



AI IN THE WORKPLACE PLAYBOOK

A PRACTICAL GUIDE FOR HUMAN-FIRST AI
STRATEGY IN THE MODERN WORKPLACE

SRM[®]

BETTER WORKPLACES
BETTER WORLD™

AI WON'T WAIT. NEITHER CAN YOU.

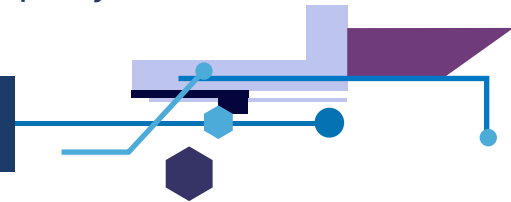
Technology is displacing workers — fast. Jobs are disappearing, and the workforce is underprepared. We're facing a harsh reality: people without jobs and jobs without people.

Human displacement fueled by artificial intelligence disruption is too vast to ignore. The future of work demands more than adaptation. It calls for courageous, people-centered leadership. Empowering your people with the right skills and support to unlock AI's potential drives better hiring, stronger engagement, faster operations, and a future-ready workforce.

To harness AI's potential, we must be able to navigate its challenges with prudence, not fear. This playbook gives you practical strategies to turn disruption into opportunity.

HR is at the center of it all. At SHRM, we believe the smartest organizations won't choose between AI and people — they'll bring them together. Blending AI with human intelligence (HI) will enable you to align innovation with your company's values, anticipate its impact, and lead with empathy.

AI + HI = ROI



SHRM stands ready to partner with educators, policymakers, and leading researchers to give you the real-world insights and actionable strategies to move forward decisively. Will you lead the transformation or be shaped by it?

1/2

The Threat

Nearly half of U.S. workers said they perceive at least a moderate risk to their job security (48%), career progression (49%), and job performance (43%) if they fail to upskill or reskill in AI.¹

67%

The Gap

Two-thirds of HR professionals (67%) reported disagreeing or strongly disagreeing with the statement that their organization has been proactive in training and upskilling employees to work alongside AI technologies.²

70%

The Opportunity

More than two-thirds of U.S. workers (70%) agreed that AI allows them to spend more time on the tasks they enjoy, while 62% agreed that AI has given them more autonomy and control over their work.³

“We’re at a critical crossroads. Technology is outpacing humans faster than anticipated. If we don’t act now, we won’t just lose jobs — we’ll lose livelihoods. That’s a failure we can’t afford. When people and AI collaborate, we work better and build workplaces that are resilient and ready for what’s next.”

SHRM is your partner on the road ahead, and we have the tools to align your workforce with emerging opportunities. The future belongs to those who can harness AI + HI to empower their people and business to weather any storm. Are you ready? Let’s find out.”



**— Johnny C. Taylor, Jr.,
SHRM-SCP**
President and Chief Executive
Officer of SHRM

¹Source: January 2025 Current Events Pulse, SHRM, 2025.

²Source: 2025 Talent Trends, SHRM, 2025.

³Source: January 2025 Current Events Pulse, SHRM, 2025.



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1. YOUR PRIMER FOR AI IN THE WORKPLACE

AI is transforming the way HR works across recruitment, talent management, performance tracking, and decision-making. Let’s explore the basic concepts of AI, its potential applications in the workplace, and the broader implications of AI adoption.

AI includes technologies such as natural language processing, machine learning, and robotic process automation, all of which have the potential to automate tasks, improve decision-making, and increase productivity. However, successful implementation requires careful consideration of the impact on employees and organizational culture.

THE BUILDING BLOCKS OF AI

NATURAL LANGUAGE PROCESSING

Enables AI to comprehend and generate human text and spoken words.

MACHINE LEARNING

Uses data and algorithms to imitate the way humans learn in order to make decisions or predictions.

ROBOTIC PROCESS AUTOMATION

Relies on stores of data originating from different sources to inform AI computing.

DID YOU KNOW?

- By 2030, activities that account for up to 30% of hours currently worked across the U.S. economy could be automated — a trend accelerated by generative AI (GenAI).
- More than 30% of all workers could see at least half of their job tasks disrupted by GenAI.
- SHRM is conducting a large-scale survey aimed at understanding the role that automation and GenAI play in the workforce. Findings will include the share of tasks completed by GenAI tools and the risk of labor displacement stemming from automation and GenAI technology.

SHRM Resources

[AI Transformation: A Human-Centered Approach to Unlocking Organizational Value](#)

[SHRM's AI+HI Project Starts with Deep Dive into the Future of Work](#)



HR's Role in AI Integration

HR professionals are essential to successfully integrating AI, ensuring it drives innovation while supporting employees and aligning with organizational values.

As industries evolve through AI usage, HR professionals are uniquely positioned to lead this transformation. By prioritizing ethical adoption and aligning AI strategies with both business goals and employee well-being, HR ensures AI drives productivity and satisfaction.

