

# AI and the Ethical Conundrum

How organizations can build ethically robust AI systems and gain trust

## Customers are becoming increasingly comfortable with AI but have high expectations

- **49%** of customers found AI interactions to be trustworthy in 2020 compared to 30% in 2018
- **71%** of customers want a clear explanation of result generated from AI systems
- **66%** of customers expect AI models to be "fair and free of prejudice and bias against me or any other person or group"
- **67%** expect organizations to take ownership of their AI algorithms when they go wrong

## While organizations are more ethically aware, progress in ethical AI has been patchy

Organizations are now more aware of ethical issues as compared to last year

**78%** of executives are aware of explainability in AI systems today, compared to only 32% in 2019

**69%** executives are aware of transparency in AI engagements today, compared to 36% in 2019

**65%** executives are aware of the issue of discriminatory bias with AI systems as opposed to 35% in 2019

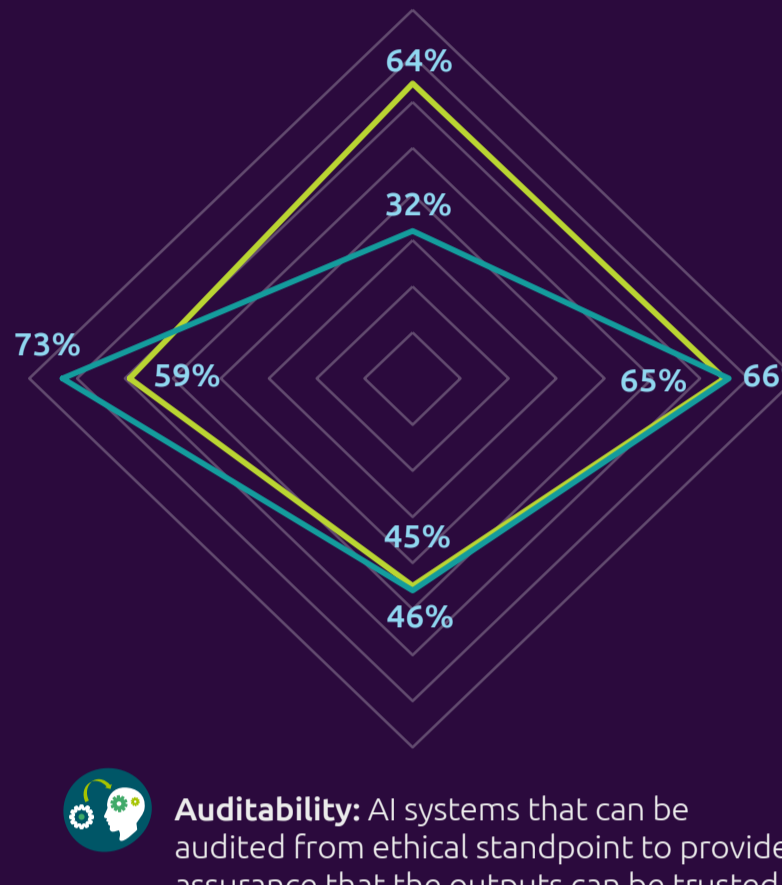
## However, barring 'explainability', most other dimensions of ethics are underpowered or failing to evolve

