

Human Resources Function

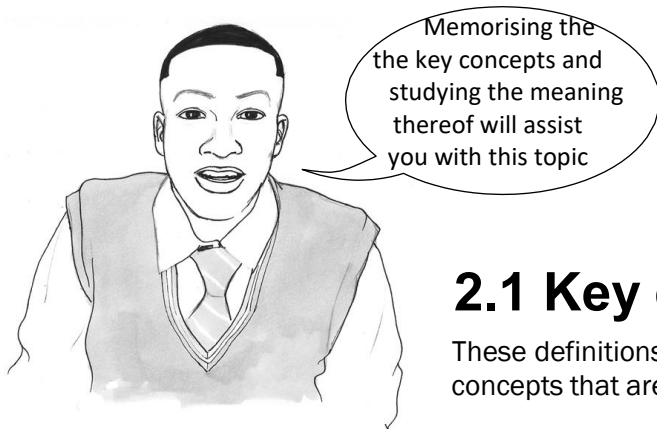
Introduction

The Human Resources Function plays a critical role in every organisation. The Human Resource Functions deals with all aspects within in organisation that relates to employees. Its important that the Human Resources Function ensures that the right employees are appointed in critical positions. Once employed the Human Resources functions must ensure that the employees know what are expected of them and the Human Resources Function must also ensure that the employees conditions of service and labour rights are adhered to



Overview

TOPIC	CONTENT	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
2. Human Resources Function	<ul style="list-style-type: none"> • Definition of Job analysis • Differences between job description and job specification • Human resources activities: <ul style="list-style-type: none"> o Recruitment, e.g. types/methods/advantages/disadvantages o Selection procedure/steps: o Interviews (purpose, role of the interviewer/interviewee) o Induction, e.g. purpose/benefits/advantages and aspects that should be included in an induction programme o Placement procedure • The importance of training/skills development in HRM • Retrenchment • Employment contracts, e.g. legalities, content/details and termination of the contract <ul style="list-style-type: none"> • Salary determination, e.g. piece meal and time-related and personal tax (link to BCEA) • Employee benefits on businesses: <ul style="list-style-type: none"> Fringe benefits: <ul style="list-style-type: none"> o Pension o Medical aid o Provident fund o Allowances Compulsory benefits: <ul style="list-style-type: none"> o Benefits required by law, e.g. UIF • Impact of fringe benefits to business. • The implication of the following Acts on human resources function: <ul style="list-style-type: none"> o LRA/ BCEA/EEA/SDA 	<ul style="list-style-type: none"> • Define the term “job analysis” • Distinguish between job description and job specification • Discuss the following human resource activities: <ul style="list-style-type: none"> o Recruitment, e.g. types/methods/advantages/disadvantages o Selection procedure/steps: o Interviews (purpose, role of the interviewer/interviewee) o Induction, e.g. purpose/benefits/advantages and aspects that should be included in an induction programme o Placement procedure • The importance of training/skills development in HRM • Retrenchment • Employment contracts, e.g. legalities, content/details and termination of the contract <ul style="list-style-type: none"> • Salary determination, e.g. piecemeal and time-related and personal tax (link to BCEA) • Discuss employee benefits on businesses <ul style="list-style-type: none"> Fringe benefits: <ul style="list-style-type: none"> o Pension o Medical aid o Provident fund o Allowances Compulsory benefits: <ul style="list-style-type: none"> o Benefits required by law, e.g. UIF, • Evaluate advantages/positives and/or disadvantages/negatives of fringe benefits to business. • Discuss the implication of the following Acts on human resources function: <ul style="list-style-type: none"> • LRA/ BCEA/EEA/SDA



2.1 Key concepts

These definitions will help you understand the meaning of key Business Studies concepts that are used in this chapter.

