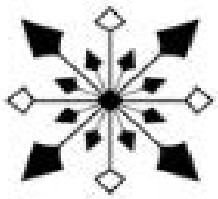

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2025 State of HRIS AI

The Three Stages Of AI Strategy

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State of HRIS AI: The Three Stages of AI Strategy

Artificial Intelligence (AI) is transforming the Human Resource Information System (HRIS) landscape, introducing new efficiencies and strategic capabilities for HR teams. Today, HRIS vendors are deploying AI in three primary stages, each representing a progressive enhancement in AI functionality. This report outlines these stages, demonstrating the evolution of AI from basic automation to advanced decision-making and task execution.

Additionally, identify where nine leading HRIS solutions stand in their 2025 AI strategy execution and how their AI adoption compares across the industry.

Stage 1: Smart Search & Chatbots

The first and most common AI approach deployed by HRIS is Smart Search and Chatbots, designed to serve as an employee self-service tool. These AI-powered features reduce administrative burdens on HR teams by enabling employees to quickly find answers to common policy-related questions—such as PTO policies, leave policies, and corporate holidays—without having to navigate complex corporate handbooks.

While valuable, this is the introductory level of AI deployment, functioning primarily as an enhanced FAQ system. It improves efficiency by reducing HR inquiries but does not yet impact broader HR functions such as recruitment or workforce planning. Stage 1 indicates the solution is utilizing AI at a fundamental level but has not yet expanded into more comprehensive AI usage across the HRIS.

HRIS Solutions in this Stage 1:

- **BambooHR**

Stage 2: Expanding AI to Talent Acquisition

The second stage builds upon Smart Search & Chatbots by incorporating AI-driven automation in Talent Acquisition. This approach allows HR teams to leverage AI for more complex and strategic functions, such as:

- Job Requisition Creation – AI assists Talent Acquisition professionals in drafting job postings efficiently.
- Job Description Enhancement – AI refines and optimizes job descriptions for better candidate attraction.
- Candidate Matching – AI analyzes resumes and job descriptions to suggest the best-fit candidates.

Stage 2 extends AI beyond employee self-service, impacting both current and future employees. Solutions deploying this approach offer HR teams a more strategic AI-driven experience, improving hiring efficiency, optimizing job postings, and reducing time-to-fill.

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HRIS Solutions in this Stage 2:

- **GoCo**
- **isolved**
- **Paylocity**
- **UKG Pro**

HRIS Solutions in Beta or with Announced AI Enhancements in this Stage:

- **Dayforce**
- **Paycor**

Stage 3: Generative AI & AI Agents

The third and most advanced stage of AI deployment in HRIS leverages Generative AI, similar to ChatGPT, to provide sophisticated decision-support capabilities. Unlike earlier AI implementations that primarily retrieve information or automate tasks, this stage enables HR leaders and managers to ask complex, data-driven questions and receive actionable insights.

For example, a manager might ask:

"How much overtime did the XYZ department incur in March, and what are three ways to reduce overtime in April?"

AI at this stage analyzes workforce data, identifies trends, and generates strategic recommendations—allowing HR and business leaders to make informed decisions faster and more effectively.

Additionally, AI Agents are emerging as the next evolution in HRIS AI strategy. These agents can:

- Execute HR tasks autonomously (e.g., approving PTO requests based on predefined rules).

- Communicate with other AI-driven systems (e.g., syncing HR data with other systems to have broader impact).

This stage is a game-changer, significantly enhancing HR's ability to drive business impact. As AI continues to evolve, we anticipate further expansions in AI agents, task execution, and cross-platform AI communication—making AI an indispensable component of HRIS solutions.

HRIS Solutions in this Stage 3:

- **Workday**

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Stage 0: No Announced AI Strategy

While many HRIS vendors have been leveraging Machine Learning (ML) and Natural Language Processing (NLP) for years, the rapid evolution of AI has necessitated a major shift in HRIS product development. However, some vendors have yet to articulate a clear AI strategy or implementation timeline.

As AI becomes a fundamental expectation in HR technology, vendors that fail to adopt AI quickly risk falling behind their competition and HR buyers' expectations.

HRIS Solutions in this Stage 0:

- **Paycom**

HRIS AI Strategy in 2025 and Beyond

This report categorizes which HRIS vendors are currently at each AI stage and provides insight into their publicly announced AI roadmaps for 2025. Notably, some vendors have yet to announce an AI strategy, which may impact their long-term competitiveness as AI becomes a key selection criterion for HRIS buyers.

AI is a transformative technology, and as HR teams evaluate HRIS solutions, AI functionality and strategy will increasingly influence purchasing decisions. Vendors that fail to evolve their AI capabilities risk losing ground in an industry that is rapidly embracing AI-driven efficiencies and decision-making tools.

In 2025 and beyond, HR buyers will no longer ask, "Does this HRIS incorporate AI?"—instead, they will demand, "What can this AI do to impact the success of my workforce and benefit the organization?"

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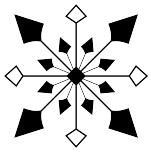

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