



BUSINESS STUDIES
GRADE 12
TERM ONE
CHAPTER 2
HUMAN RESOURCES FUNCTION
2019

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CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT
PURPOSES
HUMAN RESOURCE ACTIVITIES

RECRUITMENT

- Explain/Elaborate on the meaning of recruitment.
- Outline/Discuss/Explain the recruitment procedure.
- Explain the meaning of a job analysis
- Distinguish/Explain the differences between job description and job specification as components of a job analysis
- Identify job description and job specification from given statements/scenarios
- Discuss/Explain the impact of internal and external recruitment.(Recruitment methods/types)
- Identify methods/types of recruitment from given scenarios/state
- Give examples of sources of internal and external recruitment.

SELECTION

- Outline/Discuss/Explain the selection procedure.
- Explain the meaning of screening as part of the selection procedure.
- Discuss/Explain the purpose of an interview.
- Outline/Explain/Discuss the role of the interviewer before and during the interview.
- Outline/Explain/Discuss the role of the interviewee during the interview.
- Define/Elaborate on the meaning of an employment contract.
- Outline/Explain/Discuss the legal requirements/legalities of the employment contract.
- Evaluate an employment contract from given scenario and make recommendations for improvement.
- Outline/Discuss the details/aspects/contents of an employment contract.
- Outline/Discuss/Explain the reasons for the termination of an employment contract.

INDUCTION

- Define/Elaborate on the meaning of induction
- Discuss/Explain the purpose of induction.
- Discuss/Explain the advantages/benefits of induction.
- Outline aspects that must be included in the induction programme.
- Evaluate an induction programme from given scenarios and make recommendations for improvement.

PLACEMENT

- Outline/Explain the placement procedure
- Discuss/explain the importance of training/skills development in HRM

FRINGE BENEFITS

- Distinguish/Explain the differences between piece meal and time-related.
- Explain the link between salary determination and the Basic Conditions of Employment Act.

COMPULSORY BENEFITS

- Outline/Give examples of employee benefits e.g.
 - Pension
 - Medical aid
 - Provident fund
 - Allowances
- Compulsory benefits:
- Benefits required by law, e.g. UIF, etc.
- Explain/Discuss/Evaluate advantages/positives and/or disadvantages/negatives of fringe benefits to business.

ACTS

- Discuss the implication of Acts like the LRA/ BCEA/EEA/SDA on the human resources function.

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.
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.
Interviewer	Refers to the representative of an employer conducting the interview.
Interviewee	Refers to the job applicant who made himself available for the interview after being shortlisted.
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.
Training/Skills development	Refers to the acquisition of new skills and knowledge by employees.
Retrenchment	Process whereby an organisation reduces the number of employees for operational reasons.
Employment contract	Oral or written agreement specifying terms and conditions under which a person consents to perform certain duties in return for an agreed upon wage or salary.
Piece-meal salary determination	Workers are paid according to the number of items/units produced.
Time-related salary determination	Workers are paid for the amount of time they spend at work/on a task.
Fringe benefits	Compensation beyond a regular wage or salary to an employee, which are exempt from taxation as long as certain conditions are met.

Compulsory benefits	Refers to benefits that businesses are legally required to offer its employees.
UIF	The fund offers short-term financial assistance to workers when they become unemployed or are unable to work because of illness, maternity or adoption leave.
BCEA	This Act regulates labour practices and sets out the rights and duties of employees and employer.
LRA	Ensures social justice by establishing the rights and duties of employers and employees in the workplace.
EEA	Requires employers to engage in proactive employment practices to increase the representation of designated groups in the workplace.
SDA	This act regulates the improvement of the skills of workers by promoting education and training in the workplace.

2 HUMAN RESOURCES ACTIVITIES

2.1 RECRUITMENT

Meaning of recruitment

- Recruitment is the process used by business 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 (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.
- Prepare a job analysis, which includes job specification and job description.
- A decision whether to recruit internally should be made to identify suitable candidates from within the business.
- If internal recruitment is unsuccessful, external recruitment should be considered.
- If 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.