Term	Definition
Job analysis	<ul style="list-style-type: none"> The term “job analysis” refers to the components of job description and job specification as it relates to employees within an organisation.
Job description	<ul style="list-style-type: none"> Describes the duties and responsibilities of a specific job.
Job specification	<ul style="list-style-type: none"> Describes the minimum acceptable personal qualities, skills and qualifications needed for the job
Recruitment	<ul style="list-style-type: none"> Recruitment is the process used by business to identify vacancies in the business and attract suitable candidates for it.
Internal recruitment	<ul style="list-style-type: none"> Refers to the use of internal sources to advertise vacancies within an organisation
External recruitment	<ul style="list-style-type: none"> Refers to the use of external sources to advertise vacancies within an organisation
Interview	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Refers to the representative of an employer conducting the interview
Interviewee	<ul style="list-style-type: none"> Refers to the job applicant who made himself available for the interview after being shortlisted
Induction	<ul style="list-style-type: none"> Refers to the process of introducing new employees to the business and its related aspects
Placement	<ul style="list-style-type: none"> Process whereby a new employee is placed in a vacant position.
Training / Skills development	<ul style="list-style-type: none"> Refers to the acquisition of new skills and knowledge by employees
Retrenchment	<ul style="list-style-type: none"> Process whereby an organisation reduces the number of employees for operational reasons
Employment contract	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Workers are paid according to the number of items/units

determination	produced
Time-related salary determination	<ul style="list-style-type: none"> Workers are paid for the amount of time they spend at work/on a task.
Fringe benefits	<ul style="list-style-type: none"> Compensation beyond a regular wage or salary an employee, which are exempt from taxation as long as certain conditions are met.
Compulsory benefits	<ul style="list-style-type: none"> Refers to benefits that businesses are legally required to offer its employees
UIF	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> This Act regulates labour practices and sets out the rights and duties of employees and employers
LRA	<ul style="list-style-type: none"> Ensures social justice by establishing the rights and duties of employers and employees in the workplace
EEA	<ul style="list-style-type: none"> Requires employers to engage in proactive employment practices to increase the representation of designated groups in the workplace
SDA	<ul style="list-style-type: none"> This act regulates the improvement of the skills of workers by promoting education and training in the workplace.



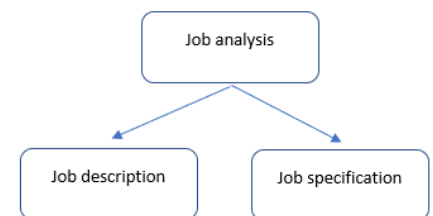
2.2 Job analysis

2.2.1. Meaning of the term

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

Job analysis therefore consist of the following two components:

- Job description
- Job specification



You must be able to distinguish between job description and job specification.

2.2.2. Job description and job specification

Job description	Job specification
<ul style="list-style-type: none"> Describes the duties and responsibilities of a specific job. 	<ul style="list-style-type: none"> Describes the minimum acceptable personal qualities, skills and qualifications needed for the job
<p><u>Example: Marketing Manager</u></p> <ul style="list-style-type: none"> Establishes marketing goals Research marketing trends Report on marketing and sales activities 	<p><u>Example: Marketing Manager</u></p> <ul style="list-style-type: none"> Degree in marketing Five years marketing experience Computer Literate Communicate effectively



Activity 1

- Study the advertisement below and answer the questions that follow:

BUSINESS STUDIES TELEMATICS PROJECT COORDINATOR

- Employer : Western Cape Education Department
- Place : Head Office, Cape Town
- Remuneration : Inclusive package of R30 000 per month
- Job Type : Contract position – 5 years

Details:

- Post graduate qualifications in project management
- Middle management experience of 5 years
- Planning and monitoring the project
- Liaise with the E-Learning team at University of Stellenbosch
- Report on the impact of the intervention
- Computer Literate
- Own transport essential

- 1.1 Distinguish between the concepts “job description” and “job specification” (4)
- 1.2 Quote TWO examples of job description from the advertisement. (2)
- 1.3 Quote TWO examples of job specification from the advertisement. (2)

[8]



Answers to Activity 1

1.1 Job description

- Describes the duties and responsibilities of a specific job. ✓✓

Job specifications

- Describes the minimum acceptable personal qualities, skills and qualifications needed for the job ✓✓
(4)

