



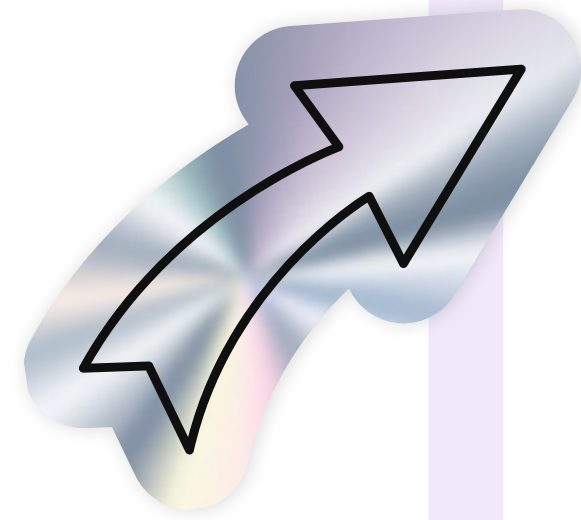
# Super Human

2023 REPORT

AUSTRALIA & NEW ZEALAND EXCLUSIVE



# Contents



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# What do you think of when you think about the future of HR?

A robot conducting interviews? AI making hiring decisions?  
Human-less HR?

Whatever it may be, chances are it's a complete overhaul of traditional HR as we know it. While those scenarios might seem futuristic and maybe even unrealistic, the reality is **AI is already here**, and it's causing huge disruption to the way we work.

AI has the potential to create more innovative and efficient teams by streamlining many of the manual processes HR professionals complete every day. With ChatGPT, Google Bard and many other AI tools entering the space, it's clear that this new era of digital transformation is changing **everything**.

So, what exactly is the impact AI is having on HR professionals today?

Is it taking the human out of human resources, or is it powering more strategic, efficient teams who end up working smarter, not harder?

We all know that everyone has questions about this new era of technology and we've got the answers you've been looking for... *Who's using it? How are they using it? What are they using it for? Are people embracing or rejecting this futuristic, yet somewhat foreign technology?*

To help you understand how AI is impacting the world of HR and small businesses in Australia and New Zealand, we surveyed 521 HR professionals across businesses in May 2023.

The findings might surprise you, resonate with you, or give you a keen insight into the *what, where, how and why* of AI in HR right now.

We hope this report helps you better understand this emerging space and gives you some transparency on how AI is going to impact and improve things for businesses in the years to come.

Read it, share it, challenge it and let us know what you think – we're all ears.

**The Team at Employment Hero**



# Top findings

86%

use AI-powered software

AI is already embraced by most HR leaders



34%

identified training & development

Leaders should expect a shift in L&D as AI's biggest impact is predicted to be in training & development

52-41%

ranked time & cost as ROI measures

Australian and New Zealand HR leaders prioritise time and cost savings when measuring AI ROI

50%

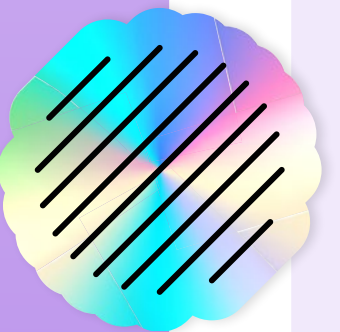
rank privacy, data security & cybersecurity as important

In-demand AI-ready skills for future-thinking HR leaders: privacy, data security, and cybersecurity

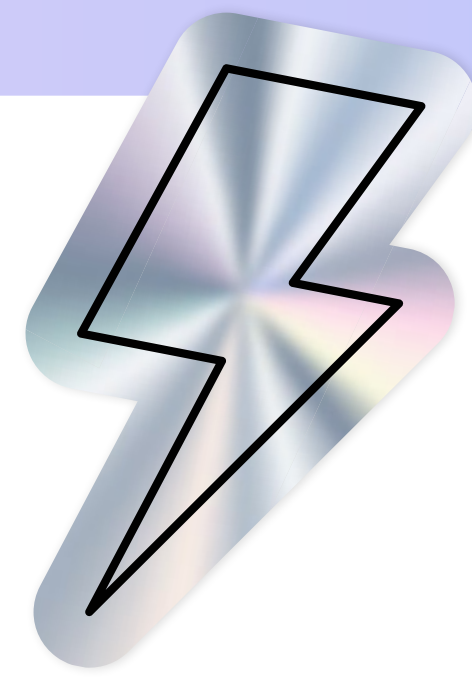
72%

expect increased AI usage

While older employees and smaller businesses face skills gaps and job loss aversion AI adoption in HR is set to rise



# 01: Early adopters



HR Professionals are already making use of AI enhancements in their chosen software. Our survey revealed that **86%** of HR Professionals across New Zealand and Australia use software with some form of AI. So let's dig into that and take a look at some of the use cases.



## AI is already enhancing our analytics

The most common use cases of AI tools revolve around analytics, generative AI and using algorithms and machine learning to match employees to roles and to monitor compliance.

Right now, **40%** of HR leaders are leaning into AI's capabilities to identify and report on employee data trends, perhaps helping them keep on top of onboarding and retention alongside other important internal temperature gauges such as happiness and employee absence or disengagement. HR content creation closely followed reporting, with **39%** of HR leaders making use of AI to help them write content such as job descriptions, employment updates and more.

## There's less of a push to delegate personalised tasks to AI

At the lower end, HR professionals aren't so openly using AI tools to personalise programs based on employee factors (**29%**) and optimise compensation and benefits packages (**28%**).

Perhaps this shows that HR professionals aren't ready to hand over more bespoke tasks to algorithms just yet. While professionals are happy to let AI enhance their understanding of data or generate content for them, they're less likely to lean on AI to help them recognise or reward their staff, perhaps relying on a more personal individual understanding of performance to lead these discussions.



# There may be a knowledge gap in smaller organisations

It's worth noting that HR professionals in smaller organisations or above 45+ years of age were more likely to be unsure whether the software they used leveraged AI, suggesting a knowledge gap exists in these groups.

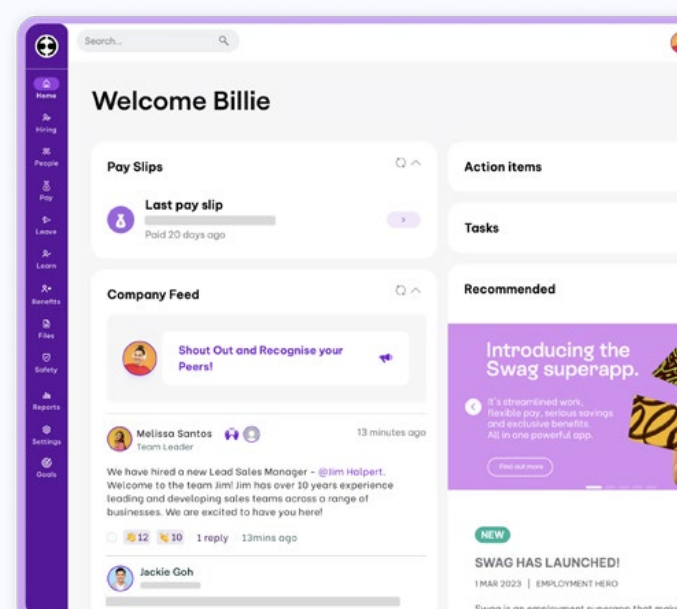
To be more precise, HR professionals in smaller organisations (Under 50 employees) were **199%** more likely not to know whether the software used leveraged AI. This knowledge gap also existed among older HR professionals (above 45-year-olds) as **21%** in this group said their software did not use AI and **10%** were unsure.

Business leaders and HR professionals alike could benefit from understanding the skills gap in their staff, and perhaps auditing and then upskilling your staff for general understanding and sentiment of AI tools within your current tech stack could be a worthwhile investment.

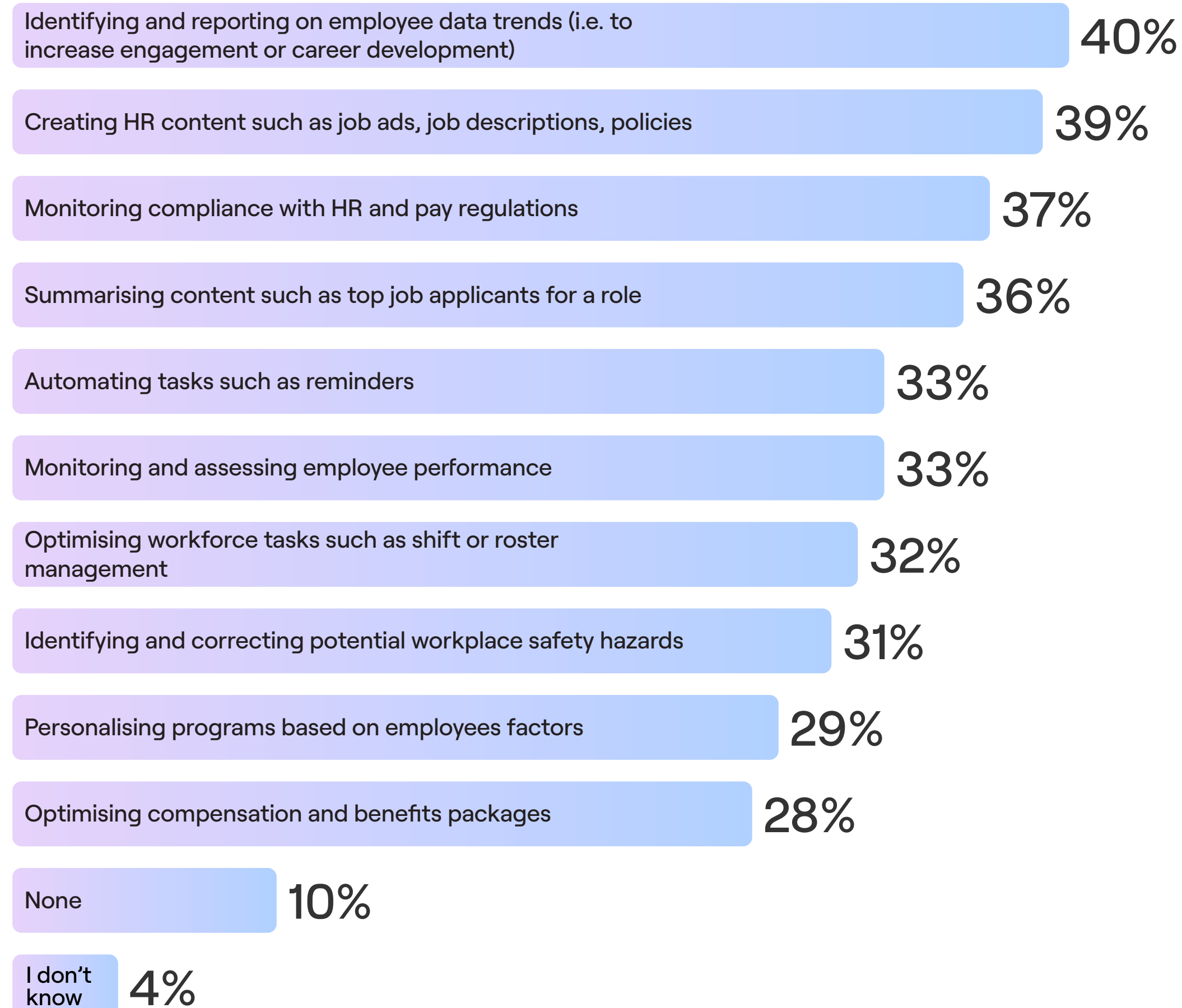


## Quinn's Hero Tip

It's not just AI that makes managing plenty of these tasks easier, having everything in one place through an all-in-one HR and payroll system is going to streamline a lot of your common HR tasks too. However, we're introducing a host of AI tools to help further streamline tasks for SMEs and HR professionals. You can track applicants with our ATS, manage policies, access employee files and reward your staff all through one system all while benefitting from a suite of tools built to help you engage, understand and communicate with your staff in a more meaningful and timely manner.



Q: Thinking about the technologies you use for HR work, which of the following, if any, best represent how artificial intelligence (AI) and machine learning are leveraged?



02:

# Growth, incited by excitement



Most HR professionals believe that there will be a paced approach to the increasing use of AI in their roles - perhaps reflecting how they'd like to see AI rolled out so they have time to learn and adapt as these new tools are introduced. This prediction for an increase in use was backed by optimism about its potential that we'll explore further in this section.



## AI use is predicted to increase

While most of our respondents (**72%**) predicted that using AI in their role or HR function will increase in the future, most of them expected it to take a paced approach, with **46%** saying that it'll increase slightly and **26%** believing it'll increase significantly. Perhaps that's not a surprising statistic given that, right now, Australia is home to the world's [highest-ranked institutions for studying AI](#) while offering various professional and job-oriented programs.

