KPMG | Hispanic Technology Executive Council

Using AI responsibly

HITEC and KPMG
AI and data ethics survey

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Introduction

For technology leaders and organizations to successfully develop and adopt artificial intelligence (AI) solutions, managing the associated risks and mitigating the potentially negative impacts are essential. To understand how business leaders are evaluating, prioritizing, and addressing AI and data ethics within their organizations, KPMG conducted an online survey of Hispanic Technology Executive Council (HITEC) members.

> " HITEC recognizes the importance of innovation and technology to the global economy. Given the importance of AI and data ethics, we partnered with KPMG to provide insights into approaches organizations are using to govern and enable responsible AI use and innovation. We are grateful for the fantastic response of our HITEC familia to participate in this survey."
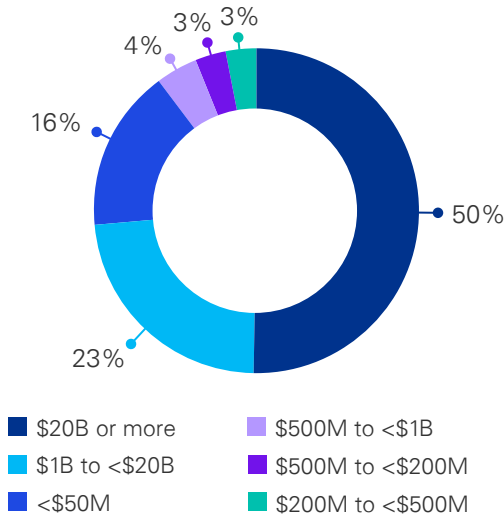
Rosa Ramos-Kwok
HITEC Chair

Methodology

This report is based on the survey data from **160** HITEC respondents, as well as insights from KPMG subject matter professionals in AI and data ethics, data governance, data strategy, and risk management. KPMG conducted the online survey from September to October 2023.
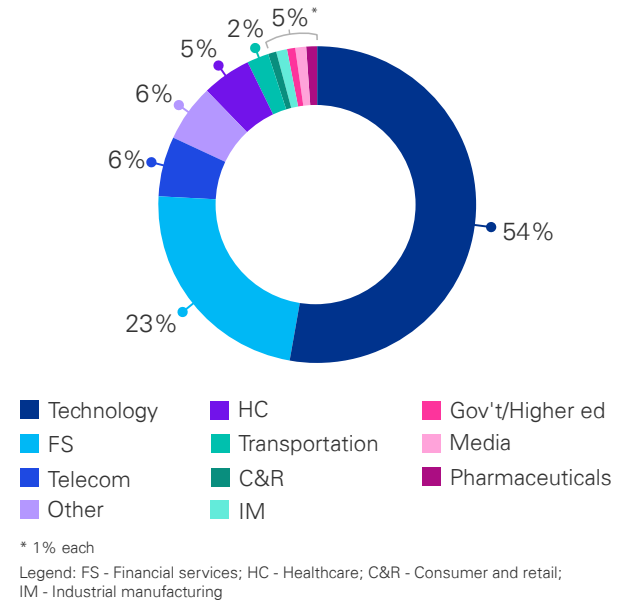
Respondent level in organization

17% C-suite executives

25% Senior vice presidents, Vice presidents

Annual revenue

- $20B or more — 50%
- $1B to <$20B — 23%
- <$50M — 16%
- $500M to <$1B — 4%
- $500M to <$200M — 3%
- $200M to <$500M — 3%

Legend:
- $20B or more
- $1B to <$20B
- <$50M
- $500M to <$1B
- $500M to <$200M
- $200M to <$500M

Industry

- Technology — 54%
- FS — 23%
- Telecom — 6%
- Other — 6%
- HC — 5%
- Transportation — 5%
- C&R — 2%
- IM
- Gov't/Higher ed — 5%*
- Media
- Pharmaceuticals

* 1% each

Legend: FS - Financial services; HC - Healthcare; C&R - Consumer and retail; IM - Industrial manufacturing

Survey highlights

AI and data ethics matters

Nearly **70%** of executives are concerned there is an overarching potential for AI to increase bias and negatively impact their organization

