

AI at Work – Promises and Pitfalls of Digital Workplace Monitoring

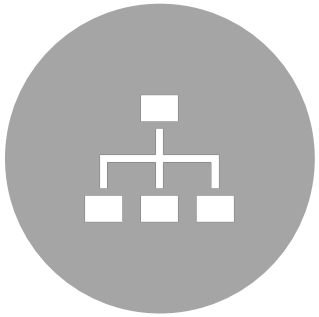
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9 November 20221

Structure



SETTING THE SCENE



PART 1:

ORGANIZATIONAL CONTROL AND WORKPLACE MONITORING – A FRAMEWORK FOR THE IMPACT OF DATAFICATION TECHNOLOGIES ON ORGANIZATIONAL CONTROL



PART 2:

MANAGING PRIVACY IN WORKPLACE MONITORING – A PRIVACY DUE DILIGENCE APPROACH

I. Setting the scene: Introduction

- AI promises to make people management more effective and objective in nature
- Huge appetite in private and public sector to manage people with the help of AI
- Yet „AI“ often used as buzzword for less sophisticated analyitcal techniques
- Applied in business practice, „AI“ has been associated with errors and intrusive practices, raising ethical and legal concerns
- Companies need to balance interests carefully when using digital technologies for workplace monitoring

I. Setting the Scene: Datafication

… the process of **transforming artefacts** of social life into computerized data to generate new forms of value (Cukier & Mayer-Schoenberger, 2013)

… not restricted to easy-to-automate tasks, but also to **"thinking work"** (Phan, Wright, & Lee, 2017, Stone et al., 2016)

… based on **ubiquitous computing**, enabling a **pervasive connection** of physical, social and technological spaces (Cascio & Montealegre, 2016)

Setting the Scence: Problématique

Datafication Technologies:

- Promise to surpass the possibilities of “analog” people management
- Open insights into "new spheres" of work and into personality but also private life of employees

Employees’ trust in the employer and their trust in technology are critical to a successful tech implementation in the workplace

Low trust or distrust of employees manifest in gaming, faking, or even in harmful/destructive behaviors (e.g., Grant & Higgins, 1991; Weibel et al., 2016; Zweig & Webster, 2002)

And: Business ethicist and legal scholars would raise similar concerns!

Swiss National Science Foundation Research (2017-2020/21)

State of the Art (Survey): Uptake of datafication technologies in multinational companies in Switzerland

Framework (Survey, workshops, case studies): Impact of datafication controls on employee trust in the employer

Normative grid (survey, case studies): Ethical and legal dilemmas and ways to prevent abuse

Multidisciplinary approach: business ethics, trust research, labor and data law

Multi-method approach: Morphology, survey, theory generating case studies, vignettes

Survey (online-questionnaire sent to HR departments)

Mean Duration: 16 min

Invited Contacts (Gross 1): 1185

Reached Contacts (Gross 2): 279 (23,54%)

Exploitation Rate: 100%

Surveys actually filled out: 159

Response Rate: 56,99%

120 Drop outs

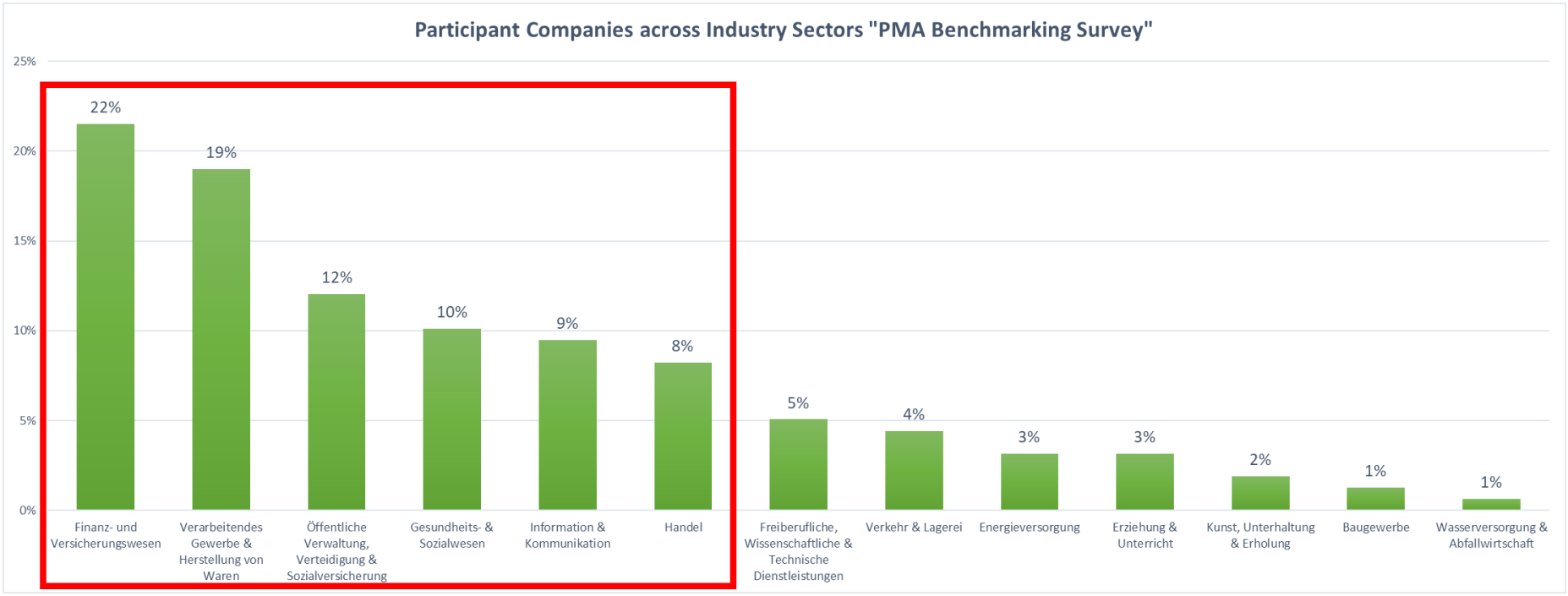
(11 % at the "tools selection" page, 9,3% at "analytical capacity of PMA tools", "reference group" and "data access")

Field Phase:

