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Ethical Issues in eBusiness: A Proposal for Creating the eBusiness Principles

A. GRAHAM PEACE, JAMES WEBER, KATHLEEN S. HARTZEL, AND JENNIFER NIGHTINGALE

eBusiness seems to be the topic of conversation, wherever a businessperson turns today. Retailers small and large are creating web sites, and business-to-business ecommerce is expanding exponentially. In the ebusiness paradigm, employees regularly telecommute, cell phones are pervasive, and email is the preferred method of communication. Enterprise resource planning (ERP) systems are revolutionizing the internal operations of the corporation, while customer relationship management (CRM) and supply chain management (SCM) applications are integrating partnerships with environmental entities. eBusiness success stories are touted in newspapers and airplane magazines, and Amazon.com is as well known as companies ten times as old. Despite some much publicized bumps in the road, the information age has arrived. However, there are long-term ethical and social implications of these business trends that may be overlooked, as they do not fit into the profit picture. In addition, ethical principles needed as guides in conducting ebusiness are lacking. This article

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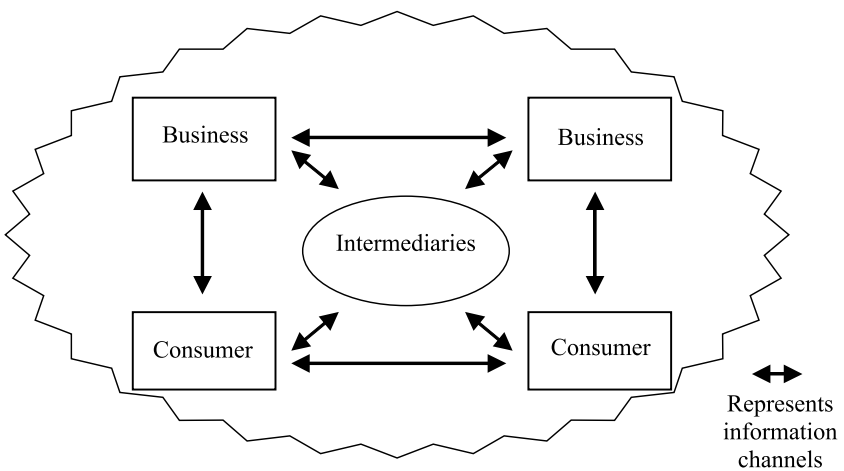
identifies possible ethical and social impacts of ebusiness on individuals, and organizations, and on the societies in which they operate, and offers a list of ethical principles to guide ebusiness operations.

"e-Business is the complex fusion of business processes, enterprise applications, and organizational structure necessary to create a high-performance business model."[1] The underlying premise of ebusiness is the ability to share information easily, using such technologies as the Internet, groupware packages, EDI, telecommuting and cellular technologies, etc. Figure 1 is a pictorial representation of the components of the ebusiness environment. Businesses and consumers interact with each other through information and product flows.

Business-to-business (B2B) transactions involve elements of the supply chain, such as procurement and EDI technologies. Business-to-consumer (B2C) transactions involve ebusiness retail transactions, commonly referred to as "etail." This includes the purchase of retail items by consumers using the Internet. In either case, transactions may involve intermediaries, such as Freemarkets.com or Yahoo. The complex, interwoven system of networks that these relationships create is the "eSociety."

FIGURE 1 The eSociety



THE IMPACT OF eBUSINESS

eBusiness clearly has had, and will continue to have, a major impact on global commerce. Web sites are used to electronically expand an organization's market to the entire networked world. Many industry segments are moving transactions and shared information into ebusiness communication channels, such as the Internet. For example, the worldwide online travel market is predicted to increase from $5billion (US) in 1999 to $30billion (US) in 2001, and the number of flights booked and paid for online has increased approximately 800 percent in the past year.[2] Since 1994, when ebrokerage technologies first became commercially available, over 33 percent of U.S. retail stock trades have migrated to the ebrokerage facilities.[3] Overall, business-to-business ecommerce is widely expected to reach $1.3trillion (US) by 2003, and the companies providing the technological infrastructure for these ebusiness initiatives are experiencing rapid growth. In the year ending August 31, 1999, over 50 percent of all initial public offerings (IPOs) filed with the SEC in the United States involved Internet-related companies.[4] Many "dotcoms" with poor business models have failed to survive, but this should not be taken as an indication that ebusiness is a fad. eBusiness technologies are fundamentally changing the way business is conducted, from ordering online to telecommuting. Not only are for-profit organizations getting involved, but also academic institutions. Stanford University has unveiled a plan to spend $25million (US) over the next five years on an ecommerce initiative. A late 1999 study found that over 900 students were enrolled in 14 graduate ecommerce-related programs in U.S. academic institutions, providing approximately $25million (US) in tuition revenue.[5] U.S. graduate schools are under great pressure to create ebusiness-related programs, states Charles Hickman, Director of Member Relations of the American Assembly of Collegiate Schools of Business (AACSB), the leading accrediting body for business schools in the U.S.[6] Universities are even using ebusiness technologies to deliver their products.

