

# Notice To Employers: Be Careful – Your Employees Might Be Using Generative AI In The Workplace



## **Introduction**

Artificial intelligence holds the promise of delivering new waves of efficiency and productivity in the workplace, but it also carries risk for employers who don't mitigate operational, reputational, and legal risks associated with unauthorized use.

Generative AI platforms such as ChatGPT, Google Gemini, and Microsoft Copilot are free tools at the fingertips of employees. Surveys conducted by KPMG and Salesforce have demonstrated that generative AI is already widely used in Canadian workplaces, often without employer knowledge.

Without a comprehensive policy governing the internal use of AI, unauthorized use of AI by employees could jeopardize an organization's data security, intellectual property, and create issues of liability and reputational damage.

## **Generative AI Use in the Workplace**

KPMG recently carried out a [Generative AI Adoption survey](#) of over 4,500 Canadians which identified that one in five Canadians are using generative AI daily with 61% percent of generative AI users using the technology multiple times per week for work purposes.

Salesforce also recently carried out a [survey](#) collecting data from 14,000 global workers, including over 1,000 in Canada. The findings show that 28% of professionals are using generative AI at work, while 55% of these professionals are using AI without approval from their employers.

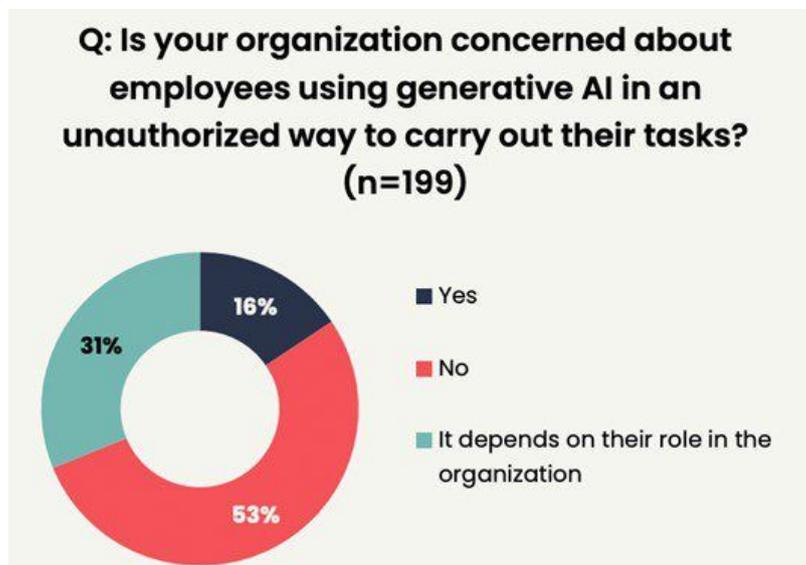
While the use of generative AI tools offers significant benefits such as enhanced efficiency, creativity, and problem-solving capabilities, it simultaneously introduces a plethora of challenges and uncertainties, particularly when these tools are integrated into the workplace.

## **Employer Concerns with Generative AI**

Despite the growing buzz around generative AI, many organizations remain on the

fringes and are contemplating its integration. In 2023, the Human Resources Professional Association (HRPA) ran a [pulse survey](#) of its membership to gain insights into their attitudes and behaviours regarding the use of generative AI technology in the workplace. 205 respondents across numerous industries participated in the survey.

While 67% of respondents indicated their organizations had no plans to use generative AI technology, 47% of respondents were either concerned or potentially concerned about employees using generative AI in an unauthorized way to carry out their work tasks.



Source: Generative AI in the Workplace – HRP A Survey Report, 2023

While many organizations may not have plans to implement generative AI, the results of the KPMG and Salesforce surveys demonstrate that employees may have different ideas.

With the rapidly expanding landscape of artificial intelligence, one term has increasingly gained attention: *Democratized Generative AI*. This term represents a shift from AI being a tool of the few to a resource of the many. This poses a particular challenge for employers as free and easy access generative AI tools means those without technical backgrounds and training have access to a resource which presents significant risks if misused.

