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IRI Quarterly Trends Analyzer

INNOVATION RESEARCH
INTERCHANGE

Accelerating Value Creation

The IRI Quarterly Trends Analyzer examines the strategic environment in which innovation and R&D take place and flags up trends that you should factor into your current strategic planning. At the end of each quarter, trends are examined by the IRI Foresights Advisory Board through the lens of 'What should Chief Technology Officers be thinking about over the next year?'. The advisory board selects the trends that it feels will have the greatest impact and then pinpoints the questions that you should ask yourself to ensure you are adequately preparing for these trends. In this report, you will find a description of those key trends, links to learn more about them, and a list of questions that will be most helpful to you in your strategic planning. In addition, we include some interesting, less prevalent trends at the end of the report that we will keep an eye on to see if they will rise to the level of an impactful trend.

Innovation Research Interchange _(formerly the Industrial Research Institute) is an inclusive membership organization with hundreds of global members in private-sector companies and federally funded laboratories. Founded in 1938, we lead and advance the field of innovation management by creating contemporary practices. Some of the world's most widely adopted models – such as "open innovation", "front end of innovation", and "stage-gate" – were born from the work of our members. We value strength in cooperation and partner with other organizations at the forefront of developments in innovation management, creating a hub for all to convene and contribute in an experimental, noncompetitive, and noncommercial environment. The IRI is a division of the National Association of Manufacturers._

2023 Third Quarter Trends

Can we finally achieve AI regulation?

Resisting a return to office

Labor action gains steam

Trend: Can we finally achieve AI regulation?

01. Description

Regulating generative AI has been a hot topic in recent months, with lawmakers holding hearings around the safety of the technologies. It appears the US is only at the beginning of what is likely to be a long path towards the creation of AI rules and regulations. It may be too soon to predict what AI regulations will look like to protect consumers and contain the risks that the technologies pose to jobs, the spread of misinformation, and security. The US remains far behind Europe with AI regulation and Washington is at an impasse. Many US lawmakers do not support heavy-handed AI regulation out of fear that it will hinder American innovation. Is the slow pace of federal regulation hindering industry's use of AI? Would federal regulation help organizations develop internal protocols?

02. Learn more

- AI Regulation Is Here. Almost. (*The Wall Street Journal*)
- Heavy Handed AI regulation will Hinder US Innovation. (*Bloomberg*)
- Hearing Wrap Up: Federal Government Use of AI Poses Promise, Peril (US House of Representatives – Committee on Oversight and Accountability)
- Despite Many Briefings and Hearings Lawmakers Have a Long Way to go to Regulate AI (NPR)
- When Hackers Descended to Test A.I., They Found Flaws Aplenty (*The New York Times*)

03. Ask yourself these questions:

- How are we defining AI in our organization?
- Are our teams well-versed in the distinctions between machine learning, deep learning, generative AI, and other AI subfields?
- How can we balance regulations, ethical considerations, and privacy with the potential benefits of AI in innovation?
- Are we equipping our leadership and teams with the necessary technical, legal, and ethical knowledge to make informed decisions on AI-related issues?
- How can we safely handle sensitive data, especially when employing generative AI technologies?
  - Should we proactively adopt privacy regulations, such as HIPAA-like standards, for personal and customer data used in AI applications?
- What steps can we take to foster open innovation initiatives while addressing privacy and ethical concerns related to data and AI?
- What measures should we implement to address AI-related threats, particularly those related to misinformation, voice cloning, deep fakes, and security breaches?
- How can we proactively address potential public backlash against AI technologies and our company's use of them?
- What areas of AI should we expect to be subject to regulation, and how should we adapt to these potential regulatory changes?

Trend: Resisting a return to office

01. Description

Remote workers report feeling more disconnected from their organization's mission than people who come to the office more regularly. This disconnect does not necessarily mean that remote workers want to return to the office. Job seekers are still requesting (demanding) flexibility when accepting a new job. Companies are reevaluating how the remote workforce is managed and requiring workers to convene in person for critical work. How far will return to office mandates go in a tight labor market? How can organizations rectify disengagement among remote employees?