May – July 2018

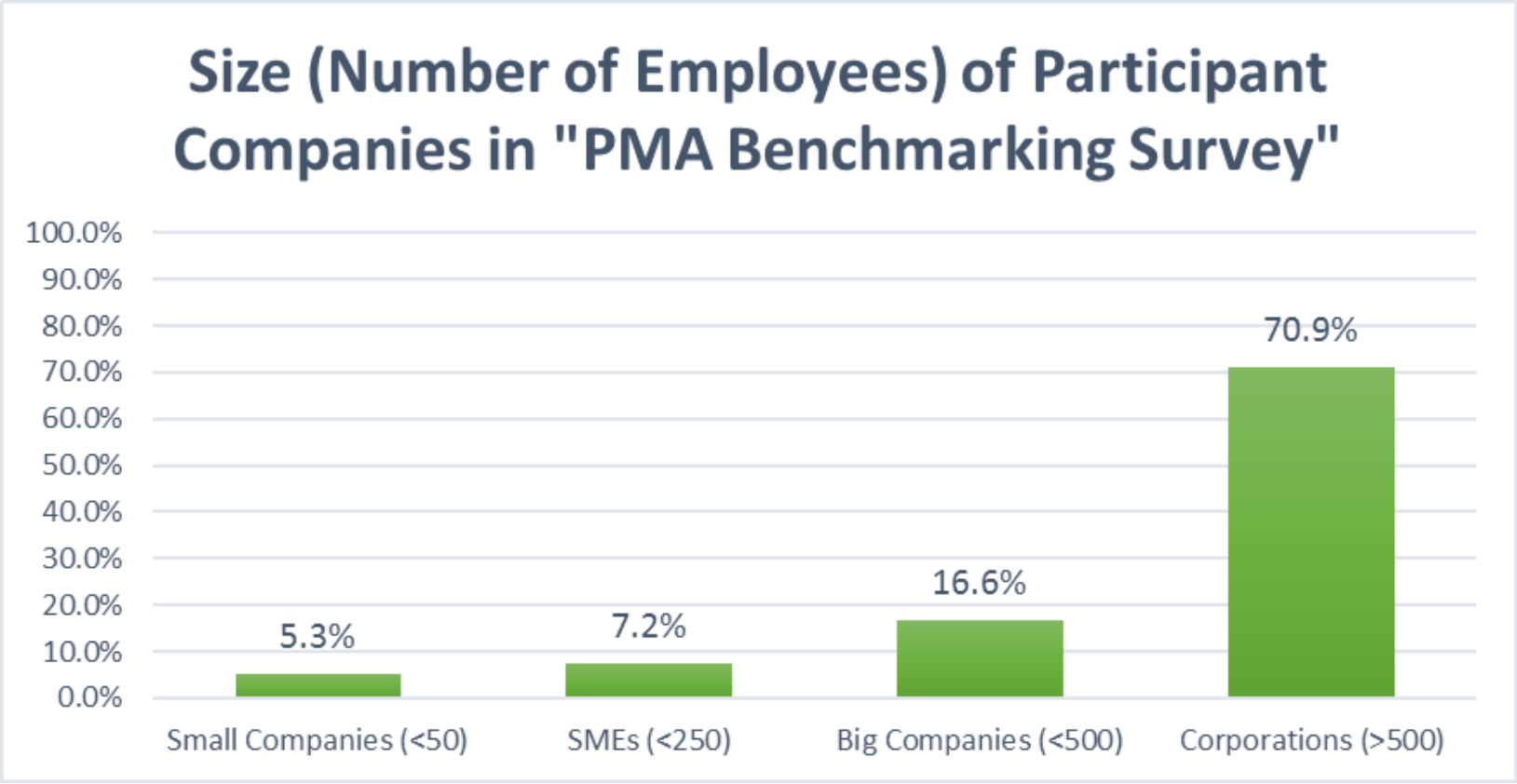
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Survey results:
Company-Level Distributions



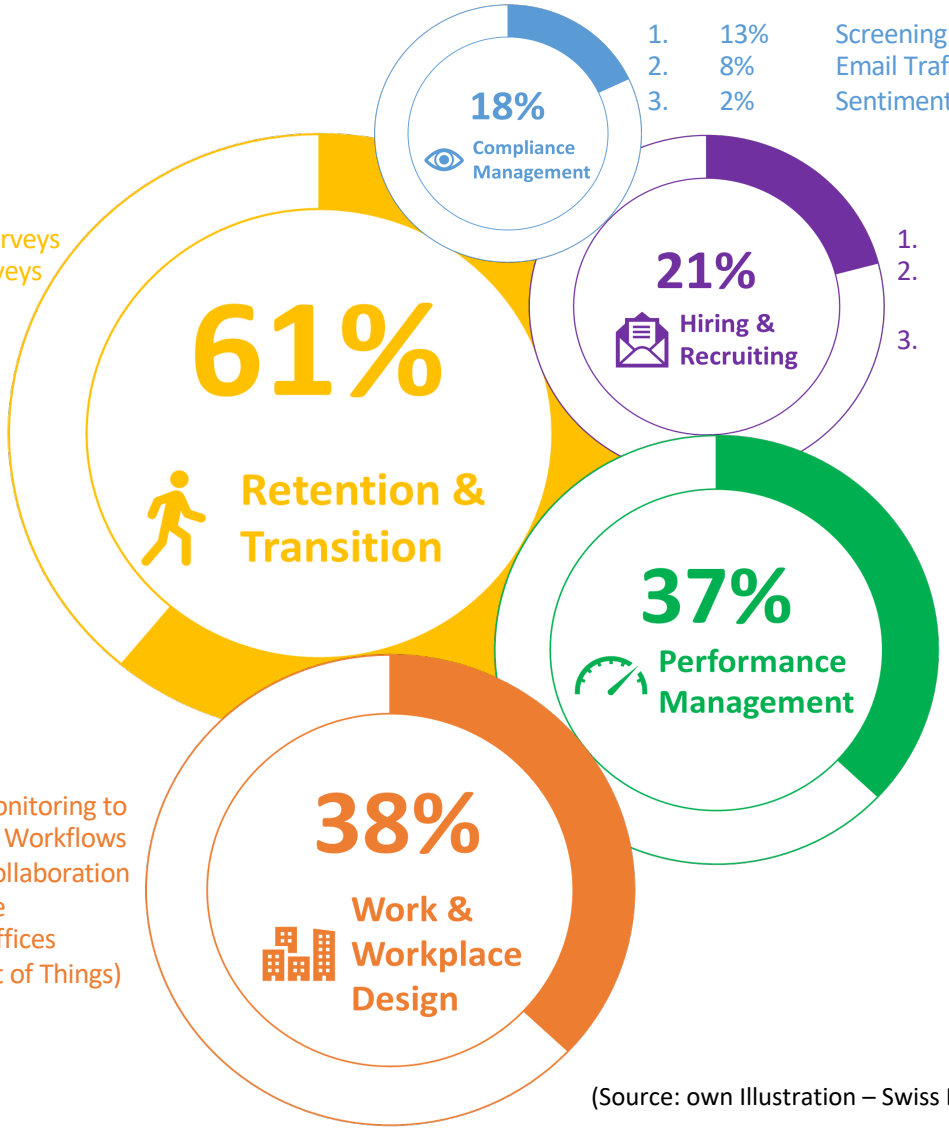
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Survey results:
Company-Level Distributions