Additionally, a resounding majority of HR leaders (**76%**) agreed that AI can help them save time and make their job easier, with **66%** disclosing that they are excited about how AI will transform the role of HR.

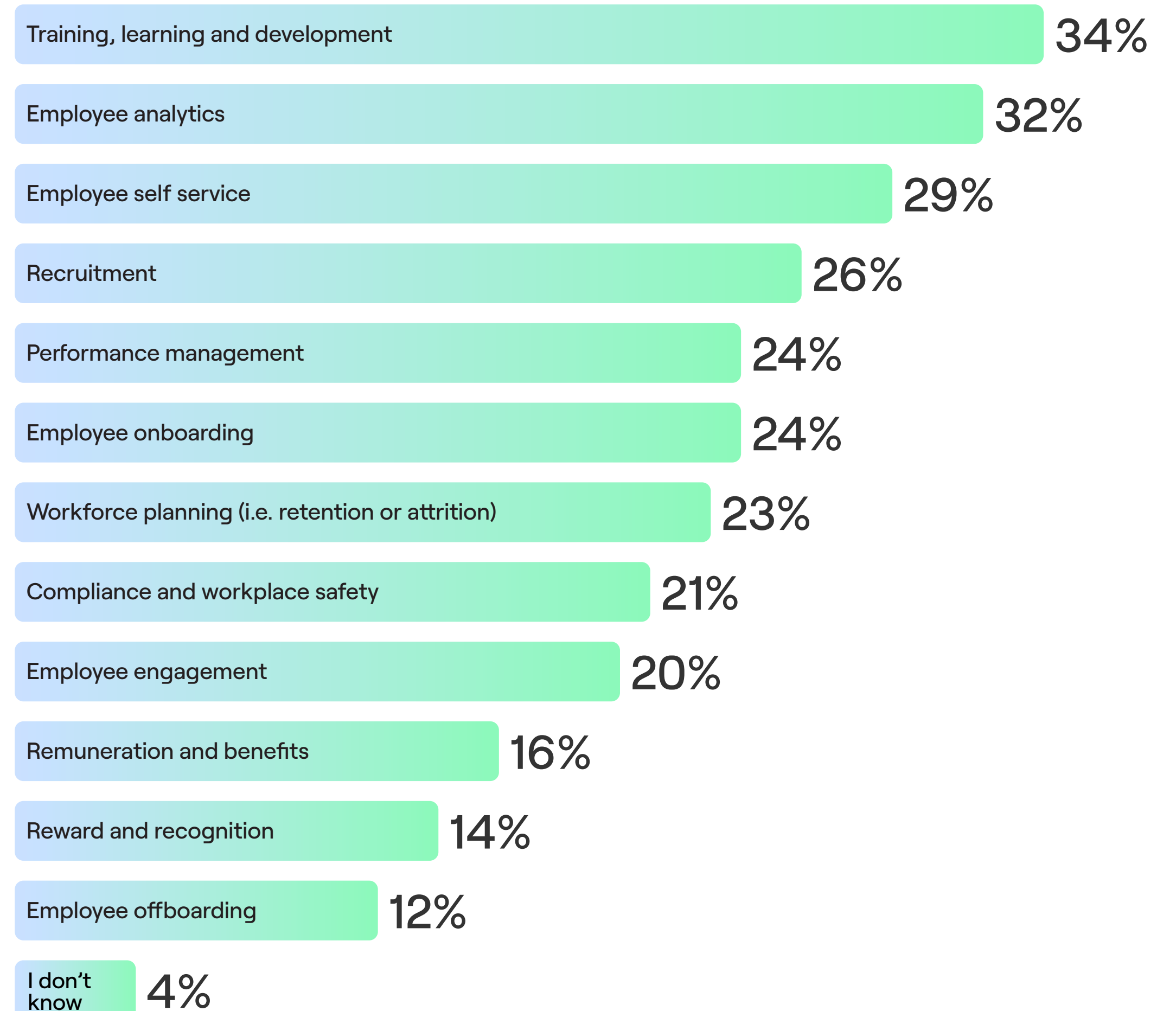
## AI use is expected to enhance the employee experience

Training and development was identified as the area where AI will have the biggest impact (**34%**), followed by employee analytics (**32%**) and employee self-service (**29%**). These answers showcase, perhaps, how HR professionals see AI tools helping employees become self-sufficient when it comes to advancing their careers alongside giving managers an easier way to check in and analyse progress and performance.

On the other hand, employee offboarding (**12%**), reward and recognition (**14%**) and remuneration and benefits (**16%**) were seen as the least affected areas of HR. Perhaps the sentiment here alludes to more sensitive topics needing a human touch.

While there are similarities in thoughts between Australian and New Zealand HR professionals, **30%** of Australians felt recruitment would be one of the areas most impacted by AI, while **32%** of New Zealanders felt workforce planning would be most impacted.

Q: Which aspects of HR and payroll do you believe AI and machine learning will have the most impact in?



03:

# Embracing efficiency

Process, analytics and efficiency are at the forefront of what HR professionals believe AI tools will bring; while retention and culture are still very much seen as a human-first problem to solve. The biggest benefit overlaps with the sentiment HR professionals had towards measuring the ROI of AI tools, with the majority looking at time saved as the biggest measurement of success, let's look a little further.



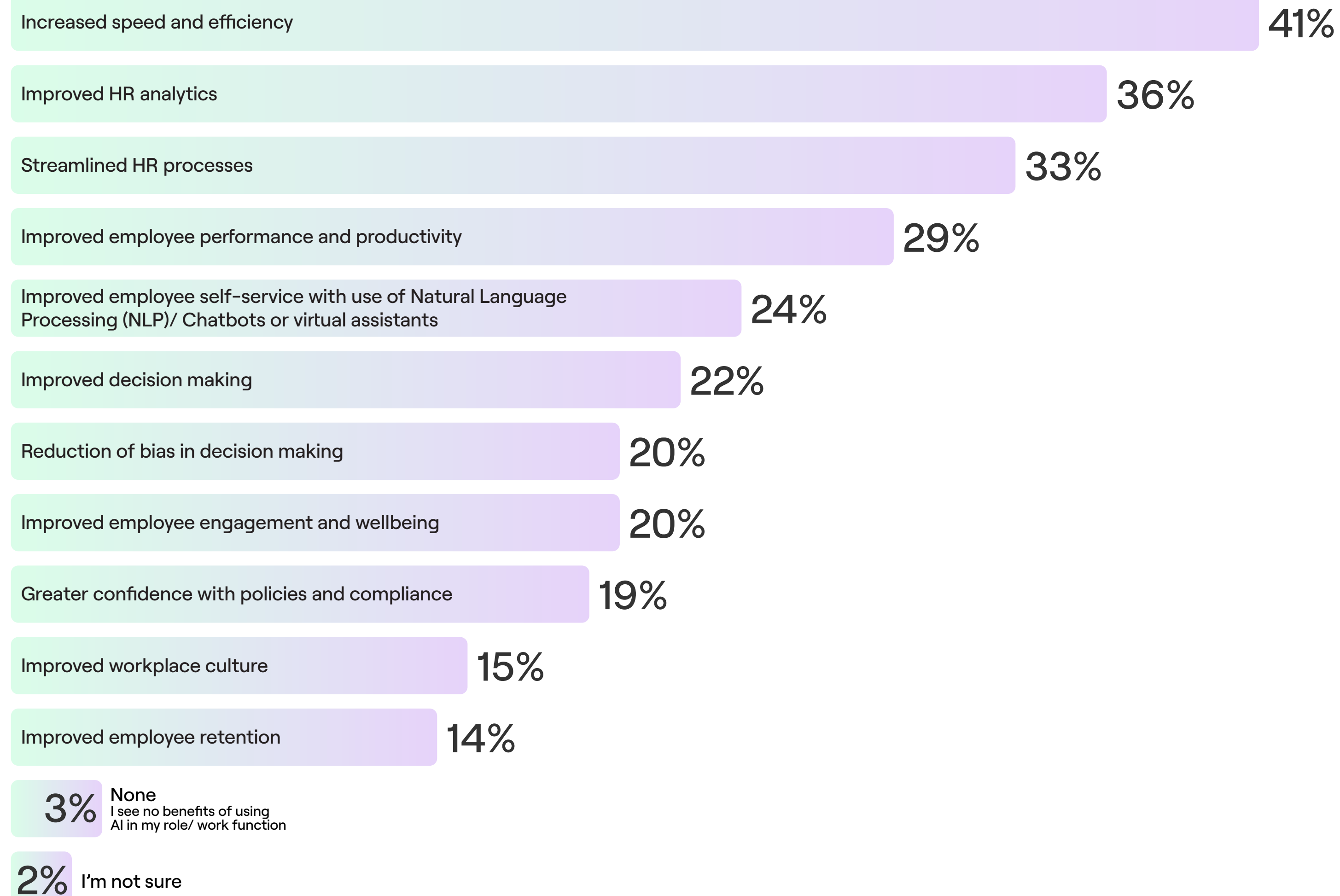
# Speed & efficiency top-of-mind for HR leaders

As mentioned before, the biggest benefit professionals felt AI tools will bring to the HR space is increased speed and efficiency, cited by **41%**, followed by improved HR analytics (**36%**) and streamlined HR processes (**33%**). Only **3%** of HR professionals saw no benefits of using AI in their role and **2%** were unsure.

Additionally, **33%** of HR professionals in practice (by this we mean those who work for businesses providing HR services, not within an organisation) identified improved employee engagement and well-being as one of the biggest benefits of AI tools. In comparison, **40%** of HR professionals working in business services cited improved employee productivity.

The biggest advocates for increased speed and efficiency were HR professionals working in business services, with **65%** of them saying they'd measure AI tools on that metric alone.

Q: What do you see as the biggest benefits from AI in the HR function?



# Time and cost savings are also sought after

Our data also showed that HR leaders measure or plan to measure the success of AI applications in their work by the time saved on tasks (**52%**), the costs saved (**41%**), and by gathering employee feedback (**38%**). Further cementing the role of AI tools to be centred around efficiency. On the other hand, **8%** of HR were not sure how to measure the ROI of AI applications in their workplace.

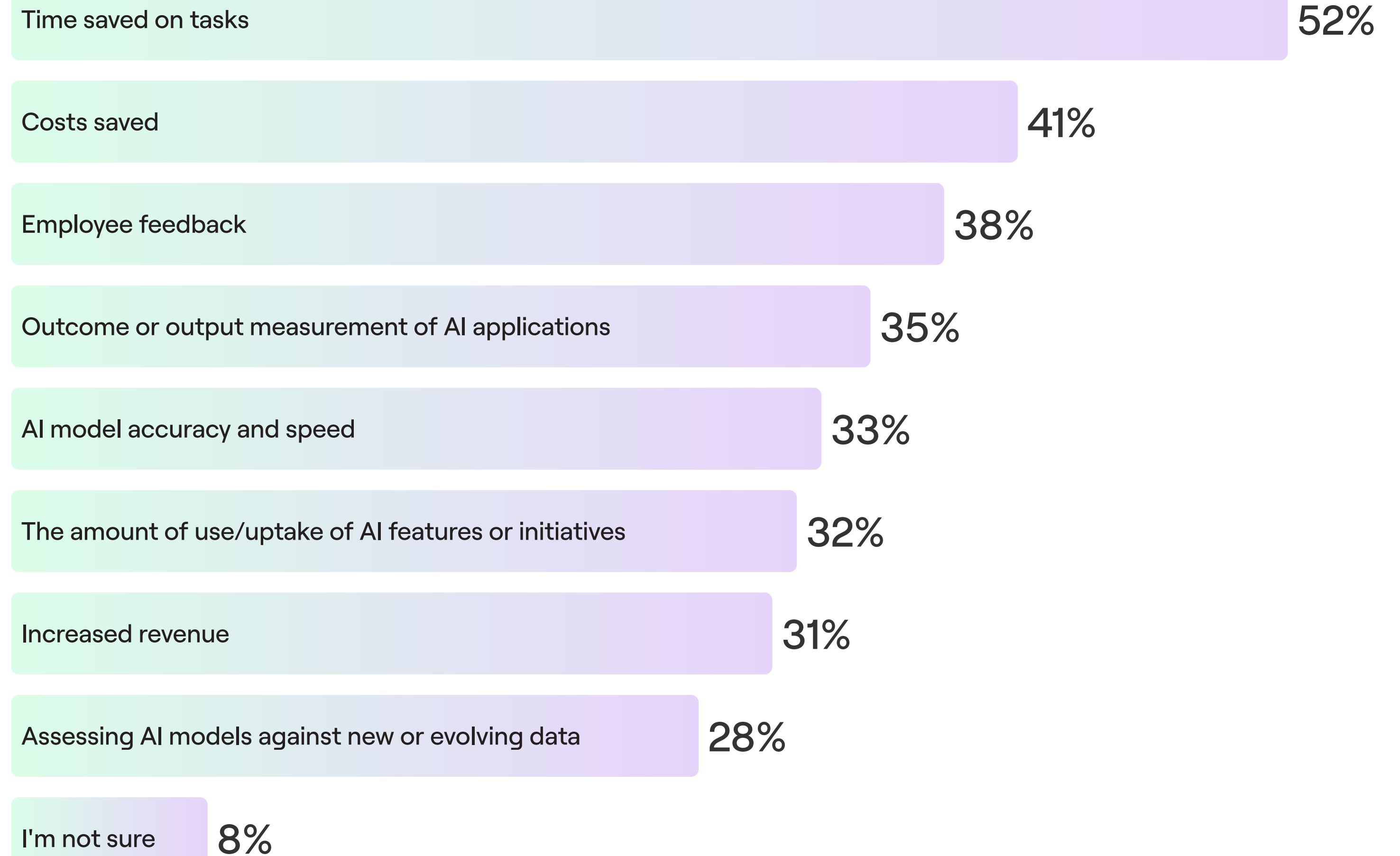
It's also worth noting that **36%** of HR professionals in Australia also cited uptake of AI features/initiatives and increased revenue, while **42%** of HR leaders in New Zealand cited the outcome or output measurement of AI applications.