02. Learn more

- Return to the Office- These Workers Quit Instead (*The Washington Post*)
- The Disconnect Between Remote Workers and Their Companies Is Getting Bigger. (*The Wall Street Journal*)
- This Company Created A Return to Office Plan that Workers Actually Like (*The Wall Street Journal*)
- 5 Ways to Get the Work That You Want (*Forbes*)
- Remote Workers are Feeling More Disconnected than Those in Office (*Fortune*)
- Workers to Employers: We're Just Not That Into You (*The Wall Street Journal*)
- Need to Hire Workers in a Hot Job Market? Let Them Do Some Remote Work (*The Wall Street Journal*)

? 03. Ask yourself these questions:

- How are employee priorities shifting, and how can we balance the organization's needs with their needs, such as work-life balance and flexibility?
- How are we addressing employee disengagement and burnout in our remote and hybrid work environments?
- What strategies can we implement to enhance employee well-being in a hybrid environment?
- How can we bridge the gap between manager expectations for on-site presence and employees' preferences for remote work?
- Are our communication and leadership strategies clear and consistent?
- How can we ensure that our technology infrastructure is adaptable to changing work environments and employee needs?
- How can we leverage the economic advantages of flexible work arrangements, such as cost savings and increased employee productivity?
- Does our remote working policy take into account disparities and inequities among our employees?

Trend: Labor action gains steam

01. Description

Despite declining participation rates, unions are making a big impact across a wide swathe of the US economy. What is causing this rise in union action and what impact will it have on industry? Rising income inequality, coupled with low unemployment rates and rising job vacancies may be giving workers both the power and the incentive to take action. Companies will need to consider how at risk they are for their own workforce to strike as well as those of their suppliers and customers. Are there actions that can be taken now to insulate against these risks?

02. Learn more

- Amazon Is Everywhere. That's What Makes It So Vulnerable. (*The New York Times*)
- Inside Starbucks' Dirty War Against Organized Labor (*The New York Times*)
- The Hollywood writers strike is over, but the actors strike could drag on. Here's why (NPR)
- U.A.W. Expands Strikes at Automakers: Here's What to Know. (*The New York Times*)
- Walgreens walkout: 5 things you need to know (CNN)
- Union membership rate fell by 0.2 percentage point to 10.1 percent in 2022 (US Bureau of Labor Statistics)
- Rising inequality: A major issue of our time (The Brookings Institution)
- 'No defensible argument': Anger boils over at CEO pay (*Politico*)

? 03. Ask yourself these questions:

- Are our employees satisfied with their compensation, benefits, and working conditions? What is the disparity between top level and lower level workers?
- How can we proactively address employee concerns to reduce the likelihood of unionization or union action?
- Are our management and HR teams equipped with the necessary training and skills to effectively manage labor relations and conflicts?
- Are we actively monitoring labor trends, union activity, and employee sentiment within our organization?
- Do we have mechanisms in place to identify potential issues early and address them proactively?
- Have we assessed labor risks within our supply chain, including suppliers and customers?
- Are we diversifying our suppliers to mitigate potential disruptions due to labor actions?
- How can we proactively manage our reputation and brand image in case of labor disputes?
- What communication strategies should we have in place to maintain public trust during labor actions?

Additional trends to watch

We'll keep an eye on these trends as they develop and let you know how they may impact innovation.

- [China's Economy is Officially Fragile: Could It Collapse?](#) (*Bloomberg*)
- [Insurance Premiums Could Surge in these American Cities Because of Climate Disasters](#) (CNN)
- [How the Panama Canal's Drought is Threatening Global Supply Chains](#) (*The Wall Street Journal*)
- [Child care is about to get more expensive, as federal funds dry up](#) (*The Washington Post*)
- [American entrepreneurship is on the rise](#) (*The Washington Post*)

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