

SANDBOX REPORT



ARTIFICIAL INTELLIGENCE IN HR SOLUTIONS



**Inovačné centrum
Košického kraja**



ABOUT US

The Innovation Centre of the Košice Region (ICKK) is a key pillar for the development of innovation and entrepreneurship in our region. As an interest association of legal entities, the ICKK was established on 4 August 2021. Its founders are the Košice Self-Governing Region, the City of Košice, the University of Pavol Jozef Šafárik, the Technical University in Košice and the University of Veterinary Medicine and Pharmacy in Košice.

Our main goal is to support and develop the innovation ecosystem in the Košice Region. We are implementing the regional innovation strategy adopted by the KSC Council in June 2021 and focus on talent development, accelerating startups and supporting SMEs in their international development.

Our cooperation with international investors enables scaling startups and increasing their competitiveness. We are a bridge between entrepreneurs and innovation, connecting innovation actors and creating new business opportunities.

Our ambition is to reduce the exodus of talented individuals from the region and to support the sustainable growth of new businesses. ICKK strives to turn innovative ideas into real business successes and contribute to positive change in our region.

CURRENT STATUS

Digitisation of services and internal processes in public administration is becoming a key priority that needs to be addressed as quickly as possible. This process requires extensive training, understanding of the technological advantages and, most importantly, the creation of confidence in the security and benefits of these solutions. The implementation of AI solutions is associated with a number of legislative and regulatory challenges that often slow down the development of innovation. The AI Sandbox is an effective tool that speeds up the process of testing and validating innovations, helping to overcome legislative hurdles and supporting their rapid implementation in practice.

HR PROCESS ANALYSIS

Innovation Centre of the Košice Region currently does not use any HR tools, which makes the processes lengthy and costly. At the same time, several employees are involved, which leads to higher administrative workload and less efficient use of working time.

The Košice Self-governing Region uses Nalgoo, a recruitment process management solution that provides some automation, but a comparison with Recru will show how the new solution can bring better efficiency in automation, candidate analysis and data processing.

DATA PROTECTION IMPACT ASSESSMENT

DPIA is a process that assesses the risks associated with the processing of personal data. It aims to identify potential threats to privacy and ensure compliance with regulations such as the GDPR.

In the case of the RECRU system, which manages candidates' personal data during the recruitment process, it is important to ensure that the processing of this data complies with the GDPR and other relevant regulations.

Risks and measures

Risk of data leakage

All personal data is encrypted and backed up in three different locations, minimising the risk of leakage.

Risk of invalid consent

Candidates are sent a request for renewal of consent 30, 14 and 1 day before expiry, ensuring compliance GDPR.

Risk of incorrect data processing

The RECRU system monitors data processing and allows candidates to be manually removed from the database at any time.

DESCRIPTION OF THE SELECTED SOLUTION

Recru is a modern HR solution that is transforming the way organisations manage their recruitment process. The tool is designed to simplify and accelerate every aspect of the recruitment process, allowing employers to focus on what matters most - their candidates.

MAIN FUNCTIONS

Automation and efficiency

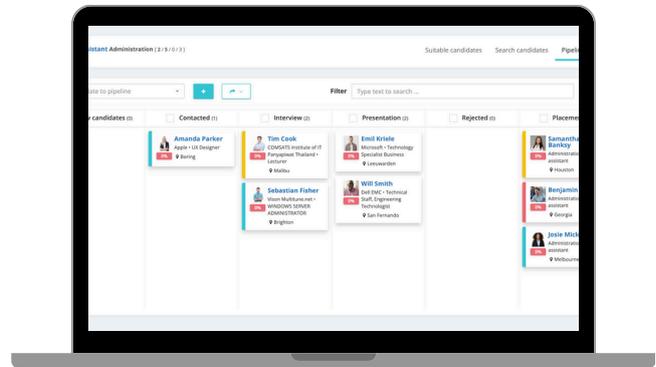
Recru offers a number of features that automate manual processes. For example, the system can process CVs up to six times faster and save up to 70% of the time when processing HR documents. This way, employees can focus more on interacting with candidates and making strategic decisions.

