EDUCATION
DEPARTMENT: EDUCATION
MPUMALANGA PROVINCE

BUSINESS STUDIES

GRADE 11

TERM 3

LEARNER - BOOKLET 2025

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ASSESSMENT OF ENTREPRENEURIAL QUALITIES IN BUSINESS

Learners must be able to:

- Outline/Explain the qualities of an entrepreneur.
- Identify the qualities of an entrepreneur from given scenarios/case studies/statements/etc.
- Assess a business against these qualities
- Identify/State /Name key success factors etc. sustainability/profitability/customer base etc.
- Recommend/Suggest areas for improvement from given scenarios/case studies/statements.
- Suggest strategies that businesses can use to ensure that they remain profitable and sustainable e.g.
    - Thorough planning
    - Sound managing finances
    - Effective management of scarce

      resources and employees
    - Maintaining a solid customer base
    - Behaving ethically and
    - Being social responsible

Knowledge of this topic should enable a learner to:
Answer in short paragraphs/longer and essay type questions.

Types of questions:
Questions based on case studies/ scenarios should include direct/indirect short and essay questions, covering all three cognitive levels.

TERMS AND DEFINITIONS

Term	Definition
Business skills	Includes skills such as marketing, financing, purchasing and organizational skills.
Perseverance	When an entrepreneur does not give up despite challenges and problems.
Sustainability	Ability of the business to continue without doing damage to the environment and the community in which it operates.
Profitability	Financial gain
Customer base	The number of customers in the database that the buyers of a product or service.
Passion	Believing something very strongly and showing enthusiasm to achieve the best outcome.
Opportunity	Gaps in the market where an entrepreneur can make money.

Confidence	Entrepreneurs believing in themselves and believe that they can achieve their goals.
Taking risks	Risks are classified as unforeseen events that can impact negatively on events
Creativity	Coming up with something new or doing things in a new way.

1 The meaning of an entrepreneur

- The word “entrepreneur” refers to a person who demonstrate the attitudes, behaviours, knowledge and skills needed to start and make a success of a business venture.
- The word “entrepreneur” refers to a person who demonstrate the attitudes, behaviours, knowledge and skills needed to start and make a success of a business venture.
- An entrepreneur is an individual who creates a new business/ bearing most of the risks and enjoying most of the rewards.
- The process of setting up a business is known as entrepreneurship.
- The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and business/or procedures.
- Entrepreneurs play a key role in any economy as they use their skills and initiative necessary to anticipate needs and bringing good new ideas to market.

2 Qualities of an entrepreneur

2.1 Risk taking/Willingness to take risks and to make difficult decisions

- Risks are classified as unforeseen events that can impact negatively on a decision
- Successful entrepreneurs are willing to take risk by investing all resources in a new business.
- The primary function of an entrepreneur is to accept a risk on behalf of others and be rewarded in return.
- Every business needs to be innovative and take risks to survive.
- Innovative and risk taking are essential to what businesses are and what they do.

2.2 Creativity and innovation

- An entrepreneur must be able to come up with something new or do things differently
- He/she must be able to generate new ides to solve business problems
- Entrepreneurs should also be able to use same products to satisfy different needs.

2.3 Confidence and adaptability

- Successful entrepreneurs believe in their own abilities and that they will achieve their goals.
- They are positive and focus on things that could go right instead of focusing on things that could go wrong.
- They have a healthy opinion of themselves and a strong/assertive personality.

- They are focused and determined to achieve their goals
- Successful entrepreneurs are adaptable as they are able to change course and try another way of doing it.

2.4 Passion and energy

- Entrepreneurs should show enthusiasm to achieve the best solution
- Passion can be illustrated when an entrepreneur finds it difficult to simply walk away from failure/setbacks.
- Starting and running a business requires considerable energy and the ability to focus on business objectives.
- High energy levels and good health are essential.

2.5 Product and customer focus

- Entrepreneurs develop products and render services with customers in mind.
- They make the lives of customers easier and they find this rewarding.

2.6 Perseverance

- Successful entrepreneurs do not give up despite challenges and problems
- Most successful entrepreneurs face obstacles and only become successful after failing several times.
- They have a positive attitude towards failure and believe that difficulties are merely opportunities
- They put in long hours and continuous efforts to get a business operating successfully, even when a particular day may make him/her tired and discouraged.
- They are able to change difficulties into challenges and have the ability to be resilient

2.7 Recognition of opportunities

- Successful entrepreneurs can identify gabs in the market and make money.
- They are able to identify viable opportunities that are not always easy to spot.
- They have the ability to see an opportunity and to change it into a profitable business

2.8 Responsibility

- Successful entrepreneurs are not afraid to take responsibility for their decision and actions in their business.
- They accept positive and negative outcomes

2.9 Good management & organisation

- Successful entrepreneurs have good management and organisation skills including good administration skills and seeing a bigger picture.
- They are able to maintain control and make final decisions regarding activities that must take place.

2.10 Honesty and ethics

- Honesty in a business builds trust among fellow workers/customers /stakeholders.

- Business ethics is an important part of controlling a business
- Successful entrepreneurs have a moral obligation to look after the interests of investors and other stakeholders.

2.11 Vision and communication skills

- They have a clear vision and able to achieve long term goals.
- They have good communication skills that are needed to communicate their business vision to their workers and stakeholders.
- They can formulate the mission and vision and links it with the aims of the business

3 Example of entrepreneurial qualities from a scenario:

Read the scenario below and answer the questions that follow.

SITHOLE SALON (SS)
Nkateko the owner of Sithole Salon did not lose hope when the Covid-19 pandemic threatened her business profits. She decided to provide special services for her clients who are still not able to visit the salon during stage 3 of the lockdown regulation. She provided masks and gloves for her clients who my want to utilise her services without wearing these products.

o Identify THREE qualities of the entrepreneur displayed by Nkateko. Motivate your answer by quoting from the scenario. (9)

Use the table below as a guide to answer this question

QUALITIES OF AN ENTREPRENEUR	MOTIVATIONS
1.	
2.	
3.	

NOTE: 1 You need to understand the meaning of each entrepreneurial quality so that you can identify these qualities from a given scenario.

2 You do not need to redraw the table as this is just a guide on how to answer this question.

SUGGESTED RESPONSES

QUALITIES OF AN ENTREPRENEUR	MOTIVATIONS
Perseverance √√	Nkateko the owner of Sithole Salon did not lose hope when the Covid-19 pandemic threatened her business profits. √

Creativity and innovation √√	She decided to provide special services for her clients who are still not able to visit the salon during stage 3 of the lockdown regulation√
Honesty and ethics √√	She provided masks and gloves for her clients who my want to utilise her services without wearing these products√
Sub max (6)	Sub max (3)

NOTE: You will not be awarded marks for motivation if the entrepreneurial qualities were incorrectly identified. Max (9)

4 Assess a business against these qualities

- This is usually a research project where you may be required to visit any successful entrepreneur and interview him/her against the qualities of a successful entrepreneur that are mentioned on page 3 and 4.
- You must be able develop a questionnaire or interview schedule that will be used to assess a business against the qualities of an entrepreneur.
- Questions must be structured in such a way that an entrepreneur will be able to respond to EACH entrepreneur quality e.g.

