

Maximizing the Impact of AI on Core HR, Time Management, and Payroll





Overview

For AI-based HR solutions to work, companies must build a strong foundation of core HR, time-management, and payroll systems. Instead of addressing each of these areas in silos, high-performing organizations integrate them into a systemic approach. This creates more interconnected data, an improved employee experience, and better insights and decision-making, resulting in a more cohesive HR function.

AI can streamline core HR processes by automating routine tasks, reducing administrative burdens, and enabling HR professionals to focus on value-added initiatives. It can also support workforce scheduling to optimize time management, ensuring compliance while enhancing fairness and flexibility. In payroll, AI can be used for real-time tax calculations, fraud detection, and compensation benchmarking, reducing errors and ensuring compliance through increased localization.

This report highlights the impact of foundational HR solutions—core HR, time management, and payroll—on various business outcomes. It provides examples of organizations solving specific problems while laying the foundation for AI and outlines critical AI applications.

In This Report

- Rethinking the Role of AI in Foundational HR Solutions
- Laying the Groundwork for AI with an Integrated Approach
- Creating Business Impact with AI in Foundational HR Solutions

Rethinking the Role of AI in Foundational HR Solutions

Core HR, time-management, and payroll solutions are the backbone of any HR technology stack, enabling seamless operations, simplified compliance, effective workforce management, and data-driven talent insights. However, many organizations underutilize these foundational systems, focusing on mere technical implementation rather than driving real change and transformation. Thus, their investment in these solutions fails to deliver on their promise.

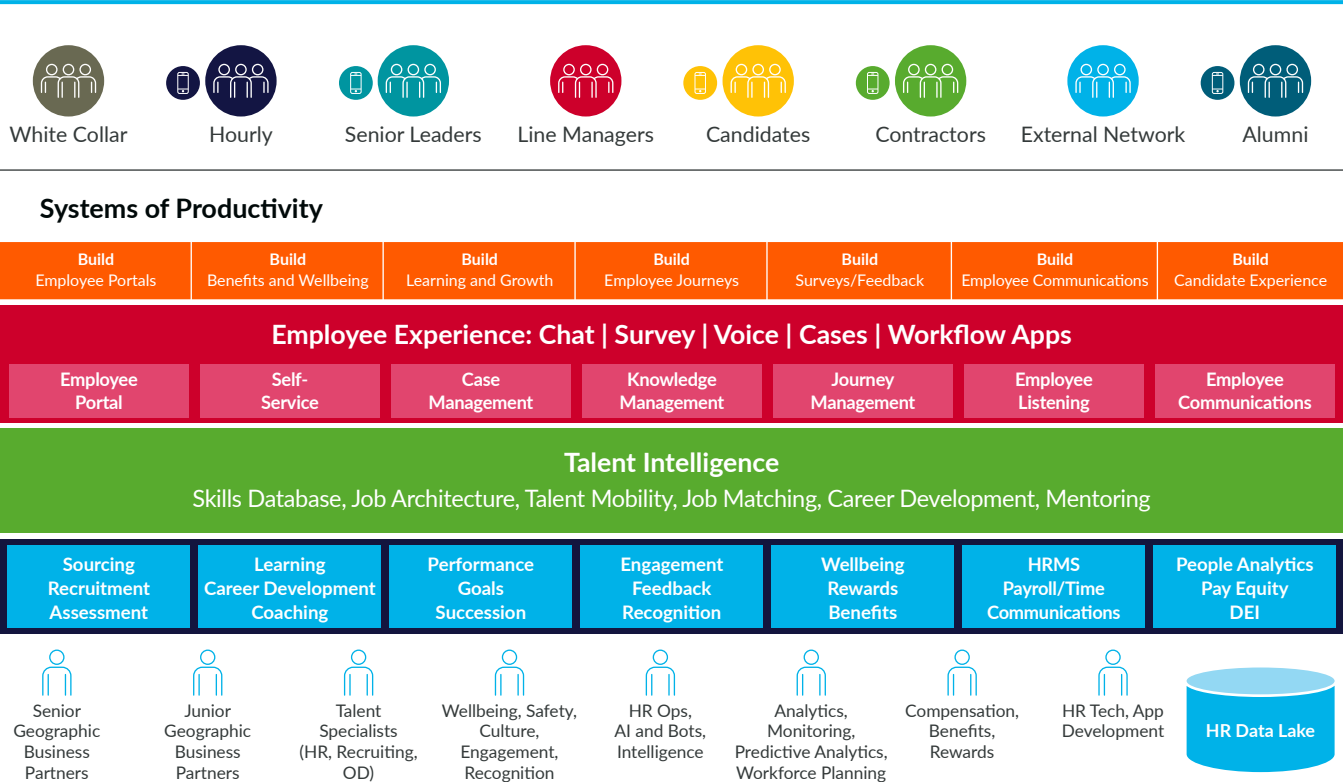
To use AI in HR, the foundation needs to be right, making these systems especially important. The emergence of widely adopted AI presents substantial opportunities to achieve broader business impact.

Essential Components of the HR Technology Stack

While foundational HR solutions handle key administrative processes—such as employee records, organizational hierarchies, time tracking, scheduling, and payroll processing—they also create a single source of truth for HR data. Their integration supports workforce planning, compensation accuracy, and policy compliance, all critical for business efficiency. Additionally, data from these solutions enables talent development, people analytics, talent intelligence, succession management, and employee engagement services.

Building a technology stack is like building a house—without a strong foundation, it can fall apart (see Figure 1).

Figure 1: HR Technology Stack



Source: The Josh Bersin Company, 2025

Driving Business Transformation through HCM Maturity

Many companies underutilize foundational HR solutions by focusing solely on technology implementation rather than leveraging these systems for business transformation. In contrast, high-performing organizations use their entire stack of HCM solutions to drive a better employee experience, foster Systemic HR®, and create a foundation for business insights and decision-making.¹

As organizations progress through the HCM Excellence Maturity Model, they increasingly focus on outcomes beyond automation (see Figure 2).

Organizations at Level 1 (technology-centered) emphasize installing technical systems, automating tasks, and reducing costs without considering the broader impact on people and operations. They often migrate legacy processes into the new HCM environment with minimal organizational redesign, missing opportunities for strategic improvements.

Companies at Level 2 (process-focused) still lack clear alignment with business strategy and outcomes, despite redesigning workflows for greater productivity.

At Level 3 (outcome-driven), organizations start to balance operational efficiency with strategic grounding, measuring success in a disciplined way.

Companies that fail to move beyond the lower levels miss out on the transformational potential of HCM systems. At Level 4 (business transformation), these systems integrate design thinking, employee journey mapping, and HR capability development to increase the organization's change readiness, create a seamless employee experience, and drive significant business value.

Unlocking AI's Potential: The Critical Role of Foundational HR Systems

AI makes business transformation more important than ever. PwC's 28th Annual Global CEO Study (2025) shows that 53% of CEOs believe their company will be out of business within 10 years if it doesn't change its current business model

Figure 2: The HCM Excellence Maturity Model



Source: The Josh Bersin Company, 2021

¹ Best Practices for HCM Excellence: The SAP SuccessFactors Edition, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2022.