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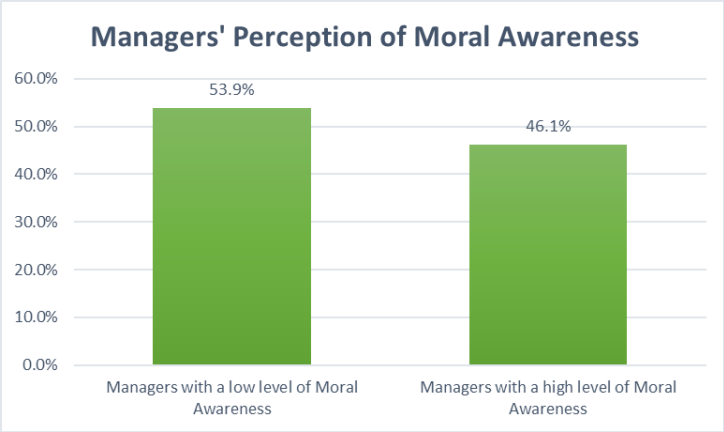
Survey results



(Source: own Illustration – Swiss People Analytics Benchmarking Survey 2018)

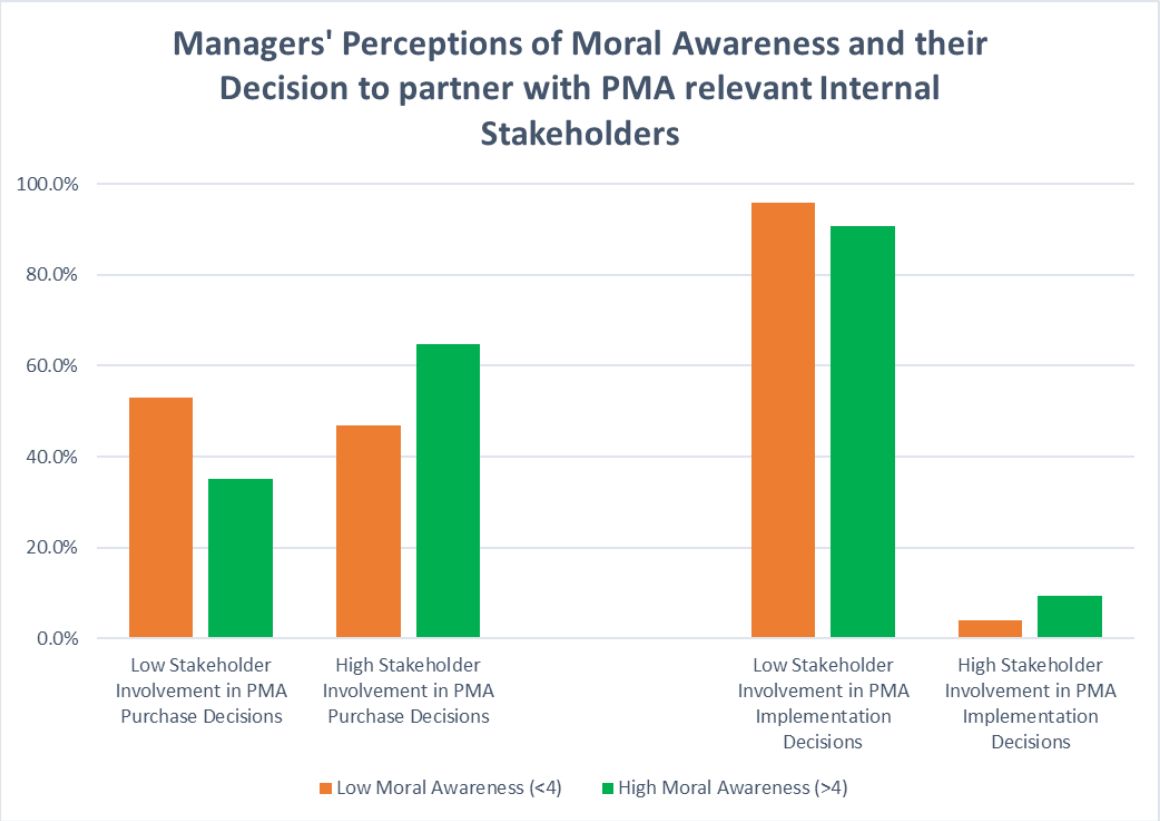
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Survey results: Business Ethics – Moral Awareness



Sample Item:

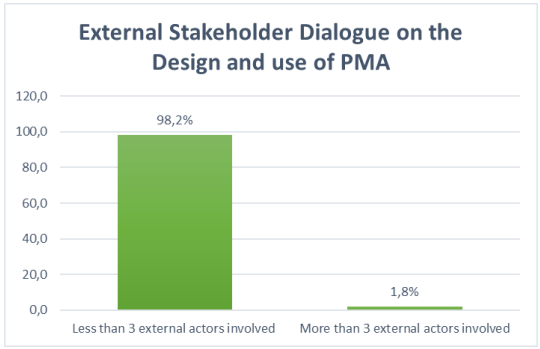
"In our company, we are aware of ethical issues related to People Management Analytics"

