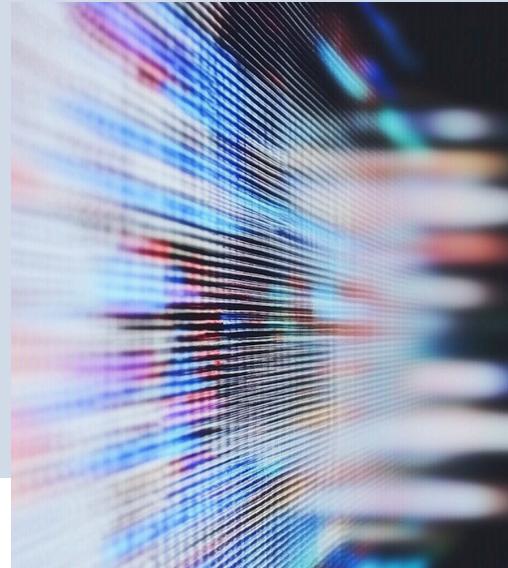




# How CHROs Say Artificial Intelligence Is Reshaping Their Teams



5 Min Read

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In recent calls, CHROs discussed which roles are most at risk due to artificial intelligence, which tools they're using, and why more honesty is needed on AI's impact.

CHROs overwhelmingly predict artificial intelligence will prompt smaller human resources teams, a new query of the M1 CHRO Community finds, but they're split on just how much HR teams will decline in size—and how AI should be governed—as impact from the technology accelerates.

In a series of virtual calls in late March with 49 large enterprise CHROs, 25 responded with predictions of how much their HR teams would decline over the next five years. Nine said teams would fall by 11 to 20 percent, seven predicted they'd drop by 1 to 10 percent and six estimated a 21 to 30 percent decline. Just two said AI would not impact the current size of HR teams—while one predicted headcount declines between 31 and 40%.

"I see [AI] as having a seismic impact," that CHRO said. "There's significant change that will come in how we do our work and honestly, what kind of people we need."

The virtual calls covered not only the impact of AI on HR team size, but how they're governing AI implementation and what tech systems they hope to use.

## 1. AI will impact HR team sizes, but CHROs hope it shifts staffers to higher-level work.

By far, CHROs named recruiting and HR business partners as the biggest targets for cuts. HR operations and learning and development staffers may also be at risk. One CHRO with about 300 recruiters reported a reduction of 50 people, primarily through interview scheduling automation and application ranking. But most CHROs emphasized their goal isn't headcount reduction. It's enabling teams to focus on higher-value activities.

## AT A GLANCE:

- Most CHROs who responded to a poll in recent M1 virtual calls believe AI will drive smaller HR teams.
- CHROs greatly prefer leveraging the AI capabilities of existing software over adding new tools.
- AI progress is uneven—but a massive opportunity for HR to co-lead enterprise adoption.

**“If someone asks in town halls, I’m not going to hide and say this is only going to change the nature of jobs.**

- a CHRO in M1’s March 31 virtual meeting about AI

“I would love to have fewer payroll people, fewer time and attendance people,” one CHRO explained. “I want more folks spending more time on quality work.”

AI may improve broader employee experiences, with core services becoming more efficient. Some reported that improved employee experience—enabled by AI—was contributing to lower turnover, in turn reducing recruiting demands.

To communicate the impact of AI on jobs, most emphasized staying honest with employees while avoiding unneeded anxiety.

“It’s a question of credibility,” one CHRO explained. “I think we ought to be transparent.”

## **2. HR’s progress on AI is uneven—but a massive opportunity to co-lead enterprise adoption.**

Many CHROs described themselves as merely “dabbling” in AI, “still kind of early in the technology progression” or experiencing “FOMO—like fear of missing out—that I’m way behind everybody else.”

Those earlier in their progression named areas such as recruiting and talent acquisition—which was mentioned as an AI application by nearly all participants—as well as self-service chatbots, learning and development, and workforce management as core AI applications.

A handful of CHROs have been at the forefront of their enterprises on AI. One described partnering with the CTO and finance leadership to identify where AI investment provides value, assess the readiness of teams, regularly update the board, and add AI targets into business plans.

“I think it’s an opportunity for HR leaders everywhere to really play a top role in this,” she said.

## **3. AI governance takes balancing experimentation and centralization.**

When it comes to AI strategy, CHROs described two distinct governance approaches. Some adopted a centralized strategy, in cooperation with technology and finance executives, to establish enterprise-wide AI governance. “That triumvirate of finance, HR and tech is feeling really important to us,” said one CHRO.

Others preferred a more decentralized approach that emphasizes experimentation. “I want to see who is able to either come up with the best ideas or who can adopt fast,” said one CHRO. She relies on centers of excellence to identify AI solutions for their domains, partnering with technology teams as needed.

There will always be a tension between innovation and protection—make sure HR plays a role in setting clear guardrails for organizational data while enabling experimentation, CHROs advised.

**“[AI] is an opportunity for HR leaders everywhere to really play a top role in this.**

- a CHRO discussing AI in a recent M1 meeting

#### 4. CHROs want to leverage existing systems rather than add new AI tools.

Multiple CHROs described a clear preference for leveraging AI capabilities of existing systems, such as Workday.

As one put it: “This might sound lazy, but it’s purposeful. Everybody, including the mailman, has AI in their name.”

Yet several CHROs expressed frustration with what existing systems offer today. “The SaaS tooling in the market is not as advanced as we would like it to be at this stage,” said one CHRO. “I think a lot is going to happen in '25 and '26.”

When they are adding new tools, it’s to solve big problems. One CHRO said she’s exploring tools like BrightHire or HireScore to help solve “the biggest pain point we have today in our organization”—the volume of candidate applications. “AI enables us to do things better in HR, but it also enables people to apply for everything.”

#### 5. AI’s most promising HR application may be employee development.

AI-powered coaching emerged as the most widely discussed—and perhaps most promising—of AI applications in HR.

“They will allow us, for the first time, to scale something that has been extremely difficult to scale with quality in the past,” one CHRO said.

Some leaders mentioned pilot experiments where AI coaches analyze meeting recordings to provide feedback on communication style, body language, and other interpersonal skills. “It watches your facial expressions, tone of voice, and the way you speak, and gives you feedback immediately after the meeting,” one CHRO described.

Meanwhile, another CHRO described a custom-built AI tool that dramatically reduces the time managers spend writing performance reviews. The average manager spends from 50 to 70 hours writing reviews annually; AI promises to cut that by 20 hours. As more features are added, “we believe we can cut it down by 50%, significantly increasing the quality as well,” the CHRO said. Managers still provide input on whether employees met or exceeded expectations; the AI just helps craft well-formed narratives and insights.

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