AI in HR: Transformation with AI to Architect Future-Ready Organizations

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Maybank – “Humanising Financial Services”

Over
42,000 Maybankers
who serve the mission, empowered by our
TIGER Core Values.

- **T**eamwork
- **I**ntegrity
- **G**rowth
- **E**xcellence & Efficiency
- **R**elationship Building

No. 1 Graduate Employer of Choice at Malaysia’s 100 Leading Graduate Employers Awards 2021, the Graduates’ Choice Awards 2021, and GRADUAN Brand Awards 2021

For more awards that recognise our human capital efforts, refer to www.maybank.com

2021 Bloomberg Gender-Equality Index

Maybank has been listed on the **Bloomberg Gender Equality Index** for the 5th consecutive year. This achievement highlights the strength of our commitment to Diversity, Equality, and Inclusivity across the Group.

FTSE4Good

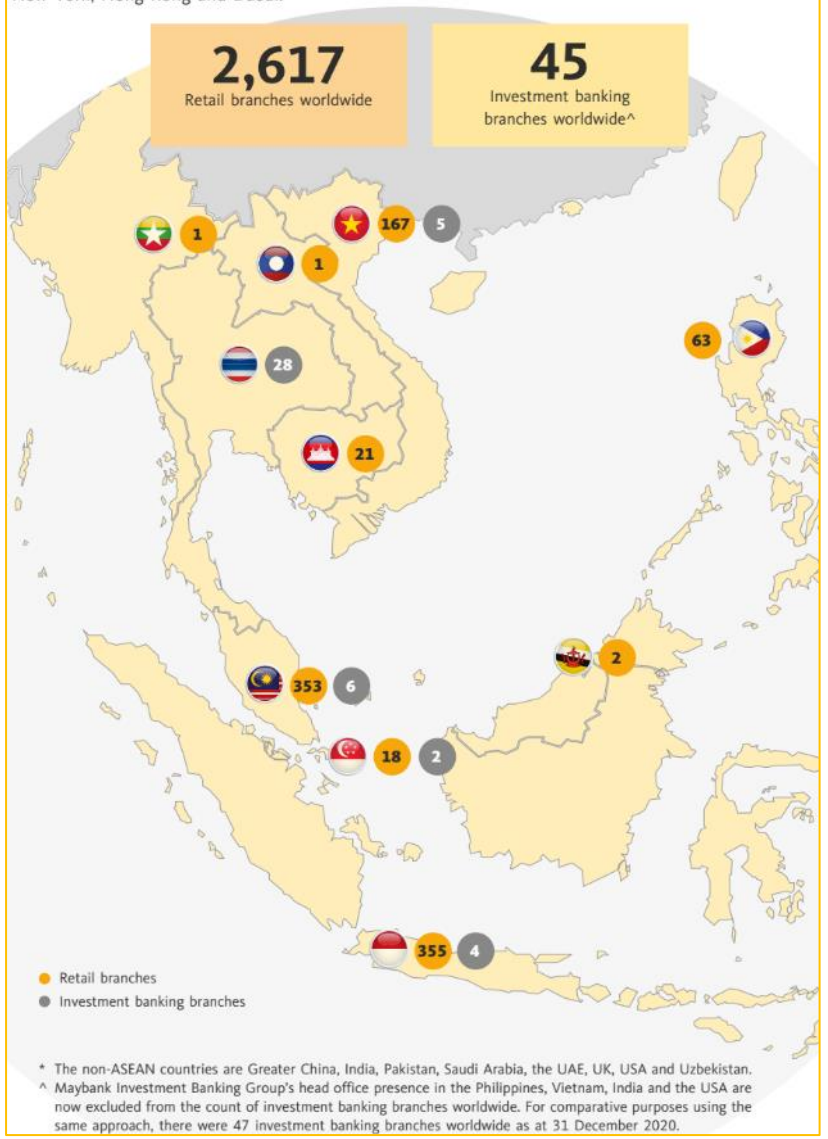
For the ninth consecutive year, the Group has been included in the following indices that assess the performance of companies demonstrating strong ESG practices. Our inclusion in these indices is a recognition of our robust corporate governance and sound business practices.

- FTSE4Good Bursa Malaysia Index
- FTSE4Good ASEAN 5 Index
- FTSE4Good Emerging Indexes
- FTSE All-World Green Revenues Index
- FTSE Asia Pacific Green Revenues Index
- FTSE Emerging ESG Index
- FTSE Emerging Green Revenues Index

In 2021, Maybank retained its FTSE4Good 4-star rating, reflecting Maybank as the top 25% by ESG rating amongst PLCs in the FBM Emas Index that was assessed by FTSE Russell.

% of Females in Senior Management	**49%** (Global: 31%)
% of Females in Technology Function	**36%** (Global: 24%)
% of Females of those Certified in Artificial Intelligence & Machine Learning	**52%**

We are in 18* countries including all 10 ASEAN countries, with Malaysia, Singapore and Indonesia being our home markets. We are also present in international financial centres such as London, New York, Hong Kong and Dubai.



* The non-ASEAN countries are Greater China, India, Pakistan, Saudi Arabia, the UAE, UK, USA and Uzbekistan.
^ Maybank Investment Banking Group’s head office presence in the Philippines, Vietnam, India and the USA are now excluded from the count of investment banking branches worldwide. For comparative purposes using the same approach, there were 47 investment banking branches worldwide as at 31 December 2020.

World’s Best Companies 2023 Recognition

Maybank recognised by TIME Magazine as one of the World's Best Companies of 2023!

Maybank is one of only 750 companies worldwide, and the only Malaysian organisation to be listed in Time Magazine's list of World's Best Companies of 2023.

