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EMERGING OPPORTUNITY

EVALUATING NEW TECH FOR WORKER FINANCIAL SECURITY

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WHY THIS GUIDE?

Human Resource (HR) professionals are facing uncharted territory as emerging technologies advance into their field. Artificial intelligence (AI) alone is consuming billions of investment dollars, while new mechanisms for both generating and collecting data increase rapidly.

Adoption of these new tools for employer-provided services has been limited so far, but this will not be the case for much longer. Crunchbase found that [funding in the HR tech sector has "more than doubled,"](#) and by November 2021, total venture dollars stood at nearly $7.5 billion—"more than the totals for 2019 and 2020 combined." New vendors are surfacing every day with bold claims of how their technology can solve many of the problems facing HR departments and the workers they represent.

At the same time, there is more pressure than ever on companies to consider their workers' overall wellbeing, outside of the immediate workplace. [97% of employers](#) feel responsible for their workers' financial wellness, a 56% increase from 2013. Because of this, HR professionals are examining the services that tech companies are offering and evaluating what worker data might be required to offer improvements.

This resource helps HR teams navigate the researching, interviewing, and implementation of new services, with an eye toward improving the financial lives of the workers they represent.

KEEP IN MIND

HR professionals are not expected to be technology experts or to have extensive knowledge of the various tech "buzzwords" vendors may use to entice new customers. Terms such as personalization, distributed cloud, and of course, artificial intelligence can be difficult to understand in the context of a new employer-provided product or service and may require additional stakeholder review. That said, as one of the first groups to interact with a new vendor, HR professionals have a unique opportunity to steer discussions in a productive direction that can benefit both employers and workers.

With this in mind, HR professionals should consider the following points throughout the process of engaging with emerging technology vendors:

1. Your legal and IT team should always be engaged from the beginning. Both teams can help navigate the true intentions of a vendor and help interpret the answers to crucial questions. For any HR professional going into these meetings, it is helpful to have a general knowledge of the types of <u>technical questions that should be asked</u> such as these developed by Beamery.

When considering a new technology-focused vendor, there is often already quite a lot of useful information to be found

KEEP IN MIND

about them. It is important to look closely at their current and past clients, where their funding is coming from, independent testimonials from the workers using the products (not just from the HR representatives of their clients), and whether there are worker or media accounts of their behaviors handling data. Even doing a quick review of these areas can give you valuable information about the vendor's values and motivations.

2. Your workers should be involved from the beginning. They will have insight into what works and what doesn't work. It can be burdensome to workers when they need to navigate multiple platforms and services, and can also be a burden for your own team as information can get lost between services. People are resourceful by nature, particularly low-income workers who do not have the luxury of time or resources. Listen to your workers, as they may be able to share their experiences with outside services or products that they use independently to clarify what is working for them and what they still need.

QUESTIONS
TO ASK YOUR VENDORS

These questions are designed to help HR professionals gain a firm understanding of the offerings from a potential technology vendor who may be presenting a new, relatively untested product or service.

WHAT WAS THE MOTIVATION BEHIND CREATING THIS PRODUCT OR SERVICE?

DO YOU HAVE PROXIMITY TO OR LIVED EXPERIENCE WITH THE PROBLEM(S) YOU ARE ADDRESSING WITH THIS PRODUCT OR SERVICE?

1.

When a vendor is pitching a new product or service, the motivation for building it can provide important insights into whether it might be a good fit for your workers. A vendor may not truly understand the issues facing your workers and therefore, will have built a product or service based on assumptions which may prove false, leading to a less helpful product or service.

QUESTIONS TO ASK YOUR VENDORS

2. **HOW HAVE WORKERS BEEN INVOLVED IN THE DEVELOPMENT OF THIS PRODUCT OR SERVICE?**

HAVE YOU TESTED THIS PRODUCT WITH WORKERS?

Vendors eager to share new technologies may have failed to include workers in the full design, development, and implementation process. It is imperative to the success of the product or service that vendors can point to specific examples of how workers have been consulted as well as details of extensive testing. In some cases, it may be possible to ask for introductions to other clients and users of a product or service to hear from them directly.

WHAT IS THE BUSINESS MODEL FOR YOUR PRODUCT OR SERVICE? **3.**

HOW DO YOU MAKE MONEY?

New technologies emerge everyday with promises to "fix" or "improve" but many lack the foundation to remain viable. This creates a risk that the new product or service will be adopted, only

QUESTIONS TO ASK YOUR VENDORS

to have it fall apart six months later. Inquiring about how a vendor generates revenue can help to uncover possible risks to the sustainability of their business model, helping your organization to take steps to minimize the risks of relying on outside vendors. These questions can help clarify their motivations as well. If something seems "too good to be true," it very well may be.

4. WHAT ARE YOUR DATA PRIVACY PRACTICES?

Data is one of the most valuable assets of any company today. Many new technology companies are eager to gain access to as much data as possible. Some do so with the aim at improving their offerings while others do so with the sole purpose of selling aggregated data to turn a profit. Any new product or service requiring the use of data becomes a new security risk for companies and for their workers.

People are becoming more mindful of the data about themselves and may be unwilling to interact with a new technology if they cannot trust that data about them will be protected. Your legal and IT colleagues will most likely have thoughtful considerations when it comes to protecting your company's internal data, however it is still important to bring a critical lens to the technology being pitched.

QUESTIONS TO ASK YOUR VENDORS

5.
HOW HAVE YOU INTEGRATED DIVERSITY, EQUITY, AND INCLUSION PRINCIPLES INTO THE DESIGN, BUILD, AND IMPLEMENTATION OF YOUR PRODUCT OR SERVICE?

Many technology companies fail to integrate inclusivity in every step of their work. Without it, the product or service will exclude workers, especially those who are most likely to need it. This is especially true when considering any kind of personalization product. This series of questions from an HR professional asks very specific and critical questions related to AI in particular, but these are good examples of questions to think about when approaching any new technology.

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