# Corporate Social Responsibility in the Digital Era: The Role of Emotions in Business Decision-Making and Operational Processes

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Technological development in recent years – increasingly focused on computer science – has seen innovative solutions based on Artificial Intelligence (AI) and the Internet of Things (IoT) pervade every aspect of human knowledge. In the economic sphere, the need to include digital technologies in business processes has led to a radical change in the way companies operate, introducing a whole range of tools that can redefine their decision-making and organizational models. From the perspective of sustainability – a central theme for today's enterprises – the advent of digital would seem to have led to significant benefits, through the optimal use of resources and constant monitoring of production activities and operational processes. However, while environmental and economic sustainability seem to be favoured by the automation of processes, the sense of inclusiveness of the human resources involved in the enterprise is increasingly diminished due to a progressive 'de-empowerment' of stakeholders with respect to decision-making dynamics. Using the Viable Systems Approach (vSa), our paper sets out to analyse the criticalities introduced by digital technology with respect to Corporate Social Responsibility (CSR) and to investigate the role of emotions within decision-making and operational processes, highlighting how a human-centred approach is essential for the sustainable development of modern companies.

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## 1 Introduction

The issue of sustainability has been, for years now, a top priority for companies in every sector. Growing concerns about climate change and rapid technological progress have, in fact, reaffirmed the central role of social responsibility and environmental impact in strategies for implementing sound and sustainable business models.

If, on the one hand, the advent of digital technologies – Artificial Intelligence (AI) and the Internet of Things (IoT), above all – has introduced a whole series of innovative tools capable of improving efficiency through the automation of processes, on the other hand, it has forced companies to radically reorganise their management models and operational processes, with the aim of including intelligent systems in business dynamics.

Although technological advancement – offering opportunities for innovation, efficiency and competitiveness – has historically been an engine of growth for businesses, it is evident how the integration of digital innovations brings with it challenges linked to a physiological aversion to change – especially when so rapid – and a common sense of distrust towards AI. The latter stems from the thought – easily shared – that the implementation of fully automated strategies could exclude the human being from processes, limiting the role of intuition, emotions and social responsibility in decision-making dynamics (Bassano, 2024).

The objective of companies is, therefore, to try to reconcile economic growth with social equity and environmental protection in the context just described, which sees the entry of new variables into the system and, inevitably, the emergence of new challenges. To all the obstacles to sustainability that traditionally plagued businesses before the advent of digital technologies – e.g. the intensive exploitation of natural resources and the protection of workers' rights – further difficulties are added, related to new issues – data security and the impact of automation, above all.

The phenomenon of stakeholder de-empowerment – that is, the alienation of humans with respect to business processes – is the main negative effect of the digitisation of enterprises. Even though it is now perceived as a particularly worrying reality – especially within companies, where different stakeholders see their decision-

making impact increasingly compromised – the literature in this field seems to focus exclusively on the operational advantages offered by AI, without considering the side effects. Recent studies, in fact, have shown that among companies that have implemented cutting-edge digital solutions, only a small fraction declare themselves concerned about the progressive reduction of human involvement in strategic decisions (Paniccia, 2018).

Starting from the highlighted issues, this paper proposes to analyse – using the Viable Systems Approach (aSv) – the role that the emotional state plays in decision-making processes, in the light of the digital transformation underway. The aim is to legitimise the importance of emotional contribution with respect to automated processes, which equally require active human-centred management. The focus of the research is on the aspects of sustainability that deal with the involvement of different stakeholders in company operational processes, at whatever level. The key aspect to be analysed is, therefore, the impact of digitisation on Corporate Social Responsibility (CSR), with the aim of understanding how an emotionally aware approach can still be essential for sustainable business management in the digital age.

## 2 Theoretical Background

### 2.1 The complexity of business operational processes

The role of business decision-making and operational processes has been profoundly analysed in scientific literature. Studies on the subject, in fact, highlight how the optimisation of business processes is the key to achieving planned objectives and creating value (Calabrese et al., 2024). Closely linked to these is the deployment of resources and, therefore, of the skills and competences instrumental to the generation and affirmation of a company's competitive advantage: only if the various operational phases are managed appropriately will the results obtained be consistent with the set objectives (Calabrese et Al, 2024).

This premise highlights how the presence of a decision-making body – capable of selecting the most appropriate strategies according to specific operational contexts – is crucial for companies in any sector, both in the analysis phase of 'as-is' processes and in the subsequent implementation of new ones. What we wish to convey here is that decision-making mechanisms underpin the proper functioning of the

enterprise in all its operational processes and, as such, are indispensable even in a fully automated business environment.

What makes it particularly difficult to imagine separating the dynamics of business decision-making from the role of the human being is the concept of complexity, which is intrinsically connected to both our nature and that of businesses – and the processes characterising them. According to Daft, in fact, the complexity of processes is linked to the degree of interconnection between the resources involved and the different tasks envisaged: in other words, as will be better discussed below, it is a mirror of the systemic relationship between internal stakeholders and the external environment. From this perspective, the connectivity between the parties can be facilitated and supported by digital technologies, but the human decision-making role remains irreplaceable (Daft, 2005).

