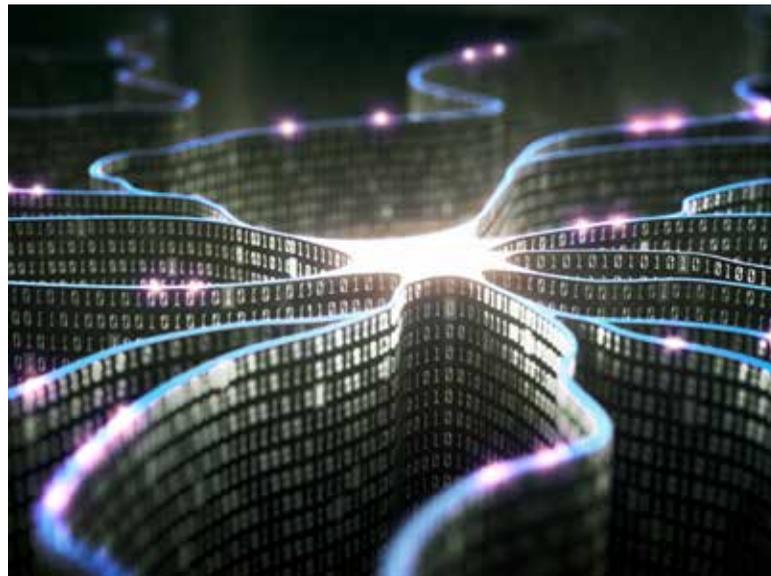


# STAYING AHEAD OF SMART ROBOTS

With the advent of artificial intelligence, managers will need to learn how to oversee smart machines



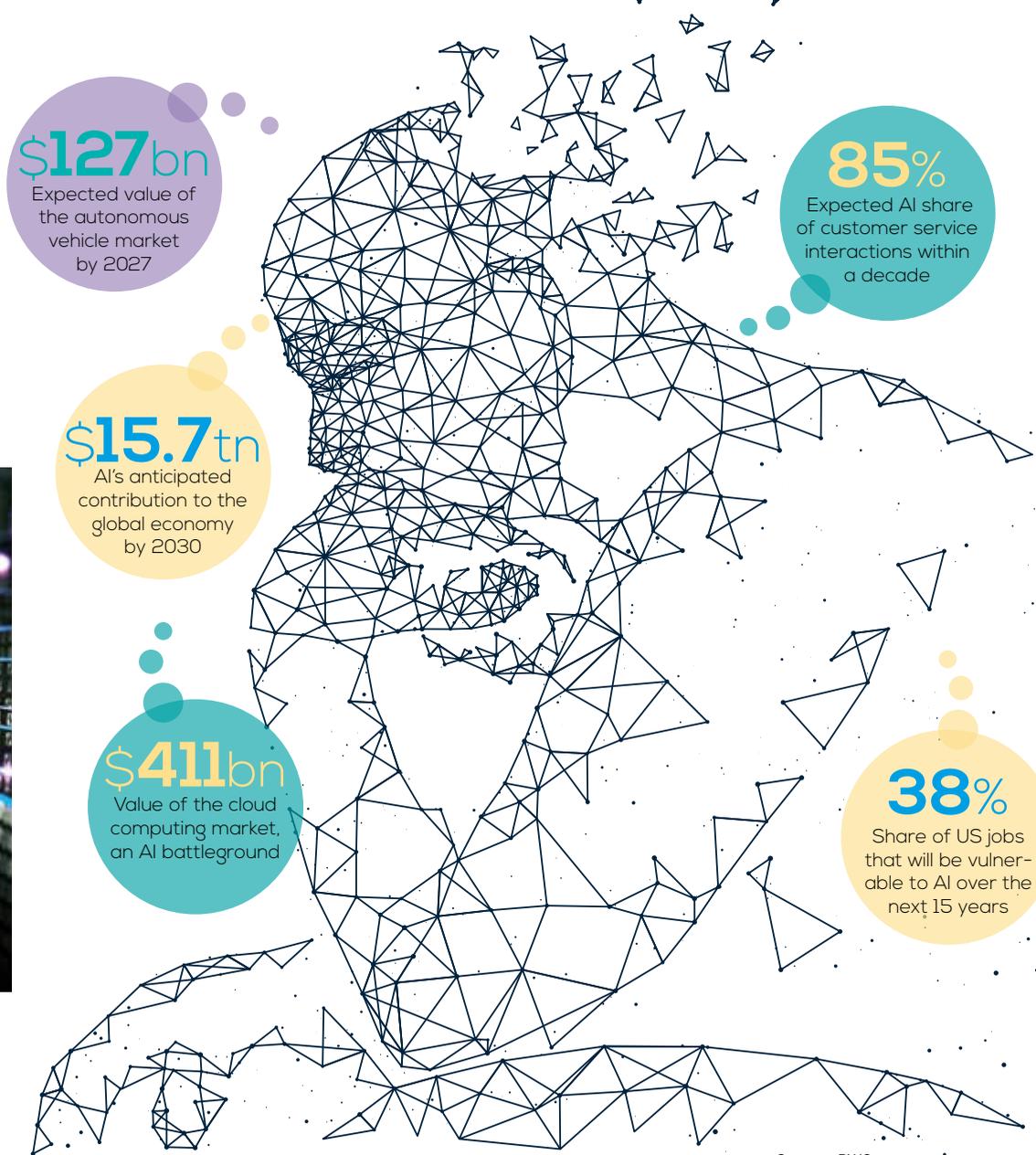
**A**rtificial intelligence (AI) has become a buzzword, but what it is exactly remains unclear to many. A famous quip is that AI is “whatever (technology) has not been done yet”; a reference to the fact that any routine task is no longer considered ‘intelligent’, but rather just part of the ordinary.

