# AI AND INNOVATIONS IN HR TECH

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EXECUTIVE SUMMARY

**SHRM** ® EXECUTIVE NETWORK

**The October 2023 EN:Insights Forum** hosted a discussion of the state of artificial intelligence in HR with three prominent HR tech experts. Moderated by SHRMLabs' Trevor Schachner, the panel featured Prem Kumar, CEO and co-founder of Humanly; Carolyn Peer, CEO and co-founder of Humaxa; and Rahil Siddiqui, founder and CEO of Gig and Take.

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CEO AND CO-FOUNDER
OF HUMANLY

**CAROLYN PEER**
CEO AND CO-FOUNDER
OF HUMAXA

**RAHIL SIDDIQUI**
FOUNDER AND CEO
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# Key takeaways from the discussion include:

- AI's use in HR will only become more widespread, so no organization can afford to ignore it.

- HR leaders need to educate themselves about the ethical concerns surrounding AI, such as bias.

- AI also poses business risks, including the potential for misuse of employee or customer data.

- Organizations must also be mindful of risks to their intellectual property.

# Why should businesses pay attention to AI technology?

AI tools have become much more capable in the past year, leaving business organizations and HR leaders with lots of catching up to do. HR leaders must be cautious and aware of the risks the technology poses, while still being willing to experiment with AI applications in controlled environments.

Organizations should assess their needs and make their own careful determination of which AI tools are right for them, all while tackling the prickly issues of privacy, bias, accuracy and effectiveness. The panelists noted that laws and regulations in the U.S. lag far behind AI's recent technical advancements, leaving companies to find their own path forward.

At the same time, Peer said, HR leaders should recognize the technological leaps occurring right now are akin to those in the early days of the internet. Any organization that takes a wait-and-see approach will risk losing out to competitors that make an effort to understand and implement AI technology.



"There's a ton of risk around it. There's risk about being left behind, but there's also a lot of risk in the actual technology itself and thinking through how we make educated decisions. Balancing all that is really tough, but worth it for sure."

—CAROLYN PEER

# How can my organization approach AI while protecting our proprietary data?

Model frameworks for ethical AI practices already exist, covering topics such as fairness, transparency and bias. The panelists said the European Union is likely to set legal standards before the U.S., and those regulations could serve as a baseline for other regions.

Any vendor you work with should be able to explain what data was used to train their technology and where it came from. Be sure to ask whether any data you feed into the tool will be used in a way that could allow other customers to access it. Additionally, ask how the data is secured and which third-party vendors handle it. By law, a lot of data compiled by individual firms must be retained for 30 days, and you'll want to know if that data will be incorporated into any AI function, said Kumar.

"One question to ask is, 'Where is the data coming from that the models are trained on?' It starts with the data, where it's coming from, how it's used and how it's shared."

—PREM KUMAR

# Further Reading on AI and Ethics

Here are some additional resources on frameworks for using AI responsibly:

• Understanding Artificial Intelligence Ethics and Safety

• Recommendation on the Ethics of Artificial Intelligence

• Principled Artificial Intelligence: Mapping Consensus in Ethical and Rights-based Approaches to Principles for AI

# What are some factors businesses should consider when implementing AI technology?

When you're considering paying for access to an AI tool, think about treating it as if you were hiring a person and ask questions like those you would ask in a job interview, said Siddiqui. Write a job description and think about all the details you'd want to know about any new worker joining your team.

**Here are some sample questions to ask about an AI product or service:**

- What training has it received?

- What data does it have access to?

- What kind of experience does it have? How are others using it?

- Have any independent third parties evaluated its capabilities?

- Can you do a reference check by talking to other customers?

There are tasks machines excel at and things people are good at doing. When you marry those skill sets in the workforce, you can get the best of both worlds. When the technology is used in a safe, responsible way, AI can save human workers time, allowing them to focus on work that requires their uniquely human skills.

"Who wouldn't want to have an assistant who happens to be a machine that can help you do these things that you don't have to do anymore? It's incredible to see what AI is capable of doing now as compared to five or 10 years ago. Why wouldn't we want that kind of help on the job?"

—RAHIL SIDDIQUI

# AI isn't a totally new business technology. Why are businesses investing so heavily in AI now?

The panel noted that AI has several different applications. Earlier waves of AI advancement focused on applications for enhancing human work or understanding data. Businesses' recent focus on AI was spurred by advances in generative AI tools, which use large language models to create responses that would've been produced by humans in the past. This changes our relationship with AI technology.

