

# TECH 646 Analysis of Research in Industry & Technology

A Core Course for  
Master of Science. in Technology  
Industrial Technology/Manufacturing and IT and Advanced  
Computer Applications Tracks

## Lecture Note 2-2 Ethics in Business/Industry Research

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Based on the text book and supplemental materials from the text book:  
Cooper, D.R., & Schindler, P.S., *Business Research Methods* (12th  
edition), 2014, McGraw-Hill/Irwin

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## Ethics in Business/Industry Research

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## Learning Objectives

### Understand ...

- What issues are covered in research ethics.
- The goal of “**no harm**” for all research activities and what constitutes no harm for participant, researcher, and research sponsor.
- Differing **ethical dilemmas** and **responsibilities** of researchers, sponsors, and research assistants.
- Role of ethical codes of conduct in professional associations.

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## Data Collectors Face Responsibility

*“[Privacy pragmatists are] often willing to allow people to have access to, and to use, their personal information where they understand the reasons for its use, where they see tangible benefits for so doing, and when they believe care is taken to prevent the misuse of this information.”*

**Humphrey Taylor**

Chairman of The Harris Poll®

Harris Interactive

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## Malware

- Malware, Consumer Information, Federal Trade Commission, <https://www.consumer.ftc.gov/articles/0011-malware>
- Malware includes viruses, spyware, and other unwanted software that get installed on your computer or mobile device without your consent. These programs can cause your device to crash, and can be used to monitor and control your online activity. They can also make your computer vulnerable to viruses and deliver unwanted or inappropriate ads. Criminals use malware to steal personal information, send spam, and commit fraud.
- Protect Your Computer from Malware, Video, 3:48 min, <https://www.consumer.ftc.gov/articles/0011-malware>

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## Statistics Research

- New **malware infections** of desktop PC worldwide as of 4<sup>th</sup> Q of 2016 by type, <http://www.statista.com/statistics/266164/crimeware-infections-of-desktop-pcs-by-type-of-malware/>
- Trojans - 74.99%
- PUPs (Potentially Unwanted Programs) - 21.45%
- Viruses - 1.5%
- Adware/Spyware - 0.51%

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## Statistics Research

- **Spyware Statistics**, 90% of U.S. home computers have been infected with spyware at some point, but a majority of PC owners don't know how to solve the problem, 1/10/2017, [http://lavasoft.com/support/spywareeducationcenter/spyware\\_statistics.php](http://lavasoft.com/support/spywareeducationcenter/spyware_statistics.php)
- By the Numbers 100-150 Million estimated numbers of PCs on the Internet that are under the control of hackers
- 63% Percentage of people that accepts End User License Agreements without reading the text, according to Lavasoft poll.

## Statistics Research

- **Spyware Statistics**, 1/10/2017, <https://www.adaware.com/knowledge-database/spyware-statistics>
- 2,286 Number of people who responded to a Lavasoft poll that they have been a victim of a phishing attack. With a total of 4,966 people answering the Lavasoft survey, nearly half of those surveyed have been scammed by a phisher.

## Recent Privacy Violation Cases

- Apple Sued Over App Privacy Violations, by Amy Lee, [http://www.huffingtonpost.com/2010/12/28/apple-privacy-lawsuit\\_n\\_802058.html](http://www.huffingtonpost.com/2010/12/28/apple-privacy-lawsuit_n_802058.html)
  - iPhone and iPads are equipped with Unique Device Identifier (UDID), 40 digit-long string of letters and numbers which distinguish one device from another, and cannot be removed by users.
  - The suit claims that these UDIDs are used to let advisers track what apps users download, how long the programs are used, and how often – UDD data sharing
  - “**Intrusive Tracking Scheme**”
  - Breaching user privacy as “**adding and abetting**” the guilty apps.

