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Department:
Education
PROVINCE OF KWAZULU-NATAL

CURRICULUM GRADE 10 -12 DIRECTORATE

NCS (CAPS)

LEARNER SUPPORT DOCUMENT

GRADE 11

BUSINESS STUDIES

STEP AHEAD PROGRAMME

2021

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PREFACE

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

CLASSIFICATION OF SUB-TOPICS ACCORDING TO THE MAIN TOPICS

TOPICS COVERED IN PAPER 1

BUSINESS ENVIRONMENTS	TERM	BUSINESS OPERATIONS	TERM
Influences on business environment	1	Marketing function	2
Challenges of the business environment	1	Production function	2
Adapting to challenges of the business environment	1	Introduction to Human Resources	4
Contemporary socio-economic issues	1		
Business Sectors	1		

TOPICS COVERED IN PAPER 2

BUSINESS VENTURES	TERM	BUSINESS ROLES	TERM
Benefits of company over other forms of ownership	1	Creative thinking	2
Avenues of acquiring a business	1	Stress and crisis management	2
Transforming a business plan into an action plan	3	Professionalism and Ethics	2
Setting/starting a business	3	Citizenship role and responsibility	3
Presentation of business environment	3	Team dynamics and conflict management	4
Entrepreneurial qualities and success factors	3		

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NOTES

Explanation of Challenges for micro environment

Difficult employees

- Difficult employees may have a negative attitude on new employees.
- They need a lot of supervision to complete their tasks satisfactorily.
- Difficult employees can do harm to the enterprise's image if they say negative things about the business.

Lack of vision and mission statement

- Lack of vision and mission statement will hamper meaningful guidance and leadership to employees.
- When there is no mission, the business will lack focus/direction and long term objectives.

Lack of adequate managerial skills

- Lack of adequate managerial skills will result in the business not achieving its' objectives.
- Managers may not be able to provide meaningful guidance and leadership to employees.
- Managers have different styles of managing and leading and this can be the source of enormous conflict with other managers and staff.
- Ineffective management can affect the productivity and profitability of a business.

The impact of unions

- Trade unions may create tension between management and employees.
- Businesses may not be able to meet the demands of the trade unions.
- Once employees have a grievance against their employers relating to remuneration, workers' rights/working conditions, they will declare an industrial dispute.

Strikes and go-slows

- Strikes and go-slows may affect the business negatively as it cannot meet its expected units of production.
- Employees may not report to work due to a complete shutdown strike.
- Employees may report to work but work slowly so that the business cannot meet its targets due to go slows.

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Differences between a strike and a go slow

Strike	Go-slow
• Temporary collective refusal of employees to work.	• The employees still carry on with their work, but at a much slower pace than normal.
• A collective, organised cessation of work by employees to force the employers to accept their demands.	• The employees aim to disrupt the workplace production.
• Workers will not be fired if they participate in a protected strike	• Workers participating in a go-slow are often punished , sometimes fired

Skills shortages among employees

- Businesses sometimes find it difficult to find suitable employees with skills and experience.
- Some businesses end up employing workers who are not qualified to do the job.
- Unqualified employees may contribute to bad decision making.

High employee turnover

- Employee turnover means that employees resign from the frequently.
- High employee turnover affects productivity, continuity and the recruitment process.

Employee absenteeism

- Employees' absenteeism reduces productivity and affects profitability negatively.

Activity 1

Micro environment

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

Edwin Metals (EM)
EM specialises on the processing of metal. Employees refuse to take orders from the management. This is as a result of the manager lacking managerial skills. Sometimes the machinery is not working for weeks.

1.1.1 Identify THREE components of micro environment in the case study above and support your answer by quoting the challenges from the scenario above. (9)

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Use the table below as a guide to answer QUESTION 1.1.1:

Component	Challenge
a)	
b)	
c)	

1.1.2 Recommend ONE solution to EACH challenge identified in QUESTION 1.1.1 (6)

Challenges of the Market environment

Competition

- Other businesses which sell similar/ substitute products pose a problem to/threaten the success of a business.
- It is difficult to compete with businesses selling the same products and services in certain countries.
- If a business is not able to match the quality of service/products and the price of it's competitors, it will be in real danger.
- The challenges around competitors can be industry rivalry where businesses aim to sell more than competitors/new entrants with better products/cheaper or better substitutes.
- Businesses could find that they are unable to make sufficient profit when the demand is not high enough to support the supply of the same goods/ services.
- Essential for a business to have a regular supply of all the materials that are inputs in the production process in order to compete favourably.
- Dissatisfied customers can damage the reputation and threaten the future of the business.

Shortage of supply

- Businesses that experience shortage of supply may lose customers as they may buy from other businesses.
- Raw materials may be unavailable when drought cause poor harvest.
- Imported goods may not arrive when the country of origin has transport/political problems.

Changes in consumer behaviour

- A business is dependent on its customers to purchase its products.

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- Consumers are influenced by many factors and may be unpredictable in their buying behaviour.
- Consumers' preferences and tastes can change as fashions change and as technology advances.
- Changes in consumer behaviour, spending habits, tastes and preferences present an ongoing challenge to businesses.
- The challenges include keeping up with changes in consumer tastes and demand by doing research, finding ways to influence consumer demand and conducting advertising campaigns/consumer surveys.

Demographics and psychographics

- Consumers' attitudes, interests, opinions and lifestyles determine the characteristics of the consumer.
- It is difficult to determine the demographics/psychographics of the target market because they change frequently.
- The consumer market is diverse in the cultural and social background which has a direct influence on the choices they make.
- The challenges include collecting/interpreting information about the target market and to use the data to develop a marketing strategy.
- The demographics and psychographics can change quickly and businesses need to change just as rapidly if they want to retain their customers.

Socio-cultural factors

- Social-cultural factors describe the common behaviour and attitudes of a particular society.
- As society changes so will the cultural values and practices of individuals.
- Businesses must be aware of change and that they can avoid threats and take advantage of the new opportunities that the change may present.
- Businesses should be aware of social trends and influential campaigns that promote buying.
- The challenge is to gather information about changes and to respond to them by adapting practices to maintain and increase its customer base.

Activity 2

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

Elvis Computing (EC)

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EC specialises in computers. Customers no longer buy desktops as their customers have developed the culture and trend of travelling. In this way, customers opt to buy laptops. There is a great need for the company to introduce laptops with immediate effect but employees are reluctant to participate.

2.1.1 Identify the challenge of market environment faced by EC and support your answer by quoting from the scenario above (3)

2.1.2 List other TWO challenges of market environment (2)

2.1.3 Differentiate between demographics and psychographics using examples (6)

Challenges of the macro environment

Change in income levels

- Factors such as unemployment/high interest rate can leave consumers with less disposable income.
- Reduction in consumer spending will result in lower profit for businesses.

Political changes

- A change in government can result in political instability and scare away potential investors.
- A business that relies on imported/exported goods may be challenged by government's attitude on duties and tariffs to be imposed.

Contemporary Legislation

- The government has established the National Credit Act and Consumer Protection Act to protect businesses and customers.

Labour restrictions

- The government has passed a number of laws which impose restrictions on businesses' labour practices.
- These restrictions pose a challenge to businesses that have to find the right candidate for the job.
- These restrictions make it a challenge for business to employ suitable people locally and internationally.

Micro lending

- Micro lending is granting of small loans to people who cannot obtain credit from banks.

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- Micro-lending puts pressure on businesses since they want to support micro businesses, but they are a big risk as many fail and cannot repay debt.
- Micro-lending puts pressure on businesses since they want to support micro businesses, but they are a big risk as many fail and cannot repay debt.

Globalisation/international challenges

- Globalisation refers to the exchange of products/services/capital and labour across boundaries/countries.
- Local businesses are competing with international businesses for local consumers
- Businesses should be aware of global networks and their effects.
- The overseas migration of skilled labour can results in local skills shortage.
- This means more competition for businesses that are already under pressure to compete locally.
- Some international businesses dump their product lines in South Africa at the price lower than those at which local businesses can afford to sell them.

Social values and demographics

- People's values influence some of their buying behaviour habits as they buy products that they identify with.
- Attitudes towards saving and brand loyalty can impact on consumers' habits.

Socio economic issues

- Businesses are faced with many challenges of poverty, unemployment, inadequate education, skills shortages, crime and HIV and Aids.

Activity 3

3.1. State the challenge of the macro environment as represented in statements below.

3.1.1. Heavy rains and thunderstorm forced some businesses in the area to open an hour later.

3.1.2. Thoko was prosecuted for employing a person under the age of 16.

3.1.3. Edwin wholesalers retrenched some employees due to high tariffs and exchange rates.

3.1.4. The rise in cost of raw material caused the business to relocate to another area. (8)

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ADAPTING TO CHALLENGES OF BUSINESS ENVIRONMENT

Guidelines on how to teach adaptation to challenges of business environments:

Overview

- For a business to be successful, it needs to be able to adapt to the challenges of the environment in which it operates.
- Management needs to remain aware of changes and should adapt accordingly.

