

ETHICS AND LAWS IN CORPORATE COMMUNICATION

UNIT-I



ETHICS AND LAW IN CORPORATE COMMUNICATION

- ‘Ethics’ takes to the Greek word ‘ethos’ which denotes ‘moral’. Ethics means a bunch of rules or codes of conduct which follow moral values and behavior.
- Ethical: Means Conforming to Professional Standard of Conduct.
- Ethics: Is Code of Conduct that guides an individual while dealing with others.
- Code: A collection of moral and legal laws/ rules.

- **Three major areas of study within Ethics recognized today are:**
 1. Meta-ethics, concerning the theoretical meaning and reference of moral propositions, and how their truth values (if any) can be determined
 2. Normative ethics, concerning the practical means of determining a moral course of action
 3. Applied ethics, concerning what a person is obligated (or permitted) to do in a specific situation or a particular domain of action.

IMPORTANCE OF ETHICS

**Corresponding
to Basic
Human Need**

**Creates
Credibility
with Public**

**Creates
Credibility
for Mgmt**

**Effective
Decision
Making**

**Profitable
Venture**

**Laws cannot
always
protect the
Society.**

**In order to be
successful in
today's
environment, a
company has
to be socially
conscious and
should behave
ethically.**

Principles of Code of Corporate Communication

Honesty

Confidentiality

Credit

Free Speech

Sensitivity

Nestle's Maggi Noodles

Damage Control

60%: MAGGI'S CURRENT MARKET SHARE

Print ads to be released to highlight 'facts' on Maggi

Govt demands compensation of ₹640 crore

CFTRI lab report gives clean chit to Maggi

SC revives class-action suit with NCDRC against Maggi

Nestle says lead 'below detectable limits'

2015

FSSAI banned Maggi

Allegation: MSG & excess lead

Nestle took a hit of ₹450 crore

Over 30,000 tonne of Maggi destroyed

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Why Code of Ethics is Important?

- As a Professional Communicator, the CC department has the potential to influence economies and affect lives. This power carries with it significant responsibilities.
- Associations of Business Communicators/ Corporate Communicators/ Public Relations Societies etc. requires its members to agree to its Code of Ethics.
- **This code serves as a guide to making consistent, responsible, ethical and legal choices in all Communications:**
 - *I am honest—my actions bring respect for and trust in the communication profession.*
 - *I communicate accurate information and promptly correct any errors.*
 - *I obey laws and public policies; if I violate any law or public policy, I act promptly to correct the situation.*
 - *I protect confidential information while acting within the law.*

Why Code of Ethics is Important?

- *I support the ideals of free speech, freedom of assembly, and access to an open marketplace of ideas.*
- *I am sensitive to others' cultural values and beliefs.*
- *I give credit to others for their work and cite my sources.*
- *I do not use confidential information for personal benefit.*
- *I do not represent conflicting or competing interests without full disclosure and the written consent of those involved.*
- *I do not accept undisclosed gifts or payments for professional services from anyone other than a client or employer.*
- *I do not guarantee results that are beyond my power to deliver.*

Historical Codes:

- Code of Athens, (1965, amended 1968 & 2009) - inspired by the Universal Declaration of Human Rights of Man, adopted by UNO.
- Code of Venice,(1961 amended 2009)
- International Public Relations Association (IPRA) code of conduct.
 - Personal and professional integrity
 - Conduct towards Employers and Clients
 - Conduct towards the Public and the Media
 - Conduct towards Colleagues
- Code of Brussels, (2007 amended 2009) - an undertaking of ethical conduct on public affairs by members of the International Public Relations Association
- Personal Credo of Bateman- taken from a speech of General chairman of the VII PR world congress held on Aug 11 to Aug14,1976.

Evolution of Code of Ethics

- **Code of Venice** on professional conduct Adopted in 1961 and amended in 2009, is an undertaking of professional conduct by members of the International Public Relations Association and recommended to Public Relations practitioners worldwide.

[Defines Conduct towards Employers and Clients , Conduct towards the Public and the Media , Conduct towards Colleagues, Conduct related to digital channels of communication]

- **Code of Athens** Adopted in 1965 and amended in 1968 and 2009, the Code of Athens is an undertaking of ethical behavior by members of the International Public Relations Association and recommended to Public Relations practitioners worldwide.
- **PRSI's Code of Ethics:** International Code of Ethics for Public Relations which was adopted by the Public Relations Society of India at its 1st National Conference at New Delhi on 21-4-1968.
- **Personal Credo of Bateman:** was extracted from the general Chairman's Speech in Public Relation world Congress held in 1976

Code by Public Relations Society of America (PRSA)

- 1. Observance
- 2. Honesty and Integrity
- 3. Dialogue
- 4. Transparency
- 5. Conflict of interest
- 6. Confidentiality
- 7. Accuracy
- 8. Falsehood
- 9. Deception

Code by Public Relations Society of America (PRSA)

- **10. Disclosure**
- **11. Profit**
- **12. Remuneration**
- **13. Inducement**
- **14. Influence**
- **15. Competitors**
- **16. Poaching**
- **17. Employment**
- **18. Colleagues**

Case Study: Facebook & Burson-Marsteller "Smear Google" Campaign



PRSI's Code of Ethics

International Code of Ethics for Public Relations which was adopted by the Public Relations Society of India at its 1st National Conference at New Delhi on 21-4-1968.

