

ETHICAL DIMENSIONS OF ELECTRONIC MONITORING OF EMPLOYEES: A CROSS-CULTURAL PERSPECTIVE

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***ABSTRACT:** This manuscript presents the results of a study which examined the ethical dimensions of electronic monitoring of employees from a cross-cultural perspective comparing participants from Taiwan with those from the United States. The results of the study suggest that differences exist between Taiwanese and American participants' attitudes concerning the ethics of electronic monitoring of employees. The study suggests that monitoring with notice was an important parameter in determining how ethical electronic monitoring of employees was viewed by the participants.*

INTRODUCTION

On the global stage of business, the Pacific-Rim regional market plays the role of potentially becoming the premier global market. At the center of the Pacific-Rim regional market, the Chinese business environment stands as the catalyst for the region's future economic growth (Paynich 2004). The Chinese business environment includes the People's Republic of China (including Hong Kong) and the Republic of China, or more commonly known as Taiwan. From the author's experience of teaching at a leading private Taiwan university, Taiwan and PRC share an interwoven relationship. First, a number of Taiwanese business firms have dual operations in Taiwan and in the PRC. Second, between the two countries, there are significant family ties. A number of Taiwanese have relatives in the PRC who they visit on a regular basis. Third, a number of universities and colleges in Taiwan have "sister" universities in the PRC; and they host joint activities involving faculty traveling extensively between the two countries. Fourth, because of the share cultural heritage between the two countries, they will inevitably be drawn economically closer as the PRC continues to develop economically. Lastly, the Taiwanese market represents a prelude for entering the PRC market. A foreign company wishing to enter into the PRC market could select the strategy of partnering with a Taiwanese company first. The conceptual logic for selecting this strategy is two fold. For a number of years, the Taiwan business environment has been somewhat "westernized" and accustomed of interacting with foreign companies. Secondly, Taiwan companies may have established relationships with existing PRC partners that would expedite a foreign company's entry into the PRC market. To remain competitive in the global business environment, international businesses have to develop within their executive leadership teams a global mindset (Lynton and Thogersen 2006). Therefore, to successfully enter and be competitive within the Pacific-Rim regional market place, foreign companies have to develop within their executives a Chinese mindset of administration. For example, Chinese executives tend to view managerial decision making holistically rather than linearly (Lynton and Thogersen 2006). The basis for much of Chinese social status within the business organization centers on being part of a trusted circle (Lynton and Thogersen 2006). In developing partnerships between Chinese and foreign companies, it is important to be sensitive to the mindsets of both parties; especially when merging organizational policies. With this in mind, this article presents the results of a study examining the attitudes of Taiwanese and American study participants regarding the ethics of electronically monitoring employees.

RESEARCH RATIONALE AND METHODOLOGY

Business executives have always monitored their employees' behavior. Electronic monitoring may be especially useful in training and improving productivity (Blylinsky 1991; Laabs 1992). However, critics of electronic monitoring suggest that the more obtrusive forms of electronic monitoring can lead to elevated levels of stress, decreased job satisfaction and quality of work, decreased levels of customer service and poor quality (Kallman, 1993). Electronic monitoring, by imposing excess control over employee behavior, can alienate employees and develop a feeling of working in a modern "sweetshop" (Kidwell and Bennett, 1994). Employers have the legal right to electronically monitor their employees (Kelly 2001). The question is not whether or not employers can electronically monitor their employees, rather the question is how should it be done?

The procedures used in electronically monitoring employees are very important, particularly in how employees view them. The procedures for electronically monitoring employees must be designed with fairness and ethics in mind. Electronic monitoring certainly raises ethical dilemmas for employers. Electronic monitoring systems must be consistent, free from bias, relevant, provide feedback, job-related, and above all perceived as ethical and fair (Kidwell and Bennett 1994). The subject of electronic monitoring of employees should be a concern for executives as their companies partner with foreign companies; especially in joint venture arrangements. Within the Chinese business environment, it would be helpful to understand the Chinese mindset concerning electronic monitoring of employees.

