



# 2024 AI C-Suite Survey Report

BALANCING RISK AND OPPORTUNITY IN AI DECISION-MAKING

# Executive Summary

As the adoption of artificial intelligence (AI) spreads across corporate America, the risks are growing in kind. Yet while AI is increasingly on C-suite and boardroom agendas, fewer than half of organizations report having policies in place that can help mitigate these risks—and many that do lack the teeth and internal alignment needed to make them most effective.

These are among the key takeaways from Littler’s second annual AI survey, which this year focuses on perspectives from C-suite leaders. The survey draws on more than 330 responses from executives throughout the United States, including Chief Executive Officers (CEOs), Chief Legal Officers (CLOs), General Counsel (GCs), Chief Human Resources Officers (CHROs), Chief Operating Officers, and Chief Technology Officers.

This report builds on Littler’s [2023 AI in the Workplace Survey](#), which focused more on predictive AI use, by delving into the key components of organizations’ generative AI policies. It also looks at how top executives perceive the value and risks that come with using both generative and predictive AI, specifically in human resources (HR) processes, and reveals important differences related to company size, AI policy implementation status, and role within the C-suite. For [definitions of generative and predictive AI](#), see page 14.

## AS AI ADOPTION GROWS, SO DOES RISK

With 65% of organizations polled in a McKinsey Global Survey now [regularly](#) using generative AI—and a similar percentage of U.S. employers we surveyed leveraging either predictive or generative AI in HR functions—the stakes for deploying these tools responsibly are high.

AI-related lawsuits are expected to [rise](#)—spanning issues from privacy to employment law to copyright and trademark violations—alongside increased regulatory risks. The European Union’s AI Act, for instance, [could apply](#) to U.S. employers even if they are not based in the EU and includes hefty penalties for non-compliance. Meanwhile, a complex patchwork of local and state laws is emerging in the U.S., in New York City, California, Colorado, Illinois, and beyond. In the 2024 legislative session, [at least 40 states](#) introduced AI bills related to discrimination, automated employment decision-making, and more.

C-suite executives are taking note: Nearly 85% of respondents tell us they are concerned with litigation related to the use of predictive or generative AI in HR functions and 73% say their organizations are decreasing their use for such purposes as a result of regulatory uncertainty.

## GENERATIVE AI POLICIES: COMPONENTS, TRACKING, TRAINING

The swift adoption of generative AI poses persistent challenges for employers as they try to keep up with related policies, procedures, and trainings. However, our research shows that organizations have made strides over the past 12 months. While fewer than half of executives (44%) say their organizations currently have generative AI policies in place, this represents a significant increase from Littler’s [2023 Employer Survey](#), when just 10% said the same.

An additional 25% of respondents told us that their generative AI policies are in process, while 19% are considering one. Large employers (those with over 5,000 employees) are ahead of the game—understandably, given their heightened risk exposure and resources—with 80% having a generative AI policy either in place (63%) or in process (17%).

Another positive sign is that nearly three-quarters of respondents whose organizations have a generative AI policy in place *require* employees to adhere to it rather than simply offering guidelines. As for how they are tracking and enforcing such policies, about seven in 10 are relying on expectation setting, while over half use access controls and employee reporting.

Given that training and education about generative AI (and indeed, all AI) goes hand in hand with successful expectation setting, it is notable that only 46% of employers are currently offering or in the process of offering such programs. However, high percentages of those who do include several important components in these trainings, such as AI literacy, data privacy, confidentiality, and ethical use.

## AI USE IN HR, EXECUTIVE MISALIGNMENT

Only 34% of executives we surveyed say their organizations are *not* using some form of AI to assist with HR and talent acquisition processes. Those that are using these tools are largely doing so to create HR-related materials (42%) and in recruiting (30%) and sourcing (24%) candidates.

Crucially, however, there is a significant disparity within the C-suite on this front: Only 18% of CHROs say their organizations are not using any AI for HR functions, compared to 52% of CLOs/GCs. This and other findings in the survey suggest a lack of alignment between key members of the C-suite, which creates significant hurdles. After all, a unified understanding of what their organizations are using AI for is a foundational step to establishing successful policies.

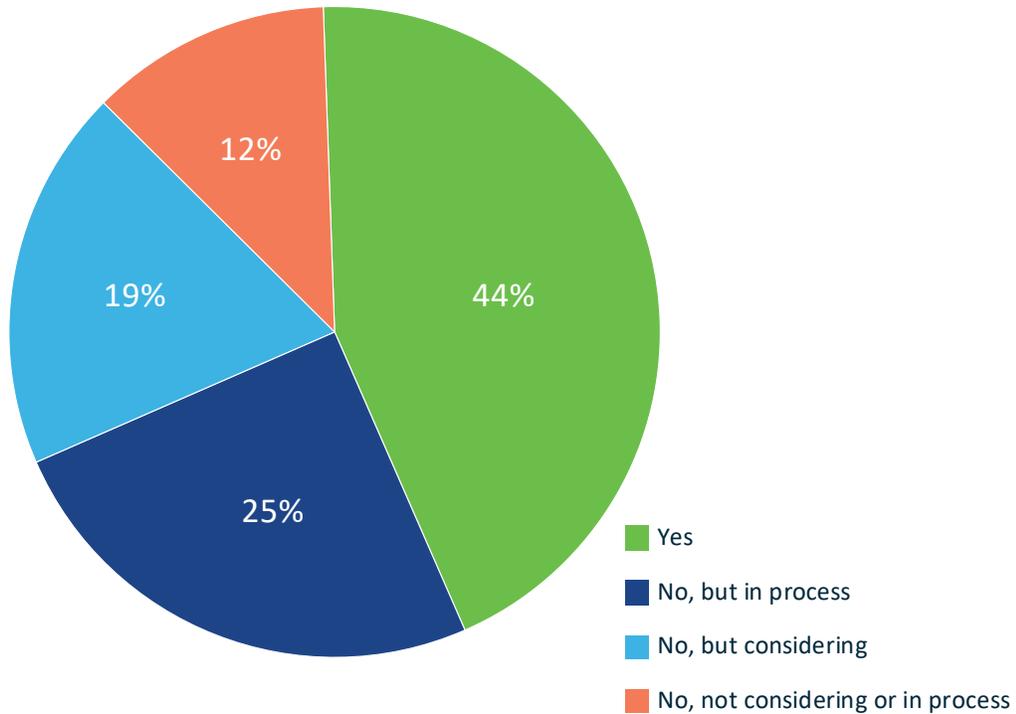
Ultimately, it's critical that business leaders balance innovation and risk mitigation, arriving at an approach that helps them seize the opportunities created by AI without exposing their organizations to new vulnerabilities.