QUALITIES OF AN ENTREPRENEUR	QUESTIONS	RESPONSES FROM AN ENTREPRENEUR
Risk taking	What are you going to do if your business fails?	
Creativity and innovation	How do you solve business problems? What makes you sell different types of products?	
Passion and energy	How many hours do you spend in your business and how do you feel about it?	
Product and customer focus	How do you ensure that the needs of your customers are satisfied?	
Responsibility	Did you ever make a bad business decision, if yes, how did you handle them it?	
Confidence and adaptability	What makes you believe that your business will be sustainable and successful?	

NOTE: The above questions are exemplars. The interview schedule can even have consist of follow-on questions.

5 Key success factors of a business

Sustainability

Sustainability means that a business:

- Continues to exist despite all the challenges and threats it is confronted with.
- Does not damage the environment and the community in which it operates.
- Manages and reports on triple bottom line e.g. profits, people and planet.
- Attracts and retains employees more easily.
- Experiences less financial and reputation risk.
- Involves stakeholders in joint decisions-making and learning from customers, employees, and the surrounding community.
- Puts environmental management systems in place to minimise the effects of business activities on the environment.
- Analyses the environmental and social impacts of the products and services the business uses and produces.
- Reveals exactly what the business does and what it stands for.

Profitability

Profitability means that a business:

- Makes money and management is passionate about their business operations
- Manages money in such a way that sound return on investment can be guaranteed to investors.
- Attracts even more investors which enables the business to expand its activities and to become even more profitable.

Customer base

Customer base means that a business:

- Meets the needs of the customer consistently and provides excellent service.
- Keeps on looking for ways to expand their consumer base.
- Keeps a record of the people buying their products.
- Collects the customers' contact details.

Knowing the market

Knowing the market means that a business:

- Conducts a thorough research of finding out about the needs of the customers and the type of the customers that buy the product or service.
- Identifies the needs and taste of consumers helps ensure continuous product and service development.

Good leadership

- A business needs good leaders who are team players, listen to staff members and respect them.
- Good leaders also bring energy, enthusiasm, and urgency to the workplace.
- This filters through the business and motivates staff to perform even more than expected.

Ethics/control and good governance

- An unethical corrupt business is not sustainable.
- Staff and customers get to know the business reputation and will not continue to support a business with poor governance.

Stable workforce

A stable workforce means that employees are:

- Motivated, happy and well trained.
- Loyal to the business and they stay with the business for longer
- Productive and take pride in their work.

Uniqueness of the business/product/service

Uniqueness of the business/product/service means that a business:

- Offers different products and services from their competitors.
- Product or service makes customers notice it and talk about it.

6 Identifying areas for improvement

- A business should consider the following aspects when evaluating areas for improvement:
  - Regularly evaluate the price of every product
  - Operate from a plan based on its vision
  - Make sure the money comes in quickly
  - Keep business expenses to a minimum
  - Set goals with reasonable milestones and timelines
  - Evaluate the benefit of increased sales against the cost of marketing
  - Identify and implement the technology needed support its operation and growth
  - Identify the target customer and what they do for them
  - Research and categorise competition noting their strengths and weaknesses
  - Differentiate the business against competitors and communicate this in sales and marketing programme.
  - Look after its best customers
  - Know the needs of customers e.g. ask for customers' feedback through surveys/direct interaction with them.
  - Regular review sessions where they review their structure/vision/delivery methods etc.

7 Strategies that businesses can use to remain profitable and sustainable

7.1 Thorough planning

- Proper succession planning so that it can continue to exist despite all the challenges and threats it is confronted with.

- Thorough planning will also ensure the business is not damaging the environment

7.2 Sound managing finances
- Ensure that a sound return of investment can be guaranteed to investors

7.3 Effective management of scarce resources and employees
- Ensure that business is using resources sparingly & employees are attracted and retained

7.4 Maintaining a solid customer base
- Keep a record of the people buying their product and meeting the needs of the customer consistently

7.5 Behaving ethically
- Ensure that people continue to support your business and having the image of not being corrupt

7.6 Being socially responsible
- Promote the image of the business by investing in CSI projects

7.7 Being ethical and taking care of the environment
- Being environmentally aware and friendly.
- Considering the triple bottom line by managing profit, planet and people.

7.8 Up skilling and development of employees
- Ensure that employees keep abreast with changing technologies in the business industry

7.9 Consistency and reliability
- Maintain a solid customer base and build on business success and learn from mistakes.

7.10 Upholding transparency
- Reveal what the business does and what it stands for.

TRANFORM A BUSINESS PLAN INTO AN ACTION PLAN

Learners must be able to:
- **Recap:** Explain/ Discuss the purpose of a business plan
- Define/Elaborate the meaning of an action plan.
- Discuss/Explain/Describe the importance of an action plan.
- Outline/Name the stages of action plan/Steps to follow when drawing up an action plan.
- Outline/ Explain/Discuss the project planning steps.
- Define the following planning tools:

  - o Gantt charts or Work Breakdown Structure (WBS
  - o Timelines
  - o Project planning
- Outline/Explain/Discuss the importance of timelines and Gantt charts/WBS.
- Draw up a Gantt charts using the information given in scenarios/case studies.
- Transform a business plan into an action plan using the grade 10 business plan.

TERMS AND DEFINITIONS

Terms	Definitions
Action plan	Document stating what must be done, who will do it and by when it will be done
Work breakdown structure	Organises the business plan into different tasks and identifies what needs to be done
Timelines	A planning tool that indicates dates and sequence
Gantt chart	A planning tool that indicates dates, duration and sequence
Work Breakdown Structure	Organises the business plan into different tasks and levels and identifies what has needs be done
Terminal elements	Smaller tasks of the project that form the bigger task of the project
Duration	The time it takes to do something
Action step chart	A task routine that identifies what, when, who and the expected outcome of the task.
Priorities	Puts things into order of importance
Corrective action	A deliberate action to fix something
Milestone	He ends point in an activity

1 Definition of a business plan (Recap)

- It is a written document which gives a comprehensive overview of a proposed business.
- A business plan explains the objectives of a business/what the business is all about and how it will be financed/resourced.

2 The purpose of a business plan

- Offers direction of a proposed business.
- A written document which gives a comprehensive overview of a proposed business.
- Explain the business objectives, how it will operate, how the finances, resources will be handled and what the business aims to achieve.
- Used to check the performance.
- A tool used to sell or market the business.
- To identify possible strengths, weaknesses, opportunities and threats.
- Used to convince other people of the profitability of the business, such as applying for finance for a bank.

3 The meaning of an action plan

- An action plan is a record of activities showing how those activities will be organised to achieve the goals set out in the business plan.
- Is a planning and a monitoring tool that specifies what tasks must be done by whom, when and with what resources in order to reach specific goals.
- Is a process that will help to focus ideas and to decide on the steps to achieve a particular goal.

