

# **TIME AND PROSPERITY: A MANAGERIAL APPROACH**

by

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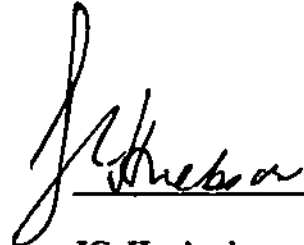
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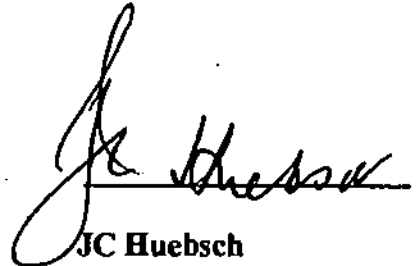
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SOLI DEO GLORIA

## DECLARATION

I declare that:

### **TIME AND PROSPERITY: A MANAGERIAL APPROACH**

is my own work, that all sources used or quoted have been indicated and acknowledged by means of complete references, and that this thesis had not previously been submitted by me for any degree at any other university.

P. J. van SCHALKWYK

2002

**SUMMARY****TIME AND PROSPERITY: A MANAGERIAL APPROACH**

by

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Degree : Philosophiae Doctor Commercii

Department : Business Management

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This thesis concentrates on the research of different methods to encourage business and labour to spend time towards the increase of labour productivity through methods devised by government (legislation) and the efforts by employees to prepare themselves (dual-jobbing).

Government has promulgated legislation such as the Skills Development Act No 97 of 1998 and the Skills Development Levies Act No 9 of 1999 to encourage South African businesses to train their workforce. Dual-jobbing is a way that many employees follow to better their standard of living by generating extra income, but also by increasing their knowledge about how to manage a business.

After setting out the scope of the study in Chapter 1, the thesis analyses the employment situation in South Africa between 1995 and 1999 in Chapter 2. In

Chapter 3, different methods to manage time are researched (legislation and dual-jobbing). Chapter 4, the empirical study, has as basis a questionnaire to be completed by dual-jobbers about how they experience dual-jobbing, as well as a second section on how they view certain methods to identify new opportunities as well as to market their goods. Chapter 5 is an analysis of the research findings and contains conclusions, limitations and recommendations.

Important findings of the study include the following.

SA is experiencing a decrease in formal employment in both the public and private sectors and an increase in informal employment.

Government has identified the need for legislation to increase training, and legislation was promulgated to encourage both employers and employees to become involved.

Dual-jobbing is a private initiative that can assist people in bettering their standard of living and also their experience and knowledge of the market.

The majority of dual-jobbers are very positive about the benefits from dual-jobbing and feel that if they should find themselves in a position where they have to supply their own income, the experience they have gained, will help them to start new careers as business owners.

The primary objective of the research, namely the investigation of possible ways of how employees could spend time to become better prepared in their search for prosperity, was met by the study.

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## CHAPTER 1

### ORIENTATION AND SCOPE OF THE STUDY

#### 1.1 INTRODUCTION

"Organisational structures and workplaces are changing in ways which make traditional approaches to career planning and counselling obsolete or inadequate" (Hardijzer, 2000b: 20).

According to the Development Bank of Southern Africa (SAS 2000/2001: 385), the formal sector of the economy absorbed more than 80% of the total labour force until 1982, thereafter declining constantly. In 1999 the absorption capacity of the formal sector has declined to 47% of the total labour force.

Hardijzer (2000b: 20) states that the: "restructuring of work, changes in technology, downsizing, mergers, and take-overs all have powerful impacts on work and workers."

While most of the jobseekers and school and tertiary institution leavers can be absorbed in the labour market, the terms found in the above quotation will have little impact. Once the stage is reached where only one in two people, that form part of the labour force, and not even 10% of new entrants into the labour market find formal employment, the situation changes drastically. South Africans have become used to words such as "restructuring" and "downsizing", and when companies merge or takeovers occur, they know that job losses will follow.

Hardijzer (2000b: 20) says that: "organisations have become slimmer while more tasks are contracted out, resulting in organisation structures becoming flatter as entire layers of hierarchies are dispensed with."

When a business becomes slimmer and entire layers of people are removed, it means that more unemployed people find themselves in the formal sector. The literature study in Chapter 2 shows statistics about the decline of the formal sector, as well as the numbers of new entrants into the labour market.

New technology becoming available and the drive for ever higher profits, force companies to become more productive or to lose their winning edge. Companies also tend to return to their basic product or service and to contract any additional tasks to specialists in the field. For example, security and maintenance functions are very often contracted to specialists, leaving management to return to their core business. (Communication from P Nothnagel, Iscor, Vanderbijlpark).

With these changes in the labour market, more people are forced to look for additional sources of income so as to maintain their standard of living.

## **1.2 LABOUR DEVELOPMENT AS BACKGROUND TO THIS STUDY**

In the early years, before money was used as a means of paying for purchases, households relied heavily on themselves for the supplying of their own needs. Their needs were limited and the standard of living was very low. They wanted to provide only in their daily needs and what the family could not provide, they stayed without (Stapelberg & Steyn, 1992: 250).

Then came the time in which people wanted more, and bartering became important. People had certain skills which they used to produce goods and when they had surpluses, they traded these for the surpluses of other people with different skills and products.

Because of the problems experienced with establishing values for the goods being traded, people started looking at other means of payment and pieces of metal, such as rings and gold, came into use.

According to Stapelberg & Steyn (1992: 251-252), it is important that the article used as medium of exchange should meet certain requirements, such as general acceptability and durability.

While the values of what was traded were still low, coins were acceptable, but stating the amount due to the receiver by the giver and this led to paper money becoming the only means of payment. These were created and backed by the central banks of the different countries (Stapelberg & Steyn, 1992: 268).

Up to and including the bartering stage, families lived and worked together in communities and depended on one another.

Samuelson and Nordhaus (1989: 226) state the following: "Once economies leave the most rudimentary stages, people do not directly exchange one good for another. Instead they sell one good for money, and then use money to buy goods they wish."

Nowadays people who are employed or in business, mostly sell their time and services for money. Not only the breadwinners, but also the family members become involved in generating income for the family to survive and prosper.

With fewer jobs (Table 2.13), an ever-increasing cost of living and less funds (Table 2.22), many people are compelled to turn to self-employment or to find second jobs to us to balance their budgets. It often happens that prospective self-employed home entrepreneurs start out as second-income earners, working from home on a project that is flexible enough to fit in with the domestic routine, and practical enough not to upset home life. It serves as a testing ground, a way to try your hand at a business in order to see if you could make a success out of it. Potential home businesses include dressmaking, carpentry, import or export agencies, running a playgroup, papermaking, specialist catering, upholstery, garden maintenance services, public relations and promotional marketing, teaching and typing. Presently working from home is a growing and forceful trend in the country (Bell et al., 1993: 84).

The economy of a country is like a spiral: the slower the economical growth, the more people lose their jobs, with matching lower purchasing and investment in capital goods and lower income from taxes for the government, resulting in more

job losses and less spending. From the statistics as published by the Reserve Bank over the last couple of years it looks as if SA is caught in this spiral, with little hope of breaking out (Chapter 2: Literature study). The reasons for the inability to break out of this spiral, are various and do not form part of this study.

