

Humans vs Machines: The Role of Employees in a Digital World

GABA, August 2, 2018 6:00 – 8:30 pm, Morrison & Foerster LLP, Palo Alto

Led by Jennifer Vessels, CEO of Next Step, Recap provided by Nancy Nelson, HRProse

Panelists: Bal Heroor, CEO of Mactores; Christine Lyon, Partner, Morrison & Foerster LLP; David Swanson, Author of “The Data Driven Leader” and former Chief HR Officer for SAP; Shanin Khan, Founding Partner, OrionX.net

- As our reliance on technology increases, digitalization affects all businesses, tech and non-tech, large and small. All need to figure out how people and technology fit together. As the younger generations enter the workforce, the question is not do we embrace technology but how do we do it?
- Technology offers the opportunity for employees to be used more strategically, as more routine tasks become more automated.
- The world of human resources has been disrupted, with more disruption to come, as AI has accelerated. When the work is digitized, it becomes easier for machines to do it.
- Before the Industrial Revolution, people worked as apprentices in the trades. When people started migration to urban areas to work in factories, the concept of a “job” was created. Our labor laws and benefits are based on the model of everyone coming to one place to work as a full-time employee, which is rapidly becoming obsolete, with the ratio of FTEs to contractors, gig and project workers decreasing. Workers who are not FTEs do not have the same rights or benefits.
- In the Bronze Age and Industrial Age, we were always challenging the mind. Now is the first time that we are challenging the brain.
- How will AI drive human development? Google Alpha Go beat the best 20 Go players in the world. AI is beyond human capacity in recognizing images but cannot rationalize or interact. AI is at the perception stage right now.
- AI is both good and bad; what you see depends how you look at it. Good in that it creates very useful tools, like navigation. Bad in that jobs are eliminated, and digital authoritarianism becomes acceptable (think social proof in China).
- AI has a lot of potential in the HR space for better candidate identification, data analysis and helpful us look past our human bias (favoring the people who have succeeded in the past and/or are similar to the interviewer).
- We need to be able to explain and understand the algorithm (no black box) and know how it impacts employees and customers. Partnership with data scientists is important.
- GDPR has restrictions against automated decision making. We need to explain our logic to stakeholders, including labor unions and work councils. It all comes down to fairness.
- HR professionals tend to have high levels of emotional intelligence but very little connection between intuition and results. When EI is combined with data, this can be very powerful.

Diagnosis is the next level, then predictive analytics and prescriptive analytics (few HR people are at this level).

- A good starting place for HR: get comfortable with data analytics. Partner with marketing (they analyze data all the time). Bring people who are data analytics experts onto the HR team (Google) and from there, teach them the basics of HR.
- How can we bring humans together with machines for better outcomes? Responsible AI means being transparent, be honest about what you are doing.
- Current law is based on ethics and beliefs. Machines do not have beliefs. Should we let AI have an opinion? Machines learn on their own and the learning is not based on what humans program in. We need to look at both the input and the output. We need to understand the limits of machines.
- Avoiding bias: need to build in transparency at the feature selection stage. Data needs to be carefully calibrated. Aim for simple automation at first. Be thoughtful about what kinds of features and data go into your systems.
- Predictions and observations:
 - Growth will happen too fast and too slow. If we try to push too hard, we will have roadblocks
 - We are at least 30-40 years away from machines having consciousness
 - The number of data scientists will continue to increase (already a 16 x increase and 800K data scientists working on AI today)
 - Jobs will not be a meaningful metric in a data economy
 - We will need to come to terms that machines can do better than humans on routine tasks. We have come a long way on Maslow's hierarchy – time to let the machines do the work
 - Companies will seek to use people in more productive ways. The missing piece is utilizing top talent
 - We will need a different self-image for humans. We aren't offended when cars go faster than we do
 - The legal framework must change. Right now, law makers aren't capable of dealing with a data economy where people work flexibly. New laws are enacted to address perceived threats, leading to more regulation and increased labor union traction
 - Codes need to be applied to specific culture (localization) – perhaps a bot can be developed that is culture-specific
 - We will give our personal data in exchange for free services, or else pay for them
 - Change management is key. We need a much better transition than what occurred in the Industrial Revolution
 - Skills needed in AI age: creativity, human to human connection, consultative sales, the ability to bridge the gap between technical and “regular” people

- Alternative forms of education are needed; specialized credentials
- Market forces will need
 - Prepare our children and grandchildren for the challenges ahead