

Ethics of IT Organizations

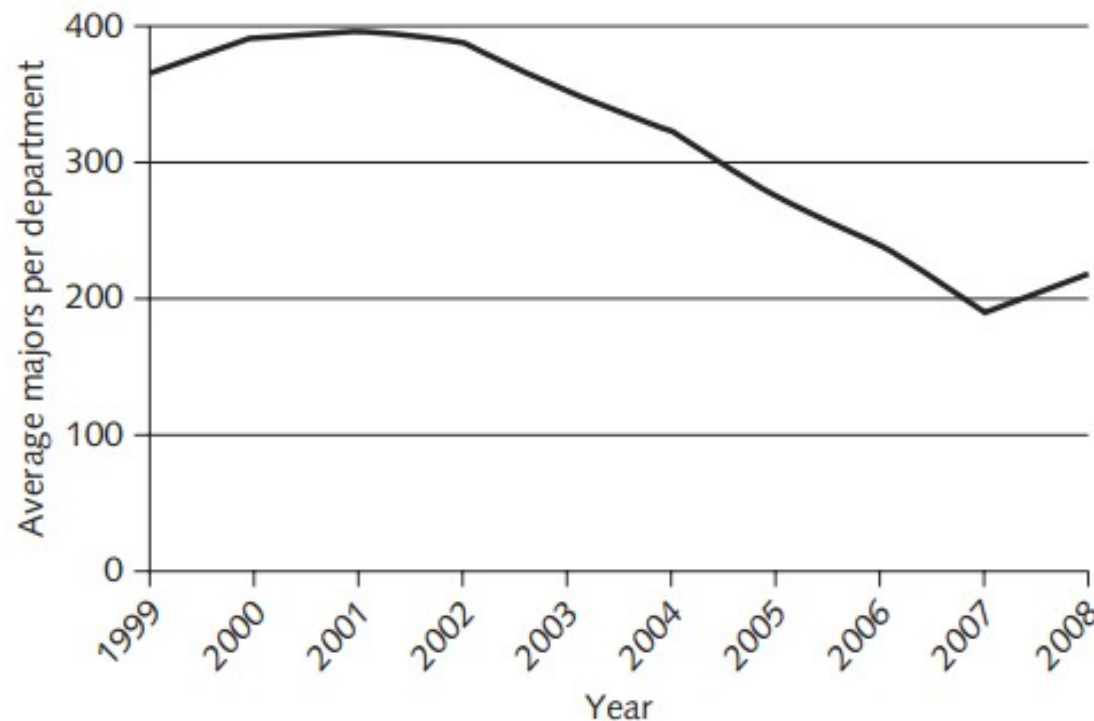
Presented by-

Md. Habibur Rahman	BIT0216
Md. Saeed Siddik	BIT0218
Iftekhar Ahmed	BIT0220

Need For Non-Traditional Workers

- ✓ Number of enrollment in computer science dept. is half in 2007 than in 2000
- ✓ Employment in computer system design and related service will grow by 38.3% between 2006 and 2014
- ✓ Growth is driven by the increasing reliance of businesses on IT and the continuing importance of maintaining system and network security

Need For Non-Traditional Workers



Need For Non-Traditional Workers

- ✓ It is likely for IT organizations to have a long-term shortage of trained and experienced workers
- ✓ Organizations are turning to non-traditional sources of employees including **Contingent workers, H-1B workers** and **Outsourced offshore workers**
- ✓ And Here is the ethical decision to make whether to recruit new and more skilled workers from these sources or to develop their own staff to meet the needs of their business

Contingent Workers

- ✓ A job situation in which an individual does not have an explicit or implicit contract for long-term employment. Examples are
 - Independent workers
 - Temporary workers hired through employment agencies
 - On-call or day laborers
 - On-site workers where services are provided by contract firms
- ✓ Hired as consultants, technical experts or as supplemental staff

Ethics of Contingent Workers

- ✓ Whether they work, when they work, and how much they work depends on the company's need for them.
- ✓ Have neither an implicit nor explicit contract for continuing employment
- ✓ Not official employees, nor they are eligible for company benefits like vacation, sick pay and medical insurance

Advantages of Using Contingent Workers

Companies -

- Does not usually have to provide benefits like insurance, paid time off, and contributions to a retirement plan
- Easily adjust the number of recruitment
- Cannot act above to full-time employees without creating a great deal of ill will and negative impact
- Does not have to incur training cost

Disadvantages of Using Contingent Workers

- May not feel a strong connection to the company for which they work
- May result in a low commitment to the company and high turnover rate
- While working for a particular company, one gains additional skill and knowledge which they lose due switching to another company

Decision To Use Contingent Workers

Good decision to use them -

- For unique skills or temporary help required for a project in particular that are not necessary for future

Bad decision to use them -

- Workers are likely to learn corporate processes and strategies that are key to the company's success. Impossible to prevent them to pass such information to subsequent employers.
- Could be damaging if the worker's next employer is the company's major competitor.

H-1B Workers



- Temporary work visa granted by the USCIS
- When temporary Shortage of needed skills
- Readily found workers for business needs
- Requires at least a four year bachelor degree or equivalent experience.
- Employer must pay wages to the H-1B workers.
- Can work a maximum continuous period of years (One year gap before another 6 years)
- 40 percent are employed as computer programmer.
- Top five outsourcing countries for H-1B workers are **India, China, Canada, UK, Philippines.**

H-1B Workers (cont.)

Organization	Number of H-1B visas approved in 2008
Infosys Technologies	4,559
Wipro Technologies	2,678
Satyam Computer Services	1,917
Tata Consultancy Services	1,539
Microsoft	1,037
Accenture	731
Cognizant Technology Solutions	467

Fig. Top H-1B visa employers in 2008

Ethics of IT Organizations

H-1B Workers (cont.)

