Artificial Intelligence Study

All Industries - Q4 2024

February 2025

Contents

Definition of Artificial Intelligence

Artificial Intelligence (AI)

An umbrella term that includes many subdisciplines including Machine Learning, Deep Learning, Natural Language Processing and potentially many others. This poll is divided into three parts aimed at gathering insights regarding the influence on your Technology roles, HR roles, and the prospective effects of AI on your organization.

AON

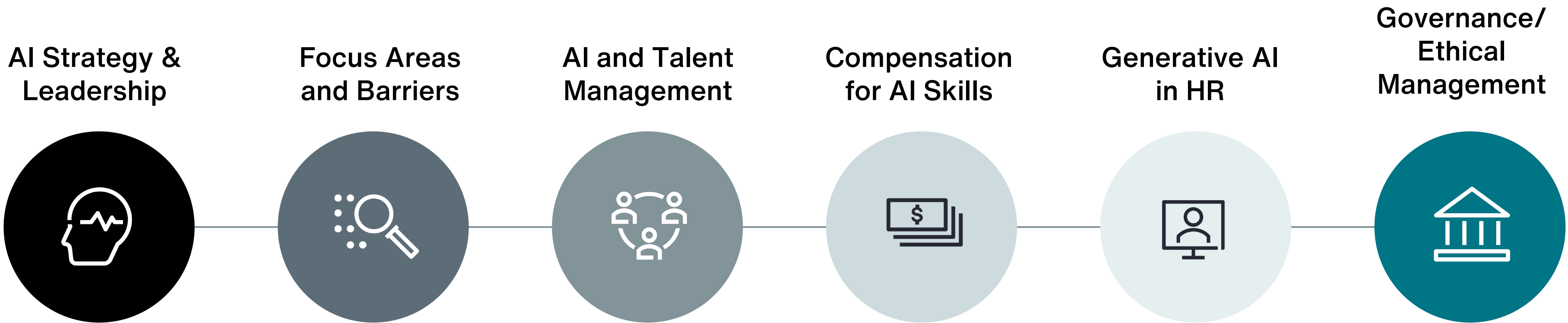**01** Study Results ▶ **Executive Summary**

Artificial Intelligence Study
Themes Covered

Aon conducted an Artificial Intelligence (AI) study in late 2024 to learn how AI is impacting specific functions and policies within participating organizations.

The study received 110 responses from organizations across industries with employees based inside and outside of North America. Technology organizations represented 45% of participants, with Life Sciences, Manufacturing, Financial Institutions and Insurance representing the next largest participant levels. The study covered the following themes:

AI Strategy & Leadership   **Focus Areas and Barriers**   **AI and Talent Management**   **Compensation for AI Skills**   **Generative AI in HR**   **Governance/ Ethical Management**

Executive Summary and Insights

39%
of organizations have a centralized AI strategy for the entire organization

75%
of organizations have jobs requiring AI skills

The **top 3** primary AI focus areas:

01 Innovation

02 Streamlining Processes

03 Cost-Cutting

The **top 3** barriers to AI adoption:

01 Budget Constraints

02 Technology Maturity

03 Finding Quality Talent

81%
of organizations "buy" AI talent to meet staffing needs

68%
of organizations believe AI skills warrant a pay premium

AI Strategy and Leadership
A significant theme revolves around the organizational approach to AI strategy. Many organizations have a centralized AI strategy, and a considerable portion of them have a designated Head of AI to guide the implementation.

Primary AI Focus Areas
The main areas organizations focus on in their AI strategies include innovation, streamlining processes, cost-cutting, and, in some cases, headcount reduction. These goals are indicative of how AI is being leveraged to both drive growth and improve efficiency.

Barriers to AI Adoption
Several barriers to AI adoption are highlighted, including difficulty in finding AI talent, budget constraints, legal considerations, potential bias in AI systems, and the need for upskilling within HR and related functions. The maturity of AI technology is also noted as a concern in some organizations.

AI and Talent Management
A critical theme is the impact of AI on job roles and skills. Many organizations report an increase in jobs requiring AI skills and are ensuring that their talent is equipped through technical assessments, certifications, and degree programs. However, challenges in recruiting and retaining AI talent are prevalent, largely due to a lack of qualified candidates and budgetary constraints.

Compensation for AI Skills
There's a growing recognition of the need to offer a pay premium for AI skills. Organizations deliver this premium through higher salaries, bonuses, and, in some cases, equity. However, there is speculation that as AI skills become more common, premium rates may decrease.

Generative AI in HR
Generative AI technology is being adopted in HR functions, with some organizations building their own AI solutions, while others rely on vendor-provided tools or integrating AI into existing HR software. Despite this, many have not yet adopted AI solutions in their HR processes.

Ethical Management of AI
Organizations are in various stages of managing AI ethics. Some are actively developing guidelines, while others have fully established governance teams. However, many organizations are still in the early phases of addressing ethical concerns related to AI.

These themes indicate that while AI is being adopted widely across organizations, there are challenges in talent acquisition and retention, technology readiness and governance that need to be addressed for successful implementation.

Aon Partners With Clients in All of These Areas

AI Strategy & Leadership

- Attraction and retention of top leaders with future-ready skills (strategy, pay, development, benefits)
- Leadership assessment and development for new capabilities
- Leadership alignment on strategy
- Organization design and culture change associated with new direction

Focus Areas and Barriers

- Definition of skills and roles required for innovation
- AI Sensitivity Analysis by job type to inform budgets/costing, process and business cases
- Attraction and retention of employees with updated skills and profiles (strategy, assessment, pay, development, benefits)

AI and Talent Management

- Redefinition of jobs, skills and associated employee career planning
- Attraction and retention of employees with redefined skills (strategy and implementation including talent assessment for new skills and capabilities)
- Upskilling and reskilling
- Talent strategy including workforce planning and external market labor analysis

Compensation for AI Skills

- Redefinition of job architecture and job descriptions
- Market pricing for AI skills
- Pay Equity analytics and related advisory services
- Pay Transparency advisory services
- Compensation and total rewards (strategy, policy, implementation and communication)

Generative AI in HR

- Redefinition of HR jobs and skills
- AI Sensitivity Analysis for HR jobs
- Upskilling and reskilling of HR professionals on key AI-related topics
- HR strategy and reorganization related to AI and other business transformation

Governance/Ethical Management

- AI governance structure and roles
- Stakeholder alignment
- Market benchmarking and best practices

Aon's data and benchmarks provide ongoing insights
Aon helps with communication and change management in all areas
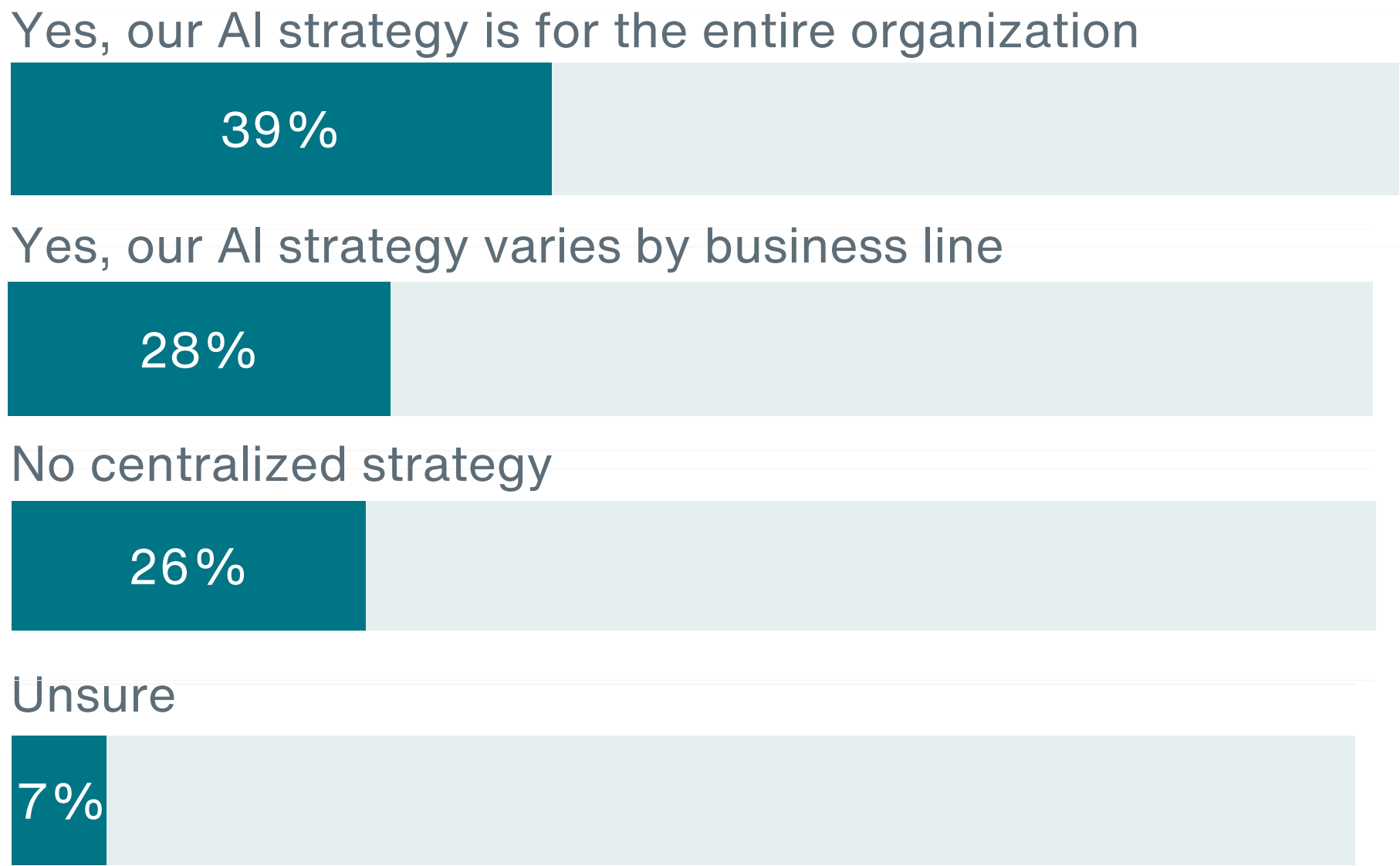
02 Study Results ▶ Executive Summary

Study Results
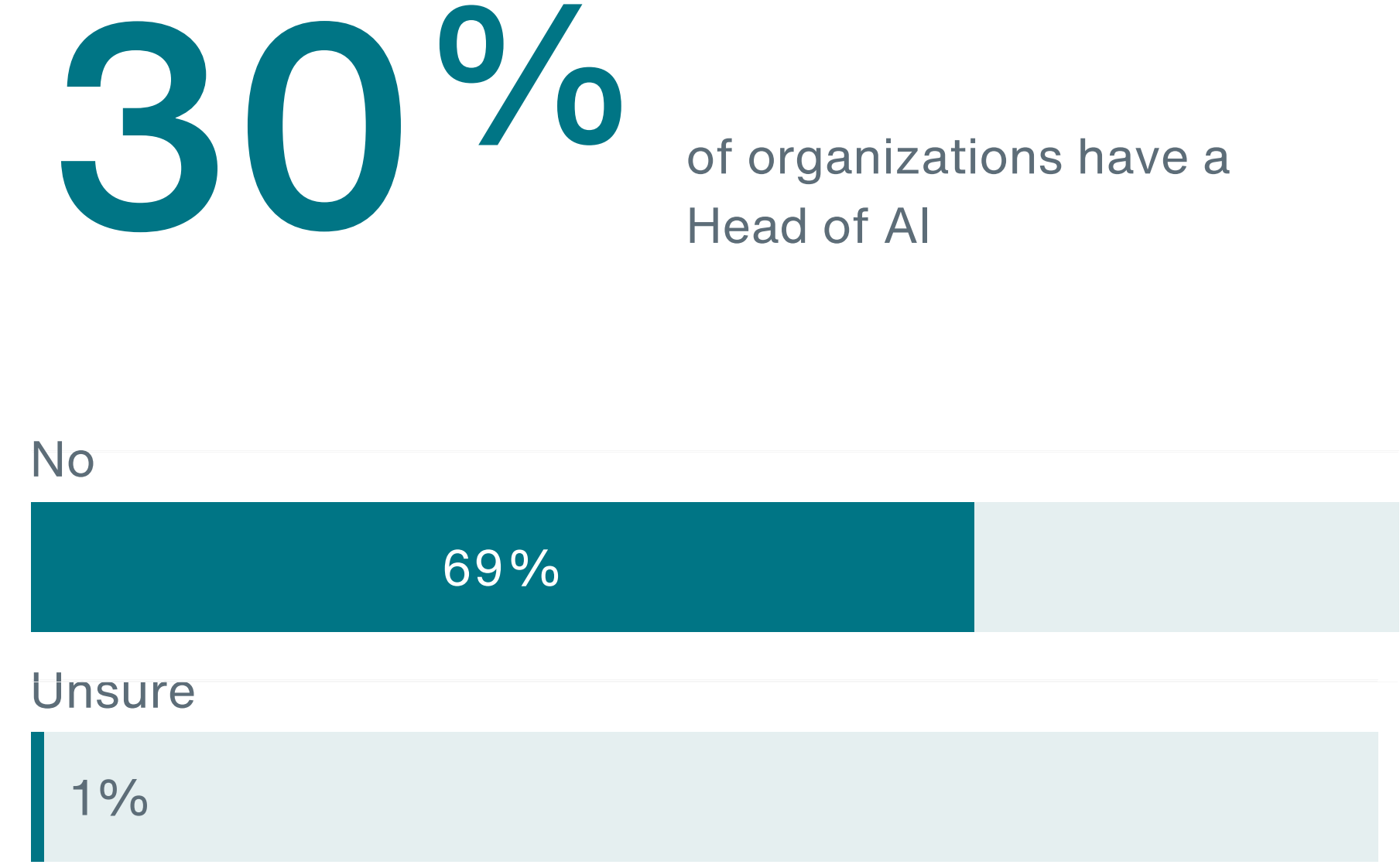
Additional Resources

Part 1: AI Strategy and Governance

Q

Does your organization have a centralized AI strategy?

