

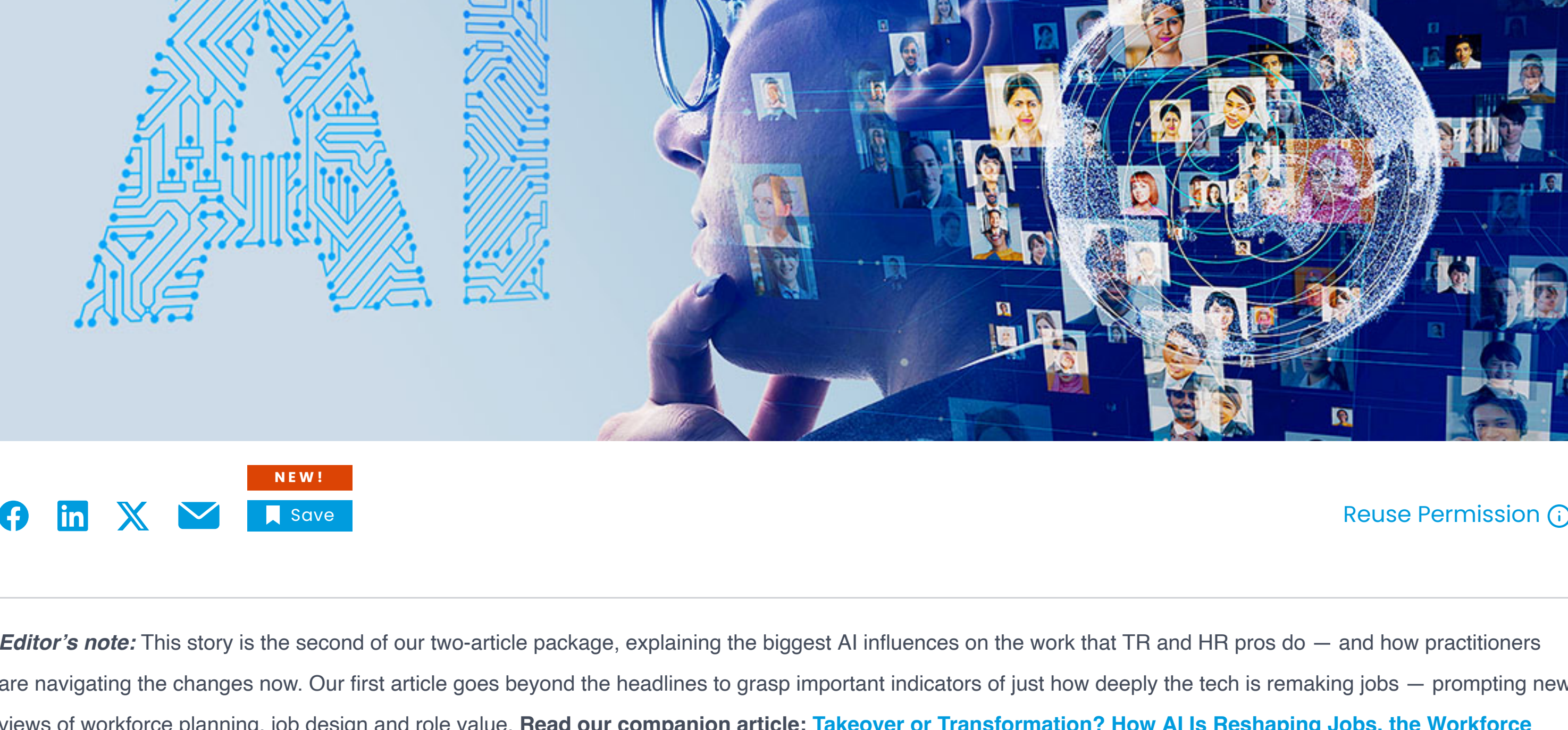
# How AI is Changing Total Rewards Functions and Roles

Workspan Article  
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Total Rewards

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**Editor's note:** This story is the second of our two-article package, explaining the biggest AI influences on the work that TR and HR pros do — and how practitioners are navigating the changes now. Our first article goes beyond the headlines to grasp important indicators of just how deeply the tech is remaking jobs — prompting new views of workforce planning, job design and role value. **Read our companion article: [Takeover or Transformation? How AI is Reshaping Jobs, the Workforce](#)**

This spring, IBM CEO Arvind Krishna [said](#) the tech giant had replaced the work of a couple hundred HR employees by automating **94%** of routine tasks, like pay statements and vacation requests, through the use of an AI-powered AskHR chatbot. Managers can access the chatbot 24/7, allowing them to conduct HR-related transactions 75% faster than before. Furthermore, adoption of AI tools has resulted in a 40% decrease in the company's HR operating budget over the last four years, according to the company.

