nCloud Integrators

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The Hidden Workforce Transformation

Why CHROs Must Co-Architect the AI-Driven Enterprise

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Brian Hodges
Co-Founder & CEO, nCloud Integrators

VISIER STRATEGIC PARTNER

ncloudintegrators.com

EXECUTIVE SUMMARY

Artificial Intelligence is not being deployed as a single, coordinated initiative. It is emerging as a multi-layered, fragmented operating system across the enterprise — SaaS platforms embedding AI, IT building internal capabilities, business units experimenting independently, and employees leveraging AI tools in untracked, informal ways.

The result is not just automation. It is the real-time redesign of work itself — happening without centralized ownership, visibility, or coordination. And beneath that operational gap is a human reality most AI strategies are not accounting for: **the workforce executing these transformations is navigating profound uncertainty about their roles, their futures, and whether their organizations are investing in them or replacing them.**

> ***HR must partner with IT and the business to define shared accountability for how AI reshapes work — who owns the technical infrastructure, who owns how work gets designed, and who owns the workforce transition that makes it all sustainable. That clarity is what separates organizations that navigate this well from those that let it happen to them.***

SECTION 01

The Explosion of Enterprise AI

AI adoption is not centralized — it is happening everywhere, all at once. Organizations are experiencing a surge of AI activity across three primary layers.

Platform-Embedded AI

Major enterprise platforms — Salesforce, Workday, ServiceNow, Gainsight, Rocketlane, Visier — are embedding AI directly into workflows, evolving from passive systems of record into active systems of recommendation and action. A sales leader is now guided by AI on which deals to prioritize. A services leader receives AI-flagged risk signals before problems surface. These are not optional features — they are becoming the default mode of operation.

Horizontal AI Tools

Microsoft Copilot, Google Gemini, Slack AI, and similar platforms are embedding intelligence into everyday work. Employees interact with AI continuously — drafting content, analyzing data, summarizing meetings, making decisions faster than ever. This layer is where AI adoption becomes ubiquitous but invisible: organizations often have no coordinated view of how these tools are being used or what the cumulative workforce impact is.

Individual-Level AI

Employees are independently using tools like ChatGPT and Claude to analyze data, draft communications, and make decisions — often without organizational awareness or governance. This is simultaneously the largest AI system in the enterprise and the least governed. It is also where the human dimension of AI transformation is most acute: employees navigating AI on their own, without clarity on how it affects their roles, their value, or their futures.

Three layers of AI, each moving at its own pace, each optimizing for its own objectives. The result is not a coordinated transformation — it is a collision of well-intentioned decisions made in isolation. That collision has a name.

SECTION 02

Your Workforce Is About to Get a New Kind of Colleague

The next major shift in how work gets done is not another AI tool layered on top of existing workflows. It is something more fundamental: AI agents that work alongside people — initiating tasks, completing work, making decisions, and operating continuously without the constraints of human availability. Most large enterprises will have a meaningful population of digital workers

operating within their functions within the next two to three years. Many already do.

This is not a prediction. Major enterprise platforms are actively embedding agentic capabilities into their standard roadmaps. Business unit leaders are evaluating and piloting them now, often without HR's knowledge and without a coordinated view of the workforce implications. The human-agent workforce is not coming. It is arriving function by function, through the software renewal cycle.

For HR, this creates a challenge with no historical precedent. The workforce has always been human. That is no longer true — and most organizations have not begun to grapple with what it means for how they hire, develop, support, and measure their people.

Three populations HR is not yet equipped to serve

The resistant workforce. A significant and vocal population is deeply skeptical of AI — not because they lack capability, but because they have watched AI-driven change displace colleagues and restructure roles they valued. Their resistance is rational. Deploying agents into this population without deliberate engagement does not overcome their skepticism — it confirms it.

The willing but unsupported workforce. A second population wants to work effectively alongside AI. They are not resistant. They are ready. But they have received tools without context, deployment without role clarity, and adoption without training. They know agents are changing how their function works. What they do not know is what their role is in the new model, which decisions remain theirs, and what skills they need to stay valuable. This population is not failing — it is being failed.

HR itself. As agents take on execution tasks across functions, the ratio of human to digital contributors shifts in ways that current analytics do not capture. Headcount reports count people. They do not count agents. HR is being asked to manage a workforce transformation it cannot yet see.

