



SUBJECT and GRADE	Business Studies Grade 12
TERM 1	Week 4
TOPIC	PROFESSIONALISM & ETHICS
AIMS OF LESSON	<p>At the end of this lesson, you should be able to answer the following questions:</p> <ul style="list-style-type: none"> • Define/Elaborate on the meaning of ethical behaviour. • Give practical examples of ethical and unethical behaviour • Define/Elaborate on the meaning of professional behaviour. • Give practical examples of professional and unprofessional behaviour • Outline the differences/Differentiate/Distinguish between ethical and professional behaviour. • Explain how businesses can apply the King Code principles of transparency, accountability and responsibility for good corporate governance to improve ethical business conduct. • Suggest/Recommend ways in which professional, responsible, ethical and effective business practice should be conducted • Identify the following types of unethical business practices from given scenarios/statements: <ul style="list-style-type: none"> ○ Unfair advertising and examples ○ Pricing of goods in rural areas ○ Taxation/Tax evasion • Explain how the above-stated types of unethical business practices pose challenges to businesses. • Identify the following types of unprofessional business practices from given scenarios/ statements: <ul style="list-style-type: none"> ○ Sexual harassment ○ Unauthorised use of workplace funds and resources. ○ Abuse of work time • Explain how the above stated types of unprofessional business practices pose challenges to businesses. • Recommend/Suggest ways in which businesses could deal with above stated types of unethical business practices.

RESOURCES	<p><i>Paper based resources</i></p> <ul style="list-style-type: none"> • WCED Grade 12 Business Studies Core Notes (2020): p. 73-80 • BSTD Revision for the Final Exam Workbook (2020): Roles • Via Afrika Business Studies Grade 12 Learner's Book • Platinum Business Studies Grade 12 Learner's Book • Oxford Successful Business Studies Grade 12 Learner's Book • Solutions for a Business Studies Grade 12 Learner's Book • Focus Business Studies Grade 12 Learner's Book 	<p><i>Digital resources</i></p> <p>https://wcedportal.co.za/eresource/131606</p> <p>http://www.questersdaretochange.com/2018/05/29/test-your-professionalism/</p> <p>https://www2.cortland.edu/dotAsset/299013.pdf</p>				
INTRODUCTION	<p>In Grade 11 the concepts Professionalism and Ethics were covered in detail. You were introduced to the definitions of and differences between <i>professionalism</i> and <i>ethics</i>; <i>theories and principles of professionalism and ethics</i> explored, how they relate to the business environment; the difference between good and bad decisions; the principles and skills of professional, responsible, ethical, and effective business practice.</p> <p>ENRICHMENT: Educators/learners can use the above resources as discussion points in the lesson. Allow learners to come up with scenarios of ethical/unethical and professional/unprofessional behaviour in their own contexts.</p> <p>Test your professionalism: http://www.questersdaretochange.com/2018/05/29/test-your-professionalism/</p> <p>8 Ethical tests: https://www2.cortland.edu/dotAsset/299013.pdf</p>					
CONCEPTS AND SKILLS	<p>You are expected to know the concepts and their meaning to gain a better understanding of the content of PROFESSIONALISM & ETHICS. This lesson covers the following aspects:</p> <p>Define/Elaborate on the meaning of ethical behaviour.</p> <ul style="list-style-type: none"> • Refers to acting in ways consistent with what society and individuals think are good values. • Ethical behaviour is expected from every employee in the business. • It means that the highest legal and moral standards are upheld when dealing with stakeholders. <p>Give practical examples of ethical and unethical behaviour, e.g., using fair vs. unfair advertising techniques.</p> <table border="1" data-bbox="445 1219 1940 1468"> <thead> <tr> <th data-bbox="445 1219 1125 1279">Ethical business practices</th> <th data-bbox="1125 1219 1940 1279">Unethical business practices</th> </tr> </thead> <tbody> <tr> <td data-bbox="445 1279 1125 1468"> <ul style="list-style-type: none"> • Using fair advertising • Clients and employee's information are not disclosed/used for the benefit of the business. • Business deals are conducted openly. • Paying fair wages </td> <td data-bbox="1125 1279 1940 1468"> <ul style="list-style-type: none"> • Unfair advertising • Pricing of goods in rural areas • Taxation/Tax evasion • Starting a venture at the expense of someone else • Paying employees unfair wages </td> </tr> </tbody> </table>		Ethical business practices	Unethical business practices	<ul style="list-style-type: none"> • Using fair advertising • Clients and employee's information are not disclosed/used for the benefit of the business. • Business deals are conducted openly. • Paying fair wages 	<ul style="list-style-type: none"> • Unfair advertising • Pricing of goods in rural areas • Taxation/Tax evasion • Starting a venture at the expense of someone else • Paying employees unfair wages
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	<ul style="list-style-type: none"> • Operating within the law • Ensuring that the environment is not polluted. • Not engaging in illegal business practices • Not using child labour • Adopting codes of good ethical practice. 	<ul style="list-style-type: none"> • Disobeying the law • Using bribery to gain business • Engaging in illegal business practices • Polluting the environment
Define/Elaborate on the meaning of professional behaviour.		
<ul style="list-style-type: none"> • Professional behaviour is conducting yourself in a way that leaves a good impression on people with whom you conduct business with. • A positive attitude towards work and towards the people that around you. 		
Give practical examples of professional and unprofessional behaviour, e.g., good use of work time and abuse of work time.		
Professional business practice		Unprofessional business practice
<ul style="list-style-type: none"> • Using polite language to colleagues. • Good use of work time • Keeping clients details confidential/Not using clients' information for personal gain. • Treating all people, the same. 		<ul style="list-style-type: none"> • Using rude/impolite language • Abuse of work time. • Discussing clients' information/using clients' information for personal gain. • Giving some people special favours. • Overstating the number of hours worked. • Unauthorised use of business resources.
Outline the differences/Differentiate/Distinguish between ethical and professional behaviour.		
<ul style="list-style-type: none"> • Refers to what is right/wrong/acceptable in a business • Set of standards of expected behaviour • Applying a code of conduct of a profession or business • Focuses on developing a moral compass for decision making • Includes guidelines on employees' appearance/communication/attitude/responsibility, etc. 		<ul style="list-style-type: none"> • Refers to the principles of right and wrong/acceptable in society • Conforms to a set of values that are morally acceptable • Forms part of a code of conduct to guide employees to act ethically • Focuses on upholding the reputation of a business/profession • Involves following the principles of right and wrong in business activities/practices/dealings

