

## **Chapter 3**

### **New Corporate Responsibilities in the Digital Economy**

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#### **Abstract**

Theories that relate to digital technology and CSR have been dominated by online CSR communication and disclosure practices. Almost entirely absent in such CSR research is a consideration of new areas of responsibility that are emerging from digital technologies and related online communication platforms. We argue that responsibility in the use of digital technologies requires more than just legal compliance. We therefore ask what it means to be a responsible corporation in the digital economy? We then establish an extended agenda for responsibility in the digital economy by identifying potential areas of irresponsibility and highlighting new responsibilities related to, for example: use of consumer data; service continuation; control of digital goods, and; the use of artificial intelligence. In doing so, we address a need to theorize responsibilities derived from the use of technologies that have been previously silent in CSR literature or only tangentially discussed within the domain of CSR communication, even as they are a focus in other fields (especially legal compliance, or organizational performance).

**Keywords:** corporate responsibility, digital technology, transparency, privacy, digital commodities, ownership, artificial intelligence

### **3.1. Introduction**

Following the financial crisis, governments have looked with enthusiasm towards the digital economy to restore growth, provide competitive advantage and even achieve sustainability. A highly educated, technological enabled labor force is lauded as the way to achieve economic success. Yet there has been little attention given to the responsibilities of new businesses and business processes in the digital economy. Some of these responsibilities may be directly related to established agendas in corporate social responsibility (CSR), for example issues of employment, taxation, and sustainability. Other issues may be identified as ethical concerns, for example privacy and use of data, transparency in communication practice and avoidance of regulatory and self-regulatory communication frameworks, but not explicitly framed as new responsibilities. A few areas for corporate responsibility, however, may be entirely new. For example: consumers' rights to digital possessions created through online platforms; employees' right to autonomy, free from digital surveillance and productivity processes. Together these point to a larger concern: the responsibility of corporations in the digital economy towards human relationships themselves which technology seems to undermine or strip away. In this chapter we turn our attention to these issues and to ask what it means to be a responsible corporation in the digital economy.

Digital technologies have increased dramatically in their global reach and socio-economic impact in the last 30 years to become key drivers of economic growth that are vital to knowledge economies (EU, 2014). Fifty percent of all productivity growth is now linked to investment in such technologies such that the digital economy has grown at seven times the rate of the rest of the economy, and so by 2020 there will be over 16 million information and communication technology-intensive jobs in the EU alone (EU, 2014).

Alongside and quite independent of the rise of the digital economy, CSR is also attracting substantial attention with dominant discourses emphasizing business and society relationships, the moral obligation of corporations ‘to give something back’ or ‘to do good’ and especially the idea that organizations have responsibilities beyond profit making. The proliferation of digital media platforms and content also transforms the practice, and therefore also the theory of CSR, yet until now the rise of digital communications and the interest in CSR have only come together as online CSR communication, disclosure practices and engagement via new media. Online CSR communication is believed to be one tool used to demonstrate social engagement and ‘care’ for stakeholders and society (Idowu and Towler, 2004; Junior et al., 2014; Manetti and Toccafondi, 2012), social media is allowing ‘virtual’ dialogue with and amongst stakeholders (Korschun and Du, 2013), word of mouth through interactivity (Eberle et al., 2013). This, we argue, represents only a limited and largely instrumental engagement with technology in the context of CSR. For example, when online communication direct to stakeholders is used to rebuild reputation after corporate scandals (Eberle et al., 2013; O’Riordan and Fairbrass, 2013), the potential motives may be instrumental, with online CSR deployed only to improve the ability of a corporation to more effectively present its reputation in the way it sees fit, bypassing potentially more critical and/or objective journalistic reporting of events.