IMPACTS ON THE INDIVIDUAL

Technology is changing the way that individuals conduct business. There are benefits, such as the convenience of shopping at home via the Internet, but there are also aspects of ebusiness that have less desirable consequences. This section will discuss two of these issues: the reduction of individual privacy, and the decrease of trust in the business environment.

Privacy

Perhaps the most discussed ethical issue of the ebusiness phenomenon is that of privacy, defined as "the claim of individuals, groups, or institutions to determine for themselves when, how, and to what extent information about them is communicated to others."[7] Human dignity is linked to the ability to keep private information regarding one's self. In his seminal paper on ethical issues in the information age, Richard Mason argued that two forces threaten the individual's privacy: the enhanced capabilities of information technology to gather, store, combine, and disseminate information, and the increasing value of information.[8] Nowhere could this be better demonstrated than in the area of ebusiness. As described above, ebusiness demands the gathering and sharing of information. Technology provides the ability to gather information in ways not previously available, and the value of the information gathered, particularly on consumers, increases daily as businesses find new ways to use it to increase their profits. There are three distinct areas in the privacy debate, each relating to the etail side of ebusiness, where information regarding the consumer is involved. These three areas, responsible use of information given up freely by individuals, information legally gathered about individuals without their knowledge, and information unlawfully gathered about individuals, will be discussed in the following paragraphs.

On the most basic level, individuals who wish to participate in ebusiness must freely give up some modicum of privacy. For example, in the traditional bricks and mortar world, a customer can easily walk into a building, exchange hard currency for a product, and then leave with the anonymity with which he or she

entered. In ebusiness, this is not possible. At an absolute minimum, an address must be provided, to which a product and an invoice must be shipped. In the vast majority of cases, the supplier, prior to the shipment of a product, also requires credit card information. Companies regularly ask for other information, such as email addresses, age, occupation, and various other data. This information makes the greater expansion of etail possible, as enterprises can use advanced analytical techniques to mine databases that contain customer data captured online. What is somewhat surprising is that many consumers seem perfectly willing to give this information to businesses, therefore decreasing their own personal privacy. Renowned ethicist Richard DeGeorge argues that it is difficult to defend any strong right to privacy when so many people freely give it away, sometimes for returns as minimal as an email notifying the customer of the release of a new product for which he or she may have an interest.[9]

The second privacy concern involves information that is gathered on consumers without those individuals' knowledge. Consumer activities are routinely tracked, as they move between web pages. One method of user tracking involves the use of cookies, which provide a business with a means of monitoring consumer preferences over time. Cookies are used to store information regarding users that cannot otherwise be remembered, due to the stateless nature of the Internet.[10] For example, usernames and passwords are often stored in cookies. This form of privacy invasion goes beyond just gathering information, as the cookies themselves are physically placed upon the user's hard drive in his or her computer. A survey of the 100 most visited shopping web sites found that 86 used cookie technology.[11] Thirty-five of those sites also allowed advertisers to set cookies, to facilitate profile-based advertising. Interestingly, 18 of those 100 web sites did not provide a privacy policy. Companies also routinely sell information on consumers and businesses, without the electronic visitors' consent or knowledge. While the information may have been lawfully gained, the secondary sale of such information may go against the wishes of the individuals involved.