SHRM Resources

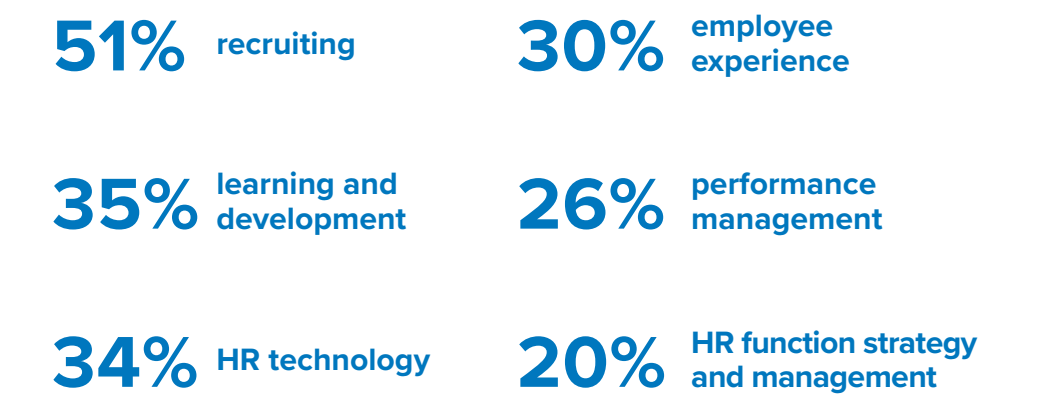
- [HR Has a Crucial Role in Shaping the AI Revolution at Work](#)
- [How HR Can Build Trust in AI at Work](#)
- [How AI Is Redesigning, Not Replacing, HR and Other Jobs](#)

Promote Collaboration, Not Replacement

HR plays a critical role in fostering a partnership between employees and AI systems. By positioning AI as a tool to augment — not replace — human work, HR can empower employees to focus on strategic, high-value contributions. This collaborative approach unlocks innovation and strengthens workplace culture.

How Will AI Change HR?

SHRM research shows that it already has, with organizations using AI to support HR-related activities, including:⁴



2. INTEGRATING AI INTO YOUR ORGANIZATION

Ready to turn AI into your organization's advantage?

The organizations that thrive with AI will be those that learn it, test it, and lead with it. Here's how you can start integrating AI into your workplace today to build smarter teams, better processes, and a stronger competitive edge.

Boost AI Knowledge:

- **Invest in learning and development.** Offer workshops, online courses, and certification programs to build foundational AI literacy across your organization, particularly in HR, operations, and leadership teams.
- **Make AI learning a habit.** Regularly tune in to resources such as [SHRM's The AI+HI Project podcast](#), which explores the latest trends, case studies, and real-world strategies for responsibly integrating AI into the workplace.
- **Empower AI champions.** Identify early adopters and tech-savvy employees to serve as AI ambassadors who can mentor and train others, helping scale knowledge organizationwide.

Foster Innovation:

- **Create safe spaces for experimentation.** Allow teams dedicated time and tools to explore AI applications during work hours without fear of failure, focusing on practical uses tied to real business challenges.
- **Start small and scale smart.** Pilot AI tools on specific HR functions such as recruitment screening, workforce analytics, or employee engagement surveys — and gather feedback to refine and expand applications over time.
- **Involve employees early.** Crowdfund ideas and usage cases from employees at every level to uncover unexpected opportunities for AI-driven efficiency and problem-solving.

Collaborate with Others:

- **Build cross-functional AI alliances.** Partner with IT, data science, legal, and compliance teams to align AI initiatives, avoid silos, and ensure that governance standards are met from the start.
- **Leverage external expertise.** Establish partnerships with AI vendors, research institutions, startups, and professional associations to access fresh thinking, pilot programs, and emerging best practices.
- **Stay plugged in to peer networks.** Join AI-focused councils, forums, or SHRM-led communities to learn from peer organizations and exchange insights on navigating AI's evolving workplace impact.

AI Enablement for Your Whole Team

SHRM's AI Enablement for HR is an immersive, data-driven platform that transforms AI curiosity into AI capability. It empowers HR teams to assess readiness, craft a tailored AI strategy, and operationalize it with hands-on training designed for measurable business impact.

Ready to move beyond AI buzzwords? Take the [AI Readiness Quiz](#) to understand your team's knowledge and level of preparedness for AI in the workplace.



3. ESTABLISHING GUIDELINES FOR AI USE IN THE WORKPLACE

Create policies that balance innovation with responsibility.

The integration of AI into the workplace must be approached thoughtfully and with clear guidelines. HR professionals should collaborate with legal and tech teams to create policies that ensure AI is used responsibly, ethically, and respectfully by all employees. As AI technologies evolve, it's essential that these policies be regularly updated to keep pace with new developments and legal requirements.

- Ensure AI tools are used in ways that benefit employees by supporting rather than replacing jobs.
- Communicate transparently about how AI is being used and the benefits it brings to the organization.

SHRM Resource

[Ready to Draft an Up-to-Date AI Policy? Target Top Risks](#)