A number of studies have examined cross-cultural ethical business issues within the Chinese business environment. Roxas and Stoneback considered the issue of gender across cultures in ethical decision-making: a sample of junior and senior accounting students from eight countries was taken (U.S.A, Canada, Australia, China, Philippines, Thailand, Germany, and Ukraine) (2004). One interesting outcome of Roxas and Stoneback's study was that overall males were significantly less ethical than females; except in China where females are less likely to behave ethically (2004, p. 161). In another study, Redfern and Crawford sampled Chinese managers from the PRC and administered the Forsyth's (1980) Ethics Position Questionnaire with them (2004). One result from their study indicate regional differences between Chinese managers: managers in South China scored different than managers in North China (Refern and Crawford 2004, p. 208). In yet another study, Snell and Herndon examined the effective use of Code of Ethics by Hong Kong companies (2004). From their research, it appears that cultural factors (power distance and traditional Legalist assumptions) account for a gap between adopting Code of Ethics and adherence to them (Snell and Herndon 2004, p. 75). Chen-Fong Wu studied business ethics operation between Taiwan and PRC enterprises (2004). One observation made by Wu was the burden of the communist system in PRC as an obstacle to practicing sound ethical decisions for Chinese firms (2004, p. 241). In noting one last study, Douglas and Wier compared Chinese and U.S. managers concerning cultural and ethical effects in budgeting systems (2005). Douglas and Wier developed a model of cultural effects on budgeting systems as influenced by culture-specific work-related and ethical values. The data from their study for the most part supported research model (Douglas and Wier 2005, p. 170). Therefore, the results of the study presented in this article adds to the above research by exploring the ethical dimensions of electronic monitoring of employees as comparison between Taiwanese and American participants.

Based on previous research, the study reported in this article addresses two research questions: (1) Are there significant differences between the attitudes of Taiwanese and American business people with respect to their ethical views of electronic monitoring? (2) Does "giving notice" versus "secretly monitoring" make a significant difference in the ethical dimension of electronic monitoring?

The questionnaire used in this study was based on one developed by Vaught, Taylor, and Vaught (2000) as presented in an article entitled, "The Attitudes of Managers Regarding the Electronic Monitoring of

Employee Behavior: Procedural and Ethical Considerations.” The research statements of the questionnaire are presented in Table 1. The questionnaire was translated into Chinese by using the “Parallel Translation” method (Cateora and Graham 2002, p. 220). Two samples were collected: one in Taiwan and one in the United States. In Taiwan, 500 questionnaires were distributed to students in MBA and Executive MBA classes at four universities in Northern Taiwan (this was part of a larger proprietary study). Of the 500 questionnaires, 220 were successfully returned for a response rate of 44%. All of these respondents were college graduates with 60% male and 40% female. The average age of the male respondents was 32.5 and for the females it was 28.3.

In the United States, 500 questionnaires were also distributed to students in MBA and Executive MBA classes at two public and two private universities. Of these 500 questionnaires, 230 were successfully returned (120 from the public and 110 from the private) for a response rate of 46%. All of these respondents were also college graduates with 45 % male and 55% female. The average age of the male respondents was 29.5 and for the females it was 33.3.

DISCUSSION OF THE RESULTS

The questionnaire contains 18 statements and the respondents were asked to indicate their opinion of each statement along a five point scale: 1=strongly disagree, 2=disagree, 3=uncertain, 4=agree, and 5=strongly agree. Mean scores between the Taiwanese respondents and the American respondents were tested for significance by using a t-Test.

On all 18 statements there was a significant difference between the Taiwanese and American respondents.

The first four statements were general nature statements to lead into the more specific statements. On Statement 1 both groups agreed that the electronic monitoring of employees should be done occasionally rather than continuously. The American respondents agreed more to this statement than the Taiwanese respondents. For Statement 2 the American respondents, again, agreed more than the Taiwanese respondents that employees should be given notice each time they are being electronically monitored. Statement 3 says, “The secret video monitoring of an employee in his or her work area is ethical.” Both respondent groups disagreed with this statement; and the Americans disagreed at a greater level than the Taiwanese. Statement 4 indicates that by giving employees written notice that they will be electronically monitored sometime in the future is adequate warning. Both respondent groups agreed with Statement 4; but the Taiwanese respondents did so at a higher level.

Research Statements	Mean average level of response *				
	Taiwan	USA	t-Test	Significance	
1. The electronic monitoring of an employee’s work related activities should be done occasionally rather than on a continuous basis.	3.60	4.01	3.85	.000	
2. Employees should be given notice (such as a blinking light on a telephone) each time they are being electronically monitored.	4.06	4.70	5.45	.000	
3. The secret video monitoring of an employee in his or her work area is ethical.	2.78	1.83	6.87	.000	
4. Giving employees written notice that they will be electronically monitored sometime in the future is adequate warning.	4.65	4.30	3.90	.000	

