



BETTER WORKPLACES
BETTER WORLD™

THE PATH FORWARD

SHRM's AI Legislative Framework
for the Modern Workplace

MAY 2026

INTRODUCTION

In 2025, the White House signaled its intent to advance national artificial intelligence (AI) policy through the executive order, "Ensuring a National Policy Framework for Artificial Intelligence." The order aimed to preempt state-level AI regulation while establishing a unified federal approach. Subsequently, in March 2026, the administration released a national AI legislative framework outlining priorities such as children's safety, infrastructure, innovation, U.S. leadership, education, and workforce development. The framework identified key priorities for federal legislation designed to support innovation, expand access to AI, and prepare a workforce aligned with the demands of an AI-driven economy.

In response to the White House's AI legislative framework, Emily M. Dickens, Chief Administrative Officer at SHRM, stated, "The United States has a clear opportunity to lead in AI by pairing innovation with workplace-centered governance that delivers for employees and employers. SHRM stands ready to partner with Congress and the Trump Administration to help develop legislation and operationalize AI policy in the workplace."

Within that press statement, Dickens also introduced SHRM's federal AI principles

PURPOSE

As AI continues to expand into every facet of our cultural fabric, impacting all areas of our lives, deciding the parameters of how employers will manage it within the workplace is essential and will necessitate a great deal of attention. For many people, work is more than a livelihood — it provides access to benefits, purpose, dignity, and community. Because of its central role in

aimed at guiding federal policymakers as they consider what workplace AI policy would look like. Ultimately, SHRM's vision is simple: Artificial intelligence plus human intelligence equals Return on Investment (AI + HI = ROI).

46%

In 2026, 46% of organizations expect to use AI in HR.

5.7x

AI's organizational impact is 5.7 times more likely to shift job responsibilities and three times more likely to create new roles than to displace jobs.

Source: *The State of AI in HR 2026*, SHRM, 2026.

The core pillars established within this white paper outline SHRM's proposed framework to create a balanced and practical approach to workplace AI governance. These principles seek to promote responsible innovation, protect workers, and provide employers with clear and workable standards for adopting AI technologies.

people's lives, AI governance policy must be grounded in workplace realities. SHRM's framework seeks to advance a balanced, workplace-centered approach that supports innovation, strengthens workforce readiness, and delivers clear, practical guidance for employers of all sizes.

As organizations increasingly integrate AI into hiring, training, workforce planning, and daily operations, its impact is unfolding in real time across workplaces with significant consequences. Effectively managing and overseeing AI remains a major challenge, as organizations must determine how to integrate these tools while navigating a federal policy landscape that has not kept pace. Additionally, in the absence of a coordinated federal approach, states are developing differing standards, further increasing complexity for employers.

67%

The top reason why organizations do not utilize AI to support any work-related or HR activities is because of a lack of awareness of AI's capabilities (67%), such as uncertainty about where to start or how it could benefit their organizations. This was the largest barrier by a considerable margin, but it is possibly the easiest to remove with education.

Source: *The State of AI in HR 2026*, SHRM, 2026.

Beyond compliance, many organizations are not avoiding AI due to a lack of value, but due to a lack of understanding. SHRM research found that the primary barrier to adoption is limited awareness of AI's capabilities (67%), followed by technical concerns around transparency and accuracy, as well as resource and data constraints.¹ These challenges underscore the need for greater education, workforce development, and practical guidance. Public policy that promotes AI literacy and familiarity — while increasing transparency and preserving room for innovation — can help organizations build the confidence needed to adopt these tools responsibly and effectively.

Without alignment among workers, organizations, educational institutions, and policymakers, AI adoption and implementation will continue to stall and remain uneven. That alignment requires a clear, practical policy framework that organizations can rely on to use this technology with confidence, which is difficult to achieve in the current environment. By focusing on people, preparation, and real-world implementation, SHRM is uniquely positioned to help organizations integrate AI in ways that are responsible, scalable, and that drive productivity, opportunity, and long-term competitiveness.

¹ Source: [The State of AI in HR 2026](#), SHRM, 2026.

PILLAR 1: A COMPREHENSIVE NATIONAL WORKPLACE AI FRAMEWORK

Overview

A nationally consistent workplace AI framework designed to promote innovation, regulatory clarity, and responsible use of AI in employment decision-making.