All Data and Tools Presented are Owned by Maybank

Digital Successes at Maybank through our Workforce

Maybank named World's Best Consumer Digital Banks in Malaysia, Indonesia - Global Finance, 2020

Introduced many innovative and first-to-market digital solutions such as:

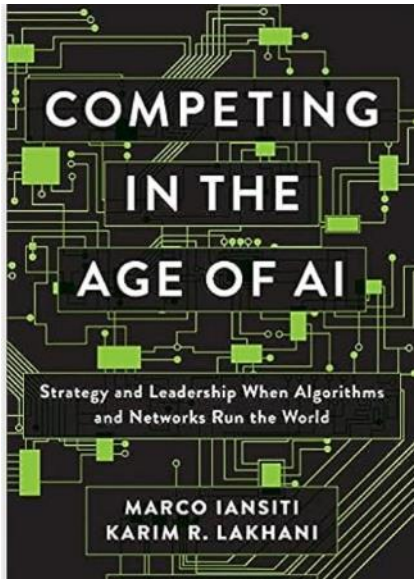
- MAE by Maybank2u, a lifestyle app.
- New and improved Maybank2u app with biometric and Secure2u features.
- QRPay and Tap2Phone, affordable digital payment solutions for small merchants.
- SME Digital Financing with 10-minute approval.
- EzyQ, an online branch appointment system.
- Fully digital real-time account opening for SMEs in Malaysia.
- Video Know-Your-Customer (KYC) via Maybank2u, enabling fully digital customer onboarding in Indonesia.

How did Maybank Build its AI Capabilities?

Principle #1: Strategic Imperative

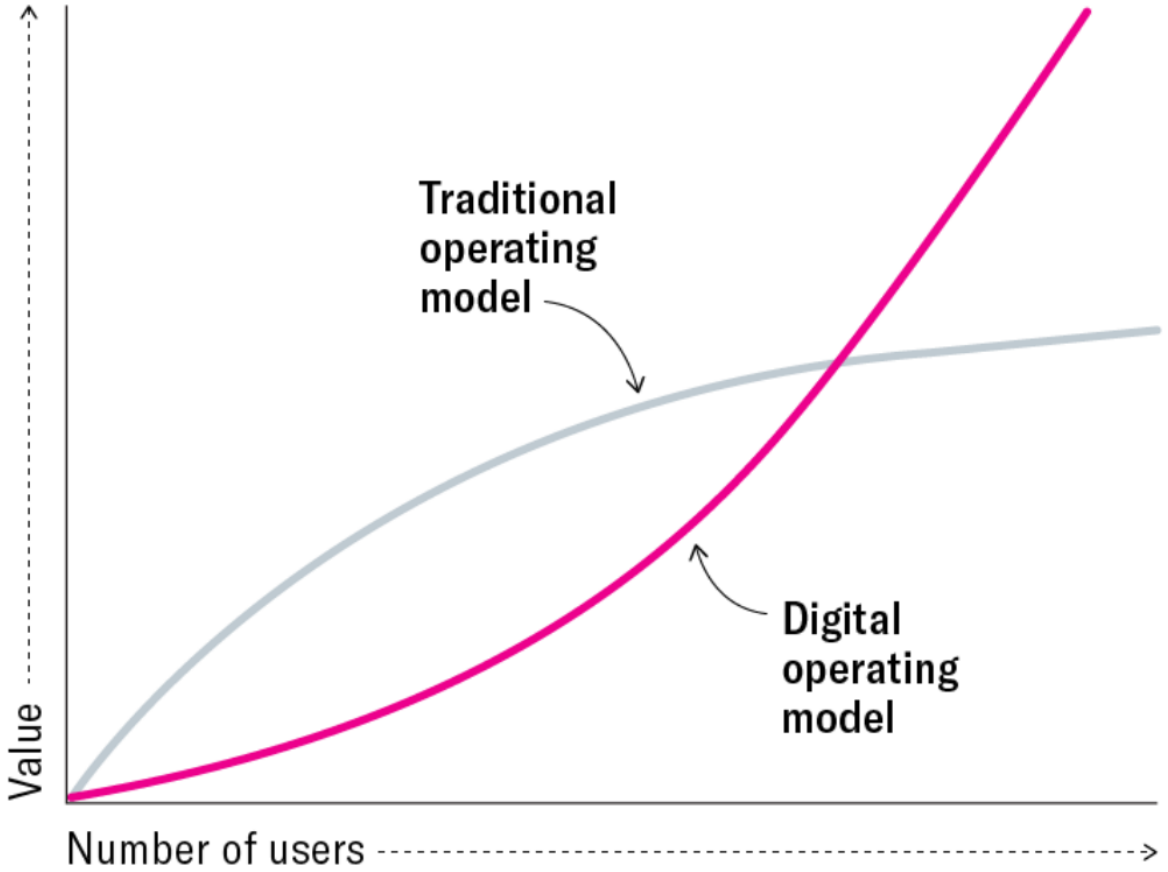
Payment using Alipay in Sabah, Malaysia.
Source: Shutterstock

From: "Competing in the Age of AI," by Marco Iansiti and Karim R. Lakhani, January–February 2020



How AI-Driven Companies Can Outstrip Traditional Firms

The value that scale delivers eventually tapers off in traditional operating models, but in digital operating models, it can climb much higher.



Implications:

