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CORPORATE DIGITAL RESPONSIBILITY

What You Need To Know Right Now

A report by Allegory that sets out the urgent need for organisations to act on issues related to Corporate Digital Responsibility (CDR) and offers a framework to support with planning and communication.

About Allegory

Allegory is an award-winning strategic communication agency that leads the public conversation about the impact of technology on the environment, society and governance to educate and drive change. We do this using strategic communications, storytelling and content, through engagement with the public and complex stakeholder networks including researchers, academics, business leaders and policy makers.

Our clients include research institutions and think tanks, businesses that are built on data, big tech, artificial intelligence and organisations in education and health.

To view our work for organisations including Data City, Open Data Institute, Knowledge Transfer Network, The Alan Turing Institute and the Web Foundation please see our client case studies.

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Introduction

Corporate Digital Responsibility (CDR) is an emerging field of practice. It relates to a broad set of responsibilities concerning the application and management of data and digital technologies in organisations.

High profile failures in data and digital governance, regulatory issues and breaches related to data management and digital technologies make CDR a critical risk issue for boards and all senior executives. Further, the UK Government's National Data Strategy launched in September 2020 means that data should be a strategic issue for any organisation[1].

Allegory believes that ultimate responsibility for CDR risk must lie with the CEO and the board. However, these individuals also need the support of a community of practice with the breadth of knowledge and understanding of the impact of data and digital technologies within their organisation.

In April 2021 we brought together leading experts from academia, industry, and professional associations to discuss the emerging CDR landscape. This paper is the result of that discussion. It sets out a framework to support organisations with CDR planning and communication.

Charlotte McLeod
Chief Executive Officer
Allegory

[1] Government of the United Kingdom,
UK National Data Strategy, September 2020,
https://www.gov.uk/government/publications/uk-national-data-strategy/national-data-strategy

The emergence of Corporate Digital Responsibility as a board issue

This briefing paper by Allegory sets out the need for organisations to act on issues related to CDR. It outlines the risks of not doing so and provides a framework and approach for management communication.

The increasing use of data and digital technologies has led to a need to define a set of principles that govern an organisation's values, judgments and behaviours where data and digital are concerned.

CDR is a rapidly emerging area of concern in organisations that brings together ethics and governance with their application in the digital domain. It shares some of the principles and goals with an organisation's commitments on Corporate Social Responsibility (CSR) and the emerging Environment, Society, and Governance (ESG) agenda.

The issue of CDR has risen-up the corporate agenda in the past two years because of the exponential growth of digital technology and high-profile ethical, governance and security failures in its application by organisations.

> "We've reached the point where data and digital technologies constitute organisations. In both the Public and Private Sectors, organisations have become platforms for the management and extraction of value from data and its subsequent exploitation. It is why CDR has become a critical governance issue"

Professor Anne Gregory
Chair of Corporate Communication,
Huddersfield University.

The business models of social networks, marketplaces and modern media organisations are predicated on gathering and manipulating personal data and using it to generate profit.

Data was once used solely by marketing departments to inform the development and targeting of products and services. Increasingly data itself is the basis of businesses that use it for hyper targeting and to effect behaviour change. This action creates a fundamental tension between organisations and society..

> "The pitfall we are facing right now is the extraction and monetisation of data at scale. It is suddenly forming, norming, and shaping all dimensions of our identities, our relationships and how we organise ourselves. It is life itself"

Dr David Leslie
Ethics Theme Lead,
The Alan Turing Institute.

The case for Corporate Digital Responsibility

High profile failures related to poor management of data and the digital technologies deployed by organisations have led to CDR becoming a critical issue.

Governance failure

The management of the Post Office computer system is one of the most significant examples of an organisational governance failures in recent times[2]. The Horizon system developed and manufactured by Fujitsu resulted in the wrongful conviction of 39 sub-postmasters for fraud in instances where sub-Post Offices showed a discrepancy in their accounts.

Justice Peter Fraser overturned the convictions in the Court of Appeal in April 2021, criticising the Post Office management for ignoring evidence that the system was not fit for purpose and failing to enforce a robust data auditing regime. The ensuing scandal highlights the danger of accepting data at face value and not having a thorough understanding of organisational systems.

Exploitation of personal data

The use of technology in the public sphere is increasingly under scrutiny. If an application of data and digital systems does not meet with public approval it will result in a reputational issue for the organisation concerned.