Generative AI use and concerns

82% of respondents are actively using or experimenting with GenAI at some level in daily work—however, concerns exist with potential for privacy violations, undetected bias, and reliability

High personal engagement
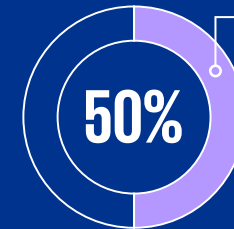
50% of executives are learning, messaging, dedicating resources, and setting clear standards

Adopting an AI and data ethics framework helps boost activation of ethical principles

3-4x

Investment priorities

While privacy and integrity are still traditional focus areas, attention is turning to bias and explainability

Accountability stood out as key cultural lever not yet emphasized

General sentiment on the ethical use of data and AI

Adoption

The HITEC survey responses indicated that a large number of organizations are adopting GenAI, with 74 percent actively using or experimenting with it at some level in daily work. Executives are highly engaged, with 57 percent spending 20 or more hours learning about AI in 2023.
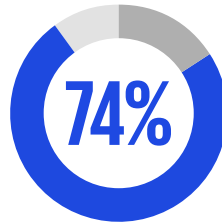
74% of executive-level respondents report the use of GenAI technologies is permitted in the daily execution of work
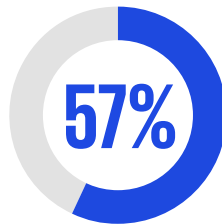
57% of the executives spent >20 hours learning about AI in 2023

Risks

As organizations learn and experiment, they are recognizing both traditional and new AI-related risks. When considering use of big data and AI, 68 percent of respondents said they have concern about negative impacts on their organization. Of those who work with AI on a regular basis, they believe this will make bias materially more prevalent (69 percent) in the general economy.
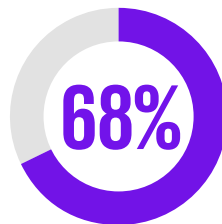
68% are concerned about negative impacts of using big data and AI in their organization
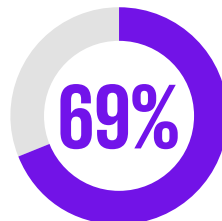
69% of those who work with AI on a regular basis believe that bias will be materially more prevalent in the general economy

HITEC respondents said the top three AI-related risk drivers most likely to impact their organization are regulation (51 percent), strategic market disruption (50 percent), and intellectual property loss (44 percent).
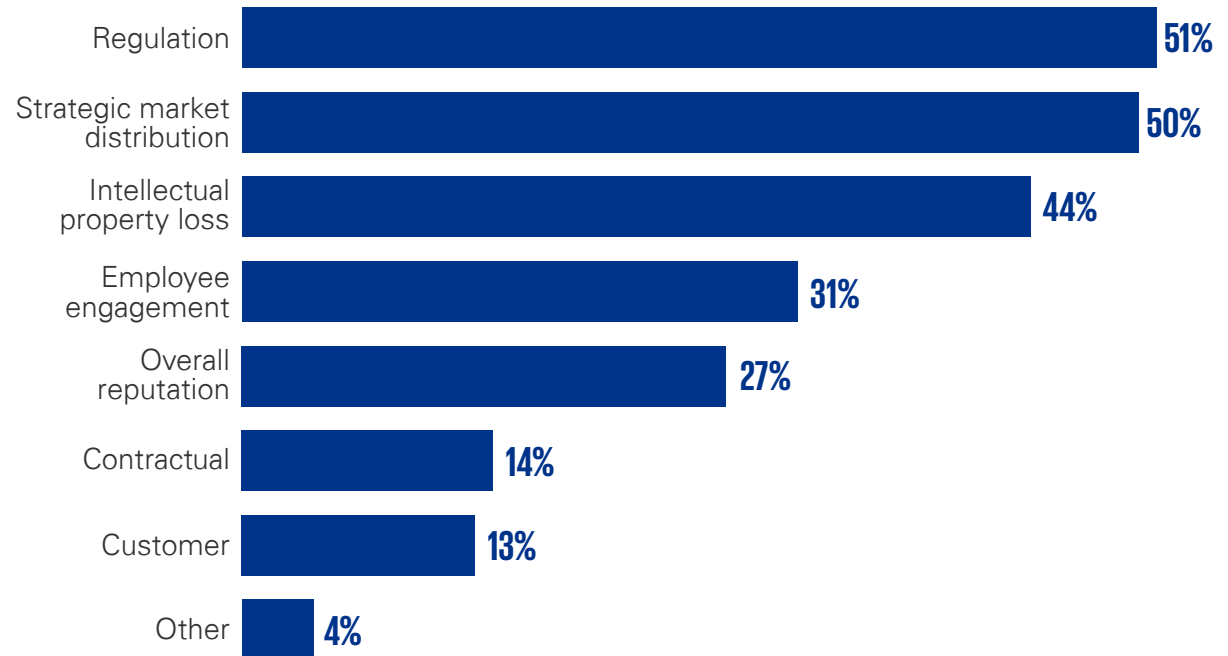
In response to these risks, about half (49 percent) of executives surveyed placed significant emphasis on discussing ethical use of data and AI.
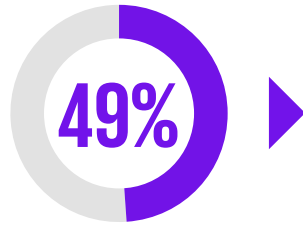
49% ▶ of executives placed significant emphasis on discussing ethical use of data and AI

