



# **AI in Human Resources: A Guide for Safe and Ethical Implementation**

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# Harnessing the Power of AI



## **AI in HR, Between Promises of Transformation and Issues of Trust**

With its advanced automation and data analysis capabilities, artificial intelligence - and particularly generative AI - is poised to transform the daily business of HR. Although HR professionals are excited about the opportunities it offers (speeding up processes, optimizing decision-making, reducing errors, etc.), adoption is proceeding slowly.

*According to a Gartner study on the implementation of AI in HR departments, 76% of HR managers believe that their company will fall seriously behind if it doesn't adopt AI solutions within the next one to two years.*

The promises of AI are accompanied by many fears, particularly regarding security, ethics and knowledge. HR professionals should consider defining a clear framework for its use, and having solid strong guarantees regarding security and ethics before committing to this promising technology.

## A Framework for the Ethical and Secure Adoption of AI

The challenge is to harness the potential of AI in human resources while keeping people at the heart of decision-making. This guide summarizes information on the security and ethical issues surrounding the use of AI in human resources, including advice, use cases, and the legal framework. It offers HR managers a framework of key considerations and recommendations for trustworthy AI implementation.

**“ Human resources departments manage the most valuable information within companies. It’s therefore important to make sure that AI and HRIS protect this data, its level of confidentiality, and how it’s used. ”**

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Patrice Poirier, President of SIGMA-HR

Three pillars have already been identified as essential for enabling HR to harness the potential of AI in an ethical and secure manner:

→ Implementing private AI

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→ Guaranteeing data security

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→ Ensuring the ethical use of AI

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# The Value of Private AI in Human Resources

## The Limits of Consumer AI in a Business Context

The AI tools available to the general public, like ChatGPT, are easy to use, but they do not meet the requirements for human resources, which demand strong guarantees regarding confidentiality and data protection.

A conscientious employee must use an AI that guarantees data confidentiality and localization or systematically anonymize all sensitive information before interacting with it. For the company, it is essential to ensure that each employee follows these good practices, so as to maintain the integrity and security of human resources data.

AI systems that are available to the public are not tailored for use in human resources and lack specialized knowledge in this area. Moreover, the data they are trained on is often outdated, which can lead to inaccurate and inappropriate outputs at a time when HR professionals are seeking high-quality HR processes and responses for employees.



# 01

## Key Benefits of a Private AI Adapted to the Needs and Requirements of Human Resources

Using private AI directly integrated into your HRIS is far more relevant, efficient, and secure. Private AI provides higher-quality answers, since it has been specifically designed for HR use. Organizations also have better guarantees of data confidentiality, as well as greater scope for automation and integration with existing HR processes.

	Public AI	Private AI integrated into the HRIS
Answers formulated by an AI (with a chatbot, for example)	General, approximate, inaccurate, out of date.	Sourced, relevant, and adapted to the company's HR context (customized answers).
Data storage	Can be stored and reused.	Data not retained (per non-retention agreement).
Data usage	Potentially used to train the AI model.	Not used for training the AI model.
Automation of complex tasks	Generalist, capable of multitasking, but limited in the complexity of the tasks it can handle.	Specialized, breaking down complex tasks into precise steps, enriched with relevant data and tailored to industry best practices (such as removing HR bias when analyzing a CV).

SIGMA-HR, for example, has opted to deploy a private, secure AI, fully integrated into its HRIS, with one partition per client, while respecting existing security policies. In terms of user access and authorization management, the AI retains the same level of rights as the HRIS. AI is an enhanced functionality of the HRIS, not a standalone tool.

By choosing an AI directly integrated with their HRIS, companies can benefit from the HRIS publisher's support in mastering the technology and tailoring prompts to their needs. This level of support is not available from public AI.

# Some Examples of How Private AI Can Be Used in HR

## Creating a candidate file

The AI can extract the relevant data from a CV by dragging and dropping it. The manager then verifies the data to generate the candidate profile.

The candidate file is automatically created in the recruitment module of the HRIS with a private AI.

A public AI is not interconnected with the other HR tools used within the company.

## Preparing for interviews

AI can suggest questions to ask candidates at the interview based on the job information and skills listed in their CV.

The questions proposed by a private AI configured for use in an HR context will be more relevant than those of a public AI.



# 01

## **Managing incidents and accidents in the workplace**

AI can help fill out administrative forms, propose corrective measures as part of implementing preventive action, or anonymize data for analysis.

A private AI can directly fill out an incident report form within the HRIS, something that a public AI cannot do.

The corrective measures proposed by a public AI will never be as accurate as those of a private one, since the latter has access to the company's context.

