



October 24, 2025

Michael Kratsios
Acting Director
Office of Science and Technology Policy (OSTP)
1650 Pennsylvania Avenue NW,
Washington, DC 20502

Submitted via regulations.gov

RE: SHRM Response to OSTP Request for Input on AI Deployment and Federal Regulatory Frameworks; Docket ID number OSTP–TECH–2025–0067.

Dear Acting Director Kratsios:

As the trusted authority on all things work, SHRM is the foremost expert, researcher, advocate, and thought leader on issues and innovations impacting today’s evolving workplaces. With nearly 340,000 members in 180 countries, SHRM touches the lives of more than 362 million workers and their families globally. SHRM welcomes the opportunity to comment on the Office of Science and Technology Policy’s (OSTP) request for input regarding artificial intelligence (AI) deployment and its intersection with federal statutes, regulations, and policies.

I. Introduction

SHRM’s membership, comprised of HR professionals and business executives, operate at the intersection of workforce policy, talent management, technology adoption, and compliance. By leveraging the collective experience and expertise of our membership, SHRM is able to provide insights grounded in both data and practical, real-world experience.

It is widely understood that AI adoption in human capital management systems raises questions about regulatory clarity, structural compatibility, and practical implementation. This tension lies in the simple reality that, pivotal federal statutes and regulations, including Title VII of the Civil Rights Act of 1964 (Title VII), the Americans with Disabilities Act (ADA), the Age Discrimination in Employment Act (ADEA), the Fair Credit Reporting Act (FCRA) and privacy statutes were not written with AI applications in mind.

SHRM respectfully offers its perspective to show how AI is being used in today’s workplaces, highlight the need to modernize federal laws to address the growing patchwork of state regulations, and emphasize that HR must lead, with SHRM serving as a thought partner in developing practical, effective solutions.

II. AI Adoption Differs by Organization Size and Scope; Compliance Challenges Limit Small-to-Medium Size Business Implementation

Workplaces are adopting new technologies to meet modern demands as AI and automation offer a promising array of solutions. SHRM research found that AI adoption is growing at a 209% annual rate, while predictive analytics (data science, 96%; machine learning, 67%), interactive visualization (64%), and technical skills (projects, 31%; programming, 28%) are expanding

rapidly.¹ This adoption is welcomed, as an overwhelming majority of surveyed CHROs and senior HR leaders across organizations expressed optimism about the expanding role of AI in the workplace, with 90% expecting AI integration to become more widespread and 83% anticipating a greater role for AI within HR functions.²

Overall, SHRM has found that AI adoption across HR functions—including recruitment, hiring, employee assessment, and performance evaluation—is rapidly increasing. AI is most commonly used in HR to support recruiting, with just over half of organizations (51%) leveraging it for these efforts.³ The most frequent applications include writing job descriptions (66%), screening resumes (44%), automating candidate searches (32%), customizing job postings (31%), and communicating with applicants (29%).⁴ The main reported benefits of AI in HR are greater efficiency (89%), lower hiring costs (36%), and improved identification of top candidates (24%).⁵

By organization type, publicly traded for-profit organizations lead adoption at 58%, followed by private for-profits at 45%, nonprofits at 38%, state and local governments at 35%, and the federal government at 19%.⁶ By size, large organizations within the S&P 1500 began integrating AI expertise into HR a decade ago, meanwhile, smaller organizations did not prioritize AI hiring during the initial robotic process automation wave, relying on external consultants or IT teams instead.⁷ However, by 2024, smaller companies matched larger firms in AI hiring, reflecting broader market adoption.⁸

SHRM Member stories to illustrate how AI is used across a wide range of HR functions and industries:

“We were having a hard time filling lower-skill-level positions [...] due to the requirement that these workers needed a high school diploma. By having AI scan for experience instead of just a high school diploma, we were able to increase our applicant pool and fill positions we were having a hard time retaining. Our retention level in these jobs has risen, and we have eliminated the requirement of a high school diploma for these positions.” — Large employer in the health care industry

“AI has provided us with ways to deepen our outreach when recruiting, which, combined with the expertise of our recruiters, has allowed us to find candidates we might have never reached previously.” — Small employer in the professional and civic associations industry

¹Emerging Technology Skills in HR, SHRM, 2025

² CHRO Priorities and Perspectives, SHRM, 2025.

