No business as usual: a case for data ethics and data governance in the age of coronavirus

Anca C. Yallop and Omid Aliasghar
Department of International Business, Strategy and Entrepreneurship, Auckland University of Technology, Auckland, New Zealand

Abstract

Purpose – The purpose of this commentary is to reflect on the transformative changes organisations experience, in the form of increased use of emergent information and communication technologies (ICTs), as a significant factor in enabling the continuation of normal business practices during the COVID-19 pandemic, and subsequent key ethical considerations in the use of new technology by organisations.

Design/methodology/approach – This commentary adopts a reflective approach and is based on a review of theories on diffusion of innovation, dynamic capabilities and data ethics and governance, as well as up-to-date business reports to reflect on the ethical implications of new technologies for organisations.

Findings – Organisations from different industries and sectors around the world have experienced major disruptive changes because of the COVID-19 pandemic. Adoption and integration of new ICTs occurred at an accelerated pace in a collective effort to maintain “business as usual”. The use of emergent technologies is not without risks. The commentary argues that, in times of crisis, it is vital that organisations address the growing concerns around privacy and security of personal data by designing effective data governance frameworks that go beyond a mere compliance with existing policies and prevailing data privacy and protection laws to ensure data security and protection for all stakeholders.

Originality/value – This commentary is making the case for more considered approaches to data governance and data ethics in business following the unprecedented challenges posed by the recent COVID-19 pandemic and suggests possible ways of moving forward from an ethical perspective.

Keywords Technology, Transformative change, Digital privacy, Data security, Data ethics, Data governance, COVID-19

Paper type Viewpoint

Introduction

The COVID-19 pandemic has led to a widespread disruption of businesses in different industries and sectors internationally. Information and communication technology (ICT) has been rapidly and innovatively employed by organisations to maintain “business as usual” and to counteract the negative economic impacts on their business. Most organisations have seen an increased adoption of new technologies aimed at maintaining good communication with stakeholders, new forms of machine learning and various autonomous digital systems which drive an increasing amount of decisions made in both business and government (Martin et al., 2019).

Undoubtedly, technology has consequences and tests norms (Friedman and Nissenbaum, 1996). Most importantly, technology can have adverse effects on people because it can threaten individual autonomy and can violate privacy rights (Laczniack and Murphy, 2006; Martin et al., 2019; Wu et al., 2020). Therefore, it is crucial for organisations to be aware of the key challenges of embracing new technologies in disrupted and uncertain business environments.

This commentary provides an overview and reflects on the transformative changes organisations experience in the current COVID-19 climate, the seemingly accelerated diffusion of innovation in organisations (through an increased adoption of new emergent technologies) and ethical considerations and responsibilities organisations should take for adopting new technology. The commentary focuses solely on risks to organisations and,
although we certainly recognise that new technology creates ethical implications for consumers, employees and other vulnerable groups which are negatively impacted by the rapid and widespread adoption of ICTs in the specific context of COVID-19, it does not address all these implications.

First, we reflect on the transformative changes, in the form of increased use of emergent technology, as a significant factor in enabling the continuation of normal business practices during the pandemic through an examination of diffusion of innovation (i.e. adoption of emergent ICTs) in organisations. Next, we address ethical issues in the use of new technology, such as data privacy and data security, ultimately making the case for more considered approaches to data governance and data ethics in business.

Diffusion of innovation: business adoption of emergent ICTs
While the full economic impact of COVID-19 is still not clear, its impact on the ways that businesses perform is evident. As Hirt et al. (2020, p. 2) note “close on the heels of the coronavirus outbreak, the next wave of disruption—the biggest economic shock since World War II—is headed our way. And it isn’t just an economic shock: it is a shock to customer behaviours and business models too.”

Organisations had to quickly adapt to new ways of doing business, through a rapid diffusion of innovation, namely adoption and integration of new technologies. Rogers (2003) defines diffusion of innovation as “the process by which an innovation is communicated through certain channels over time among the members of a social system” (p. 5). Due to current situational factors, however, the rate of adoption and integration of new technology needs to occur at an accelerated pace.

Organisations have embraced software as a service faster than ever before cloud communications and data traffic on mobile and broadband networks have increased considerably (Kerravala, 2020; Ignatius, 2020). There has been a rapid growth in the popularity of online technologies and video conferencing platforms such as Zoom. Universities, research and commercial organisations are thrust into the online mode to keep their businesses going, with substantial changes in the way organisations communicate and do business.

Key for managers is to integrate and diffuse emerging technologies as quickly as possible to sustain their competitive advantage. Scholars have argued that an organisation’s competitive advantage roots in its organisational processes and routines, i.e. “the way things are done in the firm” (Teece et al., 1997, p. 518). Certainly, the “way things are done” in organisations experienced a significant transformation.

Working from home became a “new normal” (Holt, 2020). This has influenced teamwork, communication, collaboration and productivity (Mehta, 2020). In a rapidly changing environment managers need to reconfigure the organisational structure and undertake the necessary internal and external adjustments as quickly as possible (Aliasghar et al., 2019). However, transformative changes are not without risks, particularly in the challenging climate of a pandemic when it becomes even more important to preserve the organisation’s reputation and safeguard its stakeholders.

