

The Challenge of AI Diffusion in Organizations

- > successful & sustainable
- > different functions
- > Ex: AI @ Board level

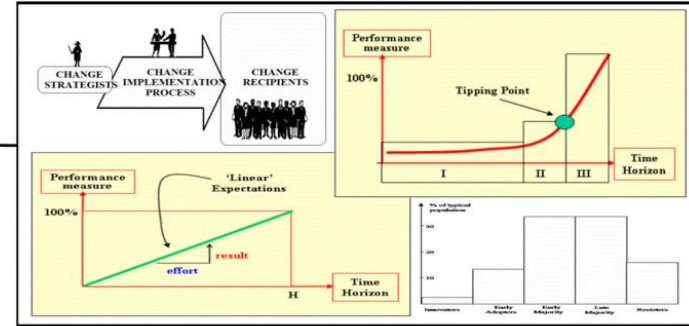
- > Academic articles since 1995
- > CALT - INSEAD's Centre for Advanced Learning Technologies
- > Established base of educ. institutions and organizations ww - R&D community

Experiential Simulation-based Learning

- [Artificial Intelligence for the Real World](#) (HBR, 2018)
- [Building the AI-Powered Organization](#) (HBR 2019)
- [Augmenting organizational decision-making with deep learning algorithms: Principles, promises, and challenges](#) (JBR 2021)

Technology-enabled Innovation in Organizations

- > individual Resistance Patterns
- > organization-wide Collaboration Barriers



- > from traditional/linear to **epidemic** diffusion models
- > surprising insights about where **resistance** comes from

Experiences & Insights from Boost AI Simulation

- EFFECTIVENESS**
- SCOPE/Target Learners** (why Managers only?)

New Change Management Challenges: Business Analytics & AI Diffusion

Expectations:

- High quality, data- and evidence-based **decisions** making in complex situations
- Improved risk assessment and forecasting for correct resource allocation
- Better leveraging the data and self-information collected throughout the organization
- Stimulating the emergence of new AI-enhanced products and services

Challenges

- > Understanding the transformative potential of **Artificial Intelligence**
- > Being in charge of a **Digital Transformation** project in a complex organization
- > **Persuasion and Innovation Diffusion** facing different forms of organizational resistance and barriers
- > Timely & effective deployment of a variety of **Change Mgmt. Tactics**
- > Time Management
- > Leveraging Teams' Skills & Diversity

- Intensive, team-based learning experience
- f2f, online or both ... or in VR
- widely validated world-wide

[Boost AI Simulation Manual](#) (2022)

- > A challenging Mission (6-months Project)
- > Exploring different Diffusion Strategies and Change/Transformation Tactics
- > Interacting and Persuading a variety of Virtual Managers
- > Realistic (and frustrating) collaborative interaction experience
- > AI agent integration to enhance dynamically the learning experience

- > Columbia U, USA
- > Northwestern U, USA
- > Cambridge U, UK
- > LBS, UK
- > Sorbonne U, F
- > INSEAD, F (+ AD + Singapore)
- > CEIBS, Shanghai, China
- > NTU, Singapore
- > SME groups Sweden/Slovenia

Albert A. Angehrn
 Prof. Dr. Albert A. ANGEHRN
 INSEAD

Additional Reading focussing on generative AI Opportunities & Challenges in Organizations

- [The Great Acceleration: CIO Perspectives on generative AI](#) (MIT Techn. Review Insights 2022)

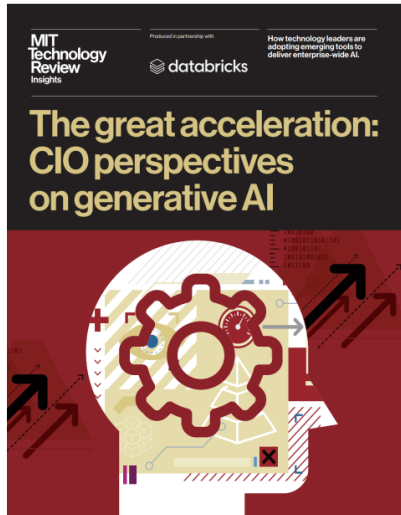
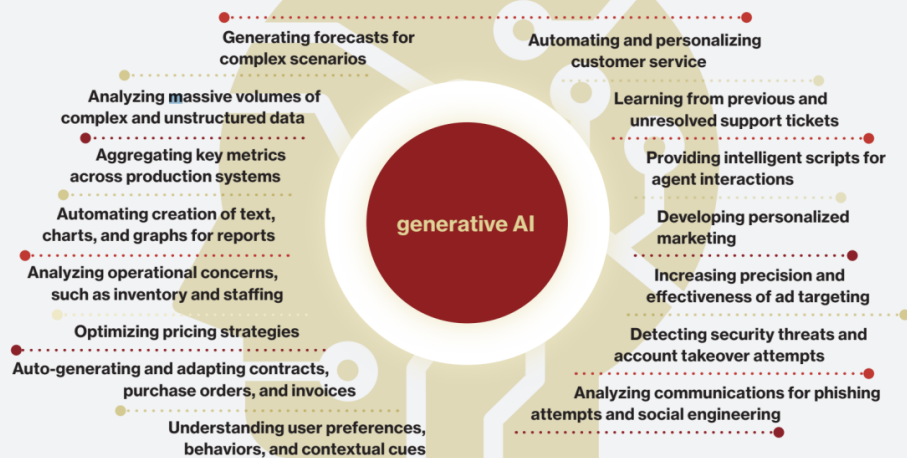


Figure 1: Enterprise applications and use cases for generative AI

These are just a few of the business functions compellingly addressed by generative AI.



