

LESSON 04

LO 1 AS3

Critically examine the concept of social responsibility and its implications for both business and Communities

1. CONCEPTS:

1.1 **Social Responsibility** can be defined as the obligation of business to protect and improve the welfare of society and the environment. Social responsibility activities can be internal or external to the business. Activities that benefit employees is internal social responsibility while aspects such as education, health etc for the community is external social responsibility.

1.2 **Corporate Social Responsibility(CSR)** means that businesses should play an active role in supporting the community in which they operate.

1.3 **Corporate Social Investment** is part of corporate responsibility and is the investment part of a social responsibility programme.

TASK

Illustrate, in tabular form, the areas where the internal and external social responsibility of companies lie with regard to:

- | | |
|---------------------------|------------|
| A. environment | B. housing |
| C. sport | D. health |
| E. education and training | |

2. BENEFITS OF CORPORATE SOCIAL RESPONSIBILITY:

- Increases the effectiveness to attract and retain employees.
- Increases employee productivity.
- Helps to promote a positive image of the business in the community and among employees, customers and others.
- The visibility of the business improves in the community and the industry in which it operates.
- It can help forge links with other businesses and thus provide contacts for the business.
- Leads to community upliftment and poverty alleviation.
- Community benefits in aspects of health care and education

3. DRAWBACKS OF CSR:

- Business may not fully understand the community in which it is investing.
- Not enough incentives for businesses in CSR.
- Once a CSR programme is started, the question is, can it be sustained to benefit the community in the long term as well?

4. UNEMPLOYMENT:

4.1 Definition:

Unemployment refers to a situation when people who form part of the county's work force are willing and able to work, but cannot find employment.

4.2 Causes of Unemployment:

- Rigid labour laws made it difficult for businesses to employ people.
- Economic downturn leads to the liquidation of businesses and this means jobs are lost.
- The impact of HIV and Aids can also lead to job losses.
- The actions of trade unions could also contribute to unemployment.
- Local businesses that cannot compete with cheap imports either close down or reduce staff, thus contributing to unemployment.
- Changes in the structure of the economy may lead to a decline in certain types of labour.
- More and more rural workers are moving to cities to find jobs and this has led to an oversupply of labour, thus causing unemployment.
- The fast changing work of Information Technology (IT) and its impact on business also affects unemployment.

PROSIBING THE UNEMPLOYMENT

- Government should concentrate on creating training and educational programmes to improve skills of people.
- Unions should be careful when negotiating better wages for its members.
- Review labour laws so that it does not hamper business development.
- Learners should be encouraged to develop entrepreneurial skills so that they could become self-employed and not rely on the job market.
- Learners must also be encouraged to become well qualified as this will assist them in the job market.
- Government should encourage businesses to create employment rather than retrench people by offering businesses incentives like tax concessions.

5. HIV and AIDS:

The number of people being affected by HIV/AIDS is increasing daily. This will reduce the labour force in due course. This will result in a drop in skilled people in the business.

A drop in the work force will have negative effects on the economy e.g. low productivity. HIV/AIDS can contribute towards high absenteeism as well.

TASK

What aspects can a business include in its business policy for there to be responsible business practice with regard to HIV/AIDS in the workplace. Medical aid schemes are also affected by increase in the number of people who have HIV/AIDS. Medical aid fees have increased. Employees will have to fall back on their retirement savings to fund the ever rising medical costs.

TASK

What can be done to assist employees with the ever increasing medical costs. Make two recommendations.

TASK

What is the impact of HIV/AIDS on the community? Make two recommendations the role businesses can play in assisting the community.

6. CRIME:

The crime rate in South Africa is very high. That is a reality. Businesses should help to create a safe environment for all as it affects businesses directly. **Businesses can fight crime by:**

- working alongside the police force and community organisations
- not tolerating any criminal activities within the their enterprises.

7. PIRACY:

Piracy is against the law because it deprives artists of their income. CD and DVD piracy is rife in South Africa. Piracy also affects the IT sector because of the piracy of computer software. A business should not take part in pirating and should not sell pirated products.

TASK

What are motives of piracy? List three.



