



Driving AI adoption

Empowering people to change



The opportunities made possible through AI are immense.

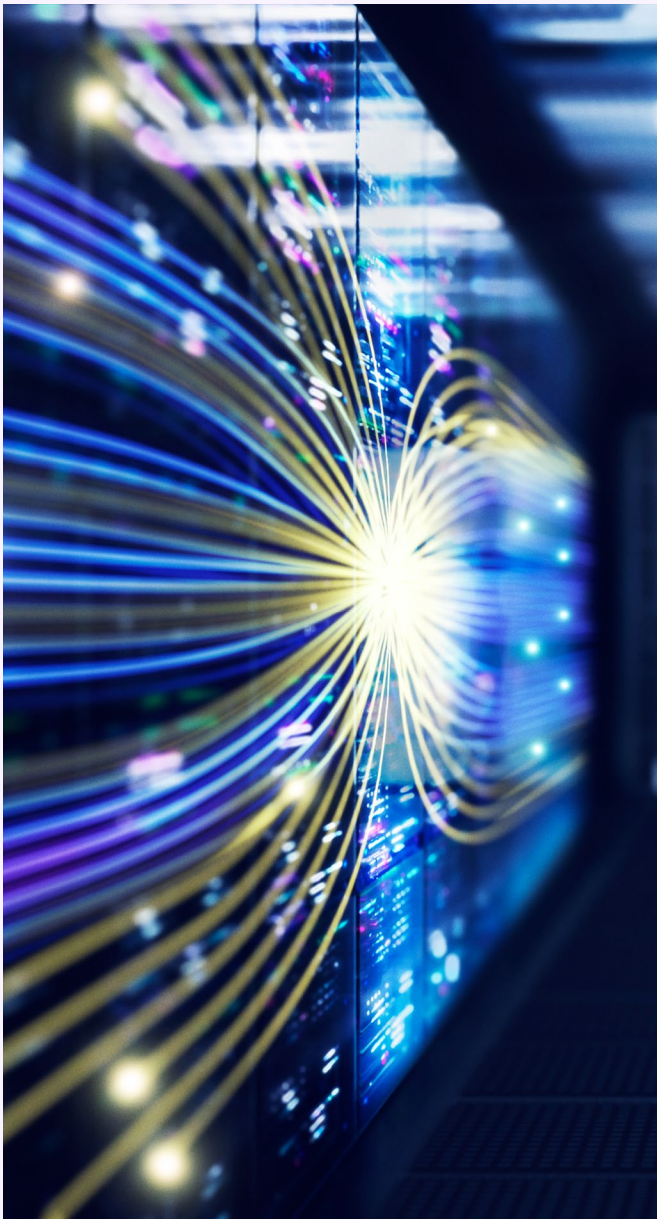
Getting your workforce to adopt AI to its full potential is fundamental to ensuring it delivers the promised productivity benefits.

However, more than other technologies, generative AI can be considered a threat by employees, lowering their enthusiasm to fully embrace it.

By making AI adoption a positive experience that removes the sense of threat, your workforce is much more likely to adopt it, and your organisation is more likely to see positive outcomes.

We have real experience to share with you, plus practical steps you can take based on the science of behavioural change, to enhance employee enthusiasm for generative AI.

It is becoming increasingly rare to find an organisation without a foot on the generative artificial intelligence (AI) accelerator. However, despite the global surge in AI adoption, where usage nearly doubled in the six months leading to May 2024,¹ Australian workplaces have a long way to go to take full advantage of this technology.



These adoption challenges are somewhat surprising given AI's substantial business benefits, although not entirely unexpected. Discourse around risks – misinformation, algorithmic biases, privacy violations, security threats, and existential risks – are inhibiting wider adoption.