(up from 45% in 2024). Yet, only 23% believe their organization can adapt, and only 7% are generating new revenue sources with AI.² This means foundational HR systems—used for transformation, not just automation—are becoming even more business-critical.

Given AI's potential ROI³, every HR team should look to embed AI into their operations, thereby streamlining processes, creating better insights, personalizing the experience, and enabling HR professionals to be strategic business consultants. The promise of AI for a variety of use cases—from more efficient data processing to recruiting effectiveness and better career development—is immense, and the benefits go far beyond time savings.⁴

However, to realize AI's potential, companies must establish a foundation of high-quality, structured data. This can only be achieved by concentrating on integrated, reliable core HR, time-management, and payroll solutions to generate meaningful insights.

Utilizing Data from Foundational HR Systems

AI-based core HR, time-management, and payroll systems utilize data to enhance efficiency, optimize talent management, and improve the employee experience. The following examples showcase how AI can leverage data from these systems.

Core HR systems house foundational employee data, including job roles, career history, and personal information. AI can leverage this data to:

- **Automate HR transactions:** AI-enabled assistants streamline HR tasks such as employee transfers, policy lookups, and personal information updates—increasing efficiency and freeing up HR teams for more strategic work.
- **Optimize recruitment:** Companies use AI tools to analyze hiring patterns, create job descriptions, evaluate candidates, and improve sourcing strategies based on historical hiring success and skills predictions.

- **Enhance career development and succession-planning:** AI-driven career assistants match employees' skills with internal opportunities, providing personalized career paths and training recommendations based on skills.

Time-management systems contain valuable data related to employee work patterns, attendance, and overtime, which AI utilizes to optimize workforce management. For example, these use cases can:

- **Improve workforce efficiency:** AI analyzes scheduling patterns to predict staffing needs, reducing overtime costs and ensuring optimal workforce distribution.
- **Evaluate employee wellbeing and predict burnout:** AI evaluates work hours, leave balances, and time-off patterns to proactively identify employees at risk of burnout and recommend interventions.
- **Optimize scheduling:** AI-driven scheduling tools ensure employees are deployed efficiently, considering past scheduling effectiveness and real-time business demand.

Payroll systems provide data and insights into compensation, benefits, and deductions. AI can utilize this data to:

- **Enhance pay equity:** AI analyzes payroll data to detect and mitigate pay disparities across demographics, improving compliance with equal pay initiatives.
- **Predict turnover risks:** Machine learning models identify patterns in payroll data—such as frequent pay corrections or lower-than-average raises—to flag employees at risk of attrition.
- **Improve payroll accuracy and compliance:** AI assists in detecting anomalies in payroll transactions, reducing errors, and ensuring compliance with tax and labor regulations.

By integrating and analyzing data across these domains, AI-powered HR solutions transform traditional HR processes, enabling organizations to operate more efficiently and enhance employee engagement.

² "PwC's 28th Annual Global CEO Survey: Reinvention on the edge of tomorrow," PwC, January 20, 2025.

³ *Maximizing the Impact of AI in the Age of the Superworker*, Kathi Enderes, PhD/The Josh Bersin Company, 2025.

⁴ Ibid.

Laying the Groundwork for AI with an Integrated Approach

To support “[superworkers](#)”—individuals who use AI to significantly improve their productivity and performance—and create dynamic organizations where every employee can add significant value by leveraging AI⁵, high-performing companies are accelerating their transformation by embracing a connected approach to core HR, time management, and payroll.

The following four business imperatives can be solved by creating an impact beyond automation with foundational HR solutions.

1. Balance Employee Needs with Evolving Legal Requirements

A recurring theme in many HR discussions is whether HR should prioritize employees and their evolving needs or the company's focus on compliance and legislation. The answer is simple: solutions must serve both requirements, seamlessly creating an irresistible employee experience while ensuring legal and regulatory compliance. Often, foundational HR solutions provide the tools necessary to help companies effectively balance these seemingly opposite needs.

CASE IN POINT

Eurobank Quickly Responds to New Time-Tracking Requirements

Eurobank S.A., one of Greece's largest employers, has an expansive presence featuring 500 domestic offices and 120 European sites. With a strong focus on corporate responsibility and employee wellbeing, the bank needed to comply with a new Greek labor law mandating real-time employee time tracking within six months, making for a tight timeline.

The new legislation required precise clock-in and clock-out tracking, with real-time data submission for 5,000 affected Greek employees. Noncompliance risked fines of €10,000 per employee. Eurobank needed a seamless solution that ensured compliance while maintaining HR efficiency and employee experience.

Eurobank implemented SAP SuccessFactors Time Tracking, integrating time-tracking functions with its core HR system. The bank developed 28 interfaces to enable 24/7 automated data submission. A structured change management initiative, including workshops and pilot programs, ensured smooth employee adoption. Using digital punch clocks made workforce readiness easier. Results included:

- **Compliance and precision:** 99% clock-in and clock-out accuracy, 44% reduction in the frequency of neglected clock-outs, and 25% reduction in data-uploading errors, enhancing overall data integrity.
- **Seamless integration:** Improved data consistency and managerial oversight.
- **Enhanced employee experience:** Mobile-friendly time tracking and real-time notifications increased engagement with the new process.

Next, Eurobank plans to leverage AI-driven talent intelligence, expand skills-based workforce planning, and use SAP's AI copilot, Joule, to automate HR processes further, fostering a future-ready workforce.⁶

⁵ *The Rise of the Superworker: HR and Leadership Predictions and Imperatives for 2025*, Josh Bersin/The Josh Bersin Company, 2025.

⁶ [“Eurobank: Complying swiftly with a new labor law thanks to a reliable and accurate time management system,” SAP.](#)

2. Simplify the HR Technology Stack

Many companies encounter the “kitchen drawer syndrome” in their HR tech stack: more and more systems are added to the architecture without a mechanism to determine their utility or fit with the overall tech landscape, overburdening the stack with underutilized systems that are often duplicative and lead to employee confusion on their use.⁷ This can lead to problems, including higher ownership costs, lower employee productivity and performance, an inability to use data as designed, and error rates and issues due to inconsistency. A disciplined, strategic approach to foundational HR systems can counteract these issues.

CASE IN POINT

AusNet Drives Efficiency and Better Data Quality with Integrated HR Solutions

AusNet Pty Ltd, a critical energy network provider in Victoria, Australia, serves over 1.5 million customers and has 1,300 employees. Committed to safety, reliability, and employee wellbeing, AusNet sought to modernize its HR processes to enhance compliance, efficiency, and experience.

A compliance review revealed wage underpayments due to outdated, fragmented HR systems. Managing three legacy platforms created inefficiencies, data silos, and compliance risks. Employees struggled to access basic HR information, while managers lacked visibility into talent

processes. AusNet needed an integrated, future-ready HR system to resolve these challenges and position the company for future growth.

Over 10 months, AusNet implemented SAP SuccessFactors solutions across a wide range of areas, including core HR, time tracking, payroll, compensation, and talent and performance management. Results included:

- **HR efficiency:** 50% reduction in HR administration time.
- **Speed of transactions:** 10x faster position creation.
- **Streamlined processes:** 38 processes unified into a single HR system.

