

Intended for VP of Corporate Communications

Impact of Employee Monitoring Systems at Wells Fargo

Prestige Worldwide

Luke Navarrete

Ben Onderick

Ryan Hensien

Evan Berwick

WELLS FARGO

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Who Did What?

Wells Fargo, a major financial services company, has implemented employee monitoring systems to track employee activity and improve efficiency. In today's highly competitive and regulated industries, companies need to ensure that employees are meeting performance goals, complying with company policies, and avoiding potential legal liabilities. Employee monitoring systems can help achieve these objectives, but they also raise ethical concerns around privacy and workplace culture.

Wells Fargo EMS

For Wells Fargo, the need for EMS has become apparent due to the organization's issues with employee misconduct. The company has faced several high-profile scandals in recent years, including the opening of fraudulent accounts and improper sales practices. These incidents have resulted in significant financial penalties and damage to the company's reputation. As a result, Wells Fargo has faced increased regulatory scrutiny and pressure to improve its corporate culture and ethics.

Highly Regulated Industries

EMS is used across various industries to improve productivity, compliance, and risk management. For example, in the healthcare industry, monitoring systems can help to ensure compliance with patient confidentiality and data protection regulations. Insurance companies use monitoring systems to track employee performance and detect fraudulent activities. In the government sector, monitoring systems can be used to track employee behavior and prevent data breaches. Systems may vary across industries, but the benefits they offer in terms of improving efficiency, reducing risk, and enhancing accountability are widely recognized.

Benefits of EMS

The implementation of EMS at Wells Fargo could provide several benefits, such as enhanced security measures and improved risk management capabilities. These systems could help identify potential compliance violations, detect insider threats, and prevent data breaches. Additionally, EMS could improve employee productivity by providing managers with insights into how employees use their time and identify areas where training or support may be needed.

Disadvantages of EMS

The use of EMS may lead to unintended consequences, which could limit creativity and innovation. Employees may feel like they need to prioritize meeting performance targets over finding innovative solutions. Discouraging employees from thinking uniquely or producing new ideas, will hurt the organization's competitiveness. Monitoring systems may have a negative impact which is why there needs to be a strong balance between transparency and monitoring usage.

Our team believes that implementing EMS is necessary for Wells Fargo to address fraud concerns and employee accountability that it faces but emphasizes the importance of striking a balance between monitoring and privacy considerations. We recommend that the company adopts a transparent and open approach to implementing these systems, involving employees in the process and addressing their concerns. Additionally, we suggest that Wells Fargo establishes clear policies and guidelines around the use of EMS, ensuring that employees understand their rights and responsibilities regarding monitoring. Ultimately, the success of EMS implementation at Wells Fargo will depend on the organization's ability to maintain a culture of trust and respect for employees' privacy and autonomy.

Executive Summary

Wells Fargo Employee Monitoring Systems

The use of employee monitoring systems (EMS) highlights the importance of employee monitoring and accountability

The use of employee monitoring systems(EMS) in business has shaped the way companies do business in today's world. There are many types of employee monitoring that include monitoring email, phone calls and internet use. Monitoring employees is used to make sure that employees are doing what they are supposed to be doing while at work.

Monitoring employee emails

As mentioned above, there are multiple ways that monitoring happens in business. One of those ways is by monitoring employee's emails. Many companies can view emails that are received and sent from a company email address. A point of contention regarding email monitoring was brought up in 2009. In 2009, a New Jersey supreme court ruled that companies could not view personal emails from personal accounts while being logged in to on company devices (SHRM). Monitoring emails are one of the main topics concerning monitoring in the business world and keeps employees accountable for what they do at work.

Monitoring employee internet usage

Another form of monitoring that companies use is monitoring employee's internet usage. According to the American Bar Association, 80% of companies monitor their employee's internet usage, companies in the financial sector are particularly cautious (ABA 2018). This includes things such as just normal internet browser use, files and software's downloaded, and anything that is displayed on the screen. The goal of this intensive internet monitoring is to keep employees focused and accountable.

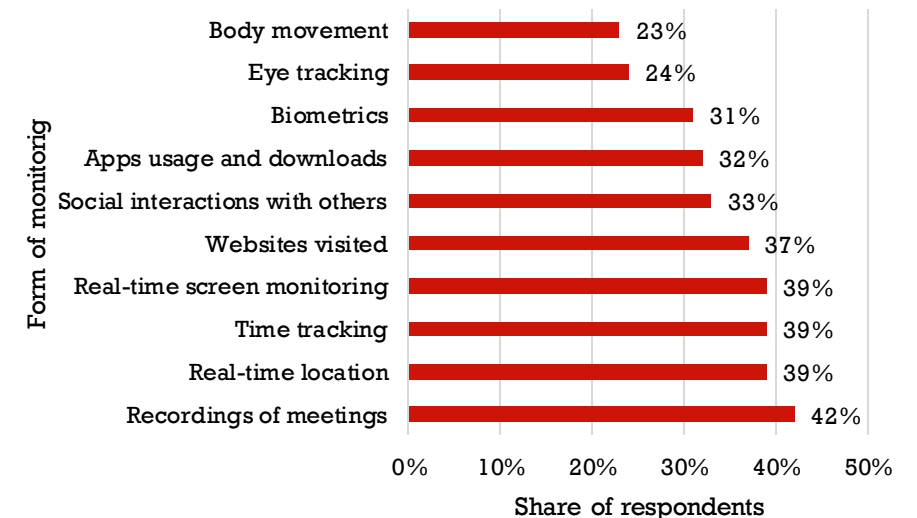
Monitoring employee phone calls

Employers will also monitor employee phone calls along with emails and internet usage. An estimated 400 million phone calls are listened to by employers each year (ACLU). The Electronic Communication Privacy Act of 1986 makes this all legal, given the topic of the call is "job-related". Since it takes several minutes to determine if the conversation is work related. This encourages employees to keep phone conversations focused on work, while on the clock.

