

The Ethics of Electronic Monitoring within the Workplace

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Abstract

This paper shows that electronic monitoring of employees' use of e-mail and the World Wide Web can be beneficial to a company and even to its employees. However, the use of monitoring and the resulting intrusion into personal privacy can also have adverse affects. Ideally, monitoring should only be used to increase the efficiency of the organisation. This would lead to a far-relaxed attitude to be monitored within the work place.

It is difficult for companies to obtain the right balance between private and work-related Internet use. A solution to this problem is to contract an independent outside party to undertake the monitoring process.

This paper suggests guidelines for establishing an agreed electronic monitoring policy which should enable increased productivity from better use of electronic facilities yet still be acceptable to employees. The greater acceptability of independent monitoring and the more relaxed atmosphere of a not too restrictive policy on email and Internet use will increase the overall company morale which, in turn, will produce a happier, more productive environment that will benefit both employees and managers alike.

Introduction

Monitoring takes place everywhere, from the street corner with the use of close circuit television (CCTV), to the office environment. The digital age has brought about a greater significance to monitoring, with the introduction of being able to record in detail, the events that have taken place. Through the use of the Internet and email, these events can be disseminated within minutes around the world. There are a number of examples that show the strength of both these communication mediums. Firstly, there is an Internet site that allows you to watch CCTV cameras on-line in various locations throughout the world [1]. Secondly, the power of email, which was recently demonstrated through the global distribution of the "I Love You" virus, which has caused multimillion pound damages to organisations [2].

Monitoring of staff is not new and until the advent of automated telephone systems, company switchboard operators would often check on the first few moments of a phone conversation. Modern communications systems means information is streaming in and out of businesses at the click of a mouse and it is important for an employer to have some control of the information in case of any litigations against them [3]. It is to what extent an employer will go to, to monitor employees, which can cause unrest within the workplace.

The invasion of privacy is probably the most feared event at home and at work. No one likes to have their house burgled and their belongs rooted through, nor does an employee like, what they consider their own, their personal computer to be hacked into or monitored by the employers. New regulations giving employers sweeping powers to monitor their workers' e-mails and Internet activity came into force in the UK in October this year. When the UK Government first proposed new regulations, the business community complained that they were far too restrictive. After fierce lobbying, employers were given wider powers and the unions warned that privacy was under threat, but government claims the new regulations are aimed at allowing businesses to get the most out of the new communication technologies. Under the new Regulation of Investigatory Powers Act, employers can legally monitor employee phone calls, e-mails and Internet activity without consent, for a wide range of reasons [3], [4].

The government suggests employers must strike a balance between privacy and surveillance. The problem will be in balancing the privacy rights of the individual with the rights of an employer to legitimately investigate potential wrongdoing by an employee. Through the use of case studies the paper will show how this balance can be achieved between employers and employees. It will also show how organisations can lose efficiency within their workplace if employers do not monitor their employee's communication activities and how monitoring without good cause will turn employees against their employer.

The Perception of E-Monitoring within the Workplace

To a majority of employees within the workplace monitoring their activities is not acceptable. Before any recommendation can be made to bridge the monitoring gap between employers and employees, it is important to fully understand the concerns of the workers as well as the employers. The difficulty for the employees is to determine where monitoring will end, and if they do not make a stand now, will their human rights slowly start to disappear. In a recent BBC News online report, a number of opinions were taken from employees on how they felt about being monitored in the workplace[5]: -

- It's incredibly small-minded to spend time and money-monitoring people's emails and web usage at work. People should be positively and actively encouraged to use the net for email and surfing. If you don't you are simply

restricting your employee's growth. Taking the view people are simply in an office to work is blinkered and reduces what they can offer to their workplace.

- E-mail should be treated exactly as if it was Royal mail. I do not expect my employer to open up my personal letters posted to me at my house. One could also view e-mail rather like a conversation you might have with a friend or colleague. I have been verbally abused in the pub, I can also give as good as I get. But I do not expect to have some nasty little man sitting next to me writing everything down in case I offend him or because he doesn't like dirty jokes. We really are on the way to (or is it back to) 1984.

The types of opinions from the employees surveyed were typical anti-monitoring, which were expected. It is difficult for many employees to see why it is necessary to be monitored and the response from the employers that it is to help prevent any litigation against the company is not seen to be true by the employees. This is mainly due to a number of articles and reports in the news, covering employees being sacked through misuse of the email and Internet systems.