4 The importance of an action plan

- It enables projects to be achieves within the specified time.
- It helps the person responsible for achieving certain goals to be organised.
- It is a control measure against which standards and performance can be measured.
- It priorities activities according to importance.
- It turns plans into actions.
- Identify problems that could occur.
- Acts as a monitoring tool that makes it possible to check the progress.
- Enables businesses to transfer their plans into actions.
- Enables businesses to think logically and identify gaps in the plan.
- Serves as a monitoring tool to check its progress.
- It provides an opportunity for reflection of what has happened before and what actions have not helped.
- Can bring together individuals/experts that are knowledgeable in the area of work.
- Clarifies the objective and provides the opportunity to identify areas that need change.
- Builds consensus as everyone involved can contribute their ideas.
- Creates ownership/accountability by creating a sense of individual and collective ownership for the action plan.
- Clarifies timescales that need to be done in order to achieve a particular objective.

- It identifies measures of success by providing a way of measuring progress towards that goal.

5 Steps to follow when drawing up an action plan/Stages of an action Plan

- The summary of the vision, mission, long term and short-term goals must be defined.
- Define the steps you would take to get there
- Start with what must be done first/prioritise
- Identify the end point for each step
- Arrange the steps in logical order
- Think about any problems that may happen
- Review progress regular
- Identify indicators to confirm progress

6 Project planning

6.1 The meaning of project planning

- Project planning is a tool that can be used to turn an idea into an action plan.
- It is a detailed description of all activities that need to be completed to execute a project successfully.
- The start-up of a business can be viewed as a project which must be planned.
- Project managers are usually in charge of developing and monitoring the implementation of projects
- Project management skills are the use of knowledge, skills and tools to plan and implement activities to meet the goals for every project

6.2 Project planning steps

- Define the scope of the plan to be done e.g. what is the purpose, first and last activities?
- Identify project supporters.
- Break the project down into activities.
- Set time frames and determine how long each activity takes.
- Set milestones targets e.g. what are main completion point?
- Determine accountabilities/person responsible for the decision made.
- Calculate the financial, human/technical resources that will be needed Plot the activity schedule into a Gantt chart
- Execute the project plan.
- Monitor progress
- Communicate and review project progress.
- Keep records of all activities.

7 Planning tools

7.1 Timelines/Schedule

- A timeline is a representation of all the tasks that must be completed and when these tasks can be completed.
- Timelines help team members to know what milestones need to be achieved and by when.
- The entries on the timeline need to be accurate and the information needs to be well organised.
- Timelines often involve making projections **Importance of timelines**

- They help the planners to project dates in advance.
- Assists in determining the sequence/order in which activities tasks must be completed.
- Keeps information in the order that it has to be in.
- Assists project management in meeting their targets and exceeding client expectations.
- Project managers tools to get their jobs done, many of which are specific to a single company or product.

Example of timelines

- A timeline is also known as a schedule for example, when implementing a business plan, the entrepreneur may make use of a timetable for these activities:

ACTIVITY	DATES
Registering the business	01-04 September
Finding premises	07-18 September
Buying/leasing equipment	21-25 September
Hiring suitably qualified staff	18-30 September
Buying and receiving stock	01-09 October
Starting the business	12-October

Activity	SEPTEMBER				OCTOBER	
Register business	xxxxxx					
Find premises		xxxxxx	xxxxxx			
Buying/leasing equipment				xxxxxx		
Hiring suitably qualified staff			xxxxxx	xxxxxx		
Buying and receiving stock					xxxxxx	xxx
Starting the business						x

7.2 Work Breakdown Structure (WBS)

- A Work Breakdown Structure is used to schedule the timelines for a project in order to decide what tasks need to happen when and in what order.
- It is the first step in dividing the business plan into smaller project stages.
- It organises the plan into manageable stages that can be carried out individually.
- It also organises the tasks into a logical sequence
- It can also be used to develop a Gantt Chart.
- It allocates responsibilities to staff members

Work Breakdown Structure (WBS) steps

- Identify one key activity
- Sub-divide the task into secondary tasks
- Break down each secondary task into more details
- Check for logic, sequence and details

7.3 Gantt charts

- It is a bar chart that illustrates a project schedule.
- It shows the start and finish dates of the terminal elements and a summary element of a project.
- These elements consist of the WBS of the project
- It is an easy way to view projects as it shows a series of dates across the top of the page with solid bars below the dates.
- These elements consist of the WBS of the project.
- The bars show the duration of each task.
- Tasks names are written in the column on the left/vertical axis and contains the name of the person/team responsible for completing the task.
- They have different lengths to represent the order, timing and time span for each task.

Constructing a Gantt chart

- Write down all the activities that must be carried out to complete a project
- Decide how much time you will need for each activity
- Determine which activities need to be completed before another activity can be started and which activities can be carried out simultaneously.
- Draw up a table with a row for each activity and columns in days/weeks. These columns indicate the timeline.
- Write each activity in order down the rows, in the left-hand column

Example of a Gantt charts

Study the action plan below of Malefane Wedding Planner Associates for Musa s wedding.

Task to be done	Person responsible	Estimated time required for task	Date of completion
Wedding venues inspection	Sammy	3 weeks	Last week of April to the second week of May
Quotations	Mr Hlatshwayo	3 weeks	End of week 2 April
Meeting with Musa for a theme	Ms Cindy Cooper	1 weeks	First week of April
Buying of decoration material and utensils	Lennox	1 week	End of week 1 May
Sourcing of a caterer	Edith	2 weeks	End of week 3 April
Wedding cake baking and preparation	Yolanda	1 week	End of week 4 April

Designing of invitation cards	Sanele and Rashid	3 weeks	First three weeks of May

Task	Person responsible	Duration	APRIL				MAY		
			W1	W 2	W 3	W4	W1	W2	W3
Wedding venues inspection.	Sammy	3 weeks				xxxxx	xxxxx	xxxxx	
Quotations	Hlatshwayo	3 weeks	xxxxxx	xxxxx	xxxxx				
Meeting with Musa for a theme	Cindy Cooper	1 weeks	xxxxx						
Buying of decoration material and utensils	Lennox	1 week					xxxxx		
Sourcing of a caterer	Gracy	2 weeks		xxxxx	xxxxx				
Wedding cake baking and preparation	Yolanda	1 week				xxxxx			
Designing of invitation cards	Sanele & Rashid	3 weeks					xxxxx	xxxxx	xxxxxx

Importance of Gantt charts

- Easy to prepare and understand.
- Events are shown in a chronological order
- The time needed for an activity is shown visually
- Managers and team members can see which activities run concurrently.
- Team members can see who is responsible for each activity.
- They show progress on an activity and enable managers to monitor progress. Interrelated tasks can be used at a glance.

STARTING A BUSINESS VENTURE ON AN ACTION PLAN

Learners must be able to:

- Outline/Mention/Explain/Discuss aspects that must be considered when initiating a business e.g.:
  - Strategy

- Operations
- Productivity
- Size of a business etc.

- Outline/Mention/Explain/Discuss factors that must be considered before start-up e.g.:
  - Culture of the organisation
  - Environmental changes
  - customer services
  - Business growth
  - Cost saving etc.
- Analyse the above-mentioned factors from scenarios/case studies and make recommendations for improvement.
- Explain/Discuss reasons why businesses need funding.
- Outline/Mention/Explain sources of funding.
- Explain/Discuss/Describe factors that influence the choice of funding e.g. nature of finance, amount of capital needed, risk, cost of finance etc.

