Module 5:

Social networking, ethics of information technology organizations

Social Networking Web Site - Business Applications of Online Social Networking-Social Networking Ethical Issues- Online Virtual Worlds-Key ethical issues for Organizations- Outsourcing-Whistle Blowing-Green Computing-ICT Industry Code for Conduct.

What Is a Social Networking Web Site?

- A **social networking website** is a site that creates an online community of Internet users that enables members to break down barriers created by time, distance, and cultural differences.

- Allows people to interact with others online by sharing opinions, insights, information, interests, and experiences.

- Members may use the site to interact with friends, family members, and colleagues they already know.

- Members may also wish to develop new personal and professional relationships.

- Endless range of interests and a wide range of social networking Web sites catering to those interests.

- Over 314.5 million social network users worldwide

- Average visitor spends almost six hours per month

- Popularity increasing mostly rapidly among those aged 50 and older.

Social networking Web site	Description	Estimated unique monthly visitors
Facebook	Social networking site for keeping up with friends, uploading photos, sharing links and videos, and meeting new people online	700 million
Twitter	A real-time information service for friends, family members, and coworkers looking to stay connected through the exchange of messages that are a maximum of 140 characters	200 million
LinkedIn	Business-oriented social networking site used for professional networking; users create a network made up of people they know and trust in business.	100 million
MySpace	General social networking Web site used by teenagers and adults worldwide; allows members to communicate with friends via personal profiles, blogs, and groups, as well as to post photos, music, and videos to their personal pages	80.5 million

Social networking Web site	Description	Estimated unique monthly visitors
Ning	Platform that enables users to create their own social network following a simple process to name the network, choose a color scheme, and allow for unique profile questions; serves as a portal to access tens of thousands of user-created social networks	60 million
Tagged	Social network with a focus on helping members meet new people; suggests new friends based on shared interests; allows members to browse people, share tags and virtual gifts, and play games	25 million
Google Plus[13]	Social network operated by Google that integrates social services such as Google Profiles and Google Buzz, and introduces new services such as Circles (enables users to organize contacts into groups for sharing), Hangouts (URLs used to facilitate group video chat), Sparks (enables users to identify topics in which they are interested), and Huddles (allows instant messaging within Circles)	25 million

Business Applications of Online Social Networking

- **Social network advertising**
  - Involves the use of social networks to communicate and promote the benefits of products and services.
- Social network advertising strategies
  - **Direct advertising**
    - Placing banner ads on social networking website
  - Advertising using an individual's network of friends
    - People frequently make decisions based on input from their close group of friends
    - Ethical issues with exploiting an individual's personal relationships for the financial benefit of a company
- **Indirect advertising through groups**
  - Interested users can join by becoming "fans"
  - Fans gained in this manner may not remain loyal
- **Company-owned social networking Web site**
  - Users can talk about what new products, services, or improvements they would like to see
- **Viral marketing**
  - Users pass along marketing message to others, creating the potential for exponential growth

The Use of Social Networks in the Hiring Process

- 89% of recruiters use some form of social media in the recruiting process

- Employers can and do look at the social networking profiles of job candidates when hiring

- Companies may reject candidates who post:

  - Information about their drinking or drug use

  - Provocative or inappropriate photos

  - Discriminatory remarks relating to race, gender, or religion

  - Confidential information

- Employer cannot legally screen applicants based on race or ethnicity, but:

  - Members of social networking Web sites frequently provide sex, age, marital status, sexual orientation, religion, and political affiliation data

  - Personal photos may reveal a disability or user's race or ethnicity

  - Individuals may reveal data that are protected by civil rights legislation

Use of Social Media to Improve Customer Service

- Consumers use social networks to **share their experiences**, both good and bad, with others

- Also **seek help and advice** on how to use products more effectively and how to deal with special situations

- Unless organizations monitor social networks, customers are left to resolve questions and issues on their own, risking loss of customers and future sales