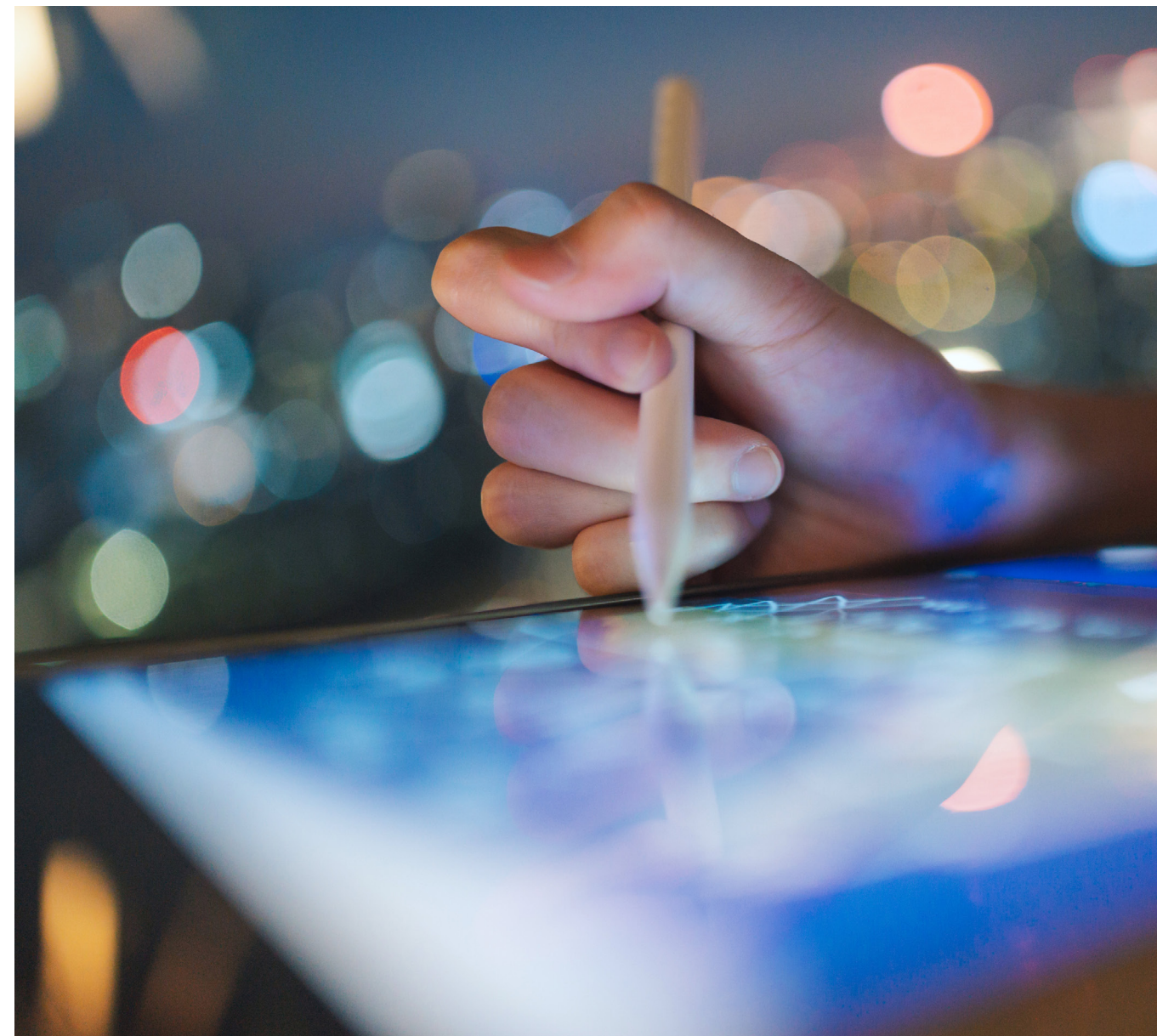
Survey Employees on AI Adoption:

- **Conduct regular surveys.** Ask employees consistently about their experiences with AI systems at work and identify concerns such as fears of job displacement or data privacy issues.
- **Address concerns.** Use this feedback to adjust policies, practices, and training programs.

SAMPLE GENERATIVE AI USAGE POLICY

With the increasing popularity of GenAI tools, it has become necessary to outline the proper use of such tools. The purpose of a GenAI usage policy is to protect employees, clients, suppliers, customers, and the company from harm.

Get a Word document template: [Generative AI Usage Policy](#)



4. AI FOR RECRUITMENT AND TALENT MANAGEMENT

In an era when the demand for top talent remains fiercely competitive, business leaders are turning to AI to redefine their recruitment strategies. The integration of AI into talent acquisition processes promises increased efficiency and cost reductions. It also means changes in how you source, assess, and onboard new employees.

AI has the potential to revolutionize recruitment by automating candidate screening, enhancing bias reduction, and improving hiring efficiency. However, HR professionals must ensure that AI systems are implemented in ways that promote fairness and avoid discrimination.

STREAMLINING HIRING WITH HR

Enhancing Candidate Experience

AI tools such as scheduling software ensure candidates receive instant updates and personalized communication. This creates a seamless experience, helping to boost your company brand and attract top talent.

Smarter Hiring with Predictive Analytics

AI's predictive capabilities help you make data-driven decisions by analyzing past performance metrics. By forecasting which candidates are most likely to succeed, AI minimizes the risk of bad hires and improves overall recruitment outcomes.

Ethical Considerations and Bias

AI can unintentionally perpetuate biases, leading to discriminatory hiring practices. Ethical AI adoption requires addressing potential biases in algorithms and ensuring fairness in candidate selection. HR professionals must ensure AI tools are regularly audited and aligned with diversity goals.

Balancing AI and Human Interaction

AI should complement, not replace, human judgment. AI is great at data processing, but hiring decisions still require human empathy and oversight. Combining AI with a human touch ensures recruitment remains efficient, ethical, and people-centered.



51%

DID YOU KNOW?

Of HR professionals at organizations that reported using AI, slightly more than half (51%) said it's used for recruiting efforts, making that the most common use case.⁵

Among organizations leveraging AI tools for recruiting, the impact on the following recruitment metrics was described as somewhat better or much better by the following percentages of HR professionals:

59%

The time it takes to fill open positions

57%

The quantity of applications they or their HR team must manually review

44%

The quality of their organization's talent pool

41%

The quality of their organization's hires

33%

The feedback their organization receives from applicants on the candidate experience

21%

The diversity of their organization's hires

SHRM Resources

[The Role of AI in Retaining Top Talent](#)

[The Future of Hiring: The Role of AI in Modern Recruitment Strategies](#)

Retaining Top Talent with AI

- **Career growth:** AI can match employees with internal opportunities (such as projects, promotions, or mentorships) based on skills and interests, ensuring they have room to grow and reducing staff turnover.
- **Preventing burnout:** Behavioral analytics software helps identify early signs of burnout, enabling HR to take action before it leads to attrition.
- **Predicting flight risk:** AI models using internal and external data can predict employee flight risk, helping HR take proactive steps in workforce planning.
- **Human intuition:** AI offers valuable insights, but human intuition and engagement remain crucial for successfully reducing turnover and fostering a positive work environment.