## **Using a chatbot to request leave**

AI can help employees submit vacation requests easily and efficiently. Employees are prompted to enter the required details, eliminating mistakes and incomplete fields. An approval workflow is automatically initiated for the manager's review.

Integrating with existing tools and workflows is impossible with a public AI.





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# AI and Data Security: Complying With the Regulatory Framework

# 02

## Data Security, the Cornerstone of Trustworthy AI

In Europe, businesses must adhere to the General Data Protection Regulation (GDPR) and its mandates for safeguarding individual information. The European Artificial Intelligence Regulation (AI Act) categorizes AI applications into four risk levels, each of which is subject to distinct regulatory requirements:

→ Unacceptable risk

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→ High risk  
The use of AI in human resources falls into this category.

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→ Low risk

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→ Minimal risk

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For AI systems classified as high-risk and influencing important decisions, the European AI Regulation imposes three main requirements.

- 1. Transparency:** Employees should know when they are interacting with an AI, understand its objectives, and know about the criteria used.
- 2. Documentation and explanation:** All automated processes and decisions must be documented and explained so that results can be justified to employees.
- 3. Integrated human supervision** for AI prompts used in making critical decisions, ensuring that these decisions remain fair and are not solely determined by an automated system.

**AI prompts must adhere to these guidelines to ensure fair use and protect employees' rights.**

In Quebec, companies must comply with “Law 25” on the protection of personal information as well as the Artificial Intelligence and Data Act (AIDA).



**PLEASE  
NOTE**

The European and Canadian regulatory framework governing the use of artificial intelligence aims to ensure that its use complies with safety, transparency and human dignity. This framework is still in its infancy, and needs to be clarified. However, businesses can already use existing security requirements, such as ISO 27,001 and SOC 2 type 2 certifications, to ensure the safe and ethical use of AI. These requirements form a solid basis for IT security and data protection. HR software publishers rely on these standards to offer their customers secure AI solutions that align with existing security policies.

## Data Security: Questions to Ask Your Software Publisher

Some HR managers are particularly enthusiastic about using AI to speed up their processes. However, they also want sound security guarantees. Here are some questions to ask your HR software publisher.

→ Is the data that users enter and send to the AI stored?

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→ Can we make the logs anonymous, so that user requests and data are not saved?

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→ Is the AI properly segmented for each customer?

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→ Is the data sent to the AI used to train the AI model?

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→ What are the main use cases for this AI?

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→ Can I import company-specific documents into the AI?  
(To ensure the relevance and accuracy of chatbot responses, for example.)

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→ What options are there for customization?

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# 02

Integrating artificial intelligence into human resources is a complex undertaking that requires adherence to certain rules and a transformation of existing practices. These aspects must be addressed prior to implementing AI.

**To meet all the regulatory requirements surrounding AI and data security, as well as the needs of its customers, SIGMA-HR has opted for:**

**Providing customized, confidential AI, tailored to each client.**

This AI is built on OpenAI's models, which have been tailored for human resources and hosted on a Microsoft Azure server. Data is kept confidential and not shared between clients. The AI is not trained on the entered data.

**Refraining from saving information.**

The AI discards the data after each interaction. Data and interactions are not stored or used for learning purposes, ensuring real-time confidentiality of data.

**Ensuring confidentiality in real time.**

The AI only processes information related to the current task, without integrating data from other users or retaining information after the task has been completed.



**3**

# **Building an Ethical Framework for AI in Human Resources**

# 03

## Mitigating AI Use

The use of AI is not a neutral choice. From a societal perspective, this technology is poised to significantly transform the world of work, jobs and corporate interactions, as more and more tasks are delegated to it. As AI is particularly energy-intensive, each request made to it incurs a cost and an environmental impact.

Given these factors, it is crucial to use artificial intelligence sparingly and only for specific purposes. As AI becomes more prevalent in daily work, it is essential to continually assess its relevance and consider whether traditional or manual methods might be more appropriate.

### Using AI makes sense in the following cases:

- 1 It's used as a tool for generating first drafts and modifying formatting (language, style, etc.).

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- 2 The task involves extracting useful information from a variety of data sources.

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- 3 The task is highly repetitive.

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- 4 The task involves simple compliance checks or validations that are obvious to a human.  
The complexity of the verification task may increase if the AI is specifically trained for it.

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- 5 The task has a moderate level of complexity and the required information is accessible in the system.

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- 6 The task involves processing a large volume of data.

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**AI should be avoided in the following situations:**

- The task demands absolute accuracy, with no room for mistakes (as even the slightest error can have significant consequences, for example).

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- The task requires complex, expert reasoning or specific, evolving knowledge, which is difficult to encode in a model.