Which driver of AI-related risk will impact your organization the most?

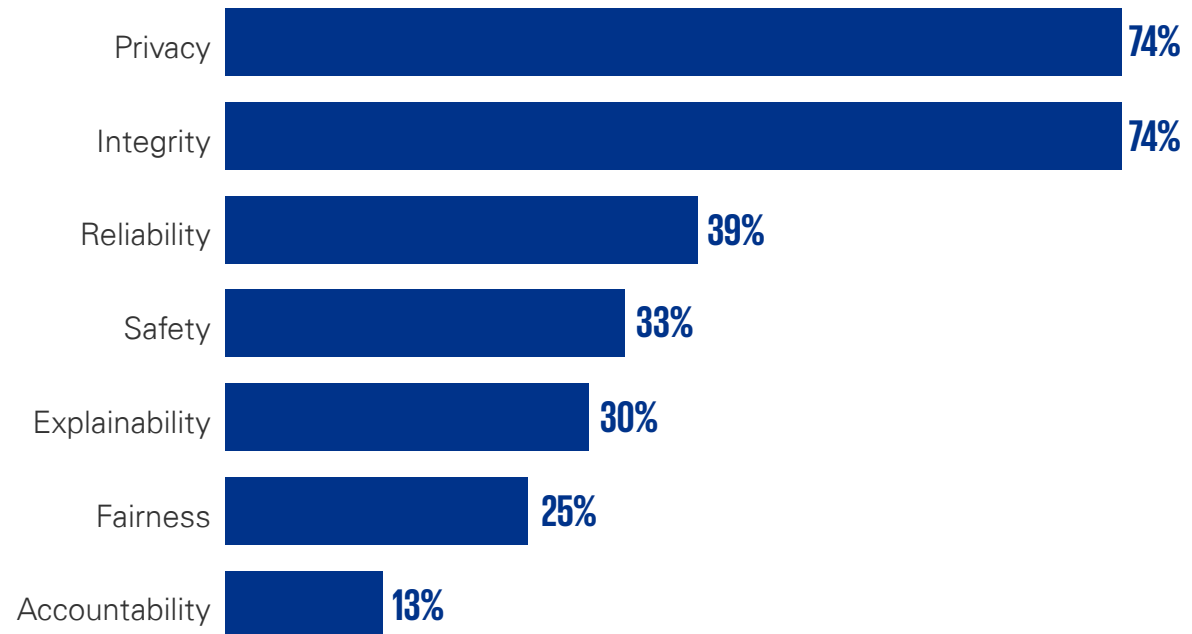| Driver	Percentage
Regulation	51%
Strategic market distribution	50%
Intellectual property loss	44%
Employee engagement	31%
Overall reputation	27%
Contractual	14%
Customer	13%
Other	4%

Organizations are setting priorities

A large majority of HITEC respondents (74 percent) indicated that their organization will focus on the traditional ethical challenges of privacy and integrity.

