Technological, Legal, and Ethical Considerations

**LET’S TALK BUSINESS** Today’s manager relies on technology: cellular phones, pagers, portable computers, and the World Wide Web. On any given day, I have access to a virtual network that allows me to check numbers, inventory valuations, and profit and loss statements. At any time, I can call my staff and let them be proactive to respond to our performance. Business can be conducted remotely from anywhere in the United States.

In using technology to keep in touch, however, it is important to remember that interpersonal communication is also essential. Technology cannot replace the person-to-person contact. At times because of its brevity or impersonal nature, technology takes away the human touch that is so important to achieving goals in any business. For example, your employer may send an e-mail about important opportunities within your business, but these opportunities may be lost if you do not sense the urgency or importance of the request. A phone call instead of electronic mail would communicate its importance. For any business to succeed, communication cannot be complete without the personal element.
Jose Palma in Let’s Talk Business describes his use of high tech as a routine part of business operations. However, the daily use of communication technology such as cell phones, e-mail, the Internet, and fax machines creates a fast-paced, and at times impersonal, system of relaying messages. In the midst of all of this technology, Palma cautions against losing the human element as people increasingly rely on electronic communication in business operations. He underscores the importance of selecting the best communication medium for the message. These comments call attention to the limitations of e-mail for understanding the sender’s meaning as accurately as hearing a voice or observing body language in personal interaction. They also emphasize the you-viewpoint and how messages affect the behavior of others.

Consideration, respect, and responsible behavior in interacting with others are the foundations of both ethical and legal behavior. Legal issues pertain to laws and represent standards of behavior valued by society. Ethical issues relate to value systems and cultural beliefs that determine individual and organizational standards of behavior for interaction with others. Governments enact laws to prevent or to address behavior of individuals or organizations that is unacceptable to society or endangers the welfare of others.

This chapter describes technology trends in communication and alerts you to legal and ethical considerations for business communication. A theme throughout the chapter is how technology and legal and ethical issues affect interactions with others and reinforce the importance of building relationships, creating goodwill, and maintaining trust based on ethical behavior and integrity.

The first part of this chapter covers technology trends, followed by legal and ethical issues pertinent to communication technology. The next section describes legal and ethical issues for a variety of business transactions and gives guidance for developing a code of conduct for ethical behavior. The chapter concludes with a discussion of planning and composing messages that meet legal and ethical standards for an organization and its members.

**Technology Trends**

Technology plays a major role in business communication. Technology advances are increasing the speed and volume of text messages and e-mail that can be handled away from the office. Wireless communication technology gives mobile access to data through a variety of portable communication devices. Further innovation in computer chip technology, as well as advances in software and hardware, can be expected to make communication, through text and voice, easier and faster than ever before. In addition, electronic commerce (e-commerce) has become a part of daily life.

**Wireless Technology and Mobile Communication**

Broad area coverage and competitive rates make cell phones extremely popular not only for business but also for personal use. Cellular service has become so widespread and popular that many people use it as their only phone service. At least 400 million cell phones are sold each year worldwide. Features such as color screens, camera phones, Internet browsing, and e-mail are already on the market. Cell phone popularity provides

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People Will Talk . . . Almost 50 million people in the United States today choose to talk and send each other information via wireless communications. This growing industry adds more than 2,800 new customers nationwide every day.


Wireless technology uses either low-powered infrared beams or radio frequency transmission for two-way voice or data transmission. This telecommunication technology enables users to connect communication devices without wires or cables. Typically, infrared beams send small amounts of data between devices in close proximity. However, free-space optics (FSO) can send infrared beams through the open air for distances up to four miles. FSO technology helped maintain vital communication in New York City in 2001 after the attack on the World Trade Center.

Radio frequency (RF) is the most widely used wireless communication technology; cellular phone systems operate with radio frequencies. RF transmission uses a variety of wireless technologies. Wireless local area networks (WLANs) use RF transmission signals to allow portable computer devices to remain connected to a network and transmit data while moving to different locations.

The third generation of wireless technology, known as 3G, is emerging. This technology will enable rapid and effective transmission of data as well as voice messages and video streaming. Video streaming plays video in real time as it is downloaded from the Internet and requires a fast computer and fast Internet connection. Estimates are that 3G will be able to transmit data at rates up to 2 megabytes (about 500,000 words) per second. In 2003 DaimlerChrysler exhibited a Mercedes Benz S-class equipped with a Third-Generation Universal Mobile Telecommunications System (3G-UMTS) capable of video conferencing and delivering e-mail and live television, as well as detailed maps for navigation.

A personal digital assistant (PDA) is a pocket-sized computer for recording appointments, connecting with the Internet, using wireless text messaging, and handling e-mail. Initially, handling e-mail was awkward with the PDA; accessing e-mail took a long time because transmission included all undeleted messages from the desktop. New hardware and software can delete e-mails received prior to a certain date and can show the e-mails as read or unread, just as they are shown on your desktop e-mail inbox. Keyboards are available which can be connected to the PDA to enable speedier data entry than using a stylus to press keys on the PDA screen. Rapid changes in technology are difficult to predict, but 3G could bring a convergence of PDA devices with multi-tasking cellular phones.

Global positioning system (GPS) satellite technology is available as a wireless communication device on automobiles and also on handheld PDAs. Operating on a
A PDA with a global positioning system provides driving directions to locations in its address book.

A system of 24 satellites that can show a user’s exact location, GPS gives turn-by-turn voice directions to any location in its computerized address book, an asset to the mobile businessperson.

**Tablet PCs**, portable computers that can process handwriting, have been on the computing scene previously with limited sales, but new models aimed at business note taking are returning to the market. These machines enable writing with cursive or block letters, or a combination of both, on a touch-sensitive screen. An optional standard keyboard can be connected.

**Technology Research**

What does the future hold for changes in communication technology? A number of advances are underway; others may develop rapidly.

Computing power depends on the amount of data that can be compressed into a microchip. Chipmakers such as Intel, Hewlett-Packard, and IBM are focusing on **nanotechnology**, a scientific effort to develop practical items by manipulating matter smaller than 100 **nanometers**. A **nanometer** is one billionth of a meter. Three or four atoms in a row would equal a nanometer.

Nanotechnology arranges molecules precisely to make complex structures. Microchip researchers are stringing together tiny molecules to create chips one-hundredth of the size of today’s chips. At the same time, other researchers in Japan and the United States are trying to increase computer chip power by developing a **three-dimensional (3D) chip**. The **3D chip** would increase storage surface by using a cylinder or pillar shape.

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Another area of computer research is the interface of speech with computer input and output. **Voice recognition software** that captures spoken sounds and converts them to digital signals and into printed words has been on the market for a number of years. Improvements are ongoing to make the human voice an accurate and viable means of data input. However, researchers are also developing speech recognition software that can detect differences in pitch, timing, and amplitude to improve the message receiver’s understanding of the sender’s meaning and intent for the message. The war on terrorism accelerated this research in the United States. Accurate interpretation of message intent could help gauge the seriousness of computer-intercepted conversations and improve response to potential threats. This software capability holds potential for business usage by increasing the accuracy of text transcripts of voice-generated data.

Another area of speech-related research is the development of computer-generated speech for use with portable devices that can improve communication for persons with speech or other physical limitations. With a mouse click, the user can generate speech that reads e-mail or other messages aloud.

**High Tech and the You–Viewpoint**

Technology makes available an overwhelming amount of information and enables rapid transmission of messages. However, when you need to speak to a person but connect to automated answering messages, technology seems impersonal and frustrating. A call that you place to a business or other organization is more likely to connect to a recorded message than to a person. There are exceptions; some companies continue to have employees answer calls personally as part of their belief in personal service—another way to demonstrate the you–viewpoint. Almost everyone can recall getting caught in a seemingly endless loop of “press 1 if . . . press 2 if . . .” You probably felt the same as Cathy does in the following cartoon. As a communicator, remember that the impression of your organization depends not only on the message content but also on the media used to communicate it.

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**Electronic Commerce**

Electronic commerce (e-commerce) has become an accepted way to shop. **E-commerce** is the buying and selling of goods and services over the Internet. Over one-quarter of large businesses nationwide sell their products and services through the Internet. Shop-
ping and buying on the Internet have become commonplace for everything from bobble-head dolls to automobiles.

Internet-based commerce appeals to businesses because of its virtually unlimited market expansion. More than 50 percent of all U.S. households now have computers and, although numbers are smaller in other countries, the growth of the Internet literally makes the world an e-commerce market. In fact, online sales are forecast to be between $100 billion and $600 billion early in the 21st century—and that prediction came before passage of the electronic signature law in the summer of 2000. Success in the international marketplace depends not only on technology but also on the ability to communicate effectively.