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- Interactions require human judgment, especially when empathy, perceptiveness, or nuanced evaluations are needed.

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- Users cannot easily verify results, which increases the risk of undetected errors.

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- Scenarios require precise calculations and data manipulation.

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- The task involves direct legal responsibility, or requires a fine-tuned interpretation of laws without human interference.

# 03

## Publishers and End Users Share Responsibility

HR software publishers are beginning to incorporate AI into their own tools, taking into account high security requirements. They are also identifying suitable use cases and informing their customers of the necessary limitations, particularly regarding consent, human oversight and non-discrimination:

→ Users must be informed when interacting with AI and must provide consent.

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→ AI should never judge humans.

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→ AI is not designed to make decisions or do tasks for humans.

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→ AI must be deployed in ways that minimize discrimination and bias.

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Organizations will have to define their own use cases. Therefore, they must be fully aware of all these requirements.

From a practical perspective, interacting with AI requires training and adherence to best practices: be clear and precise in your requests, avoid ambiguous terms, define an expected response format (e.g., bulleted lists), encourage concise answers, regularly adjust your prompts for more precise results, etc. The editor provides advice on mastering AI, but it is the customer's responsibility to ensure that prompts are transparent (with clear, unbiased instructions) and that they respect the dignity and confidentiality of employees.

HR professionals need support to implement AI effectively and ensure organizational alignment.

## Maintaining Human Oversight: An Essential Criterion

One of the fundamental conditions for using AI in human resources is the need to maintain human supervision. Although AI can function as an efficiency booster and catalyst for HR professionals, it should never be used to replace their decision-making abilities.

AI recommends, HR professionals decide.

Through its ability to extract, organize, analyze, and summarize information, AI gives professionals all the elements they need to understand situations and make the best choices. However, the final decision must always remain with the human, who is ultimately responsible. In other words, users calling on AI will always have to validate the work that it provides.

### Vigilance Is Key

AI is a powerful technology, and its full potential is not yet fully understood. Despite the precautions mentioned, the risks of bias and error are very real. The best way to mitigate these risks is to avoid blind trust, maintain constant vigilance, and systematically verify AI-generated results.





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## Choosing an AI Integrated Into the HRIS vs. a Fragmented AI

Today, organizations can choose between two types of HRIS. The first is a global HRIS that can handle all HR needs. The second is a “fragmented” HRIS that uses different software packages (each addressing a specific HR need).

The integration and use of artificial intelligence in these different types of software vary significantly in terms of security rules, their management, and how users appropriate them.

### **A Single Point of Contact for Safety and Compliance Issues**

Implementing AI within an HRIS requires the HR software publisher to comply with several security rules and compliance requirements (including GDPR and the AI Act in Europe, Law 25 and AIDA in Quebec).

If a company wants to use AI in a secure and compliant way, it is simpler to have a single publisher responsible for providing all the necessary security guarantees than to have a contact point for each HR solution.

### **A Coherent Management System Adapted to Existing Processes**

The effectiveness of AI largely depends on the upstream configuration work, the definition of use cases, the creation of prompts and the implementation of appropriate rules. All of this preparatory work involves thinking about the indexing of data and documents to be used by the AI. For AI integration to be fully effective, it must be able to rely on existing functionalities that are already reliable and consistent. Integration is made easier for organizations that use a single HRIS.

By centralizing and standardizing data, AI can operate more effectively, acting as a final “brick” that accelerates existing processes. AI’s summaries, responses and proposals will also be of higher quality.

# 04

## Enhancing User Acceptance of AI

Different AIs have unique interfaces and ways of interacting with users. Learning how to interact with them properly takes time and practice. This acculturation work, which is not just technical, becomes easier when users are dealing with a single, coherent AI rather than a multitude of tools. The use of generative AI is precisely designed to enhance coherence and fluidity. Using several tools that don't work well together is illogical.

Using multiple AI systems can cause confusion, mismanagement, and potential data breaches. To avoid these risks, it's better to provide employees with a consistent and familiar AI system.

In short, the use of a single AI directly integrated into a global HRIS:

→ Streamlines the management of data security and compliance requirements.

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→ Seamlessly enhances existing HR processes.

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→ Fosters user understanding and adoption of this technology.