1. Marginal Cost of Expansion can be Zero
2. Rapid Speed of Expansion
3. Rapid Learning & Experimentation

New Capabilities Required

Principle #2: Leadership Role Modeling & Mandate

Leadership Prioritisation on Learning

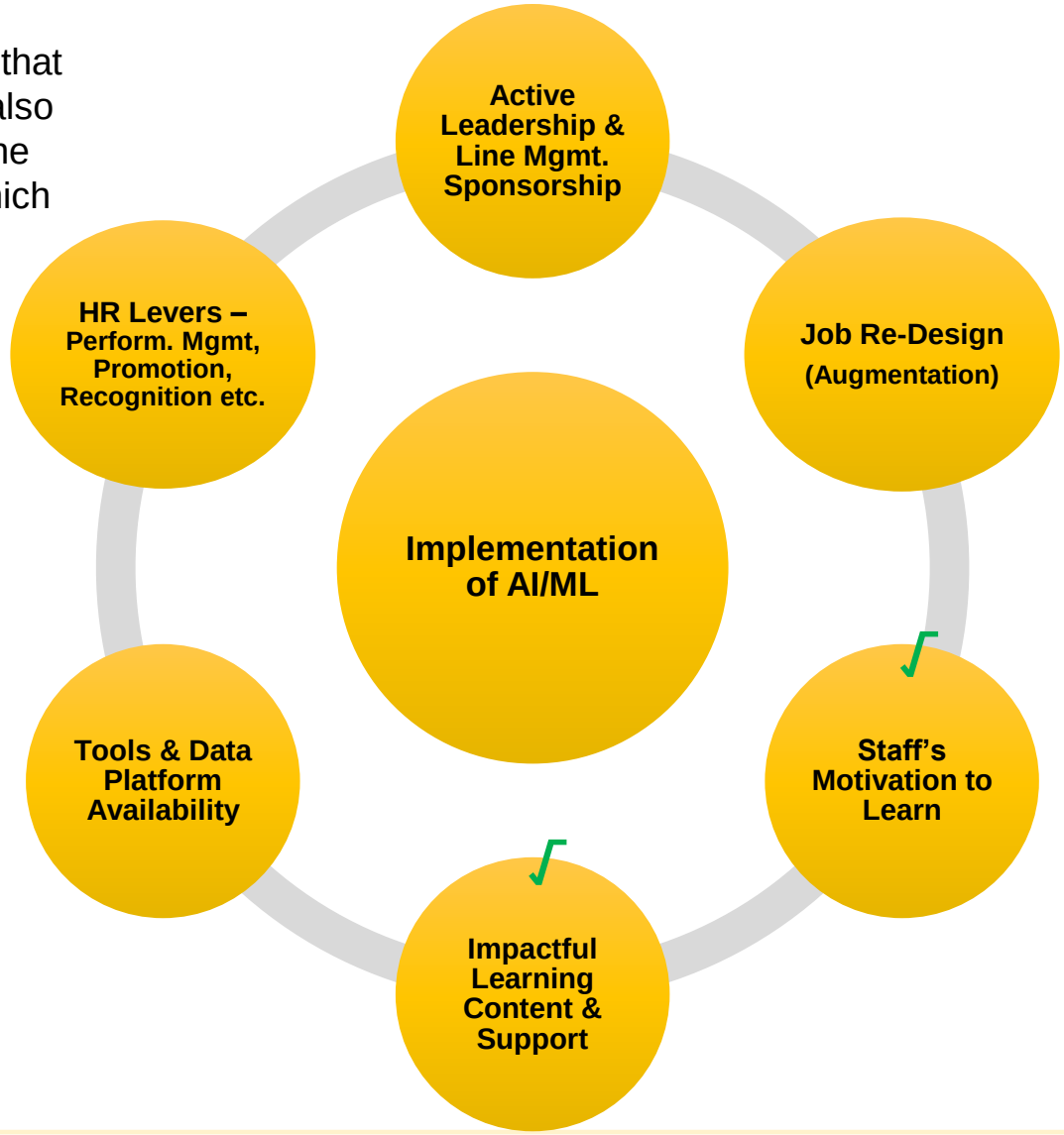
Mandate from Top Management to Build All Algorithms Internally

Growth Mindset & “Muscle” Development

Principle #3: Skills to Competence

What Contributes to Successful Implementation of AI/ML in the Bank?

Based on the success of the sectors that have been implementing AI/ML and also based on the gaps in other parts of the Bank, following are **6 key factors** which seem to contribute to the successful adoption of AI/ML:



Recent Developments in AI: Opportunities & Risks

What is the Role of HR in the World of AI?

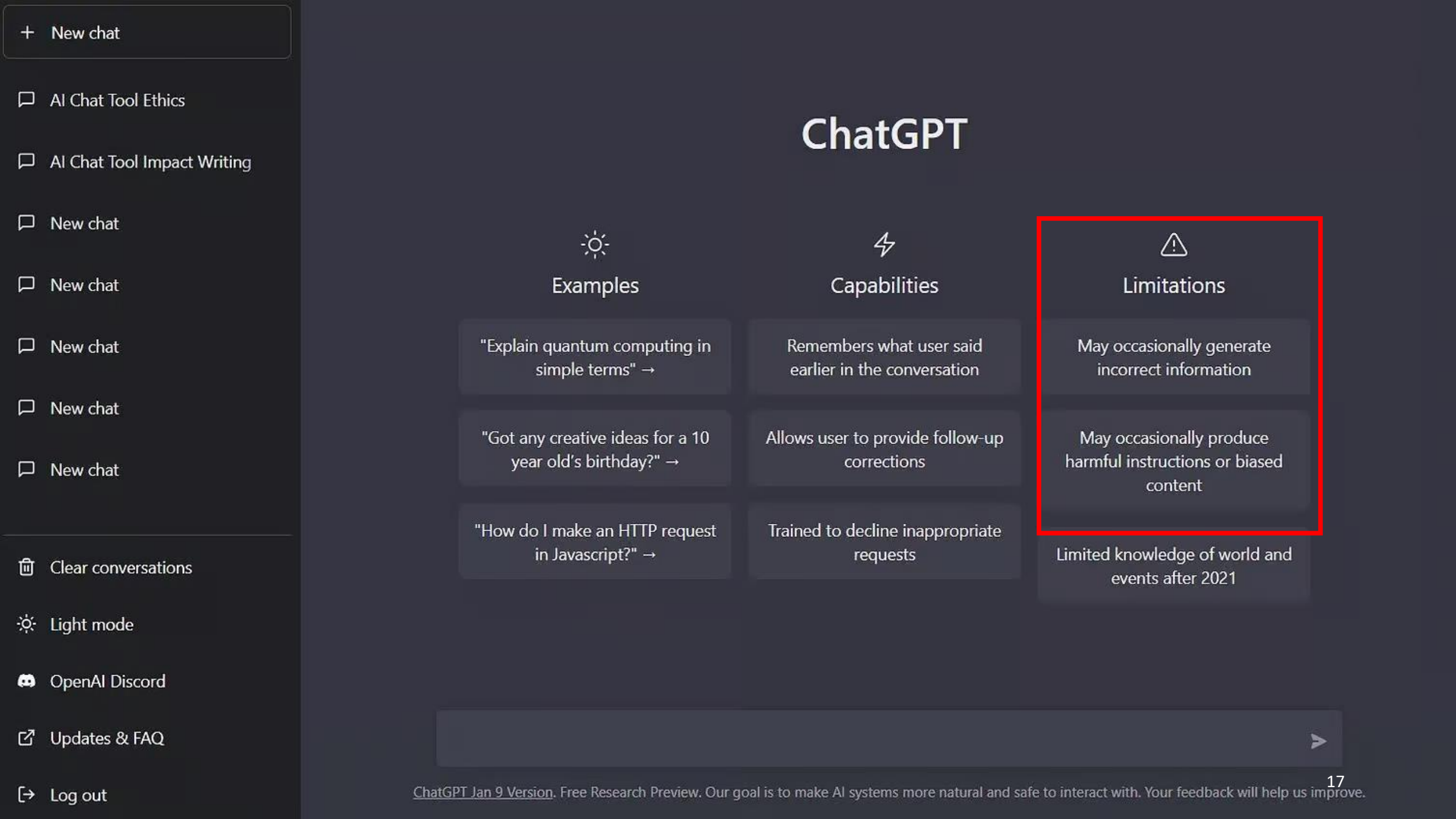
1. Leverage AI to Increase Value for Employees and the Organization

