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ETHICAL AI

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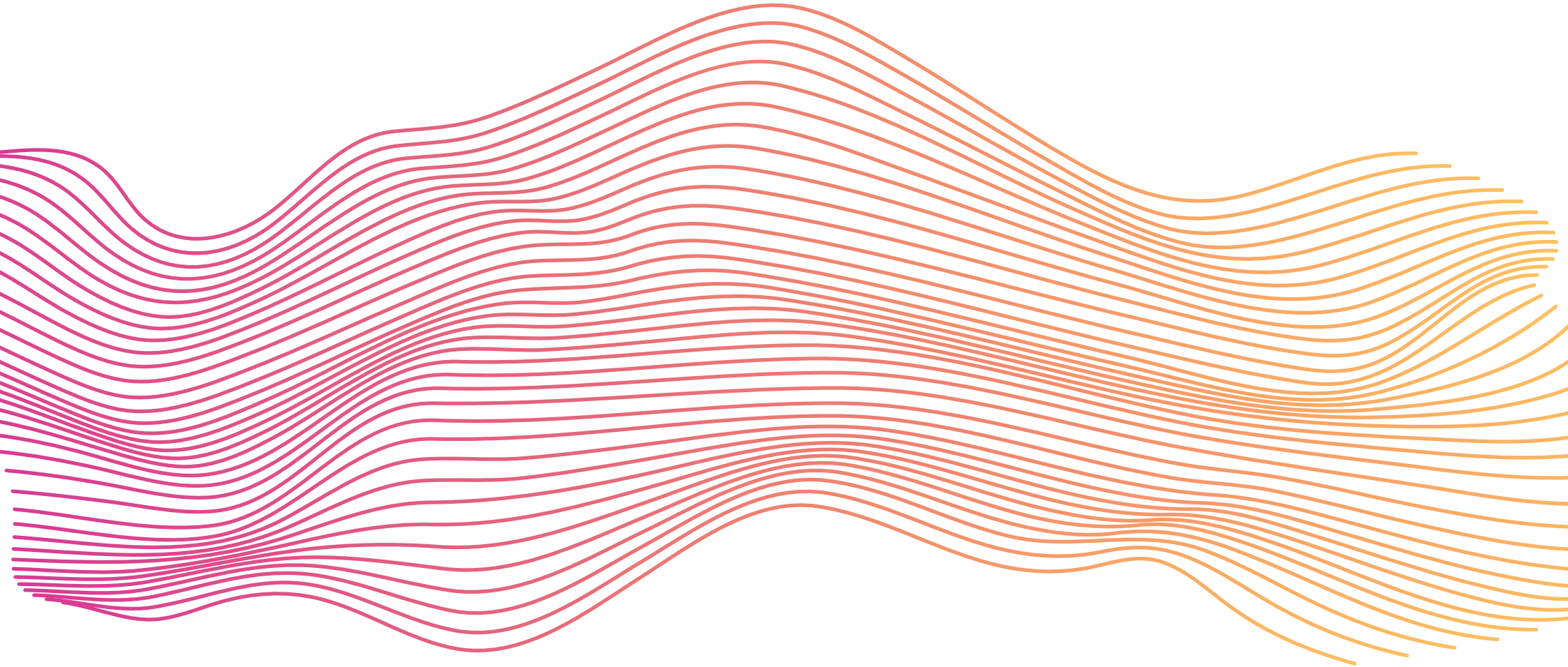

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The emergence of technology during this fourth industrial revolution (FIR) is transforming communities and propelling economic capabilities; however, this rapid advancement of technology has brought along familiar systemic issues pervading social structures that in turn disparately impact already marginalized groups.

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INTRODUCTION

ALGORITHMIC HARM IN HR TECHNOLOGY

Whether we like it or not, algorithms are a part of our everyday life and our reality is shaped by invisible and intelligent systems. While there is some confusion about what exactly counts as Artificial Intelligence (AI), there are two definitions used for AI in this document. The first one highlights **human-centric AI** and suggests that it is the ability to artificially do what intelligent beings, usually humans, can do. The second one is **goal-oriented AI** which includes any system that perceives its environment and takes action to achieve specific goals.[1]

AI has a wide range of uses in businesses and is proven to be an extremely efficient tool for getting data-driven predictions, which is increasingly used for recruitment purposes. But there are some risks to consider when relying on algorithmic decision-making. Because even though an AI isn't biased in itself, it is ultimately programmed by humans and provided with data to train the AI. So what is the outcome if we feed a system with biased data? Well, it can create an unfair AI that inadvertently discriminates against certain groups such as minorities, the disabled, or immigrants.

Ethical AI has become one of the most critical aspects of AI development, as the use of AI systems deployed in the public and private sectors has led to an alarming increase in algorithmic injustice. There are many examples of systems that have predicted unfair or even discriminatory results. From racist policing algorithms to sexist AI hiring tools, harmful biases have been found in various decision-making systems. Most concerning are social contexts such as health care, recruitment, education, and criminal justice.

