Province of the
EASTERN CAPE
EDUCATION

# NATIONAL SENIOR CERTIFICATE

## GRADE 12

## MARCH 2026

# BUSINESS STUDIES CONTROLLED TEST MARKING GUIDELINES

**MARKS:** **100**

This marking guideline consists of 24 pages.

**NOTES TO MARKERS**

**PREAMBLE**

| | |
|---|---|
| The notes to markers are provided for quality assurance purposes to ensure the following:<br><br>(a) Fairness, consistency and reliability in the standard of marking<br>(b) Facilitate the moderation of candidates' scripts at the different levels<br>(c) Streamline the marking process considering the broad spectrum of markers across the country<br>(d the Implement appropriate measures in the teaching, learning and assessment of subject at schools/institutions of learning | |

1. For marking and moderation purposes, the following colours are recommended:

| | |
|---|---|
| Marker: | Red |
| School moderation: | Green |
| District moderation: | Orange |
| Provincial moderation: | Purple |

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.

3. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:

   - Uses a different expression from that which appears in the marking guideline
   - Comes from another credible source
   - Original
   - A different approach is used

   **NOTE: There is only ONE correct answer in SECTION A.**

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)

5. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.

6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.

7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max'

in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.

8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.

10. No additional credit must be given for repetition of facts. Indicate with an 'R'.

11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:

    11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. Positive: 'COIDA eliminates time and costs spent √ on lengthy civil court proceedings.' √

    11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. 'COIDA eliminates time and costs spent √ on lengthy civil court proceedings, √ because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.' √

    **NOTE:** 1. The above could apply to 'analyse' as well.
    2. Note the placing of the tick (√) in the allocation of marks.

12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.

    Cognitive verbs, such as:

    12.1 Advise, name, state, outline, motivate, recommend, suggest, (list not exhaustive) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.

    12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, critically evaluate (list not exhaustive) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

14. **SECTION B**

14.1 If for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion.

**NOTE:**
1. This applies only to questions where the number of facts is specified.
2. The above also applies to responses in SECTION C (where applicable)

14.2 If two facts are written in one sentence, award the candidate FULL credit. Point 14.1 above still applies.

14.3 If candidates are required to provide their own examples/views, brainstorm this to finalise alternative answers.

14.4 **Use of the cognitive verbs and allocation of marks:**

14.4.1 If the number of facts are specified, questions that require candidates to 'describe/discuss/explain' may be marked as follows:
- Fact 2 marks (or as indicated in the marking guidelines)
- Explanation 1 mark (two marks will be allocated in SECTION C)

The 'fact' and 'explanation' are given separately in the marking guideline to facilitate mark allocation.

14.4.2 If the number of facts required is not specified, the allocation of marks must be informed by the nature of the question and the maximum mark allocated in the marking guideline.

14.5 **ONE mark may be awarded for answers that are easy to recall, requires one-word answers or is quoted directly from a scenario/case study. This applies to SECTIONS B and C in particular (where applicable).**

15. **SECTION C**

15.1 The breakdown of the mark allocation for the essays is as follows:

| | |
|---|---|
| Introduction | **Maximum: 32** |
| Content | |
| Conclusion | |
| Insight | **8** |
| **TOTAL** | **40** |

15.2 Insight consists of the following components:

| | | |
|---|---|---|
| Layout/Structure | Is there an introduction, a body, and a conclusion? | **2** |
| Analysis and interpretation | Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked?<br><br>Marks to be allocated using this guide:<br>All headings addressed: 1 (One 'A')<br>Interpretation (16 to 32 marks): 1 (One 'A') | **2** |
| Synthesis | Are there relevant decisions/facts/responses made based on the questions?<br>Marks to be allocated using this guide:<br>Option 1: **Only relevant facts: 2 marks (No '-S')**<br>Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.<br>Option 2: **Some relevant facts: 1 mark (One '-S')**<br>Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.<br>Option 3: **Some relevant facts: 1 mark (One '-S')**<br>Where a candidate writes FOUR questions, but one sub-question of the question with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.<br>Option 4: **No relevant facts: 0 marks (Two '-S')**<br>Where a candidate answers less than 50% (only one sub-question) of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis. | **2** |
| Originality | Is there evidence of one or two examples, not older than two (2) years that are based on recent information, current trends and developments? | **2** |
| | **TOTAL FOR INSIGHT:** | **8** |
| | **TOTAL MARKS FOR FACTS:** | **32** |
| | **TOTAL MARKS FOR ESSAY (8 + 32):** | **40** |

**NOTE:**

1. **No marks will be awarded for contents repeated from the introduction and conclusion.**
2. **The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.**
3. **No marks will be awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.**

15.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').

