**LEARNER GUIDE**

**Apply the organisation's code of conduct in a work environment**

Unit Standard 242815

Level 4 Credits 5

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# FORMATIVE ASSESSMENT

Formative assessment: SO1 AC 1-3

#### Group activity

Discuss the moral compass in your groups and explain how you use your moral compass to make decisions regarding the following situations. Also discuss the moral compass of the people involved.

* Customers offering you bribes, for example tickets to the World Cup Final
* Your company does not service vehicles regularly
* One of your employees has financial problems and, as a result, is working slowly during the day so that s/he has to work overtime to finish the work
* One of your colleagues has a drinking problem and is often inebriated after lunch. The quality of work suffers as a result of this.

Compare the relationship between ethics and the Constitution in terms of the above scenarios.

Each group to deliver a presentation to the rest of the class about their findings

Formative assessment: SO2 AC 1-2

#### Work in pairs

* Describe your company’s Code of Conduct regarding documentation
* Compare the Code of Conduct to the principles contained in the Bill of Rights of the Constitution
* Also comment on the Code of Conduct and the company’s moral compass
* Present your work to the rest of the group

Formative assessment: SO3 AC 1-5

#### Individual activity

* Think about incidents at your place of work where conflict happened as a result of conflict between a personal value system and the company’s Code of Conduct
* What could have been done to resolve the conflict in terms of company policy and the Code of Conduct?
* What was done to resolve the conflict as per the guidelines in the disciplinary code?

PERSONAL INFORMATION

|  |  |
| --- | --- |
| **NAME** |  |
| **CONTACT ADDRESS** |  |
|  |
| **Code** |  |
| **Telephone (H)** |  |
| **Telephone (W)** |  |
| **Cellular** |  |
| **Learner Number** |  |
| **Identity Number** |  |
|  |
| **EMPLOYER** |  |
| **EMPLOYER CONTACT ADDRESS** |  |
|  |
| **Code** |  |
| **Supervisor Name** |  |
| **Supervisor Contact Address** |  |
|  |
| **Code** |  |
| **Telephone (H)** |  |
| **Telephone (W)** |  |
| **Cellular** |  |

INTRODUCTION

#### Welcome to the learning programme

Follow along in the guide as the training practitioner takes you through the material. Make notes and sketches that will help you to understand and remember what you have learnt. Take notes and share information with your colleagues. Important and relevant information and skills are transferred by sharing!



This learning programme is divided into sections. Each section is preceded by a description of the required outcomes and assessment criteria as contained in the unit standards specified by the South African Qualifications Authority. These descriptions will define what you have to know and be able to do in order to be awarded the credits attached to this learning programme. These credits are regarded as building blocks towards achieving a National Qualification upon successful assessment and can never be taken away from you!

Structure

### Programme methodology



The programme methodology includes facilitator presentations, readings, individual activities, group discussions and skill application exercises.

Know what you want to get out of the programme from the beginning and start applying your new skills immediately. Participate as much as possible so that the learning will be interactive and stimulating.

The following principles were applied in designing the course:

* Because the course is designed to maximise interactive learning, you are encouraged and required to participate fully during the group exercises
* As a learner you will be presented with numerous problems and will be required to fully apply your mind to finding solutions to problems before being presented with the course presenter’s solutions to the problems
* Through participation and interaction the learners can learn as much from each other as they do from the course presenter
* Although learners attending the course may have varied degrees of experience in the subject matter, the course is designed to ensure that all delegates complete the course with the same level of understanding
* Because reflection forms an important component of adult learning, some learning resources will be followed by a self-assessment which is designed so that the learner will reflect on the material just completed.

This approach to course construction will ensure that learners first apply their minds to finding solutions to problems before the answers are provided, which will then maximise the learning process which is further strengthened by reflecting on the material covered by means of the self-assessments.

#### Different role players in delivery process

* Learner
* Facilitator
* Assessor
* Moderator

### What Learning Material you should have

This learning material has also been designed to provide the learner with a comprehensive reference guide.

It is important that you take responsibility for your own learning process; this includes taking care of your learner material. You should at all times have the following material with you:

|  |  |
| --- | --- |
| **Learner Guide** | **This learner guide is your valuable possession:**This is your textbook and reference material, which provides you with all the information you will require to meet the exit level outcomes. During contact sessions, your facilitator will use this guide and will facilitate the learning process. During contact sessions a variety of activities will assist you to gain knowledge and skills. Follow along in the guide as the training practitioner takes you through the material. Make notes and sketches that will help you to understand and remember what you have learnt. Take and share information with your colleagues. Important and relevant information and skills are transferred by sharing!This learning programme is divided into sections. Each section is preceded by a description of the required outcomes and assessment criteria as contained in the unit standards specified by the South African Qualifications Authority. These descriptions will define what you have to know and be able to do in order to be awarded the credits attached to this learning programme. These credits are regarded as building blocks towards achieving a National Qualification upon successful assessment and can never be taken away from you! |
| **Formative Assessment Workbook** | The Formative Assessment Workbook supports the Learner Guide and assists you in applying what you have learnt. The formative assessment workbook contains classroom activities that you have to complete in the classroom, during contact sessions either in groups or individually.You are required to complete all activities in the Formative Assessment Workbook. The facilitator will assist, lead and coach you through the process.These activities ensure that you understand the content of the material and that you get an opportunity to test your understanding.  |

### Different types of activities you can expect

To accommodate your learning preferences, a variety of different types of activities are included in the formative and summative assessments. They will assist you to achieve the outcomes (correct results) and should guide you through the learning process, making learning a positive and pleasant experience.



The table below provides you with more information related to the types of activities.

| **Types of Activities** | **Description** | **Purpose** |
| --- | --- | --- |
| **Knowledge Activities** | You are required to complete these activities on your own.  | These activities normally test your understanding and ability to apply the information. |
| **Skills Application Activities** | You need to complete these activities in the workplace  | These activities require you to apply the knowledge and skills gained in the workplace |
| **Natural Occurring Evidence** | You need to collect information and samples of documents from the workplace. | These activities ensure you get the opportunity to learn from experts in the industry.Collecting examples demonstrates how to implement knowledge and skills in a practical way |

### Learner Administration



#### Attendance Register

You are required to sign the Attendance Register every day you attend training sessions facilitated by a facilitator.

#### Programme Evaluation Form

On completion you will be supplied with a “Learning programme Evaluation Form”. You are required to evaluate your experience in attending the programme.

Please complete the form at the end of the programme, as this will assist us in improving our service and programme material. Your assistance is highly appreciated.

### Assessments

The only way to establish whether a learner is competent and has accomplished the specific outcomes is through the assessment process. Assessment involves collecting and interpreting evidence about the learners’ ability to perform a task.

To qualify and receive credits towards your qualification, a registered Assessor will conduct an evaluation and assessment of your portfolio of evidence and competency.

This programme has been aligned to registered unit standards. You will be assessed against the outcomes as stipulated in the unit standard by completing assessments and by compiling a portfolio of evidence that provides proof of your ability to apply the learning to your work situation.



**How will Assessments commence?**

#### Formative Assessments

The assessment process is easy to follow. You will be guided by the Facilitator. Your responsibility is to complete all the activities in the Formative Assessment Workbook and submit it to your facilitator.

#### Summative Assessments

You will be required to complete a series of summative assessments. The Summative Assessment Guide will assist you in identifying the evidence required for final assessment purposes. You will be required to complete these activities on your own time, using real life projects in your workplace or business environment in preparing evidence for your Portfolio of Evidence. Your Facilitator will provide more details in this regard.

To qualify and receive credits towards your qualification, a registered Assessor will conduct an evaluation and assessment of your portfolio of evidence and competency.

### Learner Support

The responsibility of learning rests with you, so be proactive and ask questions and seek assistance and help from your facilitator, if required.



Please remember that this Skills Programme is based on outcomes based education principles which implies the following:

* You are responsible for your own learning – make sure you manage your study, research and workplace time effectively.
* Learning activities are learner driven – make sure you use the Learner Guide and Formative Assessment Workbook in the manner intended, and are familiar with the workplace requirements.
* The Facilitator is there to reasonably assist you during contact, practical and workplace time for this programme – make sure that you have his/her contact details.
* You are responsible for the safekeeping of your completed Formative Assessment Workbook and Workplace Guide
* If you need assistance please contact your facilitator who will gladly assist you.
* If you have any special needs please inform the facilitator

### Learner Expectations

Please prepare the following information. You will then be asked to introduce yourself to the instructor as well as your fellow learners



|  |
| --- |
| Your name:  |
|  |
|  |
| The organisation you represent:  |
|  |
|  |
| Your position in organisation:  |
|  |
|  |
| What do you hope to achieve by attending this course / what are your course expectations? |
|  |
|  |
|  |
|  |
|  |

