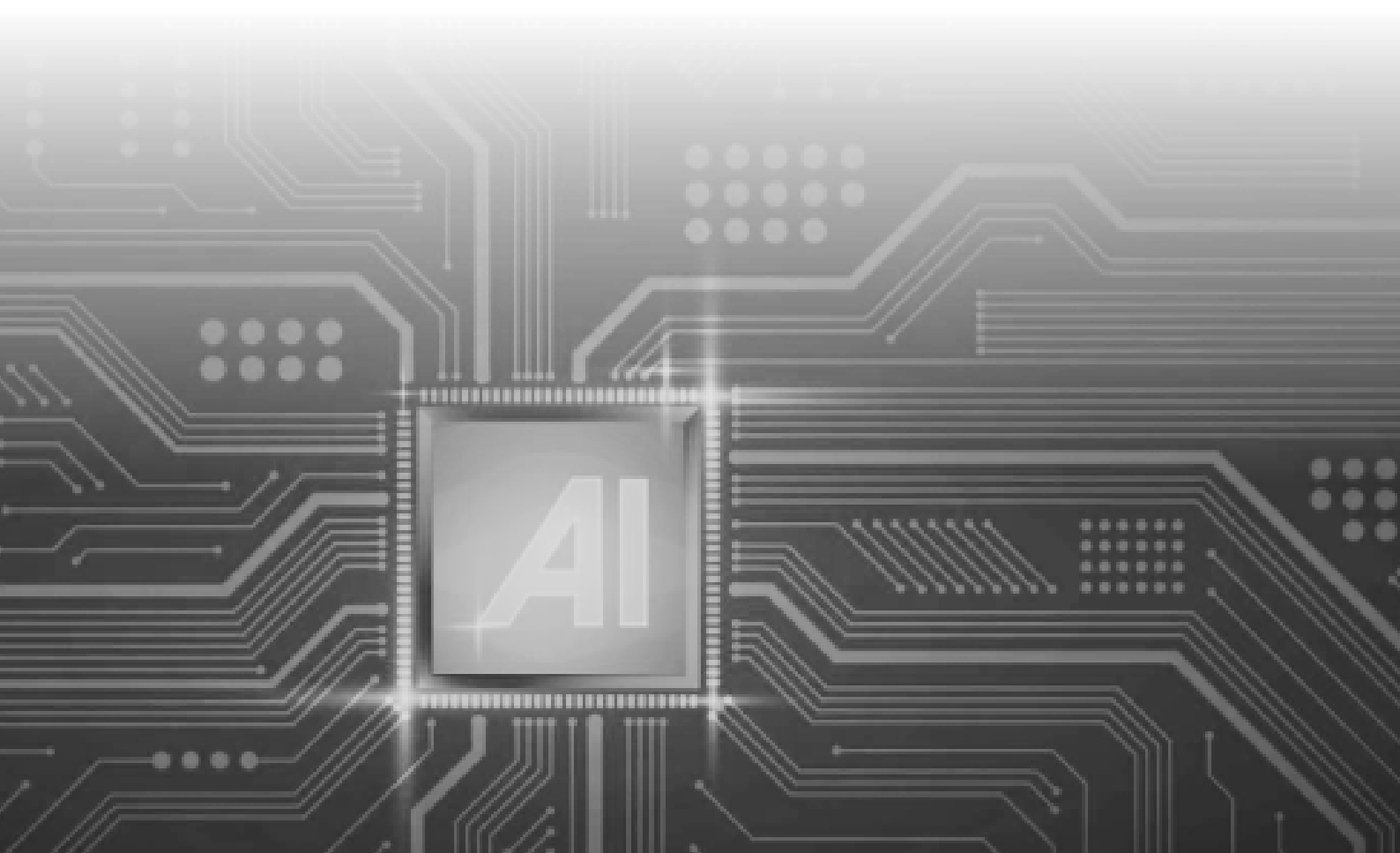




Grappling with the

MONOLITH OF AI

BY KEN GAMAGE



The recent advances and ensuing hype cycle of artificial intelligence focus on the enormity of the impact that AI will have in the near future and on most everything.

