

**Topic: Human Resources Function****Terms and definitions**

<b>Term</b>	<b>Definition</b>
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.

## HUMAN RESOURCES ACTIVITIES

### 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 and qualification to fill the vacancy.

Businesses may choose to use an internal or external method of recruitment depending on the requirements of the vacancy.

It is an on-going process as employees leave their jobs for other jobs or get promoted or retire as new technological skills are required.

#### Recruitment procedure

Prepare a job analysis, which includes the job specification and job description.

The human resource manager should prepare the job description in order to identify recruitment needs.

The human resource manager should indicate the job specification, the job description and key performance areas to attract suitable candidates.

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 or newspapers.

The advertisement should be prepared with the relevant information, e.g. the name of the company, contact details, contact person and job details.

Place the advertisement in the appropriate media that will ensure that the best candidates apply.

#### Differences between job description and job specification

<b>JOB DESCRIPTION</b>	<b>JOB SPECIFICATION</b>
Describes the responsibilities and duties of a specific job.	Specifies the minimum acceptable skills, personal qualities and qualifications needed for the job.
Written description of the job and its requirements.	Written description of specific qualifications, skills and experience needed for the job.
Describes key performance areas for a specific job, e.g. job title, working conditions and relationship of the job with other jobs in the business.	Describes key requirements of the person who will fill the position, e.g. formal qualifications, willingness to travel or work unusual hours.

## **TYPES/METHODS OF RECRUITMENT**

### **Internal recruitment**

It refers to the use of internal sources to advertise vacancies inside the business.

#### **Sources of Internal recruitment**

Internal e-mails

Word of mouth

Business newsletter

Internal referrals

Notice board of the business

Internal bulletins

Recommendation of current employees

Head hunting within the business.

## **IMPACT OF INTERNAL RECRUITMENT**

### **Positives/Advantages**

It is cheaper to fill the post.

Placement is easy, as management knows the employees' skills, personality, experience and strengths.

It provides opportunities for career paths within the business.

The employee already has an understanding of how the business operates and training is not always necessary.

It reduces the chances of losing employees, as future career prospects are available.

Detailed, reliable information can be obtained from the employee records.

### **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 and developing existing employees on the new position.

Employees who are not promoted may feel demotivated.

## **EXTERNAL RECRUITMENT**

It refers to the use of external sources to advertise vacancies outside the business.

### **Sources of external recruitment**

Recruitment agencies

Printed media, e.g. newspapers/flyers

Electronic media, e.g. radio/TV

Social media/Social networks/Internet/Business websites

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 ideas 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 and competencies who do not need much training and development which reduce costs.  
It may help the business to meet affirmative action and BBBEE targets.  
It minimises conflict amongst current employees who may have applied for the post.

### **Negatives/Disadvantages**

External sources can be expensive, e.g. recruitment agencies' fees.  
The selection process may not be effective and an incompetent candidate may be chosen.  
Information on CV's may not be reliable.  
The recruitment process 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**

### **Selection procedure**

Determine the assessment criteria on which selection will be based.  
Applicants must submit the application forms.  
Sort the received documents according to the selection criteria.  
Screen 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.  
Invite shortlisted candidates for an interview.  
A written offer is made to the selected candidate.  
Inform unsuccessful applicants about the outcome of their application.

### **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 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 required.

Check the application 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.

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**

<b>Role of the INTERVIEWER during the interview</b>	<b>Role of the INTERVIEWEE during the interview</b>
<ul style="list-style-type: none"> <li>• Allocate the same amount of time to each candidate.</li> <li>• Introduce members of the interviewing panel to each candidate.</li> <li>• Make the candidate feel at ease.</li> <li>• Explain the purpose of the interview to the panel and the interviewee.</li> <li>• Record interviewees' responses for future reference.</li> <li>• Do not mislead the candidate.</li> <li>• Avoid discriminatory types of questions, e.g. asking a female candidate about family planning.</li> <li>• Provide an opportunity for the candidate to ask questions.</li> <li>• Close the interview by thanking the candidate for attending the interview.</li> </ul>	<ul style="list-style-type: none"> <li>• Greet the interviewer by name with a solid handshake and a friendly smile.</li> <li>• Listen carefully to the questions before responding.</li> <li>• Make eye contact and have good body language.</li> <li>• Show confidence and have a positive attitude.</li> <li>• Be inquisitive and show interest in the business.</li> <li>• Ask clarity seeking questions.</li> <li>• Show respect and treat the interview with its due importance.</li> <li>• Be honest about mistakes and explain how you dealt with it.</li> <li>• Know your strengths and weaknesses and be prepared to discuss it</li> </ul>

## **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 and address
  - Job title
  - Job description e.g. duties/ working conditions
  - Job specification e.g. formal qualifications/willingness to travel.
  - Date 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.
  - Leave, e.g. sick/maternity/annual/adoption leave.
  - Employee deductions (compulsory/non-compulsory).
  - 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.
  - Disciplinary policy, e.g. rules and disciplinary procedure for unacceptable behaviour
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- **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 of the employees must be stipulated clearly.
  - The remuneration package, including benefits, must be clearly indicated.
  - All business policies, procedures and disciplinary codes 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.

Employer may no longer have work for redundant employees.

The employer may retrench some employees because they 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**

### **Meaning of induction**

New employees should be familiarised with their new work environment.