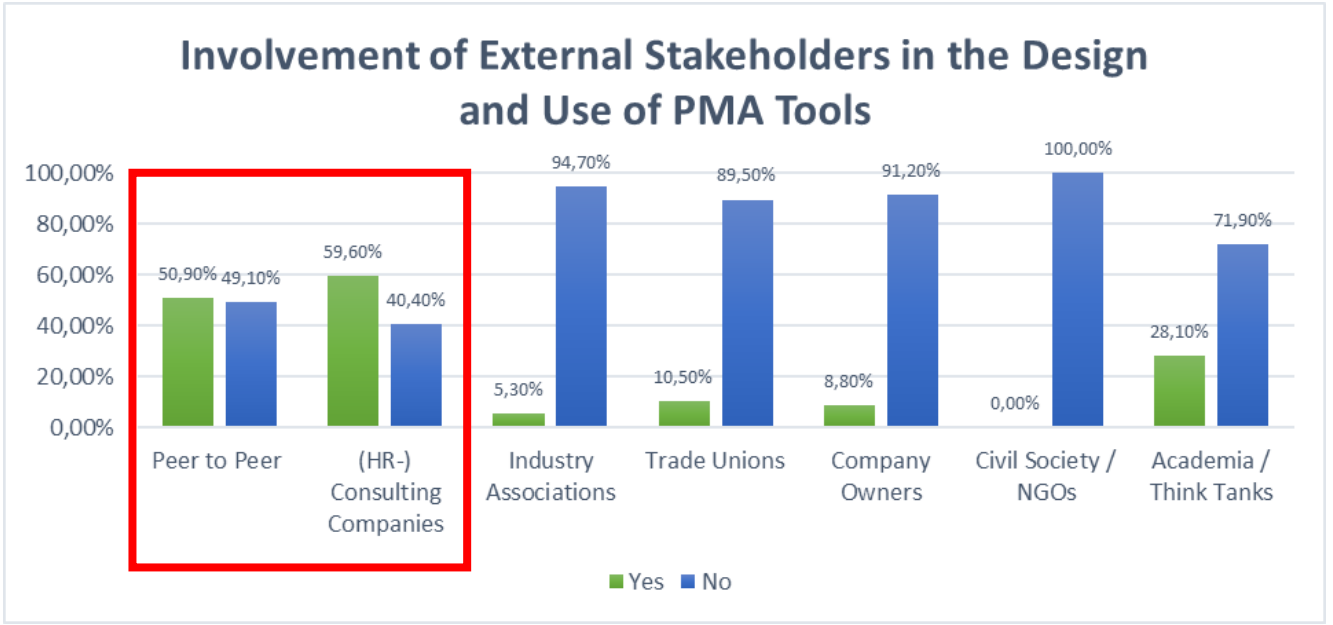


- In our sample, we find a balanced nature between companies with high and low levels of moral awareness
- PMA purchase decisions tend to involve more internal stakeholders, whereas the actual implementation is carried out with very low levels of internal stakeholder involvement

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Survey results: Stakeholder Engagement

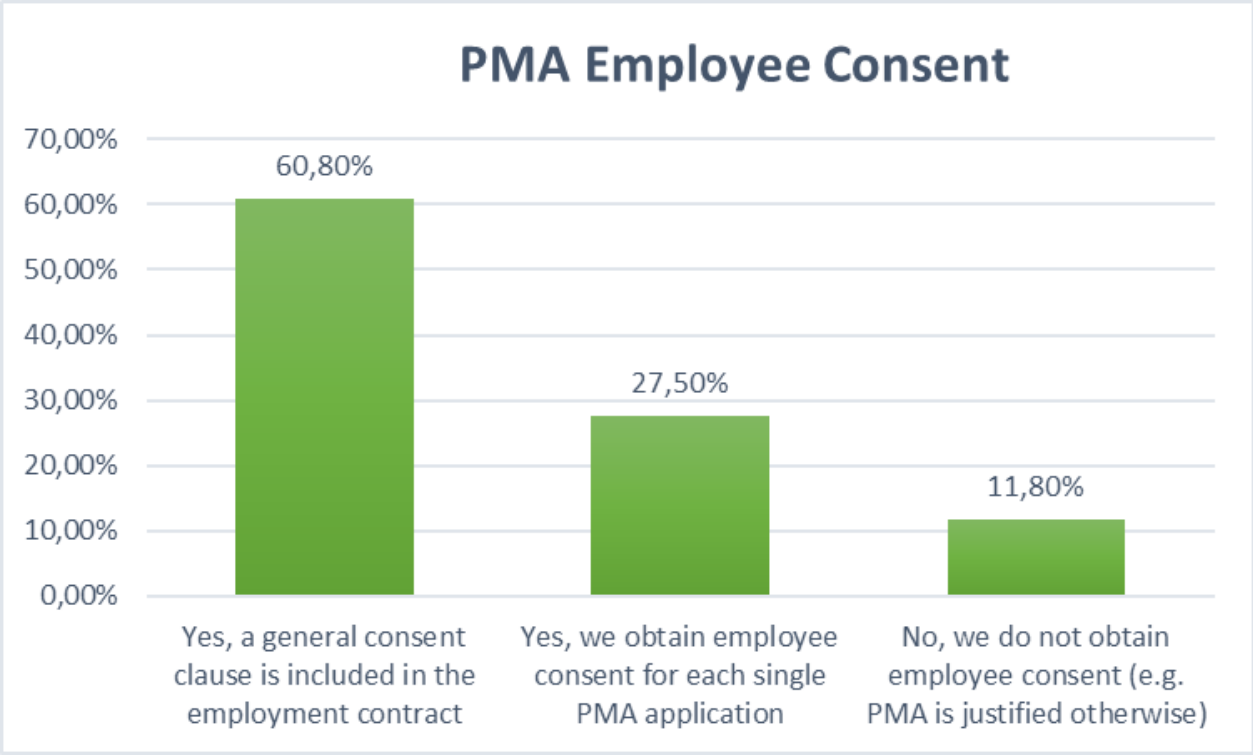




- Low levels of exchange with external stakeholders, except for peer-to-peer and consulting
- Would Swiss Companies benefit from more evidence-based Management in PMA implementation?

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Survey results: Legal aspects on data storage & consent



Employee Consent:

- 11% without obtained consent are legally speaking in a grey zone
- 60% general consent but unclear how well communicated
- 27% case-based

Part 1: Organizational control and workplace monitoring – a framework for the impact of datafication technologies on organizational control

Schafheitle, Weibel, Ebert, Schank, Leicht-Deobald (May 2020): „No stone left unturned? Towards a framework for the impact of datafication technologies on organizational control", Academy of Management Discoveries: https://journals.aom.org/doi/10.5465/amd.2019.0002



Framework

Research Question:

How do datafication technologies change, alter and/or extend traditional organizational control and management practices in the workplace?

