Productivity & Risk: Asking the Right Questions about AI

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Agenda

- Context
- Productivity & AI Patterns
- Risks & Risk Mitigations
- Questions to ask
- Discussion (but ask questions throughout!)

WHY PARADOX?

We’re on a mission to help our clients get recruiting and hiring work done — freeing their teams up to spend time with people, not software.

We’re helping 1000+ global clients transform how they hire.

No one wants to use A.I. in HR…

…they want productivity and A.I. is how to get it.

In the first year of automating interview scheduling, GM saw transformational results:

$2M+
saved

in hard costs by reducing

contractor headcount.

150k+
interviews

scheduled by their assistant,

Ev-e.

99%
decrease

in time to schedule interviews,

from 5 days to 27 minutes.

COMPASS GROUP + PARADOX

Olivia is helping Compass Group hire thousands with minimal recruiting resources…

150,000
hires

made per year, across 44 countries and 5,000 locations.

8,000:1
recruiter-to-hire ratio

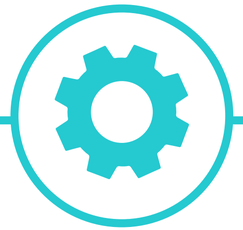
Thanks to automating repetitive tasks like screening & scheduling

85%
conversion

from application start to application completion — a 6x increase with Paradox

LOWE'S + PARADOX

Paradox transformed Lowe's business with conversational AI — with an annual estimated value creation of $21M.



85%

automation

of talent acquisition processes driven by Paradox

230K+

hires

since go-live of Lowe's recruiting assistant, Luci

~700K

hours

per year of increased recruiting capacity (equivalent to 300+ FTE)

FedEx + PARADOX

Results

3x

number of applicants completing application

2500hrs

saved every week on recruiting tasks

575%

ROI in hard costs simply by reducing job ad spend

How McDonald’s saved millions — and transformed its business model — with conversational AI

How did we do it?

- Implemented Paradox as hiring solution (ATS) in 15,000 restaurants in the US, Canada & UK
- Transformed the entire experience to be mobile and conversation first
- Automated >95% of hiring process, including application, scheduling, offers, and onboarding.
- Saved store managers 10 hours per week by automating tasks that were previously manual

What were the results?

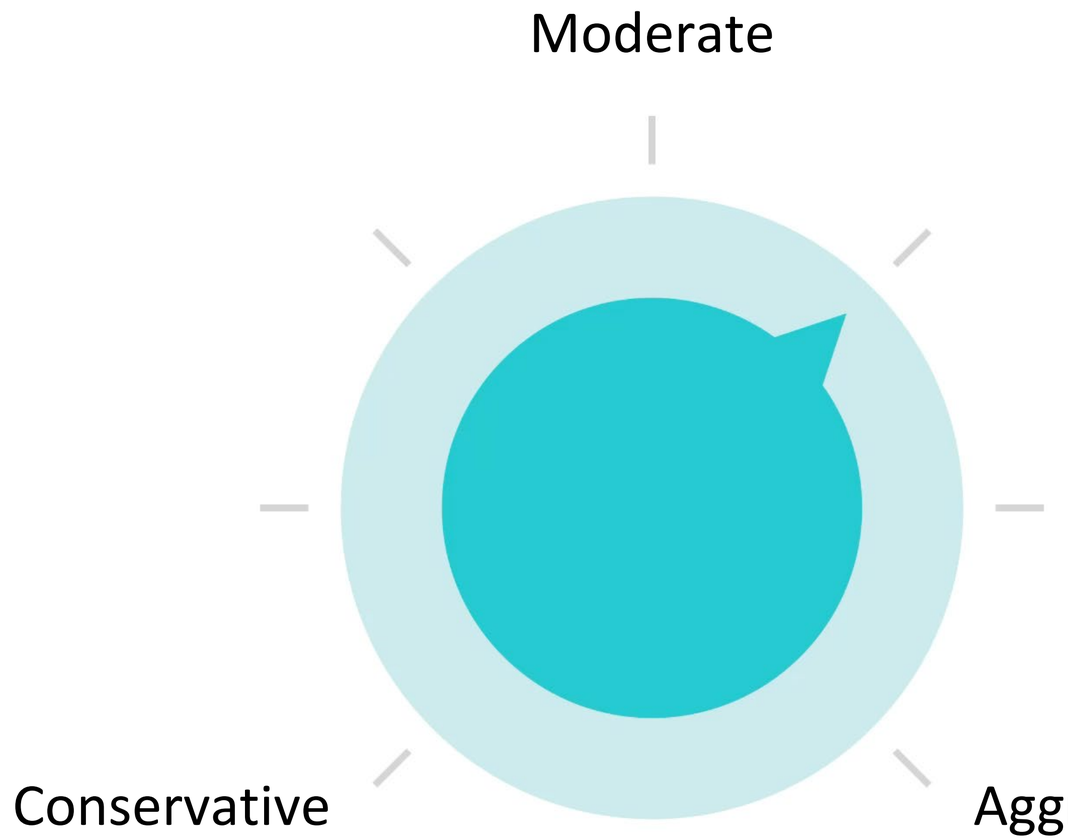
3 min — time to schedule, down from 3 days

