



education

Department:
Education
PROVINCE OF KWAZULU-NATAL

CURRICULUM GRADE 10-12 DIRECTORATE

NCS (CAPS)

LEARNER SUPPORT DOCUMENT

GRADE 12

BUSINESS STUDIES

STEP AHEAD PROGRAMME

2021

PREFACE

This support document serves to assist Business Studies learners on how to deal with curriculum gaps and learning losses as a result of the impact of COVID-19 in 2020. It also captures the challenging topics in the Grade 10 -12 work. Activities should serve as a guide on how various topics are assessed at different cognitive levels and also preparing learners for informal and formal tasks in Business Studies. It will cover the following topics:

Legislation
Human Resource Function
Professionalism and Ethics
Business strategies
Quality of performance
Investment: Securities
Team performance assessment and conflict management
Forms of ownership
Presentation
Human Rights, Inclusivity and Environmental Issues

MACRO ENVIRONMENTS: IMPACT OF RECENT LEGISLATION ON BUSINESSES

NOTES:

ACTS	PURPOSE
SDA	<ul style="list-style-type: none"> Develops the skills of people in South Africa in order to improve productivity. Invests in education and training of workers. Improves the chances of getting a job for previously disadvantaged people.
LRA	<ul style="list-style-type: none"> Provides a framework/structure for labour relations between employers and employees. Promotes collective bargaining at the workplace. Promotes workplace forums to accommodate employees in decision making.
EEA	<ul style="list-style-type: none"> This Act states that employees who do the same work (work of equal value) must be paid equally (equal pay). No discrimination on grounds of gender in the workplace. Promotes equal opportunity and fair treatment in the workplace.
BCEA	<ul style="list-style-type: none"> Provides clear terms and conditions of employment for employers and employees. Set minimum requirements/standards for the employment contract. Regulates the right to fair labour practices as set out in the Constitution.
COIDA	<ul style="list-style-type: none"> Provides a comprehensive protection to employees who injured in the course of performing their duties. COIDA applies to all casual and full-time workers who become ill/injured/ disabled/killed due to a workplace accident/disease It excludes workers who are guilty of willful misconduct/workers working outside South Africa for at least twelve months/members of the SA Defense Force/Police services.
BBBEE	<ul style="list-style-type: none"> Enable wealth to be spread more broadly across all population groups. Outline areas that would give the government a platform for bringing equitable spread of wealth. Allows for the development of Codes of Good Practice.
NCA	<ul style="list-style-type: none"> Promotes the social and financial interest of consumers.

	<ul style="list-style-type: none"> Promote a fair but competitive credit market. Ensure that consumers know what is included in their credit contracts.
CPA	<ul style="list-style-type: none"> Promote and protect the economic interests of consumers by providing access to information. Promotes fair/accessible and sustainable places for people to sell their products Establishes national standards to protect consumers.

IMPACT OF SDA ON BUSINESSES

POSITIVES(ADVANTAGES)	NEGATIVES(DISADVANTAGES)
<ul style="list-style-type: none"> Trains employees to improve productivity in the workplace. Promotes self-employment and black entrepreneurship Increases the return on investment in education and training. 	<ul style="list-style-type: none"> Increases cost as the process requires a large amount of paper work. Implementation of the SDA can be difficult to monitor and control. Skills programmes may not always address training needs of employees.

DISCRIMINATORY ACTIONS ACCORDING TO THE SDA

- Preventing employees from signing for a learnership due to their age or position in the workplace.
- Unfair development of skills and training to certain employees.
- Developing a workplace skills plan which exclusively caters for certain race/gender.

PENALTIES FOR NON-COMPLIANCE

- Businesses that do not pay the Skills Development Levy may not offer learnerships/claim grants from the SDA.
- A labour inspector could order the business to stop operating should the business be found guilty of illegal practices.

WAYS IN WHICH BUSINESSES CAN COMPLY WITH THE SDA

- Employers who collect PAYE should register with SETAs.
- One per cent of an employer's payroll has to be paid over to the SETA.

- Businesses should register with SARS in the area in which their business is classified (in terms of the SETA).

LINK BETWEEN SKILLS DEVELOPMENT AND BBBEE PILLARS

- Explain to learners that skills development is one of the pillars of BBBEE, and therefore it has implications on businesses.
- This will be discussed in detail when the BBBEE Act is done.

ACTIVITY 1

1.1 Read the scenario below and answer the questions that follow:

THULANE TRADERS (TT)

Thulane Traders employs 50 workers who are responsible for producing its products. All employees are expected to produce quality products, although only young employees are given the opportunity to learn new skills. Female employees are excluded from attending training.

- 1.1.1 Name the Act that makes provision for employees to improve their work performance. (1)
- 1.1.2 Quote actions in the scenario above that may be regarded as discriminatory by this particular Act. (2)
- 1.1.3 Justify the positive impact of this Act on Thulane Traders. (6)

ROLE/FUNCTIONS OF SETAS

- Promote and establishes learnerships.
- Provide accreditation for skills development facilitators.
- Register learnership agreements/learning programmes.

FUNDING OF SETAS

- Skills Development levies paid by employers e.g. 80% is distributed to the different SETA and 20% is paid into the National Skills Fund.

- Donations and grants from the public
- Surplus funds from government institutions

NATIONAL SKILLS DEVELOPMENT STRATEGY AND THE HUMAN RESOURCE DEVELOPMENT STRATEGY

National Skills Development Strategy	Human Resources Development Strategy
<ul style="list-style-type: none"> ◦ Encourages good quality training in the workplace to ensure on-going development of skills. 	<ul style="list-style-type: none"> ◦ Addresses skills shortages in the South African workforce.
<ul style="list-style-type: none"> ◦ Provides for the participation of government, organised business and labour. 	<ul style="list-style-type: none"> ◦ Aims at achieving faster economic growth/higher employment levels and reduced levels of poverty.
<ul style="list-style-type: none"> ◦ Improves social development through economic development. 	<ul style="list-style-type: none"> ◦ Promotes social development/social justice and helps to alleviate poverty

ACTIVITY 2

- 2.1 Outline the role of SETAs in supporting the Skills Development Act, 1998 (Act 97 of 1998). (8)
- 2.2 Explain the difference between the National Skills Development Strategy and the Human Resources Development Strategy. (8)
- 2.3 Suggest two ways in which SETA's receive funding. (4)

LABOUR RELATIONS ACT (LRA)	
POSITIVES(ADVANTAGES)	NEGATIVES(DISADVANTAGES)
<ul style="list-style-type: none"> Promotes a healthy relationship between the employer and employees Protects the rights of businesses in labour related issues. Labour disputes are settled quicker and are less expensive. 	<ul style="list-style-type: none"> Costs of labour increases because of legal strikes Reduced global competitiveness due to lower productivity Employers may have to disclose information about workplace issues to union representatives that could be the core of their competitive advantage.

Discriminatory actions according to the LRA

- Promoting the interest of one trade union over others in the workplace.
- Dismissing employees from a racial group participated/engaged in an illegal strike action.
- Allowing only particular gender/age groups to be part of workplace forums.

Penalties for non-compliance with the LRA

- The employer may be forced to enter into a dispute resolution process.
- Businesses will be fined if they fail to comply with the agreements reached during the dispute resolution process.
- Businesses that fail to comply with this Act may risk financial costs e.g. legal/CCMA fees and fines.

Ways in which businesses can comply with the LRA

- Businesses must allow employees to form trade unions/participate in union activities/legal strikes.
- Allow/Support the establishment of workplace forums.
- Employees should not be unfairly/illegally dismissed.

The rights of employers and employees according to LRA

Rights of employers

- Employers have the right to lockout employees who engage in unprotected/illegal strike/labour action.
- Form employer organisations.
- Form a bargaining council for collective bargaining purposes.

Rights of employees

- Employees may join a trade union of their choice.
- Request trade union representatives to assist/represent employees in the grievance/disciplinary hearing.
- Trade union representatives may take reasonable time off work with pay, to attend to trade union duties.

ACTIVITY 3

The relationship between employers and employees is guided by the Labour Relations Act (LRA), 1995 (Act 66 of 1995). Businesses who do not comply with this Act may face penalties.

As a labour relations expert, provide a detailed report on the following aspects of the Labour Relations Act:

- Outline the rights of employers and employees according to the LRA.
- Discuss the purpose of the Labour Relations Act.
- Evaluate the impact of this Act on businesses.
- Recommend ways in which businesses can comply with the LRA.

[40]

IMPACT OF EEA ON BUSINESSES	
POSITIVES/ADVANTAGES	NEGATIVES/DISADVANTAGES
<ul style="list-style-type: none"> Promotes equal opportunity and fair treatment in the workplace Promotes the implementation of affirmative action measures to redress the imbalances in employment. Provides all employees with an equal 	<ul style="list-style-type: none"> Expensive to train/employ someone who knows little about the Act. Fines/Penalties for non-compliant businesses may be expensive for the business. Employers have to appoint one or more

opportunity to be selected/appointed/promoted in a position.	senior managers to ensure the implementation of the plan, which increases salary expenditure.
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Penalties for non-compliance with the EEA

- Businesses may be taken to the Labour Court for prosecution.
- Fines may be imposed on businesses that fail to comply with its reporting obligations.
- The Department of Labour may block non-compliant companies from doing business with the government.

Discriminatory actions according to the EEA

- Not employing a young woman/s because she would want to have children in future.
- Refusing to employ a person because he/she has strong religious beliefs/has a disability
- Doing HIV testing unless justified by the Labour Court.
- Denying people access to the workforce based on gender/race/culture/etc. and treating them unfairly.

Ways in which businesses can comply with the EEA

- Businesses must guard against discriminatory appointments.
- Promote equal opportunities and fair treatment
- Reasonable accommodation of people from designated group.

ACTIVITY 4

4.1 Read the scenario below and answer the questions that follow:

JIMMY'S ENTERPRISE (JE)

Elma and Vusi are employees in the same department at Jimmy's Enterprise. They do the same work, but Vusi earns more than Elma. She is unhappy and demands to earn the same salary as Vusi. She feels that Jimmy's Enterprise is not complying with the Employment Equity Act (EEA), 1998 (Act 55 of 1998).

4.1.1 Explain the main purpose of the Employment Equity Act (EEA), 1998 (Act 55 of 1998) with specific reference to Elma's claim of JE's non-compliance with this Act. (8)

4.1.2 List any THREE business actions that can be regarded as discriminatory according to EEA. (6)

4.1.3 Analyse the impact of EEA on businesses. (10)

IMPACT OF BCEA ON BUSINESSES	
POSITIVES/ADVANTAGES	NEGATIVES/DISADVANTAGES
<ul style="list-style-type: none"> Creates a framework of acceptable employment practices e.g., work hours, leave, etc. Promotes fair treatment of employees in business. Encourages consultation between employers and employees. 	<ul style="list-style-type: none"> Developing/Drafting a formal/legal employment contract may be time-consuming/costly. Businesses may regard employment contracts negative and may not implement it, which result in non-compliance/penalties. No employer may force an employee to work more than 45 hours in a week. This may result in reduced productivity.

Discriminatory actions according to the BCEA

- Forbidding workers to discuss wages/salaries with co-workers.
- Preventing workers from having access to employment contracts.
- Refusing to accept a valid medical certificate of a sick worker.

Penalties businesses may face for not complying with the BCEA

- Labour inspectors may serve a compliance order by writing to the Department of Labour.
- The Director General may agree/change/cancel the compliance order.
- Labour inspectors may investigate/inspect/ask questions about complaints and remove records as evidence.

Ways in which businesses can comply with the BCEA

- Workers should only work 9 hours per day in a 5-day work week. /8 hours per day in a 6-day work week. /Overtime should not exceed 10 hours per week.
- They must have a break of 60 minutes after five hours of work.

Provisions of the BCEA

Hours of work/Work hours

- Workers may not work for more than 45 hours in any week.
- Workers may work nine hours a day if they work five days or less per week/eight hours a day if they work more than five days a week.
- Night work performed after 18:00 and before 6:00 the next day by agreement, must be compensated by allowance/reduction of work hours.

Overtime

- Workers must agree to work overtime.
- Workers cannot work more than three hours overtime per day/10 hours per week.
- Overtime must be compensated as follows:
 - One and half times the normal rate of pay for overtime worked on week days and Saturdays.
 - Double the normal rate of pay for overtime worked on Sundays and public holidays.
 - Overtime must be paid either at specified rate for overtime or an employee may agree to receive paid time off.

LEAVE

TYPES OF LEAVE

Annual leave

Workers are entitled to:

- 21 consecutive days annual leave per year/One day for every 17 days worked/One hour for every 17 hours worked.
- An employer can only pay a worker in lieu of leave if that worker leaves the job.

Sick leave

Workers are entitled to:

- Six weeks paid sick leave in a period of 36 months/1 day paid sick leave for every 26 days worked during the first six months of employment.
- A medical certificate may be required before paying an employee who is absent for more than two consecutive days/who is frequently absent.

Maternity leave

- A pregnant employee is entitled to four consecutive months' leave.
- A pregnant employee may not be allowed to perform work that is hazardous to her unborn child.
- The starting date is usually any time from four weeks before the expected date of birth or on advice of a doctor/midwife.

Meal breaks and rest periods

- Workers must have a meal break of 60 minute after five continuous hours of work.
- This can be reduced to 30 minutes by written agreement, when working less than 6 hours per day.
- A worker must have a daily rest period of 12 continuous hours/a weekly rest period of 36 continuous hours which must include Sundays.

Public holidays

- Workers must be paid for any public holidays that fall on a working day.
- Work on public holidays is by agreement and paid at double the rate.

Termination of employment

- A contract of employment may only be terminated following one week's notice, if the worker has been employed for six months or less.
- A minimum of four weeks' notice must be given, if the worker has been employed for a year or longer.
- The employee must be given notice in writing.

Child and forced labour

- It is illegal to employ a child younger than 15 years of age.
- It is also illegal to force someone to work.
- Businesses may employ children over the age of 15 years, if employment is not harmful to their health/well-being/education/moral and social development/ minors under 18 years of age may not do dangerous work/work meant for an adult.

ACTIVITY 5

The Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997) was established to enforce the basic conditions of employment. Businesses who do not comply with this Act will be penalized.

As an expert on the implementation of the BCEA in the workplace, write an essay on the following:

- Explain the purpose of the Basic Conditions of Employment Act (BCEA).
- Discuss any FOUR provisions of this Act.
- Outline the penalties that businesses may face for non-compliance to this Act.
- Evaluate the positive impact of this Act on businesses.

