

clothing to the poor and to organizations that work to help the poor. The question of this chapter is whether we can use this set of rules—generally complex, frequently obsolete, and continually changing—to form equitable judgments about the balance between the financial performance and the social performance of our organizations.

Numerous attorneys and business executives believe that you can base equitable decisions and actions on the requirements of the law. These people would say that if a law can be shown to be wrong it should be changed, but that until it is changed it provides a meaningful guide for action. It provides this guide for action, they would add, because a mean- judgment by all of the members of that democratic society to representing a combined moral judgment on that particular issue or problem. But, they would add, if managers follow the law on that issue, those managers cannot truly be said to be wrong in any moral sense because they are following the probable moral standards of a majority of their peers.

How do we respond to those claims? And if it is not possible to respond logically and convincingly, are we then forced to accept those claims that the rule of law should be determinant in resolving moral problems, even though some people may be hurt or harmed, or have their rights ignored or restricted, in ways that they themselves believe to be unfair? I think that it is necessary first to define the law, so that all of us will recognize that we are discussing the same set of concepts, and then to examine the processes that are involved in formulating the law. This examination will be generally the same as in Chapter 2, in which we looked at market forces as the determinants for managerial decisions in moral problems. However, legal theory is much *less complete* and much *less explicit* than economic theory, and there are far more alternative interpretations that will have to be considered. First, however, let us define the law and expand on what is meant by the “rule of law.”

Definition of the Law

The law can be defined as a consistent set of universal rules that are widely published, generally accepted, and usually enforced. These rules describe the ways in which people are required to act in their relationships with other people within a society. They are requirements to act in a given way, not just expectations or suggestions or petitions to act in that way. There is an aura of insistence about the law; it defines what theoretically you *must* do.

These requirements to act, or more generally requirements *not to act* in a given way—most laws are negative commandments, telling us what we should not do in given situations—have a set of characteristics that was partially described briefly earlier. In a more complete form, the law can be defined as a consistent, universal, published, accepted, and enforced set of rules. Each of those five terms needs to be further defined:

1. *Consistent.* The requirements to act or not to act have to be consistent to be considered part of the law. That is, if two requirements contradict each other, both cannot be termed a law because obviously people cannot obey both.
2. *Universal.* The requirements to act or not to act also have to be universal, or applicable to everyone with similar characteristics facing the same set of circumstances,

to be considered part of the law. People tend not to obey rules that they believe are applied only to themselves and not to others.

3. *Published.* The requirements to act or not to act have to be published, in written form, so that they are accessible to everyone within the society, to be considered part of the law. Everyone may not have the time to read or be able to understand those rules, which tend to be complex due to the need to precisely define what constitute similar characteristics and the same set of circumstances. However, trained professionals—attorneys—are available to interpret and explain the law, so that ignorance of the published rules is not considered to be a valid excuse.

4. *Accepted.* The requirements to act or not to act in a given way have to be in large measure obeyed. If most members of the society do not voluntarily obey the law, too great a burden will be placed on the last provision, that of enforcement.

5. *Enforced.* The requirements to act or not to act in a given way have to be enforced. Members of society have to understand that they will be compelled to obey the law if they do not choose to do so voluntarily. People have to recognize that if they disobey the law, and if that disobedience is noted and can be proven, they will suffer some loss of convenience, time, money, freedom, or life. There is, it was earlier noted, an aura of insistence about the law. There is also, or should be also, an aura of inevitability, law should define what will happen if you don't follow the rules.

This set of rules that are consistent, universal, published, accepted, and enforced—what we call law—is supported by a framework of highly specialized social institutions. There are legislatures and councils to form the law; attorneys and paralegal personnel to explain the law; courts and agencies to interpret the law; sheriffs and police to enforce the law. These social institutions often change people's perception of the law because the institutions are obviously not perfect, and often in conflict.

The adversarial relationships within a trial court frequently seem to ignore the provisions of consistency and universality and to focus on winning rather than on justice. The enforcement actions of the police also often seem to be arbitrary and to concentrate on keeping the peace rather than maintaining equity. Let us admit that enforcing the law, on the street, is a difficult and occasionally dangerous task. Police do not always act in the interests of the full society. Let us also admit that interpreting the law, in the court, is a complex and frequently tempting activity. Attorneys, also, do not always act in the interests of the full society. Indeed, they are required instead by the codes of their professions to act in the interests of their clients, because it is assumed that adjudged conflicts between the interests of different clients represented by separate attorneys will result in just verdicts. But overall, within this chapter, it is necessary to remember that we are looking at the law as an ideal concept of consistent and universal rules to guide human actions and managerial decisions and actions within a society, not as a flawed reality.

The Law as Collective Moral Standards

If the law is viewed in ideal terms as a set of universal and consistent rules to govern human actions and management decisions within society, the question is whether we can accept these rules—flawed though they may be by pragmatic problems in interpretation and enforcement—as representing the collective moral judgments of members of