15.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guideline to each question.

15.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained but continue reading for originality "O".

15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

| CONTENT | MARKS |
|---|---|
| **Facts** | **32 (max.)** |
| **L** | **2** |
| **A** | **2** |
| **S** | **2** |
| **O** | **2** |
| **TOTAL** | **40** |

15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)

15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.

15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.

15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.

15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (√) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy, √ where businesses aim to introduce new products into existing markets.' √

This will be informed by the nature and context of the question, as well as the cognitive verb used.

15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.

**SECTION A**

**QUESTION 1**

1.1.1 B √√
1.1.2 D √√
1.1.3 C√√
1.1.4 B √√
1.1.5 A √√

(5 x 2) (10)

1.3.1 D √√
1.3.2 E √√
1.3.3 A√√
1.3.4 J √√
1.3.5 C √√

(5 x 2) (10)

**TOTAL SECTION A: 20**

**BREAKDOWN OF MARKS**

| QUESTION 1 | MARKS |
|---|---|
| 1.1 | 10 |
| 1.2 | 10 |
| TOTAL | 20 |

**SECTION B**

Answer any TWO questions from this section

**NOTE:** Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, e.g. QUESTION 2 on a NEW page, QUESTION 3 on a NEW page.

**QUESTION 2: BUSINESS ENVIRONMENT**

2.1 **Provisions of the Basic Conditions of Employment Act/BCEA**

- Regulation of working time/Ordinary hours of work/overtime/meal intervals and rest periods/Sunday work/public holidays. √
- Leave/annual/sick/family responsibility/maternity/paternity/parental. √
- Particulars of employment and remuneration. √
- Termination of employment. √
- Prohibition of employment of children and forced labour. √
- Any other relevant answer related to the provisions of the BCEA.

**NOTE: Mark the first FOUR (4) only.**

**(2×1) (2)**

2.2 **Rights of consumers in terms of the National Credit Act/NCA**

Consumers have a right to:

- Apply for credit and to be free from discrimination. √√
- Obtain reasons for credit being refused.√√
- Receive pre-agreement documentation/credit quote that is valid for 7 days before concluding any credit transaction.√√
- Fair and responsible marketing by the credit provider. √√
- Surrender/Return goods to the credit provider in order to settle the outstanding amount/debt. √√
- Apply for debt review/counselling if the consumers cannot afford to repay their debts. √√
- Receive information in plain and understandable language.√√
- Receive documents/statements as required by the Act.√√
- Access and challenge credit records and information.√√
- Receive protection of their personal information. √√
- Receive protection from being held accountable for the use of their credit facility after they reported the loss/theft. √√
- Refuse a credit limit increase. √√
- Any other relevant answer related to the rights of consumers in terms of the NCA.

**Max** (4)

2.3 **BBEE from the scenario**

| PILLAR | MOTIVATION |
|---|---|
| Ownership√√ | - The company gave some of its shares to their previously disadvantaged employees.√ |
| Skills development√√ | - They were also offered learnership programmes.√ |

(6)

2.4 **Impact of the Labour Relations Act/LRA** (4)

**Positives/Advantages**

- Promotes a healthy relationship √ between the employer and employees.√
- Protects the rights of businesses √ in labour relations issues. √
- Labour disputes are settled quicker √ and are less expensive. √
- Workplace forums can add value to businesses √ if it functions properly.√
- Protects employers who embark on lawful lockouts √ when negotiations between parties fail. √
- LRA provides for the principles of collective bargaining √ and puts structures in place with which disputes in the workplace can be settled.√
- Provides sound dispute resolution processes √ through consensus between organised labour, businesses, and the state. √
- Provides specific guidelines for employers √ on correct and fair disciplinary procedures. √
- Employers and employees have guidelines √ regarding correct and fair dismissal procedures. √
- Provides a mechanism/framework √ such as statutory councils/collective bargaining/CCMA. √
- Employers are entitled to compensation from the Labour Court √ if they suffered damages as a result of unprotected strikes. √
- Any other relevant answer related to the positive impact/advantages of the LRA on businesses.

