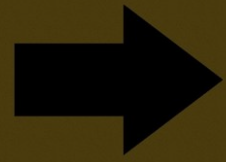




BOTI LMS

# RIGHT



## Module 1: Ethics in Relation to the Moral Compass

# ← WRONG

A moral compass allows people to make ethical decisions in difficult situations. It can help them feel good about their choices and allow them to live by their morals.

Click on the first lesson below—or the “*Start eLearning*” button above—when you’re ready to begin.



**What is a Moral Compass?**



**What is Ethics?**



**Ethical Obligations**



**10 Benefits of Managing Ethics**



**VBS Mutual Bank Case Study**



**The Relationship Between Ethics and The Constitution**



**Knowledge Check**



**Module 1: Completed**

# What is a Moral Compass?



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The moral compass is a tool that helps people make ethical decisions. It can be used to assess the moral value of an event or an action.



**A moral compass helps people make ethical decisions by helping to determine which actions would help or harm others, society, or the environment.**

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A moral compass allows people to make ethical decisions in difficult situations. It can help them feel good about their choices and allow them to live by their morals. A moral compass is a belief system that allows people to make ethical decisions. It is a set of values, beliefs, and principles that guides how one should behave.

The moral compass has many uses. It can help people analyze their values and determine if their actions align with them. It can also be used as a tool for self-evaluation and personal growth.

A moral compass helps people make ethical decisions by helping to determine which actions would help or harm others, society, or the environment. It also helps people see how their actions can have consequences for other people and cultures.

Overall, the moral compass concept plays a significant role in ethical decision-making.

## **Moral Compass Definition**

The moral compass is a term used to describe the values that guide an individual or group of individuals. These values are created by the individual and can be shaped by their upbringing, experiences, and culture.

A moral compass is a set of principles that guides the decision-making process. The most important thing to remember about the moral compass is that it is subjective and may change with time, experience, and location.



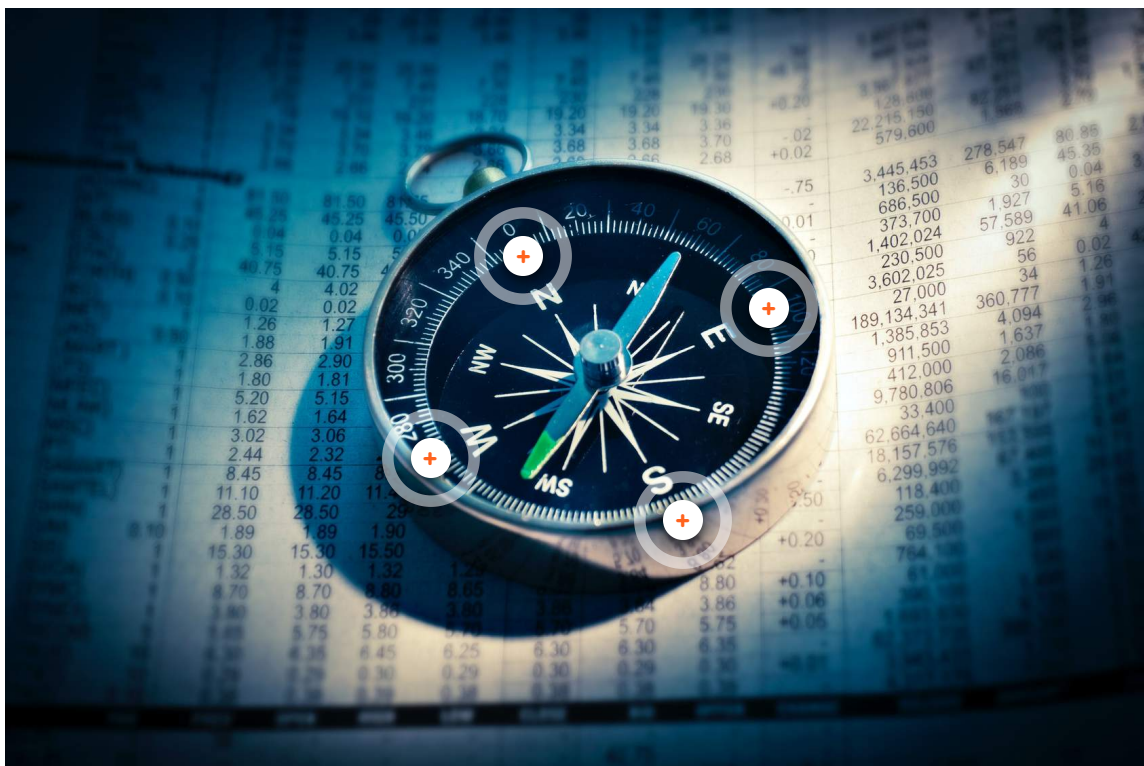
**Having a high moral compass means that one has a high standard of ethical morals.**

