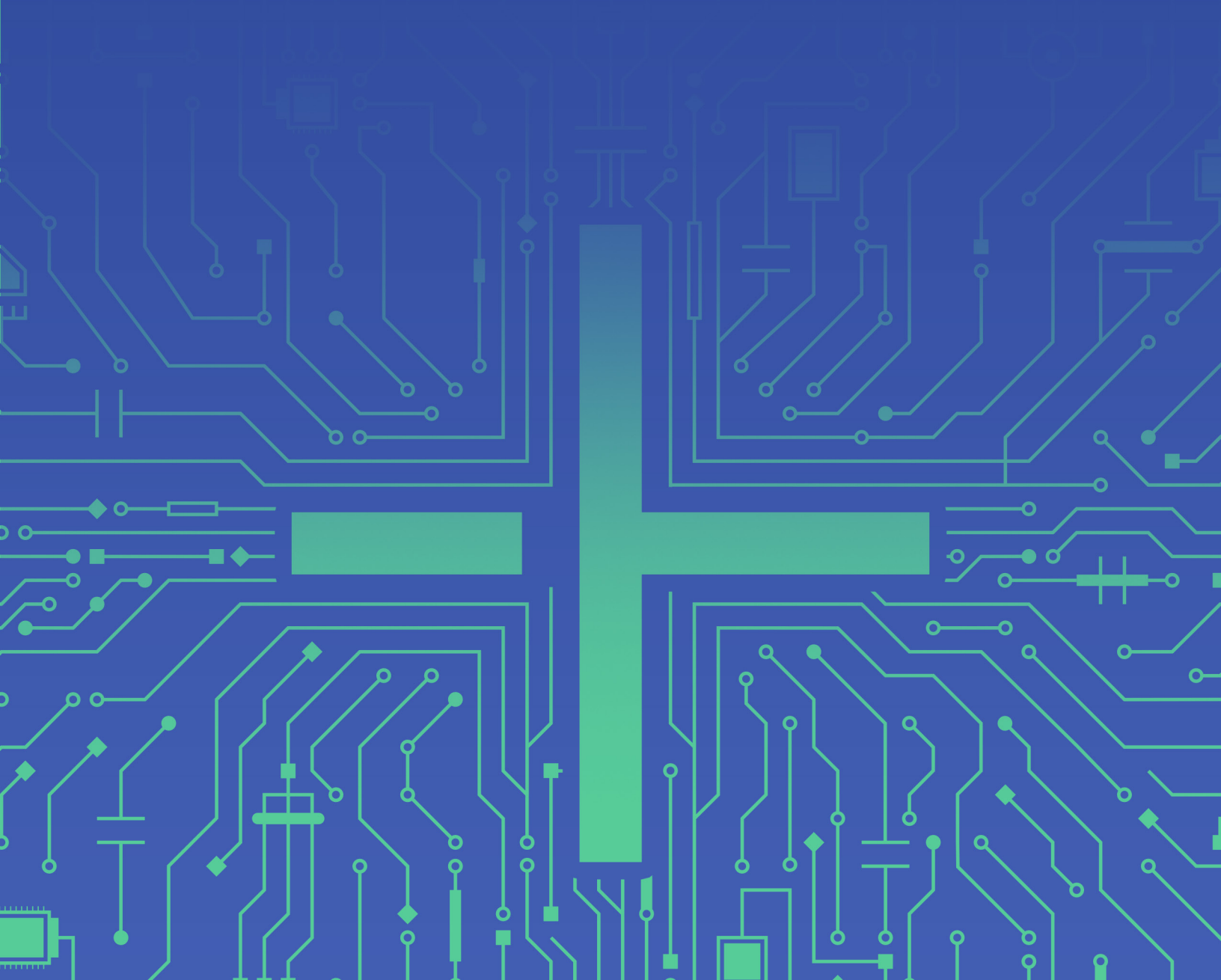


HRACUITY®

The Ultimate Guide to AI in Employee Relations

BENEFITS, USE CASES AND BEYOND



Why AI *Matters Now* in Employee Relations

Employee relations teams are under constant pressure. The number of issues is rising, cases are becoming more complex, expectations are higher and resources often stay the same.

