

MANAGEMENT INFORMATION SYSTEMS 8/E
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Chapter 5

Ethical Implications of Information Technology

Socially Conscionable Citizens

- **Morals**

- Traditions of right and wrong

- **Ethics**

- Suite of guiding beliefs, standards, or ideals that promote an individual or community

- **Laws**

- Formal rules of conduct that a sovereign authority imposes on its citizens

Pirated Software

- Software that is illegally copied and then used or sold
 - 35% in U.S.
 - 92% in Japan
 - 99% in Thailand
- Some cultures encourage sharing

Laws Lag Behind

■ First computer crime

- In 1966, a programmer used computer code to keep his checking account from being flagged as overdrawn.
- When the bank discovered the crime the programmer could not be charged with a computer crime because no computer crime law existed.
- He was charged with making false bank records.

U.S. Computer Legislation

- Freedom of Information Act of 1966
 - Gave citizens and organizations the right to access data held by the federal government
- Fair Credit Reporting Act of 1970
 - Dealt with handling of credit data
- Right to Federal Privacy Act of 1978
 - Limited government's ability to search bank records

U.S. Computer Legislation (cont.)

- Small Business Computer Security and Education Act (1984)
 - Advises Congress on matters relating to computer crime against small businesses
- Counterfeit Access Device and Computer Fraud and Abuse Act
 - Makes it a crime to gain unauthorized information pertaining to national security or foreign relations and provides other protection

U.S. Computer Legislation (cont.)

- In 1986, Electronic Communications Privacy Act was rewritten to cover digital, data, and video communications
 - Included special section on email
- Computer Matching and Privacy Act of 1988
 - Restricts government's right to match computer files for the purpose of determining eligibility for government programs or identifying debtors

Imposing an Ethics Culture

- Corporate credo
 - Succinct statement of values a firm seeks to uphold
- Ethics programs
 - System of multiple activities designed to provide employees with direction in carrying out corporate credo
- Tailored corporate codes
 - Codes of ethics for a particular organization or industry

Top-level Management Imposes the Ethics Culture In a Top-down Manner

An Ethics
Culture



Example of a Corporate Credo

Commitment to customer:

The first commitment is to provide our customers with quality products and services that are innovative and technologically responsive to their current requirements at appropriate prices. To perform these tasks with integrity requires that we maintain confidentiality and protect customer privacy, promote customer satisfaction, and serve customer needs. We strive to serve qualified customers and industries that are socially responsible according to broadly accepted community and company standards.

Ethics Audit

- Internal auditor meets with a manager for the purpose of learning how the manager's unit is carrying out the corporate credo

Computer Ethics

- Analysis of the nature and social impact of computer technology as well as corresponding formulation and justification of policies for the ethical use of such technology

Responsibility for Computer Ethics

- CIO holds primary responsibility
- CIO Must:
 - Be aware of how the computer is affecting society
 - Do something about this by formulating policies to ensure technology is being used in the right way

Importance of Computer Ethics

- Logical malleability
 - Ability to program computer to do anything you want it to do
- The transformation factor
 - Computers can change the way things are done
- The invisibility factor
 - Invisible programming
 - Invisible complex calculations
 - Invisible abuse

Rights to the Computer

- Right to computer access
- Right to computer skills
- Right to computer specialists
- Right to computer decision making

Rights to Information

- Right to privacy
- Right to accuracy
- Right to property
- Right to access

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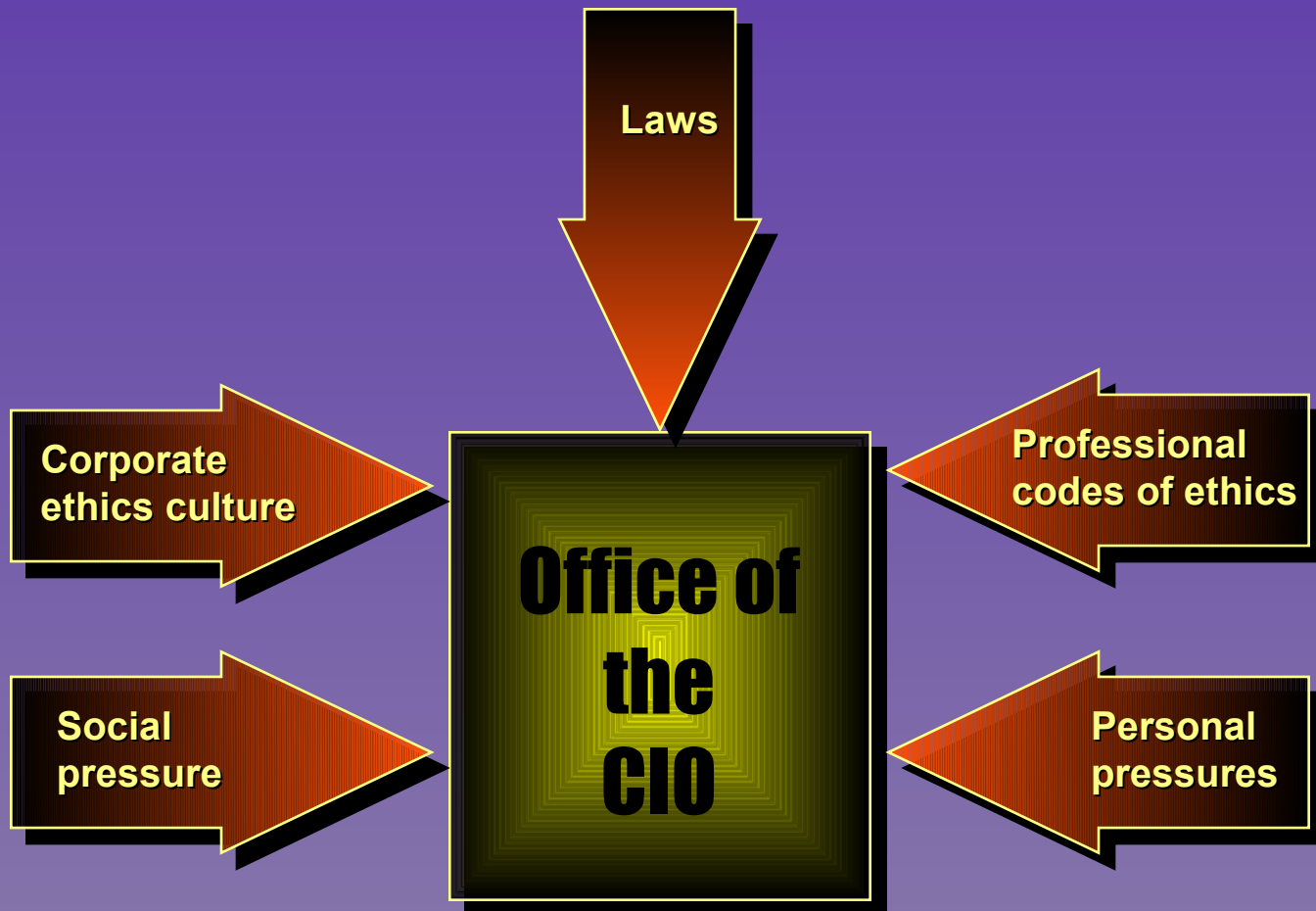
Social Contract of IS