Purpose: To advance policies and implement necessary changes that reflect current technological realities, including the rapid integration of AI and the growing importance of appropriate guardrails.

This framework would update federal workplace laws to explicitly account for AI, rather than attempting to fit emerging technologies into structures policymakers did not design to address them. Establishing such a framework would promote a common understanding of workplace AI principles, support greater consistency in expectations, and provide practical guidance for employers and workers.

SHRM research underscores the need for a clear and practical workplace AI framework.² In 2026, 62% of organizations reported using AI somewhere in their business, and 46% expect to use AI in HR specifically.³ Yet adoption remains uneven, with 31% of organizations reporting no plans to launch AI initiatives.⁴

A clear and consistent workplace AI framework supports the responsible, scalable adoption of AI technologies while promoting greater clarity in compliance expectations and oversight for both employers and workers.

Example

Scenario: A national employer operating stores across multiple states uses an AI tool to screen job applicants and rank candidates based on qualifications and experience.

Pillar in Practice:

- Federal workplace laws are updated to reflect the use of AI and emerging technologies in employment decisions.
- Employers benefit from clearer standards and definitions that support responsible implementation.
- This reduces compliance costs, legal uncertainty, and operational strain that can discourage responsible AI adoption and scaling.
- Employers remain accountable under federal civil rights laws and must prevent intentional discrimination.

² Source: *The State of AI in HR 2026*, SHRM, 2026.

³ Source: *The State of AI in HR 2026*, SHRM, 2026.

⁴ Source: *The State of AI in HR 2026*, SHRM, 2026.

- Workers benefit from consistent protections and clearer oversight of AI-assisted employment practices.

Result: Employers gain regulatory clarity and confidence in adopting AI tools, while workers maintain consistent civil rights protections and oversight in the workplace.

PILLAR 2: VOLUNTARY, RISK-BASED GOVERNANCE

Overview

A voluntary, risk-based governance framework for workplace AI anchored in recognized third-party standards — such as those aligned with the National Institute of Standards and Technology (NIST) — and supported by coordinated, non-binding federal guidance across existing relevant agencies.

Purpose: To reduce legal uncertainty while avoiding prescriptive regulatory mandates with respect to workplace programs and processes, except where necessary.

Recognized and proven third-party standards, paired with coordinated federal guidance from existing federal agencies, will allow this framework to give employers practical tools to responsibly manage workplace AI risks without imposing rigid compliance requirements. NIST’s longstanding reputation as a neutral, science-based standards body with global credibility ensures that technical expertise and broad stakeholder input develop AI governance guidance. SHRM data shows many employers are still in the early stages of AI governance maturity.⁵ Among organizations currently using or about to pilot AI, only 49% have policies regulating workforce AI use, and among those with policies, only one-quarter believe those policies are clear and future-proof.⁶

A voluntary compliance model promotes responsible development and deployment of workplace AI while supporting innovation, adaptability, and risk-based governance practices.

Example

Scenario: A national logistics company introduces an AI tool to screen large volumes of job applications for warehouse and delivery positions.

Pillar in Practice:

- The company adopts a voluntary governance approach aligned with the NIST AI Risk Management Framework (AI RMF) instead of complying with multiple prescriptive regulatory mandates.
- The employer evaluates the AI system for risks such as biased training data and inaccurate candidate rankings.

⁵ Source: *The State of AI in HR 2026*, SHRM, 2026.

⁶ Source: *The State of AI in HR 2026*, SHRM, 2026.

- Hiring managers and HR personnel review AI-generated recommendations before making final hiring decisions.
- The company conducts periodic audits of system outcomes to ensure proper functioning and to detect unintended disparities.
- The employer requires vendors to provide documentation on model design, training data, and testing practices.

Result: The employer deploys AI responsibly using recognized governance standards on a voluntary basis while retaining operational flexibility. Workers benefit from oversight and risk mitigation, and the voluntary framework reduces regulatory uncertainty while supporting responsible AI adoption.