Do not discuss the principle...

Explain how to apply!

Tell the business what to do.

To do list for businesses... tell them exactly what to do!



Explain how businesses can apply the King Code principles of transparency, accountability and responsibility for good corporate governance to improve ethical business conduct.

1. Transparency

- Decisions/Actions must be clear to all stakeholders.
- Staffing and other processes should be open and transparent.
- Employees/Shareholders/Directors should be aware of the employment policies of the business.
- Auditing and other reports must be accurate/ available to shareholders/employees.
- Regular audits should be done to determine the effectiveness of the business.

2. Accountability

- There must be regular communication between management and stakeholders.
- Company should appoint internal and external auditors to audit financial statements.
- The board should ensure that the company's ethics are effectively implemented.
- Businesses should be accountable/ responsible for their decisions/actions.
- Businesses should present accurate annual reports to shareholders at the Annual General Meeting (AGM).

3. Responsibility

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


Suggest/Recommend ways in which professional, responsible, ethical and effective business practice should be conducted.

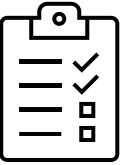
- Businesses should treat all their employees equally, regardless of their race/ethnicity/age/gender/disability etc.
- Mission statement should include values of equality/respect.
- Treat workers with respect/dignity by recognising work well done/the value of human capital.
- Pay fair wages/salaries which is in line with the minimum requirements of the BCEA/Remunerate employees for working overtime/during public holidays.
- All workers should have access to equal opportunities/positions/resources.
- Plan properly and put preventative measures in place.
- Ensure that employees work in a work environment that is conducive to safety/fairness/free from embarrassment.
- Refrain from starting a venture using other businesses' ideas that are protected by law.