[40]

IMPACT OF COIDA ON BUSINESSES	
POSITIVES/ADVANTAGES	NEGATIVES/DISADVANTAGES
<ul style="list-style-type: none"> ◦ Promotes safety in the workplace. ◦ Creates a framework for acceptable employment practices and safety regulations. ◦ Supply administrative guidelines/mechanisms for dealing with/processing claims 	<ul style="list-style-type: none"> ◦ Claiming processes can be time consuming. ◦ Procedures required by this Act may be costly as paperwork places an extra administrative burden on businesses. ◦ Implementation processes/procedures required by the Act may be expensive.

Discriminatory actions according to COIDA

- Preventing employees from a specific racial group/gender in reporting the accident/injury.
- Providing protective clothing to only to male employees.
- Delaying the submission of claim forms for an injured employee who regularly report late for work.

Penalties for non-compliance with COIDA

- Businesses can be fined for refusing to lodge the claim/contravening the Act.
- Businesses can be forced to make large payments if it did not take the necessary precautions according to the Act.
- They may be forced to pay any recovery costs required by the Compensation Fund.

Ways in which businesses can comply with the COIDA

- Businesses should provide a healthy/safe working environment.
- Register with the Compensation Commissioner and provide the particulars of the business.
- Keep records of employees' income and details of work for four years.

ACTIVITY 6

6.1 Read the scenario below and answer the questions that follow:

BARKER INCORPORATED (BI)
 An employee of Barker Incorporated lost his hand due to an injury sustained while performing his duties. The management of the company is refusing to submit the claim to the Compensation Fund as they did not register the employee with the commissioner of the Compensation Fund.

- 6.1.1 Identify the Act that allows employees to claim for workplace injuries. Motivate your answer by quoting from the scenario above. (3)
- 6.1.2 Discuss the penalties that Barker Incorporated may face for not complying with the Act identified in QUESTION 6.1.1. (6)

IMPACT OF BBBEE ON BUSINESSES	
POSITIVES/ADVANTAGES	NEGATIVES/DISADVANTAGES
<ul style="list-style-type: none"> ◦ Encourages businesses to address the demands for redress/equity directly. ◦ Provides a variety of business codes to improve employment equity. ◦ A good BEE rating improves the image of the business. 	<ul style="list-style-type: none"> ◦ Businesses that want to do business with the government must have their BEE status assessed annually. ◦ Processes may lead to corruption/nepotism if not monitored properly. ◦ Investment/Ownership issues can cause unhappiness amongst existing shareholders/owners.

Discriminatory actions according to BBBEE

- Giving preferential procurement to businesses owned by certain racial group.
- Organising social responsibility programmes for a specific cultural group in the community.
- Implementing enterprise and supplier development programmes that cater for specific gender/age group.

Penalties for non-compliance with the BBBEE

- Businesses may face imprisonment for non-compliance and fronting practices.
- The penalty could be a fine of up to 10% of the company's annual turnover.
- A business can be banned from participating in government contracts for a period of 10 years.

Ways in which businesses can comply with the BBBEE

- Businesses must appoint black people in managerial positions
- Businesses must sell shares to black employees/people.
- Send black people for black for skill development training.

BBBEE PILLARS

OLD PILLARS	REVISED PILLARS
◦ Management	◦ Management control
◦ Employment Equity	
◦ Skills development	◦ Skills development
◦ Ownership	◦ Ownership
◦ Preferential procurement/Supplier development	◦ Enterprise and supplier development (ESD)
◦ Enterprise development	
◦ Social responsibility	◦ Socio-economic development/social responsibility

IMPLICATIONS OF BBBEE PILLARS ON BUSINESSES

Management control

- Business must ensure that transformation is implemented at all levels.
- Appoint black people in senior executive positions/to management.
- Involve black people in the decision-making processes.

Skills development

- Business must engage black employees in skills development initiatives.

- Provide learnerships and learning programmes to black employees.
- Business must contribute 1% of their payroll to fund the skills development programmes.

Ownership

- Business should include black people in shareholding/partnerships/franchises.
- Exempted Micro Enterprises (EMEs) with an ownership of 50% or more of black people are promoted to level 3 of the BEE scorecard.
- More opportunities are created for black people to become owners/ entrepreneurs.

Enterprise and supplier development (ESD)

- Business must create jobs as ESD promotes local manufacturing.
- Businesses are encouraged to invest/support black owned SMMEs.
- Contribution can be monetary, e.g. loans/investments/donations.

Social responsibility/Socio-economic development

- Businesses should focus on critical areas which can affect growth and development in communities where they operate. e.g. environmental awareness/education/ housing, poverty/unemployment etc.
- They should distribute scarce CSI resources to selected beneficiaries in the community.
- Plan and budget for CSI projects.

ACTIVITY 7

The Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003) (amended in 2013) was introduced to overcome the challenges of Black Economic Empowerment (BEE). Businesses are now compelled to comply with this Act. The government also uses the Skills Development Act (SDA), 1998 (Act 97 of 1998) to support the implementation of the BBBEE.

You specialise in guiding businesses in the implementation of the BBBEE. Write an essay on the following aspects:

- Distinguish between BEE and BBBEE.

- Evaluate the impact of BBBEE on businesses.
- Discuss the implications of ownership, management and ESD (enterprise and supplier development) as BBBEE pillars of businesses.
- Analyse the effectiveness of the SDA in supporting the successful implementation of the BBBEE.

[40]

NOTES:

IMPACT OF NCA ON BUSINESSES	
POSITIVES/ADVANTAGES	NEGATIVES/DISADVANTAGES
<ul style="list-style-type: none"> ◦ The whole credit process is transparent e.g. both businesses and customers know their responsibilities ◦ Authorised credit providers may attract more customers. ◦ Lower bad debts resulting in better cash flow. 	<ul style="list-style-type: none"> ◦ Businesses can no longer carry out credit marketing. ◦ Leads to loss of sales as many consumers may no longer qualify to buy on credit. ◦ The paperwork and administrative process required by the act are costly and time consuming.

Discriminatory actions according to the NCA

- Refusing credit to customers based on gender/race.
- Charging different interest rates to customers based on gender/race
- Blacklisting customers along racial lines without making efforts to recover the debt.

Penalties/consequences for non-compliance with the NCA

- The court may declare the granting of credit by the business reckless and may order consumers not to repay the creditor or part thereof to the business.
- The business may not demand payment, sue or attach the clients/consumers salaries/assets.
- The business may not charge any fee/interest/other charges under that specific credit agreement.

Ways in which businesses can comply with the NCA

- Credit providers must be registered with the National Credit Regulator.
- Businesses must submit an annual compliance report to the National Credit Regulator.
- Conduct affordability assessment to ensure the consumer has the ability to meet his/her obligation.



Consumer rights in term of the NCA

Consumers have a right to:

- Apply for credit and to be free from discrimination.
- Obtain reasons for credit being refused
- Receive pre-agreement documentation before concluding any credit transaction.
- Fair and responsible marketing.
- Choose which goods they will buy and return such goods if they are not satisfied.

ACTIVITY 8

8.1 Read the scenario below and answer the questions that follow:

QUICK CASH FUNDING (QCF)

Quick Cash Funding makes loans available to anyone who needs cash at short notice. QCF encourages people to apply for loans regardless of their financial status. They also use misleading and deceptive methods to attract potential clients.

8.1.1 Quote TWO ways from the scenario above in which QCF is not complying with the National Credit Act (NCA). (2)

8.1.2 Recommend ways in which QCF can comply with this Act. (8)

NOTES:

IMPACT OF CPA ON BUSINESSES	
POSITIVES/ADVANTAGES	NEGATIVES/DISADVANTAGES
<ul style="list-style-type: none"> ◦ Enables businesses to resolve disputes fairly through the National Consumer Commission/Consumer Court/Industrial ombudsmen. ◦ Businesses may build a good image if they ensure that they do not violate consumer rights. ◦ May gain consumer loyalty, if they comply with CPA. 	<ul style="list-style-type: none"> ◦ Confidential business information may become available to competitors. ◦ They have to disclose more information about their products and processes/services. ◦ Businesses may feel unnecessarily burdened by legal processes.

Discriminatory actions according to the CPA

- Providing product/service information to specific group of customers
- Varying the quality of goods/prices of goods when selling in different areas.
- Prioritising specific consumer group over another when marketing/selling products.

Penalties for non-compliance with the NCA

- A contract may be rendered void or a fine or term of direct imprisonment may be imposed.
- Businesses may face fines or imprisonment for a period not exceeding 10 years.
- Government agencies may conduct audits, enact fines or even dissolve your business entirely.

Ways in which businesses can comply with the CPA

- Disclose prices of all products on sale.
- Provide adequate training to staff on the CPA.
- Ensure that goods/services offered are standardised/of the same quality.

Consumer rights of the Consumer Protection Act

Right to choose

Consumers have the right to:

- Choose suppliers and/or goods.
- Shop around for the best prices.
- Reject goods that are unsafe/defective for a full refund.

Right to privacy and confidentiality

- Consumers have the right to stop/restrict unwanted direct marketing.
- They can object to unwanted promotional e-mails/telesales.
- They have the right to stop/lodge complaints about the sharing of their personal details.

Right to fair and honest dealings

- Suppliers may not use physical force or harass customers.
- Suppliers may not give misleading/false information.
- Businesses may not promote pyramid schemes and/or chain-letter schemes

Right to information about products and agreements/Right to disclosure and information

- Contracts and agreements should be in plain language and easy to understand.
- Businesses should display prices which are fully inclusive disclosing all costs.

- Consumers may request the unit and bulk price of the same product.

Right to fair/responsible marketing/promotion

- Businesses should not mislead consumers on pricing, benefits/uses of goods.
- Consumers may cancel purchases made through direct marketing within five working days/cooling off-period.
- All information related to the country of origin/expiry dates/ingredients of the products should be disclosed/clearly labelled.

NOTE: REFER TO RESOURCE FOR MORE CONSUMER RIGHTS ACCORDING TO CPA.

ACTIVITY 9

The introduction of the Consumer Protection Act (CPA), 2008 (Act 68 of 2008) forced businesses to change the way they had been conducting business. This Act impacts on how businesses should treat consumers. Now businesses are seeking legal advice on the impact of this Act on their operations.

Give an in-depth analysis of the Consumer Protection Act by deliberating on the following aspects:

- Outline the purpose of the CPA.
- Discuss FOUR consumer rights, as specified in the CPA.
- Evaluate the impact of the CPA on businesses.
- Suggest practical ways in which a business could comply with this Act. [40]

HUMAN RESOURCES FUNCTION

NOTES

- Is one function that contributes to success of the business.
- Businesses must follow a step by step process to ensure that the most efficient candidates will be selected for the job.
- It ensures that the aim and objectives of the business are achieved and proper planning of human resources is done.
- It is the process of using business goals to determine staffing needs in terms of finding qualified employees.
- This process involves Recruiting, Selection, Conducting Interviews, Induction and Placement of the successful candidate.

STEPS IN HUMAN RESOURCE MANAGEMENT

- Recruiting
- Selection
- Conducting Interviews
- Completing the Employment Contract
- Induction
- Placement

STEP 1 - RECRUITING: is the tool to attract applicants and to ensure that suitable candidates apply.

The Recruitment Process/Procedure

- The HR manager should prepare the job description in order to identify recruitment needs.
- The HR manager should indicate the job specification/description or key performance areas to attract suitable candidates.
- A decision to recruit internally should be made to identify suitable candidates from within the business.
- If internal recruitment is unsuccessful, external recruitment should be considered.
- If external recruitment done, the relevant recruitment source should be selected.
- The advertisement should be prepared with relevant information, eg. The name of the company, contact person and contact number, closing date of application, job title, etc.
- Place the advertisement in the appropriate media that will ensure that the best candidate applies.
- It is important that the HR department conducts a **needs analysis** to determine where the need exists and what type of employee must be employed.
- A **JOB ANALYSIS** should be done to gather information about the tasks, qualifications, skills and responsibilities of the job. This entails conducting :
 - **JOB DESCRIPTION:** Describes the job title, duties and tasks and responsibilities that the successful candidate will be expected to perform.
 - **JOB SPECIFICATION:** Identifies the qualifications, skills and experience that the successful candidate must possess to be placed in the position advertised.

TYPES OF RECRUITMENT

INTERNAL	EXTERNAL
Recruiting from within the company by advertising the vacant position in company. Sources of Internal Recruitment: newsletters, on notice boards, by word of mouth or by management recommendations/referrals, internal bulletins, head hunting, etc	Recruiting from outside of the company Sources of External Recruitment: newspapers, electronic media, eg Radio, in shop windows, employment agencies, head hunting, walk ins, educational /training institutions, social media
ADVANTAGES	ADVANTAGES
<ul style="list-style-type: none"> ◦ Improves staff morale as the opportunity for promotion in the company exists. ◦ Employees have an understanding of how the business operates and training is not always necessary. ◦ A cheaper and quicker form of recruitment. ◦ Management are aware of employee capabilities. Thereby making assessment of applicants easier. ◦ Reliable staff are maintained if they are promoted. 	<ul style="list-style-type: none"> ◦ There is a larger pool of qualified candidates to draw from. ◦ New ideas, more creativity and better schools of thought are brought by new candidates. ◦ The most suitable candidate with the necessary qualifications and experience can be selected. ◦ This can improve company productivity and efficiency. ◦ Minimises unhappiness among current employees who may have applied for the post.
DISADVANTAGES	DISADVANTAGES
<ul style="list-style-type: none"> ◦ The number of applicants from which to choose is limited to existing staff only. ◦ The most suitable candidate may not necessarily be in the company. ◦ Internal conflict may exist between employees who were not appointed. ◦ May close doors to new ideas from outsiders. ◦ Staff members that are not promoted may feel de motivated. 	<ul style="list-style-type: none"> ◦ Advertising costs are higher. ◦ There is no guarantee that the most suitable candidate will be appointed which may leave management disappointed in their choice of applicant. ◦ Recruitment processes take longer as background checks must be conducted. ◦ Many unsuitable applications can slow down the selection process. ◦ New candidates generally take longer to adjust to a new work environment. ◦ In service training may be needed which decreases productivity during the time of training.

ACTIVITY 1

1.1 Read the following scenario and answer the questions that follow,

JONES TRADERS (JT)

Jones Traders has advertised a vacancy for a senior administrative secretary on their notice board. The successful candidate must meet the following requirements:

- Good interpersonal relations
- Excellent computer skills
- Coordinate in-service training for staff
- Compile reports and give feedback timeously

1.1.1 Quote TWO examples EACH of job description and job specification from the scenario above.

Tabulate your answer as follows:

JOB DESCRIPTION	JOB SPECIFICATION

(4)

1.1.2 Identify the type of recruitment that JT used when they advertised the vacant post.

Motivate your answer

(3)

1.1.3 Give TWO other sources of the type of recruitment identified in QUESTION 1.1.2

(2)

NOTES:

STEP 2 - SELECTION: searching for and finding the right candidate for the job for company efficiency.