Social Shopping Web Sites

- Combine two highly popular online activities: **shopping and social networking**
- Shoppers and sellers can share information and make recommendations while shopping online
- Revenue is generated through retailer advertising or by sharing with retailers data about their members' likes and dislikes
- Retailers can design product improvements based on input and get ideas for new product lines
- Great way for small businesses to boost sales

TABLE 9-3 Sample of social shopping Web sites

Social shopping site	Description
Buzzillions	Product review Web site with over 15 million reviews across a wide range of products, with product rankings based on feedback from customers
Crowdstorm	Price comparison shopping resource that aggregates product information from various online buyers guides, reviews, and blog postings
JustBoughtIT!	Facebook and Twitter app for capturing product recommendations from the online community; users can post a photo or screenshot online, share their purchases, and comment on what others are buying.
Kaboodle	Social shopping site where members can discover, recommend and share new products, provide advice, share feedback, get discounts, and locate bargains
MyDeco	Site with a focus on interior design and home décor; users can mock up virtual rooms using their favorite products
OSOYOU	UK-based social shopping site for women with an interest in fashion and beauty products

Source Line: Course Technology/Cengage Learning.

Social Networking Ethical Issues

- Ethical issues for social networking Web sites are:

  - Cyberbullying

  - Cyberstalking

  - Sexual predators

  - Uploading inappropriate material

Cyberbullying

- Cyberbullying
  - Harassment, torment, humiliation, or **threatening of one minor by another minor** or group of minors via the Internet or cell phone
  - Cyberbullying can become so intense, child commits suicide

- Numerous forms of cyberbullying
  - Sending **mean-spirited or threatening messages**
  - Sending **thousands of text messages to victim's cell phone and running up a huge cell phone bill**
  - **Impersonating victim** and sending inappropriate messages to others
  - **Stealing victim's password and modifying** his or her profile to include racist, homophobic, sexual, or other inappropriate data that offends others or attracts the attention of undesirable people
  - **Posting mean, personal, or false information** about the victim in the cyberbully's blog
  - Creating a **Web site whose purpose is to humiliate or threaten the victim**
  - **Taking inappropriate photos of the victim** and either posting online or sending to others via cell phone
  - **Setting up an Internet poll** to elicit responses to embarrassing questions regarding victim
  - **Sending inappropriate messages** while playing interactive games

Cyberstalking

- Cyberstalking

  - **Threatening behavior or unwanted advances** using the Internet or online and electronic communications

  - Adult version of cyberbullying

  - Can escalate into:

    - Abusive or excessive phone calls

    - Threatening or obscene mail

    - Trespassing

    - Vandalism

    - Physical stalking

    - Physical assault

  - Over three dozen states have laws prohibiting cyberstalking

  - Current federal statues address some forms of cyberstalking, but there are large gaps in federal and state law.

Encounters with sexual predators

- Some social networking websites are criticized for not protecting minors from sexual predators

    - MySpace banned 90,000 registered sex offenders from its site

- Legislators are pushing social networking websites to adopt stronger safety measures

Uploading of inappropriate material

- Social networking websites have **policies against uploading videos depicting violence or obscenity**

- Most social networking Web sites have terms of use agreements that give the sites the right to delete material and terminate users accounts that violate their policy

- Most websites do not have sufficient resources to review all material posted

Online Virtual Worlds

- An **online virtual world** is a shared multimedia, computer-generated environment in which users represented by avatars can act, communicate, create, retain ownership of what they create, and exchange assets including cuerrency with each other.

- eg.: CityVille, Entropia Universe, FarmVille, Second Life

- A **massively multiplayer online game (MMOG)** is a multiplayer video game capable of supporting hundreds or even thousands of concurrent players.

- **Massively multiplayer online role playing game (MMORPG)**

  - subcategory of MMOG

  - provides huge online world in which players take on the role of a character and control that character's action.

  - Characters can interact with one another to compete in online games & challenges.

  - e.g.: Happy Farm & World of Warcraft

- Avatars can do everything one can do in real life

  - Shop, hold jobs, run for political office

  - Develop relationships with other avatars

  - Start up new businesses

  - Engage in criminal activities

Crime in Virtual Worlds

- Should law enforcement—real or virtual—get involved in acts that occur in virtual worlds.