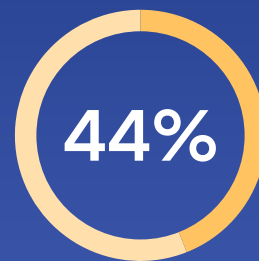
And in 2024, 68% of organizations didn't track the number of issues per case, according to the [Employee Relations Benchmark Study](#). This reveals a major blind spot in understanding case complexity, meaning most teams have no real visibility into how challenging their caseloads have become. Meanwhile, leaders want faster resolutions, better reporting and deeper insights — often without adding headcount.

Doing More with the Same Resources

Employee relations belongs at the strategy table — not buried in spreadsheets. To stay focused on building trust, driving proactive initiatives and linking employee relations work to culture and retention, teams need to offload administrative tasks. AI, when used responsibly, can free up time for higher-value work.

What the Data Shows

But there's hesitation around using AI in employee relations — and while thoughtful consideration is important, indecision and a reluctance to experiment will slow progress and leave teams falling behind. HR Acuity's Ninth Annual Employee Relations Benchmark Study found that [44% of employee relations teams](#) aren't using AI at all. That leaves almost half of teams working only with traditional methods while others are already experimenting with AI for insights, reporting and efficiency. For forward-thinking leaders, that is a chance to get ahead of the curve instead of falling behind.



of employee relations teams are **not using AI** at all.

Why Employee Relations is a Natural Fit for AI

Employee relations is built on patterns, data and context. Every case — from a workplace complaint to a complex investigation — generates information that AI can analyze, giving your team actionable insights to work smarter and more efficiently. Because AI can process data at scale, it's particularly effective. Today, some AI-driven tech can even benchmark results against other organizations, helping your team see how they compare to peers in the same industry or of a similar size.

The possibilities for AI in ER are vast, but that doesn't mean the risks aren't real.



The Need for Caution

Adopting AI isn't about handing decisions over to a machine — we'd never recommend that. Your team and their expertise must remain front and center. AI is about boosting efficiency, identifying hotspots earlier and more accurately and streamlining tasks so your team can apply their expertise in areas where it's needed most.

The risks are real if teams rush in without care — privacy, fairness and employee trust are all on the line. But when employee relations teams select tools built with defensibility and transparency in mind, AI can play a supportive, impactful role. In short, AI matters now because workloads are growing, the stakes are higher than ever and it allows us to work smarter and more effectively, so teams should take advantage. Teams that use AI wisely won't just manage cases better — they'll shape stronger cultures and build more resilient, future-ready organizations.

Benefits of Using AI in Employee Relations

Beyond the buzz, AI in employee relations is about helping employee relations professionals work smarter and faster without cutting corners. That's especially important in a function where headcounts typically remain flat, making efficiency and accuracy essential. Key benefits of using AI in employee relations include:

1. Smarter Interviews



Preparing for interviews can be time consuming, especially when cases are complex or investigators are less experienced. AI can suggest tailored interview questions based on case info, so teams walk in with a focused plan with better documentation, more consistent lines of questioning and stronger outcomes across the board.

With HR Acuity: Tap into in-platform, embedded AI to suggest tailored interview questions.



2. Clearer Case Trends



Patterns often get buried when teams are busy managing day-to-day issues. AI helps uncover trends by scanning case data and highlighting what's happening across the workforce. Whether it's a spike in certain types of complaints, recurring issues in one department or outliers in time to close, AI surfaces insights that allow leaders to act before small issues become big ones.

With HR Acuity: Leverage oliver™, HR Acuity's AI-powered companion, to get easy-to-digest data visualizations, ask questions about your data and explore case trends.