Summary

Employee monitoring comes in all shapes and forms and is becoming used more by companies today. Whether it is monitoring emails, internet use, phone calls, or all of them. The main goal of this is to keep employees focused on the task at hand, and to keep them accountable for their actions while working.

Employer surveillance activities in the United States in 2022



(Statistics provided by Statista)

Financial companies are increasingly using advanced technology, such as IBM Watson, for employee monitoring in response to recent scandals

Scandals at Wells Fargo have been dominating news in the financial sector for the last few years. Because of these scandals, the company has explored and implemented forms of employee monitoring. With these new systems in place, they hope to reassure their customers of their well being and re-earn trust.

Wells Fargo fraud scandal

The Wells Fargo scandal involved employees opening accounts in customers names without their knowledge, opening debit and credit cards in customers names, and other acts to try to meet sales targets. Wells Fargo was found to have opened an estimated two million phony accounts (NPR 2016). The aftermath of the scandal involved over 5,300 employees being fired and \$185 million dollars in fines for the company (CNN 2016). Because of this massive scandal and the diminishing reputation of Wells Fargo, new monitoring systems were introduced.

IBM Watson employee monitoring

One of the ways Wells Fargo is using technology to monitor their employees is by using IBM Watson, a powerful artificial intelligence device. (Dellinger 2017). Watson can identify all sorts of suspicious activity, incorrect contact information and unusual changes in user settings (Dellinger 2017). Watson was also trained to understand human language, enabling it to look through employee emails and communications to recognize forms of misconduct (Dellinger 2017). Given all the features of Watson, employees are under close watch, which limits what they can get away with. Because of the intensity of Watsons algorithm, employees will be more careful on what they do at work.

IBM Watson regulatory compliance

While Watson was trained extensively on the surveillance of the human language and reaction, it was also trained on the strict protocols of the finance world. IBM purchased a consulting firm in order to teach Watson about financial regulation (Dellinger 2017). Watson can monitor transactions between the consumer and the company, and specific financial decisions that the employee makes. This mixed with the human monitoring makes for an intense pair of monitoring tools.

Summary

Because of recent scandals, Wells Fargo has started to use various forms of monitoring for their employees. IBM Watson has been a main tool for them, used to track employees and make sure their following rules of the financial industry. These monitoring practices are important to keep employees accountable and to regain customer trust.

Implementation of employee monitoring will identify inefficiencies and areas for improvement in Wells Fargo's operations

In 2016, Wells Fargo was fined \$185 million for opening millions of unauthorized accounts, which led to a significant loss of trust in the company (New York Times, 2016). One way in which employee monitoring systems(EMS) could have helped prevent this scandal is by identifying inefficiencies in the company's sales practices (Harvard Business Review, 2022). For example, if the monitoring system had identified a pattern of employees opening multiple accounts for the same customer without their consent, this would have raised a red flag and allowed the company to take corrective action before the situation escalated.

Additionally, EMS could have helped Wells Fargo identify areas for improvement in its compliance and risk management processes (Harvard Business Review, 2022). By tracking employee behavior and identifying instances of non-compliance or risky behavior, the company could have taken steps to improve its policies and procedures and prevent future violations (New York Times, 2016).

EMS could have also helped Wells Fargo identify patterns of customer complaints and concerns (HR Technologist, 2019). Analyzing data on customer complaints and feedback would have allowed Wells Fargo to identify common issues and take steps to address them, improving customer satisfaction and loyalty (Harvard Business Review, 2022).

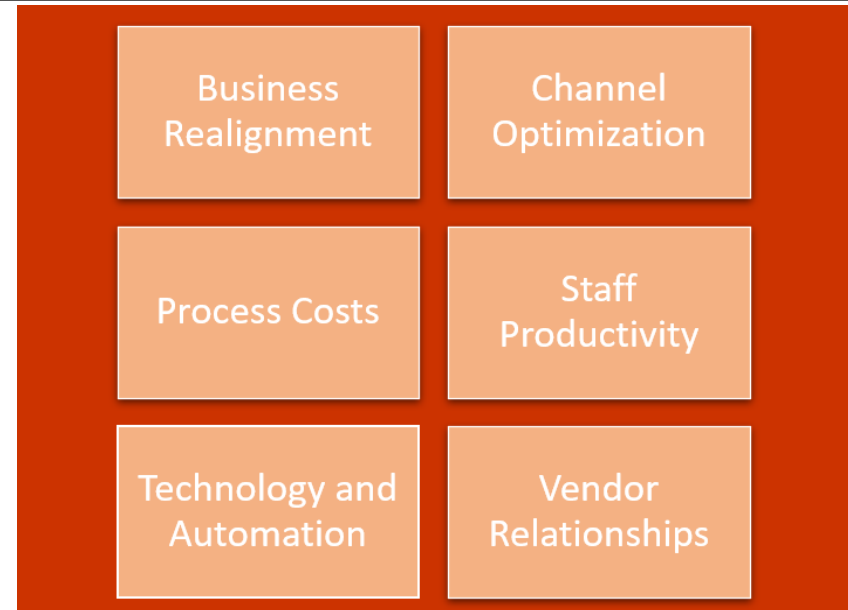
Overall, EMS can be a valuable tool for identifying inefficiencies and areas for improvement in any organization, including Wells Fargo. By implementing these systems, the company can track employee behavior, analyze data, and take proactive steps to prevent issues from arising (Harvard Business Review, 2022).

Summary of EMS Identifying Inefficiencies and Areas of Improvement:

Employee monitoring systems (EMS) can detect and analyze employee behavior, enabling companies like Wells Fargo to identify inefficiencies and take proactive steps to address them. By using EMS to track employee performance, Wells Fargo's management can make necessary adjustments to optimize their operations.

Our team strongly believes that had Wells Fargo implemented EMS earlier, it could have avoided the 2017 scandal where multiple accounts were opened for the same customer, resulting in a \$185 million fine. EMS could have detected this activity and prevented the issue from escalating, saving the company significant financial and reputational damage.

