

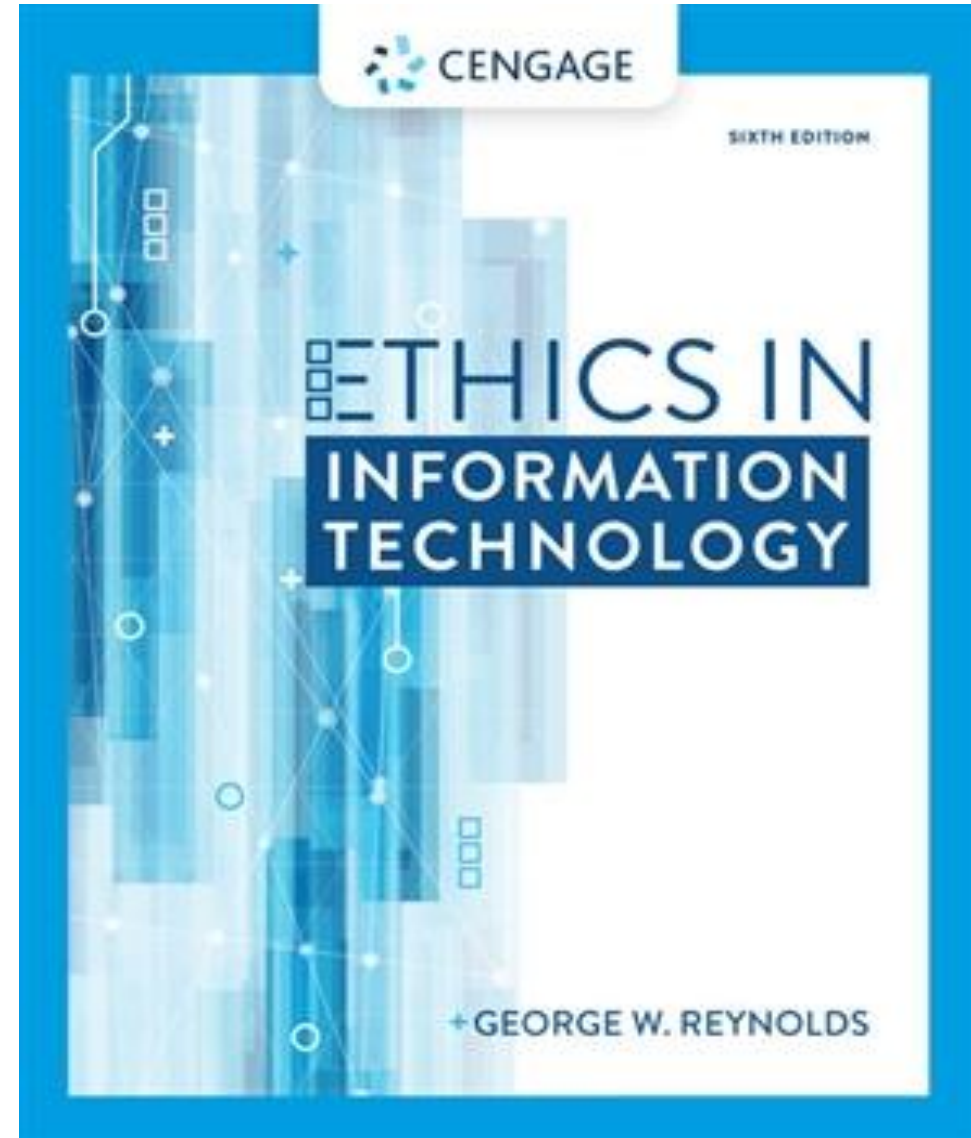


FROM POSSIBILITY TO ACTUALITY

Professional Practice in Information Technology ICT945

Prescribed Text

Reynolds, G. (2018), *Ethics in Information Technology*, 6th Edition, Cengage Learning, Boston, MA



Chapter 10

Ethics of IT Organizations

Learning Objectives

- What key legal and ethical issues are associated with the use of contingent workers, H-1B visa holders, and offshore outsourcing companies?
- What is whistle-blowing, and what ethical issues are associated with it?
- 44What is green computing, and what are organizations doing to support this initiative?