The report drew attention, but the extent of change at other organizations may be more nuanced. As is the case with other professions that have undergone change, many experts agree that AI's augmentation and automation capabilities are more likely to replace individual tasks than entire roles, and to create new opportunities and responsibilities for total rewards and HR professionals.

"I think it's overblown," Rahul Shahani, a partner at McKinsey & Co., said of AI's potential to replace HR jobs. He likened the introduction of AI to the creation of Excel spreadsheets back in the 1980s. "It's giving you new tools to change," he explained.

That may not be a bad thing — for the company or for the TR and HR pros themselves — if it means staff will be able to focus on higher-value strategic projects.

"AI is really good at processing large volumes of data, quickly surfacing insights and even making recommendations, which frees up HR pros to focus on strategy, communication and employee experience," said Sara Hillenmeyer, senior director of data science at Payscale.

Indeed, early adopters of AI in TR settings are showing how the technology can be used to handle tasks related to compensation, job architecture, benefits enrollment and career development — often to TR professionals' benefit.

## AI Reaches TR

So far, the TR function has not been quite as significantly impacted by AI the way some other HR functions, like recruiting and **talent marketplaces**, have been, according to experts. Instead, it is a measured approach that is taking into account the complexity of rewards programs — while building clarity toward accelerated growth ahead.

Ben Eubanks, chief research officer at Lighthouse Research & Advisory, attributes the pace to the fact that compensation leaders' goals may not always align with AI's capabilities. "Our goal is not pure efficiency; it's not just speed," he said. "We're making sure that we're being fair and equitable in how our pay is set, and we're always planning for how to make maximum use of the budget."

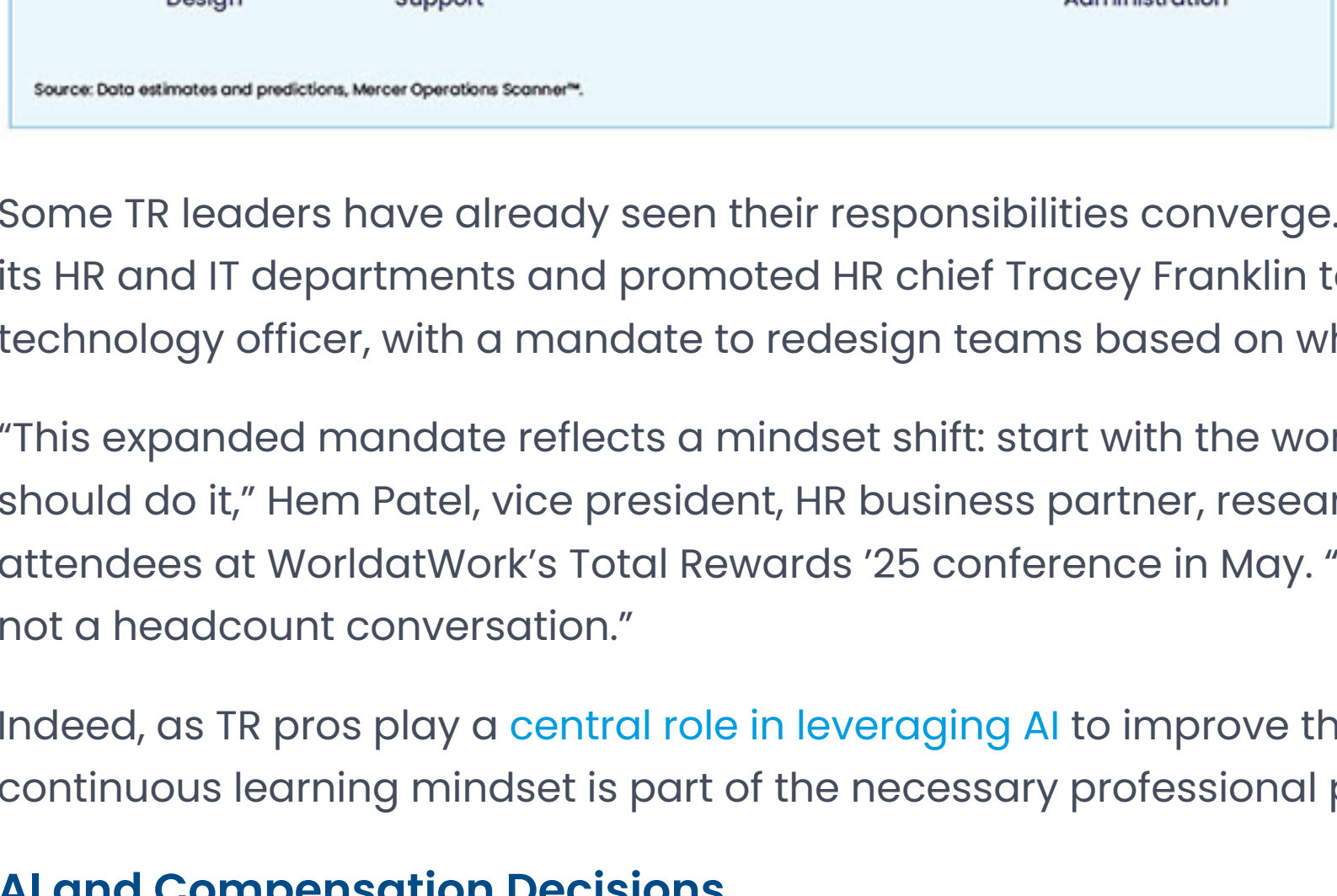
The fact that TR teams deal with a lot of sensitive employee data, and that the **risks of AI** are still largely unknown, could also be making them hesitant to move forward with AI solutions, according to Gordon Frost, partner and global rewards solution leader at Mercer. But he noted that things are beginning to change. "We're starting to see a lot more rewards teams take a more proactive approach and saying, 'We can't wait on the sidelines indefinitely because we don't want to be left behind,'" he said.

