

PRIVACY ISSUES OF ELECTRONIC MONITORING OF EMPLOYEES: A CROSS-CULTURAL EXAMINATION OF GENDER DIFFERENCES

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ABSTRACT

This manuscript presents the results of a study which examined the privacy issues 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 gender differences exist between Taiwanese and American respondents' attitudes concerning privacy issues of electronic monitoring of employees. The study suggests that monitoring with notice was an important parameter in determining how privacy issues of electronic monitoring of employees were viewed by the participants.

Key Words: Cross-cultural Privacy Issues, Gender Differences

1. Introduction

The Pacific-Rim regional market plays the role of potentially becoming the premier global market; and 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 twofold. 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 privacy issues of electronically monitoring employees.

2. Research Rationale and Methodology

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? 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).

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. The procedures used in electronically monitoring employees are very important, particularly in how employees view them.

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 (Redfern 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 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 their research model (Douglas and Wier 2005, p. 170). There appears to be a lack of research addressing privacy issues on a cross-cultural basis; the research focus has been primarily on ethical dimensions. Therefore, the results of the study presented in this article add to the above research by exploring the privacy issues of electronic monitoring of employees as comparison between Taiwanese and American respondents.

Based on previous research, the study reported in this article addresses two research questions: (1) Are there significant gender differences between the attitudes of Taiwanese and American business people with respect to their privacy views of electronic monitoring? (2) Does "giving notice" versus "secretly monitoring" make a significant difference regarding privacy issues 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, Gilly, and Graham 2013, p. 234-240). 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.

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 Bonferroni test of difference between means. On all 18 statements there was a significant difference between the 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 employees in their work place is not a violation of their privacy." American and Taiwanese

| Table 1 PRIVACY ISSUES OF ELECTRONIC MONITORING OF EMPLOYEES: TAIWAN AND UNITED STATES GENDER DIFFERENCES | | | | | |
|---|----------------------------------|-------------|-------------|-------------|-------------------------------|
| | Mean average level of response * | | | | |
| Research Statements | Taiwan Women | Taiwan Men | USA Women | USA Men | Significance Between Groups** |
| 1. The electronic monitoring of an employee's work related activities should be done occasionally rather than on a continuous basis. | 3.85 | 3.35 | 4.15 | 3.87 | 0.01 |
| 2. Employees should be given notice (such as a blinking light on a telephone) each time they are being electronically monitored. | 4.20 | 3.92 | 4.85 | 4.55 | 0.01 |
| 3. The secret video monitoring of employees in their work place is not a violation of their privacy. | 2.14 | 3.45 | 1.55 | 2.17 | 0.01 |
| 4. Giving employees written notice that they will be electronically monitored sometime in the future is adequate warning. | 4.85 | 4.45 | 4.65 | 3.95 | 0.01 |
| 5. The collection of data, with notice, by a superior from employees' computers for later review is not an invasion of their privacy. | 4.85 | 4.70 | 4.15 | 3.90 | 0.01 |
| 6. The simultaneous monitoring, with notice, by a superior of employees' computer screens is not an invasion of their privacy. | 4.85 | 4.40 | 4.65 | 4.25 | 0.05 |
| 7. The secret simultaneous monitoring by a superior of employees' emails is not an invasion of their privacy. | 2.07 | 3.90 | 2.05 | 2.85 | 0.01 |
| 8. It is not an invasion of privacy for a superior to listen-in, with notice, on employees' business related telephone calls. | 4.30 | 4.70 | 4.20 | 4.10 | 0.05 |
| 9. The monitoring, with notice, at a later time period by a superior of employees' emails is not an invasion of their privacy. | 4.55 | 4.85 | 4.40 | 4.20 | 0.05 |

