# THE END OF MAN VS MACHINE: EMBEDDING AI INTO A HUMAN CAPITAL STRATEGY

We look at who is doing what in the AI space

2024 is shaping up to be the year where businesses need to have strategy around Generative AI (GenAI) to stay competitive.

Not developing an approach to AI is more visible than developing one, however, many discussions around this new technology sadly seem to lead to a false dichotomy of **'man vs machine'** and the fears of workforce redundancies and replacements.

Writing in 2012 for the Economist Intelligence Unit, Moloney Search's founder and Managing Director Dr Curly Moloney spoke about the importance of businesses creating bespoke talent strategies both for "their exact needs, now, and in the future" and finding people with the "skills to enhance companies' use of technology to promote productivity":
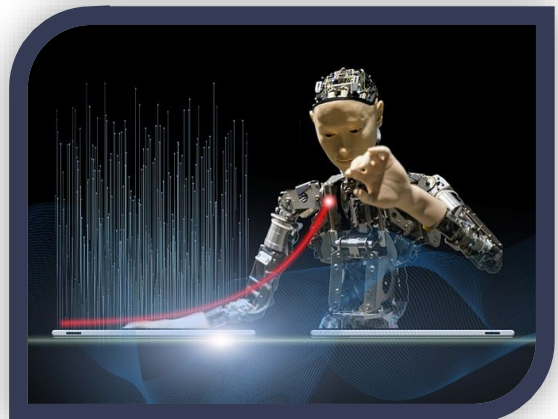
But have we learned from the past?

In the present day it's clear that businesses are grappling with how to make best use of AI.

There is a real case for taking AI strategies out of tech teams and putting them in the hands of Talent Acquisition and L&D professionals – the companies winning with their adoption of AI are the ones who are bringing in the right people through the organisation, training them to use AI and, furthermore, using AI to create personalised and directed training where needed.

Below, we present examples from companies that we at Moloney Search think are really making headway, as well as hearing from experts.

Who is embedding AI and furthermore embedding AI training?

Bank of America is one organisation that has announced the rollout of AI, virtual reality and the metaverse in training new joiners. Their Academy incorporates their bespoke AI tool Erica to facilitate practice sessions in technical skills as well as softer skills such as handling tricky customers or managing crises. Treated as a supplementary form of training to being on the floor, AI generated scenarios can save time in the long run, preparing new recruits for some of the realities (and the more unexpected eventualities) of the workplace.

At Walmart, their AI enabled tool called 'Ask Sam' is aimed at helping supermarket employees in real time whilst at work on the shop floor and close to the customer. Aimed at making tasks such as product location or price checking faster, the scheme has been characterised by CPO Donna Morris as an enabler for better customer service, freeing up Walmart staff from "monotonous, repetitive tasks" in line with Founder Sam Walton's motto, "Our People Make the Difference". This type of AI enablement is far from some of the uses being seen in Banks, Pharmaceuticals or Professional Services. Although dealing with bananas rather than broking, Walmart's model illustrates that AI can adapt to almost anything, with no task too small to be augmented by technology.

P&G's CIO Vittorio Cretella is pushing to make "the benefits of AI pervasive across the company", alluding at the ScaleUp: AI conference 2022 to a goal of removing views of AI as the exclusive domain of data and tech teams. He also spoke about transitioning from a culture of doubt to one of "trust the machine". Partnering with organisations such as Coursera, P&G's Research & Development team have been actively pushing for staff across the whole P&G ecosystem to train in AI to improve their productivity, particularly by improving access to data and insights. Forecasts by the company hope that these changes to a more collaborative data-sharing environment will improve consumer experiences, foster brand loyalty and boost the bottom line.

McDonalds have as much of a customer focus with their AI strategy as they do a talent-focus. It is about getting orders processed faster, meals prepared quicker and about generating predictive analytics to suggest products to customers in real time to try and incentivise them to spend more. The rollout of their new AI tool is being done in partnership with Accenture. Accenture will work to train and support McDonald's global workforce with an L&D agenda comprising online training courses for restaurant staff. Brian Rice, Executive VP Global CIO of McDonald's, announced the new strategy and partnership "to leverage the full potential of the cloud and generative AI solutions by implementing advanced practices to quickly leverage those technologies as well as to nurture and empower the talent within [the] organisation".

PwC's US arm recently announced a $1 billion investment over three years into expanding its AI solutions for clients, establishing a partnership with Microsoft and OpenAI and investing in AI training that will impact 75,000 staff members. PwC also offers a "Digital Fitness Assessment" to assess employees' digital skills and provide learning recommendations, including AI courses. PwC's press team define upskilling as "giving [their] employees opportunities to gain the knowledge, tools and ability they need to use advanced and ever-changing technologies in the workplace and their daily lives." With an in-house chatbot called ChatPwC, the emphasis is on responsible AI and business-led training.

