Chapter 4
The Ethical Implications of the Virtual Work Environment

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ABSTRACT

Ethical issues due to the following four major factors inherent to virtual work are examined: (1) organizational culture, (2) trust, (3) cross-cultural diversity, and (4) monitoring. The author proposes that the negative ethical implications of the virtual work environment can be overcome by following the suggested steps and proposed guidelines. Areas for potential future research are included and are followed by an overall discussion of the issues covered and some closing remarks.

INTRODUCTION

Technology is booming. The business world is changing. Rapid globalization is prevalent. These factors, among many others, have given rise to what some researchers have referred to as the “new economy” (Argandona, 2003; Paulre, 2000). Argandona (2003) describes the new economy as a technological revolution involving the information and communication technologies that affects almost all aspects of the economy, business, and our personal lives (p. 3).

Specific to the business world, this technological revolution has opened the door to the development and implementation of “virtual work” in organizations around the world. How many people do you know that work from home? How about someone who works for a company located in another country? You may not have realized it, but virtual work is all around us. That father with a laptop in the stands at his son’s baseball game, for instance, is most likely engaging in some form of virtual work. Virtual work, which is commonly referred to as virtual team work (Anawati & Craig, 2006; Lu, Watson-Manheim, Chudoba, & Wynn, 2006; Malhotra, Majchrzak, & Rosen, 2007; Powell, Piccoli, & Ives, 2004) or “telework” (Moustafa-Leonard, 2007), has been defined in many ways. However, researcher’s (Hughes, O’Brien, Randall, Rouncefield, & Tolmie, 2001; Malhotra et al., 2007) most
common definitions resemble that of Powell et al. (2004) in which they describe virtual teams as “groups of geographically, organizationally, and/or time dispersed workers brought together by information and telecommunication technologies to accomplish one or more organizational tasks” (p. 7). The terms virtual organization and virtual corporation refer to new organizational forms that are characterized by this type of work and will be used interchangeably throughout this chapter.

Virtual work has given organizations the opportunity to work across the traditional boundaries of time, space, and geographical location. Subsequently, businesses worldwide are jumping on board the “virtual” ship and setting sail for territories unknown. In 2001, Wiesenfeld, Raghuram, and Garud referenced estimates from a 1999 issue of Work Week stating that nearly 18 million U.S. workers spent at least a portion of their work week in virtual mode (p. 213). Further, 51% of North American companies at that time had virtual work programs, and almost two-thirds of the Fortune 1000 companies offered employees an opportunity to work virtually (p. 214). Imagine the comparable numbers today, nearly a decade later.

The prevalence of virtual work has sparked an increase in research on various topics within, surrounding, and in part due to the nature of this type of work. One area that has not seen specific attention is the area of ethics. While virtual work has presented numerous opportunities and provided the potential for rapid growth and significant decreases in costs, one must consider the ethical implications of the virtual work environment. It is important to note that traditional organizations are not immune to ethical issues. However, virtual organizations face many ethical dilemmas specific to the virtual work environment in addition to those traditional problems.

This chapter explores the internal and external ethical implications of the virtual work environment. Specifically, this chapter analyzes and evaluates traditional organizational practices and theories as they compare to those of the virtual organization. First, background information is presented to aid in developing the needed understanding of what might be foreign concepts. Next, the internal implications explored are the numerous issues surrounding the development and maintaining of organizational culture and its importance to individual and organizational ethical development, as well as the development of trust in virtual organizations with almost zero face-to-face interaction. The external implications explored are the ethical issues arising from cross-cultural distribution of employees and the highly criticized issue of monitoring. While the ethical dilemmas are substantial, they can be managed. So, at the conclusion of each listed factor, guidelines will be proposed and suggestions will be offered to effectively minimize the negative effects the ethical dilemmas might have on virtual organizations.

Before diving into the vast sea of the ethical implications of the virtual work environment, it should be noted that this chapter is based on the underlying assumption that a virtual work environment is SOLELY virtual (i.e. all employees work virtually full-time). While this may not always be the case, this chapter suggests that those employees working virtually sporadically or part-time should be considered working in a “semi-virtual” environment. In addition, another primary reason for writing this chapter based on this assumption is the subject matter which it addresses, ethics. In order to highlight some of the critical shortfalls of the virtual work environment with regards to ethical concerns, it is necessary to examine the environment in its most extreme sense (i.e. solely virtual).

**BACKGROUND**

In order to accurately assess the ethical implications of the virtual work environment one must be knowledgeable on the underlying fundamental concepts involved in such an assessment. These
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