Six areas in which every bank can improve operating efficiencies



A red speech bubble graphic with a white outline, containing yellow text. The bubble has a tail pointing downwards.

Employee Monitoring Systems: Highly Regulated Industries

The Health Care Industry's Use of Employee Monitoring Will Help Secure Patient Data and Provide Better Patient Care

Financial institutions and hospitals have a lot in common when it comes to protecting their customers' and employees' information. Both are held to a high standard of security and are expected to safely secure lots of information. Wells Fargo can learn more about securing data and maximizing employee efficiency from hospitals using similar EMS Procedures.

Accessing Data Properly

Hospitals must collect and protect lots of private data. Through the implementation of EMS hospitals can make sure both patient medical and financial records are secure. One way they use EMS is by implementing health record tracking. This method keeps track of what records employees open to insure they're accessing files for legitimate reasons. Like Wells Fargo, hospitals monitor employee emails and web usage to prevent patient information from being breached.

Inventory Tracking

Hospitals are implementing technology to make inventory tracking easier. New systems used in hospitals report medical supply and pharmaceutical inventory usage to alert staff of low inventory levels. (Jamie Lynch, CHI Pharmacy Director) Applying this EMS technology will help alert bank tellers when they're running low on certain bills.

Ambulance Monitoring

Hospitals use EMS on their ambulances and company vehicles. Equipping cameras in company vehicles helps protect hospitals from being liable for accidents. This method of monitoring protects hospital assets and ensures there aren't false insurance claims reported.

Employee GPS Tracking

Hospitals are now moving to Bluetooth badges that track employees throughout the hospital. Florida Hospital, Celebration Health, has equipped 300 employees with sensors that track their exact location. (SHRM 2015) These badges tell the employer when and how often an employee visits a patient's room. This system can help provide better care to patients and give data to help hospital staffing. Although innovative, employees may not like the amount of tracking done through these methods. These systems may not be welcomed at first by employees but could help them from being liable for accidents. For example, if there were a lawsuit against the hospital claiming improper patient care, these systems could provide evidence to protect hospital staff.

Why It Matters:

Since hospitals and banks are under a lot of pressure to ensure security, Wells Fargo can take from hospitals to use location-based monitoring and inventory tracking to help provide a better experience to the customers. These methods could also take liability off of bank employees.

Increased Employee Trust Allows Insurance Companies to Maximize Production And Create Stronger Employee Relationships

Berkshire Hathaway

Berkshire Hathaway's approach to employee monitoring is different than most insurance companies. Berkshire's success is built on trust. While many insurance companies utilize EMS and enforce strict rules, Berkshire focuses on building a culture of integrity. Berkshire's CEO, Warren Buffett, believes removing micromanaging and letting employees do their job allows for more productivity.

Berkshire has found success in setting clear responsibilities for its employees and trusting them to accomplish their objectives. A trust-based system can be risky if employees and managers put self-interests first. Berkshire takes away most of the risk by using strategic hiring. Berkshire looks for integrity, initiative, and intelligence in their employees. This system lessens the time used on reporting productivity and allows Berkshire's employees to focus on customer needs.

Why it Matters:

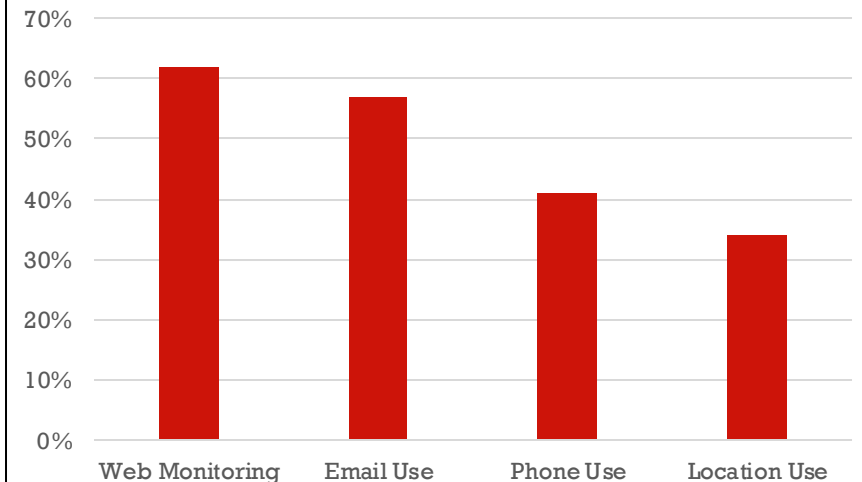
The insurance industry shows that Wells Fargo must be careful about how much they monitor employees. Monitoring too much will lead to less morale amongst employees and take away from customer needs. Monitoring too little will provide the potential risk of fraud and misuse of time and resources.

UnitedHealth Group & Cigna

UnitedHealth Group and Cigna rely heavily on EMS. UnitedHealth Group uses keystroke monitoring to track employee productivity and determine yearly raises. United Health emphasizes employee productivity scores (EPS). These scores use numerical measures to give an overview of employee performance. Using these measures offers United Health a quantifiable way to compare its employees and improve their productivity. UnitedHealth Group reportedly ranks employees on a one to five scale to measure working and idle time. (The New York Times) These intense EMS have left many United Health employees frustrated.

Cigna has run into similar problems using intense monitoring methods. Cigna tracks their employees' productivity down to the minute. According to various call center employees, Cigna monitors the length of phone calls with customers and pushes them to stay within so many minutes. These time constraints have left unresolved issues with customers and increased pressure on employees. The rise in pressure to maximize time has led Cigna employees to file an online petition to get the company to make changes to its monitoring techniques. (Klein 2021)

Acceptance % of Different Types of Monitoring By Employees



Wells Fargo Can Use Data From Other Banks' EMS to Improve Employee Security and Create a More Efficient Workplace

JP Morgan

As a competitor, it is important to analyze how JP Morgan handles employee monitoring. JP Morgan places a heavy emphasis on customer and employee security. JP Morgan has implemented a new way to monitor employees through AI auditing technology. This technology known as WADU can track ZOOM meeting durations, how long employees work on emails, and prevent fraud. (Business Insider 2022) With EMS getting a lot of backlash, JP Morgan is working to be more transparent. One method they've implemented is scheduled auditing. Scheduled auditing will allow JP Morgan to ensure security and give their employees transparency on when they will be monitored by management.

