THE GOVERNANCE OF CORPORATE DIGITAL RESPONSIBILITY

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Abstract

Sustainable development goals (SDGs) from Agenda 2030 (United Nations, 2015) represent the main challenges that society faces today (De Nicola & Fratini, 2024). Due to the rapid development and massive use of digital technologies in business models (Mancini et al., 2017; Tekic & Koroteev, 2019), numerous debates have emerged about the impacts that digital transformation can have on the interaction between companies and respective stakeholders and, more in general, on society (Bernini et al., 2024). On the one hand, the adoption of smart tools, like artificial intelligence (AI), has improved the quality of goods and services, reduced costs, and increased efficiency, bringing improvements in daily life and models of business also thanks to the generation of new products and services. On the other hand, this phenomenon has led to ethical and social concerns such as privacy and data security, risk of exploitation generated by technologies, negative effects of recruitment decisions taken by algorithms, and respect and protection of human rights (Bednárová & Serpeninova, 2023; Lobschat et al., 2021, Bonson et al., 2023).

To reduce such risks, appropriate regulations should be introduced to encourage responsible management and the development of smart technologies (Mueller, 2022). In this direction, Mäntymäki et al. (2022) defined AI governance as "a system of rules, practices, processes, and technological tools used to ensure that an organization's use of AI

technologies is aligned with its strategies, objectives and the values of the organization; meets legal requirements; and meets the ethical AI principles followed by the organization" (p. 604). Moreover, governance of AI systems is critical to achieving widespread public trust (Falco et al., 2021). At the policy level, many initiatives intended to adjust the development and use of AI systems have been launched in the public and private sectors. Among others, one of the most relevant regulations in the field is the European Commission's Artificial Intelligence Act (European Commission, 2021). However, the legislative intervention is still considered weak, compared to the disruption of technological development and the correlated risks of abuses (Scarpi & Pantano, 2024).

When it comes to the sustainability of continuous development of technology, researchers have introduced a new concept defined "corporate digital responsibility" (CDR) (Herden et al., 2021; Lobschat et al., 2021): the main purpose is the recognition of the new dimension of responsibility (even beyond legal obligation) that organizations should face when they become "digitalized" (Elliott & Copillah-Ali, 2024; Scarpi & Pantano, 2024). CDR is closely related to the concept of corporate social responsibility (CSR): both share similar principles about the responsibilities of companies related to social, environmental, and governance issues (Van der Merwe & Al Achkar, 2022; Carl et al., 2023; Napoli, 2023). Some studies argue that CDR is an extension of CSR, that is, CDR should be studied based on CSR, as it reflects social and sustainability responsibilities (Herden et al., 2021; Van der Merwe & Al Achkar, 2022; Bednárová & Serpeninova, 2023; Carl et al., 2023; Elliott & Copillah-Ali, 2024). Conversely, other investigations consider CDR as separate and autonomous respect to CSR (Elliott et al., 2021; Lobschat et al., 2021; Mihale-Wilson et al., 2022). In addition, the diverse degree of awareness about CDR across various countries generates further differences. In Germany, a CDR Code was introduced in 2021: it is structured in five sections, to counter the risks produced by digital technologies (Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection, n.d.). Recently Spain and France have implemented actions to promote CDR (Merbecks, 2023; Bednárová & Serpeninova, 2023). According to some scholars, there is a need for a more empirical approach to the analysis of CDR (Mueller, 2022; Mihael-Wilson et al., 2022) as there is no evidence about the factors that foster or inhibit such a new sense of responsibility (Merbecks, 2023; Wynn & Jones, 2023; Elliott & Copillah-Ali, 2024). To cover the said knowledge gap, content analyses of CDR-related sections and comments included in sustainability reports could be performed to assess (De Nicola et al., 2024): the type of information, the disclosure strategies adopted by reporters, the effects of the differences of reporting and governance frameworks on informative effectiveness. The objective of similar research projects could be to investigate whether reporters considered any of the eight pillars related

to CDR governance according to Herden et al. (2021) and which other distinctive disclosure feature emerges by adopting the methodologies developed by some pioneering studies in the field (De Nicola & Maurizi, 2022; Merbecks, 2023). We suggest, moreover, adapting such approaches with appropriate integrations that consider the most recent innovations in CDR reporting. We expect that very few companies provide information about CDR and so even the governance dimension is expected to be poor. Furthermore, technology-intensive sectors should report more information on CDR governance with respect to traditional industries. Therefore, it is opportune to study what is the level of CDR emerging from companies' disclosure and consequently, promote, if needed, greater awareness of CDR both by standard setters and by users.

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