TELEMATICS 2015

BUSINESS STUDIES
Grade 11
Content

- Description of the Human Resources function.
- Main aspects of Human Resources Management.
- Definition of recruitment
- Types of recruitment
- Explain the recruitment procedure
- Outline the selection procedure.
- Explain the interviewing process.
- Requirements of a good interview
- Employment contract
- Termination of contracts
- Induction and training
- Components of an induction training programme
- Factors that determines an employee’s salary
- Different salary determination methods
- Taxation of employee earning
- Employee benefits
- Labour Relations Act [LRA] no. 66 of 1995
- Basic Conditions of Employment Act [BCEA] no. 75 of 1997
- Processes and procedures included in the BECA.

Term 4: October (Grade 11)

<table>
<thead>
<tr>
<th>Day</th>
<th>Date</th>
<th>Time</th>
<th>Subject</th>
<th>Topic</th>
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</thead>
<tbody>
<tr>
<td>Thursday</td>
<td>15 October</td>
<td>15:00 – 16:00</td>
<td>Business Studies</td>
<td>Introduction to Human Resources Function</td>
</tr>
<tr>
<td>Friday</td>
<td>16 October</td>
<td>15:00 – 16:00</td>
<td>Besigheidstudies</td>
<td>Inleiding: Menslike Hulpbronne Funksie</td>
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</table>
1.1. Meaning of the term Human Resources.

- The division of a company that is focused on activities relating to employees.

1.2. Main aspects of the Human Resources Function.

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<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>1) Recruitment</td>
<td>4) Induction</td>
<td>Retrenchment</td>
</tr>
<tr>
<td>2) Selection</td>
<td>5) Placement</td>
<td>Employment contracts</td>
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<tr>
<td>3) Interviews</td>
<td>6) Training &amp; Skills Development</td>
<td>Salary determination</td>
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1.3. Recruitment

**Definition:** Process of finding and appointing new employees for a vacant position in the business

1.4. Types of recruitment

**Two types**

- **Internal sources**
  - within the business
  - via email or poster
- **External sources**
  - outside the business
  - advertisement or intern

1.5. Recruitment procedure

- Analyse the needs and job description
- Decide on recruitment sources [internal or external]
- Compose and place advertisement
- Receive applications and CVs from potential candidates
- Assign an appropriate recruitment team
1.6 Selection procedure

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Preliminary screening</th>
<th>CV / Letters of application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 2</td>
<td>Screen &amp; shortlist</td>
<td>Evaluate applicants / Draw up a shortlist [5]</td>
</tr>
<tr>
<td>Step 3</td>
<td>Inform applicants</td>
<td>Contact short listed candidates</td>
</tr>
<tr>
<td>Step 4</td>
<td>Conduct interview</td>
<td>Identify the best candidate</td>
</tr>
<tr>
<td>Step 5</td>
<td>Test candidates</td>
<td>Conduct competency test</td>
</tr>
<tr>
<td>Step 6</td>
<td>Contact references</td>
<td>Confirm background information</td>
</tr>
<tr>
<td>Step 7</td>
<td>Notify successful candidate</td>
<td>Mail offer of employment letter</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Candidate must confirm in writing</td>
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</tbody>
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1.7 Interview process

<table>
<thead>
<tr>
<th>Step</th>
<th>Preparation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Book a room for the interview</td>
</tr>
<tr>
<td></td>
<td>• Study the applicant’s CV</td>
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<tr>
<td></td>
<td>• Formulate questions for the applicant</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Open interview</td>
</tr>
<tr>
<td></td>
<td>• Explain the purpose of the interview</td>
</tr>
<tr>
<td></td>
<td>• Obtain information by asking open ended questions</td>
</tr>
<tr>
<td></td>
<td>• Avoid asking questions of a discriminatory nature</td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Close interview</td>
</tr>
<tr>
<td></td>
<td>• Provide the applicant with an opportunity to ask questions</td>
</tr>
<tr>
<td></td>
<td>• Tell the applicant when an answer can be expected regarding the outcome of the application</td>
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</tbody>
</table>

1.8 Requirements of a good interview

- Ensure that each interview follows the same process.
- Each interview should have the same questions and each candidate must be given an equal opportunity.
- A panel of people should conduct the interview.
- Interview process do not allow for discrimination against race, gender, age or sexual orientation.
- Use creative and interesting questions that challenge the candidates.
- Do make an immediate judgment or decision until all candidates have been interviewed.

1.9 Employment contract – Definition

- Oral or written, express or implied, agreement
  - specifying terms and conditions
  - under which a person consents to perform certain duties
  - as directed and controlled by an employer
  - in return for an agreed upon wage or salary.
1.9.1  Details in an employment contact

- Names and addresses of the employer and employee
- Job description and job title
- Normal Working hours
- Leave conditions
- Salary package
- Termination of contract
- Starting date

1.10  Termination of employment contracts

- Resignation  Occurs when an employee chooses to leave the organisation
- Dismissal  Occurs when the employee is asked to leave the organisation due to bad conduct, breach of contract or illegal behaviour
- Retirement  Occurs when an employee reaches a certain age and do not have to work any longer
- Retrenchment  Occurs when an organisation is forced to reduce the number of employees for operational reasons.

