

GENERATIVE AI

Game-Changing Technology, Warranting Effective Change Management

*Its enormous potential — and inherent risks —
require thoughtful adoption with a human touch*



This communication is offered as general background and insight as of the date of publication, but is not intended to be and should not be taken as legal advice. Each organization should confer with its own legal counsel and its own business and strategic advisors for guidance that is specific to and considers the organization's status, structure, needs, and strategies.

A GAME-CHANGING TECHNOLOGY

As generative AI expands its burgeoning adoption, this technology already is changing the world. Precisely how far AI will reach and how it will impact almost every facet of work — and life — on this planet remains to be seen. But there's an overwhelming consensus from nearly all who track it that AI will soon become omnipresent in our lives.

Employers today are not immune. Generative AI is a reality that's already starting to cause considerable disruption. Businesses of every shape and size in every industry and sector will feel its effects. Some facets already can help advance strategic priorities; others create real challenges for how we work.

The AI landscape will continue to evolve in the years, months — even weeks — ahead at an ever-accelerating pace. This rapid, ongoing evolution will require business leaders everywhere to find ways to capitalize on its advantages, evolve as new capabilities become available, stay ahead of the competition and mitigate risks. In this paper we offer some important issues and actions for employers to consider, watch and plan for today.

OUR GENERATIVE AI FOCUS

Among the many new generative AI products, ChatGPT has generated the most headlines since its unveiling last November. ChatGPT is a large language model (LLM) chatbot with major communications implications. Along with other alternatives, including Google's Bard, ChatGPT has quickly engaged millions of users across the globe. But it is just one of many generative AI tools available that offer different features and capabilities.

FleishmanHillard will continue to track and share perspectives on how AI overall is changing how the world works. But for the purposes of this piece, we'll focus on chatbots like ChatGPT and Bard.

RELEVANCE FOR EMPLOYERS AND CORP COMMS TEAMS

Chatbots have been lauded for their ability to reduce time spent on mundane tasks. They enable employees to work faster, smarter and more efficiently. Myriad examples already demonstrate how this technology is being deployed by employers and their employees across industries and sectors.

While generative AI offers significant opportunities for developing written content and images, it raises significant risk concerns as well.

With its inherent opportunities and risks — and potential for personal adoption by employees — this revolutionary technology will require all organizations to establish guardrails and governance. Some prominent technology leaders already are calling for a pause in its advancement and other regulations to ensure its developers have time to better assess its risks.

Navigating the generative AI gauntlet represents a **new kind of digital transformation** — ongoing change that will require **strategic change management** — addressing the people side of change for successful, appropriate adoption of this game-changing technology.



EDUCATION, GOVERNANCE NEEDED TO MITIGATE RISK

While generative AI has enormous potential for business, it comes with inherent business and reputation risks. Among them are accuracy, bias, the potential for copyright and intellectual property infringement, and potential dissemination of personally sensitive or business confidential data. This latter concern extends to customer and supplier information, as well. Entering this data in a bot has the potential to make it universally accessible. And with such risks comes the potential for regulation. Both the White House and Congress are currently exploring AI opportunities, risks and potential regulation.

As companies and their employees begin experimenting with — or implementing — these generative AI technologies, we advise:

- Don't trust the content as factual.
- Don't tell it anything private or confidential.
- Make sure third parties don't rely on its output.
- Be alert that many intellectual property issues are unresolved.
- Be mindful of bias and discrimination.
- Consider your organization's outsourcing requirements.
- Be ready for regulation.

Mishandled data could result in significant reputation damage, loss of revenue or costly litigation.

At a minimum, employers need to develop generative AI use policies to protect their business and their reputation. Some topline questions to address include: Who should be authorized to use these technologies? How should they be used? For internal or external use? For brainstorming? For content development or review? For additional thinking? What disclosures are required? What are the process updates needed? How do we navigate legal review and approvals?

Educating and engaging the organization's legal counsel becomes of utmost importance to manage risks and mitigate litigation. Mishandled data could result in significant reputation damage, loss of revenue or costly litigation. Citing two very public examples:

- A social media company's bot provided harmful information to 13-year-olds about relationships with 35-year-old partners.
- Three employees at a leading technology company inadvertently leaked source code, a testing sequence and internal company discussions to OpenAI.

