Navigating AI Risks and Opportunities in HR with Dr. Shari Simpson and guest Lisa McConnell, Founder of Steeped Leadership

Announcer:

You're listening to the HR Mixtape. Your podcast with the perfect mix of practical advice, thought-provoking interviews, and stories that just hit different so that work doesn't have to feel, well, like work. Now, your host, Shari Simpson.

Shari Simpson:

Joining me today is Lisa McConnell, founder of Steeped Leadership. Lisa helps leaders navigate AI and modern leadership decisions with an ethics-first, people-first approach.

Shari Simpson:

Lisa, thank you so much for jumping on the podcast with me today.

Lisa McConnell:

Happy to be invited. Thank you.

Shari Simpson:

So you have spent years in employee relations and ethics, but I want to talk about AI, right? So what about AI right now feels exciting for HR and what still feels a little bit risky for us?

Lisa McConnell:

Well, there's a lot of exciting things with efficiency improvements, you know, taking some of that mundane work that can be automated out of the workflow so that we can focus on more critical tasks. So that's definitely the exciting part. But on the risky side, you know, there's over reliance on AI, people who are abdicating their own decision making to a tool that doesn't

have empathy, that doesn't have a heart, doesn't have a soul, doesn't understand the nuance of human connection. And in HR, that is like the most important part of what we do, connecting with other humans.

Shari Simpson:

I love those examples. You know, I recently read of somebody who was using the tools to conduct an employee investigation, which I think that's great, right? Sometimes you don't know necessarily all the questions you should ask, and it's a great tool to kind of have that back-and-forth conversation. But using just what's generated, right, like you said, it kind of misses the mark, especially because it doesn't take into the nuances of the relationship or the environment or some of those kinds of things. So, you know, that I think is an area where leaders may be getting AI wrong or using it wrong or overhyping it. What are some areas that you're also seeing that where maybe it's being utilized not in the best way in relation to, you know, specifically people and culture and how you interact with them?

Lisa McConnell:

Definitely it concerns me to see it used in investigations because that is a high-risk area of HR and you don't want to get that wrong. Definitely, I appreciate the quick data sorting it can do, you know, evaluating evidence if you have lots of data that you need to parse through. There's definitely some good uses for AI. But that human connection is lost if you're just saying, You know, this is what it told me to ask. I'm going to ask this. You can tell it's too scripted. It doesn't feel like you're connecting with that person. And when you're dealing with something like a sexual harassment investigation, something more emotional than what an AI can understand, you're going to miss some things. And that's concerning. But there's a lot of other areas, too, where AI can be so great or so bad, depending on how it's used. It's all about the implementation and it really requires a lot of forethought and making sure that you're using it for the right situations and in the right ways.

Shari Simpson:

How do we start to build that forethought? So a lot of organizations now, I have heard, are kind of having these mandates. I'm using that term loosely.

Like, we will use AI, figure out how to use it. And while at the core, I think that's a good business move, right, to understand and leverage the tools that are available for us. From an HR perspective, though, sometimes those mandates or those requests end up being very, we have to react to them. And this is one of those areas where I'm just not sure a reactive approach is going to be the best way to utilize tools like AI when it comes to humanity and dealing with humans, you know, every day. So how do we find that balance between smart and soulful, right, using technology and humanity at the same time?

Lisa McConnell:
So I think it's important for leaders to really define what are you wanting out of this tool. Just saying let's use AI because everybody's on that bandwagon and I want to get on it too, that's not the right approach. I think if you have specific goals in mind, then you can build smarter. If your goal is let's improve efficiencies so that we don't have to hire as many people, okay, talk to your team about that's the goal. How can we help you to do your job better so that you can do more as we grow and we don't have to just keep filling spots? But be honest and transparent about what those goals are, and then work with your people to build it, not just handing it to an IT person and saying, put this in, or handing it to an HR person and saying, just use it, just make it work. You know, it's gonna take a multidisciplinary team to say, okay, what are the technology requirements and what are the safeguards we need to put in place for this? And what are the HR requirements and what do we need to do here? You know, and whatever other departments might be utilizing it. You need people from those frontline roles and those leadership roles in each area to be talking the same language about what our goals are and how we're gonna achieve them and what the risks are. If you don't have that level of intentionality and multiple parties looking at it from multiple angles, you're not going to probably get it right. So I think it's really important to have a little more intentionality and slow the process down just enough to get it right.