PILLAR 3: LIMITED MANDATORY REQUIREMENTS FOR HIGH-RISK USE CASES

Overview

Certain “high-risk” AI use cases in the workplace — specifically those that are reasonably likely to materially affect significant employment outcomes, such as hiring, promotion, termination, or compensation decisions — necessitate targeted transparency and human oversight.

Purpose: To ensure appropriate safeguards for workers in situations where AI systems may significantly influence employment outcomes, while keeping mandatory regulatory requirements narrowly focused.

This targeted approach addresses the most consequential risks associated with workplace AI without imposing broad or burdensome mandates across all AI uses. This is important to balance innovation with accountability. By establishing clear worker protections in high-impact employment decisions, the framework preserves flexibility for employers to adopt AI technologies in lower-risk workplace applications.

Example

Scenario: A large retail company uses an AI system to evaluate employee performance and recommend candidates for promotion to store manager positions.

Pillar in Practice:

- Because promotion decisions materially affect compensation and career advancement, the framework treats the use case as high-risk.
- The company informs employees that AI systems are used to assist in evaluating promotion eligibility and performance metrics.
- Regional managers review AI-generated recommendations and retain final decision-making authority.

Result: The company leverages AI for performance analysis and leadership identification while ensuring transparency, human oversight, and an opportunity to challenge decisions in situations where AI may significantly affect their employment opportunities.

PILLAR 4: SAFE HARBOR FOR RESPONSIBLE AI ADOPTION

Overview

A safe harbor would provide legal certainty for employers that operate in good faith in accordance with voluntary workplace AI risk-management standards and follow applicable agency guidance.

Purpose: To reduce litigation risk under applicable federal laws while encouraging responsible adoption of AI technologies in the workplace.

The safe harbor would apply to relevant federal law claims, including certain discrimination claims, where employers can demonstrate good-faith efforts to prevent bias through recognized governance practices. These voluntary frameworks identify and mitigate potential risks through structured controls before and after AI deployment, including ongoing monitoring, auditing, and documentation practices.

There must be meaningful incentives for companies to adopt proven standards. By offering legal protections to employers that implement recognized risk-management frameworks, this approach encourages responsible AI use while promoting broader adoption of best practices across workplaces.

Example

Scenario: A regional restaurant group with 12 locations uses a third-party AI hiring platform to screen applicants for hourly roles such as servers, cooks, and hosts. The company adopts a voluntary AI risk-management approach aligned with NIST, including the NIST AI RMF.

Pillar in Practice:

- The employer confirms that the vendor follows recognized AI risk-management standards and provides documentation on model development and testing.
- Managers and HR personnel review AI-generated candidate rankings before making hiring decisions.
- The company maintains records of AI use and retains vendor documentation related to testing and monitoring.
- The employer documents reasonable, good-faith efforts to identify and reduce bias in the hiring process.

Result: By implementing recognized governance practices in good faith, the employer qualifies for safe harbor protections. If challenged, the employer can demonstrate adherence to risk-management standards and bias mitigation efforts, while workers remain protected against intentional discrimination.

PILLAR 5: MINIMIZING EMPLOYER BURDENS

Overview

A limitation on individualized AI disclosures or new, duplicative, or burdensome AI-specific recordkeeping and reporting obligations where such requirements would involve information not readily accessible to organizations or could instead be captured through reasonable modifications to existing reporting obligations.

Purpose: To prevent the imposition of burdensome, duplicative, or AI-specific reporting requirements.

This is particularly necessary where employers lack ready access to the requested information (e.g., proprietary details about AI systems) or where modest adjustments to existing reporting or recordkeeping forms could reasonably capture the same information. The limitation is intended to ensure that any required disclosures remain practical, efficient, and integrated into existing employer processes rather than requiring entirely new compliance systems.

A practical governance framework helps reduce unnecessary administrative burden, promotes clarity, and supports responsible AI adoption in the workplace.

Example

Scenario: A mid-sized healthcare provider operating hospitals, clinics, and administrative offices across several states uses AI tools for resume screening, shift scheduling, and workforce forecasting. Its operations fall under multiple federal agencies, including the Department of Labor (DOL) and the Equal Employment Opportunity Commission (EEOC).