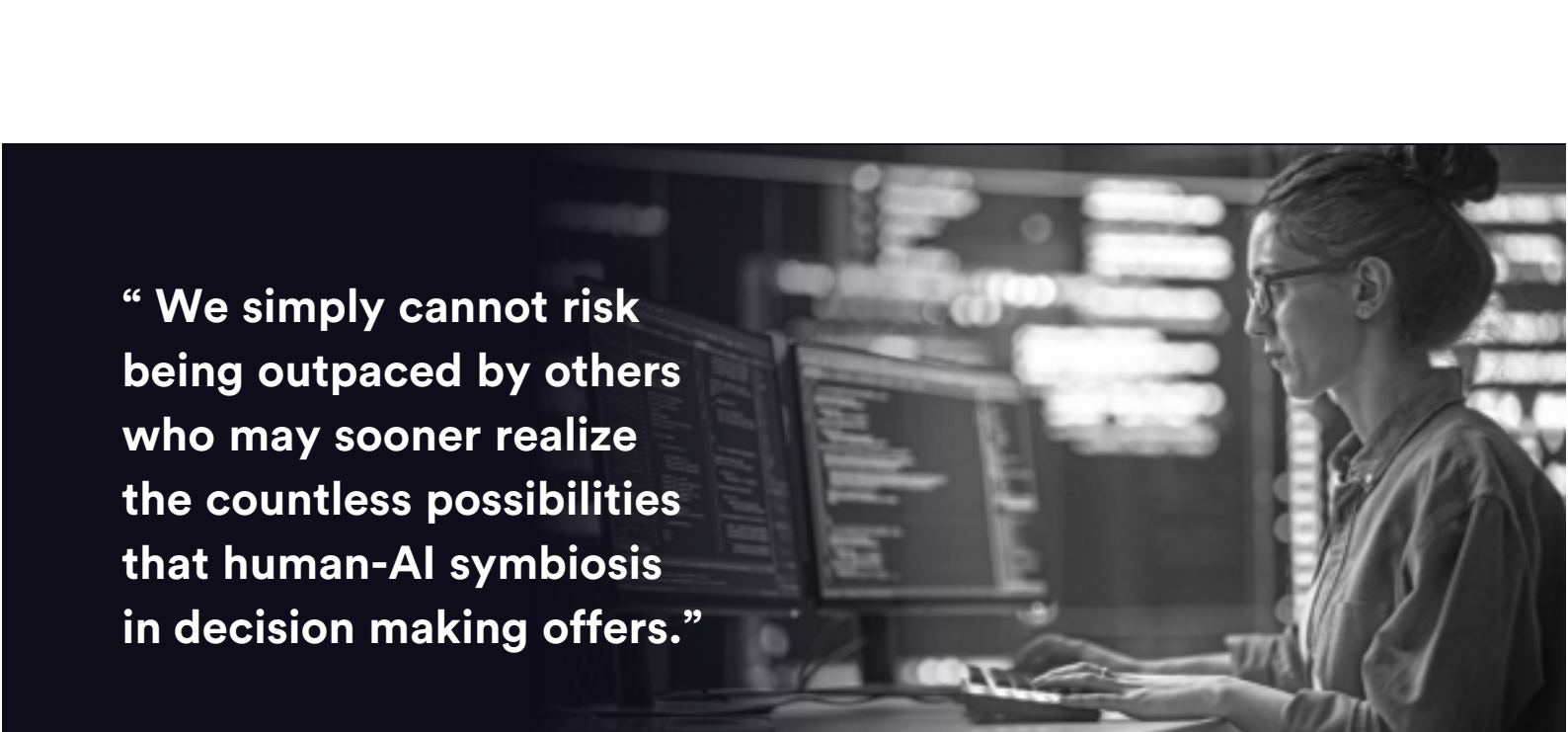
The shadow of human consciousness has conjured itself up digitally from breakneck computational speeds and self-learning lines of code, feeding on a freeway of data.

Despite the term “AI” being coined in 1956 by a mathematics professor, recent exponential advancements in AI have even mainstream culture screaming that it is *now* that we are in the midst of AI’s true first draft—a blueprint of disruption with many unwritten chapters ahead. Question marks and leaps of faith dot our collective mind. Where are we going with AI? Who is AI’s artist? How can we shape AI? Will AI complement human “thinking”? How do we use AI symbiotically in our organizations that are people-first? A towering monolith has emerged in the town square, and we don’t quite know what to make of it.