Employees should be informed about the procedures of the business.

They should have a basic knowledge of what is expected in the job.

Ensure that employees are well conversant with the business safety regulations and rules.

### **Purpose of induction**

Introduce new employees to management and 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 about the layout of the building.

Familiarise new employees with the organisational structure.

Allow new employees the opportunity to ask questions that will put them at ease.

Improve skills through in-service training.

Create opportunities for new employees to experience different departments.

Explain safety regulations and rules, so that new employees will understand their role in this regard.

Communicate information about the products and services offered by the business.

Ensure that employees understand their roles so that they will be more productive.

Communicate business policies regarding ethical and professional conduct.

### **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 and services.

Meeting with senior management who will explain the company's vision, value and daily tasks.

Conditions of employment, e.g. working hours/leave application process.

Administration details on systems, processes and logistics.

Discussion of personnel policies, e.g. making private phone calls or using the Internet.

Corporate social responsibility programmes.

### **Benefits of induction**

Increases quality of performance and productivity.

Minimises the need for on-going training and development.

Allows new employees to settle in quickly and work effectively.

Ensures that new employees understand rules and restrictions in the business.

Make new employees feel at ease in the workplace, which reduces fear.

New employees may establish relationships with fellow employees at different levels

The results obtained during the induction process provide a base for focussed training.

Employees will be familiar with organisational structures, e.g. who are their supervisors.

Opportunities are created for new employees to experience different departments

New employees will understand their role concerning safety regulations and rules.

New employees will know the layout of the building which saves production time.

Learn more about the business so that new employees understand their roles in order to be more efficient.

Company policies are communicated, regarding conduct and procedures, safety and security, employment contract, conditions of employment and working hours and 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.

### **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 of the selected candidate are 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 and weaknesses 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.



## SALARY DETERMINATION METHODS

### Distinction between piecemeal and time-related salary determination

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

### 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.

### 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 and experienced employees who may positively contribute towards the business goals.

Improves productivity resulting in higher profitability.

It increases employee 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.

### **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 or lead to corruption if allocated unfairly.

Fringe benefits are additional costs that may result in cash flow problems.

Decreases business profits, as 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 or loyal to the business.

Businesses have to pay attorneys to help them create benefit plans that comply with legislation.

Errors in benefit plans may lead to costly lawsuits/regulatory fines.

**HUMAN RESOURCES FUNCTION – ACTIVITY**

1. Explain the role of the interviewee during the interview. (8)
2. Name **TWO** salary determination methods that employers may use to determine the wages of their employees. (2)
3. State **SIX** aspects that must be included in an employment contract. (6)
4. Outline the selection procedure as a human resources activity. (8)
5. Discuss the **TWO** components of job analysis. (6)
6. Distinguish between job description and job specification. (8)
7. Advise the business on the reasons for terminating an employment contract. (8)
8. Discuss the purpose of induction as a human resources activity. (4)
9. Name **FOUR** methods/sources of external recruitment. (4)
10. State **THREE** aspects that should be included in the induction programme. (6)
11. Discuss the benefits of induction. (8)
12. Read the scenario below and answer the questions that follow.

Jones Traders has advertised a vacancy for a senior administrative secretary on the notice board. The successful candidate must meet the following requirements:

- Good interpersonal relations
- Coordinate in service training for staff
- Excellent computer skills
- Compile reports and give feedback timeously

- 12.1 Quote **TWO** examples **EACH** of job description and job specification from the scenario above. (4)
  - 12.2 Identify the type of recruitment that Jones Traders used when they advertised the vacant post. Motivate your answer. (3)
  - 12.3 Give **TWO** other sources of the type of recruitment identified in question 12.2. (2)
  - 12.4 Explain the procedure that Jones Traders should follow to place the new employee. (6)
13. Read the scenario below and answer the questions that follow.

Ezweni Furnishers have appointed Themba and Thoko as sales managers. They both are paid according to the number of units sold. They also enjoy fringe benefits offered by the business.

- 13.1 Identify the method used by Ezweni Furnishers to determine Themba and Thoko's salaries. Motivate your answer by quoting from the scenario. (3)
- 13.2 Evaluate the impact of fringe benefits on the business. (8)

- 14 Write an essay on the following aspects:
- Outline the recruitment procedure that the business should follow to fill the vacancy.
  - Explain the role of the interviewer before and during the interview.
  - Discuss the benefits of induction.
  - Explain the impact of fringe benefits on businesses. (40)
- 15 Provide a detailed account of the following human resources aspects:
- Explain the meaning of recruitment
  - Analyse the impact of external recruitment on businesses.
  - Discuss the role of the interviewer and interviewee during the interview.
  - Explain the role of the interviewer before the interview. (40)
- 16 Write an essay to management including the following aspects:
- Explain the **TWO** types of recruitment a business may use. Mention sources of **EACH** type of recruitment.
  - Advise the business on the procedures that they should follow during the selection process.
  - Discuss the purpose of the induction programme.
  - Recommend **FIVE** aspects the business should include in their induction programme. (40)
- 17 Write an essay to management including the following aspects:
- Explain the purpose of an interview.
  - Justify why it is necessary for the newly appointed quality controller to spend one week in an induction programme before placement.
  - Analyse the impact of internal recruitment on the business.
  - Elaborate on the reasons for terminating the employment contract. (40)