Navigating AI as an HR Leader: Tips, Trends and Best Practices

April 18, 2024

Agenda

1 **Using AI in Employment Decisions**

2 **Employees' Use of AI**

3 **Privacy Implications**

What is AI?
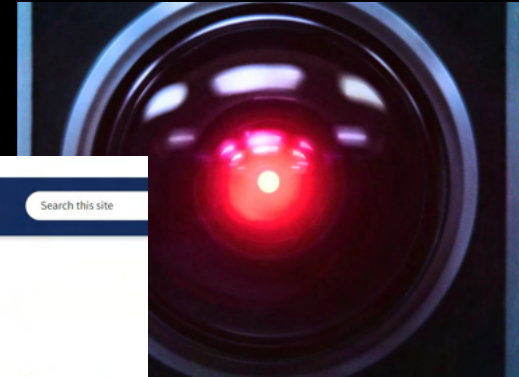
Forbes
FORBES > MONEY
Microsoft Confirms Its $10 Billion Investment Into ChatGPT, Changing How Microsoft Competes With Google, Apple And Other Tech Giants

Stanford University
HAI Stanford University Human-Centered Artificial Intelligence
Automation and Robotics, Machine Learning
How AI Is Making Autonomous Vehicles Safer
AI is used to simulate real-world conditions to safety-test autonomous vehicles. Stanford researchers surveyed the algorithms and say they are good, but work remains.
Mar 7, 2022 | Andrew Myers

The Guardian
Asia Australia Middle East Africa Inequality **Global development**
AI is coming for our jobs! Could universal basic income be the solution?

# What is Artificial Intelligence really?

Computers imitating humans

- Decisions and tasks that are done by computers instead of humans

Machine learning aka "The algorithm"

- Computers processing huge amounts of data and "learning" patterns and connections themselves

Generative AI

- ChatGPT, Google Gemini, Microsoft Copilot (text)

- Mid Journey, Stable Diffusion (images)
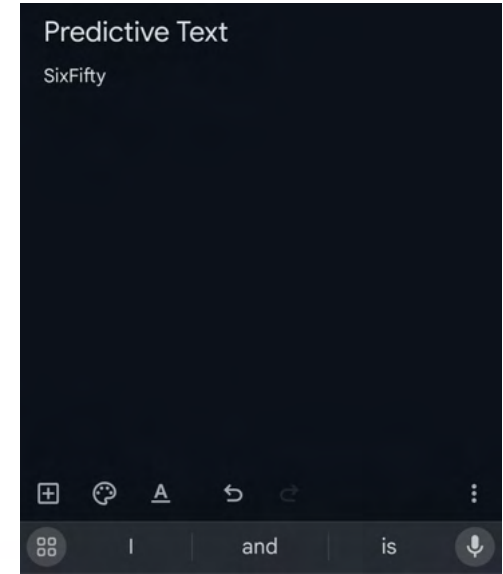
Using AI to recruit and hire employees

- How AI is used: drafting job descriptions, sorting resumes, identifying successful candidates

- Risk for employers: bias in hiring and discrimination lawsuits

- Practical steps to lower the risk

- Regulation: NYC model

- Guidance from the EEOC

The "privacy" perspective on AI in hiring

State privacy laws regulate businesses' use of "automated decision-making technology" ("ADT")

- Any "system, software, or process" that "uses computation as whole or part of a system to make or execute a decision *or to facilitate* human decision-making"

Most common use of ADT is "profiling"

- Using technology (e.g., an algorithm) to analyze facts about a person in order to predict other aspects of their life
    - For example, using a applicant's employment history to predict how they would perform in a role

Broad enough to include many common methods for monitoring employee behavior and productivity

- E.g., keystroke loggers, attention monitors, web, social media, or mobile application monitors, etc.

In hiring, consider application tests, resume sorters, interview analysis software, etc.

The "privacy" perspective on AI in hiring

Notice

Must notify employees/applicants of your use of ADT

- Purpose of ADT, the logic and data it uses to make decisions, any human involvement in the process, etc.

Specific disclosures

Upon request, must explain how ADT process made a specific decision that adversely affected an employee/applicant

- How the ADT evaluated the employee/applicant, what the ADT outputted for that employee/applicant, any other factors considered in making the decision, etc.