According to a Korn Ferry [survey](#) of over 5,700 global HR and TR professionals, about one-quarter of firms are currently using AI in their total rewards operations. As AI matures, however, that number is expected to grow to about 40%.

A separate [survey](#) by Payscale found that compensation professionals are increasingly open to leveraging AI tools in their work. In 2025, about 20% of organizations said they were totally onboard with the application of AI in compensation management, while about half were cautiously optimistic, up from 7% and 31%, respectively, last year.

## Changing Responsibilities

Studies like these demonstrate that there's room for growth when it comes to adopting AI solutions in TR settings. In fact, a recent Mercer [report](#) estimates that more than half (52%) of TR leaders' hourly workload — roughly five to six months a year — could be affected by AI going forward. Tasks that can be augmented by AI include employee support, program design and data analysis, the report authors noted, while the technology could significantly be engaged in benefits administration responsibilities.



Some TR leaders have already seen their responsibilities converge. For example, vaccine maker Moderna [last year merged](#) its HR and IT departments and promoted HR chief Tracey Franklin to the newly created role of chief people and digital technology officer, with a mandate to redesign teams based on whether work is best done by people or technology.

"This expanded mandate reflects a mindset shift: start with the work, then decide whether a human or a digital resource should do it," Hem Patel, vice president, HR business partner, research and executive compensation, at Moderna, told attendees at WorldatWork's Total Rewards '25 conference in May. "This shift has helped us reframe AI as a capacity unlock, not a headcount conversation."

Indeed, as TR pros play a **central role in leveraging AI** to improve the design, delivery and impact of rewards programs, a continuous learning mindset is part of the necessary professional preparedness.

## AI and Compensation Decisions

Also speaking at the conference, Eubanks cited Lighthouse data that found AI is already capable of taking over 70% of compensation professionals' tasks. Potential capabilities will include things like:

- Real-time benchmarking.
- Automation in compensation planning and reporting.
- Scenario planning.
- Salary structure analysis.
- Budget forecasting.
- Skill-based pay progression.
- Pay-for-performance calibration.

In fact, experts say AI has the potential to truly deliver on goals comp professionals have been aiming at for years: a more scalable, defensible, data-driven approach to compensation management.

"One example we've seen at Payscale is clients using AI to quickly identify pay disparities across geographies or functions that might otherwise go unnoticed until you did a really careful audit," Hillenmeyer said. "That kind of agility just really wasn't possible before."

Another task AI can help with is determining the long-term implications for pay decisions, such as whether hiring an employee at a certain level might require remediation of other salaries to maintain equity. There are also use cases for AI in executive compensation, which is often tied to business outcomes. Boards and executive comp professionals could potentially use AI to better forecast the business impact of specific competencies and skills.

Even as they lean into the use of AI tools for these purposes, however, the human expertise and oversight with compensation planning and execution remains crucial.

"We think the human in the loop is so critical, especially in a space like compensation and HR, where you really do need human oversight to make sure the AI is working properly, and that the data feeding it is up to date," said Maya Wilson, senior director of data science at pay equity technology company Syndio.

## AI and Employee Experience

AI holds huge potential to improve the employee experience.

