Corporate Digital Responsibility

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1 Need for corporate digital responsibility

Business ethics, morality, purpose management, sustainability, CSR, stakeholder management, circular economy – rarely has such a variety of responsibility-related approaches been discussed. However, this is by no means surprising given the background of the current multi-crises (Russian-Ukrainian war, climate collapse threats, global supply chain disruptions, COVID pandemic aftermath, inflation, and risk of regression). An increase in volatility, uncertainty, complexity, and ambiguity (VUCA) is largely driven by digital developments and disruptions. In this process, an irreversible acceleration in the frequency of changes and upheavals is discernible what makes the world progressively brittle, anxious, non-linear, and incomprehensible (BANI). As a result, there is a growing desire for orientation, meaning and security. Consequently (corporate) identity becomes a point of orientation and a guardrail for avoiding hyper-digitization. At its core, this identity is based on value-orientation, basic ethical attitudes, and comprehensive responsibility.

Against the background of artificial intelligence (AI), such responsibility requires an extension of the triple-bottom line and the development of a quadruple-bottom line that considers economic, ecological, social, and technical dimensions (Ivancic & Huber, 2018). Increasing efforts to regulate the use of AI show that this expansion is necessary. The EU AI Act intends to ban applications and systems of unacceptable risk (e.g., Chinese social scoring), high-risk applications are regulated in detail (e.g., CV-scanning tools) whereas others are left largely unregulated (Brakel & Uuk, 2023).

As in other areas, digital responsibility goes beyond legal frameworks. The purpose of this contribution is to approach the topic of corporate digital responsibility (CDR) from different perspectives to identify research gaps and the need for further analysis as a research agenda for the IS community. In line with prior research, we define CDR as a “set of shared values and norms guiding an organization’s operations with respect to the creation and operation of digital technology and data” (Lobschat et al., 2021, 876). This is particularly relevant against the backdrop of rapid developments in information systems, driven by disruptions in AI and other areas.

2 Responsibility – a trivalent relational expression

Responsibility is referred to as a basic category of ethics (Saladin, 1984) and is central to various concepts of business ethics. Moreover, it is a multifaceted concept and a central factor in corporate development. Thus, the raison d'être of a company is based on its solutions to the needs demanded by society. Economic responsibility helps transform self-interests into overall interests. Legal responsibility summarizes the essential norms of
society, while ethical responsibility focuses on what is not legally defined and goes beyond the philanthropic expectations of society (Carroll & Buchholtz, 2000). Thus, responsibility ought to be understood as a three-digit relational expression (Figure 1), as responsibility involves three ethical paradigms integrating deontological, utilitarian, and situational dimensions. Accordingly, such an approach can also be paraphrased as integrative responsibility (Correia & de Bem Machado, 2020).

![Figure 1: Corporate Responsibility (based on Schüz, 1999)](image)

The inclusion of these paradigms enables a pragmatic evaluation of the respective option for action from a sufficiently differentiated perspective (Crane & Matten, 2007). Corporate responsibility permeates all dimensions of the company and, through its multi-perspectivity, helps to fundamentally classify, abstract, and simplify currently fashionable management trends, fads as well as derivations for digital approaches.

2.1 Deontological perspective

A deontological view calls for an orientation toward ought claims and demands. Therefore, the focus is on the purpose of activities and on standards, rules and norms to be defined (Schüz, 1999). Since the 19th century, values have been at the center of ethical considerations. In contrast to norms as sanctionable behavioral rules, values provide a culturally considered meaningful, yet subjective behavioral orientation (Karmasin & Weder, 2008; Smith & Hasnas, 1999).

In corporate practice, such principles often take the form of visions, missions, corporate philosophies and values, codes of conduct, or codes of ethics (Lobschat et al., 2021). Standards, rules and norms are an important part of a code of ethics or conduct. In contrast to mission statements, visions and missions, such codes focus on ethics and morals and regulate behavior on their basis. The company thus undertakes to comply with the rules imposed (Kuhlen, 2005).