Source: Compiled by MIT Technology Review Insights, based on data from "Retail in the Age of Generative AI,"⁵ "The Great Unlock: Large Language Models in Manufacturing,"⁶ "Generative AI Is Everything Everywhere, All at Once,"⁷ and "Large Language Models in Media & Entertainment,"⁸ Databricks, April–June 2023.



Key Technical & Organizational Challenges

- > How to establish a **data, analytics and AI infrastructure** that is
 - > efficient
 - > scalable
 - > well-governed and future-proof
- > **Build or Buy?** Which strategies for striking a balance between
 - > leveraging third-party capabilities
 - > developing in-house models
- > **Open or Closed?** How to choose between
 - > open source technologies / data
 - > proprietary technologies / data
- > Which techniques/approaches for
 - > identifying suitable **use cases**
 - > delivering **tangible business value**
 - > fostering **trust** in AI-driven solutions
- > How to proactively **prepare your organization** for an exciting yet uncertain future

technical expertise
business perspective
organizational context

What about "AI in the Boardroom" ?



BUSINESS

Artificial intelligence gets a seat in the boardroom

Hong Kong venture capitalist sees AI running Asian companies within 5 years



Intelligent companies will likely introduce AI to support directors, rather than replace them.

NICKY BURRIDGE, Contributing writer
May 10, 2017 22:52 JST

<https://asia.nikkei.com/Business/Artificial-intelligence-gets-a-seat-in-the-boardroom>

<https://sloanreview.mit.edu/article/ai-in-the-boardroom-the-next-realm-of-corporate-governance/>

<https://www.forbes.com/sites/anatonbeck/2021/02/08/artificial-intelligence-in-the-corporate-boardroom/?sh=15b4759d5a7a>



BIG IDEA: ARTIFICIAL INTELLIGENCE AND BUSINESS STRATEGY

AI in the Boardroom: The Next Realm of Corporate Governance

Just as artificial intelligence is helping doctors make better diagnoses and deliver better care, it is also poised to bring valuable insights to corporate leaders — if they'll let it.

Barry Libert, Megan Beck, and Mark Bonchek • October 19, 2017 READING TIME: 5 MIN

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At first blush, the idea of artificial intelligence (AI) in the boardroom may seem far-fetched. After all, board decisions are exactly the opposite of what conventional wisdom says can be automated. Judgment, shrewdness, and acumen acquired over decades of hard-won experience are required for the kinds of complicated matters boards wrestle with. But AI is already filtering into use in some extremely nuanced, complicated, and important decision processes.



Feb 8, 2021, 08:35am EST | 2,438 views

Artificial Intelligence In The Corporate Boardroom



Anat Alon-Beck Contributor

Fintech

I cover corporate law, governance, finance and unicorns.



AI (Artificial Intelligence) concept. Deep learning. GUI (Graphical User Interface). GETTY

Alphabet, the parent company of Google GOOG +2.4%, is the leading tech company that decided to invest a lot of resources and funding in artificial intelligence. So much so, that the WSJ recently announced that AI is central to Google's future.

Insights on **Artificial Intelligence** in the **BoardRoom**

Conversational AI in the Boardroom: Opportunities

Starting with 2 Assumptions:

- > Making decisions is the **very essence** of the directors' responsibilities.
- > Due to its collective nature, the **decision-making process of a board** is significantly **more complex** than that of individuals, as it requires the cooperation of multiple persons with potentially conflicting interests, cultures and perspectives.

AI can potentially contribute to Board decision-making processes by:

- > Making predictions on future events based on big data and machine learning
- > Assessing the **payoffs of a judgment** more accurately by eliminating **human biases**
- > Qualifying and quantifying **uncertainties** based on statistical data and previous experience
- > Suggesting courses of **actions** or additional **options** overlooked by human decision makers
- > **Anticipating** the behaviour of customers or competitors
- > Monitoring business performance and developing financial forecasts
- > **Testing** business proposals or assumptions

... **an opportunity for Directors to avoid their fiduciary duties?**



The "Dark Side": Why should it rather **stay out** of Boardrooms?

Summary of "Yes, But ..." points collected

- > "Only if we are ready to significantly revise and extend what we mean by Governance"
- > "Decisions cannot be only Data-driven"
 - > Addressing the issue of Missing Diversity (Culture/Values, Perspectives, Attitudes, ...)
 - > Addressing the issue of Missing Emotional Component
 - > Addressing the issue of Focus on the Past vs Future
- > "It will never match good quality, experienced-based Human Judgment"
 - > Not enough evidence of capability to address complex contexts (eg emerging conflicts of interest, difficult negotiations, discontinuities, ...)
- > "Will we send the AI to court, if necessary?"
 - > Issues of Legal Responsibility
 - > Issues of "Identity", "Relationships Network", "Ownership", "Control/Influence"
- > "You simply can not TRUST such Things"
 - > Capability of the AI to explain (beyond "Black Boxes") - Credibility
 - > Guarantees of a certain Consistency - including Shared Values and Social Norms/Rules

Persuasion in Innovation/Change Contexts: Combining skillfully 3 different approaches ...