3. Faster, Complete Documentation



Documentation is critical in employee relations, but it can also be one of the most draining parts of the job. With AI-powered writing support, your team is able to create consistent, thorough documentation more effectively than ever before. AI can even help generate executive summaries to support stakeholder alignment. The result is documentation that's consistent, thorough and ready for sharing when leaders need it.

With HR Acuity: Use in-platform AI-powered writing assistance.

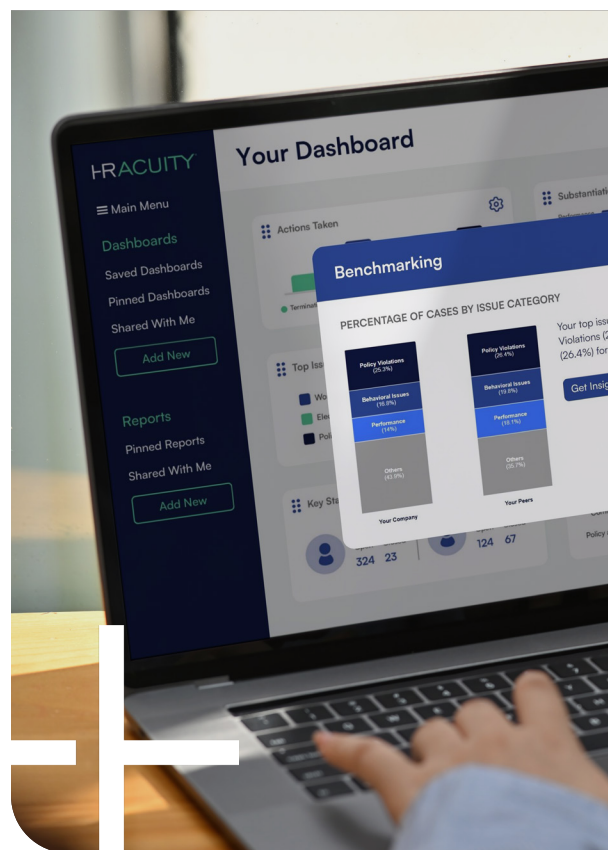


4. Better Benchmarking



Employee relations technology with AI-powered benchmarking, like HR Acuity, enables employee relations teams to compare their data against peers by size, industry or region, giving you unprecedented visibility into how your function stacks up. Best of all, you don't need any data expertise to interpret your stats. Leaders can quickly see how their case handling stacks up and where there's room to improve.

With HR Acuity: Leverage proprietary, AI-enabled benchmarking to see how your function stacks up.



5. More Inclusive Reporting



Employees are more likely to speak up when they feel supported. AI-powered translations and multilingual hotlines make it easier for people around the world to report concerns in their own language. That leads to more accurate reporting, better communication and stronger trust between employees and leadership.

With HR Acuity: Use AI-powered SMS or phone agents to report concerns.



What AI Can't Do

Even with all of the benefits associated with integrating AI into your employee relations function, it's worth clarifying what AI does not (and should not!) do in employee relations:

- ✗ **AI doesn't replace employee relations teams.** The work will always require human judgment, empathy and context.
- ✗ **AI doesn't make decisions for you.** It surfaces insights and suggestions, but people remain responsible for outcomes.
- ✗ **AI doesn't remove accountability.** Leaders remain responsible for ensuring fairness, compliance and consistency at scale.

At its best, AI is a supportive tool. It's there to help your team handle cumbersome tasks, organize information and surface patterns so employee relations professionals can focus on people instead of paperwork.

If a tool claims to do any of the above for you, think twice. It'll create more problems than it solves, exposing your team to bias, legal risk and reputational issues. That brings us to the risks and red flags of AI in employee relations.





What to Watch: Risks and *Red Flags*

AI can do a lot, but it's not magic. Employee relations teams need to approach adoption with their eyes wide open. Here's what to keep top of mind.

Take Off the Rose-Colored Glasses

AI can speed things up, surface patterns and automate repetitive tasks — but it's not a replacement for people. Overreliance or misapplication can create legal, ethical and operational headaches. The key is understanding both the promise and the limitations of the tools you're using.



