

# N5

# Supervisory Management

Gateways to Engineering Studies



Gateways to Engineering Studies - Chris Brink



**HYBRID  
LEARNING  
SOLUTIONS**

# Gateways to Engineering Studies

Supervisory  
Management

N5

Chris Brink

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## Icons used in this book

We use different icons to help you work with this book; these are shown in the table below.

Icon	Description	Icon	Description
	Assessment / Activity		Multimedia
	Checklist		Practical
	Demonstration/ observation		Presentation/ Lecture
	Did you know?		Read
	Example		Safety
	Experiment		Site visit
	Group work/ discussions, role-play, etc.		Take note of
	In the workplace		Theoretical – questions, reports, case studies, etc.
	Keywords		Think about it

# Module 1

## The Supervisor and the Management Process

### Learning Outcomes

On the completion of this module the student must be able to:

- Discuss the purpose and general nature of supervision
- Discuss management as a science
- List the six functions of the management process and discuss how they involve a supervisor
- Explain why management is a process
- Explain the purpose of the management process
- Name the five approaches to management practice and discuss the particular suitability of each
- Discuss the management principles of:
  - FW Taylor
  - H Fayol
  - P Drucker
  - Louis Allen

### 1.1 Introduction



The management process is a process of planning and controlling the organizing and leading execution of any type of activity, such as a project or a process. The organization's senior management is responsible for carrying out its management process.

However, this is not always the case for all management processes and this is where the supervisor plays a role.

### 1.2 The purpose and general nature of supervision

#### 1.2.1 Purpose

A supervisor guides his or her subordinates so that they produce the desired quantity and quality of work within the desired time.

He must also see that their needs are satisfied and that the group achieves its objective with a minimum of friction and a maximum of harmony. He seeks to promote job-satisfaction and high morale among the workers.



**Definition: Supervision**

Supervision is the function of leading, co-coordinating, and directing the work of other to accomplish specific objectives.

A supervisor performs a leadership role. His or her behavior helps motivate employees to work toward approved goals.



**Think about it!**

Without leadership, a mass of people are uncoordinated and can accomplish nothing.

**1.2.2 Nature**

A supervisor is an employee to whom authority has been delegated to direct the work of others and who is responsible for their output of work. He is a person in a position which has been established and defined by the organization and which is located at a particular level within the structure of that organization.

If we divide the organization structure of a typical company into three levels or management – top, middle and lower – then the word supervisor would apply to those at the lower level.



**Did you know?**

The term 'supervisor' has its roots in Latin, where it means "looks over". In Germany the supervisor is still called a Vorarbeiter ("foreworker"), in England the terms 'change hand' is used. Both terms suggest the lead-person origin.

The supervisor is not expected to be skilled in performing the various jobs under his or her direction, but he or she is expected to understand the jobs in order to diagnose and solve work problems.

Today, the supervisor's job combines some of the talents of the "foreman" (as leader in motivational aspects, face-to-face communication, training and coaching) and of the "master" (skilled administrative and planning artisan).

**1.2.3 Members of a unique team**

Supervisors are an essential part of the management team that gives an organization purpose and leadership.



Figure 1.1 Managerial levels

Executives are highly-placed managers who are in charge of, and responsible for, the performance of a group of subordinate managers. Executives establish broad plans, objectives and general policies.

Middle managers report to an executive who directs supervisory personnel toward the attainment of goals and the implementation of plans of an organisation.

Supervisors are managers who normally report to middle managers. The supervisor is in charge of, and coordinator of, the activities of a group of employees engaged in related activities within a department of an organisation.

They direct work procedures, issue oral and written orders and instructions, assign duties to workers, examine work for quality and neatness, maintain harmony among workers, and adjust errors and complaints.

The supervisor's team are called non-managerial employees and consist of:

- skilled workers
- semiskilled workers
- unskilled labor pool

Non-managerial employees are workers who receive directions from supervisors, who perform specific, designated tasks, and who are responsible only for their own performance; usually referred to simply as "hands-on-the-work" employees.



Figure 1.2 The supervisor as a link person



**Note:**

Supervisors provide the vital linkage between management goals and meaningful employee effort.

#### 1.2.4 The supervision varying role

The job of supervision is so demanding that higher management tends to look for super people to fill the role. Most firms, however, do establish a set of criteria against which supervisory candidates are judged.

Among the most sought-after qualities in a supervisor are these:

- Energy and good health
- Ability to get along with people
- Job know-how and technical competence
- Self-control under pressure
- Dedication and dependability
- Teach ability
- Problem-solving skills
- Leadership potential
- A positive attitude towards management

### 1.2.5 Basic roles

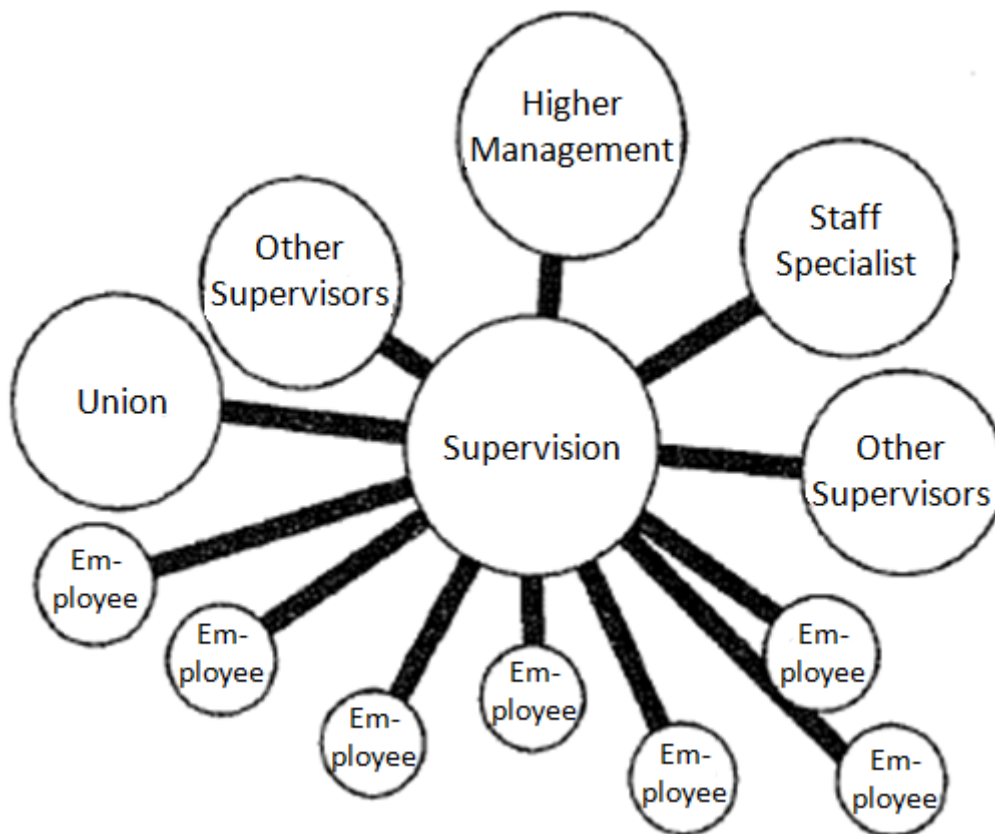


Figure 1.3 Supervisor's responsibilities

#### 1.2.5.1 As a first-line manager

The supervisor is the official manager of the work group. Like a manager, he is responsible for determining objectives, planning, organizing, communicating, controlling, motivating, etc.

#### 1.2.5.2 Defining the work roles of his subordinates

By studying the nature of the job, selecting the method to be used in performing the job and laying down specifications and tolerances etc. the supervisor defines the work role of that job. Then comes the decision of to whom to allocate the job.



**Note:**

Usually at operator level people have to be fitted to jobs and not the other way round.

#### 1.2.5.3 Role in job relations

The supervisor must deal with his:

- Own immediate supervisor  
Supervisors must, above all, dedicate themselves to the goals, plans and policies of the organisation. The supervisor has to receive instructions and orders, and pass them on and see that they are carried out. In return, he must

pass up the line information on what is going on, either verbally or in written form.

The supervisor as a boss in one sphere (his work group) and a subordinate in another (the staff member of his boss) will find all his actions viewed from two angles. You will not please everyone at the same time (the "link man" role).

**Note:**

Subordinates think in terms of wages, working conditions and benefits they can wring from the firm: higher management think in terms of cost-savings, economies, increased productivity, etc.

- Subordinates  
He has to handle their moods and difficult attitudes, secure their co-operation, protect them from unfair treatment, motivate them and resolve individual problems and counsel them.

**Note:**

A good understanding of human nature is required together with an appreciation of the fact that a little praise goes a long way.

- Colleagues  
Again, compromise and conciliation are the order of the day. Teamwork is essential in the supervisory ranks. The goals and activities of one department must harmonize with those of others. He cannot enforce his needs but must persuade and justify his requests.
- Specialists  
The relationship between supervision and staff departments is one of mutual support. These staff people are providing supervisors with guidance and help as well as prescribing procedures to be followed.

Supervisors, in turn, aid the work of the staff departments by making good use of their advice and service and by conforming to their requests.

- Trade union representatives (shop stewards)  
The increase in the influence and status of shop stewards has made a considerable difference in their relationship with supervisors. We have conflict here between the official leader of the work group and the elected leader.

**Note:**

It is the responsibility of the supervisor to keep these relationships objective, to neither "give away the shop" nor yield responsibility for the welfare of the organisation and its employees.

### 1.3 Further duties and responsibilities

It must be emphasized that in carrying out practically all the other responsibilities, the supervisor must deal with people and exercise human relations skills.

It is really not possible, in the day-to-day activities of a supervisor, to draw a strict line of demarcation between these duties involved in getting out the production and those involved in personnel management.

#### Production

- Requisition materials and supplies.
- Expedite the flow of materials and supplies.
- Plan utilization of machines and equipment.
- Schedule flow of work through the department.
- Assign employees to operations and jobs.
- Check progress of employees.
- Help employees clear production problems.
- Maintain records of production.
- Meet production schedules.

#### Maintenance

- Check equipment for correct operation.
- Order repairs to equipment.
- Maintain clean and orderly working environment.

#### Methods improvement

- Devise new and improved work methods.
- Cooperate with staff groups such as industrial engineering in developing and installing better methods and procedures.

#### Quality

- Ensure that quality standards are met.
- Analyze quality reports and take corrective action on defective work.
- Inspect incoming materials.
- Act on changes in quality standards.
- Cooperate and coordinate with quality assurance, engineering, and inspection personnel.

#### Costs

- Control and reduce costs.
- Analyze budget.
- Determine causes for variances from standard costs and budgeted costs and take corrective action.

#### Personnel management and human relations

- Request additional employees as needed.
- Make final employee-selection decision.

- Orient new employees to their environment, the requirements of the organisation and their rights and privileges.
- Train employees.
- Provide face-to-face leadership.
- Appraise performance.
- Coach and correct.

### Counsel employees

- Recommend pay increases, promotions, transfers, lay-offs, and discharges.
- Enforce rules and maintain discipline.
- Settle complaints and grievances.
- Interpret and communicate management policies and directives to subordinates.
- Interpret and communicate employee suggestions and criticisms to higher management
- Motivate subordinates; provide rewards for good performance and behaviour.
- Eliminate hazards and ensure safe working practices.
- Develop own skills and abilities through self-development activities and participation in company training programmes.

## 1.4 Role in management

Each specific task, every responsibility, all the various roles that supervisors are called on to perform are carried out by the management process (**Figure 1.4**).



### Think about it!

Supervisors perform exactly the same functions as all the other managers in their organisations up to and including the chief executive.

This process, which is repeated over and over, daily, weekly, and yearly, consists of five broad functions:

- Planning  
Setting goals and establishing plans and procedures to attain them.
- Organizing  
Arranging jobs to be done in such a way as to make them more effective.
- Staffing  
Selecting and placing just the right number of people in the most appropriate jobs.
- Activating/Directing  
Motivating, communicating and leading.
- Controlling  
Regulating the process, its costs and the people who carry it out

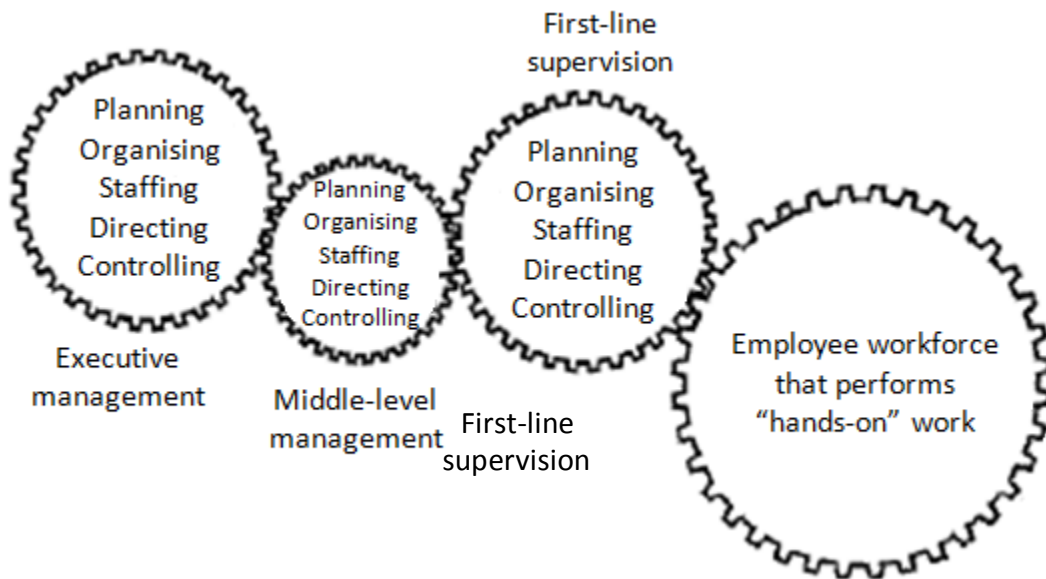


Figure 1.4 All managers take part in the managerial process: planning, organizing, staffing, directing and controlling

### 1.4.1 The balancing act

As a manager or supervisor, you can make most effective use of your skills and advance most rapidly if you are alert to three principles that impact your performance at all times.

In brief, these principles are:

- You get best results if you dedicate as much time as possible to your management work, which is largely mental, requiring concentration. A person in a leadership position tends to secure most effective results through and with others by performing the management work of planning, organizing, staffing, leading and controlling to accomplish those objectives which are understood and accepted.
- In spite of this fact, your intuitive tendency is to spend more time than you should on technical work- in other words, doing work others (subordinates) should be performing for you. The term operating work is used here and it refers to the management or technical work supervisors/managers perform other than that which logically belongs in their positions.
- You will always need to do some technical work, and the lower your management level, the more technical work you will be required to do (**Figure 1.5a** and **Figure 1.5b**).



**Note:**

Mental and physical effort are used to convert natural resources and materials to real wealth with the aid of tools and machines. Technical work is applied directly to those resources. Balancing these three forces is the key to management excellence.

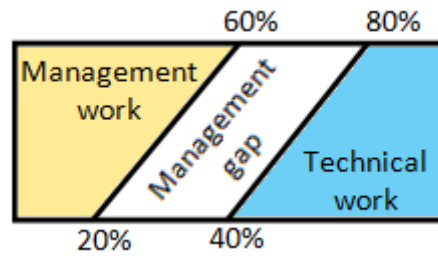


Figure 1.5a A typical way of managing time

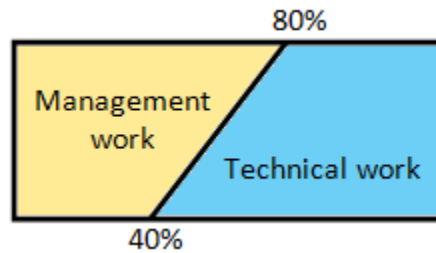


Figure 1.5b A more effective way of managing time

The two charts (**Figure 1.5a** and **Figure 1.5b**) show the difference between the typical and ideal ways that managers and supervisors divide their time between management work and technical work.

The white area is called the "management gap", because 20% management work is lost.



#### Think about it!

The executive should spend about 80% of working time doing management work and 20% on technical work. Even at the first supervisory level, 40% of the time should be spent on management work, and 60% on technical work.

With the temptation to perform too much technical work in mind, how can you best build a productive team? We often waste time on operating work that could be delegated to others. Train your people, counsel and coach them, so that they take over more and more of the technical work.

When you perform planning and controlling work, try to get the people who will carry out the plans and exercise the control to do as much as possible of the work.

This will ensure a high degree of participation, so that people have a feeling of ownership and will strive to make their plans succeed. In doing so, they are also taking the monkey off your back.

## 1.5 Leadership

There can be no leaders without followers, and such followers need to be influenced, persuaded or inspired to follow the leader. However, leadership

need not be more dominant, but could be effective through supportive or coordinative behaviour, as with, for example, the conductor of an orchestra.



### Definition: Leadership

What is leadership? You will get different answers to this question.

According to Bittel, 1990:268, his definition is as follows:

*"Leadership is the knack of getting other people to follow you and to do willingly the things that you want them to do."*

A description according to Van der Westhuizen, 1991 :187 of leadership is as follows:

*"Leadership may therefore be described as the integrated and dynamic application of the leader's abilities in an authoritative manner, which will convince, inspire, bind and direct the followers to realise common ideals."*

Certain inborn characteristics are essential for leaders, but the effectiveness of their leadership may be improved by learning or developing certain methods and techniques to deal with and direct people in a specific group context.

## 1.6 The concept of leadership evolution

Leadership is not a statistical process and a person can develop through different stadiums of leadership and it indicates to the predictable change in leadership style from a natural leader through a transition phase to a management leader.

These important aspects will now be discussed.

### 1.6.1 The natural leader

"Are good leaders born or made?" could be asked. Very few are born leaders. Most leaders learn their skills. They do so mainly through hard work and careful study of their employees and the situations in which they do their jobs.

Visualize that you were given a formalized leadership position for the first time; and were put in charge of a group of people to guide and direct their efforts.

At this specific stage in your career as leader, you tended to do things that came naturally. So, we all began as natural leaders.



### Think about it!

A natural leader can be compared to a natural golfer, and a natural musician. He is a person who activates his people to work together to achieve objectives by means of using his intuitive innate abilities, skills and personal qualities.

In this stage of the leadership process the natural leader reveals many of the characteristics of a manager. It is not negative and can be very applicable in certain situations, especially with new groups.

However, if these natural leaders had reinforced their natural skills by learning a more disciplined and effective type of leadership, their accomplishments would have been even greater in scope, even more enduring, and beneficial to more people.



**Note:**

The actions of the natural leader are of short service and he must learn to multiply himself so that he can get results through and with other people to achieve all his objectives.

### Characteristics of a natural leader

- *Emphasizes technical work*

As a result of previous successes as technical specialist, the natural leader tends to carry on doing the same technical work when he is in the position as manager.

For example, we learnt to sell or to operate CNC milling machines before we became leaders or salespeople or milling machine operators. Technical work is defined as work performed by individuals to secure results through their own efforts rather than through the efforts of other people.

There is a reason why the natural leader acts like this. This technical work is the work he knows and he normally does it better than his subordinates.

They get immediate credit for the results, and like all of us, thrive on this recognition.

- *Centralizes decision-making*

Natural leaders make most of the decisions for their groups. This gives them a sense of power.

If members of this group make decisions for themselves, natural leaders will often unnecessarily question or reverse the decisions, and if there is too much independence under the subordinates, natural leaders bring them back to where they belong or drive them out from the group.

- *Takes intuitive action*

Natural leaders tend to act first and think later. When a problem arises, their inclination is to assess it on surface appearance and to act on the first solution that presents itself.

- *Communicates one-way*  
Natural leaders are concerned primarily with making others understand what they want and how they want it. Consequently communication within the group is typically one-way; from top down. It is characterized more by telling than by the creation of understanding.
- *Organizes in terms of personalities*  
When natural leaders assign work to others, their primary concern is whether a person has the ability and skill to do the work, not whether that person is the logical one to do it.

He is more concerned about the quality of work done by his subordinates, and not if the work fits the individual. On a short-term basis it usually succeeds.

Eventually it stirs up the relationships amongst his subordinates, because the strongest individuals accumulate diverse, unrelated responsibilities.



**Note:**

With every new strong individual entering the group a re-organization or redistribution of work takes place.

- *Controls by inspection*  
Effective leaders must ensure that work is properly performed and that the necessary results are achieved. The natural leaders want to see everything themselves. They control thus by means of personal inspection.

Again this kind of control can be effective for a short period, since everyone must meet the leader's high standard.

To control everything effectively by means of personal inspection, would be physically impossible over a long period, and furthermore, requiring others to conform to their way of doing things gives people little opportunity to use their own initiative and creativity.

### 1.6.2 The transition phase of crisis

As we have seen, when an organization is young and not very cohesive, its members react well to natural leadership. Strong natural leaders get the best results in this stage.

When the subordinates are trained, have enough experience, and know how to work together as a team, they are no longer satisfied to be managed like this. They are ready to make their own decisions, to come forth with creative solutions and to use their own ideas to get the work done.

The natural leader, however, is unwilling to let go of this type of leadership. He does not know how to manage in a scientific way. He still has to learn that he can do much more through and together with other people.

When the natural leader does not change his natural leadership style, the following problems or symptoms may follow:

- *Dissatisfaction among personnel*  
As no opportunity for own ideas, authority, responsibilities, suggestions, recognition and even promotion possibilities is created, the subordinates derive little gratification from their work, become frustrated and dissatisfied.



**Note:**

The result is that the quality of work declines, that the group becomes dull and constantly seek and find something new to stimulate their dis-satisfaction.

- *Work impoverishment takes place*  
If no responsibility, no initiative and no possibilities for achievement are entrusted to the group, the work becomes meaningless for the groups. It results in the work becoming impoverished and the group becoming frustrated.



**Note:**

No new ideas leading to productivity will emanate from such a group, in spite of the fact that new ideas on how work can be done more profitably, often actually originate in the working place itself.

- *Interest in work declines*  
As soon as work becomes meaningless and monotonous, and results in workers becoming frustrated, it is a fact that half-hearted, slovenly and even dangerous work, is produced as a result of a lack of interest.



**Note:**

The workers no longer identify with their work, their working place and their leader, and thus do not give their best. Low productivity is the order of the day, and preventable accidents occur.

- *Rising costs as opposed to lower productivity*  
Irrespective of salaries that can increase, workers' performance becomes weaker as dissatisfaction and frustration increase. Production therefore, does not keep in line with rising costs, out rather declines.

On account of the decline in production and effectiveness, the organisation is forced to appoint more people in order to offer resistance to the declining production.

**Note:**

More people are therefore needed to do the same amount of work, which results in costs rising and productivity dropping.

- *A high personnel-turnover occurs*  
Since the workers are dissatisfied, frustrated and not motivated in their work, it leads to resignations. This, on its own, creates an increase in costs as new workers have to be recruited, employed and trained.
- *Decision-making time lengthens*  
Because the natural leader wants to make most of the decisions himself, and can no longer keep in contact, physically, with especially the working level, committees are formed to supply him with the necessary information.

This takes up a lot of time and consequently it takes even more time to decisions.

**Note:**

The natural leader who manages traditionally will have to change his style of management, if he wants to survive.

### 1.6.3 The management leader who manages scientifically

The ability to manage scientifically is obtained through purposefully learning scientific management principles and techniques.

As with the natural leader, certain distinctive characteristics are linked to the management leader.



Figure 1.6 The management leader provides direction that satisfies employee needs

- *Specialises in management work*

The management leader realises that it is his work to obtain results through and with others. He therefore specialises in the management work of planning, organising, leading and control.



**Note:**

The skills and knowledge to manage as the management leader are acquired through purposeful actions. These are not skills and knowledge that occur instinctively.

The degree in which the manager succeeds to specialise in the functions of planning, organising, leading and control, is in direct comparison to the degree in which the manager obtains purposeful results through and with his subordinates.

- *Decentralises authority*

The management leader distinguishes between decisions that he must make himself, and aspects over which his subordinates can make decisions.

He creates a climate in which delegation is purposefully applied in order to get the work done. The necessary authority and responsibility to make decisions are delegated to the level where the work, which is affected by the decision, is done.

- *Acts logically*

Accepted management principles and techniques form the basis of the management leader's daily actions. Decisions taken by the management leader are aimed at the actual problem and not the apparent problem, because the management leader fully considers the results he wishes to achieve, and then takes rational purposeful decisions in order to attain the set goals.

By acting logically the management leader utilises all available resources. He is capable of handling future change effectively. The people who work with him can make a purposeful contribution towards the attainment of the set goals, because they know what the results are that he wants to attain.

- *Promotion of group interests*

The management leader knows that he obtains the best results if he assists his group in the attainment of their personal goals and objectives. For this reason he subordinates his own needs to those of his team-members.

He does, however, ensure that their objectives are in line with his own, and those of the organisation. By purposefully promoting the interests of his people and ensuring that they derive maximum satisfaction from their work,

he attains his own goals and those of his division with the assistance of his team.

- *Maintains effective communication*  
The management leader knows how to make himself understood. He also ensures that he is well-informed about the ideas, needs and feelings of others. He has the ability to listen.
- *Controls by means of exception*  
The management leader sets distinct standards so that his team knows what is expected of them and can judge for themselves whether they obtain the desired results, or not. He then only needs to give personal attention to those areas where activities are not progressing according to plan.
- *Organises rationally*  
The management leader classifies the work that must be done, logically. He does not build positions around individual personalities.



**Note:**

The management leader sees to it that there are challenges for every person, that there is gratifying work to do and that all efforts are aimed at the attainment of set goals.

### 1.7 Is managing a science or an art?

This question is often raised. Actually, managing, like all other arts (whether medicine, music composition, engineering, rugby or accountancy), makes use of underlying organized knowledge - science - and applies it in the light of realities to gain a desired, practical result.

Art, then, is the "know-how" to accomplish a desired concrete result and is the most creative of all human pursuits. When the importance of effective and efficient group co-operation in any society is appreciated, it is not difficult to argue that managing is the most important of all arts.



**Note:**

Science and art are not mutually exclusive, but are complementary. Physicians without a knowledge of science become quacks; with science, they can be artful surgeons.

Executives who attempt to manage without theory, and without knowledge, must trust to luck, intuition, or what they did in the past; with organized knowledge, they have a far better opportunity to design a workable and sound solution to a managerial problem.

Science explains phenomena. It is based on a belief in the rationality of nature – on the idea that relationships can be found between two or more sets of events.

**Note:**

The essential feature of science is that knowledge has been discovered and systematized through the application of scientific method.

Scientific method involves determining facts through observation of events or things and verifying the accuracy of these facts through continued observation.

After classifying and analysing the facts, scientists look for and find some causal relationships which they believe to be true. Such generalizations, called "hypotheses", are then tested for their accuracy.

When hypotheses are found to be supported, to reflect or explain reality, and therefore to have value in predicting what will happen in similar circumstances, they are called "principles".

### 1.7.1 The management process

There are two reasons why so much emphasis is placed upon the management process:

- First, the process serves to differentiate the work of managers from the work of non-managers.
- Second, the management process provides an underpinning for the practise of management and its various approaches.

The functions of the management process (**Figure 1.7**), show the interdependence of all levels of managers within an organization.

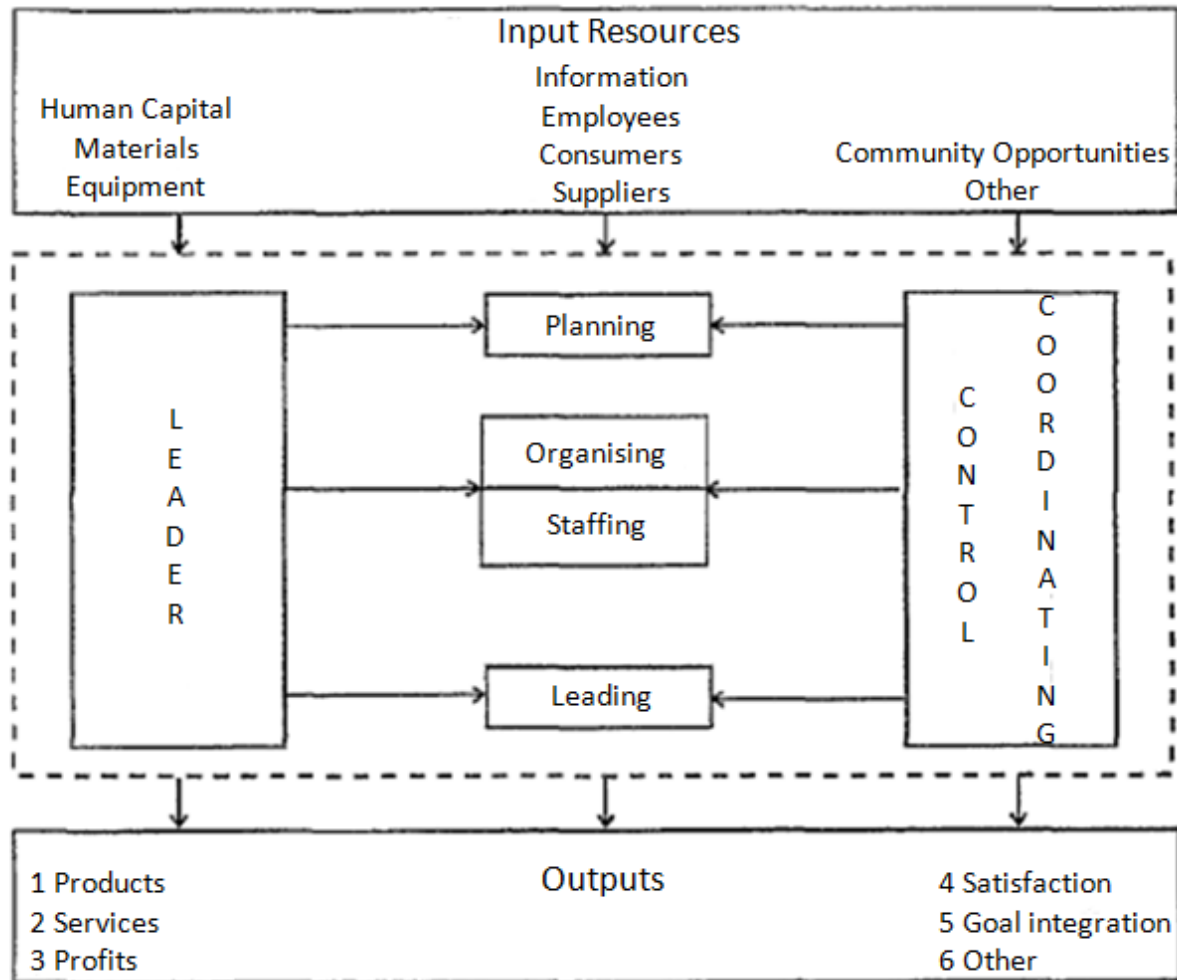


Figure 1.7 The management process towards the goals

These functions are carried out, to a greater or lesser degree, by supervisors, middle managers, and by top executives.

From a supervisor's standpoint, each function has a particular significance:

- *Planning*  
This is the function of looking ahead, assessing the future and planning for it. Setting goals and objectives and converting them into specific plans. The planning process also establishes policies, procedures, regulations and rules.
- *Organising*  
In performing this function, a supervisor lines up all available resources. It includes departmental tools, equipment, materials, and work force. It is at this stage that the organisational structure of a department is designed and its work divided into jobs.
- *Staffing*  
Although this function could be taken together with the organising function, it will be discussed separately. This function sees the supervisor putting flesh

on the organisational structure, determines how many employees a department will need, then interviews, selects and trains those people who appear to be most suitable to fill the open jobs, and also does performance appraisal.

- *Leading/Directing or Activating*

Supervisors energize the vital human resources of their department by providing motivation, communication, leadership and decision-making.

- *Controlling*

Supervisors periodically keep score on how well the plans are working out, by measuring results, comparing them with what was expected, judging how important the differences may be, and then taking corrective steps to bring results into line.

- *Co-ordinating*

The underlying theme here is harmony. Each supervisor's efforts must dovetail with those of others, and he must keep his department in line with the total overall objectives of the organization. Again, this function could be incorporated with controlling, but it will be discussed separately.

### 1.7.2 Why is it called a process?

It is called a process because it moves progressively from one stage to another in a fairly consistent sequence.



**Definition: Process**

A series of actions or steps taken in order to achieve a particular end.

In a production shop, for example, a supervisor first plans the daily schedule, then organizes the resources by assigning people to their work stations, then activates the process by giving orders and instructions, and finally controls, or checks up, on results.

In a typical office a similar management process takes place as supervisors plan the work-day, organize the work and the clerical force, activate by communicating and motivating and control by seeing that paperwork procedures are followed properly.



**Note:**

This process is carried on over and over again, day by day, month by month, and year by year. For this reason many people refer to it as the management cycle.

### 1.7.3 Purpose of the management process

It is to convert the resources available to a supervisor's department into a useful end result.

In other words, a supervisor is in charge of seeing that inputs are transformed into outputs.

**1.7.4 Modern views of management functions**

**Table 1.1** lists suggested aspects of a manager's job. Fayol's list is on the left. There can be no complete agreement as to what precisely the supervisor's job is, but it could be said that different jobs call for all of these activities, but with vastly different emphasis.

The drill instructor will command, direct, control and measure performance most of the time, but at other times will need to plan his work, report back to superiors and motivate his staff; the technical foreman would probably be more concerned with organizing, setting objectives, measuring performance and communication, but he will need to plan ahead, be creative and motivate at particular times.

However, there is a degree of overlap between the terms, but let us stay with the second column from the left in **Table 1.1**.

To:	To:	To:	To:	To:
Forecast and plan Organize Command Co-ordinate Control	Plan Organise (including staffing) Direct Control (including co-ordinating)	Plan Organise staff Direct Co-ordinate Report Budget	Set objective Organise Motivate Communicate Measure performance Develop subordinates	Create Plan Organise Motivate Communicate Control

Table 1.1 Five summaries of the manager's functions

**1.7.5 Management approaches**

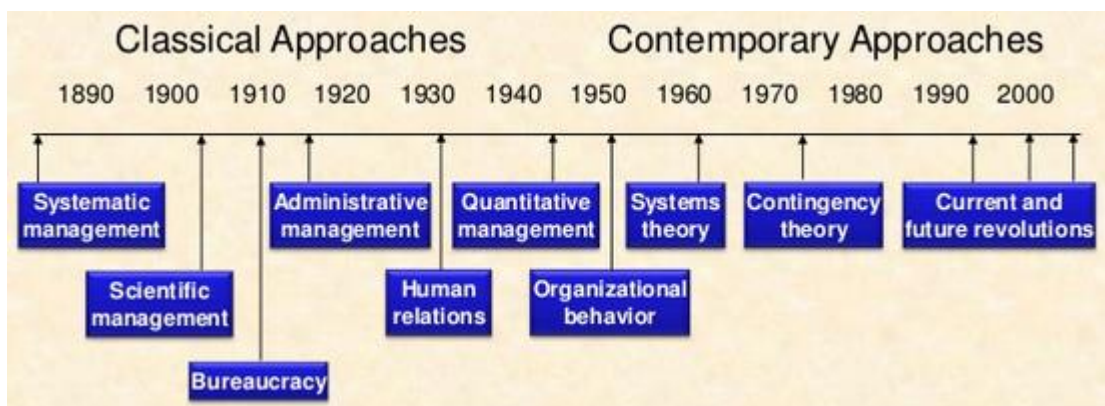


Figure 1.8 Evolution of management thought

These approaches to management practice are sometimes called "schools" or theories. Each has its special usefulness.

### **1.7.5.1 Systematic management approach**

This is known by other names, too, such as scientific, classic, traditional, process, functional, or rational. All names imply a systematic approach that relies on measurement and analysis of the various tasks and activities that take place at work.

A systematic approach is almost always a good way to attack any problem. It requires that you gather facts first, eg what happened, when did it happen, who was operating it, were reasonable production rates set for its operation and how was the output?

### **1.7.5.2 Frederic Taylor's Approach (1856 - 1915)**

Frederick Taylor may rightly be called the father of this school of thought. From his training as engineer, he tried to apply a new management approach in the various concerns where he worked.

There he got the idea that workers could be "programmed" like machines to carry out their tasks as effectively as possible. This ideal was the ruthless, restless search for 'the best'.

In his work he encountered numerous problems which brought him to realize that a new philosophy and approach should be developed in industry. The following were shortcomings:

- Both managers and workers were unsure about their mutual responsibilities.
- No effective standards were being applied .
- Managers' decisions were based on intuition, attunement and previous experience.
- Workers were placed in positions for which they had no aptitude.
- Outstanding achievement should be coupled with good rewards.

Taylor tried to eliminate the friction between workers and supervisors by exerting pressure to achieve greater productivity. He tried to determine in a scientific manner the optimum amount of work that a person could reasonably do in a day.

In this way he tried to create efficiency. He indicated that efficiency lies in systematic and orderly management. In his work he showed that scientific management is based on clearly-defined principles and rules.

He formulated four basic principles that are vital to overcome these obstacles:

- Everyone's work should be clearly described and defined.
- The choice, training and placement of workers should be scientifically based.

- There should be co-operation between managers and workers to ensure that the work will be done.
- Managers and workers each have their own responsibilities. Distinction must be made between workers' responsibilities. Workers should no longer accept full responsibility for a task and its planning (Van der Westhuizen, 1991:660).

These principles - or so Taylor believed - would contribute to increased production and the success of any concern was embodied in them.

To give effect to his management philosophy, Taylor applied management techniques to investigate and improve the existing situation in the following manner:

**Time study:**

Productivity should be measured in terms of duration and standard time should be laid down for each task.

**Performance:**

Payment should be related to work delivered, and work should be related to the ability of the worker.

**Planning:**

The manager should shoulder the responsibility of planning a task which is physically possible for the worker.

**Scientific methods of work:**

Managers should determine scientifically the best method of work for a given task and workers should be trained accordingly.

**Management control:**

Managers should be trained in the scientific principles of management and control, and should then apply these principles.

**Functional management:**

The organization should be designed in such a way as to co-ordinate the various activities of the industry effectively. Taylor believed that higher productivity would be maintained if productivity and remuneration were combined.



**Note:**

The bigger income earned from higher productivity would enable employers to pay workers more and this would, in turn, remove the conflict between workers and employers.

Scientific management contributed greatly to the professionalization of management while quantification of work and incentive schemes became accepted practices.

In modern jargon, you could say, that Taylor preached the doctrine of 'cost effectiveness'. Cost effectiveness implied control and control is really the central pivot of Taylor's message.

### 1.7.5.3 Henry Fayol's Approach (1841 - 1925)

While Taylor concentrates primarily on the operator or worker level, from the bottom upwards, Fayol concentrates on the managing director downwards.

He was an engineer and later a mine manager. Both Taylor and Fayol realized that the problem of personnel and its management at all levels was the key to industrial success. Both tried to apply 'scientific method' to this problem.

Fayol was convinced that management was a common activity in all concerns and distinguished the following six activities in industrial concerns (Fayol, 1949:3)

- technical activities (production, manufacture and processing);
- commercial activities (buying, selling and exchanging);
- financial activities (optimum usage of capital);
- security services (safety of property and staff);
- bookkeeping (stocktaking, balance sheets, costs and statistics);
- management activities (planning, organizing, commanding, coordinating and controlling).

Furthermore Fayol gives attention to fourteen principles which are acknowledged as universally applicable guidelines for carrying out the management process.



Figure 1.9 The organizing process respects the principles of management

These principles may be summarized as follows:

- *Division of work*  
Work should be divided so that each person will perform a specialized portion. Economists call this 'specialization'. In making a sailboat, for example, one will lay up the hull, another caulk, and another make sails. Its purpose is to deliver more and better work with the same inputs.
- *Authority and responsibility*  
Managers must have the right authority to give commands/orders and instructions but also to demand obedience. They must also accept

responsibility for whether or not the work is done right. A supervisor needs the right to ask a work crew to load a freight car, for example, but if it is loaded improperly, the supervisor must accept the blame.

- *Discipline*  
This is obedience, application and behaviour which demand respect. Discipline will improve if communication channels are clearly evident, and is best obtained by agreement. Said another way, if you want loyalty and cooperation from employees, you must be loyal and co-operative in return.
- *Unity of command*  
Employees should receive orders from only one immediate boss, otherwise confusion and conflict will arise.
- *Unity of direction*  
Every organization should have only one master plan, one set of umbrella goals. Such unity of direction is lost if the purchasing department, for example, slows down the production department's output by buying materials from a less costly but undependable supplier when the company's overall commitment is to ship orders on time.

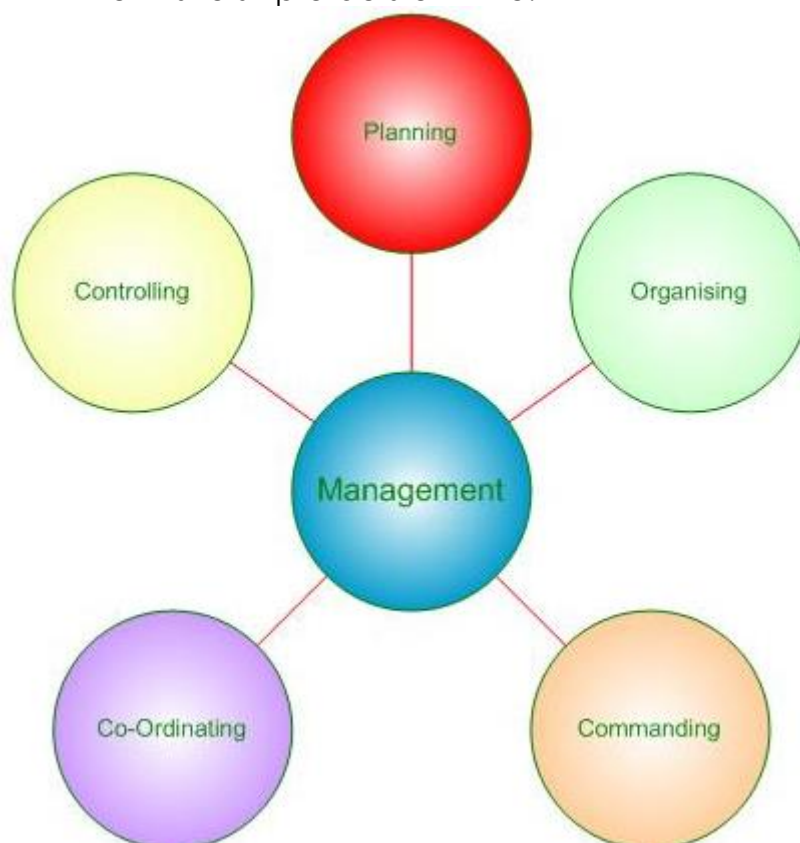


Figure 1.10 Principles of management: Henry Fayol

- *Subordination of individual interests to those of the organisation*  
Managers must place their interests second to those of the total organisation. If persons in authority want their own way, all others in the organization would

suffer as a result. This may be achieved by setting examples, by fairness and supervision.

- *Rewarding staff*  
Staff should be rewarded according to services rendered and this process should, as far as possible, take place in such a way as to satisfy both the employer and the employee. Rewards should take into account the cost of living but should also serve to motivate and boost morale.
- *Centralisation*  
There should be one central point in the organization that exercises control over all the parts. However, Fayol did state that in very large organizations some decentralization was permissible. The real aim was to find the best balance between the two.
- *Chain of command*  
That is the chain of superiors ranging from the highest (managing director) to the lowest. Unity of command must be preserved, said Fayol, and this entails all communications from top moving downwards link by link and the other way round.
- *Order*  
Fayol's watchword was a place for everything or person, and everything or every person in a place. He hoped in this way to create social order as well as the orderliness of the resources.



**Note:**

Orderliness assists effectiveness, and each person or appliance should have a specific place and everyone should be aware of this.

- *Equity*  
Fayol said loyalty and commitment may be obtained from personnel if a manager is friendly, fair and just in his behaviour.

It invites dissatisfaction and conflict among employees, for example, when a supervisor gives one employee a break while picking on another.

- *Constancy of personnel*  
A new worker needs time to become accustomed to the work. If there is too much movement of personnel, unproductivity results and the continuity needed for productivity may be disrupted. If this occurs repeatedly, it may result in no task being carried out satisfactorily.
- *Initiative*  
To think of a plan and ensure its success gives any intelligent worker great satisfaction. To encourage workers to show initiative, the necessary freedom

and space should be created. This, in turn, ensures renewal in the organization.

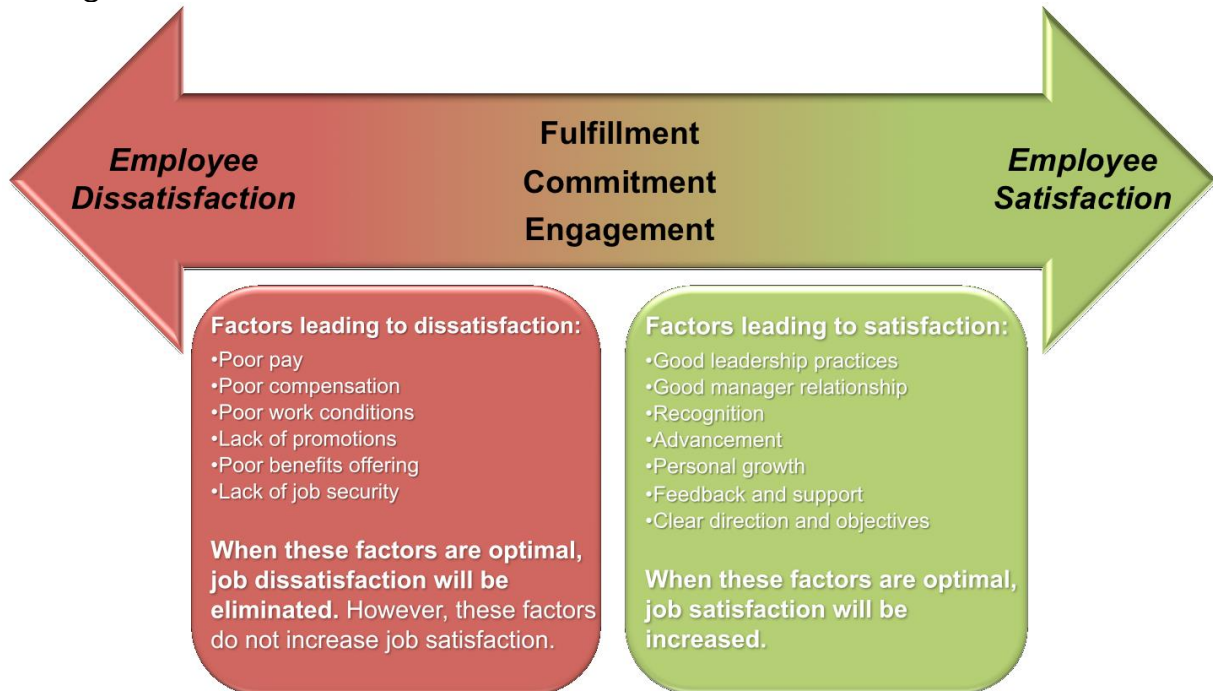


Figure 1.11 Attitudes and expectations also influence job satisfaction

- *Esprit de corps*

Fayol states that "union is strength". Harmony and unity should be created in the group, and group spirit by personal contact and communication.

Here Fayol touched on what would now be called "motivation", that is getting people to work willingly; as well as on the problems of leadership.

Although he wrote only a few paragraphs on this topic, it is extremely clear Fayol had a surprisingly modern outlook!

#### 1.7.5.4 Human relations approach

This is also known as the behavioural school, because it is based on the thought that a manager who understands human behaviour well enough is able to get employees to willingly co-operate and produce towards company goals.

In the human relations approach, the emphasis moves to the effective functioning of the worker in an organization. The idea originated that the greatest shortcoming of the previous theories was that man and his social needs were not recognized, and this caused most of the problems.

The human relations approach became firmly rooted during the beginning of this century through Mary Follett, and experiments of Elton Mayo and FJ Roethlisberger at the Hawthorne Works of the Western Electric Company in the USA.

