Happy Friday!

➜ DO NOW:

1. *Get YOUR laptop, log into the APS Google Drive*
   http://google.aurorak12.org
   - Search for **Business Law Notes** folder
   - **Open today's notes for your class**

2. ***Think about for discussion:***
   - **Are legal standards the same as ethical standards? Why or why not?**

Goldman | Sigismond

Business Law
PRINCIPLES AND PRACTICES 9e

Law Introduction and the Role of Ethics in Business

Objectives

1. Name and explain the four functions of law.

2. Demonstrate knowledge of the primary sources of law in the United States.

3. Realize the impact of unethical behavior in the workplace.

Learning Objectives

→ Identify reasons why laws are important.

→ Verbalize the meaning of the term *law*.

→ Summarize the legitimate functions of a legal system.

Learning Objectives

→ Classify and explain the sources of law in the United States.

→ Discuss the impact of unethical behavior in the workplace.

→ Describe the ethical challenges that arise in the workplace.

This will be in the left column

➜ This information will be on the right column.

➤ *This needs to have everything on the power point*

- Add comments/thoughts, questions, things we discuss, etc.

Why Laws Are Important

➜ Without law, history shows society resorts to violence.

➜ Without system of rules and regulations, society would break down and a primitive society would prevail.

The Nature of Law

➔ **<u>Law</u>** can be defined as rules established and enforceable by a government* to regulate the conduct of individuals and groups in a society.

➢ *federal, state, or local governments*

➔ The rules that make up law are actually legal duties that are imposed on people and that require them to act in a certain way.

Legitimate Functions of Law

You don't need to copy this down unless images are helpful for you to learn and remember
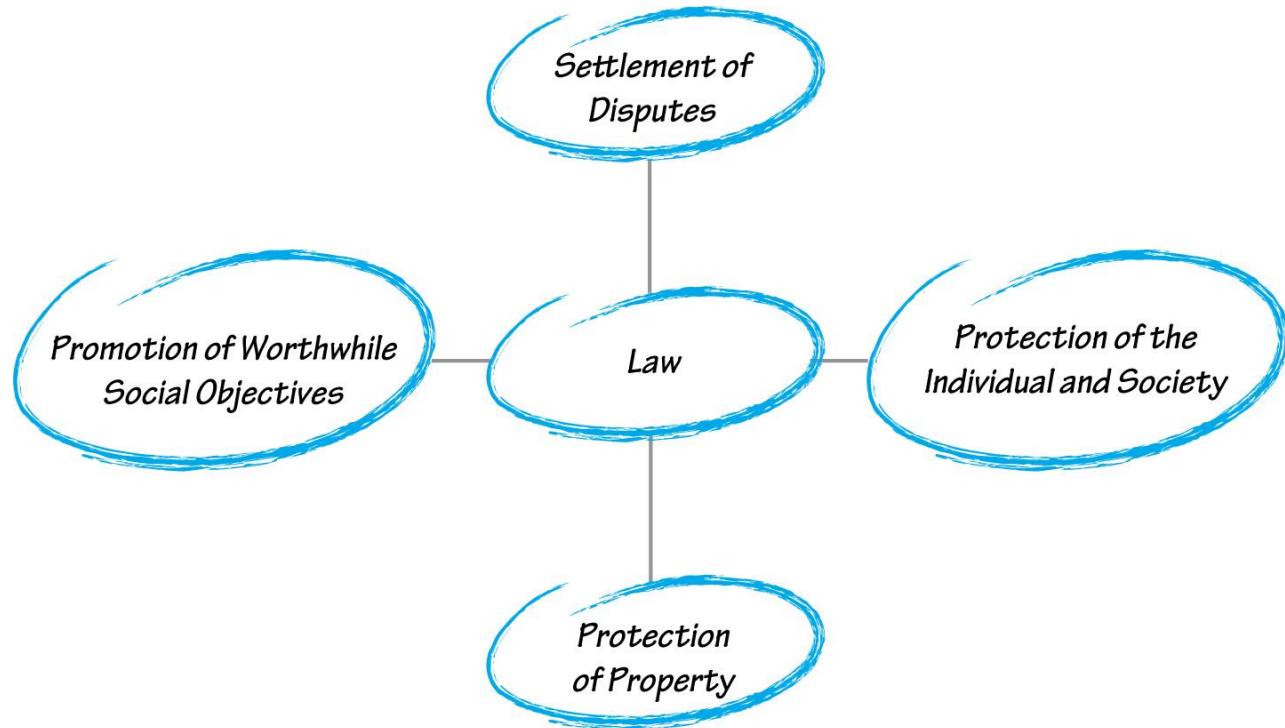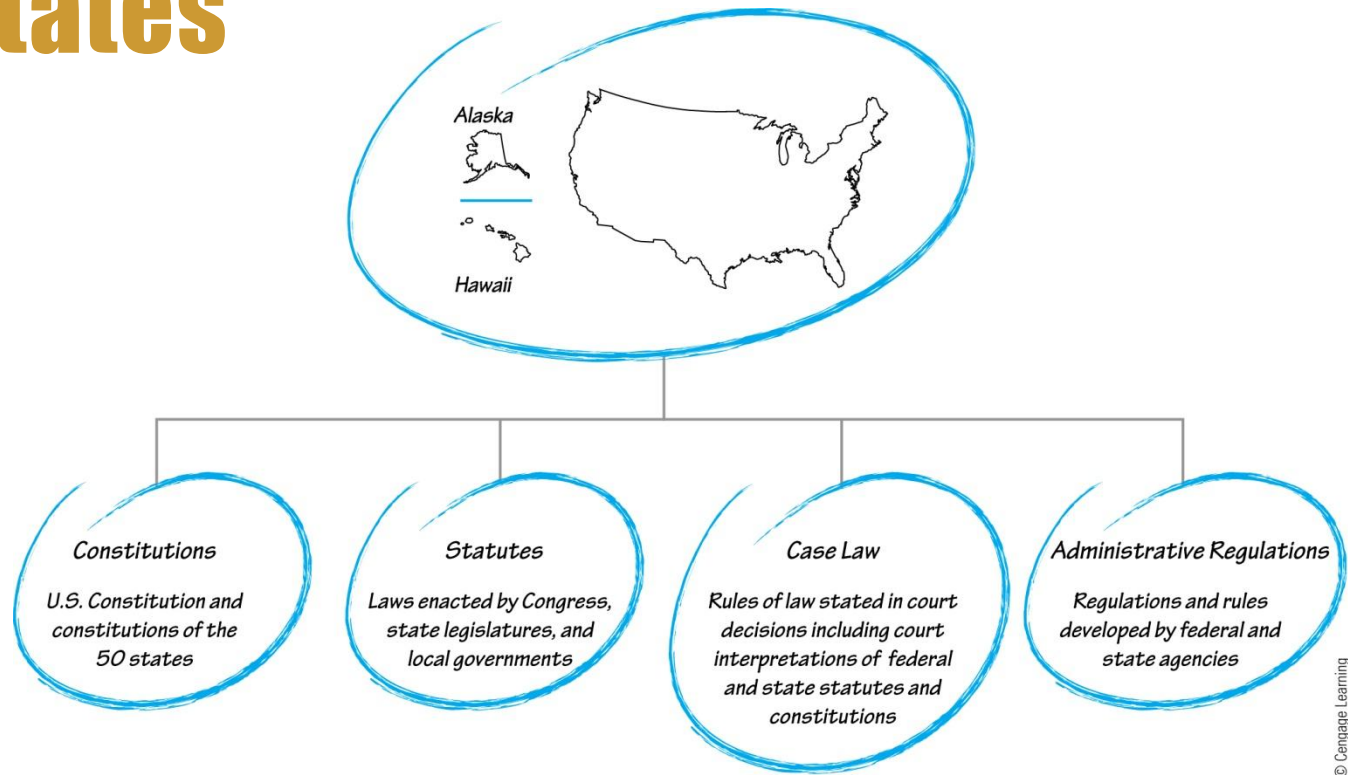

