PARLEE McLaws LLP

Artificial Intelligence in the Workplace: Opportunities, Challenges and Employment Practices for RMA

Exploring legal considerations and best practices for counties and municipal districts including employment practices, governance responsibilities, legislative compliance, and advancing RMA mission and strategic direction.

Meet Your
Presenter

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Agenda

- AI versus GenAI
- Survey Results
- RMA's Mission, Values and Strategic Direction
- Opportunities and Challenges of Integrating AI in the Workplace
- Case Examples of Integration of AI in the workplace
- Employment Policies regarding the use of AI in the Workplace
- Key Takeaways and Practical Guidance

"AI is a broad umbrella term with no single meaning [...] The Organization for Economic Cooperation and Development (OECD) defines an "AI system" as a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments."

* Canadian Bar Association, *Artificial Intelligence and the Legal Profession* (29 November 2021), online: CBA https://www.cba.org, citing Lyria Bennett Moses et al, *AI Decision-Making and the Courts: A Guide for Judges, Tribunal Members and Court Administrators* (Melbourne: Australasian Institute of Judicial Administration, 2022), retrieved 31 October 2024.

"Generative AI (GenAI) is a subcategory of AI that uses deep learning algorithms to generate new outputs/ content based on large quantities of existing or synthetic (artificially created) input data."

* Canadian Bar Association, *Artificial Intelligence and the Legal Profession* (29 November 2021), online: CBA https://www.cba.org, citing The Law Society of British Columbia, "New Practice Resource on Artificial Intelligence Tools" (2023).

KPMG Canada Generative AI Adoption Index Survey Results
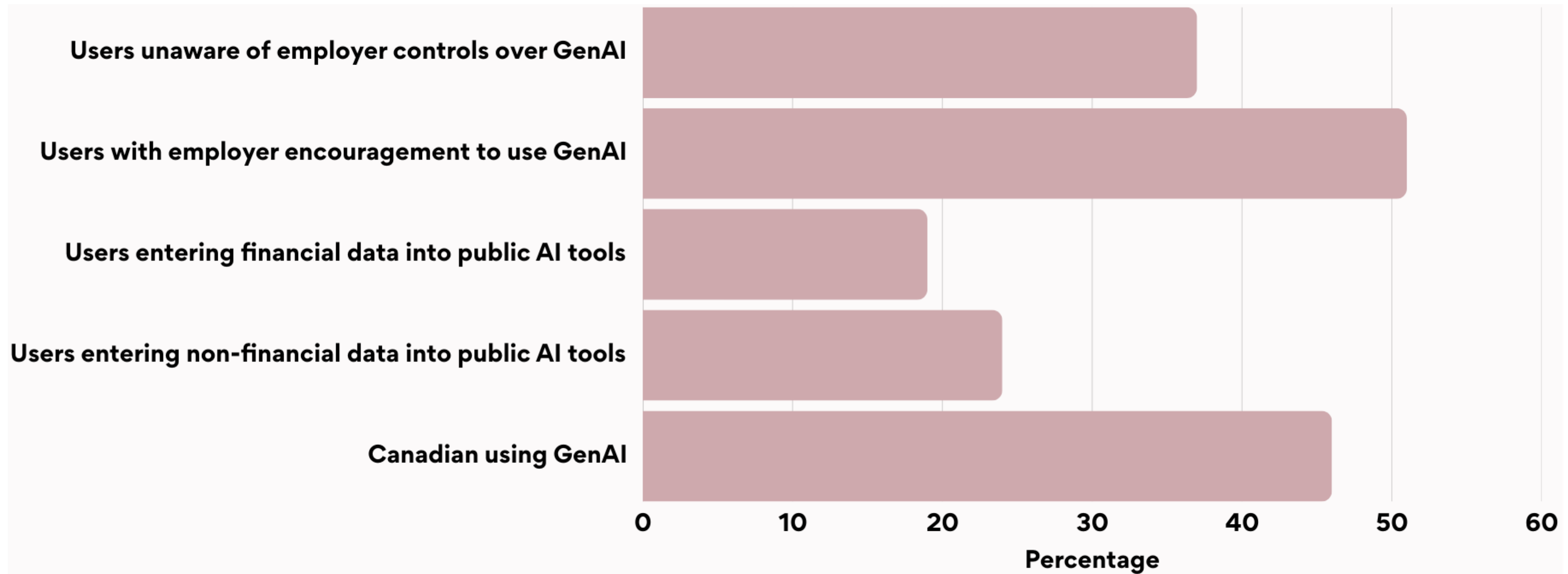
* Alannah Page & Roula Meditskos, "Gen AI Surges in Workplaces, Posing Risks to Employers" (28 November 2024), online: KPMG Canada https://home.kpmg/ca.

