



BUSINESS STUDIES: PAPER II
MARKING GUIDELINES

Time: 2 hours

100 marks

These marking guidelines were used as the basis for the official IEB marking session. They were prepared for use by examiners and sub-examiners, all of whom were required to attend a rigorous standardisation meeting to ensure that the guidelines were consistently and fairly interpreted and applied in the marking of candidates' scripts.

At standardisation meetings, decisions are taken regarding the allocation of marks in the interests of fairness to all candidates in the context of an entirely summative assessment.

The IEB will not enter into any discussions or correspondence about any marking guidelines. It is acknowledged that there may be different views about some matters of emphasis or detail in the guidelines, and different interpretations of the application thereof. Hence, the specific mark allocations have been omitted.

-
- | |
|--|
| <ul style="list-style-type: none">• The following aspects may be considered when marks are allocated in this paper:• Format:<ul style="list-style-type: none">– The CORRECT format for each question must be used, e.g. report, letter or dialogue.– Where applicable, include an introduction and conclusion.– Use headings and sub-headings where appropriate.• Terminology: Correct Business terminology should be used.• Content: Must be sufficient to cover all aspects of the question.• Substantiation: Justification for statements made.• Application to case study/context.• Creative problem solving rather than just giving theoretical facts.• Synthesis and sequencing. |
|--|

QUESTION 1 LO 2.4 and LO 4.1**SUGGESTED CONTENT: for mark out of 24 on LOT****Recruitment and Selection****Section max: 35****Recruiting – finding employees**

Manpower planning identifies any manpower shortages. Recruiting seeks to attract job applicants with the necessary skills and motivation to cover these shortages.

There are two sources of new employees:

- within the firm where people can be appointed to new positions by means of transfer, upgrade or promotion.
- outside the business by appointing people from other businesses, schools, colleges and universities, etc.

The recruitment planner must decide whether recruiting will be done from inside or outside the organisation, or both.

1. In the event of **internal recruiting**, a number of techniques can be applied.

- **Job posting** means that the employer notifies all present employees of the vacancies that exist. Those employees who think they may qualify for any of the vacancies then put forward their names to be considered for specific vacancies.
- The organisation searches its files for potentially qualified candidates by looking at **skills inventories**. Candidates that are identified are then contacted and asked whether they wish to apply.
- Recommendations by present employees are a **hybrid** (combination) of an internal and partly external source.

Often organisations cannot find the right people from among their own employees. They must therefore recruit in the outside labour market. Whereas internal promotion has a positive effect on the morale of employees, external recruiting creates the opportunity to bring new and fresh skills into the organisation.

2. **External sources** include:

- Advertising in newspapers, trade journals, on the radio, window displays and on notice boards;
- Schools, colleges, universities and other educational institutions;
- Private and public employment agencies;
- Casual applicants or so-called 'walk-ins';
- Internet recruitment businesses;
- Head hunting.

The suitability of each of these sources will depend on the type of job to be filled, the skills needed as well as the location of the firm.

Selection

Selection involves screening applicants and choosing the most suitable candidate.

Whereas the recruitment activity is positive, the selection activity is negative. Selection is aimed at excluding unsuitable applicants whose skills and experience do not match the requirements laid down in the job specification. A good selection process will probably result in a lower turnover of staff, lower production costs, less training and higher productivity.

Standard selection procedures often involve the following, which may vary with the seniority of the position in the business enterprise:

- Receipt of application forms (external & internal) and/or Curriculum Vitae (CV)
- Initial screening
- Use the CV /job application evaluation to draw up a short list
- Check references and background of short listed candidates
- Interviewing of short listed candidates
- Different tests and examinations
- Medical examination (if applicable)
- Letter of appointment

Each of these will now be discussed.

- Receipt of the **application forms/CVs**.

Once the vacant post has been advertised, the HR manager (or a subordinate) must be available to answer any queries from applicants. After the closing date for applicants has passed, a list of all application forms received should be drawn up. Documentation received from applicants, i.e. a letter of application, an application form and curriculum vitae should be checked against this list to ensure all the relevant documentation has been received.

- **Initial screening**

The purpose of the initial screening process is simply to identify those applicants who obviously do not meet the minimum requirements of the job in respect of qualifications, experience, etc. Those who do not fit the job specification are informed accordingly. Sometimes the business just states if the candidate is not contacted by a specific date, he is to assume the application was not successful. Those applicants who are suitable for consideration for the job are referred to the next step.