Shari Simpson:
I couldn't agree more. We just did a survey through Qualtrics around kind of anticipating workforce trends for 2026. And AI and automation was the top

concern for over 400 people that, you know, participated in the survey. And I think it's interesting because as somebody who spends time going to HR conferences, I've seen the level of sessions related to AI specifically really dwindle in the last year. And I think it's because we've gotten kind of inundated with the concepts of like, hey, we have to use AI, but we've almost missed this tactical step. And how do I actually use it? Where do I implement it? Where do I start? And I think one of the places where we can start, which you've mentioned is process, but even one step before that is ethics. You know, how do we define in our organizations our ethical approach to using these tools? What are some recommendations you've had there or ways that you've seen organizations really tackle the ethical piece of AI kind of first before, you know, inundating it into their organizations?

Lisa McConnell:
So I think those are important questions that not enough people are asking, because we sometimes get in such a hurry to save dollars that we don't think about the people that are involved and the impacts to them. Just like, you know, in October last year, when Amazon laid off 14,000 people and blamed it on AI. Well, it's not just AI that made that decision. It might have an impact. But I also think one of the ethical decisions we have to ask is, are we putting a tool above the people that we are supposed to be serving in our organizations, all, I mean, all stakeholders. It's not just about employees. It's also about the customer. I can't tell you how frustrating it is to people that I've talked to about, you know, just trying to hit zero to get a person, you know, with the customer side, you're talking to an AI and it's not understanding what you're wanting. And so then you just get frustrated and sometimes hang up and sometimes do business with another company that's not doing that. You know, so there's a lot more at stake than just making one wrong decision. If you implement a tool and you don't do it in the right ways, you can lose customers and valuable employees.

Shari Simpson:
What are the questions that we should be asking as HR professionals to safeguard the ethics in our organizations? So I'll give you an example of one that I've talked about is, you know, the EEOC has said that if you make a poor

hiring decision based on AI, right, based on a tool that you use from a provider, that provider is not responsible for that outcome. You as the employer are responsible for the outcome. So part of the things that I share about understanding AI is that when you have a tool that you're going to use for, let's say, hiring decisions or in your talent acquisition process, you need to understand how that algorithm works. You need to understand how the data is being stored. You need to know if you feel comfortable with that if the data centers are only housed, for example, in the U.S. or do they have data centers in other countries that maybe potentially go against some of your other ethical parameters you have in your organization. So that's just one question. What are some other ethical questions that we should be asking as we go down this road to define it for our organizations?

Lisa McConnell:
Oh, there's so much that you packed into that. And it's a topic that I feel pretty passionate about because it goes back to that human element of decision making that can't be replaced. And with recruiting specifically, you know, we also have to think about what that model was trained on. Because all we're talking about is large language models, predictive analytics, basically. It's looking at, well, what worked in the past, and so maybe that'll work in the future, and it's predicting that next response. So if we put in bad data, just like in any other technology, bad data in is going to result in bad data out. And so if you put in information from your past hiring that had some bias, maybe not intentional, but you did have some bias in it, then you're going to start amplifying that in future decisions. Another thing that AI can't get that nuance is, for example, Almost every job I've had in my past, I did not check every single box on that job description. I checked some, not others, and there were other things that I had experience in that weren't covered but were very relatable and transferable skills. And the AI isn't trained to understand all of that. As an example, in a previous job I had, I had a person who was doing my initial screening for me, an entry level recruiting person, and I kept hearing, well, we just don't have any qualified people. going and looking at those applications, well, let me see if you're right. I mean, maybe we're not advertising in the right places. And I saw several that I thought, no, this would be a great person to interview. And one such person I asked about, and they

said, well, they've never done this job before. And I said, no, but do you understand this job, this other job they did? It's almost the exact same thing, but with a different title in a different industry. But those skills are 100% perfect for what we're hiring for. They didn't understand that nuance and they were an entry level recruiting person. So I understand. Imagine an AI, it's not going to get that either. So we ended up interviewing that person, hiring them. They got promoted multiple times, stayed for years and was an absolutely fantastic hire. And that's the kind of stuff we're missing out on when we completely you know, abdicate our judgment to a tool without giving it some additional oversight and checking those responses. You know, we need to be sampling, you know, the ones that are thrown out to say, is that right? And if not, then how do we tweak the tool so it doesn't miss those key people because they didn't check every single box.