Yes, our AI strategy is for the entire organization

39%

Yes, our AI strategy varies by business line

28%

No centralized strategy

26%

Unsure

7%

109 responses

Q

Does your organization have a head of AI?

30%

of organizations have a Head of AI

No

69%

Unsure

1%

108 responses

Part 1: AI Strategy and Governance

Q

What is the main focus of your AI strategy?

Innovation

81%

Streamlining processes

73%

Cutting costs

28%

Headcount reduction

7%

Other

8%
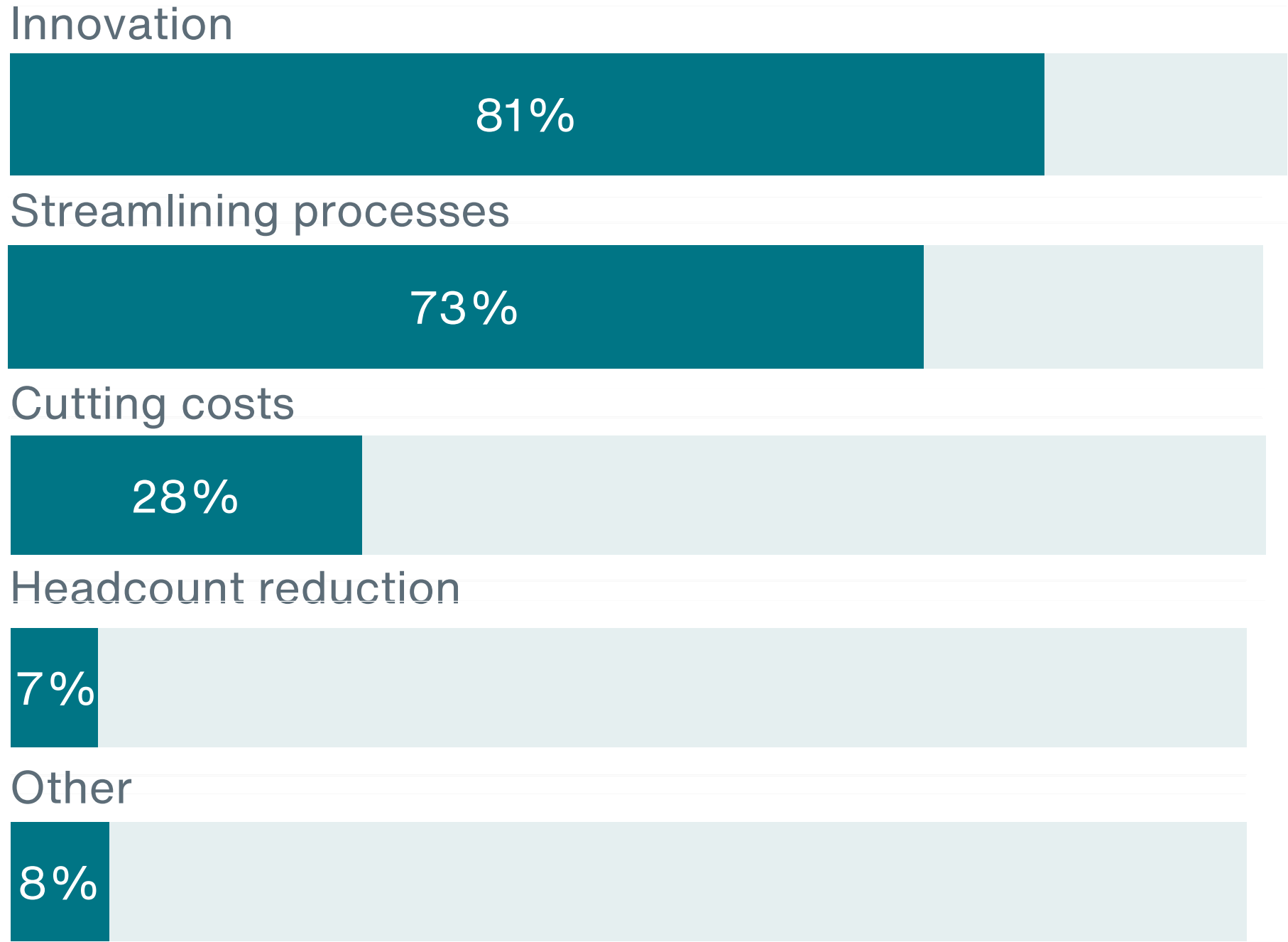
99 responses
Note: Participants were able to select multiple options

Q

What is your organization's approach to managing the ethical use of AI?

We have a full set of guidelines established and governance team in place

33%

We are actively developing guidelines and assembling a governance team

28%

We have not started creating guidelines or building a governance team

21%

We are starting to create guidelines and identifying governance team candidates

13%

Other

5%
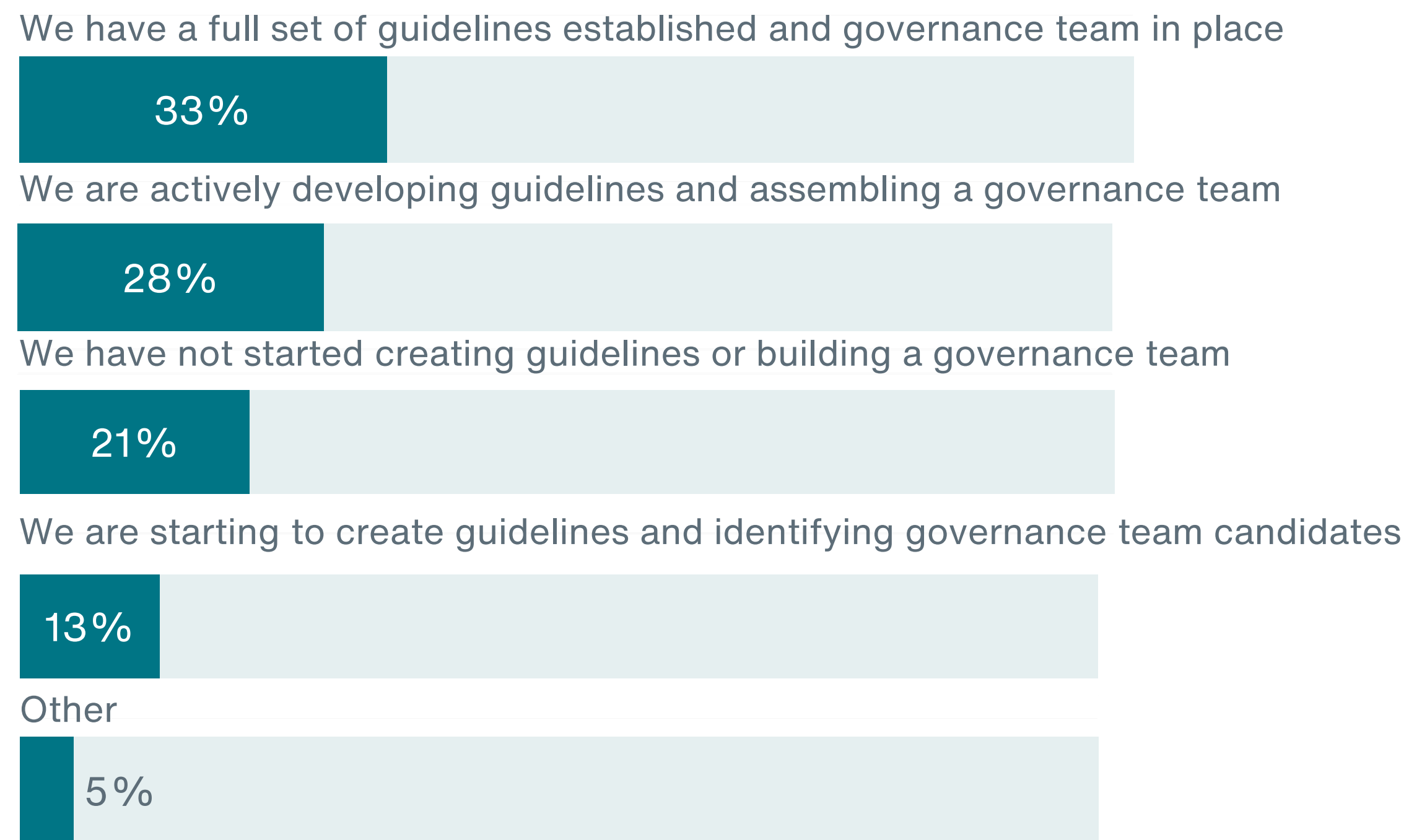
109 responses

Part 2: AI Impact on Technology Function and Roles

Q

What does AI mean to your organization?

48% Specific Skill
28% Unsure
14% Other
10% Unique Job
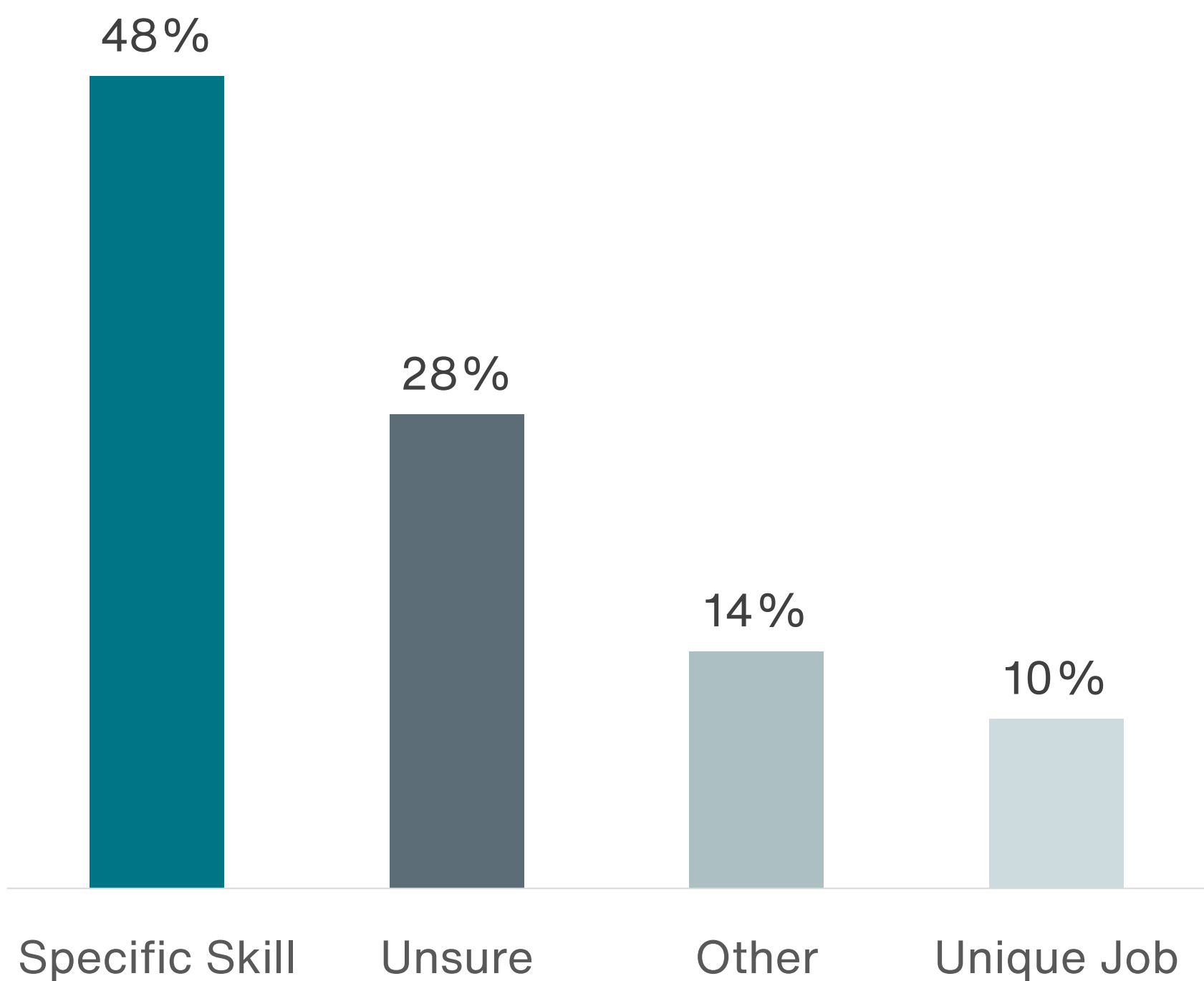
108 responses

Q

Does your organization have jobs requiring AI skills?

