



**KWAZULU-NATAL PROVINCE**

EDUCATION  
REPUBLIC OF SOUTH AFRICA

**CURRICULUM GRADE 10 -12 DIRECTORATE**

**NCS (CAPS) SUPPORT**

**TEACHER GUIDE SUPPORT DOCUMENT**

**BUSINESS STUDIES PAPER 1 & 2**

**GRADE 12**

**2026**

## TABLE OF CONTENTS

<b>PAPER 1</b>	<b>BUSINESS ENVIRONMENTS</b>	<b>page</b>
	Macro environments: Impact of recent legislation on business	<b>3 - 7</b>
	Macro environment: Business strategies	<b>7 - 14</b>
	Business sectors and their environment	<b>14 -17</b>
	<b>BUSINESS OPERATIONS</b>	
	Human resources function	<b>17 - 25</b>
	Quality of performance	<b>25 - 31</b>
<b>PAPER 2</b>	<b>BUSINESS VENTURES</b>	
	Management and leadership	<b>32 – 25</b>
	Investment: Securities/Opportunities	<b>35 – 43</b>
	Investment: Insurance	<b>43 – 49</b>
	<b>BUSINESS ROLES</b>	
	Ethics and professionalism	<b>49 – 52</b>
	Creative thinking and Problem-solving	<b>53 – 57</b>
	Team of performance and Conflict Management	<b>57 - 62</b>

**SOLUTIONS**



**ACTIVITY 1**

**(LEGISLATION)**

- 1.1
  - 1.1.1 A ✓✓
  - 1.1.2 C ✓✓
  - 1.1.3 B ✓✓
  - 1.1.4 C ✓✓
  - 1.1.5 A ✓✓
  - 1.1.6 B ✓✓
  - 1.1.7 A ✓✓
  - 1.1.8 B ✓✓
  - 1.1.9 C ✓✓
- (18)**

**(9 x 2)**

**ACTIVITY 2**

**(LEGISLATION)**

**2.1 Consumer rights as stipulated in NCA**

- Apply for credit and to be free from discrimination. ✓
- Receive Information in plain and understandable language. ✓
- Receive documents as required by the Act. ✓
- Receive pre-agreement documentation before concluding any credit transaction ✓
- Obtain reasons for credit being refused. ✓
- Fair and responsible marketing. ✓
- Access and challenge credit records and information. ✓
- Choose which goods they will buy and return such goods if they are not satisfied. ✓
- Surrender/Return goods to the credit provider in order to settle the outstanding amount/debt. ✓
- Apply for debt review/counselling if the consumers cannot afford to repay their debts. ✓
- Receive protection of their personal information. ✓
- Receive protection from being held accountable for the use of their credit facility after they reported the loss/theft. ✓
- Refuse a credit limit increase. ✓

**NOTE: 1. mark the first TWO (2)**  
**(2x1) (2)**

**2.2 Provisions of the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997).**

- Ordinary hours of work ✓
- Overtime ✓
- Meal breaks and rest periods ✓
- Public holidays ✓

- Leave ✓

**NOTE: 1. mark the first FOUR (4)  
(4X1) (4)**

### 2.3 Meaning of National Skills Development Strategy (NSDS)

- Increase access to programmes✓ that train people. ✓
- Promote the public FET college system✓ that has programme to meet the skills needed by SETA's /local/regional/national organisations. ✓
- Address the low level of language and mathematical skills✓ among the youth and adults. ✓
- Make better use of workplace✓based skills development. ✓
- Encourage/ support small business/community-training groups/ NGO's/worker-initiated training initiatives. ✓
- Guides work of SETA's✓ /use of the National Skills Fund. ✓
- Sets out the responsibilities✓ of other education and training stakeholders.✓
- Provides for the participation of government✓/ organised business/ organised labour. ✓
- Improves social development✓ through economic development. ✓

**Max (4)**

### 2.4 How SETAs are funded.

- Skills Development levies are paid by employers✓ to SARS as a collecting agency for the government. ✓
- Employers who have a salary bill that exceeds R500 000 per annum,✓should pay one percent (1%) of their annual salaries as a levy. ✓
- The different SETAs receive 80% of the levy✓ for organisational expenses and the remaining 20% is paid to the National Skills Fund. ✓
- Donations/Grants received✓ from the public/businesses/CSI programmes.✓
- Surplus funds✓ from government institutions. ✓
- Funds received✓ from rendering their services ✓
- Any other relevant related to how SETAs are funded

**Max (4)**

### 2.5 The act from scenario:

2.5.1 National Credit Act. ✓✓  
(2)

#### 2.5.2 Actions regarded as discriminatory quoted from scenario.

- They refused credit to customers based on their race. ✓
- Blacklisting customers without making efforts to recover the debt. ✓

**NOTE: 1. Mark the first TWO (2) only**



**2. Only award marks for responses taken from the scenario**

**(2x1) (2)**

**2.5.3 Penalties for non-compliance with the NCA**

- 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. ✓✓
- The court may declare the granting of credit by the business reckless and may order consumers not to repay the credit/or part thereof to the business ✓✓
- The National Credit Regulator may impose a fine/penalty on the business for noncompliance. ✓✓
- The business will bear all costs of removing the negative information of clients/ consumers who were blacklisted as a result of reckless lending. ✓✓
- Any other relevant answer related to penalties for non-compliance with the NCA

**Max (4)**

**2.6 Consumer rights as stipulated in the Consumer Protection Act (CPA), 2008 (Act 68 of 2008).**

**Right to choose ✓✓**

- Consumers have the right to:
- choose suppliers and/or goods.
- shop around for the best prices.
- return goods that are unsafe/defective for a full refund.
- reject goods that are not the same as the sample marketed.
- cancel/renew fixed term agreements.
- request written quotations and cost estimates.

Sub max (3)

**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.

Sub max (3)

**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
- Businesses may not overbook/oversell goods/services and then not honour the agreement.

• Sub max (3)

**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.
- Businesses should label products and trade descriptions correctly
- Consumers may request the unit and bulk price of the same product.
- If two prices for the same product are displayed, consumers should pay the lower price.
- All information related to the country of origin, expiry dates/ingredients of the products should be disclosed.

Sub max (3)

**Right to fair/responsible marketing/promotion/ fair and honest dealing ✓✓**

- 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. ✓

Sub max (3)

**Right to accountability from suppliers ✓✓**

- Consumers have the right to be protected in lay-by agreements. ✓
- Businesses should honour credit vouchers and prepaid services ✓

Sub max (3)

**Right to fair/just/reasonable terms and conditions ✓✓**

- Businesses should provide consumers with written notices of clauses that may limit consumer rights. ✓
- Businesses may not market/sell goods at unfair prices. ✓

Sub max (3)

**Right to equality in the consumer marketplace ✓✓**

- Businesses should not limit access to goods and services. ✓
- Businesses may not vary the quality of their goods to different consumers. ✓
- Businesses should not discriminate when marketing their products and services in different areas/places. ✓
- Businesses may not charge different prices for the same goods/services. ✓
- Quality of goods may not vary when supplied to different consumers. ✓

Sub max (3)

**Right to return goods/have goods replaced/claim a refund ✓✓**

- Goods that are unsafe/ defective may be replaced by the supplier. ✓
- Faulty items may be returned for a full refund. ✓
- They may return faulty items if the fault occurs within six months after purchasing the item. ✓

Sub max (3)



– **Right to complain ✓✓**

- Consumers may use various methods/channels to complain about poor quality goods/services. ✓
- They can complain via customer care desks/consumer hotlines/ombudsman etc. ✓

Sub max (3)

**Right to fair value, good quality and safety ✓✓**

- Businesses should provide consumers with written notices of clauses that may limit consumer rights. ✓
- Businesses may not market/sell goods at unfair prices. ✓

Sub max (3)

– **Right to fair value/good quality/safety ✓✓**

- Consumers may demand quality services/goods. ✓
- They may receive an implied/written warranty. ✓
- Cancel /renew fixed term agreements ✓
- To be informed about hazardous/dangerous products ✓
- Reject goods that are not the same as the sample marketed ✓
- Return faulty items if the fault occurs within six months after purchasing the item. ✓

Sub max (3)

**NOTE: 1. Mark the first TWO (2) only**

**Max (6)**

**2.7 Role/functions of SETAs**

- Report to the Director General. ✓✓
- Promote and establishes learnerships. ✓✓
- Collect levies and pays out grants as required. ✓✓
- Provide accreditation for skills development facilitators. ✓✓
- Register learnership agreements/learning programmes. ✓✓
- Approve workplace skills plans and annual training reports. ✓✓
- Monitor/Evaluate the actual training by service providers. ✓✓
- Allocate grants to employers, education and training providers. ✓✓
- Oversee training in different sectors of the South African economy. ✓✓
- Develop skills plans in line with the National Skills Development Strategy ✓✓
- Draw up skills development plans for their specific economic sectors. ✓✓
- Provide training material/programmes for skills development facilitators. ✓✓
- Pay out grants to companies that are complying with the requirements of the Skills Development Act. ✓✓
- Promote learnerships and learning programmes by identifying suitable workplaces for practical work experience. ✓✓
- Any other relevant answer related to role/functions of SETAs

**Max (6)**

### ACTIVITY 3

#### 3.1 Introduction

- The Basic Conditions of Employment Act applies to most employers and employees including temporary, part-time and domestic workers.
- The Act establishes non-negotiable minimums for employment conditions such as meal breaks and rest periods, overtime and ordinary hours of work.
- Businesses must analyse the impact of BCEA in the workplace.
- The government has put penalties for non-compliance with the BCEA. **(2x1) (2)**

#### 3.2 Purpose of the BCEA

- Provides clear terms and conditions of employment for employers and employees. ✓✓
- Set minimum requirements/standards for the employment contract. ✓✓
- Advance economic development and social justice ✓✓
- Regulates the right to fair labour practices as set out in the Constitution. ✓✓
- Regulates the variations of basic conditions of employment. ✓✓
- Adheres to the rules and regulations set out by the International Labour Organisation ✓✓
- Any other relevant answer related to the purpose of the BCEA

**Ma  
x (8)**

#### 3.3 Provisions of this BCEA:

- **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. ✓
    - Any other relevant answer related to meal breaks and rest periods.

**Sub max (4)**

- **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 weekdays 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. ✓
  - Minister of Labour may prescribe the maximum permitted working hours, ✓ including overtime, for health and safety reasons for a certain category of work. ✓
  - Any other relevant answer related to overtime.

**Sub max (4)**



#### Ordinary hours of work

- 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. ✓
- Ordinary work hours may be extended by agreement by a maximum of 15 minutes per day✓/maximum of sixty minutes per week to complete duties when serving the public. ✓
- Ordinary work hours may be reduced to a maximum of 40 hours per week✓/8 hours per day. ✓
- Any other relevant answer related to ordinary hours of work

Sub max (4)

**Max (12)**

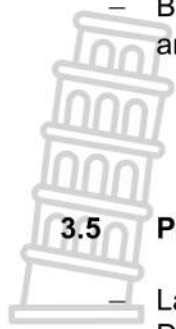
### 3.4 Impact of the BCEA Positives/Advantages

- 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. ✓
- Outlines minimum requirements that form the basis of employment contracts. ✓
- Work hours are specified so that the employer cannot exploit employees. ✓
- The rules and regulations are very specific, which clearly guides the employer on how to deal with employment issues. ✓
- Employees are permitted to consult labour unions in cases where the BCEA conditions are violated. (Relationship with LRA) ✓
- Employees may submit complaints to labour inspectors who can address it. ✓

**AND/OR**

#### Negative/Disadvantages

- 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. ✓
- Hiring cheap labour is no longer possible, ✓ so businesses cannot exploit workers. ✓
- BCEA forces businesses to comply with many legal requirements, ✓ which may increase labour costs. ✓
- Businesses not complying with the Act, may be charged with high penalties, ✓ which may affect their cash flow negatively. ✓



- Businesses may consider the provisions of the BCEA as unimportant ✓ and an unnecessary administrative burden that increase operating costs ✓

**Max (16)**

### **3.5 Penalties businesses may face for not complying with the BCEA**

- Labour inspectors may serve a compliance order by writing to the Department of Labour. ✓✓
- Labour inspectors may investigate/inspect/ask questions about complaints and remove records as evidence. ✓✓
- Businesses may be taken to the labour court for a ruling. ✓✓
- Businesses that are found guilty of non-compliance may face heavy fines/penalties. ✓✓
- They can be ordered to pay compensation and damages to the employee. ✓✓
- The Director General may agree/change/cancel the compliance order. ✓✓
- Any other relevant answer related to penalties businesses may face for not complying with the BCEA

**Max (10)**

### **3.6 Conclusion**

- It is important for all business to have a clear understanding of the purpose of the BCEA. ✓✓
- The Act compels all businesses to conduct their activities in line with provisions of the BCEA such as ordinary hours of work. ✓✓
- Business must take precautionary measures to minimise the negative impact of the BCEA. ✓✓
- Businesses can avoid penalties by complying with the guidelines of the BCEA ✓✓
- Any other relevant conclusion related to the purpose of the BCEA/Provisions of this BCEA like; *meal breaks and rest periods, overtime and ordinary hours of work* /the impact of the BCEA on businesses and businesses on penalties that they may face for non-compliance with BCEA.

**Any (1x2) (2)**

**[40]**

## ACTIVITY 4

### 4.1 Introduction



- The CPA was introduced to ensure that the balance of power is shifted to benefit the consumers. ✓
- The Act has advantages and disadvantages that businesses should be aware of. ✓
- There are various consumer rights stipulated in the CPA that businesses must adhere to as such as right to privacy and confidentiality. ✓
- Businesses must explore various ways to comply with the CPA. ✓
- Any other relevant introduction related to the purpose of the CPA/ impact of the CPA on businesses/ ways in which businesses could promote right to privacy and confidentiality, right to information about products and agreements and right to fair value/good quality and safety/businesses on ways in which they can comply with the CPA

(2x1) (2)

### 4.2 Purpose of the Consumer Protection Act (CPA)

- Promotes responsible consumer behaviour. ✓✓
- Establishes national standards to protect consumers. ✓✓
- Establishes a National Consumer Commission (NCC) ✓✓
- Establishes national standards to protect consumers. ✓✓
- Promotes and protects the economic interests of consumers by providing access to information. ✓✓
- Promotes fair/accessible and sustainable places for people to sell their products. ✓✓
- Promotes consistent laws relating to consumer transaction and agreement. ✓✓
- Promotes the rights and full participation of historically disadvantaged individuals as consumers. ✓✓
- Promotes consumer safety by protecting them from hazardous products/services. ✓✓
- Provides guidelines for better consumer information and to prohibit unfair business practices. ✓✓
- Ensures that consumers have access to information they need to make informed choices. ✓✓
- Ensures that consumers are not misled/deceived by suppliers of goods/services. ✓✓
- Empowers consumers to take legal action if their rights are not upheld. ✓✓
- Strengthens a culture of consumer rights and responsibilities. ✓✓
- Protects consumers against contracts that include unfair terms which limit the liability of suppliers. ✓✓
- Protects consumers against dishonest businesses such as fly-by-night franchisors ✓✓
- Allows for consumers and businesses to resolve disputes fairly/effectively. ✓✓



- Any other relevant answer related to purpose of the Consumer Protection Act (CPA)

Ma  
x (8)

#### 4.3 Impact of the CPA on businesses.

##### Positives/Advantages

- Businesses may be safeguarded✓ from dishonest competitors. ✓
- Businesses may be protected✓ if they are regarded as consumers. ✓
- Prevents larger businesses from undermining✓ smaller ones. ✓
- May gain consumer loyalty, ✓ if they comply with CPA. ✓
- 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 ✓

##### AND/OR

##### Negatives/Disadvantages

- Confidential business information may become available✓ to competitors.
- Penalties for non-compliance may be very high. ✓
- Businesses may feel unnecessarily burdened✓ by legal processes. ✓
- They have to disclose more information about their products✓ and processes/services ✓
- Staff need to be trained /Legal experts need to be consulted, ✓which can increase costs ✓
- Many business documents need to be simplified /revamped at extra cost ✓ as consumers have a right to receive contracts in simple/understandable language. ✓
- Administration costs increase as legal contracts need to be worded in plain language /pitched at the level of the consumer ✓
- Businesses may need insurance against claims from consumers ✓ /provisions in the Act increase risks for unforeseen claims and lawsuits. ✓
- Businesses have to replace/repair faulty items/refund money✓ if the fault occurs within six months after purchase. ✓
- Supply chain management in stock levels will have to change, ✓ as defective goods have to be replaced within six months at the request of the consumer. ✓
- Information technology systems need to be improved✓ as the retailer must keep more detailed records of interactions with consumers /be able to report to the National Consumer Commission. ✓
- Consumers can take advantage of a business✓ and return goods when it is not necessary to do so. ✓
- Processes and procedures required by CPA can be expensive✓ and time consuming. ✓

Max (16)

#### 4.3 Ways in which businesses could promote the following consumer rights, as stipulated in the CPA:

- o 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. ✓
  - Any other relevant answer related to right to privacy and confidentiality
- Sub max (6)

○ **Right to information about products and agreements**

- Contracts and agreements should be in plain language ✓and easy to understand. ✓
- Businesses should display prices✓ which are fully inclusive disclosing all costs. ✓
- Businesses should label products✓ and trade descriptions correctly ✓
- Consumers may request the unit and bulk price✓ of the same product. ✓
- If two prices for the same product are displayed, ✓ consumers should pay the lower price. ✓
- All information related to the country of origin, ✓ expiry dates/ingredients of the products should be disclosed. ✓
- Any other relevant answer related to right to information about products and agreements

Sub max (6)

○ **Right to fair value/good quality and safety**

- Consumers may demand✓ quality services/goods. ✓
- They may receive an implied✓/written warranty. ✓
- Cancel /renew fixed term✓ agreements ✓
- To be informed about hazardous✓/dangerous products
- Reject goods that are not the same✓ as the sample marketed ✓
- Return faulty items✓ if the fault occurs within six months after purchasing the item. ✓
- Any other relevant answer related to fair value/good quality and safety

Sub max (6)

**Max(18)**

**4.5 Penalties for non-compliance with the CPA.**

- 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. ✓✓
- Businesses will be forced to compensate consumers in line with the extent to which their rights have been violated. ✓✓
- Any other relevant answer related to Penalties/consequences that may be imposed for non-compliance with the CPA.

