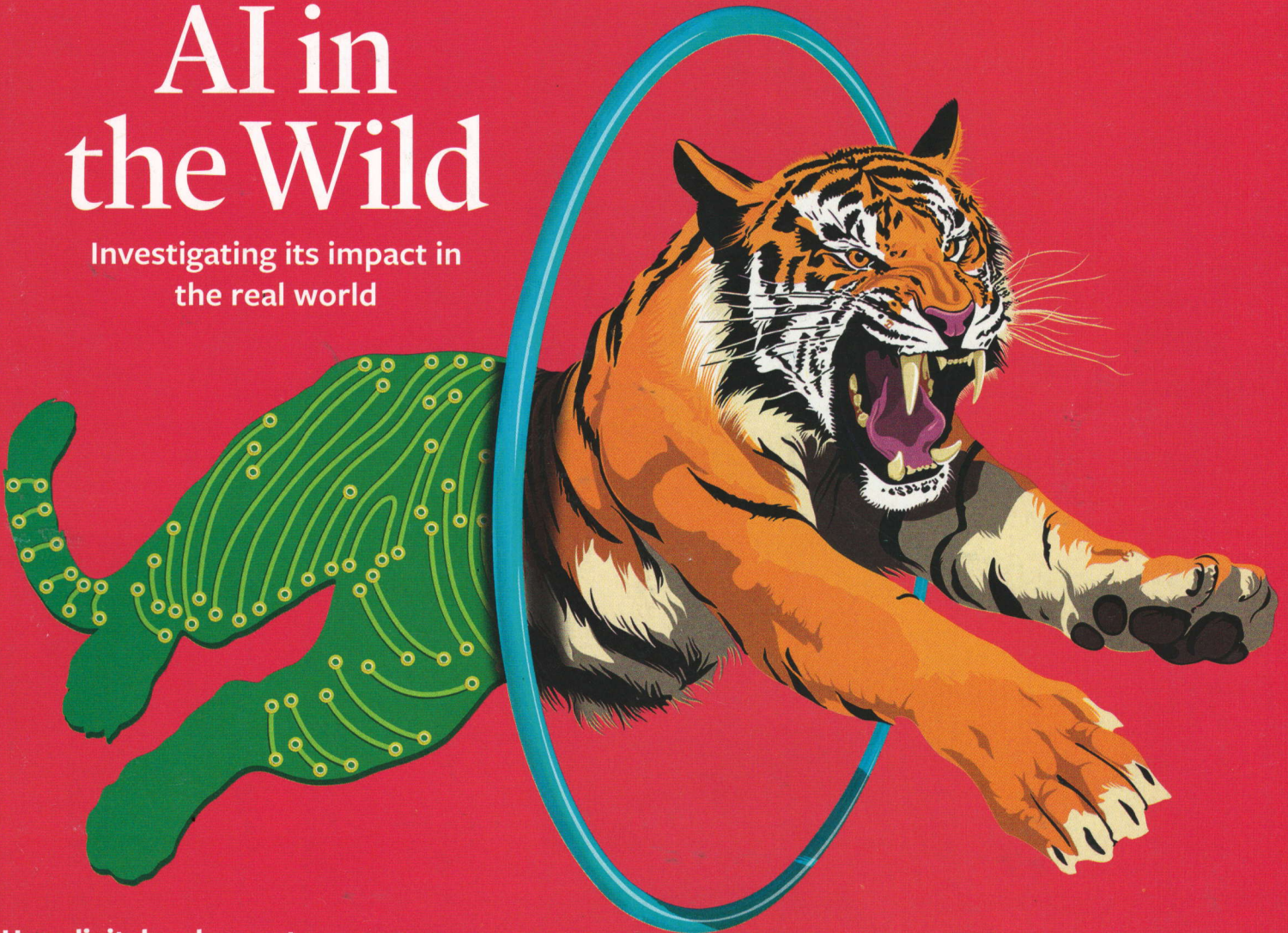


MIT Sloan

Management Review

AI in the Wild

Investigating its impact in
the real world

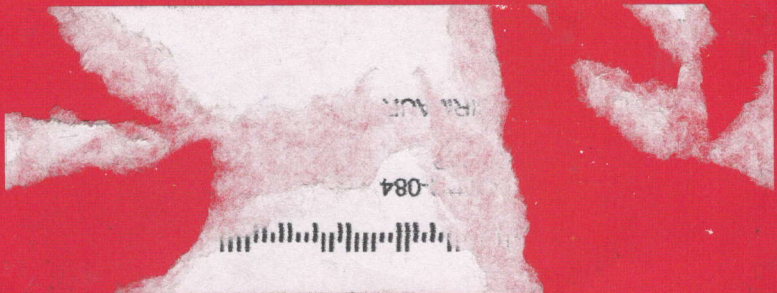


**How digital nudges put
ethics on autopilot** p. 9

**Why some middle managers
stifle innovation** p. 25

**Rethinking how to sell —
and price — value** p. 52

**Cyber resilience for
CEOs** p. 76



Contents

SUMMER 2024 | VOLUME 65, NO. 4



29

SPECIAL REPORT

Overcoming the Hard Problems to Advance AI Practice

30 Auditing Algorithmic Risk

◀ **COVER STORY** How do we know whether algorithmic systems are working as intended? A set of simple frameworks can help even nontechnical organizations check the functioning of their AI tools.