A large printing company based in the East Midlands in the UK recently sacked the whole IT department for misuse of the email system and company time. The employees were sacked after monitoring highlighted some workers might have been carrying out work in competition to the company. A few weeks after the sackings an ulterior motive emerged when a number of staff were taken back as contractors as the company's likely merger with their sister company in London, which already had an IT department, fell through.

For the employees being monitored there is little benefit for them in using the email and Internet systems put into place by the company, as potentially, through its use, the employees could lose their jobs. This type of thinking by the employee is potentially damaging for the company and will hinder productivity if lines of communication are restricted through being monitored.

There are of course two sides to the productivity argument and the second is from the employers' point of view. If employees are not monitored this could lead to a loss in productivity as there is nothing stopping employees surfing the internet and writing non-business emails all day. In July this year a survey of Canadian workers estimated that up to 800 million work hours will be lost in Canada this year because workers are surfing for themselves on company time [4]. Many workers abuse systems in other ways. In September Orange sacked 45 people who had been downloading and distributing pornography on company time [4]. This is not surprising as 70% of all Internet porn traffic occurs during the 9-to-5 workday [6]. It is made clearer to the employer, with workers spending an average of 21 hours online at the office compared to an average of 9.5 hours at home, that monitoring must play a part within the office environment [7].

Background on the Effects of Monitoring

In an early, 1927-1933, productivity study in Western Electric's Hawthorne plant near Chicago researchers discovered that their own presence affected the outcome of the research. In determining the effects of various environmental parameters on productivity, the researchers tried raising the light level, and they noted that the productivity went up. Then they tried lowering the light level, and they noted that productivity went up higher still. In this case, so long as the study was in progress, productivity increased. The term "Hawthorne Effect" was coined to define the influence of the researcher's presence on the outcome of the study, which was their attention to the employees, increased employee productivity [8].

If employee productivity increases through monitoring, then employers have a legitimate case to monitor, as it will enhance the company's performance as shown by the Hawthorne Effect. Though the Hawthorne Effect may not have actually been proven. Gina Kolata dismissed the effect in the New York Times with the article titled "Scientific Myths that are too good to die". Apparently only five workers took part in the original study, and two were replaced before the study was finished. Adair, Sharpe, and Huynh examined 86 studies which used control groups and concluded that there is no such artefact as the Hawthorne Effect, and if there is, it is too small to be of importance, since the 86 studies did not find it [9].

It is not difficult to envisage conditions that could cause the Hawthorne effect, particularly back in 1933. If a collection of smart looking researchers were seen to be constantly monitoring the work and regularly recording the productivity of the workers this could have one of two different effects. Firstly, they may have felt like they were getting attention and someone actually cared about how well they were doing. This could improve morale and in-turn increase productivity. Alternatively, the employees may feel uncomfortable and resent being watched closely and this could have a detrimental effect on morale and productivity. Whether beneficial or detrimental the important point is that monitoring of employees can have some effect as the authors' research described below shows.

Early research carried out by the authors, at the Danwood Group at Lincoln in the UK, showed that the employees' performances changed when they thought they were being monitored. At the time of the research, the Danwood Group had no email policies to restrict the employees, however the users were made aware that the subject line of their email was being recorded for research purposes. In order to record the metrics a special email application (Figure 1) 'The Danwood Mail', was written by one of the authors to analyse the users activities whilst using the package for communication. The program recorded more than just the subject line and actually recorded [10]: -

- how many words were in a message
- how long it took the user to read or compose the email
- the subject of the message as well as the subject line
- who it is to
- the author
- the time and date the email was sent

After only a week of monitoring, the employees using the email application began leaving the subject line blank. In some cases the subject line was only left blank when the email was non-business related. Monitoring clearly influenced the employees in making them find ways of disguising their activities. This is likely to have introduced yet further distraction from their normal work.