*Responses to some questions do not add up to 100% due to rounding, and some exceed 100% because respondents were invited to select more than one answer. For the full survey [methodology and a breakdown of respondent demographics](#), see page 19.*



# Generative AI Policies and Training

Does your organization have a policy for employees' use of generative AI for work functions?



## Which of the following reasons explain why your organization has not established a policy for employee use of generative AI? (Select all that apply)

*This question was only asked to those whose organizations do not have generative AI policies that are in place or in process.*



Given the mounting risks associated with generative AI—and the ease with which employees can deploy these tools at work—it may be surprising that just 44% of executives say their organizations have a specific policy in place for employee use of the technology.

Yet this is a significant jump from early 2023, when our Annual Employer Survey found that just 10% had some sort of generative AI policy in place (see page 27 [here](#)). Among those respondents, only 2% had developed comprehensive guidelines versus simply offering some guidance (6%) or fully prohibiting its use in the workplace (2%). Most were taking a wait-and-see approach, with 50% either planning to develop policies or seeking counsel on the issue.

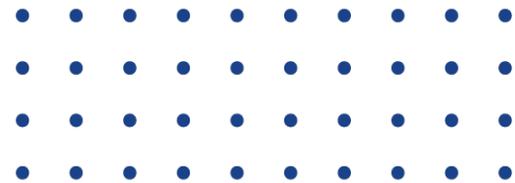
The rapid-fire adoption, development, and accessibility of generative AI over the past year has shifted the goalposts. According to [Microsoft's 2024 Work Trend Index](#), 75% of knowledge workers now use generative AI at work—many of them (46%) started doing so just this year and 78% are bringing their own AI tools to work.

It tracks, then, that only 12% of executives responding to our survey—compared to 40% of those in our 2023 Employer Survey—are *not* considering any policy, and that 25% are in the process of establishing one and 19% are considering it. Large employers in particular are making strides in this realm, with eight in 10 either having a policy in place (63%) or in process (17%).

The top reasons for not establishing such a policy, according to those who are either considering one or do not have one in place, are a perception of low risk (48%), a lack of internal expertise (37%), and the rapid evolution of the technology and uncertainty around its future role (36%). For most, it's not an issue of cost (12%), cultural resistance (11%), or concern with hampering innovation (9%).

The perception of low risk may be understandable, particularly for smaller organizations in less-regulated industries. The number of lawsuits and regulatory enforcement actions has not yet reached a fever pitch—though, as discussed later in this report, that's expected to change in the months and years to come.

Creating an effective policy also requires technical knowledge and due diligence. The latter poses additional challenges due to what is often a lack of transparency on the developer side or via vendors, who may be biased when articulating their tools' risks.



“The progress that companies have made in developing workplace policies on generative AI is encouraging. However, it's not surprising that more than half have yet to implement such a policy. The rapid onset of generative AI last year prompted many companies to start developing AI policies for the first time. There are several practical challenges that come with creating an effective policy for such a ubiquitous and evolving technology, including securing alignment and internal buy-in—especially when views about generative AI's risk level and opportunities can vary widely among stakeholders.”

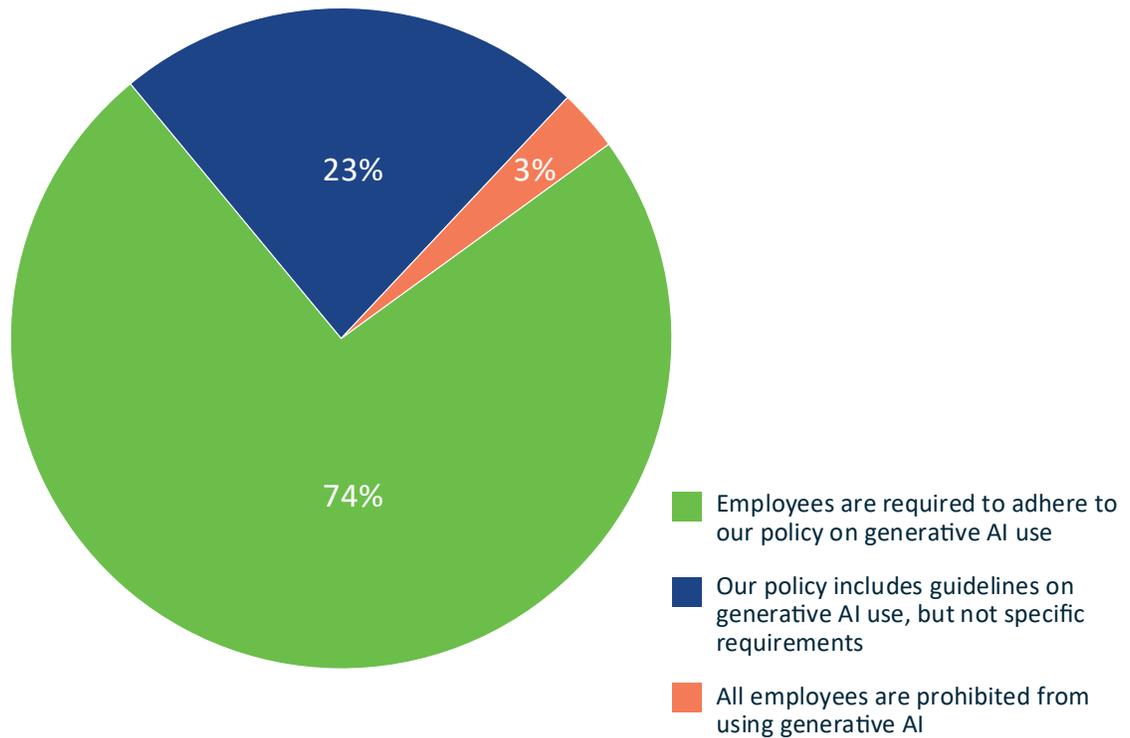


—[Marko Mrkonich](#), Littler shareholder and a core member of the firm's [AI and Technology Practice Group](#)