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## iPhone Privacy Violation Official Site

- Privacy, Apple’s Transparency Report, <https://www.apple.com/privacy/government-information-requests/>
- Violation of Privacy Communities, <https://discussions.apple.com/thread/7918120?start=0&tstart=0>

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## Recent Privacy Violation Cases

- Google to pay \$7 million for privacy violation (Street View Cars), <http://money.cnn.com/2013/03/12/technology/google-privacy-settlement/>
- Rite Aid Agrees to Pay \$1 M to Settle HIPAA Privacy Case, <http://www.hhs.gov/hipaa/for-professionals/compliance-enforcement/examples/rite-aid/index.html>
  - Disposed of prescriptions and labeled pill bottles containing individuals' identifiable information in industrial trash containers that were accessible to the public.

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## Types of Ethical Violations

- Violating Non Disclosure Agreements (**NDA**)
- Breaking **Confidentiality**
- Padded **Invoices**
- Misrepresenting **Results**
- Deceiving **Participants**
- Avoiding **Legal Liability**

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## Procter & Gamble vs. Unilever – A case of Corporate Espionage

- P&G and Unilever – competitors in the shampoo industry
- April 2001, John Pepper, then P&G Chairman, discovered that contracted BI firm (P&G's Competitive Analysis department) collected approx. 80 documents (Unilever's plans over the past 3 years) from Unilever's trash dumpster

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## Procter & Gamble vs. Unilever – A case of Corporate Espionage

- Out-of-court settlement rumored (and reported) at \$10M and agree to an unusual third party audit
- P&G Said to Agree to Pay Unilever \$10 Million in Spying Case, <http://www.nytimes.com/2001/09/07/business/p-g-said-to-agree-to-pay-unilever-10-million-in-spying-case.html>
- P&G Vs Unilever: A Case of Corporate Espionage, <http://www.icmrindia.org/casestudies/catalogue/Business%20Ethics/BECG036.htm>

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## Ethical Approaches



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## Purdue office of Research & Partnerships

<https://purdue.edu/purdue/research/>

### Research Compliance: [Accesses 2017/8/31]

<http://www.purdue.edu/research/research-compliance/>

- Ensure the research integrity
- Protect human and animal research subjects
- Ensure the safe use of infectious and other biohazardous agents
- Disclose and manage conflicts of interest and outside activities
- Identify and observe export control regulations and statues
- Manage sponsored projects
- Interpret Purdue's Policy on Intellectual Property
- Educate students and postdoctoral scholars in the responsible conduct of research
- Be informed about new or changing regulations and statues affecting research

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## Purdue Research Integrity Office

<https://www.purdue.edu/provost/researchIntegrity/>

- Procedure
- Fed. Requirements/Confidentiality
- Promoting Research Ethics
- Avoiding Plagiarism

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## Ethical Approaches

- How would you assess the P&G case using the two ethical approaches?

Deontology



Ethical  
Relativism

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## Indiana University

- The Poynter Center for the Study of Ethics and American Institutions, <http://ip.indiana.edu/sponsor/poynter-center-for-the-study-of-ethics-and-american-institutions/>

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## Ethical Codes of Conducts

- **ARENA** – Applied Research Ethics National Association
- **CASRO** – Council for American Survey Research Organizations, <http://www.casro.org/>
- **AMA** – American Marketing Association
- **MRA** – Marketing Research Association
- Public Responsibility in Medicine & Research (**PRIM&R**), [www.primr.org](http://www.primr.org)
- Electronic Privacy Information Center, [www.epic.org](http://www.epic.org)

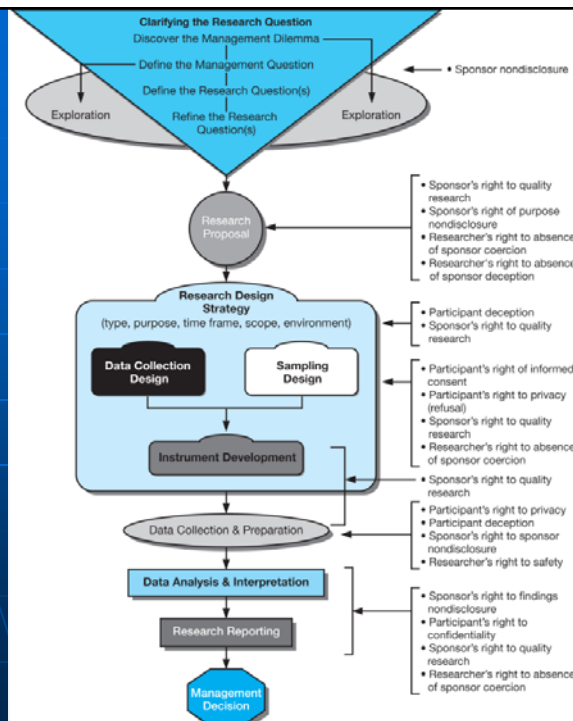
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## Ethical Codes of Conducts