A facial recognition system in King's Cross, London was removed in summer 2019 after protests from the public and privacy campaigners[3]. The system used CCTV to record and profile individuals, ostensibly for the prevention of crime, but was deemed to be an overreach of monitoring in a public space and an invasion of personal privacy.

The improper use and exploitation of data frequently leads to organisations being placed under scrutiny. TikTok is currently facing prosecution in a case backed by the former Children's Commissioner of England, Anne Longfield[4]. It is alleged that TikTok holds phone numbers, pictures, videos and location details for an estimated 3.5 million eight to 12-year-old children in the UK and resells this information to third parties for profit.

[2] The Conversation, Post Office scandal reveals a hidden world of outsourced IT the government trusts but does not understand, 29 April 2021, https://theconversation.com/post-office-scandal-reveals-a-hidden-world-of-outsourced-it-the-government-trusts-but-does-not-understand-159938

[3] Financial Times, London's King's Cross uses facial recognition in security cameras, 12 August 2019, https://www.ft.com/content/8cbcb3ae-babd-11e9-8a88-aa6628ac896c

[4] BBC, TikTok sued for billions over use of children's data, 21 April 2021, https://www.bbc.co.uk/news/technology-56815480

The case for Corporate Digital Responsibility continued

Innovation versus regulation

Innovation in data and digital technologies frequently leads to conflict with regulation. The boom in health and wellbeing smartphone apps during the COVID-19 pandemic has led to concerns over data usage and medical standards. NHSX has published a Digital Technology Assessment Criteria to give confidence about which products meet the highest standards on clinical safety[5].

NHSX is a Government unit with responsibility for setting national policy and developing best practice for National Health Service technology, digital and data, including data sharing and transparency.

In February 2021, the Organisation for the Review of Care and Health Apps (Orcha), acting on behalf of the NHS, tested 5,000 smartphone apps[6] claiming to support a range of conditions including cancer, obesity, and mental health. Orcha found that only one in five meets clinical standards and ensures the integrity of patient data. Seven in ten apps designed to help prevent suicide fail to meet basic standards.

High profile data breaches

There is an explicit expectation when individuals share their personal data with an organisation that it will be handled securely and that this is a matter of paramount importance. Indeed, the 2021 Edelman Trust Barometer reported that individuals were more concerned about cyber security (68%) than contracting COVID-19 (65%)[7].

Unfortunately, data breaches or leaks have become commonplace. Facebook is under investigation for a possible breach of EU privacy laws after the personal information of 533 million users was shared online.

Booking.com was fined €475,000 for failing to disclose a data breach by the Dutch Data Protection Authority in April 2021[8]. The incident which took place in 2018 involved telephone scammers in the United Arab Emirates (UAE) targeting employees for login credentials and accessing customer information. Booking.com was notified of the breach on 13 January 2019 and failed to report it for 22 days.

[5] NHSX, New simpler and faster assessment process for digital health technologies launched for the NHS and social care, (accessed 26 May 2021), https://www.nhsx.nhs.uk/news/new-simpler-and-faster-assessment-process-for-digital-health-technologies-launched-for-the-nhs-and-social-care/

[6] BBC, Most healthcare apps not up to NHS standards, 16 February 2021, https://www.bbc.co.uk/news/technology-56083231

[7] Edelman, Edelman Trust Barometer 2021, (accessed 26 May 2021), https://www.edelman.com/trust/2021-trust-barometer

[8] European Data Protection Board, Dutch DPA fines Booking.com for delay in reporting data breach, 9 April 2021, https://edpb.europa.eu/news/national-news/2021/dutch-dpa-fines-bookingcom-delay-reporting-data-breach-0_en

UK National Data Strategy (NDS)

The UK National Data Strategy (NDS) has provided fresh impetus for organisations to tackle CDR[9]. It reflects the need to balance data protection standards while also creating conditions for innovation and growth. GDPR legislation is deemed to be overly complex and a disproportionate burden on small and medium sized businesses.

A recent consultation on the NDS highlighted the need for the data revolution to work for everyone in society. This includes addressing challenges around inappropriate uses of data, digital inclusion, connectivity and skills. It recognises that maintaining a high level of public support for data use and trust is critical to realising the power of data.

