
Ushering in a new era of
AI-driven HR solutions with
Alight LumenAI®

alight.®



As an HR professional, you've probably been asked by your leadership to demonstrate AI adoption and transformation in HR. You're already aware of AI's potential to revolutionize the employee experience — but where to start?

If you're a client of Alight, you've probably been using AI for years without realizing it. You have AI capabilities within the Alight Worklife® platform, and new capabilities are expected to be released throughout this year and the coming years.

In this white paper, we're going to lay out how you can convey a compelling AI vision to your organization and demonstrate meaningful transformation progress to your leadership.

Along the way we will:

- ✓ Provide a definition of AI
- ✓ Enumerate the current “art of the possible” — the different AI use-cases where HR functions across the Fortune 100 are currently deploying AI
- ✓ Detail the AI already available in Alight's solutions and the results they drive
- ✓ Show what's coming up — Alight has future AI capabilities in its roadmap that you can plan to adopt
- ✓ Share a typical AI adoption sequence so you can understand what an “AI plan for the next 12 months” could look like
- ✓ Arm you with frameworks to be a successful AI “intrapreneur” — so you can ask the right questions and avoid common AI adoption mistakes



The HR AI revolution

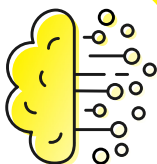
AI is a broad term encompassing a spectrum of techniques that enable machines to simulate human intelligence. They range from sophisticated/complex predictions (e.g., machine learning systems automatically learning about the world) to basic predictions (e.g., models that are updated only monthly or annually) to newer techniques like GenerativeAI (e.g., “large language models”). Also, even though not technically AI, we sometimes find it helpful to include Robotic Process Automation in this discussion since goals are similar and it’s often a precursor to AI-based automation.

It may seem like AI suddenly burst onto the scene in 2023 with the surge of interest in ChatGPT. However, historians trace the origins of AI back to 1950, when English mathematician and computer scientist Alan Turing published a seminal paper titled “Computing Machinery and Intelligence.” Fast forward nearly 75 years and AI is transforming life as we know it.

In today’s modern workplace, AI is enabling smarter decision-making and driving organizational change. Increasingly, HR is relying on AI-powered platforms to drive the employee experience and improve the wellbeing of their workforce. HR’s embrace of AI has been multifaceted, which is a testament to the broad applications of the technology across the full spectrum of HR functions.

Organizations invest in AI for three main reasons:

- 1 To enhance the employee experience:** AI can personalize the employee experience by providing targeted recommendations, nudges and effective self-service options. For example, AI-powered chatbots can answer employee questions quickly and efficiently, while recommendation engines can suggest relevant learning and development opportunities.
- 2 To empower HR professionals to manage the employee experience and drive targeted HR outcomes:** AI can improve decision-making by helping HR teams quickly get insights into how employees access services. Answering questions like “What are employees calling about?”, “What are employees struggling with?” and “What are they searching for?” has traditionally involved lots of manual call listening. Using AI, HR can shorten those feedback loops to more quickly understand where there are hotspots in the employee experience.
- 3 To deliver high-quality HR services:** AI can automate time-consuming tasks such as data entry or document processing, freeing HR professionals to focus on strategic initiatives and dedicate more time to employees.



Alight was an early adopter of AI because we recognized its immense potential to better serve our clients and their employees, providing a world-class experience as we empower and engage people to take charge of their health, wealth and wellbeing. As AI continues to evolve, Alight remains at the forefront and is committed to bringing market-leading AI capabilities to our clients and being their human capital platform partner of choice.

Dispelling myths

Before diving into the practical applications of AI in HR, it's essential to debunk some common myths surrounding its implementation:

1 AI will replace HR professionals

Current AI technology isn't novel intelligence, it is scaled intelligence. This means every process that is automated or augmented "with AI" still needs to have some number of "humans in the loop" who monitor its actions and insights for correctness and quality. Additionally, there are many HR tasks that cannot be "AI'ed away," including strategic planning, relationship management and ensuring ethical HR practices. An HR professional's ability to understand psychological factors, foster workplace diversity, maintain data security, provide clear communication and relate to employees on a human level (and monitor AI systems!) cannot be fully replicated by AI.