- **CV/Job application evaluation**

A selection panel will now evaluate the Curriculum Vitae/job applications of all applicants who meet the minimum requirements for the job. A pre-determined set of criteria will be used. Usually a 7-point scoring system is used to evaluate each applicant in each of the number of categories with 7 being the highest score and 1 the lowest score. The selection panel will rank the applicants according to the total scores achieved on the CV evaluation. This illustrates the importance of having a comprehensive CV that meets the requirements of the employer.

A short list of applicants is now drawn up with the number of candidates on the short list depending on the suitability and quality of applicants and the predetermined number (if applicable).

- **Reference and background checks**

The applicants on the short list are the potential new employees and therefore the HR department will wish to verify as much information supplied in the CV as is possible. Employment records and qualifications will be checked. The Personnel Manager may communicate with the referees provided by the applicant in order to ask relevant questions about the applicant which may not be included in the CV, e.g. how is the applicants people skills? Is the applicant trustworthy? It is important to use a standardised set of questions to ensure fairness to all applicants.

- **Interview of candidates on the short list**

The interview may be carried out by one person or by a panel, e.g. the Personnel Manager, Head of the relevant department and the supervisor of the section. It is important that the same person or panel interviews all the applicants to ensure consistency and fair labour practice.

The purpose of the employment interview is two-fold, i.e.

- to get more information from the applicant in order to assess his/her suitability for the job and
- to give more information about the firm, the job, and the conditions of employment to the applicant.

The section on Insurance should be included here in candidate's answer, but is kept separate for admin purposes

- **Tests and examinations**

There are different types of tests that can be used to disclose more information as to the applicant's suitability for the job. Depending on what type of requirement is to be measured, a careful selection must be made of what test to use. It is important to note that The Employment Equity Act (section 8) prohibits the use of tests if it discriminates against any person on the grounds of culture.

The following types of test are available:

- Ability/trade tests indicate what tasks the applicant can currently perform and what tasks he/she might be able to perform in future, given the opportunity through training,
- Psychometric tests which include personality and interest tests, measure the applicant's motivation and intelligences.
- Work sample tests are literally samples of work to be found in a certain job and are designed to measure what the applicant can do and at what skill level.

- **Medical examination – Not applicable to Insurance Manager**

It is important to note that The Employment Equity Act (section 7) states clearly that no medical examination may be required unless it is an inherent requirement of the job or for the purpose of the distribution of employee benefits. The law is also very clear on the circumstance regarding when HIV-AIDS testing is allowed.

The employer will usually give the prospective employee a health related questionnaire to complete and if there is any doubt regarding the medical status of the employee relating to the requirements of the job (e.g. bus driver), the employer may request a medical examination which may include drug and alcohol testing.

Any other correct facts can also earn marks.

Insurance:**Section max: 35****1. What is the difference between Insurance and Assurance? (Max 4)**

Insurance: The insurer takes out **IN**surance **IN** case something happens. He will then be **IN**demnified (put in the same financial position he was in before the incident). Insurance covers short-term risks, e.g. fire and theft.

Assurance: **AS** sure as we are alive, each one will retire or die. We need **AS**surance to provide Security to the insured or his family. Assurance covers long-term risks, e.g. retirement or death.

2. Explain how Insurance and assurance can help a business to manage risks. (Max 3)

Spar faces a variety of uncertainty and risks every day. These risks may result in significant financial losses which could destroy the business. For this reason insurance and assurance is taken out to cover potential losses by paying premiums and thus transferring the risk.

3. Discuss three different types of insurance. (Max 14)

3.1 Fire insurance covers damage resulting from a fire to a building, stock, equipment, etc. Included in the contract is damage caused by smoke and / or water used in the process of extinguishing the fire. Excluded are fire damages as a result of volcanoes, earthquake and riots/war.

- The premium charged will depend on the risk and the value of the item to be insured. Risk relates to the nature of the product (e.g. flammable or not), the availability of fire extinguishers, the nature of adjacent buildings as well as the construction of the building (e.g. thatch roof).
- The insurance company has to be informed immediately if there was a fire. It is the responsibility of the insured to prove that the losses suffered was as a result of the fire.
- Most insurance contracts contains an '**iron safe clause**' which forces the insured to keep a full set of stock records in a fire proof safe. This will then serve as proof of the value of the stock on hand (in the business) at the time of the fire. However, the need for this is diminishing with electronic records which have back-ups in cyberspace and that can be updated daily or at a predetermined time.