When the Internet and CSR are explored in the literature, we also note definitional ambiguity including confusion over both form and purpose. The concept and scope of the use of digital technologies within CSR have varied considerably, including ‘interactive corporate social responsibility communication’ (Eberle et al., 2013) (as if previous CSR did not involve interacting with stakeholders), ‘virtual corporate social responsibility dialogs’ (Korschun and Du, 2013), (as if somehow online CSR isn’t ‘real’, but only virtual, or ‘imagined’), and ‘corporate social responsibility in the network society’ (Castello et al., 2013), (as if those

excluded from online participation are no longer meaningful stakeholders). Such apparent definitional work raises more questions than are answered and to some degree even obscures the actual responsibilities that may be present. For example, is the form of the technology itself what is important, or should we only pay attention to the practices that constitute meaningful interactions with stakeholders regardless of platform? Our view is that academics and practitioners should not rarify the digital, but rather look for specific consequences of new practices that raise substantive issues for CSR.

To put it another way, there is no ‘digital CSR’, ‘virtual CSR’, or ‘Online CSR’, etc., but only new ways of communicating existing issues *and* new responsibilities associated with the corporate use of digital technologies. In existing discourse, if there is a transformation in responsible business practice, it is only in the way it is communicated through wondrous new technologies, but this reduces technological developments to a ‘mere’ communication channels for responsible business practice. This prevents broader discussion of the responsibilities corporations have to society when using digital technology, responsibilities that we propose are worthy of their own analysis.

It is perhaps also significant that, even in its role as a communication tool, Stohl et al. (2015) have suggested that digital media platforms can restrict CSR related values, obstruct free speech or stakeholder engagement and lead to enactment of communication practices that conflict with the acknowledged international CSR guidelines (UN Global Compact, ISO 26000, etc). The authors further question the use of social media communication as an appropriate way to portray CSR undertakings, recognizing the potential for manipulation of information, including through policy designed to control employees use of social media. Thus, even as a communication tool, social media is not a neutral platform for communication, but raises new areas of responsibilities.

In this chapter, we draw attention to new areas of *corporate responsibility in the digital economy*. We contribute to theory by recognizing those responsibilities placed on corporations through the use of online technologies. Drawing from established ethical and policy concerns in other fields, we review the range of potential areas where such new areas for responsibility might be examined. We then identify ways in which these concerns relate to established CSR frameworks.

### **3.2. CSR foundations and digital technology**

Academics have highlighted three dominant discourses showing to whom organizations are responsible (Marrewijk, 2001) and we summarize them here to allow us to compare developments in business use of technology with the assumptions each carries about responsibility.

Firstly, Marrewijk (2001) describes the *classical* approach to CSR captured in Friedman's definition that states: "the social responsibility of the business is to increase its profits" (Friedman, 1962). From such a perspective, digital technology can be considered as merely an opportunity to increase efficiency, or in terms of opportunities for new sources of profit, and presents no particular responsibilities beyond this. A corporation therefore views digital technology in terms of profit 'within the law', paying no attention to any further consequences of changes in business practices for its stakeholders.

Secondly and later, Carroll (1979) notes that there is a natural link between corporations and their stakeholders - *the stakeholder approach* (Marrewijk, 2001) – where it is desirable to identify legitimate stakeholders and take into account their rights and interests, and also to delineate how far such obligation extends (Freeman, 1984; O'Riordan and Fairbrass, 2013). Stakeholder engagement, is seen either as an ideal 'moral partnership of equals' (Phillips, 1997, 54) based on the idea of social contract (Rawls, 1971) that will create

value for stakeholders when considered rightly (Noland and Phillips, 2010) or, in contrast, a ‘morally neutral’ practice which is ultimately defined by the motive and virtue of the actor involved in such activity (Greenwood, 2007). Stakeholder engagement is also seen as “a necessary prerequisite to socially-responsible action” and so should be integrated in the CSR reporting models and within the corporate mission and values that are communicated to stakeholders (Reynolds and Yutas, 2008, 58). Here, digital technology may also be seen as an opportunity for stakeholder engagement and indeed this is reflected in emerging studies of CSR. In addition to potential sources of profit or efficiency (which may be limited by conflict with stakeholder interests), the Internet provides new communicative opportunities to listen to and engage with key stakeholders.

