

Avanade research explores the impact of generative AI tools on workers and their environments

What it means to trust

Artificial intelligence (AI) is transforming the way we work. It automates tasks, generates insights and augments the skills and knowledge we already have. However, workplace AI adoption and success depends largely on employee trust. The million-dollar question is where the trust threshold lies for employees to willingly share sensitive data with AI. At what point will they trust its competence at influencing decisions or working unsupervised? This will likely require a substantial shift for most people. Everyone will have to find their own trust threshold. Most people will seek a balance between alignment with their core values, expectations of reliable performance, mutual understanding between them and the system, and accountability mechanisms. When these factors are present, it's likely trust will follow.

About the study

Together with Accenture, Avanade conducted a study to explore how employees perceive and interact with Microsoft 365 Copilot. Microsoft 365 Copilot is a generative AI tool that helps employees create and edit text documents, emails, meeting notes, and content summaries. The study involved interviews, surveys, and observations of 700 employees in Avanade and Accenture across various roles and geographies, including participants who used Microsoft 365 Copilot for several months.

The study's main objectives were to:

- Identify the benefits and challenges of workplace AI tool use
- Understand the factors that influence employee trust and satisfaction with Al tools
- Provide recommendations to improve AI tool design, implementation and governance

Read on for more study findings.

Note: Following the time of the study in 2024, the product and its features have changed — and continue to change. The research includes our findings, and we will continue to study and share learnings about the impacts of this technology as it evolves.



Executive summary

The study of 700 global employees using Microsoft 365 Copilot revealed several key insights about employee trust and experience with workplace AI. The biggest takeaway? Trust is vital. Employees using Microsoft 365 Copilot had some concerns about its consistency and accountability when it made mistakes but overall, they were optimistic about the intentions behind AI and its potential long-term value.

Key findings

Patience and optimism are high



- Almost the entire employee group (88%) thought AI systems were designed and brought to market with positive intent.
- Some 86% were willing to give AI second chances, saying the AI remains valuable, despite mistakes.
- Most employees (84%) are optimistic about the ongoing efforts to improve the capabilities of AI tools over time.

More trust must be built



- There's a perceived lack of accountability, with less than 64% of employees believing someone is accountable for errors made by AI.
- Only 65% of employees believe that Microsoft 365 Copilot gave them consistently helpful responses that met their needs and expectations.
- Only 69% of employees said they were able to review past interactions, a key aspect of transparency and explainability.



The study revealed several insights about employee trust and experience with AI in the workplace, which we've grouped into four themes.

Continue to learn about AI's impact on:



The learning journey and value discovery

Trust is grounded in awareness, and our study found that employees (even those with months of AI experience) felt unaware of the full value that Microsoft 365 Copilot tools could potentially add to their work. The study confirmed that a more formal training approach made a significant difference, aligning with employees' desire for deeper training. Our research showed that employees:

- Recognized that the initial barrier to AI use is low but felt that mastery would require more time and training.
- Preferred learning sessions related to their specific roles over generic material.
- Were curious about how Microsoft 365 Copilot tools work and what data they use but lacked the technical knowledge to understand the details.
- Appreciated the feedback and suggestions that Microsoft 365 Copilot provided but wanted more options to customize it to their business needs and preferences.



"It's improving what I do, but in a very small way. But I'm sure 1-2% is enough to pay dividends, in terms of being enough value for a piece of technology."

- Employee using Microsoft 365 Copilot

86%

said Microsoft 365 Copilot remains valuable, despite mistakes.



84%

believe there are ongoing efforts to improve the capabilities of AI tools over time. "It writes emails in a way that is very impersonal and without a voice, so I think it would make me come across as generic and shallow if I sent out most of what it produced [without editing it]."

