

HR Insights

Brought to you by the insurance professionals at
National Insurance Services

4 Ways AI Will Impact the Workplace in 2024

Artificial intelligence (AI) garnered attention from every industry in 2023, revolutionizing the way organizations operate and make decisions. Many employers adopted this technology to streamline operations, enhance workflows and improve customer experience. Looking ahead, organizations are expected to adopt AI at an even more rapid pace. According to Grand View Research, AI has an expected annual growth rate of 37.3% between 2023 and 2030, indicating the growing impact of AI technology in the coming years.

In 2024, employers are expected to increasingly rely on AI to make critical business decisions and improve productivity. Savvy employers will stay current on evolving legal, ethical and transparency issues surrounding the heightened adoption of AI in the workplace. This article discusses four key impacts AI will have on workplaces in 2024.

1. Enhanced Decision-making Capabilities

In 2023, many employers adopted AI to streamline HR and managerial functions such as hiring, onboarding, training and open enrollment. As this technology advances, employers will likely increasingly rely on AI to support HR professionals and managers in areas where they are inexperienced or burnt out. For example, in 2024, AI may be used to create thoughtful performance reviews and career coaching and identify internal growth opportunities for employees, empowering organizations to grow and upskill their workforce.

In addition, as employers place more trust in AI's decision-making capabilities, organizations may rely on this technology for cybersecurity. In this capacity,

AI's ability to rapidly sift through large amounts of information, gain insights and create business strategies may proactively identify and mitigate potential cyberthreats to protect company data.

2. Increased Productivity

Chatbots and virtual assistants showed significant potential in 2023, with the ability to enhance the employee experience, respond to customer inquiries, and perform mundane and repetitive tasks. These capabilities can free employees to focus on solving more complex issues more efficiently. A 2023 report by management consulting company McKinsey & Company found that current generative AI and other technologies can potentially automate work activities that take up 60% to 70% of employees' time today. As AI capabilities advance, these technologies may also create workplace-specific algorithms to identify project misalignments and tasks requiring immediate attention. Thus, this year, these algorithms will be increasingly used to bolster employee productivity and ensure customers receive timely and personalized feedback on complex queries.

NIS
National Insurance Services

3. Greater Focus on Legality, Ethics and Transparency

AI legislation is beginning to evolve, with various states and cities—such as Illinois, Maryland and New York City—creating laws regarding its use. The U.S. Equal Employment Opportunity Commission has also prioritized the enforcement of applicable federal laws concerning AI in employment. These regulations are expected to expand further as lawmakers face growing pressure to regulate its use. As such, remaining abreast of legal developments regarding AI will be crucial for organizations this year. Failing to comply with applicable regulations could result in costly lawsuits, fines and penalties, as well as reputational damage.

Employers may also focus more on ensuring that AI systems are fair and transparent. This will include understanding the sources used to train AI, potential biases in these datasets and the ethical implications of AI-powered decisions. Employee training will also be critical to ensuring safe and ethical use. A recent survey by social networking platform FishBowl found that just 32% of individuals who use AI tools at work do so with their boss's knowledge. Moreover, according to the Josh Bersin Company, only 4% of organizations have a defined strategy for AI in HR. In 2024, employers are expected to prioritize creating formal AI policies to meet evolving legal, ethical and transparency standards.

4. Heightened Focus on Skills-based Hiring

Increased adoption of AI is expected to change the qualities employers look for in employees in 2024 and beyond. There will likely be a greater focus on hiring employees with behavioral skills, such as data analysis, AI literacy and the ability to work alongside AI systems. “Human” soft skills, such as problem-solving and communication, that AI can't replicate, will also be in high demand. Additionally, as generative AI takes over certain workplace tasks, it will also create the need for new job roles and requirements. For example, AI ethicists, data curators and algorithm trainers may become emerging professions. AI proficiency may become a popular requisite on job postings as employers create more AI-centric business strategies. As such, the 2024 workforce will likely be defined by the ability to learn and work productively with AI technology.

Conclusion

The prevalence of AI in the workplace is a trend that isn't going away. As this technology advances, employers will increasingly integrate AI into everyday operations and decision-making processes. However, the relative newness of this technology has the potential to create legal and ethical issues for organizations that adopt AI without proper protocols in place. Employers can stay ahead by monitoring AI trends impacting the workplace in 2024 and beyond.

Contact us today for more information.