Differences between job description and job-specification

JOB DESCRIPTION	JOB SPECIFICATION
<ul style="list-style-type: none"> • Describes duties/responsibilities of a specific job/summary of the nature /type of the job. 	<ul style="list-style-type: none"> • Specifies the minimum acceptable personal qualities/ skills/ qualifications needed for the job.
<ul style="list-style-type: none"> • Written description of the job and its requirements 	<ul style="list-style-type: none"> • Written description of specific qualifications/ skills/ experience needed for the job.
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Describes key requirements of the person who will fill the position, e.g. formal qualifications/willingness to travel/work unusual hours, etc.

TYPES/METHODS OF RECRUITMENT

INTERNAL RECRUITMENT AND EXTERNAL RECRUITMENT

INTERNAL RECRUITMENT

- Refers to the use of internal sources to advertise vacancies inside the business. The following **SOURCES of internal recruitment** can be used:

Sources of Internal 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.

IMPACT OF INTERNAL RECRUITMENT

Positives/Advantages

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

AND/OR

Negative/Disadvantages

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

EXTERNAL RECRUITMENT

- Refers to the use of external sources to advertise vacancies outside the business. The following **SOURCES of external recruitment** can be used:

Sources of external recruitment

- Recruitment agencies
- Bill boards
- Printed media, e.g. newspapers/flyers

- 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
- Posters/Bill boards just outside the business

IMPACT OF EXTERNAL RECRUITMENT

Positives/Advantages

- New candidates bring new talents/ideas/experiences/skills into the business.
- There is a larger pool of candidates to choose from.
- There is a better chance of getting a suitable candidate with the required skills/qualifications/competencies who do not need much training/ development which reduce costs.
- It may help the business to meet affirmative action and BBBEE targets.
- Minimises unhappiness/conflict amongst current employees who may have applied for the post.

AND/OR

Negatives/Disadvantages

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

2.2 SELECTION

Selection procedure

Option 1

- Determine fair assessment criteria on which selection will be based.
- Applicants must submit the application forms/curriculum vitae and certified copies of personal documents/IDs/proof of qualifications, etc.
- Sort the received documents/CVs according to the assessment/selection criteria.
- Screen/Determine which applications meet the minimum job requirements and separate these from the rest.
- Preliminary interviews are conducted if many suitable applications were received.
- Reference checks should be made to verify the contents of CV's, e.g. contact previous employers to check work experience.
- Compile a shortlist of potential candidate's 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.

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.

Purpose of an interview

- Obtains information about the strengths and weaknesses of each candidate.
- Helps the employer in choosing/making an informed decision about the most suitable candidate.
- Matches information provided by the applicant to the job requirements.
- Creates an opportunity where information about the business and applicant can be exchanged.
- To determine a candidate's suitability for the job.
- Evaluate the skills and personal characteristics of the applicant

Role of the interviewer BEFORE the interview

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

Role of the interviewer and interviewee DURING the interview

Role of the INTERVIEWER during the interview	Role of the INTERVIEWEE during the interview
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Greet the interviewer by name with a solid handshake and a friendly smile. • Listen carefully to the questions before responding. • Make eye contact and have good posture/body language. • Show confidence and have a positive attitude/be assertive. • Be inquisitive and show interest in the business. • Ask clarity seeking questions. • Show respect and treat the interview with its due importance. • Be honest about mistakes and explain how you dealt with it. • Know your strengths and weaknesses and be prepared to discuss it