- Employee using Microsoft 365 Copilot

Professional identity and sense of self

Our research also explored how employees perceived themselves and their work in relation to Microsoft 365 Copilot tools. The ability to learn a user's specific role and craft relevant responses will be crucial in building longer-term trust. Employees were disappointed when Microsoft 365 Copilot tools did not learn from their personal communication style and expertise. This inability limited the usefulness and relevance of the outputs. However, employees also expressed discomfort with Microsoft 365 Copilot's performance, citing a decline in satisfaction with its ability to consistently meet their expectations, which further impacted their trust in the tool's reliability and long-term value. Our research showed that employees:

- Valued Microsoft 365 Copilot as a support tool, not a replacement for human decision-making and creativity.
- Expected Microsoft 365 Copilot tools to adapt to their individual style, tone and voice, rather than producing generic or impersonal outputs.
- Were concerned about the privacy and ownership of their personal data and work, and how Microsoft 365 Copilot tools might store, use or share the output they generated.
- Were wary of becoming too dependent on Microsoft 365 Copilot tools and losing their own skills and knowledge over time.

Reliability, accuracy and trustworthiness

The study also examined how employees assessed and trusted AI performance and outputs. The study found that reliability, accuracy and trustworthiness were the most important contributors to satisfaction and tool adoption. Employees were generally optimistic about workplace AI's intentions and prospects, but certain Microsoft 365 Copilot issues and challenges undermined their trust and confidence. Our research showed that employees:

- Were patient and willing to give Microsoft 365 Copilot tools second chances, despite occasional mistakes, as long as the tools remained helpful overall.
- Were more tolerant of inaccuracies and errors when they used Microsoft 365 Copilot tools for non-critical or low-stakes tasks, such as generating first drafts or brainstorming ideas.
- Felt they had to verify and validate the outputs of Microsoft 365 Copilot tools, which added an extra step to their workflow.
- Were uncertain about who was accountable for potential AI-driven errors, and who they could contact for support or feedback.

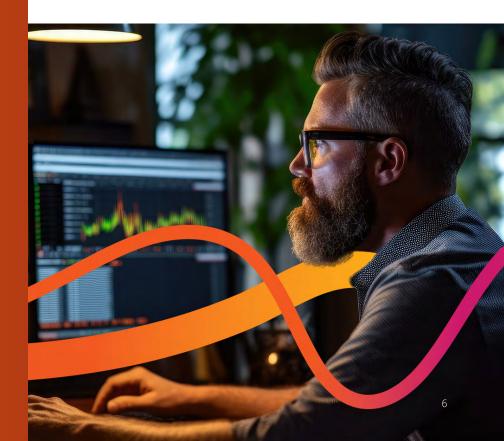
Responsible AI (systems designed, developed and deployed in alignment with ethical principles) enables transparent, fair practices and instills a culture of accountability. This commitment builds trust among employees and helps to equitably distribute AI's benefits.

Less than 64%

of employees say they believe someone is accountable for errors made by the Al system.

"It's easier to work off something that's already there, even if it's not the right thing, than start from a blank piece of paper."

- Employee using Microsoft 365 Copilot





The future of human capital

Finally, our research explored how employees see AI and the <u>future of work</u>. Our employees expressed mixed feelings about Microsoft 365 Copilot's impact on their careers, skills and roles. They recognized the potential benefits for their productivity, creativity and collaboration, but they also worried about the risk of being displaced, devaluing their expertise or changing their work culture. Our research showed that employees:

- Believed that Microsoft 365 Copilot tools could help them save time, improve quality and generate new ideas, but they also wanted to maintain their own input and contribution to their work.
- Expected that learning new Microsoft 365 Copilot skills would be necessary and hoped to receive training and support.
- Anticipated that Microsoft 365 Copilot tools would create new opportunities for them but feared that their jobs might be taken or diminished.
- Hoped that Microsoft 365 Copilot tools would foster a more collaborative and innovative work culture, but they expressed worry that the human and social aspects of their work might be eroded.



