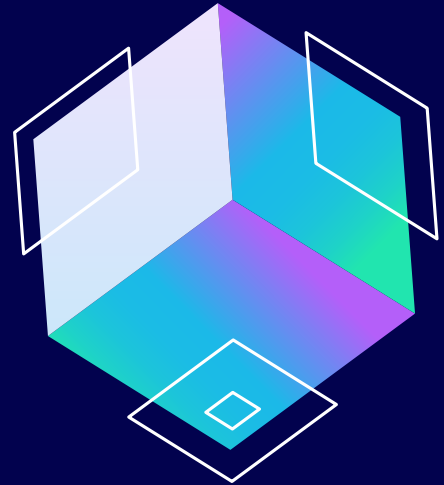


EMBROKER

AI Enters the Chat as Many Employees (Are Forced to) Leave It:

Tech Companies' 2024 Risk Index



While the tech industry wrestles with the rapid pace and resulting implications of the development of Artificial Intelligence (AI), **even the companies tasked with creating these solutions are facing a dilemma**. They're looking at how these solutions can benefit their own operations — and also considering how those solutions could harm them. Tech companies aren't too threatened, though, as many are enthusiastic for the future. This optimism, however, is not reflected onto their employees, who are still being laid off in droves.

In a survey of more than **200 tech companies**, Embroker discovered that even those deep in the trenches of technology are concerned about AI's impact, including the threat of security breaches and human error. Despite their concerns, many tech companies are charging ahead with implementing AI solutions, largely relying on risk mitigation to cure what ails them.

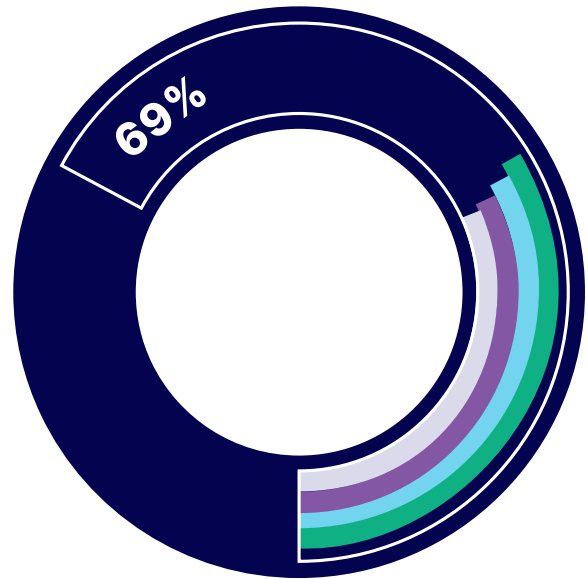
AI's Brave, Scary, And Yet Safe(r) New Working World

With the rise of AI, many companies are looking for ways to capitalize on the emerging technology. **Tech companies are some of the earliest and most fervent adopters.**

69% of tech companies report using AI

The most common areas used are for:

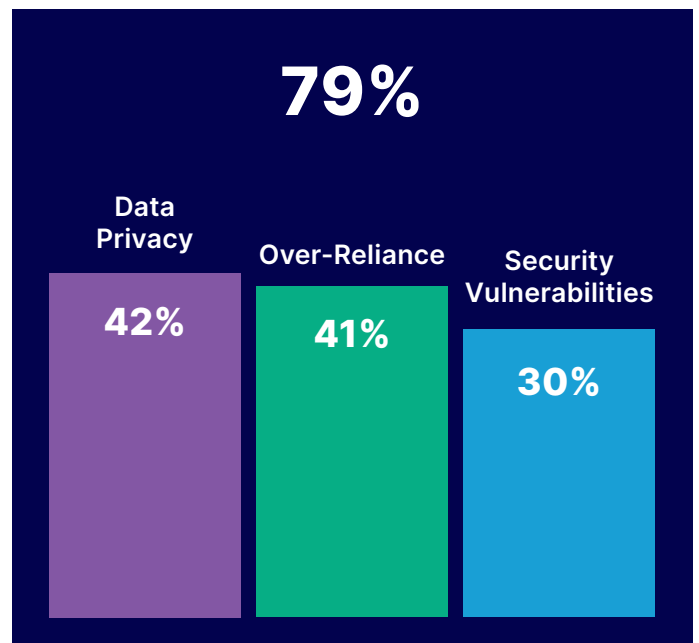
- Customer service automation (46%)
- Analyzing data (45%)
- Product recommendations (41%)
- Writing web content (40%)

