



TRANSFORMING WORKPLACE CULTURES

THE AI GREY ZONE: THE UNTAPPED ADVANTAGE OF AI ALIGNMENT

21st May 2026

UNLIMIT
WHAT'S
NEXT 

- Reminder of the research and what we call the 'AI Grey Zone'

- The rapidly evolving AI landscape

- AI is more human than you think

- Frameworks and practical considerations for HR and payroll leaders

- Q&A





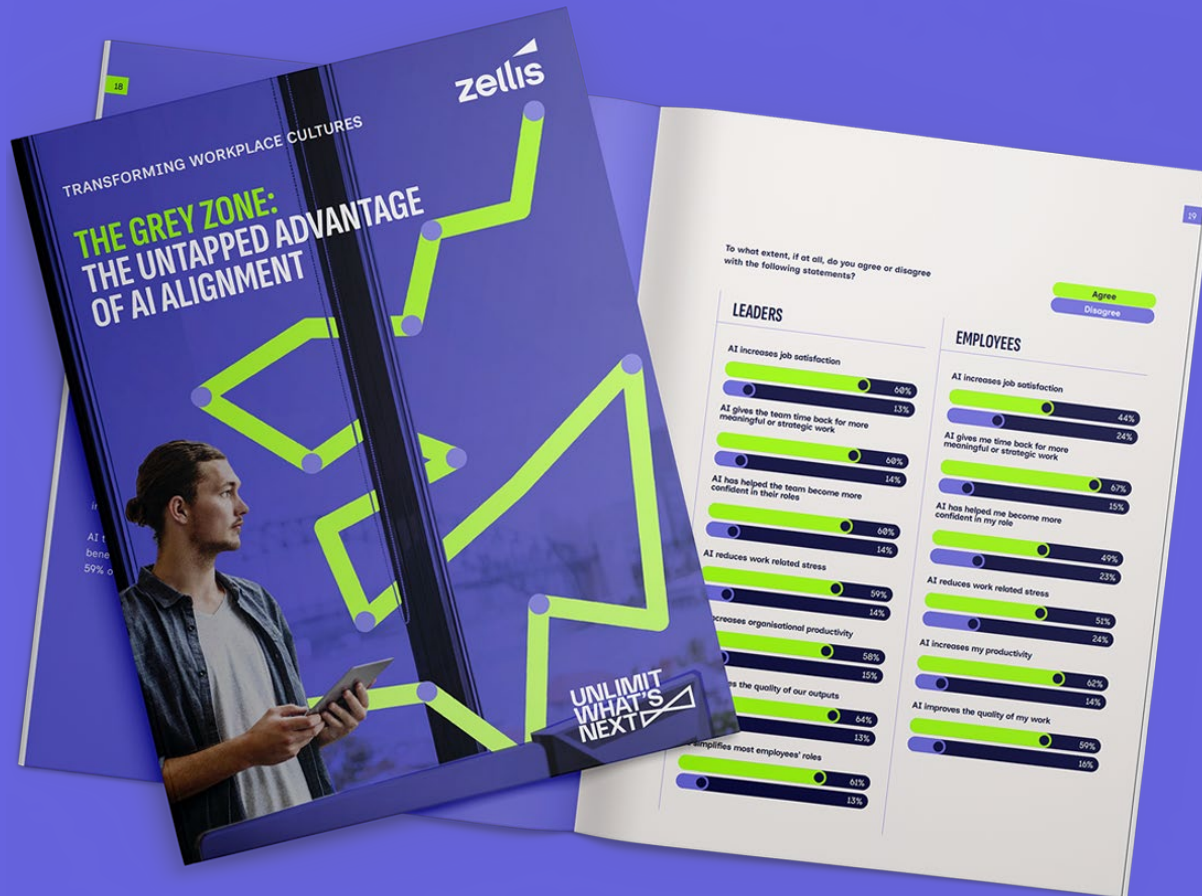
Caroline Rowland
Group People Officer,
Zellis



Steve Elcock
Director of Product – AI,
Zellis



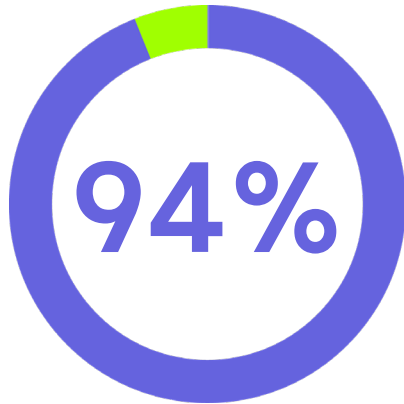
Ian Hodson
Director of People and Culture,
Housing21



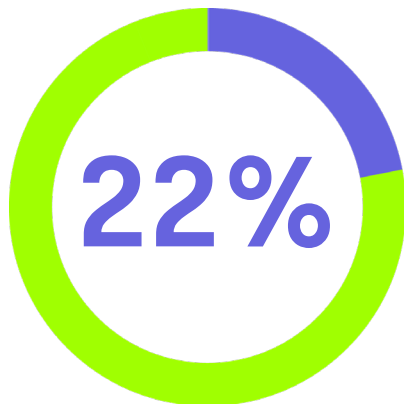
- We surveyed over 1200 business leaders and employees across the UK and Ireland between Nov and Dec 2025
- We wanted to gain insight into AI's impact in the workplace
- To learn where AI adoption is genuinely improving work and where misalignment on its use is creating friction, uncertainty or missed opportunity.

Widespread use, uneven experience

Almost every business leader surveyed (94%) said their organisation currently uses or interacts with AI tools, as part of day-to-day work



However, only 22% of employees said they currently use AI regularly as part of their role



Better aligned AI could unlock huge value

£60bn

a year in staff time and cost savings could be realised due to better aligned AI.

1.7bn hours

of staff time could be redirected to higher value work.

Employees told us

1 in 4

are not confident in using AI in their role.

YET THEY REMAIN POSITIVE

67%

agree that AI frees up time for more meaningful or strategic work.