Max (4)



#### 4.6 Conclusion

- The Consumer Protection Act is significant since it provides a legal framework that protects consumers from the unsafe products. ✓✓
- The CPA has brought in the more of the positive impacts on businesses since there is a balance of power between suppliers and customers. ✓✓
- Businesses should be aware that CPA is not a reactive tool but has ways in which businesses could promote the consumer rights, like right to fair value/good quality and safety, as stipulated in the CPA. ✓✓
- Successful businesses investigate ways in which they can comply with the CPA to secure long term loyalty from their customers. ✓✓
- Any other relevant conclusion related to the purpose of the CPA/ impact of the CPA on businesses./ways in which businesses could promote consumer rights, like Right to privacy and confidentiality and right to information about products stipulated in the CPA/businesses on ways in which they can comply with the CPA.

**Any (1x2)**

[40]

## METHOD OF TEACHING



- Teaching should start from known to unknown.
- Learners must know that business sectors live under THREE business environments.
- Progress to business environments, focusing on the challenges posed by the THREE business environments.
- Extent of control explained on each business environment.
- Link Industrial tools with challenges i.e SWOT analysis used to identify internal and external factors
- Link Porters Five Forces model with market environment which is used to analyse the business position in the market.
- Recap on components of PESTLE analysis and link it with macro environment.
- Practical examples to be used when explaining business strategies so learners can be able to apply knowledge in source based questions.

## BUSINESS STRATEGIES

### ACTIVITY 1

- 1.1.1 B ✓✓
- 1.1.2 C ✓✓
- 1.1.3 B ✓✓
- 1.1.4 A ✓✓
- 1.1.5 D ✓✓
- 1.1.6 A ✓✓
- 1.1.7 D ✓✓
- 1.1.8 B ✓✓
- 1.1.9 C ✓✓
- 1.1.10 A ✓✓
- 1.1.11 C ✓✓

(2x11)=22

1.2

- 1.2.1 weakness ✓✓
- 1.2.2 environmental ✓✓
- 1.2.3 conglomerate ✓✓
- 1.2.4 Porter's Five Forces model ✓✓
- 1.2.5 retrenchment ✓✓  
(2x5)=10

- 
- 1.3
  - 1.3.1 C✓✓
  - 1.3.2 H✓✓
  - 1.3.3 E✓✓
  - 1.3.4 A✓✓
  - 1.3.5 F✓✓
- (2x5)=10

## SECTION B

### QUESTION 2

- 2.1.1 Legal✓✓
  - 2.1.2 Technological✓✓
  - 2.1.3 Economic✓✓
  - 2.1.4 Environmental✓✓
  - 2.1.5 Social✓✓  
(2x5)=10
- 
- 2.2.1 Market penetration✓✓
  - 2.2.2 Horizontal integration✓✓
  - 2.2.3 Concentric diversification✓✓
  - 2.2.4 Product development✓✓
  - 2.2.5 Market development✓✓
  - 2.2.6 Backward vertical ✓✓
  - 2.2.7 Liquidation✓✓
  - 2.2.8 Divestiture✓✓
  - 2.2.9 Retrenchment✓✓
  - 2.2.10 Conglomerate diversification✓✓
  - 2.2.11 Forward vertical integration✓✓
  - 2.2.12 Horizontal integration✓✓  
(2x12)=24

2.3.1

PORTERS FIVE FORCES	MOTIVATION
1. Power of buyers ✓✓	The main consumers have forced BB to reduce the prices of confectionery prices. ✓
2. Power of competitors ✓✓	Sweetie Bakeries (SB) that is situated near BB used a sales strategy to increase their market share. ✓
3. Barriers to entrance in the market ✓✓	A Bergville Bakeries was easy to establish, as only a trading license was required. ✓
4. Threat of substitutes ✓✓	Customers have opted to purchase cheaper products from SB. ✓
5. Power of suppliers ✓✓	A drought caused prices of main inputs to rapidly increase. ✓
<b>MAX 10</b>	<b>MAX 5</b>

2.4.1

**Power of competitors/Competitive rivalry**

- If competitors have a unique product/service, ✓ then they will have greater power. ✓
- A business with many competitors in the same market ✓ has very little power in their market. ✓
- Draw up a competitor's profile ✓ so that they can determine their own strength as well as that of competitors. ✓
- Some businesses have necessary resources to start price wars ✓ and continue selling at a loss until some/all competitors leave the market. ✓
- Any relevant answer related to the power of competitors/competitive rivalry.

**Sub max (4)**

2.4.2

**Threat/Barriers of new entrants to the market**

- If the barriers to enter the market are low ✓, then it is easy for new businesses to enter the market/industry. ✓
- If there are a few suppliers of a product/service but many buyers ✓, it may be easy to enter the market. ✓
- If the business is highly profitable ✓, it will attract potential competitors that want to benefit from high profits. ✓
- New competitors can quickly/easily enter the market ✓ if it takes little time/money to enter the market. ✓
- Any relevant answer related to the Threat/Barriers of new entrants to the market.

**Sub max (4)**

## 2.5 Defensive strategies

### Divestiture ✓✓

- The business disposes/sells some assets/divisions✓ that are no longer profitable/ productive. ✓
- Businesses may sell off divisions/product lines✓ with slow growth potential. ✓
- The business sells ownership✓ by decreasing the number of shareholders. ✓
- Unproductive assets are sold✓ to pay off debts. ✓
- Process used to withdraw its investment✓ in another business (divesting). ✓
- Any relevant answer related to Divestiture.

**Sub max (3)**

### Retrenchment ✓✓

- Terminating the employment contracts of employees✓ for operational reasons. ✓
- Decreasing the number of product lines/Closing certain departments✓ may result in some workers becoming redundant. ✓
- Any relevant answer related to retrenchment.

**Sub max (3)**

### Liquidation✓✓

- All assets are sold to pay creditors✓ due to a lack of capital/cash flow. ✓
- Selling the entire business✓ in order to pay all liabilities/close down the business. ✓
- Companies in financial difficulty may apply for business rescue✓ to avoid liquidation. ✓
- Creditors may apply for forced liquidation✓ in order to have their claims settled. ✓
- Any relevant answer related to liquidation.

**Sub max (3)**

Max (9)

## 2.6.1 SWOT Analysis

<b>Strength</b>	<b>Weakness</b>
- Management of BA has good managerial skills and expertise. ✓	- The business has not acquired sufficient resources to do the work. ✓
<b>Opportunity</b>	<b>Threat</b>
- The business has expanded its market through the use of Instagram. ✓	- Some of their clients cannot afford the legal service due to unemployment. ✓

**(4x1)=4**

## 2.7 Types of Integration strategies

### Forward vertical integration ✓✓

- A business combines with or takes over its distributors✓ down the supply chain/production chain/✓. The business merges with businesses that were once their customers, ✓ while still maintaining control of the initial/primary business activity. ✓
- Involves expansion of business activities to gain control✓ over the direct distribution of the products/services. ✓
- The business takes over the distribution system and sells products/services✓ directly to consumers/customers. ✓
- Increases profitability✓ as the intermediary/distributor/middleman is excluded/eliminated. ✓
- Any relevant answer related to forward vertical integration.

**Sub max (3)**

### Backward vertical integration✓✓

- The business combines with/merges/takes over✓ its suppliers up the supply chain/production chain/✓ The business expands its role to fulfil activities/tasks✓ that were formerly/previously completed by suppliers. ✓
- Aims at decreasing the business's dependency✓ on the supplier. ✓
- Enables businesses to cut costs✓ and have influence over the prices/quality/ quantity of raw materials. ✓
- Any relevant answer related backward vertical integration.

**Sub max (3)**

### Horizontal integration ✓✓

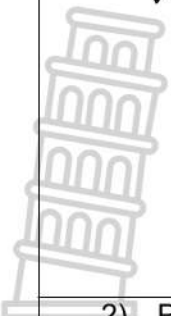
- A business takes control of/incorporates other businesses in the same industry✓/which produce/sell the same/similar goods/services. ✓ /It is the acquisition /takeover of a related business✓ that operates at the same level of supply chain in the industry. ✓
- The aim is to reduce the threat✓ of competition/substitute products/services. ✓
- Increases the market share/sales/profits✓ and enhance production/distribution. ✓
- Suitable for businesses that operate in multiple geographical areas✓ through joint ventures/licencing/franchising. ✓
- Any relevant answer related horizontal integration.

**Sub max (3)**

**Max (9)**

## 2.8

Challenge (2.8.1)	PESTLE Element (2.8.2)	Recommendation (2.8.3)
1) Reports indicate a high rate of crime within the area in the past 6 months.	Social✓	- Sell substitute/generic products at lower prices. ✓

		<ul style="list-style-type: none"> <li>- Learn local languages/Hire employees who are well conversant with the local language. ✓</li> </ul>
<p>2) PS is using modern sublimation machine to print mugs and clothing items. ✓</p>	<p>Technological ✓</p>	<ul style="list-style-type: none"> <li>- Continuous research on the latest available technology/equipment in the market. ✓</li> <li>- Train existing/appoint new employees to maintain/use new equipment. ✓</li> <li>- Compare prices/Select suitable suppliers for new equipment at reasonable prices. ✓</li> <li>- Businesses must be geared for online trading/e-commerce. ✓</li> </ul>
<p>3) PS will pay more on their loan as interest rates have increased. ✓</p> <p style="text-align: right;"><b>Max (3)</b></p>	<p>Economic ✓</p> <p style="text-align: right;"><b>Max 3</b></p>	<ul style="list-style-type: none"> <li>- Consider decreasing profit margins rather than increasing product prices. ✓</li> <li>- Borrow money from financial institutions when interest rates are favourable. ✓</li> <li>- Consider exchange rates when trading with other countries ✓</li> </ul> <p style="text-align: right;"><b>Max 3</b></p>

**2.9.1 Ways to deal with Political as a PESTLE element.**

- Research recent government policies ✓✓
- Network and lobby with the NGOs and all consumer rights organisations. ✓✓
- Trade only with countries that have favourable trade agreements with the government. ✓✓
- Any relevant answer related to the ways to deal with political element.

**Sub max (4)**

**2.9.2 Ways to deal with Environmental as a PESTLE factor**

- Chemicals/Ingredients should be clearly indicated on labels/packaging to inform customers about possible side effects/correct use of products. ✓✓
- Implement cost effective measures to dispose of medical waste. ✓✓
- Implement recycling measures to prevent pollution of the environment/Use packaging that is re-usable/recyclable. ✓✓
- Any relevant answer related ways to deal with environmental element.

**Sub max (4)**

**2.9.3 Ways to deal with Legal as a PESTLE element.**

- Comply with all relevant legislation that may impact on businesses. ✓✓
- Comply with the legal requirements for operating businesses, e.g. licence/trade mark registration/patents. ✓✓
- Budget for high legal establishment costs. ✓✓
- Businesses must know the legalities of business contracts so that they comply with all the requirements. ✓✓
- Any relevant answer related to ;legal element.

**Sub max (4)**

**SECTION C**

**ACTIVITY 3**

**Introduction**

- Businesses operate in a dynamic and constantly changing environment that needs effective business strategies with a clear strategic management process. ✓
- Businesses can integrate with businesses who are buyers, suppliers or their competitors. ✓
- Diversification strategies can be used to promote growth and reduce risk in the long term. ✓
- Analysing the business' position in the market is essential in order to seize opportunities and be proactive to threats. ✓
- Businesses need to be aware of the advantages of diversification strategies in order in order to make informed decisions. ✓
- Any other relevant introduction that relates to the strategic management process/ types of integration strategies /application of Porter's Five Forces model and the advantages of diversification strategies.

(Any 2x1)

### The strategic management processes

#### Option 1

- Have a clear vision, a mission statement and measurable/realistic objectives in place. ✓✓
- Identify opportunities/weaknesses/strengths/threats by conducting environmental scanning/situational analysis. ✓✓
- Tools available for environmental scanning may include a SWOT analysis/Porter's Five Forces model/PESTLE analysis/industrial analysis tools. ✓✓
- Formulate alternative strategies to respond to the challenges. (This involves different types of business strategies) ✓✓
- Develop (an) action plan(s), including the tasks to be done/deadlines to be met/resources to be procured, etc. ✓✓
- Implement selected strategies by communicating it to all stakeholders/organising the business's resources/motivating staff. ✓✓
- Continuously evaluate/monitor/measure strategies in order to take corrective action. (This involves steps in evaluating a strategy). ✓✓
- Any relevant answer related to strategic management processes.

#### Option 2

- Review/Analyse/Re-examine their vision/mission statement. ✓✓
- Conduct an environmental analysis using models such as PESTLE/ PORTER'S FIVE FORCES/SWOT. ✓✓
- Formulate a strategy such as a defensive/retrenchment strategy. ✓✓
- Implement a strategy, using a template such as an action plan. ✓✓
- Control/Evaluate/Monitor the implemented strategy to identify gaps/deviations in implementation. ✓✓
- Take corrective action to ensure goals/objectives are met. ✓✓
- Any relevant answer related to strategic management processes.
- **NOTE: The steps may be in any order.**

Ma  
x  
(10)

### Types of business strategies

#### Integration strategies

#### Forward vertical integration ✓✓

- A business combines with or takes over its distributors down the supply chain/production chain ✓/The business merges with businesses that were once their customers, while still maintaining control of the initial/primary business activity. ✓
- Involves expansion of business activities to gain control over the direct distribution of the products/services. ✓



- The business takes over the distribution system and sells products/services directly to consumers/customers. ✓
- Increases profitability as the intermediary/distributor/middleman is excluded/eliminated. ✓
- Any relevant answer related Forward vertical integration.

**Su  
b  
ma  
x (4)**

### **Backward vertical integration ✓✓**

- The business combines with/merges/takes over its suppliers up the supply chain/production chain✓/The business expands its role to fulfil activities/tasks that were formerly/previously completed by suppliers. ✓
- Aims at decreasing the business's dependency on the supplier. ✓
- Enables businesses to cut costs and have influence over the prices/quality/ quantity of raw materials. ✓
- Any relevant answer related to Backward vertical integration.

**Su  
b max (4)**

### **Horizontal integration ✓✓**

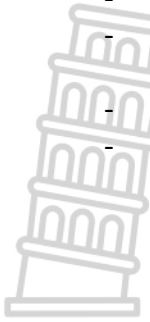
- A business takes control of/incorporates other businesses in the same industry/which produce/sell the same/similar goods/services. ✓ /It is the acquisition /takeover of a related business that operates at the same level of supply chain in the industry✓
- The aim is to reduce the threat of competition/substitute products/services. ✓
- Increases the market share/sales/profits and enhance production/distribution. ✓
- Suitable for businesses that operate in multiple geographical areas through joint ventures/licencing/franchising. ✓
- Any relevant answer related to Horizontal integration.

**Su  
b max (4)  
Ma  
x (12)**

### **Ways in which businesses can apply Porter's Five Forces model**

#### **Bargaining power of buyers/Power of buyers**

- Assess how easy it is for buyers/customers✓ to drive prices down. ✓
- Determine the number of buyers/the importance of each buyer to the business✓ and the cost of switching to other products. ✓
- A few powerful buyers are often able to dictate their terms✓ to the business. ✓



- Buyers buying in bulk✓ can bargain for prices in their favour. ✓
- If buyers can do without the business's products, ✓ then they have more power to determine the prices and terms of sale. ✓
- Conduct market research✓ to gather more information about buyers.
- Any relevant answer related to the application of Bargaining power of buyers/Power of buyers.

**Sub max**  
**(8)**

### **Bargaining power of suppliers/ Power of suppliers**

- Assess the power of the suppliers✓ in influencing prices. ✓
- Suppliers that deliver high quality product✓ may have power over the business. ✓
- The more powerful the suppliers, the less control the business has over them.
- The smaller the number of suppliers, ✓ the more powerful they may be as the choice of suppliers may be limited. ✓
- Identify the kind of power suppliers' have✓ in terms of the quality of products/services/reliability/ability to make prompt deliveries, ✓ etc.
- Any relevant answer related the application of Bargaining power of suppliers/ Power of suppliers.

**Su**  
**b max (8)**

**Ma**  
**x**  
**(14)**


### **Advantages of diversification strategies**

- Increase sales and business growth. ✓✓
- Improves the business brand and image. ✓✓
- Reduces the risk of relying only on one product for sales/revenue/income. ✓✓
- More products can be sold to existing customers and additional more new markets can be established. ✓✓
- Businesses gain more technological capabilities through product modification. ✓✓
- Diversification into a number of industries or product line can help create a balance during economic fluctuations. ✓✓
- Businesses produce more output using less inputs as one factory may be used to manufacture more products. ✓✓
- Any relevant answer related to Advantages of diversification strategies.

