

Take on Board Podcast – Episode 384

Transcript – Board Responsibilities in an AI World with Susan Angele

Hello, and welcome to the Take on Board podcast. I'm your host, Helga Svendsen. I know that being on a board can be an incredibly valuable, interesting, and exciting experience. Yet it can also be lonely, challenging, and let's face it, pretty hard. So here at Take on Board, I'll bring you weekly tips, tricks, and advice to help navigate your way onto your first board, your next board, or to build your governance wisdom. Now, on with the show.

Today on the Take on Board Podcast, I'm speaking with Susan Angele about board responsibilities in an AI world.

Before we start the podcast today, I would like to acknowledge the traditional custodians of the land on which we record. For me, I am on the unceded lands of the Wurundjeri people of the Kulin Nation, and I pay my respects to elders past and present. I also pay my respects to any First Nations people who may be listening today. I acknowledge their continuing connection to land, waters, skies, culture, and country. I support Voice, Treaty, and Truth for Aboriginal and Torres Strait Islander peoples, and I encourage others in the Take on Board community to do the same.

Now, let me introduce Susan. Susan is, is on the boards of Invest Ahead, Latino Corporate Directors Education Foundation, Wilson College, and the Institute for Mindful Leadership. She's previously been on the boards of the Council of Better Business Bureaus, Cultural Enrichment Fund, and Jersey Battered Women Services. She's a trusted boardroom adviser, experienced Fortune 500 executive, an Alpha AI Governance fellow, and Agentic Governance Council co-chair. I think we'll draw on a bit of that today.

Her board experience spans four vantage points: over a decade elevating board governance through KPMG's Board Leadership Center, leading organisations through bet-the-company change as an independent nonprofit director and board chair, and working closely with a Fortune 500 board as the Hershey's Company's chief governance officer and global deputy general counsel, and also collaborating to drive effective board oversight of AI through the Alpha AI Governance Institute. Susan, welcome to the Take on Board Podcast.

Thank you, Helga. It's wonderful to be here. And, and as we start, um, I am going to take your cue and also pay my respects to the Nyack people of the Lenape Tribe, which is the area where I live.

Oh, lovely. Thank you. It's, it's interesting the different customs, shall we say, when I talk to people internationally about what the different customs are. So yeah, lovely to hear an acknowledgement from where you are as well. Yeah. Yeah.

So Susan, I'm so looking forward to our conversation about AI. However, as always, before we dig into that story, I want to dig a little bit into your story. Can you tell me about your upbringing and what lessons you learned, what you got up to, and what the leading influences were on what you did and how you thought?

Yeah, sure. So I, I grew up in a family where my mother was an educational psychologist- Got her doctorate when I was in high school. Everything was about reading, learning, curiosity. Uh, she was obviously a strong influence there.

Um, and then my father was one of the very, very early, uh, people in venture capital in the early computer industry. S- uh, so we're talking going back to the 1960s, and, uh, you know, when computers took up an, an entire room. Um, he was an engineer by background, uh, and just loved technology, uh, to the point where, uh, we always had, you know, sort of the, the first video recorder in our house. Um, at the age of 90, when he went into the hospital the last few times, in addition to his toothbrush, we always had to pack his iPad for him. You can see absolutely loved it. So, so it's this, you know, sort of mix of, of learning and interest in what's new. Um, but at the same time, he was very, very practical, very common sense. Never got swayed by fads. Um, so, so those were influences.

Uh, and, and then there was a, a third influence, which was s- something that happened before I had a memory, but a story that I grew up, uh, with, was, uh, when I was, uh, an infant, I had, um, what, uh, put... something that put me in the hospital. I had, you know, sort of a, a growth on the side of my neck. Um, the doctor wanted to do surgery. He wanted to radiate it.

There was a nurse, a Black woman from Brooklyn, and this was in the days before Brooklyn was the hippest place in the world. Uh, it was a little bit different back then. Um, and she stood up to this world-famous doctor and said, "No, this is going to go away by itself. You're going to leave her alone." And she talked him into it, and that's what they did. And I f- took about six months for it to go away, and then I was absolutely fine.

And just that, that recognition that here was this person who No one was listening to until someone did, and she was clearly the smartest person in the room. Uh, and, and it was just always has, has stuck with me that, um- Interesting ... yeah.

Yeah. Yeah. The ability to both speak up and be heard.

Exactly.