Opt out

Must allow employees and applicants to "opt out" of covered ADT

- Can't use their data for any ADT

- Can't retaliate against them for opting out

The benefits of employees using AI

Assisting employees in both their creative and mundane tasks
- Brainstorming Sessions, Rough Drafts
- Automate repetitive and time consuming tasks

Leverage your own information and Data
- AI solutions are integrated in many tools
- Growing options to create custom AI tools

Innovative growth potential
- The use of AI is limited by your employees' expertise
- Letting your employees be creative with their AI use can give you a competitive edge

🚩 AI red flags 🚩

AI can be confidently wrong (Hallucinations)

AI use should not be secret or hidden (Disclosures and Data Privacy)

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🚩 AI red flags 🚩

AI should never be the final step or an easy shortcut

AI results often are impressive

at a glance but fail upon close scrutiny
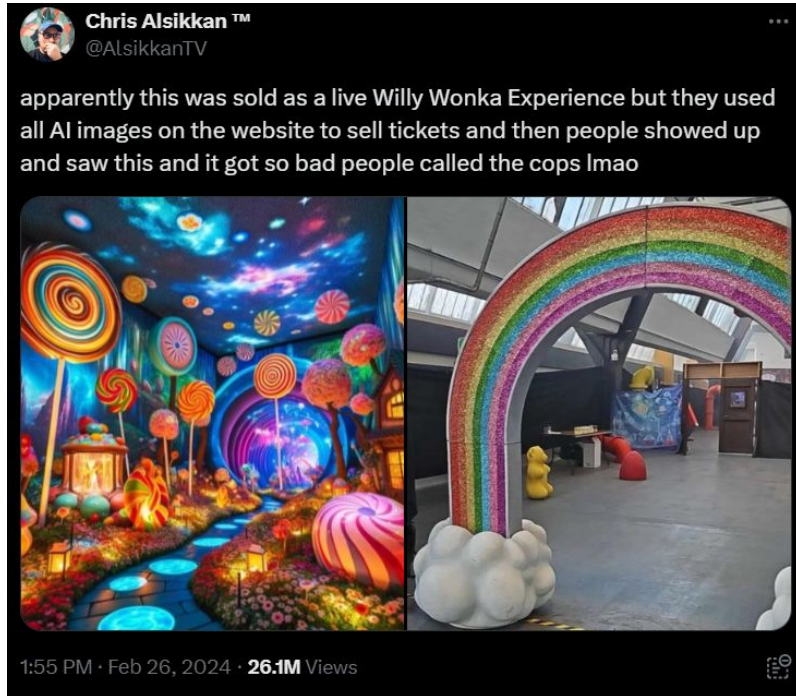
Best practices for employee AI use

Employees should use AI as a tool rather than a shortcut

- Employees can maximize their results by refining and improving their AI use. Employees should work collaboratively with their AI tools.

AI should never be the final step

- All work done by an AI tool must be reviewed by a human

Employees should disclose their AI use

- You need to be aware of all of the AI use going on at your organization

- This will help you make the most informed decisions and comply with current and future disclosure requirements

Let's make an AI policy!

- A policy helps you **control AI use** at your organization

- A policy helps employees **understand proper use** and procedure

- Good policies **explains the reasoning** behind rules

- Being **open and upfront** about AI prevents employees from hiding their use

Free AI policy builder:

The privacy perspective on employees using AI

- **Crucial to know whether employees are using AI to help them make decisions that affect customers**

  - Especially decisions that could have "legal or similarly significant effects"

    - Decisions that result in providing or denying (1) financial or lending services, (2) housing, (3) insurance, (4) education, (5) criminal justice, (6) employment opportunities or compensation, (7) healthcare services, or (8) essential goods or services

- **Must provide same notice and opt out opportunities required for using AI in making hiring decisions**

  - Significant liability could arise if you don't

Best practices for privacy compliance

1. **Identify employees who make significant decisions**

   Start by finding significant effects and work your way backwards

2. **Review/document the decision making process**

   Allows you to identify any uses of AI and helps show that business did its due diligence

3. **Require those employees to obtain approval before altering that process**

   Consider designating a department/position as employees' point of contact for AI issues

Any questions?

Drop them in the Q&A panel in Zoom!

Schedule a personalized demo of SixFifty

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Join our May 2nd
Employment Docs
demo webinar

Thank you!