

THE AI BUBBLE: WHAT HR SHOULD BELIEVE AND WHAT TO IGNORE



A PLAYBOOK FOR HR

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COO

RENT A RECRUITER

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Introduction

AI adoption in HR is accelerating, but misinformation is accelerating even faster. For SMEs where resources are limited, HR teams are stretched, and hiring decisions carry real business impact separating hype from reality is essential.

This guide outlines what AI can actually do for HR teams today, what to avoid, and how to introduce AI safely, responsibly and without unnecessary cost. Insights are drawn from leaders in AI strategy, HR research and recruitment technology, along with Rent a Recruiter's own experience supporting scaling SMEs.



What you will take away:

- What's real and what's overstated about AI in HR today
- How SMEs can use AI without major investment
- Compliance and fairness risks HR must understand
- Practical steps to automate workflows safely
- Predictions for how AI in HR will evolve next

The aim: replace confusion with clarity, hype with practicality, and uncertainty with a clear path forward.



Dr Gráinne Kelly
Queens University



Andrew Connolly
Wrksense



Kate Minogue
AI Strategy Advisor

THE AI REALITY CHECK FOR HR LEADERS



AI is not one thing. It's a spectrum of capabilities some mature, some experimental, some outright unsafe for HR use. Here's the reality for SMEs:

Hype	Reality
Autonomous AI agents running HR processes	HR sits in a high-risk category under EU regulation. Full autonomy is not viable or responsible.
AI evaluating talent better than humans	Research shows AI misinterprets cues like lighting, background, camera quality, and anxiety levels.
AI replacing recruiters or HR teams	Practical implementation today still requires full human oversight and control.
Plug-and-play HR AI tools that "fix everything"	Tools require governance, clarity, configuration and auditing.



AI is most effective in HR when the problem is clear and the workflow is structured. Andrew emphasises the importance of keeping AI tightly scoped, human-supervised and aligned to specific workflow problems.

Real Value	Why It Matters
Admin automation	Saves time without touching high-risk decision areas.
Drafting + summarising	Speeds up documentation and standardises communication.
Workflow support	Helps HR maintain consistency and reduce operational drag.
Onboarding automation	Low-risk, high-impact use of AI assistants.
Workforce planning modelling	Helps teams forecast hiring needs and cost implications.

The bottom line: AI is a powerful assistant. It is not a decision-maker.

THE RISKS HR CANNOT IGNORE



AI brings efficiency, but also real risk when misapplied. Understanding the risk landscape is the foundation of responsible adoption.



FAIRNESS RISKS (BACKED BY EMERGING RESEARCH)*

Gráinne Kelly's research highlights three critical areas:

- Low social presence tools (e.g., automated video interviews): Heighten anxiety and reduce performance; particularly for vulnerable groups (Basch et al., 2021; Benson et al., 2024; McCarthy et al., 2021)
- Environmental bias: Lighting, background clutter, camera quality, and room size unintentionally serve as socioeconomic status symbols; these contextual cues influence ratings; even though they are unrelated to actual job-relevant ability (Springle and Bourdage, 2025)
- Generative AI standardises written communication: CVs and written tasks no longer reliably differentiate candidates; this produces a signal collapse in labour market signalling; Recruiters can no longer rely on writing tasks or CVs as reliable ability signals (Galdin and Silbert, 2025)

(Research references available upon request.)

Category	Risk Level	Why
Automated video interviews	High	Social presence issues, environmental bias
Behavioural scoring	High	Context misinterpretation, bias amplification
CV auto-ranking	Medium	Depends on data quality + algorithm transparency
Structured interview support	Low	Human-led, AI is supplementary
Admin and document automation	Very Low	No decision-making impact



COMPLIANCE & GOVERNANCE RISKS

With HR decisions categorised as high-risk under the EU AI Act, SMEs must ensure:

- Transparency with candidates
- Documented human oversight
- Ability to override AI
- Traceability for any AI-influenced steps

Kate Minogue summarised it well: "Policies shouldn't paralyse teams, they should create clarity on what's safe and what's not."

