

The Curious Director: Try, Fail, Learn, Succeed – Repeat



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Have you ever wished you could ask a customer a question during a board discussion? How about your employees, competitors, partners, shareholders, or even historical figures like Plato or Aristotle, or those of individuals not yet born?

Steve Jobs certainly had: «Unfortunately I can't ask Aristotle a question. I mean, I can, but I won't get an answer. Imagine how cool that would be. My hope is that, in our lifetime, we can create a new kind of interactive tool that will allow us to capture what someone such as Aristotle has said and make it possible to ask questions and receive answers.»¹

- In this article you will discover a way to turn Steve Jobs' wish into reality. How? Through the use of generative artificial intelligence (AI).
- You will learn about VITAL, Aiden and Mika, neither of whom is human, but all hold leadership positions within companies.
- As time waits for no one, this article serves as a call to action, urging you to begin experimenting with AI in your daily board activities.
- Finally, this article is an invitation. Join us as we kick-start a new AI Think Tank as part of the Network for Innovative Corporate Governance (NICG).

1 AI in the Boardroom: Where Do We Stand?

Ten years ago, Deep Knowledge Ventures, a Hong Kong based venture capital fund, appointed an AI persona named VITAL to its board. Though VITAL holds only observer status due to legal constraints, it has voting power in every investment decision.^{2,3} In February 2024, the largest listed company in the UAE, International Holding Company (IHC), followed by establishing a board observer position for an AI persona named Aiden Insight. This makes Aiden the first AI board observer in the Middle East.^{4,5}

- 1 Steve Jobs. (1985). [Steve Jobs visit at Lund University in 1985](#). Lund University.
- 2 DKV. (n.d.). [Structure](#).
- 3 Zhao, J. (2022). Artificial intelligence and corporate decisions: fantasy, reality or destiny. *Cath. UL Rev.*, 71, 663.
- 4 Abu Dhabi Media Office. (2024, February 27). [Artificial intelligence board observer appointed by International Holding Board of Directors](#).
- 5 Kole, A. (2024, April 21). [A new governance paradigm is necessary for AI-powered boards](#). Harvard Law School Forum on Corporate Governance.

Similarly, Dictador appointed Mika, the world's first AI-powered CEO.⁶

Examples such as VITAL, Aiden and Mika are likely to provoke many different thoughts in you. Questions may arise about the type of AI technology on which they are built. You might doubt that AI is advanced enough to be a successful CEO or board of director, and even speculate that they are merely marketing tricks to get attention – something all three certainly achieve. On the other hand, these examples could spark great fascination. You might believe it is possible that one day AI could bring to life Plato's omniscient and benevolent (corporate) philosopher king and solve major challenges such as climate change. Or, on the contrary, you might see such initiatives as the greatest threat humanity has ever faced.

However, while fascinating to think of, it is important to stress that examples like Aiden, VITAL and Mika remain rare. There is surprisingly little empirical data on the current use of AI in boards and for board work. A recent literature review highlighted that most corporate governance research on AI is theoretical, focusing on potential benefits and challenges without real-world testing.⁷ Additionally, descriptive studies on AI-use lack specificity in the context of boards.

Nevertheless, our experience clearly suggests that most boards are still in the very early stages of AI integration. As consulting firm Korn Ferry puts it, «most directors (...) are still trying to wrap their heads around what AI really is».⁸ Fairly, one should respond to this critique by asking, who is not? Ultimately, we are all still at the beginning. Otherwise, we would not do justice to AI's unprecedented potential.

Although all are still at the beginning, there are certainly significant differences, with some being more advanced and others lagging behind. This is supported by a large US study by PwC, which reveals that only 35% of executives believe that AI receives sufficient board time, indicating that current board practice is not fully exploiting the potential of AI.⁹ We believe it is time to change that.