"[Working with Microsoft 365 Copilot] is much more about training and adoption and cultural change, rather than hardcore data science or IT."

- Employee using Microsoft 365 Copilot

77%

of employees said that Microsoft 365 Copilot effectively assists them with their tasks

Recommendations

Based on the research findings, leaders should consider taking important steps to improve the implementation and governance of generative Microsoft 365 Copilot

Approach generative AI as a shift in organizational culture and mindset

Set clear expectations: Communicate Microsoft 365 Copilot's intended role as a support tool, not a replacement for human decision-making, reinforcing your commitment to employee satisfaction and well-being.

Provide comprehensive training: Cover key topics like organizational security policies, how to use Microsoft 365 Copilot to streamline routine tasks and expectations for responsible AI use.

Promote accountability: Encourage users to take personal responsibility for the ways they might incorporate AI into their jobs, emphasizing that work quality and accuracy are still ultimately their responsibility.

Stimulate innovative thought and create space for exploratory mistakes

Create a sandbox environment: Allow users to experiment with Microsoft 365 Copilot on non-critical tasks to discover its capabilities without the pressure of perfection.

Reward innovation and growth:

Acknowledge and reward creative uses of Microsoft 365 Copilot and knowledge sharing, reinforcing the value of exploration and taking calculated risks to get the most value from AI.

Establish a feedback loop: Set up a feedback system for users to share Microsoft 365 Copilot experiences, fostering a culture of open communication and continuous learning.

Rework your IT strategy around AI for efficiency, growth, and performance

Start with risk and performance metrics: Every employee will have different reasons to trust or distrust AI - and different ways to get value from these tools. Encourage adoption with metrics around satisfaction and output, and track performance related to fairness, transparency and privacy to increase trust.

Use AI to drive better governance: AI's power depends on good data governance practices, and AI's long-term success depends on good oversight and accountability. If you lack these capabilities, use AI as a means to justify the investment.

Evolve your enterprise IT architecture: You are already in the cloud, but you've still got data silos. Recalibrate your digital core and prepare for gen AI, especially if you are adopting Microsoft 365 Copilot - as everyone in your organization will become an "AI developer".



Getting practical with trust

AI's expansive impact carries significant responsibility. Avanade's existing digital ethics framework made it easier to incorporate guidelines for generative AI. To prepare our professionals for an AI-centric future, we launched the School of AI, providing tools and support for everyone at Avanade—not just our tech experts—to master skills in generative AI, ethical AI practices and prompt engineering. We've also adapted our training for client organizations seeking to enhance their teams' AI proficiency.

Learn more about responsible AI practices



Put people first to build trust in AI

Born from Accenture and Microsoft, Avanade is in a unique position to help business and technology leaders to prepare their people, platforms and processes to effectively and responsibly derive more value from generative AI tools like Microsoft 365 Copilot. We believe that to be AI-first is to be people-first, enabling people to be and do their best with the help of <u>responsible AI</u>.

Putting experience to practice

With early access to Microsoft technologies, our own people have been improving collaboration and increasing creativity by teaming with generative AI. This lived experience has helped us to develop learnings and insights that can help your organization use generative AI more effectively.

Curious about our experience? Read these case studies:

- The human impact of Microsoft 365 Copilot adoption
- Accelerating sales productivity with Microsoft Copilot for Sales





Take the next step

Wherever you are on your AI journey, Avanade can help. Learn more: www.avanade.com/AI

About Avanade

Avanade is the world's leading expert on Microsoft. Trusted by over 5,000 clients worldwide, we deliver AI-driven solutions that unlock the full potential of people and technology, optimize operations, foster innovation and drive growth.

As Microsoft's Global SI Partner we combine global scale with local expertise in AI, cloud, data analytics, cybersecurity, ERP to design solutions that prioritize people and drive meaningful impact. We champion diversity, inclusion, and sustainability, ensuring our work benefits society and business.

Learn more at www.avanade.com

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