The Future of AI in Talent Acquisition

The future holds even more profound opportunities as the capability of AI models increases. AI's role will continue to expand, and as it does, business leaders must prepare for a recruitment landscape in which collaboration between humans and machines is the norm.

PREDICTIONS AND EMERGING TRENDS

Emerging trends reveal AI's involvement in more profound levels of candidate assessment, including conducting sentiment analysis during interviews and even gauging a candidate's cultural fit based on social media behaviors. Virtual and augmented reality applications will also immerse candidates into the company's environment before they're onboarded.

⁵ Source: 2025 Talent Trends, SHRM, 2025.

5. UPSKILLING FOR AN AI-ENHANCED WORKFORCE

As GenAI transforms industries, HR and learning leaders face a significant challenge: preparing employees for the rapid adoption of this technology. AI is reshaping roles across industries, creating an urgent need for workforce training to bridge the AI skills gap.

Why AI Training Matters

Just over half of U.S. workers (51%) indicated that to improve AI implementation, their organizations should focus on enhanced training and upskilling for employees.⁶

Safe and Responsible AI Use

Responsible use is a critical component of training programs. Risks such as data breaches, copyright violations, and AI inaccuracies must be addressed. Organizations can mitigate these risks by:

- **Teaching employees to evaluate GenAI outputs critically.**
- **Enforcing clear governance and access policies.**
- **Providing ongoing education on ethical and safe AI practices.**

14%

A [2023 Boston Consulting Group survey](#) found that while 86% of workers said they believe AI training is essential, only 14% of front-line employees have received it.

13%

A [Randstad Workmonitor Pulse survey](#) echoed these findings, with just 13% of workers being offered AI-specific training.

64%

In a [TalentLMS survey](#), 64% of HR managers noted that GenAI has changed the key in-demand skills, making AI literacy critical for all employees.

Effective Training Strategies

1. AI fluency for all:

Companies should start with organizationwide training to demystify AI. Fluency programs should address employee concerns about job security and highlight how AI can reduce repetitive tasks while amplifying meaningful work.

2. Tailored learning paths:

Training must align with specific roles and tasks. For instance:

- **Technical teams:** Focus on integrating AI tools into systems.
- **HR professionals:** Emphasize how to use GenAI for job descriptions, surveys, and training modules.

3. Prompt engineering:

Training on how to craft effective prompts for GenAI tools is essential. Organizations can build “prompt libraries” as a resource for employees to improve their results from AI tools.

4. Communities of learning:

Learning communities encourage hands-on experimentation with GenAI tools under expert guidance. These communities foster peer-to-peer learning and help employees stay current with rapidly evolving technologies.

SHRM Resources

[Preparing the Workforce for AI? Start Here](#)

[Best Practices in AI Upskilling: Start with a Strong Philosophy](#)

[Employers Train Employees to Close the AI Skills Gap](#)



⁶ Source: January 2025 Current Events Pulse, SHRM, 2025.

Case Study

How One Company Taught Its Workforce GenAI Skills

When leaders at Mineral, an organization that provides compliance and HR guidance to small and midsize businesses, approved the use of ChatGPT to support the company's client services, they knew they'd have to quickly equip their workers with the skills needed to use the technology effectively and responsibly.

Rather than relying on external e-learning courses that could quickly become out-of-date, Mineral's training strategy revolved around creating small communities of learning that the company called "pods." This allowed employees to experiment with ChatGPT in trial-and-error fashion under the guidance of experienced peers and instructors well versed in the technology. They were encouraged to fail fast and quickly apply the lessons learned.

Susan Anderson, SHRM-SCP, chief services officer for Mineral, said the company also made a concerted effort early in the process to train managers in the use of GenAI. "We wanted those managers to fully understand both the opportunities and risks of generative AI so they would be prepared to lead their teams through change," she said.

Employees on the services team were encouraged to sign up for free ChatGPT accounts and start experimenting with the tool. They later broke out into learning pods of four to begin using ChatGPT for a variety of training tasks, some related to their work and others not.

One pod, for example, chose to use prompts to summarize key points from large bodies of text. An employee in another pod chose to learn ChatGPT by asking it to explain how wormholes work. Another used it to build a sample Thanksgiving meal menu.

"It's a hands-on, lab-type approach," Anderson said. "It's not uncommon for more experienced team members we call 'explorers' to share their screens while working with generative AI in a training exercise, answering questions from peers. It's all about structured experimentation with ChatGPT to help demystify the tool and teach best practices. We encourage our people to 'fail fast' and quickly apply those lessons learned to improve their skill in using generative AI."



"We talk about what are and are not appropriate uses of ChatGPT in our environment," she added. "We identify sample use cases where we believe generative AI can help us deliver more effective and efficient service to clients and where it may not. That proved comforting to some employees who had trepidations about using the technology."

The client services team also was taught how to write effective prompts, which are the instructions that guide GenAI to produce accurate and relevant responses. Workers studied this six-step prompting framework:

1. Establish the persona you want your GenAI tool to emulate.
2. List the task it needs to complete.
3. Provide context for the task.
4. Tell the tool who the audience is, if applicable.
5. Describe the goal of the output.
6. Give the tool a description of how the output should be formatted.