**Ma**  
**x**  
**(10)**

### **Conclusion**

- Businesses should consider effective strategic management process to deal with challenges from different business environments. ✓

- 
- Effective application of integration strategies enhances contribute to long term-term sustainability and improved organisational performance. ✓
  - Analysis of Porter's Five Forces model enables businesses to develop strategies to strengthen their market position and gain competitive edge. ✓
  - Any other relevant conclusion relating to strategic management process/ types of integration strategies/ Power of buyers/ Power of suppliers/ advantages of diversification strategies. ✓

(A  
ny 1x2)

#### ACTIVITY 4

##### Introduction

- It is crucial that strategies get evaluated on an ongoing basis to ensure business' goals are met. ✓
- Businesses need to use the PESTLE analysis to scan both internal and external factors that may affect business operations. ✓
- Diversification strategies are methods employed by businesses to minimise risks and achieve growth by expanding its operations to related fields. ✓
- Businesses implement intensive strategies to boost its current products, or markets, leveraging existing capabilities to fuel rapid growth. ✓
- Any other relevant introduction that relates to the steps in strategy evaluation/ PESTLE factors pose challenges to businesses/ types of diversification strategies and on the advantages of intensive strategies. (Any 2x1)

##### Steps in evaluating a strategy

- Examine the underlying basis of a business strategy. ✓✓
- Look forward and backwards into the implementation process. ✓✓
- Compare the expected results in order to determine the reasons for deviations and analyse these reasons. ✓✓
- Take corrective action so that deviations may be corrected. ✓✓
- Set specific dates for control and follow up. ✓✓
- Draw up a table of the advantages and disadvantages of a strategy. ✓✓
- Decide on the desired outcome as envisaged when strategies were implemented. ✓✓
- Consider the impact of the strategic implementation in the internal and external environments of the business. ✓✓
- Decide on the desired outcome as envisaged when strategies were implemented. ✓✓
- Any relevant answer related to the steps in evaluating a strategy.

Ma  
x (10)

## How the following PESTLE elements pose challenge to the business

### Political

- Some government policies✓ may affect businesses. ✓
- Consumer rights organisations may prevent businesses from selling products✓ if they do not meet certain requirements. ✓
- Trade agreements may prevent businesses✓ from importing some medicine/ products. ✓
- Any relevant answer related to political elements.

**Su**  
**b max (4)**

### Legal

- Certain Acts may have a direct impact✓ on a business, e.g. the CPA/BCEA. ✓
- Legal requirements for operating certain types of businesses✓ is time-consuming. ✓
- High legal costs involved in obtaining a licence/trademark/patent✓ may prevent some establishments. ✓
- Legalities of business contracts✓ may limit business operations. ✓
- Any relevant answer related to legal element.

**Su**  
**b max (4)**

### Environmental

- Chemicals/Ingredients in business' products✓ may be harmful to customers. ✓
- Measures to dispose of business waste✓ may be expensive. ✓
- Packaging of some products may not be environmentally friendly✓ may not be recyclable. ✓
- Any relevant answer related environmental element.

**Su**  
**b max (4)**

**Ma**  
**x (12)**

### Diversification strategies

#### Concentric diversification ✓✓

- The business adds a new product or service that is related to existing products, ✓ and which will appeal to new customers. ✓
- Occurs when a business wants to increase✓ its product range and markets. ✓
- Any relevant answer related to concentric diversification.

**Sub max**  
**(4)**

#### Horizontal diversification ✓✓

- The business adds new products or services that are unrelated/ different to existing products✓, but which may appeal to existing/current customers. ✓

- Occurs when a business acquires or merges with a business that is at the same production stage, ✓ but it may offer a different product. ✓
- Any relevant answer related to horizontal diversification.

**Sub max**

**(4)**

### **Conglomerate diversification ✓✓**

- The business adds new products or services that are unrelated to existing products ✓ which may appeal to new groups of customers. ✓
- Conglomerate diversification means that a business grows ✓ into new products, services and markets. ✓
- Any relevant answer related to conglomerate diversification.

**Sub max (4)**

### **Advantages of intensive strategies**

- Increase in sales/income and profitability. ✓✓
- Regular sales to existing customers may increase. ✓✓
- Gain customer loyalty through effective promotion campaigns. ✓✓
- Improved service delivery may positively impact/increase sales. ✓✓
- Eliminate competitors and dominate market prices. ✓✓
- Decrease in price could influence customers to buy more products. ✓✓
- Enables the business to focus on markets/well researched quality products that satisfy the needs of consumers. ✓✓
- Increased market share reduces the business's vulnerability to actions of competitors. ✓✓
- Any relevant answer related to advantages of intensive strategies.

**Max (10)**

### **Conclusion**

- Evaluating strategies in the business ensures the business is on track and aligning with their plans. ✓
- Scanning business environments enables clear understanding of the challenges posed by different factors. ✓
- Businesses must be well conversant with diversification strategies, so they apply these strategies effectively. ✓
- Intensive strategies allow businesses to grow without the high risks associated with completely new ventures. ✓
- Any other relevant conclusion that relates to steps for strategy evaluation/ the challenges posed by PESTLE factors/ types of diversification strategies/ the advantages of intensive strategies.

**(Any 2x1)**

## **BUSINESS SECTORS AND THEIR ENVIRONMENTS**

### **ACTIVITY 1**

#### **1.1. MULTIPLE CHOICE QUESTIONS**

##### **1.1.1. Dv**

1.1.2. Avv

1.1.3. Bvv

1.1.4. Cvv

(4x2)(8)

**1.2. MATCHING**

1.2.1. Fvv

1.2.2. Bvv

1.2.3. Cvv

(3x2)(6)

**ACTIVITY 2**

2.1.

- Primary sector v
- Secondary sector v
- Tertiary sector v (3)

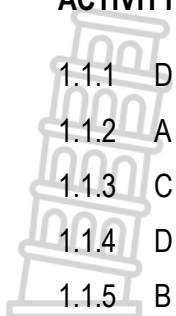
2.2.1. Primary Sector vv (2)

CHALLENGES	BUSINESS ENVIRONMENT	EXTENT OF CONTROL
1. Unfavourable weather conditions has effect the grazing fields. v	Macro environment v	No controlv
2. Zeeba feeds the supplier of animal food have increased their prices. v	Market environment v	Limited/ partial controlv

(6)

**HUMAN RESOURCE FUNCTION**

**ACTIVITY 1**



1.1.1 D ✓✓

1.1.2 A ✓✓

1.1.3 C ✓✓

1.1.4 D ✓✓

1.1.5 B ✓✓

1.1.6 C ✓✓

1.1.7 B ✓✓

1.1.8 A ✓✓

1.1.9 B ✓✓

1.1.10 D ✓✓

1.1.11 C ✓✓

1.1.12 A ✓✓

1.1.13 B ✓✓

1.1.14 C ✓✓

1.1.15 A ✓✓

1.1.16 C ✓✓

1.1.17 D ✓✓

1.1.18 C ✓✓

1.1.19 A ✓✓

1.1.20 B ✓✓

1.1.21 C ✓✓

1.1.22 B ✓✓

1.1.23 D ✓✓

1.1.24 B ✓✓

1.1.25 B ✓✓

1.1.26 C ✓✓

1.1.27 A ✓✓

1.1.28 A ✓✓



(28X2) (56)

1.2.1 Employment equity ✓✓

1.2.2 External ✓✓	
1.2.3 Job specification ✓✓	(3X2) (6)
1.3.1 E ✓✓	
1.3.2 D ✓✓	
1.3.3 F ✓✓	(3X2) (6)

## ACTIVITY 2

### 2.1 Sources of Internal recruitment

- Internal e-mails/Intranet/web sites to staff ✓
- Word of mouth/Staff meetings ✓
- Business newsletters/circulars to staff ✓
- Internal/management referrals ✓
- Office notice boards ✓
- Internal bulletins ✓
- Recommendation by current employees/staff ✓
- Head hunting within the business/organisational database. ✓

### 2.2

COMPONENTS OF JOB ANALYSIS	MOTIVATIONS
1. Job Specification ✓✓	The advert stated that the applicant must have a degree in business management. ✓
2. Job Description ✓✓	The successful candidate must be able to compile financial statement. ✓

### 2.3 IMPACT OF EXTERNAL RECRUITMENT

#### Positives/Advantages

- New candidates bring new talents/ideas/experiences/skills into the business. ✓✓
- There is a larger pool of candidates to choose from. ✓✓
- It may help the business to meet affirmative action and BBBEE targets. ✓✓
- Minimises unhappiness/conflict amongst current employees who may have applied for the post ✓✓



- There is a better chance of getting a suitable candidate with the required skills/qualifications/competencies who do not need much training/ development which reduce costs. ✓✓

**AND/OR**

**Negatives/Disadvantages**

- Information on CV's/referees may not be reliable. ✓✓
- Many unsuitable applications can slow down the selection process. ✓✓
- New candidates generally take longer to adjust to a new work environment. ✓✓
- External sources can be expensive, e.g. recruitment agencies' fees/advertisements in newspapers/magazines. ✓✓
- The selection process may not be effective and an incompetent candidate may be chosen. ✓✓
- Recruitment process takes longer/is more expensive as background checks must be conducted. ✓✓
- In-service training may be needed which decreases productivity during the time of training. ✓✓

**2.4 Aspects that should be included in an employment contract**

- Personal details of the employee. ✓
- Details of the business/employer e.g. name/address, etc. ✓
- Job title/Position ✓
- Job description e.g. duties/ working conditions ✓
- Job specification e.g. formal qualifications/willingness to travel. ✓
- Date of employment/commencement of employment. ✓
- Place where employee will spend most of his/her working time. ✓
- Hours of work, e.g. normal time/overtime. ✓
- Remuneration, e.g. weekly or monthly pay. ✓
- Benefits/Fringe benefits/Perks/Allowances. ✓
- Leave, e.g. sick/maternity/annual/adoption leave. ✓
- Employee deductions (compulsory/non-compulsory). ✓
- Period of contract/Details of termination. ✓
- Probation period. ✓
- Signatures of both the employer and employee. ✓





MAX (4)

- List of documents that form part of the contract, e.g. appointment letter/code of conduct/ethics. ✓
- Disciplinary policy, e.g. rules and disciplinary procedure for unacceptable behaviour. ✓

### 2.5 Meaning of an Employment Contract

- Employment contract is an agreement between the employer and the employee ✓ and is legally binding. ✓

### 2.5 SELECTION

#### Selection procedure

##### Option 1

- Determine fair assessment criteria on which selection will be based. ✓✓
- Applicants must submit the application forms/curriculum vitae and certified copies of personal documents/IDs/proof of qualifications, etc. ✓✓
- Sort the received documents/CVs according to the assessment/selection criteria. ✓✓
- Screen/Determine which applications meet the minimum job requirements and separate these from the rest. ✓✓
- Preliminary interviews are conducted if many suitable applications were received. ✓✓
- Reference checks should be made to verify the contents of CV's, e.g. contact previous employers to check work experience. ✓✓
- Compile a shortlist of potential candidates identified. ✓✓
- Shortlisted candidates may be subjected to various types of selection tests e.g. skills tests, etc. ✓✓
- Invite shortlisted candidates for an interview. ✓✓
- A written offer is made to the selected candidate.
- Inform unsuccessful applicants about the outcome of their application./Some adverts indicate the deadline for informing only successful candidates. ✓✓

**NOTE: The procedure can be in any order**

##### Option 2

- Receive documentation, eg. application forms and sort it according to the criteria

of the job. ✓✓

- Evaluate CVs and create a shortlist/Screen the applicants. ✓✓
- Check information in the CVs and contact references. ✓✓
- Conduct preliminary sifting interviews to identify applicants who are not suitable for the job, although they meet all requirements. ✓✓
- Assess/Test candidates who have applied for senior positions/to ensure the best candidate is chosen. ✓✓
- Conduct interviews with shortlisted candidates. ✓✓
- Offer employment in writing to the selected candidate(s). ✓✓

**2.6.1** - He booked the venue ✓

- prepared a set of questions to ask on the interview. ✓

**2.6.2 Role of the interviewer when preparing/before the interview**

- Book and prepare the venue ✓ for the interview. ✓
- Inform all shortlisted candidates ✓ about the date and place of the interview. ✓
- Set the interview date ✓ and ensure that all interviews take place on the same date, if possible. ✓
- Notify all panel members conducting the interview ✓ about the date and place of the interview. ✓
- The interviewer should develop a core set of questions ✓ based on the skills/knowledge/ability required. ✓
- Check/read the application/verify the CV of every candidate ✓ for anything that may need to be explained. ✓
- Plan the programme for the interview ✓ and determine the time that should be allocated to each candidate. ✓
- Allocate the same amount of time to interview each candidate ✓ on the program. ✓

**2.7 Purpose of an interview**

- To determine a candidate's suitability ✓ for the job. ✓
- Obtains information about the strengths and weaknesses ✓ of each candidate. ✓
- Evaluate the skills and personal characteristics ✓ of the applicant ✓
- Helps the employer in choosing/making an informed decision ✓ about the most suitable candidate. ✓

- Matches information provided by the applicant ✓ to the job requirements. ✓
- Creates an opportunity where information about the business ✓ and applicant can be exchanged. ✓

## 2.6 PIECEMEAL

- Workers are paid according to the number of items/ units produced /action performed. ✓✓
- Workers are not remunerated for the number of hours worked, regardless of how long it takes them to make the items. ✓✓

Mostly used in factories particularly in the textile/technology industries. ✓✓

## TIME-RELATED

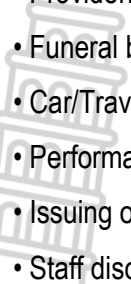
- Workers are paid for the amount of time they spend at work/on a task. ✓✓
- Workers with the same experience/qualifications are paid on salary scales regardless of the amount of work done. ✓✓
- Many private and public sector businesses use this method. ✓✓

## 2.9 Implication of the Skills Development Act (SDA) on the Human Resources function

- Contribute 1% of their salary bill to the Skills Development Levy/SDL.
- Ensure training in the workplace is formalised /structured
- Appoint a full/part time consultant as a Skills Development Facilitator.
- Assist managers in identifying skills/training needs to help them to introduce learnerships.
- The human resources manager should interpret the aims and requirements of the SDA and adapt workplace skills training programmes accordingly.
- Identify the training needs of the employees and provide them with training opportunities so that they will perform their tasks efficiently.
- Use the National Qualification Framework/NQF to assess the skills levels of employees.
- Interpret/Implement the aims/requirements of the framework for the National Skills Development Strategy.

## 2.10 Examples of fringe benefits in the workplace


- Medical Aid Fund/Health Insurance Fund ✓
- Pension Fund ✓

- 
- Provident Fund ✓
  - Funeral benefits ✓
  - Car/Travel/Housing/Cell phone/Clothing allowance ✓
  - Performance based incentives ✓
  - Issuing of bonus shares ✓
  - Staff discount/Free or low cost meal/Canteen facilities ✓

2.11 - they are taken on a tour of the premises ✓

- introduced to senior management and colleagues. ✓

### 2.12 Benefits of induction

- 
- Increases quality of performance ✓/productivity ✓
  - Allows new employees to settle in quickly ✓ and work effectively. ✓
  - Ensures that new employees understands rules and restrictions ✓ in the business. ✓
  - New employees may establish relationships with fellow employees ✓ at different levels. ✓
  - Employees will be familiar with organisational structures ✓, e.g., who are their supervisors/low level manager. ✓
  - Make new employees feel at ease in the workplace, ✓ which reduces anxiety/ insecurity/fear. ✓
  - New employees will understand their role/responsibilities ✓ concerning safety regulations and rules ✓
  - Minimises/Decreases the need for on-going training ✓ and development. ✓
  - The results obtained during the induction process ✓ provide a base for focused training. ✓
  - Opportunities are created for new employees ✓ to experience/explore different departments ✓
  - New employees will know the layout of the building/factory/offices/where everything is, ✓ which saves production time. ✓
  - Learn more about the business so that new employees understand their roles/ Responsibilities ✓ in order to be more efficient. ✓
  - Company policies are communicated, ✓ regarding conduct and procedures/safety and security/employment contract/conditions of employment/working hours/leave. ✓

- Realistic expectations for new employees ✓ as well as the business are created. ✓
- New employees may feel part of the team ✓ resulting in positive morale and motivation. ✓
- Employees may have a better understanding of business policies ✓ regarding ethical/professional conduct/procedures/CSR, etc. ✓
- Reduces the staff turnover ✓ as new employees have been inducted properly ✓

**NOTE: Businesses must benefit from inducting new employees. Do not confuse the purpose of induction with the benefits.**

### 2.13 Implications of the Basic Conditions of Employment Act (BCEA) on the Human Resources function

- Workers must receive double ✓ if they work during public holidays/Sunday. ✓
- They must have a break of 60 minutes ✓ after five hours of work. ✓
- Businesses should not employ children ✓ under the age of 16. ✓
- Workers can take up to six weeks paid sick leave ✓ during a 36-month cycle ✓
- 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. ✓