The Government has set out five missions that form the basis of its NDS, each supported by a robust plan focused on policy and stakeholder engagement:

1. Unlocking the value of data held across the economy to enable this activity
2. Securing a pro-growth and trusted data regime
3. Transforming government's use of data to drive efficiency and improve public services
4. Ensuring the security and resilience of the infrastructure on which data relies
5. Championing the international flow of data

In addition to CDR risk issues, the priority and investment designated to data by the Government following the UK's exit from the EU means that it should be a priority for any organisation.

[9] Government of the United Kingdom, UK National Data Strategy, September 2020, https://www.gov.uk/government/publications/uk-national-data-strategy/national-data-strategy

Defining Corporate Digital Responsibility

The rapid digital transformation of modern organisations requires responsible action. CDR describes a broad set of responsibilities that an organisation should embrace related to the application and management of data and digital technologies.

The Chartered Institute of Public Relations has identified six macro areas of risk that relate to an organisation's application of data and digital technology that can be grouped under the sphere of CDR[10]:

- Social change – the transformation of society due to technology
- Change in the nature of work – the tension between efficiency and effectiveness
- Power – the advantage created by data and artificial intelligence
- Algorithms – design and transparency to avoid discrimination in terms of diversity and inclusion
- Privacy and transparency – safeguarding of data management and disclosure of use
- Bias – incomplete data or bias in data and/or algorithms leading to flawed decision making

> "CDR calls for responsible business, bringing together the voice of professionals from many different disciplines. It embraces the arts, science, philosophy and politics. Organisations need a mechanism for surfacing a collective voice at board level"
>
> **Alice Thwaite**
> *Founder, Hattusia and the Echo Chamber Club*

> "There's an important ethical dynamic. How do you avoid bias and ensure diversity in all forms? It requires thoughts and effort to eliminate bias and ensure that no one is being left behind"
>
> **Karen Campbell-White**
> *Deputy Director of Communications,*
> *Office for National Statistics.*

[10] CIPR, Ethics Guide to Artificial Intelligence in Public Relations (accessed 11 May 2021), https://www.cipr.co.uk/ai

Corporate Digital Responsibility as a strategic issue

The combination of data and digital technology has the potential to make a significant contribution to addressing the world's biggest issues, such as climate change, diversity, and sustainability. But the abuse of data can also cause serious harm, ranging from financial damage to breaches of personal privacy and safeguarding.

Regulatory and legal frameworks have yet to fully embrace data ethics. The EU General Data Protection Regulation 2016/679 is a step in the right direction.

> "The use of data by organisations is at the same phase as tobacco in the 1980s. This is the whistleblower phase. We know that the systems for exchanging data that exist in a consumer world needs addressing, but we've yet to see regulatory intervention"
>
> **Stuart Coleman**
> *Learning & Business Development Director, Open Data Institute.*

CDR has emerged as a label to describe the governance issues related to how organisations manage data as well as digital technology. This provides a common language and promotes both awareness and understanding of the importance of an ethical approach to data.

There is an argument that suggests reducing CDR to a three letter acronym marginalises it or makes it a 'tick box' issue for the to-do list of the Chief Technology Officer, Chief Information Officer or IT department.

> "Technologists in CTO or CIO roles typically have an optimistic view of the world and the role of technology to improve society. It's not generally in their nature to foresee data abuse or negative rogue applications"
>
> **Rob Price**
> *Co-founder, Corporate Digital Responsibility and founder, corporatedigitalresponsibility.net.*

In most organisations CDR is falling into the gaps between the responsibilities of the executive team. However, the potential applications of data and digital technology for good and bad within organisations mean that it should be a strategic issue.

Responsibility for Corporate Digital Responsibility within an organisation

Ultimate responsibility must lie with the CEO, but they need the support of people with the breadth of knowledge and understanding of the impact of data and digital technologies within their organisation. Data and digital responsibility should be embedded within organisational culture and everyone within an organisation should consider it part of their role.

> "The COO and CFO both have an operational business and often governance responsibility for this, but may need specific input expertise from those with a deeper knowledge of data and Artificial Intelligence. In that regard, the Chief Data Officer and the Chief Digital Officer should also have input"
>
> **Rob Price**
> *Co-founder, Corporate Digital Responsibility and founder, corporatedigitalresponsibility.net.*

This highlights a further issue. There is a need to professionalise knowledge among communities of people who can drive good governance around data and digital technologies. It suggests the opportunity to create a community of practice to bring together different skills and expertise[11].