---

## **Components of the Moral Compass**

An individual with a strong moral character will not only know the difference between good and evil but will always act in line with their moral compass. The labels might vary slightly and though each culture may express these principles differently, the underlying moral sense is always the same. The four most prominent components are integrity, forgiveness, compassion, and responsibility.



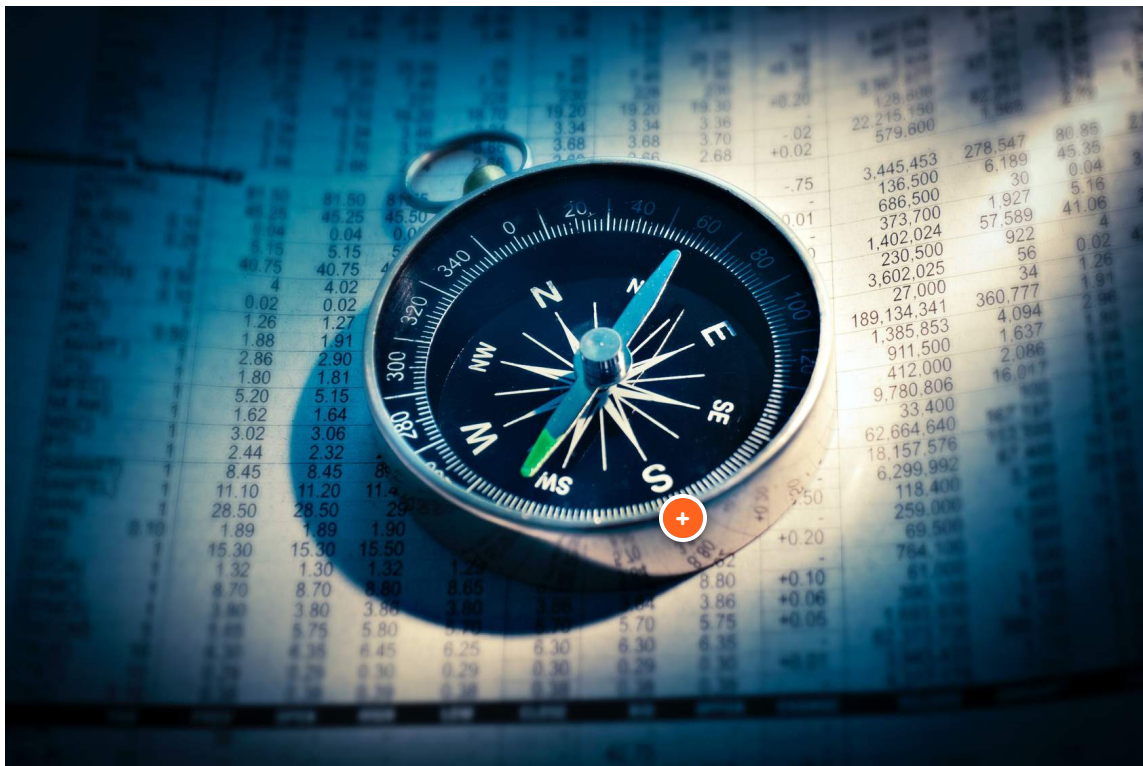




## Integrity

When we act with integrity, we harmonize our behaviour to conform to universal human principles. We do what we know is right; we act in line with our principles and beliefs.





## Responsibility

Only a person willing to take responsibility for their actions and the consequences of those actions will ensure that they conform to universal human principles.



## Compassion

Is vital because caring about others not only communicates our respect for others but creates a climate in which others will be compassionate toward us when we need it most.



## **Forgiveness**

Is a crucial principle, because, without tolerance for mistakes and the knowledge of our own imperfections, we are likely to be rigid, inflexible, and unable to engage with others in ways that promote our mutual good.

A moral compass is a tool that helps people to understand how they are doing with the moral values in their life. It helps them identify what their goals are and how they can achieve them.