Sometimes also known as machine learning, AI refers to technologies that exhibit cognitive functions that are associated with humans, such as learning and problem solving, and display a certain degree of autonomy. For example, a robot that custom-makes pizzas would be AI, while a device that makes (only) non-differentiated pizza boxes is not.

Just as it is hard to imagine a world without smart phones, GPS and social media, the new intelligent technologies will make today’s standard of living seem decidedly primitive. For individuals, domestic robots that execute daily errands will create efficient homes. Likewise, self-driving vehicles will redefine our social and living habits.

For businesses, intelligent robots are gradually taking over tasks that only humans previously performed. Complex problems are also finding solutions via smart computers that process big data to generate superior analytics.

Nevertheless, many people still view AI with suspicion thanks to sci-fi movies permeated with self-thinking robots that make



Source: PWC



## KAI CHAN

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## Biography

- Sep 2014-present Distinguished fellow, Insead (Abu Dhabi)
- 2017-Jun 2018 Senior VP finance & legal, Ormuco – The Connected Cloud, Montreal
- Sep 2011-Feb 2017 Adviser & economist, Prime Minister's Office of the UAE/Minister of State Office
- Nov 2007-May 2011 Associate & economist, FG Companies

humans redundant and overtake the world. Recognising such fears, the UAE has been at the forefront of supporting AI with positive messaging (for example, the UAE Drones for Good award).

It is worth mentioning that, even as the so-called AI revolution unfolds, large swathes of humanity still remain without basic infrastructure, much less access to smart machines. Nevertheless, as with developing countries that leapfrogged past fixed telephone landlines into mobile telephony, AI presents an opportunity for emerging economies that are untethered to obsolete technologies to surpass mature economies that are tied to older technologies.

### AI's regional adoption

As elsewhere, AI is still establishing itself in the Middle East region. In particular, the GCC states' access to low-cost foreign labour means many organisations still prefer human power to the nascent and relatively expensive AI technologies. The Global AI Talent Report 2018 shows that the Middle East region lags behind global leaders in terms of the number of AI engineers. So while there has been much talk and optimism about the role of AI, the region needs to make significant steps to transform into a significant player in the global AI marketplace.

AI's impact around the world will depend on geography and initial conditions. Mature economies with strong technology infrastructure will be market leaders for developing AI. In the GCC, the challenge will be to create a domestic infrastructure that will foster a robust AI ecosystem, which includes having an environment that nurtures and attracts AI talent. This will require support

from government in creating the right incentives and incubating companies with the potential to grow and secure a market.

The UAE is at the forefront of AI development in the region. It created a Ministry for AI and launched the UAE Strategy for Artificial Intelligence in October 2017, with the aim of making the country a responsible global leader of AI, both as a consumer and a producer.