Meaning of an employment contract

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

Aspects that should be included in an employment contract

- Personal details of the employee.
- Details of the business/employer e.g. name/address, etc.
- Job title/Position
- Job description e.g. duties/ working conditions
- Job specification e.g. formal qualifications/willingness to travel.
- Date of employment/commencement of employment.
- Place where employee will spend most of his/her working time.
- Hours of work, e.g. normal time/overtime.
- Remuneration, e.g. weekly or monthly pay.
- Benefits/Fringe benefits/Perks/Allowances.
- Leave, e.g. sick/maternity/annual/adoption leave.
- Employee deductions (compulsory/non-compulsory).
- Period of contract/Details of termination.
- Probation period.
- Signatures of both the employer and employee.
- List of documents that form part of the contract, e.g. appointment letter/code of conduct/ethics.
- Disciplinary policy, e.g. rules and disciplinary procedure for unacceptable behaviour

Legal requirements of the employment contract

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

Reasons for terminating an employment contract

- The employer may dismiss an employee for valid reason(s), e.g. unsatisfactory job performance, misconduct, etc.
- Employer) may no longer have work for redundant employees/cannot fulfil the contract/is restructuring.
- The employer may retrench some employees due to insolvency/may not be able to pay the employees.
- Employees decided to leave and resign voluntarily.
- An employee may have reached the pre-determined age for retirement.

2.3 INDUCTION**Meaning of induction**

- New employees should be familiarised with their new physical work environment/organisational culture/products and services.
- Employees should be informed about the processes/procedures of the business.
- They should have a basic knowledge of what is expected in the job./Understand his role and responsibilities in his new job.
- Ensure that employees are well conversant with the business safety regulations and rules.

Purpose of induction

- Introduce new employees to management/colleagues to establish relationships with fellow colleagues at different levels.
- Make new employees feel welcome by introducing them to their physical work space.
- Give new employees a tour/information about the layout of the building/office.
- Familiarise new employees with the organisational structure/their supervisors
- Allow new employees the opportunity to ask questions that will put them at ease/reduce insecurity/anxiety/fear.

- Improve skills through in-service training.
- 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 offered by the business
- Ensure that employees understand their roles/responsibilities so that they will be more efficient/productive.
- Communicate business policies regarding ethical/professional conduct/procedures/employment contract/conditions of employment, etc.

Aspects to be included in an induction programme

- Introduction to key people and immediate colleagues.
- Safety regulations and rules.
- Overview of the business.
- Tour of the premises.
- Discussion of the employment contract and conditions of service.
- Discussion of employee benefits
- Information about the business products/services.
- Meeting with senior management who will explain the company's vision/value descriptions/daily tasks.
- Conditions of employment, e.g. working hours/leave application process/disciplinary procedures, etc.
- Administration details on systems/processes/logistics.
- Discussion of personnel policies, e.g. making private phone calls/using the Internet, etc.
- Corporate social responsibility programmes.

Benefits of induction

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

- Company policies are communicated, regarding conduct and procedures/safety and security/employment contract/conditions of employment/working hours/leave.
- Realistic expectations for new employees as well as the business are created.
- New employees may feel part of the team resulting in positive morale and motivation.
- Employees may have a better understanding of business policies regarding ethical/professional conduct/procedures/CSR, etc.

2.4 PLACEMENT

Meaning of placement

- Selected candidates are placed where they will function optimally and add value to the business.
- A specific job is assigned to the selected candidate.
- The qualifications/skills/personality of the selected candidate is matched with the requirements of the job.

Placement procedure

- Employer should outline specific responsibilities/expectations of the employee new position.
- The employer should determine the relationship/similarities between the expectations of the position and the competencies of the employee.
- Determine the employee’s strengths/weaknesses/skills/ interests by subjecting him to various psychometric tests.

The importance of training/skills development in HRM

- The employee who receives the necessary training is more able to perform in their job.
- The investment in training that a company makes shows employees that they are valued.
- An effective training program allows employees to strengthen their skills.
- Productivity usually increases when the human resources function implements training courses.
- Ongoing training and upskilling of the workforce, encourages creativity.

