

WHITE PAPER

AI & Culture

FUTURE IMPACT OF AI ON CULTURE

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He is an experienced LSI coach and has helped countless individuals increase their effectiveness. He also enjoys working with leadership teams to maximise their impact on the business.

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Introduction

Artificial Intelligence (AI) is poised to become one of the most important business disruptors of our times. But what exactly is AI and what impact will it have on organisational culture? We have written this paper with these two questions in mind. We do not pretend to have all the answers – in fact, it would be impossible to do so because AI is developing so fast that it is hard to predict which way it will go. Our intent is to initiate a discussion with business actors and culture practitioners trying to understand the impact of this market disruptor and wanting to make the best of it from a cultural standpoint.

As we move from digitalisation to the full digital era, we believe that it is critical to change mind-sets and move away from a focus on threats to a focus on opportunities offered by the new AI and cognitive technologies. Beyond the fear of the killer robot and the loss of jobs, which will probably be the case for several industries, AI appeals to our humanity, because at its heart is the use of data to analyse patterns, and in particular patterns of behaviour.

AI interprets these patterns and uses them to our advantage. At Walking the Talk, we define culture as “the patterns of behaviour that are encouraged, discouraged, and tolerated by people and systems, over time.”

With this definition in mind, it is easy to see how central culture is to AI. In this paper, we want to discuss the interaction between AI technology and behaviours – people’s behaviour of course, but also the machines’ behaviour.

So, what exactly is AI?

Artificial Intelligence is intelligence displayed by machines. The term is applied when a machine mimics cognitive functions that humans associate with other human minds, such as learning and problem-solving. The term encompasses many things, but at the moment it has a strong emphasis on using algorithms to do very smart things. It makes programming a lot simpler and a lot more interesting. What we are seeing in AI today is mostly pattern-matching and the capacity to look through sets of data.

We are however clearly moving towards a world where machines will talk to machines beyond simply talking to humans, which brings myth, fiction and philosophy to mind. For the public, the main threat is the singularity point, the time when machines become smarter than humans and would have the ability to take over. And - maybe - kill us all, which is very ironic.

The singularity takes the concept of artificial intelligence to another level, of artificial affect, artificial emotions, and even artificial values and souls. Research is currently being conducted about the ability of machines to stimulate empathy, where it would be able to interpret human emotions and adapt its behaviour to give a specific response. It is easy to see through this the impact that AI can have on business: machines dealing with customer complaints, able to ask questions, solving important problems faster and more effectively than humans, showing empathy and providing the appropriate solution.

AI in the business world

AI is already applied by many industries. One application in healthcare is to assist doctors to sift through hundreds of cancer drugs and choose the best one, based on super-fast analysis of papers, data and records, find trends and treat potential health issues before they appear through regular diagnosis. The automotive industry is making intensive use of AI with driverless cars. In financial services, AI is used to organise operations, maintain book-keeping, and invest in stocks.

AI is also reducing fraud and financial crimes by monitoring behavioural patterns for abnormal changes. If AI had been in use at the time, rogue trading, such as what happened at UBS may never have happened. And maybe Wells Fargo would not have been hit so hard if abnormal patterns had raised the alarm beyond a number of unscrupulous leaders. This is not to say that fraud could not move to another level with the introduction of AI.

The 2017 Deloitte Global Human Capital Trends Report says that “41 percent of respondents have either fully implemented or made significant progress in adopting cognitive and AI technologies, and another 35 percent report pilot programs.” However, “only 17 percent of global executives report they are ready to manage a workforce with people, robots, and AI working side by side.” We believe this is about to change.

What is clear to everyone is that AI is not about eliminating jobs, but about eliminating tasks of jobs, and about creating jobs that are more human – in other words, jobs that machines can't do – or can't yet do.

How does AI interact with Culture?

We foresee two main angles in which AI will impact organisational culture. The first one is that AI will help to manage culture. The second angle is that AI will directly influence the mind-sets and behaviours of people at work through the systems that will be implemented.

AI will help to manage culture.

- **Conducting a current culture assessment**

The purpose of AI is to analyse vast amounts of data to extract patterns. By analysing behavioural data sets, organisations will develop a good picture of their culture. We can picture a world where data is fed from many sources such as HR data, exit interviews, induction processes, performance management, business processes, leadership forums, and discussion threads to extract real-time behaviour patterns to build an almost daily picture of the culture.

Unilever, under the direction of Paul Polman, is already doing this with what it calls “Cultural listening”, a rough yet effective way of collecting information about how people feel. Unilever applies the marketing concept of consumer listening to obtain culture feedback from employees faster in order to discern better insight from their comments. This has more to do with engagement than with culture, but the transition may not take long to happen. Analysis of any behavioural data gives a good picture of what the culture is like, but there is nothing to suggest that when the intelligence of the machines increases, it will not be able to extract information about why people behave the way they do.

- **Identifying the target culture**

AI may be able to predict the best target culture based on hundreds of thousands of external and internal information sources. To do this, it could simulate various scenarios of behaviour change and measure the resulting business outcomes.

- **Developing a culture plan**

Beyond behaviours, AI will be able to identify systemic issues and their consequences, avoiding many of the current risks and facilitating the development of a culture plan. It will help focus on the right culture change levers, better predict impact on culture and on the bottom line. AI will also help identify culture influencers in the business as well as those resisting new sets of behavioural and management standards.