Professional services firms aiding AI implementation will be discussing their risk management capabilities and specifically their 'Trusted AI' approaches to addressing the business risks of generative AI. Trusted AI will become a strategic imperative for organisations to build and maintain user trust, regulatory compliance, and the capacity to innovate.²

Yet the one risk that may go unmentioned, arguably the biggest risk to generative AI adoption, is the one posed by your own employees. This risk is not about them being duped by a deepfake or revealing sensitive intellectual property: it is the risk of your people choosing not to use AI due to scepticism, mistrust, or fear – particularly the fear of losing their jobs.

Resistance to generative AI is different from other disruptive enterprise technologies

Generative AI has gained significant attention in the news and popular culture. However, widespread awareness is accompanied by high apprehension: a global study conducted by Ipsos involving 32 countries, identified Australia as the most nervous nation regarding AI, with 69 percent of respondents³ expressing concerns about AI-powered products and services. This apprehension stems from the fear that generative AI will perform tasks currently undertaken by people – skilled or unskilled – therefore jeopardising the employees' jobs and rendering them surplus to requirements.⁴

¹ [AI at work is here. Now comes the hard part](#), 2024 Work Trend Index Annual Report, Microsoft and LinkedIn, 8 May 2024

² [Trusted AI governance: ethical AI framework for growth](#), KPMG Australia, October 2024

³ [The Ipsos AI Monitor 2024](#), Ipsos, June 2024

⁴ [Trust in Artificial Intelligence: Australian insights 2020](#), KPMG Australia & University of Queensland, October 2020

Research shows that high-trust organisations are more successful in their digital transitions.⁵ However, many employees feel excluded from AI-related discussions, creating uncertainty about whether their interests are being considered.⁶ A recent study by the UTS Human Technology Institute offering insights into the perspectives of nurses, retail workers, and public servants (representing a significant segment of the workforce) on AI adoption, revealed concerns of surveillance, among other things.⁷

This emphasises the need for organisations to involve employees in AI planning and implementation, ensuring they understand its purpose and benefits. Trust is a delicate element that can easily be eroded, yet, when nurtured, it can lead to the effective achievement of technological goals.⁸

People are at the heart of AI adoption

The risks of failed adoption of AI further accentuate the reality that organisational transformation initiatives face a significant uphill battle, even without the cloud of employee mistrust surrounding generative AI. According to Gartner, half of all change initiatives fail.⁹

Imagine instead, a conversation focused on embracing change and overcoming fear, where people are motivated to engage with generative AI – even excited about the possibilities that AI and other technologies bring for them, their work and their customers or clients.

Inspiring people to embrace AI

In our experience, there are five key elements that make a material difference to the enthusiasm with which your workforce approaches AI adoption:



Being clear on the why – clarify why using generative AI is core to your business.



Fostering widespread engagement and training – start conversations to establish social connections, build capability and skills.



Encourage people to play – provide safe opportunities to experiment with AI and foster an environment where people can share their knowledge and tips.



Make new ways of working tangible – demonstrate how AI augments roles.



Reward your people for engaging with AI – implement formal and informal ways to encourage AI adoption.



⁵ P. J. Zak, [The Neuroscience of Trust: Management behaviors that foster employee engagement](#), Harvard Business Review, January–February 2017

⁶ M. Veitch, [In the AI Age, Leaders Need to Build Trust... But How?](#), Workday Blog, 22 February 2024

⁷ ['Invisible Bystanders': How Australian workers experience the uptake of AI and automation](#), UTS Human Technology Institute & Essential Research, May 2024

⁸ T. Kähkönen et al., [Employee trust repair: A systematic review of 20 years of empirical research and future research directions](#), Journal of Business Research, volume 130, June 2021

⁹ [Organizational Change Management: Deliver on complex organizational change management initiatives](#), Gartner, accessed 26 November 2024

Changing the game with Trusted AI: the KPMG KymChat story

KPMG KymChat is a generative AI agent, empowering our people to access the capabilities of ChatGPT in a protected KPMG environment.

