 Province of the

EASTERN CAPE

EDUCATION

**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**

**HOME SCHOOLING SELF-STUDY TERM 1 MEMORANDUM**

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| --- | --- | --- | --- | --- | --- |
| **SUBJECT** | **BUSINESS STUDIES** | **GRADE** | **12** | **DATE** | **15/04/2020** |
| **TOPIC** | **BUSINESS OPERATIONS** | **TERM 1****REVISION** |  | **TERM 2 CONTENT** | **X** |

**QUESTION 1**

1.1 **Introduction**

* Each business function and all employee activities should be properly managed to ensure quality goods and services. √
* A quality management system is a framework that a business uses to manage key processes. √
* The principles/values of quality are embedded in the organisational culture and ethics of the business. √
* Quality management should not just be an inspection process, but become part of the culture of the business. √
* Quality circles form part of the teamwork TQM element.
* Any other relevant introduction related to quality. (2 x 1) (2)

**1.2** **Differences between quality performance and quality management**

|  |  |
| --- | --- |
| **QUALITY PERFORMANCE** | **QUALITY MANAGEMENT** |
| Total performance of each department measured √ against the specified standards. √ | measured √ against the specified standards. √ - Techniques/tools √ used to design /improve the quality of a product. √ |
| - Can be obtained if all departments work together √ towards the same quality standards. √ | - Can be used for accountability √ within each of the business functions. √ |
| Quality is measured √ through physical product/statistical output of processes/surveys of the users and/or buyers of goods/services. √ | Aims to ensure that the quality of goods/services √ is consistent √/ Focuses on the means √ to achieve consistency. √ |
| Any other relevant answer related to quality performance | Any other relevant answer related to quality management. |
|  Submax (4) |  Submax (4) |

 (2 x 1) (8)

**NOTE: 1. Answer does not have to be in tabular format.**

 **2. The differences must be clear.**

 **3. Award a maximum of FOUR (4) marks if the differences are clear./**

 **Mark either quality performance or quality management only**.

**1.3** **Advantages of a good quality management system**

* Effective customer service will be rendered, √ resulting in increased customer satisfaction. √
* Time and resources √ are used efficiently. √
* Productivity increases √ through proper time management and using high quality resources. √
* Products and services are constantly improved, √ resulting in greater customer satisfaction. √ - Vision and mission √ may be achieved. √
* The business may achieve a competitive advantage √ over its competitors. √
* Continuous training √ will continuously improve the quality of employees’ skills and knowledge. √
* Employers and employees will have a healthy working relationship √ which results in happy workers. √
* Increased market share √ and profitability. √
* Any other relevant answer related to the benefits of a good quality control system. Max. (10)

**1.4** **Impact of TQM elements on large businesses**

1.4.1 **Continuous improvement to processes and systems**

**Positives/Advantage**

* Large businesses have more resources √ to check on quality performance in each unit/business function. √
* Enough capital resources are available for new equipment required √ to stay relevant to new developments. √
* Large businesses have a person dedicated √ to the improvement of systems and processes. √
* Willing to take risk on/try new processes and systems √ because they are able to absorb the impact of losing money. √
* They can afford to use the services of the quality circles √ to be competitive. √ - Large businesses use the PDCA model √ to continuously plan/do/check/act on new/revised processes and systems. √
* Any other relevant answer related to the positives/advantages of continuous improvement to processes and systems as an element of TQM for large businesses.