“As we move to become more agile, having access to integrated data allows us to more rapidly address issues, accurately forecast workforce trends, and provide solid recommendations to help grow our business,” said Bernie Repacholi, Head of People Systems and Enablement, AusNet Pty Ltd.

Next, AusNet plans to enhance workforce planning and optimize HR analytics, ensuring compliance and agility while improving the employee experience with continued HR digitalization. The new integrated data capabilities lay the foundation for AI utilization.⁸

When organizations add to their HR tech stacks without assessing utility or compatibility, the result is an overburdened stack with underused systems.■

⁷ Best Practices for HCM Excellence: The SAP SuccessFactors Edition, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2022.

⁸ “AusNet: Reenergizing the employee experience and workplace with modern HR capabilities in the cloud,” SAP.

3. Create an Irresistible Employee Experience

Core HR, time-management, and payroll systems play important roles in the overall employee experience, and high-performing organizations focus on this aspect more than mere technology automation. They maintain the human element in the moments that matter and automate low-touch service points.⁹

Core HR systems provide a single source of truth for employee data, enabling streamlined onboarding, career development, and self-service access to HR processes. Time-management solutions help frontline employees manage schedules, swap shifts, and track hours efficiently, reducing administrative burdens and improving work-life balance. Payroll systems ensure on-time, accurate compensation while integrating with compliance tools to manage tax regulations and labor laws.

Automating these functions and making them easily accessible via mobile-friendly platforms enables organizations to remove frustration, increase engagement, and empower employees, fostering a more productive and satisfied workforce.

CASE IN POINT

BT Group Makes the Employee Experience “Simple, Personal, and Brilliant” with Unified HR Solutions

BT Group, the UK’s leading telecommunications provider, employs 100,000 people and 30,000 contractors globally. Committed to being the world’s most trusted connector of people, devices, and machines, the company sought to modernize its HR infrastructure to enhance the colleague experience and streamline operations.

HR processes were fragmented, with 200 different workflows and over 30 aging IT systems, making it time-consuming and inefficient. Generating reports took five days, and even simple employee data changes required an hourlong call with HR. To remain competitive and deliver a “simple, personal, brilliant” experience to its colleagues, BT Group needed a unified and scalable HR solution.

BT Group implemented SAP SuccessFactors HCM, consolidating 80 global HR processes into a single “My HR” platform. The system centralized HR and finance, improving data accuracy; automated recruiting and onboarding, enhancing talent acquisition; and enabled self-service, reducing HR administration time. The results were outstanding:

- **Efficiency gains:** 1 million productivity hours saved annually.
- **Simplification:** Legacy IT systems streamlined from over 30 to one integrated platform.
- **Stronger workforce insights:** Real-time analytics replaced five-day reporting delays.

Having laid the foundation with these standardized streamlined systems, BT Group plans to integrate payroll and AI-driven analytics, further improving talent management, workforce planning, and employee engagement to maintain its competitive edge.¹⁰

⁹ *Best Practices for HCM Excellence: The SAP SuccessFactors Edition*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2022.

¹⁰ [“BT Group: Delivering an enhanced, connected colleague experience,”](#) SAP.

4. Enable Improved Management Decisions

Workforce data can be a powerful tool for transforming and improving business decisions. The most successful companies build foundational HR solutions to enable insights and forecasting.¹¹ Yet, only about 10% of companies have evolved their people analytics approach into “systemic business analytics,” which gives business leaders useful, proactive information to improve the company’s performance.

These high-performing organizations achieve superior outcomes in business, people, and innovation.¹² Their path to success lies in integrating data around people—spanning core HR, time tracking, payroll, and other talent platforms—with financial, operational, or customer data to inform decision-making. This systemic approach not only drives better results but also creates a foundation for expanding AI use across the organization, breaking down silos.

CASE IN POINT

Brussels Airport Company Supports Systemic Business Analytics with Integrated Cloud Solutions

Brussels Airport Company, the operator of a key economic hub in Belgium, employs 1,200 people and manages 22.2 million passengers and 700,000 tons of cargo annually. As part of its “Shift 2027” strategy, it needed to modernize HR processes hampered by an outdated, inefficient enterprise resource planning (ERP) system.

The company adopted SAP SuccessFactors to standardize HR functions across the employee lifecycle, from recruiting

and onboarding to core HR and talent management. Key improvements included:

- **Streamlined HR processes:** Simplified recruiting and onboarding, reducing manual intervention.
- **Systems integration:** Integrated HR, payroll, and finance, simplifying processes and building a foundation of intelligence.
- **Improved employee experience:** Mobile access, enabling employees to initiate transactions on any device.

The transformation delivered significant efficiencies in just four months, standardizing processes and reducing manual work. The user-friendly tools improved the employee experience and enabled workers and managers to embed transactions into their busy workflows. Maybe most importantly, the insights gained through fully integrated systems—within HR and throughout other functions like finance and supply chain management—gave the HR team much stronger workforce insights, enabling more effective planning and proactive actions.

“We now have better data quality and better reporting. This means we are more flexible because we have deeper insight and can react quickly to changes in the market,” Marie-Christine Kévers, ERP Program Manager, Brussels Airport Company, explained.

Next, Brussels Airport Company will expand its digital transformation by incorporating performance and goal management into the HR journey. With a modern, cloud-based HR system, it is well-positioned for growth and operational excellence.¹³

¹¹ *Best Practices for HCM Excellence: The SAP SuccessFactors Edition*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2022.

¹² *The Definitive Guide to People Analytics: Systemic Business Analytics*, Josh Bersin, Stella Ioannidou, and Kathi Enderes, PhD/The Josh Bersin Company, 2024.

¹³ “[Brussels Airport Company: Taking off to the cloud to build harmonized, connected, and efficient operations](#),” SAP.

Creating Business Impact with AI in Foundational HR Solutions

Foundational HR solutions create the basis for broader AI applications, but AI can also directly enhance the usefulness of these solutions. For example, AI enhances payroll and time tracking with predictive analytics, fraud detection, and compliance monitoring, while core HR benefits from AI-powered self-service, policy automation, and talent insights. Intelligent scheduling tools align staffing with business demand, reduce overtime costs, and improve the employee experience.

AI also transforms workforce experiences by automating routine inquiries, reducing administrative burdens, and offering personalized recommendations for employees' time-management and compensation questions.

By embedding AI and thoughtfully driving workforce adoption, organizations can transform these foundational HR systems from reactive tools into proactive, strategic enablers, enhancing efficiency, employee experience, effectiveness, and employee productivity (see Figure 3).

