

# Why Operationalizing Digital Ethics is Hard

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A tale of an organisation on  
its digital ethics journey

// a case study for leaders trying  
to operationalize digital ethics

“The central challenge ethics owners are grappling with is negotiating between external pressures to respond to ethical crises at the same time that they must be responsive to the internal logics of their companies and the industry.”

- Harvard Business Review,  
November 2019

# In a company not far away...

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The founder and CEO of a private company that has started using a combination of data-driven analytics, machine learning and automation has been reading about the ethical questions of the advanced technologies.



The CEO believes in the power of technology for humanity, not just for profitability, and was a forerunner of operationalizing sustainability throughout the organization.



The leadership team decides to spend a

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day speaking to people across the company around the world to see what ethics means to them with regards to the technologies they are trying to adopt to gain a competitive advantage.



The leadership team is aware of the growing debate and focus on issues fairness, accountability and transparency in data governance and were expecting the feedback to be focused on those issues. They knew that it wouldn't be easy.



This is their story.

# Their initial findings

Here is what they noted from different teams and departments:

- The data scientists and a number of other technical staff asked what the company was doing to ensure that the services were free from bias and what, if anything, the company could do to contribute to the issue following from their already existing sustainability commitments
- People operations said questions over ethics had increased substantially, in particular from younger candidates and technical talent

- Customers are increasingly asking about the company's ethical guidelines. Not just in social media in terms of B2C products but key purchasing decision makers in B2B products too.
- People from all over the organisation (but in particular from technical teams and general support staff) were concerned about the end user and industries that could use the technologies they were developing. Not just consumer services but industrial applications as to concerns about potential "dual use".

- The specific issues people raised seemed to vary across the multiple markets the company was in. What people thought ethical appeared to depend on their nationality or broad cultural background.
- Several senior managers privately voiced fears that focusing on ethics would slow the company down or become a handbrake on innovation
- The legal and regulatory affairs team pointed out that regulation was inevitable and pre-empting them would give the company reputational benefits and minimise the future cost of the inevitable.

- The board wants to be able to quantify "ethics risk" because of the growing focus in the media on the issue and wants to ensure they company ensures due diligence on third party suppliers to make sure they don't hire the "next Cambridge Analytica"

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The CEO of the company quickly realised that what the leadership team had previously thought of as the realm of ethics questions - data governance issues - was just scratching at the surface of the issue.

# As if it wasn't complicated enough already

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The CEO called a meeting of the leadership team to review the findings and create a strategy to deal with the multiple issues and demands from all across the organisation.

The CTO found plenty of free toolboxes and processes to ensure the data governance issue was solved but that would only solve one - now relatively small - part of the problem.

But the discussions added to the complexity of the task:

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The head of legal said that the only ethics issue from a strictly legal sense that they should comply with was GDPR and they were already compliant and it wasn't an issue as no-one had any concerns. Until there was legislation on the issue there was nothing they could comply with.

02

The communications manager raised concerns about potential short-term negative consequences of being a first mover and taking a visible and proactive position on the issue.

03

The sales manager agreed with the communications manager as unlike the concept of sustainability, the ethics of advanced technology had yet to be settled and suggested waiting until there was a broader consensus. Wait and follow, don't hurry and lead.

04

The people operations manager pointed out that with tight budgets they were unable to outbid rival offers for the best technical talent and alerted the CEO to a shocking article in the Financial Times that said data scientists typically spend "1-2 hours a week looking for a new job".

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The CEO understood the urgency of the task but was overwhelmed with the complexity of the task. There appeared to be more obstacles than easy solutions at hand.

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But that didn't stop them. The leadership team decided to address the issue and press ahead with operationalizing ethic.

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The next step was finding the right approach to take or emulate an existing system. Lacking a digital ethics officer with the experience of creating and implementing such systems they had to do it internally with the resources available or get external assistance.

# The search for a solution

To solve their data governance issue there was a huge number of toolboxes and templates offered from universities to international standards organizations to data science community. There was almost too much to choose from.

But that only solved one part of the problem. So what to do? They decided to look externally for help.

But they soon realised that the traditional resources could only solve one part of the puzzle.

For example:

- A law firm could help design a legal compliance system but couldn't tell them what they should be complying with.

- An academic or NGO could teach them about the broader social and philosophical issues but couldn't create something that was appropriate to the unique needs of a fast moving, innovative and imperfect organisation.
- A PR company could help them understand the shifting political, cultural and media sands but wouldn't be able to create the appropriate internal ethical systems or structures
- A management consultancy could help design a model to define known and quantifiable risk but this would need to be continuously updated according to the political and media wind as what defined ethical risk was changing almost daily.

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Overall the founder saw common problems and weaknesses from traditional vendors:

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01 - Everyone tried to solve the problems from their professional perspective.

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02 - Using multiple suppliers would create a patch-work or potentially overlapping solutions minimising efficiency but maximising cost.

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03 - Most focused their offering on reducing risk and perceiving the issue as a problem to be solved, not an opportunity to be leveraged.

“if all you have is a hammer, everything looks like a nail”

- Abraham Maslow's Law of the Instrument

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Many articles, consultancies, academics, journalists and regulatory leaders talked about developing an ethics board, but that would be an expensive administrative burden the company couldn't afford and wasn't appropriate as their ethical needs were relatively limited.

# Conclusions

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- Doing digital ethics is hard
- It is an issue everyone has their own opinions about and this varies across nationality and culture (unlike for example, anti-bribery or anti-corruption measures which have traditionally been the key ethical considerations for businesses)
- Digital ethics is more than just data governance issues or ensuring products or services are free from bias or are fair, accountable or transparent.
- Most organisations that provide historical ‘ethics’ services are not fit for the digital age as they only solve a single pain point or issue.
- There are no global standards (except perhaps for on data governance) which means most will have to start from scratch
- Although regulation appears inevitable the focus on suggested business application is vague and intangible. For example on AI a lot of focus is on “human values” or “human centric” but this needs to be operationalized in real-world settings to be effective.



## About Ethical Advantage

Ethical Advantage is an ethics advisory firm with a unique background in ethical systems design, disruptive technology and artificial intelligence.

With Ethical Advantage companies and organisations can drive business value from ethics by making them operational and practical.

For more information, visit [www.ethicaladvantage.co](http://www.ethicaladvantage.co)