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Review Article

BUSINESS ETHICS IN THE ERA OD DIGITAL ECONOMY

Milica Nestorović

Faculty of Social Sciences, Belgrade, University of Business Academy Novi Sad

e-mail: milica.nestorovic@fdn.edu.rs

<https://orcid.org/0000-0002-8663-1721>

Andrija Blanuša

Faculty of Social Sciences, Belgrade, University of Business Academy Novi Sad

e-mail: andrijasn3@gmail.com

<https://orcid.org/0000-0001-8317-9285>

Stoimenov Suzana

University Union - Nikola Tesla, Serbia Faculty of Entrepreneurial Business and
Real Estate Management Belgrade, Serbia, PUC Naissus, Niš

e-mail: stoimenovsuzana@gmail.com

<https://orcid.org/0009-0001-0300-3296>

Abstract: The digital era has brought fundamental changes to the way organizations operate, interact with customers, and create value. Technologies such as artificial intelligence, automation, big data analytics, and digital platforms have enabled more efficient and innovative processes, while simultaneously opening up a range of complex ethical issues. These issues transcend traditional frameworks of business ethics and include privacy protection, algorithmic transparency, fairness in decision-making, depersonalization of work, digital sustainability, and stakeholder accountability. The paper emphasizes the importance of Corporate Digital Responsibility (CDR) as a key concept in aligning technological advancement with ethical and social values. Special attention is given to the development of ethical frameworks, the implementation of ethics by design principles, continuous employee training, ethical leadership, stakeholder participation in decision-making, and the assessment of technology's impact on society and the environment. Such a comprehensive approach enables organizations to integrate ethics into all stages of digital operations, thereby strengthening user trust, corporate reputation, and long-term sustainability.

The authors stress that business ethics in the digital era is not merely a matter of norms and rules, but a strategic element that enables responsible, transparent, and socially accountable innovation, creating a competitive advantage in the contemporary digital environment.

Keywords: *business ethics, digital transformation, corporate digital responsibility, ethical management, corporate social responsibility.*

1. INTRODUCTION

Business ethics represents a set of moral principles, values, and norms that guide the behavior of organizations, their managers, and employees, shaping their decision-making processes. In the contemporary business environment, ethics is no longer merely a matter of compliance with laws or internal regulations. It has become a strategic element that influences customer trust, corporate reputation, and the long-term sustainability of business operations (Elliott & Spence, 2017).

Digital transformation and the development of the data-driven digital economy, based on algorithms and automation, have profoundly altered traditional business models. They have enabled faster, more stable, and more innovative business processes, while simultaneously introducing a range of new ethical challenges, including privacy protection, algorithmic bias, the depersonalization of work, and the widening of the digital divide. The pace at which technology is being integrated into business processes often exceeds society's ability to establish adequate norms, standards, and oversight mechanisms (MIT Sloan Management Review, 2018).

In this context, the study of business ethics in the digital era becomes a practical necessity rather than a purely theoretical issue. Today's organizations must develop systematic approaches that integrate ethics into all aspects of digital business, ranging from technology design and data management, to transparent stakeholder engagement and the assessment of the social and environmental impacts of digital solutions. Such an approach not only minimizes risks and protects user interests but also enables the creation of ethically responsible, innovative, and sustainable organizations that are prepared to respond to the challenges of the modern digital marketplace.

2. ETHICAL CHALLENGES OF DIGITAL BUSINESS

Transparency represents a principle according to which organizations communicate clearly and openly, make decisions transparently, and utilize data and algorithmic processes in a way that builds trust and enables public and corporate accountability (Calderón-Monge, 2023).

As in traditional business practices (Joksimović. M., 2025.), in the contemporary digital context the willingness of an organization and its leaders to assume moral and legal responsibility for the consequences of their digital decisions constitutes accountability. This is essential for preserving ethical integrity in modern business (Daza & Ilozumba, 2022).

Transparency and accountability are interrelated principles that together form the foundation of ethical digital governance. Transparency provides insight into decision-making processes, while accountability ensures that potential errors or abuses are properly addressed and sanctioned (Fülöp, Ionescu & Topor, 2024). Their synergy strengthens individual trust in organizations and contributes to the development of sustainable digital systems grounded in ethical values and social legitimacy (Widantari, 2025).

One of the main ethical challenges in digital business is algorithmic transparency and accountability for decisions made by algorithms. According to Daza and Ilozumba (2022), the issue of bias in algorithms and automated systems is becoming increasingly significant, as it affects employment, marketing, and financial decision-making. Uncertainties regarding data ownership and privacy boundaries create additional dilemmas (Calderón-Monge, 2023). When an algorithm makes a decision about hiring, credit risk, or product placement, the question arises: Who bears responsibility if that decision causes harm?