Diversity

What are your views on whether (and why) hiring a diverse workforce is important and beneficial for tech firms?

Use of Contingent Workers, Part 1

- **Contingent work:** A job situation in which a worker does not have an explicit or implicit contract for long-term employment
- Firms use contingent IT workers if they experience large fluctuations in technical staffing needs.
 - Whether they work, when they work, and how much they work depends on the company's need for them.
- Organizations can obtain contingent workers through:
 - Temporary staffing firms
 - Employee leasing organizations
 - Professional employer organizations (PEOs)

Use of Contingent Workers, Part 2

- Temporary staffing firms recruit, train, and test job seekers, and then assign them to clients as needed.
- **Employee leasing:** A subscribing firm transfers its workforce to a leasing firm, which handles all human-resource-related activities and costs; the workers become employees of the leasing firm.
 - **Coemployment relationship:** One in which two employers have legal rights and duties with respect to the same employee or group of employees
- **Professional Employer Organisation (PEO):** A business entity that hires the employees of its clients and assumes responsibility for all HR functions

Use of Contingent Workers, Part 3

- The **gig economy**: Refers to a work environment in which temporary positions are common and organizations contract with independent workers for *short-term engagements*
- **Independent contractor**: An individual who provides services to another individual or organization according to terms defined in a written contract or within a verbal agreement

Factors Behind the Trend Toward Independent Contractors

- **From the employee's perspective**

- Freedom to select from among temporary jobs and projects around the world
- Opportunity to change “jobs” frequently
- Greater flexibility in terms of work hours and location

- **From the employer's perspective:**

- Ability to choose the best individuals for a specific project from a larger pool of candidates
- Financial pressure to reduce staff and associated costs, such as payroll, benefits, office space, and training
- Enables organization to focus on core functions

Critical Thinking exercise: Google Vs Independent Contractor

- A former Google worker sued the tech giant and online staffing firm oDesk alleging that he and others were misclassified as independent contractors rather than Google employees.
- The employee was paid as an independent contractor through oDesk and assigned projects that were impossible for him to complete in maximum 30 hrs per week that he was authorised to bill.
- This forced him to work overtime without pay
- Google provided mobile phone, tablet, and computer.
- The worker was required to use only Googles proprietary software and conform to employee code of conduct in regard to dress code, absenteeism, and blogging.
- Worker complained about non-payment, Google terminated his contract, and hired a new contractor.
- **Q: How should have Google managed this situation?**
- **Q: Is it unethical for another employer to not hire him based on his action of filing a lawsuit against his previous employer?**

Manager's Checklist for the Use of Contingent Workers, Part 1

QUESTION	YES	NO
<ul style="list-style-type: none">• Have you reviewed the definition of an employee in your company's policies and pension plan documents to ensure it is not so broad that it encompasses contingent workers, thus entitling them to benefits?• Are you careful not to use the same contingent workers on an extended basis? Do you make sure the assignments are finite, with break periods in between?• Do you use contracts that specifically designate workers as contingent workers?• Are you aware that the actual circumstances of the working relationship determine whether a worker is considered an employee in various contexts, and that a company's definition of a contingent worker may not be accepted by a government agency or court?		

Manager's Checklist for the Use of Contingent Workers, Part 2

QUESTION	YES	NO
<ul style="list-style-type: none">• Are you, other managers, and workers aware that staffing firm employees are covered by antidiscrimination laws and cannot discriminate against them on the basis of race, color, religion, sex, national origin, or disability?• Do you avoid telling contingent workers where, when, and how to do their jobs and work through the contingent worker's manager to communicate job requirements?• Do you request that contingent workers use their own equipment/resources, such as computers/email accounts?• Do you avoid training your contingent workers?• When leasing employees from an agency, do you let the agency do its job? Do you avoid asking to see résumés and getting involved with compensation, performance feedback, counseling, or day-to-day supervision?		