2. An Organisational Architect to Future-Ready the Organisation

“Companies that have better management (including more sophisticated human resource practices) perform better on a wide range of economic dimensions” (ILO, 2023)

Examples of AI Applications in Maybank HR

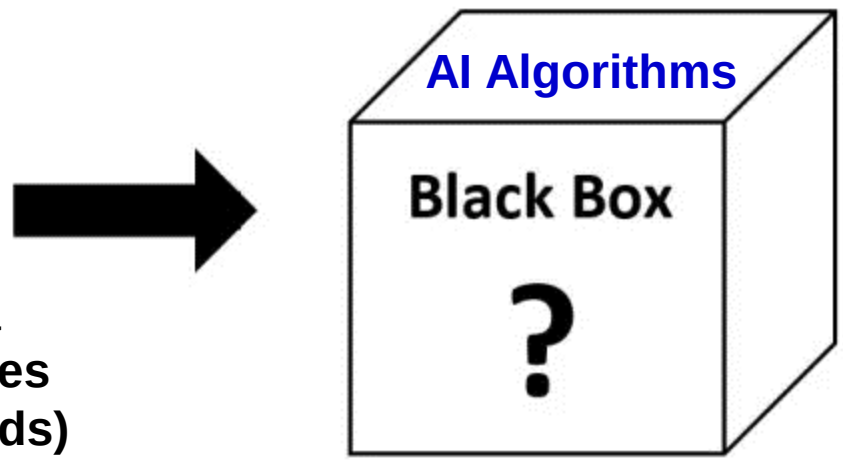
1. Accelerating Employee Learning using AI Simulations – Generative AI (ChatGPT)
2. Personalisation of Learning – Unsupervised and Supervised Machine Learning
3. Recommendations on Career Path – Supervised Machine Learning
4. Uncovering Factors for Leadership Readiness – Supervised Machine Learning
5. Determining which Competencies Matter Most – Supervised Machine Learning


New chat
AI Chat Tool Ethics
AI Chat Tool Impact Writing
New chat
New chat
New chat
New chat
New chat
New chat
Clear conversations
Light mode
OpenAI Discord
Updates & FAQ
Log out
ChatGPT
Examples
"Explain quantum computing in simple terms" →
"Got any creative ideas for a 10 year old's birthday?" →
"How do I make an HTTP request in Javascript?" →
Capabilities
Remembers what user said earlier in the conversation
Allows user to provide follow-up corrections
Trained to decline inappropriate requests
Limitations
May occasionally generate incorrect information
May occasionally produce harmful instructions or biased content
Limited knowledge of world and events after 2021
ChatGPT Jan 9 Version. Free Research Preview. Our goal is to make AI systems more natural and safe to interact with. Your feedback will help us improve.

1 ChatGPT & Large Language Models (LLMs) are “Black Boxes”:

Input

- Digitalized Data
- Several Terabytes (Billions of Words) e.g., from Social Media, Blogs, Websites etc.



Neural Network and Deep Learning algorithms are too complex for human understanding currently

Output

✓ Content Generation at Speed

× Misinformation and wrong conclusions at times

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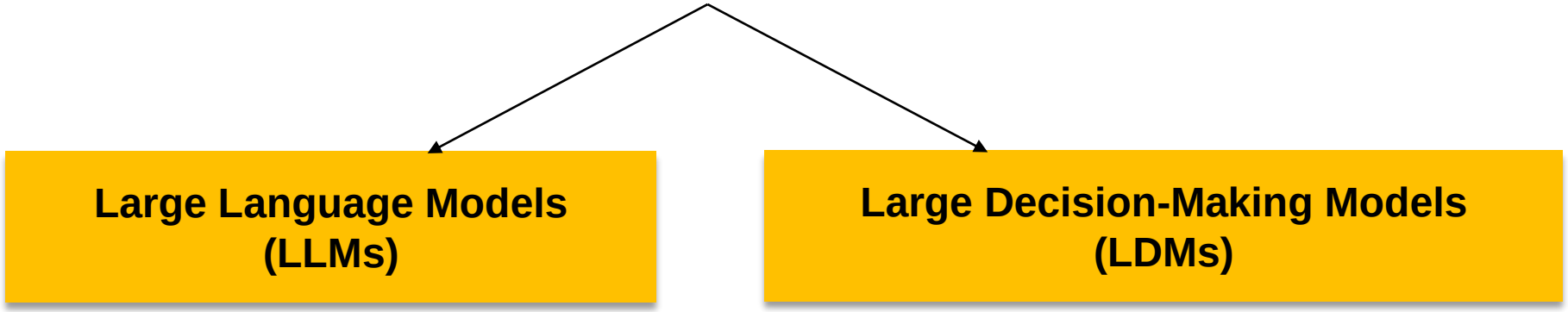
Purpose of ChatGPT is to:

"To Generate Human-like Responses in a Conversational Manner" – OpenAI

- **Large Language Models (LLMs) like ChatGPT were not designed for Decision-Making**

Types of Generative AI Models for Text



1. Conversational Model
2. Creative Output
3. Self-learning, new “synapses”
4. Examples: ChatGPT, LLaMA, Falcon, LaMBDA*

1. Rule-Based, Expert Systems
2. Explainable, auditable decision-making
3. Transparent, predictable algorithms
4. Examples: Generative Process Plans for military, autonomous vehicles and spacecraft functions*

We need to Facilitate Critical Thinking & Literacy on Technology

*Source: https://en.wikipedia.org/wiki/Generative_artificial_intelligence

How to Responsibly Use AI in HR:

1 What was the AI Built for? What are our Goals and Values?

2 Input

1. Representative Data?
2. Clean Data?
3. Biases Present?

3 Algorithms

1. Explainable?
2. Science based?
3. Principles based?

4 Output

1. Fair, Ethical, Upholds Human Rights
2. Increases Value to Employees & Org.
3. Scientifically Sound
4. Explainable and Transparent
5. Consistent
6. Safe, Secure & Trustworthy
7. Others? → Facilitate Alignment

5 Where is the Data Residing, where will it go?

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1. **AI can Perform more Complex Tasks & at Lower Costs**
2. **Could AI Create Human & Emotional Disconnection?**
3. **Could AI Undermine Critical Thinking?**

How do we Automate and Augment, and
How do we Future-Proof our Workforce?