It's actually in some ways a credit... Obviously it's a credit to her. It's extraordinary. It's actually a credit to the, I think you said it was a male doctor- It was a male doctor the doctor as well- Yeah ... who did listen, maybe eventually, might have taken a while. Uh- Yeah ... because I imagine in a lot of, uh, health services, shall we say back in the day, that would not necessarily have happened.

Yes. Yes. Mm. Okay. Yeah.

So a sense of curiosity, um, you know, a, a, a, um, strong sense of technology, and being safe to speak up and to be heard. That is a beautiful foundation for the conversation that we are having today. So let's dive on, on into our topic around AI and board responsibilities in an AI world.

Now, I confess, Susan, that I thought, well, if we're talking about board responsibilities in an AI world, why don't I ask my friend Google Gemini what should be the opening question? Uh, and it's... I don't always do this. Most people who listen would know that I just open it. Actually, I'm going to, I'm going to give you a choice then, all right? I'm going to give you the recommended question from AI, and I'm going to give you what I would normally start with, and let's see where we go.

Okay.

So Susan, what I normally start with is, uh, board responsibilities and AI governance. There is so much in there in the AI world, it's moving so quickly. Where should we start the conversation? So I start with a very open question. And I- Okay ... my friend Gemini- Uh-huh ... says that I should start with a direct and governance-focused question saying, "Surveys show a growing gap between management and boards when it comes to AI, with many boards following rather than leading. Why is AI governance ultimately a board responsibility, and specifically a nominating governance committee issue rather than just a tech problem?" So this is choose your own adventure, Susan. Where would you like to go?

I, you know, AI is not always right, but in this case I have to give it to Gemini. That is a good question.

Okay. Let's go down that path then. I love it. So yeah, the, the gap between management and boards. Yeah. Boards following rather than leading, yet it's their responsibility.

That is exactly the way to sum it up. Um- Companies are in the middle of it. Management, lots of management people have FOMO. You know, competition is investing in AI. The entire world is going toward AI. We have to go fast, fast, fast.

And boards have gone through a little bit of, of an evolution. So when I first, um... And a- as, as you know, Helga, I spent, uh, 11 years, uh, at KPMG doing nothing but talking to boards about governance issues. Yeah.

And so I've been talking to boards about AI from day one, and initially the conversation was, "Okay, we need to know what the company is going to use AI for." And we would say to boards, "Okay, so what do you, what do you want to, you know, for- hear from us about governance?" They would say, "Well, we don't really know. Just tell us what others are doing." Because they didn't even really know what questions to ask. So then there's been, you know, kind of an evolution. Then it went to, "Okay, we're boards. We want to know c- capital allocation. How are you investing in AI? How is it being used to advance the strategy?" You know, putting an AI twist onto the kinds of questions that board members would ask about any investment that the company was making, which makes perfect sense.

The issue is that what's happened is there's been a lot of board members who, if they're honest about it, will admit I hear about a lot of activity in the company, but I don't know what to think about it, and I don't know what to ask about it. Um, because most board directors, like myself, like many are my age anyway, have not grown up in an AI world. Yeah. And, and so you can't, you know, unlike finance or talent or anything else that where board members can speak from experience- Yeah ... there's no, there's no speaking from experience, uh, among most board members. There's no pattern recognition, uh, around AI among most board members. So, so they are very much, um, following and just sort of going to say, "Okay, management, tell us what you're going to do next."

Um, what they have realised is, in addition to understanding what the company is doing, they do have to provide oversight of the risks.

And so we've all learned there are a number of risks with board, uh, with, uh, companies of AI. Privacy is one thing. Violation of intellectual property rights is another thing. How is the III getting trained?

And, and in fact, in, uh... Obviously, uh, I'm from the US, um, I assume my accent is my giveaway. Uh, and, um, there's quite a b-bit of litigation here, uh, among, uh, newspapers, publishing companies- Yes. Yeah ... against the AI frontier labs about having used all of this information for training.

And, um, so, so the, the, the intellectual property, uh, thing is another thing to worry about. Some of the other issues that they should be worried about that they're not really focused on, or at least most boards are not focused on from what I've seen, one is bias. Uh, so just as an example, the, uh, lot of companies are using a AI to screen resumes And, and what they'll do is they'll kind of look at the organisation and say, "Okay, who are the people that have been successfully hired, and who are the people that are valued by this organisation?" Surprise, surprise, they're white men for the most part. Yeah. And so if someone sees a resume with a name like Susan, or even worse, a name like Latoya- Yeah ... they're possibly going to reject it, and no human being is even going to know So to ask that question from a board perspective is super important. How are you getting in front of the bias issues?