- Criminal acts in a virtual world:

  - Can be clearly illegal, such as trafficking in actual drugs or stolen credit cards

  - May not be real-life crime, such as virtual muggings and sex crimes that can cause real life anguish

  - May be in the gray area, for example, unfair operation of virtual casinos

- Virtual worlds have rules against offensive behavior in public, such as using racial slurs or performing overtly sexual actions, but:

  - Consenting adults can travel to private areas and engage in socially unacceptable behavior

  - Bad deeds done online can often be mediated by game administrators based on rules of the game

Educational and Business Uses of Virtual Worlds

- **New Media Consortium (NMC)**

    - **International consortium of hundreds of organizations**-colleges, universities, museums, research centres

    - **Explores new media and technologies** to improve teaching, learning, and creative expression

    - Also **builds custom virtual learning worlds**, simulations, and learning games

- **Second Life Work Microsites**

    - **Enable businesses and government agencies** to use Second Life for virtual meetings, events, training, and simulations

    - Stimulates engaged, **collaborative learning** to augment their traditional curriculum

Key Ethical Issues for Organizations

- Ethical topics that are pertinent to organizations in the IT industry and organizations that make use of IT:
    - Use of nontraditional workers – temporary workers, contractors, consulting firms, H1-B visa workers, outsourced

        offshore workers

    - Whistle-blowing - is an effort by an employee to attract attention to a negligent, illegal, unethical, abusive, or

        dangerous act by a company that threatens the public interest.

    - Green computing - a term applied to a variety of efforts directed toward the efficient design, manufacture,

        operation, and disposal of IT-related products, including personal computers, laptops, servers,

printers, and printer supplies.

    - ICT code of ethics - recognizes the need for a code to address ethical issues in the areas of worker safety and

        fairness, environmental responsibility, and business efficiency.

The Need for Nontraditional Workers

- Bureau of Labor Statistics (BLS)
  - Has forecasted that network systems and data communications analysts will be 2nd fastest growing occupation from 2008-2018
  - Employment of computer software engineers will grow 34%
- Concern about a shortfall in the number of U.S. workers to fill these positions
- Several IT positions in the top-ten paid majors for 2010-2011 bachelor's degree graduates
- Long-term shortage of IT workers
  - Employers turning to nontraditional sources
- Sources include:
  - Contingent workers
  - H-1B workers
  - Outsourced offshore workers
- Ethical decisions about whether to:
  - Recruit new/more workers from these sources
  - Develop their own staff to meet their needs

Contingent Workers

- Contingent work is a job situation in which an individual does not have an explicit or implicit contract for long-term employment (defined by BLS)
- Contingent workers include:
    - Independent contractors
    - Temporary workers through employment agencies
    - On-call or day laborers
    - On-site workers provided by contract firms
- Needed for pronounced IT staffing fluctuations
- Workers hired for the life of the project only
- Sources
    - Temporary agencies
    - Employee leasing
    - Consulting organizations
- Firms that provide temporary help:
    - Recruit, train, and test their employees in a wide range of job categories and skill levels
    - Assign them to clients

TABLE 10-2 Large IT consulting firms

Firm	Headquarters
Accenture	Dublin, Ireland
Deloitte Touche Tohmatsu	New York, New York
Electronic Data Systems	Plano, Texas
Ernst & Young	New York, New York
HP Enterprise Business	Palo Alto, CA
IBM Global Business Services	Armonk, New York
Infosys	Bangalore, India
KPMG	Amstelveen, Netherlands
Tata Consultancy Services	Mumbai, India
Wipro Technologies	Bangalore, India

Source Line: Course Technology/Cengage Learning.

Contingent workers

Employee leasing

•a business (called the **subscribing firm**) transfers all or part of its workforce to another firm (called the **leasing firm**), which handles all human resource-related activities and costs, such as payroll, training, and the administration of employee benefits.

