Responsible AI in Action

Balancing Regulation, Ethics, and the Future

PART 3: Forecast & Takeaways

Responsible AI in Action
Part 3: Forecast & Takeaways

As AI continues its meteoric rise, reshaping industries and societies, we are thrilled to present the third installment of our Responsible AI series: *Forecasts & Takeaways.*

Building on the foundation established in **Part 1: Navigating Regulatory Frontiers** and **Part 2: Ethical AI: Mitigating Risk, Bias, & Harm**, which explored regulatory frameworks and ethical considerations for AI, this paper offers critical insights into the future of AI governance. We outline pivotal developments in organizational structures, cross-functional oversight, brand management, and board composition that will define responsible AI innovation.

Additionally, this paper highlights the integral role of diversity, illuminating how the inclusion of diverse perspectives, especially women, in AI development is essential for shaping ethical and socially beneficial advancements. We provide actionable guidance for businesses seeking to implement inclusive and ethical AI governance.

Sincerely,

Women Defining AI

PART 3:
Forecast & Takeaways

The future of AI unfurls with immense speed, promise, and vast potential. While we cannot predict the future, we explore the potential policy implications and impact of AI on corporations and women.

Key Insights in this Paper:

1   Rise of the Chief AI Officer

2   Emergence of the AI Cross-Functional Committee

3   The Vital Role of DE&I Officers

4   Increased Interplay Between Brand, Regulations, and AI

5   Integral Role of Legal and Risk Professionals on Governance and Boards

6   Skillset Evolution for Women in AI

> *If a company moves too fast without regard for consumers or regulations, it can lose its competitiveness and headstart in an instant, and a loss of consumer trust will be difficult to reclaim.*
>
> *--Responsible AI in Action*

Rise of the Chief AI Officer

Organizational structure will witness a paradigm shift with the emergence of the Chief AI Officer (CAIO) as a new pivotal role, particularly in larger, multinational companies due to increasing regulatory scrutiny throughout the globe. In fact, many large organizations have already either hired or promoted a CAIO within their organizations, such as Accenture, Deloitte, and BGC, or are in the process of looking for a new CAIO for their organizations.

Given the complexity of AI and the number of different teams required to ensure the development and maintenance of trustworthy AI, each organization will need to appoint a single point person, such as the CAIO, who will work cross-functionally across all teams to develop thoughtful AI policies and design the safe deployment of AI. By formalizing a C-level role, companies can send a message, internally and externally, that AI is a real priority across the company.

Furthermore, with the rise in AI regulations, companies will face increased regulatory scrutiny. These Chief AI Officers will represent their companies in front of regulators, legislators, and industry stakeholders at meetings, conferences, and panels to discuss how they are implementing best practices around AI within their organizations.

Chief AI Officer (CAIO)

|	
New C-level position	Companies are creating Chief AI Officers (CAIOs) to manage AI responsibly.
Single point of contact	CAIOs oversee AI development, policies, and safe deployment. CEOs need to fully empower and support CAIOS for the role to be successful
Representing the company	CAIOs interact with regulators and stakeholders on AI practices.

Rise of the Chief AI Officer

CAIOs will likely face scrutiny in the same way as a Chief Privacy Officer and Chief Information Security Officer as new AI regulations emerge because they will also be the central authority for making their organizations' decisions around AI and protecting users. To ensure their success, CEOs will need to align on risk with their CAIOs and give them clear authority because CAIOs will have to make and implement difficult decisions that affect many parts of the company.

Given the heavy policy aspect of this role, it will be important to find a CAIO who can not only understand AI technology but has strong communication skills and the ability to break down technology and AI into an understandable and digestible way such that it can be understood by consumers, stakeholders, and legislators who have yet to wrap their heads around AI. Ideally, companies should hire CAIOs who understand and empathize with underrepresented groups such as women so that they are representing their voices as their companies develop policies and products utilizing AI.

