company leaders struggling with a single question: Will the robots get smarter?

The stakes are enormous. For years, companies have been talking about the importance of digital transformation, but it took a pandemic (and its attendant lockdowns) to create an urgent need for it. By last year, almost four companies in ten were deploying AI, with global investment in it ballooning to more than $325 billion. But whether a firm wants smarter ways to improve supply chains or chatbots that can better understand customers, this

ever-advancing technology will need to grow a lot more, experts say. At the root of every AI application is an algorithm that analyzes masses of data. "If the data is biased, then the AI is biased," says Roshni Raveendhran, a professor at the University of Virginia Darden School of Business.

She cites one example: many AI models use ZIP code data to make credit decisions. These ZIP codes are associated with specific demographic profiles, such as income, wealth, and the likelihood of the borrower defaulting. But the credit profile of the average person in a ZIP code may not tell us much about a specific individual's creditworthiness. Put simply, an AI credit model based on ZIP codes may be biased—it may automatically consider anyone living in certain areas to be a risky prospect. "You may be already red-flagged as a potential defaulter," says Raveendhran.

Infamously, the artificial intelligence used in driverless cars has had trouble deciphering—or at least deciphering fast enough—whether an unknown object is another car, a bike, or a human, leading to serious accidents over the years.

The good news: ==flawed algorithms can be corrected==—by other humans, of course. People can audit computer programs with relative ease. "We

WORKPLACE   BY ARIANNE COHEN

Hearing The Word 'No'

THE MANAGER WAS TOLD, in no uncertain terms, that the new product needed to be fully developed and out the door for client use by month's end. After all, she had a staff of two dozen helping her. But when the manager turned to those staffers, many of them balked, reminding her of other recent deadlines that had kept people working long hours. Ultimately, she had to delay things.

It has become de rigueur this season—employees

THE TAKEAWAY

New worker–boss dynamics put the onus on managers to rethink how they operate.

DATA

Digital Maturity

Digital transformation is all the talk in business, but how does each sector rank in its efforts? Here, the average levels of tech capability and tech architecture for 11 top industries.

- Aerospace and defense
- Consumer packaged goods
- Financial services
- Healthcare services
- Industrial building electronics
- Machines and equipment
- Manufacturing conglomerates
- Medical devices
- Pharmaceuticals
- Retail
- Technology hardware
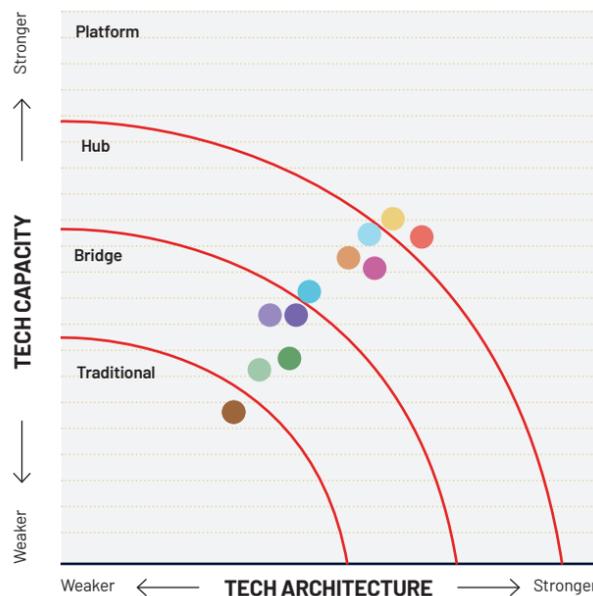
Source: Harvard Business Review

pushing back on everything from schedules to workloads, in what experts say is just the latest development in worker attitudes during the Great Resignation. Experts say that a growing number of workers feel empowered to decline their bosses' requests, or even to question the need for certain assignments. Studies show that at least one in five employees plans to leave their job this year, meaning that many people have little incentive to do work they dislike when they can simply find another position. This is new territory for supervisors, who have to reconsider their management styles, especially when they're facing a pressing need or passing along unpopular company policies. "People feel more entitled to ask for what they want and need," says organizational psychologist Cathleen Swody, partner and director of assessment at Thrive Leadership. "It's not what managers are used to hearing."

Workers have long questioned assignments and grumbled about uninspiring policies and projects. But today, employees have become psychologically accustomed to flexible work arrangements and do not respond well to sudden changes. "Employees are much more empowered to speak up," says David Vied, global sector leader for Korn Ferry's Medical Devices and Diagnostics practice. "They increasingly perceive the employer-employee dynamic as one of parity." He says that this perception puts managers in a position of listening more than ever and trying to find constructive solutions via a relationship-of-equals approach.

Swody agrees, and suggests that leaders rethink how they perceive resistance. Whether it comes from an individual or a team, it should not be seen as conflict, or even as a negative response. Rather, it provides an opportunity to learn about employees' concerns and thoughts. This is typically done by surveying employees about their reasoning and what they see as barriers to, say, returning to the office. Employers can only benefit by approaching an issue broadly and deeply, seeking further information. "I've seen senior leaders shrug their shoulders and say that departments aren't coming back because they don't feel like putting on work clothes anymore," says Swody. "That becomes the explanation, and that hurts morale." It's much more strategic, she

says, to avoid pushing back and forth, and instead focus on finding the right solution. This strategy will sound familiar to anyone who has worked in the hospitality industry, where managers are trained to swiftly de-escalate interactions with unruly customers. The rule of thumb: don't create more conflict.

When new policies or projects are announced, experts advise emphasizing the why, and in particular why it is beneficial to the employee. "Connect the dots for employees," says Elise Freedman, Workforce Transformation practice leader at Korn Ferry. "An assignment shouldn't just be a box to check." ◢

BOARDS   BY PETER LAURIA

Virtual Directorships

Getty Images

THE TAKEAWAY

The pandemic continues to create new business changes.

CONVENTIONS AND TRADE SHOWS ARE BACK at full capacity. Airlines and hotels are reporting upticks in bookings. Business travel, as the headlines note, is back. Or at least it is for all but one important segment of the corporate world: board directors.

Not unlike the employees of the companies they serve, new data shows that board directors are still opting to remain virtual. According to a recent survey, 22 percent of firms are letting directors decide whether to attend meetings in person. Some smaller firms have taken it a step further: 45 percent of them say their board meetings have gone fully remote. Those figures essentially mirror return-to-office data among workers in the top ten US cities, where only

South Dakota, thanks to high farm prices, has the nation's fastest-growing personal income.