Unsure 5%
No 20%
Yes 75%
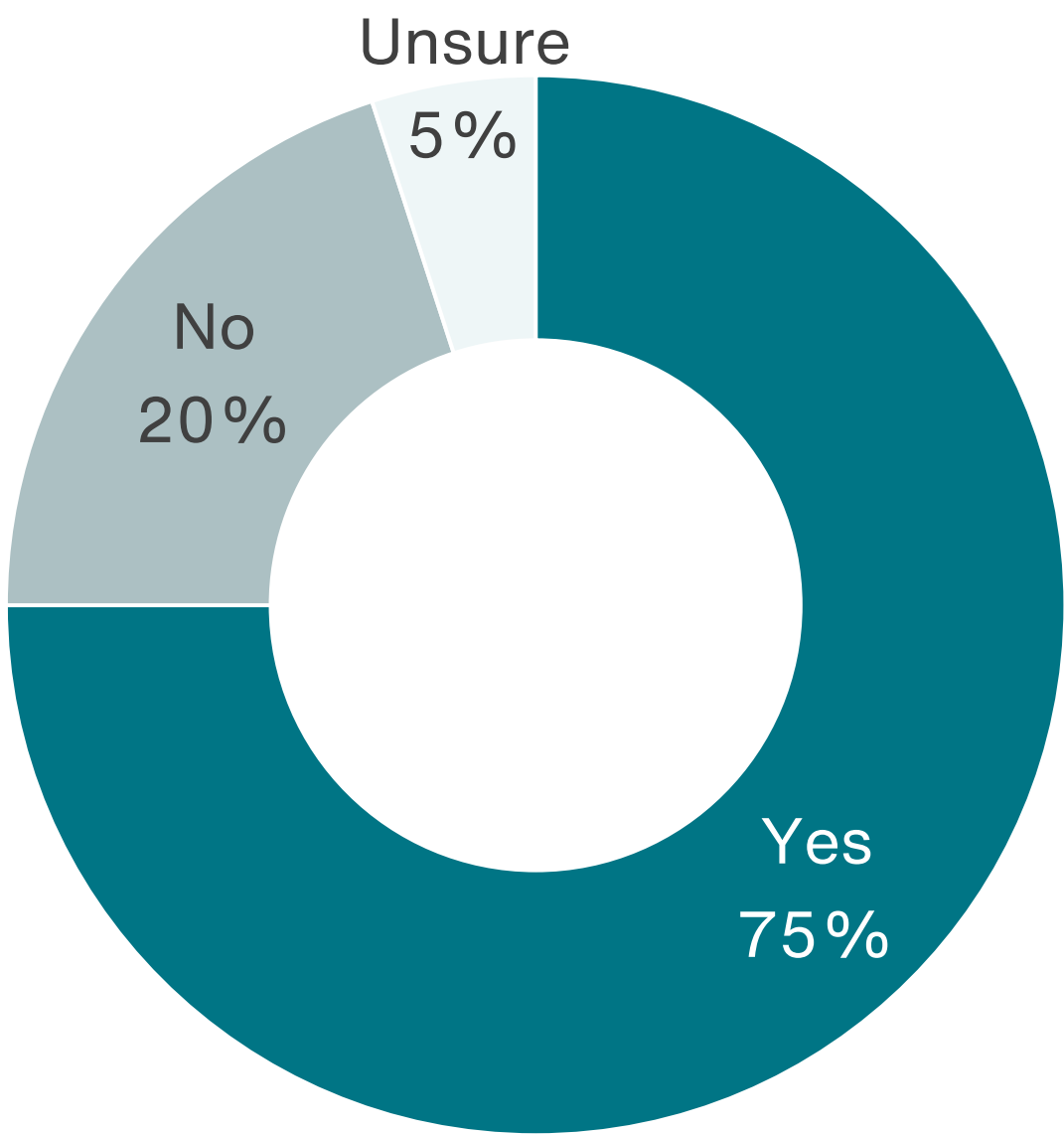
108 responses

Part 2: AI Impact on Technology Function and Roles

Q

Has the number of jobs in your organization requiring AI skills increased over the past 12 months?
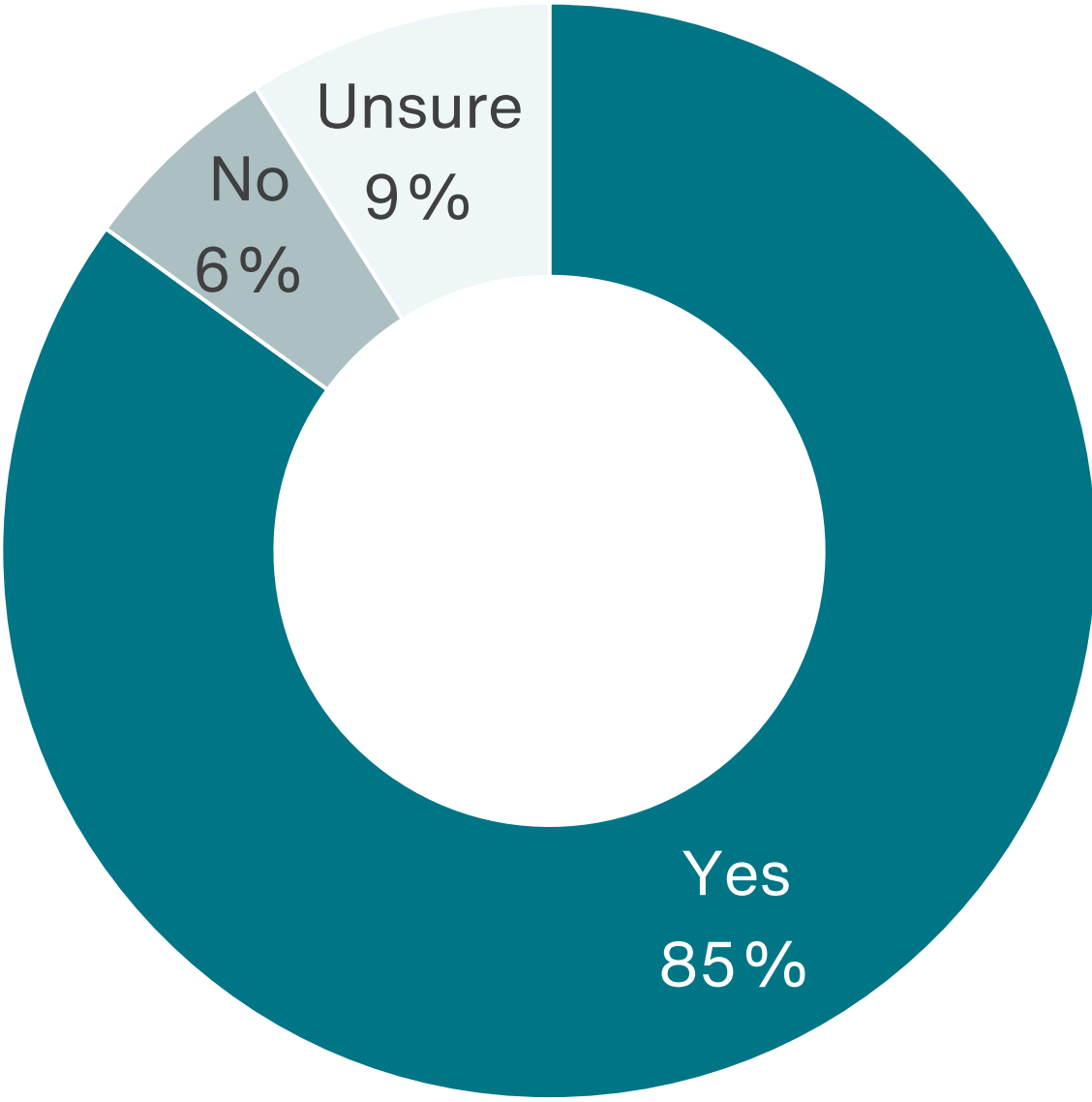
Q

How are you ensuring that your talent has the AI skills necessary for the job?

Unsure
9%

No
6%

Yes
85%

90%

51%

35%

28%

4%

Interviews   Technical Tests   Certification   Degree Level   Other
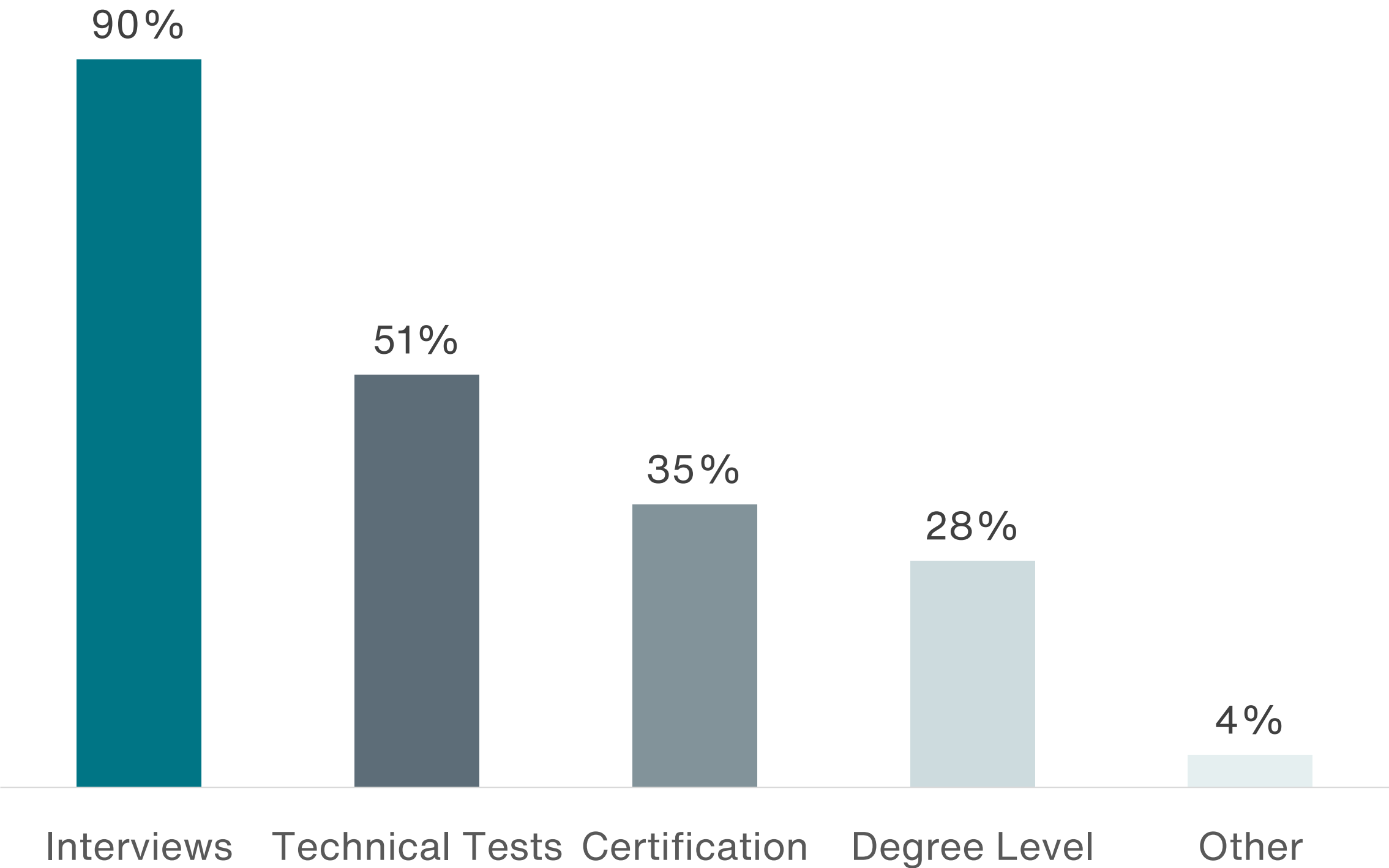
81 responses