2025 MNP Municipal Report Results
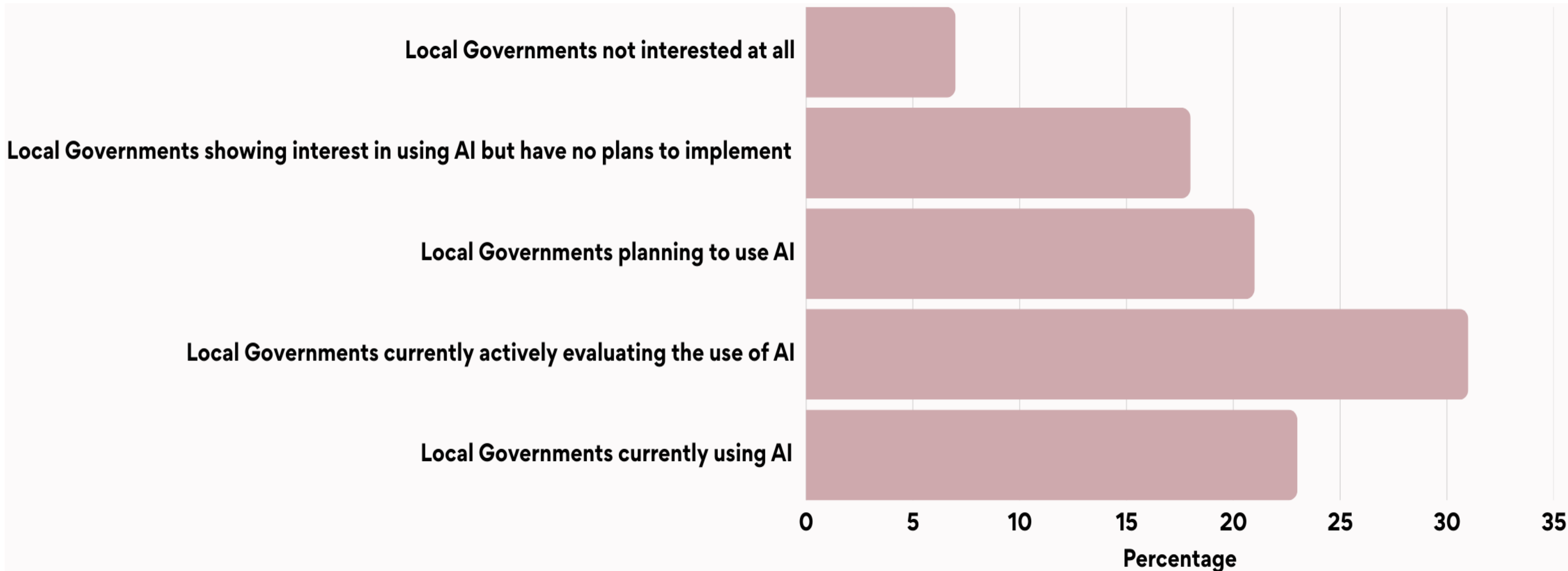
* Wendy Gnenz & James Richardson, *2025 MNP Municipal Report: Canadian Local Governments Lean into AI and Analytics to Drive Meaningful Progress* (26 May 2025).

2025 MNP Municipal Report Results

AI Potential uses for Local Governments:

- Data-driven decision making
- Operational efficiency
- Strategic planning
- Predictive analysis
- Enhanced community engagement
- Personalized services

* Wendy Gnenz & James Richardson, *2025 MNP Municipal Report: Canadian Local Governments Lean into AI and Analytics to Drive Meaningful Progress* (26 May 2025).

2025 MNP Municipal Report Results

Barriers for Local Governments:

- Lack of expertise (no formal guidelines/policies surrounding the use of AI in the workplace)
- Budget constraints
- Privacy and security concerns
- Concerns over accuracy and reliability of the data

Show of Hands

1. Has your organization adopted AI tools in any capacity for tasks or workflow in any capacity?

2. If so, does your organization have clear guidelines or restrictions on the type of data that employees can input into AI tools?