1. Receiving Documentation

Applicants must submit application letters, forms, curriculum vitae and certified copies of all prescribed documents (identity documents, letters of motivation, qualifications and certificates) that

are required to the company advertising the position by the due date specified in the advertisement.

2. Evaluate CV's and create a short list/Screen the applicants

A sifting process will occur where applicants who do not meet the requirements that were specified in the advertisement are separated from those that do.

3. Verify information supplied on the CV

- All candidate qualifications and their employment history as stated on the CV or Application Form are checked and confirmed.
- Referees stated on the CV are contacted to verify or testify to the person's character, abilities, skills and work ethic.

4. Notification and conducting the interview

Shortlisted candidates are then invited to an employment interview.

5. Offer of employment

- The successful applicant is given an offer of employment in writing.

SCREENING

- Check application documents against the requirements of the job.
- Candidates who meet the minimum requirements are separated from those that don't.
- Background/credit/reference checks of applicants who qualify for the job is done.
- Prepare a shortlist of candidates who will be invited to the employment interview.

STEP 3 - CONDUCTING THE INTERVIEW

PURPOSE

- To determine suitability for the job.
- It's an opportunity to obtain information about the strengths and weaknesses of each candidate.
- It matches the information provided by the applicant to the job requirements.
- Evaluate the skills and personal characteristics of the applicant.
- Creates an opportunity where information about the business and applicant can be Exchanged.

ROLE OF THE INTERVIEWER *BEFORE* THE INTERVIEW

- Develop a core set of questions based on knowledge/skills/ability required.
- Book and prepare the venue of the interview.
- Set the interview date and ensure that all interviews take place on the same date, if possible.
- Inform all shortlisted candidates about the date and place of the interview.
- Notify all panel members conducting the interview about the date and place of the interview.

ROLE OF THE INTERVIEWER <i>DURING</i> THE INTERVIEW	ROLE OF THE INTERVIEWEE <i>DURING</i> THE INTERVIEW
Allocate the same amount of time to each candidate.	Listen carefully to questions before responding.
Introduce members of the interviewing panel to each candidate.	Make eye contact with the panel and have a good posture/body language
Make the interviewee feel at ease.	Ask clarity seeking questions.
Provide an opportunity for the interviewee to ask questions.	Show respect and treat the interview with due importance.
Close the interview by thanking the interviewee for attending the interview.	Be inquisitive and show interest in the business.
Do not misinform or mislead the interviewee.	Know your strengths and weaknesses and be prepared to discuss them.

THE OFFER OF EMPLOYMENT

- This is a written offer of employment made to the successful candidate.
- The successful candidate would need to accept the offer in writing.
- Unsuccessful candidates must be informed unless otherwise stated in the advertisement.
- An Employment Contract will be negotiated and signed by the employer and the employee.

STEP 4 - THE EMPLOYMENT CONTRACT

The Employment Contract is a written agreement between the employer and employee that is legally binding.

LEGAL REQUIREMENTS OF THE CONTRACT

- May not contain any information that is in conflict with the BCEA.
- Both the employer and employee must agree to any changes to the contract.
- The employer and the employee must both sign the contract.
- Should contain the company code of conduct and code of ethics.
- All benefits/remuneration package must be clearly stipulated.
- Conditions of employment/duties/responsibilities of employees must be clearly stipulated.
- Employers must allow employees to read through the contract before signing it.

CONTENTS OF THE CONTRACT

- **Details of the employer:** address and contact details of the business.
- **Personal details of the employee:** physical address, contact details, id number etc of employee.
- **Job title and job description:** job title, duties and responsibilities of the employee.
- **Working hours:** the hours of work in line with the BCEA.
- **Overtime:** overtime per week, per day must be stipulated and rate of pay thereof.
- **Remuneration/salary/wage:** the amount of money the employee will earn must be clearly stated.
- **Leave:** the types of leave due to the employee and the number of days allowed for each type must be clearly stipulated.
- **Termination of employment:** clear guidelines must be given on how notice must be served when terminating the contract.

TERMINATION/ ENDING OF THE CONTRACT

- Employee decides to leave and resigns voluntarily.
- Employer dismisses an employee for a valid reason, eg misconduct.
- Employer has no work for the employee/ the business is closing down.

- Employee reaches retirement age as stipulated in the contract by mutual agreement between the employer and employee

ACTIVITY 2

- 2.1 State FOUR aspects that should be included in the employment contract. (4)
- 2.2 Outline the selection procedure as an activity of the human resources function. (8)

NOTES:

STEP 5 – INDUCTION

- The process whereby the newly appointed employee is introduced to other colleagues in the business environment.
- It is also an opportunity for the new employee to ask questions. Ensures that the employees are well conversant with the businesses safety regulations.

BENEFITS OF INDUCTION

- To reduce fear in new employees and makes the new employee feel at ease.
- Acquaint the new employees with work procedures and allows them to settle in quickly and work effectively.
- Minimises the need for on-going training and development.
- New employees can establish relationships with fellow employees at different levels.
- Increases quality of performance/productivity.

AN INDUCTION PROGRAMME SHOULD INCLUDE:

- A tour of the business and introduction to key people.
- Explaining the Conditions of Employment incl., working hours, leave, etc
- Explaining Administrative Details e.g. how orders would be made.
- Explaining Safety Regulations e.g. evacuation procedures, smoking restrictions etc.
- Job discussion on what is expected and how to perform tasks
- Allowing the employee to ask questions about the work environment.
- Identifying another worker as a mentor to the new employee.
- Introducing the company aims and expectations to ensure productivity

ACTIVITY 3

- 3.1 Read the scenario below and answer the questions that follow.

TOMMY'S INDUCTION PROGRAMME

Tommy has developed an induction programme for newly appointed employees. They are usually taken on a tour of the premises and introduced to senior management and colleagues.

- 3.1.1 Quote TWO aspects from the scenario that Tommy included in his induction programme. (2)
- 3.1.2 Advise Tommy on any other THREE aspects that should be included in an induction programme. (6)

NOTES:

STEP 6 – PLACEMENT

- The process by where the new employee is placed where they will function optimally and add value to the business
- A specific job is assigned to the selected candidate.
- This activity matches the employee's ability and expectations with requirements of the job.
- An employee placed in the right position is more productive.

PLACEMENT PROCEDURE:

- Specific responsibilities of the job must be outlined by the employer.
- The employer should determine the relationship/similarities between expectations of the position and the competencies of the employee.
- Determine the strengths and weaknesses of the employee by subjecting him to various psychometric tests.

SALARY DETERMINATION METHODS

PIECEMEAL PAY	TIME- RELATED PAY
<ul style="list-style-type: none"> Workers are paid according to the number of items/units produced. Workers are remunerated of items produced regardless of how long it took to produce the item. Mostly used in factories, particularly in the textile industry. 	<ul style="list-style-type: none"> Employees are paid for the amount of time they spend on a task. Workers with the same experience/qualifications are paid on salary scales regardless of the amount of work done. Mostly used by public and private businesses.

LINK BETWEEN SALARY DETERMINATION AND THE BCEA

- The BCEA sets out conditions that ensure fair labour and human resource practices.
- According to the BCEA businesses may use different remuneration methods to pay employees.
- Payment of salaries should be based on whether the employee is permanent or employed on affixed contract.
- Businesses are supposed to deduct income tax (PAYE) from the employee's taxable income.
- BCEA outlines legalities such as the employment contract, which may affect salary determination

ACTIVITY

4.1 Discuss TWO salary determination methods that employers may use to determine the wages of their employees

NOTES:

EMPLOYEE BENEFITS

Fringe benefits

These are benefits that an employee receives in addition to the salary/wage paid.

Examples of Fringe Benefits

- | | |
|--|--|
| <ul style="list-style-type: none"> Medical Aid subsidy Pension Fund Provident Fund Funeral Benefits Housing/Travel/Cell phone/Clothing/Car/Petrol allowance | <ul style="list-style-type: none"> Staff Discount Bonus Shares Bonus/13th Cheque Performance bases incentives |
|--|--|

Advantages of providing fringe benefits to businesses

- Attractive fringe benefits may result in higher employee retention/reduces employee turnover.
- It increases employee loyalty/satisfaction and employees would be willing to do more than what is required.
- Leads to higher productivity resulting in higher profitability.
- Fringe benefits can be used as leverage for salary negotiations.
- Businesses can save money as these benefits are tax deductible.

Disadvantages of providing fringe benefits to the business

- Additional costs to the company which could result in cash flow problems.
- Decreases company profits as incentive costs are higher.
- Creates conflict and leads to corruption if unfairly allocated.
- Businesses who cannot afford to offer fringe benefits fail to attract skilled employees.
- Offering different benefit plans can result in resentment by those who receive less benefits and results in lower productivity.

BENEFITS REQUIRED BY LAW: UIF

- The UIF Fund offers short-term financial assistance to workers when they become unemployed or are unable to work due to illness, maternity leave.
- The fund also assists the dependents of a contributing worker who has died.
- Employers pay 1% of the employee's salary or wage to the UIF fund.
- Employees pay 1% of their salary or wage to the UIF fund. Contribution are paid to the UIF fund or SARS.



NOTES:

IMPLICATIONS OF THE ACTS ON THE HUMAN RESOURCE FUNCTION:

Employment Equity Act (EEA)

- The HR manager must provide equal opportunities in the workplace.
- Ensure that Affirmative Action promotes diversity in the workplace.
- Compile employment equity plans that indicate how they will implement Affirmative Action.
- Ensure that there is equal pay for work of equal value.
- Ensure that the workplace represents the demographics of the country at all levels.

Labour Relations Act (LRA)

- HR manager must protect the rights of employees/employers as outlined in the constitution.
- Promote the resolution of labour disputes.
- Provide for unresolved conflicts to be referred to the labour court.
- Allow employees to form workplace forums and join trade unions.
- Workers cannot be easily dismissed as CCMA processes need to be followed.

Skills Development Act (SDA)

- HR manager must identify training needs of employees and provide them with training opportunities so they perform their tasks effectively.
- Contribute 1% of their salary bill to the Skills Development Levy.
- Ensure that training in the workplace is formalised and structured.
- Appoint a full time consultant as a Skills Development Facilitator.
- Assist managers to identify training needs to help them introduce Learnerships.

Basic Conditions of Employment Act (BCEA)

- Businesses should not employ children 16 years and under.
- Workers must have a 60-minute break after FIVE hours worked.
- Workers can take up to six weeks paid sick leave in a 36-month cycle.
- Workers should receive double pay when working on Sundays or public holidays.
- Workers should work 9 hours a day in a 5-day week or 8 hours a day in a 6-day week.

- Overtime should not exceed 3 hours a day or 10 hours a week.

ACTIVITY 6

6.1 Discuss the implications of the Skills Development Act (SDA), 1998 (Act 97 of 1998) on the human resources function. (8)

ETHICS AND PROFESSIONALISM

NOTES:

Definition of Ethical Behaviour

- Acting in ways consistent with what society and individuals think are good values.
- Ethical behaviour is expected from everyone in the business.
- It means that the highest legal and moral values are upheld when dealing with stakeholders.

Examples of Ethical and Unethical Business Practices

Ethical Business Practices	Unethical Business Practices
Using fair advertising	Using unfair advertising
Paying fair wages	Paying unfair wages
Paying taxes regularly	Evading tax
Operating within the law	Disobeying the law
Fair pricing of goods in rural areas	Unfair pricing of goods in rural areas

Examples of Professional and Unprofessional Business Practices

Professional Business Practices	Unprofessional Business Practices
Good use of work time.	Abuse of work time.
Unauthorised use of company funds and resources.	Authorised use of company funds and resources.
Using polite language to colleagues.	Using impolite and rude language to colleagues.
Keeping client's information confidential.	Disclosing client's personal information to others.
Treating all people equally.	Not treating everyone equally.

Activity 1

1.1 Indicate in each case below whether it represents an unethical or unprofessional business practice.

1.1.1 JA Dealership advertised a second-hand vehicle as new.

1.1.2 The receptionist of Thembelihle High is using the office phone for personal calls.

1.1.3 The owner of Thabi's Transport did not keep her promise to deal with the complaints of the clients.

1.1.4 Carr's Furniture Manufacturer used some of the ideas of Pillay's Manufacturers in the design of their products.

1.1.5 Sparrow Wholesalers did not declare all the income to SARS. (5 x 2) (10)

Difference between Professional and Ethical Behaviour

Professional Behaviour	Ethical Behaviour
Refers to what is right or acceptable in a business.	Refers to what is right and accepted in society.
Set of standards of expected behaviour.	Conforms to a set of values that are morally accepted.
Applies a code of conduct of a profession or business.	Forms a code of conduct to guide employees to act

Ways in which businesses can apply the King Code for good Corporate Governance

King Code	Application for good business governance
Transparency	<ul style="list-style-type: none"> ◦ Decisions/Actions must be clear to all stakeholders. ◦ Staffing and other processes should be open and transparent. ◦ Auditing and other reports must be accurate/available to shareholders/employees. ◦ Regular audits should be done to determine the effectiveness of the

	business.
Accountability	<ul style="list-style-type: none"> ◦ There must be regular communication between management and stakeholders. ◦ Companies should appoint internal and external auditors to audit financial statements. ◦ Business must be accountable/responsible for their decisions and actions. ◦ Businesses should present accurate annual reports to shareholders at the AGM.
Responsibility	<ul style="list-style-type: none"> ◦ The business should develop and implement programmes that should be aimed at protecting the communities in which they operate. ◦ The business should develop remedial programmes to protect the environment for example, reduce air and water pollution.

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

- Never start a business venture at the expense of somebody else.
- Pay fair wages and salaries that are in line with requirements of the BCEA.
- Pay taxes regularly.
- Hire honest and trustworthy financial officers with good reputations
- Provide quality goods and services
- All workers should have access to equal opportunities.
- Treat workers with respect and dignity by recognising work well done.

Activity 2

2.1 Read the scenario below and answer the questions that follow.

RAINS INVESTMENTS LIMITED (RI)
 Rains Investment Limited is failing to attract investors due to the company's poor performance. The shareholders discovered that the board of directors are reporting incorrectly on business performance. The directors are denying the allegations of misappropriation of company funds.

- 2.1.1 Quote TWO examples of poor corporate governance for the scenario. (2)
- 2.1.2 Identify TWO King Code principles that RI did not apply. (4)
- 2.1.3 Advise RI on how to apply each principle identified in 2.1.2 to improve the company's corporate governance. (8)

Use the table below as a guide to answering 2.1.1, 2.1.2 and 2.1.3.

POOR CORPORATE GOVERNANCE (2.1.1)	KING CODE PRINCIPLES (2.1.2)	APPLICATION OF KING CODE (2.1.3)

2.2 Recommend ways in which professional, responsible, ethical and effective business practices should be conducted. (6)

[20]

NOTES:

Unethical Business Practices

Name of Unethical Business Practice	Challenges on the Business	Strategies the Business can implement
Unfair Advertising	<ul style="list-style-type: none"> Businesses receive negative publicity. The image of the business is viewed in a negative light. 	<ul style="list-style-type: none"> Consumers must report unfair advertisements to the Advertising Standards Authority.