There's two parts I want to dig into, I think. Yeah. Um, the first one is around how, you know, board directors, um, of-- you know, it's new, it's not part of their kinda DNA and how they think. It's interesting though, isn't it? Like, AI's not, not first nature, shall we say, for the executive teams either, for management. It is new for everyone. So what is it about if management teams are ahead of the game and boards are following, AI's been around for the same amount of time for both groups, shall we say, for all groups, for everyone. What is it about board directors that they're not leaning into the learning that is required? Because, yeah, it's no newer for board directors than it is for, for management teams. What's going on there, do you think? Yeah.

So, so first of all, I guess I should take a step back and say it's not all board directors. There, there- Yeah ... there are a lot of board directors that are really, really on top of it and, and very much learning and using it. Um, but the ones that are not, um, well, first of all, they're not working in-- I- if they no longer have a day job, they're not working in an organisation- Ah, yeah. Yep ... where it's being used. So there's- Yes ... you know, that whole thing of you're a board member and- Yeah ... you sort of come in and out, but you are not seeing your supply chain being affected by AI on a daily basis. You have to intentionally seek it out and, and not everyone is, is doing that.

Um, and, and, and even those that are, it's active learning. Um, the, the best board members I know who are, are really chasing after it to, to become educated are spending quite a bit of time doing it. Uh, you know, not, not only reading a lot about AI and how it's changing and the difference between regular generative AI and an agent, uh, and, and how that changes, um, the nature of the work that gets done. Yeah.

They're also experimenting themselves Uh, so, so I, um, uh, I, as you mentioned, uh, when you introduced me, I'm, I'm affiliated with this organisation, Alpha, which is all about AI governance. Uh,

and we get together for in-person dinners, um, maybe sort of every other month. And, and, and one of the questions that everyone around the table has to answer is, what type of AI are you using right now? And so, you know, you hear things like the ones that we all know about, uh, ChatGPT, Gemini, Claude, but I've also learned about WhisperFlow and Instinct and some others that had I not been in that room with people who come from the tech world, never would've heard about, had no idea that these things existed.

So, so that's part of it, really learning and then also experimenting, understanding what can this do? You know, so, so if you're in, um, pharma discovery, it can look through billions of combinations of chemicals in the time it would take for a human to look through 20 Um, uh, you know, and, and, and so many other areas where it- it's just extraordinary what can be done, but it has limits, and it's not always right. And recognising that is really critical and, and it's one thing to be told it, it's another thing to be playing with it yourself and have it tell you something very, very confidently that you know is simply not true.

It is so confident, isn't it?

It is.

It's totally just, "Oh, well, there's the answer." And it's like, "Oh, can you check that for me?" "Oh, yes, I've checked. It's still the right answer." I've now learned I ask it to verify. "Can you verify that for me?" "Oh. Oh, actually, I'm glad you asked me to verify. Turns out I might not have been right, but now I'm right about this." It is extraordinarily chipper and positive about things.

So it's, it's interesting in that then, isn't it? So it, it seems to me... Well, firstly, learn by doing is what I'm hearing there. Uh, you can read any number of articles or listen to presentations or listen to podcasts like this, whatever it may be, but until you get in there and play with it and play with the different ones and what they do, um, it's hard to get your head around what it actually means. It feels a bit mysterious unless you're playing with it. Um, and the other thing I'm hearing in there, and it probably relates back to the bias side of things as well in a way, is that human judgement, human critical thinking, human thinking, human oversight is also needed in the, in the process somewhere around it. Yeah?

Well, human overs- yes. Um, I mean, y- you hear everyone talk about human in the loop. You know, that's, that's sort of the phrase du jour, which is absolutely essential. You need a human that's going to provide oversight, and the human needs to have the judgement to know when the AI isn't going in the right direction and isn't answering the question, uh, i- in, in a, you know, an insightful enough way.

And, and I gotta tell you, I'm a little bit worried about that because as we raise up through the generations in the workforce- My worry, and partic- and with the students as well, my worry is that it's going to be harder to find people that have that judgement simply because if AI is replacing the hard part of work How do you develop the judgement if you haven't sort of been going through all of the work that you need to do in order to develop? And, and, and I'll tell you, I've asked a couple of people who are HR leaders, and no one has a good answer for that. Um, and I, I, I think it's something that, you know, when you think about, so getting back to the boardroom, board's role, just in a nutshell, is to guide the company for the future while overseeing the present.