## Quinn's Hero Tip

Did you know AI tools are here to equip you with ways to improve your workplace culture and increase employee retention? It's true! Some of our most popular tools have been AI-enhanced to help you generate shoutouts that encourage, support and reward your team, help you ask more powerful 1:1 questions and much more.

Q: Based on which of the following, if any, do you currently measure, or would you measure the return on investment (ROI) of AI used in your role/ work function?



04:

# It's safety first when it comes to shortening the skills gap



Perhaps HR leaders are a little wary of handing over data control to AI tools, with the top perceived skills gap being privacy, data security and cybersecurity. With data becoming a valuable currency and the danger of leaks being a real issue for small and scaling businesses, maybe this isn't surprising.



## It could be time to look at your data security knowledge

The skills most in demand for HR professionals to be AI-ready are privacy, data security and cybersecurity (**50%**), data analysis and HR analytics (**45%**), as well as soft skills (**44%**), and ethics and responsible use of AI (**44%**). Less mentioned were collaboration (**24%**) and project and change management (**28%**). **4%** of HR leaders were not sure.



## However, businesses may be on the lookout for coding skills

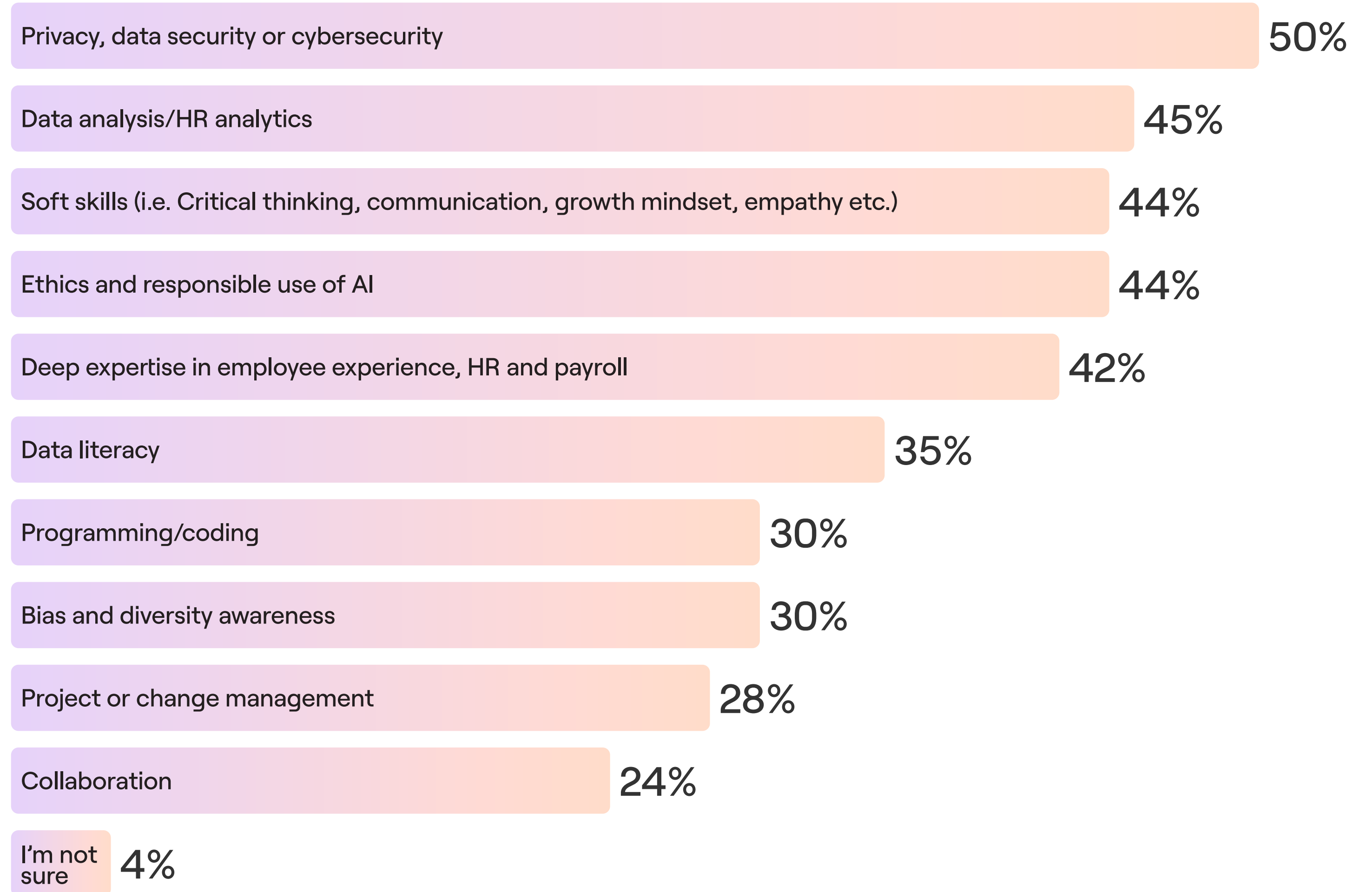
HR professionals in New Zealand were more likely to cite programming and coding, **35%** did compared to **27%** of Australians.

Programming and coding were also cited by **37%** of HR professionals in organisations with 51–200 employees, **35%** of HR professionals in organisations with 201–500 employees cited collaboration, whereas **43%** of HR professionals working in larger organisations (501+ employees) cited data literacy and **52%** cited data analysis / HR analytics.

However, **53%** of HR professionals in practice cited deep expertise in employee experience, HR and payroll as a key skill required to be AI-ready, while **58%** of HR professionals working in business services cited ethics and responsible use of AI, perhaps demonstrating the difference in how they sit within the HR function.



Q: What skills do you anticipate will be most important for you/your function to be AI-ready?



# 05: Still, caution remains



Despite overall optimism and adoption, **53%** of HR professionals agree that giant AI experiments (AI that uses massive amounts of data and have greater computing capacity than GPT-4) should be paused. **26%** are unsure and **20%** disagree. There's clearly a conversation to be had about wider AI adoption. And it doesn't stop there.



## Job loss is a fear, but there's more

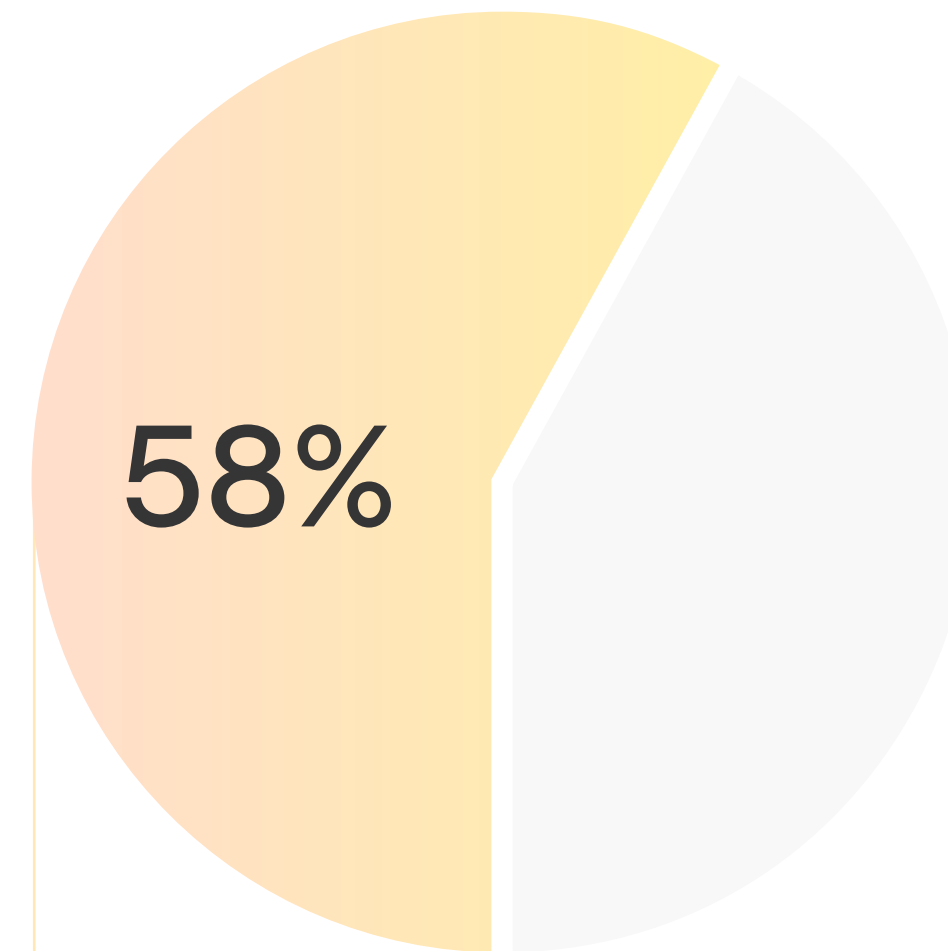
It's been a concern ever since robots and programs started to be able to replicate simple human tasks. Job loss. And our survey found that **45%** of HR professionals worry their job will be at risk because of AI and **58%** are worried about the ethical use of AI in the workplace.

HR leaders in Australia were more likely to be worried about losing their job, **50%** in this group did compared to **36%** in New Zealand.

