

# Written Testimony of Kenneth Meyer, Immediate Past President of New York City's SHRM Chapter

# Submitted to the Senate Health, Education, Labor, and Pensions Subcommittee on Employment & Workplace Safety

Reading the Room: Preparing Workers for AI Wednesday, September 25, 2024

#### **Introduction:**

Chairman Hickenlooper, Ranking Member Braun, and distinguished members of the HELP Subcommittee on Employment and Workplace Safety, thank you for bringing us together for this important conversation about the impact of artificial intelligence (AI) on the workforce. My name is Ken Meyer, and I had the honor in 2023 of serving as President of the New York City chapter of the Society for Human Resource Management (SHRM). Today, I am here to share insights on behalf of SHRM, the foremost expert, researcher, advocate, and thought leader on issues impacting today's evolving workplaces.

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.

I serve as Senior Director for HR for Ryan Health, a Manhattan-based community nonprofit healthcare provider with nearly 500 employees. I have over 35 years of human resource (HR) experience within the healthcare industry. My written testimony is on behalf of SHRM and does not necessarily reflect the views of Ryan Health.

#### **The Intersection of AI and HR: The Benefits:**

SHRM research<sup>1</sup> shows that **1** in **4** organizations (26%) currently use AI to support HR-related activities, with **nearly two-thirds** of these adopters only implementing AI in HR within the past year. As the architects of talent and performance management, HR professionals are embracing AI to enhance their organizations' capabilities because AI offers a promising array of solutions to address the complex demands of the modern workplace. The top three areas where organizations are already using AI to support HR-related activities include recruitment, interviewing, and hiring (64%), learning and development (43%), and performance management (25%).

Furthermore, the steady proliferation and integration of AI underscores the need for organizations to enhance AI curiosity and literacy to get the best return on investment. Another SHRM survey<sup>2</sup> conducted in January and February 2024 finds that among HR leaders whose organizations are currently using generative AI, 75% report enhanced organizational efficiency, 69% say it has increased creativity, and 65% say it has improved work quality. SHRM's AI in the Workplace found U.S. workers recognize the need for various skills or competencies to effectively collaborate with AI technologies. U.S. workers identified "technical skills to navigate interfaces and tools" (72%), "digital literacy" (68%), and "critical thinking skills" (68%) as the top three competencies needed to effectively collaborate with AI technologies in the workplace.

Three in four HR professionals believe that advancements in AI will increase the importance of human intelligence in the workplace over the next five years. SHRM believes it is essential to approach AI's adoption responsibly, and we are helping our members address ethical considerations, ensure transparency, and provide appropriate training. All are crucial aspects of a successful AI integration strategy that helps to reduce the risk of algorithmic discrimination.

### AI + HI [Human Intelligence] Equals ROI [Return on Investment]

As organizations eagerly adopt AI technologies, grasping their potential to create value will be essential for making informed decisions. To successfully navigate workforce changes during this

<sup>&</sup>lt;sup>1</sup> SHRM's 2024 Talent Trends Survey was conducted in January 2024 and collected responses from over 2,300 HR professionals representing organizations of all sizes and across a variety of industries in the United States. A summary excerpt of these research findings is available at <a href="https://shrm-res.cloudinary.com/image/upload/AI/2024-Talent-Trends-Survey">https://shrm-res.cloudinary.com/image/upload/AI/2024-Talent-Trends-Survey</a> Artificial-Intelligence-Findings.pdf.

