

# Making AI at Work -Work for Everyone

THE ADECCO GROUP

Adecco AKKODIS LHH

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### 1. Introduction

Usage of AI in the world of work has made a massive breakthrough with the advent of Generative AI. Adecco Group <u>research</u> shows that 70% of workers use AI in the workplace. This astonishing number is complemented by the fact that 62% of workers believe the impact of AI on their job will be positive. IOE and Deloitte conclude however that "High-income countries are better equipped to harness AI benefits due to their advanced infrastructure and investment in AI, while middle and low-income countries face significant challenges that may hinder their ability to capitalize on AI advancements equitably".

Particularly now, it is important to differentiate the true value of AI from the hype and myths surrounding the topic. The Adecco Group is optimistic about the impact of AI on jobs but is clear-eyed about potential challenges. We believe that the overall number of jobs is not likely to decrease because of AI (as supported for example by research from the OECD), but that certain tasks may be fully automated, and as such, many jobs will change in nature. This will constitute a major transition for millions of workers, and employers as well as policy makers need to manage this process carefully. Most notably, this puts further emphasis on the importance of investing in the right skills for workers and for managers who need to manage change and have career conversations with team members. The Adecco Group stands ready to support workers, companies and governments in these transitions.

In this paper, we focus less on job quantity, but instead look at how we use Al in the labour market. At the Adecco Group, we strongly believe that when we abide by our Responsible Al Principles, technologies such as Al can contribute to better jobs, thriving economies and competitive companies. Most importantly, we know that our commitment to a Responsible use of Al will best ensure fair treatment as well as fulfilling careers for our candidates, colleagues and associates. We are convinced that our rich history as a people-first company sets us up to make a future with Al work for everyone. Partnerships such as the ones with Microsoft and Salesforce further enable us to make this a reality.

This paper is not a comprehensive assessment of the impact of AI on the global economy. Rather, this paper sets out the Adecco Group's view on the use of AI in the world of work and on appropriate regulation in this field.

#### Definition of Al

"Artificial Intelligence" or "AI" means a machine-based system that infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that (can) influence physical or virtual environments. Different AI systems vary in their levels of autonomy and adaptiveness after deployment.

Generative AI is a subsection of all AI which rapidly gained in prominence since 2022. The European Commission defines GenAI as: "Generative AI systems are AI systems that generate, in response to a user prompt, synthetic audio, image, video or text content, for a wide range of possible uses, and which can be applied to many different tasks in various fields."

#### The Regulatory Context of AI at Work

It has been clear for quite a while that there is a role for policy makers to protect human and labour rights of people using Al/affected by Al, as well as to level the playing field for those developing, deploying and distributing it.

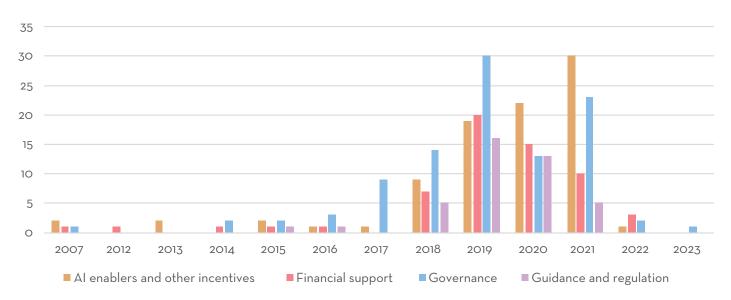
In May 2019, the OECD was among the first to establish a set of widely accepted Al Principles (updated in May 2024). These "promote use of Al that is innovative and trustworthy and that respects human rights and democratic values. (...), They set standards for Al that are practical and flexible enough to stand the test of time". As such, they have formed the basis for further agreements such as among the G20 and the G7 countries, and specific regulation in a number of countries, including the EU's Al Act.

The EU's AI Act is one of the most comprehensive pieces of legislation on the topic of AI in the world. In it, the use of AI in recruiting and managing employees is generally deemed as "high-risk", prompting more rigorous checks for companies who want to use AI in this area.