81 responses

Note: Participants were able to select multiple options

Part 2: AI Impact on Technology Function and Roles

Q

Do you believe AI skills warrant a pay premium?
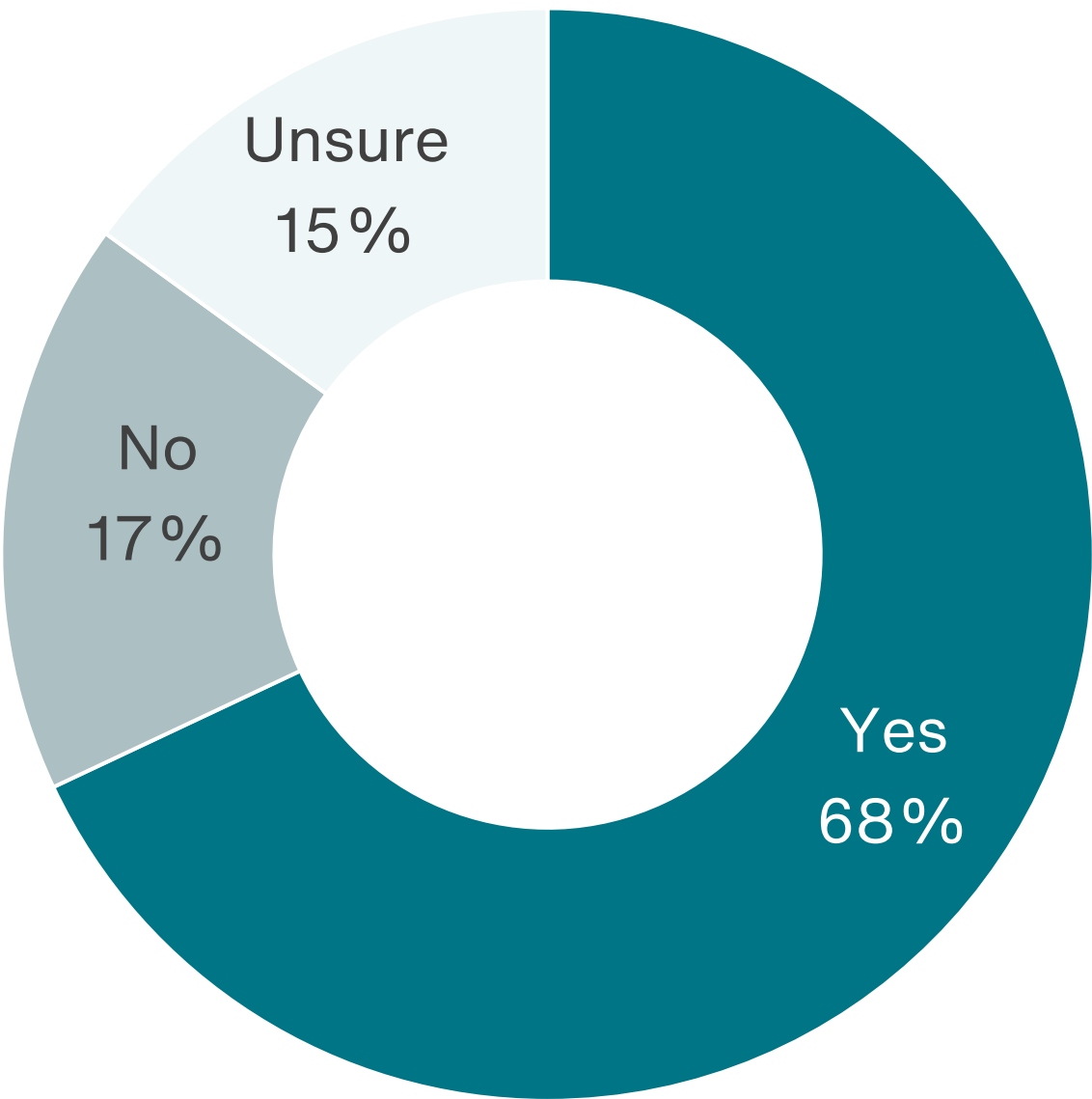
Q

Do you currently pay a premium for jobs requiring AI skills?

Unsure
15%

No
17%

Yes
68%

81 responses

Unsure
7%

No
32%

Yes
61%
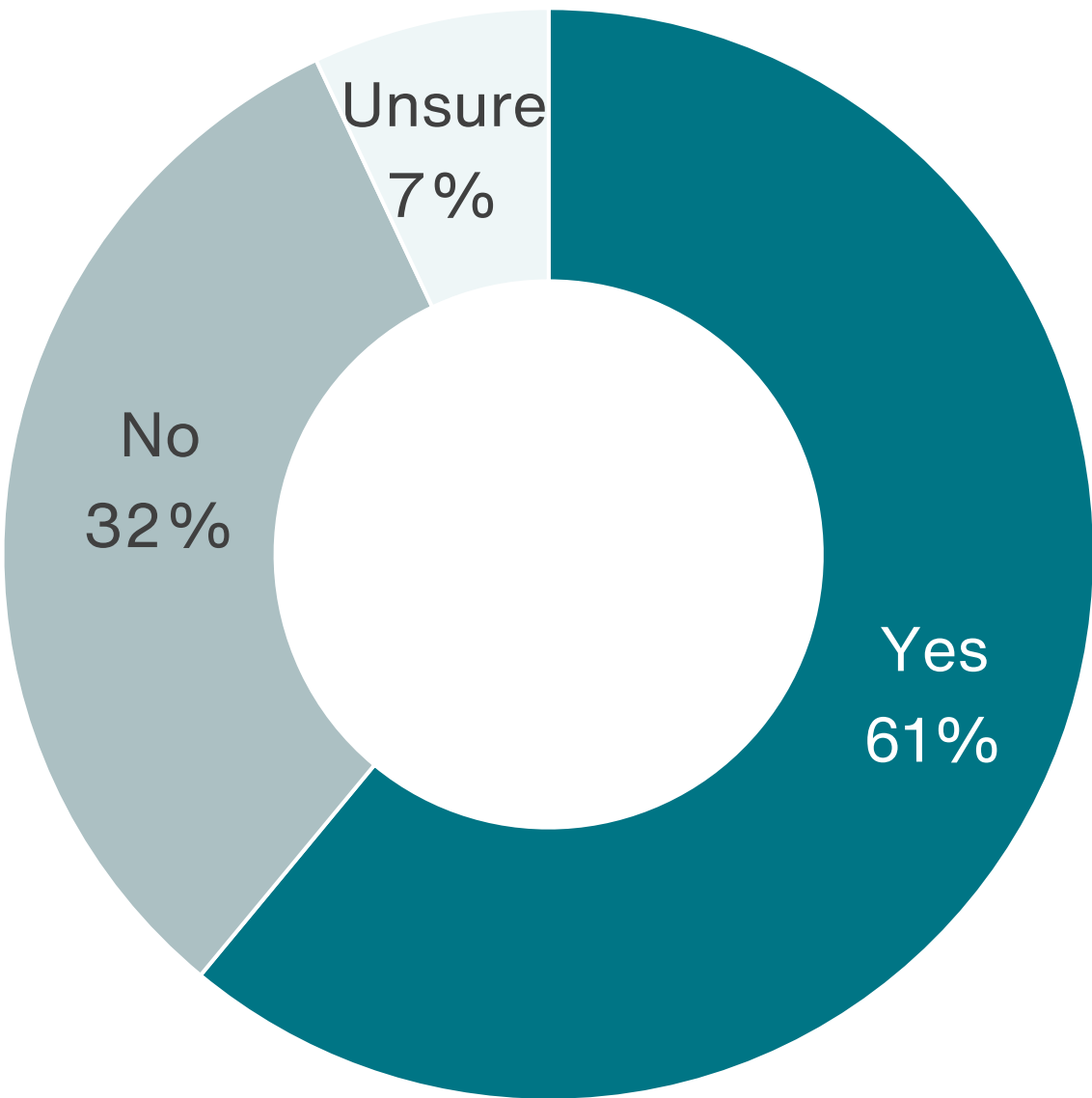
81 responses

Part 2: AI Impact on Technology Function and Roles

Q

How do you deliver your pay premium?

|	
Higher Salary	96%
Equity	49%
Temporary/ One-Time Payment	8%
Annual Bonus	6%
Other	6%
Special Cash Bonus	2%
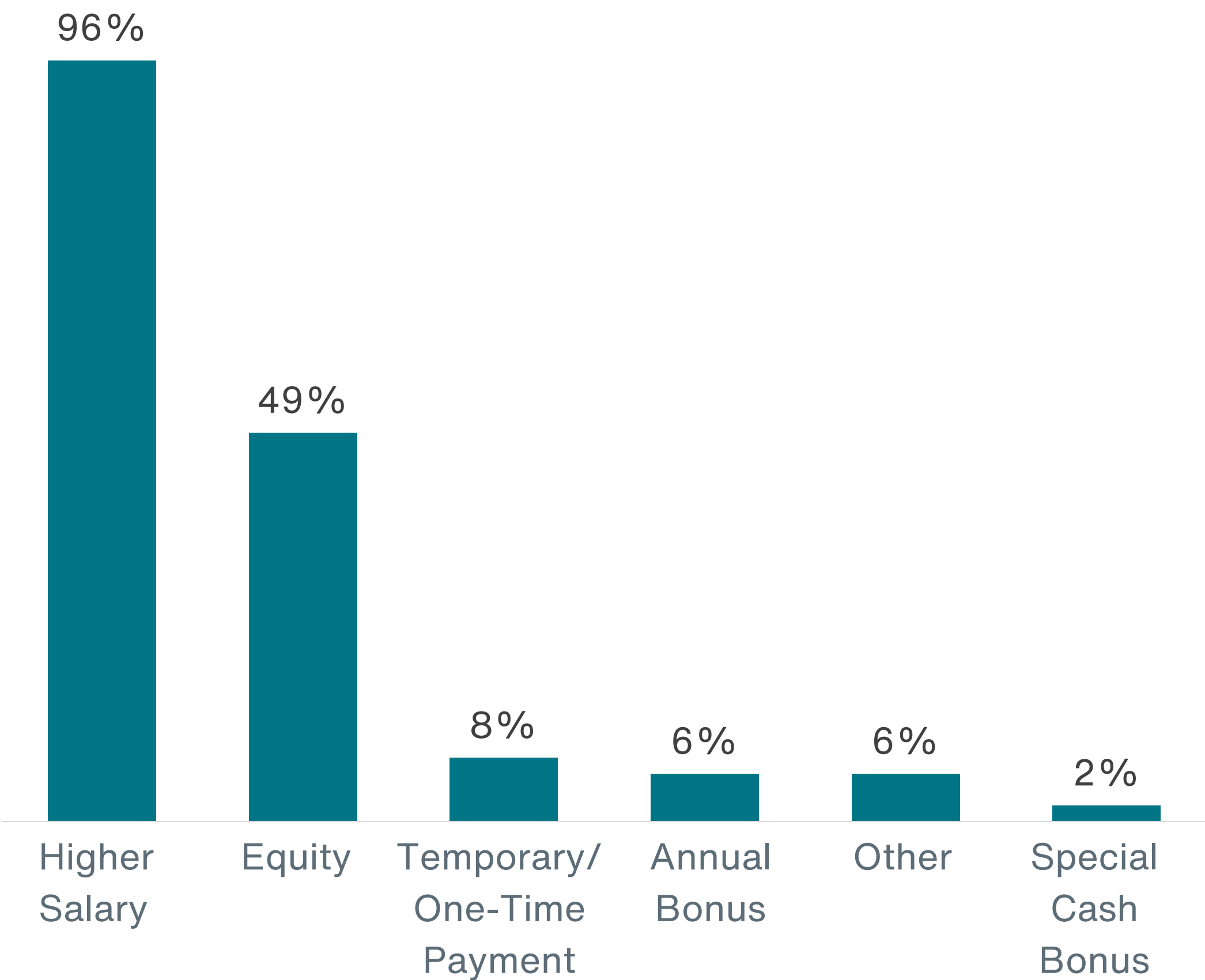
49 responses
Note: Participants were able to select multiple options

