



Trust in Artificial Intelligence

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—
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What is AI?

Artificial Intelligence

We refer to 'AI' as technology that is able to perform tasks commonly associated with intelligent beings, and can therefore work like people, or better, at certain tasks. AI typically includes four elements: sensing, learning, inference and reasoning

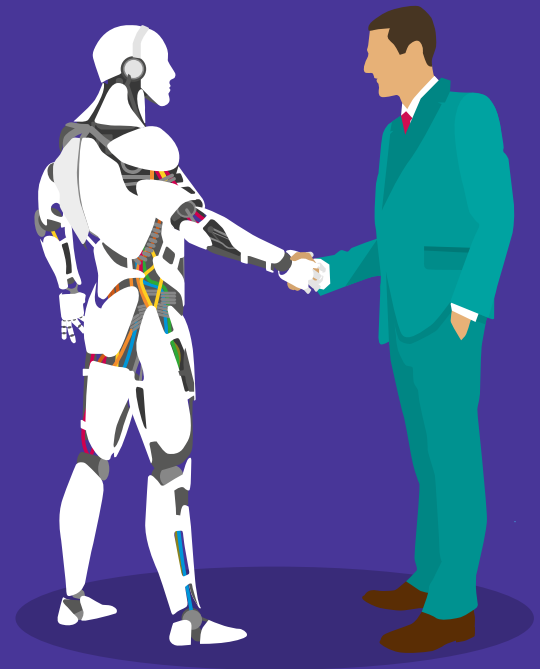
Robotic Process Automation

We use the term Robotics (RPA) to refer to advanced automation of tasks, previously carried out by humans, through hard coded / configured software. The process remains the same unless humans change the code, with the system unable to cope with undefined scenarios

Note: We expect that this distinction will disappear over time, as 'intelligence' will become increasingly integrated in to technology solutions.

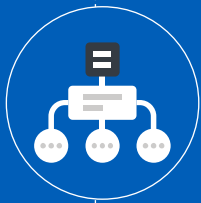
Source for definitions in the area of AI:

https://home.kpmg.com/content/dam/kpmg/uk/pdf/2018/06/trust_in_artificial_intelligence.pdf



The era of AI is here – are you ready?

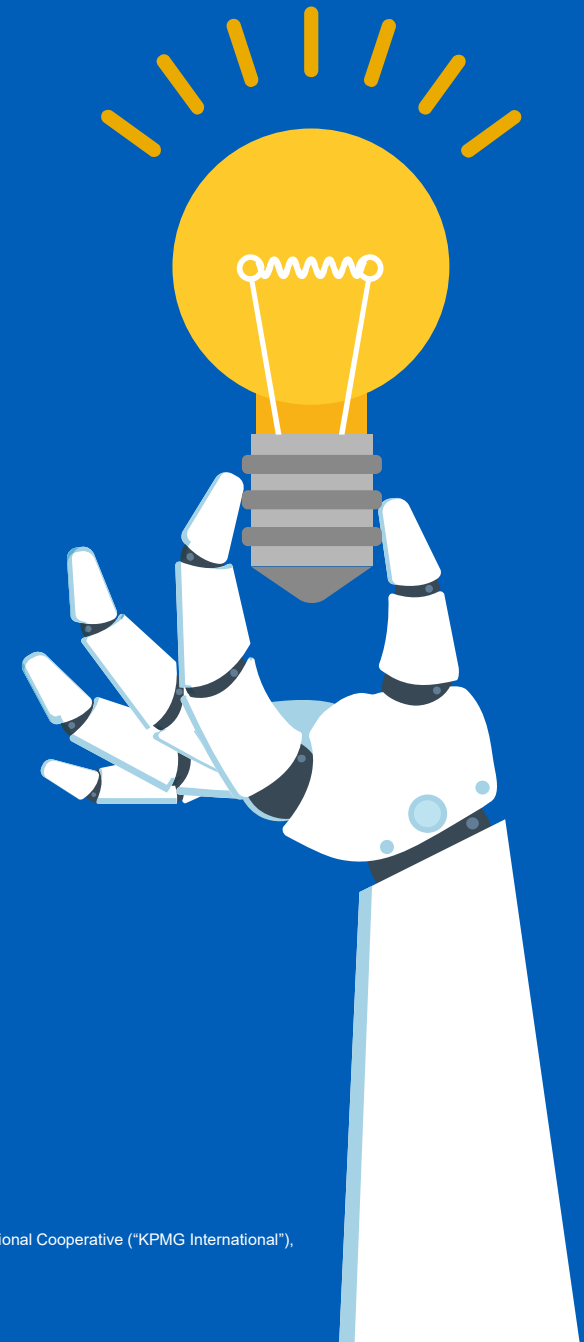
Businesses urgently need to recognise a new risk and rethink their approach to the risks and controls relating to this technology in a structured way. They also need to ask **what does it mean for my risk appetite?**