|  |
| --- |
| Programme Structure And Strategy |
| **UNIT STANDARD 242815 Level 4** |
| **Credits 5: notional hours 50, classroom training 15 hours, workplace hours 35** |
| **Programme Outcomes** | **Page2** | **Outcomes**  | **Time Allocation** | **Delivery strategy** | **EEK** | **CCFO** | **Formative Assessment** | **Summative Assessm: total time 35 hours** |
| Personal Information | 5 |   | Introductory activities: 60 minutes | Discussion  |  |  |  |  |
| How To Use This Learner Guide | 5 |   |   |   |   |   |
| Programme Overview | 6 |   |   |   |   |   |
| Personal Objectives And Expectations | 7 |   |   |   |   |   |
| **Unit Standard 242815** | 8 |   |   | Discussion & slide show |   | Identify and solve problems  |   |   |
| **SECTION 1:** | 12 |   |   | Discussion & slide show |   |   |   |   |
| **Specific Outcome:** | 12 |   |   |   |   |   |   |
| **Explain the concept of ethics in relation to the "moral compass".** | 12 | SO1 | 115 minutes |   |   |   | Questionnaire |
| What Is Corporate Culture? | 13 | AC1 |   |   | Work effectivelywith others  |   | Workplace Research Assessment |
| *Exercise 1* | 15 |   | 15 minutes |   |   | Group activity: Examples |   |
| *Exercise 2* | 16 |   | 15 minutes |   |   | Group activity: Discussion |   |
| *Exercise 3* | 17 |   | 15 minutes |   |   | Individual activity: Own values |   |
| *Exercise 4* | 19 |   | 15 minutes |   |   | Group activity: Social resposibility |   |
| **The "moral compass**" | 19 | AC2 |   |   |   |   | Learner has to: describe the components of the 'moral compass' and identify the positions of your team members on the moral compass |
| Exercise 5 | 20 |   | 15 minutes |   |   | Individual activity: Example |
| **Team member's position on the "moral compass**" | 21 | AC3 |   |   | Organise and manage  |   |
| *Exercise 6* | 22 |   | 15 minutes |   |   | Individual activity: Example personal life |   |
| **The relationship between ethics and law** | 23 |   |   |   | Collect, analyseorganise  |   |   |
| *Exercise 7* | 23 |   | 15 minutes |   |   | Individual activity: Ethics and the law |   |
| **Ethics & the Constitution** | 24 |   |   |   |   |   |   |
| Formative assessment 8: SO1 AC 1-3 | 27 |   |   | N/A |   | Group activity: Moral compass |   |
| **SECTION 2:** | 29 |   |   | Discussion & slide show |   |   |   |   |
| **Specific Outcome:** | 29 |   |   |   |   |   |   |
| **Describe the role of a code of conduct in a work environment according to ethical principles.** | 29 | SO2 | 115 minutes |   |   |   | Learner has to:Describe your organisation’s code of conduct as it relates to documentsCompare your organisation’s code of conduct with the Constitution and the moral compass |
| **Ethics in the workplace** | **30** | AC1 |   |   |   |   |
| *Exercise 9* | 31 |   | 15 minutes |   |  | Group activity: Demands on companies |
| *Exercise 10* | 33 |   | 15 minutes |   |   | Group activity: Social responsibility |
| *Exercise 11* | 33 |   | 15 minutes |   |  | Group activity: Discussion |
| *Exercise 12* | 35 |   | 15 minutes |   |   | Individual activity: What is unethical? |
| **Ethical business practice** | 36 | AC2 |   |   | Communicate |   |
| **Code of ethics** | 37 |   |   |   |   |   |   |
| *Exercise 13* | 37 |   | 15 minutes |   |   | Group activity: Respect other people |   |
| **Code of conduct** | 37 |   |   | N/A | Demonstrate anunderstanding of the world as a set of related systems  |   |   |
| *Exercise 14* | 38 |   | 15 minutes |   |   | Individual activity: Business code of conduct |   |
| *Exercise 15* | 39 |   | 15 minutes |   |  | Group activity: Lies |   |
| Formative assessment 16: SO2 AC 1-2 | 41 |   | 15 minutes |   |   | Group activity: Your Company's Code of conduct |   |
| **SECTION 3:** | 42 |   |   | Discussion & slide show |   |   |   |  Give two examples of consequences where the code of conduct is not adhered toWhy is it important that you should report deviations in areas beyond your area of responsibility?Explain what aspects of the code of conduct are applied on a day-to-day basis in your team and how these aspects are upheld. Refer to the SOP of your organisation in your explanation. |
| **Specific Outcome:** | 42 |   |   |   |   |   |
| **Uphold the code of conduct within the work team.** | 42 | SO3 | 115 minutes |   |   |   |
| **The code of conduct within the work team** | 43 | AC1, 2, 3,4, 5 |   |   |   |   |
| *Exercise 17* | 43 |   | 15 minutes |   |   | Individual activity: Dress style |
| *Exercise 18* | 44 |   | 15 minutes |   |   | Group activity: Gifts |
| *Exercise 19* | 45 |   | 15 minutes |   |   | Individual activity: Drugs/alcohol |
| **Conflict of interest** | 45 |   |   |   |   |   | Learner has to:Observe your work team and describe what potential conflict exists between the personal value systems of the team members and the code of conduct of your organisation. You may use examples of events that have already happened in the organisation |
| *Exercise 20* | 47 |   | 15 minutes |   |   | Group activity: Action toward the unethical |
| *Exercise 21* | 47 |   | 15 minutes |   |   | Individual activity: Question |
| *Exercise 22* | 49 |   | 15 minutes |   |   | Individual activity: Examples |
| Formative assessment 23: SO3 AC 1-5 | 51 |   | 15 minutes |   |   | Individual activity: Conflict |
| **Revision**  |  |  | **60 minutes** |   |   |   |   |   |
| **Summative questionnaire** |  |  | **90 minutes** |   |   |   |   |   |
| **Notional Hours** |  |  | **15** |   |   |   |   | **35** |

# UNIT STANDARD 242815

#### Unit Standard Title

Apply the organisation’s code of conduct in a work environment.

#### NQF Level

4

#### Credits

5

#### Purpose Of The Unit Standard

A Person credited with this unit standard will be able to identify the measures necessary to prevent and manage a crime related incident, and to address personal safety issues and asset security, in order to make any environment more secure for the person and for assets.

This unit standard will be useful to any person who works in a situation where any form of crime related to a person, property or asset is possible.

#### Learning Assumed To Be In Place And Recognition Of Prior Learning

Communication at NQF 1 or equivalent.

#### Unit Standard Range

The applied competence expressed in this standard covers the knowledge and understanding of preventing and managing a crime situation, which is necessary for learners who work in the broader South African economy.

The range includes innovative responses to unfamiliar and unpredictable problems, using basic analytical interpretation of information.

The level assigned to this Unit Standard is appropriate because a fairly narrow range of knowledge and cognitive skills is applied.

  Specific Outcomes and Assessment Criteria:

**Specific outcome 1:** Explain the concept of ethics in relation to the “moral compass”.

**Assessment criteria**

* The components of the “moral compass” are described according to theory & practice.
* The team leader identifies team member’s position on the “moral compass” according to observed behaviour.
* The relationship between ethics & the constitution is explained according to group & individual rights & responsibilities.

**Specific outcome 2:** Describe the role of a code of conduct in a work environment according to ethical principles.

**Assessment criteria**

* Code of conduct is explained, with reference to organisational documentation.
* The code of conduct is compared to the principles in the Constitution & the “moral compass” within the context of the organization.

**Specific outcome 3:** Uphold the code of conduct within the work team.

**Assessment criteria**

* Potential conflict between a personal value system & an organisational code of conduct is identified, with examples.
* The consequences of non-compliance with a code of conduct are explained, with examples.
* Aspects of the code of conduct are applied according to standard operating procedure.
* Examples of deviations, past or present, from the code of conduct, are identified & remedial action, if appropriate, is taken according to standard operating procedure.
* The importance of reporting deviations in areas beyond team leader’s area of responsibility is explained according to the code of conduct.

#### Unit Standard Essential Embedded Knowledge

N/A

#### Critical Cross-Field Outcomes

* Learners are capable of identifying and solving problems using critical and creative thinking in upholding the code of conduct
* Learners are capable of working effectively with others as a member of a team, group, organisation or community, by upholding the code of conduct
* Learners are capable of communicating effectively, in explaining and describing the concept of ethics and the application of a code of conduct
* Learners are capable of demonstrating an understanding of the world as a set of related systems, by explaining the consequences of non-compliance

# SECTION 1: MORAL COMPASS

#### Specific Outcome1

Explain the concept of ethics in relation to the “moral compass”.

#### Assessment criteria

* The components of the “moral compass” are described according to theory & practice.
* The team leader identifies team member’s position on the “moral compass” according to observed behaviour.
* The relationship between ethics & the Constitution is explained according to group & individual rights & responsibilities.

## What Is Corporate Culture?

It is important to understand corporate culture and the elements that make up corporate culture, as this is unique to each organisation.

Corporate culture might be best summarized in the often heard statement:

**“ It might not make much sense to you, but that’s the way we do things around here!”**

Corporate culture is the pattern of shared beliefs, attitudes, assumptions and values in an organisation which you probably won’t find written down anywhere, but still dictates the way people act and interact and strongly influence the ways in which work is carried out.

Corporate culture reflects what has worked in the past and can work for an organisation by creating an environment which is conducive to performance improvement and the management of change.

It can also work against an organisation when barriers are erected which prevent employees from doing the work in such a way that the goals set by top management are met. Barriers would include resistance to change and lack of commitment.

Corporate culture is determined by the **values, norms and ethics** of the organisation. Employees see corporate culture as **organisational climate***,* and it will influence and be expressed by **management style***.*

### Values

Values refer to what is regarded as important. They are expressed in beliefs of what is best or good for the organisation and what sort of behaviour is desirable. You will find corporate values in the mission and vision statements of an organisation and typically includes what the company commits to regarding the following:

* Care and consideration for people and the environment
* Care for customers
* Competitiveness
* Equity in the treatment of employees
* Excellence of products and service
* Company growth
* Innovation
* Market/customer orientation
* The performance orientation of the company
* The commitment to productivity of the company
* Provision of equal opportunity for employees
* Quality
* Social responsibility

### Norms

Norms are the unwritten rules of behaviour that apply in the company. These rules will provide employees with informal guidelines on how to behave.

Norms tell people what they are supposed to be doing, saying, and believing, even wearing. They are not expressed in writing – if they were, they would be policies or procedures. They are passed on by word of mouth or behaviour and can be enforced by the reactions of people if they are violated. Norms can exert very powerful pressures on behaviour because of these reactions- we control others by the way we react to them.

Norms refer to such aspects of behaviour as:

* How managers treat subordinates and how subordinates relate to their subordinates
* The prevailing work ethic, e.g. ‘Work hard, play hard’, or ‘Come in early, stay late’, or ‘If you cannot finish your work during the business hours you are obviously inefficient’, or ‘Look busy at all times’, or ‘Look relaxed at all times’.
* Status- how much importance is attached to it; the existence or lack of obvious status symbols
* Ambition- naked ambition is expected and approved of, or a more subtle approach may be the norm
* Performance- exacting performance standards are general; the highest praise that can be given in the organisation is to be referred to as very professional
* Politics- rife throughout the organisation and treated as normal behaviour; not accepted as overt behaviour
* Loyalty- expected, a cradle-to-grave approach to careers; the emphasis is on results and contribution in the short term
* Anger- openly expressed; hidden, but expressed through other, possibly political, means
* Approachability- managers are expected to be approachable and visible; everything happens behind closed doors
* Formality- a cool, formal approach is the norm; forenames are/are not used at all levels; there are unwritten but clearly understood rules about dress.