Moderna's US Benefits Assistant, for example, guides employees through the often-overwhelming process of choosing benefits during open enrollment. Over a two-week period, it had over 1,300 users and generated more than 10,000 messages.

AI can also help employees understand and optimize more complex rewards, like variable compensation or equity.

"The employee doesn't have to go through and read all the materials," said Mercer's Frost. "They'll get a more curated offering that should give them a better result."

Similar tools can be created for other self-service functions. [Microsoft](#) enlisted the help of its HR Service Center teams in developing AI-powered bots that can answer routine questions, resolve common issues or automate tasks that take up valuable employee time.

In addition to seeing efficiency gains, the company reported **42% better accuracy** from AI in answering employee questions compared to its previous HR self-service system. As a result, HR expects that employees will be 54% less likely to file a case requiring human intervention.

## AI and Job Architecture

AI has been a **critical tool** at Bristol Myers Squibb (BMS) during its five-year journey to refresh its job architecture, leveling and reward framework, according to Joan Gliboff, BMS' senior director of compensation and compensation partner, global compensation programs. As part of that refresh, the pharmaceutical giant streamlined its job family groups and job families, eliminated duplicate or unnecessary job families, renamed job families to better align with business requirements, and configured new job profiles to fill in missing levels.

***'I see [AI] freeing up managers' time and employees' time, but also freeing up the compensation team's time so we can support the business more.'***

Last year, BMS used AI to develop a centralized repository for baseline job descriptions across the enterprise and create "starter descriptions" for 1,200 unique jobs. To ensure accurate content, managers reviewed the job mapping for the jobs in their area to confirm the job family description and the top five accountabilities for the work.

While job grades are still determined by the compensation team, managers can now use a bot to pick the right job family group and job family, which determine the salary range. This has simplified decisions about hiring and provided data-backed answers to questions about pay equity.

"I see it freeing up managers' time and employees' time, but also freeing up the compensation team's time so we can support the business more," Gliboff said. "We can work with managers more, because we can move out a lot of this routine, repeatable work to an [AI] agent or we can get better information at source that's resolved quickly."

## AI and Career Development

AI can also empower employees to conduct self-assessments and peer reviews, providing more comprehensive performance feedback that managers can then consider to make decisions. This process might also surface opportunities for employees who would benefit from mentorship opportunities or other forms of career development.

As an example, Accenture's AI-powered "Feedback Coach," which integrates in [Workday](#), helps workers provide more effective and meaningful real-time feedback while also providing on-demand synthesized performance data to managers. In less than a year, workers have used the Feedback Coach more than half a million times, with 76% of users rating the quality as good or excellent, according to Tiffany Jones, Accenture's global head of rewards, recognition and performance, who spoke at the WorldatWork conference.

For its part, Microsoft is developing a streamlined talent management system that uses AI agents to provide deep insights into skills and abilities from accumulated work. "This system leverages the opportunity for agents to extract personalized insights that can assist employees in career planning," Christopher J. Fernandez, the company's chief HR AI officer and corporate vice president, human resources, [wrote](#) earlier this year. The expectation is that the tool will help guide growth recommendations and position talent strategically, benefiting both employees and the employer.

## More Possibilities

Like any new technology, AI brings with it some potential unknowns. But it can also open doors. By freeing up TR professionals from transactional and repetitive tasks like analyzing data or explaining benefits, the technology enables teams to shift to more strategic work, such as workforce planning, leadership coaching and engagement initiatives. What's more, that efficiency can also increase human interactions with employees when and where it matters most.

"We're seeing, both in our work and across the organizations that we support, that AI isn't currently replacing the workforce; it's redefining roles," Hillenmeyer said. "So, people are focusing on different work and work that humans are really good at in the HR space."

Evidence shows job satisfaction gains among people pros who are incorporating AI into their daily work. HR staff at Microsoft that use Copilot to provide customer service to employees, for example, [reportedly](#) are 16% more likely to say they enjoy their job.

AI may also lead to the creation of brand-new positions within HR and TR functions. At BMS, for example, Gliboff is adding new roles for employees who can source and vet the data feeding AI models as well as craft prompts and verify the output.

Gliboff said she also encourages the rest of her team to integrate AI into their workflow. Her monthly team meeting includes an agenda item in which one person shares information about how they're using AI to be more efficient or productive.

"We don't want them to be scared of it," she said. "We want them to see it as a way to augment the work they're doing."

## Editor's Note: Additional Content

For more information and resources related to this article see the pages below, which offer quick access to all WorldatWork content on these topics:

- [Total Rewards](#)
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