

NON-FINANCIAL REPORTING AND DIGITALIZATION, KEY FACTORS IN STAKEHOLDER ENGAGEMENT

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Abstract

Because of its huge potential influence on consumers, society, and businesses, digitalization has been named "the fourth industrial revolution." In terms of businesses, digitalization provides the possibility to employ digital technology to transform company models and generate new income and value. However, digitization brings with it opportunities and challenges. For example, the digitization of services and the large collection of customer information might provoke skepticism and distrust among stakeholders, threatening the company's income. One way for companies to overcome this problem is to build a strong reputation through sustainability reporting. Sustainability refers to the inclusion of social and environmental concerns in business operations and stakeholder interactions. As a result, sustainability reporting may be a powerful tool for increasing stakeholder trust and capitalizing on digital prospects.

The paper examines the effects of digitalization and non-financial reporting on stakeholder engagement. To address the research query, we conducted a thorough content analysis of company reports. It was crucial to employ empirical research to comprehend how stakeholder engagement evolves within nonfinancial reporting and digitalization. The first part of the study describes and evaluates the linkages between corporate digitalization, nonfinancial reporting, and stakeholder engagement based on qualitative data analysis of sustainability reports. The sample comprised sustainability reports from companies listed in the BSE BET-Index. The second part of the study is based on the same sample of companies. The company's financial reports published on their website and the BSE website were analyzed to see if the companies have published their financial reports in XBRL format and if they can be found on the iXBRL site. Most companies currently give high priority to self-reported non-financial data and provide annual non-financial reports. After conducting the study, we can say that the companies not only acknowledge the importance of innovation but also demonstrate the capability to identify opportunities for global collaboration to improve their offerings and set themselves apart from competitors. The merging of sustainability and digitalization is pivotal for sustaining competitiveness and creating value for stakeholders.

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