As a next step, policy makers are more specifically looking at the impact of AI on Employment. Again, the OECD is leading the way with a soon to be published "Action Plan to seize the benefits and address the risks of AI in the labour market". After regulating the use of AI in platform companies, the EU is now also looking into more comprehensive action on algorithmic management.

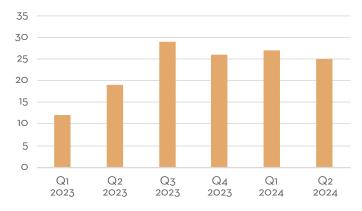
As the graphs below show, the EU is not alone; the number of countries devoting policy attention to AI has drastically increased in recent years and remains high. The first overview is taken from the OECD AI Policy Observatory, and the second comes from the Adecco Group's in-house Labour Policy Compass.

#### OECD: Number of new Policy Initiatives relating to Al



1 - Source: OECD.AI (2021), powered by EC/OECD (2021), database of national AI policies, accessed on 7/08/2024, https://oecd.ai

#### Number of countries with AI Policy developments



2 - Source: In-house Analysis the Adecco Group Labour Policy Compass

## 2. The Adecco Group's Footprint in AI



#### How Al impacts recruitment and other HR services

The world of recruiting has seen a proliferation of innovative Al-powered tools emerge, automating time-consuming and repetitive tasks across the recruitment value chain – from sourcing, to screening, interview scheduling and candidate selection. Generative Al further contributes to this development, and undoubtedly, new developments will continue to emerge rapidly.

Rather than reducing the importance of recruiters (whether in-house or via workforce solution partners such as the Adecco Group), these new tech solutions instead enhance recruiters' ability to deliver personalized, differentiated service in a faster way. This in turn should enable our candidates to access jobs and careers that better match their preferences as well as their competencies and skills.

Another area where AI can play a role is coaching. We believe the most prominent appeal of AI-powered coaching offering is the democratization of coaching. Even though the current level of AI capabilities are still far from delivering the same kind of value human coaches can deliver, some essential value is already within reach. The vast majority of workers who cannot afford the access to a human coach can benefit from such value at a much lower cost. Additionally, AI-powered productivity tools such as note-taking, admin automation, knowledge querying, etc. can help human coaches work more efficiently and effectively.

Even though the current AI capabilities are nowhere near human coaches overall, some of the AI's capabilities, such as its knowledge base, attention span, selfless patience, etc. opens doors to future coaching offerings humans cannot deliver.

At the Adecco Group, we are optimistic and excited by the promising prospects of AI for our candidates, associates and employees, our clients, and society at large. We believe technological progress presents a tremendous opportunity to augment the work of individuals.

Al enables the Adecco Group to strategically add value to candidates and customers. Machine Learning algorithms, capable of analysing vast amounts of data at great speed, have the ability to generate insights to help recruiters make more informed, unbiased and data-driven talent decisions. Al can predict hiring needs as well as expected outcomes and ultimately help recruiters to match the more suitable, high quality candidates to relevant jobs. In a time of candidate and skills shortages, use of Al and related technologies is crucial to improve the recruitment experience for candidates.

#### Our Responsible Al Engagement

As our use of AI rapidly intensified over the course of 2023-2024, this also prompted a significant investment in tools and governance to ensure we adhere to the highest of standards. To underline our commitments, the Adecco Group has notably joined the EU's AI Pact.

Today, we rely on the following key ingredients for our Responsible AI (RAI) engagement:

- The Adecco Group Responsible Al Principles
- The Adecco Group Responsible Al Policy
- The Adecco Group Responsible Al Committee

#### The Adecco Group RAI Principles

The Group's Principles are guided by our purpose as a company, our core values, and our commitment to sustainable and responsible business conduct. These Principles apply to all the AI technologies that the Adecco Group uses and develops. We aim to look beyond what is legally required with respect to the use and development of AI technologies and to base our analysis and decisions on what we believe to be ethical, inclusive and fair, whereby we actively seek input from diverse stakeholders. We aim to always act with integrity and accountability, and we demand the same from any third parties working with us. See Annex 1 for the full RAI Principles.

