INTRO

Welcome to Theory of Curiosity. In this podcast series, we get inside the inquisitive minds of Singapore Management University's brightest researchers. Combining the power of deep thinking, systematic experimentation, and rigorous investigation, our postgraduate thesis professors and students reveal their findings on digital transformation, growth in Asia, and sustainable living. Stay tuned for bite-sized insights on big questions that continue to shape our future.

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Hi, I'm Michael Bashshur, and I'm currently an associate professor of Organisational Behaviour and Human Resources at Singapore Management University Lee Kong Chian School of Business. I've been at the School of Business for about ten years now, and my work tends to focus on issues of what we call organisational justice, leadership, and more broadly, followership and fairness.

One of the other things that's really fun about my job is that I get to work with PhD students. What happens there is that although we as professors have our own specific interests that we developed over years, as PhD students come and start working with us, they tend to broaden our horizons and broaden our perspectives and get us interested in things that we may not have been thinking about in the first place.

In this episode of Theory of Curiosity, I'll be having a discussion with Laurel Teo, a final year PhD candidate in business specialising in organisational behaviour and human resources at Singapore Management University. Laurel's research focuses on the effect of artificial intelligence, or AI, on people at work. She has spent a number of years working in journalism, consulting, and finance, and has seen how technology has transformed business models and how people work more generally. We'll be discussing AI as it relates to human resource management, specifically here. And I should add, by the way, that Laurel is also my advisee. Welcome to the podcast, Laurel. Thank you for joining me.

Laurel: Thanks for having me, Michael.

Michael: Let's dive right in. As we know, technology permeates our work and life in workplaces. It goes beyond just simple automation of tasks. Your research investigates the relationship between the application of AI decision tools at work and how people respond to such applications. Could you expand on that?

Laurel: We know from talking to friends, co-workers, and we see it on Internet and read it in the papers and in press that sometimes people may be uncomfortable with the use of AI in a number of areas. But what is this discomfort and where does it come from and in what context are people okay with the use of AI, but less so in others?

For instance, most people don't think twice about using search engines. And if Spotify throws out a song for you to listen, you wouldn't hesitate to click on it. But if I ask you, would you be okay with an AI deciding on your salary, your bonus, or your promotion? You might think twice. So my dissertation focuses on how the use of AI in HRM triggers perceptions of what we call ‘uniqueness neglect’.

Michael: And I should say HRM is human resource management. Maybe you can go ahead and define for us what you mean by ‘uniqueness neglect’.

Laurel: Uniqueness neglect is a concern that your unique case, your individual characteristics may not be adequately considered in the decision process. And people tend to feel this way because research has shown that people like being unique. They don't want to be too similar to the other person. So if you are not treated as a unique individual, it arouses some level of discomfort in people.

Michael: So people want to be special. And it's only in certain circumstances, though, right?

Laurel: Yes. In some research that we've seen in our own studies, we found that people tend to be more concerned about ‘uniqueness neglect’ in what we call ‘high-stakes contexts’ or ‘high-stakes situations’. For instance, when it's about song selection or about maybe airline flights – something that's terribly important– you might be okay. But if it's about a medical condition, for instance, there's a lot of research about how patients are just not comfortable with a robot assessing their medical condition compared to a human doctor. And we found it's the same in HR management. For example, if a robot is deciding, or an AI is deciding on your salary or promotion, that's pretty high stakes. It's your career, it's the rest of your life. People tend to be very uncomfortable with that.

Michael: Yeah. And so they want to know that they're being recognised and their unique talents and their specialness is being recognised. When it's AI doing that, they feel like that's not the case.

Laurel: Yeah. So our research has shown basically we run experiments and we split people up to random groups and we test what if an AI is deciding on you for this particular situation versus the human manager? And people prefer having human managers making the decisions rather than an AI.

Michael: Which is odd, because we know that human managers are actually biased and less accurate than AI.

Laurel: Yes.

Michael: So people want the bias because somehow it makes them feel special? But we do know that people see AI as somehow less fair, and that's been pretty well established. But what's really interesting about what you're doing is that you're going beyond. Yes, they feel that it's less fair that the process isn't as fair for them, but it's also that they feel like they're not special and they're not recognised as special. So what's really cool about what you're doing is that you're showing that there's this additive effect beyond fairness is also I need to feel like it's fair, and I also need to feel special. I need to feel unique. I need you to recognise me as an individual, as a person.

