From Risk to Responsibility:

AI Governance in Your Organization

What if a reskilling initiative uses AI to assign learners to cohorts? The AI prioritizes individuals with prior completions, unintentionally excluding newer employees from essential training pathways.

What if an AI-driven resume screener consistently overlooks applicants from non-traditional educational backgrounds? The platform was trained on historic hiring patterns that favored traditional degrees, reinforcing legacy bias.

What if a learning team leverages AI to accelerate course development? Later, legal review uncovers that AI-generated content includes near-verbatim excerpts from copyrighted material.

These scenarios aren't outliers. They're real-world examples of predictable outcomes in workplaces without a governance policy. And they're avoidable.

Why AI Governance Belongs to You

Generative AI (AI) is not business as usual. It's a transformation that's reshaping how people communicate, hire, work, learn, and grow. HR and Learning professionals are not just spectators in the transition to AI. Instead, you are active participants in how it unfolds.

AI decisions are also human decisions. These decisions impact employee experience, access to learning and development, promotion paths, hiring practices, and even gathering performance data. If you're responsible for shaping how people develop through an organization, then you're also responsible for shaping the ethical framework around how AI is used in that process.

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>
> – IAPPY-EY Report

The Governance Gap Is Real

AI is moving faster than policies, learning, or even general awareness. According to a 2024 IAPP-EY report, AI governance jumped from being the #9 concern among global privacy functions to #2 in less than two years. Why? Because organizations recognize that deploying AI without governance is like accelerating without brakes: it's powerful but dangerously unprepared.

If AI automates decisions, then humans are responsible for guiding it to be as unbiased as possible. If AI is creating content, we are responsible for making sure it is both accurate and inclusive. If AI is writing policies, we are responsible for ensuring it understands the spirit as well as the letter of the law and internal policies. With all of that, we are also responsible for making sure employees understand how to use AI ethically and responsibly.

What AI Governance Is (and What It's Not)

AI governance provides a framework to ensure that AI is used responsibly, ethically, and in alignment with organizational values. Governance is not simply a set of IT controls or a legal checkbox. Oliver Patel, Head of Enterprise AI Governance at Astra-Zeneca, said that "AI usage policies are not about predicting every possible risk—they're about ensuring teams know how to act when risks emerge" (Patel, 2025). Creating governance is a cross-functional effort that requires clear policies, accountability structures, and human oversight, especially in areas that impact people directly.

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Distinguishing Governance, Ethics, and Compliance

These terms are often used interchangeably, but they serve different purposes in the responsible use of AI:

Compliance

Purpose: Ensure legal and regulatory obligations are met.

Example: Adhering to data privacy laws such as GDPR or EEOC standards.

Ethics

Purpose: Align AI use with organizational values such as fairness, inclusion, and transparency.

Example: Designing models that do not reinforce historical bias.

Governance

Purpose: Operationalize ethics and compliance through structure, oversight, and decision-making protocols.

Example: Defining escalation paths, setting guardrails, and assigning accountability.

Five Pillars of AI Governance

Effective governance is built on five core pillars, each ensuring AI is deployed responsibly and sustainably:

1. Human Oversight:

Critical decisions made by or with the assistance of AI should always include human review. This is essential for high-risk use cases such as recruitment, performance evaluation, and learning personalization.

Example: When an AI tool recommends learning paths for employees based on performance data, a Learning team member reviews each recommendation to ensure it aligns with individual career goals and doesn't inadvertently penalize employees who had legitimate absences or different working styles.

2. Transparency:

Prepare to articulate how chosen AI tools function, what data they rely on, and how they produce outcomes. A lack of explainability undermines both accountability and trust.

Example: A recruiting team uses AI to screen resumes but clearly states in job postings: "Initial resume screening includes AI-assisted tools, with all candidates reviewed by human recruiters." When providing feedback to candidates, they disclose: "Your application was initially processed using AI screening tools and then reviewed by our hiring team."

3. Risk, Ethics, and Bias Monitoring:

Bias is amplified by historical data on which the AI was trained. Governance must include methods for identifying, mitigating, and auditing for unfair or discriminatory outcomes.

Example: An HR team using AI for performance review analysis discovers that the tool consistently rates remote workers lower than in-office employees. They immediately pause the tool, investigate the training data, and implement monthly bias audits going forward.

4. Usage Policies:

Clear and accessible usage policies set boundaries for AI adoption. These policies help employees understand what is and is not allowed and how to apply AI responsibly in their roles.