Thirdly, the *societal* perspective maintains that companies have a responsibility towards society (Marrewijk, 2001). At its most ambitious, this would ask that the use of digital technology should be to make the world a better place. This latest challenge to business ethics requires not simply the assurance that no harm is done to stakeholders, or that their views are considered, but that corporations actively produce a better society (and not just economic growth). Here then see the strongest normative claims for CSR theory. The legitimacy of corporations is explicitly seen in societal terms. For example, digital technology should be deployed to improve the lives of people, strengthen communities, address inequalities and injustice and to do so for future generations. Digital technology should improve working conditions, autonomy (for example freedom of expression), access to information, services and wealth, and the sustainability of business practices.

We could illustrate these positions in respect to one of the latest areas of excitement in digital technology: big data. Under the classical approach, we can ask about the opportunities to profit from big data. Under stakeholder theory, we consider potential harm, for example relating to privacy, or manipulation. And, under the societal perspective, we ask if – and how

– big data can make the world a better place. With new developments in technology, the limits of these streams of conceptualizations become apparent. As more opportunities and related responsibilities emerge from the use of Internet there is a necessity to explore a *responsibility in the digital economy*, where a new agenda is established that raises questions about underexplored aspects of the classical, stakeholder and societal approaches to CSR.

Digital technology is much more than a communicative issue, but something that may run through all aspects of an organization and its interactions with society, with previously unheard of opportunities for the most outrageous breaches of trust of a range of stakeholders as a corporate ‘game’ competing needs of governments, the environment, customers and shareholders.

### **3.3. The Internet and CSR**

Alongside the escalating normative ambitions of CSR theory to create a better world, interest in the responsibility of organizations has intensified as a result of scandals in various industries, such as energy, banking, pharmaceuticals, and automotive (O’Riordan and Fairbrass, 2013). Recently, for example, we witnessed Volkswagen’s attempts to balance performance and fuel economy with low pollution that resulted in the illegal use of software created to deceive regulators and ‘cheat’ on emission tests (Plumer, 2015) resulting in reputational damage. Elsewhere there have been protests and boycotts of corporations for their avoidance of tax and/or other financial irresponsibilities and numerous protests about the practices of pharmaceutical companies ranging from their promotion of certain drugs with undesirable side effects to their restriction in the distribution of other drugs to protect profits.

Online CSR has been dominated by communication through reports or corporate websites. In a study that descriptively analyses Fortune Global 500’s CSR reports and their assurance, it is revealed that all organizations provided social or environmental disclosure on

their corporate websites as a way to ensure communication between firms and stakeholders (Junior et al., 2014). The Global Reporting Initiative (GRI) is currently the most widely used standard to guide responsible corporate practice and its reporting (Junior et al., 2014; Manetti and Toccafondi, 2012) and the Corporate Register is the awarding body for best CSR reports (Crisan and Zbucea, 2015). Indeed, KMPG (2013) highlights that 93% of the largest corporations communicate about their CSR activities either on the corporate website or through CSR reports, and separately from the annual financial reports. This research illustrates that academics are now preoccupied by the development of assurance services within CSR reporting, sometimes seen as instruments for creating ‘added value’ (Korschun and Du, 2013; Manetti and Toccafondi, 2012). Research also suggests dynamism and constantly changing assurance tools as a way to meet ‘industry norms’ or expert advises (Manetti and Toccafondi, 2012). The discourse is therefore related to reporting of CSR practice rather more than of issues of responsibility themselves, with online media seen as a useful tool for the dissemination of CSR activity to stakeholders.

