

AI governance: Plan for success

Transcript

SPEAKER

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AI presents new challenges for boards

ENZO SANTILLI: Generative AI does present some new challenges, or at least brings prior challenges to a different level. Machine learning and prior generations of AI have had some of the same risks of bias, job displacement, legal reliance on the output and strategic misdirection.

The generative AI compounds those risks because it is, by definition, generative. We're creating new assets, new output that is now published and builds upon prior models. That's the level that now gets us to really think about what we created. Have we created a monster, or have we created, say, our new Athena, a new angel of wisdom, if you will?

That is what boards will have to grapple with. At every step, we have to look at what's going into the model and what's coming out. Is that something that helps us, something that we can be proud of? Boards should be leaning into the management processes on how AI is deployed.

Why we need AI "circuit breakers"

ENZO SANTILLI: Well, it's always possible to have competing impacts on an enterprise's stakeholders. For example, I could maximize profit by paying people low wages and then hiring employees who have little mobility to get out of the situation. That type of oppressive or suppressive behavior has always existed, or at least had the risk of existing.

AI will compound the risks because of its ability to generate output and triggers on its own based on its own learnings. So to resolve it, a board should be looking to understand what the circuit breakers are.

AI will need circuit breakers. As an analogy, recall the market crash of October 1987. Unlike all the stock market crashes that came before the onset of the Great Depression, this one was caused by the snowballing, literally an avalanche of automate stop loss trading. After that,

humanity had to look and ask itself, “How can we not be subservient to our computer programming?” Wall Street introduced halts in trading in the wake to pause the market and to allow for intervention on extraordinary trading days.

We will have to examine where those circuit breakers lie with AI, because while we can leverage generative AI to do things much faster and more sweeping, we cannot let it go on auto-pilot.