Kyle & Co

THE HUMAN-CENTRIC AI COUNCIL

AI Solution Decision Framework

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A Foreward From Our Executive Director

AI has crept into everything HR touches—platform roadmaps, process design, data strategy—and HR leaders aren't just shopping for "AI tools" anymore.

You're making architectural decisions about what you'll own, what you'll outsource, how you'll govern it, and how work will run going forward. And while the pressure is to "do something with AI," the costliest mistakes usually happen before implementation—when teams choose the wrong approach to acquire, design, and sustain the capability.

That's why this framework matters, and why I so appreciate the leadership that Lydia Wu brought to the table in developing it. The old build-versus-buy debate can't keep up with the range of AI capabilities now on the market—or the real differences in data readiness, risk tolerance, and change capacity across HR teams.

"Build, Buy, Borrow, or Bot" offers a practical decision lens that starts with the work problem, not the product pitch.

This guide draws on the experience of Lydia and several other members of the HCAIC to help HR leaders make disciplined, value-driven choices without over-engineering solutions or getting swept up in hype. Use it as a shared language and a reality check—so progress is responsible, measurable, and repeatable.



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AI Solution Decision Framework: Build, Buy, Borrow, or Bot

A Practical Guide for HR Leaders

Introduction

As artificial intelligence becomes embedded across the HR technology ecosystem, organizations face a growing challenge: how to decide the right path to acquire or design AI-enabled capabilities.

Not every AI solution demands the same approach. Some lend themselves to automation and standardization; others require co-creation, governance, and continuous learning. Traditional build-versus-buy decisions no longer capture this nuance.

This framework introduces a new decision lens for HR leaders — Build, Buy, Borrow, or Bot — grounded in a five-level AI maturity model that spans from Task Automation to Catalytic AI. By connecting the type of AI with the strategic intent, business problem, and organizational readiness, HR teams can make more informed, value-driven decisions while avoiding costly missteps or over-engineering.

The Five Levels of AI in HR

AI in HR operates across a spectrum of maturity — from deterministic automation that executes simple tasks to catalytic intelligence that redefines how work itself is structured. Each level comes with distinct design requirements, governance needs, and decision patterns.

1. Task Automation (Type 1)

Nature of AI: Repetitive, rule-based, deterministic, and process-driven.

Objective: Reduce manual workload and error; optimize operational efficiency.

Typical Business Problem: HR teams spend significant time on repetitive, low-value activities such as form filling, document validation, and data entry.

Example HR Use Case: Automating employee data changes, generating offer letters, or parsing resumes into structured formats.

Decision Guidance:

BOT	BUY	BUILD RISK	BORROW OPTION
If the process is unique to your HR workflows, consider using internal automation (RPA or scripting)	For standardized processes, use existing SaaS tools with proven reliability	Low ROI — building internally often costs more than the savings realized	For small-scale needs, leverage shared services or BPO partners with built-in automation capabilities

Strategic Posture: Efficiency through automation.

2. Assistive Intelligence (Type 2)

Nature of AI: Supports human tasks; co-pilot style; requires human judgment.

Objective: Enhance productivity, decision accuracy, and employee experience through guided assistance.

Typical Business Problem: Recruiters, HRBPs, or learning teams spend excessive time searching for information or generating repetitive content.

Example HR Use Case: AI copilots that draft job descriptions, summarize interviews, or draw insights from unstructured text data on demand.

BUY	BORROW	BUILD	BOT FIX
Adopt market-ready copilots that integrate with existing HR platforms or productivity suites.	Start by using embedded AI within your existing tools (e.g., Microsoft 365 Copilot, Slack AI) before custom builds.	Only when the organization has unique intellectual property or datasets worth modeling.	Extend workflows using no-code builders, but keep oversight mechanisms in place.

Strategic Posture: Productivity and guided decision-making.

3. Predictive & Diagnostic AI (Type 3)

Nature of AI: Detects patterns, forecasts outcomes, anticipate actions and provide guidance, and surfaces root causes.