European Union (EU) regulations generally support public transparency regarding AI. And in anticipation of issues like these, the EU has indicated, in the interest of consumer protection, it plans to place new regulations on certain uses of what it deems to be high-risk AI.

Employers need to assess their comfort level with AI and develop and update their information security policies, codes of conduct and compliance training accordingly. Procurement teams also should consider acceptable use policies for their suppliers in order to protect their enterprise's information.



Beyond policies, organizations also should develop awareness campaigns to ensure employees understand the basics of AI and the potential concerns and risks that are driving the policies. This won't be a "one and done." As AI's applications continue to expand — exponentially — employers will need to continually adapt their training, practices and policies. This will require designating teams with the right expertise to help evaluate current and future organizational needs on an ongoing basis.

Given the potential impact of generative AI, companies should consider appointing a full-time project management organization (PMO), supported by business and functional workstreams, to continually monitor the technology and its adoption, assess its appropriate use within the organization, and develop effective change management strategies.

AI WILL ALTER MANY INTERNAL PROCESSES

These new technologies will foster new processes. There are daily reports of new generative AI applications people are experimenting with.

Chatbot applications are proficient in developing written content at a fraction of the time it takes a human to produce it — and in multiple languages. This can benefit — but should not replace — employees required to write as part of their jobs. These applications also hold promise for multinational companies that translate communications into other languages.

Some chatbots are so effective — even in these early stages — they are raising job obsolescence concerns. While this technology can supplant the mundane, there remains a very real need for human judgment, involvement and oversight.

Today's chatbots are far from perfect. While developers are working to improve accuracy and eliminate inherent bias, they still regularly provide inaccurate, misleading or biased information. Thorough fact checks and quality assurance reviews are essential — a job only humans can do. Given local dialect and cultural nuances, employers should not become wholly reliant on AI translation. In-market representatives should still review AI-generated language to ensure messages deliver their intended meaning.

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RETAINING, ATTRACTING AI-SMART EMPLOYEES

Generative AI adoption will lead to new ways of working. It will create a need for expertise, at a minimum, and potential growth opportunities for employees. Employers should take note of generative AI experiences in their recruitment and retention efforts. A wide range of current and potential employees may wish to work only for organizations willing to embrace generative AI practices. Some organizations may require generative AI skills as a prerequisite for employment. And these considerations may now be factored into a company's employee value proposition (EVP) and recruiting materials.

Recruiters and HR staff need to understand the company's position on AI so they can speak knowledgeably with candidates who may include or insist on AI adoption as a job consideration. The organization's position on AI should be included in onboarding materials to help new colleagues understand policies, expectations, opportunities and risks related to AI as soon as they walk in the door.

THE HUMAN CONNECTION IMPERATIVE

Although generative AI does and will impact many tasks and roles, a human touch will continue to be essential, especially given the technology's shortcomings. This technology should not, for instance, replace creativity or strategic thinking. It can show us what exists, but there is significantly more human value to add.

Organizations will need to understand and address the relationship between human and artificial intelligence, especially as it affects the ways their employees work and interact. Training and reskilling can help employees effectively navigate new ways of working and new business structures, processes and approaches. Ongoing communication and change management will be required to provide new information, context and rationale, and behavioral guidance as the technology and policies evolve.

Equipped with an understanding of both the technology and their organization's strategic priorities and culture, executive teams and leaders of business units and functions can help define a path forward in which AI is used to boost efficiency and productivity without sacrificing a positive employee experience — all with the goal of achieving the organization's business objectives.

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RELATIONSHIP BETWEEN AI AND DE&I: IT'S COMPLICATED

As generative AI makes inroads into an enterprise, it is important for corporate leaders to take an ethical and equitable approach to ensure that corporate decisions and operations do not exacerbate bias and disparity among employees from marginalized communities.

In recent years, many companies have experimented with AI as a tool to assess and advance their diversity, equity and inclusion (DE&I) programs. This was especially true during the pandemic when organizations leveraged AI tools that enabled collaboration across geographies and allowed individuals to access opportunities that previously may have been out of reach.