60% — reduction in time to hire

20+ — hours saved per manager, per month

So if the productivity is worth it, how do we mitigate the risk?

The risk tolerance for AI is different at every organization.



How is AI implemented in HR today?

( Olivia)

Agentic

AI is built into the flow of work and process with an “Agent” to get work done.

Co-Pilot

A widget persists for the user that can ask questions.

Additive

Generative options for first draft, text-based content.

Ad Hoc

Users on their own using a mix of third party tools.

Risks in using AI.

AI Decision Making

In the future, AI will be a part of every technology that we use in some form. It's important to separate out AI as a technology, from uses of AI that can be controversial.

Important recent legislation has distinguished between the use of AI and "Automated Employment Decisions Tools" (AEDT).

In our view, it's too early to let AI make decisions. There is so much work to do that we can automated the boring stuff and free up people to spend more time with each other (and making hiring decisions)

Forthcoming Legal Regulations

71%

of workers believe that artificial intelligence shouldn't be used to make final hiring decisions – and lawmakers agree.

The New York Times

A Hiring Law Blazes a Path for A.I. Regulation

New York City's pioneering, focused approach sets rules on how companies use the technology in work force decisions.

Source: Pew Research Center

Design is everything — one size will never fit all

High Volume

Support the daily operations, supply chain or product production for an organization.

Job Examples – Fulfillment, Factory Worker, Call Center, Distribution Center, Janitorial

Up to 100% Automated

High Volume/Skilled

Specific skills, licenses, training/experience or certification are required to fulfill these positions; can be paid hourly or salaried.

Job Examples – Customer Service, Bank Tellers, Welders, Insurance Agents

60% Automated

Hard-to-Fill

Shortage of available talent that requires a specific knowledge or level of education and/or highly competitive.

Job Examples – Nurses, Engineers, Chemists, Financial Advisors

40% Automated

Intern/Entry-Level

University students or recent graduates just entering the workforce looking for internships or full-time positions.

Job Examples – Internships, Recent Graduate Roles

40% Automated

Corporate/Executive

Established salaried roles that vary across departments and title.

Job Examples – Marketing, Finance, Accounting, IT

20% Automated

What questions should our team be asking of our vendors, partners?

1) Is this the right use case for A.I.?

- Does A.I. do it an order of magnitude better?
- Is this problem important enough to invest in?
- Why is A.I. the right tool for the job?

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What questions should our team be asking of our vendors, partners?

2) Security & privacy

Partner with your IT organization on the basics of data security & privacy. They are still developing their frameworks, too.

- Does my vendor have a model in their own infrastructure, or do they send it to someone else (e.g. OpenAI)?

- Will my vendor train their models on my data? Does that pose risk for us?

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3) Systems Fit

- How does this A.I. driven process fit into my other technology and tools?
  - Understand where are your:
    - Users - where do they interact with your systems? Is this in the flow of their work?
    - Data - where is the data that A.I. needs to use?
    - Models - where is the A.I. model and how does it interact with your data?

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4) Testing for Bias, Model Drift, Accuracy

- How does this A.I. partner test to ensure the safety of their A.I. model. Ask for details, even if you don't understand them all. The best vendors will be able to explain them.
- Bias
  - How you test for bias in your models, how often, and by whom (e.g., 3rd party)?
- Accuracy
  - How do you ensure the A.I. is accurate?
  - How do you ensure the models remain accurate over time?

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Discussion!

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