**Here are some more examples of different types of values:**

## **Equality**

Treating all people as equals regardless of age, gender, race, religion, etc.

## **Individualism**

Treating each person as an individual with their own needs and wants

## **Benevolence**

Doing good for others  
while also considering  
your own needs

## **Authority**

Following those in charge  
who have been given  
authority by society

### **Factors Influencing the Moral Compass of a Person**

Their upbringing and education largely influence a person's moral compass. For example, if a person grows up in a culture with strong religious values, they will likely have a different moral compass than someone who grew up in an atheistic culture.

## Factors influencing the moral compass:

### Religion —

Some religions have specific sets of rules to follow or morals that their followers follow. For example, some religions believe in doing good deeds and being kind to one another, while others believe in following strict rules and punishing wrongdoers.

### Culture —

Culture can influence what a person believes in because it dictates socially acceptable behaviour for their society. For example, if an organization believes in honour killings, then those would be widely seen as morally good actions.

### Environmental factors —

Environmental factors, such as pollution or deforestation, may influence a person's moral compass. For example, if a person loses their home to an uncontained veld fire, they may come to believe that fire safety should be a necessary part of primary education.

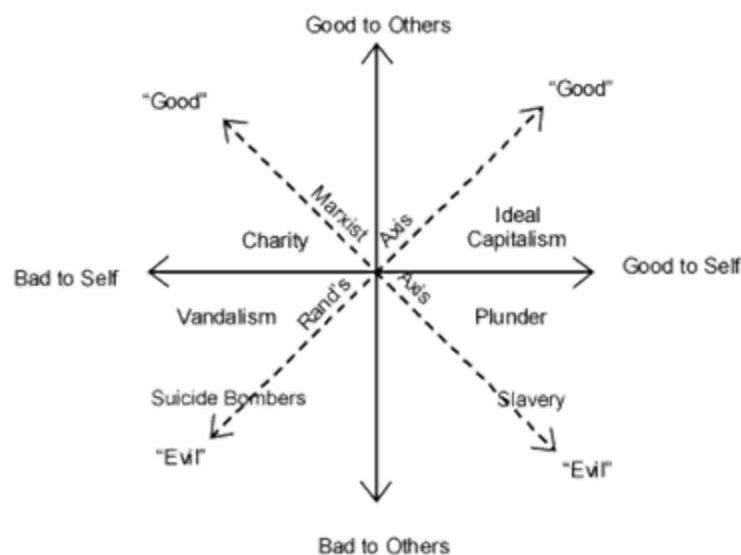
## Behaviour vs. Outcome

The moral compass is usually depicted as having two axes, namely “right” and “wrong” or North or South and West or East.



If we extend the concepts of right and wrong to issues of behaviour and outcomes, we could say that wrong or “bad” behaviour will probably lead to bad outcomes, and right or “good” behaviour will generally lead to good outcomes.

We can then extend these concepts further to relate behaviour to its impact on the individual and the collective or group. Behaviour that I may deem “good” could have a very “bad” impact on myself or others; for example, I may believe that it is good to diet and lose weight to the point that I harm myself (anorexics), or I may believe that I am defending my faith (good) by bombing my enemies (bad). In the case of a suicide bomber, they are causing harm to themselves, as well as others that they may deem to be the “enemy”.



**The diagram was given another dimension by the novelist Ayn Rand with the addition of the two broken axes, which depict Marxism as being bad to self and good to others and what she called “Ideal Capitalism” as being good to self and others.**

---

If we look at the diagram on the left, we can see that it covers a wide range of behaviours that can have either good or bad outcomes for the self or others; plunder, for example, has a “good” outcome for the self, as the person doing the plundering is enriched, but the behaviour takes place at the cost of others’ wellbeing.

We can see that the concept of what constitutes morality is not at all clear and simple. One person's moral compass may not point in the same direction as another's as far as right and wrong conduct and belief are concerned.

## **The Milgram Experiment on Moral Compass**

Yale University psychologist Stanley Milgram conducted the Milgram Experiment on Moral Compass in the 1960s. The experiment was designed to test people's willingness to obey a person in authority, even if that authority is immoral.

The experiment involved a series of trials where the subject would be asked to administer electric shocks to another person every time they answered incorrectly. The subject would be given a chance to end the trial early when they heard a tone, but they were not told it was just a test.