Just as ChatGPT was making headlines, KPMG Australia's Chief Digital Officer John Munnelly learned Microsoft had acquired 49 percent of OpenAI – ChatGPT's creator. With a private connection to ChatGPT, Microsoft offered KPMG Australia early access in a secure environment.

'Leveraging our close relationship with Microsoft, we were able to get a secure version of ChatGPT up and running in weeks – we called it KymChat.'

JOHN MUNNELLY

In a matter of weeks, John and the team built a front end for the AI and shared it with KPMG's senior leadership team. Despite some early issues with accuracy, it was enough to prove that generative AI was an opportunity worth exploring.

With leadership endorsement, the team built a more robust version of KymChat and deployed the beta less than a month later. Collaboration was key to success and involved establishing a multidisciplinary team across technology, risk, legal, security and change management.

During beta, the team ensured all existing data protection measures were applied. John says it was about testing KymChat in a safe environment and putting an explicit 'beta badge' across it.

'We tracked every request to KymChat which allowed us to work through any issues. We learned what it was being used for and what gaps we needed to fill.'

The development and launch of KymChat highlighted the significance of careful design and testing. Using AI responsibly needs certain safeguards and controls that suit the system and situation. We learned the value of experimenting with and slowly introducing AI systems to pinpoint these safeguards. Furthermore, we learned that high-quality data is essential for optimal results with AI, which calls for an improvement in how data is managed. Taking both a bottom-up and top-down approach to the development, deployment, and governance of AI systems increases the likelihood of success.

Today, the beta sticker is gone and KymChat continues to go from strength to strength. To improve accuracy, the team has created custom libraries of curated datasets, such as the tax precedence database – raising accuracy from 60 percent to 94 percent.

Since then, KPMG has developed several purpose-built versions of KymChat, which are being used extensively across KPMG and by our clients, including ASX 100 companies. This includes KymTax, which is currently being employed by our tax service lines, enhancing our productivity and service quality.

The approach we have taken to people engagement and change management has been integral to this success, with a focus on AI-specific training. This has allowed us to effectively manage the changes brought about by the integration of these AI solutions, resulting in a smooth transition for all involved.

We have also just completed a Time in Motion study on the productivity gains from implementing these AI solutions, the results of which are looking very promising.

Persona Studio has been released with high uptake, allowing individuals to define their own corpus of data specific to engagements and clients, all hosted onshore with appropriate safeguards in place.

KymChat – in numbers



40,000

prompts answered in first 8 weeks



13,000

unique users since launch



1.7M

prompts answered to date

* Accurate as of January 2025



Be clear on the 'why'

Clarity of purpose is critical for AI adoption. When leaders and employees understand the purpose of AI, they can better envision their role in the future state. Knowing AI enhances job efficacy rather than replacing workers is compelling. People want to excel in their jobs; AI helps them to be better and more effective. Therefore, organisations must clearly communicate why AI is being introduced. At KPMG, we realised AI could empower and augment human capacities, unleashing creativity and improving productivity in ways that allow people to reimagine their tasks.

At a macro level, the Productivity Commission identified that AI has the potential to address some of Australia's most enduring productivity challenges, including slow service sector productivity growth. In fact, AI is expected to enable more efficient use of the existing workforce, particularly in areas where there are skill and labour gaps.¹⁰

Case study

KPMG's approach to generative AI

At KPMG we have moved quickly to adopt generative AI in our work, including using it with our clients. Our approach is informed by the following three pillars:

Values-driven

We implement AI as guided by our values. They are our differentiator and shape a culture that is open, inclusive and operates to the highest ethical standards. Our Values inform our day-to-day behaviours and help us navigate emerging opportunities and challenges.

Human-centric

We prioritise human impact as we deploy AI and recognise the needs of our clients and our people. We are embracing this technology to empower and augment human capabilities – to unleash creativity and improve productivity in a way that allows people to reimagine how they spend their days.