EVALUATING AI TOOLS:

PRACTICAL ADVICE FROM THE PANEL



Ask vendors to explain their tool in plain English

Kate advised that if a vendor cannot describe:

- what data the tool uses
- how it is processed
- and what the AI actually does in straightforward language, then the tool is not suitable.
- Complex or vague explanations signal risk.

Understand how much autonomy the tool has

Kate highlighted the need to ask:

- Does the tool assist, or does it take action?
- What autonomy are we giving away?
- Can HR override everything the tool produces?

Anything that removes human oversight should be treated with caution.



Start with the tools you already have

Andrew warned SMEs not to jump into new AI platforms before checking the capabilities built into:

- Microsoft 365
- Google Workspace
- Their ATS or HRIS

Most teams already pay for AI features they have not used.

New tools should only be added if they solve a clear workflow problem.



Avoid tools that claim to assess behaviour or personality

Gráinne emphasised that AI often misinterprets:

- anxiety
- tone of voice
- facial expressions
- background and lighting
- neurodiverse communication styles

She strongly advised avoiding video-scoring or “fit prediction” tools, as they lack validity and introduce fairness risks.

Green Flags



- ✓ Human review at every step
- ✓ Clear privacy terms
- ✓ Transparent outputs

- ✓ Supports workflows, does not replace decisions
- ✓ Focused on information, not judgement



WHERE SMES CAN SAFELY USE AI TODAY

This is where AI delivers immediate, meaningful impact — without exposing the organisation to unnecessary risk.

Safe Zone: High-Value, Low-Risk Use Cases

SAFE ZONE

These are recommended for SMEs:

- Drafting job descriptions, policies and comms
- Summarising CVs, interviews, exit interviews
- Generating interview guides and question banks
- Improving documentation quality
- Onboarding workflow automation
- Internal policy Q&A tools
- HR reporting assistance

These uses free HR time, improve consistency, and support decision-making without replacing it.

Caution Zone: Use With Human Oversight

CAUTION ZONE

- Criteria-based CV screening
- Skills and competency matching
- Candidate communications that require tone sensitivity
- Internal analysis of sensitive employee data

Safe if:

- Outputs are reviewed
- Criteria are clearly defined
- Decisions remain human-led

Don't-Touch Zone: Unsafe / High-Risk

HIGH RISK ZONE

- AI scoring candidates
- AI-led hiring decisions
- Behavioural or emotional analysis
- Automated video interview grading
- Tools claiming "bias-free talent evaluation"

These are not suitable for SME HR environments and create significant legal and ethical exposure.



THE SME PLAYBOOK: HOW TO START WITH AI IN 30 DAYS

Small-to-Mid Sized Companies

This section gives HR teams a clear, practical roadmap for starting with AI.

Week

1

Audit What You Already Have

- Identify all AI already included in Microsoft 365, Google Workspace, ATS tools, HRIS systems
- Switch on features that support drafting, summarising, automated reminders
- Map HR workflows where time is lost

Outcome: You gain clarity on your baseline capability without spending a cent.

Week

2

Define Your AI Operating Rules

Create simple, actionable rules:

- Safe Zone: Where AI is allowed and encouraged.
- Caution Zone: Where review is mandatory.
- Don't-Touch Zone: Where AI is strictly prohibited.

Outcome: Your team has clarity and confidence.

Week

3

Automate Five Workflows

Suggested starting workflows:

1. Drafting job descriptions
2. Preparing interview scorecards
3. Summarising candidate notes
4. Creating onboarding checklists
5. Drafting policy updates

Outcome: Immediate time savings and higher consistency.

Week

4

Establish Light Governance

- Include candidate-facing transparency statements
- Add oversight requirements to hiring documentation
- Schedule quarterly audits of your AI use
- Train team members in safe usage

Outcome: You meet compliance expectations with minimal overhead.