Terminology

Concept	Meaning
Recruitment	Is the process where companies attract people/ candidates so that they can apply for certain positions in the company
Induction	Is to introduce new employee to the business and its related aspects

How business can adapt to challenges of business environments

Adapting to challenges in the Micro Environment

- Management need to analyse the problem and take the necessary steps to rectify it. Example: how to deal with difficult employees.
- The manager must look at the following:
    - Recruitment policies
    - Induction of new employees
    - Training of employees
    - Employment Contract

Assessment:

Activity 1 (Micro Environment)

1.1. Outline 3 components of micro environment. (3)

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1.2. Read the scenario below and answer the question that follows:

NOSIHLE EGG FARM (NEF)
Nosihle owns a farm specialising in selling eggs. NEF is currently experiencing a decline in sales . Some workers always report late at work despite several warnings.

Use the table below as a guide to answer questions

Challenge 1.2.1	Ways to adapt 1.2.2
a)	a)
b)	b)

1.2.1. Quote TWO challenges faced by NEF from the scenario above (2)

1.2.2. Advise NEF on ways to adapt to challenges identifies in Question 1.2.1 above (4)

Terminology

Concept	Meaning
Intermediaries	Are the businesses that are bridging the gap between the manufacture and the consumer
Trade Unions	Is an employee organisation controlled, run and paid for by its members
Competitors	Are the businesses that selling same or similar products or services
Regulator	Is a person or body that supervises a particular industry or business activity

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Adapting to challenges in the market environment

- Businesses requires to thorough research information about:
    - Building relationship with suppliers, customers, intermediaries, unions, regulators
    - Dealing with competitors

Activity 2 (Market Environment)

2.1. List FOUR components of the market environment (4)

2.2. Complete the table below by giving one example of a possible strategies a business could address on the following challenges of Market environment.

Challenges of market environment	**Possible strategies**
• Decline on customer base	
• Suppliers not delivering on time	
• Too many competitors within the vicinity	

TERMINOLOGY

CONCEPT	**MEANING**
• Organisational design	Is a process to integrate the people, information and technology of an organisation so that it improves the probability of the business achieving its purpose
• Lobbying	Is trying to influence decisions made by officials in the government or members of regulatory agencies
• Networking	Is interacting with others to exchange ideas and information, to develop professional contacts and to give and get advice from other business people
• Hedging	Is where you try to invest your money in such a way that its value grows at a faster rate than inflation.
• Strategic alliances	An agreement between two or more firms to engage in an activity on a shared basis.
• Merger	When two businesses of similar sizes willingly combine to become one

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Adapting to challenges in the Macro Environment

- Businesses can adapt to the macro environment by:
    - Designing strategic responses to the various challenges
    - Increasing the business market share and making the most of the strengths of the business through mergers, takeovers acquisition and alliances.
    - Ensuring that they do not negatively impact on the environment
    - Being socially responsible in all their operation and implementing social upliftment project in their immediate communities.
    - Lobbying legislator, regulators and supervisory bodies in order to have a positive influences on laws and policies that affect the business.
    - Hedging against inflation by investing extra capital that will grow in value faster than the rate of inflation. Example: mortgage bonds, shares etc.
    - Networking with other business owners and managers through making contact with them at networking groups.
    - Developing power relationship through:
        - Strategic alliance agreements with similar business on a common task in order to share skills and complement each other.
        - Persuasion of large/big investors whose reputation can assist business when negotiating deals with suppliers.
        - Company representative's influence on customers and potential customers as they represent the company's products services, policies, values etc.

Activity 3 (Macro Environment)

3.1 Read the statement below and answer the questions that follow:

Lobbying is done by various people or groups who have similar motives, beliefs or commercial position.

3.1.1. Define the term lobbying. (2)

3.1.2 Discuss three types of lobbying that business can use to adapt to the challenges of the business environments (9)

3.1.3 Describe ways in which business can form power relationships of the following:

- Strategic alliance agreements (2)
- Persuasion of large investors (2)
- Company representative influences (2)

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3.2 Explain three suggestions of how merger could be used to solve various macro-economic challenge facing two businesses. (6)

3. THE IMPACT OF SOCIO-ECONOMIC ISSUES

1. CONTEMPORARY SOCIO-ECONOMIC ISSUES

Meaning of contemporary socio-economic issues

1.1. Low income levels

Meaning of low Income levels

- South Africa has one of the greatest inequalities in income in the world.
- This is due to the largest differences in salaries between high earnings and low earners.

1.2 Inflation

Meaning of Inflation

- Inflation refers to the general increase in the prices of all products in the country.
- It leads to a decrease in the purchasing power of money.

1.3 Social, cultural and demographic issues

Meaning of social, cultural and demographic issues

- Social and cultural factors have an impact on the market environment because they shape the way people live/work/produce/consume etc.
- Demographic factors are defined as the characteristics of the population of a country e.g. age distributions, the gender ratio and the racial composition of the country.

1.4 Economic crime

Meaning of economic crime

- Economic crime is also known as white collar crime, it includes the following criminal activities:

-Fraud which refers to the unauthorised use of funds.

-Money laundering which refers to hiding the source of money that was obtained illegally.

- A key feature of economic crime is that money is stolen from a business through the use of intellectual skills and deception.

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1.5 Ethical misconduct

Meaning of ethical misconduct

- These are socio-economic issues that occur inside the business that also present threats and challenges to businesses.
- Ethical can be defined as acting in ways that are consistent with a person's value.
- Ethical misconduct can be defined as any behaviour by employees of the business that is not consistent with the values of the business.

1.6 Population growth

Meaning of population growth

- The word population refers to the number of people in a country.
- A population experiences growth when the number of people are born in a particular year exceeds the number of people who dies during the same year.
- It is a percentage change in the population resulting from births, deaths and migration.

1.7 Illiteracy

Meaning of illiteracy

- Illiteracy refers to a person who cannot read or write.
- Many illiterate people cannot find work as most jobs require some reading and writing skills.

1.8 Lack of skills

Meaning of lack of skills

- South Africa is currently experiencing severe skills shortages in some fields such as education, medicine, engineering and the finance industry.

1.9 Unavailability of natural resources

Meaning of unavailability of resources

- Some natural resources such as oil/coal/ water/gold are scarce.
- The above mentioned natural resources may be used up if they are not monitored.

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1.10 Inefficiency in the use of resources

Meaning of inefficiency in the use of resources

- Inefficient use of resources implies that resources are being wasted.
- The wasting leads to further depletion of the natural environment and threatens the future supply of natural resources.
- More resources are used as the population grows.

1.11 Dumping

Meaning of dumping

- It is when goods enter South Africa from other countries at a price that is cheaper than the normal value of the goods because more was produced than what that country can use.
- When companies in a developed world send goods that they have been unable to sell in their own countries, to countries in a developing world where they are sold below the normal asking price.
- Dumped products are usually cheaper than South African products.

1.12 Strikes

Meaning of strikes

- A strike can be defined as a collective, organised stopping of work by employees to force their employers to accept their demands.
- Strikes are usually the result of a labour dispute and it takes place when employees refuse to work.
- The most reasons why employees usually strike include wages, working hours and working conditions.

1.13 Piracy

Meaning of piracy

- Piracy is the unauthorised use/reproduction of another person's original work.
- Products that are associated with piracy are computer software/DVD/CDs etc.
- Many people download music from the internet without being aware that they are infringing someone else's intellectual property right.

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Activity 1

1.1 Define the following socio economic issues

1.1.1 Piracy

1.1.2 Ethical misconduct

1.1.3 Strikes

1.1.4 Go-slows

1.1.5 Lockout

1.1.6 Poverty

1.1.7 Changes in income level

1.1.8 Lack of skills (16)

Impact of low income levels on businesses

- Leads to a decrease in the demand for goods and services resulting to a fall in turnover and lower profits for businesses.
- People who earn low salaries and wages may become disheartened this will influence productivity in a negative way.
- Consumers shift to cheaper brands of certain products.
- Poverty can lead to crimes such as shoplifting and robberies
- Businesses will have fewer profits and will not have money to expand.
- Income level affects the morale of the workforce and could lead to lower productivity which impacts on the business turnover.

Impact of inflation on businesses

- Inflation increases the costs of raw materials and other inputs.
- This leads to optimum productivity whereby businesses has to produce the maximum possible output using the least possible input.
- It decreases consumer spending resulting to decreased sales and profitability.
- Employees may be retrenched which increases unemployment and decreases buying power even further.

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Impact of social, cultural and demographic issues on businesses

- Different groups of people with different cultures will behave differently as consumers, which will affect the business marketing strategy and sales.
- New fashion and cultural trends create different kinds of consumers which may result in the reduction of sales for existing products.
- Some businesses may not keep abreast with current trends and they may lose their market share.