H1-B Workers

- **H-1B visa:** A temporary work visa granted by the U.S. Citizenship and Immigration Services (USCIS) for people who work in specialty occupations
 - A person can work as an H-1B employee for a maximum continuous period of **six years**
- Top countries of birth for H1-B workers in 2015:
 - India and China
- Congress sets an **annual cap on the number of visas** but allows many exceptions:
 - 60,000 with an additional 20,000 for foreign graduates of U.S. universities with advanced degrees

Gaming the H1-B Visa Program, Part 1

- Companies using H-1B visas must offer a wage that is at least 95 percent of the average salary for the occupation.
 - Wages in IT vary substantially, so unethical companies can get around the average salary requirement.
- Companies that use H-1B visas **must declare** they will not displace American workers.
- Companies can obtain an exemption if 15 percent or more of their workers are on H-1B visas and the H-1B workers are paid > \$60,000 a year.

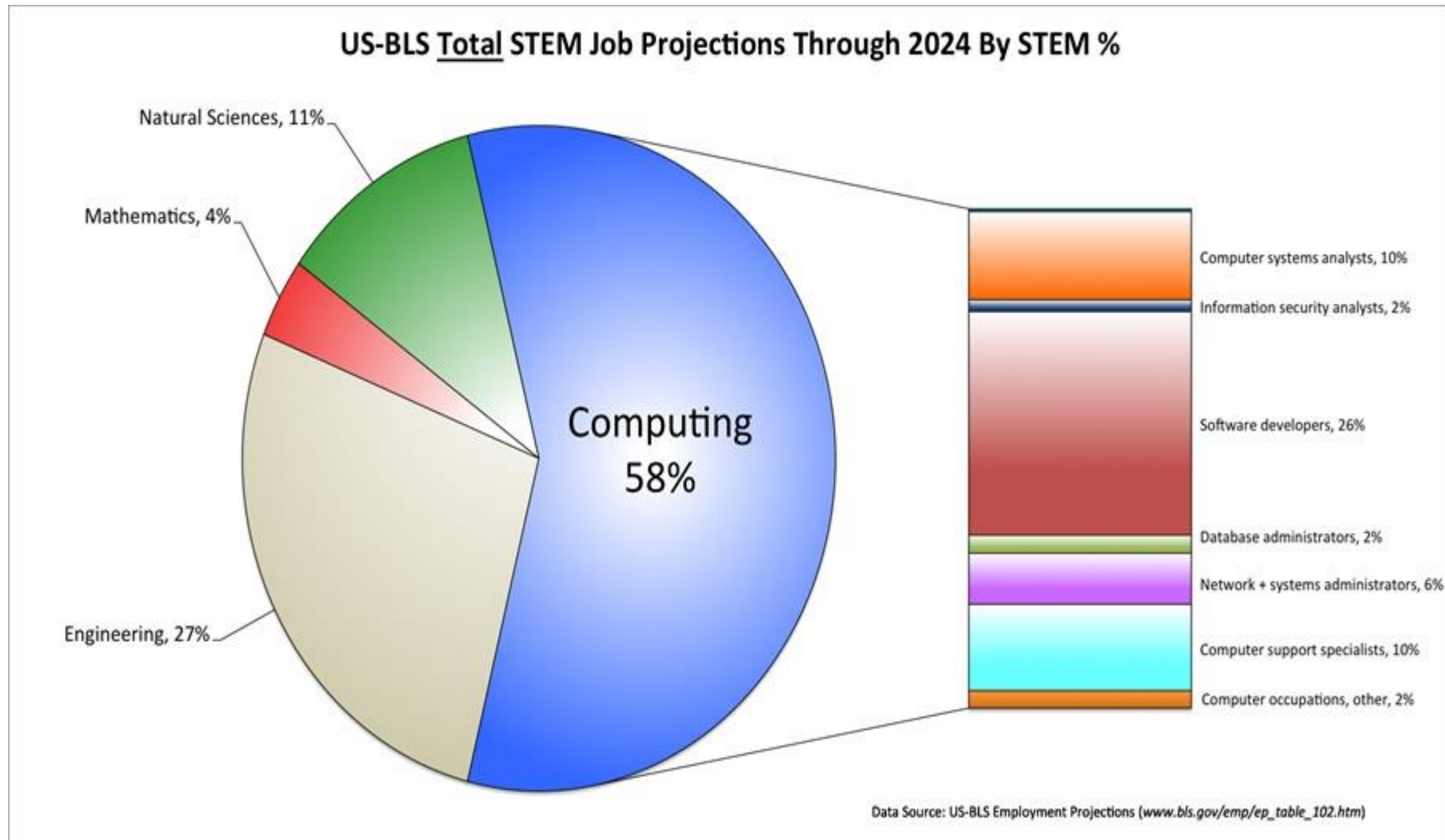
Gaming the H1-B Visa Program, Part 2

- In 2015, the majority of H-1B workers were computer programmers and systems analysts, with a median salary of \$61,131–\$71,150.
- The median salary for U.S. workers in those same positions is higher:
 - U.S. computer programmers = \$79,840
 - U.S. systems analysts = \$87,220

The Need for H1-B Workers

- Many U.S. companies complain they have trouble finding enough qualified U.S. IT workers
 - Critics challenge whether the U.S. needs to continue importing tens of thousands of H-1B workers each year
- The National Center for Education Statistics estimate:
 - 130,000 U.S. computer and information science graduates each year
- Bureau of Labor Statistics (BLS) projection:
 - An increase of 53,000 new U.S. tech jobs per year from 2014 to 2024
- The supply of U.S. computer/information science graduates is substantially larger than the demand

The Need for H1-B Workers



Effects of H1-B Visa Program

- Opinions vary about whether hiring H-1B workers affects job opportunities and wages for U.S. workers
- Many factors affect an individual's salary, including:
 - Age, education, experience, citizenship status, race, sex, and employment location
- Determining the impact of H-1B visas would require taking all these factors into account.
- However, the **law of supply and demand** makes clear:
 - When the supply of workers exceeds the demand for a specific job classification in a specific geographic area, an increase in unemployment and a decrease in salaries are likely.

