl deployments.³

GenAl initiatives can help drive productivity and capacity gains by enabling new ways of working and improved output. A recent study surveying over 100,000 workers from 11 GenAl-exposed occupations found that tools like ChatGPT could reduce working times by 50 percent for a third of their job tasks.

Elevating employee experience

From the worker perspective, rather than potentially eliminating jobs, Al may create new opportunities. Workers are increasingly valuing skills as the new currency of today. They know that in a skills-based talent ecosystem, they will have greater and faster career mobility than in a traditional model.

Moreover, Al can make jobs less mundane and more interesting by automating routine tasks. This frees employees to engage in more creative and valuable work but also allows them to be more strategically utilized for knowledge-based roles, adding valuable time for innovation. Additionally, deploying Al can enhance workforce quality, helping to attract and retain top talent—especially younger workers drawn to companies that adopt emerging technologies. The constant need for updated skills further emphasizes the importance of upskilling current employees, making it a more viable option than recruiting. This is especially important given the aging workforce and the cost and time tied to recruiting efforts.



Fostering stronger workforce engagement





A key part of this process is enabling a well-structured change-management program to guide the enterprise adoption and integration of AI, fostering a strong sense of involvement and motivation. Most workers appreciate cultures of continuous learning and innovation in which they are always growing and enhancing their skills.

Ultimately, fostering emotional engagement and communicating the benefits of AI can offset hesitancy and foster a culture of innovation. Driving innovation demands the creation of a safe space for experimentation and "failing fast," which empowers workers to explore and leverage AI's capabilities fully, to learn from their experiences, and to share those learnings outside of their immediate work group.

² World Economic Forum Report, page 17.

³ Humlum and Vestergaard, 2024. As cited in World Economic Forum report, page 9.

Capturing and realizing workforce value

Identifying potential areas where AI can add value is only the beginning. Organizations must establish workforce structures that enable them to capture and realize this value. This involves several critical steps, including identifying skills and tasks for AI enablement, fostering continuous learning, driving adoption, and integrating AI into workflows.



Identifying skills for AI enablement

Al's adaptability extends across all job levels. The first step in capturing and measuring its value involves analyzing workforce data to identify roles and skills where Al augmentation can have the highest impact. Organizations should conduct opportunity assessments by breaking down day-to-day tasks within roles to determine where Al can augment or replace tasks and project productivity gains.



Fostering continuous learning

To fully capitalize on AI, employees need to gain new skills and knowledge. Organizations must provide targeted training that meets employees at their current skill levels and brings them up to speed on using AI in their roles. This will not only boost current productivity but also enable career mobility as new roles emerge.

The ability to integrate AI tools into work is becoming increasingly valued. A study by Forbes emphasizes the importance of customizing learning and upskilling pathways for different professional roles to bridge the talent gap hindering AI's economic impact.⁴ Employees are motivated by opportunities for upskilling. According to the KPMG 2024 American Worker Survey, 62 percent of respondents say their employer's emphasis on continuous learning and development is driving their acceptance of the technology.⁵

There has been a significant increase in upskilling initiatives, with training efforts rising from 35 percent in 2023 to 59 percent in 2024, according to a KPMG Pulse Survey. This shift underscores that reskilling is not only underway but also becoming an essential response to the evolving job market driven by Al advancements. To achieve enterprise-wide transformation, organizations must ensure new technologies are available to all employees, coupled with comprehensive training programs.



Driving adoption and integration of AI into the workflow

Adopting AI might meet resistance from employees who fear job loss. However, many employees already use automation technologies regularly and see the potential career opportunities these tools bring. Almost four fifths (79 percent) of respondents in the KPMG American Worker Survey say they use automation technologies at least once a week, while 30 percent say they use it daily.8 Further, 50 percent say that automation has improved their professional abilities and 48 percent believe that automation will provide them with new career opportunities.

Organizations should connect AI adoption with innovation and the essential need for the "human-in-the-loop." AI investments should be connected to the tasks and activities workers perform, reinforcing organizations' commitment to human-AI collaboration rather than simple technology adoption.

Effective change management requires personalized adoption experiences that cater to the unique workflows and tasks of different roles. For example, finance managers complete their tasks and activities using completely different organizational systems, data, content, and workflows than sales managers, even though some Al skills can apply to both of those roles. Effective Al change management and adoption requires we deliver those experiences to the finance manager and the sales manager in the context of the specific work they perform and how they perform it. This also allows organizations to personalize adoption experiences, and reveals the potential for capacity, productivity, and growth as a measurable part of transformation.

