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Value and Intention: Responsible Innovation for Nonprofits

Responsible AI for nonprofits

When it comes to integrating artificial intelligence (AI) into any organization—including nonprofits—the question has shifted from "should we do it?" to "how should we do it?" The capabilities and benefits of AI—cost savings, efficiency gains, employee satisfaction, and better data analysis to improve decision making—are too compelling to ignore.

According to research by Forester Consulting, nonprofits using Microsoft 365 CoPilot for three years could see these benefits:

• Increasing fundraising performance by up to 20%

• Cutting technology costs in half (at a minimum)

• Improving operational efficiency by up to 25%

• Increasing staff retention by up to 18%

The promise of these results might inspire any remaining skeptics to go full steam ahead integrating AI into their organization. Yet, as with many innovations that were designed by and for the corporate world, bringing AI into a nonprofit environment requires extra effort to ensure any investment advances the organization's mission. At its core, that process has to start with responsible AI.

If responsible AI is important for businesses, it's essential for nonprofits. When your organization is built on integrity, trust, and commitment to a mission, any new innovations or practices need to strengthen that foundation, not erode it. The best approach to responsible AI in the nonprofit environment is mission-driven, data-aware, and people-centric
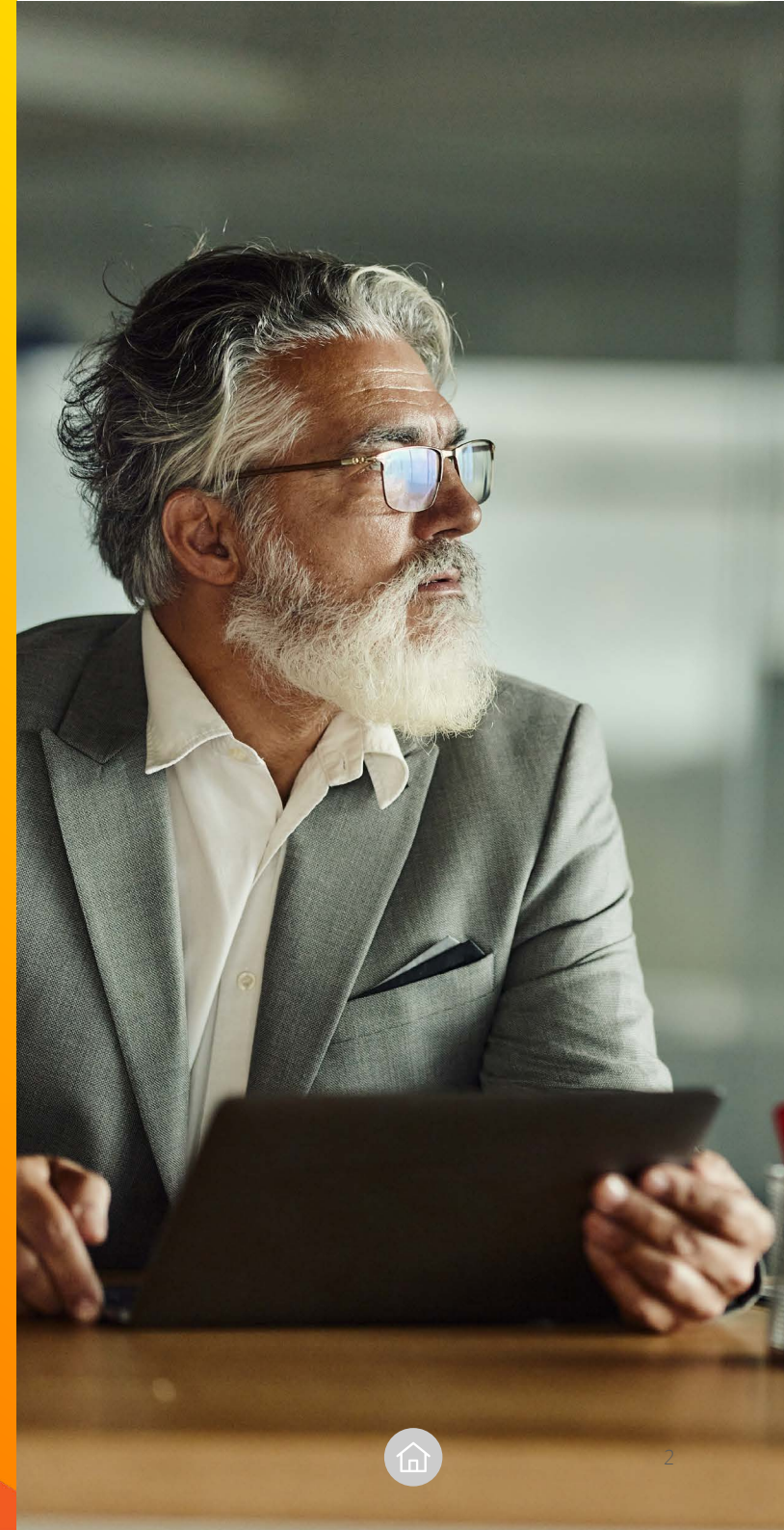
Mission Driven

Research conducted by Avanade found that nonprofit organizations are actively working to ensure that the use of AI—specifically generative AI—is both responsible and ethical. [Real-Time AI: Nonprofit and Generative AI | Avanade]

We asked nonprofit executives, managers and staff whether their organizations had developed guidelines or policies to ensure the responsible and ethical use of AI in a way that's explainable to funders and donors. A full 95% of respondents had an affirmative answer, with 55% saying they're currently putting together responsible and ethical AI usage guidelines and another 40% saying they already have such guidelines in place.