The third privacy concern is that of the unlawful infringement of privacy. With more and more information being transmitted over public and private networks, in particular the Internet, the opportunity for the unlawful acquisition of personal and confidential data is increased dramatically. Compounding the problem is

that the prevalence of ebusiness information sharing amongst individuals and businesses often makes individual and corporate privacy dependent on intermediaries. While encryption and security technologies continue to improve, so do the abilities of hackers and other criminal elements. The online music store CDUniverse was recently forced to send an email to its customers, stating that a Russian hacker had managed to break through their security system and steal customer credit card information. Joe Harris, a senior Technical Support Staff member at Blarg Online Services, discovered that over 130 shopping sites on the web had failed to properly install their shopping cart software and were exposing customer order information to outsiders.[12] What may be more disturbing is that the public often is completely unaware of these security breaches, as the violated organizations keep the matters quiet, in order to avoid bad publicity.[13]

Trust

Trust can be defined as "the factor that moderates the use of verifiable attributes to form beliefs about unverifiable attributes."[14] In traditional retail exchanges, many attributes are verifiable. Deals are usually made by people who meet face-to-face or speak on the telephone. Traditional shopping, such as going to the grocery store, is sensory-based. Customers have the opportunity to physically preview both the merchandise and the business representative. In ebusiness, communication often takes place via the much more impersonal channel of email, or even between customers and faceless electronic agents, via the Internet. By reducing sensory exposure to the product and the salesperson, less attributes are verifiable, thus the level of trust is lessened. For two partners to reach an agreement that each will fulfill, there must be a level of transaction trust. Tan and Thoen argued that the two basic components of transaction trust are trust in the other party and trust in the control mechanisms that are in place.[15] As stated, trust in the other party is reduced through a decrease in contact. Trust in the control mechanisms can decrease in the ebusiness world, due to problems such as hacking and the negative publicity generated by incidents such as the CDUniverse problem described above.

Within organizations, the trust issue is also a concern. Telecommuting allows employees to work in locations other than the

traditional office. There are benefits for all involved. Employees do not have to face long commutes into a centralized office. Rent expenses are greatly reduced for the company. Flexibility and productivity for "on-the-road" salespeople are enhanced. Even the environment benefits, as automobile traffic is decreased. However, as with most new technologies, there is also a cost. The informal communication networks of an organization are dramatically altered, often leading to a decrease in face-to-face human interaction with co-workers and managers. Ironically, while people become more attached to others via the electronic web, they also become more physically isolated, as work is now done outside of the traditional office. A survey of telecommuting business professionals found that isolation from coworkers and a lack of communication and interaction were perceived as strong negative consequences for both the individuals and the companies for which they worked.[16] A similar study found that telecommuters believed that this form of work negatively impacted career development.[17] Employees also perceived that management and control were negatively affected by these technologies. For telecommuting to work properly, there must be a level of trust between the manager and the individual, but managers often feel that they cannot manage what they cannot observe.[18]

IMPACTS ON ORGANIZATIONS

The ebusiness revolution is dramatically changing the competitive landscape in which corporations operate, particularly in the area of competition. Three aspects of the ebusiness trend impact an organization's competitive environment: increased competitor access to current markets, increased consumer access to competitors' products (compounded with the use of reverse auctions and shopbot technologies), and a lack of resources to compete effectively. These will each be discussed in the following section. The overall impact of this much more competitive and efficient market may not be in the best interests of many organizations or their customers.

eBusiness technology allows organizations to compete in markets that were previously unavailable to them. An etail web site, listed on appropriate search engines, immediately makes a company's products and sales force available to customers all over the world, with minimal initial investment. In traditional business,

barriers to entry exist, as geographic, national, and political boundaries make it difficult and costly to establish a presence in new markets. However, the Internet ignores these boundaries and presents sales information to any individuals and businesses searching for that information. While any organization can now expand its market, competitors are similarly free to enter the organization's traditional market. Hence, competition is increased dramatically.

As a result of the reduction of entry barriers, customers have access to a much greater number of the organization's competitors. For example, a consumer interested in purchasing a compact disc was previously limited to the bricks and mortar shops located within a reasonable driving distance, and perhaps some mail-order businesses. However, in the etail world, a variety of online music stores are available to the customer. Businesses have access to much larger markets, but consumers also have access to larger numbers of purchasing options. For digital products that require no significant shipping charges (e.g., software or music), the competition is particularly intense. Traditional bricks and mortar retail facilities for these products may soon be unnecessary, as anything that can be converted to digital formats can be distributed directly to the consumer via the Internet. The impacts on individuals working in traditional CD shops, for example, could be severe.

Compounding the competition problem in the B2B domain is the development of the "reverse-auction." Companies such as Freemarkets.com allow organizations to hold auctions to identify the low-cost supplier, thus further increasing competition, often on a purely price basis for standard products. Similarly, consumers can use shopbots–web sites that search online shopping sites for products that match the user's specifications. With one or two mouse clicks, the consumer has access to information on the low-priced supplier, no matter where in the world that supplier resides.

