

Watch out for HR artificial intelligence software's hidden hiring risks

Artificial intelligence sounds like it could be hiring's Holy Grail: A completely automated system that maximizes application-sorting efficiency, minimizes HR labor and reduces the chance that bias could taint the hiring process.

If only. Despite its great potential, AI carries liability risks that HR pros must understand.

Artificial intelligence software relies on computerized algorithms to sort data and analyze it quickly, without human input. Many HR departments now use AI programs to sort through résumés and applications to identify key words and phrases. Applications that meet an employer's screening criteria are then forwarded to HR for further review. The rest are rejected.

In addition to efficiency, software developers tout AI's ability to bypass the subjective whims that can introduce bias into the process of deciding whom to interview. After all, human prejudice cannot affect a process if no humans are involved in it.

That's a dangerous assumption. Before you outsource significant hiring decisions to AI software, consider the risks involved. AI may guard against direct discriminatory decisions, but it can still deliver results that have a disparate impact on protected groups.

For example, some AI systems can create a closed-loop system that perpetuates latent bias. That is, the program creates job advertisements based on criteria that HR staff input. If those criteria build in certain assumptions—for example, that many years of experience may signify the desire for higher pay than the employer wants to offer—then the applicants who survive the AI screening process may skew young.

The resulting hires may be exact matches for the algorithm, but they still reflect a biased hiring process.

AI algorithms that screen for things like work gaps may disproportionately exclude women who took time off to raise kids or applicants who served time in prison. Both are examples of disparate impact that can trigger lawsuits.

Advice: Ask tough questions before deciding to outsource hiring to AI software.

HR's 10-year career prospects look strong

Amid all the talk of artificial intelligence taking over HR roles comes news that the job prospects for HR managers is quite favorable over the next decade.

In fact, HR managers ranked 35th out of 800 U.S. occupations in terms of projected employment growth by 2028, according to a new analysis of Bureau of Labor Statistics data by *The Wall Street Journal*. The ranking is based on projected job openings and median salaries. The report cites HR as one of the country's fastest growing fields over the next decade. Employment of HR managers is expected to grow 7% by 2028,

substantially faster than the 5.2% average predicted for all occupations.

According to the BLS, there are currently 152,000 HR managers in the United States, with the greatest number in the business sector (14%), science/tech (14%), manufacturing (12%), government (12%) and health care (9%).

The growth in employment also tracks closely with a growth in salaries. The BLS says the median annual salary for HR managers last year was \$113,300, which ranked 38th among U.S. occupations. The lowest 10% of HR managers earned \$66,000 or less, while the highest 10% earned more than \$201,000.

One downside: Employment of HR assistants is expected to decline 4% by 2028.