





Fair and ethical work life

The aim of this memorandum is to identify ethical problems at work faced by university graduates in the field of technology. The cases have been collected from TEK's members in 2020 using a survey and have been anonymised for publication. Permission to publish the anonymised results has been requested in the survey. The document also suggests ways to avoid the ethical problems identified.

In general, ethical requirements have evolved so that compliance or non-compliance is not directly visible in the final product. These include, for example, ethical requirements relating to the environment and energy. However, these challenges did not emerge strongly in the survey data. The cases described are typically confined to the work communities of TEK members. Members' experiences show that the rights and obligations of the employer and employee are not always sufficiently clear, which can lead to ethical problems. Clarification would help to avoid these problems.

Ethical challenges in the daily work of TEK members: cases

1 Actions in conflict with the law

The law represents the generally accepted ethical standards that have been laid down for compliance. In addition to actual illegal activities, there may be situations where an employee is ordered to act in violation of the law. The action may be approved by the senior management of the work community or taken contrary to its instructions. The ethical challenges experienced by members are broken down by law in this section.

1.1 Non-discrimination Act and Equality Act

- A member of a recruitment team describes a case in which the most experienced applicant

who was most qualified on paper out of three applicants for a managerial position was not recruited, despite the views of this member and HR. The recruiting supervisor who made the selection justified the decision only by saying that they had Googled the candidate whom the others found most qualified and found out that the person was an active Christian and that they were concerned about this person's attitude towards the company's recreation days, which often involved drinking alcohol.

- During a job interview, a candidate was asked about their family relationships and plans to have children, and they did not get the job they applied for.
- The company's recruitment process involved discriminatory practices, such as candidates' background and ethnicity checks and analysis by the recruitment team.
- The company had not issued any warnings due to inappropriate behaviour towards women, despite HR suggesting them with good reason.
- An internal company survey had revealed that women were many times more likely to experience harassment or bullying than men, but no action has been taken to address the issue.
- A female sales engineer was granted a lower salary than her male counterparts and this was falsely claimed to be the starting salary in the company.

1.2 Co-operation Act, change negotiations

- The company complied with the provisions of the Co-operation Act, but the practices were, in the employee's opinion, age discriminatory. Those close to retirement age, and especially those entering the retirement pipeline, were given notice and, after the period during which employers must prioritise terminated employees in recruitment had ended, recruitment for almost the same role was started.

1.3 Working Time Act and Employment Contracts Act

- Unpaid overtime, back-to-back fixed-term employment contracts and unjustified hiring on fixed-term contracts were all practised in the workplace.
- Overtime was expected in the company without paying the compensation required by law.
- The record of working hours did not correspond to reality. For example, time tracking ended at 8 p.m. before everyone had left the workplace.
- A non-competition agreement was concluded even though the conditions laid down by law were not met.

2 Exploitation of the employee's weaker position

Unfortunately, there are situations in work life where employees' rights and welfare are intentionally or unintentionally neglected. Such situations may include the assignment of morally dubious tasks, discrimination or the imposition of unreasonable working conditions. Employees may face ethical challenges related to their duties or find that others have had to act unethically. This section describes various situations in which an employee's weaker position has been exploited and the ethical consequences of these situations.

2.1 Being instructed to act unethically at work

- The principal owner of a company, who was also the chair of the board, sent invoices to others to be entered in the accounts. The owner also made purchases themselves, not all of which passed through the project organisation.
- A supervisor behaved in a threatening manner and pressured an employee to prepare a financing decision for a company whose pricing seemed suspicious. The employee feels that they were misled, and that information was withheld from them.

2.2 Abuse of a supervisory position

- A new supervisor demoted their employee to a lower title in order to use their title themselves. The subordinate's duties did not change.

- A company recruited students into unpaid internships without proper internship supervision.
- When concluding an employment contract, an employer offered young applicants in particular a contract with questionable terms: a salary well below the normal level, a zero-hour contract and periods of notice that were unfavourable to the employee. The person working for the company felt that young people's inexperience was systematically exploited.
- The company had a code of conduct which required people to be treated appropriately in the workplace, but the management practices of the company were constantly in conflict with the code, especially in terms of young employees, and the issue was not addressed. The employee was afraid to report the issue because, despite having access to an anonymous whistleblowing channel, they feared that their identity would be revealed and that this would have consequences.
- A supervisor and their subordinate carried on a secret affair for years, which led to conflicts of interest and also favouritism.