When looking at the growing economies that create jobs for their people, it soon becomes clear that governments and large organisations cannot create the necessary number of jobs and that small businesses are the primary creators of employment (Table 2.19).

According to Hazelhurst (2000: 40 - 41): "small business plays an important role in the economy. Of the 9 million people fully employed in SA, only about 5 million work in the non-agricultural sector. And more than half of these, 3.5 million - work for the 600 000 businesses that employ fewer than 200 people."

For the would-be entrepreneurs or business owners many publications exist on how to start a business: books on legal matters, manuals to compose a business plan, ways to finance a business and even weighing up existing business opportunities. Books supplying possible reasons why many small businesses fail and books on the ability or not of government to create employment, are also available, as well as books on how to make your money work for you (Annexure 6 for examples of books, magazines and web sites).

Only a few of these opportunities can, however, be started without money and according to statistics, the average South African has very little savings available (Table 2.22). All the available books and courses supply the prospective business owners with theoretical knowledge, which is more often than not, not practical enough to manage a small business by oneself.

Dual-jobbing (Terminology), on the other hand, gives the future business owner practical knowledge and experience at a low cost. Dual-jobbing cannot supply all the knowledge and experience that the small businessman needs, but together

with a practical management course, could be worth much more than training in itself. Very little attention is paid to the employed to help them make a better living and also to prepare them if it should become necessary to be self-employed.

Much emphasis is also given to time spent by the government of South Africa to uplift the poor: refer for example, to the annual budget speech by the Minister of Finance: also in respect of the supply of goods and services to those who have nothing or any hope of fending for themselves. Little attention is given to those lucky enough to be employed, although they might also be poor and merely surviving.

Reference is made to Maslow's hierarchy of needs in the study for the following reasons:

- All people have certain needs and when these are met, new needs arise that people strive to fulfil. Maslow has organised these needs into a certain logical hierarchy.
- When studying business management, marketing, industrial psychology and sociology, for example, many authors use Maslow's theory to explain the behaviour of people in certain circumstances and because this study is about needs, reference will specifically be made to Maslow's theory.
- The hierarchy is easy to understand and makes sense.
- The theory highlights the important needs categories.
- The importance of personal growth and self-actualisation, is impressed upon managers.

Source: Adapted from Smit & Cronje (1999: 311).

Other theories have also been developed by people like McClelland, who developed a theory based on the needs of people, but he distinguished between needs largely applicable to the workplace, as well as needs that exist in the workplace (Kroon, 1997: 344 - 345).

Herzberg's two-factor Motivation Theory deals with the hygiene factors and motivators in the workplace (Kroon, 1997: 332 - 334).

Maslow's hierarchy of needs has great intuitive appeal, which explains its popularity as a way of thinking about the causes of motivation. The hierarchy of needs is generally accepted and applied in practice.

What makes Maslow's hierarchy of needs very applicable, is that it deals with all needs levels, inside and outside of the working place, so that it can be applied to people in and out of the formal working situation.

### **1.3 CONTEXTUALISATION AND PROBLEM STATEMENT**

According to the expanded definition of unemployment, 37% of the economically active population of South Africa were jobless in 1999 (Table 2.14).

Nearly half a million people (Table 2.13), previously employed in the formal, non-agricultural sector of the economy, have lost their employment between 1994 and 1999.

One reason that has added to this phenomenon of so many people losing their employment in such a short period of time, is the Employment Equity Act no 55 of 1998, that has as one of its purpose, the implementing affirmative action measures so as to redress the disadvantages in employment experienced by designated groups.

The result of the affirmative action measures, is the loss of employment experienced by those not being part of the designated group of people, as defined by the Employment Equity Act no 55 of 1998.

Research has shown that few people who lose their full-time employment, succeed in finding positions similar in status and salary to what they had lost. Figure 3.1 illustrates the path that many people follow, once they have lost their formal sector employment.

People who are employed at present, could lose their full-time employment, due to various reasons. Others get tired of being employed in their current positions and strive to become self-employed. Employed people find that the businesses they work for, change so radically, that future positions become non-existent and they decide to change or try to change. One of the biggest problems for these people, is to find new employment or another way to support themselves, both of which are at present very difficult in South Africa. Many employees receive an amount of money when they leave their full-time employment and some of them use this money to start a new business as soon as possible after becoming unemployed, mostly without any practical experience in the running of a business.

For previously employed people of whom most had worked in one section of a business, without knowledge or interest of what happened in the rest of the business, starting an own business can be an overpowering experience.

Research shows that the creation of jobs is very expensive and very little money is spent to start big businesses. Investment in business must be funded from local sources and as South Africans save, on average, 1,4 percent (Table 2.22) of their disposable income, little capital investment can be generated from local savings. Foreign investment is another source of money with which to start businesses, but statistics show that foreigners are not very keen on investing locally.

Experts such as economists and labour consultants, supply their opinions to the printed media and because of the different backgrounds and beliefs of these

experts, the messages received by the reading population from the different publications, are very often in conflict. Regularly figures and statistics published by official sources, also differ (Section 1.8).

Another problem existing is, that little research, specifically aimed at the needs of and problems facing the average employed person, could be found. The average person who is employed, who often has financial needs bigger than his income, is not seen as an important enough part of society, worth research, that can help them to raise their standard of living and prepare them for self-employment, should the need arise.

It seems, that those people who are lucky enough to be employed, do not warrant further investigation. But being employed does not necessarily mean prosperity or even future employment; for some people it just means current survival.

The picture lately painted by the printed media on economic growth and expectations in general, tends to be positive, but the labour situation seems very negative, with unemployment (Table 2.14) and hardship increasing all the time. The economy grew by 1.9% in 1999 (Table 2.9), according to official sources, but unemployment grew by more than 1.8% during the same period (Table 2.13).

#### **1.4 OBJECTIVES OF THE STUDY**

Entrepreneurship and the development of an own business, feature prominently in articles on job creation. What is not taken into consideration, however, is that few people have enough practical experience to make a success of the management of an own business. Hardijzer (2000a: 38) puts it, that careers:

“... are now being shaped by professional and entrepreneurial principles encouraging the ability to develop and market one's own skills and ideas, rather than by the sequence of jobs provided by one company.”

Very little research to date has been done to benefit the average working employee. Nearly all research is directed at job creation and the upliftment of the poor, as well as how to start a business.

#### **1.4.1 Primary Objective**

To investigate possible ways on how employees can spend time to become better prepared for their search for prosperity, both for themselves and for the employer.

#### **1.4.2 Secondary Objectives**

The attaining of the following secondary objectives is important to support the achievement of the primary objective.

- **Reviewing literature on the employment situation in SA.**
- **Investigating skills training as initiated by government, by investigating legislation aimed at providing training.**
- **Investigating literature on dual-jobbing or that which is relevant to the principle of dual-jobbing, by doing the following:**
  - self-study;
  - research on available opportunities;
  - an analysis of the resources that every person has;
  - identifying of the resources that are not productively used;
  - analysing the unproductive resources, and
  - ascertaining whether these unproductive resources could be made productive.
- **Establishing from the empirical research, if dual-jobbing is seen as a way of becoming more productive and prepared for a future of self-employment.**

## **1.5 DEMARCATION OF THE FIELD OF STUDY**

The study is undertaken in the Vaal Triangle – Meyerton, Vereeniging, Vanderbijlpark and Sasolburg (50 respondents). Dual-jobbers from Pretoria (3 respondents) also completed the questionnaire, which confirmed the Vaal Triangle results.