**Underwhelming:** AI systems that can explain how it works in a language people can understand

**Transparency:** AI systems that work in a clear, consistent, and understandable manner

**Fairness:** AI systems and data are designed and tested to ensure fair treatment of all customer groups

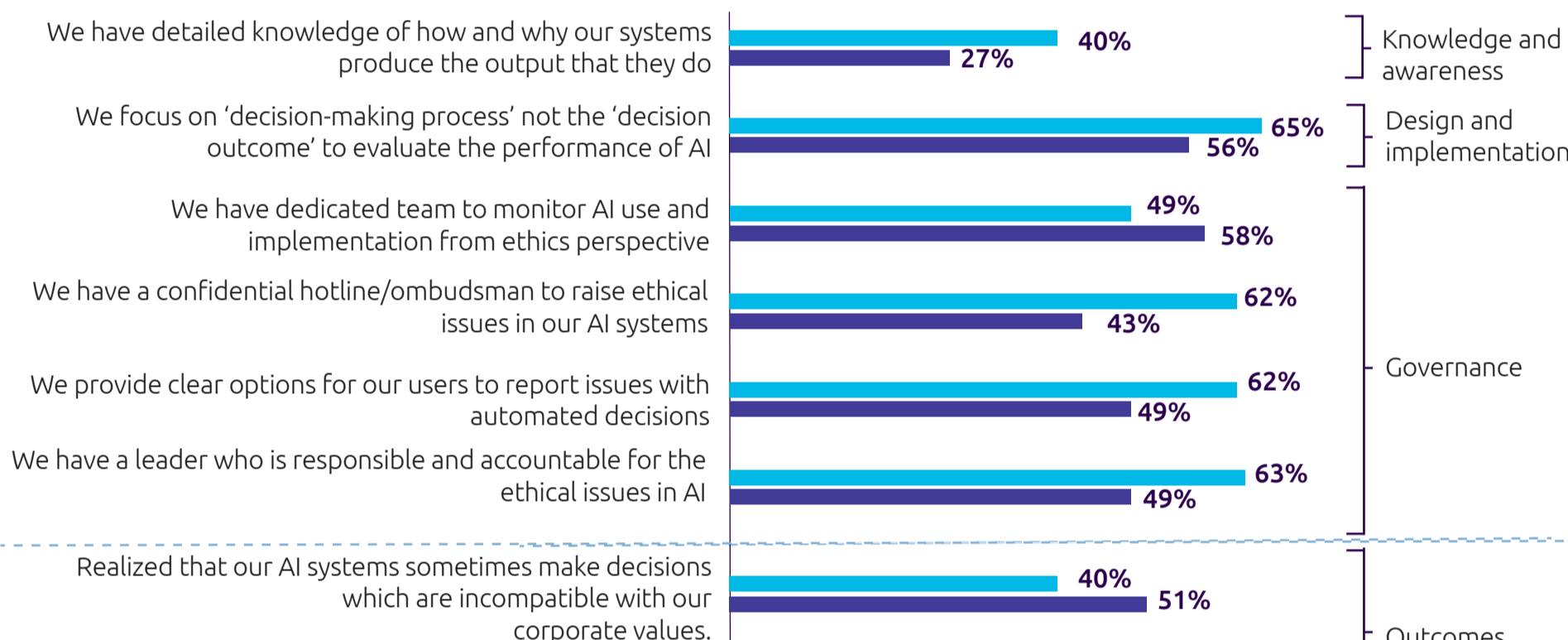
**Auditability:** AI systems that can be audited from ethical standpoint to provide assurance that the outputs can be trusted



## Lack of development of internal practices within organizations hinders the path to Ethical AI

Significant differences exist in the understanding of ethical issues between AI developers and AI users

% of executives agreeing with following statements



Sources: Capgemini Research Institute Ethics in AI executive survey, March – May 2020, N=884 executives. Note: The executives surveyed are highly aware of how AI is used by their companies in different customer interactions.

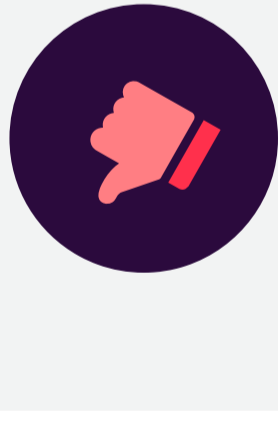
## Leadership, Accountability and customers empowerment are other key areas of improvement for organizations



only **53%** of Organizations have a leader who is responsible for ethics of AI systems



Only half said they had a confidential hotline/ombudsman to enable customers/employees to raise ethical issues with AI systems



Customers empowerment metrics have remained approximately the same as 2019 e.g., share of organisations allowing customers to delete, modify and access their information reduced from **70%** to **60%** in 2020