Clear Case & Communication
Rational Alignment

Rationality

"R"

"S"

Social Dynamics

Emotions

Empathy, Involvement
Emot. Alignment

Leveraging Influence Networks
Viral/Epidemic Diffusion
Speed

Challenging Change Projects: From Heroes to Joystickers
Persuading reluctant pilots to adopt new technologies that will better protect ground forces

Alison Hickey, General
U.S. Air Force

Leadership Principles in High Performance Contexts

Dimensione Individuale

- Having a clear vision
- Being able to communicate
- Establishing the vision
- Creating a team
- Understanding the situation
- Being able to adjust
- Empowering the team
- Responding to the problem

Dimensione "Hot Teams"

- **Interdependence** within the **project** and the individual (contribution of others essential)
- **Highly repetitive** and/or **intermittent**, networks and relationships (organizational structure emerging from the repetition of individual tasks within the organization)
- **Highly skilled** individuals (can be selected, even before they can keep training, and personal skills)
- **Teamwork** (not at all levels of the organization)

The Factor

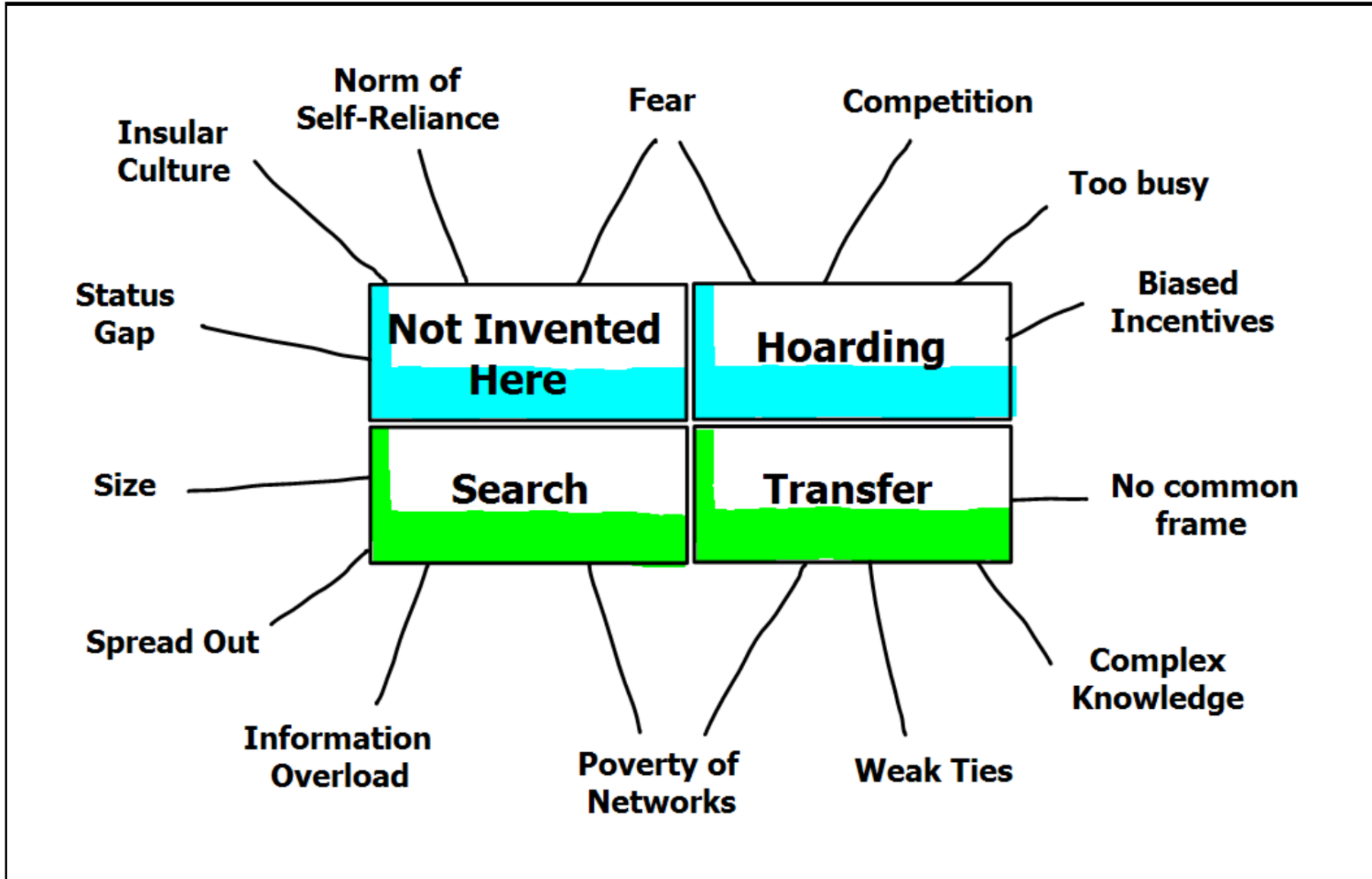
• The Challenge of Collaboration Organization-wide, across Silos & beyond