### 2.14 IMPACT OF FRINGE BENEFITS ON BUSINESSES

#### Positives/Advantages

- Improves productivity \ resulting in higher profitability. ✓✓
- Attractive fringe benefit packages may result in higher employee retention/reduces employee turnover. ✓✓
- Attracts qualified/skilled/experienced employees who may positively contribute towards the business goals/objectives. ✓✓
- It increases employee satisfaction/loyalty as they may be willing to go the extra mile. ✓✓
- Businesses save money as benefits are tax deductible. ✓✓
- Fringe benefits can be used as leverage for salary negotiations. ✓✓

#### AND/OR

#### Negatives/Disadvantages

- Businesses who cannot offer fringe benefits fail to attract skilled workers. ✓✓
- It can create conflict/lead to corruption if allocated unfairly. ✓✓
- Fringe benefits are additional costs that may result in cash flow problems. ✓✓
- Errors/Mistakes in benefit plans may lead to costly lawsuits/regulatory fines. ✓✓

- Decreases business profits, as incentive/package/remuneration costs are higher. ✓✓
- Businesses who offer employees different benefit plans may create resentment to those who receive less benefit resulting in lower productivity. ✓✓
- Administrative costs increase as benefits need to be correctly recorded for tax purposes. ✓✓
- Workers only stay with the business for fringe benefits and may not be committed/loyal to the tasks/business. ✓✓
- Businesses have to pay advisors/attorneys to help them create benefit plans that comply with Law. ✓✓

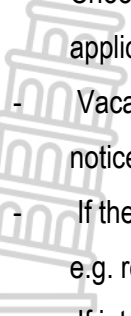
### ACTIVITY 3

#### Introduction

- An accurate recruitment procedure enables businesses to appoint suitable candidates who meet the needs of the identified position. ✓
- Businesses prefer internal recruitment methods as they provide existing employees with the opportunity to grow and showcase the skills they have acquired. ✓
- The interviewer should have a comprehensive understanding of the interview process to ensure the necessary planning arrangements before the interview.
- Businesses are guided by laws on drawing up the legal requirements of the employment contract. ✓
- Any other relevant introduction related to the recruitment procedure/impact of internal recruitment/role of interviewer before the interview/legal requirements on an employment contract. ✓

#### Recruitment procedure

- The human resource manager should evaluate the job/prepare a job analysis, that includes the job specification/job description/in order to identify recruitment needs. ✓✓
- The human resource manager (HRM) should prepare the job description in order to identify recruitment needs. ✓✓
- HRM should indicate the job specification/description/key performance areas to attract suitable candidates. ✓✓


- 
- Choose the method of recruitment, e.g. internal/external, to reach/target the suitable applicants/candidates. ✓✓
  - Vacancies can be internally advertised via internal email/word of mouth/ posters/staff notices. ✓✓
  - If the external recruitment is chosen, the relevant recruitment sources should be selected, e.g. recruitment agencies/tertiary institutions/ newspapers, etc. ✓✓
  - If internal recruitment is unsuccessful, external recruitment should be considered. ✓✓
  - If the external recruitment is done, the relevant recruitment source should be selected, e.g. recruitment agencies, tertiary institutions, newspapers, ✓✓
  - The advertisement should be prepared with the relevant information, e.g. the name of the company, contact details, contact person, etc. ✓✓
  - Place the advertisement in the appropriate media that will ensure that the best candidates apply. ✓✓

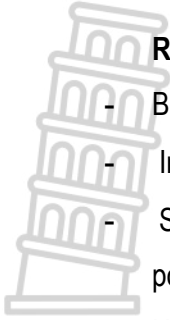
## IMPACT OF INTERNAL RECRUITMENT

### Positives/Advantages

- Cheaper/Quicker ✓ to fill the post. ✓✓
- Provides opportunities ✓ for career paths within the business. ✓
- Reduces the chances of losing employees, ✓ as future career prospects are available ✓
- Placement is easy, ✓ as management knows the employees' skills/personality/ experience/strengths. ✓
- The employee already has an understanding of how the business operates ✓  
Induction/Training is not always necessary. ✓
- Detailed, reliable information can be obtained ✓ from the supervisors/employee records. ✓

### Negative/Disadvantages

- 
- It may close the door ✓ to new ideas from outsiders. ✓
  - Employees who are not promoted ✓ may feel demotivated ✓
  - The promotion of an employee could cause resentment ✓ among other employees. ✓
  - The number of applicants from which to choose ✓ is limited to existing staff only. ✓
  - It is possible to promote certain employees who do not really have the required skills ✓ for the new job. ✓
  - The business has to spend more money ✓ on training/developing existing employees on the new position. ✓



### **Role of the interviewer when PREPARING/BEFORE the interview**


- Book and prepare the venue✓ for the interview. ✓
- Inform all shortlisted candidates✓ about the date and place of the interview. ✓
- Set the interview date✓ and ensure that all interviews take place on the same date, if possible. ✓
- Notify all panel members conducting the interview✓ about the date and place of the interview. ✓
- The interviewer should develop a core set of questions based on the skills/knowledge/ability required.
- Check/read the application/verify the CV of every candidate for anything that may need to be explained.
- Plan the programme for the interview and determine the time that should be allocated to each candidate.
- Allocate the same amount of time to interview each candidate on the program.

### **Legal requirements of the employment contract**

The employer and employee must both sign the contract. ✓✓

- Employer and employee must agree to any changes to the contract. ✓✓
- No party may unilaterally change aspects of the employment contract. ✓✓
- The remuneration package/including benefits must be clearly indicated. ✓✓
- It may not contain any requirements that are in conflict with the BCEA. ✓✓
- The employment contract should include a code of conduct and code of ethics. ✓✓
- Aspects of the employment contract can be renegotiated during the course of employment. ✓✓
- The employer must explain the terms and conditions of the employment contract to the employee. ✓✓
- Conditions of employment/duties/responsibilities of the employees must be stipulated clearly. ✓✓
- All business policies, procedures and disciplinary codes/rules can form part of the employment contract. ✓✓
- The employer must allow the employee to thoroughly read through the contract before it is signed. ✓✓

### Conclusion

- 
- The correct recruitment procedure enables businesses to compile a job analysis that will be used to identify suitable candidates for the vacancy. ✓
  - Internal recruitment may result in existing employees feeling valued when they are considered for promotions. ✓
  - The success of the interview depends on the manner in which the interviewer properly planned before the interview ✓
  - Businesses can avoid legal actions by aligning their employment contracts according to recent legislation. ✓
  - Any other relevant conclusion related to the recruitment procedure/impact of internal recruitment/role of interviewer before the interview/legal requirements on an employment contract.

### QUALITY OF PERFORMANCE

#### ACTIVITY 1

- 1.1.1 C✓✓
- 1.1.2 B✓✓
- 1.1.3 D✓✓
- 1.1.4 C✓✓
- 1.1.5 D✓✓
- 1.1.6 A✓✓
- 1.1.7 D✓✓
- 1.1.8 D✓✓
- 1.1.9 A✓✓
- 1.1.10 B✓✓
- 1.1.11 B✓✓
- 1.1.12 B✓✓
- 1.1.13 C✓✓
- 1.1.14 D✓✓
- 1.1.15 D✓✓



- 1.2.1 quality management systems ✓✓
- 1.2.2 quality assurance ✓✓
- 1.2.3 marketing ✓✓
- 1.2.4 act ✓✓
- 1.2.5 management ✓✓

- 1.3.1 C ✓✓
- 1.3.2 E ✓✓
- 1.3.3 F ✓✓
- 1.3.4 D ✓✓
- 1.3.5 G ✓✓

## ACTIVITY 2

### 2.1 Differences between quality management and quality performance

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

#### 2.2.1

BUSINESS FUNCTIONS	MOTIVATIONS
Administration	MT ensures that documentation is kept neatly in a safe place.
Marketing	MT differentiates its products to attract more customers.

#### 2.2.2 QUALITY INDICATORS

##### Contribution of the General Management Function to the success of a business/quality indicators ✓✓

- Develop/Implement/Monitor effective strategic plans. ✓
- Efficient organisation/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. ✓

#### **Contribution of the Production Function to the success of a business/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. ✓

#### **Contribution of the Purchasing Function to the success of a business/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. ✓

#### **Contribution of the Financial Function to the success of a business/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. ✓

#### **Contribution of the Public Relations Function to the success of a business/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. ✓
- Compliance with recent legislation, e.g., BEE compliant. ✓

#### **Contribution of the human resources function to the success of a business/quality indicators**

✓✓

- Makes sure there is a good recruitment policy that attracts best candidates. ✓
- Ensures fair and equitable selection process. ✓
- Fair remuneration packages that are aligned to the industry. ✓
- Offer performance incentives for staff to enhance productivity.
- Good relationship with employees. ✓
- Low rate of staff turnover in the business. ✓



2.3.1 -NP ensures that productivity increases through proper time management. ✓

- NP has a competitive advantage over its competitors. ✓

### 2.3.2 **OTHER BENEFITS GOOD MANAGEMENT SYSTEMS**

- Effective customer services are rendered, resulting in increased customer satisfaction. ✓✓

- Time and resources are used efficiently. ✓✓

- Productivity increases through proper time management/using high quality resources. ✓✓

- Products/Services are constantly improved resulting in increased levels of customer satisfaction. ✓✓

- Vision/Mission/Business goals may be achieved. ✓✓

- Regular training will continuously improve the quality of employees' skills/ knowledge. ✓✓

- Employers and employees will have a healthy working relationship resulting in happy/productive workers. ✓✓

- Increased market share/more customers improve profitability. ✓✓

- Improves business image as there are less defects/returns. ✓✓(2X3) (6)

### 2.4.1 **Production function** ✓✓

- 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. ✓

#### 2.4.2 Human Resources Function ✓ ✓

- Makes sure there is a good recruitment policy that attracts best candidates. ✓
- Ensures fair and equitable selection process. ✓
- Fair remuneration packages that are aligned to the industry. ✓
- Offer performance incentives for staff to enhance productivity. ✓
- Good relationship with employees. ✓
- Low rate of staff turnover in the business. ✓

#### 2.5 Total Quality Management

- TQM is an integrated system/methodology applied throughout the organisation, ✓ which helps to design/produce/provide quality products/services to customers. ✓
- It is a thought revolution in management, ✓ where the entire business is operated with customer orientation in all business activities. ✓
- TQM enables businesses to continuously improve on the delivery of products/ service ✓s in order to satisfy the needs of customers. ✓
- Management ensures that each employee ✓ is responsible for the quality of his/her work/actions ✓.
- TQM focuses on achieving customer satisfaction ✓ and looks for continuous improvement in all the business's processes, products and services. ✓
- TQM takes steps to ensure the full involvement and co-operation of all employees ✓ in improving quality. ✓

#### 2.6 Advantages of continuous skills development as a TQM element

- 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. . ✓✓

#### 2.7.1

TQM ELEMENT	MOTIVATION
TM has sufficient capital. to test everything before implementing. ✓. ✓✓	Adequate finance and capacity. ✓

They can afford to use the services of the quality circles to stay ahead of their competitors..✓✓	continuous improvement to processes and systems.✓
---	---

## 2.7.2 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.✓

## 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 material✓s 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. ✓

## 2.8 Application of the PDCA model/cycle in improving the quality of products

### Plan ✓

- **The business should identify the problem and develop a plan for improvement to processes and systems.** ✓
- Answer questions such as 'what to do' and 'how to do it'. ✓
- **Plan the new method and approach to improve the quality of their products.** ✓
- **The plan must be logical/sequential for implementers to understand it.** ✓

### Do

- Businesses should implement the change on a small scale. ✓
- **Implement the processes and system as planned.** ✓
- **This step, the implementers aim to effectively/accurately execute the change based on the plan/method.** ✓
- **This step is essential in determining whether the change has viability/potential.** ✓

### Check/Analyse ✓

- Use data to analyse the results of change. ✓
- **Determine whether it made a difference and what needs to be improved.** ✓
- Check whether the processes are working effectively. ✓
- Businesses should assess, plan and establish if it is working/if things are going according to plan. ✓

### Act ✓

- **Institutionalise the improvement to meet the needs of the business.** ✓
- Devise strategies on how to continually improve. ✓
- If the change was successful, implement it on a wider scale. ✓
- The business should continuously revise the process until they get it right. ✓



**2.9 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 present quality standards. ✓✓

**ACTIVITY 3.1**

**INTRODUCTION**

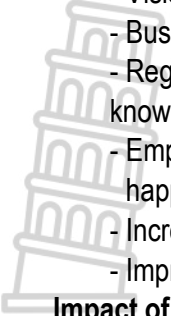
- Good quality management systems enable businesses to identify and reduce defective goods at an early stage. ✓
- The production of high-quality products improves customer satisfaction and loyalty. ✓
- A sound knowlegde in monitoring and evaluating quality processes enables the business to provide quality product. ✓
- A structured TQM program ensures that the entire potential of the business is achieved. ✓

**Differences between quality control and quality assurance**

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

**Benefits/Advantages of a good quality management system**

- Effective customer services are rendered ✓, resulting in increased customer satisfaction.
- Time and resources are used efficiently. ✓
- Productivity increases through proper time management/ ✓using high quality resources.
- Products/Services are constantly improved ✓resulting in increased levels of customer satisfaction. ✓

- 
- Vision/Mission/Business goals ✓ may be achieved. ✓
  - Business has a competitive advantage over its competitors. ✓
  - Regular training will continuously improve ✓ the quality of employees' skills/knowledge. ✓
  - Employers and employees will have a healthy working relationship ✓ resulting in happy/productive workers. ✓
  - Increased market share ✓ /more customers improve profitability. ✓
  - Improves business image ✓ as there are less defects/returns. ✓

### **Impact of TQM elements**

### **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. ✓

### **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 ✓.

### 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. ✓✓

### CONCLUSION

- Implementation of good quality management systems enable business to increase its return and improve its image. ✓✓
- Total quality management is the responsibility of everyone within an organisation including the employees,

### INVESTMENT: SECURITIES

#### ACTIVITY 1

- 1.1.1 B ✓✓
- 1.1.2 A ✓✓
- 1.1.3 C ✓✓
- 1.1.4 D ✓✓
- 1.1.5 B ✓✓
- 1.1.6 D ✓✓
- 1.1.7 C ✓✓



1.1.8 A✓✓

1.1.9 A✓✓

1.1.10 C✓✓

1.1.11 C✓✓

1.1.12 C✓✓

1.1.13 B✓✓

1.1.14 A✓✓

1.1.15 D✓✓

1.1.16 A✓✓

1.1.17 C✓✓

1.1.18 D✓✓

1.1.19 D✓✓

1.1.20 A✓✓

1.1.21 D✓✓

1.1.22 A✓✓

1.1.23 B✓✓

1.1.24 A✓✓

(2x24) (48)

1.2.1 unit trust✓✓

1.2.2 debentures✓✓

1.2.3 compound✓✓

1.2.4 retirement annuities✓✓

1.2.5 ordinary✓✓

1.2.6 RSA Retail Savings Bonds✓✓

1.2.7 non-convertible ✓✓

1.2.8 liquidity✓✓



(2x8) (16)

1.3.1 D✓✓

1.3.2 K✓✓

1.3.3 M✓✓

- 1.3.4 O✓✓
- 1.3.5 G✓✓
- 1.3.6 B✓✓
- 1.3.7 E✓✓
- 1.3.8 R✓✓

1.3.9 S✓✓

1.3.10 J✓✓

## ACTIVITY 2

### 2.1 Factors that should be considered when making investment decisions

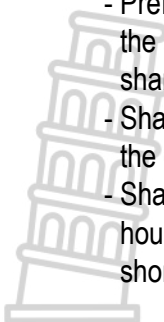
- Return on investment (ROI)✓
- Risk✓
- Investment term/period✓
- Inflation rate✓
- Taxation✓
- Liquidity✓

2.2.1

INVESTMENT OPPORTUNITIES	MOTIVATIONS
Managed opportunity✓✓	TB instructed a financial advisor to manage her various investments/assets in one basket.✓
32 days notice✓✓	TB also chose an investment opportunity where money cannot be withdrawn and added during the period of the deposit.✓

### 2.2.2 Risk

- Refers to the chance that the invested amount may be reduced in value/lost in total over a period, due to unforeseen circumstances.✓
- The higher the potential return, the higher the risk of a potential loss.✓
- Investing in shares has a higher risk than investing in a fixed deposit.✓
- 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. ✓



- 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 such as economic conditions/operational success of the company which investors cannot always control. ✓
- Share prices are volatile/unstable/unpredictable/may increase/decrease sharply within hours which contribute to the uncertainty of the value of an investment in shares on the short term. ✓

## 2.3 Investment opportunities

### Return on investment (ROI) ✓✓

- Refers to income from the investment, namely interest/dividends/increased capital growth on the original amount invested. ✓
- The return should be expressed as net after-tax gains on the investment. ✓
- High risk investments yield higher returns. ✓
- Generally, there will be a direct link between the risk and the return. ✓
- Returns can be in the form of capital gains ✓ where the asset appreciates in value over time. ✓

### Investment term/period ✓

- This refers to the duration of the investment which may influence the return on investment.
- It can be short/medium/long-term depending on the nature of an investment option.
- The investment period will depend on an investor's personal needs/goals.
- The longer the investment period the higher the returns.
- Short term investments enable investors to access their money on a short period if needed.

