

- You are listening to the "HR Mixtape" your podcast with the perfect mix of practical advice, thought-provoking interviews and stories that just hit different so that work doesn't have to feel well, like work. Now your host, Shari Simpson.

- Joining me today is Thomas Carnahan. He's the Manager of Pay Equity Services at Berkshire Associates. Thomas is responsible for managing Berkshire's pay equity line of business by promoting the ability to conduct meaningful statistical analysis of clients' compensation data. To ensure fair pay and in support of federal, state and or local fair pay laws. With more than 15 years of experience in research methodology, data analysis, and HR process development, Thomas brings to Berkshire an advanced level data capabilities and extensive background that will serve to enhance, all pay equity solutions. Thomas, thank you so much for jumping on the podcast with me today.

- Oh, thank you for inviting me.

- So we are here to talk about AI and .I'd love if you would kind of define AI in the context of HR recruitment and what are some of the specific ways you're currently seeing it applied by employers right now?

- So, in a lot of ways, employers are looking for easier ways to identify who's gonna be a successful candidate. So there's a number of companies out there that are working towards automating a lot of that process. Some of them are pretty complex in the sense of we wanna do a full job analysis. We wanna understand, you know what's necessary for success at the company so that we can review specific types of things. LinkedIn profiles only information provided by the candidate, et cetera, et cetera. A lot locked down all the way to they do just general Google searches and search everything. And so the idea is that eventually it would replace people recruiters, who are searching that kind of information identifying a pool of applicants and things like that. And going to more general, hey we have this pool of hundreds of thousands if not millions of people, and we'll use our software our AI to search that and identify people and make sure they'd be interested, right in applying for your position. So it's really in a lot of ways taking this idea of somebody needs to even know you exist and know that that job is available that they can be alerted that your profile meets, this position would you like to apply. So it's not not ready for Skynet yet but it's definitely something that, employers are needing to be careful of the boundaries that they would put on something like this. Because again, there are certain systems that, they may discourage it as much as they say they do but allow employers to search a wide range of information that is probably not job related and necessary for the employer to know.

- How do you see, current or future legislation like EEOC and OFCCP impacting these kinds of technologies?

- Well, they're trying to now. The EEOC just released their own guidance. The OFCCP has commented on it quite a bit. SIOP, the Society of Industrial Organizational Psychologists released their guidance. It's the more things change, the more they stay the same is the current governance around it. New York City's law is quite interesting. It keeps getting pushed back. So I think we're talking July but my guess is it'll be pushed back again. But they're trying to say, everything still applies. The, the uniform guidelines, which, I think everyone would agree needs to be updated in certain areas has defined how things that companies are using to select employees, need to be evaluated. And this still applies, whether it's a recruitment tool, a selection tool, whether it's making the final decision or a human is involved in the final decision. These things still need to be valid for what they're selecting whether that's based on content or based upon performance. So the EEOC is not really changing its mind on how an organization, is ultimately responsible for ensuring, but it's a new arena of the how do we do this though? How do we do something that could be ever changing or changes every quarter or something like that. Does it need to be validated again if it's criteria of who it's looking for changes. And there's also historical things. So people like myself and Victoria Lipnic who I'm speaking with here at the SHRM conference, we have our concerns related to how these things are going to be used in the historical aspect of profiling. In the historical aspect of, making sure that these AI tools are not learning bias in the sense of not what is legal standard 'cause I can easily define for say, a performance management process when a performance management process is biased against females versus males. I mean we have clear standards of 1.96 standard deviation differences means this absolutely is biased, right? And then we gotta figure out why. Is there actual performance differences that we've got documented and people would agree, wow this was just a weird year or, but how much bias does a performance management system need to have, to slowly train AI that women are worse than men?