Objective: Enable proactive, data-driven decision-making across talent, performance, and engagement.

Typical Business Problem: Leaders react to workforce challenges (attrition, engagement, DEI gaps) only after they occur due to limited predictive visibility.

Example HR Use Case: Attrition risk modeling, pay equity diagnostics, and strategic workforce planning based on historical data and real-time market intelligence

Decision Guidance:

BUILD	BUY	BORROW	B0T FIX
When the organization possesses clean, proprietary data that offers strategic differentiation	When use cases are generic (e.g., industry-standard predictive models) or when data maturity is low	Consider academic or vendor partnerships for co-development of advanced models	Automate model retraining and data refreshes rather than model creation

Strategic Posture: Insight and foresight through analytics.

4. Autonomous & Adaptive AI (Type 4)

Nature of AI: Continuously learns and adapts to user behavior, personalizing decisions and actions.

Objective: Deliver individualized experiences and enable real-time behavioral change at scale.

Typical Business Problem: static HR systems and deterministic automation tools fail to effectively adapt to user habits and rapidly changing processes because they can’t personalize experiences or respond dynamically.

Example HR Use Case: Adaptive learning systems that tailor content to individual progress, AI manager copilots that provide real-time performance nudges, or career pathing engines that evolve with employee journeys.

Decision Guidance:

BUILD	BORROW	BUY	BOT FIX
When you want proprietary adaptive logic rooted in company culture and values	Co-develop with strategic vendors who have the technical backbone but align with your ethical standards	Only when the vendor demonstrates explainability, human override, and continuous monitoring	ELimited — governance and oversight are more important than automation speed

Strategic Posture: Personalization and behavioral adaptation.

5. Catalytic AI (Type 5)

Nature of AI: Acts as a transformation catalyst, reshaping how work, structure, and value creation occur.

Objective: Drive systemic organizational transformation by making AI a co-architect of business design.

Typical Business Problem: Static organization structures and talent models can't keep pace with dynamic business strategies or evolving skill needs.

Example HR Use Case: AI-enabled organizational design engines that continuously simulate team structure based on business priorities and performance feedback, and recommend project-based team assignments.

Decision Guidance:

BUILD	BORROW	BUY	B0T FIX
Only viable for enterprises with mature AI infrastructure, cross-functional governance, and transformation mandates	Partner with ecosystem players (consultancies, research labs, or cross-functional AI consortia)	Rarely appropriate — off-the-shelf "catalytic AI" solutions often overpromise transformation potential	Not applicable — this level requires human stewardship and strategic intent

Strategic Posture: Transformation and redefinition of work systems.

Closing Thought

The "Build, Buy, Borrow, or Bot" framework helps HR leaders think beyond the binary of technology acquisition. It reframes the question from 'Should we invest in AI?' to 'At what level of intelligence are we ready to engage — and what form of ownership makes sense?'. By aligning AI capability type with business intent, data maturity, and governance readiness, HR organizations can make balanced decisions that optimize both innovation and responsibility — without succumbing to AI hype or paralysis.

Introduction

AI Readiness Starts with the Problem, Not the Product

Every HR leader today feels the pressure to "do something with AI." Vendors pitch innovation; executives demand speed; employees expect smarter systems. But AI readiness isn't about adopting technology, it's about understanding what work needs to change and how that work should be enabled.

Too often, organizations start from the solution side: "What kind of AI should we use?" The better question is: "What kind of work problem are we solving, and what form of AI readiness do we actually have?"

This guide reframes the AI conversation for HR leaders. It starts with the business problem, examines the work that needs to be done, and helps you decide whether to Build, Buy, Borrow, or Bot your way toward a sustainable solution.

Because AI maturity doesn't just describe technology. It reflects how ready your organization is to harness intelligence responsibly, effectively, and with intent.