## Components of Generative AI Policies

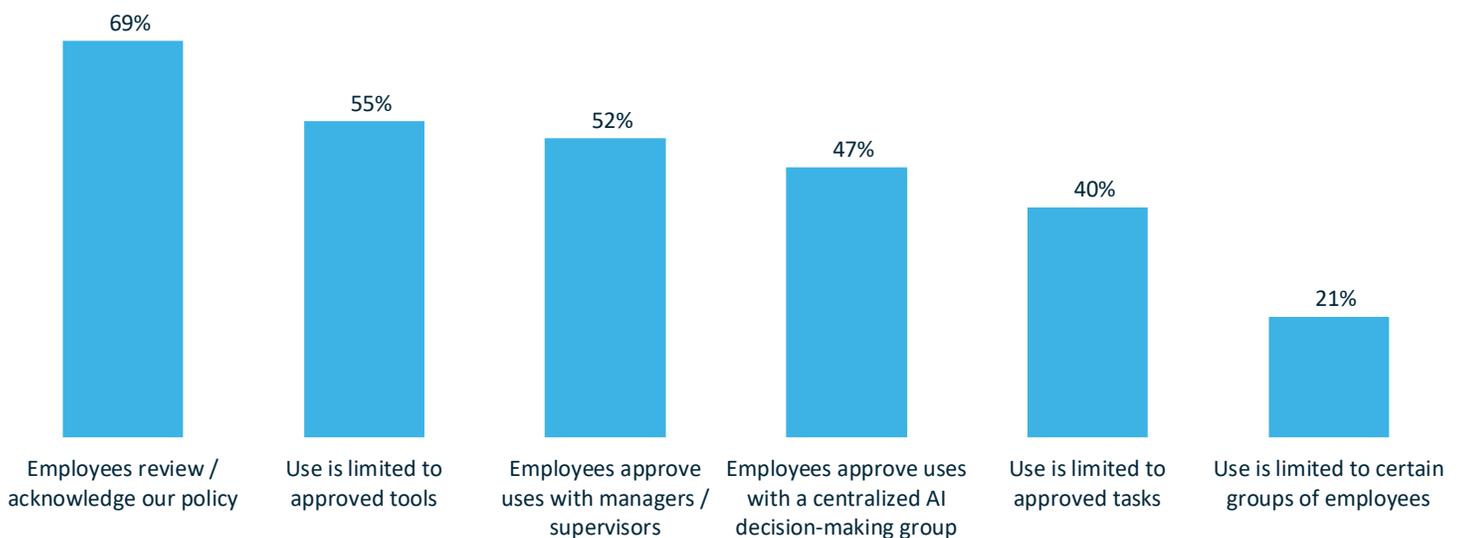
### Which of the following best describes the focus of your organization's policy for employee use of generative AI?

*This question was only asked to those whose organizations currently have a generative AI policy.*



### Which of the following are components of your organization's policy for employee use of generative AI? (Select all that apply)

*This question was only asked to those whose organizations currently have a generative AI policy.*



Nearly three in four organizations that have an established generative AI policy require their employees to adhere to it, while 23% only offer guidelines and just 3% prohibit it altogether. This is a positive sign for risk mitigation, as guideline-driven policies can make employers as vulnerable as their least-knowledgeable employees. For example, if a guideline says not to input confidential information into ChatGPT, an employee with the least knowledge of the system (or what information is confidential) could put the entire enterprise at risk.

Most of those who have policies in place say that employees must review and acknowledge the policy (69%). As for what goes into these policies, 55% of all respondents (and 78% of large organizations) say that employees' use of generative AI is limited to approved tools, while slightly fewer limit to uses that are approved with managers and supervisors (52%) or a centralized AI decision-making group (47%). A smaller percentage of executives say their organizations limit use to approved tasks (40%) and to certain groups of employees (21%), which is likely driven in part by these types of restrictions being harder to enforce. For instance, tasks can be more difficult to monitor than focusing on tools, which could simply involve access controls, and limiting use to certain employees could create cultural or even legal issues.

Interestingly, CLOs and GCs are less certain that these components are part of their organizations' policies than their CEO and CHRO counterparts. For instance, 84% of CEOs and CHROs believe their policies include employee review and acknowledgement, while only 57% of legal executives say the same. Additionally, 66% of CEOs and CHROs say that employees approve uses with managers or supervisors, compared with 30% of CLOs and GCs.

Some of this dissonance may be driven by the rapid rate of change. Legal teams, for example, may not be involved in policy elements until there is a problem—and, depending on the organization, may not be part of the centralized AI decision-making group.



“The current generative AI policy landscape represents a continuum, with organizations typically starting by vetting particular tools and then looking at specific tasks and how they are used by different groups and departments. Given that uses of both generative and predictive AI vary widely by employee role, it’s important that executives focus on defining who the decision-makers are, ensuring they are knowledgeable about the use of AI across the organization, and effectively socializing requirements and guidelines among employees.”

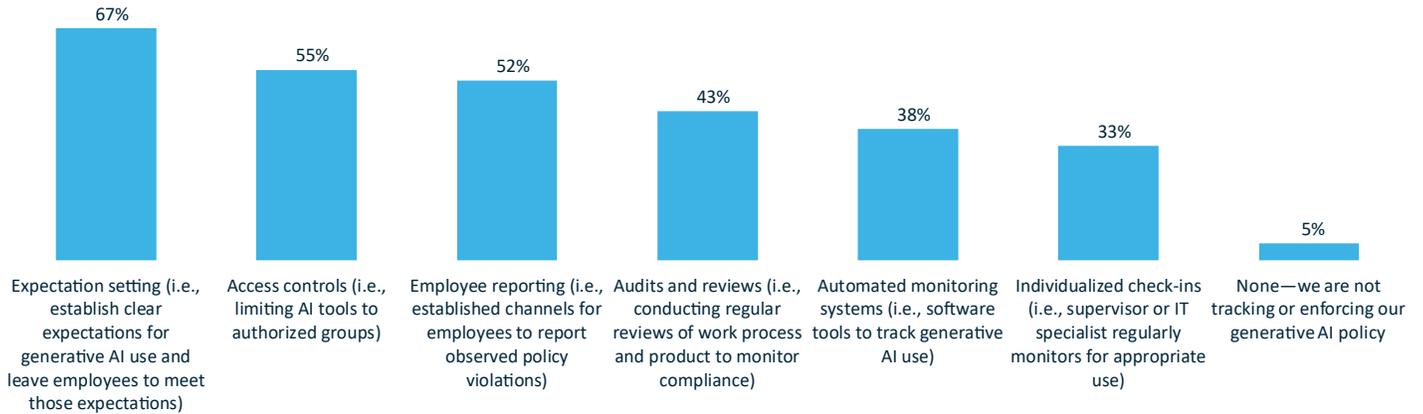
– [Niloy Ray](#), Littler shareholder and a core member of the firm’s [AI and Technology Practice Group](#)