E-commerce offers a wide range of services and products for delivery to homes, offices, or other locations. Forecasters suggest that nearly one-quarter of all household expenditures will occur in cyberspace by the year 2005. How do customers pay? Payment is by credit card or through a preestablished account that stores personal information on a secure site. The thought of sending a credit card number across the Internet makes some people reluctant to participate in e-commerce; however, safeguards for the security of information through encrypting private information such as the buyer’s credit card number help allay this concern. Encrypting is an encoding system used to protect the privacy of messages. As customers become more comfortable with the idea of ordering and paying for goods and services through the Internet, business communicators can expect to process more of their messages electronically. Inquiries and complaints, for example, will arrive and receive a response via e-mail.

Many customers will not speak English, or English will be their second language. In fact, some Internet watchers believe that people in other countries may learn English not through formal training but rather through their use of the Internet. Translation programs can assist in interpreting and responding to messages in languages other than English; but, as noted in Chapter 2, awareness of and sensitivity to cultural differences and the subtleties of language translation will remain extremely important.

Business Applications of Technology

Organizations are increasingly dependent on computers and other technological devices to handle the volume and complexity of information communicated through daily operations. This section describes a number of technology applications to business communication.

Business and Organization Web Pages

The number of businesses and other organizations that maintain Web sites on the Internet continues to increase. A Web presence provides an advertising medium that helps potential customers learn about the organization. The Web site may include an e-mail address that, with a mouse click, opens an e-mail message form addressed to the organization or an official in the organization. Even officials in those companies not selling services or products via e-commerce see a Web site as important for the company image.

Careful planning, design, and management of Web sites are important considerations. Chapters 4 and 5 provide information about applying business communication principles to Web page design.
Internet Research

Expanded Internet use means that business professionals may find themselves using the Internet for both primary and secondary research. Primary research refers to gathering data from original sources to gain knowledge about a problem or question; secondary research involves locating and studying information gathered by other researchers. Market research is an example of primary research; reading about previous marketing studies is secondary research.

Conducting surveys through the Internet is not unusual. Collecting data electronically expedites analysis because the researcher does not have to enter and proofread the data items; computerized totals come directly from respondents’ entries. Web-based surveys for market research eliminate interviewer errors and inconsistencies and can be posted on a secure Web site with respondents directed to the site from banner advertisements or e-mail invitations. These surveys can be multimedia with video clips, graphics, and text and be designed for easy response with a click of the mouse.

TIPS AND HINTS

- Keep the questionnaire format easy to use. The response should be to the right of statements or questions because the normal eye movement across the page is from left to right. Make the survey response easy to make with a click of the mouse.
- Use only survey items essential to answer your research questions. Short, simple surveys yield higher return rates. Save the responder’s time as well as your own.
- Make sure the survey goes only to persons who agree to participate. Unwelcome mass mailings of survey instruments to e-mail lists are discourteous to the receivers.
- Set up a Web site for the survey and invite persons to participate, either with a banner on your Web site or an e-mail invitation to a selected list.

Online database research has become a preferred method of locating published information. Universities and other public libraries offer full-text journal articles and other publications online through a variety of resource databases. Libraries pay a subscription fee for each database, which has a collection of periodical articles or research reports. Library patrons access these databases from in-house library computers or through usernames and passwords for off-site access. For example, the username may be the person’s last name, and the password may be the number on a magnetic strip of the individual’s library card. Some states, such as Kentucky, have a statewide virtual library that provides online access to an array of full-text materials. Statewide virtual libraries may recognize library access codes from library cards issued by public libraries throughout the state.

Intranets and Collaborative Projects

Most businesses use an organization-only computer network called an intranet for internal communications. Businesses with such systems enable their employees to move information, exchange ideas, and discuss strategy electronically within the company without going through the Internet. The primary reason for establishing an intranet is...
the security of having a firewall to protect company information from outside intruders, hackers, or others with destructive motives.

As organizations increase their use of cross-functional teams, collaboration on projects, reports, and proposals increases. **Collaborative writing software** facilitates group writing. The product allows several users to work on the same electronic document rather than on a printed or electronically transmitted (e-mail attachment) copy of the document.

Collaborative writing may be **interactive** (*synchronous*) or **independent** (*asynchronous*). When collaboration is **interactive**, two or more people work with the same document at the same time and see changes as they are made. The document resides on a host computer used by one of the participants, referred to as the host. To contribute to the document, each person signals the host, who determines the sequence in which participants will access the document. Interactive collaborative writing sessions resemble meetings in that they must be prearranged. In addition, only the host has access to the document between sessions.

For **independent collaborative writing**, the document resides on a computer location that may be accessed at any time by anyone in the writing group. This type of collaboration has the advantage of permitting writers to work on the document at their convenience. The disadvantage is that writers must also check periodically to see what changes their coauthors have made. For this reason, writers tend to rely on strikeout and redline techniques or shading to mark the changes. A task-tracking function on word processing software can be used to underline changes and line through deletions automatically as the changes are entered. Selection of a font color such as red for the changes makes them highly visible.

Collaborative writing software is one element of a larger software category called **groupware**. Other features available in groupware include shared scheduling and project tracking. When members of a group each have access to other members’ schedules, meetings are easier to arrange. Project management has similar advantages. Updates can be entered by one person and quickly seen by all people who are working on the project.

**Video Conferencing**

Technology makes video conferencing a viable alternative to face-to-face meetings. Persons in scattered locations can participate in meetings without travel expense to meet in one location. Special software, a video camera, and a computer at the multiple locations create the ability to use a whiteboard for notes, see a document online, and watch facial expressions of participants.⁶

**Telecommuting**

Use of computer networks opened opportunities for **telecommuting** employees. Employees often prefer the flexibility offered by working as a telecommuter. However, according to Stephanie Armour in *USA Today*, telecommuting is stuck in the slow lane and hasn’t lived up to expectations. **Telecommuting** is working from a location other than the office where business is usually conducted. Although anyone who communicates with his or her office from a car, public telephone, hotel, or client’s office might

be defined as a telecommuter, the term is more widely applied to those who work from their home. Telecommuters access data and communicate with clients, colleagues, and supervisors electronically.

For organizations doing business across time zones, telecommuting enhances communication by allowing people to talk more conveniently early in the morning or late at night. Increased productivity, reduced employee turnover, and reduced need for costly office space are among the reasons businesses permit employees to telecommute.

Despite its advantages, telecommuting can promote worker isolation. To minimize the impact telecommuting can have on worker-worker, worker-supervisor, or worker-organization relationships, telecommuters may spend one day a week (or some other pattern) in the office. This structure permits organizations to schedule employee face-to-face meetings and to facilitate interpersonal teamwork.

**TIPS AND HINTS**

**Suggestions for Telecommuters**

- Keep in frequent e-mail or phone contact with fellow workers.
- Go to the office for staff meetings at least once a week or on a regular schedule.
- Create a productive office work environment in your home.

- Arrange meetings with clients in a business location.
- Plan a reasonable work schedule. Be fair to your employer and to yourself.

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**Technology-Related Legal and Ethical Issues**

In this section of the chapter, you will learn about legal and ethical considerations for the use of communication technology. Technology brings with it a number of legal and ethical issues. These issues pertain to copyright and privacy, as well as to employee behavior and organizational actions.

**Cell Phones and Other Mobile Devices**

Ethical and legal issues pertinent to the use of cell phones, PDAs, and other telecommunication mobile devices are evolving as rapidly as the technology itself. Issues center around using these devices in a manner that respects the rights, safety, and privacy of others. Legislatures have considered laws restricting the use of cell phones in automobiles, citing the danger of driver distraction during phone conversations. To date, federal laws banning cell phone usage while driving have not emerged in the United States, but some states restrict use in automobiles to hands-free phones.

Use of mobile devices to conduct business on the road or in public places, however, would not require laws if individuals practiced courtesy, respect, and concern for the safety of persons around them. A common heuristic or experiential guide for individual rights says that your rights end where the other person’s begin. In other words, if your behavior becomes excessively intrusive or dangerous to others, your conduct exceeds your rights.
Mobile communication devices offer many positive benefits; remember to balance these benefits with respect for the people around you. The following Tips and Hints suggests etiquette practices to guide cell phone use in public places.

### Tips and Hints

**Cellular Phone Etiquette**

- **Answer the phone quickly.** A ringing phone irritates those around you almost as much as the conversation that follows. Set the phone to vibrate or adjust the ring to the lowest possible volume.

