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AI, Employees, and Trust: How the Nordic Model Can Help Future-Proof Organizations
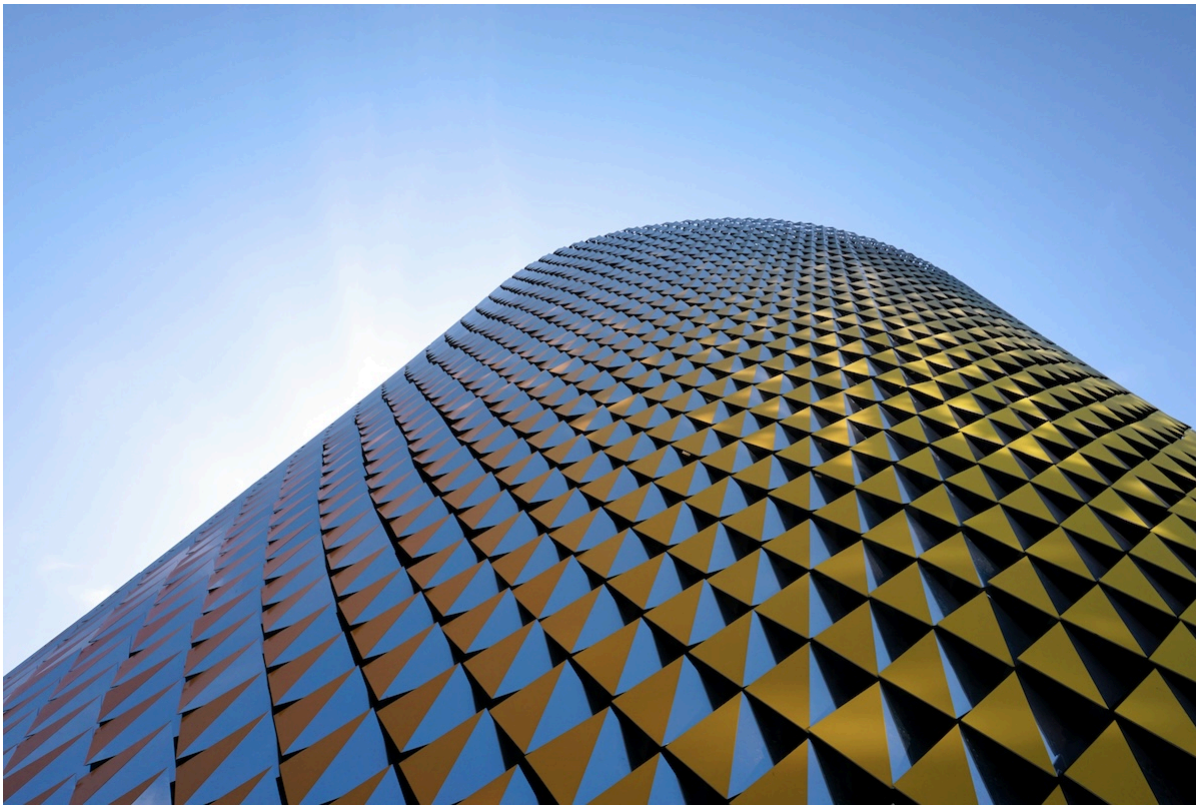
by Andrew Packer

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How companies can prepare for the HR impact of AI via employee engagement.

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This article examines the human element of the adoption of AI in organizations, and its impact on employer-employee relations. AI is rapidly becoming a mainstay in organizations across diverse sectors of the workforce. Simultaneously workers are facing a tight job market and an environment hyper-focused on cost cutting,[1] creating a sense of uneasiness between employees and employers. But what if the tools to address this uneasy landscape already exist, and are in fact already successfully embedded in the labor models of several countries? The organizations that will successfully adopt AI with minimal friction will be those that emphasize employer-employee trust. To see how this works in practice, we take a brief look at the threats AI poses to employer-employee relations before discussing trust through the lens of the Nordics, focusing on tripartite labor and foundation business models.

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AI is poised to replace the equivalent of 300 million full-time jobs, and a quarter of work tasks in the US and Europe.[2] Unlike industrial revolutions of the past, this change will impact every level of the workforce; a study from the University of Pennsylvania and OpenAI found "educated white-collar workers . . . are the most likely to be affected by workforce automation."[3] Simultaneously one in four workers do not feel trusted by their employer,[4] and 71% of business leaders feel "immense pressure" to squeeze more productivity out of their teams.[5] Other articles in this journal have looked into building the "AI-Prepared Workforce",[6] but keeping oneself and one's employees relevant only builds trust within a given team and furthers a mentality of survival, which is a detriment to both personal wellbeing and professional fulfillment. If employees are racing each other to avoid the axe as they don't believe their employer is looking out for their wellbeing, where is the trust in the organization?

Enter the Nordics. Nordic countries continually score as the happiest in the world, and one huge contributor to this is *trust;* trust in each other, trust in the government, and trust in the workplace,[7] where we will focus our conversation. All Nordic countries have some form of a tripartite labor system that oversees employee-employer relations. The model relies on labor, business, and government leadership working closely together on an ongoing basis to address labor concerns including wage settlements, upskilling, and economic policy that promotes growth to ensure higher and just employment.[8] In conversation with the tripartite leaders from Norway, at UC Berkeley in April of 2024, AI was the topic of focus. The unionization of the workforce and involvement of the government was seen as an advantage to the business sector: "I believe in capitalism, and [tripartite cooperation] allows us to adapt quickly." The labor organizations focused on the desire of workers to "be at the table when discussing ways to implement AI on the job." All three parties agreed with the Minister of Commerce's remark "Trust is the crux [to AI adoption working successfully]."

Another example of employer employee trust in the Nordics can be found in the foundation ownership model. Companies including Ramboll, Carlsberg, and Novo Nordisk all operate under foundation models of ownership, where earnings are placed into a foundation in which employees hold shares.[9] Everyone benefits from the efficiencies and wins of the company, but simultaneously everyone is bought in to the broader mission of the organization day in and day out. Employees from every level of the organization are invited to oversee this foundation via elections, running on platforms that are meaningful to them.

When looking at how AI is eroding trust between employees and employers today, it's valuable to look at systems that actively build trust as ways to work around this threat. The solution isn't mass unionization or fundamentally changing how companies are incorporated, but leaders should ask themselves how they can make workers a part of the conversations around AI adoption within their organizations and engage in active dialogue as a means of strengthening the organization's path forward. To this end, providing educational opportunities to employees on the power and impact of AI is crucial, but this is only the first step. Engage in conversations via town halls and listening tours, perhaps with an unbiased 3rd party in the room (from either within another branch of the organization or external group). Think of ways to incentivize innovative actions and adoption by

employees. Most importantly, proactively address any job security or performance concerns as they relate to AI adoption to begin to foster a spirit of trust. The organizations that are most successful in their AI initiatives will be the ones who get their workforce bought in the fastest, and a dialogue based on mutual trust and shared humanity, as promoted by the "Nordic model," is a strong place to start.

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