³ 2025 Talent Trends: AI in HR, SHRM, 2025.

⁴ Id.

⁵ Id.

⁶ Id.

⁷ Emerging Technology Skills in HR, SHRM, 2025.

⁸ Id.

“Recruiting is one instance. AI may identify a passive candidate that we were unaware of. We have chosen to interview and hire someone that has come to our notice this way.” —
Large employer in the retail industry

While these tools improve efficiency, such as faster hiring and better candidate matching, they also create liability and compliance challenges for organizations, especially those without dedicated legal staff. SHRM members have reported compliance challenges related to equal employment opportunity (EEO) laws — e.g., Title VII, ADA, ADEA, etc. — and vendor transparency. These challenges can include tracking documentation for FCRA compliance, issuing timely notifications when automated scoring affects hiring decisions, and manually recalibrating algorithms to ensure applicants are not disproportionately impacted based on protected characteristics. Similar diligence is needed to prevent disparities in employee evaluations. These compliance challenges may discourage organizations, particularly small to medium size businesses, from adopting AI and reducing competitiveness.

III. Federal Law Has Not Kept Pace with Workplace Realities; Employers and Workers Feel the Strain

The world of work is evolving rapidly and requires organizations to make strategic decisions to meet labor market demands. However, this progress is governed by decades-old laws that have not kept pace with technological and workplace advancements. As organizations and workers invest in upskilling, reskilling, and right-skilling to meet the needs of the modern workplace, federal law lags behind and the demand for legal frameworks that are agile and responsive grows.

As OSTP properly recognized, “[m]ost existing Federal regulatory regimes and policy mechanisms were developed before the rise of modern AI technologies. As a result, they often rest on assumptions about human-operated systems that are not appropriate for AI-enabled or AI-augmented systems.” EEO laws such as Title VII and the ADA were designed for human-centered decision-making, where intent is generally key. Similarly, the FCRA, which governs human-generated consumer reports, creates ambiguity when algorithmic scoring or profiling functions as employment-relevant reporting. Beyond EEO and privacy laws, emerging technologies challenge fundamental concepts such as the definitions of “work,” “employee,” and overtime exemption statuses under the Fair Labor Standards Act (FLSA).⁹

AI operates in complex, nuanced ways that current frameworks do not address, and outdated, rigid rules stifle innovation and create confusion. This has created the current situation of enforcement agencies, employers, and employees grappling with how new scenarios created by AI and emerging technologies fit within established federal statutes, leading to a system of trial and error.

⁹ For example, under current regulation (29 C.F.R. § 541.400, Subpart E—Computer Employees), “computer systems analysts, computer programmers, software engineers or other similarly skilled workers in the computer field are eligible for exemption” if they meet the salary basis, salary threshold, and duties test. However, the FLSA’s computer employee exemption, nearly 30 years old, is outdated. Traditional roles like programmers and software engineers have evolved into specialized fields such as data science, cybersecurity, cloud architecture, and AI-related positions. These modern roles were not contemplated in the original statute, leaving potential gaps in coverage.

Additionally, the absence of targeted federal AI policy has left a fragmented patchwork of state and local laws, complicating compliance for employers. SHRM members report challenges in tracking multiple audit standards, notice obligations, and transparency rules, particularly when operating across jurisdictions.

SHRM believes that there is an opportunity for the *federal* government to reduce arbitrary regulatory barriers implemented by state and local agencies, while modernizing foundational laws to reflect the evolving world of work. A uniform federal standard would prevent unlawful bias, promote responsible AI use, and educate stakeholders, while preserving statutory objectives and enabling scalable, effective deployment. Guidance that prioritizes clarity, consistency and compliance-oriented language on bias assessments, safe harbors, standardized reporting, and other areas of confusion is paramount.