	<ul style="list-style-type: none"> Businesses may lose potential customers due to exploitation. Demand for goods and services may decrease. 	<ul style="list-style-type: none"> Businesses should be encouraged to keep advertising fair and in line with the constitution.
Unfair Pricing of Goods in Rural Areas	<ul style="list-style-type: none"> Business may lose potential customers due to exploitation. Business image is viewed in a negative light. The demand of goods and services may decrease thereby decreasing profits. 	<ul style="list-style-type: none"> Businesses should charge fair and market related prices for goods and services. Avoid this unethical practice to attract customer loyalty. Businesses should work together with suppliers to share delivery costs.
Tax Evasion/Taxation	<ul style="list-style-type: none"> The business will lose key customers and stakeholders Tax evasion is a crime and is punishable with a fine or prison sentence. Businesses who are forced to pay tax may need to implement defensive strategies. Example: Retrenchment, Divestiture, Liquidation. 	<ul style="list-style-type: none"> Businesses should submit all tax returns on time. Businesses should pay the correct amount of tax to SARS. Keep all financial records honest and accurate. Make sure all financial records are checked and audited.

Activity 3

3.1 Read the scenario below and answer the questions that follow.

SIMISO'S FARM STORE (SFS)
 Simiso from Simiso's Farm Store has been charging the villagers excessively high prices for his fruit and vegetables. He has also not been declaring all his income to SARS.

Redraw the table below and then answer the questions that follow.

UNETHICAL BUSINESS PRACTICES (3.1.1)	TYPES (3.1.2)	RECOMMENDATIONS (3.1.3)
(a)		
(b)		

- 3.1.1 Quote TWO unethical business practices from the scenario above. (2)
- 3.1.2 Identify the type of unethical business practice for each one quoted in QUESTION 3.1.1. (4)
- 3.1.3 Recommend practical ways that SRR could introduce to deal with unethical business practices identified in QUESTION 3.1.2. (8)
- 3.2 Explain how unfair advertising poses a challenge to the business. (6)
- [20]

NOTES:

Unprofessional Business Practices

Name of Unprofessional Practice	Challenges on the business	Strategies that business can implement
Abuse of work time	<ul style="list-style-type: none"> Decreases productivity and loss of profits. Businesses cannot meet deadlines and lose profits. Wasting time costs money and lessens cash flow. 	<ul style="list-style-type: none"> Speak directly to the employees about the abuse of work time. Monitor employees to ensure that tasks are completed. Code of conduct should contain clear rules about the abuse of work time. Conduct training sessions on the code of conduct.
Unauthorised use of workplace funds and	<ul style="list-style-type: none"> Fraud increases the cost of doing business. 	<ul style="list-style-type: none"> Conduct regular audits. Identify high risk areas.

resources	<ul style="list-style-type: none"> It discourages investors when prices are increased to absorb losses. Less working capital to finance business expenses. 	<ul style="list-style-type: none"> Limit the number of employees that have access to company funds and assets. Educate employees about the impact of fraud on themselves and the business.
Sexual Harassment	<ul style="list-style-type: none"> The affected employee's productivity suffers. The affected may stay away from work regularly thereby losing man hours. The employees may leave the company resulting in high staff turnover. Lengthy disciplinary hearings can be time consuming and expensive. 	<ul style="list-style-type: none"> Implement internal complaint protocol and disciplinary procedures. Educate employees on sexual harassment issues. Formulate strategies regarding sexual harassment. Create a good working environment where employees' rights and dignity are respected.

Activity 4

4.1 Discuss how the following unprofessional practices pose a challenge to the business:

4.1.1 Sexual harassment

4.1.2 Abuse of work time

4.1.3 Unauthorized use of workplace funds

(4 x 3) (12)

4.2 Discuss strategies to address the unprofessional practices listed above. (6)

Use the table below as a guide to answer the questions above.

UNPROFESSIONAL PRACTICE	CHALLENGES (4.1)	STRATEGIES (4.2)
4.1.1 Sexual harassment		
4.1.2 Abuse of work time		
4.1.3 Unauthorized use of workplace funds		

BUSINESS STRATEGIES

NOTES:

What is a strategy

- A strategy is a long term plan of action to achieve a goal
- Business needs a strategy to achieve its vision and mission

Steps in developing a strategy	Strategic management process	Strategy evaluation
<ul style="list-style-type: none"> • Application of SWOT analysis/PESTLE/ • Formulate strategies to meet objectives • Implement strategies using action plans 	<ul style="list-style-type: none"> • Review vision statement • Analyse mission statement • Formulate strategies such as defensive/retrenchment 	<ul style="list-style-type: none"> • Examine the underlying basis of a business strategy • Draw up table of advantages and disadvantages of a strategy • Decide on desired outcome

ACTIVITY 1

- 1.1 Elaborate on the meaning of strategy
- 1.2 Outline the strategy developing steps
- 1.3 Read the following scenario and answer the questions that follow:

BETTY MANUFACTURING COMPANY (BMC)

The management of BMC has been experiencing some challenges in their business. The management met so as to review the vision statement and also analyse the mission statement.

- 1.3.1 Quote TWO steps of strategic management process from the scenario above. (2)
- 1.3.2 Explain any other steps of strategic management process. (4)
- 1.3 Advise the business on how strategy can be evaluate.

NOTES

- **Industry analysis tools**
 - Includes tools like SWOT, Porter's Five Forces and PESTLE analysis models used to analyse the challenges posed by business environments
- **SWOT analysis** used to evaluate micro environment
- **Strengths** strong points of the organisation
- **Weaknesses** ...weak points of the organisation, which the business can overcome
- **Opportunities**...positive chances that might be available to the business
- **Threats** challenges that business cannot overcome but need to adapt or strategise

<p>Strengths</p> <ul style="list-style-type: none"> • What organisation does best than other organisations • Having skilled employees and strong customer base 	<p>Weaknesses</p> <ul style="list-style-type: none"> • High cost infrastructure • High debt level
<p>Opportunities</p> <ul style="list-style-type: none"> • Market growth in the business • Disposable income level 	<p>Threats</p> <ul style="list-style-type: none"> • Increase in corporate tax • Changing technology

- PESTLE model used to evaluate macro environment

FACTOR	CHALLENGES	RECOMMENDATIONS
Political	Trade agreements may prevent businesses from importing some products	Trade only with countries that have favourable trade agreements
Economical Inflation /interest rates may negatively impact on businesses	Loans may be expensive due to high interest rates	Consider decreasing profit margins than increasing the price

ACTIVITY 2

2.1 Read the scenario below and answer the questions that follow:

POSH LIFESTYLE RESTAURANT (PLR)

Pumla, a graduate with B.Comm degree in Business Management, is the owner of Posh Lifestyle Restaurant which sells traditional food at reasonable price. The business is situated in a high-crime area. PLR has been invited by the local municipality to open a traditional food stall at the cultural market on weekends.

Their delivery vehicle broke down and they do not have sufficient capital to buy the new one.

2.1.1 Compile SWOT analysis of PLF. (4)

2.2 Read the scenario below and answer the questions that follow:

ZANELE MANUFACTURERS (ZM)

Zanele specialise in manufacturing of men's clothing. The business is struggling to pay its creditors due to high inflation rate. Customers cannot afford new high prices charged because of their low income levels. The business still using old machineries and equipment which delays business processes and procedures.

2.2.1 Quote the challenges for ZM from the scenario above (3)

2.2.2 Identify the PESTLE element that links to EACH challenge as quoted QUESTION 2.2.1

2.2.3 Recommend ONE way in which ZM can deal with EACH challenge, as identified in QUESTION 2.2.1

Use the table below as a guide to answer QUESTION 2.2.1 to 2.2.3

CHALLENGE	PESTLE ELEMENT	RECOMMENDATION
2.2.1	2.2.2	2.2.3

NOTES:

APPLICATION OF PORTER'S FIVE FORCES

1. Power of buyers

- Conduct market research to gather more information about target market
- Assess how easy it is for the buyers to drive the price down

2. Power of suppliers

- Assess the power of suppliers in influencing the price
- Assess power of suppliers in terms of reliability/quality of product

3. Power of competitors

- Draw up profile of competitors and identify own strengths and that of competitors
- A Businesses with many competitors in the market has little power in their own market

4 Threat of substitution

- If business sells unique product , it will not be threatened by substitute products
- If business is easily substituted ,it weakens the power in their market

5 Threat of new entrants in the market

- If the business is highly profitable, it will attract potential competitors who want to the market
- If it cheap and easy to enter the market, then there will be more new sellers entering the market.

ACTIVITY 3

3.1 List Porters Five Forces used to analyse the market environment

3.2 Explain how businesses could apply the following forces from

Porter's five forces model:

3.2.1 Power of buyers

3.2.2 Threat / Barriers to entrance to market

NOTES:

Types of strategies

Intergration

- When business needs to improves its efficiency and effectiveness

Intensive strategies

- Applied when business wants to increases sales

Diversification

- Business adds new product in its core/main product

Defensive

- Applied when business is in financial crisis

ACTIVITY 4

BUSINESS STRATEGY	TYPES OF STRATEGY PER BUSINESS STRATEGY
1. Intensive	1. 2. 3.
2. Integration	1. 2. 3.
3. Diversification	1. 2. 3.
4. Defensive	1. 2. 3.

NOTES:

Integration strategies

- Aims to improve business effectiveness and efficiency

Types of integration strategies

Horizontal integration

- Two or more businesses in the same industry merge

Forward integration

- Business merges with its distributors/retailer/wholesaler

Backward integration

- The business combines with its suppliers

ACTIVITY 5

5.1 Read the scenario below and answer the questions that follow

GLEN SHUTTLE SERVICE (GSS)

Glen Shuttle transports clients to and from the airport. Some clients have requested GSS to sell soft drinks while travelling. GSS has decided to merge with Clear Beverages to be able to satisfy the needs of their clients.

5.1.1 Identify the type of integration strategy that GSS applied in the scenario above. Motivate your answer. (3)

5.1.2 Describe other integration strategies (6)

NOTES:

Intensive strategies

Product development

- Business develops new product or services for an existing market.

Market development

- Finding new markets and new ways to distribute existing products

Market penetrating

- Focus on selling existing product to existing market.

- **Defensive strategy**

- Types of defensive strategies

- Divestiture: business sells some of its assets that are no longer profitable

- Retrenchment: the business reduces the number of employees.

- Liquidation: business sells all its assets to pay all liabilities or close down the business.

ACTIVITY 7

7.1 Identify a business strategy represented by each statement below.

7.1.1 Snowey Bakery sold all its assets to pay creditors and close down the business.

7.1.2 Fresh Juices Ltd terminated employment contracts of some of its employees.

ACTIVITY 8

8.1 Read the scenario below and answer the questions that follow:

ZIZI BAKERY (ZB)

Zizi Bakery sells muffins and biscuits. ZB has added coffee on its product range which appeals to its existing market.

8.1.1 Identify the type of diversification strategy used in the above scenario

8.1.2 Describe other types of diversification strategies.

QUALITY OF PERFORMANCE

NOTES:

1.1 Quality

- Quality refers to a good/service's ability to satisfy a specific need.
- The efficiency of services and the ability to provide an effective outcome without too many delays.
- It is measured against specific criteria such as physical appearance /reliability/durability/sustainability/after-sales services.

1.2 Quality control

- A system that ensures the desired quality is met by inspecting the final product to ensure that it meets the required standards.
- Checking raw materials/employees/machinery/workmanship/production to ensure that high quality standards are maintained.
- Includes setting targets/measuring performance and taking corrective measures.

1.3 Quality assurance

- Checks carried out during and after the production process.
- Ensures that required standards have been met at every stage of the process.
- Processes put in place to ensure that the quality of products/services/ systems adhere to pre-set standards with minimal defects/delays/short-comings.
- Ensuring that every process is aimed to get the product 'right the first time' and prevent mistakes from happening.

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1.4 Quality management

- Refer to techniques/tools used to design/ improve the quality of a product.
- Can be used for accountability within each of the business functions
- Aims to ensure that the quality of goods/services is consistent/Focuses on the means to achieve consistency

1.5 Quality performance

- Total performance of each department measured against the specified standards.
- Can be obtained if all departments work together/ towards the same quality standards.
- Quality is measured/ through physical product/statistical output of processes/surveys of the users and/or buyers of goods/services.

1.6 Quality management system (QMS).

- It a formalized system that document processes, procedures, policies and objectives.
- Coordinates and direct organization's activities to meet customer satisfaction. Improve its systems effectiveness and efficiency on a continuous basis.
- A "culture" of coming up consistence in doing systems and processes are created

ACTIVITY: 1

Choose a description from COLUMN B that matches a term in COLUMN A.

Write only the letter (A- H) next to the question numbers (1.1.1 to 1.1.5) in the ANSWER BOOK.

Column A	Column B
1.1 Quality	A. It a formalized system that document processes, procedures, policies and objectives.
1.2 Quality control	B. Total performance of each department measured against the specified standards
1.3 Quality assurance	C. Refer to techniques/tools used to design/ improve the quality of a product
1.4 Quality management	D. Ensures that required standards have been met at every stage of the process.



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1.5 Quality Performance	E. Includes setting targets/measuring performance and taking corrective measures
1.6 quality management system	F. It is measured against specific criteria such as physical appearance /reliability/durability/sustainability/after-sales services.
	G. Plan, Do, Check and Act model H. Quality circles being used in organized sittings.

• Differences between quality control and quality assurance

QUALITY CONTROL	QUALITY ASSURANCE
<input type="checkbox"/> Inspection of the final product to ensure that it meets the required standards.	<input type="checkbox"/> Carried out during and after the production process to ensure that required standards have been met at every stage of the process.
<input type="checkbox"/> Includes setting targets/measuring performance and taking corrective measures.	<input type="checkbox"/> Ensures that every process is aimed at getting the product right the first time and prevents mistakes from happening again.
<input type="checkbox"/> Checking raw materials/employees/Machinery/ workmanship/products to ensure that high standards are maintained.	<input type="checkbox"/> The 'building in' of quality as opposed to 'checking for' quality

• Differences between quality management and quality performance

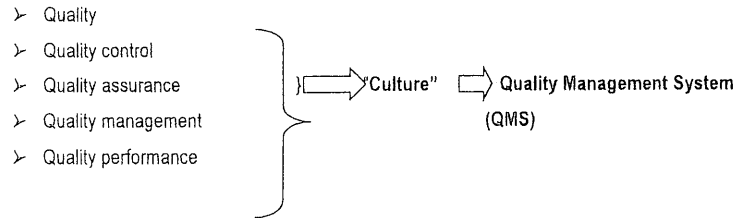
QUALITY MANAGEMENT	QUALITY PERFORMANCE
<input type="checkbox"/> Techniques/tools used to design/ improve the quality of a product	<input type="checkbox"/> Total performance of each department measured against the specified standards
<input type="checkbox"/> Can be used for accountability within each of the business functions	<input type="checkbox"/> Can be obtained if all departments work together towards the same quality standards
<input type="checkbox"/> Aims to ensure that the quality of goods/ services consistent/ focuses on the means to achieve consistency	<input type="checkbox"/> Quality is measured through physical product/ statistical output of processes/ surveys of the users and/ or buyers of goods/ services

NOTES:

If customers are happy about business's products or services quality, quality control, quality assurance, quality management and quality performance. It then needs a culture to remain consistent with the above.