Value added for Leadership:

Benchmarking

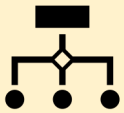
- Description & Identification of Digital Transformation & Disruption Processes in Organizations
- Guidance: Managing increased internal complexity

Roadmapping

- Derivation of effective management strategies for the digital transformation, i.e. "Do's and Don'ts" for a vital climate of trust and innovation
- Definition of new skills and competencies for "Digital HR Champions

Common Ground: Organizational control is the most ubiquitous feature of organizations' HR systems

Organizational Control "[…] is the process by which organizational members direct the attention of employees and motivate them to act in desired ways to achieve the organization's objectives" (Cardinal, Sitkin, & Long, 2010)



… is embedded in the broader hierarchy and structure of organizations and executed as means to implement strategic goals (cf. Flamholtz, Das, & Tsui, 1985)



… serves (1) goal-setting, (2) monitoring, (3) feedback, (4) rewarding/learning/ correcting functions (cf. Snell, 1992)



… can be formal/informal and targeted towards inputs/processes/ outputs (Cardinal et al., 2010)



… is configurational (i.e., control elements and configurations, see Bedford & Malmi, 2015; Cardinal, Kreutzer, & Miller, 2017: 571)

New Technology Control – A phenomenon in need to understand but at the beginning, rapidly emerging and unpredictable in direction

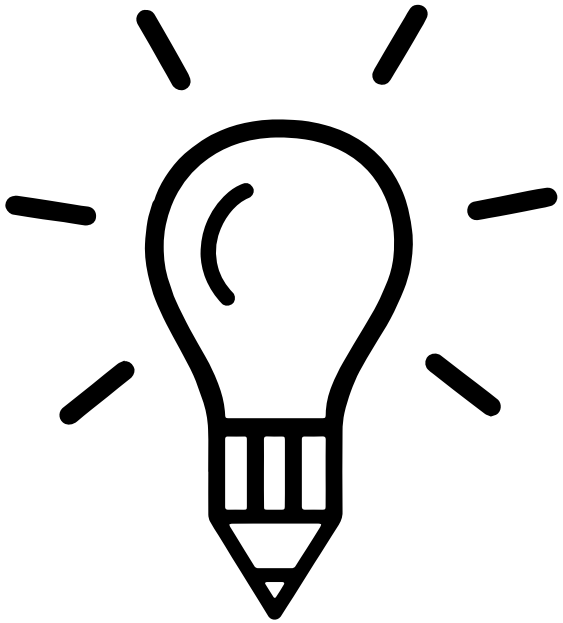
"To-date research cannot fully account for the complexity of how these new technologies will alter/transform the ways people management control is enacted."
(Cardinal, Miller, Kreutzer, 2017: 583)

"No one can predict with certainty all of the ubiquitous-computing innovations that the coming years will bring and realizing their full potential will not be easy."
(Cascio & Montealegre, 2016: 354)

"Although normal science methods embed the natural questioning of assumptions through the hypothesis-testing logic, we get the sense that this process cannot get us to the big leaps necessary for rapid progress."
(Phan, Wright, & Lee, 2017: 254)

Case studies

RQ: How do organizational members perceive workplace realities, which are permeated with "intelligent" datafication technologies?



01

Explorative Multiple-Case Study Design

- How does a datafication technology permeated workplace look like?
- How do technologies and Trust Tandem well with each other?

02

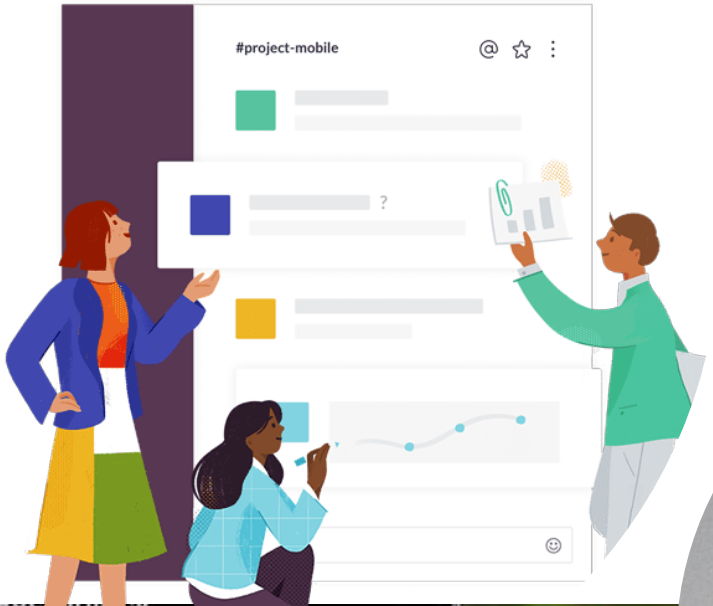
Empirical Procedure

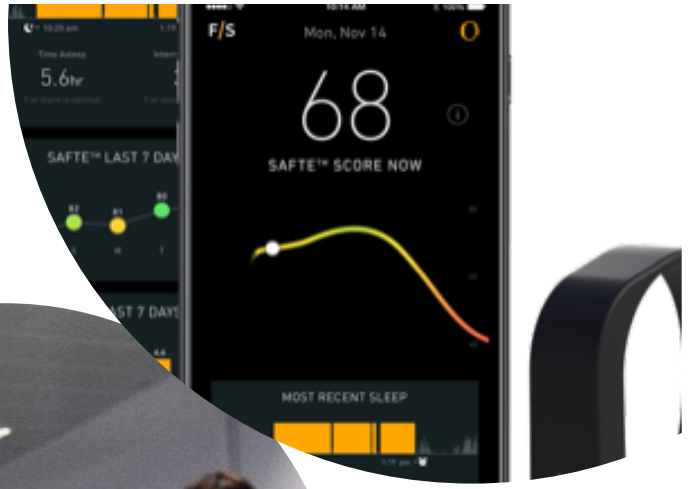
- Criteria-guided case selection strategy: "Deviant Case"
- Selection of a company with a high "Analytics Maturity" and a strong trust culture at the same time