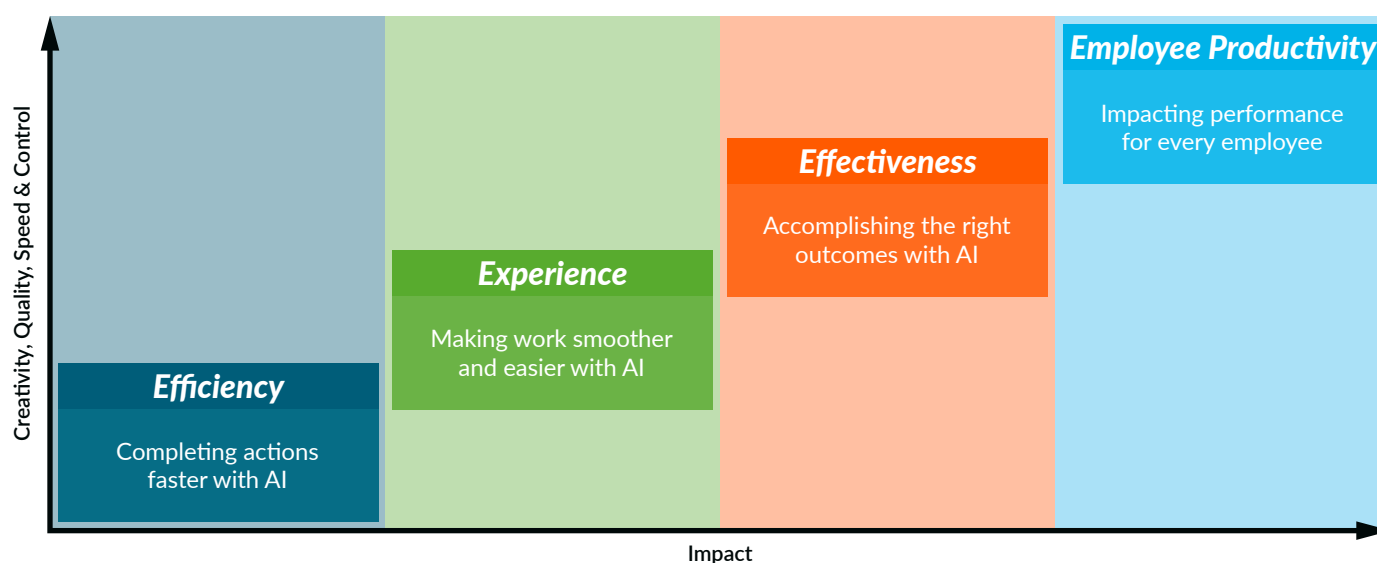
It's important to differentiate these solutions by the group benefiting most: employees, managers and leaders, or HR professionals. Not only does the impact change significantly by user group, but organizations can also incorporate this information into change management activities and prioritize where to begin.¹⁴

Getting started with AI in foundational HR solutions might seem challenging since most organizations spend years implementing the technology and may be concerned about upsetting these core systems used daily. However, proven use cases—prioritized appropriately based on business needs—can guide AI transformation. The following selected use cases, organized by user group, have been proven to create outsize business benefits, often going beyond time savings.¹⁵

Employee-Facing AI Use Cases

Foundational HR solutions are an important element of the employee experience. Still, employees often struggle to locate policies, complete transactions they do only infrequently (such as changing their address or updating personal information), and understand complex information (like payroll deductions). AI helps with these challenges by personalizing experiences and simplifying interactions using clear, natural language.

Figure 3: Four Categories of AI Impact



Source: The Josh Bersin Company, 2025

14 Maximizing the Impact of AI in the Age of the Superworker, Kathi Enderes, PhD/The Josh Bersin Company, 2025.

15 Metrics are available in the [SAP Discovery Center](#) and rely on data sourced from SAP Value Management benchmarks and SAP expert estimations.

Use Case 1: AI as an Informational Search Assistant

Find content and complete transactions more easily. Rather than navigating through employee portals, workers can simply ask a question or frame an issue within an AI assistant. In turn, the assistant provides answers grounded in the company's HR policies and the employee's unique circumstances (like specific benefits or holidays the employee is eligible for) and completes transactions like asking for time off or giving and requesting feedback. For example, SAP's AI copilot, Joule, can surface content from across SAP solutions, retaining critical business context to help ensure the most relevant results (see Figure 4).

Other use cases include using AI as a guide, such as explaining paychecks and their various deductions. This might seem elementary, but given multiple legislations, it is incredibly complex in the background but made simple for the user.

Benefits

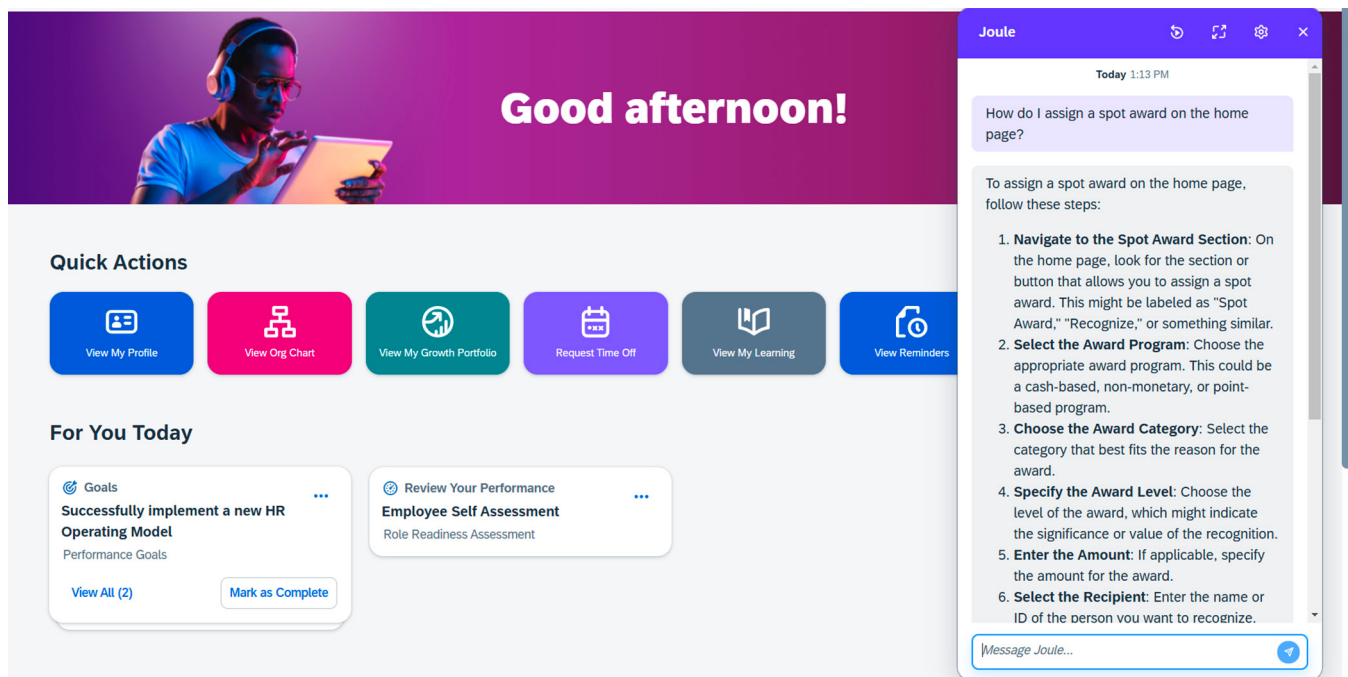
- Time savings and efficiency
- Reduced total cost of technology ownership with improved self-service efficiency
- Increased accuracy of information

Proven Business Impact Metrics¹⁶

Efficiency

- 90% faster execution of navigation and transactional tasks
- 95% faster retrieval of information through searches
- 70% reduction in employee time spent investigating HR policies

Figure 4: AI as an Informational Search Assistant



Source: SAP, 2025

¹⁶ Metrics are available in the [SAP Discovery Center](#) and rely on data sourced from SAP Value Management benchmarks and SAP expert estimations.