JP Morgan is also working on creating a more efficient workplace. COVID-19 caused many JP Morgan employees to go remote. With employees returning to the office, JP Morgan is reconfiguring how to use office space. JP Morgan has implemented a new system for employees to schedule when they come into the office. Doing this will allow JP Morgan to save money on building costs and ensure employees are maximizing time in the office. Employee attendance will be monitored through ID cards that track when they arrive and depart from the office.

Commonwealth Bank

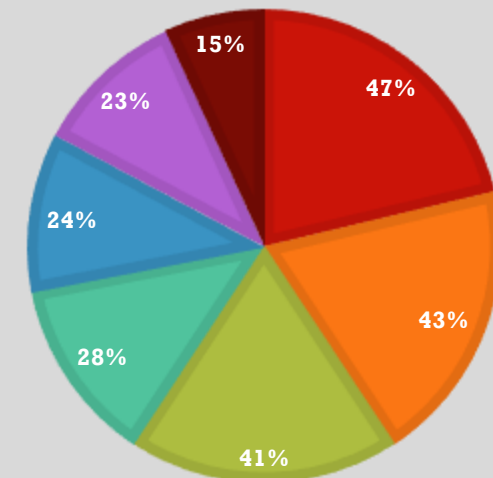
Commonwealth Bank is the largest bank in Australia and places an emphasis on employee attendance. Commonwealth has implemented an app called Navigate to monitor its employees. Navigate tracks how often an employee is at their desk by monitoring mouse movement and online activity. It also makes notes of when employees leave early or take a long lunch. If the app detects there isn't enough activity Commonwealth will prompt their employees to take leave. The app tracks productivity but also plays a key role in informing employees where their coworkers are and what office spaces and meeting rooms are available.

Why It Matters:

JP Morgan and Commonwealth Bank have moved to restructure how they use their offices and how they track employees. Wells Fargo should look into reutilizing office spaces to save money. Using a productivity application could give key information on if employees are staying for their designated hours.

% OF WORKFORCE AT OFFICE BY INDUSTRY 07/22

■ Banking ■ Healthcare ■ Energy ■ Media
■ Engineering ■ Insurance ■ Tech



Source: (Statista 2022)



Benefits of EMS

Using employee monitoring will improve productivity by ensuring employees are using their time effectively.

One way in which employee monitoring systems (EMS) can improve productivity at Wells Fargo is by identifying which tasks take up the most time. For example, if the monitoring system identifies that a significant amount of time is being spent on administrative tasks, the company can take steps to streamline those processes and free up employees' time for more productive activities (Forbes, 2022).

EMS can help identify employees who are not meeting productivity targets or who may be struggling with tasks. By providing these employees with additional training or support, the company can improve their performance and increase overall productivity (Harvard Business Review, 2022).

Implementing EMS can help identify patterns of behavior that may be impacting productivity. For example, if a particular team consistently spends a significant amount of time on non-work-related activities, this may indicate an issue with employee engagement or motivation. By

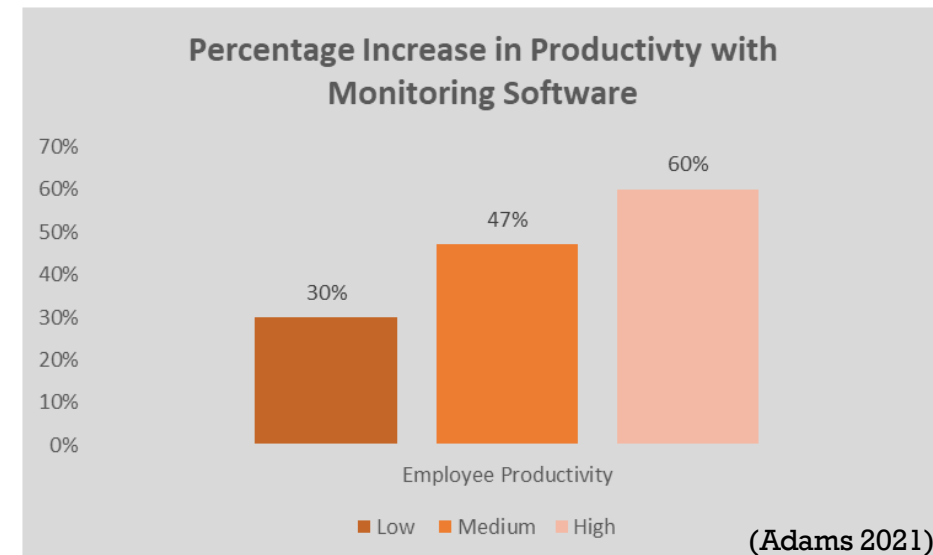
addressing these underlying issues, the company can improve productivity and employee satisfaction (Harvard Business Review, 2021).

Additionally, EMS can help managers identify which employees are most productive and which may be struggling. By analyzing data on employee performance, managers can make more informed decisions about staffing levels and resource allocation, which can help to optimize productivity across the organization.

EMS can be a valuable tool for improving productivity at Wells Fargo by ensuring that employees are using their time efficiently. By tracking employee behavior, analyzing data, and taking proactive steps to address issues, the company can optimize its operations and increase overall productivity.