- IEEE – Code of Ethics, <https://www.ieee.org/about/ethics.html>
- ACM – Code of Ethics and Professional Conducts, <https://www.acm.org/about-acm/acm-code-of-ethics-and-professional-conduct>
- NSPE (National Society of Professional Engineers), Code of Ethics, <https://www.nspe.org/resources/ethics/code-ethics>

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### Ethical Issues and Research Process – Exhibit 2-1



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## Ethical Treatment of Participants

Do no harm

Explain study benefits

Explain participant rights and protections

Obtain informed consent

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## Components of Informed Consent

- Researcher Introduction
- Describe survey topic
- Describe purpose of research
- Describe target sample
- Reveal sponsor
- Promise anonymity and confidentiality
- Give “good-faith”, estimate of required time commitment
- Voluntary participation
- Item nonresponse acceptable
- Permission to begin

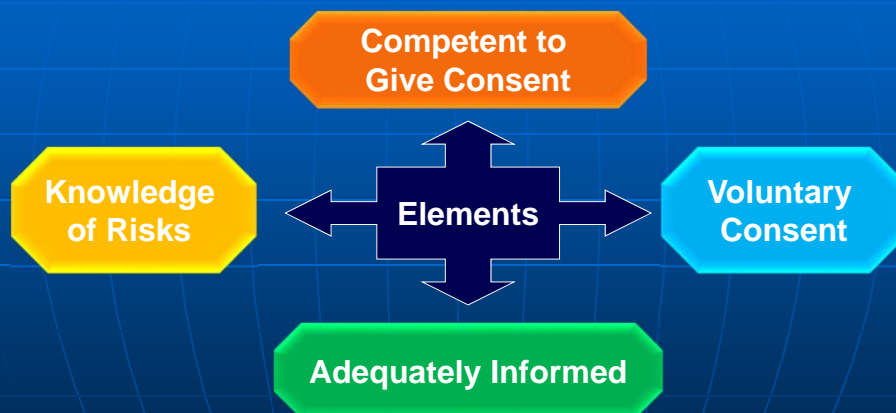
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## Federal Funding Projects – Institutional Review Board (IRB) Requirement

- Since 1966, all projects with federal funding are required to be reviewed by an **Institutional Review Board (IRB)** – evaluation of the risks and benefits of proposed research.
- The IRBs concentrate on two areas
  - First is the guarantee of obtaining complete, informed consent from participants.
  - The second is the risk assessment and benefit analysis review.
- Purdue University – Human Research Protection Program, <https://www.irb.purdue.edu/>

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## Characteristics of Informed Consent



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## Ethical Responsibilities



Special guidelines apply to children!

- Informed consent means parental approval.

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## Deception



- Disguising non-research activities
- Camouflaging true research objectives

**Deception occurs when participants are told only part of the truth or when the truth is fully compromised.**

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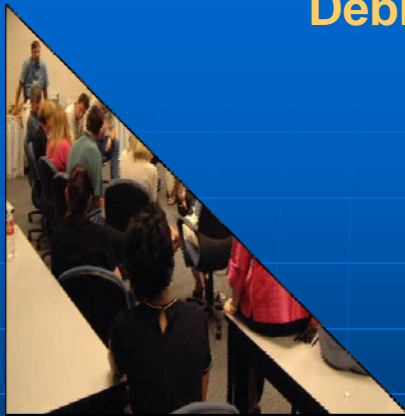
## Reasons for Deception