Use Case 2: AI as a Writing Assistant

Express yourself more clearly. AI can support employees in developing their practical business writing skills by improving clarity and concision. Employees can use an interactive AI-assisted writing tool, leveraging generative AI capabilities, to enhance the quality of the content they write in application fields, such as justifying requests for spot awards or peer feedback (see Figure 5).

These employee-facing use cases are just a few examples of how workers can utilize AI in a natural, nonintimidating way to improve their capabilities.

Benefits

- Time savings on ideation and drafting/writing content
- Higher-quality written content

Proven Business Impact Metrics¹⁷

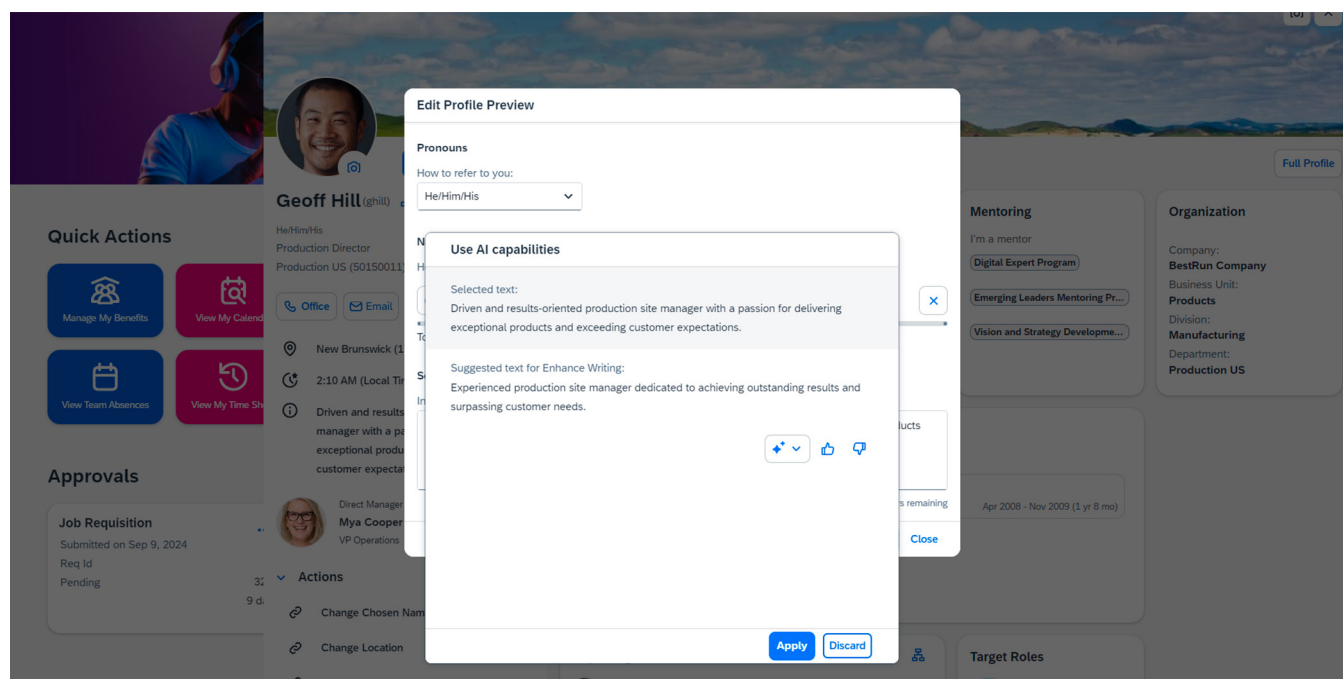
Efficiency

- 65% reduction in people manager's time spent writing employee feedback

Employee Productivity

- 0.25% increase in employee productivity¹⁸

Figure 5: AI Writing Assistant



Source: SAP, 2025

¹⁷ Metrics are available in the [SAP Discovery Center](#) and rely on data sourced from SAP Value Management benchmarks and SAP expert estimations.

¹⁸ Although this number seems small, when multiplied by the number of employees, it can be significant (5.2 hours per year per employee). In an organization of 10,000 employees, the productivity savings are equal to 52,000 hours.

Manager-Facing AI Use Cases

Managers and leaders can significantly benefit from using AI in foundational HR solutions. Putting HR transactions in the flow of work supports busy managers by avoiding context switching, and contextual information from various sources analyzed in real time helps make better decisions. Time savings are significant, and the quality and timeliness of data create better results.

Use Case 3: AI as a Connector

HR transactions in the flow of work. Many managers spend a lot of time in Microsoft Teams. Rather than having to “switch context” to complete HR transactions, the SAP SuccessFactors app in Microsoft Teams enables them to trigger quick actions and complete tasks with simple text commands. AI maps user inputs to specific HR transactions, ensuring responses are structured and actionable rather than open-ended. If a

request matches an available transaction, the system executes it; otherwise, it returns no match, maintaining clarity and efficiency (see Figure 6).

Benefits

- Faster access to high-frequency transactions
- Stay in the flow of work (avoid context switching)
- Improved navigational experience

