GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

BUSINESS STUDIES

GRADE 11

PAPER 1

TERM 4

CHAPTER 18

REVISED NOTES 2024

HUMAN RESOURCE FUNCTION

This chapter consists of 11 pages

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CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES

Learners must be able to:

- Explain the role of the human resources function. (Recap).
- Outline/Mention/Explain/Discuss the human resources activities e.g.:
  - Recruitment
  - Selection
  - Contracts
  - Induction
  - Salaries
  - Benefits
- Discuss/Explain the recruitment procedure.
- Discuss/Explain sources of recruitment e.g. internal and external sources.
- Discuss/Explain the selection procedure.
- Explain/Discuss the role of the interviewer during the interview.
- Outline/Mention aspects/content of the employment contract.
- Evaluate an employment contract from given scenarios and make recommendations for improvement.
- Explain the meaning of induction.
- Discuss/Explain the purpose of induction.
- Discuss/Explain the placement procedure
- Differentiate between gross and net pay.
- Outline/Mention/Explain different system of salary determination methods e.g. piecemeal and time related.
- Distinguish between piecemeal and time-related salary determination methods.
- Outline/Mention/Explain employee benefits.
- Explain/Discuss the implications of the following Acts on the human resources function:
  - Labour Relations Act (LRA) No.66 of 1995
  - Basic Conditions of Employment Act (BCEA) No.75 of 1997
  - Employment Equity Act (EEA) No.55 of 1998,
  - Compensation for Occupational Injuries and Diseases Act (COIDA) No.61 of 1997
- Identify the above-mentioned Acts from given scenarios and recommend ways in which the human resources function can comply with these Acts.

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1. TERMS AND DEFINITIONS

TERM	DEFINITION
Human Resource Function	The Human Resource Functions deals with all aspects within the organisation that relates to employees.
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	the process of recruiting suitable candidates inside an organisation to fill positions.
External recruitment	the process of recruiting suitable candidates outside an organisation to fill positions.
Interviewer	the individual that holds the interview conversation with a prospective employee.
Selection	To choose the best candidate to suite the position from a pool of applicants.
Employment contract	the contract of employment signed between the employer and employee when the candidate is appointed to a position.
Salaries	Workers are compensated for work done or services delivered.
Benefits	Compensation beyond a regular wage or salary of an employee or when a business are legally required to offer its employees.
Induction	Refers to the process of introducing new employees to the business and its related aspects
Placement	Process whereby a new employee is placed in a vacant position.
Gross salary	refers to an employee's salary before any deductions are made and paid into their bank accounts.
Net salary	refers to an employee's take-home salary after all deductions are made.
Piecemeal related salary	monies that workers are paid according to the number of items or units produced.
Time–related salary	monies that workers are paid for their time spent at work.

1 The meaning of the human resources function

- The human resources function is responsible for administering and controlling the workforce of a business to achieve its objectives.
- The human resources manager is responsible for performing the following activities:
  - Recruitment
  - Selection
  - Contracts
  - Induction
  - Salaries
  - Benefits

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2 Analysis of the human resources activities

2.1 Meaning of recruitment

- This is the process that is used by businesses to identify vacant positions within the business.
- The aim is to attract candidates with the prerequisite qualifications,
- knowledge, and experience so that they may be appointed in the vacant
- position(s).
- Recruitment is the process used by business to identify vacancies and attract suitable candidates for the job.
- 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 recruitment procedures commence with the preparation of a job analysis, which includes specifying a job description and job specification.
- The job description is prepared by the human resources manager (HRM) to identify the recruitment needs of the business.
- In order to attract suitable applicants to the business, the HRM specifies
- the requirements and key performance areas of the vacancy in the job specification.
- The HRM then decides on the method of recruitment that will be used by the business to ensure that the most suitable candidate is found for the vacant position.
- Either internal or external recruitment may be selected.
- Should the business not find a suitable candidate through internal
- recruitment, the HRM will prepare to recruit a suitable incumbent through
- external recruitment.
- The appropriate recruitment source will be determined for external recruitment and the HRM will prepare the advertisement for employment, which will be placed in the selected media to ensure that suitable candidates apply for the vacancy.

NOTE: The procedure can be in any order

Components of Job analysis

The meaning of Job analysis

- Job analysis refers to the process used to accumulate information about the duties, responsibilities, necessary skills, outcomes, and work environment of a job.
- Job analysis consists of the job description and job specification.

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Job Description	Job Specification
A documented description of the position and the work or duties to be performed.	A documented description of the prerequisite skills, qualifications, and experience needed for the position.
This is described as the nature, type of duties, and responsibilities associated with a specific position.	This is described as the personal qualities, skills, and qualifications required for a specific position.
Key performance areas and duties for a certain position, such as the job title and working conditions are stipulated in the job description.	Key aspects such as qualifications required, unusual work requests (like working over the Christmas period), and willingness to travel, are stipulated in the job specification.

Sources of recruitment

- The human resource manager must identify the sources he/she can use to recruit new employees.

