AI: Strategy + Marketing (MGT 853)

The AI ← Human Interface (Session 5)

Vineet Kumar

Yale School of Management Spring 2025

Driving as an ML Problem

Yale SOM / Kumar

- Driving as an ML Problem
- Explainability, Interpretability and Transparency

Yale SOM / Kumar

- Driving as an ML Problem
- Explainability, Interpretability and Transparency
- Research on Interpretable ML models

- Driving as an ML Problem
- Explainability, Interpretability and Transparency
- Research on Interpretable ML models
- Domain Knowledge

- Driving as an ML Problem
- Explainability, Interpretability and Transparency
- Research on Interpretable ML models
- Domain Knowledge
- Role of Al versus Humans

- Driving as an ML Problem
- Explainability, Interpretability and Transparency
- Research on Interpretable ML models
- Domain Knowledge
- Role of AI versus Humans

- Driving as an ML Problem
- Explainability, Interpretability and Transparency
- Research on Interpretable ML models
- Domain Knowledge
- Role of AI versus Humans



Yale SOM/ Kumar



Yale SOM/ Kumar

Three Waves

First-wave used mechanical control (1970s)

Mechanical Control

- Works in very limited way
- No flexibility if environment is changed even a bit

Three Waves

First-wave used mechanical control (1970s)

Expert Systems

Second-wave used computer programming (1980s to early 2000s)

Mechanical Control

- · Works in very limited way
- No flexibility if environment is changed even a bit

If condition X, Then do Y

- Could go to 1000s or 100K lines of code
- Need to add code for each new condition and reprogram system

Three Waves

First-wave used mechanical control (1970s) Expert Systems

Second-wave used computer programming (1980s to early 2000s)

Prediction Models
Third-wave uses
(2007 – current)

Mechanical Control

- Works in very limited way
- No flexibility if environment is changed even a bit

If condition X, Then do Y

- Could go to 1000s or 100K lines of code
- Need to add code for each new condition and reprogram system

Predictive Model

 Al system learns and builds the model and delivers better (more accurate prediction) as more data is generated

Yale SOM / Kumar



Converting to Prediction Problem (In class exercise)

- Consider the role of prediction in autonomous driving
- Let's walk through the Al Decision Framework

Questions to Ponder

- 0) What sources of data should the system use?
- 1) What are the possible predictive problems one might encounter?
- 2) How should we measure performance?
- 3) What are appropriate ML algorithms in our toolbox to solve them?
- 4) What role does judgment play in this problem?

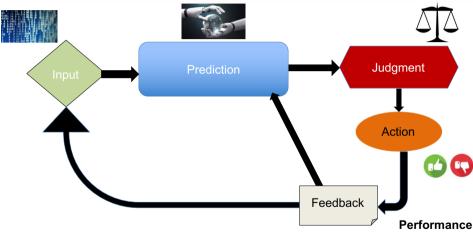


ML Pipeline

Where do humans interface?

ML Pipeline 2. Visualization 1. Pre-processing O. Data Sources · Collect 4 Connect · Bar Charts · First Partu · Cleaning & Filtening · Initial insights · Data Broker · outliers · correlations External Survey · Standardization · Distribution · Format -> Analysis 4. Pata Splitting 5. Model Feature Engineering · Accuracy · Defendent · Variable · No new data · New feature · Explainable Gen or Predict · Cost / Time 6. Hyperparameter selects ·Data 7. Learning 8. Validation 9. Testing (Training)

AI Decision-Making Framework



Does Feedback also inform Judgment?

What if we get very high accuracy?

• 95

What if we get very high accuracy?

- 95
- 99.x?

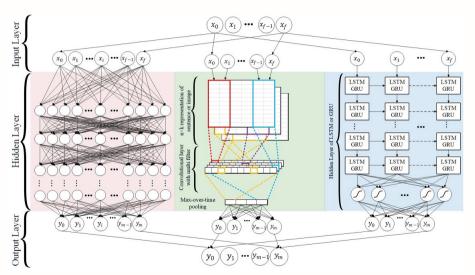
Yale SOM / Kumar

What if we get very high accuracy?

- 95
- 99.x?
- 100

14/28

Can we understand this?



Yale SOM/ Kumar

Wolf or Husky?





Source: Why Should I Trust You? Explaining the predictions of any classifier

Even 100% accuracy may not be enough Need to understand why the model works

Explainability

 Capable of being understood: Plausible reasoning behind prediction

Yale SOM / Kumar

Explainability

- Capable of being understood: Plausible reasoning behind prediction
- Does not necessarily need model transparency

Yale SOM/ Kumar

Explainability

- Capable of being understood: Plausible reasoning behind prediction
- Does not necessarily need model transparency
- Can be applied to a wide class of models (potentially all models)

Explainability

- Capable of being understood: Plausible reasoning behind prediction
- Does not necessarily need model transparency
- Can be applied to a wide class of models (potentially all models)

Explainability

- Capable of being understood: Plausible reasoning behind prediction
- Does not necessarily need model transparency
- Can be applied to a wide class of models (potentially all models)

Interpretability

 Model's components are known

Explainability

- Capable of being understood: Plausible reasoning behind prediction
- Does not necessarily need model transparency
- Can be applied to a wide class of models (potentially all models)

Interpretability

- Model's components are known
- Human can identify output for a specific input (with some effort)

Explainability

- Capable of being understood: Plausible reasoning behind prediction
- Does not necessarily need model transparency
- Can be applied to a wide class of models (potentially all models)