Proven Business Impact Metrics¹⁹

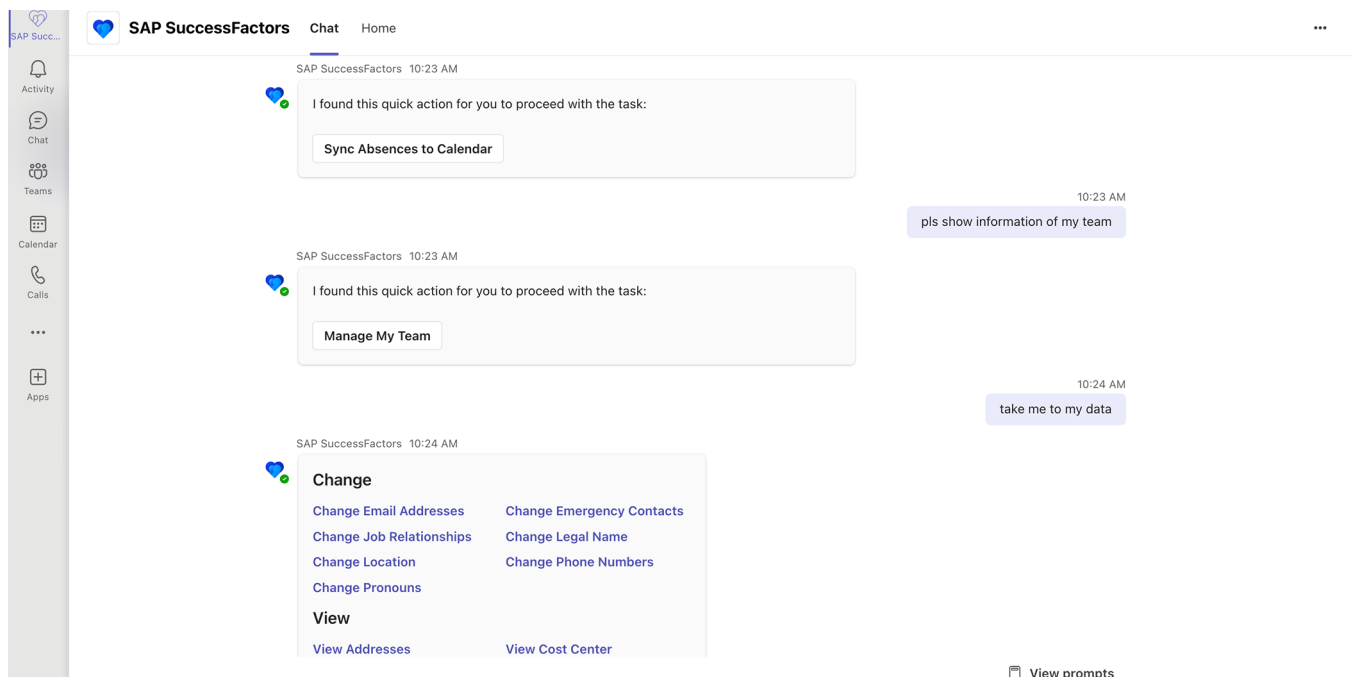
Efficiency

- 90% reduction in time and cost for finding the right transaction to use

Employee Productivity

- 30% increase in manager productivity

Figure 6: Self-Service Quick Actions in Microsoft Teams



Source: SAP, 2025

¹⁹ Metrics are available in the [SAP Discovery Center](#) and rely on data sourced from SAP Value Management benchmarks and SAP expert estimations.

Use Case 4: AI as a Coach

Conduct better compensation conversations. Communicating compensation decisions to employees is a critical managerial task. These conversations can be pivotal moments in the employee experience, either elevating or destroying trust and relationships between manager and employee and even leading to regrettable employee turnover.

AI can help prepare leaders to communicate more effectively by combining insights from various sources to provide rich context about compensation history, one-off payments, job progression, position in the pay band, and other factors (see Figure 7).

Benefits

- Time savings on manual data compilation and analysis
- Enhanced objectivity and transparency of compensation decisions
- Increased employee satisfaction and retention

Proven Business Impact Metrics²⁰

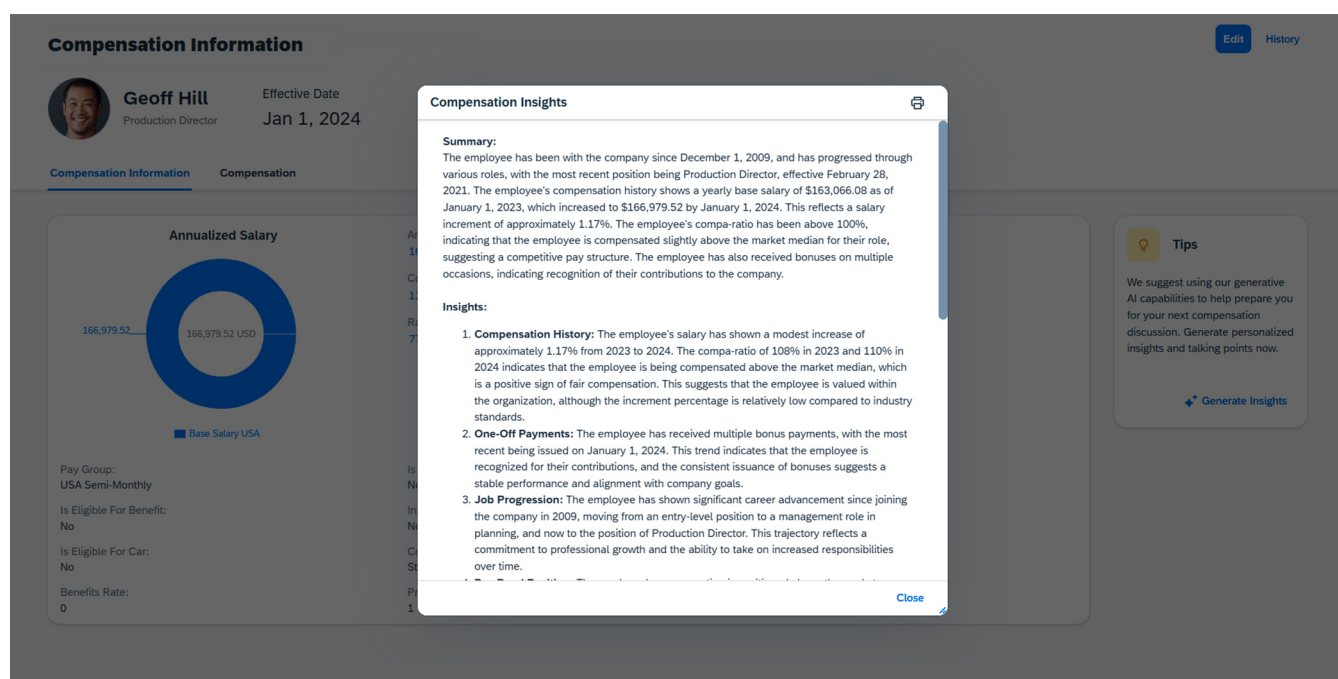
Efficiency

- 89% time reduction in manager compensation discussion preparation

Employee Productivity

- 10% increase in employee retention

Figure 7: AI-Generated Compensation Insights



Source: SAP, 2025

²⁰ Metrics are available in the [SAP Discovery Center](#) and rely on data sourced from SAP Value Management benchmarks and SAP expert estimations.

Use Case 5: AI as an Analyst

Make better people decisions. Timely, accurate, action-oriented team insights are key to manager effectiveness. Yet, most organizations struggle to provide these insights to managers. People data is often siloed in various systems, leaving leaders to base their decisions on gut feel rather than actual data.²¹ With AI copilots like SAP's Joule, managers can ask questions in natural language, like "Who were the top three sales managers last month?" and get near-instant insights to support fast, data-informed decisions (see Figure 8).

