Ethical Leadership for Sustainability in the Era of Technology
ETHICAL LEADERSHIP FOR SUSTAINABILITY IN THE ERA OF TECHNOLOGY

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Abstract

The study aims to explore the importance of ethical leadership in the modern era of technology. In today’s neoliberal world of globalization, financialization, and search for numerical flexibility, organizations are resorting to numerous technological innovations of the second machine age to extract as much surplus value as possible from the workers or employees. To do so, leaders are often engaging in numerous forms of unethical practices. In the given context, the study aims to explore how unethical leadership practices in this technological era ultimately affects the sustainability of the organization. The study is based on secondary data, going through studies from multiple disciplines (ethics, technology, and leadership) to draw a congruent and wholesome picture of the research topic. The current research finds out that in all the sectors, unethical practice by leaders to generate higher profit has been documented in various parts of the world. The major unethical practice done through the use of technology are profiling candidates on social media, monitoring of employees within and beyond the organizational boundaries, misclassification of employees as independent contractors, and algorithmic control. While such practices may boost profit in the short run, in the long-run majority of these organizations are suffering in numerous ways such as legal case filings by the employees, naming and shaming by the general public against the unethical practices, lower productivity, operational and financial distress, and reputational damage. The study suggests that looking at the long run picture, managers should make ethical use of technological advancements and consider both the social and technical aspects of a system to ensure equitable distribution of the surplus value.

Keywords : Ethics, Gig Economy, Leadership, Profiling, Sustainability, Technology.

1. INTRODUCTION

In the current era of neo-liberal globalization, shareholder value maximization, and quest for numerical and functional flexibility (Kalleberg, 2000), businesses are often prioritizing profit generation by exploiting workers over ethical business practice. Such use of unethical means is not a recent phenomenon. Back in the 2000s, the corporate world was suffering from numerous ethics related scandals such as Enron and Lehman Brothers (Lioudis, 2019). Questions were raised about the moral strength and ethical standards of the leaders in the business world. Since then, numerous

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steps such as Sarbanes-Oxley Act, revision to the US Federal Sentencing Guidelines were taken to raise the level of ethical practices and compliance among leaders. While numerous steps have been taken to ensure compliance, recent developments of technology are enabling the leaders to circumscribe many of these guidelines; businesses now use technology to extract further surplus value from the labor process by using the loopholes in existing ethical and legal guidelines. With technological developments of the second machine age (Spencer, 2017), mechanisms are being used to monitor workers’ every move at the workplace (call centre workers (Batt, 2002)) and beyond the workplace through social media profiling (McDonald et al., 2016), thus leading to breach of privacy of the workers. Such unethical practice is not only present at the micro-level, for employees of an organization; at the macro-level, prime examples such as Cambridge Analytica (Deloitte, 2018) demonstrates the extent and severity of unethical leadership practiced through the use of technology. Besides, technology is also used in innovative yet unethical ways in the gig economy: in the sharing economy, through technological intermediation, businesses can get rid of labor suppliers at any time without any sort of justification. Moreover, even though the laborers are exploited in many ways, they are not given the status of a worker or employee; rather, they are identified as ‘independent contractors’ which enables the businesses to avoid numerous responsibilities of an employer, and thus save costs (i.e. security benefits, provident fund) (Prassl, 2018). From the discussion so far, it is understandable that while technology has created avenues for the increased productivity, it has provided leaders and businesses scopes for unethical leadership practice. While these unethical practices may seem to generate profit in the short-term, whether these practices will lead to sustainable profit is uncertain; short-term focus of the business leaders may lead to another Enron fiasco.

While making decisions, ethics is of paramount importance, if a company is to be successful. Compliance towards ethical guidelines not only ensures the seamless operation of a company but also aggravates employee commitment and consumer acceptability. However, at the end of the day, financial profitability is what keeps a business afloat and conveniently enough. Contemporary literature facilitates the fact that a positive correlation exists between a company’s ethical compliance and profitability. Likewise, should an organization choose not to establish and nurture an ethical culture, historical precedence has repeatedly iterated that the companies’ operations have not sustained at all. Avoidance of regulatory guidelines and maintaining a business in an unprincipled manner may only bring about short-term profitability. In the global context of business, this demeanour holds nothing but elimination for the company’s existence.