| | | | | | |
|---|-------------|-------------|-------------|------|------|
| 10. The secret collection of data from employees' computers at a later time period for review by a superior is not an invasion of their privacy. | 2.01 | 3.75 | 1.10 | 2.70 | 0.01 |
| 11. It is not an invasion of privacy for a superior to secretly listen-in on employees' business related telephone calls. | 3.50 | 4.56 | 3.12 | 4.77 | 0.01 |
| 12. The monitoring, with notice, at a later time period by a superior of employees' computer screens is not an invasion of their privacy. | 4.60 | 4.67 | 3.85 | 4.01 | 0.01 |
| 13. It is not an invasion of privacy for a superior to secretly record an employees' business related telephone calls for later review. | 3.67 | 4.27 | 2.21 | 4.12 | 0.01 |
| *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. **Significance level is for one-way analysis of variance and a Bonferroni test of difference between means was performed on the statements in which significant differences existed as indicated in bold. | | | | | |

| Table 1 (cont.) PRIVACY ISSUES OF ELECTRONIC MONITORING OF EMPLOYEES: TAIWAN AND UNITED STATES GENDER DIFFERENCES | | | | | |
|---|---------------------------------|------------|-------------|---------|-------------------------------|
| | Mean average level of response* | | | | |
| Research Statements | Taiwan Women | Taiwan Men | USA Women | USA Men | Significance Between Groups** |
| 14. The secret simultaneous monitoring by a superior of employees' computer screens is not an invasion of their privacy. | 2.20 | 4.45 | 2.05 | 2.95 | 0.01 |
| 15. The simultaneous monitoring, with notice, by a superior of employees' emails is not an invasion of their privacy. | 4.27 | 4.88 | 4.10 | 4.68 | 0.05 |
| 16. It is not an invasion of privacy for a superior to record, with notice, employees' business related telephone calls for later review. | 4.65 | 4.87 | 4.25 | 4.86 | 0.05 |
| 17. The secret monitoring at a later time period by a superior of employees' computer screens is not an invasion of their privacy. | 2.02 | 3.10 | 1.81 | 2.40 | 0.01 |
| 18. The secret monitoring at a later time period by a superior of employees' emails is not an invasion of their privacy. | 2.10 | 2.85 | 1.50 | 2.45 | 0.01 |
| *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. **Significance level is for one-way analysis of variance and a Bonferroni test of difference between means was performed on the statements in which significant differences existed as indicated in bold. | | | | | |

women along with American men respondents disagree with Statement 3. On the other hand, Taiwanese men respondents significantly agreed with it. 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 women respondents did so at a higher level.

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 privacy issue 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 employees' computers is not an invasion of their privacy. The Taiwanese respondents agreed more strongly with this statement more than the American respondents. With Statement 10, American and Taiwanese women along with American men respondents considered it an invasion of employees' privacy for the secret collection of data by a superior from employees' computers. The Taiwanese men respondents did not view it as invasion of employees' privacy.

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 on the issue of giving notice versus secret monitoring. The women respondents expressed the stronger support for giving notice than the men 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. In addition, the results suggest that the Taiwanese men respondents had less problems with the secret monitoring of employees' emails than the other respondents.

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. The results suggest, again, a gender difference between women and men respondents. Both Taiwanese and American men respondents had less a problem with secret monitoring of employees than the women respondents.

4. In Conclusion

In considering the two research questions, the following observations can be made. On question 1: Are there significant gender differences between the attitudes of Taiwanese and American business people with respect to their views regarding privacy issues of electronic monitoring? The study results suggest women respondents were significantly different from men respondents, especially Taiwanese men. On a number of statements, the women respondents expressed stronger views with regarding safe guarding their privacy rights compared to their men counterparts.

In considering the second research question: Does "giving notice" versus "secretly monitoring" make a significant difference regarding privacy issues of electronic monitoring? Taiwanese and American women along with American men respondents were significantly different from Taiwanese men respondents. Taiwanese men respondents expressed a more approving attitude regarding the "secret monitoring" of employees. Therefore the message from this study is that the respondents view the electronic monitoring of employees is not an invasion of privacy as long as notice is provided to the employees.

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