Benefits

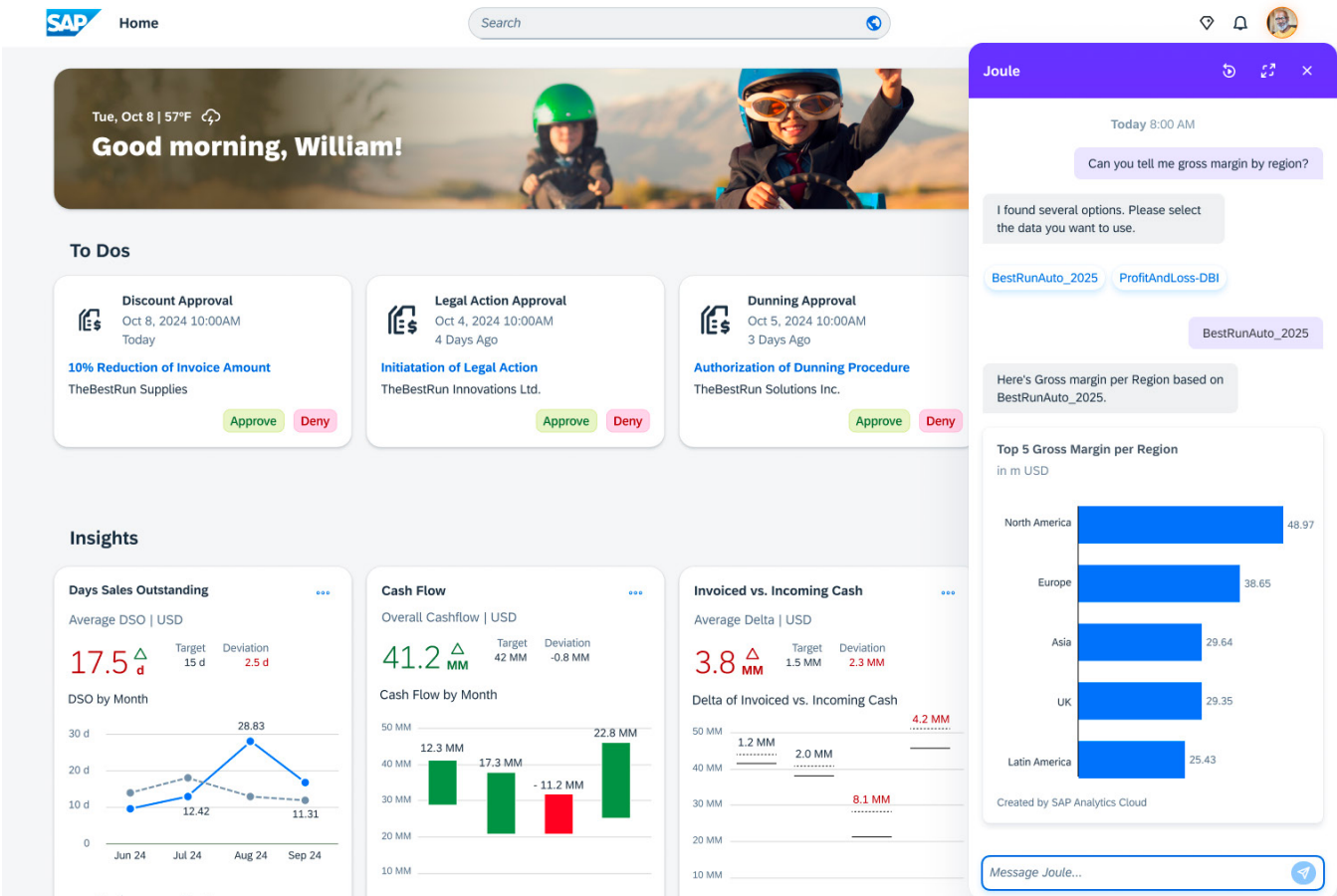
- Easier, faster access to people and business data
- Better integration of data across various systems
- Enhanced decision-making

Proven Business Impact Metrics²²

Efficiency

- 80% time reduction in manager analytics preparation

Figure 8: AI Analytical Insights



Source: SAP, 2025

21 The Definitive Guide to People Analytics: Systemic Business Analytics, Josh Bersin, Stella Ioannidou, and Kathi Enderes, PhD/The Josh Bersin Company, 2024.

22 Metrics are available in the [SAP Discovery Center](#) and rely on data sourced from SAP Value Management benchmarks and SAP expert estimations.

HR-Facing AI Use Cases

Foundational HR solutions are vital for HR professionals, forming the backbone of reliable, accurate, and compliant HR data and transactions. Yet, staying ahead of ever-changing regulations is a challenge for HR professionals, especially in large global organizations, and supporting employees and managers in their transactional needs can be time-consuming and error-prone.

Now, AI can help businesses stay ahead of compliance requirements and changing laws. And by using AI to provide HR policy information directly to employees and managers, HR teams can focus on more value-added work. If users contact the HR service center, human HR support staff can use AI to solve these problems quickly.

Use Case 6: AI as Compliance Support

Understand legislation and compliance rules. In the ever-changing world of HR, staying on top of labor laws and regulations can be challenging for HR professionals. Using an AI copilot to ask about updates and changes makes it easier for HRBPs, HR operations, and payroll professionals to maintain compliance (see Figure 9).

Benefits

- Save time spent on discovering and understanding local and global regulations
- Maintain compliance and manage day-to-day operations seamlessly

Proven Business Impact Metrics²³

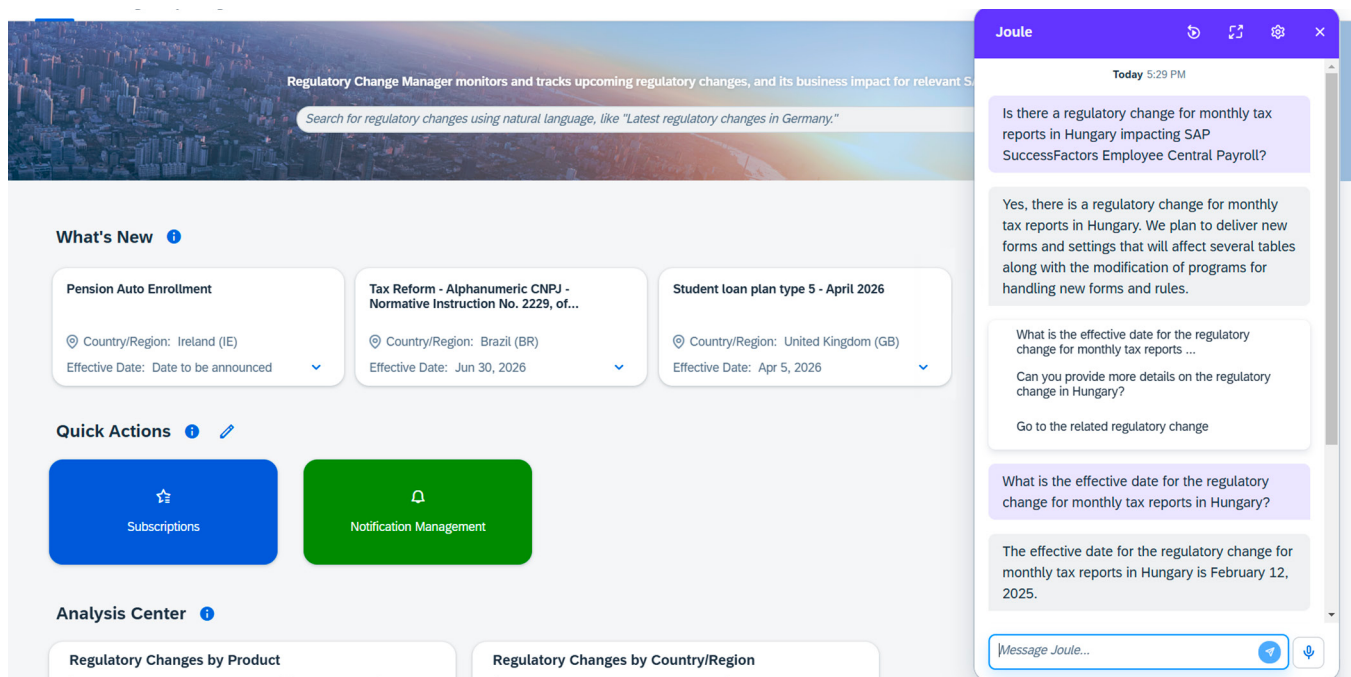
Efficiency

- 85% time reduction for identifying regulatory changes
- 85% time reduction for understanding regulatory changes

Effectiveness

- 10% reduction in annual cost for noncompliance on regulatory changes
- No missed regulatory changes

Figure 9: Regulatory Change Manager



Source: SAP, 2025

²³ Metrics are available in the [SAP Discovery Center](#) and rely on data sourced from SAP Value Management benchmarks and SAP expert estimations.

