CHAPTER
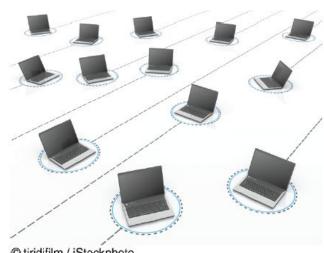
6

Ethics and Privacy

1. Ethical Issues
2. Privacy

1. Define ethics, list and describe the three fundamental tenets of ethics, and describe the four categories of ethical issues related to information technology.

2. Identify three places that store personal data, and for each one, discuss at least one potential threat to the privacy of the data stored there.

OPENING >

- **Tapad Can Track You Across Devices**
  1. Is Tapad's business model ethical? Why or why not?
  2. What is the relationship between Tapad's business model and your privacy? Provide specific examples to support your answer.

© tiridifilm / iStockphoto

Ethics

1. Ethics refers to the principles of right and wrong that individuals use to make choices that guide their behavior.

2. Deciding what is right or wrong is not always easy or clear cut. Fortunately, there are many frameworks that can help us make ethical decisions.

6.1 Ethical Issues

© AlexMax/iStockphoto

- Ethical Frameworks
- Ethics in the Corporate Environment
- Ethics and Information Technology

Ethical Frameworks

Sources of Ethical standards are:-

- Utilitarian Approach
- Rights Approach
- Fairness Approach
- Common Good Approach
- Five Steps of the General Ethical Framework

Utilitarian approach

1. The utilitarian approach states that an ethical action is the one that provides the most good or does the least harm.

2. The ethical corporate action would be the one that produces the greatest good and does the least harm for all affected parties—customers, employees, shareholders, the community, and the environment

Rights approach

1. The rights approach maintains that an ethical action is the one that best protects and respects the moral rights of the affected parties.

2. Moral rights can include the rights to make one's own choices about what kind of life to lead, to be told the truth, not to be injured, and to a degree of privacy

3. An ethical organizational action would be one that protects and respects the moral rights of customers, employees, shareholders, business partners, and even competitors.

Fairness approach

1. The fairness approach posts that ethical actions treat all human beings equally, or, if unequally, then fairly, based on some defensible standard.

2. For example, most people might believe it is fair to pay people higher salaries if they work harder or if they contribute a greater amount to the firm.

3. However, there is less certainty regarding CEO salaries that are hundreds or thousands of times larger than those of other employees.

4. Many people question whether this huge disparity is based on a defensible standard or whether it is the result of an imbalance of power and hence is unfair

Common good approach

1. The common good approach highlights the interlocking relationships that underlie all societies.
2. This approach argues that respect and compassion for all others is the basis for ethical actions.
3. It emphasizes the common conditions that are important to the welfare of everyone.
4. These conditions can include a system of laws, effective police and fire departments,healthcare, a public educational system, and even public recreation areas.

Five Steps of the General Ethical Framework

1. Recognize the Issue
2. Get the Facts
3. Evaluate Alternative Actions
4. Make a Decision and Test It
5. Act and Reflect on the Outcome of Your Decision

Recognize the Issue

1. Could this decision or situation damage someone or some group?

2. Does this decision involve a choice between a good and a bad alternative?

3. Does this issue involve more than legal considerations? If so, in what way?

Get the Facts

1. What are the relevant facts of the situation?

2. Do I have sufficient information to make a decision?

3. Which individuals and/or groups have an important stake in the outcome?

4. Have I consulted all relevant persons and groups?

Evaluate alternative actions

1. Which option will produce the most good and do the least harm? (the utilitarian approach)
2. Which option best respects the rights of all stakeholders? (the rights approach)
3. Which option treats people equally or proportionally? (the fairness approach)
4. Which option best serves the community as a whole, and not just some members? (the common good approach)

Make a decision and test it

1. Considering all the approaches, which option best addresses the situation?

Act and reflect on the outcome of your decision

1. How can I implement my decision with the greatest care and attention to the concerns of all stakeholders?
2. How did my decision turn out, and what did I learn from this specific situation?

Ethics in the Corporate Environment

- Many companies and professional organizations develop their own codes of ethics.
- A code of ethics is a collection of principles intended to guide decision making by members of the organization.