Pfizer has implemented AI technologies with the goal of accelerating drug development in partnership with IBM's supercomputers and tools developed by CytoReason and Saama. The global player has labelled their AI strategy as more of an investment in R&D than an investment in L&D, but the senior leadership have addressed the talent question too. In an interview with Boston Consulting Group, Pfizer's Chief Digital and Technology Officer Lidia Fonseca talked about her passion for "finding top digital talent to bring into [the] organisation as well as growing and developing the great talent … already here at Pfizer" drawing attention to the work being done both to improve patient and employee experience with AI tools and AI training.

M&S have demonstrated a commitment to AI and upskilling since 2018 and in 2021 launched their data science and AI academy. Described by Head of Enterprise Data Suzanne Howse as a commitment "to develop a digitally enabled culture where decisions are made based on data rather than just gut feel", the programme has been all about enabling data literacy. Since then, M&S have rolled out an even more accessible tool called Store Intelligence developed by SymphonyAI to generate real time, image-based insights (or planogram protocols) on where products should be placed to boost sales and on how staff should prioritise tasks at a given time.

Vodafone have rolled out AI across their business with an emphasis on security, fraud prevention and process optimisation. They are offering staff the opportunity to access online learning platforms, such as Coursera, Udacity, and LinkedIn Learning to familiarise themselves with new systems and tools. The CTO, Scott Petty, described the use of AI as bringing in "a 'virtual assistant' for humans… freeing-up Vodafone employee time from tedious, repetitive manual work, enabling them to focus on more creative activities that benefit [their] customers and the environment".

Supported by PA Consulting, Pret A Manger have developed AI-driven training programmes to provide personalised training plans for employees to ensure that staff are well-trained and aware of the latest service protocols and products. They are also using AI to improve store experiences, for example to predict peak times and deploy staff accordingly. Pret's hiring strategies have always prioritised bringing in people with a passion for creating a welcoming brand experience and Pret's AI strategy has kept this at the heart of their

recruitment agenda. CEO Pano Christou spoke about how "if [Pret] can take a load of non-value-adding tasks [from staff], it creates the opportunity to spend their time in better ways".

Hilton Hilton Hotels have rolled out Connie – an IBM powered AI concierge that can direct guests to amenities and local attractions, a commercially driven strategy to improve service and personalisation. However, they have also picked up AI internally, having partnered with Leap In AI Hiring to develop a predictive hiring tool that works to prioritise retention through aligning cultural values and to spot future high-flyer potential.

BA are looking at AI and it's potential role across the customer journey, for example booking tickets, food availability on flights and the wait-time for passengers to be able to collect their baggage after landing. Tied to this is the provision of even more accurate real-time data on air traffic, aircraft maintenance, re-fuelling or loading and unloading to help employees with prioritisation of staff. On the corporate side, AI is being used to develop deeper customer insights to help with marketing and product development, having hired in a dedicated AI team and partnering with tech firm Assaia.

Barclays have embraced AI but are looking at ways to strike the balance between tech and human capital. UK CIO and lead for customer-facing AI, Ankit Chhajer, talks about the importance of first examining where AI can bring the most value – such as streamlining data sets -and then handing back task ownership to the team where "the human can give it the context and the empathy that you need to be having that [customer] conversation,". Through this, prioritising soft skills alongside AI literacy becomes a top priority.

Network Rail have been using AI in a range of ways, from assisting engineers to looking at timetabling issues. Having internally developed an AI strategy, the AI development team have been tasked with rolling out an L&D agenda comprising of training programmes and resources for the business's wider teams to build analytical skills supported by AI, enabling them to undertake their own analysis projects in future. Described as developing a cross-organisational "AI Mindset" rather than just developing an AI tool, the introduction of new technology is being characterised as a cultural change rooted in training and awareness rather than purely a tool to be used by tech teams.

BT have been adopting AI across their organisation from customer chatbots to speeding up agents' search for solutions and fending off cyber-attacks. Chief Digital Officer, Harmeen Mehta, has emphasised the commitment to responsible AI stating that "trust is key to unlocking the full value of data, AI and other innovations at scale for consumers, industry, society – and our business". Having designed a proprietary BT Group programme of learning content, including videos, courses, articles and podcasts, BT are actively encouraging staff to engage and bringing AI tools into their motto and purpose to "connect for good".

Aviva have prioritised hiring and built up dedicated data science teams. They have also partnered with American machine learning company Dataiku to roll out sophisticated AI technologies to boost modelling, analytical and data mining capabilities. Aviva have emphasised that although they have dedicated resources to building up a best-in-class data science team, AI is being rolled out more broadly. Tom Spencer, Director of Customer Data Science, spoke about this, saying that, "although we say we are a centre of excellence, a lot of our work is done side-by-side with line-of-business teams to make sure we're not in an ivory tower" – in fact, Aviva's L&D teams are spearheading the agenda to train staff across the organisation through the Aviva Foundry's digital "bootcamps".