Even though HR technologies offer great opportunities, they also give rise to several risks that must be handled appropriately and proportionately. In this white paper, we explore how AI can be a tool for HR professionals, be a force for good in society and how you can select fair and ethical AI systems. We provide you with the tools you need to navigate your use of AI in recruitment.

We use the term AI system to mean any AI-based component, software and/or hardware.

HOW RECRUITERS ARE USING AI

WHAT HR PROFESSIONALS NEED TO KNOW

If you are working in recruitment, you probably have experienced short deadlines and how tricky it can be to give each applicant the same level of unbiased consideration when you are dealing with hundreds of resumes. Unfortunately, a lot of recruiters will simply advance candidates whose backgrounds resemble those of current employees. This means that candidates with diverse work experience or different backgrounds don't have a chance. To ensure a more objective recruitment process, many recruiters and HR teams have therefore implemented one, or several AI recruitment solutions to improve their hiring practices.

Today, nearly 1 in 4 organizations are using automation or AI to support HR-related activities including, resume screening, skill testing, collecting verified references, and interviewing. This then frees up time for HR teams to focus on other aspects of attracting and keeping employees. Although efficiency might be why an AI system is implemented into a recruitment process, recruiters need to focus on carefully selecting systems that are fair and ethical.

There are three main ways recruiters are using AI in the hiring process:

- **Sourcing**: finding and connecting with talent quickly
- **Screening**: quickly identifying the best applicants
- **Interviewing**: facilitating remote hiring and saving time

1. CANDIDATE SOURCING

Several AI-based tools that focus on searching for profiles across job boards or internal databases and can help recruiters connect with talent more quickly. Others maximize marketing efforts and connect with candidates in real-time, while others still are AI chatbots that can interact and manage a candidate's specific needs to determine what role will be the best fit and how they should apply through the job site.

2. CANDIDATE SCREENING

The most common types of AI screening tools are resume analysis, behavioral testing, and skill assessments. The use of predictive performance and personality-based skill testing is more effective than a resume history at matching candidates to open roles because a skill test indicates current knowledge and ability rather than experience. Regardless of the method used, AI technologies minimize the time it takes to evaluate candidates and help screen them instead of rejecting them.

3. CANDIDATE INTERVIEWS

AI tools are used in interviews in two distinct situations. In the first case, organizations like Unilever, Google, and Facebook have employed AI to assess video interviews, utilizing facial expression analysis to evaluate personality characteristics. While this can help reduce the time and attention needed by recruiters to go through each candidate's recorded response, there are some major concerns with using face recognition to pick prospects.

In the second case, Conversational Artificial Intelligence (CAI) technology, allows a computer to mimic and carry out conversational experiences with candidates. CAI powered interview software can understand, process, and respond to human language. This offers a more immersive and fair interview experience for all candidates. It also creates higher reliability and consistency.

PROVIDE THE BEST CANDIDATE EXPERIENCE

AI tools can and should be used to enhance the candidate's experience and help with engaging your applicants. While the software you use should be able to help you with the recruitment process, it is equally important that you give the candidate the best experience. These applicants will not only use the software but can become future employees of the company. This can mean losing a good candidate for the position.

As the labor market has gone through a massive shift and job-seekers are in focus, it is important to recognize that candidates now also want a unique experience that is both diverse and inclusive. A top frustration during the recruitment process for candidates is having to fill in long application forms and then being ghosted by the recruiter.

Other candidate pain points are:

1. Lack of transparency
2. Bad mobile integration
3. Unclear hiring timeline

Using AI to create an experience where candidates feel respected and engaged, will not only strengthen your relationship with current applicants but will also increase the number of future applicants. Before you decide which recruitment software to invest in, consider that the software you choose will impact on the hiring process and your candidates. Look for the ones that leave a positive impression.

EQUITABLE AI

WHAT IS EQUITABLE AI?

Any AI system that is affecting people's lives should be increasing equity and not just optimize for efficiency. But what does equitable AI mean? Equitable AI goes beyond a fair algorithm and focuses on the impact of the AI system. How it empowers people and the level of agency people have when they interact with the AI system.

Ensuring equitable AI can be a complex task, as there is no one-size-fits-all algorithm for remedying bias and discrimination in AI. Creating fair AI systems will require use-specific considerations across the entire AI pipeline, from the initial collection of data, through monitoring the final deployed system. Especially keeping the focus on transparency and testing AI will be key to building predictive systems that won't reproduce or amplify discrimination.

FAIR, BUT NOT EQUITABLE

To clarify how an algorithm can be fair but not equitable within recruitment, there are a couple of dilemmas to highlight. One well-known example from the recruitment sector is when Amazon stopped using its AI system for screening job applicants because the system was biased against women. Even though the algorithm was correct, the AI wasn't rating candidates in a gender-neutral way. The results were based on historical training data where a majority of men had been successful during Amazon's hiring processes. So the system taught itself that male candidates were preferred.