Interpretability

- Model's components are known
- Human can identify output for a specific input (with some effort)
- Model produces constructs with meanings known to humans

Explainability

- Capable of being understood: Plausible reasoning behind prediction
- Does not necessarily need model transparency
- Can be applied to a wide class of models (potentially all models)

Interpretability

- Model's components are known
- Human can identify output for a specific input (with some effort)
- Model produces constructs with meanings known to humans
- May not be easy for all models

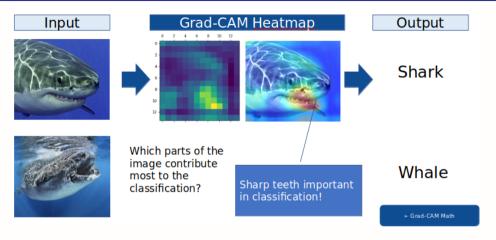
Explainability in Complex Models

Shark or Whale?





Explainability in Complex Models



Source: Understand your Algorithm with Grad-CAM

Yale SOM / Kumar

Grad-CAM

Yale SOM/ Kumar

Explainability \Longrightarrow **Interpretability**

• Explainable \neq Interpretable

Yale SOM / Kumar

- Explainable \neq Interpretable
- Linear Regression Example

Yale SOM / Kumar

- Explainable \neq Interpretable
- Linear Regression Example

$$\bullet \quad y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

- Explainable \neq Interpretable
- Linear Regression Example

• Specifying all β s fully specifies the model (with ε standard normal distribution)

Yale SOM / Kumar

- Explainable \neq Interpretable
- Linear Regression Example

- Specifying all β s fully specifies the model (with ε standard normal distribution)
- Person running the model has no hyperparameters or any other choices



- Explainable \neq Interpretable
- Linear Regression Example

- Specifying all β s fully specifies the model (with ε standard normal distribution)
- Person running the model has no hyperparameters or any other choices



- Explainable \neq Interpretable
- Linear Regression Example

- Specifying all β s fully specifies the model (with ε standard normal distribution)
- Person running the model has no hyperparameters or any other choices

nature > nature machine intelligence > perspectives > article

Perspective | Published: 13 May 2019

Stop explaining black box machine learning models for high stakes decisions and use interpretable models instead

Cynthia Rudin

Nature Machine Intelligence 1, 206–215 (2019) | Cite this article

50k Accesses | 1049 Citations | 397 Altmetric | Metrics

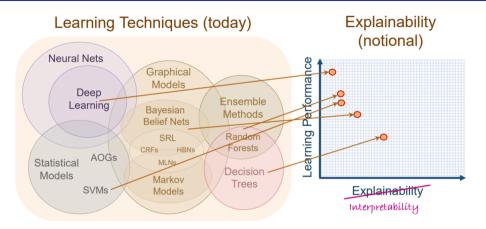
A preprint version of the article is available at arXiv.

Abstract

Black box machine learning models are currently being used for high-stakes decision making throughout society, causing problems in healthcare, criminal justice and other domains. Some people hope that creating methods for explaining these black box models will alleviate some of the problems, but trying to explain black box models, rather than creating models that are interpretable in the first place, is likely to perpetuate bad practice and can potentially cause great harm to society. The way forward is to design models that are inherently



Performance \iff **Transparency Tradeoff?**



https://www.researchgate.net/figure/

Current-Machine-Learning-Techniques-and-Notional-Explanability-Source-1

• Accuracy is not enough (even if close to 100%)

- Accuracy is not enough (even if close to 100%)
- Transparency, Explainability and Interpretability can be very important for application

- Accuracy is not enough (even if close to 100%)
- Transparency, Explainability and Interpretability can be very important for application
 - Often critically important to helping humans understand why Al makes the decisions it does

- Accuracy is not enough (even if close to 100%)
- Transparency, Explainability and Interpretability can be very important for application
 - Often critically important to helping humans understand why AI makes the decisions it does
- Without that, we're guessing at how a "well performing" black box is doing its job

- Accuracy is not enough (even if close to 100%)
- Transparency, Explainability and Interpretability can be very important for application
 - Often critically important to helping humans understand why AI makes the decisions it does
- Without that, we're guessing at how a "well performing" black box is doing its job
- Broadly, many applications of interpretability, e.g. with cars or watches, why are some products visually appealing?

 Researchers were comparing models for predicting likelihood of death for pneumonia patients in hospitals

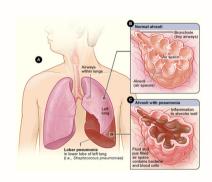
- Researchers were comparing models for predicting likelihood of death for pneumonia patients in hospitals
- Rule based learning indicated that patients with **Asthma** were less likely to die

- Researchers were comparing models for predicting likelihood of death for pneumonia patients in hospitals
- Rule based learning indicated that patients with **Asthma** were less likely to die
- Puzzling from a medical perspective!

- Researchers were comparing models for predicting likelihood of death for pneumonia patients in hospitals
- Rule based learning indicated that patients with **Asthma** were less likely to die
- Puzzling from a medical perspective!
- Why does this happen?

- Researchers were comparing models for predicting likelihood of death for pneumonia patients in hospitals
- Rule based learning indicated that patients with **Asthma** were less likely to die
- Puzzling from a medical perspective!
- Why does this happen?

- Researchers were comparing models for predicting likelihood of death for pneumonia patients in hospitals
- Rule based learning indicated that patients with **Asthma** were less likely to die
- Puzzling from a medical perspective!
- Why does this happen?



Yale SOM / Kumar