<sup>&</sup>lt;sup>2</sup> SHRM conducted additional research, collecting 1,220 responses from HR leaders completed between January 25, 2024, and February 7, 2024. The survey was fielded electronically using the SHRM Voice of Work Panel to U.S.-based HR leaders who hold a title of Director or higher and engage in HR activities. A copy of an article further summarizing this research is available at <a href="https://www.shrm.org/executive-network/insights/new-shrm-research-shows-how-hr-leaders-really-feel-about-ai.">https://www.shrm.org/executive-network/insights/new-shrm-research-shows-how-hr-leaders-really-feel-about-ai.</a>

significant technological transformation, individuals at all levels of the workforce must learn how to<sup>3</sup>:

- Manage disruption and empower innovation. Work is where markets, people, and disruptive technologies intersect with the challenges of human intelligence. As generative AI becomes more integrated into our daily lives, we will learn how to unlock potential, spark innovation, and discern our unique human qualities from AI.
- Augment the power of people to drive the world forward. To flourish in the AI era, we must rethink work, workers, and workplaces—reimagining a world of work where human intelligence and ingenuity are upskilled, not replaced.
- Engender a culture of change and invest in human catalysts. Studies show human catalysts are key to successful AI integrations. Organizations must invest in their people to empower the mindsets, skill sets, and toolsets to drive thriving, responsible workplace transitions.

As SHRM President and Chief Executive Officer Johnny C. Taylor, Jr. has said, "The opportunities AI presents are limitless. When combined with human ingenuity (HI), this synergy has the capacity to transform your organization while maximizing human potential. AI + HI = ROI." SHRM believes that while AI can help augment and automate routine tasks, we will reach our fullest potential by combining AI with human intelligence and oversight. Through this combination of technology with human intelligence, HR professionals are achieving positive outcomes. Below are examples of how SHRM's members are combining AI with HI across a wide range of HR applications 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."

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<sup>&</sup>quot;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."

<sup>—</sup>Large employer in the Retail industry

<sup>&</sup>lt;sup>3</sup> AI in the Workplace Playbook, SHRM, 2024

- "Chatbots are creating 24/7 access to answers, which improves the candidate experience and frees up the recruiter to actually recruit."
- —Large employer in the Child Care, Community, or Social Services 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
- "We use AI to recommend learning pathways for our staff based upon the types of trainings that they are watching/learning from. We use human intelligence to conduct a gap analysis of what might be crucial learning that is overlooked because of how the AI provides pathways for people and then find ways to push those overlooked training topics to relevant people."
- —Extra-large employer in the Professional, Technical, and Scientific Services industry
- "We've utilized AI for comprehensive job descriptions and to create a defined role that provides clarity and structure within the organization. This has helped new hires understand the position and expectations and has also allowed us to promote individuals with clear intent on their expanding function."
- —Large employer in the Real Estate industry
- "We integrated our [human capital management] software with an AI-based engagement tool. It uses AI to recommend ways to improve our engagement score in areas that are low. This is being used by managers once they get their results to implement change, based off of AI recommendations, to improve our scores."
- —Extra-large employer in the Manufacturing industry

### The Increased Demand for AI Literacy and Upskilling

As more businesses embrace AI, American workers will need opportunities to learn, adapt, and use AI to remain competitive in the global job market. SHRM's research<sup>4</sup> shows that 30% of HR leaders already feel greater pressure to innovate, and 28% believe there is an increased need

<sup>&</sup>lt;sup>4</sup> SHRM conducted additional research, collecting 1,220 responses from HR leaders completed between January 25, 2024, and February 7, 2024. The survey was fielded electronically using the SHRM Voice of Work Panel to U.S. based HR leaders who hold a title of Director or higher and engage in HR activities. A copy of an article further summarizing this research is available at <a href="https://www.shrm.org/executive-network/insights/new-shrm-research-shows-how-hr-leaders-really-feel-about-ai">https://www.shrm.org/executive-network/insights/new-shrm-research-shows-how-hr-leaders-really-feel-about-ai</a>.

to upskill and reskill workers. AI curiosity and AI literacy are becoming essential skills for employees in nearly every role in the workforce.

- The increased demand for AI literacy and upskilling is critical to the modern workforce. As AI continues to transform workplaces, it is essential for employees to develop the skills needed to work alongside these technologies. A SHRM Current Events Pulse<sup>5</sup> survey in August 2024 revealed that most workers are still at the start of their AI journeys. For example:
  - o 80% of U.S. workers classify their <u>understanding</u> of AI as either beginner or intermediate, while only 20% say they are at an advanced or expert level.
  - Nearly a quarter of U.S. workers (22%) lack any experience with AI, while 63% classify their AI proficiency as beginner or intermediate. Only 15% of workers say they have advanced or expert-level experience with AI.

