

4 Pitfalls Preventing Effective AI Adoption

HARNESSING HUMAN INTELLIGENCE™ TO VALIDATE
INVESTMENTS AND SCALE AI ADOPTION





In 2025, around 40% of companies worldwide are actively utilizing AI in their operations, with another 42% exploring its adoption. This means more than 82% of businesses are engaging with AI in some form. It has rapidly become a cornerstone of innovation in top organizations worldwide.

As an innovation leader in the HR industry, Workhuman® understands the complexities of AI adoption and implementation, coupled with the human efforts involved. Human Intelligence™, the insights created by the combination of AI and the authentic human data residing within Social Recognition®, is proof of our commitment to helping organizations navigate these challenges and leverage AI to its fullest potential – all while maintaining humanity in the workplace

Read on to learn more about some of the challenges (and solutions) that companies might face as they take on AI. Ready? Whether you are or not, it's time to face the future.

ONE

Getting and governing good data

Challenge

For large organizations that have adopted AI, reaching the “plateau of productivity” requires a solid foundation in data governance.

Effective data governance ensures that data is accurate, consistent, and secure, which is essential for making reliable business decisions and ultimately reaping the true benefits of AI.

Without strong data governance, even the best AI undertakings can face poor data quality, which can lead to incorrect

insights, flawed strategies, and ultimately, financial losses.

In the context of HR systems, poor data quality can also erode trust and the effectiveness of talent strategies, employee satisfaction, and retention, among other outcomes.

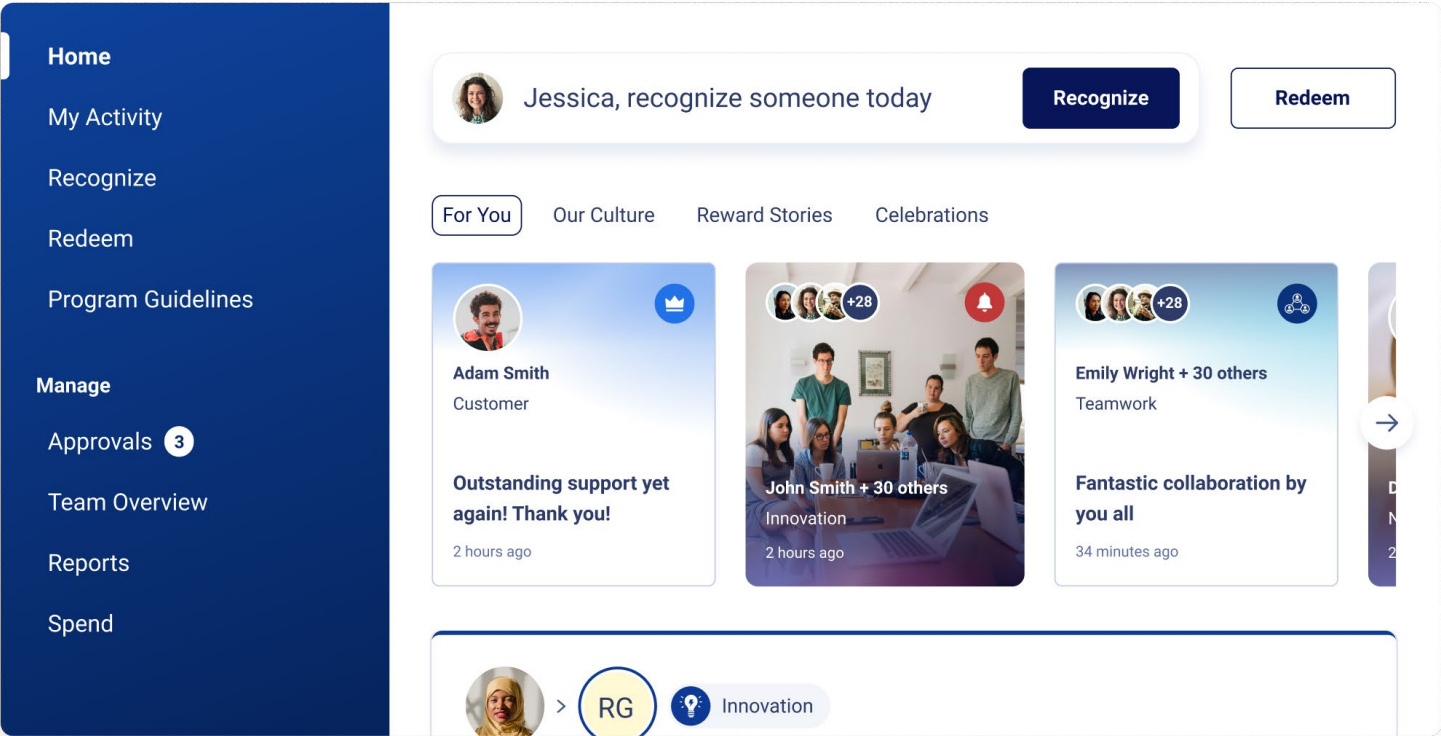
AI systems rely heavily on large volumes of data to learn and make predictions. If the data fed into these systems is of poor quality, the AI's outputs will be unreliable.