Pillar in Practice:

- The employer complies with a clear workplace AI governance framework rather than multiple agency-specific AI disclosure or reporting systems.
- No individualized AI disclosures are required for each AI-assisted employment decision.
- The employer avoids duplicative reporting obligations across agencies by relying on clear guidance and recognized standards.

Result: The healthcare provider can deploy AI across HR and workforce functions without fragmented reporting requirements, reducing administrative burden while maintaining a consistent compliance approach.

PILLAR 6: WORKFORCE READINESS AND RESKILLING

Overview

Targeted national initiatives focused on workforce upskilling, job redesign, and training programs, including grants and incentives to encourage partnerships among employer-led groups, educational institutions, and workforce development organizations.

Purpose: To address emerging skills gaps and support the reskilling necessary to prepare America’s workforce for the evolving demands of an AI-enabled economy. SHRM research found that nearly 7 in 10 HR professionals (68%) reported difficulty recruiting for full-time positions, demonstrating that workforce readiness requires building talent internally as well as hiring externally.⁷ Among organizations experiencing new skill requirements, 66% cited changing technology as the leading driver, a 12-percentage-point increase since 2025.⁸ Organizational growth, higher productivity demands, and shifting customer needs also remain key contributors. As AI technologies reshape job tasks across industries, coordinated national efforts are needed to equip workers with the skills required to adapt to new tools, workflows, and occupations.

Additionally, SHRM research found that AI is more likely to transform work than eliminate it.⁹ Organizations using AI reported that adoption was 5.7 times more likely to shift job responsibilities than displace jobs, and 57% said that AI had created upskilling or reskilling opportunities, compared with only 7% reporting job displacement.¹⁰ These findings reinforce the need for policy focused on worker transition, skill development, and job redesign.

Responsible AI adoption must be paired with expanded opportunities for workers. Prioritizing workforce training, reskilling, and job transformation is a key investment for workforce readiness. Federal policy must ensure that AI adoption strengthens economic competitiveness while enabling workers to successfully transition into the future of work.

Example

Scenario: A coalition of businesses across manufacturing, healthcare, logistics, and retail adopts AI tools such as predictive maintenance systems, AI-assisted scheduling, inventory forecasting, and route optimization.

Pillar in Practice:

- Employer-led groups partner with workforce development organizations, community colleges, and training providers through national AI workforce initiatives supported by federal grants and coordination with the DOL.
- Programs promote the building blocks of AI literacy that are applicable across industries.
- Best practices are shared across related sectors such as logistics and talent management, enabling cross-industry learning.
- Training includes AI-enabled equipment monitoring, predictive maintenance data interpretation, and AI-assisted administrative scheduling tools.
- Employers redesign roles so workers collaborate with AI systems rather than being displaced by them.

⁷ Source: [2026 Talent Trends](#), SHRM, 2026.

⁸ Source: [2026 Talent Trends](#), SHRM, 2026.

⁹ Source: [The State of AI in HR 2026](#), SHRM, 2026.

¹⁰ Source: [The State of AI in HR 2026](#), SHRM, 2026.

Result: National initiatives that promote opportunity, mobility, and adaptability through stackable skills will allow workers to gain transferable technical and analytical skills and businesses to strengthen workforce capabilities.

PILLAR 7: STAKEHOLDER ENGAGEMENT AND EXPERTISE

Overview

A structured mechanism for employer trade organizations, workforce experts, small and mid-sized enterprises, and other subject matter experts to provide practical and technical input to federal policymakers.

Purpose: To ensure that federal guidance reflects real-world workplace practices and the operational realities faced by employers and workers across industries.

Engaging small and mid-sized enterprises, employers, business trade associations, and other stakeholders provides valuable insights that help federal agencies develop guidance that is both practical and responsive to evolving technologies. Following the passage of comprehensive AI legislation that impacts the workplace, federal enforcement agencies will need to update regulatory guidance, amend enforcement priorities and documents, and make changes that ensure that the law is effectively carried out. This is when it is vital to integrate information from the regulated community, as well as multiple touchpoints during the process.

A collaborative process that integrates technical expertise and practical industry experience into AI governance is essential to effective national AI legislation. By directly engaging stakeholders, the framework ensures that workplace AI guidance is grounded in real-world practice and adaptable to evolving business and technological conditions. This is critical to maintaining the competitiveness of U.S. businesses.