### A definition of ethics

The word ethics is derived from the Greek word **ethos.** Ethics deal with the morality of persons as individuals and also that of groups of individuals. Ethics assess not only what people are seen to be doing, but also examines what they think is right, fitting and just.

Ethics is also called moral philosophy.

How should we live? Shall we aim at happiness or at knowledge, virtue, or the creation of beautiful objects? If we choose happiness, will it be our own or the happiness of all?

And what of the more particular questions that face us: is it right to be dishonest in a good cause? Can we justify living in opulence while elsewhere in the world people are starving?

Is going to war justified in cases where it is likely that innocent people will be killed? What are our environmental obligations, if any, to the generations of humans who will come after us and to the nonhuman animals with whom we share the planet?

Ethics deals with such questions at all levels. Its subject consists of the fundamental issues of practical decision making, and its major concerns include the nature of ultimate value and the standards by which human actions can be judged right or wrong.

**Therefore, we can say that ethics concerns itself with what is morally good or bad and what is right or wrong.**

The word ethics is derived from the Greek word **ethos**. Ethics deal with the morality of persons as individuals and also that of groups of individuals. Ethics assess not only what people are seen to be doing, but also examines what they think is right, fitting and just.

People are often judged by what **they do or are seen to be doing**, but their actions do not necessarily reflect their **thoughts or feelings**, or what they are often saying.

People often act within the context of **traditions and customs**, but, and this is important, ethics always involve 'reflective evaluation', that is, a serious thought process takes place before action takes place. **In other words, individuals like to feel that what they do is right, just and/or accepted as correct.**

**The concept of ethics remains the same, whether it is applied in your personal life or in the workplace, because it is a choice you make and you know what is right and what is wrong.**

**Ethics can simply be defined as a set of rules or principles that determine the boundaries of right and wrong conduct.**

Ethics can also be described as a system, or code, of morals and conduct of a person or group.

Good ethics include the following:

* Ethics are strongly influenced by what people consider right & wrong
* Ethics are determined by the conduct of people
* Ethics can be identified in a system or code
* Ethics can be identified in individuals in a group
* Good ethics go beyond the issue of what is legal or illegal.

The concept of ethics remains the same, whether it is applied in your personal life or in the workplace, because it is a choice you make and you know what is right and what is wrong.

Group Exercise

Give more examples of good ethics.

### What are values?

People are often judged by what **they do or are seen to be doing**, but their actions do not necessarily reflect their **thoughts or feelings,** or what they are often saying.

People often act within the context of **traditions and customs**, but, and this is important, ethics always involve 'reflective evaluation', that is, a serious thought process takes place before action takes place. **In other words, individuals like to feel that what they do is right, just and/or accepted as correct.**

Values refer to what is regarded as important. They are expressed in beliefs of what is best or good for the organisation and what sort of behaviour is desirable. You will find corporate values in the mission and vision statements of an organisation and typically includes what the company commits to regarding the following:

* Care and consideration for people and the environment
* Care for customers
* Competitiveness
* Equity in the treatment of employees
* Excellence of products and service
* Company growth
* Innovation
* Market/customer orientation
* The performance orientation of the company
* The commitment to productivity of the company
* Provision of equal opportunity for employees
* Quality
* Social responsibility.

Group Exercise

Discuss what you understand under the following statement:

*Values are collective standards whereby right and wrong, good and bad and pretty and ugly are separated.*

**Values are essentially general in nature and provide broad guidelines to groups or peoples.**

For example, a value may be held by a group or people that negotiation and clear debate is the correct manner to resolve differences or conflict. It would therefore be below the collective standard of this group of people, to solve a problem using violent means.

Of course the opposite will also be true; it may the accepted standard of a group to immediately solve conflict through the application of violence.

Values have always shaped a person's beliefs, and ethics should be concerned with moral rights and wrongs ‑particularly in the context of a person's obligations to the society in which he lives. Ethical rights and wrongs cannot be regarded as inflexible from age to age, because they have a tendency to change with the passing of time. It was accepted as morally defensible to own and treat slaves as commodities just on 200 years ago. Today slavery in nearly all countries in the world does not exist it is looked upon as morally wrong.

An individual, belonging to different cultural group, finds it very difficult to determine another person's ethical code. First and foremost, it is a personal thing, and we tend not to discuss it until some or other crisis demands that we nail our colours to the mast, to show where we personally stand.

## Personal value and belief systems

Culture can be defined as anything that is learnt in the interaction process in human society. This is a very broad definition and includes such learnt aspects of human social life as language, customs, norms, values and also symbols. Symbols denote characteristics and meanings people give to them, as for example, a flag is a piece of cloth arranged in one manner or another. However, for nationals of a state, the flag indicates several important factors. These may include the identification of a nation, a political party, a company, a team, or any other group that it may represent. The flag could indicate a group of people living within a defined geo‑political area, with a distinct language and unique customs related to the region. It is important to remember that culture is both material and non-material.

No human being is born with culture. All human beings learn their culture through a process of socialisation and interaction with other individuals in society and also with the physical environment. Culture is learnt by individuals as well as being taught by others. The learning of language is one of the most important aspects of culture. It is through language that ideas, values, norms and other facets of culture are transmitted and communicated to others.

Individual Exercise

Give examples of your own personal values and believes and why it is important to you. Discuss this with a fellow learner

### Culture involves values and beliefs.

In most societies today, and especially in Western society, romantic love is the sis of marriage rather than the arranged form of marriage. However, all societies do place some restrictions on the choice of a marriage partner, although these may differ in intensity from society to society. One of the most universal restrictions is the incest taboo.

Culture is therefore the way of life of a human group, it includes all the learned and standardised forms of behaviour which one uses and which others in one’s group expect and recognise**.**

### Belief system

Taken together, your ethics and values form your belief system. **Ethics** are what you as a person believes and **values** are what the group believes are right and wrong and, because you are part of that group, you also believe in those values.

**Beliefs** indicate the manner in which people; think about Divinity (God), the nature of human life, the spirit world, forms of magic, ancestral spirits and generally the nature of life after death.

Belief systems are important because they influence people's behaviour, hence it is critical to understand these beliefs and values

### Source(s) of values and belief systems

The main source of values and belief systems are the people around you for example your parents, family, peers and co-workers. The environment you grew up in plays a very important role. It is unethical to steal something from someone, but wouldn’t be a very strong notion with you if you weren’t taught that it is wrong while growing up.

The community that you group up in, the people that you and your parents associated with, the belief system of these people and your parents are what shaped your values and belief systems. This is why different cultures have such vastly different belief systems.

Our ethics are constantly changing. Not in a sense that for example one day you believe it is wrong to lie and the next day you think it is ok, they simply grow stronger and new ones are added.

Your values directly affect your behaviour. If you believe in something you will either do certain things and others not at all, for example if you believe it is wrong to steal you will never take anything from someone else, or at least not without asking. If you believe it is good to help others in need, you will help where you can instead of turning your back.

### Change your belief or value system

Changing your belief is not an easy thing! It takes quite some time and practice.

#### The first step is to make a decision.

**You** have to decide that you want to apply a certain belief in your life and then you have to stick to it. A belief is not something that you want to do one day and not the next. It is something that is embedded within you as a person. Someone who has broken the law and is in jail for stealing has to make a decision never to steal again for them to have a new belief.

#### The second step is to apply your decision

After you have decided to implement a new belief in your life you have to apply it and practice it at every occasion that is presented to you regarding your new belief. Like in the example above of the person in jail; once that person is out of jail the opportunity to steal something will present itself to him or her and they then have to take that same decision again and say no to themselves. They have decided not to steal again and have to decide on that moment not to do it for the initial decision to be affective. After some practice doing thing this, your belief grows stronger.

#### The third step is to keep implementing your belief for the rest of your life

Once you have some practice with your new belief it starts to become part of you. Eventually you won’t even have to think about it anymore, it will always just be there. Like the example, if that person has decided not to steal on every occasion that they’ve been presented with for ten years they probably won’t even think about stealing when they see something they want that is not theirs.

The only way that a belief can disappear from your life and who you are is if you decide not to believe in it anymore and automatically you won’t apply it in your life anymore. Depending on the belief, it can never really be a good thing to take away some of your beliefs unless it was a bad one.

If you are someone who doesn’t steal or lie, you would apply the same in the workplace and wouldn’t steal from co-workers or lie to them. At the end of the day, beliefs and ethics aren’t something you can switch on or off. This part of you will show at work and at home.

### Areas in which values can be expressed

Values refer to what is regarded as important. They are expressed in beliefs of what is best or good for the organisation and what sort of behaviour is desirable.

Areas in which values can be expressed include:

* Care & consideration for people
* Competitiveness
* Equity in the treatment of employees
* Growth
* Market/customer orientation
* Performance orientations
* Provision of equal opportunity for employers
* Social responsibility
* Care for customers
* Enterprise
* Excellence
* Innovation
* Priority given to organisational rather than to people needs
* Productivity
* Quality
* Teamwork.

Group Exercise

Give examples of team member’s social responsibilities in an organisation.

## The “moral compass”

A **moral compass** is a term that refers metaphorically to making decisions in a moral and ethical way. The person making the decision is guided by his or her own moral and ethical values.

In order to understand the “moral compass” we will break it down and explain both the words “moral” and “compass” individually.

### Moral

The word moral can be described and understood as the following:

* Moral courage the kind of courage which enables a person to encounter, disapproval, or contempt rather than depart from the right course
* Something of importance and significance
* Habits of life with regard to right and wrong
* Human character or behaviour considered as right or wrong
* The distinction between right and wrong
* Conforming to accepted standards of conduct
* Responsibility
* Designating probable evidence that rests on knowledge of human nature or a person’s character.

