

# **Digitalization, AI, and External Intelligence: Key Questions for Senior Leaders and Individuals**

**Wayne Cascio**

University of Colorado Denver

**Tim Bartl**

HR Policy Association

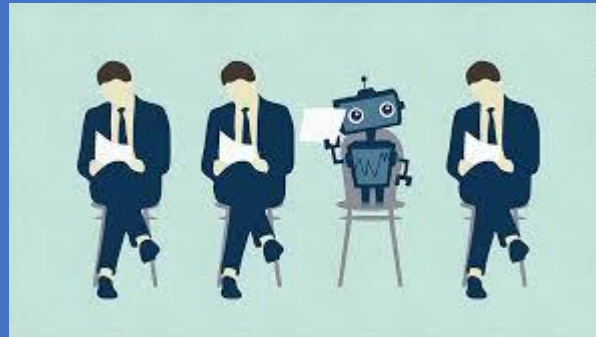
**NAHR, November 7, 2019**

# In the Age of Intelligent Automation

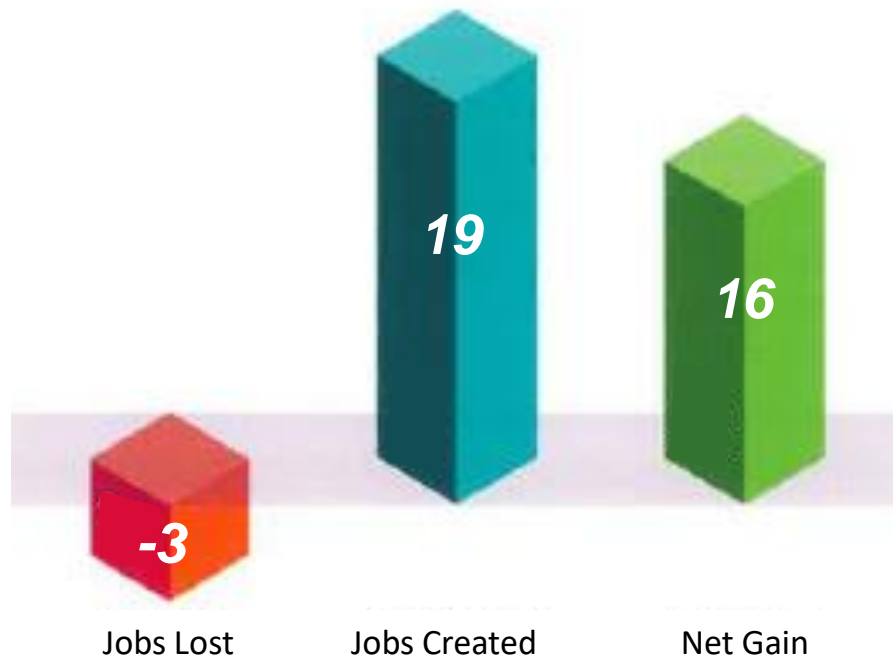
- What is a “job”?
- How should it be structured?
- How should companies assign value to a job, in terms of increased performance through machine intelligence?
- What sets of skills should companies invest in?
- Which jobs should remain within the company and which should be accessed via talent platforms or even shared with peers?

# Impact on Jobs

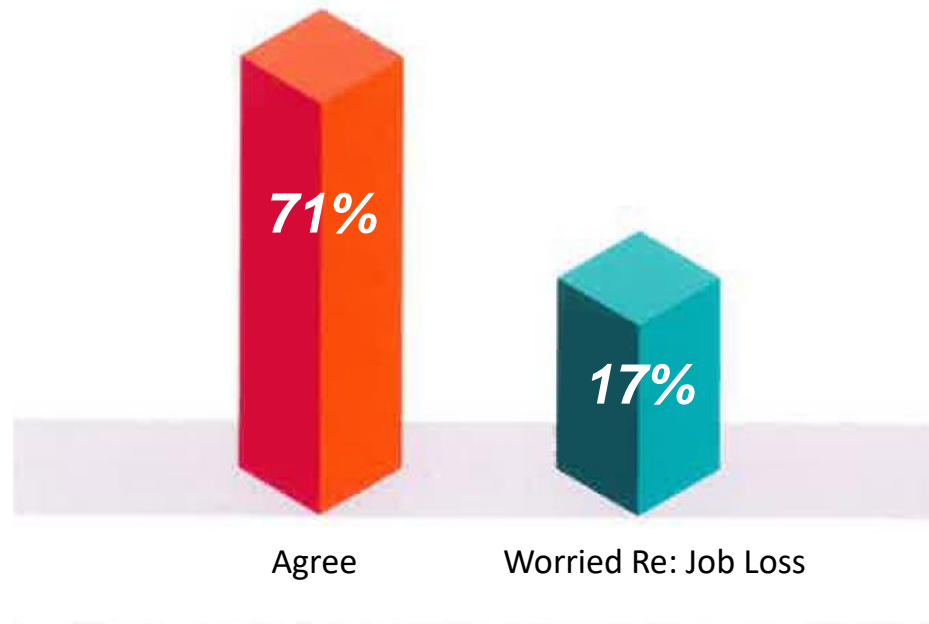
- Many jobs currently performed by humans will be substantially taken over by robots or digital agents by 2025