TERMS AND DEFINITIONS

TERMS	**DEFINITIONS**
Strategy	Plans created by the entrepreneur that is spelt out in the business plan and enforced in the action plan a long-term plan of action to achieve a goal
Collateral	The asset that is pledged to the bank in case of a default in the repayment of a loan.
Interest	Money paid as a percentage for the use of borrowed money.
Operations	the different activities businesses use to achieve their goals in
Productivity	the effectiveness of production in terms of the rate of output per
Cost- saving	the plans made by the business to cut on the cost/expenses of the
Business growth	the expansion of the size of the business.
Risk	a credit provider will always consider how safe their investment will be by looking at factors that will endanger the recovery of the
Mortgaged bond	A debt instrument issued for more than one year with the purpose of raising capital from borrowing.
Incentives	Cash or tax relief to encourage investment in economic sectors It could also be a payment to workers to encourage productivity.
Venture capitalists	Financing is given for an ownership share in the business at its start-up
Equity Capital	The total amount of money and assets invested in a business by the owner that comes from its sources.
Grants	Money given by the government or an NGO for a specific purpose e.g. funding small businesses.
Bank Overdraft	A customer withdraws more than the money that is available in the bank account.

Trade credit	Time, usually between one and three months a business before it has to settle the debt.
Angel funding	These are wealthy business people who want to invest in promising small businesses in return for a profit share in the business
Microlenders	Businesses that offer small loans to people at high-interest rates without collateral.

1 Aspects that must be considered when initiating a business

1.1 Strategy

- A strategy is a plan of action that must be carried out by an entrepreneur
- An action plan outlines the vision, mission, goals and objectives.
- The action plan must be used to develop the systems and processes for the business.
- Systems and processes should be in place for the business to achieve its goals.
- Businesses must ensure that strategies such as marketing/management/public relations are implemented and continuously reviewed.

1.2 Operations

- The business plan, action plan identifies the operational plan, timelines and key deliverables.
- Operations need to be implemented, staff employed and trained.
- Resources must be acquired and managed continuously
- Constant monitoring & evaluation need to be done to ensure that resources are used effectively.
- Businesses must implement the activities that are outlined in the action plan.

1.3 Productivity

- The action plan includes budget and financial planning
- Budgets need to be assessed and amended
- Costs need to be decreased and output increased
- to ensure productivity - costs need to be decreased & output increased
- improvements need to be implemented constantly to improve profits
- Productivity is the effectiveness of production in terms of the rate of output per unit of input.
- Businesses must ensure that there is a high rate of productivity in all aspects of its operations.

1.4 Size of the business

- The success of a business depends on its management and staff.
- The bigger the businesses the more difficult to manage
- It is difficult to keep control of the quality of each of the employees, work and productivity levels.
- Businesses must decide on the most appropriate size for successful operations.

1.5 Culture, training, and Quality of Staff

- It is essential to establish an organisational culture from the beginning so that staff are familiar with what is acceptable.
- Staff need appropriate training to achieve the desired outcomes and deliver the best quality.
- Managers should ensure that all new staff know the business dress code.

1.6 Risk and change

- All businesses need to take risks and amend the original action plan several times.
- The introduction of new technology or new machine may influence a budget and it may be necessary for the business plan to be adapted
- Management and leadership teams must be flexible to adapt to changes in the market and/or macro environment.

1.7 Customer service

- A successful business gives customers what they want.
- Businesses need to change their market plan/adjust their products and prices to ensure sales increase.
- They also need to establish a good relationship with their customers.

1.8 Market research

- Businesses should conduct ongoing market research to identify profitable markets for their product.
- Many businesses benefit from conducting market research in local/familiar markets.

1.9 Business cycles

- Businesses obtain profit and experience losses.
- Changes in the market & macro environment can either have a positive or negative impact on business operations.
- Businesses should constantly make adjustments to reduce costs where possible.
- Reducing costs increases profitability.

2 Factors that must be considered before start-up.

2.1 Culture of the Organisation

- Establish an organisational culture so that the staff is familiar with what is acceptable.
- Ensure that a code of conduct is in place and enforce it from the start
- The staff must know the dress code and the code of conduct of the business from the start.
- They must ensure that staff knows the culture of the business and that their
- behaviour does not damage the business image.
- Entrepreneurs must decide what the culture of their business will be before starting up.

2.2 Environmental changes

- Continue to network and research to avoid changes in the business environment which may upset the business operations.
- Consider the risk and success factors.
- Plan for risks and minimise the impact.
- The economy fluctuates up or down daily, resulting to businesses having to change some of their operations.
- New competitors enter the market and driving existing businesses out of the market.
- New technology force businesses change some of their original plans.

2.3 Customer service

- Make an effort to satisfy the needs of customers.
- Change the action plan accordingly to accommodate the needs of customers
- Establish a good relationship with customers.
- Identify their potential customers before start up.

2.4 Business Growth

- Managed and backed up growth by using a solid strategy.
- The success of a business is often dependent on its management and staff.
- Devise a suitable strategy to manage and control a larger group of employees.
- Keep control of the quality of each employee.
- Determine the size and the growth of the business before they start up their business.
- The size and growth of the business will determine the most appropriate form of ownership for the business.
- Many businesses want to grow too quickly, which can cause problems such as lack of infrastructure and funding.
- The long-term vision of the size of the business must also be reflected in the organogram of the business.

2.5 Cost saving

- Cut costs by controlling unnecessary expenditures.
- Businesses could do a joint advertising campaign with other businesses that sell complementary products to reduce the advertisement cost.
- Businesses could save on office costs by using recycled printer cartridges and buying good quality used equipment.
- Hire temporary employees or use independent contractors to save costs.
- Business could save costs by considering other aspects such as insurance, credit, online transactions, etc.

2.6 Risk and change

- Management and leadership teams must be flexible to adapt to changes in the market.
- The original action plan may need to be changed and amended several times.
- The introduction of new technology may influence a budget.

2.7 Other factors that must be considered before starting a business.

- Planning and minimising the environmental impact on the business.
- Action plan to satisfy the needs of customers.

- The sources of raw materials/suppliers.
- The sources of funding that the business would use.
- The forms of ownership that will be used by the business.
- The registration of the business.
- The location/business premises to be used.

3 Acquiring funding

3.1 Reasons why businesses need funding.

Businesses require funding to:

- Cover the start-up costs including g premises/machinery/raw materials etc.
- Run the business and have enough money to pay employees/suppliers of raw materials etc.
- Pay for the cost of input such as wages, telephone other expenses
- To expand the business as the orders/sales increase and bigger premises need to be established.

3.2 Sources of funding

3.2.1 Equity Capital

- Equity capital is the total amount of money and assets invested in a business by the owner that comes from their own sources
- Capital that is contributed by the owner is referred to as the owner's interest.
- Owner's equity increases when the owner puts in additional funds to expand the business.
- The benefit of putting own capital into the business is that it encourages a commitment from the owner.
- The higher the owner's interest in the business, the higher the potential of profit and this will encourage greater commitment from the owner.

3.2.2 Issuing of shares

- New companies can issue shares to obtain capital.
- Shareholders receive a share certificate as proof of ownership
- The Memorandum of Incorporation and prospectus list the details of the shares that are offered for sale
- Ordinary shares are the most type of share offered by companies to shareholders
- All shareholders receive a portion of the profits called a dividend.

