

MEASURING CORPORATE DIGITAL RESPONSIBILITY

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The accelerated advances in digital technology and the rapid digitalization of business have introduced new challenges in the CSR sphere. These emerging dimensions of CSR are represented by the concept of corporate digital responsibility (CDR). Regardless of whether CDR is viewed as a subset of CSR or a separate domain of responsibility, it requires effective management. For this purpose, it is important to develop measures for assessing the CDR performance of companies that use digital technology. The aim of this study is to systemize both the metrics used to measure CDR, as reported in different studies, and the existing approaches to assessing it.

The set of CDR performance measures depends on how broadly CDR is defined. Some authors focus on how data are collected, stored, and used in decision-making [1], while others adopt a more holistic view of CDR. For example, the authors of [2] use the ESG framework to classify the potential impacts produced through the use of digital technology. The environmental impacts of digital technology are tangible, often linked to a company's energy consumption related to digital operations, may include the use of energy in the entire value chain, and the electronic waste generation. These impacts are quantifiable and measurable (e.g., Scope 1, 2, and 3 CO₂ emissions). The social effects include, among others, digital inclusion, digital empowerment, and digital well-being [2]. They proliferate as digital technology evolves and are not easy to measure. Governance metrics may refer to practices ensuring the ethical collection and use of data, data protection policies, the reliability of data centers and other related aspects.

The approaches to measuring CDR performance include both quantitative and qualitative methods. For example, the number of training sessions on data security or ethical use of digital technology and the number of employees who participated in such trainings can be easily quantified, and so can the investments in cybersecurity. In contrast, some aspects, such as the integration of CDR into corporate culture, can only be assessed qualitatively through surveys of both employees and C-suite executives. Measuring CDR performance separately from other dimensions of CSR can be complicated as digital technology is pervasive across various business functions. It is utilized for analytical purposes, data storage, communication, design, monitoring and controlling technological process, and in many other activities. Thus, the development of a comprehensive set of metrics of CDR remains a challenge, as it requires distinguishing CDR-related performance from overall CSR performance and providing objective quantifiable measures of those specific contributions.

References:

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2. Herden C. J., Alliu E., Cakici A., et al. Corporate Digital Responsibility // Sustainability Management Forum. 2021. Vol. 29(1). P. 13–29.