EXPERT PREDICTIONS WHAT'S COMING IN 2026–2027

The panel shared aligned predictions:

1. Personalised AI for SMEs

Future AI tools will learn how your company hires and will adapt to your:

- Hiring patterns
- Cultural preferences
- Past successful hires
- Workflow nuances

This capability was previously reserved for enterprise organisations.

2. Human-in-the-Loop - HR Will Always Stay in Charge

AI will help with admin, summarising and organising information.
But people will make the hiring decisions.

- AI supports the process
- HR reviews and approves everything

AI supports. Humans decide.

3. AI Tools Become Cheaper, Safer and More Transparent

As the market develops, AI tools will:

- Cost less
- Explain their outputs more clearly
- Be designed to protect candidate data
- Reduce "black box" behaviour
- Fit the needs of small HR teams

SMEs will be able to use high-quality tools that were once only available to large enterprises.

SMEs will benefit from solutions previously out of reach.

FINAL TAKEAWAYS FROM OUR SPEAKERS



Dr Gráinne Kelly

AI can support HR, but only when structure, transparency and human judgment remain in place. The priority is maintaining fairness and ensuring that any use of AI protects diverse candidate groups.



Andrew Connolly

AI should be used to solve specific workflow problems, not to replace human oversight. Small, well-scoped automations create meaningful gains when teams stay in control of the process.



Kate Minogue

Successful AI adoption depends on clear guardrails. Start with the tools you already have, define safe and restricted zones, and ensure HR teams understand both the value and limits of AI.

Conclusion

AI is now part of everyday hiring, and SMEs have a clear path to use it effectively. Focus on the specific workflows that slow teams down and apply AI where it delivers immediate operational value.

When HR has the right structure, the right safeguards and the confidence to use AI with purpose, the results are tangible. Faster processes, better consistency and more time for the work that directly shapes performance and culture.

Responsible adoption is the foundation for using AI in a way that strengthens both the organisation and the hiring experience.

ABOUT THE SPEAKERS



Dr Gráinne Kelly

Senior Lecturer, Queen's University Belfast. Specialises in AI, work, inclusion and hiring fairness.

Dr Gráinne Kelly is a Senior Lecturer in Organisation, Work and Leadership at Queen's Business School, Queen's University Belfast. With over a decade of teaching and research experience, she explores how diverse social groups navigate work and entrepreneurship. Her work has been published in leading journals including Entrepreneurship Theory and Practice, Work, Employment and Society, Technovation, Human Resource Management Journal, and the International Journal of Human Resource Management.

Her current research examines how digital innovations such as algorithmic decision-making, AI-driven recruitment tools, and hybrid working platforms can both challenge and inadvertently reinforce inequalities related to age, gender, and disability. By investigating how these technologies affect access, inclusion, her work encourages the design of more equitable workplaces that value diversity across generations and social identities.

Website: <https://www.qub.ac.uk/>



Andrew Connolly

Co-founder & CEO of WrkSense. Product and tech leader building AI-enabled hiring tools with human oversight.

Andrew Connolly is the Co founder and CEO of Wrksense, an AI enabled hiring platform transforming project recruitment through intelligent automation and practical human oversight. He brings more than 12 years of experience in the staffing industry, including nearly four years as Managing Director for Morgan McKinley in Canada, where he led specialist recruitment teams across technology, fintech, banking and accounting and finance.

At Wrksense, Andrew sets the strategic direction and works closely with product and engineering teams to build the next generation of recruitment software. His focus is on solving real hiring bottlenecks for organisations by combining automation with a deep understanding of how recruitment operates on the ground.

Throughout his career, Andrew has advised companies on scaling, improving hiring outcomes and elevating candidate and client experience. His mission is straightforward use technology to make recruitment more efficient, more predictable and genuinely easier for the people who run it.

Website: <https://www.wrksense.com/>



Kate Minogue MBS, MSc

Kate Minogue Advisory and AI Strategy Advisor. Focuses on responsible AI, ethics, data governance and org design.