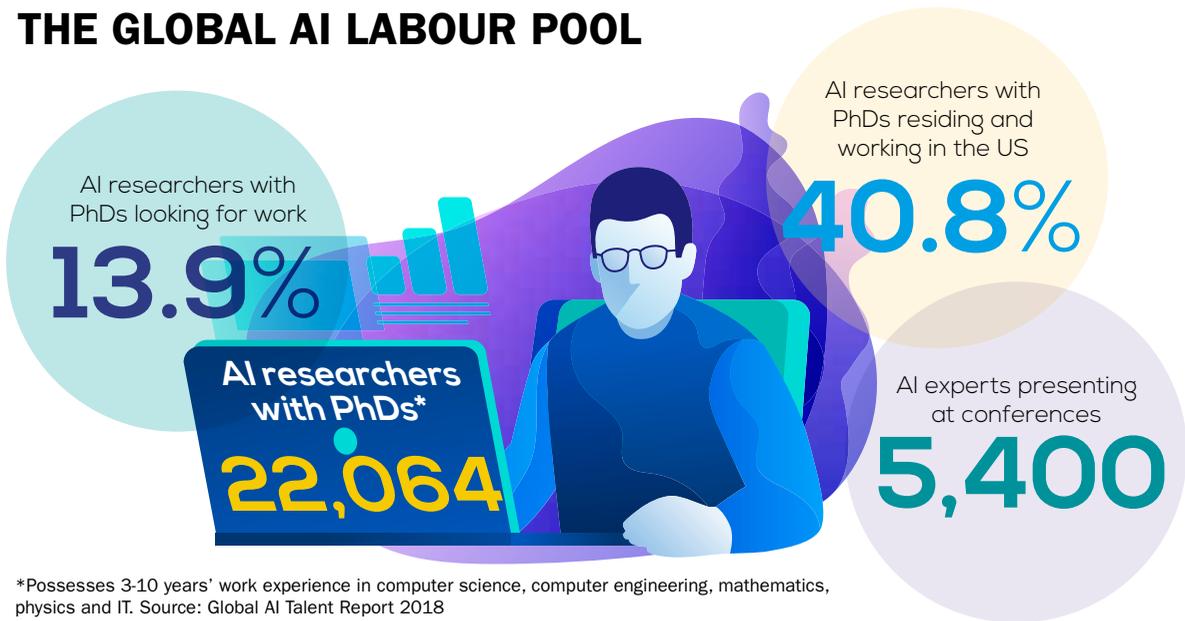
A recent report by Accenture estimates that AI has the potential to lift the UAE's GDP by 1.6 per cent and add \$182bn to the national economy by 2035, and points to similar patterns for the rest of the GCC states. The sectors that will see the most significant AI-led growth are financial services, healthcare, transport and storage, as well as education and construction.

But what will AI really mean to the region's enterprises? Foremost, AI will automate many roles and tasks. This has multiple layers of impact for labour and management in the Gulf.

We will see decreased dependence on foreign labour for low-skilled jobs in various sectors, and increased efficiencies. Thus management will need to oversee fewer humans, but will conversely have to learn how to manage smart robots. At the same time, AI will replace some of the monitoring tasks of managers. This makes it imperative for firms to invest in the development of the remaining labour force, comprising managers and workers.

According to Accenture, managers spend about half of their time doing mundane administrative tasks. By outsourcing these chores to AI, managers across the GCC could devote more time to

## THE GLOBAL AI LABOUR POOL



**AI and big data are not the elixir for all problems a firm will encounter; what they can do is generate a lot more possible solutions**



strategic planning, a core function of many enterprises. As such, the new paradigm will reward managers for vision rather than managing repetitive workflows.

The manager's task of overseeing the internal politics of work teams will be less relevant if AI is used to monitor teams. Rules-based decision-making by machines will also bring greater transparency to team dynamics. The same goes for the use of smart machines that are less prone to social biases and outright human errors that impair decision-making. This will help mitigate against problems that may afflict multi-cultural work groups.

### Impact on decisions

But while AI is expected to drive better decision-making through insights derived from big data analytics, it will not make people smarter per se. In fact, it may perversely regress decision-making, especially if humans blindly take the results generated by algorithms and maths without properly understanding

the underlying decision-making process of AI technology.

AI and big data are not the elixir for all problems that a firm will encounter; what they can do is generate a lot more possible solutions for any given problem. Previously managers or the experts they hire were limited in their processes by the need to go through the time-consuming tasks of gathering and synthesising data, coming up with hypotheses and testing them with the data. Now smart computers can crunch millions of potential solutions on large, real-time data sets. The value add of managers is the ability to decipher through the noise. This offers a possibility for significant productivity growth and improvements in social outcomes. <sup>M</sup>

*Next month, Kai Chan will discuss the management of intelligent machines; the HR challenge in attracting AI human talent and creating a supportive infrastructure; and AI ethics.*