- **Speak quietly and end the conversation quickly.** Cell phone users sometimes speak louder than normal to compensate for noises in the surrounding area.

- **Avoid taking or making calls when others are present.** Placing or receiving a call during meetings, while at restaurants, or during group events sends the nonverbal message that the person on the phone is more important than the people around you. If you must use the phone, excuse yourself and leave the room.

- **Protect the safety of yourself and others.** Talking on the phone while driving can be deadly. Inattention to driving increases the odds of having an accident.

### E-Mail Messages and the Internet

Whether their employees work on site or off, organizations must be sure they use technology appropriately. Misuse of e-mail and Internet resources not only threatens productivity and creates legal concerns but also endangers the company’s image.

Productivity issues stem from workers’ easy access to e-mail and the Internet. Access to and curiosity about these services, which are provided to facilitate business transactions, create the temptation to waste time. When workers exchange e-mail with family and friends, forward jokes to coworkers and others, play games, engage in day trading, or just surf the Web, they are not engaged in activities that promote the organization or its mission.

Legal concerns about misuse of e-mail and the Internet relate to liability and privacy. Most employers want to trust employees and respect their privacy, but they fear the organization will be liable for the content of e-mail messages. Computer systems can retain messages long after they have been deleted from the user’s mailbox. Gossip, derogatory comments, lewd or obscene messages or graphics, harassing messages, or any number of other items could be retrieved from e-mail files and used as evidence in court cases. In addition, having such messages originate or circulate within the workplace negatively affects the organization’s responsibility for a harassment-free environment and could ultimately tarnish its good image and decrease productivity.

Even business-related e-mail can haunt an individual or organization, as demonstrated in the antitrust case against Microsoft in the late 1990s. In this case, e-mail exchanged by Bill Gates and his staff was retrieved and used as evidence against Microsoft. In 2002, an internal e-mail that resulted in shredded documents from an Enron audit became part of legal actions against the company and its accounting firm.

Recognize that e-mail is not private. Your employer can monitor it, computer hackers can intercept it, your adversary in a legal action can review it, law enforcement agents who suspect a crime can obtain it, and your Internet provider can retrieve a copy.
of it from the e-mail server. U.S. federal code gives a governmental agency authority under state or federal criminal procedures to secure a warrant and require communication service providers to disclose the contents of an electronic communication. Illegal use of the Internet, whether from business or a home computer, is subject to disclosure and may be used as evidence of a crime. Visiting pornographic Web sites on work time is likely to get you fired; accessing and sending child pornography is a crime, whether from work, home, or a computer in any other location.

The fear of litigation and the concern over wasted time prompts some organizations to monitor workers’ use of electronic resources. Special network and e-mail software programs exist for just this purpose.

The Fourth Amendment against unreasonable governmental searches and seizures pertains to public workplaces. A Supreme Court case, *O’Conner v. Ortega* 480 U.S. 709 (1987), ruled that a public employee’s privacy in his office must be balanced with the employer’s right to conduct a reasonable search based on the circumstances. A “reasonableness test” examined whether the search was justified at its inception, meaning that there was reason to suspect that evidence would be found of employee misconduct or that access and retrieval of the file was necessary in the employee’s absence. The other part of the test examined the scope of the investigation; that is, its relation to the objectives of the search and its reasonableness when weighed against the nature of the misconduct.

Private employers are not subject to the Fourth Amendment restrictions; however, such searches should be based on reasonable suspicion or legitimate business needs, and care should be taken to disclose the contents only in clearly permissible instances. Employers often have a legitimate need to search an employee’s e-mail, voice mail, or other electronically stored messages. The Electronic Privacy Act gives an employer the right to access an employee’s e-mail and voice-mail messages that are maintained on a system provided by the employer.

The final word of advice for employees is to treat e-mail, voice mail, and other electronic messages as if they will be public knowledge. Confine messages to business and limit the time you spend communicating with family and friends while you are at work. Accessing pornographic Web sites, sending sexually suggestive messages, or revealing company trade secrets is a recipe for losing your job and may result in legal charges.

Organizations often choose to develop clear policies on the use of e-mail and other company resources. Such policies become a part of the employee handbook and alert employees that their Internet log of sites visited and their e-mail and voice-mail messages are not private. Employers should obtain legal advice on the wording of such policies. The Tips and Hints that follows gives some suggestions for policy content.

Some companies make employment contingent on a prospective employee’s willingness to sign a statement saying that she or he has read, understands, and accepts the organization’s computer-use policy. Organizations may embed a statement about technology misuse into the system’s log-on procedure; users may not proceed without acknowledging the message and the warning that their computer activities may be monitored.

### Other Technology Privacy Issues

Internet research is controversial. Technology makes it feasible to gather data about computer users without their knowledge or permission, a practice that many consider unethical and an invasion of individual privacy. As experienced computer users know, many e-commerce sites use tracking software that stores information about you on your computer in a brief text file called a **cookie**. This stored file can be read each time you...
visit their site; it enables you to be greeted by name when you return to the Web site and may include your encrypted credit card information to eliminate the need for re-entry of data on subsequent orders. Objections arise because advertisers on the net may secure information from these files to track your preferences and online shopping habits. To allay concerns about cookies, organizations frequently include a privacy statement on their Web sites that explains the type of data gathered and their use.

Bulk e-mail with multiple copies of the same message going to multiple persons who, given a choice, would not want to receive them is spam. Most mass mailing of advertising on the Internet is spam. These mass mailings often advertise questionable products, schemes for making money, or services that are only marginally legal. Much of it comes from developing countries. Responding to spam usually leads to more spam and can lead to harassment and identity theft or attempts to steal your credit card number.

A National Do Not Call Registry prohibits telemarketing calls to market goods or services to consumers who register. Calls to persons on this registry may be subject to fines up to $11,000 per call. Exceptions include groups such as charities and political organizations and calls from a business to a customer who made a purchase within the last 18 months unless the customer asked not to be called again. Organizations should abide by no-call restrictions. In addition to ethical and legal issues, persistent telemarketing and spam can damage the company's image due to angry reactions to unwanted contacts.

Copyright

Original works of authorship—including written works, art, music, photographs, multimedia, and computer software—qualify for copyright. Copyright is a legal right of the

TIPS AND HINTS

Content for Policies on E-mail and the Internet

- Be aware that employee e-mail is a part of business records and subject to review in legal actions or reasonable suspicion of misconduct that may damage the reputation of the organization.
- Don’t send animated greeting cards through business e-mail. These messages consume a high volume of processor memory; too many of these greetings (particularly around holidays) could disable the company network.
- Adhere to professional conduct in the use of e-mail and the Internet. Accessing pornographic sites or sending obscene or sexually suggestive messages can result in disciplinary penalties or termination of employment and could become the basis for legal action.
- Treat business e-mail messages and the use of the Internet as you would the business phone. Keep personal use to a minimum.
- Avoid viruses by deleting e-mail attachments unopened if they come from an unknown source.
- Direct questions about proper use of technology to management or other appropriate personnel.

NOTE 3.23

Spam is mass mailing of a message to persons unlikely to want it.

NOTE 3.24

Copyright is the legal right of the owner of original works to control distribution.

owner to control reproduction, distribution, and sale of the work. Legal use of copyrighted material obtained from the Internet follows the same fair-use guidelines as are applicable to printed, electronic, or other types of work. Copyright law grants a right of fair use to the public. Fair use is a privilege, but there is no legally binding answer that defines fair use in a specific instance. Legal interpretations depend on circumstances of the particular use and relate to four factors:

[1] Purpose and character of use (including whether it is for nonprofit educational use or of a commercial nature). Nonprofit or educational use is most favorable for fair use. Commercial purposes are most likely to be weighed against fair use and require permission by the owner.

[2] Nature of the copyrighted work (fact or fiction). Information that is general knowledge or factual material may be fair use even if published; whereas, imaginative, creative work and unpublished work tips the balance toward control of use by the owner.

[3] The amount and portion of the work used in relation to the copyrighted work (no exact percentage). A small amount of a large document is most likely to favor fair use.

[4] The effect of the use on the potential market for or value of the copyrighted work. If use of the work competes or takes away sales from the original work or avoids payments for permission in an established permission market, this effect is a consideration against fair use.

If you are quoting material, be sure to quote it accurately and give credit to the source. Further, you cannot be certain the material is free of copyright just because you do not see a copyright notice on the material. In most cases, protected work would have the symbol © or the word Copyright followed by the year, but this designation is no longer essential for a person or organization to prove a copyright violation. When in doubt, request permission to use quoted material.