Virgin Media O2 have been vocal in their belief that the future of work will be a mix of human and machine talent. They have also emphasised a commitment to upskilling and reskilling, not as a one-time exercise, but as an ongoing one to help employees adapt to changes. Across the business, AI is being employed across a range of initiatives such as call-screening.

Direct Line have simultaneously rolled out customer-facing AI tools and an internal data and digital upskilling "apprenticeship" program. Described as an initiative to ensure staff are up to date with "increasingly tech savvy customers" as well as embedding data into everyday thinking, Direct Line have made a number of strategic partnerships including with Capgemini and Multiverse to embed AI and data literacy across the organisation.

The journey that BP are going on to bring AI into the organisation is spanning tech, strategy, ESG and L&D. Leigh-Ann Russell, EVP of Innovation and Engineering, has spoken about bringing AI into the workforce stating that BP's "ambition is to empower [their] people to spend more time on innovation and the problem-solving that will help make the energy transition a success". BP's experts are feeding information into the organisation's LLM's which can then make data links and generate data-rich insights for experts to then interrogate and use to problem solve.

As our case studies have explored, senior leaders are having to step up and give a clear message. As P&G's CIO Vittorio Cretella stated at the 2022 ScaleUp: AI conference:

"[AI transitions need] support from leadership, making sure there is space to adopt and experiment."

In essence – now is a time for companies to develop a clear strategy around what they want to gain from AI, supported by plans for how to empower people to be part of a transformation through information, curiosity, and collaboration.

As the case studies show, many global players in different sectors are in the midst of this journey and are showing us the **_huge scope for imagination in finding the right AI strategy and model_**. Speaking to the Chief People Officer of Irwin Mitchell, Susana Berlevy, on her personal views on AI in the workplace, she highlighted that 2024 is a real turning point for organisational strategy but also culture:

> _**"People keep saying, "AI and GenAI in particular is going to take my job". Well, GenAI won't take your job. The person that can use GenAI will take your job."**_

As we see below, AI will enable business and professionals to think cross-organisationally about what they want their future workplaces to look like and, in turn, how to take staff on a journey to get there.

The Context

AI has the power to:

- process vast quantities of information within seconds
- automate business processes
- synthesise research
- author documents, and a lot more.

These are often simple, but labour-intensive tasks that would take non-tech enabled teams hours to complete, perhaps even just as a first step before the more strategic thinking takes place. Whilst the use of technology to speed up processes is a familiar one, it is increasingly evident that **AI goes far beyond historical automation to become a real co-pilot that augments the user and workforce experience.**

According to a 2024 survey conducted by Glassdoor's Economic Research team, around 60% of professionals had used ChatGPT in some capacity, most commonly for help doing preparatory tasks such as writing and editing emails or reports but also with technical tasks such as debugging code or initial-stage research analysis.

If we look to a future where the bulk of this preparatory work is done by a machine, organisations will increasingly need to set teams to work on tasks that fill the space and time left by AI. **In other words, AI is not only a facilitator and enabler, but it also creates strategic opportunity for a real commitment to upskilling (or reskilling) agendas.**

'Organisational design', 'change management' and 'company culture' have long been corporate buzzwords, but creating a **tech-confident** workforce is more than ever a priority for businesses. In that, whilst technical upskilling will be a vital part of this AI transition, what we see being unlocked is the scope for L&D teams to reskill employees with an emphasis on developing:

- soft skills
- leadership
- strategic analysis

Embracing the power of this new technology as job tasks are augmented is key. Of course, there will not be a "one size fits all model" and GenAI has a long way to go before it can be fully utilised in industry, but even without business-specific tailoring, programmes like GPT or a more bespoke LLM (Large Language Model) can already play a clear role - shaping people's daily working lives.

Why is this important?

The World Economic Forum has suggested that over the next 5 years **19% of the workforce (across sectors) could have over 50%** of their tasks automated by AI which leaves an obvious question of "what next?".

Deloitte's work on human capital agendas for 2024 reports **that 71% of Executives interviewed by them have incorporated an L&D agenda** in their plans for bringing GenAI into their organisations, making it an exciting cusp to sit on and observe how these ideas around continuous education might pan out.

Moreover, the technology at hand can be incorporated into L&D itself, as AI's power to rapidly synthesise information can generate bespoke content to facilitate onboarding and training. Because it can truly harness personalised learning pathways, it allows staff to take real ownership of their own learning, besides using AI as a co-pilot in their daily activities.

Why simply investing in tech isn't good enough

We spent time with Angel Investor, Chair, Engineer and Entrepreneur Gi Fernando.