•The subscribing firm leases these workers, but they remain employees of the leasing firm.

•Employee leasing firms operate with minimal administrative, sales, and marketing staff to keep down overall costs, and they pass the savings on to their clients.

Coemployment relationship

•Employee leasing is a type of coemployment relationship, in which two employers have actual or potential legal rights and duties with respect to the same employee or group of employees.

•Employee leasing firms are subject to special regulations regarding worker's compensation and unemployment insurance. Because the workers are technically employees of the leasing firm, they may be eligible for some company benefits through the firm.

Advantages of using contingent workers

- Business does not pay for benefits
- Can continually adjust the number of contingent workers to stay consistent with its business needs
- Does not customarily incur training costs

Disadvantages of using contingent workers
- Workers may lack a strong relationship with the firm
  - Low commitment to the company and its projects
  - High turnover rate
- Workers gain valuable practical experience working within a company's structure and culture
  - Lost when workers depart at the project's completion

Deciding when to use contingent workers

- Recognize the trade-off between:
  - Completing a single project quickly and cheaply
  - Developing people in the organization
- When staffing is truly temporary:
  - Use of contingent workers is a good approach
- Think twice about using contingent workers:
  - When they are likely to learn corporate processes and strategies that are key to the company's success
    - Worker's next assignment may be with major competitor
- Can raise ethical and legal issues
- Potential liability for:
  - Withholding payroll taxes
  - Payment of employee retirement benefits
  - Payment of health insurance premiums
  - Administration of workers' compensation

Deciding when to use contingent workers

- Can be viewed as permanent employees by:

    - Internal Revenue Service

    - Labor Department

    - State workers' compensation agency

    - State unemployment agencies

- *Vizcaino v. Microsoft* lawsuit

    - Deciding factor is degree of control company exercises over employees

    - Employers must exercise care in the treatment of contingent workers

TABLE 10-3 Manager's checklist for the use of contingent employees

Question	Yes	No
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 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 as accurate by a government agency or court?		
Do you avoid telling contingent workers where, when, and how to do their jobs and instead work through the contingent worker's manager to communicate job requirements?		
Do you request that contingent workers use their own equipment and resources, such as computers and 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?		
If you lease employees, do you use a leasing firm that offers its own benefits plan, deducts payroll taxes, and provides required insurance?		

Source Line: Course Technology/Cengage Learning.

H-1B Workers

- Temporary work visa
  - granted by the U.S. Citizenship and Immigration Services (USCIS)
  - For people who work in specialty occupations
- H-1B workers
  - Meet critical business needs
  - Have essential technical skills and knowledge not readily found in the U.S.
  - Employers must pay H-1B workers the prevailing wage for the work being performed
- Maximum continuous period of six years
  - After six years, the foreign worker must remain outside the United States for one year before another H-1B petition can be approved
- Continued use of H-1B workers
  - Symptom of a larger, more fundamental problem
  - U.S. not developing sufficient IT employees

- Top five outsourcing countries
  - India
  - China
  - Canada
  - Philippines
  - Korea
- Federal cap of 65,000 for number of H-1B visas
  - Applies only to certain IT professionals
  - Large number of workers are exempt from cap
- English as a second language
  - Workers who are not fluent in English:
    - May find it difficult and uncomfortable to participate
    - May create their own cliques
    - May stop trying to acclimate
    - Can hurt a project team's morale and lead to division
- Managers and coworkers should:
  - Strive to help improve H-1B workers' English skills and cultural understanding
  - Be sensitive to workers' heritage and needs