The principles of reliability (39 percent), safety (33 percent), explainability (30 percent), and fairness (25 percent) were the next set of priorities. These concepts are all closely related to new(er) data and AI risks introduced by GenAI and may not necessarily be a lower priority. They are just more recently added considerations for organizations to evaluate and address.

Notably, only 13 percent of respondents expected accountability to be a priority. This may be because decisions around AI and data ethics are often decentralized and made rapidly as organizations embed AI into their operations and processes. But formalizing accountability for evaluating ethical considerations in data and AI decision-making will offer an opportunity to mitigate potential risks.

When considering organizational strategy and investments, which aspects of data and AI will be a priority?

Aspect	Percentage
Privacy	74%
Integrity	74%
Reliability	39%
Safety	33%
Explainability	30%
Fairness	25%
Accountability	13%

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> "Microsoft's commitment to responsible AI dates back to 2017 and through our learnings and practices, we have implemented a robust governance process that guides the design, development, and deployment of AI in safe, secure, and transparent ways. Microsoft is setting an industry example through trainings, tools, programs, and a strong governance structure that extends its reach to our customers and partners to help ensure that the AI applications that are deployed on our platforms meet the legal and regulatory requirements for responsible AI and support the implementation of their own AI systems responsibly."

| *Alvaro Celis, HITEC Board Member & VP, Global ISV – Commercial Solutions, Microsoft*

To mitigate the identified risks and activate AI and data ethics practices, 68 percent of organizations already have dedicated resources and/or will be expanding in the near term to have a team focused on responsible AI. Additionally, they are starting to expand ethics training to include AI (32 percent) and use an AI framework to guide expanded ethics training (27 percent).

68% ▶
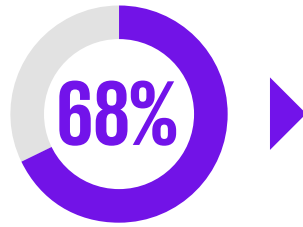
of HITEC respondents said their organizations already have dedicated resources to mitigate risks

Specific ethics-related training

Have ethics training

78%

Expanded ethics training to include AI

32%

Use an AI framework to guide expanded ethics training

27%

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Frameworks drive activation of ethics

There are many different types of ethical frameworks and methodologies, but most are centered around a set of 5-10 common principles. Each of these principles can be applied to a breadth of business processes, including strategic decision-making, technology assessments, data curations, and the AI development lifecycle. Combining them into a framework creates a common language and method to manage data and AI risk.

The HITEC respondents who indicated that their organizations use and train on AI frameworks have much higher activation of core ethical and responsible data and AI principles than those without such a framework.

Accountability establishes and maintains the responsibility for humans "in the loop" who recognize and evaluate ethical concerns, and decide and act in an accountable manner that adheres to regulatory requirements, company values, and ethical standards.

11%
59%

Integrity addresses the quality of the data, including understanding any bias; it also addresses how data is obtained and ensures compliance with regulations and terms of use.

18%
59%

Privacy protects and respects individuals' identity and dignity by safeguarding their personal data from unauthorized exposure or access, and ensuring the use is aligned with agreed upon consent.

25%
59%

Measured activation level refers to the percent where an organization is highly activated—with policy, guidelines, and specific tools/practices routinely deployed for each trusted AI principle.

■ No framework in place
■ Framework in place

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The results from the survey showed that regardless of the specific principles, if an organization trains and enables employees with an AI framework, they activate these principles three to four times more often than those working at organizations without a framework. Therefore, having the right governance and training elements augmented with an AI framework can accelerate the embedding of responsible data and AI principles and practices within an organization.

Safety encompasses a set of procedures, processes, and principles designed to address negative physical impact to humans, property, or the environment through the use of fail-safe controls.

11%

53%

Fairness ensures equitable treatment by eliminating bias, identifying harmful and discriminatory impacts, and providing equal accessibility to technology.

7%

41%

Reliability describes solutions that consistently operate in accordance with their intended purpose and provide accurate outcomes.