## **1.6 HYPOTHESIS**

Due to the nature of the study, no hypothesis was formulated. The designs of both the literature study and the questionnaire were considered sufficient to achieve the primary and secondary objectives of this study.

## **1.7 METHOD OF RESEARCH**

Two research methods were used in order to achieve the objectives. A major factor in undertaking the research, was a thorough review of the literature relevant to the area of study. A literature review was undertaken to research the employment situation in SA since 1995, to review current legislation on training labour and to investigate the principle of dual-jobbing. The literature review focused on the following.

- Employment since 1995, with provision for population statistics, economical statistics, legislation and other governmental initiatives, as well as for union initiatives.
- Legislation on training and skills development.
- Investigation of dual-jobbing.

The literature review was conducted, mainly by means of journal articles, textbooks and reports.

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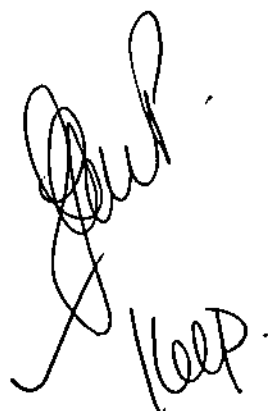
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The second part of the research is an empirical study, that investigates the principle of dual-jobbing with dual-jobbers. This survey research was for the purpose of achieving the primary objective developed in this study. The survey was implemented by means of a delivered questionnaire survey.

A structured questionnaire was administered, made up of a set of questions that were designed to generate information necessary to achieve the objectives. Close-ended questions were used to ensure fixed responses. The use of the close-ended questions were to ensure that no interpretation difficulties could arise. Open-ended questions, however, were also asked to ensure that each respondent had the freedom to answer these questions according to own experience.

The structure of the questionnaire consisted mainly of the following two sections.

Section One:           specific information regarding the dual-jobbing activity of the respondent.

Section Two:           ways to research new opportunities.

The draft questionnaire was discussed with active dual-jobbers, who used their practical experience to recommend changes. The questionnaire was then finalised after considering the recommendations.

The empirical study was conducted by supplying the questionnaire to 50 active dual-jobbers who all completed the document.

Data collection, processing and analysis, followed the survey research and were done by the researcher, via the use of open-ended questions. After arriving at conclusions, recommendations on the basis of the research findings were made.

## **1.8           LIMITATIONS**

The literature study in Chapter 2 focuses on only the South African economy and

that this is not a study to compare governments and times. The literature study presents the background showing the latest trends in the economy and in employment.

Different sources, public and private, that measure employment and unemployment in South Africa exist, and these sources very often show variations in their statistics.

The literature study refers to gender and race only for background purposes as many people who become unemployed, are affected by legislation favouring designated groups of people. Dual-jobbing, however, can and should be practised by all races and both genders, because of the associated benefits.

As very little documentation, in the form of books on dual-jobbing, are available in SA, one has to rely on magazine articles and the bringing together of ideas in order to show possible advantages of dual-jobbing (Chapter 3).

Apart from documentation from America, mostly from the 1970's and 1980's, very little written material is available in South Africa, or any other country, on ways that people use to find additional funds to pay for their increased needs.

According to the 1995 Current Population Survey (CPS), 7.9 million of persons in the USA, or 6.3 percent of all employed workers, held more than one job (Amirault, 1997: 9).

In America the emphasis of this practice has moved from generating additional income to paying for everyday needs, to generating additional income to buy luxury goods in order to increase the standard of living.

Workers having a better education, may have financial reasons for working in more than one job. However, non-financial reasons may strongly influence their multiple jobholding. Beyond gaining experience, their main occupation might have

a schedule that permits multiple jobs and they might have skills or knowledge in sufficient demand so as to cause employers to seek their expertise, even though they are already employed.

Because very little is known about the needs that exist with people who are employed, little research is done to find ways to increase their prosperity and to prepare them for a time that they may become unemployed.

A definite limitation found, is the unavailability of information on people who are involved in dual-jobbing for experience, because the internationally accepted definition includes a second employer and mostly financial reasons.

This limitation makes it very difficult to always distinguish between the two definitions (Terminology), and when reference is not specifically made to one of the two definitions, it should be read as being applicable to both.

Past CPS supplements to the May questionnaires, asked multiple jobholders about their reasons for working multiple jobs. While their reasons included paying off of debts, meeting current expenses, saving for the future, getting experience, building up a business, or other reasons, the surveys showed, that they cited financial reasons for working more than one job, 37 percent of the time in 1979 and 44 percent of the time in 1989 (Amirault, 1997: 9).

## **1.9 WORK PLAN**

The work plan involves:

- describing the general situation of South African labour;
- investigating tendencies in the economy regarding the population, the economy and employment by studying available statistics;

- investigating government initiatives to increase training and skills development so as to try to raise the standard of living of the people of SA;
- identifying methods of generating extra income, without a big capital outlay and intensive training being very important; and
- analysing the findings from the empirical research so as to ascertain whether dual-jobbers agree that dual-jobbing can help people prepare for the future.

## **1.10 CONTENT OF THE STUDY**

### **CHAPTER 1: ORIENTATION AND SCOPE OF THE STUDY**

This chapter deals with labour development as background to the study, contextualisation and problem statement, the hypothesis, demarcation of the field of study, the purpose of the study, limitations of the study, method of research, the work plan, a list of acronyms used and a description of the terminology used. The structure of the study is also described.

### **CHAPTER 2: LITERATURE STUDY – THE EMPLOYMENT SITUATION IN SOUTH AFRICA SINCE 1995**

This chapter deals with a literature study on the population, the economy, labour, the legal situation regarding labour, and initiatives to fight unemployment in South Africa since 1995.

### **CHAPTER 3: TIME MANAGEMENT**

The first part of the chapter focuses on legislation to improve and develop the skills of the South African workforce as an initiative to improve abilities and therefore, the marketability of employed people.

The second part of the chapter describes the development of dual-jobbing as a way to assist employed people in preparing themselves for an independent future. The plan, as developed by the author, and from experience gained as a dual-jobber and consultant (Annexure 1), is tested for support, from primary

sources (questionnaires to dual-jobbers) (Annexure 5) and secondary sources (literature available on any related topics - for example on how to make more money part-time).

## **CHAPTER 4: EMPIRICAL INVESTIGATION**

In this chapter the methodology employed in the research is described. This chapter, in addition to providing an overview of the objectives, explains the rationale behind the development of the objectives of this study. Details relating to the population as well as aspects relevant to the implementation of the survey research are also provided. The results of the questionnaire survey were analysed, interpreted and evaluated by the researcher. A description of the findings of the study are presented. The conclusions drawn from the study are also indicated in this chapter.

## **CHAPTER 5: CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS**

The contents of the previous chapters are reviewed and the research findings and the implications are discussed. The limitations of the available literature and the questionnaire design are discussed and recommendations, as well as possible future research, are discussed.