The temptation to leap too far ahead in this supercharged AI hype cycle is fierce. Here, we hypothesize that AI will reach a pure union with human consciousness as the logical end game

of AI’s self-awareness (lest we forget that the term “neural networks” of AI reflects the neural networks of the human brain). Undoubtedly, this is a utopian interpretation. Conversely, a dystopian view has many of us afraid of AI, galvanized by the same moral panic in response to the mass adoption of the telephone, the internet, the telegraph, and even the bicycle.

Taking this mental leap, unbeknownst to us, positions our collective thinking inherently under a behavioral economics microscope, revealing the ailment of cognitive bias. If we downgrade the forecasting task to more mundane decision making, this biased outcome remains the same. Humans are able to take a limited set of experiences and pieces of info and data (often skewed to what is most recent) and use this incomplete picture as a launchpad to make a decision against a predicted outcome. It is rife with bias and invented narrative, which is fine in some situations but not in others. AI, on the other



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hand, when applied correctly, can be quite good and efficient at rationally assessing and predicting in a relatively consistent manner.

Decision making and “thinking” are what make us human, but for several decades, behavioral economics has challenged the classical assumption that we act and think in an exclusively rational manner. Behavioral economics accepts the good, the bad, and the ugly—that we as humans think and make decisions within both rational and irrational modes of thinking or a blend of the two. One of the chief obsessions of behavioral economics is finding clever ways to optimize the expected utility or, put in plain language, nudge us toward better outcomes that are more certain. It comes as no surprise that the majority of us are terrible at statistical thinking, assessing risk, and evaluating losses versus benefits or are biased by whatever news article we were most recently exposed to.

The list of cognitive biases that behavioral economics has unearthed runs deep. Research reveals that as individuals, we make approximately 35,000 decisions every day. That is an immense cognitive load to carefully think through. Try making a left-hand turn at a busy intersection while remembering a sequence of seven numbers. Not easy. You can imagine the sheer number of impulsive mental shortcuts with varying degrees of risk we take to maintain workplace efficiency.

For those of us in the management world, the gravity, resources, and financial tectonic plates behind some of our decisions are to be tended to with exceptional care and self-awareness. We simply cannot afford to make bad decisions. Yet with equal gravity, we simply cannot risk being outpaced by others who may sooner realize the countless possibilities that human-AI symbiosis in decision making offers.

A recent report by *MIT Sloan Management Review* and Boston Consulting Group indicated that 57% of responding companies are piloting AI and 59% have an AI strategy. That is not to say that organizations should dive in headfirst for the sake of “doing AI.” We decide as individuals and organizations where and how to use AI, so it is prudent to take a long, reflective view of their

current and future states and apply a behavioral economics lens across tasks, projects, processes, and strategies to see where AI might help complement our work.

When we find clear inroads to opportunity in leveraging AI, we should reflect soberly about any risks or counterfactuals that we should mitigate before rolling it. Clement Delangue, CEO and co-founder of Hugging Face, mentioned at Dreamforce this past September that companies should consider building AI themselves to solve client problems while ensuring compatibility with enterprise platforms. Start small with a system that is closed, share with internal regulatory groups, and then scale. Last but not least, keep in mind the magnitude of what is possible. Be creative. Be flexible.

Here are some examples of areas companies might consider exploring:

Nudging and decisions support. As conveyed thus far, behavioral economics reveals that despite the volume of decisions an organization and its individuals make, we are all prone to an array of cognitive biases. “Nudging,” introduced by Richard Thaler, is a way to influence people’s decisions in a predictable way without restricting their choices. AI “co-pilots” can be used to design and implement nudges for everything from financial decisions all the way to employee mental health. We can think of this intervention as something personalized, at the business unit level or at higher orders of decision making. Level up decision making using game theory principles (mapping out strategic or competitive interactions).

Data analysis. It goes without question that AI’s ability to trove through endless reams of information and identify patterns and relationships eclipses what we mere humans can do. We are bad at crunching numbers and statistical thinking; AI excels in this area. Let’s focus on the storytelling and contextual aspects of the analytic work.

KPI co-pilot. Combining decision support and data analysis, a KPI (key performance indicator) AI co-pilot already installed at early adopter organizations can not only tell us when KPIs are

forecasted to depart from baseline “business as usual,” but also help us diagnose what is driving that change of performance and suggest next steps for course correction or further acceleration. The prerequisite here is that your organization’s data and tech are organized appropriately and there is internal alignment on KPIs.