Impact of economic crime on businesses

- Loss of income if the money was stolen from a business
- Loss of jobs if a business closes down.
- Businesses lose investors.
- Leads to a decrease in investors' confidence resulting poor economic and business growth.

Activity 2

2.1 Explain the negative impact of the following socio-economic issues on businesses.

2.1.1 Low income level

2.1.2 Inflation

2.1.3 Social, cultural and demographic issues

2.1.4 Economic crime (8)

Impact of ethical misconduct on businesses

- Employees who have been victims of sexual harassment may experience a lack of concentration/anxiousness/productivity.
- Corruption and mismanagement of funds will lead to a loss of income.
- Corruption undermines businesses and negatively influences investment.
- Mismanagement of funds can cost a business to lose a large amount of money through direct fraud and theft.
- Business owners involved will face criminal charges.
- There is a high staff turnover due to people leaving because they were sexually harassed.
- It may result to bad publicity and loss of customers/potential investors.

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Impact of population growth on businesses

- Excessive growth increases unemployment and crime.
- The municipal and health services may be expensive resulting in the consumer having less money to spend on other products.
- More land will be used to build houses which mean a decrease in agricultural land and a decrease in basic food supply.
- Consumers will have less income and business will have a decrease in sales

Impact of illiteracy on businesses

- Business sometimes needs to employ people even though they do not have the correct skills.
- Training of these employees can be very costly and the business suffers a financial loss.
- Employees without the correct skills can also be the cause of accidents in the workplace and this could impact on the image of the business.
- Difficult to market products to people who cannot read or write.

Impact of lack of skills on businesses

- Businesses cannot find candidates with adequate skills and experience.
- Businesses end up appointing a candidate who lacks certain skills resulting in poor products and services.
- Training employees is expensive and productivity will be affected as it takes time for newly trained employees to learn his/her new jobs.
- The cost of labour becomes expensive as some businesses recruit candidates from abroad.

Impact of unavailability of resources on businesses

- The unavailability of coal has led in part to a shortage of electricity in South Africa.
- Many businesses lose millions of rands because of load shading and power failure.
- The lack of transport due to the scarcity of oil which is used to manufacture fuel may affect businesses.
- When the supply of natural resources is threatened it may have negative impact on the operation of businesses and hampers the production processes.

Activity 3

3.1 Explain the negative impact of the following socio economic issues on businesses

3.1.1 Ethical misconduct

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3.1.2 Population growth

3.1.3 Illiteracy and lack of skills

3.1.4 Unavailability of natural resources (8)

Impact of inefficiency in the use of resources on businesses

- Businesses cannot continue with their operations if natural resources are depleted.
- Loss of productivity if business operations come to a halt due to unavailability of natural resources.

Impact of dumping on businesses

- Loss of profits as some local producers cannot compete with cheaper prices.
- Businesses may lose revenue and be forced to shut down their operations.
- Can lead to a decrease in local production and loss of jobs.
- Local businesses are unable to produce the same products at an equal or lower price.

Impact of strikes on businesses

- Strikes scares off potential investors.
- Businesses may be forced to close down especially those located in townships.
- May result in loss of production as employees stay absent from work during strikes.
- Many businesses suffer losses as a result of damage to property.
- They can lead to violence/assaults/looting/destruction of property and intimidation of workers who do not strike.
- Employees can lose their pays for all the days that they strike.
- Economy can be jeopardised since production is lost.
- Expense of increased salaries and wages is often passed on to the consumer, which causes inflation.
- Businesses loose income because productivity is low.

Impact of piracy on businesses

- It can undermine the music/movie industry as they lose money.
- Drives up the prices of products in order to compensate for the loss in sales.
- Leads to job losses in the industry
- The music industry feel reluctant to develop new talents as the element of risk is too high.

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- May cause damage to the value of the businesses.
- The businesses loses out on sales and income which in turn threatens industry
- The businesses loses out on productivity and profits.

Activity 4.1

4.1 Explain the impact of the following socio economic issues on businesses

4.1.1 Inefficiency in the use of resources

4.1.2 Dumping

4.1.3 Strikes and go-slows

4.1.4 Piracy (16)

Activity 4.2

Read the scenario below and answer the questions that follow.

South African love their sports. When there is a big sporting event, the fans come out in support of their team. When this happens, the counterfeit sports shirts appear at intersection across the country, illegally bearing licensed trademarks.

4.2.1 Suggest ways that people could be discouraged from making, selling or buyingcounterfeit goods (6)

NOTES

Solutions to socio-economic problems

- In times of inflation, business try to accommodate low-income consumers by means of subsidising their purchases in the hope to keep their clients.
- Businesses try to increase their productivity in order to stimulate economic growth.
- Business get involved in social responsibility programs to find ways to alleviate poverty.
- The best way to prevent economic crime is to have good internal control measures and explain the code of conduct to employees.
- Proper screening of employees who deal with highly confidential information might help to prevent the problem of identity theft.
- Training employees effectively so that they can be promoted and earn higher salaries.

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- Implementing policies and regulations about behaviour in the workplace, including sexual harassment and discrimination.
- Recycling within the business and educating staff and the community about recycling.
- Using resources carefully and efficiently.
- Employing local staff

2 Possible solutions to piracy/ Ways in which businesses can deal with piracy

Patent

- A patent prevents other businesses/people not to produce and sell the same product/specific service.
- Businesses can take out a patent for new inventions and include a sample of their invention with application.
- They must register a patent with the patents office in South Africa.
- The invention must comply with Patent Act No. 57 of 1978.
- They can bring legal proceedings against anyone who uses the invention.

Trademarks

- Businesses can trademarks to identify themselves and their products.
- They must register their trademarks with the register of trademarks at the companies and intellectual property registration.
- A registered trademark is protected forever provided it is renewed every ten years and a renewal fee is paid.
- Claim damages from someone who infringes the trade mark.

Copyright

- Businesses can sue someone who infringes the copyright.
- They can also sue someone who sells or distributes works that he/she knew were infringements of copyright.
- They can take legal action against people who copy their products.

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Activity 5

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

Patents, music council, legislations, trade mark, slogan, copyright

5.1.1 ……. is used to protect novels, songs, movies and software.

5.1.2 Thoko used her initials in the logo to distinguish her product.

5.1.3 Thoko also used her surname in the slogan of her brand

5.1.4 Mabuza went to government authority to be allowed a right to the title that was valid for six years (8)

5.2 Suggest ways in which businesses can deal with the following socio-economic issues

5.2.1 HIV (4)

5.2.2 Poverty (4)

3 Meaning of industrial relations

- Industrial relations refers to the relationship between the employer and employees.
- It influences the way in which businesses are guided by the Labour Relations Act.

3.1 Types of industrial actions

Strikes

- A strike is when employees stop working completely.
- Employees do not get paid for the days spent on strikes.
- Strikes represent the final stage of dispute/disagreement between management and employees.
- The purpose of a strike is to force employers to agree to the demands of the strikers.

Go-slows

- Go slow is a collective industrial action taken by workers in protest against an employer.
- Workers work slowly as possible or reduce production output.
- Employees still have to be paid as they are doing their work whereas they do not get paid when they go on strike.

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Lockouts

- A lockout occurs when an employer locks employees out of a workplace.
- Employers often lock employees out during a strike to ensure the safety of their premises, equipment and working conditions.
- A lock out is legal if it complies with the requirements of the Labour Relations Act.

4 Purpose of the Labour Relations Act

- Provides a framework where the employees, trade unions and employers work together to discuss matters relating to employment, e.g. wages, conditions of employment.
- Promotes orderly negotiations and employee participation decision making in the workplace.
- Promotes resolution of labour disputes.
- Promotes fair employment practices.
- Outlines the relationship between employees and employers.
- Provides simple procedures for the registration of trade unions and employers' organizations.
- Regulates the rights of trade unions and facilitates collective bargaining.
- Regulates the effectiveness of bargaining councils and statutory councils.
- Establishes workplace forums to promote the interest of all employees in the workplace whether they belong to the trade union or not.
- Allows workplace forums where employees may participate in decision making.
- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) to resolve labour disputes through statutory conciliation, mediation and arbitration.
- Endorses the right to strike against retrenchments, and facilitates labour disputes.
- Clarifies the transfer of contracts of employment procedures.
- Establishes Labour Courts and Labour Appeal Courts to deal with labour issues.

5 Trade unions

5.1 Meaning of trade unions

- A trade union is an organisation that protects and lobbies for the rights of workers and represent their interest in negotiations with employers.
- It is a group of employees who associate together in a particular industry such as mining/steelworks/etc. with the purpose of protecting the rights of their members.