The opportunity to compete in ebusiness only exists for those companies that have the necessary resources. However, these resources are scarce. Even in a country as technologically advanced as the US, a serious shortage of information technology workers exists, particularly in the area of ebusiness.[19] Estimates indicate that over 150,000 technical positions go unfilled each and every year in the US.[20] Even if capable employees are found, they often leave their positions in a short period of time. One survey

found that technology positions suffered a 37% turnover rate in 1999.[21] These factors make it very difficult for companies that cannot compete for employees to survive in the new emarketplace. As an example, a study in Slovenia found that a barrier to adopting Internet-based EDI technologies among small and medium companies was a lack of technical expertise and education.[22]

These situations are currently of great benefit to the consumer, be it a business or an individual. However, they may be unstable, in the long term. Given the lack of skilled employees and knowledge detailed above, some companies will simply not be able to compete in this environment. For those that can compete, as competition increases in intensity, price will become the significant factor in many purchase decisions, and as close to a perfect market as possible will exist. Consequently, many companies will not survive, and will either go out of business or be acquired by more successful companies. In the ultimate scenario, competition will be completely eliminated, as one or two huge companies in each industry garner all of the business, thus creating monopolies and achieving the complete opposite of what many ebusiness proponents now espouse. Mergers and acquisitions are already rampant. Cisco Corporation has acquired over 36 companies since 1993 and made 10 acquisitions in the first 8 months of 1999.[23] GeoCities was one of the first companies to offer users free web page hosting, in exchange for allowing advertising on the sites. Yahoo purchased this company in 1999. Tripod, similar to GeoCities, was purchased by Lycos in 1998. Theglobe.com is experiencing significant problems, resulting in a stock price drop from a high of close to $100 (US) to a low of $9 (US) in early 2000. The collapse of the dotcoms in late 2000 and early 2001 is well documented. These are just some examples of a trend that seems destined to continue, not just in the pure technology industry, as competition decreases consumers' choices.

Internet statistics indicate that a minority of companies are experiencing success in the etail business area. This may be due to the topics discussed above. Jayawardhena, Foley, and Sutton suggest that many businesses may be currently struggling to obtain a return on something which may have been heralded as the next major business opportunity.[24] The authors stated that Internet statistics show that a few online shops have high levels of inventory turnover, while most online shops, perhaps as many as 500,000, have a very low turnover. This indicates that, while the

popular press may preach otherwise, many companies that have invested to go online are not achieving anywhere near the success necessary to make the investment worthwhile. These statistics suggest something somewhere is very wrong,[25] and the collapse of many technology oriented stocks in the beginning of the 21st century is an indication of this trouble. The business models have simply not yielded the anticipated results.

IMPACTS ON SOCIETY

Each of the issues described above has a societal impact, as both businesses and individuals are members of society. The ebusiness revolution is not simply a business trend, but a major social event. However, large segments of consumers are unable to participate in ebusiness, due to a lack of technology and the knowledge necessary to use it. On a global level, this may be even more of a concern, as the majority of ebusiness technologies are created and used in the industrialized world. This digital divide is usually described as a lack of technology availability for less economically fortunate individuals. This may be part of the reason that early predictions of extremely high Internet usage growth have been revised downward, in recent years. The average estimate of users today is 190 million, rising to approximately 300 million in 2003.[26] Those that do not have access to the Internet are not able to participate in ebusiness, and will, therefore, have their options greatly reduced, when compared to those with Internet access. Often, this segment of society includes disproportionate numbers of minority groups, such as African-Americans in the United States. In the US, this has become such a concern that a Digital Divide Summit was held in Washington, DC, in late 1999.