3.2 Vehicle insurance: The two options available include **third party, fire and theft** OR **Fully comprehensive** insurance.

- In the case of **third party, fire and theft** the insured's vehicle is covered against theft or fire, but should the insured be responsible for an accident, his vehicle is not covered. Damage to the other party's vehicle will however be covered.
- **Fully comprehensive** insurance covers damage to all cars involved in the accident. With reference to theft, some items such as an expensive car radios must be listed separately in the insurance policy to be covered.

Premiums paid will be determined by value of vehicle and risk (e.g. claims history of driver, age of the driver as well as purpose for which vehicle is used).

- 3.3 All weather insurance, damage and theft insurance are usually covered by **home-owners and householder policies**. The all weather insurance covers damage caused by storms, hail, floods, lightning, earthquakes and burst water pipes. Theft insurance covers forced entry when the business is closed to the public – this is known as burglary. Stock and equipment are also covered by these policies.

The premium charged will once again depend on value of goods insured and the risk involved. Risks will be determined by looking at factors such as situation of the property, e.g. area crime rate.

- 3.4 **Insurance of money in transit**, e.g. covering cash receipts being transported to the bank. The maximum amount covered will be specified in the insurance policy.
- 3.5 **Fidelity insurance** covers losses sustained due to dishonesty of employees, e.g. theft of money or fraud. The policy could cover individual employees who are specified by name and position OR it could be a floating policy where all staff members in specific positions are covered for an overall amount.
- 3.6 **Liability insurance** covers Spar who becomes liable for losses caused by negligence or defects in its property. A public liability policy indemnifies the insured for an amount he/she may have to pay through such a liability arising (this includes legal costs).
- 3.7 **ALTHOUGH NOT APPLICABLE TO SPAR, SOME LEARNERS MAY INCLUDE THIS:**
Crop insurance may be taken out by Spar if they are the owner of the farm (or by agreement with farmers) to cover loss or damage to their crops.

Compulsory insurance:

Unemployment insurance (UIF):

- Unemployment insurance covers employees against loss of income if they don't have a job, e.g. if the worker is retrenched due to economic circumstances. A worker may not claim if they quit their job. However, according to the UIF Act a worker may claim UIF benefits if they are fired or if their contract was terminated.
- UIF contributions are made by the employer and the employee. The employer deducts an amount equal to 1% from the employee's salary/wage and is then responsible to pay this deduction together with his equal contribution to the UIF fund. UIF is payable by all employees irrespective of the salary earned. The UIF contribution is calculated at 1% of the employee's salary. The maximum amount that can be deducted from the employee's salary per month as a UIF contribution is adjusted from time to time but is specified in the UIF Act.
- Changes in legislation that came into effect on 1 April 2003 specify that foreigners on contract and people employed for less than 24 hours per month are however excluded. The exclusion also applies to people earning commission only.
- Pregnant women can also claim, but will only receive benefits for 17 weeks.

Workmen's compensation:

- The Compensation for Occupational Injuries and Diseases Act (COIDA) requires that employers take out workmen's compensation on behalf of the employees to protect employees against injuries or death at work.
- Workmen's compensation protects the employer from claims made against him/her by the employee.
- Compensation is provided to the employee or his/her family in the case of the employee being unable to work due to an accident whilst being at work. Medical expenses and loss of earnings will also be covered. Should it be a serious accident and the employee is disabled he/she may also claim benefits and if he/she dies, his/her dependants will qualify for compensation.
- Workmen's compensation does not apply to casual workers.

