

## Chapter 6

### *Privacy*

#### **CHAPTER SUMMARY**

Although privacy is a relatively recent concept—dating in American law to the 1890s—public concern is clearly increasing, primarily in response to privacy-invading technologies. Chapter 6 discusses the ethical arguments for an individual’s right to privacy and describes big data analytics and other ways in which businesses challenge the privacy of employees, consumers, and Internet users. The chapter also considers the question of how to protect privacy while still allowing individuals to benefit from technology and businesses to access necessary information. Americans say that they value privacy, and yet they give up a great deal for convenience and material gain. Without question, the technologies that threaten privacy have brought us many benefits. Finding the right means is a great challenge to business firms that must meet employee and consumer expectations as they utilize new technologies. Protecting privacy also requires a coordinated solution involving many parties. Until a solution is found, though, the focus of businesses will remain on developing and implementing privacy policies.

#### **CHAPTER OBJECTIVES**

- 6.1: Identify how different business practices challenge the privacy of employees in the workplace and consumers in the marketplace
- 6.2: Explain the concept of privacy and how the utilitarian and Kantian arguments defend privacy as a necessary right of all individuals
- 6.3: Evaluate the reasoning that leads a company to monitor its employees and the measures undertaken to limit such monitoring
- 6.4: Determine what ethical issue(s) are associated with a particular handling or use of employee records and whether the action is justified or a violation of the employee’s privacy
- 6.5: Describe how big data analytics enables companies to profile and target consumers and the potential ethical issues with this process
- 6.6: Analyze the ethical issues associated with collecting and using information about consumers’ online activities, and the adequacy of the rules and principles created to protect Internet privacy

#### **SUGGESTED DISCUSSION PROMPTS**

1. What are some definitions of privacy? Is privacy a right unto itself, or is it a special case of a more general kind of right?
2. Which do you think is the most sound ethical basis on which to defend privacy?
3. To what extent do you think companies’ gathering of personal employee information is justifiable?
4. Why is it ethically objectionable for companies to share employee information

- with outsiders?
5. In what ways has privacy on the Internet become a major concern?

## ASSESSMENT FOR IN-CLASS USE

### *Multiple Choice Questions*

Choose the BEST possible answer for each of the following.

1. The Freedom of Information Act of 1966 had the unforeseen consequence of \_\_\_\_\_.
- A. making government more transparent in its dealings
  - B. making corporations more transparent in their dealings
  - C. compromising confidentiality about private individuals
  - D. making information more readily available to individuals

Correct Answer: C

6.1: Identify how different business practices challenge the privacy of employees in the workplace and consumers in the marketplace

Topic/Concept: Challenges to Privacy

Difficulty Level: Easy

Skill Level: Understanding

2. Employers feel the need to monitor their employees at work primarily \_\_\_\_\_.
- A. to influence them
  - B. to promote morale
  - C. to be competitive
  - D. to maintain productivity

Correct Answer: D

6.1: Identify how different business practices challenge the privacy of employees in the workplace and consumers in the marketplace

Topic/Concept: Challenges to Privacy

Difficulty Level: Easy

Skill Level: Understanding

3. Employers may want to use psychological testing on employees primarily \_\_\_\_\_.
- A. to gauge suitability for a job
  - B. to detect potential sources of trouble
  - C. for statistical reporting purposes
  - D. to test for intelligence

Correct Answer: A

6.1: Identify how different business practices challenge the privacy of employees in the workplace and consumers in the marketplace

Topic/Concept: Challenges to Privacy  
Difficulty Level: Easy  
Skill Level: Understanding

4. One of the biggest issues in consumer privacy is when \_\_\_\_\_.
- A. companies find out what customers most like
  - B. companies sell their collected information to other companies
  - C. companies use databases to store customer information
  - D. companies keep personal information on employees

Correct Answer: B

6.5: Describe how big data analytics enables companies to profile and target consumers and the potential ethical issues with this process

Topic/Concept: Big Data Analytics  
Difficulty Level: Easy  
Skill Level: Understanding