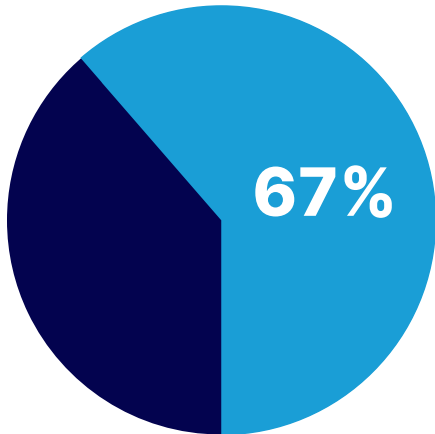


79% of tech companies are hesitant to use AI-driven tools internally

Why?

- **42%** are concerned about data privacy issues
- **41%** are concerned about over-reliance on these tools
- **30%** are concerned about security vulnerabilities, cyber attacks or data breaches





Even though they're worried about the drawbacks of AI tools, **tech companies are confident in their cyber insurance coverage**, giving them the assurance they need to move forward with AI solutions despite significant safety concerns.

67% believe their current policy would fully or partially cover them in the event of a breach.

Overall, concern for cyber attacks has dropped significantly for tech companies; our [2023 risk index](#) showed tech companies ranked cyber attacks as a top three concern for their company. In 2024, it didn't even break into their top five concerns, and very few reported experiencing a breach, indicating that this is **not a deep concern for them going forward.**