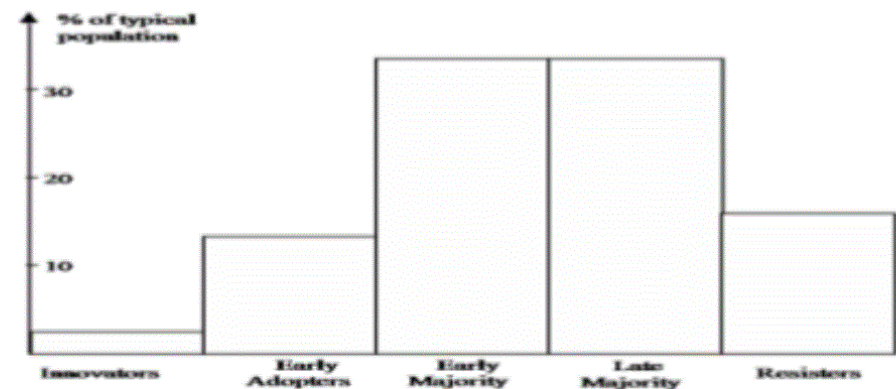
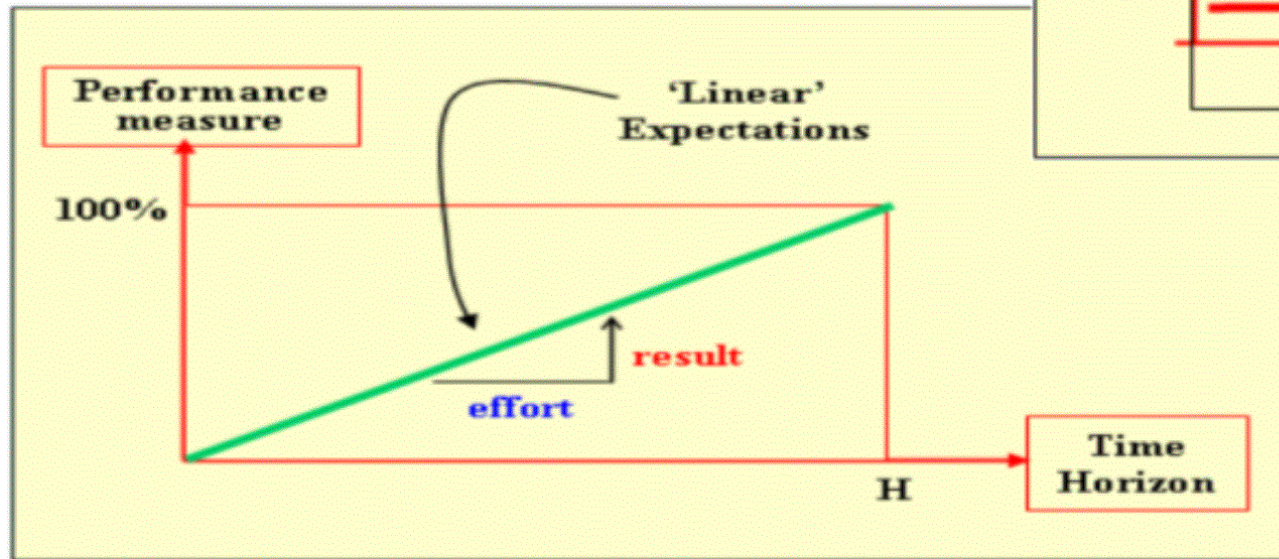
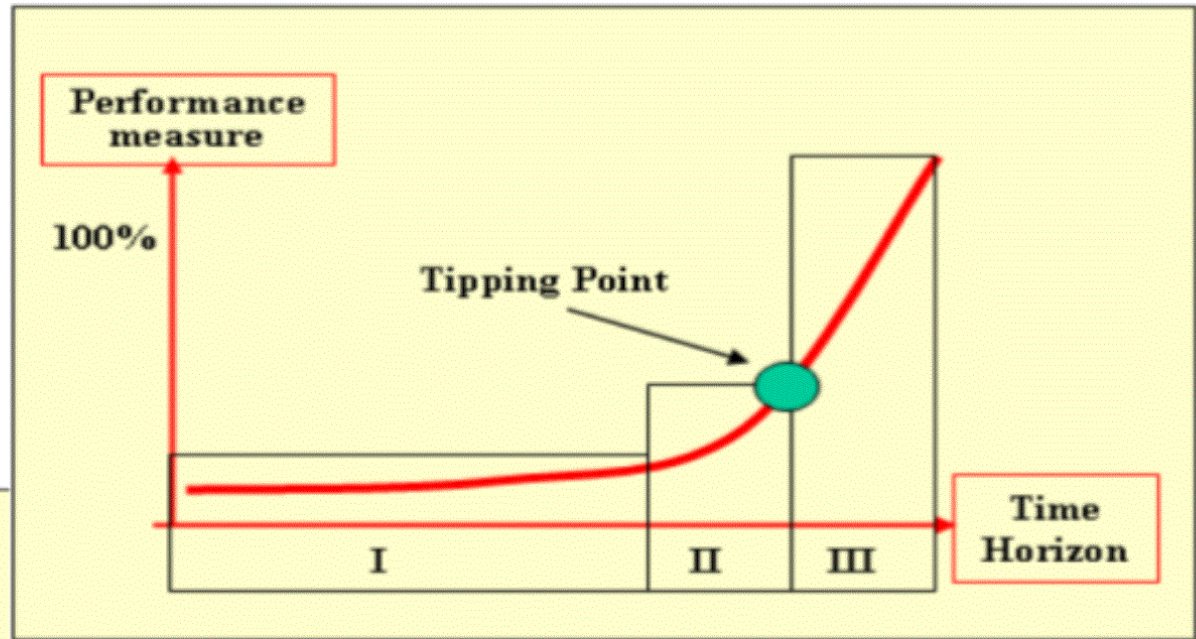
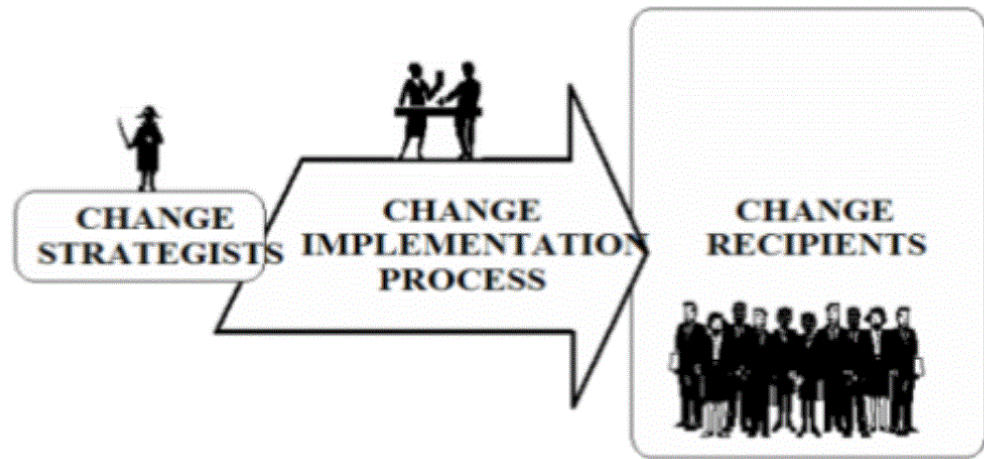
The power of Persuasion through Social Pressure