**TOOLS ARE IN PLACE, BUT CONFIDENCE,
TRUST AND IMPACT ARE UNEVEN.
THE RESULT? MISSED VALUE, FRUSTRATED
TEAMS AND UNREALISED PRODUCTIVITY.**



CLAUDE "MYTHOS"

10 trillion parameters
Too powerful to release

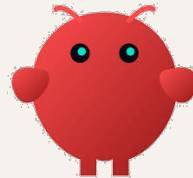
OPUS 4.7 "NERFED" PUBLIC MODELS

Deliberately weaker version of the real frontier model



DEEPSEEK V4

1 trillion parameters



OPENCLAW

AGENTIC GOES MAINSTREAM

Triggered security concerns



APRIL
2026

8 frontier
models in
just 7 days



WE MAY BE BUILDING A WORLD WITH TWO KINDS OF PEOPLE: THOSE WHO USE AI AS A TOOL, AND THOSE WHO BECOME TOOLS OF AI.

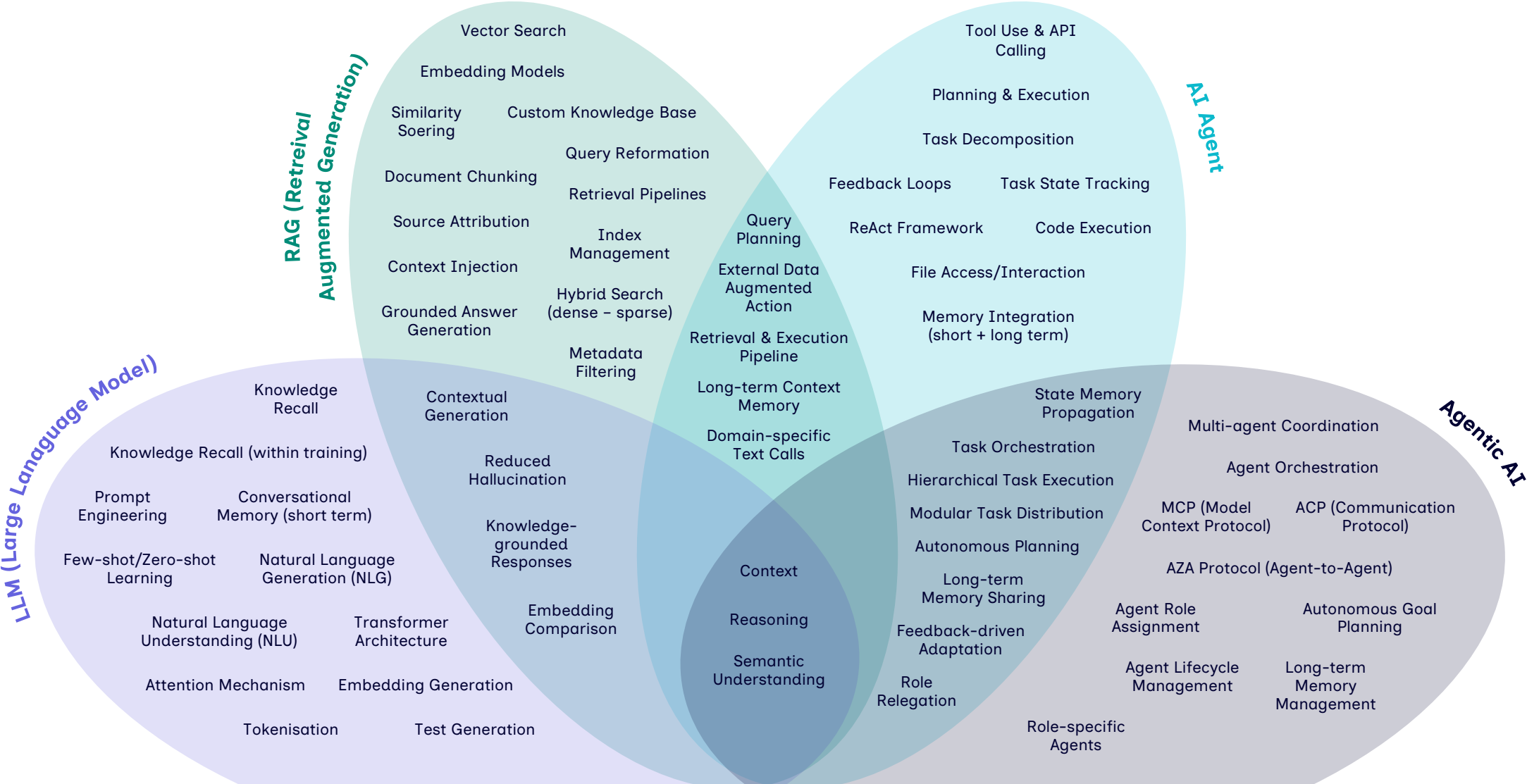
THE DISTINCTION IS SUBTLE BUT IMPORTANT.
A CARPENTER USES A HAMMER.
A NAIL DOES NOT.