Settlement of Disputes

Promotion of Worthwhile Social Objectives

Law

Protection of the Individual and Society

Protection of Property

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FIGURE 1.1 Legitimate Functions of Law

Legitimate Functions of Law

➔ Settlement of disputes.

➔ Protection of the individual and society.

➔ Protection of property.

➔ Promotion of worthwhile social objectives.

Sources of Law in the United States

FIGURE 1.2 Sources of Law in the United States

Alaska
Hawaii

Constitutions
U.S. Constitution and constitutions of the 50 states

Statutes
Laws enacted by Congress, state legislatures, and local governments

Case Law
Rules of law stated in court decisions including court interpretations of federal and state statutes and constitutions

Administrative Regulations
Regulations and rules developed by federal and state agencies

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➜ Constitutions.

➜ Court decisions

➜ Statutes.

➜ Administrative regulations.

Impact of Unethical Behavior in the Workplace

➡ Business ethics:

- ➢ *Moral judgments people make based on what is right, just, and fair.*

- ➢ *Historically, business owners only considered what was "legal."*

  - • Now business owners act based on human experiences, religious upbringing, and family customs, and traditions.

Impact of Unethical Behavior in the Workplace

➜ Role of ethics in business settings:

➢ *Generally, the primary goal of businesses is to be profitable and to survive.*

- However, there can be ethical conflicts when profitability is the ONLY goal in business.

➢ *Studies show that consumers will switch brands if they perceive a business is acting unethically.*

- Court challenges and government intervention are also possible.

Ethical Challenges in the Workplace

➜ Role of managers

➜ Ethical issues faced by managers:

   ➢ *Invasion of privacy.*

   ➢ *Restrictions on employees under contract.*

   ➢ *Sexual harassment on the job.*

   ➢ *Sphere of influence.*

   ➢ *Management style.*

Ethical Challenges in the Workplace

➔ Building sound ethical practices:

  ➢ *Develop an ethical vision for the company.*

  ➢ *How does company vision match employees' vision?*

  ➢ *Reconcile company's vision with employees'.*

  ➢ *Implement (and enforce) code of ethics.*

Ethical Challenges in the Workplace

➡ Development of business codes of ethics:

  ➤ *Code of ethics: rules or standards that establish a framework for professional behavior and responsibilities within a company setting.*

Ethical Challenges in the Workplace

➔ Development of business codes of ethics:

   ➢ *Code of ethics:*

   • Managers and officers must act with honesty and integrity in all matters within the company **and** outside the company wherever business is conducted.

   ➢ *Ethical codes of conduct must be clearly written with mandatory training for employees.*

Ethical Challenges in the Workplace

➜ Role of the legal system in ethical disputes:

➢ *Some behavior is purely "unethical" and therefore not actionable under civil or criminal statutes.*

➢ *Other actions may be severe enough to deserve legal action.*

Exit Ticket

→ Open the Exit Ticket form

➢ *Do you think it is unethical for a company to test current employees for illegal substances? Why or why not?*

Vocabulary

law	enforceable set of rules of conduct
precedent	example or standard for deciding subsequent cases involving the same or similar facts
case law	law arrived at through court decisions
code of ethics	document outlining the type of ethical behavior expected of an employee on the job
ethics	inquiry into the moral judgments people make in deciding what is right or wrong
business ethics	branch of ethics that relates to what is right or good in business settings