

February 16, 2024

The Honorable Mariannette Miller-Meeks Chair Subcommittee on Health House Committee on Veterans' Affairs 364 Cannon House Office Building Washington, D.C. 20003

Re: SHRM Statement for the record for the House Committee on Veterans' Affairs Subcommittee on Health hearing, "Artificial Intelligence at VA: Exploring its Current State and Future Possibilities"

Dear Chairwoman Miller-Meeks:

Thank you for holding this hearing to examine how using Artificial Intelligence (AI) can improve the Department of Veterans Affairs (VA) use of AI to provide health, education and other benefits to veterans, as well as to address workforce shortages.

SHRM is the world's largest human resources association, and our 326,000 HR professionals and executive members are the architects of talent and performance management, impacting the lives of over 235 million workers daily. Over the past 75 years, SHRM has leveraged its thought leadership and resources to create better workplaces and a better world. Our organization continues to advance the world of work by working with business leaders and policymakers to develop a human-centered approach to responsible workplace AI adoption and to maximize investment, foster innovation and responsibly transform our workplaces.

For many private-sector employers, embracing AI is a business imperative, and SHRM believes that it is essential to approach AI's adoption responsibly. SHRM is helping its members address ethical considerations, ensure transparency and provide appropriate training, all as crucial aspects of a successful AI integration strategy. SHRM also believes that while AI can help augment and help workers automate routine tasks, human intelligence and oversight are just as important. AI allows workers to focus on more creative and complex aspects of their roles. "AI *plus* HI [Human Intelligence] *equals* ROI [Return on Investment]" is how SHRM President & CEO Johnny C. Taylor, Jr. explains it.

SHRM's research shows that private-sector employers are already embracing the possibilities of AI in the workplace. One in four organizations already use AI to support HR-related activities; however, nearly two in three only began using it for this purpose within the past year. The top three areas where organizations are using AI to support HR-related activities include recruitment; interviewing and hiring (64%); learning and development (43%); and performance management (25%).

A recently released section of <u>SHRM's 2024 Talent Trends</u> survey found most HR professionals are optimistic about the potential for AI to benefit their organization. **Three in four** agree that advancements in AI will increase the importance of HI in the workplace over the next five years. Over 60% are optimistic about the potential for the effective use of AI, and 56% are optimistic about its potential to improve collaboration in their organization.



Among the top uses of AI to support HR include recruiting and hiring; learning and development; performance management; productivity, success planning; and personnel decisions. AI is helping HR professionals review more applications and fill open positions in less time. These technologies are assisting organizations to produce more effective job descriptions, leading to more inclusive and higher-quality talent pools.

AI Training and Upskilling for Veterans

As private-sector employers embrace AI's potential, SHRM believes it is critical to invest in training and upskilling to better enable American workers to work with and alongside AI technology. SHRM believes that to fulfill the VA's mission to care for those who served in our nation's military, their families, their caregivers, and survivors, it is crucial to prioritize funding for AI training, literacy, and upskilling initiatives, both within the VA and for veterans and their families generally.

SHRM's 2024 Talent Trends survey found that **fewer than one in four** (24%) HR professionals are concerned that AI will lead to job displacement at their organization. In practice, those who work at organizations that already use AI were 16 times more likely to say that AI has transformed existing jobs rather than displace jobs at their company. Among organizations that use AI, **nearly three in 10** (29%) have already been proactive in training and/or upskilling employees to work alongside AI technologies.

Generative AI technology has the potential to automate work activities that absorb up to 70% of employees' time, which will cause widespread disruption to the workplace. In particular, these technologies will have an accelerated impact on knowledge work and the occupations associated with higher wages, educational requirements, decision-making and collaboration. Acknowledging this reality underscores the importance of establishing a people-focused approach to AI adoption, as these tools are intended to enhance human capabilities, not replace them. As automation and AI augmentation become more prevalent, American companies must focus on reskilling and upskilling initiatives. This involves identifying the skills employees need to thrive in a technology-driven workplace and developing programs to facilitate continuous learning.

With this continued transformation of the American workforce, SHRM believes that it is critical for the Department to prioritize funding internal and external training and upskilling initiatives.

Moreover, according to SHRM's recent survey data, private-sector employers are using AI to support learning and development activities. Among the respondents who indicated their organization uses AI to support learning and development activities,

- 51% said using AI makes their learning and development programs more effective;
- 44% said it increases their employees' engagement in learning & development;
- 36% said it allows them to make more data-driven decisions related to their learning and development offerings; and
- 33% said it has reduced their costs associated with learning and development activities.



Among organizations that already use AI to support HR-related activities, **over one in 10** (12%) leverage AI to identify skills gaps within their organization, and **nearly one in 10** (9%) leverage AI to anticipate changing talent needs.

SHRM's members have shared their stories about how they are succeeding at upskilling using AI. Some of the stories are:

"Preparing customized training for our employees is easier with AI. I can insert a prompt or policy, and the program will develop a training outline. It definitely requires intervention and correction, but just getting a template outlined is very helpful."

Large employer in the Education industry

"AI administers, tracks and collates skill gap analysis frameworks to employees and identifies skill gaps based on role and career goals. It then provides personalized learning recommendations and tracks progress and improvement over time."

Small employer in the Administrative Support and Services industry

"AI is used for scenario-based learning development for our Frontline Sales Teams to provide almost-real life situations on handling customers."

