

Assignment No 3: OpenAI Case Analysis

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1 Describe and Analyze a Real Case

I have selected OpenAI company.

1.1 Description

- Founded in 2015 by Altman, Musk, Sutskever, and Brockman as a non-profit for smart AI.
- Shifted to a profit model in 2019, securing \$1Bn from Microsoft for AI development.
- Released popular models like GPT-3 and Chat-GPT, achieving global attention.
- CEO Sam Altman was removed in 2023 due to communication issues with the board.

1.2 Analysis

- Internal conflicts on profit motives and mission goals caused changes in leadership.
- Departures of key figures raised concerns about OpenAI's direction.
- Tension between fast commercialization and safe AI development surfaced.
- Negotiations for Altman's return indicate ongoing challenges and potential resolutions.

2 Identify the Stakeholder Network

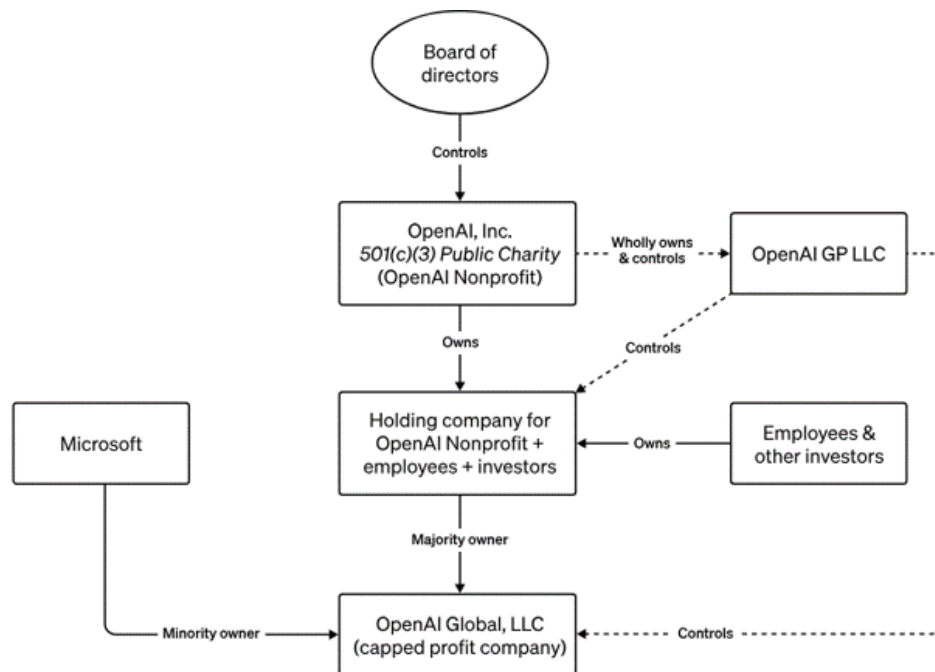


Figure 1: Open AI Structure

3 Identify the Ethical Issues

OpenAI emphasizes transparency and accountability. These are the ethical issues related to Sam Altman that led to his firing:

- Lack of Candor: Alleged failure to disclose security vulnerabilities.
- Self-Interest: Promoting Worldcoin (a for-profit venture) while leading OpenAI.
- Manipulative Behavior: Pattern of sowing division and lying to colleagues.
- Power-Hungry Behavior: Attempts to avoid checks on power, potentially compromising ethical leadership.
- Board's Decision: Firing Altman after a close vote due to behavior deemed unacceptable.

4 Identify and Evaluate the Course of Actions

- Leadership: Appoint interim CEO, find an effective communicator for the CEO role.
- Governance: Assess the board, enhance communication, and review the commercialization strategy.
- Employee Well-being: Address concerns, implement retention measures.
- External Input: Seek advice, engage stakeholders for insights.
- Goal Alignment: Ensure corporate goals align with the mission.
- Future Planning: Mitigate risks, learn from past challenges.
- Negotiation: If considering Altman's return, set clear expectations.
- Adaptation: Foster a culture of learning and openness.

5 References

1. Chamath Palihapitiya's Tweet:
<https://twitter.com/chamath/status/1726389919348826394>
2. Medium Article - "The Untold Drama: Why Sam Altman Was Fired from OpenAI":
<https://medium.com/@ivanreznikov/the-untold-drama-why-sam-altman-was-fired-from-openai-eaa234d2d7e8>