More recently academics *have* started to investigate how social media influences firms and their engagement with stakeholders (Adi and Grigore, 2015; Whelan et al., 2013), whether this is an effective platform to create awareness of CSR initiatives and to boost reputation (Coombs and Holloday, 2015) and to legitimize the role of corporations in society (Castello et al., 2013). Stakeholders can now apparently sanction irresponsible corporate behavior and show their indignation on social media, which may lead to a change for a better society (Crisan and Zbucea, 2015). While only a quarter of global citizens read CSR reports, Cone’s (2015, p 4) data reveals that consumers view social media as a way to “learn, voice opinions and speak directly to companies around CSR issues”. The same study encourages companies to “embrace emerging technologies and social channels as effective methods for educating consumers around CSR efforts, creating a dialogue and inspiring them to take



action” (Cone, 2015, p 4). Studies seem to suggest an opportunity for dialogue and interaction in the ‘network’ society, but there is limited research that looks at communication disruption, plurality, conflict and contradictory perceptions between stakeholders, or between companies and stakeholders in such networks. Again, the issue is how online media enables ‘traditional’ CSR processes rather than on any new responsibilities that emerge from engagement with digital technologies.

We argue that the Internet and CSR should not be reduced to issues of communication, but rather that it might encompass new areas of responsibilities that emerge from the rise of digital technology. For example, we could argue that the reduction of digital CSR to a communicative function represents an *othering* of the agency of digital technology (see Law, 2004), the ability of digital technology to change the nature of social reality in specific ways. Digital technologies might change networks of communication, but also assemble new products, new forms of labor and labor relations, and new organizational and extra-organizational structures. In the corporate involvement of these new arrangements there are ethics and responsibilities. An apparent irony here that digital technology as conceptualized in CSR discourse is recognized as important in its ability to transform society and the economy, yet presented as almost benign and trivial, as ‘merely’ a channel of communication. By reducing digital media to a communication role, almost all of these new relationships, and therefore responsibilities, are ignored, or made absent. ‘Responsible’ practice in the digital economy may therefore be counter-productive. Rather than examining business with a view to transforming it into more socially responsible forms, it actually provides an outlet for corporations to hide much of what they do behind reporting and communications functions and opportunities.

#### **3.4. Established discourses on responsibility in the digital economy**

There are established issues of corporate responsibility that we can see as directly relevant to developments in the digital economy. These are: transparency in communications; taxation; privacy and data collection and storage, and; use or avoidance of regulatory and self-regulatory communication.

In respect to these, existing literature has noted potential ethical concerns surrounding the *transparency of digital communications strategies*, particularly in relation to children (Owen et al., 2012; Ann et al., 2014; Nairn and Hang, 2012; Dahl et al., 2009). For instance, research has found that children as old as fifteen struggle to identify advergames as advertising and has called for a new regulatory framework for advergames and new media (Nairn and Hang, 2012). UK self regulatory frameworks require all advertising to be clearly identified as such, however in addition to advergames a number of YouTube videos have previously been banned by the Advertising Standards Authority (ASA) for not doing so (Bold, 2014), despite recent increased guidance offered to vloggers and bloggers by the ASA (2014; 2015). Other concerns surrounding transparency have emerged in relation to fake ‘user’ reviews, inappropriate targeting (e.g., ads for fast food on Zoella’s videos, when she admits that most of her ‘audience’ is under 18). Rather than rejoicing at this new opportunity to talk to key audiences, and/or simply waiting for ASA regulation, responsible firms might regulate this internally in order to actively avoid any potentially misleading/confusing digital communications campaigns. It seems ironic that at the same time as celebrating online CSR reporting, corporations use online communication channels to promote goods and services surreptitiously without declaring their communications as persuasive.

As part of the established discourses on responsibility in the digital economy, we also note issues related to *privacy and data collection, storage, use and transfer of data*. More specifically, here we can include: manipulation of consent and opt out rights, data sharing/selling, consumer access to their own data, especially in the era of ‘quantified self’,

security of data, especially when re-sold and the use in behavioral targeting with intrusive algorithms. This is the current focus of rigorous Data Protection legislation and control in European Union, because of the potential harm from irresponsible act. The urgent need for legislation illustrates a lack of responsibility in general in the corporate use of consumer data, yet as technologies of surveillance evolve there is need to focus on responsibilities beyond legislation that will always lag behind.