Extra-large employer in the Publishing and Communications industry

"We have AI tools that will assess our calls and from there we will understand what the most frequently asked questions are and the most common calls from our customers. We compile that data and look at learning opportunities for our employees."

Medium employer in the Finance, Banking, and Insurance industry

"AI has really helped our people managers develop their talents. AI introduces them to new subjects, different videos and more trainings that managers can take." Medium employer in the Healthcare industry

SHRM encourages the Committee and the Department to consider how AI can be leveraged in veterans' training and upskilling programs, and SHRM is happy to be a trusted partner and resource to the Subcommittee on Health and the House Veteran Affairs Committee to share how SHRM members are using this technology.

AI and Veterans

Veterans and their family members are valuable members of our workforce and present a strong business case for being given hiring opportunities. They have in-demand skills reinforced by their military experience. A recent SHRM Foundation <u>survey</u> found that:

- 80% of HR professionals say veterans have the educational backgrounds they need.
- 78% of HR professionals say veterans have the necessary technical expertise.
- 96% of HR professionals say veterans are uniquely trained to work through chaotic times.
- 63% of HR professionals say veterans are more resilient remote/virtual workers compared to civilians.



Despite the unique skills and value veterans bring to employers, veterans and their families can face significant barriers to finding meaningful, long-term employment. AI can help address the gap between civilian job openings and veterans seeking employment.

AI can be a powerful, dynamic, data-driven tool that empowers veterans to discover meaningful career paths and develop necessary skills. SHRM envisions a future where AI can:

- Personalize Career Exploration: Through algorithms analyzing skills, experiences and interests,
 AI can offer tailored career recommendations beyond traditional military-to-civilian translations.
- Facilitate Learning and Development: AI-powered learning platforms can deliver adaptive and individualized training aligned with identified career goals. Virtual mentors powered by AI can offer personalized guidance, filling potential gaps in civilian skill sets.
- **Bridge the Networking Gap**: AI can facilitate meaningful connections between veterans and civilian professionals, fostering valuable relationships and career advice.
- Support Entrepreneurial Dreams: AI tools can analyze market trends and data to suggest business opportunities aligned with veterans' strengths and passions. Additionally, AI-powered business plan development tools can offer personalized guidance and resource recommendations.

AI's constant evolution and advancements can help recruit and support veterans. It is also a tool that can help veterans prepare to transition from military service into a civilian career. Correctly leveraged, AI can:

1. Assess veterans' skills and competencies more objectively with innovative techniques that match them with suitable positions. This is particularly important for veterans who may not meet education requirements but gained significant experience through their service.

A large employer in the Healthcare industry said, "The AI [we use] scans applications for those with not only the educational requirements we list, such as a college degree, but it also scans for experience in the position posted as well so that those who do not have a college degree are brought forward and interviewed too, leading to a bigger applicant pool and better fill rate."

"AI via [our Customer Relations management software] presents/suggests jobs to candidates proactively rather than the candidate having to find jobs they may not realize they qualify for/are interested in, to which they apply," according to a small employer in the Professional, Technical and Scientific Services industry.

- 2. Connect veterans with employers based on their skills, preferences and experiences. These platforms leverage advanced algorithms to match veterans with job opportunities that align with their military background and civilian career goals.
- 3. Identify skill gaps in veterans' resumes and recommend relevant training or upskilling opportunities. This helps veterans stay competitive in the job market and ensures a continuous learning approach.



Policy Recommendations

Veterans are an essential answer to the labor and talent shortage across the country. SHRM champions and encourages veteran hiring through our advocacy and work at the SHRM Foundation. Their service equips them with invaluable skills like leadership, adaptability, discipline and problem-solving — soughtafter qualities in the private sector.

SHRM remains committed to supporting veterans and advancing their success in the workforce. We stand ready to:

- Advocate for responsible and ethical AI implementation within veteran transition programs, addressing potential bias and data privacy concerns.
- Collaborate with policymakers and stakeholders to explore how AI can best serve veterans and unlock their immense potential.
- Promote the value of veterans as talent within companies and organizations, advocating for inclusive hiring practices that recognize their unique skills and experience.

SHRM advocates for public policy that supports the appropriate applications of AI in the world of work and establishes the necessary guardrails and standards to protect individuals and employers.

- Safety and security: SHRM supports the implementation of safety and security measures that ensure accountability and effective governance to protect workers and the workplace.
- **Discrimination and biases:** SHRM advocates policies that identify and protect against discrimination and biases emerging from workplace tech innovation.
- Innovation and growth: SHRM believes AI regulation should enable businesses and workers to embrace innovation, provide opportunities to develop and access talent pipelines and create advantages to compete in a rapidly evolving global market.

Thank you for the opportunity to provide SHRM's insights and data regarding this important issue. We are encouraged that the subcommittee is having this dialogue and seeking solutions to help the VA health system embrace new technologies and innovations to better assist veterans. SHRM stands ready as a trusted partner and resource to the Health Subcommittee and the House Veteran Affairs Committee.

We look forward to collaborating and contributing to solutions that leverage AI's power to benefit veterans and create better opportunities and workplaces. Please do not hesitate to contact me at Emily.Dickens@shrm.org with additional questions, information requests, or details about SHRM's public policy priorities.

Sincerely,

Emily M. Dickens

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SHRM Chief of Staff & Head of Public Affairs