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Four steps to embed data ethics into your data-risk control environment - social media posts

To enable innovation and growth, embed data ethics assessments for first-line data users

Just as data use is often essential to business growth, data ethics is often essential to support innovation, fulfil regulatory demands and win customer trust.

Data ethics compels you to look beyond legal permissibility and commercial strategy in the "can we, should we" decisions about data use. It prompts you to factor into decision-making a wider, often more complex set of considerations that include such things as customer views, social norms and data ethics guidance from regulators.

This complexity is causing many data ethics initiatives to stall. Early movers - who make the link between data ethics and customer trust - will often gain a significant competitive advantage. But the journey from principles to process is challenging. To bring data ethics to life for your first-line data users, you will usually need a consistent framework and tooling that delivers rapid data ethics assessments on-demand.

In this article, you will read about four steps that will help take you from a principles-based approach to a fully operational data ethics process. This article also explores some of the drivers for the development of data ethics, and the advantages to you and your organization of moving beyond a purely principles-based approach.

By Matt Whalley and Jeremy Brown
You should read this if you are responsible for embedding data ethics principles and practices within your organization

Concerns grow around the sensitivity and volume of data required for innovation

Markets and consumers continue to be excited by the latest information-driven innovations. But the rate at which data is now routinely collected and processed has led to a significant increase in social and regulatory scrutiny. In particular, concerns grow around the sensitivity and volume of data required for many modern applications to function commercially.

Regulators are increasingly worried about many of the potentially contentious ways consumer data could be used. And many customers are demanding greater transparency and trust before handing over personal information. As a consequence, a questionable (albeit legal) use of data may now be just as likely to result in a public relations nightmare as the data leaks and breaches that frequently make news headlines.

Because of this new risk landscape, many customers and regulators want to see organizations go further than the minimum standards set by data protection rules. They often want you to self-regulate your data use so that data is used within socially acceptable ethical standards, as well as within the bounds of law and regulation. This presents new challenges, but you can use data ethics to help engage regulators in debate regarding new data uses that can support the sustainable growth of your business.

To enable innovation and growth, embed data ethics assessments for first-line data users
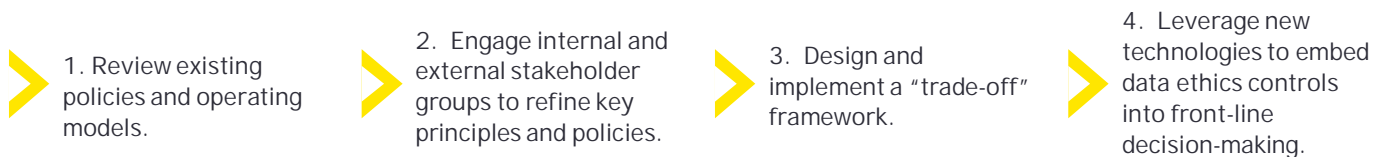
Leading organizations have learned that simply instructing their officers and employees to "do the right thing" is not an effective way to identify newly acceptable data use cases and support innovation across their organization. Instead, they are beginning to embed more sophisticated data ethics frameworks within their data-risk control environments.

There are often clear advantages to moving beyond a principles-based approach:

▶ You can help to demonstrate that your organization is acting both within the letter and spirit of data protection rules.

▶ You can often open new avenues of dialogue with regulators, guidance bodies and consumers.

▶ You can often stay ahead of the curve of regulatory developments by pre-empting and responding early to changes in regulatory attitudes.

▶ Customer views may be more easily embedded into day-to-day decision-making, which can help you demonstrate to your customers that you can be trusted with their data.

▶ Your employees would usually have a clear framework within which they can explore innovative (and ethically acceptable) ways to unlock value from data assets.

Four steps to move from principles to process in your data ethics program

To explore the potential for data ethics to support innovation and customer trust, you will often need to operationalize data ethics within your organization. Read below four simple steps that can help take your data ethics program from principles to process:

▶ 1. Review existing policies and operating models.

▶ 2. Engage internal and external stakeholder groups to refine key principles and policies.

▶ 3. Design and implement a "trade-off" framework.

▶ 4. Leverage new technologies to embed data ethics controls into front-line decision-making.