By Cathy O'Neil, Jake Appel, and Sam Tyner-Monroe

38 Avoid ML Failures by Asking the Right Questions

Machine learning solutions can miss the mark when data scientists don't check their assumptions. Adopting a beginner's mindset in any domain can help.

By Dusan Popovic, Shreyas Lakhtakia, Will Landecker, and Melissa Valentine

42 How Generative AI Can Support Advanced Analytics Practice

Large language models can enhance data and analytics work by helping humans prepare data, improve models, and understand results. By Pedro Amorim and João Alves

47 Managing Data Privacy Risk in Advanced Analytics

Cybersecurity techniques that keep personal data safe can limit its use for analytics — but data scientists, data owners, and IT can partner more closely to find middle ground.

By Gregory Vial, Julien Crowe, and Patrick Mesana

RADAR

5 Fast Takes on Fresh Ideas

The long tail of social media influence, three things to know about prompting LLMs, Kevin Nolan of GE Appliances on keeping innovation alive at a legacy company, and more.

FRONTIERS

9 The Hazards of Putting Ethics on Autopilot

Research shows that employees who are steered by digital nudges may lose some ethical competency. That has implications for how we use the new generation of AI assistants. *By Julian Friedland, David B. Balkin, and Kristian Ove R. Myrseth*

11 Why Companies Need to Lobby for Climate Policy

Organizations that want to make real progress on sustainability need to build a business case for climate lobbying. *By Richard Roberts*

14 Tap Employee-Creators to Transform Your Social Media Strategy

Businesses that help employees become social media stars have a cost-effective way to generate enormous brand visibility. *By Aaron Dinin*

18 How AI Skews Our Sense of Responsibility

Research shows how using an AI-augmented system may affect humans' perception of their own agency and responsibility. *By Ryad Titah*

20 To Navigate Conflict, Prioritize Dignity

Four interrelated practices can bolster dignity, leading to more constructive problem-solving and collaboration. *By Merrick Hoben*

22 Nudge Users to Catch Generative AI Errors

Using large language models to generate text can save time but often results in unpredictable errors. Prompting users to review outputs can improve their quality. *By Renée Richardson Gosline, Yunhao Zhang, Haiwen Li, Paul Daugherty, Arnab D. Chakraborty, Philippe Roussiere, and Patrick Connolly*

25 Why Territorial Managers Stifle Innovation — and What to Do About It

Managers who feel insecure about their status tend not to encourage novel ideas from their employees. Fostering their identification with the organization can change this behavior. *By Vijaya Venkataramani, Rellie Derfler-Rozin, Xin Liu, and Jih-Yu Mao*

FEATURES

52 Acing Value-Based Sales

To get the best returns on innovative products, collaborate with customers to define and share the commercial opportunity. *By Marco Bertini, Oded Koenigsberg, and Todd Snelgrove*

58 Find a Circular Strategy to Fit Your Business Model

Products and services that maximize use and reuse of materials and other resources can be both growth opportunities and sustainability measures. *By Samsurin Welch and Khaled Soufani*

64 How to Come Back Stronger From Organizational Trauma

Traumatic events are destabilizing. In their aftermath, leaders can help individuals and teams recover and grow. *By Payal Sharma*

69 Engineer Your Own Luck

Companies that modularize and externalize their best capabilities are in a strong position to seize unexpected opportunities. *By Mark J. Greeven, Howard Yu, and Jialu Shan*

73 Serve More Customers With Inclusive Product Design

Use these questions to empower teams to design products for more diverse populations. *By Vanessa M. Patrick and Jeffrey D. Shulman*

76 The CEO's Cyber Resilience Playbook

What do CEOs who led through a serious cyberattack regret? Use this guide to learn from their experiences and take smarter actions before, during, and after an attack. *By Manuel Hepfer, Rashmy Chatterjee, and Michael Smets*

COLUMNS

80 Return-to-Office Mandates: How to Lose Your Best Performers

Your organization's highest-performing employees want executives to focus on outcomes and accountability, not office badge swipes. *By Brian Elliott*

83 A Tale of Two Hot Sauces: Spicing Up Diversification

The contrasting paths of two hot sauce manufacturers show that managing exposure on multiple fronts is essential. *By Achal Bassamboo and James G. Conley*

88 What's the Right Way to Carry Out Layoffs?

Coaching for the Future-Forward Leader *By Sanyin Siang*

IN EVERY ISSUE

1 From the Editor

85 Executive Briefings



69

EDITOR'S NOTE:

Some articles in this issue were originally published online. They have been adapted for print.