Mineral also holds twice-weekly discussions on a company Slack channel about employees' experiences using ChatGPT.

"These are intentionally open conversations on Tuesdays and Thursdays to find out what's working for employees, where they're encountering obstacles, to answer questions, and to celebrate success," Anderson said.

4 Ways for HR Leaders to Address AI Misuse

1. Foster AI + HI Collaboration

Promote a culture in which AI complements human intelligence in decision-making rather than replaces it. HR leaders should begin by organizing workshops that demonstrate practical applications of AI in automating repetitive tasks, such as data entry or scheduling, while emphasizing the value of human oversight in decision-making.

2. Develop Ethical AI Frameworks

HR leaders can start by creating an AI ethics committee within their organization tasked with developing clear guidelines for AI use in recruitment, performance evaluations, and decision-making processes. A key element is conducting a thorough audit of existing AI tools to assess them for bias and ensure they are compliant with anti-discrimination regulations. Establishing regular AI ethics reviews will help ensure that tools are used ethically and responsibly.

3. Implement Enhanced Verification Methods

To minimize the risk of AI-inflated qualifications, HR leaders should implement scenario-based assessments during the recruitment process. This can include job simulations or “real-world” challenges that mirror the tasks candidates will face in their roles. By adopting such methods, HR leaders can ensure skills are verified through practical applications rather than static certifications.

4. Launch AI Literacy and Training Programs

To ensure employees understand both the potential and the limitations of AI, HR leaders should develop a comprehensive AI literacy program. This could include online courses, hands-on workshops, and real-life case studies, with an emphasis on ethical decision-making and how AI fits into existing workflows. A key actionable step would be to incorporate this training into the onboarding process for all new hires to build a strong foundation from day one.



Practical **Do's** and **Don'ts** for HR Leaders

AI's impact on work is broad and enduring, defying easy solutions. However, there are some practical do's and don'ts that workplace leaders can follow to overcome the challenges inherent in upskilling employees to work alongside AI technology.

Do Start with a Task, Not a Job

Rather than focusing on which jobs can use AI tools (or which teams need to develop AI skills), instead identify critical tasks that work well with AI.

Integrating AI at a task level not only helps prevent employees from seeing AI as a threat to their jobs, but also overcomes the challenges of knowing which skills to target for development and which skills can be augmented with AI tools. This task-centric approach increases the likelihood of success for both human workers and machines.

Do Have Good AI Demonstrations

Demonstrations, case studies, examples, and hands-on workshops all help demystify new technology and show how humans best work alongside AI.

Ask those in your organization who adopted AI early on to facilitate these workshops and demonstrations. When employees see colleagues working with AI successfully, they'll more easily accept the new technology and internalize the lessons they learn during training.

Do Encourage Failure (Within Policy Boundaries)

Starting small allows HR to iteratively design a clear AI policy that works while also providing employees with the flexibility to adapt to rapid technological changes and emerging best practices.

With clear policies for AI use in place, leaders can encourage safe experimentation with AI tools on a larger scale. This allows employees to coach each other, share success stories, and get the hands-on experience they need to increase their confidence.

Don't Rush to Purchase Learning Content

Without first understanding the most pertinent skills and their benchmarks, teams can waste thousands of dollars on training platforms and materials that develop the wrong skills.

Instead, identify the new set of skills a team or function needs for an objective and the AI tool's use case. Equipped with these skills, companies can purchase or produce learning content that is best aligned to target tasks and learning and development (L&D) objectives.

Don't Start with the Entire Organization

Many leaders quickly get overwhelmed when mapping, measuring, and developing skills for every job in the organization. To avoid overwhelm, focus on a single job function, department, or team. Take the parts of the process that work to a larger team or identify ways to streamline those parts. This makes the subsequent steps more efficient and generates positive word of mouth among employees.

Don't Forget About the Culture

Let's say your team figured out the technical details, skills, technology, and learning content your company needs. It could still all go wrong if the company culture is ignored. Pluralsight's Developer Success Lab, in studying AI's adoption among software engineers, discovered that companies with learning and development cultures were much more likely to successfully adopt and work alongside AI.

Any technology might feel threatening to employees if leaders fail to take stock of the culture and whether it's competitive or developmental (even on a small scale). If the culture is competitive, employees will likely see AI tools as a threat, snuffing out successful adoption before it even gets started.



6. THE VISION FOR RESPONSIBLE AI ADOPTION AND WORKFORCE TRANSFORMATION

It is imperative that the policy and regulatory landscape support thoughtful workplace innovations and new technologies that enhance workers' abilities to succeed in the economy. SHRM engages policymakers to ensure that responsible AI adoption, upskilling, and reskilling will unlock human potential and drive shared prosperity. Uniform federal AI standards can help employers and employees meet workplace demands, enhance capabilities, and address complex challenges.

Together, AI and HR are transforming the workplace.

51% Fifty-one percent of HR professionals use AI to support recruitment activities and 35% use it for learning and development.

25% One-fourth of HR professionals (25%) reported using AI for performance management.⁷

50% Half of HR professionals (50%) reported new reskilling and upskilling opportunities for employees.⁸

HR will lead the way in preparing workers and workplaces for the AI-driven economy. HR professionals must promote AI literacy and educate stakeholders about the benefits and risks of leveraging technology.