Motivation Gap Confidence Gap

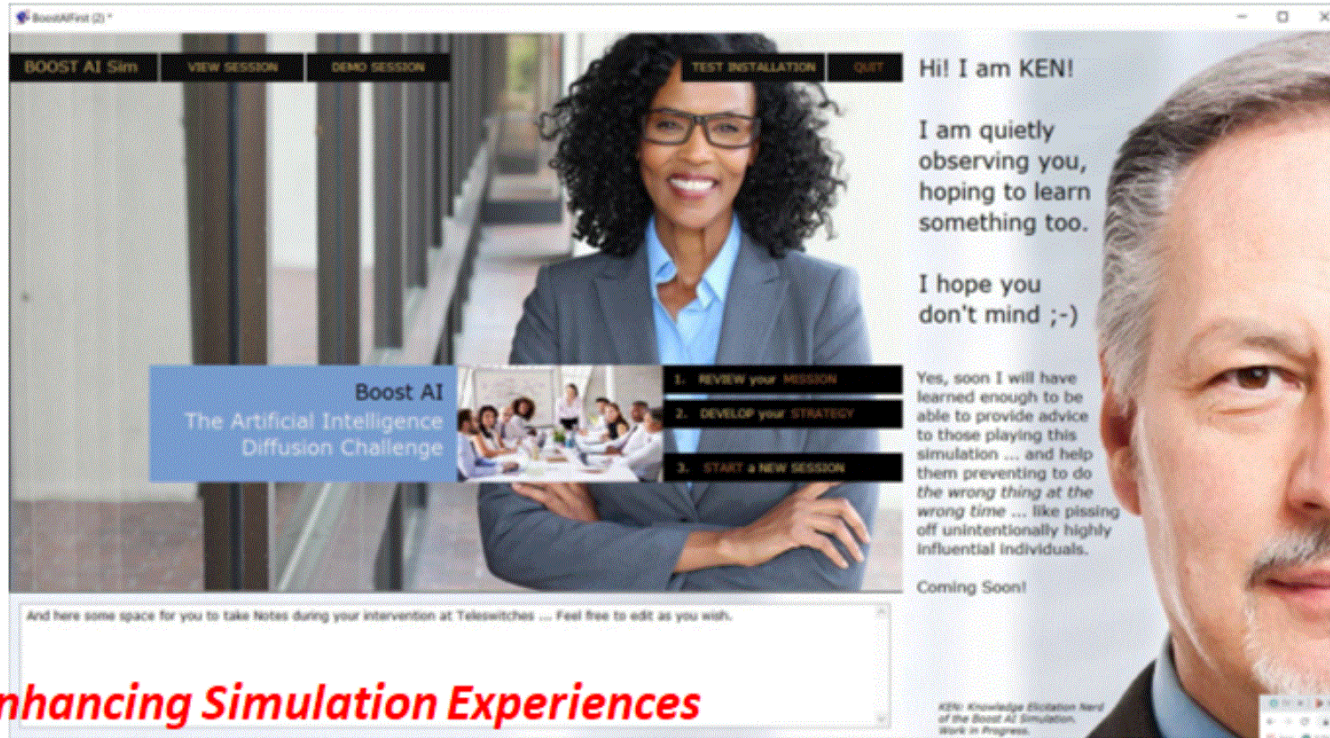
Identifying and Addressing **COLLABORATION BARRIERS** organization-wide



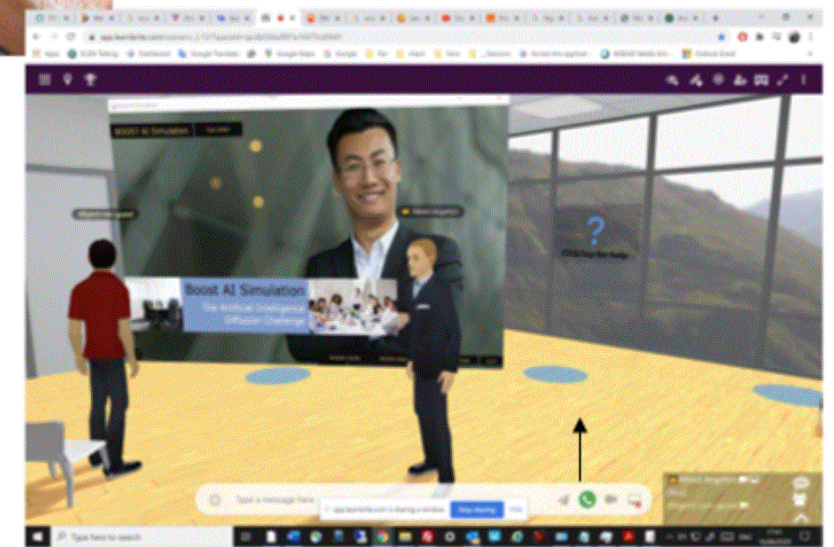
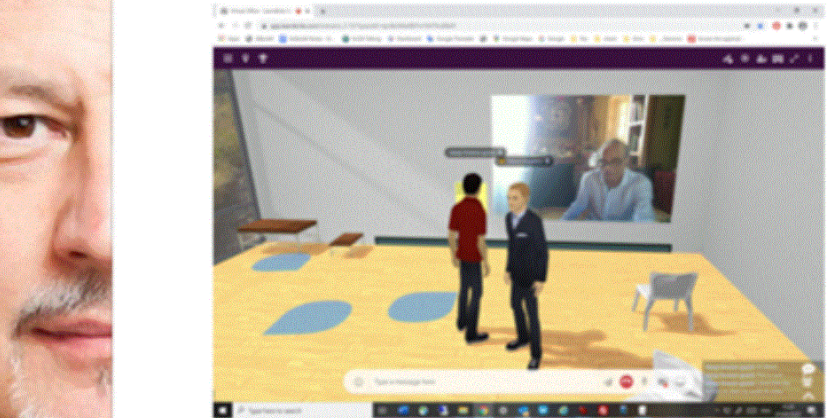