5. An argument used by employers to justify "off the clock" policies is \_\_\_\_\_.
- A. to limit the amount of work related discussions
  - B. to influence employee morale
  - C. to promote a safe workplace
  - D. to create information databases

Correct Answer: C

6.3: Evaluate the reasoning that leads a company to monitor its employees and the measures undertaken to limit such monitoring

Topic/Concept: Privacy Away from Work  
Difficulty Level: Easy  
Skill Level: Understanding

6. Which of the following is the best definition of privacy?
- A. when certain facts are not known to others
  - B. when information about ourselves is under our control
  - C. to be free of to make choices
  - D. to be free of supervision

Correct Answer: A

6.2: Explain the concept of privacy and how the utilitarian and Kantian arguments defend privacy as a necessary right of all individuals

Topic/Concept: Meaning and Value of Privacy  
Difficulty Level: Moderate  
Skill Level: Analyze

7. Utilitarian arguments for privacy focus on \_\_\_\_\_.
- A. the rights of individuals

- B. the harm in violation
- C. breaking the law
- D. justice

Correct Answer: B

6.2: Explain the concept of privacy and how the utilitarian and Kantian arguments defend privacy as a necessary right of all individuals

Topic/Concept: Meaning and Value of Privacy

Difficulty Level: Easy

Skill Level: Understanding

8. A Kantian argument for privacy focuses on \_\_\_\_\_.
- A. not harming people
  - B. contractual obligations
  - C. violations of the law
  - D. autonomy

Correct Answer: D

6.2: Explain the concept of privacy and how the utilitarian and Kantian arguments defend privacy as a necessary right of all individuals

Topic/Concept: Meaning and Value of Privacy

Difficulty Level: Easy

Skill Level: Understanding

9. An example of an acceptable use of employees' medical information would be \_\_\_\_\_.
- A. for reporting to the government
  - B. to determine eligibility for employment
  - C. for determining benefits that would be needed
  - D. to gather companywide statistics to share with employees

Correct Answer: C

6.4: Determine what ethical issue(s) are associated with a particular handling or use of employee records and whether the action is justified or a violation of the employee's privacy

Topic/Concept: Privacy of Employee Records

Difficulty Level: Easy

Skill Level: Understanding

10. To protect customers' privacy on the Internet, ABC Corporation is comparing several strategies. To best protect privacy, the company should allow its customers to \_\_\_\_\_.
- A. opt out of information collection because it is most comprehensive
  - B. opt in for the collection of certain types of personal data
  - C. opt out with respect to sharing information that is given voluntarily

D. opt in for information that is noncommercial in value

Correct Answer: A

6.6: Analyze the ethical issues associated with collecting and using information about consumers' online activities, and the adequacy of the rules and principles created to protect Internet privacy

Topic/Concept: Using the Internet

Difficulty Level: Moderate

Skill Level: Analysis

### *Essay Questions*

1. As a part of its new recruitment strategy, XYZ Corporation's human resource department has decided to review social media posts of prospective employees to determine if the applicants are very religious. The company has encountered scheduling difficulties during the holidays and wishes to screen for applicants who would not object to working during the holidays. Evaluate the company's new recruitment strategy involving social media and make your best argument against this particular approach.

6.3: Evaluate the reasoning that leads a company to monitor its employees and the measures undertaken to limit such monitoring

Topic/Concept: Privacy Away from Work

Difficulty Level: Moderate

Skill Level: Evaluate

2. What are some reasons that employers collect personal employee information? In what ways might such collection raise ethical problems?

6.4: Determine what ethical issue(s) are associated with a particular handling or use of employee records and whether the action is justified or a violation of the employee's privacy

Topic/Concept: Privacy of Employee Records

Difficulty Level: Moderate

Skill Level: Evaluate

3. What are some principles of Internet privacy, and how are they implemented?

6.6: Analyze the ethical issues associated with collecting and using information about consumers' online activities, and the adequacy of the rules and principles created to protect Internet privacy

Topic/Concept: Using the Internet

Difficulty Level: Easy

Skill Level: Understanding