The Readiness Lens: Four Things You Must Know Before You Begin

Before evaluating any AI solution, HR teams should pause and assess readiness through four core dimensions:

Readiness Dimension	Key Question	Why It Matters
Business Problem Definition	What is the work we're trying to improve, augment, or transform?	If you can't articulate the problem, you can't design the right intelligence.
Data & Infrastructure	Do we have the data quality, volume, and integration required to train or enable AI?	Poor data is the biggest constraint on AI success.
Governance & Ethics	Can we oversee, explain, and validate the AI's logic and outcomes?	Ensures compliance, trust, and accountability.
Ownership Strategy (Build, Buy, Borrow, Bot)	How should we source and sustain this capability over time?	Determines ROI, agility, and long-term resilience.

Scenario 1: Too Much Manual Work, Too Little Time

Business Problem: HR teams are buried in repetitive, administrative tasks — processing data changes, managing documents, onboarding employees, generating reports — leaving little time for strategic work.

Work to Be Done: Eliminate or streamline manual, rule-based tasks through automation.

AI Fit: Lightweight automation and assistive intelligence. Think rule-driven bots, form parsers, and document workflows.

Readiness Questions: Are workflows well-defined and repeatable? Are your systems integrated enough to automate handoffs?

Option	When to Choose It	Notes
Bot	For unique internal workflows that can be automated using RPA, scripts, or workflow builders.	Quick ROI and minimal disruption.
Buy	For standard processes (e.g., onboarding checklists, document approvals) supported by off-the-shelf workflow automation tools.	Faster implementation; vendor support included.
Borrow	To test automation in a small pilot before committing to a vendor or building custom.	Low-risk way to validate fit and adoption.
Build	Rarely appropriate for simple automation; only if processes are highly proprietary and no vendor solutions exist.	High cost, high risk for low-complexity work.

Scenario 2: We Need Smarter, Faster Decisions

Business Problem: HR decisions—like identifying flight risks, matching candidates to roles, or forecasting workforce needs—are reactive and based on incomplete or outdated data.

Work to Be Done: Surface insights and predictions that help HR make proactive, data-informed decisions.

AI Fit: Predictive analytics and prescriptive intelligence. AI trained on historical data to forecast trends, recommend actions, or flag risks.

Readiness Questions: Do you have clean, integrated HR data? Is there organizational trust in using predictive models for decision-making?

Option	When to Choose It	Notes
Bot	Not appropriate—bots lack the intelligence to predict or recommend.	Use only for surfacing static insights or dashboards.
Buy	When proven vendor solutions already exist (e.g., turnover prediction, talent matching) and can integrate with your HRIS.	Fastest path to predictive capability; may require data quality prep.
Borrow	To co-create a pilot model with a consulting partner or platform vendor before investing in full ownership.	Good for testing hypotheses and building internal literacy before buying or building.
Build	When predictive models must reflect highly unique organizational contexts (e.g., specialized roles, proprietary skill taxonomies) that vendors can't support.	Requires robust data science capability and ongoing model governance.

Scenario 3: One-Size-Fits-All HR Isn't Working Anymore

Business Problem: Employees have different needs, learning styles, career goals, and work contexts, but HR tools deliver the same experience to everyone.

Work to Be Done: Personalize experiences—learning paths, career guidance, benefits recommendations—based on individual context.

AI Fit: Adaptive intelligence that learns from user behavior, feedback, and context to continuously refine recommendations.

Readiness Questions: Can you collect and use individual-level feedback ethically? Do you have the infrastructure to support continuous learning models?

Option	When to Choose It	Notes
Bot	Not appropriate—personalization requires adaptive learning, not simple rules.	Bots can support conversational UI but not intelligent personalization.
Buy	For common use cases like learning recommendations or benefits matching, where vendor solutions already offer personalization engines.	Fast time to value but may feel generic if not tailored to your culture.
Borrow	To co-develop personalized experiences with a platform partner, learning together as the model improves.	Shared ownership of outcomes; ideal for iterative experimentation.
Build	When personalization must reflect proprietary competency models, cultural values, or unique employee segments that off-the-shelf tools can't capture.	Requires strong data infrastructure, ML ops, and ethical governance.