**Oliver
Pickup,**
Journalist

LLM VS RAG VS AI AGENT VS AGENTIC AI

The layers of intelligence in AI systems



Task based

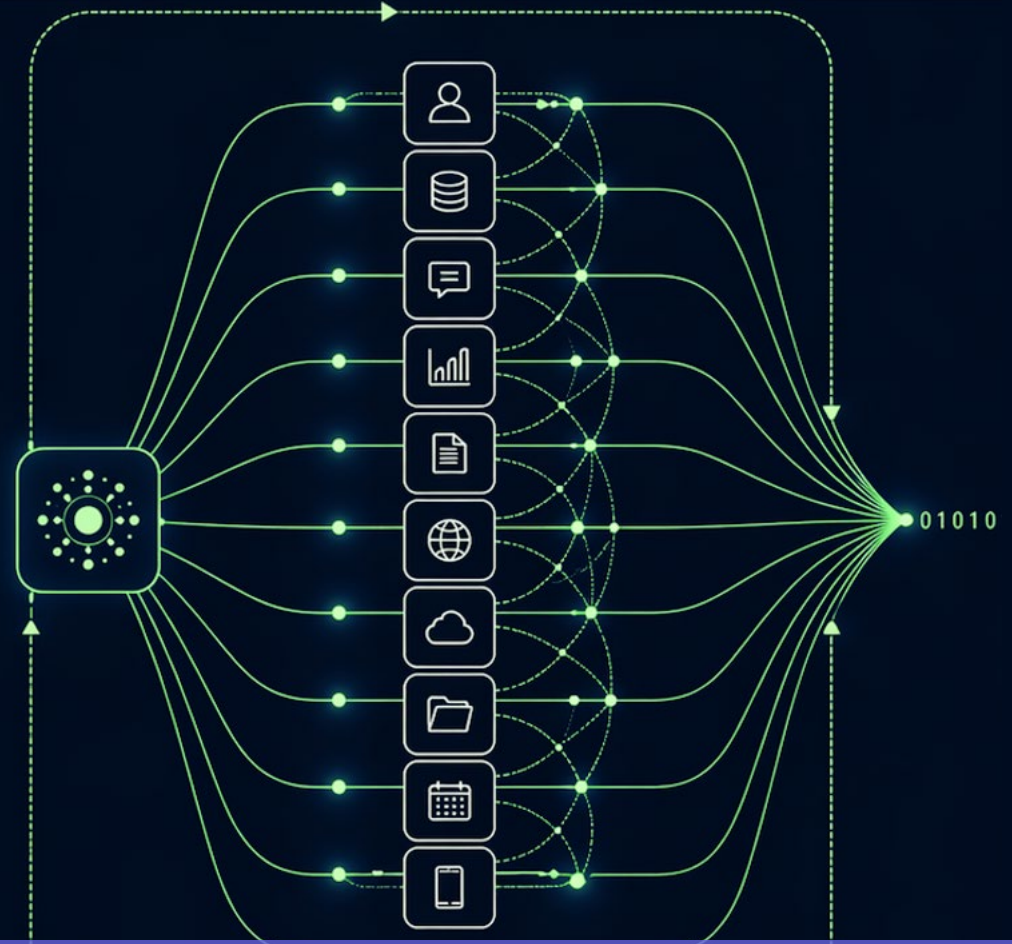


MONOLITHIC AGENT

Generic. Sequential. Bottle-necked

VS

Objective based



ORCHESTRATED SYSTEM

Specialised. Parallel. Harmonised.

AI IS MORE HUMAN THAN YOU THINK

AI is not to be afraid of – it is very human in its origin and shares many of our strengths and flaws

THE LATEST AI MODELS ARE MORE CLOSELY MODELLING THE HUMAN BRAIN

The largest LLMs now have over 10 trillion parameters ...and are using thinking and reasoning techniques

...and sleeping (!)