In Australia

- Subclass 186 - Employer Nomination scheme visa
 - Nominated by employer
- Subclass 187 - Regional Sponsored Migration scheme visa
 - Nominated by employer
- Subclass 190 - Skilled Nominated Visa
 - Nominated by Australian State or Territory government agency
 - Must be aged under 45.

Outsourcing

- **Outsourcing:** A long-term business arrangement in which a company contracts for services with an outside organization with expertise in a specific function
 - To lower costs
 - To obtain strategic flexibility
 - To keep the firm's staff focused on core competencies
- **Offshore outsourcing:** A form of outsourcing in which services are provided by an organization whose employees are in a foreign country
 - The use of offshore outsourcing in the IT field is common

Pros and Cons of Offshore Outsourcing

Pros	Cons
<ul style="list-style-type: none">• Cost savings gained by employing foreign workers• Teams working in different time zones:<ul style="list-style-type: none">• Can speed up software development efforts• Provide continuous support for key software applications	<ul style="list-style-type: none">• Lay-offs of domestic staff• Difficulty in finding a reputable vendor• New time/resource costs:<ul style="list-style-type: none">• Selecting an offshore vendor• Travel and communication• Developing a good working relationship with the vendor• Misunderstandings due to cultural and language differences• Potential risks to customer data• Does not advance the development of host country's IT workers

Strategies for Successful Offshore Outsourcing

- Ensure that the outsourcing firm can provide:
 - Employees with the required expertise in the necessary technologies
 - A project manager who speaks the employer's native language
 - A pool of staff large enough to meet the needs of the project
 - A state-of-the-art telecommunications setup
 - High-quality on-site managers and supervisors

Whistle-Blowing, Part 1

- **Whistle-blowing:** An effort to attract public attention to a negligent, illegal, unethical, abusive, or dangerous act by an organization
- Whistle-blower usually has personal knowledge of what is happening because of his/her role within the organization.
 - May be an employee or a person with special knowledge gained from a position as an auditor or business partner
- No comprehensive federal law protects whistle-blowers from retaliatory acts.

