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Annotation: Artificial intelligence in human resources management: challenges and a path forward (Tambel et al, 2019)

In “Artificial intelligence in human resources management: challenges and a path forward,” Tambel et al discuss the gap that currently exists between the promise and reality of using AI for HR tasks. The authors are professors at the Wharton School of Management and at ESSEC Business School, and the goal of their paper is to illuminate the most pressing issues for leaders of businesses and other organizations. The authors begin by reporting a stark fact: 41 percent of CEOs are unprepared to use new AI tools, yet many are forging full steam ahead with implementation. The authors note some major challenges facing these leaders. First, HR tasks are extremely complex because “good employee” is often difficult to measure. Second, AI requires large data sets to work properly, yet most businesses are small. Third, because AI systems are “black boxes” with algorithms known only to a few, accountability, fairness, and other ethical and legal problems are likely to arise. And fourth, there is a strong possibility for employee backlash and worsening performance as more management decisions are made by machines. The authors note many places in the HR life cycle where AI is being applied, including recruitment, selection, on-boarding, training, performance management, promotion, retention, and benefits to name a few. Because human capital is a major factor in the success of an organization, companies are increasingly seeing AI in HR as a way to gain competitive advantage. They note that one of the big risks of using AI is that it will reproduce the demographic diversity—or lack thereof—that exists in the historical data.

This article is a useful source for me because the authors approach the topic in a fair and balanced way. They also spell out the definitions of various HR functions and offer statistics that will help support my case. My feeling is that many organizations are moving too fast to adopt AI for HR without thoughtfully considering the side effects. As CEOs compete for talent and to improve performance, they might perpetuate problems in the organizational culture or even do more damage to diversity and inclusion. In other words, algorithms could make bias into a systemic problem. Tambel et al highlight these potential pitfalls and provide some practical ideas for consideration. One of these suggestions is for organizations to create “AI Councils” that would involve key stakeholders in the AI implantation review process as well as in the creation of policies and gathering of ongoing feedback. I like this idea because it will allow for more diverse representation at critical points in the process. I may include recommendations in my project, and this is a good one.

Tambel, P., Cappelli, P., & Yakubovich, V. (2019). *Artificial intelligence in human resources management: challenges and a path forward*. California Management Review, Vol. 61(4) 15–42, <https://journals-sagepub-com.libezproxy2.syr.edu/doi/pdf/10.1177/0008125619867910>.