When it comes to *taxation*, digital technologies allow various forms of international trade making the avoidance of tax easier. Is this also an evasion of responsibility? Recent campaigns, for example to boycott Amazon, (Ethical Consumer, 2015) may suggest so. Amazon is able to sell across the EU from any of its various EU websites and redirect profits through low tax countries. The movement of goods attracts no additional taxation, and digital technologies make the separate movement of profit more efficient too. However in addition to denying governments of the revenue required to pay for public goods, both practices disadvantage local business that is subject to a range of local tax regimes, including (in the UK, for example), business rates and corporation tax as well as VAT. We can see the latter as one of the most contentious aspects of CSR: responsibilities to competitors. The situation is perhaps made worse when the online retailer is aware of, and even exploits or invites 'showrooming', where a consumer may use a local retailer for demonstration and viewing of a product, then buy from an online retailer with no such facility and associated overheads (for example see Rapp et al, 2015).

Together then we see that the agenda for responsibility in the digital economy may be revised to include the use of technology and specific areas may be extended (taxation, legal compliance, consumer rights, and even responsibility to competitors).

### **3.5. New areas of responsibility in the digital economy**

There are also new responsibilities that are currently silent in CSR or business ethics literature. These new responsibilities, we argue, are reflected in issues to do with: commodities, contractual agreements and ownership; exploitation of immaterial labor and fair distribution of rewards; access and equality, and; the use of low cost labor and/or artificial intelligence.

#### **3.5.1. Digital commodities, contractual agreements and issues of ownership**

Digital media not only presents new opportunities for promoting and distributing material products and offline services; new markets have emerged whereby the ‘commodity’ exists only in digital form. Molesworth et al. (2016) argue that recent years have seen the emergence of digital consumption objects, which “possess no enduring material substance but rather exist within digital space (computer-mediated electronic environments), accessed and consumed via devices such as desktop computers, laptops, tablets, mobile phones and videogame consoles.” In acquiring, using and accessing many digital goods consumers must agree to terms set out in end-user license agreements (EULAs) and terms of use/service contracts, which typically include a range of restrictions on their ownership of these items (Molesworth et al., 2016; Watkins et al., 2016). Such contractual agreements are common in access-based consumption of material items, for instance when renting a car (Bardhi and Eckhardt, 2012). However, this is now not the case only for services such as Spotify and Netflix where consumption is clearly positioned as access-based, but in a much wider range of contexts including social media accounts, email accounts, online games, mobile applications, and even downloaded, paid-for content such as digital films, music and books.

In terms of ownership, business ethics literature has long been preoccupied with digital piracy, the unauthorized procurement and use of digital media files that infringes

copyright and results in loss of revenue to firms (e.g. De Corte and Kenhove, 2015). Whilst consumers' ownership rights have received less attention, here we see that consumers' limited ownership of digital items may present significant and yet to be fully realized consequences. Watkins et al. (2016) note that this is particularly problematic given evidence that EULAs and Terms of Service agreements are rarely read by consumers. Even where contractual agreements are read, we might question the extent to which consumers understand them, or may challenge them. Watkins et al. (2016) speculate that a lack of knowledge/understanding of their ownership rights may result in the formation of assumptions based on existing understandings of the relationship between possession and ownership. They may assume, for instance, that they hold the same rights to an ebook that they have become accustomed to in the context of their material counterparts.

This issue stems from a disparity whereby a corporation regards its' offering as access to a service, but the consumer comes to perceive the same digital item as a possession. How might companies act responsibly in this area? Under classical CSR, a company would restrict use of DCOs in ways that maximize profit and minimize costs, with no commitment to continuance of access as a way to maximize ongoing profitability with digital goods themselves reducing production and distribution costs.