	Identify the following types of unethical business practices from given scenarios/statements:	
	<ul style="list-style-type: none"> ○ Unfair advertising and examples ○ Pricing of goods in rural areas ○ Taxation/Tax evasion 	
	Type of unethical business practice	Examples
	Unfair advertising	<ul style="list-style-type: none"> • Giving goods deceptive names/False labelling. • Selling secondhand goods as new goods. • Exaggerating the merits of the product/False promises • Using fine print to conceal important information. • Criticising competitor's goods. • Exploitations of children's lack of understanding. • Misuse of people with disabilities in advertisements. • Advertising that encourages violence.
	Pricing of goods in rural areas	<ul style="list-style-type: none"> • Inflating prices • Charging higher for goods of inferior quality in rural areas.
	Taxation/Tax evasion	<ul style="list-style-type: none"> • Businesses that do not declare all their income to SARS. • Falsifying the business financial statements.
	Explain how the above-stated types of unethical business practices pose challenges to businesses.	
	Unfair advertising	<ul style="list-style-type: none"> • The use of false or misleading statements in advertising leading to misrepresentation of the concerned product, which may negatively affect consumers. • Advertising influences a buyer's decision to purchase a product. • Businesses can make unwise advertising choices when they are under pressure to increase their profits. • Unfair advertisements could be harmful to consumers. • Some advertisements may be regarded as discriminatory because they exclude/target some sections of the population.
	Pricing of goods in rural areas	<ul style="list-style-type: none"> • Some businesses in the rural areas exploit their customers by adding much more than necessary to their prices. • Some consumers in rural areas have little economic power and are vulnerable to exploitation. • Business may form monopolies in rural areas and increase their prices unilaterally. • It may be common practice to pay higher prices for goods of inferior quality in rural areas. • Business may form monopolies in rural areas and increase their prices unilaterally.

Challenge to business... NOT description or discussion!



	Taxation/Tax evasion	<ul style="list-style-type: none"> • Some businesses submit fraudulent/incorrect returns to SARS resulting to penalties. • Businesses may not be familiar with the latest changes in tax legislation. • They may pay heavy fines for evading tax. • Tax evasion may negatively impact on the business image. • Businesses may lose key stakeholders if the act of tax evasion is reported. • The accountant may charge high fees for falsifying financial statements.
	Identify the following types of unprofessional business practices from given scenarios/ statements: <ul style="list-style-type: none"> ○ Sexual harassment ○ Unauthorised use of workplace funds and resources. ○ Abuse of work time 	
	Type of unethical business practice	Examples
	Sexual harassment	<ul style="list-style-type: none"> • Managers who promise employees promotions if they agree to have a relationship with them.
	Unauthorised use of workplace funds and resources	<ul style="list-style-type: none"> • Employees who download music and movies using the business's resources • An employee who uses business resources for his/her own personal gain.
	Abuse of work time	<ul style="list-style-type: none"> • Making personal calls during work hours. • Taking extended lunch breaks • Doing personal business during work hours
<p>Challenge to business... NOT description or discussion!</p> 	Explain how the above stated types of unprofessional business practices pose challenges to businesses.	
	Sexual harassment	<ul style="list-style-type: none"> • A victim may be severely traumatised and this may affect other employees' emotionally. • The affected party is normally reluctant to report the incident due to fear of victimisation which can reduce productivity. • Businesses could lose female employees and attract/retain fewer female applicants. • Sexual harassment causes discomfort/humiliation and negatively affects work relations in the workplace. • The affected party may stay away regularly from work.
	Unauthorised use of workplace funds and resources	<ul style="list-style-type: none"> • Misuse of funds or resources without prior authorisation from a senior manager. • Increases the cost of doing business and affects competition • Discourages investors when prices are increased to absorb the losses. • Use of company assets for private use/personal gain prevents the business from using the asset for its purposes