You do not have to cite a source for information that is general knowledge, such as “communicators should be sure their messages are ethical and legal.” You can say that on your own even though you might have read it in a book or in some other publication. Copyright laws do not apply to public domain works; works that are not original; U.S. government materials; or ideas, processes, methods, or systems (not original) described in copyrighted works.

Plagiarism means stealing and using someone else’s ideas or words as your own without giving the other person(s) credit as the source. This theft of ideas or words takes place by using exact quotes or by paraphrasing. Paraphrasing is restating ideas (in your own words) but retaining the original meaning. Cite the source when you quote another person’s words or ideas and when you reword passages that express someone else’s ideas unless those ideas are facts or general knowledge. Paraphrasing or rewording another person’s material and making it appear to be your original work is unethical even when it is not illegal. Avoid these problems by (1) understanding and obeying the copyright laws, (2) giving credit to others when using their ideas or words, or (3) not using others’ ideas and words.

Illegal copying of software is software piracy and can result in severe legal penalties. You can copy software that is freeware. Shareware restricts copying. Copyright laws and the fair-use doctrine are complex. Most libraries have the material published by the copyright office on these topics. Business communicators must make themselves aware of the laws and guidelines that apply to their messages.
Computer Fraud

Illegal uses of the Internet include attempting to gain unauthorized access to the computer systems of others or deliberately attempting to disrupt the computer system or destroy data by spreading computer viruses or other means. Federal code defines as a fraud intentional unauthorized computer access to a wide variety of computer records (such as government agency computers and computers involved in interstate or foreign communication) to gain information or extort money or other value, or to intentionally cause damage.

Computer viruses and worms have disrupted businesses and Internet connections. A virus is a program that may attach itself to a file and replicate itself, corrupt the data of the invaded file, or attempt to crash the machine. Viruses range from harmless simple programs to those that corrupt files and cause the system to crash. A worm is a type of computer virus that invades a computer, stealing its resources and using networks to spread itself.

Organizations should make sure their computer systems have firewalls and filters to protect their data. Another reason for such protection is the capability that exists for hackers or terrorists to damage targeted Internet sites by millions of requests for information launched by a small program sent from an unsuspecting third-party unprotected computer site. The unsuspecting owner could be liable for damages. The Communication Note that follows warns of cell phones as the next frontier for viruses.

Web-Site Linking

A common Web-site practice is linking to other Web sites without obtaining permission from the owner of the linked page. The culture of Web-site usage has accepted this practice; however, as Web sites become more commercially important as e-commerce, this practice may change. Use of copyrighted or trademark-protected text or images from a linked page, an artist’s work, links to internal pages rather than the Web home page, and links to copyrighted works or defamatory material have become subjects of legal action. If you capture graphics from another Web site, make sure that you obtain permission for copyrighted material.

Links to internal pages in a Web site create a problem not only with a risk that the Web master will change internal pages but also because the visitor to the page will not see the Web owner’s home page. The symbol or text that the viewer clicks to go to the linked site is called a hot zone. Selecting the wording or the symbol used as a hot zone should be done with caution. The following Tips and Hints box gives suggestions for linking to other Web sites but is not intended as legal advice. Consult an attorney for specific legal questions.
The Communication Environment

TIPS AND HINTS

Tips and Hints for Web Site Links

- Use plain-text names (without description) as the “hot” zone for a link. Describing the link may lead to allegations of inaccurate or misleading statements. Do not use the logo, product design, slogan, or trademark of others as a “hot” zone.
- Link to the home page. Bypassing the home page to go to internal pages keeps the viewer from seeing advertising and reduces advertising revenue based on the number of “hits” to the page. If you wish to link to an internal page, request permission from the owner of the linked page.
- Add a Terms and Conditions statement to your Web site that includes Web-site usage policies and a disclaimer that you cannot control the content of third-party Web sites that link to your Web site. Also, you may state that you visited the Web sites that are linked to your sites before linking but that you do not control their content and that such content changes frequently.


NOTE 3.31
Legal jurisdiction relates to court authority applicable to the conduct of business.

NOTE 3.32
Consult an attorney when unsure about legality of message content.

E-Commerce

A legal issue for e-commerce is court jurisdiction that governs the conduct of the business. Companies that conduct business across state lines or with foreign residents in other countries may come under the jurisdiction of those courts. Legal counsel should be consulted to determine jurisdiction. Starmedia Network, Inc. v. Star Media, Inc., resulted in a determination in 2001 of sufficient minimum contacts to be subject to New York court jurisdiction. Although their interstate commerce business did not take online orders or sell products directly over the Internet, they did provide customers with access through a password to certain confidential information. This was determined to be an exchange of information through e-mail.

Electronic signatures facilitate contractual arrangements through e-commerce. A federal electronic signature law endorsed electronic signatures that could be logically associated with a record and executed by encryption technology. Courts have upheld “click-through” agreements for consumer assent to a contract and conditions.

Legal Considerations for Business Messages

You and your organization could be sued or prosecuted if you violate the law in your business messages. Thousands or even millions of dollars could be lost. Prison terms might result. Recent legal problems of major companies like WorldCom and Enron underscore the loss of public confidence and serious effects of business decisions that violate laws and ethical principles. To assure the legality of your written or oral communication, you must be aware of laws, court decisions, and administrative regulations that apply to those messages. Ignorance of the law does not excuse violators.

If you are unsure about the legality of a message’s content, you should consult an attorney or other authority. Many companies have attorneys available to employees. In
addition, some company officials—personnel officers, purchasing agents, and others—have specialized knowledge of legal requirements in their areas of responsibility.

This section of the chapter reviews some important legal considerations for contracts, employment communication, and defamation and fraud. This information can alert you to situations that have legal implications for business communication.

**Contract Communication**

Both oral and written communication with your company’s customers must meet the requirements of several laws. Among the most important forms of communication is the **contract**, a legally binding agreement between two or more parties. A proposal or offer by one party and acceptance by the other party or parties creates a contract. The contract may involve completing a particular action, providing a particular thing, or refraining from doing something.

An enforceable contract may result from an exchange of letters—one that makes a clear and definite offer and another that accepts the offer without making conditions on the acceptance—or a series of letters that makes clear that the parties have reached agreement about material elements of the contract. A contract does not have to be written in a letter or on a particular form if it includes essential elements of the agreement and has the necessary signatures. A valid contract must have the following elements:

- **Offer and acceptance**
- **Competency of parties**
- **Legality of subject matter**
- **Consideration (the price, motive, or promise exchanged)**

Businesses generally use the services of a lawyer or forms reviewed by a lawyer for all but the simplest type of contract. Examples of contracts are agreements for the sale of goods or services, transfer of property or interests in property, and contracts of employment.

**“Plain English” Laws**

Several states have “plain English” laws requiring that contracts be written so consumers can understand them. Some states specify readability levels, average number of syllables per word, layout, size of print, and other content details. These laws require careful analysis of a contract’s content. Other states have more general guidelines, such as requiring contracts to contain understandable words, short sentences, and short paragraphs. The principles of business communication given in Chapter 4 will help you meet the requirements of “plain English” laws.

**Warranties and Guarantees**

Federal law requires the manufacturer or seller to stand behind a purchase of a major product. A warranty must be available for the purchaser to read at the time of purchase. The Uniform Commercial Code, the Consumer Product Warranty Act, the Federal Trade Commission Improvement Act, and similar legislation cover **express warranties** (promises made willingly by the seller) and **implied warranties** (promises created by law). An example of an express warranty is a manufacturer’s written promise to replace a product during the first year if it proves defective due to quality of construction or materials. An example of an implied warranty is that the product must be satisfactory for the purpose intended. Promises to consumers and others can be made orally or in writing, so be sure you warrant only to the extent you intend.

**NOTE 3.33**

A contract is a legally binding agreement.

**NOTE 3.34**

Warranties are of two types: express and implied.
Businesspeople must be sure they use plain English in their contracts.

Credit and Collection Communication

Many state and federal laws specify the responsibilities of businesses in issuing credit and collecting debts. Here are some of the important federal laws.

**EQUAL CREDIT OPPORTUNITY ACT**

This law requires that credit be equally available to all creditworthy customers. It also covers how creditworthiness is determined. Credit grantors cannot discriminate on the basis of race, color, religion, gender, or national origin. Credit decisions cannot be based on age (if of legal age for a binding contract) or marital status.

**FAIR CREDIT BILLING ACT**

This law protects credit card users against false charges made to their accounts. The act specifies in detail those procedures that consumers and creditors must follow to resolve problems.