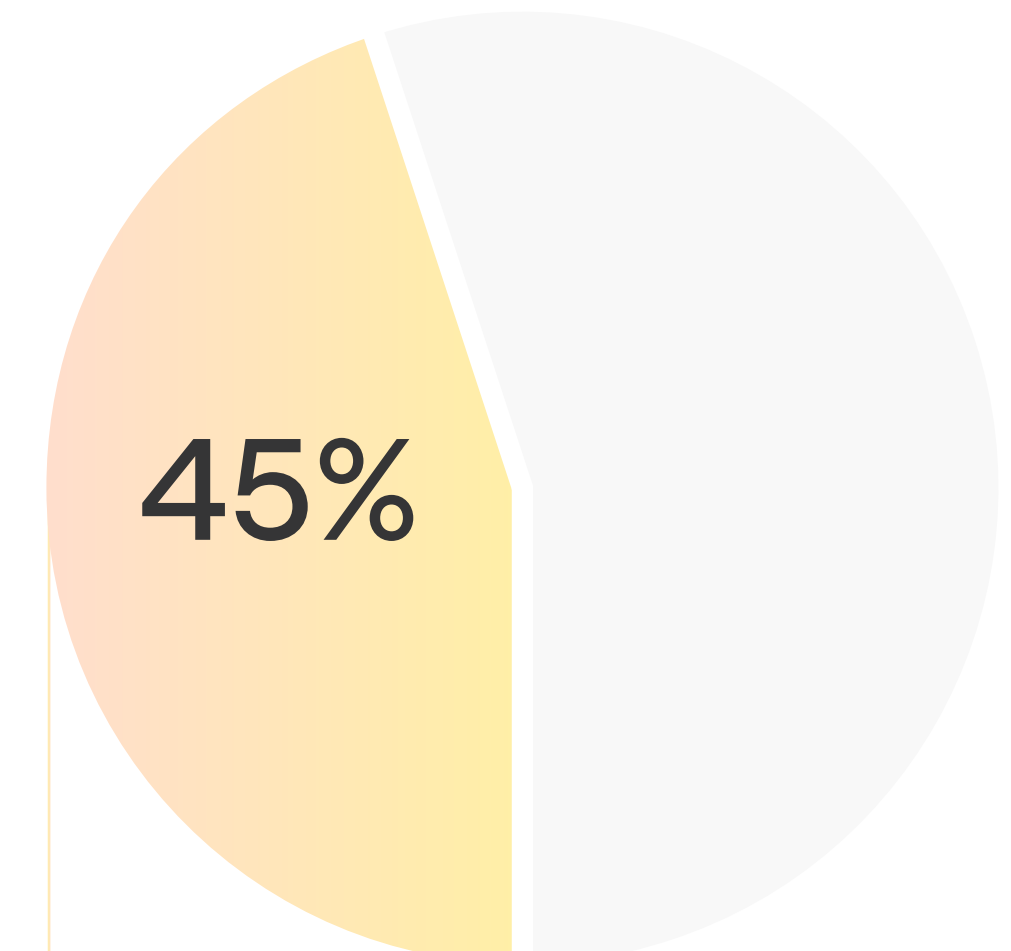
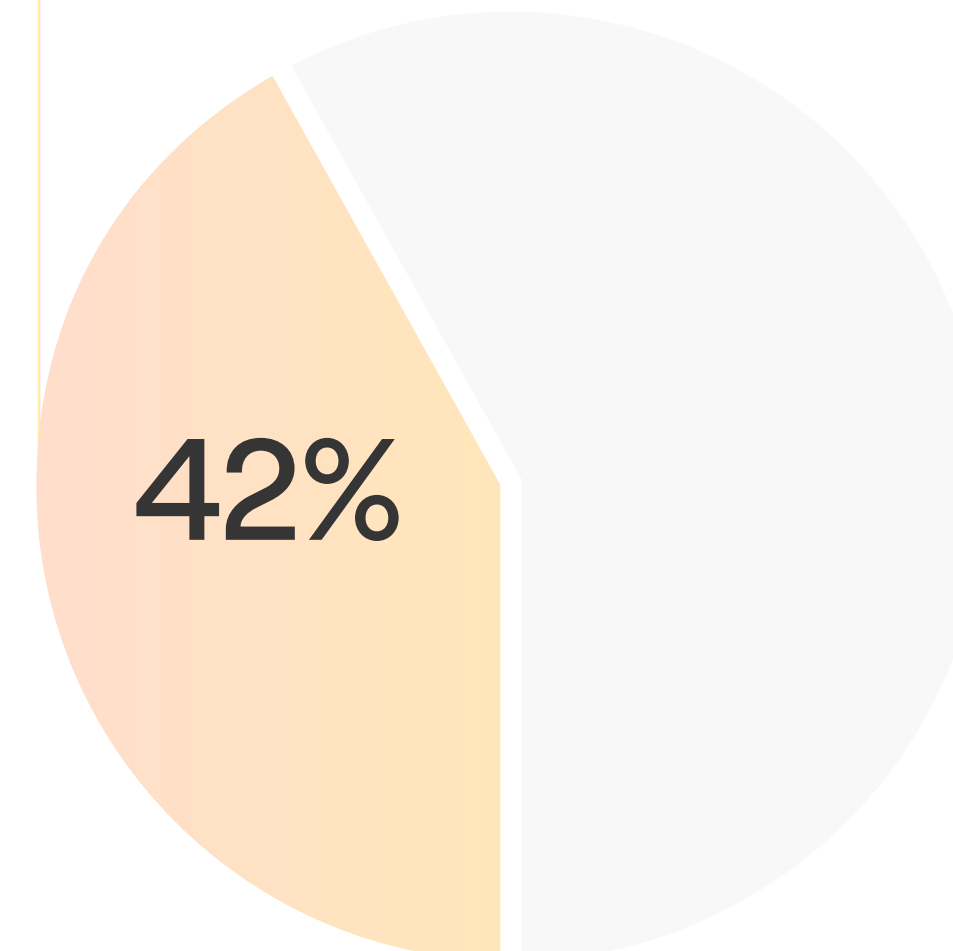
It isn't just job loss that HR professionals were concerned about, Australian respondents were more likely to be worried about the ethical use of AI in the workplace, **62%** were worried, with New Zealand not too far behind at **52%**.

HR professionals employed in Community Services, Education, Government and Healthcare were more likely to have a negative view of the benefits of AI in the workplace. This group was more likely to be unsure or disagree that AI can help save time and make their job easier (**35%**) and they also were more likely to be unsure or disagree that they were excited about how AI will transform the role of HR (**42%**). Interestingly, these are mostly public sector employees while private sectors all showed a lot more positivity.

of HR professionals employed in Community Services, Education, Government and Healthcare were more likely to be unsure or disagree that they were excited about how AI will transform the role of HR



are worried about the ethical use of AI in the workplace



of HR professionals worry their job will be at risk because of AI

# Where there's a skills gap, there's increased uncertainty

HR leaders in the 45+ age group were the least optimistic about AI, **32%** were unsure or disagreed that AI can save them time and make their job easier and **47%** were unsure or disagreed about being excited about how AI will transform the role of HR.

This cohort was also **186%** more likely to say they saw no benefits in using AI in their role and **234%** more likely to say they weren't sure what benefits they would gain. A further **20%** of this age group were unsure how to measure the ROI of AI applications – a worrying statistic perhaps if the HR function in your organisation has a significant number of employees who are over 45+.

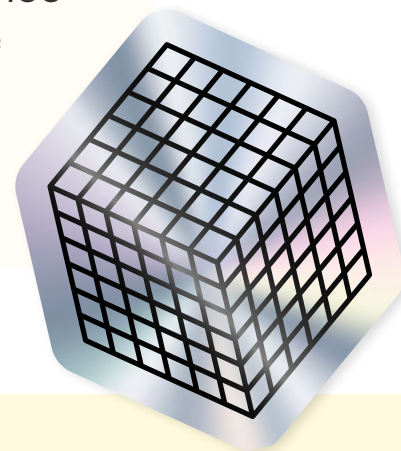
Additionally, HR professionals employed in smaller organisations (under 50 employees) were **171%** more likely to say they saw no benefits in AI tools, and **216%** more likely to say they were unsure of what benefits they offered.

A further **18%** of this cohort were unsure how to measure the ROI of AI applications, while **47%** of HR professionals working in organisations with 201–500 employees cited employee feedback and **40%** of HR professionals in large organisations (501+ employees) cited uptake of features.

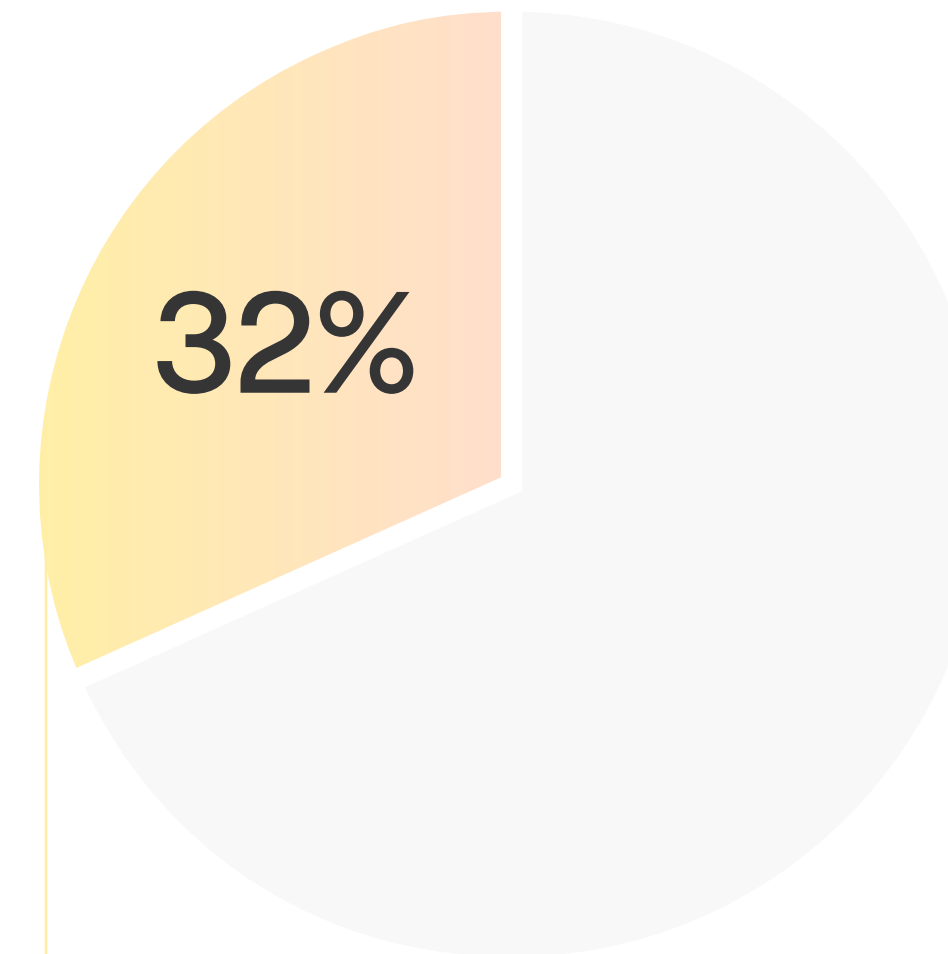


## Quinn's Hero Tip

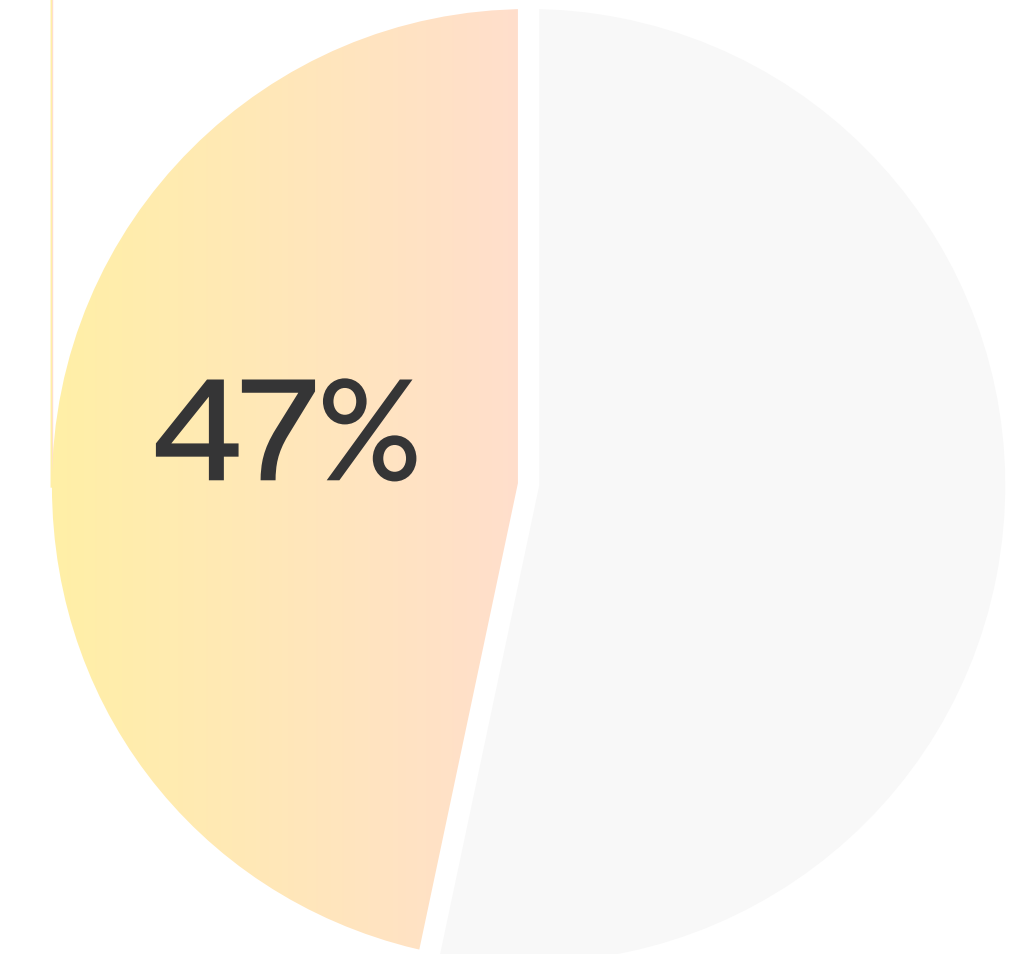
Using an LMS? Create custom-built courses to help upskill your team and build their confidence as new technologies arise. Nobody needs to feel left behind. With AI tools fast becoming the norm and many software companies embracing their capability at increasing efficiency, it's becoming more and more pressing that your workforce is up-to-date with technology that's there to help, not hinder, them!