### Inflation rate ✓✓

- Investors/People are affected by a high inflation rate because their money/purchasing power decreases. ✓
- 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. ✓

### Taxation ✓✓

- Refers to a compulsory payment made by citizens to the government. ✓
- A good investment will yield good after-tax returns. ✓
- Income tax implications must be considered to ensure a high net after-tax return. ✓
- Tax rates are not necessarily the same for different investments. ✓

### 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. ✓
- Example: An investment in a savings account/unit trust will be easier to convert into cash than an investment in a fixed deposit which is usually deposited for a fixed period. ✓✓

- 2.4.1 Bonus ✓✓
- 2.4.2 Preference ✓✓
- 2.4.3 Founders ✓✓
- 2.4.4 Ordinary ✓✓

## 2.5 Rights of ordinary shares

### Shareholders have a right to:

- vote at the Annual General Meeting. ✓✓
- attend the Annual General Meeting to learn about the company's performance. ✓✓
- receive interim and annual reports. ✓✓
- claim on company assets in the event of bankruptcy after all other creditors and preferential shareholders have been paid. ✓✓

## 2.6.1

FORMS OF INVESTMENTS	MOTIVATIONS
1. RSA Retail Bond ✓✓	KS chose an investment where it can earn interest twice a year. ✓
2. Unit trust ✓✓	She also chose another investment where it will be easy to cash in when an investor needs money. ✓

## 2.6.2 Government/RSA Retail Savings Bonds

### Positives/Advantages

- Guaranteed returns, ✓ as interest rate is fixed for the whole investment period. ✓
- Interest rates are market related. ✓ and attract more investors. ✓
- **Interest can be received twice a year making it a viable investment option.**
- Investment may be easily accessible, ✓ as cash may withdrawn after the first twelve months. ✓
- Low risk/Safe investment, ✓ as it is invested with the South African Government which cannot be liquidated. ✓
- It is affordable type of investment for all levels of income earners. ✓ including pensioners. ✓
- Retail bonds are easily/conveniently. ✓ obtained electronically/from any PostOffice/directly from the National Treasury. ✓
- No charges/costs/commissions. ✓ payable on this type of investment. ✓
- Interest is usually higher. ✓ than on fixed deposit. ✓
- Retail bonds are listed. ✓ on the capital bond markets/on the JSE. ✓
- Investors younger than 18 years/Minors may invest with the help of a legal guardian, ✓ which encourages saving from a young age. ✓

AND/OR

### Negatives/Disadvantages

- Retail bonds cannot be ceded to banks/financial institutions ✓ as security for obtaining loans. ✓
- **A minimum of R500 must be invested, ✓ which may be difficult for some small investors to accumulate. ✓**
- Retail bonds are not freely transferable amongst investors.
- Investors need to have a valid SA identification/should be older than 18 years ✓ which may discourage foreigners/young people to invest. ✓
- Penalties are charged for early withdrawals. ✓ if the savings is less than 12 months old. ✓

### Unit trust

#### Positives/Advantages

- Managed by a fund manager who buys shares on the stock exchange/JSE. ✓
- Easy to cash ✓ in when an investor needs money. ✓
- A small amount ✓ can be invested per month. ✓
- Generally, beats inflation on the medium/long term. ✓
- Safe investment, as it is managed according to rules and regulations. ✓
- The investor has a variety to choose from/a ✓ wider range of shares from lower to higher degrees of risk. ✓
- Easy to invest in, ✓ as investors simply complete a few relevant forms or invest online ✓
- Fluctuations in unit trust rates of return are often not so severe because of diversity of the investment fund. ✓
- Offer competitive returns in the form of capital growth ✓ and dividend distribution. ✓
- Fund managers are knowledgeable/experts/reliable/trustworthy as they are required to be accredited to sell unit trusts. ✓
- Lowers the potential risk allows more people to invest in the fund. ✓

### Negatives/Disadvantages

- Share price ✓ may fluctuate. ✓
- Unit trusts are not suitable for people ✓ who want to invest for a short period. ✓
- It is not a good option for people ✓ who want to avoid risks at all costs. ✓
- Units Trusts are not allowed to borrow, therefore reducing potential returns. ✓
- If blue chip companies do not continue their growth path, the growth of unit trusts will also be affected/it will not render the expected returns. ✓
- Bid prices that are usually higher than the ask price, ✓ makes the investment less liquid. ✓

2.7.1 Simple interest ✓ ✓

$$\begin{aligned} 2.7.2 I &= Pxrxt \checkmark \\ &= 100\,000 \times 0,15 \times 2 \checkmark \\ &= R30\,000 \checkmark \checkmark \end{aligned}$$

### ACTIVITY 3

#### INTRODUCTION

- Investors should familiarise themselves with the functions of Johannesburg Securities Exchange (JSE). ✓
- The simple and compound interests are two types of methods used by financial institutions to calculate interest due to investors. ✓

#### Functions of the JSE

- Gives opportunities to financial institutions to invest their surplus funds in shares. ✓✓
- Serves as a barometer/indicator of economic conditions in South Africa. ✓✓
- Keeps investors informed by publishing 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 possible on the open market. ✓✓
- Strict investment rules ensure a disciplined/orderly market for securities. ✓✓
- **Raises primary capital by encouraging new investments in listed companies.** ✓✓
- Mobilises the funds of insurance companies and other institutions. ✓✓
- Regulates the market for trading in shares. ✓✓
- Plans, research, and advises on investment possibilities. ✓✓
- Ensures that the market operates in a transparent manner. ✓✓
- Provides protection for investors through strict rules/legislation. ✓✓
- **Encourages short-term investment as shares can be sold at any time.** ✓✓
- Facilitates electronic trading of shares/STRATE/Channels financial resources into **productive economic activities.** ✓✓
- Enhance job creation and increases economic growth/development. ✓✓

#### Types of investment opportunities

##### Debentures

- Debentures are 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/number/amount of debentures held. ✓

##### Venture capital

- Venture capital is given by investors/businesses to start up/expand a business ✓ in return to have a share in the new/expanded business. ✓
- Investors should know the type of business/market/economic conditions ✓ before a business is bought/started. ✓

- Buying a franchise/existing business will be successful, ✓ if the investors have done proper research/understand exactly what he/she is investing in. ✓

### Impact of various forms of investment

#### Government/RSA Retail Savings Bonds

##### Positives/Advantages

- Guaranteed returns, ✓ as interest rate is fixed for the whole investment period. ✓
- Interest rates are market related ✓ and attract more investors. ✓
- **Interest can be received twice a year making ✓ it a viable investment option.**
- Investment may be easily accessible, ✓ as cash may be withdrawn after the first twelve months. ✓
- Low risk/Safe investment, ✓ as it is invested with the South African Government which cannot be liquidated. ✓
- It is an affordable type of investment for all levels of income earners ✓ including pensioners. ✓
- Retail bonds are easily/conveniently obtained electronically/from ✓ any Post Office/directly from the National Treasury. ✓
- No charges/costs/commissions ✓ payable on this type of investment. ✓
- Interest is usually higher ✓ than on fixed deposit. ✓
- Retail bonds are listed on the capital bond markets/on the JSE. ✓
- Investors younger than 18 years/Minors ✓ may invest with the help of a legal guardian, which encourages saving from a young age. ✓

##### AND/OR

##### Negatives/Disadvantages

- Retail bonds cannot be ceded to banks/financial institutions ✓ as security for obtaining loans. ✓
- **A minimum of R500 must be invested, ✓ which may be difficult for some small investors to accumulate. ✓**
- Retail bonds are not freely transferable ✓ amongst investors. ✓
- Investors need to have a valid SA identification/should be older than 18 years ✓ which may discourage foreigners/young people to invest. ✓
- Penalties are charged for early withdrawals ✓ if the savings is less than 12 months old. ✓

##### Rights of Preference shares

##### Shareholders have a right to:

- Receive dividends regardless of how much profits are made. ✓✓
- Receive a fixed rate of return/dividend. ✓✓
- They are paid first/enjoy preferential rights to dividends. ✓✓
- They have a preferred claim on company assets in the event of bankruptcy/ liquidation of the company. ✓✓
- Receive interim and annual reports. ✓✓
- They only have voting rights at the AGM under particular circumstances/for certain resolutions. ✓✓

- Cumulative shareholders must receive outstanding/accrued dividends from previous years. ✓✓
- Participating preference shareholders have the right to share in surplus profits. ✓✓

### CONCLUSION

- Investors in South Africa should analyse the functions of Johannesburg Securities exchange (JSE) for their own benefit. ✓✓
- Careful consideration of risks associated with investment opportunities such as debentures and mutual funds/stokvel is vital for investors. ✓✓

## Investments Insurance

### ACTIVITY 1

#### 1.1 Multiple Choice

1.1.1 C ✓✓

1.1.2 A ✓✓

1.1.3 B ✓✓

1.1.4 D ✓✓

1.1.5 A ✓✓

1.1.6 A ✓✓

1.1.7 A ✓✓

1.1.8 D ✓✓

1.1.9 A ✓✓

1.1.10 A ✓✓

1.1.11 A ✓✓

1.1.12 C ✓✓

1.1.13 B ✓✓

1.1.14 C ✓✓

1.1.15 C ✓✓

1.1.16 A ✓✓



(2×16=32)

#### 1.2 Complete the following statements

1.2.1 Excess ✓✓

1.2.2 Changes in fashion ✓✓

1.2.3 Over insured ✓✓

1.2.4 Compulsory insurance ✓✓

1.2.5 Average ✓✓

(2×5=10)

### 1.3 MATCHING

1.3.1 F ✓✓

1.3.2 D ✓✓

1.3.3 G ✓✓

1.3.4 B ✓✓

1.3.5 I ✓✓

(2×5=10)

## ACTIVITY 2

### 2.1 Meaning of insurance

- Insurance refers to cover for a possible event ✓ that may cause a specified loss/damage. ✓
- An agreement whereby the insurer undertakes to indemnify the insured ✓ in the event of a Specified loss/damage. ✓
- The insured must pay a premium ✓ for specified losses/damages covered. ✓
- A contract between a person/business/insured requiring insurance cover ✓ and the insurance Company/insurer bearing the financial risk. ✓

#### Examples

- Theft
- Fidelity insurance
- Burglary
- Money in transit
- Fire
- Natural disaster/Storms/Wind/Rain/Hail
- Damage to/Loss of assets/vehicles/equipment/buildings/premises
- Injuries on premises



### 2.2

- Excess is the amount that the insured agrees to pay upfront ✓ when he/she takes out an Insurance policy/The amount the insured agrees to pay upfront as stipulated in the Insurance policy. ✓
- A portion of the insurance claim that the insured will have to pay ✓ towards the cost of replacing/repairing goods/property concerned. ✓

- Excess payments protect the insurer against fraudulent claims ✓ as the insured is less likely to submit a false claim/when he/she needs to pay the amount upfront. ✓
- It is the amount paid to the insurer when a claim for damages is lodged/ in the event of a Claim.
- Higher excess amounts keep the insurance premium lower and discourage fraud.
- Excess payment prevents the insured from claiming for minor damages.

### 2.3 Reinstatement

- It is a stipulation whereby the insurer may replace lost/damaged property/goods instead of reimbursing. ✓
- This stipulation is applicable when property/goods ✓ are over insured. ✓
- The re-instatement value will not be higher ✓ than the market value of the loss. ✓
- Insured is restored to almost the same financial position as before the loss occurred. ✓
- Example: A business property that has been insured for R300 000 but the market value for The property is R200 000. If it is destroyed by fire/storm etc., the insurer will rebuild the Property instead of paying cash.

#### NOTE:

1. Reinstatement applies when goods/assets are over-insured.
2. There is no formula for calculating over insurance. Therefore, you will not be Asked to calculate over insurance.

## 2.4

### 2.4.1

Insurable risks	Non-insurable risks
Fire ✓	Changes infashion ✓
Theft ✓	Improvements in technology ✓

### 2.4.2 Insurable risks

- These risks are insured ✓ by insurance companies. ✓

### Non- Insurable risks

- These risks are not insured by insurance companies ✓ as insurance cost/risks are too High/remains the responsibility of the Business ✓

### 2.5.1 Average Clause ✓✓

### 2.5.2

Actual value / insured value × loss/damage ✓

$$800\,000 \div 1\,000\,000 \times 30\,000$$

$$= R24\,000$$

### 2.5.3 Excess ✓✓

## 2.6 Meaning of Excess

- A stipulation set by the insurer which is applicable when property/goods is under insured/insured ✓ for less than its market value. ✓
- The insurer will pay for insured loss/damages ✓ in proportion to the insured value. ✓
- This means that the insured is responsible for a part of the risk ✓ that is not insured. ✓

**NOTE: The average clause applies when goods/assets are under insured.**

### 2.6

- Excess is the amount that the insured agrees to pay upfront when he/she takes out an Insurance policy/The amount the insured agrees to pay upfront as stipulated in the Insurance policy.
- A portion of the insurance claim that the insured will have to pay towards the cost of Replacing/repairing goods/property concerned.
- Excess payments protect the insurer against fraudulent claims as the insured is less likely To submit a false claim/when he/she needs to pay the amount upfront.
- It is the amount paid to the insurer when a claim for damages is lodged/ in the event of a Claim.
- Higher excess amounts keep the insurance premium lower and discourage fraud.
- Excess payment prevents the insured from claiming for minor damages.

### 2.7.1 Road accident fund(RAF) / Road accident beneficiary scheme (RABS) ✓✓

### 2.7.2 Unemployment Insurance Fund (UIF) ✓✓

### 2.8.1

PRINCIPLE OF INSURANCE	MOTIVATION
1. Utmost good faith ✓✓	ML disclosed everything that may affect the extent of the risk. ✓

2. Insurable interest ✓✓	ML also proved that they would suffer a financial loss if the property is damaged. ✓
3. Indemnity/indemnification ✓✓	Seiko Insurers agreed to compensate the insured for damages specified in the insurance contract. ✓

### 2.8.2 Security/Certainty

- Applies to long-term insurance where the insurer undertakes to pay out an agreed upon Amount in the event of loss of life. ✓✓
- A predetermined amount will be paid out when the insured reaches a predetermined age/or Gets injured due to a predetermined event. ✓
- Aims to provide financial security ✓ to the insured at retirement/dependents of the deceased. ✓

### ACTIVITY 3

#### INTRODUCTION

- Businesses should have in depth knowledge of the differences between insurance and assurance. ✓
- Businesses take out insurance contracts yearly and pay a monthly premium to a chosen insurance company. ✓
- It is advised by Government that employees and employers must be administered by compulsory insurance. ✓
- There are three main types of compulsory insurance that businesses must abide by and COIDA essential as a type of insurance for businesses to be covered by. ✓

#### The differences between insurance and assurance

Insurance	Assurance
- Based on the principle of indemnity. ✓✓	- Based on the principle of security/certainty. ✓✓
- The insured transfers the cost of potential loss to the insurer at a premium. ✓✓	The insurer undertakes to pay an agreed sum of money after a certain period has expired/on the death of the insured person, whichever occurred first. ✓✓

- It covers a specified event that may occur. ✓✓	Specified event is certainty, but the time of the event is uncertain ✓✓
- Applicable to short term insurance. ✓✓	- Applicable to long term insurance ✓✓
Examples	Examples
- Property insurance/money in transit/theft/burglary/fire ✓✓	- Life insurance/endowment policies/retirement annuities. ✓✓

### The THREE types of compulsory insurance.

#### Unemployment Insurance Fund/UIF ✓✓

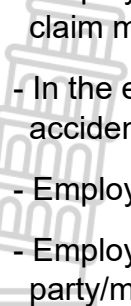
- The UIF provides short term benefits to workers ✓ who have been working and become Unemployed for various reasons. ✓
- The UIF provides financial assistance for a limited period to the dependents of a deceased Employee who was registered with/contributed to the UIF.
- Businesses contribute 1% of basic wages towards UIF, ✓ therefore reducing the expense of Providing UIF benefits themselves. ✓
- Employees contribute 1% of their basic wage ✓ to UIF. ✓
- Businesses are compelled to register their employees with the fund ✓ and pay the 2% levy Contributions to SARS/UIF monthly. ✓
- The contribution of businesses towards UIF increases ✓ the amount paid out to employees who Become unemployed. ✓
- All employees who work at least 24 hours per month ✓ are required to be registered for UIF/contribute to the UIF. ✓
- Employees who become unemployed must register with the Department of Labour, ✓ and all valid Claims will be processed by the UIF. ✓
- It is an affordable contribution ✓ that makes it possible for businesses to appoint substitute Workers in some instances. ✓
- Businesses cannot be held responsible for unemployment cover ✓ as the UIF payout to Contributors directly/dependants of deceased contributors. ✓
- Employers will be held personally for unemployment cover ✓ if the UIF deductions are not Made/paid timeously. ✓
- Employees who resign/absconded or have been suspended from their jobs ✓ cannot claim from The UIF. ✓

### **Road Accident Fund (RAF)/Road Accident Benefit Scheme (RABS)✓✓**

- RAF/RABS insures road users against the negligence✓ of other road users✓
- The RAF/RABS provides compulsory cover for all road users in South Africa,✓ which include South African businesses.✓
- Drivers of business vehicles are indemnified against claims✓ by persons injured in vehicle Accidents. ✓
- RAF/RABS is funded by a levy✓ on the sale of fuel/diesel/petrol.✓
- The amount that can be claimed for loss of income is limited by legislation.✓
- The next of kin of workers/breadwinners who are injured/killed in road accidents,✓ may claim Directly from the RAF/RABS.✓
- Injured parties and negligent drivers are both covered by RAF/RABS. ✓
- The injured party will be compensated,✓ irrespective of whether the negligent driver is Rich/poor/insured/uninsured.✓
- RAF/RABS aims to provide a benefit scheme✓ that is reasonable/equitable/affordable/sustainable.✓
- RAF/RABS aims to simplify/speed up the claims process✓ as victims of road accidents no longer Have to prove who caused the accident.✓
- RAF/RABS enables road accident victims" speedy access to medical care✓as delays due to The investigation into accidents has been minimised.✓