The hypothesis that the Milgram experiment on moral compass revealed is that people are willing to follow orders from an authority figure even if those orders are morally wrong or unethical. The experiment results showed that most of the participants administered increasingly high levels of electric shocks even though they knew it would hurt their learners. They were not aware of how much pain he was feeling.

**Watch this video clip...**

 **YOUTUBE**



## **Milgram's Obedience Experiment**

**[VIEW ON YOUTUBE >](#)**

## **Role of Moral Intelligence on Moral Compass**

Moral intelligence is the ability to understand and respond to the ethical dimensions of human behaviour. It combines emotional intelligence, social intelligence, and cognitive intelligence.

The moral compass and moral intelligence play an important role in how people behave within a business setting. Suppose someone has a poor moral compass in a work environment. In that case, they may have difficulty with decision-making processes or create conflict with other team members by not following the company's guidelines for ethical business practices.

It has been proven that moral intelligence can help people make better decisions in their daily lives. It has been seen that businesses with a robust ethical culture create higher trust rates among consumers because they know that the company will not cheat them out of their money or information.

## **Moral Compass Examples**



**The moral compass is often thought to be a part of human nature, but it is not. It can be created and modified by upbringing, experiences, and personal beliefs.**

---

**The moral compass is a set of values that guide an individual's decision-making process.**

Some examples of moral compass references are:

- The Golden Rule
- The Ten Commandments
- The Five Pillars of Islam

## Examples of moral compass in business:

1

Companies like Apple are known for their ethical business practices. They stand for human rights, environmental stewardship, worker protection, and fair labour practices. They have also supported charitable causes such as the fight against HIV/AIDS in Africa through their products.

2

Starbucks has been a socially responsible company since its inception in 1971. It began offering health insurance to all employees who work more than 20 hours per week at the establishment.



To check your understanding of the lesson content, answer the question below...



The ability to differentiate between right and wrong and the ability to use that information to make ethical decisions is best defined as:

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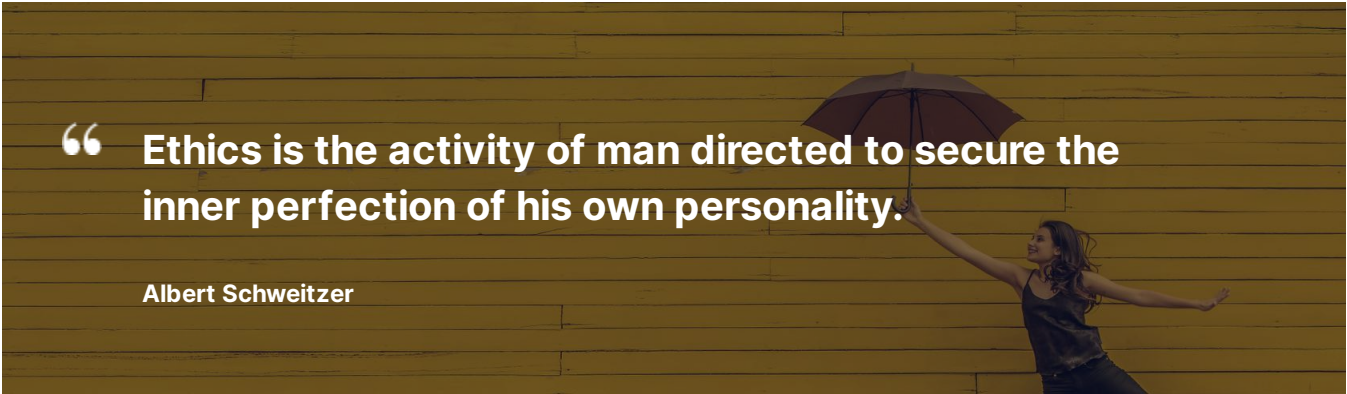
- ☐ the moral compass
- ☐ non-maleficence
- ☐ moral intelligence
- ☐ beneficence

**SUBMIT**



Complete the content above before moving on.

# What is Ethics?

A graphic featuring a quote by Albert Schweitzer. The background is a dark, textured wall with horizontal wooden planks. On the right side, a woman in a dark dress is holding a dark umbrella and looking upwards. The quote is written in white text on the left side.

“ Ethics is the activity of man directed to secure the inner perfection of his own personality.

Albert Schweitzer

---

Personal ethics determine individual standards of right and wrong and steer people to the choices they make.

