



THE AI AND EMERGING TECH TRANSFORMATION SERIES:

Part I. Navigating the Risks and Rewards of the *Future of Work*

Guidance for C-Suite, HR,
Procurement Officers, & Boards



Business Case

As part of this two-part series, we examine key risk areas for the C-suite to consider when procuring workplace technologies as well as due diligence frameworks that can be used for vendor selection and mitigate potential risks. Despite the benefits of implementing AI and emerging technologies at work, as with any technology, there are pitfalls. While it takes planning and coordination, C-Suite leaders are well-poised to both leverage the promises of emerging tech as well as protect their greatest asset, workers.



Business leaders are facing a pivotal moment as artificial intelligence (AI) and other emerging technologies become increasingly prevalent in the workplace. The number of companies with leadership buy-in for adopting emerging technologies has tripled over the past decade, from 10% to 32%¹. With advances in AI, Large Language Models (LLMs), Machine Learning (ML), etc., it is estimated that the workplace emerging technology market will grow to \$1 trillion by 2026².

In order to navigate this growing marketplace of workplace technologies, the C-Suite must develop a comprehensive procurement strategy. This means recognizing and understanding the risks and pitfalls associated with many of these workplace technologies, vendors, apps, and platforms.

Growth of Technology Leaders Over the Last Decade



2013
10%



2023
32%

The workplace technology market will reach

2026
\$1 trillion

1. KPMG. (2023). *2023 KPMG US Technology Survey Report*.
2. WorkTech. (2024). *EXCLUSIVE: Work Tech Emerges, Nearing \$1 Trillion in Market Size by 2026. New Report Reveals Hiring Work Tech Adoption, Spend, and Budgets*.

Balancing Risks with Opportunities

Technology has always been a part of the workplace. Nevertheless, as technology becomes more sophisticated, it can also become more intrusive in workers' lives. For example, workers are increasingly taking note of how their personal data is being collected and used at work, and there have been increasing calls for data rights³, while they are also demanding other workplace benefits such as living wages, paid time off, and work-life balance⁴. Moreover, in our survey of over 1,800 workers from various industries, including retail, manufacturing, healthcare, finance, and insurance, we discovered that workers would like companies to assess the benefits of technology investments against other investments in workplace well-being, such as wage increases.

Additionally, an American Psychology Association study found that investing in a workplace that promotes psychological safety is the most effective way to prepare a workforce for technological and other changes⁵. Therefore, in order to maximize the long-term value of your technology investments, you must take into account not only

the risks and additional protections workers may need (such as data rights, privacy, and psychological safety), but also ensure that technology investments do not exceed or undermine investments in worker mental health, job quality, and job security.

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3. “Nurses to hold ‘solidarity march’ in support of striking writers, actors.” By Kevin Smith. August 28, 2023. Los Angeles Daily News.

4. “Nurses to hold ‘solidarity march’ in support of striking writers, actors.” By Kevin Smith. August 28, 2023. Los Angeles Daily News.

5. American Psychological Association. (2024). *Psychological safety: The 2024 Work in America report*. American Psychological Association. <https://www.apa.org/pubs/reports/work-in-america/2024/2024-work-in-america-report.pdf>

Human Capital Management Areas and Business Functions Where Risk Can Emerge

In today's modern economy, companies are increasingly procuring new technology vendors and startups in two broad human capital management areas: (1) workforce and business management and (2) workforce development.

Under these human capital management areas, we have identified seven activities and business functions where greater due diligence is needed due to the potential for negative unintended risks to workers. They are: activity monitoring, performance analysis, labor optimization, behavioral insights (including employee listening), real-time monitoring and feedback, compliance tracking, risk management, and employee benefits and wellness.

Activity Monitoring:

- Tracking workers' interactions with various platforms, tools, applications, and increasingly, AI agents.
- Monitoring participation and engagement in meetings, training sessions, interviews, etc.

Performance Analysis:

- Evaluating productivity, task completion, efficiency, and effectiveness of employees.
- Analyzing key performance indicators such as response times, resolution rates, and quality of work.
- Using predictive analytics to anticipate issues and optimize workflows.
- Use of AI agents alongside or in place of workers.

Labor Optimization

- Among these are robotics, automation, and industry-specific deep tech solutions, such as those in medicine and biotech, as well as other emerging applications of AI that target efficiency, productivity, and safety.
- These can include apps, platforms, or technologies aimed at job creation, training, certification, upskilling, etc. or for professional development, to analyze workforce data, predict skill requirements, etc.
- It can also include technologies such as chatbots, virtual assistants, and language translation tools for workplace support, coaching, and mentoring.
- Platforms and apps can also be used for exploring new business models, utilizing new contingent workforce arrangements such as the gig economy, or for flexible work arrangements.

Behavioral Insights (including employee listening):

- Analyzing communication patterns, work habits, and interaction behaviors.
- Monitoring emotional responses, engagement levels, and overall sentiment.

Real-time Monitoring and Feedback:

- Providing real-time insights, feedback, and alerts based on employee activities and interactions.
- Offering continuous monitoring and guidance to ensure adherence to protocols and improve performance.

Compliance Tracking and Risk Management:

- Ensuring adherence to company policies, safety standards, and regulatory requirements.
- Monitoring for policy violations and generating automated reports to ensure compliance.

Employee Benefits and Wellness

- Providing access to apps and platforms to workers as part of the job benefits and compensation packages.
- This can include earned wage access, mental and physical health, as well as wellness apps, and platforms.

In Conclusion

In part one of our "The AI and Emerging Tech Transformation Series," we've emphasized the need to implement a comprehensive procurement strategy in order to navigate the many workplace products, vendors, apps, and platforms that will be entering the market over the next ten to twenty years. We also identified seven risk areas that should be carefully examined and considered before procuring technologies in these areas. While the vendors, apps, and platforms available offer the promise for greater productivity, efficiency, risk management, etc., they also raise important concerns about data privacy, worker well-being, and job security.

In part two of this series, we will discuss key due diligence and risk management frameworks that the C-Suite can implement smart and ethical procurement of workplace technologies.



Want to talk more? Contact Us at:
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