In many cases, this has benefitted the advancement of DE&I. But AI also has taken a toll on diverse recruitment and hiring and can create harmful environments and experiences for individuals of diverse representation. It also has intensified historical distrust of technology among marginalized communities in society and across the business landscape.

For example, in 2015, a Fortune 500 organization realized the algorithm it used for hiring employees was found to be biased against women. The reason? The algorithm was based on the number of resumes submitted over the prior 10 years. Since most applicants were men, it was trained to favor men over women.

In 2019, researchers found that an algorithm used on more than 200 million U.S. hospital patients to predict which would likely require extra medical care heavily favored white over black patients. Thankfully, researchers discovered the bias and worked with the nationwide provider to reduce the level of bias by 80%. Without this check, AI bias would have continued to discriminate with potentially dire outcomes.

Acknowledging the truth of our collective human condition as unconsciously biased by nature means accepting the truth that the technology human beings create also will be biased. Therefore, corporate leaders must acknowledge the bias that exists in technology and take caution in its deployment across the workforce to ensure progress does not stall.

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CREATIVITY AND AUTHENTICITY

Achieving successful outcomes will require new types of creativity, which may seem ironic to those who are concerned about the risks AI poses to creativity itself. Some fear AI creates a closed-loop system with sole reliance on existing content — the recirculation of ideas already in the public domain. Critics fear a business environment — and a society — that increasingly indexes toward replication. But this dilemma seems unlikely, based not only on the current state of the technology but also on the power of the human creative spirit and drive to innovate.

However, valid concerns do exist around overreliance on AI to do the thinking and communicating. It poses a risk to quality of work. It also begs the question about authorship, especially if leaders turn to AI as their source of communication. Employees still want genuine human connection that authentic leadership provides at all levels — from the CEO to their own manager.

THE IMPORTANCE OF CHANGE MANAGEMENT

With so many users eager to explore generative AI and how it can benefit them, most employers will soon — or already — face the need for effective change management. Both organizations and their employees will be motivated to introduce new AI-related applications to streamline their work. Many will require policy and process changes that may impact the size and structure of the organization. It's hard to imagine the ongoing employee adjustments this will require.

The impact on organizational culture also may be profound. In many companies, the change continuum employees will traverse will be ongoing — and not always easy.

Effective change management, change managers and communicators will need to help build understanding, adoption and integration. The ability to look across the business, understand its strategic priorities, and engage and align executives, managers, and employees will continue to require high-touch and human efforts.

And in an organization of human beings, moving from point A to points B, C and D will continue to require respect, empathy and engagement. Because AI is not sentient, this simply cannot be outsourced to technology, no matter how impressive its abilities. Considerable research shows that organizations that focus exclusively on process dimensions of change — at the expense of the people dimension — are inherently less likely to succeed in navigating change.

While ChatGPT or other generative AI programs can quite articulately tell us the needed human elements of change writ large, no two transformation efforts are ever the same. No playbooks, templates or “cookie cutters” can address the nuances of any single organization or its culture — or enable the organization to execute this mission-critical activity.



FIVE STEPS BUSINESS LEADERS SHOULD TAKE NOW WHILE EXPLORING AI ADOPTION WITHIN THEIR ORGANIZATION

Business leaders who follow recent AI developments likely have experienced a dizzying array of reactions, ranging from marveling at the technology's potential to knee-buckling anxiety as they consider its risks and the efforts that lie ahead. Here are five steps leaders can consider to move past the handwringing and begin preparing the organization for the future AI will bring.

1 GET SMART

Generative AI is still young, but so much has occurred since its advent. And more is rapidly changing every day. As a leader in your organization — especially if communications, HR and people management are within your remit — start following the topic now.

- To familiarize yourself with trends and current thinking, seek out and follow technology and business management thought leaders covering the topic. Many, if not most, major news outlets already feature “experts” who generate almost daily content on the topic.
- Seek out other knowledgeable voices to help you think through the implications for your organization. **Fair warning:** This will be a constant pursuit. But take heart: There certainly are more mundane topics that require your attention — but maybe none so important.
- Engage your organization's legal counsel to manage risks and mitigate litigation. And remember not to enter any generative outputs into public domain without their guidance.