Example: A policy establishes clear boundaries for learning design: "AI can draft initial course outlines and suggest activities, but cannot generate final assessments, sensitive policy content, or personalized employee feedback without human review and approval."

5. Consequences:

Define what happens when usage policies are violated, which includes distinguishing between minor missteps and serious breaches. Equally important are escalation paths that define what to do when things go wrong and who is responsible for resolution.

Example: When a manager uses AI to write a performance improvement plan without human review (violating policy), the consequence is mandatory retraining and supervisor approval for all AI-assisted communications for 90 days. For serious breaches like using AI to make termination decisions, consequences include formal disciplinary action.

Creating an AI Oversight Committee

While these five pillars provide the framework, successful governance requires clear organizational structure and accountability. It's important to empower a cross-functional group to take responsibility for translating organizational values into actionable policy, monitoring risks, and making decisions when issues arise or decisions become complex.

AI touches every corner of the business. Multiple functions have varying needs from AI usage and bringing an oversight committee together with representation from these same functions helps mitigate risk. Cross-functional governance is essential to:

- Balance innovation with risk mitigation
- Ensure alignment with organizational values
- Avoid blind spots that come from siloed decision-making

The AI Oversight Committee should have authority and accountability to set and enforce the rules of engagement with AI. Their span of control must include the entire AI lifecycle, from proposal to post-deployment review and ongoing maintenance.

Who Should Comprise the AI Oversight Committee?

Here's a typical cross-functional structure for the Committee:

- Learning: Helps ensure the organization is AI-literate and designs learning experiences to enforce the AI usage policies.
- HR: Guides ethical hiring and employee experience decisions, as well as handling policy escalations.
- Legal/Compliance: Ensures alignment with laws, policies, and risk frameworks.
- IT/Data Science: Offers insight into how AI tools work and how they're being used. Maintains the tools and makes corrections when needed.
- Executive Sponsor(s): Ensures decisions align with company strategy and are adequately resourced.

LEARNING

- AI Literacy & Policy Learning Programs
- Employee Experience
- Change Management

HR

- Ethical Hiring Decisions
- Policy Escalations
- Change Management

LEGAL/ COMPLIANCE

- Policy Compliance
- Risk Frameworks
- Legal & Regulatory Adherence

IT/DATA SCIENCE

- Technical Insights
- Tool Maintenance
- Usage Monitoring

EXECUTIVE SPONSOR(S)

- Strategic Alignment
- Values Alignment
- Decision Authority

What Does the AI Oversight Committee Do?

The AI Oversight Committee has multiple responsibilities, from creating the initial policy to iterating and correcting as things change:

- Draft and maintain AI usage and governance policies.
- Review and approve use cases and vendor tools.
- Monitor outputs and audit for bias or unintended impact.
- Design and deliver training on AI literacy and responsible use.
- Handle and escalate issues when something goes wrong.

RACI Chart Example

This example chart uses the RACI model (Responsible, Accountable, Consulted, Informed), which is a widely adopted tool for defining roles and responsibilities in cross-functional initiatives.

RACI Matrix Legend

R	A	C	I
Responsible	**Accountable**	**Consulted**	**Informed**
Does the work	Ultimately accountable	Provides input	Kept informed

Task / Responsibility	L&D / Instructional Design	HR	Legal / Compliance	IT / Data Science	Executive Sponsor
Draft AI Usage Policy	C	R	C	C	A
Review AI Use Cases	C	C	A	R	I
Approve Tools & Vendors	I	C	A	R	I
Monitor Outputs for Risk/Bias	I	C	A	R	I
Handle Escalations	I	R	C	C	I
Train Employees on Policy	R	A	C	C	I
Update Policy / Governance	C	C	R	A	I

Note: This RACI chart is an example of what roles would be responsible, accountable, consulted, and informed. This may differ in your organization.

Quick Start: Your First 30 Days

Week 1: Form Your Core Team

- Identify the oversight committee members
- Convene your first committee meeting
- Assign initial roles using the RACI framework
- Schedule monthly recurring meetings

Week 2: Assess Current State

- Inventory all AI tools currently in use across the organization
- Host a focus group of employees to understand their AI use and concerns

Week 3: Draft Basic Guidelines as a Pilot

- Create an initial high-level AI usage policy covering:
  - What requires approval vs. what's immediately acceptable
  - When to disclose AI involvement
  - Who to contact with questions
- Share draft with 3-5 power users for feedback and update accordingly