However, this may not be as much of a problem as often described. History shows that countries such as the United States have a good record of providing access to items that are considered to be necessities.[27] Telephones are now evident in the vast majority of US and European homes, partially due to regulation efforts. Public transportation is readily available in Europe and most US cities. Education is a right guaranteed by law, in many countries. Companies such as 3Com are already making major efforts to place Internet technology in public libraries. In fact, African-American usage of the Internet has been rising considerably in the United States.[28]

The focus on this version of the digital divide may be misplaced. Where a wider divide truly exists is in the financial gain created by ebusiness technologies. The sudden advent of dot-com startups has created a new class of wealthy businesspeople, technicians, venture capitalists and investors. What is interesting about this group is the demographic makeup. In the United States, immigrants run 29% of all technology startup companies created between 1995 and 1998. 18% of all high tech workers in the US were born in Asia, with another 12% born in other non-US countries. This is not surprising, as the lack of skilled US information technology personnel has led organizations to seek overseas for professionals, and Asia has been an excellent source. While Caucasian Americans make up the majority of information technology personnel and the managers who run these companies, Asians and immigrants from other countries are a significant percentage. However, despite being large minority populations in the US, Hispanics and African-Americans are virtually non-existent in this group.[29,30] US minorities may well be given access to the technology, and may become full-fledged ebusiness consumers, but the money that is being generated by these technologies is not being returned to members of these minority communities via employment or entrepreneurial initiatives. This is where a true digital divide exists.

This apparent inequality may be due to the lack of educational opportunities available to low-income classes of society. In the United States, a student with a family income of over $75,000 (US) is three times as likely to perform schoolwork on a computer at home than a student from a family with an income of less than $30,000 (US). This same study also found that grade schools with a high minority enrollment significantly lag those schools with lower minority enrollments, when it comes to Internet access in the classroom.[31] An individual with early access to computer technologies is more likely to become proficient in those technologies and participate in ebusiness organizations.

Perhaps the greatest impact of this technology will be the true globalization of not only business, but of culture. Technology allows for the almost costless reproduction and distribution of the intellectual property that molds a culture. Multi-national businesses are able to coordinate their global operations and carry out business internationally via infrastructures that greatly facilitate such operations. Mark Poster, in an eloquent article, discusses the

possible effects of Internet technologies on the nation-state, and writes in his conclusion that we remain at the cusp of an age of global interactions whose density and scope has never before existed and never before been materially and technically possible.[32]

DEVELOPMENT OF THE eBUSINESS PRINCIPLES

Managers encountering these and other issues in ebusiness are further confounded by numerous impediments toward guiding their organization to act in an ethical manner. While, individually, ebusiness executives may possess the ethical integrity and fortitude to behave as ethical citizens, they may be at risk if they attempt to demonstrate this moral courage as a leader of a single firm within an industry that appears to place a low priority on ethical behavior. Consequently, the pressure to adopt ethical principles to guide decisions and behaviors must come from society and its stakeholders (such as ebusiness consumers) and target businesses across an industry or group of businesses involved in a particular practice. Historically, in similar business situations, ethical principles that challenge an industry or group of businesses to adopt ethical decision-making or behavioral guidelines have been relatively successful. These principles or standards often embody ethical principles that serve to raise the level of ethical decision-making and behavior to a higher moral plane than would be possible through legislative action by governments or voluntary actions by a single firm.

For example, when businesses were challenged for operating in apartheid South Africa, a collective effort toward ethical standards for decisions and behavior was needed. In response to this need, the Sullivan Principles were drafted. These principles espoused the high ideals and values of fairness and respect for individuals of all races. Many businesses seeking a socially responsible or ethical strategy adopted these principles. Similarly, the CERES principles (formerly called the Valdez Principles) were developed for firms interested in environmentally responsible management practices. These principles enabled businesses eager to attend to their ethical responsibilities of stewardship toward the environment to rely upon the preservation of natural resources for the common good as an ethical ideal to guide and justify decisions and behaviors.

Recently, the business practice of bribery has come under attack as an unethical business practice. While many businesses executives condemn the practice of bribery, they often feel powerless to single-handedly withstand the expectations to conduct business in this manner in various countries. In response, Richard DeGeorge[33] proposed the adoption of Sullivan-like principles for multinational organizations conducting business in Russia, in an effort to curb the payment of bribes in that country. DeGeorge offered five simple principles, including signatories will not pay bribes or extortion. DeGeorge argued that only a collective corporate stance against bribery, in a country where bribery is not only common but also public, will be successful, as opposed to a single firm attempting to withstand the pressure for illicit payments requested by criminal elements and corrupt government officials. He also argued that endorsement of these principles would send a clear message to consumers that the signatories are operating in an ethical manner in this business environment. The transparency imposed by a public endorsement of ethical principles opposed to bribery makes it more difficult for corrupt officials to demand bribery payments and may encourage governmental efforts to outlaw such business activities.