Generative AI tools such as ChatGPT are available to anyone, not just technical experts who know programming. In an almost instinctive way, people can now see that AI is real and is usable and accessible by nearly anyone. That's gotten many people in organizations thinking broadly and holistically about what AI will mean for their workforce. This discourse raises many questions and requires a response from organization leaders.

"There's so much good that can happen now because of the quantum leap in AI capabilities that I feel like it just can't be ignored."

**—CAROLYN PEER**

# Risk management is an essential HR function. What do we need to consider when thinking about how employees will use AI technology?

Even if a company has locked down access to AI, employees will still find a way to experiment with generative AI on their personal devices. Introducing an approved AI technology at work makes it something leaders can control, especially regarding limiting access to sensitive data and minimizing other business risks, said Kumar.

Consider a case where a chatbot is being used in the hiring process, and a candidate from Colorado asks a question about salary levels. Suppose the chatbot hasn't been trained with contextual information. In that case, it won't know that there are specific pay transparency laws in Colorado and that salary questions must be handled in a certain way to avoid violating the law.
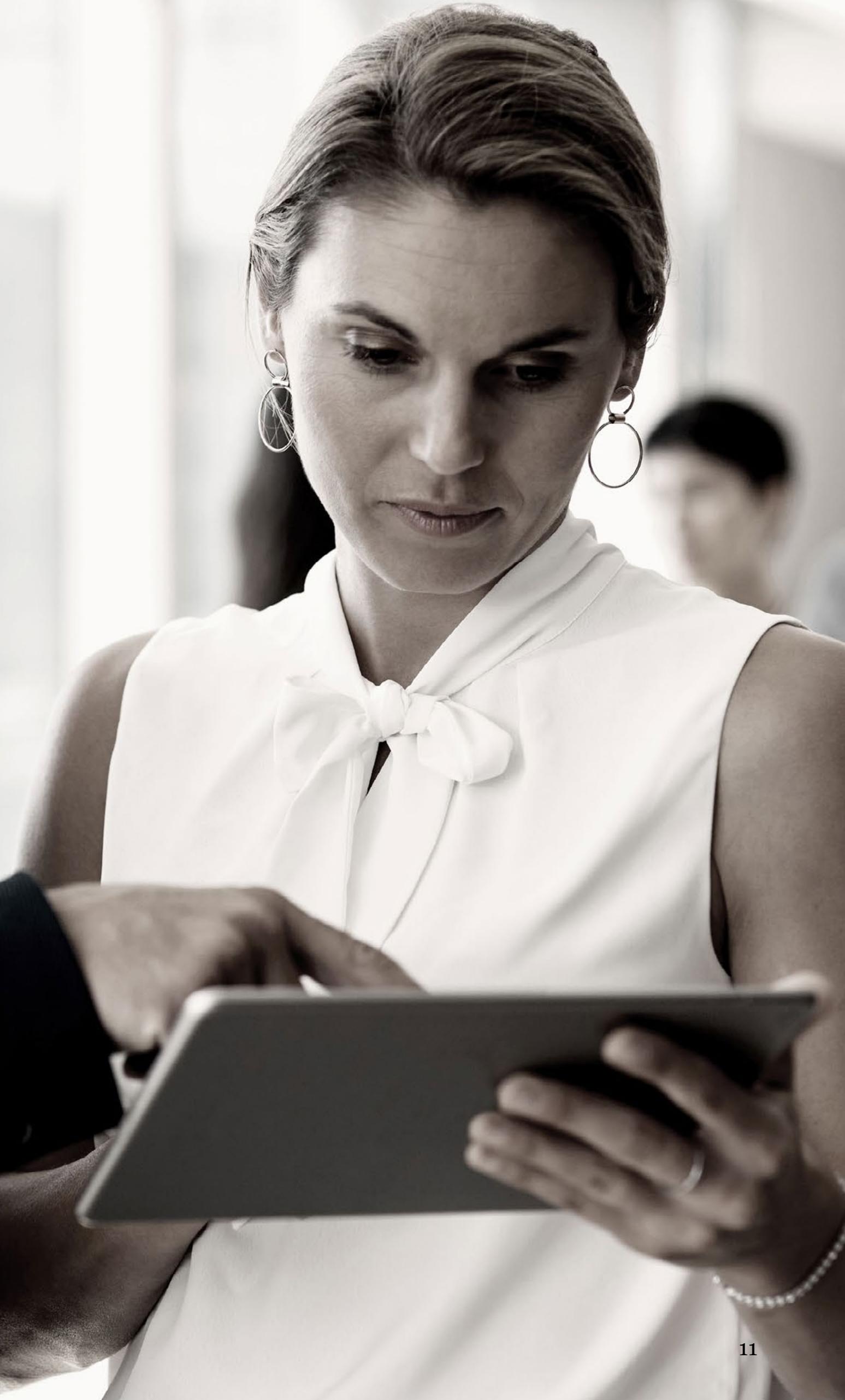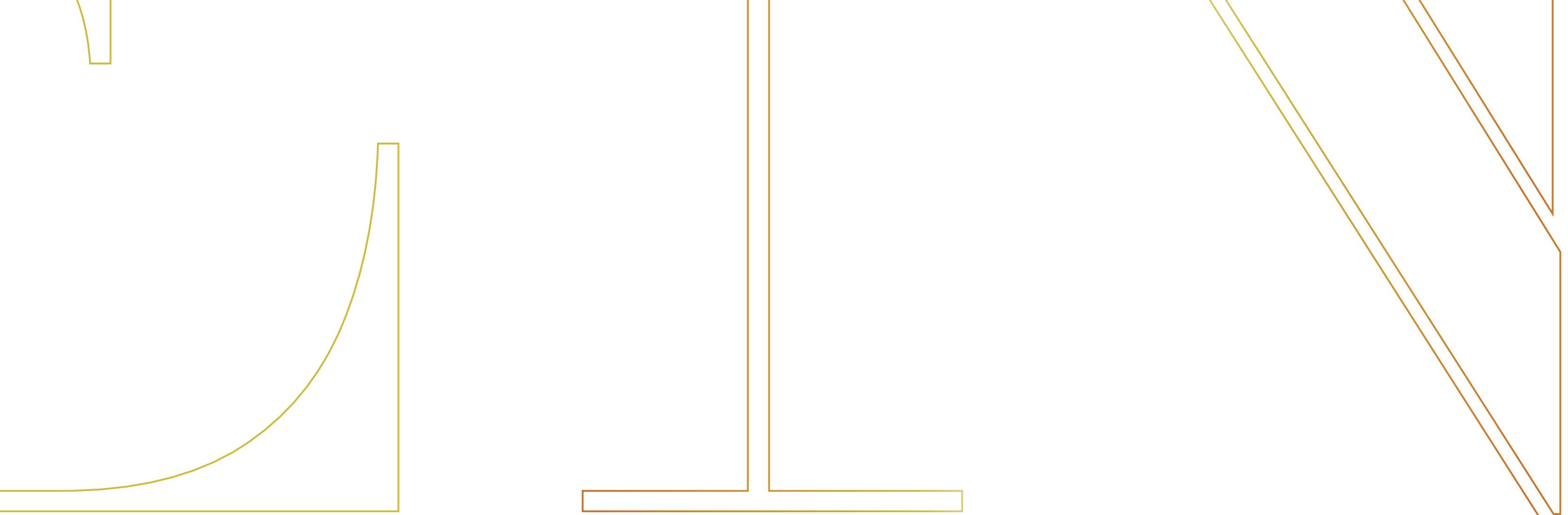
If that technology has been vetted by the organization's HR and legal experts to ensure that it can identify the user's intent, that problem can be avoided. In some cases, the chatbot might need to be trained not to answer certain risky questions and instead to refer them to a person; to draw from the internet for safe, basic questions; or to refer to a specialized, private database.

Another consideration is whether an AI tool is created using reinforcement learning, which compiles human feedback to reinforce how the technology works. We also want to think about how a particular instance of AI becomes corrected when it makes mistakes so that it becomes accurate and trustworthy.

"About 60% of the internet was created by native English speakers, many of them men. So if we're just using data from the internet, there will be some inherent bias."

**—PREM KUMAR**

# Can products available in the HR tech space be configured and maintained by HR people, or do we need a technical team to do this?

AI technologies will soon be accessible to the point where virtually everyone should be able to use them. There are hundreds of new AI apps available online for nearly any purpose. As AI technology continues to evolve, more and more of it will be accessible and even intuitive for nontechnical people to use, the panelists said.

In some cases, AI can be implemented within an HR department without needing a team of programmers, technologists and computer engineers, said Peer. Instead, the technology relies on existing HR documentation without adding complex data sets. All that's required in such cases is for HR executives to educate themselves about AI and its ethical implications and have a thorough understanding of what data is involved and the sources for that data. Initially, these efforts need to be done as experiments that can be contained to one specific function before anything is deployed to interact with job candidates, clients or customers.

"A lot of the tools out there today don't require any programming knowledge and don't even really require much understanding of what's going on under the hood."

—CAROLYN PEER