Road Accident Fund (RAF):

- The RAF is a compulsory insurance that applies to motor vehicles.
- Innocent drivers and passengers are covered against financial losses suffered due to injuries as a result of an accident on the road.
- The contribution towards this fund is made in the form of a levy on petrol and diesel.
- Compensation includes:
 - hospital and medical expenses
 - future hospital and medical expenses anticipated
 - loss of income
 - future loss of income anticipated
 - general compensation for pain and suffering

4. What are the requirements for a valid insurance contract? (Max 5)**4.1 Insurable interest:**

Insurable interest means that the insured must be able to prove that that he/she will to lose financially if the object is destroyed or damaged. The person or object at risk forms the basis of the contract. The following are examples of insurable interest:

- A person has an insurable interest in his/her own life and health
- Partners have insurable interest in the lives of co-partners
- A creditor has insurable interest in the life of his/her debtor
- A married person has insurable interest in the life of the spouse
- A person has insurable interest in his/her own property

4.2 Good faith/absolute honesty:

The insured must disclose all relevant information that may affect the risk. All questions asked by the insurer must be answered honestly and accurately, otherwise the policy will be declared null and void.

5. Ask the candidate to explain THREE different concepts relating to insurance. (Max 9)**5.1 Risk, peril and hazard:**

- **Risk** refers to the likelihood of an uncertain event occurring, e.g. what is the risk (likelihood) of a worker stealing money from Spar. The premium charged is linked to the risk.
- **A peril** is a potential cause of loss, e.g. theft, fire, damage, etc.
- **A hazard** is something that increases the risk of the peril occurring, e.g. having a Spar-outlet next to a river increases the risk from floods.

5.2 Indemnification:

The insurer undertakes to indemnify the insured in the event of a specific loss. Only the actual loss will be compensated. The insured cannot claim more than what has been lost. If there is no loss after an accident, there is no compensation/indemnification. Indemnification means that, as far as possible, the financial position of the insured will be the same as it was before the loss.

5.3 Security:

The main purpose is to give security to the insured's dependents in the event of the insured dying or reaching a certain age (retiring). The death of the breadwinner may place the family in financial difficulties. Life assurance can now help the dependents to overcome these difficulties, i.e. protect the family by providing financial security to them.

5.4 The average clause:

The average clause stipulates that if the property is not insured for the full value, the full value of the loss will not be paid out.

5.4.1 Under insurance:

If the property is not insured for the full value, it means that the insured has not been paying a premium that covers the risk. The premium paid is too low, as the premium is calculated based on the value of the item and the risk. If the policy specifies a cover of R 10 000 and real value of the article is R50 000, the person will be under insured. The full loss will thus not be covered – only 1/5 of the damage will be indemnified.

5.4.2 Over insurance:

This refers to a situation where goods are insured for more than its value. The insured would pay a higher premium than what is necessary, but will not benefit from it as the principle of indemnification states that no-one is allowed to make a profit from insurance. In this case the **re-instatement** clause is usually applied. This means that the insurer has the option to restore or re-build the insured property.

5.5 Excess:

This is the amount on each claim that is not covered by the policy. The excess amount is specified in the insurance policy and it is the insured who has to pay the first R1 000, R5 000 or whatever amount has been specified in the contract.

5.6 Re-insurance:

Insurance companies are often unable to cover the full risk of a large insurance policy. When this happens the insurance house places a portion of the risk which they cannot cover with a professional re-insurance company. The risk is then spread among the re-insurance companies. The general public has no access to re-insurance companies and still look at the original insurance house for full cover of the policy. Re-insurance is thus a contract between two insurers to spread the risk.

5.7 Proximate cause:

It is important to remember that the insurer is only responsible for losses that are the direct result of the event that was insured. For example: Fire insurance covers risks directly related to a fire. If someone slips on a wet floor where water was used to extinguish the fire, and breaks his/her Rolex watch, he/she can't claim for a new watch from the fire insurance.

5.8 Subrogation:

Subrogation is based on the principle of indemnity, which means a potential loss is covered. If the person does suffer a financial loss as a result of the event covered, he/she may only claim recovery from losses ONCE. This means that no person is allowed to make a profit (be in a better financial position) after the loss has been indemnified. The right to claim from a 3rd party is subrogated (passed onto) the insurance company.

5.9 Cession or assignment:

Any rights that the insured has in a policy may be transferred to another person when a written clause is added to the policy. For example: the policy on a house may be ceded to the bondholder or the policy on the insured person's life may be ceded (signed over) to the bank as security for a loan.

Any other relevant and correct facts relating to insurance, will also earn marks.

Note: The HR-manager will choose a candidate based on his/her knowledge of insurance/assurance his/her experience, whether they fit in with the SPAR ethos and how it impacts on Spar, etc.