23%

of tech companies experienced a cyber attack in the past year

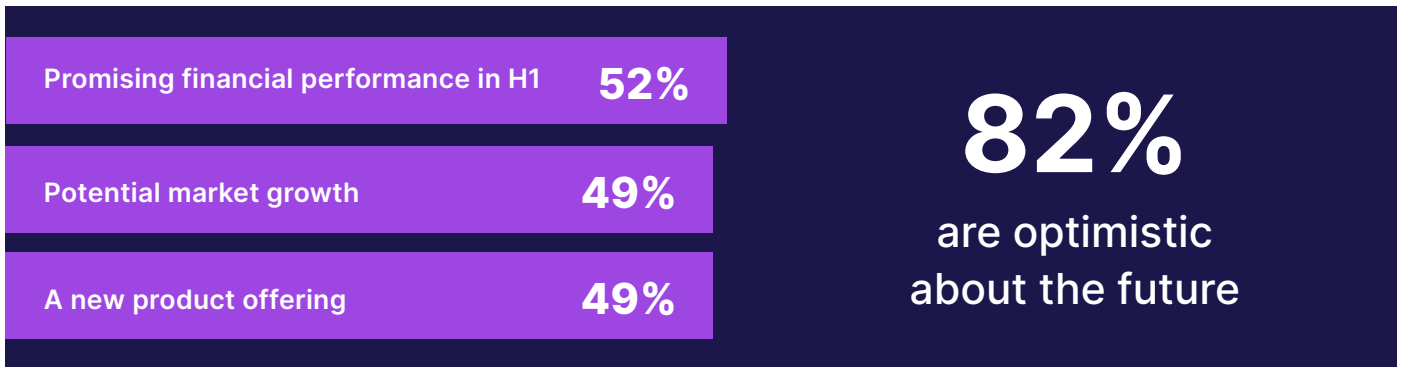
16%

plan on using AI tools to mitigate data and cyber risks

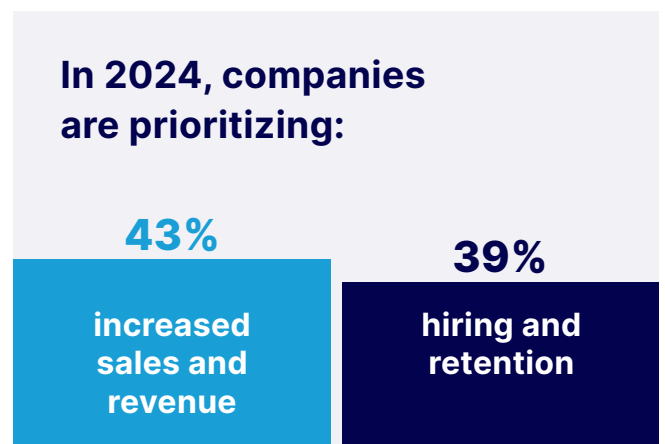
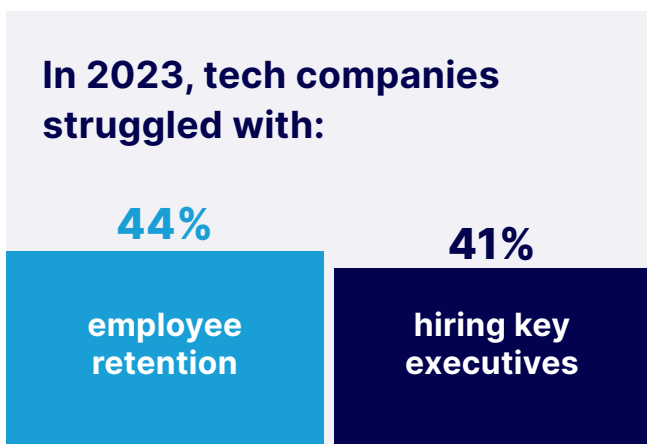
Too Optimistic: Is Tech Throwing Its Staff Out with the Bathwater?

General security concerns aside, these companies are prioritizing far more than just their technology stack: **many are focused on hiring and retention**, even after a season of layoffs presumably resulting from financial issues. However, these apparent economic issues aren't keeping tech companies awake at night. A large majority are optimistic for the future, as economic conditions look to improve in the coming months, and **nearly half anticipate new products pulling them through the rest of the year.**

82% of tech companies are optimistic about the future. *Why?*



There have been more than [60,000 layoffs](#) in tech as of **June 2024** — but still companies report that they are prioritizing those that remain, and even looking for new talent at all levels. This follows a push of prioritizing sales and revenue amidst rising cost of operations. These struggles followed a significant volume of companies struggling with employee retention, and even trouble hiring key executive positions.

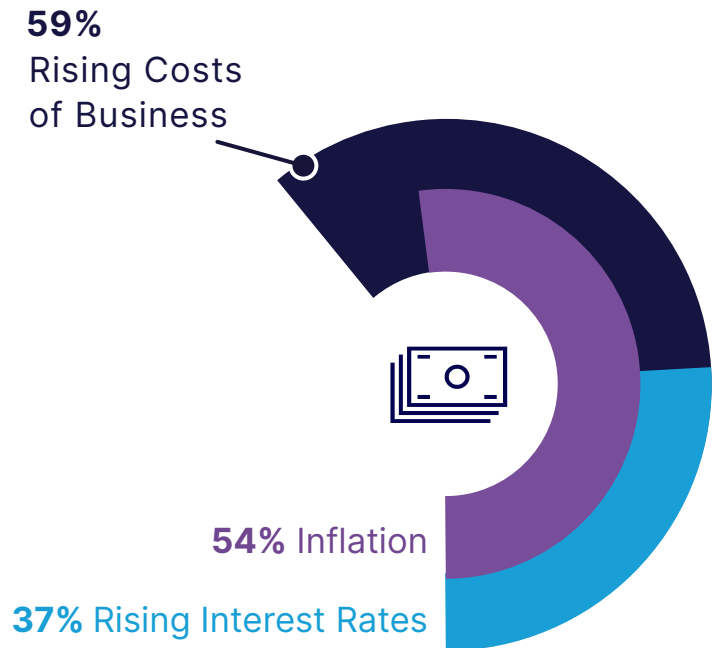


Cash Cash Everywhere, but Not Enough to Spend

As evidenced by the flood of layoffs, there is significant concern over cash flow within the industry. **Many report struggling with the rising cost of business, despite the fact that very few report prioritizing funding this year.**

59% of tech companies report struggling with the rising cost of business.

Why? →



Financial woes seem to be a staple for tech companies, as many report their fears over inflation and interest rates will stay over time. These concerns are surmounting as time goes on — fear of climbing interest rates has increased since 2023.

Leading threats for 2024:

46% inflation

34% interest rates

↓
+14% from 2023

Want to know more about risk in tech? Visit our website: embroker.com

Methodology: Embroker surveyed more than 200 US tech executives in May 2024. This survey was completed online and responses were random, voluntary and completely anonymous.