of HR leaders in the 45+ age group were unsure or disagreed about being excited about how AI will transform the role of HR



of HR leaders in the 45+ age group were unsure or disagreed that AI can save them time and make their job easier



# Want our advice on how you could use this report to take your next step into the world of AI and HR?

Here's some advice based on our findings:

- **Embrace the potential of AI tools:** Our findings reveal that AI tools are already being used by HR leaders, particularly in analytics and content creation. Embrace these tools and explore their potential to improve your HR practices. Consider leveraging AI for tasks such as data trend analysis, content generation, and employee matching. By adopting AI tools, you can enhance your efficiency and gain valuable insights.
- **Consider personalisation and bespoke tasks:** While HR leaders are currently less inclined to delegate personalised tasks to AI, it is important to evaluate the potential benefits of AI in areas such as program personalisation and optimising compensation packages. Assess how AI can support your role in recognising and rewarding employees while maintaining a human touch in sensitive areas. Strive for a balance between automation and personalised human interaction.
- **Address knowledge gaps:** Our findings highlight potential knowledge gaps in smaller organisations and among older HR leaders regarding the use of AI in their software. Take proactive steps to bridge these gaps by investing in training and upskilling programs for your staff. Ensure that your team has a general understanding of AI tools and their benefits within your current tech stack. By addressing knowledge gaps, you can maximise the value of AI in your organisation.
- **Focus on efficiency and analytics:** HR leaders recognise the potential of AI tools to enhance speed, efficiency and analytics. Prioritise these aspects in your AI adoption strategy. Explore tools that can streamline HR processes, improve analytics capabilities and increase employee engagement and well-being. Consider measuring success through metrics such as time and cost savings, improved HR analytics and streamlined processes.
- **Prioritise data security and ethics:** Privacy, data security, and cybersecurity are identified as top skills in demand for HR leaders. As AI tools handle sensitive employee data, prioritise data security and ensure responsible use of AI technologies. Stay informed about ethical considerations and legal regulations surrounding AI in the workplace. By prioritising data security and ethics, you can mitigate risks and build trust among employees.
- **Address concerns and fears:** Despite optimism about AI, there are concerns about job loss and ethical use. Acknowledge these fears and engage in open discussions within your organisation. Provide reassurance about the role of AI as a tool to enhance HR functions, not replace human professionals. Share success stories and case studies that demonstrate the benefits of AI in improving HR practices. Foster a positive mindset and encourage a culture of continuous learning and adaptation.



If you're looking to find out how AI can benefit your business, our platform already hosts AI-enhanced HR and recruitment features designed to help you work easy.

If you'd like to learn more, reach out to one of our team and get your demo booked in today.

 [BOOK A DEMO](#)

## 1:1 with Melissa Santos



How are you finding the workload?

**B** *I* U | ☰ ☰ | ✨

Not sure what to write? Type a few points then click magically generate a draft message.

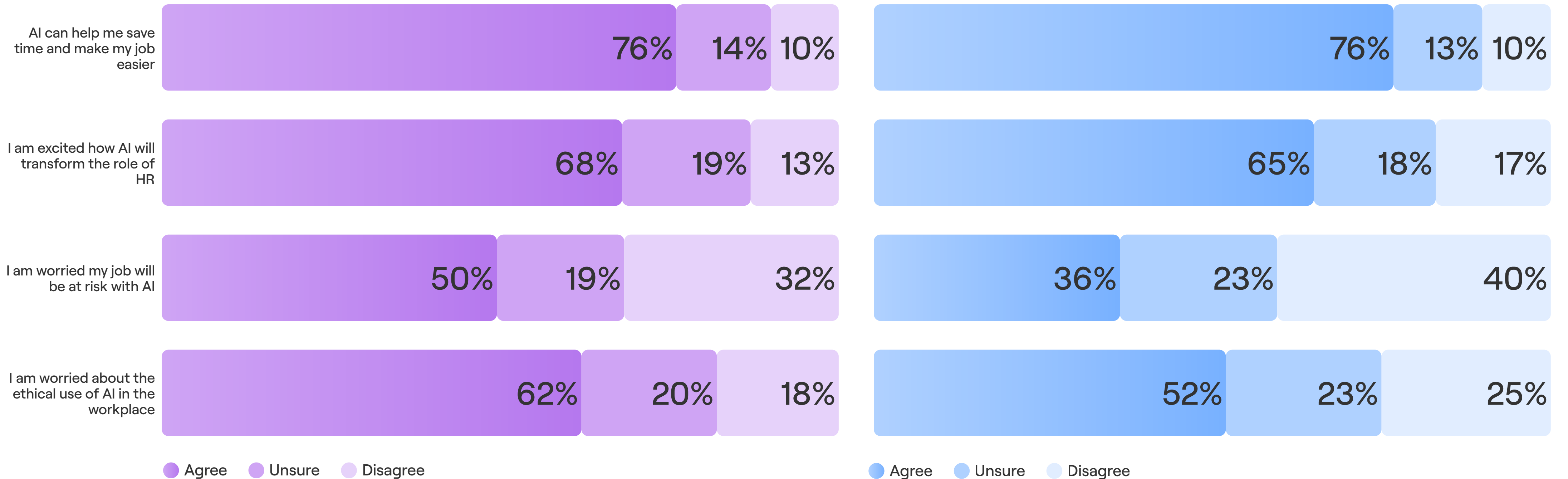
# How did Australian sentiment compare to New Zealand?

There was little difference in the sentiment towards HR between Australia and New Zealand:

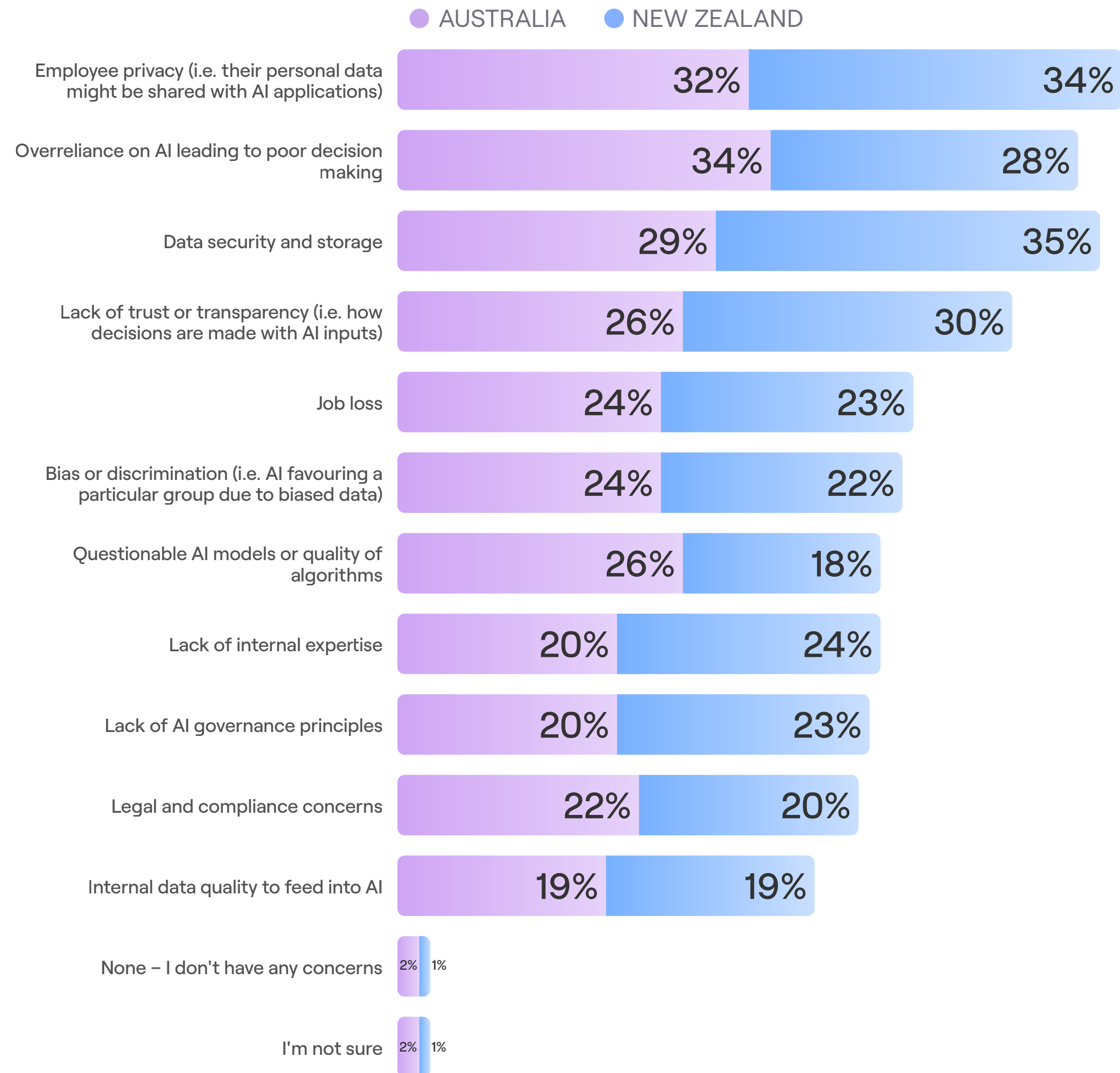
Q: Please tell us your level of agreement or disagreement with the following statements on AI