### **1.11 LIST OF ACRONYMS**

Acronyms used in the study, in alphabetical order, are the following:

ACSA	-	Airports Company of South Africa
Cofesa	-	Confederation of Employers of Southern Africa
COSATU	-	Congress of South African Trade Unions
CPS	-	Current Population Survey
CSS (SSA)	-	Central Statistical Service
FEDUSA	-	Federation of Unions of South Africa
GDP	-	Gross Domestic Product

HIV/AIDS	-	Human Immunodeficiency Virus
IPO	-	Telkom's initial Public Offering
NACTU	-	National Council of Trade Unions
NEDLAC	-	National Economic, Development and Labour Council
NEF	-	National Empowerment Fund
PAYE	-	Pay As You Earn
SAA	-	South African Airways
SAPR	-	South African Population Report 2000
SAS	-	South African Survey 2000/2001
SARB	-	South African Reserve Bank
SARB/AER	-	South African Reserve Bank - Annual Economic Report 2000
SARB/QB	-	South African Reserve Bank - Quarterly Bulletin
SAY	-	South African Yearbook 2000/01
SEE	-	Survey of Employment and Earnings
UNHD	-	United Nations Human Development 2000 Report
USA	-	United States of America
VAT	-	Value-added Tax

## 1.12 TERMINOLOGY

Terms, definitions and concepts used in the study, are outlined below.

- **Affirmative action measures**

Measures designed to ensure that suitably qualified people from designated groups (refer: description of designated groups) have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer.

(Employment Equity Act No 55 of 1998).

- **Bartering**

Exchange (goods or services) without using money: Trade by exchange of goods.  
(Readers Digest Association 1998: 12).

- **Brain drain**

The loss of academics and skilled personnel by emigration.  
(Readers Digest Association 1998: 103).

- **Break-even point**

The point of a transaction where there is no profit and no loss.  
(Readers Digest Association 1998: 105).

- **Business**

Characteristic features of businesses are the following: Independence - what is gathered from this, is that a business is privately and independently owned and managed, and is to a large extent, free of outside control.  
Also included are the terms "enterprise" and "firm."

- **Close corporation**

A legal form of corporate personality designed for small businesses.  
(Fundamentals of Corporate Finance, 2nd SA Ed. Ross, S. et al., 2001: 8).

- **Consumer Price Index**

A monthly measure of changes in the prices of goods and services consumed by urban families and individuals.  
(Dictionary of Modern Economics, 2nd Ed. Greenwald, D. and Associates 1973: 124).

- **Contracted out**

Obtaining (goods etc.), by contract from an outside source.  
(Readers Digest Association 1998: 581).

- **Designated groups**

Means black people, women and people with disabilities.  
(Employment Equity Act No 55 of 1998).

- **Dual jobbing - standard definition**

The terms "dual-jobbing" and "moonlighting", according to American sources, have the same meaning: being employed in a first occupation with an employer and also in a second occupation outside of the normal working hours, for extra money.

- **Dual-jobbing - adjusted definition for the study**

The term "dual-jobbing", in this text, will have as elements full-time employment with an employer and contingency freelancing to gain general experience outside of the normal working hours.

- **Economically active**

Statistics South Africa defines the economically active population as all persons between the ages of 15 and 65 years who were working, or were employed (refer: unemployed / unemployment – strict and expanded definition).  
(SAS 2000/2001: 338)

- **Employment**

A person's regular trade or profession.  
(Readers Digest Association 1998: 264).

- Formal sector

The formal sector refers to businesses which are registered for tax purposes, and which have a VAT number.  
(SAS 2000/2001: 347)

- Informal sector

The informal sector refers to those businesses that are unregistered for tax purposes, and which do not have a VAT number. They are normally small by

nature, and are seldom run from business premises. Instead, they are run from homes, street pavements, or other informal institutions or localities.

(SAS 2000/2001: 355)

- **Government**

A body or persons governing a state.

(Readers Digest Association 1998: 352).

In this text, "government" refers to all tiers of government in South Africa.

- **Holding company**

A company has control of another company when it holds more than 50% of its voting shares.

(ACCA Study Text. Foundation Paper 4 - The Organisational Framework. 1998: 11).

- **Layers of hierarchies**

Different levels of management.

- **Moonlighting**

See dual-jobbing above.

- **One-man business or sole proprietorship or sole tradership**

A business owned and run by one individual, perhaps employing one or two assistants and controlling their work.

(ACCA Study Text. Foundation Paper 4 - The Organisational Framework. 1998: 8).

- **Organisations**

An organised body, especially a business, charity etc.

(Readers Digest Association 1998: 576).

- **Output per worker**

The quantity or amount manufactured by a worker.

(Readers Digest Association 1998: 581).

- **Outsourcing**

Same as contracted out, above.

- **Partnership**

A partnership is similar to a proprietorship, except that there are between two and twenty individuals or entities.

(Fundamentals of Corporate Finance, 2nd SA Ed. Ross, S. et al, 2001: 6).

- **Per capita income**

Income for each person in a country.

(Readers Digest Association 1998: 606).

- **Private sector enterprise**

A business not owned by government.

- **Productive**

Producing abundantly.

(Readers Digest Association 1998: 653).

- **Productivity**

Ivancevich and Matteson define productivity, according to Ngambi (2000: 29), as the relationship between real inputs and real outputs or the measure of how well resources (human, technological, financial) are combined and utilised to produce a result desired by management.

The goods and services produced per unit of labour, capital, or both.

(Dictionary of Modern Economics, 2nd Ed., Greenwald, D. and Associates 1973: 455).

- **Profit**

Financial gain: excess of returns over outlay.

(Readers Digest Association 1998: 654).

- **Prosperous (Prosperity)**

Flourishing, successful, thriving.

(Concise Oxford Dictionary 1983: 827)

- **Real income**

The purchasing power of the income of an individual or a nation.

(Dictionary of Modern Economics, 2nd Ed. Greenwald, D. and Associates 1973: 485).

- **Resources**

The means available to achieve an end, fulfil a function.

(Readers Digest Association 1998: 700).

- **Restructuring**

Give a new structure to: rearrange.

(Readers Digest Association 1998: 702).

- **Skills**

Expertness: practical ability. Expertise.

(Readers Digest Association 1998: 778).

- **Small business**

It is generally accepted that it is a business which is independently and privately owned and run, according to Moolman.

(Entrepreneurship. Kroon, J. 2001: 28)

- **Structural unemployment**

The loss of jobs resulting from changes in the economic environment.

(Dictionary of Modern Economics, 2nd Ed., Greenwald, D. and Associates 1973: 564).

- **Technology**

The science or body of knowledge applicable to the production of goods.

(Dictionary of Modern Economics, 2nd Ed., Greenwald, D. and Associates 1973: 586).

- **To add value**

Value-added means, the sales value of goods sold, minus the cost of bought-in materials, components, supplies and services.

(ACCA Study Text. Foundation Paper 4 - The Organisational Framework. 1998: 438).

- **Total labour force**

The non-institutionalised population, sixteen years and older, that are either employed or are not working but are looking for work.

(Dictionary of Modern Economics, 2nd Ed., Greenwald, D. and Associates 1973: 327 - 328).

- **Unemployed / unemployment - Strict definition**

Those among the economically active population who:

have not worked during the last seven days prior to being interviewed;

want to work, and are available to start work within a week of the interview;

have taken steps to look for work or to provide themselves with self-employment in the four weeks preceding the interview.