Even though the importance of ethics is being recognized for decades, no significant effort has been made to shed some light on the paramount importance of ethics in today’s era of modern technology. The current study aims to focus on the problem or issue of misuse of novel technological means by numerous business owners in bypassing many loopholes of existing law and practicing unethical means to boost profit. Even though such unethical practices often lead to short term profit, the
problem of sustainability may still remain. By addressing this issue, the study aims to establish a link among ethical leadership, technology, and sustainable business performance.

2. LITERATURE REVIEW

2.1 Business Ethics

Business ethics can be stated as the rules, standards, codes, or principles that provide guidance for morally appropriate behaviour in managerial decision relating to the operation of the corporation and business’s relationship with the society (Sexty, 2011). Business ethics and its definition have evolved over the years. It also varies from firm to firm. However, its core content or message remains the same all throughout, as it is aimed towards improving organizational effectiveness. Business ethics is known to incorporate fundamental values, such as honesty, trust, respect, and fairness into strategic management, policy development, management practices, and decision-making (Onyeaghala-Obioma and Anele, 2014). It is often seen as a restriction to profitability although numerous studies prove otherwise. What must be kept in mind is that before an organization can enjoy these benefits of business ethics, the organization must invest rigorously both in human resource development and organizational asset. Heysel (2013) opined that these investments take the form of both time and money, which poise encounters to the organization.

2.2 Ethical Leadership

Brown et al. (2005) defines ethical leadership as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making”. It was long believed that certain personal characteristics were associated or perceived to be associated with ethical leadership. In an exploratory research, which conducted interviews with senior executives to identify what the term ethical leadership meant to them, found out that characteristics such as honesty, trustworthiness, fairness, and adherence to principles when taking decisions were perceived with ethical leadership (Treviño et al., 2003). Thus, ethical leaders were thought of as ‘moral persons’ who not only cared about the organization but also about the people in the broader society. The study also found out that an ethical leader does not only practice ethical behaviours himself/herself, but also preaches these behaviours. This preaching dimension is called the ‘moral manager’ dimension where the leader proactively makes ethics part of their leadership agenda through multiple efforts and mechanisms: communicating ethical message to all levels of the organization, role modelling ethical behaviour, and implementing a reward system which holds worker/employers accountable for their ethical/unethical behaviour. Thus, moral manager dimension holds the capacity to make ethics a salient feature of the organization.
2.3 Ethical Leadership and Social Learning Theory

The previously discussed moral manager dimension can be further explained through the lens of social learning theory. According to social learning theory, individuals learn by paying attention to and echoing the values, behaviours of people who are attractive and have a certain level of credibility (Bandura & Walters, 1977). When it comes to ethical learning or guidance, majority of the people look for someone to follow. The previously mentioned characteristics (i.e. honesty, trustworthiness, care for others) make the ethical leader both attractive and credible to those who want to follow them as role models of ethical leadership. Regarding attractiveness, while it can be said that the possession of authority, status, and power already makes the leaders attractive to the employees, only these qualities are not enough to gain attractiveness as a role model of ethical behaviour; qualities such as care and concern is more important in this case. On the other hand, ethical leaders gain credibility from the fact that they practice what they preach; mere preaching would not have made them a desired role model.

2.4 Sustainability

Sustainability refers to the balanced pursuit of three goods, namely ecological health, social equity, and economic welfare (Kibert et al., 2011). Sustainability is concerned with the well-being of not only the contemporary population but also the future generation, thus focusing on both the inter-generational and intra-generational aspects. Sustainability also refers to the required conditions for the world to flourish in the long run. The concept of sustainability can be applied to numerous areas such as energy consumption, greenspace development, and reinvigoration of the local economy. Besides such macro aspects, the concept can be applied at the micro level such as individual organizations, industries, or sectors. From an individual company perspective, applying sustainability concepts can lead to the achievement of the triple-bottom line: people, plant, and profit. Thus, the framework or concept of sustainability ensures that rather than focusing only on the economic aspects, people and planet at large is also considered when taking micro and macro-level decisions.