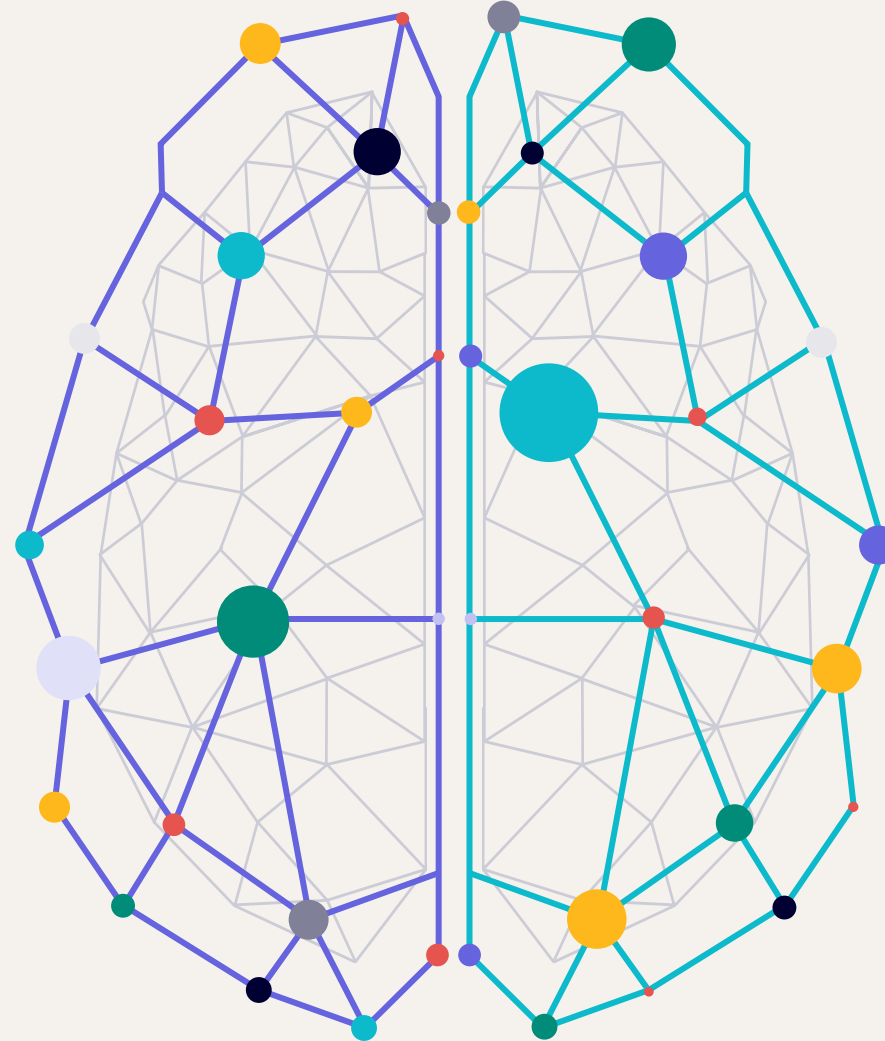
Your brain has:
86 BILLION
neurons

100 TRILLION
synapses

SYSTEM 1

Reactive Thinking

- Fast, automatic
- Emotion-driven
- Short-term Focus



SYSTEM 2

Strategic Thinking

- Slow, deliberate
- Analytical
- Long-term Focus

Have you ever stopped to think about *how you think?*

Human in its origination

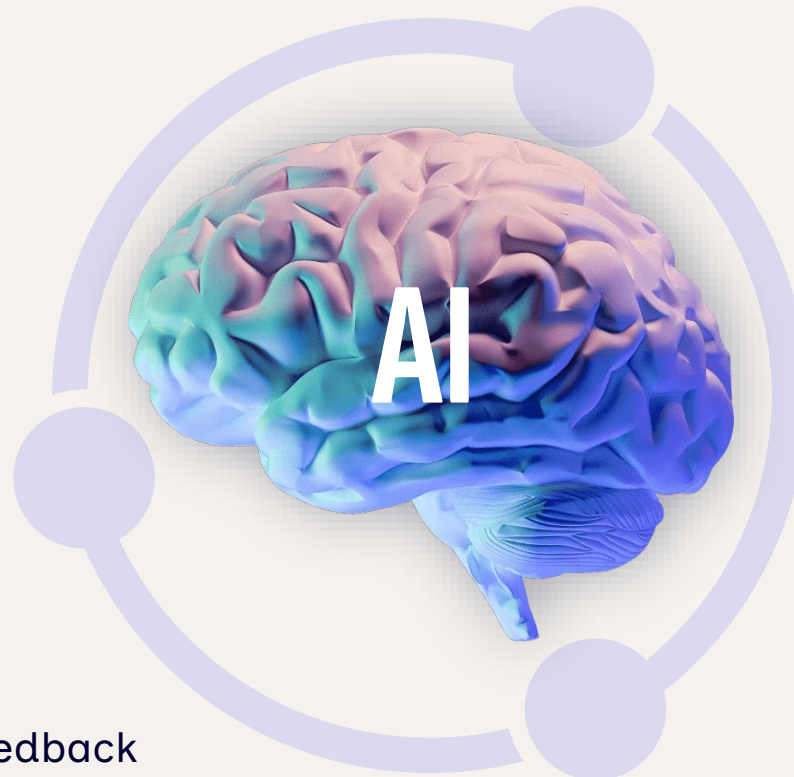
- Inspired by the brain
- Perceptron 1957

Human in its operation

- Massively parallel processing
- Activates weighted connections (like neurons)

Human in its learning

- Improves through experience
- Adjusts connections based on feedback



“Thinks” in abstract layers

- Similar to the brain’s visual cortex

Understand patterns and context

- Setting the “vibe” or gist

Learns and acts

- Can take autonomous “agentic” actions

AI is **NOT** like normal IT.

The question is “**what is the question**”

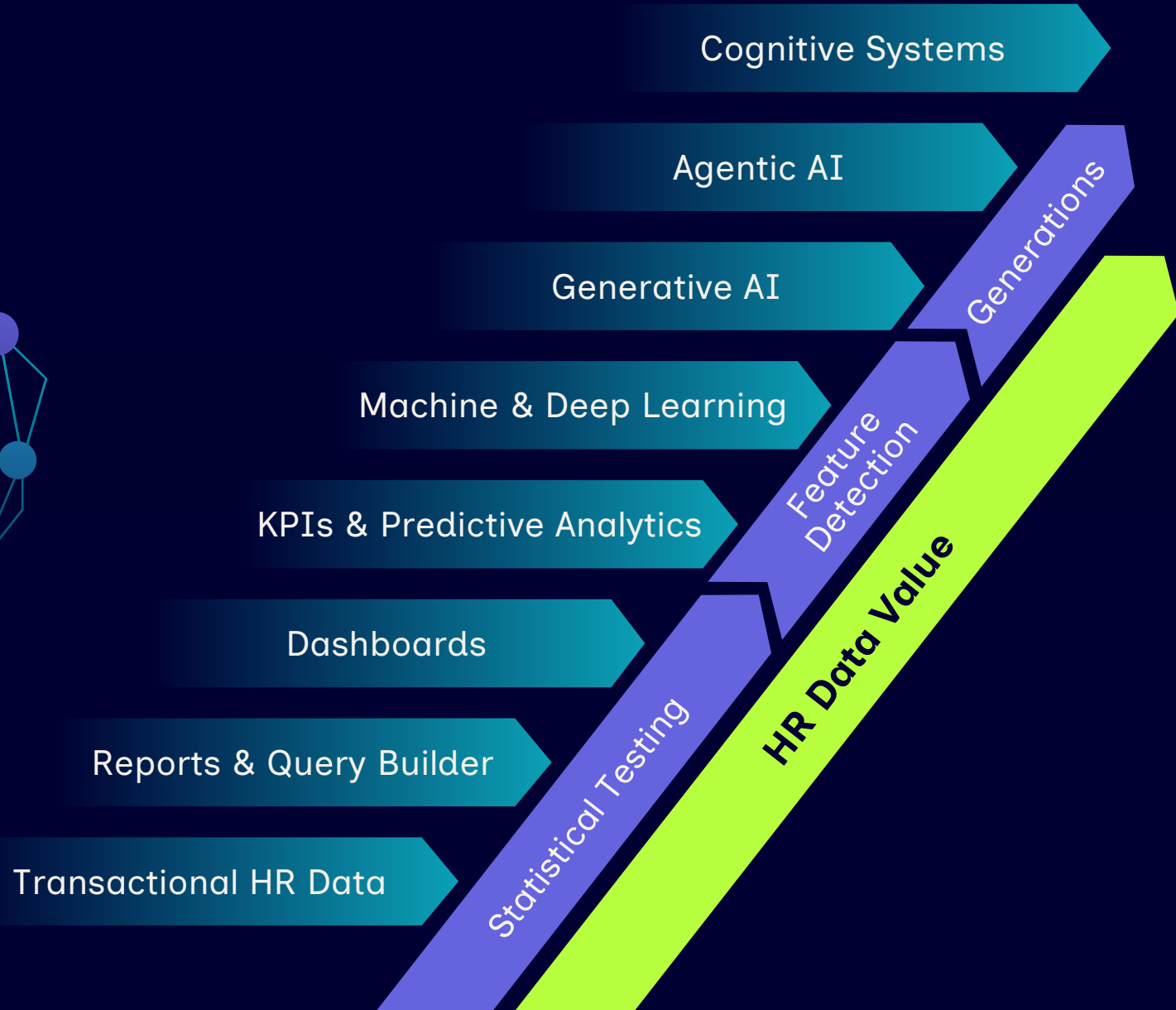
HR DATA VALUE CHAIN

“Levelling up”