#### Responsible means that we adhere to 5 Principles:







Human-Centric



**Transparent** 



Safe



Lawful

#### The Adecco Group RAI Policy

Where our Principles set the general direction of travel, the RAI Policy is an internal, binding document that sets out specific requirements as well as the procedures and governance of AI Use Cases with in the Adecco Group. It provides a uniform standard that all Adecco Group staff members need to follow, and its implementation is overseen by the Adecco Group Board of Directors. Crucially, it also sets out the role of the Group Responsible AI Committee.

#### The Adecco Group RAI Committee

The RAI Committee members bring together a unique mix of expertise, including knowledge of technology, HR, inclusion, our various business solutions, and an employee representative of the Group's European Works Council. Additionally, selected external representatives are being sought out to fill specific knowledge gaps. The role of the Committee is to assess compliance of specific Use Cases with the RAI Principles and Policy. Although their responsibility covers all Use Cases, their attention is mainly focused on those cases that are deemed high-risk. The RAI Committee does not just have an advisory capacity; it has been given the explicit right to halt development or use of Use Cases that it deems non-compliant. In practice, it will more often agree on remedial measures to address a specific risk.



#### Our Use of Al

At The Adecco Group we are using Al applications to support mainly four target groups: Clients, Candidates, Recruiters and general Adecco Group colleagues. As the technology develops, our use cases also continue to evolve, so the below is not more than a current snapshot.

#### Clients:

We offer workforce planning, analytics and advisory services that help clients strategically leverage AI in their HR and talent management processes. Hereby we leverage the capabilities of AI for example to search the web for major hiring and layoff news as well as regulatory and economic insights, to provide guidance in combination with our company internal insights. The information is made available in an easy digestible format of a dashboard, accompanied by our experts in client conversations.

#### Candidates:

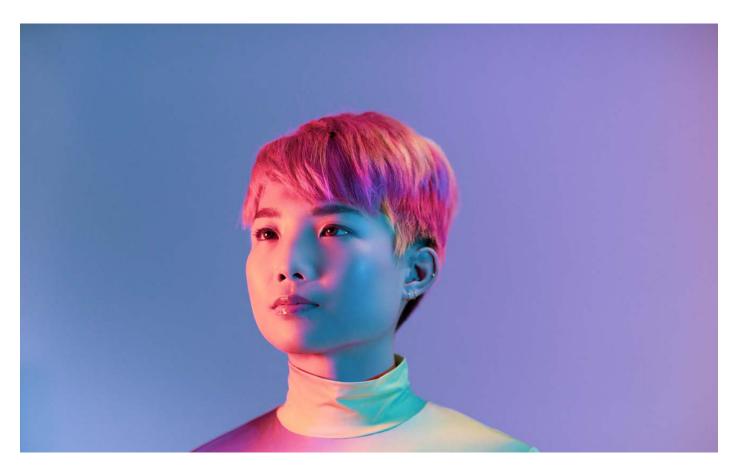
We want to ensure that our AI technologies support people whatever stage they are in their career, providing them with the tools they need to stay relevant, excel and grow professionally. One of our solutions is <u>CV Maker</u>: our inclusive CV generator that allows candidates to quickly generate a CV with Generative AI powered speech-to text functions so the candidate can speak in 32 languages and have the CV professionally done in the destination language. The solution is digitally accessible via text or speech input to also support visually impaired people to access it.

#### Recruiters:

To augment our recruiter's day to day job, we are leveraging a range of different AI solutions to reduce the repetitive workload. For example, to write job descriptions, to summarize information to be pushed out to potential candidates, to tailor messages or to match incoming jobs to our active candidate database.

#### All colleagues:

Across the organization, we are empowering and encouraging our different business units to pilot and test different Al solutions with a clear responsible Al framework. This helps us to identify the areas of augmentation with real value realization. For example, summarization of documents, automation of filling of response templates, writing e-mails or tailoring marketing information.



## 3. The Case for Regulation on AI in the World of Work

In their policy-making efforts, governments focus on a number of issues.