Under stakeholder theory, however, responsible corporations may need to consider potential harm. For instance, such firms might translate EULAs into 'plain English' to ensure that they are understood. They may also allow consumers to download local copies of digital goods to keep where there is no guarantee of continued access, and encourage them to do so. They might also allow and even help consumers to pass on digital content to friends/family as gifts or heirlooms. These decisions are especially important where there is little or no regulation regarding the types of terms that can be included, or the number of times the terms of such contractual agreements can be updated.

Finally, under the societal perspective, we might further ask if and how digital content can make the world a better place. Given the absence of distribution or manufacturing costs, such consumption objects might no longer be a source of profit at all with large amounts of content made freely available as they have been through various Torrent sites (especially where artists themselves are long dead). In this respect we might pay more attention to movements that promote open access, and open source as more responsible than the corporate expansion of IP.

### **3.5.2. Exploitation of immaterial labor and fair distribution of rewards**

Prosumer-reliant business models have emerged in the digital economy whereby the consumer or 'prosumer' largely produces the digital objects that they subsequently consume (Molesworth et al., 2016). For instance, although social media platform Facebook provides the infrastructure within which consumers may create their profiles, owns the servers on which they are hosted, and pays the website developers who create and maintain the platform, the value of the platform is ultimately derived from the user who uploads and tags multiple photographs, fills out personal information, and continuously provides up-to-date, socially (and commercially) valuable information. Here consumers' creation and cultivation of their social media profile increases the platform's attractiveness to other consumers and consequently contributes to maximizing advertising revenue. Whilst some scholars see this as companies presenting a resource for 'prosumers' to work with in order to create mutually beneficial value (Prahalad and Ramaswamy, 2004; Tapscott and Williams, 2006), others argue that companies are in fact establishing new ways to extract value from consumers' free labor (Terranova, 2000; Bonsu and Darmody, 2008; Ritzer and Jurgenson, 2010).

Above we discussed the ways in which business models involve processes of limiting consumer ownership in order to transform digital consumption objects into profitable assets.

Consequently, many digital consumption objects created in part by the consumer may not be fully owned by them (Watkins et al., 2016; Molesworth et al. 2016). For instance, whilst Facebook's terms of service declare that “You own all of the content and information you post on Facebook” the consumer simultaneously grants Facebook a “non-exclusive, transferable, sub-licensable, royalty-free, worldwide license to use any IP content that you post on or in connection with Facebook” (Facebook, 2015). Within virtual world Second Life, users are also granted intellectual property rights over the items they create, including the ability to sell these items for profit. However, Bonsu and Darmody (2008) describe this as a veneer of consumer empowerment that encourages consumer creativity only to enable the platform to thrive, generating profit for its corporate owners. In this analysis, offering consumers intellectual property rights is simply as a means of effectively mobilizing free consumer labor, whilst real control remains with the corporate owners of the platform who regulate behavior and may terminate the platform at any time.

Molesworth et al. (2016) propose that the possession practices that consumers engage in order to enact possession of digital consumption objects are themselves a form of immaterial labor. Singularizing practices that elsewhere de-commoditize (Appadurai 1986; Kopytoff 1986) or sacralize (Belk et al. 1989) mundane objects, severing from the market, here tie in the co-creators of digital consumption objects, producing a phenomenon of consumer ensnarement as consumers become increasingly attached to objects that cannot be separated from company influence (see also Watkins et al. 2016). In some instances consumers are subject to financial exploitation, as they must continue to pay for access to digital possessions they have in part produced (as in the case of subscription based online games such as World of Warcraft).

Again, from a classical CSR perspective, this is no more than an imaginative way to minimize labor costs and maximize the value of corporate assets. However, from a

stakeholder perspective, there are questions about the transparency, fairness and accountability of such arrangements with consumers. From the societal perspective we might consider again how such exploitation and ensnarement might lead to a better society. For example, against celebrations of the empowerment of user-generated content, we might question whether it is responsible and fair to build a business that requires individuals to spend considerable time laboring for free on social media platforms. Put more directly, we might ask if society is improved when corporations design online platforms that encourage extensive uploading of personal information and networking building (with resultant trolling, flaming and other psychologically destructive activity) for the purposes of selling ads.

