The Future of Work: 3 Use Cases for Blockchain Technology in the Workplace

Insights
1.12.23

Employers are living in a world where business and workplace operations are increasingly becoming more technology driven and data intensive. From a workplace perspective, employers are more heavily relying upon technology to securely collect, store, and process data, as well as to manage payments to workers and to navigate a litany of other challenges present in the modern workplace. Blockchain technology can make these processes even more efficient and optimal for employers. You might be curious about this nascent tech but unsure how it can actually be deployed to your benefit. This Insight provides you with three real-life use cases you can implement today – along with some considerations to take under advisement before you take the leap.

Pop Quiz: What is a Blockchain?

As a quick refresher, a blockchain is a digital ledger that contains an immutable historical record – or chain – of all transactions that have occurred on that blockchain's network. The digital ledger is also transparent and immutable (i.e., irreversible), which makes falsifying information difficult. Essentially, a blockchain is a digital record of all transactions ever made within a given system and the data it holds cannot be deleted or changed. Also, because many blockchains can be viewed by anyone working on the chain, this makes falsifying information, or engaging in fraud very difficult, and increases the authenticity and security of any information on the chain.

If you want to learn more, you can access our short explainer video here.

3 Use Cases for the Future of Work

The existence and continuing development of blockchain technologies can fundamentally alter the way many companies do business in various areas including Human Resources, employee and client payments, international operations, and benefits. Here are three use cases where how blockchain technology could benefit employers.

1. *Smooth Your Onboarding Process*

Blockchain technology, in combination with smart contracts (i.e., code programmed on the blockchain that automatically executes once a series of conditions have been met) could significantly benefit the onboarding process. Onboarding typically requires coordination between the new

employee, administration, HR, IT, and sometimes finance or legal. This can be a heavy lift for the employer as you work to ensure that all documents are signed and verified, and that all permissions are granted to a new employee.

However, these actions can easily be managed through actions programmed into a smart contract. This can remove administrative friction and save you time that could be better served performing other more substantive tasks.

For example, imagine a new hire satisfies a requirement necessary for further access to IT systems or proprietary information, such as submitting specific documentation or completing data privacy training. A smart contract could immediately and automatically activate their employee status and company access upon satisfaction of the requirement, while also recording the transaction to prove it occurred.

2. *Provide You Improved Access To External Talent*

Blockchain technology could also provide improved access to external talent you might not otherwise reach. Because payments on a blockchain can be made anywhere in the world in real time, in an agreed upon cryptocurrency, this could appeal to talent pools that were previously inaccessible because they were too distant, or their identity and experience couldn't be verified.

Being able to pay on the blockchain also provides access to approximately two billion people in the world who are unbanked (i.e., people who do not have access to traditional financial services), some of which could easily have some of the sharpest and brightest minds around. Obtaining access to these external talent pools could be a huge benefit to employers as the fight for the top talent in a particular industry can be intense. In addition, because the transactions are irreversible, the use of blockchain technology allows employers to keep clear and accurate payment records for audit and compliance purposes.

3. *Make Audit Responses A Breeze*

Speaking of audits, if you are ever faced with the dreaded situation where a federal or state regulatory auditor shows up out of the blue and demands that you quickly provide employment-related records for several years back, blockchain technology could be a lifesaver. The blockchain makes it easier for a business to manage an audit because it can quickly and securely share its stored records with regulators in near real-time.

As a result, the time and cost spent for document collection would be reduced drastically. In addition, because the information is secured on the blockchain, the chances that the documents have been fraudulently altered or manipulated is significantly reduced.

Considerations

Although blockchain technology holds many potential benefits, that doesn't mean its necessarily right for your company. Some key things to consider include:

- **Do you Need Blockchain Technology?** You should evaluate whether you believe the benefits provided by blockchain technology can improve your workplace or business operations. Are you talking about blockchain only because it's good marketing or have you evaluated friction points where the inherent features of this technology could make sense for your business? Utilizing blockchain technology for a task that is better suited for a different technology could only complicate things and will create a worse user experience and cost you more money and time in the long run.
- **Public vs. Private Blockchain?** Depending on the nature of the information, you may have concerns with using a public blockchain – as anyone else using a public blockchain can view your transactions. This could pose challenges if you want to utilize blockchain technology for transactions containing proprietary, sensitive, or confidential information. While there are options to keep such information secure, you will need to evaluate whether transferring or storing this information on a public blockchain makes sense when considering that inadvertent disclosure could run afoul of privacy laws, healthcare laws, or the terms of confidentiality agreements. Private blockchains provide an alternative, but they have their own tradeoffs. You can dive further into this topic here.
- **What About the Law?** Depending on your potential use case and the intersection of that use case with your business needs and industry, you will need to evaluate various workplace issues. These may include the applicability of federal and state wage and hour laws, misclassification laws, international employment legal issues, benefits laws, data privacy laws, and HIPPA, among others. You will also need to be up to date on the legal positions taken by various government agencies, most notably the Department of Labor. Failure to catch all the angles could have detrimental results for your business. As a result, utilizing blockchain technology is not a do-it-yourself field for many employers.

Conclusion

Killer use cases will be critical for the mainstream adoption of blockchain technology. They will need to remove pain points and friction while creating a better user experience. Almost everyone works for someone (even if it is for themselves), so the workplace provides fertile ground for the development of transformative use cases.

That being said, employers considering whether to implement a blockchain solution should evaluate their company's needs in comparison to the benefits provided by blockchain technology. Before taking the leap, you should substantively evaluate whether adopting a blockchain solution makes sense for your company with a combination of your core business personnel, legal counsel familiar with these issues, and individuals or entities that comprehensively understand the technical aspects of implementing blockchain for business use cases.

We'll continue to monitor developments in this area, so make sure you are subscribed to Fisher Phillips' Insight System to get the most up-to-date information. If you have any questions, please contact your Fisher Phillips attorney, the authors of this Insight, or any attorney in our Cryptocurrency and Blockchain Practice Group.

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