2.5 SALARY DETERMINATION METHODS

DISTINCTION BETWEEN PIECEMEAL AND TIME-RELATED SALARY DETERMINATION

PIECEMEAL	TIME-RELATED
<ul style="list-style-type: none"> • Workers are paid according to the number of items/ units produced /action performed. 	<ul style="list-style-type: none"> • Workers are paid for the amount of time they spend at work/on a task.
<ul style="list-style-type: none"> • Workers are not remunerated for the number of hours worked, regardless of how long it takes them to make the items 	<ul style="list-style-type: none"> • Workers with the same experience/qualifications are paid on salary scales regardless of the amount of work done.
<ul style="list-style-type: none"> • Mostly used in factories particularly in the textile/technology industries. 	<ul style="list-style-type: none"> • Many private and public sector businesses use this method

LINK BETWEEN SALARY DETERMINATION AND THE BCEA

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

2.6 FRINGE BENEFITS**Examples of fringe benefits in the workplace**

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

BENEFITS REQUIRED BY THE LAW**Unemployment Insurance Fund (UIF)**

- The fund offers short-term financial assistance to workers when they become unemployed or are unable to work due to illness, maternity or adoption leave.
- The fund also assists the dependants of a contributing worker who has died.
- Employers must pay unemployment insurance contributions of 2% of the value of each worker's salary per month.
- The employer and the worker each contribute 1%.
- Contributions are paid to the Unemployment Insurance Fund (UIF) or the South African Revenue Services (SARS).

IMPACT OF FRINGE BENEFITS ON BUSINESSES**Positives/Advantages**

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

AND/OR

Negatives/Disadvantages

- Businesses who cannot offer fringe benefits fail to attract skilled workers.
- Businesses who offer employees different benefit plans may create resentment to those who receive less benefit resulting in lower productivity.
- It can create conflict/lead to corruption if allocated unfairly.
- Fringe benefits are additional costs that may result in cash flow problems.
- Decreases business profits, as incentive/package/remuneration costs are higher.
- Administrative costs increase as benefits need to be correctly recorded for tax purposes
- Workers only stay with the business for fringe benefits, and may not be committed/loyal to the tasks/business
- Businesses have to pay advisors/attorneys to help them create benefit plans that comply with legislation.
- Errors in benefit plans may lead to costly lawsuits/regulatory fines.

2.7 IMPLICATIONS OF ACTS ON THE HUMAN RESOURCES FUNCTION**Implications of the Labour Relations Act on the Human Resources Function**

- Workers cannot be easily dismissed as bargaining council/Commission for Conciliation, Mediation and Arbitration (CCMA) processes need to be followed.
- Provides a framework for bilateral meetings where employees, trade unions and employers discuss matters relating to employment.
- The human resource manager should 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.
- Advances economic development/social justice/labour peace.
- Promotes resolution of labour disputes.
- Clarify the transfer of contracts of employment/If a business is transferred to another owner then the employee contracts are also transferred.
- Provides for unresolved disputes to be referred to Labour Courts/Labour Appeal Courts.

Implications of the Employment Equity Act on the Human Resources function

- The human resources manager must promote/provide equal opportunities in the workplace.
- Ensure that affirmative action promotes diversity in the workplace.
- Compile employment equity plans that indicate how they will implement affirmative action.
- Assign a manager to ensure that the employment equity plan will be implemented/regularly monitored.
- Display a summary of the Act where employees can clearly see it/have access to it.
- Report to the Department of Labour on the progress in the implementation of the equity plan.
- Conduct medical/psychological tests fairly to employees/when deemed necessary.
- Equal pay for work of equal value.
- Ensure that the workplace represents the demographics of the country at all levels.

- Define the appointment process clearly to ensure all parties are well informed.
- Restructure/Analyse current employment policies/practices/procedures to accommodate designated groups.
- Retrain/Develop/Train designated groups through skills development programmes.

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

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

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

- Workers should only work 9 hours per day in a 5 day work week./8 hours per day in a 6 day work week./Overtime should not exceed 10 hours per week.
- They must have a break of 60 minutes after five hours of work
- Workers can take up to six weeks paid sick leave during a 36-month cycle
- Businesses should not employ children under the age of 16.
- Workers must receive double if they work during public holidays/Sunday