Chief AI Officer (CAIO)

CONSUMERS STAKEHOLDERS LEGISLATORS
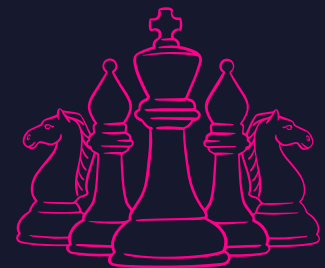
For Smaller Companies

For smaller companies that do not have the budget to hire a CAIO, companies can appoint a CAIO or a key executive internally from those with product compliance and risk-oriented backgrounds such as the Chief Information Officer, Chief Product Officer, Chief Security Officer, Chief Legal Officer, or Chief Compliance Officer to oversee trustworthy and compliant development and use of AI. Organizations of all sizes will face regulatory scrutiny for the deployment and use of AI and having one key stakeholder and owner who is responsible for governance and the implementation of trustworthy AI within the organizations will help organizations avoid mistakes that will damage their brand or risk the ire of regulators.

Emergence of AI Cross-Functional Committee

Concurrently, cross-functional AI committees will become integral to organizational frameworks, particularly at large companies. The Chief AI Officer will likely oversee such cross-functional AI committees, which will consist of leaders from product, engineering, legal, security, policy, marketing, HR, and ideally, the head of Diversity, Equity, and Inclusion (DE&I).

It will be important to ensure that this cross-functional committee is diverse and represents the voices of underrepresented groups, such as women and minorities, given the important tone they will be setting on the development of trustworthy AI within their companies. For smaller organizations with limited resources, it will be imperative to find one key executive who can oversee and engage the right functional stakeholders across the company, as necessary for developments and processes related to AI within their organizations.

The Key Functions of Cross-Functional AI Committees:

1 **Set the right processes, controls, metrics, and policies** (such as a responsible AI constitution) to implement responsible AI into the product development process.

2 **Help the organization align on the level of risk** that they are willing to accept to foster innovation with AI within their organizations.

3 **Keep an eye on the evolving laws** around AI and privacy to ensure that their company (as well as their vendors) are compliant with AI laws and policies.

4 **Recommend an AI rollout and adoption strategy** for the company, which may involve testing out AI tools with smaller teams before releasing them more broadly to the entire company.

The Vital Role of DE&I Officers

To foster an inclusive approach to AI, the active engagement of Diversity, Equity, and Inclusion (DE&I) officers in these committees becomes imperative. Unfortunately, DE&I has been deprioritized by many organizations recently. Many view the function merely as "corporate window dressing" for recruiting and customers and businesses are pulling back from even the use of the term, DE&I.[1] DE&I officers, however, can play an impactful role in AI at their organizations through these AI cross-functional committees such that organizations should expand, not limit, the scope of DE&I.

The Challenge

Recent studies show that 70% of AI professionals believe a lack of diversity in development teams leads to biased algorithms. This can have negative consequences, such as perpetuating existing societal inequalities or unfairly disadvantaging certain groups.

The Opportunity

DE&I officers can ensure fairness and equity in AI are embedded throughout the development and deployment process. Their expertise can help organizations:

- Mitigate bias in AI products and decision-making processes.
- Build trust with diverse stakeholders and the public.
- Foster innovation by considering a wider range of perspectives.

DE&I is not just a buzzword, but a critical factor in ensuring responsible and equitable AI development. As the importance of fair and ethical AI grows, so too does the significance of DE&I initiatives. Organizations that actively engage DE&I officers in their AI efforts are well-positioned to navigate this evolving landscape and contribute to a future where AI benefits everyone.

Expand the DE&I function in two important ways:

PRODUCT

Ask DE&I experts to scrutinize their AI products for potential biases that could disadvantage specific groups.

For example, they might ensure an AI-powered facial recognition system doesn't have higher error rates for individuals with certain skin tones.

CULTURE

Ask DE&I experts to empower all employees to consider fairness and equity when working with AI. This includes providing training and resources to help them identify and address potential biases.

Creating an environment where diverse perspectives are valued leads to more responsible and inclusive AI applications.

