



# Will AI Chatbots Replace Your Employee Handbook?

Insights

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When faced with a problem or question, do you reach for a resource book or simply Google it to find a solution? Chances are, you Google it (or ask Alexa). Typing in a quick search for an answer is not only easier but usually significantly quicker. Similarly, chatbots powered by artificial intelligence (AI) may provide an easier and quicker way for employees to obtain fast answers to their questions, rather than having to dig up their old employee handbook from onboarding and painstakingly read through the 100-page PDF in search of the applicable policy.

## What Are AI Chatbots?

Chatbots are computer programs that are capable of simulating conversations through voice or text. They are customizable and made possible by the cloud, deep learning technologies, automatic speech recognition, and natural language processing. More specifically, they utilize machine learning and natural language processing to take a request and, after processing, use algorithms to identify the request and offer a response. These computer programs essentially use AI to learn to behave like humans in order to provide engaging conversational experiences on various devices or platforms.

AI chatbots have already transformed the way service industries provide customer service. A recent survey by Oracle found that eight out of 10 businesses have already implemented or plan to adopt AI as a customer service solution by 2020. Companies like Amazon and Google even introduced services that allow companies to build bots and enable them to exploit some AI capabilities.

## Possibilities For AI Chatbots In HR

With the integration of machine learning, AI chatbot technology is now opening up to Human Resource departments ripe for intelligent automation. This technological advancement is in line with recent trends and changing employee demographics, with the increase of millennial and Gen-Z employees in the workforce.

Among the first companies to use a chatbot for its employees was Kimberly-Clark. The company saw great results, with its helpline receiving 2.5 times more questions and employees initiating more than 3,000 chats. It begs the question of what additional benefits AI chatbots could provide HR.

HR departments typically maintain countless policies, procedures, and instructions to guide their companies' employees, but they are only effective when employees know they exist, where to find them, and what they require. AI chatbots can improve how HR policies are organized and stored by

allowing employees to read and acknowledge policies with an AI chatbot during onboarding and by directing employees to specific policies in its responses.

This can help better engage and support employees' day-to-day decision-making by providing helpful information in real time. AI chatbots can also provide a multimedia experience that allows for interactive searches and direct employees to training videos or policies.

AI chatbots can provide instant responses any time of day to common questions while also promptly addressing more complex reports with care. By being the first point of contact for employee concerns or questions, AI chatbots can help remove both real and perceived barriers. For example, to allow for open-ended reporting, an AI chatbot can ask basic questions like "Tell us what happened."

Using such questions, Convercent saw approximately 70% more text in reporting descriptions across its roughly 6.7 million customers. Such reports and information can then be escalated by the AI chatbot to HR or other management trained to appropriately handle such issues. This means that AI chatbots have the potential to increase internal reports of problems, prompt resolutions of those problems, and thus increase employee satisfaction.

AI chatbots can provide further benefits when integrated with internal systems which will allow them to retrieve specific information about the inquiring employee. For example, with integration, an AI Chatbot could tell an inquiring employee how much vacation they have accrued and help submit a request on the spot, or the chatbot could relay that an employee is too sick to report to work (like Overstock's HR chatbot). Unlike traditional HR departments that are only open during operating hours, this would allow employees access to more adaptive self-service 24/7 without waiting. This would also allow HR personnel to focus on employees' more complex and pressing issues, while the AI chatbot acts as the frontline and addresses more routine requests.

AI chatbots can also include backend features that provide helpful data to the company. For example, they could keep an accurate record of all conversations and alert company leaders to potential issues by notifying of uptick in certain activity—imagine if a company knew there was a 25% increase in those accessing the harassment policy last week in the Los Angeles billing department. AI chatbots are also able to gather information on how employees feel about the company by using sentiment analysis, which may help retain talent and prevent employee turnover.

### **Current Limitations Of AI Chatbots**

This all may sound great, but there are also some serious limitations to the capabilities of AI chatbots. Technology may be advancing every day, but chatbots are still barely intelligent when compared to humans. It will be years before AI will be smart enough to answer more than rudimentary questions or perform tasks, such as processing requests for a policy, form, or time off.

Humans have unique skills of understanding, making case-by-case determinations for more complex matters, and expressing empathy or other emotions that AI chatbots simply cannot. As HR

complex matters, and expressing empathy or other emotions that AI chatbots simply cannot. As HR professionals are in the business of people, they can often resolve issues simply by sitting down face-to-face with employees. While AI may one day be a software-based solution to increased labor cost due to rising minimum wages, it is unlikely to significantly displace any HR personnel any time soon.

For now, AI chatbots are more likely to simply augment rather than replace HR. Similarly, with a multigenerational workforce, it is still best for AI Chatbots to merely enhance rather than replace employee handbooks. Companies should still obtain signed acknowledgments of the employee handbook and maintain a hard copy accessible to their employees.

In addition, AI Chatbots require training and education to function correctly because AI chatbots are only as smart as their collection of existing knowledge. The more they communicate with employees, the more they can recognize questions and respond accurately even when requests are phrased differently or include typos. Companies who deploy a chatbot should ensure their employees are aware of their role in helping it train and learn. This is especially important as AI chatbots can show their lack of real intelligence when they start to repeat their response when they receive further questions the AI Chatbots cannot answer.

It is also important as AI chatbots can be trained to say inappropriate things. Companies therefore must be proactive to avoid potential discrimination or harassment claims by ensuring their employees do not weaponize their AI chatbot. Similarly, companies must also make certain that their AI chatbot's algorithms filter bias and negative sentiment, and should consider having a gender-neutral robot to prevent potential discrimination. In addition, utilizing AI chatbots can raise other issues as to information and privacy concerns, so companies should ensure information does not leave their firewall, is encrypted, and is fully secured.

## **Conclusion**

AI chatbots are the wave of the future for HR as they once were for customer service. While not yet perfected and continually advancing, AI can provide significant benefits to enhance employee handbooks and HR personnel. However, AI is not likely to replace either anytime soon. Employers interested in enhancing their HR department with the addition of AI Chatbots should understand their budget, ensure they have the appropriate security practices in place, and carefully customize the software to fit their company.

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