

# THE PARADOXICAL IMPACTS OF ELECTRONIC PERFORMANCE MONITORING AND ITS SOLUTIONS

## Abstract

Due to the current landscape characterized by swift advancements in information technology and the resultant surge in communication, a diverse array of approaches and techniques are employed for overseeing employees in their professional roles. Employers primarily emphasize the utilitarian facets of workplace surveillance, such as heightened efficiency, workplace and operational safety, and overall quality. Conversely, critics of such monitoring underscore its ethical implications, focusing on the violation of employee privacy, which can consequently lead to a decline in mental and physical well-being, originality, independence, and overall effectiveness. In this context, both the utilitarian and ethical dimensions of electronic performance monitoring are thoroughly deliberated. To strike a harmonious balance, strategies involving constructive feedback, prior notification of electronic performance monitoring protocols, involvement of employees in the formulation and execution of monitoring systems, and due regard for the employee perspective on surveillance are explored as mutually beneficial resolutions.

**Keywords:** Electronic Performance Monitoring, Paradoxical impacts, Feedback, Advance Notice, Employee Participation, Respect to Employee Perspective.

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## **I. INTRODUCTION**

The evolution of computers and associated technologies has significantly transformed the dynamics of work and the work environment. This innovation has provided companies with the capability to oversee their employees within their professional settings, aiming to enhance operational efficiency and ensure safety. The prevalent strategies for employee monitoring encompass a range of techniques including CCTV surveillance, internet tracking, email scrutiny, keystroke analysis, biometric systems, phone location tracing, activated identification badges, GPS-enabled location sensors, among others.

According to a survey conducted by the American Management Association (AMA), approximately 80% of organizations engage in some form of electronic monitoring, with a notable focus on email, internet, and phone monitoring. Additionally, over 90% of companies operating in the finance sector acknowledge the adoption of one or more of these monitoring methodologies (Indiparambil, 2017). Advocates of electronic performance monitoring contend that the potential advantages encompass heightened productivity, enhanced safety and security measures, improved product and service quality, as well as positive influence on employee conduct, among other factors. Paradoxically, employees frequently raise concerns regarding privacy, encompassing issues such as diminished autonomy, compromised dignity, and adverse impacts on physical and mental well-being (Lee & Kleiner, 2003).

## **II. ELECTRONIC PERFORMANCE MONITORING**

Monitoring refers to a systematic and regular process of observing personal data for administrative, regulatory, security, and surveillance purposes. Within the professional setting, electronic surveillance entails the systematic collection and analysis of employees' data using visible or concealed electronic devices like cameras, microphones, wiretaps, video recorders, computer tracking, and other online activities (Ball, 2010). This practice serves as a managerial tool aimed at guaranteeing product and service quality, preventing theft, fraud, legal liabilities, and inappropriate conduct in organizations (Lee & Kleiner, 2003; Sewell & Barker, 2006).

Over the past three decades, the utilization of electronic surveillance in workplaces has shown a marked increase. As reported by the Centre for Business Ethics, around 92% of companies engage in some form of electronic staff tracking (Coultrup & Fountain, 2012). An Australian employee survey discloses that 78% of employees undergo on-the-job tracking, 88% experience certain website restrictions, and 49% indicate scrutiny of their email content (Holland et al., 2015). A survey of American employers reveals that 66% monitor employees' internet use and 43% scrutinize employees' emails (Yost et al., 2019). Data from the American Management Association's surveys indicate that workplace surveillance was conducted in 82% of organizations in 2001, with a decline to 76% focused solely on internet usage in 2005. Subsequent surveys in 2007 show that 66% of employers engage in internet surveillance, 45% monitor email content, and 45% record audio calls (Indiparambil, 2019). Findings from the HR Metrics and Analytics Summit's survey highlight that 80% of companies employ electronic reporting to collect and evaluate employee data (Summit, 2018).

A primary rationale behind internet surveillance is to optimize efficiency by curbing non-work-related website use, which otherwise leads to time and resource wastage.

Advocates of monitoring argue that personal internet use can be a productivity drain, justifying its role in identifying exemplary and subpar employees and providing feedback based on the gathered data (Miller & Weckert, 2000). Another pertinent motive for surveillance, particularly in the context of CCTV monitoring, is to ensure the safety and security of employees, employers, and the entire organization (Botan & Vorvoreanu, 2006). Sewell and Barker emphasize that monitoring acts as a supervisory tool to deter undesirable behaviors and promote positive ones (Sewell & Barker, 2006).