A Framework for Architecting the Future Organization

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Key Considerations for Architecting the Organisation

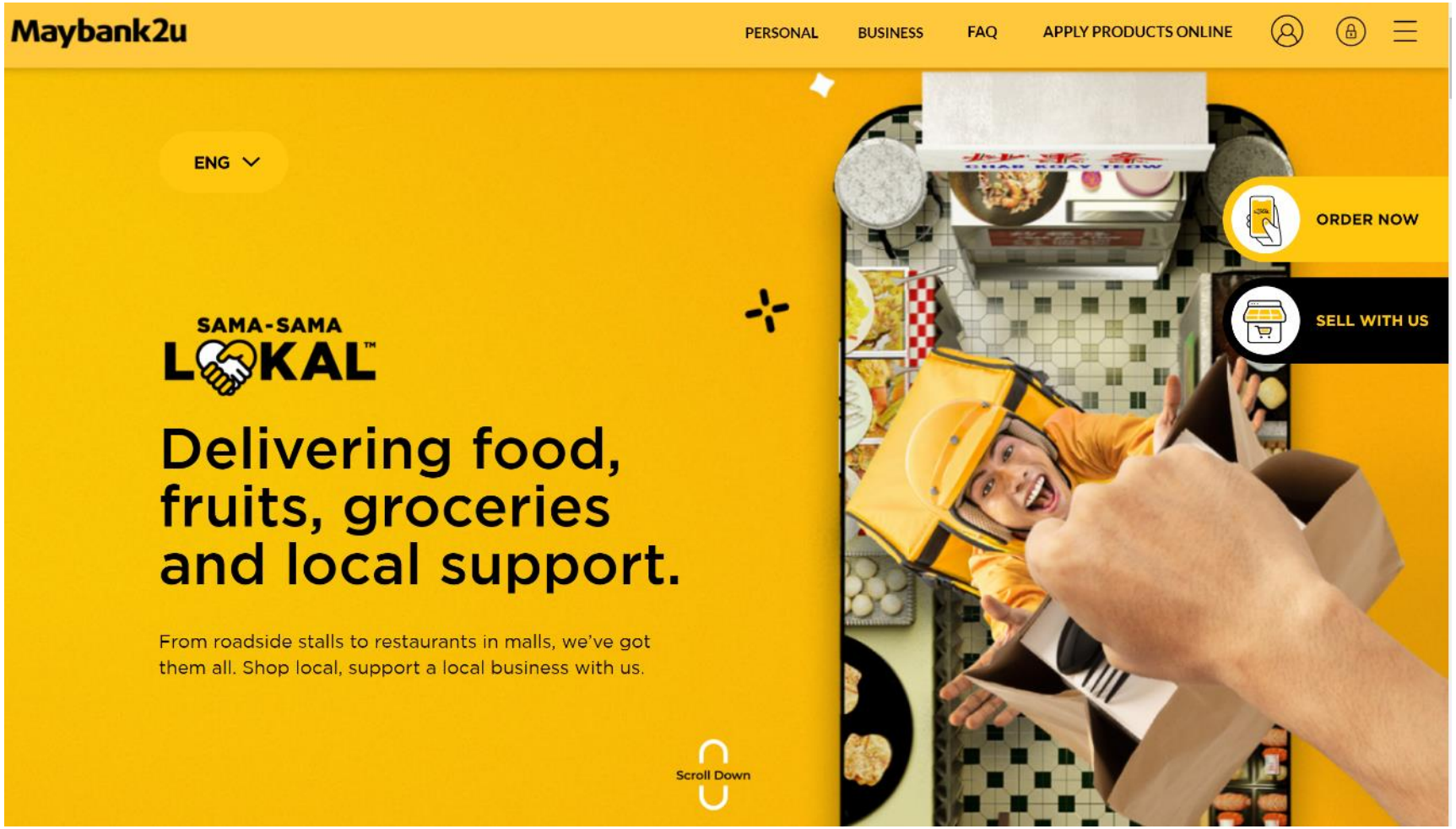
1. **Shocks and Disruptions**
2. **Accelerating Technology Evolution**
3. **Increasing Complexities and Unknowns**

Example: Disruptions to Businesses during Covid-19

A view of a deserted shopping mall during a lockdown in Kuala Lumpur, Malaysia on Jun 1, 2021. (Photo: Reuters/Lim Huey Teng)