Legal Defensibility Matters

Any AI used in employee relations should strengthen your case handling, not weaken it. If your tools make recommendations or categorize issues, ask yourself: “Would this hold up in court?” If it's not a clear ‘yes,’ then the tool is a no.

03 | What to Watch: Risks and Red Flags

Know How Your Data is Being Used

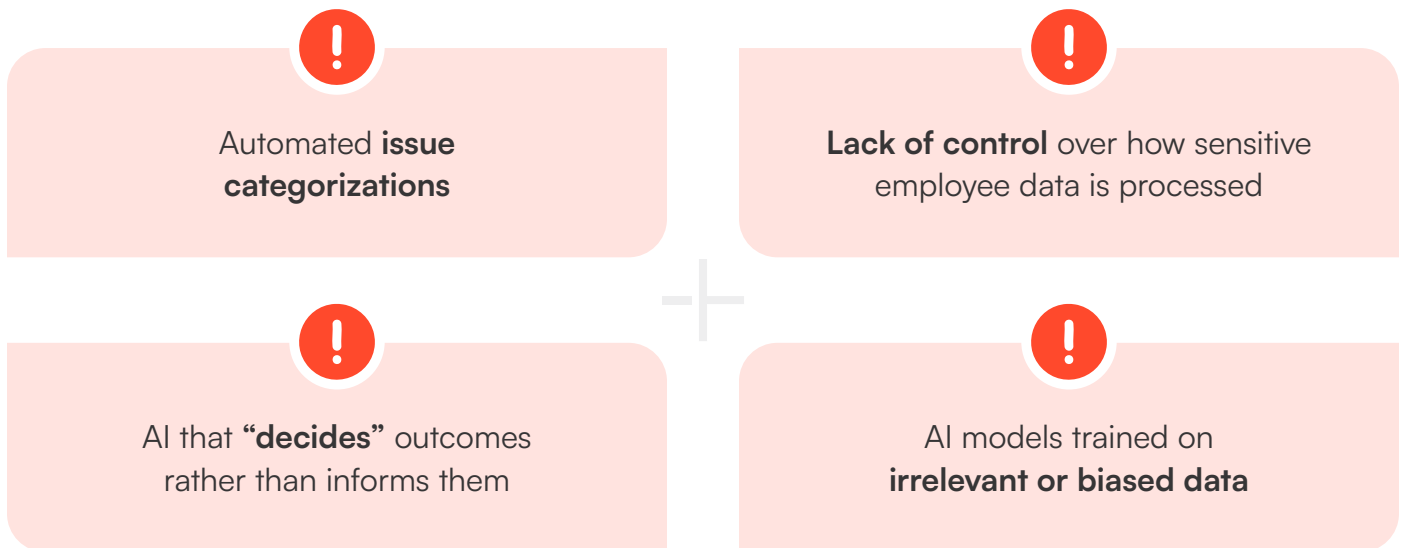
Transparency is everything — especially when it comes to AI. You need to understand how AI models are trained, what data they use and how decisions are suggested. Black-box AI may deliver insights, but if you can't explain how it works, you risk missteps, bias or even reputational damage.



Keep Your Team in the Driver's Seat

AI should never replace human judgment. That means your employee relations team owns responsibility for labeling issues, making decisions and providing context. AI is a support tool, not a decision-maker. When your team remains in control, you benefit from AI's speed and scale without sacrificing fairness or accountability.

Red Flags to Watch Out for in AI Tools



When used responsibly, AI can be a game-changer. But skipping these safety checks sets you up for issues down the road. Employee relations teams who watch for these red flags can leverage AI safely — and keep the human judgment that is essential for employee relations.

What Good Looks Like in Employee Relations: *Smart, Defensible* AI in Action

Ready for the great news? AI can completely transform your employee relations function if you apply it thoughtfully. Let's explore what smart, defensible AI looks like in practice, and how it supports real-world employee relations challenges that your team faces.