Scenario 4: We Need to Rethink How Work Gets Done

Business Problem: Traditional org structures, roles, and workforce models can't keep pace with changing strategy or skill needs.

Work to Be Done: Continuously design and evolve how work, teams, and skills align to business outcomes.

AI Fit: Catalytic intelligence — AI that helps reimagine systems of work rather than automate tasks within them.

Readiness Questions: Do we have a cross-functional AI governance structure? Is leadership prepared for AI as a transformation catalyst, not a tool?

Option	When to Choose It	Notes
Bot	Not appropriate—catalytic intelligence requires strategic co-creation, not task automation.	N/A
Buy	Rarely viable—this level of intelligence is emergent and context-specific; vendors can offer frameworks but not full solutions.	Vendors may provide components (e.g., skills ontologies, org network analysis) but not end-to-end transformation.
Borrow	To co-design future-state work models with a strategic partner, using AI to surface patterns and test hypotheses.	Shared risk and learning; builds internal capability while experimenting.
Build	When the organization is ready to invest in proprietary AI systems that reflect unique business models, cultures, and strategic ambitions.	Requires executive sponsorship, cross-functional governance, and long-term investment.

Closing Thought

Readiness Is a Decision, Not a Feeling

AI readiness isn't a milestone to reach; it's a mindset to cultivate. It begins with clarity on the problem, alignment on the work that must evolve, and courage to choose the ownership model that fits your maturity and ambition.

For HR leaders, the question isn't "Should we use AI?" It's "What are we ready to build, buy, borrow, or bot, and why?"

When approached through that lens, AI becomes less about technology adoption and more about purposeful transformation. Thus enabling HR to deliver not just smarter systems, but more human-centered outcomes.

Market Scan Guidelines for HR Teams

How to Identify, Compare, and Shortlist Viable AI Solutions — Without Duplicating What You Already Own

Purpose

Once HR teams understand the nature of their AI need — whether automation, assistive, predictive, adaptive, or catalytic — the next step is to explore the market for viable solutions.

A disciplined market scan isn't about collecting vendor names; it's about uncovering what truly works for your context. The goal of a market scan is not to find more tools; it's to identify the right-fit solution that delivers measurable value without creating redundancy or integration chaos. This guide helps HR teams run a thoughtful, structured market scan that balances innovation with discipline.

ONE Start by Checking What You Already Have

Before scanning the market, audit your current technology stack. Many organizations already possess tools capable of solving their new challenges — sometimes through a hidden feature, module upgrade, or an integration you've never activated.

Checklist:

- Review contracts, product roadmaps, and release notes from current vendors.
- Ask vendors directly: "Does your roadmap already include X capability?"
- Check marketplaces (Workday Extend, ServiceNow Store, SuccessFactors Store, etc.) for available add-ons or AI copilots.
- Map your stack by function (Recruiting, Learning, Performance, etc.) to identify overlaps or white spaces.
- Involve IT or Procurement to verify existing licenses and usage levels.

Tip: You may already own 80% of what you need — only the last 20% may require new spend.

TWO Define the "Why" Before You Search

Write a clear, shareable problem statement. This orients vendors, consultants, and internal stakeholders. Avoid starting with "We need an AI tool for..." Instead, frame it as: "We need to..." (e.g., improve turnover prediction accuracy, personalize learning, automate compliance reporting).

Checklist:

- Define success metrics (efficiency gain, cost reduction, employee satisfaction, time to value).
- Clarify non-negotiables (data residency, GDPR compliance, integration with specific systems).
- Identify your internal decision-makers and approval process.
- Set a realistic timeline (including pilot, implementation, and full rollout).

Tip: If you can't clearly articulate the problem, you're not ready to evaluate solutions.