AI will facilitate culture audits of systems and processes in place in the organisation. Regulators and boards who are currently putting pressure on executives to ensure that cultural risks are addressed will welcome the use of AI. Finally, developing the culture plan will also be made easier by the testing of initiatives, which could be modelled in the system to test their effectiveness.

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- **Measuring culture**

Whether it is to measure business outcomes or behavioural shifts, AI will play a significant role. AI's power and intelligence comes from the data at its disposal to analyse patterns, so having tools to collect behavioural shift will still be necessary.

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Cultural Archetypes

Innovation

Innovation is the cultural archetype that will be the most impacted by AI. The mindset that sits behind innovation is curiosity. Asking questions, challenging, testing, trialling things and failing fast are all behaviours underpinning innovation, and they are the essence of AI and cognitive technologies. To make the most of AI, organisations will need to shift more towards a mind-set of innovation, bringing a real sense of curiosity to look beyond what they are now able to see and interpret.

They will need to ask the right questions of the machines, they will need to be ready to test the solutions provided, and move quickly. AI will innovate, see patterns that the human brain can't detect, and offer new ways forward. Consequently, the type of people organisations need to recruit will change, moving away from highly technical roles to jobs that place more importance on cultural fit and adaptability. People who are adaptable, responsive and agile will be favoured. This will impact the culture of the organisation towards one of innovation.

One-Team

The One-Team archetype, underpinned by collaboration, will become more important than ever. The integration of early AI tools is making organisations become more collaborative and multi-disciplinary as opposed to top-down and hierarchical. Internal technical expert teams implementing AI will need to work very closely with the front-line that is delivering the services, facilitating increased learning and setting the scene for further digital disruption.

Beyond team work, employees will also need to learn to collaborate with the machines themselves, especially as those machines become more human-like, while retaining their reliability. Intelligent machines and systems will actually become part of the team, and people will need to learn how to make the best of this machine-human-machine complex interaction system.

Customer-Centric

One of the current goals of AI is to analyse large amounts of customer data. It provides the input into decision making and customer handling processes focussed on customer needs, desires and experiences. Organisations now have at their disposal the information they need to put the customer at the centre of everything they do. AI is already helping to streamline customer experience, with chatbots that are improving relationships with customers. Chatbots are freeing time of employees who can focus on value-adding activities for customers. Machines are now extracting real-time data from customers, bringing suppliers and consumers to a complete new level of interaction, co-creation and high-speed, high-quality service provision.

Achievement

AI will be able to measure accountability as businesses were never able to before. It will keep humans on track when they are distracted or lose motivation. In fact, many currently see this as a real threat, the potential control of machines over their time, their results, and their productivity. The data will be at hand if leaders want to make use of it.

People-First

In order to build the next generation of technology and AI tools, we need as many diverse points of view in the room as possible. We need the ability to think differently about data, tools and uses of technology. We need people whose logic is different. We need different ways of thinking. This means that contrary to what many of us think, robotisation and AI will not remove diversity but enhance it.

Organisations will be able to target their communications to the individual, reinforcing meaning that employees are looking for. Whether communication is about customers, perks or business results, it will be on the money.

This has positive implications for building the tipping point for change in a culture program, which is the point where it is more embarrassing to remain sitting than to join in. Bringing as many individuals as possible on board with the culture change will be made a lot easier when the machines can analyse what makes everyone "tick".

AI will provide the means to analyse whether people are role models of the target culture and whether they can be used in the change process. AI tools will also help to identify the organisation's key influencers, who can be used to bring about change.

Other AI impacts will be on processes such as talent management, where it will help to maximise the value from the workforce, but also fully engage them, use their strengths and increase their commitment and engagement.

Greater-Good

One of the most heated debates on AI is whether machines have the potential to use their intelligence to make ethical decisions or not. And the majority of people tend to think that they can. Taking emotion out of the equation, AI could show a clear path and rational decision-making without the pressure that sometimes leads to the wrong actions.

Having clear values and sticking to those values, even in times of crisis or uncertainty, is the difference between strong and weak cultures. AI therefore has the potential to help create principled, leaders and cultures.

There is still a long road in front of us to realise the full cultural impact of artificial intelligence. But the journey has started and we predict that the changes will be significant. And as it is so often with culture, it becomes a leadership issue.

Will leaders adapt to a new workforce, new ways of thinking and acting? Will leaders make the most of a new technology that will help them to empower the workforce? Will they use AI to create the culture they need to effectively implement their strategy, being able to manage their businesses transition to an AI environment? This challenge requires major cross-functional attention, effort and collaboration. At Walking the Talk, our role is to support leaders and businesses in their culture journey, and we will be there when it is time to embrace AI and other cognitive technologies to create strong healthy cultures and a better world.

Walking the Talk helps clients make culture their performance superpower.

We are world leaders in culture transformation; our proven methodology enables organisations to put their culture to work in helping achieve their strategy.

**MAKE CULTURE
YOUR SUPERPOWER
UNLEASH YOUR PERFORMANCE**

Contact us to find out more about how culture transformation and management can help you achieve your business goals.

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