

## **Podcast Episode 1 – Generative AI: Disruptive or Facilitative?**

### **Peter**

Welcome everyone. You are tuning in to our podcast today on the topic of digitalisation.

Today, we focus our attention on generative AI.

I am Peter, the host for today. I have with me, Yeo Lay Geok, who is the Founder of LG&D, and she will lead us through the discussion on generative AI and its implications on human talent. Lay Geok is a consultant in regulatory strategy and compliance, with over two decades of experience in the public and private sectors.

So Lay Geok. What is generative AI and why is there a focus on this in the world of artificial intelligence?

### **Yeo Lay Geok**

Great to have you Peter to facilitate this conversation on generative AI. So let me start with the answer to your first question.

Now broadly speaking, Artificial Intelligence or AI, is the science of making computers think like humans. AI can make decisions, recognise patterns and make predictions based on large amounts of data that AI is trained on.

Now generative AI is one form of AI that uses algorithms and large language models to generate content such as audio, text, videos and code, based on large amounts of data that generative AI is trained on.

Now let's take ChatGPT, for example, which makes use of generative AI technology. I could ask ChatGPT to write a code that can help me perform tasks. I could also ask ChatGPT to generate an article for me or summarize 1,000 pages worth of rules.

While AI is not new, generative AI has somewhat made people sit up again as it has streamlined and removed many functions that we used to do.

So take for example, students can easily write research papers without spending so much time at the library to do the background research.

I used to have a hard time trying to learn basic coding to perform certain tasks. Now I no longer need to do that. And I feel that generative AI can easily solve my problem statements.

So in essence, generative AI has brought us great convenience to our personal and work lives. But, on the flip side, I think that many functional roles in coding, education and trading, could easily be taken over by generative AI.

With that potential displacement of human talent, organisations and regulatory bodies are going to pay a lot more attention on the use of generative AI.

**Peter**

Now Lay Geok, this brings me to the next question. Do you personally think that generative AI can replace humans at the workplace?

**Yeo Lay Geok**

Thank you Peter. And now I am going to say Yes, and No to this question. It depends on the job function and how a person is going to deal with the consequences of having generative AI available at the workplace.

Generative AI as I mentioned, has the potential to displace certain job functions such as basic research and coding, and repetitive tasks.

So why do I emphasize on the word 'basic'? I personally think that any human talent can learn to adapt to the situation.

Now take for example, if a person is a coder and generative AI may take over his or her basic coding work. So why not take the opportunity to upgrade the coder's skillsets to go beyond the job function? The amount of time and effort that is greatly reduced by generative AI, can be replaced by another piece of work that requires the person's skillsets, such as project management, business analytics, and these are functions that require a lot of engagements with other stakeholders in the organisation.

Now, what if a person is a writer? Generative AI itself can easily mimic a writer's style once it has access to the writer's past articles and other media information about the writer. Generative AI can potentially make a new article even better than the one that is created by this particular human writer.

But there is one thing we must never forget. Generative AI can't replace face-to-face human interaction with others. Face-to-face human interactions have the added factor of 'aura', which means a personal special feeling or a particular quality that is very noticeable and seems to surround a person. It is this 'aura' that makes human interactions a lot more interesting and creative.

Hence I think, the key for human talent to adapt is to take the opportunity to integrate face-to-face interactions with others, in addition to social media presence and writing.

**Peter Kho**

With regards to generative AI, what do you think we need to be careful with?

**Yeo Lay Geok**

Now one very important thing we need to remember, is that generative AI tool takes data as it is, when the tool responds to your question. We still need to take steps to verify the content generated by the tool, when we use such content for our work, publications and other uses. Now when we use the content for work purpose, we need to consider that the output can affect others.

Now I recently read that this year, a New York lawyer had made use of ChatGPT to prepare a court filing which cited decisions from so-called precedent cases that never existed! Now as this filing was never verified by him before he put his defence for his client in the US court, it caused him great embarrassment. And that incident actually prompted a federal judge in Texas in the US, to require lawyers who bring cases to him, to declare that they did not use AI to draft their filings without human verification.

Personally, if I write articles and I have done that before, I would not rely on generative AI to write a baseline draft for me. But, I would use generative AI tool to do research, check on more powerful

marketing terms and verify the content against the original sources. And I also need to verify the content myself against these sources. I certainly do not wish to run into a copyright issue with other writers, who have painstakingly spent so much time to write an article that reflects their personal style. I feel that every writer needs to have his own or her personal style that would resonate well with the readers.

**Peter Kho**

Thank you Lay Geok, for your insights. Now at the workplace, how are employers reacting to the use of generative AI? Are they helping their employees to embrace it?