The goal of sustainable enterprises in the digital age should be, in essence, to be able to adequately reconcile the connection between technological and human resources, fostering an operating environment in which the digital workforce is employed in the production of value by exploiting the shrewd choices made by the human counterpart.

## 2.2 The role of emotions in the digital age

The human resources involved in operational flows play a fundamental role in the functioning of processes and the determination of their results. Skills, motivations and emotions directly influence organisational performance (Barbagallo, 2012). In particular, the emotional component of human resources deputed to making decisions can be a determining factor in strategic and operational choices: for example, positive emotions can broaden the perspective of decision-makers in making a choice; on the other hand, negative emotions can – even unconsciously – lead to more conservative choices (Damasio, 1994).

Reasoning outside the corporate context, it can be said that the emotional component has, therefore, a correlation with the outcomes of processes – easily found in everyday experience – and is intrinsically linked to their complexity. The emotional aspect, in fact, is undeniably the main element characterising the

complexity of human nature, even before that of business processes – of which the human actor is in any case an indispensable part.

Well before the overbearing advent of digital, emotional intelligence had on several occasions been identified as a tool for dealing with business dynamics, facilitating conflict resolution between operational actors and improving internal collaboration. Several studies have, in fact, shown that the presence of leaders with high emotional intelligence within organisations was the key to improved performance (Goleman, 1998).

With the digital transition of businesses, the way business processes are managed is undergoing a transformation. The complexity of the dynamics is reduced or amplified depending on the ability of companies to adapt the new tools to their existing processes (Barile, 2023). Several studies have shown that without an adequate human-machine combination within processes, digital transformation projects can fail and contribute to an increase in complexity, rather than a reduction of it (Brown, 2019). In this perspective, the emotional elements of the people involved in organisations represent that essential component for the success of digital strategies, which aim at maximising the performance of organisations (Williams & Davis, 2020).

The real challenge for management – especially from the perspective of CSR aimed at the well-being of internal human resources and customer relations – is, therefore, to embrace technology without imposing constraints on the creative and emotional expression of decision-makers.

## 3 Methodology

### 3.1 Viable Systems Approach and Corporate Social Responsibility

CSR is a business model encouraging companies to integrate social and environmental concerns into their business operations and decision-making dynamics. In the context of sustainable process management, CSR focuses on the needs of stakeholders – both internal (employees, managers, owners) and external (customers, suppliers, society) – with an eye towards community engagement.

A cutting-edge CSR strategy cannot therefore avoid implementing practices aimed at protecting workers not only from a legal and ethical point of view, but also with respect to their decision-making role within the company, their responsibility and their right to take an active part in decision-making processes. Furthermore, a company's ability to extend its empathetic approach to the public can positively influence consumers' perception of the brand, improve employee satisfaction and well-being, and ensure that the management of processes is guided by ethical principles.

In any case, the link between digitisation and CSR – by virtue of what was said above – cannot disregard the role that emotions play in corporate decision-making processes: the advent of AI, while in some ways favouring sustainable practices, risks detaching companies from fundamental human values. Emotions thus become a key factor in maintaining a balance between technological progress and social responsibility, as they represent the link between innovation and the well-being – based on trust and a sense of belonging – of stakeholders.

The relationship of coexistence of the human element (decision-maker) and the technological element (implementer) in business processes can be explained in a straightforward manner by taking up some fundamental concepts of aSv. The structure/system dichotomy, for example, allows us to understand the crucial role of operational processes in the life cycle of the enterprise: it is precisely these that dynamically make a system – aimed at a specific objective – emerge from a 'static' structure (Barile, 2009). It is as if the will to pursue a purpose enables the relationships between resources, bringing out the internal capabilities (general patterns) and specific competences (specific patterns) necessary for the creation of value (Calabrese et Al., 2024).

In other words, there is a relationship between technological/digital structure and human resources, which is realised in processes. These play a key role in the combination of resources and their integration within the organisation, in order to achieve 'organisational consonance' between the parties (Barile, 2008). Going back to the concept of the relevant supra-system, it is as if the strategic directions traced by the decision-making processes allowed the enterprise, in its systemic wholeness, to adapt – asserting its competitive advantage – to the external context in which it operates (Sciarelli, 1999). In this way, the 'enterprise system' – through its internal

operational processes – manages to establish a consonant relationship with its supra-systems, ensuring its survival.

### 3.2 The role of emotions in decision making dynamics

The relationship of interaction between viable systems and their supra-systems – both in the context of business management and in everyday human relations – is described by one of the fundamental principles of aSv, that of 'isotropy' (Barile S., 2023). According to this principle, the system is called upon – whenever its equilibrium is disturbed by the occurrence of a problem – to make choices that allow it to modify itself, readjusting to its relevant supra-systems. This modification takes place on the basis of decision-making patterns, derived from value categories – the set of strong believes that characterises every viable system from birth – which represent the filter through which each individual acquires new information.