Integration with platforms

Recru offers plugins that allow easy integration with LinkedIn and other job portals. In this way, employers can create robust candidate databases and search for candidates efficiently. Integration with popular platforms increases the reach and visibility of job offers.

Career page

Recru allows companies to create a career page that reflects their corporate identity. Employers can upload graphic visuals and customize content, leaving a great first impression on potential candidates.



Not only does this increase the attractiveness of the company, but it also improves the overall candidate experience.

Intuitive interface

The tool is designed with user-friendliness in mind. The intuitive interface allows employers to quickly get an overview of candidate progress at each stage of the selection process. This simplifies tracking and evaluation of candidates, leading to more effective decision-making.

Customizability

One of the main advantages of Recru is its adaptability. Organizations can customize the features and interface of the software to suit their specific needs. In this way, they can optimize their business processes and ensure that the tool matches their exact requirements.

TECHNICAL IMPLICATIONS

As part of the evaluation of Recru's HR solution, detailed analyses were carried out which included peer-to-peer meetings and in-depth system analysis. This approach enabled a comprehensive assessment of the technical aspects of the solution as well as its compatibility with systems and stakeholder requirements.

ANALYSIS PROCEDURE

Peer-to-peer meetings

Early in the process, online calls were held with stakeholders to evaluate the solution and CBO RECRU. The aim was to discuss the main aspects of the implemented solution, provide space for questions and clarify all technical and functional details.

In-depth system analysis

The in-depth system analysis evaluated key technical aspects of the solution such as integration, security, data protection, performance and optimization. We examined how the solution fits into the infrastructure, what security measures protect personal data, and identified opportunities to improve the performance and speed of the solution.

TECHNICAL FEEDBACK

After conducting an in-depth system analysis and testing of the RECRUHR solution, we found that no performance or integration issues were identified.

From a technical perspective, the following recommendation was made:

- **Legislative and safety requirements**

It is necessary to strictly respect legislative restrictions, ensure cybersecurity and comply with the GDPR rules for the protection of personal data.

It is essential to regularly update security measures and monitor compliance with current legislation.

- **Automation and AI functionalities**

It is recommended to make the most of automated data collection and introduce additional AI functionality that can improve the efficiency and accuracy of the process. The use of AI for data analysis and processing can significantly increase the overall performance and functionality of the solution.

DATA PROTECTION

Data protection is an essential aspect of any modern software solution, especially when processing personal data. Ensuring data reliability includes technical and organisational measures such as encryption, strict access rights and data backup.

The aim is to ensure confidentiality, integrity and availability of data as well as its protection against unauthorised access or cyber attacks. Ensuring compliance with legislation such as GDPR and minimising the risk of data misuse is also part of a well-configured data protection strategy.

Data protection implication

The Recru solution processes sensitive personal data of job applicants and employees, so its data protection is particularly important.

The system uses encryption (AES-256) to protect data during transmission and storage, with all data backed up in three locations. This approach ensures their security and continuity even in the event of technical failures or incidents.

AI implications in data protection

RRecru mainly uses AI to parse CVs, which reduces the need for manual data processing and thus increases efficiency. AI is also involved in generating job descriptions and analysing candidate matches with job requirements.

Data is processed and stored through a cloud provider, Cloud-IT Ltd, which provides a secure storage and processing space.

Job applicants provide their consent to the processing of personal data in accordance with the GDPR directly when uploading their CVs to the RECRUHR system. This consent includes a pre-set data processing period determined by internal HR. The system also monitors the validity of the consent and automatically sends notifications to applicants when it needs to be renewed, so that the data is processed in accordance with in accordance with the legislation in force.

This approach ensures full transparency and GDPR compliance, minimising legal risks and increasing user confidence.