LOWER ORDER THINKING RUBRIC (60% WEIGHTING)

CRITERIA	0	1	2			MARKS
Format	Not meeting the correct standard	Partially correct format	Correct format			
	0	1	2	3	4	
Terminology	No use of business terminology	Isolated use of business terminology	Limited use of business terminology	Good use of business terminology	Outstanding use of business terminology	
Content (number of relevant facts)	Maximum 48 facts. Divide by 2 to get mark out of 24. Marks are inter alia given for mentioning the fact, explanations of facts or statements, relevant examples; expansion of acronyms					
Sub-Total						/30

HIGHER ORDER THINKING RUBRIC (40% WEIGHTING)

CRITERIA	0	1	2	3	4	MARK
Substantiation (justification for statements made)	Attempt at substantiation but incomplete, incoherent or insufficient motivation for statements.	Very limited substantiation/Only some statements are substantiated.	Less than half of the statements are substantiated.	The majority of the statements are substantiated.	Statements thoroughly substantiated showing breadth and depth of understanding.	
			If all SECTIONS have not been completed, the judgement is based on the amount of expected information. For example: A candidate substantiating one section well, but not answering the other cannot qualify for a 'majority of statements' mark.			
	0	1	2	3	4	
Application to context	Case study not mentioned and no application to the given context.	Superficial reference based on the case study/context given.	Some reference made to the case study/context given with some applicable examples given.	Several examples are given that relate to the case study/context given and are adequately applied. Reference is made to current affairs in the particular industry.	Examples are relevant to the case study/context given and fully integrated into the response showing understanding of the issues at hand. Reference is made to current affairs in the particular industry and it is explained how this impacts on the business in the case study.	

	0	1½	3	4½	6	
Creative Problem Solving	No understanding of the problem and no or irrelevant solution given.	Partial identification of the problem and poor solution suggested. Factual and textbook-style theory only, not relating to the problem at hand.	Correct identification of problem with a solution which is not explored in depth.	Understanding of the problem, with a viable solution discussed in some detail.	Good insight and understanding of the problem with solutions offered which are fully discussed.	
	0	1½	3	4½	6	
Synthesis (Introduction, conclusion, flow of thought, paragraphs leading into one another)	Isolated facts with no cohesion. Waffling and unable to link facts. No introduction and conclusion or simply re-writing the question.	Attempt at arguments, but loss of focus evident in irrelevant or isolated sections following on one another most of the time.	Arguments are partially developed with some focus evident in the arguments and some paragraphs flowing into one another.	Arguments are logically presented with minor loss of focus evident in very few irrelevant or isolated sections following on one another.	Arguments logically presented in a thoroughly cohesive manner where threads are clearly drawn together. Excellent argument built from start to finish with a strong flow of thought linking all aspects.	
Sub-Total						/20

<p>TOTAL</p> <p>_____ /30 + _____ /20 = _____ 50</p>
--

QUESTION 2 (LO 1.2 and LO 3.4)**SUGGESTED CONTENT: for mark out of 24 on LOT****Corporate Social Responsibility:****Section max: 35****Definition**

Social Responsibility encompasses more than just obvious ethical issues such as honesty and integrity in business dealings. **Social responsibility** can be defined as management's obligation to protect and promote the welfare of **all stakeholders** (financially or otherwise). **Stakeholders** refer to any individual or group of people that have an interest in or that will be affected by a business.

It is impossible to live in South Africa and not be acutely aware of the needs in our society. Even in the cities we are confronted with beggars, street vendors, informal settlements and unemployment. The newspapers and television news programmes carry daily stories of crime, violence, poverty and AIDS.

Various factors have contributed to the importance and need for CSR in South Africa:

1. The inequalities of the past, especially in education, have resulted in a large number of illiterate adults without job-related skills which are necessary to secure employment.
2. As a dualistic economy with a large portion of the population still living in third world (developing) circumstances, we are in the process of growth and building infrastructure and unable to provide adequate housing, medical care or education of an acceptable standard to all citizens at present.
3. Years of apartheid resulted in funds being poured into various political issues ('The struggle') instead of economic issues. Economic boycotts also prevented FDI (Foreign Direct Investment) and strategic imports from reaching our shores, which have had a detrimental effect on the economy which we are still experiencing today.
4. South Africa has limited water supplies with only about 12% of the land being arable. This, together with the concentration of natural resources in specific areas lead to a concentration of the population in smaller areas which results in a strain on already scarce resources.
5. Technological advancement worldwide has resulted in many menial jobs being automated making it very difficult for those without appropriate qualifications to find employment.
6. The 'global village' phenomenon, with increased imports has resulted in it being cheaper to import many products rather than to produce them at home. The clothing industry is a good example (with cheap imports coming in from China), and the local industry puts a lot of pressure on government to increase import levies in order to protect jobs in this country.
7. It is often difficult to break the cycle of poverty. When entire rural communities are unemployed, and barely eke out an existence, it takes courage for the young generation to break out, seek opportunities for education and break the cycle.
8. Likewise, a culture of crime and violence tends to produce future generations who actively need to break out of the cycle in order to become citizens who can contribute to the economic well-being of the country.

9. The crippling effects of the HIV/AIDS epidemic, which has left thousands of families with no parent or adult present in the household to look after them. These child-led families battle to survive as they do not yet have the skills or education to be able to earn enough money for a decent existence, and they often have to give up their schooling in order to attempt to provide for their siblings. And the phenomenon of poverty feeds on itself ...

Arguments for and against Social Responsibility:

1. Some of the arguments **in favour** of CSR may include:
- If the business does not get involved to assist in the solving of social problems, society will encounter social-economical problems which will ultimately have a detrimental effect on the business. Businesses should thus help to improve society by taking a **pro-active** stance.
 - Expertise and resources to deal with socio-economical problems often already exists in the organisation and it is therefore the moral duty of the business to lend a helping hand where it can. An example in this regard may be skills in the Training Department that could be applied in the area of Adult Education.
 - If the Corporate Sector gets involved in CSR, it is less likely that Government will enforce the issue through legislation.
 - CSR can help to promote the image of the business and gain goodwill. This can for example be done by sponsoring sports events. Social Responsibility and Public Relations are therefore often seen as complimentary to one another.
 - CRS is not only about 'good deeds' but making a difference through job creation and improving the general standard of living of the community. This will only be the case if the CSR initiatives are sustainable.

Any other relevant argument in favour of CSR.

2. Some of the arguments **against** CSR may include:
- Providing goods and services that meet the needs of consumers is, according to some, already being socially responsible.
 - Shareholders are the only real stakeholders in the organisation because they invested financially and therefore the business should only be accountable to shareholders in terms of the bottom line (profits). CSR means the business is spending money without real benefits in terms of Return on Investment (ROI). It only gains positive public exposure that is often hard to measure and quantify.
 - Employees are remunerated according to how well business targets are met and having to spend time on CSR distracts them from their real responsibilities.
 - CSR is illegal unless it has been approved by shareholders. They have authorized the business to use their funds to generate profit, not to invest in society.
 - Spending money on CSR means the business has to recover it somehow and this will lead to higher prices and inflation, which have a negative impact on the economy.
 - When businesses get involved in CSR it may create expectations with the people for the community and this may have devastating results if their expectations are not met. This may be especially true if the business does not perform a decent needs analysis or take the trouble to learn what the community really needs in the short term AND long term.

- One of the critiques on CSR is that it does not always lend itself to sustainable development in communities. Unfortunately, this is true for many CSR programmes that are not well thought through and not aimed at long-term results in a community. Some organisations follow a hit-and-run approach of getting involved and getting out. The JSI evaluates companies' sustainable social involvement in communities in terms of aspects such as poverty relief, social upliftment, human capital development and health and safety issues.

Any other relevant argument against CSR.

The organisation's **broader social responsibility** include activities aimed at the local community as well as the country as a whole.

The broader community expects the business to familiarise itself with and to contribute to issues such as:

- Ecological control and nature conservation without harming local communities. Refer in this matter to the impact of game reserves and National Parks on the local Communities in terms of job creation but also to the fact that the local community no longer have access to the land that is now part of the Park.
- Sponsorships for sports activities.
- The creation of infrastructure. This is not only the responsibility of government but the private sector has to contribute and South Africa has many examples of such PPP's (Private-Public Partnerships).
- Broad Based Black Economic Empowerment (BBBEE)
- Upliftment of the poor through training and development initiatives such as ABET (Adult Basic Education and Training) to improve literacy rates.
- Health and safety
- AIDS prevention and treatment.
- Anti-drug abuse campaigns.
- Air (factory emissions), Water (pollution by mines), Noise pollution (especially near living areas). It is interesting to note that the Government has policies and legislation in place to deal with these issues, but often lacks the manpower to enforce, with the result that it becomes a moral responsibility of the corporate sector to act in a Socially Responsible manner.