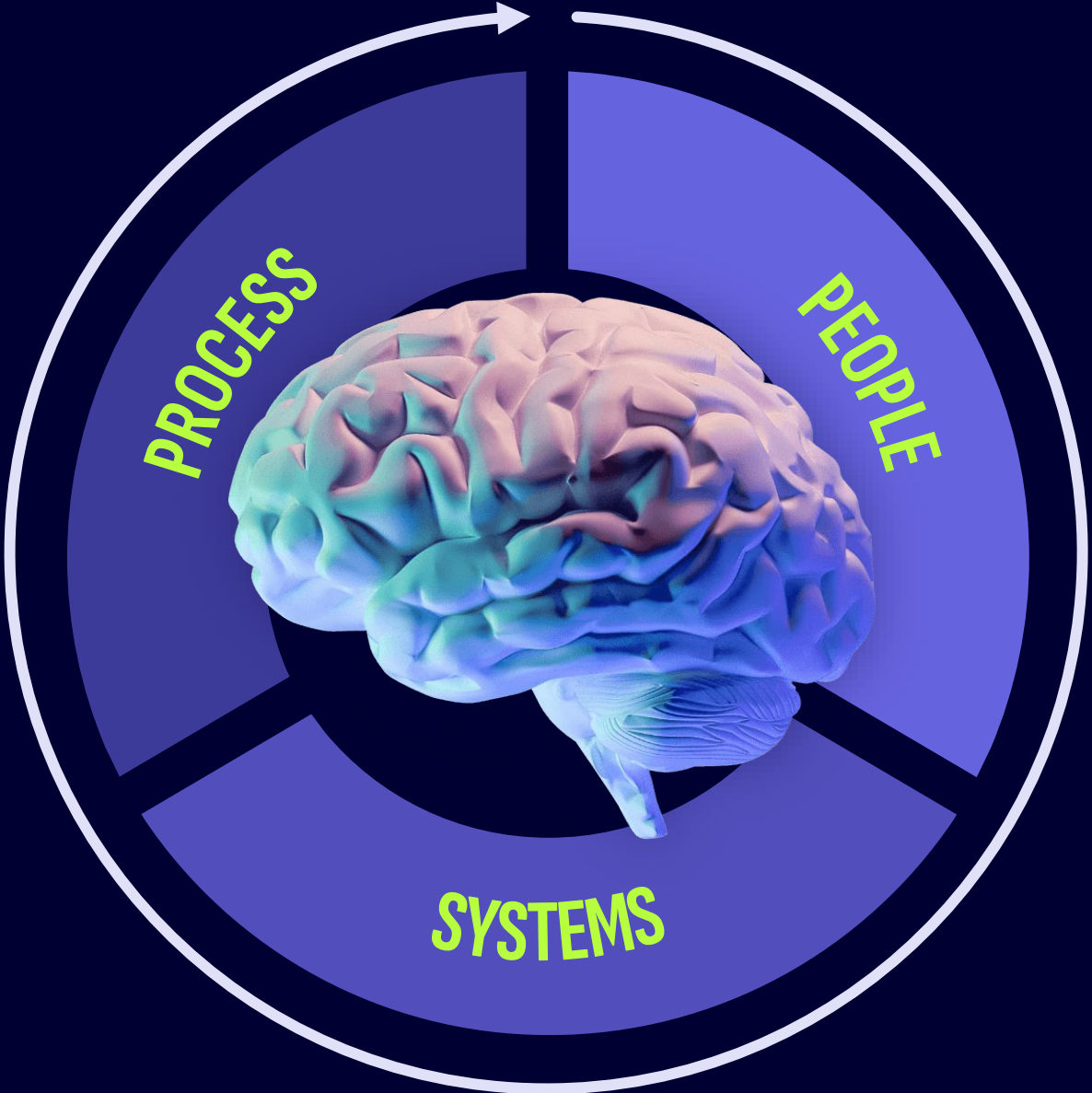
Higher level (and value) abstract features and predictions

Built on lower-level abstractions (e.g. correlations, absenteeism, engagement and predictive analytics)



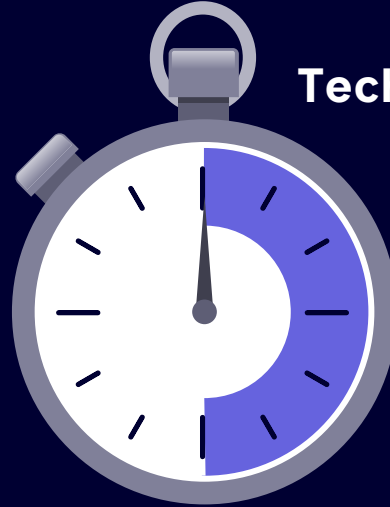
FRAMEWORKS

Although AI can create its own structure from unstructured data, it works best, and aligns better with you if you can provide it with the structure you want it to work with

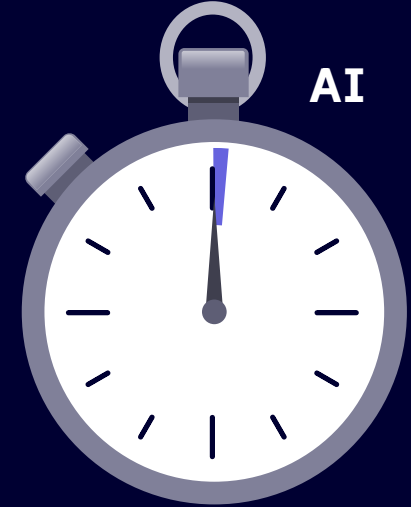




Manual



Technology

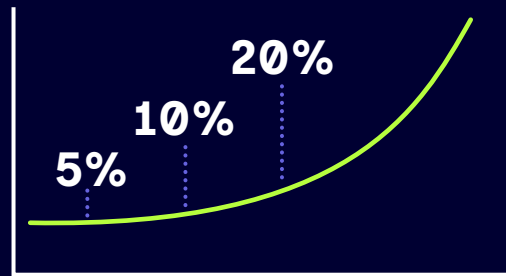


AI

You need to measure this value

Is the task now 5%, 10% or 20% quicker than before?

This concept is similar to an FTE



This thinking should be led by People Teams as part of organisational design

This will help you determine the extent to which, as a business, you are going to deploy AI tools to improve productivity

AI IN TRANSFORMING WORKPLACE CULTURES

Which areas are prime for AI in your business?

What are the use cases?