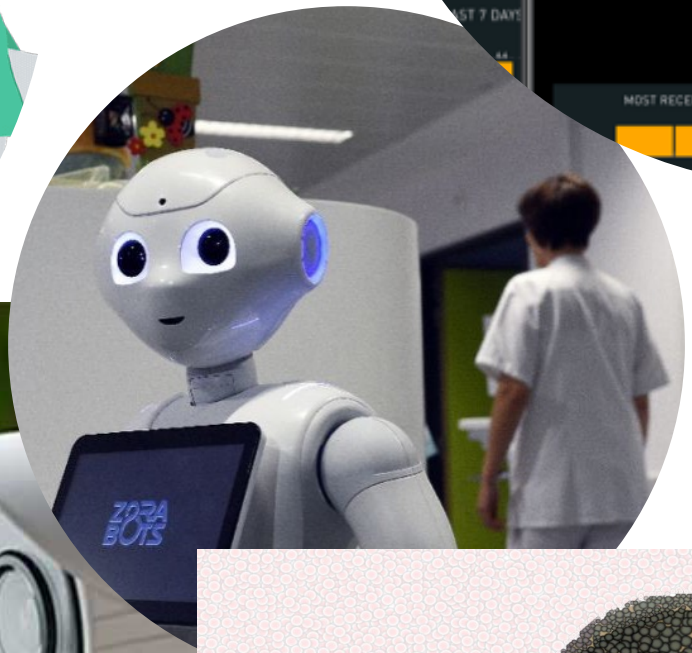
03

Data and Analysis

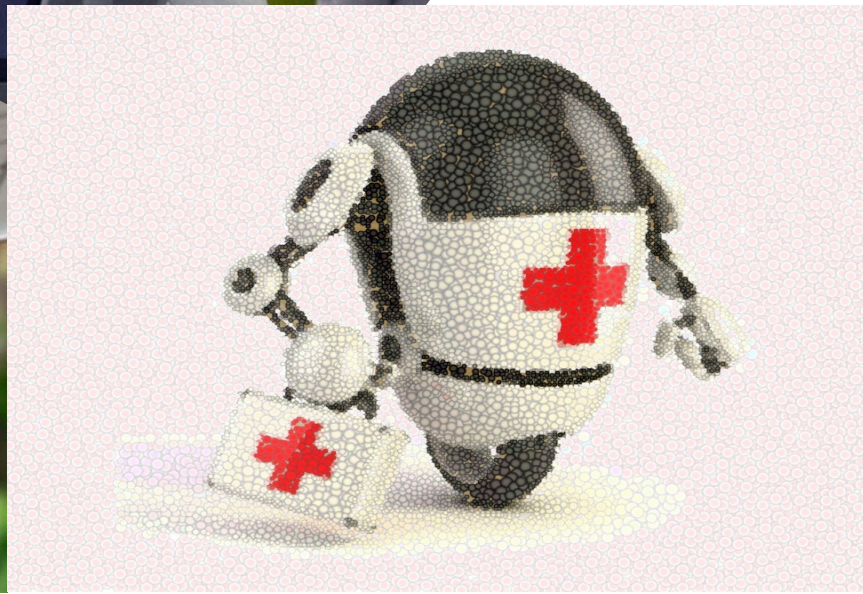
- 20 one-hour expert interviews with managers & employees (in total >100; from 6 companies)
- Observations, field notes, archival data, data triangulation, inter-rater reliability checks, plausibility checks of coding with experts from practice


#project-mobile


F/S
Mon, Nov 14
68
SAFTE™ SCORE NOW
MOST RECENT SLEEP


ZORA BOTS


Face captured



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AUTOMATION REQUIRES RETHINKING INTERACTION AT THE WORKPLACE

Datafication technologies …

1. … emerge as novel actors
2. … change work relationships

-> A RELATIONSHIP CHANGER

- Vigilant & watchful relationship between tech and humans

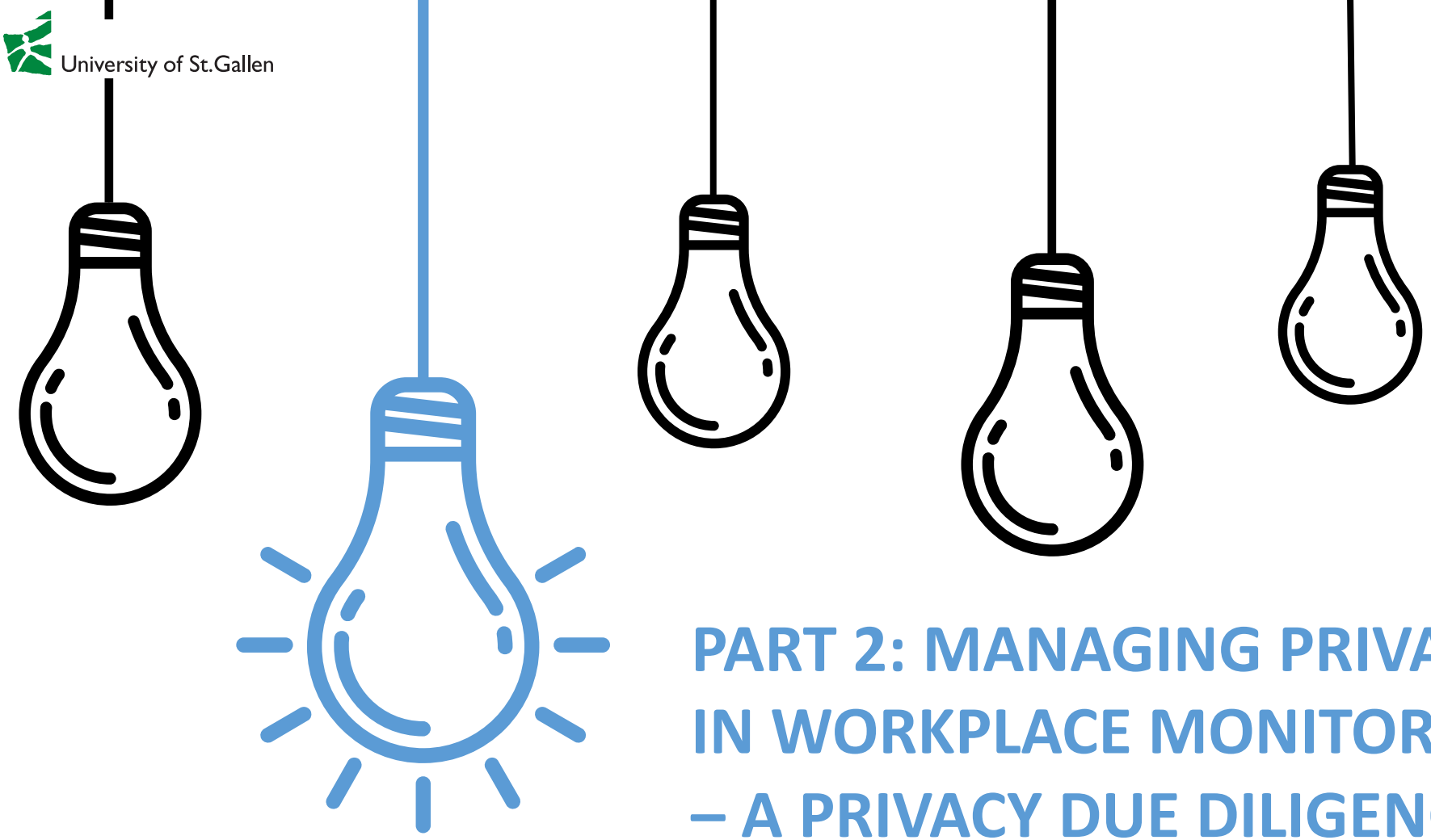
DATAFICATION TECHNOLOGIES AUTOMATE PEOPLE MANAGEMENT AND CONTROL?