Individual Exercise

Think of examples in society where a person’s habits shows a total disregard of the balance between right and wrong. Discuss this in your groups

### Compass

A compass is a small device that fits into the palm of your hand and gives direction. Just like a compass is used to give direction especially when you are lost, a “moral compass” gives you direction as to how your morals should be.

A moral compass points the way to what is right or good when one is uncertain what to do in any situation

### Positive morality

Rules of morality are very important rules prescribing the individual's behaviour. We use the term **positive morality** to refer to these rules of morality.

Man does not live alone on an island. Man always lives with and among other people, as man is born among people. The individual is always part of a group. A group has its own ideas on what is good, and on what is bad, and the individual who forms part of the groups usually obeys the rules of the groups.

Two individuals each with their own system of ethical rules, meet each other. If their ethical rules are in conflict or differ drastically, they will have to compromise and will have to make a new rule which is acceptable to both of them. Thus friction is reduced or eliminated between them.

In a large group of people, e.g. a clan or tribe, or church or club, or even a country, a whole body of rules of positive morality exists which regulate the behaviour of individuals in the groups. Sometimes, these rules are in conflict with the individual's ethical rules, but in such cases, the individual will usually push aside his ethical rules and follow the rules of the group.

If the individual breaks a rule of positive morality, these are the rules of the group, he will be punished by the group. A good example is the cowboys in the Wild West: they quite easily lynched a man from the nearest tree if he so much as touched a woman without her permission! The group did not bear with such behaviour.

**The group therefore punishes an individual if he breaks a rule of positive morality.**

The individual can be punished in different ways, but the most common is that of isolation ‑ the group will merely exclude such a person from its activities. It could also victimise the individual by throwing stones on his roof, or by burning his house, for instance.

The rules of positive morality include a great variety of things, such as behaviour in public; hygiene and cleanliness; the use of a particular dialect and language, etc. These rules are thus rules prescribing behaviour, and if these rules are broken, the individual will be punished.

The differences and agreements between ethical rules, positive morality and legal rules are clear. The main point of agreement is that all three systems of rules prescribe how individuals ought to behave. The main difference lies in the sanction/punishment aspect in the instance where a rule is broken. If a person breaks an ethical rule, his conscience will punish him. If a person breaks a rule of positive morality, the group, or society, will punish him. If a person breaks a legal rule, the state will punish him.

### Dimensions of morality

Two dimensions of morality have also been identified.

* The first concerns the elements of justice and fairness when considering morality (a morality of rights)
* And secondly a sense of responsibility to others (a morality of responsibility) Education therefore also has an impact on morality through increased exposure to knowledge and independent thought.

## Team member’s position on the “moral compass”

A team member has a huge responsibility to comply with the “moral compass”. They know what is expected of them. They also know the difference between right and wrong in the workplace (morals). Team members should adhere to the following behaviours:

* The ability to choose between right & wrong
* Honesty
* Fairness
* Ethical behaviour
* They must report unethical behaviour from co-workers

### Core ethical values

SOMEWHERE Industries is committed to doing the right thing, always. Doing the right thing means making the ethical choice in difficult situations. It means we do this even when no one else will know. That is why we have an ethics and compliance program and why we publish this Code. The Code is specifically designed to promote honest and ethical conduct and deter wrongdoing. Violations of the Code may result in disciplinary action, up to and including termination.

It is also designed to be part of a total system to encourage ethical conduct that includes: senior level commitment to ethics, our worldwide group of Ombudsmen, regular ethics training, processes to facilitate raising ethical concerns and continuing communications about our commitment to the highest ethical standards. In simple terms, our commitment to doing the right thing is based on seven core ethical values. As you review specific provisions of this Code it is useful to have these values as a context for understanding what we mean when we say we will do the right thing, always.

#### Honesty / truthfulness

To be honest means to be truthful in everything one says and does. This means more than refraining from lying. It includes telling the whole truth even when doing so is difficult. Honesty is reflected in how we create and maintain our business records. It is difficult to meet any of the other ethical standards SOMEWHERE embraces without honesty and truthfulness as the foundation.

#### Integrity

Integrity results from consistent decisions to act ethically in difficult situations. To have integrity is to uphold ethical principles and do what you say you will do, consistently, predictably and reliably. As SOMEWHERE employees, integrity drives us to adhere not only to the letter, but also the spirit of applicable laws and SOMEWHERE policy.

Individual Exercise

Write down examples of integrity in your personal life.

#### Quality

SOMEWHERE has built its reputation on product and service quality. But quality means more than freedom from defects. Quality speaks to doing everything to the best of one’s ability and striving to better meet the needs of our customers.

#### Good citizenship

At a minimum good citizenship requires all of us to obey applicable laws and regulations. It also means that we must be good stewards of this planet’s resources, that we respect the environment, and provide a safe and healthy workplace. As an organization we will continue to strive for an open, transparent business climate free from corruption and will therefore refrain from paying bribes or otherwise unlawfully attempting to influence customer decisions.

#### Respect

Respect is regard for the inherent worth of each individual. It requires us to create a workplace where people are treated well and are afforded all of the rights they are entitled to both under law and company policy. A respectful workplace is safe, free from discrimination and harassment, affords employees equal opportunity to pursue their goals and protects the privacy of personal information the company may obtain or possess.

#### Fairness

Fairness can be understood as a concern for how others are treated — ensuring that we treat them in the way we would wish to be treated in a similar situation. Fairness is a commitment to treat people ethically and to apply ethical standards and reasoning to our decisions regarding how they affect other people. Fairness also governs how we treat other businesses, including our competitors and how we manage working relationships.

#### Responsibility/accountability

Responsibility calls on us to accept the obligation to act in certain ways. Accountability is the willingness to accept the consequences of our actions. Together they are the cornerstone of mature, ethical conduct. As SOMEWHERE employees we are both responsible and accountable for conforming to numerous company policies. These include, but are not limited to, the standards outlined in this Code.

### Ethical decision making

SOMEWHERE Industries recognizes that all employees encounter ethical challenges in their work. This Code is intended to help you to both recognize and resolve those challenges. When faced with a business decision that seems to have ethical overtones, here are several questions you should ask yourself to determine if your actions are proper:

1. Am I adhering to the spirit, as well as the letter, of any applicable law or SOMEWHERE Industries policy?
2. Would I want my actions reported on the front page of a newspaper?
3. What would my family, friends or neighbors think of my actions?
4. Will there be any direct or indirect negative consequences for SOMEWHERE Industries?
5. Are my actions consistent with the overall values set forth in this Code and SOMEWHERE Industries Corporate Policies?

## The relationship between ethics and law

This is significant, as the laws, rules and regulations which govern our everyday lives provide a substantial guideline for right and wrong behaviour. The laws of our country forbid stealing, corruption, fraud and doing harm to one’s fellow man. These laws are supported by the vast majority of South Africans because they reflect the general values held by South Africans and indeed all peoples throughout the world. It would be a difficult task to isolate or identify a tribe, people or nation on earth who regard stealing, murder or kidnapping as the correct way to behave.

We have defined ethics and law and now we have a better understanding of the different terms.

Individual Exercise

On your own, what do you think the relationship between ethics and the law is?

The question still remains **“What is the relationship between ethics and law?”** In other words, how do they **relate** to each other? Let’s view the relationship in the form of a table!

|  |  |
| --- | --- |
| **Law** | **Ethics** |
| In a society there may be some laws, however, which honest, upright and generally law abiding people will refuse to obey, even if they face punishment. This is so because a particular **law** is regarded as being immoral (bad or wrong). In South Africa the example of abortion may be used. **Abortion is legal and according to the law, medical staff is compelled to assist those requesting abortion within certain time frames. What if a certain doctor or nurse regards abortion as murder? What should they do? This is a classic case of certain people experiencing a “moral dilemma”.**  | On the other hand, certain **values**in a society may not be addressed by the law. Empirical research in South Africa has conclusively shown that almost 75 % of the population wants the re-introduction of the death penalty as a punishment for certain forms of violent crime. However the government of the day refuses to bring back the death penalty.  |

## Ethics & the Constitution

As in introduction to this section, we will discuss a general code of ethics and conduct that should apply to workplaces throughout South Africa.

Although many more things than are highlighted here have changed for the better in the New South Africa, this is a summary of ethics applicable to the workplace that should be in place in all businesses.

**The general code of ethics is done in line with the Constitution.**

### Introduction

The South African government has committed itself to the **protection of the rights** of victims of sexual violence through policies.

A need is identified to develop a legal framework for addressing sexual offences one of the main priorities of the South African government is to put laws into place and to focus on law improvement.

### Protection

The South African government is implementing measures against gender-based violence, including penal sanctions, civil remedies and compensatory provisions to protect women against all kinds of violence.

### The South African Constitution

#### Equality

**The state may not unfairly discriminate directly or indirectly against anyone on one or more grounds, including race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth.**

We all know that in the old South Africa, discrimination on the basis of race and sex was practiced in all aspect of the working world. This is no longer allowed and people should be appointed, promoted and remunerated according to their capabilities.

#### Human dignity

**Everyone has inherent dignity and the right to have their dignity respected and protected.**

Non one may make fun of you because you are a woman or of a different race and your employers must respect your dignity as a human being. Telling racist or sexist jokes in the workplace is no longer acceptable. You must also respect the human dignity of others, including women, children and even people whose political or religious beliefs differ from yours!

#### Freedom and security of the person

* **To be free from all forms of violence from either public or private sources;**
* **Not to be treated or punished in a cruel, inhuman or degrading way.**

When disciplinary action is taken, you may not be treated in a cruel, inhuman or degrading way and no violence is allowed when disciplining is applied. Police may not resort to brutality when they arrest you or when you are in custody. Similarly, you may also not attach someone else, resist arrest by violent means or treat anyone else in a cruel, inhuman or degrading way. This includes women and child abuse.

#### Slavery, servitude and forced labour

**No one may be subjected to slavery, servitude or forced labour.**

Your employer may no longer expect you to work for food and a place to stay. It may be part of your salary or wage package but you must also be paid money for your work.