Use Case 7: AI as an HR Assistant

Explain HR policies. Understanding and navigating an organization's HR policies can be challenging for employees. Even with access to online policies, workers often ask HR for help because documentation is not easily understandable or can't be readily contextualized.

AI copilots enable employees to ask questions in natural language. Rather than just surfacing a policy document, the assistant provides the best answer from across all systems, breaking boundaries between HR, finance, payroll, procurement, and more, thereby improving the employee experience and decreasing the need for costly HR tickets (see Figure 10).

Benefits

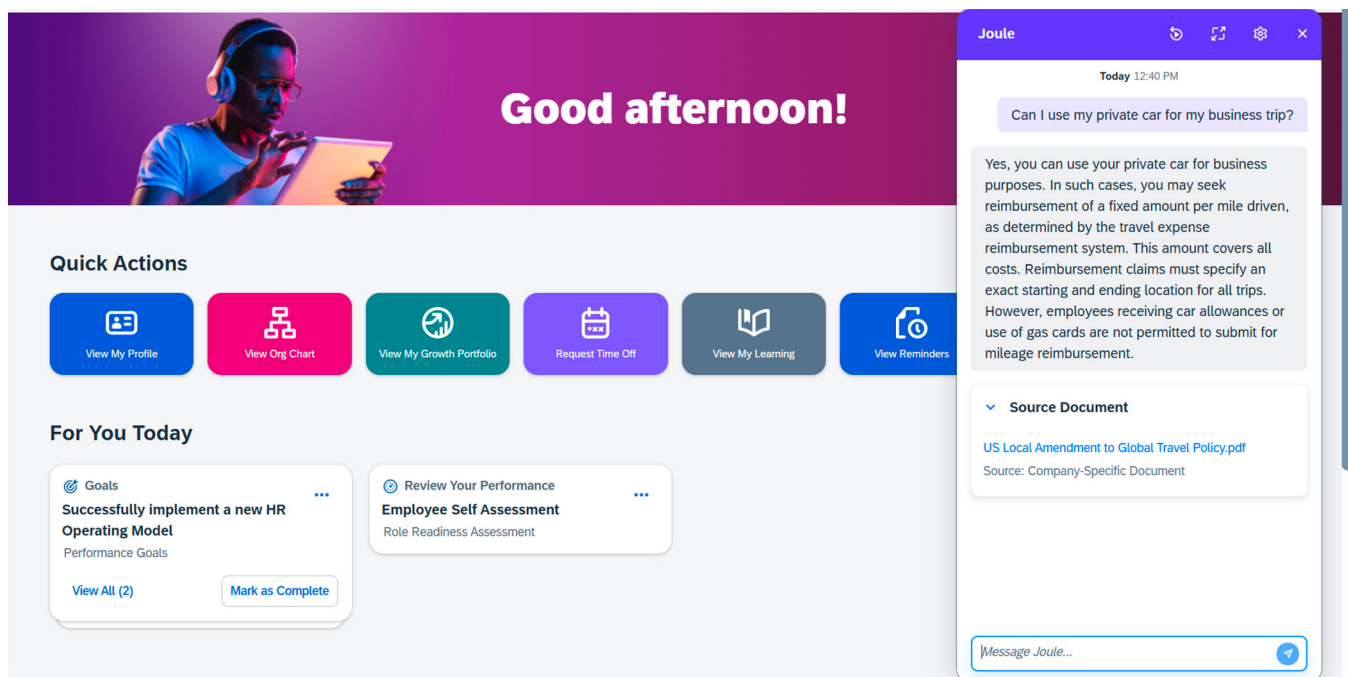
- Increased employee and HR satisfaction
- Time reduction for employees searching for HR policies
- Reduction in inquiries sent to HR
- Time reduction for HR specialists researching and replying to HR policy inquiries

Proven Business Impact Metrics²⁴

Efficiency

- 70% time reduction for employees investigating HR policies
- 81% time reduction for HR in ticket handling

Figure 10: HR Policy Q&A



Source: SAP, 2025

²⁴ Metrics are available in the [SAP Discovery Center](#) and rely on data sourced from SAP Value Management benchmarks and SAP expert estimations.

Next Steps

Foundational HR solutions—core HR, time-management, and payroll systems—are essential for laying the groundwork for enterprise AI. Additionally, these systems can be significantly enhanced with AI to streamline processes and increase their usefulness. To get started, consider these actions:

- **Analyze the AI readiness of your core HR, time-management, and payroll data.** Review the accuracy, consistency, and reliability of these foundational data sets and plan mitigation actions where gaps exist.
- **Determine where AI can improve the usefulness of foundational HR solutions.** Identify the use cases that will have the most significant impact on your situation.
- **Develop a roadmap for implementing AI.** Based on business priorities, expected benefits, and workforce readiness, determine how to enhance foundational HR solutions with AI.

To effectively use AI in HR, the foundation needs to be right, making core HR, time-management, and payroll systems especially important.■

Key Takeaways

- High-performing organizations leverage foundational HR solutions (core HR, time management, and payroll) not only for automation but also to drive business transformation.
- Foundational HR solutions are essential to effectively use AI in HR, providing a reliable data foundation on which to base AI technology.
- AI can increase the usefulness and utility of foundational HR solutions, enabling employees, managers, and HR professionals to perform tasks faster, make more informed decisions, and achieve better business outcomes.
- Companies can start with AI in foundational systems by leveraging proven benchmarks and prioritizing key use cases according to business needs.

About the Author



Kathi Enderes, PhD

Kathi is the senior vice president research and global industry analyst at The Josh Bersin Company, supporting clients and the market with evidence-based insights on all areas of HR, learning, talent, and HR technology. Kathi has more than 20 years of global experience from management consulting with IBM, PwC, and EY, and as a talent leader at McKesson and Kaiser Permanente. Most recently, Kathi led talent and workforce research at Deloitte. She is a frequent keynote speaker, author, and thought leader. Her passion is to make work better and more meaningful.

Originally from Austria, Kathi has worked in Vienna, London, San Francisco, and Spain and now lives in Palo Alto, California. Kathi holds a doctoral degree in mathematics and a master's degree in mathematics from the University of Vienna, Austria.

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Our corporate membership program provides HR leaders and teams with the skills, strategies, benchmarks, and insights to build cutting-edge HR and people strategies through research, assessments, professional development, exclusive events, and community. Corporate membership also includes access to Galileo™, the world's first AI-powered expert assistant specifically developed for HR. Trained on 25 years of The Josh Bersin Company's research, insights, and expertise and enriched by carefully curated material from our trusted content partners, Galileo unlocks information from over 50,000 verified assets to answer any HR-related question with timely and meaningful answers.

To license Galileo for individuals and small teams, please go to joshbersin.com/galileo, and visit joshbersin.com/membership for more information about our corporate membership featuring Galileo and advisory support from Josh Bersin Company experts.