Better Documentation



Documentation is the foundation of effective employee relations. It's not just about creating a court-ready audit trail — it's also about getting a clear, complete picture that leads to better outcomes and offers historical insight to understand employee behaviors.

AI-powered writing assistants help your team draft clear, thorough notes, while AI-generated interview questions ensure all investigators ask compliant questions.

Example: An employee alleges repeated inappropriate behavior by a colleague, and multiple team members need to be interviewed to get the full picture. Each investigator takes notes differently, and information comes in via emails, chat logs and meeting notes. Manually piecing everything together into a coherent report for leadership is slow, error-prone and risks leaving gaps in the documentation.

Multilingual Reporting & Accessibility



A truly inclusive reporting process empowers employees to be heard, no matter their language or location. AI can support this in several ways. One way is for organizations to offer AI-powered speak-up hotlines, where employees interact with an AI agent when reporting concerns. This ensures no degradation of service. AI-supported SMS messaging provides another intuitive, discreet way for employees to report issues quickly and securely. There's also an opportunity to leverage AI for translation purposes.

Example: An employee based in a non-English-speaking country wants to report a workplace conflict but feels uncomfortable discussing it with a live agent. The report might otherwise be delayed or go unsubmitted, leaving the organization unaware of a potential risk.

04 | What Good Looks Like in Employee Relations

Interview Support



Conducting thorough, fair interviews is critical, but not every investigator has years of experience. AI-generated interview questions, built on decades of employee relations best practices, help teams stay focused and compliant.

Whether handling a sensitive misconduct case or a complex grievance, AI suggests scenario-specific questions that uncover deeper insights, improve documentation and support defensible outcomes.

Example: A junior HR investigator is assigned a harassment complaint involving multiple employees. They're unsure which questions will elicit the necessary details while remaining compliant and fair. Without guidance, the interviewer could miss key information, resulting in incomplete documentation or a poor/inconclusive outcome.

Data Analysis, Pattern Recognition and Benchmarking



Some AI tools let you interact with your data conversationally, asking questions and exploring insights as you would with a colleague. AI can also suggest issue mappings and perform benchmarking, comparing performance against peer organizations by size, industry or region. The result is faster, smarter and more confident, data-driven decision-making.

Example: HR notices a series of complaints across several teams but can't tell if these are isolated incidents or part of a larger trend. Data is scattered across cases, locations and departments, making it difficult to identify patterns or benchmark performance against other teams or organizations. Without clear insights, leadership risks missing emerging issues or making decisions based on incomplete info.



Real-World Outcomes

Organizations using AI responsibly in employee relations consistently see measurable improvements in how cases are handled. Investigations are more consistent, and documentation meets compliance and legal standards. Leadership receives clearer, more actionable reports. Employees notice that concerns are treated fairly and transparently. AI becomes a supportive partner helping teams maintain consistent, compliant and defensible practices while supporting fair outcomes for all employees.

Getting started with AI in Employee Relations

You have a solid grasp of how AI can transform employee relations. Now what? You'll need to pick a tool, but adopting AI is about more than just choosing a platform. Before you do anything, get clear on the right questions to ask to save yourself major headaches later. You need a solution that fits your team, your processes and your organization's ethical standards. Here are the key questions to ask — and what a good answer looks like.



Data Handling



- How is employee data stored, processed and protected?



Why it Matters: Employee relations data is some of the most sensitive information within your organization. Mishandling could lead to privacy violations or legal exposure.




A Successful Answer: Data is encrypted in transit and at rest, stored in compliance with relevant privacy regulations (like GDPR and CCPA) and the platform has clear policies on retention and access control.

Transparency



- Does your AI use our organization's data for training?
- What datasets were used to train your models?


 **Why it Matters:** *Black-box AI makes it hard to defend decisions or spot bias, whereas transparent systems build trust and accountability. And using your organization's sensitive data to train models creates serious privacy and compliance risks — which is exactly why it should be a hard stop.*


 **A Successful Answer:** *The tool provides explainable recommendations and never uses your data to train its models.*

Customization



- Is the platform customizable to our policies, terminology and workflows?
- Can we make small tweaks ourselves, or do we need vendor support?