David Hess and Thomas Dunfee created another set of principles aimed at international bribery and corruption, called the Z Principles.[34] Drawn from the International Chamber of Commerce's rules of conduct, legal precedence, business ethics literature and other sources, the Z Principles require signatories to comply with 12 rules, including a commitment to refuse to pay bribes and to train employees to carry out the firm's policies to that effect. Throughout the 12 Z Principles are a series of policies, procedures, and publications that seek to ensure the control of international bribery payments through voluntary business cooperation by attending to the supply side of bribery and corruption.

When attempting to create a new set of ethical principles to combat unethical behavior, two management scholars, S. Prakash Sethi and Oliver Williams, advise that this effort, particularly applied to a global marketplace, is most effective if the principles adhere to the following guidelines: [1] application to all firms, wherever they are located and across all business lines; [2] provision of specific guidelines; [3] identification with and supervision by a respected independent entity; and, [4] the capability of being monitored and audited by independent parties.[35]

During the past decade businesses have begun to discover and realize the potential for ethical program development contained in the United States Corporate Sentencing Guidelines. The Sentencing Guidelines were passed in 1991, in an effort to calculate an organization's culpability score, to aid the courts in determining a firm's civil penalty when convicted of wrongdoing. Recently, a different use for the Sentencing Guidelines was discovered. The Sentencing Guidelines have become a model for developing a responsive ethics program, seeking to guide employees toward ethical behavior and warn senior management when unethical behavior occurs within the organization.[36]

The Sentencing Guidelines provide a seven-step model for creating or revising an ethics program. First of all, the organization must create compliance standards and procedures to reduce the prospect of criminal or unethical activity. Second, oversight by high-ranking personnel within the organization must be established. This oversight is often delegated to an ethics officer, members of an ethics committee, or the general counsel's office.

Third, due care must be taken in delegating discretionary authority. Incidences of past unethical behavior must be considered when delegating responsibility to individuals within the organization. Fourth, effective communication of the ethical compliance standards and procedures must be established, to ensure that all employees know what is expected of them and what will occur if ethical violations are found. Further, these expectations and punishments must be a constant reminder for employees. This is an extension and improvement on the common, yet often ineffective, annual sign-off procedure, where executives dutifully signed off each year that they had read the company's code of ethics and acknowledged that they did not know of any ethical violations. This procedure became so routine that it failed to provide the protection that companies had intended.

Fifth, reasonable steps must be taken by the organization to achieve compliance. These steps include monitoring employee behavior, auditing record-keeping procedures, and reporting wrongdoing without fear of reprisal. Sixth, consistent enforcement of compliance standards must be maintained. Subjective enforcement or punishment of wrongdoing, particularly if based upon the wrongdoer's level or seniority within the organization, seriously undermines efforts aimed at creating an ethical organization. Finally, upon detection of a violation of these ethical standards,

steps to respond and prevent future offenses are essential. While ethical breaches may occur, it is imperative that repetitious unethical behavior is prevented, so that this type of behavior does not become institutionalized and learned by other employees as acceptable behavior.

Using existing ethical business principles and the seven steps outlined in the U.S. Corporate Sentencing Guidelines as a guide, the following set of principles is presented as a framework for the discussion and development of ethical guidelines for ebusiness. These principles are meant to be a starting point for further discussion. The ultimate goal is the creation of a generally accepted list of principles that organizations can adopt to help them consider the ethical dimensions of their ebusiness model.

THE eBUSINESS PRINCIPLES

Preamble. The objective of The eBusiness Principles is to engender economic and social justice for individuals and organizations in the esociety. These principles must address the basic ethical values most at risk in ebusiness: privacy, truth, and cooperation; thereby improving the quality of life of individuals and organizations practicing ebusiness, and society as a whole. Organizations of all sizes and industry membership are encouraged to adopt and practice these principles in their ebusiness operations.

Principles. As an organization endorsing The eBusiness Principles, we are committed to:

I. Publicly announcing our support of these principles in organizational publications, particularly our annual report (if a publicly traded firm), and through the Internet. Our endorsement of The eBusiness Principles should become widely known and inform our stakeholders of our commitment to the protection of ethical values. Our endorsement should also encourage other actors in the esociety to adopt the Principles.
II. Developing and implementing organizational policies and procedures to ensure compliance with The eBusiness Principles. We believe that the adoption of The eBusiness Principles into our daily business operations will result in more ethical behavior in our marketplaces and within our organization.

