

**ISSUES THAT COULD CHALLENGE PROFESSIONAL and ETHICAL BEHAVIOUR**

<b>TYPES OF UNPROFESSIONAL BUSINESS PRACTICE</b>			
<b>Types of unprofessional business practice</b>	<b>Examples of unprofessional business practice</b>	<b>Challenges of unprofessional business practices</b>	<b>Strategies/Recommendations/ Ways to deal with unprofessional business practices</b>
Sexual harassment	Managers who promise employees promotions if they agree to have a relationship with them.	<p>The affected party may stay away regularly from work.</p> <p>Businesses could lose female employees and attract/retain less female applicants.</p> <p>Sexual harassment causes discomfort/humiliation and negatively affects work relations in the workplace</p> <p>A victim may be severely traumatised and this may affect other employees' emotionally.</p> <p>The affected party is normally reluctant to report the incident due to fear of victimisation which can reduce productivity.</p>	<p>Implement internal complaints and disciplinary procedures.</p> <p>Educate employers on sexual harassment matters.</p> <p>Formulate a policy regarding sexual harassment.</p> <p>Create a good working environment where all employees' rights and dignity are respected.</p> <p>Internal investigation should be made in order to determine the seriousness of the harassment.</p> <p>Serious cases on sexual harassment should be reported to the appropriate institutions such as the South African Police Services (SAPS).</p> <p>Ensure compliance with the law or the business' code of conduct.</p>

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<p>Unauthorised use of workplace funds and resources</p>	<p>Employees who download music and movies using the business’s resources An employee who uses business resources for his/her own personal gain.</p>	<p>Fraud increases the cost of doing business and undermine the competitiveness of a business Discourages investors as fraud and corruption increases the risk of investment. The business can experience substantial loss if it goes unchecked.</p>	<p>Conduct regular audits. Identify risk areas. Limit the number of employees having access to business funds or assets. Implement fraud prevention strategies. Educate employees about the impact of fraud. Fraud prevention should be a collective responsibility of business and workers. Clear policies should be in place so that employees are aware of what is considered to be fraud. Set up systems in the organisation for the reporting of fraud and corruption.</p>
<p>Abuse of work time</p>	<p>Making personal calls during work hours. Taking extended lunch breaks Doing personal business during work hours.</p>	<p>It may result in employees' often abusing work time. Abuse of work time could result in losing customers or not meeting deadlines. Wasting time costs the business money and affects productivity. Abuse of work time results in a decline in profits which could damage the financial wealth of the business.</p>	<p>Speak directly to those employees who abuse work time. Code of conduct/ethics should contain clear rules about abuse of work time. Conduct training on the contents of the code of conduct/ethics. Code of conduct/ethics should be signed by all employees so that they are aware of its contents. Monitor employees to ensure that tasks are completed. Structure working hours in such a way that employees have free time for personal matters.</p>

<b>TYPES OF UNETHICAL BUSINESS PRACTICE</b>			
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Unfair advertising	Giving goods deceptive names or false labelling. Selling second hand goods as new goods. Exaggerating the merits of the product or false promises. Using fine print to conceal important information. Criticising competitor's goods. Advertising that encourages violence. Advertising goods at a very low price to attract customers but when the customer reaches the store the item is no longer there (Bait and switch).	The use of false or misleading statements in advertising leading to misrepresentation of the concerned product, which may negatively affect consumers. Unfair advertisements could be harmful to consumers. Businesses can make unwise advertising choices when they are under pressure to increase their profits. Some advertisements may be regarded as discriminatory because they target some sections of the population.	Consumers must report unfair advertisements to the Advertising Standards Authority. Business should be encouraged to keep their advertising fair and in line with the constitution.

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Pricing of goods in rural areas	Inflating prices Charging higher for goods of inferior quality in rural areas.	Some businesses in the rural areas exploit their customers by adding much more than necessary to their prices. Some consumers in rural areas have little economic power and are vulnerable to exploitation. It may be common practice to pay higher prices for goods of inferior quality in rural areas.	A business may lobby with other businesses in the area to convince government to improve infrastructure in the rural area. Charge market related prices for goods and services. Avoid unethical business practices to attract customer loyalty. Hire a large truck to combine deliveries to shop-owners in the same area. Work together with suppliers to share delivery costs to remote rural areas.
Taxation / Tax evasion	Businesses that do not declare all their income to SARS. Falsifying the business financial statements.	Businesses may pay heavy fines for evading tax. Tax evasion may negatively impact on the business image. The accountant may charge high fees for falsifying financial statements. Businesses may lose key stakeholders if the act of tax evasion is reported. Some businesses submit fraudulent or incorrect returns to SARS resulting to penalties Businesses may not be familiar with the latest changes in tax legislation.	VAT needs to be charged on VAT-able items. Submit the correct tax returns to SARS on time. All products should be correctly invoiced and recorded. Disclose all sources of income for tax payment purposes. Keep abreast with the latest SARS regulations and tax laws. Businesses that have evaded tax should apply for amnesty and declare their income. Effective systems to determine the appropriate amount of tax to be paid should be in place. Business should keep an accurate record of financial transactions.