With AI playing a more important role in organizations, it's becoming clear that we need moral and ethical guidelines. Employment anti-discrimination laws are inadequate to address unlawful discrimination related to emerging workplace technologies.[2] It is critical for policymakers to act and provide guidelines and regulations for both the public and private sector organizations that are using AI-assisted decision-making processes. To ensure that these systems are built in a transparent and accountable manner. Especially worrying is the use of software with facial recognition software within the AI system since it increases the chance of possible discrimination based on appearance. There are studies that provide evidence that facial recognition software interprets emotions differently based on the person's race.[3,4]

With this in mind, consider using AI tools that do not have any access to candidates' personal, identifiable data or use facial recognition software. To ensure AI systems that do not hold any preconceived or subjective opinions toward a candidate.

PRINCIPLES OF ETHICAL AI

HOW TO SELECT INCLUSIVE AI TOOLS

What does it mean to have a framework of inclusive algorithmic practices? Here are three things recruiters should consider when choosing an ethical AI system:

1. STAY UPDATED OF ANY NEW LAWS

The European Commission and the Equal Employment Opportunity Commission (EEOC) are already auditing AI's effects and prosecuting discriminatory hiring assessments or processes. In addition to the EEOC, several states in the U.S. are proposing legislation or regulations to audit employers' use of AI. As they will implement more laws on a global scale, organizations need to be well-informed to make sense of it all and thrive in an AI-regulated world.

2. GET CANDIDATE CONSENT AND WAIVERS FOR AI USE

Consider working closely with outside legal counsel to ensure that you comply with requirements regarding notice to candidates. Remember to select AI that is compatible with EU General Data Protection Regulation (GDPR) and obtain candidate consent and waivers for AI use.

3. SELECT TOOLS THAT HAVE BEEN TESTED FOR BIAS

Before selecting an AI system, critically assess the extent to which the products are audited or tested for bias. In addition to assessing what role vendors will play if they allege their products to be biased or discriminatory. Aim to have diverse teams with individuals from different backgrounds, ages, and gender identities that develops and implements AI. Having representation and a diverse is crucial to mitigating subconscious stereotypes and not getting a collective blind spot. By allowing different perspectives, it becomes possible to examine the AI system more critically and understand how bias could influence the outcome.

DEVELOPING AI VISION

A SYSTEMATIC FRAMEWORK OF AI IMPLEMENTATION

Although the potential to strengthen organizations with AI is growing, the practical work of introducing and implementing AI in the right way remains a challenge. According to AI Sweden[4] and McKinsey Global Survey on AI[5], there is one thing to understand AI's technical capabilities but it's quite another to take on the journey of change required to integrate AI into an organization.

Using AI with intention and having an AI vision provides broad goals for your organization's future development and its ability to achieve this with AI. But creating an AI vision is not always straightforward and it's important that you continuously assess ethical and sustainability-related aspects. As well as, your organizational needs every year.

So how do you create an AI vision? Start by asking yourself these questions:

1. How can AI be used to create value in our organization?
2. What do we want to use AI for?
3. Why is AI a tool that fits our organization?
4. Who will benefit from our work with AI?
5. How does the AI vision relate and align with your general organizational strategy?

Another aspect of successful AI implementation is to articulate goals for what the future with AI will look like and what you want to achieve with AI in 3-5 years.

LOOKING INTO THE FUTURE

Since 2017, AI adoption has more than doubled and there are no signs that this trend will slow down. If AI will be used by more and more organizations, there will increase pressure on understanding how to best implement AI into your organization. It is also important to remember that the AI vision itself will not lead to goal fulfillment or ensure an equitable outcome. This is done through the activities that your organization carries out and by establishing a feedback loop where you monitor the progress of the AI projects.

In 2022, AI adoption means that an organization has adopted AI in at least one business area.

TENGAI'S IMPACT

WHAT IS OUR RESPONSIBILITY?

Tengai is an innovative AI interview that combines conversational AI and an unbiased recruitment methodology. Tengai's sole purpose is to assist recruiters and hiring managers with data-driven interview analytics to make objective assessments. While also engaging candidates emotionally and socially, giving them a sense of human connection despite being a virtual interaction. Even though Tengai has certain human qualities to be relatable, the AI lacks the cognitive ability to judge. By eliminating gut feeling, a candidate's age, sex, appearance, and dialect become irrelevant.

Our mission at Tengai is not just to avoid bias in employment decisions, but that our AI is used to actively promote diversity and aid in the achievement of equal opportunity for everyone. While our goal is to amplify, augment, empower, and enhance human performance, we recognize that there are power imbalances in society that need to be considered.

One critical aspect of our responsible AI development is, therefore, identifying and mitigating bias. To ensure that Tengai's framework is 100% unbiased, we asked psychometric experts to test the interview and validate the assessment. The results show Tengai can conduct objective interviews, assess work performance, and contribute to a more unbiased interview process.

The following AI ethics principles work to guide us as we develop our technology:

1. Be beneficial to society
2. Avoid creating or reinforcing unfair bias
3. Be designed to help people make better decisions
4. Incorporate transparent privacy design principles
5. Uphold high standards of scientific excellence
6. Respect the law and act with integrity

Read more about our AI ethics on our website:
www.tengai.io/ai-ethics/

Tengai

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