The research is converging on this as the defining workforce challenge of the next several years. Writing in *Harvard Business Review*, Jen Stave of Harvard's Digital, Data & Design Institute and her co-authors describe AI agents as an emerging category of talent — digital teammates rapidly expanding the definition of a qualified workforce beyond what was once the exclusive domain of human employees. McKinsey research reinforces the scale of the shift, noting that pioneering organizations are already expressing their org charts not only in number of full-time employees but also in the number of agents being deployed across every part of the organization. The workforce is no longer just human. Most HR functions have not yet updated their planning, analytics, or governance to reflect that reality.

One of the more consequential governance questions this raises is who actually owns the agentic workforce. Jensen Huang, CEO of Nvidia, has suggested that IT is becoming the HR of AI agents — responsible for acquiring, training, and managing the digital workforce. McKinsey researchers have taken that framing seriously while arguing it is incomplete: IT can manage the technical infrastructure of agents, but the workforce implications — how human roles change, which skills become critical, where anxiety is building, and how the organization sustains performance through

the transition — belong squarely to HR. The organizations navigating this well are the ones where HR is at the table before agents are deployed, not after.

STORY FROM THE TRENCHES

The Agent Nobody Asked For

A mid-size technology company deployed an AI agent in its customer support function to handle tier-one inquiries. Response times improved. Ticket volume handled per human agent increased. On every operational metric, the deployment was a success.

Three months later, voluntary turnover in the support team increased by 22 percent. Exit interview data revealed a consistent theme: team members did not understand what their role was anymore. The work they found meaningful had been automated. Nobody had redesigned the human role around what the agent now handled.

> ***The operational metrics were right. The workforce intelligence was absent. HR had no visibility into the role drift until it showed up as attrition — six months after the signal was there to act on.***

STORY FROM THE TRENCHES

The New Hire Nobody Onboarded

A business unit leader at a mid-size technology company approved the rollout of an agentic capability embedded in one of their core operational platforms. IT scoped it, procured it, and deployed it. The capability automated a significant portion of routine coordination work the team had been doing manually — scheduling, follow-up, status updates, initial triage. It worked. Productivity metrics improved within the first quarter.

Six months in, the HR business partner for that function noticed something in the engagement data: scores on "my work is meaningful" and "I understand how my contribution connects to outcomes" had dropped steadily since the deployment. In stay interviews, a pattern emerged. Team members felt they had been removed from work they understood and handed work they did not — managing exceptions and edge cases for a system nobody had explained to them. They were not resistant to the agent. They had never been introduced to it.

> ***The agent had been onboarded. The people working alongside it had not. IT managed the deployment. HR managed the fallout. The gap between those two moments is exactly where shared accountability needs to live — and where it most often does not.***

The operational fragmentation is real and the workforce implications are already arriving. But there is a layer beneath both — a human cost that is building quietly in the data, in the anxiety of the people living through this transformation, and in the organizations that have not yet named what is

happening to them.

SECTION 03

The Human Cost of Fragmentation

Before addressing operational architecture, there is a more immediate reality every CHRO must name directly: **the people executing these AI strategies are afraid.**

1 in 5
Workers globally feel their job is secure
ADP Global Research, 2026

40%
Of employees fear AI displacement — up from 28% last year
Mercer Global Talent Trends, 2026

5×
More likely to feel secure when employer invests in their skills
ADP Research

The pace of adoption tells only half the story. Gallup research published in June 2025 found that frequent AI use among white-collar employees has nearly doubled in two years — 27 percent of white-collar workers now report using AI regularly at work, up 12 percentage points since 2024. But adoption and readiness are not the same thing. Employees are using AI tools they do not fully understand, in roles that have not been redesigned to account for them, without clarity on what the change means for their future. The standard reassurance has stopped working. Employees have stopped believing "AI will augment you, not replace you" — because they have watched it not be true for peers.

> ***Scale AI execution on top of a disengaged workforce and you don't get the return you modeled. You get faster execution of a destabilized enterprise.***

Workers who feel their employer is genuinely investing in their development are more than five times as likely to feel their jobs are secure. This is not a communication strategy. It is a commitment strategy — and it requires knowing where to invest, which requires analytics.