- *Mary Follett*

In her theory she maintained that a worker is motivated in his work by the same factors which motivate him and provide pleasure outside his working context.

She stated that the fundamental problem of any organization is the building and maintaining of health, dynamic and harmonious human relations.



**Note:**

Follett was of the opinion that co-ordination is the basic strategy of effective organization.

- *E Mayo and FJ Roethlisberger*

Their investigation brought new concepts in management to the fore, like morale, group dynamics, democratic supervision, personal relationships and motivation.

The basic conclusions as a result of the Hawthorne experiments are as follows:

- Social motivation is often better than monetary motivation.
- Workers react better as a group towards management.
- Productivity is determined more by social than by physiological factors.
- Specialisation is not necessarily the most effective way of organising a group.
- Informal organisation is usually used to protect workers from controversial decisions by management.
- Effective control does not depend on the size of the group.
- Informal leaders often have as much influence on the workers as has management.
- The individual should be given recognition and is not merely production mechanism.

The human relations approach stresses in particular one part of management theory, namely control and organization. For the first time human beings were really given recognition in organizations and efforts were made to make them happy.

The value of this investigation was that it gave rise to an open organization model. This also means that management cannot design an organization as it pleases, but that human nature, the nature of informal groups and of social behaviour and organization should be taken into account.

However, there are shortcomings in this approach:

- it may lead to familiarity;
- slow decision-making; and
- the formation of pressure groups in the organization.

### 1.7.5.5 Quantitative approach

It is also known as the management sciences, or systems theory of management (management scientists). This approach emphasizes the use of numbers and relies on the sciences of mathematics and statistics as well as theories about how information and other resources interact in an organization.

Through this mathematical model, problems can be expressed in terms of basic relationships, and where a given goal is sought, the model can often be expressed in terms of suggesting a decision as to the best thing to do.

No one interested in any scientific field can overlook the great usefulness of mathematical analysis. Mathematical analysis makes us define the problems first and allows us to use symbols for unknown quantities.

**Note:**

Mathematics provides a powerful and logical tool for simplifying and solving complex problems.

Some authorities add yet another concept: the SYSTEMS APPROACH. This is an outgrowth of the quantitative approach, and it makes much of the fact that all the elements and resources of an organization are parts of an interlocking system.

It forces the students and practitioners in the field to be constantly aware that no single element or problem should be treated without regard for its interacting consequences with other elements.

Some people take the systems approach one step further. They insist that each organizational situation be studied carefully and approached as a uniquely different problem.

Sometimes, they say, the scientific or systematic approach will be best. Other times, the human relations approach will provide the best results. Yet other times the quantitative approach should be chosen.

As a consequence, this view has been labelled the *situational* or *contingency* approach in that what a manager should do, depends upon the particular situation at hand.



Figure 1.12 Supervisory action is dependent upon situation awareness

### 1.7.5.6 Contingency management or the situational management approach

This theory originated from the research undertaken by people such as Victor Vroom and Fred Fiedler. According to this theory, it is not an organization that is being managed but a situation.

Each situation requires a different management approach, therefore no general way of managing is applicable to all situations. Situational management requires that the manager has the ability to analyze different situations and to formulate and apply a management strategy which will work best for the situation.

This theory not only presupposes that each situation differs but also that each manager differs. Accordingly, the manager's human relations and task orientation are also taken into consideration.

According to Sergiovanni and Starratt (1979:120), this theory accepts the style of the manager as a given factor and attempts to provide the manager with a task which suits his management style.

Research and thorough analyses of data on a selected group of managers showed the following:

- There is no universal ("best") leadership style which may be followed in all circumstances.
- There is also no universal ("best") way of motivating in all circumstances.
- Different organizational structures work well in various organizations, and therefore there is also no universal (ideal) organizational structure.
- It was also found that the environment, technology and various other external and internal factors (such as the size of the organization and individual differences) reciprocally determine the efficiency of leadership in an organization (Robbins, 1980:47).

### 1.7.5.7 The Louis Allen management system (1957)

The Allen management system has been developed in conformance with the concept of maximizing the individual effort by complementing it with the knowledge and skills of others.

A management system provides a practical, logical, framework, within which capable individuals can best pool their efforts to form hard-hitting, productive teams.



#### Think about it!

When confronted with a new problem, we often spend time thinking through and developing for ourselves an approach that has already been used and tested in other enterprises. This is where management principles could save time.

Louis Allen defines a management principle as a fundamental truth that identifies universal cause-and-effect relationships which apply in the practice of management.

By knowing these principles, and profiting by the experience of other managers/supervisors, we can by-pass the time-consuming trial-and-error approach to management problems.

Here are the principles that relate directly to the period of evolutionary change:

- *The principle of human reaction*

When dealing with other people it is very much like looking into a magnifying mirror- whatever you do to others, they tend to do to you, only on a larger scale.



#### Note:

The principle is as follows: Every action directed at another person tends to evoke a similar and increasing reaction in the terms by which it is understood.

If people are pushed, verbally or otherwise, they will push back with words or actions. If the supervisor has authority or if they fear him, they will resist or try to undermine him.

On the other hand, if people feel that the supervisor likes them and wants to deal with them fairly, they will tend to meet the supervisor more than half-way.

- *The principle of group evolution*

As you have seen in the transition phase where the leadership was in a crisis, it will either destroy the group or precipitate group evolution. This can be stated as a universal cause-and-effect principle.

**Note:**

The principle is as follows: Dynamic disequilibrium leading to change tends to exist within an organized group until personal satisfaction is enjoyed by the largest possible number of people within the group.

This principle emphasizes that people are primarily concerned with satisfying their own needs, not those of their leaders. An effective team is one in which each member gains as much satisfaction and challenge from being a member of the team.

- *The principle of leadership force*

The same style of leadership is not effective in all situations and for all people. For example, we use an autocratic style in an emergency, and also when opening a new shop with inexperienced people.

**Note:**

This principle is as follows: The greater the divergence of the individual objectives of the members of a group, the greater the leadership effort required to cause the group to act as a cohesive unit.

When people have divergent objectives but must work together, their differences can be reconciled through persuasion, mutual agreement or by redefining the objectives. If agreement is not possible in the time available, however, leadership force proportional to the divergence in agreement must be applied to secure cohesive action.

- *The principle of cohesive selection*

In making organizational changes, including any move toward greater democracy and personal freedom, we again have the choice of proceeding by trial-and-error or of learning from the experience - and errors - of others.

The first approach is the long and wasteful process of natural evolution; the second is an option available to humans, of which we summarize the principle as follows: Individuals and organizations tend to dominate by emulating and improving upon their own best work and that of competitors and others.

The most successful managers are those who know why their competitors and predecessors have failed or succeeded and who, based upon this knowledge, have selected courses of action which rise above those previously undertaken.

**Note:**

This requires the discipline to seek out the facts in any given situation and the judgment to make the best choices to effect a positive result.

### 1.7.6 Peter Drucker's approach

The major themes of management always were:

- the systematic study of work;
- the systematic study of organization;
- the systematic study of effort and results;
- managerial and entrepreneurial economics;
- the social position and responsibility of management;
- the human relations of an industrial society and the place of the individual in it.



Figure 1.13 Supervisors apply proven principles to the management process

Peter Drucker believes that there is no doubt to consider these different approaches as simply different pieces in the same tool box, every one of which is needed to do the job.

Every student who aspires to become a manager, had better learn to use all these approaches to management as his tools. But there are new tasks and Peter Drucker distinguishes his approach by the following major categories:

#### 1.7.6.1 The problem of top management

Too often top management has been taken for granted, and needs to be explored.

The enterprise itself is seen practically as an extension of top management. It is not that simple. The organisation is a good deal more than the extension of top management.

**Note:**

The basic problem is how to make a decision effective through the organisation.

The approaches of Taylor, Fayol and Schmalenbach, quite correctly point out that even the healthiest organisation can die as a result of malfunction of the smallest, least-observed operation.

What they completely overlook is that even the healthiest organisation in which everything functions properly cannot live, perform alone, unless it has a different, separate, and effective governing organ. In other words, they do not see top management either.

The function, organisation and work of the people at the head of an enterprise is the unexplored continent of management, and it is the most crucial question that faces us in practice as well as in theory.

**Note:**

One question in the top management area is of particular importance: The selection of the successors to today's top management people.

It is precisely because of the great success of management that this has become a critical question, for this success has made management of the large company a social and economic resource and power far beyond the individual company.

A great deal more than the dividends of the stockholders, the price of the stock, or even the jobs of the company's employees hinges today on the questions:

Who should succeed today's top management people? By what criterion should they be selected and by whom? In what manner and through what process? Who will hold them accountable and remove them if they are found wanting?

It is doubtful that anyone, whether in management practice or in management theory, can give satisfying answers to these questions.

### 1.7.6.2 Internal problems

The next group of tasks deals with basic internal problems of enterprise and management.

First - Become aware of the problem of manageability. There are limits beyond which an enterprise becomes too big to be managed, and particularly too complex to be managed.

**Note:**

Modern government and labour unions have become major centres of power, but business is distinct in that there are both large and small units existing, working and competing side by side.

The problem is that there must be some understanding of what kind of activity is best performed within a large business, and what had better be left to the small one. This, too, is a problem of manageability.

Second - A major area is that of decision-making. In a good deal of modern decision theory, especially as applied to managerial decision, we talk of "decisions" when there is actually only one right answer. This applies to all problems where the job is to restore or maintain the operation at a preset level.

These are the routine decisions - these we understand. Then there is a whole group of decisions which can be called managerial in that they deal with the allocation of existing resources. especially people. Here there is no right answer. Here, in other words, there is already risk.

Thirdly - Which is known little of, is the entrepreneurial decisions. Here there is obviously no one right answer. There is not even a range of optima.

There is only the ability to take the right risk - the ability, in other words, to innovate and change the trend rather than follow it or anticipate it. This, too, requires strict and rigorous mental discipline.

But it is a very different kind of decision, requiring very different kinds of "facts", and having very different impact from either routine or managerial decisions.

**Note:**

The only true critical decision, the aim is not to eliminate risk, indeed not even to minimize it, but to make the enterprise capable of taking bigger risks - but the right ones.

Finally - The task of "management science" dealing with people, and things. To succeed one must integrate it into one process of analysis or into one thought concept:

- the understanding of objective impersonal relations (the physical phenomena and
- the understanding of and concern for people, their development, their needs and desires, their dignity and personality, without which we will have no discipline or management.

### 1.7.6.3 Social and political problems

Work was increasingly being done by people with high education, contributing knowledge and working with their minds.

We will tend to think of two classes in industrial society: ie "manager" and "workers". This idea is not only dangerous, it is rapidly becoming completely fallacious.

The majorities of a modern industrial society are essentially the professional people who work, as non-managers, but also as non-labourers, who are middleclass though employed, and who see themselves as "part of management" without being "managers", and as "workers" without, in the slightest degree, considering themselves "proletarians", let alone exploited.

This is the social reality of the twentieth century - and its social problem. Economically these people are not a problem.

In that sense we can say that we have overcome the nineteenth-century "social question". We know, at least, that it cannot be solved through any of the nineteenth-century prescriptions.

But it can be solved through the unique twentieth-century prescription of economic development based upon high investment in knowledge and in the people who bring knowledge to work.

The position of these people, however, we do not yet fully understand. Nor do we know how to manage them, that is, how to make their knowledge, their efforts, their contribution effective in the performance of the whole.

This is a problem which few, if any, of the founding fathers of management could have foreseen, it is a problem that only arose because they were so successful. But as problems of success usually are, this is a more difficult, at least a much more subtle, problem than any they tackled.

There is one more, and an equally important consequence of this tremendous shift in the social structure of industrial society. "Productivity" is beginning to have a different meaning and to require completely different approaches and concepts.

We have had, especially in the past fifteen years, a great many "productivity centres" all over the world. What we will need from now on are, increasingly, "effective centres": that is, organized efforts to make fully effective and productive the new workers, the knowledge worker, the employed middle-class professional.

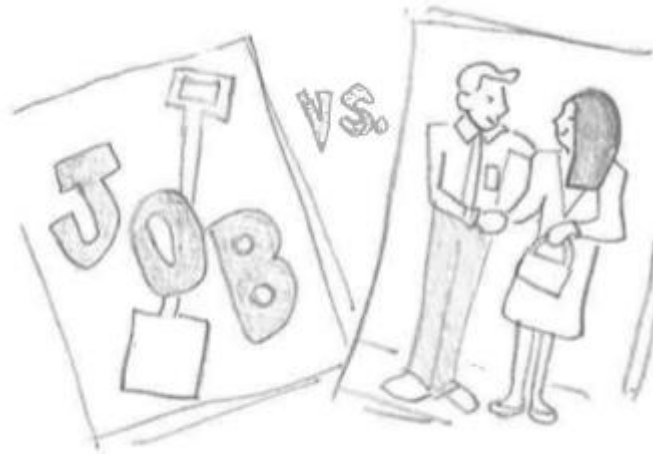


Figure 1.14 Leadership styles range from task to people-centered

This, too, is a task for analysis and for careful study of the work. But it is different work. And both the approach and the tools will have to vary. For the manual workers' productivity consisted in increasing output per hour or per dollar spent by organising their task and their motion.

For the "knowledge workers" the question is less how much they produce than whether they direct their attentions to the right "product". It is effectiveness rather than efficiency that characterizes their economic contribution.



**Note:**

Efficiency itself in the knowledge worker is much less a matter of the individual doing more, as it is a matter of the group doing better.

These are new things. So far none of us, whether we be Americans or Russians or Europeans or Japanese, know how to do this.

We are, in respect to the work that is typical, characteristic, and wealth-producing in an industrial society, in exactly the situation we were in in respect to manual work before Taylor.

We need a new Taylor - though a very different one, not an engineer looking upon the human being with the analogy of the well-designed mechanical implement in mind, but the "systems thinker" looking upon human beings in a group as living, organic, moving parts of a whole where the whole has to be effective - and where effectiveness above all consists in doing the things that are really important instead of frittering away time and energy in doing things, no matter how well and how "efficiently", that are not primarily contributing to performance and to results.

#### 1.7.6.4 The problem of management's authority

And then there is the great political question of the legitimacy of management.

On what ground does management base its authority? That management is not and need not be based on exploitation and force - that, in other words, the Marxist interpretation of history is not "scientific", let alone "inevitable" even the Marxists today probably know.

**Note:**

It is not enough for a leading group not to be exploiter and usurper. It needs a ground for its power. It needs a code of responsibility and a focus of accountability.

It is not too relevant whether ownership and control have really spilt asunder, or whether there is still, substantially, control by ownership in modern industry.

The fact of the matter is that management, as a function, has peeled off from the legal title to property ownership.

Managing has to be performed, and performed professionally, objectively, and in the interest of the enterprise rather than in that of the owners, no matter whether the business is "owned" by one man, by the government, or by the anonymous multitudes of millions who have a diluted stake in the enterprise through insurance policies or future pension plans.

It is also quite irrelevant how much power management really has. For there is no doubt that management has to have a considerable amount – of authority to discharge its function, even on the strictest interpretation of managerial authority and responsibility.

**Note:**

Such power always must be anchored in a social value, in an ethical concept and in a rational accountability, to be socially and politically legitimate power.

We need management, this we no longer dispute. We also know that - management is only one group having power in a modern society - in sharp contrast to the belief, common in managerial circles thirty years ago, that management should or could be the "power elite".

**Note:**

We do not know how management's authority can be rooted, how it can be limited, and where those limits should be drawn.

Here is a central task awaiting the student of management - a task, essentially of political theory, but one that cannot be tackled without a great deal of knowledge and understanding of management, its concerns, its functioning, its economics, organization, and philosophy.

### 1.7.6.5 The exploding management universe

There is an entirely different, and perhaps even more compelling reason why we are at the end of the seventy-year period during which separate approaches to the study of management could, profitably, be pursued.

Management has become world-wide. It is needed the most in those countries that do not have a managerial tradition, in the "underdeveloped" countries, primarily of non-western tradition and non-European population.

In the West management was a function and an organ which developed fairly late in the process of economic development. Certainly the consciousness of such a function developed very late - and so did the leadership group of "managers".



**Note:**

In underdeveloped countries, however, management is the central resource of development, and managers the central engine of development.

### 1.7.6.6 What is management?

But essentially, up until recently management was seen as a phenomenon of the "developed" countries. And, by and large, despite the exception of Japan, this was seen as being confined to the "western" world, that is, essentially to countries peopled by nations of European stock.

Today, as no one needs to be reminded, this is simply no longer so. This is the greatest event, perhaps, in the short history of management. It is also the event that makes the greatest demand on our knowledge of management and on the dedication of managers.

Above all, it demands a unified approach to management as a discipline and to managing as a kind of work.



**Did you know?**

Today, all over the world, we face a demand for people capable of doing the work of a manager - in tremendous numbers and possessing ability, knowledge, and integrity of a higher order.

"Management" is the catalyst which makes possible rapid economic and social development in freedom and with human dignity. The alternative is no longer the primitive society without development - and perhaps with an occasional brief glimpse of human freedom and dignity.

The alternative is rapid economic development through terror, through tyranny, through debasing the person to a nonentity in the inhuman machine of total society.

The world-wide cry for economic development is in large measure the result of the management achievement. But this achievement also transformed management and, above all, the tasks it has to fulfill.

What is needed now cannot be satisfied by technical excellence alone, but also not alone by moral responsibility or human relations.

From now on "management science" and "scientific management", "managerial economics", and "human relations" will have to be made one in the theory as well as in the practice of management.



### Activity 1.1

1. Explain the supervisor's varying role in an organisation structure.
2. Explain the following management principles
  - 2.1 chain of command
  - 2.2 division of work
  - 2.3 unity of direction
  - 2.4 principle of "human reaction"
3. Explain the systematic management approach
4. Is there one universal (best) leadership style which may be followed in all circumstances? And motivate.
5. What importance did Peter Drucker put on "top management".



### Self-Check

I am able to:	Yes	No
• Discuss the purpose and general nature of supervision		
• Discuss management as a science		
• List the six functions of the management process and discuss how they involve a supervisor		
• Explain why management is a process		
• Explain the purpose of the management process		
• Name the five approaches to management practice and discuss the particular suitability of each		
• Discuss the management principles of:		
○ FW Taylor		
○ H Fayol		
○ P Drucker		
○ Louis Allen		
If you have answered 'no' to any of the outcomes listed above, then speak to your facilitator for guidance and further development.		



# Module 2

## The Organisational Structure

### Learning Outcomes

On the completion of this module the student must be able to:

- Differentiate between the different types of organisation structures
  - functional
  - product or divisional
  - centralized/decentralized
- Explain the meaning of the following in terms of organisation structure
  - Structuring according to objectives
  - Specialisation
  - Span of control
  - Lines of authority
  - Flexibility
  - Structure determined by strategy
  - Management emphasis

### 2.1 Introduction



A good design greatly enhances organizational effectiveness; a poor design can, and often does, actively prevent the organization from being successful. This brings to mind a dilemma that people often face when they sort out to redesign an organization.

This is, to what extent should you focus on building an "ideal" organization rather than creating a design that fits the employees and facilities already in place?

We suggest you do the following:

- think through what an "ideal" organization design would be,
- see how this fits with your existing resources
- do some tweaking to both the design and the people to get a satisfactory resolution

## 2.2 Putting organization design in context

It is worth noting that organization design is one of four steps in organizing or reorganizing a business enterprise.

The four steps are:

1. Assessing the Business Situation
  - Opportunities and Threats
  - Resources
2. Developing a Business Strategy
  - Mission, Goals
  - Key Success Factors
  - Customer Needs
  - Products, Service
3. Organization Design
  - Business Processes
  - Dividing up the Work
  - Management Structure
  - Coordination, Control, Measurement
4. Implementing the New Design
  - Ongoing Monitoring of Design Effectiveness

## 2.3 Mission and goals

Your mission and goals spell out what your organization is being designed to do. They are important because, as the saying goes, "If you don't know where you're going, any road will get you there."

### 2.3.1 Mission

An organization's mission is the reason it exists. Every organization thus has a mission, even though it frequently is not spelled out in writing.



#### Did you know?

A written mission statement is useful in communicating to the world your reason for existing, and also as a periodic reminder to employees of what you're all about.

A good mission statement:

- Describes your business purpose
- Reflects key customer needs and wants you are satisfying
- Creates the context for goal setting and planning

Some examples of mission statements are given here.

**Public Utility Company:** "To provide safe, reliable and economical energy services to customers at just and reasonable rates."

**Pharmaceutical Company:** "(Company) is an international biotechnology company that discovers, develops, manufactures and markets pharmaceuticals for significant medical needs."

**Rubbish Hauling company:** "We haul anything that goes to the dump."

### 2.3.2 Goals

Goals are results you intend to achieve. Your mission states what business you're in. Your goals state the concrete results you aim to get within a specified time period.

Goals commonly relate to:

- Financial results, such as profit margins, total sales, lower costs of production
- Customer concerns, such as quantity and quality of products and services, turnaround time for orders, cost of products

To be useful, goals are:

- Measurable - it is clear whether or not they have been achieved
- Realistic - they can be reached in the time period stated and with the resources you have
- Challenging - they require you and your coworkers to put forward your best efforts.



#### Think about it!

As you develop your goals, it's a good idea at the same time to define how you're going to measure success on each one.

Sometimes, this is obvious.

For example:

**Goal:** Sell 200 more widgets this year than last.

**How to measure:** Subtract number of widgets sold last year from number sold this year.

Sometimes, it's not quite easy.

**Goal:** Increase customer satisfaction this year.

**How to measure:** Develop a customer satisfaction survey; administer it at the beginning of the year and again at the end.

Compare the results.

## 2.4 Dividing up the work

Once you have a good understanding of your mission and goals, the key success factors for your business and the core business processes through which you deliver products and services to customers, it is time to decide what kind of organization structure is best for you.

This module describes five types of organization structure:

1. Functional
2. Product- or Service-Based
3. Customer- or Geographical-Area Based

4. Business Process Teams
5. Matrix

**Think about it!**

Organization structure refers to the way work is divided up. To put it simply, structure is what the boxes and lines on the typical organization chart represent.

The boxes show how work and responsibilities are clustered into units such as divisions, departments, sections and teams. The lines show the management structure- that is, who reports to whom or how the boxes relate to each other in the hierarchy.

## 2.5 The importance of structure

The larger the number of tasks to be done and the more people who are involved the more important it is to split up work and workers into groups or units like divisions, departments and teams.

There are different ways to do this, and the structure you end up with makes a big difference in terms of:

- What employees pay attention to
- The ease of coordinating activities
- The speed of producing goods
- The cost of running the business
- The nature and extent of supervision required
- Whom employees interact and build relationships with

**Note:**

In short, the structure of your organization can make all the difference to your ability to serve customers and stay in business.

## 2.6 Different kinds of structure

As we just mentioned, there are five basic ways to structure an organization that is, around function performed, product or service, customers or geographical area served, business process and matrix.

Many variations and combinations can be found. Large organizations are almost always hybrids, with one type of structure at the top level of the company and others at lower levels.

**Note:**

Each type of structure has relative strengths and drawbacks. Each one might be a good alternative in some situations and a poor alternative in others.

Take the case of a hypothetical printing company, "ABC Printing," to illustrate the first four of the five structures.

ABC Printing produces letterheads, envelopes, brochures and business cards. It has a sales force, a staff of graphic designers and a print shop. It sells to large corporations, small business and individuals within the state and outside it and has a small international business.

### 2.6.1 Functional structure

In a functional structure, units like divisions and departments are formed according to the major technical or professional function performed by the unit.

If ABC Printing had a functional structure, its departments would be Sales, Graphic Design and Print Shop. Each department would handle all products for both individual and corporate accounts, domestic and overseas.

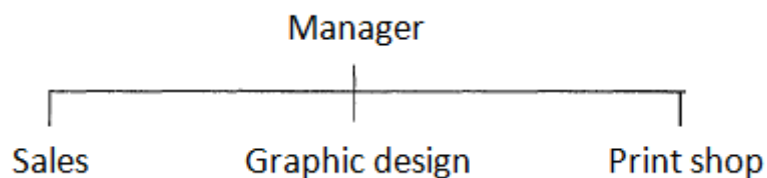


Figure 2.1

#### 2.6.1.1 Strengths

- It is easier to manage work within the group. This is because supervisors and subordinates share the same job-related knowledge.
- Labor costs are often lower than in any of the other alternatives we describe because people working in the same kind of task are in one "pool" – and workload can be more easily balanced as demand rises and falls for different products and different skills.

#### 2.6.1.2 Drawbacks

- Often you need more than one department to complete a job. In these cases, coordination and communication between departments may be slower and less accurate than desirable.
- Misunderstandings may arise between departments that are responding to different pressures.
- Because the involvement of all departments is needed to fill every customer order, each individual department manager has a limited decision-making authority.
- It may be difficult to develop new ways of doing business, especially if the new business requires unfamiliar cooperation across functional boundaries.
- Different departments will tend to have different priorities. Attempts to resolve conflicts between departments may be costly to the company in terms of time and money and may result in the customers' interests being overlooked.
- In this structure it is often difficult to pinpoint accountability for results because each department can simply "pass the buck" to another.

- Finally, because this kind of structure tends to develop managers who specialize in a particular area, it is not as effective at developing all-round general managers who might be able to run the whole operation.

### 2.6.2 Product-based or service-based structure

With this alternative, the organization forms departments or divisions around each of its products or services. Each department or division performs all the functions needed to produce its particular product or service.

So, for ABC Printing, there would be a Stationery Division (letterhead and envelopes), a Brochures Division and a Business Cards Division. Each division has its own sales staff and print shop for individual, corporate, domestic and overseas customers.

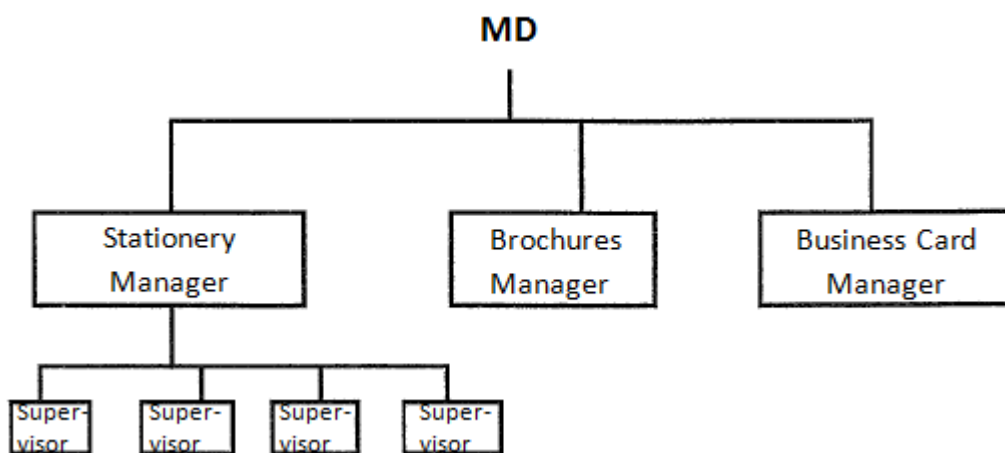


Figure 2.2

#### 2.6.2.1 Strengths

- Responsibility for each product can be pinpointed at the division level.
- Because everyone in a division focuses on just one product, that product is likely on the whole to be of higher quality, or more "state of the art," than products in a multiproduct division.
- A team spirit will develop around each product line, and competition among divisions or departments can boost business all around.
- A good candidate pool for top management can be developed, because each division manager will learn to manage several functions and will likely have more independence in making decisions.
- Because division managers will have some independence in making decisions, they can respond more quickly to customer requests.

#### 2.6.2.2 Drawbacks

- There may be less sharing of resources across divisions and more duplication of effort with resulting higher costs.
- Career opportunities may be restricted somewhat for professionals because their experience will be limited to just one product line.
- Customers who want multiple products and services will have to work with more than one division.

- Because each division is an advocate for its own particular product, the company may be slow to recognize that a product should be changed, dropped or added.

### 2.6.3 Management structure

Management structure consists of three main factors: the hierarchy or number of management levels, the span of control and how centralized or decentralized decision making in the organization is.



#### Definitions:

**Management hierarchy** refers to the number of levels of management and supervision. A flat structure is one with few levels; a tall structure has many levels.

**Span of control** refers to the number of people who report to one manager or supervisor. If there are very few people, we call this a narrow span of control; if there are many people, we call it a broad span of control.

An organization is centralized to the extent that major decisions, control over resources and authority to take action are in the hands of only a few top people.

It is decentralized to the extent people at lower levels are able to make decisions, control resources and take action in their part of the organization. These factors are closely linked.

For instance, any time a company adds a level of management, assuming it does not add to its total number of employees, its average span of control will become narrower.

**Figure 2.3** illustrates how span of control changes when an organization moves from two to three to four levels. Of course, the reverse is also true.

### 2.6.4 Centralization and decentralization

We now come to the important issue of who makes what kind of decisions and controls what kind of resources. As we said earlier, when we talk about organizations as centralized or decentralized we are referring to how concentrated or dispersed is the authority to make decisions.



#### Note:

Today, most organization experts say decisions should be made as far down in the organization and as close to the customer as possible, making for maximum responsiveness to customer needs.

Maximum responsiveness to customer needs implies decentralization. Many of today's successful companies take this philosophy to heart.

For example, Hewlett-Packard in the 1980s had 38 central committees that ruled most major aspects of its business. This structure slowed down the company's ability to react to changes in their competitive environment.

Recognizing this, in 1990 the company dissolved these committees and decentralized most of the authority to the divisions.

### Spans of control and levels of management (the total number of people in each example is 12)

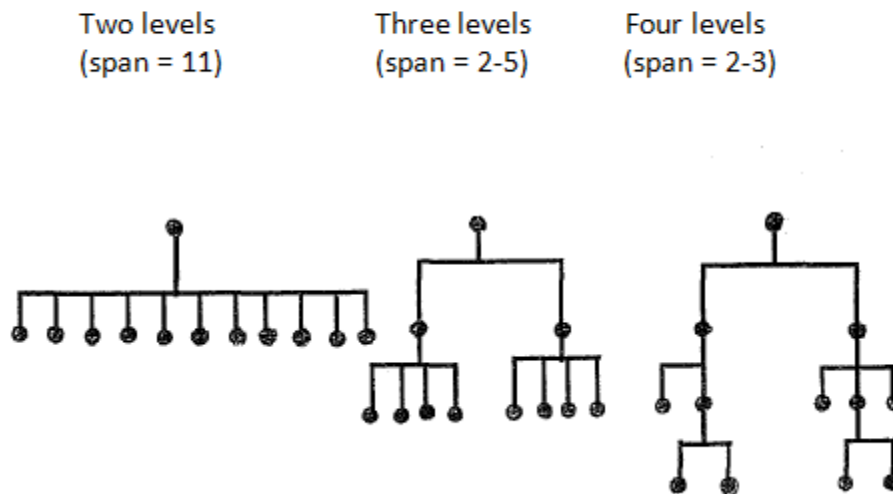


Figure 2.3 Spans of control and levels of management

In spite of this, as you will read time and again in today's business press, other large companies appear to be doing the opposite; that is, they are centralizing functions that were formerly decentralized, and they have good reasons for doing so.

One example of this is given in the "Western Electricity & Gas" case study. In fact, organizations commonly swing from centralized to decentralized and back again as their circumstances change and priorities alter.



#### Think about it!

#### **WESTERN ELECTRICITY & GAS: CENTRALIZATION OR DECENTRALIZATION?**

Western Electricity & Gas is a large state-regulated utility company in the western United States. Some years ago, the company decided to decentralize in order to be more responsive to customers at the local-division level.

As a result, local divisions were given increased decision-making authority over several functions that formerly were tightly controlled by corporate head office. Two of these functions were human resources and transmission maintenance.

The reorganization called for a human resources department to be set up in every division. Division managers were delighted because this meant they could get timely action on local personnel issues, which in turn resulted in better service to customers.

The downside, of course, was the fact that many more human resource employees were needed to staff all the new division human resource units, thus greatly increasing the cost of this function.

Now, the company is facing a lot of pressure to lower its rates, and the costs of decentralizing are seen as far outweighing the benefits. Accordingly, the human resources function is being recentralized, with accompanying major reductions in staff size.

In the case of transmission maintenance, Western Electricity & Gas is also moving toward recentralization. This is largely to enable the company to distribute maintenance dollars more effectively and efficiently across the total utility transmission system.

When it recently compared its practices with other similar companies worldwide, Western found that companies that control transmission maintenance from a central place were able to prioritize work and spending to achieve maximum performance of the whole system.

#### **2.6.4.1 Three major reasons to centralise**

- Control

Centralization is an organization's most sure-fire method of controlling and coordinating activity and resources.

Central control is especially important:

- When the company as a whole has to meet legal or regulatory requirements that are difficult to interpret
- When decisions made at a local level will affect the whole company- for example, a local division's interpretation of the company's contract with a labor union will be binding on the whole company
- When what occurs in one part of the company will affect every other part- as would be the case with a company-wide system or network like the transmission system in a utility company

- Cost

Because of "economies of scale," a centralized function can generally be managed with fewer resources than a decentralized function.

Consider the purchasing function in a large company. With purchasing for the whole company done in a central department, the company can get better quantity discounts than would be available to any one division of the company.



**Note:**

Any time a large number of similar tasks are performed in one place, "economies" are possible because equipment and facilities can be shared, and generally fewer people are needed to do the work (as in the case of Western's human resources function).

- New Technology

Over recent decades, the rate of technological change has been phenomenal. New technology enables many a decentralized company to centralize, and vice versa.

#### 2.6.4.2 Three main reasons to decentralize

- Responsiveness

With decision making pushed down to a local level, the company can respond more quickly to customers and local conditions.

- Independence

Decentralization tends to stimulate creativity and independence in people at lower levels and helps build a pool of candidates for higher level positions.

- New Technology

New computer technology enables companies to decentralize authority to much greater extent than was previously possible. One of the main reasons for centralizing authority is to ensure that top management knows about and can influence what is happening throughout the organization.



**Note:**

Today's sophisticated information systems enable authority to be delegated to lower levels while still keeping top management well informed.

## 2.7 The organisation of a typical firm

For explanation purposes we will designate a medium-sized engineering firm, with a factory and offices on one site. The overall view of the departments can be seen in **Figure 2.4**.

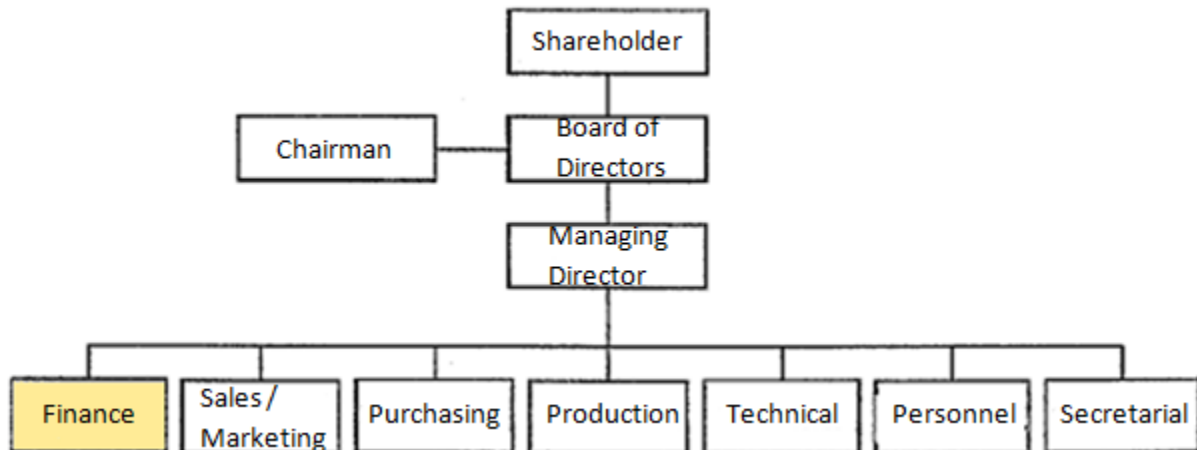


Figure 2.4 Basic organization chart

Now let us take a closer look at the finance department shown in **Figure 2.5**.

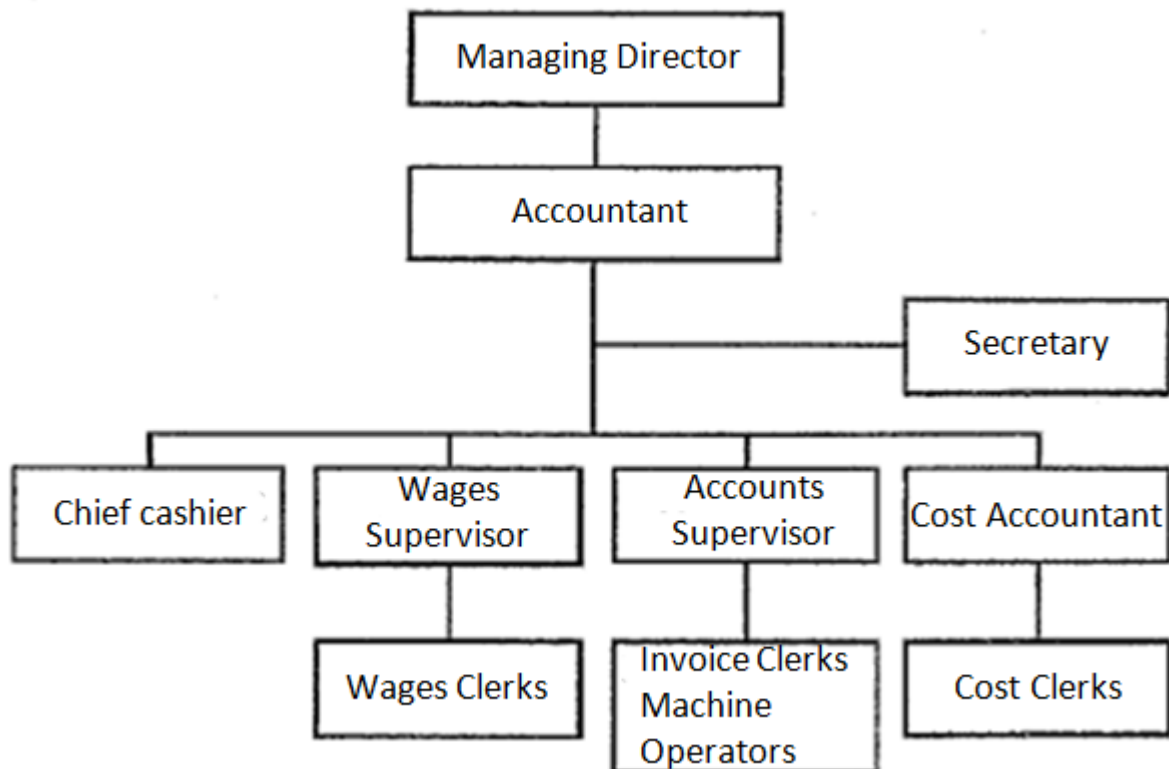


Figure 2.5 Accounting department/division

The accountant's responsibilities include:

- Book-keeping aspects
- Keeping a check on the costs of running the firm
- Financial information on the past, present and possible future activities of the firm
- Wage calculations

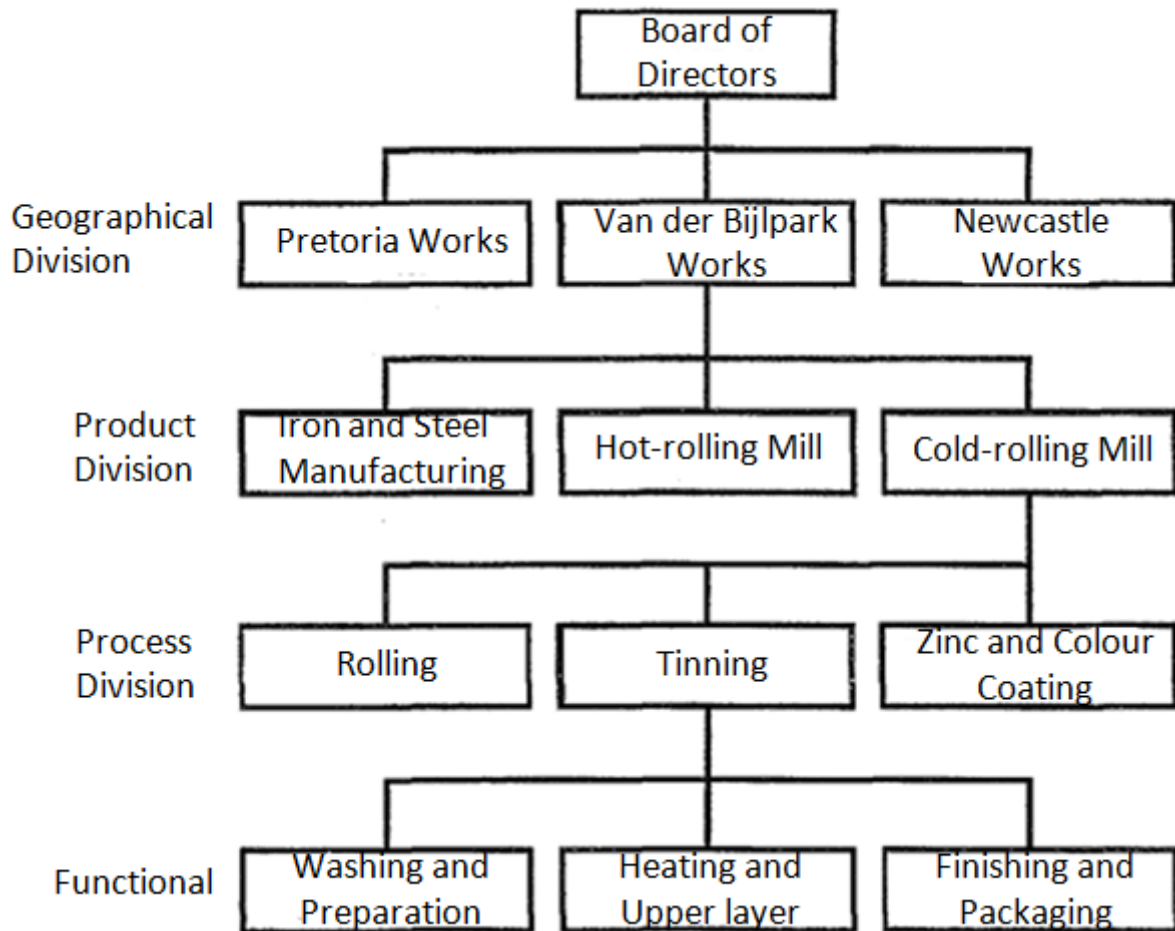


Figure 2.6 The combination of kinds of organization structures of an integrated steel factory

## 2.8 Standards of excellence for organisation structure

The principles that bear on an organisation are sufficiently validated that we can consider them as criteria rather than guides in developing a sound, streamlined organisation structure.

This will help you determine whether your organisation structure is as effective as it should be.

### 2.8.1 Structuring according to objectives

(The organisation structure is designed to accomplish understood and accepted objectives)

The hierarchy of goals that influences the organisation structure is shown in **Figure 2.7**.



Figure 2.7 Hierarchy of goals

Goals and objectives are linked to time, and the mission refers to the almost impossible to strive for.

Goals refer to the survival of the enterprise which requires effective design of the organisation structure in the long term. The short-term survival of the enterprise is ensured by objectives.



**Note:**

The people involved must understand and accept the overall key objective so they can integrate their own key objective with that of the organisation.

Work will be done most efficiently and people will get greatest satisfaction from it if the key objective is first defined, with clear identification of the product/service and customer/client commitments (Louis Allen, 1989:10-6, Kroon, 1990:254).

### 2.8.2 The specialisation standard

(Accountability for specialisation in management and technical work is clearly stated).

Managers are often frustrated because they do not know whether they are expected to be expert in technical or management work.

The answer is to establish clearly that the first concern of managers is planning, organising, directing and controlling the efforts of others, while that of technical specialists is planning, executing and controlling their own work.



**Note:**

When managers recognize the difference between their management and technical responsibilities, they are better able to focus their energies on their most important tasks.

### 2.8.3 Separation of functions

Split groupings occur when natural and logical groupings of work are artificially divided. Split groupings may be intentional because managers do not want to give up technical supervision; split groupings then ensure that they will handle the overall questions and problems.

Most often a split grouping is unintentional and saddles the managers with much unnecessary technical work.

In the chart below, the functions of a manufacturing manager are split between two positions, fabrication and assembly, and it could logically be consolidated into one, manufacturing department, to which all the fabrication and assembly sub units would report.

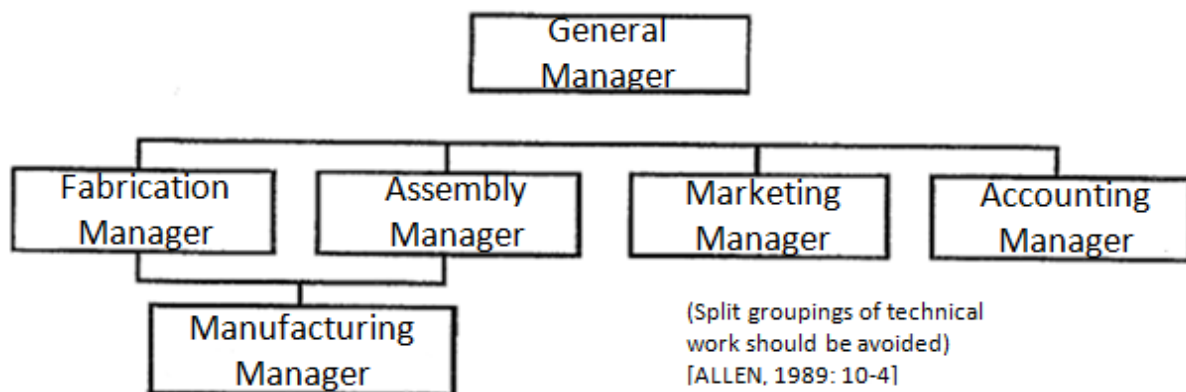


Figure 2.8 Functions of a manufacturing manager

### 2.8.4 Span of control

Manager/supervisors supervise the largest number of people they can effectively manage.

This can be determined by:

- The complexity and diversity of the work being done. For example, one foreman may be able to supervise twelve carpenters without much difficulty. However, the same foreman might be hard pressed to supervise an electrician, four carpenters, and two plumbers because their work differs so much.
- Geographical separation  
For example, while a sales supervisor might supervise thirty sales representative in one location, it might be difficult to do a good job of supervising twenty representatives in ten different cities.
- Volume of work  
The greater the volume of work, the more a tendency for problems and decisions to be forced to the top, and the fewer people a manager can supervise (Allen, 1989:10~8).

### 2.8.5 Clear lines of authority

(Each person reports to only one supervisor for the same responsibility).

People who report to two different supervisors/managers are inevitably confused in their objectives. They cannot satisfy both at the same time.

Their security is threatened: they do not know where to go for final decisions. You will be always in doubt as to what territory is really yours.



**Think about it!**

The clearer the line of authority from the top manager in an enterprise to every subordinate position, the more effective will be the responsible decision-making and communication system (Allen, 1989:10-10; Koontz, 1984:368).

### 2.8.6 The principle of flexibility

Provision should be made for building flexibility into all structure devices, techniques and other environmental factors in anticipating and reacting to change. Every enterprise moves towards its goal in a changing environment, both external and internal.

The enterprise that develops inflexibilities, whether these are resistance to change or too complicated procedures, is risking inability to meet the challenges of economic, technical, biological, political and social change.



**Note:**

It should not be forgotten that one of the task roles of a manager is the perpetuation of the enterprise (Koontz, 1984:370/1).

### 2.8.7 Structure determined by strategy

Successful implementation depends in part on how the organisation's activities are divided, organized, and coordinated. In short, it depends on the structure of the organisation.



**Note:**

The chances that an organisation strategy will succeed are far greater when its structure matches its strategy. By the same token, as its basic strategy changes over time, so must its structure (Stoner, 1989:226).

### 2.8.8 Management emphasis

Since managership depends materially upon the quality of leadership of those in managerial positions, it is important for the organisation structure to do its part in creating a situation in which the manager can most effectively lead.