Whistle-Blowing, Part 2

- **False Claims Act:** Established during the U.S. Civil War to combat fraud by companies that sold supplies to the Union Army
 - **Qui tam** provision: Allows a private citizen to file a suit in the name of the U.S. government, charging fraud by government contractors
 - Violators are liable for three times (3x) the dollar amount for which the government was defrauded.
 - Whistle-blower is offered compensation.

Dealing with a Whistle-Blowing Situation

- Anyone considering becoming a whistle-blower should seek legal counsel.
- Key steps and issues a potential whistle-blower should consider:
 - Assess the seriousness of the situation
 - Begin documentation
 - Attempt to address the situation internally
 - Consider escalating the situation within the company
 - Assess the implications of becoming a whistle-blower
 - Use experienced resources to develop an action plan
 - Execute the action plan
 - Live with the consequences

Green Computing, Part 1

- Electronic devices contain materials, that are potentially harmful to humans and the environment, including:
 - Beryllium, cadmium, lead, mercury, brominated flame retardants (BFRs), selenium, and polyvinyl chloride
- **Green computing:** Concerned with the efficient and environmentally responsible manufacture, operation, and disposal of IT-related products, including:
 - Laptops, smartphones, storage devices, printers, and printer materials, such as cartridges, and toner

Green Computing, Part 2

- Green computing has three goals:
 - Reduce the use of hazardous materials
 - Allow companies to lower their power-related costs
 - Enable the safe disposal or recycling of computers and computer-related equipment
- Electronic Product Environmental Assessment Tool (EPEAT)
 - Enables purchasers to compare and select electronic products based on 51 environmental criteria
 - Products are ranked in EPEAT according to three tiers of environmental performance:
 - Gold, Silver, and Bronze

Summary, Part 1

- **What key legal and ethical issues are associated with the use of contingent workers, H-1B visa holders, and offshore outsourcing companies?**
 - Contingent work: A job situation in which an individual does not have an explicit or implicit contract for long-term employment
 - Organizations can obtain contingent workers through:
 - Temporary staffing firms
 - Employee leasing organizations
 - Professional employment organizations

Summary, Part 2

- **What key legal and ethical issues are associated with the use of contingent workers, H-1B visa holders, and offshore outsourcing companies?**
 - Temporary staffing firms recruit, train, and test job seekers in a wide range of job categories and skill levels, and then assign them to clients as needed.
 - Employee leasing: A subscribing firm transfers its workforce to a leasing firm, which handles all human-resource-related activities and costs; the workers become employees of the leasing firm
 - Coemployment relationship: One in which two employers have legal rights and duties with respect to the same employee or group of employees

Summary, Part 3

- **What key legal and ethical issues are associated with the use of contingent workers, H-1B visa holders, and offshore outsourcing companies?**
 - PEO: A business entity that hires the employees of its clients and assumes responsibility for all HR functions
 - Gig economy: A work environment in which temporary positions are common, and organizations contract with independent workers for short-term engagements
 - Independent contractor: An worker who provides services to an organization according to terms defined in a written contract or a verbal agreement

Summary, Part 4

- **What key legal and ethical issues are associated with the use of contingent workers, H-1B visa holders, and offshore outsourcing companies?**
 - Organizations must be careful how they pay and treat contingent workers to avoid the risk of class action lawsuits over misclassification of workers.
 - Advantages of contingent workers: Firms don't have to provide benefits, can easily adjust the number of workers to meet business needs, and do not incur training costs
 - Disadvantages of contingent workers: Workers may have a low level of commitment to the company, and the skills/knowledge a contingent worker are lost when the worker departs at a project's completion

Summary, Part 5

- **What key legal and ethical issues are associated with the use of contingent workers, H-1B visa holders, and offshore outsourcing companies?**
 - H-1B visa: A temporary work visa for people who work in specialty occupations
 - Used to obtain essential technical skills or knowledge that cannot be readily found in the U.S.
 - Congress sets an annual cap on the number of H-1B visas; the number issued varies due to exceptions.
 - Companies using H-1B visas must offer a wage at least 95% of the average salary for the occupation
 - Wages in IT vary substantially, so unethical companies can get around the average salary requirement.