 **AND / OR**

 **Negatives/Disadvantages**

* Large scale manufacturing √ can complicate quality control. √
* Systems and processes take time and effort to be implemented in large businesses √ as communication/buy-in/distrust may delay the implementation process. √
* Face the risk in changing parts of the business √ that are actually working well. √
* Not all negative feedback from employees and customers is going to be accurate, √ which may result in incorrect/unnecessary changes to systems and processes. √
* Any other relevant answer related to the negatives/disadvantages of continuous improvement to processes and systems as an element of TQM for large businesses. Submax (6)

1.4.2 **Total client/customer satisfaction**

 **Positives/Advantages**

* Large businesses use market research/customer surveys √ to measure/monitor customer satisfaction/analyse customers' needs. √
* Continuously promote √ a positive company image. √
* May achieve a state of total customer satisfaction, if businesses follow sound business practices √ that incorporate all stakeholders. √
* Strive to understand and fulfil customer expectations √ by aligning cross-functional teams across critical processes. √
* Ensures that cross-functional teams understand their core competencies √ and develop/strengthen them. √
* May lead to higher customer retention/loyalty √ and businesses may be able to charge higher prices. √
* Businesses may be able to gain access √ to the global market. √
* May lead to increased √ competitiveness/profitability. √
* Any other relevant answer related to the positives impact of total client/customer satisfaction

**AND/OR**

**Negatives/Disadvantages**

* Employees who seldom come into contact with customers √ often do not have a clear idea of what will satisfy their needs. √
* Monopolistic companies have an increased bargaining power √ so they do not necessarily have to please customers. √
* Not all employees √ may be involved/committed to total client satisfaction. √
* Any other relevant answer related to the negatives impact of total client/customer satisfaction. Submax (6)

**1.4.3 Continuous skills development**

**Positives/Advantages**

* Large businesses have a human resources department √ dedicated to skills training and development. √
* Human resources experts √ ensure that training programmes are relevant/focused to increased customer satisfaction. √
* Financially able to afford √ specialised/skilled employees. √
* May be able to conduct skills audits √ to establish the competency/education levels of staff. √
* May be able to hire qualified trainers √ to train employees on a regular basis. √
* Any other relevant answer related to the positives/advantages of continuous skills development as an element of TQM for large businesses.

**AND / OR**

**Negatives/Disadvantages**

* Poor communication systems √ may prevent effective training from taking place. √
* Trained employees may leave for better jobs √ after they gained more skills. √
* Low/No recognition for training √ result in de-motivated employees. √
* Employees who specialise in narrowly defined jobs √ may become frustrated/demotivated. √
* Employees may not be aware of the level of competency they should meet √ in order to achieve their targets. √
* It may be difficult to monitor/evaluate √ the effectiveness of training. √
* Any other relevant answer related to the negatives/disadvantages of continuous skills development as an element of TQM for large businesses. Submax (6)

 Max. (18)

1.4.5 **Importance of quality circles**

* Solve problems related to quality and implement improvements. √√
* Investigate problems and suggest solutions to management. √√
* Ensure that there is no duplication of activities/tasks in the workplace. √√
* Make suggestions for improving systems and processes in the workplace. √√
* Improve the quality of products/services/productivity through regular reviews of quality processes. √√
* Monitor/Reinforce strategies √√ to improve the smooth running of business operations. - Reduce costs of redundancy in the long run. √√
* Increase employees’ morale /motivation. √√
* Quality circles discuss ways of improving the quality of work/workmanship. √√
* Contribute towards the improvement and development of the organisation. √√
* Reduce costs/wasteful efforts in the long run. √√
* Increase the demand for products/services of the business. √√
* Create harmony and high performance in the workplace. √√
* Build a healthy workplace relationship between the employer and employee. √√
* Improve employees’ loyalty and commitment to the business and its goals. √√
* Improve employees’ communication at all levels of the business.
* Develop a positive attitude/sense of involvement in decision making processes of the services offered. √√
* Any other relevant answer related to the importance of quality circles in TQM.

 Max. (10)

**1.6 Conclusion**

* A quality management system shows a belief in employees’ abilities to solve problems. √
* Top management should act as the main driver of TQM and create an environment that ensures success. √
* Improvement in quality should improve customer satisfaction. √
* Businesses require excellent management skills to coordinate the quality of performance of the various business functions in order to ensure success. √
* Any other relevant conclusion related to quality. Max. (2)

 **[40]**

 **(EC/SEPTEMBER 2018)**