THREE Build Your AI Solution Tracker

Turn your market scan into a living knowledge base. Keep an AI Solution Tracker, log discoveries, contacts, pricing, and lessons learned. Add fields for AI type, maturity score, and ethical/governance notes. Share findings across HR, IT, and Procurement to avoid duplicate evaluations.

FOUR Establish Your Search Criteria

Evaluation Criteria	Guiding Question
Business Fit	Does this solve our specific problem — not just look impressive?
AI Depth	What level of AI maturity does it truly demonstrate (1–5)?
Integration	Can it integrate with our existing HR systems without custom dev work?
ROI & Cost	What's the expected ROI vs. total cost of ownership?
Scalability & Adoption	Can it grow with us — and will users actually use it?
Governance & Ethics	Does the vendor demonstrate transparency, fairness, and accountability?

FIVE Identify and Map the Market Landscape

Start with the broadest possible view, then narrow:

- Industry analyst reports: Gartner Magic Quadrants, Forrester Waves, IDC MarketScapes.
- Peer networks: HR tech communities (LinkedIn, Slack, HR Tech conferences, CHRO circles).
- Software review platforms: G2, TrustRadius, Capterra.
- Vendors' competitive battlecards: Who do they say they compete against?
- Proof-of-concept (POC) trials: Short, controlled tests with 2-3 finalists.

Tip: Don't skip peer validation — trusted recommendations are more reliable than vendor claims.

SIX Shortlist and Compare

Aim for 3–5 finalists. More than that becomes decision paralysis; fewer doesn't allow for meaningful comparison.

For each finalist, request:

- Live product demo (not just slides) using your real use case.
- Pricing transparency (including implementation, training, and ongoing support).
- At least two customer references in your industry.
- Technical architecture review (especially for security, privacy, and integration).
- AI governance and ethics documentation.

SEVEN Validate Through Proof Points (Not Promises)

Be skeptical of marketing language like "AI-powered," "intelligent automation," or "next-gen." Instead, ask:

- What specific AI techniques are used? (NLP, ML, predictive models, etc.)
- How is the model trained, and on what data?
- Can you explain why the AI made that recommendation?
- What's your process for monitoring bias and fairness?
- Have third parties validated your claims?

Tip: If a vendor can't answer these questions clearly, move on.

EIGHT Define the "Why" Before You Search

The best market intelligence doesn't come from Google — it comes from your network.

Promising Sources:

- CHRO peer groups and advisory councils.
- HR Tech Slack communities or LinkedIn groups.
- Industry conferences (HR Tech, Unleash, etc.).
- Implementation partners or trusted consultants.

Tip: Ask open-ended questions like: "What are you seeing work (or not work)?"

NINE Pilot, Validate, and Iterate

Before full implementation: run a limited pilot (one function or business unit). Measure quantitative KPIs (accuracy, efficiency, adoption) and qualitative feedback (ease of use, perceived fairness, trust). Iterate before rollout.

TEN Define the "Why" Before You Search

Turn your market scan into a living knowledge base. Keep an AI Solution Tracker, log discoveries, contacts, pricing, and lessons learned. Add fields for AI type, maturity score, and ethical/governance notes. Share findings across HR, IT, and Procurement to avoid duplicate evaluations.

ELEVEN Governance Touchpoints

- Legal and compliance review (especially for AI-based data handling).
- HR data owner and privacy team approval.
- Procurement and InfoSec validation.
- AI ethics or responsible innovation committee review (if applicable).

Closing Thought

An HR market scan is not a shopping trip — it's a due diligence process. It's where curiosity meets discipline. Before you buy the next shiny "AI-powered" thing, pause and ask: "Do we already have this capability, and if not, what's the strategic reason to add it now?" The answers you gather — especially from your trusted peers — are what separate the curious from the credible in HR tech buying.