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## Bottom Line

# Implementing a Responsible AI that Benefits People

Far from being a trend or a mere tool, artificial intelligence profoundly changes how we work. AI has already proven itself by responding to many HR use cases. It is fast and relevant. It is set to become a “responsible” standard in HR management, freeing HR professionals from administrative tasks so that they can concentrate on human support. For this promise to be kept, we must follow some rules for the ethical and safe adoption of AI:

→ Use a secure and private AI for HR purposes

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→ Complies with legal requirements

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→ Is used only when relevant, not systematically

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→ Does not retain data in its memory

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→ Does not assimilate data it receives

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→ Does not make decisions for humans

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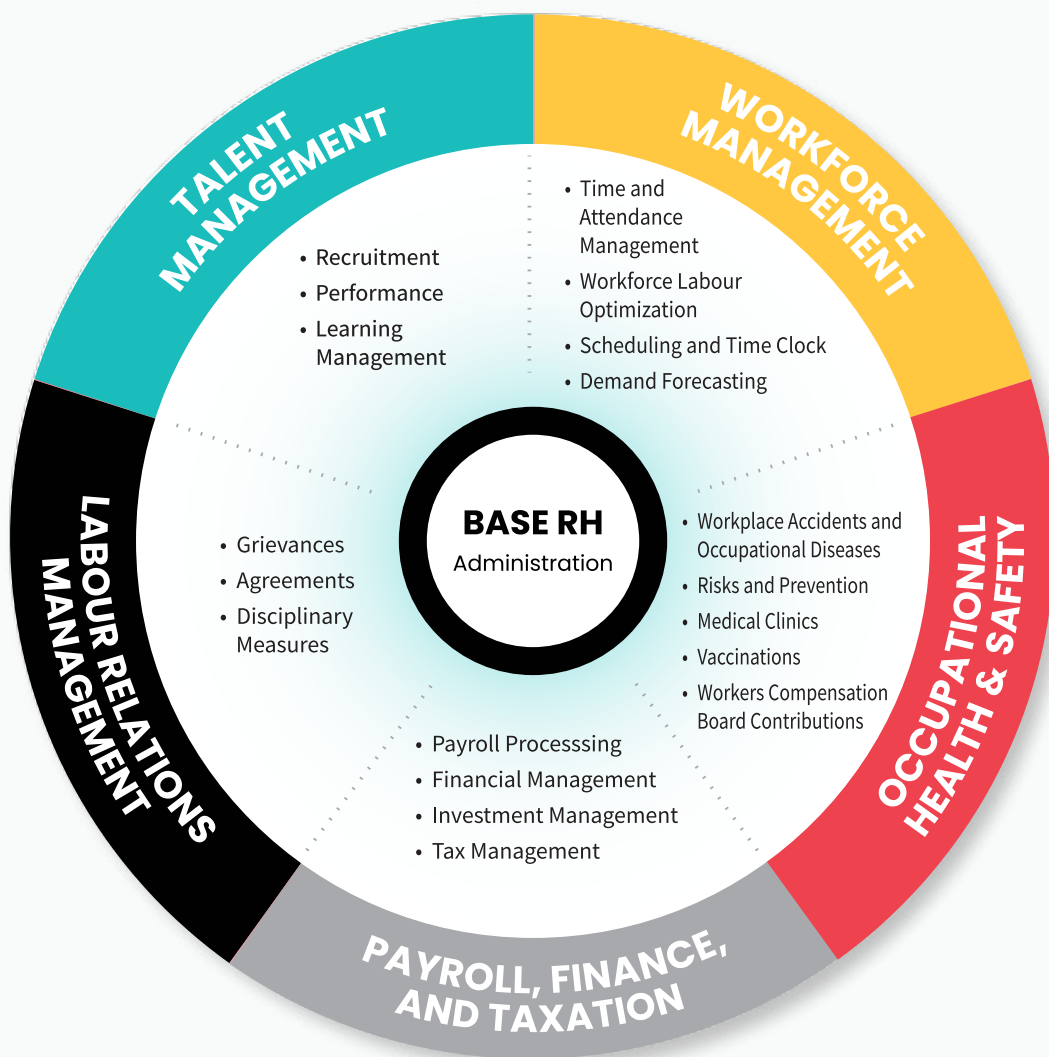
→ Operates under human supervision

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The integration of AI in the workplace is a multifaceted issue that spans multiple departments and professions. HR professionals are called upon to drive this issue, both to meet HR productivity needs and to support and empower employees to embrace, not endure, AI. They are in the best position to ensure the safe, thoughtful, and ethical integration of this technology. AI that employees can trust.

# About SIGMA-HR

Based in Montreal, a hub for AI innovation, SIGMA-HR bridges expertise between Canada and France, with three offices in Quebec and one in Paris. With over 30 years of experience, SIGMA-RH develops flexible, scalable, and customizable HRIS solutions designed to meet the needs of medium and large organizations. Our AI-powered platform, equipped with an integrated HR suite, accelerates decision-making while remaining rooted in a philosophy that puts people first.



\*The HR base is mandatory to obtain the other suites and/or modules.



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