Ethics in the Corporate Environment

- Fundamental Tenets of Ethics
  - Responsibility:means that you accept the consequences of your decisions and actions.

  - Accountability:refers to determining who is responsible for actions that were taken.

  - Liability:a legal concept that gives individuals the right to recover the damages done to them by other individuals, organizations, or systems.

© DmitriyShironosov/iStockphoto.com

- **Cheating Is Risky for Business Students**

1. As the Turnitin database expands rapidly by incorporating a growing number of papers and essays, what will be the impact on subsequent papers submitted to it?

2. Discuss the ethical implications of writing a paper yourself that you know contains some plagiarized material and then using Turnitin's service yourself.

Ethics and Information Technology

Consider the following decisions that you might have to make:

✔ Should organizations monitor employees' Web surfing and e-mail?

✔ Should organizations sell customer information to other companies?

✔ Should organizations audit employees' computers for unauthorized software or illegally downloaded music or video files?

The diversity and ever-expanding use of IT applications have created a variety of ethical issues.

These issues fall into four general categories: privacy, accuracy, property, and accessibility.

1. Privacy issues involve collecting, storing, and disseminating information about individuals.

2. Accuracy issues involve the authenticity, fidelity, and correctness of information that is collected and processed.

3. Property issues involve the ownership and value of information.

4. Accessibility issues revolve around who should have access to information and whether a fee should be paid for this access.

Privacy Issues

1. What information about oneself should an individual be required to reveal to others?
2. What kind of surveillance can an employer use on its employees?
3. What types of personal information can people keep to themselves and not be forced to reveal to others?
4. What information about individuals should be kept in databases, and how secure is the information there?

Accuracy Issues

1. Who is responsible for the authenticity, fidelity, and accuracy of the information collected?

2. How can we ensure that the information will be processed properly and presented accurately to users?

3. How can we ensure that errors in databases, data transmissions, and data processing are accidental and not intentional?

4. Who is to be held accountable for errors in information, and how should the injured parties be compensated?

Property Issues

1. Who owns the information?
2. What are the just and fair prices for its exchange?
3. How should we handle software piracy (copying copyrighted software)?
4. Under what circumstances can one use proprietary databases?
5. Can corporate computers be used for private purposes?
6. How should experts who contribute their knowledge to create expert systems be
7. compensated?
8. How should access to information channels be allocated?

Accessibility Issues

1. Who is allowed to access information?
2. How much should companies charge for permitting access to information?
3. How can access to computers be provided for employees with disabilities?
4. Who will be provided with equipment needed for accessing information?
5. What information does a person or an organization have a right to obtain, under what conditions, and with what safeguards?

Privacy

- **Privacy:** the right to be left alone and to be free of unreasonable personal intrusions.
- **Information privacy** is the right to determine when, and to what extent, information about you can be gathered and/or communicated to others.
- Privacy rights apply to individuals, Groups, and institutions.
- Court decisions in many countries have generally followed two rules
  - The right to privacy is not absolute
  - The public's right to know supersedes the individual's right to privacy.

6.2 Privacy

- Electronic Surveillance
- Personal Information in Databases
- Information on Internet Bulletin Boards, Newsgroups, and Social Networking Sites
- Privacy Codes and Policies
- International Aspects of Privacy

Electronic Surveillance

- Electronic surveillance is rapidly increasing with the emergence of new technologies
- Emerging Technologies increase monitoring of human activity
- Surveillance cameras track you at airports, subways, banks, and other public venues.
- Inexpensive digital sensors are now incorporated into laptop webcams, video-game motion sensors, smartphone cameras, utility meters, passports, employee ID cards
- high-resolution photographs taken from the air or from the street by Google or Microsoft

Electronic Surveillance

- your license plates will be recorded and time-stamped as you drive down a city street, cross a toll bridge, or park at a shopping mall.
- Google and Facebook are using facial-recognition software—Google Picasa and Facebook
- Photo Albums—in their popular online photo-editing and sharing services. Both companies encourage users to assign names to people in photos, a practice referred to as photo tagging
- The law supports the right of employers to read their employees' e-mail and other electronic documents and to monitor their employees' Internet use.
- organizations routinely monitor their employees' Internet usage. In addition, two-thirds use software to block connections to inappropriate Websites, a practice called URL filtering. Further, organizations are installing monitoring and filtering software to enhance security by blocking malicious software and to increase productivity by discouraging employees from wasting time

