

## Responsible AI in HR Starts with Transparency and Trust

April 16, 2026

By Jamie Eisner



Artificial intelligence (AI) is increasingly positioned as a tool to help businesses better understand workforce trends, predict retention risk, and improve performance. Yet from the employee perspective, these same tools can feel intrusive. AI systems often pull sensitive data directly from HRIS platforms including, personal information, performance metrics, engagement signals, communications, and behavioral indicators. Without clear communication, employees may be left wondering what data is being collected, how it is being interpreted, and whether it could be used against them. In this context, transparency is essential: employees should understand not only *what* data is gathered, but *why* it is necessary and how it benefits both the business and the workforce.

Employers, meanwhile, face their own set of risks. Many AI-driven workforce tools rely on third-party vendors, raising important questions about data ownership, retention, and security. Is employee data being stored indefinitely? Is it being used to train models beyond the scope of the employer's relationship with the vendor? These concerns make careful contract review critical, particularly around data usage rights, confidentiality, and security safeguards. A practical guiding principle is data minimization: if data is not essential to achieving a clear business purpose, it should not be collected. Excessive data collection can increase legal and regulatory exposure without delivering proportional value.

Ultimately, the issue of AI-driven employee monitoring extends beyond compliance to governance, risk management, and organizational trust. When employees believe they are being surveilled without sufficient guardrails and transparency, morale can erode and retention risks can grow. Businesses that use AI responsibly limit data collection and communicate openly with employees are better positioned to maintain employee confidence and foster a culture where technology supports, rather than undermines the workforce.