Speaking about his work with Makers, a business centred around disruptive tech education on the subject of upskilling and organisational readiness to embrace AI, he noted his worries around the **security risks** of not training staff to use AI properly and not embedding a well-thought-out AI strategy.

"It's easy for senior people who might be slightly scared about AI to use it as a capital expense, a 'let's just work with the incumbent suppliers we have and use their software without actually thinking about the processes that need to change in order for the business to capture value from it properly'. And that's all about skills and people and teams."

For instance, It is no surprise that employees are using readily available AI tools like Chat GPT to assist with research, writing emails or synthesising information. However, many of these actions tend to fall outside the domains of risk and compliance frameworks in place to protect company data.

To combat that, companies such as JP Morgan, Amazon, PwC, Verizon, General Motors and Mastercard are all actively training staff in how to safely use tools such as ChatGPT with the best results. Overall, in promoting the use of AI and showing a commitment to training, companies can take back ownership of that data whilst still enjoying the benefits of faster processes and a workforce with greater flexibility to do higher-level, creative tasks.

Moving forward, the case for upskilling has to:

- Be pitched as universally relevant
- Risk and compliance teams need to be able to advise staff on regulating AI
- Procurement teams need to understand the software they might be investing in
- Board members need to understand the context around their CEO's tech strategy

Organisation-wide upskilling therefore becomes an issue of cultural change, using learning and development as a vehicle for improvement in tandem with the rollout of universal AI tools or "co-pilots" to support each employee in their unique daily activities.

Early careers coach, mentor, NED and former strategy consultant Charlotte Bradshaw spoke to us about the importance of thinking about taking an end-to-end approach to AI, emphasising the importance of adapting hiring processes as well as onboarding processes in line with organisational change and AI innovations:

"It's about hiring people who want to learn and embrace the way in which AI can both support the strategy and possibly transform the strategy; AI shouldn't be a line at the end of a JD or at the end of a corporate strategy, it should be at the heart of everything everyone does. It needs to be embraced at Board level and then filtered down through the organisation - not just culture but at the heart of everything."

The issue at hand for leaders and L&D teams

The notion that technology is often used to speed up processes and cut costs is not a new one. With AI, senior leaders need to be emphasising its power to foster a tech-enabled culture that still prioritises existing ways of working, embedded cultures and the unique skillsets of different teams.

To do this, internal teams need ownership of L&D strategies and a real commitment to being a people-first business. The flexibility that AI offers in terms of how we use it makes it hard to decide where and how to pitch this AI-enabled work model. Do corporations use AI as a teaching tool to free up their more senior staff members from training brand-new junior hires, do they train new-graduate joiners in AI to create a whole tech-enabled cohort, or do they focus on AI's potential to free up time for carrying out more creative higher-level tasks?

There are also questions about what level to prioritise in designing training programmes. There might be a lot to be said for training senior Executives in effective uses of AI, with the goal of maximising their time on strategic tasks boosted further by their deeper and longer-standing knowledge of their sector, and critically their knowledge of the ethos and priorities of the businesses they work for.

On the flip side, could AI be used to teach technical skills, freeing up teams to prioritise the embedding of cultural values to younger employees or new joiners? This is where L&D teams have to take the reins, supported by the C-Suite and Board.

Returning to Susana's take on how HR leaders can play a role in getting AI into the right parts of an organisation, she said:

"Early talent in an organisation are probably more willing to try new things… but they're not going to go anywhere if the line managers don't understand it… then you need to train the senior management and the Board because strategically, it makes sense that they understand the power of this tool and how it's going to disrupt their organisation and how they're going to be left behind if they don't adopt it."

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What insights do we draw from this?

At this turning point where we can see technology's potential to automate and accelerate, businesses are adopting ways of thinking that sees AI as a tool to improve rather than replace.

As Susana Berlevy also discussed, AI is a tool that is hugely adaptable and can be widely adopted, however, cannot be seen as the pilot, only as the co-pilot:

"AI tool, only create an <u>output</u>. The <u>outcome</u> comes with that human touch."

A business's proposition will now have to consider what a creative, cognisant, and productive employee looks like across each function in a world where process-heavy and time-consuming administrative tasks can be done in an instant. Returning to what Gi Fernando had to say, "not thinking about workforce reskilling in every single job is negligent". The message is that it is a time to invest in people and enrich their development, with the understanding that one size will not fit all.

Above all, it is a time for businesses to enhance their culture, their leadership and their output in a way that will be tangible for everyone, from new hires all the way to Board level.

<u>Moloney Search</u>

As our 30th Anniversary approaches we have invested in a team that source, track and spend time with the best digital and AI talent across the UK. As technology is changing so rapidly, the talent market is having to change too and having access to an extensive network is an unparalleled asset for bringing in the right people through an organisation who are flexible, innovative and keen to embrace and drive change.

For more information or to follow up on this article please email **Info@moloneysearch.com**

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