This is a promising start, although the real AI opportunity for nonprofits requires more than complying with policies and guidelines. It requires building and deploying solutions that align with the organization's values and advances the organization's mission in real, practical terms.

For example, if your organization works with oppressed individuals or communities, maintaining privacy and dignity from initial engagement and application through ongoing service delivery is likely essential to your mission. These principles can be imbued in an AI-driven system that's transparent about why it's collecting personal information, how that information will (and won't) be used and how it will be protected. Offering constituents the right to be forgotten (to have all their data expunged) at any point in the process also demonstrates a commitment to their personal safety and agency.

In addition to deciding how to use AI, decisions around when to use it can also help support an organization's mission. If your nonprofit is committed to sustainability—either as a mission or an operating practice—you'll want to be mindful of the carbon footprint that using AI creates. With that in mind, you'll likely be judicious about using AI, and you'll want to build it into your metrics and reporting around sustainability efforts.

And as with many areas of nonprofit operations, transparency about what's going well and what still needs improvement with your AI initiatives can go a long way toward maintaining goodwill from donors, employees and the populations you're serving.

Data-aware

Just as AI has the potential to be a great equalizer, it can also widen the digital divide. Our Avanade Trendlines: AI Value Report asked nonprofit professionals if they believed that generative AI will exacerbate digital exclusion, especially in the global south, and 86% said yes.

They're right to be concerned. The vast pool of data used to train most AI models largely comes from the developed world, or the so-called "global south." That means, for example, that data related to issues like infant mortality, crop prices, incarceration rates, food insecurity, or arable land conditions, which tend to vary drastically from one region to another, demand extra scrutiny. There are also persistent bias challenges with more general training data such as everyday

language about subjects like gender, age, ethnicity, and much more.

In many cases, especially when it comes to generative AI applications, there's little an individual organization can do to address inherent biases in data training. However, helping users understand how to spot and fix biases in generated content can greatly reduce the risk of costly mistakes. The same goes for helping users take accountability for catching and preventing inaccuracies or otherwise inappropriate content. And in analytical AI models, understanding where training data comes from can prevent spurious conclusions and avoid using misleading outcomes.

People-centric

At Avanade, we've seen the power of AI to improve employees' efficiency, creativity, and even sense of connection with their colleagues. However, these benefits aren't automatic. Without a vision for how AI will integrate with the organization's existing culture and values, employees often report concern about how AI might diminish or even eliminate their job. Rolling out new AI capabilities successfully and responsibly requires a clear articulation of how AI will improve things for users and affected stakeholders.

We've already mentioned a couple of ways to do this, starting with being transparent about how the organization will be using AI. In addition to aligning AI to your organization's mission, it's also critical to align the use of AI to your people's understanding and ability to execute on that mission. Training on proper use of AI, clear "rules of engagement" and personal accountability for outcomes should all be a part of an overall AI implementation strategy.

AI applications have already shown to help people automate parts of their roles so they can focus on more creative/thinking work, which ultimately can help improve employee retention. For nonprofit employees, who are likely attracted to an organization based on its mission, knowing the role these tools play in advancing the mission can at least soothe concerns and at best demonstrate the deep integrity of your organization's commitment.

Closing the gap from intent to impact

Every nonprofit will have its own timetable for adopting and engaging with AI, based on need, budget, culture, and many other factors. Nonprofit leaders shouldn't feel compelled to adopt AI for its own sake, whether to keep up with peers or in response to vendor pressures. It should be a practical decision based on what's best for the organization in service of its constituents. But when the decision is made to move forward with AI, we believe responsible AI is an especially important factor for success for nonprofits, and we see three important areas to address to stay on the right track throughout implementation:

1. Base your AI principles and guidelines on your organizational values. You've probably seen dozens of AI principles that all look like one another: safety, transparency, fairness, etc. You might use these as reference points to make sure you don't miss any important concepts, but we've seen better success among organizations that use their existing values as a starting point, then drafting AI principles and guidelines to support those values.

2. Reinforce personal accountability among AI users. There is a growing number of technical solutions to help address issues of harmful AI bias, inaccuracies, and inappropriate content. However, none of the available tools can catch everything with consistency. So as vendors work to improve these controls, it's important to establish clear guidelines and practical training so employees can identify and correct potentially costly AI mistakes.

3. Prioritize positive experience and well-being. AI applications are advancing very quickly in both their capabilities and applicability for nonprofit organizations, but there are also many ways that AI implementations can be detrimental to the employee and/or the constituent experience. While you may launch AI initiatives in pursuit of cost savings, efficiency, growth, or some other business objective, that pursuit will be much more likely to succeed if you start the conversation with how AI can make employees and other stakeholders happier.

The best nonprofit organizations are the ones that work to improve the world by shining a light on humanity at its most caring. They tackle challenges corporations and government agencies leave unsolved. As the rest of the world debates the impact of AI on our collective humanity, nonprofits once again have an opportunity to lead the way in showing how the right tools in the right hands can be used to build community and advance the power of people in the world.

We're proud of the work we've been doing with our nonprofit clients, helping them implement AI and other emerging technologies in support of the essential work they do every day to improve people's lives, and we'll gladly continue working with them to demonstrate the success that comes with a responsible approach to AI.

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About Avanade

Avanade is a recognized leader in delivering Microsoft solutions to nonprofits.For more than 20 years, we have worked with nonprofits worldwide developing and implementing solution. Our Tech for Social Good Practice partners with global nonprofit organizations to fulfill their missions and serve their beneficiaries through digital transformation.

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