Data governance for AI

In the age of AI, the reality of data collection and usage is evolving— and data governance must evolve as well.

Strong data quality management, driven by responsive data governance (DG), is the best protection against the risks AI poses and should be a core goal for any data-driven organization. Corporations will need to substantially overhaul existing data governance structures to respond effectively to the monumental impact of AI technology, particularly generative AI. An adaptive approach to data governance, which deploys AI-based risk-management tools in a carefully controlled manner, ensures that decisions are driven by high-quality information, supported by a framework that allows for virtually unlimited customization and flexibility.

> *The generative AI market is projected to grow to almost $670 billion by 2030*
>
> [Fortune Business Insights, August 2023]

The high cost of bad data in AI

The risk bad data poses to enterprises is nothing new, but when it comes to incorporating AI (particularly generative AI), these risks increase exponentially.

Generative AI tools require continuous input of large volumes of data, and any errors, inconsistencies, or biases in that data can compromise the reliability of AI predictions and recommendations. This is particularly concerning as AI increasingly drives decision-making at every organizational level.

Data quality issues can also increase the rate of "hallucinations", a phenomenon where generative AI tools fabricate data and present it in a way that appears authentic. High-profile cases of misinformation provided by AI-chatbots are already appearing in news headlines, with real financial and reputational costs for the companies involved.
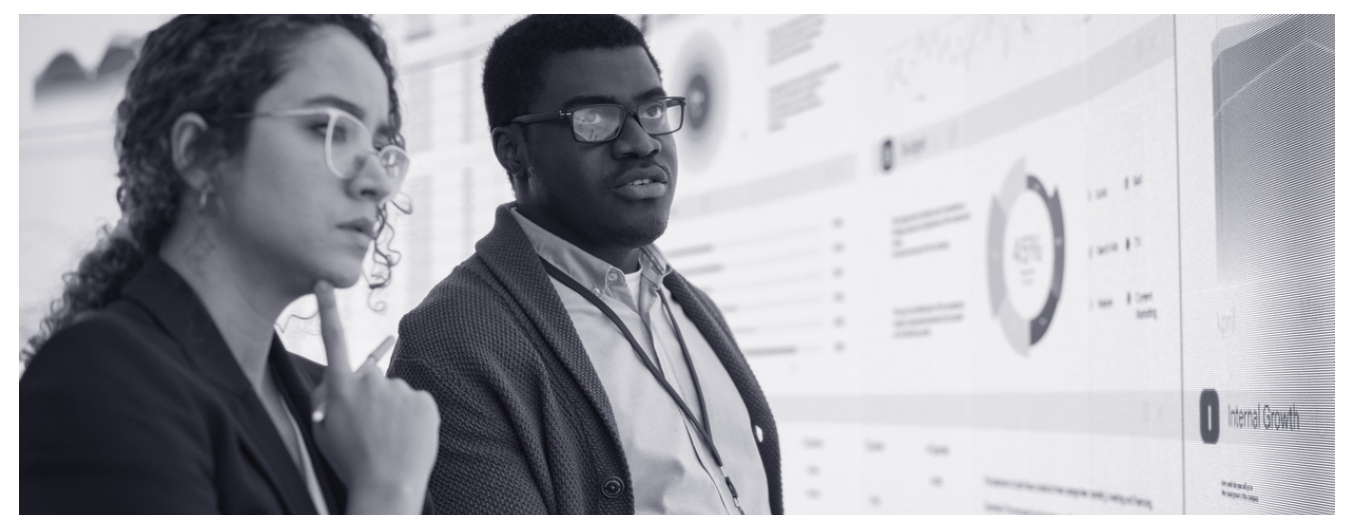
Reliable, effective AI cannot be built on a foundation of bad data, so parameters must

be put in place to measure the accuracy and quality of source data. Well-designed data governance can be deployed across the operational gamut to maintain adherence to organizational data norms, protect against bias, maintain fine-grained access permissions, and ensure informational security.

Unfortunately, only 42.3% of organizations report having well-established AI data policies in place[1]. Traditional DG efforts are often geared toward compliance and prioritize cleaning, qualifying, maintaining, and securing data. While this provides essential protections, it is insufficient to meet the requirements of enterprise-level generative AI. AI is constantly evolving—and not just in terms of the new tools appearing on the market. Proactive governance is required to stay on top of AI models as they continue to learn and change, and to protect against malware, which can leverage AI in ways just as revolutionary as legitimate software.

Adaptive data governance (ADG)

Lean, adaptive governance offers an alternative to defensive, control-based strategies. Instead of a top-down, one-size-fits-all data framework, ADG takes a more proactive and collaborative approach to create clear policies that aim to enable, rather than restrict, data usage. In ADG, processes for collecting, cataloging, managing, and monitoring data are developed not only for compliance, but also to align, and evolve, with organizational goals and priorities. With the flexibility to customize data processes for specific use cases, lean methods empower decision makers in ways that more restrictive defensive postures can't.

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Fine-grained data access controls are available across the Zoho product suite, through precision customizability options built onto robust role-based and hierarchical sharing and permission systems. Adjustments are quick and easy to make, offering a high level of flexibility, agility, and security.