Laurel: And there are consequences when that doesn't happen. So what if someone feels that their uniqueness has been neglected, what is the consequence of that? And we found that it's actually linked to their psychological well-being or subjective well-being. When there's an AI making the decisions rather than a human, it makes them feel that uniqueness has been neglected, and that leads to actually higher stress. And they also feel more negative effect.

Michael: And negative effect in this case is basically negative emotions, maybe even hostility. It's a range of negative emotions.

Laurel: Right.

Michael: These things like stress and negative emotions at work. What does that mean for an organisation?

Laurel: Well, it's important for organisations because we know that when people are unhappy, they don't perform well, they're less satisfied with their jobs, and then they leave, they quit.

Michael: And I would add, actually, with stress, you end up with people not showing up for work more, reporting ill more, in fact, getting more ill, actually physically having lower well being. It's not just a cost to the organisation, it's also a cost to the individual.

Laurel: Yes, exactly.

Michael: I wonder if you can spend a little bit further on how this plays out more locally, or at least in the context of Asia and maybe compared to how things are going in the west. So I know there's not a lot of evidence, but anecdotally leased at least from some of your initial research.

Laurel: Right, okay. So let me just talk a little bit about why we should care here in Asia about AI and the kind of influence that it has on people. Well, if you talk about where the money is coming from in terms of investments in AI, the top investor is US, and then followed by China and many countries in Asia, a lot of the money that's going to AI is coming from this part of the world. And then where's AI being used? So if you look at Where's AI being applied, actually, organisations in what we call developed markets in Asia are actually top in the world in terms of AI adoption, followed by India and then the US. So actually, there is a lot of use of AI in Asia. That's why it's important to know what it's doing to people here.

Michael: That's interesting. Maybe next we could move to talk about trends and some of the future-focused issues in AI with more remote and hybrid work arrangements. What we're seeing is that more tech has been implemented for surveillance and study of employee productivity. What do you think about that? What are your views on ethics and privacy in the workplace?

Laurel: Most employees actually don't have much choice. If the employee says, I need this information from you, are you going to say, “No, I'm going to quit my job”? No, not really. So realistically, you don't have a huge choice. But there are, however, data privacy laws, for example, in Singapore and the EU, and less so in the US, that provide some measure of protection in the sense that organisations and that need to be transparent about when and why they're collecting data from individuals. What data will they be collecting? How will the data be used and how will it be stored?

So at the minimum, transparency is important. Employees should also be aware of and should take the initiative to know what are their rights, what is being collected, what is being monitored, and basically, what can they do and what can't they do? For example, a lot of people surf the Internet and check personal email and watch YouTube videos while taking a break at work, that's quite normal. But many people don't know that employers may have the right to all your data. They can look at your personal emails and look at what YouTube videos you have been watching. Track that. When you do these personal activities at work or use the office-issued devices, or even just tap on the office WiFi with your own mobile while you're doing all this personal surfing. So people are not aware of that, and they should take the initiative to know that.

Michael: That's really scary. You said that employees should take the initiative, but there's an inherent power balance here, right? I can't think of how exactly I would go about taking the initiative to learn this stuff, and who would I talk to? And then what if I don't like it? What can I do about it? It doesn't seem like there's very much going on here in terms of the power difference. And is this actually ethical of organisations to do this type of thing, leveraging their power?

Laurel: It is if they declare it. All I can say is read the fine print. Because when you have your employment contract legally, employees have to declare what kind of information do they have rights to. And you should then be very careful reading your contracts. What recourse do you have legally really depends on which jurisdiction you're in. In the EU, probably have a lot more protection in Singapore, some US less. So it really depends. And what recourse do you have? If you're in a place where you can file a class action suit, you could do that, but not here in Singapore. I would say just be very careful before you sign the dotted line, make sure that you know you're getting into. And if you're really uncomfortable with that, you might have to walk away.

