

Understanding HR use within the HR function

Transcript

SPEAKER:

Joe Ranzau, Growth Advisory Services Managing Director, Grant Thornton Advisors LLC

JOE RANZAU: Many boards are aware of the risks associated with using AI when it comes to human resources, and for the last several years there's been an undercurrent of how do we eliminate bias from the AI, and that actually shifted about 12, maybe 18 months ago to acknowledging that the bias is inherent and we now need to mitigate the bias.

At the federal level, the EEOC commissioners have been very clear that they will hold individuals and managers accountable for discrimination that the AI may have made on their behalf, even if that person was unaware.

At the state level, we're seeing New York, California and a few other states move regulation into place to fill the void at the federal level to make sure that employees aren't discriminated against, that companies are held accountable.

What this does is, it creates a liability and a patchwork of regulation that organizations must account for, rather than one consistent set of regulations.

To help mitigate this, boards need to do a couple of things. Again, it goes to setting the strategy and accountability for the senior leadership of the organization, ensuring proper and accurate training is in place, and acknowledging that AI is in our workplace, whether we've brought it in or not.

I've talked to many managers and executives that are using AI in their performance reviews currently, and if not done right that creates exposure for the organization. Many leaders are starting to use generative AI to write job descriptions, to review resumes — whether or not they're using a tool that the company has purposely adopted for it, or they're using a standalone language model that they have available on the Internet.

Not understanding the potential risks and consequences for the organization isn't an excuse if there's discrimination as part of that activity.