<p>How to solve the issues?</p> <p>Tell them exactly what to do!!!</p> 	<p>Abuse of work time</p>	<ul style="list-style-type: none"> • It may result in employees' often abusing work time. • Abuse of work time could result in losing customers or not meeting deadlines. • Wasting time costs the business money and affects productivity. • Abuse of work time results in a decline in profits which could damage the financial wealth of the business.
	<p>Recommend/Suggest ways in which businesses could deal with above stated types of unethical business practices.</p>	
	<p>Unfair advertising</p>	<ul style="list-style-type: none"> • Consumers must report unfair advertisements to the Advertising Standards Authority. • Business should be encouraged to keep their advertising fair and in line with the constitution.
	<p>Pricing of goods in rural areas</p>	<ul style="list-style-type: none"> • A business may lobby with other businesses in the area to convince government to improve infrastructure in the rural area. • Charge fair/market related prices for goods and services. • Avoid unethical business practices to attract customer loyalty. • Work together with suppliers to share delivery costs to remote rural areas.
	<p>Taxation/Tax evasion</p>	<ul style="list-style-type: none"> • Submit all tax returns on time. • Businesses should pay the correct amount of tax to SARS. • Keep financial records honestly and accurately. • Make sure that all financial records are checked and audited.
	<p>Sexual harassment</p>	<ul style="list-style-type: none"> • Implement internal complaints and disciplinary procedures. • Educate employers on sexual harassment matters. • Formulate a policy regarding sexual harassment. • Create a good working environment where all employees' rights and dignity are respected. • Internal investigation should be made in order to determine the seriousness of the harassment.
	<p>Unauthorised use of workplace funds and resources</p>	<ul style="list-style-type: none"> • Conduct regular audits. • Identify risk areas/ vulnerable areas • Limit the number of employees having access to business funds/assets. • Implement/Introduce fraud prevention strategies. • Educate employees about the impact of fraud.
	<p>Abuse of work time</p>	<ul style="list-style-type: none"> • Speak directly to those employees who abuse work time. • Code of conduct/ethics should contain clear rules about abuse of work time. • Conduct training on the contents of the code of conduct/ethics. • Code of conduct/ethics should be signed by all employees so that they are aware of its contents. • Monitor employees to ensure that tasks are completed.

ACTIVITIES/ ASSESSMENT	 Essay practice. SC/NSC MAY/JUN 2019.	
	BUSINESS ROLES QUESTION 9 (PROFESSIONALISM AND ETHICS)	
	<p>According to the King Code principles, businesses are expected to conduct their operations in a professional and ethical manner. Many businesses develop strategies to address unethical business practices to remain competitive and sustainable.</p>	
	<p>Write an essay on professionalism and ethics in which you address the following aspects:</p> <ul style="list-style-type: none"> • Elaborate on the meaning of ethics in the workplace. • Explain how the following unethical/unprofessional business practices can pose a challenge to businesses: <ul style="list-style-type: none"> o Sexual harassment o Abuse of work time o Tax evasion/Taxation • Recommend ways in which businesses can deal with EACH unethical/ unprofessional business practice mentioned above. • Advise businesses on how they can apply accountability and transparency as King Code principles for good corporate governance. 	
	 STEP BY STEP GUIDE TO ANSWER YOUR ESSAY QUESTION.	
	STEP ①	Write down the correct question number: Question 9.
	STEP ②	Write down the word Introduction. (Failing to do so can result in no mark awarded for Layout: Introduction.)
	STEP ③	Study the 4 Bullets in your essay question and choose TWO facts relating to the bullets as your introduction. NOTE: REWRITING OF SCENARIO = 0 MARKS
STEP ④	Each bullet listed in the question must be written down as subheadings in your answer. (Failing to do so can result in you not addressing all 4 bullets in your answer and thus losing a mark for Analysis).	

	NOTE: DO NOT WRITE THE WORD BODY. MAKE USE OF BULLETS AS SUBHEADINGS.
STEP 5	<p>Circle the cognitive verb in each of bullets on your question paper. This will help you to formulate your answer to address each bullet.</p> <p>Elaborate on...</p> <p>Explain how...</p> <p>Recommend ways...</p> <p>Advise businesses...</p>
	VERB: SPLIT MARKS/DOUBLE TICKS
STEP 6	Start answering the question. Make use of bullets to list the facts. Remember to quote TWO original examples/references of trending news events relating to the question.
STEP 7	Write down the word Conclusion . (Failing to do so can result in no mark awarded for Layout: Conclusion.)
STEP 8	<p>One fact relating to the question. Please take care not to repeat any fact already listed. Avoid a vague conclusion.</p> <p>NOTE: REWRITING OF SCENARIO = 0 MARKS</p>
<u>EXTRACT FROM THE MARKING GUIDELINES.</u>	
1 Question 9	
2 9.1 Introduction	
3 Businesses develop a Code of Ethics as a guide to make ethical decisions. ✓	
<p>The King Code principles serve as a guideline on how businesses can conduct themselves ethically and professionally. ✓</p>	
4 5 6	
9.2 <u>The meaning of ethics in the workplace</u>	
<ul style="list-style-type: none"> - Set of standards ✓ of expected behaviour between the employer/ employee/business partners. ✓ - Set of values ✓ that are morally acceptable when conducting business. ✓ 	
ELABORATE: SPLIT MARKS	