AI adds complexity –
therefore simplicity must be
forced by design



Evolve governance, risk and
compliance practices

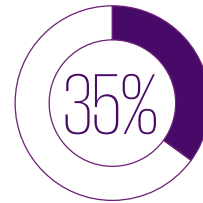


AI adoption is accelerating but there is a unique set of challenges



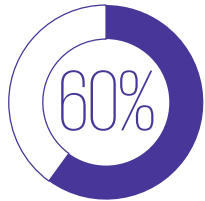
of companies believe **AI is key** to competitive advantage

– IDC



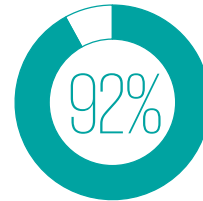
only have a high level of **trust** in their own organization's analytics

– KPMG's recent Guardians of Trust report



see **regulatory constraints** as a barrier to implementing AI

– IBM IBV AI 2018



question **trustworthiness** of data, analytics ...are worried about the impact on **reputation**

– KPMG's recent Guardians of Trust report



1 in 20 companies has **extensively incorporated AI** in offerings or processes

– MIT Sloan Management Review

“ Business leaders need to arm the workforce for a new ‘machine age’ of artificial intelligence and increasing automation ”

Duncan Tait SEVP , Head of Americas and EMEIA Fujitsu
– KPMG's 2018 Global CEO Outlook

HR's Challenge 1

The first key challenge facing the HR function is to add more value to its customer, the business, with limited resources, in faster moving timeframes.

The HR director faces a choice: on what tasks should they invest finite human capacity?

Reflecting this, reducing costs has been a priority of digital investment in recent years with two highest areas of investment having been:



Process efficiency (41%)



Process automation (40%)

However, when asked what the **most** important attribute when considering technology/digital solution investment; **quality of solution and user experience** won out compared to cost cutting.



39%

One that improves employee experience and/or process effectiveness



35%

One that delivers greater insight and decision support

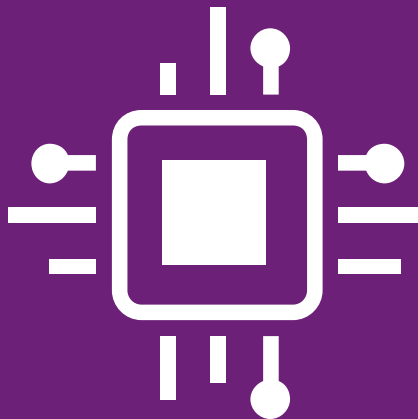


26%

One that saves money

HR's Challenge 2

The second, arguably greater challenge, is how HR serves the wider needs of the business during a time of immense disruption brought about by AI and automation over the next decade?



HR will need to make huge decisions.

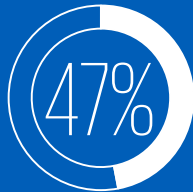
- How can robots be deployed?
- How can staff be redeployed?
- Who will manage the AI workforce?
- How do you manage a robot?
- Are we ready to help our clients with the Employee Relations disputes that could be set to categorise the next decade?
- How do you employ the right talent?
- Upskilling of staff?
- How can AI be used to do that upskilling?
- Who should upskill who?
- How can we help our clients decide these things?
- Are HR departments knowledgeable about the potential of AI?

This ground has been covered in Rise of the Humans and The Future of HR series, which I can recommend as further reading.

The Opportunity of Artificial Intelligence



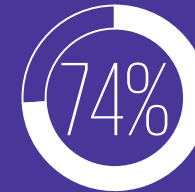
An HR helpdesk typically spends 73% of its time on questions that are either simple or logically derived – these are questions which can be answered by an artificial intelligence engine. In many cases, AI could remove the need for a user to interact with an ERP at all.



47% of HR directors of organisations already using Cloud based SaaS systems are planning significant investment in AI over the next two years.



88% of HR executives who have invested in AI or Machine Learning believe it to be worthwhile – more than any other technological investment (Cloud HCM 81%, RPA 76%, Blockchain 82)



74% of HR executives agree the AI/Machine Learning can drive significant value for HR





Q & A



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