Gartner research revealed poor data quality costs organizations \$12.9M annually.

Workhuman’s take

The AI Assistant within the Workhuman platform, powered by Human Intelligence, significantly enhances data governance in HR because it uses genuine recognition data to minimize extraneous information and to enhance decision-making, productivity, and efficiency. The root of the platform, Social Recognition, fuels a cadence of authentic

human data. The Recognition Advisor is an AI tool that coaches users on writing meaningful, data-rich recognition. Through the Admin Hub, program owners can effectively manage and maintain employee performance and talent data, improving data hygiene.



TWO

Effectively integrating AI into human workflows

Challenge

The initial fear of AI's mass arrival was that bots would beam down to the corporate world and steal human jobs. However, the issue that has emerged does not pose a risk to jobs, but to investments.

The success of AI depends on how well humans and organizations adapt to it. Many organizations are finding themselves stuck

in proof-of-concept purgatory, where initial AI implementations show promise but fail to scale across the enterprise. This stagnation often results from a lack of alignment between AI capabilities and existing human processes, leading to resistance from employees and insufficient ROI.

63% of respondents are not at all or only somewhat familiar with the use of AI in the workplace. Those that are familiar with AI and using it are:

5x

more likely to see a path to growth within their organization.

2x

more likely to recommend their company to others.

Source: Upskill or Stand Still, Workhuman® iQ Survey Report, 2024

To overcome this, companies need a strategic approach that appropriately unites AI with where their employees are at, logistically and culturally. Workhuman's latest research report found a clear appetite from employees in learning more skills, but wariness surrounding AI, as well as lack of

proper training, held them back. Effective AI training should involve more strategic opportunity mapping for employees on how AI can benefit their growth and contributions to the business, while also accounting for any cultural dependencies, such as attitudes toward putting time aside to learn a new skill.

Workhuman's take

Workhuman iQ Snapshots can facilitate this. The bite-sized insights are embedded in the flow of recognition moments to demonstrate the impact of each one. This brings Human Intelligence to every employee

on our platform, showcasing best practices that elevate culture. In addition, rewarding upskilling through recognition can foster a culture that values taking time to learn new skills, including AI.



THREE

Protecting sensitive data and maintaining privacy

Challenge

As AI systems handle vast amounts of sensitive data, they become prime targets for cyberattacks and privacy breaches.

Ensuring the security and privacy of this data is paramount to maintaining trust and compliance with data protection regulations.

When partnering with outside AI software that handles sensitive data, it is up to you to vet its privacy and security standards and protocols to ensure they align – not only with your organization's needs, but also above regular tech standards.