**AND/OR**

**Negatives/Disadvantages**

- Reduced global competitiveness √ due to lower productivity. √
- Productivity may decrease √ if employees are allowed to participate in the activities of trade unions during work time. √
- Costs of labour increases √ because of legal strikes. √
- Employers may not get a court interdict √ to stop a strike. √
- Employers may have to disclose information about workplace issues to union representatives √ that could be the core of their competitive advantage. √
- Employers may not dismiss employees at will, √ as procedures have to be followed. √
- Many employees take advantage of the right to strike √ without acknowledging their responsibilities. √
- Many employees and employers √ do not understand/respect the Labour Relations Act. √
- Strike actions always result in loss of production √ for which employers may not claim. √
- Some trade unions may not promote the mandate of their members √ but embark on industrial action, which is harmful to labour relations between employers and employees. √
- Some businesses may feel that the LRA gives employees too much power √ as it creates lengthy procedures such as consulting with workplace forums. √
- Labour disputes and bargaining council processes become disruptive/time-consuming √ and can lead to a decrease in productivity/profitability in businesses. √

- Any other relevant answer related to the negative impact/disadvantages of the LRA on businesses.

**Max (4)**

2.5 **Ways in which businesses could comply with the Employment Equity Act/EEA** (4)

- Businesses should guard against discriminatory appointments. √√
- Assess the racial composition of all employees, including senior
- management. √√
- Ensure that there is equal representation of all racial groups in every level of employment. √√
- Clearly define the appointment process, so that all parties are well informed. √√
- Ensure that diversity/inclusivity in the workplace is achieved. √√
- Prepare an employment equity plan in consultation with employees. √√
- Compile employment equity plans that indicate how they will implement affirmative action. √√
- Ensure that affirmative action measures promote diversity in the workplace. √√
- Implement the employment equity plan. √√
- Implement affirmative action measures to redress disadvantages experienced by designated groups/Accommodate people from different designated groups. √√
- Submit the employment equity plan to the Department of Labour. √√
- Assign one or more senior managers to ensure implementation and monitoring of the employment equity plan. √√
- Eliminate barriers that have an adverse impact on designated groups.√√
- Regularly report to the Department of Labour on progress in implementing the plan. √√
- Display a summary of the Act where employees can clearly see/have access to the document. √√
- Conduct medical/psychological tests fairly to employees/when deemed necessary/Use certified psychometric tests to assess applicants/employees to ensure that suitable candidates are appointed.√√
- Ensure that the workplace represents the demographics of the country at all levels. √√
- Restructure/Analyse current employment policies/practices/procedures to accommodate designated groups. √√
- Retrain/Develop/Train designated groups through skills development programmes. √√
- Employees must be paid equal for work of equal value. √√
- Any other relevant answer related to ways in which businesses could comply with the EEA.

**Max (4)**

**[20]**

## QUESTION 3 BUSINESS OPERATIONS

3.1 **Components of job analysis**

- Job description √
- Job specification √

**NOTE: Mark the first TWO (2) only.**

**(2 x 1) (2)**

3.2 **Difference between piecemeal and time-related salary determination methods**

| PIECE-MEAL | TIME-RELATED |
|---|---|
| - Workers are paid according to the number of items/units produced/ action performed.√√ | - Workers are paid according to the amount of time/hours 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. √√ |
| - Any other relevant answer related to piecemeal as a salary determination method. | - Any other relevant answer related to time-related as a salary determination method. |
| Submax (2) | Submax (2) |

**NOTE:**

1. **The answer does not have to be in tabular format.**
2. **The difference does not have to link but must be clear.**
3. **Award a maximum of TWO (2) marks if the difference is not clear/Mark either piecemeal or time-related only.**