Reskilling Is the Most Urgent Thing Most Organizations Are Not Taking Seriously

The World Economic Forum's Future of Jobs Report 2025 — drawing on surveys of more than 1,000 global employers — found that 39 percent of core workforce skills will change or become obsolete by 2030. The same report projects that 170 million new roles will be created over the next five years while 92 million are displaced — a net gain of 78 million jobs globally. But here is the number that demands attention: of every 100 workers in the global workforce, 59 will require reskilling or upskilling by 2030, and 11 of those are unlikely to receive it. That is more than 120 million people at medium-term risk of redundancy — not because AI is replacing them, but because the organizations employing them are not investing in helping them adapt.

Most organizations are aware of the reskilling imperative in the abstract. Very few are treating it with the urgency it deserves in practice. The reason matters: reskilling for the age of AI is fundamentally different from reskilling for previous technology transitions. The jobs that will be most in demand in five years do not yet fully exist. The skills required to work alongside current AI capabilities are not yet being systematically taught. And the psychological shift required — from mastering a fixed skillset to remaining perpetually curious, adaptive, and open to learning — is a cultural change that most organizations have not begun to design for.

PwC's 2025 Global AI Jobs Barometer, which analyzed nearly one billion job postings across six continents, found that workers with demonstrated AI skills command a wage premium of more than 30 percent over peers in the same roles without those skills — up from 25 percent the year before. The market is already pricing AI readiness into compensation. Organizations that do not invest in developing those skills in their existing workforce are not simply falling behind on training metrics. They are making a workforce less competitive in real time, in ways that will become harder to reverse with every quarter they wait.

Employees who see genuine investment in their development are more than five times as likely to feel their jobs are secure, according to ADP research. That is not a communication outcome — it is a commitment outcome. Telling people their jobs are safe does not change how they feel. Demonstrating it through visible, continuous reskilling investment does. The organizations that will navigate this transition well are not the ones with the most sophisticated AI strategy. They are the ones that understood early that curiosity and continuous learning are not soft skills — they are the most durable competitive advantages available to any enterprise in a world where the technology is changing faster than any individual can fully master it.

Understanding the human cost is necessary. But it is not sufficient. The anxiety employees feel is a symptom of a deeper structural gap — one that requires rethinking not just how we support people, but how we design the work they do.

SECTION 04

From Workforce Planning to Work Design

AI is not just changing workforce demand — it is changing how work happens. Tasks are automated. Decisions are augmented. Workflows are executed by systems. The question is no longer only "how many people do we need?" It is "what does work actually look like in each role, and which parts should be human-led versus AI-led?"

> ***Workforce planning must evolve into work design. And work design requires a partnership between HR, IT, and the business that most organizations have not yet built.***

⚠ STORY FROM THE TRENCHES

Customer Success Role Evolution

A CS team found that 40% of time went to data gathering, 30% to reactive issue management, and 30% to strategic engagement. After introducing AI: reporting automated, issue detection became proactive, and CSMs shifted to strategic work. But this only happened because the business actively redesigned the role — not just implemented AI. CSMs were shown what their role was becoming and invested in accordingly.

> ***The organizations that get this right don't just implement AI. They redesign work with their people — converting potential anxiety into genuine engagement opportunity.***

Work design is not an HR project. It is a business decision — and the function best positioned to drive it is not the one you might expect.

SECTION 05

The Role of the Business in Work Design

Only business leaders understand the day-to-day workflows, the nuances of execution, where inefficiencies exist, and where judgment is required. This makes them uniquely positioned to break roles into tasks, identify automation opportunities, and redesign workflows. But they need HR to translate task-level changes into role definitions and career pathways, and IT to enable the systems that support the new model.

> ***Business designs the work. HR designs the roles and workforce. IT enables the systems.***

> ***Clear ownership of how work gets designed is essential. But it does not answer the question already creating tension in boardrooms: when AI makes the work significantly cheaper or faster, what happens to the value it creates?***

SECTION 06

AI Is Reshaping the Economics of Work

The traditional model focused on headcount, labor costs, and output per employee. The emerging model requires consideration of combined human and AI output, technology versus labor costs, and productivity across entire workflows. Every AI deployment decision is also a workforce decision — and the two cannot be evaluated separately.