Increased Interplay Between Brand, Regulations, and AI

The interplay between AI and regulations is destined to intensify, ushering in a new era of legal complexities. However, a seismic shift is anticipated where the risk to a company's public image may eclipse legal considerations and penalties given the importance of brand to a company's competitiveness and ability to scale.
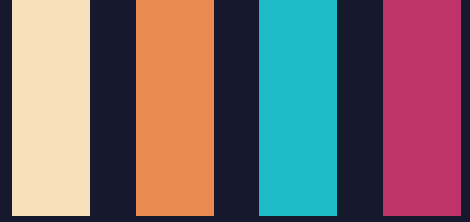
Brand Will Be Queen. If a company moves too fast without regard for consumers or regulations, it can lose its competitiveness and head start in an instant. While regulatory penalties serve as a considerable deterrent, they can be paid, allowing companies to move forward.[2] In contrast, harm to a company's brand and public perception can have lasting repercussions that are challenging to rectify. Such damages are enduring and can be incredibly hard to undo and shake off. Consequently, companies are likely to shift their focus towards compliance, not merely to meet legal requirements, but to proactively meet user expectations and mitigate potential brand risks.

Position Compliance as Legal + PR Issue. Non-compliance with regulations or laws could quickly tarnish the company's brand and competitiveness. Consequently, organizations must not only comply with regulatory frameworks but also proactively adopt ethical AI practices that resonate positively with the public. This underscores the critical importance for in-house counsel and Chief AI officers grappling with new AI requirements to position compliance as both a legal and public relations (PR) issue.

Integral Role of Legal & Risk Professionals on Governance and Boards

As the AI landscape evolves, the role of legal professionals and risk officers on boards and audit committees will ascend to unprecedented importance. Lawyers and risk officers can offer expert insights, fortify regulatory frameworks that govern AI deployment, and help their organizations proactively anticipate and address emerging legal issues specific to AI. From data privacy concerns to intellectual property matters and ethical considerations, the intricate nature of AI technologies, often operating in uncharted territories, demands a comprehensive risk management strategy.

This trajectory of increasingly complex AI regulations may also culminate in regulatory requirements requiring the inclusion of lawyers and risk officers on boards, mirroring the current mandatory inclusion of financial experts and Chief Financial Officers (CFOs) in audit committees stipulated by NASDAQ and NYSE rules. The inclusion of lawyers and risk officers on boards not only safeguards organizations from legal pitfalls but also positions them to harness the transformative potential of AI responsibly and ethically.

Legal & Risk Experts Can Help in Various Ways...

Navigating Data Privacy: How do we comply with diverse international data laws while pushing AI innovation forward?
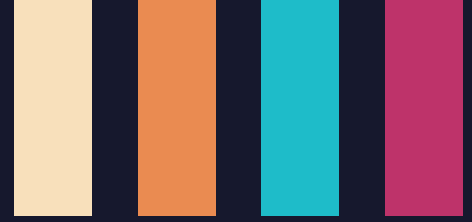
Addressing AI Bias: How do we eliminate AI biases to ensure fairness in hiring, lending, and law enforcement?

Balancing IP Rights and Collaboration: How can we protect AI innovations while encouraging open AI community collaboration?

Managing Cybersecurity Risks: What measures can safeguard AI systems from cyber threats and data breaches?

Ethical Automation Strategies: How do we ethically manage workforce transitions due to AI-driven automation?

Integral Role of Legal & Risk Professionals on Governance and Boards

As the AI landscape evolves, the role of legal professionals and risk officers on boards and audit committees will ascend to unprecedented importance. Lawyers and risk officers can offer expert insights, fortify regulatory frameworks that govern AI deployment, and help their organizations proactively anticipate and address emerging legal issues specific to AI. From data privacy concerns to intellectual property matters and ethical considerations, the intricate nature of AI technologies, often operating in uncharted territories, demands a comprehensive risk management strategy.

This trajectory of increasingly complex AI regulations may also culminate in regulatory requirements requiring the inclusion of lawyers and risk officers on boards, mirroring the current mandatory inclusion of financial experts and Chief Financial Officers (CFOs) in audit committees stipulated by NASDAQ and NYSE rules. The inclusion of lawyers and risk officers on boards not only safeguards organizations from legal pitfalls but also positions them to harness the transformative potential of AI responsibly and ethically.