Summary, Part 6

- **What key legal and ethical issues are associated with the use of contingent workers, H-1B visa holders, and offshore outsourcing companies?**
- Companies that employ H-1B workers are required to declare they will not displace American workers.
 - Exemptions: If 15 percent or more of their workers are on H-1B visas and H-1B workers are paid at least \$60,000 a year
- Many U.S. companies say they have trouble finding enough qualified U.S. IT workers.
 - Critics challenge whether the U.S. needs to continue importing tens of thousands of H-1B workers each year.

Summary, Part 7

- **What key legal and ethical issues are associated with the use of contingent workers, H-1B visa holders, and offshore outsourcing companies?**
 - In 2015, the number of degrees awarded in the field of computer and information sciences at postsecondary institutions in the U.S. = 130,000
 - BLS projects an increase of 53,000 new U.S. tech jobs per year from 2014 to 2024
 - Opinions vary as to whether or not the hiring of H-1B workers affects job opportunities and wages.

Summary, Part 8

- **What key legal and ethical issues are associated with the use of contingent workers, H-1B visa holders, and offshore outsourcing companies?**
 - Outsourcing: A long-term business arrangement in which a company contracts for services with an outside organization
 - Offshore outsourcing: Services are provided by an organization whose employees are in a foreign country
 - Successful offshoring: Requires daily interaction between software development and business teams, and a hands-on approach to project management

Summary, Part 9

- **What is whistle-blowing, and what ethical issues are associated with it?**
 - Whistle-blowing: An effort to attract public attention to a negligent, illegal, unethical, abusive, or dangerous act by an organization
 - Whistle-blower protection laws allow employees to alert the proper authorities to employer actions that are unethical, illegal, or unsafe, or that violate specific public policies.
 - No comprehensive federal law protects whistle-blowers from retaliatory acts.

Summary, Part 10

- **What is whistle-blowing, and what ethical issues are associated with it?**
 - Ethical considerations of whistle-blowing:
 - Is the high price of whistle-blowing worth it?
 - Have all other means of dealing with the problem been exhausted?
 - Does whistle-blowing violate an obligation of loyalty to the organization?
 - Will public exposure of the problem actually correct it and protect others from harm?

Summary, Part 11

- **What is whistle-blowing, and what ethical issues are associated with it?**
 - Steps in an effective whistle-blowing process:
 - (1) Assess the seriousness of the situation
 - (2) Begin documentation
 - (3) Attempt to address the situation internally
 - (4) Consider escalating the situation within the company
 - (5) Assess the implications of becoming a whistle-blower
 - (6) Use experienced resources to develop an action plan
 - (7) Execute the action plan
 - (8) Live with the consequences

Summary, Part 12

- **What is green computing, and what are organizations doing to support this initiative?**
 - Green computing: Concerned with the efficient and environmentally responsible design, manufacture, operation, and disposal of IT-related products
 - Green computing has three goals:
 - Reduce the use of hazardous materials
 - Allow companies to lower their power-related costs
 - Enable the safe disposal or recycling of computers and computer-related equipment

Summary, Part 13

- **What is green computing, and what are organizations doing to support this initiative?**
 - Electronic Product Environmental Assessment Tool (EPEAT)
 - Enables purchasers to evaluate, compare, and select electronic products based on 51 environmental criteria
 - The EU's Restriction of Hazardous Substances Directive:
 - Restricts the use of many hazardous materials in computer manufacturing
 - Requires manufacturers to use at least 65% reusable or recyclable components
 - Implements a plan to manage products at the end of their life cycle in an environmentally safe manner
 - Reduces or eliminate toxic material in their packaging