3. Are you aware of any instances where employees have entered sensitive data into public AI platforms?

4. Does your organization actively encourage the use of AI for specific tasks or projects?

5. Does your organization provide training or resources to employees about safe and effective use of AI tools?

RMA Mission, Vision, and Values

Mission

"Strengthen rural Alberta through effective advocacy and valued services."

Vision

"Strong, uniquely rural communities and resilient rural lands that support and drive Alberta"

Values

- Leading in a proactive, solutions-focused and accountable manner.
- Continuously improving as an innovative organization
- Engaging openly and transparently

Opportunities and Challenges of AI in the Workplace: Recruitment for RMA

Opportunities
- Process large amounts of data leading to effective hiring decisions
- Applying keywords to conduct automatic screening interviews
- Focus on relationship building aspect of recruitment

Challenges and Legal Considerations
- Unintentional bias which may lead to legal liability
- Lack of transparency in complex algorithms ("black box") problem
- Privacy legislative requirements

* Citation in Notes

Case Study: Limitations of AI in Recruiting

Amazon scraps AI Recruiting tool that showed bias against women

The system was not rating candidates in a neutral way as it was trained to vet applicants through historical data, teaching itself that male candidates were preferable.

* Jeffrey Dastin, "Amazon Scraps Secret AI Recruiting Tool That Showed Bias Against Women" (10 October 2018), online: Reuters https://www.reuters.com.

Case Study: Limitations of AI in Recruiting

Former MAC makeup artist lost her job after being marked down by AI tool for body language

Despite scoring full marks on her performance, employee was marked poorly on her body language through the software HireVue and subsequently lost her job.

She filed legal proceedings where a settlement was ultimately agreed.

* Arthi Nachiappan, "'I Thought I Was Going Mad': Former Make-Up Artist Says She Lost Her Job After Being Marked Down by AI Tool" (1 February 2024), online: Sky News https://news.sky.com.

Opportunities and Challenges of AI in the Workplace: Workplace Efficiencies for RMA

Opportunities

- Automate repetitive tasks including streamlined data entry, permit processing, and for public record management or by implementing AI chatbots to assist employees or public with common questions to free up staff resourcing through higher value tasks
- Improving citizen experience by using AI to receive and review citizen feedback from public forums to better meet community needs
- Provides alternate viewpoints
- Recommendations based on real time and projected data and events
- Modelling impacts of various strategies or actions for early review and analysis