Moreover, SHRM's research shows that the increased demand for AI literacy and upskilling is disproportionately borne by older generations, who are significantly more likely to say they are at a beginner or intermediate level of AI understanding compared to younger workers.

By investing in training programs and promoting AI literacy, organizations can ensure that their workforce remains competitive and can leverage AI to drive workplace innovation and productivity.

To address the growing need for AI literacy, many companies are investing in upskilling and reskilling initiatives, using the technology to create personalized learning and development opportunities. These programs are designed to help employees develop the skills they need to work alongside AI technologies. Training helps managers identify when generative AI can enhance efficiency and when it is inappropriate or too risky to use.

SHRM has been actively preparing employers and HR professionals to navigate the implementation of AI in the workplace. By providing comprehensive resources and expert guidance, SHRM helps organizations understand the potential of AI to enhance productivity and innovation. This includes:

• **Developing a robust toolkit for using AI in employment**<sup>6</sup>: SHRM offers resources that help HR professionals understand how to integrate AI into various HR functions, such as talent acquisition, education and development, employee engagement, and performance management.

<sup>&</sup>lt;sup>5</sup> August 2024 Current Events Pulse, SHRM, 2024

<sup>&</sup>lt;sup>6</sup> https://www.shrm.org/topics-tools/tools/toolkits/using-artificial-intelligence-employment-purposes

- Creating a comprehensive AI specialty credential<sup>7</sup>: This six-week training program helps HR professionals learn to utilize AI and create an AI implementation plan.
- Collaborating with industry experts: SHRM works with experts to develop best practices for integrating AI into HR functions, ensuring that organizations can harness the benefits of AI while mitigating risks.

## **Legislative and Regulatory Considerations:**

SHRM is working to educate its members regarding both the benefits and the risks of AI, and steps that should be taken to mitigate these risks. SHRM supports thoughtful legislation and regulation that promotes, rather than stifles, workplace and workforce innovation. State and local legislative and regulatory efforts regarding AI are creating a patchwork of obligations for employers, putting some AI applications out of reach for small and medium-sized businesses due to the cost and uncertainty of regulatory compliance.

For example, small and medium-sized organizations operating in New York City are navigating unique regulatory environments. Last year, New York City Local Law 144 became effective, imposing new requirements when an employer uses "automated employment decision tools." The cost of complying with New York City's new law and the uncertainty regarding AI regulation mean that small and medium-sized businesses may avoid leveraging AI's potential until there is stability, placing them at a competitive disadvantage.

SHRM is concerned that a patchwork of state and local overlapping laws and regulations regarding AI may lead to unintended consequences that create uncertainty and discourage workplace innovation. SHRM supports a uniform federal standard that provides a clear framework for how employers should strive to prevent unlawful bias and promote responsible workplace applications of AI. We also support federal efforts to educate stakeholders about the benefits and risks of AI in the workplace.

#### **Conclusion**

The rapid evolution of AI brings both incredible opportunities and significant challenges. Lawmakers must work with multiple stakeholders to identify ways to meet these challenges, and to create a regulatory landscape that enables workers and businesses to achieve the benefits of AI responsibly and consistent with our shared values. SHRM hopes that lawmakers, employers, workers, and other stakeholders can work together to achieve these goals and address these concerns.

<sup>&</sup>lt;sup>7</sup> <u>https://www.shrm.org/topics-tools/news/organizational-employee-development/shrm-ai---hi-specialty-credential-ushering-in-a-new-era</u>

SHRM is committed to helping employers and HR professionals responsibly navigate this new landscape, ensuring that AI enhances the workplace without compromising our shared values. We stand ready to provide Congress with our expertise on workplace issues to ensure you are fully informed about the potential consequences of forthcoming public policy and legislative efforts. Thank you for the opportunity to submit this testimony to the Employment & Workplace Safety Subcommittee about this critical issue.