AI Solution Assessment

Evaluation Dimension	Level 1: Task Automation	Level 2: Assistive Intelligence	Level 3: Predictive & Diagnostic	Level 4: Autonomous & Adaptive	Level 5: Catalytic AI
0. Task-to-Technology Fit	Tasks are rule-based, repetitive, and stable — ideal for deterministic logic	Semi-structured tasks needing contextual understanding and user input; AI assists but doesn't decide	Complex analytical tasks requiring probabilistic reasoning and pattern discovery	Dynamic, interdependent tasks requiring adaptive decision-making and behavioral understanding	Ambiguous, systemic, or creative challenges where AI redefines the task itself and co-creates new ways of working
1. Functional Fit	Solves a well-defined, process improvement goals (e.g., reduce X, automate Y)	Addresses workflow friction points; supports human decision-making	Tackles analytical tasks requiring probabilistic reasoning and insight generation; accuracy and relevance hinge on high reliance on historical and HRIS data; quality matters	Advances tasks requiring adaptive decision-making and fits with user experiences; co-creates outcomes with users	Responds to ambiguous or creative challenges where AI redefines the task itself and co-creates new roles; enables organizational logic; enables new unified enterprise value fabric and external signals for complex reasoning; demands value transparency and social purpose; leadership, and learning at the edge
2. Data Quality & Access	Minimal need; structured data sufficient	Contextual data needed: prompts, metadata, and standardized inputs	High volume, structured, and historical HRIS data; quality critical	Real-time, behavioral, and cross-system data required; Must implement explainability layers and human escalation logic	Varied internal governance, regulatory/legal/ethics review; ecosystem that evolves with organizational and learning, re-skilling, and redefinition of roles; systemic intervention measures value via adaptability, innovation, and role clarity by organizational values, social responsibility, and collective partnership
3. Explainability & Bias	Fully transparent logic; low risk	Needs hallucination control and prompt traceability	Requires fairness and auditability across predictive models	Must implement explainability layers and human escalation logic	Demands value transparency and social purpose; organizational norms and behavioral alignment; risk monitoring, model explainability audits, and adapts to org evolution; sandboxing and co-implementation
4. Human Impact	Reduces low-value labor; minimal emotional change	Attracts productivity, communication, and cognitive load relief; guardrails and checkpoints; humans remain in control	Influences fairness and trust in decision processes; triggers regulatory alignment; documentation of assumptions	Organizational norms and behavioral risk monitoring, model explainability audits, and override mechanisms. High oversight with continuous risk monitoring, model explainability audits, and override mechanisms.	New roles created with systemic learning leadership, and learning at the edge; requires internal governance, regulatory/legal/ethics board and executive alignment; "Align on AI" philosophy, pace of roadmap, and transparency
5. Governance & Control	Predictable outcomes; basic admin controls	Clear user guidance and prompt literacy required	Tunable and re-trainable; requires lifecycle validation	High oversight with continuous risk monitoring, model explainability audits, and override mechanisms.	Highest oversight for autonomous decision-making; requires strong internal governance, regulatory/legal/ethics review, and mandatory executive sign-off.
6. Strategic Flexibility	Plug-and-play scalability	Modular; reliant on vendor tuning	Skill-building to interpret insights and drive adoption	Deep behavioral enablement and trust building; culture shift required	Co-innovation partnership shaping industry direction, ethics, and shared accountability
7. Enablement & Change Readiness	Minimal training; low fatigue risk	Clear user guidance and prompt literacy required	Skill-building to interpret insights and drive adoption	Deep behavioral enablement and trust building; culture shift required	New roles created with systemic learning leadership, and learning at the edge; requires internal governance, regulatory/legal/ethics board and executive alignment; "Align on AI" philosophy, pace of roadmap, and transparency
8. Economic Efficiency	High ROI through labor/time savings; low total cost of ownership	Improves individual and team productivity but uncertain risk (data sourcing, prompt misuse); requires guardrails	ROI realized through stakeholder adoption; diminishing exposure; requires fairness testing, DEI alignment, and stakeholder transparency	ROI realized through systemic efficiency and complexity; needs cross-functional ethics board and real-time review; "Align on AI" philosophy, pace of roadmap, and transparency	Long-term value measured via adaptability, innovation, and role clarity by organizational values, social responsibility, and collective partnership
9. Ethical-Risks Assessment	Low ethical complexity; ensure basic data controls	Moderate risk (data sourcing, prompt misuse); requires guardrails	Requires fairness testing, DEI alignment, and stakeholder transparency	Needs cross-functional ethics board and real-time review; "Align on AI" philosophy, pace of roadmap, and transparency	Demands value transparency and social purpose; organizational norms and behavioral alignment; risk monitoring, model explainability audits, and adapts to org evolution; sandboxing and co-implementation
10. Partnership & Product Trajectory	Low strategic importance; mature market	Evaluate vendor tuning roadmap and UX evolution	Assess transparency of model tuning and data governance maturity	Co-innovation partnership shaping industry direction, ethics, and shared accountability	Co-innovation partnership shaping industry direction, ethics, and shared accountability