Sustainability is also one of the key concepts to consider for any organization. It provides an overview for the shareholders to help them realize “whether it would be wise to invest in this company?” Also, for other internal & external stakeholders, it ensures the capability of the organization to achieve limited immortality and helps the organization to justify its decisions, policies and practices. Existence of ethical practices in the organization creates an eclectic co-operation within the company as well as builds a positive brand image, both locally and globally. Apart from all of that, the integrity established within the company earns everyone’s satisfaction and trust in the long run, earning them a limited immortality. All of these together helps the organization to entrust the existing investors of their capabilities, and draw the attention of potential investors, leading the company towards sustainability in future. To provide a practical example, Microsoft maintains strict ethical conduct within their organization. They are so dedicated regarding ensuring proper implication of law that
one of the articles of the companies policy holds statements as, ‘No one will have
to face any sort of penalty for situations where they are 1. refusing to do something
that violates the Microsoft Standards of Business Conduct, policies, or the law, even
if this refusal results in the loss of business to Microsoft, and 2. raising a concern
about potential misconduct, or for cooperating with an investigation. Anyone who
retaliates against an employee for engaging in any of these activities will be subject
to disciplinary action, up to and including termination of employment or business
relationship.’ Astoundingly enough, their maintenance of such strict policies has
provided them with an advantage to draw the attention of investors. These, in result,
provided a boost in their capital & revenue as well. To mention, from 2010-2019,
their revenue margin grew from $62,484billion to $125,843 billion, providing a clear
example of ethics, playing a role in ensuring the sustainability of an organization.

2.5 Ethics and Sustainable Business Performance

It has often been said that a successful business is one which displays good business
performance. Although the term ‘business performance’ is widely used throughout
various academia, there are still disagreement as to its exact meaning. Different
scholars provide different definitions of the term ‘business performance’ according to
their own individual perceptions. Furthermore, the definition of the term has evolved
throughout the ages, indicating the constantly changing environment within which
businesses operate.

During the 1950s, business performance mainly referred to the efficiency of a
particular business, i.e. how an organization optimizes its use of the resources it
possessed. The criteria used for assessing performance are productivity, flexibility
and inter-organizational tensions (Georgopoulos & Tannenbaum, 1957). By the
1960s and 1970s, business performance came to be defined as the organization’s
ability to exploit its environment for accessing and using limited resources (Seashore
& Yuchtman, 1967).

However, after 1980, business performance started to focus more on the stakeholders.
This represented a shift of thinking in the business environment which led to
organizations taking on a more holistic approach in their decision making. Porter
(1986) defined performance as an organization’s ability to create value for its clients.
Harrison and Freeman established that an effective organization with high standard
of performance is the one that keeps the demands of its stakeholders satisfied
(Harrison & Freeman, 1999). Siminica (2008) defined performance as a function of
two variables, efficiency and efficacy. Thus, a firm was performing well when it was
at the same time efficient and effective.

In general, business performance is defined as “the operational ability to satisfy the
desires of the company’s major shareholders” (Smith & Reece, 1999, p.153). In the
’60s, business performance was defined as an organization’s ability to exploit its
environment for accessing and using the limited resources (Seashore & Yuchtman,
1967). Later, in the 1980s, the firm performance depended on its ability to create value for its clients (Porter, 1986).

The relationship between corporate business ethics and organizational performance is well documented. The sustainability of any organization depends on ethical decision-making. Managers’ belief that ethical policies in business would contribute to the long-term success of organizations has brought ethics to the fore (Tekinay, 2003). After reviewing 208 documents, Lewis (1985) defined business ethics as more than just virtue, integrity, or character; it involves the application of one’s understanding of what is morally right and truthful at a time of ethical dilemma.

2.5.1 Ethics and Customer Satisfaction

A business should always value high levels of customer satisfaction and do everything in their ability to gain that. Earning the trust of customers, ensuring repurchases and creating a positive experience for them is possible only when a business is run ethically. Customers play a huge role in building the image of a company, and using unfair means not only discourages them from repurchasing further, but also leads to a negative image by word of mouth.

Misrepresenting, trying to oversell, not giving heed to customers’ complaints are all unethical practices that create dissatisfaction among them. A satisfied customer always comes back for more and refers others to the company. This way, a company expands its loyal customer base while also building a very positive reputation for oneself.

2.5.2 Ethics and Employee Motivation

Motivated employees are one of the biggest assets to any business. Studies have shown that there is a high correlation between ethics and employee motivation. When employees are treated fairly, given a sense of security in their jobs, they try to give more back to their jobs by engaging in organizational citizenship behaviour. They are also more productive and less likely to be absent, leave their jobs, or engage in unethical means. Encouraging diversity, avoiding all sorts of discrimination, creating a safe workplace, and ensuring basic necessities and benefits for employees are a company’s basic duty to them. Creating an ethical culture where the top management is transparent and accountable gives employees the reassurance that their hard work will translate into fair results and motivates them to give their all.