3 Other unethical practices

Työelämässä saattaa tulla vastaan monenlaisia tilanteita, jotka eivät riko lakia mutta ovat silti vähintään moraalisesti arveluttavia. Tällaiset toimintatavat voivat liittyä esimerkiksi harhaanjohtavaan viestintään, tietojen manipulointiin tai ympäristön kannalta haitallisiin päätöksiin. Työntekijät voivat joutua tekemisiin näiden ongelmien kanssa joko suoraan tai välillisesti. Tässä osiossa tarkastellaan erilaisia epäeettisiä toimintatapoja, jotka ovat ristiriidassa yleisesti hyväksytyjen moraalisten periaatteiden kanssa.

3.1 Unethical business practices

- According to an employee, their employer has withheld information from their clients about project delays or failures, despite being aware of them.
- An employee had been involved in software project sales meetings in which their colleague had given the customer misleading examples of successful projects carried out by the company. The projects were real, but since former employees had been replaced by new ones, the company had not possessed the capabilities required for these projects for years.
- Academic projects carried out in the organisation with external funding did not correspond to the actual number of hours and personnel





that were recorded. The person who recorded the hours had not necessarily worked on the project or the work that had been done had nothing to do with the research and content that was funded.

- An employee had to pay for a customer's escort services on their request. [It is not known whether the employer insisted on this or whether the employee themselves felt pressured to do so.]

3.2 Questionable behaviour by a subordinate

- A subordinate informed their supervisor that they would give the supervisor an unreasonably low score in a work climate survey but was prepared not to do so if they received a pay rise.
- An employee responsible for managing a system containing salary information told their colleagues that they knew everyone's salary level and publicly compared their salary with other people's salaries.

3.3 Ethical challenges posed by the work culture or climate

- A company employee noticed others failing to comply with safety instructions, but did not report the failures for fear of exposure and a bad reputation in the workplace.

3.4 Activities often perceived as ethically problematic, but still legal

- An employee's company conducted business with international tobacco companies. Potential ethical problems were not discussed within the organisation. [Business with tobacco companies is permitted and selling products to adults is normal, but the ethical dilemma is understandable.]
- A foreign owner proposed artificial organisational and financial arrangements to shift all taxable income to tax havens.

Developments outlined by TEK's Technology Ethics Working Group to reduce and avoid ethical problems

1. Establishing and developing a whistleblowing channel

The Finnish Whistleblower Act implements the EU Whistleblowing Directive. As its name implies, a whistleblowing channel is a channel through which members of an organisation can blow the whistle,

so to speak, on illegal or unethical activity. The whistleblowing channel is part of current EU regulation and all companies with at least 50 employees are required to establish one. A channel can also be established voluntarily. The channel is designed to protect people who report wrongdoing within an organisation. We do not yet have extensive experience of the effectiveness of this system, as whistleblowing channels have only been required for a short time in the EU. It is important to monitor and evaluate the effectiveness and impact of the Whistleblower Act, and to take any corrective action, as necessary.

2. Promoting active intervention in breaches of the law and ethical problems

The purpose of laws is to serve as a guideline and a safety net, but there are situations in which laws do not work as expected. This can be due to many factors, such as weak enforcement of the law, ambiguity in interpretation, or the law not being up to date to meet the rapidly changing needs of work life. Moreover, although means of intervention may be available, they are not always utilised effectively. This may be due to lack of resources, fear of retaliation, lack of information or even corruption-related obstacles. It is also possible that employees or supervisors are afraid to take action because they feel they are not sufficiently protected by the law, or they fear that intervention could damage their careers. The anonymous whistleblowing channel described above can provide a solution to these issues in some, but not all, cases.

