

Critical Analysis: Communication Ethics

Data Collection of Health Statistics within an Organization for Insurance Purposes

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Ethical Dilemma/Case Study

For many years, I worked for a major engineering firm based out of Omaha, Nebraska. I handled the marketing, communications, government affairs and business development aspects in Hawaii. This company was established in 1884 and in 2010 had over 11,000 employees and generated \$12 billion in revenue. KT engineered and constructed high rise towers, bridges, roadways, tunnels, power plants, oil refineries, water treatment plants, coal mines, and mass transit systems. The company was employee-owned where employees were stockholders and compensated based on the long term success of the company. KT was incredibly ethical and valued honesty, integrity and excellent construction and engineering practices. Each division across North America was evaluated on two major factors: profitability and employee retention. KT engaged heavily in recruiting efforts tapping into major universities (Washington State, Oregon State, Nebraska etc.) with excellent engineering programs to hand pick the finest engineers. They compensated them well and encouraged their employees to remain with the company through retirement. Many engineers retiring from KT were millionaires after 20-25 years of service. I was very proud to have been part of the KT family.

One ethical dilemma I recall while employed at KT, was their wellness program through their insurance company. At the time of my employment, the insurance through KT was very good and we paid very little. One year, the HR department started asking all employees to participate in a wellness program. Basically, you would answer health questions, get your blood pressure taken, take a BMI (body mass index) test and you received a \$100 gift card. At the time, I thought it was great. I was 30 years old and in amazing physical condition. I never smoked, didn't have any pre-existing conditions such as heart disease or diabetes and my BMI was impeccable. I participated in the wellness program and received my gift card. The next year, the wellness program was required. Honestly, I cannot recall how they enforced the requirement. However, I was always

willing to participate perceiving the program as a personal benefit me. I was rewarded with lower insurance premiums and a gift card.

Years later, I continue to reflect on the wellness program and the short and long term implications and ethical dilemma of the program for both the company and the individual employees. Should the company have been acquiring this data? What was the data specifically used for and finally, could this information potentially be used for employment purposes? What ethical dilemmas lie with the collection of health statistics of employees within an organization?

Organizational Culture and Legitimacy

KT's organizational culture was very family oriented. They took tremendous pride for their recruiting and retaining efforts from an HR standpoint. Organizations are sometimes portrayed as self-contained units, insulated from the larger environment (Seeger, 1997). KT's employment ideologies were to hire and retain the best of the best in the construction and engineering fields. The organizational climate supported this from top management down. According to their website, KT continues to rank one of the best places to work (Engineering News, 2019 & Great Place to Work Institute of Canada, 2011-2019). Legitimacy is a macroscopic and generalized value based assessment of the organization made by groups and individuals outside the organization (Seeger, 1997). Legitimacy concerns the normative and social value of the organization's goods, services, processes, and outcomes—both intended and unintended—and how the organization presents its constituencies and the larger environment (Seeger, 1997). KT, both internally and externally, presented itself as a truly legitimate organization. They valued their employees, their construction projects, and all stakeholders and partners. To maintain legitimacy, organizations must continually argue that they are functioning in a manner that is consistent with larger, socially defined norms of appropriate conduct (Seeger, 1997). Organizations create normative legitimacy in several ways: through economic viability, rational operation, operating norms, and through self-created norms (Seeger, 1997). In addition to norms, organizational legitimacy also includes linkages such as

community linkages, board of directors and general social values (Seeger, 1997). KT has a well-established board of directors and truly valued supporting the community and social values. KT strongly recommended that all employees, especially management participate in local non-profit agencies and oftentimes holding board of director positions. In addition, KT would donate financially into local community programs.

In relation to the wellness program, KT operated ethically with the objective to improve employees health and lifestyle. After collecting health data, KT implemented several wellness programs geared to healthy diets, exercise programs and support programs for nicotine addiction. I believe that KT had the best interest of their employees in the foremost of their actions. It was a win-win situation. Employees had resources to be proactive and improve their health and well-being and KT received lower insurance premiums, which also benefited the employees. This was just one program that supported the legitimacy of KT as an organization. In this case study, the program was implemented ethically with clear objectives and outcomes.

Power Politics & Influence

KT started as a small brick laying company in the Midwest in 1884. Today, the employee-owned company has over 11,000 employees and over 130 years of best business practices. One of the company's greatest strengths was the ability to allow the various regional offices to work autonomously within a structured environment. KT had a massive corporate office to provide resources, training, support and organizational structure to each of the various regional offices. Each regional office had its own level of expertise whether it was power, vertical high rise, water treatment, mining, oil, bridges, etc. The company empowered each division to work autonomously within a specific structure and process. Power is the foundation for influence (Johnson, 2019). There are various forms of power and no form of power is inherently immoral (Johnson, 2019). KT operated using reward power, legitimate power and referent power. Reward power depends on being able to deliver something of value to others (Johnson, 2019). From a big perspective, KT

rewarded employees by excellent compensation and profit sharing. KT also used legitimate power through positions. As with many organizations, KT promoted from within and as one's years of experience grow, their responsibility and compensation grow as well. With regards to the wellness program, KT used reward power to engage employees to participate in the program by providing gift cards as an incentive. KT had a cultural norm of integrity and trust. No employees would have questioned the health assessment. Other companies may have used this information unethically, but because of KT's relationship with their employees and their operating practices, trust was a major factor. Other types of power could have been exercised to implement the wellness program, such as coercive power where penalties or punishments are instilled (Johnson, 2019). This was not how KT operated.