Methods of how EMS can ensure efficient use of time:

- **Identifying Inefficient Processes:** By monitoring the company's operations, Wells Fargo can identify inefficient processes that are taking up too much time and resources. Once these processes are identified, the company can make changes to streamline them, reduce waste, and improve efficiency.
- **Tracking Progress on Goals:** Wells Fargo can use monitoring to track its progress towards achieving its business goals. This can help the company allocate its resources more effectively and prioritize tasks based on their importance to achieving those goals.
- **Prioritizing Customer Needs:** Monitoring can also help Wells Fargo prioritize customer needs. By monitoring customer feedback and complaints, the company can identify areas where it needs to improve customer service and allocate resources accordingly.
- **Improving Employee Productivity:** Monitoring employee performance can help Wells Fargo identify areas where employees may need additional training or support to be more productive. This can help the company reduce the time and resources required to complete tasks, leading to greater efficiency and productivity.



Growing trends in remote employment requires efficient EMS systems and implementation

The rise of remote work and working from home created the need for companies to implement employee monitoring systems. Before the COVID-19 pandemic, 29% of financial service companies had at least 60% of their employees working from home at least one day a week. After the pandemic, the number increased to 69%, showing that remote work is increasing in utilization (GITNEX 2023).

With an increase in remote work, and an increase in employee monitoring because of it, companies can measure employee production and output more effectively. Financial service executives stated that of the 95% of employees who switched to fully remote work, a large majority maintained and even improved productivity (GITNEX 2023).

Logistically, companies that utilize employee monitoring systems do so via numerous different methods. These methods include tracking keystrokes performed on a company device, measuring time spent on vital websites, and measuring activity time compared to time spent idle on company applications. Additionally, EMS programs can monitor in real time employee email sending and receiving, social media activity, and engagement metrics (Toolkits 2022).

As EMS adoption rates are becoming increasingly higher in several industries, it stresses the importance of proper implementation. Below are industry specific adoption rates as of March 2023 (Flynn 2023).

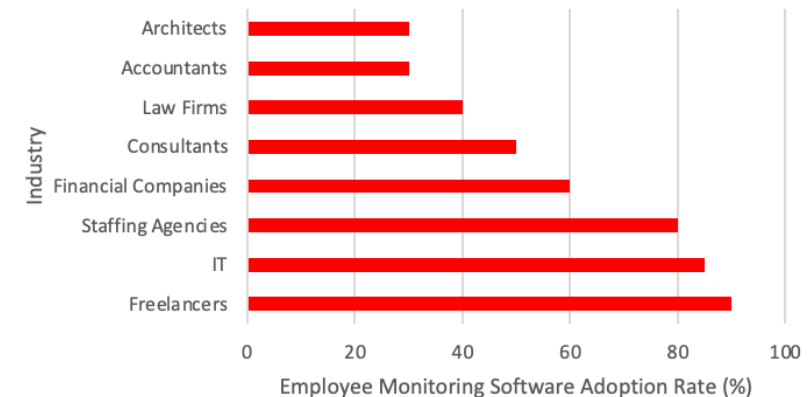
Summary of EMS utilization and implementation

Employee monitoring systems are being put into place with increased frequency post COVID-19 pandemic. Remote work in any fashion is a new facet of employment that will only become more common before a reduction occurs. It is vital that companies know how to properly implement the right system for their company to see the benefits associated with employee monitoring systems.

Wells Fargo has employee monitoring programs in place, but our team believes that if Wells Fargo had invested more time and effort into their programs initially, then certain failures could have been avoided.

The rise of remote work and the implementation of employee monitoring systems have resulted in increased productivity for financial service companies, with a large majority of employees maintaining or improving their productivity levels while working from home.

Employee Monitoring Adoption Rates by Industry



Employee performance is more effectively monitored and further rewarded through effective usage of EMS

Monitoring employee performance is done in multiple ways, largely through data gathering. Productivity tracking is the measurement of time spent completing a project or task. Efficient time management by employees can be rewarded for their efforts while poor time efficiency can be a sign to maybe spend more time training that specific employee.

A second measurement of employee performance is quality control data. Completed work is analyzed and critiqued to ensure that certain standards set by the company are met. Employees who consistently excel at not just meeting company standards, but going above and beyond them should be first in line for a promotion or other type of reward (TalenTeam 2022).

A third employee performance measurement is compliance monitoring. As alluded to with quality control data, companies have their own set of standards and regulations to comply with. Additionally, there are legal requirements that must be prioritized. Compliance monitoring is a tool that ensures standards are met and laws are followed.

Finally, goal setting and progress measurement is a final employee measurement that is very effective in a workplace. Employees who set goals and track effective progress towards them are rewarded by management, who have access towards the goal progress data (TalenTeam 2022).

Overall, through the different types of data gathered by employee monitoring measurements, the better sense of productivity, quality, and efficiency managers will have regarding each of their employees. Therefore, when it comes time to decide who receives a promotion, managers will have a better idea of which employee will receive it.

Employers are obligated to protect not only employee information, but also customer information

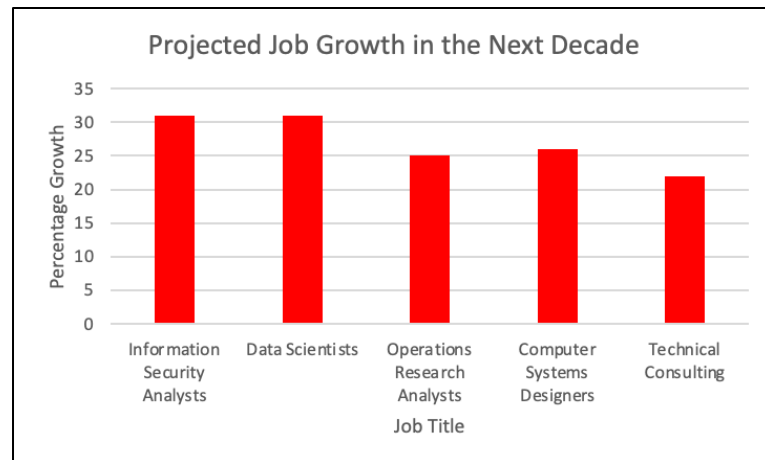
Companies in the financial service industry have sensitive information that needs to be placed under incredible protection. There are systems in place that do not involve employee monitoring systems such as data access restrictions, encryptions, firewalls, intrusion detection software, employee training, and incident response protocols. There are regulations in place external to the company, such as government law, regulatory institutions, and agencies. For example, In 2018 *Dittman v. UPMC*, the Pennsylvania Supreme Court "created a legal duty for employers to use reasonable care to safeguard the sensitive personal information it gathers on its employees" (Hipple 2019). EMS would serve as an essential tool for employers to protect employee information. Going a step further, employers can use EMS to do the same for their customers as well.