IV. HR Must Lead in AI Adoption; SHRM Provides Guidance and Thought Leadership

As AI transforms the workforce, HR is also evolving from a human-centric function to one increasingly shaped by technology and data.

(a) HR is adapting to meet the needs of an AI-driven workforce.

Over the past few years, HR has rapidly strengthened its technical capabilities, with technology skills in demand rising from 4.4 percent of all HR skills last year to a projected 10 percent by the end of the decade if current trends continue.¹⁰ This means that HR’s role in successful AI adoption is undeniable as strategic implementation depends on HR leadership and effective change management — yet few organizations follow best practices. Where they do, HR professionals are 2.6 times more likely to report successful outcomes, underscoring the need for HR to lead readiness assessments, workforce training, and ongoing change management.¹¹ Additionally, SHRM research found that the U.S. workforce strongly supports the notion that AI that enhances, rather than replaces, human capabilities. Nearly three-quarters of workers (74%) agree that AI should complement human talent, with majorities emphasizing the need for oversight and collaboration. These perspectives highlight the importance of a human-centered approach to AI adoption.¹²

As SHRM CEO and President, Johnny C. Taylor Jr., SHRM-SCP, stated, “As HR professionals, we have a huge opportunity, and also the responsibility, to help our employees stay competitive in this ever-evolving world of work... AI (artificial intelligence) plus HI (human intelligence) equals ROI (return on investment). This has never been about eliminating humans—it is and should always be about making human beings more efficient and more effective as we continuously strive to make better workplaces for a better world.”¹³

¹⁰ Emerging Technology Skills in HR, SHRM, 2025.

¹¹ Id.

¹² Id.

¹³ “AI Is Nothing to Fear,” Featured by Johnny C. Taylor, Jr., SHRM-SCP, 2024.



(b) SHRM as the connective tissue between federal policymakers, employers and workers.

SHRM is uniquely positioned to support OSTP's efforts to reduce unnecessary barriers to "the development, deployment, and adoption of artificial intelligence (AI) technologies within the United States." Guided by the principle, "If it's a work thing, it's a SHRM thing," we leverage data, research, and practical insights to inform policy decisions and shape potential metrics. SHRM's nearly 340,000 members span all sectors and regions, including education, professional and technical services, manufacturing, health care, and social assistance.

SHRM has key resources on AI integration, credentialing, and toolkits that may assist OSTP evaluate workforce preparedness. Through its national infrastructure, including 556 chapters and 51 state councils, SHRM can rapidly disseminate guidance, best practices, and updates to HR professionals and employers nationwide. This enables federally funded initiatives to be tracked and evaluated efficiently, ensuring measurable outcomes and scalability. SHRM is ready to serve as an operational partner, connecting employers, policymakers, and workforce participants.

V. Conclusion

AI is no longer a future possibility—it is a workplace reality. Its success requires not only technological advancement but also a strategic, employee-centered approach. Now is the time for the OSTP to set "priorities for such regulatory reform or other agency action necessary to promote AI innovation and adoption," as the future of work is already here. SHRM, and our nearly 340,000 members, are positioned to provide real-world insight into AI adoption, workforce impacts, and compliance challenges.

SHRM supports OSTP's efforts to ensure AI deployment aligns with federal statutes, regulatory objectives, and workforce outcomes. By addressing structural incompatibilities, clarifying regulatory ambiguities, and mitigating arbitrary barriers, the federal government can enable lawful, effective, and consistent AI adoption. SHRM stands ready to provide OSTP research, guidance, and operational support to promote workplace policies that maximize clarity, consistency and compliance.

Sincerely,

Emily M. Dickens, J.D.
Chief of Staff, Head of Government Affairs & Corporate Secretary
SHRM