2.6 Technology in the Modern Era

The present era is going through the wave of fourth industrial revolution, often referred to as the second machine age (Davies, 2015). Few of the major developments of these technological era are data analytics, web-2.0 platforms, machine learning, and artificial intelligence. Information is now being collected within seconds; data analytics is being used by organizations, large and small, to acquire, distribute, and analyse any information (Marler & Boudreau, 2017) that the organization thinks is necessary or might contribute towards the generation of higher profit. Technology is
also being used to increase profit through virtual industrialization in the manufacturing sector and predictive service in the service sector. Besides, the development of various web-2.0 platforms has facilitated recruitment and monitoring activities at a lower cost. Finally, one of the recent-most innovation of technological application is the surge in gig-economy: while crowdwork or online gig work (i.e. online freelancing) has been there for a very long time (Kässi & Lehdonvirta, 2018), the on-demand gig work (i.e. Uber, Lyft, Airbnb) has entered the market not too long a time ago (Wood et al., 2019). While it is said that these technological advances are increasing productivity, and providing freedom to the people where they can choose when to work (Sundararajan, 2016), in reality, the use of technology is being determined by its capacity to generate more profit. Businesses are engaging in unethical practices in implementing technological advancements within and outside the organizational boundaries.

2.7 Socio-Technical Systems Theory

While recent developments in technology has brought about benefits for certain segments of the society, for majority of the labor providers the perils surpass the promises to a significant degree. The perils often loom large because of the unethical practices of the capital owners in the society. The promise and peril of technology can be better explained from the perspective of socio-technical systems theory.

![Figure 1: Socio-technical Systems Theory](image)

According to the socio-technical systems theory, in order to ensure the effectiveness of a technological system, one has to ensure that both the technical and social aspects are jointly optimized (Walker et al., 2008). In this case, the social aspects are related to the numerous social actors or stakeholders, and the technical aspects refer to the tangible aspects of the technological development or system. In reality, the capital providers often ignore the social aspects of the system in implementing a technological innovation, thus hampering the joint optimization and sustainable efficiency of the mechanism. They often go for unethical practices to not only ignore the social actors, but also extract as much surplus value from the latter group as possible. The lack of consideration for the majority of the society, thus, leads to a
scenario where the promise to some comes at the peril of the majority of the society. Moreover, such practices cause further widening of income inequality where, as suggested by the Pareto curve, disproportionate share of the generated profits goes to the capital providers (Brynjolfsson et al., 2014).

3. RESEARCH OBJECTIVES AND METHODOLOGY

3.1 Research Gap

While the field of ethics has long been explored by academics, similar studies have not been adequately done in the contemporary world of technology. While numerous laws have been enacted to counter unethical leadership, in the present world, leaders are resorting to numerous novel techniques, facilitated by technology, to utilize the legal loopholes of earlier strategies. However, whether these unethical leadership practices lead to sustainable profit for the organization is yet to be explored.

3.2 Research Objectives

The primary objective of this study is to identify the importance of ethical leadership for sustainable organizational performance in the modern era of technology. While the value of ethics has repeatedly been emphasized, and research has been done on numerous organizational contexts and industries, both empirically and theoretically, academics have not sufficiently explored the importance of ethical practices and leadership in the second machine age. In an attempt to address this research gap, the current study aims to explore the development and implication of technological advancements in the business world and find out whether technology is being used by the leaders in an ethical manner. The study also aims to investigate the impact of ethics on retaining operational and organizational sustainability. The researcher aims to identify whether and how unethical practices harm sustainability, and to what extent. To summarize, the specific research aims of the study are:

- To explore how technology has changed the world of managing the organization and its employees.
- To identify various unethical practices in deploying technological advancements.
- To demonstrate how unethical practices harm sustainability of the organizations.

3.3 Methodology and Research Design

In this study, the researcher follows a critical realist ontological position which assumes that the society is not solely a product of human design; it is also shaped by rules, norms, and various institutions (Edwards, 2005). From this ontological position, the researcher considers the role of various rules and institutions in analyzing the stance of ethical leadership in the era of modern technology.

