

Role of Corporate Governance Professionals in Ethical Digital Transformation

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A Company Secretary is often considered a Corporate Governance professional. The role of a Company Secretary is crucial in ensuring that an organisation adheres to corporate governance principles, legal requirements, and ethical standards. While the specific duties may vary based on the size and nature of the organisation, Company Secretaries typically play a vital role in facilitating effective corporate governance.



What is Corporate Governance?

Corporate governance refers to the system of rules, practices, and processes by which a company is directed and controlled. It involves balancing the interests of various stakeholders, such as shareholders, management, employees, customers, financiers, government, and the community.

What is ethical digital transformation?

Ethical digital transformation refers to the process of integrating digital technology into an organisation's operations, products, and services in a manner that prioritises ethical considerations, respects human values, and aligns with societal norms.

As businesses increasingly embrace digital technologies, it becomes imperative to ensure that this transformation is conducted responsibly, transparently, and with a focus on positive social impact.

The role of a Corporate Governance Professional is diverse and may involve various responsibilities which includes inter-alia:



i. Privacy Protection:

- **Data Privacy:** Company Secretaries shall support the management in implementing robust data protection measures to safeguard the privacy of individuals. This includes obtaining informed consent, securing data storage, and ensuring compliance with privacy regulations such as GDPR, Digital Personal Data Protection Act, 2023 and so forth.

ii. Transparency and Accountability:

- **Transparent Practices:** Company Secretaries shall guide the management by being open and transparent about how data is collected, used, and shared. The management shall clearly communicate the purposes of digital initiatives to the stakeholders.
- **Accountability:** Company Secretaries shall support the management in establishing clear lines of accountability for the ethical implications of digital transformation, including mechanisms for addressing issues and learning from mistakes.

iii. **Fairness and Inclusivity:**

- **Algorithmic Fairness:** Company Secretaries shall ensure in consultation with the Information Technology head that there is fairness in algorithms and artificial intelligence systems to prevent bias and discrimination when Artificial Intelligence System is adopted by their Organisation.
- **Inclusivity:** Company Secretaries shall ensure that the Organisation strives for inclusivity in digital solutions, considering the diverse needs and perspectives of different stakeholders both internal and external.

iv. **Security and Cybersecurity:**

- **Data Security:** As there are increased incidents of cyber-attack across the world every minute in a day, Company Secretaries shall ensure that the Organisation implements robust cybersecurity measures to protect digital assets and sensitive information from unauthorised access, cyber-attacks, and data breaches.

v. **Digital Literacy and Education:**

- **Employee Training:** As we all know human being is the weakest link, Company Secretaries shall ensure the Organisation provides training programs for employees to enhance their digital literacy and awareness of ethical considerations in the digital space.
- **Customer Education:** Educating customers about how their data is used and empowering them to make informed choices.

vi. **Environmental Sustainability:**

- **Green Computing:** Company Secretaries shall consider the environmental impact of digital technologies of their Organisation and that the management adopts best practices that contribute to sustainability. This includes energy-efficient infrastructure and responsible disposal of electronic waste.

vii. **Community and Social Impact:**

- **Community Engagement:** Company Secretaries shall ensure that the Organisation is adequately engaging with local communities and stakeholders to understand and address the social impact of digital transformation initiatives.
- **Social Responsibility:** Company Secretaries shall ensure that the management Integrates corporate social responsibility (CSR) initiatives into digital strategies to contribute positively to the society at large.

viii. **Risk Management:**

- **Identifying Risks:** Company Secretaries must identify potential ethical risks associated with digital transformation, such as data breaches, misuse of technology, or unintended consequences of automation.
- **Implementing Mitigation Strategies:** Company Secretaries shall help the management develop and implement risk mitigation strategies to address ethical concerns and prevent harm to the organisation and its stakeholders.

ix. **Human-Centric approach:**

Company Secretaries shall ensure that Information Technology team prioritises user experience and designs digital solutions that meet user needs of both internal and external stakeholders while respecting their autonomy and well-being.

x. **Legal and Regulatory Compliance:**

- **Compliance Management:** Company Secretaries as part of their core competence shall ensure that Organisation adheres to relevant laws and regulations governing digital activities, including, digital data protection laws, intellectual property rights, consumer protection, and anti-discrimination laws.

xi. **Continuous Monitoring and Improvement:**

- **Ethics Audits:** Company Secretaries shall ensure the Organisation conducts regular audits to assess the ethical implications of digital practices followed and identify areas for improvement.
- **Reporting Mechanisms:** Company Secretaries shall also ensure the Organisation has a robust reporting mechanism for addressing ethical concerns in digital transformation by providing a channel for employees and other stakeholders to raise issues without fear of retaliation.

- **Continuous Improvement:**

- **Adaptation:** Company Secretaries shall facilitate a culture of continuous improvement by adapting governance practices in response to emerging ethical challenges and technological advancements.

- **Learning from Incidents:** Company Secretaries as a Corporate Governance Professional shall ensure the management conducts thorough reviews and learns from any ethical incidents or breaches to improve future decision-making.

To conclude, Company Secretaries as Corporate Governance Professionals play a pivotal role in embedding ethical considerations into the fabric of digital transformation initiatives, safeguarding the organisation's reputation and fostering trust among various stakeholders.

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