(SAS 2000/2001: 378)

- **Unemployment / unemployed - Expanded definition**

Those among the economically active population who:

have not worked during the seven days prior to the interview;

are available to start work within a week from the interview.

(SAS 2000/2001: 378)

- **Unlisted registered companies**

A company registered as a public company, according to the Companies Act No 61 of 1973, as amended, but not listed on the stock exchange.

- **Wealth**

Riches, abundant possessions.

(Readers Digest Association 1998: 945).

Wealth means the ability to buy whatever one desires.

## **CHAPTER 2**

### **LITERATURE STUDY – THE EMPLOYMENT SITUATION IN SOUTH AFRICA SINCE 1995**

#### **2.1 INTRODUCTION**

By studying statistics on the South African economy and employment, the aim is to build a background for the research on how employers and employees can improve the future through government and private initiatives.

The intention of this chapter, through a research of available literature, is to:

- summarise population and economic factors that can influence the position of labour in South Africa;
- review central government action that can influence the position of labour in South Africa;
- review initiatives from any source that can influence the labour situation in South Africa; and
- determine whether employees should have an urgency to prepare themselves for the future.

For the facts and figures quoted, the following sources have been used,

- SOUTH AFRICA SURVEY 2000/2001 by the SOUTH AFRICAN INSTITUTE OF RACE RELATIONS (referred to as SAS 2000/2001 in the study).
- SOUTH AFRICAN RESERVE BANK QUARTERLY BULLETIN, JUNE 2000 (referred to as SARB/QB 2000 in the study).

- SOUTH AFRICAN RESERVE BANK ANNUAL ECONOMIC REPORT 2000 (referred to as SARB/AER 2000 in the study).
- SOUTH AFRICAN YEARBOOK 2000/01 - SEVENTH EDITION originally published as SOUTH AFRICA OFFICIAL YEARBOOK (referred to as SAY 2000/01 in the study).
- THE STATE OF SOUTH AFRICA'S POPULATION REPORT 2000 produced by THE NATIONAL POPULATION UNIT, DEPARTMENT OF SOCIAL DEVELOPMENT (referred to as SAPR 2000 in the study).

The reason for using 1995 as the first year, is the fact that legislation to change the composition of the labour force was promulgated annually, since that date, with the most important and far-reaching legislation being the following.

- EMPLOYMENT EQUITY ACT no 55 of 1998, and the
- SKILLS DEVELOPMENT ACT no 97 of 1998.

The introduction to and the reasoning behind the Employment Equity Act No 55 of 1998, clearly states, that the aim is:

“... to take some action to ensure that the workplace becomes more representative at all levels of the South African population. The ANC government believes that in every workplace there should be a culture of non-discrimination and diversity.”

The action arising from this act, has fuelled the number of White professional people who have emigrated from the country, leaving a vacuum in training and skills that is difficult to refill (Section 2.2.4).

United Nations research into the labour force composition in South Africa in the year 2000 found, that the absorption of Blacks and White women into the

economy and their promotion in the corporate environment are far behind that of White males. The United Nations Human Development 2000 report found the following:

“... the race and gender breakdown of people absorbed into the economy since 1994 to be: white males 68%, white females 44%, black males 35%, and black females 22%.”  
[<http://www.fm.co.za/01/0202/covapin/guest.htm>]  
[03/07/2001].

The natural outcome of these findings will be an increased drive to correct the inequalities found.

The reason for the development of the Skills Development Act No 97 of 1998, is found in the introduction (Annexure 3), to the act, - namely to provide:

“... an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce.”

The purpose of the study, however, is not to investigate the inequalities from the past or to look at affirmative action (Annexure 2 - the Employment Equity Act) - although this has had an impact, but to look at labour in general. Most important to investigate methods that might help (Annexure 3 – the Skills Development Act) and dual-jobbing so as to prepare employed people for a better future.

## **2.2 POPULATION STATISTICS**

### **2.2.1 Total Population**

South Africa is a country with a population of more than 43 million people, eleven official languages and many more language groups. (SAS 2000/2001: 46).

The population of the country can be further broken down into different race groups.

According to the 1996 census figures, the South African population is made up of the following race groups.

- African (77%)
- White (11%)
- Coloured (9%)
- Indian/Asian (3%).

Source: SAS (2000/2001: 46).

There are also more women than men in the country, although the labour force consists of more men than women.

- 22 669 169 women (52% of the population)
- 21 016 530 men (48%) in South Africa (in 2000).

Source: SAS (2000/2001: 46).

The life expectancy of people in the country has been increasing in the past, but due to the effect that AIDS had and will have in future, the life expectancy must become lower.

Life expectancy is likely to drop steeply from 68 years in 2000 to 48 years in 2010 according to United Nations AIDS statistics. (SAS 2000/2001: 46).

The population of the country has also been moving to the cities in large numbers.

- 23 357 000 (urban 1999) and
- 19 968 000 (non-urban 1999).

Source: SAS (2000/2001: 61).

According to the general population statistics i.r.o a 3 year average, the population of the country grew at a rate of about nine hundred thousand people per year between 1995 and 1998, decreasing to a growth of just over eight hundred

thousand people between 1998 and 2000 (Table 2.1).

**TABLE 2.1: MID-YEAR ESTIMATES OF THE SOUTH AFRICAN POPULATION**

YEAR	TOTAL	YEARLY INCREASE	3 YEAR AVERAGE
1995	39 477 100		
1996	40 342 300	895	
1997	41 226 700	884	894
1998	42 130 500	904	904
1999	43 054 300	924	819
2000	43 685 700	631	

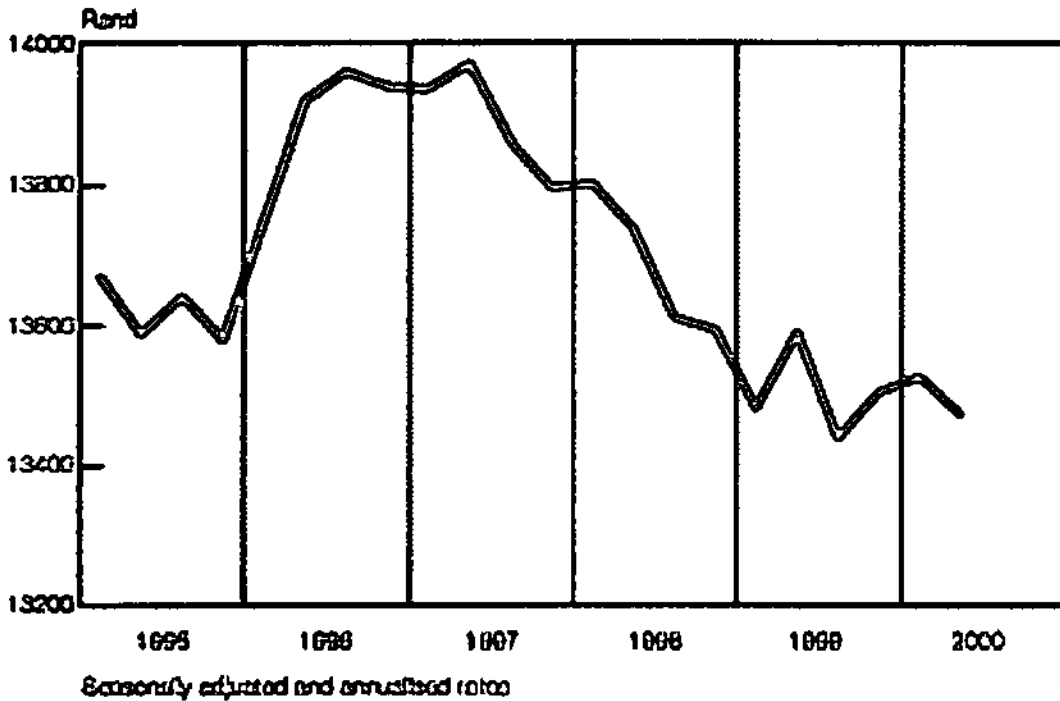
Source: Adapted from SAS (2000/2001: 49)

The growth in population results in more people being in need of goods and services, and with the income per capita not increasing (Graph 2.1), suppliers of cheaper consumer goods, like dual-jobbers with low overheads, might benefit (Section 3.4.1.3).