The current study is based on secondary data. Drawing from multidisciplinary studies done in the field of ethics, sustainability, and technology, the current study aims to explore the relationship among these three aspects, in order to find out the importance of ethical practice by leaders of the second machine age or fourth industrial revolution in ensuring that the sustainability of the organization is unharmed.
In discussing the existing literature, the concept of technology, sustainability and ethical leadership were operationalized in terms of the following variables:

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<tr>
<th>Concept</th>
<th>Variable</th>
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<tr>
<td>Technology</td>
<td>Employee Monitoring tools</td>
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<td></td>
<td>Gig economy</td>
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<td></td>
<td>Teleworking</td>
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<tr>
<td>Ethics</td>
<td>Frequency of the use of technology to bypass legal loopholes</td>
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<tr>
<td>Sustainability</td>
<td>Average profitability</td>
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<td>Years in operation</td>
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The abovementioned variables were found to be used in most of the studies for the purpose of operationalizing the mentioned concepts.

4. FINDINGS OF THE LITERATURE SEARCH

4.1 Ethical Leadership and Technology

4.1.1 Employment-unemployment Paradox of Technological Revolution

Technological unemployment dates back to the 18th century when machine-breaking Luddites continuously protested the use of technologies as it made them lose their jobs. Such incidence of unemployment is also predicated today, both in developed and developing economies: it is predicted that 47% jobs might be eliminated in the USA (Frey & Osborne, 2017). It is to mention that the figure is this large when a ‘job-focused’ approach is taken (elimination of the whole occupation or job is considered here). While a task-focused approach is taken, where a job is seen as a combination of multiple heterogenous tasks, the unemployment figure might come down: while some of the tasks are being automated, the remaining tasks are being handled by the workers. However, in such task-based economy, the ethical practice of the business leaders might be questioned. In many cases, necessary investment is being thwarted by the leaders as they often find it cheaper to get the work done manually through low-wage labor rather than through mammoth-sized machines. To elaborate, many businesses still offer hand-washed car service instead of machine washing as it is cheaper to provide it in the former method (Spencer, 2018).

This search for profit is also documented in the case of outsourcing, facilitated by technology. In countries where the minimum wage is high or the wage regulation is strong, businesses use the internet to outsource their work to low cost, low minimum-wage countries to bring their overall labor cost down (i.e. micro-work over the internet) (Bergvall-Kåreborn & Howcroft, 2014). Even though such practices may be legal, whether these are ethical needs exploration. So, it can be said that even though technology has definitely led to unemployment, at the same time it has provided employment for some. However, the quality of some of these employments are questionable in terms of wages, benefits, and primary motif behind these employments.
4.1.2 Ethics, Technology, and Life beyond the Organization

Now-a-days, technology comes into play in the management of people even before the employment relationship starts, such as in e-recruitment (Kramar & Syed, 2012). While it helps organizations in bypassing the bureaucratic process of posting a job advertisement and better screening of the applicants, business leaders and line managers often use technology in profiling candidates through social networks, a practice completely unethical from the perspective of breaching privacy of an individual. In profiling, a candidate is being judged based on his/her personal lifestyle. In most of these cases, the candidate does not have any idea that his/her personal data is being used to make recruitment decisions (McDonald, Thompson, & O’Connor, 2016). Such practices of profiling have been documented across USA and Australia, even though no definite relationship has yet been documented between the collected life-style data and future job performance (Davison et al., 2011). To control such unethical practice, steps are recently being taken at the EU level: In 2018, General Data Protection Regulation (GDPR) has been enacted that imposes certain limitations on profiling practices; candidates and other individuals need to be informed about the use of their private data if such data is being used by the organizations (ICO, 2018).

Another common unethical practice that goes beyond the boundaries of the workplace is tele-working. In tele-working, workers can work from distant places without coming physically to the office. However, employing tele-working, employers very often obligate workers or employees to overwork: response to emails after office hours is a very common expectation in many organizations. Because of work-intensification, employees suffer from burn-outs; as suggested by border theory, there are negative work-home spill-overs as well (Felstead & Henseke, 2017). Forcing employees to work beyond office hours is a prime and common example of unethical behaviour facilitated by technology. However, to stop such practices, certain countries i.e. France have taken initiatives to stop the organizations from communicating with employees after office hours (Koslowski, 2016).