3.3 **Fringe benefits**

3.3.1 **Fringe benefits from the scenario**

- Mandla Hardware's offers attractive fringe benefit packages in order to reduce employee turnover. √
- Employees are also loyal and willing to go the extra mile. √

**NOTE:**

1. Mark the first TWO (2) only.
2. Only award marks for responses that are quoted from the scenario.

(2×1) (2)

3.3.2 **Other advantages of fringe benefits for businesses.**

- Improves productivity√ resulting in higher profitability. √
- Fringe benefits can be used as leverage√ for salary negotiations. √
- Attracts qualified/skilled/experienced employees√ who may positively contribute towards the business goals/objectives. √
- Businesses may save money√ as benefits are tax deductible. √
- Any other relevant answer related to other advantages of fringe benefits for businesses.

**NOTE: Do not award marks for responses that are quoted from the scenario in QUESTION 3.3.1.**

**Max** (4)

3.4 **Benefits of induction for businesses**

- Allows new employees to settle in quickly√ and work effectively.√
- Ensures that new employees understand the 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√ as employees are familiar with the work processes. √
- Minimises the need for on-going training√ and development. √
- Employees will be familiar with organisational structures√ such as 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, √ 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. √
- Reduces the staff turnover√ as new employees have been inducted properly. √

- Any other relevant answer related to the benefits of induction for businesses.

**Max (4)**

3.5 **Implications of the Skill Development Act on the human resources function.**

- Contribute 1% of their salary bill to the Skills Development Levy/SDL.
- Ensure training in the workplace is formalised and structured
- Appoint a full/part time consultant as a Skills Development Facilitator.
- Assist managers in identifying skills/training needs to help them to introduce learnerships.
- 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.
- Any other relevant answer related to the implication of the Skill Development Act on the human resource function.

**Max (4)**

**[20]**

**QUESTION 4: BUSINESS ROLES (Ethics and Professionalism & Creative-thinking and problem solving)**

4.1 **Examples of ethical business practice.** (2)

- Using fair advertising √
- Not using child labour √
- Treating all employees equally √
- Paying fair wages √
- Operating within the law √
- Business deals are conducted openly √
- Not engaging in illegal business practices √
- Ensuring that the environment is not polluted. √
- Adopting codes of good ethical practice. √
- Establishing corporative social responsibility initiatives. √
- Encouraging employees to adopt ethical behaviour. √
- Clients and employee's information is not disclosed/used for the benefit of the business. √
- Shareholders and employees' personal interest and business interest do not conflict with one another. √
- Any other relevant answer related to the example of ethical business practice.

**NOTE: Mark the first TWO (2) only.** **(2)**

4.2 **Advantages of creative thinking in the workplace.**

- Better/Unique/Unconventional ideas/solutions are generated. √√
- May give the business a competitive advantage if unusual/unique solutions/ideas/strategies are implemented. √√
- Broadens the range of possible solutions when solving complex business problems. √√
- Productivity increases as management/employees may quickly generate multiple ideas which utilises time/money more effectively.√√
- Managers/Employees have more confidence as they can live up to their full potential. √√
- Managers will be better leaders as they will be able to handle/manage change(s) positively/creatively. √√
- Managers/Employees can develop a completely new outlook, which may be applied to any task(s) they may do. √√
- Leads to more positive attitudes as managers/employees feel that they have contributed towards problem-solving. √√
- Improves motivation amongst staff members which leads to high job satisfaction. √√
- Managers/Employees have a feeling of great accomplishment, and they may not resist/obstruct the process once they solved a problem/contributed towards the success of the business. √√
- Management/Employees may keep up with fast changing technology which may lead to an increased market share. √√
- Stimulates initiative from managers/employees, as they are continuously pushed out of their comfort zone. √√
- Creativity may lead to new inventions, which improves the general standard of living. √√
- Businesses can continuously improve on the product development by exploring ways to enhance growth. √√
- Any other relevant answer related to advantages of creative thinking in the workplace.

