

## Will C-suite executives be replaced by AI? Not so fast!

By **Frank Portman**

Law360 Canada (August 13, 2024, 1:31 PM EDT) -- A recent *New York Times* article, "If A.I. Can Do Your Job, Maybe It Can Also Replace Your C.E.O.," posited that the apparent wave of development into artificial intelligence could lead to the outsourcing of a significant portion of C-suite duties. However, unlike previous concerns of the moving of work overseas, this article suggests that this outsourcing would instead be an "uploading" to machine artificial intelligence (AI). That said, the article clearly suggests that AI is a potential threat to some executives. And it got this executive employment lawyer thinking.



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There is no doubt that the use of artificial intelligence could lead to all sorts of changes in the workplace, including the day-to-day role of workers. However, this *Times* article misunderstands that the true skill set of executives is not their ability to respond in an objective, emotionless manner. It is, in fact, quite the opposite.

In the modern world, emotional intelligence and the ability to lead real-life humans with sensitivity and finesse are the most valuable skills that executives can bring to the table. It is precisely this skill that C-suite executives are hired for, and which remains utterly beyond the reach of AI. So far.



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Examples of this feat abound, with some particular examples in sport. In January, in a shocking announcement, long-time beloved manager of Liverpool FC Jurgen Klopp announced his resignation despite having a successful season and a contract extension in hand. The aftermath of that announcement underscores the real importance of leadership: Despite introducing a distinct style of attacking football to the broader community, the overwhelming praise for Klopp was not for his strategic genius on the field but for his building of a club and workplace culture that empowered individuals throughout the organization and created a unified sense of purpose off of it.

This executive employment lawyer can tell you that it is that skill set that ultimately defines the successful executive. While executives almost always possess top-tier technical skills, such as legal, production or accounting knowledge, what sets them apart is a skill that is based on understanding the subjective nuances of the human condition: leadership.

Leadership is the ability to make decisions taking into account a myriad of factors and appropriately taking the risks that are required in any business decision. There is no doubt that AI can quantify objective aspects of these decisions and even attempt to mathematicize risk.

But what AI lacks is wisdom — the ability to foresee how its decisions will ultimately impact the humans, which are ultimately at the core of any business. How will AI handle interpersonal conflict? De-escalate sensitive harassment or accommodation situations? Deal with a conflict between a worker and a client or supplier? Handle maintaining staff morale after a weak quarter where bonuses are eliminated and hiring must be frozen? How will AI commend an employee who has done an exceptional job? Being thanked by a synthesized voice that belongs to an algorithm?

Worse, how does AI avoid having workers resent the very fact that they are being directed by AI rather than a living, breathing, empathetic person?

Such situations rely on the empathy, creativity and experience of an executive. It is not that an AI approach cannot succeed, but rather that it is a blunt tool that cannot account for the differential, subjective reactions of the group of disparate personalities, wants, and needs that make up an organization.

We are also at a time when the workforce is increasingly valuing subjective workplace entitlements, like culture and work-life balance, as opposed to objective entitlements like raw earnings. Even in the billable-hour-centred legal field, a recent study of Yale law students confirms that young workers are putting a heavy emphasis on workplace culture. This simply emphasizes the need for an executive to be a leader of humans rather than of anonymous workers.

This executive employment lawyer predicts it will be difficult to see the executive becoming obsolete or ditched in favour of AI. While AI may offer a short-term incentive and may even boost short-term productivity by focusing on a hardline, objective approach, in the long term, it is difficult to see how AI can build and maintain a positive, forward-facing workplace culture that is critical for success in the modern knowledge and service economy.

That said, there is no doubt, as the article shows, that there may be a temptation by some employers to deploy AI to outsource their executives. While such efforts seem unlikely to lead to long-term success, they add to the peculiar vulnerability of executives who can often face the end of their tenure for reasons completely unrelated to their personal success. This simply adds to the uncertainty and instability of so many of these positions.

Executives, like many other workers, need to ensure that they are contractually protected from these technological developments as much as possible, using termination clauses and other mechanisms to make an ill-advised gamble on using AI as an executive less palatable for their organizations.

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