Datafication technologies enact …

- Goal-setting, goal adjustment
- Monitoring of Performance-, Behavior-, and Norm Alignment
- Feedback and Evaluation
- Rewarding and Sanctioning

… WITHOUT HUMANS?

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PART 2: MANAGING PRIVACY IN WORKPLACE MONITORING – A PRIVACY DUE DILIGENCE APPROACH

Ebert, Wildhaber & Adams Prassl (2021): Privacy Due Diligence at the workplace. In: Big Data & Society. https://doi.org/10.1177/2053951711013051

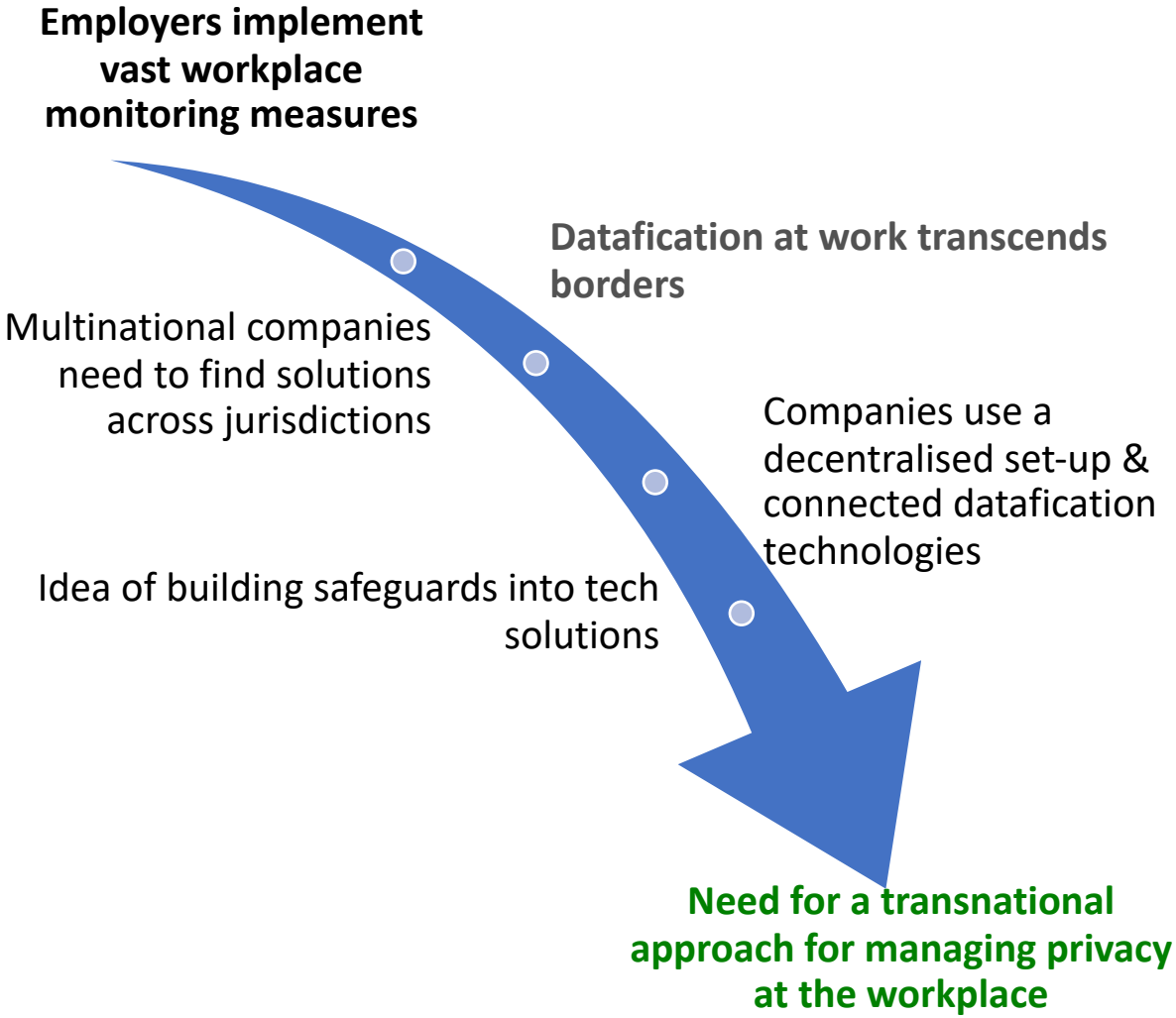
Pitfalls

- **Self-reinforcing dynamics of new technology control configurations via the „illusion of control“** (de Brusk, 2018; Neff & Nafus, 2016)
  - New technology is believed to be precise, bias free and superior to human decision-making
  - Scholars have addressed such workplace monitoring raising concerns regarding privacy (Martin and Nissenbaum 2016), trust (Weibel and Six 2013) and social control (boyd and Crawford 2012; Zuboff 1988; Ajunwa et al. 2017)
  - By contrast, business consultants or technology companies have predominantly painted a “rosy and often naively optimistic and ultimately rationalistic picture” (Constantiou and Kallinikos 2015)
- **Adaption patterns of new technology control configurations (Cardinal et al., 2017)**
  - Organizational resources, monetary but also technological, and HR resources
  - Ethical considerations, legal frameworks, and possibly even organizational stakeholders