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- > surprising insights about where **resistance** comes from

For Facilitators



Enhancing Simulation Experiences with Intelligent Agents

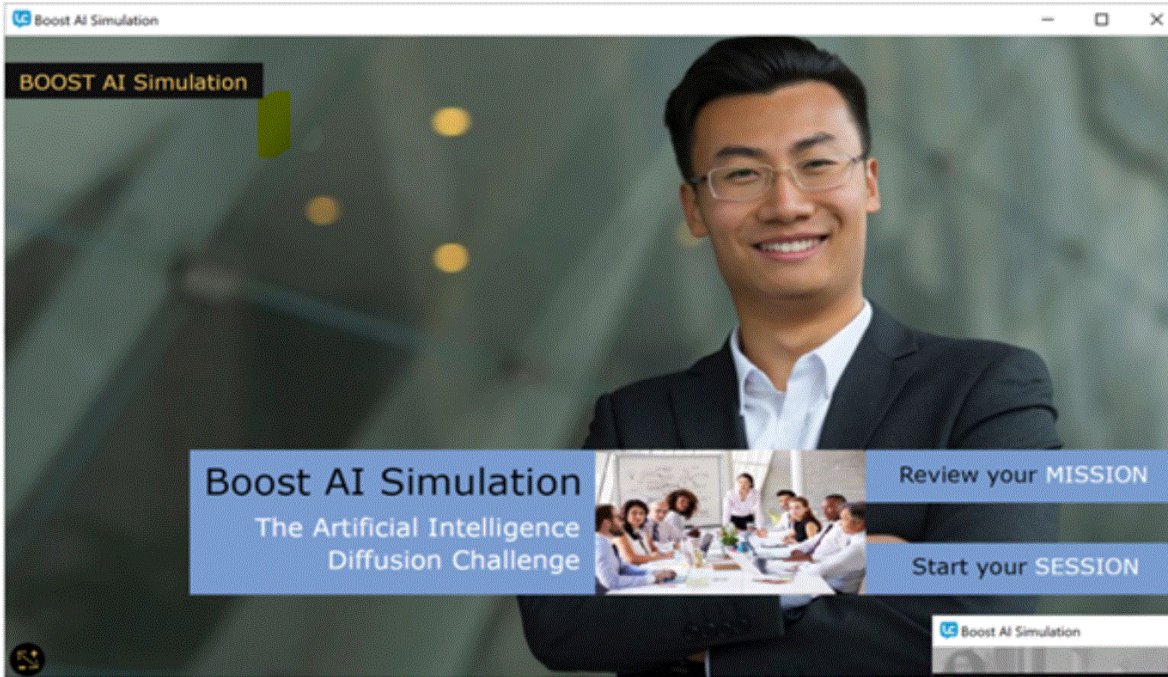


A new option: Playing Boost AI Simulation with your Team **in VR**

Boost AI Simulation 1.0

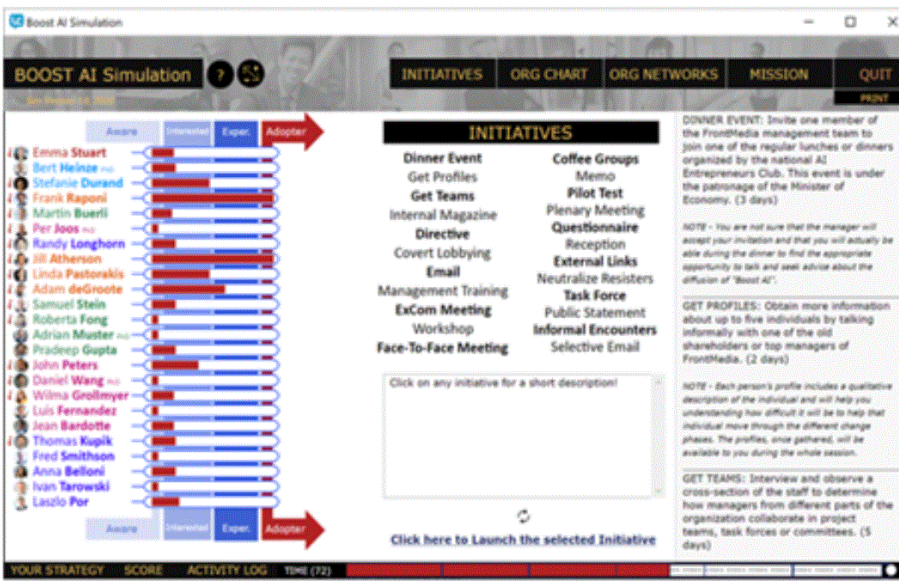
What is it?

New Change Management Challenges: Business Analytics & AI Diffusion

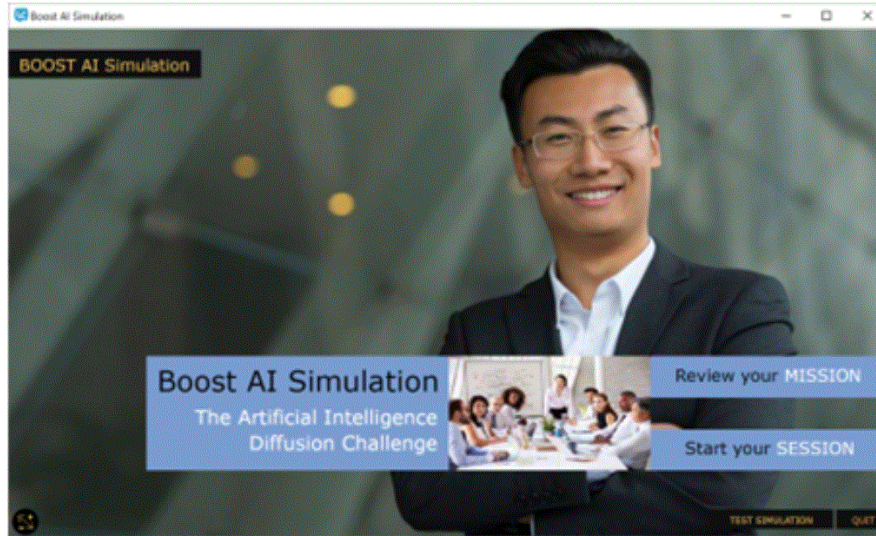


Expectations:

- ★ High quality, data- and evidence-based **decision making** in complex situations
- ★ Improved **risk assessment** and **forecasting** for optimal resource allocation
- ★ Better leveraging the **data** and **information** collected throughout the organization
- ★ Stimulating the emergence of new **AI-enhanced products** and **services**



What is it ?



Boost AI Simulation

The Artificial intelligence Diffusion Challenge

It's:

- An **intensive** Team experience
- A simulation in which your **Mission** is to intervene in a company for 6 months and Make Change Happen!
- A simulation in which you will come in touch with a **variety of different** behaviors and dynamics
- A playful way to develop critic **Change Management** and **Strategy Execution** competences

It's about:

- Managers as **Leaders** and **Agents of Change** and Organizational Transformation
- Developing a deeper understanding of the complexity of **Organizational Dynamics**
- Being able to recognize and address **barriers** and other **sources of resistance** to **Change & Innovation** (at the individual, units, or organizational level)
- Understanding and avoiding critical Change Management **Traps**
- Better understanding the Theory and Practice of the diffusion and adoption of **Artificial Intelligence techniques** aimed at improving the performance of all the key organizational Functions (from HR, to Finance and all the Commercial as well as Operations, R&D and Production-related functions).

It takes:

- Typically, 1 Day (including online)
- A faculty member who runs a brief Introduction, interacts with the Teams during the Simulation, and then leads the Debriefing Session
- Teams of 3 to 5 Participants

Boost AI Simulation 1.0

What is it?

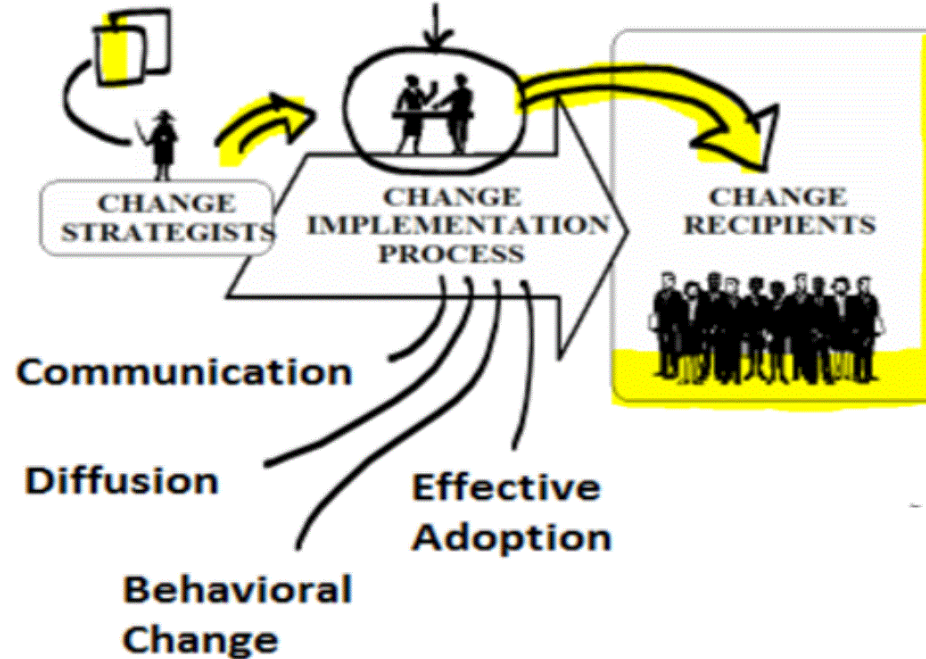
What is it about? ... a **Challenging Experience** ...

Change
Simulation
Experience

The challenge ...