## This patchy response means organizations risk losing customers' trust

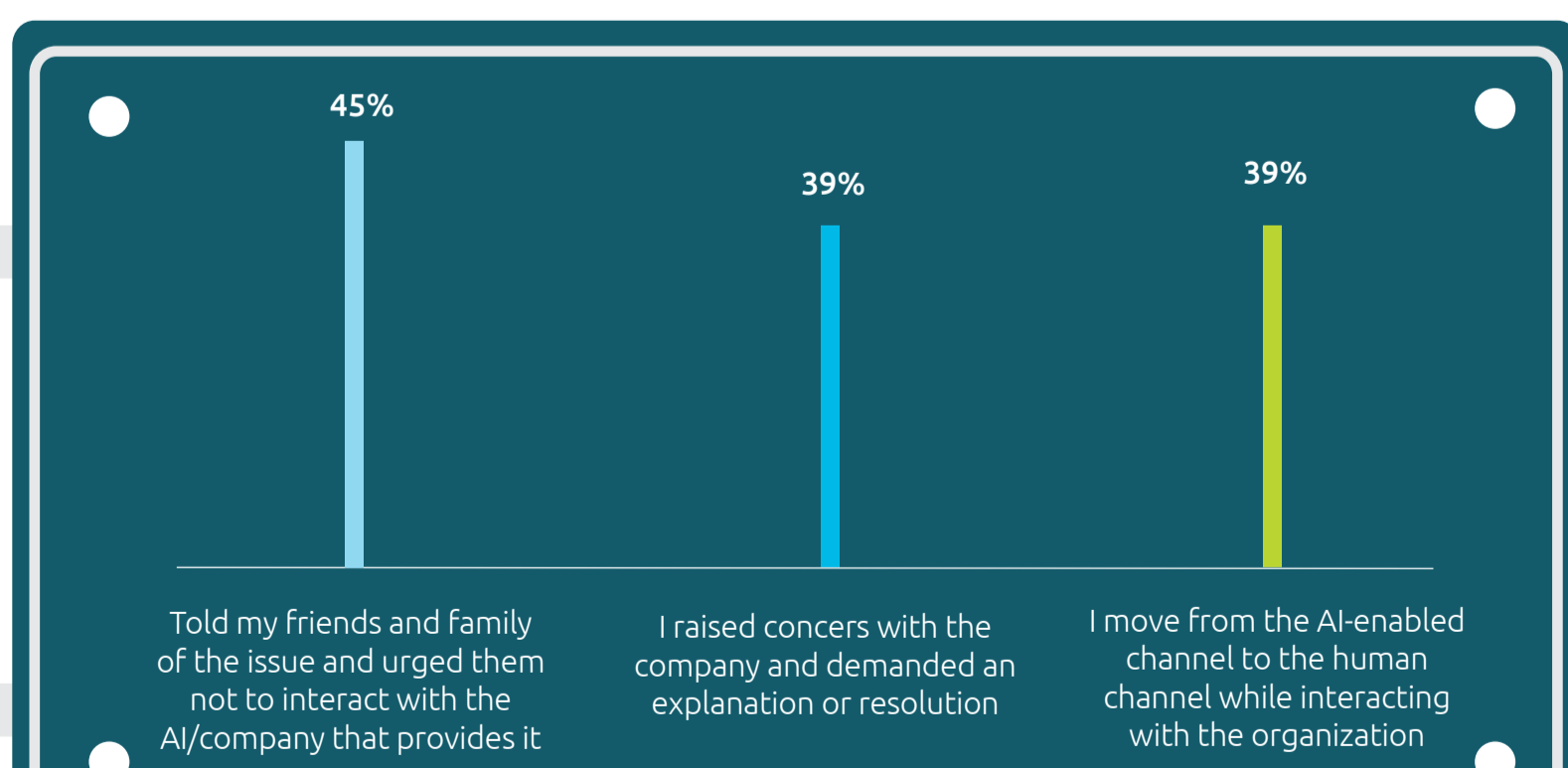
Organizations are increasingly attracting public scrutiny due to lack of ethical AI