Employee monitoring systems can play a vital role in the protection of sensitive information, especially in the financial services industry. Rather than manually conducting security services, employee monitoring can automate some or all the security measures put into place. For example, intrusion detection software and restricting access to certain data, AI monitoring software can be installed to detect if there has been a security breach. In fact, not only can it detect a breach, but it is able to tell who was attempting to access the information, whether it was from a company or personal device, and where they are located. This is just one example of how employee monitoring systems can effectively protect sensitive financial and personal data (SoftActivity).

Despite concerns over automated surveillance in the financial services industry, banks have chosen to utilize monitoring systems in the best interest of protecting sensitive data. Along with Wells Fargo, banks like JPMorgan Chase & Co and City National Bank of Florida have protected data with automation systems. Therefore, Wells Fargo should not only continue to utilize EMS but potentially expand it to other company services

The increase in EMS in the workplace has increased demand for certain jobs and created new ones

As the rise of EMS usage in the workplace has consistently increased it has not only changed how existing jobs function but has also created a higher demand for new jobs in various fields. As EMS are heavily reliant on technology-based platforms, EMS specific jobs are created to implement, manage, upgrade, and monitor the platforms. While certain roles vary from industry to industry, the financial sector will experience a stimulation of EMS jobs especially for reasons relating to data security, customer and employee privacy, information systems, etc... Below is a graph detailing projected job growth in professions that relate to the logistics behind EMS operations. The increase in EMS related jobs in the financial sector would be beneficial to Wells Fargo (Intuit 2022).



Data from Intuit 2022

Specific jobs created and highly demanded from EMS: (Intuit 2022).

- **EMS Administrator:** As systems are adopted, administrators are responsible for management and maintenance.
- **Data Analyst:** Due to massive amounts of data produced by EMS, analysts are required to retrieve valuable information from the data.
- **Privacy and Compliance Officers:** Compliance is vital to organizational success and officers are required to ensure legal and ethical guidelines are being followed and risk is being mitigated effectively.
- **Employee Behavior Analysts:** These analysts would be responsible for monitoring and reporting on employee productivity, engagement levels, and performance.
- **Cybersecurity Specialists:** EMS raise concerns regarding privacy and security. Cybersecurity specialists protect sensitive data by securing, encrypting, and protecting it from online attempts at access.
- **Employee Engagement Coordinators:** A similar job to Employee behavior analysts, these coordinators analyze employee performance data, motivation, and job satisfaction to ensure productivity.

Disadvantages of Employee Monitoring Systems

Employee monitoring can be invasive and infringe on Wells Fargo's employees' privacy

Employee monitoring has become increasingly common in many organizations, including Wells Fargo. While monitoring can help employers ensure that their employees are working efficiently and productively, it can also be invasive and infringe on employees' privacy.

One way in which employee monitoring can be invasive is through the collection of personal information. For example, some monitoring tools can track employees' keystrokes or capture screenshots of their computer screens, potentially capturing sensitive information. This could be a concern for Wells Fargo employees who handle sensitive financial data or other confidential information (Spiggle 2022).

Employee monitoring can also infringe on employees' privacy by tracking their activities outside of work. For example, some employers use GPS tracking or other location-based monitoring to track employees' movements outside of work hours (Wells Fargo HR). This could be a concern for Wells Fargo employees who value their privacy and do not want their personal lives monitored by their employer.

In addition, employee monitoring

can create a sense of distrust and erode employee morale. Employees may feel that their employer does not trust them and may be less motivated to perform at their best if they feel like they are being constantly monitored (Ellen 2019).

Overall, while employee monitoring can be a useful tool for ensuring productivity and efficiency, it is important for Wells Fargo to balance these benefits with employees' privacy concerns. The company should be transparent about its monitoring practices and provide employees with clear guidelines on what is being monitored and why.

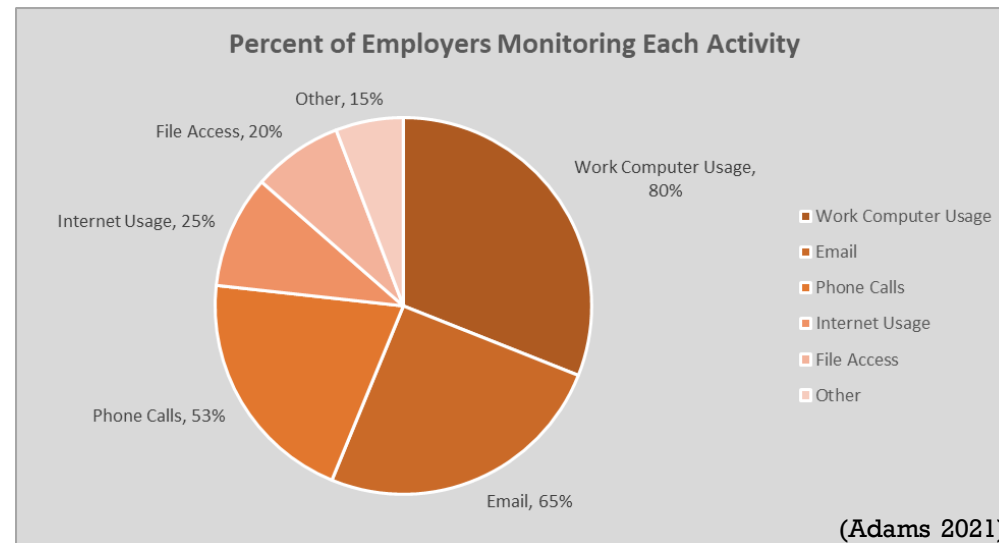
Additionally, the company should take steps to minimize the invasiveness of its monitoring practices, such as limiting the collection of personal information and respecting employees' privacy outside of work hours. By striking this balance, Wells Fargo can ensure that its employees feel respected and valued while still working efficiently and productively (Reuters 2023).