## AUSTRALIA

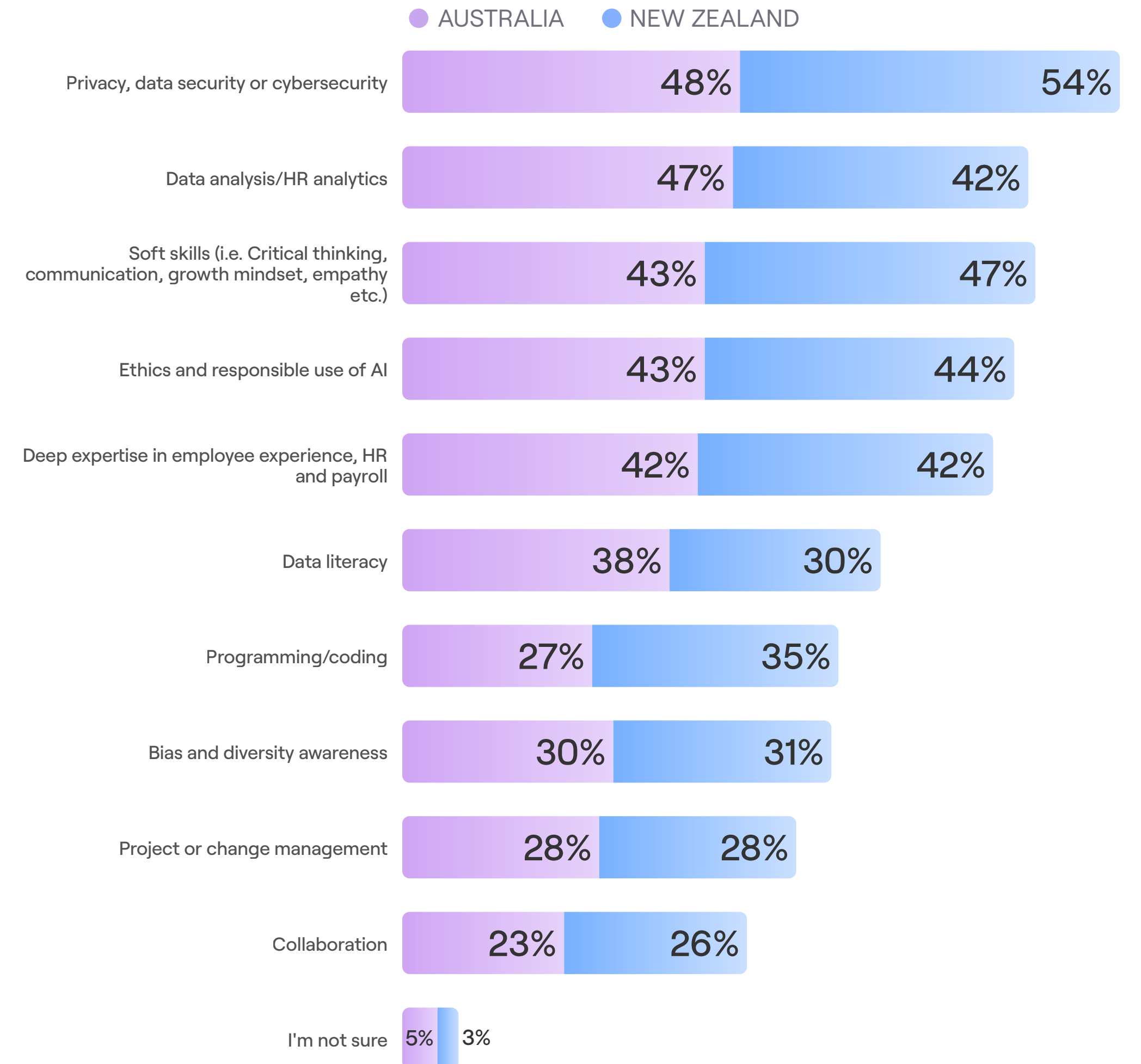
## NEW ZEALAND



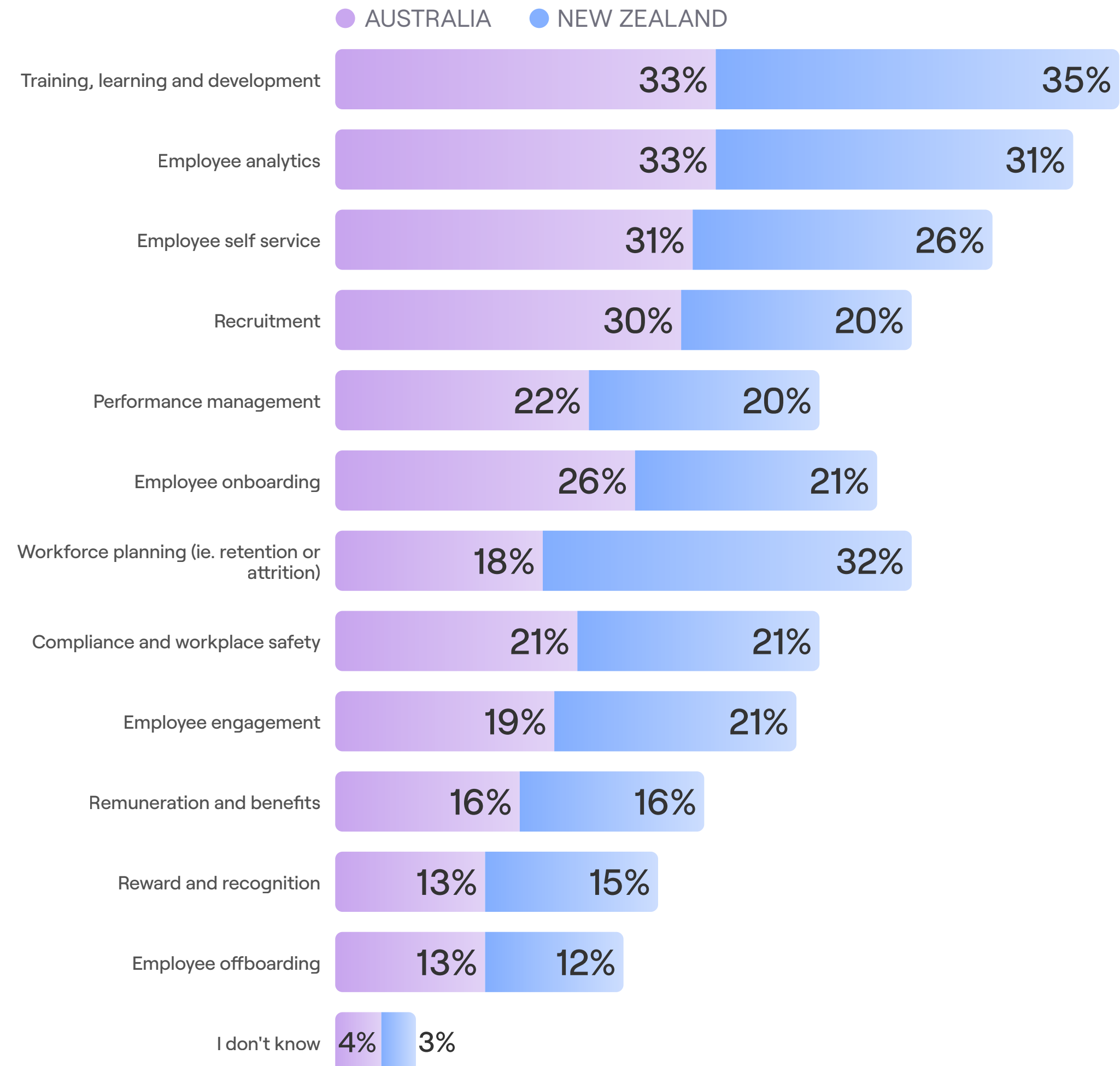
Q: What are your biggest concerns when it comes to the application of AI and machine learning in human resources management



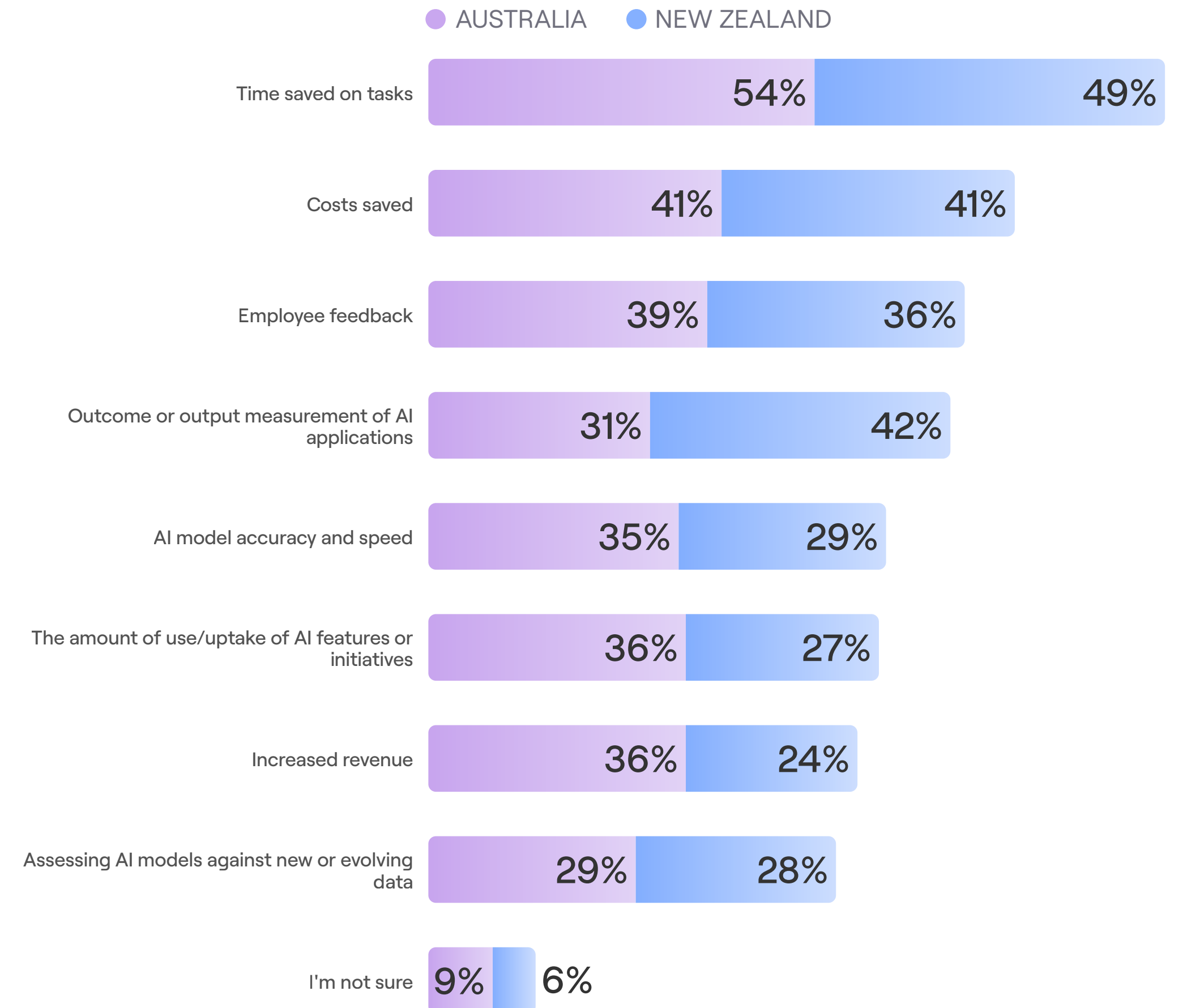
Q: What skills do you anticipate will be most important for you/your function to be AI-ready?



Q: Which, if any, of the following technologies do you use to assist you in your work in the HR space?



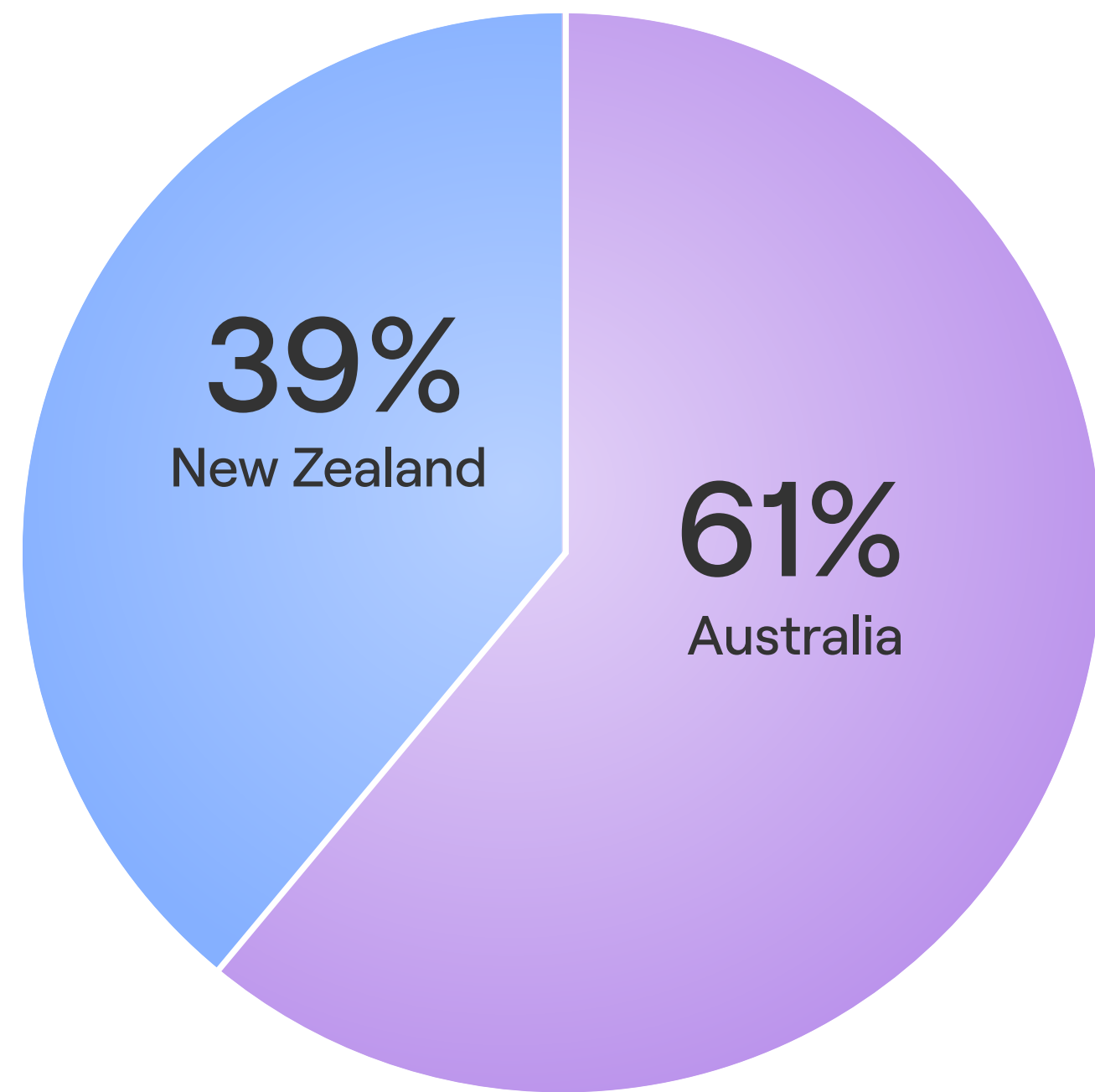
Q: Based on which of the following, if any, do you currently measure, or would you measure the return on investment (ROI) of AI used in your role/ work function?