Calderón-Monge (2023) emphasizes that algorithmic fairness must be a key principle of digital business, as non-transparent systems can reproduce discrimination and undermine individual trust. Ethics in this context implies not only adherence to rules but also a moral obligation to ensure equitable treatment of all participants within digital systems.

Another ethical challenge of digital business lies in privacy and data protection. These are considered fundamental principles of ethical digital conduct, as they safeguard the basic rights of individuals in an environment where information is the primary resource (Roša, 2021). These principles constitute the foundation of trust between organizations and users, as transparent and responsible data management prevents information misuse and contributes to the legitimacy of digital practices (Fülöp, Ionescu & Topor, 2024). From an ethical standpoint, privacy protection transcends legal obligations and becomes a moral duty of organizations to preserve user integrity and autonomy within the digital space (Widantari, 2025).

The collection, processing, and analysis of data lie at the core of digital business. However, the use of big data raises questions about the boundary between useful insight and the violation of privacy (Fülöp, Ionescu & Topor, 2024). The digital traces individuals leave through their interactions with platforms enable behavioral prediction, but at the same time, they open up possibilities for misuse and manipulation.

Transparency in data processing must be a fundamental element of digital ethics (Roša, 2021). Users should be clearly informed about how their data are being used, in accordance with the principles of consent, proportionality, and security.

In the business world, individuals, organizations, and companies aspire to automation as a means of increasing efficiency, accuracy, and productivity. On the one hand, automation positively contributes to cost reduction, process acceleration, and the elimination of errors caused by human factors, thereby enabling faster and more accurate information processing (Daza & Ilozumba, 2022). It also frees human resources for more creative and strategically significant tasks, which fosters organizational innovation and competitiveness.

However, on the other hand, the negative aspects of automation are reflected in potential job losses, reduced social security, and the disruption of the ethical balance between technological progress and human dignity (Widantari, 2025). Automation can lead to the depersonalization of work, where human empathy and moral judgment are replaced by algorithmic logic that fails to recognize the social and emotional dimensions of business (Fülöp, Ionescu & Topor, 2024). Ethics in this context requires a thoughtful approach, implying that technology should be used as a tool that enhances the human being rather than as a mechanism that replaces them.

Automation represents a significant challenge for business ethics, as it demands a balance between technological advancement and the preservation of human dignity. Organizations that successfully integrate ethical principles into automation processes can mitigate negative social consequences while simultaneously increasing individual trust (Widantari, 2025; Fülöp, Ionescu & Topor, 2024).

Sustainability in digital business implies the responsible use of technology in a way that minimizes negative impacts on society and the environment, while simultaneously maximizing economic and social value (Fülöp, Ionescu & Topor, 2024). Digital platforms, cloud infrastructures, and algorithmic systems consume significant resources, and irresponsible management can contribute to increasing the ecological footprint on natural resources and deepening social inequalities. Ethics in this context requires organizations to think long-term, recognizing that their digital practices have broader effects on the community, employees, and the environment, and that they have a moral obligation to minimize these impacts (Widantari, 2025).

The social responsibility of digital business implies that companies act not solely in pursuit of profit but also in the interest of their employees, shareholders, partners, and the wider community (Roša, 2021). Here, digital ethics becomes a strategic tool: through the integration of the principles of transparency, accountability, and equity, organizations can contribute to social development, reduce the digital divide, and foster a balance between technological advancement and moral obligation. Failure to uphold these principles leads to loss of trust, reputational damage, and potential legal consequences – making sustainability and social responsibility key challenges of contemporary digital business (Fülöp, Ionescu & Topor, 2024; Widantari, 2025).

3. CORPORATE DIGITAL RESPONSIBILITY CDR

The concept of Corporate Digital Responsibility (CDR) has been developed as an extension of traditional Corporate Social Responsibility (CSR). While CSR encompasses the environmental, social, and governance aspects of business operations, CDR focuses on the responsible use of digital technologies (Fülöp et al., 2024). This concept represents an evolution of the traditional approach to social responsibility, aligned with the demands of the digital age. Corporate Digital Responsibility emphasizes the moral obligation of organizations to ensure that their digital systems – such as artificial intelligence, automated processes, data collection, and digital platforms – are aligned with ethical principles, legal norms, and social values.

Unlike the classical CSR concept, which primarily addresses the external impact of organizations on the community and the environment, Corporate Digital Responsibility also includes an internal dimension of accountability in the development and use of digital technologies, particularly those affecting user privacy, security, and autonomy. In this way, CDR connects technological innovation with ethical legitimacy, enabling companies to be both technologically advanced and morally responsible.

Within this concept, four key dimensions can be identified as the foundation of its structure and practical implementation: digital governance, digital ethics, digital equity, and digital sustainability (Daza & Ilozumba, 2022).