Translated into a business perspective, the role of the decision-making body within companies is to ensure that the principle of isotropy is respected through a series of choices that readjust strategies and reorganise processes according to the needs – from inside or outside – of the system itself. It follows from what has just been said that business processes are strongly linked to the value categories of the decision-makers, since the choices of the latter directly determine the adaptation of the processes themselves to the various operational contexts of reference. According to this perspective, the digital transition represents a need that the various 'company systems' could not pursue without the action of one or more human decision-makers capable of rearranging the pre-existing structure through their decisions (Lerner, 2015).

Once we are convinced of the inalienability of the human role in business management – whether traditional or digitised – we need to discuss how the emotionality that characterises each individual intervenes in the determination of choices. The role of value categories in this regard is well formalised by the Information Variety Model (IVM):

$$V_{inf}(k) = f[U_{inf}(k), S_{int}(k), C_{val}(k)],$$

according to which the information variety ($V_{\text{inf}}$) – i.e. the mental conformation of the decision maker at the moment of choice – of a given system 'k' is a function of the value categories ($C_{\text{val}}$) of the decision maker, of the interpretative schemes ($S_{\text{int}}$) derived from them and of the information units ($U_{\text{inf}}$) available to the system (Barile S., 2023).

Observing the mathematical formalisation of the IVM, the aSv would appear to give no weight to the role of emotions in decision-making processes; however, the fact that emotions do not appear explicitly in the writing of the information variety function does not prevent us from believing – as found in everyday experience – that a causal principle nevertheless exists between them and the choices made by the life system. This principle can easily be traced back to the relationship between emotions and value categories, represented by a kind of dynamic interweaving, whereby – in a cyclical sense – values influence our emotionality and emotions, for their part, accompany value categories in their process of defining interpretative schemes.

## 4 Discussion

What has just been analysed – through the interpretative tools offered by the aSv – suggests how emotionality has a significant weight in decision-making dynamics by virtue of its direct link with the value categories that characterise human beings. The genesis of emotions, if you like, is in some way linked to the vicissitudes introduced by contextual dynamics, which is why they – even more so than the value categories themselves, which on the contrary do not take context into account – are able to influence the decisions that lead to the construction of individual processes. To summarise, emotions represent the direct effect of applying interpretative schemes – derived from value categories – to the boundary conditions introduced by the context (Barile S., 2023).

The fact that the literature on the subject concentrates a great deal on the technological aspect of business processes, while paying very little attention to the role of emotions in decision-making and operational processes – be they internal (managerial) or external (consumer relations) – is a clear sign of a lack of understanding of the concepts just outlined. Such a shortcoming prevents one from appreciating the 'emotional' nature of business processes, not allowing one to

correctly interpret the role of the human being and his intrinsic complexity in business management. The complexity of business processes is, in fact, often assessed by resorting to the measurement of quantitative parameters – such as inter-connectivity within workflows and operational efficiency – that do not consider the emotional response of decision-makers - both in the planning phase and in the execution of processes.

Nevertheless, it is indeed difficult – referring once again to one's own observational spirit – to think of ignoring the effect of the emotional state on the choices we are called upon to make in everyday life. Referring to the 'company as a viable system', therefore, it is even more complicated to think of describing and assessing the efficiency of processes based exclusively on criteria not considering the decision-maker's emotional equipment or – even worse – to hypothesise a future in which the role of the human decision-maker is replaced by digital technologies.

Having clarified the importance of emotions in the choice phase of the life system, the question remains as to what effect this has on individual operational processes – that is, how emotional action affects the complexity of processes. Reinterpreting Goleman's thought from an aSv perspective, the emotions of the human resources involved in business processes can contribute to the reduction of process complexity or its amplification, to the same extent that context dynamics influence the variation in the system's level of consonance with its supra-systems (Goleman, 1998; Barile S., 2023).

In short, the emotional state of the decision maker at the time of the choice represents the level of openness (or consonance) of the system with respect to the strategies to be implemented and influences – positively or negatively – the complexity of the processes and the speed with which they are modified. From this, it follows that strategic and operational planning cannot disregard the human factor and emotional elements, having to adequately value the impact they can have on the information variety and performance of organisations.

## 5 Conclusions

The focus on the structural elements of processes – and, in particular, the digital technologies that support them – increasingly directs scholars in the field toward a biased view of interpretative models of business systems. Such a view focuses on

efficiency, connectivity and technological integration, often conceiving the human factor as an exclusively structural element and ignoring, as a result, any emotional contribution that human resources can release in terms of expanding the variety of information useful for decision-making and operational processes. From the perspective of sustainable business development and CSR – based above all on the well-being and full awareness of their role by corporate resources – it is important that, even at a time when digital transition is now a categorical imperative, the importance of human value is not forgotten. Through the lens of aSv, this study highlights the indispensable role of human emotionality in decision-making dynamics and their action on the complexity of operational processes with a view to corporate sustainability. The paper highlights how for companies of the future, it is critical to develop strategies that balance AI and emotional intelligence to ensure a sustainable human-centered growth model.

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