Trustworthy

We will adhere to our principles and the ethical pillars that guide how and why we use AI across its lifecycle. We will ensure our data acquisition, governance and usage practices upholds ethical standards and complies with applicable privacy and data protection regulations, as well as any confidentiality requirements.

[Learn more](#)

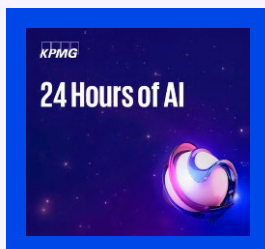
¹⁰ [Senate Select Committee on Adopting Artificial Intelligence \(AI\): Productivity Commission submission](#), Productivity Commission, May 2024

Foster widespread engagement and training

KPMG's transformation research¹¹ shows that when employees feel trusted, respected, and heard, they deliver better results. Complementing this research, motivational theories show us that people are more motivated to change when they have agency, feel a sense of connection and belonging with other people, and feel competent.

Employees must engage in discussions that enable social connections and decision-making to further experiment. To bring this to life, we can draw on the concept of social proof and showcase AI successes using examples from employees and teams. We can also encourage peer-to-peer learning by creating platforms where experienced team members mentor those with less experience.

At KPMG, we ran a number of '24 hours of AI' events to share possibilities and enthusiasm. Our employees could get involved through gamified learning programs, tapping into employee emotions that drive behaviour change. Creating a community engaged in the exploration and adoption of AI offers numerous benefits. Regular check-ins, feedback sessions, and updates – ideally in person – foster belonging and excitement. Making AI skills accessible to everyone is crucial. Our KPMG Eclipse AI Academy is available to all employees. Within six weeks of launch, 25 percent of the firm used it and by the end of 2024 c.55 percent were frequently using it each month.



¹¹ [Transforming the enterprise of the future: The new Champions in a digital era](#), KPMG International, June 2024



Encourage people to play

At KPMG we provided safe opportunities for people to get hands-on. We've created KymChat, a secure environment for team members to explore the technology. With minimal training in prompts, and encouragement from leaders, our teams have been able to experiment freely. Within a few months, almost 100 percent of our people participated. As comfort levels increased, excitement about possibilities grew, leading to innovative internal and client-facing applications.

We also established employee feedback and escalation channels. These channels are crucial for addressing concerns and gathering feedback on our solutions. This feedback is incorporated into our AI solution roadmaps, refining our communication and training plans.

Case study

Microsoft Copilot for Microsoft 365: unleashing productivity gains as global rollout continues

KPMG is using Microsoft Copilot for Microsoft 365, a generative AI tool, to drive our transformation into a firm of the future, empowering our team with cutting-edge opportunities to enhance productivity and deliver unparalleled value to clients.

With nearly 63,000 licences allocated across 65 KPMG firms, Copilot for Microsoft 365 has enabled significant productivity benefits. The ability to bid farewell to the task of recording meeting minutes and summarising action items alone, has resulted in a significant productivity increase.

Additionally, a 42 percent productivity uplift was achieved with use cases related to consolidating, summarising, and interpreting documents. These results are reflective of the Private Preview phase, where Microsoft Copilot's ability to manage follow-up tasks and summarise key points during live calls led to significant reductions in routine and low-value tasks.

Microsoft Copilot's continued popularity is largely due to productivity gains achieved for shorter tasks. Approximately 70 percent of all global survey respondents reported Microsoft Copilot having a positive impact on short, high-volume administrative uses cases, particularly those utilising the Microsoft Teams summary feature.

Copilot for Microsoft 365 introduces generative AI technology directly into Microsoft applications used every day such as Word, PowerPoint, Excel, Teams, and Outlook.

KPMG's aim is to deploy Copilot for Microsoft 365 across the firm to offer productivity benefits, delivering better value to our people and clients.