1.2 Job description

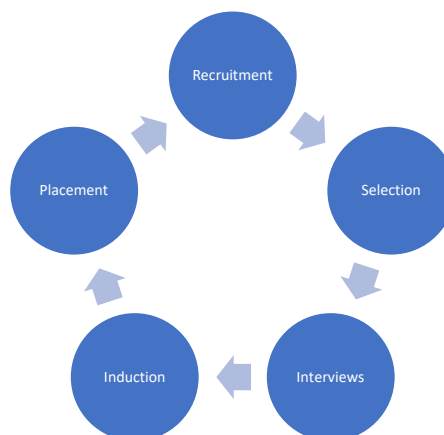
- Planning and monitoring the project ✓
- Liaise with the E-Learning team at University of Stellenbosch ✓
- Report on the impact of the intervention✓ (2 x 1 = 2)

Job specification

- Post graduate qualifications in project management ✓
- Middle management experience of 5 years✓
- Computer Literate✓ (2 x 1 = 2)
(4)

2.3 Human Resource Activities

The following human resource activities are relevant in all organisations and forms a critical part of the Human Resources Functions within the organisation.



2.3.1 Recruitment

2.3.1.1 Types /Methods



You should be able to distinguish between internal and external recruitment.

- Two types or methods of recruitment.
- Namely, internal recruitment and external recruitment
- Internal recruitment refers to the use of internal sources to advertise vacancies within an organisation
- Examples of internal recruitment:
 - Internal emails; referrals from management;
 - recommendations from current employees; internal newsletters

- External recruitment refers to the use of external sources to advertise vacancies within an organisation.
- Examples of external recruitment:
 - Printed media [newspapers]; electronic media [radio / TV]; social media; recruitment agencies; Bill boards

2.3.1.2 Advantages & Disadvantages



When Impact is asked
In a question you are
required to provide
advantages or disadvantages
or both

Internal recruitment	Advantages	<ul style="list-style-type: none"> • The business recruits from existing employees through promotions/transfer from inside the business • Staff morale and productivity increases if suitable staff members are promoted regularly. • Current employees understand how the business operates.
	Disadvantages	<ul style="list-style-type: none"> • Current employees may not bring new ideas into the business. • Promoting a current employee may cause resentment amongst other employees. • The number of applicants is limited to current staff only.

External recruitment	Advantages	<ul style="list-style-type: none"> • New candidates bring new talents/ideas/experiences/skills into the business. • It may help the business to meet affirmative action and BBBEE plans. • There is a larger pool of candidates to choose from.
	Disadvantages	<ul style="list-style-type: none"> • External sources can be expensive, e.g. recruitment agencies' fees and advertisements in newspapers/magazines. • Information on CV's or from references may not be reliable.

2.3.2 Selection procedure / steps



- 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 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 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 is made to the selected candidate.
- Inform unsuccessful applicants about the outcome of their application.

2.3.3 Interview

2.3.3.1 Purpose of an interview

- To determine a candidate's suitability for the job.
- Match the information given by the applicant with the requirements of the job.
- To get more information from the applicant.
- Evaluate the skills/personal characteristics of the applicant.
- Provides the applicant with the opportunity to find out more about the job/salary/working conditions and the business.

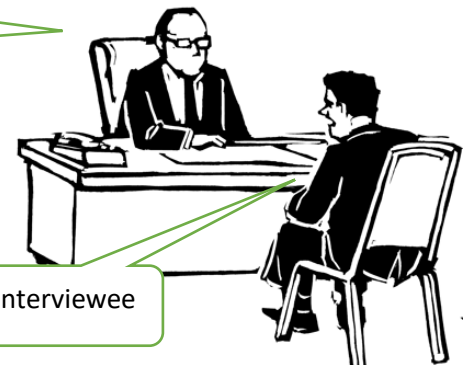
2.3.3.2 Role of the interviewer and interviewee

Role of the Interviewee during 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.
- Ask clarity seeking questions and be assertive.