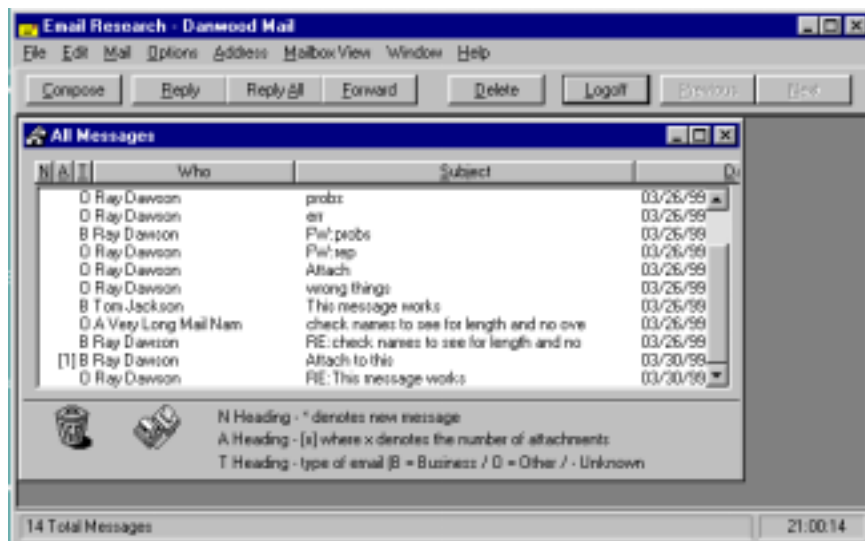


Figure 1 – The Danwood Mail Application

Increasing Productivity and Quality through Monitoring

Previous research carried out by the authors [11], measured the times taken to read, write and carry out other functions within email and the time it takes to recover from an email interrupt, for a sample of employees. An informal observation in this research showed that 50% of email communicated could be handled in a one-line message.

Further research was then conducted by the authors that showed how employee productivity can be increased and the quality of work improved through further monitoring and altering employee's communication habits [12]. As part of that research it was decided that the employees would not be told about the monitoring taking place as it could affect the results, as it did in the subject line research [10]. The research did not break any code of ethics, as each member of staff had agreed to the rules and regulations in the company handbook, which permitted the company to monitor electronic communication.

In order to make the research deliver on its potential, management had to be perceptive and secure enough to remove themselves from the immediate monitoring process. That meant the data on individuals was not passed up to management. Only the overall figures were reported to management after the research had been completed. Each individual was given feedback to enable them to benefit from the research by altering their behaviour to be more effective in their work.

This concept is a hard one to accept for many managers. They reason that they could use the data to do some aspects of their work more effectively, such as targeting promotion, or even firing. Their company has paid to have the data collected, so why shouldn't it be made available to them? However, if the individual confidentiality had been compromised, the data used against even one individual would have brought the entire data collection scheme to an abrupt halt [13].

The research commissioned to try and increase productivity and the quality of work required developing a new email add-on for the Danwood Group. The new add-on took advantage of single line emails giving a service that would send one line messages at a high priority and display the message in the receiver's Inbox. This was found to be a time saving service, which also led to more structured email messages. It was concluded that the introduction of the short message email service had been of benefit to the Danwood Group and that other companies would similarly benefit if email service providers incorporated a short message facility into their software [12].

Recently, further research has been conducted at the Danwood Group into email interrupt recovery times. In order to gain the recovery time, employees' computers were monitored without their knowledge. These results have not yet been published, but through this research it was discovered that the majority of employees did not know how to use their software effectively and efficiently. This identifies areas of training that are needed and though these findings have not been quantified it is an indication of how monitoring can be used to improve workplace quality and efficiency.

In the one-line email research programme, the outcome was favourable for both the employees and the employers, as productivity was increased through better quality messages being sent. It is doubtful that the research into both the one-line email and interrupt recovery times would have been such a success if the employees knew about being monitored as the authors have proven in their earlier research that subjects act differently if they know they are being monitored. This approach to monitoring has shown it can enhance the company's quality of work.

The Internet Effect on the Workplace

People are working the equivalent of a month or more per year than they did a decade ago and often take work home so that the lines between work and private life are becoming blurred. Now that work has invaded the home, it's only reasonable that

a little of home life be allowed to invade work. Use of the Internet is one area where many employees will undergo activities related to their private life in working hours using their employer's equipment. The level of such activity has concerned some companies who have attempted to prevent or restrict such use of the Internet. This, however, can have an adverse affect of employee morale. How committed is a person going to be to an organisation that effectively says, "I don't trust you?". How will productivity be affected once companies start blocking Internet access? It will reduce unnecessary use of the Internet, but how will employees react to being restricted and will it effect their attitude to work?

Some employees are fighting back by encrypting their e-mail messages and installing games that have panic buttons that pop up a fake spreadsheet if the boss strolls by. The disgruntled set likens the corporate watch dogging to the suspicions that surfaced with the advent of the telephone a century ago and fax machines 15 years ago. Executives in both eras feared the new technology would lead to a leaking of trade secrets and decreased productivity.