AI Solution Performance Dashboard Framework

Tracking Impact, Sustainability, and User Trust

One: Operational Efficiency & Adoption

KPI	What It Measures	Example Metric / Formula	Data Source	Metric Owner (HR/Vendor)
Adoption Rate	Percentage of intended users actively using the AI	# Active Users / Total Target Users × 100%	HRIS, usage logs	HR
Task Completion Time	Time taken to complete a task with AI vs. baseline	Average task duration with AI vs. manual	System logs, time tracking	HR
Frequency of Use	How often users engage with the AI	Daily/weekly active sessions	System analytics	Vendor
Cost per Task	Total cost to execute AI-driven task	Total cost of AI use / # of tasks completed	Finance, system logs	HR
Time-to-Deploy	Time from purchase to full user rollout	Days from contract signature to go-live	Project timeline	HR

Two: Accuracy, Quality & Model Performance

KPI	What It Measures	Example Metric / Formula	Data Source	Metric Owner (HR/Vendor)
Prediction Accuracy	Correctness of AI predictions or classifications	True Positives + True Negatives / Total Cases	Model output, HRIS	Vendor
Precision	Of AI-flagged outputs, how many are truly accurate	True Positives / (True Positives + False Positives)	Model output	Vendor
Recall (Coverage)	Of all true cases, how many did the AI identify	True Positives / (True Positives + False Negatives)	Model output	Vendor
Bias/ Equity Metrics	Disparity in accuracy or outcomes across demographic groups	Accuracy by gender, race, age group	HRIS, DEI tools	HR
Model Drift	Change in model accuracy over time	Accuracy variance between baseline & current	ML monitoring dashboard	Vendor
Hallucination / Error Rate	Instances of AI producing incorrect or fabricated information	# Errors detected / Total outputs	User feedback, QA logs	Vendor

Three: User Experience & Trust

KPI	What It Measures	Example Metric / Formula	Data Source	Metric Owner (HR/Vendor)
User Satisfaction Score	Overall user sentiment and confidence in AI	CSAT or NPS survey results	Surveys, feedb ack tools	HR
Trust Score	Degree of trust users place in AI recommendations	Survey: "I trust this AI's recommendations" (1-5 scale)	Pulse surveys	HR
Time-to-Insight	Speed with which users gain actionable insights from AI	Time from query to usable insight	System logs	Vendor
Explainability/Transparency	Clarity of how AI made its decision or recommendation	% of users who understand why AI made decision	User survey	HR
Usability (Ease of Use)	How intuitive and user-friendly the AI tool is	System Usability Scale (SUS) score	User survey	HR
Decision Accuracy	How often users agree with or act on AI recommendations	# AI suggestions accepted / Total AI suggestions	HRIS, system logs	HR