- The computer will not be used to unduly invade a person's privacy
- Every measure will be taken to ensure the accuracy of computer processing
- The sanctity of intellectual property will be protected
- The computer will be made accessible to society so that its members can avoid the indignities of information illiteracy and deprivation

Ethics and the CIO

- Perceptions of the CIO's Ethics
 - Do not take advantage of opportunities to act unethically
 - Ethics breeds success
 - Firms and managers have social responsibilities
 - Managers back up their ethics beliefs with action

The CIO is Influenced by a Hierarchy of Factors



CIOs Usually Do Not Act Unethically

Question	Agree	Disagree
There are many opportunities for MIS managers in my company to engage in unethical behavior.	47.5	37.7
MIS managers in my company engage in behaviors that I consider to be unethical.	19.7	80.3

Ethics and Success

Question	Percent Agree	Percent Disagree
..... Successful MIS managers in my company are generally more ethical than unsuccessful managers.	73.8	13.1
In order to succeed in my company it is often necessary to compromise one's ethics.	18.0	75.4
Successful managers in my company withhold information that is detrimental to their self-interest.	21.3	50.8

Ethics (cont.)

Question	Percent Agree	Percent Disagree
Successful managers in my company make rivals look bad in the eyes of important people in my company.	23.0	59.0
Successful managers in my company look for a scapegoat when they feel they may be associated with failure.	23.0	67.2
Successful managers in my company take credit for the ideas and accomplishments of others.	16.4	75.4

Corporate Social Responsibility

Question	Percent Agree	Percent Disagree
..... The socially responsible manager must occasionally place the interests of society over the interests of the company.	68.9	21.3
The fact that corporations have great economic power in our society means that they have a social responsibility beyond the interests of the shareholders.	96.7	3.3
As long as corporations generate acceptable shareholder returns, managers have a social responsibility beyond the interests of shareholders.	70.5	16.4

Achieving an Ethical Computer Operation

1. Formulate a code of conduct.
2. Establish rules of procedure relating to such issues as personal use of computer services and proprietary rights to computer programs and data.
3. Make clear the sanctions that will be taken against offenders-such as reprimands, termination, and civil action.
4. Recognize ethical behavior.

Achieving an Ethical Computer Operation (cont.)

5. Focus attention on ethics by means of such programs as training sessions and required reading.
6. Promote computer crime laws by keeping employees informed.
7. Keep a formal record that establishes accountability of each information specialist for her or his actions, and also minimizes the temptations for violations by means of such programs as ethics audits.

Achieving an Ethical Computer Operation (cont.)

8. Encourage the use of rehabilitation programs that treat ethics violators in the same way that corporations show concern for the recovery of alcoholics or drug offenders.
9. Encourage participation in professional societies.
10. Set an example.

Ethics Perspective

- Severe social problems exist because government and business organizations have failed to uphold the highest ethical standards in computer use
 - Invasion of privacy
 - Software piracy
- CIOs can make a difference

An Information Services Code of Conduct

- Conduct all activities in a manner that precludes any form of dishonesty
- Avoid any act that compromises integrity
- Avoid any act that might create a dangerous situation
- Not use alcohol or drugs while at work

See Figure 5.4

An Information Services Code of Conduct (cont.)

- Maintain courteous and professional relations with users, associates, and supervisors
- Adhere to the no-solicitation rule and any other employment policy

See Figure 5.4

An Information Services Code of Conduct (cont.)

- Protect confidentiality of sensitive information about the organization's competitive position, trade secrets, or assets
- Exercise sound business practice in the management of such company resources such as personnel, computer use, outside services, travel, and entertainment

See Figure 5.4

Summary

- Morals, laws, and ethics govern behavior
- Early years
 - No computer laws
 - Easy to bypass regulation
- Executives impose ethical culture
- Computer ethics require executive to put proper policies in place

Summary (cont.)

- Society places importance on computer ethics
 - Logical malleability
 - Transforming ways of living
 - Processes are hidden from view
- Societal rights in relation to the computer