A fractional C suite executive and advisor focused on helping organisations unlock real value from data and AI. With more than a decade in consumer tech, she specialises in how customers behave, how they interact with machine learning products, and how businesses can turn that insight into scalable growth.

She works with start ups and scale ups to align people, strategy and data so product, GTM and operational plans translate into meaningful customer value and commercial performance. She also supports larger organisations on digital transformation and innovation, helping leadership teams use data strategy and AI responsibly and effectively.

She holds an Executive MBA with a focus on leadership and global strategy, is a certified AI Product Manager, and serves as Vice Chair on a charity board. Her work centres on advising C level leaders on decision making, change and resource optimisation, always grounded in a deep understanding of consumer and employee behaviour.

Website: <https://kate-minogue.com/>

The AI Leadership Lab

Kate has developed The AI Leadership Lab, a self-paced online course designed for business leaders who do not come from a technical background but want to build confidence, competence and credibility in AI. The course supports leaders in understanding AI's risks, opportunities and practical applications so they can guide its adoption effectively.

For the remainder of the year, webinar attendees can receive 25% off using the code giving25.

**25%
OFF**

Course link: <https://theaileadershiplab.thinkific.com/products/courses/aileader>
25% off using the code: giving25.



AI SURVEY INSIGHTS

Insights From Our Community: The Biggest Knowledge Gaps in AI for Hiring

To understand where HR teams are struggling most with AI adoption, we asked 194 HR professionals across our LinkedIn community a simple question:

Where is the biggest knowledge gap in AI for hiring right now?

The results reveal a clear pattern, one that aligns with what we see daily when supporting SMEs.

1

Balancing AI and the Human Touch #1 Barrier

60% Of LinkedIn poll respondents cited Balancing AI and the Human Touch

The top concern. HR leaders want efficiency without losing fairness, empathy, and human judgement.

2

Compliance and Bias Risks

24% Nearly a quarter of respondents identified compliance and bias as their primary concern.

With the EU AI Act classifying HR as high-risk, teams want clearer guidance on transparency, oversight and how to adopt AI safely.

3

Finding and Qualifying Tools

9% Only 9 percent cited difficulty choosing tools.

HR teams need help distinguishing credible, low-risk tools from those that introduce unnecessary exposure.

4

Measuring ROI and Impact

7% Just 7 percent selected ROI as their biggest gap, but this is often the barrier behind leadership hesitation.

HR teams want to understand what AI actually saves, improves or accelerates and how to build a business case that's grounded in real outcomes.

AI adoption in hiring will accelerate where organisations provide clear rules, guardrails, and practical workflows that preserve human oversight.



AWARD WINNING TALENT SOLUTIONS

Rent a Recruiter partners with scaling SMEs to deliver embedded recruitment solutions that improve hiring quality, reduce time-to-hire and support strategic workforce planning.

Our Partnership Objectives:

- ✓ Drive down your overall cost of talent acquisition.
- ✓ Reduce your team's time spent on recruitment duties.
- ✓ Increase the efficiency of your company's time-to-hire.
- ✓ Release the pressure points in your current recruitment model.

Book a complimentary consultation with our talent team

Our new Embedded Savings Calculator helps you estimate savings and optimise your hiring approach.

The screenshot shows the 'Embedded Recruitment Savings Calculator' interface. At the top, it says 'Rent a Recruiter' and 'Embedded Recruitment Savings Calculator'. Below this is a description: 'Estimate the cost difference between using a traditional recruitment agency and switching to a more cost-effective embedded recruitment model.' There are three currency buttons: 'EUR (€)' (selected), 'USD (\$)', and 'AUD (A\$)'. Below these are four input fields: 'Number of roles to fill' (7), 'Average salary per role (€)' (50,000), 'Typical agency fee (%)' (15%), and 'Hiring timeframe (months)' (3 months). At the bottom is a 'Calculate' button.



Embedded Talent Acquisition Support: We're Ready When You Are
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for professional talent acquisition support.**

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