In this sense, organising is a technique of promoting leadership. If the authority allocation and the structural arrangements create a situation in which heads of departments tend to be looked upon as leaders and in which their task of

leadership is facilitated, structuring has accomplished an essential task (Koontz, 1984:371).



### Activity 2.1

1. Explain by means of a block diagram the functional organisation structure.
2. Mention ONE advantage and ONE disadvantage of the divisionalized organization structure.
3. Mention THREE advantages of the decentralised organisation.
4. Explain the meaning of the following terms in the organisation structure:
  - 4.1 Lines of authority
  - 4.2 Flexibility
  - 4.3 Management emphasis



### Self-Check

I am able to:	Yes	No
• Differentiate between the different types of organisation structures		
○ functional		
○ product or divisional		
○ centralized/decentralized		
• Explain the meaning of the following in terms of organisation structure		
○ Structuring according to objectives		
○ Specialisation		
○ Span of control		
○ Lines of authority		
○ Flexibility		
○ Structure determined by strategy		
○ Management emphasis		

If you have answered 'no' to any of the outcomes listed above, then speak to your facilitator for guidance and further development.

# Module 3

## Employment of People

### Learning Outcomes

On the completion of this module the student must be able to:

- Define human resources planning
- Explain the steps in the human resources planning process
- Distinguish between the following terms:
  - Job analysis
  - Job description
  - Employee specification
  - Job rotation
  - Job enlargement
  - Job enrichment
  - Job evaluation
- Discuss the inside and outside sources of people to fill vacancies
- Discuss the critical aspects of the selection process and the role of tests, and the interview

### 3.1 Introduction



The task of managing people is given many names. Some of them are the management of human resources; employee relations management; human relations; human/employee resources management.

Whatever people call such a task, what they are saying is that a manager or supervisor is a manager of people whatever else he manages (money, machines, equipment, etc).

### 3.2 Human resources planning

Human resources planning is a process for determining and assuring that the organisation will have an adequate number of qualified persons, available at the proper times, performing jobs which meet the needs of the enterprise and which provide satisfaction for the individuals involved.

### 3.3 Major steps in the human resources planning process

#### 3.3.1 Goals and plans of an organisation

A manager and his staff cannot make useful plans for periods of three, four or five years hence, unless they have data on possible expansion, new products, new plants, new markets and so on.

Important steps involved in overall strategic planning for the organisation are as follows:

- Analyse and evaluate environmental influences
- Political trends and legislation.
- Economic conditions such as competition, inflation and unemployment level.
- Local population trends - will it provide a sufficiently large workforce?
- Social trends in leisure time, consumer tastes and retirement.
- Technological advances.
- Identify the values and aspirations of the organisation's directors and executives.
- Identify and evaluate the internal strengths and weaknesses of the organisation.
- Create specific enterprise objectives.
- Project outputs of the planning process.

#### 3.3.2 Current human resources situation

This is often a skills inventory or a manpower information system, and some or all of the following may be included:

- Personal data: name, date of birth, sex.
- Education: degree, colleges, dates, curricula, special courses.
- Employment history: present company and job. Previous employers, jobs, pay rates and dates.
- Performance and potentials: Appraisal ratings and evaluations.
- Career goals: Personal preferences for special training, assignments, jobs and locations.

See **Figure 3.1** for an illustrative human resources inventory card.

**Village Software**  
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Boston, MA 02111  
6176959332 fax 6176951935

Customize...

**CAREER DATACARD**

**Employee Information**

Name: Annabella Dodsworth Employee #: 123-456SM  
SSN: \*\*\*-\*\*-\*\*\*\* Position: Sales Representative  
Department: Sales and Marketing Manager: Roxanne Smith

Page #: 1  
Date: 01-Sep-2004  
Last Updated: 07-Jan-2003

Period	Position	Department	Salary / Wage	Type of Employment ( Full-time, Part-time, etc. )
11/29/95 - 8/30/96	Assistant Sales Representative	Sales and Marketing	\$8.50 per hour	Full-time
8/31/96 - present	Sales Representative	Sales and Marketing	\$11.00 per hour	Full-time

Insert Fine Print Here

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Figure 3.1 Sample of a human resources inventory card

### 3.3.3 Human resources forecast

This is a determination of the demand for people and of the appropriate types and skills for given periods in the future and it also requires the preparation of an estimate of the supply of people who will be available for the selected periods.

### 3.3.4 Implementation programmes

Implementation requires converting the human resources plan into actions, and these are briefly the following:

- Recruitment, selection and placement.
- Performance appraisal.
- Career planning.
- Promotion, transfer, layoff and retirement.
- Training and development.
- Motivation and compensation.

### 3.3.5 Audit and adjustment

For any of various reasons, the programmes for meeting the human resources targets may be falling short of objectives. A system for measuring progress should be set up.

This last step includes the following:

- Measure implementation progress, compare results with plan, and take corrective action.
- Change human resources plans if enterprise is altered.
- Periodically update skills inventory, forecast and implementation programmes.

### 3.4 The employment process

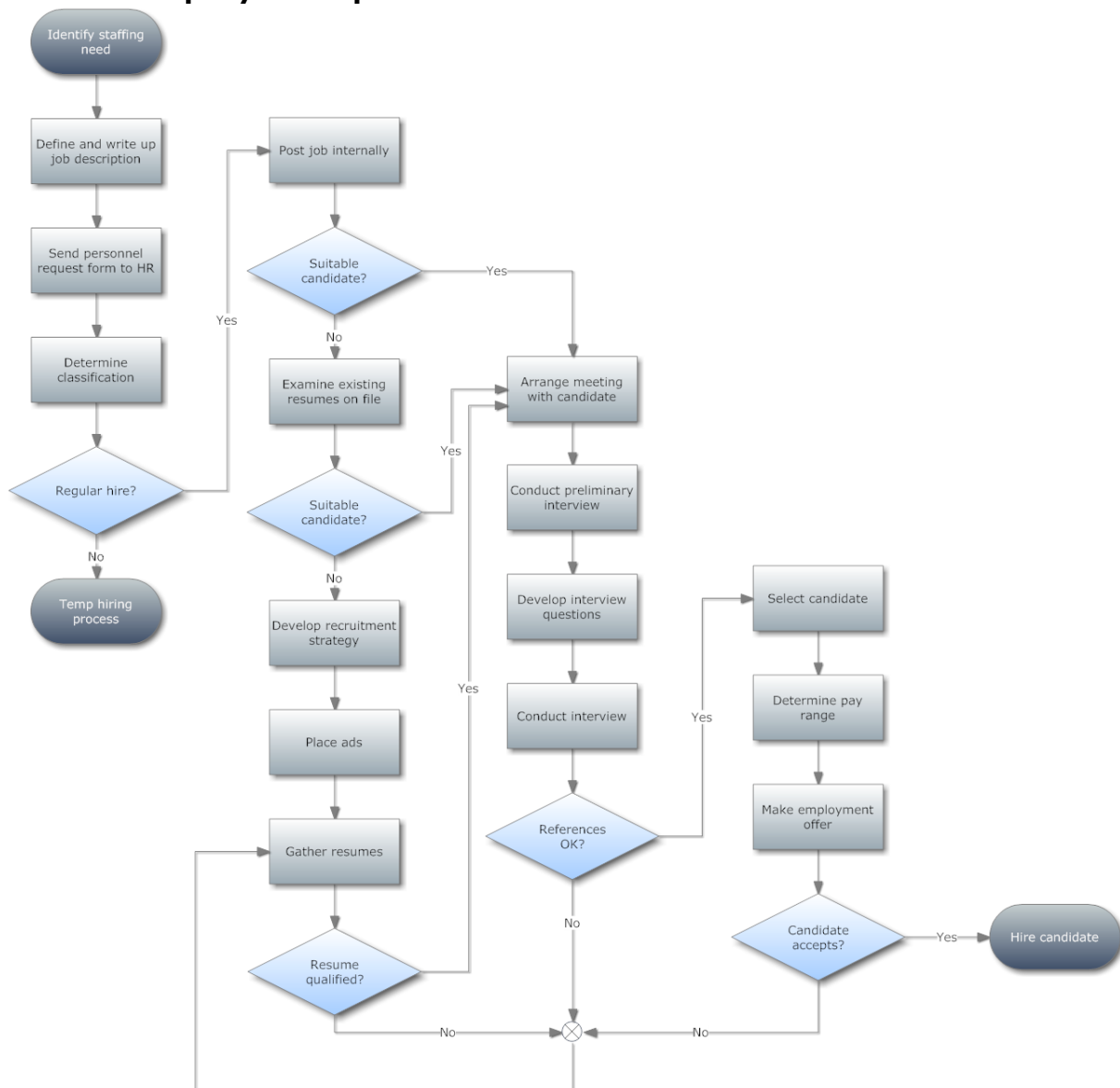


Figure 3.2 The principle components of the employment process

The employment process begins with a perceived need to obtain a person to perform some job. To fill a given position, it should be defined in terms of its job description and job specification. This process should be integrated with the human resources plans of an organisation.

People may be recruited either from within or from outside the organisation. As shown in **Figure 3.2**, the job requirements as expressed in job descriptions and job specifications identify the kind of people to be recruited.

The recruitment activity should generate a supply of applicants for each job-opening that is greater than the number to be hired so that the employer can be selective and can obtain those who truly meet the job requirements.

**Note:**

Selection involves choosing, from among a pool of candidates, the person who best matches the qualification criteria for the job involved. The selection process can range from a single interview to multiple interviews and tests, and an intensive background investigation.

The selection process is divided into two groups of applicants:

- those rejected because they do not meet the requirements of the employing organisation
- those who are hired

Those who are hired are normally given an orientation to the organisation, its policies and benefits, to their department and job, and to their immediate supervisor and co-workers.

**Note:**

Some persons may be placed in a special development programme that involves much training.

### 3.5 Position requirements and job design

To select supervisors/managers effectively requires a clear understanding of the nature and purpose of the position to be filled. An objective analysis of position requirements must be made, where the job must be designed to meet organisation and individual needs. (Koontz, 1984:397).

Job analysis is a procedure for obtaining pertinent job information. This information is recorded basically on two forms. One is called a job description and the other is called an employee (job) specification. The relationship between these is shown in **Figure 3.2:** (Beach, 1985:93).

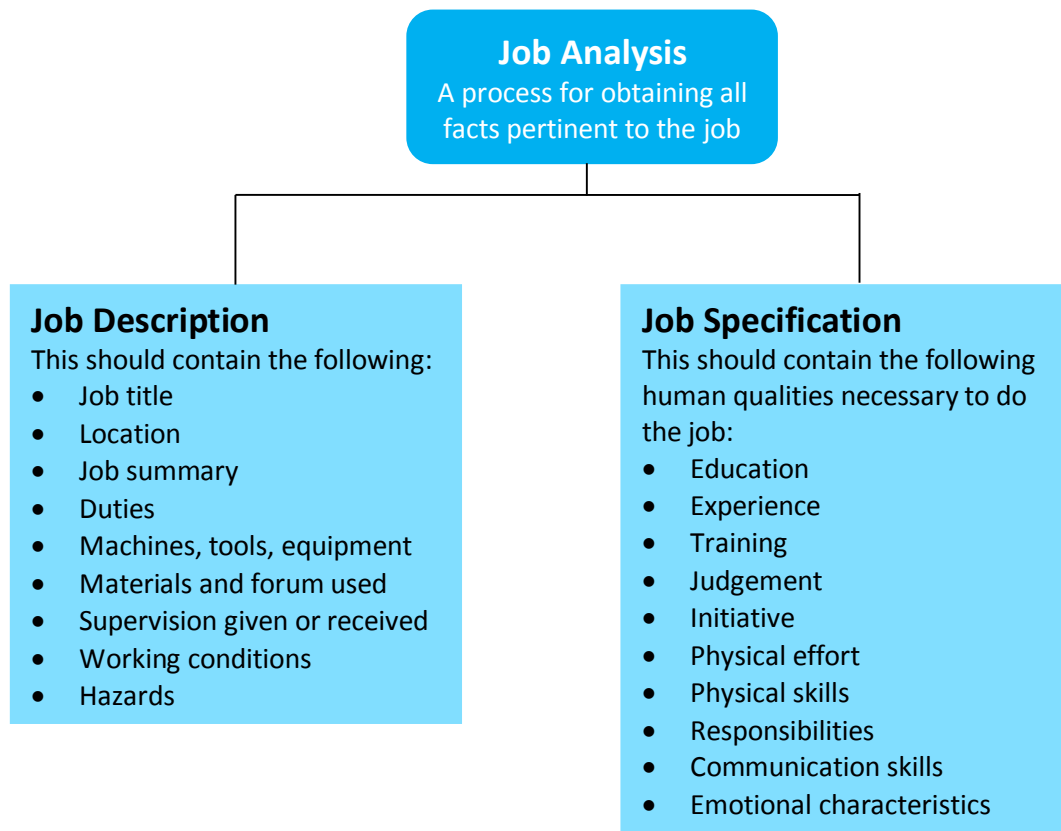


Figure 3.3 Job description and job specification in job analysis

In identifying job requirements, it is necessary to answer questions such as:

- What has to be done in this job?
- How is it done?
- What background knowledge, attitudes and skills are required?

To find answers to these and similar questions, the job must be analysed. (Koontz, 1984:397). This can be done through observation, interviews and questionnaires.

### 3.5.1 Job designs for motivation

The design of jobs - their content and structure - affects both productivity and employee motivation and morale.

The following are simple methods/ways of designing jobs which will have a greater probability of generating high employee motivation and job satisfaction.



**Definition: Job/task rotation**

Having an employee on a routine, repetitive job move from one routine job to another, and back again, every few hours or days is a

form of job rotation that has been found in some instances to relieve boredom and monotony.



**Definition: Job/task enlargement**

This means adding more and different tasks at the same level to a specialized job. Thus it adds variety. When additional simple tasks are added to a job that was initially simple in nature, this process is called horizontal job loading.



**Definition: Job/task enrichment**

This is an outgrowth of the job-enlargement concept. It expands a job vertically by adding higher-skill activities and by delegating greater authority.

**Examples:**

- To establish direct relationships with the client or customer.
- To combine several tasks into one job. For example, rather than having the tasks of assembling a water pump carried out by one person on the assembly line, work stations can be established for individuals doing the whole task of putting the unit together and even testing it.

[Beach, 1985: 89/90]

[Bittel, 1990: 257]

[Koontz, 1984: 398]

**3.5.2 Job evaluation**

Job evaluation is a formalized system for determining the relative money value of jobs within an organisation. It involves the analysis of jobs for the purpose of writing job descriptions and specifications, rating of these jobs through use of a job evaluation plan, and conversion of relative job values to definite wage rates.

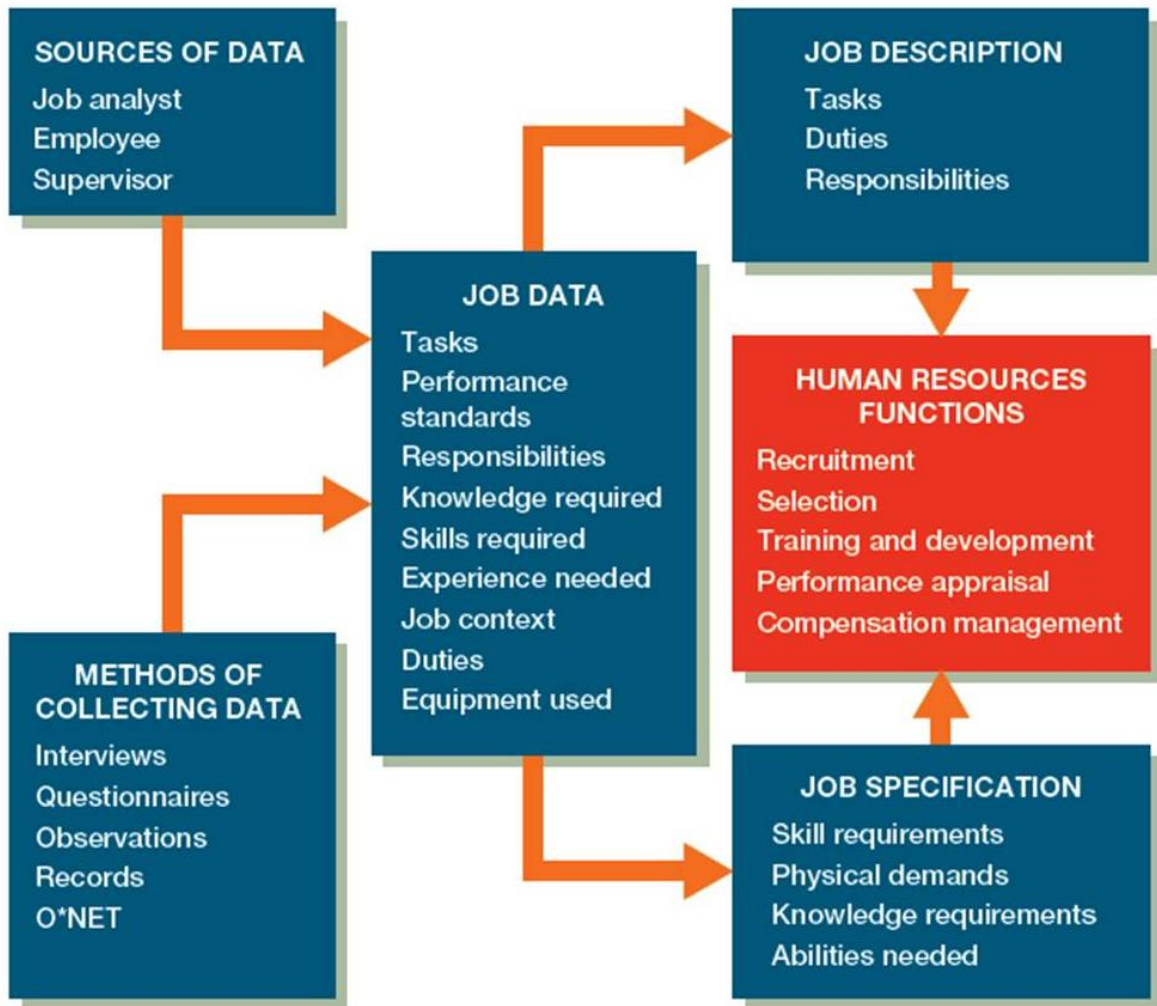


Figure 3.4 The elements of job analysis



## Job Description – Vendor Portfolio Manager

### Title

Vendor Portfolio Manager

### Description

The Vendor Portfolio Manager is the key player in the Vendor Management Office and is responsible for managing the vendor portfolio. This role is pivotal in the IT department's interactions with the portfolio of suppliers of services, hardware, and software. The portfolio manager provides product and service purchasing guidance for the entire IT department.

### Responsibilities

#### Strategy & Planning

- Develop and leverage a broad view of the IT department's agreements with vendors to obtain better terms and prices on behalf of the entire IT department.
- Enforce company policy and legal and contractual best practices regarding suppliers.
- Operate at arm's length to eliminate bias and emotional attachment from the purchasing decision.
- Monitor and analyze trends in company spending and inventory control in order to make recommendations for the future, and to identify areas for possible savings.
- Develop, establish, implement, and enforce supplier and outsourcer guidelines, obligations, and service level agreements to the organization.
- Ensure that IT purchases continue to support the organization's business strategy.

#### Operational Management

- Build a dedicated and experienced Vendor Management Office, developing processes and building a team to focus on managing the entire portfolio of IT vendors.
- Evaluate a potential provider's reputation.
- Assess vendor resources and expertise.
- Maintain a catalog of preferred vendors for IT products and services.
- Assist with contract negotiations.
- Develop metrics and standards for vendor performance in all vendor categories.
- Provide senior management with regular reporting regarding the health of the vendor portfolio.
- Monitor vendor performance, intervening when performance falls below an acceptable threshold.
- Develop strategies for motivating vendors to provide above average service.
- Leverage purchasing decisions by providing IT line managers with information about colleagues purchasing similar products or services, or purchasing from the same vendor.

### Position Requirements

#### Formal Education & Certification

- University degree or college diploma in Information Technology or equivalent work experience.
- Certifications in [*industry specific...*].

#### Knowledge & Experience

- 10-12 years as a senior IT professional, with experience managing virtual teams.
- Direct work experience with software licensing, hardware procurement, and offshore agreements in a purchasing or procurement capacity.
- Strong knowledge of purchasing regulations and laws, including [*industry specific...*].

Figure 3.5 Job description and specification

### 3.6 Recruitment policy to fill vacancies from within or from outside

There are several advantages to follow a policy of promotion from within as far as possible:

- Most people expect to advance to positions of higher pay and status, therefore, this policy fosters high morale.
- There is less risk of error in selection and placement, because management know their people already, in terms of skills, knowledge, and personality.
- The recruitment and selection problem is simplified because there are only a few entry jobs, and the formal education, skill, and knowledge requirements for these are relatively modest.
- The banning of outsiders places limits on competition for positions and gives employees of a firm monopoly on openings.

The most fruitful policy is probably that of filling the majority of vacancies from within but going to the outside when fully qualified talent is not available inside the organisation. It is also wise to fill professional positions by going to the outside labour market to inject new ideas into the organisation.

### 3.7 Sources of people

The sources of supply can be divided into two categories:

- Inside sources
- Outside sources

In filling vacancies from within, it is still necessary to match job requirements with worker qualifications. The selection process must still be employed. But it means that present employees are given first choice for any better or more attractive jobs before outsiders are considered.

#### 3.7.1 Inside sources

To fill vacancies from among present employees, it can be done by any of three procedures:

- Informal search  
The manager of a department where the vacancy exists, speaks to the personnel manager and together they give consideration to one or more possible candidates for the position. The most favoured employee may be interviewed and offered the job. This informal method is quite commonly used.
- Skills inventory  
This is where an inventory of skills is maintained, which provides details of employees', qualifications. When a vacancy occurs, the inventory can be searched to supply a list of employees having qualifications that match (more or less) the requirements of the position.
- Job posting

This involves announcing the vacancies on bulletin boards for all office employees to see. Then interested employees can apply for the job. Job posting helps firms meet equal employment opportunities of an "open" recruitment system.

### 3.7.2 Outside sources and recruitment methods

There are a number of options available for obtaining people from outside the organisation:

- **Employment agencies** - employers use these employment agencies to obtain people for a specific job. With private employment agencies, job seekers have to pay the agencies a certain amount of money.
- **Unsolicited applicants** - when employers are able to fill their labour needs largely by means of direct hiring at the gate, or those who simply walk into the employment office to inquire about job openings.



Figure 3.6 The size of the workforce must balance a number of factors such as workloads, schedules, vacations, absences

- **Labour unions** - typically operate through union-controlled hiring halls to obtain much of their labour force.
- **Advertising** - in newspapers, trade magazines, and professional journals, is a very widely used method of recruiting.
- **Schools, colleges and universities.** Where managers contact school principals and guidance counsellors to recruit graduates for all types of jobs.
- **Employee referrals.** A large percentage of jobs is obtained through word-of-mouth and through friends already employed in the organisation. (Beach, 1985:135-136).

### 3.8 The selection process

The goal of the recruitment is to create a large pool of persons who is available and willing to work for a particular company. The selection process has its objective to sort out those who do not meet job requirements.

### 3.8.1 Factors to be taken into account about the selection decision

#### 3.8.1.1 Organisational and social environment

It is necessary to match the person with the job in a particular organisation and social environment. For this you must have detailed knowledge to set up the job descriptions and job specifications.



**Note:**

The prime objective of the selection process is to find out enough about the applicant's background, training, personality, aptitudes, skills and interests, so that the matching process can be done accurately.

#### 3.8.1.2 Successive hurdles

This means that applicants must successfully pass each and every screening device (that is, application blank, interviews, tests, medical examination and background check). For a person to go successfully from one hurdle or step to the next, he must meet or exceed the requirements for each hurdle.

Those applicants who have little chance of succeeding on the job are eliminated at the first hurdle. Both candidate's time and company's time and expenses are saved by not having to put unqualified persons through the entire procedure before a decision is made.

#### 3.8.1.3 Avoid gimmicks

Sometimes busy managers seek quick and easy gimmicks to evaluate human beings (those shortcuts of appraisals). Some have claimed that it is possible to predict ability and personality according to the shape of one's head, body build, and a lot of other oversimplified devices.



**Note:**

The simple fact of the matter is that human beings are just too complex for simple gauges for these to be effective and accurate. (Beach, 1985:140).

### 3.8.2 The selection procedure

It is true that the steps in the selection procedure should be varied to meet the special needs of the organisation. The following ten steps will serve as a model programme that works well in most cases:

- Reception in employment office.
- Preliminary interview.
- Application blank. (Which is a filled-in form of paper with questions that identify the person about address, telephone number, education, work experience, etc.)
- Selection tests. (Often called psychological or personnel tests).
- Main employment office interview. (To get personal impression and observations to reach a decision regarding the suitability of the applicant for employment.)

- Investigation of applicant's background. (The best guide to what a person will do in the future is what he has done in the past.)
- Final selection interview by manager or supervisor. (Two reasons for involving them:
  - they are being held responsible for successful and efficient operation of their units.
  - to see their future boss and to decide whether they would like to work for that person or not.)
- Medical examination. (It serves the following purposes:
  - to reject those who are unfit for the specific type of work.
  - to obtain a good record of the physical condition for later compensation claims.
  - to prevent contagious diseases.)
  - Induction (Orientation- introducing to co-workers and environment)
  - Probation.(Beach, 1985:141-145)

### **3.8.3 What to do to improve the selection process**

To make sure the department gets a first rate employee, there are a few points that apply most directly to selecting employees.

- Experience  
The applicant should have worked a couple of years on more or less the same type of machines, even though they weren't exactly like yours.



Figure 3.7 Staffing fills departmental jobs with appropriate workers

- Drawing reading  
The person has to be able to work directly from drawing copy.
- Speed  
It is better to have a steady and consistent worker, than a fast worker as such.
- Initiative  
Does the applicant's previous experience show work without close supervision?
- Attendance  
Has the applicant a good record of attendance (because this job needs a person who is going to be here every day)?
- See enough candidates  
Make a point of interviewing at least three or four candidates before making up your mind, to get the feeling of the prevailing labour market. (Bittel, 1990:176).

### 3.8.4 Selecting tests

There is a variety of purposes for which psychological tests can be used:

- Guidance and counselling students of schools and colleges.
- Vocational guidance for adults seeking help in their careers.
- Assessment and counselling of patients in mental hospitals.
- Research into human behaviour and personality.
- Choosing students for college and university admission.
- Selection of employees in business and other organisations.
- Promotion and transfer within the organisation.
- Selection of candidates for assignment to a company training programme.
- To act as an aid for diagnoses when counselling individual problem employees.



**Definition: Psychological test**

A systematic procedure for sampling human behaviour and describing it with the aid of a numerical scale.

#### 3.8.4.1 Contributions of tests to selection

The utilization of valid tests can result in:

- the hiring of better-qualified employees
- less turnover of newly-hired employees
- lower training costs
- higher output and quality of work
- better adjustment to the job and working environment
- fewer errors will be made in respect of employees on a particular job

#### 3.8.4.2 Fundamental guides to testing

- Tests should be used as a supplement to other selection devices, not as a substitute for them. Only a sample of a person's total pattern of behaviour can be provided, and together with interviews, application forms and background investigation, you can obtain a reasonable picture of the candidate.
- Tests are more accurate at predicting failure than success. At the present stage the tests are more accurate at measuring the "can do" characteristics (skills, knowledge, general abilities) than the "will do" factors (personality and interest). Therefore if a man fails tests of capacity and ability, we can conclude that he is unable to perform the work satisfactorily.

On the other hand if he does pass these tests, he may still fail because of poor adjustment to his supervisor, lack of motivation, lack of interest in his work, and many other factors that are very difficult to predict at the time a person is hired.

- Tests are most useful in picking a select group of people who are most likely to succeed on the job from among a much larger group. It cannot reveal with certainty that a particular individual will succeed on the job.
- A test should be validated in one's own organisation to be of any value. It is always necessary to test the test itself before any degree of confidence can

be placed in its ability to predict performance on the job. A valid test is one that measures what it is supposed to measure.

- Tests can make their greatest contribution in those situations where it has been difficult to obtain satisfactory employees by using other selection methods. There may be no need to resort to the expense of testing, when common labourers are needed; only physical examination and interviews are necessary.
- Be careful not to consider the numerical score on a test to be an exact measure of the characteristics being evaluated. Psychological tests are not so accurate that it can be said that a score of 92 is better than 90 for a specific job.

**Note:**

It is possible for an applicant to score a few points below the cut-off score and still be successful on the job. (Beach, 1985:149-150).

### 3.8.5 The interview

#### 3.8.5.1 Types of interviews

- Carried out by one interviewer once.
- A succession of interviews by different people.
- A panel of people sitting in judgement on the candidates.

**Definition: Interview**

A conversation (verbal interaction) normally between two people, for a particular purpose. (Beach, 1985: 164).



Figure 3.8 Interview questions must be strictly job-related

We will discuss the first one face-to-face interview, which the supervisor will be called upon to conduct. The selection interview tends to be a very brief and subjective affair (Evans, 1992:265).

### 3.8.5.2 Preparing for the interview

For an effective interview a proper preparation is required. The interviewer should:

- Read through the job description and employee specification.
- Read each application form carefully and make a list of specific questions to ask each candidate, like "Why did you leave your last job?".
- Privacy is of utmost importance. The conversation must not be overheard.
- This is to ensure unrestrained responses from the applicant.
- Check that the room is comfortable- come out from behind the desk and sit down with the interviewee at a lower table if possible.
- Make sure that there are no interruptions- no telephone calls.
- Actually both interviewer and candidate must feel confident and at ease. (Evans, 1992:265-266).

### 3.8.5.3 Conducting the interview

Supervisors will find the following suggestions useful:

- Start with a welcome and create a relaxed atmosphere so that the candidate will be able to express himself spontaneously.
- Ask "open questions", a question that cannot be answered by only a "yes" or "no".

- Ask "probe questions", which will force the candidate to go more deeply into his answer.
- Keep to a logical sequence of questions and avoid jumping from one subject to another.
- Listen with great attention to what is said, while at the same time observing the candidate carefully: body language, tone of voice, hesitations - these are signals which the interviewer can use to assist the final evaluation of the candidate.
- Summarize the discussion from time to time. It helps to clarify particular points, attitudes, opinions, etc. It helps to create a well-ordered atmosphere.
- Occasional note-taking of important points (objective data) is acceptable.
- On the other hand it is unwise to engage in extensive note taking during the course of interview. Not taking down any points of interest, the interviewee may become apprehensive and speak in a more guarded fashion henceforth.
- After the interview is completed and the candidate has left the room, the interviewer should record his or her impressions on a rating form, otherwise much will be forgotten after several other interviews. (Evans, 1992:266).

#### **3.8.5.4 What to avoid in conducting an interview**

The following interviewing faults can be noted:

- Don't be overly formal (help the applicant relax).
- Don't hire a chief when you really need a worker (if an applicant is too intelligent or experienced to be happy in the job and there is little opportunity for quick promotions, say so. You want employee and job to match).
- Don't make moral judgements or give advice (the applicant's personal life is no concern of yours).
- Don't tell applicants you are rejecting them for personality reasons (a poor personality for example - keep it to yourself).
- Don't ask trick questions that may embarrass. (Your job is not to "catch" the prospect, but find out all you can about the applicant)
- Don't let your facial expression, tone of voice, or gestures reveal your feelings. (If they can see you disapprove of what they are telling you, they will become silent. Rather show interest and sympathy.)
- Don't interrupt the candidate in mid-answer, because the interviewer wants to go on to the next question.
- Don't be impatient (try not to let the applicant know you're in a hurry, a look at a watch has killed many an interview).
- Don't be misled by your prejudices. (Keep an open mind. Never allow subjectivity, emotion, and bias to cloud your judgement).
- Beware of the halo effect. This is a situation in which a single prominent characteristic of the individual may dominate one's judgement of all other traits (in both positive or negative way). Thus, if a person is neat, clean-cut, and alert, the interviewer might jump to the conclusion that the person is also intelligent, ambitious and dependable.



### Activity 3.1

1. Explain what is meant by the "goals and plans of an organisation" in the human resources planning process.
2. Explain TWO ways of designing jobs which will have a greater probability of generating high employee motivation and job satisfaction.
3. Name THREE advantages of following a policy of promotion from within an organisation.
4. Name THREE factors to be taken into account about the selection decision.
5. Mention FIVE purposes for which the psychological tests can be used.
6. What suggestions would you follow when conducting an interview. Mention FIVE.



### Self-Check

I am able to:	Yes	No
• Define human resources planning		
• Explain the steps in the human resources planning process		
• Distinguish between the following terms:		
○ Job analysis		
○ Job description		
○ Employee specification		
○ Job rotation		
○ Job enlargement		
○ Job enrichment		
○ Job evaluation		
• Discuss the inside and outside sources of people to fill vacancies		
• Discuss the critical aspects of the selection process and the role of tests, and the interview		
If you have answered 'no' to any of the outcomes listed above, then speak to your facilitator for guidance and further development.		

# Module 4

## Modular Approach to Training

### Learning Outcomes

On the completion of this module the student must be able to:

- Describe a modular approach to training
- Describe the advantages and disadvantages of modular training
- Explain modular training by giving an example
- Describe the Skills Development Act of 1988

### 4.1 Introduction



A trend that is showing real promise is the so-called MODULAR CURRICULA which is at present gaining a lot of ground. The author, who has been studying and working in this field for more than a decade, regards this innovation as potentially useful.



#### Definition: Module

A small measure or quantity: a unit of size, used in standardised planning of buildings and design of components: a self-contained unit ..... a standard unit ..... in a system: a set course forming a unit in an educational scheme. (Chambers 20th Century Dictionary, 1983)

#### 4.1.1 Modular course/curriculum

A course made up of a series of self-contained units of work. Some modular sources let students pick and mix from a variety of independent units which they can study in any order. Others only allow a module to be taken if the subject or a related one has already been studied at a lower level.

A module could perhaps best be described as a special kind of teaching learning unit. It is a self-contained piece of knowledge with disciplinary characteristics - hence the qualification of clear delineation and a definite focus. It is not a loosely-gathered unit.

### 4.1.2 Organisation of a subject or discipline in modules

A discipline, subject or course can be subdivided in a number of modules, each with a definite focus. This division can be done in terms of content units.

Each module has specified:

- Title
- Aims and objectives
- Knowledge, concepts, skills and attitudes
- Teaching and learning styles
- Assessment methods

### 4.1.3 Advantages

Modules offer greater flexibility and, at the same time, definite focal points. Proper formulated aims and objectives that can be achieved in a shorter period of time.

Testing and evaluation can be done on completion of each module. The testing takes place in relatively shorter intervals, and both the lecturer and the students know where they stand.



**Note:**

After successful completion of these tests, the student need not have to write on that content again. He/she can proceed to the following module.

The lecturer's research focus can be concentrated on the content of a module alone.

Changes that should be made can be done in one module only. It should be clear that costs in terms of manuals, textbooks, etc. should be comparatively low.

Staff can be allocated to any module of his/her interest and personal preference.

A specialist in a certain field might not have the time to lecture for longer periods, but he/she might be persuaded to present a limited module.

Students seldom fail to achieve an acceptable standard in all the aspects of a given course. They normally have problems in a certain content area.

Students need to repeat only one or two modules instead of the whole semester or year course.

A special advanced module for bright students could easily be added to the course.

Guided self-study can be organized that much easier, in terms of media and support systems.

#### 4.1.4 Disadvantages

If set about in the wrong manner, a modular curriculum could cause a disjunctive structure. Each module may have a clear focus, but the linkage with other modules may be lacking. Students may miss out on a unified structure.



**Note:**

Where too much curriculum content is included in each module the course as a whole will not only become too difficult to cope with, but also overloaded.

## 4.2 Course layout of a modular training programme for apprentices

In order to set up a complete course layout for the trade sheet-metal work there are certain skills or tasks which must be mastered by the learner before he can be rated competent to hold his own as a successful sheet-metal worker in the trade.

In **Figure 4.2** the different tasks or modules represented in ellipses of a sheet-metalworker are represented as a whole. The completion of modules from the bottom upwards must take place chronologically.

Only when the necessary foreknowledge/skill of a specific module has been mastered, can students start with the following module.

For instance we take the modules G-1 to G-7 and H-1 to H-4 and take a brief look at their contents:

Duties: The interpretation of drawings

<u>Code</u>	<u>Tasks</u>
G-1	Verify course control documents
G-2	Read engineering drawings
G-3	Determine a list of materials from a drawing
G-4	Manufacture a drilling from a drawing
G-5	Manufacture a tube lens set-square from a drawing
G-6	Manufacture a counter marker from a drawing
G-7	Manufacture a G-clamp from a drawing

Duties: Riveted and bolted joints

<u>Code</u>	<u>Tasks</u>
H-1	Manufacture a single-bolted lap-joint
H-2	Manufacture a double-bolted or riveted lap-joint with the holes bolts in staggered arrangement
H-3	Manufacture a double-bolted butt-joint with one cover plate (the

- H-4            holes for the bolts must be arranged in staggered formation)  
Manufacture a double-bolted bolt-joint with two cover plates.  
(The holes for the bolts must be in chain arrangement.)

**Note:**

It is desirable that the most basic tasks be added at the bottom of the course-layout, while the more difficult tasks are placed higher up in the hierarchy of tasks.

When a learner has the courage to undertake the training programme for the first time, it is important that he must first become acquainted with the maintenance and use of non-power tools which are applicable to a specific trade (occupation) or work.

As he must also have knowledge of the reading and interpreting of information on a drawing, he must also become acquainted with this, early in his training.

As the learner progresses from the bottom upwards with the finalizing of modules, his particular abilities and aptitudes will also be improved and developed, with the result that he will gradually perform better and learn more skills.

Where possible, bridging as well as enrichment modules must be built into the course-outlay so that the slow learner will get additional help with the bridging modules while the quicker worker, who performs above the average learner, can do advanced work.



Figure 4.1 The importance of training – Step by step instruction

The course-outlay must also indicate specific accession levels (first, second and third years) which the learners must attain before being able to progress to higher levels.

In other words, certain skills can be laid down as prerequisites for admittance to the following phases. A learner can, for instance, not manufacture a single bolted lap joint before he knows how to mark off the seam, to clamp it in the drill-vice and afterwards to drill the holes with the pedestal-drill.



**Note:**

It is important to note that the provision of the course-outlay cannot be finalized with the first attempt, but that this outlay must first be tested in practice a few times before it can be cast in the final form.

The purpose with the planning of the course-outlay, therefore, serves only as an example to show how tasks or skills must be arranged in preparation of a competence-aimed modular training programme.

**Figure 4.2** illustrates a course outlay of a modular training programme.

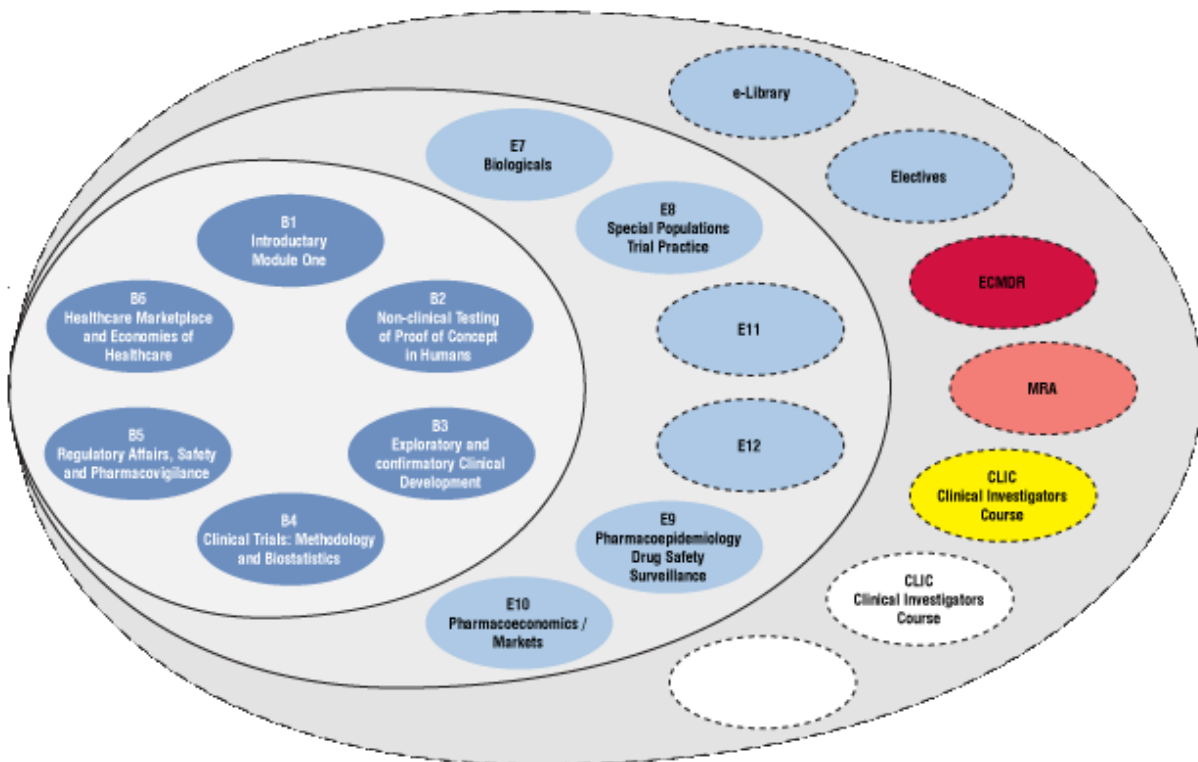


Figure 4.2

## 4.3 The Skills Development Act (Act 97 of 1998)

### 4.3.1 Purpose

This Act, which replaces the Manpower Training Act, the Guidance and Placement Act and the Local Government Training Act, attempts to coordinate industrial training in a more structured and purposeful manner.

Its objectives are, amongst others:

- to develop the skills of the South African workforce;
- to increase the return on such investment;
- to encourage employers to use the workplace as an active learning environment, so that employees can acquire new skills and new entrants can gain work experience;
- to encourage workers to participate in learnerships and other training programmes;
- to ensure quality of education and training at the workplace;
- to improve the employment prospects of those who were previously disadvantaged;
- to assist work seekers and retrenched persons to find employment;
- to assist employers to find qualified workers.



**Note:**

The Skills Development Act should be seen as supportive of the Employment Equity Act in that it wishes to encourage employers to develop persons who were previously disadvantaged.

By obliging all employers to contribute to regionally based training funds and by providing that funds for training may be released only for approved programmes, it aims to ensure that money spent on training has the necessary effect.

### 4.3.2 Structures

The Act provides for the establishment of various structures to advise on and regulate industrial training.

#### 4.3.2.1 National Skills Authority

The National Skills Authority (NSA) forms the overarching body. Its main function is to advise and report to the Minister on policy, strategy, allocation of funds and regulations. It will also liaise with the Sector Education Authorities and conduct investigations into any matters arising from the application of the Act.

The NSA will consist of a voting chairperson, appointed by the Minister, and fifteen voting members nominated by NED LAC and appointed by the Minister to represent business, labour and community organisations/development interests on an equal basis.

(The latter group must include a woman, a person representing blacks and a person representing the disabled.)

The Minister will further appoint five voting members to represent the interests of the State and four to represent education and training providers. There will be three non-voting members, two who have experience in employment services and one representing the South African Qualifications Authority (SAQA).

### 4.3.2.2 Sector Education and Training Authorities

The Act allows the Minister to establish a Sector Education and Training Authority (SETA) for any national economic sector.

SETAs will be composed of representatives from organised labour, organised employers (including small business), relevant Government departments and, if the Minister approves, representatives from interested professional bodies and the Bargaining Council that has jurisdiction in that sector.



#### Did you know?

A particular SETA may be divided into different chambers.

The functions of SETAs are:

- to develop and implement a sector skills plan within the framework of the national skills strategy (this will entail also establishing learnerships, approving workplace plans, allocating grants to employers and education, training providers, and monitoring education and training in the sector);
- to promote learnerships by identifying workplaces for practical experience, supporting development of materials and assisting with the conclusion of learnership agreements;
- to collect and distribute skills development levies;
- to liaise with the NSA, the Director-General of Labour and the employment services of the Department.

### 4.3.3 Finances

Skills development will be financed mainly from a skills levy to be imposed on employers. (At present this is an amount of 0,5 percent of the total wage bill but this is due to rise to 1 percent of wage costs.)

Twenty percent of the amount collected will be paid to the National Skills Fund and the rest to the relevant SETA. The National Skills Fund will further receive money apportioned by Parliament, donations, and levies paid by employers not governed by a SETA.

This money will be used to finance programmes in terms of the National Skills Strategy, whereas the monies received by SET As will be utilised for workplace and sectoral training initiatives.

### 4.3.4 Learnerships

Learnerships replace the old apprenticeship system, but are intended to be applied in wider occupational areas than were the apprenticeships.

Learnerships constitute a partnership between a learner, an employer and a training provider who will enter into an agreement whereby the learner will work for the employer, thereby gaining practical experience of a specified nature

and duration and will also participate in a structured learning component offered by the education and training provider.

The learnership must lead to a qualification registered with the South African Qualifications Authority and must relate to an occupation.



**Note:**

All learnerships are registered with the Director-General in the prescribed manner.

#### 4.3.5 Skills programme

Skills programmes must be occupationally based and, when completed, should constitute a credit towards a qualification registered on the National Qualifications Framework (NQF).



**Did you know?**

A skills programme can be offered only by providers accredited in terms of the SAQA Act. An employer or any other person who has developed a skills programme may apply to the relevant SETA for a grant or to the Director-General for a subsidy.

Funds may be granted if the programme complies with the conditions mentioned, with the requirements of the SETA or the Director-General, is in accordance with the sector skills development plan and the National Skills Development Strategy and provided that there are funds available.

#### 4.3.6 Employment services

Chapter Six of the Skills Development Act provides that the Minister must establish a Skills Development Planning Unit in the Department of Labour to research development needs, assist with the development of a National Skills Strategy and provide him or her with relevant information.

Furthermore, he or she has to establish labour centres within the Department, the functions of which will be to provide employment services for workers, employers and training providers, to register work seekers, to register vacancies and work opportunities and to assist prescribed categories of persons to enter special education and training programmes, to find employment, or to start income-generating projects.



**Did you know?**

Any person wishing to provide private employment services has to register with the Director-General who may withdraw such registration if he or she is of the opinion that the employment service is not complying with the prescribed criteria.

### 4.3.7 SAQA and the NQF

The Skills Development Act allows only for programmes and qualifications registered on the National Qualifications Framework (NQF) and for training providers accredited in terms of the South African Qualifications Authority Act (SAQA).

The two Acts therefore have to be read in tandem, and employers wishing to present training programmes will have to familiarise themselves with SAQA requirements.

### 4.3.8 Conclusion



**Note:**

South African labour legislation is, in comparison to other industrialising and industrialised countries, both comprehensive and extensive.

There are those critics who maintain that the level of sophistication in this area far outstrips that of the economy, that, in fact, over-regulation of the work relationship may have a negative effect on economic advancement.

## 4.4 Summary

- The contract of employment (usually in the form of a letter of appointment) forms the basis of agreement between employer and employee.
- Collective agreements (in-house or Bargaining Council Agreements) covering an employee become part of the contract of that employee.
- A contract may be more favourable, but no less favourable than a Bargaining Council Agreement.
- A contract may also not be less favourable than the provisions of the Basic Conditions of Employment Act.
- A Bargaining Council Agreement can alter all but the core aspects of the BCE Act.
- Other prescriptive Acts covering substantive and certain procedural conditions are the Occupational Safety Act, the Compensation for Occupational Injuries and Diseases Act and the Unemployment Insurance Act.
- The Labour Relations Act is, in the main, not a prescriptive Act and it does not cover substantive conditions.
- The LRA caters mainly for collective processes between employers and unions, but it does provide guidance on dismissals and Unfair Labour Practices and for structures such as the CCMA, the Labour Court and the Labour Appeal Court.
- The Employment Equity Act is specifically designed to counter discrimination and to redress imbalances caused by discriminating practices in the past.
- The Employment Equity Act is supported by the Skills Development Act, providing an overall framework for training.