2 AI decision-making is a "black box"

While some AI algorithms are opaque, there are many (e.g., linear regressions, decision trees) whose decision-making can be more easily understood. By considering the surrounding business context of a proposed use-case — including how explainable good vs. bad decisions will need to be — the right AI algorithms can be chosen for an application to offer the right level of understandability.

3 Employee data security is at heightened risk via AI

Companies with robust cybersecurity and third-party management programs already have most of the mechanisms needed to manage the risks related to the security of employee data. A specific scenario that seems to be causing recent concern is that of SaaS vendors training AI models using aggregated, anonymized

employee data from across their client base. However, this is not a new risk — SaaS vendors have always used aggregated employee data to understand the performance of their products and make improvements.

4 HR teams need to quickly launch numerous AI use-cases to be successful

Success in AI implementation does not hinge on the quantity of use-cases but rather on their quality and alignment with organizational objectives. Any meaningful implementation of an AI system is going to be a large undertaking requiring significant investment (both to implement and to monitor on an ongoing basis). Achieving impact with two to three new use-cases per year is ambitious and would be an enormous win for most organizations.

5 It is possible for AI to be bias-free

All AI produces bad output some of the time, and when those bad outputs concentrate in certain parts of the user population that is what gets called "bias." All models have bias of some form. If you think yours doesn't, you just haven't found it yet. What is important to understand is what types of bias you are especially worried about and continuously check and monitor for those. For example, you may not care if "bad outputs" concentrate in people whose first names start with "A," but you may care if "bad outputs" concentrate in only older or younger users of the AI system.

CASE STUDY

Revolutionizing retirement and health savings

A U.S.-based global conglomerate with a diverse portfolio in pharmaceuticals, consumer health and medical device distribution was struggling to improve employee engagement in health and retirement savings plans. Only 75% of their 45,000 employees were participating in a Health Savings Account (HSA), with a majority saving below the maximum allowed. Seeking to encourage greater participation and ensure their people were taking advantage of the company match to both the 401(k) and HSA, they partnered with Alight to help improve the financial wellbeing of their workforce.



Leveraging Alight LumenAI® technology, the pharmaceutical giant focused on employees who were not maximizing the value of tax-advantaged accounts. They introduced a personalized approach to workforce messaging that ensured relevance for each employee, transforming saving behaviors and driving higher benefits usage. This personalization was made possible by adaptive “Always On” AI technology that dynamically adjusts engagement strategies to drive up retirement and health savings contributions.

Planning, testing and execution of the new AI-driven messaging took less than six months and delivered exceptional results:

17%

Increasing or starting to save to the 401(k)

5.4%

Average increase in 401(k) contribution rate

6%

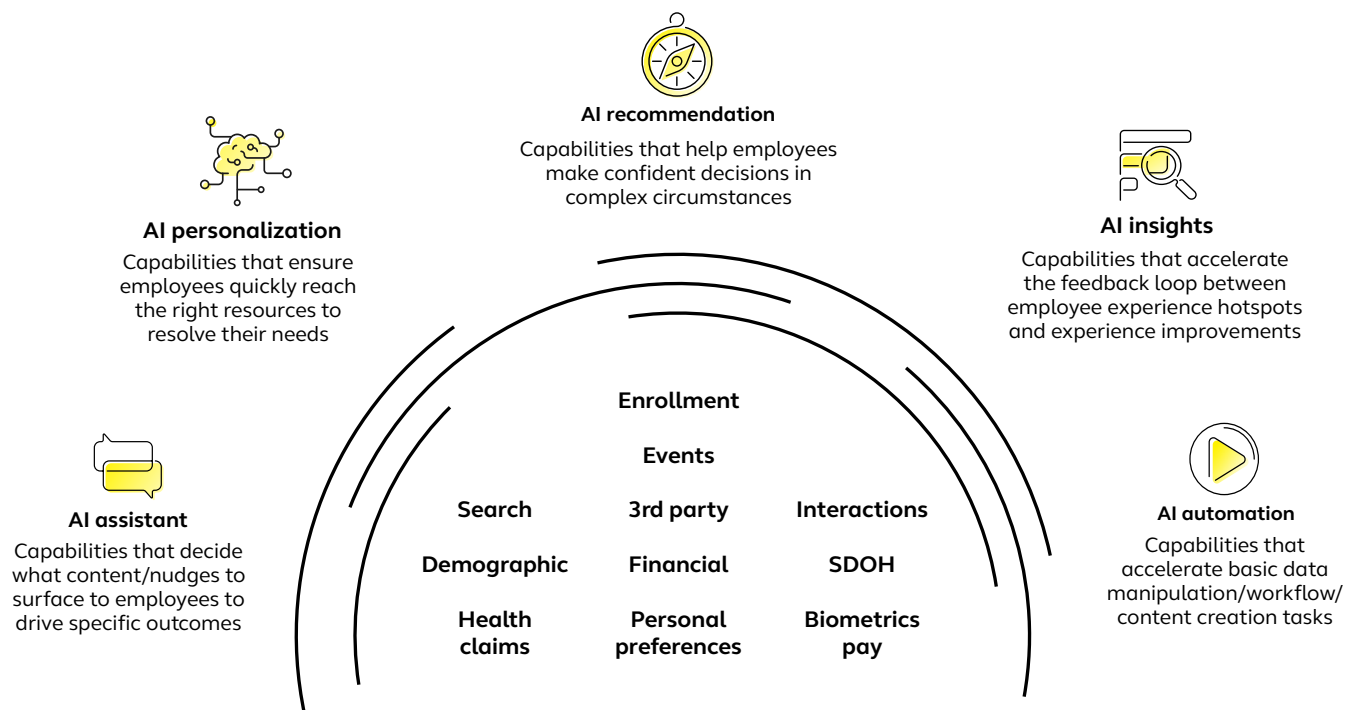
Increasing or starting to save to the HSA