3.2.3 Debt Capital

- Many businesses need to borrow funds.
- The business plan will indicate how much debt capital is crucial for business funding.
- The business must show the ratio between equity capital and debt capital in its business plan.
- The solvency of the business is determined by the ratio of equity capital and debt capital.
- It is very important that businesses must be solvent at all times.
- The following sources of finance are available to the entrepreneur:

Bank loan

- The business can borrow money from the bank.
- The amount will be specified for a set period.

- Interest is payable on the loan.
- The period can be fixed for the time of the loan or variable in line with the current interest rate.

Trade Credit

- This is the time that a business has before it has to settle a debt.
- Suppliers usually allow a small business a period between buying materials and paying for them.
- Trade credit is an agreement between a supplier and the business.
- Businesses can sell or develop new products to be able to pay off their debt during the trade agreement period.

Bank Overdraft

- This is when a bank allows a business to draw more than what is deposited in the bank account.
- The bank decides on the maximum amount to be drawn known as the overdraft limit
- The business pays interest on the amount of money they withdraw and for the period they have overdrawn.
- Businesses with a current check account organise a bank overdraft with the bank.

3.2.3 Leasing and hire purchase

- Businesses can lease certain assets from suppliers.
- Assets such as machinery/vehicles/computer systems can be leased.
- A fixed amount of money is paid monthly for the use of the asset
- The lease agreement can be renewed when the asset is returned/replaces.
- In the contract the fixed amount of monthly premium must be specified.
- Businesses can use leasing because it is easier to find finance for a lease agreement than for the purchasing of an expensive asset.

3.2.4 Grants

- Grants are funds that are received from government departments/local development agencies and other organisations that support small business developments.
- The business can qualify for government support to help get started.
- The main advantage of grants is that it is cheap financing.

3.2.5 Venture capital

- Financing is given in exchange for a share in the business at its start-up.
- Some venture capitalists also request a position in management or on the board.

3.2.6 Angel funding

- These are often wealthy entrepreneurs who offer financing in exchange for a share in the business.
- This carries a high risk for the investor.

4 Factors that influence the choice of funding

Nature of finance

- This depends on the owners if he/she wants to use their own or borrowed capital as well as short- or long-term loan.
- Some types of financing like shares and debentures are not available to certain forms of ownership like sole traders and partnerships.
- Sole traders and partnerships should make use of other forms of funding.

Amount of capital needed

- Business owners usually use their capital if a small amount is needed.
- The larger the amount of capital that is needed the owners will have to look at borrowed capital as well.

4.3 Risk

- Providers of own capital are usually willing to accept greater risks than providers of borrowed capital
- Interest on the loan is legally compulsory and may lead to the liquidation of a business in bad economic circumstances.

4.4 Cost of finance

- Businesses will generally choose the funding with lower costs/interest
- The income earned on borrowed capital must exceed its cost otherwise it will be to the disadvantage of the holders of own capital.
- Borrowed capital may be cheaper because the holders of their own capital require a higher income owing to the higher risk

4.5 Period of financing

- If needed for a long period might rather use their capital because borrowing would be too expensive over a long period.

4.6 Availability

- If more own capital is not available, the business might be forced to use borrowed or the other way around.

4.7 Tax considerations

- Interest on borrowed capital is tax deductible. Dividends on own capital are not deductible.

PRESENTATION OF BUSINESS INFORMATION

Learners must be able to:

- Explain the importance of presenting business information.
- Differentiate/Distinguish between verbal and non-verbal presentation and give practical examples of each.
- Outline/Mention/Explain/Discuss types of visual aids e.g. tables/graphs/diagrams/posters/handouts etc.
- Identify the above-mentioned visual aids from given scenarios/case studies/statements.
- Explain/Discuss how the presenter must prepare the following visual aids:
  - Transparencies
  - Posters

o Handouts

- Discuss/Explain/Recommend factors that the presenter must consider when designing a presentation e.g.:
  - o Know your audience
  - o Use simple language
  - o Include visual aids,

  etc.
- Justify the reasons why business presentations must be in a written format. Outline/Mention/Explain types of written information, e.g. business reports, business plans, information, analyses etc.
- Outline/Mention/Explain/Recommend steps in report writing.
- Critically analyse a business report and recommend areas for improvement.
- Outline/Mention/Explain factors that must be considered when composing a flyer.
- Explain how to respond to questions about work and presentations/handle feedback after a presentation in a non-aggressive and professional manner

TERMS AND DEFINITIONS

TERM	DEFINITION
Visual aids	An illustration such as film, slides or model designed to supplement verbal and non-verbal communication.
Feedback	Information about reactions to the performance of a task or a product which is used as a basis for improvement.
Transparency	A plastic sheet which is placed on an overhead projector from where the information is displayed on a wall or a screen larger than the transparency.
Audience	The people who watch or listen.
Hand-outs	Printed information provided to the audience to accompany a presentation.
Analytical reports	Reports that provide data and conclusions, with the inclusion of recommendations.
Informative reports	Reports that present data without analysis or recommendations.
Verbal presentation	Oral presentations delivered to audience
Non-verbal presentation	Mostly done by means of printed material.

1 The importance of presenting business information

- The business information needs to be presented to be made available to employees/stakeholders.
- Business information enables management to:
  - o Provide stakeholders with the information to make strategic, tactical and operational decisions.

- Ensures success, transparency and smooth running of the business.
- Assist management in making decisions.
- Provide information on financial statements/investigations/disputes/new policies etc.
- Persuade management to implement a strategy.
- Identify trends in the market and anticipate challenges
- Devise strategies to deal with the challenges

2 Difference between verbal and non-verbal presentation

VERBAL PRESENTATION	NON-VERBAL PRESENTATION
Exchange information using oral presentation/spoken	Communicate by means of printed media
Information can be heard	Communication can be read.
Information cannot be stored	Information can be stored
Examples: video conferencing, workshops, seminars, conferences, public speaking etc.	Examples: written reports, handouts, charts, slides etc.

3 Types of visual aids

3.1 Tables

- A set of facts/figures systematically displayed, especially in columns.
- They are usually used to compare or contrast different things or ideas.

3.2 Graphs

- These are visual illustrations to provide information in a clear and concise way.
- Two-dimensional drawing showing a relationship between two set of variables by means of a line/curve/bars
- These can be inclusive of types of graphs such as line graphs/bar graphs/pie graphs etc.
- Information in the graphs requires interpretation and comparisons must be made to see relationship between different sets of data.

3.3 Diagrams

- A drawing showing the appearance/structure/workings of data in a schematic representation.
- Diagrams and illustrations are used for making verbal descriptions clearer.

3.4 Posters

- They are used to advertise something or act as a reminder of something.
- They are effective when they are bold and eye catching.

3.5 Hand-outs

- Printed information provided to the audience to accompany a presentation.

- People attending a verbal presentation prefer to handouts at the end of the presentation to remind them of the key points of the presentation.

3.6 Data projector

- A slide projector that is used to display images to an audience.
- It is usually used for large audiences.

3.7 PowerPoint

- A collection of pages arranged in a sequence that contain text and images for presenting to an audience.
- Video clips can provide variety and capture the attention of the audience.

3.8 Interactive whiteboards/Smartboards

- An interactive display in the format of a white board that reacts to user input either directly or through other devices.
- It is useful to note down the most important points before or during a presentation.
- Useful to capture feedback and new ideas.