This Act, in turn, ties in closely with the South African Qualifications Authority Act.



### Activity 4.1

1. Describe in your own words what a module is.
2. Mention FIVE advantages of modular training.
3. Explain TWO disadvantages of modular training.
4. Mention TEN functions of the training board.



### Self-Check

I am able to:	Yes	No
• Describe a modular approach to training		
• Describe the advantages and disadvantages of modular training		
• Explain modular training by giving an example		
• Describe the Skills Development Act of 1988		
If you have answered 'no' to any of the outcomes listed above, then speak to your facilitator for guidance and further development.		

# Module 5

## Report-Writing and Meeting

### Learning Outcomes

On the completion of this module the student must be able to:

- Define a report
- Describe the different types of reports
- Describe the requirements of a good report
- Describe the compiling of a report
- Describe different types of meetings
- Define a meeting and describe it's purpose
  - agenda
  - minutes
- Describe the role and duties of the following:
  - chairperson
  - secretary
  - member of a meeting

### 5.1 Introduction



People in all walks of life are often called upon to write reports. These people include businessmen, professional people, or chairmen of clubs and associations, whose reports might have a crucial bearing on the goals and policies of the organisations they represent.



#### Note:

Important decisions about people, production and finance are usually taken only once informed, impartial and factually correct reports have been considered.

Minutes of meetings are summaries or reports of the proceedings at and resolutions taken by meetings. The chairman and the treasurer of a club or society prepare reports on the activities and finances of the organisation respectively, to be presented at the Annual General Meeting (AGM).

A secretary who has attended a conference may be required to report her experiences for the benefit of other staff members who were unable to attend.

Before purchasing a new computer, the MD may instruct the Data-processing Manager to investigate and report on the variety available in the marketplace and on the specific needs of the company.

## 5.2 Reports

It follows that since reports may be written for a wide variety of reasons, the content and format of these documents may vary substantially. Therefore attempts are sometimes made to classify reports according to format as well as according to content.



### Definition: Report

A report is an objective, well structured, written document based upon accurate facts, serving the purpose of supplying useful information which may assist the reader in making responsible decisions.

[Corns. N4, 1990:85]

### 5.2.1 Classification of reports

- Bound format or book format- the strictly formal report
- Essay or article format
- Letter format
- The schematic format with captions - the less formal or informal report
- The mixed format (letter and schematic format)
- Routine report format
- Unauthorised report- usually a long memorandum

#### 5.2.1.1 Book format

Cover page with title

Title page containing the name(s) of compiler(s)

Preface, covering letter or introduction

Approvals

Distribution (circulation) list

Summary (synopsis)

Table of contents

Main report (main text)

Introduction (terms of reference, aim)

Findings and discussions (commentary)

---

Conclusion(s)

---

Recommendation(s)

---



---

Appendices (addenda or enclosures) - tables, questionnaires, examples

Glossary

Illustrations

Footnotes

Bibliography (alphabetical list according to authors)

Index

(These items are often omitted.)

*Commentary*

This form is suitable for very long, strictly formal reports.

### **5.2.1.2 Format 2 Essay or article format scheme**

---

Heading

Introduction

Subheadings (Optional)

1.

---

2.

---

3.

---

*Commentary*

This type of report is suitable for eyewitness reports, eg at the scene of an accident.

### **5.2.1.3 Format 3 Letter format scheme**

---

Letterhead

Name of recipient

Address

Salutation

Report on

---



---

---



---

Complimentary closing  
Signature  
Capacity

#### Commentary

The letter format is suitable for short, personal reports between colleagues who know each other well and who are fairly close to each other in the company hierarchy. The style is generally informal.

#### **5.2.1.4 Format 4 Schematic format of the informal report with captions scheme**

Name of organisation  
Report on .....  
Terms of reference  
Procedure  
Summary/Synopsis (optional)  
Findings  
Sub-headings for different sections  
Conclusion  
Recommendation/s  
Signature  
Capacity  
Date

#### *Commentary*

This format is suitable for less bulky reports. Any appropriate headings may be used, and the contents are arranged in a logical order. The style is informal.

#### **5.2.1.5 Format 5 Mixed format (Letter format and schematic format) scheme**

---

Letterhead

---

Name of recipient  
Name of organisation  
Address  
Salutation  
Report

.....  
Contact sentence (eg I have pleasure in presenting the following report.)

Terms of reference  
Procedure  
Findings  
Conclusion

Recommendation/s  
 Complimentary closing  
 Signature  
 Capacity

#### *Commentary*

The mixed format is suitable, for example, for the annual report of a branch manager to head office. It is a combination of formats 3 and 4.

The style of this report is fairly informal because reader and writer often know each other personally.

#### **5.2.1.6 Format 6 Routine report format scheme**

---

Name of organisation  
 Routine report on eg an accident in a workshop  
 Name of person involved  
 Address  
 Capacity  
 Description of accident  
 Witnesses  
 1.

---

2.

---

Signature of departmental head  
 Date  
*Commentary*  
 These reports need only to be filled in.

#### **5.2.1.7 Format 7 Unauthorised report or long memorandum scheme**

From .....

To .....

Introduction

Contents

.....  
 .....

#### **5.2.2 Characteristics and style of a good report**

A good report has the following qualities:

- Accuracy
- Clarity of style
- Objectivity
- Brevity
- Insight, good judgement and open-mindedness

A good report-writer pays attention to:

- Correct use of language
- Economy of words
- Unity and coherence
- Readability
- Simplicity

### 5.2.3 Planning and compiling reports

It is generally accepted that there are six steps a report-writer should take when writing a report, namely:

- Planning
- Gathering the material (data, facts)
- Selection of material (arrangement and organisation of information)
- Schematic presentation (draft report)
- Writing and editing the report
- Final presentation of the report

In order to follow these six steps successfully the report-writer should consider the following suggestions very carefully.

- Read and analyze the terms of reference until you fully grasp the purpose of the report. Your interpretation should be correct, otherwise your report will be a failure.
- Define the nature and scope of the report.
- Select the most suitable format for the type of report you are required to write.
- Determine the visual aids you may need for the specific report.
- Find out how many copies of the report are required.
- Ascertain whether the report is to be bound.
- Know your reader. Try to determine whether the reader is acquainted with the subject. If so, you may use technical terminology.
- Gather your material with enthusiasm, dedication and concentration.

The following procedure may guide you:

- Obtain personal information by means of:
  - personal interviews
  - telephone conversations
  - discussions
- Obtain written information by means of study material like -
  - files
  - previous reports
  - books
  - magazine articles
  - questionnaires
- Obtain direct information by means of
  - Laboratory experiments

- visual aids, such as graphs, statistical tables,
  - photographs and samples
  - research
  - recordings
  - surveys
  - inspection of sites
- 
- Evaluate your information. Be selective: " ... a good report-writer indicates ability as much as by what he omits as by what he includes" (Shaw 1973:265). Arrange the data in a logical order after you have discarded irrelevant information.
  - Ensure readability by using an effective, neat and attractive format and layout. Use headings and sub-headings generously. The success of a report depends mainly on its readability and unity.
  - Write readable, simple and correct language. Technical terminology may be used in technical reports without any explanation, if the reader is fully acquainted with the subject.
  - Verify all assertion and come to a logical conclusion from which recommendation may logically follow.
  - The style of a report is essentially objective. The writer gives his personal opinion only if he has been asked to comment and to make a recommendation. He remains unbiased, sober, unambiguous, clear and brief. Brevity is an essential characteristic of a report.
  - Write a draft report.
  - Check and re-check the facts and language usage.
  - Select a well-worded title or heading that summarises the gist of the report.
  - Write the precis (abstract, summary, synopsis) after completion of the report, but place it directly after the introduction. The summary facilitates the task of the reader and enables him to judge how intensively he has to read the report.
  - Ensure that the report is completed within the given time limit.
  - Proof-read the final document.
  - Type or have the final document typed and duplicated if necessary.

#### **5.2.4 Example of a technical report**

Municipality ...

Department: Work Study

Inquiry into the desirability of the computerization of the main municipal library

### **Instruction**

On 19 January 19 .. , the Town Council addressed the instruction to the Senior Work Study Official, Department of Work Study:

"To carry out an inquiry into the desirability of the computerization of the main municipal library, especially with reference to the high personnel turnover presently being experienced, as well as better utilization of the book stock."

### **Procedure**

The signatories, two officials from the Department of Work Study, carried out an inquiry on the spot for two weeks. During the first week the organization, work-methods and work-flow were investigated. During the second week the work was noted quantitatively by spending at least one day with every member of the staff and jotting down all transactions. Annual statistics were finally taken into account.

### **Ruling (Finding)**

1. The work methodology is presently based upon the Brown card system. The number of transactions that must be noted and processed daily, has risen sharply in the past three years. Consequently the maintenance of the card records has become an extremely lengthy, frequent and labour intensive activity. Professionally qualified librarians are consequently being used in tasks which are exclusively clerical by nature instead of in the selection of book stock, exposure of information and reader assistance, their actual functions.
2. The labour intensity of the card system inevitably leads to mistakes in the filing of records. Usually it is impossible to control the stock accurately. Stock losses in the past four years have risen more sharply than the circulating statistics show.
3. The author/title and the draft catalogue is also based on the card system and also indicates above-mentioned shortcomings. These information exposure-instruments are therefore not accurate, and library-users can often not find the desired information.

### **Summary**

The main library's working technique is out-dated and inadequate. Highly qualified personnel are being employed in slowing-down tasks to the detriment of their professional tasks. This leads to the debilitation of personnel morale. In an attempt to check the professional deterioration, more qualified personnel were appointed and consequently the salary account is excessively high.

### **Conclusion**

1. As the clerical functions of the main library are of a time-consuming nature, they are exceedingly suitable for computerization.
2. The author, title and class catalogue is also exceedingly suitable for computerization provided that the computer system has good information exposure programmes at its disposal.

### Recommendations

The functions of the main library should become computerized as soon as possible in order to prevent greater financial losses. At the same time it must be possible for the capital costs connected with this to be recovered within five years by means of curtailing personnel expenditure.

Senior Work Study Official  
WJ Smit

Work Study Official  
F Jacobs

2 February 19 ..

Annexure

The computer system ought to have at its disposal the following:

- a 16 bit central processor
- a main memory of 256 kilobytes
- a working system which disposes of (contains) excellent database management qualities
- a system printer of letter standard which can print at 300 lines per minute and can also print line modes
- a fixed disk-drive with a capacity of 500 megabytes
- a system unit which consists of a Qwerty keyboard as well as a numerical keyboard and a monitor
- three Matrix-type bar-printers which can print at 60 characters per second over a width of 80 columns
- 10 scanners

[van Schalkwyk, 1993:199-207]

### 5.3 Meetings

Meetings constitute an important means of communication in modern society, both in the job situation and in organisations serving the community.



#### Definition: Meeting

A meeting is an assembly of two or more people in order to discuss matters of mutual interest, to decide upon them, and to ensure that these decisions are implemented.

### 5.3.1 The role and purpose of meetings in society

Today meetings are one of the most popular forms of group communication in society. Large business concerns, educational institutions, social, political and religious organizations, the public service - in fact, the whole network of a complicated modern society - hold meetings from time to time.



**Note:**

People are brought together in meetings in order to discuss important organizing matters and to decide on conduct and action.

Somewhere you fit in. Do you sometimes feel like airing your opinion in a meeting, but you hesitate too long, or you fear that your attempt at participation will be cut short by a ruling you have "on a point of order" done something wrong?



**Note:**

If you are really interested in the objectives of your organization, you must learn how to communicate in public in accordance with the basic rules of meeting procedure.

### 5.3.2 Types of meetings

Meetings are generally classified as:

- Private meetings
- Public meetings

#### 5.3.2.1 Private meetings

Only members are admitted to these meetings. A non-member may be allowed to attend a meeting as an observer, but may not vote.

Examples of institutions that hold private meetings

- Companies with limited liability
- Bodies like school boards, municipalities, the dairy board, the meat board.
- Bodies like private clubs, associations and sports bodies, which are not directly controlled by the laws or statutes of the country, but by their own constitutions and regulations, and by the common law.

The following types of private meetings are:

- Members' meetings
  - General members' meetings are meetings to which all members of the organization have the right of access. Although they are largely limited to members of the organization concerned, members of the press or other prominent persons are sometimes invited to them.
- Committee meetings
  - The executive committee
    - The executive committee is a standing (permanent) committee. The members do not act independently; they do not take resolutions, but they

make recommendations to the general meeting of members, or to a meeting of directors.

- Ad hoc committees

Temporary committees appointed to investigate a specific matter or to fulfil a specific function are called ad hoc committees. They dissolve when the task allotted to them has been completed.

- Meetings in camera

By this term we mean meetings behind closed doors. The resolutions of such meetings are confidential and the members are bound to secrecy.

- Congress meetings

Big organisations whose members are spread throughout the country bring delegates of different branches together at a general meeting which is then called a congress.

### 5.3.2.2 Public meetings

- Political meetings, mayoral meetings, mass meetings, conferences, symposia and seminars fall under public meetings.
- Notice of these meetings is generally given in newspapers, in magazines or by means of pamphlets, brochures, posters or the radio.
- Members of the general public attend such meetings in response to an invitation. The conveners of the meeting usually appoint the chairperson, and the procedure at the meeting is generally the same as at any other meeting.

### 5.3.3 Formal meetings

These meetings follow the accepted conventional procedure with a chairperson and a set of rules. Private and public meetings, already dealt with, are classified as formal meetings.



#### Think about it!

It stands to reason that there are different degrees of formality, varying from the strict formality of the meetings of statutory bodies to the far less formal meetings of clubs and associations.

### 5.3.4 Informal meetings

Meetings called for by a manager or head of a department to bring certain matters to the attention of personnel, or smaller staff meetings to discuss urgent matters, may be classified as informal meetings. These meetings have few, if any, sets of rules.

They may be called authority or command meetings as they are convened by a person in authority. These small meetings contribute to better communication in any organisation, as they are actually discussion groups, rather than ordinary meetings.

They are often more productive than technically correct, stiff, formal meetings. It is often unnecessary for the manager or departmental head, who acts as chairperson, to have a formal written agenda, provided that she has a clear idea of the aim of the meeting.

**Note:**

If important resolutions are taken, the chairperson may ask that minutes be taken. It should, however, be borne in mind that it is always safer to have minutes for purposes of record.

The chairperson at these informal discussions must see to it that only relevant matters are discussed, though he/she devises his/her own procedure, and guides the meeting in a pleasant and relaxed way.

In business the manager who calls such a meeting listens to opinions, but he/she is the person responsible for making the decisions by which his/her subordinates must abide. [van Schalkwyk, 1993:216-218]

**5.3.4.1 The constitution (Principles, laws)**

A convenor who has some legal knowledge would probably prepare a draft constitution to be tabled at the inaugural meeting, for the approval of those present. Alternatively, an ad hoc committee appointed at the inaugural meeting might be instructed to prepare a draft constitution for approval during the next general meeting.

**Note:**

The constitution is the basic body of rules and principles governing all the activities of a particular organisation.

The following aspects will be clearly stipulated in the constitution:

1. The name of the organisation.
2. The aims and objectives of the organisation.
3. Requirements for membership.
4. Financial aspects concerning the organisation, eg
  - (a) Membership fees
  - (b) The opening of a bank account
  - (c) Officials who have signature rights to the bank account
  - (d) Bookkeeping and auditing of the books of the organisation
5. The members, duties, privileges and tenure of the executive committee, which normally consists of the chairman, deputy-chairman, secretary, treasurer and one or two additional members.
6. The types of meetings to be held and meeting procedure, such as:
  - (a) The number of days' notice to be given of a meeting, eg 7 to 14 clear days for an ordinary meeting and at least 21 clear days for an annual general meeting (AGM).

- (b) How many members constitute a quorum (the minimum number of members who have to be present in order to pass a legally binding resolution).
  - (c) Requirements for proposing motions, for example, whether motions may appear on the agenda as summary motions, or whether they have to be verbatim (word for word) motions; also, whether motions need to be seconded by more than one member.
  - (d) Methods of voting to be adopted, e.g. whether voting will be done by a show of hands, by secret ballot, by oral "aye" or "nay", or by a division of members into separate rooms.
  - (e) Whether the chairman will have a casting vote in the event of a tie in the voting.
  - (f) Whether proxy will be provided to vote on another member's behalf.
7. Provision for co-option (i.e. appointing members onto a committee, not electing them).
  8. Circumstances which might lead to the temporary or permanent suspension of members.
  9. Steps to be taken if the organisation has to be dissolved.
  10. The date upon which the constitution will become effective.
- [Corns. N4: 1990:237]

### 5.3.5 Notice of a meeting

According to the constitution of an association or organisation members who are entitled to attend meetings should receive due and adequate notice thereof within a reasonable time.



**Note:**

The notice may be given orally, by telephone or personally, unless the constitution requires that it should be in writing.

### 5.3.6 The agenda (order paper)

It has become practice to attach the agenda to the notice or to incorporate the two to form one document that is sent to members to enable them to prepare for a meeting. This saves time and postage.



**Definition: Agenda**

A list of business items or activities to be dealt with in a specific order at a meeting.

The agenda is generally drawn up by the secretary in collaboration with the chairperson.

The secretary receives an instruction to convene a meeting, ie to send out the notice and agenda. The following words appear on the strictly formal notice and agenda above the signature of the secretary:

By order of ...

**5.3.5.1 Objective of the agenda**

The purpose of the agenda is to ensure that matters requiring attention are not overlooked, to avoid discussion as to what item of business is to be dealt with next and to facilitate the transaction of business at a meeting.

The agenda should be short, clear, specific and unambiguous.

**Example of an informal notice which takes the form of a short circular. The agenda follows the signature of the secretary.**

BUSINESS COLLEGE CAPE TOWN  
STAFF TENNIS CLUB

PO Box 708  
CAPE TOWN  
8000

12 January 19 ..  
Tel. 772-3456  
Dear Member

The next monthly general meeting of this club is to be held in the Club Hall on Monday 5 February 19 .. at 18:30.

The minutes of the previous meeting are enclosed.

Yours faithfully

.....  
Secretary

Enclosure (1)

**AGENDA**

1. Opening and welcome
2. Attendance register
3. Apologies
4. Minutes of previous meeting
5. Matters arising
6. Points for discussion
  - (a) Repair of tennis nets
  - (b) Purchase of new equipment
  - (c) Remuneration of caretaker
  - (d) Uniforms
  - (e) Participation in leagues
7. General
8. Date of subsequent meeting (optional)
9. Closing

### Chairperson's agenda

It is customary that a special copy of the agenda be set aside for the chairperson.

This chairperson's agenda facilitates the task of the chairperson. It consists of the normal agenda, with space provided alongside, which is ruled in columns.

This provides space for notes for the chairperson's guidance and a column for her remarks as to decisions and instructions. These enable her to plan her timing efficiently and note any particulars regarding the different items.

<i>Agenda</i>	<i>Time</i>	<i>Details</i>	<i>Commissions and resolutions</i>
1. Opening	19:00	Special word of welcome to new member, Mr X	
2. Apologies for Absence ..... ..... .....	19:35	Received from Mrs B	
6. Leagues	20:10	Membership only 12	No participation Secretary will Inform provincial body

### 5.3.7 The minutes



#### **Definition: Minutes**

The minutes of a meeting are a report of the resolutions taken at a meeting, but also include an impartial, brief version of the proceedings at a meeting.

#### **Purpose, value, and uses**

- Minutes are the legally binding official records of a meeting. They may be used for future reference.
- Minutes are the official historical documents of an organisation.
- Minutes can be produced as evidence in a court case.
- Minutes are kept in a minute book, read at a meeting, or taken as read if circularised to members beforehand.
- Minutes are signed by the chairperson according to legal requirements after having been declared correct by the members attending a meeting.

**Note:**

Minutes are drafted in the past tense.

**Example of the minutes**

**THE SOUTH AFRICAN VEGETABLE GROWERS (CO-OPERATIVE) LTD  
MINUTES OF THE 28TH ANNUAL GENERAL MEETING OF MEMBERS HELD AT THE  
AGRICULTURAL HALL, 60 MARKET STREET, DURBAN, ON 18 JULY 1975 AT 09:00**

**1. PRESENT IN PERSON**

(Names of 6 directors)

Mr N Norman (Chairman)

Mr F Thomas

Mr S Finch

Mr T Morgan

Mr D Dudley

Mr B Featherstone

assisted by H Cowley (Manager)

25 members according to attendance register

**2. PRESENT BY PROXY**

(a) Votes in favour of (Name/Names)

Mr N Norman

Mr F Thomas

Mr S Finch

Mr T Morgan

Mr D Dudley

Mr B Featherstone

**3. OPENING AND WELCOME**

The chairman asked Mr F Thomas to open the meeting after which he welcomed all those present and expressed his appreciation for support given in the past year. He also thanked the staff, the auditors, the firm of attorneys and ..... (other institutions) for services rendered.

**4. NOTICE OF MEETING**

The notice convening the meeting was taken as read as it had been circularised to all members.

(Proposed by T Morgan and seconded by S Finch)

**5. CONSTITUTING THE MEETING**

The chairman declared that a quorum was present and that the meeting was therefore duly constituted.

**6. MINUTES OF PREVIOUS MEETINGS**

After the manager had read the minutes of both the 27th annual general meeting and the extraordinary general meeting of members held on 22 June 19 .. , they were approved and signed.

(Proposed by D Dudley and seconded by B Featherstone.)

**7. MATTERS ARISING**

There were no matters to be discussed.

**8. DIRECTORS' REPORT**

After discussion the annual report of the directors was approved and unanimously accepted.

(Proposed by T Morgan and seconded by F Thomas.)

**9. BALANCE SHEET, FINAL ACCOUNTS AND AUDITORS' REPORT**

After discussion these documents and the appropriations as recommended by the auditors were approved.

**10. ELECTION OF DIRECTORS**

Messrs T Morgan, S Finch and B Featherstone were the only nominees. The chairman declared them elected. He also announced a vacancy on the Board in the place of Mr D Dudley who did not offer himself for re-election. This vacancy would be filled by co-option.

**11. APPOINTMENT OF AUDITORS**

The auditors firm Taylor and Smith was re-appointed for the subsequent year. Their remuneration was fixed at R ..... per annum.

**12. GENERAL (ANY OTHER BUSINESS)**

No other business was discussed.

**13. CLOSING**

The meeting closed at 10:00.

READ AND APPROVED

N NORMAN  
**CHAIRMAN**

H COWLEY  
**MANAGER**

DURBAN  
**PLACE**

26 June 19

**Date****5.3.8 The role and duties of a chairperson****5.3.8.1 Role**

A chairperson should have a strong, warm personality. She should be dynamic, as she is the leading personality at a meeting. The chairperson should be able to speak fluently and easily in public, to think fast and to command respect. She should be unbiased and in complete control of the situation. Her personal opinion should never influence the flow of the procedure at a meeting.

She should exercise self-discipline and patience, and remain flexible to the needs and demands of each specific meeting; yet she should retain her authority. She should endeavour to guide the meeting from problem to solution.

**5.3.8.2 Duties and powers**

- A chairperson must ensure that a meeting is properly constituted, ie that notice was issued by the proper authority and sent in advance, according to the rules of the constitution, to all entitled to attend. She must also ensure that a quorum is present.
- The chairperson must preside over and guide the meeting in accordance with the agenda. She must call the meeting to order, if necessary.
- The chairperson states the purpose of the meeting and determines the precedence of speakers. She must ensure that all discussions are relevant and addressed to the chair. She should give adequate opportunity to members to express their views.

If a member wishes to speak, she either rises to be recognised, or raises her hand. When a speaker has the floor, no other member may interrupt.

Discussions that are beside the point or irrelevant should be ruled out of order. Questions asked on a point of information should be handled with discretion and dealt with briefly.

While occupying the Chair, the chairperson must refrain from speaking for or against controversial motions. She should vacate the Chair if she wishes to express her personal opinion on these matters.

- The chairperson must maintain good order, and see to it that the procedure, as laid down in the constitution, is followed in the conduct of a meeting.

She must attend to members who draw her attention to a point of order, ie a question raised by a member to draw attention to a breach of the rules and regulations of an association.

The chairperson's ruling on points of order and her decision are final. They should therefore be given with responsibility and absolute impartiality.

- The point of order ruling should not be abused, as too many of these interruptions will inevitably lead to an unconstructive meeting.
- The chairperson must ensure that the proceedings and decisions of a meeting are properly minuted and signed after confirmation.
- If the constitution provides for a casting vote, the chairperson has one when there is an equality of votes. She should use this vote when necessary.
- The chairperson should encourage discussion and summarise, formulate and repeat arguments for and against a motion (a proposal put to a meeting).

The chairperson must receive motions and submit them to the meeting for discussion and resolution. (A resolution is a motion that has been approved.) She must put motions to the vote in one of the following ways:

By show of hands

By oral answer of "yes" or "no"

By division of members in separate rooms

By secret ballot

- The chairperson announces resolutions and a programme of action.
- The chairperson declares the meeting at an end at a suitable time. If all the items cannot be dealt with she adjourns the meeting to a later date.

### **5.3.9 The role and duties of a secretary**

#### **5.3.9.1 Role**

The secretary is an organisation's executive official on whose efficient shoulders the whole administration rests. She should be a very methodical person.

#### **5.3.9.2 Duties**

- The secretary compiles the notice and agenda of a meeting in collaboration with the chairperson and sends these documents to the members of an organisation.
- The secretary prepares all the necessary documents (eg previous minutes and attendance register) for a meeting, organises the venue and keeps a list of members, their full names and addresses.
- She does the correspondence and drafts the minutes. If necessary she has the minutes duplicated and circularised to members or she reads them at a meeting.

- She is responsible for the general administrative work and all the legal aspects of the organisation.
- The secretary is responsible for matters of finance if no treasurer has been appointed.

### 5.3.10 The role of the member of a meeting

#### 5.3.10.1 The importance of the member to (for) the meeting

Naturally, a meeting cannot exist without members. The principle of a meeting is based upon the fact that two heads are better than one. A member can only be of advantage to the meeting if he makes a contribution.

His contribution must, however, be meaningful and of value. Furthermore, a contribution by a member is only useful if it is made at the right moment during the proceedings.



**Note:**

The chairman ought to have the know-how to be able to utilize the expertise of the members and, where possible, he must draw the skilful silent ones into the discussion.

To make a success of the meeting is not only the responsibility of the chairman, and members must come forward to make their contributions. This they can do only if they know the procedures of a meeting and have prepared properly for the meeting

#### 5.3.10.2 Membership, rights and responsibilities

When a person obtains a seat in a meeting, he obtains rights of which the most important is the right to be a party to the control of the cause for which the meeting is responsible. He can only exercise this right by means of the meeting, by submitting proposals, taking part in discussions, and by voting.



**Note:**

The member can only exercise his rights by being present at a meeting. Outside the meeting he has no rights.

The rights and duties of the member are borrowed from the constitution of the meeting and where the constitution does not makes provision for this, principles pertaining to common law apply.

A member has the right to know beforehand what is going to be submitted for discussion at a meeting and if an agenda did not circulate beforehand, he can, at the commencement of the meeting, insist upon the agenda first being read before the proceedings begin.

It is, however, customary that the agenda of a meeting is sent out together with the notice thereof in order that members can prepare properly for the meeting and consequently discussions will be meaningful.

**Note:**

Each member has the right to hand in a proposal and with the observance of certain rules of procedure, to participate in the discussions and to vote.

It is essential that the member will know the procedures of meetings so that he will make his contribution in the correct manner and at the right moment during the course of the meeting.

A meeting is a decision-making forum and working at objectives should take place between and not at meetings. Proposals for consideration should be formulated beforehand in writing, ready for presentation at the meeting.

In this manner the function of the meeting will show to better advantage and the emphasis will fall on decision-making.

**Note:**

A member should not participate in a discussion if he does not have a contribution to make. A member should especially not repeat what a previous speaker has already said. Time at meetings is valuable and members should respect this fact.

### 5.3.10.3 Rules of behaviour for members

Two factors determine the successful course of a meeting, namely, the knowledge and application of the correct procedures and the courteous behaviour of all the members towards one another in striving after the purpose of the meeting.

The rules of conduct for members are based on the mutual respect for each other's rights and respect for the purpose of the meeting. Rules of behaviour are in any case also a requirement for any orderly course of events.

The member must accept that the chair must at all times be respected and that the presiding official has preference. If the chairman rises, all other members must sit down, even if the member is busy speaking - the presiding official must first be given an uninterrupted hearing.

**Note:**

When a member is ruled out of order, he must immediately sit down. Should he remain standing and thereby indicate that he does not subject himself to the authority of the chairman, the chairman can request him to leave the room.

When a speaker has the floor and the chairman rises, it is a sign that the speaker must sit down immediately.

Where speaking turns are limited to a specific number of minutes, the allowed time must not be exceeded and when time expires the speaker must, without delay, stop speaking and sit down.

Members should be sensitive to the unwritten rules of behaviour which apply during meetings.

Here are a few:

- Do not disturb the meeting by mutual whispering or by moving about.
- It is inadmissible to read a newspaper or any document which has nothing to do with the purpose of the meeting.
- Never interrupt another speaker unless it is on a valid point of order.
- Always refer indirectly to other members of the meeting. Rather refer to "the previous speaker" than to mention a member's name.
- It is not acceptable to criticise someone who is not present at the meeting. When someone is criticised the person concerned must be present to be able to explain.
- It is essential that each statement made by a speaker can be proved by him. Avoid wild allegations.
- Should a member realize that the motion put forward by him does not have the merits he thought it had, he must refrain from speaking against his motion. He must rather then withdraw his motion or vote against it.
- Irrespective of how difficult circumstances are, never become angry because someone who becomes angry loses his credibility and a person who is angry cannot think calmly. Remember that everything that is said is noted and that a person in a moment of fury can say something that he can later regret.

#### 5.3.10.4 How must a member speak?

To know how to do something contributes towards self-confidence, and a member who knows how to speak will more meaningfully, and with conviction, make a contribution.



**Note:**

The most important thing for the member to keep in mind is to analyse the purpose of the meeting and the discussion beforehand, so that he will be able to determine whether he can make a contribution and if so, that he can prepare it properly.

Meetings are directed at decision making and the member must direct his contribution in such a way that it will contribute to the making of a decision by the meeting.

The biggest waster of time at meetings are discussions which are not to the point. The member must continuously remind himself that his address must at all times be to the point.

What the member presents must be limited to that which is necessary for the meeting to make a decision. Additional details can be submitted in a written report, copies of which can be given to each member.



**Note:**

The member who listens accurately and analytically to what each speaker says and identifies the speaker's point of view, doesn't get lost in the detail. He can now only react to the standpoint. The member should also present his address logically and distinctly so that others can follow him easily.

Repetition is another big time waster. This is particularly practised by speakers who want to hear their own voices, but do not contribute towards the effectiveness of the meeting. The member who repeats loses the interest of the meeting as nobody wants to listen to the same story twice.

Before the member rises to speak, he must be aware of the number of speaking turns and time limits for speaking turns that count. He must adapt the length of his speech to this and not exceed his time.

The chairman arranges the order of the meeting and steers the activities towards the goal. In the interest of reaching the goal of the meeting the member must accept the chairman's decisions without contradiction.



**Note:**

The member who already knows how to speak has made good progress in expressing and indulging himself at meetings.

### 5.3.10.5 When may a member speak?

Knowing how to make a contribution is of no use except if the member knows when to make his contribution.

If a member has already given notice of a motion and it does not appear on the agenda, he can ask the chairman to place it on the agenda directly after the agenda has been read at the beginning of the proceedings of the meeting.

The member can also, just after the chairman has read the agenda, have a subject for discussion, for which he did not give notice, placed on the agenda on condition that it is not a subject where the constitution prescribes that notice must be given beforehand.

**Note:**

If the minutes are not an accurate rendering of the chain of events, the member can speak about it after it has been read. The member may, by way of an amendment, propose that the minutes be amended.

After the minutes have been signed by the chairman, the member may ask questions on the contents thereof.

Where persons are elected, the member can nominate someone even though he may not make a speech in support of his candidate.

**Note:**

At any point in time the member may ask for leave to make an announcement.

Naturally the member can speak if the chairman has granted him a turn to speak, upon his request.

If a motion is introduced according to the correct procedure, a member can speak about that if he has a turn to speak.

**Note:**

If the member has not yet spoken about the original motion, he can propose an amendment.

When the chairman asks the proposer to deliver his reply, the member who has not yet spoken about the motion can ask the chairman for an opportunity to speak unless the meeting has already decided to close the debate.

**Note:**

Members who have not yet spoken about a motion, may propose that the debate be closed.

Any member may speak about the proposal "that the subject or topic to be changed".

**Note:**

Usually one or two members can speak for or against the adjournment motion.

The member who proposed the original motion can, with the chairman's permission, speak about the original substantive motion as well as each amendment at the closure of the debate.

**Note:**

A member can also call for a per capita poll after voting by a show of hands. A member can also in the same manner, demand a secret ballot.

After a motion has been accepted by the meeting, a member can suggest how this decision must be implemented.

A member who has not yet spoken about the relative motion set before the meeting for discussion, can even interrupt a speaker to propose that:

- voting now take place;
- the subject be changed;
- the meeting be adjourned.

Any member may, in the following cases interrupt a speaker to:

- ask the chairman's leave to give a personal interpretation of a matter if it is under discussion and he has for instance been incorrectly quoted, his words twisted or if an accusation is made against him.
- speak on a point of order. It is clear that the member who knows when to speak will have more opportunity to speak, make himself heard and will make a greater contribution towards the reaching of the objective of the meeting.

### 5.3.10.6 A Closing idea

The success of a meeting depends on the attitude and contributions of the members more than anything else. The best chairman can achieve nothing in a meeting with unwilling and ignorant members.

**Note:**

Members who are really interested in self-advantage and have no appreciation for group interests, are not suitable people to serve as members of meetings.

A member of a meeting should be able to place group interests above self-interest and be prepared to, apart from attendance of meetings, also do additional work between meetings, because the decisions taken at meetings must be put into effect.


**Note:**


If decisions are not put into effect, the meeting has become powerless and degenerated into a conversation forum.


The skills of members relate to their profession as well as their knowledge of meeting procedures. The value of a contribution is lost if it is not offered at the

right time; knowledge of meeting procedures creates the opportunity for timeous and meaningful contributions.

### 5.3.11 Terminology pertaining to meetings

	<b>Definitions:</b>
<b>addendum</b>	- appendix, addition
<b>ad hoc</b>	- for a specific purpose
<b>amendment</b>	- proposed change or alteration to a motion
<b>co-opt</b>	- appointment rather than election onto a committee
<b>quorum</b>	- the minimum number of members who have to be in attendance in order for decisions to be legally binding
<b>motion</b>	- proposal moved at a meeting
<b>proxy</b>	- authorization to vote on another member's behalf point of order a question raised by a member to draw attention to the deviation of the statutory requirements, regulations and fixed procedures
<b>reply</b>	- counterplea, to answer

	<b>Activity 5.1</b>
<ol style="list-style-type: none"> <li>1. Name FIVE different types of reports.</li> <li>2. Mention FOUR qualities of a good report.</li> <li>3. Explain the SIX steps when compiling a report.</li> <li>4. Explain the following terms with reference to meetings:               <ol style="list-style-type: none"> <li>(a) Ad hoc committees</li> <li>(b) Meeting in camera</li> <li>(c) An agenda</li> <li>(d) Minutes</li> <li>(e) Quorum</li> <li>(f) Proxy</li> </ol> </li> <li>5. Briefly explain the duties of the secretary.</li> <li>6. Mention FIVE of the unwritten rules of behaviour which members must abide with.</li> </ol>	

	<b>Self-Check</b>	
<b>I am able to:</b>	<b>Yes</b>	<b>No</b>
• Define a report		
• Describe different types of reports		
• Describe the requirements of a good report		

• Describe the compiling of a report		
• Describe different types of meetings		
• Define a meeting and describe it's purpose		
○ agenda		
○ minutes		
• Describe the role and duties of the following:		
○ chairperson		
○ secretary		
○ member of a meeting		
If you have answered 'no' to any of the outcomes listed above, then speak to your facilitator for guidance and further development.		

# Module 6

## Management of Time

### Learning Outcomes

On the completion of this module the student must be able to:

- Describe the top ten time-wasters
- Explain the importance of and guidelines of time-management
- Prepare a time-budget chart
- Differentiate between the "vital few" and the "trivial many"
- Describe stress and point out the symptoms and sources of stress
- Explain how to manage stress

### 6.1 Introduction



Time remains the supervisor's scarcest resource. Unlike other resources, it can't be stored, put in the bank, or retrieved on demand. We can't stop the clock. Time moves on. It keeps on being used up no matter what we are doing or accomplishing.



Figure 6.1 Time = Money



#### Think about it!

Our only hope for optimizing the use of time is to plan for it. This inexorable march reflects a paradox: no one has enough time - yet

everyone has all there is. This paradox drives home the point that the problem is not lack of time. The problem is how we utilize the time we have.

The misuse and underutilization of time is a growing problem that results in part from the accelerating complexity of the manager's job. Few supervisors or managers don't frequently ask themselves, "Where did the time go?" or "How can I get more time to get my job done?"

When they find themselves wishing for more of it, or wondering where it went, individual managers have a serious problem of time management.

Long hours, fire fighting, crisis management, frustration at working on unimportant matters, time consuming interruptions by subordinates; all of these are evidence that they either can't solve problems or haven't the time to do it.

What is needed is a strategy, an organized approach to the problem. In the remainder of this chapter I will provide the outline for a strategy by identifying common time wasters, suggesting solutions for overcoming these time wasters, and recommending the framework for a personal time management plan.

## 6.2 Ten top time wasters

Since part of a time strategy is devoted to defeating time wasters, it is important that each individual identify those that most often stand in the way of optimizing their time.



### **Definition: Time waster**

This is anything that prevents you from achieving your work objectives.

Major time wasters may vary for each manager but generally the individual's problems can be traced to a combination of those discussed below. Although these top ten are exhausting, you can relate most of them to your on-the-job situation.

### 6.2.1 People-interruptions

All of us have had the frequent experience of being interrupted by people. Our chain of thought is destroyed and valuable time is consumed. A return to the pre-interruption activity requires reorientation and occasionally abandonment of the task until a later time.

Many of the visitors want to engage in unproductive socializing. Most involve subordinates who are "checking back" for instructions or getting clarification of a communication that is unclear.

### 6.2.2 Telephone Interruptions

This timewaster is near the top of everyone's list. The effect is the same as the people-interruption. Despite the fact that the telephone is one of the greatest time-saving devices ever invented, it usually serves the opposite purpose.

Most of us fail to ask, "Is this call necessary?" We make or receive the call anyway. We take incoming calls either because we don't want to offend the caller or we want to give the impression of being available.

Many calls are not brought to a successful conclusion and require subsequent call-backs to provide or obtain additional information or to make a final decision. "Let me call you back on that" is a frequent termination of a telephone call.

### 6.2.3 Doing the Work of Subordinates

Many managers are running out of time while their subordinates are running out of work. This is because the boss either cannot "let go" or voluntarily or inadvertently agrees to take on the problems of a subordinate.

Upon hearing the familiar greeting, "Boss, we've got a problem," the manager feels a reply is necessary, even though he or she is rushed or lacks complete information. A common reply is, "Let me think about it and I will let you know later." What has happened in this familiar scene?

The ball, formerly in the court of the subordinate, is now firmly in the court of the boss. The time of the boss is now being controlled by the subordinate rather than the other way around.



**Note:**

The manager is doing the work of the subordinate rather than insisting that the subordinate submit recommendations, not problems.

### 6.2.4 Meetings

Too many meetings is not only a top time waster but a sure sign of mal-organization as well. When a manager spends one quarter of his or her time in meetings, something is wrong. It means that decision and relations structures don't exist or aren't working.

Even if meetings are justifiable, the human dynamics are so complex as to make them poor devices for getting any work done. This is especially true for the meeting that is poorly organized, that is allowed to drag on, and to which the participants come ill-prepared.



**Think about it!**

Strange as it may sound, a significant percentage of meetings are held for the purpose of finding out whether there should be a

meeting. The rule is to attend only important meetings and to go prepared. Reduce the number and make them more productive.

### 6.2.5 The Stacked Desk

The cluttered desk is a very common sight in today's corporate office. Unfortunately, many managers let their desk get piled high with papers because they believe it gives the impression that they are busy.

People look in and say, "This person must really be busy." Other managers justify the clutter based on the argument that it represents a method of organizing and "prioritizing" their work into neat piles.

While there may be some justification for this particular filing method, consider the disadvantages to the stacked desk:

- it allows you to delay action indefinitely by building up a backlog of pending items
- it's hard to find the specific material required at any given time
- you lose control of your priorities and action items
- the omnipresent desk arrangement constantly takes your attention away from doing anything else
- the discouraging sight of the desk each morning is anything but conducive to getting down to work

### 6.2.6 Fire-fighting

This is the principle known as the "tyranny of the urgent," frequently called the busy-busy syndrome. We engage in fire-fighting rather than fire prevention.



#### Think about it!

Optimizing time requires that we distinguish between the urgent and the important.

The urgent tasks, although not significant, call for instant action and tend to make us forget the important ones. We respond unwittingly to the endless pressures of the moment, the procedural requirements of the system and the administrative details, never getting around to what really counts.



#### Think about it!

Productivity requires a focus on results rather than activity: think of doing the right thing rather than doing things right.

### 6.2.7 Spending too much time on unimportant tasks

This time waster is similar to fire-fighting but different in that we fail to distinguish the important job from the unimportant. We don't assign priorities and hence do not allocate time to where it will do the most good.

Even though our efforts may be efficient, they are not effective because they are directed to the wrong tasks, at the wrong time, or without the desired result.

These activities are somewhat like impulse buying in the supermarket. If we allow our impulses and spur-of-the-moment decisions to rule, we run out of money and time before the real purpose of shopping is achieved. Effectiveness means doing the right job right.

### 6.2.8 Procrastination

Most of us exhibit a tendency to procrastinate at one time or another. With some of us, it's an occupational hazard. To procrastinate is human.



#### **Definition: Procrastination**

Webster's Dictionary defines procrastination: "To put off doing something until a future time."

We postpone the unpleasant and this means doing first what we like to do rather than what we find to be difficult. It is much easier to read the paper, take a coffee break, or socialize with a colleague.

### 6.2.9 Waiting on others

Most of us spend entirely too much time waiting on other people; for the boss, for colleagues, for a secretary, for subordinates, for a customer. We wait for the boss to ask what to do rather than taking the initiative ourselves. We make periodic trips to the offices of colleagues in order to "coordinate" a decision.

We wait for subordinates in order to "check this" or "follow-up" on that, efforts that could have been avoided by simple planning and control. We wait for the secretary to find a file, place a call, address an envelope, or perform some other service that could be performed more quickly by ourselves.

### 6.2.10 Lack of objectives, priorities, and deadlines

This is the biggest time waster of all and one that must be overcome if time is to be managed properly. There's an old saying in planning; "If you don't know where you're going, all roads lead there." By failing to establish objectives and plans, you are planning to fail. Activity becomes random and misdirected.

Unless priorities are established you run the risk of fire-fighting and spending your time in efforts that are unrelated to the real objective of the job.



#### **Note:**

Deadlines are necessary to ensure that tasks are completed. The establishment of objectives, priorities, and deadlines is what time management is all about.

(Ross, 1977; 170-174)

### 6.3 The importance of time management

Money management is not only about keeping track of the money we have or for which we are responsible, but it is also about planning its use (budgeting), avoiding wasteful expenditure, getting the best value for the money. This, in other words, is a money control system.



Figure 6.2 Make use of a control system

So it is with time management (TM). TM implies planning the best use of time, including cutting down on time-wasting, devoting more time to the really important issues.



**Note:**

Failure to manage your time can leave you so short of capital that you have a "last minute rush" to get a really important job done. (Evans, 1992:583)

### 6.4 Guidelines for better time management

#### 6.4.1 Make up your mind fast

This is not to advocate snap judgments, but it's a fact that 85 percent of the problems that face you aren't worth more than a few minutes of your time.

So learn to say "yes" or "no," "we will" or "we won't". Employees and associates like working with decisive people - even when they aren't right all the time. And few things save time like a decisive answer- time saved for you and your employees.

#### 6.4.2 Be specific about dates

You promise to get out an order "sometime next week." What happens? You're likely to find several deadlines coming due at the same time. If you're specific- Wednesday for Triangle and Thursday for Superior - you've started to systematize your thinking.

Or let's say Pete calls you on the phone. Can he drop by to see you? Any time, you say. So Pete drops by just when you're up to your ears in a line changeover.

Pete doesn't get much attention, your changeover gets the "one-eye-only" treatment, and your time budget suffers.

#### 6.4.3 Control the telephone

It's a monster to supervisors in some shops. If you can get someone else to answer it for you, do so. Then call back when you have the time. Avoid using the telephone for routine messages that can be forwarded through the interoffice mails.

#### 6.4.4 Write down reminders

Don't trust yourself to remember things to do. Use a sure-fire reminder system, such as jotting down important jobs to be done on your desk calendar or in a pocket notebook.

#### 6.4.5 Limit chitchat

Conversation - with employees and other supervisors - is vitally important to your role as supervisor. But you've got to keep it under control or it will eat up all your spare time.



**Note:**

Limit casual conversation to a few pleasantries when you can. Nothing ruins your day quite so well as a couple of 20-minute conversations with your associates about the fish they didn't catch!

#### 6.4.6 Set up a time budget

Try something like that shown in **Figure 6.3**. Place your time allotments into four categories:

- *Routine work*, such as checking time sheets, answering mail, and handling normal paperwork.
- *Regular job duties*, such as the important ones of supervising, training, controlling, and appraising.
- *Special assignments*, such as serving on committees or assisting on special projects.
- *Creative work*, such as developing new methods to improve your department's quality or productivity.

#### 6.4.7 Begin each workday with a plan

Each day will present a new set of problems, so take five minutes to tailor your plans before the workday begins. Use your desk calendar to list the things you want to do that day.



Figure 6.3 Example of Google calendar

### 6.5 The 'vital few' and the 'trivial many'

In ABC analysis the small portion of items or problems (about 20 percent) that account for a very large portion (about 80 percent) of the time and money spent to solve or control them.

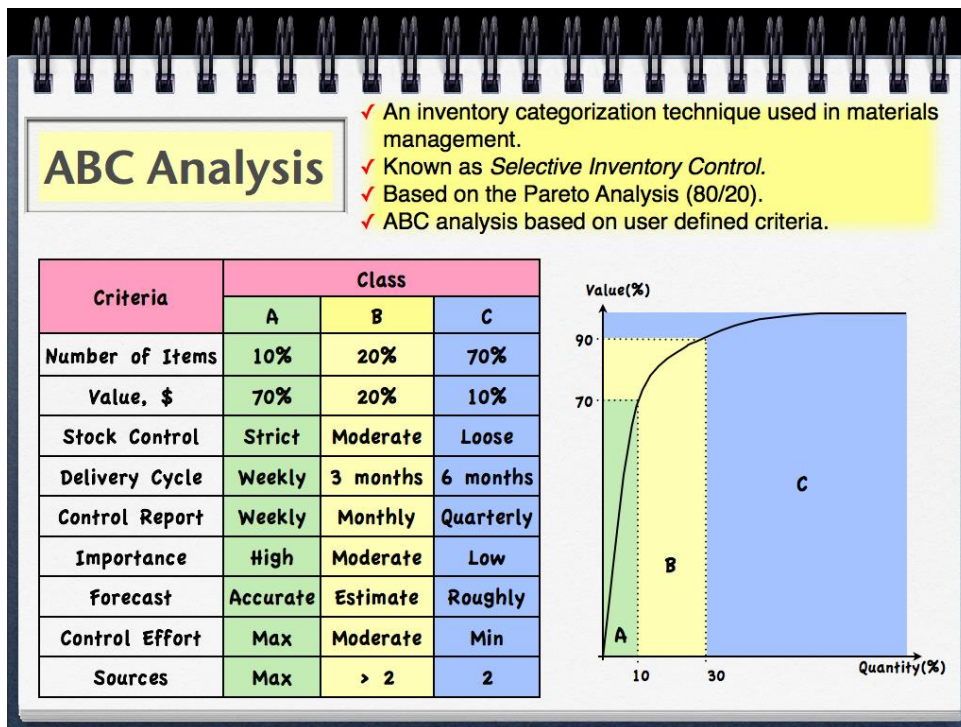


Figure 6.4 ABC analysis

Most problems and opportunities are basically of little consequence. Economists call this the 20/80 syndrome. Class C problems are the many very small things. You must go after A items first and then try to get to the B's. When you get to the Cs, you can surprisingly wipe them out in one sweep.