3. Improving awareness of the duty of solidarity, which includes the obligation to report ethical problems in the organisation

Employees may face situations at work where an ethical problem is caused by their own supervisor, or their supervisor refuses to help address an ethical problem raised by the employee. However, senior management often has an interest in resolving these issues. In such cases, it is important that the organisation has clear ethical principles and policies that are also followed. Employees must be able to trust that all problems are dealt with fairly, regardless of where they occur in the organisational hierarchy. An open and secure whistleblowing channel is important so that problems can be reported without fear of consequences. In addition, senior management must take responsibility for all reported issues, investigate them thoroughly and take necessary action. This is also related to the employee's duty of solidarity towards the employer, which obliges them to report any issues, if their own supervisor fails to contribute to resolving the matter.

4. Publishing “Good Termination Practice” as a guideline, as terminations are particularly susceptible to ethical problems

Employee termination is always a sensitive and complex process that requires careful consideration. If a termination situation is handled poorly, for example due to the wrong approach or timing, the consequences can be severe. The wrong approach can mean, for example, unclear communication, lack of respect or failure to provide appropriate support. Bad timing, on the other hand, can exacerbate the situation if the termination occurs, for example, just before a holiday or when the person is struggling in their private life. Such mistakes can lead to long-term mistrust, a deteriorating work climate and loss of reputation. It is therefore crucial that terminations are carefully planned and implemented, taking into account the perspective and rights of both the organisation and the employee. “Good Termination Practice” could serve as a guideline that specifies how terminations should be handled in a professional and humane manner. This guideline could include, for example, recommendations on how to conduct termination discussions, what support should be offered to terminated employees, and how to ensure that the process is fair and transparent. Publication of such a guideline would promote transparency and consistent practices, which could reduce conflict and increase trust.

5. Preparing a “soft landing retirement plan” with a retiring employee that shows that the person is valued not just in fine words, but in reality

Instead of appreciation for the skills acquired over a long career, those approaching retirement age unfortunately often face age discrimination in the labour market, and these experiences were also reflected in the data collected from TEK members. One way to promote the appreciation for the skills acquired over a long career could be a “soft landing retirement plan”, a practice whereby special arrangements are agreed with a retiring employee to make the transition easier. This could include part-time work before full retirement, taking on a mentoring role in training the next generation or other flexible solutions that show appreciation for the employee’s contribution. Lessons could be drawn from academia, where retired professors with emeritus titles are still involved in supervising theses, for example.

6. Employees’ right to veto: monitoring of the work climate and the consequent measures should be consistent

Organisations systematically measure work climate and well-being at work, but even when

surveys reveal problems, they are not necessarily addressed, or they are addressed only superficially. Mere monitoring without concrete action is ineffective and can even be harmful, as it creates the illusion of care without real impact. When monitoring produces negative results, such as a poor work climate or employee dissatisfaction, the organisation should react immediately and take the necessary action to remedy the situation. This may mean, for example, improving working conditions, revising management practices or having an open discussion with employees. This can also mean addressing the harmful behaviour of individual employees. Workplaces need to have a right to veto, so that employees can anonymously raise an issue again if the solutions to address it are insufficient.

7. Work community skills and leadership skills in particular should be strengthened

Many ethical problems in the daily life of work communities arise in social interaction. Due to the hierarchical position, unethical practices in leadership situations are particularly problematic, as subordinates are, by definition, subordinate to leaders. Unethical leadership practices may involve, for example, public criticism or blame, lack of fairness, or showing favouritism or discrimination against certain employees. Such practices not only violate ethical standards but also jeopardise the well-being and productivity of the entire workplace. It is important for organisations to recognise and eradicate such practices and for supervisors to be given training in fair and respectful leadership.

8. Companies should have more discussions about the ethics of their business

Companies often face ethical problems in their business operations, which have an impact on employees, customers and society. They can be related to, for example, customers who require companies to engage in corruption, or to customers operating in ethically questionable industries, such as gambling or the tobacco industry. In addition to customers, ethical issues can be found near the top of the value chain, for example in the sourcing of products or raw materials produced under questionable conditions. It would be important for companies to foster a culture of debate on ethical challenges that is as open as possible. Employees should be consulted in the selection of customers and partners if ethical problems are identified. The rationale for business decisions should be as open as possible within the company and active discussion on decisions should be encouraged.