- Prevent biasing participants
- Protect confidentiality of the sponsor

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## Debriefing

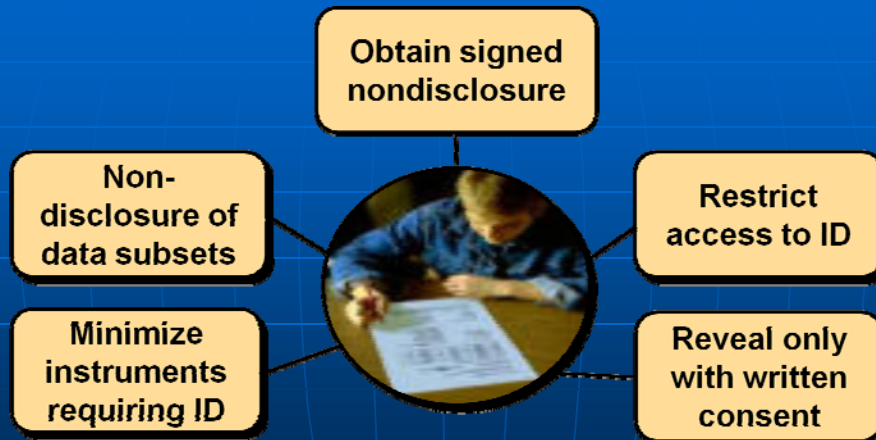


- Explain any deception
- Describe purpose of study (hypothesis, goals, etc)
- Share results
- Provide follow up results

In situations where participants are intentionally or accidentally deceived, they should be debriefed once the research is complete.

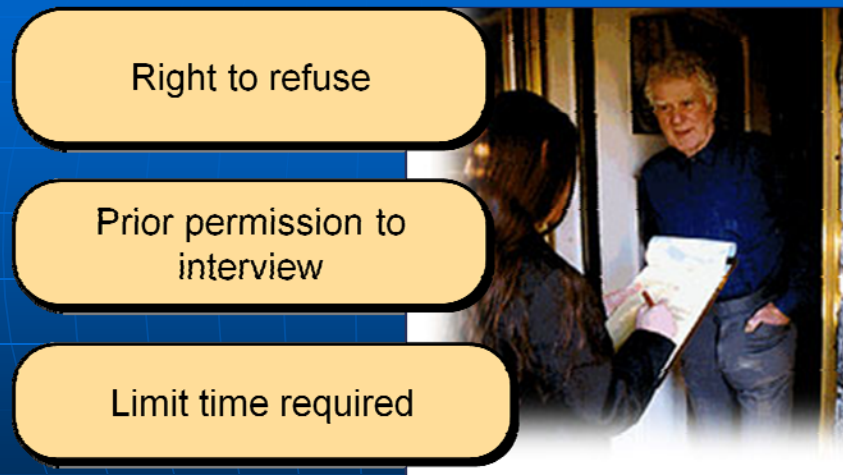
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## Protect Participant Confidentiality



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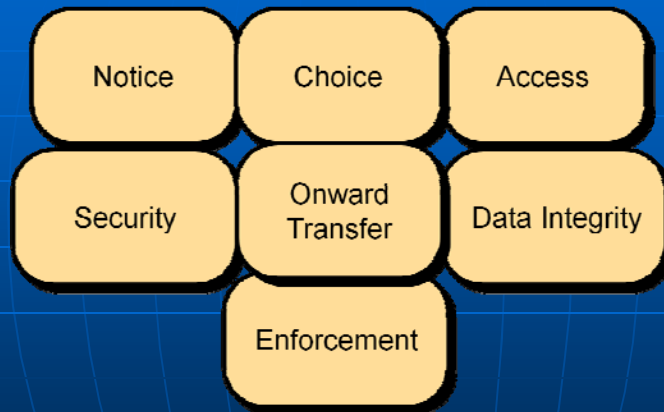
## Right to Privacy



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## The Seven Basic Principles of the US/EU Safe Harbor Agreement (Exhibit 2-3)