# Millions of Jobs Lost v. Created by PCs (1970-2015)



# AI Will Create More Jobs Than It Eliminates



# Impact on Jobs

- IBM CEO Ginny Rometty (2017): “I do believe that when it comes to complete job replacement, it will be a very small percentage;
- When it comes to changing a job and what you do, it will be 100%”
- McKinsey Global Institute, 2017:
  - “Very few occupations—less than 5% - consist of activities that can be fully automated.
  - However, in about 60% of occupations, at least one-third of their activities could be automated, implying substantial workplace transformations and changes for all workers”

# Impact on Executive Jobs

- “I’ve still never seen a piece of technology that could negotiate effectively, or motivate and lead a team, or figure out what’s going on in a rich social situation, or get people to move in the direction you want” (B. McAfee, MIT)
- Conclusion: No computer will ever manage by walking around, but inspirational leadership will always be in demand

# Managing in the Age of External Intelligence

*A person who does not worry about the future will shortly have worries about the present*

Ancient Chinese Proverb





# If Used Properly...

- External intelligence and new digital technology will actually make companies more competitive and enhance work for the majority of the workforce



# WORKPLACE TECHNOLOGY TRENDS VS. EMPLOYEE TRENDS

Technology Trends	Employee Trends
Digitization	Desire for purpose-driven employer
Predictive Analytics	Employee voice empowered by social media
Artificial Intelligence/Robotic Process Automation/Machine Learning	Privacy concerns re employer-collected data
Cybersecurity risk management	Concern re: use of technology outside of work hours
Wearables/employee tracking	Potential concerns re: inherent bias in workplace technology

# GROWING CONCERNS ABOUT TECHNOLOGY AND EMPLOYEE PRIVACY

**The Washington Post**

*Democracy Dies in Darkness*

## **A face-scanning algorithm increasingly decides whether you deserve the job**

HireVue claims it uses artificial intelligence to decide who's best for a job. Outside experts call it 'profoundly disturbing.'

By **Drew Harwell**

Oct. 22, 2019 at 12:03 p.m. EDT

# GROWING CONCERNS ABOUT EMPLOYEE PRIVACY

**BBC**

‘We were constantly watched. It felt like we were in prison.’

*The New York Times*

**A Machine May Not Take Your Job, but One Could Become Your Boss**

**CBS NEWS**

How tech’s white male workforce feeds bias into AI

THE WALL STREET JOURNAL.

**The New Ways Your Boss Is Spying on You**

*The Washington Post*

You’ve come to expect your data is at risk when you shop. Don’t forget about when you’re at work.

**Mother Jones**

**Artificial Intelligence Was Supposed to Reduce Hiring Discrimination. It’s Already Backfiring.**

# PUBLIC-POLICY RISKS

- The failure of vendors/employers to understand the potential misuse of technology or data leading to expedited legislation
- The lack of employee understanding in how employers collect and use data in the workplace, leading to public complaints
- Failure to educate policymakers about the use of technology and data and a proactive, responsible approach to data privacy
- Lack of a federal preemptive standard leads to patchwork of state/local privacy laws
- Personal liability for executives for company violations

# IBM'S PRINCIPLES FOR TRUST AND TRANSPARENCY

- The purpose of AI is to augment human intelligence
- Data and insights belong to their creators
- AI systems must be transparent and explainable

# WORKDAY'S COMMITMENT TO ETHICAL AI

- We put people first
  - Respect fundamental human rights
  - Customers have control over how machine recommendations are used
- We care about our society
- We act fairly and respect the law
  - Engaged in the dialog re: regulation of new technologies
- We are transparent and accountable
- We protect data

# JOSH BERSIN'S FOUR DIMENSIONS FOR TRUST RE: ETHICS IN PEOPLE ANALYTICS

- Privacy
- Security
- Bias (and the need to monitor and train analytics systems)
- People Impact



# QUESTIONS FOR THE GROUP

- How do you handle the ethics of AI, digitalization, and analytics in your company currently?
- What steps should employers take to minimize the risk of a major breach of trust internally? In employers generally?