3.9 Flip charts/White boards

- A large pad of paper, bound so that each page can be turned over at the top to reveal the next page, used on a stand.
- Additional notes that was added during the presentation can be captured on computer after the presentation.

4 Guidelines on how to prepare transparencies/slides, posters, and handouts

4.1 Guidelines on how to prepare transparencies/slides

- Start with the text/headings
- Use keywords instead of full sentences
- Use legible font and font size.
- Limit the amount of information on each slide.
- Avoid too much writing and complicated graphs
- Choose images that may help to communicate the message.
- Include graphics.
- Keep slides/images/graphs simple.
- Make sure there are no grammatical/spelling errors.
- Use bright colours to increase visibility.
- Structure information in a logical sequence.

4.2 Guidelines on how to prepare posters

- Make use of headings
- Make sure all relevant information appears on the poster
- Use bright colours to enhance visibility
- Use short phrases instead of full sentences
- Make use of pictures
- Posters must be bold, creative and easy to read
- They must have essential details and clearly summirised
- Get the intended message across strongly

4.3 Guidelines on how to prepare handouts

- Structure information in a logical sequence
- Use a legible font size and font size
- Choose images that may help to communicate the message.
- Make sure there are no grammatical/spelling errors.
- Use bright colours to increase visibility.
- Refrain from using busy borders, different fonts and too many different colours.
- Allow an empty page at the end of the handout to allow for the audience to make additional notes during the presentation.

4.4 Factors that the presenter must consider when designing a presentation

- Know your audience.
- Presentation should include an introduction, body and conclusion.
- State the aims of the presentation in your introduction.
- Outline the most important information first.
- Use visual aids/tables/graphs/charts/diagrams/pictures effectively.
- Use suitable section titles/headings, sub-headings and bullets.
- Summarise key findings/Conclude by indicating how goals were met.
- Consider external factors, e.g. noisy surroundings, which may influence the presentation.
- Keep to the time limit to prevent boredom.
- Be well prepared/Research the topic in depth
- Allow time for feedback/questions.
- Speak clearly and audibly.
- Keep eye-contact with the audience.

4.5 Reasons why business presentations must be in a written format.

- A presentation in a written format can easily be sent stored for a later presentation.
- The electronic files can be emailed, distributed in the company or posted on the internet.
- The presentation if in writing can be used by someone else if the original presenter is no longer available.
- The written presentation can also be sent to the stakeholders that were unable to attend the presentation.

4.6 Types of written information

4.6.1 Business reports

- A business report is done for businesses that have been in operation and key information must be shared with stakeholders.
- Businesses use written reports to provide information on financial statements /investigations/disputes/disciplinary actions etc.
- These may be presented orally to an individual or to a group or electronically on a computer screen.
- The following questions need to be asked:
  - Who will use the report?
  - What information must be included in the business report?

- What would be the best way to present the business information in the repot?

4.6.2 Business plans

- These are a written document describing the nature of the business, the sales and marketing strategy and the financial background.
- They help present the business's goals and objectives to all stakeholders.

4.6.3 Business analysis

- This is a method of investigating all aspects of a business in order to assess its prospects.
- It presents an established business's information and development to all people in the company.

5 Steps in report writing

- Define the purpose of a report and who will be reading it.
- Be aware of who the reader of the report will be.
- Do research in order to gather data
- Plan the report structure e.g. title, contents page, introduction, body and conclusion
- Prepare a work plan, start early and allow time for brainstorming and preliminary research.
- Clearly display the topic of the report at the top of the page.
- Put together the first draft of the report, print the first draft and read sometime later.
- Ensure the information presented is useful to the decision-making process
- Organise and rewrite your material
- Prepare visual aids to help convey the information
- Ensure the report is accurate and to the point.
- Balance the quality of information by being specific and straight to the point.
- Anticipate the audience and issues, it could be distributed to people whom it was not intended.
- Write the executive summary.
- Reread the whole report to check for spelling, grammar and layout mistakes.

6 Guidelines on how to critically analyse a business report and recommendations for improvement

Factors to consider when analysing a business report	**Recommended Improvement**
Does it only contain relevant information?	Remove irrelevant information
Is the aim of the report achieved?	Make necessary adjustments in line with the aim of the report
Is the language and terminology used at the level of the people using the report?	Make use of language expert to make changes to the report
Determine if the report is useful.	Adjust the report by using a small sample to have access to the report and to make recommendations

Determine the credibility of the report	Improve the report by making use of credible research material
Determine if the diagrams, tables etc used are adding value to the report or just filling pages	Only use diagrams, tables etc if it is offering additional info

7 Factors that must be considered when composing a flyer

- Define the purpose of the flyer/Central message of the flyer
- Write a title that will attract the reader's attention
- Use graphics to attract attention/ Be creative and use interesting images
- Focus on the benefits of the products/services
- Identify points clearly/Do not use many words
- Main details much in large print
- Keep it simple with white space
- Use text boxes if space allows
- Check your spelling
- Let someone proofread the contents before it goes to print
- Use bright paper and black text if budget does not allow for colour printing.
- Offer a discount on the product or service.

8 Handling feedback in a non-aggressive and professional manner after a presentation

- Note/write down the questions asked to be able to respond correctly.
- Be polite, confident and courteous/humorous.
- Address questions in an orderly manner.
- Listen to the whole question and then respond.
- Respond honestly and as best as you can
- Encourage questions from the audience.
- Repeat the question so that so that everyone can understand the basis of your response
- Acknowledge good questions to motivate audience to ask more questions.
- Rephrase questions if uncertain and if you do not know the answer then admit
- Limit question time so that it does not make you go over your time limit.
- Remain professional, polite and calm
- Pause and consider your answer before responding
- Apologise for the error that you have made
- Always address the questions and not the person/Address questions in an orderly manner
- Be assertive when answering questions and avoid being aggressive
- Do not make a second presentation when answering a question

TEAM STAGES AND DYNAMICS THEORIES AND CONFLICT MANAGEMENT

Learners should be able to:
TEAMWORK

- Briefly explain/discuss the importance of teamwork
- Outline/Mention/Name/Explain the stages of team development, e.g.:
  - Forming

- Storming
- Norming
- Performing

- Identify the stages of team development from given scenarios/statements/case studies.

TEAM DYNAMICS THEORIES

- Briefly explain/discuss the reasons why businesses use team dynamic theories.
- Describe/Explain/Discuss the following team dynamic theories:
  - Belbin role theory
  - Insight based on Jungian theory
  - MTR-I approach
  - Margerison - McCann profiles
  - Group consensus
- Identify the above-mentioned theories from given scenarios/statements.
- Compare the nature of the above-mentioned theories.

CONFLICT MANAGEMENT

- Define the term conflict
- Identify and discuss causes of conflict from given scenarios/case studies.
- Discuss the following conflict management theories:
  - Traditional theory
  - Contemporary theory
- Select one of the above-mentioned conflict management theory and justify the reason why businesses should use this theory to solve business problems.
- Outline/Mention/Explain/Discuss the function of workplace forums.
- Explain the differences between trade unions and workplace forums.