# Methodology & sample profile

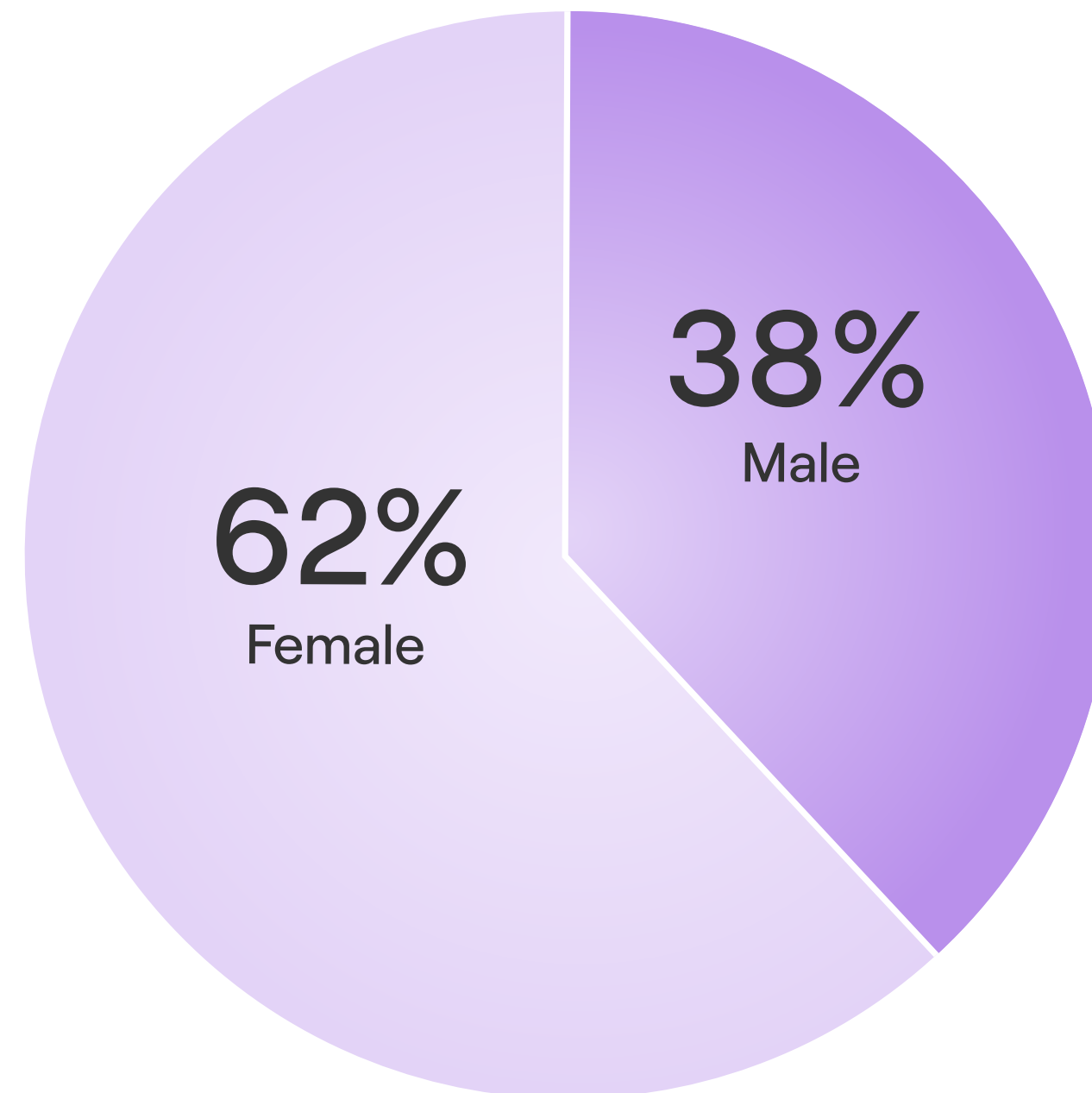
We carried out quantitative research with 318 HR professionals in Australia and 203 in New Zealand, the length of the survey was 4 minutes on average. Respondents were primarily responsible for Employee experience, Human Resources and Payroll. The survey was conducted by YouGov from the 5th to the 10th of May 2023.