Shari Simpson:
Well, and I would add to that, pause on the automated responses as you're going through this process, because what you wouldn't want is you do that double check, like you said, and this person has already received the, I lovingly call these you suck letters. Obviously, they're not. They're just part of the process. But it definitely feels that way when you get the automated, unpersonal, you know, you're like, did anybody look at my resume or my application? But I love that idea of checking it. Once you've checked it and you've kind of done your due diligence, you know, I don't want people to walk away from our conversation thinking, Well, I shouldn't use AI. There's too many ethical considerations. There's too many things. The reality is we need to create the guardrails, right, as to how we're going to use them in our organizations. So what are some of those guardrails we should start to consider? Ethics is definitely one of them, but there's more than just that.

Lisa McConnell:
Yes, I think for one, we need to understand what our goal is. If our goal, go back to the recruiting example, if our goal is to narrow down our candidate pool because we have a ton of applicants, that's great, but let's make sure that we're narrowing it down in the right ways. So if a degree is a non-negotiable for some reason, maybe it's a certified public accountant and

there's a legitimate reason we must have certain certifications. Okay, that's okay to have that as a knockout tool. But if years of experience might combine with education to get us a gray area of, well, we really want five years of experience, but if you have a degree and two years, we would take it. Or if you have no degree, then we need five years. You know, we need to build some of those things in so it's not just, oh, it didn't check every box, knocking them out. So some of those things that we, as recruiters, would say, this makes sense to overlook. We've got to build the tool so that it thinks more like we think. And that takes time and it takes validating the responses that we're getting. There's definitely great uses for AI. I just do hope that people are being careful and thoughtful enough upfront about it that they're not missing out on great applicants when it comes to recruiting or doing investigations and missing some serious nuance that would alter the decision if they had asked that extra question that AI didn't think to ask.

Shari Simpson:

Well, and there's, we're not even talking about the myths on body language, right? You know, I'm reading this book right now. It is called, it's right next to me here, it is called What Every Body Is Saying, and it's written by Joe Navarro. He's an ex-FBI agent, and it's fascinating because it really is, you know, helping you become more observant of, you know, people's body language. But I think about that in the context of interviewing and some of these other things that have been great time samers, right? Like, hey, submit a video answer to these questions. Like, that's great. It is great. But there's a lot that you have to consider, right? How many times did they record it? Are they maybe neurodivergent? And that particular modality of recording things is very difficult for them. But it has no reflection on their ability to do the job. So I think that leads us to a place where HR professionals need to be cognizant of their own skill development. So while they are going down this road of leveling up their technology and utilization of AI tools, there's this other bucket of skills that they really need to lean into. One of the things I would add in that bucket is critical thinking, right? They need to be doing critical thinking exercises so that they can identify these parameters and maybe slippery slopes they could get into with AI. What are some of those other skills that we also should be focusing on in tandem with our AI skill development?

Lisa McConnell:

Well, you 100% hit the nail on the head. Critical thinking is what I talk about with multiple groups. In fact, I do a lot of training with folks on critical thinking skills and improving those because cognitive debt is one of the biggest risks of using AI. You know, people rely so much on it, they lose those critical thinking skills. You know, there are situations where It's funny in the moment, but when I've asked someone, hey, where do you want to go out to dinner? Where do you want to go? What movie do you want to go see? And they'll get out their phone and ask ChatGPT for suggestions. I'm like, do you not know what you want? I mean, it's one thing if you're in a new area, you don't know what's available. I get that. And maybe you want to use it to be adventurous. But if we get to that place where we don't make even simple day-to-day decisions because we just rely on a tool to do that for us, we really lose a lot of our

critical thinking skills. So yes, critical thinking and analysis, and also detail orientation, because when it comes to both prompting and responses that come out of AI, you need to look at that response to make sure that it hits the mark and there's not hallucinations in there, because one word can dramatically alter you know, what that recommendation is. Like the word not, a very small word, but a very important word. So, you know, you have to be able to look at and analyze the output of the tool and make sure that it's right before you just go full steam ahead and follow its suggestions.