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5.2 Reasons for the establishment of trade unions

- Engaging in industrial action such as protests and strikes.
- Taking a political action to influence the government strategy.
- Establishing minimum economic and legal conditions.
- Providing protection for their members.
- Engaging in collective bargaining for better terms and conditions.
- Assisting workers who have grievances such as disciplinary action/victimization.
- Negotiating with employers for decent working conditions/remuneration benefits in order to improve the standard of living.
- Negotiating recognition of the union and shop stewards by the employer.
- Protecting workers against unfair labour practices and dismissal.
- Take legal action on behalf of members when necessary.
- Educating shop stewards and other members' on how to carry out their tasks in the union

5.3 Roles of trade unions

- Serves as mechanism through which employees have a collective voice in the workplace.
- Unions communicate to the company's management the members' grievances such as unfair dismissal, low wages and conditions of services.
- They ensure that the employers include employees in the decision making process.
- They ensure that employees are treated fairly and respected.
- Unions are involved with social dialogue regarding poverty alleviation, job creation and wealth distribution.

5.4 Functions of trade unions

- Improves conditions of employment.
- Ensures that all employees are treated equally in the workplace
- Representing the interest of general society and minority groups through media and negotiations.
- Influencing government decisions.
- Representing employees corporately and individually.
- Improving material benefits of their members.
- Establishing minimum economic and legal conditions/influencing economic policy and law.

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- Playing a role as moral institutions that will uplift the weak and oppressed and give them the dignity and justice they deserve.
- Protecting workers from unfair labour practices and unfair dismissal.
- Take legal action on behalf of members when necessary.

Activity 6

6.1 Read the scenario below and answer the questions that follow

Edwin Waiters (EW)

EW is dealing with fast food. Due to the impact of Covid-19, three employees ware unfairly dismissed from work. The other ten employees decided to embark on a strike. The dismissed employees reported the matter to Commission, Conciliation, Mediation and Arbitration (CCMA).

6.1.1 Identify the Act applicable in the scenario. Motivate your answer by quoting from the scenario. (3)

6.1.2 Explain the purpose of the Act identified in QUESTION6.1.1 (4)

6.2 Discuss the functions of trade unions (4)

Activity 7

Draw the table below in your answer book. Choose any FOUR socio-economic issues and list how each issue affects businesses and productivity. Also provide possible solutions and contributions in addressing these issues

Socio-economic issue	**Effect on business and productivity**	**Possible solutions and contributions**
Eg. Lack of skills	Decrease in productivity	Provide skills training in the workplace.

(20)

4. AVENUES OF ACQUIRING BUSINESSES

OVERVIEW

- Reasons why entrepreneur may decide to purchase an existing business.
- Advantages , disadvantages and contractual implications of the following business avenues:
    - ❖ Franchising
    - ❖ Outsourcing
    - ❖ Leasing

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- The educator groups the learners and presents a scenario to learners on business acquisition.
- Research on the viability and benefits of franchising, outsourcing and leasing

NOTES:

1. **The reasons why entrepreneurs may decide to purchase an existing business**

- The business is established
- The market research has already been done
- An established customer based exists
- It is easier to secure finance
- Income is guaranteed from day one
- It is an established brand that you are buying

Activity 1

1. Outline the reasons why entrepreneurs may decide to purchase an existing business. (8)

DAY 2: NOTES

Advantages and disadvantages of franchising

Positives/Advantages

- Forms of franchising that are not available to the public are often available to franchises.
- Purchasing a franchise could be cheaper than starting your own business.
- A business is based on a proven idea and the product/ service are tried and tested.
- Reduced long term financial risk.
- Businesses are able to use a recognised brand name and registered trademark, which helps with advertising and marketing.
- The systems/ operations/ goods and services are well established.
- A franchisor obtains support from the franchisor, which often includes training and/ business advice/ marketing/ legal support.
- There is often access to group support from other franchisee and a network of communication and legal advice.
- Established suppliers give bulk discounts as they form part of a larger group.
- The marketing and advertising costs are shared so they are often lower than for a non - franchised business.

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- Management advice is often provided, so it is not necessary to be a business expert
-

Negatives/Disadvantages

- Acquiring a franchise can be an expensive initial layout
- There are often restrictions in the in the agreement in terms of how you can run the business.
- Many creative entrepreneurs feel limited as to how much they can grow/ expand their ideas.
- The brand could get a bad reputation through other franchisees.
- A large portion of profits is paid in royalties, and often the franchisors do not deliver on their promises.
- It is often difficult to sell a franchise/ terminate a contract.

Contractual obligations of franchising

- The policies that govern the product or service.
- The training of staff members.
- The royalties or profits owed and method and dates of payment.
- The form of ownership that the franchise will operate under.
- Details of operation that need to be agreed upon.

Activity 3

3. Discuss advantages and disadvantages of the following avenues of acquiring a business:

3.1 Leasing (4)

3.2 Outsourcing (4)

Activity 4

4. Read the scenario below and answer the questions that follow:

BIG CHICKEN (BC)

Big Chicken (BC) is available at different cities in the country. Mr Naidoo, the founder of BC allows new entrepreneurs to start their own businesses using his business name and trademark at a fee.

4.1 Identify the type of business avenue described in the scenario above.

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Motivate your answer by quoting from the scenario. (3)

Use the table below as a guide to answer QUESTION 4.1

Identification of business avenue	Motivation

4.2 Discuss the advantages of the type of business avenue identified in QUESTION 4.1 (4)

4.3 Advise Mr Naidoo on the contractual implications of business avenue mentioned in

QUESTION 4.1 (4)

DAY 3: NOTES

Advantages and disadvantages of outsourcing

Positives/ Advantages

- A company is able to reduce costs as outsourcing can lead to a decrease in staff, remuneration, control and operating costs.
- The business can focus on its vision/ goals and to apply its staff more effectively in its core business.
- Improved access to skilled people as the outsourced work will be done by highly skilled people without the company having to employ them.
- A business has access to resources and equipment for a specific function.
- Fixed cost and overhead costs are lower for the business.
- The production team is often shortened and quality is often improved because specialists are performing the function for the business.

Negatives/ disadvantages

- The loss of management control over the task may affect the quality/ time.
- There may be a lack of personal care/ quality as the business is not personally involved in the execution of the function.
- There are often hidden costs in outsourcing.
- The business relies on the vendor to produce the goods/ services, and non - delivery be a supplier could lead to loss of an unsatisfied client/ financial loss/ frustration.
- Confidential issues could be at risk if the information is given to another company who performs the function that is outsourced.

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Positives and negatives of leasing

Positives/ Advantages

- There is no large financial outlay as the cost is spread over a number of months/ years.
- The lessor normally covers the maintenance/ replaces any damaged parts or equipment.
- The assets can be returned to the lessor when it is no longer needed
- There are tax advantages as rental payment are calculated as operating costs and therefore tax deductible.

Disadvantages/ negatives

- The lessee does not own the asset
- The lessor has control over the financial obligation of the lessee.
- Some leases require the lessee to maintain and repair the asset
- A large amount of money is spent on an asset every month, the total of which is a lot more than what the asset is worth.

Contractual obligations of leasing and outsourcing

Outsourcing

- Align the vision and goals of both companies
- Measure the work that is being delivered.
- Build in incentives and penalties.
- Ensure accountability and transparency.
- Negotiate pricing carefully

Leasing

- Names of parties
- Duration of the agreement
- Conditions of renewal
- Any specific conditions for defaults
- Detail of insurance, maintenance and restrictive use, up – front payment and instalments
- Details of the costs
- Teacher should expose learners to the trends that emanated from the COVID 19 pandemic. Example, some schools were provided with mobile toilets, cleaned by appointed service

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providers. Some businesses may have outsourced some of the activities due to high absenteeism resulting from the pandemic.

Activity 3

3. Name the business avenues applicable in EACH of the statements below:

3.1. Is any task, job or process that could be performed by the employees of a business, but instead it is contracted to a third party. (2)

3.2. Is an agreement that gives a business the right to use an asset owned by another business for a specified period of time in return for regular payments. (2)

5. PROFESSIONALISM AND ETHICS

GUIDELINES TO THE TEACHER ON HOW TO TEACH: ethics and professionalism

Professionalism and ethics

Learners must be able to:

- Define ethical and professional behaviour
- Differentiate/Distinguish/Tabulate the differences between professionalism and ethics
- Outline/Mention/Explain the principles of professionalism and ethics
- Briefly explain the following theories of ethics that are applicable to the workplace:

  Consequential theory

  The common good approach

  The rights approach

- Differentiate/Distinguish between good and bad decisions and give practical example of each.
- Suggest/Recommend ways in which professional, responsible, ethical and effective business practice should be conducted, e.g. payment of fair wages, providing quality goods and services, not starting a business venture at someone else's expense, etc.
- Give examples of ethical business practices
- Evaluate a code of ethics for any business and make recommendations for improvements.
- Discuss different perspectives on ethics

1. Professionalism and ethics

1.1 Definition of ethical and professional behaviour

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1.1.1 Ethics

- Moral principles that govern the behaviour of a person or a group.
- Ethics defines how individuals/professionals and businesses choose to interact with one another.
- It involves making sound business decisions that do not have a negative effect on other people.
- Focuses on developing moral compass that can be used in decision making.
- These decisions entail identifying ways of achieving the objectives of the business, while also doing what is right and good for other people.