Interviewer

Interviewee



Note that the interview may also be conducted by an interview panel

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.
- 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.

2.3.4 Induction

2.3.4.1 Purpose

- 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.

2.3.4.2 Benefits / Advantages

- New employees who are familiar with the business's procedures may easily adapt to his/her new work environment.
- New employees learn more about the business and understand their role in the business/what is expected in the job.
- Increased productivity and quality of service/performance.
- Minimises the need for on-going training and development.
- Better focused training may be provided based on the results obtained from the induction process.
- New employees will understand rules/restrictions in the business.

2.3.4.3 Aspects that should be included in an induction programme

- Safety regulations and rules.
- Overview of the business.
- Information about the business products/services.
- Meeting with senior management who will explain the company's vision/values/job descriptions/daily tasks.
- Tour of the premises/Introduction to key people and close colleagues.
- Discussion on employee benefits.
- Corporate social responsibility programmes of the business

2.3.5 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

2.3.6 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.
- A training program allows you to strengthen those skills that each employee needs to improve on.

- Employees who feel appreciated and challenged through training opportunities may feel more satisfaction toward their jobs
- Productivity usually increases when a company implements training courses.
- Ongoing training and upskilling of the workforce can encourage creativity.
- Having a strong and successful training strategy helps to develop your employer brand.



Activity 2

Read the case study below carefully and answer the questions that follow:

The resignation of the Marketing Manager at Wavecrest International has caused a vacancy to arise within management of the organisation. The board of directors are looking to appoint foreign expert and the post was advertised in international newspapers and magazines. The Human Resource department was requested to ensure that the new employee is inducted properly.

- 2.1 Define the term recruitment (2)
- 2.2 Identify the type of recruitment that the Human Resource department will embark on to attract the right candidate. Quote from the scenario to support to support your answer. (3)

When required to quote from a case study please write the exact words in the to support your answer

Answers to Activity 2

2.1 Recruitment

- Recruitment is the process used by business to identify vacancies in the business and attract suitable candidates for it. ✓✓ (2)

2.2 Type of recruitment

- External recruitment ✓✓
- Quote: "post was advertised in international newspapers and magazines" ✓ (3)

2.3 Advantages of external recruitment

- New candidates bring new talents ✓
- It may help the business to meet affirmative action and BBBEE plans. ✓
- There is a larger pool of candidates to choose from. ✓
- Minimises unhappiness/conflict amongst current employees ✓ (3 x 1) (3)

2.4 Aspects included in induction programme

- Safety regulations and rules ✓ , to avoid incidence occurring ✓
- Overview of the business, ✓ and its organisational structure ✓
- Information ✓ about the business products/services. ✓
- Meeting with senior management ✓ who will explain the company's vision/values/job descriptions/daily tasks. ✓
- Tour of the premises/Introduction ✓ to key people and close colleagues. ✓
- Discussion on employee benefits ✓ that employee is entitled to ✓ (4 x 2) (8)

2.5 Retrenchment

Meaning of the term: Process whereby an organisation reduces the number of employees for operational reasons.

- Influenced by worsening of economic conditions.
- Mechanisation of the production process.
- Competition from foreign suppliers.
- Employers must be honest with employees regarding the actual reasons.
- Employees must be part of the discussions regarding retrenchments.
- Must be used as a last resort.



2.6 Employment contracts

2.5.1 Legalities /legal requirements of the employment contract

- Employment contract is an agreement between the employer and the new production 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.
- Both parties must agree to any changes to aspects of the contract
- The employment contract should include a code of conduct and code of ethics
- It may not contain any requirements that are in conflict with the BCEA
- The remuneration package/including benefits must be clearly indicated
- The employer must allow the employee to thoroughly read through the contract before it is signed.



