**Business Studies**

**Grade 12**

**Human Resource Function Notes**

**RECRUITMENT**

**Explain/Elaborate on the 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.

**Outline/Discuss/Explain the 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.

**Explain the meaning of job analysis.**

The term “job analysis” refers to the components of job description and job specification as it relates to employees within an organisation.



**Differentiate/Distinguish between job description and job specification as COMPONENTS OF A JOB ANALYSIS.**

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| --- | --- |
| **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. |

**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**

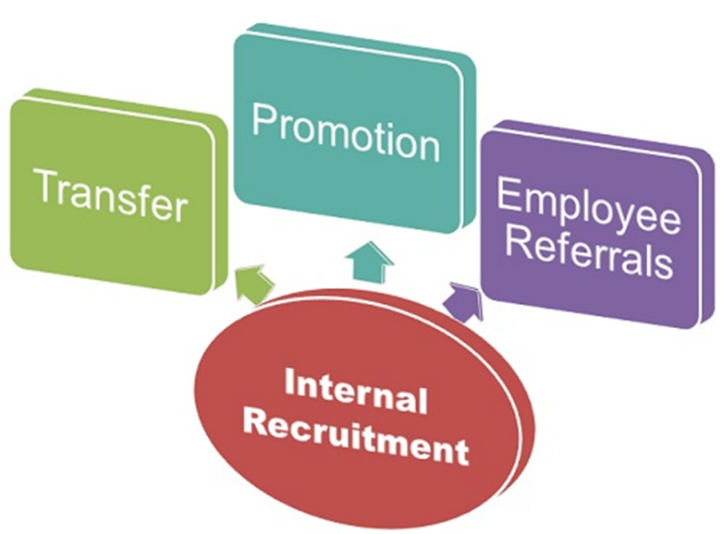
* Internal e-mails/Intranet/web sites to staff
* Word of mouth
* Business newsletter/circulars
* Internal/management referrals
* Notice board of the business
* Internal bulletins
* Recommendation of current employees
* Head hunting within the business/organisational database.

**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

**Explain/Discuss/Analyse the impact (positives/advantages and/or negatives/disadvantages) of the above stated methods of recruitment (internal and external).**

**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.

**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.

**SELECTION**

**Outline/Discuss/Explain the 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).

**Explain the meaning of 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.

**Discuss/Explain the 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

**Outline/Explain/Discuss the 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.

**Outline/Explain/Discuss the role of the interviewee and interviewer during the interview.**

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| **Role of the INTERVIEWER during the interview** | **Role of the INTERVIEWEE 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 | * 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 |

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**Define/Elaborate on the meaning of an employment contract.**

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

**Name/Outline/State the details/aspects/contents of 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



**Outline/Explain/Discuss the legal requirements legalities 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.

**Outline/Explain/Discuss the reasons for the termination of 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.

**INDUCTION**

**Define/Elaborate on the 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.

**Outline/Explain/Discuss the 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.

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**State/Outline aspects that must be included in the 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.

**Discuss/Explain the advantages/benefits of induction for businesses. Identify the benefit of induction from given scenarios.**

* 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.

**PLACEMENT**

**Elaborate on the 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.

**Outline/Explain/Discuss the 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.

**Explain/Discuss/the importance of training/skills development in HR.**

* 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.
* On-going training and up-skilling of the workforce, encourages creativity.

**SALARY DETERMINATION METHODS**

**Explain/Differentiate/Distinguish between piece meal and time-related salary determination methods.**

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| **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 |

**Explain the link between salary determination and the Basic Conditions of Employment Act.**

* 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.

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**FRINGE BENEFITS**

**Name/State/Give examples of employee benefits, e.g.:**

* 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

**Discuss/Evaluate the impact (positives/ advantages and/or negatives/disadvantages) 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.

**Explain UIF as a benefit required by law.**

* 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).

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**LEGISLATION**

**Discuss the implications of the LRA/BCEA/EEA/SDA on the human resources function.**

**Labour Relations Act:**

* 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.

**Employment Equity Act:**

* 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.

**Skills Development Act (SDA):**

* 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.

**Basic Conditions of Employment Act (BCEA):**

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