### **Compensation for Occupational Injuries and Diseases/ COIDA/ Compensation Fund✓✓**

- The fund covers occupational diseases✓ and workplace injuries.✓
- Compensates employees for injuries and diseases✓ incurred at work.✓
- Compensation paid is determined by the degree of disablement.✓
- The contribution payable is reviewed every few years✓ according to the risk associated with that type of work.✓
- All employers are obliged to register with the Compensation Fund✓ so that employees may be compensated for accidents and diseases sustained in the workplace. ✓
- The fund covers employers for any legal claim✓ that workers may bring against them.✓
- Employers are required to report all accidents within 7 days✓ and occupational diseases Within 14 days to the Compensation Commissioner.✓

- 
- Employers are responsible for contributing towards the fund✓ and may not claim money Back from employees/deduct contributions from wages.✓
  - In the event of the death of an employee because of a work-related accident/disease,✓ his/her dependant(s) will receive financial support.✓
  - Employees do not have to contribute✓ towards this fund.✓
  - Employees receive medical assistance✓ provided there is no other party/medical fund Involved. ✓

### **The advantages of insurance for businesses.**

- Transfers the risk from businesses/insured✓ to insurance companies/an insurer. ✓
- Transfer of risk is subject to the terms and conditions✓ of the insurance contract. ✓
- Protects businesses against theft/loss of stock and/or damages caused by natural disasters✓ such as floods/storm damage. ✓
- Businesses will be compensated for insurable losses,✓ such as the destruction of property through fire.✓
- Business' assets such as vehicles/equipment/buildings need to be insured✓ against damage And/or theft.✓
- Businesses are protected against the loss of earnings,✓ such as strikes by employees which May result in losses worth millions.✓
- Protects businesses✓ against dishonest employees.✓
- Life insurance can be taken on the life of partners in a partnership to prevent unexpected loss of capital.✓
- Should the services of key personnel be lost due to accidents/death,✓ the proceeds of an Insurance policy can be paid out to the business/beneficiaries. ✓
- Replacement costs for damaged machinery/equipment are very high,✓ therefore insurance Can reduce/cover such costs.✓
- Protects businesses from claims made by members of the public for damages that businesses are responsible for. ✓
- Protects businesses against losses✓ due to death of a debtor.✓

### **Compensation for Occupational Injuries and Diseases/ COIDA/ Compensation Fund**

- The fund covers occupational diseases and workplace injuries.✓✓

- Compensates employees for injuries and diseases incurred at work. ✓✓
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- Employers are responsible for contributing towards the fund and may not claim money Back from employees/deduct contributions from wages. ✓✓
- In the event of the death of an employee because of a work-related accident/ disease, his/her dependant(s) will receive financial support. ✓✓
- Employees do not have to contribute towards this fund. ✓✓
- Employees receive medical assistance provided there is no other party/ medical fund Involved. ✓✓

### **Conclusion**

- Businesses and its workers need to be covered by many types of insurance and assurance to avoid financial difficulties. ✓✓
- Businesses need to obey the Government and register all workers for compulsory insurance. ✓✓
- Taking out insurance policies will avoid financial difficulties in the future for businesses. ✓✓- Business need to contribute towards the Compensation fund to ensure that they will not incur huge financial and law suites if employees are injured in the workplace. ✓✓

## **BUSINESS ROLES**

### **ETHICS AND PROFESSIONALISM**

#### **ACTIVITY 1**

### **ETHICS AND PROFESSIONALISM**

#### **1.1.1 C ✓✓**

1.1.2 B✓✓

1.1.3 A✓✓

1.1.4 B✓✓

1.1.5 C✓✓

**(5x2)(10)**

**MATCHING**

1.2.1. J ✓✓✓

1.2.2. C✓✓

1.2.3. A✓✓

1.2.4. G✓✓

1.2.5. F✓✓

**(5x2)(10)**

**ACTIVITY 2**

2.1.

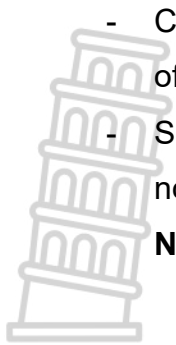
- Refers to acting in ways consistent with what society and individuals think are good values. ✓✓
- Ethical behaviour is expected from every employee in the business. ✓✓
- It means that the highest legal and moral standards are upheld when dealing with stakeholders. ✓✓

**(2x2)(4)**

2.2.

- Using fair advertising. ✓
- Not using child labour. ✓
- Treating all employees equally. ✓
- Paying fair wages. ✓
- Operating within the law. ✓
- Business deals are conducted openly. ✓
- Not engaging in illegal business practices. ✓
- Ensuring that the environment is not polluted.
- Adopting codes of good ethical practice. ✓
- Establishing corporative social responsibility initiatives. ✓
- Encouraging employees to adopt ethical behaviour. ✓





- Clients and employee's information is not disclosed/used for the benefit of the business. ✓
- Shareholders, employees' personal interest, and business interest do not conflict with one another. ✓

**NOTE: Mark the first FOUR (4) only.**

**(4x1)(4)**

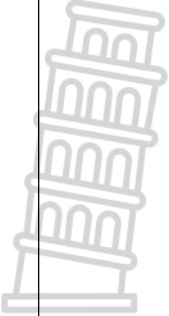
2.3.1.

- Pricing of goods in rural areas. ✓✓
- Taxation / Tax evasion. ✓✓

**(2x2)(4)**

2.3.2.

Unethical business practice	Recommendation
Pricing of goods in rural areas.	<ul style="list-style-type: none"><li>- Work together with suppliers to share delivery costs to remote rural areas. ✓✓</li><li>- Businesses can buy in bulk to get a discount to avoid charging high prices. ✓✓</li><li>- Charge fair market related /fair/affordable prices for goods and services. ✓✓</li><li>- Avoid unethical business practices to attract customer loyalty. ✓✓</li><li>- A business may lobby with other businesses in the area to convince government to improve infrastructure in the</li></ul>

	<p>rural area.vv</p> <ul style="list-style-type: none"><li>- Investigate cost-effective ways of transporting products/Hire a large truck to combine deliveries to shop owners in the same area. vv</li></ul> <p style="text-align: right;"><b>(4)</b></p>
<p>Taxation / Tax Evasion</p>	<ul style="list-style-type: none"><li>- VAT needs to be charged on VAT-able items. vv</li><li>- Submit the correct tax returns to SARS on time. vv</li><li>- All products should be correctly invoiced and recorded. vv</li><li>- Disclose all sources of income for tax payment purposes. vv</li><li>- Keep abreast with the latest SARS regulations and tax laws. vv</li><li>- Businesses that have evaded tax should apply for amnesty and declare their income. vv</li><li>- Effective systems to determine the appropriate amount of tax to be paid should be in place. vv</li><li>- Business should keep an accurate record of income statements/financial transactions. vv</li></ul> <p style="text-align: right;"><b>(4)</b></p>

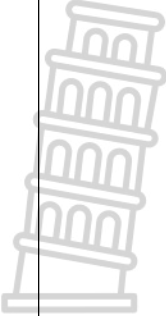
2.4.

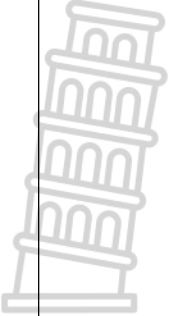
ETHICAL BEHAVIOUR	PROFESSIONAL BEHAVIOUR
- Refers to the principles of right and wrong/acceptable v in society. v	- Refers to what is right/wrong/acceptable v in a business. v
- Conforms to a set of values v that are morally acceptable. v	- Professional behaviour is a certain standard of behaviour/specific level of competence v that adheres to an ethical code of conduct. v
- Forms part of a code of conduct v to guide employees to act ethically. v	- Applying a code of conduct v of a profession or business v
- Focuses on developing a moral compass v for decision-making. v	- Focuses on upholding the reputation v of a business/profession. v
- Involves following the principles of right and wrong v in business activities/practices/dealings v.	- Includes guidelines v on employees' appearance/communication/attitude/ responsibility, etc. v
<b>Sub max (2)</b>	<b>Sub max (2)</b>

- NOTE:**
1. Answers need not be in a tabular format.
  2. Answers may not link but must be clear.
  3. Award maximum of FOUR (4) marks if the differences are not clear / mark either Ethical behaviour or professional behaviour.

2.5.

2.5.1. Unfair advertising	<ul style="list-style-type: none"> <li>- Unfair advertisements v could be harmful to consumers. v</li> <li>- The use of false or misleading</li> </ul>
---------------------------	--

	<p>statements in advertising leading to misrepresentation of the concerned product, which may negatively affect consumers.</p> <ul style="list-style-type: none"><li>- Businesses can make unwise advertising choices when they are under pressure to increase their profits.</li><li>- Some advertisements may be regarded as discriminatory because they exclude/target some sections of the population.</li><li>- Deceptive advertising can violate the trust of consumers and destroy business relationships.</li></ul> <p style="text-align: right;"><b>(4)</b></p>
<p>2.5.2. Pricing of goods in rural areas</p>	<ul style="list-style-type: none"><li>- Some businesses in the rural areas exploit their customers by adding much more than necessary to their prices.</li><li>- Businesses may form monopolies in rural areas and increase their prices unilaterally.</li><li>- It may be common practice to pay higher prices for goods of inferior quality in rural areas.</li><li>- Businesses may experience a decline in sales due to high costs added to the price of the</li></ul>

	<p>final product. ✓</p> <ul style="list-style-type: none"><li>- Some stock may become obsolete due to low rate of stock Turnover /reduced number of customers. ✓</li><li>- Charging high prices may impact negatively on the business image which may result in reduced number of customers. ✓</li></ul> <p style="text-align: right;"><b>(4)</b></p>
<p>2.5.3. Taxation / tax evasion</p>	<ul style="list-style-type: none"><li>- Businesses may pay heavy fines for evading tax.</li><li>- Tax evasion may negatively impact on the business image. ✓</li><li>- The accountant may charge high fees for falsifying financial statements. ✓</li><li>- Businesses may lose key stakeholders if the act of tax evasion is reported. ✓</li><li>- Some businesses submit fraudulent/incorrect returns to SARS resulting to penalties. ✓</li><li>- Businesses may not be familiar with the latest changes in tax legislation. ✓</li></ul> <p style="text-align: right;"><b>(4)</b></p>

### ACTIVITY 3

#### 3.1. Introduction

- Ethical behaviour is key when managing a business. ✓



- Effective application of King Code principles may lead to good corporate governancev.
- It is important for businesses to deal with Sexual harassment and abuse of worktime as these may negatively affect business operationsv.
- Businesses should conduct operations in a way that is professional, responsible, ethical and effectivev.
  
- *Any other relevant answer related to introduction of differences between Ethical behaviour / King Code principles / dealing with sexual harassment / abuse of worktime/ ways to conduct businesses in a professional, responsible, ethical business practices. (2x1)(2)*
  
- 

### 3.2. Body

#### 3.2.1. Elaborate on the meaning of professional behaviour.

- Professionalism is the term used to describe a certain standard of behaviour/ a specific level of competence and adherence to an ethical code of conduct. v v
- It is a behaviour suitable for a job/profession done for payment. v v
- It includes showing respect for others/take responsibility for your work/performing according to a job description etc. v v
- Refers to what is right/wrong/acceptable in a business. v v
- Applying a code of conduct of a profession or business. v v
- Includes guidelines on employees' appearance / communication / attitude / responsibility, etc. v v
- *Any other relevant answer related to the meaning of professional behaviour.*

**Sub max10**



**3.2.2. Explain how businesses can apply any TWO King code principles for corporate governance to improve ethical business conduct.**

**Transparency**

- Decisions/Actions must be clear to all stakeholders.
- Staffing and other processes should be open and transparent.
- Employees/Shareholders/Directors should be aware of the employment policies of the business.
- Auditing and other reports must be accurate/ available to shareholders/employees.
- Regular audits should be done to determine the effectiveness of the business.
- Business deals should be conducted openly so that there is no hint/sign of dishonesty/corruption.
- Businesses should give details of shareholders' voting rights to them before/at the Annual General Meeting (AGM).
- The board of directors must report on both the negative and positive impact of the business on the community/environment.
- The board should ensure that the company's ethics are effectively implemented.
- *Any other relevant answer related to transparency as a King Code principle*

**Sub Max 6**

**Accountability**

- There must be regular communication between management and stakeholders.
- Businesses should be accountable/ responsible for their decisions / actions.



- Company should appoint internal and external auditors ✓ to audit financial statements. ✓
- The board should ensure that the company's ethics are effectively implemented. ✓
- Businesses should present accurate annual reports ✓ to shareholders at the Annual General Meeting (AGM). ✓
- Top management should ensure that other levels of management are clear about their roles and responsibilities ✓ to improve accountability. ✓
- *Any other relevant answer related to accountability as a King Code principle.*

**Sub Max 6**

### **Responsibility ✓✓**

- The business/ board should develop and implement programmes ✓ that should be aimed at protecting the communities in which they operate. ✓
- The business/ board should develop remedial programmes ✓ to protect the environment for example, reduce air and water pollution. ✓
- *Any other relevant answer related to responsibility as a King Code principle.*

**Sub Max 6**

### **3.2.3. Discuss ways in which businesses could deal with the following unethical business practices:**

#### **3.2.3.1. Sexual harassment**

- aProvide a framework ✓ for corrective action. ✓
  - Educate employees ✓ on sexual harassment matters. ✓
  - Formulate a policy ✓ regarding sexual harassment. ✓
  - Implement internal complaints ✓ and disciplinary procedures. ✓
- ✓





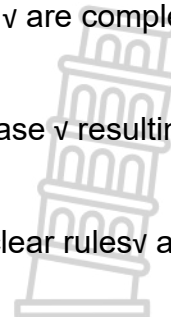
- Ensure compliance ✓ with the law/business code of conduct. ✓
- Ensure that all employees are familiar ✓ with the code of ethics of sexual abuse. ✓
- Create a good working environment ✓ where all employees' rights and dignity are respected. ✓
- Internal investigation should be done ✓ in order to determine the seriousness of the harassment. ✓
- Serious cases/matters on sexual harassment should be reported ✓ to the appropriate institutions such as the South African Police Services (SAPS). ✓
- *Any other relevant answer related to ways to deal with sexual harassment*

**Sub Max**

**6**

### **3.2.3.2. Abuse of work time**

- Speak directly to those employees ✓ who abuse work time. ✓
- Monitor employees to ensure that tasks ✓ are completed on time. ✓
- Remind employees that profit will decrease ✓ resulting to less incentives/bonus payouts. ✓
- Code of conduct/ethics should contain clear rules ✓ about abuse of  
work time. ✓
- Conduct training ✓ on the contents of the code of conduct/ethics. ✓

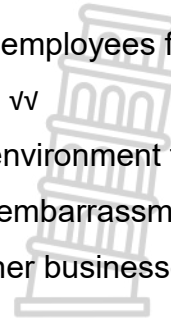




- Code of conduct/ethics should be signed by all employees √ so that they are aware of its contents. √
  - Structure working hours √ in such a way that employees have free/flexible time for personal matters. √
  - Create a culture of responsibility √ /strengthen team spirit √ in order for all employees to feel responsible for what has to be achieved. √
  - *Any other relevant answer related to ways to deal with sexual harassment*
- Sub Max 6**

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

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





- 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√√.
- 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. √√
- 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. √√
- Business decisions and actions must be clear/transparent to all stakeholders. √√
- Businesses should be accountable /responsible for their decisions and actions/ patent rights. √√
- Hire honest/trustworthy accountants/financial officers with good credentials. √√
- Regular/Timeous payment of taxes. √√
- Draw up a code of ethics/conduct. √√
- On-going development and training for all employees. √√
- Performance management systems/Appraisals should be in place. √√
- Adequate internal controls/monitoring/evaluation. √√

#### **4. Conclusion**

Every company should train employees on upholding professional behaviour.

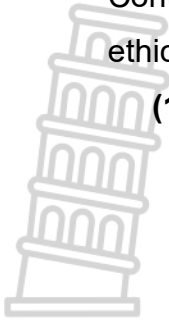
Application of King code principles effectively leads to good corporate governance.

Businesses should deal with sexual harassment and abuse of work time to protect its image.



Continuously researching ways to conduct a business that are effective, ethical, responsible and professional will improve company image.