**Max (4)**

4.3 **Problem-solving techniques from the scenario**

| PROBLEM-SOLVING TECHNIQUE | MOTIVATIONS |
|---|---|
| 1. Delphi-technique√√ | Nolitha Enterprise requested a panel of experts to solve their complex business problem by completing a questionnaire. √ |
| 2. Nominal group technique√√ | NE also decided that each employee should silently generate ideas before sharing them with their colleagues. √ |
| Submax (4) | Submax (2) |

**NOTE:**

1. **Mark the first TWO (2) only.**
2. **The answer does not have to be in tabular format.**
3. **Award marks for the problem-solving techniques even if the motivations were incomplete.**

4. **Do not award marks for the motivations if the problem-solving techniques were incorrectly identified.**

**Max (6)**

4.4 **Ways in which businesses could deal with *sexual harassment* as unprofessional business practices**

- Provide a framework√ for corrective action. √
- Educate employers√ on sexual harassment matters. √
- Formulate a policy√ regarding sexual harassment. √
- Implement internal complaints√ and disciplinary procedures. √
- Ensure compliance with the law√/business code of conduct. √
- Ensure that all employees are familiar with the code of ethics√ of sexual abuse. √
- Create a good working environment where all employees' rights and√ dignity are respected. √
- Internal investigation should be made√ in order to determine the seriousness of the harassment. √
- Serious cases/matters on sexual harassment should be reported to the appropriate institutions/authorities√ such as the South African Police Services (SAPS). √
- Any other relevant answer related to ways in which businesses could deal with sexual harassment as an unprofessional business practice.

**Max (4)**

4.5 **Application of brainstorming**

- State/Define the business problem clearly, so that all participants/stakeholders understand the problem. √√
- Members state possible causes of the business problems. √√
- Set a time limit for each brainstorming session. √√
- Record/Write ideas down, where all participants can see it.√√/Ideas may also be shared online during an E-brainstorming session. √√
- Use each suggestion, to inspire new thoughts/ideas. √√
- Do not judge/criticise/discuss the ideas, so that many ideas could be generated as quickly as possible. √√
- All members of the group randomly make suggestions. √√
- The group rates ideas according to its usefulness/success/difficulty/cost to implement. √√
- The group evaluates all ideas and combines similar ones/draw up a refined list. √√
- Discuss a plan of action on how to implement the best ideas. √√
- Any other relevant answer related to how businesses can apply brainstorming to solve complex business problems.

**Max (4)**

## SECTION C

**Mark the FIRST question only.**

## QUESTION 5: BUSINESS OPERATIONS (HUMAN RESOURCE FUNCTION)

### 5.1 Introduction

- Recruitment procedure is a systematic process on identifying and filling vacant positions within the business. √
- External recruitment enables businesses to employ qualified people from outside the business. √
- The interviewer is responsible for administration and logistical arrangements of the interview process. √
- The reasons for the termination of employment contracts should be clearly explained to all employees. √
- Any other relevant introduction related to the recruitment procedure/impact of external recruitment on businesses/role of the interviewer during the interview/reasons for termination of an employment contract.

**Any (2 x 1) (2)**

### 5.2 Recruitment procedure as a human resources activity

- The human resource manager should evaluate the job/prepare a job analysis, that includes the job specification/job description/in order to identify recruitment needs. √√
- The human resource manager should prepare the job description in order to determine the responsibility/key performance areas related to the nature of the job. √√
- The human resource manager should indicate the job specification/description/key performance areas to attract suitable candidates. √√
- Choose the method of recruitment, such as internal/external, to reach/ target the suitable applicants/candidates. √√
- Vacancies can be internally advertised via internal email/word of mouth/ posters/staff notices. √√
- If internal recruitment is unsuccessful, external recruitment should be considered. √√
- If the external recruitment is chosen, the relevant recruitment sources should be selected, such as recruitment agencies/tertiary institutions/ newspapers. √√
- The advertisement should be prepared with the relevant information, such as the name of the company/contact details/contact person. √√
- Place the advertisement in the appropriate media that will ensure that the best candidates apply. √√
- Any other relevant answer related to the recruitment procedure as a human resources activity.

**NOTE: The procedure can be in any order.**

**Max (12)**

**5.3 Impact of external recruitment**

**Positives/Advantages**

- New candidates bring new talents/ideas/experiences/skills √ into the business. √/Overall efficiency/Increase in productivity may occur √ as the new workers adds value to the business. √
- There is a larger pool of candidates √ from which to choose. √
- 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. √
- 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. √
- Any other relevant answer related to the positive impact/advantages of external recruitment on businesses.