Example

Scenario: A diverse group of stakeholders from multiple sectors participate in consultations with federal policymakers to shape workplace AI policies, helping identify use cases, pain points, and emerging gaps.

Pillar in Practice:

- Structured stakeholder engagement includes employer organizations, workforce experts, and subject matter experts advising federal agencies such as DOL and EEOC.
- Stakeholders provide feedback on implementation challenges, market needs, and upskilling program effectiveness.
- Input includes skills-first hiring practices, stackable and portable skills, and training effectiveness.
- Participants identify technical assistance needs and gaps in existing guidance.
- Ongoing feedback loops clarify what is working, what is not, and where improvements are needed.

- Cross-industry perspectives improve understanding of how AI systems operate in varied workplace environments.

Result: Policymakers develop practical, experience-based guidance and technical assistance. This allows employers receive clearer and more usable trusted information for AI adoption. Agencies also benefit from the technical expertise and improved alignment with the regulated community.

PILLAR 8: SUPPORT FOR SMALL AND MID-SIZED EMPLOYERS

Overview

Small and mid-sized employers need proportional and scalable compliance expectations, ensuring that workplace AI governance requirements account for organizational size, available resources, and operational capacity.

Purpose: To support continued innovation and competitiveness among smaller employers by providing flexibility, practical implementation pathways, and access to technical assistance. This approach enables small and mid-sized organizations to meet compliance expectations without facing disproportionate administrative or financial burdens.

SHRM data shows that employer size remains a significant factor in AI adoption. Most extra-large organizations (those with at least 5,000 workers) have implemented AI in HR (60%), compared with 33% of small organizations (2 to 99 workers) and 35% of midsize organizations (100 to 499 workers).¹¹ Excessive or one-size-fits-all requirements risk widening this gap by placing disproportionate burdens on employers with fewer resources.

A practical workplace AI framework should promote broad participation in responsible AI adoption by ensuring that small and mid-sized employers can access the benefits of AI-enabled tools without facing requirements designed for larger employers.

Example

Scenario: A regional landscaping company with 75 employees uses a third-party AI hiring platform for seasonal recruitment and an AI scheduling tool to optimize workforce assignments based on weather, timelines, and availability.

Pillar in Practice:

- The framework supports proportional governance expectations based on employer size and capacity.
- The company relies on vendor-provided documentation and risk-management information rather than conducting internal technical audits.

¹¹ Source: *The State of AI in HR 2026*, SHRM, 2026.

- Employers use federal templates, guidance, and technical assistance resources to support responsible AI adoption.
- The company maintains basic records of AI use and ensures human review of automated recommendations before final decisions.

Result: The company adopts AI responsibly without burdensome compliance structures designed for large enterprises, enabling small and mid-sized employers to improve operations while maintaining flexibility and competitiveness.

CONCLUSION

SHRM's AI legislative framework presents a comprehensive, balanced approach to governing AI in the workplace at a national level. Across its eight core pillars, innovation will be aligned with accountability by establishing a modern workplace AI framework, promoting voluntary risk-based governance, and introducing targeted safeguards for high-impact employment decisions. It further reinforces responsible AI adoption through legal safe harbors, streamlined administrative requirements, and proportional expectations for employers of all sizes.

At the same time, the framework emphasizes that successful AI integration is not solely a regulatory challenge but a workforce transformation opportunity. Through investments in reskilling, stakeholder collaboration, and employer-driven implementation, SHRM underscores that the future of work depends on strengthening the partnership between workers and opportunity.

This reflects SHRM's central guiding principle: AI + HI = ROI, where AI enhances, not replaces, human capability to drive

organizational performance and workforce success.

By combining regulatory clarity with practical governance tools and workforce development strategies, SHRM's proposal aims to create a cohesive national ecosystem where employers can innovate confidently, workers are protected and empowered, and the United States maintains global leadership in AI-driven economic growth.

Learn more through SHRM's trusted resources on AI and emerging technologies shaping the future of work:

- [The State of AI in HR 2026](#)
- [Artificial Intelligence in the Workplace](#)
- [The AI+HI Project](#)
- [The Human + AI Advantage: Maximizing Organizational Value Through AI and Human Intelligence](#)