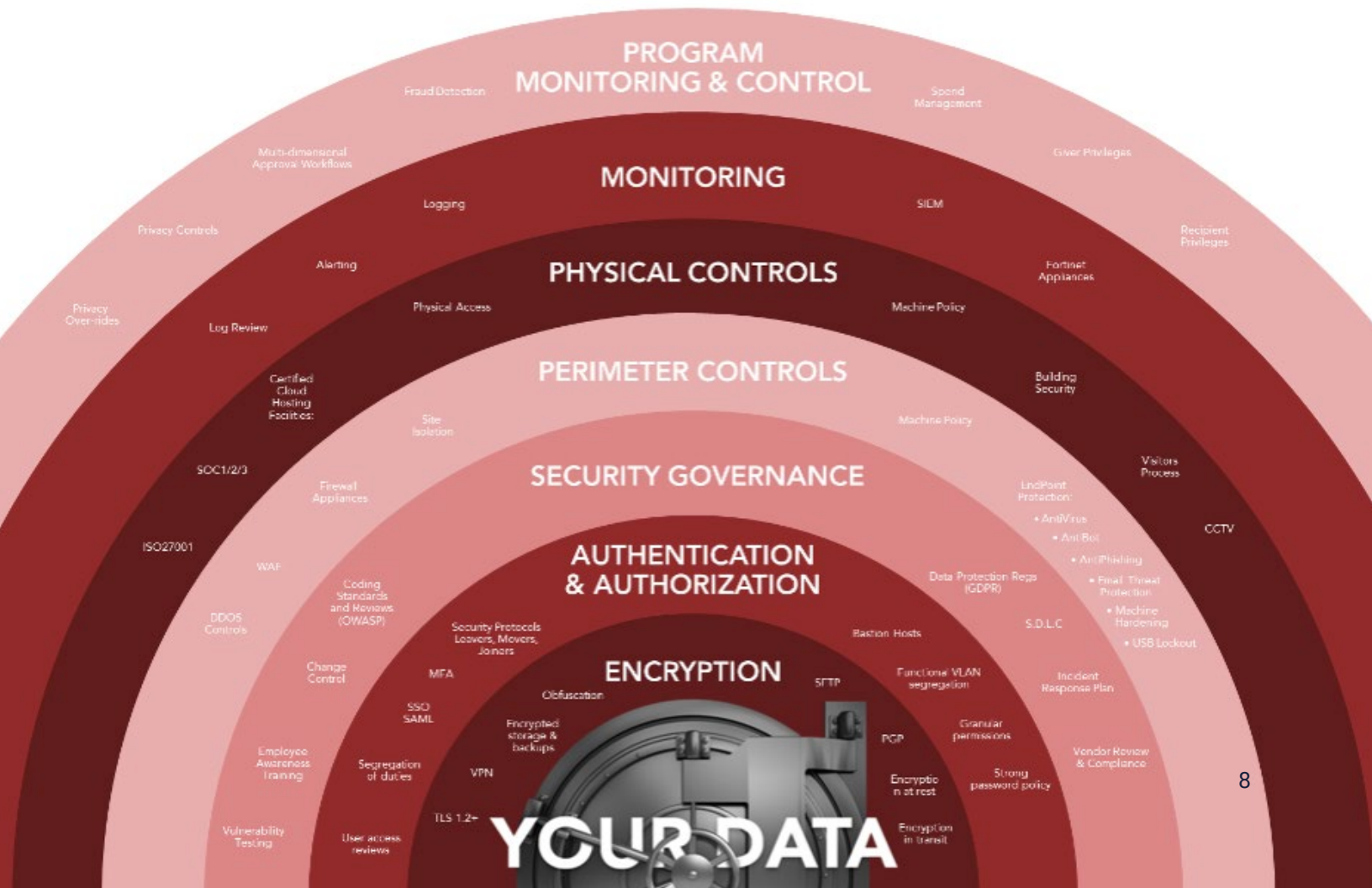
80% of data experts agree AI is increasing data security challenges.

Source: [AI Security & Governance Report](#), Immuta, 2024

Workhuman's take

Having worked with some of the largest global enterprises, including leading tech and cybersecurity companies, Workhuman prides itself on being the gold standard for AI software privacy and security. Aside from a well-decorated resume of licenses and compliance certificates, partnerships that prioritize data safety ensure our security protocols remain the top in the industry.

The power also lies in your people. Information security training is abundant because desk employees pose a risk just opening emails. As companies encourage skill-building, it is also critical to encourage security awareness. Recognizing information security initiatives across the organization is a great way to not just motivate safety behaviors, but also to collect data on deficiencies in this area and target future development.



FOUR

Measuring ROI and validating investments

Challenge

The majority (85%) of enterprise leaders ranked quality of organizational data as the biggest anticipated challenge to future AI strategies in the Q4 2024 KPMG AI

Quarterly Pulse Survey. The complexity of AI systems, coupled with the nature of data and varying adoption rates, makes it difficult to quantify the tangible benefits and justify the investments.

Workhuman's take

The Workhuman platform is designed to provide comprehensive insights into AI performance. By leveraging advanced analytics and continuous monitoring, Workhuman helps organizations accurately measure the ROI of their AI initiatives. This ensures that investments in AI are justified and aligned with the overall strategic goals.

Workhuman provides insights that drive business performance, helping organizations measure the impact of their AI initiatives accurately. This involves using advanced analytics to track key performance

indicators (KPIs) and metrics that reflect the effectiveness of AI tools in achieving business objectives.

Continuous monitoring allows organizations to identify areas for improvement and make data-driven decisions to optimize their AI strategies. By providing a clear understanding of the ROI, Workhuman enables organizations to validate their AI investments and ensure they are delivering the expected value.

“The tools that Workhuman provided us in terms of their analytics is great. **We could use that data to help support the movement**, make sure that we were making measurable outcomes.”

Janis Williams
Director, Compensation & Benefits
Arkansas Children’s, Inc.

Source: “A New Era of Recognition: Arkansas Children’s Workhuman Experience,” breakout session, Workhuman® Live, 2024

Amplify the value of AI in your culture with Workhuman.

While the adoption of AI presents significant opportunities for innovation and efficiency, it also brings forth a set of unique challenges that organizations must navigate. By leveraging comprehensive solutions like those offered by Workhuman, companies can not only address these challenges but also boost the benefit of their AI investments, fostering a resilient and forward-thinking organizational culture.

Ready to tackle the future?

[Learn more](#) about how

Workhuman can help your organization maximize the value of AI.

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Or read more on our blog: workhuman.com/blog

Join HR's leading innovators and trailblazers at our next [Workhuman Live](#) conference.

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