**(1x2)(2)**



## CREATIVE THINKING AND PROBLEM SOLVING

### QUESTION 1

1.1

1.1.1 D ✓✓

1.1.2 C ✓✓

1.1.3 A ✓✓

1.1.4 A ✓✓

1.1.5 B ✓✓

2X5-10

1.2

1.2.1 Generate ✓✓

1.2.2 Innovate ✓✓

1.2.3 Problem Solving ✓✓

1.2.4 Creative thinking ✓✓

1.2.5 Problem solving technique ✓✓

2x5=10



### QUESTION 2

2.1 Name any FOUR problem-solving steps.

- Identify the problem. ✓
- Define the problem. ✓
- Identify possible solutions to the problem. ✓
- Select the most appropriate alternative. ✓
- Develop an action plan. ✓
- Implement the suggested solution/action plan. ✓

- Monitor the implementation of the solution/action plan. ✓
- Evaluate the implemented solution. ✓ (4)

**NOTE: Steps can be in any order.**

## 2.2 Meaning of Creative Thinking

- Creative thinking is the ability to think of original and innovative ideas. ✓✓
- It focuses on exploring ideas/generating possibilities and looking for many answers. ✓✓ (4)

2.3

2.3.1 Nominal group technique ✓✓

2.3.2 Brainstorming ✓✓

(4)

## 2.4 Discuss the application of any TWO problem solving steps.

**NOTE: Steps can be in any order**

### Application/Discussion of problem-solving steps

#### Identify the problem ✓✓

- Acknowledge that there is a problem. ✓
- Identify the exact problem. ✓
- Break down the problem into smaller parts that are easier solve separately. ✓

2

**Name**

1

**Explain**

#### Define the problem ✓✓

- Name the problem by stating exactly what the problem is. ✓
- Find different ways of defining the problem. ✓
- Define the possible causes of the problem. ✓
- The nature of the problem must be precise. ✓
- Gather as much information as possible to establish the cause of the problem. ✓

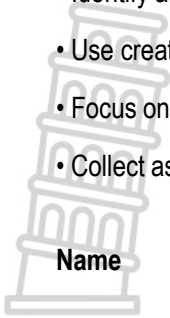


**Name 2**

**Explain 1**

**Identify possible solutions to the problem ✓✓**

- Identify all different possible solutions. ✓
- Use creative thinking strategies to generate a wide range of solutions. ✓
- Focus on generating as many ways as possible through using creative thinking. ✓
- Collect as many ideas as possible and find the best idea/decide on one strategy to follow. ✓



Name

2

Explain

1

**Evaluate alternative solutions** ✓✓

- Use critical evaluation and analytical skills to evaluate each solution. ✓
- Consider the advantages and disadvantages of each alternative solution. ✓

Name

2

Explain

1

**Select the most appropriate alternative solution** ✓✓

- Set criteria for the best solution, in terms of aspects such as time/cost/risk involved. ✓
- Identify which solution will be used. ✓
- The best solution should match the size and the resources of the business. ✓
- If the solution is not appropriate, the business should go back to defining the problem. ✓

Name 2

Explain 1



**Develop an action plan** ✓✓

- Arrange the necessary resources and delegate tasks. ✓
- Establish a timeline for implementation and set deadlines ✓

Name 2

Explain 1



**Implement the suggested solution/action plan** ✓✓

- Carry out the planned actions/solution. ✓
- Communicate delegated tasks/deadlines to employees. ✓

2

Name

1

**Explain**

**Monitor the implementation of the solution/action plan** ✓✓

- Schedule monitoring sessions to check the implementation of the solution/action plan. ✓
- Monitor progress to ensure that deadlines are met. ✓

2

Name

1

**Explain**

**Evaluate the implemented solution** ✓✓

- Assess whether the problem has been solved partially or entirely. ✓
- Test the solution/action plan continuously. ✓
- If problems emerge, they must recognise and re-formulate the problem for improved solutions in the future. ✓

**Name 2**

**Explain 1**

**Sub Max 6**

2.5.1

PROBLEM SOLVING TECHNIQUE	MOTIVATION
1. Delphi technique ✓✓	Chico Consulting requested a panel of experts to solve their complex business problem by completing a questionnaire. ✓
2. Nominal group technique ✓✓	CC also decided that each employee should silently generate ideas before sharing them with their colleagues ✓

(6)

2.6

2.6.1 Brain storming ✓✓ (2)

2.6.2 **Application of Brainstorming** (4)

- State/Define the business problem clearly✓, so that all participants/stakeholders understand the problem.✓
- Members state possible✓ causes of the business problems.✓
- Set a time limit✓ for each brainstorming session.✓
- Record/Write ideas down, ✓ where all participants can see it. ✓/Ideas may also be shared online ✓during an E-brainstorming session. ✓
- Use each suggestion✓, to inspire new thoughts/ideas.✓
- Do not judge/criticise/discuss the ideas, ✓ so that many ideas could be generated as quickly as possible.✓
- The group rates ideas according ✓to its usefulness/success/difficulty/cost to implement.✓
- The group evaluates all ideas✓ and combines similar ones/draw up a refined list.✓
- Discuss a plan of action ✓on how to implement the best ideas. ✓

(6)

2.7

#### **Force-Field Analysis Positives/Advantages**

- Employees feel ✓included and understood. ✓
- Employees develop✓ and grow with the business. ✓
- It provides a visual summary of all the various factors supporting ✓and opposing a particular idea. ✓
- Informed decisions can be made as forces for ✓and against are critically evaluated. ✓
- Enables businesses to strengthen the driving forces✓ and weaken the restraining forces. ✓
- Businesses are able to have an idea of the timeline required ✓and the requirements of additional resources. ✓

(4)

#### **Delphi technique Positives/Advantages**

- Businesses may use a group of experts✓ without bringing them together. ✓
- The experts will give the business clear ideas/solutions✓ on how to improve on productivity/profitability. ✓
- Information received from experts can be used✓ to solve complex business problems. ✓
- Experts may give honest/credible opinions ✓as they do not have a direct/personal interest in the business. ✓
- Conflict may be avoided especially if all employees✓ are knowledgeable and well qualified. ✓

- Dominating employees may not take over the process as they do not form part of the problem solving process.
- It reduces noise levels in an office environment since there is no group discussion.

(4)

2.8

2.8.1

- AS has trained staff in innovative techniques.
- The employees at AS are rewarded for creativity and hard-work.

(2)

2.8.2

### **Ways in which a business can create an environment that stimulates/promote creative thinking**

- Encourage alternative ways of working/doing things.
- Respond enthusiastically to all ideas and never let anyone feel less important.
- Place suggestion boxes around the workplace and keep communication channels open for new ideas.
- Emphasise the importance of creative thinking to ensure that all staff know that management want to hear their ideas.
- Make time for brainstorming sessions to generate new ideas, e.g., regular workshops/ generate more ideas/build on one another's ideas.
- Encourage job swaps within the organisation/studying how other businesses are doing things.
- Provide a working environment conducive to creativity, free from distractions.

(6)

2.9 Advise businesses on the benefits of creative thinking in the workplace.

(6)

### **Advantages/Benefits of creative thinking in the workplace**

- Better/Unique/Unconventional ideas/solutions are generated.
- Complex business problems may be solved.
- Improves motivation amongst staff members.
- Management/employees may keep up with fast changing technology which may lead to an increased in market share.
- Creativity may lead to new inventions which improves the general standard of living.
- May give the business a competitive advantage if unusual/unique solutions/ ideas/strategies are implemented.
- Productivity increases as management/employees may quickly generate multiple ideas which utilises time and money more effectively.
- Managers/Employees have more confidence as they can live up to their full potential.

- Managers will be better leaders as they will be able to handle/manage change(s) positively and creatively. √√
- Managers/Employees can develop a completely new outlook, which may be applied to any task(s) they may do. √√
- Leads to more positive attitudes as managers/employees feel that they have contributed towards problem solving. √√
- Managers/Employees have a feeling of great accomplishment, and they will not resist/obstruct the process once they solved a problem/contributed towards the success of the business. √√
- Stimulates initiative from employees/managers, as they are continuously pushed out of their comfort zone. √√
- Creativity may lead to new inventions which improves the general standards of living/attract new investors. √√
- Businesses can continuously improve on product development by exploring new ways to enhance growth. √√

(6)

## SECTION C

### ESSAY QUESTION – CREATIVE THINKING AND PROBLEM SOLVING

#### 3.1.1 INTRODUCTION

- Businesses are required to make timeous decisions to solve business related issues. √
- Creativity is encouraged in businesses to ensure customer satisfaction. √
- Innovation ensures that unique business ideas are beneficial to profitability. √
- Creative thinking and problem solving techniques are used to solve business related issues. √

(1X2) (2)

#### 3.1.2 The differences between problem-solving and decision-making.

PROBLEM SOLVING	DECISION MAKING
-Problems can be solved by a group/ team or an individual team member. √√	-It is often done by one person/a member of senior management who makes it authoritarian. √√
-Alternative solutions are generated/ identified and critically evaluated. √√	-Various alternatives are considered before deciding on the best one. √√
-Process of analysing a situation to identify strategies to bring about change. √√	-It is part of the problem-solving cycle as decisions need to be taken in each step. √√
-Any relevant answer related to problem solving.	-Any relevant answer related to decision making.
Sub Max 4 Marks	Sub Max 4 Marks

MAX 8

### 3.1.3 Ways in which a business can create an environment that stimulates/promote creative thinking


- Encourage alternative ways of working/doing things.
- Respond enthusiastically to all ideas and never let anyone feel less important.
- Place suggestion boxes around the workplace and keep communication channels open for new ideas.
- Emphasise the importance of creative thinking to ensure that all staff know that management want to hear their ideas.
- Make time for brainstorming sessions to generate new ideas, e.g., regular workshops/ generate more ideas/build on one another's ideas.
- Train staff in innovative techniques/creative problem-solving skills/mind-mapping/ lateral thinking.
- Encourage job swops within the organisation/studying how other businesses are doing things.
- Reward creativity with reward schemes for teams/individuals that come up with creative ideas.
- Provide a working environment conducive to creativity, free from distractions.

Sub

Max 14

### 3.1.4 Advantages/Benefits of creative thinking in the workplace

- Better/Unique/Unconventional ideas/solutions are generated.
- Complex business problems may be solved.
- Improves motivation amongst staff members.
- Management/employees may keep up with fast changing technology which may lead to an increased in market share.
- Creativity may lead to new inventions which improves the general standard of living.
- May give the business a competitive advantage if unusual/unique solutions/ ideas/strategies are implemented.
- Productivity increases as management/employees may quickly generate multiple ideas which utilises time and money more effectively.
- Managers/Employees have more confidence as they can live up to their full potential.
- Managers will be better leaders as they will be able to handle/manage change(s) positively and creatively.
- Managers/Employees can develop a completely new outlook, which may be applied to any task(s) they may do.
- Leads to more positive attitudes as managers/employees feel that they have contributed towards problem solving.
- Managers/Employees have a feeling of great accomplishment, and they will not resist/obstruct the process once they solved a problem/contributed towards the success of the business.

- 
- Stimulates initiative from employees/managers√, as they are continuously pushed out of their comfort zone. √
  - Creativity may lead to new inventions√ which improves the general standards of living/attract new investors. √
  - Businesses can continuously improve on product development √by exploring new ways to enhance growth. √

SUB MAX 14


### **3.1.4 Advise businesses on how they could apply the following problem-solving techniques to solve complex business problems:**

#### **Application of Nominal-Group technique**

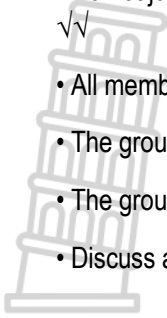
- Encourage group to clearly define the problem/to improve the quality of their products due to various complaints so that all the small groups can work on the same problem. √√
- The business must divide the employees into smaller groups. √√
- Request each employee to silently brainstorm /generate many ideas on his/her own, on how the quality of the product can be improved and to write it down. √√
- Each employee in the small group has the opportunity to give one of his/her idea/solution with a short explanation. √√
- Appoint one employee to write the ideas/solutions on a large sheet of paper/ capture solutions electronically on computer for all to see. √√
- Allow each employee to give a second solution until all possible solutions have been recorded. √√
- Encourage employees to ask clarity seeking questions. √√
- Discourage criticism of ideas/solutions as this may prevent others from giving their solutions. √√
- The business must eliminate ideas that are duplicated/ similar. √√
- Each employee must read through all the suggestions and anonymously rate them giving the highest points for the best solution. √√
- Collect the ratings and calculate total points. √√
- Small groups must present one solution to the large group that was deemed best according to the scores/votes in their small groups. √√

Sub Max 8

#### **Application of Brainstorming**

- 
- State/Define the business problem clearly, so that all participants/stakeholders understand the problem. √√
  - Members state possible causes of the business problems. √√
  - Set a time limit for each brainstorming session. √√
  - Record/Write ideas down, where all participants can see it. /Ideas may also be shared online during an E-brainstorming session. √√
  - Use each suggestion, to inspire new thoughts/ideas. √√

- Do not judge/criticise/discuss the ideas, so that many ideas could be generated as quickly as possible. ✓✓
- All members of the group randomly make suggestions. ✓✓
- The group rates ideas according to its usefulness/success/difficulty/cost to implement. ✓✓
- The group evaluates all ideas and combines similar ones/draw up a refined list. ✓✓
- Discuss a plan of action on how to implement the best ideas. ✓✓



Sub Max 8

Max 16

### 3.1.6 CONCLUSION

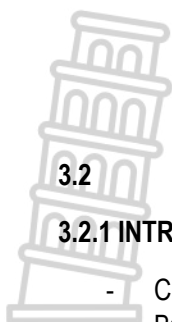
- Timeous decision making can solve problems within businesses. ✓✓
- Encouraging employees to be part of creative thinking processes will increase productivity. ✓✓
- Businesses become more profitable if they are open to creative thinking. ✓✓
- Expert opinions from using different problem solving techniques can lead to good business insight. ✓✓

2X2=2 Marks

### MARK ALLOCATION GRID

<b>Introduction</b>	2	
Differences between problem solving and decision making	8	32
Ways to encourage creative thinking in businesses	12	
Advantage of creative thinking	14	
Application of brainstorming and delphi technique	16	
<b>Conclusion</b>	2	
Layout	2	8
Analysis	2	
Synthesis	2	
Originality	2	
<b>TOTAL</b>		<b>40</b>





3.2

### 3.2.1 INTRODUCTION

- Creative thinking and problem solving help businesses transform the ways businesses operate.
- Businesses are required to follow well structured steps to resolve all challenges they experience.
- It is fundamental for businesses to use various problem solving techniques to make profitable decisions.
- Businesses require to evaluate all the advantages and disadvantages before implementing change.

(1X2  
=2)

### 3.2.2 The meaning of creative thinking and problem solving

#### Meaning of Problem Solving

- It is the process of analysing a situation to identify strategies that can be used to change the situation. Problem solving requires creative thinking. √√
- Problem solving is a mental process that involves problem finding, which is the ability to identify the problem. √√
- It also involves problem shaping, which is the ability to break-down the problem in such a way that a clear solution can be found. √√

#### Meaning of Creative Thinking

- Creative thinking is the ability to think of original and innovative ideas. √√
- It focuses on exploring ideas/generating possibilities and looking for many answers. √√

Max 8

### 3.2.3 The problem solving steps

#### Application/Discussion of problem-solving steps

##### Identify the problem √√

- Acknowledge that there is a problem. √
- Identify the exact problem. √
- Break down the problem into smaller parts that are easier solve separately. √



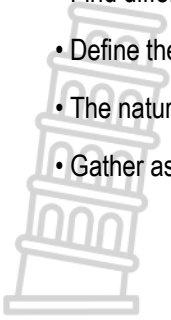
Name 2

Explain 1

##### Define the problem √√

- Name the problem by stating exactly what the problem is. √

- Find different ways of defining the problem. ✓
- Define the possible causes of the problem. ✓
- The nature of the problem must be precise. ✓
- Gather as much information as possible to establish the cause of the problem. ✓



**Name 2**

**Explain 1**

**Identify possible solutions to the problem** ✓✓

- Identify all different possible solutions. ✓
- Use creative thinking strategies to generate a wide range of solutions. ✓
- Focus on generating as many ways as possible through using creative thinking. ✓
- Collect as many ideas as possible and find the best idea/decide on one strategy to follow. ✓

**Name 2**

**Explain 1**

**Evaluate alternative solutions** ✓✓

- Use critical evaluation and analytical skills to evaluate each solution. ✓
- Consider the advantages and disadvantages of each alternative solution. ✓

**Name 2**

**Explain 1**

**Select the most appropriate alternative solution** ✓✓

- Set criteria for the best solution, in terms of aspects such as time/cost/risk involved. ✓
- Identify which solution will be used. ✓
- The best solution should match the size and the resources of the business. ✓
- If the solution is not appropriate, the business should go back to defining the problem. ✓



**Name 2**

**Explain 1**

**Develop an action plan** ✓✓

- Arrange the necessary resources and delegate tasks. ✓
- Establish a timeline for implementation and set deadlines ✓

**Name 2**

**Explain 1**

**Implement the suggested solution/action plan** ✓✓

- Carry out the planned actions/solution. ✓

- Communicate delegated tasks/deadlines to employees. ✓

Name 2

Explain 1

**Monitor the implementation of the solution/action plan** ✓✓

- Schedule monitoring sessions to check the implementation of the solution/action plan. ✓
- Monitor progress to ensure that deadlines are met. ✓

Name 2

Explain 1

**Evaluate the implemented solution** ✓✓

- Assess whether the problem has been solved partially or entirely. ✓
- Test the solution/action plan continuously. ✓
- If problems emerge, they must recognise and re-formulate the problem for improved solutions in the future. ✓

**NOTE: Steps can be in any order**

Name 2

Explain 1

Sub Max 16

### 3.2.4 The impact of Delphi Technique

#### Positives/Advantages

- Businesses may use a group of experts ✓ without bringing them together. ✓
- The experts will give the business clear ideas/solutions ✓ on how to improve on productivity/profitability. ✓
- Information received from experts can be used ✓ to solve complex business problems. ✓
- Experts may give honest/credible opinions ✓ as they do not have a direct/personal interest in the business. ✓
- Conflict may be avoided especially if all employees ✓ are knowledgeable and well qualified. ✓
- Dominating employees may not take over the process ✓ as they do not form part of the problem-solving process. ✓
- It reduces noise levels in an office environment ✓ since there is no group discussion. ✓

#### AND/OR

#### Negatives/Disadvantages

- It is an expensive technique ✓ to use due to high administrative costs. ✓
- Not all experts are willing/interested ✓ to give feedback/complete questionnaires. ✓
- Some experts might not have ✓ an in-depth knowledge of certain topics. ✓

- Experts' suggestions may not be considered by  $\surd$  some employees so consensus may not be reached.  $\surd$

- May be time consuming/complicated  $\surd$  to analyse data received from experts.