High value / opportunity

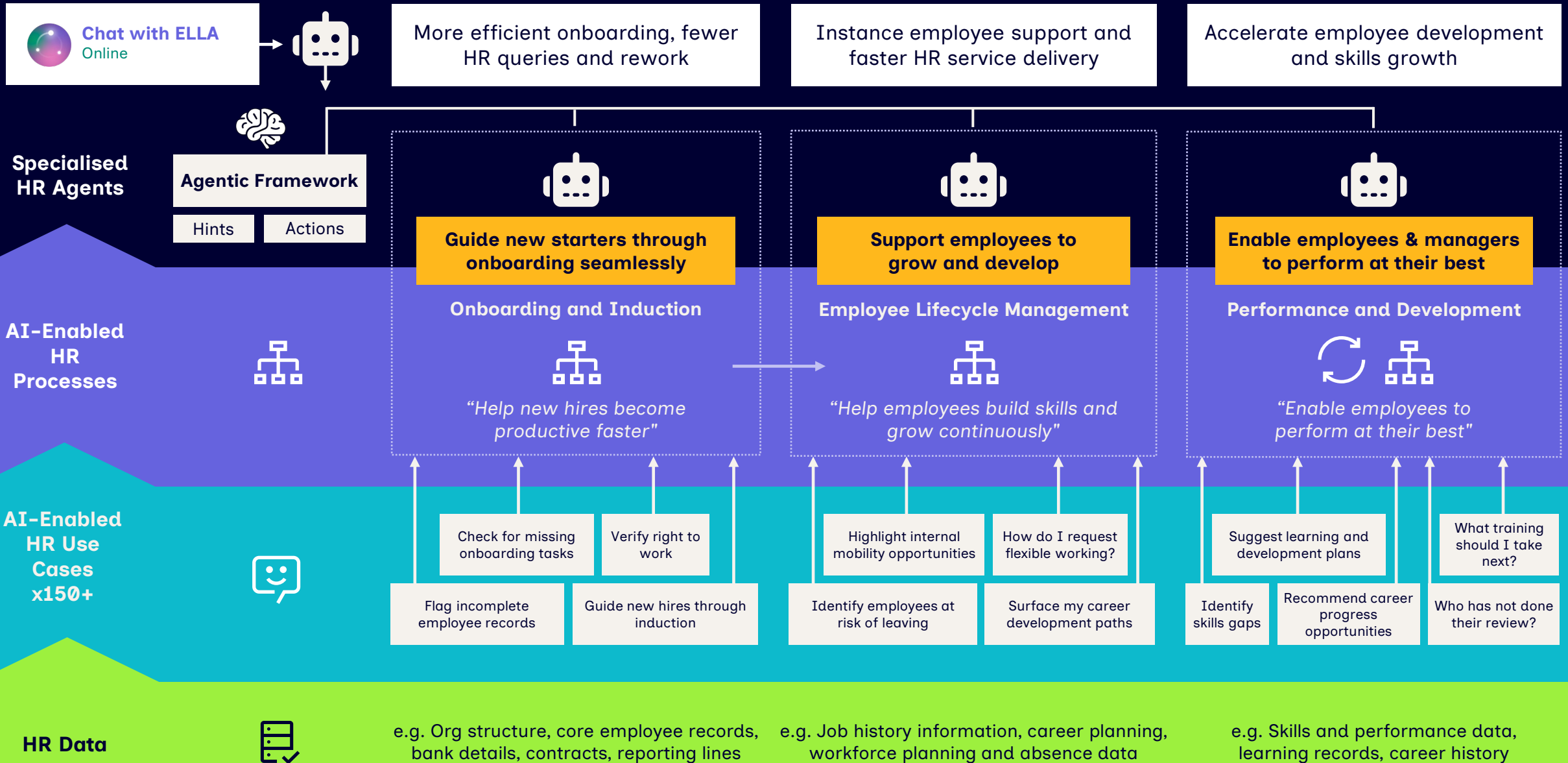
Medium value / opportunity

Low value / opportunity

Talent			HR		WFM		Benefits	Pay
Recruitment	Training & Development	Performance Management	Person & Organisation	Employee Relations	Scheduling	Attendance & Absence	Compensation & Benefits	Payroll Management
Initiate vacancy	Design training	Set objectives / PDP	New starter	Employee engagement	Forecast demand	Time recording	Reward planning & management	Manage payments & deductions
Apply	Plan training	Review performance	Manage personal details	Surveys & EPS	Workload modelling	Planned absence	Salary review	Manage HMRC
Screen applicants	Enrol on training	Manage talent	Assignments	Grievance	Maintain availability	Unplanned absence	Manage benefits	Run payroll
Select candidate	Complete training	Succession planning	Movers	Disciplinary	Create schedule	Manage long-term absence	Manage bonus incentives	Detect anomalies & manage queries
Make offer	Manage training records	Promotions	Leavers	Appeals	Training needs analysis	Manage accruals	Manage Pensions	Generate payslips
Hire	Manage development programmes	Continuous feedback	Organisational design	Manage tribunals / compromise	Shift swaps	Holiday purchase / buy back	Benchmarking	Manage expenses
Onboard	Induction	Talent profiling	Benchmarking & forecasts	Incident management	Optimise schedule	Compliance monitoring	Benefits utilisation	End-of-year processing

AI HR "ORCHESTRATOR" AGENT

So what?





01 OWNERSHIP

Who is accountable for AI?
Centralised or
Decentralised.
Utilise your Operating
Model.



02 TRUST

Every AI strategy
competes with fear.
Your policy decides
which voice wins.



03 GOVERNANCE

Guardrails that enable,
not restrict. AI that works
inside your organisation.



04 ADOPTION

Mandated or incentivised?
Build shared confidence
across your team through
education.



05 PACE

Identify where AI can
make an immediate
impact. Move with
velocity, without
compromising safety.



06 OUTCOMES

Why are we doing this?
Define what 'good'
looks like and measure it!



HUMAN-
FIRST AI



Don't budget for the notion that AI is going to cut headcount — budget for AI multiplying capacity.



CENTRALISED: MISSION CONTROL



One front door for AI - identity, access and governance aligned.



Aligned to company KPIs, priorities and outcomes - ensuring everyone rows in the same direction.



Unified insight across AI adoption and usage - you can see what's actually working.



Safer by design - authentication, authorisation and auditability built in.



Pace risk: the gatekeeper become the constraint



DECENTRALISED: MISSION CONTROL



Bottom-up role-modelling: champions emerge organically.



Teams pick their own tools - adoption flies.



Faster pace, sharper domain fit, more energy in the room.