The "culture" is then called QMS.

- The South African journal of Industrial Engineering: Vol 28 no.2 August 2017 states that Eskom lost it on its QMS, no wonder the SOC is on its "knees"!
- ESKOM falls short on "culture" for documented procedures, policies, processes (Vol 28 no.2 August 2017). This culture is then called Quality Management System (QMS).



- NOTE: since you have given proper discussion on culture, and referred to ESKOM case learners, know, allow learners lead the benefits/advantages of QMS

NOTES:

- Success and/or failure of each business function must be confused with quality indicators.
- Success of each business function are control systems for each and every department.
- success and/or failure of each business function

1. General management function:

Success activities	Failure activities
◦ Strategic planning in place	◦ Lack of sound strategic planning in place
◦ Organizing resources	◦ Poor organization of resources
◦ Communicating the vision and goals of the business	◦ Poor in communicating the vision and goals of the business
◦ Motivating and directing the efforts of workers	◦ Demotivated staff who have misguided efforts of workers

2. Marketing function:

Success activities	Failure activities
Sound advertising/sampling campaigns	Disorientated advertising/sampling campaigns
Effective pricing techniques (psychological pricing, bait pricing, etc.)	Ineffective pricing techniques.
Win market share	Failure to win market share

3. Purchasing function:

Success activities	Failure activities
Buy raw materials in bulk, to qualify for discounts.	No proper planning in buying raw materials.
Suppliers reliable used	No database of suppliers used
Placing orders in time	Orders are placed disorderly

4. Production function:

Success activities	Failure activities
Quality control system in place	No control systems for quality
Production costs properly calculated	Undocumented production costs
Well document production systems	Unclear production systems (mass/batching/jobbing)

5. Public Relations function:

Success activities	Failure activities
Informative press release is conducted.	Limited/no press release issued
Proper corporate social investment projects are done	Unstructured corporate social investment are carried out.
Business enjoys good public image	No public image enjoyed by the business

NOTES:

1. **Contribution of the general management function to quality indicators**

- Develop/Implement/Monitor effective strategic plans.
- Efficient organization/allocation of business resources to provide for the successful achievement of long-term and short-term plans.
- Structured standards and norms should be in place so that control mechanisms can be implemented.
- Learn about/understand changes in the business environment on an on-going basis.
- Effectively communicate shared vision, mission and values.
- Set direction and establish priorities for their business.
- Be prepared to set an example of the behaviour that is expected from employees in terms of ethics as well as productivity.
- Be proactive and always seeks to improve competitive advantage over competitors.
- Ensure that all departments/the business meet their deadlines/targets.

2. **Contribution of the production function to quality indicators**

- Provide high quality services/products according to specifications.
- The production/operating processes of a business should be done correctly through proper production planning and control.
- Products and services should be produced at the lowest possible cost to allow for profit maximisation.
- Businesses should clearly communicate the roles and responsibilities to the production workforce.
- Products must meet customers' requirements by being safe, reliable and durable.
- Businesses should have good after-sales services and warranties.
- Empower workers so that they can take pride in their workmanship.
- Get accreditation from the SABS/ISO 9001 to ensure that quality products are being produced.
- Specify the product or service standards and take note of the factors that consumers use to judge quality.
- Monitor processes and find the root causes of production problems.

- Implement quality control systems to ensure that quality building products are consistently being produced.
- Utilise machines and equipment optimally.
- Accurately calculate the production costs.
- Select the appropriate production system e.g. mass/batch/jobbing.

3. **Contribution of the purchasing function to quality indicators**

- Buy raw materials in bulk at lower prices.
- Select reliable suppliers that render the best quality raw materials/capital goods at reasonable prices.
- Place orders timeously and regular follow-ups to ensure that goods are delivered on time.
- Effective co-ordination between purchasing and production departments so that purchasing staff understand the requirements of the production process.
- Required quantities should be delivered at the right time and place.
- Implement and maintain stock control systems to ensure the security of stock.
- Maintain optimum stock levels to avoid overstocking/reduce out-dated stock. □ Monitor and report on minimum stock levels to avoid stock-outs.
- Effective use of storage space and maintain product quality while in storage.
- Involve suppliers in strategic planning/product design/material selection/quality control process.
- Ensure that there is no break in production due to stock shortages.
- Establish relationships with suppliers so that they are in alignment with the business's vision/mission/values.
- Have a thorough understanding of supply chain management.

4. **Contribution of the marketing function to quality indicators**

- Increasing their market share.
- Winning customers by satisfying their needs/wants/Building positive relationships.
- Adhering to ethical advertising practices when promoting products/services.
- Identifying a competitive advantage to focus/improve on marketing strengths.
- Differentiating products in order to attract more customers.
- Constantly reviewing value issues.

- Communicating effectively with customers to get feedback about their experience of products sold/services rendered.
- Co-ordinating distribution with production and advertising strategies.
- Using pricing techniques to ensure a competitive advantage.
- Determine gaps between customer expectations and actual experiences, so that problems/unhappiness may be diagnosed and addressed.
- Making adjustments and changes to products/services based on feedback from customers/results of market research.
- Using aggressive advertising campaigns to sustain/increase the market share.

5 Contribution of the financial function to quality indicators

- Obtain capital from the most suitable/available/reliable sources.
- Negotiate better interest rates in order to keep financial cost down.
- Draw up budgets to ensure sufficient application of monetary resources.
- Keep financial records up to date to ensure timely/accurate tax payments.
- Analyse strategies to increase profitability.
- Invest surplus funds to create sources of passive income.
- Implement financial control measures/systems to prevent fraud.
- Implement credit granting/debt collecting policies to monitor cash flow.
- Draw up accurate financial statements timeously/regularly.
- Accurately analyse and interpret financial information.
- Invest in strategies that will assist the business to remain profitable.
- Avoid over/under-capitalisation so that financial resources will be utilised effectively.

6. Contribution of the public function to quality indicators

- Dealing quickly with negative publicity/less/little/no incidents of negative publicity.
- Providing regular/positive press releases.
- Implement sustainable Corporate Social Investment (CSI) programmes.
- Good results of/Positive feedback from public surveys on business image.
- High standard of internal publicity/appearance of buildings/professional telephone etiquette, etc.
- Deliver quality goods/services that promote the brand/image with key stakeholders/customers/suppliers/government/service providers.

NOTES:

- Assist learners to name the elements of TQM (k)
 - Continuous improvement to processes and system
 - Continuous skills development/ Education and training
 - Total client/customer satisfaction
 - Adequate financing and capacity
 - Monitoring and evaluation of quality processes
- Explain these elements (k)
 - Allow learners to discuss each element in their small groups
 - Consolidate after they have done presentations
- Identify the elements from statements given/scenario (s)
 - This is the application of the information you discussed with them.
- Impact of the FIVE elements on large businesses (s,k)

1. Impact of continuous improvement to processes and systems on large

businesses

- **Positives/Advantages**
 - Large businesses have more resources to check on quality performance in each unit.
 - Enough capital resources are available for new equipment required for processes and systems.
 - Large businesses have a person dedicated to the improvement of processes and systems.
 - Willing to take risk on/try new processes and systems because they are able to absorb the impact of losing money.
 - They can afford to use the services of the quality circles to stay ahead of their competitors.

AND/OR

➤ **Negatives/ Disadvantages**

- Large scale manufacturing can complicate quality control.
- Systems and processes take time and effort to implement in large businesses as communication/buy-in may delay the process.
- Risk of changing parts of the business that are actually working well.
- Not all negative feedback from employees and customers is going to be accurate, which may result in incorrect/unnecessary changes to systems and processes.

2. Impact of continuous skills development/Education and training on large businesses

Positives/Advantages

- Large businesses have a human resources department dedicated to skills training and development.
- Human resources experts ensure that training programmes are relevant to increased customer satisfaction.
- Ability to afford specialised/skilled employees.
- Large businesses could conduct skills audits to establish the competency/education levels of staff performing work which could affect the quality of products/processes positively.
- May be able to hire qualified trainers to train employees on a regular basis.

AND/OR

Negatives/Disadvantages

- Poor communication systems in large businesses may prevent effective training from taking place.
- Trained employees may leave for better jobs after they gained more skills.
- De-motivates employees, if they do not receive recognition for training.

- Employees who specialise in narrowly defined jobs may become frustrated/ demotivated.
- Employees may not be aware of the level of competency they should meet in order to achieve their targets.
- It may be difficult to monitor/evaluate the effectiveness of training.

3. Impact of total client/customer satisfaction on large businesses

Positives/Advantages

- Large businesses uses market research/customer surveys to measure/ monitor customer satisfaction/analyse customers' needs.
- Continuously promote a positive company image.
- May achieve a state of total customer satisfaction, if businesses follow sound business practices that incorporate all stakeholders.
- Strive to understand and fulfil customer expectations by aligning cross-functional teams across critical processes.
- Ensures that cross-functional teams understand its core competencies/ and develop/strengthen it.
- May lead to higher customer retention/loyalty and businesses may be able to charge higher prices.
- Large businesses may be able to gain access to the global market.
- May lead to increased competitiveness/profitability.

AND/OR

Negatives/ Disadvantages

- Employees who seldom come into contact with customers often do not have a clear idea of what will satisfy their needs.
- Monopolistic companies have an increased bargaining power/ so they do not necessarily have to please customers.

- Not all employees may be involved/ committed to total client satisfaction.

4. **Impact of adequate financing and capacity on large businesses**

Positives/ Advantages

- Large businesses have sufficient financing to test everything before implementing.
- They can afford to have systems in place to prevent errors in processes/defects in raw materials/products.
- Able to afford product research/market researchers to gather information. □ Can afford to purchase quality raw materials and equipment.

AND/OR

Negatives/ Disadvantages

- If the demand for company's product increases, orders begin coming in faster than expected, and the company lacks the capital required to fund the production of the stock to fill the orders.
- These rapidly growing companies can consume large amounts of capital as they try to balance normal operations and expansion.

5. **Impact of monitoring and evaluating quality processes on large businesses**

Positives/ Advantages

- Prevents product defects and minimises wastage/customer complaints.
- Good quality checks/procedures minimises the replacement/breakdown of equipment/machinery on a regular basis.
- May be equipped to get things done right the first time.
- Improve performance and maintain high quality standards.
- Improve current and future management of quality outputs/outcomes/impact.

- Provide clear indication about quality aspects that are contributing to the achievement of goals/targets.
- Modify interventions that may improve the efficient use of resources.
- Support management to acquire information needed to make informed decision about processes. □ Cost of production is reduced as deviations from set standards can be corrected.
- Strategies are revised in order to improve the quality of the product and services/business image.
- Allows for quality control checks and procedures at key points.
- Key performance indicators are carefully selected to monitor and evaluate the outcome.
- Benchmarking is used to find best practices in order to determine the competitive position of the business.
- Quality circles meet on regular basis to evaluate the progress in terms of quality.
- Continuous research is conducted on latest developments to ensure that TQM planning is up to date.

AND/OR

Negatives/ Disadvantages

- Large businesses are often divided and the departments work in silos. It is difficult to get everyone to communicate.
- It often takes longer to detect problems or respond to weaknesses □ It is not viable to check quality of all the products

NOTES:

- Application of the PDCA model
 - State what does each letter stand for
 - Why PDCA?
 - Effective approach to implement systems and processes
 - The PDCA model forms part of the TQM element continuous improvement to processes and systems
 - The model is useful for testing improvement measures (systems and processes) on a small scale/phases before going full scale.
 - Application of the PDCA model:
 - Plan:**
 - The business should identify the problem.
 - Develop a plan for improvement to processes and systems.
 - Answer questions such as 'what to do' and 'how to do it'.
 - Plan the method and approach.
 - Do**
 - The business should implement the change on a small scale.
 - Implement the processes and systems
 - Check/Analyse:**
 - Use data to analyse the results of change. ○ Determine whether it made a difference.
 - Check whether the processes are working effectively.
 - The business should assess, plan and establish if it is working/if things are going according to plan
 - Act as needed:**
 - Institutionalise the improvement.
 - Devise strategies on how to continually improve.
 - If the change was successful, implement it on a wider scale. ○ Continuously revise the process.
- Role/importance of quality circles
 - Solve problems related to quality and implement improvements.

- Investigate problems and suggest solutions to management.
- Ensure that there is no duplication of activities/tasks in the workplace.
- Make suggestions for improving systems and processes in the workplace.
- Improve the quality of products/services/productivity through regular reviews of quality processes.
- Monitor/Reinforce strategies to improve the smooth running of business operations.
- Reduce costs of redundancy in the long run.
- Increase employees' morale/motivation.
- Quality circles discuss ways of improving the quality of work/workmanship.
- Contribute towards the improvement and development of the organisation.
- Reduce costs/wasteful efforts in the long run.
- Increase the demand for products/services of the business.
- Create harmony and high performance in the workplace.
- Build a healthy workplace relationship between the employer and employee.
- Improve employees' loyalty and commitment to the organisation and its goals.
- Improve employees' communication at all levels of the business.
- Develop a positive attitude/sense of involvement in decision making processes of the services offered.

Activity 2:

2.1

Mavuma Projects (MP)

Mavuma Projects (MP) specializes in software development in a tailor-made approach. It has started with the answering of questions such:

- as 'what to do' and 'how to do it'.
- Plan the method and approach.
- The business should implement the change on a small scale.
- Implement the processes and systems

- 2.1.1 Quote TWO plan part of the PDCA model from the scenario above (2)
- 2.1.2 Outline the application of "check" and "act" from the PDCA model (8)

NOTES:

Impact of TQM if poorly implemented by businesses

- Setting unrealistic deadlines that may not be achieved.
- Employees may not be adequately trained resulting in poor quality products.
- Decline in productivity, because of stoppages.
- Businesses may not be able to make necessary changes of products/services to satisfy the needs of customers.
- Business reputation/image may suffer because of poor quality/defective goods.
- Customers will have many alternatives to choose from and the impact could be devastating to businesses.
- Investors might withdraw investment, if there is a decline in profits.
- Decline in sales as more goods are returned by unhappy customers.
- High staff turnover, because of poor skills development.
- Undocumented/Uncontrolled quality control systems/processes could result in errors/deviations from preset quality standards.