- I mean, wow there's so much there. And I could see, we keep talking about AI I mean with ChatGPT coming on board and everybody's trying to learn how to use it and bias is a big thing. What are I mean I feel like there's a lot of benefits but what are some of the common concerns or risks that we should be thinking about as HR professionals when we decide to implement AI tools or use AI tools?

- Well keep in mind that, it is kind of a misnomer that AI is objective. So just because a machine is doing it it still needed to be programmed. It's still working on parameters that are based upon human decision making. And a lot of times, it's judgment is going to be cold. So how it learned is how it's going to push things forward. So a human involved in the process can look at something and see a trend because we still have that ability. AI, thankfully is not at the point yet to where it it's got human judgment and decision making processes

cause if it had it, Skynet would be real. But HR needs to keep in mind that this is a really cool thing but it shouldn't be the answer potentially yet. And to just buy it and let it go. 'Cause I'm seeing it in more spaces than just recruitment. It's in pure systems of being handed over of tell me who to hire. So not just who to recruit but let me know my perfect candidate and I'll hire them. There are people that are touting that they have AI in pay equity, which is interesting and scary. And it's a huge buzz and so I think when it comes to anything that is regulated anything that has laws around it we shouldn't shy away from new technologies and getting on board with them, but we should test them and ensure that we're not opening ourselves up to legal scrutiny by trying to save some time and just go with this idea of it makes a better decision because I've not seen any research yet that indicates that AI makes a better decision than a human who's following correct processes now. A human that's not following correct processes sure, because this is hopefully, and most of them have been programmed and had the help of professionals like IO psychologists and others to do that. What we don't know is what happens over a long length of time with using these kinds of things. But we do know that the rogue manager the actual biased manager or whatever is going to make worse decisions than AI. But we do something about that. And that's the thing, we as HR professionals, as companies are prepared, that when we learn that somebody is a bad actor, we promote them to customer. We don't know yet whether or not AI is gonna learn to be bad actors.

- Yeah. It's interesting I had a conversation with Jennifer McClure just recently and she does some work with the DOD and she was talking about AI and that, there's all these professionals out there who are scared of it and she says the DOD is trying to figure out how to use it. So if they can figure out how to use it we as HR professionals can go down that road. But all the things that you just said are things that we need to consider. You can't just throw all your eggs in one basket and completely discard all your years of your history and knowledge and experience that you bring to the table. As HR professionals start to use these tools is there guidance out there already on how to potentially assess different AI tools for bias? Or which ones are gonna be better to use or not to use? Or is there enough data out there anyways for us to even do that yet?

- Well I mean, we'll see cause what New York City is hoping to do is to make this kind of data publicly available so that it'll help employers and us in general just to be able to decide which ones are good and bad. But I don't, there's no intent, there's no bad intent and I don't think there is good or bad right now. I think it's all, if we were to think of it, it's all a beta test and it's a really cool thing and, it's just one of those things that we've gotta take a step back. And so if I was to give non research based, but my opinion on your question, I would say that use it as a tool parallel to how you would be doing it anyway. Do your own research study. For two reasons.

One, it is ultimately the employer's job to make sure that anything that they are using in the process of hiring or making employment decisions to make sure that it does not have disparity impact, period. It is the any company out there that says we've proven our tools are valid, cool but that doesn't mean they're valid for me. That doesn't mean they're valid for you. So it's really important that that be done by the company and to also, scrutinize if that company comes to you and says and this is the exclusive partner we use for our validations, that might raise some red flags. Be willing to reach out and that's the people you wanna make sure that you are comfortable with as well working with not just the person, your AI partner brings with you. The second thing is to run it parallel for a given amount of time. This is the decision the human would've made. This is the decision the AI made. And test that test to see, if they're making similar decisions if the AI is making better decisions. Because every argument I hear from the company side now from the AI side, and they're totally right, it could be a simpler process. It could say, it could eventually if not right away, identify better candidates people who are more successful, et cetera, et cetera. And those are great arguments. They need to be further tested. But I see why those arguments are the way they are. The flip side of that though is from a lot of company standpoints it's about saving money and it's about, making sure that they're making profit. Well, if one is not true then the other one can't be true if AI is making similar slightly worse or way worse decisions, then you're having to hire more. You're having to, expend more in training. You're having to expend more in a lot of things. And now all these professionals that you had that for five, 10, 15 years that had all this organizational knowledge are gone. So before pulling the trigger on layoffs, or restructures or things like that, I think it's a validation for two reasons. A validation to make sure there's no disparity but an actual validation to make sure that it's doing the things that you want it to do and it's ethically replacing these people's jobs.