© parema / iStockphoto

- **Those Mannequins Are Watching You**
    1. Is using EyeSee mannequins in stores an ethical practice? Why or why not? Support your answer.
    2. If stores notify people that they may be filmed, do the stores have to indicate how they might be filmed (i.e., by mannequins)? What are the ethical implications of how stores make these notifications?
    3. Would knowing that the mannequins may be watching you change your shopping behavior? Why or why not? Explain your answer.
    4. What are the privacy implications of the EyeSee mannequins, given that stores already have security cameras placed in strategic locations?

Personal Information in Databases

- Modern institutions store information about individuals in many databases. Perhaps the most visible locations of such records are credit-reporting agencies,banks and financial institutions; cable TV, telephone, and utilities companies; employers; mortgage companies; hospitals; schools and universities; retail establishments;government agencies

- Major Concerns:
  - Do you know where the records are?
  - Are the records accurate?

Personal Information in Databases (continued)

- Major Concerns:
  - Can you change inaccurate data?
  - How long will it take to make a change?
  - Under what circumstances will the personal data be released?
  - How are the data used?
  - To whom are the data given or sold?
  - How secure are the data against access by unauthorized people?

Information on Internet Bulletin Boards, Newsgroups, and Social Networking Sites

- Every day we see more and more **electronic bulletin boards, newsgroups, electronic discussions such as chat rooms, and social networking sites**. These sites appear on the Internet, within corporate intranets, and on blogs.

- **Blog (Web Log):** an informal, personal journal that is frequently updated and is intended for general public reading.

- **Conflict between free speech and privacy than the Internet**. Many Web sites contain anonymous, derogatory information on individuals, who typically have little recourse in the matter.

- Weblog

- Free Speech versus Privacy

- **Google Glass: Big Brother Really Is Watching You**

  1. Apply the general framework for ethical decision making to Google Glass.
  2. Do you feel that the functionality offered by Google Glass outweighs the potential loss of privacy that the technology could create? Why or why not? Support your answer.
  3. Would you use Google Glasses? Why or why not? Support your answer.
  4. If you were at a party or at a bar, would you be comfortable speaking to someone who was wearing Google Glasses? Would you be comfortable just being in the room with someone wearing Google Glasses? Why or why not? Support your answer.

Privacy Codes and Policies

- **Privacy Policies (or Privacy Codes):** an organization's guidelines for protecting the privacy of its customers, clients, and employees.

- **Opt-Out Model of Informed Consent:** permits the company to collect personal information until the customer specifically requests that the data not be collected.

- **Opt-In Model of Informed Consent:** Privacy advocates prefer this model, which prohibits an organization from collecting any personal information unless the customer specifically authorizes it.

- **Platform for Privacy Preferences (P3P):** a protocol that automatically communicates privacy policies between an electronic commerce Web site and visitors to that site. P3P enables visitors to determine the types of personal data that can be extracted by the sites they visit.

Data collection

Data should be collected on individuals only for the purpose of accomplishing a legitimate business objective.

Data should be adequate, relevant, and not excessive in relation to the business objective.

Individuals must give their consent before data pertaining to them can be gathered. Such consent may be implied from the individual's actions (e.g., applications for credit, insurance, or employment).

Data accuracy

Sensitive data gathered on individuals should be verified before they are entered into the database.

Data should be kept current, where and when necessary.

The file should be made available so that the individual can ensure that the data are correct.

In any disagreement about the accuracy of the data, the individual's version should be noted and included with any disclosure of the file.

Data confidentiality

Computer security procedures should be implemented to ensure against unauthorized disclosure of data. These procedures should include physical, technical, and administrative security measures.

Third parties should not be given access to data without the individual's knowledge or permission, except as required by law.

Disclosures of data, other than the most routine, should be noted and maintained for as long as the data are maintained.

Data should not be disclosed for reasons incompatible with the business objective for which they are collected.

International Aspects of Privacy

- Inconsistent Privacy and Security Laws
- Transborder data flow
- European Community Commission
- Safe Harbor framework for European citizen personal data