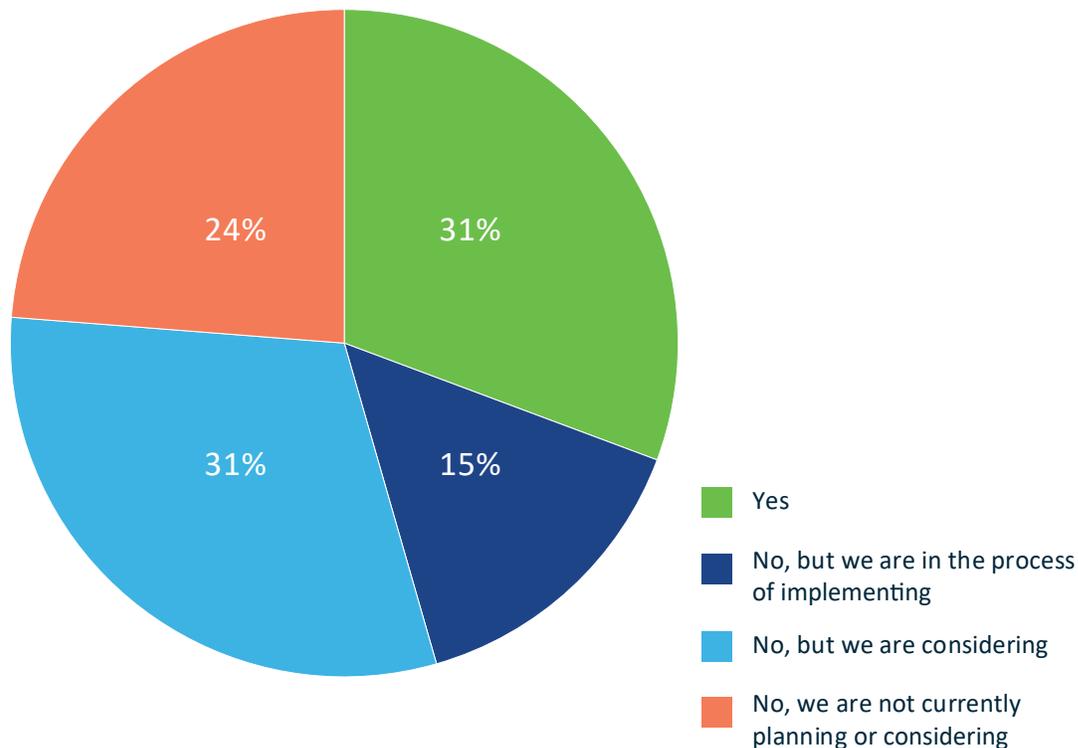
## Tracking, Enforcement, and Training

**In which of the following ways does your organization track and/or enforce its policy on employee use of generative AI, if at all? (Select all that apply)**

*This question was only asked to those whose organizations currently have a generative AI policy.*

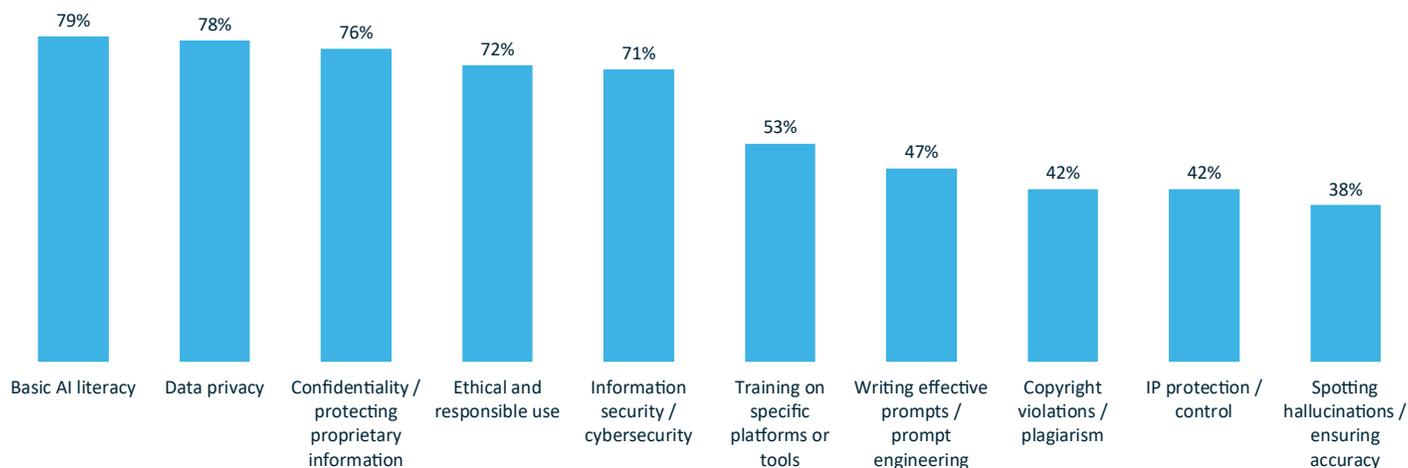


## Does your organization offer generative AI training and/or education to improve employee familiarity and skillsets?



## What specific components does your organization include, or plan to include, in its training? (Select all that apply)

*This question was only asked to those whose organizations have a generative AI training in place or in progress.*



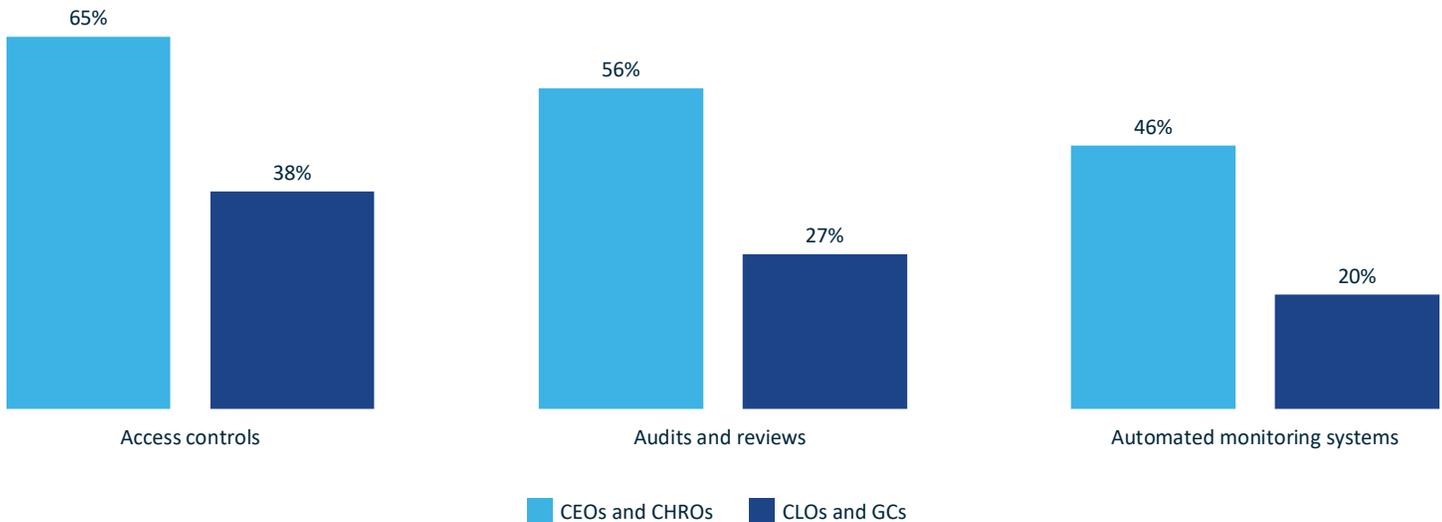
A workplace policy is only as good as an organization’s ability to get employees to follow it. Our survey reveals that even those with generative AI policies in place are still navigating how to track compliance and enforce them.