Q

For R&D roles at your company that focus on AI, how do you report most incumbents to the Radford McLagan Compensation Database (RMCD)?
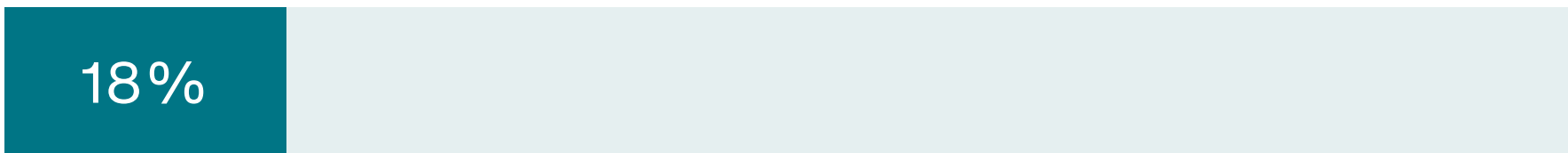
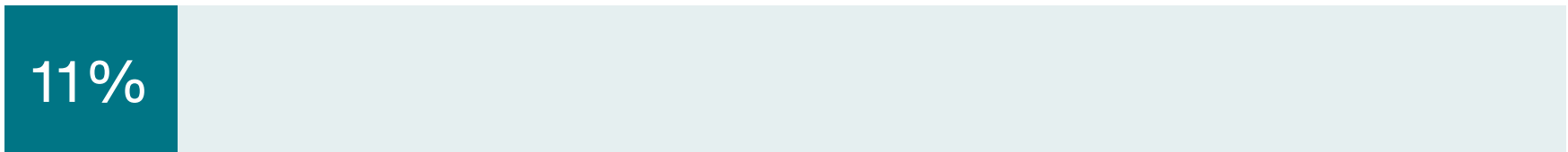Reported to the Machine Learning Engineer/Manager job codes
35%
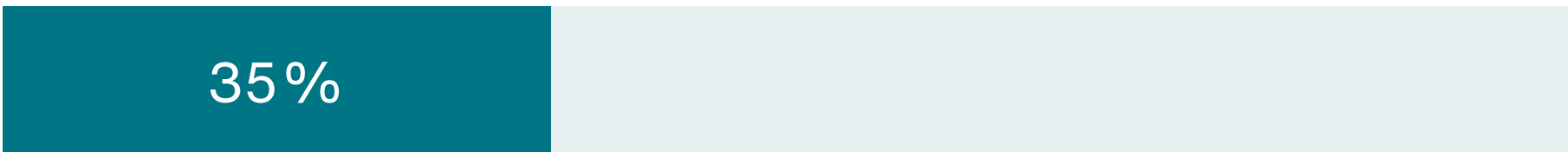
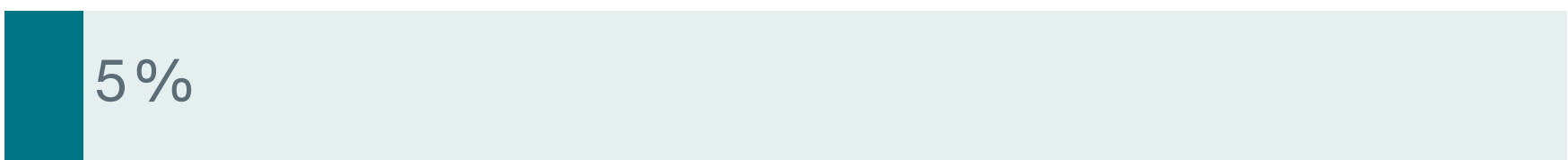Reported to the Software Development Engineer/Manager job codes
31%
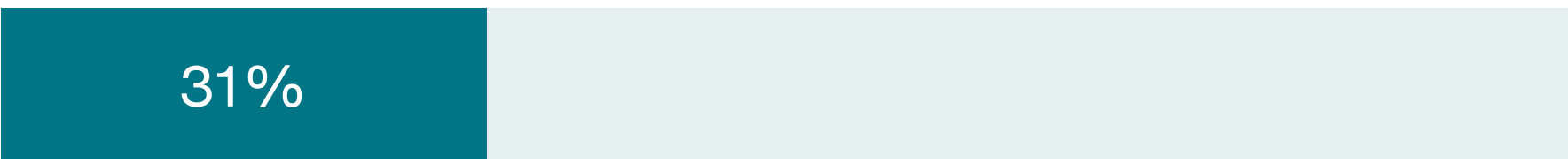
Reported to the Data Science job codes
18%

Reported to the Research Scientist/Manager job codes
11%

Other
5%

74 responses

Part 2: AI Impact on Technology Function and Roles

Q

Do you have a specialized research role for AI skills? If yes, do you have separate compensation bands for them compared to other Research roles?
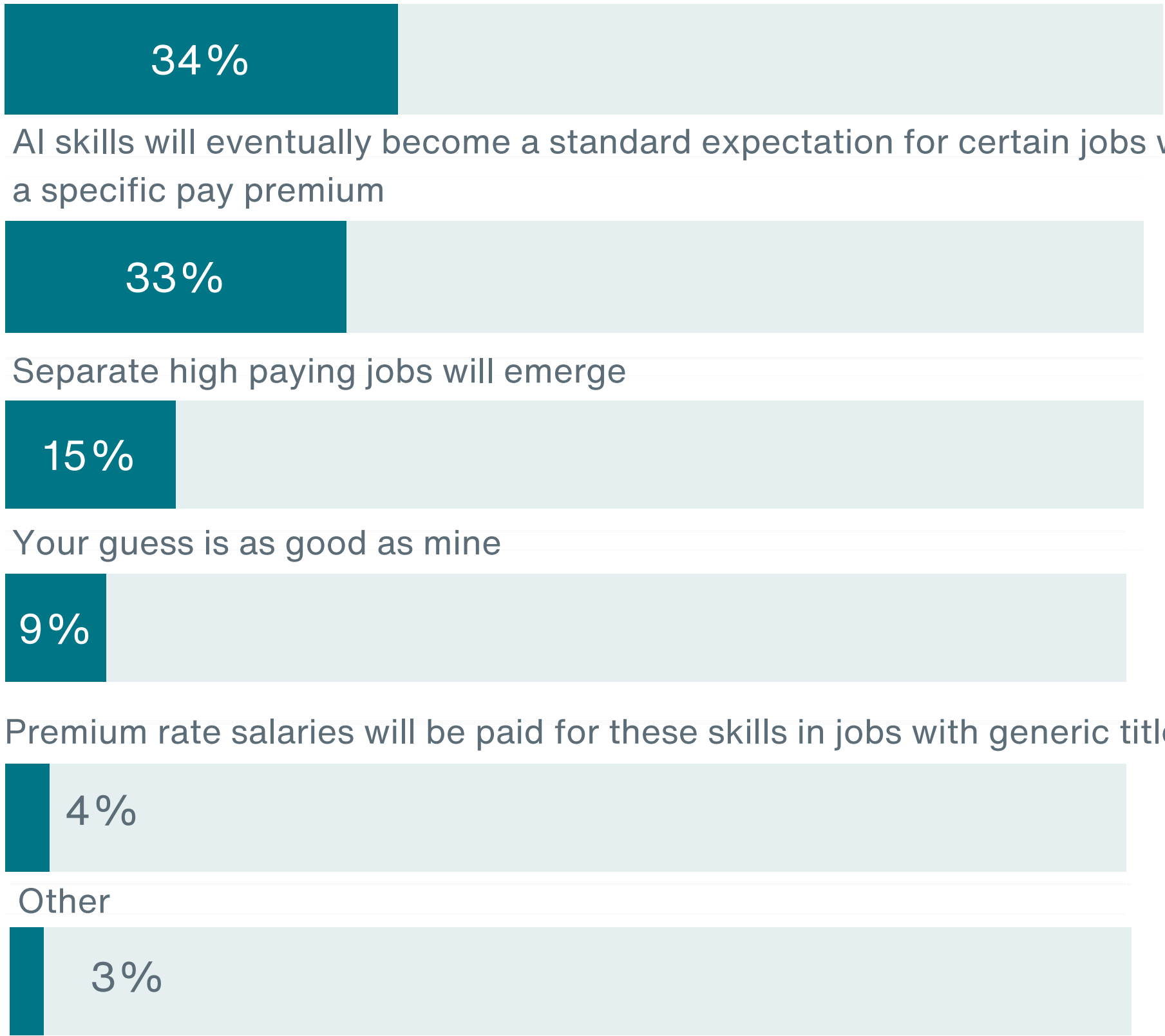
We do not have a specialized research role for AI

70%

Yes, we have a specialized research role for AI and we **do have** separate compensation bands to differentiate them from other research roles

14%

Yes, we have a specialized research role for AI and **we do not** have separate compensation bands to differentiate them from other research roles

13%

Other

3%

79 responses

Q

What do you anticipate happening in the future with regard to compensation for AI skills?

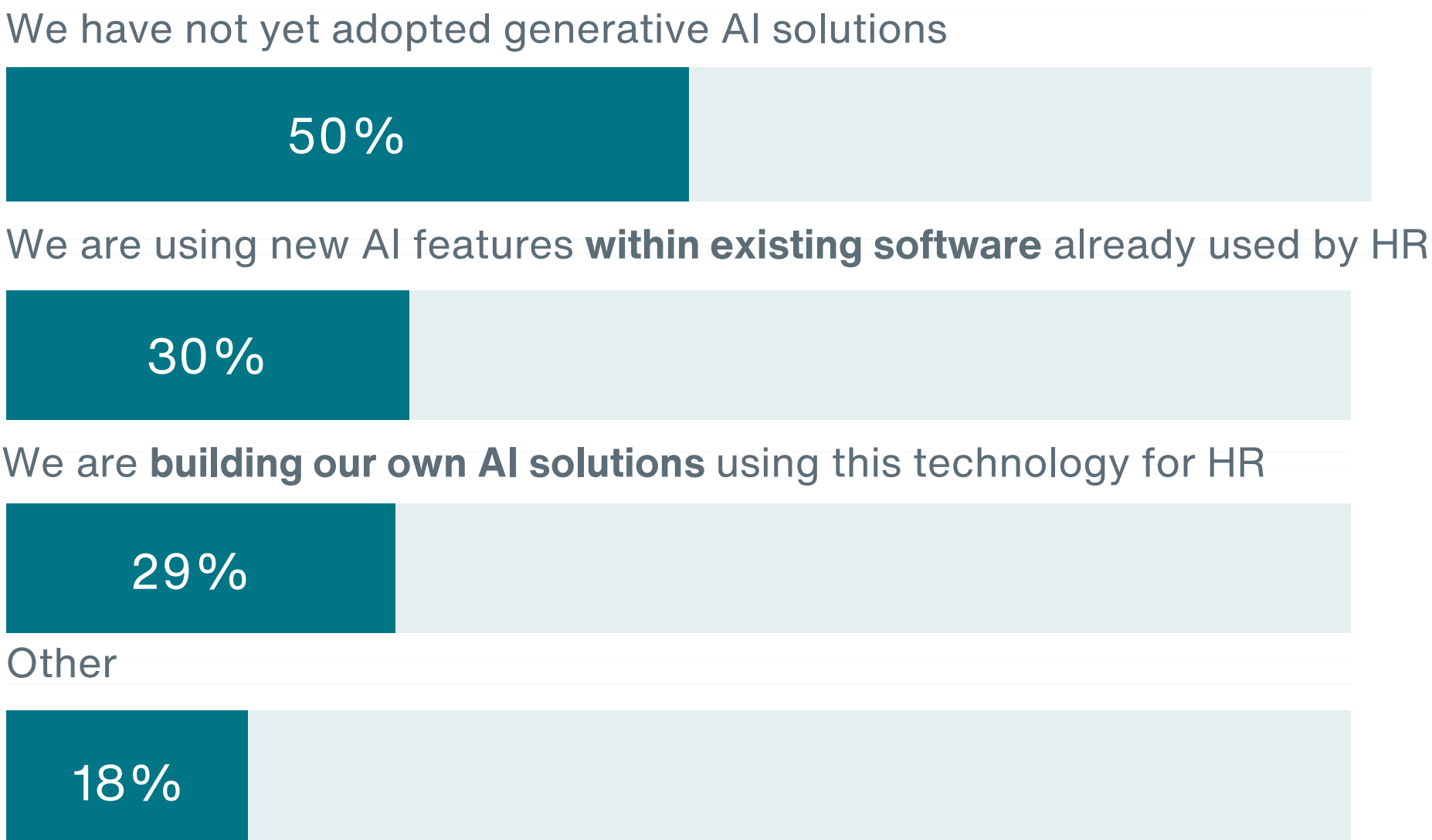Premium rate salaries paid today may decrease over time as more employees gain AI skills