It is an individual's responsibility to examine their morals and behaviour. Business ethics refers to the behaviour relating to the moral problems that occur in business organizations.



**The company culture helps determine the ethics of the organization.**

---

## **What are Business Ethics?**

People often automatically assume that businesses are unethical. Business seems to be constantly linked to scandals. Given the media attention to bad ethical decisions, companies that practice good business ethics can distinguish themselves in the minds of their customers and their employees. The company culture helps determine the ethics of the organization. It is crucial that businesses behave ethically in every working relationship.

 **YOUTUBE**



## What is Ethics?

Ethics asks how we should live, what choices we should make and what makes our lives worth living. It helps us define the conditions of a good choice and then figure out which of all the options available to us is the best one.

**[VIEW ON YOUTUBE >](#)**



To check your understanding of the lesson content, answer the question below...

The company \_\_\_\_\_ helps determine the ethics of the organization.

Type your answer here

---

**SUBMIT**



Complete the content above before moving on.

# Ethical Obligations



## Ethical obligations include:

### Employees —

Companies need to treat all of their employees ethically. Begin by providing employees with the rights guaranteed to them by the South African Department of Labour. Ethical businesses, however, may go above and beyond the minimum requirements in the way that they treat their employees.

### Shareholders and Investors —

There is a moral obligation to repay investors and meet the needs of shareholders, particularly low-level shareholders.

### Customers —

Every business needs to build ethical customer relationships by providing safe products and honouring warranties. Consumers are growing more aware of which companies treat them fairly,

and they will support the ones they trust.

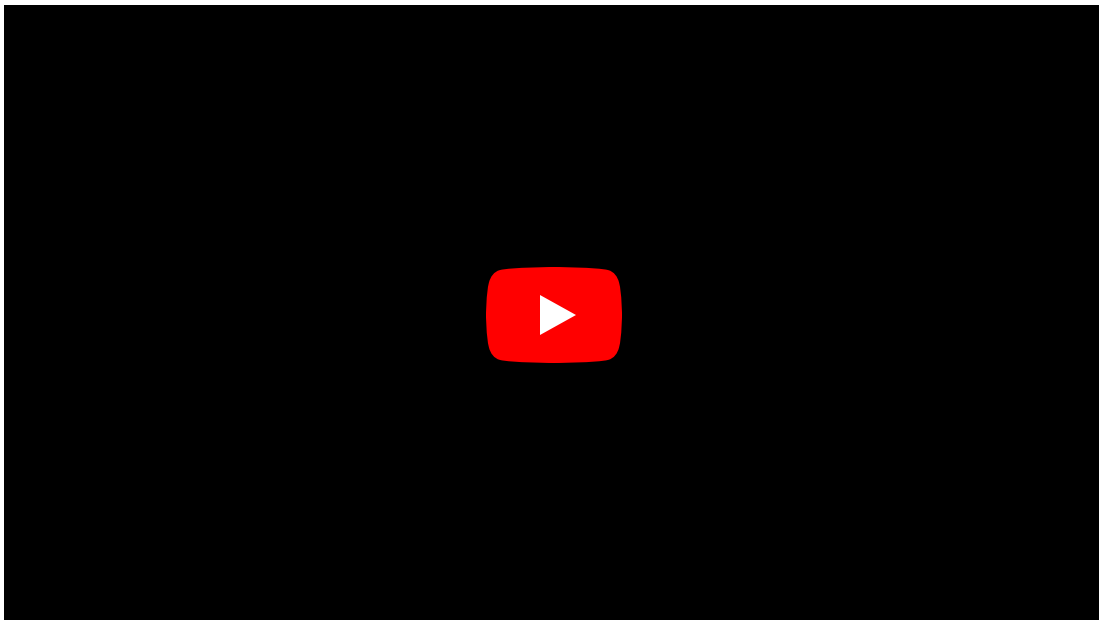
## **Community**

Businesses have an ethical obligation to be involved in their local communities. This includes communities where they interact with customers, and beyond.

## **Vendors and Other Companies**

Always deal ethically with vendors and other organizations you work with.

 **YOUTUBE**



**Your Moral Compass Could Be Broken**



This video was created in partnership with John Templeton Foundation. Subscribe here: <https://freeth.ink/youtube-subscribe-moralcompass> Most people would claim to know the difference between right and wrong, but how can we be sure that our moral compass is truly pointing us in the right direction?