\$1,750

Average increase in employee HSA contribution

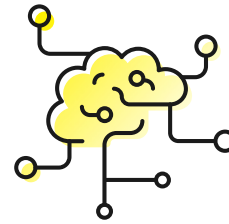
The incorporation of an AI-driven personalization strategy enabled the company to positively influence employee saving behaviors in tax-advantaged accounts, enhancing their overall financial wellbeing. What’s more, these initial results demonstrate the potential for substantial return on investment, emphasizing the strategic and financial benefits of this transformative initiative.

Alight's AI journey



At Alight, AI has been an essential component of our business model for years. Take our Intelligent Virtual Assistant (formerly Ask Lisa), for example. Launched in 2017, Alight's IVA uses a Symbolic Natural Language model consisting of more than 3,500 concepts that allows the IVA to understand and respond to queries, providing employees with quick and accurate information. Alight's IVA has supported over 26 million interactions across our client base to date.

There are five main categories of AI use-cases in HR, each offering unique benefits. Here's what Alight has been doing in each of these categories, giving employers the ability to drive impactful outcomes for their workforce. Chances are you've already been taking advantage of some of them:



- 1 Engagement:** AI leverages dynamic, humanlike interactions to help elevate the way employees engage with search and chat functionalities to save time and improve the experience. It tailors digital experiences to individual employee needs and preferences, whether through personalized onboarding experiences, benefits recommendations, nudges or learning path. Alight's AI engine ingests data from a variety of sources (e.g., demographics, digital interactions, claims) to deploy nudges across a variety of touchpoints (e.g., web, mobile, email, SMS, IVA) to drive specific outcomes (e.g., higher HSA contributions, higher awareness and use of specific wellness programs). This drives a +10% lift in the targeted outcome.
- 2 Assistance:** Virtual assistants and chatbots powered by AI deliver tailored content to guide employees toward relevant programs, actions or resources they need to make confident decisions in important moments.
 - **Intelligent Virtual Assistants ("IVA" aka chatbots):** Self-service chat interfaces enable employees to get answers to their questions/solve issues (30M+ interactions over last 5+ years; 25% of interactions outside of call center hours). Our industry-leading 95% correct intent detection rate supports — along with overall AWL digital properties — Alight's +90% digital interaction/call diversion rate.
 - **Voice-based IVR:** Employees can now say what they are calling about to be routed to the right agent instead of using touchpad-based routing in the call center ("Press 1 for health plan questions, press 2 for..."), delivering a more seamless employee experience and presenting them with additional options for self-service. Alight has been deploying these capabilities to clients since 2023 with more updates to come throughout 2024.
- 3 Recommendations:** AI analyzes data to offer guidance in complex circumstances, such as health plan options during enrollment or development courses based on career goals. Providing a curated, personal experience with timely recommendations and decision support drives better health and financial savings by meeting people in the moments that matter. Our Medical Expense Estimator enables employees to enter past and expected future health events to see an estimation of health spend for each of the health plans available to them at enrollment time. Employees typically see a \$500/year premium saving when selecting the recommended health plan.