1.1.2 Professionalism

- A way in which people conduct themselves in the workplace, maintaining high standards and showing respect to all.
- The competence or skill expected of a professional person.
- It involves taking pride in your actions and never compromising standards.
- It is about being focussed on what you do and being committed to a certain standard performance

1.2 **The differences between professionalism and ethics**

PROFESSIONALISM	ETHICS
• Set of standards of expected behavior.	• Conforms to a set of values that is morally acceptable.
• Forms part of a code of conduct to guide employees to act professionally.	• Applying a code of conduct set by a profession or business.
• Focuses on developing a moral compass to use in decision making.	• Focuses on upholding the reputation of a business/ profession.
• Includes guidelines on employees' appearance/ communication/attitude responsibility etc.	• Involves following the principles of right or wrong in business activities/practices/dealings.
• Used for the good of the employees/individuals.	• Acceptable to society/ community
• Apply a code of conduct set by the profession or business.	• Forms part of the employees' code of conduct.

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1.3. The principles of professionalism and ethics

1.3.1 Principles of professionalism

- Employees should respect themselves and the rights of others.
- Responding quickly to the request of customers
- Caring about the quality of work before submission.
- Communicate with clarity and honesty.
- Meeting deadlines by completing assignments before the due date.
- Using resources responsibility with due regard for the environment.
- Respecting the image of the business/your profession, e.g. adhere to the dress code of the business/profession.
- Respecting diversity and differences and demonstrate cultural sensitivity.
- Acting with integrity/honesty/reliability, e.g. keep to working hours even if no other workers are around/noting using the business resources for personal gain.
- Being committed to quality and apply skills and knowledge to the benefit of the business/society at large.
- Adhering to confidentiality measures by not disclosing sensitive information about customers/business.
- Remaining objective, act fairly and justly to all without being biased or showing favouritism.
- Continually improve/develop skills and knowledge, e.g. attending refresher courses and seminars.
- Sharing knowledge by investing time and expertise with junior staff members, e.g. uplifting/empowering others.
- Offering and accept appropriate incentives, goods and services in business transaction.

1.3.2 Principles of ethics

- Being objective and impartial.
- Transparency and full disclosure.
- Confidentiality
- Avoiding conflict of interest.
- Being committed and responsible.

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- Initiating CSI projects for communities/Social responsibility
- Looking after the environment
- Abiding by international laws

Activity 1

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

ELECTRICAL APPLIANCES STORE (EAS)

The employees of Electrical Appliances Store (EAS) perform their tasks according to the acceptable business norm times stipulated in their employment contract. They ensure that the quality of their work is of a good standard before submission. They also continually improve their skills and knowledge about work.

1.1.1 Quote THREE principles of professionalism displayed by EAS employees. (3)

1.1.2 Advise the employees of EAS on the other principles of professionalism (8)

1.2. Distinguish the differences between professionalism and ethics. (8)

1.4 Theories of ethics

1.4.1 **The rights approach**

- Focuses on individual rights where people should be treated with respect and dignity.
- No person may be maltreated and the business will not impose its mission or products on people.

1.4.2 **Consequential approach**

- Business must promote or generate the greatest value for society, while harming as few as possible.
- Consequentialists believe that an act should be judged based on the effect it has on others/ if the effect is good, the action can be seen as ethical.

1.4.3 **The common good approach**

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- Focuses on ensuring that the business' values and ethical principles are in line with society in which the business operates.
- It recognises that ethics and values vary from country to country and from area to area.

GOOD DECISIONS	BAD DECISIONS
Maintaining high levels of integrity N	Not considering values
Honouring professional business practices	Insufficient or erroneous information
Respecting diversity	Selfish motives
Not starting a business venture at the expense of others.	Violating customer's privacy
Payment of fair wages	Damaging the environment
Not discriminating against employees	Price fixing
Regular payment of tax	Tax evasion
Reducing environmental pollution	Cloning animals or people
Importing goods that have been produced by factories with fair labour practices	Bribery

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

- Businesses should treat all employees equally.
- Plan properly and put preventative measures in place.
- Pay fair wages/salaries which are in line with the minimum requirements of the BCEA. /Remunerate employees for working overtime/during public holidays.
- Engage in environmental awareness programmes. /Refrain from polluting the environment, e.g. by legally disposing of toxic waste.
- Refrain from starting a venture using other businesses' ideas that are protected by law.
- Business decisions and actions must be clear/ transparent to all stakeholders.
- Businesses should be accountable /responsible for their decisions and actions/patent rights.
- Hiring honest/trustworthy accountants/financial officers with good credentials.
- Regular/Timeous payment of taxes.

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- Draw up a code of ethics/conduct.
- Ongoing development and training for all employees.
- Performance management systems. /Appraisals should be in place.
- Adequate internal controls/monitoring/evaluation.

Activity 2

2.1. Read the case study bellow and answer the following questions.

Businesses operations should be conducted ethically & responsibly. Some businesses use the theories of ethics as a guide for ethical business conduct. Business must also know the differences between good and bad decisions. Some businesses believe in developing a good code of ethics.

2.1.1. Name three theories of ethics (3)

2.1.2. Discuss ways in which professional, responsible, ethical and effective business practice should be conducted (8)

6. ENTREPRENEURIAL QUALITIES AND SUCCESS FACTORS

NOTES

1.1 Meaning of an entrepreneur

- An entrepreneur is a person who produces goods and services which he/she then sells in order to make money.
- An entrepreneur is a person with knowledge and the skills to combine and coordinate the factors of production in order to make a profit.
- It is an individual who organises, owns, manages and take the risks of a business.
- Individuals who identify new business opportunities by gathering resources to take advantage of the opportunities and start businesses.
- An entrepreneur is a person who recognises new business opportunities/invents new methods of production and successfully establishes new markets.

1.2 Qualities of an entrepreneur

Bid dreamers with a clear vision	• Entrepreneurs have big dreams of realizing long-term rewards in the form of profits. • They strive to reach a sense of personal realization. • They set clear and specific goals. • They see possibilities and are creative to imagine achievement thereof. • They are action-oriented people who enjoy and strive for success in everything they do.
Confidence in one's ability to succeed	• Entrepreneurs are self-confident and believe in their own abilities to succeed. • They recognise their skills and abilities and can visualise themselves succeeding with hard work and determination.

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	• They recognise their areas of weaknesses and are not afraid ask for help from others in order to succeed.
Desire for responsibility	• Entrepreneurs find it hard to work for other people or to take instructions from managers as they like being in control. • They strive for autonomy and like to make their own decisions. • They prefer to be the creators of their own future. • They find it hard to work for other people or to take instructions from managers as they like being in control. • They strive for autonomy and like to make their own decisions. • They prefer to be the creators of their own future.
Willpower to overcome obstacles	• Entrepreneurs have the desire and willpower to solve problems and establish a successful business. • They are ambitious, set their goals and work to achieve them. • They set their own working schedules to achieve their goals. • They have the determination to keep going even when things are not working in their favour. • They redirect their energies into new ventures by refocusing if one business fails. • Their determination ensures success can be achieved.
Passion and ambition	• Entrepreneurs are driven by their passion and willingness to succeed in the things they believe in. • They are self-driven to achieve their goals. • They have a high level of enthusiasm and a willingness to learn from mistakes.
Risk taking	• Entrepreneurs take calculated risk takers as they weigh up and what they might lose before deciding. • They weigh risks carefully and once a decision made, have the courage to see it through. • They risk their own money when they start their business as they envisage to make a profit. • They are flexible in their decisions should they turn out to be wrong.
Perseverance	• Entrepreneurs keep on going even if things are difficult and the future looks bleak. • They do not give up easily and have an amazing ability to keep going. • They cannot be easily persuaded to change direction or do something else. • They are goal orientated and cannot tolerate failure. • Success is the only result acceptable to them and often become workaholics.
Exceptional organisation skills	• Entrepreneurs are good at combining the other three factors of production. • They can take charge of a situation and make the business work. • They can get things done by turning plans into action. • They have good planning and time management skills to put things in order. • They are good at imposing structure and creating order.
Good management and leadership	• The entrepreneurs' management skills enable them to plan, lead, organise and control the activities of the people who work with them. • They are good leaders who can motivate and inspire others to do their best. • They are good communicators, skilled at resolving conflict and generating enthusiasm in others. • They know what they are not good at and get others to complement their strengths.