While the Internet has obviously altered the face of computing, the effects on worker productivity are not so clear. Are workers spending too much time on the Internet hunting down the perfect vacation spot when they should be devoting their time to their work? Alternatively, could freely available connection time actually be an advantage to a company? Employees may find goods and services advertised on the Internet that would be of benefit to their company or they could detect information on competitors that their company would benefit from knowing.

The Internet can be seen as a double-edged sword, capable of boosting employee productivity, or of distracting employees away from productive work. Faced with this uncertainty, and a perceived threat, many companies are taking a precautionous approach and are opting to restrict Internet access.

Statistics show that people use the Internet at work more than at home, but what they are doing however, is unknown [21]. They could be communicating with customers, investigating a competitor, or profiling prospective suppliers. Alternatively they could be checking the weather, their personal stock portfolio, downloading Disney film clips for the kids, and e-mailing resumes to employers advertising new job prospects.

There is no question that companies are very interested in finding out what their employees are doing on the Internet, and many are looking for ways to block access to certain sites. Private use of the Internet on company equipment can have a significant financial penalty. Take the example of a company whose Internet traffic is saturating its Internet connections. That may cost the company \$1,000 a month, to upgrade its connection and could double the costs of maintaining the link.

For some companies, as long as the work is getting done and they do not see a drop in productivity, they really don't care what employees are doing with the Internet connection. How much more could employees accomplish if they were not playing on the Internet? Even for very relaxed, creative environments, using current employers' Internet connections to look for new jobs could be considered

unacceptable. For this reason more and more businesses are preparing detailed usage guidelines to inform employees about what they can and cannot do with corporate Internet connections [14].

When Internet filtering software first became available in 1995, it was parents and schools who became the first users. However, now it is the CEOs of large corporations spending lots of money to block employees access to countless web sites [14]. It is not only the distraction of the time spent on the Internet that these companies are worried about, but also the nature of their employees' use of the web. Companies may object to gambling, music or pornography sites that they would not wish to be associated with [14].

If employees are monitored whilst they surf on the Internet, it might lead to a slow down of e-commerce and reduce Internet sales in general. Although restricting employees' access to the World Wide Web would not necessarily affect a company's own sales over the Internet, if many companies introduce the same restrictions then collectively it will affect the e-commerce economy. One of the knock on effects will be for the British government who will not be able to achieve their goal of making the UK the leading nation for e-commerce. From an e-commerce perspective, more sales are generated during the 9-5 working hours than at any other time [7]. The whole purpose of e-commerce is giving consumers a choice and option of shopping using the Internet instead of visiting a shop. If we restrict shopping over the Internet in any way, how can we expect e-commerce to grow? [15]

There is a benefit on using the Internet at work. Surfing or trading electronically can stimulate employee ideas that the company can use, or can monitor competitor moves and take measures to reach the market first. As in the Internet revolution, competitors are only a click away. The Regulation of Investigatory Powers Act could act against this creative use of the Internet and may have the effect of inhibiting a company's ability to take advantage of the coming e-business revolution [16].

Increasing Productivity and Quality through E-Satisfaction

Given that the quality of work is related both to material factors and social or emotional factors, what can be done to make it better? Government has legislated on various aspects of the elements that affect job satisfaction. The minimum wage act has put a base under the pay scale, even if arguments about the level still continue. Regulations on unfair dismissal allow employees to receive compensation. The Health and Safety Acts protect physical well being at work. Working hours legislation as well as family-friendly practices have attempted to address long hours and cater for working parents.

While considerable legislative efforts have been directed at the material and physical conditions of work, there now needs to be a greater emphasis on what are too often seen as the 'soft' issues in workplaces – respect, recognition, autonomy,

opportunity, sociability. These are factors that directly impact the quality of working life, day in and day out.

Guest and Conway, in their review of employee satisfaction surveys for the Institute of Personnel and Development, concluded that 'the majority of British employees are satisfied with their jobs; they do not feel insecure; and they have a high level of commitment to their employer [17]. If most of us are satisfied with work, who is dissatisfied? The fact that most people work because they need money is borne out by other surveys [18]. Part of the difficulty of understanding why people work is that although salary and skill match matter to individuals, so too do intrinsic elements of work. Sixty-one per cent of all respondents to the Futures survey said gaining new skills was very important to their decision to take their current job, while 47 per cent said that belief in company's purpose or values was very important. It seems that individuals want work to both pay well and provide meaning.