- **Addressing AI displacement:** According to SHRM research, AI displacement threatens more than 19 million jobs, but it also offers an opportunity to integrate technology with human intelligence. As workplaces adopt AI, policies must balance innovation with workforce stability. SHRM urges policymakers to ensure equitable access to upskilling and reskilling for at-risk workers. Public-private collaboration is crucial to help workers adapt, thrive, and drive long-term economic growth.⁹
- **Transforming the workplace with AI + HI:** Organizations are leveraging AI to enhance HR operations. SHRM supports initiatives that drive the adoption of AI to streamline HR functions, enabling businesses to meet complex workplace demands efficiently and ethically.
- **Supporting responsible AI adoption:** SHRM supports thoughtful AI regulation that fosters workplace innovation without stifling progress. To avoid overregulation and inconsistent state laws, SHRM backs a uniform federal standard to prevent bias and guide responsible AI use.
- **Advancing transparency and mitigating bias:** To promote responsible AI adoption, SHRM emphasizes the importance of transparency in AI applications. Workplaces need clear standards and guidelines to ensure accountability and prevent unintended bias and discrimination in HR processes. Policymakers should work to establish equitable and ethical AI practices, safeguarding fairness and trust in the workplace.

Ensuring ethical AI use involves creating frameworks to evaluate and monitor AI systems regularly. HR professionals should be proactive in addressing potential biases in AI models and ensuring transparency in how decisions are made.

⁹ Source: 2024 Talent Trends: Artificial Intelligence in HR, SHRM, 2024.



AI Has the White House’s Attention

At the start of President Donald Trump’s second term in January 2025, he repealed parts of the Biden-era executive order that focused on AI safety and ethical considerations. The Trump administration’s new Executive Order 14179 calls instead for an AI policy framework that minimizes regulatory burdens and accelerates economic growth and national security interests. The administration also announced plans to rescind the “AI diffusion rule,” which restricted AI chip exports based on geopolitical tiers. This move is expected to simplify global licensing and benefit U.S. semiconductor companies.

The administration also issued an executive order to advance AI teaching across grades K-12 and in higher education, establish a White House task force, and launch the “Presidential AI Challenge.” The administration also released federal policy memoranda (M-25-21 and M-25-22) aimed at expanding AI adoption across government agencies and streamlining acquisition processes.

Together, these actions reflect a broader push to position the U.S. as a leader in AI development by reducing perceived regulatory overreach, expanding access to AI education, and fostering public-private innovation.

Congress Is Setting a Foundation

Congress is establishing a foundation for future legislation surrounding AI. The House of Representatives published two reports examining the promise, innovation, and risks surrounding AI. The Committee on House Administration issued a series of “AI flash reports” introducing their guardrails — human oversight, clear policies, robust testing, transparency, and staff education. The bipartisan House Task Force on AI presented a comprehensive report outlining principles for AI governance. The report emphasizes fostering innovation while implementing safeguards to protect people, serving as a foundation for future AI-related legislation.

The Senate’s bipartisan AI Working Group unveiled a strategic road map to guide national policy on AI. The plan calls for \$32 billion in annual nondefense AI investments and prioritizes research, transparency, and ethical standards. It also addresses workforce impacts, threats, and the potential misuse of AI. By balancing innovation with responsible oversight, the road map seeks to reinforce U.S. leadership in AI development while establishing a framework for safe and

Employers’ use of AI must comply with existing employment laws, but there are currently no federal regulations governing the use of AI in the workplace. In the meantime, several states have taken the lead and developed their own AI workplace laws or regulations:

- In 2023, Maryland passed the Facial Recognition Technology Law, prohibiting employers from using certain facial recognition services — such as those that might cross-check applicants’ faces against external databases — during an applicant’s interview process unless the applicant consents.
- Colorado implemented the Anti-Discrimination in AI Law, which SHRM supported.
- Texas lawmakers in 2025 introduced the Texas Responsible AI Governance Act.
- Illinois passed legislation regulating the use of AI in job interviews.
- California lawmakers introduced Assembly Bill 1018, which would regulate the use of AI in the workplace. SHRM currently opposes this legislation due to its excessive regulations.
- The California Privacy Protection Agency (CPPA) started reviewing draft regulations in December 2023. As of May 2025, California’s proposed AI employment regulations are still under review; the CPPA scaled back its draft rules, and the state finalized separate anti-discrimination regulations covering AI use in hiring.

SHRM Resources

[Ethical Guidance on Artificial Intelligence in the Workplace](#)

[Ethical AI for Human-Centered Work](#)

[Navigating Ethical Challenges in AI Adoption](#)



7. AI AND EMPLOYEE PRIVACY

AI technologies often rely on large sets of employee data to function effectively, which can raise concerns about employee privacy.

AI systems require access to employee data for predictive analytics, performance tracking, and other purposes. While using AI to enhance business processes, HR professionals must ensure that data is collected, stored, and used in compliance with privacy regulations such as the [Fair Credit Reporting Act](#). This checklist can help ensure compliance with the data protection frameworks applicable to the use of AI platforms and also help manage potential risks:

- Be clear and upfront with employees in your privacy notices and relevant policies about how and why you are using data.
- If you are scraping data to train your AI model (such as by extracting information from a website), you will need to complete a [Data Protection Impact Assessment \(DPIA\)](#), and there may be legal implications beyond just data protection laws.
- Be prepared to explain how your AI model works. You should consider this a mandatory requirement if you use an AI system in a recruitment or employment context.
- Build the AI model so that a human is involved in the decision-making process.
- Expect questions from investors and others about where you acquired your data. Be able to confirm that the data was collected lawfully.

Transparency can be achieved by using fact sheets (a collection of information about how an AI model was developed and deployed), DPIAs (a description of the capabilities and limitations of the system) and conformity assessments (a demonstration that the AI system meets legal and regulatory requirements).