Shari Simpson:
What areas do you think are the most ripe for HR right now to use AI tools?

Lisa McConnell:
Honestly, training. I think that is a key area where AI has great benefits without as many risks as some of the other areas of HR. For example, when I go to create a video, I'm going to be very critical of myself and I'm probably going to do 2, 3, 4, 5, 10 takes to get it right. So if I want to create a short training video to explain a concept, I can do that in seconds with AI and there's no retake needed. You know, there might be some additional prompting needed because it's not always going to get it right on the first try. I might have to try a few different things to say, no, that's not quite what I was looking for. But it does give you an opportunity to add some context and content to your training to make it more engaging and relatable to people without all the time and effort that it takes to get your video production team out to make the best content.

Shari Simpson:
And that's such a good example for, I think about our HR departments of one. There are so many HR departments out there who are managing all the things, right? Not just kind of the core of payroll and benefits and, you know, the day-to-day, but now they have this responsibility of training and development as well. One of the tools that I absolutely love is something called 11 Labs. You can basically train it on your own voice. And so then you can use that to have it read text in your voice. And it's pretty good. And in some ways, it's pretty scary. But also just think about the time savings. If

you're not a person who likes to be on camera, but you know that there are visual learners, you can use a tool that maybe creates some of that animation, like that hand-drawn animation. You can pair it with something like 11 labs and you've been able to create something that would have taken, you know, weeks to get out the door. So I love the training and development example. I think that's very applicable for right now and for ways that we can actually use AI in a positive way. You know, what do you think as you think forward for the next year? What do you think is one of the most exciting opportunities and potentially one of the biggest risks?

Lisa McConnell:
I think probably the biggest risk to me is just any decision that's going to impact people and their livelihoods. If you're making decisions based on somebody's job, whether they're going to have a job or not, and you just farm that out to a tool. I think that's a bad application of AI. I think if you're using it just to parse data, if you're using it to help think of new creative ways to do something, those are excellent uses. I think the creative side of AI is really exciting because it can help you kind of kick off. It's like having a brainstorming partner. You know, it's really a great way to get ideas that you can then build upon. I think if you get ideas and then just say, OK, that sounds good and do it, it's not going to be as good as if you add your human touch to it. So I really think that partnership is key in anything we do with AI. There always needs to be a human in a loop. There always needs to be someone looking at the oversight of the output and decisions that are made. It should never be something where we farm out decision making, especially if it impacts people's jobs.

Shari Simpson:

I love that. I love the idea of a partnership too. I jokingly refer to my chat GPT as Steve. I will tell people I need to go consult Steve on my, you know, whatever I'm writing. So I love that. You know, as we wrap our conversation up, you know, what's one thing that you would encourage our listeners to take back to their leadership team this week? One conversation that they should have that maybe they haven't had around AI with that team to get them to, I don't know, move the needle in whatever way that you think is probably the most important right now.

Lisa McConnell:

I think let's get curious together. That's a thing I would like for people to say to their teams. Let's get curious together. Let's think about how can the tool best support the work that we're doing and amplify it and improve it, not replace any person, but to help that person do their job better. Those are the things that I think are most important is let's help humans work better and smarter. Let's not replace them.

Shari Simpson:

Love it. Well, Lisa, this was a great conversation. As always, I'm excited every time I get to talk about AI. I think there's a lot of good that's going to come from these tools. And I also think it's going to bring humanity back. I think the pendulum is going to swing in such a way where those skills are going to be even more important than they ever were before while we utilize the tools like AI for automation. So, Lisa, thanks for sitting down with me.

Lisa McConnell:

Thanks. It was great.

Shari Simpson:

I hope you enjoyed today's episode. You can find show notes and links at thehrmixtape.com. Come back often and please subscribe, rate, and review.