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- 4 Insights:** By analyzing data from various sources, AI provides insights into employee sentiment, experience hotspot areas that are priority for improvement and the effectiveness of HR initiatives. Through our Sentiment Analysis capability, AI listens to millions of calls per year to augment manual call listening done by call center managers, scoring them on sentiment, appropriateness and quality. As part of a broader quality program, this supports a 95% high-quality interaction rate with call center agents.
 - 5 Operations:** AI automates repetitive tasks like document processing and scheduling, creating faster turnaround times for employees and allowing HR professionals to focus on more strategic initiatives. Alight's Intelligent Document Processing automates previously manual processing of documents. Employees receive real-time feedback on submitted documents, resulting in an improved experience and a reduction in call volume.

If you're looking for where to start with adopting AI in HR, first find out if you've already been using AI as part of your existing solutions — you may already be able to claim some wins! Next, you can start by adopting some of the more basic and high-impact use-cases, which tend to sit within “assistance,” “personalization” and “operations.”

If you've already got the AI basics deployed and are looking to leapfrog advances in capability, we suggest looking into integrating GenerativeAI; enabling a cohesive experience by having capabilities with one unified view of an employee; and/or by integrating external datasets to enhance the performance of existing use-cases.

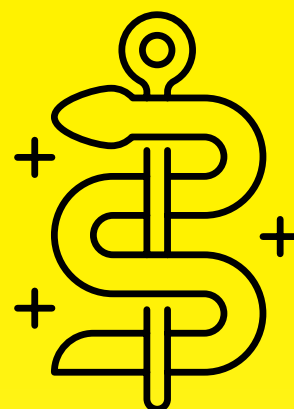
That's why we built the Alight LumenAI® engine — to deliver these capabilities.



CASE STUDY

Driving health savings engagement

A trailblazer in the U.S. automotive manufacturing industry faced the challenge of improving financial literacy among their 17,000 employees, many of whom lacked awareness of how the Health Savings Account (HSA) could help them save on healthcare expenses. Despite the potential to save pre-tax dollars for medical expenses and lower healthcare costs, participation and contribution to the HSA remained low.



Seeking to optimize their investment in the HSA benefit and drive better business outcomes from happier, more financially secure employees, the company partnered with Alight. Together, they leveraged Alight LumenAI® technology to implement a solution centered around hyper-personalization and targeted outreach. Utilizing push messaging based on AI-driven criteria, a campaign was developed to encourage participation and contribution to the HSA.

The campaign targeted two specific groups of employees — those who hadn't yet contributed to the HSA and those who contributed but were not increasing their contributions. Guided by Alight LumenAI's adaptive "Always On" personalization messaging system, email and web messages were crafted to dynamically adjust over time to employees' savings behaviors and address the challenge of underutilized HSAs.

The company's partnership with Alight significantly boosted employee engagement with HSAs, resulting in:

\$0.75M

Savings in employer FICA taxes

36%

Conversion of targeted personalized messaging

\$1,322

Increasing in HSA contribution per participating employee

96%

Of eligible employees received personalized offers across channels to start saving to HSA

Their use of targeted, custom messaging displayed the company's understanding of diverse employee needs and preferences. What's more, by addressing the critical challenge of HSAs awareness, they demonstrated their commitment to helping workers achieve financial wellbeing by engaging more effectively with their health benefits.

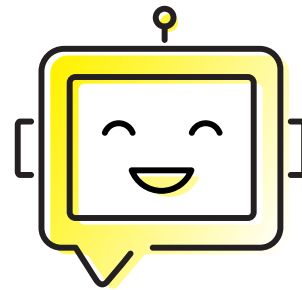
Alight LumenAI®: Next-generation AI

Alight LumenAI®, our next-generation AI engine, integrates all new and existing AI capabilities across the Alight Worklife platform, creating a unified AI ecosystem to deliver innovation and enhanced outcomes for organizations and their employees. It facilitates seamless coordination of data and actions, presenting a unified and cohesive approach to solving complex challenges.

