Who is Accountable for Technology's Impact On Society?

Inaugural Report on Responsible Innovation in Tech

We are at a critical juncture in society where technology plays an outsized role in our lives. The decisions companies, founders, and investors make today will have broad, long-lasting implications on society – for better or for worse. The era of business focusing solely on growth at all costs is over. Successful, enduring companies of the future will create strong outcomes for all stakeholders – shareholders, employees, customers, and society – because stakeholders will demand it. That shift is already occurring.

Responsible Innovation Labs was set up to help companies tackle this challenge. It is a non-profit consortium of leaders dedicated to building innovative, enduring companies for positive financial and societal returns. We recently ratified our charter, articulating five core pillars of Responsible Innovation: advancing inclusive prosperity, building sustainably, respecting people, championing diversity, and promoting healthy societies. Our hypothesis is that a clear set of standards for responsible company building with these five pillars at their core is required to ensure the consequences and outcomes of innovation are intentional, impactful, inclusive, and enduring.

To that end, we listened carefully to a broad set of people, and commissioned research to better understand stakeholder opinions and inform our work moving forward. This research is intended to measure the tech industry's progress toward creating widely accepted standards of Responsible Innovation and a framework for stakeholders' respective roles in creating a more responsible world.

We surveyed a group of nearly 1500 technology executives, employees at technology companies, and members of the public as defined below:

Tech executives
This group includes leaders at tech companies, including Director, VP, and C-suite level and board members

Tech employees
This group includes employees working at tech companies

Informed Public
This group includes highly engaged members of the general public

Our ambition is that this research engages key stakeholders in a conversation about how to build technology companies with intention, impact and inclusivity. We're excited to share our findings more broadly, and welcome feedback on the information we've captured, the people we've spoken with, and any other ideas that might strengthen our process going forward.

The findings from the study will be released in three parts:

Urgency, Accountability, and the Role of Investors

A Call to Action for Tech Executives

Why RI is a Must-Have Skill Set & The Power of Employees to Influence Change

There is an urgent need to hold companies accountable on Responsible Innovation

Initially, we wanted to capture overall perceptions of Responsible Innovation in the technology industry. Responsible innovation is defined as a framework for building enduring companies that are engineered at the outset for both growth and societal good. Getting an assessment of industry attitudes will allow the tech community to chart the best course forward to advance technology as a force for good. We asked each of the respondent groups various questions about their awareness of, and support for, the practice of Responsible Innovation. We did this to determine whether our understanding of Responsible Innovation was shared by the wider community.

80% of people think practices like Responsible Innovation should represent the future of the tech industry
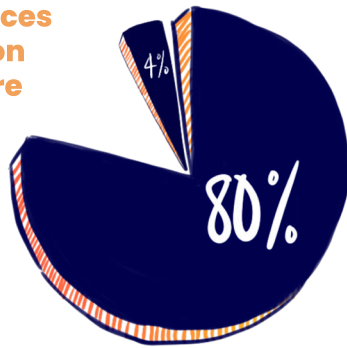
The findings from the survey indicate that there is growing interest in Responsible Innovation. Our data shows that 80% of people think practices like Responsible Innovation should represent the future of the tech industry. 91% of people said that the societal impact of their company motivates them in the workplace and over half (51%) said it motivates them a lot. 66% of people, especially Millenial and Gen Z respondents, said it's very important for their company to care about societal impact – a crucial consideration for founders and investors as they build and invest in new companies. Expectations are high: 84% of people think founders can focus equally on building companies with positive financial and societal returns. This illustrates that successful founders should embed Responsible Innovation in company creation. And, this level of supportive data affirms the mission of the RI Labs to help transform the innovation economy with new standards for ethically deploying technology and building enduring companies.

We found a clear point of view on how businesses should set themselves up for success. Over three-quarters (75%+) of people believe businesses should be inclusive, sustainable, respect privacy and security, and build technologies that strengthen societies' core institutions. This sets a benchmark for effective corporate governance: 83% of people agree businesses should build their operations and governance to minimize the possible negative impacts their technologies will have on the world. Companies should also have processes set up to prevent unintended consequences before they occur. 85% of people believe businesses should take accountability for the impact of their innovations on people and society, provide transparency around those metrics, and communicate proactively and openly with all stakeholders.