Another major unethical practice facilitated by technology is the continuous monitoring of employees, both within and beyond the organizational boundaries. In certain industries (i.e. call centre), such practice has been going on for quite a long period of time. Recently, these practices have entered even the homecare sector (Moore & Hayes, 2017) where the care workers are monitored all the time, and their commissioning is done on a minute-by-minute basis. For residential care workers, the monitoring starts from the moment they leave the office; so, their journey to the clients’ house is also being monitored. Such monitoring often goes beyond the boundaries of the organization. Nowadays, social media behaviour is increasingly being subjected to numerous forms of policing. In cases, employees are terminated due to their private social media activities (Balnave et al., 2014).
4.1.3 Ethics in the Gig Economy

While many praise the gig economy for its ability to generate employment, provide flexibility, and facilitate supplementary income (Sundararajan, 2016), there are numerous perilous outcomes such as low pay, algorithmic control, and the uncertainty of employment status (De Stefano, 2015). The most notable unethical practice can be traced to the uncertainty created by the businesses regarding employment status of the labor providers. Most of the companies identify the workers as ‘independent contractors’. By not classifying the labor providers as workers or employees, businesses can easily circumvent numerous responsibilities of a traditional employer such as sick pay, insurance benefits, provident fund etc. Moreover, in many countries (in USA, UK), the classification enables the employees to bypass the minimum wage and working time regulation as these regulations only apply to workers or employees. While they are classified as such, the company practices show a completely different picture. In reality, all these companies significantly control the working behaviour and conditions of the workers. The pay rate is unilaterally determined where the workers has no right to negotiate; often the pay rate is too low compared to the minimum wage of that country. Besides, they have to cover all the maintenance expense (in Uber, fuel expense, car maintenance) from their already low pay rate. Certain company contracts even retain the right to disbar workers from the platform without any form of justification (i.e. in Amazon MTurk (Howcroft et al., 2019)). Such unethical and unjustified practice is facilitated by the use of algorithmic control where the worker is automatically disbarred, if a certain client rating is not met, In many cases, the companies fire workers who wanted to protest against the numerous unethical practices of these businesses (Tassinari & Maccarrone, 2017). Alongside firing workers, management often follows strategies of avoidance for many of the gig economy workers. Inversi (2018) in her study in the UK found out such practices where many food delivery riders in the gig economy did not get sufficient access to management. Those who had access earlier, with time, their level of access was also going down. Such avoidance policy could be a strategy of avoiding complaints from the riders, and consequently, avoiding the need to resolve those complaints.

Similar unethical practices are documented in both the developed and the developing economies. Research in the developed economies shows that the workers are disbarred without any form of arbitration rights (Aloisi, 2015). The situation is even worse in the developing economy. To elaborate, a ride-sharing start-up Pathao in Bangladesh fired a huge number of its administrative employees without a single day’s notice (disbarring riders is also very common here) (Islam, 2019). The stated reason for such termination was the inability to carry out its day to day operations due to huge operational costs. Whereas in developed countries, in such cases, employees are provided with certain number of days’ notice, it was not the case here. Given the weak employment law system of the Bangladesh, such unethical practice of these tech firm leaders goes unanswered.
4.2 Unethical Behavior and Unsustainability: Social Media

The unethical leadership practices are ultimately affecting the reputation and productivity of the organizations in the long run. Often times, the same technology that is being used by the capitalists in numerous unethical ways, are also being used by the employees or workers to raise voice against the former. The worker voices often rightly affect the sustainability of these organizations’ profit, image, and operational efficiency. To elaborate, using Facebook and other social media platforms, workers and employees can raise their voice against the oppressive behaviour of the capitalists. In the process, they can engage the general public outside the organizational boundaries, thus affecting the brand image of the organizations.

Besides sharing individual posts on social media, employees and workers can form online communities to raise their voice against the organizations. These online communities are also used by traditional unions to promote their membership base among potential recruits (workers). Such communities play a very strong role in countries (specially in developing economies) where traditional unions are not active. In countries where union density is low such as Pakistan (Saqib & Allen, 2018) or organizations in general are anti-union (Cohen & Richards, 2015), such online communities might be very effective in raising collective voice against the unethical practices of the leaders. Such collective voice often affects the sustainability of the accused organizations.