Figure 1. Corporate Digital Responsibility CDR



Source: Author's illustration

Digital Governance

Digital governance involves the development of policies, procedures, and standards that ensure digital technologies are used in a transparent, ethical, and secure manner. It includes establishing clear guidelines for the collection, processing, and sharing of data, as well as risk control mechanisms associated with digital innovations (Calderón-Monge, 2023). Effective digital governance contributes to the creation of an organizational culture in which accountability and ethical decision-making are integrated into all stages of digital processes, from system design to implementation and evaluation (Fülöp, Ionescu & Topor, 2024).

Digital Ethics

Digital ethics refers to the application of moral values and norms in the development and use of digital technologies. Its core lies in ensuring fairness, accountability, and transparency of algorithms, particularly in areas where digital decisions directly impact individuals, such as employment, credit scoring, or digital marketing (Daza & Ilozumba, 2022). Integrating ethics into digital decision-making means that technological development must align not only with legal regulations but also with broader social values, thereby ensuring the moral legitimacy of digital business practices (Widantari, 2025).

Digital Equity

Digital equity represents the efforts of organizations and society to provide equal access to digital technologies, knowledge, and opportunities for all individuals. This dimension includes reducing the digital divide between different social and geographical groups, preventing digitalization from deepening existing social inequalities (Roša, 2021). Promoting digital literacy, investing in education, and ensuring accessible technologies are key elements of the ethical obligation for organizations aiming to make their digital processes fair and equitable (Fülöp, Ionescu & Topor, 2024).

Digital Sustainability

Digital sustainability refers to the responsible management of digital infrastructure and resources, aiming to minimize the negative impacts of digital technologies on society and the environment. This includes energy-efficient IT systems, resource optimization, electronic waste recycling, and the development of technologies that contribute to ecological balance (Widantari, 2025). Beyond the environmental component, digital sustainability also entails a long-term ethical responsibility, namely the development of technologies that serve the common good and social well-being, rather than focusing solely on economic profit (Calderón-Monge, 2023).

Organizations that integrate Corporate Digital Responsibility (CDR) principles into their business processes achieve multiple benefits (Widantari, 2025). First, transparent and responsible management of digital technologies increases user trust, as it provides insight into data processing, algorithmic decision-making, and privacy protection. Second, the implementation of a CDR framework strengthens the company's reputation as an innovative and socially responsible entity, positively influencing customer loyalty, talent attraction, and long-term business sustainability. At a strategic level, corporate digital responsibility enables companies to balance technological advancement with ethical and social obligations, creating a competitive advantage in the digital business environment.

4. GUIDELINES FOR ETHICAL GOVERNANCE IN THE DIGITAL ERA

Various authors, in their analyses and studies, have proposed individual guidelines, which can be summarized as follows. These represent the key guidelines for ethical management in digital organizations.

Establishing an Ethical Framework for Digital Technologies

In the contemporary business environment, establishing a clear and comprehensive ethical framework for digital technologies has become essential for maintaining organizational trust and legitimacy. Such a framework involves the development of internal digital ethics codes that define core principles, including transparency, accountability, security, and the protection of user privacy (Calderón-Monge, 2023). Digital ethics codes serve as guides for ethical decision-making during the design and implementation of digital systems, particularly in areas where algorithms and automation can significantly impact human lives and rights.

Beyond compliance with legal norms, an ethical framework aims to promote moral self-regulation within organizations – a culture in which employees understand and apply ethical principles in their everyday work with technologies (Daza & Ilozumba, 2022). This approach enables a balance between innovation and responsibility, as technology, no matter how advanced, remains value-neutral until humans define its limits and purpose. By establishing a clear ethical framework, organizations not only minimize the risks of data misuse and algorithmic discrimination but also strengthen their reputation as ethically conscious and socially responsible actors in the digital economy (Fülöp, Ionescu & Topor, 2024).

Figure 2. Guidelines for Ethical Governance in the Digital Era



Source: Author's illustration

Ethics by Design

The concept of ethics by design entails integrating ethical principles and values into the technology development process from the outset, rather than as a corrective measure for potential problems (Fülöp, Ionescu & Topor, 2024). This approach starts from the premise that technology is not value-neutral, but rather embodies the assumptions, decisions, and priorities of its creators. In this sense, embedding ethics in the design phase means that developers, managers, and decision-makers collaboratively shape digital products in ways that promote human rights, fairness, and societal well-being (Daza & Ilozumba, 2022).

The practical application of ethics by design involves developing transparent algorithms, controlling bias in artificial intelligence systems, responsibly managing user data, and creating digital solutions that foster trust and equality. This approach not only reduces the risk of ethical conflicts in later stages of technology deployment but also enhances the sustainability of digital (Joksimović, M. & Stoimenov, S., 2024). innovations by aligning them with societal values and legal norms (Widantari, 2025). In the long term, ethics by design represents a key component of responsible digital governance, enabling organizations to combine innovation with moral responsibility throughout all stages of digital transformation.