Most (67%) are focusing on setting clear expectations for use and relying on employees to meet those expectations. More than half are using access controls that limit AI tools to specific groups (55% of overall respondents and 70% of large employers) and relying on employee reporting of violations (52%)—both relatively painless methods given existing IT capabilities and manager–employee relationships. A smaller share are opting for more time-consuming methods, such as audits and reviews (43%) and individualized check-ins (33%). Five percent say they are not tracking or enforcing their generative AI policy at all.

Surprisingly, given the ongoing focus on privacy protections in the workplace, nearly 40% of executives say their organizations are using automated monitoring systems to track generative AI use among employees. Employers that do so should be diligent about protecting employee data, adhering to labor-law obligations, and avoiding any perception of bias or discrimination.

Once again, notable differences emerged between what CLOs and GCs believe their organizations are doing to track and enforce these policies versus CEOs and CHROs. CLOs/GCs report higher degrees of expectation setting than their counterparts (80% vs. 62% for CHROs and CEOs), but significantly lower levels when it comes to every other method (see graphic below).

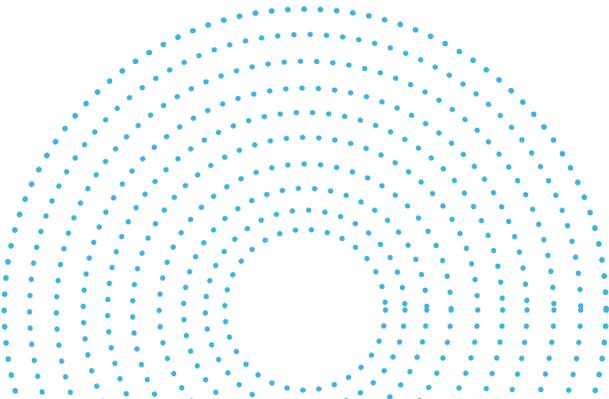
Why the split? Different executives, of course, have different levels of visibility into various aspects of a policy like this. But the lack of alignment is a warning sign. For instance, if CLOs and GCs aren’t aware that automated monitoring systems are in place or how they are being used, that could present significant legal and reputational risks.



Finally, expectation-setting goes hand in hand with employees actually *understanding* those expectations. That's where training and education come in. Yet fewer than a third of executives (31%) say their organizations currently offer such programs for generative AI; 15% are in process, another 31% are considering it, and 24% aren't planning on it at all.

On the positive side, those who *are* offering training and education are focused on a range of areas, including AI literacy (79%), data privacy (78%), confidentiality and protecting proprietary information (76%) and ethical and responsible use (72%). This is particularly true of large companies, where 95% are training on confidentiality and protecting proprietary information, and 85% provide training focused on data privacy.

There may be room for improvement when it comes to educating employees on potential copyright violations and IP protection (42% each) and spotting hallucinations and ensuring accuracy (38%). What's more, the fact that only 47% of executives say their training focuses on writing effective prompts suggests that businesses may be missing an opportunity to help their employees get the most value out of using generative AI tools.



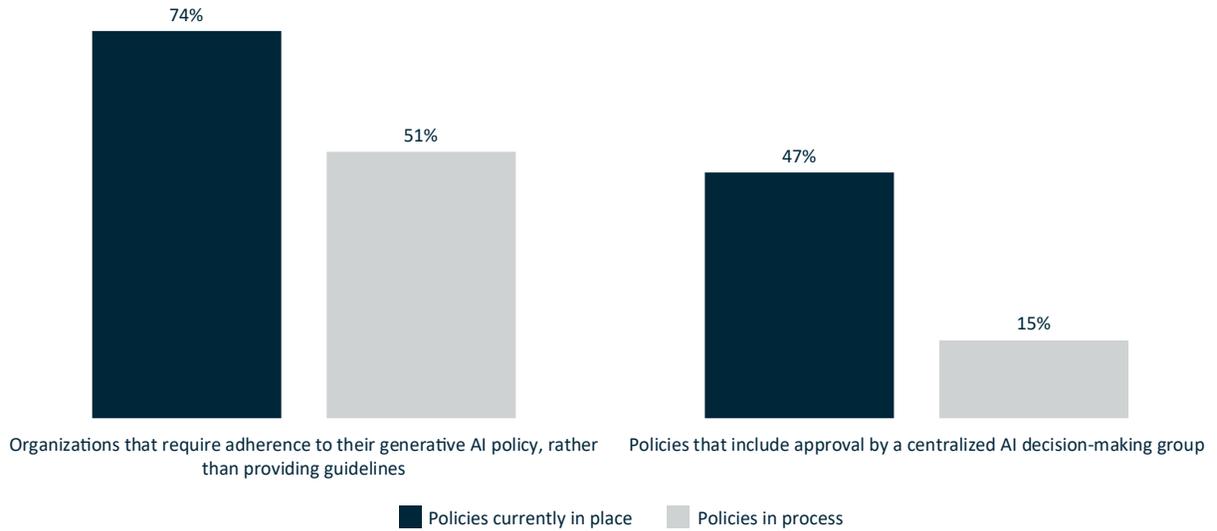
“To effectively implement a generative AI policy, it’s vital that leaders agree on the organization’s ultimate objective and how they’ll get there. With our survey finding that most employers rely on expectation-setting to manage AI use, intentional training and education is an important part of this process. That includes training both on compliance issues to mitigate risk and technical use to realize the greatest benefits from the technology. At the same time, organizations cannot expect their employees to immediately have robust new capabilities when it comes to AI use—they have to set aside ample time and resources for people to practice using these tools and understand how to do so in accordance with company policy.”

