

Organizations and their employees face numerous ethical challenges in conducting business. Another issue with AI is that it reduces multidimensional reality into a more simplistic representation of the world, one that appears on the surface to be precise and undeniably correct, thus encouraging acceptance of its decisions without questioning them. Advances in networking, including the Internet, have greatly reduced the costs of accessing large quantities of data and have enabled the mining of large pools of data using desktop/laptop computers, mobile devices, and cloud servers, permitting an invasion of privacy on a scale and with a precision heretofore unimaginable. Other pressing ethical issues that information systems raise include setting standards to safeguard system quality that protect the safety of the individual and society, establishing accountability for the consequences of information systems, and preserving values and institutions considered essential to the quality of life in today's information society. International treaties and Interpol, enabled by global information systems, have made it possible to extradite, prosecute, arrest, and imprison business managers suspected of criminal activity on a global basis. Information systems raise ethical questions for both individuals and societies because these systems create opportunities for intense social change and, thus, threaten existing distributions of power, money, rights, and obligations. Internet and digital technologies make it easier than ever to assemble, integrate, and distribute information, unleashing concerns about the appropriate use of customer information, the protection of personal privacy, and the protection of intellectual property. NORA technology processes the data and extracts information as the data are being generated so that, for example, it can—before a person boards an airplane—instantly discover that the person at the airline ticket counter has the same phone number as a known terrorist. The proliferation of mobile devices, such as smartphones, that users carry everywhere means that users can potentially be tracked without their knowledge or consent. Human judgment relies not only on reasoning but also on other human capabilities, such as empathy, and also typically takes into account factors that inform moral and ethical behavior. Although business firms in the past often paid for the legal defense of employees enmeshed in civil charges and criminal investigations, firms are now encouraged to cooperate with prosecutors to reduce charges against the firm itself. Failures in ethical business judgment are not usually masterminded by employees of information systems departments, but information systems are often instrumental in many of these frauds. Finally, companies and individuals are increasingly relying on AI technologies as a substitute for human judgment in decision making. Like other technologies, such as steam engines, electricity, and the telephone, information technology can be used to achieve social progress, but it can also be used to commit crimes and threaten cherished social values. Although NORA technology is considered a valuable security tool, it does have privacy implications because it can provide such a detailed picture of the activities and associations of a particular individual. Table 4.1 provides a small sample of recent cases involving failures in ethical business judgment. In this chapter, we will talk about the ethical dimensions of these and other actions based on the use of information systems. Ethics refers to the principles of right and wrong that individuals, acting as free moral agents, use to make choices to guide their behavior. Ethical issues in information systems have been given additional urgency by the rise of the Internet and e-commerce. AI, on the other hand, may make decisions without regard to consequences that might violate ethical and moral standards. We discuss this

issue further in Chapter 11 (Moser, den Hond, and Lindebaum, 2022). These lapses in judgment occurred across a broad spectrum of industries. More than ever, as a manager or employee, you will have to decide for yourself what constitutes proper legal and ethical conduct. In many cases, the perpetrators of these crimes artfully used information systems to bury their actions from public scrutiny. The development of information technology will produce benefits for many and costs for others. NORA is also often used by the casino industry as an anti-fraud technology. However, doing so raises serious ethical issues. In today's environment, employees who are convicted of violating the law face the risk of time in prison. We deal with the issue of information systems controls in Chapter 8.