The per capita income of the South African population has increased from 1995 to 1996, but then again levelled out and has been declining since (Graph 2.1).

## GRAPH 2.1

Gross national income per capita at 1995 prices



Source: SARB/QB (2000)

### 2.2.2 Economically active

The economically active population in South Africa is defined according to two definitions: a strict (official) or an expanded definition (Terminology in Chapter 1).

According to Statistics South Africa, the country had an economically active population of:

- 13.5m in 1999 - strict (official) definition, but
- 16.3m according to the expanded definition

Source: SAS (2000/2001: 334).

The economically active section of the population is growing yearly but coupled

with the decrease in the number of jobs available more and more people have to fend for themselves in order for them to survive (Table 2.2). Table 2.14 shows, that in 1999 nearly 5.9 million people or 37% of the economically active population, were jobless.

**TABLE 2.2: ECONOMICALLY ACTIVE POPULATION**

YEAR	ECONOMICALLY ACTIVE POPULATION	INCREASE
1995	14 500 500	
1996	14 821 400	320 900
1997	15 149 000	327 600
1998	15 484 200	335 299
1999	15 826 978	342 778

Source: Adapted from SAS (2000/2001: 339/340)

Many of these unemployed people in SA have very low qualifications (Table 2.18), with no marketable skills, which make the finding of any employment more difficult.

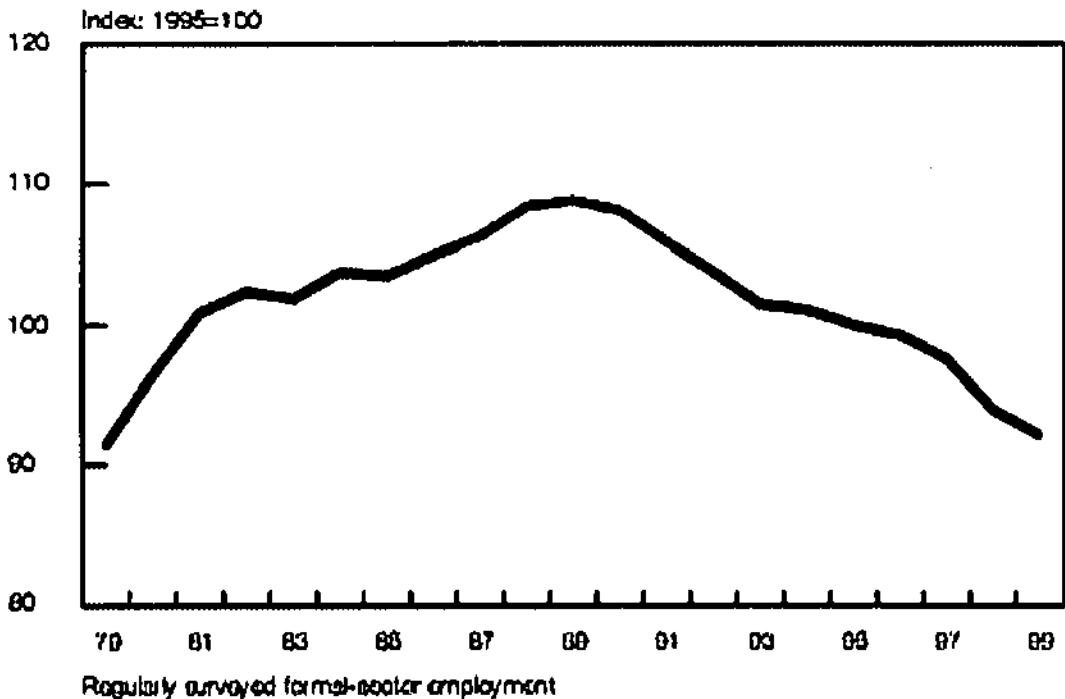
According to Hardijzer (2000a: 38): "most complex skills emerge over decades, which is why expressions such as 'lifelong learning' and 'Continuous Professional Development' (CPD) are increasingly used."

People who have been involved in dual-jobbing while being employed or involved in part-time employment as a scholar or a student, have an edge on people with no additional skills or training. When such people become victims of affirmative action or any other action that leads to a loss of employment or when they leave the schooling system and start looking for formal employment, they might have gained some experience, that could lead to a survival strategy or a successful own business.

Graph 2.2 illustrates how non-agricultural employment has been declining for more than a decade, mostly because of mechanisation.

### GRAPH 2.2

#### Non-agricultural employment



Source: SARB/QB (2000)

### 2.2.3 Education and new jobseekers

According to Mohale (2000: 32), 365 000 young adults leave the schooling system every year. Of these only 10% proceed to higher education, 10% find jobs in the formal sector and 80% have to find self-employment.

According to Table 2.3, the number of matriculants and their percentage passes varied greatly from 1995, with a downward trend emerging (with the exception of 1996) in matriculants who gained matric exemption.

**TABLE 2.3: SENIOR CERTIFICATE RESULTS**

YEAR	NUMBER OF CANDIDATES	PASS		MATRIC EXEMPTION	
		NUMBER	PROPORTION	NUMBER	PROPORTION
1995	531 453	283 742	53%	78 821	15%
1996	518 225	279 487	54%	80 015	16%
1997	559 223	264 795	47%	70 127	13%
1998	552 862	272 488	49%	69 856	13%
1999	511 474	249 831	49%	63 725	12%

Source: SAS (2000/2001: 262)

The majority of these matriculants (passes and most of the failures) not gaining exemption, need to enter the labour market, of which the formal sector is declining steadily.

The number of matriculants in 1999 was nearly 4% lower than in 1995, with the number that passed matric, 33 000 lower than in 1995. The number of matriculants who received matric exemption, decreased with 15 000 or 19% from 1995 to 1999 (Table 2.3 above).

The number of people taking trade tests, stayed much the same from 1995 and the pass rate was also steady, meaning no growth occurred in the number of people who pass as nationally recognised artisans:

"Organisations can assure themselves that individuals have the skills, abilities and capabilities necessary to perform well by selecting and hiring the right people and then developing and training them" (Hardijzer, 2000c: 24).

The Skills Development Act No 97 of 1998 has as one of its purposes, the encouraging of employers to use the workplace as an area where active learning can take place. In the past employees became apprentices and wrote trade tests

to become qualified artisans (Table 2.4).