2.5.2 Content/Details in an employment contract

- Name/Address/Contact details of Employer.
- Personal details/Address of Employee.
- Job title/position
- Job description.
- Job specification
- Working hours, e.g. normal time / overtime
- Overtime.
- Salary/Remuneration package.
- Termination of the contract
- Signature of both employer and employee

2.5.3 Termination of an employment contract

Resignation	Occurs when an employee chooses to leave the organisation voluntary. Example: An employee seeking employment with another employer
Dismissal	Occurs when the employee is asked to leave the organisation due to bad conduct, breach of contract or illegal behaviour. Example: Dishonesty / Absence with-out leave / Regular late coming
Retirement	Occurs when an employee reaches certain age and do not have to work any longer. Example: An employee reaching the age of 60 years and do not want to work any longer
Retrenchment	Occurs when an organisation is forced to reduce the number of employees for operational reasons. Example: Declining profitability; Worsening economic conditions
Redundancy	Occurs when an employer no longer has work for employees and cannot fulfil the contract Example: When a sub-contract is not renewed and workers are no longer required

2.6 Salary determinations

2.6.1 Difference between Piecemeal and Time-related

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 took to complete 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.

2.6.2 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.



Activity 3

Read the case study below and answer the questions that follows:

NEW MUTUAL FINANCIAL SERVICES [NMFS]

Ms M Molopo has recently been appointed as a financial advisor at New Mutual Financial Services. Before she started at NMFS, Ms M Molopo had a meeting with the Human Resource manager of NMFS. She was given an employment contract to sign. The contract stated that the Ms M Molopo has to resign if she falls pregnant during the period of employment. She is compelled to work over-time weekends. The contract referred to Ms Molopo being entitled to vacation leave, but the number of days were left blank.

- 3.1 Define the term “employment contract” (2)
- 3.2 Identify the challenges with regard to Ms M Molopo’s employment contract. Make recommendations for improvement (9)

Answers to Activity 3

3.1 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. ✓✓ (2)

3.2 Employment contract

1. **Challenge:** Ms M Molopo has to resign if she falls pregnant during the period of employment. ✓
Recommendation: Ms Molopo is entitled to four months maternity leave if she falls pregnant ✓✓
2. **Challenge:** Ms M Molopo is compelled to work over-time ✓
Recommendation: Over-time must be negotiated with the employee ✓✓
3. **Challenge:** Number of leave days blank on the contract ✓
Recommendation: Type of leave must be specified ✓✓ / Number of leave days must be added to the contract ✓✓ (3 x 3) (9)



Employee benefits

2.7.1 Fringe benefits

Pension	<ul style="list-style-type: none">• 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.• Example: Government Employee Pension Fund [GEPF].
Medical aid	<ul style="list-style-type: none">• 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: GEMS; Discovery
Provident Fund	<ul style="list-style-type: none">• 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.
allowances	<ul style="list-style-type: none">• Amount of money paid by the employer to the employee for specific expenses to allow the employee to render a more effective service.• Examples: Car, Cell-phone, Tablet and Travel allowances.• Employees are taxed to the extent that they use these allowances for personal reasons.

2.7.2 Compulsory benefit

Unemployment Insurance Fund [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.
- 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 pay 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).

2.7.3 Impact of fringe benefits on a business

Positives/Advantages

- Attractive fringe benefit package may result in higher employee retention/reduces employee turnover.
- It increases employee satisfaction/loyalty as they may be willing to go the extra mile.
- Improves productivity resulting in higher profitability.
- Businesses save money as benefits are tax deductible.
- Fringe benefits can be used as leverage for salary negotiations.

Negatives/Disadvantages

- Fringe benefits are additional costs that may result in cash flow problems.
- Administrative costs increase as benefits need to be correctly recorded for tax purposes.
- Decreases business profits, as incentive/package/remuneration costs are higher.
- It can create conflict/lead to corruption if allocated unfairly.
- Businesses who cannot offer fringe benefits fail to attract skilled workers.
- Errors in benefit plans may lead to costly lawsuits/regulatory fines.

2.7 The implications of the following acts on the Human Resources Function [HRF]

2.7.1 Labour Relations Act

- 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

2.7.2 Basic Conditions of Employment Act

- 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

2.7.3 Employment Equity Act

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

2.7.4 Skills Development Act

- 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.