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PandoLogic's Use of AI Explained



Humans are using AI to keep up with an evolving labor market.

And as a leader in AI recruitment technology, PandoLogic has a responsibility to ensure that our use of AI is transparent, compliant, and consenting. That is why we have created this explainability statement to help inform our AI processes and guide our client base in navigating legislation like NYC's Local Law 144, which regulates the use of "automated employment decision tools" (AEDT) in hiring.

We believe in the use of AI for good and we seek to uphold the ethical and responsible use of AI and automation during the recruitment process. With that in mind, PandoLogic has proactively made efforts to audit our AI technology and review our AI models' current and future state applications to ensure, among other things, that we are helping to mitigate bias at the top of the recruitment funnel.

Read on to learn more about our audit results, AI principles, and best practices.

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PandoLogic's Audit Results

PandoLogic worked alongside AI technology auditor Vera to help identify potential areas of risk within our AI algorithms and products. Vera used global, historical data to approximate PandoLogic's model behavior under a variety of scenarios. While we cannot speak directly to an individual customer's application of our technology, whose individual results may vary, we can summarize the results using our own data and outline certain areas where potential risk was discovered.

pandoIQ: The pandoIQ platform is a programmatic job advertising tool powered by proprietary algorithms to help target and reach talent. Given the individual purpose, design, and position of all the algorithms in the PandoLogic AI ecosystem, most were analyzed by Vera, whose deeper evaluations found that these algorithms presented little risk in introducing bias at the top of the recruitment funnel.

Of the code evaluated, our Job Expansion algorithm required a closer look because of its zip code expansion capabilities. Zip codes can serve as a proxy for demographics due, in part, to historical redlining practices across the United States. The Vera audit data found that, when the appropriate data sets are used, the Job Expansion algorithm showed no signs of increasing bias and actually decreased bias by expanding job results to additional zip codes. And with our human-led processes, we have an expert team monitoring these decisions to ensure additive, algorithmic bias is reduced at the start of the hiring process.

pandoSELECT: pandoSELECT is a combination of the pandoIQ platform and our Conversational AI chatbot. The Conversational AI tool enables applicants to learn more about a role and helps qualify them via a series of predetermined questions generated from our repository of chat templates and guidance from our clients.

Like most chatbot systems, the Conversational AI used in pandoSELECT is a blend of several independent models that meet through a central algorithm to provide a seamless and conversational experience for applicants.

Two models required deeper study: a skills extraction algorithm and a job matching algorithm. The skills extraction algorithm references a large database of keywords to extract words from the conversation that indicate various skills requirements from the job description. This model identifies references to

these words within the conversation to enrich a job applicant's profile in the dashboard. The job matching algorithm helps determine whether a job candidate is a reasonable match for an open role. The intention here is not necessarily to suggest which candidate is the most qualified but rather to help our clients focus their efforts on candidates who meet certain basic and necessary qualifications.

We believe the current state of our conversational AI offering runs very little risk of adding bias to the top of the recruitment funnel. Many forms of algorithmic bias are introduced by way of inferring or estimating attributes of an individual that may be subjective in nature and may serve as proxies for categories that are protected under the law. Our Conversational AI model today asks simple yes or no questions leaving very little room for misinterpretations by the algorithms. Ultimately, these models operate on information that is objectively true and volunteered by the applicant. There are plans in our product roadmap to introduce open-ended questions to our Conversational AI as a standalone product which runs a higher risk for bias. We have consulted with the Vera audit team to continue following best practices in the development of this feature and will be sure to audit this technology prior to release.

For more details on our audit results, you may contact our team by clicking the button below:

Contact the Team



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PandoLogic AI Principles

Our AI principles drive the development and usage of all PandoLogic AI products. As a subsidiary of Veritone, Inc., these principles are also consistent with Veritone's own AI principles, demonstrating our collective dedication to enhancing human capabilities by democratizing AI. Learn more about Veritone's AI principles here.

Transparency: We strive to develop easy-to-understand AI systems within our PandoLogic products and share clear updates on our progress as we establish ourselves as a top recruitment marketing platform. By disclosing and explaining what's in the "black box" of our AI algorithms, we make it easier for customers to understand the rationale behind the recommendations we make and conduct their own audits of our products as needed or as may be required by law.

Trust: Our AI technology utilizes data-driven decision-making to help reduce human bias in the early stages of recruitment. The outcomes of these decisions are designed to avoid discrimination and provide ethical and representative results for our customers. Having trust in our data helps our customers build trust with their candidate and employee audiences.

Security & Compliance: We are committed to assisting our customers in following applicable compliance and other legal requirements for AI products and technologies like ours, including ordinances such as NY Local Law 144.

Empowerment: PandoLogic's AI applications are designed to help employers effortlessly and intelligently connect with the best candidates while helping people find meaningful work.

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Best Practices for Conducting an AI Audit

Legislation such as NYC's Local Law 144 mandates that employers must audit their AEDT recruitment technology at least once a year to ensure they are not imposing bias via these AEDTs. This is a new legal requirement for many employers, with no clear guidance on how to begin or best practices to consider when attempting to comply with the law. While the PandoLogic audit summarized previously does not replace the need for employers to conduct their own AEDT audits, we want to empower employers with the knowledge they need to ask the right questions of their recruitment technology vendors.

We have identified best practices to help guide employers as they navigate this uncharted territory:

i. First, map your talent acquisition journey and workflows: Create a visual representation of your talent acquisition process to identify where automated employment decision-making tools may be present. This will help pinpoint areas where unwanted bias could emerge, allow employers to see the data flow at each step, and enable employers to take proactive measures to address issues that may arise. Additionally, employers should identify the vendors and systems used at each stage to better assess the technologies involved.

ii. Next, reach out to your vendors: Once your processes are mapped, it's time to evaluate your existing or potential recruitment vendors. Questions to consider when evaluating your tech partners:

- **a.** Have you conducted an audit to assess and mitigate biases in your technology? If so, can you provide documentation of the audit findings?
- **b.** How has your organization taken steps to ensure bias reduction in your technology?
- **c.** Are there any transparency statements or public announcements available to show your commitment to mitigating bias in technology?

If a vendor cannot provide answers to these questions, it could be a warning sign that their technology may not align with your organization's commitment to reducing bias and maintaining compliance.

iii. Then, give candidates a voice: Start building trust with your applicants by offering them a way to voice

concerns during the recruitment process. This can be done through the application itself or an automated survey, ensuring you stay informed about potential issues as soon as they are flagged.

iv. Always keep an expert in the loop: Maintain a human presence at all times to address concerns quickly and efficiently. AI is meant to enhance the human work experience, not replace it. Collaborate with your vendor to ensure a productive and compliant process.

v. Lastly, conduct a demographics survey: Gathering data on your organization's demographics, and the demographics of those who apply to your open jobs, can help you accurately assess the impact of technology on your workforce through self-reported information.

We made it easy to begin. **Download the best practices checklist to get started.**



About PandoLogic

PandoLogic is a wholly owned subsidiary of Veritone, Inc. (NASDAQ: VERI), a leader in enterprise artificial intelligence. PandoLogic is a global market leader in programmatic recruitment and generative conversational AI solutions that effectively source, qualify and engage job candidates through intelligent automation. PandoLogic's customers consistently report significant increases in recruiter productivity, better candidate quality, faster time to hire, and reduced talent acquisition costs. More than 1000 top employers rely on PandoLogic to power their unique, specific recruiting requirements by driving superior, predictable outcomes. To learn more, please visit www.pandologic.com.

Disclaimer

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