- **Ensure AI tools are compliant with data privacy laws.**
- **Communicate data privacy policies clearly to employees.**

High Trust Can Lead to Productive Gains

No one wants to feel like “Big Brother” is watching. Work to build high-trust workplaces and be transparent with employees about how and why you are using AI to monitor their work. A [Cornell study](#) found that when participants were told that an AI tool would be used to provide developmental feedback, they resisted less.

SHRM Resources

[AI Surveillance in the Workplace Linked to Employee Resistance, Turnover](#)

[AI-Based Worker Monitoring Must Comply with FCRA](#)

[AI in the Workplace: Data Protection Issues](#)

8. MANAGING THE CULTURAL SHIFT TO AI

The Intersection of Culture and AI

AI implementation isn't just a technological transformation — it's a profound cultural and behavioral shift. For AI initiatives to succeed, organizations must align their strategy, purpose, and culture, creating an environment that supports innovation and adaptability.

What Does an AI-Compatible Culture Look Like?

A culture ready to embrace AI is adaptable and purpose-driven. According to research by Stanford University and Culture Partners:

- Organizations aligned in purpose, strategy, and culture saw a 44.5% revenue growth over three years.
- Adaptability emerged as the strongest cultural dimension linked to business success, outperforming traits such as collaboration, transparency, and results orientation.

Adapting Culture for AI Success

AI is a strategic investment, but its success hinges on cultural alignment. Leaders must prioritize influencing the beliefs that drive employee actions. This requires creating experiences that help employees see AI as an opportunity rather than a threat. Simply announcing AI initiatives through top-down communication isn't enough — belief-building efforts must be intentional and sustained.



Strategies for Cultivating an AI-Compatible Culture

1. Foster Adaptability:

- Adaptable organizations align their culture with evolving strategies, ensuring that employees can pivot as new technologies, markets, and products emerge.
- Stagnation in cultural norms is a significant risk — adaptability ensures resilience and innovation.

2. Drive Alignment with Belief Exercises:

- Experiences shape beliefs. Leaders should create opportunities — such as pilot programs or success showcases — that demonstrate AI’s value and align it with organizational goals.
- Start with employees who are enthusiastic about AI adoption and let their success stories create a ripple effect across the organization.

3. Empower Middle Managers:

- Middle managers are critical to navigating the cultural shift to AI. By upskilling them and positioning them as champions of change, organizations can ensure smoother transitions.
- Managers should focus on becoming AI literate and using technology to solve problems, ensuring their relevance and indispensability.

Cultural alignment is the foundation of successful AI transformation. By prioritizing adaptability, fostering belief-driven change, and empowering employees at all levels, organizations can unlock the full potential of AI while ensuring sustainable growth and innovation.

37% of U.S. workers said that AI has the potential to make their current job obsolete.

27% said AI is making their current job obsolete.

30% said that AI is diminishing the value of their unique skills at work.¹⁰

SHRM Resources

- [Study Highlights Worker Attitudes Toward AI Adoption](#)
- [Navigating the AI Landscape: Is Culture the Key To Success?](#)
- [Trust in the Age of AI: A Multifaceted Approach to Organizational Success and Workplace Civility](#)

¹⁰ Source: January 2025 Current Events Pulse, SHRM.

Why Adaptability Is Critical

Adaptable cultures drive revenue growth and accelerate AI adoption. As strategies evolve with new technologies, adaptability allows organizations to pivot quickly and effectively, ensuring cultural alignment with AI-driven goals.

THE ROLE OF LEADERS

- **CEOs and senior leaders must balance strategy with cultural readiness, introducing AI initiatives at a pace their organizations can absorb.**
- **Leaders must also foster discernment, helping employees make informed decisions and prioritize efforts to remain relevant in a rapidly changing landscape.**



9. STAYING COMPLIANT WITH AI REGULATIONS

As AI becomes an integral part of HR processes, staying compliant with existing laws and regulations is critical. HR professionals must go beyond relying on vendors and actively coordinate compliance efforts to minimize legal risks.

Key Compliance Considerations

1. Understand the Legal Landscape:

- Federal laws such as Title VII of the Civil Rights Act, the Americans with Disabilities Act, and the Age Discrimination in Employment Act apply to AI use in hiring and workplace decisions.

2. Address AI Bias and Risks:

- AI tools may inadvertently perpetuate bias or discriminate against protected groups, as seen in cases when algorithms excluded candidates based on age or disability status.
- HR must ensure reasonable accommodations are provided and implement thorough fact-checking to validate AI outputs.

3. Ask the Right Questions of Vendors:

- Vet vendors rigorously by inquiring about their algorithms, auditing processes, and tracking records for bias and discrimination.
- Don't hesitate to walk away from vendors unwilling to be transparent about their compliance efforts.