[11] Price, Rob, Whose responsibility is it anyway? Corporate digital responsibility (accessed 11 May 2021) https://corporatedigitalresponsibility.co.uk/f/whose-responsibility-is-it-anyway

Developing a Corporate Digital Responsibility governance framework

The relationship between data, digital technologies and trust is explicit. For example, there is a growing understanding of the value of data and its application. The public increasingly knows about the need to share personal data so that organisations can understand their needs and access services. In return, they trust data will be managed carefully and used honourably. This value exchange is underpinned by trust.

The application and management of data by organisations is therefore critical to maintaining trust between an organisation and its stakeholders. However, the appreciation of this area as an emerging area of corporate governance is latent. Organisations need to develop a framework, underpinned by ethical values such as decency and integrity, to describe their management of data.

> "Governance is evaluated in different ways depending on the stakeholders that you represent. There has never been an integrated multi-stakeholder approach to governance, but that is what CDR needs,"
>
> **Janhavi Dadarkar**
> *CEO, Academy for Board Excellence.*

Data governance should formalise an organisation's approach to data as it relates to different stakeholders. It should codify the expectations of the organisation and employees related to the application and management of data and digital technologies.

A group of European researchers proposed a CDR governance framework in a paper published in the Journal of Business Research in January 2021[12]. It sets out the basis for a positive CDR framework, based on a model of values, norms, and artefacts. The team proposes a lifecycle based on creation of technologies, operation and decision making, impact assessment and refinement.

The Data Ethics Canvas from the UK's Open Data Institute (ODI) is a useful starting point to help organisations identify potential ethical issues associated with CDR planning[13]. It outlines 15 principles for the ethical use of data and digital technologies.

[12] Lara Lobschat, Benjamin Mueller, Felix Eggers, Laura Brandimarte, Sarah Diefenbach, Mirja Kroschke, Jochen Wirtz, Corporate digital responsibility, Journal of Business Research, Volume 122, 2021, Pages 875-888, ISSN 0148-2963

[13] Open Data Institute (ODI), Data Ethics Canvas (accessed 11 May 2021) https://theodi.org/article/data-ethics-canvas/

The role of the communication function

Communication professionals are left to clean up the mess when an organisation faces a data related crisis. This is usually without having been fully immersed in the issues surrounding data management and processing in their organisations.

Arguably the moment that an issue, or data breach reaches public attention, it is far too late for even the best communication professional to manage the fall-out. The risks and opportunities presented by data and digital should be considered by the most senior communicators in the organisation long before there is a crisis.

To be able to offer the best professional advice and support, communicators themselves need to have a good understanding of the data and digital landscape and be aware of social and ethical issues, as much as technical matters.

Allegory has worked in this domain for nearly a decade and has identified a series of activities under which communicators can cluster their work and provide effective counsel and delivery in their organisations. The activities can be carried out sequentially or concurrently:

1. Landscape analysis and audit

The communication function has an overview of internal and external factors related to an organisation. It is well placed to audit the risk factors related to CDR as part of a planning activity, including the expectations and motivations of stakeholders and customers.

2. Communication planning

Failure of an organisation to address issues related to CDR is a reputational risk. Communication planning should identify and mitigate risk. It should also support the organisation with engagement and reporting on CDR to its stakeholders. All data initiatives should undertake a stakeholder risk assessment as part of their planning.

3. Community of practice

No single profession within an organisation has the skills to address CDR. It requires a multi-function and multi-stakeholder approach. This is the domain of public relations working with leadership to support a community of practice to address CDR.

4. Horizon scanning

Key techniques in issues management include scanning and monitoring the organisation's environment and the concerns of stakeholder groups to identify and understand issues at the earliest possible point in their emergence.

5. Internal communication

Employees are a critical audience to ensure that an organisation has a positive culture to CDR. Communication teams have a role supporting communication, education and change management.

6. Stakeholder engagement

Communication teams have an important role to play in engaging with customers, partners, media and other external stakeholders as part of the communication and co-creation of governance around CDR issues. Open and transparent communication is critical to trust.

Allegory can work with in-house communication teams to help work through this six stage framework and get organisations CDR-fit. For an informal discussion, or to book a coaching call or a workshop, please contact:
Caroline Armstrong, caroline@allegoryagency.co.uk, tel: 07799 186445.

Acknowledgements

Allegory brought together a group of individuals from academia, industry, think tanks and professional associations in April 2021 to explore the emerging governance issues related to CDR. This paper reflects the collective discussion.

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