**AND/OR**

**Negatives/Disadvantages**

- Information on CVs/from referees √ may not be reliable. √
- Many unsuitable applications √ can slow down the selection process.√
- New candidates generally take longer to adjust √ to a new work environment. √
- External sources can be expensive, √ such as recruitment agencies' fees/advertisements in newspapers/magazines. √
- The selection process may not be effective √ as an incompetent candidate may be chosen. √
- Recruitment process takes longer √ as background checks must be conducted √/is time-consuming √ due to the lengthy process of finding suitable candidates. √
- In-service training may be needed √ which decreases productivity during the time of training. √
- External recruitment may limit promotion/growth opportunities for existing employees √ that could lead to resentment. √
- Any other relevant answer related to the negative impact/disadvantages of external recruitment on businesses

**Max (12)**

**5.4 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 √ to acquire good responses. √
- Explain the purpose of the interview √ to the panel and the interviewee. √
- Record interviewees' responses √ for future reference. √
- Do not misinform/mislead the interviewee √ by asking unrelated questions to the position. √
- Avoid discriminatory/controversial √ types of questions. √
- Provide an opportunity for the interviewee to ask questions √ about the position/job. √

- Close the interview by thanking the interviewee √ for attending the interview. √
- Any other relevant answer related to the role of the interviewer during the interview.

**Max (12)**

**5.5 Reasons for termination of an employment contract**

- The employer may dismiss an employee for a valid reason(s), such as unsatisfactory job performance/misconduct. √√
- 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/resign voluntarily for better job opportunities. √√
- An employee may have reached the pre-determined age for retirement. √√
- Incapacity to work due to illness/injuries. √√
- By a mutual agreement between the employer and employee. √√
- The duration of the employment contract expires/comes to an end.√√
- Any other relevant answer related to reasons for termination of an employment contract.

**5.6 Conclusion**

- Businesses that implement effective recruitment procedures are able to achieve their recruitment goals. √√
- A business that uses external recruitment methods is able to ensure a diversified workforce. √√
- The interviewer who understands their role during the interview will be able to successfully conduct effective interviews. √√
- The human resource manager should be knowledgeable on the reasons for terminating an employment contract to avoid unnecessary lawsuits/ civil proceedings. √√
- Any other relevant conclusion related to the recruitment procedure/ impact of external recruitment on businesses/role of the interviewer during the interview/reasons for termination of an employment contract.

**Any (1 x 2) (2)**

**[40]**

**QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

| DETAILS | MAXIMUM | TOTAL |
|---|---|---|
| **Introduction** | **2** | **Max 32** |
| **Recruitment procedure** | **12** | |
| **Impact of external recruitment** | **12** | |
| **Role of interviewer during the interview** | **12** | |
| **Reason for the termination of contract** | **10** | |
| **Conclusion** | **2** | |
| **INSIGHT** | | |
| **Layout** | **2** | **8** |
| **Analysis/Interpretation** | **2** | |
| **Synthesis** | **2** | |
| **Originality/Examples** | **2** | |
| **TOTAL MARKS** | | **40** |

LASO – For each component:
Allocate 2 marks if all requirements are met.
Allocate 1 mark if some requirements are met.
Allocate 0 marks where requirements are not met at all.

## QUESTION 6: BUSINESS ROLES (ETHICS OF PROFESSIONALISM)

6.1 **Introduction**

- Professional and ethical behaviour are closely related concepts, which businesses need to uphold. √
- Businesses should apply transparency and accountability as King Code principles of good governance by setting a code for ethical and professional business practices. √
- Unethical business behaviour are actions that challenge moral principles that can harm others and undermine trust and integrity. √
- Professional, responsible, ethical and effective business practice ensures good corporate governance to address issues that pose challenges in the workplace. √
- Any other relevant introduction related to the differences between ethical and professional behaviour/application of transparency and accountability as King Code principles/how types of unethical business practices pose challenges to businesses/ways in which professional, responsible, ethical and effective business practices should be conducted.