Alight LumenAI® represents a significant leap forward for Alight with investments in cutting-edge technology, exemplified by the integration of new GenAI capabilities such as GenerativeAI-enhanced Search and Chat for Alight Worklife and Alight's new GenAI Policy Generation Tool. It also enables one unified view of each individual employee across multiple AI touchpoints, along with accelerated integration of external data sources into AI decision-making. This ensures that our AI is at the forefront of innovation, setting a new standard for intelligent solutions.

Specifically, Alight LumenAI® engine technologies:

- Allow Alight to self-host LLMs within our secure environment that are selected and optimized for the HR domain
- Deliver eligibility-aware capabilities like vector search (a critical building block of vector search capabilities)
- Run auto-testing frameworks to manage and maintain performance and correctness at scale
- Enable big-data scale proprietary prediction models



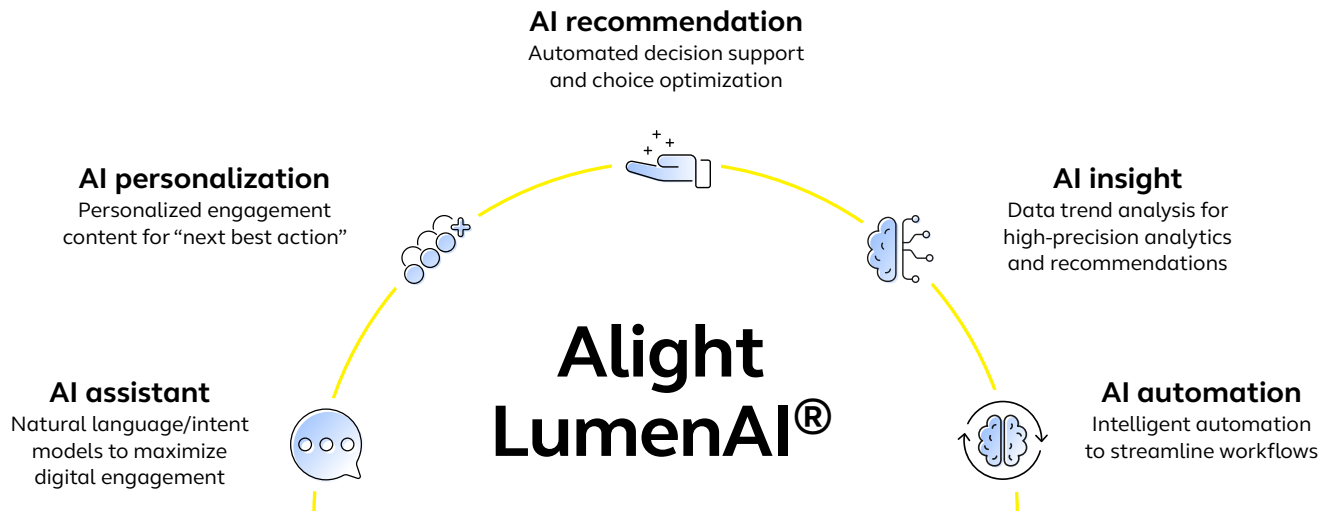
Alight LumenAI® is additive to our existing AI capabilities. These AI capabilities can now “hook into” Alight LumenAI® to add GenerativeAI (aka LLM) functionality, incorporate larger predictive AI models that use “big data” size data and contribute data to “one view” of an employee and consume that same view to optimize decisions.

We’ve hooked up our IVA and Personalization capabilities to Alight LumenAI® and are seeing positive results in pilots. Over the course of 2024, we expect to broaden these pilots and launch them as generally available as we connect more of our existing capabilities to Alight LumenAI®.