**FAIR DEBT COLLECTION ACT**

This law specifies in detail what debt collectors can and cannot do. The law defines a debt collector as a person, other than the creditor, who regularly collects debts from others. Although the law does not forgive any legitimate debt, it requires that debt collectors treat the debtor fairly. A collector may make contacts through mail, telephone, telegram, or fax but cannot make contact at unreasonable times or places, such as before 8 a.m. or after 9 p.m., unless agreed to by the debtor.
**FEDERAL TRUTH-IN-LENDING ACT**

Full disclosure of credit terms to consumers is a requirement in this law. Lenders and creditors must clearly disclose service charges, finance charges, and the effective annual interest rate. The law covers how the terms and conditions of loans must be specified—such as number of payments and due dates of payments. It also gives the borrower a right to cancel within three business days after signing a contract.

**Employment Communication**

Managers, supervisors, and employees need to know the legal requirements affecting employment communication. The following laws specify much of what can and cannot be said or written about employees.

**THE CIVIL RIGHTS ACT**

This law and its amendments prohibit discrimination in employment. Hiring, firing, compensation, and other conditions of employment cannot be based on race, color, religion, gender, or national origin. This law, first passed in 1964 and since amended, is landmark legislation. Every business communicator should be aware of its requirements. Affirmative action programs have evolved from the Civil Rights Act; the Equal Employment Opportunity Act; and other extensive federal, state, and local employment regulations.

**THE AGE DISCRIMINATION IN EMPLOYMENT ACT (ADEA)**

The ADEA deals with a shift in the age demographics of the American workforce. The ADEA prohibits discrimination against workers over 40 years of age. This act requires due diligence, record keeping, and documentation on the part of employers in firing employees. **Due diligence** is defined as the care that a reasonable person under the same circumstances would use; due diligence entails reasonable but not exhaustive efforts to act in accordance with the law.

**LABOR-MANAGEMENT RELATIONS ACT**

This law guides communication between managers and workers, particularly as it concerns unions, and prevents employment discrimination based on union activity. The National Labor Relations Board provides details regarding its implementation; its Web home page is [http://www.nlrb.gov](http://www.nlrb.gov).

**THE PRIVACY ACT**

Employees can access information about themselves as a result of this law. It also limits the use of personnel information to the purpose for which it was collected. For example, it is important when serving as a reference that you respond only to specific requests that have been approved by the employee. Further, your comments should relate only to documented job performance. Any reference should be objective, given in good faith, and without malice.

**FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT (FERPA)**

This law protects the privacy of information directly connected to a student and includes student records in any media—computer media, video or audiotape, film,
FERPA requires written permission from a parent or from the student (if 18 or older) before disclosing any personally identifiable information contained in educational records. Exceptions provided by regulation permit disclosure to a limited set of persons or institutions such as official parties in connection with financial aid, accrediting agencies, or in response to a court order or subpoena.

**AMERICANS WITH DISABILITIES ACT**

This 1990 act, covering some 43 million Americans with disabilities, is referred to as the most important employment legislation since Title VII of the Civil Rights Act. This law makes it illegal to discriminate against people with disabilities in regard to hiring, firing, compensation, training, and advancement. Communicators must be aware of language that the courts might rule discriminatory, such as job descriptions and advertisements calling for high energy level, able-bodied, and so forth. The law covers both physical and mental disabilities. Persons with disabilities are qualified applicants or employees if they can perform the essential functions of the job. Human resource personnel refer to essential job functions as *bona fide occupational qualifications* (BFOQ).

An employer cannot eliminate a qualified applicant from equal consideration for employment if the applicant can perform the essential job functions with reasonable accommodation for the disability. For example, an administrative assistant with a hearing disability could have an amplifier added to the phone to make it possible to handle telephone calls. The amplifier would be a reasonable accommodation; and if this candidate is employed, the ADA requires the employer to provide it.

**FAMILY AND MEDICAL LEAVE ACT (FMLA)**

The FMLA was passed in 1993. This law recognizes the responsibility of employees to care for seriously ill family members, to recuperate from their own serious illness, or to care for a new baby or newly adopted child. Certain employers must allow up to 12 weeks per year of unpaid leave for this purpose. The FMLA applies to employers who have 50 or more employees, including part time. The covered individual must have been an employee for a year and worked at least 1,250 hours during the 12 months before the leave. The law describes certain restrictions concerning scheduling and notice requirements and proof of illness.

**Defamation and Fraud**

Common law and other legislation cover such important legal considerations as defamation and fraud. These laws restrict what you say about other persons that may damage their reputation or cause financial loss because of misleading or false information.

**DEFA MATION**

The law does not permit you to make statements that injure the reputation or character of another person. Such statements, called defamation, are libelous (written) or slanderous (oral). To be considered defamation, the statements must be false, made for or read by a third person, and must cause injury. A publication that injures a corporation’s credit, property, or business is libelous, also. In certain situations, true statements may be considered defamation if they are made with the intent of harming the other person. In most cases, someone other than the person defamed must read a letter before its contents can be grounds for a court action for libel.
**FRAUD**

Lying that causes another person monetary damage is called fraud. Fraud can be committed by words or conduct and includes false advertising and false endorsement of products or services. Fraud exists when these conditions are proven:

- A communicator misrepresents or conceals a material fact.
- The misrepresentation was made knowingly or with a reckless disregard for the truth.
- The misrepresentation was made with the intent to deceive.
- The deceived person relied on the false statement.
- The deceived person incurred monetary damage.

**Ethical Considerations and Codes of Conduct**

Ethical communication is essential to successful individuals and organizations. Effective interpersonal relationships are built on trust, honesty, and fairness. Promises made are kept. Fair disclosure of information is provided. Acceptable organizational values should be shared and promoted.

Being ethical is enlightened self-interest. You will pay far more in time, money, and effort to repair the damage caused by false messages than truthful, forthcoming messages would cost in the first place. In addition, it is not always possible to repair the damage caused by an unethical message. Your credibility is likely to be lost, your interpersonal relationships destroyed, and your career impaired.

**An Ethical Communicator**

How can you be sure you are an ethical communicator? First, you determine exactly what ethical communication is. Second, you adopt principles or develop systems that work best for you in choosing ethical content for your messages.

**DEFINING ETHICAL COMMUNICATION**

The word ethics is derived from the Greek word ethos, meaning character. Being ethical means doing what is right to achieve what is good. In business communication what is right refers to the responsibility to include information in your messages that ought to be there. What is good refers to the end result of the communication. The ethical end result is to strive for the highest good attainable for all of those involved in the communication. Therefore, ethical communication strives for the highest good for all involved and provides information that is fully adequate for the circumstance, truthful in every sense, and not deceptive in any way.

**CHOOSING ETHICAL CONTENT FOR YOUR MESSAGES**

Choosing ethical content for messages requires the same analytical and practical skills as does sound business leadership. Being ethical in your communication requires that you determine—from among all the alternatives—the right and good information in given situations. Figures 3.1 and 3.2 show contrasting choices for message content.
INTEROFFICE MEMO

To: All Employees
From: Bill McKeiver, President
Date: February 1, 200–
Subject: New Shift

Beginning on February 3, 200–, and for an indeterminate time, there will be a newly established shift running from midnight to 8 a.m. One-third of the employees in each department on the 8 a.m. to 4 p.m. shift and one third on the 4 p.m. to midnight shift will be assigned to the new midnight shift. The employees who will have their shifts changed will be notified via a paycheck insert tomorrow.

Ethics in Business

Today we frequently learn about unethical behavior in business and government through the news media. Insider trading, bribery, misleading advertising, misrepresentation of facts, cover-ups, and stonewalling seem to be common practice.

In fact, only a small percentage of business and professional people behave in unethical ways. Those who are unethical rarely succeed in the long run, and most of them are not successful even in the short run. Businesses complete millions of transactions daily based on trust and honesty. They advertise merchandise fairly, they receive orders and ship high-quality products, and make payments on time. If businesses and their customers do not relate this way, business survival is doubtful.

Global Business Ethics

In our global economy, managers face new issues on how to operate ethically in foreign lands. To conduct business ethically in another culture, managers must be aware of that culture’s values and ethics. Companies must help managers distinguish between practices that are wrong and those that are merely different. A Web site for business ethics...
To: All Employees
From: Bill McKeiver, President
Date: February 1, 200
Subject: New Shift

As you are aware, we are experiencing sharply increasing customer demand for our bikes. Such demand improves the company’s outlook and strengthens employee security in these trying economic times. Meeting the increase in demand, however, is overloading our equipment and causing machine failures and unacceptable downtime.