**VIEW ON YOUTUBE >**



To check your understanding of the lesson content, answer the question below by dragging and dropping the scenarios...

Moral Compass On

Defending a team member  
being ridiculed about their

In response to a customer  
complaint, you apologise and

**accent.**

**resolve the issue.**

**Moral Compass Off**

**Selling a product to a  
customer that you know has  
some faults.**

**Taking R100 from a wallet you  
found before returning it.**



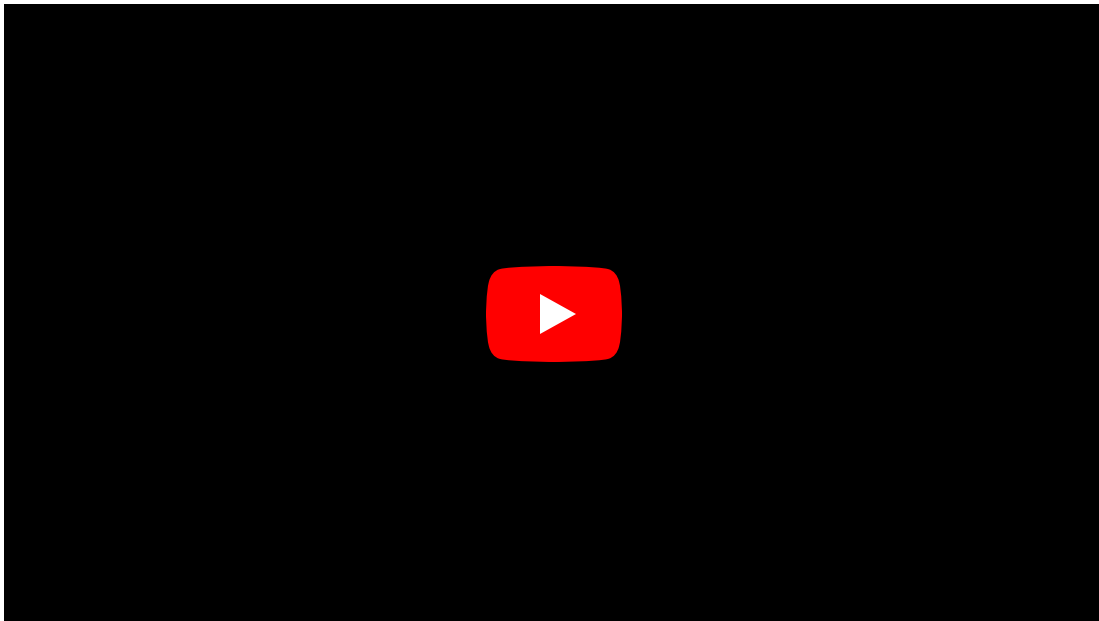
**Complete the content above before moving on.**

# 10 Benefits of Managing Ethics



Running an ethical organization is rewarding in various ways. Having a set ethics code will prepare your team to deal with an ethical dilemma, and can be revisited as needed. Ethics management has a multitude of benefits that will positively benefit the short and long-term success of your organization.

 **YOUTUBE**



## The Benefits of Ethical Business Practices

By implementing ethical business practices, companies benefit from a number of advantages, including: improving brand recognition and business awareness. To find out more about Ethical Corporate Governance visit:

<https://thomsonmpinganjira.blogspot.com/2020/08/ethical-corporate-governance.html>

**VIEW ON YOUTUBE >**

## **There are, however, 10 common benefits that all companies have when they manage their business ethics:**

- 1 Ethical companies comply with all legal requirements and are ***less likely to be fined or sued***.
- 2 Consumers are more likely to ***support a business*** with a reputation as an ethical organization.
- 3 Companies with ethical values ***improve their communities***.
- 4 Ethical rules ***save*** organizations from accidentally violating the rights of employees or consumers.
- 5 Employees' personal moral ***standards will improve*** at an ethical business.
- 6 A fair working environment facilitates ***teamwork*** and productivity.
- 7 Many successful financial business ***practices are reinforced*** by ethical business practices.
- 8 Established ethical guidelines will ***lead a company*** in times of change and stress.
- 9 Ethical companies ***retain employees*** and ***save money*** in turnover.
- 10 There is ***personal satisfaction*** in doing the right thing.



To check your understanding of the lesson content, answer the question below...

If a lack of business ethics becomes known by the public, the business will lose \_\_\_\_\_.