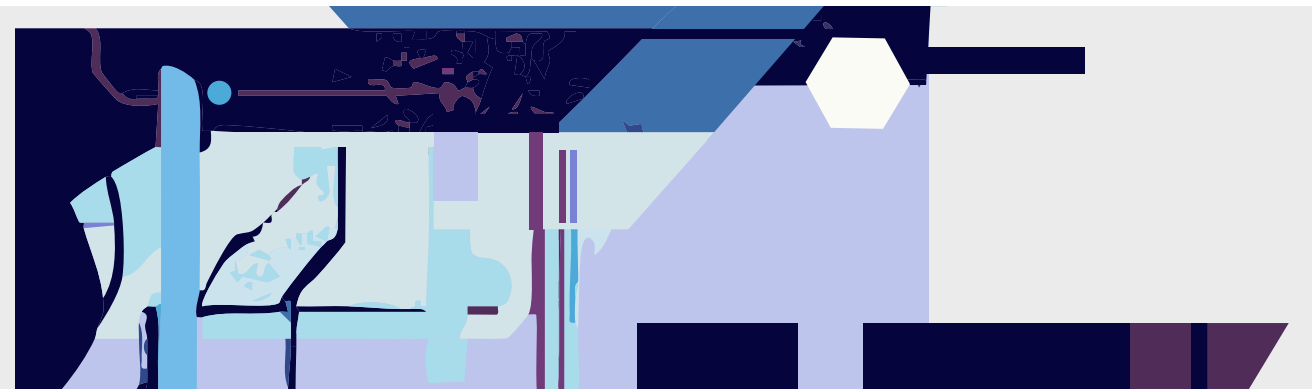
Learn from Enforcement Actions

AI and emerging technologies have already begun to affect questions of liability under existing equal employment opportunity (EEO) law, but the full scope of their impact is still evolving.

As AI and automation tools become more prevalent, the roles and responsibilities of employers and vendors in access and use of these tools evolve and can increase concerns about legality and compliance. In some matters, for example, the U.S. Equal Employment Opportunity Commission (EEOC) has argued in favor of liability for an employer for using AI systems that screened candidates based on protected characteristics (e.g., the 2023 settlement in *EEOC v. iTutorGroup, Inc., et al.*), while in another case, the EEOC argued that an AI vendor themselves may qualify as an employment agency for the purposes of EEO liability (*EEOC's 2024 amicus brief in Mobley v. Workday, Inc.*).

Newly promulgated executive orders on AI policy instruct federal agencies to review and revise any policies, regulations, directives, orders, or other actions that conflict with the administration's AI strategy. In response, the EEOC removed from its public website certain resource documents related to AI and federal EEO laws, including one called the Americans with Disabilities Act and the Use of Software, Algorithms, and Artificial Intelligence to Assess Job Applicants and Employees (2022). The U.S. Department of Labor took similar measures. EEOC spokesperson Victor Chen confirmed that the agency removed certain AI-related documents to review them in accordance with Trump's order rescinding Biden-era AI policies.

The public removal of these resources, however, should not be seen as a signal to employers to stop conducting compliance audits when using vendors in employment decision-making. The underlying laws have not changed, and the EEOC's withdrawal of the resource documents does not eliminate the private right of action for applicants and employees under the relevant EEO laws. Additionally, the EEOC may still be monitoring these issues, underscoring the importance of ensuring that AI tools comply with anti-discrimination laws.



Take Proactive Steps

To remain compliant:

- Develop and update AI policies in collaboration with IT and legal teams.
- Conduct regular audits of AI tools to ensure they are free from biases, not just related to race and gender but also concerning disability status and age.
- Provide clear guidance and training for employees on the responsible use of AI.

By staying vigilant and proactive, HR professionals can harness AI’s benefits while safeguarding their organizations from legal pitfalls.

- Keep track of local, national, and international regulations impacting AI.
- Develop policies that comply with evolving AI legislation.

SHRM Resources

[HR Tech in 2025: Why Responsible AI Remains Critical Regardless of Regulatory Changes](#)
[AI Employment Regulations Make Compliance “Very Complicated”](#)



10. THE AI+HI PROJECT

AI + HI = ROI, and SHRM is your competitive advantage.

Leading the future of work means adopting a growth mindset and staying plugged in to the right conversations, ideas, and strategies before they hit the mainstream. That’s why SHRM built The AI+HI Project, a bold and evolving platform that equips you with the insights, tools, and network you need to lead with confidence.

Here’s how you can stay ahead:

The AI+HI Project 2026 in San Francisco — where the future of work takes shape. The must-attend event for HR and business leaders serious about navigating AI. Big ideas. Real strategies. Game-changing conversations you won’t hear anywhere else.

The AI+HI Project podcast — where bold conversations meet real-world action. Hear from top CHROs, tech innovators, and workplace pioneers on how to drive AI transformation without losing the human touch.

The AI+HI Project newsletter — where staying informed means staying ahead. Curated insights, must-know trends, and tactical tips delivered straight to your inbox so you’re always one step ahead of the AI curve.



11. NOW ENTERING: THE AGE OF INTELLIGENT LEADERSHIP

AI isn't just a tech trend — it's a power shift. And HR is sitting in the control seat.

What happens next in your organization won't be determined by IT teams or algorithms alone. It will be decided by the leaders who understand people — and who know how to scale that understanding with intelligence that learns, adapts, and acts.

This playbook isn't about catching up, it's about taking control.

Because the organizations that move fast with purpose will shape the rules for everyone else.

At SHRM, we know that this is HR's moment — not to react to disruption, but to direct it. You don't need to become a technologist. You need to lead like only an HR professional can: with vision, with judgment, and with a partner who knows the terrain.

SHRM will help you cut through the noise, navigate complexity, and build a future of work that's not just automated but intentional, inclusive, and undeniably human.

And it starts now.



Members-Only Content

- [Toolkit: The AI Prompts Guide for HR](#)
- [How-To Guide: Strategic AI Prompts to Transform HR Summarization Tasks](#)
- [How-To Guide: Leverage Better AI Prompts to Elevate Your HR Data Strategies](#)
- [How-To Guide: AI Prompting Guide for Crafting Employee Communications](#)
- [How-To Guide: Guide to Building AI Prompts for Smart HR Policy Creation](#)
- [Checklist: HR's Blueprint for Writing Better AI Prompts](#)
- [Toolkit: Using AI for Employment Purposes](#)
- [Sample Policy: Generative AI Usage Policy Template](#)



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