

THE
ECONOMIC
CLUB OF
CHICAGO

The Club held the First Dinner Meeting of the 2018-2019 Program Year on October 3 featuring guest speaker Satya Nadella, CEO of Microsoft. Chair Mellody Hobson moderated a seated conversation with Mr. Nadella. See the top takeaways below.

When asked about questioning Microsoft's purpose...

“The reason I asked the question was I felt we were not defining who we are and what we want to achieve with the clarity that is needed in order to drive any kind of success. I fundamentally believe, like any human being, companies have an identity, have a soul. And sometimes you get defined by what others think about you versus really having that inner strength of what is it that you uniquely contribute.”

When asked why he thinks empathy is so important...

“Empathy, you could say, is very good in the personal life [...] but I think it's central to business. If you sort of say, innovation comes when you want to build a product or a service that is going to meet the unmet, unarticulated needs of customers, your best shot of being able to do that is to have that deep sense of empathy, that ability to see others.”

And that's why I think that it's so important for us to not separate out what we think is important at work and what we think is important for us in life. If you can somehow bring the two things together, and empathy is one such very powerful thing that I've found to be very useful for me.”

On the significance of artificial intelligence...

“I think the defining technology of our times is clearly going to be AI and machine learning. Let's just think about what AI can do for us as we sit here in 2018 in terms of bringing more people to fully participate in our society and our economy. One of the things I'm very passionate about is accessibility. [...] AI can, in fact, make it possible for someone with disabilities to fully participate in our society.”

When asked whether AI should have rules or regulations...

“At Microsoft we are very much grounded on the fact that with AI, the human is in the loop. I believe abdicating responsibility for AI and its decision-making too early is very dangerous. If you're creating AI systems that are making automated decisions, then the person who is building that system is in the loop. Therefore they have the responsibility to go figure out how to make sure that the AI system is going to make the right decisions. [...] So, yes, I think there are design principles, [and] regulation that's definitely needed.”

When asked to explain quantum computing...

“The simplest way I learned to think about [computational problem solving] is, let's say you had one of those classic corn mazes and you wanted to get through it. You start, you hit an obstacle, then you retrace and go back. That's how a classical computer will solve it. Whereas a quantum computer will just take all the paths all the time simultaneously. And so, you can imagine how you can get to a solution a lot faster.”

When asked if technology is taking away jobs...

“Clearly if any technological displacement happens, the first thing we should do is a fantastic job of what I would call finding the new jobs that they can be qualified for or get the retraining for. And this is one of the places where I'm very optimistic about taking let's say the LinkedIn signal. One of the reasons why I was excited about LinkedIn is it's really an economic graph, the ability to see what jobs are out there, what skills are required, as a real-time feedback cycle.”

Some of the social programs, programs inside companies, organizations like LinkedIn will all have to contribute, but we will probably have to do some of the best work of essentially creating that marketplace mechanism for retraining. Many of us will have to retrain ourselves multiple times perhaps in our professional careers to be able to be relevant as technology shifts.”

On extreme job displacement from technology...

“The question is, what is the wage support we can provide for a lot of jobs that may not be considered high-wage jobs today?”

Again, I'd go back to my own personal experience. I was reading this book called *Squeezed* recently [...] a fascinating book about the number of people who have a tough time staying in the middle class, because they get dropped from it by just one hit. And these are people who are in the middle class today but let's say a woman who just was pregnant had a child, had some issues, got into debt, [loses] a job, and then you're off and then it's tough to come back.

One of the things we just did was paternity leave for the contractors who work at Microsoft. We need more wage support. That needs to be propagated across the society, across the economy for jobs so that people can, in fact, even when they're being technologically displaced, find jobs and get the support.”

When asked what he hopes to have accomplished when he leaves Microsoft...

“I've thought about that, because [Steve Ballmer] got me thinking about it. He says there's only one thing that you've got to be thinking about, which is, the person who comes after you. Will they achieve more success than you? As long as you think about that's the place you leave, then you've got something right. Celebrate your successor's success was actually a great sort of lesson, at least I inferred from how Steve talked to me about his own time at Microsoft.”

Please Note: This transcript has been edited and condensed for clarity. To see the full interview, visit our YouTube page.