Week 4: Launch and Learn

- Publish your initial policy to the organization
- Send a brief announcement requesting input
- Set up a feedback mechanism for employees to ask questions or provide comments and suggestions
- Plan for a 60-day review date

30-Day Success Metrics:

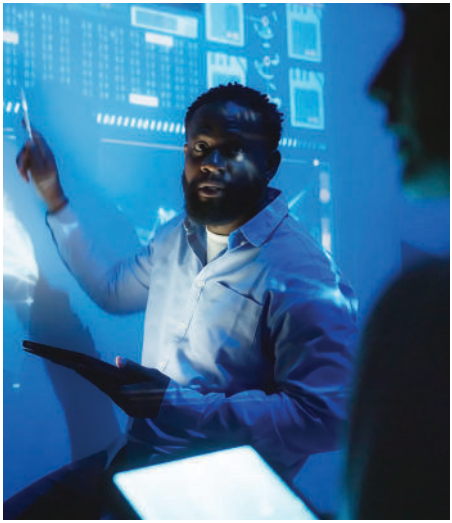
- Oversight committee established and meeting regularly
- Basic policy published and communicated
- Feedback mechanism in place
- At least one "test case" reviewed using your new process

Getting Ethics Right in an Augmented Workplace

Understanding who should guide AI governance is only the first step. Equally important is understanding the ethical principles that should inform every decision this committee makes.

Ethics in AI isn't just about avoiding bias; it's about aligning models with organizational values. For HR and Learning, that means ensuring AI tools reinforce inclusion, fairness, and trust rather than eroding them.

As automated AI workflows begin to influence decisions about hiring, employee development, and performance data, ethical oversight becomes essential. Ethical governance ensures AI tools act in alignment to the mission and stated principles of the organization..



What Does Ethical AI Mean?

Ethical AI is the deliberate effort to design, deploy, and monitor AI models in ways that reflect an organization's mission, principles, and stated values. According to the IAPP-EY report on AI governance, operationalizing these ethics means embedding values into tangible practices, roles, and workflows. This means:

- Prioritizing inclusive practices, not just efficiency
- Disclosing AI involvement in outcomes
- Preserving opportunities for human judgment
- Avoiding the automation of harmful patterns

When organizational values are left undefined, unmeasured, or inconsistently applied, AI defaults to historical patterns. It replicates what was, rather than supporting what the organization wants to become.

Responsible vs. Ethical vs. AI for Good

Responsible AI	Ethical AI	AI for Good
Keeps AI aligned to organizational values and accountability standards	Aligns AI to high-level principles of human rights and morality	Uses AI to solve AI global challenges and benefit society
More widely applicable and rooted in day-to-day practice	Implies striving for ideals rather than meeting standards	A subset of responsible AI focused on social impact

Think of Responsible AI as the strategy, Ethical AI as the conscience, and AI for Good as the mission.

Understanding Bias in AI

Bias in AI tools happens when a model consistently produces unfair results because of flawed data, model design, or user behavior. These flaws aren't always intentional but often stem from human bias in the model's training data. Because AI works at scale, small biases can quickly create outsized impact, especially in people-related processes like hiring, performance evaluations, or learning recommendations.

Bias can happen in unintentional ways and often falls into one of four categories: Data Bias, Algorithmic Bias, Interaction Bias, and Confirmation Bias.

- Data Bias: When AI-training data reflects historical inequities.
  Example: A hiring model trained on 10 years of male-dominated leadership data learns to prefer male candidates.
- Algorithmic Bias: When the model design creates skew.
  Example: A performance scoring system that favors fast task completion and penalizes deep, collaborative work.
- Interaction Bias: When user behavior reinforces flawed assumptions.
  Example: A chatbot trained on internal helpdesk queries learns to deprioritize accessibility concerns due to low frequency.
- Confirmation Bias: When AI reinforces a biased prompt.
  Example: An HR hiring manager prompts AI to write interview questions for "tech-savvy recent graduates," causing the AI to omit experienced candidates entirely, reinforcing the implied age-related bias.

Types of AI Bias

Understanding the four critical types of bias that can impact AI systems and their real-world consequences

01 Data Bias

Definition

When training data reflects historical inequities.

Real-World Example

A hiring model trained on ten years of male-dominated leadership data learns to prefer male candidates.

02 Algorithmic Bias

Definition

When the model design creates skew.

Real-World Example

A performance scoring system that favors fast task completion, penalizing deep, collaborative work.

03 Interaction Bias

Definition

When user behavior reinforces flawed assumptions.

Real-World Example

A chatbot trained on internal help desk queries learns to deprioritize accessibility concerns due to low frequency.