Type your answer here

---

**SUBMIT**



Complete the content above before moving on.

# VBS Mutual Bank Case Study



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VBS Mutual Bank was involved in a large-scale looting scandal, with at least 20 municipalities losing nearly R1.6 billion after illegally investing with the bank. In June 2020, eight people associated with VBS and the bank's auditor, KPMG, were charged by the NPA with 47 counts of theft, fraud, corruption and contraventions of the Prevention of Organised Crime Act. Chairperson Tshifhiwa Matodzi, CEO Andile Ramavhunga and CFO Philip Truter were among those arrested and charged.



#### VBS Mutual Bank Case Study

In February 2021, the liquidators for the bank sued their auditor, KPMG, for 863.5 million rand (~US\$59 million) over its audit opinion on the now defunct bank. The Public Investment Corporation (PIC) also sued KPMG for 144 million rand (~US\$9.5 million) it lost when the VBS Mutual Bank went bankrupt as a result of fraud. In November 2021, the Hawks arrested three additional individuals suspected of fraud. Various former and current officials of several municipalities and businesspeople have already been arrested across the country for their alleged role. The bank lost around R2.2-billion and was declared bankrupt in November 2018.





To check your understanding of the lesson content, answer the question below...

When was auditor KPMG sued by the liquidators?

---

- ☐ 2020
- ☐ 2021
- ☐ 2019
- ☐ 2018

**SUBMIT**



Complete the content above before moving on.

# The Relationship Between Ethics and The Constitution

BL

BOTILMS

The Bill of Rights is a cornerstone of democracy in South Africa. It enshrines the rights of all people in our country and affirms the democratic values of human dignity, equality and freedom.



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

---

The South African Constitution governs societal, professional and individual ethics. The Constitution of the Republic of South Africa, which was signed by President Nelson Mandela on 18 December 1996 and implemented in 1997, embodies the spirit of the values and norms of our society.

An important component of this constitution is the Bill of Rights (Chapter 2). This Bill outlines the fundamental rights afforded to all South Africans and shows the ideal balance between entitlement (that what is our right) and obligation (respecting the rights and values of others).

Individuals may not be discriminated against on the basis of gender, race, disability, or background.

In the workplace, groups such as employees and co-workers must also be treated with respect and dignity.

[Click here to read Chapter 2: The Bill of Rights...](#)



To check your understanding of the lesson content, complete the activity below...

**Drag and drop to match the group and individual rights with responsibilities.**

---



To be treated with dignity and respect; no shouting or swearing from superiors.

To treat everyone else with dignity and respect; speak respectfully, even when angry.



No person may unfairly discriminate directly or indirectly against anyone.

To treat everyone as equals, no favouritism.



Freedom of religion.

Not to mock or badmouth other religions.



Everyone has the right to privacy.

Respect confidentiality e.g., in the case of HIV infection.

**SUBMIT**



Complete the content above before moving on.

Lesson 7 of 8

# Knowledge Check



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Module 1: Review Questions

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**Question**

**01/10**

Which statement about the moral compass is TRUE?

---

- ☐ A true moral compass will lead any individual to make the same decisions in the same situations
- ☐ A moral compass originates from religious beliefs
- ☐ A moral compass is much more effective when used in conjunction with moral intelligence
- ☐ Moral compass and moral intelligence are synonymous terms



**Question**

**02/10**

Companies need to treat all of their employees ethically.

---

☐ True

☐ False

**Question**

**03/10**

Which is a benefit of running an ethical business?

---

- ☐ Less likely to be fined or sued
- ☐ Improve their community
- ☐ More productivity
- ☐ All of the above

**Question**

**04/10**

What determines the ethics of an organization?

---

- ☐ How much money they make
- ☐ How many employees they have
- ☐ The company culture
- ☐ The location of the company

**Question**

**05/10**

What unethical behaviour caused the VBS Mutual Bank to fail?

---

- ☐ Theft
- ☐ Fraud
- ☐ Corruption
- ☐ All of the above

**Question**

**06/10**

Milgram's experiment about values and morals proved that:

---

- ☐ Some people are put in situations for which there is no right choice
- ☐ People will always do the right thing if given the opportunity
- ☐ The experiment proved nothing that was useful for business practices
- ☐ It is possible for people to ignore their moral compass even when they know better

**Question**

**07/10**

To build good customer relations, a company must\_\_\_\_. Select ALL that apply.