**Max 14**

### 3.2.5 The application of Force field Analysis problem solving technique

- Describe the current situation/problem and the desired situation.  $\surd\surd$

- List all driving/pros and restraining/cons forces that will support and resist change.  $\surd\surd$

- Allocate a score to each force using a numerical scale, where 1 is weak and 5 is strong.  $\surd\surd$

- Weigh up the positives and negatives then decide if the project is viable.  $\surd\surd$

- Choose the force with the highest score as the solution.  $\surd\surd$

- If the project is viable, find ways to increase the forces for change.  $\surd\surd$

- Identify priorities and develop an action plan.  $\surd\surd$

**Max 10**

### CONCLUSION

- Businesses need employees with creative ideas to solve business problems.
- It is important for businesses to take calculated steps to ensure all problems can be resolved.
- Using questionnaires allows anonymous solutions to be suggested and evaluated.
- Employees in businesses should not resist change but rather embrace it.

**(1X2=2)**

### MARK ALLOCATION GRID

<b>Introduction</b>	<b>2</b>	
The meaning of problem solving and creative thinking	<b>8</b>	<b>32</b>
The problem solving steps	<b>16</b>	
The impact of the delphi problem solving technique	<b>14</b>	
The application of force field analysis	<b>10</b>	
<b>Conclusion</b>	<b>2</b>	
Layout	<b>2</b>	<b>8</b>
Analysis	<b>2</b>	
Synthesis	<b>2</b>	
Originality	<b>2</b>	
<b>TOTAL</b>		<b>40</b>



**TEAM PERFORMANCE ASSESSMENT AND CONFLICT MANAGEMENT**

- 1.1.1 B✓✓
- 1.1.2 B✓✓
- 1.1.3 C✓✓
- 1.1.4 C✓✓
- 1.1.5 D✓✓
- 1.1.6 B✓✓
- 1.1.7 B✓✓
- 1.1.8 A✓✓
- 1.1.9 A✓✓
- 1.1.10 D✓✓

**(2x10)=20**

**SECTION B  
ACTIVITY 2**

- 2.1.1 Shared values/ Mutual trust and respect. ✓✓
  - 2.1.2 Interpersonal attitude and behaviour. ✓✓
  - 2.1.3 Co-operation/ Collaboration. ✓✓
  - 2.1.4 Communication ✓✓
- (2x4)=8**

2.2.1

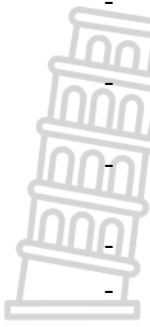
Type of difficult personality	Motivation
1) Quiet ✓✓	'During team brainstorming Ms Ngwadi waited for Thabi to respond when it was her turn. ✓
2) Expert ✓✓ <b>Submax (4)</b>	"and did not accuse Rea of being incorrect on her ideas. ✓" <b>Submax (4)</b>

- 2.3.1 Steps in handling a conflict in the workplace. ✓
  - 1) Management decided to arrange a meeting between conflicting parties, ✓
  - 2) and each party had the opportunity to express her own feelings. ✓

(2)

**2.3.2 Other steps to handle conflict in the workplace.**

- Acknowledge that there is conflict ✓ in the workplace. ✓
- Identify the cause ✓ of the conflict. ✓
- Arrange pre-negotiations where workers/complainants ✓ will be allowed to state their case/views separately. ✓
- Arrange time and place for negotiations ✓ where all employees involved are present. ✓
- Make intentions for intervention clear ✓ so that parties involved may feel at ease. ✓

- 
- Conflicting parties may recognise that their views are different ✓ during the meeting. ✓
  - Analyse/Evaluate the cause (s) of conflict ✓ by breaking it down into different parts. ✓
  - Blame shifting should be avoided ✓ and a joint effort should be made. ✓
  - Direct conflicting parties towards finding/focusing ✓ on solutions. ✓
  - Devise/Brainstorm possible ways ✓ of resolving the conflict. ✓
  - Conflicting parties agree on criteria ✓ to evaluate the alternatives. ✓
  - Select and implement ✓ the best solution. ✓
  - Provide opportunities for parties to agree ✓ on the best solution. ✓
  - Evaluate/Follow up on the implementation ✓ of the solution(s). ✓
  - Monitor progress to ensure that the conflict ✓ has been resolved. ✓
  - Source experts on handling conflict ✓ from outside the business. ✓
  - Any relevant answer related steps to handle conflict in the workplace.
- Max (6)**

2.4.1

Stage of team development	Motivation
1) Forming ✓✓  <b>Max (2)</b>	“During their meeting they were comfortable with each other.” ✓  <b>Max (2)</b>

2.5.1 **Causes of conflict in the workplace**

- They do not give daily instructions and updates. ✓
  - Mr Biggy allows female employees to take extended lunch breaks. ✓
  - The management of BM refuses to address the matter. ✓
- Max (2)**

2.5.2 **Differences between grievance and conflict**

GRIEVANCE	CONFLICT
- When an employee is unhappy/ has a problem / complaint in the workplace. ✓✓	- Clash of opinions/ ideas/ viewpoints in the workplace. ✓✓
- It is when an individual / group has a work related issue. ✓✓	- Disagreement between two or more parties in the workplace. ✓✓
- It is a formal complaint which requires employee to follow a grievance procedure. ✓✓	- Can be resolved through following proper conflict resolution steps. ✓✓
- Offers employees a channel to express their	



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### 2.7.2 Criteria for successful team performance

#### Interpersonal attitudes and behaviour ✓✓

- Members have a positive attitude of support and motivation towards each other. ✓
- Good/Sound interpersonal relationships will ensure job satisfaction/increase productivity of the team. ✓
- Members are committed/passionate towards achieving a common goal/objectives. ✓
- Team leader acknowledges/gives credit to members for positive contributions. ✓ Any relevant answer related to interpersonal attitudes and behaviour.

- Heading (2)
- Discussion (1)
- Sub max (3)

#### Shared values/ Mutual trust and support ✓✓

- Shows loyalty/respect/trust towards team members despite differences. ✓
- Shows respect for the knowledge/skills of other members. ✓
- Perform team tasks with integrity/pursuing responsibility/meeting team deadlines with necessary commitment to team goals. ✓
- Any relevant answer related to shared values/ Mutual trust and support.

- Criteria (2)
- Discussion (1)
- Sub max (3)


#### Co-operation/ Collaboration ✓✓

- Clearly defined realistic goals are set, so that all members know exactly what is to be accomplished. ✓
- All members take part in decision making. ✓
- Willingness to co-operate as a unit to achieve team objectives. ✓
- Co-operate with management to achieve team/business objectives. ✓
- Agree on methods/ways to get the job done effectively without wasting time on conflict resolution. ✓
- A balanced composition of skills/knowledge/experience/expertise ensures that teams achieve their objectives. ✓
- Any relevant answer related to Co-operation/ Collaboration.

- Heading (2)
- Discussion (1)
- Sub max (3)
- **Max (6)**

### 2.8 Importance of team dynamic theories in improving team performance

- Team dynamic theories explain ✓ how effective teams work/operate. ✓

- 
- Businesses are able to allocate tasks✓ according to the roles of team members. ✓
  - Team members can maximise performance as tasks are allocated✓ according to their abilities/skills/attributes/personalities. ✓
  - Team members with similar strengths may compete for team tasks/responsibilities✓ that best suit their abilities/competencies. ✓
  - Theories assist team leaders to understand the personality types of team members✓ so that tasks are assigned more effectively. ✓
  - Conflict may be minimised when team members✓ perform different roles. ✓
  - Any relevant answer related to the importance of team dynamic theories in improving team performance.

Max (6)


## SECTION C


### ACTIVITY 3

#### 3.1 Introduction

- For effective conflict management, team leaders must be aware of the causes of conflict in the workplace. ✓
- Understanding the stages of team development helps organisations and team members improve collaboration, manage conflict and enhance overall productivity. ✓
- An effective grievance procedure promotes open communication, protects employee rights and helps maintain a positive work environment. ✓
- Difficult employees create an unfavourable work environment that affects the business in achieving its goals. ✓
- Any relevant introduction that relates to the causes of conflict in the workplace/ stages of team development/ the correct procedure to deal with grievance in the workplace and the ways in which businesses can deal with difficult employees in the workplace.

#### 3.2 Causes of conflict in the workplace

- 
- Lack of proper communication between management and workers. ✓✓
  - Ignoring rules/procedures may result in disagreement/differences in opinions and conflict. ✓✓
  - Management and/or workers may have different personalities/ backgrounds. ✓✓
  - Different values/levels of knowledge/skills/experience of managers/workers. ✓✓
  - Little/no co-operation between internal and/or external parties/stakeholders. ✓✓
  - Lack of recognition for good work such as manager not showing appreciation for extra hours worked to meet deadlines. ✓✓
  - Lack of employee development may increase frustration levels as workers may repeat errors due to a lack of knowledge/skills. ✓✓

- 
- Unfair disciplinary procedures, e.g., favouritism/nepotism. ✓✓
  - Little/no support from management with regards to supplying the necessary resources and providing guidelines. ✓✓
  - Leadership styles used, e.g., autocratic managers may not consider worker inputs. ✓✓
  - Unrealistic deadlines/Heavy workloads lead to stress resulting in conflict. ✓✓
  - Lack of agreement on mutual matters, e.g., remuneration/working hours. ✓✓
  - Unhealthy competition/Inter-team rivalry may cause workers to lose focus on team targets. ✓✓
  - Lack of commitment/Distracted by personal objectives which may lead to an inability to meet pre-set targets. ✓✓
  - Constant changes may cause instability. ✓✓
  - Lack of clarity regarding employees' roles and responsibilities. Lack of commitment/distracted by personal objectives which may lead to an inability to meet pre-set targets. ✓✓
  - Complaints/Criticism of performance/behaviour/attitudes may result in resentment between the employer and employee. ✓✓
  - Poor organisation/procedure resulting to confusion regarding set targets. ✓✓
  - Any relevant answer related to the causes of conflict in the workplace.

- **Max (10)**

### **3.3 Stages of team development**

#### **3.3.1 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, etc. ✓
- Any relevant answer related to forming stage.

- Heading (2)
- Discussion (1)
- Sub max (3)

#### **3.3.2 Storming ✓✓**

- Teams go through a period of unease/conflict after formation. ✓
- Different ideas from team members will compete for consideration. ✓
- Team members open up to each other and confront each other's ideas/perspectives. ✓
- Tension/struggle/arguments occur and upset the team members/there may be power struggles for the position of team leader. ✓
- In some instances, storming can be resolved quickly; In others, the team never leaves this stage. ✓
- Many teams fail during this stage as they are not focused on their task. ✓

- This phase can become destructive for the team/will negatively impact on team performance, if allowed to get out of control. ✓
  - This stage is necessary/ important for the growth of the team. ✓
  - Some team members tolerate each other to survive this stage. ✓
  - Any relevant answer related to storming stage.
- Heading (2)
  - Discussion (1)
  - Sub max (3)

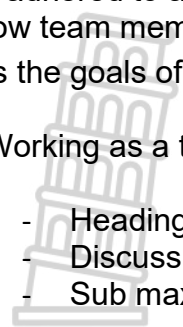


**3.3.3 Norming/Settling/reconciliation ✓✓**

- The conflict during the storming stage must be resolved to allow the team to move to the norming stage. ✓
  - Team members come to an agreement and reach consensus. ✓
  - Roles and responsibilities are clear and accepted. ✓
  - Processes/working style and respect develop amongst members. ✓
  - Team members have the ambition to work for the success of the team. ✓
  - Conflict may occur, but commitment and unity are strong. ✓
  - Any relevant answer related to Norming/Settling/reconciliation stage.
- Heading (2)
  - Discussion (1)
  - Sub max (3)

**3.3.4 Performing stage/Working as a team towards a goal ✓✓**

- Team members are aware of strategies and aims of the team. ✓
  - They have direction without interference from the leader. ✓
  - Processes and structures are set. ✓
  - Leaders delegate and oversee the processes and procedures. ✓
  - All members are now competent, autonomous and able to handle the decision-making process without supervision. ✓
  - Differences among members are appreciated and used to enhance the team's performance. ✓
  - The processes involved in achieving the goals are adhered to and team members appreciate the contributions of fellow team members. ✓
  - Individual team members collectively work towards the goals of the team. ✓
  - Any relevant answer related to Performing stage/Working as a team towards a goal stage.
- Heading (2)
  - Discussion (1)
  - Sub max (3)




**3.3.5 Adjourning/Mourning stage ✓✓**

- The focus is on the completion of the task/ending the project. ✓
  - Breaking up the team may be traumatic as team members may find it difficult to perform as individuals once again. ✓
  - All tasks need to be completed before the team finally dissolves. ✓
  - Any relevant answer related to Adjourning/Mourning stage.
- Heading (2)
  - Discussion (1)

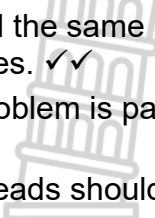
- Sub max (3)
- **Max (12)**


### 3.4 The correct procedure to deal with grievance

- 
- An aggrieved employee must verbally report the incident/grievance✓ to his/her supervisor/manager. ✓
  - Supervisor/Manager needs to resolve the issue✓ within 3 to 5 working days. ✓
  - Should the employee and supervisor not be able to resolve the grievance, ✓ the employee may take it to the next level of management. ✓
  - The employee may move to a more formal process where the grievance✓ must be lodged in writing/completes a grievance form. ✓
  - The employee must receive a written reply in response✓ to the written grievance. ✓
  - A grievance hearing/meeting must be held✓ with all relevant parties present. ✓
  - Minutes of the meeting must be recorded, ✓ and any resolution passed must be recorded on the formal grievance form. ✓
  - Should the employee not be satisfied, then he/she could refer the matter✓ to the highest level of management. ✓
  - Top management should arrange a meeting✓ with all relevant parties concerned. ✓
  - Minutes of this meeting should be filed/recorded, and the outcome/decision✓ must be recorded on the formal grievance form. ✓
  - Should the employee still not be satisfied, he/she may refer the matter to the CCMA✓ who will make a final decision on the matter. ✓
  - The matter can be referred to Labour Court/Labour Appeal Court/Constitutional Court on appeal✓ if the employee is not satisfied with the outcome taken by the lower courts. ✓
  - Any relevant answer related to the correct procedure to deal with grievance in the workplace.

**Max (14)**

### 3.5 Ways in which businesses can deal with difficult employees in the workplace

- 
- Get perspective from others who have experienced the same kind of situation to be able to understand difficult employees. ✓✓
  - Act pro-actively, if possible, as a staff/personnel problem is part of a manager's responsibilities. ✓✓
  - Regular meetings with supervisors/departmental heads should help to identify difficult/problem behaviour. ✓✓
  - Ask someone in authority for their input into the situation. ✓✓
  - Identify the type of personality which is creating the problem. ✓✓
  - Meet privately with difficult employees, so that there are no distractions from other employees/issues. ✓✓
  - Make intentions and reasons for action known, so that difficult person/people feel at ease. ✓✓

- 
- Employees should be told what specific behaviours are acceptable by giving details about what is wrong/ unacceptable and also an opportunity to explain their behaviour. ✓✓
  - A deadline should be set for improving bad/difficult behaviour. ✓✓
  - The deadline date should be discussed with the difficult employee and his/her progress should be monitored/ assessed prior to the deadline. ✓✓
  - Guidelines for improvement should be given. ✓✓
  - Do not judge the person but try to understand him/her/Understand his/her intentions and why he/she reacts in a certain way. ✓✓
  - Keep communication channels open/Encourage employees to communicate their grievances to management. ✓✓
  - Build rapport/sound relations by re-establishing personal connection with colleagues, instead of relying on e-mails/messaging/social media. ✓✓
  - Help difficult employees to be realistic about the task at hand. ✓✓
  - Remain calm and in control of the situation to get the person(s) to collaborate. ✓✓
  - Treat people with respect, irrespective of whether they are capable/ competent or not. ✓✓
  - Sometimes it may be necessary to ignore and only monitor a difficult person. ✓✓
  - Identify and provide an appropriate support program to address areas of weakness. ✓✓
  - Any relevant answer related Suggest ways in which businesses can deal with difficult employees in the workplace.

**Max (10)**

### **3.6 Conclusion**

- Businesses should be well conversant with causes of conflict, so that they can find ways to avoid it ion the workplace. ✓✓
- Each stage of team development is important as it shapes the team if managed well. ✓✓
- Constructive grievance procedure helps business address disagreements in a positive manner and preventing disruptions while promoting collaboration. ✓✓
- Business must have strategies in place to deal with difficult employees in order to create a harmonious work environment. ✓✓
- Any other relevant answer relating to causes of conflict/ stages of team development/ the correct procedure to deal with grievance/ways to deal with difficult employees in the workplace.

**(Any 2x1)**