1.11  Induction – Definition

Process whereby an employee is first introduced to the business and fellow employees

1.12  Components of an induction process

- Tour of the premises
- Introduction to key people and immediate colleagues
- Conditions of employment
- Administrative details
- Safety regulations
- Job discussion on performance output and how to do about daily work

1.13  Training

- Refers to the acquisition of new skills and knowledge
- Investment by the employer in the employees
- Development needs of the employees must be determined
- Acquire a suitable service provider
- HR Determine if the training needs has been met
- Increase the efficiency of the workforce
1.14 Factors that determines an employee’s salary

- Type of job [skilled, semi-skilled or unskilled]
- Educational qualifications
- Experience in the work place
- Level of the position [top-, middle- or lower level management]
- Financial position of the business
- Economic conditions in the country

1.15 Different salary determination methods

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Piece-meal</td>
<td>• Paid for the amount of work produced Example: number of shirts</td>
</tr>
<tr>
<td></td>
<td>manufactured per week</td>
</tr>
<tr>
<td>Time related</td>
<td>• Paid for the amount of time spent at work</td>
</tr>
<tr>
<td></td>
<td>• Example: 40 hours a week @ R 5 000</td>
</tr>
<tr>
<td></td>
<td>• Earn extra money by working over-time</td>
</tr>
</tbody>
</table>

1.16 Taxation on the employee

- Personal tax is a compulsory deduction made from the salary / wage by the employer and paid over to the SARS
- Income tax is deducted as PAYE [Pay as you Earn] on the salary of the employee
- High income earners are taxed at a high rate and low income earners are taxed at a low rate.
- This is known as a progressive tax.

1.17 Employee benefits

**Fringe Benefits**

**Compulsory Benefits**

1.17.1 Fringe Benefits - Definition

Compensation beyond a regular wage or salary an employer, which are exempt from taxation as long as certain conditions are met.

1.17.2 Fringe Benefits – Types

- Medical Aid
- Pension
- Provident Fund
- Allowances
1 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 requires medical attention.
- The fund will pay the medical service provider the full amount or a portion of the expense.

2 Pension

- Long term savings for retirement
- Fund that is maintained from monthly contributions by the employee and employer

3 Provident Fund

- Long term savings for retirement
- Fund that is maintained from monthly contributions by the employee and employer

4 Allowances

- Amount of money paid by the employer to the employee for a specific expenses to allow the employee to render a more effective service.
- Examples: Car, Cell-phone, Tablet & Travel allowances

Compulsory Benefits – Definition

- Refers to benefits that businesses are legally required to offer its employees

Types of compulsory benefits

<table>
<thead>
<tr>
<th>Unemployment Insurance Fund [UIF]</th>
<th>Employers must pay unemployment insurance contributions of 2% of the value of each worker’s pay per month.</th>
<th>The employer and the worker each contribute 1%.</th>
<th>Contributions are paid to the Unemployment Insurance Fund (UIF) or the South African Revenue Services (SARS).</th>
</tr>
</thead>
<tbody>
<tr>
<td>COIDA</td>
<td>Employer pays monthly contributions into a fund based on the total wage bill of the employees.</td>
<td>Employee is entitled to claim compensation if he/she is injured whilst on duty.</td>
<td>Dependents of an employee is entitled to compensation if the employee dies whilst on duty</td>
</tr>
<tr>
<td>Other compulsory benefits</td>
<td>Vacation Leave</td>
<td>Maternity Leave</td>
<td>Adoption Leave</td>
</tr>
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</table>
### 1.18 THE IMPLICATION OF LEGISLATION ON HUMAN RESOURCES

#### 1.18.1 Labour Relations Act [LRA]

- LRA was established to ensure fairness in the workplace.
- Terms and conditions applies to both the employer and the employee
- Impact for HR
  - Fair processes for employing workers.
  - Fair process for dismissal of workers
  - Rights and responsibilities of trade unions are protected
  - Procedure for strikes and dispute resolution
  - No unfair treatment in the workplace
  - Encourage working participation in decision making

#### 1.18.2 Basic Condition of Employment Act [BCEA]

- Protect employees against unfair labour practices
- Determines the minimum conditions of employment
- Implications for HR
  - Worker must not work more than 45 hours a week
  - Maximum number of over-time is 3 hours per day and 10 hours per week
  - Female employees are entitled to four months maternity leave
  - Employees are entitled to 21 days consecutive leave per year
  - An employee is entitled to 30 days sick leave in a three year cycle.
  - Meal interval for employees of 1 hour after 5 hours of work
  - Employee must give 4 weeks’ notice to end an employment contract if he worked for one year or more.

#### 1.18.3 Employment Equity Act [EEA]

- Promotes equal opportunity
- Eliminates unfair discrimination
- Implements affirmative action [AA] measures to redress past discrimination to designated groups
- Implications for HR
  - Job vacancies must be made known to everybody who is eligible to apply.
  - Elimination of unfair discrimination in recruitment, selection, placement etc.
  - Fair testing and assessment of applicants
  - Identify employees that fit in the category of AA
  - Draft an Employment Equity Plan as a code of good practice