

A hole in his parachute

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Knight-Ridder Corporation Case Study A corporation is a structure or an organization that is created by a group of people that is under an operation of law and succumbs to succession, powers, properties, and assets to reach its ability to produce more wealth or enlarge one's stocks as a company. Being a body that is guided by law, it owes its life generally to the state or its stockholders and stakeholders (SEC, n. d.). Stakeholders are those people outside the company that are affected by its activities and decisions. That is why, there is such a thing as Corporate Social Responsibility that companies must comply with by making sure the products or services they sell do not harm their customers or the environment. On the other hand, stockholders are those that have shares in a company and are directly affected by the ups and downs of the market affecting their operation as a business. A corporation being a creature of law cannot refuse to abide by the acts of its incumbents as long as it is being provided by the general law in business and ethics.

With all these said, the lawful and right decision of whether to give Knight the right to collect the balance of the salary from the corporation which Murdoch promised to give him while he serves as adviser to the newspaper company for five years strongly relies on the intricacy of laws behind the accountability of Murdoch, the new owner of Knight-Ridder Corporation towards his stakeholders, which includes employees. In this case, because Knight had a sort of proprietorship of the company because he is providing his services for it, he has the right to run after Murdoch and get his salary even when the company has already been dissolved before any amount was given to him. This is because of the fact that any company has the responsibility to be able to deliver on every provision that is stated in any <https://assignbuster.com/a-hole-in-his-parachute/>

contract relating to Knight's employment, which would hold his right to be paid the exact amount in exchange for completed work, whatever the circumstance is.

Another point that would support Knight's right to demand his salary from Murdoch would be the fact that it is being provided in Corporate law that the property and assets of a certain corporation includes not only the assets of any subsidiary of the corporation instead the whole entity comprising the company, directly or indirectly, that encompasses corporations, partnerships, and its liability partnerships which is where employees fall in. Thus, the dissolution of the company does not dissolve its obligation to pay Knight what is due (Dissolution and Winding Up., n. d.). This is because of the fact the service has already been done and does not rely on the company's existence on whether the law on the rights of just compensation would be realized or not.

Also, if Murdoch lays down reasonable intentions in dissolving the company such as because of its inability to produce wealth anymore or that it is already indebted to parties that it does business with, it still is his responsibility to have foreseen it happening while not necessarily having to damage other people involved. This is because of the fact no corporation should be dissolved until all taxes or payables that includes salaries of its employees for the entire calendar month during which the dissolution is filed has been paid off by the corporation (Dissolution and Winding Up., n. d.).

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