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The phenomenon of privacy at the workplace from a business & human rights perspective



The phenomenon of privacy at the workplace from a business & human rights perspective

- UN Guiding Principles on B&HR (UN Human Rights Council 2011): based on three pillars
- Soft law in nature, recommendation for a "smart mix" between hard/soft law measures and incentives
- Rights-based approach, in contrast to the broad & often ill-defined term "ethics" (see Wagner 2018 "Ethics washing" to avoid regulation")
- Applicable also to privacy of employees at the workplace: privacy as a gateway for protection





Privacy at the workplace is a human right

- “Tech-cure” approaches are popular even beyond the tech industry
- “Privacy by Design” prominently featured in the EU General Data Protection Regulation, as one suggestion among other approaches
- Barely any court cases about People Analytics with new technologies up to date
- Even in the data economy, legal jurisdiction remains an important factor as work is always carried out in a geographically defined place and hence the local labour law applies
- Deep intrusion into private sphere of employees possibe (Art. 8 ECHR)



Privacy issues along the monitoring data lifecyle

- During *data collection*, employees might experience surveillance, a lack of transparency and awareness about data collection taking place, potentially being the object of significant power imbalances (Felzmann et al., 2019). Employees' freedom and autonomy to exercise adequate control over their privacy with respect to data collection might be limited or lacking.
- Employees might not be informed about *data analysis* due to knowledge asymmetry. An analysis might contain errors, result in misrepresentation/bias of individual employees or groups of employees (Hong, 2016) and dehumanize human interaction.
- *Data use* as the basis of decision-making may lead to discrimination of a group of employees or individual employees or a lack of autonomy about the implementation or use of data.
- During *data erasure*, a company might disregard the importance of 'forgetting' employee data and might lack autonomy, transparency and accountability when dealing with the erasure of employee data



The promises and pitfalls of design-based approaches to uphold privacy at the workplace

1. Missing contextuality for proportionality & consent

- Employment law and data protection law require a weighing of interests between the parties: ex-ante right to justification
- Bargaining power of employees in employment context weak
- Tech-solutions today cannot provide the weighing for decision-making

2. Blurry legal terminology translated in code

3.Technological progress outpacing design-based privacy protection measures

-> A broader privacy approach is necessary

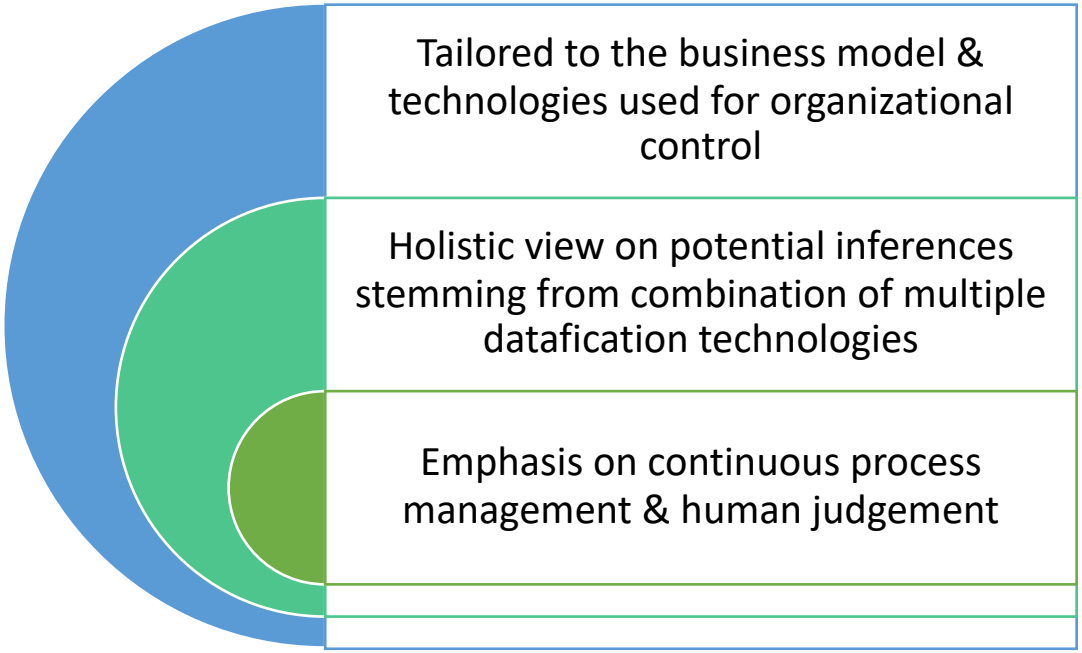
Privacy due diligence at the workplace

- UN Guiding Principles on Business & Human Rights propose human rights due diligence
- Corporate responsibility to respect employee privacy at the workplace

Privacy due diligence at the workplace

- purpose specification & limitation
- prior, informed consent
- data minimization
- use limitation
- normative acceptance

➢ **No one size fits all approach**



V. Privacy due diligence at the workplace

- ❖ Management continuously re-evaluates, rather than doing a static one time assessment
- ❖ Management takes ownership of arising privacy dilemma rather than ”outsourcing” it to the data protection officers
- ❖ Throughout the whole process: Consultation with workers representation, data protection officers & other bodies with comparable functions

1. Mapping the privacy footprint: Assessing impact (internal & external stakeholders, HRIA, DPIA)
2. Privacy gap analysis: Identifying existing processes and potential disparities
3. Prioritizing measures, impact mitigation and management
   - Transparency about what data is collected and how (no „function creep“)
   - Opt-out possibility
   - Mindfulness regarding level of interference
4. Anchoring Privacy Due Diligence in business practice – Reporting, evaluating, learning



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- And many more, see also reference list in papers presented today.

Thank you



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