### **3.5.3. Access and equality**

Organizations have recently started adopting web content accessibility guidelines (e.g. ISO/IEC 40500:2012) to address a social issue (equal access to vulnerable groups) and to ensure compliance with the law (e.g. the Disability Discrimination Act of 1995; the Disability Act 2001). We might see this as comparable with responsible companies that ensure equal access to buildings, jobs, and services. But the use of technology by corporations may still disadvantage certain groups of individuals (the old, and the poor especially) in terms of access to offers, interaction, or customer services. This extends the issues of the 'digital divide' that have already been established (for example the focus on political engagement, see Ragnedda and Muschert, 2013)

For example, does CSR communication via Facebook carry 'hidden' assumptions about audiences and their importance? Social media is not accessible to all and is certainly not used by all groups equally. We might therefore consider the implications of using it as a primary communication medium, especially where it is promoted as a way for consumers to feed back to organizations and to hold them to account. Indeed many organizations might



prefer to promote the potential for interaction on their social media in full knowledge that certain groups are unlikely to engage in this way and of the likelihood of ‘slacktivism’, where protest amounts to no more than clicking a ‘like’ button.

More significantly, the range of disadvantages to certain groups where an organization decides to make full use of technologies is overlooked. For example, it is already recognized that where a bank closes branches, but provides online services instead, it may cause problems for the elderly and the poor in a community who are denied access to banking services (Leyshon et al, 2008). In addition, where retailers or services (such as tourist attractions, museums, or public transport) offer online discounts and advance bookings, does this also disadvantage their poorest customers (who must pay more, or be denied opportunities)? Online promotions may be cheap and effective ways for businesses to manage promotional activity and collect data, they may also allow cost savings in services that can be partially passed on to customers, but is there a responsibility to ensure that an unintended consequence isn’t an effective penalty for those unable or unwilling to also invest in the latest technology.

Again, a classical CSR approach favors embracing technology for its efficiency. The stakeholder model however may raise questions about equality of access, and the society model might ask larger question about the desirability of a divided society in which many may have cheap and easy access to a range of technologically enabled goods and services, whereas others are increasingly excluded.

#### **3.5.4 Labor, use of low cost and/or artificial intelligence**

If our illustrations so far have hinted at how the adoption of technology by organizations may be dehumanizing, this is most obviously seen in aspects of labor. We might first consider the use of technology to extend the working day and workspace of employees. Various reports

show how the use of smartphone, tablet and laptop technologies result in employees adopting 24/7 work practices, answering work emails in the evening, weekends and whilst on holiday because technology makes them always available. The technology allows flexibility to contact employees, but is it responsible for organizations to do so outside normal working hours? Technology may also be used to monitor employees in various ways including electronic surveillance of daily activity and productivity (Ball, 2010). With new wearable technology, the possibilities to govern all aspects of employees' lives for the 'good' of the company is increasing making the need to consider which approaches are responsible or otherwise even more pressing.

Alternatively, the Internet has allowed various forms of casualization of labor (Uber, Air B&B, Yodel), celebrated under various ideas such as access-based consumption, the 'sharing economy', or crowdsourcing, (Belk, 2014) with new services often described as in opposition to the established businesses which are now accused of merely protecting their own businesses models in order to maintain unreasonable profits. Yet these new businesses deny their employees many of the usual employment rights (as well as evading much legislation, for example on access, see above). At the worst we might consider the responsibilities relating to the use of services like Amazon's Mechanical Turk where labor may be purchased globally in units of a few cents with no commitment to 'employees' whatsoever beyond this, driving down labor costs to the global minimum and allowing corporations to avoid almost all the costs associated with employment (an office, holiday pay, sick leave, and pensions for example, see Scholz, 2012).