III. Providing training for our employees to ensure that they adhere to the organizational policies and procedures created to ensure compliance with The eBusiness Principles. In addition, we are committed to providing continuing support, such as help lines, to assist our employees to act in compliance with the organization's ethical policies and procedures.
IV. Taking appropriate disciplinary action against any employee discovered to have violated organizational policies or procedures created in the spirit of The eBusiness Principles.
V. Consistently abiding by clearly stated record-keeping procedures and database controls, as well as making available these data to parties with legitimate claims to the information.
VI. Creating an internal audit system to ensure organizational compliance with our procedures and controls and to detect any breaches of these systems within our organization.
VII. Providing annually a report on the state of our ebusiness operations, with respect to the ethical issues described in The eBusiness Principles, as well as our efforts to create organizational compliance mechanisms to foster an ethical climate in the emarketplace.
VII. Be open to annual audits by a certified audit specialist, such as Account Ability, an organization committed to assist organizations with the goal of socially and ethically responsible management.

THE ETHICAL ISSUES AND THE PRINCIPLES

The establishment of policies and procedures in the spirit of The eBusiness Principles, and the monitoring of ethical ebusiness practices, should focus on the areas discussed above: privacy, trust, competition, fairness, and equity. The relation of these issues to The eBusiness Principles is discussed in the following paragraphs.

As the saying goes, information is power. Information is the catalyst for economic power in the world of ebusiness, which often leads to a conflict with the individual's right to privacy. With power comes responsibility. As a firm adopting The eBusiness Principles, a company must take proactive actions to ensure that their ability to gather, store and disseminate information about customers is used in an ethical manner. Customers have the right to know what

personal information has been gathered, stored or disseminated, and the right to participate in decisions concerning the gathering, storage and dissemination of personal information. Receiving customer permission to acquire and use personal information which furthers economic ebusiness strategies may be a part of the solution. Furthermore, customers should also have the right to review personal information stored in company databases.

Trust is at the core of any ethical relationship. As a signatory of The eBusiness Principles, a company must be committed to creating and fostering a trusting relationship with both customers and employees. To that end, companies must work toward facilitating a trusting relationship with their customers and employees through open and honest, two-way dialog. They must acknowledge that customers' or employees' values and goals, at times, may conflict with organizational goals, and should seek mutually satisfying resolutions to these conflicts.

Competition is an inherent element in a free market, economic system. Yet, within any free market, there are rules imposed by industry members and outside organizations to ensure the fair exchange of goods and services. Society must strive to maintain a fair and level playing field in the world of ebusiness and in the emarketplace. The relevant regulations and laws to ensure fair competition must govern the acquisition and allocation of ebusiness resources (human, financial, operational and technological). The adoption of the The eBusiness Principles by organizations will further this effort.

Finally, companies must be cognizant of the potential for ebusinesses to impose a "haves versus have nots" economic condition upon the world. This arbitrary separation fails to serve the greater good for the global, information technology village and the world of the emarketplace. The ebusiness organization must be committed to minimizing social and economic inequalities unnaturally caused by ebusiness practices. Industry-wide measures must be enacted to ensure that ebusiness technologies do not serve to further deteriorate the condition of the less fortunate members of society.

CONCLUSION

The pace of change in the technology field is astounding. It is imperative that individual, organizational and societal ethical

concerns are considered, to preempt a serious breach of society's ethics and norms. Many businesses and organizations may simply act on the profit motive, with little consideration of the long-term ethical consequences of their actions. The speed at which transactions take place in the ebusiness world leaves little time to reflect on the impacts of new technologies or strategies. Similarly, customers may be deceived by the ease of use of these new systems. They may not realize that social and ethical dilemmas have arisen, until it is too late. Guiding principles are sorely lacking in this new business paradigm, and this paper begins the process of developing these principles. The adoption of The eBusiness Principles will significantly minimize the potential for society-threatening ethical breaches in the areas most affected by ebusiness technology: privacy, trust, competition, fairness and equity. Technology, ebusiness and the lucrative world of the esociety are seductive, and the benefits could appear to be unlimited. However, care must be taken to ensure that the convenience and economic gains for ebusinesses are not outweighed by the ethical problems that they might create. Organizations must avoid the overwhelming temptation to rush into a seemingly profitable future without first considering the ethical breaches that may be created by the use of ebusiness technologies. It is hoped that the introduction of The eBusiness Principles will lead to a fruitful discussion aimed at ensuring the safety of society's ethical values.

NOTES

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