– [Britney Torres](#), Littler senior counsel and core member of the firm’s AI and Technology Practice Group counseling on the [Future Workplace](#)



# Organizations with generative AI policies in process express different priorities

## COMPONENTS OF AI POLICIES:



## METHODS FOR TRACKING AND ENFORCING AI POLICIES:



The survey results for those whose organizations are in the process of developing a generative AI policy (versus having one in place) illuminate how priorities may shift as a policy gets closer to implementation.

For instance, guidelines may be seen as the easier way to go in the planning stages—of those who are in the process of establishing a policy, only 51% indicate that it will involve specific requirements. But it appears that executives may change their minds once they dig into the realities of rolling such a policy out, as 74% of those with policies in place say that they require adherence.

When it comes to what goes into an organization's policy, divergences hint at the importance of a centralized AI decision-making group: While 47% of respondents with policies in place say this is a component of their policies, only 15% of those with policies in process are planning the same. The latter group may also be a bit optimistic about their ability to limit use to approved tasks—47% expect to have that in their policy, but only 40% of those who already have one in place include that component.

Similarly, those in process may be more hopeful about the efficacy of expectation setting compared to other tracking and enforcement mechanisms, such as access controls (38% plan to include that as a component, versus 55% for those with established policies) and employee reporting (43% versus 52%). Additionally, those with policies in process seem more hesitant when it comes to using automated monitoring systems (23% versus 38% of those with established policies)—possibly because those with policies in place may have found that step more necessary to help with enforcement.



# AI Use in HR



## AI DEFINITIONS

**Generative AI:** Tools and products that use machine-learning algorithms to generate new content, such as data, text, software code, images, music, and videos in response to conversational “prompts” or inputs.

**Predictive AI:** Tools and products that use machine-learning algorithms to predict the rank, score, category, fitness, or other classification of individual data inputs. In the HR context, these predictions can be used to assist with such tasks as résumé review, candidate assessment/selection, and employee skills analysis.

Predictive AI is typically available through business licensing or purchase, while generative AI may be available via license/purchase and in free-use public form.

*The survey data in the pages above refers only to generative AI. For this section, respondents were asked to answer based on use of both generative and predictive AI tools.*

## Use Cases and Perceived Value

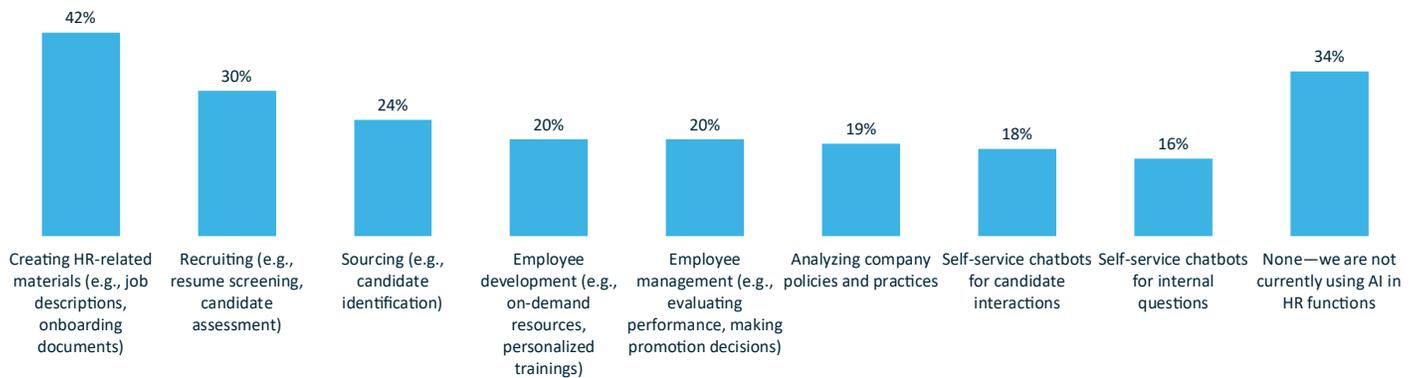
From sifting through applications to generating job descriptions to developing trainings, AI clearly has the power to bolster an organization’s HR and talent acquisition processes. Our survey shows that C-suite executives agree: Three-fourths believe AI enhances these processes to a large (33%) or moderate (42%) extent—and only 5% say AI wouldn’t make any difference at all.

CEOs and CHROs are more optimistic on this point than do their CLO and GC counterparts, with 42% of the former group believing AI will enhance HR processes to a large extent and just 18% of legal executives saying the same. What’s more, whereas no CEOs or CHROs feel that AI wouldn’t help with these processes at all, 12% of CLOs and GCs believe AI has no positive impact.

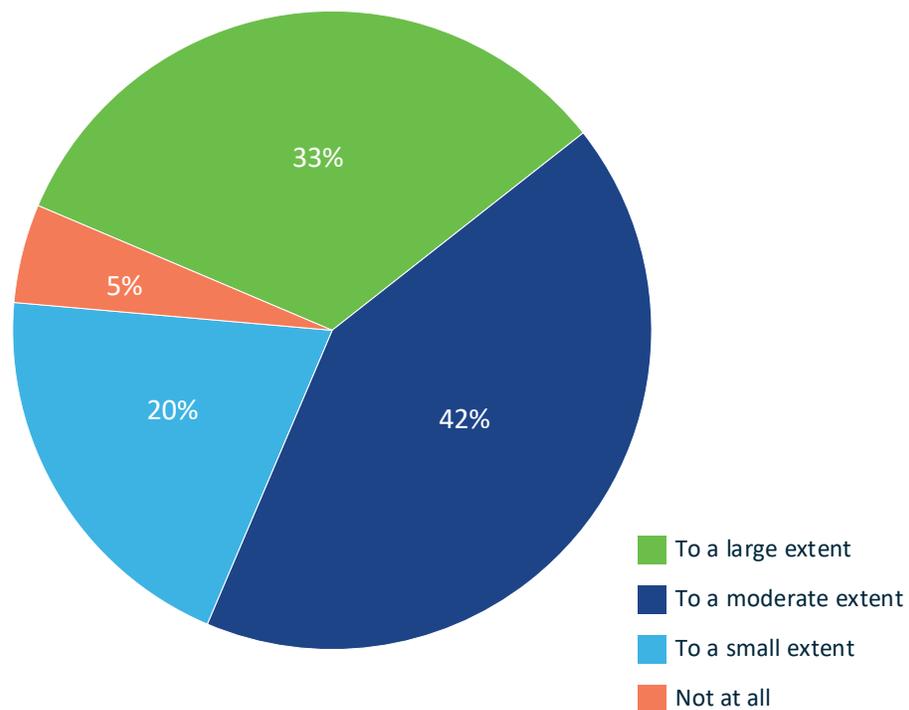
Part of this misalignment may stem from different understandings of how AI is being used in the first place. Generally speaking, CLOs and GCs say these tools are less in use than their CEO and CHRO counterparts: 52% of CLOs/GCs say their organizations are *not* using such tools in HR and talent acquisition processes, compared with 31% of CEOs and 18% of CHRO (and 34% of all respondents). This disconnect could be problematic, as it’s difficult to create effective organization-wide policies if the C-suite team isn’t aligned on how and where AI tools are being used.