34%

AI skills will eventually become a standard expectation for certain jobs without providing a specific pay premium

33%

Separate high paying jobs will emerge

15%

Your guess is as good as mine

9%

Premium rate salaries will be paid for these skills in jobs with generic titles for a long time

4%

Other

3%

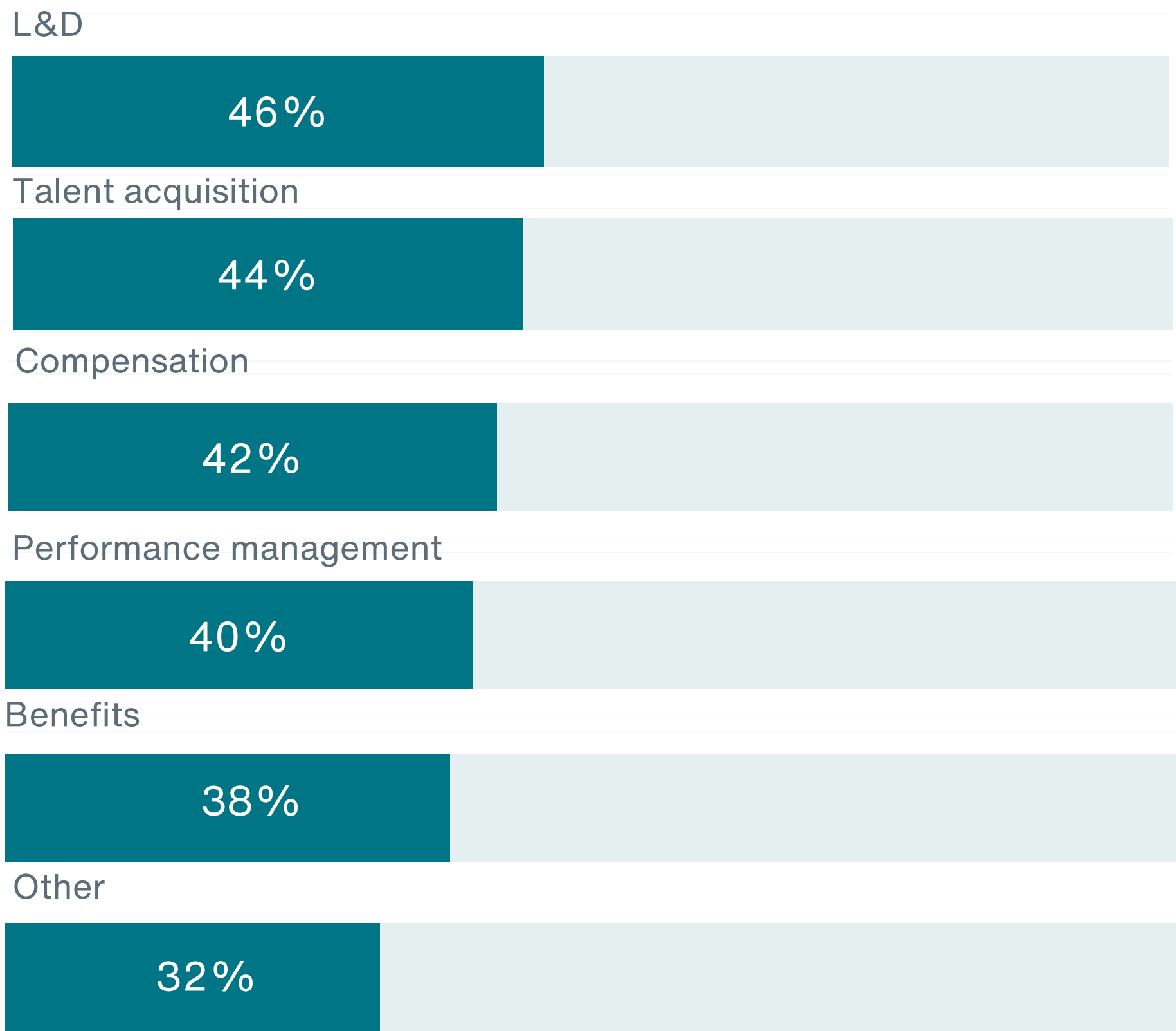104 responses

14

Part 2: AI Impact on HR Function and Roles

Q

How are you leveraging the latest generative AI technology within the HR function or other people-related areas?

We have not yet adopted generative AI solutions

| 50% |

We are using new AI features **within existing software** already used by HR

| 30% |

We are **building our own AI solutions** using this technology for HR

| 29% |

Other

| 18% |

107 responses
Note: Participants were able to select multiple options

Q

If you are using AI, what subfunction(s) does it primarily apply to?

L&D

| 46% |

Talent acquisition

| 44% |

Compensation

| 42% |

Performance management
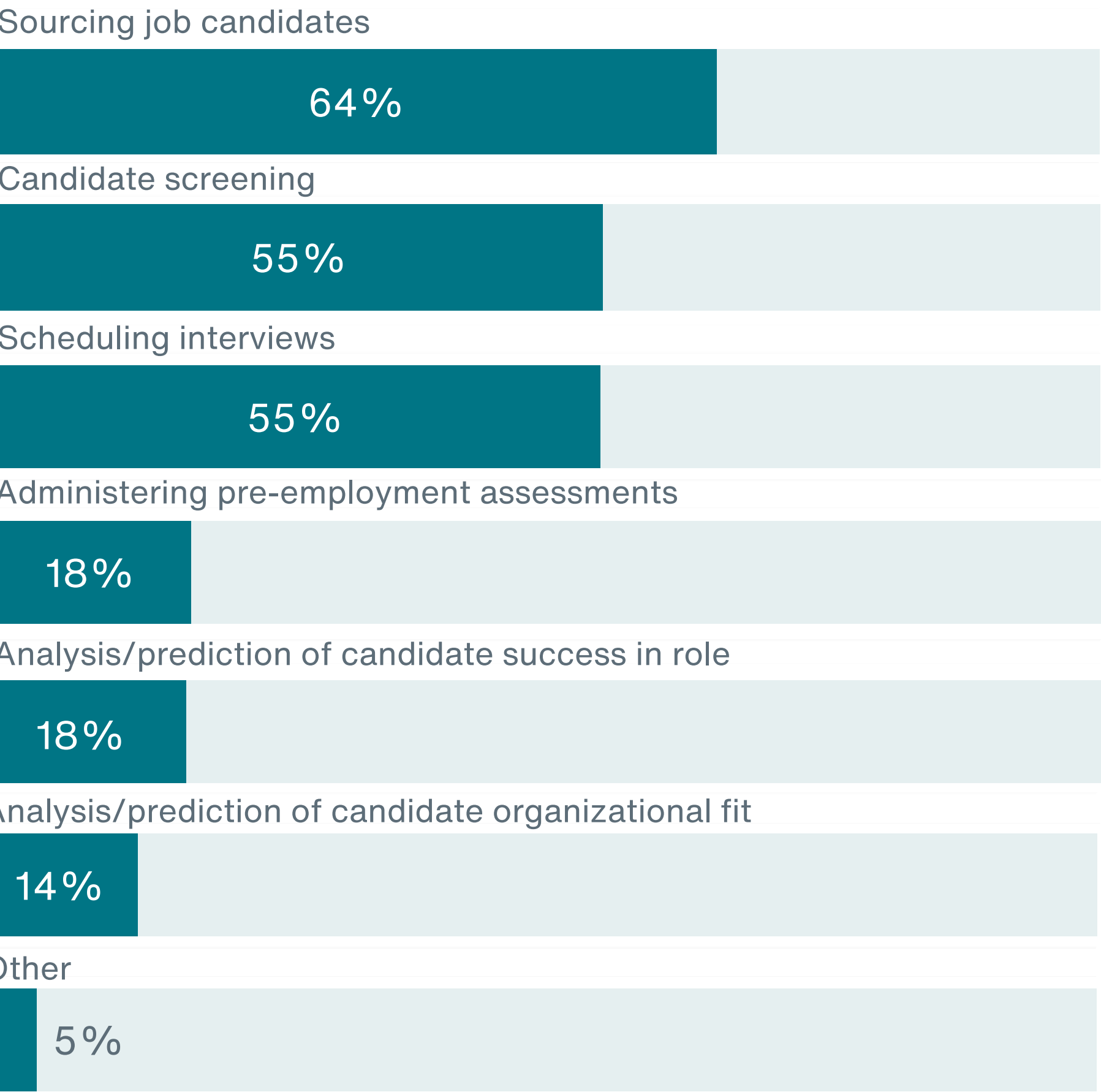
| 40% |

Benefits

| 38% |

Other

| 32% |

50 responses
Note: Participants were able to select multiple options

Part 3: AI Impact on HR Function and Roles

Q

Indicate where AI has been used in the talent acquisition process in your organization?

Sourcing job candidates
64%

Candidate screening
55%

Scheduling interviews
55%

Administering pre-employment assessments
18%

Analysis/prediction of candidate success in role
18%

Analysis/prediction of candidate organizational fit
14%

Other
5%

22 responses
Note: Participants were able to select multiple options

Q

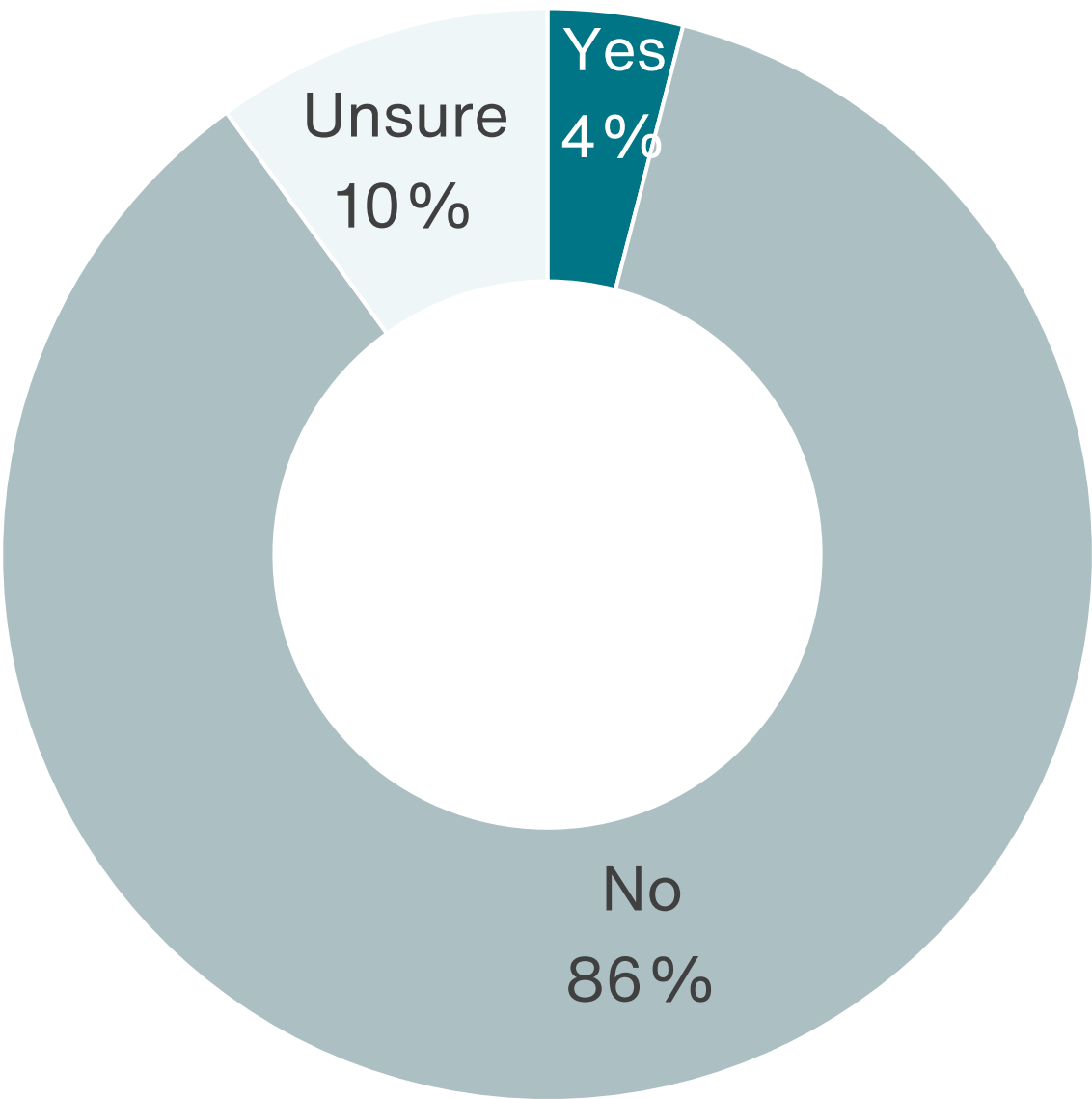Where do you think AI can make the biggest impact in HR over the next 12 months?