All other relevant and correct facts on CSR, will also earn credit.

Section max: 35

Personal attitudes of a manager

Managers can and should be coached to handle a variety of situations in a productive manner to improve the performance of the business.

Ability to deal with change

Change is often one of the key contributors to conflict. Managers at all levels should be able to cope with change and help their employees deal with change. This can be done by understanding how people deal with change and helping them to overcome anxieties related to change. People's first reaction to change is usually resistance. Communication to motivate the change and training can be used to overcome or reduce resistance to change.

Tolerance regarding inclusivity and cultural diversity:

Managers should be exposed to and educated regarding cultural diversity to create tolerance for differences. Keep background information in mind when dealing with different people. For

example there are huge cultural differences regarding time and interpersonal space to name but two potential sources for conflict.

Communication skills:

A manager should have the ability to communicate information in a clear and understandable manner. The success of the communication is however often dependent on the degree of trust invested in the relationship. Without rapport the chances of successful communication diminishes radically.

Regular meetings to get feedback and get suggestions from employees can be useful communication tools. As an alternative to meetings to get input from employees, a suggestion box can be implemented. Meetings can also be used to communicate new initiatives and motivate changes that will be implemented. Notice boards, newsletters and memos are also forms of written communication in an organisation.

Regular written reports regarding proposed plans, the status of current activities and accomplishments can help management to pre-empt conflict situations that may cause problems.

An important element of communication is listening to the reason for the unhappiness, acknowledging what is being said, then try to understand why the person is feeling this way before responding. Summarising and paraphrasing before responding are good tools that may improve the communication process.

Negotiation, mediation and arbitration are methods that can be used to reduce or eliminate conflict by involving a third party to improve the communication process.

The ability of the manager to think and act strategically:

The starting point of strategic planning is to develop a shared vision and mission to help employees to understand the purpose and direction of the organisation. The system approach to strategic planning helps the organisation to link its internal and external environments and improving performance by reconciling available resources with changes in the external environment.

Linking the internal resources with the external environment requires an environmental scan using tools such as a SWOT analysis or a value chain analysis in order to identify the key success factors and competitive advantage of the undertaking. The business can then formulate a strategy that will assist all employees to understand the long term goals of the business.

Although strategic planning takes place at top management level it is important to get input and feedback from lower levels as well to ensure buy-in and understanding of the process. If this can be achieved, a huge obstacle would have been overcome in managing potential conflict in the organisation due to inefficient resource allocation.

Emotional intelligence to deal with different personalities and emotions:

Emotional intelligence refers to the manager's ability to manage relationships in a mature manner and this may include, amongst other things to resolve conflict and disagreements in a positive manner.

Values and ethics – Perceived or real:

Training and open communication can help to overcome conflict due to a lack of understanding and help to encourage flexibility and create empathy that can help people to accommodate and even celebrate differences. This will improve the overall performance of the department and therefore the business as well.

Different leadership styles

The **situational approach** states that effective leader behaviour varies from situation to situation and it is believed that different leadership styles would be appropriate in different situations. The leadership style applied in a specific situation may be influenced by:

- The organisational culture, which in turn will be a reflection of the leader's as well as the follower's value systems and beliefs.
- The abilities of the leader as well as the followers will also impact on the chosen leadership style.
- A third factor may be the relationship between the leader and the followers. The leader will for example consider the likelihood of the follower accepting the instruction. When it appears unlikely that the follower will willingly accept the instruction, the leader may resort to an autocratic style while highly motivated followers with the required skills may allow for a different approach.

Autocratic

This approach is strongly associated with the so-called second wave management approach. If however implemented in different circumstances, it may lead to a turn-around strategy being required or when it is necessary to restore discipline in an organisation. The manager is the only person making decisions.

Participative

A more participative leadership style will allow for more involvement in the decision making process which in return will improve 'buy-in' in the decision.

There are varying degrees of participation that can be implemented. This may range from the leader allowing the followers to give some feedback to the followers being allowed to make suggestions while the leader still maintains control by making the final decision. In a **democratic** environment the leader and followers will have equal decision making powers while in a fully participative setup, the team members or followers will be in full control and be able to make the final decision.

