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AI in HR

Understanding the Impact,
Opportunities, and
Avoiding Pitfalls

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Introduction

- Welcome!

- What is AI?
  - AI stands for **Artificial Intelligence**
    - Computer software that engages in humanlike activities
  - We are going to learn how to apply it in your work-life
    - Streamline processes
    - Aggregate data
  - We will discuss how to use it ethically and responsibly

Introduction (cont.)

- We will further learn how AI is used in HR processes

- Analyze data
  - Identify patterns and anomalies
  - Uses in decision making
- Monitor performance, behavior and engagement
  - Analyze emails, chats, work patterns
  - Signs of burnout
  - Misconduct
- With that — let's begin our program!

Understanding AI in HR

- Due to recent developments in AI, businesses are moving towards using AI in their HR departments to streamline various processes, such as:

  - Employee records management

  - Payroll processing and benefits administration

  - Recruitment/Screening

  - Onboarding

  - Performance management

  - Job posting

Understanding AI in HR

- Benefits of AI in HR Management
  - Streamlines work processes
  - Reduces costs
  - Enhances decision-making

- Challenges with AI in HR Management
  - Flawed datasets can result in biases
  - AI cannot evaluate human emotion
  - Outliers may be left out from AI screening
  - Data privacy and cybersecurity risks

Understanding AI in HR

- Examples of AI Applications in HR
  - **Recruitment and Talent Sourcing**: From job posting to sending job offers, AI allows more engagement with candidates and allows recruiters to identify their most successful outreach strategies
  - **Onboarding**: AI has the capacity to develop and automate the onboarding process for new hires, allowing HR staff to focus on more complex tasks without leaving new hires' questions unanswered
  - **Employee Learning and Development**: AI can provide personalized employee training by catering to each employee's unique learning style
  - **Streamlining Internal Mobility**: AI tools can assist in the promotion and career development of employees, helping employers to find the right internal candidates without having to make generic job postings

Policy and Ethical Considerations and Challenges

- The backdrop:
  - 43% of respondents to February 2023 Fishbowl survey said they use ChatGPT at work
  - 70% of those respondents say their managers do not know
  - But, 91% of businesses hiring want individuals with ChatGPT experience (April 2023 Resume Builder Survey), and 60% say it will give them competitive edge
  - Others prohibiting use of chatbots and other AI

Policy Considerations

- Policy considerations for employees' use:
  - Confidentiality
  - Accuracy
  - Fairness
  - Interplay with other company policies (*i.e.*, timekeeping, reimbursements, anti-harassment/non-discrimination, ADA accommodations, etc.)

Policy Considerations (cont.)

- Policy considerations for HR's/employer's use:
    - EEOC focus on fair and unbiassed use of AI in HR systems and processes (*i.e.*, protections under Title VII, ADA, ADEA, etc.)
    - OFCCP Uniform Guidelines on Employee Selection Procedures
    - State/local law considerations
    - Recruitment, hiring, evaluation, compensation, promotion, work allocation, monitoring…

Policy Considerations (cont.)

- New York City – new regulations impact use of AI in hiring/promotion
  - Notification to applicants/employees
  - Mechanism to detail data collection and analysis
  - Auditing of systems

- Illinois – Artificial Intelligence Video Interview Act
  - Notice to applicants
  - Consent to use
  - Confidentiality of data and data destruction
  - Demographic reporting to Illinois Department of Commerce and Economic Opportunity if **solely** using AI video to select candidate for in-person interview

Ethical Considerations

- Employee trust
  - Transparency in AI processes and decision-making
  - Recourse for employees/applicants subject to AI-informed decisions
  - Clear and accessible policies when employer uses AI for HR functions
- Job Displacement and Reskilling
  - Will use of AI displace current jobs? Augment productivity?
  - Skills development and training opportunities
- Use of AI to enhance HR processes
  - Should it replace human judgment?
  - Can biases be reduced, or are they augmented?

Policy and Ethical Considerations

- Employer "To Dos"
  - Develop policies regulating employee use of AI to perform job duties
  - Develop policies and processes for HR's use of AI in all aspects of employment
  - Carefully review AI vendor contracts with legal counsel
  - Schedule audits with vendors to test AI systems for biases
  - Consider training employees on AI to reduce obsolescence
  - Review existing confidentiality protections and consider updates
  - Understand federal, state, and local laws governing use of AI in employment
  - Regularly evaluate utility of AI vs. risks

AI-Based Recruitment Management

AI-Tools: Chatbots, Virtual Assistants, Resume Screening Software, Applicant Tracking Systems (ATS), Automated Onboarding Software.