5. The collection of data, with notice, by a superior from an employee's computer for later review is ethical.		4.78	4.06	5.45	.000
6. The simultaneous monitoring, with notice, by a superior of an employee's computer screen is ethical.		4.63	4.45	6.70	.000
7. The secret simultaneous monitoring by a superior of an employee's emails is ethical.		2.95	2.44	5.52	.000
8. It is ethical for a superior to listen-in, with notice, on an employee's business related telephone calls.		4.50	4.19	6.14	.000
9. The monitoring, with notice, at a later time period by a superior of an employee's emails is ethical.		4.70	4.33	4.06	.000
10. The secret collection of data from an employee's computer at a later time period for review by a superior is ethical.		2.88	1.93	5.87	.000
11. It is ethical for a superior to secretly listen-in on an employee's business related telephone calls.		4.05	3.95	4.05	.000
12. The monitoring, with notice, at a later time period by a superior of an employee's computer screen is ethical.		4.62	3.95	6.12	.000
13. It is ethical for a superior to secretly record an employee's business related telephone calls for later review.		3.95	3.15	5.45	.000
*Respondents were asked to indicate their opinion on each of the statements along a five-point scale on the following basis: 1 = Strongly Disagree, 2 = Disagree, 3 = Uncertain, 4 = Agree, and 5 = Strongly Agree.					

Table 1 (cont.) Ethical Dimensions of Electronic Monitoring of Employee's Taiwan versus United States					
Research Statements	Mean average level of response*				
	Taiwan	USA	t-Test	Significance	
14. The secret simultaneous monitoring by a superior of an employee's computer screen is ethical.	3.31	2.50	6.70	.000	
15. The simultaneous monitoring, with notice, by a superior of an employee's emails is ethical.	4.55	4.39	3.90	.000	
16. It is ethical for a superior to record, with notice, an employee's business related telephone calls for later review.	4.73	4.56	3.80	.000	
17. The secret monitoring at a later time period by a superior of an employee's computer screen is ethical.	2.57	2.14	5.40	.000	
18. The secret monitoring at a later time period by a superior of an employee's emails is ethical.	2.47	1.98	5.98	.000	
*Respondents were asked to indicate their opinion on each of the statements along a five-point scale on the following basis: 1 = Strongly Disagree, 2 = Disagree, 3 = Uncertain, 4 = Agree, and 5 = Strongly Agree.					

The remaining fourteen statements focus on four areas of electronic monitoring: collection of data on an employee's computer; monitoring telephone usage; monitoring email usage; and monitoring computer screen activity.

Statements 5 and 10 considers the ethics of an employer collecting data from employees' computers; either with notice or secretly. The respondents strongly agree with Statement 5 that the collection of data with notice by a superior from an employee's computer is ethical. The Taiwanese respondents agreed more strongly with this statement more than the American respondents. With Statement 10, both respondent groups considered it unethical for the secret collection of data by a superior from an employee's computer. The American respondents more strongly expressed this position than the Taiwanese respondents.

Statements 6, 12, 14, and 17 looks at the issue of monitoring employees' computer screens from two perspectives: "simultaneous" versus "at a later time" and "with notice" versus "secretly." The results indicate that the respondents expressed similar views regardless if the monitoring was done "simultaneous" or "at a later time" period. The striking difference is again on the issue of giving notice versus secret monitoring. The Taiwanese respondents expressed the stronger support for giving notice than the American respondents.

Statements 7, 9, 15, and 18 examine the monitoring of employees' email usage. This is again from the perspectives of "simultaneous vs. later review" and "with notice vs. secret" monitoring. Again, the issue of "simultaneous or later review" appears not to be a concern for the respondents; but secret monitoring without notice of employees' emails is a major concern.

Statements 8, 11, 13, and 16 address the monitoring of employees' telephone usage along the same dimensions of "simultaneous vs. later review" and "with notice vs. secret." The results suggest that it does not matter if the monitoring is done simultaneous or at a later time period; as long as notice is given to the employees and the monitoring is not done secretly.

IN CONCLUSION

In considering the two research questions, the following observations can be made. On question 1: Are there significant differences between the attitudes of Taiwanese and American business people with respect to their ethical views of electronic monitoring? The two groups of respondents were significantly different with each other on all of the research statements; but it was not expressing opposing views but a matter of degree. Both groups responded in the same direction as far as agreeing or disagreeing with the statements. On a number of statements, the Taiwanese respondents expressed stronger views; and on the other statements, the American respondents expressed stronger views. However, on none of the statements did the two respondent groups expressed opposing views: e.g. one group thought the statement was ethical and the other group thought it was unethical.

In concerning the second research question: Does "giving notice" versus "secretly monitoring" make a significant difference in the ethical dimension of electronic monitoring?; both respondent groups expressed adamant views that the secret monitoring of employees' behavior is unethical. Therefore the message from this study is that the respondents view the electronic monitoring of employees is ethical as long as notice is provided to the employees. Companies wishing to operate within the Chinese business environment as part of the Pacific Rim regional market should not have problems with the electronic monitoring of their employees as long as it is not done secretly.

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