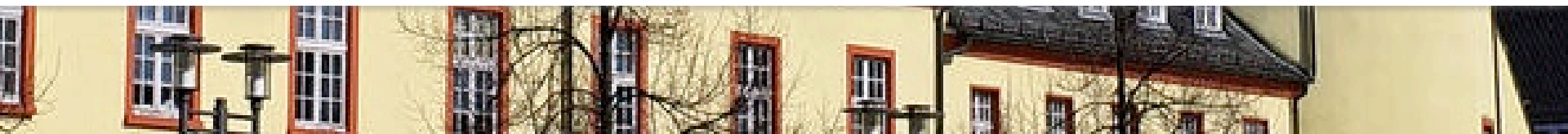


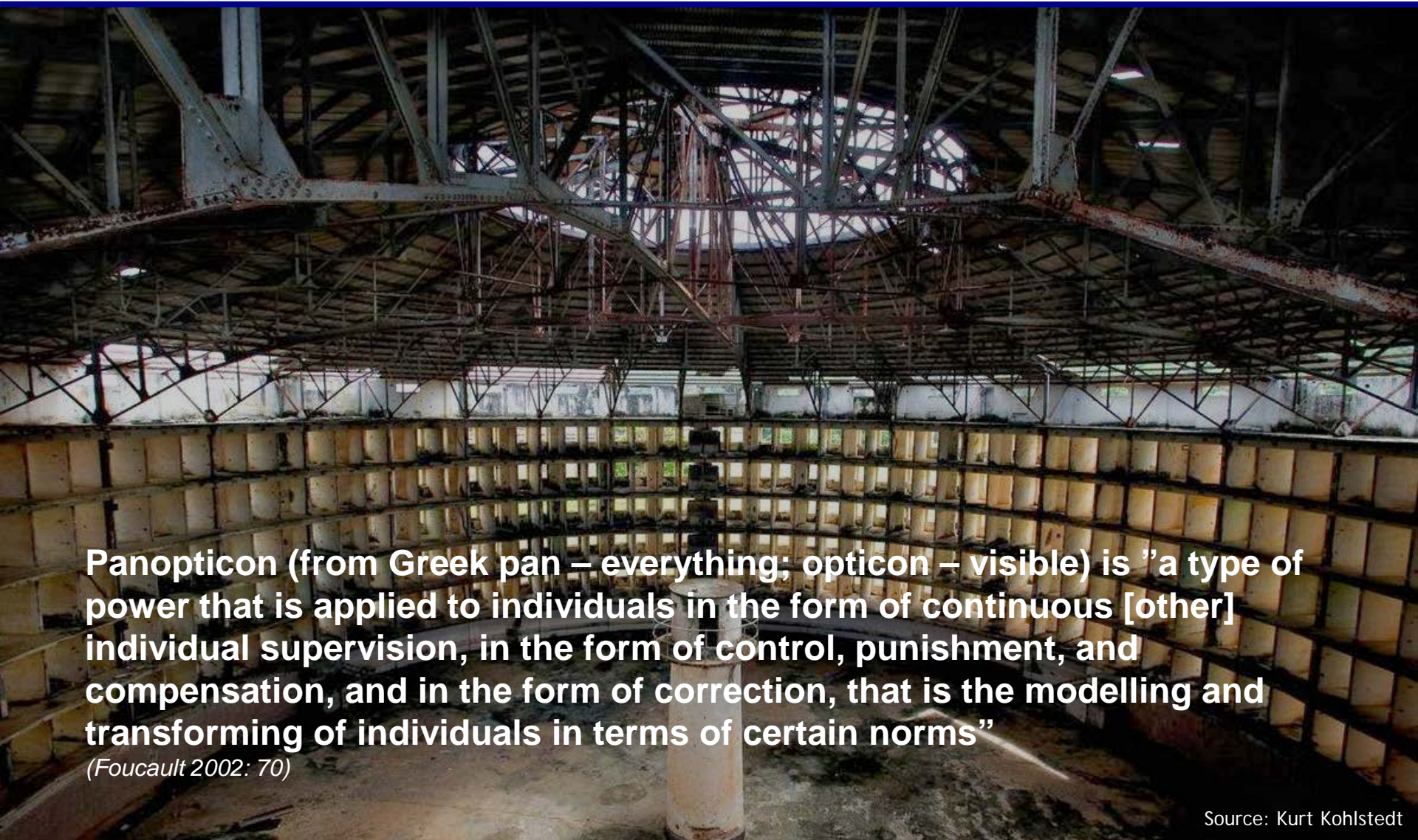
# Little Brother is Watching You – The Role of Risk Governance in the Post-Panopticon

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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*)