These "trivial many" tasks can be disposed of quickly with a telephone call, a jotted note, or a brief instruction to employees as you walk through the shop.

**Note:**

Plan to concentrate your time on the "vital few" problems and let the "trivial many" await their turn.

How do you recognize the vital few?

Experience will provide a good basis. You may waste a couple of hours the first time around on what turns out to be an inconsequential problem. The next time it comes up, however, either you will know how to dispose of it quickly or you will know that you should put it far down on your priority list.

There are other ways, too, of judging a problem's importance.

For example, ask yourself any of these questions:

**6.5.1 Where did it come from?**

If the problem arose as a directive from your boss or a request from the sales department, it may need top priority. If it came from a lesser source, perhaps you can delay it.

**6.5.2 What is its potential for trouble?**

Some unsolved problems can cause other problems to pile up elsewhere. Suppose there is a machine that needs a minor repair. You put it off. But that machine is in the main line of flow in your operation.

It is in a position to cause quality problems, and if it breaks down altogether, it will hold up production.

The repair problem is minor, but its potential for trouble is great. Get to it sooner rather than later.

**6.5.3 Beware of the "activity trap"!**

Supervisors and managers devote too much time going through motions that are essentially trivial. On paper, their efforts may look good; they write reports, keep their files up to date, and attend all the meetings. But they don't get results in terms of greater output, better quality, or lower costs.

### 6.5.4 Beware of the "time trap"!

Many problems look as if they can be handled quickly. It is a temptation to jump into them without thinking. But what was supposed to be done with a three-minute phone call turns into several phone calls.

What should have taken only a minute or two of discussion grows into a major hassle. Tasks that can truly be handled quickly should be grouped together and finished in one block of time.



**Note:**

Problems that need a major effort should be budgeted for your undivided attention, with enough time allotted for their solution. (Bittel, 1990:537-540)

## 6.6 Stress on the job

### 6.6.1 Nature of stress

According to Beach (1985:540), "stress is an adaptive response, mediated by individual characteristics and/or psychological processes, that is a consequence of any external action, situation, or event that places special physical and/or psychological demands upon a person".



**Note:**

Individual characteristics may include factors such as sex, health status, and heredity. Psychological processes refer to such factors as attitudes, values, and various personality dimensions.

### 6.6.2 What stress is

When you find that you are not accomplishing what you believe you should, you may become frustrated. Frustrations exert pressure and is popularly known as stress. In its exaggerated state, it is often called "burnout".

### 6.6.3 Symptoms (signs) of stress

To create a feeling of well-being, the nervous system has to function between particular limits of intensity.

If these limits are exceeded, the person soon experiences unpleasant feelings that, eventually, may lead to a variety of pathological effects, such as dyspepsia, headaches, insomnia and exhaustion and, in some cases more serious illnesses such as gastritis, ulcers and coronary disease.

The immediate outward signs of stress may be a sudden reddening of the face, trembling, sweating, hesitant speech or over-emphasis of a nervous habit. Inward effects are feeling irritated, a thumping heart, sweating uncomfortably, butterflies in the stomach, boredom, anxiety, unaccountable fatigue and loss of appetite. (Betts, 1993:1 30)

### 6.6.4 The causes of stress

Stress at work originates from two divisions as shown in **Table 6.1**.

Two divisions	Three sources
Physical causes	1. <i>The work environment</i> . This includes just about everything, from malfunctioning machinery, faulty materials, tight schedules, pinching budgets, and pressure-cooker deadlines to your hard-headed boss, your uncooperative associates, and your disinterested employees.
Psychological causes	<p>2. <i>Your inner self</i>. This is pretty deep stuff, but it includes such things as a loss of self-confidence, sensitivity to criticism about your performance, fear of failure, weak self-image and doubts about your ability to cope with stress, wherever it originates.</p> <p>3. <i>Interpersonal relationships</i>. This combines the worst elements of the first two. Most work situations involve some sort of interpersonal transaction.</p> <p>For example, you may want a machine repaired in a hurry so that a critical order can be shipped. You've got to persuade the maintenance supervisor that this job should get his top priority.</p> <p>The degree of stress generated by this situation may depend entirely on your interpersonal skills. If you handle this transaction well, the machine will be back on line without delay.</p> <p>On the other hand, if you end up quarrelling with the other supervisor, the stress of the machine-breakdown will be compounded by the stress of the quarrel.</p>

Table 6.1

### 6.6.5 Management of stress

According to Bittel (1990,546) he suggests the following constructive advice you can follow to lessen the impact of stress in your life:

1. *Understand your limitations and live within them*. Acknowledge such truisms as "Everybody can't be president" and "Rome wasn't built in a day."

This calls for you to (a) be realistic about your true capabilities, (b) exploit them only as far as they'll carry you, (c) try not to move too far too fast, and (d) accept the fact that it's usually more satisfying to do well at a lesser job than to feel relentlessly pressured at one slightly above your capacity.

2. *Break away, if necessary, before you break yourself.* Don't run away from every crisis, but if you find yourself crumbling, do make time to remove yourself physically from the stressful situation. Take fifteen minutes or more to meditate, pray, relax - so you can get a fresh perspective.
3. *Get more genuine exercise.* It's a fact that tensions are reduced when the blood circulation rises. Even if you're not athletically inclined, find a half hour each day to loosen up your body in some relaxing form of exercise.

Such activity need not be too vigorous - walking, bike-riding, bowling, or lawn-mowing may do you as much good for relaxation purposes as jogging, tennis, or swimming.

4. *Select and pursue at least one diversion.* Most important, this should be something you truly enjoy doing, not something that you feel is a matter of obligation.

Let it be stamp collecting, woodworking, or machine-shop work, local politics, gardening, gourmet cooking, card-playing, or needlepoint. If it's a true diversion, you will find that you are totally absorbed in it, that time flies and cares are forgotten during your involvement.



**Note:**

The purpose of the diversion is to give your mind a rest from stress so that it can recharge its psychological energy cells.

5. Take time to look at the world around you. Most people who are troubled by stress tend to turn their vision inward. This is like trying to climb out of a pit by digging downward.

The escape from pressure usually lies in the other direction, outside oneself. The world is a very big place, and simply taking five minutes to look at the morning or evening sky helps to place personal matters in perspective.

Similarly, the act of getting concerned about other people's problems has a tension-relaxing effect.

To test the degree to which you are inwardly turned, observe how well you can listen to others without interruption. Ask yourself how often you try to top another person's miseries with a story about one of your own. Does only the work that you do seem important?

**Think about it!**

Many of us who would never think of ourselves as egotists are concerned only with ourselves. It's a malady brought on by stress. And one of the best-proven cures for it is to immerse yourself in trying to come to the aid of others.

**Activity 6.1**

1. Explain the following time wasters:
  - 1.1 Doing the work of subordinates
  - 1.2 Meetings
  - 1.3 Fire-fighting
2. Explain time management.
3. How would you go about setting up a time budget?
4. What questions could be asked to recognize the "vital few" problems?
5. Explain what is meant by psychological causes of stress.
6. What constructive advice can you give a person to lessen the impact of stress in his/her life?

**Self-Check**

<b>I am able to:</b>	<b>Yes</b>	<b>No</b>
• Describe the top ten time-wasters		
• Explain the importance of and guidelines of time-management		
• Prepare a time-budget chart		
• Differentiate between the "vital few" and the "trivial many"		
• Describe stress and point out the symptoms and sources of stress		
• Explain how to manage stress		
If you have answered 'no' to any of the outcomes listed above, then speak to your facilitator for guidance and further development.		

# Module 7

## Improvement Productivity and Innovation

### Learning Outcomes

On the completion of this module the student must be able to:

- Describe productivity
- Describe the factors that contribute to productivity
- Describe work-measurement
- Understand and describe various approaches to methods-improvement, including motion economy
- Explain the various approaches to creative thinking and innovation and entrepreneurship
- Explain the reasons for entrepreneurship and the qualities required

### 7.1 Introduction



Productivity is a measure of how efficient a person or an operation is and it is determined by comparing i) the value of the output results with ii) the cost of the input resource.

It is expressed as a ratio:

$$\text{Productivity} = \frac{\text{output}}{\text{input}}$$



#### Definition: Productivity

According to Bittel (1990:384) "Productivity is the process of getting more out of what you put in. It's doing better with what you have."



#### Example

Productivity of a hand-assembly department in a furniture factory might be stated as five chairs per labour hour.

The number of chairs is the output; labour expended is the input.

If the value for every chair can be estimated at R12,00, then the total cost will be R60,00.

If an assembler is paid R15,00 per hour, then the productivity of the assembly operation would be R60,00 divided by R15,00, and this gives a ratio of 4:1 (400 percent).

Ratios can also be converted to percentages, for example, if your department's productivity ratio was 2,9:1 last year and improved to 3,1:1 this year, it would be correct to say that your productivity had improved by 6,9%.

$$3,1 - 2,9 = 0,2$$

$$\text{Improvement} = \frac{0,2}{2,9} \times \frac{100}{1} = 6,9\%$$

[Bittel, 1990:384]

## 7.2 Contributions to productivity

Productivity can be made to increase as a direct result of improving technological or human contributions, or both.

### 7.2.1 Technological factors

- The product: Its design, its quality (which may improve from year to year).
- Plant and equipment: Up-to-date and well-maintained facilities and equipment make a big difference in productivity.
- Raw materials: Quality of raw materials used and the continuity of their supply.

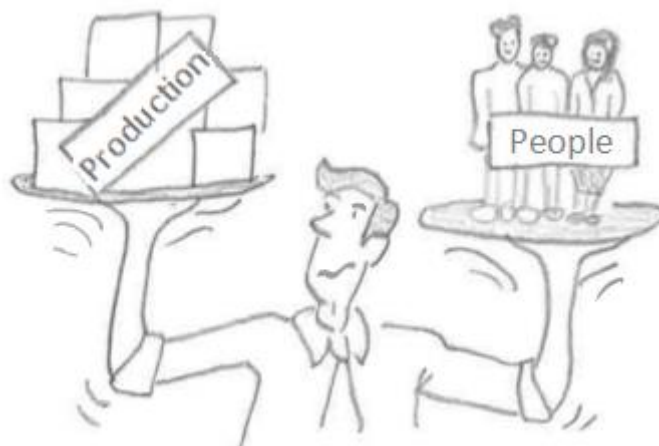


Figure 7.1 There must be a good balance between people and production

- Mechanization: The introduction of automation, computers, robots, etc., increases speed, precision, and efficiency.
- Process layout and methods: Congestion and backtracking hinder productivity; order and unimpeded flow improve it.

- Utilization of power: Output per employee-holder is usually increased with increased use of power.
- Scientific management: The emphasis here is on better planning and co-ordination, simplified methods, standardization, time and motion study, reduced waste and spoilage - these factors contribute notably to increased productivity.

### 7.2.2 Human factors

- Ability
- Knowledge and
- Motivation (If a person had no motivation, but is otherwise the most capable individual in the world, there would be no connection between ability and performance. Or, if a person had no ability, but instead terrific motivation, there would be no connection between motivation and essential ingredients to good employee performance). [Suttermeister, 1976: 11]
- Individual education
- Experience
- Levels of aspiration
- Work schedules
- Training
- Organisational groupings
- Personnel policies
- Leadership is very important
- Pay practices

## 7.3 Work measurement

Work measurement is the term generally applied to any method of determining how long it takes to do a job. It is the foundation stone of productivity improvement.

### 7.3.1 Ways in which work is measured

#### 7.3.1.1 Time studies

(By using some sort of stopwatch) is the time taken to complete a specific job, and is by far the most common way.

#### 7.3.1.2 Motion studies

Is the total time needed for every motion required on a job, like pulling, lifting, pushing, etc.

#### 7.3.1.3 Work sampling

Is accomplished by making random observations of various activities in the work area. It enables a supervisor to find the proportion of delays and interruptions that occur as related to the total time required to do a job.

For example, if you wanted to find out how much of the time a lift was actually out of operation, you'd visit the truck a predetermined number of times a day, say, ten. These visits would not be at regular intervals; they would be at random.

If in ten days you made 100 observations, and if during 23 of them the truck was idle, it would be safe to conclude that the truck was idle 23 percent of the time.

Work measurement data enable managers and supervisors to:

- Estimate accurately how long future jobs will take.
- Establish reliable work schedules.
- Provide employees with specific work standards in terms of either
  - a) time allowed to get a job done or
  - b) number of output units that must be produced in a certain period
- Estimate the labour costs for products to be made or services to be performed.
- Provide a basis for employee wages, especially those that include extra pay (wage incentives) for work that exceeds the time standard.
- Provide fundamental measures for productivity.

## 7.4 Methods improvement

### 7.4.1 What does it imply?

It is simply the organized use of common sense to find better ways of doing work. Any of many systematic methods of work analysis aimed at finding simpler, faster, less physically demanding ways of accomplishing a given task while at the same time increasing productivity and reducing costs.

Methods improvement has many names, it may be known as work simplification, time-and-motion study, operations analysis, methods engineering, systems engineering, waste reduction, motion economy, or even quality circles.

### 7.4.2 What kind of questions to ask to cut costs

The famous poem of Rudyard Kipling can be used as your personal key to work simplification:

*I keep six honest serving men*

*They taught me all know;*

*Their names are What, Why, When, How, Where and Who.*

- Why is the job done in the first place? Why is each of the details necessary?
- What is done? Have you recorded each detail so that you actually know?
- Where is the work done? Where should it be done to do it better, faster, more cheaply, more easily?
- When is it done? When should it be done to do it better, faster, more cheaply, more easily?
- Who does it? Who might be better equipped, be better trained, have more available time to do it more cheaply?
- How is it done? How could the method be improved by doing two or more operations at once, by mechanising it, by using a fixture?

### 7.4.3 How to find better methods

There are many approaches from which to choose to uncover delays and finding out what's wrong:

- *Eliminate*  
First look for the chance of skipping one part of the entire operation. There is no point in wasting time improving methods if the job doesn't have to be done at all.
- *Combine*  
Doing two or more things at once saves time.
- *Change sequence*  
You can do things more easily or cheaply by changing the order in which they are done.
- *Simplify*  
Here is where you try to cut down on wasted motions, replace hand operations with mechanical ones, and provide fixtures for positioning and chutes for feeding. But, don't try to simplify until you've first tried to eliminate, combine, or change sequence.

### 7.4.4 How does motion economy help to improve productivity?

Motion economy is the selection and use of the human body's movements that are the quickest, most comfortable, and the least physical and mental effort, to produce results.

Principles of motion economy, as aids to getting a job done with the least labour, are the following:

- *Motions should be productive*  
Every motion a person makes should be concentrated on "do" operations that bring the job closer to a finish. Hands for instance, should not be wasted in holding the work; they should be released for more value-added operations.
- *Motions should be simple*  
The fewer parts of the body used, the better. Use a finger and a thumb rather than the whole hand. Grasp an object by reaching with the forearm rather than with the bending over of the body. Motions should be along curved paths rather than straight lines, because most of the body members swing from joints in a circular motion.
- *Make workers comfortable*  
The workbench (elbow height), the keyboard, the chair should all be arranged so that the operator feels comfortable when working or sitting on it.

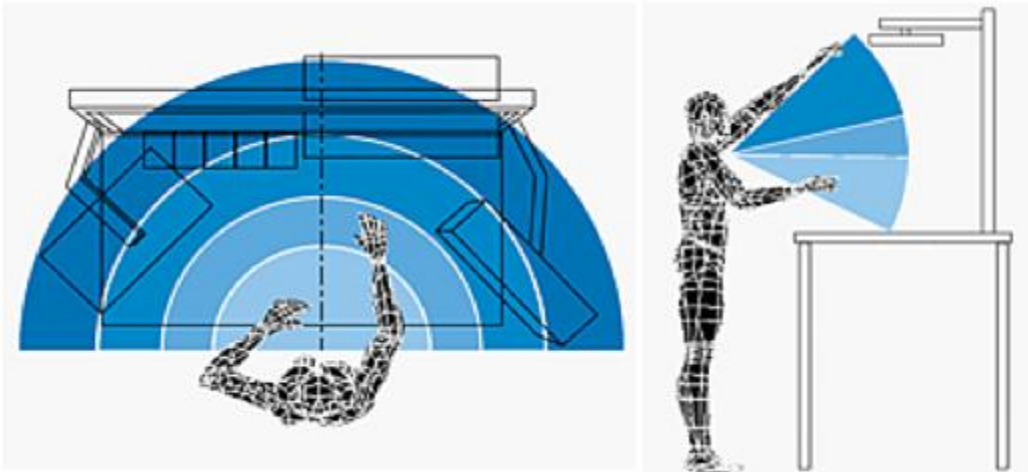


Figure 7.2 Workplace design for easiest reach

- *Combine two or more tools*  
Picking up and laying down tools takes time - it's quicker to reverse a tool with working edge on either ends.
- *Pre-position tools and materials*  
Having things arranged (before time so that they are already aligned before the operator picks them up, speeds the job. (Instead of walking to fetch it, and then picking it up).
- *Limit activity*  
If a person has to reach or stretch beyond that normal work area, turn around, bend or stoop, it takes time and is fatiguing. A person works comfortably within the swing of the arms forward and up and down.
- *Use gravity when possible*  
Materials can be fed by gravity through bins and chutes. The part then comes out the bottom of the chute right at the worker's hand each time, without the worker having to stand up to fetch it before it can be worked on. [Bittel, 1990:304-395]

## 7.5 Innovation and creativity

Creative supervisors and employees are valuable sources of innovative ideas for improving methods. All of us are born with an ability to be innovative or creative to some degree. The trouble is that we have not made enough use of it - or have been discouraged from using it.

### 7.5.1 What is creativity

Creativity enables man to have a new vision, a new approach to things. A creative person is able to transform existing knowledge and give it a new perspective. In this way he is better equipped to formulate problems, achieve possible solutions; develop alternative solutions and visualise the consequences more effectively.

**Definition: Creativity**

The use of imagination or original ideas to create something; inventiveness.

Many experts think that the secret of creativity lies in free association of ideas, that is, the mind's ability to make a connection between two vastly different objects or ideas.

**Example**

A factory was spray-painting bedsprings automatically. Drips and "teardrops" were a big problem. The engineer tried all the obvious ideas. He speeded up the spraying and then slowed it down; he changed paint consistency, surface preparation, drying heat, and airflow. No luck!

Then the supervisor of the operation came up with the bright idea of whacking the painted springs automatically with a rubber hose. It worked!!

Paint flew off like the dust from a rug he had seen his grandmother beat with a rug beater. Not only was the drip problem solved, but also enough paint was collected in gutters beneath the springs to paint twice as many springs as before.

The free association of ideas resulted in solving the painting problem the same way one gets dust out of a rug.

[Bittel, 1990:397 and van der Westhuizen, 1991 :460]

**7.5.2 Innovation****Definition: Innovation**

Innovation usually means the use of new ideas. In an organisation, this can mean a new product, a new service, or a new way of doing things.

A systematic approach to generate innovative ideas is something like this:

1. Narrow down the problem. It's easier to think of ideas for changing the way day-old reports are filed, for example, than to redesign the entire filing system.
2. Learn to concentrate. Try writing or sketching the problem on a sheet of paper and keeping it in front of you to focus your attention.
3. Persevere. Good ideas don't always come quickly. So if you can't produce a workable solution today, try again tomorrow.

4. Preserve. When you came across good ideas, write them down before they are forgotten. Put these ideas in an "idea bank" file, and search it occasionally for possible applications.
5. Build your confidence. Look for early breakthroughs on small matters; then raise your sights to more difficult challenges.
6. Use your unconscious mind. Remove blockages by sleeping on a problem, letting your mind wander, taking a break.
7. Keep ideas flowing. When you are good at getting good ideas, don't stop generating ideas just because it's quitting time.
8. Take action. Ideas may strike you in a sudden burst of inspiration. Nothing much will come of them, however, unless you convert them to practical usage.

### 7.5.3 Entrepreneurship

This is a concept of stimulating creativity in which individuals act in an innovative and entrepreneurial way with the support of, and within the structure of, an established organisation.

It is an increasingly popular way of stimulating innovation and creativity within an established organisation. But, unhappily there is little opportunity for entrepreneurial vision in many companies, and these conditions are very discouraging for highly creative people.



#### Did you know?

Many progressive organisations are now making it convenient and rewarding for these creative people to stay and become entrepreneurs right where they are. They are encouraged to extend their creativity beyond routine methods improvements.

They may on their own start independent operations within a larger department, or

- (a) they may be turned loose on a particular research project that they have formed in their mind (conceived), or
- (b) they may be given starting money for a small business under the protective umbrella of the parent corporation.

To the supervisor, it is important to make it one of his responsibilities to create, among his employees, the concept of becoming the creative director of one's own business.

Entrepreneurship lies at the heart of the free-market system. The entrepreneur has the ability to mobilise and coordinate production factors (resources, capital and labour) in such a way as to create profits. Businesses are springing up all over.

Everywhere vendors are hawking handicrafts, clothing, fruit and vegetables. Why start your own business? (Reasons for entrepreneurship) Many people are

forced into it by economic necessity. Financial problems may arise when someone loses a job or can't find employment. It may provide extra income enabling people to buy luxury items (such as a dishwasher, for instance).

People may prefer working for themselves. Most people strive for independence. Personal satisfaction (the pleasure you gain from achieving something) is also a motivation.

The entrepreneur must have certain qualities, such as:

- self-confidence and persistence;
- independence - the ability to identify opportunities;
- patience, dedication, determination and perseverance - the way in which problems are handled;
- a strong value system;
- the ability to handle uncertainty - changes and stress will be there;
- honesty and integrity;
- a desire for independence;
- support from family members, because long hours are not immediately rewarded;
- the ability to learn from the skills of others;
- the ability to dream realistically - constant solving of problems;
- a strong sense of responsibility;
- innovativeness - the ability to spot opportunities (paper clips are not just for paper; biltong can be hung from them too);
- positive thinking;
- a willingness to take risks - not gambling, but calculated risks;
- optimistic realism is complemented by a sense of humour.

Before you can begin to examine possible opportunities regarding an undertaking, you really need more background information about the entrepreneur and his or her environment. (Pahn, 1993:5,6) (Marx, 1993:25)



### Activity 7.1

1. If productivity is measured by the equation:

$$Productivity = \frac{output}{input}$$

and motorcars are to be manufactured, what then is the output and what is the input?

2. There are Technological factors and Human factors that can contribute to productivity. Name four factors under each category.
3. What does methods improvement imply?
4. Differentiate between the following terms:
  - 4.1 creativity
  - 4.2 innovation
  - 4.3 entrepreneurship



### Self-Check

<b>I am able to:</b>	<b>Yes</b>	<b>No</b>
• Describe productivity		
• Describe the factors that contribute to productivity		
• Describe work-measurement		
• Understand and describe various approaches to methods-improvement, including motion economy		
• Explain the various approaches to creative thinking and innovation and entrepreneurship		
• Explain the reasons for entrepreneurship and the qualities required		
If you have answered 'no' to any of the outcomes listed above, then speak to your facilitator for guidance and further development.		

# Module 8

## Quality

### Learning Outcomes

On the completion of this module the student must be able to:

- Describe the following terms:
  - quality
  - defect
  - rework
  - specification
  - tolerance
  - reliability
- Distinguish between corrective costs and preventive costs
- Discuss the breadth of a supervisor's responsibility for quality and list a number of ways this responsibility can be carried out
- Discuss the contribution employees can make to quality and why they make errors
- Understand the concepts and purpose of statistical quality control, and explain the use of the frequency-distribution and quality-control charts
- Describe the main features of zero Defects and Quality Circle programs and explain the value of participative approaches for solving quality problems

### 8.1 Introduction



Quality is a measure of the degree to which a process, product, or service conforms to the requirements that have been established for it.

To have meaning, quality must be defined in highly specific terms, for example: This product (a brown bread) must conform to the requirement that it weigh no more than 900 grams and no less than 800 grams.

This process (operating an air-driven nut-runner) must conform to the requirement that the machine's pressure be held at 40 kPa, plus or minus 3 kPa.

#### 8.1.1 How much does poor quality cost?

Billions of rands are lost to poor quality in two ways:

### 8.1.1.1 Corrective costs

This is money down the drain for any of the following reasons:

- Damaged parts and materials that must be scrapped or reworked;
- The time and effort of redoing poor work;
- The cost of warranties that presume errors will be made that must be corrected later; and
- The cost of handling customer complaints.



**Note:**

Corrective quality is by far the most costly approach to quality problems (2 -10% of sales revenue).

### 8.1.1.2 Preventive costs

These are costs incurred to prevent poor workmanship or defective goods in the first place, by doing the following:

- Inspection;
- Testing; and
- Quality-control procedures, including education and motivation programs (not more than 3% of sales revenue).

## 8.2 Quality and the supervisor

Supervisors have a major responsibility for making-an organisation's quality-assurance effort successful.



**Note:**

Every activity of an organisation contributes to the quality of its products or services, and does not rest on the shoulders of one person or even a single department.



Figure 8.1 Supervisors have a major responsibility for quality

Supervisors are expected to make certain that errors and defects do not occur in the first place. But there are many unending battles between inspection and supervision.

The reasons are clear: supervision is continually pressured from above for output to conform to requirements.

However, here are some guidelines that should govern any supervisor's approach to a responsibility for quality:

- Quality must be built into the product. No one can inspect it in.
- Refuse to allow commonly-accepted levels of delay or of mistakes, defective material, or defective workmanship.
- Search continually for problems and seek ways to improve the system.
- Focus supervision on helping people to do a better job.
- Provide the tools and techniques that will enable people to have pride in their workmanship.
- Eliminate fear. Encourage two-way communication.
- Break down barriers between departments. Encourage problem-solving through teamwork.
- Implement a vigorous program of education and training to keep people abreast of new developments in materials, methods, and machinery.

### **8.2.1 The supervisor's own checks of quality**

The following points should be kept in mind:

- Dimensions and appearance should be set up as specific quality standards.
- By keeping examples of acceptable and non-acceptable work on exhibit will be of great value.
- Put specifications in writing, and see to it that employees get a copy to guide them.
- Allocate some of your own time for inspection, a certain amount of time each day.
- Pick spots where quality can best be made or lost. There is no point in spending your time checking operations where nothing much can go wrong.
- Make inspection rounds from time to time. Change the order of your trips frequently.
- Select at random of pieces produced (5 or 10 %) at a particular station to inspect them carefully.
- Correct operating conditions immediately where your inspection shows material to be off-grade or equipment to be faulty.
- Consult with employees to determine the reason for poor workmanship or unacceptable products. It is important to get their co-operation for quality improvement.
- Check the first piece on a new setup or a new assignment. Don't give the green light for production until you are satisfied with the quality.
- Use post quality records, scrap percentages, and so forth, to keep employees informed of the department's performance.

### 8.3 Employees contributions to quality

Employees can make or break a quality program, but they must first be given the proper information, training, and equipment.

#### 8.3.1 How to get employees more interested in quality

In the first place it's important to sell the employees the importance of quality. Then you will not have the "I don't care" attitude of your employees.

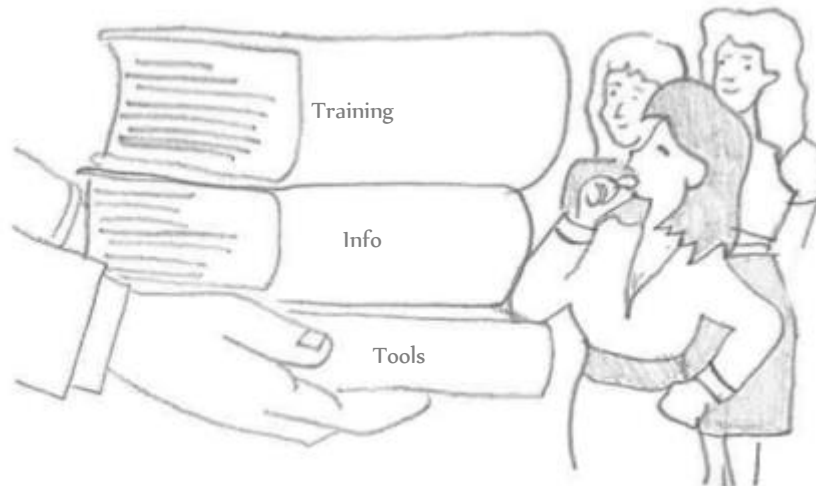


Figure 8.2 Employees can make or break a quality assurance program

Start from the first day by stressing quality as well as output, to get them quality conscious. Emphasize that the two must go hand in hand in your department.

Whenever you show a new employee how to do a job - be specific as to what kind of work is acceptable and what kind will not meet the specifications.

Explain the reason behind product or service quality limitations, and try to show them the little tricks of the trade that help to make quality easy to attain.

#### 8.3.2 Why employees make errors

Generally speaking, there are six reasons why employees make mistakes - and most of them begin with management inadequacies rather than with employee shortcomings.

The following are potential causes of errors:

- Lack of training
- Poor communication
- Inadequate tools and equipment
- Insufficient planning
- Incomplete specifications and procedures
- Lack of attention or concern

**Note:**

Poor communication can be overcome by taking the extra time to make sure each person fully understands the instructions.

Lack of concern is perhaps the most serious of all. This is very personal and stems from employee's attitudes. You must reaffirm that management is interested in the employees, and must re-create the old-fashioned pride in their crafts.

**Note:**

The employees must be motivated to have a personal attachment to their jobs and to be proud of the quality of the work they do. (Bittel, 1990:410-413)

## 8.4 Statistical quality control

### 8.4.1 What is meant by statistical quality control?

Statistical quality control simply means that numbers - statistics - are used as a part of the overall approach to controlling quality.

Statistics are tools and in no way relieve supervisors or employees from a concern with quality. Used properly, however, statistics can be of considerable aid.

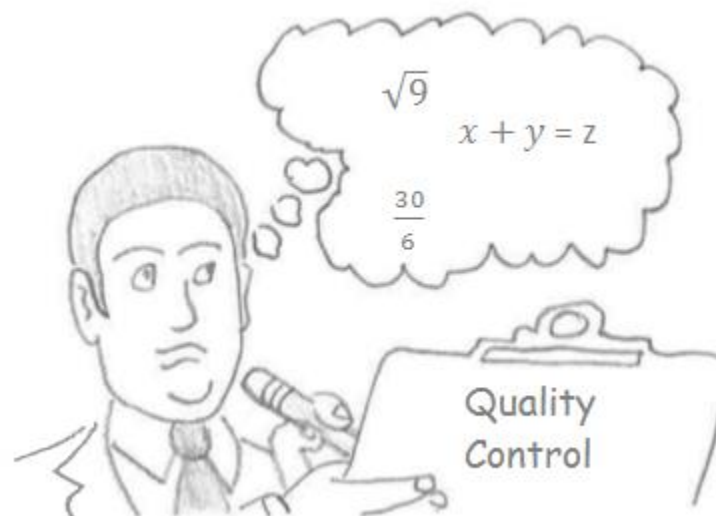


Figure 8.3 Statistical quality control makes use of mathematical tools

### 8.4.2 Tools of statistical quality control

#### 8.4.2.1 Frequency-distribution chart

You will probably recognize it by its more popular name - a tally card. If you were asked to place an "X" in the appropriate space for every shaft diameter you gauged in a given lot, chances are that you'd come up with a tally that looks something like **Figure 8.4**.

Frequency Table	
Class	Count
17.96-17.968	1
17.969-17.977	1
17.978-17.986	1
17.987-17.995	1
17.996-18.004	1
18.005-18.013	1
18.014-18.022	1
18.023-18.031	1
18.032-18.04	1

Your Histogram	
Lowest Score	17.96
Highest Score	18.04
Total Number of Scores	9
Number of Distinct Scores	9
Lowest Class Value	17.96
Highest Class Value	18.04
Number of Classes	9
Class Range	0.009

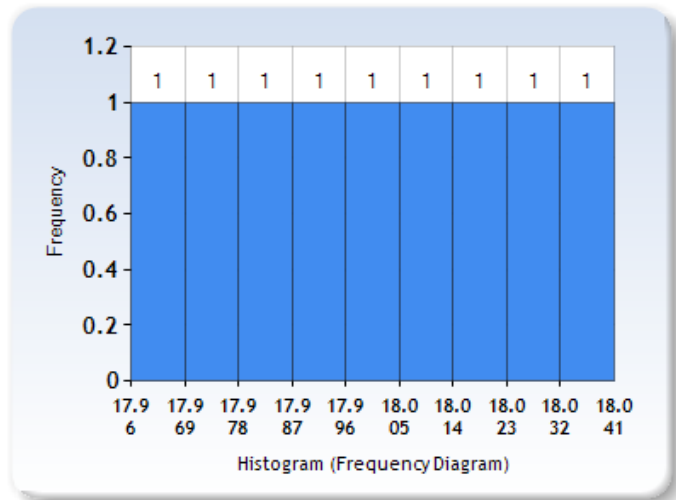


Figure 8.4 Simple frequency-distribution chart (or histogram) used in statistical quality control using the following values – 17,96; 17,97; 17,98; 17,99; 18,00; 18,01; 18,02; 18,03; 18,04

In this case the nominal shaft diameter was 18.0mm with a tolerance of  $\pm 0,03$ .

This tally gives you a picture of just what and where the shaft variations are instead of merely recording whether a shaft is good or bad.

This frequency-distribution chart (or histogram) helps tell you the causes of the variation. The wide distribution in this case indicates tool wobble. A picture that showed groups bunched around a point below or above the nominal 18,0 mm might mean that the setup must be adjusted.

#### 8.4.2.2 Quality-control chart

This is an hour-by-hour, day-by-day graphic comparison of actual product quality characteristics. On the chart are limits that reflect the person's or the machine's ability to produce, as shown by past experience.


Statisticians make use of the knowledge of shop tolerances and analyses of previous frequency-distribution tallies to establish these limits.

Whenever the inspections plotted on the control chart show that the product is getting outside the predicted control limits, that's a signal for the supervisor or the operator to correct what is being done so that the product conforms to specification.

In **Figure 8.5**, the part being made is supposed to measure 18,0 mm. The tolerance specs are  $\pm 0,03$ , or from 17,97 to 18,03 mm. The quality-control

statistician has predicted in advance from a frequency-distribution diagram that most production will vary within these control limits the 17,97 and 18,03 lines.

When quality stays within these limits, it is said to be on the highway. It is to be expected that a few products will fall outside the limits into the shoulder. But when the trend of measurements indicates that product quality is drifting progressively into the shoulder area, it's time to check the process.

	<p><b>Note:</b> Any product that goes beyond the upper or lower specification limits (goes into the ditch) is rejected.</p>
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The value of the chart lies in its ability to tell the supervisor and the operator whether they are within bounds or whether they are losing control of the process, before the process goes completely haywire.

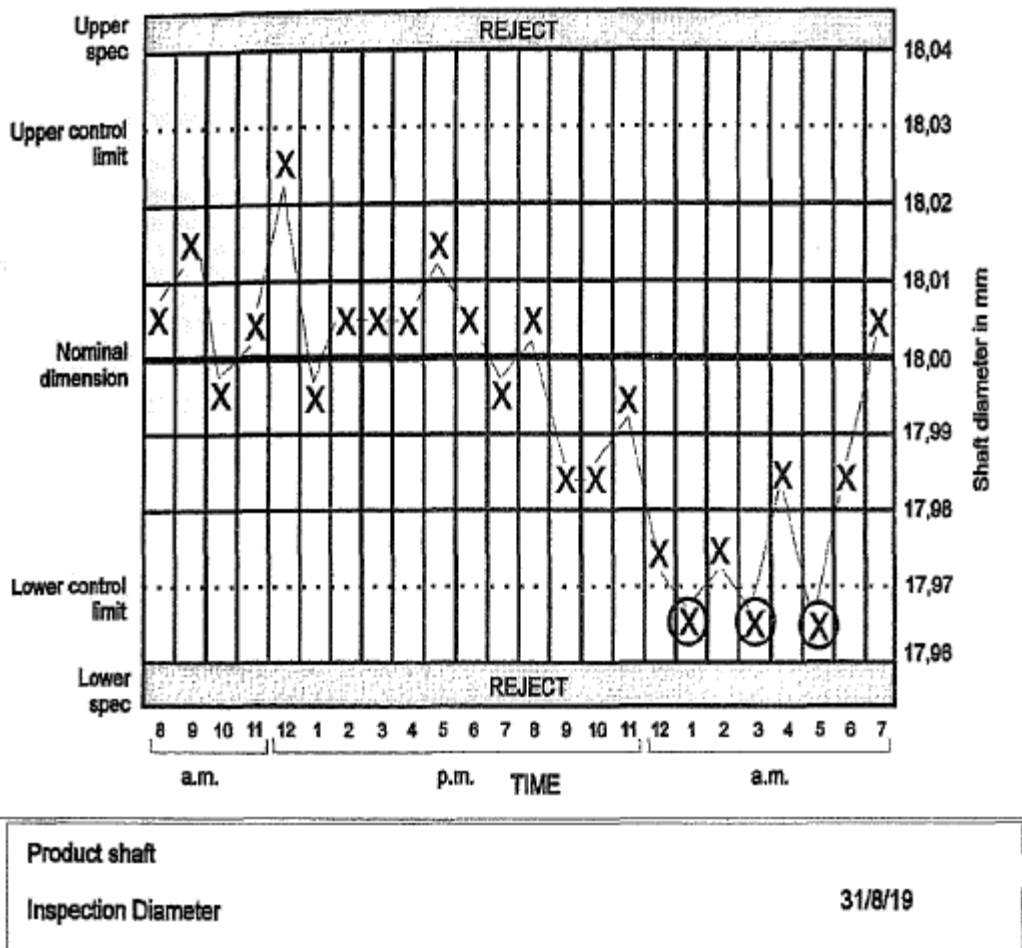


Figure 8.5 Quality-control chart

**8.4.3 Terminology**

- *Defect.* Any variation (in the product or service) from specifications that falls outside the prescribed tolerances and thus causes (1) the product to be

rejected, discarded, or reworked or (2) a service to be interrupted, declined, or delayed.

- *Quality*. The measure of the degree to which a process, product, or service conforms to the requirements that have been established for it.
- *Rework*. To remanufacture, do over, adjust, modify, or otherwise repair a product or a service that has been rejected because of an observed or reported defect.
- *Specification*. The definitions (preferably written) of expected performance of a product (or quality of a service), usually stated in finite measurements of size, shape, finish, durability, and so forth.
- *Tolerance*. Essentially a statement of precision that establishes limits within which the product or the service must meet the specification; for example, a machined part specified to be 25,4mm in diameter with a tolerance of 0,02 mm.
- *Reliability* is defined as the probability of a product performing a specific function, under given conditions, for a specified time without failure. It must measure up specifically, therefore, to (1) what it's supposed to do (such as, for a bolt, to hold 500 kilograms of direct pull); (2) the circumstances under which it will be used (such as temperatures up to 185°C in an acid atmosphere); and (3) the length of time it should perform before it breaks or stops working (such as 25,000 fastenings or 39 months).

## 8.5 Zero defects

(Bittel, 1990:414-418)

Zero Defects stressed personal motivation. It attempted to instil in each individual a pride in his or her work. it was the first quality program to put quality on a personal basis.



### **Definition: Zero defects**

Zero Defects (or ZD) was a management-led program to eliminate defects in industrial production that enjoyed brief popularity in American industry from 1964 to the early 1970s.

Zero Defect techniques were aimed at stimulating everyone involved to care about accuracy and completeness, to pay attention to detail, and to improve work habits. In this manner everyone worked toward reducing his or her own errors to zero.

Zero Defects obtained good results for three good reasons:

- The quality standard was very explicit: Do it the right way from the start.

- There was complete commitment by everyone. From sweeper to top executive, from production worker to clerical employee, everyone was encouraged to spot problems, detect errors, and prescribe ways.
- Action was taken immediately to change behaviour and to remove conditions that cause errors. Research proved that 90 percent of all error-causes could be acted upon and fully removed by first-line supervisors. In other words, top management had to do its part to improve conditions, but supervisors and employees could handle most problems at the operating level. (Bittel,1990:417/8)

## 8.6 Quality circles

Quality Circles were first developed in Japan in the early 1960s by the Union of Japanese Scientists and Engineers.

This organization combined the statistical quality control techniques introduced into Japan by two eminent American consultants, W Edwards Deming and JM Juran, in the 1950s with the motivational concepts of Abraham Maslow and Douglas McGregor.



### Note:

By the end of 1979 there were over 100,000 Quality Circles in operation in Japan.

### 8.6.1 What is a quality circle?

It is a study group of volunteers (sitting around the table, containing 5-15 people) who meet on a regular basis to examine and suggest solutions to common problems of quality.

It is the bringing together of the people who are directly involved in the system, and then obstacles/problems that block good quality and error-free performance are identified for rectification.

The group generally consists of employees plus their immediate supervisor, who usually serves as the circle leader.

### 8.6.2 How does a quality circle operate?

Organization within a company for Quality Circles requires four components:

- a steering committee ...
- facilitators or coordinator ...
- the leader ...
- the members ...

The steering committee (one per organization); facilitators or coordinator (one for every 5-8 Quality Circles); the leader (one per Quality Circle); and the members (5-15 per Quality Circle).



Figure 8.6 Quality depends upon commitment by the entire organisation

The steering committee makes policy and oversees the entire program. It is staffed by a cross-section of the managers at the upper levels of the plant or establishment. The facilitator serves as a guide and a process resource to the various Quality Circles.

He also reports on the effectiveness of the circles to the steering committee. The leader, who is usually the unit supervisor, serves as a stimulator and conference leader for his or her circle but does not attempt to dominate it.

Leaders must be given thorough training in group dynamics processes and problem-solving techniques. Circle members are also given thorough training in group processes and problem solving techniques.

Quality Circles do not just generate "wish lists" of what ought to be done. Instead, they analyse problems in depth, create proposed solutions, and make presentations to management on recommended courses of action.



**Note:**

Oftentimes the circle will test out its proposal in the plant and follow up to ensure success.

The typical Circle meets about one hour per week on company time. Some of the problem-solving techniques used are brainstorming, to identify the most serious problems.

### 8.6.3 The problem-solving process in quality circles


You may have observed by now that all quality improvement approaches have much in common with productivity and cost-improvement programs.

There is a great deal of desirable overlap. Many of the techniques of quality improvement have been borrowed from work simplification, for example. The reason for these similarities is that at the heart of all improvement programs are the problem-solving and decision-making techniques.

The Quality-Circle movement makes special use of all the approaches associated with problem-solving and methods-improvement, as shown in **Figure 8.7**.

There is one extremely important factor that is vital to the success of Quality Circles. Circles utilize what appear to be the common truths of motivation, group dynamics, Theory Y, and participation that can lead an employee or group of employees to try harder.

Employees make this extra effort because the work itself becomes more challenging and fulfilling.

	<p><b>Note:</b> Quality Circles not only improve quality and productivity, but they can also improve the quality of an employee's work life. (Beach, 1 985:363) (Bittel, 1 990:419,420)</p>
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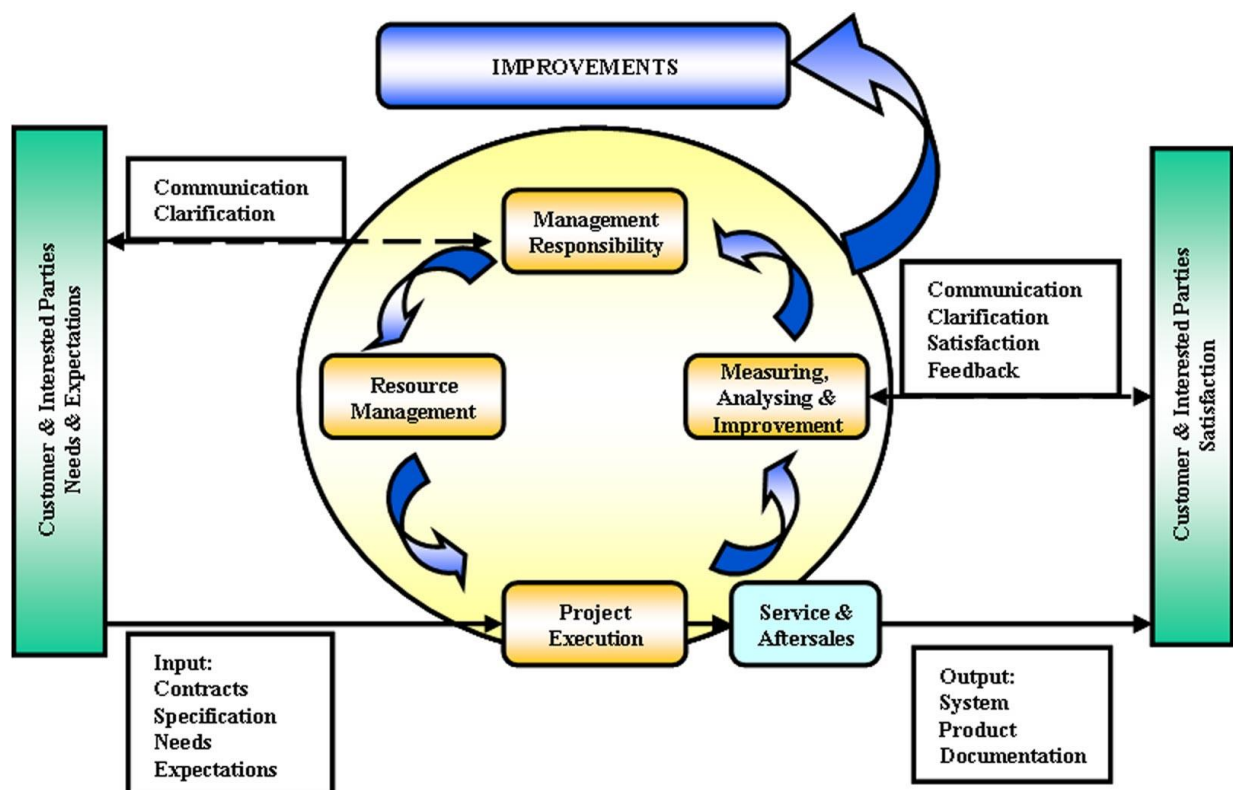


Figure 8.7 Problem-solving process in quality circles

## 8.7 Planning and scheduling techniques

During World War I Henry Laurence Gantt, an industrial engineer, developed the first production control chart. Its form seems obvious today, since most organizations now use one or another version of it to plan and chart output performance. Its essentials are displayed in **Figure 8.8**.

### 8.7.1 How to use the Gantt chart

To understand the unique value of the Gantt chart, put yourself in the place of a supervisor who has just been handed five production orders, stamped serially from 101 to 105.

These orders indicate on what machines the work must be processed, the sequence that must be followed, and the estimated number of hours it will take each machine to complete its work.

These orders contain essentially the same kind of information found on a route sheet. The route sheet, however, often includes operations performed in different departments.



**Note:**

It is not unusual for the supervisor to collect this information from several route sheets, or the production-control department may issue a number of separate orders to each departmental supervisor.

If the supervisor were to load the machines {they could be benches, work stations, desks, and so on) with the assumption that each order must be finished before another one is begun {straight-line or point-to-point scheduling), the schedule would be something like Chart A in **Figure 8.8**.

The flow of work would be orderly, but the equipment would be extremely under-utilized. Worse still, many orders would be delayed and orders 104 and 105 are not even showed in chart A.

To correct these deficiencies, Gantt overlapped orders and disregarded the sequence in which they were accepted, while still rigidly adhering to the operation sequence each order specifies.

