

ETHICS & PROFESSIONALISM

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PAPER

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TOPIC

ETHICAL BEHAVIOUR

Define/Elaborate on the meaning of ethical behaviour.

- Refers to acting in ways consistent with what society and individuals think are good values.

Examples of ethical behaviour (4)

- Using fair advertising
- Not using child labour
- Treating all employees equally
- Paying fair wages

Examples of unethical behaviour (4)

- Unfair advertising
- Pricing of goods in rural areas
- Tax evasion
- Paying employees unfair wages

PROFESSIONAL BEHAVIOUR

Define/Elaborate on the meaning of professional behaviour.

Professionalism is the term used to describe a certain standard of behaviour / a specific level of competence and adherence to an ethical code of conduct.
It is behaviour suitable for a job / profession done for payment.

Examples of professional behaviour (4)

- Good use of work time
- Treating all people the same
- Using polite language to colleagues
- Keeping client details confidential

Example of unprofessional behaviour (4)

- Using rude/impolite language with colleagues and clients.
- Abuse of worktime.
- Giving some people special favours.
- Sexual harassment

Outline the differences/Differentiate/Distinguish between ethical and professional behaviour.

ETHICAL BEHAVIOUR	PROFESSIONAL BEHAVIOUR
Refers to the principles of right and wrong/acceptable in society.	Refers to what is right/wrong/acceptable in a business.
Conforms to a set of values that are morally acceptable.	Applying a code of conduct of a profession or business.

Application of the King Code Principles (4)

R Responsibility

- The business should develop and implement programmes that should be aimed at protecting the communities in which they operate.
- The business should develop remedial programs to protect the environment. Example, reduce air and water pollution.

A Accountability

- Businesses should be accountable for their actions.
- There must be regular communication between management and stakeholders.

T Transparency

- Actions must be clear to all stakeholders.
- Staffing and other processes should be open and transparent.



Ways in which professional, responsible, ethical and effective business practice should be conducted. (4)

- Business decisions and actions must be clear/transparent to all stakeholders.
- Business should be accountable/ responsible for their decisions and actions/patent rights.
- There must be ongoing development and training for all employees of the business.
- Business should treat all their employees equally, regardless of their race/colour/age and so on.

UNETHICAL BUSINESS PRACTICES

Identify examples from scenarios given.

NOTE: *Be sure to use the correct wording when identifying or discussing the unethical business practices.*

Unfair advertising examples

- Giving goods deceptive names
- Selling second-hand goods as new

Pricing of goods in rural areas examples

- Inflating prices
- Charging higher for goods of inferior quality in rural areas.

Taxation/Tax evasion examples

- Businesses that do not declare all their income to SARS
- Falsifying the business financial statements.

Challenges posed by the types of unethical business practices.

Challenges posed by Unfair advertising (4)

- The use of false or misleading statements in advertising leads to the misrepresentation of a product, which could negatively affect customers.
- Deceptive advertising can violate the trust of consumers and destroy business relationships.
- Unfair advertising could negatively affect consumers.
- Some advertising may be regarded as discriminatory because they exclude some sections of the population.

Challenges posed by Pricing of goods in rural areas (4)

- Some businesses in rural areas exploit their customers by inflating their prices, and this could to disloyalty from their customers.
- Businesses may experience a decline in sales due to high cost added into the price of final product.
- Businesses may form monopolies in rural areas and increase their prices unilaterally which may result in heavy fines.
- It may be common practice to pay higher prices for inferior quality in rural areas.

Challenges posed by Taxation/Tax evasion (4)

- Business may pay heavy fines for invading tax.
- Tax invasion may negatively impact the businesses image.
- The accountant may be charged high fees for falsifying financial statements.
- Businesses may not be familiar with the latest changes in tax legislation.

Strategy / recommendation for dealing with unethical business practices

Dealing with Unfair advertising (4)

- Businesses must know and understand the Code of Advertising as determined by ASA (Advertising Standards Authority) and apply
- Advertisements should be honest, legal and not abuse consumer's trust.
- Advertisements should not contain anything discriminatory or support act of violence.
- Businesses should be encouraged to keep their advertising and in line with the constitution.

Dealing with Pricing of goods in rural areas (4)

- Charge fair market related prices for goods and services.
- The business must be willing to avoid unethical business practices to attract customer loyalty.
- Business must work together with suppliers to share delivery costs to remote rural areas
- Businesses can buy in bulk to get a discount to avoid charging high prices.

Dealing with Taxation/Tax evasion (4)

- VAT needs to be charged on VAT-able items.
- Submit the correct tax returns to SARS on time.
- All products should be correctly invoiced and recorded.
- Disclose all sources of income for tax payment purposes.

UNPROFESSIONAL BUSINESS PRACTICE

Identify examples from scenarios given.

NOTE: *Be sure to use the correct working when identifying or discussing the unprofessional business practices.*

Sexual harassment examples

- Managers who promise employees promotions if they agree to have a relationship with them.

Unauthorised use of workplace funds and resources examples

- Employees who download music and movies using the business's resources.
- An employee who uses business resources for his/her personal gain

Abuse of work time examples

- Making personal calls during work hours
- Taking extended lunch breaks
- Doing personal business during work hours.

Challenges posed by the types of unprofessional business practices.

Challenges posed by Sexual harassment (4)

- The affected party may stay away regularly from work.
- Sexual harassment causes discomfort and negatively affects work relations in the workplace.
- The business can lose female employees and attract / retain less female applicants.
- The affected party is normally reluctant to report the incident due to fear of victimisation which can reduce productivity.

Challenges posed by Unauthorised use of workplace funds and resources (4)

- Fraud increases the cost of doing business and undermine the competitiveness of the business.
- Discourage investors as fraud and corruption increases the risk of investment.
- The business can experience substantial loss if it goes unchecked.

Challenges posed by Abuse of work time (4)

- Wasting time costs the business money and affects productivity.
- Abuse of work time could result in losing customers and not meeting deadlines.
- It may result in employees often abusing work time.

Dealing with unprofessional business practices

Dealing with Sexual harassment (4)

- Every business must implement internal complaints and disciplinary procedures.
- The business must educate employers on sexual harassment matters.
- The business must formulate a policy regarding sexual harassment.
- An internal investigation should be conducted to determine the seriousness of the harassment.

Dealing with Unauthorised use of workplace funds and resources (4)

- The business must conduct regular audits.
- They must identify risk areas.
- They must limit the number of employees having access to business funds.
- The business must implement fraud prevention strategies.

Dealing with Abuse of work time (4)

- Speak directly to those employees who abuse work time.
- The code of ethics should contain clear rules about the abuse of work time.
- The business should monitor employees to ensure that tasks are completed.
- Businesses should conduct training on the contents of the code of ethics.