With this technology's disruptive potential — both positive and negative — and its remarkable momentum, now is the time to understand AI and its implications for your business.

2 ASSEMBLE A DIVERSE, MULTIDISCIPLINARY AI LEADERSHIP TEAM

It's likely — especially if you work in a large enterprise — that several members of your organization already are knowledgeable about and using AI. Assemble a team with representation from communications, marketing, HR, IT, information security, legal, compliance/policy, procurement and ethics (or the equivalent teams within your business) to help guide your organization through its AI journey. Given the potential impact and continuing evolution of this technology, consider appointing a full-time project management organization (PMO) to drive this effort. Also bring in experts from such corporate efforts as DE&I and ESG to help figure out the potential impact on them. Make sure your team is diverse, providing a range of experiences and thinking. And if you are aware of early AI adopters who don't necessarily have formal leadership roles, consider including them on the team or as a touchstone. They can add valuable perspective — and their participation can serve as a professional development opportunity.

This effort ultimately will require an executive sponsor — the No. 1 key to successful change — to signal its importance to the entire organization and to set the tone and vision going forward.

3 ASSESS THE IMPACT ON YOUR LOCAL LANDSCAPE

Business leaders should work to understand AI considerations specific to their business. The AI leadership team (referenced above) can help determine: Who in the organization currently is using AI to do their jobs? How are they using it? How could we be using it in ways we are not already to work better, faster and more efficiently? What will it take for us to use AI in this manner? What can we achieve with the resources and structure currently in place? What are we missing? What do we need? What are the specific risks to our organization? What guardrails, restrictions or policies do we need to ensure appropriate use of this technology for our business? And they can identify other AI-related issues that could impact your organization.



4

BEGIN OUTLINING AND CONTINUE REVIEWING THE ORGANIZATION'S POSITION

Although the process of charting the AI path forward for your organization will be a long-term endeavor requiring a significant level of analysis and decision-making, it's important for business leaders to begin immediately. The reputation and business risks of inappropriate or misuse are significant. The rapid growth of AI and its many applications requires immediate and constant attention — with always more to learn. If they haven't already, leaders should immediately begin working with the multidisciplinary AI team and the information and perspectives they surface to start understanding which approaches are and are not acceptable within the organization. They will need to quickly develop and communicate guidelines, guardrails and policies.

Consider how open the organization should be to the use of generative AI. Determine where the enterprise is willing to experiment. You will want to think about what “experimenting” looks like for your organization (e.g., will you establish a protected testing environment, such as a “sandbox” with security measures and perimeter, etc.). Evaluate the aspects of your business that must be protected and your risk tolerance. And contemplate how this technology can better equip and empower employees to advance the company's purpose, mission, vision and values.

5

GET CHANGE MANAGEMENT HELP

If the organization has in-house change management capabilities, include them on the multidisciplinary team. Absent in-house capabilities, enlist the help of third-party change-management experts. They can help your key AI decision-makers stay abreast of the latest developments and think through the potential implications — and steps needed — for your organization.

Do not underestimate the importance of people-first change communications. Those who are trained to understand and have experience with this essential facet of change management can help align and reinforce the behavior changes needed to adopt the technology and measure their effectiveness.

Josh Rogers has more than 25 years' experience helping industry-leading companies align and engage their employees behind their business imperatives and attract and retain the right talent to help their organizations achieve their full potential. He leads the Talent + Transformation team, FleishmanHillard's internal and change communications/change management capability, at the firm's headquarters in St. Louis and is a member of the firm's global AI and Issues task forces.

If you would like to learn more about the implications of AI for employers or how a people-first approach to digital transformation can help you successfully navigate the age of AI, contact josh.rogers@fleishman.com.

FleishmanHillard's Talent + Transformation team delivers business outcomes at the intersection of business and communications strategy. For more than three decades, we have helped industry-leading organizations align their employees behind their most essential business needs including strategy, culture, transformation, and critical business and functional initiatives. We collaborate with our clients to retain and attract top talent and drive the productivity they need to win. We go beyond awareness, understanding, training and engagement — steps on the path to performance alignment — and facilitate behavior changes that help organizations achieve their strategic imperatives. Research-based change management tools and processes guide our work, and we measure our effectiveness by our clients' business outcomes.

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