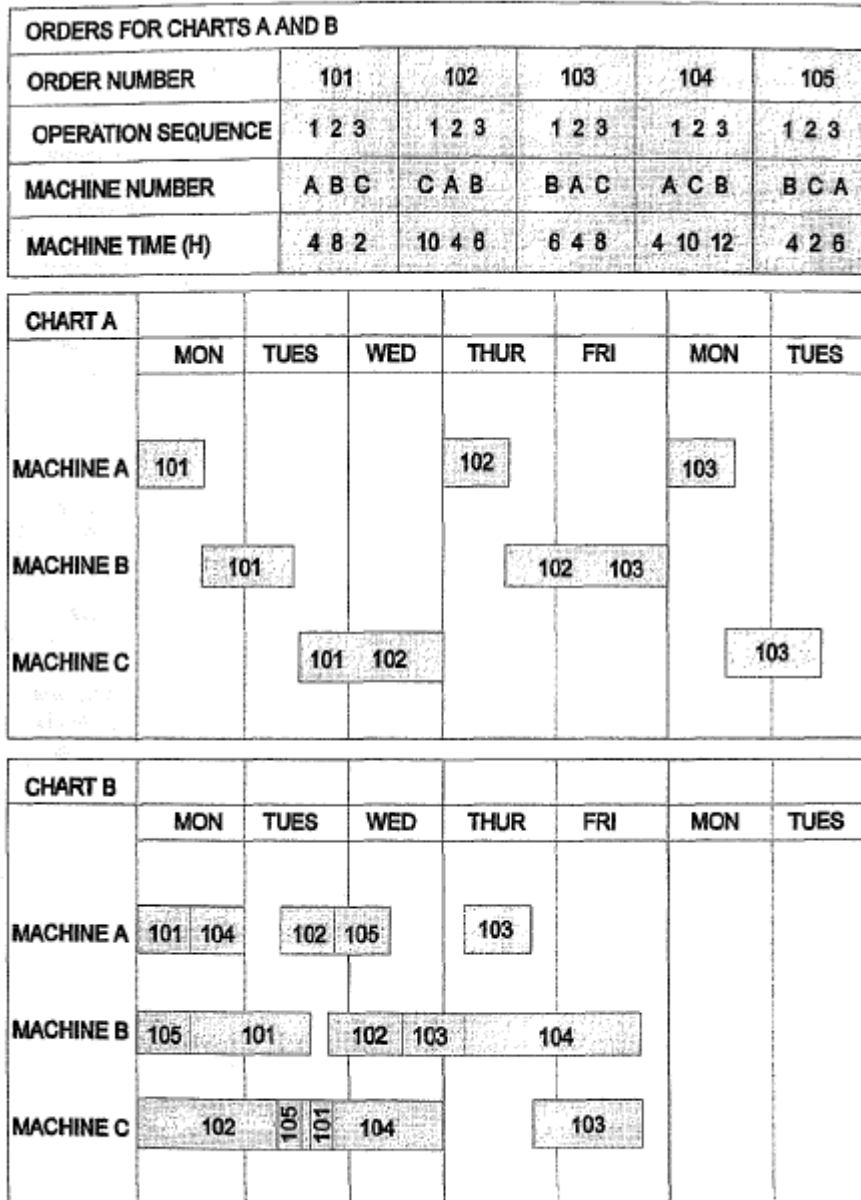
Chart 8 in **Figure 8.8** shows how the supervisor can juggle orders, starting order 105 on machine 8 and order 102 on machine C and at the same time beginning order 101 on machine A.

By rearranging and overlapping the jobs, the supervisor can have all five orders finished by Friday afternoon. Furthermore, the supervisor has greatly increased the overall machine utilization.

Machine A is now scheduled to be in operation 18 of the first 24 hours of the week (through Wednesday). It works 4 hours on 101 and 4 hours on 104, is idle

for 2 hours, then works 4 hours on 102 and 6 hours on 105, and is idle again until the close of the shift on Wednesday.

Machine B utilizes 22 hours during the same period: 4 hours on 105, 8 hours on 101, idle for 2 hours, 6 hours on 102, and 4 hours on 103. Machine C utilizes all 24 hours: 10 hours on 102, 2 hours on 105, 2 hours on 101, and 10 hours on 104.



NOTE: EACH DAY REPRESENTS 8 HOURS

Figure 8.8 Development of a Gantt chart from a series of production orders

### 8.7.2 PERT

PERT is a graphic technique that enables the planner to see the progressive relationships among many jobs; PERT is also known as the critical-path method (CPM), arrow diagramming, and many other variations.

**Definition: PERT**

The initials PERT stand for "program evaluation and review technique". PERT is a technique for planning any project that involves a number of different tasks that must be coordinated.

The technique dramatizes the value of conceiving of doing two or more things simultaneously. It may take 12 minutes to get a haircut, 5 minutes for a shoeshine, and 10 minutes to browse through the newspaper.

You could take minutes to do all three - in sequence, one after the other - or you could do all three in 12 minutes by doing them simultaneously, or (as planners say) in parallel.

**8.7.3 Nature of PERT**

It uses a time-event network analysis, as shown in **Figure 8.9**. This very simple example illustrates the basic nature of PERT. Each circle represents an "event" - a subsidiary plan whose completion can be measured at a given time.

Each arrow represents an activity - the time-consuming element of a program, the effort that must be made between events; "activity time" is the elapsed time required to accomplish an event.

The "critical path", is that sequence of events which takes the longest time and which involves, therefore, the least slack time.

In **Figure 8.9**, the critical path is indicated as from events 1-3-4-8-9-13. Over this path, the activity time for the entire sequence of events is 131,6 weeks; if promised delivery is in 135 weeks, even this critical path would have a slack of 3,4 weeks.

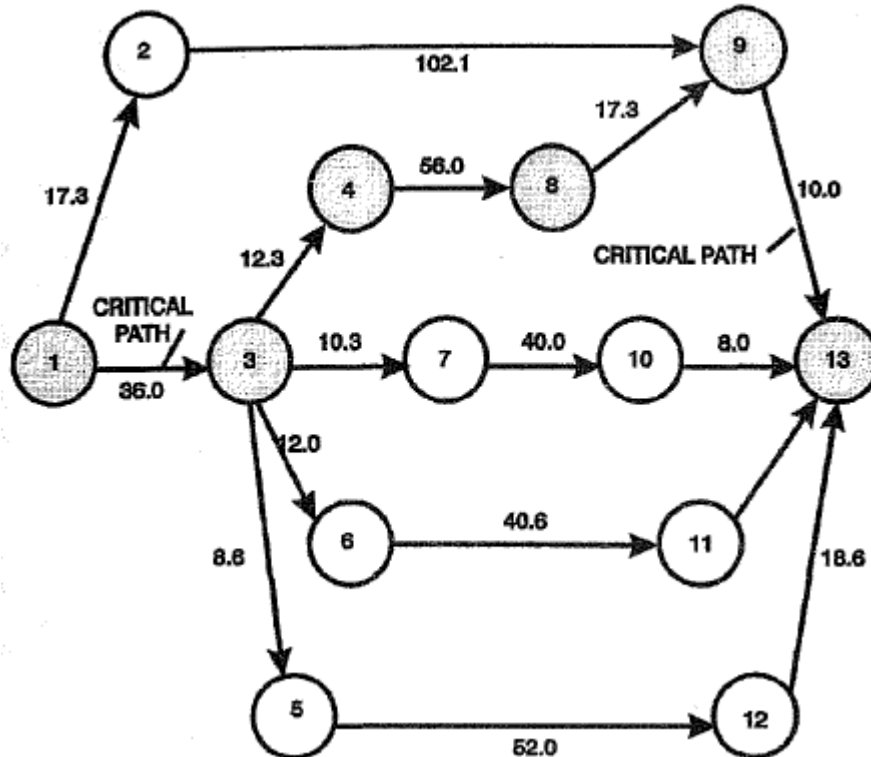


Figure 8.9

PERT flow chart: major production of an airplane. Events (each major milestone of progress) are: 1-program go-ahead; 2-initiate engine procurement 3-complete plans and specifications; 4-complete fuselage drawings; 5-submit GFAE requirements; 6-award tail assembly subcontract; 7-award wings subcontract; 8-complete manufacture of fuselage; 9-complete assembly of fuselage/engine; 10-receive wings from subcontractor; 11 receive tail assembly from subcontractor; 12-receive GFAE; 13-complete aircraft.

### 8.7.4 Strengths

There are five strong advantages of PERT.

First, it forces managers to plan, because it is impossible to make a time-event analysis without planning and seeing how the pieces fit together.

Second, it forces planning all down the line, because each subordinate manager must plan the event for which he or she is responsible.

Third, it concentrates attention on critical elements that may need correction.

Fourth, it makes possible a kind of feed forward control; a delay will affect succeeding events, and possibly the whole project, unless the manager can somehow make up the time by shortening that of some action in the future.

Fifth, the network system with its subsystems makes possible aiming of reports and pressure of action at the right spot and level in the organization structure at the right time.

### 8.7.5 How does the PERT chart relate to the Gantt chart?

It borrows the ideas of juggling a number of different but related tasks of varying time requirements from the Gantt chart.

PERT ties these to the critical events as they should occur and demonstrates graphically how these are all tied together.

Finally, PERT enables the planners to identify the bottlenecks in a complex schedule, plan, or program.

(Bittel, 1990:76-78)

(Koontz, 1984:595)



#### Activity 8.1

1. Distinguish between corrective costs and preventive costs, and give two examples of each.
2. What will you do to get employees more interested in quality?
3. Mention the TWO charts that you can use in statistical quality control program.
4. Explain the difference between the following terms:
  - 4.1 Defect
  - 4.2 Rework
  - 4.3 Tolerance
5. Explain the difference between Zero Defects and Quality Circles.
6. What do the initials P-E-R-T stand for?



#### Self-Check

I am able to:	Yes	No
• Describe the following terms:		
○ quality		
○ defect		
○ rework		
○ specification		
○ tolerance		
○ reliability		
• Distinguish between corrective costs and preventive costs		
• Discuss the breadth of a supervisor's responsibility for quality and list a number of ways this responsibility can be carried out		
• Discuss the contribution employees can make to quality and why they make errors		

• Understand the concepts and purpose of statistical quality control, and explain the use of the frequency-distribution and quality-control charts		
• Describe the main features of zero Defects and Quality Circle programs and explain the value of participative approaches for solving quality problems		
If you have answered 'no' to any of the outcomes listed above, then speak to your facilitator for guidance and further development.		

# Module 9

## Production Costs

### Learning Outcomes

On the completion of this module the student must be able to:

- Discuss the importance of record-keeping and differentiate amongst the different types of costs
- Explain and draw the break-even analysis graph
- Explain the purpose of budgets in costs control
- Describe the costs variance report
- Calculate unit costs
- Explain the way in which flexible budgets are designed
- Understand how to set cost-targets priorities and list some positive ways to improve costs
- Discuss the reasons for employee resistance to cost-reduction programs and describe several ways for securing workers' support and cooperation.

### 9.1 Introduction



Cost is the money-value of all the sacrifices which an enterprise makes in the process of producing and marketing a product and/or service. Cost therefore arises from giving up the money-value attached to goods and services.

Money-value in turn is the utility that a product or service has for its user. Therefore, cost is the money-value of the means of production used up efficiently in the production process. Not all sacrifices form part of the costs - only those which are considered to be made efficiently.

A standard is therefore set and if the means of production (sacrifices) are not utilized according to this standard, this ineffective utilization does not form part of the costs.



**Note:**

Inefficient utilization of resources does not amount to costs but to wastage.

Wastage describes the sacrifice of means of production which are not utilized effectively in the production process. Costs have an economic rather than a technical significance.

The physical "wasting" of resources is not necessarily a squandering since this utilization may still be efficient and reasonable in terms of a particular standard and a particular production process.

When the different pieces of a pair of shoes are cut from leather, small pieces are unavoidably "wasted". However, this 'wastage' forms part of the leather cost of shoes.

## 9.2 Accounting records

### 9.2.1 How important is record-keeping to cost control?

Unless you have furnished to you - or keep - accurate and up-to-date records, controlling costs is next to impossible. When you say "control", it's the same as saying "keep within limits".

If you don't know what the limits are - or how well you're holding costs within those limits - you can't very well take any meaningful action.

### 9.2.2 What must you know about accounting?

There are three basic measures of cost, however, that accountants use for their own cost control.

You are very likely to encounter all three:

- *Unit costs.* These are the costs, partial or total, which a department (or the company as a whole) accumulates per unit of product or service processed or produced. Unit costs can be expressed in so many rand and cents per unit, per kilogram, per litre, per ton, per sales call, per order, per rand of billing, per insurance policy issued, and so on.
- *Standard costs.* These are unit costs that have been set down as "allowable" costs- for materials, for direct and indirect labour, for manufacturing, for marketing, for administration, and the like. As such, these costs become the standards toward which a supervisor is expected to strive and against which cost performance is judged as either good or bad.
- *Budgeted costs.* These are the cost guidelines (or targets) issued to supervisors and managers by accountants at the beginning of an accounting period.



**Note:**

The budget provides a supervisor with a figure for each item of expense that can be charged to the operation during that period. A supervisor may be able to control some of these figures, while others may be apportioned to him.

The budgeted figures may cover only a few items, or they may be presented in considerable detail. In either case, the expectation is that the supervisor will live within or not exceed the budget. Budgeted costs are often called a budget, an expense budget, or an operating budget.

### 9.3 Different types of costs

#### 9.3.1 Cost according to its nature

Labour costs are the costs of using human abilities in the production process. The money-value of these costs comprises the wages of unskilled labour and the salaries of skilled and other workers.

The provisions of the contract entered into with the workers determine what form the labour costs will take. If the contract stipulates that payment will be for piece work and no work is done, there will be no labour costs.



**Note:**

If the worker is employed on a monthly basis, there will be labour costs even if he is not used in the production process.

Material costs are the costs of using raw material, like steel and wood, in the production process of manufacturing goods for people to use, for example, a hammer. You need a specific type of steel that can be hardened and a specific type of wood that can take the necessary shock.

#### 9.3.2 Cost according to its allow ability

Direct costs are costs which have a causal and clear relationship with the costing unit. The raw materials used to manufacture a product, services rendered and direct labour usually form part of the direct costs.



**Note:**

Indirect costs are costs which are not clearly allowable to a single cost centre.

The salary of the foreman who supervises more than one division cannot be objectively allocated to the various divisions. In this respect the foreman's salary is an indirect cost.

#### 9.3.3 Standard cost and actual cost

Standard costs are those costs at which a product or service (usually including labour, materials and overhead charges) is manufactured if factors of production are in every instance utilized according to a predetermined norm.

Standard costs are predetermined standards against which actual costs can be measured. Actual costs are costs which are calculated after the event. To calculate standard costs each cost element has to be determined at a certain capacity.

### 9.3.4 Cost according to the level of production

Six types of costs can be identified when using the level of production as the basis, namely:

- The *total fixed costs* are costs which remain constant for a given period and a given production capacity and which do not change if the level of production increases or decreases.

The rent of a machine which can produce 1 000 units per hour does not change, regardless of whether or not it is being used. The available personnel appointed on a monthly basis have to receive the same salary whether or not they are used that month.

- The *fixed cost per unit* (unit cost) is the fixed cost necessary to produce one unit. It is calculated by dividing the total fixed costs by the number of units produced.

The fixed cost per unit decreases if the quantity produced increases because the total fixed costs are then distributed over a larger number of units. The fixed cost per unit therefore varies as production capacity changes.

- The *total variable costs* are those which change more or less proportionally with a change in the quantities produced. A greater total quantity of raw material will, for instance, be used at a higher level of production than when only small quantities are being produced.

In the case of a linear relationship 100 times more raw material will be used to produce 100 units than to produce one unit. Other examples of variable costs are direct salaries, electricity (the variable component thereof) and fuel.

- The *variable cost per unit* (average variable costs) remains constant regardless of the quantities produced. Each unit produced has the same variable cost as the previous one. The quantity of leather, and consequently the price of the leather, used to manufacture the same model and size shoe remains constant in each case.
- The *total costs* are the sum total of the total fixed costs and the total variable costs. The variable cost element causes total costs to rise as more units are produced.
- The *total cost per unit* (average total costs) comprises the fixed cost per unit plus the variable cost per unit and varies as more or less units-are produced. The total fixed cost per unit decreases if more units are produced because although the variable cost per unit remains constant, the fixed cost per unit decreases.

## 9.4 Break-even analysis

Break-even analysis focuses on the relationship between costs, the number of units produced and sold, and profit (cost-profit relationship). The relationship between fixed costs, variable costs and profit is particularly important here.

Break-even analysis is in fact merely an approach to profit planning as based on the relationship between cost and sales (revenue). It is a technique used to determine the point at which total costs are equal to total turnover (or sales revenue) and there is no loss or profit.



### Note:

The information required to determine the break-even point is the price per unit of the product, the variable cost per unit, and the fixed cost per unit.

The variable costs are normally selling costs (for example commission), the cost of raw materials, and direct labour costs. The fixed costs are usually depreciation, rent, interest on debentures, administrative costs (partially), and the salaries of management.

### 9.4.1 The graphic method

The number of units produced and sold are shown on the x-axis and the costs and turnover on the y-axis. The slope of the sales curve, which is drawn from the origin, is determined by the price multiplied by the quantity.



### Think about it!

The total fixed cost is shown as a horizontal line because the cost remains constant for any quantity produced within a specific capacity.

The total costs for any given quantity amount to the total variable costs plus the total fixed costs.

The total fixed costs are R40 000 and the variable costs are R 1,20 per unit. The total costs therefore increase by R1 ,20 for each additional unit produced.

The price is R2,00 per unit. Turnover increases linearly for each unit produced and sold. The slope of the sales curve is steeper than that of the total costs curve because each unit is sold for R2,00 but adds only R1 ,20 to the total costs.

The enterprise suffers a loss as long as the total costs curve lies above the sales curve. The break-even point is at point X. Total sales are equal to total costs when both amount to R100 000 and 50 000 units are produced and sold.

Beyond the break-even point the enterprise shows a net income (profit).  
(Marx, 1993:167)

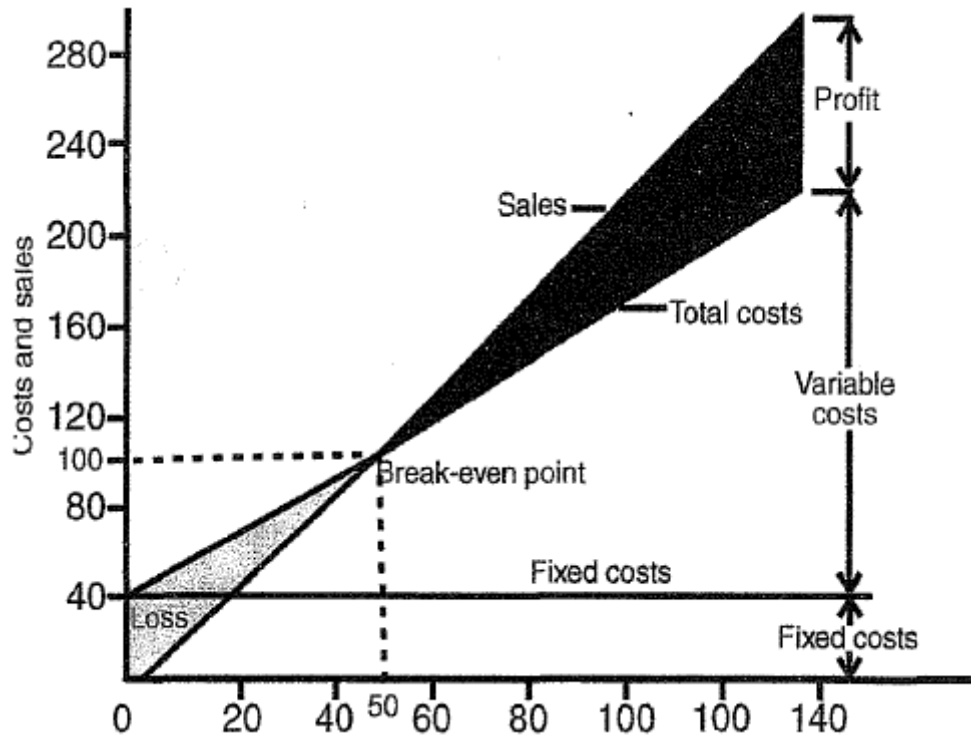


Figure 9.1 The break-even graph

## 9.5 Budgeted costs

A budget is a plan for business activities over a specific future period expressed in money terms. A budget is always future-orientated.  
(Marx, 1993:420)

### 9.5.1 How do budgets fit into the cost-control picture?

Budgetary controls are very similar to cost controls and standards. Typically, the accounting or financial department provides a supervisor with a list of allowable expenses for the month.

These are based on the expectation of a certain output, say, 4000 units of production. These allowable expenses become the department's cost standards to be met for the month.

At the end of the month the accounting department may issue the supervisor a cost variance report (**Table 9.1**). This tells whether the department has met its standards, exceeded them, or fallen below them.

In **Table 9.1** the department has exceeded its overall budget by R800,00.

It has, however, met a number of its standards while spending more for material handling, overtime, operating supplies, and maintenance. The supervisor will be expected to do something to bring these cost overruns back into line next month.

On the other hand, the department used less than was budgeted for gas, water, and steam.

Title		Actual (R)	Budget (R)	Variance* (R)
Direct labour	8 000	8 000	0	
Indirect labour				
Material handling	900	600	+300	
Shop clerical	500	500	0	
Supervision	1 200	1 200	0	
Overtime	100	0	+100	
Shift premium	0	0	0	
Operating supplies	500	400	+100	
Maintenance and repairs	1 900	1 400	+500	
Gas, water, steam, air	1 600	1 800	-200	
Electrical power	<u>800</u>	<u>800</u>	<u>0</u>	
Total controllable budget	R15 500	R14 700	+R 800	

+means over; -means under

Table 9.1 Cost-variance report

If this keeps up, the accounting department may develop a new standard for those expenses and allow the supervisor less money for them in the future.

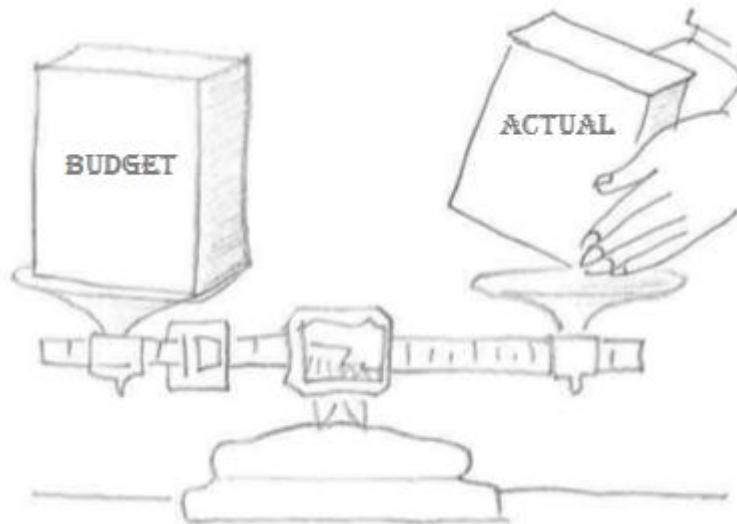


Figure 9.2 Budgets establish departmental cost standards

Supervisors and others in management use the cost-variance report to guide cost control actions. In effect, the report says to a supervisor: "When your costs are under or equal to budget, they are in control. When your costs are over budget, you must exert control to bring them back into line."

Department Assembly Dept. no 707 Month July  
No. of units scheduled for production 4000

No. of units actually produced 4020  
Production variance +20 units

Aren't unit costs likely to vary in relation to how much work a department is doing?

Yes. Total costs, studied alone, may be misleading. Suppose labour charges were R20 000 in May and then dropped to R15 000 in June. Did you cut costs by 25 percent?

The total cost figures would lead you to believe so. You can't really tell, however, until you compare the units produced (the "throughput") for each month. If the throughput was 20 000 units in May, for example, and only 12 000 in June, then unit labour costs actually went up. How is that figured?



**Note:**

You will usually find your costs expressed in "rates" - so many rand and cent per unit, per ton, per litre, per meal served, per insurance claim processed, or per rand of value of the product or service.

In the case described, the rate of labour costs per unit was calculated in the following way:

For May: R20 000 ÷ 20 000 units = R1,00 per unit

For June: R15 000 ÷ 12 000 units = R1,25 per unit

Cost per unit, then, went up by 25 percent in June.

### 9.5.2 Flexible budget

This is a budget that presents several options based upon possible variations in output levels.



**Did you know?**

Many expense budgets are presented as a set of budgets in order to anticipate the impact of possible changes in output levels. Such a flexible (or variable) budget may offer several budget options to make allowances for variations in justifiable expenses for varying levels of output.

If, for example, a department is scheduled to produce 2 000 tons of materials during the budget period, the allowance for direct labour may be pegged at R1 0 000. If the production schedule is to be raised to 2 500 tons, the budget may allow R12 500 for direct labour.

This flexibility is not necessarily absolutely proportional to the changes in output level. The concept, however, is that when output rises, expense allowances will also rise, and when output falls, expenses will also drop.

Furthermore, many expenses - like rent, heat, light, and indirect labour, maintenance, for example - tend to remain the same regardless of output levels. Even on a flexible budget, these so-called fixed costs may be the same for each output level.

An example of a flexible budget is shown in **Table 9.2**.

Account Title	Monthly Allowances*			
	3 500 tons	4 000 tons	4 500 tons	5 000 tons
Direct labour	R7 000	R8 000	R9 000	R10 000
Indirect labour:				
Material handling	600	600	900	1 200
Shop clerical	500	500	500	500
Supervision	1 200	1 200	1 200	1 200
Overtime premium	0	0	450	450
Shift premiums (2d and 3d)	0	0	0	100
Operating supplies	350	400	450	500
Maintenance and repairs	1 200	1 400	2 000	2 800
Gas, water, steam, compressed air	1 500	1 800	2 100	2 400
Electrical power	<u>700</u>	<u>800</u>	<u>900</u>	<u>1 000</u>
Total controllable costs	R13 050	R14 700	R17 500	R20 140
Insurance	R 120	R 120	R 120	R 120
Taxes	80	80	80	80
Depreciation of equipment	400	400	400	400
Building occupancy	<u>800</u>	<u>850</u>	<u>900</u>	<u>950</u>
Total allocated costs	R 1 400	R 1 450	R 1 500	R 1 550
Total allowable costs	<u>R14 450</u>	<u>R16 150</u>	<u>R19 000</u>	<u>R21 700</u>

- Based upon four operating levels in terms of tons produced

Table 9.2 Flexible budget

## 9.6 Cost-improvement strategies

Ideas for cost improvement come from supervisors, their employees, staff departments, and cost reduction committees, including quality circles.

Positive programs for cost improvement include reducing waste, saving time, increasing output, spending wisely, conserving space, and controlling inventories.

Cost improvement ideas that require expenditures for their implementation are often in competition with other ideas that require financing.



Figure 9.3 Cost-improvement ideas come from a variety of sources

### 9.6.1 How would you set your cost-target priorities?

Approaches vary here. Short-term priorities are usually assigned to obvious "action-now" projects. Those projects that take time to carry out, however, are usually held back for an assessment of what they might entail as compared with their returns.

On the basis of such an evaluation, targets can be picked and their priorities assigned according to ratings something like these:

- *Most obvious.* Sometimes the cost element that is most out of line is so obvious that no further search need be made. Occasionally, this choice can be misleading; the true cause of the high cost may lie elsewhere, and the obvious element is only a result.
- *Easiest.* The course of least resistance is also often the best path to follow to cost savings. A small savings that is quickly reaped with little effort cannot be ignored. Starting with a sure thing can be a good way to build momentum in a cost-reduction campaign.
- *Worst first.* Sometimes a cost situation is so critical that it begs for immediate attention. If such is the case, it is probably wise to attack that cost target first. Otherwise, it may interfere with a more orderly progression toward long-term goals.
- *Fastest payback.* Sometimes a company's financial policy dictates that those projects that pay back their investment fastest be given highest priority. Certainly, for those cost reduction projects that do require significant investment, this is a sensible choice.

### 9.6.2 Positive ways to improve costs

The following six approaches to cost improvement tend to accentuate the positive.

**Note:**

Each technique provides a different tool for cutting at the roots of cost problems. If one technique doesn't work, try another or a combination of two or three.

- *Reduce waste.* Where can you find waste in raw materials and operating supplies? How about people? Are you wasting their efforts? Are you getting the most from utilities, or are you wasting water, steam, electricity?
- *Save time.* Can you speed up or double up your equipment? Will time studies show you where time itself can be saved? Are you doing everything you can to get full use of your employees' time?
- *Increase output.* You can cut cost rates - and improve productivity - by stepping up the amount of work put through your department. Sometimes there's rhythm that goes with high production that's lost with lower production. Sometimes when you cut back, you need the part-time services of several different people, whereas if you increased output, these same people would be working 100 percent of the time. With the higher output base, unit cost rates would actually be lower.
- *Spend wisely.* Cutting costs doesn't always mean that you stop spending. In fact, it's a popular and true expression that you have to spend money to make money. Often top management is more alerted to the need for wise spending during a cost-cutting campaign than at other times. So look for ways to spend money that will ultimately save money, such as on mechanization or on replacement of slow machines with newer, faster ones.
- *Use space more intelligently.* Space- for storage, manufacturing, and shipping costs money. This cost goes on whether output is high or low. If you can figure out how to get more use out of the same space, you cut costs. Double or triple stacking of pallet loads, for instance, cuts charges for storage space by a half or two-thirds.
- *Watch your inventories.* It may make supervisors feel comfortable to know they have a big backlog of materials and supplies to use or to be shipped, but this is a very costly feeling. Generally, it's a good idea to stock as little as you can safely get away with, especially if supplies can be purchased and delivered quickly. When using up materials in storage, it's also a good idea to use the oldest stock first, before it gets soiled or damaged or becomes obsolete.

## 9.7 Employee reactions

Employee resistance to cost-cutting changes is likely to be high and they feel that cost cutting threatens their security, so employees require special motivational efforts on the part of their supervisors.

What is the best way to cut through employee resistance and build support for cost improvement?



Figure 9.4 Employee resistance to cost reduction can be substantial



**Note:**

It will take a long-range effort on your part and must be reinforced by sound planning and a genuine concern for employee welfare.

The seven suggestions that follow will provide a firm foundation for your efforts:

1. *Communicate with employees about cost reduction in terms of their interests.* You must see their point of view, or they'll never be able to get yours. In face-to-face conversations, show them how the company's interest in profits relates directly to a worker's interest in higher wages and job security. Show that one can't be achieved without the other.
2. *Bring the cost picture down to earth.* Don't talk in global terms of standard costs, of productivity ratios, or even about hard times. If company sales have fallen off, talk in terms of its impact upon the services produced in your department: "We processed 10,000 forms the first quarter, but our schedule calls for only half as many to be handled this quarter". If rising materials charges are a factor, pick up a product your employees make and tell them: "Last year, fabric for this item cost 50 cents, now it costs 60 cents- a rise of 20 percent."
3. *Set specific goals.* Don't say, "We've got to cut costs to the bone." Instead, suggest a specific program: "Our records show that keyboarding costs must be lowered by 10 percent. We'll have to devise a way to improve our methods to do this". Or, "Defective production that had to be scrapped cost us R1 200 last month. This month, let's get it down below R1 000".
4. *Invite participation.* Let employees know that you need their help in solving cost problems - and that help means more than cooperation. Tell them you need their ideas, too, and will welcome any suggestions.
5. *Explain why and how.* The reasons for each specific change should be spelled out. And employees need your help, too, in deciding how to attain the cost-cutting goals you set.
6. *Train for cost improvement.* One of the key elements in quality-circle programs is the training provided to employees in the techniques of problem

solving and methods improvement. Try to incorporate these self-developmental elements into your cost-improvement training activities.

7. *Report cost progress.* Score-keeping appeals to the needs of achievement in many employees. Reports of progress toward cost goals (posted on bulletin boards, for example) stimulate competitiveness and self-motivation. (Bittel, 1990:430-440)



### Activity 9.1

1. Is there a difference between cost control and a budget?
2. Distinguish between the following costs:
  - 2.1 Labour costs
  - 2.2 Material costs
  - 2.3 Actual costs
  - 2.4 Total costs
3. What is a flexible budget?
4. Name and explain four ways to improve costs.
5. What will you do to cut through employee resistance and build support for cost improvement?



### Self-Check

I am able to:	Yes	No
• Discuss the importance of record-keeping and differentiate amongst the different types of costs		
• Explain and draw the break-even analysis graph		
• Explain the purpose of budgets in costs control		
• Describe the costs variance report		
• Calculate unit costs		
• Explain the way in which flexible budgets are designed		
• Understand how to set cost-targets priorities and list some positive ways to improve costs		
• Discuss the reasons for employee resistance to cost-reduction programs and describe several ways for securing workers' support and cooperation.		

If you have answered 'no' to any of the outcomes listed above, then speak to your facilitator for guidance and further development.

# Module 10

## Grievances

### Learning Outcomes

On the completion of this module the student must be able to:

- Describe the concept "grievance"
- Describe the purpose of a grievance procedure
- Explain the grievance procedure and its requirements
- Describe the guidelines for handling grievances
- Describe the roles of every person involved in the handling of grievances

### 10.1 Introduction



Any organisation has a number of workers who perform a variety of tasks and who work under many different circumstances. Consequently, it is difficult to satisfy all workers in such circumstances, or to keep them satisfied.



**Note:**

Management must therefore be mindful and be prepared that there can be workers who have grievances, or who can develop grievances.

Trade Unions would also like to get themselves established and with this in mind, they often sponge on the grievances of workers. They rouse workers' dissatisfaction in order to cause dissention, so that they can afterwards, on behalf of the workers, negotiate with management.

They also usually succeed in satisfying the workers, and then the trade union has made a name for itself.



**Note:**

It is therefore not only important for management to pay attention, but it is also important to take note of the manner upon which grievances are handled.

With a view to effectively solving conflict (tension) and increasing productivity, it is essential that a generally accepted procedure be created, according to which workers can vent their grievances towards management, and the

workers' grievances can be handled in such a way that workers can gain confidence in management.

## 10.2 What is a grievance?

A grievance can be defined as any aspect of the work with which the worker is unhappy or in respect of which he feels that he is being offended. This grievance is brought to the notice of management.

A grievance arises when a worker is of the opinion that he is being unfairly treated, caused damage, prejudiced, offended, grieved or hurt, or when his feelings have been hurt, or he feels slandered.



**Note:**

It is important to note that "disciplinary matters" are not included in grievances. This is done for a specific reason.

Disciplinary and grievance procedures perform different functions. Disciplinary procedures are initiated by management with the purpose of acting in the interest of the company.

Grievance procedures are initiated by the employee- an action which has arisen from an alleged infringement of the rights of management, cannot be changed to a right of the worker, merely because he is dissatisfied with the disciplinary procedure.



**Note:**

Provision must be made to enable workers to bring grievances to the notice of management.

It is clear that all problems in the work place do not necessarily suggest a grievance, but all grievances are problems to which attention must be given.

For this reason a uniform grievance procedure is essential.

## 10.3 What is a grievance procedure?

A grievance procedure is merely the procedure which a worker must follow in order to bring his grievances to the notice of management.

A grievance procedure assumes that management is prepared to listen to workers' grievances, and affords every worker the opportunity to approach management with his grievances, without fear of intimidation, discrimination or harm.

A grievance procedure further says that each worker can depend on it that his grievances, where necessary, will receive attention at management level.

A grievance procedure explains, point by point, what path a worker must follow. It therefore creates a channel for communication from the worker to management, a so-called upwards communication channel.

**Note:**

The procedure consists of a number of steps, with the right to appeal if a grievance cannot be resolved at a specific level. Normally four or five steps can be adequate.

### 10.3.1 The Grievance Procedure in Practice

As indicated at the commencement of this section, there are no prescriptive steps which have to be adhered to at all costs in the establishment of a grievance procedure.

However, the following general rules apply:

- The employee should be granted the opportunity to bring his grievance, albeit in stages, to the attention of top management.
- He should be permitted representation, if so desired.
- Management, at the various levels, should give careful consideration to the grievance and make genuine attempts to resolve it.
- Time limits should be established for each stage of the procedure.
- The grievance will not be resolved until the employee declares himself satisfied.
- The employee has the right, if the grievance remains unresolved, to declare a dispute.
- Grievances should, wherever possible, be handled by line management, but staff, in the form of the personnel department, may act in an advisory capacity.

In the light of these guidelines, a grievance procedure might, depending on organisational structure and management style, consist of the following steps: **(Figure 10.2)**

#### Step 1

The employee verbally raises a complaint with his immediate supervisor. The supervisor undertakes to investigate the complaint and to furnish the employee with his opinions and suggestions.

**Note:**

If the employee has difficulty in verbalising his grievance, he may, at this stage, speak through a representative, but this is usually not necessary.

#### Step 2

Should the supervisor's suggestions not be acceptable to the employee, the latter, with or without the assistance of a representative, lodges a formal written grievance for the attention of a representative, lodges a formal written

grievance for the attention of the supervisor or the next level of management, for example, the foreman.

**Note:**

The supervisor or foreman, as the case may be, investigates the matter, or re-investigates it in the case of a supervisor, and reports in writing on his findings and recommendations.

**Step 3**

If, at this stage, the employee remains dissatisfied, the written grievance, together with the report of the supervisor or foreman, is forwarded to the next level of management, in the person of the department, section or factory manager.

The manager concerned studies the written documents, interviews the employee and gathers all relevant information. On the basis of this, he presents his recommendations or proposed solution to the employee and his representative.

**Note:**

The manager is obliged to report in writing on his investigation, his recommendations and the outcome.

**Step 4**

A grievance which remains unresolved is then channelled to the next level of management, for example, to the production manager, and the same procedure is repeated, but since, at this stage, the danger of a dispute becomes more imminent, provision may be made for a representative body, in the form of a workers' committee or union, to become involved in discussions relating to the employee grievance.

**Note:**

The personnel manager or a senior member of the personnel department may also be invited to sit in on discussions. The personnel department, may, on the other hand, already have become involved at an earlier stage.

**Step 5**

In the final stage the grievance is brought to the attention of top management.

Discussions held will involve various management representatives, the employee and his representative or delegates from a representative body. The meetings may now begin to take the form of negotiations.

A lack of solution at this, the final stage, will result either in the employee's backing down or in his declaration of a dispute, in which case the issue will be

processed either through the plant-level disputes procedure or through the statutorily established dispute-settlement mechanism.



**Note:**

Either procedure may provide for mediation or arbitration or judicial adjudication.

The grievance may be resolved at any stage during the procedure. If this occurs the method of settlement should be noted in writing and the employee should, also in writing, signify his satisfaction with the solution.

In a smaller undertaking or one which does not have a steep hierarchical structure, the number of steps in the procedure decreases significantly. The procedure need not necessarily extend to the highest level of management.

It could be terminated at Step 3 or 4 if management at this level is regarded as the final authority on issues relating to employee problems. The disputes procedure would then be implemented after this step.

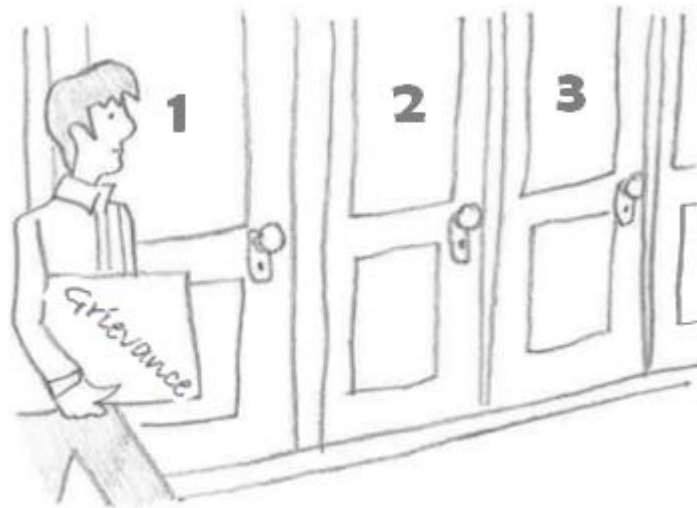


Figure 10.1 Grievance procedures provide systematic means for settlement

### 10.4 The purpose of a grievance procedure

The purpose of a grievance procedure is to remove workers' grievances. It is important to remove workers' grievances, because the relations with the employer, management and other workers who may have grievances, become upset.

These, in turn, cause tension or conflict, which can manifest itself in different ways.



**Note:**

Conflict is dangerous for the organisation, and can even cause the organisation to be dispersed.

The purpose of a grievance procedure can therefore also be defined as an effort to maintain (preserve) and to promote or to restore good relations. The purpose is to prevent workers' grievances from accumulating and becoming pent-ups, and to clear the air by informing management about the grievances.

It is, however, very important to note that the grievance procedure was created for the individual worker. When larger groups of workers want to vent their mutual grievance, there are other courses to follow.

The reason for this is simply that, the more workers that are involved, the more serious is the matter. The matters must also then be treated differently. Moreover, a grievance procedure is not designed in such a way that a larger number of workers can vent a mutual grievance along this route.

**Note:**

A mutual grievance of a larger number of workers necessitates another procedure.

Although it can be demanded of a worker to follow the prescribed procedure in all circumstances, it will not always be wise. Because of the importance of removing grievances, all resources should be utilised.

When a worker, for some or other reason, prefers to talk to a foreman other than his own, or wants to go straight to the manager, or will rather talk to the manager of manpower, it can be allowed.

If, however, it seems that there is no reason why he should not take up the matter with his own foreman, he must be told to follow the prescribed course.

### **10.5 Requirements for a successful grievance procedure**

- The support and co-operation of management at all levels is necessary.
- The grievance procedure must be spell out and made known. It is advisable to provide the workers with a copy of it.

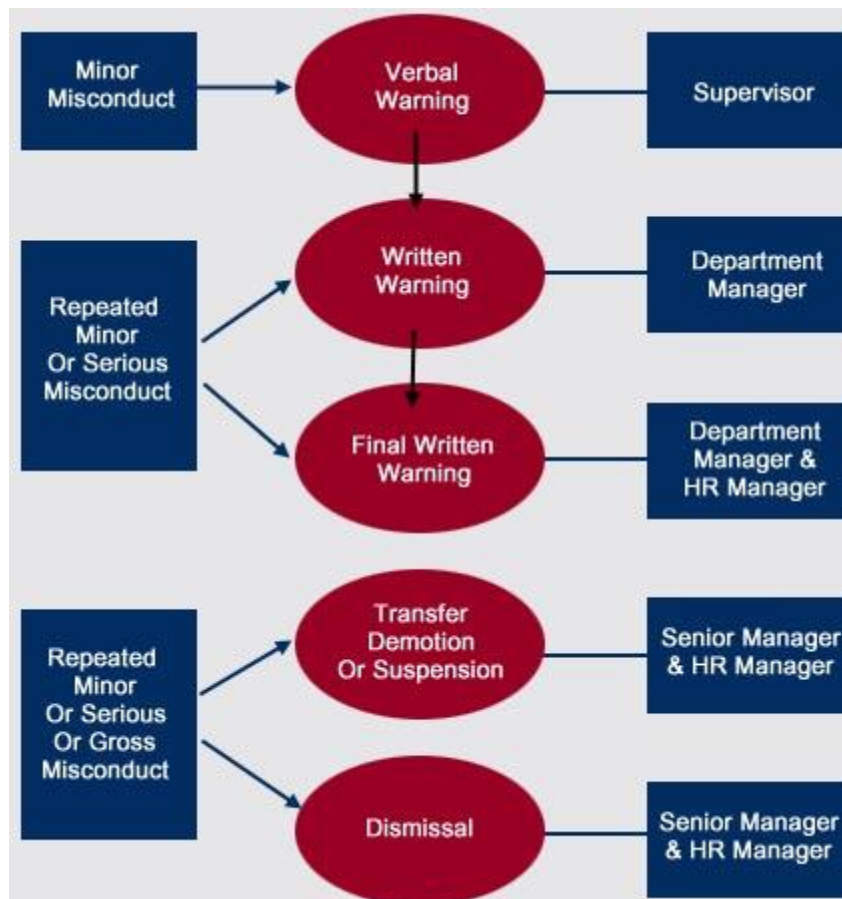


Figure 10.2 Grievance procedure diagram

- Grievances must be dealt with by line authority.
- The approach must be to prevent grievances and not to react to them.
- Grievances must be solved as close to the point of origin as possible.
- Grievances must be solved as soon as possible. The employee must be compelled to make his grievance known, as soon as possible.
- The grievance procedure must be acceptable to workers and should be submitted to the workers' committee (in the workers council) for acceptance before it is put into operation.
- Workers must have the assurance that they will not be discriminated against if they report grievances.
- A worker must be able to take his grievance to the highest authority of the company. This gives credibility to the procedure.
- The grievance should be in writing, and mainly for the following reasons:
  - It clearly states the facts and contents of the employee's grievance.
  - It helps to control unsolved grievances. Unwritten grievances tend to get lost!
  - It ensures uniform handling of grievances.
  - The employee feels more satisfied if his grievance is lodged in writing.
  - It prevents misunderstandings.

In general, a grievance procedure has the following benefits:

- A method of bringing the grievances of workers to the notice of management, and dealing with them.
- It serves as an outlet for dissatisfaction (discontent) and thus prevents the origination (arising) of serious conflict.
- Workers can report grievances without fear of losing their jobs.
- Helps management to investigate justifiable and genuine grievances and to determine the causes thereof.
- Provides a peaceful method of preventing or settling disputes.
- Can improve the attitude, increase morale and coupled with that, the productivity of the workers.

GRIEVANCE FORM

1. PERSONAL PARTICULARS

Name (Initiator): .....  
 Job Title: .....  
 Department: ..... Region/Location: .....  
 Supervisor: .....

2. NATURE OF GRIEVANCE

.....  
 .....  
 .....

SIGNED INITIATOR: ..... DATE: .....

COMMENTS BY SUPERVISOR:

.....  
 .....

SIGNED INITIATOR: ..... DATE: .....

Step 1: Date: .....

Initiator: ..... Date: .....

Step 2: Date: .....

.....  
 .....

Initiator: ..... Date: .....

Step 3: Date: .....

.....

Initiator: ..... Date: .....

Step 4: Date: .....  
 .....

Initiator: ..... Date: .....

Pers Dept: .....

RESOLUTION OF GRIEVANCE

.....  
 .....  
 .....

Initiator. .... Supervisor. ....

Date: ..... Date: .....

**10.6 General causes of grievances**

It is difficult to compile a complete list of causes of grievances, but the following occur most commonly:

- Alleged unfair labour practices
- Discriminating behaviour by supervisors
- Biased management decisions
- Wrong perceptions or misinterpretation of management behaviour
- Absence of distinct policy
- Interpersonal conflict
- Assaults
- Inconsistent management behaviour
- Problems relating to conditions of service e.g. overtime, allowances not being paid, transfers, demotions, vacations, time off, etc.
- Ignoring of workers' needs and problems
- Unhealthy personnel policy

**10.7 Guidelines for the handling of (for dealing with) grievances**

**10.7.1 Length of time (duration)**

It is essential that a grievance be dealt with and solved as soon as possible and also as close as possible to the point of origin.

	<p><b>Note:</b>                  The higher up a grievance moves in the line of authority, the longer it takes to be solved.</p>
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The more the tension builds up, the more serious everyone becomes, the larger the grievance becomes and the further it spreads.

### 10.7.2 Limits of Authority

Management must be on its guard not to overstep the limits of its authority in an attempt to settle a grievance. Management may not make decisions or even just promises which are contrary to policy and rules.

Should it happen that higher authority rejects the decision of branch management, it will destroy the workers' image of line management as figure of authority, and seriously damage relations. Then new and much greater problems, even for the official, can crop up.



**Note:**

When any uncertainty at all occurs over the competence of authority, higher authority must be consulted or the matter must be referred to higher authority for decision-taking.

### 10.7.3 Compensation

Workers' grievances are dealt with during working hours, and workers receive their normal compensation for the time taken up by this.