Ethical Training and Leadership

In the process of digital transformation, ethical training and leadership represent key elements for building an organizational culture of responsible business practices. Managers and employees must be equipped to understand the moral implications of digital technologies, as well as to identify potential ethical conflicts arising from automation, algorithmic decision-making, or data management (Elliott & Spence, 2017). Systematic education in digital ethics helps employees develop ethical sensitivity, that is, the ability to assess the consequences of their technical and business decisions not only for the company but also for society as a whole (Calderón-Monge, 2023).

Leaders play a particularly important role in this process, as their behavior and decisions set ethical standards within the organization. Ethical leadership entails transparency, open communication, and a willingness to consider diverse perspectives when making decisions involving digital tools and data (Widantari, 2025). When leaders actively promote ethical values and integrity in technology use, they not only strengthen the trust of employees and users but also contribute to the long-term sustainability and legitimacy of the organization in a digital environment. In this way, ethical training and leadership form the foundation for aligning innovation with social responsibility.

Involvement of Individuals

Active involvement of individuals – including users, employees, partners, and the broader community – in digital decision-making processes has become a key principle of ethical business in the digital era. When organizations communicate transpa-

rently about their digital practices and enable diverse stakeholders to participate in policy creation, trust in their technologies and products increases (MIT Sloan Management Review, 2018). Each individual becomes an active participant rather than a passive observer. Engaging stakeholders not only contributes to the legitimacy of digital projects but also allows organizations to identify potential risks, biases, or societal consequences before technology is implemented (Fülöp, Ionescu & Topor, 2024).

Companies that adopt this model of ethical involvement develop technologies that are socially conscious and aligned with the real needs of the community. This creates a two-way relationship of trust, where organizations not only provide technological solutions but also listen to user feedback to continuously improve the ethical standards of their digital processes (Widantari, 2025). In this way, the involvement of individuals becomes the foundation for the long-term sustainability and moral relevance of digital transformation.

Systematic Technology Impact Assessment

In the contemporary digital environment, systematic technology impact assessment has become a crucial mechanism for identifying and managing ethical risks arising from the development and deployment of advanced digital systems. Organizations should regularly evaluate their technological solutions, particularly in areas such as automation, artificial intelligence, and data analytics, to identify potential negative consequences for individuals, communities, and society at large (Daza & Ilozumba, 2022). These assessments encompass not only the technical performance of systems but also the moral, social, and legal implications of technology, including issues of privacy, algorithmic bias, and digital discrimination (Fülöp, Ionescu & Topor, 2024).

Technology impact assessment should be a continuous process, integrated into all stages of the digital product lifecycle – from conceptualization, through development, to implementation and evaluation. This ensures that digital innovations align with ethical standards and societal values. Moreover, conducting ethical audits and impact assessments enhances organizational transparency and accountability, enabling individuals to understand how technology affects their rights, safety, and daily lives (Widantari, 2025). In this way, technology impact assessment becomes not only a tool for risk control but also a means of strengthening trust and the ethical reputation of the organization.

5. CONCLUSION

In the era of digital transformation, business ethics assumes a new form and significance. Rapid technological advancement, accompanied by automation, artificial intelligence, and global interconnectedness, has brought not only economic and organizational benefits but also complex ethical challenges that require deliberate and responsible action. Today, organizations must align their technological ambitions with moral values, as sustainable digital business increasingly depends not only on innovation but also on ethical legitimacy and public trust.

Ethical issues in digital business encompass a wide range of topics, from privacy and data protection, to algorithmic transparency, social responsibility, and digital sustainability. In this context, the development of Corporate Digital Responsibility (CDR) represents an evolutionary step in traditional corporate social responsibility, adapted to the specificities of the digital age. Its four dimensions – digital governance, digital ethics, digital equity, and digital sustainability – provide a framework for understanding and operationalizing ethics in contemporary organizational practice.

To ensure ethical conduct in the digital sphere, organizations should establish digital ethics codes, adopt ethics-by-design approaches, provide employee training and ethical leadership, actively involve individuals and communities in decision-making, and regularly conduct systematic technology impact assessments. Together, these mechanisms foster a culture of responsible digital business, in which moral principles are integrated into every stage of technological development and corporate decision-making.

Looking forward, digital business ethics will become not only a matter of organizational culture but also a strategic factor for competitiveness. Companies that proactively develop and implement ethical standards in digital processes will be able to build long-term trust among users, partners, and society. Conversely, those that neglect the ethical dimension of technology risk reputational damage, loss of trust, and reduced sustainability. Therefore, business ethics in the digital era is not a limitation, but a pathway toward a responsible, transparent, and inclusive future of business, in which technological advancement and moral values operate in synergy.

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