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Flexibility/Ability to adapt quickly	• Able to adapt quickly to changing circumstances due to their openness to change. • They are willing to listen to other ideas and be able to admit when they are wrong. • They evolve and change with the times by updating their skills and knowledge on the latest technology or market trends. • They are always ready to see new business opportunities and ways to achieve.
High motivation/energy levels	• Entrepreneurs are self -motivated • They have great physical stamina and commitment to work hard for long hours with demanding customers. • They have a high tolerance for stress involved in running one's own business and making difficult decisions. • They have emotional and personal strength to think clearly and deal with problems calmly.
High degree of commitment	• They are not afraid to make sacrifices to realise their dreams. • Once their goals have been set, they focus on it to the exclusion of all else. • They have high standards and cannot tolerate mediocrity. • They are committed to their business idea and work hard to achieve their goals

Key Success factors that makes the business successful

Sustainability	• Successful businesses are sustainable. • This means that the business can continue to exist despite all the challenges and threats it is confronted with.
Profitability	• Money is managed in such a way that a good return on investment can be guaranteed to investors. • This attracts even more investors, which enables the business to expand its activities and to become even more profitable.
Customer base	• Successful businesses have a continuous customer base to sell their goods and services to. • Successful businesses are always on the lookout for ways to expand their customer base.
A great idea	• Goods and service must fulfil the needs and desires of consumers. • A successful business has to offer better goods and services than its competitors.
Competent workers	• Competent workers are experts in their field, they are motivated and productive and they contribute towards the success of the enterprise.
Vision	• A clear vision will provide the business and its employees with direction to where they are headed. • A clear vision will ensure that a business is always looking for ways to improve.
Financial control	• Inadequate financial control is one of the biggest reasons for business failure.

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	• Money that is not well managed well will lead to cash flow problems and enterprise will not be able to operate smoothly.
Ability to adapt to change	• Businesses are constantly subject to changes such as: new legislation, competitors, political change and management change. • Change can be threatening. • Successful businesses can anticipate, implement and adapt to change by turning threats into opportunities.
Goods and services of quality	• A business that delivers goods and services of quality will attract and retain customers.
Keep looking for new opportunities	• Successful businesses are always looking for ways to improve and expand. • Ways to expand include finding new markets and developing new products

ACTIVITY 1

1.1 Define the meaning of *entrepreneur*. (2)

1.2 Read the following scenario and answer the questions that follow:

SIFISO FLOWERS (SF)

Sifiso is the owner of a flower shop. He has a BCOM degree. He used all his inheritance to start a business, even though he did not have the business experience. He worked extra hours to make his business a success as he was determined to achieve his dream.

1.2.1 Identify THREE entrepreneurial qualities that are represented by Sifiso. Motivate your answer by quoting from the scenario above. (9)

Use the table below to answer question 1.2.1.

ENTREPRENEURIAL QUALITIES	MOTIVATION
(a)	
(b)	
(c)	

1.2.2 State any other entrepreneurial qualities. (4)

1.3 Outline the key success factors for businesses. (6)

NOTES

Areas for improvements in different departments include:

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Department	Areas of improvement
Purchasing function	• Find better suppliers. • Only purchase products of good quality.
Production function	• Ensure that the area where production takes place adhere to safety regulations. • Investigate new technology that can improve productivity.
Public relations	• Ensure that the business receives sufficient good publicity. • Provide staff training to ensure that phones are answered promptly and professionally.
General management	• Offer incentives to increase productivity. • Constantly evaluate the enterprise's performance against pre-determined goals. • Offer good salary packages to attract good candidates.
Marketing function	• Draw up budgets to ensure the availability of sufficient funds for marketing purposes. • Market the enterprise in a way that makes the product appealing to the target market.
Human resource function	• Recruit employees that are experts in the field. • Provide regular staff training do that the staff members are up to date with the latest trends and technology.
Administrative function	• Look out for ways to improve IT Systems.
Financial function	• Draw up budgets to make sure that all expenses re accounted for. • Spend money on projects that are most likely to be profitable.

Strategies businesses can use to remain profitable and sustainable

- Proper succession planning so that it can continue to exist despite all the challenges and threats it is confronted with.
- Sound managing finances.
- Effective management of scarce resources and employees.
- Maintaining a solid customer base.
- Monitoring the internal and external environment.
- Behaving ethically and being socially responsible.
- Increasing your own education so that you keep up with changing technologies in your industry.
- Building on business success and learning from mistakes.
- The business should be transparent, which means being willing to reveal exactly what the business does and what it stands for.
- Being environmentally aware and friendly, and consider the triple bottom line and managing the 3Ps , profit, planet and people.

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ACTIVITY 2

2. Read the scenario below and answer questions that follow

SIZWE' ENTERPRISES (SE)
Sizwe completed his Bcom degree in 2014. He did not find a job and decided to start a bakery business at Nkandla, his home town. His cakes are now available all over the country. Sizwe's Enterprise pays his employees well and they (employees) have rewarded him with loyalty and hard work.

2.1.1 Identify TWO key success factors from the above scenario. Motivate your answer by quoting from the scenario. (6)

Use the table below as a Guide to answer QUESTION 2.1.1

Key success factors	**Motivation**

2.2 Recommend areas of improvement on the following entrepreneurial qualities.

2.2.1 Exceptional organisation skills. (4)
2.2.2 Desire for responsibility (4)
2.3 Suggest ways in which businesses can use to ensure that they remain profitable and sustainable.

(8)

TEAM STAGES AND DYNAMICS

NOTES:

STAGES OF TEAM DEVELOPMENT

Forming

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

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Storming

- Teams go through a period of 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 and perspectives.
- Arguments occur and upset the team members.
- Many teams fail during this stage as they are not focused on their task.
- This phase can become destructive for the team and will negatively impact on team performance, if allowed to get out of control.
- This stage is important for the growth of the team.
- Some team members tolerate each other to survive this stage.

Norming

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

Performing

- 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 and able to handle the decision-making process without supervision.
- Differences among members are appreciated and used to enhance the team's performance.

Adjourning

- The focus is on the completion of the task.
- 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.

Activity 1

1. Identify the stage of team development which is applicable to EACH of the following statements below:

1.1 The stage where the true character of team members starts to show.

1.2 During this stage the team members get to know each other.

1.3 Team members are motivated and are working together.

1.4 At this stage team members are settling down and reconciling.

(8)

The importance of teamwork

- It promotes a sense of achievement and this motivates workers.
- It creates synergy where the sum is greater than the part.
- It could remove constraints from making a person do his work properly.

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- Teamwork promotes strong working relationships
- Team work can create healthy competition
- Team members learn from each other
- Teams innovate faster

CONFLICT RESOLUTION

Meaning of conflict

- Clash of opinions or ideas or view points in the workplace.
- Disagreement between two or more parties in the workplace.
- Examples that can cause conflict: A lack of trust or miscommunication or personality clashes or different values.

Causes of conflict in the workplace

- Differences in backgrounds or cultures or values or beliefs or language
- Limited business resources
- Different goals or objectives for the group or individuals
- Personality differences between groups or individuals
- Different opinions
- Unfair workload
- Ill-managed stress
- Unrealistic expectations
- Poor organisation or leadership or administrative procedures and systems
- Confusion about scheduling or deadlines
- Ignoring rules and procedures
- Misconduct or Unacceptable behaviour
- Intense competition or Competitiveness
- Poor communication
- Unclear responsibilities
- Distracted by personal objectives
- Constant changes in the workplace
- Unfair treatment of workers or Favoritism by management or Discrimination
- Lack of trust amongst workers

(NOTE: Learners must be able to identify causes of conflict from given scenarios)

Activity 3

3.1 Meaning of conflict

- Clash of opinions or ideas or view points in the work place.
- Disagreement between two or more parties in the workplace.

3.2.1

Causes of conflict	**Motivation**
Culture	Some employees of Trevor tyres Ltd find it difficult to tolerate each other beliefs and values.

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Limited resources	Due to lack of capital, only two computers are available for six employees to perform their duties efficiently.

3.2.2 Other causes of conflict in the workplace

- Scarcity of resources
- Different attitudes, values or perceptions
- Disagreements about needs, goals, priorities and interests.
- Poor communication
- Poor or inadequate organizational structure
- Lack of teamwork
- Lack of clarity in roles and responsibilities.
- Lack of understanding of how to get the best out of teams
- Inconsistency in leadership decisions

INTRODUCTION TO HUMAN RESOURCE

Baseline assessment (Worksheet)

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

FEZILE FARM LTD

Fezile Farm LTD opened a new store. Faith the CEO of the company wants to establish few departments that will be responsible for various activities:

- Planning, organising, leading and controlling
- Buying raw materials at reasonable prices
- Developing effective advertising campaigns
- Appointing suitable people for the job
- Collecting and storing all data/information

1.1.1 Quote a human resource activity from the above scenario. (1)

1.1.2 Explain any other human resources activities. (4)

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TERMS AND DEFINITIONS

Term	Definition
Job analysis	The term "job analysis" refers to the components of job description and job specification as it relates to employees within an organisation.
Job description	Describes the duties and responsibilities of a specific job.
Job specification	Describes the minimum acceptable personal qualities/skills/ qualifications needed for the job.
Recruitment	Recruitment is the process used by business to identify vacancies in the business and attract suitable candidates for it.
Internal recruitment	Refers to the use of internal sources to advertise vacancies within an organisation.
External recruitment	Refers to the use of external sources to advertise vacancies within an organisation.