Privacy Regulation, Federal Trade Commission, Spring 2003, <http://www.ftc.gov/speeches/thompson/thompsonsafeharbor.pdf>  
\* Update on the U.S.-EU Safe Harbor Agreement, Oct. 6, 2015, <https://www.ftc.gov/tips-advice/business-center/privacy-and-security/u.s.-eu-safe-harbor-framework>

## The US/EU Safe Harbor Framework

Update on the U.S.-EU Safe Harbor Framework, Oct. 6, 2015, <https://www.ftc.gov/tips-advice/business-center/privacy-and-security/u.s.-eu-safe-harbor-framework>

On October 6, 2015, the European Court of Justice issued a judgment declaring invalid the European Commission's July 26, 2000 decision on the legal adequacy of the U.S.-EU Safe Harbor Framework. On July 12, 2016, the European Commission issued an adequacy decision on the EU-U.S. Privacy Shield Framework. This new Framework, which replaces the Safe Harbor program, provides a legal mechanism for companies to transfer personal data from the EU to the United States. The FTC will enforce the Privacy Shield Framework. We continue to expect companies to comply with their ongoing obligations with respect to data previously transferred under the Safe Harbor Framework. More information on the new framework is on the FTC's Privacy Shield Framework page, updated July 26, 2016, <https://www.ftc.gov/tips-advice/business-center/privacy-and-security/privacy-shield>

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## Sponsor Confidentiality

Sponsor Nondisclosure

Purpose Nondisclosure

Findings Nondisclosure



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## Unethical Behavior to Avoid

Violating participant confidentiality

Changing data presentation

Changing data

Creating false data

Changing data interpretations

Injecting bias in interpretations

Omitting sections of data

Making recommendations beyond scope of data



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## What To DO If Coerced?

Educate  
on  
purpose

Explain  
problems

Emphasize  
fact-finding  
role

Terminate  
relationship



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## Principles of Effective Codes of Ethics

Enforceable

Regulate

Specify  
Behavior

Protect



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## Key Terms

- Code of ethics
- Confidentiality
- Debriefing
- Deception
- Ethics
- Informed Consent
- Non-disclosure
  - Findings
  - Purpose
  - Sponsor
- Right to privacy
- Right to quality
- Right to safety

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## Snapshot: Location Based Services



**Know data collection, sharing procedures**

**Appoint privacy trained personnel to ensure privacy**

**Treat LBS as sensitive information**

**Demonstrate informed consent**

**Sensitive to parent expectations**

**Stay current on privacy developments**

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## Snapshot: Ethics of Mobile Survey

Recruiting

Financial Disadvantage

Privacy & Intrusion

Tracking Behavior



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## Snapshot: Has Trust Trump Privacy

“91 percent of U.S. online adults worry to some degree about their privacy online, while 53 percent said they ‘don’t completely trust companies with their business online.’”



Privacy Fundamentalists

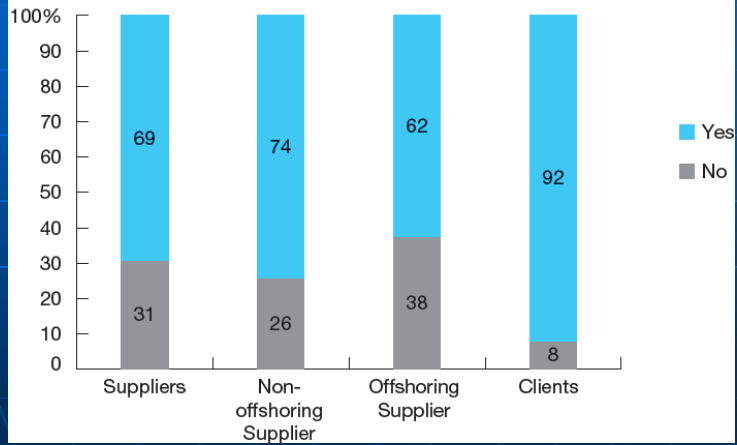
Privacy Pragmatists

Privacy Unconcerned

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## Snapshot: Offshoring

Q. Regardless of what your stance is on offshoring, do you believe research suppliers have an obligation to tell their clients that they offshore?



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## SUMMARY

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