H-1B application process

- Employer making job offer must also offer sponsorship
- Application has two stages
  - Labor Condition Attestation (LCA)
  - H-1B visa application
- If H-1B are more than 15% percent of company's workforce:
  - Must prove that it first tried to find U.S. workers
  - Must prove not hiring H-1B after laying off similar U.S. worker
- American Competitiveness in the Twenty-First Century Act (2000)
  - Allows current H-1B holders to start working for employers as soon as their petitions are filed
- Using H-1B workers instead of U.S. workers
  - Good for short-term hiring
  - Long-term hiring
    - Lessens incentive to educate and develop U.S. workforces
    - Does nothing to develop strong core of permanent U.S. IT workers needed in future
- Potential exploitation of H-1B workers
  - Salary abuse by unethical companies
  - Some H1-B workers are paid $10,000 to $30,000 less than U.S. workers in the same job
  - Visa Reform Act (2004)
    - Defined a modified wage-rate system
  - At end of the six-year visa term:
    - If no green card, firm loses worker
    - Suddenly unemployed worker must return home

B - 1 Visa Controversy

- A visitor visa is an nonimmigrant visa for people who wish to enter U.S. temporarily:

  - for business (B-1)

  - for pleasure or medical treatment (B-2)

  - for both (B-1/B-2)

- B-1 visa

  - To travel for short periods of time to consult with business associates; attend convention or conference; negotiate a contract; or install or maintain machinery

- B-1 visa faster, easier, and cheaper to obtain

  - Lot of gray area in the use of B-1 visas

Outsourcing

- Outsourcing

    - An another approach to meeting staffing needs

    - Long-term business arrangement in which company contracts for services with an outside organization that has expertise in providing a specific function

- Rationale

    - Coemployment legal problems are minimal

    - Lower costs

    - Obtain strategic flexibility

    - Keep staff focused on core competencies

Offshore Outsourcing

- Variation of outsourcing
  - Services provided by an organization whose employees are in a foreign country
- Companies reduce labor costs
- Increasing in IT industry
- As key processes move offshore, U.S. IT providers are forced to lower prices
- Common to use offshore outsourcing for major programming projects

TABLE 10-5 Most attractive offshoring destinations (Based on A.T. Kearney rating methodology)

Country
1. India
2. China
3. Malaysia
4. Egypt
5. Indonesia
6. Mexico
7. Thailand
8. Vietnam
9. Philippines
10. Chile

TABLE 10-6 Top-rated IT outsourcing firms according to the International Associa[tion] of Outsourcing Professionals

Firm	Headquarters location
Accenture	Dublin, Ireland
Infosys Technologies	Bangalore, India
CSC	Falls Church, Virginia
Wipro Technologies	Bangalore, India
Capgemini S.A.	Paris, France
PCCW Solutions	Hong Kong
CGI Group	Montreal, Quebec, Canada
HCL Technologies	New Delhi, India
ITC Infotech	Bangalore, India

Pros and cons of offshore outsourcing

- Low wages

  - Demand for offshoring driving up salaries

- Dramatically speeds up development efforts

  - Make progress on a project around the clock

- Can also result in new expenses

  - Additional time to select an offshore vendor

  - Additional costs for travel and communications

- Same ethical issues as H1-B and contingent workers

- Difficulty of communications over long distances and differences in culture and language

Strategies for successful offshore outsourcing

- Strategies for successful offshore outsourcing

  - Expertise in technologies involved in the project

  - Project manager speaks native language of employer

  - Large staff available to meet the needs of the project

  - State-of-the-art telecommunications setup

  - High-quality on-site managers and supervisors

- To ensure that company data is protected in an outsourcing arrangement, companies can use the **Statement on Auditing Standards (SAS) No. 70**, Service Organizations, an internationally recognized standard developed by the American Institute of Certified Public Accountants (AICPA). A successful SAS No. 70 audit report demonstrates that an outsourcing firm has effective internal controls in accordance with the Sarbanes-Oxley Act of 2002.

The following list provides several tips for companies that are considering offshore outsourcing:

- **Set clear, firm business specifications** for the work to be done.

- **Assess the probability of political upheavals or factors** that might interfere with information flow, and ensure the risks are acceptable.

- **Assess the basic stability and economic soundness of the outsourcing vendor** and what might occur if the vendor encounters a severe financial downturn.

- **Establish reliable satellite or broadband communications** between your site and the outsourcer's location.

- **Implement a formal version-control process**, coordinated through a quality assurance person.