**Yeo Lay Geok**

Thank you Peter. Generally, employers would take a cautious approach in allowing employees to use generative AI tools. For example, employers would put in rules such as prohibiting employees from feeding generative AI tools with sensitive information, reminding employees to vet AI generated content for accuracy and if such content has cleared copyright. There are employers who have prohibited employees' access to generative AI tools on work devices.

Now some employers have also taken proactive steps to help employees embrace the use of generative AI in their work. Take for example in Singapore, GovTech developed a writing and research bot called Pair, to assist civil servants with writing, research and coding in a trial this year. Another employer, OCBC Bank, launched OCBC GPT recently to enable its employees to use the tool to assist in their writing, research and ideation work.

So whatever approach that an employer uses, some of the key risks that the employer would want to mitigate are data privacy and data security risks. Employers also do not wish to be caught by copyright issues as the data obtained by generative AI could be from sources protected by copyright laws.

For employers who have helped employees integrate the use of generative AI in their work, it is a way for accepting it that generative AI is here to stay. Employees themselves can also use generative AI as part of their work to enhance their tasks and channel their efforts to more creative thinking and problem solving. This would also help employees to embrace AI in their lives and learn new skillsets along the way, with training support from the employers.

**Peter**

Now on the regulatory front, how are the authorities reacting to the use of AI, including generative AI?

**Yeo Lay Geok**

Thank you Peter. AI is a useful tool for creating greater efficiency and effectiveness in various activities. But there is always a potential for misuse of AI. I have mentioned some of the key risks earlier, which are the data privacy and data security risks, and misuse of the copyright-protected data. The other risk that can be brought about with the use of AI, is the risk of making discriminatory decisions or spreading content that is detrimental to specific groups, such as minority groups and vulnerable groups. This is because the data that the AI tools used is only as good as what the data is. And such data may be incomplete or are not representative of the population being represented and analysed. In the financial services world, such biasness can also have serious consequences to lending or underwriting decisions, among others.

I observed that various regulators are putting in laws to ensure that organisations using AI, do it with responsibility and accountability. Take for example in the European Union, the AI Act to be implemented soon, provides a risk-based approach to regulate AI systems. AI systems could be

classified according to the risk that they pose to users. And an AI system that poses higher risk will be subject to more rules.

We come back to Singapore space. The authorities in Singapore have developed detailed guidance over the years to help organisations manage the responsible adoption of AI. For example, the MAS (Monetary Authority of Singapore) first introduced the Principles to Promote Fairness, Ethics, Accountability, and Transparency or what we call in short, FEAT Principles, and this was in 2018. So these principles guide financial institutions' responsible use of AI in their products and services. Now this was followed by a collaborative effort by MAS with the financial services industry to develop an assessment toolkit for financial institutions to evaluate their AI systems against the FEAT Principles.

I give you another example in Singapore. Another Singapore government agency, the Infocomm Media Development Authority, developed the Model AI Governance Framework in 2019, as a guidance to organisations to address key ethical and governance issues when they deploy AI solutions. This was followed by an AI governance testing framework and toolkit last year for organisations to use.

**Peter**

Before we end this session, what advice do you have for us in dealing with AI developments, including generative AI?

**Yeo Lay Geok**

Thank you Peter and this is a pretty good question. Now to us individuals out there facing the challenges brought about by AI developments, let's take it in our stride and embrace what we can harness out of AI. We can refocus our learnings and enhance our skillsets in other areas, particularly in areas that require a lot more engagements and human-to-human interactions.

I believe that even with AI tools available, officers need to fully appreciate that a strong data foundation is integral to the use of AI tools. Take for example in the financial services industry, while AI is progressively being used for surveillance work in the anti-money laundering space, AI is also feeding data from different sources within the organisation and outside the organisation.

I strongly encourage officers, such as those in compliance, to take up courses in data management to help you to manage interactions with other stakeholders in the organisation in data transformation work and the deployment of AI.

Now since 2017, I have advanced from my core expertise in regulatory compliance for the banking sector and oversight of payment systems, to Regulatory Technology, with key focus in data management and lineage. And I started training the banking sector in data transformation concepts last year, with the objective of empowering as many personnel in finance, operations and compliance, to engage effectively with business users and technology personnel to centralise data from different data sources, into a repository. AI tools can then be deployed effectively from such repositories.

**Peter**

Thank you Lay Geok. We have come to the end of this podcast. We hope that our audience have enjoyed it. We have provided relevant references at LG&D website. Please also refer to the disclaimer relating to this podcast at the same page.

Thank you for listening in, and do tune in to our other topics at LG&D website.

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