Ways in which TQM can reduce the cost of quality

- Introduce quality circles to discuss ways of improving the quality of work/ workmanship.
- Schedule activities to eliminate duplication of tasks.
- Share responsibility for quality output amongst management and workers.
- Train employees at all levels, so that everyone understands their role in quality management.
- Develop work systems that empower employees to find new ways of improving quality.
- Work closely with suppliers to improve the quality of raw materials/inputs.
- Improve communication about quality challenges/deviations, so that everyone can learn from experience.
- Reduce investment on expensive, but ineffective inspection procedures in the production process.
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns.

ACTIVITY 3.1 Read the scenario below and answer the questions that follow

PETER SHOES LIMITED (PSL)

The management of PSL continuously improves on their processes and systems. Management always request quality circles to investigate problems that are related to poor quality products. Quality circles also increase productivity through regular reviewing processes.

3.1.1. Quote TWO roles of quality circles as part of the continuous improvement to processes and systems in the scenario above. (2)

3.1.2 Explain other roles of quality circles as part of the continuous improvement to processes and systems.

INVESTMENT SECURITIES

NOTES :

Functions of JSE

- Serves as a barometer/indicator of economic conditions in South Africa.
- Keeps investors informed on share prices by publishing the share prices daily.
- Acts as a link between investors and public companies.
- Shares are valued and assessed by experts.
- Small investors are invited to take part in the economy of the country through the buying/selling of shares.
- Venture capital market is made available on the open market.
- Orderly market for securities serves as a disciplined market for securities.
- Encourages new investments.
- Mobilises the funds of insurance companies and other institutions.

ACTIVITY 1

1.1 Outline functions of JSE. (8)

1.2 Elaborate on the meaning of the following investment concepts.

1.2.1 Dividends (2)

1.2.2 Capital gain	(2)
1.2.3 Simple interest	(2)
1.2.4 Compound interest	(2)
1.2.5 Shares	(2)
1.2.6 Risk	(2)

NOTES:

Factors to be considered when making an investment decision

Return on investment

- Refers to income from the investment, namely interest/dividends/increased capital growth on the original amount invested.
- High risk investments yield higher returns.

Risk

- Shares have low/medium risk over a longer investment period.
- Shares with higher risks have a greater potential for higher returns.
- Ordinary shares have the highest risk as the investor may lose the full/part of the investment when the company is dissolved/bankrupt/liquidated.

Investment period

- This refers to the duration of the investment which may influence the return on investment.
- The longer the investment period the higher the returns.
- The investment period will depend on an investor's personal needs.

Inflation rate

- The return on investment should be higher than the inflation rate.
- Inflation has a positive effect on some investments such as property/shares where the income will increase as inflation increases.

Personal budgets

- Investors can determine the amount of surplus money that can be invested.
- Investors must budget for unforeseen costs.
- Budget should provide for contingency plans/investments/savings.

Liquidity

- An amount could be invested in a type of investment that can easily be converted to cash.
- It is used to describe the ease and speed with which investors can convert an investment into cash.

Taxation

- A good investment will yield good after-tax returns.
- Income tax implications must be considered in order to ensure a high net after-tax return.

Investment planning factors

- Investors should always consider the safest possible investment opportunities.
- Some investments offer a low income on invested capital, but it could be a safer investment than one that promises a higher income.

Volatility/Fluctuations on investment markets

- Fluctuation in national and international economic trends should be considered.

The level of volatility will determine the amount of returns

ACTIVITY 2

2.1 Explain the following factors that must be considered when making an investment decision.

2.1.1 Inflation	(4)
2.1.2 Investment period	(4)
2.1.3 Return on investment	(4)
2.1.4 Liquidity	(4)

NOTES:

Types of investments opportunities and risk factors

Fixed Property

- Buying a house/piece of land is usually suitable as a long term investment only.
- Large fees/taxes are payable on these transactions, so property cannot be bought/sold every year.
- Return on property is earned in the form of rental/sales/capital gains at a higher price than what it was bought for (including the transfer costs and taxes).
- The location/size of the property may also influence the growth in value over time.

Risk

- Low risk over a long term.
- Risk may be determined by economic conditions and may influence the value of property.

Mutual funds/Stokvels

- It is an informal savings scheme to which a relatively small group of people contribute.
- Each member takes a turn to draw from the scheme/fund/stokvels for their own personal gain.
- No/Small return on investment, as contributions are distributed monthly to one of the members.
- It encourages people to save each month for a specific reason.
- Banking fees are shared by the members, resulting in low cost of investment per member.
- In times when it is hard to get bank loans, stokvel pay-outs may come in handy.
- A stokvel is usually managed by a trustworthy chairman/treasurer, who will be responsible for keeping records and managing the bank account.
- Members usually discuss how the money will be invested and agree on the risks they are willing to take.

Risk

- Schemers who claim to be running stokvels may actually be running illegal pyramid schemes and pay-outs may not be possible as cash has run out/members may lose their savings.
- Money in a savings account is a safe investment, but with low interest rates/the returns are low.

Managed portfolio

- An investor instructs a financial institution/bank/financial advisor to manage his/her various investments/assets in one portfolio.
- If the portfolio does not perform well/as expected, the portfolio/parts thereof may be changed with/without informing the investor.

Risk

- Risk is lower over a longer term/period.
- Investments are made in various sectors/companies, therefore the risk is spread and better managed by the portfolio manager.
- Money is usually invested in the capital market and unforeseen circumstances may impact negatively on the value of the portfolio on the short term/High risk over the short term.

Fixed deposit

- It is a very conservative method of investment at a fixed rate for a fixed period/at a financial institution/bank.
- Money cannot be withdrawn/added during the period of the deposit.
- Investors have to be certain that they will not access/need the money for the period of the deposit.



Risk

- Very low as the investor will receive what was promised.
- As the interest rate is usually fixed, the return will not be affected by market fluctuations.

32-day notice accounts/Call Deposits

- Money is invested at a fixed rate, although withdrawals may be made provided the bank is given 32 days' notice of the withdrawal.
- It earns more interest than a current/cheque/savings account, but less interest than a fixed deposit.

Risk

- Low risk, as investment plus interest will be paid out on the maturity date of investment.
- Interest is calculated on the daily balance, accelerating the value/return on the investment/lowering the risk.
- Interest rate may fluctuate with market conditions, increasing the risk.

Debentures

- It is issued to raise borrowed capital from the public.
- The lender/debenture holder agrees to lend money to the company on certain conditions for a certain period.
- Debenture holders are creditors, as the company is liable to repay the amount of the debentures.
- Most types of debentures can be traded on the JSE.
- Debenture holders receive annual interest payments based on the terms/ amount of debentures held.

Risk

- Debentures have a low risk as they need to be paid back.
- Companies are liable to repay the amount of the debenture plus interest, which decrease the risk for the investor.
- Investors may earn a steady income in the form of interest while preserving their principal amount.

Business Ventures/Venture capital

- Venture capital is given by an investor/businesses to start up/expand a business in return to have a share in the new/expanded business.
- Investor(s) should know the type of business/market/economic conditions before a business is bought/started.
- Buying a franchise/existing businesses will be successful, if the investors has done proper research/understand exactly what he/she is investing in.

Risk

- High risk for the investor(s), if research is not properly done.
- Inexperienced business owners that make wrong business decisions may experience big losses/closing down of an existing business.

Endowment/Life insurance policies/Retirement Annuities

- A monthly payment is paid to an insurance company with the expectancy of receiving a pre-determined amount on a date in the future.
- To provide for a future expenses/give peace of mind to the dependants of the insured.

Risk

- Low risk, as the insured amount will be paid out regardless of circumstances.
- Only the closing down/bankruptcy of the insurance company may result in losing the monthly contributions made up to the close down date.

Unit trusts

- It is a collection of investment options/methods made up of shares in different companies.
- The investments of a number of investors are pooled together in a unit trust fund, managed by a fund/portfolio manager/expert.
- Can be bought directly from the accredited service providers.

Risk

- Investment may be made in high and low risk shares, which spread the risk throughout the fund and lowers the risk for all the investors/fund members.
- Fund managers are able to manage the risk level of the fund on behalf of the investors.

Shares

- Companies sell/issue portions of its ownership to shareholders in the form of shares on the open market to obtain capital/funds to operate its core business.
- Shares give the holder one vote per share and the right to receive a dividend (portion of the profit).
- Companies do not have to repay share capital and is therefore risk avoiding capital.
- Shares of listed companies are traded on the JSE.
- Shares can be bought/sold through stock/share brokers to whom a brokerage/fee will be paid by the investor.
- Types of shares differ with respect to the claims to profits/dividends/voting rights/claims to assets should the company be liquidated.
- Ordinary shares can be divided into different types, e.g. blue chip/bonus/ growth/income/defensive shares.
- Ordinary shares have no special rights or restrictions and may yield/earn higher dividends, but also have higher risk.
- Types of preference shares are cumulative/non-cumulative/participating/non-participating/redeemable/nonredeemable/convertible/non-convertible shares.
- Preference shareholders mostly receive a fixed dividend and are paid before other shareholders.

Risk

- Shares have low/medium risk over a long term/investment period.
- Ordinary shares have the highest risk as the investor may lose the full or part of the investment when the company is dissolved/bankrupt/liquidated.
- Preference shareholders' risk is lower, as they have preferential claims on the assets of the liquidated company/may receive some compensation before ordinary shareholders.



- Share prices are linked to factors that investors cannot control, e.g. economic conditions, operational success of the company, etc.
- Share prices are volatile/unstable/unpredictable/share values may increase/ decrease sharply within hours which contribute to the uncertainty of the value of an investment on the short term.

RSA Retail Savings Bonds

- To encourage saving, the SA Government offers SA citizens the opportunity to invest in saving bonds. Two different types of bonds are available, i.e. fixed rate/inflation linked retail savings bonds. A market related interest rate is determined when investment is made and remains fixed for the whole term of the investment.
- Interest is earned half-yearly on 31 March and 30 September and paid out into the bond holder's/investor's bank account.
- It cannot be used as security to obtain loans, so creditors cannot have any claim on it.
- It can be inherited by a nominated beneficiary/when the investor dies.

Risk

- Risk is very low, as an investment is made in the government who cannot disappear/go bankrupt. It is a safe investment, as it cannot be sold on the open market/not exposed to market risks.

ACTIVITY 3

3.1 Identify the types of investment opportunities that were used on each of the following statements.

- 3.1.1 The King Inc invested 500 000 for six months at 12% interest with a financial institution (2)
- 3.1.2 The King Inc received dividends for their portion of ownership at Range Ltd. (2)
- 3.1.3 Evaluate the impact EACH of the form of investment identified in QUESTION 3.1.1 & 3.1.2. (8)

ACTIVITY 4

Distinguish between ordinary and preference shares. (12)

4.1 Identify the type of shares represented by EACH statement below:

- 4.1.1 Shares are issued to existing shareholders for compensation for loss of dividends. (2)
- 4.1.2 Shareholders receive their dividends before others can be paid (2)
- 4.1.3 There shares are issued to shareholders who started the company (2)

These shareholders may receive higher dividends when the company has made large profit

TEAM PERFORMANCE, CONFLICT MANAGEMENT AND PROBLEM SOLVING

NOTES:

- A **team** is a group of people who work together to achieve a common goal. Business may use teams in various situations, for example, a management team., quality circles, financial team and production team. However, businesses will not be able to achieve these goals if employees fail to work together. Therefore, ALL employees should understand the importance of team work within the workplace.
- When discussing Team Performance, it is important for the teacher to explain the following concepts: teamwork, task/workplace, collaboration/cooperation, mutual, commitment, accountability, shared values.

ACTIVITY 1

- 1.1 State any TWO characteristics of successful team performance. (4)
- 1.2 Discuss any THREE criteria for successful teams. (9)

NOTES :

DESCRIPTION OF EACH STAGE OF TEAM DEVELOPMENT

Forming stage

- Individuals gather information and impressions about each other and the scope of the task and how to approach it.
- Teams are comfortable and polite with each other during this stage.
- People focus on being busy with routines, such as team organisation e.g. who does what, when to meet each other.

Storming

- Teams go through a period of unease/conflict after formation.
- Different ideas from team members will compete for consideration.
- This stage is necessary/important for the growth of the team.

Norming/Settling/Reconciliation

- Team members come to an agreement and reach consensus.
- Roles and responsibilities are clear and accepted.

- Conflict may occur, but commitment and unity are strong.

Performing stage

- Team members are aware of strategies and aims of the team.
- Process and structures are set.
- Leaders delegate and oversee the processes and procedures.

Adjourning/Mourning

- The focus is on the completion of the task ending the project.
- All tasks need to be completed before the team finally dissolves.

ACTIVITIES ON STAGES OF TEAM DEVELOPMENT

ACTIVITY 1

1.1 Identify the stage of team development which is represented by EACH of the statements below:

- 1.1.1 During this stage the team members get to know each other.
- 1.1.2 Team members confront each other's ideas.
- 1.1.3 Team members are motivated and are working together.
- 1.1.4 Team members reach agreement and consensus.(8)

NOTES TO TEACHER:

- Team dynamic theories explain how effective teams work/operate.
- Theories assist team leaders to understand the personality types of team members so that the tasks are assigned more effectively.
- Conflict may be minimised when team members perform different roles.
- Businesses are able to allocate tasks according to the roles of team members.
- Team members with similar strengths may compete for team tasks/responsibilities that best suit their abilities/competencies.

ACTIVITY 1

- 1.1 Define team dynamics. (2)
- 1.2 List FIVE team dynamic theories that can be used by businesses. (5)

ACTIVITY 2

- 2.1 Advise businesses on the importance of team dynamic theories in improving team performance. (8)

NOTES:

MEANING OF CONFLICT

- Conflict is a disagreement/clash of opinions in the workplace.
- Disagreement between two or more parties in the workplace.

WHAT IS CONFLICT

- Is the process of handling the situation while interacting with the different people in the workplace.
- It is the management's ability and skill to handle a situation.
- It is about harmony and resolve conflict/problems in the workplace.

RECAP GRADE 10 CONTENT ON LEVELS OF MANAGEMENT

- Top level
- Middle level
- Lower level

RECAP GRADE 11 CONTENT ON CONFLICT MANAGEMENT

- Definition of conflict
- Explanation of conflict management
- Causes of conflict
- Importance of resolving conflict in the workplace

NOTE: Once this is done, proceed with teaching the Grade 12 content.

ACTIVITY 1

- 1.1 Read the scenario below and answer the question that follows.

WANDILE'S CLOTHING MANUFACTURERS (WCM)
 Wandile is the manager of a clothing manufacturing company. His employees are not satisfied about shortage of resources and unfair workloads. Most employees are frustrated by poor leadership. Stress levels run high because of personal differences.