- Yeah have you seen any policies being written or any guidance being given to HR to distribute in their organizations on how to use AI tools? I guess what I'm thinking is, because you can use 'em for a variety of things now, you can hey, here's my data create a PowerPoint presentation for me. You have company data now that you may or may not be putting into an AI tool. Are you seeing new policies being created now around that?

- Some of the major, companies that have pulled in certain things have air-gapped, certain things and they may update their version of ChatGPT or something like that for generative AI. So that their company secrets aren't just floating around out there because, a PowerPoint or a white paper or something needed to be created. I don't think a lot of people have thought that through though.

- Yeah.

- And I don't think a lot of people have thought through company secrets and putting these kinds of things in your own cloud or in your own environment. And then, somebody from shipping company A is creating something and ends up with shipping company B's, proprietary information on how they do certain things, how they weigh their planes or whatever. So yeah I think there's not as much guidance as there should be that I've seen. I think probably the IT space individuals might have some more, but I have definitely in some of my contacts that work at, major fortune fifties that are starting to use generative AI have definitely put air gaps in between servers.

- Do you have any just generic recommendations? So if you're an HR professional listening and just heard what we just said, I could see the wheels turning in your head of like, oh my gosh how do I even start to address this in my organization? Do you have any tips?

- The only tip that I could say is make sure every piece of information that gets documented about candidates or even current employees or anything, performance management, talent management, succession planning, all of these kinds of things make sure everything is professional. I have seen and been involved with a multitude of different, like, you know, disparity analyses for performance management and things like that. And you'd be surprised what managers are willing to use as documentation as to why I gave this person a two instead of a four. And it's highly inappropriate. It may be appropriate as a one-on-one to say, this is the way I feel about this and we need to talk about this, but it's not appropriate for company documentation that may end up as a legal kind of a situation and get read into court. But now we have these kinds of things potentially getting uploaded, so that the AI system can learn and it key keyword searches and different things like that may pull some things out. And I do have and it's interesting to think of it, from the HR perspective but also just from the privacy and security perspective as we continue to do this and as it continues to seep itself into what information it can use to learn what boundaries does it have to use that information, what boundaries does AI have to be able to recreate that, that kind of thing. And so I think it's always been a priority for HR I know it's been a priority for legal when legal has to get involved. But it's more than just scrubbing comments to make sure you can't tell who it is. Because I've seen a lot of HR professionals for engagement surveys and things like that. We need to make sure that we neutralize these comments. So the manager doesn't know which of their employees said this, but it's a lot more than that. It's the professionalism of the company. It's the for lack of a better term the cancel culture, the this or that. Like if information were to get out it not only bruises the integrity of the manager who made that inappropriate comment but also the culture that empowered this person to feel like it was okay to put that on somebody's performance appraisal.

- Yeah. So at the time of recording this Apple just last week released news about their VR headset and basically a virtual desktop. I'm curious to your perspective, how do you see that kind of technology impacting the HR space, and how could it potentially evolve? I mean, training is kind of, I think the obvious one. What about interviews? What about, you get a headset sent to your home and you interview that way, is there already some chatter on, how this technology's gonna affect us in the future?