### 10.7.4 Management's approach to a grievance

It has already happened countless times that a worker's grievance has been settled as being of no importance, and later it becomes evident that it is a very serious problem.



**Note:**

Even if a grievance appears to be of no importance, it must receive attention.

To management it can appear to be of no importance, whereas, to the worker, it is a serious problem which can result in serious consequences for management if it does not receive proper attention.

Failing to attend to even the smallest grievance of a worker, while it is known that the worker has a grievance, borders on serious irresponsibility and neglect of duty. It will be wise to act upon even the slightest sign that a worker has a grievance.

#### 10.7.4.1 Consider the grievance as important

It can be to the advantage of management to approach each grievance as if it can lead to a strike.

Should management follow this approach, it will investigate the grievance in depth, take a serious view of the conversation or interview with the worker, keep proper record, and do everything in its power to settle the grievance.

#### 10.7.4.2 Keep the conversation private and confidential

A worker does not want to discuss his grievance in public. The conversation or interview must take place behind closed doors, without disturbing interruptions, at a place free from disturbances such as machine noise, for example.

**Note:**

The worker must also have the assurance that the conversation will, as far as possible, be kept confidential.

**10.7.4.3 Listen to the grievance**

In many cases it helps a lot if people just listen to someone's problem, because each human being wants to have the acknowledgement that he and his problem are also important. Access to the supervisor in order to discuss a grievance or problem, gives the worker that individual acknowledgement.

This approach places a large burden upon the supervisor, but the willingness to give up time to workers, and to listen to their problems, will bear good fruit in the sense that it will help to prevent serious problems, and to increase the workers' morale. This approach requires interest from management's side.

**Note:**

To listen also means to say as little as possible, and to encourage the worker to talk.

Avoid becoming excited and try to understand his problem. Allow the worker to understand that you are attending to his grievance, and will do everything in your power to help him, even though it may seem that he has no grounds or reason for being dissatisfied.

**10.7.4.4 Create the right atmosphere**

Create an atmosphere of good nature and co-operation, show concern and be eager to find a solution to the grievance. Be sympathetic, give assistance where necessary, but do not become familiar and over-kind.

**10.7.4.5 Obtain insight**

Ensure that all relevant facts pertaining to the grievance are obtained. Where a grievance is connected to working conditions, security of the work place, machines or equipment, it will be advisable to visit the work place to ascertain for yourself the circumstances.

Only after this can the matter be considered and conclusions made. Conclusions must be backed up by facts, and not by deductions.

**10.7.4.6 Look before you leap (Think before you begin)**

Before an answer is given to the worker, management must do the following:

- Determine the extent of his authority.
- Study policy and rules pertaining to the matter.
- Become acquainted with the worker's record of service.

- Seek advice from others and not hesitate to consult higher authority.

#### 10.7.4.7 Closing of the interview

End the interview by thanking the worker for his liberty to discuss his grievance. Assure the worker that his grievance will receive attention as soon as possible, if it cannot be resolved immediately.

#### 10.7.4.8 Make a decision

Make a decision as soon as possible, taking into account all the available facts. Put yourself in the worker's position when you decide. Make comparisons between different alternatives in order to make the best decision.

Convey your decision to the worker and explain and mention reasons why you decided thus, and not otherwise.



#### Note:

Adopt the right attitude to fit the decision. If you must be sorry, look sorry and if you must be pleased, look pleased. Even if your decision does not satisfy the worker, it is still better than not making a decision.

#### 10.7.4.9 Follow-up

It is necessary to have a follow-up interview with the worker, to determine:

- whether the decision that was made was the correct one, and a good one
- what the effect is of the decision
- whether the decision has been carried out in full and all promises met
- whether the worker is satisfied.

## 10.8 Role assignment in the handling of grievances

### 10.8.1 The worker

A grievance procedure is established to open up a channel of communication for the worker, to management. When a worker has a grievance, he should use this channel to bring his grievance to the attention of management.

The success that he will have with this is, to a great extent, determined by the attitude adopted by the worker. He will also have less success if he approaches management at an inconvenient time.

### 10.8.2 The supervisor

The supervisor, without a doubt, plays the most important role in the grievance procedure, because he connects himself to the foremost point of the communication channel, between the worker and management. It is easy to understand that big problems can arise and much harm can be done, should communication break down at this point.

**Note:**

A blockage and/or poor relationships cannot be afforded.

It is precisely at this point of contact, between supervisor and worker, where communication must take place freely and without interruption, and it offers, pre-eminently, an opportunity to informally take note and form an idea of the worker's grievances and requests, his incentives, aspirations and frustrations.

The fact that the supervisor finds himself in the front line, means that he will take note, or should take note, of workers' grievances first, and that the first attempt to do something about them, should also come from him.

He must especially be prepared to observe workers' grievances. Serious grievances are often concealed in the most insignificant requests and complaints, and the supervisor must keep his eyes and ears open for them.

A supervisor can possibly find it to be an easy way out to avoid an annoying and difficult worker by allowing him, and even encouraging him, to formally submit his grievance in writing.

The supervisor, however, must realize that the higher the level, and the more formally grievances are dealt with, the more serious the matter becomes - something that must be avoided at all costs.

**Note:**

A supervisor, who refuses or avoids attending to workers' grievances, can therefore find himself guilty of serious evasion of his responsibility. It is in the interest of the worker, as well as management, that grievances are done away with as soon as possible.

It is of the greatest importance that the supervisor attends to the worker's grievances informally as soon as possible. A commitment rests upon higher authority to assist the supervisor, and to enable him rather to handle the matter informally, and bring it to a close.

Only when the supervisor cannot handle the matter any further, will it be referred for formal investigation.

The supervisor's most important functions are briefly the following:

- He must accept the procedure and explain it to the workers under him and put it into operation.
- He must see to it that workers follow the prescribed procedure.
- He must be prepared to listen to workers' grievances.
- He must be prepared to make a decision or to refer the matter to higher authority.

- He must execute his decisions and carry out his promises.
- He must use the grievance procedure to communicate with workers, to become better acquainted with them, and to build good relationships.

### 10.8.3 Management

Management's acceptance and use of the grievance procedure determines the success obtained With it.

The following is of particular importance:

- The success with which a supervisor handles grievances, depends upon the authority given to him.
- No stone must be left unturned to remove grievances as close as possible to the point of origin.
- Management as well as the worker concerned must live together with the decision that is made, and therefore it will be better to find a solution together with the worker, than to force a one-sided decision upon him.
- Management must attempt to create an atmosphere in which workers have the confidence to vent their grievances.
- When an interview takes place, sufficient time must be allowed to give each one concerned an opportunity to have his say.

Grievances often lie deeper than it apparently seems. Management must examine each grievance thoroughly, without delay, and collect as many details as possible, in order to determine where the root of the problem lies.

Does the worker really have reason to be dissatisfied, or is he perhaps fabricating grievances to stir up unrest? Is the grievance possibly due to a misunderstanding, or is the worker producing all kinds of fabrications to place his supervisor in a bad light because the worker has something against his supervisor.



**Note:**

Management must not just accept the facts that are presented without further comment, because they are often twisted to suit the worker. However, when a supervisor is, in fact, the cause of the grievance, the truth may not be disguised in order to protect him.

Likewise, the favourites (blue-eyed boys) among the workers may also not be protected. Management will therefore have to display great discretionary powers in order to separate the wheat from the chaff.

The faulty handling of workers' grievances, or the disregarding thereof, whether intentional or unintentional, can result in serious labour unrest. Management must not hesitate to make corrections where it is found to be necessary.

**Note:**

It would serve no purpose to give a worker the opportunity to vent his grievances, and we do not make a concerted attempt to rectify matters and to repair relationships.

Where a mistake is made on the side of management, it must be rectified; where it has neglected to do something, it must be done; where someone has overstepped the limits - whether it is a supervisor or another worker - that person must be called to order, and an attempt must be made to again reconcile him and the grieved worker.

Where necessary and possible, the working environment, rules, policy, decisions and Instructions (assignments) must be changed, or new measures be imported or transfers made.

On the other hand, however, it can be necessary to bring the grieved worker to the right or another insight.

Management will also often find itself in the position where it cannot do anything to remove the worker's grievance. This must be clearly explained to the worker after which he will be given the choice to either terminate his service, or shelve his grievance.

#### **10.8.4 The worker's representative**

The worker can, according to his own choice, request a representative to assist him and to act on his behalf.

The representative:

- plays a supporting and advisory role, and can also act as a witness, should the grievance be referred to higher authority
- can emphasize the seriousness of the matter to management
- can also inform the worker that he has no leg to stand on, and consequently time is not wasted
- can see to decisions being carried out and promises being fulfilled

#### **10.8.5 The personnel manager or official**

A personnel department provides an ancillary (auxiliary) service by explaining and making available a grievance procedure, according to which workers' grievances must be handled. It can, however, not be expected of the personnel department, to also deal with the workers' grievances.

The personnel department also, as far as it is possible, gives information, guidance and training in order to bring home knowledge and understanding, and to cultivate confidence in the use thereof.

## 10.6 Summary

The importance of the handling of workers' grievances is often underestimated by management. If management, however, is concerned about workers' grievances and actually does something about it, it can make life much easier for itself.



### Activity 10.1

1. Briefly explain SIX requirements for a successful grievance procedure.
2. Mention THREE benefits a grievance procedure has.
3. Explain THREE guidelines for handling grievances that management has to take into account when handling grievances.



### Self-Check

I am able to:	Yes	No
• Describe the concept "grievance"		
• Describe the purpose of a grievance procedure		
• Explain the grievance procedure and its requirements		
• Describe the guidelines for handling grievances		
• Describe the roles of every person involved in the handling of grievances		
If you have answered 'no' to any of the outcomes listed above, then speak to your facilitator for guidance and further development.		

# Module 11

## Loss Control Management

### Learning Outcomes

On the completion of this module the student must be able to:

- Define loss-control
- State the reasons why accidents and incidents are not reported
- Describe the roadblocks to programme implementation
- Explain the benefits of implementing a programme to control waste and damage to property
- Discuss the principles of the economics of loss-control
- Name and discuss the characteristics of a good measuring tool for a loss-control programme
- Name and discuss the areas essential to reduce fire-loss control
- Explain the following terms in relation to loss-control:
  - Fire prevention
  - Fire protection
  - The four classes of fire and the type of fire extinguisher that should be used on each

### 11.1 Introduction



Business leaders throughout the world are realising more and more that good management means making the best use of the resources available. It means, eliminating waste.

One of the major waste causing agents is accidents - resulting in damage to equipment, property and in worker death and disablement. This is conservatively estimated to be a loss of at least R4 000 million per year in South Africa.

### 11.2 Loss control terminology

#### 11.2.1 Loss-control

Total loss-control is concerned with:

- injury prevention
- total accident control
- fire prevention
- industrial health

- hygiene and pollution

The term "loss-control itself suggests the big picture (of people, equipment, material and environment) that management must consider in order to approach problems.

[Bird 1976:83]

[Bird 1980:141]

### 11.2.2 Incident



#### Definition: Incident

"An incident is an undesired event that could (or does) result in a loss".



#### Example

A shift boss on this return to surface, reports that the clutch band of a certain scraper winch is faulty and the winch has been idle for most of the shift.

A mechanic goes down during the nightshift with a spare clutch band only to find that the scraper is a different model from that reported and the new clutch band will not fit the winch.

This was certainly an undesired event, since the scraper was idle for another shift which made it a 10down-gradingro incident.

### 11.2.3 Accident

An accident is an unintended or unplanned happening that may or may not result in personal injury, property damage, work process stoppage or interference, or any combination of these conditions under such circumstances that personal injuries might have resulted.



#### Definition: Accident

"An undesired event that results in physical harm to a person or damage to property." It is usually the result of contact with a source of energy (ie: kinetic, electrical, chemical, thermal, etc) above the threshold limit of the body or structure.



#### Note:

The term "physical harm" in this definition includes both injury and disease, as well as adverse mental, neurological or systemic effects resulting from an exposure' or circumstance encountered in the course of employment.



### Example A

The attendant at a shaft lubricator store was handing out lubricators to machine crews before they went underground. He took a lubricator from its peg.

The surface oil on the lubricator had not been cleaned off properly and it slipped from his grasp and fell to the concrete floor and damaged the jet of the lubricator.

The undesired event was the lubricator striking the concrete floor.

There was damage to property, ie to the lubricator, and there was probably a delay in the issuing of lubricators.

The kinetic energy of the falling lubricator bringing it into contact with the floor proved to be above the threshold limit of the lubricator jet.



### Example B

An office worker flipped a cigarette butt into a large metal receptacle near the door.

The butt smouldered in waste at the bottom of the receptacle and finally broke into flames, causing heat which set nearby window curtains on fire.

Fortunately, a roving mine policeman spotted the fire through the window and summoned the fire department in time to save the building.

The undesired event in this case was the fire that resulted from the discarded cigarette butt.

The fire and fire-fighting efforts certainly resulted in some property damage.

The contact was with a source of thermal energy above the threshold limit of the property.

By preventing or controlling incidents through loss-control, we protect the overall safety of people, equipment, material and the environment, while the elimination of all incidents should be the eventual goal of every supervisor.

We must keep in mind that all accidents are incidents, but not all incidents are accidents. If we can grasp the meaning and intent of this modern concept, we

an take a giant step toward the control of all incidents, as we learn to control those most frequently referred to as accidents. [Bird 1980:15]

#### 11.2.4 Accident prevention

What is the key to accident prevention?

If we were able to eliminate all unsafe acts and unsafe conditions, about 98% of all accidents would be prevented.

Unsafe acts cause approximately 88% of all occupational accidents.

Unsafe conditions cause approximately 10 % of all occupational accidents.

Acts of Providence cause approximately 2 % of all occupational accidents.

#### 11.2.5 Basis of Accident Prevention

We try to prevent accidents for two reasons; one is humanitarian, the other economic. They go together, for best results. If we stress only the humanitarian angle we may suffer some loss of practical ability to prevent accidents.

If we stress only the economic angle we limit our ability to carry out a job of particular importance to the men with whom we work. Bosses who do safety work only because it is demanded of them, and only to prevent costly accidents, are never very successful.

This is so because safety work is a mixture of humanitarian and economic factors. Consequently our reasons for doing this work must be both humanitarian and economic.

The humanitarian angle takes precedence because the personal and economic loss suffered by the injured man (and his dependants) is nob replaceable. Loss to the employer is replaceable out of production.



**Note:**

If we do safety work for both humanitarian and economic reasons, both conditions will be satisfied.

That is, both personal and economic loss to the injured, and economic loss to the employer, will be prevented.

Any four of the following activities will prevent accidents:

- Incident and accident investigations
- Planned inspections
- Proper job analysis and procedures
- Planned job observations
- Group communications

## 11.3 Accident reporting and investigation

### 11.3.1 The value (purpose) of accident reporting

One of the most significant values of incident reporting lies in the resultant capability to predict the causes of serious events by investigating those that may or may not have resulted in any loss at all. This value is lost completely when incidents are not reported.



**Note:**

The result-oriented supervisor recognizes that the real value of investigation can only be achieved if he can get people to report all incidents they have knowledge of.

In order to encourage incident reporting in a manner that produces desired results, it could be helpful to evaluate the reasons most commonly given in confidential studies and interviews for failure of workers to report incidents.

### 11.3.2 Reasons for failure to report incidents

#### 11.3.2.1 Fear of discipline

Many employees have been conditioned through experience to associate personal negligence with any loss. Punishment of people for their "contributory negligence" when property is damaged, material is lost, or defects are incurred is one of the oldest and most widely used practices of management people.

While discipline is sometimes in order, the good supervisor recognizes that substandard behaviour is only a symptom of the real problem and, by trying to use the worker as a scapegoat for management inadequacies, he merely drives his problems underground.



**Note:**

Many people react to the methods of the average supervisor, and, fearing the high probability of discipline, consistently withhold information rather than cooperate.

#### 11.3.2.2 Concern about the record

Whether it's a delay and a consequent production record that's missed, or an injury reported and an accident-free record broken, the average worker does not want to spoil the record. There are workers who get caught up in the spirit of competition and the desire of the group to "break the record".

They actually withhold reporting injuries or property damage to avoid being the one who prevented the achievement of the goal for the work unit or department.

#### 11.3.2.3 Concern about reputation

Few people want to be called "accident-prone" or labelled an "unsafe worker" by their supervisors or the work group. For this reason only, another segment of workers fail to report injuries and damage.

#### **11.3.2.4 Fear of medical treatment**

It's surprising how many people dread the thought of receiving simple medical care. A vast number of people die each year because they delayed getting medical aid, due to fear of what they would be told or of the treatment they might receive.

This fear prevails with even minor conditions, and injuries go unreported.

#### **11.3.2.5 Dislike of medical personnel**

This fact may or may not be related to item four. There are certain people who fail to report injuries at particular times because they don't want to be treated by certain medical personnel. As a result, some injuries never get reported.

#### **11.3.2.6 Desire to prevent work interruption**

There are those workers who have a sincere interest and concern for getting the job done and, to them, taking the time required to get first-aid just doesn't seem practical.



#### **Did you know?**

An entire work crew could be held up by one worker's need for minor first-aid. Accidents unreported for these reasons most frequently involve very minor injuries.

#### **11.3.2.7 Desire to keep personal record clear**

It is not uncommon to give various types of tangible recognition to workers with accident-free records. Neither is it uncommon for workers to withhold information on minor injuries or damage in order to protect their own record and chance of such personal recognition.



Figure 11.1 An employee does not want to be labelled an “unsafe worker”

Studies have also indicated that alcoholics and drug abusers will make conscientious efforts to avoid reporting injuries because they fear that this could focus attention on their greater health problem.

#### **11.2.3.2.8 Avoidance of "red tape"**

Most supervisors have, at some time or another, heard a worker say "Why do they make such a fuss about getting a small cut dressed". This is the only reason given by some workers for failure to report minor accidents.

#### **11.2.3.9 Concern about relationships with others**

Workers are generally concerned about their supervisor's attitude toward them, and want it to be favourable. The average worker wants acceptance by the work group, and is also concerned about their attitude toward him.

In both cases, some workers tend to feel that since neither the supervisor nor the group wants accidents that reflect on them, it would risk those desirable relationships needlessly to report minor accidents.

#### **11.2.3.10 Poor understanding of importance**

Again, almost everyone has heard the comment, "If I'd known how important it was, I would have reported it", or "I didn't think it was really that important". There are always people who haven't received this vital communication.

### 11.3.3 The positive approach (methods) to accident/incident reporting

The problem of not reporting accidents and incidents is an important one, deserving special attention. The knowledge gained about why accidents are not reported has led management leaders to draw certain logical conclusions, which can assist the supervisor in getting wider reportage of incidents of all types.

#### 11.3.3.1 React to reporting in a more positive way

If information can be utilized to prevent or control future incidents let the worker know the contribution his information is making. If reactions are handled properly and positively, the experience of sharing valuable predictive and preventive data will present an atmosphere of cooperation ... and not one of interrogation.

#### 11.3.3.2 Give more attention to loss-control performance

Focus as much (or more) attention on loss-control performance as on accident and incident records. Emphasize such before-the-fact measurements as the degree of compliance with safety rules and protective equipment compliance.

Give increasing attention of the section's housekeeping rating, its degree of protective equipment and safety-rule compliance, etc; reward good performance with your pride in their efforts.

Develop much greater interest in those measurements and records related to prevention and control, and the desired loss results and records can be achieved.



#### Think about it!

The good sports coach concentrates on measuring and improving his players' skill; he is interested in the score, but recognizes that it is skill improvement that gets the desired score.

#### 11.3.3.3 Recognize individual performance

Learn to pay more attention to positive worker habits and practices that are contributing to the prevention and control of down-grading incidents. Make the deserved recognition meaningful.



#### Note:

Use earned commendations as frequently as you use warnings and discipline. In effect, develop pride in good performance rather than fear of failure.

#### 11.3.3.4 Develop a value awareness of incident information

Use meetings and personal contacts to emphasize the many values to be gained by everyone when incidents that could or did result in loss are properly reported. Make this an important part of every training session and meeting, particularly with new or transferred employees.

### 11.3.3.5 Demonstrate personal belief by action

Make sure that information shared by incident reporting is followed up; if it is important to loss-control, take action promptly. Determine what you can do immediately, and do it.



**Note:**

There is always something that can be done, temporarily, while permanent installations and measures are being accomplished.

Think in terms of education and training as well as physical changes. The worker's reactions and feelings will usually reflect the supervisor's personal belief, so make sure your belief in the importance of reporting is clearly communicated by your positive, prompt action.

### 11.3.3.6 Make mountains out of molehills!

(Incident seeds can germinate into accidents.)

Give particular emphasis to reporting of incidents that do not involve loss, or to those that seem minor but could have resulted in major loss.

Highlight a really good example whenever possible, to clearly teach the benefit of reporting minor incidents. Encourage workers to share outstanding examples with the group.

Have good examples typed and placed on the bulletin board after discussion, for further thought and reinforcement.

In all these efforts, avoid embarrassment of individuals. Highlight the problems ... not the people .

### 11.3.4 Incident/Accident investigation

If an accident should happen in your department or to an employee under your supervision, one of the best ways to prevent its happening again is to investigate the accident to find out exactly why it happened.

#### 11.3.4.1 What is an incident investigation?

Basically, an incident investigation is an analysis, evaluation, and report of an incident, based on information gathered by an investigator (most frequently the supervisor).



**Note:**

The quality and usefulness of the information are directly related to the degree of thoroughness and conscientiousness of the investigation.

A complete investigation includes the objective evaluation of all the facts, opinions, statements, and related information, as well as an action plan, or steps to prevent or control a similar recurrence.

The best time for incident investigation is always as soon as possible. The supervisor knows that the less time intervening between an incident and the investigation, the more accurate the information that can be obtained.

#### 11.3.4.2 Why are incidents investigated?

Everyone should know the whole purpose of the exercise is to prevent or control a future recurrence of a similar incident. Paradoxically, this purpose is exactly what many investigations destroy, because they are blame-fixing, fault-finding, witch-hunting exercises, and factual information is withheld.

#### 11.3.4.3 The incident investigation

Get the big picture first.

It's always a good idea to see for yourself what the scene of the incident or its environment looks like, in order to have a visual picture of what you will be discussing and gathering information on.

If practical, it is always good to get the "big picture" of what everything related to the discussions looks like before you start any serious discussion of "what happened".



**Note:**

Just a few moments of visual orientation before starting will give the supervisor a better idea of where to start and with whom to start. (Bird, 1980:31-34)

#### 11.3.4.4 How (method) to investigate an accident

When you are checking on accidents, your primary goal is to find causes, not to fix the blame.

Look for answers to such questions as these:

- What happened? Who got hurt? How badly? What material was spoiled? Was any equipment damaged? Does it need repair before being put into operation again? Who, besides the injured individual, was involved?
- Why did it happen? Was it solely human error? If so, was it due to a lack of skill? Of knowledge about key points? Was it mainly carelessness? What part did the process play? Was it functioning properly or erratically at the time? How about the equipment involved? Was it in good working order? Did the individuals involved know how to operate it properly?
- What needs to be done to prevent this from happening again? Does it require special training? A specific new rule or regulation? A change in process procedure? Different kinds of equipment? Additional safeguards on the equipment?
- What steps have you taken to prevent recurrence? How much of the above have you put into practice with improved training and instruction? Have you

worked out a prevention plan with process engineers, systems designers, or housekeeping and maintenance staffs?

- What still needs to be done? Do you need further assistance from your boss or from the appropriate staff departments? Should you enlist the help of the safety committee? Have you set up a follow-up procedure that won't be dropped until the entire prevention plan is implemented?

(Bird 101 Loss-Control management)

## 11.4 Roadblocks to programme implementation

There are certain specific roadblocks to smooth, effective program implementation which is directed at the control of property damage.

Let us briefly consider these common roadblocks, in order to better understand how to avoid problems and streamline effort to successful program results in Damage Control.

### 11.4.1 Injury-orientated habits are difficult to change

In the early stages of programme implementation, this is the big reason for the reported emphasis on building a mental bridge that connects property damage to personal injury in all aspects and phases of the programme.

### 11.4.2 Management's failure to recognize the problem.

More frequently than not, there is a strong initial sentiment by management personnel that there is no problem, or that the problem has been exaggerated.

Experience has proven that there are many reasons that this additional mental roadblock exists. Few management people like snoopers or witch-hunters.



**Note:**

No one likes to be shamed or made to feel he is not performing properly.

Many management personnel visualize the whole program as another big hoopla (scheme) that will only end up in a mass of unnecessary paperwork.

Anyone with a knowledge of modern motivational techniques would quickly grasp the value of keeping the program on a positive note at all stages. Credit and recognition for problem-solving should be utilized consistently.

Programs should be designed to keep people involved and contributing. While well documented investigative and audit efforts involved with repair centres and disposal areas are usually necessary on a continuing basis, they can also be handled in a manner that encourages cooperation rather than contempt.

**Note:**

The value of a camera (a private room for consultation) properly used can be a major factor in gaining management's acceptance of the problem and its magnitude.

### 11.4.3 Acceptance of damage reported as representative of damage occurrence

There is usually a naiveté on the part of upper management as well as staff and loss control personnel about the efficiency of the accident-reporting system.

This is unquestionably a carry-over from injury-oriented program attitudes, where staff personnel typically accept the number of injuries reported as representative of the number of injuries occurring.

**Note:**

Research has proven that most accidents, including those terminating in injury, are not reported.

The sceptic need only stand with a physician during a physical examination to observe the number of small scars on the arms and legs of workers, and then attempt to correlate them with reports of the injuries that produced them.

The majority of property damage accidents will not be reported, even in an atmosphere of significant motivation and educational effort. This condition continues long after a total accident program is underway.

In the absence of a good investigative audit by repair centres and point-of-control areas where damage or waste is ultimately handled, substantially less than 50% of the total damage occurrence will be voluntarily reported.

In the absence of good investigative and regular audit activities, this naiveté about the level of accident-reporting can mislead people to say, "We really don't have a problem. Only a minor amount of damage is occurring".

It is important to stress that, while recognizing this roadblock, we should not infer that the accident-reporting is unimportant or that it shouldn't be emphasized.

On the contrary, emphasis on accident-reporting produces several important results, not the least being the awareness of management's interest and concern about the problem.

### 11.4.4 Weak reporting relationship of staff advisor

The degree of cooperation of all levels of management with a property-damage and waste-control program is directly related to the level of upper management to which the program coordinator reports.

**Note:**

The weak reporting relationship of many safety and loss-control specialists is one of the big reasons that management cooperation is not what it could potentially be.

During property damage control program implementation, management resistance to change can be expected to be greater than with other types of problem solving, but it can be minimized if reporting relationships of the staff advisor are at a high level.

#### 11.4.5 Inadequate overall capability of staff advisors

Just as weak reporting-relationships may hamper the spirit of cooperation received, the lack of overall capability of the staff safety or loss-control coordinator could present another roadblock to achieving desired program objectives.

The need for professional development within this group of important specialists is being emphasized broadly on a continual basis. The individual lacking total proper capability cannot establish credibility and confidence in a program of this magnitude.

The significant potential to reduce operating costs and increase profits substantially, by management-control of this important area of loss-concern, justifies selecting an individual of unquestionable capability to coordinate the program.

(Bird, 1982:101-104)



Figure 11.2 Be aware of the dangers

### 11.5 Benefits when controlling property damage and waste

- Safer plant environment
- Fewer serious injuries
- Reduced production delays

- Equipment-value awareness
- Reduced operating costs

(Bird, 1976:137)

## 11.6 Principles of economic application

### 11.6.1 The principle of economic association

A manager will usually pay more attention to statistical or general information when expressed or associated with cost terminology.

Appreciations of the principle can be found in many safety programs. Around the world, more and more companies are focusing attention on the effect of uncontrolled accident losses on the profitability of their company.

For example, for many years the St. Regis Corporation has expressed the accident statistics given to its management group in terms of an "injury cost rate" rather than a disabling injury rate.

Their enviable safety record seems to indicate the value of focusing management attention on the economic side, as well as the humane side, of accident control.

We must be aware that the principle of economic association can be applied to the broad spectrum of loss-problems including, but certainly not limited to, off-the-job and family accidents, products liability, fire, general damage, theft, vandalism, waste, and drug abuse.



#### Did you know?

This area of economic application is possibly the most fertile area for motivation in our quest for proper attitude development. The typical operating manager is a pure realist when it comes to allocating his attention.

He counts realistic, practical business facts. No other activity in our safety and loss control effort can so readily supply this essential catalyst for action.

### 11.6.2 The principle of the Critical Few

In any given group of occurrences, a relatively small number will tend to give rise to the largest proportion of results (costs).

The "critical few" accident-type causes, injuries, or body parts injured, (those resulting in the largest percentage of total costs) can become immediate targets for concentrated management effort. The objective, of course, is to maximize dollar results for the least expenditure of time and effort.

**Note:**

The "critical few" principle with its many efficiency benefits to management, can be aimed at losses from theft, fire, or any other loss-control target.

A large segment of the chapter on property damage and waste control described an application of the "critical few" principle as the loss-improvement project-team concept.

Utilizing this system, the critical few items causing the majority of management's damage and waste loss can be accurately identified and casted within a relatively short period of time.

### 11.6.3 The Principle of Reciprocated Interest

People tend to be motivated to accomplish results you want, to the extent you show interest in the results they want to achieve.

It would be extremely difficult to select an economic principle more important than the principle of reciprocated interest. Enormous motivational power can be channelled through application of this principle to achieve the kind of executive management cooperation that thousands of safety and loss-control people talk about, but seldom receive.

The principle of reciprocated interest tells us that if we want to sell management on any safety or loss-control idea, we must present it in such a way that the receiver will recognize the value that he will gain toward those things he is interested in.

From the motivational scale we have strong indication that "reducing operating costs", "increasing production" and "improving quality" rank extremely high in the typical executive's interests.

**Think about it!**

The big question is: "Do we use this knowledge to best advantage in promoting or selling our ideas"?

The principle of reciprocated interest can be employed even more significantly by proposing a standard job analysis/procedure program that includes one unified analysis/procedure, covering all three important elements of production, quality and safety.

There are few, if any, elements of a safety or loss control program that cannot be sold on their value to all those items high on management's motivational scale, as well as their values to the attainment of humane objectives.

#### 11.6.4 The Principle of Future Characteristics

The past performance of an organization or unit tends to foreshadow its future characteristics.

Perhaps one of the best applications of this principle can be found in the insurance industry. Insurance companies use past loss-experience as a fine barometer to assist their accurate prediction of future loss, and ultimately provide the basis for establishing their underwriting rates of coverage.

These companies also furnish periodic computerized loss analyses to insureds, to indicate the critical few loss-problems in terms of cost. Costs are, of course, based on recent past history and provide the insured with a vivid warning of future losses unless something is done to alter their occurrence.

Industrial engineers and efficiency experts use this principle as the basis of much of their work in cost reduction. The past history of costs on machines or equipment, production maintenance, downtime and related damages are all used as a base line for many types of comparisons.

#### 11.6.5 The Principle of Application

The more a manager communicates a message, the more certain he can be that it is understood and will be retained.

Once the magnitude of loss-problems is clearly defined, the safety or loss control manager has the challenge of communicating both the importance and the urgency of committing management resources to the control of those problems.

It is relatively easy for these staff experts to see, understand and accept the truth that accidents and other undesired events have an enormous effect upon an organization's profit, or the attainment of its established budget.

It is considerably more difficult to gain timely acceptance of this truth by operating management of the enterprise.

**Think about it!**

The principle of application can serve as a valuable tool in this regard.

#### 11.6.6 The Principle of Economic Priorities

A manager will usually give priority response to items possessing the potential for the greatest proportion of results from the least investment of available resources.

This truth or principle is also expressed in a widely accepted economic result that a firm should choose from mutually exclusive cost-control techniques the one which offers the highest rate of benefits to costs, when both are expressed as expected values.

It is difficult for many safety and loss-control managers to understand why management will not financially support a specific program that promises a substantial potential return in cost reduction.



**Note:**

There is little doubt that understanding management's utilization of money would be greatly enhanced if concerned individuals were privileged to more abundant information on the amount of financial resources currently available.

Of course, the application of skills and techniques that leads to cost reduction through effective loss-control management also builds executive confidence in the individual and increases the probability that he will be more adequately informed on important aspects of the business.

It's ironic that an individual can understand why a person purchases the item for his family or house that gives the greatest return for the money invested, yet finds difficulty in understanding parallel management decisions.



**Note:**

Like the average individual, management wants the greatest return for the limited resources available at any given time.

By utilizing available resources properly, management has more resources to utilize and, in effect, more money to spend on the needs of people, their safety and health. In the final analysis, this type of decision-making is absolutely necessary to assure the continuity and very existence of the business enterprise.

### 11.6.7 The Principle of Vested Interest

A manager is predominantly interested in those economic considerations affecting his own budget.

One has only to ask any manager a few simple questions regarding economics, to quickly determine where his interests lie. He is surely interested in the operating costs of the company, his division, and to some degree, those of the employment or medical departments.

But one thing will be made crystal-clear in his responses - he is predominantly interested in the budget he is accountable to achieve, and by comparison, only slightly interested in anyone else's.

This deep, vested, personal interest is very logical when we consider that promotions, merit increases and other things that really count, largely depend on his ability to contribute to the profitability of the organization.

It is his budget, of course, that best reflects his management skills, that counts in this regard. Likewise, his longevity as a supervisor can spend its course rather quickly if he consistently fails to manage costs over which he has direct control.

### 11.6.8 The Principle of Substantial Evidence

Nearly every safety or loss-control specialist has had an operating manager request evidence that losses in his immediate area of responsibility have occurred to justify the action suggested.



**Note:**

In the absence of adequate historical information, it can be assumed that a manager will require more substantial evidence of need.

Whether one is attempting to promote a 100% eye-protection program or safety-hat program, the ease with which a program can be sold to management is directly related to the loss experience to which managers can personally relate.

This is the whole point of the principle of vested interest. Conversely, the more remote the loss experience, the more difficult it is to develop management interest, and the more substantial the evidence must be to motivate positive attitudes and actions.

Not only is it necessary to present evidence that can be accepted as relevant to the particular manager's operations, but it is also necessary to relate in a meaningful way to the likelihood of its occurrence.

Experience has proven that, in the absence of historical information for the manager involved, it is usually helpful if he can visit other organizations engaged in similar operations to see the program in action, and to evaluate the needs and results.

### 11.6.9 The Principle of Adequate Information

The timeliness of a manager's decision-making is directly related to the adequacy of information he has upon which to act.

Through the years, one of the most common outcries of safety, environmental health, security and fire-protection managers alike, has been directed toward failure of management to act promptly on decisions involved with hazard correction.

While there may be some justification for the outcries of management inaction on matters involved with these important areas, on many occasions there is also a great deal to be said in defence of the delayed-management action.

It is not difficult to understand the frustration of a program coordinator who has organized a planned inspection program that provides detailed reports on all plant areas month after month, only to have them seemingly ignored.

Neither is it difficult to understand that a busy manager has many important things to do, in addition to taking the time to read voluminous reports that require interpretation and organization of thoughts in order to give intelligent direction.

These kinds of frustrations and problems of both staff and operating managers will become less the rule and more the exception as managers in safety and other loss- control disciplines learn to manage more professionally.

Providing management with an increased number of devices and techniques to aid decision-making will bring the application of loss-control in general industry more in tune with the technological advances of our space age.

**Note:**

The important point is that the management can be given valuable information on all critical aspects of hazard evaluation, to help them give a timely response regarding cost justification and priority emphasis.

### 11.6.10 The Principle of Dimensional Value

The degree of management attention is directly related to the size of the problem.

What the principle of dimensional value tells us is that we do not gain the management attention possible unless we present the costs of our losses in their true magnitude and economic perspective.

The reason that over 95 percent of the vice-presidents of safety and loss control are in motor-fleet and railroad operations is directly related to their application of this principle of dimensional value.

They precisely identify accident costs involved with injury, property damage and liability, and direct well-organized programs at these enormous targets of loss. The dimension of their cost targets is large enough to gain significant management interest and attention.

Their personal recognition is further evidence of the value that management places on their effort.

These, then, are ten principles of economic application that can be utilized to motivate increased management interest and action in a loss-control program.



### Did you know?

The economic value of an effective loss-control program was made clear by Raymond H. Marks, President of Tenneco Chemicals (Bird, 1982: 164). He made the following comments:

*"For purpose of understanding, let me state that a sound loss-control program is not limited to employee safety and health - although this is an important segment and our first consideration.*

*A comprehensive loss-control program is aimed at elimination of problems of occupational health, property protection, product safety, security, and any other area where an unintended incident can occur and detract from the company's profitability.*

*... Safety and loss-control are important parts of the executive suite. No longer second-class citizens, loss-prevention and profit-performance have become synonymous.*

*There is no room for compromise. Total dedication and re-dedication are the key ingredients".*

## 11.7 Characteristics of good measuring tools for a loss-control program

### 11.7.1 It should be administratively practical

Many organizations fail to utilize various loss-control program tools that could benefit them greatly because they are apprehensive about their ability to deal with the apparently sophisticated techniques involved.

Most managers must come to grips with time, budget, and manpower at some point and, no matter how good a technique sounds, if it can't be administered within the practical limits, it can't be utilized.

### 11.7.2 The measurement criterion should be quantifiable

In selecting a criterion that can be quantified, the loss-control manager increases the probability that it will be accepted as a solid technique because of the objectivity implied (if not necessarily inherent) in quantification.

Peter Drucker, author of *The Practice of Management*, emphasizes that "The measurement used determines what one pays attention to". The more precise

the quantification of the criteria involved in any measurement tool, the more probable it is that management can and will use the tool effectively.

### **11.7.3 It should be a valid measurement of what it is supposed to represent**

For many years, safety managers considered a disabling injury-rate as a measurement of safety performance rather than a measurement of the occurrence of a very limited number of reported accidents that terminated in certain loss.

To this day, many organizations around the world base safety contest awards on disabling injury-frequent records and present awards as recognition for outstanding safety performance.



**Note:**

Creating a better understanding of what measurements used in a loss-control program actually measure is one of the key objectives.

### **11.7.4 It should be as objective and error-free as possible**

Techniques must be employed that minimize the possibility of individual bias entering the measurement system.

### **11.7.5 A good measurement system should be understandable**

Too often, we think management people and workers alike will continue to understand terms and relationships involving a vague figure that was explained on several occasions.

The easier it is for a measurement to be understood on sight and to stand on its own, the more certain we can be that we have provided management with a tool it can relate to and can utilize with others.

### **11.7.6 It should be sensitive to change**

A good measurement tool must accurately reflect changes that take place within the system it is designed to measure. Allowance for such probabilities should be considered in planning.

## **11.8 Fire-loss control**

Fire-Loss Control is the conservation of assets by reducing the incidence and severity of undesired and unexpected fires.

Effective administration necessarily requires some knowledge of the basic factors which must be considered to intelligently plan and implement a program that will eliminate or minimize the occurrence of fire and its resultant destruction.

The essential areas which must receive prime attention can be summarized by the acronym "COPE",

- construction

- occupancy
- protection
- exposure

### 11.8.1 Construction

To illustrate the importance of building construction as a factor in fire-loss control, you need only consider the tremendous range of possibility of loss inherent in various types of buildings.

Compare the combustibility and susceptibility to fire damage of a building constructed of wood, for example, with one built of reinforced concrete.



**Note:**

It is obvious that the type of construction has a direct bearing on both the incidence and extent of fire damage.

### 11.8.2 How Fires Spread

In order to more clearly understand the importance of building construction, fires spread both vertically and horizontally. Building design should take these factors into consideration and provide appropriate protection to control the spread of fires.

### 11.8.3 Occupancy

The second factor considered in "COPE" is occupancy, which is the use to which the premises are put by the occupants.

Some types of operations or processes create severe and even unique exposures to loss, referred to as special hazards, such as hazardous chemicals, flammable liquids and gases, combustible dusts and fibres, explosives, etc.

Other exposures to loss can exist in most occupancies, and are called common hazards; examples of these are smoking and matches, heating and electrical equipment and poor maintenance or housekeeping practices.



**Note:**

The degree of the hazard presented by the occupancy is of major importance in determining the proper construction, size and even the location of buildings.

Storage of stock, whether in large areas or low piles protected by automatic sprinklers, influences the fire hazard significantly.

Unfavourable conditions, such as congested, combustible operations or large unbroken areas without fire cut-offs or automatic protection, affect not only the probable frequency, but the severity potential of fire as well.

The loss-control manager's basic responsibility encompasses proper analysis of the operations and processes, taking into consideration the degree of fire hazard they introduce in terms of the presence or absence of ignition sources, the cause of ignition and the total assets subject to one fire.

The need for professional consulting services is frequently a must in carrying out this management function, particularly when dealing with the problems associated with such special hazards as new plastics, high-piled rack storage, cryogenic liquids, radiation, and explosive atmospheres.

#### 11.8.4 Protection

The third factor to be considered in "COPE" relates to protection, both public and private. The importance of this area cannot be minimized; both aspects should be of prime concern to a corporation in the planning and implementation of a fire loss-control program.

A well-managed fire loss-control program uses available public protection (like fire stations), together with a carefully-selected program of private protection, (facilities provided by individual firms, such as sprinkler and alarm systems, portable fire-extinguishers, etc) to accomplish its goal.



**Note:**

This program must be reviewed continually for changing hazards and to be certain that the system consists of the most modern components available.

#### 11.8.5 Exposure

The fourth and final factor to be considered in the acronym "COPE" is exposure.

For effective fire loss-control, exposure must be considered both from the point of view of the area surrounding the building and the occupancies and operations within the building.



**Note:**

These are commonly referred to as exterior exposures and interior exposures.

##### 11.8.6.1 Exterior Exposure

- *Building Construction.* An adjacent building of fire-resistive construction would obviously present a lesser degree of exterior exposure than would one of masonry and wood construction.
- *Building Occupancy of Operations.* This refers to the use of surrounding (exposing) buildings or structures such as an office building, garment factory, machine shop, paint-manufacturing warehouse, oil tank, farm, etc.

##### 11.8.6.2 Internal Exposure

Internal exposures are those exposures that may be illustrated by the storage, handling and use of volatile flammable materials in a metalworking operation. The protection from these hazardous operations can be done by elimination, segregation by isolating, and protection by better designs.

### 11.9 Fire prevention and protection

Good housekeeping is one of the best sort of fire-prevention measures. Where floors, benches, desks, corners and machines are kept clean and neat, fire has a hard time getting a foothold.

The three elements which must be present in any fire are:

- Oxygen
- Heat
- Fuel

Remove any of these and the fire will be extinguished. Pouring water on the fire will remove the heat. Blanketing it with sand, foam or a chemical will exclude oxygen. Cut off the fuel supply and the fire will extinguish itself.

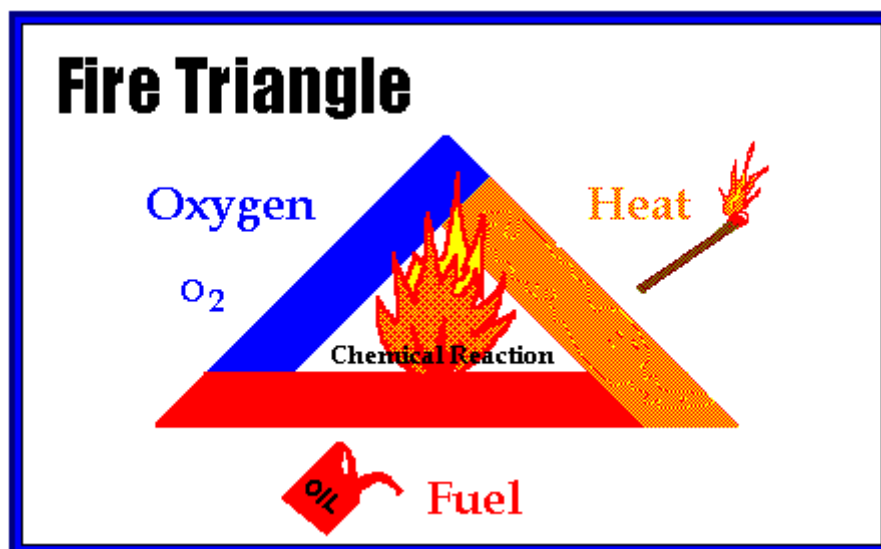


Figure 11.3 Fire needs

What are the main causes of fire?

- Electrical faults
- Open flames
- Heated surfaces
- Matches and cigarettes
- Spontaneous ignition
- Chemical reactions
- Static electricity
- Friction
- Lighting

(NOSA:50)

Watch out for material piled too close to overhead sprinklers, fire extinguishers, and hoses. Material too close to the sprinklers cuts down on their effectiveness.

Blocked fire-extinguishers may mean the difference between a fire that is put out in a few seconds and one that gets a toehold in a minute. And never permit a fire extinguisher or a fire bucket to be used for any purpose other than to fight fires. Also check regularly to see that they are full.



#### **Safety Warning!**

Check with your superior, personnel manager, or safety engineer or determine the best practices for handling flammable liquids, such as solvents of any kind.

Do not be too gentle with employees who smoke in unauthorized areas. It may seem like something trivial, but it is the carelessly flipped butt that can cause the trouble. (Bittel, 1990:489)

### **11.9.1 Four classes of fires**

- Class "A" identifies fires occurring in ordinary combustible materials such as wood, paper and cloth. This type of fire is most effectively fought by means of quenching or cooling through the medium of water or aqueous solutions. The temperature of the burning material is reduced by this cooling process to a point below its ignition temperature and the fire is extinguished.
- Class "B" identifies fires occurring in materials such as grease. Flammable liquids, gases and petroleum derivatives. Fires affecting these materials are normally extinguished by the smothering or blanketing action of chemical-dispensing extinguishers which provide an oxygen-excluding agent.
- Class "C" identifies fires occurring in electrical equipment such as panel boxes, motors, etc. An extinguishing medium having an electrical non-conductivity characteristic must be the first consideration.
- Class "D" is a relatively new classification which identifies fires in combustible metals such as magnesium, sodium, potassium, etc. Fires in this group react violently with water and, therefore, a device which dispenses an appropriate dry chemical agent is recommended for this class.

### **11.9.2 Portable Extinguishers**

Several factors must be considered to obtain maximum effectiveness from the use of portable fire-extinguishers:

- Suitability for controlling the type of fire which might be anticipated.
- Adequacy of the capacity and number of the extinguishers selected.
- Proper distribution of extinguishers to provide prompt access and use.
- Establishment of an effective maintenance program.
- Training programs must be instituted to assure the presence of personnel capable of effectively using the extinguisher. (Bird, 1982:369)

Why should soda-acid, water or foam fire-extinguishers not be used on electrical fires?

In electrical fires one must assume that electricity is present at the source of the fire. The water and foam discharged by soda-acid and foam fire-extinguishers are both conductors of electricity. Thus the person operating the fire extinguisher may receive an electric shock.



Figure 11.4 Fire-extinguishers must be available at all times

How often should fire-extinguishers be inspected, maintained and tested?

The regularity with which fire-extinguishers should be inspected would be dictated by circumstances.

For instance, an acidic or damp environment would induce corrosion and necessitate action much sooner, but generally speaking the SABS recommendations should be used as a minimum standard.

What records should be kept of each operational fire-extinguisher?

A record of date of inspection and maintenance indelibly written on a durable adhesive label, firmly fixed to the extinguisher showing the following particulars in more or less the format outlined in **Figure 11.5**.

## FIRE EXTINGUISHER MAINTENANCE RECORD

This fire extinguisher is serviced and maintained in accordance with the recommendations and frequencies of British Standard 5306 part 3 and refilled when required to BS6643 part 1 and future amendments

DATE	CODE	COMMENTS	NSD	WEIGHT	ENG

**CODES**

R - Refilled  
B - Basic Service  
E - Extended Service  
O - Overhaul  
AR - Advise Replacement  
NSD - Next Service Due  
Weight - Extinguisher or Cartridge (Delete as applicable)

**Next Test Discharge Due**

**Last Test Discharged**

Figure 11.5


In addition, a permanent file record should be kept containing the information set out below:

- The maintenance date and the name of person or agency performing the maintenance.
- The date when last recharged and the name of person or agency performing the recharge.
- The date when last pressure-tested and the name of person or agency performing the test.
- The date when last inspected internally and the name of person or agency performing the inspection.
- A record of all repairs and part replacements.