⚠ STORY FROM THE TRENCHES

The Support Transformation

A company implemented AI in customer support to reduce response times. Metrics improved — faster response, lower cost per ticket. But customer satisfaction declined and escalations increased. The organization optimized efficiency without redesigning the human roles around what automation had changed.

> ***AI forces organizations to balance productivity, quality, experience, and sustainability — not just cost.***

⚠ STORY FROM THE TRENCHES

The Efficiency Dilemma

Across the Professional Services organizations we work with, AI is delivering dramatic efficiency gains — engagements that historically required thousands of hours are being completed in a fraction of the time. On a $500,000 fixed-fee engagement, that is a fundamental shift in delivery economics. And now no one can agree on what to do with it.

Sales wants to reprice and compete more aggressively. Services wants to reinvest the margin. Finance wants to reduce headcount. And customers — increasingly aware that AI is driving efficiency gains — are asking for discounts on in-flight and future engagements.

> ***This is not a pricing problem or a headcount problem. It is a workforce intelligence problem — one that cannot be resolved without connecting delivery data, workforce economics, customer context, and financial outcomes in a unified view.***

COMPANION PAPER — COMING SOON

Leading the Hybrid Delivery Organization: How Professional Services Leaders Navigate the Operational, Economic, and Human Dimensions of AI Transformation

nCloud Integrators is developing a dedicated framework for PS leaders navigating the operational, economic, and human dimensions of AI transformation — including a four-level AI Delivery Maturity Model and 90-day action framework. Available soon at ncloudintegrators.com.

Organizations connecting workforce data, operational execution data, and financial performance in a unified analytics layer have identified significant value opportunities — margin improvement in professional services delivery, retention revenue protection in customer success, and capacity modeling precision in sales. The data exists. The intelligence gap is integration.

Resolving the economic questions requires something most organizations do not yet have: a clear, continuous view of where AI is operating, what it is doing, and what the consequences are. Without that visibility, every other decision is made in the dark.

SECTION 07

AI Workforce Observability

Most organizations cannot answer: Where is AI being used? How are roles actually changing? What work is being automated — and what work is being created? Where are workforce risks building before they appear in performance data? Organizations need a connected, continuous capability to track AI adoption by function, task-level automation, decision influence, and workforce impact — capacity, capability, and sustainability. This requires workforce signals integrated with operational data and financial outcomes in a secure platform where the full picture is visible.

⚠ STORY FROM THE TRENCHES

Shadow AI in Finance

A finance team used AI tools to automate forecasting models. Results improved — but assumptions were undocumented, logic was not standardized, and outputs conflicted with official reporting.

AI created value — but also risk. Because no observability layer existed, leadership couldn't see either until problems surfaced.

Visibility solves the measurement problem. But measurement alone does not produce coordinated action. For that, organizations need something more fundamental — clarity on who is actually responsible for what.

SECTION 08

Defining Who Owns What

One of the most consistent gaps nCloud sees in organizations navigating AI transformation is not a technology gap — it is an ownership gap. Nobody has sat down and answered the question that determines whether the transformation succeeds or drifts: who is responsible for what, and where do those responsibilities connect?

IT owns the technical infrastructure. The platforms, the integrations, the security and governance of AI tools, the architecture that makes data available and trustworthy. This is IT's domain, and it is the foundation everything else depends on.

The business owns how work gets designed. Only business leaders understand the day-to-day reality of their functions — which tasks are being automated, which require human judgment, where workflows need to be rebuilt rather than just accelerated. They own the decisions about how work actually changes.

HR owns the workforce transition. Which roles are changing and how. What skills people need to develop. Where anxiety is highest and why. What reskilling investment looks like and how to connect it to where AI is actually being deployed. HR owns the human side of every technology decision the other two functions make.

The shared accountability framework is not a new structure to build — it is a set of conversations to have, relationships to establish, and decisions to make explicitly rather than by default. The organizations getting this right are the ones where HR, IT, and the business are talking to each other before decisions are made, not after. nCloud Integrators, working alongside Visier's workforce intelligence platform, is helping organizations establish exactly this kind of shared accountability today — bringing the data, the relationships, and the facilitation that make those conversations productive.

