

# The news of the world phone hacking scandal

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## Introduction

The scandal analyzed within this report is one of the most discussed and complicated scandals the news world has ever faced. In order to be able to realistically present company and adequately evaluate this whistle blowing journalistic research which revealed the greatest journalistic scandal ever the following criterion were used:

- Business Aspect of the scandal
- Moral aspect of the issue and public reaction
- Political aspect of the problem
- Ethical theoretical relevancy
- Social elements of the scandal

All the gathered data is analyzed according to the theoretical knowledge gained during the course. Company Mission Statement: " Our practice is the fearless advocacy of truth. [We] will seek for the patronage of no party ...will conceal neither the merits nor the faults of any party, but... will aim alone at doing good service to old England by maintaining her glory and security, the prosperity of all classes of the people. " (Hinton. (2011). This in itself is a very powerful mission statement which was left as an inheritance from the company's founding fathers. After 168 years they first have been in business, the staff were empowered by these powerful words. The culture that was initially " advocated for truth" was left to run uncontrolled even if it was for the cost of breaking the law. The News of the World and Phone hacking Scandal background For the first time being published in 1843 the News of the World was one of the most read Newspaper in the United Kingdom, until 2011.

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During the period of its publication it was the biggest selling English language newspaper not only in the UK but also globally. The company initially was established by John Browne Bell in 1843 and later was sold to Lascelles Carr in 1891 and last was bought by News Corporation in 1969. News of the World was the Sunday sister paper of The Sun. The newspaper main focus was on its specialty on celebrity-based scoops and populist news. Its “ extraordinary” scandal news earned the company various names, including but not limited to famous News of the Screws and Screws of the World slogan. UK: BBC. (2011). The company was famous for exposing celebrities as drug users, sexual peccadilloes, or criminals, setting up insiders and journalists in disguise to provide either video or photographic evidence, and phone hacking which became obvious in 2011. With its paparazzi style and delivering personalized news, the paper was selling over 2 million copies on weekly basis up until 2010.

Though the phone hacking allegations started back in 2006, accusations reached to its top level on the 4th of July 2011, when it was revealed that the newspaper staff had intercepted and deleted the voicemail of missing British teenager Milly Dowler, who was later found murdered. As a result of the intense allegations News International announced the closure of the newspaper on July the 7th 2011. However the scandal did not just end there by closing the company, it got deepened as the investigations got intensive.

The most horrible news was that the company had hacked the phones of the British service personnel killed in action, their families, people who died during 9/11 and their families. However ethical dilemmas do not just end by the phone hacking scandal, but also secondary dilemma starts with the

speech of the owner of the News Corp. Richard Murdoch's announcement on February the 17th 2012 in London that they were soon to launch a Sunday edition of The Sun as a successor to the News of the World and they were planning to employ a number of former News of the World journalists. . What the dilemma is about When the investigations initially started in 2005 it was concluded that the company's phone hackings were only limited to celebrities, politicians and a few members of the British RoyalFamily. However when it was revealed in July 2011, that the phones of the murdered schoolgirl Milly Dowler's , relatives of deceased military members, victims of the 7/7 London bombings and some of the 9/11 victims were also accessed. As a result of those unethical actions a public outcry against News Corporation and owner Rupert Murdoch culminated. (UK: BBC. 2011). Even though the public relatively calmed down after the company was closed, the anti-Murdoch and anti-News Corp. protests culminated once again after the owner of the company announced that they are planning to start a new newspaper agency by hiring the same staff under different name.

## **Stakeholder Analysis**

The following were the major stakeholders:

In this case the main responsible stakeholders were the News Corp Management, Richard Murdoch; the owner of the company and the British Government/monitoring institutions within the government. These stakeholders were legally responsible for making it sure that the newspaper was operating within the legal borders. Once the company was suspected for its fraud activities the governmental institutions did their job by starting an

investigation on the newspaper's operations. However these institutions did fail to monitor the newspaper activities prior to the scandal.

Both the News Corp. and the owner of the company, Richard Murdoch claimed not to be knowledgeable of those hacking activities, however they did apologize those harmed as a result of hacking activities and subsequently shut the company down. Meanwhile, the holding company did fail their promises when they announced about their plans of re-starting the newspaper's successor under different name.