Meaning of teamwork

- Teamwork can be defined as a joint action by a group of people in which each person gives up his/her individual interests and options for the common goal of the team.
- This means that effective and efficient teamwork goes beyond individual accomplishments.
- Teamwork is a joint effort by group members where they give up their individual opinions and strive to work together to achieve a common goal.

Importance of teamwork

- Teams have a common goal/purpose that unite team members.
- Teamwork leads to synergy, commitment, high productivity, employee empowerment, job satisfaction and organisational effectiveness.
- Effective teamwork can provide a basis for consistency performing at a high level

Stage of team development

1. Forming stage

- This stage is the initial stage where team members get to know one another.
- Team members think about their new tasks and new environment
- The team learns about team processes and procedures.

- Team members gather information and impressions about each other.
- This is a comfortable stage to be in.
- People focus on being busy with routines, such as team organisation e.g. who does what, when to meet each other, etc.

2. Storming

- The team begins to face technical, interpersonal and social problems.
- Team members could end up fighting and arguing.
- At this stage, there is conflict because they confront each other with their ideas.
- The true character of team members starts to show as they experience the first round of conflict
- Different ideas from team members will compete for consideration.
- Team members open-up to each other and confront each other's ideas/perspectives.
- This stage is often unpleasant, but it is necessary for teams to grow.
- Team members need to be matured, patient and tolerant of each other's ideas and behavior in order to move successfully to the next stage.

3. Norming/ Settling and reconciliation

- The team starts working through individual/social issues and start to settle down.
- Team members establish their own norms and behaviour.
- They begin to trust each other, and reconciliation takes place.
- A team develops good interpersonal skills and members become better at problem solving.
- Team members accept each other and set common goals and values for the team.
- Team members form agreement and consensus.
- Roles and responsibilities are clear and accepted.
- Team members have the ambition to work for the success of the team's goals.
- They cross-train and learn new job skills.
- Team members manage time and quality work with growing competence, confidence and independence.

4. Performing/Working together towards achieving a goal

- In this stage, the teams are achieving their goals by helping each other
- Team members are aware of strategies and aims of the team.
- They have direction without interference from the leader.
- Leaders delegate and oversee the processes and procedures.
- Team members know each other and can function as a unit.
- They find ways to get the job done smoothly without conflict/external supervision.
- Conflict disappears, problems are solved, and successive goals are achieved.
- Team members are motivated and can handle disagreements maturely/positively.
- The team takes pride in its own work and accomplishments.

5. Adjourning/ Mourning

- In this stage, team members must leave a team and prepare themselves for the next team.
- The focus is on the completion of the task/ending the project rather than on task performance.
- All tasks need to be completed before the team finally dissolves

- It`s also the stage for recognition for participation and achievement.
- Breaking up the team may be traumatic as team members may find it difficult to perform as individuals once again.

Team dynamics

Meaning of team dynamics

- Refers to unforeseen natural forces that influence how a team responds, behave and performs.
- These dynamics have a major influence on a team's success or failure
- Team dynamics is the way how people in a team interact with one another.
- The roles that people play in a business and what makes a team successful.

Reasons why businesses use team dynamic theories

- Team dynamic theories explain how effective teams work/operate.
- Businesses are able to allocate tasks according to the roles of team members.
- Team members can maximise performance as tasks are allocated according to their abilities/skills/attributes/personalities.
- Team members with similar strengths√ may compete for team tasks/ responsibilities that best suit their abilities/competencies.
- Theories assist team leaders to understand the personality types of team members so that tasks are assigned more effectively.
- Conflict may be minimised when team members perform different roles.

Types of team dynamic theories

1. Belbin Role Theory

- This theory explains how team members interact
- People take on different roles and will have dominant and sub dominant roles.
- The Belbin role theory can be used to create balance in a team or recruit members for specific roles.
- According to this theory an effective team has members that cover the following nine key roles while performing their tasks:

Types of Belbin roles

ROLE	DESCRIPTION
Coordinator	Respected leader who helps everyone focus on their task Guide the team to what they perceive are the objectives. Able to recognise the value each member can contribute. Calm and good natured and delegate tasks very effectively.
Plant	Thought orientated. Introverted and prefer to work apart from the team.

	- Thrive on praise but criticism is very hard for them to deal with. - Creative innovator who comes up with new ideas
Resource investigator	- They are outgoing and are often extrovert Innovative - and curious. - Explores available options, develop contacts and negotiate for resources on behalf of the team
Implementer	- Plans practical/workable strategies - Carries out plans effectively - Well organised and predictable - People who get the job done.
Team worker	- Helps team to settle in - Identifies what needs to be done and does it. - Provide support and make sure the team work together. - Tend to be popular people who are very capable in their own ways.
Shaper	- Challenges the team - Action orientated - Keeps the team moving - Enjoy stimulating others, questioning norms and find the best - Approach to challenges. - Does not lose focus/momentum
Completer/Finisher	- Ensures that the project is completed thoroughly - Ensures that there have been no errors or omissions. - Pays attention to the smallest details. - Concern about deadlines and will push the team to make sure the job is done.
Specialist	- Has specialised knowledge to get the job done. - Skilful and work to maintain they provisional status. - Has in-depth knowledge in key areas - Commits him/herself fully to their field of expertise.
Monitor/Evaluator	- Makes impartial judgments and he/she is objective - Weighs up team's options - Best at analyzing and ideas that other people come up with.

	Critical thinker and very strategic in their approach.

2. Insight based on Jungian theory

- This theory recognised personality types that follows certain behavior patterns
- It is useful for team members to know their own personality type and the personality types of the rest of the team in order to understand their own values and goals.
- According to this theory people are born with a preference to certain attitudes and functions which will be used effectively during the adulthood stage.
- Jung believed that the most superior function will influence an individual's interaction with others.

Jungian 'pairs of opposing attitudes and functions

o Extrovert versus introvert
o Sensing versus intuition
o Thinking versus Feeling
o Judging versus perceiving

- The combination of the above attitudes determines a personality type.
- Team leaders that understand the strength and weaknesses of each personality type can analyse the composition of a team according to types.
- Team leaders can guide team members to success by using their natural strengths and being aware of their weaknesses and compensating for them.
- Team members who understand this theory will be able to understand why they behave the way they do.
- They learn to understand what drives their own actions and others' actions, values and goals.