11%

41%

Explainability ensures AI recommendations and predictions are transparent and easy to understand by decision-makers and those subject to the decisions. It includes providing meaningful information into how data models and AI systems reach their conclusions and projections.

9%

35%

Measured activation level refers to the percent where an organization is highly activated—with policy, guidelines, and specific tools/practices routinely deployed for each trusted AI principle.

■ No framework in place
■ Framework in place

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Leadership considerations

The survey results demonstrate that over half of respondents' organizations have started to implement governance to support the ethical use of data and AI.

64% Setting policy

54% Defining terms

54% Developing guardrails and principals

These three aspects of AI governance are critical first steps to creating common objectives for responsible AI use.

Keeping pace with the accelerated change of an AI world requires a sea-level change in data governance practices.

01 Make your guiding principles and practices well understood internally *(and externally, if appropriate)*

If you, like many respondents, haven't yet set data and AI ethical principles (46 percent), and haven't trained employees using a consistent framework (73 percent), make those your next-step priorities. Additionally, consider your external messaging. Public conversations around responsible AI are increasing, and some organizations are publishing their guiding principles externally to showcase to their customers and stakeholders how they intend to use AI responsibly to provide better products and services.

02 Set formal, human accountabilities

This is especially important if you are in an organization without a dedicated team focused on responsible AI. There are ethical risks across the data supply chain and AI lifecycle that can potentially contribute to negative outcomes. To mitigate these risks, organizations should define clear roles and responsibilities and consider formalizing expectations in job descriptions and performance metrics.

03 Prepare for the changing face of regulation

Responsible AI practices are being introduced into regulation. To comply, organizations will need a more robust control environment, adding to the cost and complexity of innovating with AI. New data governance tools, processes, and roles will need to evolve as quickly as technological innovation.

04 Extend your governance practices and tools to enable GenAI solutions

Data is the life blood of the enterprise's AI and digital strategy, and the acceleration of AI is changing the data landscape. Emerging data assets like third-party content are proliferating quickly, and unstructured data assets are critical to AI-augmented search capabilities. The acceleration of technologies and high-value business use cases, coupled with upcoming regulation, creates ethical risk and demands for a new approach to data governance. Organizations will be legally and reputationally accountable for outcomes of their GenAI solutions. To ethically support GenAI models and mitigate risk, enterprises will need to rethink and augment their data and information governance practices.

About Hispanic Technology Executive Council

Our mission is to empower Hispanic technology professionals to accelerate leadership capacity through access to a network of business leaders and decision-makers at the highest levels of the global economy. We provide culturally relevant leadership development, educational programming, and mentoring. We inspire Hispanic students and professionals to develop confidence and a path to their ambitions while positively impacting lasting equity for our shared community.

Learn more about HITEC, upcoming events, and the HITEC Foundation.

About KPMG

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing audit, tax, and advisory services. The KPMG global organization operates in 143 countries and territories and has more than 273,000 people working in member firms around the world.

Learn how KPMG can help make your generative AI implementation successful, and explore how we can help you adopt AI in a safe, trustworthy, and ethical manner.

Related thought leadership:
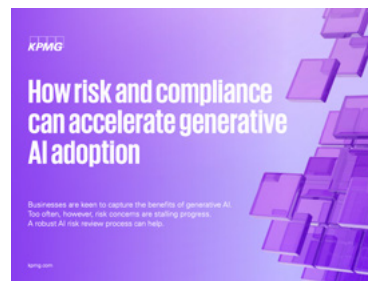
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Bob leads the KPMG U.S. Advisory practice's data agenda while helping teams integrate a data-driven approach into their services and offerings. He is focused on creating more connectivity within the broader chief data officers community externally and improving data literacy for our people internally to promote better management and use of data assets to create value for clients.

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Gwyn is a key contributor to the Data Strategy and Operations for KPMG's U.S. Advisory practice. She is focused on creating strategy and thought leadership in the area of data governance, data ethics, and responsible AI. Gwyn is responsible for developing ethical data use frameworks and practical methods that prepare Advisory professionals to navigate AI data risk.

We would like to thank our HITEC survey participants for their insights.

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