Intrinsic factors are less amenable to public policy interventions – it is hard to legislate for friendliness and respect. But there is much that can be done to improve working life, if the political will is there. Government intervention is not enough, though. Companies need to realise that satisfied workers are more productive, efficient, loyal, innovative – model employees [19].

Relatively simple things can make a big difference to the happiness of a company's employees. Survey after survey shows employees value having a friendly working atmosphere [19]. Employers can give their staff more room to enjoy their work. Rather than seeing sociability at work as the antithesis to efficiency and productivity, employers need to see it as crucial to the bottom line. The Harvard Business Review reports that Sears found that a 5 per cent rise in staff satisfaction leads to a 0.5 rise in productivity [20].

According to Doyle [19] gossip is good. Providing communal space, such as a coffee areas or lunchroom, allows employees to share information, knowledge, and build relations that benefits both the company and the employee. The more human resource practices in place, the more satisfied employees are with their job and with life as a whole.

Improving the quality of work is a task for the individuals, business and governments. Gordon Brown, the Chancellor of the Exchequer in the United Kingdom, once called for 'full and fulfilling employment' [19]. Now that full employment seems possible, it is time to focus on fulfilment at work.

To gain e-satisfaction within the workplace there has to be a clear understanding between both employers and employees on their e-policy. The e-policy must be seen to be fair to both parties, with employees having access to both the Internet and email with monitoring used only for improving quality and productivity. If a trust can be built between employee and employer for future monitoring, both parties will succeed in making the office environment a better place to work and with the added extra, of an increase in the quality of work and productivity.

Recommendations for Company Policy on E-Monitoring

Companies should endorse a reasonable code of ethics in E-monitoring. It would also help if the Government should have a standard regulation for companies to use, which states the regulations of monitoring and usage of the Internet.

The authors of this paper suggest that way forward for e monitoring should be based on their experience at the Danwood Group. One of the authors, Jackson, who undertook the monitoring process, reported earlier in this paper was funded by a grant from the company but was not a company employee. As a full time PhD student at Loughborough University, Jackson had an independent status that was more acceptable to the employees being monitored. This independence is likely to give more accurate results if employees know that information about individuals will not, except in extreme circumstances, be passed on to their managers. It is suggested that other companies would benefit from contracting any monitoring of employees' use of e-mail and the Internet to an independent outside body. It is, however, important that both managers and employees agree on the terms and conditions of any such monitoring by an independent party.

The author's recommendations for a set of guidelines for electronic monitoring are:

- 1) An independent party should carry out any electronic monitoring of employees' use of e-mail and the Internet.
- 2) Employees and employers should work together in creating an e-policy.
- 3) Employers should permit the use of the company internet and email connections for personal use during non-working hours or lunch breaks and by negotiation limited use could be permitted in working hours
- 4) The emphasis of any monitoring should be for use to increase the quality and productivity of work, not for criticising individuals
- 5) The results of monitoring can only be released to the individual concerned. Management would only be given combined statistical results, not any detail of an individual except in well-defined extreme breaches of the agreed e-policy (such as using the Internet for illegal activity or passing company secrets to competitors).
- 6) Sackings or other disciplinary action cannot be made directly as a result of the information gained from electronic monitoring except in the well-defined case of an extreme breach of the agreed e-policy.

- 7) Results from electronic monitoring cannot be used by employees to take legal action against the company except in the case of well-defined breaches of the agreed e-policy (such as improper use of monitoring information by the company).
- 8) The e-policy should be kept simple so employers and employees can understand it.

Conclusion

This paper has shown that electronic monitoring of employees' use of e-mail and the World Wide Web can be beneficial to a company and even to its employees. However, the use of monitoring and the resulting intrusion into personal privacy can also have adverse affects. Ideally, monitoring should only be used to increase the efficiency of the organisation. This would lead to a far-relaxed attitude to be monitored within the work place.

It is difficult for companies to obtain the right balance between private and work-related Internet use. This can only become more difficult as the use of e-technology increases and the technology itself becomes more advanced. A solution to this problem is to contract an independent outside party to undertake the monitoring process.

If the guidelines given in this paper are followed then the authors believe the company will benefit from increased productivity from better use of electronic facilities. The employees would also benefit by being given some access to the company Internet facilities for private use and from the identification of any personal training requirement to increase their own effectiveness in the use of these facilities. The greater acceptability of independent monitoring and the more relaxed atmosphere of a not too restrictive policy on email and Internet use will increase the overall company morale which, in turn, will produce a happier, more productive environment that will benefit both employees and managers alike.

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