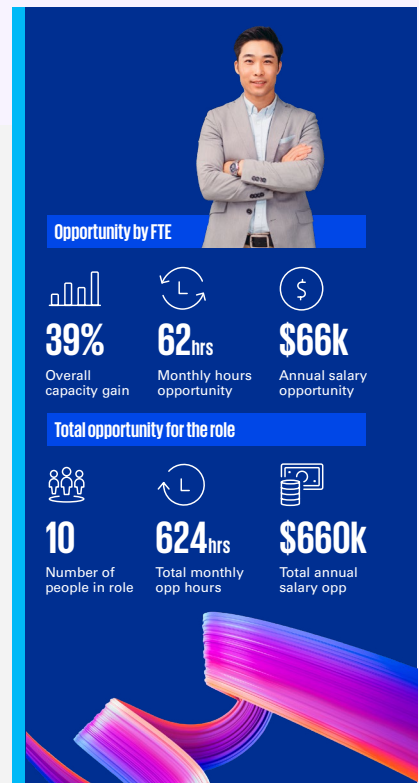
Make new ways of working tangible

Besides sharing success stories, fostering innovation, and allowing experimentation, realising AI’s full value involves helping employees understand the practical benefits it offers in their roles. Our Workforce AI approach employs three steps to identify specific tasks within a job that can be augmented or automated, identify hard dollar savings, and how roles and teams can be reorganised to drive productivity.

- 1. Identify workforce opportunity** – we use workforce and public task data to pinpoint AI use cases at the task level (see the Deconstructed Role Profile example below), aggregate opportunities within roles, and develop a targeted rollout approach.
- 2. Augment the workforce** – we drive adoption through phased rollouts and employee upskilling, defining new experiences and ways of working.
- 3. Reshape the workforce** – we adjust roles and shift employees to new operating models using AI to lock in ROI and deliver organisational value.



Finance Manager



05

Reward your people for engaging with AI

At an individual level, workers will feel a sense of achievement in being able to do more value-adding work using AI. However, it's useful to think about what your performance management system measures and rewards. Are your people rewarded for work volume or quality? We have seen shifts to reward leaders for AI use and teams for the quality of work produced. This requires careful planning but is essential to align rewards with your goals. Are you recognising people for innovating? Does leadership invite employees to present how they use AI to streamline their jobs?

How KPMG can help

We are the first firm globally to be certified, by the British Standards Institute, in the new AI Standard (ISO 42001) for AI Management Systems. This certification encompasses people competency, operating model change, training, awareness, and responsible AI, and sets a precedent in the industry. Our unique position enables us to help clients identify powerful generative AI use cases, implement the technology, and make necessary organisational changes to enhance its effectiveness.

Achieving productivity benefits from AI depends on your workforce's readiness and capability to adopt the technology. KPMG can accelerate behavioural change and adoption, helping you realise the value of your generative AI investment more quickly. Our change management strategists can support tactical use-case adoption while fostering a generative AI cultural movement throughout your organisation. We will equip your leaders and engage your employees to become dedicated partners in your generative AI success.

'When adopting AI, taking a thoughtful approach informed by behavioural science not only enhances productivity and efficiency within your organisation, but also maintains the trust of your employees.'

**JANE GUNN
LEAD PARTNER, TRANSFORMATIONAL CHANGE
KPMG AUSTRALIA**



Key Contacts



Dr. Jane Gunn
Lead Partner,
Transformational Change
KPMG Australia
E: janegunn@kpmg.com.au



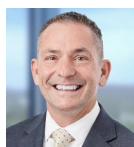
John Munnely
Chief Digital Officer
KPMG Australia
E: jmunnelly@kpmg.com.au



Peter Outridge
Partner,
Transformational Change
KPMG Australia
E: pjsoutridge@kpmg.com.au



Jason Fogaty
Partner,
Connected Technology Group
KPMG Australia
E: jfogaty1@kpmg.com.au



Drew Baker
Partner,
Transformational Change
KPMG Australia
E: drewbaker@kpmg.com.au

[KPMG.com.au](https://www.kpmg.com.au)

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