60% of people believe that the tech industry has failed to meet the goals of Responsible Innovation so far
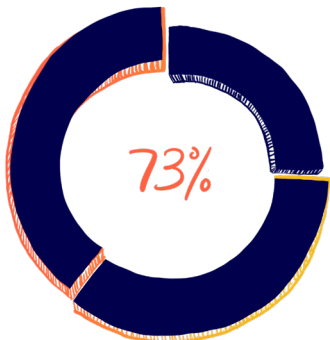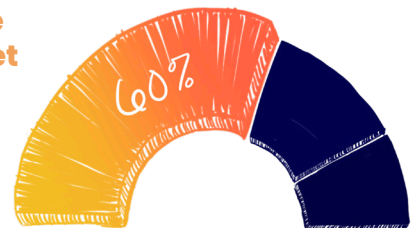
While there is strong support for Responsible Innovation, people also think more needs to be done, and urgently. 60% of people believe that the tech industry has failed to meet the goals of Responsible Innovation so far. 73% of people believe implementing this standard across the tech industry is either an immediate or big priority. Also, a majority of people think tech companies should be held responsible for the negative effects of their technologies.

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This sends a clear message to founders, investors and executives in the tech industry that the status quo is insufficient. 64% of people believe that, without intentional frameworks like responsible innovation, the tech industry of the future will fail to deliver more positive societal impact than negative. The data is clear that tech companies cannot afford to be complacent or they will be held accountable for the unintended consequences of their innovations, which could have substantial reputational and financial costs.

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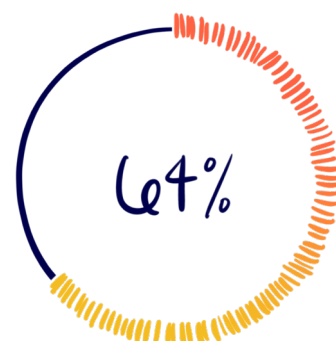
Investors are under growing scrutiny

Investors are key advisors to technology companies, often nurturing and championing them as they grow. We wanted to explore their role, and gauge how our audiences understood their responsibility for innovation.

The data reveals that there is growing acknowledgement that investors have an obligation to generate returns beyond just profits and to make technology a force for good in the world. Respondents think investors have an important role to play in corporate decision-making around societal impact. 63% of people agree that investors should be held accountable for the unintended negative consequences of their investments. This was especially true for younger generations: 71% of millennials agree with this sentiment.
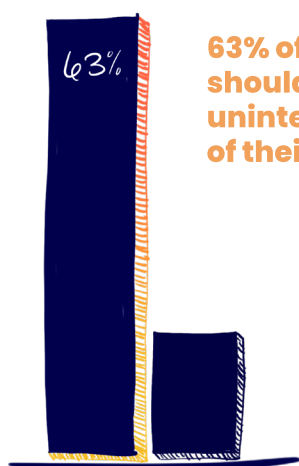
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Investors are well placed to help instill the practices of Responsible Innovation in the company creation process. Conducting strong social diligence in addition to financial due diligence is imperative to ensuring companies are built to last and benefit society. In fact, 41% of executives say they would look to investors and board members for advice on improving their company's societal impact. 72% of people think investors have a strong ability to drive change within an organization. Since investors are a source of guidance as companies scale, there are calls for them to work with companies to achieve both financial and societal returns: 42% of people saw board members and investors (combined as a group) as the most able to drive change within organizations. Also, 1 in 4 say their companies have made changes to have more positive societal impact as a result of guidance from their investors.

Methodology

Responsible Innovation Labs worked with Qualtrics to survey a population of 1,440 people among tech executives (224), tech employees (404) and an informed general public group (810) during the month of March. The study used a 95% confidence interval and 3% margin of error. Each group surveyed was representative in terms of gender, race and age corresponding to their respective cohorts. Respondents were sourced from several different panel providers.