To meet the demand and to solve the equipment problems, Employee/Management Group C recommends that, for a three-month trial period, a third shift running from midnight to 8 a.m. be added. I am approving this recommendation.

We will implement the third shift on March 1. The employees on the third shift will be paid a 10 percent bonus. Because we will need one-third of the employees from each department from the 8 a.m. and 4 p.m. shifts to move to the third shift, we are seeking volunteers who are willing to change their shifts. Volunteers will be accepted on a first-come, first-served basis. If there are not enough volunteers to reach the one-third departmental goals, employees will be drawn by lot to serve on the new shift on a weekly rotating basis.

Your support of this new approach to meeting current customer demand will be greatly appreciated. If the higher level of demand continues throughout the three-month trial period of the new shift, a reassessment of how we will meet the demand will be made. Alternatives to be considered will be to increase the third shift or to increase investment in production equipment.

If you are interested in volunteering for the third shift for the three-month trial, call the Human Resources Department at extension 3636.

Background information is given.

Employees were involved in the decision.

Implementation plan is fair.

Full information is provided on the plan.

Action required is clear and easy to take.

Business Ethics Codes of Conduct

The most successful businesses are managed and operated by ethical employees. Research shows that today about 90 percent of all Fortune 500 companies have codes of ethics to help guide their employees’ behavior. Codes of conduct must provide clear direction about ethical behavior when the temptation to behave unethically is strongest. The pronouncement in a code of conduct that bribery is unacceptable is useless unless accompanied by guidelines for gift giving and suggested employee responses to unethical situations such as offers of bribes. Executives must practice the ethical standards outlined in the code of conduct if the company is to have a successful ethics program.

Texas Instruments (TI) is an example of a company with a long-standing code of ethics. TI published its first written code of ethics in 1961 and has revised it several times to reflect business environment changes. Figure 3.3 on page 80 shows a portion of the TI Code of Ethics. TI employees receive a copy of the TI Ethics Quick
FIGURE 3.3
Excerpt from Texas Instruments Code of Ethics

We Learn and Create By:
Understanding that impatience with the status quo drives business and personal growth.
- Working together with trust to achieve superior results.
- Recruiting, training, promoting and rewarding people based on their performance and contribution.
- Encouraging open, honest and candid communications.
- Maintaining a professional work environment that is both satisfying and rewarding.
- Giving recognition and credit appropriately and frequently.
- Valuing all Tiers for their contributions without regard to their position or level within the organization.
- Understanding that working together successfully may depend upon our willingness to trust someone else to take the lead.

We Act Boldly By:
Pioneering new business directions and opportunities.
- Striving to win aggressively and doing so with the highest standards of ethics.
- Taking responsible risks, managing those risks and learning from our experiences.
- Promoting workplace flexibility to make TI the employer of choice for the most creative and innovative people.
- Seeking out new perspectives and ideas through a diverse workforce.
- Recognizing that we succeed or fail together.


Test on a business-card size mini-pamphlet to carry with them. This test consists of the following questions and advice:

- Is the action legal?
- Does it comply with our values?
- If you do it, will you feel bad?
- How will it look in the newspaper?
- If you know it’s wrong, don’t do it!
- If you’re not sure, ask.
- Keep asking until you get an answer.

Many companies have training sessions to discuss ethics codes and explain procedures for compliance. Ethics codes can be in employee handbooks and placed on the company’s Web site. In addition, corporations may provide a toll-free hot line for employees to obtain advice on ethical matters. Ethics is not just a U.S. issue. A Web site for the Institute of Business Ethics (IBE) in England gives guidelines for content of a code of business practice and ethics and how to make codes of conduct effective. The site may be found at http://www.ibe.org.uk/code.htm. Most businesses now realize the importance of a strong sense of individual and corporate values. The following examples of ethical and unethical communication illustrate the importance of business ethics.

NOTE 3.46
A company’s code of conduct provides direction for ethical behavior.

**A HUMAN RESOURCE CASE**

In the mid-1990s a lawsuit by African-American Texaco employees alleged illegal racial discrimination practices in hiring and promotion. Two years after the filing of this suit, a public relations nightmare developed when the *New York Times* reported an audiotape recording of several high-level Texaco executives using racial slurs and derogatory metaphors. An examination of events by the Equal Employment Opportunity Commission ensued and, as a result, Texaco agreed to a $176.1 million class-action settlement. A research study of the economic damages suffered by Texaco shareholders as a result of the lawsuit and the negative publicity showed an estimated total loss in excess of $500 million.\(^9\)

**A GLOBAL CASE**

Levi Strauss, located in San Francisco, California, had a supplier that posed an ethical problem. The Tan family, a large supplier for Levi Strauss, allegedly forced 1,200 Chinese and Filipino women to work 74 hours per week in guarded compounds in the Mariana Islands. Levi Strauss, after repeated warnings—good examples of ethical messages—to the Tans, broke off the business arrangement. The story of Levi Strauss has numerous examples of how the company applies its key values in meeting consumer needs. A comprehensive code of conduct ensures that individuals making the company’s products “anywhere in the world will do so in safe and healthy working conditions and be treated with dignity and respect.”\(^10\)

**A PRODUCT CASE**

A review of the way Johnson & Johnson and its managers faced an ethical situation may illustrate how most businesses should operate. In 1982 an unknown criminal poisoned Tylenol capsules, which led to the deaths of seven people. Unaware of the cause of the deaths, Johnson & Johnson managers based their ethical and decisive reactions to this crisis on the company’s 45-year-old credo, which can be accessed on its Web site at [http://www.jnj.com](http://www.jnj.com). Underlying this credo is the belief that business is a moral undertaking for the benefit of society, with responsibilities that go far beyond sales and profits.

Johnson & Johnson developed communications to alert the public and medical community, removed all Tylenol capsules from stores, halted production, and cooperated with the media and public health officials. Society was well served by this private company. Its managers’ ethical behavior was the foundation for the comeback of Tylenol in new tamper-proof containers. Less than six months after the tragedy, Johnson & Johnson had regained 70 percent of its previous market and Tylenol was again available to the public. The Johnson & Johnson story is a model of ethical managerial decisions and communication.

**ETHICAL DECISIONS**

In many communication situations, you will be faced with gray areas. Most situations are complex, and few decisions are entirely right or entirely wrong. There may be


competing interests among your superiors, subordinates, customers, suppliers, stockholders, and others. Ethical principles and systems that can help you make decisions on ethical content for your messages are presented in the following sections. In her Communication Quote, Whitney Calvert describes challenges businesspeople face for ethical conduct and suggests two guides for meeting these challenges.

**An Ethical Situation—Communicating about Coca-Cola’s Downsizing Program**

As you study the principles and systems for making ethical decisions, think about the following example. The Coca-Cola Company’s significant restructuring of its operations in January 2000 involved the largest downsizing of employees in its 113-year history. Assume that you are Douglas Daft, the company’s president and chief operating officer, responsible for developing and transmitting messages that will announce to various receivers that the company has a suffered a loss for the fourth quarter and plans a layoff of 6,000 employees. The job cuts include about 2,500 in Atlanta and affect nearly 21 percent of the company’s 29,000 employees in the global workforce. The receivers of your messages will include the company’s current employees, businesspeople in the communities where the company is located and where the employees live, suppliers to the company, local and state government officials, managers and supervisors within the company, the company’s stockholders, the company’s customers, and the general public.

Reflect on the receivers’ needs in this communication situation. Assume the you—viewpoint. The employees need to know about the company downsizing several months in advance so they can search for other jobs. The local community and government officials need to know so they can seek other industries to replace the lost jobs and tax income. The suppliers need to know so they can seek replacement customers. The company managers and stockholders want a smooth transition and need the

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**NOTE 3.49**

Respond to the receivers’ needs for information.

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Rapidly developing communications technology brings to lawyers, as to all other businesspeople, new challenges in ethical conduct. Now, as never before, technology exists that allows communication to be dispatched via media that are both impersonal and potentially unsecure. These challenges are twofold: (1) to make every effort to be as honest, accurate, precise, and forthcoming in communications such as e-mail, Internet, and fax as we would be in face-to-face interpersonal transactions and (2) to be as mindful of privacy, confidentiality, and personal responsibility in such communications as we would be in a roomful of interested parties or in a written letter sent out under our letterhead.

—Whitney Calvert, Attorney at Law, Frost Brown Todd, LLC (Photo courtesy of Whitney Calvert)

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restructuring program to boost Coca-Cola’s reputation and market leadership. The company needs to maintain a positive image with its customers and the general public.