**Any (2 x 1) (2)**

6.2 **Differences between ethical behaviour and professional behaviour**

| ETHICAL BEHAVIOUR | PROFESSIONAL BEHAVIOUR |
|---|---|
| - Refers to the principles of right and wrong/acceptable in society. √√ | - Refers/clarifies to what is right/ wrong/acceptable in the business.√√ |
| - Conforms to a set of values that are morally acceptable.√√ | - Set of standards/specific level of competence of expected behaviour. √√ |
| - Forms part of a code of conduct to guide employees to act ethically. √√ | - Applying a code of conduct of a profession or business. √√ |
| - Focuses on developing a moral compass for decision making.√√ | - Focuses on upholding the reputation of a business/profession. √√ |
| - Involves following the principles of right or wrong in business activities/practices/dealings.√√ | - Provides guidelines on employees' appearance/communication/attitude/ responsibility. √√ |
| - Any other relevant answer related to ethical behaviour. | - Any other relevant answer related to professional behaviour. |
| **Submax (4)** | **Submax (4)** |

**NOTE:**
1. **The answer does not have to be in tabular format.**
2. **The differences do not have to link but must be clear.**
3. **Award a maximum of FOUR (4) marks if the differences are not clear/Mark either ethical behaviour or professional behaviour only.**

**Max (8)**

6.3 **Application of the King Code principles for good corporate governance**

6.3.1 **Transparency**

- Decisions/Actions must be clear √ to all stakeholders. √
- Staffing and other processes should be open √ and transparent. √
- Employees/Shareholders/Directors should be aware √ of the employment policies of the business. √
- Auditing and other reports must be accurate/available √ to shareholders/employees. √
- Regular audits should be done to determine √ the effectiveness of the business. √
- Business deals should be conducted openly √ so that there is no hint/sign of dishonesty/corruption. √
- Businesses should give details of shareholders' voting rights to them √ before/at the Annual General Meeting (AGM). √
- The board of directors must report on both the negative and positive impact of the business √ on the community/ environment. √

- The board should ensure that the company's ethics on information √ are reliable/relevant and implemented effectively. √
- Any other relevant answer related to how businesses could apply transparency as a King Code principle for good corporate governance to improve ethical business conduct.

Submax (6)

6.3.2 **Accountability**

- There must be regular communication √ between management and the stakeholders such as shareholders. √
- Companies should appoint internal and external auditors √ to audit financial statements. √
- The board should ensure that the company's ethics on disclosures √ are motivated/proper/accurate and is implemented effectively. √
- Businesses should be accountable/responsible √ for their decisions/actions. √
- Businesses should present accurate annual reports √ to shareholders at the Annual General Meeting (AGM). √
- Top management should ensure that other levels of management are clear √ about their roles and responsibilities to improve accountability. √
- Any other relevant answer related to how businesses could apply accountability as a King Code principle for good corporate governance to improve ethical business conduct.

**Submax (6)**

**Max (12)**

6.4 **Types of unethical business practices posing challenges to businesses**

6.4.1 **Unfair advertising** √√

- Unfair advertisements could be harmful √ to consumers. √
- Deceptive advertising can violate the trust of consumers √ and destroy business relationships. √
- The use of false or misleading statements in advertising can lead to the misrepresentation of the concerned product, √ which may negatively affect consumers. √
- Businesses can make unwise advertising choices √ when they are under pressure to increase their profits. √
- Some advertisements may be regarded as discriminatory √ because they exclude/target some sections of the population.√
- Any other relevant answer related to how unfair advertising as a type of unethical business practice poses challenges to businesses.

Type (2)
Discussion (4)
Submax (6)

6.4.2 **Pricing of goods in rural areas** √√

- Some businesses in the rural areas exploit their customers √ by adding much more than necessary to their prices. √
- Some consumers in rural areas have little economic power √ and are vulnerable to exploitation. √
- Businesses may form monopolies in rural areas √ and increase their prices unilaterally. √
- It may be common practice to pay higher prices √ for goods of inferior quality in rural areas. √
- Any other relevant answer related to how pricing of goods in rural areas as a type of unethical business practice poses challenges to businesses.