Making
Change
Happen

YOU as an **Agent of Change**



Reflecting & understanding the dynamics of
Diffusion, Change & Resistance

☆ ... in a **realistic, complex**
and **diverse organization**

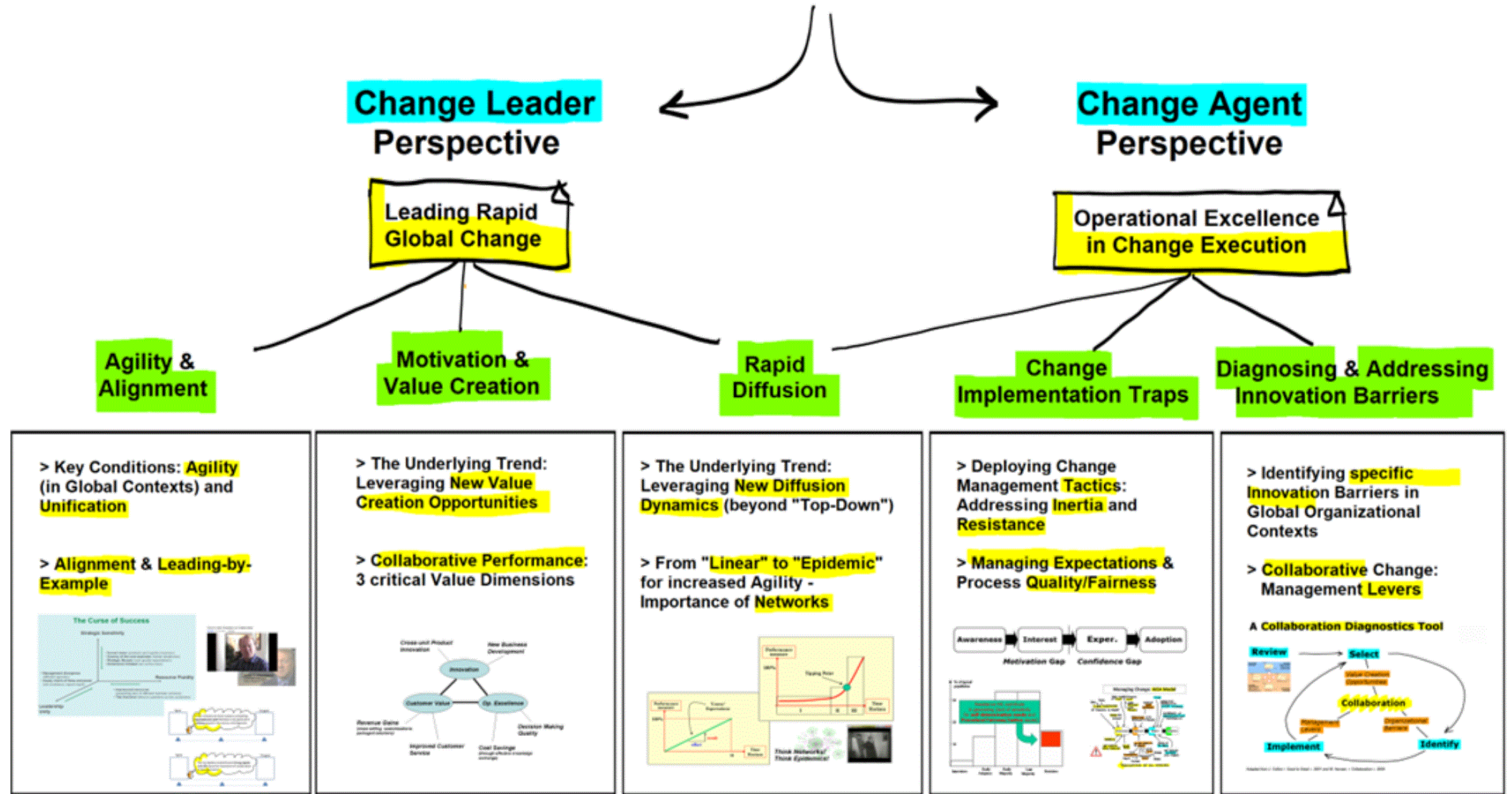
☆ ... where you will need to **persuade**
successful managers to get out of
their "**comfort zones**" ...

☆ ... when "**sense of urgency**"
is not really there ...

☆ ... and where you will experience
leading a change process in
an **entrepreneurial way** ...

What is it ?

... to gain Actionable Insights ...



+ Reflection on **Team Dynamics** throughout the Simulation Experience

Advanced Insights

(linked to the Simulation experience)

- > **Managing Expectations**
- > **New approaches to Change Diffusion**
- > **Focus on Networks for Rapid Persuasion**

- > **Rethinking Change from a RoI perspective**
- > **On the best usage of Change Initiatives**
- > **Understanding and addressing Resistance**
- > **Identifying Collaboration Barriers & Mgmt Le**

- > **Collaborative Performance --> Connecting to**
(particularly for AI innovation)

Author's Insights on

How to best avoid the many Traps built into this simulated experience:

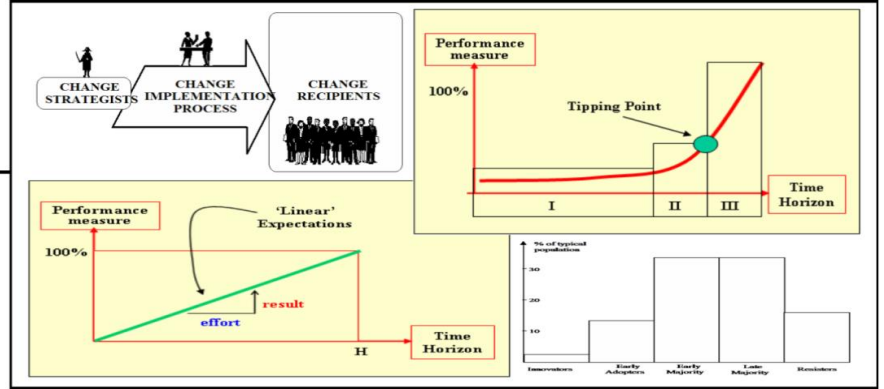
1. *Identify, focus on, and build **trust** with **those who can help you spread your innovation**, and show **respect** for everybody else.*
2. ***Diagnose rapidly** the organizational context in which you are operating. Then think and act like a **virus**: Forget “linear” progress. Aim at exponential, epidemic diffusion of the innovation you are focusing on. Set priorities accordingly.*
3. *Always take into consideration that change requires individuals to go through **different stages**, more or less rapidly, and that to address their (natural) resistance at every stage you might have to **activate different initiatives**.*
4. *Be careful not to do anything which might actually (unintentionally perhaps) **increase resistance**, rather than decrease it.*
5. *Manage well the **dynamics of your Change Team** making sure that everybody has a saying and stays engaged. You will be facing an **ambitious** and **challenging Mission**. Make sure that there is full alignment on your **joint Strategy**.*
6. *You will be experiencing different **types of resistance**. Get ready to be challenged, choose your battles, avoid falling twice into the same Trap, and never give up.*
7. *You'll have limited **time**. Manage it well. Don't cheat, learn, and have fun.*

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 (Managers only?)

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