- **Develop and use a dictionary of terms** to encourage a common understanding of technical jargon.

- **Require vendors to have project managers** at the client site to overcome cultural barriers and facilitate communication with offshore programmers.

- **Require a network manager at the vendor site** to coordinate the logistics of using several communications providers around the world.

- **Agree in advance on the structure and content of documentation** to ensure that manuals explain how the system was built, as well as how to maintain it.

- **Carefully review a current copy of the outsourcing firm's** SAS No. 70 audit report to ascertain its level of control over information technology and related processes.

Whistle-blowing

- Effort to attract public attention to a negligent, illegal, unethical, abusive, or dangerous act by a company
- Whistle-blower
  - Usually has personal or special knowledge
  - Risks own career
  - Might even affect lives of friends and family
  - Must choose between protecting society and remaining silent
- Protection laws allow employees to alert authorities to employer actions that are unethical, illegal, or unsafe or that violate specific public policies
  - No comprehensive federal law
  - Each law has different:
    - Filing provisions
    - Administrative and judicial remedies
    - Statutes of limitations
- False Claims Act ("Lincoln Law")
  - Enacted during the U.S. Civil War
  - Enticed whistle-blowers to come forward
  - Offered a share of the money recovered
- Qui tam provision allows private citizen to file in name of government
- Violators are liable for three times the dollar amount the government is defrauded
- Provides strong whistle-blower protection
- Complexity requires advice of an attorney

Whistle-blower protection for private-sector workers

- Whistle-blower protection for private-sector workers
  - Many states, not all, have laws that prevent workers from being fired because of an employee's participation in "protected" activities
- Whistle-blowers can file claims against their employers for retaliatory termination
- Whistle-blowers are entitled to jury trials
- If successful at trial, can receive punitive damage awards

- Dealing with a whistle-blowing situation

  - Assess the seriousness of the situation
  - Begin documentation
  - Attempt to address the situation internally
  - Consider escalating the situation within the company
  - Assess implications of becoming a whistle-blower
  - Use experienced resources to develop action plan
  - Execute the action plan
  - Live with the consequences

Green Computing

- To manufacture truly "green" products, companies must:

  - Produce product that requires less electricity

  - Reduce the amount of hazardous materials used

  - Increase amount of reusable or recyclable materials

  - Help consumers dispose of their products in an environmentally safe manner at the end of the product's useful life

- Personal computers and cell phones contain thousands of components composed of many different materials

  - Some harmful to humans and environment

  - Workers along the entire supply chain at risk

  - Users can also be exposed to these materials

- **EPEAT (Electronic Product Environmental Assessment Tool)**

  - is a system that enables purchasers to evaluate, compare, and select electronic products

    - Based on a total of 51 environmental criteria

    - Products are ranked in three tiers of environmental performance

- **European Restriction of Hazardous Substances Directive**

  - Restricts use of many hazardous materials in computer manufacturing

- How to safely dispose of obsolete computers

  - Many states have recycling programs

  - Some manufacturers have developed programs

- **Greenpeace environmental activist organization**

  - Issues quarterly ratings of manufacturers according to the manufacturers' policies on toxic chemicals, recycling, and climate change

    - Manufacturers have long way to go to meet the high standards

ICT Industry Code of Conduct

- Electronic Industry Citizenship Coalition (EICC)
  - Promotes common code of conduct for ICT industry
  - Focuses on the areas of:
    - Worker safety and fairness
    - Environmental responsibility
    - Business efficiency
  - Coalition membership is voluntary
- Code of conduct defines performance, compliance, auditing, and reporting guidelines across five areas of social responsibility
- Five areas of social responsibility & guiding principles:
  - Labor
    - Must uphold the human rights of workers – treat the workers with respect & dignity
  - Health and safety
    - Must provide safe and healthy work environment – enhances the quality of products & services – consistency of production & worker retention & morale.
  - Environment
    - Adverse effects minimized
  - Management system
    - Ensures compliance with code
  - Ethics
    - Must uphold the highest standards of ethics