Visibility is harder - what is everyone actually using?



You'll need a cross-functional safety squad to bless new tools.

VS.



THE SWEET SPOT - FEDERATE. Central Policy and Safety Net, local choice for an approved menu



MANDATED DEPLOYMENT



Likely have a bigger budget and gone all-in on providing AI tools.



Leadership role-modelling and clear targets for adoption and utilisation.



Tell people upfront what the carrots are — and what the sticks are.



No-one is allowed to be left behind: that's the deal.



Mandated 'show and tell' team forums to broadcast progress weekly.

VS.



INCENTIVISED UPTAKE



Psychologically choosing to adopt AI usually means deeper, longer-lasting use.



Leaders role-model and celebrate wins — learning awards, hack-trophies.



Likely slower to land — and that's okay.



Targeted nudges and coaching for the laggards who are slow to adopt.



Cost saving is rarely the headline outcome (and shouldn't be).



Don't budget for AI cutting headcount — budget for AI **multiplying capacity**.
That's where the value lives.



OUR PEOPLE MIGHT BE FEARFUL



“How safe is it really? Where does my data go?”



“AI will take my job — so I’ll keep my head down”



“Unlearning what I already know is too hard”



“What if I make a mistake the AI fed me?”



“Everyone else seems to get it. I don’t.”

VS



OUR PEOPLE NEED REASONS TO BE CONFIDENT



Education is the key to empowering employees in AI and adoption.



If you lead with cost saving, expect adoption to be harder and slower.



Write an AI policy that inspires — short, clear, and trusts people.



Make safe-spaces visible: which tools are blessed, which are not.



AI will make you more productive, faster, sharper — and sometimes better.



Write an AI policy that inspires, not terrifies. Two pages, not twenty.
Confidence is a leadership choice.



YOUR PEOPLE MIGHT WANT TO GO SLOW(ER)



Take people with you — treat it like any change programme.



Get small wins, share them loudly — hackathons, AI action weeks, 'promptathons'.



Measure progress — targets, objectives, league tables.



Build trust first; velocity follows trust, not the other way around.



Listen to the laggards — the friction is the data.

VS.



YOUR BOARD EXECS WANT YOU TO GO AS FAST AS POSSIBLE



Tools change weekly — don't fall in love with any single one.



Optionality beats loyalty: keep contracts short, keep your options open.



Never trade pace for security — that's a one-way street.



Don't redesign roles too early; wait for real signal before you restructure.



The cost of inaction compounds daily — move.

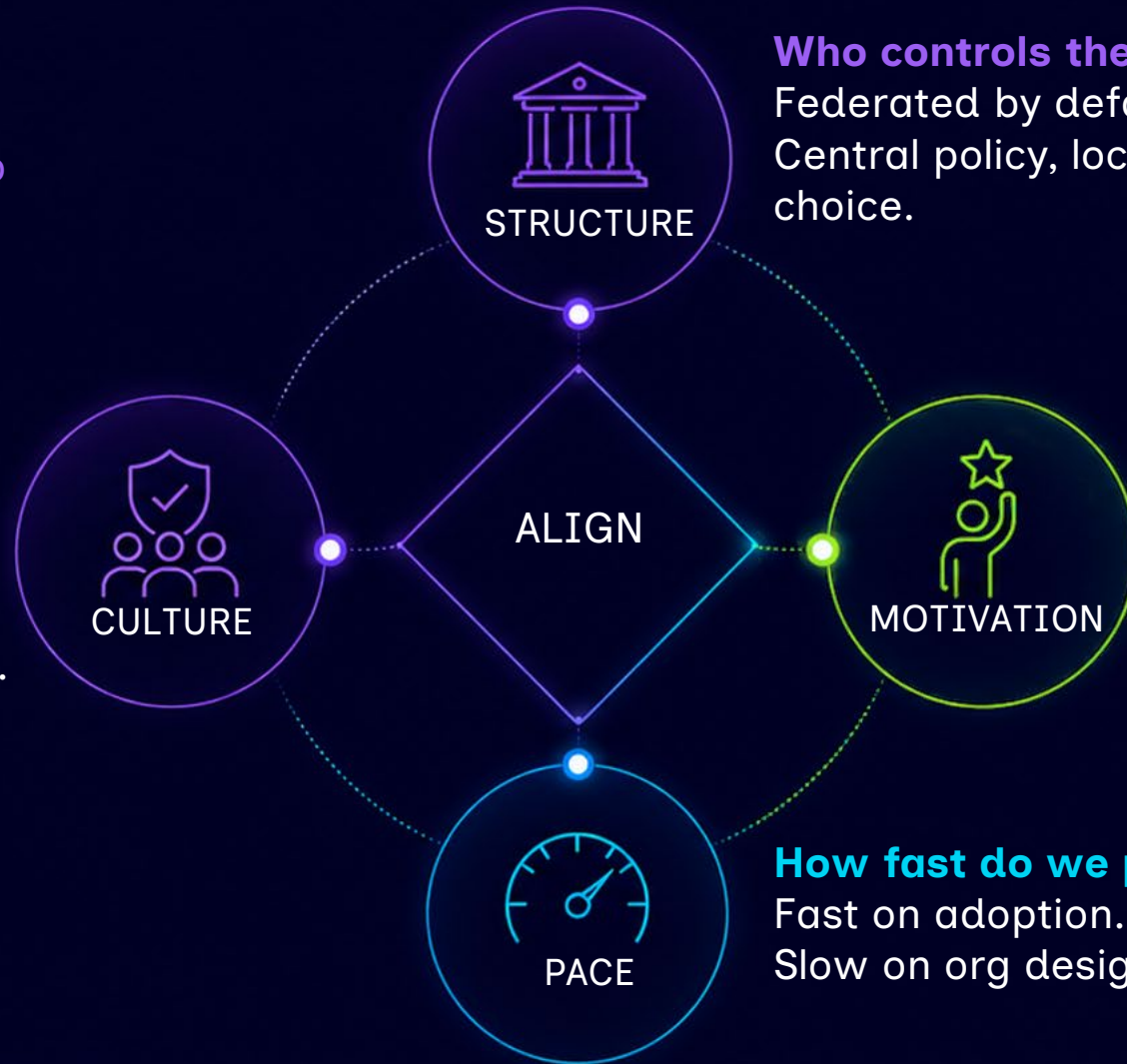


The **pragmatic middle** - move fast on adoption, move slow on org redesign.
Learn before you restructure.