Step 1: Review existing policies and operating models

The first step is to take stock and evaluate how well existing data ethics principles, policies and processes are operating. You should ask yourself:

▶ To what extent can I trace existing ethical foundations back to current and emerging regulatory guidelines?

▶ How well do our existing controls operate when compared to the prevailing industry best-practices and our competitors?

▶ What are the gaps in our existing ethics policies and related processes?

Answering these questions will usually enable you to identify key areas for policy and process improvements. It can also help you to trace your data ethics controls back to a set of defined principles and regulatory guidance. From there, you should be able to define a target state that promotes lawfulness, accountability and trust.

Step 2: Engage internal and external stakeholder groups to refine key principles and policies

Using a mix of interviews, customer reviews and surveys, your goal for the second step is to surface the ethical tensions between your stakeholders and, in turn, identify areas where their ethical sentiments converge. This should help to determine your organization's data ethics risk appetite.

It is often not clear how the trade-off between unlocking value from data assets should be balanced against the interests of other stakeholders outside of your organization. Therefore, engaging with internal stakeholders, regulatory bodies and your customers is usually essential as you develop, implement and run your framework:

▶ Internally, identify which stakeholders should be engaged to deliver a diverse and representative balance of voices and opinions that are relevant to your organizational goals.

▶ If you choose to set up a Data Ethics Board, take care that it contains representatives from your executive board, non-executive directors, technology, legal and compliance.

▶ To embed a balance of views, supplement your Data Ethics Board with representatives from outside the organization, such as customer representatives, academics and external consultants who can often challenge decisions more freely.

As you develop your risk appetite, you should provide platforms where the voice of your customer is clearly considered by engaging with customers through online surveys, in-person interviews and customer labs.

Step 3: Design and implement a trade-off framework

Once you have positively defined the standards that match your ethical appetite, designing and implementing an ethics trade-off framework is the leap that will usually take you from a principles-based approach to one that embeds data ethics into existing processes, operations and decision-making. It can also enable you to transition from paper policies to a technology-led architecture.

An ethics trade-off framework is a system that helps data users evaluate the trade-offs between opposing ethical positions. For example, a trade-off framework could include technology-enabled processes, rules and logic that aid first-line data users to:

▶ Identify the ethical impacts of a proposed data use-case.

▶ Evaluate the ethical risks flowing from the trade-offs that result from those impacts.

▶ Evaluate whether these risks fall within your organization's ethical appetite.

The outputs of the framework can then usually be used to anchor decision-making.

Example Data Ethics Framework
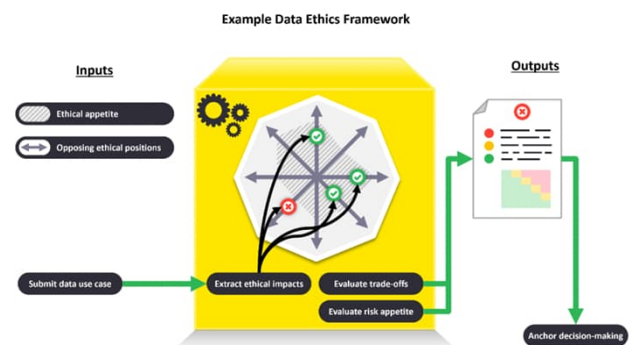
Step 4: Leverage new technologies to embed data ethics controls i first-line decision-making

Now that you have the building blocks of a data ethics architecture in place, your final step is to apply the newly enhanced policies, ethical appetite and trade-off framework to existing day-to-day processes and controls (and test them so that they function as intended).

Leveraging new technologies can help you digitize your privacy risk control environment to unlock value from your data assets. You should explore how new technologies embed data ethics controls and test whether the solution can help deliver clear data ethics assessments to first-line data users, support rapid decision-making and guide sustainable business growth.

I hope you found this article useful. If you want to talk about how to develop your own data ethics approach, please get in touch.

Lastly, to maintain your organization's ethical appetite, regularly refresh opinions from stakeholders to update stakeholder sentiment in your trade-off framework. Monitor developing regulatory guidance and update policies as needed. Review the use-cases being tested by front-line staff to validate that your trade-off framework is delivering the expected results, and request feedback from your technology users to streamline your approach.

The views reflected in this article are the views of the author and do not necessarily reflect the views of the global EY organization or its member firms.

Sources
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