Support innovation and better uptake of AI tools such as broadband internet and subsidies for AI developers.
 Innovation happens in the private sector, but governments do have a role to play to provide the right framework conditions including broadband connectivity. As long as a third of the world isn't even connected to internet, it will also be difficult to correct for underrepresentation in current AI and GenAI models. This leads to unequal distribution of opportunities on the labour market.

#### · Ensure ethical and trustworthy use of AI

If we want to ensure ethical and trustworthy use of AI in the workplace, certain checks will indeed be required. Doing so will also create a more level playing field, weeding out unscrupulous competitors who may not respect human and labour rights in their use of AI. As such, the Adecco Group welcomes the risk-based approach that was taken in the EU AI Act, and agrees with the assessment that the use of AI in a work context is high-risk and deserves additional scrutiny. In doing so, it is of course imperative to avoid undue burden on companies that are putting appropriate safeguards in play.

#### Invest in skills

The advent of AI brings to light a double skills shortage. First of all, there is a need for workers with high-level technical skills to develop new AI tools. Once companies want to implement these tools though, it also requires the general workforce to acquire a set of "everyday AI" skills that allows them to use the tools in the right way. Honing those skills should start already at an early age. For generations that grow up in a digital age, the need to teach critical thinking needs to happen early on to ensure people will be able to use AI in a responsible way, and develop the right skills to enter higher education and the workforce.

 A new area in regulating AI relates to the role of employees and worker representatives in supervising and controlling the use of AI.

The Adecco Group strongly believes in the value of social dialogue, and use of AI in the workplace can be a relevant topic of discussion in works councils and sectoral or national collective bargaining. It remains to be seen however if specific provisions or structures need to be established.

#### **Policy Guidelines**

The Adecco Group offers a number of guiding principles that we would encourage policy makers to follow:

Work with business: Creating a level playing field for companies committed to ethical behaviour and avoiding a race to the bottom by unscrupulous actors is in the interest of all. Rather than trying to restrict businesses, policy makers would do well to work closely with industry partners to identify priority areas and optimal policy responses. As technology develops fast, and policy making will generally take some time to catch up to technological developments, policy makers will benefit from discussions with practitioners to define priority areas for action.



Adaptable and fit for purpose regulation: Policy makers should use a risk-based approach and be careful to avoid overreach. Regulation should not be unnecessarily broad so the public – including jobseekers – can enjoy the benefits of advanced AI tools in a wide range of topics. Regulation, especially where it limits or restricts the use of AI, should focus on specific use cases, rather than taking a broad brush approach to certain sectors or industries. As AI continues to develop, regulation should remain flexible, ready to adapt to future developments.



Apply existing tools: There is already extensive regulation in place on several aspects in the discussion around AI, such as Anti-discrimination or Data Protection. The primary concern of policy makers should be to clarify the application of existing rules and effective enforcement by the respective supervisory bodies, to situations that might involve AI. If there are any specific gaps uncovered during this process, only then does it make sense to take the next step to regulation focusing specifically on AI.



Enable accountability with respect for competitiveness: Given the complexities of the underlying algorithms, the call for more transparency about the decision-making process is understandable. There is ongoing debate on how this should be brought about. The Adecco Group believes strongly in the importance of accountability for decisions made by or with the help of AI. This starts with transparency towards users about if/when AI applications are used, but also includes for example access to remedy for those whose (human) rights have been violated (however unintentionally). Where access to an underlying algorithm is needed, this should respect companies' intellectual property and competitiveness, for example by using an independent and trustworthy third party.







These Principles are guided by our purpose as a company, our core values, and our commitment to sustainable and responsible business conduct. These Principles apply to the purchase, development, implementation and usage of AI systems across the Adecco Group. As such, these Principles add to but do not replace existing policies on issues such as Information Security, Data Protection, Intellectual Property, and the Group Code of Conduct.

We aim to look beyond what is legally required with respect to the use and development of AI technologies and to base our analysis and decisions on what we believe to be ethical, inclusive and fair, whereby we actively seek input from diverse stakeholders. This reflects the Group's values, most notably the value of "Inclusion" and "Customers at the Heart". We aim to always act with integrity and accountability, and we demand the same from any third parties working with us.