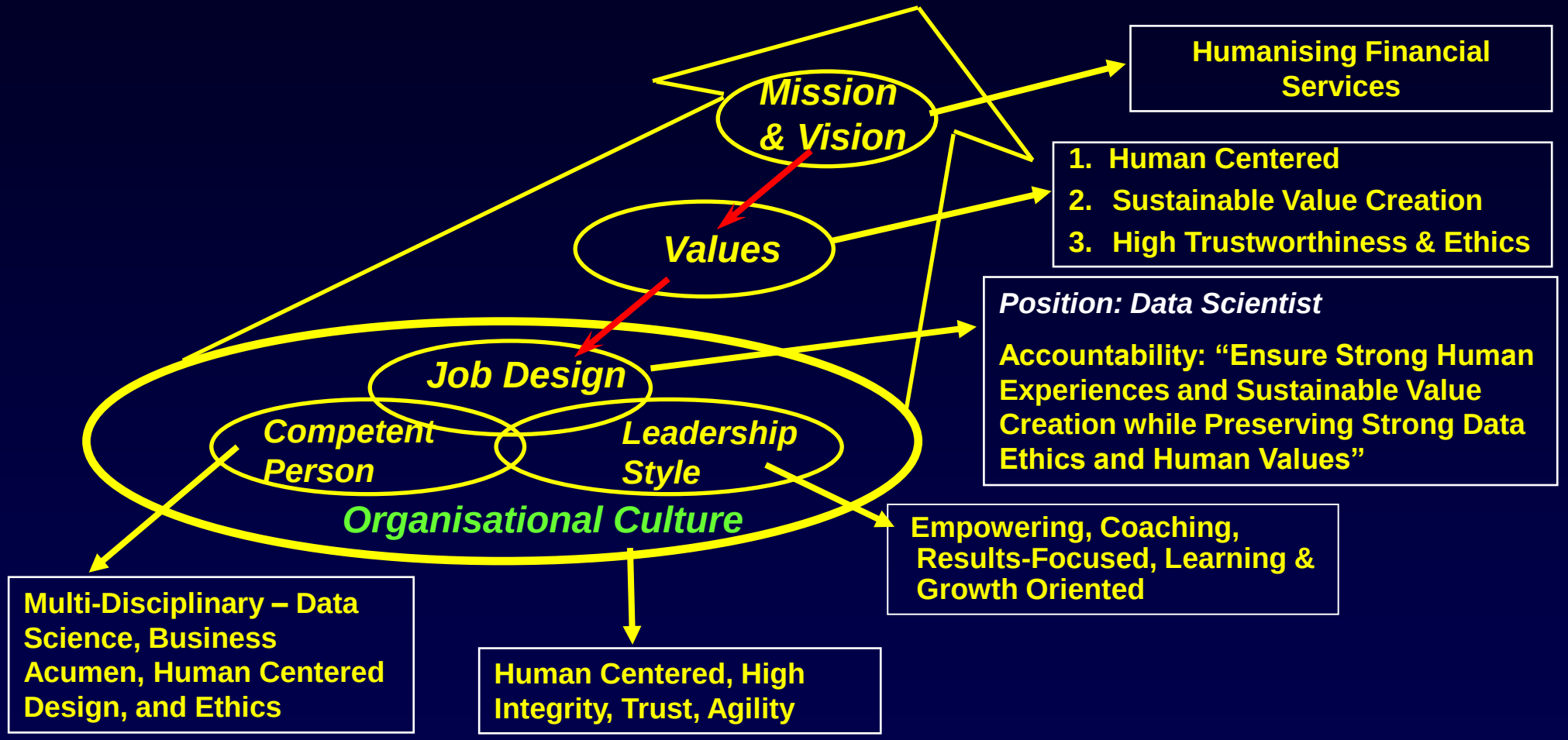
Organisational Agility during Covid-19

An Online Marketplace to help Local Merchants impacted by *COVID-19* to continue to generate sales which resulted in over 50,000 orders. Programme was conceived and implemented entirely by Maybankers within **3 weeks**



HOW?

The Mission-Led Organisational Design



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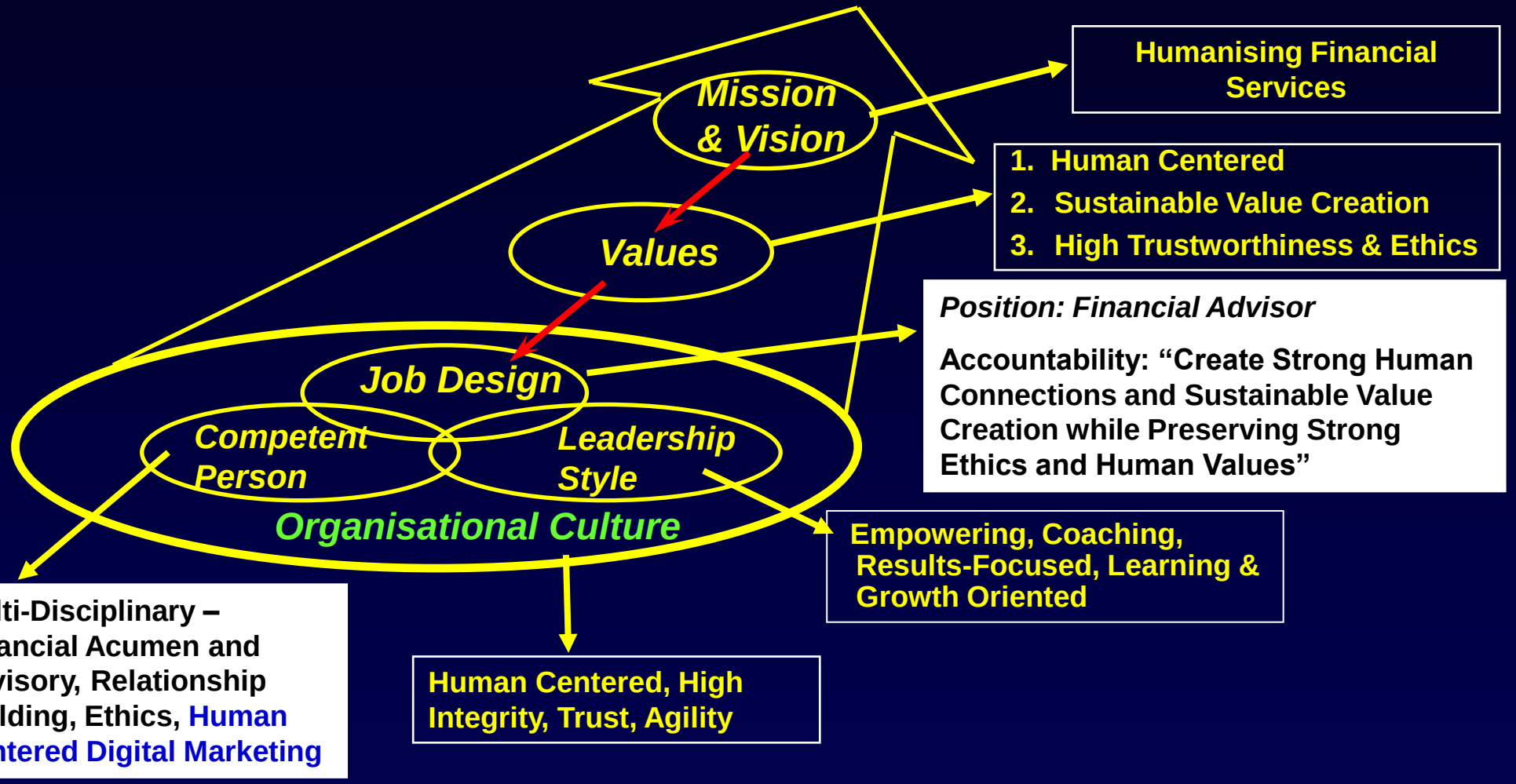
Framework to Augment Jobs and Preserve Meaning & Values