Predictive intelligence. AI can be used to build predictive models that incorporate your organization’s data, behavioral insights, consumer data, sales data, marketing data—and the list goes on. Trained on these datasets, AI models can help forecast how people are likely to make decisions in various situations. For example, it might predict consumer choices (or what factors influence a consumer’s choice and by how much), stock market behavior, company policy adoption, or inventory bottlenecks.

Simulation of alternative perspectives. Using LLMs (large language models), AI can help assess policy, legal documentation, or any type of communication by simulating various stakeholder perspectives. Imagine producing an RFP and having AI review it from various perspectives as an estimation of how the reader might interpret it. We can then take it to the finish by tailoring our materials more tightly to the appropriate audience.

Diversity, equity, and inclusion. Provided we can optimistically push past the current hurdles, there is much to be gained from a DEI perspective. Extending the previous use case, we can also use AI to understand how diverse groups of people might decode and interpret communications from the vantage point of their lived experience and cultural context, course-correcting common hegemonic assumptions and biases.

There are caveats. Today’s AI (or any cultural artifact, for that matter) is not bias-free and typically reflects the dominant culture’s ideologies, attitudes, and values. To compound this issue, LLMs have been trained only on English and Chinese languages to date. The key here is to make space for diverse employees at your organization’s AI table. Adopt the mindset that those most impacted by AI should have the loudest voice in its upfront development.

Human resources. Employee motivation, engagement, and retention are crucial for organizational success. There is often a gap between what we perceive is happening and what is actually happening. Working with AI allows us to analyze behavioral data to understand the drivers and detractors of employee job satisfaction and tailor management approaches accordingly. Why wait for an exit interview to find out about an employee’s job dissatisfaction? AI can help highlight the canary in the coal mine.

Risk management. All of the use cases listed here mitigate risk in some capacity. But using AI explicitly to evaluate and score risk across myriad operational processes (e.g., supply chain or inventory issues, competitive threat, economic headwinds) and decisions could be an invaluable standalone function.

When assessing risk, people may tend toward thoughtful rational thinking versus impulsivity, but the mental load that

accumulates after making several decisions throughout the day dulls rational thinking and makes way for more irrational, quick decisions around risk. All of this is modulated with the speed at which risk assessment is needed and the magnitude of impact. That’s pretty scary. AI does not get fatigued and can consider the psychological biases that affect risk perception, leading to more accurate assessments of risk and pointing us toward opportunities. It is then up to us to pull the trigger toward action.

Knowledge management. By now we are all well versed in this area. With ChatGPT propelling a lot of the momentum of today’s AI hype cycle, search and retrieval AI engines and knowledge bases can help managers quickly access relevant information and summarize documentation. This makes it easier to critically digest. The caveat here is finding a way to consistently track the source and credibility of knowledge, an area that requires human judgment on balance to keep AI in check. We are far from having a solution to AI watermarking citations still.

Workflow optimization. AI can streamline workflows by automating task sequences and ensuring efficient process execution. As discussed throughout, AI does not hit decision fatigue and can ensure that step-to-step machine and human hand-offs are moved correctly while assessing risk and opportunity at forks in the road. An obvious application is supply chain management, including inventory management and demand forecasting or project streams that require input from several organizational units.

As you can see from this relatively short list, there are a variety of possible applications. AI is already a highly flexible and adaptive technology, so we can achieve the greatest success by balancing the human and AI experience in an optimal manner. These two poles are complementary. As we entertain the idea of bringing AI into the organizational equation, managers and leaders must be mindful of how employees will perceive these advancements and ensure you’re anchored to trust. Trust comes from transparency and control. You can concretely change things if the AI program you’re venturing to install is not providing the outcomes you want. Ensure that value pluralism and participatory design are at the heart of the initiative. There is no room for moral sleepwalking. As much as we should focus on performance and efficiency, ensure that you are equally scaling privacy and ethics with your technological rollouts, making sure that you pull in your organization’s store of interdisciplinary perspectives.

Last but not least, as these new tools and processes are rolled out, use an empathetic behavioral economics lens to view how AI will be used, adopted, and perceived as it assimilates into organizational culture. Looming far above our office walls, the mainstream narrative runs wild. It tells us that AI is something that is happening to us. It should be reframed to explain that we are doing something to and with AI. It is a tool that we have the agency to shape and mold to our benefit. [AQ](#)

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