To comply with CDR, a clear formulation of deontological principles (philosophies, values, norms, visions, mission statements, code of conduct, etc.) outlining long-term responsible corporate development is necessary. To this end, a corporate purpose must be defined in negotiation processes with all relevant stakeholders, taking into account digital developments within and outside the company. These mission statements significantly shape the situational contexts (2.3) and influence actions and their effects.
2.2 Utilitarian perspective

The focus of a utilitarian view is on actions and their consequences, which must be weighed in terms of their impact on various internal and external corporate spheres. The goal is to be able to make decisions that maximize benefits while minimizing negative consequences. Thus, equity becomes an important action paradigm and impact assessments involving all legitimate stakeholders or affected parties and environmental spheres gain importance (Schüz, 1999).

In corporate practice, such assessments are found in principles of ecological management, circular economy approaches, sustainability programs, corporate citizenship or CSR concepts that integrate economic, environmental, social and sometimes cultural dimensions. All of these approaches merge into one another. However, there is no doubt that responsibility significantly emphasizes a development perspective and includes future generations and their multiple environmental spheres.

To meet CDR, prudent utilitarian impact assessments are needed that outline the development of the company and consider the impact of actions on all environmental spheres. Therefore, the company should promote corporate integration, taking into account all relevant stakeholders and surrogate stakeholders (e.g., future generations, the global population, the environment, and technology). Dealing with these different environmental spheres and stakeholder groups is based on clear deontological rules (2.1) and shapes situational frameworks and design options.

2.3 Situational perspective

The perception and interpretation of norms and behavior always takes place against the background of specific situations. A situational perspective therefore focuses on the situational framework of instances and the appropriateness of their actions (Schüz, 1999).

CDR requires a conscious design of situational contextual factors as well as the recruitment and development of employees with an open (digital) mindset. This, in turn, promotes a corresponding corporate culture that enables responsible corporate development in the long term. Digital aspects and their implications within the design elements of functions, tasks, roles, technical system, resources, process and structural organization, research, development and renewal systems, information and communication systems, decision-making systems, control, reward and sanction systems must be taken into account (Rieckmann, 2005). To influence the behavioral dimension of culture genesis, prudent human resource management is necessary. It should promote a fit between employee personalities and the organization's corporate identity. Situational contexts decisively shape the emergence of guidelines (2.1) and actions based on them and their consequences (2.2). Only when all three outlined dimensions are taken into account is CDR comprehensive.
3 Research agenda

Relevant research gaps exist in all of these three dimensions. Table 1 summarizes these potential research avenues and needs.

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<th>Dimensions of Corporate Digital Responsibility</th>
<th>Research Avenue</th>
<th>Research Questions</th>
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| Deontological perspective                        | (1) How can CDR be effectively and impactfully integrated into the organization’s formulation of purpose? | (a) How can the effects of digitalization and artificial intelligence on the reason for existence of the company be comprehensively ascertained and assessed?  
(b) How can the company meet necessary changes in its own reason for existence and purpose without failing due to overriding transformation processes?  
(c) How can the risk of potentially arising accusations of color washing be effectively countered? |
| Utilitarian perspective                          | (2) How can CDR be meaningfully considered in impact analyses of actions and their effects on (surrogate) stakeholder groups? | (a) How are stakeholder integration and impact analyses to be designed strategically and organizationally to be able to carry them out in a practicable way?  
(b) How can the willingness of stakeholders to participate and to give transparent, honest opinions within digital impact analyses be ensured?  
(c) How can the risk be countered that surrogate stakeholders are really considered in a comprehensive and serious way? |
| Situational perspective                         | (3) How to promote the development of a corporate culture that uses the potential of CDR without running the risk of hyper-digitization? | (a) Which structures need to be designed to develop digitalization potentials without overemphasizing technical aspects?  
(b) Which human resources recruitment and development measures are necessary to get employees excited about digitization and make them fit without overburdening them?  
(c) How can the risk of euphoric digitalization be prevented, disregarding possible side effects, repercussions, and long-distance effects? |

Table 1: Needs for further Research (own illustration)
Overall, we believe that the concept of CDR opens a new field of research in which CDR topics are widespread and encompass consumer, organizational, and societal aspects. In addition, there are significant knowledge and implementation gaps in the field. For example, we do not yet know what specific tools are appropriate and recommended for exercising and implementing digital responsibility. Organizations must be empowered to take their responsibility holistically and increasingly consider the digital perspective and the responsible use of information systems and digital technologies.

References