#### Privacy

**Everyone has the right to privacy, which includes the right not to have their possessions seized**

This means that no one may take what belongs to you – not in the workplace, not at home. Your property is your property and no one else may claim it or steal it.

#### Freedom of religion, belief and opinion

**Everyone has the right to freedom of conscience, religion, thought, belief and opinion.**

**Everyone has the right to freedom of expression, which includes freedom of the press and other media;**

**The right in subsection (1) does not extend to:**

1. **propaganda for war;**
2. **incitement of imminent violence; or**
3. **advocacy of hatred that is based on race, ethnicity, gender or religion, and that constitutes incitement to cause harm.**

You are allowed to the religious belief of your choice. In the old South Africa, when you applied for a job, you were questioned about your religious beliefs. Employers are no longer allowed to ask you about your religious beliefs.

#### Fair labour relations

**Everyone has the right to fair labour practices.**

You are allowed to join trade unions and seek legal advice regarding labour matters. Of course, the employer also has this right. You have to be treated fairly and the correct procedures have to be followed in case of disciplinary action. You have the right to view the disciplinary code of the organisation and you have the right to institute grievance procedures. Your employer has the right to expect you to treat his property with respect, to do your job as laid down, to follow orders relating to the job and not to steal from him, be it goods or time. The employer has the right to institute disciplinary action against you if you do not abide by the rules.

#### Healthy environment

**Everyone has the right to an environment that is not harmful to their health or well-being**

Organisations should not dump potentially hazardous waste of any kind in areas not designated for such waste products.

#### Children

* **Every child has the right not to be required or permitted to perform work or provide services that are inappropriate for a person of that child's age; or**
* **Place at risk the child's well-being, education, physical or mental health or spiritual, moral or social development**
* Employers may no longer make use of child labour or force parents to send their children to work. Similarly, parents may not force their children to go to work if the above conditions are not met.

#### Just administrative action

**Everyone has the right to administrative action that is lawful, reasonable and procedurally fair.**

People in positions of power may not ask for a bribe or some other form of remuneration in order to award contracts or do their jobs that they are paid for. When you are stopped by a traffic officer, he may not accept a gift from you in order not to give you a ticket. When you are in a position of power, you may not solicit bribes, gifts or any other form of remuneration with which you can enrich yourself, in exchange for favours, awarding contracts, etc.

In general, your employer may not expect you to do something that is against your religion and your own personal code of ethics, such as: lying to clients, industrial espionage, dump hazardous waste in inappropriate places, etc. Similarly, you may not damage your employer’s good name, business relationships, property, etc. due to your lack of ethics.

In relation to the duties imposed on the South African state our Constitutional Court has held that to the extent that violence against women is **recognised** as a **denial of human rights** such as:

### Individual rights & responsibilities regarding ethics & Constitution

People have the right to exercise their **beliefs, religion, opinions** *etc.*.. Let’s discuss the different rights in detail: - See the table below.

|  |
| --- |
| **Rights** |
| **Religion, belief and opinion** Every person shall have the right to freedom of conscience, religion, thought, belief and opinion, e.g. educational freedom, freedom of association (religion and union), freedom of opinion without victimisation etc. |
| **Privacy**Every person shall have the right to his or her personal privacy, which shall include the right not to be subject to searches of his or her person, home or property, private possessions or the violation of private communications. |
| **Freedom of expression**Every person shall have the right to freedom of speech and expression, which shall include freedom of the press and other media, expression of a diversity of opinions. |
| **Assembly, demonstration and petition** Every person shall have the right to assemble and demonstrate with others peacefully and unarmed, and to present petitions |
| **Freedom of association**Every person shall have the right to freedom of association. |
| **Freedom of movement**Every person shall have the right to freedom of movement anywhere within the national territory. |

#### Human dignity

“Every person shall have the right to respect for and protection of his or her dignity.”

At the moment the emphasis is on violence against woman, especially nowadays where they are seen as a threat in the business environment. Violence is a form of aggression and should be dealt with immediately!

#### Human rights

* The right to life
* The right to equality;
* The right to liberty and security of person;
* The right to equal protection under the law;
* The right to be free from all forms of discrimination;
* The right to the highest standard attainable to physical and mental health; and the right not to be subjected to torture,
* Or other cruel, inhuman or degrading treatment or punishment.

Formative assessment: SO1 AC 1-3

# SECTION 2: THE CODE OF CONDUCT

#### Specific Outcome:

Describe the role of a code of conduct in a work environment according to ethical principles.

#### Assessment criteria

* Code of conduct is explained, with reference to organisational documentation.
* The code of conduct is compared to the principles in the Constitution & the “moral compass” within the context of the organization.

## Ethics in the workplace

Work ethic is the attempt to do business in a fair and just way. It is the willingness of an individual to work for his own benefit as well as the benefit of the business.

Some organisations have an official code of ethics, which also provides for punishment of members who are guilty of violating the code. The fact that a code of professional ethics normally exists in many organisations, does not mean that organisational goals are automatically reached. A code of ethics is often there to remind people of their obligations to the public, organisations and society in general.

Historically, there are several examples of codes of ethics being set for professional groups. Some such examples include medical doctors, lawyers and other legal professionals, ministers of religion and accountants. An old example is the application of the Hippocratic Oath to doctors. This code was first administered during the time of the Greek physician, Hippocrates, and requires all doctors to pledge themselves to the preservation of human life and the service of humanity on the whole. Apart from the medical profession, several other organisations today prescribe a code of ethics and professional conduct in order to enhance the prestige of the organisation and to preserve honestly and good service.

### Ethical rules

Ethical rules are the rules according to which an individual decides if his behaviour and the behaviour of other people are good or bad. Although these rules form part of the individual's personal view on life, they are influenced greatly by the people with whom the individual associates.

Thus for example, the individual at an early stage in his parent's home learns what is good and what is bad. His church and friends and school furthermore influence the individual when deciding what is good and what is bad. It may be bad for one person, for instance, to spit in public, while another person may not think twice about doing it. A person may feel it is good to pray every evening before going to bed, while another person is not worried about the matter of praying.

Everything a person does is either good or bad according to his own ethical views. Usually people try to do what is good according to their ethical views. A professional criminal may reckon it is alright to rob other people of their possessions. Other people ‑ and especially the victims whose possessions were stolen ‑ may think otherwise.

What is important is the following: If an individual breaks his own ethical rules, his conscience will punish him. In other words, he punishes himself the person feels bad, and his conscience bothers him. If he continues breaking an ethical rule, he will eventually not feel bad any longer ‑ in this way a person's ethical rules change.

Values have always shaped a person's beliefs, and ethics should be concerned with moral rights and wrongs ‑particularly in the context of a person's obligations to the society in which he lives. Ethical rights and wrongs cannot be regarded as inflexible from age to age, because they have a tendency to change with the passing of time. It was accepted as morally defensible to own and treat slaves as commodities just over 200 years ago. Today, slavery in nearly all countries in the world is illegal and it is looked upon as morally wrong.

An individual, belonging to different cultural group, finds it very difficult to determine another person's ethical code. First and foremost, it is a personal thing, and we tend not to discuss it until some or other crisis demands that we show where we personally stand.

Ethics is the way in which we go about doing business.

Organisational ethics reflect a code of behaviour the public expect of organisations. Society is now expecting more from organisations. The ethical forces are summed up in the term "social responsibility", and reflect the growth of Naderism, consumerism and environmentalism.

**Naderism was named after Ralph Nader who challenged General Motors concerning planned obsolescence and the safety of its cars.**

These forces demand that companies:

* Be more honest and less secretive in their dealings with society,
* That they go beyond their legal obligations,
* That they do not market products which contain an unknown degree of risk,
* And that they refrain from activities which waste scarce resources, or pollute or irreparably damage the environment.

Group Exercise

Be creative and give more examples of which forces demands what companies must do.

These days’ organisations must accept responsibility for the welfare of society. In other words, it must accept greater responsibility for possible harmful effects of its products.

The consumer must be provided with more and better information regarding the total market offering. By an increased emphasis on communication, the organisation can provide the consumer with useful and reliable information, thereby ensuring that the consumer is better informed.

Another dimension is the authority within which the organisation operates. Should it try to evade its responsibilities by, for example, disregarding prevalent moral and ethical values, it may provoke a reaction in the form of legal or legislative action.

Consequently, it can happen that a manager's code of ethics can have a considerable influence on many aspects of the organisational life of a business - from making decisions on internal matters to his behaviour outside, with clients especially, and also with other members of his community.

### How your ethics impact on other people

The key word here is society. In the dictionary the description of the word society is: Fellowship; company; a body of persons united for some object; persons living in the same circle; those who take the lead in social life.

As mentioned in section 1, your beliefs come from the people around you; your society. If your beliefs aren’t the same as the people you live with, your society will most probably reject you.

Do you think a murderer is sociably acceptable? How does your community react towards someone who has for example killed a child?

You can see that certain things are sociably acceptable and some aren’t at all. This also has an impact on your beliefs. It drives us to better people.

This is true in the workplace as well. If you are someone who is lazy and likes stealing time from your boss, it will most certainly impact on your co-workers. Some of your work will fall into their laps and they won’t be happy about it. In the workplace this is not sociably acceptable and you won’t get away with it for very long since your co-workers will complain and some sort of conflict is sure to be on the way.

Bad ethics aren’t the only ones that impacts on people around you. Good ethics can also make a huge difference in a workplace. If you are someone who works hard, isn’t late for work, doesn’t spread gossip, doesn’t steal time or anything else etc the people around you will look at you as an example and your good ethics will filter through to them. They would want to be like you.

### Ethics in business

Business ethics generally means knowing what is right and wrong in the workplace – and then doing what’s right.

Business ethics deals with the moral issues that can arise as a result of certain business practices.

For example: at times a company may be well within its rights legally to undertake a certain course of action, but if that action can be detrimental to people or the environment, the company is morally obliged to investigate alternative courses of action.

A company’s ethics refers to the norms and principles of the company. This promotes a culture in an organisation where unethical conduct is not tolerated and unacceptable behaviour eliminated.

Positive business ethics include the following organisational norms and principles

Business ethics is about a business doing business in a fair and just way, without lying, cheating, bribing, or hiding information from customers.