How do you decide what is the right information that ought to be in your messages to these receivers? How do you resolve what is the highest good attainable for all those involved? After the following ethical principles for planning and developing messages are presented in the next section, the Coca-Cola downsizing communication situation will be analyzed.

Legal and Ethical Messages

Some of the ethical principles and systems that have worked well for others are provided in the following sections. These principles and systems can help you be an ethical communicator. Choose among these suggestions to find the one or the combination that works best for you. Use the principles and systems you choose on a daily basis to ensure that your business messages are ethical.

The Golden Rule

The Golden Rule is “Do unto others as you would have them do unto you.” This time-tested guide exemplifies the you–viewpoint. It calls for you to assume that you are the other person and from that perspective consider what should be done. This simply stated, fundamental moral imperative is a helpful, ethical principle for many business communicators. They analyze the communication problems facing them. Then they analyze the alternative content they could select for their messages. They choose content that will provide the full disclosure, truth, and straightforwardness that they would want to have. Full disclosure and straightforwardness implies providing more information than technically necessary to avoid a lie as the following cartoon illustrates.

The Social-Utility Concept

The concept of social utility provides a systematic approach to ethics. To determine ethical content for a message using this approach, you first list all alternative content from which you could choose. You then consider the positive and negative impact of each of the alternatives on all those your message affects. Those content alternatives that produce the greatest good and the least harm for all affected are chosen for inclusion in the message. Using this approach, self-interest is overridden by the requirement that everyone’s good be counted equally.
The Universal-Law Concept

Using the universal-law approach, the actions and the alternatives that could be chosen for message content are categorized as good or evil for society as a whole. The question the business communicator asks is, “Would I be willing to require all others in the same circumstances to send the same kind of message I am sending?” The answer has to be yes. You would have to be willing, for the welfare and betterment of society, to establish a universal law requiring all others to behave as you are behaving.

An Analysis of the Example Ethical Situation—Communicating about Coca-Cola’s Downsizing Program

To determine whether a situation is ethical, consider these three steps: First, you should make sure that your message content meets applicable community and society standards of behavior. Second, you should make sure your message is legal. Third, you should apply your own personal values to the content.

Let’s apply the ethical principles and systems given in this chapter to the Coca-Cola Company’s downsizing situation described earlier. As you will recall, you are the manager responsible for announcing Coca-Cola’s downsizing to various receivers.

The ethical issues in this communication situation involve competing interests. The company’s managers and stockholders want a cost-effective downsizing that does not involve employee turmoil. The company’s employees will need to find other jobs. Government officials will be concerned about lost tax revenue and community development. Suppliers will be concerned about replacing lost business. The company’s customers will need a new source of supply. Finally, the public at large will have a general interest.

When do you send the messages? What information do you include in different messages for different receivers? How do you best achieve the highest good for all those involved in the communication?

Application of ethical principles and systems can guide you to develop ethical messages that contain full information and provide the greatest good to all receivers. With some assumptions about detailed facts in this communication situation, here are logical, ethical decisions regarding your messages:

- The messages will go out at the same time. They will be sent several months in advance of the downsizing to give the large number of people who will be affected time to take corrective actions.

- A truthful, open explanation of how the downsizing and restructuring are intended to streamline the company will be given. Information will be shared on how the changes in the company’s organization will enable Coca-Cola’s line managers around the world more autonomy to provide better service to their markets.13

- Information will be provided to the company’s employees and managers to assist them in the transition. Departing Coca-Cola employees will leave with one of the more generous severance packages in recent history. The $800 million in severance benefits will also provide affected employees with resume, job search, and other out-placement services.14


The company’s stockholders and managers will be reminded of how the timing and content of the messages—to employees, customers, the general public, and others—best serve the company’s long-term interests. The move is aimed at cutting costs and boosting earnings. Coca-Cola said completion of the restructuring will yield about $300 million in annual cost savings.

Final Comments on Ethical Behavior

In today’s environment, public perception of business ethics may be at an all-time low, largely due to stock fiascoes of major corporations, with devastating effects on employees and public investors in contrast to large financial gains for CEOs and other organizational insiders. These corporation failures brought increased governmental scrutiny and legislation. In addition, the media focus on the effects of these actions on society, as well as public opinion, should bring a reexamination of ethical as well as legal issues for organizations and individuals.

Being ethical in your communication is not only essential and the right thing to do, it is also contagious. Others will follow your lead when they observe the success you experience in interpersonal relationships and in your career. Applying ethical principles and laws requires human judgment and interpretation.

Summary of Learning Objectives

Distinguish between legal and ethical issues.

Legal issues pertain to laws that are enforced through court systems and which represent standards of behavior valued by society. Ethical issues relate to value systems and cultural beliefs of individuals and organizations that determine their standards of behavior.

Describe communication technology trends and legal and ethical issues related to technology.

Technology is moving toward more portable and wireless systems, faster and higher capacity chips for computers, faster messaging and e-mail transmission to cell phones, and improvements in speech and handwriting recognition software. Continued growth is expected for the use of e-commerce, cell phones, Web sites, and the Internet. Legal and ethical technology issues relate to respect for the rights of others for privacy, protection of copyrighted works, and court jurisdiction of interstate and international commerce. In addition, laws can be broken and ethics breached by accessing pornographic Web sites or using business e-mail for personal use, sexually explicit language, or crude jokes.

Discuss legal considerations for business communication.

The contents of messages must be both legal and ethical. When in doubt about legal questions, consult an attorney. Contracts, credit and collection letters, and employment communication are subject to a variety of laws, legal codes, and requirements. Further, defamation and fraud can result from false statements that injure another person.
Describe ethical considerations for communication and explain how codes of conduct help organizations promote ethical behavior and gain credibility.

Ethical communication means determining the right thing to do and demonstrating fairness and respect for the message receiver. Trust and honesty, fairness in advertising, and not harming others by withholding important information are a part of communication ethics. Ethical behavior means not only staying within the law but also being consistent with your own value system and your company’s code of conduct. A code of conduct publicly announces the values and beliefs of the organization and makes company expectations a part of the work culture. Making this guide for conduct publicly available increases public respect for the business and its employees.

Explain how legal and ethical considerations are an integral part of planning, composing, and sending messages.

Planning, composing, and sending messages requires constant adherence to legal and ethical principles. Is the message content accurate and complete? Have you considered what the receiver needs to know? Have you selected a medium that is appropriate for the message and that will be favorably received? Does the message reflect the community and society standards of behavior and the organization’s ethical standards? Is it legal? Does it meet your own personal value system? Apply ethical principles and codes of conduct to all of your business messages. Consider these principles when planning your messages.

Discussion Questions

1. Define ethics and explain the difference between legal and ethical issues. (Objective 1 and Objective 4)
2. Describe three wireless technology devices that enable sending and receiving messages. (Objective 2)
3. Explain two types of research to increase computer power. (Objective 1)
4. Internet. What change in e-commerce increased public confidence in shopping and buying through the Internet? What other technology changes could cause growth in e-commerce? (Objective 2)
5. What is the difference between primary and secondary research? Give an example of how the Internet can help with each type of research. (Objective 2)
6. Describe two ethical considerations for using cell phones. (Objective 2)
7. Describe two types of laws that affect agreements between two or more parties. (Objective 3)
8. Explain why you agree or disagree with this statement: “Only a small percentage of business and professional people behave in unethical ways.” (Objective 4)
9. Explain the universal-law concept as a guide to ethical messages, and give an example of how this law could apply in communication about pollution from a company’s manufacturing process. (Objective 5)
10. How can a code of conduct by a business or other organization help employees to make ethical decisions? (Objective 4)
**Application Exercises**

1. **Ethics. E-mail.** Assume that you are in college and your roommate is a “computer whiz.” She tells you about once being able to get access to the bank’s database in her hometown, explaining that no harm was done because she didn’t steal anything but just wanted to see if it could be done. Since coming to the university, she has tried to get access to the campus registrar’s database of student records. Develop a list of points for your discussion with her of the legal and ethical implications of her actions. E-mail the list to your instructor. (Objective 2)

2. **Ethics. Teamwork.** Form a team of three to five students. For one week, each of you will listen to a television news show or read the daily newspaper to identify situations reported in the news that have legal or ethical implications for communication. At the end of the week, meet together and make a list of the situations your team observed. As a team use a group consensus technique to select five issues for a discussion of the legal and ethical implications. Consider the individual opinions that may arise when discussing what is or is not ethical. Remember that individual ethical standards and opinions about ethics may differ; not everyone agrees about what is ethical. (Objectives 3 and 5)

