GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

BUSINESS STUDIES

GRADE 11

TERM TWO

WEEK 8

CHAPTER THIRTEEN

PROFESSIONALISM AND ETHICS

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CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES

Professionalism and ethics

Learners must be able to:

- Define ethical behaviour and professional behaviour
- Differentiate/Distinguish/Tabulate the differences between professionalism and ethics
- Outline/Mention/Explain the principles of professionalism and ethics
- Briefly explain the following theories of ethics that are applicable to the workplace:
  - Consequential theory
  - The common good approach
  - The rights approach

- Differentiate/Distinguish between good and bad decisions and give practical example of each.
- Suggest/Recommend ways in which professional, responsible, ethical and effective business practice should be conducted, e.g. payment of fair wages, providing quality goods and services, not starting a business venture at someone else's expense, etc.
- Give examples of ethical business practices
- Evaluate a code of ethics for any business and make recommendations for improvements.
- Discuss different perspectives on ethics

Terms and Definitions

TERM	DEFINITION
Moral compass	Used in reference to a person's ability to judge what is right and wrong and act accordingly.
Integrity	The quality of being honest and having strong moral principle.
Values	Being able to understand what is important when it comes to what is wrong and right , based on what we believe in.
Confidentiality	The state of keeping or being kept secret or private.
Transparency	Operating in a way that creates openness between managers and employees.
Impartial	Equal treatment of all rivals or disputants; fairness
Consequence	The effect, result or outcome of something occurring earlier.
Discrimination	The unjust or prejudicial treatment of different categories of people, especially on the grounds of race, age, or sex.
Governance	It is the rules and processes by which a company is operated and controlled

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1. Professionalism and ethics

1.1 Definition of ethical behaviour and professional behaviour

1.1.1 Meaning of ethical behaviour

- Moral principles that govern the behaviour of a person or a group.
- Ethics defines how individuals/professionals and businesses choose to interact with one another.
- It involves making sound business decisions that do not have a negative effect on other people.
- Focusses on developing moral compass that can be used in decision making.
- These decisions entail identifying ways of achieving the objectives of the business, while also doing what is right and good for other people.

1.1.2 Meaning of professional behaviour

- A way in which people conduct themselves in the workplace, maintaining high standards and showing respect to all.
- The competence or skill expected of a professional person.
- It involves taking pride in your actions and never compromising standards.
- It is about being focussed on what you do and being committed to a certain standard performance.

1.2 The differences between professional and ethical 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.	• Set of standards of expected behaviour.
• Forms part of a code of conduct to guide employees to act ethically.	• Applying a code of conduct of a profession or business.
• Focuses on developing a moral compass for decision making.	• Focuses on upholding the reputation of a business/profession
• Involves following the principles of right and wrong in business activities/ practices/dealings.	• Includes guidelines on employees' appearance/communication/attitude/responsibility, etc.

NOTE: The differences do not have to link but must be clear

1.3 The principles of professionalism and ethics

1.3.1 Principles of professionalism

- Employees should respect themselves and the rights of others.
- Responding quickly to the request of customers
- Caring about the quality of work before submission.

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- Communicate with clarity and honesty.
- Meeting deadlines by completing assignments before the due date.
- Using resources responsibility with due regard for the environment.

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- Respecting the image of the business/your profession, e.g. adhere to the dress code of the business/profession.
- Respecting diversity and differences and demonstrate cultural sensitivity.
- Acting with integrity/honesty/reliability, e.g. keep to working hours even if no other workers are around/noting using the business resources for personal gain.
- Being committed to quality and apply skills and knowledge to the benefit of the business/society at large.
- Adhering to confidentiality measures by not disclosing sensitive information about customers/business.
- Remaining objective, act fairly and justly to all without being biased or showing favouritism.
- Continually improve/develop skills and knowledge, e.g. attending refresher courses and seminars.
- Sharing knowledge by investing time and expertise with junior staff members, e.g. uplifting/empowering others.
- Offering and accept appropriate incentives, goods and services in business transaction.

1.3.2 Principles of ethics

- Being objective and impartial.
- Transparency and full disclosure.
- Confidentiality
- Avoiding conflict of interest.
- Being committed and responsible.
- Initiating CSI projects for communities/Social responsibility
- Looking after the environment
- Abiding by international laws

1.4 Theories of ethics

1.4.1 The rights approach

- Focuses on individual rights where people should be treated with respect and dignity.
- No person may be maltreated and the business will not impose its mission or products on people.