**Business ethics examine ethical principles and moral or ethical problems that arise in a business environment in an attempt to do business in a fair and just way**

It applies to all aspects of business conduct and takes into account and applies to the conduct of all the employees of a business and the business as a whole. Many organisations therefore have an official code of ethics.

A code of ethics typically sets out what behaviour is acceptable, for example are employees allowed to receive gifts from suppliers or give gifts to customers, as well as the punishment of employees who violate the code.

Historically, there are several examples of codes of ethics being set for professional groups. Some such examples include medical doctors, lawyers and other legal professionals, ministers of religion and accountants.

**An old example is the application of the Hippocratic Oath to doctors. This code was first administered during the time of the Greek physician, Hippocrates, and requires all doctors to pledge themselves to the preservation of human life and the service of humanity on the whole.**

Apart from the medical profession, several other organisations today prescribe a code of ethics and professional conduct in order to enhance the prestige of the organisation and to preserve honestly and good service.

Society is now expecting more from organisations, so an organisation’s ethics will reflect a code of behaviour which will be in line with what the public expect of the organisation. Society expects business to show social responsibility

Formative Assessment

What is social responsibility and give examples in your groups of a company should do to

* show that it cares for the environment and is protecting the environment
* show that it cares for consumers.

**Organisational ethics demand that companies:**

* Be more **honest** and less secretive in their dealings with society. The consumer must be provided with more and better information regarding the total market offering. By an increased emphasis on communication, the organisation can provide the consumer with useful and reliable information, thereby ensuring that the consumer is better informed.
* That they go beyond their **legal obligations**. Another dimension is the authority within which the organisation operates. Should it try to evade its responsibilities by, for example, disregarding prevalent moral and ethical values, it may provoke a reaction in the form of legal or legislative action.
* That they do not market products which contain an **unknown degree of risk**,
* And that they refrain from **activities which waste scarce resources**, or pollute or irreparably damage the environment.
* These days’ organisations must accept responsibility for the welfare of society. In other words, it must accept greater responsibility for possible harmful effects of its products. This is called corporate social responsibility.
* Consequently, it can happen that a manager's code of ethics can have a considerable influence on many aspects of the organisational life of a business - from making decisions on internal matters to his behaviour outside, with clients especially, and also with other members of his community.

### Unethical practice

We will now discuss some unethical business practices

* Bribery ‑ these lead to unlawful access, fraud and theft.
* Loose talk ‑ the leakage of confidential information.
* Industrial espionage ‑ staff give assistance to offenders either under pressure or for payment.
* Invoice fraud ‑ the amounts which are owing to the creditors are fictionalised or they are inflated.
* Product fraud ‑ poor quality products are released on to the market.
* Advertising fraud ‑ misleading or invalid claims are made for the products.
* Favouritism ‑ the staff are promoted on the basis of favours, gifts and nepotism. Contracts are fraudulently granted.
* Encroachment upon and penetration of confidential information systems. Stealing of computer time for one's own benefit.

Group Exercise

Discuss what the consequences of stealing computer time for one’s own benefit would be on the individual and the company.

From the above it can be seen that the greatest threat to the organisation comes from withinwhen the conditions are supposed to be normal. Waste, accidents and errors take a large bite out of the profits of the organisation.

Unethical behaviour in the workplace is common and should be managed on a continuous basis.

There are more and more opportunities for unethical people to manipulate various systems in the workplace. Typical examples which can be added to the statistics are hackers who steal information from the software on computers.

* The one that is most prevalent in South Africa today is bribery.
* Industrial espionage where information is leaked to competitors in return for payment
* Invoice fraud ‑ the amounts which are owing to the creditors are fictionalised or they are inflated. This would fall under accounting ethics.
* Product fraud ‑ poor quality products are released on to the market. When this happens, the company is acting unethically in its production, marketing and social responsibility
* Advertising fraud ‑ misleading or invalid claims are made for the products.
* Favouritism ‑ the staff are promoted on the basis of favours, gifts and nepotism.
* Contracts and tenders are fraudulently granted.
* Stealing of computer time for one's own benefit.
* Discrimination in any form
* Conflict of interest – where employees engage in outside employment and private practice by stealing the company’s customers and doing work for them privately
* Accepting gifts and benefits from suppliers in return for the allocation of contracts or tenders
* Misuse of company equipment and assets.

From the above it can be seen that the **greatest threat to the organisation comes from within** when the conditions are supposed to be normal. Waste, accidents and errors take a large bite out of the profits of the organisation.

### Good work ethics

So what are good work ethics?

These elements of the work ethic apply to all those working within an organisation and this ethic must be witnessed by that organisation’s clients.

**Employees must be honest with and loyal to clients.**

The concept of the work ethic ties in closely with the concept of total quality management. A good work ethic will also result in high productivity.

* **Pride**. This type of pride does not refer to arrogance or ego. It comes from the self respect that comes from achieving or accomplishing. Being and doing one’s best gives one the right to be proud. Managers need to create a work environment where people are empowered to achieve positive results. People also need to be given the freedom to do their best and to be treated in such a way that they want to give their best.
* **Loyalty**. Successful organisations have loyal employees. These employees are motivated to always carefully consider the interests of the organisation. This loyalty should not however be a blind loyalty and employees should still be free to question decisions.
* **Honesty.** Someone who is honest is truthful, law abiding and incorruptible. Dishonest people lie, cheat and steal.
* Employees must be honest with and **loyal to clients**.
* Total **quality management** would result in sub-standard products not being released onto the market
* Be **on time for work**, as arriving late or leaving early means you are stealing from your employer
* Do not accept **bribes and gifts** from suppliers
* Do not use **company equipment** for your own benefit
* Do not commit accounting **fraud** in any form
* Avoid **favouritism**
* Make sure **advertising** is truthful
* Do not **abuse company** property and machinery
* Be proud of your work and do your best every day

These elements of the work ethic apply to all those working within an organisation and this ethic must be witnessed by that organisation’s clients.

### Cost of poor ethics

* Loss of trust which leads to poorer relationships and less effective team work,
* Loss of confidentiality,
* Limited communication,
* Lack of self-esteem, of commitment and less loyalty
* Loss of your/the organisation’s good name.
* The organisation can be blacklisted, meaning that no contracts or tenders will be allocated to it
* Customers can lose faith in the organisation, leading to a loss of customers to competitors
* Organisations can be fined for certain unethical practices

### Contributing to an ethical work environment:

* Make the decision to commit to ethics
* Recognise that you are a role model by your actions and values
* Assist others by instilling ethical behaviour
* Discuss ethical practices
* Articulate your values
* Talk to people
* Be consistent.

### Unethical behaviour

Unethical behaviour in the workplace is common and should be managed on a continuous basis.

There are more and more opportunities for unethical people to manipulate various systems in the workplace. Typical examples which can be added to the statistics are hackers who steal information from the software on computers.

Individual Exercise

What does unethical mean? Give examples of unethical behaviours that could land a person in jail.

#### Unethical behaviour in the workplace

Unethical behaviour in the workplace may include the following:

* Conflict of interest;
* Outside employment and private practice;
* Breach of confidentiality;
* Acceptance of gifts and benefits;
* Discrimination against gender, race, sexual orientation etc
* And misuse of company equipment and assets.

## Ethical business practice

Morality comprises rules of conduct about what we ought and ought not to do. It also encompasses expectations of character, that is, what sorts of persons we should strive to be. From an ethical perspective, then, public policy has to ask not only what the rules of conduct should be how society should act, through its governmental agencies but also what implications public policy has for our character as a people.

Below outlined are three arguments in support of this broad view of corporate responsibility:

### First, the right to make a profit is not absolute.

Business and profit seeking are already controlled and limited by laws and regulations. However, the law is a minimum standard of what must be done. Ethical standards are higher and prescribe what ought to be done. For example, a building could be constructed to meet the letter of the law regarding building codes, yet violate the spirit of the law and represent shoddy workmanship.

### Second, the rights of stockholders are not absolute.

The fact that stockholders are the legal owners of a firm does not give them unlimited rights to do what they want with the firm. Just as a landowner cannot denude, strip mine, and pollute a piece of his land, neither can stockholders of a firm do anything with their property without regard to the consequences for the public good. In fact, stockholders represent but one player in a corporation. Other stakeholders are the employees, managers, customers, suppliers, and the community in which a company or company facility is located. These other players often have as great a stake in the firm as the stockholders, and the corporate manager has a moral responsibility to them also.

### Third, businesses, like all citizens, have duties of citizenship to society.

Corporations benefit from a host of societal programs and institutions, including family and educational training of workers and infrastructure of utilities, transportation, and communications. The obligations of justice that apply to individual citizens apply also to corporations.

## Code of ethics

The Code of Ethics is a declaration of the ethical principles, organisational values and acceptable behaviour expected from all employees and managers in the workplace.

Most organisations implemented mission, vision and values systems to reinforce positive behaviour and to create a sense of belonging for the workforces. Examples of company values are: openness, fairness, accountability and responsibility, honesty etc.

This Code of Ethics is intended to assist employees and managers to identify and resolve ethics in the workplace.

Most organisations are a diverse workforce with different relationships to one another. These relationships may be based on power or status and it is therefore imperative that all employees and managers respect the rights and responsibilities of others.

### Foundation for code of ethics

The cornerstone for ethical behaviour in an organisation should include the following:

Respect other people

Equity and Equality

Ownership of professional and personal responsibility

Group Exercise

Discuss why you think respect for other people ise on top of the foundation for code of ethics

## Code of conduct

A code of conduct is the manner of conducting oneself, behaviour, especially in its moral aspect. Other words to describe conduct are guidance, leadership, command & management. In every work situation there is a code of conduct to follow. This ensures that everything in a business runs orderly. People need guidance, that’s why there are rules and regulations. If a rule is not adhered to there are consequences for breaking the rules. It is within our power to make sure that we do whatever is expected of us.

### Role of the code of conduct in a work environment

The Code of Conduct will set up agreed rules about how employees in the organisation must behave. Even cabinet ministers have a code of conduct that they must adhere to.