---

☐

Provide safe products

☐

Honour warranties

☐

Contact customers regularly

**Question**

**08/10**

Another benefit of managing company ethics is\_\_.

---

- ☐ Being fined
- ☐ Decreasing employee morale
- ☐ Saving money
- ☐ None of the above

**Question**

**09/10**

Consumers are more likely to \_\_\_\_\_ a business with a reputation as an ethical organization.

---

- ☐ Ignore
- ☐ Support
- ☐ Dismiss
- ☐ Disfavour



**Question**

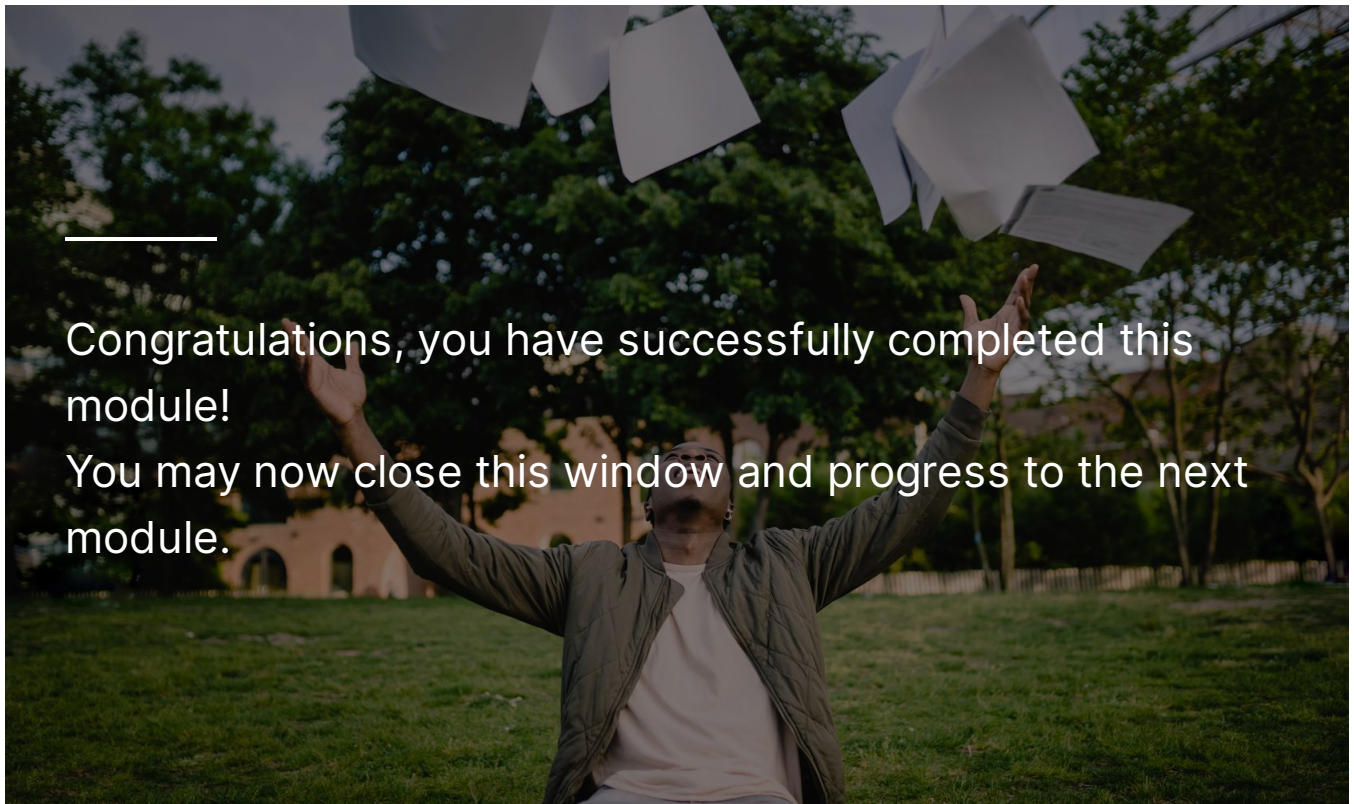
**10/10**

What do people often automatically assume about businesses?

---

- ☐ They are unethical
- ☐ They are ethical
- ☐ They are never linked to scandals
- ☐ None of the above

# Module 1: Completed



Congratulations, you have successfully completed this module!  
You may now close this window and progress to the next module.