1 HUMAN RESOURCES ACTIVITIES

1.1 RECRUITMENT

Meaning of recruitment

- Recruitment is the process used by businesses to identify vacancies in the business and attract suitable candidates for it.
- It aims at finding candidates who have the necessary knowledge/ experience/ qualification to fill the vacancy.
- Businesses may choose to use an internal or external method of recruitment depending on the nature/requirements of the vacancy.
- It is an on-going process as employees leave their jobs for other jobs/get promoted /retire/as new technological skills are required.

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.

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- 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.

1.2 Differences between job description and job-specification

JOB DESCRIPTION	JOB SPECIFICATION
• Describes duties/responsibilities of a specific job/summary of the nature /type of the job.	• Specifies the minimum acceptable personal qualities/ skills/ qualifications needed for the job.
• Written description of the job and its requirements	• Written description of specific qualifications/ skills/ experience needed for the job.
• Describes key performance areas/ tasks for a specific job, e.g. job title/working conditions/relationship of the job with other jobs in the business, etc.	• Describes key requirements of the person who will fill the position, e.g. formal qualifications/willingness to travel/work unusual hours, etc.

1.3 TYPES/METHODS OF RECRUITMENT

INTERNAL RECRUITMENT AND EXTERNAL RECRUITMENT

INTERNAL RECRUITMENT

- Refers to the use of internal sources to advertise vacancies inside the business.

Sources of Internal recruitment

- Internal e-mails/Intranet/web sites to staff
- Word of mouth

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- Business newsletter/circulars
- Internal/management referrals
- Notice board of the business
- Internal bulletins
- Recommendation of current employees
- Head hunting within the business/organisational database.

EXTERNAL RECRUITMENT

- Refers to the use of external sources to advertise vacancies outside the business.

Sources of external recruitment

- Recruitment agencies
- Bill boards
- Printed media, e.g. newspapers/flyers/magazines/posters
- Electronic media, e.g. radio/TV
- Social media/Social networks/Internet/Business websites
- Recruitment agencies
- Walk-ins
- Head hunting
- Professional associations
- Networking
- Educational/Training institutions
- Word of mount

ACTIVITY 1

RECRUITMENT

1.1 Elaborate on the meaning of recruitment (4)

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

ACCELERATE LTD

Accelerate LTD has advertised a vacancy for an IT specialist. The advertisement includes the following aspects regarding the position:

- Assisting with network administration tasks.
- Five years of experience working as an IT specialist is advantageous.

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•Installing new software and hardware. •Applicants must have a diploma in information technology as a minimum requirement.

1.2.1 Quote TWO examples of job description and TWO examples of job specification in the scenario above. (4)

Use the table below as a GUIDE to answer QUESTION 1.2.1

JOB DESCRIPTION	JOB SPECIFICATION
1.	
2.	

1.3 Name FOUR sources of external recruitment. (4)

ACTIVITY 1.2 (Homework)

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

EMPANGENI CONCRETE PRODUCTS (ECP)
ECP a company based in KZN needed new employees. The human resource manager of ECP prepared a job analysis. The vacancy was advertised in the local newspaper.

1.2.1 Quote TWO recruitment procedures applicable in the scenario above. (2)

1.2.2 Explain other recruitment procedures that should be carried out by ECP. (6)

2. SELECTION

2.1 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

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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, e.g. 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).

Screening as part of the selection procedure

- Check application documents against the requirements of the job.
- Candidates who meet the minimum requirements are separated from others.
- Do background/credit/reference checks of applicants who qualify for the job.
- Prepare a shortlist of suitable candidates after screening.

SELECTION

ACTIVITY 2

2.1 Elaborate on the meaning of screening as part of the selection procedure. (4)

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

KRUGER DAIRY PRODUCTS (KDP)

Kruger Dairy Products advertised a vacancy in the Daily Times newspaper. KDP management received application forms from various applicants. KDP conducted preliminary interviews to select suitable candidates.

2.2.1 Quote TWO selection procedure that KDP applied in the scenario above. (2)

2.2.2 Discuss other steps of selection procedure that KDP may consider. (6)

3 INTERVIEW

- Refers to a conversation between a job applicant and a representative of an employer which is conducted to assess whether the applicant should be hired for a vacancy.

3.1 Role of the interviewer DURING the interview

Role of the INTERVIEWER during the interview
• Allocate the same amount of time to each candidate. • Introduce members of the interviewing panel to each candidate/interviewee. • Make the interviewee feel at ease. • Explain the purpose of the interview to the panel and the interviewee. • Record interviewees' responses for future reference. • Do not misinform/mislead the interviewee. • Avoid discriminatory/controversial types of questions, e.g. asking a female candidate about family planning/having children. • Provide an opportunity for the interviewee to ask questions. • Close the interview by thanking the interviewee for attending the interview

ACTIVITY 3 INTERVIEW

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

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EZWENI CASH AND CARRY (ECC)

Jayendran shortlisted five suitable candidates and invited them for interviews. Candidates were allocated the same amount of time and their responses were recorded.

3.1.1 Quote TWO roles of the interviewer during the interview from the above scenario.

(2)

Use the table below as a guide to answer QUESTION 3.1.1

INTERVIEWER	ROLES
Interviewer/Jayendran	**1.** **2.**

3.1.2. Explain other roles of the interviewer during the interview (8)

Overview

Assuming that a suitable candidate has emerged from the selection process, a formal offer should now be made. Once the successful candidate has accepted the offer an employment contract must be drawn up and has to be signed by both the employer and the employee.

4.1 Employment contract

- The employment contract is an agreement between the employer and the newly appointed employee and is legally binding.

4.2 Aspects/content of the employment contract

- The full name and address of the employer
- Signature of both employer and employee.
- Job title/position
- Job description.
- Job specification
- Working hours, e.g. normal time / overtime
- Overtime.
- Salary/Remuneration package.
- Termination of the contract
- The date of commencement of employment and the details of a probation period.
- Other types of payment(benefits)

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- Details of deductions e.g., PAYE, UIF, Medical Aid etc.
- Frequency of pay-outs and methods used e.g. direct bank deposit

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ACTIVITY 4 EMPLOYMENT CONTRACT

4.1 Read the case study below and answer the questions that follow.

Thembi saw an advertisement for a receptionist at Trust Lodge in the local newspaper. She was appointed for the post. Trust Lodge offered her a contract containing a job tittle, job description and working hours.

4.1.1 Quote THREE aspects of the employment contract in the above scenario. (3)

4.1.2 Outline other aspects that should be included in the employment contract. (8)

ACTIVITY 4 B

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

Thembisa Ngcobo offered the employment contract to Dudu. Her employment contract included the following: • Annual leave is based on employee performance. • Resignation when Dudu falls pregnant. • Working hours are not stipulated in the contract.

4.2.1 Evaluate the above employment contract and make recommendations for improvement. (6)

ACTIVITY 4 C

4.3 Study the scenario below and fill in the employment contract given.

Snehlanhla Myeni was appointed as a receptionist and he received a contract containing the following aspects: **Name of the employer:** Siyazama Construction **Start date:** 01 January 2021 **Place of work:** 106 Old Main Road Pinetown Industrial Building

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Durban

4000

Hours of work: 08H00-17H00

Duties: Serve visitors by greeting, welcoming and providing direction to them.

Notify company personnel of visitor arrival.

Maintain security and telecommunications system

Informs visitors by answering or referring inquiries.

Remuneration: R10 000 per month

4.3.1 Use the information given above to fill in the employment contract below on

behalf of Snenhlanhla..

CONTRACT OF EMPLOYMENT

Entered into between:

……
(herein after referred to as "the employer")

Address of employer:
……
……..
and
……
(herein after referred to as "the employee")

1. Commencement

This contract will begin on…….

2. Place of work

……..

3. Job description

JobTitle…….
(e.g.. Domestic worker, child minder, gardener, etc)

Duties ……
……..
……..
……..

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4. Salary

4.1	The employee's salary shall be paid in cash on the last working day of every month and shall be:	R……..

5. Hours of work

5.1 Normal working hours will be from ……. to ……. on Mondays to Fridays.

6. General

Any changes to this agreement will only be valid if they are in writing and have been agreed and signed by both parties.

SIGNED AT ……..ON THIS ……..DAY OF …… 202…

EMPLOYER……EMPLOYEE…….

4.2 The meaning of induction/Orientation

- Once the successful candidate has accepted the job offer and signed the employment contract. The employee will go through a process of induction.
- The process of introducing the new employee to the business/ fellow colleagues/the work unit and the work that needs to be done.
- An overview of the business/the procedure at work/communication channels/general rules of the business are explained to the new employee.