4.3 Unethical Behavior and Unsustainability: Gig Economy

Even though numerous firms in the gig economy made flying starts, many of these companies are suffering either financially or reputationally, or both. As a result, many of these companies’ sustainability are being affected severely. Majority of the companies are currently dealing with multiple lawsuits filed by their workers (De Stefano, 2015). Aslam v Uber BV and Dewhurst vs. Citysprint in the UK and Cotter v. Lyft, Inc in the USA are few of the notable examples. These cases were filed because of misclassification of employment status: while they were classified as independent contractors, the businesses treated them as workers. Through these suits, the workers wanted at least a worker status, and often demanded the right to form unions. Even though, not all cases were won by the workers, many of these cases (i.e. Aslam v Uber BV and Dewhurst vs. Citysprint) went in favour of the laborers. The verdicts of these cases made the organizations lose huge amounts of money. In other cases, companies are paying large amounts to settle the case outside court. The loss is not contained in the financial aspect only; because of these cases, their brand image is being affected significantly. Such huge hits on the financial and reputational aspects harm the sustainability of the companies.

Numerous courts have ruled that such misclassification of employment status is an unethical and intentional ploy by the accused companies in order to reduce large amount of expenses in managing workers/employees. Such decisions definitely affect the brand sustainability of these start-up tech companies. Besides financial
and reputational sustainability, the operational sustainability is also being affected due to these unethical practices. To stand-up against the oppressive and exploitative practices of these tech companies, workers (i.e. Uber riders, online freelancers) across the world have organized many protests till date, both online and offline (Vandaele, 2018). Many of them often voluntarily log out of the apps and go on strike (this phenomenon is called a proto-strike). The number of such strikes is also gradually growing: while in 2016, 03 protests by riders of various ride-sharing companies were reported across Europe, in 2017, the reported number went up to 40 (Zamponi, 2018). These protests definitely affect the operational sustainability of the ride-sharing giants. While such steps are being taken to stop the unethical practices of these companies, the companies are often resorting to further unethical means to counter these protests. Evidence suggests that companies have fired protesters from their apps, and offered higher rates of pay to the riders to lure them in continuing to share rides rather than joining protests (Tassinari & Maccarrone, 2017). Even after such practices, the leaders are not being able to protect the image of their organization. Often, along with the riders, customers and general public are joining through social media in public ‘naming and shaming’ of these companies.

5. RESEARCH IMPLICATIONS AND FUTURE RESEARCH SCOPE

The emergence of recent technological innovations has definitely increased the productivity for some organizations as well as industries. However, the benefits of today’s technological era are far from being equally distributed among all the social actors. Even though few studies focus on only the positive side of the technological revolution, these studies tend to ignore the people and human side of the labor process. Based on the review of existing literature and considering the human side of the labor process, the following framework may be proposed for this study.

Numerous unethical leadership practices have led to a society where majority falls victim to the oppressive practices of the capital owners. Even though such practices are documented to lead to initial profit generation in the short-run, from
a sustainability perspective, many of the organizations are failing to maintain a sustainable profit level. At the micro-level, numerous unethical practices such as profiling and continuous monitoring are being challenged in courts. Such blurring of boundaries of private and professional life has not only led to financial loss through legal case filings, but also affected the reputation of these companies. Moreover, such practices also impact the long-run productivity of the employees, ultimately bringing down the bottom-line of these companies. Similar negative aspects are also common outside the boundaries of the traditional organizations, especially in the gig-economy. This is one of the most recent and prominent examples which demonstrate the effect of unethical practices on sustainability. Majority of these companies in the gig economy are suffering from low profit generation; they are highly criticized for unethical practices of misclassifying the workers as independent contractors, disbarring the labor providers without providing them any voice to justify their actions, and so on. Multiple lawsuits are taking a huge hit on the bottom line of these companies.

The present study findings have further implications both at the macro and the micro level. At the macro level, governments can take initiatives to counter the unethical practices facilitated by novel technologies. At the micro-level, organizations can be educated about the long-run ramifications of following the unethical practices discussed in this paper. It needs to be established among the capitalists that organizations need to focus both on the social and technical aspects of a system rather than just the technical aspects and the profit motifs. However, before that, further research needs to be done to identify the motifs of all the social actors in the socio-technical system; this will enable us to consider everyone’s perspective when designing an organizational culture of ethical leadership, which in turn will lead to a future of sustainable development.
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