Talent acquisition
55%

L&D
14%

Performance management
10%

Other
10%

Compensation
8%

Benefits
3%
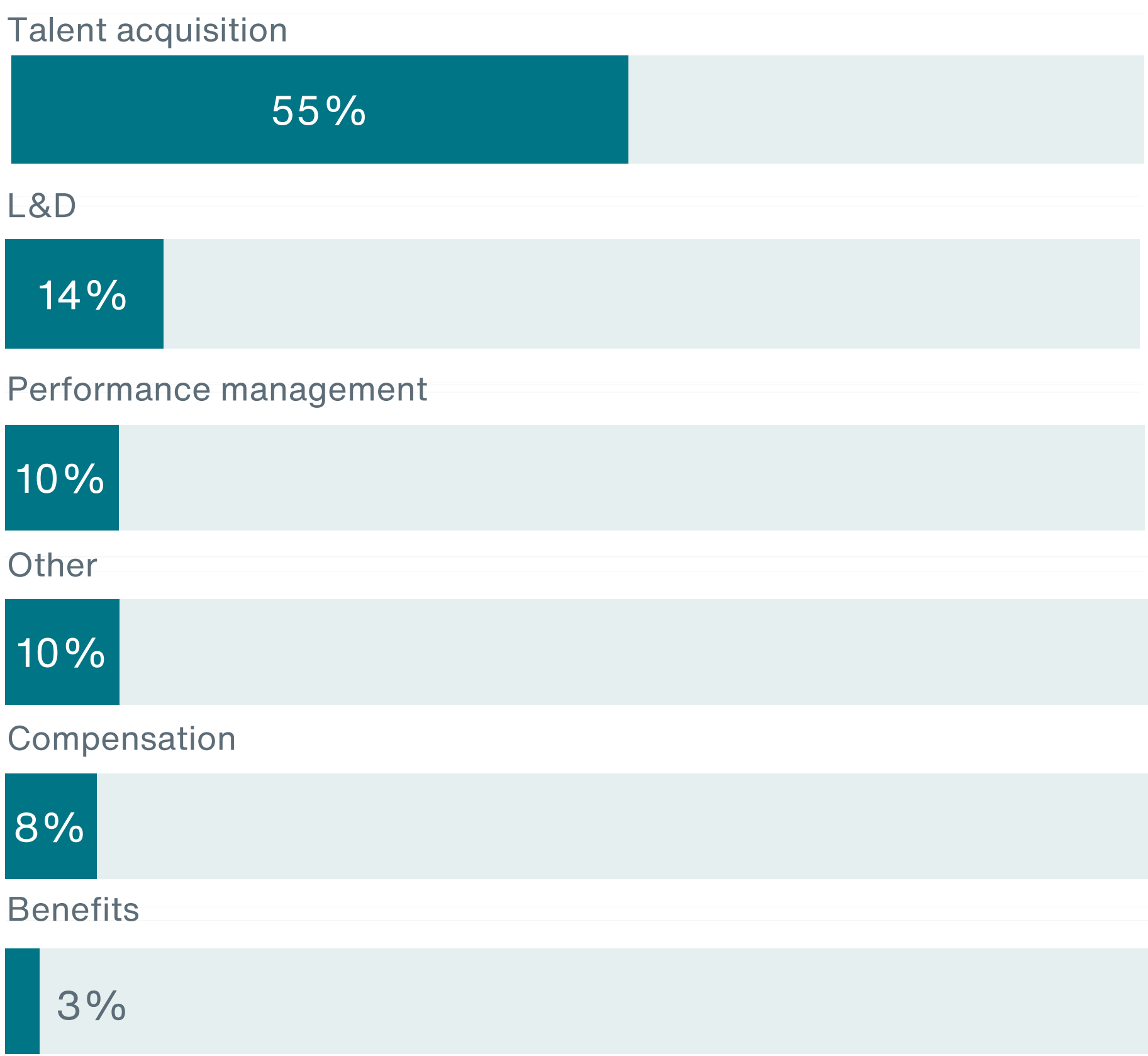
105 responses

Part 3: AI Impact on HR Function and Roles

Q

Has your organization reduced its headcount as the result of AI?

Yes 4%

Unsure 10%

No 86%

107 responses

Q

Is your organization able to recruit and retain enough talent with AI skills?
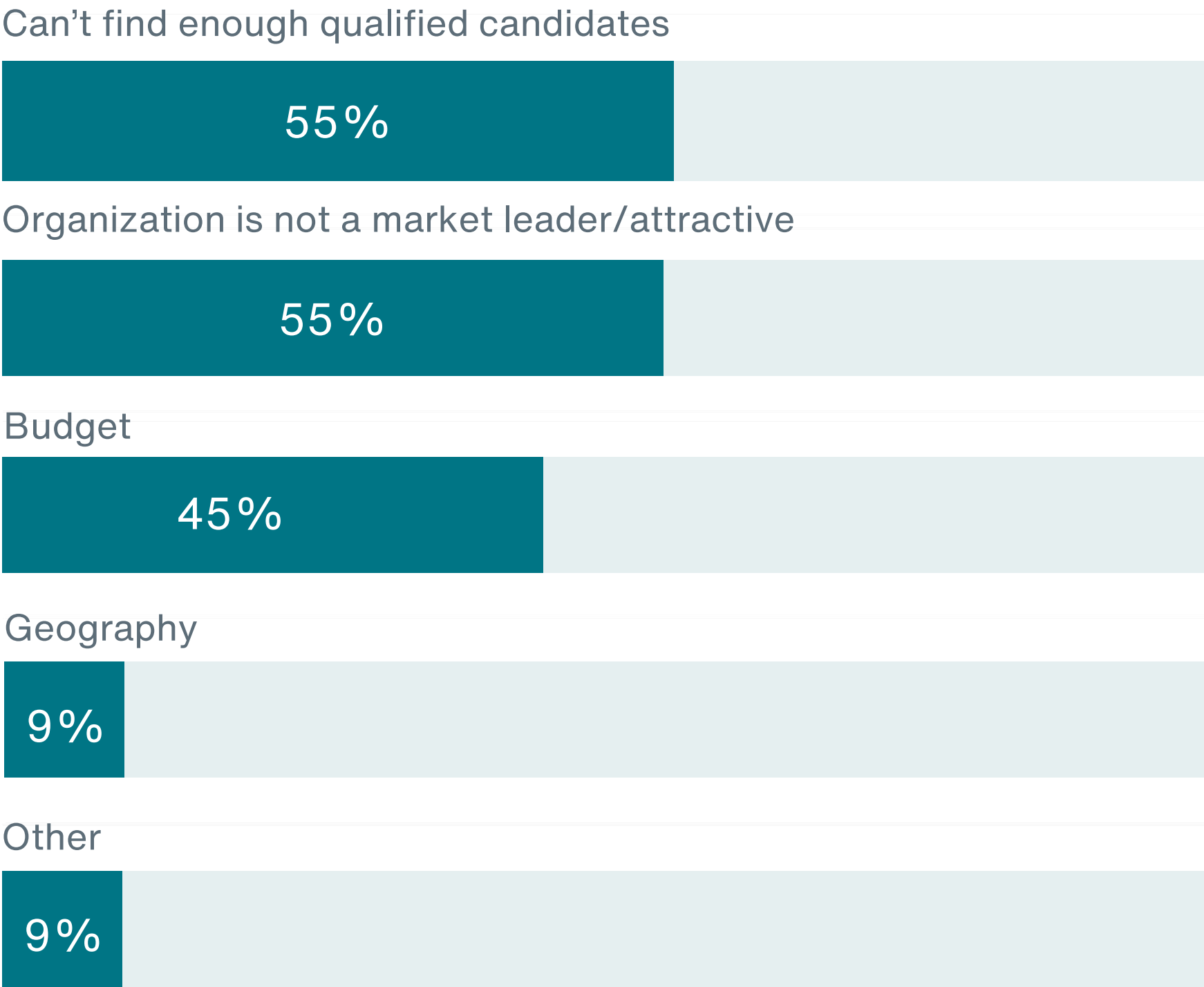

Yes 35%

Unsure 55%

No 10%
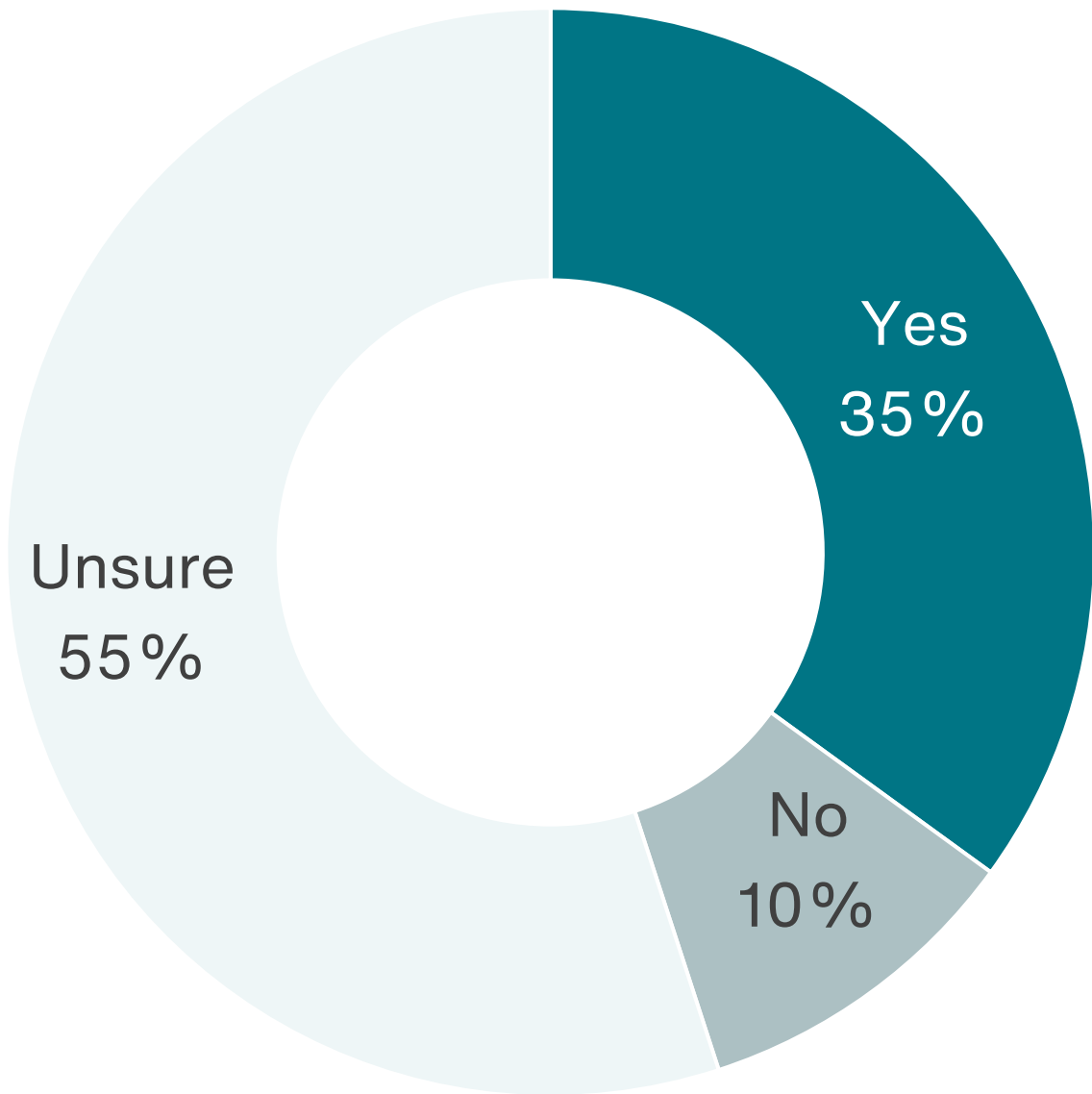
107 responses

Part 3: AI Impact on HR Function and Roles

Q

Indicate why your organization cannot recruit and retain enough talent:

Can't find enough qualified candidates

| 55% |

Organization is not a market leader/attractive

| 55% |

Budget

| 45% |

Geography

| 9% |

Other

| 9% |

11 responses
Note: Participants were able to select multiple options

Q

What is your organization's approach to securing AI talent?