CEOs and CHROs also reported significantly higher AI use in creating HR-related materials (54%) and recruiting (42%) at their organizations, which are the top two use cases highlighted by all executives (42% and 30%, respectively). Less popular applications include candidate sourcing (24%); employee development, training, and performance management (20%); and self-service chatbots for candidate interactions (18%) and internal questions (16%).

**In which of the following ways is AI being used to assist with HR and talent acquisition processes at your organization, either at an enterprise level or by individual employees?  
(Select all that apply)**

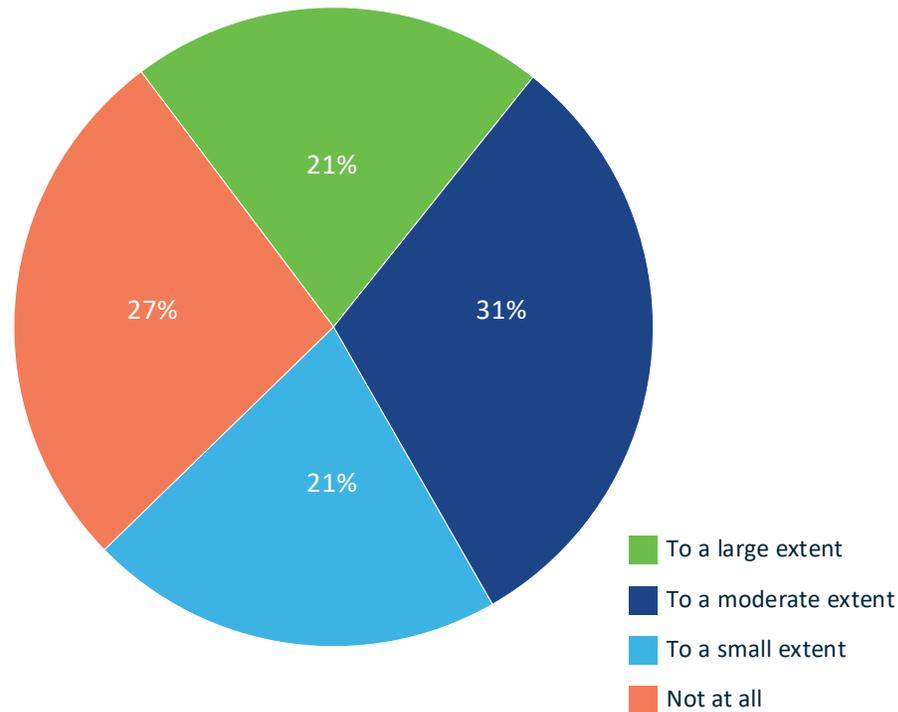


**To what extent do you believe AI has the potential to enhance your organization’s HR and talent acquisition processes?**



## Regulatory Uncertainty

To what extent has the regulatory uncertainty surrounding AI decreased your organization's use of AI technologies to assist with HR functions?



The [regulatory risks](#) associated with using AI in HR are growing—fast—and our data highlights the need for more predictability in how the technology will be treated in judicial and regulatory communities.

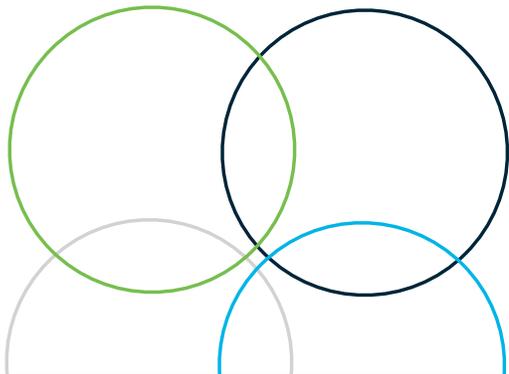
States such as Illinois and Maryland have enacted laws that directly regulate employers' use of AI when interviewing candidates. New York City requires employers that use AI to screen candidates who apply for a job or a promotion in the city to conduct an annual bias audit, inform the candidates that AI is being used, and give them the option of requesting an accommodation or an alternative selection process. And in early 2026, a comprehensive law from Colorado—requiring a complex impact assessment of AI tools and the creation of related risk management processes, among other stipulations—will go into effect.

For its part, California is considering over two dozen pieces of AI-related legislation, including a bill that would address algorithmic discrimination in employment. More states are following suit with proposed or enacted legislation of their own, including Washington, New Jersey, and Massachusetts, while several federal agencies—like the [Department of Labor](#) and [Equal Employment Opportunity Commission \(EEOC\)](#)—have released guidelines as well.

Tack on the requisite [data privacy compliance](#) that accompanies AI use in HR—be it related to the California Consumer Privacy Act, the EU's General Data Protection Regulation, or any number of state laws—and the result is a recipe for ongoing regulatory uncertainty and complexity.

C-suite executives are relatively split when it comes to how this regulatory uncertainty is impacting their use of AI in HR functions: Just over half say that they have decreased use to a large (21%) or moderate (31%) extent. CHROs, who would be best situated to know about the use of AI in this area, were more likely to say their organizations had decreased such use to a large (38%) or moderate (27%) extent.

These results may indicate a slight bump in regulatory concern when compared with our 2023 AI survey findings (see page 10 [here](#)). That research found 29% of respondents saying they had limited the scope of HR activities for which they use AI tools in light of the regulatory environment, with 8% having halted use altogether and 2% having decreased use in certain jurisdictions. Meanwhile, 51% said they hadn't changed usage but were monitoring regulatory developments. Perhaps for some the latest wave of regulations have provided additional clarity, while for others they have engendered even more uncertainty.