8. STOCK LOSS:

Businesses lose thousands of rands each due year to stock loss. Businesses should make it difficult for thieves, customers and employees to steal goods from the firm. **The following are ways businesses can prevent stock losses:**

- All stock taken from the warehouse must be signed for.
- Small, expensive items should be locked in display cabinets.
- CCTV cameras should be installed to monitor customer and employees.
- Security guards should be employed.
- Do not leave large amounts of cash in the cash register. It must be banked or kept in safe place

LESSON 05

Equity & Redress in the Workplace

LO 1 AS 4

Analyse the impact on small business and big business operations of recent legislation developed in response to demand for redress and equity.

1. THE EMPLOYMENT EQUITY ACT (EEA)

1.1 The Aims of EEA:

- to eliminate unfair discrimination
- to promote constitutional right to equality
- to implement affirmative action
- to achieve employment equity in the workplace
- to achieve diversity in the workplace

1.2 Exclusions:

The EEA applies to all employers, workers and job applicants but excludes members of the:

- National Defence Force
- National Intelligence Service
- South African Secret Service

Disputes with regards to unfair discrimination in terms of EEA may be referred to the Council for Conciliation, Mediation and Arbitration (CCMA). If the dispute cannot be resolved by the CCMA, the dispute may be referred to the Labour Court. EEA is key to affirmative action to South Africa.

1.3 Affirmative Action:

Affirmative action refers to the taking of positive steps to incorporate previously disadvantaged people into the country's workplace.

Affirmative Action applies to:

- Employers with 50 or more employees or whose income is more than the amount specified in the Act.
- Municipalities
- Organs of the State
- Any employer who volunteers to comply.

TASK

Outline the implications of affirmative action to a business.

2. THE SKILLS DEVELOPMENT ACT, 97 OF 1998

2.1 Purpose of the Act:

- develop the skills of the people of South Africa
- provide the employees with opportunities to acquire new skills
- finance skills development by means of a levy-grant and a National Skills Fund.
- encourage employers to use the workplace as a learning environment
- create leadership that leads to recognised occupational qualifications
- integrate all learning into the National Qualifications Framework
- encourage employers to employ more people who were having difficulty in finding jobs

2.2 Who Pays?

- The funds to facilitate this Act comes from a skills development levy.
- Employers have to pay 1% of their total wage bill.

TASK

What are the benefits of the Skills Development Levies Act No. 9 of 1999?

3. THE SOUTH AFRICAN QUALIFICATIONS AUTHORITY ACT No: 58 of 1995

3.1 Functions of the SAQA:

- Oversee the development of the NQF
- Oversee the implementation of the NQF



3.2 Objectives of the NQF:

- Create an integrated national framework for learning achievements
- facilitate access to education, training and career paths
- improve the quality of training and education offered in the country
- contribute to the full personal development of each learner
- accelerate redress of previous unfair education and Training practices

4. THE NATIONAL SKILLS AUTHORITY

The role of the NSA is to advise the Minister of Labour on training issues and to make sure that national skills development strategies and targets are met.

5. SECTOR EDUCATION AND TRAINING AUTHORITIES (SETAs)

SETAs was established to promote and monitor all education, training and development in a Particular sector of business or work.

5.1 Responsibilities of SETAs

- Develop a sector skills plan within the framework of the national skills development strategy.
- Implement the skills plan by:
 - * starting leaderships
 - * approving workplan skills plans from employers
 - * providing funds to employers, trainers and workers
 - * watching over education and training in their sectors
- Promoting leadership by:
 - * finding workplace where learners can do practical work
 - * support people who create learning material
 - * helping to conclude leadership agreements
 - * registering leadership agreements



5.2 LEADERSHIP AGREEMENTS

- A leadership is based on an agreement that is signed by the employer, the training provider and the learner.
- The agreement must be registered with the relevant SETA.

TASK

- * What is the obligation of the employer in the leadership agreement?
- * What is the obligation of the learner in the leadership agreement?
- * When can a leadership agreement be terminated before the end date?

6. BLACK ECONOMIC EMPOWERMENT (BEE)

The Broad Based Black Economic Empowerment Act No. 53 of 2003 is the main black economic Empowerment legislation in South Africa. One of the objectives of this Act is to regulate the objectives of the BEE.

6.1 Aims of BEE

- increase the number of black people who manage, own and control enterprises
- human resource and skills development
- preferential procurement
- investment in enterprises that are owned or managed by black people
- achieving equitable representation in all occupational categories and levels in the workplace