The Code of Conduct is a declaration of the ethical principles, organisational values and acceptable behaviour expected from all employees and managers in the workplace.

Most organisations implement mission, vision and value systems to reinforce positive behaviour and to create a sense of belonging for the workforces. Examples of company values are: openness, fairness, accountability and responsibility, honesty etc.

This Code of Conduct is intended to assist employees and managers to identify and resolve ethics in the workplace.

Most organisations are diverse workforces with different relationships to one another. These relationships may be based on power or status and it is therefore imperative that all employees and managers respect the rights and responsibilities of others.

The relationship between accountability, responsibility and business ethics in the business environment is usually encapsulated in the business’s Code of Conduct, a document outlining the core values and practices that the business ascribes to:

Examples of topics usually addressed by codes of conduct:

|  |  |
| --- | --- |
| Preferred style of dress | Avoiding illegal drugs |
| Following instructions of superiors | Being reliable and prompt |
| Maintaining confidentiality | Not accepting personal gifts from stakeholders |
| Avoiding racial or sexual discrimination | Avoiding conflict of interest |
| Complying with laws and regulations | Not using the business’s property for personal use |
| Not discriminating against race or age or sexual orientation | Reporting illegal or questionable activity |
| Being reliable and prompt | Not using the business’s property for personal use |
| Not accepting personal gifts from stakeholders,  | Avoiding racial or sexual discrimination |

The code of conduct of a company may be stated very simply. The former aircraft manufacturing giant McDonnell Douglas had a corporate ethics policy which simply stated that employees should be honest and trustworthy in all relationships. Other organisations have highly complex codes of conduct which address many areas of possible employee behaviour.

Individual Exercise

Think of more reasons why a code of conduct is so vital in a business.

### Code of conduct with reference to organisational documentation

Just like there is a code of conduct in the working environment on how we should behave, there is a code of conduct for administration or documentation. Let’s look at examples of what you should and should not do regarding documentation.

* Preferred style of administration/documentation
* Adhere to instructions from supervisors
* Maintain confidentiality
* Comply with laws and regulations
* Be reliable and prompt
* Not using the business’s property or assets for personal gain
* Avoiding conflict of interest
* Report illegal activities.

One of the Constitutional laws is “Just administration action”.

#### Just administrative action

**Everyone has the right to administrative action that is lawful, reasonable and procedurally fair.**

People in positions of power may not ask for a bribe or some other form of remuneration in order to award contracts or do their jobs that they are paid for. When you are stopped by a traffic officer, he may not accept a gift from you in order not to give you a ticket. When you are in a position of power, you may not solicit bribes, gifts or any other form of remuneration with which you can enrich yourself, in exchange for favours, awarding contracts, etc.

In general, your employer may not expect you to do something that is against your religion and your own personal code of ethics, such as: lying to clients, industrial espionage, dump hazardous waste in inappropriate places, etc. Similarly, you may not damage your employer’s good name, business relationships, property, etc. due to your lack of ethics.

In relation to the duties imposed on the South African state our Constitutional Court has held that to the extent that violence against women is **recognised** as a **denial of human rights**.

Group Exercise

Discuss why you should not lie to your customers and what the consequences would be if you do so.

### Code of conduct compared to the Constitution & “moral compass”

The code of conduct, Constitution & “moral compass” are all very important segments of any business. All three of the above are individually important but when compared to each other you will notice several similarities.

#### Code of conduct compared to the Constitution

Let’s look at some points where the code of conduct compares to the Constitution:

|  |  |  |
| --- | --- | --- |
| **Code of conduct** | **Compare to:** | **Constitution** |
| Following instructions of superiors | Compare to: | Fair labour relations |
| Maintaining confidentiality | Compare to: | Privacy |
| Avoiding racial or sexual discrimination | Compare to: | Freedom & security of the person |
| Complying with laws and regulations | Compare to: | Just administration action |
| Not discriminating against race or age or sexual orientation | Compare to: | Freedom of religion, belief, opinion |
| Not accepting personal gifts from stakeholders | Compare to: | Human dignity |
| Avoiding racial or sexual discrimination | Compare to: | Equality |
| Avoiding illegal drugs | Compare to: | Healthy environment |
| Avoiding conflict of interest | Compare to: | Privacy |
| Reporting illegal or questionable activity | Compare to: | Children |
| Not using the business’s property for personal use | Compare to: | Human dignity |
| Complying with laws and regulations | Compare to: | Slavery, servitude & forced labour |

#### Code of conduct compared to “moral compass”

|  |  |  |
| --- | --- | --- |
| **Code of conduct** | **Compare to:** | **“moral compass”** |
| Following instructions of superiors | Compare to: | Respect |
| Maintaining confidentiality | Compare to: | Honesty/truthfulness, loyalty |
| Avoiding racial or sexual discrimination | Compare to: | Respect |
| Complying with laws and regulations | Compare to: | Good citizenship |
| Not discriminating against race or age or sexual orientation | Compare to: | Respect |
| Not accepting personal gifts from stakeholders | Compare to: | Honesty/truthfulness |
| Avoiding racial or sexual discrimination | Compare to: | Respect |
| Avoiding illegal drugs | Compare to: | Good citizenship |
| Avoiding conflict of interest | Compare to: | Honesty/truthfulness |
| Reporting illegal or questionable activity | Compare to: | Honesty/truthfulness, fairness, bribes & gifts |
| Not using the business’s property for personal use | Compare to: | Respect, pride |
| Complying with laws and regulations | Compare to: | Integrity, on time for work |

Formative assessment: SO2 AC 1-2

# SECTION 3: UPHOLD THE CODE OF CONDUCT

#### Specific Outcome:

Uphold the code of conduct within the work team.

#### Assessment criteria

* Potential conflict between a personal value system & an organisational code of conduct is identified, with examples.
* The consequences of non-compliance with a code of conduct are explained, with examples.
* Aspects of the code of conduct are applied according to standard operating procedures.
* Examples of deviation, past or present, are identified & remedial action, if appropriate, is taken according to standard operating procedures.
* The importance of reporting deviations in areas beyond team leader’s area of responsibility is explained according to the code of conduct.

## The code of conduct within the work team

We’ve discussed the code of conduct in the previous section. Examples of code of conduct within a work team are:

* Preferred style of dress
* Following instructions of superiors
* Maintaining confidentiality
* Avoiding racial, gender, age, religion & sexual preferences
* Complying with laws and regulations
* Not accepting personal gifts from stakeholders
* Avoiding illegal drugs or alcohol
* Avoiding conflict of interest
* Reporting illegal, unethical or questionable activities

Below we discuss each individually:

### Preferred style of dress

Individual Exercise

Discuss why the preferred style of dress is important to a business and what the consequences could be if someone is dressed inappropriately for the position they hold.

**Each business has a dress code**. That means that businesses can expect their employees to dress according to what suits the image of the business. Most businesses make use of uniforms for the reason of uniformity (everyone looks the same). The main reason for uniformity is that unfortunately some people dresses in ways that doesn’t suit the businesses image and might repel customers. If you work in a business where you deal with customers on a daily basis it is important that you look professional. Ladies can not wear too short or low due to the negative image it portrays to customers. Employees who handle heavy machinery will wear an overall and protective gear like hats and shoes. You can be disciplined if you do not comply with the business’s preferred style of dress.

### Following instructions of supervisors

Supervisors are people that are in that position to lead and manage. They have been placed in their positions due to their knowledge, skills & expertise. It is your responsibility to act on whatever lawful instruction they give you. It is important to remember that their instructions should also be executable and reasonable. They can not give you instructions to follow which are not part of your job description or against your Constitutional rights. If you do not follow supervisor’s instructions you are being insubordinate. Insubordination means that you are disobedient and rebellious. This may lead to disciplinary action.

### Maintaining confidentiality

Every business is in competition with the next business. If an employee chares the company’s marketing plans with its competitors, it might lead to them coping what your company wants to do and therefore you might loose great opportunities. Another example is employee’s salaries. If you are in a position where you have access to employee’s personal information, you can under no circumstances share it with other employees. This will lead to employees being negative and demand to be paid what the other employee is being paid. Another example is disciplinary actions.

### Avoiding racial, gender, age, religion & sexual preferences

Racial & sexual discrimination is also a Constitutional law. Under no circumstances are you allowed to discriminate against race, gender, age, religion & sexual preferences. It is a human right to choose how an individual wants to lead their live, and no one has the right to tell them if it is right or wrong. You can get in serious trouble and even loose your job if you discriminate in any way.

### Complying with laws and regulations

A very wise person once said that if laws and regulations were not broken, there would be no such thing as punishment. Laws and regulations are there in order to create order and to protect individuals against punishment. It also gives direction on how to behave. Without laws and regulations there would be no order and everyone would steal, murder, discriminate and do whatever they want. Not complying with laws in your workplace could get you fired and in society might land you in jail.

### Not accepting or giving gifts

A gift in the workplace is something quite sensitive. It is sometimes hard to know when a gift is appropriate and when not.

Group Exercise

Discuss when it is unsuitable to accept gifts from a customer and if you are not allowed to accept gifts, what would be a professional way to tell the customer that you are not allowed.

 Here are some guidelines of when it is safe to assume receiving or giving a gift is 100% appropriate:

* When it is your or a co-worker’s birthday
* When a member of the organisation is retiring or resigned
* When someone’s years of service with an organisation is being celebrated
* When the gift is for thanking someone for hard work.

With clients, mostly the only gift that is appropriate is a corporate gift. Many organisations have corporate gifts such as a pen with their logo on; files with their logo on, some organisations even have soap made with their logo on it.

When receiving a gift from a client you should also be very careful. First find out exactly what the reasons are for the client wanting to give you this gift (in a tactful manner) and what the gift is.

#### Here is a list of gifts that are totally improper to give or receive in a corporate environment:

* Underwear (or anything that has a “sexual vibe” connected to it)
* Really expensive gifts such as jewellery
* Clothing for example an evening gown, the list goes on and on.

#### Here are some things that are appropriate:

If you’d like to give someone such as clothing, a scarf is appropriate for a lady and a tie for men.