So that is a certain quote, quote, "future-focused" question. How are... You know, five years from now, how are you going to make sure that you still have that critical thinking as people start moving up into leadership? And, and so we are starting to see some companies actually looking at critical thinking as a skill set to teach within their organisations.

Interesting. Yeah.

It is-- I mean, that's what struck me from this, is those, and you talked about it actually back in your background around curiosity. Uh, you know, curiosity, uh, exercising judgement, um, uh, critical thinking, they're actually key skills for the boardroom, uh, as well as they're key skills for everybody. But so organisations are now, are now thinking they need to build that themselves. I'm interest-- Hmm. What are universities doing? What are-- I, I wonder, like I wonder how schools and universities are building in this judgement, critical thinking curiosity. So yeah.

Well, it's a, it's a great question, and it's interesting. So, uh, you know, as you mentioned, one of the boards that I'm on is, uh, a college board, uh, a university board, and, and that is exactly the question that is, is being discussed right now. Um, and, and it's around, uh, as they're thinking about it, y- you sort of want to separate, okay, why should a student be using AI, and what are you-- when should a student be using AI, and when should a student not be using AI? So using it for research, phenomenal. Yes.

But there will be times when struggling to analyse something, struggling with what's the right approach, and getting it wrong, and trying it over and over and over again, AI can't take that away from students. And, and s- and so that's one of the things we're talking about is how do you, how do you think about a curriculum that, that really accomplishes that? And it's a very- It gets people thinking ... thing.

It does. Yeah. Yeah. Exactly. Exactly. Yeah.

It's interesting. I was, I was, um, speaking with somebody yesterday who is, uh, works in higher ed, I guess, and one of the things they were saying about assessment is they've gone back to oral exams. Yes. Yes.

Uh, they're m- moving away from written assignments because everybody uses AI. Yep. Even written exams, although to some extent there was, again, a conversation with somebody different the other day about handwritten versus typed exams. But the- but this particular organisation has gone back to, um, oral exams for things, and the assessor that I was talking to says that what she does is she keeps it moving really quickly so that the student has no time to use their AI friend to s- to assist them.

Um, but it's interesting because it is hard when you are forced to present and to speak through your thoughts on a particular thing. Then you can use AI to, um, you know, support your research, support the input, but the output has to be yours because you have to say it, and you can't predict what the examiner is going to ask you. It's like a conversation like this. I don't know the questions they're going to ask you when we get started. We just see where the conversation goes.

Yeah. No, ex- exactly. Well, and, and, and take that up to an executive, uh, presenting to the board. If the executive's presentation has all been prepared by AI- How is that person- Yes going to respond when the board asks a question? Yes.

And likewise for the board, because you do hear sometimes, well, what I consider to be horror stories, of boar- board members loading up their board papers and then saying to their AI friends, "What questions should I ask?" Yeah, that's- Um, you know, it's like, well, it's, it's, it's not about the power of the question, it's about the power of your critical thinking, your judgement, your curiosity. Even though, says I, who asked Gemini, but I only did ask Gemini. I don't usually, folks. I only asked Gemini because that was the topic of today.

Susan, I just, uh, before we wrap, I want to go down a slightly different path just to check, because the temptation of AI, uh, can be strong, and I know you're writing a book, and I know some others are drawn by the temptation of AI. How has been your-- What's been your experience in using AI for good in your book-writing, um, experience, rather than for, uh, quick results, shall we say? Yeah. What's been your experience? Yeah.

Uh, so it is tempting. I, I mean, I, y- you know, there is, there is no question. Uh, I've sort of gotten a couple of times to say, "I'm not sure where I want to go in this chapter, but ch- maybe, maybe Claude could tell me." But no, I have not done it, um, nor will I do it, because in publishing, it is still considered very much a sin to use AI. Um, and, and a lot of the publishers have, you know, sort of very specific, you can use it for research. Um, y- but that's, that's it.

And, and so I do use it for research. Um, and of course, it's like we were saying, you have to delve in and, and just not take it at face value. But I have found that very helpful in that regard. Um, but I'm very specific that I have my set of instructions which includes, "I do not want you to write a word." Just give me the information that I asked for it- Interesting ... but do not, do not draft anything.

Yes. Because it's nice, chipper, positive a- attitude is often, "Oh, I'll help. What about this?" It's like, "No, no, no, I don't want that." So that's interesting. You have to specifically tell it what you want and what you don't want. Because I imagine if it delivers it up to you, then the temptation is even stronger.

Uh, yeah, uh, yeah, exactly. Yeah. Exactly.