Laissez-faire

Managers inform workers **WHAT** must be achieved, but do not get involved in telling workers **HOW** these objectives should be achieved.

Transactional

Transactional leadership is based on a give-and-take transaction where the leader offers something of value (e.g. remuneration) to his/her followers in return for their services and following. The result of transactional leadership is therefore often a win-lose situation of negotiation between leaders and followers.

Transformational

Transformational leadership is proactive by nature. The transformational leader helps his followers to satisfy their higher order needs while at the same time reaching the goals of the business. In short, transformational leaders motivate others to do more than they originally intended and often achieve more than they thought possible. In order to achieve this, the transformational leader is extremely creative and flexible and often forms new expectations in his people and sets an empowerment process in motion while goals are pursued.

Transformational leadership will be most successful where followers are motivated to take decisions based on the expectations that are shared in the group rather than purely on what each individual will get in return.

Transformational leaders are also sometimes referred to as Charismatic leaders. They have a strong sense of purpose. In order to communicate this vision successfully and effectively, the transformational or charismatic leader will have to know his/her strengths and how to utilise them and must also be aware of his/her own weaknesses and how to overcome them. One of the non-negotiable strengths required is the ability to focus on both the task and the team to match strengths to task requirements.

All other correct factors will also earn credit.

LOWER ORDER THINKING RUBRIC (60% WEIGHTING)

CRITERIA	0	1	2			MARKS
Format	Not meeting the correct standard	Partially correct format	Correct format			
	0	1	2	3	4	
Terminology	No use of business terminology	Isolated use of business terminology	Limited use of business terminology	Good use of business terminology	Outstanding use of business terminology	
Content (number of relevant facts)	Maximum 48 facts. Divide by 2 to get mark out of 24. Marks are inter alia given for mentioning the fact, explanations of facts or statements, relevant examples; expansion of acronyms					
Sub-Total						/30

HIGHER ORDER THINKING RUBRIC (40% WEIGHTING)

CRITERIA	0	1	2	3	4	MARK
Substantiation (justification for statements made)	Attempt at substantiation but incomplete, incoherent or insufficient motivation for statements.	Very limited substantiation/Only some statements are substantiated.	Less than half of the statements are substantiated.	The majority of the statements are substantiated.	Statements thoroughly substantiated showing breadth and depth of understanding.	
			If all SECTIONS have not been completed, the judgement is based on the amount of expected information. For example: A candidate substantiating one section well, but not answering the other cannot qualify for a 'majority of statements' mark.			
	0	1	2	3	4	
Application to context	Case study not mentioned and no application to the given context.	Superficial reference based on the case study/context given.	Some reference made to the case study/context given with some applicable examples given.	Several examples are given that relate to the case study/context given and are adequately applied. Reference is made to current affairs in the particular industry.	Examples are relevant to the case study/context given and fully integrated into the response showing understanding of the issues at hand. Reference is made to current affairs in the particular industry and it is explained how this impacts on the business in the case study.	

	0	1½	3	4½	6	
Creative Problem Solving	No understanding of the problem and no or irrelevant solution given.	Partial identification of the problem and poor solution suggested. Factual and textbook-style theory only, not relating to the problem at hand.	Correct identification of problem with a solution which is not explored in depth.	Understanding of the problem, with a viable solution discussed in some detail.	Good insight and understanding of the problem with solutions offered which are fully discussed.	
	0	1½	3	4½	6	
Synthesis (Introduction, conclusion, flow of thought, paragraphs leading into one another)	Isolated facts with no cohesion. Waffling and unable to link facts. No introduction and conclusion or simply re-writing the question.	Attempt at arguments, but loss of focus evident in irrelevant or isolated sections following on one another most of the time.	Arguments are partially developed with some focus evident in the arguments and some paragraphs flowing into one another.	Arguments are logically presented with minor loss of focus evident in very few irrelevant or isolated sections following on one another.	Arguments logically presented in a thoroughly cohesive manner where threads are clearly drawn together. Excellent argument built from start to finish with a strong flow of thought linking all aspects.	
Sub-Total						/20

<p>TOTAL</p> <p>_____ /30 + _____ /20 = _____ 50</p>
--