WHITEPAPER

Why service management success needs the right approach to AI and people

One of the hottest trends for IT service management (ITSM) and wider service management use cases – thanks to corporate enterprise service management strategies – is the adoption of artificial intelligence (AI)-enabled capabilities. Most internal service providers need "better, faster, cheaper" operations and outcomes, and thankfully, AI capabilities that employ machine learning and natural language understanding (NLU) technologies can help.

While much is written about the opportunity of AI for service management, it's also important for adopting organizations to consider the associated people impact. To help, this whitepaper looks at how AI adoption will affect different people groups and offers guidance for handling the key people implications and the potential pitfalls between your organization and AI adoption success.

The benefits of AI for service management

While this whitepaper doesn't focus on the benefits of AI-enabled capabilities, both these and the common service management use cases must be covered at a high level to set the context for what follows. The benefits of AI for service management include:



Better employee experiences through more efficient operations and capabilities such as virtual assistants



Operational efficiency gains because the new technology speeds up processes



Cost reduction thanks to the AI reducing human workloads



Improved decision-making with the AI able to handle larger data sets with more granularity and insight than humans



Scalability because service providers can quickly ramp up, address skill shortages, and react better to change.

In addition to these specific benefits, their cumulative effect can also improve the business' perceptions of service provider operations and outcomes.

The common service management use cases

There are various AI use cases for service management; these can cover several different areas, although many of the early adopted use cases relate to providing support rather than service delivery. These commonly adopted support use cases include:

- **Incident management:** ticket triage using intelligent workflow, providing initial diagnostics, and suggesting potential solutions or workarounds via virtual assistants
- **Self-service:** where a chatbot (or virtual assistant/agent) retrieves relevant articles from the knowledge base(s) or automated email responses offer help
- **Knowledge management:** curating and maintaining the knowledge base and improving information retrieval capabilities
- **Service level management, analytics, and continual improvement:** monitoring service levels and generating reports, sending automated alerts and notifications, analyzing customer feedback for service quality insights, and suggesting areas for service improvement.

Other ITSM and wider service management use cases go beyond support capabilities, although they are often IT relevant, for example:

- **Problem management:** identifying recurring issues (or patterns) and their root causes, plus predicting issues before they occur
- **Change enablement:** assessing the impact and risk of proposed changes by analyzing historical change data
- **Asset management and service configuration management:** automating asset and configuration item updates in the asset register and CMDB, respectively, and identifying and mapping dependencies between different assets and CIs.

The People impact of AI

How AI adoption success relates to and impacts people is multi-layered, with some of the most common areas to consider and address covered in the following four sections:

1. AI's positioning (employee augmentation, not replacement)
2. Skills
3. Performance measurement
4. Employee well-being.

The People impact of AI – AI's positioning

As they stand now, AI-enabled capabilities for service management don't replace people. The capabilities are usually task-focused rather than role-replacing, and service management staff must understand this for successful AI adoption.

In the main, AI-enabled capabilities for service management augment service management staff capabilities by making them more efficient or taking away potentially mundane, high-volume, low-value tasks to allow them to concentrate on higher value-added work. Examples of this augmentation include:

- Intelligent process automation, such as ticket categorization and routing
- Virtual assistants/agents, including chatbots, that help both service provider staff and the people they serve through knowledge, troubleshooting guidance, and automated tasks
- Knowledge management enablement, such as new knowledge article creation, knowledge gap identification, and knowledge "pushing"
- Personalization based on end-user preference and behavior data
- Advanced analytics capabilities that include predictive analytics, root cause analysis, risk analysis, demand forecasting, and optimization insights.

Despite the "augmentation, not replacement" mantra, the need to deal with employee concerns around the impact of AI on their job security, and the change resistance that can arise as a result, is a real risk and potential barrier to successful AI adoption. The need to communicate the impact and manage change resistance is returned to in the organizational change management section.

The people impact of AI – skills

The impact of AI on people skills is three-fold. First, there's the potential lack of AI-related skills for the IT personnel delivering new AI-enabled capabilities. As with introducing any new technology, the availability of related skills plus relevant experience is a key limiting factor for many organizations. This issue was shown in 2023 ITSM.tools survey data , where "lack of skilled people internally" was the highest-positioned AI adoption challenge ahead of other factors, including competing priorities for resources and employee resistance to change[1].

Second, there's an impact on service management people skills, with them needing to use new AI-enabled capabilities successfully. This need is part acceptance related, with people wanting to use and comfortable using the AI, and part "technical" with the need to know how best to benefit from the new capabilities.

Third, there's the employee or "end-user" perspective, with the skills required similar to the service management personnel's skills related to acceptance and use. Therefore, there's a need to provide suitable AI education and training to service management staff and the people they serve, which is returned to in the organizational change management section.