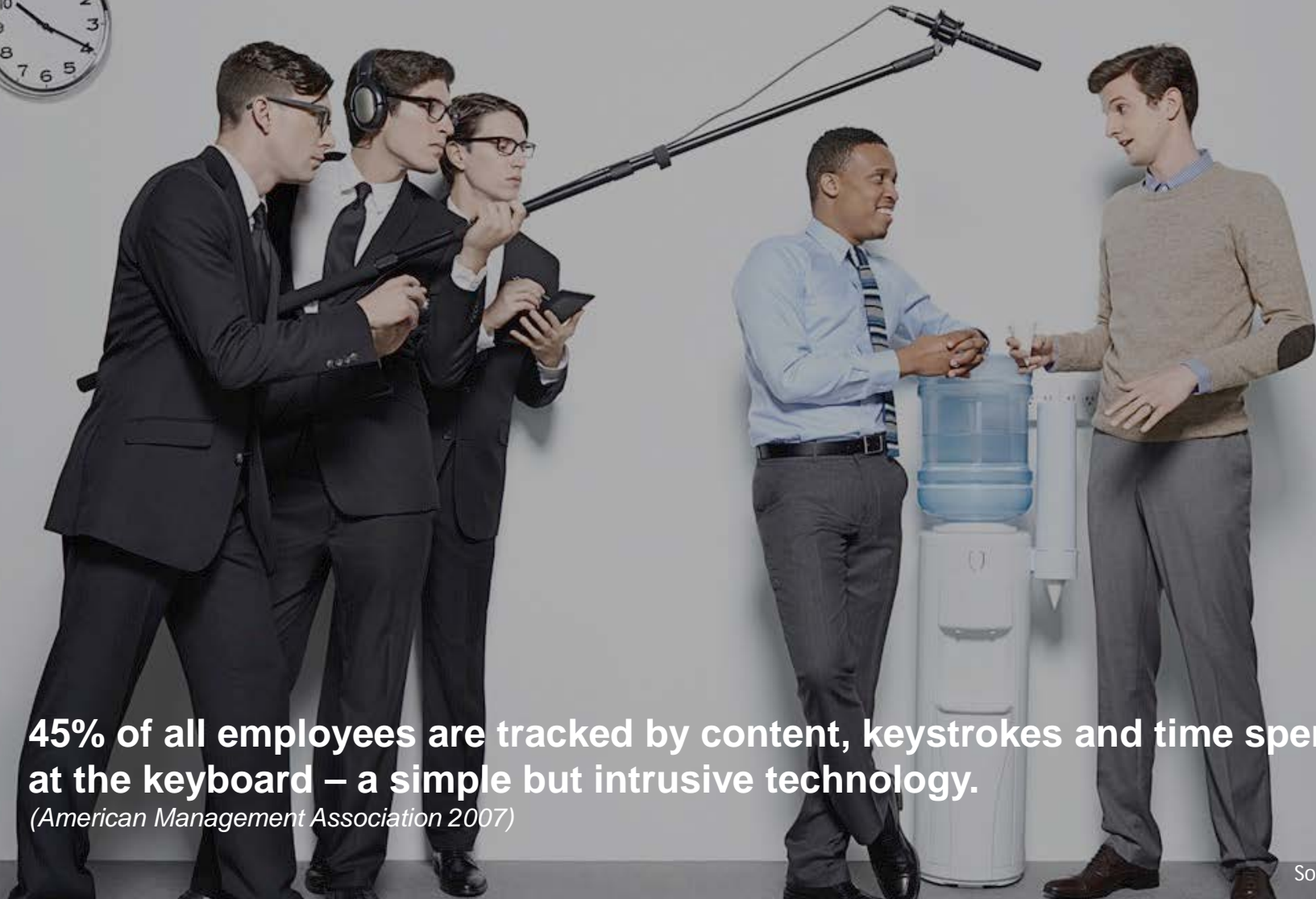
The image shows the interior of a Panopticon, a type of prison designed for surveillance. It features a central observation tower (the 'eye') surrounded by a circular or semi-circular arrangement of cells. Each cell has a small window or door facing the central tower, allowing the guards to observe the inmates from a central point. The structure is made of metal and wood, with a high, vaulted ceiling supported by a complex network of beams. The lighting is dim, with light coming from the windows and the central tower area.

**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)*

Source: Kurt Kohlstedt

- 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

	<b>Benefits</b>	<b>Risks</b>
<b>Productivity</b>	Minimized Procrastination (Paulsen 2014)	Negative for Health (Hartman 1998)
<b>Security</b>	Increased in Security (Colwill 2009)	Increase in Mistrust (Chan 2003)
<b>Liability</b>	Detected Transgression (Martin & Freeman 2003)	Won't Stop Transgression (Pierce et al 2015)
<b>Privacy</b>		Loss of Privacy (Rosengren & Ottoson 2017)
<b>Creativity</b>		Hinderance for Creativity (Workman 2009)
<b>Paternalism</b>		Decrease in Maturity (Hartmann 1998)
<b>Social Control</b>	Evoked Behavior (Brown 2000; Lepping 2011)	

*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)*



- Design of risk models  
Especially in a digital world, there are many unknown 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 **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.**



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