 **Why it Matters:** *One-size-fits-all solutions ignore your organizational context. And if every small update requires vendor involvement, it adds extra steps — and barriers to adoption.*

 **A Successful Answer:** *The platform is customizable, letting you tailor workflows, add your policies and use your own terminology, with best practices embedded throughout. It also supports quick, self-service adjustments — while still offering vendor support for major changes — so your team can stay agile without waiting on constant oversight.*

Human Oversight



- Does your AI make decisions or label issues?



Why it Matters: AI should assist — not replace — human judgement. It can't grasp the contextual nuances humans can. And with the legal implications tied to issue handling, you don't want decisions left up to AI without human oversight.



A Successful Answer: The platform delivers suggestions, not decisions, and provides mechanisms for review, adjustment and final approval by your employee relations team. And most importantly, employee relations decisions always stay in the hands of humans who understand the nuance and sensitivity involved. Responsible AI never labels issues on your team's behalf.

Benchmarking & Analytics



- Does the platform provide benchmarking against industry peers to show how our metrics stack up?
- Does it offer AI-powered reporting and insights to help us spot trends and risks faster?



Why it Matters: Ask most employee relations professionals and they'll tell you reporting is one of their biggest bottlenecks — or simply their least favorite task. It's time-consuming, manual and often pulls them away from higher-value work. AI makes reporting faster and more accurate, so leaders can make data-driven decisions in real time instead of waiting for the next quarterly review.



A Successful Answer: The tool provides AI-powered benchmarking so your employee relations team can see how its performance stacks up against peers by industry, size or region. It also includes AI-driven data analysis and visualization — even offering a conversational interface that lets you ask questions about your data and get answers instantly, like talking to a trusted colleague.

Auditability



- Can you track how AI recommendations were generated for defensibility in investigations?



Why it Matters: In legal or compliance reviews, you need to show how AI informed your team's decisions — not made them. Transparency in how AI generates insights also helps your team trust, interpret and act on the data with confidence.



A Successful Answer: The platform provides clear context for its suggestions, ensuring your team always has the full picture — nothing happens in a vacuum. The solution also should show the source of the data, so your team has confirmation AI-driven suggestions are rooted in fact.



The Road Ahead: Preparing Your Team for *What's Next*

At the core of AI adoption is people. Bring your employee relations team along for the journey and make sure they feel supported every step of the way. AI in employee relations isn't just about technology — it's about preparing your team for the future.

Build skills, foster collaboration and create a culture where AI is a trusted partner, not a source of fear. Here's how to do that.



Upskilling for an AI-Supported Workplace

Employee relations professionals don't need to become AI experts, but they do need to understand how AI can support their work. This includes:

- Knowing what AI can and cannot do — and what you should or shouldn't do with it
- Understanding how to interpret AI-generated insights
- Learning to audit and validate AI recommendations
- Building confidence in integrating AI into workflows

By investing in upskilling, organizations empower their teams to work smarter, make better decisions and feel confident using new tools.

Collaboration Across Functions

AI in employee relations touches more than just HR. Successful adoption requires collaboration with:

- **Legal:** Ensure defensibility and compliance
- **IT:** Protect data security and integrate systems
- **DEI:** Avoid bias and maintain inclusive practices
- **Compliance:** Stay aligned with internal policies and external regulations

06 | Preparing Your Team for What's Next

Legal



Partnering with legal ensures that AI insights support defensible, compliant decision-making. Legal can help your team understand the regulatory implications and avoid missteps that could lead to risk or liability. Additionally, your legal team can provide invaluable advice on acceptable/inappropriate use cases.



IT



Your IT team is responsible for protecting sensitive employee data, ensuring secure system integration and supporting the technical infrastructure necessary for AI. Their involvement is critical for protecting data privacy and maintaining operational reliability — so bring them into conversations early and often.