We are active participants in discussions on AI in society, particularly in the context of the world of work, and we work closely with policymakers to support regulation that enables responsible use of AI.

Our end goal is to achieve a Responsible use and development of AI within the Adecco Group.

#### Responsible means that we adhere to 5 Principles:









Human-Centric

Transparent

Safe

Lawful

### Our use and development of AI technologies will be:



#### Ethica

Ethics is at the heart of who we are and is the overarching principle in our approach to the use and development of AI technologies.

We recognize the grave consequences of bias, ranging from the marginalization of vulnerable communities to reinforcing prejudice and discrimination.

To counter this, we apply as well as advocate for inclusive Al practices that prioritize diversity and accessibility, ensuring the involvement and consideration of relevant stakeholders across the entire lifespan of these technologies.

We aim for both data equity (input) as well as output equity with data equity including both representation and feature equity and output equity, striving for impartial and fair results. Whenever data equity cannot be ensured (e.g. due to technological or other constraints), outcome equity will be controlled even more rigorously.

We always aim to have a human in the decision-making loop, particularly in AI systems used in HR processes such as recruitment or selection, promotion, termination of employment, for task allocation and for monitoring and evaluating performance.



#### Human-centric

We ensure that the AI systems we develop and use will neither cause nor exacerbate harm. This entails the protection of human dignity as well as mental and physical integrity. AI systems should benefit all human beings, including future generations. We actively seek to take into account intercultural and language differences in using, developing and assessing AI systems.

We will thus ensure that AI systems we deploy and utilize are sustainable, carefully considering the potential social, societal and environmental impacts, risks and opportunities, including in the choice of partners and the way we build and use our solutions.



#### Transparent

Transparency is essential for promoting understanding, trust, fairness and accountability, and should be translated in clarity, openness, and understandability of the processes involved in developing and using AI systems. We communicate openly and clearly using easy to understand language about the use of AI to all individuals impacted by AI systems (e.g., employees, candidates, and associates).

We clearly describe the capabilities, benefits, intended purpose, limitations, and the data used by such technologies, and provide simple explanations for any automated outcomes and decisions made. We ensure that we allow the possibility to offer human intervention so that the decision criteria and output of the AI system can be reasonably understood, challenged and validated by humans.

This starts by letting the end user know in advance when they interact directly with an Al system. We also prioritize the use of simpler, easier to explain models wherever this is possible without compromising their effectiveness.



We will ensure that the data, AI systems, and the environments in which they are stored and operate are safe and secure, they will be technically robust. We ensure a quality management and risk management system is in place to govern the development and use of AI systems across their lifecycle.

#### Concretely, this means:

- We ensure the AI technologies we deploy are safe to use and ensure those technologies do not go beyond the original purpose of their design.
- Assure market-leading Information Security standards are used to secure data inputs and outputs of AI technologies.

- Maintain oversight and control of AI technologies throughout their lifecycle.
- Undertake best efforts to eliminate or reduce any potential risks associated with each respective AI technology for our employees, candidates, associates and clients.
- Remain vigilant for areas of critical concern and stay up to date on the newest developments in the Al domain.
- Create Al systems that are resilient and secure, ensuring a fallback plan in case of detected misuse or incidents.



#### Lawful

- We ensure that the development and use of AI technologies complies with all applicable laws, including but not limited to data protection and privacy laws, anti-discrimination laws, intellectual property laws, and legislation specific to AI.
- We take steps to identify and remove actual or potential bias and discrimination from data sets and algorithms to ensure that the use of artificial intelligence technologies is fair to users and does not unjustly impact people based on sensitive characteristics including race, ethnicity, gender, nationality, sexual orientation, disability, and political or religious belief.
- We are accountable for the governance of our AI technologies and insurance of a continuous quality management of operationalized AI solutions.
- We ensure that the use of Artificial Intelligence technologies respects the fundamental human rights of individuals as set out in the Universal Declaration of Human Rights and the EU Charter of Fundamental Rights, and we are guided by the UN Guiding Principles for Business and Human Rights and the UN Global Compact as well as the ILO Declaration on Fundamental Principles and Rights at Work.

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