So do not put the chocolate bar in front of me. I want you to give me the ingredients, not the chocolate bar. Do not put the chocolate bar in front of me, because as soon as the chocolate bar's in front of me, it's like, "Oh, maybe just one piece." Exactly.

Exactly, yeah. Well, having, having worked at Hershey for many years- Oh ... chocolate in moderation is very fine. Yes. Very good for you.

I have recently- I get the analogy, and yes, it is, it, AI is, is, is very tempting, and it is, it's intentional. The makers of AI are very, very good at engagement, and that's- Yes ... what they're all about. How do I keep you coming back? So it is something where you really have to think and say No Yes I'm not going to use it.

Yeah Which is also, now that I think of it, an interesting, I think, um, managing temptation, shall we say, is often better in adults. Uh, and maybe that is also part of that, uh, building the muscle of critical thinking, of judgement, of curiosity, um, rather than, you know, the quick fix, shall we say.

Oh, Susan, I knew this would happen. There is so much to cover. Um, what are the key things you want people to take away from the conversation that we've had today?

Yeah. So, you know, I think, look, number one, it's whatever you feel about AI, it is here, it is not going away, it is moving very quickly, and it is absolutely critical that we all understand what it can and can't do and where it's going. So, so that's, that's number one.

Number two is, from a board perspective, it's just really important, yes, you want to know what the company is doing, you want to know what the financial benefit is and what the risks that management is focused on are, but you also want to ask about the risks management are not-- is not focused on. What is it going to do to the workforce? What is it going to do to critical thinking in the organisation? What about bias? And, and, and those questions are super important to ask from a board perspective because management is so mired in the day-to-day, and as smart and insightful as they are, they're probably not going to be asking those questions.

And is there a resource you would like to share with the Take on Board community?

So there's, uh, a couple of things. Um, I've, I've written two, two pieces. Uh, co- so Alpha has something called board briefs, and I'm happy to share them with everyone. One was all about the importance of AI literacy for a board member. Uh, another one, which we, we didn't even really get the time to touch on, is, um, I called it When AI Adds Value, What About Your Values? And gets into the whole question of if work that used to be done by a human is now being done by AI, what about the ethical implications of it, and who is looking out for that?

So those two, and then if we have an extra second, there's a third thing that I think is just super interesting. Um, there was a movie that came out in 2004 called I, Robot- Mm-hmm ... um, based on, uh, an Isaac Asimov book, and it's, it's, it's starring Will Smith. It's a fabulous movie. It's, it's really fun to watch, but it's about robots taking over the world. It's set in Chicago in 2035.

Ooh.

Uh, I won't tell you the ending because I will spoil it if I do, but if you watch it and you get to the end, think about the way that that robot thought. How does that apply to the AI that I'm using now? Because- It's a different kind of a way of thinking about the world, and that's all I'll say about it.

Oh, my goodness.

But it's a great movie, and, and, and from, made in 2004, but could- Yeah ... not be more relevant, uh, to what's going on today.

Oh, amazing. Okay. I'm going to need to... W- we might need to have a Take on Board watch party with that. I will- Yep, great. I'm going to put that on my watch list.

I love it, and we will make sure a link to the articles that you've mentioned will be in the show notes.

Great.

Oh, Susan, thank you. It's been such a joy to have you on the podcast and to dig into some of these. I know you're writing a book all by yourself without the help of our AI friends, so, um, you know, which touches on values actually. So I imagine there'll be some of the things around values and aligning value with values, uh, will show up in your book. So when that's out, get in touch. We will have you back to have a chat about those things as well. So thank you so much for joining me on the Take on Board podcast today.

I, I thank you for having me. I really enjoyed this conversation, and, uh, I would love to come back, uh, back when the book comes out.

So that's a wrap for the Take on Board podcast today. Thank you for being here and for being part of the community. I do this podcast because I love bringing good women and gender diverse peoples together. So I invite you to join us over in the Take on Board Facebook group, an active group that helps, supports, and cheer squads each other. Just search Take on Board in Facebook to find us.

Or you might like to let me know your email address, and you'll then have the Take on Board Times and the Take on Board Community Digest delivered straight to your inbox. You'll also get advance notice of events and programs so you can meet others in the community.

Finally, I'd really love it if you could do some of the podcast things. Share this podcast with someone you know who you think might get some value from it. Subscribe if you haven't already, either on podcast or over on YouTube. And I also love it when people rate and review.

Thanks again for being part of the Take on Board community. Now go and put these tips, tricks, and advice into action so you can be your best in the boardroom.

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