- **Efficiency** — Automates high volume, low skill tasks
  - Added Value — data analytics in real time
- **Proactiveness** — Available 24/7; Responds even when a human cannot.
- **Consistency** — Avoids idiosyncratic grading practices

Millennials aren't buying diamonds - why?

RETWEETS 173   LIKES 309

MistyKnightsTwistOut
@Steph_I_Will

Follow

Too busy filling out job applications that ask them to attach their resume and then enter what's on that same resume on the next page.

AI-Based Performance Management

- Goal setting, progress and productivity tracking, real-time feedback
- Data-driven decision-making, both individually and across teams
  - Customizable reports
  - Detects subtle trends
- Predicting Future Performance

AI Algorithms: Potential Risks

- **Bias** — Algorithms are only as good as the developer who creates them as well as the implicit or explicit biases they build into the algorithm.

- **Lack of transparency** — If you don't understand how the algorithm reaches its conclusion, neither will your employees.

- **Lack of judgment/empathy** — How does a computer value trust, loyalty, and the intangible?

  – Don't discount the psychological impact of big brother.

Identifying Suitable AI Solutions

- Start with organizational strengths and weaknesses
  - High turnover?
  - Stretched too thin?
  - HR lacking data to provide guidance to the business?
- Research AI technologies and tools that address the weaknesses.
  - Cost?
  - Timeline to implement?
- Collaborate with Stakeholders
  - What help do they want? What change do they want to see?

What is it like to work in HR:
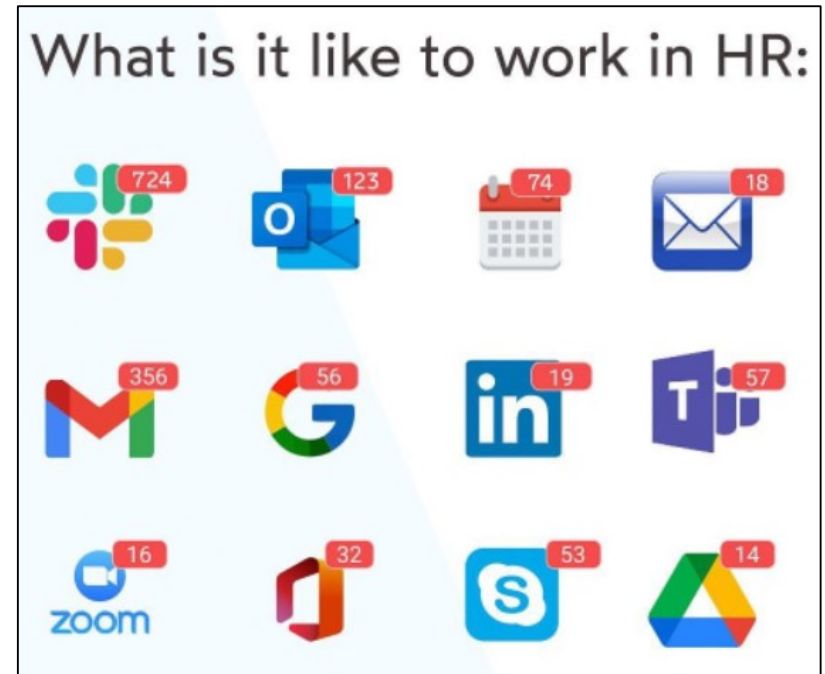
How To Vet Your Vendor

- Expertise/Track Record

- Reputation/References

- Scalability/Integration

- Data Privacy/Security

- Ongoing support/maintenance for tools/clients

- Cost/Value in the short/long term

Ensuring Proper Training and Implementation

- Educate, educate, educate
  - AI tools are a new language. This is not a baby boomer/millennial issue.
  - Why is AI a resource, and not a replacement for the employee?
- Train those providing the inputs
- Train those evaluating the outputs
- Training is not a one-time event

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- **Recap**

- **Embrace AI for future success**

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Any questions?

Thank you!

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