**60%** Executives say that they have attracted legal scrutiny of their AI systems and data handling procedures in the last two to three years

**22%** 1 in 5 executives say that they have faced a customer backlash as a result of their AI systems operations (in France, this climbs to close to a third, 31%)

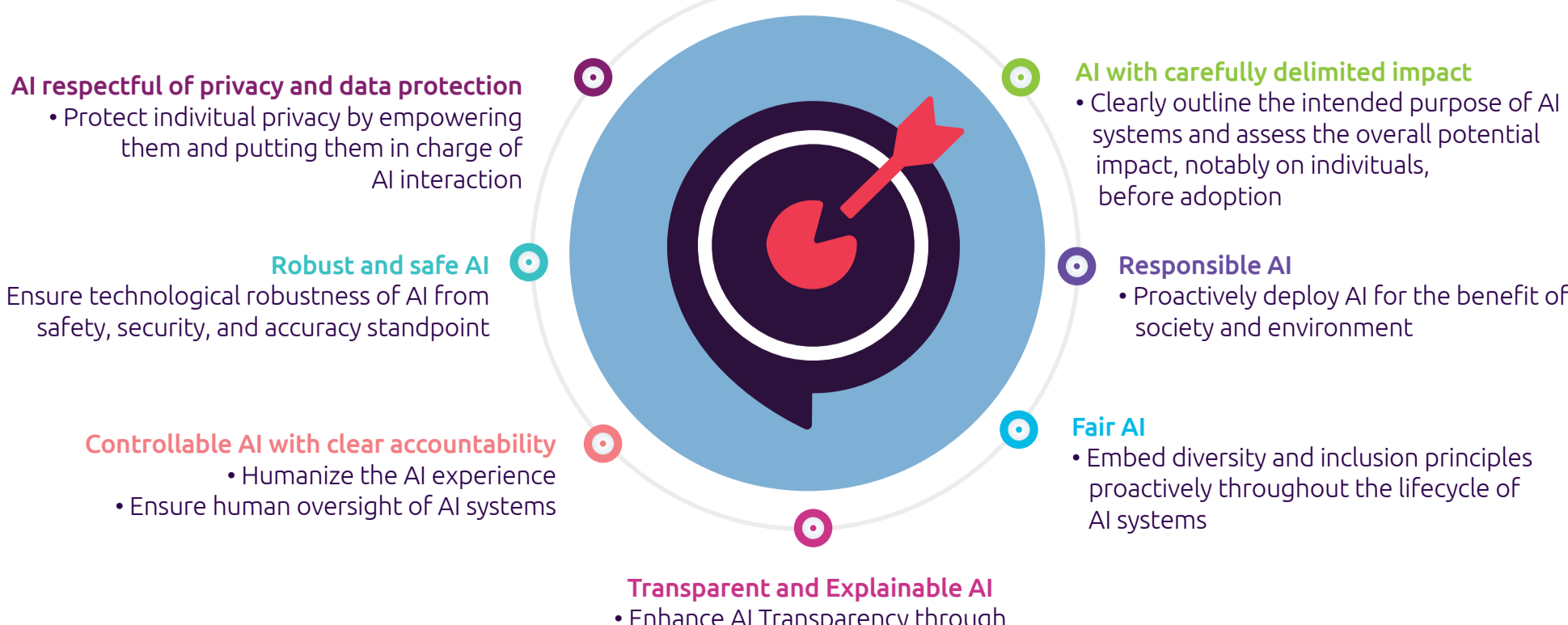
## A negative AI experience comes at a high customer cost for the organization

Customers' reactions in case of negative experience with AI systems from organizations



## How can organizations move to ethically robust AI systems?

A framework to build and use ethically robust AI systems



**Establish a foundation of ownership of ethical issues and set up strong internal processes**

- Leadership • Ethical • Governance • Operationalization • Audits • Trainings

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