* Mugs are very popular corporate gifts
* A pen
* Chocolates or sweets
* On birthdays, flowers are appropriate for ladies
* Golf balls.

### Avoiding illegal drugs or alcohol

To remain competitive in today’s business environment, it is essential that we make the best decisions. Reaching good decisions requires clear thinking. Therefore, it is expected of all employees to be clear and unimpaired by drugs or alcohol.

Individual Exercise

Think about the different kinds of drugs/alcohol and the effects they have on people.

### Drug & alcohol policy

* Employees must not distribute, possess or use illegal or unauthorized drugs or alcohol on business property or time
* Abusing illegal or unauthorized drugs or alcohol in a manner that may affect performance is prohibited
* Drug or alcohol abuse will be disciplined appropriately including possible termination.

## Conflict of interest

A conflict of interest occurs when personal interests interfere with your ability to exercise your judgement objectively in the best interest of the company. Conflicts of interest can occur in any business. Very often they occur when businesses make decisions on behalf of the company or have a financial interest in an organisation that wants to do business with other companies. These activities should not divide your loyalties.

Avoiding actual or apparent conflicts of interest creates and sustains the trust of our customers, employees, business partners and the public. Therefore, Directors, employees, consultants, agents and representatives must avoid actual or potential conflicts of interest. If you consider undertaking any activity, including an investment, that may create an actual or apparent conflict of interest, you must seek approval of the activity in advance from your supervisor or from the Corporate, Company or Value Center Director of Human Resources. If you are a corporate officer, you must also request a waiver from the Director of Corporate Compliance Programs in accordance with the Waivers section of this Code.

### Examples of potential conflicts involving employees

* Contracting with a supplier managed by a close friend or family member
* Working independently as a consultant to a supplier or customer
* Having a private business on your own time if you perform work that is similar to work that you perform
* Generally, employees, officers and directors are prohibited from using corporate property, information or position for personal gain or to compete with other businesses.
* More specifically, they are prohibited from taking for themselves (or directing to a third party) a business opportunity that is discovered through the use of corporate property, information or position unless, after full and fair disclosure, the opportunity has been offered to and rejected by other companies.
* Employees, officers and directors have a duty to advance the legitimate interests of the company when the opportunity to do so arises.

### Reporting illegal, unethical or questionable activities

In this table we discuss illegal, unethical or questionable activities and the cause & effect that it has on the business.

|  |  |
| --- | --- |
| **Illegal, unethical or questionable activities** | **Cause & effect** |
| Conflict of interest | Doing the same nature of business and competing against own employer |
| Outside employment and Private practice | This can cause distrust and no sense of loyalty |
| Intellectual property | This is all the knowledge and skills an employee learned while employed. It would be unethical to copy systems and procedures followed at the company and implement them at another company |
| Confidentiality | There are internal processes that must not be discussed |
| Discrimination | Any type of discrimination is against the human right’s practices |
| Misuse of company equipment and assets | For example: Own gain like use of computer for private issues |
| Accept gifts and benefits | Bribery. The other source may expect confidential information |

Group Exercise

Discuss what we should do about people who are unethical in the workplace.

**In the table below, we take a look at different situations. The answers are provided next to each situation.**

|  |  |
| --- | --- |
| **Conflict of interest**Doing the same nature of business and competing against own employer | **What do I do in a situation like this?**Go to your supervisor or manager. Ask them to inform the Human Resource Management Department. The Human Resource Department should provide you with a copy of the policy which prohibits employees or managers to indulge in such activities.  |

|  |  |
| --- | --- |
| **Misuse of company equipment and assets**For example: Own gain like use of computer for private issues | **What do I do in a situation like this?**Discuss this with your supervisor or manager first. Seek advice from the Human Resource Department and they should provide you a copy of their policies.  |

### Conflict between personal values & organisational code of conduct

Conflict occurs in our daily lives and is nothing new to us. The chances are good, that an individual’s personal value system may be in conflict with the corporate codes of ethics.

In other words, an employee may view an action at work as cruel, due to his or her upbringing or past experiences, while the corporate environment may see the action as dishonest.

For example:

**John was hungry and ate the left over rolls in the bakery. This behaviour is unethical and is seen as “dishonesty”.**

**Mary, John’s supervisor, grew up in poverty and knows how it feels when one is hungry.**

**The personal value system is higher than the corporate code of ethics.**

Individual Exercise

Think about the above example: what would you as a team member have done in John’s situation and why?

**It is imperative for an organisation to implement a value system that suits the need and the culture of the organisation! This should be included in the code of ethics.**

### Conflict resolution

As we mentioned earlier, conflict will occur due to different beliefs, value systems and upbringing.

The solution for personal indifferences is to emphasise the importance of organisational culture and to integrate organisational or business values.

There are many forms and processes of conflict resolution, depending on the level of conflict. In this instance, we will focus specifically on personal value systems!

Employees should be sensitised on company values. Company values may include the following:

* Be open and honest
* Be reliable
* Take responsibility

### The consequences of non-compliance with the code of conduct

There are specific processes to follow when the code of conduct are breached in an organisation. Each organisation or business strives to implement different codes of conduct to suite their organisational needs. The following steps may be followed in serious offences e.g. Discrimination, fraud, bribery, theft etc.

### The process to be followed when the code of conduct is breached

* Determine the nature and extent of the breach of ethics.
* Determine what penalties, if any, have been incurred.
* Decide whether the breach of ethics could constitute a criminal, delictual (Law term) or labour offence.
* Seek legal advice as to the best remedy for the situation.
* Implement appropriate legal proceedings.

### Another process to be followed before the code of conduct is breached

Organisations or businesses should provide more code of conduct training to strengthen their employees' personal ethical framework. Organisations must devote more resources to code of conduct training programs to help its members clarify their code of conduct frameworks and practice self-discipline when making code of conduct decisions in difficult circumstances. What follows is a useful seven-step checklist that organisations should use to help their employees in dealing with an code of conduct dilemma:

1. Get all the possible facts.
2. List your options--all of them.
3. Test each option by asking: "Is it legal? Is it right? Is it beneficial?"
4. Make your decision.
5. Double check your decision by asking: "How would I feel if my family found out about this? How would I feel if my decision was printed in the local newspaper?"
6. Take action.

### Monitoring and evaluating improvements

Your plan should also describe how the program, as well as suggestions for improvement will be monitored and evaluated.

Individual Exercise

Think about how you as a team leader would monitor and evaluate improvements in your working environment.

### Aspects of the code of conduct according to standard operating procedures

Standard operating procedures are the simple and logic way that day to day activities should take place in a business. It is not out of law and also not unrealistic. Standard operating procedures are not applicable to all employees in the sense that all aspects of the code of conduct are not applicable to all employees. For example: A cleaner in a business would logically not have access to confidential information in a business therefore they would not be at risk to display confidential information to another business. Whereas a team leader would be able to do so. That’s why the standard operating procedure of “confidentiality” would not be applicable to the cleaner but definitely to the team leader.

### Deviations from the code of conduct & remedial action

All the code of conducts has different levels of seriousness. Deviations from the code of conduct might result in disciplinary action or even dismissal depending on the seriousness of the offence. In the table below we will discuss which penalty is suitable for which offence:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Code of conduct** | **1st offence** | **2nd offence** | **Disciplinary****Hearing** | **Dismissal yes/no** |
| Preferred style of dress | Verbal warning | 1st written warning | If both was unsuccessful | If still no remedial action after disciplinary hearing |
| Following instructions of superiors | 1st written warning | 2nd written warning | If both was unsuccessful  | If still no remedial action after disciplinary hearing |
| Maintaining confidentiality | 1st written warning  | Disciplinary hearing | N/A see 2nd offence | If still no remedial action after disciplinary hearing |
| Avoiding racial, gender, age, religion & sexual preferences | 1st written warning  | Disciplinary hearing | N/A see 2nd offence | If still no remedial action after disciplinary hearing |
| Complying with laws and regulations | 1st written warning | 2nd written warning | If both was unsuccessful  | If still no remedial action after disciplinary hearing |
| Not accepting personal gifts from stakeholders | Verbal warning | 1st written warning | If both was unsuccessful | If still no remedial action after disciplinary hearing |
| Avoiding illegal drugs or alcohol | Consultation with individual | 1st written warning | If both was unsuccessful | If still no remedial action after disciplinary hearing |
| Avoiding conflict of interest | 1st written warning  | Disciplinary hearing | N/A see 2nd offence | If still no remedial action after disciplinary hearing |

If you look at the highlighted area under “avoiding drugs and alcohol” you will notice that this is the only code of conduct offence that starts with consultation as a first measure of discipline. The labour law states that alcohol and drug abuse is a personal habit that needs professional consultation before drastic measures in the work place takes place. The employer needs to offer the employee professional help and even can go as far as to send them to a rehabilitation centre in order to correct the unacceptable behaviour. If these measures don’t correct the behaviour, the employer has all the rights according to their standards and procedures to take serious disciplinary action which can lead to dismissal.

### Reporting of deviations out of team leader’s area of responsibility

A team leader/manager doesn’t always have the knowledge or authority to deal with all kinds of deviations. They sometimes need to report deviations out of their area of responsibility to a higher authorised area within the company. Like we’ve discussed under the previous heading, different deviations have different consequences. Usually a manager or team leader is not the one responsible for serious disciplinary action to be taken against an individual. The team leader sometimes needs to consult or direct deviations to a higher level like their immediate supervisor or Human Resources Department. Let’s look at different code of conducts and whether a team leader has the authority to handle it on their own or should refer it to a higher level”:

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| --- | --- |
| **Code of conduct** | **By whom deviations should be handled** |
| Preferred style of dress | Team leader |
| Following instructions of superiors | Team leader |
| Maintaining confidentiality | Human Resources Department |
| Avoiding racial, gender, age, religion & sexual preferences | Human Resources Department |
| Complying with laws and regulations | Team leader |
| Not accepting personal gifts from stakeholders | Team leader |
| Avoiding illegal drugs or alcohol | Human Resources Department |
| Avoiding conflict of interest | Human Resources Department |

Formative assessment: SO3 AC 1-5