

AI Vocabulary Reference • Tier 1: Foundations

The language of orientation • Aurorae Group, LLC

This reference introduces the foundational vocabulary of AI — what things are, how they work at a basic level, and why they matter. It is the starting point for every subsequent tier in this series. You don't need to memorize it — read through it once, note what's familiar and what's new, and bring your questions. The goal is orientation, not mastery.

Tier 1: Core Concepts

The foundational terms that underpin everything else. If you walk away knowing these, you're already ahead of most of the room.

Artificial Intelligence (AI)	<p>A broad term for computer systems designed to perform tasks that typically require human intelligence — recognizing patterns, making decisions, understanding language, or generating content.</p> <p>Why it matters for HR: AI is an umbrella term. When someone says 'we're using AI,' it's worth asking: what kind? The answer shapes what risks and opportunities actually apply to your organization.</p>
Machine Learning (ML)	<p>A type of AI that improves its performance by learning from data rather than following fixed rules. The more data it processes, the better it gets at its task.</p> <p>Why it matters for HR: Many tools HR already uses — applicant tracking systems, engagement survey platforms, performance analytics — include ML components. Understanding this helps you ask better vendor questions.</p>
Generative AI (GenAI)	<p>AI systems that produce new content — text, images, code, audio — in response to a prompt. This is the technology behind tools like ChatGPT, Claude, and Gemini.</p> <p>Why it matters for HR: GenAI is the category most relevant to your day-to-day HR work right now: drafting communications, summarizing feedback, building frameworks, and preparing for conversations.</p>
Large Language Model (LLM)	<p>The underlying technology that powers most GenAI tools. LLMs are trained on massive amounts of text and learn to predict and generate language that is contextually appropriate.</p> <p>Why it matters for HR: Knowing that LLMs work by prediction — not retrieval of facts — explains why they can sound confident while being wrong. Human review is not optional; it's built into responsible use.</p>
Narrow AI	<p>AI designed for a specific, defined task — like resume screening, scheduling, or fraud detection. It cannot generalize beyond its intended function.</p> <p>Why it matters for HR: Most AI tools embedded in HR platforms (HRIS, ATS, benefits systems) are narrow AI. They're powerful within their lane but cannot reason outside of it.</p>
Agentic AI	<p>A newer category of AI that can take sequences of actions autonomously — browsing the web, writing and executing code, or coordinating across tools — with minimal human direction.</p> <p>Why it matters for HR: Agents represent the next wave of workplace AI. While your team is unlikely to encounter them immediately, understanding what they are positions HR to shape governance before adoption spreads.</p>

Tier 2: The AI Landscape

The major platforms and what distinguishes them — including the free vs. paid distinction that matters most for organizational use.

ChatGPT (OpenAI)	<p>One of the most widely used GenAI platforms. Available in free and paid versions; the paid version (GPT-4o and above) offers significantly stronger reasoning and longer context handling.</p> <p>Why it matters for HR: Likely the tool your staff is most familiar with — including through personal use. Free versions have meaningful limitations around data privacy that matter in an HR context.</p>
Claude (Anthropic)	<p>A GenAI platform developed with a strong emphasis on safety, nuance, and handling complex, sensitive topics. Known for longer context windows and more careful reasoning.</p> <p>Why it matters for HR: Claude tends to perform well on tasks requiring judgment, sensitivity, or extended document analysis — areas that map closely to HR work.</p>
Gemini (Google)	<p>Google's GenAI platform, integrated across Google Workspace tools (Docs, Gmail, Sheets). Particularly useful for organizations already working within the Google ecosystem.</p> <p>Why it matters for HR: If your organization uses Google Workspace, Gemini is likely already accessible. This makes it a low-friction entry point — and a reason to establish usage norms sooner rather than later.</p>
Free vs. Paid Versions	<p>Free versions of most GenAI tools use your inputs to improve their models and offer limited privacy protections. Paid or enterprise versions typically include data privacy agreements and stronger security controls.</p> <p>Why it matters for HR: The free version question is one of the most important for HR. Putting employee data, performance notes, or candidate information into a free GenAI tool may violate your organization's data obligations.</p>
Enterprise AI	<p>AI tools or plans designed for organizational use, with enhanced security, data privacy controls, administrative oversight, and compliance features.</p> <p>Why it matters for HR: As Wallace Foundation considers its AI strategy, understanding the enterprise tier helps clarify what 'safe to use at work' actually means — and what questions to ask vendors.</p>

Tier 3: Governance & Risk

The terms most relevant to HR's leadership role — and to the conversation your organization is already having.

Shadow AI	<p>The use of AI tools by employees outside of official organizational awareness, approval, or policy — often through personal accounts or consumer-grade tools.</p> <p>Why it matters for HR: Shadow AI is almost certainly present at Wallace Foundation. This isn't a criticism — it's the norm. The risk is that staff may be using tools that don't meet your data privacy standards without realizing it.</p>
Hallucination	<p>When an AI system generates information that sounds plausible and confident but is factually incorrect, fabricated, or unsupported by its training data.</p> <p>Why it matters for HR: AI does not know when it doesn't know something. In HR, this matters enormously — a hallucinated policy reference, legal standard, or factual claim in a document can create real liability.</p>
Prompt	<p>The instruction or input you give to a GenAI system. The quality, specificity, and structure of your prompt directly determines the quality of the output.</p> <p>Why it matters for HR: Learning to write effective prompts is the most immediately practical skill for your team. It's covered in the accompanying prompting guide.</p>
AI Governance	<p>The policies, structures, roles, and norms an organization puts in place to guide how AI is used responsibly — including who decides what tools are approved, what data can be used, and how outputs are reviewed.</p> <p>Why it matters for HR: Governance is not IT's job alone. HR owns the human behavior layer of governance — the norms, training, and accountability structures that determine whether policy translates into practice.</p>
Human-in-the-Loop	<p>A design principle (and in some cases a legal requirement) ensuring that a human reviews, validates, or approves AI-generated outputs before they are acted upon.</p> <p>Why it matters for HR: In HR, human-in-the-loop is non-negotiable for anything consequential — hiring decisions, performance documentation, policy language, or employee communications. AI assists; humans are accountable.</p>
AI Maturity	<p>A framework for assessing where an individual, team, or organization currently sits in their AI adoption journey — from awareness through experimentation, integration, and optimization.</p> <p>Why it matters for HR: You'll complete a team maturity self-assessment as part of your pre-work. The results will help shape how we spend our time together on May 14.</p>