There are two main recruitment sources:

Internal source of recruitment

- The business looks for a suitable person with the organisation.
- Refers to the use of internal sources to advertise vacancies inside the business
- Examples of sources of internal sources of recruitment:
  - Internal e-mails/Intranet/web sites to staff
  - Word of mouth
  - 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 source of recruitment

- The business looks for a suitable person outside the business
- Refers to the use of external sources to advertise vacancies outside the business
- Examples of sources of internal sources of recruitment:
  - Recruitment agencies
  - Billboards

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- 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.

2.2 Meaning of selection

- Selection is done after recruitment where a business receives many application forms after advertising a job.
- Selecting a suitable candidate to fill a vacant position in a business is equal to the recruitment process in importance.
- The most suitable candidate to fill the vacant position is identified, shortlisted, and given the opportunity to attend an interview.

The selection procedure

- 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
- Sort the received CVs according to the assessment/selection criteria.
- Screen applications meet the minimum job requirements and separate these from the rest.
- Preliminary interviews are conducted if many suitable applications were received.
- Reference checks should be made to verify the contents of CV's, e.g. contact previous employers to check work experience.
- Compile a shortlist of potential candidates identified.
- Shortlisted candidates may be subjected to various types of selection tests e.g. skills tests
- Invite shortlisted candidates for an interview.
- A written offer of employment is made to the selected candidate.
- Inform unsuccessful applicants about the outcome of their application.

2.3 The 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.
- Ask open ended work related questions.
- Do not mislead the interviewee.
- Provide an opportunity for the interviewee to ask questions.
- Close the interview by thanking the interviewee for attending the interview.

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2.4 Employment contract

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

2.4.1 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)
- Details of deductions e.g., PAYE, UIF, Medical Aid etc.
- Frequency of pay-outs and methods used e.g. direct bank deposit

2.5 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.

2.5.1 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.
- Inform new employees about the rules, policies, standard procedure, and communication channels.
- Make new employees to feel welcome.

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2.6 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

2.7 Difference between gross and net pay

2.7.1 Meaning of a gross salary

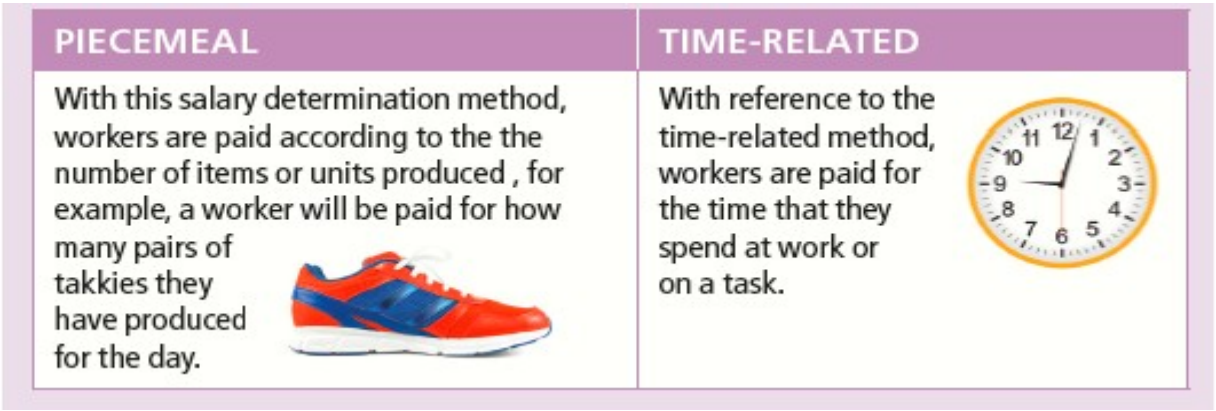
- Gross salary is the salary earned before any deductions are made.
- It includes all company contributions such as medical aid, pension fund or provident fund, and allowances.

2.7.2 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.

2.8 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.



2.8.1 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

2.9 Employee benefits

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2.9.1 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].

2.9.2 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

2.9.3 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.

2.9.4 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

2.9.5 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.

2.9.6 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

Examples of fringe benefits are:

– allowances, for example, car/travel/housing/cell phone/clothing
– funeral benefits
– performance-based incentives
– issuing of bonus shares
– staff discounts/free or low-cost meal/canteen facilities
– pension/provident fund
– medical aid
– Unemployment Insurance Fund
– housing allowance /subsidies.

3 The implications of legislation on the human resources function

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3.1 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.
- The human resources function should follow due processes such as the Commission for Conciliation, Mediation and Arbitration/(CCMA) and Labour Appeals Court before dismissing employees.

3.2 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.
- The human resource's function should not employ children under the age of 16.
- Employees should only work 9 hours per day in a 5-day work week or 8 hours per day in a 6-day workweek.
- Employees can take up to six weeks of paid sick leave during a 36-month cycle.
- Workers must receive double pay if they work during public holidays or on Sundays.

3.3 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.

3.4 The implications of the Skills Development Act on the human resources function

- The human resources function should interpret the aims and requirements of the SDA and adapt workplace skills training programmes accordingly.
- Identify the training needs of the employees and provide them with training opportunities so that they will perform their tasks efficiently.
- Assist managers in identifying skills/training needs to help them to introduce learnerships.
- Ensure training in the workplace is formalised /structured.

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