Finally, technology can replace the human labor-force altogether and indeed has been doing so for some time (Weidel, 2015). Now though it isn't just manufacturing that is automated (leaving us with growth only in service jobs), but even customer services and sales are subject to cost-saving replacements of humans with machines and software. For example,

self-service tills at supermarkets and other shops, touch screen information and ordering points, and automated online and telephone enquiry systems relying on ever-more sophisticated artificial intelligence. In many cases, the result isn't just the removal of jobs, but also a denial of what is now apparently intolerably inefficient human contact. Indeed even with computer-assisted consumer services the employee is encouraged to minimize time spent 'idly' chatting to a customer. The market place is becoming too efficiency driven to be a place where employees and customers should 'waste time' talking to each other.

Once more then, the classical CSR model might simply note how the move to technologically governed, or even artificial labor is no more than the move to exploit new forms of profit maximization. The stakeholder model on the other hand, asks that the rights of employees and customers are balanced against such efficiency. And the society model demands that we consider what sort of society trades human contact, jobs and working conditions for cost-saving technologies. For example, do we want a society where marketplace interactions are void of human contact altogether and more of our time is spent interacting only with technology?

### **3.6. Conclusion**

Although it is difficult to settle on coherent themes within these new responsibilities in the digital economy (hence that broad classification), there are aspects that *can* be identified as underlying features of the digital economy that lead to new areas of responsibility. Specifically, digital technology allows for a blurring of boundaries, for example: between employees and consumers in the case of co-constructed value, through user-generated content or crowdsourcing; between commodities and services in the case of digital consumption objects, and; between content and advertising in the case of promotion via social media and celebrity bloggers. Such de-differentiation often renders established legal structures less

meaningful. Indeed at times it is as if this is the very purpose of technological developments. In such circumstances there is a pressing need to define what constitutes responsible business practice.

Under a classical model of CSR, the result is the celebration of new forms of profit and to a large degree this is exactly what we see in the business literature and popular press. In this sense, the corporate appropriation of new technology is ethically naïve, lagging behind thinking in terms of social responsibility. Transformation in practice must also raise questions of what is reasonable, ethical, or responsible when it comes to all stakeholders. Disruptive technology is often seen only in how it may enhance business practice and/or lead to new sources of profit, but under the stakeholder model of CSR we might argue for the need to also consider the appropriate accompanying responsibilities at the very least. Yet even more than this, the ambitious normative move to a societal model of CSR asks us to consider how changes in technology can contribute to a better society. For example, if the distribution of media is now almost free, why would technological efforts go into Digital Rights Management, licensing and ownership models that are actually more tenuous and less generous than with older technologies? Technology allows almost everyone to access almost all content for almost free, but this is not good for the content business.

Far from seeing corporations accept, explore and establish new areas for responsibility, what we actually see are attempts to distribute responsibility to other actors: the sellers on eBay, the uploaders on YouTube and the various prosumers of the sharing economy (Uber, Air B&B). Elsewhere the distribution of agency is towards the code and algorithms themselves, now acting not only as law (see Lessig 'code as law') but without coded moral compasses. For example, did the cheat code in VW's engine management systems know if was cheating? Does an online account termination know that it has prevented access to important possessions? Where a non-human monitoring and manages

processes ethics may all too easily be evaded as outside the process.

We might question why are these things not already CSR issues, given that they are reported in popular and specialist media and that there is academic work, often outside 'business ethics' that already reports the ethical concerns? Finally, we therefore call for further research that recognizes which issues have the greatest range of impacts, for example, where an issue impacts multiple stakeholders, with potentially conflicting interests, dealing with the issue may require more complex management. Doing this may identify the potential for new CSR initiatives as well as potential problems. The opportunities as well as the negative consequences are missed if the connection between CSR and technology is reduced to communicating CSR reports and activity as it currently is. Again, our conclusion is that there needs to be much more dialogue between those critical of the negative consequences of new technologies and those researching CSR.

### **3.7. References**

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