2 Time Waits for No One, Not Even for You

AI is not a particularly new notion. It dates back to the 1956 Dartmouth Conference organized by John McCarthy, where the term AI was first introduced.¹⁰ Therefore you might first ask why now? We argue that something has changed on November 30, 2022. This date marks the official launch of OpenAI's ChatGPT. Since then tools such as ChatGPT have democratized AI, heralding a transformative era in the field.

It seems clear to us that being a laggard in this AI revolution not only jeopardises the success of your company, but also your own career. The pace of change has never been faster. New AI applications are springing up like mushrooms, creating previously unimaginable technical possibilities. We firmly believe that AI will not replace you as a board member soon, but a person using AI could! Studies already indicate that the use of AI among knowledge workers can lead to significant increases in productivity, improve customer satisfaction, strengthen employee loyalty, and promote employee learning.^{11,12}

The good news is that it is not too late to get ahead of the crowd. The topic is new for everyone, not just for you. The bad news is that time waits for no one, not even for you.

3 Get Your Hands Dirty

We are encouraging you to get excited about AI. See it as a privilege to be part of such a fascinating era. Isn't it amazing to experience a new AI-driven world full of unimaginable technological possibilities, almost like a child discovering the world for the first time? Isn't it puzzling how this is even possible and how far we, as humans, have come?

This is a call to experiment with AI in your individual board work and collectively in the boardroom. Like a child: experiment, fail, learn, and eventually succeed. Starting to experiment with AI does not require you to be a programmer, statistician, or technical expert. AI is accessible to all, regardless of age, educational background, digital proficiency, or financial means.

6 Reuters. (2023). [Drinks company appoints AI robot as CEO](#)

7 Ahdadov, M., Aqily, A., & Tahrouch, M. (2024). Enhancing corporate governance through AI: a systematic literature review. *Technology Analysis & Strategic Management*, 1-14.

8 Coleman, S. (2023, May 17). [AI is everywhere, except on boards](#).

9 PwC. (2024). C-suite insights for board effectiveness.

10 Rockwell, A. (2017). Can Machines Think. Harvard Graduate School of Arts and Sciences. Retrieved from [The History of Artificial Intelligence – Science in the News \(harvard.edu\)](#).

11 Dell'Acqua, F., McFowland, E., Mallick, E. R., Lifshitz-Assaf, H., Kellogg, K., Rajendran, S., ... & Lakhani, K. R. (2023). Navigating the jagged technological frontier. *Harvard Business School Technology*.

12 Brynjolfsson, E., Li, D., & Raymond, L. R. (2023). Generative AI at work.

However, this is a decision that you must make yourself and that requires direct involvement and personal commitment.

Before you plunge into the vast field of AI experimentation, two things are recommended:

1. Firstly, ensure that you create a safe playing field. It goes without saying that it is not advisable to feed sensitive data into an AI-application without checking the necessary requirements for its use in a company. We recommend first assessing the type of information you intend to use and evaluating its sensitivity. Depending on the data's sensitivity, appropriate data security measures should be chosen. However, do not use data security concerns as an excuse to delay getting started; there are solutions available. In the case of ChatGPT, for example, the enterprise versions «ChatGPT Enterprise» and «OpenAI API» allow for Data Processing Agreements (DPA). In addition, the terms of use contain a confidentiality obligation on the part of OpenAI. At this point, however, it should be noted that it remains a risk decision for the company itself as to whether it trusts the provider and discloses business secrets or not.¹³ That being said, 92% of the Fortune 500 companies already use OpenAI in their business operations.¹⁴ Looking at these figures, it is very likely that you as a board member also have access to a safe «playing field».
2. Secondly, create a basic understanding of AI. There are numerous terms circulating in the field of AI, but surprisingly few people are able to categorise them precisely and know how they work technically. Before you jump into experimenting, developing basic AI literacy is advisable. This does not require deep technical expertise, but enough knowledge to grasp the fundamental concepts.