KT was an ethical company within the scope of power and leadership. Information may be the most important resource for empowerment (Johnson, 2019). Data about the competition, consumers, and strategy help members see the "big picture" (Johnson, 2019). KT empowers employees from top down to effectively run the business as if it is their own. Personal accountability and trust are key factors.

Right to Privacy

With the size and scope of KT as an organization, their ability to negotiate excellent healthcare was evident. By creating and implementing a wellness program, KT was able to negotiate healthcare premiums. In addition, it allowed KT to hire a third party consultant to implement wellness strategies to improve the health and wellbeing for their employees. The original data was initially collected voluntarily and participants received a gift card for participating. I'm unaware of the percentage of employees who initially volunteered, but one would assume that those who were healthy, young and active were more apt to participate in the program. Most viewed this program as a benefit to both the employee and employer; lower insurance premiums, gift cards, a wellness program to support a healthy lifestyle and useful data to know if

KT and the insurance company were indeed meeting the needs of the employees. Initially, this program was voluntary and later became mandatory. KT operated ethically with clearly communicating the goals and objectives of the program and the benefits to both parties. However, in other circumstances and in other organizations, could this information be an invasion of privacy? Would a company have the ability to access personal information beyond the voluntary participation of the wellness program? Willingly providing information is one thing, but would other organizations access email or other sources of information to acquire more data for health and insurance purposes?

At the time of my employment, I was never aware of KT's email and employee privacy rules. Given how process and procedurally oriented the company was, I am confident the policies existed. I simply assumed that anything on my computer, within their portal or my email was considered KT's intellectual property. According to the US court system, organizations should have access to employees' emails and computer information (Cox, Goette & Young, 2005). Employees are accustomed to using the technology made available in the workplace for purposes other than job duties (Cox, et al, 2005). I'm confident at the time of my employment, KT did not access employee email for health and wellness purposes, however the number of companies that monitor email usage has tripled in the last few years (Cox, et al, 2005). Today, if KT does access email and other sources of electronic information, they should have a clear and concise policy in place that all employees must not only have access to, but must also agree to upon employment. Outlining proper usage provides a tremendous advantage to employers should litigation over privacy issues become necessary, in that it lays the foundation for a business to employee surveillance technology to protect company interests (Cox, et al, 2005). By creating clear policies and having employees acknowledge those policies, it protects both parties and creates a level of accountability for everyone. Anita Allen coined the term "New Accountability" (Allen, 2005). This term stands for the observed intensification of accountability in the United States in the past

decades (Allen, 2005). The New Accountability is a product of Americans extensive social, economic and political freedoms, and our ambivalence about forms of privacy that secret truths useful to others (Allen, 2005).

Formal & Informal Elements of an Ethical Culture

Culture binds the organization together and, at the same time, greatly influences the behavior of individuals (Johnson, 2019). KT had a tremendously ethical culture from top down that resonated throughout the organization. KT's key values according to their website are people, integrity, excellence and stewardship. Core values, like mission statements, must be continually communicated and reinforced (Johnson, 2019). Ethics codes and core values can have a direct, positive influence on ethical behavior (Johnson, 2019). KT does not operate to fix or repair their culture, but to constantly train and propel their current culture of integrity. During an interview, Dr. Schein points out that corporations should not set out to change a culture, but to allow and guide an organization to evolve (Mike, 2014). KT's culture has been well established for many years. As an organization, they continually engage in training efforts to perpetuate their valued ethical culture and all actions taken, support that culture. The implementation of the wellness program is an example.

One component of ethical culture is reward and performance evaluation systems (Johnson, 2019). Organizational members determine what actions are measured and rewarded (Johnson, 2019). Two of those implementation guidelines are to avoid bottom-line mentality and to evaluation based on processes as well as on results (Johnson, 2019). Organizations that focus solely on profits or revenues blinds managers and decision makers of other important elements such as community. In addition, organizations should evaluate based on processes and not only results. KT has a long record (136 years) of proven success in the engineering and construction fields. They've represented hundreds of construction projects, both private and public. Every decision KT makes is determined by their code of ethics. The wellness program is a great example of working

to improve the lives and lifestyles of the employees. The wellness program that was implemented was ethical at the time and how they chose to use the data collected was ethical. However, that information could potentially be used unethically.

Driving Change to Improve Ethical Culture

While KT has always been a sound organization with a proven success in the construction and engineering fields, they are so much more than the projects they build. KT is a family and their culture is incredibly unified. The amount of financial resources that KT contributes to their employees in recruitment, retainment, training and benefits is immense. The company is tremendously process driven, but allows employees to also work autonomously on each project. However, KT is not without weaknesses and the corporation is aware of this. Every decision they make is determined by a code of ethics. KT has employee hotlines as a resource for staff to reach out to the headquarters in Omaha. This allows employees the ability to report any potential wrongdoing to a corporate office that is able to investigate the complaint. KT's culture promotes integrity and encourage employees to report any wrongdoings.

While employees are proud of the organization, striving to do better and improve is a constant undertaking. Every decision made from in the field with engineering and construction, to communications and marketing, and accounting and human resources follow the code of ethics within KT's culture. KT's wellness program fit the culture. The program and the collection of data with their intent and use of information was ethical. The construction field can be incredibly unethical especially when working on government contracts and public works. KT has always taken great pride as being ethical and fair. Other national construction companies aspire to operate as KT and their employees.

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