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Crossing the ethical chasm of data – A compliance perspective

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Compliance, in many ways, is about doing the right thing at the right time in the right way. Collecting evidentiary material is an important aspect in providing assurance, and for many companies, it is a way to improve compliance.

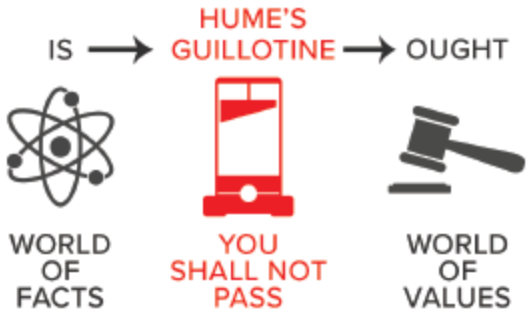
This evidence often comes in the form of data and plenty of it. Companies measure, gather, and store data of all kinds and in increasing amounts. In fact, as companies continue their digital progression, the amount of data is expected to balloon.

All this data will be analyzed, and patterns will be discovered. This will help in updating our system models and processes to make them more efficient. Recent advancements in artificial intelligence and machine learning will take this to even higher levels and discover patterns that we currently cannot see, and all of this can be used for improvement.

However, even with these advancements, what this data will never be able to tell us is how things "ought" to be. In other words, data cannot be used to determine what is right.

Ethical chasm of data

There is an ethical chasm between the world of facts (or data) and the world of values (or ideas). This chasm divides the world of what "is" from the world of what "ought to be" and is known as the "Is-Ought Problem" or more commonly "Hume's Guillotine," named after the Scottish philosopher David Hume.



There is always a tension between the world of ideas and the objective reality we observe. We are always making judgements as we update our understanding of how the world works. The question is, "In which direction do these updates occur?"

In a fashion, we construct a "model" for how we understand the world and then validate that model using our observations. This is the concept introduced by German philosopher Immanuel Kant's contribution to Hume's

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analysis called, "synthetic–a posteriori." In other words, we can deduce cause-and-effect relationships from the real world and use them to update our construction of how the world works, based on statements of ideas. However, observations are not used to derive the ideas in a logical sense; they only describe them. And therein lies the rub.

In the world of facts, we have statements like "Dogs bark" and "Apples taste good." These are things we can only know by observation. These do not directly add knowledge to our ideas of how the world works. They are facts that are true because we observed them.

In the world of ideas, we have other statements like "All triangles have three sides," and "All bachelors are unmarried males." These are things we know by definition without observation. These are called tautological statements and are true because of reason not based on empirical facts.

However, when we consider things like mathematics, we have both. There are things we consider universally true, such as 7 + 5 = 12, without observation based totally on our ideas of mathematics. However, at the same time, we don't know for sure that it is true until we actually count and discover that it is true in reality. This is the foundation for scientific inquiry which, as we know, is always preceded by a hypothesis — an idea looking for a descriptive account.

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