Problems:

- Communication skills even for highly skilled and experienced H-1B workers.
- Fast paced and full of idiom expressions.
- Hard to find qualified IT workers.
- Negative Impact on US local employees.
- According to their conclusions, “ that H-1B admissions at current levels are associated with a 5% to 6% drop in wages for computer programmers, system analysts and software engineers.”

H-1B Application Process

- Must have a job offer from an employer to receive a H-1B visa.
- Two application stages:
 - Labor Condition Application (LCA)
 - H-1B visa application
 - DOL (Department of Labor) reviews the LCA to ensure that the foreign workers wages will not undercut.
 - Must show that they first tried to find employees locally. Anything other than that goes for huge fine.

Using H-1B workers Instead of U.S workers

- Reducing cost
- Short term hiring decisions
- Does nothing for the future development of U.S
- Lessen the U.S companies to educate and develop their own workforce.

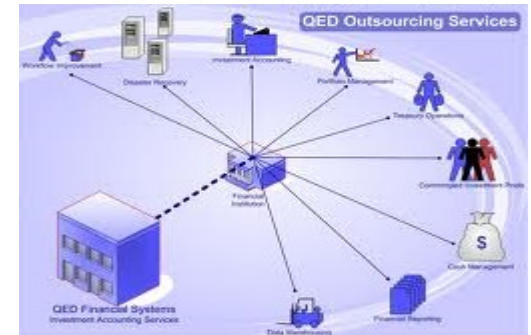
Potential Exploitation of H-1B workers

- Some companies use H-1B visas as a way to lower salaries.
- Showing entry level instead of a position of experienced workers using average salary.
- Vision System Group was fined for office replacement.
- What will be after 6 years?

Outsourcing

- **“Outsourcing is a long-term business arrangement in which a company contracts for services with an outside organization that has expertise in providing function”- George W. Reynolds**

- **Example:**
 - Operating a data center
 - Support telecommunication network
 - Staffing a computer help desk
- Primary Rationale is lower cost.



Offshore Outsourcing

- **“Offshore outsourcing is a form of outsourcing in which the services are provided by an organization whose employees are in a foreign country”**
- Any work done at a relatively high cost in the U.S may become a candidate for offshore outsourcing.
- Readily available IT professionals.
- **Example:**
 - American Express, IBM, Microsoft, Motorola, Shell, Sprint etc.
 - High Salaries application development in the U.S.
 - Ease Communications.
 - Top four source of contract programming projects: **India, Ireland, Canada, Israel.**

Offshore Outsourcing

Country	Comments
India	Relatively low cost, highly skilled labor pool
Canada	Close to United States, no language barrier, highly skilled labor pool
China	Low cost, large pool of skilled labor, lack of English-language proficiency
Poland	Low overall cost of business operations
Czech Republic	An emerging contender
Russia	Unpredictable political and business climate

Fig. Leading companies for offshore IT service

Pros and cons of Offshore Outsourcing

Pros

- Lower cost representation
- Virtual 24-hours workday.
- Ease Communications

Cons

- Short term point of view (India:US → 6:1 → 3:1 → 1.5:1)
- Offshore outsourcing doesn't always pay off.
- Constituting a offshore company should consider-
 - Additional time, travel and communication, building long term relation takes long time.
 - - Cultural and language differences
 - - Data security
 - - Loosen the knowledge and experience.

Whistle-Blowing



- A whistle-blower is a person who tells the public or someone in authority about alleged dishonest or illegal activities (misconduct) occurring in a government department or private company or organization. It may external or internal.
- The term whistle-blower comes from the whistle a referee uses to indicate an illegal or foul play.

Example

- WikiLeaks.
- 2005 Russell Tice in New York Times
- 2005 Oracle
- 2012 Railway in Bangladesh.

Be a hero - blow the whistle
on inappropriate activities



Protection for whistle-blower

- **USA**
 - False Claims Act (revised in 1986)
 - Dodd–Frank Wall Street Reform and Consumer Protection Act
- **UK**
 - Public Interest Disclosure Act 1998
- **Canada**
 - Conscientious Employee Protection Act (CEPA)



Dealing with a Whistle-Blowing Situation

- Assess the Seriousness of the Situation
- Begin Documentation
- Attempt to Address the Situation Internally
- Provide solution to the Situation Within the Company
- Use Experienced Resources to Develop an Action Plan
- Execute the Action Plan

Green computing



- Green computing, green IT or ICT Sustainability, refers to environmentally sustainable computing or IT. Huge numbers of devices are obsolete everyday.

EPEAT

- 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.
 - Bronze (meets all 23 required criteria)
 - Silver (meets all 23 of the required criteria plus at least 50 percent of the optional criteria)
 - Gold (meets all 23 required criteria plus at least 75 percent of the optional criteria)
- (www.epeat.net)

Greenpeace rating

- Greenpeace rating of mobile manufacturing company

Organization	July 2009 rating
Nokia	7.45
Samsung	7.1
Sony Ericsson	6.5
LG Electronics	5.7
Toshiba	5.5
Motorola	5.5

Greenpeace rating

Greenpeace rating of mobile manufacturing company

Organization	July 2009 rating
Philips	5.3
Sharp	5.3
Acer	4.9
Panasonic	4.9
Apple	4.7
Sony	4.5
Dell	3.9
HP	3.5
Microsoft	2.5
Lenovo	2.5
Fujitsu	2.4

ICT INDUSTRY CODE OF CONDUCT

- The EICC Electronic Industry Citizenship Coalition has established a code of conduct that defines performance, compliance, auditing and reporting five areas of social responsibility.
 - labor
 - health and safety
 - environment
 - management system
 - ethics