Michael: That also shades into areas, again, of fairness. So transparency is a huge part of whether people think something is fair, whether they have clear access to information and that type of thing. And it's funny that you kept saying fine print. So, yeah, that's transparent. Sure. It's there somewhere I can think of many contracts with interacting with tech that I've clicked ‘yes’ and the fine print has been massive. So I don't know that that's actually transparency. It's there. But it doesn't seem to me anyway that they're making this really concerted effort to let people know, ‘Hey, this is what we're doing with your data right now’. You're seeing it in some tech. I think Apple is doing a lot of letting you know what's happening with your data right now, and that's part of how they're marketing themselves. But I don't see organisations really highlighting. They highlight lots of things to us all the time, but I haven't seen them highlighting, hey, we're going to take this data that you're using right now, and we're going to use it to make a judgment about you.

Laurel: So the question is whether organisations should take responsibility to educate employees more about what they should know about their rights. And I think they should, because the fallout could be quite serious for the organisation. So if you hit everything in fine print and something happens and then a lawsuit erupts, I mean, it's huge reputational repercussions on the organisation as well. There have been lawsuits in other jurisdictions when things like that happen.

Michael: It doesn't even have to get to the point of lawsuits. So we know, for example, why do people trust other people or organisations? One reason we trust them is we believe they are benevolent; they actually have our best interests at heart. So when an organisation is hiding how they are using data or not highlighting what's going on with an employee privacy and then an employee finds out, that perception of benevolence goes away, trust goes away, perceptions of fairness go away. And this employee will walk when the opportunity comes.

Laurel: Right. The commitment just goes away entirely. And we don't even have to wait to lawsuit, you’re right. Because in the age of social media, you get flamed. (laughs)

Michael: Yeah. That's the other side of AI. Where you can use the AI to actually get a little bit of revenge. (laughs)

Laurel: Well, speaking of revenge, there are actually a couple of very interesting cases that have happened recently on how to make use of our exploited data to take revenge. So there's a very famous case. Morrison is a supermarket in the UK. They fired an employee. And the very unhappy employee stole data from the company, about 100,000 employees’ names, addresses, gender, salary. And he just leaked it on the Internet, and he sent it to newspapers and it became a very big case. And the employees whose data was stolen were very upset, and they actually filed a class action suit against Morrison's for negligence and not protecting their data, basically. And so just a word of caution, like I mentioned earlier on, employers should know why they're collecting data.

Michael: Yeah. So this is a really good example of an organisation with lots of power, the ability to collect all this information and probably much, much more than what was leaked on their employees. And really, I think points to their responsibility that comes with this power in terms of how they manage that data and protect that data and using it responsibly. And so far, we've been really focusing on the impact of AI on employees and sort of the recipients of decisions. But it's also interesting to think about the people who are sort of using the AI to make the decision. So leaders and what the advent of AI means for leadership, and how do you lead in the age of AI? And can you trust AI as a leader? Can you trust those decisions and base your own decisions on that? That's also very interesting. I know you're doing some work on that. Can you talk just really briefly about sort of some of your initial thoughts and findings on that?

Laurel: Yeah. So you're right about this whole difference between looking at it from a decision recipient's perspective versus somebody who makes the decision. So I did run a little study in my dissertation about what happens when it is a decision maker that is using AI, and we find that they can act quite similarly as well. So they do feel that ‘uniqueness neglect’ as well. This is especially when you are talking about decision makers with power, for example, supervisors and managers at work. And when they feel that, for example, if it's about a decision on performance, about promotions, in the usual course of events, they would be the ones making the decision. But if they have to delegate it to an AI, then they might feel that there's a loss of power there; ‘I can't be making these decisions on my employees anymore’. And when they feel that loss of power, somehow it affects the image of their identity as a leader, and then it makes them feel less unique as an individual, and that affects it makes them feel that their uniqueness as a person has been neglected as well. And then the same consequences how it stresses them out, you have negative emotions – so that can happen to leaders as well, to decision makers.

Michael: That's interesting because you're actually taking both the carrot and the stick out of the leader's hands right? So now, the leader doesn't have reward or punishment power anymore. So, yeah, they've lost a lot of power. And now maybe leaders have to lead and all those other soft skills become much more important, some sort of like persuasion, getting people on board with an idea without the ability necessarily to make the decision that punishes them or rewards them. That's really interesting.

What do you think the recipients think of leaders who use power? So powerholders themselves might think, ‘Hey, I'm losing power because the decisions being taken away from me’, they may also think that their followers don't see them as leaders anymore; ‘I've lost a little bit of that credibility as a leader’. Do you think that's true? Do you think followers think that leaders who delegate these types of really important decisions to AI are less effective or less leaderly?