2 Facts relating to the bullets (2 x 1)

Challenge to business... NOT description or discussion!



- Business practices that are acceptable to society/group/ community. ✓
- Inherently forms part of the employees' code of conduct. ✓
-

9.3 Unethical/Unprofessional business practices that could pose a challenge to businesses

Sexual harassment

EXPLAIN: SPLIT MARKS

Challenges

- A victim may be severely traumatised and this may affect other employees' emotionally. ✓
- The affected party is normally reluctant to report the incident due to fear of victimisation which can reduce productivity. ✓

Abuse of work time

Challenges

- It may result in employees' often abusing work time. ✓
- Abuse of work time could result in losing customers or not meeting deadlines. ✓

Tax evasion/Taxation

Challenges

- Some businesses submit fraudulent/incorrect returns to SARS resulting to penalties. ✓
- Businesses may not be familiar with the latest changes in tax legislation. ✓

9.4 Ways in which businesses can deal with EACH unethical/ unprofessional business practice mentioned above.

Dealing with sexual harassment

SUGGEST: DOUBLE TICKS

- Implement internal complaints and disciplinary procedures. ✓✓
- Educate employers on sexual harassment matters. ✓✓
- Formulate a policy regarding sexual harassment. ✓✓

How to solve the issues?

Tell them exactly what to do!!!



Dealing with abuse of work time

- Speak directly to those employees who abuse work time. √√
- Code of conduct/ethics should contain clear rules about abuse of work time.√√
- Conduct training on the contents of the code of conduct ethics. √√

Dealing with tax evasion/taxation

- Business should keep an accurate record of income statements/financial transactions. √√
- The employees' payroll needs to reflect accurate deductions according to the progressive tax system. √√
- VAT needs to be charged on VAT-able items. √√

9.5 How businesses can apply accountability and transparency as King Code principles for good corporate governance.**Accountability**

- Businesses should be accountable/responsible for their decisions/actions. √√
- Businesses should present accurate annual reports to shareholders at the Annual General Meeting (AGM).√√

Transparency

- Decisions/Actions must be clear to all stakeholders. √√
- Businesses should give details of shareholders' voting rights to them before/at the Annual General Meeting (AGM). √√

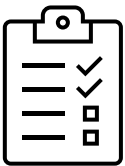
9.6 Conclusion

- A business code of ethics/conduct should improve relationships and eliminate unethical business practices. √√

Please consult the **NOTES TO MARKERS POINT 12** in the marking guidelines to grasp the awarding of markings linked to the cognitive verb.

How to apply
principles?

Tell them exactly
what to do!!!



ADVISE: DOUBLE TICKS

CONSOLIDATION	<ul style="list-style-type: none">• In this lesson you learnt more about PROFESSIONALISM & ETHICS as outlined in the Gr 12 Exam Guidelines.• Continue to practice, study and draw mind-maps on each question to get a good understanding of the topic.• The verbs in each question guides you how to answer the question.
VALUES	<ul style="list-style-type: none">• INNOVATION: Be open to new ideas and develop solutions to problems in a resourceful way. Use a variety of study techniques to help yourself learn.• CARING: You are our most important clients in the educational landscape, therefore it's important that that we provide you with the necessary resources for self-directed study.• RESPONSIVENESS: It's our responsibility to make sure that quality lesson plans are developed timeously and distributed to you.• COMPETENCE: After working through the lesson plans you should be able to demonstrate the skills and knowledge acquired, to complete the required assessments tasks successfully.