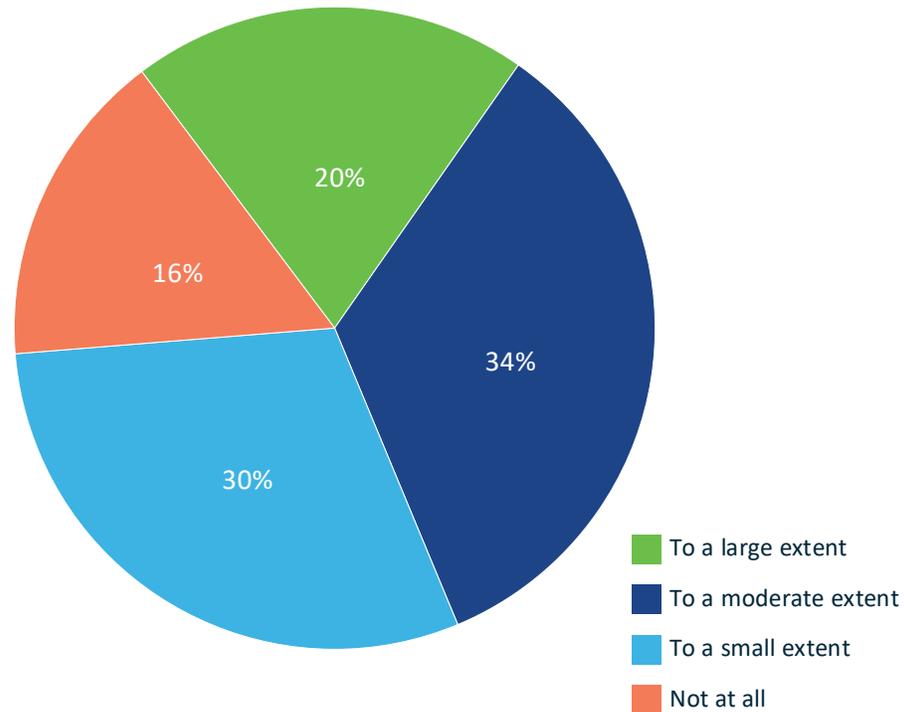
“While the U.S. currently lacks an AI framework akin to the EU AI Act, there has been a sharp rise in regulatory activity to address AI use in the workplace—and C-suite executives are taking note. In the absence of comprehensive U.S. legislation, federal agencies have filled the void with a series of AI guidelines while state and local laws continue to proliferate. As the regulatory risks grow, it becomes increasingly important for executives to evaluate how their teams are using AI tools and to consider the impact of regulatory changes as part of their broader business planning.”

– [Bradford J. Kelley](#), shareholder in Littler’s AI and Technology practice, member of the firm’s [Workplace Policy Institute](#)®, and a former senior official at the EEOC and DOL



## Litigation Risk

To what extent is your organization concerned with litigation related to the use of AI technologies in HR functions?



Many respondents are also concerned about the use of AI in HR as it relates to litigation risk, with more than half saying it is a concern to a large (20%) or moderate (34%) extent. Just 16% feel it is not a risk at all, though these may comprise smaller entities; 42% of large employers, for instance, say their organizations are concerned to a large extent.

Again, CHROs are more likely to perceive litigation as a concern in this area, with 27% saying they are concerned to a large extent. That CLOs and GCs—the very people who would head up their organization’s defense should claims arise—are the least concerned of all role types (with 17% saying they are not concerned at all) further underscores the importance of C-suite alignment on AI use.

HR-related AI litigation may not seem like a significant risk today. But that doesn’t mean it won’t be tomorrow. So far, claims have mostly been brought against software vendors themselves—including class actions in California, Illinois, and Massachusetts—though this could change as more organizations put these tools into practice and more regulations are established.

## Methodology and Demographics

In June and July 2024, 336 U.S.-based C-suite executives from a wide range of industries completed Littler's survey via an online survey tool. Respondents all indicated being familiar with their organizations' AI use.

Respondents included:

- Chief Legal Officer / General Counsel (37%)
- Chief Executive Officer (23%)
- Chief Human Resources Officer (17%)
- Chief Operating Officer (10%)
- Chief Technology Officer / Chief Information Officer / Chief Data Officer (6%)
- Chief Compliance Officer / Chief Risk Officer (3%)
- Other C-suite Title (4%)

Companies represented were of a variety of sizes:

- One to 100 employees (24%)
- 101 to 500 employees (25%)
- 501 to 1,000 employees (15%)
- 1,001 to 5,000 employees (21%)
- 5,001 to 10,000 employees (7%)
- More than 10,000 employees (8%)



## About Littler's [AI and Technology Practice](#)

Littler is at the forefront of the AI revolution, working with leading companies, AI developers, the U.S. Congress, and federal and state regulators to shape the future of how AI is used in the workplace. We provide practical, business-minded counsel, empowering companies to embrace innovation while mitigating risk.

Our services span the full lifecycle of workplace AI initiatives, from drafting AI use policies and vetting employment-related AI tools to advising on compliance with employment laws and integrating AI into organizations' overall data privacy and security programs. When it comes to AI regulation and legislation, we advocate for employers' interests as new laws are taking shape, engaging directly with policymakers and regulators. We are also on the front lines defending employers in the rapidly growing area of AI-related litigation, providing proactive counsel to prepare for potential litigation and defending against any number of AI-related claims.

Since becoming one of the first law firms to create a dedicated AI group in 2013, Littler has been steadfast in its commitment to keeping clients ahead of the curve in this rapidly evolving area. Our lawyers have testified before Congress and the EEOC on the impact of AI and data analytics on employment law, and regularly publish articles and speak on these issues. We were the only law firm to provide comments on new AI rules in New York City, and several of our recommendations to ease employer compliance were reflected in the final regulations.

As the world's largest employment and labor law firm representing management, we also have attorneys with extensive experience in any number of areas likely to be impacted by AI initiatives in the workplace—including employment discrimination, wage and hour compliance, labor-management relations, workplace privacy, occupational safety and health considerations, and business restructuring.

## About Littler's [AI Summit](#)

Littler hosts an annual AI Summit designed to equip business leaders with strategic insights and guidance to optimize the benefits of AI implementation and minimize compliance and litigation risks. The third annual summit was held September 23-24, 2024, in Washington, D.C., and brought together C-suite executives and other business leaders to discuss AI-related decision-making, as well as the current legal and regulatory landscape impacting AI use in the workplace.