Laurel: Well, I haven't done any research, so I don't have evidence, but I feel, yes, that is a high likelihood of that, and that is actually the next thing that we're probably going to be looking at in research.

Michael: Yeah, I agree. I think it's going to be really interesting to see whether followers actually do see leaders as less effective when they use AI because they know their decision is not in their hands anymore. And I think lots of leaders are struggling with this. Like how do I lead when I can't make these decisions? So it's going to be a really interesting thing to follow through on going forward.

I guess, practically speaking, though, we do know that there are lots of different styles of leadership. So sort of the transactional leadership that's the carrot and sticks that most of us are used to and most of us sort of fall back on as a default might be less effective in these types of situations. Other types of leadership like that, it's inspirational where you get people really excited about the vision, are excited about the direction or help them understand how it's going to help them or develop them, might be more relevant or things that, for example, relational, where you're building close relationships and you get that sort of leader member exchange or closeness where the follower wants to help out the leader. And it's not a punitive or reward based type of system, motivation system. It's more like based on a relationship. Those things are not as easy for people. It's just sort of not as natural for people in leadership positions. Many of them, carrots and sticks seem to be a lot easier. But I'm wondering if in terms of how to integrate AI, you were talking at one point about control. So what do you think about giving control back to leaders in these systems?

Laurel: Yeah. So if, I think people tend to be more comfortable if they have one last final say, a look or control over the whole decision. So just to say that maybe AI is doing the grunt work – doing all the churning, the calculating, all that, and it spits out a recommendation. But if leaders can retain a final sort of last overview decision before it goes out and it's being implemented, I think a lot of people will be a lot more comfortable with that.

Michael: So give them like an illusion of control or real control?

Laurel: Illusion of control is actually almost as good as real control.

Michael: So do you tell them that it's an illusion of control? You just lie to them and say, here's some control.

Laurel: What we can say is there is a panic button that you can press, but maybe it's only pressed 0.1% of the time. But the fact that there is a panic button there, I think it might help.

Michael: Which is, again, some of the irony of this line of research, which is that AI will do better than the human in terms of, if you put in the right information. It won't be biased, it won't have preferences, it won't have all these other things. But to get humans to use it, we need them to reintroduce some of that bias or at least feel like they could if they wanted to. So obviously, that's kind of a complex question. And so figuring out that question, that's why people get PhDs in the first place right? So they're very interested in these types of objective, empirical questions and finding out what is the right answer. And that's really reflected in a trend in management that we have, which is called evidence based management. It's a scientific approach to the practice of management. So, of course, to know what is the empirically best option or most likely to work option in a given setting in an organisation, somebody has to go out there and do the research and figure it out, right? So when does this work? What qualifies it? What's the best option here? Will this work in that culture? That's what a PhD is all about. You get the PhD, then you continue. Once you have graduated, you continue basically to do research and answer basic questions and generate basic knowledge in this case in the field of human resource management.

So maybe, Laurel, you can expand a little bit on what you think about a PhD now that you're very close to the end. Congratulations. And why you did it, what you think about it, whether you agree with what I just said and sort of maybe your overall perspective on the program and the experience.

Laurel: I agree with what you've just said. Coming from the industry, having worked for more than ten years, I've attended a lot of conferences and seminars and lots of roundtables panel discussions, and I've participated on a few myself. And while these are really usually very interesting, lots of great stories and sharing your experience, lots of tips going around. But experience does not equal scientific validity.

Michael: So scientific validity means what?

Laurel: Means that X really causes Y? It's evidence. It's based on evidence.

Michael: So you sort of unpack the answer and you know that this will lead to that over time, given these circumstances.

Laurel: Human beings were very fascinated by novel things. We see something new, a new tech, and then we're curious to try it. But a lot of times people don't realise that it's new, it's fun, but it may not be effective. And I think that's what research is all about. You want to test if there's a new recruitment method. For example, there is a trend now going for Gamification, where instead of the old pen and paper test interviews, you get people play a game on an app and that's their job application process. That may be well and fun, but is it as effective? Could there be bias introducing it, for example, we know that a lot more men play games –computer games– than women. So if your mode of testing is a game, is that then bias against females in the recruitment process?