Legal & Risk Professionals Can Help the Board Understand...

Navigating Data Privacy: How do we comply with diverse international data laws while pushing AI innovation forward?

Addressing AI Bias: How do we eliminate AI biases to ensure fairness in hiring, lending, and law enforcement?

Balancing IP Rights and Collaboration: How can we protect AI innovations while encouraging open AI community collaboration?

Managing Cybersecurity Risks: What measures can safeguard AI systems from cyber threats and data breaches?

Ethical Automation Strategies: How do we ethically manage workforce transitions due to AI-driven automation?

Skillset Evolution for Women in AI

Women bring unique perspectives and experiences into the field of AI that lead to more creative, robust, and inclusive AI solutions that benefit companies and society at large. To ensure women have a seat at the table and contribute significantly to the AI domain, they must go beyond mastering the intricacies of algorithms and coding.

The future leaders in AI must be equipped with a comprehensive skill set that extends into the realms of ethics, governance, and risk management. Traditionally, the emphasis on technical skills has been paramount in the technology sector. However, the increasing integration of AI into various facets of society elevates the importance of not only being proficient in designing algorithms and leveraging machine learning but also being well-versed in the ethical and risk considerations inherent to AI technologies. Understanding the ethical implications of AI, such as bias in algorithms and the potential societal impact of AI applications, is crucial for shaping responsible AI solutions.

Proficiency in risk management will also allow them to contribute to the development of strategies that safeguard against adverse consequences, ensuring that AI technologies are deployed with a keen awareness of potential pitfalls. By seamlessly integrating technical prowess with ethical considerations, governance expertise, and risk management acumen, women will become architects of ethically sound AI solutions, allowing them to further benefit companies and societies at large.

This diversified skill set will empower women to ascend into leadership roles within the AI domain and allow them to play a pivotal role in the development of AI solutions that genuinely benefit society. By embracing these additional skill sets, women in AI become catalysts for change, driving innovation with a profound understanding of the ethical considerations, governance principles, and risk management strategies that define the responsible deployment of AI technologies

Responsible AI in Action

Balancing Regulation, Ethics, and the Future

Closing Thoughts

Thank you for going on this journey with our Responsible AI series.

As we venture deeper into the era of artificial intelligence, our approach to its integration poses profound philosophical questions about the future we aspire to create. This is not just about navigating the technicalities and regulations of AI; it's about a collective commitment to fostering a world where technology enhances our humanity. The inclusion of diverse perspectives, especially from women and underrepresented groups, in AI's development, is crucial. It ensures that AI systems not only advance in sophistication but also in empathy and inclusiveness, reflecting the complex tapestry of human experience.

The choices we make today in deploying AI will shape the legacy we leave for future generations. It's our responsibility to ensure that this legacy champions empowerment, inclusivity, and enriches our collective humanity. This endeavor transcends technology; it is a testament to our aspirations as a society and a measure of our willingness to craft a future that mirrors the best of who we are.

[1]Source: Axios: 1 big thing: Companies are backing away from "DEI" Jan 4, 2023
[2] Penalties for violating AI regulations such as those outlined in the EU AI Act, can reach as high as 3-7% of global annual turnover.

About Us

Women Defining AI (WDAI) is a trailblazing organization focused on empowering women and non-binary individuals in artificial intelligence. We offer a unique blend of hands-on learning and community support to engage mid-career individuals with non-technical backgrounds to demystify and ultimately define AI. In our mission to democratize AI knowledge, making it accessible, relatable, and engaging, we aim to be a vital force in shaping the future of women in technology.

Contributing Authors:

Irene Liu
Founder & Advisor
Hypergrowth GC

Executive in Residence
UC Berkeley School of Law

Shella Neba
Chief Legal Officer & Strategist

Teresa Burlison
General Counsel & Advisor

Editor:

Nichole Sterling
Co-founder
Women Defining AI