- 1.1.1 Identify FOUR possible causes of conflict from the scenario above. (4)
- 1.1.2 Explain **other** causes of conflict in the workplace. (8)

NOTES:

- **Grievance** is a formal complaint laid by an employee when he/she feels that he/she has been ill-treated by the employer.
- It is when an individual/groups have a work-related issue.

Distinguish between Grievance and Conflict

GRIEVANCE	CONFLICT
<ul style="list-style-type: none"> ◦ When an employee is unhappy/has a problem in the workplace. 	<ul style="list-style-type: none"> ◦ Clash of opinions/ideas/view points in the workplace.
<ul style="list-style-type: none"> ◦ It is when an individual/group has a work-related issue. 	<ul style="list-style-type: none"> ◦ Disagreement between two or more parties in the workplace.
<ul style="list-style-type: none"> ◦ Examples leading to grievance: <ul style="list-style-type: none"> -Discrimination -Unfair treatment -Poor working conditions 	<ul style="list-style-type: none"> ◦ Examples leading to conflict: <ul style="list-style-type: none"> -A lack of trust -Miscommunication -Personal clashes/different values

NOTE: Emphasise on the examples of Grievance and Conflict

ACTIVITY 1

- 1.1. Outline steps to resolve conflict. (6)
- 1.2. Explain the correct procedure to deal with grievance in the workplace. (8)

NOTES:

- Bring to learner's attention that as long as there are people, you will have conflicts, because of their different personalities and characteristics/traits.
- Get learners involved by asking them to identify the difficult personalities listed below.
- Different types of difficult personalities are as follows:
- - **Complainer**- a person who has a problem with everything.
- **Indecisive**- cannot make a decision/s.
- **Over-agree** – over committing with everything/saying "yes" to everything.
- **Negativity**- a person who's a pessimist.
- **Expert**- person who thinks/ claims to know it all.
- **Quiet**- a person who says very little/limited contributions to discussion.

NOTE: Try to create logical flow of points so that it makes it easier for learners to remember facts.

ACTIVITY 1

1 Match the type of personality in Column A with strategies on how to deal each personality type in Column B. Write only the correct LETTER in your answer book. E.g. 1. 6 D

COLUMN A	COLUMN B
1.1 Quiet	A. Nick gets very frustrated as Happy does not provide inputs during meetings, however he emphasizes the importance of solving the problem
1.2 Over-agree	B. Andile constantly interrupts Akhona when she starts to complain and moves her back to the problem-solving process
1.3 Indecisive	C. Nelly is very firm and does not let Sabelo's bad attitude affect her
1.4 Complainer	D. Conrad waits for Henry to calm down and does not allow him to bad-mouth others
1.5 Negative	E. Vicky is very careful not to fill Lilly's silence with words and waits for her response
	F. Capella is always in favour of whatever everyone

(10)

ACTIVITY 2

2.1 Suggest ways a business can deal with difficult employees in the workplace.

(8)

FORMS OF OWNERSHIP

Notes			
Characteristics, advantages and disadvantages of forms of ownership			
Forms of ownership	Characteristics	Advantages	Disadvantages
Sole proprietor	<ul style="list-style-type: none"> • A sole trader is a business that is owned and managed by one person. • A sole trader has limited company for expansion and lacks continuity of existence. • Responsible for all the financial/ management decision. 	<ul style="list-style-type: none"> • Easy to control since it is a small business. • One owner so there is no disagreements. • Can make quick decisions without having to consult others. 	<ul style="list-style-type: none"> • Difficult to continue and grow long term. • Owners has to rely on own decisions and could make incorrect ones. • If profits get too big may end up paying high tax in personal capacity.
Partnership	<ul style="list-style-type: none"> • There is no limitation on numbers of partners. • The partnership does not pay income tax, only the partners in their personal capacities. • Jointly liable for legal/financial/ethical problems. 	<ul style="list-style-type: none"> • Partners are actively involved in management and may use the ideas of other partners. • Not all partners need to be actively involved in management and would rather appoint competent managers. • Easy and expensive to establish/partners must draw up partnership agreement. 	<ul style="list-style-type: none"> • Decision making can be time consuming as all partners have to be in agreement. • Some management tasks may be neglected, as one partner may leave it to others to complete. • Partners may disagree on how to run the business, which may lead to tension between them.

Private company	<ul style="list-style-type: none"> The company name ends in (PTY) Ltd. Public cannot buy shares in a private company Limited liability, jointly shareholders and is a separate legal entity. 	<ul style="list-style-type: none"> Can obtain tax rebates if they are involved in SCI projects. Capital can be increased by getting more shareholders. The company and its owners (shareholders) are separate entities, which may encourage more people to join the company 	<p>Shares are not freely transferable, so less capital can be raised.</p> <p>If the company fails to attract financially strong shareholders, it may hamper its growth opportunities.</p> <p>Directors may not have a direct interest in the company, which can hamper growth and profit maximisation.</p>
Public company	<ul style="list-style-type: none"> Requires three or more directors and one or more shareholders. The name ends with Ltd. Public can buy shares in company. 	<ul style="list-style-type: none"> The business has its own legal identity. Easy to raise funds for growth through the sale of shares. Can appoint a knowledgeable board of directors. It is easy to buy and sell shares. 	<p>Large capacity of the company can also lead to its downfall in that structure.</p> <p>Large structure can result in decision making taking time. become too costly.</p> <p>Subject to double taxation e.g. shareholders pay secondary tax this can have a negative impact to a company that is already financially struggling.</p>

State owned company	<ul style="list-style-type: none"> The company name ends with SOC. Profits are distributed to all sectors. Offer essential services which may not be offered by the private sector. Requires three or more directors and one or more shareholders. 	<ul style="list-style-type: none"> Profits are distributed to all sectors. Profits may be used to finance other state departments/reduce taxes. Offer essential services which may not be offered by the private sector. 	<ul style="list-style-type: none"> May result to poor management as government is not always as efficient as the private sector. A lack of incentive for employees to perform if there is no share in the profit. Often rely on government subsidies.
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ACTIVITY 1

1.1. Complete the following statements by using the word(s) in the list below. Write only the word(s) next to the question number.

Partnership; prospectors; personal liability; unlimited liability; memorandum of incorporation; state owned; sole proprietor; non profit company; limited liability; co-operative society

- 1.1.1 Sanitizer Inc is as example of a _____ company. (2)
- 1.1.2 Zimiso & sons seized to exist when Zimiso died. (2)
- 1.1.3 In this form of ownership it is compulsory to hold annual general meetings. (2)
- 1.1.4 The South African government holds the majority of shares. (2)
- 1.1.5 A public company uses a _____ to invite the public to buy shares. (2)
- [10]

NOTES:

STATE-OWNED COMPANY

Definition

- A state owned company has the government as its major shareholder and falls under the department of Public Enterprise.
- These companies take on the role of commercial enterprise on behalf of the government.

Characteristics of a State-Owned Company

- The name ends with letters SOC.
- SOC is listed as a public company.
- It is owned by the government and operated for profit.
- Requires three or more directors and one or more shareholders.
- Register with the Registrar of Companies by drawing up Memorandum of Incorporation.
- State-owned companies support private businesses by providing infrastructure such as communication service /Post office and supply of electricity/Eskom.

IMPACT OF STATE OWNED COMPANIES

Positives/Advantages and/or Negatives/Disadvantages

Positives/Advantages	Negatives/Disadvantages
-Profits may be used to finance other state departments	-May result to poor management as government is not always as efficient as the private sector.
-Offer essential services which may not be offered by the private sector	-Inefficiency due to the size of the business
-Prices are kept reasonable/Create sound competition with the private sector to make services affordable to more citizens.	-Often rely on government subsidies which may not cover all the company's expenses
-Wasteful duplication of services is eliminated	-A lack of incentive for employees to perform if there is no absence of other motivator such as productivity bonuses.
-Planning can be coordinated through central control.	-Government can lose money through the business.
-Generates income to finance social programmes.	-A lack of incentive for employees to perform if there is

	no share in the profit.
-Jobs are created for all skills levels.	-Losses must be met by the tax payer.
	-Shares are not freely tradable making it difficult to raise capital.
	-SOC must follow strict regulations for operations to raise capital.
	-Financial statements must be audited

NON-PROFIT COMPANIES

Definition

- A non-profit company/NPO is not formed with intent to make a profit, but established for public benefit.

Characteristics of non-profit companies

- The main aim is to provide service and not to make a profit.
- They are funded by donations and foreign funding.
- The name of the company must end in NPC.
- All profits must be used for the primary objective of the non-profit company.
- It must prepare the Memorandum of Incorporation.
- Qualifying NPCs are granted tax-exempt status.

Impact of non-profit companies

Positives/Advantages and/or Negative/Disadvantages of non-profit companies

Advantages	Disadvantages
-Profits are used solely for the primary objective of the organisation.	-Need professional assistance to set up this organisation
-They provide social services to various communities.	-Does not generate enough capital to cover their expenses.
-Donors receive tax deductions.	-Donations may not always be enough.
-The liability of the members is limited	-Assets are not distributed to the members upon closing down.
-Has continuity of existence	-Creating a non-profit company takes time/effort/money.

-Most of the income of a non-profit company is free from income taxes.	-Obtaining grants can be a slow and tiring process.
-Can receive grants /financial aid	-Incorporators cannot take along the assets accumulated by the NPC if they decide to leave.
-Surplus of income is retained to further the goals of the business.	-They are not allowed to pay bonuses to members.

COOPERATIVES

Definition

• A cooperative is a traditional way of a group of interested parties getting together and sharing resources/infrastructures and costs to achieve a better outcome.

Characteristics of cooperatives

- Minimum of five members is required to start a cooperative.
- The word 'Cooperative Limited' must appear at the end of its name.
- They are motivated by service rather than profit.
- They are managed by a minimum of three directors.
- Decisions are taken democratically
- Members own and run the business together and share equally in its profits
- Legal entity and can own land and open bank accounts.
- Must register with the Registrar of Cooperatives Societies
- The objective of a co-operative is to create mutual benefit for the members.

Impact of cooperatives

Positives/Advantages and/or Negatives/ Disadvantages

Advantages	Disadvantages
-Access to resources and funding	-Decisions are often difficult to reach and time consuming.
-Decision making is by a group	-Difficult to grow a co-operative.
-Each member has an equal share in the business.	-Very few promotion positions for staff.

-A co-operative can appoint its own management.	-It can be difficult to get a loan because their main objective is not always to make a profit.
-Members have limited liability	-The success of cooperatives depends on the support of the members.
-The decisions are democratic and fair	-Shares are not freely transferable
-Members are motivated because they are working for themselves	-All members have one vote regardless of the number of shares held.
-Can gain extra capital by asking its members to buy shares.	
-Co-operatives have continuity of existence	
-Resources of many people are pooled together to achieve common objectives	
-Profits are shared equally amongst members.	

PRESENTATION

NOTES:

- Presentation of data and information is important for the operation.
- Various stakeholders use business information to make decision.
- Verbal presentation –oral presentation
- Non-verbal presentation presenter uses visual aids.(written report,scenarios,graphs)

ACTIVITY 1

SAM'S PRESENTATION
 Sam conducted a presentation on the impact of COVID_19 on his business. He could not finish his presentation due to many facts to his slides. He also distributed notes at the beginning of presentation without realising that some of his audience preferred other types of visual aids. Some of his audience became less attentive while he was doing his presentation as he was using too humour.

1.1 Identify Three errors that Sam made while presenting from the scenario.

1.2 Give learners task to compile short report and present it to class in groups.

NOTES:

- **Criteria for a logical and effective presentation.**
 - Planned
 - Structured
 - Organised
 - Prioritised
 - Developed with audience in mind
- **Factors to be considered when preparing presentation.**
 - List objectives and main points of the presentation.
 - Capture main aim in the opening
 - Information presented should be relevant and accurate.
- **Factors to be considered during presentation**
 - Maintain eye contact
 - Use visual aids effectively.
 - Movements, pauses etc.

ACTIVITY 2

2.1 Read the scenario below and answer the questions that follow.

DEE PHOLOBAS

Nelly, marketing manager of Dee pholobas, is preparing to present a business report to the stakeholders. She is fully conversant with the objectives of the presentation. Nelly also created visual aids that will support and enhance her information.

- 2.1.1 Quote Two factors that Nelly considered when preparing for her presentation in the scenario above. (2)
- 2.1.2 Advise Nelly on the factors that must be considered while presenting. (6)
- 2.1.3 Mention Two criteria for logical and effective presentation of information. (2)

NOTES

- **Examples of visual aids.**
 - Written report
 - Scenarios
 - Types of graphs
 - Power point
 - Overhead project
 - Explain process and style of presenting using visual aids.
- **Process in designing multimedia presentation.**
 - Start with text
 - Select background
 - Choose images.

3.1 Identify the type of visual aid used in each statement below.

The impact of visual aids.

POWER POINT	
Advantages	Disadvantages
<ul style="list-style-type: none"> ◦ Easy to combine with sounds 	<ul style="list-style-type: none"> ◦ Unable to show slide without electricity
Handouts	
<ul style="list-style-type: none"> ◦ Attract attention when distributed at the start 	<ul style="list-style-type: none"> ◦ Handlin out material at the start may distract the audience

ACTIVITY 3

- 3.1.1 Fortunate distributed hard copies of her plan. (2)
- 3.1.2 Brightness presented her sales figures displayed in columns to various stakeholders (2)

- 3.1.3. The marketing manager of Dee Pholobas is using slides to present the new designs of their product. (2)
- 3.1.4 Auditors of SS are using a special pen that allows them to write on the board and capture image on the computer. (2)

NOTES

- **Responding to questions and handling feedback in professional way.**
 - Calm
 - Acknowledgement
 - Remain professional
 - Avoid debate

- **Areas of improvements.**
 - Use hum our
 - Revise objectives
 - Adjust use of visual aid

ACTIVITY 4

- 4.1 Explain how the presenter should respond to questions about the presentation in a non-aggressive and professional manner.
- 4.2 Suggest areas for improvement in the next presentation for a presenter



HUMAN RIGHTS, INCLUSIVITY AND ENVIRONMENTAL ISSUES

NOTES:

HUMAN RIGHTS IN THE WORKPLACE

The following human rights are applicable in the workplace:

- Privacy
- Dignity
- Equity

- Freedom of speech and expression
- Information
- Safety, Security and protection of life

IMPLICATIONS OF HUMAN RIGHTS IN THE WORKPLACE

Privacy

- Businesses may not violate the rights of the employees and clients.
- They should not provide personal information about employees to anyone else.
- Information on employees who have disclosed their HIV/Aids status/any chronic illness must be kept confidential.
- It is illegal to read other people's emails/record conversations unless stated clearly and upfront.