Shared accountability defines who owns what. But translating that into lasting organizational change requires more than defined roles — it requires the three functions to actively work as partners. Here is what that partnership looks like in practice.

SECTION 09

The Partnership That Makes It Work

No single function has the full picture — and that is precisely why this cannot be solved by any one of them alone. IT sees the technology but not the workforce implications. Business leaders see how work gets done in their functions but not how it connects across the organization. HR sees the people but has not historically been connected to where operational and financial decisions are actually made. Each function has a piece of the picture. The partnership is what makes the whole thing visible. The table below shows how ownership naturally divides — and where it must be shared:

Area	Business	HR	IT
Task Design	✓		
Role Design		✓	
Systems & AI			✓
Skills & Workforce		✓	
Workflow Execution	✓		✓
Governance	✓	✓	✓

> ***AI transformation succeeds when work, workforce, and systems are designed together — with each function contributing what only it can see.***

WHAT WE HAVE COVERED

AI is not arriving as a single initiative — it is fragmenting across platforms, functions, and individual workflows simultaneously, without a coordinating intelligence to make sense of it all. **The operational gap is real:** most organizations cannot tell you where AI is being used, what it is doing to how work gets done, or where the risks are building. **The human gap is urgent:** the workforce executing AI strategies is anxious, confidence is falling even as usage rises, and generic reassurance has stopped working. **The economic gap is unresolved:** efficiency gains are accumulating without a shared answer to what happens to the value they create.

These three gaps do not have separate solutions. They have one: organizations where HR, IT, and the business have defined shared accountability for how AI reshapes work, built the partnerships that make coordination real, and created the visibility to act on early signals before they become performance problems.

> ***The question is not whether this is happening in your organization. It is whether HR is shaping it — or responding to it after the decisions have already been made. The seven steps below are where that shift begins.***

SECTION 10

A Practical Framework for CHROs

None of this requires a new platform, a new organizational structure, or a multi-year transformation program. It requires deliberate action — a sequence of moves that build on each other, each one creating the conditions for the next. Start with one. Build from there.

1. **Establish an AI Workforce Council**
   Convene HR, IT, business leaders, and Finance. Define governance. Make this an active working group with shared metrics — not a quarterly steering committee.

2. **Name the Human Reality First**
   Use workforce analytics to understand where anxiety is highest and which populations face the greatest disruption risk. Build reskilling and communication strategy around that intelligence.

3. **Enable Work Design in the Business**
   Facilitate task decomposition within each major function. Help business leaders identify automation candidates and redesign workflows. HR's role is to facilitate and translate — not own the process.

4. **Build Work Architecture**
   Define the tasks, roles, and human/AI boundaries that emerge from work design. This becomes the foundation for workforce planning, reskilling investment, and the observability layer.

5. **Implement Observability**
   Establish a connected view of AI adoption by function, workforce impact, and business outcomes — workforce data integrated with operational and financial systems.

6. **Align with Finance**
   Frame every workforce investment in the language of margin, productivity, and value creation. When HR speaks Finance's language, the investment conversation changes.

7. **Drive Continuous Reskilling**
   Embed learning into role evolution and career pathways. Make the commitment visible. The organizations that convert AI anxiety into AI engagement are the ones where employees can see their future — not just be told one exists.

SOURCE MATERIAL

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Ready to Co-Architect Your AI-Driven Enterprise?

nCloud Integrators offers a 30-minute AI Workforce Readiness Conversation — a structured discussion that maps where your data is, where the governance gaps are, and what connecting your workforce intelligence to your operational and financial outcomes would make possible. No pitch. Just clarity on where to start.

Schedule Your 30-Minute Readiness Conversation

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Brian Hodges

Co-Founder & CEO, nCloud Integrators

Brian Hodges spent twenty years at Informatica — one of the world's leading data integration companies — before co-founding nCloud Integrators in 2018. With nearly thirty years at the intersection of enterprise data and business performance, Brian brings a cross-enterprise perspective on what separates AI transformations that deliver from those that stall. nCloud Integrators is a Visier Strategic Partner specializing in AI workforce intelligence across Professional Services, Customer Success, Sales, Support, and HR analytics.

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