

AI for HR Tool Evaluation Checklist

When choosing an AI-enabled tool for HR, it's important to look beyond features and consider how the tool protects your organization, supports your people, and meets legal and ethical standards. This checklist will help you evaluate vendors across all critical dimensions.

How to Use this Checklist

Research or ask these questions of each vendor from whom you are considering purchasing AI-enabled tools. It may be necessary to view live demos or test the tools yourself in test environments, as well as to involve stake holders from the IT or legal departments. Document your findings for each and make recommendations based on both technical and practical fit.

1. Data and Internal Policy Assessment

Before you begin looking at individual tools, it's important to make sure your own house is in order. What do your internal policies say about AI or data management?

- **Existing AI policies:** Does your organization have policies governing AI usage? What activities would they govern or prohibit?
- **Data policies:** Same question as above for employee data. What are your company's standards for how employees' information will be shared with third-party apps or tools?
- **Data collection:** What is the nature of the data that will be collected by the new tool? Does it include personal identifying information? Performance and compensation data? Health information connected to HIPAA?

2. Information Security

Before sharing employee, candidate, or company data with any technology provider, make sure their systems are secure. This protects sensitive information from unauthorized access or leaks.

- Data encryption:** Does the tool encrypt data both when it is stored and when it is sent over the internet?
- Access controls:** Can you control who in your organization can see or change information, and does the system keep a record of these changes?
- Data residency:** Where is your data stored? Is it in a country with strong privacy protections?
- Model dependency:** Does this vendor have its own proprietary large language model (LLM), or does it utilize another company's technology? If the latter, how much of your company's data can be accessed by the LLM owner?
- Incident response:** Does the vendor have a clear plan for responding to security breaches or data leaks?

- Third-party audits:** Has the vendor’s security been reviewed by independent experts, such as through Service Organization Control 2 (SOC 2) or International Organization for Standardization 27001 (ISO 27001) certifications?

3. Regulatory Compliance

AI tools must follow laws, including state or local statutes, that protect personal information and ensure fair hiring practices. This keeps your organization out of legal trouble and protects your reputation.

- Data Protection Laws:** Does the tool comply with privacy laws such as the General Data Protection Regulation (GDPR) in Europe or the California Consumer Privacy Act (CCPA) in the United States?
- Anti-Discrimination Laws:** Does the tool help you follow laws that prevent discrimination in hiring, such as those enforced by the Equal Employment Opportunity Commission (EEOC) in the United States?
- Record Retention:** Can the tool help you keep or delete records as required by law?
- Documentation:** Does the vendor provide proof that their systems meet these legal requirements?

4. Ethics and Fairness

AI should help you make fair decisions and avoid bias. It’s important to understand how the technology works and to ensure it treats all people equally.

- Bias mitigation:** Does the tool have ways to spot and reduce bias in its decisions?
- Explainability:** Can the vendor explain how the AI makes decisions, especially if someone questions a hiring or performance outcome?
- Diversity impact:** Has the tool been tested to ensure it works well for people from diverse backgrounds?
- Human oversight:** Can people review or override the AI’s decisions if needed? Ask, for example:
 - Can we export all AI decisions and scores for independent analysis?
 - Do you support third-party audits or compliance reports?
 - Do you integrate with audit platforms (e.g., Warden, FairNow)?
- Ethical guidelines:** Does the vendor follow recognized guidelines for ethical AI, such as those from the Institute of Electrical and Electronics Engineers (IEEE) or the Organisation for Economic Co-operation and Development (OECD)?

5. Ease of Use

HR teams need tools that are easy to learn and use, so they can focus on people rather than technology.

- User interface:** Is the system simple and intuitive for HR staff?

- Integration:** Can it connect easily with your current Human Resources Information System (HRIS) or Applicant Tracking System (ATS)?
- Mobile access:** Can people use it on their phones or tablets?
- Customization:** Can you adjust the system to fit your organization's processes and needs?

6. Training and Support

Good support and training help your team get the most out of new technology and solve problems quickly.

- Onboarding materials:** Does the vendor provide clear and accessible guides and training for new users?
- Ongoing support:** Is there help available when you need it, such as by chat, email, or phone?
- Knowledge base:** Is there a searchable library of answers and troubleshooting tips?
- Change management:** Does the vendor help your team adapt to and adopt the new system?

7. Performance and Reliability

The tool should work well, be available when you need it, and provide useful information.

- Uptime guarantees:** Does the vendor promise that the system will be available most of the time?
- Scalability:** Can the tool handle more users or data as your organization grows?
- Speed:** Does it process tasks, like resume screening, quickly and efficiently?
- Analytics quality:** Are its reports and dashboards accurate and useful for decision-making?

8. Cost and Value

Understand what you're paying for and whether the tool will deliver value to your organization.

- Pricing model:** Is it clear how much the tool costs and what is included?
- Return on investment measurement:** Does the vendor provide ways to measure the benefits of the tool?
- Hidden fees:** Are there extra costs for things like support, add-ons, integrations, or upgrades?

9. Vendor Reputation and References

Choose a vendor with a strong track record and positive feedback from other organizations.

- Client references:** Can the vendor connect you with other customers who use their tools?
- Case studies:** Are there examples of organizations that have successfully used the tool?
- Market presence:** Is the vendor recognized by independent experts or industry analysts?

- Financials:** With more AI companies popping up every day, it's important to know whether the vendor is on solid financial footing. Ask or investigate, for example:
 - Who are the company's biggest investors and what else have they been involved in?
 - Is the company profitable yet?
 - If not, what is the current cash runway?

9. Future-Proofing

Pick a tool that will keep up with changes in technology and regulations.

- Product roadmap: Does the vendor plan to add new features and improvements?**
- Regulatory adaptability:** Can the tool be updated to meet new laws or standards?
- Feedback mechanisms:** Is there a way for users to suggest improvements or new features?
- Sunsetting:** What happens if your organization decides to drop this vendor? Ask:
 - Will we be able to access our data that was stored in their system?
 - Can we receive assurance that employee data has been removed from the tool after we cease working together?