04 Confirmation Bias

Definition

When AI reinforces a biased prompt.

Real-World Example

An HR manager prompts an AI to write interview questions for "tech-savvy recent grads," and the AI omits older candidates entirely, reinforcing the implied age-related bias.

Creating Guardrails That Work

Ethical principles provide the compass, but practical guardrails translate those principles into day-to-day decision-making boundaries. Guardrails defined in your policy are not about stopping innovation; they're about channeling it. In the context of AI, guardrails help organizations adopt AI safely, fairly, and transparently. They define boundaries, clarify responsibilities, and give employees the confidence to responsibly engage with AI.

Types of Guardrails in Governance:

Here's a typical cross-functional structure for the Committee:

- **Use Case Approval Criteria:** Clear standards for evaluating when and how AI can be used.

  Example: New AI tools for employee coaching must go through bias testing and human review first.

- **Content Review Protocols:** Determine which AI-generated outputs need human review before publication or distribution.

  Example: All AI-generated onboarding content must be reviewed by Learning before it's assigned to users.

- **Transparency Requirements:** Guidelines for disclosing AI-generated content or decisions to users.

  Example: All AI-assisted feedback in performance reviews must include a note: Generated with AI.

- **Data Source Guidelines:** Defining the types of data on which AI models can be trained or fine-tuned.

  Example: AI tools may not be trained on employee health or EAP data under any circumstance.

- **Bias and Risk Checkpoints:** Standardized procedures for testing results and identifying potential harm.

  Example: Quarterly audits of AI-curated learning paths to assess for demographic disparities.

- **Tool and Vendor Vetting:** Criteria for evaluating and selecting external AI tools or models.

  Example: Before adopting an AI tool for course development, a vendor must confirm that training data excludes copyrighted content and supports accessibility standards.

Making Guardrails Stick

Creating policies is the easy part. Embedding them in practice requires intention:

- Keep policies visible (internal knowledge hubs, microlearning modules, embedded tooltips and AI disclaimers)
- Integrate into onboarding and training for all users
- Establish regular reviews and updates tied to new use cases or tools
- Use incident reviews to improve guardrails after missteps

The goal isn't to turn everyone into AI experts. It's to ensure they understand the role of AI in their work, the risks it can pose, and when to apply judgment.

Accountability Without Fear

Governance only works when accountability is built into both policy and practice. That doesn't mean punishing honest mistakes; it means creating a culture where expectations are clear, actions are tracked, and consequences are proportionate.

Shared accountability happens when people trust the system, understand the rules, and know that consequences are fair.

Sustainable Governance

Even the best-designed governance framework will become obsolete without mechanisms for ongoing adaptation and improvement. The processes, risks, and regulations around AI are constantly evolving, which means your governance approach must evolve with them. Sustainable governance means putting mechanisms in place to monitor AI usage over time, adapt policies to new realities, and ensure that training and accountability keep pace. To stay relevant, governance must adapt as quickly as the tools and processes it's built to guide.

Establish a cadence for reviewing your AI usage policy, training modules, and guardrails. Include:

- Assessment of what tools are in use (and whether new ones have emerged)
- Review of escalation logs or incident reports
- Input from employees on what's working and what's unclear

Keep learning and adapting. The people who work with AI every day are your best source of insight. Make it easy for teams to share feedback on what's confusing, risky, or helpful. When new use cases arise or new risks are identified, update your guardrails accordingly. Document changes clearly and communicate them across the organization.

Lead the Way

HR and Learning are uniquely positioned to keep governance human centric. Don't wait for Legal or IT to take the lead. Governance is about guiding behavior, and HR and Learning are well equipped to partner on its design and implementation.

Governance shouldn't be a top-down directive. It should be a living framework, shaped by those who use AI in their work. The most effective AI models are built with integrity at the core. Governance maintains that integrity as we scale, evolve, and adapt.

Resources

- IAPP and EY, *Professionalizing Organizational Governance Report*, December 2023.
- Patel, Oliver, *AI Usage Policy Playbook*, March 2025.

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Michelle Lentz is a Principal AI Strategist who helps organizations embrace AI to drive smarter learning and business decisions. With 20+ years in L&D leadership, she specializes in AI strategy, change management, and governance. Her superpower is centering the human experience in AI to drive innovation while empowering people. She speaks at industry events, helping learning leaders demystify AI and implement ethical, scalable solutions. Michelle is the author of ATD's *Partner with AI for Instructional Design* and a contributing author in multiple books.

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