EVALUATION OF THE QUESTIONNAIRE ON THE USABILITY OF AI FUNCTIONS

Stakeholders, including IT experts, a lawyer, the Košice Region and the Innovation Centre of the Košice Region, were asked to complete a questionnaire designed to collect valuable data on the usability, technical advantages and shortcomings of AI within the implemented solution. The questionnaire included questions on efficiency, user interface, integration with existing systems and other relevant aspects.

Technical advantages of the solution

- **Fast data processing**

The system allows efficient filtering of candidates based on criteria and visual processing of candidates' suitability.



- **Automated CV parsing**

This process eliminates the need to manually enter CV information, saving time and reducing errors.

- **Job description generation**

Integrated job description generation functionality simplifies the creation of relevant and accurate job descriptions.

Possibilities for technical improvements

- **Processing of personal data**

Issues around consent to send personal data to AI systems that process CVs need to be addressed. These issues may pose a legislative problem in the future.

- **Reliability of CV processing**

There is a need to test the accuracy of the transfer of information from the CV to the system and to ensure that errors do not occur.

- **On-prem version vs. Cloud version**

There is not enough information on whether Recru also offers an on-prem version. This aspect could be an issue for municipalities that prefer local solutions.

Recommendations for improvement

Based on the results of a questionnaire survey that was conducted among users and professionals in the field of human resources, IT and law, key areas for improvement and development of the tested HR solution Recru were identified. These recommendations aim to optimize the efficiency of the product, improve its user experience and increase the level of automation and transparency of processes. For maximum implementation value, it is essential that the solution fully reflects the specific needs of local governments and allows for easy integration into existing systems. The following recommendations are based on specific user insights and expert analysis.

- **Integration with existing systems**

In order to achieve maximum efficiency of the HR solution Recru in the environment of local governments, it is necessary to ensure its full integration with existing information systems. These systems already provide key data and processes, so it is important that the new product builds seamlessly into the structures already in place. This integration should include all relevant modules such as HR, payroll or administrative systems. At the same time, the product should be as automated as possible to minimise the need for manual intervention by staff and ensure rapid and accurate data processing.

- **Future extensions of AI functionalities**

In view of the dynamic developments in the field of AI and the increasing demands on the efficiency of HR processes, we recommend considering further AI extensions within the HR solution that could improve the efficiency and accuracy of its processes. These extensions could include new sophisticated tools and algorithms that would optimize key activities in the recruitment process, thereby significantly improving the quality of decision-making. Importantly, the new AI functionalities would be tailored to the specific needs of organisations, providing even greater levels of automation, analytical capabilities and user experience.



CONCLUSION

To conclude the report on the implementation of the HR solution RECRUHR within the AI Sandbox programme, we can say that this innovative tool has the potential to transform the way organisations manage their recruitment processes. With digitalisation and efficiency playing a key role in every sector today, the introduction of automated HR solutions is not only necessary, but essential.

Recru offers a number of benefits such as fast processing of CVs, reduced administrative burden and improved interaction with candidates. Automating processes allows employees to focus on strategic decision making and improves overall recruitment efficiency. The intuitive interface and customizability of the solution ensure that the tool can be optimally tailored to the needs of individual organizations, which increases its attractiveness.

From a data protection perspective, the system is designed to meet all legislative requirements, including GDPR. The implementation of encryption and regular monitoring of candidate consent ensures that the processing of personal data complies with current legislation, minimising legal risks and increasing user confidence.

Based on the analysis and feedback from stakeholders, it is recommended to continue to develop AI functionalities and ensure full integration with existing systems. This will maximise the efficiency and transparency of HR processes, which is key to successful implementation in a local government environment. Overall, RECRUHR represents a significant step forward in HR technology and its implementation can contribute to process improvement and increased employee satisfaction, which is essential for the long-term development and stability of organisations in the Košice region.

PARTICIPATING PARTNERS



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Miriama Hučková is the Executive Director of Košice IT Valley, which is currently the only certified gold cluster in Slovakia and the first of its kind in Central Europe.





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