DE&I



Collaboration with DEI helps prevent bias in AI models and ensures that tools align with your organization's inclusion and equity goals. This keeps employee relations practices fair and consistent for all employees.



Compliance



Working closely with your compliance team ensures AI-powered processes adhere to both internal policies and continuously changing external regulations. They'll help make sure your team uses AI with accountability.



Bringing these teams together early prevents missteps and positions AI as a strategic advantage, not a siloed experiment.

Building a Culture of Curiosity Around AI, Not Fear

Introducing AI can feel intimidating. Chances are your team has questions like:

- **Are we allowed to use AI for employee relations?**
- **Does AI use our organization's sensitive data for training?**
- **How does AI arrive at its insights or recommendations?**
- **How often is the AI model tested for fairness and accuracy?**
- **Is AI going to take our jobs?**

All of these questions are valid. Your goal is to foster curiosity and experimentation — while reminding your team that AI is a tool, not a replacement for human judgment.

Here's how to encourage experimentation for teams anxious about integrating AI:

- **Start with low-risk scenarios:** Let teams explore AI on tasks that won't compromise sensitive decisions.
- **Celebrate quick wins:** Highlight successes from automation, insights or efficiency gains.
- **Share lessons openly:** Treat mistakes as learning opportunities — no blame, just growth.
- **Position AI as a partner:** Emphasize that AI amplifies human judgment, rather than replaces it.
- **Build trust through transparency:** Explain why your organization chose a particular AI employee relations platform — and align on appropriate use cases.
- **Offer learning opportunities:** Hold office hours or discussion sessions for those wanting to explore use cases or ask questions.



When employee relations teams see AI as a tool for insight and efficiency — not as a replacement for their expertise — they are more likely to adopt it confidently and responsibly. AI will continue to evolve, and so will employee relations. The teams that embrace learning, collaboration and thoughtful adoption will be best positioned to manage cases efficiently, protect employees and the organization and build a workplace culture that is resilient and future-forward.

Choose AI That *Puts Your Team First*

AI can transform your employee relations processes — but only when it's built for people. HR Acuity's AI was designed for employee relations trained on decades of real-world best practices and developed to keep your team in control every step of the way.

With AI-powered insights, on-demand guidance and intelligent tools for intake, documentation, analytics and investigations, your team can handle cases faster, uncover key trends and make decisions with confidence. Employees feel heard through AI hotline and SMS reporting, leaders stay informed with AI case summaries and benchmarking delivers actionable comparisons and recommendations — all while maintaining fairness, privacy and accountability.

The right AI doesn't replace human judgment, it amplifies it.

It becomes a partner your employee relations team can rely on to protect employees, support leaders and build a stronger, more resilient workplace. HR Acuity's defensible AI uniquely positions the platform to be the strategic partner you need for this next era of employee relations.

HRACUITY Platform

Your Active Cases

| Case Number | Case Name | Case Group | Involved | Primary Issue |
|-------------|-----------|------------|----------|---------------|
| ER-5432102 | | | ●●● | |
| ER-2947156 | | | ● | |
| ER-9516782 | | | ●● | |
| ER-5432102 | | | ●● | |
| ER-2947156 | | | ●●● | |

Case Management

Investigation - In Progress

Involved Party & Interviews

Issues and Allegations

Documents & Policies

Details

Investigation Team

More Info

Investigations

Report an Issue

What is your concern related to?

Upload Attachments

Where are you located?

Speak-up Reporting

Manager Cases

Search All Employees

| Employee | ID | Manager | Location | Group | Open Cases |
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Announcements

To-Do

Manager Support

Analytics



RANKED 4.6 / 5 ON G2



The *Trusted Leader* in HR Case Management and Investigations Technology

Trusted by hundreds of top organizations, HR Acuity is the industry-leading platform for HR case management and investigations from intake through aftercare. Built on best practices and powered by advanced analytics, seamless integrations and defensible AI, HR Acuity helps you manage every issue with clarity and confidence. See it for yourself and [book a demo](#) today.

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