Respondents by country

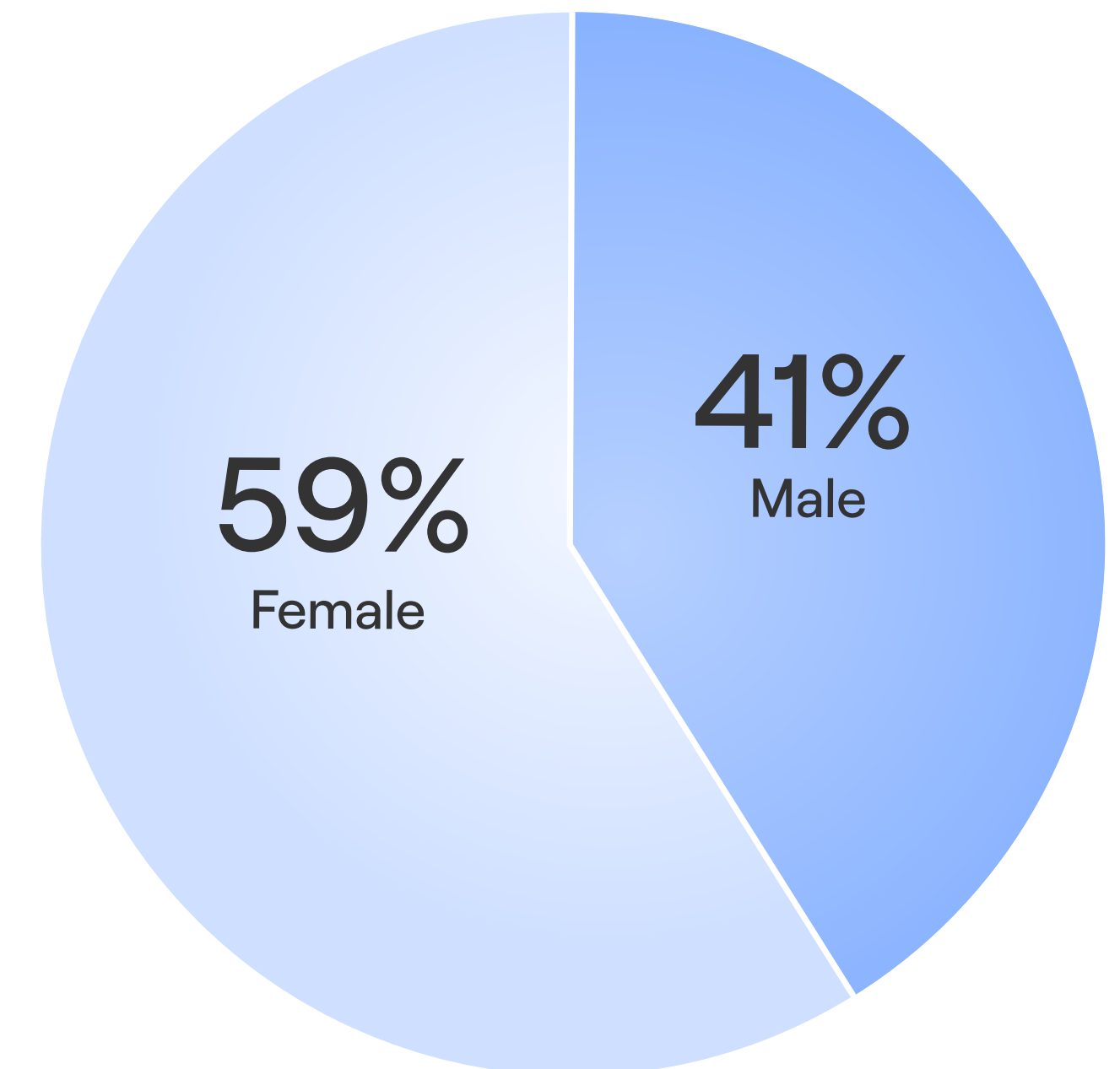


Respondents by gender

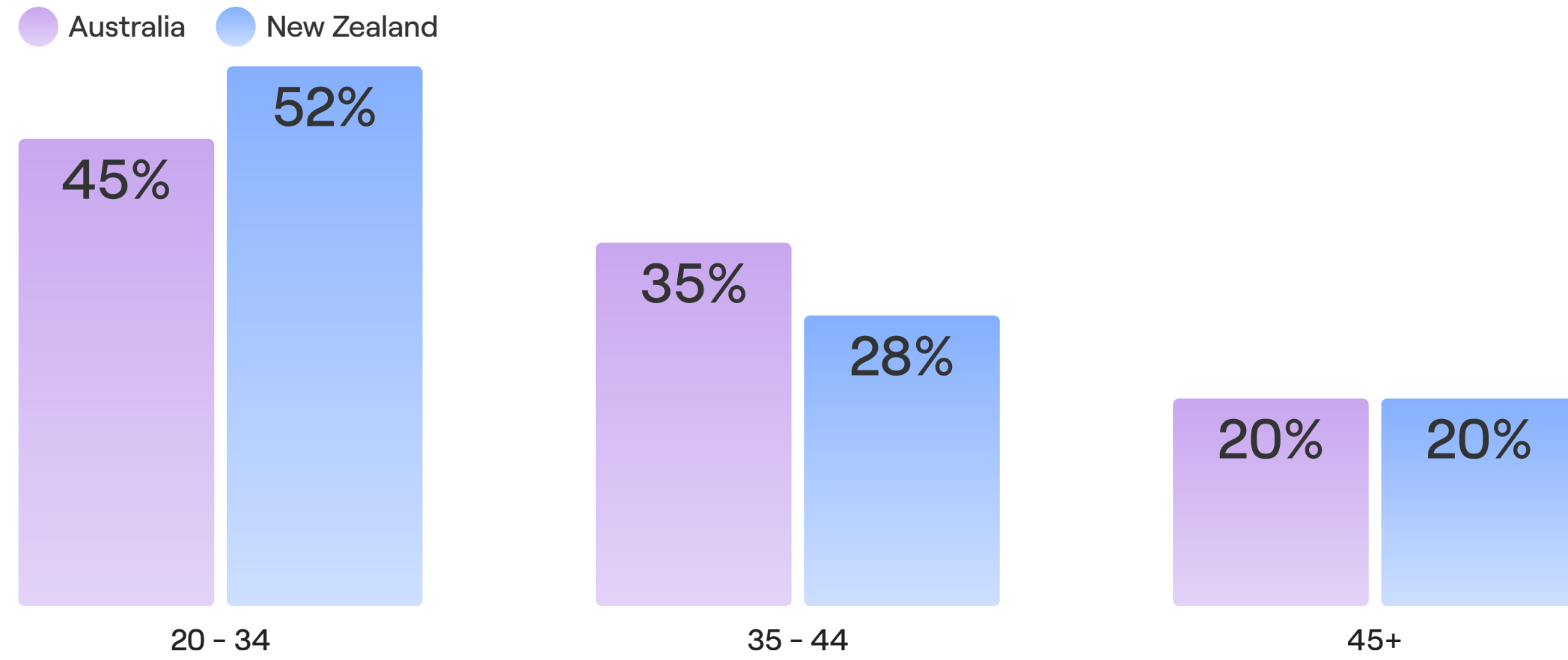
AUSTRALIA



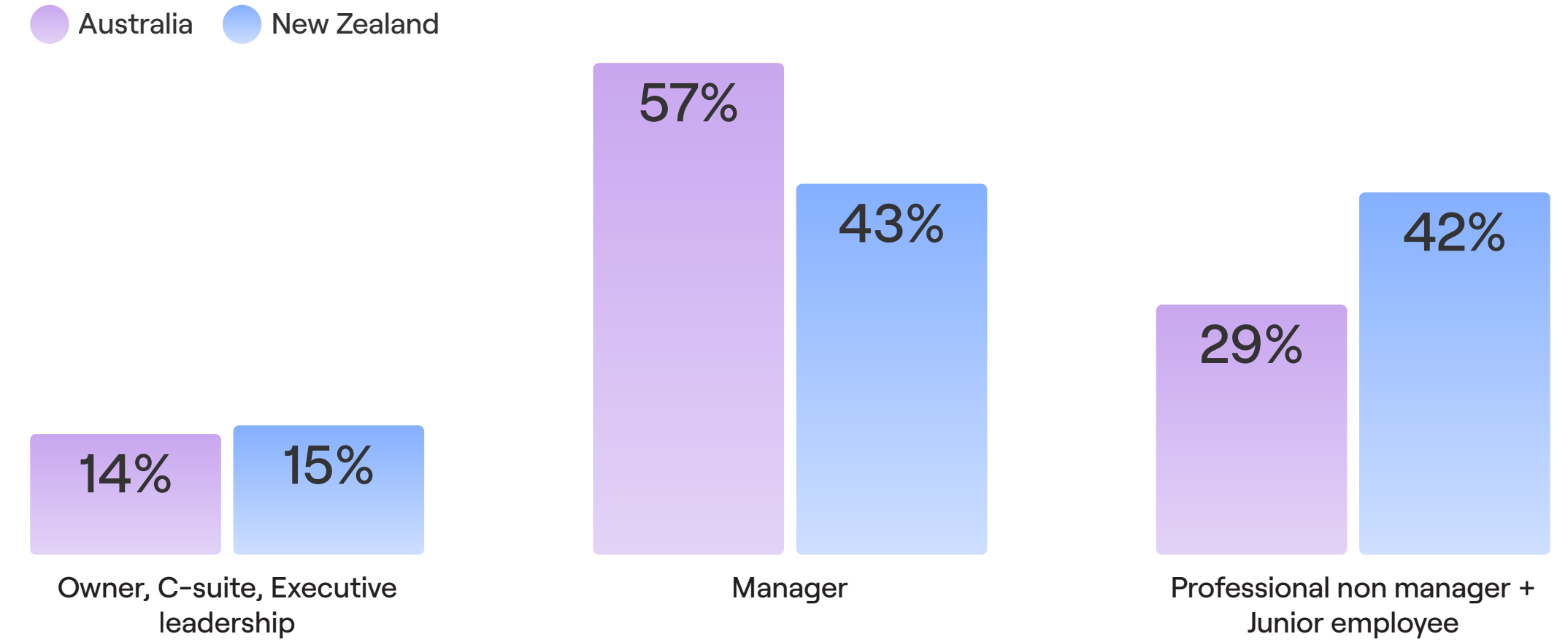
NEW ZEALAND



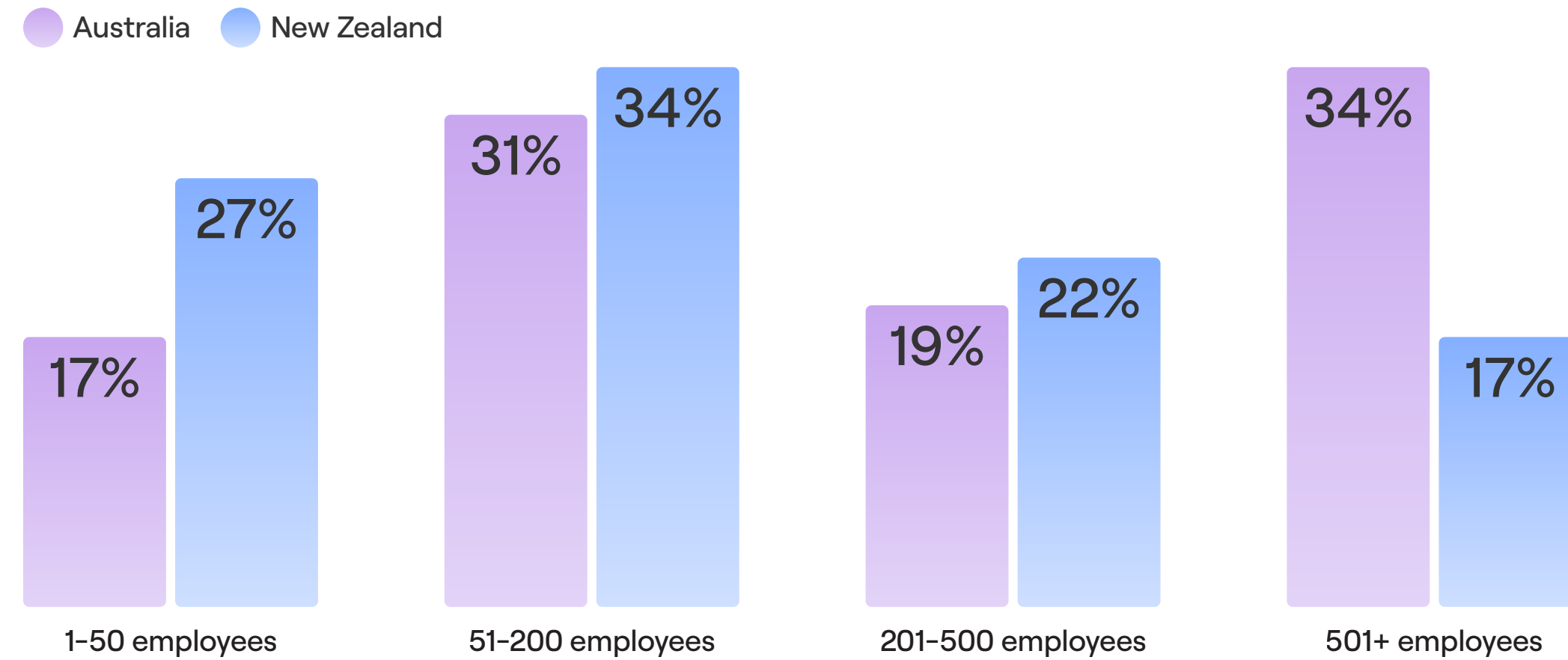
### Respondents by age group



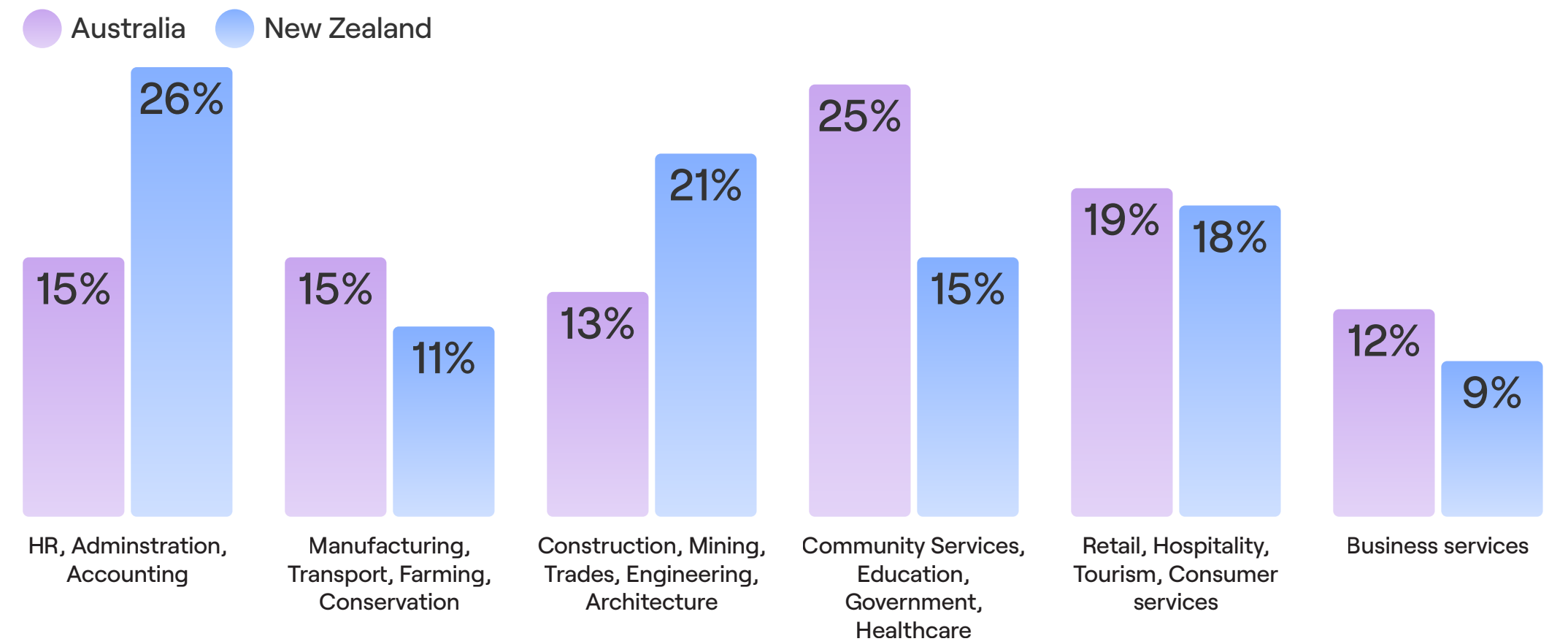
### Respondents by seniority



### Respondents by organisation size



### Respondents by industry



# About Employment Hero

Employment Hero is the smarter way to manage people, payroll and productivity for SMEs with big ambitions.

Employment Hero empowers SMEs by providing automated solutions to help launch them on the path to success by powering more productivity every day.

Employment Hero services over 200,000 businesses, collectively managing over 1 million employees. Employment Hero is launching employers toward their goals, powering more productive teams and taking employment to rewarding new heights.

## Our features include:

Employee happiness scores

1:1s

Applicant tracking system

Policy templates

Recognition

OKRs (Objectives and Key Results)

Performance reviews

Feedback

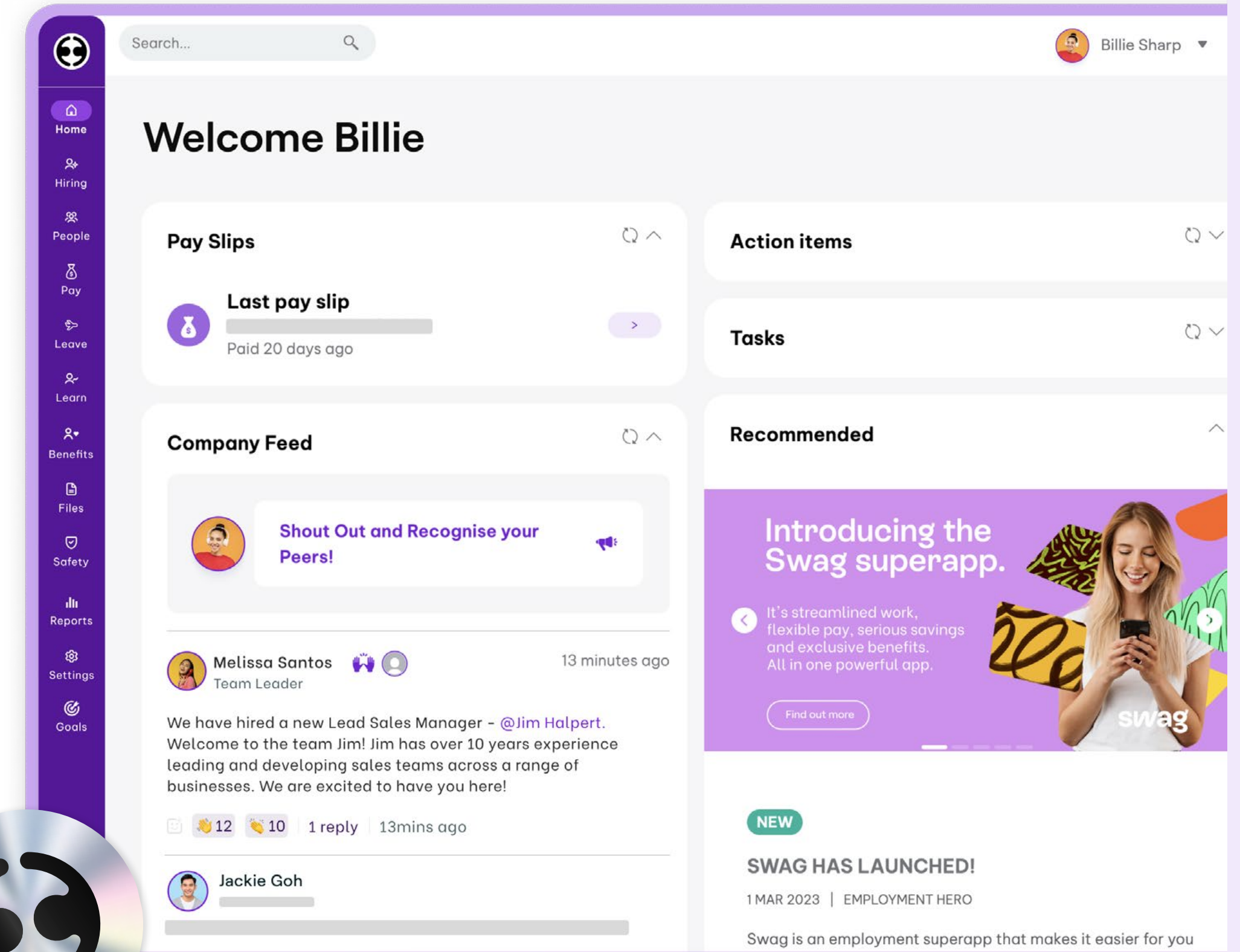
Letter templates

Shout Outs (Peer to peer recognition)

Custom surveys

Learning management system (LMS)

And so much more...



For more information on how we can help transform your business book a demo today.

 BOOK A DEMO

# Super Human



[employmenthero.com/resources/human-resources-ai-report](https://employmenthero.com/resources/human-resources-ai-report)

This report was designed with love from the design studio and marketing teams at Employment Hero.