Once these two steps are done, it is time to get your hands dirty. You may be wondering where to start. We recommend that you do this in a structured way. Do not just prompt a few questions occasionally on ChatGPT and then think you have done your bit. A helpful way to structure your AI experimentation journey is to first

outline your personal workflow, then assess where AI could support you, and finally decide where you are most likely to use it.

4 Role-Prompted AI-Personas

Next, we would like to introduce an elegant, easy-to-implement way using ChatGPT to incorporate examples such as Aiden and VITAL directly into your board. This approach can enhance your board's diversity, foster creativity, increase customer centricity, and lead to better-informed decisions.

The proposed idea builds on a concept from Amazon, a company renowned for its focus on customer centricity. Rumor has it that company founder Jeff Bezos has introduced a rule whereby one chair is left empty at every meeting to symbolize the presence of the customer. This symbolic gesture should ensure that customer perspectives remain central to every discussion, reminding executives and boards to integrate the voice of the customer into their decision making.



Figure 1: Own illustration of role-prompted AI personas

¹³ Vischer. (2024). [Teil 2: Gängige KI-Tools: Wie steht es um den Datenschutz?](#). Vischer.

¹⁴ OpenAI. (n.d.). ChatGPT for enterprise | OpenAI.

Building on the «empty chair» approach, with the help of AI, you can take it a step further. Why don't you put an AI persona on that empty chair? Unlike an empty chair, an AI persona can be asked questions, provide helpful insights, and even intervene in decisions. This approach doesn't have to be limited to the voice of a customer. Consider giving other stakeholders a virtual seat in your board, such as employees, shareholders, suppliers, competitors, NGOs, philosophers, experts, or even someone representing a future generation. The options are limitless.

As promised, this is technically very easy to implement. Simply use ChatGPT to «role-prompt» an AI persona. This means instructing ChatGPT to imagine being an employee or someone from a future generation. Let us provide you with two examples:

Role-promoting a member of a future generation: «Imagine you are Futura, a member of a future generation, born in the year 2075. You are deeply concerned about finding and maintaining a planet worth living on. You value sustainability and innovative solutions to environmental challenges.»

Role-promoting an employee: «Imagine you are Tom, an employee who has been with the company for 25 years. You value goal-oriented work and prioritize dedication. You strongly believe that loyalty and hard work should be financially rewarded. You are convinced that nothing can surpass real human work experience.»

If you want to go one step further, such role-prompted AI personas could even take on a position on the board, like VITAL or Aiden. This demonstrates a tangible and feasible way in which an AI board of director could be realized within your company. When you start experimenting with AI personas, you will quickly realize that this concept is far from fully developed. The input from the AI personas might not always be helpful. But is this any different from the input of real humans? Do not be too hard on your new colleagues; take your time to get used to each other and be patient.

You will encounter many questions that need to be addressed, including but not limited to:

- Who can initiate LLM role-prompting?
- How are the AI personas trained?

- Who holds authority over the training data?
- What is the level of participation of the AI persona? (e.g., advisory role, veto right, or full decision-making power)
- How are the AI personas operationally integrated into the board processes?

5 Let's Shape the Future of Governance

AI-prompted personas are not the only way to experiment with AI in your board work. For instance, you could use AI to handle the overwhelming amount of preparation data by identifying relevant patterns in large company documents. Consider using AI in strategic processes, market research or brainstorming sessions.

We highly recommend getting creative and to come up with your own ideas. Have the courage to try things out, even if they are unconventional at first. As boards of directors are generally rather static, we recognise this as a particular challenge. Do it despite these challenges. Be a curious director! Because one thing is certain: «You miss 100% of the shots you don't take.»¹⁵

NICG AI Think Tank

Are you a curious director eager for innovation? Join us in launching the pioneering AI Think Tank under the Network for Innovative Corporate Governance. Together, we will connect theory with practice and explore AI use cases that can transform governance tasks.

Curious?

Get in touch with us at info@nicg.net.

15 Wayne Gretzky, former Canadian ice hockey player.