WHY HR LEADERS SHOULD BE PAYING ATTENTION TO AI: BALANCING THE BENEFITS & RISKS

GenAI tools like ChatGPT have their risks, but I'm optimistic: As long it's implemented carefully, AI can bring great benefits to CHROs and their organizations.

In the news lately, we're hearing a lot about ChatGPT and the evolution of AI. I've had many recent discussions about this with a range of HR leaders, including Chief Human Resource Officers (CHROs). Naturally there are concerns when an evolving technology is widely available to the public—it's all too easy, for example, for an employee, experimenting with ChatGPT, to input confidential data into the tool with the click of a mouse, not realizing that the information becomes stored in a database, accessible by people outside of the organization.

Other concerns surround the potential for AI to replace human beings in their jobs. In its latest Future of Jobs Report, the World Economic Forum estimates that nearly 14 million jobs could be eliminated by 2027, primarily because of AI automation. According to an Entrepreneur article, companies like IBM are predicting that close to 30% of their workforce could be replaced by AI and that tech giants like Alphabet and Microsoft have already cut thousands of jobs in order to increase their AI budgets. On a more positive note, AI developments at some companies are leading to job creation, like at Accenture, which has just announced its plans to double its AI workforce and pour $3 billion into GenAI over the next three years.

Like many innovative technologies that have sought to enhance quality of life by improving human efficiency, AI tools like ChatGPT have both great

risks and great benefits. If the tools are created and adopted with careful attention to potential risks, the benefits can outweigh them—and in this case, I believe the benefits for HR teams can be tremendous.

Potential uses and benefits of ChatGPT in HR

Willingness to embrace new technologies and methods is one of the hallmarks of an efficient, modern HR department. AI tools, and particularly those like ChatGPT that use what's called Generative AI, or GenAI, have the potential to bring all kinds of benefits to an HR team.

A few that come to mind include:

Automating routine tasks to redirect talent and budget

Most HR teams have dedicated administrative team members whose responsibilities involve answering employees' HR questions, scheduling interviews, and generating documents such as job descriptions. I believe it will always be important to have real humans leading hiring processes—face-to-face interaction is an extremely important part of assessing a candidate. But, by automating certain administrative functions, a CHRO can redeploy team members to perform more value-added tasks that require analytical and creative thinking, active listening, and leadership.

Applying policies consistently

In a large company, it can be a challenge to ensure that policies are applied consistently across the organization. A GenAI system like ChatGPT, on the other hand, can provide consistent decisions across dozens, hundreds, or even thousands of employees, helping to ensure they are treated equally regardless of department, location, or other defining trait or category.

Generating data-driven insights

GenAI tools are providing a level of data automation that a human can only dream of, at unprecedented speeds. CHROs have an ongoing need to understand and analyze what's going on across their companies, and tools like ChatGPT can help them and their boards of directors make more insightful decisions, much more quickly. Whether analyzing turnover, compensation levels, succession planning, or any other number of HR-data-related concepts, AI can do it quickly, consistently, and in an extremely comprehensive way, saving you time in the analysis so you can get straight to developing—and acting on—insights.

What to keep in mind as CHROs utilize AI

Legal and regulatory concerns

A CHRO is responsible for ensuring that their organization is in compliance with all applicable labour laws and regulations, and there's a risk that using tools like ChatGPT—without company-wide standards and policies—could create legal/compliance risks. As I mentioned earlier, consider the potential for private data to be leaked in an instant: if an employee is playing around with ChatGPT, the entire wording of their input, including any personal/private information it contains, becomes part of the chatbot's database. By creating policies around the use of AI tools, HR leaders can reduce serious privacy breaches.

Bias and fairness

We're still in the early days of these tools, so I'd like to hope that ultimately they will be "trained" to eliminate bias, discrimination, and misinformation. But as there have been numerous examples of ChatGPT demonstrating inherent bias, it's something CHROs need to be mindful of when implementing the tool in tasks. A Forbes writer points out a number of ways that ChatGPT can exhibit bias, stemming from the way questions are entered, the information that GenAI has learned from, and how the user receives the output and their own inherent bias. With all the important work on diversity, equity, and inclusion that we've done in recent years, we cannot let AI tools send us backward.

Employee trust and engagement

The Human Resources function is inherently people-based—it's right there in the name. The value of interacting with a human that is capable of active listening, empathy, and critical thinking can't be understated. So when we apply AI tools, we need to be mindful of which tasks they're best suited for, so as not to dehumanize and remove empathy and understanding from our companies. People are only half-joking when they worry about "robots taking over our jobs." This is where a savvy CHRO can really make an impact, by knowing where a tool is a benefit and where it's better to keep actual humans involved.

The bottom line: AI holds a lot of promise

I suspect we will see these tools go through many iterations before they become truly commonplace in HR settings. There will need to be a lot more discussion about how to reduce the risks. But above all, I'm cautiously excited to see what the future holds, and I'm looking forward to seeing the innovative things CHROs and their teams will do with this evolving power at their fingertips.

It would be a mistake to ignore this evolving technology that is beginning to make fundamental changes in our society and workplaces. HR leaders can reap long-term benefits by embracing new AI tools by testing capabilities incrementally, analyzing and learning through the data, and creating policies and standards to reduce the risks.

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