Gartner Study:

Gartner is a technological research and consulting firm based in Stamford, Connecticut that conducts research on technology and shares this research both through private consulting as well as executive programs and conferences. Its clients include large corporations, government agencies, technology companies, and investment firms.

According to a survey conducted by Gartner in 2018, a significant number of organizations globally are utilizing various forms of employee monitoring technology. The survey found that 22% of organizations use employee-movement data, 17% monitor work-computer-usage data, and 16% use Microsoft Outlook-or calendar-usage data.

While employers argue that these monitoring tools are effective in improving productivity, many employees feel uncomfortable with this invasion of their privacy. The use of employee-monitoring technology can create a culture of distrust and resentment between employers and employees, leading to lower morale and job satisfaction. Moreover, employees may feel like they are being constantly watched and scrutinized, which could have a negative impact on their mental health and well-being.



Employee monitoring can make it difficult for employees to engage in creative thinking or take risks in their work

Employee monitoring is becoming increasingly common in many workplaces, including Wells Fargo. While monitoring can help employers ensure that their employees are working efficiently and productively, it can also hinder employees' creativity and ability to take risks in their work (Wucker 2021).

When employees are aware that they are being monitored, they may be more hesitant to try out new ideas or approaches to their work. This is because they may fear that any mistakes or failures could be scrutinized and negatively impact their performance evaluations or job security. In turn, this can stifle employees' creativity and willingness to take risks, which can lead to a lack of innovation and progress within the company.

For Wells Fargo employees, this can be particularly problematic in a highly competitive and rapidly changing industry such as finance (International Business Times 2020). To remain competitive and adapt to changing market conditions, it is essential for employees to be able to think creatively and take

calculated risks. However, if employees feel that they are being constantly monitored and judged, they may be less likely to take risks and explore new ideas, ultimately hindering the company's ability to innovate and grow.

To strike a balance between monitoring and fostering creativity and innovation, Wells Fargo should consider implementing a culture of trust and transparency. This could include providing employees with clear guidelines on what is being monitored and why, as well as encouraging open communication and feedback between employees and management. Additionally, the company could consider offering training and development opportunities that promote creativity and risk-taking, as well as recognizing and rewarding employees who demonstrate these qualities in their work (Beheshti 2020). By doing so, Wells Fargo can ensure that its employees feel valued and supported while still working efficiently and productively.

Linking Creativity and Risk Taking:

The link between creativity and risk-taking has significant implications for companies like Wells Fargo. In a rapidly changing and competitive industry like finance, the ability to innovate and adapt to new challenges is essential for success. However, taking risks can be difficult for employees who fear negative consequences such as job loss or reprimand.

To foster creativity and innovation, Wells Fargo must create a culture that encourages risk-taking while also minimizing the potential negative consequences. This involves providing employees with the resources and support they need to explore new ideas and take calculated risks. For example, the company could offer training and development programs that promote creativity and risk-taking and provide employees with clear guidelines on what is expected of them.

At the same time, it is essential for Wells Fargo to communicate openly and transparently with employees about the potential risks and rewards of taking risks. This includes acknowledging that failure is an inevitable part of the creative process and providing employees with the tools and support they need to learn from their mistakes.

Overall, by embracing risk-taking and creativity, Wells Fargo can foster a culture of innovation and growth that benefits both employees and the company.



The rise of remote work during the pandemic led to increased micromanagement, causing discomfort, stress, and anxiety among workers

Because of the COVID-19 pandemic, employee monitoring became very widespread in the work force. Since employees weren't in the office, employers weren't able to see exactly what their staff was doing, hence the implementation of monitoring. The rise of remote work was the catalyst for this new form of employee tracking.

Rise of remote work

During the COVID-19 pandemic, many companies offered their employee the option to work remotely, some even required it. During the pandemic, 13% of all private sector jobs in the United States were working remote full-time, while 9% offer the option to work remotely (U.S. Bureau of Labor Statistics 2022). The rise of this full-time and part-time remote work for companies, they started to implement new forms of employee monitoring. Some ways that they monitored their employees were to track their productivity and their hours. Employers can also use monitoring software's to see exactly what an employee is doing at a certain point in time.

Productivity tracking

The main way employees were monitored while working remotely was by their tracking productivity. Software's can track keystrokes, take screen shots and even activate a computers webcam without the user being notified or noticing (Christian 2022). According to a survey, 60% of employers in the United States said that they had implemented some form of monitoring (Christian 2022). While these tools may be introduced to track the productivity of their employees, it can also make them feel uncomfortable while trying to work. Since employers weren't in office with their staff, they turned to forms of electronic monitoring to track the work that was being done.

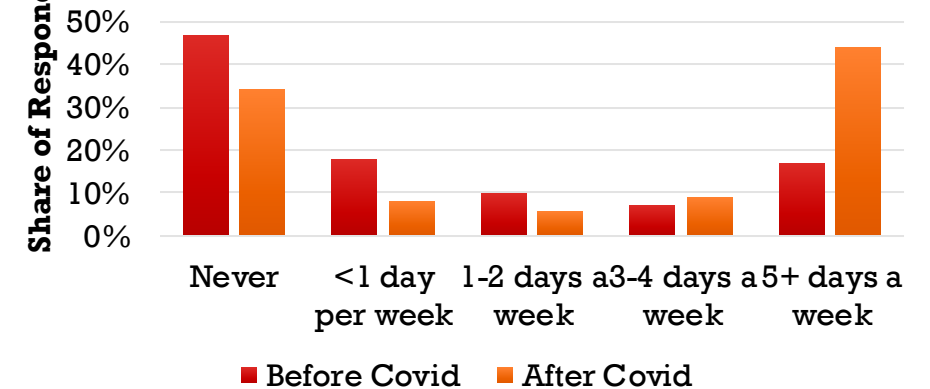
Micromanagement

During the pandemic and remote work boom, micromanagement of employees became more prevalent. Constantly checking up on employees and seeing what they were doing was a regular occurrence through the workday. Employees expressed that they felt like they were trusted less and that there was less of a human relationship (Kurkowski 2021). 56% of employees in a survey felt stressed and anxious while being monitored, and 41% of them wondered if they were being watched when they weren't on the clock (Kurkowski 2021). This form of micromanaging employees, seemed to become more and more used because of the COVID-19 pandemic, since employers weren't in physical contact with employees.