- Yeah, that's a good question. I think training is of course an easy, easy one. I know that, the Navy for example and other parts of the DOD have gone to the point of using VR to train paratroopers in instead of having people, successfully jump out of planes over and over and over again. And that's proven to be a valid experiment. Here's my thing though and I'm gonna show my own bias as an IO psychologist. Interviews are bunk. They have great validity in the sense because we look at the interview and we look at eventual performance, but when it comes down to it, we gotta ask ourselves a really big question. Are the people we're hiring the best person for the job based on an interview? Or are the people that we're hiring hired because they're good at interviewing?

- Yeah.

- And I think the pandemic and this work from home craze and everything I think has really helped interviews because I coach people to turn off your camera. Yeah they're gonna be they're probably gonna be able to make, pretty decent guesses as to your gender based upon your name and your voice. But I mean, nothing quashes the unconscious bias more than not knowing what race a person is, and not seeing the person and all this kind of stuff. And I see it on interviews all the time like professionalism and demeanor and body language and stuff like that. And I'd love anybody to show me how that's job related for anything. I mean, if I was getting judged for my demeanor and my body language, I mean for the job that I do on a daily basis I'd probably get fired because we all have, those moments and professional on camera but then you hang up, with the client or the coworker, whoever it was and you just like, ah. And it's just continues to be the strife that I have with the interview because it's there's no way to test an interview's reliability.

- Yeah.

- There's no way. And validity is clear because it's the last thing that you do.

- Yeah.

- So they've gone through multiple hurdles to show that they can do the job and then it becomes a popularity contest at best. So I mean,

yes I could see them being used, but is that cheaper than bringing the person in?

- Yeah, for sure. You mentioned the military and this is our first time meeting in person. I have three active duty military sons so I have a warm heart for the military. In fact, they're all Navy. But I'm curious, why have companies not adapted things like an ASVAB to use more often? I mean, that test and testing, your ability to learn or your ability to be taught, wouldn't that be a more valuable tool?

- I think so. I'm just not sure if it would be the best tool for hiring. So one of the things that we have to do is show that something is job related for the job that you want now, not necessarily for the career path that you might wanna go down. So not to kind of, completely lean on the other countries that force you to make a test when you're six years old and then put you into either the track to go to medical and law, the track to go to college, or the track to be a technical. But I do think there's a lot more we could do for the development of employees. And so doing something similar to what the military does to identify potential of a person once they get hired can help. And I think it would help reduce bias as well. Colorado tried to do it as much as they could by saying, no more shoulder tap promotions. Everything has to be open, has to be competitive and that way they don't have managers anymore just out there going, "Hey, you know my senior accountant's leaving of my accountant three job pools." I go have a beer after work with Bill every week. So Bill gets the job. Just even though Bill, may not necessarily be the best person for the job but nobody else got to compete for it. And a lot of times when we're talking about females and minorities, there's a huge gap there, as to how much they've been encouraged and been talked about as terms of potential if you go back to just like high school science classes and it's still happening today. If a woman shows promise in AP calculus, AP biology, the teacher walks over and very genderist says, "Do you want to be a veterinarian? Do you love animals?" Whereas a male showing the same prowess it'd be like, oh, you should go to medical school. And so, this is still happening today. These just, these norms, 'norms' of how we treat people with high potential. And so I would highly encourage, and so many companies out there and I don't say this politically, I just say this as how the word is to be used are very conservative in their L&D. They don't, they still have this notion that if you want to be developed you need to show me that you want to be developed. You need to come to me and give me opportunities that you wanna do so that I can approve them or not approve them or something like that. We need to understand people's potential.

- Yeah, for sure. Wow, this was such a great conversation. I feel like we could stay on the podcast for hours but really insightful on what's happening in AI, how we should think about it and recruiting and some guardrails we need to consider in HR. So thanks for taking a few

minutes of your day to chat with me.

- Absolutely, thank you so much.

- I hope you enjoy today's episode. You can find show notes and links at the HRMixtape.com. Come back often and please subscribe, rate, and review.