A Mission & Values Led Organisational Design Clarifies Impactful Deployment of Technology

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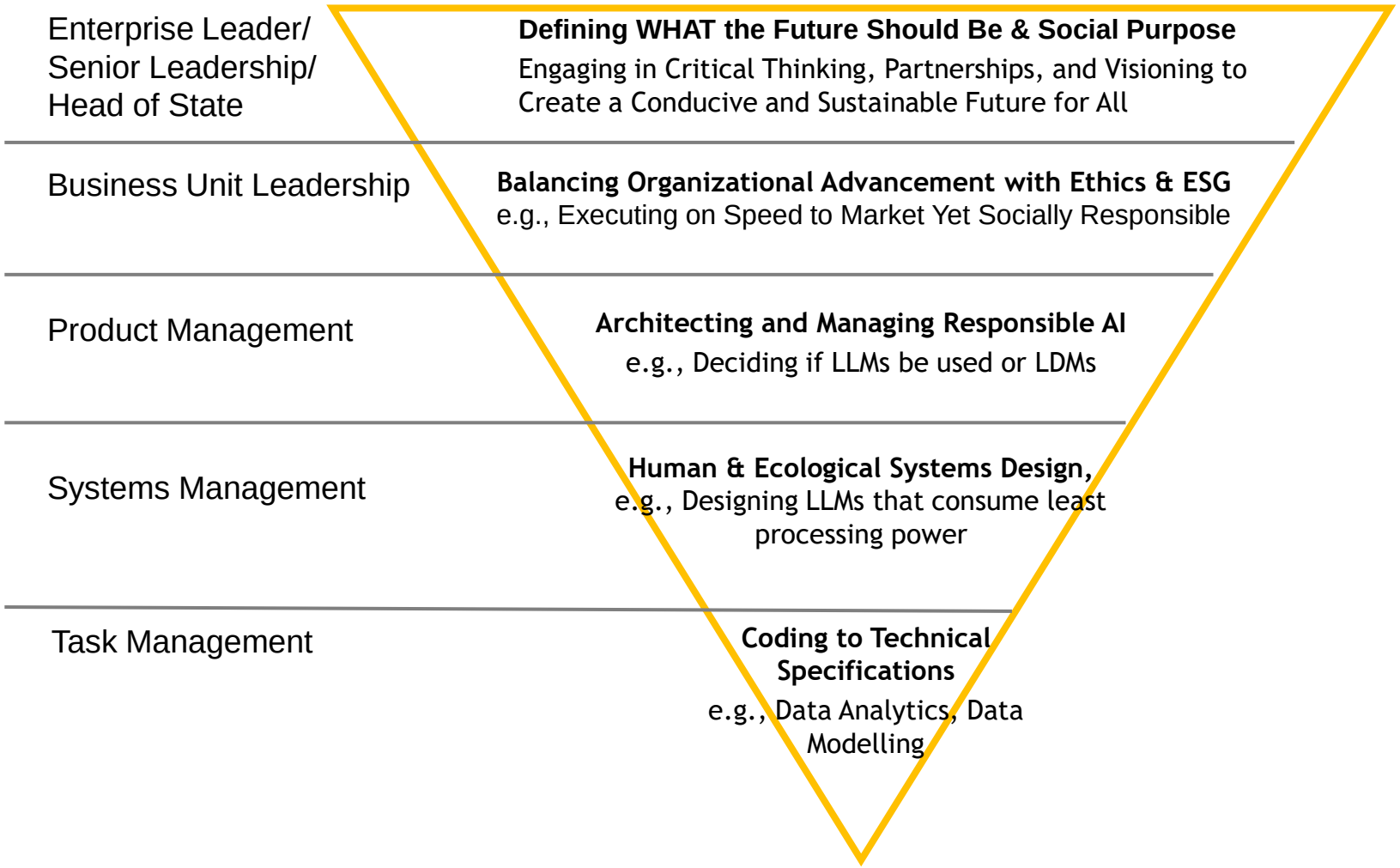
➢ Complexities of Future Organizations

The Digital Organization's Job Complexities by Management Level:



China Wants to Build Advanced Humanoid Robots by 2025

- Government urges development of core robotics technologies
- Shares of robotics firms surge on new guidance for industry

A child holds the hand of a humanoid robot at the World AI Conference (WAIC) in Shanghai in July. *Photographer: Qilai Shen/Bloomberg*