Nonetheless, electronic performance monitoring systems also present significant paradoxical outcomes, such as compromised privacy, autonomy, creativity, heightened stress, tension, anxiety, depression, and boredom (Bhave, 2014; Indiparambil, 2019; Lee & Kleiner, 2003; Martin & Freeman, 2003).

### III. THE PARADOXICAL IMPACTS OF ELECTRONIC PERFORMANCE MONITORING

- 1. Privacy Invasion:** Privacy can be defined as "selective control of access to oneself or one's group," (Altman, 1976). The privacy of an individual is the degree to which people have limited access to their knowledge, intimacy in life and thoughts (Schoeman, 1984). The most critical debatable problem of occupational surveillance is workplace privacy. Some employees believe that their privacy is violated by surveillance. Detractors of monitoring argue that surveillance curtails the degree of autonomy employees possess over their personal information, achieved through unregulated utilization of tools such as CCTV cameras, radios, wiretaps, tape recorders, internet surveillance, diverse online engagements, and even drug testing.
- 2. Lack of Autonomy:** Autonomy is a fundamental function of privacy. "Autonomy refers to the extent of significant liberty, self-reliance, and decision-making authority accorded to an individual in structuring their tasks and selecting the methods for their execution" (Hackman & Oldham, 1976). Monitoring functions as a mechanism of societal regulation that disrupts employees' self-concept and independence, as surveillance alters an individual's behavior even when not actively being observed (Martin & Freeman, 2003). According to the study conducted by Indiparambil, 39.3% of respondents reacted that electronic performance monitoring restricts their freedom and autonomy (Indiparambil, 2017).
- 3. Lack of Creativity:** According to Martin & Freeman (2003), employees under electronic performance monitoring are forced to act upon the desire of the employer which curtails their creativity (Martin & Freeman, 2003). According to Indiparambil (2017), within the work environment, when employees are compelled to conform to the expectations of either physical or digital observers, it leads to a substantial reduction in employee creativity and autonomy. When employees become aware of their actions and communications being under surveillance, their inclination towards creative behavior might decline due to concerns regarding monitoring and assessment (Ball, 2010).

4. **Physical and Mental Health Issues:** Miller & Weckert(2000) claim that ill-health, stress and lowering of morale are unacceptable consequences of workplace monitoring. Lee & Kleiner (2003) suggest that individuals subjected to surveillance while working may experience an elevated level of stress, depression, anger, fatigue, and physical health complications. Findings from a laboratory investigation conducted by Aiello & Kolb (1995) demonstrate that employees or participants under monitoring consistently exhibit heightened stress and discontent compared to those who are not monitored. Depression, anxiety, and fatigue were adversely correlated with the beneficial function of surveillance and positively correlated with the perceived severity of the control system (Holman, 2003).
5. **Declined Productivity:** Electronic performance monitoring has consequences on employees' productivity(Ball, 2010). If employees tend to believe that their employer does not trust them, their mental well-being is harmfully affected which in turn affects their productivity (Riedy & Wen, 2010). The negative attitude of employees under monitoring can lead to lower productivity (Tomczak et al., 2018). Botan and Vorvoreanu(2006) advocate that the negative employee behaviours that evolved as a result of electronic performance monitoring will lead to lower productivity. The opponents of monitoring argue that productivity is negatively impacted by monitoring. Hartman&Pincus(1998)has identified the link between monitoring and health issues which in turn make employees sick and less productive.

#### IV. SOLUTIONS FOR THE PARADOXICAL IMPACTS OF ELECTRONIC PERFORMANCE MONITORING

1. **Supportive Feedback:** Feedback has long been acknowledged as a crucial element that nurtures learning and motivation, proving effective in enhancing employee performance when linked to well-defined performance objectives. The investigation conducted by Nebeker & Tatum (1993) unveiled that employees who are conscious of computer-based monitoring and receive feedback rooted in this monitoring exhibit enhanced performance compared to a control group uninformed about computer monitoring (Nebeker& Tatum, 1993). While most employees did not object to the utilization of computer-aided monitoring, their opposition stemmed from the manner in which supervisors often delivered feedback – characterized by negativity, delayedness, infrequency, and reliance on subjective performance measures. The provision of feedback through an electronic performance monitoring system contributes to employee development when it adheres to attributes such as frequency, timeliness, precision, objectivity, and emanates from a credible and knowledgeable source (Chalykoff & Kochan, 1989). Monitoring garnered positive reception when undertaken as a constructive management approach, designed to provide feedback on performance, offer support, facilitate issue resolution, and recognize commendable efforts (Holland et al., 2015). Progressive feedbacks result in higher job satisfaction and commitment (Yost et al., 2019). In a call centre study, Holman (2003) reveals that, if electronic performance monitoring is performed developmentally, it may alleviate stress in workers who are under its control.
2. **Advance Notice of Surveillance Policies and Practices:** Electronic monitoring and surveillance in the organization can be successfully used with complete and up-front transparency by the organization. Maintaining employee trust necessitates prior