The HRP A reported that those respondents who did have concerns about unauthorized use of generative AI in the workplace listed privacy and security risks, lack of originality and plagiarism, and poor output from the generative AI tools as common reasons.

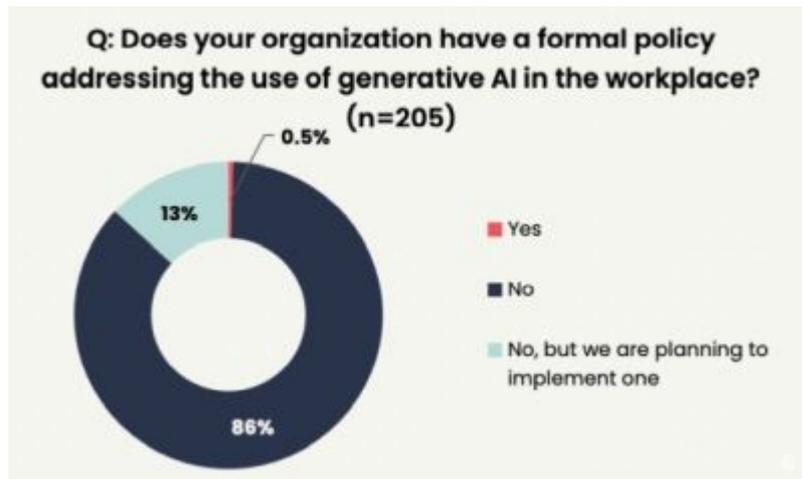
## Risks with Generative AI

Misuse of generative AI by employees can bring about consequential legal, ethical, and operational risks. A few illustrative examples include:

- 1. Intellectual Property and Data Security:** Without explicit guidelines, employees might unwittingly compromise sensitive information, leading to legal, financial, and reputational damage.
- 2. Ethical and Legal Concerns:** The absence of ethical guidelines could result in the creation of content that infringes on copyright laws or perpetuates bias, attracting legal scrutiny and eroding public trust.
- 3. Operational Inefficiency:** A lack of coherent AI use policy may result in inconsistent and inefficient operations, diminishing the potential benefits of

generative AI technologies.

Despite 47% of respondents expressing concerns about employees using generative AI in the workplace, only 0.5% of respondents reported that their organizations had a formal policy in place addressing the use of generative AI in the workplace.



Source: Generative AI in the Workplace – HRP A Survey Report, 2023

Regardless of whether an organization aims to use generative AI in their operations, the vast number of tools currently available are particularly appealing to employees, meaning that organizations may have exposure to the risks presented by generative AI without realizing it. This presents a critical blind spot in organizational strategies.

## Implementing Generative AI in the Workplace

Implementing a comprehensive Generative AI Workplace Policy not only mitigates legal and operation risks but ensures ethical use, protecting the organization's intellectual property and data security. It offers a framework for maximizing the benefits of generative AI while maintaining control over its deployment and usage.

The planned implementation of Canada's Artificial Intelligence Data Act (AIDA) underscores the urgency for employers to recognize and address the use of generative AI in the workplace. AIDA is anticipated to introduce a risk-based regulatory framework, mandating that employers assess and mitigate risks associated with high-impact AI systems – which could include generative AI tools employed by staff. With requirements for transparency, data anonymization, and robust accountability frameworks, AIDA will likely significantly sharpen the legal and ethical responsibilities surrounding AI. Notably, it is planned that the Act will carry substantial penalties for non-compliance, emphasizing the legal and financial imperatives of managing AI use.

The discrepancy between an employer's perceived and actual risk exposure is particularly relevant here; even if a business does not officially deploy generative AI, it may still be liable for its employees' use of such technologies. Therefore, developing comprehensive AI governance policies is not just prudent – it is necessary to navigate the intricate landscape AIDA will soon establish.

*The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.*

Author: [Michael M. Gallagher](#)

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