5.1.1 The purpose of induction

- To introduce new employees to management/colleagues to establish relationships with fellow colleagues at different levels.
- Create opportunities for new employees to experience/explore different departments.
- Explain safety regulations and rules, so that new employees will understand their role/responsibilities in this regard.
- Communicate information about the products/services of the organisation
- Allow new employees the opportunity to ask questions that will reduce insecurity/anxiety/fear.
- Make new employees feel welcome by introducing them to their physical work space.
- Create a feeling of security.
- Create realistic expectations.
- Ensure that the new employee become productive as soon as possible.

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- Inform new employees about the rules, policies, standard procedure and communication channels.
- Make new employees to feel welcome.

5.2 Placement

- the process whereby selected candidates are placed where they will function optimally and add value to the business.
- This activity matches the employee's ability and expectations with the requirements of the job.

5.2.1 The placement procedure

- The new employee must be placed where he/she will add the most value to the business.
- The placement procedure outline specific responsibilities/expectations new position
- Determine the employee's strengths/weaknesses/skills/ interests by subjecting him to various psychometric tests.
- Determine the relationship/similarities between the expectations of the position and the competencies of the new employee

ACTIVITY 5 INDUCTION AND PLACEMENT

5.1. Read the following scenario and answer the next questions:

SIPHO TRADERS (ST)
The management of Sipho Traders recently appointed Kobie as their marketing manager. ST conducted the orientation programme for Kobie. ST also determined Kobie's strengths and weakness by subjecting him to psychometric tests.

5.1.1 Identify the human resource activities applicable in the scenario above. Motivate your answer by quoting from the scenario above.

Use the table below as a guide to answer QUESTION 5.1.1 (6)

HUMAN RESOURCE ACTIVITIES	MOTIVATION
1.	
2.	

5.1.2 Discuss the purpose of induction. (8)

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ACTIVITY 5.2

Multiple Choice

Choose the options that best suits the following statements

5.2.1. When the conditions of employment are explained to new employee, they are introduced to their supervisors and colleagues. This process is known as…

A. mentoring

B. recruitment

C. induction

D. training

5.2.2 The process whereby new employees' skills are matched to the positions in which they will be appointed.

A. Induction

B. Recruitment

C. Placement

D. Selection

5.2.3 An induction programme deals with …….

A. Relocating an employee to a new department in a business.
B. Preparing employees for retirement.
C. Preparing staff functions.
D. Introducing new employees and preparing them for their new responsibilities.

6.1 Difference between gross and net pay

6.1.1 Meaning of a gross salary

- Gross salary is the salary earned before any deductions are made.
- It includes all company contributions such as medical aid, pension fund or provident fund, and allowances

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6.1.2 Meaning of a net pay

- This is the amount of money that the employee takes home.
- It is the salary earned after any deductions e.g. income tax/retirement annuities/pension/ investments etc.

6.2 Salary determination methods

- There are different systems to determine how to pay employees.
- The suitability of the system will depend on the type of job
- There two types of salary determination methods namely:
  Piece meal and time related methods

6.2.1 Difference between piecemeal and time related salary payment

PIECEMEAL	TIME-RELATED
• Workers are paid according to the number of items/ units produced /action performed.	• Workers are paid for the amount of time they spend at work/on a task.
• Workers are not remunerated for the number of hours worked, regardless of how long it takes them to make the items	• Workers with the same experience/qualifications are paid on salary scales regardless of the amount of work done.
• Mostly used in factories particularly in the textile/technology industries.	• Many private and public sector businesses use this method

6.3 Employee benefits

6.3.1 Pension fund

- Long term savings for retirement.
- Fund that is maintained from monthly contributions by the employee and employer.
- Money is invested by the fund administrators to provide the member with a lump sum and monthly pension on retirement.
- Examples of pension: Government Employee Pension Fund [GEPF].

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6.3.2 Medical aid

- Fund that is maintained from monthly contributions by employees and a subsidy by employers.
- The fund is accessed when a member or its dependent require medical attention.
- The fund will pay the medical service provider the full amount or a portion of the expense.
- Example of medical aid: GEMS; Discovery

6.3.3 Provident Fund

- Long term savings for retirement.
- Fund that is maintained from monthly contributions by the employee and employer.
- Money is invested by the fund administrators to allow it to pay the member a lump sum on retirement or resignation.

6.3.4 Allowances

- Amount of money paid by the employer to the employee for specific expenses to allow the employee to render a more effective service.
- Examples of allowances: car/cell-phone/ tablet/travel allowances etc.
- Employees are taxed to the extent that they use these allowances for personal reasons.

6.3.5 Unemployment Insurance Fund (UIF)

- This is a compulsory amount that every company pays for each employee.
- The employee is only required to pay 1% of the total income earned deducted from the employee's salary
- The employer pays the other 1%.
- The fund provides benefits to employees that lose their job or unable to work due to illness/pregnancy/adoption etc.
- The fund also contributes to dependents if the employee dies.

6.3.6 Housing subsidy

- The business pays part of part of the cost of the home
- Housing subsidies assist low-middle income groups to buy their own home

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ACTIVITY 6.

6.1 Name FOUR fringe benefits. (4)

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

NEW DAWN NEWS Inc (NDN)
New Dawn News is a local newspaper which has become very popular lately. NDN journalist are paid according to the number of articles they write. The auditor general Mr. Muzie is paid monthly. His salary package includes Gross salary and fringe benefits.

6.2.1 Identify TWO types of salary determination methods that are used by NDN in the scenario above. Motivate your answer by quoting for the scenario above.

Use the table below as a guide to answer QUESTION 6.2.1 (6)

TYPE OF SALARY DETERMINATION	**MOTIVATION**
1.	
2.	

6.3 Differentiate between gross salary and net pay. (4)

6.4 Explain the following fringe benefits:

6.4.1 Unemployment Insurance Fund (UIF) 2)

6.4.2 Provident Fund (2)

7.1 The implication of the Labour Relations Act on the human resources function

- Allow workers to form workplace forums/trade unions to promote the interests of all employees.
- Promotes orderly negotiations and employee participation in decision making in the workplace.
- Protects the rights of employees/employers as outlined in the Constitution.
- Promotes resolution of labour disputes

7.2 The implication of Basic Conditions of Employment Act on the human resources function

- Ensure that employees do not work more than 45 hours a week.
- Over-time is limited to a maximum number of 3 hours per day and 10 hours per week.
- Ensure that employees utilise 21 days consecutive leave per year.
- Ensure that employees are granted the 30 days sick leave in a three-year cycle.
- Meal interval for employees of 1 hour after 5 hours of work are adhered to.

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ACTIVITY 7

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

OWETHU ENTERPRISES (OE)
Owethu Enterprises is a successful small micro medium enterprise (SMME) which is famous for treating its employees well. OE encourages workers to form workplace forums to promote the interest of all workers. OE also ensures that workers utilise 21 days of leave per year.

7.1.1 Quote TWO ways of complying with LRA and BCEA in the scenario above.

Use the table below as a guide to answer QUESTION 7.1.1 (2)

ACTS	MOTIVATION
1.LRA	
2.BCEA	

7.1.2 Recommend other ways in which the human resources function can comply with the acts in QUESTION 7.1.1. (8)

8.1 The implication of the employment Equity Act on the human resources function

- The human resources manager must guard against discriminatory appointments.
- Ensure that there is equal representation of all racial groups in every level of employment
- Promote equal opportunities and fair treatment.
- Ensure that diversity/inclusivity in the workplace is achieved.
- Prepare an employment equity plan in consultation with employees.
- Implement an employment equity plan.

8.2 The implication of the compensation for occupational injuries and diseases Act on human resources function

- Businesses should provide a healthy/safe working environment
- Ensure that the equipment/machinery is in good working condition.
- Register with the Compensation Commissioner and provide the particulars of the business.
- Report all incidents causing death/injury/illness of employees.
- Levies must be paid to the Compensation Fund.

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- Keep records of employees' income and details of work for four years.
- Submit returns of earnings by no later than 1 March annually.
- Allow regular assessment of the workplace by inspectors in order to determine the level of risk their employees are exposed to.
- Employers may not make deductions for COIDA from employees' remuneration packages.
- Businesses must ensure that claims are lodged within twelve months of the date of the accident.

ACTIVITY 8

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

SPRINGS STEEL MANUFACTURING Pty (Ltd) (SSM)
Springs Steel Manufacturing is a large steel manufacturing company. SSM contributes to the compensation fund to guard against any injuries and diseases that may occur in the workplace. SSM also ensures that there is equal representation of all racial groups in every level of employment.

8.1.1 Quote TWO ways of complying with COIDA AND EEA in the scenario above.

Use the table below as a guide to answer QUESTION 8.1.1 (2)

ACTS	MOTIVATION
1.COIDA	
2.EEA	

8.1.2 Recommend other ways in which the human resources function can comply with the acts in Question 8.1.1. (8)