`

Decision-Making and Artificial Intelligence: Issues Facing Companies with a Global Workforce

Session coordinators: Ulrich Bormann, Ramona Bauer, Simon McMenemy

What is AI?

- Must have a cognitive component (tool trained to do what a human can do – not simply processing data)
- Expert systems vs. AI:
    o 1st stage: implementing statistics
    o 2nd stage: Deep learning (creation of "neurons" to make decisions – overlap with humans?)

Influence/impact of AI on HR decision-making

- Use: recruitment including pre-interviews/scheduling (50% of large corporations use "AI" to sift info), performance reviews, job ID/assignments, career development
    o Ex: AI used to improve applicant experience (info to find right job, motivation to apply, Q&A, then surveillance to determine what kind of questions put into system, then process to improve usefulness)
- Issues:
    o Can't let machines make decisions without human input – but machines reflect human biases
    o Must be thoughtful about adoption of screening processes (ex: facial recognition, personality tests, psychometric tools, interviews, profiles for culture match) – are they reliable/accurate/discriminatory?
        ▪ Ex: robot-based system had unintended impact on women
        ▪ Algorithms can find evidence to support decisions
        ▪ Opposing view: HR perception that AI doesn't (but should) reflect human natural preferences

Ethics of AI use in the workplace:
- How much thought and governance actually takes place re: AI use (general view – very little)? Do organizations take science behind AI at face value? Who decides what input to AI (IT vs. actual user)?
  - o Ex: use of facial recognition: learned, not innate; perception of expressions may mean something different in different cultures. Is AI valid for global use?
- Does actual use of AI alter original machine neurolearning?
  - o Ex: Input provided by engineers was neutral, but later input from comments, jokes taught machine to be "sexist pig"
  - o Ex: neutral input of desirable qualifications overridden - machine learned who would be a successful candidate based on actual user biases

Role of managers in decision-making
- Traditional manager role remains: compliance, retention, talent management
  - o Managers are human element in decision-making/process review
    - Must be tech savvy and controllers of how AI will be used
    - Responsible for determinations re: bias, defensible results
- Future role of managers: different from today?
  - o Managers will inevitably base decisions on AI
  - o Issues: how much human touch will/should be included? How will mixed human/robot teams work? Legal system believes decisions are taken by people - who is responsible for decisions taken by machines, or by managers relying on AI? Will use of big data in purely automated situations eventually result in robots being smarter than humans, and thus becoming managers?

Infuence of AI on the role of legal counsel
- 2018 Deloitte survey - 10,000 legal roles with be lost by 2026 (2020 tipping point).

- Volume of legal work will change: rule-based, repetitive work will be automated.
  - o Clients increasingly expect value-add from efficiencies using bots:
    - EX: Due diligence, identification of anomalies, research, document production, prediction of legal outcomes/damages based on prior decisions/settlements, automation of divorce determinations.
- Most of legal work commodities, small part experience-based.
  - o Riverview Law: commoditized bulk value of legal services
  - o Owners of data (ex: PWC, Lexis/Nexis) now influencers of legal world – seeing no value add from traditional legal services
  - o No different from client use of technology for efficiency/cost savings – clients want lawyers to be innovators in this space
- Open questions:
  - o Will profession reduce in size?
  - o How will legal service offerings be priced?
  - o What legal jobs should be changed to reflect AI use?
  - o How will lawyers be trained/gain experience if machines perform basic tasks?
  - o How acceptable is use of AI in legal roles?
- In fact, eventual impact of AI on legal business is unknown. Issue may be better framed by recognizing that AI will augment, not replace, what lawyers do – and the profession will adapt.
  - o For labor/employment lawyers: role as strategic advisor to clients unlikely to be replaced – "soft"/human factor expertise and experience unlikely to be performed by AI in near future