# **Appendix: Critical Questions for Boards, Executives and Individuals**

**Wayne Cascio**  
University of Colorado Denver

**Tim Bartl**  
HR Policy Association

# **Appendix: Critical Questions for Boards, Executives and Individuals**

# Critical Questions for Leaders at the Board and Senior-Executive Levels

Evaluating Digitalization	Board	<p>What is the company's long-term strategy, and what role does digital technology play in it?</p> <p>How is the externalization of human thinking and judgment changing the way businesses gain market competitiveness?</p> <p>What are important trends in the political, economic, social, technological, legal/regulatory, and environmental realms?</p> <p>What are the risks of doing nothing?</p>
	Board and Senior Executives	<p>How might the trends identified affect the organization's long- and short-term strategic objectives?</p> <p>What are current and potential competitors doing?</p> <p>What are new entrants doing to our industry?</p> <p>What should we be doing now to capitalize on the trends identified, and how can digital technology be helpful?</p>
	Senior Executives	<p>Do we need a digital upgrade or a digital transformation?</p> <p>Do I know how to measure the value I intend to create?</p>

# Critical Questions for Leaders at the Board and Senior-Executive Levels

Embracing External Intelligence	Board	<p>What does external intelligence mean to the company?</p> <p>How are our current and potential competitors and new entrants exploring or exploiting external intelligence?</p>
	Board and Senior Executives	<p>Which areas of the company have the greatest need for external intelligence in order to assign an environmental-scanning network to each of them?</p>
	Senior Executives	<p>What should be the goal, role, and responsibility of each of these networks?</p> <p>What should be the required competence and composition of each network?</p> <p>What should be the process to engage members of the organization to want to participate in these networks?</p> <p>Do I know how to measure and assess the results of each network to be razor-sharp in certain areas, yet big-picture focused as a business?</p>

# Critical Questions for Leaders at the Board and Senior-Executive Levels

Enabling Digital-Savvy and Creative C-Suite Executives	Board and Senior Executives	<p>How can we create and support more digital-savvy and creative C-level managers?</p> <p>How can we unleash imagination at a time when there is so much uncertainty and risk aversion (and awareness that middle managers are especially risk averse)?</p>
	Senior Executives	<p>How is the C-team collaborating across functions?</p> <p>How can I encourage people to take risks, especially in embracing new digital technologies?</p> <p>How can I help employees, and especially C-level managers, to be better at using digital technologies?</p>

# Critical Questions for Leaders at the Board and Senior-Executive Levels

<b>Managing the Transition</b>	<b>Board and Senior Executives</b>	<p><b>Why are we engaging in a digital transformation and why now?</b></p> <p><b>Have I really bought into this transformation, and are the key stakeholders on-board?</b></p> <p><b>What plans or programs does the company have to upskill or re-educate the workforce in preparation for the transformation?</b></p> <p><b>Will those plans or programs help in managing the transitions of employees whose skills may no longer apply or be necessary in 10 years?</b></p>
--------------------------------	------------------------------------	--

# Managing the Transition (Sr. Executives)

- Do I have the resources needed for the transformation?
- Do we have processes in place to deal with surprises and guard against risks during the transformation?
- Are there adequate policies supporting the transformation, including unemployment insurance, public assistance in finding work, and portable benefits that follow workers between jobs?
- What kind of policy decisions are needed to ensure transparency as well as ethical uses of algorithms and in sharing data with employees, managers, and outsiders (including customers)?



# Managing the Transition (Sr. Executives)

- Which digital assets should remain within the company, and which should be procured from public services, or shared with business partners, even competitors?
- Do we have an appropriate digital infrastructure to exploit the development of our internal and external digital assets?
- How will I know what success looks like?

# Critical Questions for Leaders at the Board and Senior-Executive Levels

Support a Co-Creation Culture	Board and Senior Executives	<p>What is the role of human experience and the interplay between technology and humans in the transformed company?</p> <p>What jobs will disappear and which new ones will emerge as the company embraces its digital transformation?</p>
	Senior Executives	<p>Do we have communication plans, incentives, and a governance structure that supports the digital transformation of the company?</p> <p>What processes need to be in place to encourage inquiry and risk taking throughout the transformation?</p> <p>Do we have mechanisms to challenge ideas?</p> <p>Are our people empowered to act?</p>

# Critical Questions for Individuals

## Self-Evaluation of Digital Disruption

What is my long-term vision for my life?

What is a “job”, and what role does it play in my life?

How should I rethink the value that I bring to society, as well as to my company, job, family, and colleagues?

As the nature of work is changing, how am I linking my identity to what I do for living? What new opportunities and challenges is it bringing me?

# Critical Questions for Individuals

**Becoming a  
Digital Bridge**

**What do different customer segments think about the company's digital position?**

**What do employees within different generational cohorts think about the company's digital position?**

**What do my working colleagues not know they want, and how can I help them?**

**What kinds of skills, traits, and capabilities should I develop and invest in?**

# Critical Questions for Individuals

**Deciding What Digital Technologies and Services to Adopt**

**Which jobs are more likely to be automated and which are more likely to be augmented by the interplay of humans and technology?**

**Given my career, my company's business goals, and the market's needs, what digital technologies should I learn to use and adopt (and which ones should I stay away from)?**