Opportunities and Challenges of AI in the Workplace: Workplace Efficiencies

Challenges and legal considerations

- "AI Hallucinations"
- "Deepfake" technology risks in workplace investigations and/or potential tort claims
- Ownership debate of IP rights
- Cyber security, privacy and data protection concerns especially when cyber security threats majorly affect municipalities operations especially with the vast amount of personal data that Municipalities handle
- Constructive/Wrongful dismissal claims
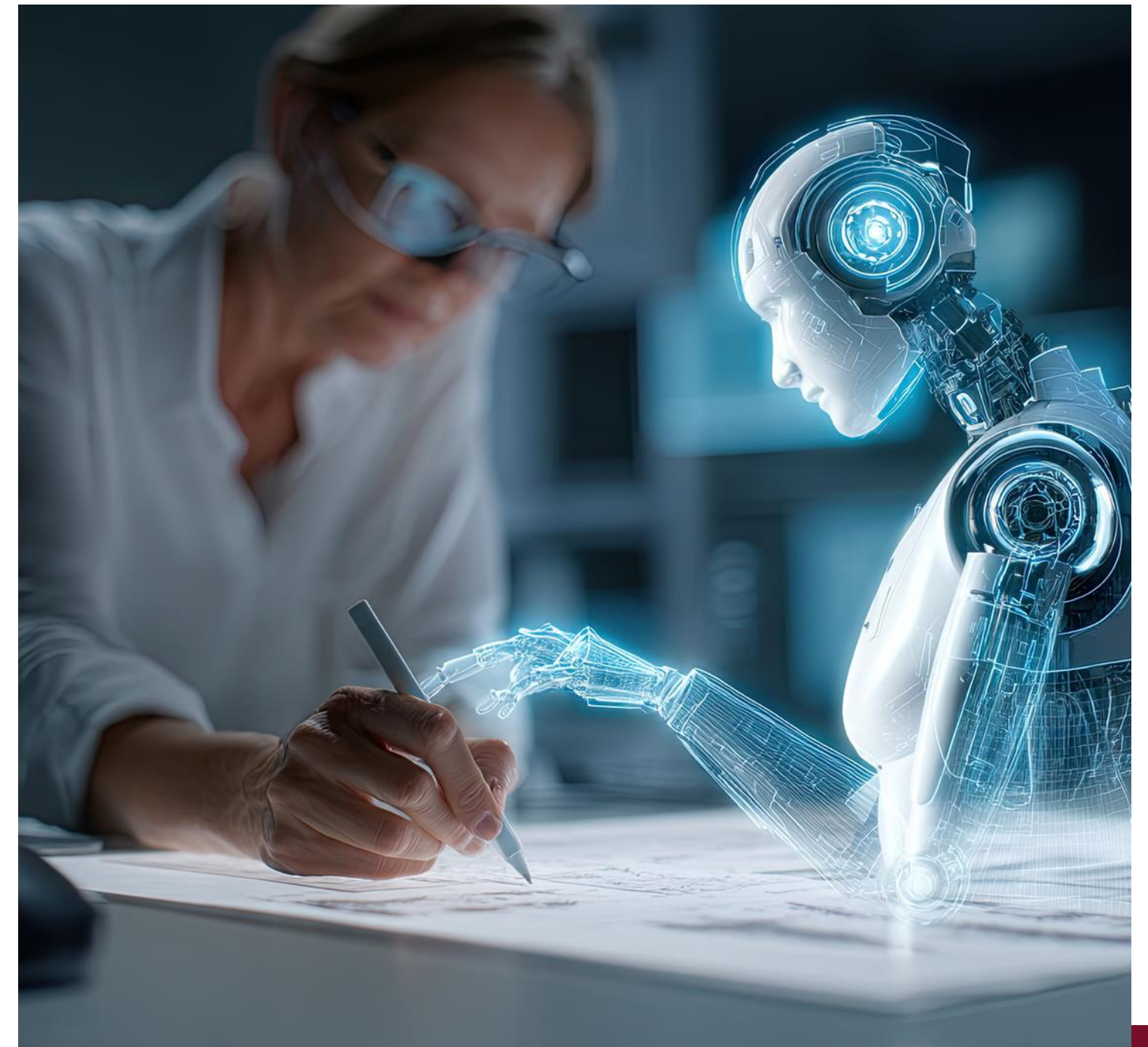
Case Study: Limitations of AI in Workplace Efficiencies

Zhang v Chen, 2024 BCSC 285

- Counsel mistakenly referenced 2 cases that did not exist as part of the Application materials.

- Admitted that the 2 cases were suggested by ChatGPT, and she did not verify the source of information.

- The Court did not award costs against counsel and instead reiterated the ethical obligations surrounding the use of AI in the legal profession together with the prevalence of AI "hallucinations".

Importance of AI Employment Policies and Drafting Tips

- Ensures expectations regarding AI use are clearly defined

- Ensures compliance with applicable legislation to minimize risk of litigation or unethical usage of AI

- Resolves disputes before they escalate by providing the company guidelines

- Historical record of company guidelines

* Lauren M Bernardi, *Powerful Employment Policies* (2nd ed, Thomson Reuters Toronto 2020).

Importance of AI Employment Policies and Drafting Tips

- 3 C's = "clear, consistent and concise" by using straightforward language, active voice, gender neutral terms

- Communicate new policies effectively or incorporate them into employment agreements/offers from the beginning

- Keep up to date with emerging legislation to ensure compliance

* Lauren M Bernardi, *Powerful Employment Policies* (2nd ed, Thomson Reuters Toronto 2020).

Sample AI Employment Policy using ChatGPT

Practical Advice: Implementing AI in the Workplace

Recruitment

- Human oversight to conduct a bias audit and evaluate for discriminatory patterns

- Ensure transparency and consent with candidates

- Limit the use of AI to recruitment decisions that are transparent and can be explained

- Make sure to document the "human oversight" justification in hiring decisions or performance evaluations

- Keep up to date on emerging legislation with respect to requirements on organizations when using AI driven recruiting tools

Practical Advice: Implementing AI in the Workplace

Workplace efficiencies

- Human audit processes to mitigate "AI Hallucination" issue

- Implementation of policies/guidelines with respect to assessing whether evidence presented is AI generated at all, in whole or in part

- Keep up to date on emerging legislation on the implementation of AI in the workplace

Practical Advice: Implementing AI in the Workplace

AI employment policies

- Highly recommended to have one in place to ensure consistency, compliance, non-compliance consequences, and that it is regularly enforced

- Stay informed of legal compliance of your employment policies

Q&A

For more information, please contact:

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Thank you.