Little Brother is Watching You – The Role of Risk Governance in the Post-Panopticon

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Digitization enables employers and employees to increase working flexibility and autonomy.

Digitization is opening up the organization in terms of physical, spatial, and temporal boundaries (Garret et al. 2017).

Companies like Automatic no longer have a headquarters as physical presence (Staley 2017).

But: Digitization also leads to permanent (Zuboff 2015) and pervasive as well as unbounded (Bauman & Lyon 2013) surveillance.

Governments (e.g. China) are utilizing the surveillance in an Orwellian style and act as big brother, while corporations increasingly rely on surveillance data as well and some corporations evolve into a “little brother” (Parenti 2001).
Panopticon (from Greek pan – everything; opticon – visible) is "a type of power that is applied to individuals in the form of continuous [other] individual supervision, in the form of control, punishment, and compensation, and in the form of correction, that is the modelling and transforming of individuals in terms of certain norms" (Foucault 2002: 70)
Surveillance is used to **care** for and **control** the people watched (Lyon 2006)

The usage of a Panopticon can be **linked** to Taylorism and Gamification

Digitization enables a move towards the “**Post-Panopticon**” in which “everybody is controlled by everybody”

In companies, employees are surveilled **unintentionally** through the increase in digitization

The “little brother” is capable of achieving **holistic** surveillance of any employee within and outside of the corporation (Holland et al. 2015)

“The perception alone that one **may** be surveilled […] can be a powerful tool for management and can have serious potential impacts for the individual” (D’Urso 2006: 2015)
45% of all employees are tracked by content, keystrokes and time spent at the keyboard – a simple but intrusive technology.

(American Management Association 2007)

Source: Peter Yan
## The Challenge of Employee Monitoring

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Risks</th>
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<tr>
<td><strong>Productivity</strong></td>
<td></td>
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<tr>
<td>Minimized Procrastination</td>
<td>Negative for Health</td>
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<tr>
<td>(Paulsen 2014)</td>
<td>(Hartman 1998)</td>
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<tr>
<td><strong>Security</strong></td>
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<tr>
<td>Increased in Security</td>
<td>Increase in Mistrust</td>
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<tr>
<td>(Colwill 2009)</td>
<td>(Chan 2003)</td>
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<tr>
<td><strong>Liability</strong></td>
<td></td>
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<tr>
<td>Detected Transgression</td>
<td>Won’t Stop Transgression</td>
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<td>(Martin &amp; Freeman 2003)</td>
<td>(Pierce et al 2015)</td>
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<td><strong>Privacy</strong></td>
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<td></td>
<td>Loss of Privacy</td>
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<td>(Rosengren &amp; Ottoson 2017)</td>
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<td><strong>Creativity</strong></td>
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<td>Hinderance for Creativity</td>
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<td>(Workman 2009)</td>
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<td><strong>Paternalism</strong></td>
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<td>Decrease in Maturity</td>
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<td>(Hartmann 1998)</td>
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<td><strong>Social Control</strong></td>
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<td>Evoked Behavior</td>
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<td>(Brown 2000; Lepping 2011)</td>
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Seven Arguments derived from Martin & Freeman 2003
New digital workplaces may **require** some form of employee monitoring: Little brother can activate a negative feedback loop especially in terms of post-panopticon, that eventually resembles a **digital/gamified Taylorism** *(Holmes 2016)*

The surveillance data is often **automatically** collected by the technological devices. Employees are surveilled **despite** the fact, that the data is not used

**Source of interconnected** risks for the corporation

**Inherent link between** the risk of surveillance and the risk of productivity

**Inherent risk of faulty** surveillance due to imprecise or subjective data
The traditional risk management function with its specialized task portfolio will not be sufficient for balancing the benefit of digitization and the risk of being perceived as a little brother.

A broader “risk governance” as a solution to steer these interconnected risks: Risk governance proactively assesses risk landscapes from a strategic perspective and links them to the steering of the overall business model (Stein & Wiedemann 2016).

Risk Governance can help create a fitting strategy with “the challenge […] to get balance right in an increasingly electronically monitored and surveilled workplace” (Holland & Cooper 2014: 171).
Role of Risk Governance

- **Design of risk models**
  Especially in a digital world, there are many unknowns in the interaction between human and technology, that may lead to **cascading** effects.

- **Determination of model risks**
  The idea of the post-panopticon **expands** the risk network, consequently, impacts the model risks of existing risk models.

- **Research and development in risk issues**
  Technology is moving fast, understanding and **proactively** discovering potential risks is essential for any organization.

- **Risk consultancy for top management**
  If people feel surveilled due to digitization, it is a risk factor. Top management need to **bridge** digitization with the reaction of the employee.
New workplaces are not pure freedom but rather lead to an increase in surveillance.

Leaders are in a quandary, on the one hand utilizing existing data and on the other hand trying to give the employees freedom (that is in the end only a fiction).

Becoming a little brother is seductive for any organization as the data is available.

Creating transparency and using the surveillance to improve the employees work, are two completely different strategies (e.g. gamification in skill development).

Examples like corporations monitoring productivity through employees’ brain waves (Chen 2018) show the ambivalent potential of the little brother.
New work practices may lead to a certain loss of control, but, technological progress makes it easy to control the employees. The little brother may be seducing for any top management, as it is, due to the digitization, already available. However, this may endanger the survival of the corporation as a whole.