Respect/Dignity

- Businesses must treat all employees with respect/dignity regardless of their socio-economic status.
- They should not force workers to do embarrassing or degrading work.

Equity

- Businesses must give equal opportunities/not discriminate against their employees on the basis of gender/race/religion/sexual orientation, etc.
- Equal pay for work of equal value.
- They should apply relevant legislation fairly on all levels.
- Managers should ensure that no employee suffers because of discrimination.

Freedom of speech and expression

- Businesses should allow open communication channels between management and employees.
- They should give employees a platform to raise their grievances without any victimisation.
- An employee should not be punished/discriminated against for voicing their opinion.

Information

- Workers should have access to information, including all information held by the government, e.g. policies/work schedules/employment contracts/labour laws such as BCEA/EEA/SDA, etc.

- Business needs to be transparent in their financial statements/Employees may request to see these statements with motivation.
- Employees should be informed/updated as new information becomes available.

Safety, security and protection of life

- Employees should work in a safe working environment free from hazardous products/areas.
- Provide workers with protective clothing, e.g. gloves and footwear, etc.
- Comply to safety legislation such as OHS/COIDA, etc.
- Take precautionary measures to ensure employees and their belongings are safe in the workplace.

ACTIVITY 1

- 1.1 Name any FOUR human rights in the workplace. (4)
- 1.2 Identify the human right that is applicable to EACH statement below:
- 1.2.1 Employees are not forced to do embarrassing or degrading work.
- 1.2.2 Employees personal information is kept confidential.
- 1.2.3 Businesses allow open communication channels between management and employees.
- 1.2.4 Employees are provided with protective clothing. (8)
- 1.3 Read the following scenario and answer the questions that follow:

Businesses are not only required to observe human and cultural rights in the workplace, but also to ensure that the workplace is diverse and inclusive. Many businesses respect and uphold the Constitution of South Africa.

- 1.3.1 Discuss the implications of the following human rights in the workplace:
- Privacy (4)
 - Equity (4)
 - Freedom of speech and expression (4)
- (24)

NOTES:

ECONOMIC RIGHTS OF EMPLOYEES IN THE WORKPLACE

- Free from forced labour
- Free to accept or choose work
- Fair wages/ Equal pay/ Equal pay for work of equal pay
- Reasonable limitation of working hours
- Safe and healthy working conditions
- Join, form trade unions
- Right to participate in a legal strike

SOCIAL RIGHTS OF EMPLOYEES IN THE WORKPLACE

- Health services
- Education
- Social security
- Clean environment

WAYS TO PROMOTE SOCIAL RIGHTS IN THE WORKPLACE

- Businesses should ensure that employees have access to clean water/social security.
- Encourage employees/Provide opportunities for skills training/basic education.
- Register workers with UIF to provide adequate protection in the event of unemployment/illness.
- Encourage employees to participate in special events, e.g. World Aids day.
- Provide health care services by establishing site clinics to give employees access to basic medical examinations.

WAYS TO PROMOTE CULTURAL RIGHTS IN THE WORKPLACE

- Provide the environment in which employees are free to use their own language when interacting with others during their free time.
- Encourage employees to participate in cultural activities.
- Allow employees to provide solutions to challenges from their own cultural perspective.
- Regular cultural information sessions will help employees to respect each other's culture in the workplace.

- Make provision for different cultures, such as food served in the canteen/entertainment at staff functions.
- Employ people from various cultural backgrounds.
- Employees should be trained on cultural tolerance.

ACTIVITY 2

- 2.1 Outline any FOUR economic rights of employees in the workplace. (4)
- 2.2 State any THREE social rights of employees in the workplace. (3)
- 2.3 Advise businesses on how they could promote the cultural rights of employees in the workplace. (6)
- (13)

NOTES:

IMPLICATIONS OF EQUALITY, RESPECT AND DIGNITY FOR BUSINESSES

- Businesses should treat all their employees equally, regardless of their race/colour/age/gender/disability, etc.
- All workers should have access to equal opportunities/positions/ resources.
- Employers and employees need to comply with legislation with regard to equal opportunities/human rights in the workplace.
- Businesses should develop equity programmes/promote strategies to ensure that all employees are treated equally regardless of status/rank/power.
- Mission statement should include values of equality/respect.
- Training/Information/Business policies should include issues such as diversity/discrimination/harassment.
- Employers should respond swiftly and fairly to reported incidents of discrimination in the workplace.
- Ensure that employees work in an environment that is conducive to safety/ fairness/free from embarrassment.
- Orders/Tasks should be given respectfully and allow the recipient/employee to have a say in the manner in which the task should be performed.

- Treat workers with respect/dignity by recognising work well done/the value of human capital.

ACTIVITY 3

3.1 Read the scenario below and answer the questions that follow.

DREAM TEAM (DT)

Dream Team is a group of computer science graduates who want to undertake a research project. They were comfortable with each other during their first meeting.

- 3.1.1 Advise DT's team leader on the implications of equality, respect and dignity on businesses. (6)

NOTES:

The meaning of diversity

- Diversity refers to the variety of people employed based on age/race/gender/ ethnic groups/disabilities/material wealth/personalities/how employees see themselves and others.
- Businesses employ people from different cultural backgrounds.
- Businesses should have systems in place to support diversity issues.

Diversity issues in the workplace

- Poverty
- Race
- Gender
- Language
- Age
- Disability
- Religion/Faith
- Culture

ACTIVITY 4

- 4.1 Elaborate on the meaning of diversity in the workplace. (4)

4.2 Read the scenario below and answer the questions that follow.

NORMAN ACCOUNTING SERVICES (NAS)

The management of Norman Accounting Services employs both males and females. They also encourage older employees to be mentors for young employees to develop their full potential.

4.2.1 Identify TWO diversity issues that are applicable to NAS. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 4.2.1

DIVERSITY ISSUES	MOTIVATION
1.	1.
2.	2.

NOTES

Dealing with diversity issues in the workplace

Poverty

- Businesses should employ people from different socio-economic backgrounds/ status.
- Give previously disadvantaged individuals a chance to be educated by incorporating Adult Basic Education and Training (ABET) into training programmes of the business.
- Train all employees so that they can be able to deal with retrenchment.
- Reward employees for services well-rendered.
- Ensure that the prices of products are affordable for the identified consumer market.
- Sponsor learnerships for unemployed people/use grants received from SETAs to train more unemployed people from local communities.
- Train some unemployed people from local communities as part of a business's CSI projects.
- Offer subsidised meals/canteen facilities on the premises.
- Supply free uniforms to employees for safety purposes.

Race

- Implement affirmative action policies as required by law.

- No discrimination should be made based on skin colour.
- Comply with the Employment Equity Act and BBBEE when appointing people.
- Ensure that the workplace is diverse by employing people from different race groups.
- When appointments are made, previously disadvantaged people should get preferential treatment.

Gender

- Males and females should be offered equal employment opportunities.
- Business directors should promote both men and women in managerial positions.
- Women should be employed to comply with EEA.
- Targets may be set for gender equity in the business.
- New appointments should be based on skills and ability.
- Introduce affirmative action by ensuring that male and female employees are remunerated fairly/equally.

Language

- Business may specify that all communications should be in one specific language only and would expect employees to have a certain level of fluency in that language.
- Provide training in the official language of the business.
 - Employ an interpreter so that everyone can fully understand what is being said in a meeting.

Age

- Promotions should not be linked to age, but rather to a specific set of skills.
- A business may not employ children aged 15 or younger.
- The ages of permanent workers should vary from 18 to 65 to include all age groups.
- A business may employ a person who is older than the normal retirement age, provided that person is the most suitable candidate.
- Businesses must encourage older employees to help young employees to develop their potential.

- Young employees must be advised to respect and learn from older employees.
- The business should encourage employees to be sensitive to different perspectives of various age groups.

Religion/Culture

- Business must be sensitive to special requests from different cultural groups, e.g. allow day(s) off for cultural holidays/festivals.
- Cater for special food/preparation methods in the workers' canteen.
- Businesses should acknowledge/respect cultural differences of employees.
- The business may not discriminate against employees on the grounds of their cultural background.
- Business must not force employees to do work that could be against their religion.

Disability/Physically challenged/People living with disability

- Business should provide employment opportunities for people who are physically challenged.
- Accommodate people who are physically challenged by providing facilities/ ramps for wheel-chairs, etc.
- Ensure that workers with special needs are not marginalised/feel excluded from workplace activities.
- Business should be well informed on how to deal with disabled employees.
- Policies and programs should accommodate the needs of people with disabilities.
- Create an organisational culture/climate that is conducive for people with disabilities.
- Employees should be trained on how to deal with colleagues with disabilities.
- Business should bring in external experts to help with disability and accommodation issues.
- Ensure that employees with disabilities are treated fairly.
- Focus on skills/work performance of the disabled worker, rather than his/her disability/possible problems he/she may pose in future.

BENEFITS OF DIVERSITY IN THE WORKPLACE

- Workforce diversity improves the ability of a business to solve problems/ innovate/cultivate diverse markets.

- Employees value each other's diversity and learn to connect/communicate across lines of difference.
- Diversity in the workforce improves morale/motivation.
- Employees demonstrate greater loyalty to the business because they feel respected/accepted/understood.
- Diversified workforce can give businesses a competitive advantage, as they can render better services.
- Being respectful of differences/demonstrating diversity makes good business sense/improves profitability.
- Diverse businesses ensure that its policies/practices empower every employee to perform at his/her full potential.
- Stakeholders increasingly evaluate businesses on how they manage diversity in the workplace.
- Employees from different backgrounds can bring different perspectives to the business.
- A diversified workforce stimulates debate on new/improved ways of getting things done.
- Employees represent various groups and are therefore better able to recognise customer needs and satisfy consumers.
- Businesses with a diverse workforce are more likely to have a good public image and attract more customers.

ACTIVITY 5

- 5.1 Explain how businesses could deal with the following diversity issues in the workplace:
- 5.1.1 Culture (4)
- 5.1.2 Age (4)
- 5.2 Discuss the benefits of diversity in the workplace. (6)
- (14)

NOTES:

ENVIRONMENTAL ISSUES

Environmental issues are harmful effects of human activity on the physical environment. May include climate change, pollution, environmental degradation, global warming and resource depletion.

Human health is a state of complete physical, mental and social well-being and not only the absence of disease or illness.

RESPONSIBILITIES OF EMPLOYERS IN PROMOTING HUMAN HEALTH AND SAFETY IN THE WORKPLACE

- Provide and maintain all the equipment that is necessary to perform the work
- Keep the systems to ensure that there will be no harmful impact on the health and safety of workers.
- Reduce/Remove dangers to workers and provide personal protective clothing
 - Ensure that the workers' health is not damaged by hazards resulting from production /processing/storage/transportation of materials or equipment.
- Employers must know where potential dangers might be and take measures to eliminate or limit the harm.
- Workers must be informed /instructed/and supervised to limit potential dangers to them/Emergency exit door signs should be visible to all employees.
- Equipment must be used under the supervision of a designated trained worker
- Comply with safety laws which seek to promote a healthy working environment.



ACTIVITY 6

6.1 Recommend FOUR ways in which the employer can protect the environment and human health.

(8)

NOTES:

ROLES OF HEALTH AND SAFETY REPRESENTATIVES IN PROTECTING THE WORKPLACE ENVIRONMENT

- Ensure that protective clothing is provided /available to all workers.
- Identify potential dangers in the workplace.
- Initiate/promote/Maintain /Review measures to ensure the health and safety of workers.
- Check/Monitor the effectiveness of health and safety measures with management

- Ensure that all equipment that is necessary to perform work are provided /maintained regularly
- Promote safety training so that employees may avoid potential dangers/act pro-actively
- Ensure that dangerous equipment is used under the supervision of trained/qualified workers.
- Ensure that workers' health and safety is not endangered by hazards resulting from production/processing/storage/transportation of material/equipment.
- Work together with the employer to investigate any accidents/complaints from the workers concerning health and safety in the workplace.
- Ensure that employers comply with COIDA

RESPONSIBILITY OF WORKERS IN PROMOTING HUMAN HEALTH AND SAFETY IN THE WORKPLACE

- Workers should take care of their own health and safety in the workplace.
- Co-operate and comply with the rules and procedures, e.g. wear prescribed safety clothing.
- Report unsafe/unhealthy working conditions to the relevant authorities/ management.
- Report accidents to the employer by the end of the shift
- Use prescribed safety equipment
- Take reasonable care of their own safety
- Inform the employer of any illness that may affect the ability to work.



ACTIVITY 7

7.1 Read the scenario below and answer the questions that follow.

LIZEL CLOTHING MANUFACTURER (LCM)
 The management of Lizel Clothing Manufacturer has appointed health and safety representatives. They will be responsible for checking the effectiveness of LCM's health and safety measures and for identifying potential dangers in the workplace.

- 7.1.1 Quote TWO roles of the health and safety representatives from the scenario above. (2)
- 7.1.2 Describe TWO other roles of health and safety representatives in the workplace. (4)
- 7.1.3 Explain the responsibilities of workers in promoting human health and safety in the workplace. (4)

NOTES:

WAYS IN WHICH BUSINESSES COULD PROTECT THE ENVIRONMENT AND PROMOTE HUMAN HEALTH IN THE WORKPLACE

- Laws and regulations should be adhered to so that profits are not generated at the expense of the environment.
- Pollution and other environmental issues should always be considered in all business activities, e.g. safe disposal of waste/dumping of toxic waste, etc.
- Become involved in environmental awareness programmes.
- The environment can be protected by altering production techniques in favour of cleaner and greener technologies.
- Water for human consumption should be tested before it is used.
- Promote nature conservation by looking after natural resources.
- Minimise pollution, by re-using, reducing and recycling.
- Reduce consumption of goods/services which are environmentally unfriendly.
- Register/Engage with recognised institutions/bodies that promote green peace.
- Physical working conditions should always be worker friendly, safe and promote occupational health.
- Physical working conditions, e.g. adequate lighting/ventilation should be available and functional.
- Machines must be serviced/maintained regularly.
- Educate people about hygiene issues.
- Encourage employees to do regular health checks.

ACTIVITY 8

8.1 Suggest strategies that businesses may use to protect the environment and human health.

ESSAY QUESTION

QUESTION 8: BUSINESS ROLES (ECONOMIC RIGHTS AND ENVIRONMENTAL ISSUES)

Businesses must ensure that the economic rights of employees are observed and respected at all times. However, employees also have the responsibility to protect the workplace environment with the support of the health and safety representatives.

As an expert on economic rights and environmental issues, address the following aspects in your essay:

- Outline the economic rights of employees in the workplace.
- Explain the responsibilities of employers and employees in protecting the workplace environment.
- Discuss the roles of health and safety representatives in protecting the workplace environment.
- Suggest ways in which businesses could protect the environment and human health in the workplace.

[40]