The people impact of AI – performance measurement

The benefits of AI-enabled capability introduction will impact service provider performance and, thus, their performance measures. For example, in the context of the IT service desk and ticket handling, the technology will remove many of the simpler tasks service desk agents currently handle. It will also speed up resolutions, improve experiences, reduce operational costs, and simplify many support transactions.

This support change will impact many of the traditional IT service desk metrics employed – for example, first-contact resolution (FCR) rates and average handling time (AHT). In the case of the former, the fact that the technology handles many of the easiest tickets means that an IT service desk's FCR rate will likely plummet. It will necessitate lowering the target for the IT service desk or raising the target if the automated responses are included, or it might even mean that the measure is no longer helpful. For the latter, the AHT will likely go up for the service desk, and again, the combined manual and automated figure is hopefully lower. Either way, there's a need to change the current targets and perhaps even the measures in response to successful AI adoption.

Importantly, the ability of people to hit the current targets will change. If unaddressed, this will likely cause employee motivation issues and perhaps drive unwanted behaviors, with support staff more focused on hitting the now more difficult targets rather than helping the people they serve.

The people impact of AI – employee well-being

The potential employee well-being implications also stem from the same root cause (as the performance management need) – that AI handles easier tickets. The use of AI-enabled capabilities should make everyone's lives easier. However, work-life might be harder for some roles. The IT service desk is again a good example, with the new capabilities removing many mundane and simple tasks for service desk agents. This change will motivate some people because they are now working on more challenging tasks. However, some agents might perceive that their work has become harder because without the easier tickets they're constantly under pressure from difficult tasks, with no respite provided by the now-gone simpler tickets.

The change in ticket profile caused by AI adoption success could open both sets of employees up to well-being challenges, given that well-being issues affect both those who know they are struggling (with their work) and those who don't. The change also needs to be considered in the context of the well-being status quo, with ITSM.tools 2022 Well-being Survey data[2] showing that:

- 88% of respondents thought working in IT would get harder in the next three years (at least for some roles), while only 8% thought it wouldn't
- 67% of well-being survey respondents stated working in IT adversely affected their well-being.

In the case of IT support, in particular, the impact of AI adoption success on staff well-being needs to be closely monitored to ensure that the continuous stream of more difficult tickets caused by AI adoption isn't overwhelming for people.

The importance of organizational change management to AI adoption success

The need for organizational change management as an enabler for AI adoption success stems from the adoption being more than a technology change, and the associated people-related change must also be managed. This need is because AI adoption affects

traditional ways of working, impacting people.

The need for organizational change management is best described by way of what happens when it's not used. The many IT self-service initiatives undertaken during the last decade are a good example of this, with the low employee adoption levels attributed to various root causes, including:

- A "build it, and they will come" assumption
- Not understanding that the new capability changes the ways of working, not simply the technology
- Making cost reduction the primary driver
- Not sufficiently understanding end-user issues and expectations.

Investing in organizational change management tools and techniques helps to address these and other change-related issues.

Using organizational change management for AI adoption success

Organizational change management tools and techniques are designed to help with people change. There are many focus areas in a formalized organizational change management approach; these include:

In the main, AI-enabled capabilities for service management augment service management staff capabilities by making them more efficient or taking away potentially mundane, high-volume, low-value tasks to allow them to concentrate on higher value-added work. Examples of this augmentation include:

- **Focused stakeholder engagemen:** with their inputs captured and concerns addressed
- **Support for employee concerns:** to alleviate employee fears and anxieties (related to AI adoption in this case)
- **Regular communications:** to ensure all stakeholders are well-informed about the benefits, risks, and impact
- **Change impact analysis and risk management:** to better understand the impact (of AI adoption) and minimize delays and issues
- **Education and training:** to help employees embrace the opportunity (of new AI capabilities) and be suitably skilled in using new capabilities.

The investment in these organizational change management focus areas increases the probability of AI adoption success because:

- Stakeholder buy-in is more likely
- Employee resistance is minimized
- The changes are more sustainable
- The changes are better aligned with business objectives.

Summary and next steps

Future service management success needs AI, but it also requires people. It, therefore, requires the right approach to AI adoption and people. As this whitepaper outlines, there are various people challenges to overcome related to:



AI's positioning employee augmentation, not replacement



Skills



Performance measurement



Employee well-being

The use of organizational change management tools and techniques will help your organization to traverse these people-related challenges as well as:

- Encouraging stakeholder buy-in to AI adoption
- Minimizing the employee resistance to AI use
- Making AI-related changes more sustainable
- Better aligning the AI use cases and adoption with business objectives

If you would like to learn more:

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