There is a risk that important ethical considerations around the use of new technology are overlooked. At a time when self-isolation regulations around the world require people to work predominantly from home, and organisations are adapting their business models to cater for a significant increase in online activities, security and reputational risks, particularly for businesses with sensitive information and data, are undeniably present.

Due to digital privacy issues and other security vulnerabilities, how organisations might responsibly govern the use of data and information becomes important; hence an evaluation of data governance and data ethics practices is needed.
Data privacy and security in the age of coronavirus

Data privacy and security have been top concerns for both scholars (Wu et al., 2020) and organisations. Globally, 49% of companies considered that the main challenges organisations most commonly face are data privacy and security concerns (MicroStrategy, 2018). By late March 2020 over 2,600 COVID-19–related cyberattacks occurred each day (Continuity Central, 2020). A recent survey examined cloud communications adoption trends and challenges faced by organisations. The survey revealed that 70% of respondents reported finding data security challenging (Masergy, 2020).

Zoom made headlines due to concerns about its security vulnerabilities, falsely advertising itself, and hence deceiving its customers, as using end-to-end encryption to secure communication (Brewster, 2020). Zoom was also blamed for selling user data to third parties for advertising purposes, hence failing to safeguard the personal information of their customers (Paul, 2020). Hackers are redirecting their activities from targeting business directly toward activities that can reach employees and customers in their homes, through platforms such as Zoom or Netflix (Continuity Central, 2020). It is therefore imperative that organisations apply the highest ethical standards and take every measure to secure their employees' and customers' digital privacy.

Data ethics and data governance: reflections on ways of moving forward

Doing the right thing is vital in times of crisis, and organisations need to address the growing concerns around privacy and security of personal data by designing effective data governance frameworks to ensure data security and protection for all stakeholders (Yallop and Séraphin, 2020).

This requirement will become even more important in future due to the rapid shift toward more forward-looking, automated, data-driven organisations (Harvard Business Review Analytic Services, 2019). One of the top strategic technology trends is digital privacy and data ethics (Panetta, 2018). Conversations about privacy must be grounded in ethics and trust and should shift from “Are we compliant?” toward “Are we doing the right thing?” (Panetta, 2018), particularly in times of crisis such as the pandemic. As Yallop and Séraphin (2020) suggested, data governance frameworks need to expand from “solely compliance-based frameworks to inclusion of privacy and ethics solutions for an equitable and ethical exchange of data and information” (p. 3).

From a legal perspective, organisations need to adopt and follow appropriate processes to ensure compliance with laws relating to data collection, storage, use and further disclosure of data. From an ethical perspective, technical compliance with data and privacy laws will often be insufficient to protect organisations from disgruntled consumers.

Organisations should be able to demonstrate to consumers the specific benefits they could expect from the data disclosures they make (Blakesley and Yallop, 2019). It is expected that the COVID-19 pandemic will result in increased levels of consumer interrogation into the data that is being held on them and how it is being used (Manton, 2020). Organisations will need to develop data strategies that will place customers in control of the information they decide to share, while demonstrating how information may be used to benefit others (Manton, 2020).

“Privacy by design” approaches may be required, with design decision-making located in the relevant local and global contexts (Cavoukian, 2011). The recent context of the pandemic will certainly have significant implications on decisions related to data and information, and business decisions in general.

It is particularly important that organisations seeking any additional information, outside the existing policies and prevailing data protection laws, particularly sensitive information such as medical data, travel history and other personal data, should ensure there are appropriate legal and ethical grounds for such a request. Likewise, there should be adequate
safeguards incorporated to address the additional ethical risks faced by consumers and the potential security and reputational risks faced by organisations, particularly for those collecting, sharing and storing sensitive information and data.

**Concluding remarks**

New technologies play an important role in the digital transformation efforts of organisations during the COVID-19 pandemic, enabling organisations to preserve business continuity. By the end of the pandemic transformative change is likely to occur in the way technology is used in organisations, especially with the adoption and integration of emergent technologies.

We advocate for more considered approaches to data ethics and governance frameworks, particularly around concerns and issues surrounding digital privacy and security. Certainly, these issues deserve thoughtful consideration from researchers and business professionals alike in their concerted efforts and response to the pandemic – hence, more research into understanding ways to alleviate the organisational risks associated with the rapid adoption and integration of new technologies is indeed called for.

**References**


About the authors
Dr Anca C. Yallop is a senior lecturer in strategy at Auckland University of Technology (AUT), New Zealand. She holds a PhD in marketing (Romania) and has completed her second PhD in marketing research ethics (Auckland University of Technology, New Zealand). Anca specialises in data ethics, insight management, business strategy and business research methods. Her research has appeared in the International Journal of Market Research, Journal of Information, Communication and Ethics in Society, Leisure Studies, World Leisure Journal, International Journal of Culture, Tourism and Hospitality Research, Journal of Tourism Futures and Worldwide Hospitality and Tourism Themes. She serves on the Editorial Review Board of the International Journal of Market Research. Anca C. Yallop is the corresponding author and can be contacted at: anca.yallop@aut.ac.nz

Dr Omid Aliasghar is a lecturer in strategy at Auckland University of Technology (AUT), New Zealand. He has been awarded his PhD in international business and strategy (University of Otago, New Zealand). His research has been published in the Industrial Marketing Management journal. He has been appointed to the Editorial Review Board of the Review of International Business and Strategy journal.