ADG and AI

Generative AI tools are continuing to transform the ways organizations collect, handle, assess, and conceive of

data. AI governance is needed not only to maintain compliance and deliver better ROI for new technologies, but also to uphold the values and ethics of the company. Clearly and proactively defining roles and responsibilities for AI data management, with both ethical and technical expertise in mind, will facilitate responsible AI implementation.
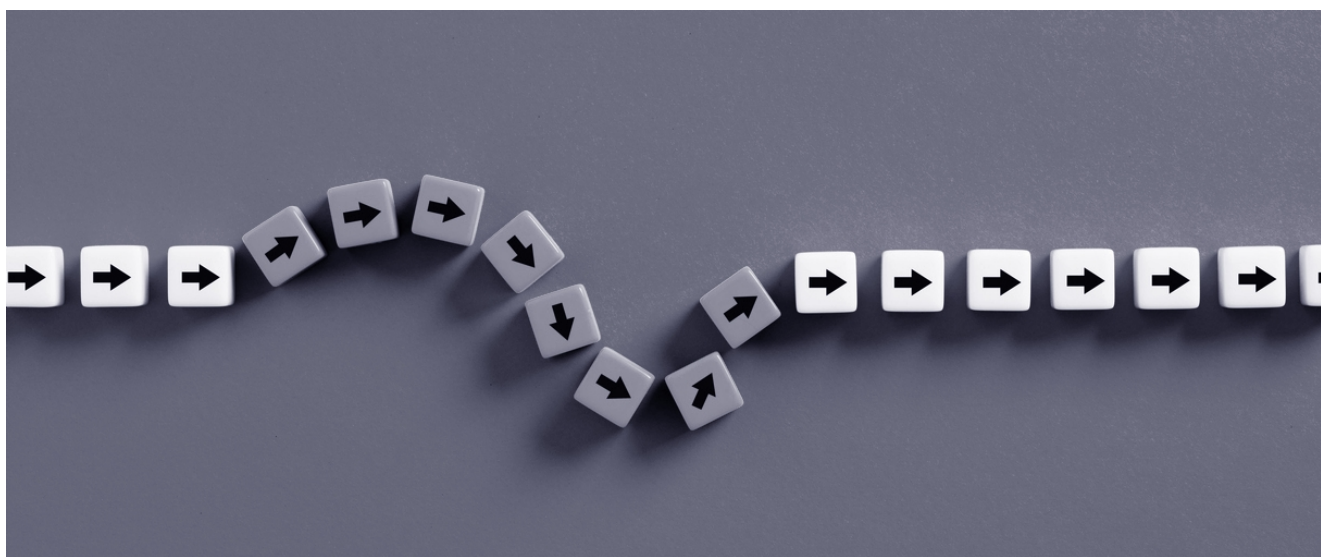
An iterative approach to data governance, where procedures, tools, and guidelines are regularly reviewed and policies are considered living documents, allows organizations to more nimbly and effectively incorporate AI tools. Involving data producers and consumers in discussions about updating processes and policies will ensure that day-to-day concerns are accounted for as well as big-picture considerations. The change management required by AI will be ongoing, not a one-time transformation, so the agility to hone and iterate on policy and process will be crucial to successfully navigate the AI revolution.

[1] Forbes, 2024

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> *A measured approach to AI, like the one we take at Zoho, considers where governance is headed and how its shortcomings can impact privacy and security.*

Vijay Sundaram
Chief Strategy Officer at Zoho

The ability to shift parameters as required can also be crucial for preserving sensitive data within AI models. Technical guardrails and active monitoring are needed to prevent sharing confidential or protected information with third-party large-language models or unauthorized personnel. Hostile actors, too, can leverage generative AI tools to launch more sophisticated attacks, from generating more convincing phishing emails at scale to writing malicious code and automating attacks. AI-powered hacks have been identified as one factor contributing to a 20% increase in US data breaches in 2023

78%

of technology leaders want to see stronger governmental regulation of AI.

[Deloitte, 2024]

compared to 2022[2]. To protect consumer safety and brand trustworthiness, AI-ready data governance must be built on a security foundation that is not only robust but also agile enough to stay ahead of potential attacks.

Legislation rarely, if ever, moves at the speed of technology, and regulatory frameworks for generative AI are still under construction, though a US presidential executive order[3] and the EU's proposed Artificial Intelligence Act[4] indicate that they are likely to be far-reaching. Organizational governance will need to establish interim guardrails, and a flexible approach will facilitate rapid responses as regulations come into force and accommodate adaptations for local compliance in multinational organizations.

[2] Madnick, Stuart E., 2023 | [3] The White House, 2023 |
[4] The European Commission, 2021

AI governance: Sink or swim

The way organizations respond to the disruption brought by generative AI will determine which are able to leverage it to competitive advantage. Proactively developing well-considered policies and procedures to oversee the usage of AI tools and the data they run on offers the best opportunity for success. But for long-term value from AI, those policies and procedures need to evolve alongside the AI technology and models they govern.


The change will need to start with the C-suite and touch every part of the enterprise. Incorporating agile and adaptive strategies to develop transparent, logical data policies, responsive feedback mechanisms, and easy-to-use technologies will increase organizational compliance, risk-awareness, and security. The best AI governance strategies will require a radical re-imagining of an organization's philosophical approach to data and analytics; a radical response is necessary in the face of a radical challenge.
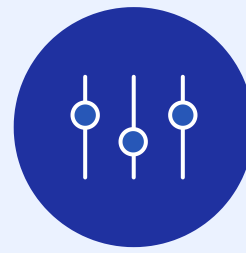
Why Zoho for Enterprise?

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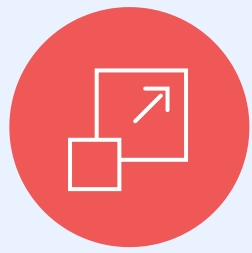
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Customization & Extensibility

Through granular customizations and powerful in-house developer platforms, Zoho lets you orchestrate workflows, streamline data management, and deploy world-class solutions at scale.

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