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Ethical or Unethical - You Make the Call

The interplay of business and ethics is a crucial aspect of financial settings and corporate culture. Companies are bound to abide by ethical and legal frameworks to ensure transparency, fairness, confidentiality, and accountability. However, companies and businesses often face situations when an organization's monetary interest conflicts with ethical considerations. The duty-based ethics model postulates that an action is ethical if it strictly adheres to the settled rules and principles. In contrast, the outcome-based ethics model embodies that an action is ethical if the outcome maximizes the pleasure of greater people (Blodgett 40). International Business Machines (IBM) is a transnational corporation that was founded in 1911 by Thomas J. Watson. The principal line of business of the company was to develop punch-card tabulating systems used by private and governmental sectors. Today, the company has a market capital of $127.9 billion with a more than 375.30K workforce and is headquartered in Armonk, New York. One of the leading companies in the information technology sector, currently it provides cloud computing, data analytics, cybersecurity, artificial intelligence, and internet of things (IoT) services and offerings to diverse sectors in approximately 177 countries (IBM 15).

In 2014, IBM released its new program 'Diversity in Face (DiF)' to enhance the productivity, accuracy, and effectiveness of facial recognition technology as earlier, there were public concerns over racial discrimination by artificially intelligent systems. The facial recognition technology did not detect people of color with 100% accuracy due to

computational errors. To resolve this accuracy issue, IBM enhanced its databases by collecting the personally identifiable data of more than 99 million Flickr users in the dataset 'YFC100M' (Rizzi n.p). The data collected from 99 million users was gathered and processed without the consent and knowledge of Flickr users and it was further shared with multiple third parties. Each image collected from a personal account could be used to trace back the data subject along with geographical details. The images utilized by IBM without the consent of users posed a threat of mass surveillance, identity theft, privacy invasion, and fraud; therefore, a lawsuit was filed against IBM in 2014 for the gross violation of *the Illinois Biometric Information Privacy Act* (BIPA). Under BIPA, the data controller is bound to take consent from the data subject before collecting and processing personally identifiable data. Without such consent, the data controller cannot access such information (Snelling 10).

Moreover, before taking consent from the data subject, the user should be informed regarding the purpose, extent, and mode of data collection so that data subjects can make an informed decision concerning their data. Unfortunately, all these aspects were missing in IBM program development as stakeholders such as consumers, guardians, and copyright holders were not consulted during the development of such a program even though it had a direct bearing on their informational privacy. This flagrant violation of informational privacy and liberty by IBM demonstrates that the company was negligent in its public dealing, as it jeopardized the fundamental rights of millions of people across the globe (Snelling 12). In the lawsuit, plaintiffs sought damages of $5,000 per claimant and attorney fees, and the company was further required to delete unlawfully acquired data that was disseminated to third parties. In the end, IBM had to stop its DiF project even though it was made for the benefit of the general public by reducing gender and racial bias in artificial intelligence, which could potentially affect multiple people across the board.

Although IBM committed a flagrant violation of informational privacy back in 2014, when it comes to a company's ethical behavior, it was named the world's most ethical corporation in 2020 by Ethisphere Institute. As IBM is an information technology company that provides business solutions to top companies, approximately 95% of the Fortune 500 companies rely on IBM for their data handling and processing. This shows that the company is well trusted for its integrity, truthfulness, and confidentiality that are cornerstones of ethical behaviors. Corporate social responsibility also entails that companies should respect the consumers' fundamental rights, and therefore, develop models with due diligence to minimize harm. In 2014, when the company was accused of informational privacy violation, it immediately turned down its multimillion-dollar project that had potential benefits. However, owing to public backlash, the company stopped working. This also shows the commitment of IBM towards transparency and consumer protection. Speaking of IBM Global Employment Standards, the company has a strict policy concerning child labor, minimum wage, age limitation, working hours, unionization, and workplace safety. IBM launched another program 'Pathways in Technology (P-TECH)' in 2011 across the United States (U.S.) that aimed at providing students with technical diplomas without any cherry-picking (IBM 2:8). The program works within the domain of public schools to help students bridge the technical gap by refining their potential. Similarly, the Corporate Service Corps (CSC) of IBM launched multiple campaigns that focused upon combating maternal HIV transmission and cervical cancer in impoverished and underserved populations of Ghana. In Brazil, CSC patterned with local bodies to develop an online portal system to enhance environmental management techniques concerning Amazon Rainforest (IBM 2:9). IBM's contribution to the environment is also noteworthy as in 2015, the company vouched to procure 20% of its electricity from renewable sources and further took aggressive steps to reduce carbon dioxide emission up to 3 million tons, which amounted to 40% of the company's total emission. IBM

has received multiple awards and recognition in the past ranging from Top 10 Companies for Global Diversity, People with Disabilities, LGBT Employees, Multicultural Women, Best Corporate Citizens, Gold-level CSR Rating, and World's Most Valuable Brands (IBM 2:13).

By critically evaluating the both ethical and unethical behavior of IBM, it can be concluded with certainty that IBM is one of the most ethical companies in the world. The company annually invests 547 million in its employees' learning and training. Speaking of diversity and inclusion, women make up 31.1% of the global workforce, 23.9% of global executives, and 26.5% of the top management (IBM 2:16). The global illness and injury rate of the company is merely 0.42% per 100 employees and in 2014, the company made a global corporate contribution of 210.4 million focusing upon health, environment, and education. The amount of product sent for incineration or landfill was reduced to 0.5% by 2014 whereas recycling has been increased to 12.1% (IBM 2:17). All these statistics show the company's commitment towards society, the environment, and all relevant stakeholders. The company is becoming a champion in corporate social responsibility so that it can play a pivotal role in society by eliminating hazards and harms posed towards employees, consumers, and the environment. However, the deplorable act committed by IBM in 2014 cannot be ignored as it exposed millions to risk and detrimental consequences. If IBM has aptly learned a lesson from its flagrant violation, then there is a huge likelihood that the company will flourish and thrive in the upcoming years owing to its commitment towards integrity, truthfulness, and fairness but if it keeps treading on the same road of infringement and gross negligence, then it can be said with certainty that the company will lose its long-established trust among stakeholders and clients. Therefore, for continual success, it is imperative that IBM efficiently adheres to ethical considerations, regulatory frameworks, and principles of corporate social responsibility.

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