

Artificial Intelligence and the dark side of management

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Abstract

Ideas about the introduction of Artificial Intelligence (AI) to business are regularly being associated with modern, agile and participative approaches of management and leadership. But in everyday business life the dark side of management continues to remain influential. Leaders that show personality traits like machiavellianism, narcissism, psychopathy and sadism are commonplace. This viewpoint shows that the combination of augmentation and automation that AI can offer makes it technologically feasible to scale dark managerial methods and to eliminate competition. It concludes by recommending further research in support of the Human Movement (Hamel and Zanini, 2018).

Keywords: dark tetrad, economics of AI, human-centered management, micromanagement, totalitarianism

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1. The visible hand of management still hurts too much

Ideas about the introduction of Artificial Intelligence (AI) to business are regularly being associated with modern approaches of management and leadership. AI and agile are often mentioned in one breath (Gerbert et al., 2017). AI and participative forms of New Work appear as complements (Wagner et al., 2019). AI and teal organizations (Laloux, 2014) or other forms of organization and leadership with less or flat hierarchies are understood to be natural fits (Johanning, 2020) and approaches to Human-Centered Management with AI are derived (Wagner, 2020).

But this is where caution is required. It is only too easy to fall victim to wishful thinking. Contemporary participatory approaches to management like New Work (Bergmann, 2019) are still far from having become mainstream, even in businesses that have not yet entered the AI era. Some are successful, but many do fail. Little evidence exists, that state of the art managerial approaches recommended by business schools and by the literature do actually thrive in sustainable and scalable ways (Geschwill and Nieswandt, 2020).

Instead, issues and problems that have plagued management for a long time do prevail. Regular surveys like Global Workforce Study (Towers Watson, 2014) or the Gallup Engagement Index (Nink, 2018) conclude that many if not the majority of employees in the private sector and beyond work-to-rule or are in a state of resignation or even burn-out. The conduct of their bosses triggers them to leave their organizations (Abbasi and Hollmann, 2000; Harter and Adkins, 2015). It appears that in economies that are guided by the invisible hand of the market, the “visible hand of management” (Chandler, 1977) hurts too much.

2. The dark side of management

So rather than naively and through rose-eyed glasses looking forward to a bright future of management with AI, this should draw our attention to an important question: what if the dark side of management gets hold of AI to run businesses and organizations?

To explore this question, it is first necessary to clarify what the “dark side of management” stands for. It generally refers to amoral and antisocial behavior that regularly stems from four types of personality traits: Machiavellianism, narcissism, psychopathy and sadism (Međedović and Petrović, 2015). This dark tetrad expresses itself on the negative pole of the honesty-humility, agreeableness, conscientiousness, and emotionality dimensions of human behavior. In line with the surveys referred to above, it has been shown that people with dark tetrad personality traits are often found in leadership positions (Wille et al., 2013) where they execute antisocial behavior at work (Linton and Power, 2013) and often perform better than people with less pronounced forms of these traits (Fernández-del-Río et al., 2020). They can be described as “opportunistic principals” who are individuals that pursue their self-interest with dominance which includes but is scarcely limited to more blatant forms such as bullying, insulting, and intimidating (Wagner, 2019).

3. AI can leverage dark traits

Against this background, it can be analyzed how AI can in principle leverage the dark traits. In a first instance, AI allows for automation. Unlike previous waves of automation, AI for example in the form of machine learning is particularly suited for the automation of knowledge work (Brynjolfsson and McAfee, 2016). Not only from an efficiency perspective but also from a humanistic point of view AI can promise decent work conditions (Tuomi et al., 2020). Automation also implies that employees are no longer exposed to dark leadership behaviors. But this also means that there is potentially less criticism, less attitude towards decisions and actions taken at management levels of the hierarchy. A lack of human balancing can result in leaders getting out of touch with what is right and what is wrong.

Compared to automation, an even more important lever for the dark traits may be augmentation through AI. Artificial Intelligence can help individuals to enhance their abilities (Davenport and Kirby, 2016), which includes

the propensity to exert power, control and influence over both, people and machines. This means that being in control of AI represents a new means of power, a new managerial tool that can be used for good as well as for bad purposes. AI allows for an amplification of unhealthy managerial methods and it only takes a few examples to illustrate the potential:

✓ *Dataveillance/monitoring*: AI substantially enhances the possibilities how information technology can assist managers in their role of supervising subordinates. This goes well beyond traditional reporting and key performance indicators. As soon as users and their electronic devices are permanently in contact with the server, AI can achieve continuous “dataveillance” (Clarke, 1988), a phenomenon already studied in consumer markets (Degli Esposti, 2014).

✓ *Micromanagement*: Dataveillance can contribute to micromanagement. To micromanage means to try to take control of an enterprise in every particular and to the smallest detail, with the effect of obstructing progress and neglecting broader, higher-level entrepreneurial and policy issues (White, 2010). Prescriptive analytics enables new forms of “nudging” (Thaler and Sunstein, 2008), an approach to guide human behavior based on insights from behavioral economics. AI can lead to so called “hypernudging” (Yeung, 2017) to guide employee behaviors and allow for new forms of micromanagement (Golumbia, 2015).

✓ *Monopolization*: AI is a network technology and thus displays increasing returns to adoption (Arthur, 1994). Just like in many other use-cases for AI, the dark tetrad of management can benefit from resulting economies of scale and scope. For the distribution of power within an organization this implies that once dark managerial methods are in a leading position they can benefit from the winner takes all nature of network technologies and more easily eliminate competing managerial approaches.

4. Undesired combinations of augmentation and automation

One could argue that the intermediation by the machine will be a relief for employees since it might mean less personal exposure to destructive behavior like bullying and mobbing. But pre-AI history of totalitarian systems teaches us that an impersonal setup has the potential to make things worse (Arendt, 1973). Whenever face-to-face interactions can be avoided, the cost to engage in dark behaviors and to develop and display low morale standards comes down. This implies that also people who show less or even no dark traits find it easy and feel comfortable to tune in and contribute. In the course of reappraisals of totalitarian systems like during post World-war II period the notion of ‘followers’ had a different meaning than in today’s Internet economy. But it can be irritating how both interpretations stress the dangers of monopolization each in their own way.

In essence, it is the combined potential impact of augmentation and automation that AI has to offer for any purpose and thus also for the dark side of management. It needs watching, at least if one is to share the view that AI should not be used to “imprison us within a certain zone of agency” (Danaher, 2018 referring to Morozov, 2013). The combination of augmentation and automation makes it technologically feasible to scale dark managerial methods and to eliminate competition.

5. Research in support of the Human Movement

Research along those lines can help to disclose the mechanisms at work and to derive timely approaches of governance for and within organizations that deploy AI. This is and needs to be an interdisciplinary effort involving disciplines like psychology, information science, organization science, software engineering, economics and business administration. One of the many possible points of departure could be a review of Hannah Arendt’s seminal work on “The origins of totalitarianism” (1973) against the background of the current state of AI technology. Wherever the focal point may be, a contribution can and should be made to what Gary Hamel and Michele Zanini (2018) call “The Human Movement”: “To ensure that every human being is granted the opportunity to fully develop, apply and profit from their own unique gifts. This is the grand human project. It encompasses basic needs like nutrition, preventive medicine, and education, as well as political self-determination, racial equality and more.”

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