## **Stakeholder and their interests/actions**

The stakeholders given in the stakeholder map can be divided into two:

- Internal
- External

The following could be classified as internal stakeholders:

- The News of the World: It was in the newspapers objective to deliver interesting news at on weekly basis. The company was profit oriented and would do almost everything to achieve its targets. They also had the campaign to expose pedophiles rings rather hollow. That was a dangerous path to go on: we could imagine them asking the question, ' Will this sell us lots of copies? ', and if the answer is ' Yes', they would do it, no matter if it's illegal, immoral or indefensible. The culture that was initially " advocated for truth" was left to run uncontrolled even if it was for the cost of breaking the law.
- The NotW management: The management had theresponsibilityto make strategic decisions to run the company profitably. It was in their

interest to give the staff as much independence as possible to bring the most sensational news in the news industry. However it was also their responsibility to make sure that the staff's actions were within the legal boundaries.

- The staff/journalists: The employees' main duties were delivering the news that no other paper delivered. However it was morally their responsibility to act responsibly.
- Richard Murdoch: It was in his focus that the company was profitable. It was also him as primary responsible person when the company was subject to investigations. He was the one apologizing in public on behalf of the newspaper, which created a good image of the company in short term. However, his announcement about new company being launched again put the News Corp. as holding company in the frontline subject to criticisms.
- The NOTW shareholders: This group of the stakeholders was the people who invested in the NOTW.

It was in their interest that the company was profitable and was running that way continuously. It was definitely out of their focus that the company was engaged such harmful activities.

The external stakeholders:

- The UK government/regulatory institutions: It was government's/regulatory institutions duty to check the activities of the newspaper and act upon necessity.
- David Cameroon: The prime minister was criticized for his former director of communications Andy Coulson was an ex-editor of News of

the World at the time much of the phone hacking occurred. (Luke Buckmaster and Amber Jamieson. 2011). ' Hacked to death': Murdoch kills NotW. Available: <http://www.crikey.com.au/2011/07/08/the-latest-24-hours-of-the-NotW-phone-hacking-scandal/>. Last accessed 14 June 2012. )

- Victims: The victims who were alive or the relatives of the victims were interested in NotW management's apologies.
- New industry: The industry got harmed by one representative's action, and the eyes turned towards other news agencies asking one question " Are they also using same or similar method? "
- The community: The majority was interested in NotW to apologize and even shut down.

However there were small group of people who could potentially be against these and these people were majorly the NotW employees or their relatives. In addition, the community was the main reason why the company did those actions as the demand was very high for such news. The dilemma in the case which makes the stakeholder interests collide:

- The NotW company interests for higher profitability
- The NotW management objective to bring news at any cost
- Possible corruption within the government
- High level of public demand for scandal news

Summing it up, there are over 10 major stakeholders being divided into two parts, internal and external stakeholders. However the most interesting part is that some of the stakeholders have mixed interests. For instance, the government who used the information provided by the newspaper, used and <https://assignbuster.com/the-news-of-the-world-phone-hacking-scandal/>

sought more news without checking the source of the news and later on accusing the NotW for fraud. In addition, the community who which was the main drive for the hacking due to the demand also had mixed interest levels.

## **Moral values**

The question “ What is Moral” in itself is debatable.

However one can accept that moral values are values shared by the majority. If there would not have been any value in common in the community, it would be impossible or extremely hard to decide on what is moral. In fact, one can see that some values are shared with higher acceptance late than others. The phone hacking scandal covers various moral values' elements:

- Responsibility
- Accountability
- Cooperation
- Honesty
- Commitment
- Integrity
- Equality

The actions taken by all the stakeholders must meet at least one of the above given elements in order to be considered moral.

## **Theoretical analysis**

Carroll's Pyramid Based on Carroll's pyramid a company has four levels of responsibility which are Economic, Legal, Ethical and Philanthropic responsibilities. Analyzing the NotW's overall operational structure we can



conclude that their major focus was on Economic responsibility, making more profit in shortest time possible. Their mission statement did touch Legal and Ethical responsibilities as well, however it was not very much clear what their major Ethical responsibilities were. They tried to create ethically responsible image of the company by donating money and hosting charity events. However this in itself was not enough. One can conclude that NotW was settled at the base line of the Carroll's pyramid.

Sustainability Evaluating the NotW from sustainability curves point of view one can spot the target of the management.

- Ethical Responsibility: The company website and their PR representatives always mentioned that their mission is to bring reliable and honest news. While they were often giving large money donations for good cause. However for the concept of the Phone Hacking Scandal, we can say that one action overcame all the "Ethical" actions of the company.
- Economic Responsibility: This was the main responsibility of the company as they were the largest selling English Language newspaper of the world.
- Legal Responsibility: The company and the staff were held legally responsible for their actions however the management did not act legally responsible prior to the scandal outbreak. Summing it up we can conclude that the company did not meet all the sustainability elements and lacked sound CSR policy.