⁴ Dr. Aviva Legatt, "How AI is redefining career success according to the World Economic Forum," Forbes, January 21, 2025.

⁵ American Worker Survey, KPMG LLP, 2024.

⁶ KPMG LLP AI and Digital Innovation Quarterly Pulse Survey, October 21, 2024.

Ozge Demirci, Jonas Hannane, and Xinrong Zhu, "Research: How Gen Al Is Already Impacting the Labor Market," Harvard Business Review, November 11, 2024.

⁸ American Worker Survey, KPMG LLP, 2024.





Human-Al interconnectedness: Optimizing workforce dynamics

The interconnectedness between humans and digital labor is rapidly evolving—and it's resulting in more seamless and deeper collaboration. The human-AI talent model is increasingly becoming a complementary relationship, characterized by integrated support. While certain business areas will still require the primacy of human components for interpersonal skills, the key is to maximize the value of incorporating the essential human element while effectively integrating AI. This presents significant opportunities for both employers and employees alike, as the workforce increasingly comprises digital and nondigital labor.



The role of HR in managing human-Al interconnectedness

• Strategic HR responsibilities: HR functions play a critical role in managing the interconnectedness between humans and digital employees (Al bots). Al agents, which operate as autonomous software entities that perceive environments, make decisions, and act to achieve goals, are resources that need to be managed similarly to HR. While organizations shouldn't automate for the sake of automation, HR will need to reshape the workforce in light of a continuum of worker types. This involves adopting a new mindset to decide whether the need for certain skills and capabilities should be filled by a full-time worker, a contractor, or Al.



Integration and management

- Skill allocation: HR must determine the best mix of human and AI resources to help achieve optimal business outcomes.
- Performance measurement: Measuring the performance of digital employees alongside human talent requires new standards that encompass both entities. This includes establishing metrics and comparison standards that apply to both humans and Al agents.



Challenges and questions for organizations

Organizations must address several challenging questions, including:

- Capturing digital labor: How do you incorporate digital labor into the current job architecture?
- Al agents as peers: Are Al agents peers to human employees, and how should their roles be defined within the organizational structure?
- **Performance management:** How do you measure and manage the performance of digital employees, and should they be held to the same standards as human employees?

The trend of AI tools having human names, such as "Claud" and "Alexa," suggests a future where interactions with AI agents are as normal as interactions with human colleagues, as long as the output is high quality and timely. This interconnected future embodies the broader opportunity: the chance to redefine and enhance the workforce, fostering an environment where both digital and human talents can coexist and collaborate effectively.

Measuring and maximizing Al value

The final consideration is measuring the value of your Al investments. Organizations need to monitor usage, collect feedback on productivity gains unlocked through Al across the workforce, and determine if and where course corrections might be needed.

Measuring the ROI of AI investments requires a nuanced approach that goes beyond traditional financial metrics and focuses on both qualitative and quantitative value. This task will require organizations to develop key performance indicators (KPIs) that are unique to their AI deployments, such as worker-specific metrics and measurements that provide a concrete framework to gauge progress throughout the AI transformation journey. These KPIs are critical to assessing impact across various dimensions, e.g., workforce productivity enhancements, better employee experience, and successful transition to new roles, to name a few.

Building a futureready workforce

Successfully integrating AI into the workforce is about more than implementing advanced technologies. It involves creating a comprehensive approach that marries human ingenuity with technological advancements, ensuring that the right talent (human or AI) with the right skills is in the right roles, to generate significant value for the organization.

By redefining roles, fostering continuous learning, and driving adoption and integration, companies can create value through enhanced productivity, improved employee experience, and accelerated innovation. However, realizing these benefits requires a holistic approach that addresses all aspects of Al's impact on the workforce in tandem.

Measuring the impact of AI investments through nuanced and task-specific KPIs will be crucial in capturing the full spectrum of benefits—both qualitative and quantitative value.

By adhering to this approach, organizations will not only streamline operations and boost efficiency but also cultivate a more resilient, adaptive, and innovative workforce, while driving significant value creation. This, in turn, will help enable them to remain competitive in an ever-evolving market landscape, attract and retain top talent, and continuously adapt to future technological advancements.



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