FRAMEWORK

Four dials. One leadership conversation.
Repeat quarterly.

How do we shift from fear to confidence?
Education.
Safe-spaces.
Permission to experiment.



Who controls the AI?
Federated by default.
Central policy, local choice.

How do we get people leaning in?
Federated by default.
Central policy, local choice.

How fast do we push?
Fast on adoption.
Slow on org design



Run this conversation every quarter.
The dials will shift - **your alignment must shift with them.**

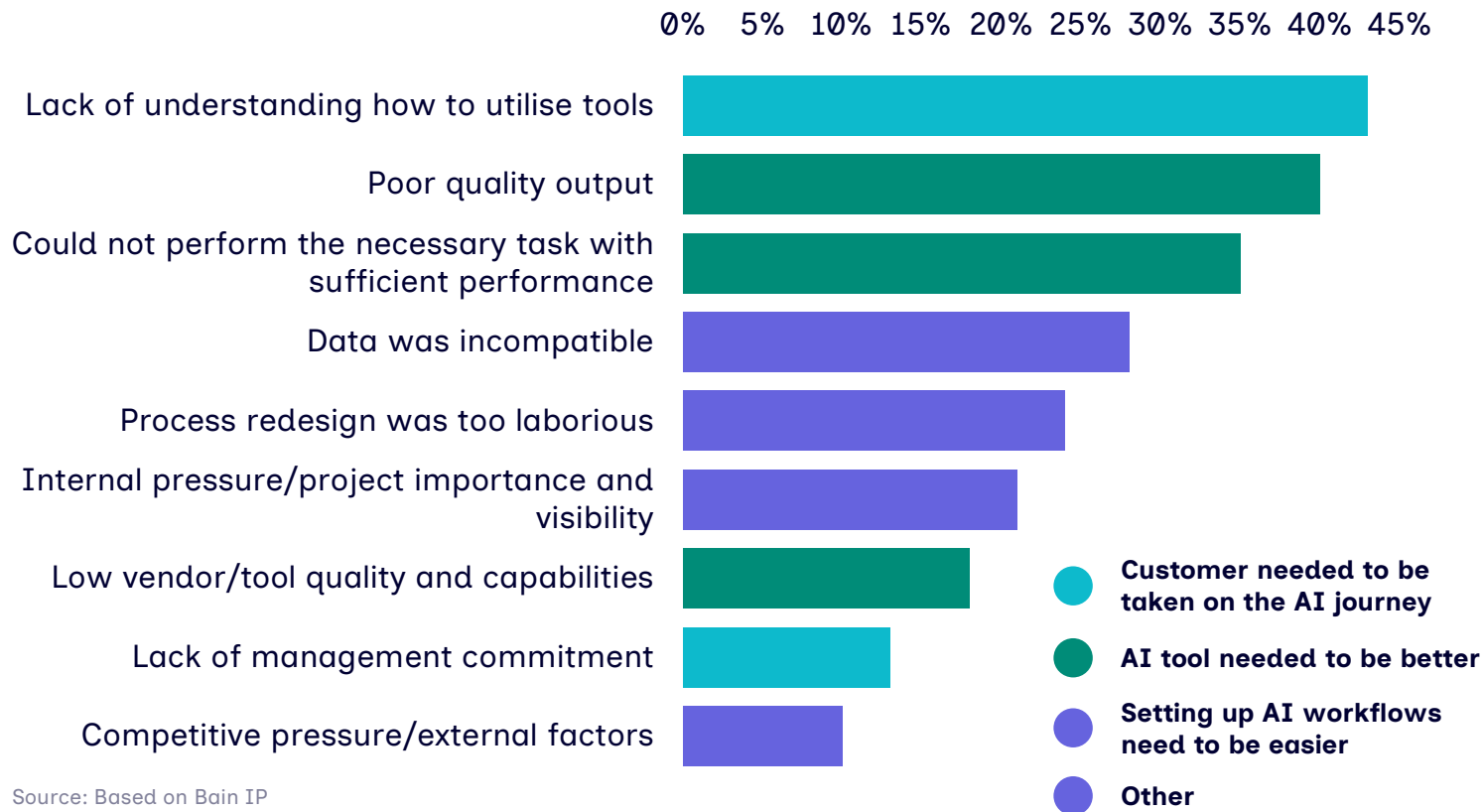
EDUCATION AND LEVELLING UP

In such a fast-moving field, don't underestimate the need for education to stay ahead – for yourself and for your workplace colleagues – in order to maximise the opportunity for AI transformation

MAXIMISING AI VALUE WILL REQUIRE SUPPORTING ADOPTION

Lessons learnt from AI deployments: The most common reason for failure is customers' not knowing how to use the AI tools...

Reasons that AI does not meet customer's expectations (generic B2B SaaS)



Source: Based on Bain IP

...so to be confident of successful outcomes, we must support users by...

Educating and training our employees on how to use AI.

- In principle (the theory - academic)
- In practice (using it - applied)
- In action (refining it - agentic)

Driving adoption and prove ROI on small scale, before rolling out more widely across the whole user base

Providing a playbook for how employees should **re-design existing processes** to be AI-first and maximise value from AI

“IN THEORY”



Academic

History and background
Learning and development
Neuroscience as inspiration
AI models and vendors
Transformer Architecture
AI vs traditional software
What is Human First AI?
Commercial Models

“IN PRACTICE”



Applied

Approach and principles
Tools available
AI champions
Communications and engagement
Deployment strategies
Measuring performance
Testing
Security

“IN ACTION”





Agentic



HR / AI Operating Model
What are Agents?
Using AI as Judge
Ensemble Techniques
Using tools in your (HR) domain
Advanced (HR) deployment
The Future

TAKEAWAYS



Remember that **AI** is more human than you think

-  Remember to “think in layers” and “level up” your thinking
-  Strengthen your data and knowledge foundations

Remember to use **frameworks** to help manage complexity

-  Define real use cases, not just ideas.
-  Reassess your HR and payroll operating model

Education for you and your colleagues is key to stay in control

-  Identify where AI can make an immediate impact – test and learn
-  Build shared confidence across your team

Q&A