**TABLE 2.4: TRADE TESTS WRITTEN AND PASSED**

YEAR	WRITTEN	PASSED	PROPORTION PASSED
1995	8 271	4 872	58.9%
1996	10 974	6 810	62.1%
1997	8 202	4 874	59.5%
1998	8 589	4 933	57.4%
1999	8 604	5 076	59.0%

Source: SAS (2000/2001: 269).

“In the new world of work, employees at all levels of the organisation need skills that were not required in traditional organisations” (Hardijzer, 2000c: 24).

Traditionally people required basic skills to survive, but as technology developed more jobs requiring more advanced skills became available. Research has also shown that many jobs that exist today will no longer exist in the future. New jobs will demand new skills and new training:

“It is therefore particularly important to select individuals who have the skills or can develop skills that the modern or transient organisation requires” (Hardijzer, 2000c: 24).

For organisations to exist, they need trained people with experience that can do the jobs assigned to them.

**TABLE 2.5: APPRENTICESHIP CONTRACTS IN OPERATION**

YEAR	APPRENTICESHIP CONTRACTS IN OPERATION	DECREASE
1995	22 313	
1996	21 070	1 243
1997	18 033	3 037
1998	16 577	1 456
1999	18 868	(2 291)

Source: Adapted from SAS (2000/2001: 287).

Research on the labour situation in South Africa, has shown a move away from formal sector employment to informal sector involvement (Table 2.17), resulting in more and more people having to rely on themselves for employment. Hardijzer (2000a: 38) state the following:

"Self-reliance has become distinctive determinants of careers. The idea that a career lies primarily within a company is becoming a myth."

She (2000a: 38) also avers that to be able to change occupations, retraining and experience are required:

"In a life-time, an individual may be employed by half a dozen companies and adopt three or more different 'careers' involving different sets of skills."

With the move away from formal training and long apprenticeships the new learnership system has certain advantages.

According to Strong (2000: 16): "one of the key benefits of the learnership system would be an increase in productivity which is crucial to building internationally competitive industries and therefore to attracting investment and sustaining and expanding employment."

The number of students studying at universities has shown a constant decline during the period 1995 to 1999 and although there was a big increase in students studying at technikons during 1997 and 1998, the year 1999 once more showed a decline (Table 2.6).

**TABLE 2.6: UNIVERSITY AND TECHNIKON ENROLMENT**

YEAR	UNIVERSITIES	TECHNIKONS	TOTAL
1995	385 221	190 191	575 412
1996	381 498	183 310	564 808
1997	372 845	208 956	581 801
1998	351 692	250 244	601 936
1999	347 164	192 875	540 039

Source: SAS (2000/2001: 288/9)

The trend according to the above figures, is downward from 1995, both at universities and at technikons (after technikon enrolments increased in 1997 and 1998) with the total number of students in 1999 being the lowest during the period reviewed.

HIV/AIDS also impacts on young people looking for employment. According to Theobald (2001: 214), research by People on the effect of HIV/AIDS, shows that employers are reluctant to hire younger workers.

According to People, formerly Andrew Levy & Associates (Theobald 2001: 214), AIDS is also beginning to have an impact on employment levels. People estimates that 18% of the work force was HIV-positive in 2000. It also showed that employers were becoming reluctant to hire younger workers.

## 2.2.4 Emigration and immigration

The official emigration figure between 1989 and 1997 was 83 811 according to SAS (2000/2001: 69).

The official emigration figures, differing from overseas' reports on the number of South Africans living abroad, lead to a study conducted by the University of Cape Town on emigration from South Africa.

A study conducted by the University of Cape Town (SAS 2000/2001: 69), however, showed that over 233 000 people emigrated from South Africa to Australia, Canada and the United Kingdom during the period 1989 to 1997.

Referring of the nature of training of emigrants in the study, showed the following results as given in Table 2.7.

According to the UCT report (SAS 2000/2001: 69), a 'brain drain' was under way, with over 10% of the 233 609 emigrants characterised as being professionals or those holding a high level of technical skills.

**TABLE 2.7: IMMIGRATION AND EMIGRATION**

YEAR	IMMIGRATION	EMIGRATION	NET GAIN/(LOSS)
1995	5 064	8 725	(3 661)
1996	5 407	9 708	(4 301)
1997	4 103	8 946	(4 843)
1998	4 371	8 276	(3 905)
1999	3 669	8 402	(4 733)

Source: SAS (2000/2001: 67)

Many people from South Africa visit overseas' countries and then stay and work

there for a limited period of time before they return. Although these people do not intend to stay away indefinitely, the country must advance without all its resources.

In 1998 over 250 000 African professionals were working in the United States and Europe (SAS 2000/2001: 67).

Emigration has resulted in shortages in many industries according to PE Corporate Services:

"South Africa faces a shortage of between 350 000 and 500 000 people in the managerial and technical sectors. The country further faces a shortage of 25 000 people in the Information Technology sector" (SAS 2000/2001: 363).

As far as the number of undocumented immigrants is concerned, estimates range from about 2 million to as high as 8 million.

Immigrants entering the country can in some cases help to prevent the shortage in skills, which arises from the brain drain, but very often they do not possess the necessary training and skills required.

The Centre for Development and Enterprise concluded (SAPR 2000: 16): "that on the basis of local and international evidence, there is insufficient evidence to suggest that immigrants "steal" jobs from locals or that they are parasites on the host society's social services."

Research, however, has shown that most of the immigrants in South Africa come from Africa, in this way trying to escape the famine in their countries of origin, and therefore, bring with them the ability to work, but little possessions and knowledge.

The scarcity of employment opportunities, in most areas, results in immigrants' being perceived as taking over the jobs of the local citizens and hostility against these immigrants erupt from time to time (SAPR 2000: 16).

Emigrants take with them knowledge and resources and very often the livelihood

---

of the people who stay behind. Former associates and employees of emigrants might have a better chance to fend for themselves if they were exposed to the benefits of dual-jobbing (Section 3.4).

### **2.2.5 HIV/AIDS**

HIV/AIDS also has been impacting heavily on the birth rate.

There were about 1.2 million births in South Africa in 1999, according to the Barings report. This number was set to drop to 1m in 2000 because of declining fertility rates and HIV/AIDS (SAS 2000/2001: 53).

Birth and death statistics in South Africa increasingly refer to the effect that AIDS have.

A total of about 530 000 deaths occurred in South Africa in 1999, according to the report by Barings (including AIDS-related deaths). This number was set to increase to almost 600 000 by the end of 2000 because of AIDS (SAS 2000/2001: 54).

AIDS is also adding to the burden being carried by the economy, and many contrasting figures become available.

The impact of HIV/AIDS, according to The South African Population Report (2000: 63): "will be dynamic and dramatic. The biggest decline in the number of people will be in specific age groups, namely 0-4 years and 25-34 year-olds."

These deaths, just as in the case of emigration, leave vacancies in the economy of which many are difficult to replace. More opportunities will however become available for people in the age groups that are not seriously affected.

People with HIV/AIDS are protected by the Constitution and the Labour Relations Act no from arbitrary and unfair discrimination based on their HIV-status.

According to the Labour Relations Act, it is an unfair labour practice if an employer unfairly discriminates against an employee on a number of grounds, for example in promotion, demotion, or providing training activities or keeping benefits from employees, for example.