notification of electronic monitoring and surveillance policies and procedures (Kidwell & Bennet, 1994). Notification of corporate practices and processes appears to be a central aspect of presumed equity and justice for workers through the use of electronic performance monitoring systems (Tabak & Smith, 2005).

Research has found that people who are given advanced notification of the use of surveillance and tracking justifications are more likely to perceive surveillance as appropriate (Stanton, 2000). Higher perceptions of procedural justice were induced by advanced notice and justifications for video surveillance monitoring. It is proposed that workers should be advised what activities are being tracked by employers when employees are being monitored, and how performance data may be used (Perkins, 2013). There should be an advance notice regarding the type of activities under surveillance and also the duration, method, and area of surveillance. According to Miller & Weckert (2000), appropriately used, monitoring can improve both the performance of the company and the willingness of workers to progress. Monitoring work-relevant behaviors minimized participants' perceived violation of privacy and improved procedural justice (Alder, 2001).

- 3. Employee Participation in Monitoring System Design:** It is widely recognized from the literature on human resource management that performance assessment practices that promote high participation of workers contribute to better performance of employees (Batt, 2002). Within the realm of stress and computerized performance monitoring, the literature suggests that alleviating the stress effects linked to such monitoring can be achieved by elevating the perceived control over job tasks and the extent of influence employees possess in shaping their work environment. To bolster perceived job autonomy, the active participation of employees in the creation of computerized performance management systems is proposed (Bates & Holton, 1995). The efficacy of monitoring mechanisms would be heightened through the engagement of observed employees in both the formulation and execution of the monitoring system (Alder & Ambrose, 2005; Alge, 2001). In cases where employees contribute to the implementation of a monitoring system and perceive their inputs as integral, a heightened sense of job ownership, motivation, and reduced stress might ensue (Aiello & Kolb, 1995). This assertion is reinforced by the assertion that organizations fostering employee involvement in the design and deployment of Electronic Performance Management Systems could render monitoring practices more equitable and efficient (Alder, 2001).

A study conducted by Perkins (2013) within call centres revealed that permitting employees to engage in the implementation of electronic performance monitoring systems translated to enhanced job satisfaction and performance. Echoing this sentiment, Moussa (2015) underscores that involving employees in the structural design of a system not only diminishes stress but also bolsters perceptions of fairness and justice (Moussa, 2015). A study by George (1996) on call centers suggests that managers should use electronic performance monitoring in ways that staff can accept and maybe even approve of it.

- 4. Respect to Employee Perspectives:** Managers should respect the perspectives of employees and allow them to challenge the performance data collected using electronic performance monitoring (Perkins, 2013). If employees perceive chances to criticize the interpretation and use of data derived from the EPM system, they see the EPM system as a fair way of measuring results (Moorman & Wells, 2003). But the employee should not

abuse their opportunity (Van Dyne et al., 1994). Other benefits of employee opportunity to challenge performance monitoring data are reduced stress and health problems (Hawk, 1994).

## V. IMPLICATIONS OF THE STUDY

The primary focus of this study is to examine the organization's policy developments concerning electronic performance monitoring. It aims to address any ambiguous aspects of surveillance and create a mutually beneficial environment that promotes harmony between employers and employees. Moreover, the study has the potential to transform the negative perceptions surrounding the electronic performance monitoring system.

## VI. CONCLUSION

In recent times, advancements in computers and related technologies have led to a significant expansion of electronic performance monitoring within organizations. Proponents of surveillance argue from a teleological perspective, highlighting the benefits it brings to organizations, customers, and society at large. Conversely, critics of monitoring employ deontological reasoning, underscoring employees' entitlement to privacy. They assert that surveillance breaches this privacy, leading to emotional discomfort and adverse effects on their overall well-being. In this context, both teleological and deontological views on surveillance are taken into account, and potential solutions are identified. These solutions include involving employees in the design and implementation of monitoring systems, providing prior notice of electronic performance monitoring policies and practices, offering supportive feedback, and allowing opportunities for employees to challenge monitoring data. These approaches are considered as a win-win solution according to Alder (1998) and Perkins (2013).

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