Michael: Older people

Laurel: Yeah, older people who are not as comfortable with using their thumbs on their mobile phone. So there could be unintended consequences that you don't realise. And we don't know this until we do research on it.

Michael: So you figure out what the problem is, you figure out how to ask the question, you figure out how to test the idea and figure out what the answer is, what is the best thing to do in this situation? And then you can roll that out and practically speaking, people can then use your research to decide, ‘Do I gamify? Do I not?’, ‘ If I'm going to gamify, do I need to do something special for older people's thumbs?’, whatever the case may be. So yeah, there's these very concrete, practical applications to the questions that you ask and answer. So what about you? You're at the end of the process, you're almost there. You're literally two days away from defending your dissertation and then becoming a doctor. So, Congratulations. Maybe you could share what your experience is like. I know it's been five years. How's it been?

Laurel: Well, it's really hard! It was a lot harder than I thought it would be. And it's actually a full time job. And it's really funny because I come from having worked before and I have a lot of ex-colleagues and coworkers and every time they see me, they're like, ‘Oh, so what are you doing besides your PhD?’ and I'm like, ‘Well, I'm just doing my PhD.’. And they ask, ‘Why don't you get a part time job?’. I'm like, no, it's a full time. Actually doing research, generating knowledge is actually really time consuming. It's a fulltime job and it's difficult. But I have enjoyed that process because I think it was important to take time out to really learn new things and to spend time to think. A lot of times when you're working, you use a lot of skills and shortcuts that you've built up over the years and you almost automatically without pausing to think, ‘Why is that the case?’ ‘Is that always necessarily the case?’. And I think doing a PhD has taught me to really go back, sort of go back to the first principles of things and ask, ‘Why does this happen?’, ‘Does it have to happen like that?’, ‘Are there other ways to look at it and how can we solve this?’. And that has been really great in terms of just making me think really hard like that.

Michael: I think you have to be a curious person to do a PhD. There's no way around it. You have to have lots of questions, and you have to want to know why, and you have to want to unpack things and understand things. I would add that that's one thing that you and I had this conversation very early on, which was based on ‘why do you care? Who cares?’ So I have my passions, as you know, as I mentioned, fairness and corruption. And then you came into the room with AI, right. And I said Nah! (laughs) But then you explained, ‘Why is AI important?’, ‘Why do you care about like AI?’. So can you share what was it that you were saying that why did you care about AI?

Laurel: Well, because I came from an industry where AI was increasingly being used, and I saw a lot of discomfort, a lot of fear that people had towards a new technology that wasn't being addressed. A lot of people I mean, officially, the tagline is great for you – It's bias free. It's going to make everything efficient, cut costs, etc. and we're going ahead and implementing it. But emotionally, a lot of people are actually very uncomfortable with it. And I saw that it wasn't being addressed, and people weren't necessarily understanding why that was the case. And that's why I thought it was important to understand why this is happening and why is it important? Why should organisations care? So that was one of the big things that was driving me.

Michael: Yeah. And I have to say, it was really cool when you identified that passion and were able to explain why you cared so much about that and to see how that's been driving forward. Your work since then been really enjoyable to watch. So going forward, what do you want to do with this PhD now that you're going to have it?

Laurel: I just wanted to say how I really enjoyed my time; my PhD at SMU. The OBHR faculty at SMU here is really absolutely first rate. And a special shout out to Michael for being such a fantastic advisor. I mean, I really enjoyed learning with you over the past couple of years.

Michael: Yeah it has been great.

Laurel: Well, so going forward, I hope to get a job to do more research on technology and work, because this is really just a start. There are a lot more questions to ask and to answer.

Michael: Thank you, Laurel. I really enjoyed our exchange. I'm sure your research and insights will be invaluable for modern workplaces around the world.

Laurel: Thank you, Michael. I've enjoyed our conversation.

Michael: Listeners, what's your take on AI at the workplace? What will the future hold for organisations in the implementation of artificial intelligence? In the coming episodes we'll be having more insightful conversations around research that continues to shape and excite our world. If you like what you've heard, please follow the series and share them with your community.

We hope this gives you a deeper look into the Singapore Management University's PhD in Business specialisation in Organisational Behaviour and Human Resources. If you'd like to find out more about this program, visit http://SMU.sg/phd-business-obhr for other academic research PhD programs, visit SMU.sg/phd.