3. **Ethics. Internet. Teamwork.** From the five issues identified in the activity above, meet with your team and write three questions about the situation that you need to research further to understand the legal and ethical implications for action in these situations. Use the Internet for this research. As a team, develop a summary of what the team learned about each issue, and present your findings to the class. (Objectives 1, 3, and 5)

4. **E-mail. Ethics.** Send an e-mail message to your instructor describing an ethical or legal communication that you had to handle at your job or in the classroom. Apply the ethical principles described in this chapter to the situation. (Objective 5)

5. **E-mail. Ethics.** A friend gives you a copy that he has made of a software program that he purchased. Is this a legal or ethical issue or both? Explain your answer in an e-mail sent to your instructor. (Objectives 1 and 2)

6. **Global. Ethics. Internet.** Assume that you are a good friend of an executive of a company that markets widgets in the Bahamas. You have stock in this company and your friend casually mentions that the widget is becoming obsolete. Nothing is mentioned about your stock. Is it legal for you to call your stockbroker and sell your stock? Is it ethical? Research the topic *insider stock trading* on the Internet. Write your answer to these two questions, explaining your answers based on your research. (Objectives 1 and 3)

7. **Ethics. E-mail.** Evaluate this statement using the TI Ethics Quick Test and the Code of Conduct from Figure 3.3: “It is better to steal from the stockholders of a company than the public because it will receive less media attention.” Summarize your evaluation and post it to a class electronic discussion board, if one is available, or send it as an e-mail attachment to your instructor and members of your class. (Objectives 1, 3, and 4)

8. **Ethics.** For each of the following behaviors, explain whether it is illegal and/or unethical and what effect the behavior could have on an employee and the employer. (Objectives 1, 2, and 3)
   - a. Sending sexually-explicit jokes to fellow employees using company e-mail.
   - b. Taking personal calls on your own cell phone or pager while at work.
   - c. Copying company software for home use.
   - d. Blaming a technology glitch for an error that you made.
   - e. Using the office copier to make 150 copies of your social club’s newsletter.
f. Taking home pens and paper from the office for other than work tasks for your company.
g. Overstating an expense item on a travel expense report for reimbursement.
h. Inflating the sales price and giving a kickback to a customer.
i. Shopping on the Internet at work for personal items.
j. Using a cell phone to transact business while traveling in a company car.
k. Using an employer’s stationery when applying for a job with another firm.

9. Ethics. Assume that a section of the company policy where you work conflicts with your own individual value system. When a situation arises that requires application of this policy for a communication that you are to write, which ethical guide would you follow? What would be the likely consequences? Form a team of three to five students to discuss this question. Summarize your conclusions to share with the class. (Objective 4)

10. Ethics. Company officials searching for a way to avoid bankruptcy raised cash with off-the-balance-sheet loans and overstated results by inflating capital expenses and hiding the debt. The company’s stock traded on Wall Street. Evaluate the actions taken to avoid bankruptcy. Use the guidelines from this chapter for your evaluation. (Objective 1, 3, 4, and 5)

11. Ethics. E-mail. John Kenneth Galbraith is quoted as saying “The salary of the chief executive of the large corporation is not a market reward for achievement. It is frequently in the nature of a warm personal gesture by the individual to himself.”\textsuperscript{15} Collaborate with another classmate to write a reaction paragraph that considers the quote and the ethical and legal issues related to it. (Objectives 4 and 5).

12. Ethics. E-mail. A civil right is an enforceable right or privilege. Breach of this right can result in legal charges. Laws protect freedom of speech, press, assembly, the right to vote, and the right to equality in public places. A newspaper prints a story based on an unsubstantiated source that proves to be false but is damaging to the reputation of a local business official. Is the story protected by freedom of the press from charges of defamation or fraud? Prepare a brief slide presentation explaining your answer. Send the slide presentation to your teacher as an e-mail attachment. (Objectives 3 and 5).

13. An automobile manufacturer planned to sell cars directly to consumers through the Internet. Texas law prohibited auto manufacturers from acting in the capacity of dealers. If cars are sold to Texas consumers via the Web, is the action subject to Texas courts? Explain how laws of legal jurisdiction apply to this manufacturer’s car sales. (Objectives 3 and 5)

14. Ethics. A bank charges extra fees to Hispanic customers for opening and maintaining a checking account without meeting the bank’s minimum deposit amount. The account has no check writing privileges although it was advertised to Hispanics as a checking account. Customers must go to the bank to make a withdrawal. Each deposit or withdrawal from the account costs the customer $1.50. Write a letter to the Better Business Bureau explaining why you believe this action may be unethical or illegal. (Objectives 1, 3, and 5).

15. Ethics. Teamwork. A manager of a department store tries to follow a company policy that prohibits off-the-clock work requirements of employees; however, store managers have to keep payroll costs below a target set by headquarters and overtime pay is against policy. The store manager decides that the only way to control payroll costs is to require employees to stay at work 30 minutes each day after they clock out to

straighten merchandise for the next day. After all, she reasons, the two company policies are in conflict with one another. Write a paragraph explaining why you believe the action is or is not unethical or illegal. Exchange papers with a classmate and critique each other’s response. (Objectives 1, 3, 4, and 5)

16. Ethics. A pharmaceutical company hides indications of a drug’s dangerous side effects and delays sending a message to physicians about possible effects until six months after research documented serious illness or death from use of the drug. Describe in writing your beliefs of the actions that the manufacturer should have taken to send messages that could have saved lives or prevented serious injury. Explain whether you believe a pharmaceutical company has an obligation to the public greater, equal to, or less than manufacturers of automobiles. (Objectives 1, 3, 4, and 5)

17. Ethics. A friend of a college football coach faxed the coach a description of plays from a rival team’s play book. The coach’s team was scheduled to play the rival team the next week. The coach accepted the plays and used them in preparation for the game. In a group of three to five people, decide whether you believe the actions of the friend and the coach to be ethical. Explain the reason for the decision. (Objectives 1, 2, and 5)

18. InfoTrac. Ethics. Internet. Use InfoTrac to access an article in Maclean’s, June 19, 2000, p. 40, titled “Who Owns Knowledge?” by Diane Francis (Article No. A62736801). Read the article and answer the following questions: (Objectives 1, 2, and 5)
   a. Do you believe that the intent of the program to help fellow impoverished Filipinos steal free access to the Internet makes the behavior ethical?
   b. Explain your beliefs about whether equity of access to computer technology is a justifiable argument in this case.
   c. Debate the issue of property rights and copyright versus open access of Internet material for the benefit of society.

   a. How many of these acts do you believe are unethical?
   b. Have you committed at least one of them?
   c. Explain why these actions would not meet one of these guides for legal and ethical messages: the Golden Rule, the Social-Utility Concept, or the Universal-Law Concept.

20. Obtain a sample contract. Identify the four essential elements applicable to this contract. (Objective 3)
   a. Offer and acceptance
   b. Competency of parties
   c. Legality of subject matter
   d. Consideration

There are Web exercises at http://krizan.swlearning.com to accompany this chapter.

**Message Analysis**

Based on what you have learned in this chapter about codes of conduct, revise the following letter that explains the General Standards of Conduct for State Government Employees. Reword for a positive tone, as well as clarity and completeness. Edit your letter
Dear Employee:

It is my duty to inform you that every employee is required to sign this letter and return it no later than one week after it is received. You should know that your actions will be monitored while you work for this organization. The Public code of Conduct recognized that public servant work is for the benefit of the people and is a trust based on consent of its citizens. Citizens are to have trust in the integrity of their government. Therefore, the following general statements of required behavior are presented:

- Don’t take bribes. Be independent and impartial in decisions.
- Don’t make decisions and policies outside of established government processes.
- Don’t commit behavioral actions that destroy public confidence.
- Do not engage in conflict of interest deals
- Don’t use public property—technology, copiers, telephones, etc. for private use.

If you do any of these actions you will be found out and will be fired without an opportunity for explanation.

Have a good day!!!!

Respectfully Yours

Grammar Workshop

1. A System of morale principals is a definition of the word Ethics.
2. The ABC Journal publishes articles on Business Communications.
3. Effective English teachers learn the students how to write, speaking and listen.
4. Basic communications skills is fundamental for successful work in the business-field.
5. If I was president of the Company, I’d make everyday a “casual, dress day.”
6. Me and Rob was going to play golf last Saturday; but canceled since we heard about the severe thunderstorm’s warning.
7. Your technology skills should be brushing up.
8. A code of conduct can helped a company to build a solid repute.
9. If you brake the law, you can except to be punish.
10. New technology hardware keeps getting fast and greater.