Buy (e.g., hire AI talent)

| 81% |

Build (e.g., upskill existing employees)

| 44% |

Borrow (e.g., AI contractor)
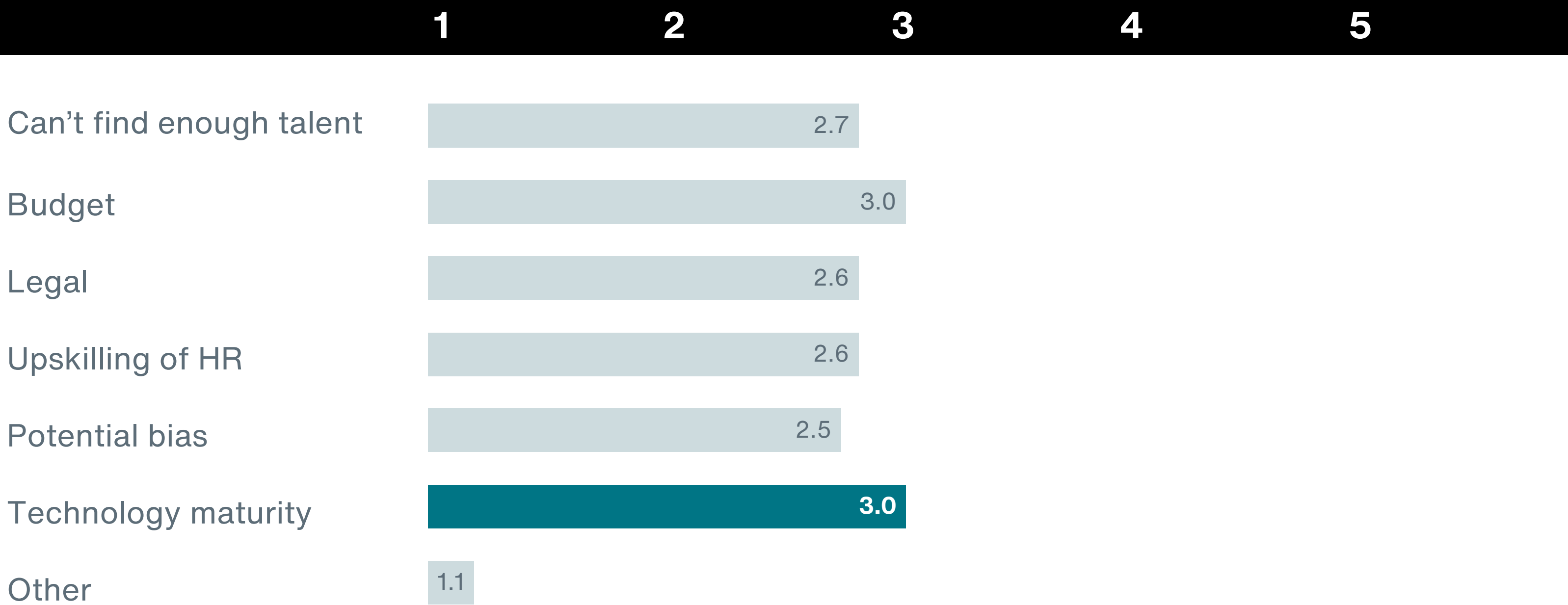
| 29% |

Other

| 1% |
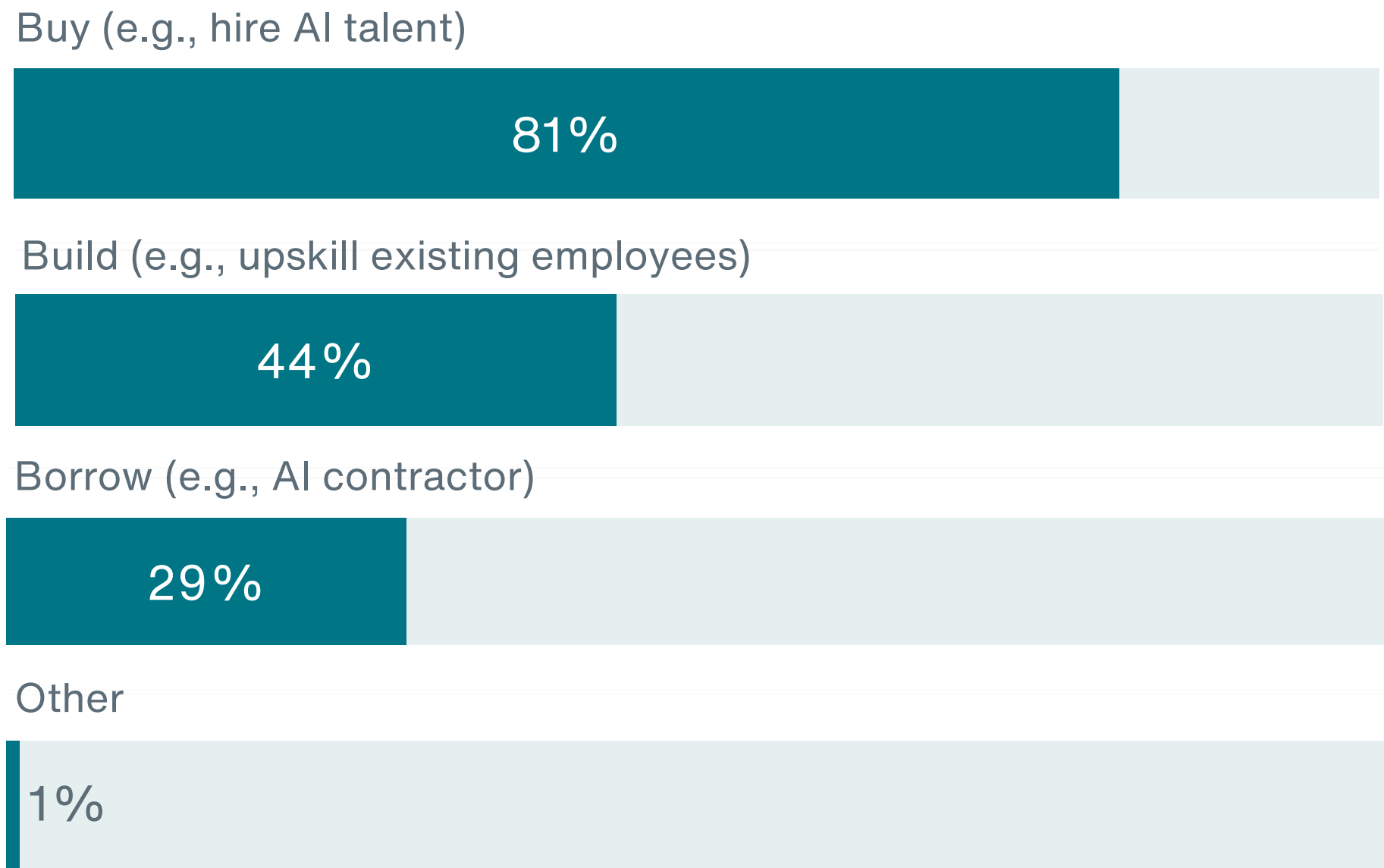
96 responses
Note: Participants were able to select multiple options

Part 3: AI Impact on HR Function and Roles

Q

What do you see as barriers to adoption of generative AI by HR?
(Please rate on a scale of 1-5, 1 meaning not a barrier and 5 being a significant barrier to adoption)

	1	2	3	4	5

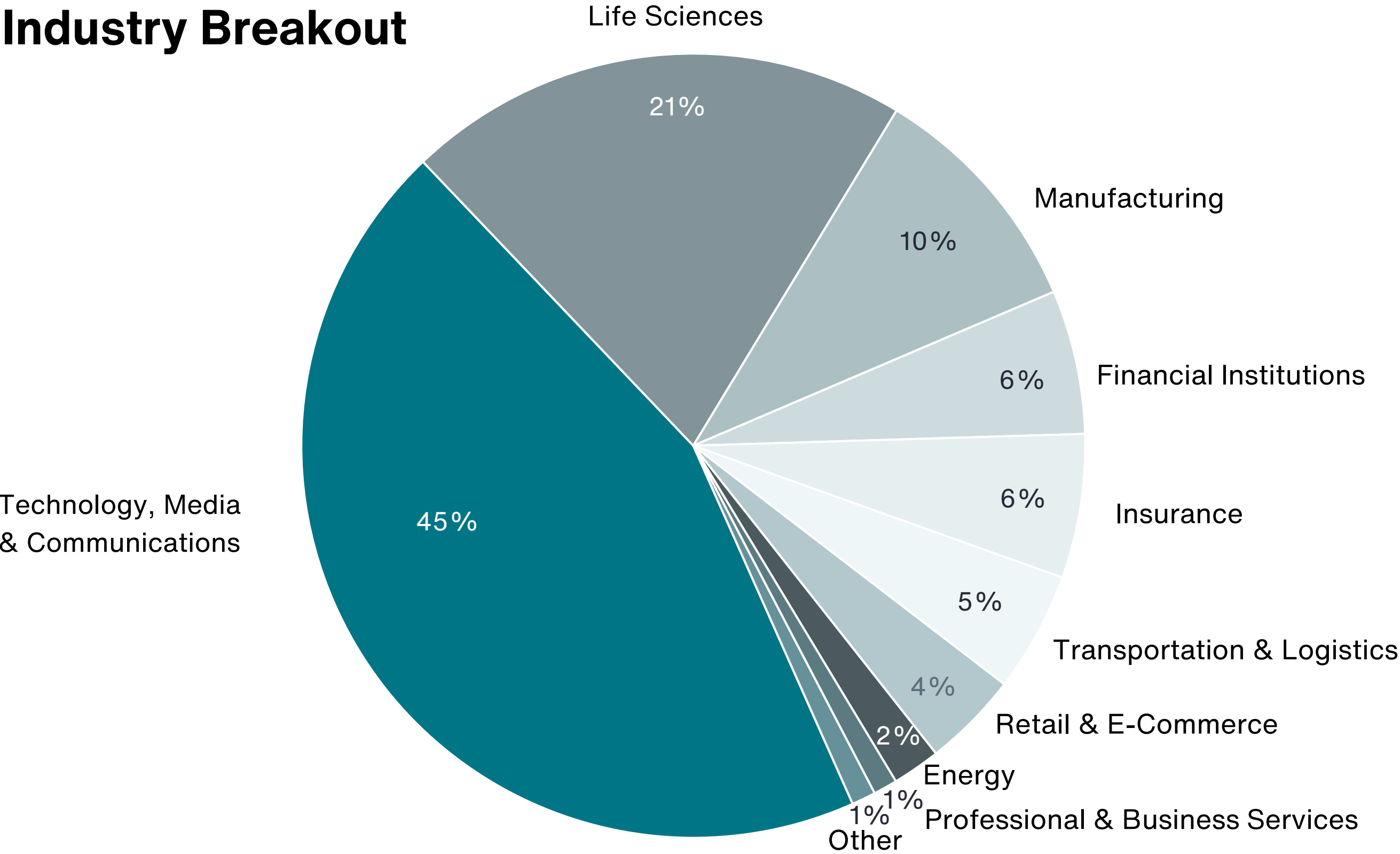| Can't find enough talent | 2.7 |
Budget	3.0
Legal	2.6
Upskilling of HR	2.6
Potential bias	2.5
Technology maturity	**3.0**
Other	1.1

105 responses

19

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03 Study Results ▶ Executive Summary

Study Results

Additional Resources

Summary of Participants

Aon conducted an Artificial Intelligence study in late 2024 to learn how AI is impacting specific functions within participating organizations. The study received 110 responses from organizations across industries with employees based inside and outside of North America.

Industry Breakout

Life Sciences — 21%

Manufacturing — 10%

Financial Institutions — 6%

Insurance — 6%

Transportation & Logistics — 5%

Retail & E-Commerce — 4%

Energy — 2%

Professional & Business Services — 1%

Other — 1%

Technology, Media & Communications — 45%

Aon's Talent Solutions
Data, analytics and advice to help clients make better workforce decisions

Better Informed

Uniquely placed to bring you the insights you need, with the right level of detail, to meet your workforce challenges.

With unparalleled access to data across multiple industries, and years of experience in compensation, candidate assessments, and analyzing market data, we inform our clients on every aspect of workforce strategy.

Better Advised

Whatever your challenges, we tailor advice to fit your needs. We work with you on how to attract, retain, and sustain your workforce.

This ranges from consultative expertise on workforce design and talent strategy, employee and executive compensation, ESG, Inclusion and Diversity (I&D), to navigating the people aspects of mergers and acquisitions.

Better Decisions

Combining unique insight and advice driven by unparalleled data, we empower you to understand your workforce.

Equipped with this deeper understanding, you can make better decisions about how to manage your people risk, optimize your people spend and enable workforce agility and resilience to support business strategy.

Helping organizations make better workforce decisions
to grow and transform businesses, communities and individuals.

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