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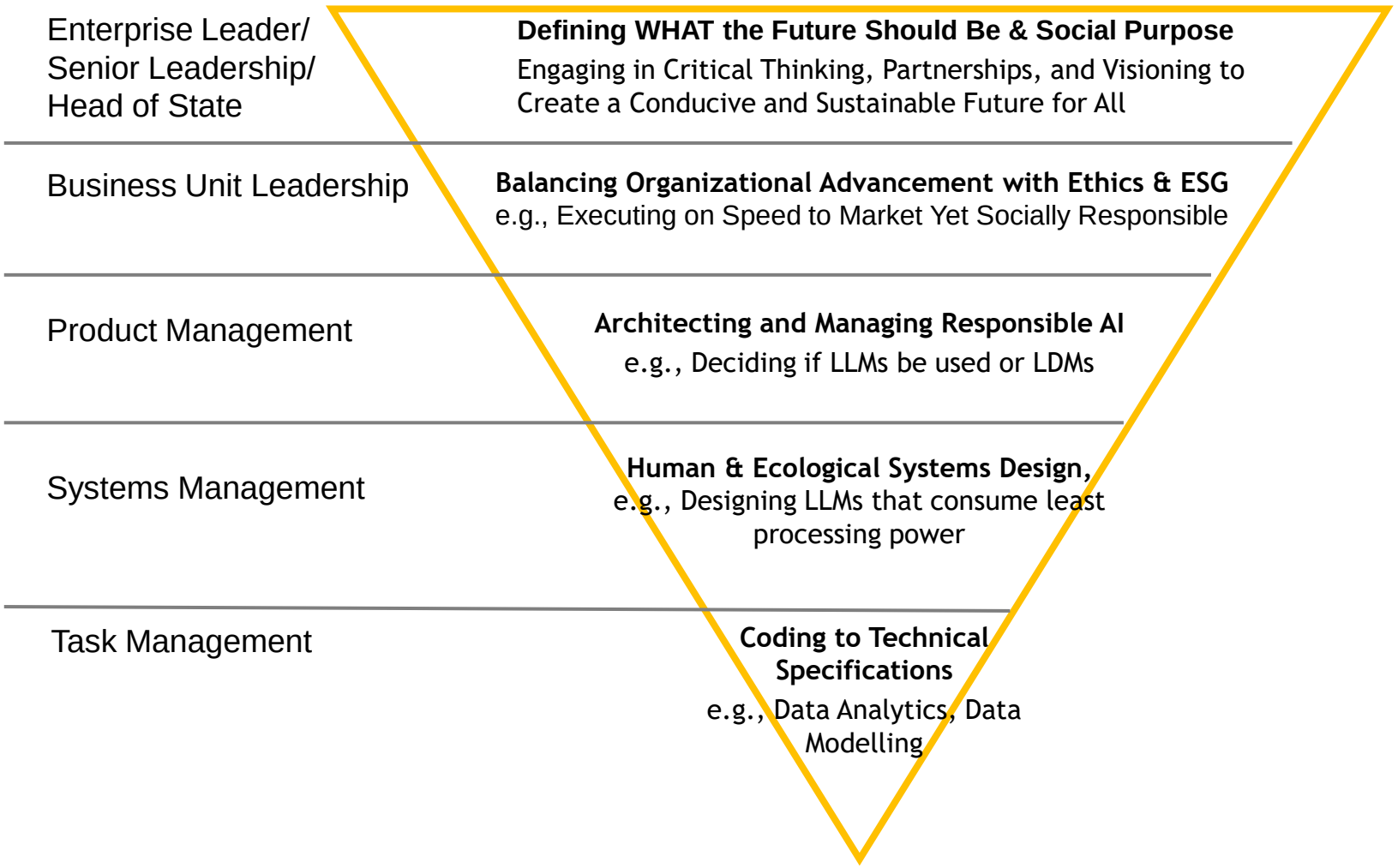


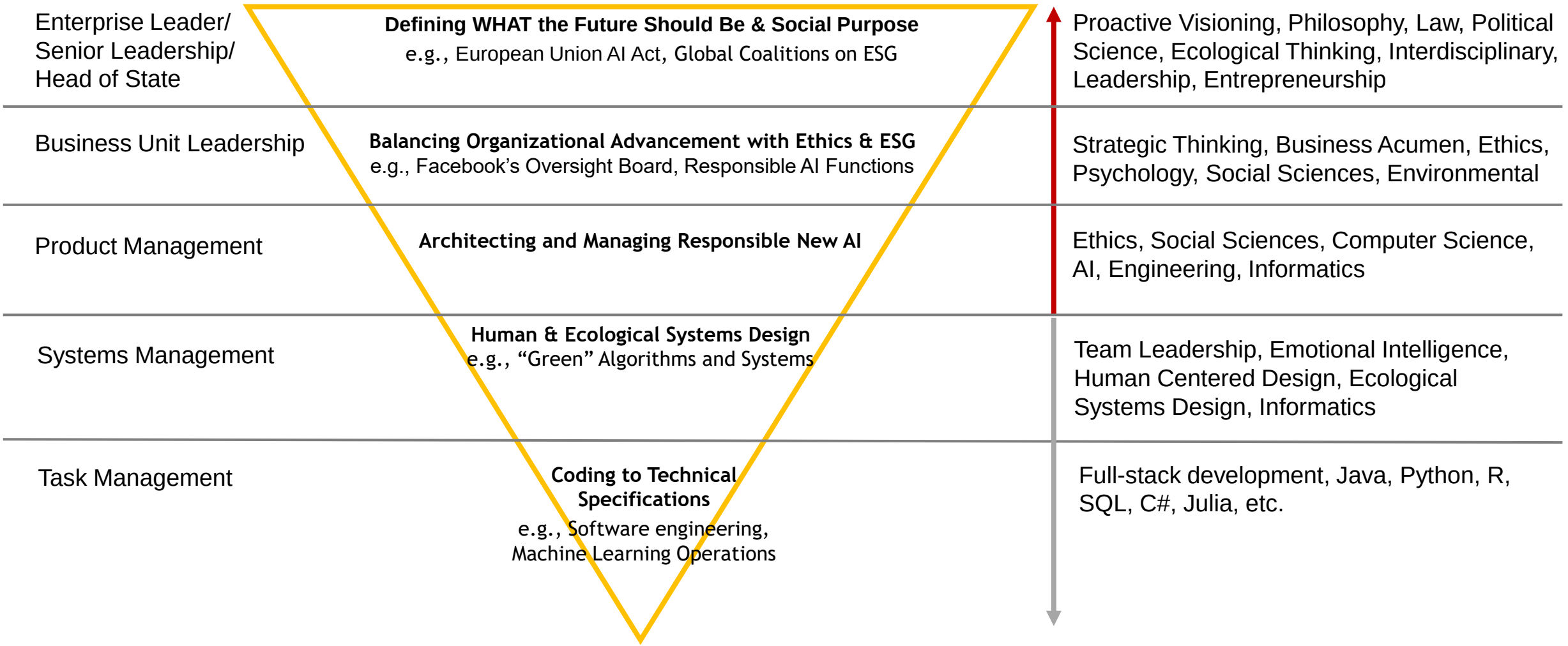
Higher Complexity & Value, Greater Interdisciplinary, Collaborative, Empathetic Approaches, Values & Principles Driven. Requires Greater Inclusion (Gender, Race etc.), Collective Wisdom

Companies with more than 30% Women Executives were more likely to Outperform companies below 30% (McKinsey, 2020)

Moderate to Lower Complexity Levels, Greater Job Commoditization, Technical Principles Driven (prone to automation and digitalization)

➢ Complexities of Future Organizations

Example of the Future DigitALL Organization's Complexities by Management Level:



In Summary …

1. AI Capability Development at Maybank took a Strategic, Learning Culture, and Competence Building Approach

2. HR's Architect Role – Future-Proof Human Progress via Mission, Vision & Values Led Approach

3. Responsible use of AI in HR – AI needs to be critically investigated, aligned to desired goals and values

Thank You

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