- The date when visual inspections were carried out.


In case of fire, what should you immediately do?

- Report the fire by telephone
- See that employees are evacuated
- Fight the fire with hand-extinguisher or hose

	<p><b>Safety Note!</b></p> <p>Set this rule for yourself and your employees: Regard every open light, every flame, every match and cigarette, and every bit of oily waste or thimbleful of flammable liquid as potentially dangerous.</p>
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Support from labour unions is not difficult to obtain when discipline is taken to enforce safety measures. So sell each employee on the personal stake held in fire prevention in the plant or office.

	<p><b>Activity 11.1</b></p> <ol style="list-style-type: none"> <li>1. Define loss-control.</li> <li>2. Mention and explain TWO reasons for the failure to report incidents.</li> <li>3. One of the roadblocks to programme implementation is "management's failure to recognize the problem." Explain this.</li> <li>4. What benefits are there when property damage and waste are controlled?</li> <li>5. One of the principles of the economics of loss-control is the "Principle of Future Characteristics". Explain this.</li> <li>6. Briefly explain what are the essential areas which must receive prime attention in fire loss-control.</li> </ol>
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	<b>Self-Check</b>	
<b>I am able to:</b>	<b>Yes</b>	<b>No</b>
• Define loss-control		
• State the reasons why accidents and incidents are not reported		
• Describe the roadblocks to programme implementation		
• Explain the benefits of implementing a programme to control waste and damage to property		
• Discuss the principles of the economics of loss-control		
• Name and discuss the characteristics of a good measuring tool for a loss-control programme		
• Name and discuss the areas essential to reduce fire-loss control		
• Explain the following terms in relation to loss-control:		
○ Fire prevention		
○ Fire protection		

- |  |  |  |
|--|--|--|
| ○ The four classes of fire and the type of fire extinguisher that should be used on each |  |  |
|--|--|--|

If you have answered 'no' to any of the outcomes listed above, then speak to your facilitator for guidance and further development.

# Module 12

## Industrial Legislation in South Africa

### Learning Outcomes

On the completion of this module the student must be able to:

- Describe the Occupational Health and Safety Act (No. 85 of 1993) according to:
  - Purpose of the act
  - General duties of employer to their employees
  - General duties of manufacturers and others regarding articles and substances for use at work
  - General duties of employers and employees at work
  - Chief executive officer's duties
  - Functions of health and safety representatives
  - Functions of health and safety committees

### 12.1 Introduction



This module discusses the Occupational Health and Safety Act No 85 of 1993 and how to apply it.

#### 12.1.1 Purpose of the Act

To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work; to establish an advisory council for occupational health and safety; and to provide for matters connected therewith.

#### 12.1.2 General duties of employers to their employees

- i. Every employer shall provide and maintain, as far as is reasonably practicable, a working environment that is safe and without risk to the health of his employees.
- ii. Without derogating from the generality of an employer's duties under subsection (i), the matters to which those duties refer include in particular:
  - a. the provision and maintenance of systems of work, plant and machinery that, as far as is reasonably practicable, are safe and without risks to health;
  - b. taking such steps as may be reasonably practicable to eliminate or mitigate any hazard or potential hazard to the safety or health of employees ; before resorting to personal protective equipment;
  - c. making arrangements for ensuring, as far as is reasonably practicable, the safety and absence of risks to health in connection with the production, processing, use, handling, storage or transport of articles or substances;
  - d. establishing, as far as is reasonably practicable, what hazards to the health or safety of persons are attached to any work which is performed, any article or substance which is produced, processed, used, handled, stored or transported and any plant or machinery which is used in his business, and he shall, as far as is reasonably practicable, further establish what precautionary measures should be taken with respect to such work, article, substance, plant or machinery in order to protect the health and safety of persons, and he shall provide the necessary means to apply such precautionary measures;
  - e. providing such information, instructions, training and supervision as may be necessary to ensure, as far as is reasonably practicable, the health and safety at work of his employees;
  - f. as far as is reasonably practicable, not permitting any employee to do any work or to produce, process, use, handle, store or transport any article or substance or to operate any plant or machinery, unless the precautionary measures contemplated in paragraphs (b) and (d), or any other precautionary measures which may be prescribed, have been taken;
  - g. taking all necessary measures to ensure that the requirements of this Act are complied with by every person in his employment or on premises under his control where plant or machinery is used;
  - h. enforcing such measures as may be necessary in the interest of health and safety;
  - i. ensuring that work is performed and that plant or machinery is used under the general supervision of a person trained to understand the hazards

associated with it and who have the authority to ensure that precautionary measures taken by the employer are implemented;



Figure 12.1 Accidents and health hazards endanger many workplaces

j. causing all employees to be informed regarding the scope of their authority.

### 12.1.3 General duties of manufacturers and others regarding articles and substances for use at work

- i. Any person who designs, manufactures, imports, sells or supplies any article for use at work shall ensure, as far as is reasonably practicable, that the article is safe and without risks to health when properly used and that it complies with all prescribed requirements.
- ii. Any person who erects or installs any article for use at work on or in any premises shall ensure, as far as is reasonably practicable, that nothing about the manner in which It is erected or installed makes it unsafe or creates a risk to health when properly used.
- iii. Any person who manufactures, imports, sells or supplies any substance for use at work shall:
  - ensure, as far as is reasonably practicable, that the substance is safe and without risks to health when properly used; and
  - take such steps as may be necessary to ensure that information is available with regard to the use of the substance at work, the risks to health and safety associated with such substance, the conditions necessary to ensure that the substance will be safe and without risks to health when properly used and the procedures to be followed in case of an accident involving such substance.

- iv. Where a person designs, manufactures, imports, sells or supplies an article or substance for or to another person and that other person undertakes in writing to take specified steps sufficient to ensure, as far as is reasonably practicable, that the article or substance will comply with all prescribed requirements and will be safe and without risks to health when properly used, the undertaking shall have the effect of relieving the first mentioned person from the duty imposed upon him by this section to such an extent as may be reasonable having regard to the terms of the undertaking.

#### **12.1.4 General duties of employers regarding listed work:**

- i. Subject to such arrangements as may be prescribed, every employer whose employees undertake listed work or are liable to be exposed to the hazards emanating from listed work, shall, after consultation with the health and safety committee established for that workplace.
  - a. identify the hazards and evaluate the risks associated with such work constituting a hazard to the health of such employees, and the steps that need to be taken to comply with the provisions of this Act;
  - b. as far as is reasonably practicable, prevent the exposure of such employees to the hazards concerned or, where prevention is not reasonably practicable, minimize such exposure; and
  - c. having regard to the nature of the risks associated with such work and the level of exposure of employees to the hazards, carry out an occupational hygiene programme and biological monitoring, and subject such employees to medical surveillance.
- ii. Every employer contemplated in subsection (i) shall keep the health and safety representatives designated for their workplaces or sections of the workplaces, informed of the actions taken under subsection (i) in their respective workplaces or sections thereof and of the results of such actions; provided that individual results of biological monitoring and. Medical surveillance relating to the work of the employee, shall only with the written consent of such employee be made available to any person other than an inspector, the employer or the employee concerned.

#### **12.1.5 General duties of employees at work**

Every employee shall at work:

- a. take reasonable care for the health and safety of himself and of other persons who may be affected by his acts or omissions;

- b. as regards any duty or requirement imposed on his employer or any other person by this Act, co-operate with such employer or person to enable that duty or requirement to be performed or complied with;
- c. carry out any lawful order given to him, and obey the health and safety rules and procedures laid down by his employer or by anyone authorized thereto by his employer, in the interest of health or safety;
- d. if any situation which is unsafe or unhealthy comes to this attention, as soon as practicable report such situation to his employer or to the health and safety representative for his workplace or section thereof, as the case may be, who shall report it to the employer; and
- e. if he is involved in any incident which may affect his health or which has caused an injury to himself, report such incident to his employer or to anyone authorized thereto by the employer, or to his health and safety representative, as soon as practicable but not later than the end of the particular shift during which the incident occurred, unless the circumstances were such that the reporting of the incident was not possible, in which case he shall report the incident as soon as practicable thereafter.

#### **12.1.6 Chief executive officer charged with certain duties**

- Every chief executive officer shall, as far as is reasonably practicable, ensure that the duties of his employer, as contemplated in this Act, are properly discharged.
- Without derogating from his responsibility in terms of subsection (i), a chief executive officer may assign any duty contemplated in the said subsection to any person under his control, which person shall act subject to the control and directions of the chief executive officer.
- The provisions of subsection (i) shall not, subject to the provisions of section 37, relieve an employer of any responsibility or liability under this Act.
- For the purpose of subsection (i), the head of department of any department of State shall be deemed to be the chief executive officer of that department.

#### **12.1.7 Health and safety representatives**

- i. Subject to the provisions of subsection (ii), every employer who has more than 20 employees in his employment at any workplace, shall, within four months after the commencement of this Act or after commencing business, or from such time as the number of employees exceeds 20, as the case

may be, designate in writing for a specified period health and safety representatives for such workplace, or for different sections thereof.

- ii. An employer and his employees or their representatives shall consult in good faith regarding the arrangements and procedures for the nomination or election, period of office and subsequent designation of health and safety representatives In terms of subsection (i): Provided that if such consultation fails, the matter shall be referred for arbitration to an inspector, whose decision shall be final.
- iii. Arbitration by an inspector in terms of subsection (ii) shall not be subject to the provisions of the Arbitration Act, 1965 (Act No. 42 of 1 965), and a failure of the consultation contemplated in that subsection shall not be deemed to be a dispute in terms of the Labour Relations Act, 1956 (Act No. 28 of 1956).
- iv. Only those employees employed in a full-time capacity at a specific 1 workplace and who are acquainted with conditions and activities at that workplace or section thereof, as the case may be, shall be eligible for designation as health and safety representatives for that workplace or section.
- v. The number of health and safety representatives for a workplace or section thereof shall in the case of shops and offices be at least one health and safety representative for every 1 00 employees or part thereof, and in the case of all other workplaces at least one health and safety representative for every 50 employees or part thereof; provided that those employees performing work at a workplace other than that where they ordinarily report for duty, shall be deemed to be working at the workplace where they so report for duty.
- vi. If an inspector is of the opinion that the number of health and safety representatives for any workplace or section thereof, including a workplace or section with 20 or fewer employees, is inadequate, he may by notice in writing direct the employer to designate such number of employees as the inspector may determine as health and safety representatives for that workplace or section thereof in accordance with the arrangements and procedures referred to in subsection (ii).
- vii. All activities in connection with the designation, functions and training of health and safety representatives shall be performed during ordinary working hours, and any time reasonably spent by any employee in this regard shall for all purposes be deemed to be time spent by him in the carrying out of his duties as an employee.

### 12.1.8 Functions of health and safety representatives

- i. A health and safety representative may perform the following functions in respect of the workplace or section of the workplace for which he has been designated, namely:
  - a. review the effectiveness of health and safety measures;
  - b. identify potential hazards and potential major incidents at the workplace;
  - c. in collaboration with his employer, examine the causes of incidents at the workplace;
  - d. investigate complaints by any employee relating to that employee's health or safety at work;
  - e. make representations to the employer or a health and safety committee on matters arising from paragraphs (a), (b), (c) or (d), or where such representations are unsuccessful, to an inspector;
  - f. make representations to the employer on general matters affecting the health or safety of the employees at the workplace;
  - g. inspect the workplace, including any article, substance, plant, machinery or health and safety equipment at that workplace with a view to the health and safety of employees, at such intervals as may be agreed upon with the employer; provided that the health and safety representative shall give reasonable notice of his intention to carry out such an inspection to the employer, who may be present during the inspection;
  - h. participate in consultations with inspectors at the workplace and accompany inspectors on inspections of the workplace;
  - i. receive information from inspectors as contemplated in section 36; and
  - j. in his capacity as a health and safety representative attend meetings of the health and safety committee of which he is a member, in connection with any of the above functions.
- ii. A health and safety representative may, in respect of the workplace or section of the workplace for which he has been designated:
  - a. visit the site of an incident and attend any inspection in loco;

- b. attend any investigation or formal inquiry held in terms of this Act;
- c. in so far as is reasonably necessary to perform his functions, inspect any document which the employer is required to keep in terms of this Act;
- d. accompany an inspector on any inspection;
- e. with the approval of the employer (which approval shall not be unreasonably withheld), be accompanied by a technical advisor, on any inspection; and
- f. participate in any internal health or safety audit.



Figure 12.2 Common accidents can be prevented in a number of ways

- iii. An employer shall provide such facilities, assistance and training as a health and safety representative may reasonably require and as have been agreed upon for the carrying out of functions.
- iv. A health and safety representative shall not incur any civil liability by reason of the fact only that he failed to do anything which he may do or is required to do in terms of this Act.

### 12.1.9 Health and safety committees

- i. An employer shall in respect of each workplace where two or more health and safety representatives have been designated, establish one or more health and safety committees and, at every meeting of such a committee as contemplated in subsection (4), consult with the committee with a view to initiating, developing, promoting, maintaining and reviewing measures to ensure the health and safety of his employees at work.

- ii. A health and safety committee shall consist of such number of members as the employer may from time to time determine: provided that:
  - a. if one health and safety committee has been established in respect of a workplace, all the health and safety representatives for that workplace shall be members of the committee;
  - b. if two or more health and safety committees have been established in respect of a workplace, each health and safety representative for that workplace shall be a member of at least one of those committees; and
  - c. the number of persons nominated by an employer on any health and safety committee established in terms of this section shall not exceed the number of health and safety representatives on that committee.
- iii. The persons nominated by an employer on a health and safety committee shall be designated in writing by the employer for such period as may be determined by him, while the health and safety representatives shall be members of the committee for the period of their designation in terms of section 17(1).
- iv. A health and safety committee shall hold meetings as often as may be necessary, but at least once every three months, at a time and place determined by the committee: provided that an inspector may by notice in writing direct the members of a health and safety committee to hold a meeting at a time and place determined by him: Provided further that, if more than 10 per cent of the employees at a specific workplace has handed a written request to an inspector, the inspector may by written notice direct that such a meeting be held.
- v. The procedure at meetings of a health and safety committee shall be determined by the committee.
- vi.
  - a. A health and safety committee may co-opt one or more persons by reason of his or their particular knowledge of health or safety matters as an advisory member or as advisory members of the committee.
  - b. An advisory member shall not be entitled to vote on any matter before the committee.
- vii. If any inspector is of the opinion that the number of health and safety committees established for any particular workplace is inadequate, he may in writing direct the employer to establish for such workplace such number of health and safety committees as the inspector may determine.

### 12.1.10 Functions of health and safety committees

- i. A health and safety committee:
  - a. may make recommendations to the employer or, where the recommendations fail to resolve the matter, to an inspector regarding any matter affecting the health or safety of persons at the workplace or any section thereof for which such committee has been established;
  - b. shall discuss any incident at the workplace or section thereof in which or in consequence of which any person was injured, became ill or died, and may in writing report on the incident to an inspector; and
  - c. shall perform such other functions as may be prescribed.
- ii. A health and safety committee shall keep record of each recommendation made to an employer in terms of subsection (1)(a) and of any report made to an inspector in terms of subsection (1)(b).
- iii. A health and safety committee or a member thereof shall not incur any civil liability by reason of the fact only that it failed to do anything which it or he may or is required to do in terms of this Act.
- iv. An employer shall take the prescribed steps to ensure that a health and safety committee complies with the provisions of section 19(a) and performs the duties assigned to it by subsections (1) and (2).

### 12.1.11 Report to inspector regarding certain incidents

- i. Each incident occurring at work or arising out of or in connection with the Activities of persons at work, or in connection with the use of plant or machinery, in which, or in consequence of which:
  - a. Any person dies, became unconscious, suffers the loss of a limb or part of a limb or is otherwise injured or becomes ill to such a degree that he is likely either to die or to suffer a permanent physical defect or likely to be unable for a period of at least 14 days either to work or to continue with the activity for which he was employed or is usually employed;
  - b. A major incident occurred; or
  - c. the health or safety of any person was endangered and where:
    - a dangerous substance was spilled;
    - the uncontrolled release of any substance under pressure took place;

- machinery or any part thereof fractured or failed resulting in flying, falling or uncontrolled moving objects; or
  - machinery ran out of control, shall, within the prescribed period and in the prescribed manner, be reported to an inspector by the employer or the user of the plant or machinery concerned, as the case maybe.
- ii. In the event of an incident in which a person died, or was injured to such an extent that he is likely to die, or suffered the loss of a limb or part of a limb, no person shall without the consent of an inspector disturb the site at which the Incident occurred or remove any article or substance involved in the incident therefrom: provided that such action may be taken as is necessary to prevent a further incident, to remove the injured or dead, or to rescue persons from danger.
- iii. The provisions of subsections (1) and (2) shall not apply in respect of:
- a. a traffic accident on a public road;
  - b. an incident occurring in a private household, provided the householder forthwith reports the incident to the South African Police; or
  - c. any accident which is to be investigated under section 12 of the Aviation Act, 1962 (Act No. 74 of 1962).
- iv. A member of the South African Police to whom an incident was reported in terms of subsection (3)(b), shall forthwith notify an inspector thereof.



### Activity 12.1

Describe the Occupational Health and Safety Act (85 of 1993) and explain its benefits.



### Self-Check

#### I am able to:

	Yes	No
• Describe the Occupational Health and Safety Act (No. 85 of 1993) according to:		
○ Purpose of the act		
○ General duties of employer to their employees		
○ General duties of manufacturers and others regarding articles and substances for use at work		
○ General duties of employers and employees at work		

○ Chief executive officer's duties		
○ Functions of health and safety representatives		
○ Functions of health and safety committees		
If you have answered 'no' to any of the outcomes listed above, then speak to your facilitator for guidance and further development.		

# Past Examination Papers



higher education  
& training

Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**

**APRIL 2014**

NATIONAL CERTIFICATE

**SUPERVISORY MANAGEMENT N5**

(4110515)

**4 April (Y-Paper)**  
**13:00 – 16:00**

This question paper consists of 4 pages.

**TIME: 3 HOURS**  
**MARKS: 100**

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**INSTRUCTIONS AND INFORMATION**

1. Answer ALL the questions.
  2. Read ALL the questions carefully.
  3. Number the answers according to the numbering system used in this question paper.
  4. Start each question on a NEW page.
  5. Write neatly and legibly
-

**QUESTION 1**

Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (1.1-1.10) in the ANSWER BOOK.

- 1.1 A supervisor has a wider range of responsibilities than the subordinate.
  - 1.2 The supervisor is also a leader.
  - 1.3 A supervisor should spend a minimum of 80% of his/her time on management work.
  - 1.4 In a functional management structure, it is easier to manage work within the group.
  - 1.5 Job analysis is the same as job description.
  - 1.6 Supervisors instruct their secretaries to prepare and write their reports.
  - 1.7 Productivity is output divided by input.
  - 1.8 Quality control is not possible for workers on the road.
  - 1.9 A subordinate may lose a job for submitting an unnecessary grievance.
  - 1.10 The occupational health and safety act also applies to management.
- (10 x 1)

**[10]****QUESTION 2**

- 2.1 State the purpose of supervision. (5)
- 2.2 Name FIVE duties of a supervisor with respect to production. (5)
- 2.3 State TEN principles of management according to Henry Fayol. (10)

**[10]****QUESTION 3**

- 3.1 What are the THREE requirements of a good mission statement. (3)
- 3.2 Write a mission statement for your organisation. (2)
- 3.3 State SEVEN advantages of modular training. (7)
- 3.4 Briefly describe FOUR functions of the Sector Education and Training Authorities (SETA's). (8)

<b>QUESTION 4</b>	<b>[10]</b>
4.1 Explain the following terminology pertaining to meetings:	
4.1.1 Minutes	(2)
4.1.2 Agenda	(2)
4.1.3 Notice	(2)
4.1.4 Quorum	(2)
4.1.5 Proxy	(1)
4.1.6 Ad-hoc	(1)
4.2 Name the TEN top management time wasters.	(10)
	<b>[20]</b>

**QUESTION 5**

Assume you are a supervisor of a workshop (or any other department) and you received complaints of poor quality output. **[10]**

After feedback from your quality circle, you discovered that the raw material you had received was of poor quality. Your manager requested that you report this matter.

Write a full technical report on this matter considering the steps and guidelines of a technical report.

**QUESTION 6**

6.1 State SEVEN rules applicable to the grievance procedure.	(7)
6.2 Define an accident.	(3)
	<b>[10]</b>

**QUESTION 7**

7.1 Define loss-control.	(2)
7.2 Briefly explain the FOUR essential areas which must receive prime attention in fire loss-control.	(8)

**TOTAL: [10]  
100**

# Marking Guidelines



**higher education  
& training**

Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**

**APRIL 2014**

NATIONAL CERTIFICATE

**SUPERVISORY MANAGEMENT N5**

(4110515)

**QUESTION 1**

- |      |       |          |             |
|------|-------|----------|-------------|
| 1.1  | True  |          |             |
| 1.2  | True  |          |             |
| 1.3  | False |          |             |
| 1.4  | True  |          |             |
| 1.5  | False |          |             |
| 1.6  | False |          |             |
| 1.7  | True  |          |             |
| 1.8  | False |          |             |
| 1.9  | False |          |             |
| 1.10 | True  | (10 x 1) | <b>[10]</b> |

**QUESTION 2**

- |     |  |  |      |
|-----|--|--|------|
| 2.1 | Purpose of supervision:  |  | (5)  |
|     | <p>Supervision is the function of leading, co-ordinating and directing the work of others to accomplish specific objectives. A supervisor guides his or her subordinates so that they produce the desired quantity and quality of work in the desired time. He must also see that their needs are satisfied and that the group achieves its objectives with a minimum of friction and a maximum of harmony. He seeks to promote job-satisfaction, need-satisfaction and high morale among his workers. He performs a leadership role. His or her behaviour helps motivate employees toward approved goals.</p> |  |      |
| 2.2 | Duties - production:   |  | (5)  |
|     | <ul style="list-style-type: none"> <li>• Requisition materials and supplies.</li> <li>• Expedite the flow of materials and supplies.</li> <li>• Plan utilisation of machines and equipment.</li> <li>• Schedule flow of work through the department.</li> <li>• Assign employees to operations and jobs.</li> <li>• Check progress of employees.</li> <li>• Help employees clear production problems.</li> <li>• Maintain records of production.</li> <li>• Meet production schedules.</li> </ul>  |  |      |
| 2.3 | Henry Fayol - principles:  |  | (10) |
|     | <ul style="list-style-type: none"> <li>• Division of work</li> <li>• Authority and responsibility</li> </ul>   |  |      |

- Discipline
- Unity of command
- Unity of direction
- Subordination of individual interests to those of the organisation
- Rewarding staff
- Centralisation
- Chain of command
- Order
- Equity
- Constancy of personnel
- Initiative
- Esprit de corps (harmony and unity in the group) (Any 10 x 1)

**[10]****QUESTION 3**

- 3.1 Mission statement: requirements: (3)
- Describes your business purpose.
  - Reflects key customer needs and wants you are satisfying.
  - Creates the context for goal setting and planning.
- 3.2 Any acceptable statement satisfying the above requirements. (2)
- 3.3 Advantages of modular training: (7)
- Modules offer greater flexibility.
  - Proper formulated aims and objectives that can be achieved in a shorter period of time.
  - Testing and evaluation can be done on completion of each module.
  - The lecturer's research focus can be concentrated on the content of a module alone.
  - Changes that should be made can be done in one module only.
  - Staff can be allocated to any module of his/her interest and personal preference.
  - Students seldom fail to achieve an acceptable standard in all the aspects of a given course. They only have to repeat one or two modules.
  - A special advanced module for brighter students could easily be added to the course.
  - Guided self-study can be organized that much easier. (Any 7 x 1)
- 3.4 Functions - SET A's (8)
- To develop and implement a sector skills plan within the framework of the national skills strategy. Establishing learnerships, approving workplace plans, allocating grants to employers and education, training providers, and monitoring training in the sector.
  - To promote learnerships by identifying workplaces for practical experience, supporting development of materials and assisting with the conclusion of learnership agreements.
  - To collect and distribute skills development levies.

- To liaise with the NSA, the Director-General of Labour and the employment services of the Department.

[10]

**QUESTION 4**

## 4.1 Meetings:

## 4.1.1 Minutes:

The minutes of a meeting is a report of the resolutions taken at a meeting, but also include an impartial brief version of the proceedings at a meeting.

(2)

## 4.1.2 Agenda:

The agenda is a list of business items or activities to be dealt with in a specific order at a meeting.

(2)

## 4.1.3 Notice:

According to the constitution of an association members who are entitled to attend meetings should receive due and adequate notice thereof within a reasonable time. It may be given orally, telephone, e-mail or personally unless the constitution requires that it should be in writing.

(2)

## 4.1.4 Quorum:

The minimum number of members who have to be in attendance in order for decisions to be legally binding

(2)

## 4.1.5 Proxy:

Authorisation to vote on another member's behalf.

(1)

## 4.1.6 Ad-hoc:

For a specific purpose.

(1)

## 4.2 Time-wasters:

- People interruptions
- Telephone interruptions
- Doing the work of subordinates
- Attending unnecessary meetings
- The stacked desk
- Firefighting. Distinguish between urgent and important
- Spending too much time on unimportant tasks
- Procrastination
- Waiting on others
- Lack of objectives, priorities and deadlines

[20]

**QUESTION 5**

Technical report:

- To manager/department.
- Instruction From manager.
- Procedure (eg. Info from quality circle.)
- Ruling (Findings)
- Summary.
- Conclusion.
- Recommendations.
- Sign and date.

[10]

## QUESTION 6

6.1 Rules - Grievance procedure:

(7)

- The employee should be granted the opportunity to bring his grievance, albeit in stages, to the attention of top management.
- He should be permitted representation, if so desired.
- Management, at the various levels, should give careful consideration to the grievance and make genuine attempts to resolve it.
- Time limits should be established for each stage of the procedure.
- The grievance will not be resolved until the employee declares himself satisfied.
- The employee has the right, if the grievance remains unresolved, to declare a dispute.
- Grievances should, wherever possible, be handled by line management, but the personnel department may act in an advisory capacity.

6.2 Accident:

(3)

An accident is an unintended or unplanned happening that may or may not result in personal injury, property damage, work process stoppage or interference or any combination of these conditions under such circumstances that personal injuries might have resulted. '

**Or**

An accident is an undesired event that results in physical harm to a person or damage to property. It is usually the result of contact with a source of energy above the threshold limit of the body or structure.

[10]

## QUESTION 7

7.1 Loss-control:

Loss-control suggests the big picture of people, equipment, material and environment that management must consider in order to approach problems.

7.2 Areas- Fire loss control: (COPE)

- **Construction:** To illustrate the importance of building construction as a factor in fire-loss control, consider the tremendous range of possibility of loss inherent in various types of buildings. Compare the combustibility and susceptibility to fire damage of a building constructed of wood, for example, with reinforced concrete.
- **Occupancy:** This is the use to which the premises are put by the occupants. Special hazards are hazardous chemicals, flammable liquids and gases. Common hazards such as smoking and matches, heating and electrical equipment and poor maintenance and housekeeping.
- **Protection:** Both public and private protection cannot be minimized. Both aspects should be of prime concern to a corporation in the planning and implementation of the fire loss-control program.
- **Exposure:** For effective fire loss-control, exposure must be considered both from the point of view of the area surrounding the building and operations within the building. These are commonly referred to as exterior exposures and interior exposures.

**TOTAL:** [10]  
100

# Past Examination Papers



higher education  
& training

Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**

**AUGUST 2014**

NATIONAL CERTIFICATE

**SUPERVISORY MANAGEMENT N5**

(4110515)

**1 August (Y-Paper)  
13:00 – 16:00**

This question paper consists of 5 pages.

**TIME: 3 HOURS**  
**MARKS: 100**

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**INSTRUCTIONS AND INFORMATION**

1. Answer ALL the questions.
  2. Read ALL the questions carefully.
  3. Number the answers according to the numbering system used in this question paper.
  4. Start each question on a NEW page.
  5. Write neatly and legibly
-

**QUESTION 1**

Indicate whether the following statements are TRUE or FALSE. Choose the correct answer and write only 'true' or 'false' next to the question number (1.1-1.10) in the ANSWER BOOK.

- 1.1 A female supervisor is not allowed to supervise male subordinates.
- 1.2 A supervisor is not allowed to submit a grievance.
- 1.3 A scientific leader promotes group interests.
- 1.4 A centralised organisation can generally be managed with fewer resources.
- 1.5 Learnerships have replaced the old apprenticeship system.
- 1.6 An up-to-date diary is essential for planning
- 1.7 Damaged parts are considered as preventive cost.
- 1.8 A worker submits his grievance to the staff department.
- 1.9 A supervisor may discipline a worker for interfering with a fire extinguisher.
- 1.10 Rigorous reporting and investigation reduce accidents. (10 x 1)

**[10]****QUESTION 2**

- 2.1 A supervisor, in their role in work relations, must deal with various people. (10)  
Name and describe briefly FIVE groups of people the supervisor deals with and how he or she should fulfill that role with different groups of people in the workplace. (5 x 2)
- 2.2 List SIX management techniques that Frederic Taylor applied to investigate and improve the existing management situation. (6)
- 2.3 One of the principles considered to determine whether an organization structure is effective is known as 'the specialisation standard'. (4)

Explain what is meant by this principle.

**[20]****QUESTION 3**

- 3.1 In the human resources planning process, the goals and plans of the organisation must be considered. (10)

Name the TEN important steps involved in overall strategic planning.

- 3.2 The concepts of 'trivial many', 'vital few', 'important' and 'slightly important' are important aspects of time management. (10)

Draw a neat fully labelled diagram of the ABC analysis to illustrate each of the above concepts.

[20]

#### QUESTION 4

- 4.1 What do the following abbreviations stand for?

4.1.1 SAQA (2)

4.1.2 NQF (2)

- 4.2 Report writing is an important task of management. (6)

Name the SIX steps a supervisor should take when he/she writes a report.

- 4.3 Make a list of SEVEN principles of motion economy which aid in getting a job done with the least labour. (7)

- 4.4 Explain briefly what is meant by *creativity*. (3)

[20]

#### QUESTION 5

- 5.1 Explain briefly the purpose, value and uses of the minutes of a meeting. (5)

- 5.2 What is a *quality circle*? (5)

[10]

#### QUESTION 6

- 6.1 What is a flexible budget? (7)

- 6.2 State SEVEN things a supervisor can do to cut through employee resistance and build support for cost improvement. (3)

[10]

#### QUESTION 7

- 7.1 Explain the role of the personnel department in the use or application of the company or organisation's grievance procedures. (5)

- 7.2 Describe briefly FIVE functions of the health and safety committee. (5)

[10]

**TOTAL: 100**

# Marking Guidelines



**higher education  
& training**

Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**

**AUGUST 2014**

NATIONAL CERTIFICATE

**SUPERVISORY MANAGEMENT N5**

(4110515)

**QUESTION 1**

- |      |       |          |             |
|------|-------|----------|-------------|
| 1.1  | False |          |             |
| 1.2  | False |          |             |
| 1.3  | True  |          |             |
| 1.4  | True  |          |             |
| 1.5  | True  |          |             |
| 1.6  | True  |          |             |
| 1.7  | False |          |             |
| 1.8  | False |          |             |
| 1.9  | True  |          |             |
| 1.10 | True  | (10 x 1) | <b>[10]</b> |

**QUESTION 2**

- |     |  |  |      |
|-----|--|--|------|
| 2.1 | The supervisor deals with:   |  | (10) |
|     | <ul style="list-style-type: none"> <li>• His own immediate supervisor. Supervisors must dedicate themselves to the goals, plans and policies of the organization. The supervisor has to receive instructions and orders, and pass them on and see that they are carried out. In return, he must pass up the line information on what's going on.</li> <li>• Subordinates. He has to handle their moods and difficult attitudes, secure their cooperation, protect them from unfair treatment, motivate them and resolve individual problems and counsel them.</li> <li>• Colleagues. Compromise and conciliation are at the order of the day. Teamwork is essential in the supervisory ranks. The goals and activities of one department must harmonize with those of others. He cannot enforce his needs but must persuade and justify his requests.</li> <li>• Specialists. The relationship between supervision and staff departments is one of mutual support. These staff people are providing supervisors with guidance and help as well as prescribing procedures to be followed. Supervisors, in turn, aid the work of the staff departments by making good use of their advice and service and by conforming to their requests.</li> <li>• Trade union representatives (shop stewards). The increase in the influence and status of shop stewards has made a considerable difference in their relationship with supervisors. We have conflict here between the official leader of the work group and the elected leader. It is the responsibility of the supervisor to keep these relationships objective,</li> </ul> |  |      |

to neither 'give away the shop' nor yield responsibility for the welfare of the organization and its employees. (5 x 2)

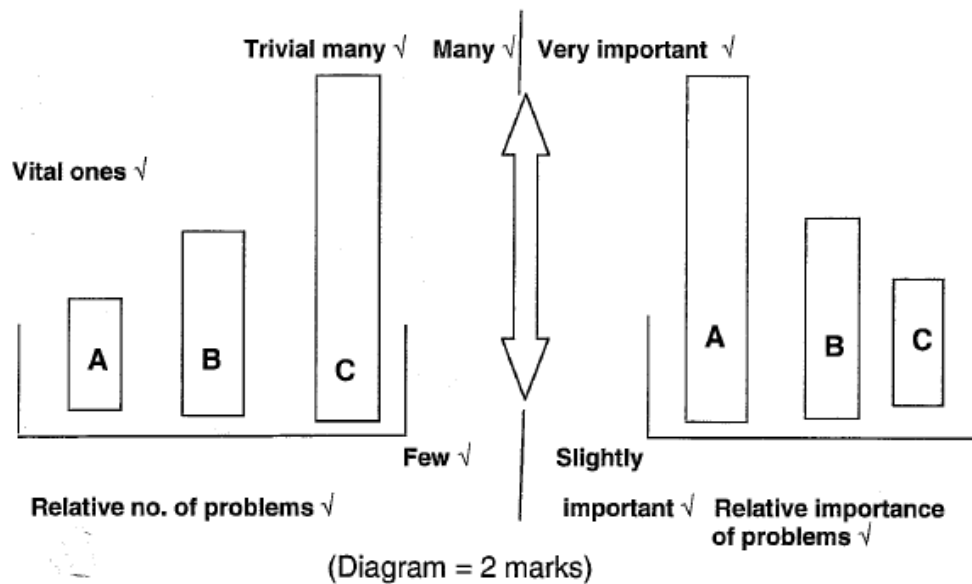
- 2.2 Frederic Taylor- Management techniques: (6)
- Time study
  - Performance
  - Planning
  - Scientific methods of work
  - Management control
  - Functional management.
- 2.3 Specialisation standard: Managers are often frustrated because they do not know whether they are expected to be expert in technical or management work. The answer is to establish clearly that the first concern of managers is planning, organizing, directing and controlling the efforts of others, while that of technical specialists is planning, executing and controlling their own work. When managers recognize the difference between their management and technical responsibilities, they are better able to focus their energies on their most important tasks. (4)

### QUESTION 3

[20]

- 3.1 Strategic planning: (10)
- Analyze and evaluate environmental influences.
  - Political trends and legislation.
  - Economic conditions such as competition, inflation and unemployment level.
  - Local population trends -will it provide a sufficiently large workforce?
  - Social trends in leisure time, consumer tastes and retirement.
  - Technological advances.
  - Identify the value and aspirations of the organization's directors and executives.
  - Identify and evaluate the internal strengths and weaknesses of the organization.
  - Create specific enterprise objectives.
  - Project outputs of the planning process.

3.2



ABC Analysis

(10)

[20]

**QUESTION 4**

- 4.1.1 SAQA: South African Qualifications Authority. (2)
- 4.1.2 NQF: National Qualifications Framework. (2)
- 4.2 Report - Steps: (6)
- Planning
  - Gathering the material (data, facts).
  - Selection of material (arrangement and organization of information)
  - Schematic presentation (draft report)
  - Writing and editing the report.
  - Final presentation of the report.
- 4.3 Motion economy: (7)
- Motions should be productive.
  - Motions should be simple.
  - Make workers comfortable.
  - Combine two or more tools.
  - Pre-position tools and materials
  - Limit activity.
  - Use gravity where possible.
- 4.4 Creativity: Creativity enables man to have a new vision, a new approach to things. A creative person is able to transform existing knowledge and give it a new perspective. In this way he is better equipped to formulate problems, achieve possible solutions, develop alternative solutions and visualize the consequences more effectively. (3)

[20]

**QUESTION 5**

- 5.1 Minutes of a meeting: (5)
- Minutes are the legally binding official records of a meeting. They may be used for future reference.
  - Minutes are the official historical documents of an organization.
  - Minutes can be produced as evidence in a court case.
  - Minutes are kept in a minute book, read at a meeting, or taken as read if circulated to members beforehand.
  - Minutes are signed by the chairperson according to legal requirements after having been declared correct by the members attending a meeting.
- 5.2 Quality circle: It is a study group of volunteers (sitting around a table, containing 5-15 people) who meet on a regular basis to examine and suggest solutions to common problems of quality. It is the bringing together of the people directly involved in the system, and then obstacles/problems that block good -quality and error-free performance are identified for rectification. The group generally consists of employees plus their immediate supervisor, who usually serves as the circle leader. (5)

[10]

**QUESTION 6**

- 6.1 Flexible budget: This is a budget that presents several options based upon possible variations in output levels. Many expense budgets are presented as a set of budgets in order to anticipate the impact of possible changes in output levels. Such a flexible (variable) budget may offer several options to make allowances for variations in justifiable expenses for varying levels of output. (7)
- 6.2 Employee resistance - cost improvement: (3)
- Communicate with employees about cost reduction in terms of their interests.
  - Bring the cost picture down to earth.
  - Set specific goals.
  - Invite participation.
  - Explain why and how.
  - Train for cost improvement.
  - Report cost progress.

[10]

**QUESTION 7**

- 7.1 Grievance procedure- personnel department: (5)
- The personnel department provides an auxiliary service by explaining and making available a grievance procedure, according to which workers'

grievances must be handled. It can, however, not be expected of the personnel department, to also deal with the workers' grievances. The personnel department also, as far as possible, gives information, guidance and training in order to bring home knowledge and understanding, and to cultivate confidence in the use thereof.

7.2 Health and safety committee: (5)

- A H and S committee may make recommendations to the employer or, where the recommendations fail to resolve the matter, to an inspector regarding any matter affecting the health and safety of persons at the workplace.
- A H and S committee shall discuss any incident at the workplace or section thereof in which or in consequence of which any person was injured, became ill or died, and may in writing report on the incident to an inspector.
- A H and S committee shall perform such other functions as may be prescribed.
- The committee shall keep record of each recommendation made to an employer or the inspector.
- A H and S committee or a member thereof shall not incur any civil liability by reason of the fact only that it failed to do anything which it or he may or is required to do.

**TOTAL: [10]  
100**

# Past Examination Papers



higher education  
& training

Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**

**APRIL 2011**

NATIONAL CERTIFICATE

**SUPERVISORY MANAGEMENT N5**

(4110515)

**24 March (X-Paper)**  
**09:00 – 12:00**

This question paper consists of 4 pages.

**TIME: 3 HOURS**  
**MARKS: 100**

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**INSTRUCTIONS AND INFORMATION**

1. Answer ALL the questions.
  2. Read ALL the questions carefully.
  3. Start each question on a NEW page.
  4. Number the answers correctly according to the numbering system used in this question paper.
  5. Write neatly and legibly
-

**QUESTION 1**

Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (1.1 - 1.10) in the ANSWER BOOK.

- 1.1 When a supervisor is promoted he/she becomes an executive manager.
- 1.2 A supervisor is not involved with the planning process.
- 1.3 A good leader is someone who forces the workers to obey his/her instructions.
- 1.4 Authority is the same as responsibility.
- 1.5 A goal may be achieved by successfully completing objectives.
- 1.6 A supervisor may be consulted regarding employment of staff in his/her department.
- 1.7 The minutes of a meeting may be used as evidence in court.
- 1.8 Productivity is input divided by output.
- 1.9 Total cost does not include labour cost.
- 1.10 A supervisor may discipline a worker for submitting a grievance.

**[10]****QUESTION 2**

- 2.1 Describe fully the purpose of supervision (6)
- 2.2 State the characteristics of a natural leader. (6)
- 2.3 Peter Drucker refers to internal problems of enterprise and management. Briefly describe the FOUR tasks he recommends in dealing with these problems. (8)

**[20]****QUESTION 3**

- 3.1 Organizational design should not be based on the employees and facilities already in place, but rather focus on an ideal design. State THREE things you may think of to create this organisational design. (3)
- 3.2 State THREE requirements for an effective goal statement. (3)
- 3.3 Briefly describe THREE reasons why centralized control may be important. (3)

- 3.4 Describe THREE procedures that may be employed to fill vacancies from within the organisation. (6)
- 3.5 Modular training requires a number of modules in order to facilitate a training program. Name FIVE items that must be specified in a module. (5)

**QUESTION 4**

- 4.1 Name FOUR types of private meetings. (4)
- 4.2 Prepare a typical agenda for a meeting. (You may choose any club, church or business.) Include at least THREE items for discussion. (10)
- 4.3 State SIX technological factors contributing to productivity (8)

**[20]****QUESTION 5**

- 5.1 State any SIX guidelines that should govern a supervisor's approach to a responsibility for quality. (6)
- 5.2 Describe THREE basic measures of cost. (6)
- 5.3 State SIX positive ways to improve costs. (6)
- 5.4 Briefly describe the difference between a grievance procedure and a disciplinary procedure. (2)

**[20]****QUESTION 6**

- 6.1 Briefly describe the following:
- 6.1.1 Incident
- 6.1.2 Accident
- 6.1.3 Loss-control
- 6.1.4 The principle of application.
- 6.1.5 The principle of vested interest. (5)
- 6.2 Briefly describe any FIVE characteristics of good measuring tools for a loss control program. (5)

**TOTAL: 100**

# Marking Guidelines



**higher education  
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Department:  
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(4110515)

**QUESTION 1**

- 1.1 False
- 1.2 False
- 1.3 False
- 1.4 False
- 1.5 True
- 1.6 True
- 1.7 True
- 1.8 False
- 1.9 False
- 1.10 False

**[10]****QUESTION 2**

- 2.1 **Purpose of supervision** (6)
- Supervision is the function of leading, co-ordinating and directing the work of others to accomplish specific objectives. A supervisor guides his or her subordinates so that they produce the required quantity and quality of work in the desired time. He must also see that their needs are satisfied and that the group achieves its objectives with a minimum of friction and a maximum of harmony. He seeks to promote job-satisfaction and high morale among the workers.
- 2.2 **Natural leader** (One mark each) (6)
- Emphasizes technical work.
  - Centralizes decision-making.
  - Takes intuitive action.
  - Communicates one-way.
  - Organizes in terms of personalities.
  - Controls by inspection.
- 2.3 **Peter Drucker - Internal problems** (Two marks each) (8)
- First: Become aware of the problem of manageability. There are limits beyond which an enterprise becomes too big to be managed, and particularly too complex to be managed .

Second: A major area is that of decision-making. Although in modern business we refer to "decisions" there is actually only one right answer.

This applies to all problems where the job is to restore or maintain the operation at a preset level. A group of managerial decisions dealing especially with human resources may not have one right answer. This, therefore creates risk.

Thirdly: Entrepreneurial decisions. Here there is no right answer. There is the ability to take the right risk- to innovate and change the trend rather than to follow it or to anticipate it. The aim is not to eliminate risk, but to make the enterprise capable of taking bigger, but the right risks.

Fourthly: The task of management science dealing with people and things. To succeed one must integrate it into one process.

[20]

**QUESTION 3**

- 3.1 **Ideal organizational design** (3)
- Think through what an ideal design would be.
  - See how this fits with your existing resources.
  - Do some thinking to both the design and the people to get a satisfactory resolution.
- 3.2 **Goal statement** (3)
- Measurable
  - Realistic
  - Challenging
  - Any others eg. Time based
- 3.3 **Centralized control** (3)
- When the company as a whole has to meet legal or regulatory requirements that are difficult to interpret.
  - When decisions made at a local level will affect the whole company.
  - When what happens in one part of the company will affect every other part.
- 3.4 **Recruitment from within** (Two marks each) (6)
- Informal search. The manager of a department where the vacancy exists, speaks to the personnel manager and together they give consideration to one or more possible candidates for the position..
  - Skills inventory. This is where an inventory of skills is maintained, which provides details of employees' qualifications.
  - Job posting. This involves announcing the vacancies on bulletin boards for all employees to see.

- 3.5 **Modular training** (5)
- Title.
  - Aims and objectives.
  - Knowledge, concepts, skills and attitudes.
  - Teaching and learning styles.
  - Assessment methods.

**QUESTION 4** [20]

- 4.1 **Types of private meetings.** (4)
- Members' meetings.
  - Committee meetings.
  - Meetings in camera.
  - Congress meetings.
- 4.2 **Agenda.** (10)
- Opening and welcome
  - Attendance register
  - Apologies
  - Minutes of previous meeting
  - Matters arising
  - Points for discussion (Three)
  - General
  - Date of next meeting
  - Closure
- 4.3 **Technological factors - productivity** (8)
- The design and quality of the product
  - Plant and equipment
  - Raw materials
  - Mechanization
  - Process layout and methods
  - Utilization of power

[20]

**QUESTION 5**

- 5.1 **Supervisor's approach to quality.** (Any SIX) (6)
- Quality must be built into the product. No one can inspect it in.
  - Refuse to allow commonly-accepted levels of delay or of mistakes, defective material, or defective workmanship.
  - Search continually for problems and seek ways to improve the system.
  - Focus supervision on helping people to do a better job.
  - Provide the tools and equipment that will enable people to have pride in their workmanship.
  - Eliminate fear. Encourage two-way communication.

- Break down barriers between departments. Encourage problem- solving through teamwork.
- Implement a program of education and training to keep people abreast of new developments in materials, methods and machinery

5.2 **Basic measures of cost.** (Two marks each) (6)

- Unit costs. These are the costs, partial or total, which a department or company accumulates per unit of product or service processed or produced. Can be expressed in rand per unit or kilogram and so on.
- Standard costs. These are unit costs which have been set out as "allowable" costs -for materials, for labour, for manufacturing, for marketing and administration.
- Budgeted costs. These are the cost guidelines or targets issued to supervisors and managers by accountants at the beginning of the accounting period. The budget provides the supervisor with a figure for each item of expense that can be charged to the operation during that period.

5.3 **Ways to improve costs.** (6)

- Reduce waste.
- Save time.
- Increase output.
- Spend wisely.
- Use space more intelligently.
- Watch your inventories

5.4 **Grievance procedure and disciplinary procedure.** (2)

A grievance procedure is initiated by a dissatisfied worker, (addressed to management), when he or she feels that they have been treated unfairly.

A disciplinary procedure is initiated by management, (addressed to the worker), if the worker has broken a company rule or regulation.

[20]

**QUESTION 6**

6.1 **Loss control.** (One mark each)

- 6.1.1 An incident is an undesired event that could (or does) result in a loss.
- 6.1.2 An accident is an unintended or unplanned happening that may or may not result in personal injury, property damage, work stoppage or interference.
- 6.1.3 Loss -control suggests the big picture (of people, equipment, material and environment) that management must consider in order to approach problems.
- 6.1.4 Principle of application. The more a manager communicates a message, the more certain he can be that it is understood and will be retained.

6.1.5 Principle of vested interest. A manager is predominantly interested in those economic considerations affecting his own budget. (5)

6.2 **Good measuring tools - loss-control program.** (5)

(One mark each) Any FIVE.

- It should be administratively practical.
- The measurement criterion should be quantifiable.
- It should be a valid measurement of what it is supposed to represent.
- It should be as objective and error-free as possible.
- A good measurement system should be understandable.
- It should be sensitive to change.

**TOTAL: [10]**  
**100**

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