Each Member of this Society:

A) Shall Endeavor:

1. To contribute to the achievement of the moral and cultural conditions
2. To establish communication patterns and channels
3. To conduct himself always and in all circumstances
4. Because of the relationship between his profession and the public, his conduct – even in private space – will have an impact

Continued....

**Each Member of this Society:
B) Shall Undertake**

1. To observe the moral principles and rules of the “Universal Declaration of Human Rights”
2. To pay due regard to, and uphold, human dignity
3. To establish the moral, psychological and intellectual conditions for dialogue
4. Take account of the respective interest of the parties involved
5. Avoid any misunderstanding, and to show loyalty and integrity

Continued...

Each Member of this Society

C) Shall Refrain From

1. Subordinating the truth to other requirements;
2. Circulating information which is not based on established facts;
3. Taking part in any venture which is unethical
4. Using any “manipulative” methods

MASS MEDIA LAWS

- Indian perspective and its system of Parliamentary Democracy, it is true that, the Press is free but subject to certain reasonable restrictions imposed by the Constitution of India, 1950, as amended ("Constitution").
- Before the impact of globalization was felt, the mass media was wholly controlled by the government
- With the onset of globalization and privatization, the situation has undergone a humongous change.
- 18th June, 1857, the government passed the 'Gagging Act', which among various other things, introduced compulsory licensing for the owning or running of printing presses.

OUR FREEDOM DEPENDS IN LARGE PART, ON THE CONTINUATION OF A FREE PRESS, WHICH IS THE STRONGEST GUARANTEE OF A FREE SOCIETY.

- RICHARD M. SCHMIDT

Why Study Media Laws?

- Mass Media Laws impact the practice of Corporate Communication
- Awareness of the law and Code of Ethics
- Reputation management
- Involvement in Legal Issues

MEDIA REGULATIONS-

Governing Freedom of Press/ Print Media



- The most significant day in the history of Media Regulations was the **26th of January 1950** – the day on which the Constitution was brought into force. The colonial experience of the Indians made them realise the crucial significance of the 'Freedom of Press'.
- The various Acts, which have to be taken into consideration when dealing with the regulations imposed upon the Print Media, are:
 - **The Press and Registration of Books Act, 1867** – This Act regulates printing presses and newspapers and makes registration with an appointed Authority compulsory for all printing presses.
 - **The Press (Objectionable Matters) Act, 1951** – This enactment provides against the printing and publication of incitement to crime and other objectionable matters.
 - **The Newspaper (Prices and Pages) Act, 1956** – This statute empowers the Central Government to regulate the price of newspapers in relation to the number of pages and size and also to regulate the allocation of space to be allowed for advertising matter.

CHRONOLOGICAL SHEET OF ACTS

- **Defence of India Act, 1962** – This Act came into force during the Emergency proclaimed in 1962. This Act aimed at restricting the Freedom Of The Press to a large extent keeping in mind the unrest prevailing in India in lieu of the war against China.
- **The Act** empowered the Central Government to issue rules with regard to prohibition of publication or communication prejudicial to the Civil Defence/ Military operations, prevention of prejudicial reports and prohibition of printing or publishing any matter in any newspaper.
- **Delivery of Books and Newspapers (Public Libraries) Act, 1954** – According to this Act, the publishers of books and newspapers are required to deliver, free of cost, a copy of every published book to the National Library at Calcutta and one copy each to three other public libraries specified by the Central Government.

CHRONOLOGICAL SHEET OF ACTS

- **The Working Journalists and other Newspaper Employees (Conditions of Service and Miscellaneous Provisions) Act, 1955** – It lays down the minimum standards of service conditions for newspaper employees and journalists.
- **Civil Defence Act, 1968** - It allows the Government to make rules for the prohibition of printing and publication of any book, newspaper or other document prejudicial to the Civil Defence.
- **Press Council Act, 1978** – Under this Act, the Press Council was reconstituted (after 1976) to maintain and improve the standards of newspaper and news agencies in India.

CARDINAL PRINCIPLES- BROADCAST

The Broadcasting Code, adopted by the Fourth Asian Broadcasting Conference in 1962 listing certain cardinal principles to be followed by the electronic media:

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- To ensure the objective presentation of news and fair and unbiased comment
- To promote the advancement of education and culture
- To raise and maintain high standards of decency and decorum in all programmes
- To provide programmes for the young which, by variety and content, will inculcate the principles of good citizenship
- To promote communal harmony, religious tolerance and international understanding
- To treat controversial public issues in an impartial and dispassionate manner
- To respect human rights and dignity