## **Ethical Value**

Judgment We inherit ethical standards suiting our community the most. As people, the companies are as well judged upon firm views about right and wrong. Some of those ethical views are so strong that, shaking them will shake the whole fundamentals. Reliability and trust are those of major elements in these ethical standards that any news company would be judged upon. Looking at the NotW, we can confirm that, the company not only ignored the prevailing norms of the industry but also shook the fundamentals of the ethical expectations from a news agency. (James Griffin (2006). However finally the management took the right psychological decision by stopping the company operations. NotW NotW Phone Hacking Scandal Prevailing norms of News industry Value judgments and perceptions of the audience.

## **Virtue Ethics (Phone Hacking)**

“ Virtue ethics” is shortly the development of a person or a company into an ethically responsible one to lead ethical and responsible life/operations. To achieve that level it is important to develop responsible character traits which are called virtues. In Phone Hacking Scandal both the government and the management had to determine specific virtues and play the role of Virtue Ethics Agent. Based on virtue ethics, to determine whether an action is morally acceptable, the action must be chosen responsibly making the virtue equal to responsibility. In most of the case the agent must choose the virtue on the victim and help them. We could see that the British Government acted virtuously and increased the investigation on the hacking scandal, which eventually lead to the end of the NotW. This is mostly due to the fact

that NotW as a company lacked major news agency virtues which are being trustworthy, reliable, and honest and one can conclude that the government played an important virtue agent role.

### **Utilitarianism: Consequentialist approach**

According to the consequentialists it is morally right to do anything if it results in the greatest amount of good for the greatest amount of people. However the main issue becomes the consequence of the theory which would allow any action to take place under the name of a good cause. Even actions that would be considered as “morally wrong” can be accepted within this theory. However according to the utilitarianism, the NotW has created more harm in the community than benefit by hacking people’s private voice mails and, for this reason they are considered to be guilty for taking morally wrong actions. Looking at from different perspective, if the scandal was not found out, and people enjoyed reading the hacked news, one could say that as long as nobody finds it out, everybody is happy, the consequence is good. Happy & satisfied customer, revenue generating company, taxes received at the government, positive consequence.

Once again it is confirmed that this theory can not clearly formulate satisfactory rules for decision making and can easily breach justice/legislation. For the above given reason, one could conclude that the Utilitarianism is not the best way of assessing an action by means of morality.

### **Universalism:**

Deontological approach Kant's deontological ethics theory is based on Deon – duty. If the scandal is approached from Kant's categorical imperative <https://assignbuster.com/the-news-of-the-world-phone-hacking-scandal/>

principle point of view, we can conclude that it is the duty of any News Agency to deliver the news to its customers within the given standards without violating the other's private lives.

Since this theory is built on the actions that lead to the outcome, then we can conclude that it was not only the NotW but also the regulatory institutions who acted immoral by not monitoring the NotW properly and providing the ground for the company to take such actions.

## **Conclusion and recommendations**

Failing almost every Ethical Theory, not having sound CSR system, being majorly financials' oriented firm, the News of the World's Phone Hacking activities were completely against not only the British Business ethical standards but also the international ethical standards. The NotW management had various mistakes, including but not limited to giving power to their staff without monitoring them on according to the standards. Which consequently lead for the largest scandal of the news industry. However, the management did take the right step by announcing the NotW closed which created a caring image in the community, and saved the holding News Corp. company. Meanwhile, Mr. Murdoch's announcement of News Corp. launching a new successor of the NotW created more aggression within the public. The following would be final recommendations for the News Corp. s the NotW is no longer exists:

- Give your staff power, but do not let the aggression take their power over

- Corporate Social Responsibility is not donations, but acting. After such incident, the management should start different volunteer activities not only in the UK but also the other parts of the globe.
- Define a sound CSR policy covering both your internal and external activities
- Add learning objectives which you have acquired and which you are missing from your mal-management to your website to let your customers understand that you are aware of your mistake and have learnt from it.
- Do not hide your history
- Engage with your customers via different tools, including but not limited to Social Media means and ask for their opinions where they would like to see you as a company.
- Make sure that you have decent reporting system set, and are on track of every single development within the company.

Realizing the above given recommendations, the News Corp. will slowly, however soundly be restoring the customer confidence and rise back to their previous levels once again.

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