Four: Business Impact & ROI

KPI	What It Measures	Example Metric / Formula	Data Source	Metric Owner (HR/Vendor)
Return on Investment (ROI)	Financial return relative to AI cost	(Total Benefits - Total Costs) / Total Costs × 100%	Finance, HR	HR
Cost Savings	Direct financial impact (e.g., reduced manual effort)	Baseline spend - Post-AI spend	Finance	HR
Time Saved (Productivity Gain)	Hours reclaimed through AI automation or augmentation	Total hours saved × hourly cost	Time-tracking logs	HR
Internal Mobility Improvement	Impact on career transitions, internal hiring, reskilling speed	% increase in internal mobility rate	HRIS, Talent data	HR
Attrition / Retention Impact	Effect on turnover rate for targeted groups	Change in voluntary turnover rate	HRIS	HR
Quality of Hire	Improvement in performance of new hires post-AI deployment	Performance rating (first-year average)	HRIS, Performa nce data	HR

Five: Governance, Ethics & Compliance

KPI	What It Measures	Example Metric / Formula	Data Source	Metric Owner (HR/Vendor)
Bias Audit Frequency	How often AI undergoes fairness and bias testing	# Audits conducted per quarter	Complia nce logs	HR
Data Privacy Compliance	Adherence to GDPR, CCPA, and other data regulations	Pass/fail audit results, incidents logged	Legal, Complia nce	HR
Regulatory Risk Events	Number of compliance violations or near-misses	# Reported incidents	Legal, Risk team	HR
Ethical Review Cadence	Frequency of ethics-board reviews for high-risk AI use	# Reviews per year	Ethics Board	HR
Escalation Rate	How often human escalation is triggered	# Human escalations / Total AI interactions	System logs	Vendor
Auditability	Availability of explainability reports for decisions	% of decisions with audit trail	System logs	Vendor

Six: Change Management & Capability Growth

KPI	What It Measures	Example Metric / Formula	Data Source	Metric Owner (HR/Vendor)
Training Completion Rate	Percentage of users completing AI training	# Trained Users / Total Users × 100%	LMS, HRIS	HR
Skills Gap Closure	Reduction in identified skill gaps related to AI use	Pre vs. post-training skills assessment scores	LMS, surveys	HR
Change Readiness Score	Organizational readiness for AI adoption and transformation	Survey-based readiness index (1–10 scale)	Change mgmt surveys	HR
Role Clarity Post-AI	Degree to which employees understand their new roles	Survey: "I understand my role with AI" (1–5 scale)	Pulse surveys	HR
Employee Sentiment	Employee sentiment toward AI over time	AI sentiment score from engagement surveys	Engagem ent surveys	HR
Internal Mobility Rate	Ability of employees to transition roles within the company	# Internal promotions or transitions / Total employees	HRIS	HR

Closing Thought

A balanced performance dashboard is not just about proving ROI — it's about learning what works, who it works for, and why. Don't track everything; track what matters most to trust, adoption, and sustained value. And make your metrics visible — transparency breeds accountability and continuous improvement.

Thank you to our partners

workday findem Warden AI solved GLIDER CodeSignal

Humanly goodtime RIVAL Formerly Silkroad Technology Gem HiBob SmartRecruiters An SAP company

About Kyle & Co.

Kyle & Co is a modern research and advisory firm helping HR and talent technology leaders make smarter decisions, faster.

By blending practitioner insight, rigorous research, and strategic advisory, we uncover the signals that matter most—then translate them into action. Our work spans custom research, workforce strategy, and market analysis, supporting solution providers and HR leaders alike. Kyle & Co is the team behind the Human-Centric AI Council, the Transformation Realness podcast, and industry-shaping reports on quality of hire, workforce planning, and responsible AI.

Learn more at www.kyleandco.com

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From consulting at big names like Accenture and Deloitte to leading innovation at Panasonic and building HR tech solutions, Lydia has been around the HR industry block a few times and can probably tell you where all the potholes are.

She is a true HR Swiss Army knife—strategist, translator, connector, and problem-solver extraordinaire. Lydia is passionate about demystifying all things HR and Tech and helping everyone in the HR tech ecosystem find their next "aha!" moment (preferably before their coffee gets cold or watery).

Always keeping things refreshingly real, Lydia is your real-talk bff on all things HR and Tech.