Type (2)
Discussion (4)
Submax (6)

6.4.3 **Taxation/Tax evasion** √√

- Businesses may pay heavy fines√ for evading tax. √
- Tax evasion may negatively impact√ on the business image.√
- The accountants/Businesses may be charged high fees √ for falsifying financial statements. √
- Businesses may lose key stakeholders√ if the act of tax evasion is reported. √
- Some businesses submit fraudulent/incorrect returns √ to SARS resulting in penalties. √
- Businesses may not be familiar with the latest changes √ in tax legislation. √
- Any other relevant answer related to how taxation/tax evasion as a type of unethical business practice poses challenges to businesses.

Type (2)
Discussion (4)
Submax (6)

**NOTE: Mark the first THREE (3) only.**

**Max (14)**

6.5 **Ways in which professional, responsible, ethical and effective business practices should be conducted**

- Mission statement should include the values of equality/respect. √√
- Businesses should develop equity programmes/promotes strategies to ensure that all employees are treated equally regardless of status/rank/ power. √√
- Treat workers with respect/dignity by recognising work well done/the value of human capital. √√
- Plan properly and put preventative measures in place. √√
- Pay fair wages/salaries which are in line with the minimum requirements of the BCEA/Remunerate employees for working overtime/during public holidays. √√

- Engage in environmental awareness programmes/Refrain from polluting the environment such as legally disposing of toxic waste. √√
- Refrain from starting a venture using other businesses' ideas that are protected by law. √√
- Business decisions and actions must be clear/transparent to all stakeholders. √√
- Businesses should be accountable/responsible for their decisions and actions/patent rights. √√
- Hire honest/trustworthy accountants/financial officers with good credentials. √√
- Regular/Timeous payment of taxes. √√
- All workers should have access to equal opportunities/positions/ resources. √√
- Ensure that employees work in a work environment that is conducive to safety/fairness/free of embarrassment. √√
- Employers and employees need to comply with legislation with regard to equal opportunities/human rights in the workplace. √√
- Training/Information/Business policies should include issues such as diversity/discrimination/harassment. √√
- Employers should respond swiftly and fairly to reported incidents of discrimination in the workplace. √√
- Orders/Tasks should be given respectfully and allow the recipient/ employee to have a say in the way that task should be performed. √√
- Draw up a code of ethics/conduct. √√
- On-going development and training for all employees. √√
- Performance management systems/Appraisals should be in place. √√
- Adequate internal controls/monitoring/evaluation. √√
- Any other relevant answer related to ways in which professional, responsible, ethical and effective business practices should be conducted.

**Max (12)**

6.6 **Conclusion**

- Unethical and unprofessional business practices can be eliminated by implementing code of ethics in the workplace. √√
- Businesses that apply the King Code principles have a good public image and are able to attract investors. √√
- Awareness of the challenges that the types of unethical business practices pose to businesses enable them to take precautionary measures and prevent negative publicity. √√
- Businesses must continuously conduct research and develop strategies on how their business practices should be conducted. √√
- Any other relevant conclusion related to the differences between ethical and professional behaviour/application of transparency and accountability as King Code principles/how types of unethical business practices pose challenges to businesses/ways in which professional, responsible, ethical and effective business practices should be conducted.

**Any (1 x 2) (2)**

**QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

| DETAILS | MAXIMUM | TOTAL |
|---|---|---|
| **Introduction** | **2** | |
| **Differences between ethical behaviour and professional behaviour** | **8** | |
| **Application of the King Code principles of good corporate governance to improve ethical business conduct:**<br>○ **Transparency**<br>○ **Accountability** | **12** | **Max 32** |
| **Types of unethical business practices posing challenges to businesses** | **14** | |
| **Ways in which professional, responsible, ethical and effective business practices should be conducted** | **12** | |
| **Conclusion** | **2** | |
| **INSIGHT** | | |
| **Layout** | **2** | **8** |
| **Analysis/Interpretation** | **2** | |
| **Synthesis** | **2** | |
| **Originality/Examples** | **2** | |
| **TOTAL MARKS** | | **40** |

LASO – For each component:
Allocate 2 marks if all requirements are met.
Allocate 1 mark if some requirements are met.
Allocate 0 marks where requirements are not met at all.

**TOTAL SECTION C: 40**
**GRAND TOTAL: 100**