3. MTR-I Approach/Management team role indicator approach

- This theory is a model that can be used as an instrument for team development.
- This theory team roles in terms of the contributions or "product" each member brings to the team.
- It measures what a person does within a team
- The three factors that are measured include:
  o What the person is doing?
  o What colleagues think each other is doing?
  o The position description for each team member
- The following are eight MTR-I team roles, each of which shows a different type of contribution that is made to the team:

ROLE	WHAT THEY DO
Coaches	Create a positive team atmosphere and reach consensus Builds strong relationships with people
Crusaders	Focus on the important issues Favours a specific course of action and make a case for it
Explorers	Explore new ideas and possibilities

	Finds new and better ways of doing things
Innovators	Bring new and alternative perspectives Use their imagination to create new and different ideas
Sculptors	Get the team to work on the urgent issues Gets things done quickly
Curators	Gives clarity of ideas and information Helps others to make sense of the available data
Conductors	Introduces logical organisations into the way things are done
Scientists	Generate models to demonstrate how things work Explains how and why things happen

4. Margerison-McCann team profiles

- This theory defines a set of management styles and emphasises on the need to integrate all these styles to create an effective team.
- The strength of the system lies in developing effective team dynamics.
- This approach uses the Team Management Wheel to maximise personal strengths for building balanced and high performing teams
- Individual development is seen as the first step to effective team development.
- The theory identifies how people:
  - o Prefer to work e.g. on their own or with someone?
  - o Gather and use information
  - o Make decision and organise themselves
- This approach focuses on individual development and maximising personal potential so that individuals contribute effectively to the team.
- It looks at building high balanced and high performing teams

Margerison-McCann eight roles

ROLE	WHAT THEY DO
Reporter-adviser	Enjoys giving and gathering information
Creator-innovator	Likes to come up with ideas and different ways of approaching tasks
Explorer-promoter	Enjoys exploring possibilities and looking for new opportunities. They get people enthusiastic about ideas They also like to compare new ideas with what others are doing
Assessor-developer	Prefers working where alternatives can be analysed Assesses and tests the applicability of new approaches
Thruster-organiser	Likes to push forward and get results They make things and produce actions out of ideas They like to experiment with new ideas//discussion/

	experiments
Concluder/producer	Prefers working in a systematic way Concludes and delivers outputs They take great pride in producing a product/services to the required standard.
Controller/inspector	Enjoys focusing on the details and controlling aspects of work. Upholds and safeguards standards and processes They make sure that the facts and figures are correct.
Upholder/maintainer	Likes to uphold standards and values and maintain team excellence Makes sure that the team has a sound basis for operations. They take pride in maintaining both the physical side of work and the social side.

5. Group consensus

- Consensus is a process use by a group to come to an agreement by discussing the facts and convincing each other on the best decision.
- The input and ideas of all members are gathered to make a final decision that is acceptable to all.
- Groups must have the following characteristics for consensus to be a positive experience:
  - Shared values
  - Some skills in group process and conflict resolution
  - Commitment and responsibility to the group by its members
  - Sufficient time for everyone to participate in the process
  - Identify, define and discuss the problem
  - Brainstorm a list of alternatives proposals without rejecting any ideas
  - Discuss proposals, make changes and set priorities
  - Test for consensus
  - Get the group to make a decision and plan their action once consensus is reached Get those who are still not in agreement to experiment with the decision for a set time period.

<u>Conflict Management</u>

<u>Meaning of conflict management</u>

- Conflict management is the process of planning to prevent conflict where possible and organising to resolve conflict as quickly as possible.
-
- All members of the organisation need to develop ways of keeping conflict to a minimum and solve problems caused by conflict.
- Conflict can be positive if managed correctly, since it means communication is taking place.

Meaning of conflict

- Conflict is a struggle/disagreement/argument between two people.
- Disagreement between two parties in which one or both parties believe that a personal interest/need is threatened

Causes of conflict

- Personal differences/Different personalities
- Poor communication
- Competition
- Ignoring rules/procedures
- Poor organization/leadership/administrative procedures and systems
- Workload and stress/Unrealistic expectation
- Confusion about scheduling and deadlines
- Unclear responsibilities
- Distracted by personal objectives
- Lack of/Insufficient resources
- Constant changes
- Different goals/objectives for group/individuals
- Different opinions
- Unrealistic expectations
- Poor organisation/leadership/administrative procedures and systems
- Confusion about scheduling/deadlines
- Misconduct/Unacceptable behaviour
- Unclear responsibilities
- Distracted by personal objectives
- Constant changes in the workplace
- Unfair treatment of workers/Favouritism by management/Discrimination
- Lack of trust amongst workers

Explanation of causes of conflict in the workplace

- Lack of proper communication between management and workers.
- Ignoring rules/procedures may result in disagreements and conflict.
- Management and/or workers may have different personalities/ backgrounds.
- Different values/levels of knowledge/skills/experience of managers/workers.
- Little/no co-operation between internal and/or external parties/stakeholders.
- Lack of recognition for good work, e.g. a manager may not show appreciation for extra hours worked to meet deadlines.
- Lack of employee development may increase frustration levels as workers may repeat errors due to a lack of knowledge/skills.
- Unfair disciplinary procedures, e.g. favouritism/nepotism.
- Little/no support from management with regards to supplying the necessary resources and providing guidelines.
- Leadership styles used, e.g. autocratic managers may not consider worker inputs.
- Unrealistic deadlines/Heavy workloads lead to stress resulting in conflict.
- Lack of agreement on mutual matters, e.g. remuneration/working hours.
- Unhealthy competition/Inter-team rivalry may cause workers to lose focus on team targets.

- Lack of commitment/Distracted by personal objectives which may lead to an inability to meet pre-set targets.
- Constant changes may cause instability
- Lack of clarity regarding employees' roles and responsibilities.

Conflict Management theories

1. Traditional theory

- This theory is based on the notion that conflict is bad and should be avoided as it disturbs the running of an organisation.
- This approach assumes that conflict is caused by trouble makers who do not identify with the goals of the organisation.
- These trouble makers are seen as undesirable because they are seen as causing trouble for management.
- Conflict should therefore be avoided according to this approach.
- Management thus uses its power to suppress the trouble makers and should force them out of the organisation.
- This leads to a win lose situation, with management retaining control and restoring their order while the troublemaker is forced to fit in or move out of the organisation.

2. Contemporary theory

- This theory is based on the belief that conflict is a normal part of human interaction.
- Conflict arises as a normal result of change.
- It is understood that conflict can be beneficial and has the potential to lead to constructive changes within the organisation.
- Conflict must be managed through conflict resolution skills.
- Conflict situations often generate new ideas and change.
- Management thus seeks to use strategies such as negotiation and consultation to arrive at a win-win situation.
- Consultation and negotiations with unions and workplace forums are good examples of implementing contemporary theories.
- Management can thus achieve an outcome that is acceptable to management and employees through such negotiations.

Meaning of workplace forums

- A workplace forum is an elected organisation consisting of employees in a workplace.
- It is a forum of employees of a business that employees more than 100 people.
- Workplace forums were introduced by the Labour Relations Act.
- They are useful for promoting communication, minimising and resolving conflict in the workplace.
- A trade union will make a request to the CCMA to form a workplace forum.
- Employers must give workplace forum all information that is relevant to workers.
- Workplace forums prevent employers from making all the decisions about matters which directly affect employees without consulting them.

Function of workplace forums

- Prevent unilateral decision made by employers on issues affecting the employees.

- Encourages workers participation in decision making.
- Workplace forum has the right to be consulted by employer.
- Promotes the interests of all employees in the workplace.
- Promotes efficiency in the workplace through inputs/recommendations.
- Consult with the employer and to reach consensus about working conditions.
- Consult with the employer on issues that could cause conflict
- Resolves conflict between employers and employees.
- Improve efficiency and productivity through input/recommendations.

Ways in which a workplace forum differs from a trade union

- A trade union is a legal entity that can be sue or be sued in its own name.
- A trade union negotiates salaries and wages, whereas a workplace forum does not deal with remuneration.
- A trade union can organise a strike under certain circumstances, whereas a workplace forum cannot.
- Non-union members can belong to a workplace forum.

END OF TERM 3 NOTES!!!!