For GenerativeAI specifically, we expect the three AI use-cases that will see the largest and most immediate benefit to be:

- **IVA:** Where we will move beyond the current pre-canned responses or simple resource links and towards more holistic and empathetic responses
- **Insights:** Where we will no longer need to review calls or chat transcripts manually to identify trends driving individuals to call
- **Operations:** Where we will be able to not just extract information from documents but also make decisions based on underlying policy documents

Alight LumenAI® capabilities



Outcomes

- ✓ Transform employee experiences with tailored content for confident decisions
- ✓ Deliver high-quality service via dynamic search and chat capabilities
- ✓ Lower organizational costs through process optimization
- ✓ Drive powerful business outcomes with document review automation

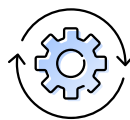
Powered by:



Integration of
generative AI



Unified employee
data views



Accelerated data
integration

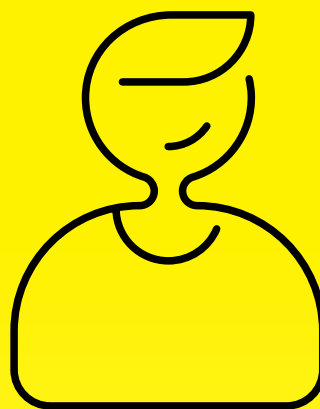


Strategic
investments in AI

CASE STUDY

Boosting HSA participation with hyper-personalization

A multinational food and beverage conglomerate faced a significant challenge in helping employees find financial balance and feel secure in their reimbursement account savings. The company's 318,000 employees lacked awareness and knowledge of the Health Savings Account (HSA). As a result, the benefit was underutilized, despite its potential for saving pre-tax dollars for medical expenses.



Seeking to increase participation and contributions to the HSA, the U.S.-based industry giant turned to Alight to help employees maximize their benefits and optimize the available financial resources. Leveraging Alight LumenAI®, the company implemented an AI-fueled solution that used targeted outreach to drive HSA participation amongst non-contributing employees and encourage increased contributions amongst participants.

Alight conducted comprehensive assessments of the existing 401(k) and HSA benefits and scrutinized the potential impact and projected tax savings a hyper-personalized engagement campaign would deliver. Targeted email and web messages were delivered to 95% of eligible employees across various channels, encouraging them to start saving in the HSA.

Despite the project's complexity and the scale of the workforce, it took less than six months for Alight to orchestrate a series of strategic initiatives designed to ensure seamless integration and implementation of the AI-driven program. The success of the initiative is undeniable:

\$0.86M

Savings in employer FICA taxes

33%

Conversion of targeted personalized messaging

\$1,231

Increasing in HSA contribution per participating employee

95%

Of eligible employees received personalized offers across channels to start saving to HSA

Hyper-personalization strategies were key to helping drive employee participation and increase contributions in underutilized health savings programs. By leveraging AI-driven targeted outreach and tailored communications through multiple channels, the company demonstrated their commitment to a diverse range of employee needs, driving higher conversion rates through increased reach.

Getting started with AI

For many leaders, the question is not “Should I incorporate AI into my organization?” It’s “How should I incorporate AI into my organization?” or “Where do I even start?” Clearly, AI offers immense potential to revolutionize the organization and drive next-generation HR. As we’ve discussed, AI is not new. However, it is new to many leaders who are being pushed to demonstrate how AI is reshaping processes and enhancing employee experiences — all while coming up-to-speed on how to be AI intrapreneurs and how to ensure AI is being introduced responsibly.

How to be an AI intrapreneur

AI assistant

Focus on problems AI can solve now, not speculative future capabilities. Validate with small pilots.



Resource wisely

Build in-house differentiation, use vendors for commoditized capabilities.



Avoid high-risk AI uses

AI will make mistakes — don’t use where those mistakes have severe consequences.



Keep humans in the loop

Humans must oversee AI systems. Design for human oversight.



Measure extensively

Rigorously measure performance, error rates, biases and business impact. Establish feedback loops.



As mentioned earlier, the first step is to understand where you might already be taking advantage of AI without even realizing it. The next step is adopting some frequently used AI capabilities. We see organizations having the most success when adopting the following use-cases:

Omni-channel personalized campaigns around moments that matter: By analyzing user data, behavior and preferences, an AI engine delivers information and assistance when it matters most, providing a seamless, personalized user journey. An omni-channel approach further enhances the experience by delivering content and support through a variety of push and pull channels, making it highly accessible and convenient.

Intelligent Virtual Assistant (IVA): Unlike traditional chatbots, which are limited to a programmed script, IVAs use analytics and cognitive computing based on past conversations, location and individual employee information to deliver a dynamic, humanlike interaction featuring comprehensive, personalized responses. IVAs get more knowledgeable over time as they collect data and learn from each interaction, enabling them to deliver more meaningful content and insights.