1.4.2 Consequential approach

- Business must promote or generate the greatest value for society, while harming as few as possible.
- Consequentialists believe that an act should be judged based on the effect it has on others/ if the effect is good, the action can be seen as ethical.

1.4.3 The common good approach

- Focuses on ensuring that the business' values and ethical principles are in line with society in which the business operates.
- It recognises that ethics and values vary from country to country and from area to area.

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1.5 Good and bad decisions

1.5.1 The meaning of good decisions

- Good decisions are those that are ethically correct and will be also benefit the without harming others.
- A good decision enables businesses can make a lot of profit

1.5.2 The meaning of bad decisions

- Bad decisions are not always ethical, they can be the results of the wrong information.
- A decision that brings in lots of profit, but based on unethical business practices, is bad.
- In the long run, no business can survive it its policies and way of doing things are unethical.

1.5.3 Examples of the differences between good and bad decisions

GOOD DECISIONS	BAD DECISIONS
Maintaining high levels of integrity	Not considering values
Honouring professional business practices	Insufficient or erroneous information
Respecting diversity	Selfish motives
Not starting a business venture at the expense of others.	Violating customer's privacy
Payment of fair wages	Damaging the environment
Not discriminating against employees	Price fixing
Regular payment of tax	Tax evasion
Reducing environmental pollution	Cloning animals or people
Importing goods that have been produced by factories with fair labour practices,	Bribery

1.6 Ways in which professional, responsible, ethical and effective business practice should be conducted

- Businesses should treat all employees equally.
- Plan properly and put preventative measures in place.
- Pay fair wages/salaries which are in line with the minimum requirements of the BCEA. /Remunerate employees for working overtime/during public holidays.
- Engage in environmental awareness programmes. /Refrain from polluting the environment, e.g. by legally disposing of toxic waste.
- Refrain from starting a venture using other businesses' ideas that are protected by law.
- Business decisions and actions must be clear/transparent to all stakeholders.
- Businesses should be accountable /responsible for their decisions and actions/patent rights.
- Hiring honest/trustworthy accountants/financial officers with good credentials.

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- Regular/Timeous payment of taxes.
- Draw up a code of ethics/conduct.
- Ongoing development and training for all employees.
- Performance management systems. /Appraisals should be in place.
- Adequate internal controls/monitoring/evaluation.

1.7 Advantages/benefits of ethical business ventures

- Provide a competitive advantage in terms of customers
- Improves employees' happiness as they will feel comfortable working for a business that is behaving ethically.
- Attracts more investors if they know that the company they work with operate in ethical way.
- Business ethics are beneficial for the company by attracting customers
- and employees.
- Builds customer loyalty/avoid legal problems/attract and retain talented employees.
- Create a more positive image in the marketplace, which can bring in new customers through word-of-mouth referrals.
- Retains good employees as they want to be part of a company whose management team tells them the truth about the company's operations.

1.8 Code of ethics

1.8.1 Meaning of code of ethics

- A written set of guidelines issued by an organisation to its workers and management to help them conduct their actions in accordance with its primary values and ethical standards.
- Outlines the mission and values of the business or organisation.
- Defines the values by which a business will function and provides a guideline for employees when making decisions.

1.8.2 Requirements for a good code of ethics

- Regular identification of ethical risk areas
- Development of compliance policies, procedures and systems
- Easy accessibility, confidentiality and non-discriminatory
- Alignment with the disciplinary code
- Integrating the integrity assessment with selection and promotion
- Induction of new employees
- Training ethical principles, standards and decision-making
- An internal audit that monitors compliance with ethical principles and standards.

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1.8.3 Implementing a code of ethics

- Once a code of ethics has been compiled, everyone in the business must adhere to the code.
- Employees must understand that a breach of the code is punishable.
- The business must should do the following aspects for the correct implementation of a code of ethics:
    - Employ right people
    - Train employees on ethical principles
    - Set an example of a good ethical behaviour
    - Involve employees in drafting the code of ethics.

1.8.4 Different perspectives on ethics

- There are certain universal ethical principles such as human rights, but they differ according to culture/religion etc.
- There is no absolute right or wrong when it comes to ethics as societies decide on acceptable behaviours.
- Different cultures have different rules of conduct.
- Some people believe cloning animals or people is interfering with nature, while others believe that cloning indicates scientific progress and medical hope
- Some believe that tax evasion is wrong, while others regard tax evasion to be creative bookkeeping.

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