Summary

Because of recent scandals, Wells Fargo has started to use various forms of monitoring for their employees. IBM Watson has been a main tool for them, used to track employees and make sure their following rules of the financial industry. These monitoring practices are important to keep employees accountable and to regain customer trust.

Change in Remote Work Trends due to Covid-19



(Statistics provided by Statista)

Employee monitoring should be implemented in a way to ensure employee privacy

Company and Employee Perspectives on Employee Monitoring

The pandemic caused a significant increase in employee monitoring techniques. In a study done on 239 large companies, 50% reported using forms of employee monitoring. Additionally, 62% of companies collected data on employees. (Harvard Business Review 2020)

Monitoring in the financial sector helps companies get an overview of productivity, prevent fraud, and utilize resources better. The downside to monitoring comes when companies use methods that overstep boundaries. Excessive monitoring is a large reason why many employees have mixed reviews on having their data observed.

Employee opinions on monitoring systems tend to be much more skeptical. Employees may view monitoring as a violation of their privacy and feel uncomfortable with the idea of their employer tracking their activities. Studies in one survey showed 50% of employees were against email monitoring, 60% against telephone monitoring, and 56% against video surveillance. (Chang, Liu, Lin 2015) These statistics might be concerning, but studies show that when companies inform their employees of their monitoring methods and are open to questions, employees are more welcoming to participating in these forms of supervision.

Methods to Ensure Transparency and Privacy Protection

There are many ways to implement an EMS without sacrificing employee privacy. Employers should establish clear policies that outline how and to what extent employee data will be used. They should only collect necessary data to limit how much personal information is stored. Companies should attempt to remove identifying information from data when possible. Doing so will give employees an extra layer of security when their data is stored.

When companies use EMS, they should be very selective about who has access to the data. Allowing access to only a few specially trained people will prevent employee information from getting in the wrong hands. The people who are in control of this information should be specially trained and employees should also be informed on how this data is stored and used. Wells Fargo should prioritize protecting employee privacy to create assurance among employees.

The most important step for the company is respecting employee privacy rights. If the company uses these methods, employers can help ensure employee privacy is protected while achieving their business objectives.

Why It Matters:

Employee monitoring can be a great way for Wells Fargo to track productivity, prevent workplace harassment, and protect the company from potential fraud. Employees may have concerns about monitoring techniques and who has access to their data. Wells Fargo should let its employees know what information is being tracked and show respect for its employees' privacy. If the company follows this, it will prevent employees from distrusting the company's EMS.

Employee Monitoring and Employee Perspective Impacts How Customers and Investors Do Business and Make Decisions

Stock Price Impact

Employee monitoring has been a factor that impacts the way that investors choose what they invest in. Monitoring has impacted the stock price since it has been implemented. Blackrock, which is the worlds largest asset manager, says that they consider employee reviews and ratings (Toonkel 2015). They look at websites like glass door and other social medias to get this information. An analysis done by Accern Corp in 2013 showed that positive ratings for Cumulus Media, a large Atlanta based media company, resulted in a 142% increase in stock price from April 2013 to January of the following year (Toonkel 2015). This could also result in a negative result, if reviews left on sites were not so positive. This shows that investors do consider the employees' viewpoint when choosing what to invest in.

Customer Impact

While employee monitoring impacts the price of a company's stock, it also impacts the customers of the company. The way that customers are impacted can be positive or negative. For example, the scandal that Wells Fargo was involved in, where employees opened phony accounts and took credit cards out in customers names without their knowledge, this may have happened due to a lack of monitoring. Customers suffered financially due to this, and some took their business elsewhere. In a analysis done in 2018 by CNN, about 12% of Wells Fargo's customers were expected to take their money and business elsewhere (Egan 2018). The bank would lose an estimated %75 million dollars in deposits and \$2.1 billion dollars in sales (Egan 2018). The lack of monitoring led to employees making bad decisions and led customers to leave the company.

Summary

There are both positives and negatives to monitoring employees. It can keep your employees disciplined and cause the stock price to rise. It can also hurt the company by not keeping close enough attention to your employees. The amount of monitoring a company uses determines how customers and businesses do business.



Team Deliverable:
Recommendation

To Capitalize, our team has analyzed Wells Fargo's use of employee monitoring systems and recommends that the company adopt a balanced approach to monitoring that takes into consideration both fraud concerns and employee privacy. Our report highlights the potential benefits and drawbacks of employee monitoring systems and provides recommendations for Wells Fargo to ensure that its use of such systems is ethical and effective.

We believe that Wells Fargo should adopt a transparent and open approach to implementing employee monitoring systems, involving employees in the process and addressing their concerns. This will help build trust and minimize the potential negative impacts of monitoring on employee morale and productivity. Additionally, we suggest that Wells Fargo establishes clear policies and guidelines around the use of employee monitoring systems, ensuring that employees understand their rights and responsibilities regarding monitoring.

Ultimately, the success of employee monitoring system implementation at Wells Fargo will depend on the organization's ability to maintain a culture of trust and respect for employees' privacy and autonomy. We recommend that Wells Fargo monitor the impact of its employee monitoring systems on employees and adjust as necessary to ensure that its use of these systems aligns with its values and goals.

Team
Deliverable



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Who Did What?

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