Employee interaction insights: By providing insights into the attitudes, values and beliefs that guide an individual's decisions, AI gives HR the knowledge it needs to create strategies that resonate with people on a personal level. Likewise, behavioral and participation data offers a comprehensive understanding of how employees engage with HR services, which aids in tailoring communications and HR offerings to each employee's liking.



CASE STUDY

Closing the gaps around financial wellbeing

A leader in the wireless and telecom industry was challenged by low employee participation in its financial savings programs. Looking for a way to increase employee contributions to 401(k) and HSA savings and create more positive financial experiences for the workforce, the multinational enterprise partnered with Alight to identify where their 24,000 employees were missing opportunities for savings.



The AI-driven Alight Financial Path solution was deployed, helping employees engage in financial benefits and substantially increase their contributions to retirement and health savings plans. The use of personalized email and web messages were guided by an adaptive “Always On” AI personalization messaging system, which adjusts strategies over time to influence and transform employee saving behaviors.

With a special focus on Diversity, Equity and Inclusion (DE&I) outcomes, the company was able to influence greater savings, investments and debt-reduction among employees of all life stages. Additional metrics within the solution helped the organization yield healthier returns on existing benefits investments.

The project spanned approximately six months, with the Alight team strategically managing the timeline from initiation to completion to ensure thorough planning, testing and effective execution. The implementation was enormously successful, yielding numerous impressive results, including:

7%

Increase in HDHP enrollment

44%

Conversion of targeted personalized messaging

24-31%

HSA utilization expected over 18 months

5.6/6

Overall employee satisfaction rate with financial service

Through their deployment of Alight Financial Path, the company successfully addressed the challenges of low program utilization and employee engagement. Tailored communication strategies and AI-powered hyper-personalization tools delivered targeted messaging that effectively highlighted program relevance, driving desired employee actions and lowering benefit costs.

Ethical AI practices

The AI focus of the last year has caused many of our clients to push on two seemingly contradictory fronts: to pursue AI innovation more forcefully while at the same time doing more to satisfy risk and governance concerns. In addition to the above “intrapreneur” framework to ensure that a newly adopted AI use-case has positive impact, it’s important that the downside risks of a new AI application are also carefully considered and governed.

We encourage our clients to use the following AI risk framework when considering new AI use-cases. It provides a clear and comprehensive checklist of areas to consider before proceeding with a new AI use-case.

To ensure Alight could innovate both quickly and responsibly, Alight in 2023 formalized and externally communicated its AI governance policy, framework and processes. Our newly centralized AI Governance Board, a cross-functional group of senior leaders, meets regularly to review new and existing AI technology and use-cases to catalog them and approve their use, along with appropriate monitoring and guardrails, in accordance with our AI Policy. The Board assesses each AI technology and use-case across nine internal and external risk factors:

- **Output quality:** Are outputs appropriate and high quality? How do we address the inevitable occurrence of a model making a mistake?
- **Data privacy:** Is client employee data protected?
- **Alight IP:** Is Alight’s IP protected?
- **Bias:** Are outputs equally high quality for all relevant sub-populations?
- **Output rights:** Are we allowed to use model outputs as intended?
- **Regulatory:** Are models operating within evolving legal limits?
- **Data value:** Does our data enrich a model that also benefits our competitors?
- **Output quality:** Are outputs appropriate and high quality?
- **Press risk:** Potential media coverage should be positive.

We encourage our clients to keep this framework in their back pocket. If you are pursuing a new AI use-case and have considered the above questions, you’ll likely be prepared for any conversation with risk management, security, etc.

For years, Alight has been bringing market-leading AI capabilities to our HR solutions. We are excited to continue leading the way and demonstrating how newer GenerativeAI technologies can deliver even better employee experiences, drive HR outcomes and deliver consistently high-quality service.

About Alight

Alight is a leading cloud-based human capital technology and services provider that powers confident health, wealth and wellbeing decisions for 36 million people and dependents. Our Alight Worklife® platform combines data and analytics with a simple, seamless user experience. Supported by our global delivery capabilities, Alight Worklife is transforming the employee experience for people around the world. With personalized, data-driven health, wealth, pay and wellbeing insights, Alight brings people the security of better outcomes and peace of mind throughout life's big moments and most important decisions. Learn how Alight unlocks growth for organizations of all sizes at alight.com.

Powering confident decisions, for life.

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