Exact HIV/AIDS statistics are not available as people cannot be forced to undergo medical testing in South Africa. Groups of people affected are sometimes reported on but the official figures are based on women who attend antenatal clinics (Table 2.8).

**TABLE 2.8: HIV-INFECTION RATES OF WOMEN ATTENDING ANTENATAL CLINICS**

YEAR	INFECTION RATE
1995	10.4%
1996	14.2%
1997	16.0%
1998	22.8%
1999	22.4%

Source: SAS (2000/2001: 222)

Since 1995, the infection rate increased every year, but the 1998 and 1999 statistics show a small decline.

According to an abstract from Abt associates (2000: 12) as adapted the HIV/AIDS epidemic will have profound social and economic effects which will impact on organisations. Effects already being widely reported, include the following.

**Productivity will decline due to the following reasons.**

- Absence from work and worker attrition are likely to increase as people fall ill and take sick leave.
- Employees will require time off to care for sick family members.
- Many employees will want to take compassionate leave.
- People will want to take time off to attend funerals of family members and colleagues.
- Employees will be less healthy.

**The decline in productivity will have serious consequences for households and the economy.**

- The supply and cost of labour will be affected by a reduction in the number of adults in the 20-59 year age group.
- The average age and level of experience among economically active adults will fall.
- Higher recruitment and training costs could be expected.
- Many households are likely to become poorer.
- The ability to pay for consumer goods and services will be affected.

Source: Adopted from SAS (2000/2001: 222)

AIDS sufferers who have prepared themselves by way of attending courses and, became involved in dual-jobbing, while still healthy, they might find that they can carry on being productive during the later stages of the disease, by working for themselves and taking longer breaks during the day, when necessary.

### **2.2.6 People and gender equalisation**

People and gender equalisation is not discussed to compliment or criticize, but cannot be ignored in the study. The reasons are that more men than women are employed at present, but this may change in future, resulting in more men being jobless.

According to Booysen (2000: 23): “women constitute approximately 54% of the population, but constitute only 39.4% of the paid work force.”

Certain categories of work are also mainly done by women, but in others, women are underrepresented, so that more positions requiring certain skills will open for both genders.

Booyesen (2000: 23) continues that more than 68.4% of all service sector employees and more than half of all clerical and sales personnel are women. It has been alleged, according to her, that women also occupy a significant majority of the so-called 'pink collar jobs', which comprise:

- 96% of registered nurses;
- 90% of occupational therapists and radiotherapists;
- 86% of social workers;
- 79% of hairdressers;
- 67% of teachers; and
- 96% of domestic workers.

At the opposite end of the spectrum (Booyesen 2000: 23), women are underrepresented in certain categories of employment, such as:

- 5.1% of artisans;
- 5.9% of communication and related occupations;
- 3.1% of registered engineers;
- 9.6% of judges/magistrates; and
- 0.8% of metal and engineering industry workers.

In June 1999, Andrew Levy and Associates, a labour consultancy firm found that 62% of companies surveyed, had implemented affirmative action measures between 1982 and 1996 (SAS 2000/2001: 334)(Chapter 3 of Annexure 2, point 15 is a description of affirmative action measures).

Research has shown, that Blacks and women tend to be clustered in manual, unskilled and semi-skilled jobs, whereas Whites, predominantly males, dominate white-collar, management and professional occupations (SAS 2000/2001: 346; Booysen 2000: 23).

The Employment Equity Act No 55 of 1998 has as an introduction " To provide for employment equity" and as preamble, a description of the actions that have lead to inequity in the past (Annexure 2).

The purpose of the Act, is to achieve equity in the workplace through the measures described in Chapter 3 of the Employment Equity Act 55 of 1998 (Annexure 2).

According to Maharaj (1999: 19), the government will favour employers who promote employment equity by rewarding them tenders for government and parastatal contracts and direct or indirect subsidies such as training grants.

These measures will also have an effect on certain population groups. Those who benefit without having the necessary skills and those who become jobless, without having any experience (that could have been gained from dual-jobbing) to supply in their own needs.

Cosatu also envisages a future where women participate equally in the economy and society, and where they are removed from all forms of oppression in the household, the workplace and society The Guiding Principles and Vision of COSATU 2000, (Anon 2000: 1) states that:

“... COSATU is committed to striving for a socialist society and freedom from all forms of oppression and exploitation. We have a long-standing commitment to the elimination of women’s subordination ....”

The gender policy aims to contribute to the struggle for gender equality by:

- contributing towards women's empowerment and the eradication of unequally gendered power relations in the workplace and economy, in trade unions, and in broader society;
- promoting the central role of women in leading the struggle for gender equality, and playing a leadership role in gender structures and campaigns of the federation and affiliates;
- encouraging the participation, support and co-operation of men in taking shared responsibility for the elimination of sexism and the redefining of oppressive gender roles;
- increasing the participation of women in leadership and decision-making;
- increasing an awareness and gender sensitivity in the union movement;
- defending and advancing of women workers' rights;
- ensuring that, through labour legislation and collective bargaining, the particular circumstances of women are taken into account and that measures are promoted to eliminate discrimination on the basis of gender.

Source: Anon (2000: 1 - 2).

According to Sikhosana (quoted by Maharaj, 1999: 18): " ... reflected in organisational structures are the inequalities and disadvantages experienced by blacks and women."

Many occupations that were open in the past for men only or women only, had few entrants from the other gender, since opening for all, because of a lack of experience or knowledge. Becoming involved in such occupations on a part-time basis, might help to overcome this problem.

According to Thomas (quoted by Maharaj, 1999: 18): "there is a large skills deficit in the job arena, and in the technical, accounting and engineering fields, a severe shortage of Black and female members."

## 2.3 ECONOMICAL STATISTICS

### 2.3.1 Economic growth

The real Gross Domestic Product growth of the country was positive between 1995 and 1999 (12.4% growth). The estimated population growth for the same period is a rate of 10.3%. The net effect of these two figures is an increase of 1.7% in the real GDP per capita of the population (Table 2.9).

**TABLE 2.9: REAL GROWTH AND INCOME LEVELS**

YEAR	ECONOMIC GROWTH RATE ESTIMATES	POPULATION GROWTH ESTIMATES	IN/ (DECREASE) REAL GDP PER HEAD
1995	3.1%	2.2%	1.0%
1996	4.2%	2.2%	2.0%
1997	2.5%	2.2%	0.4%
1998	0.7%	2.2%	(1.4%)
1999	1.9%	1.5%	(0.3%)
Total	12.4%	10.3%	1.7%
Average	2.4%	2.1%	.3%

Source: Adapted from SAS (49 and 425).

The decline in the population growth estimates from 2.2% to 1.5%, might be due to an increase in the AIDS-related deaths amongst the population (refer section 2.2.5).

Although the South African economy has shown constant growth since 1995 (Table 2.9), research has shown, that SA investment abroad, increased faster than foreign inflows over the period 1986 to 1998 (SAS 2000/2001: 449).

The GDP increase and decrease per head (Table 2.9) does not include the negative effect that inflation has on the available money of the population.

Approximately 50% of SA exports are mining goods and most of the imports are manufactured capital goods (SAS 2000/2001: 454) showing a heavy reliance on the import of finished goods, as required by consumers.

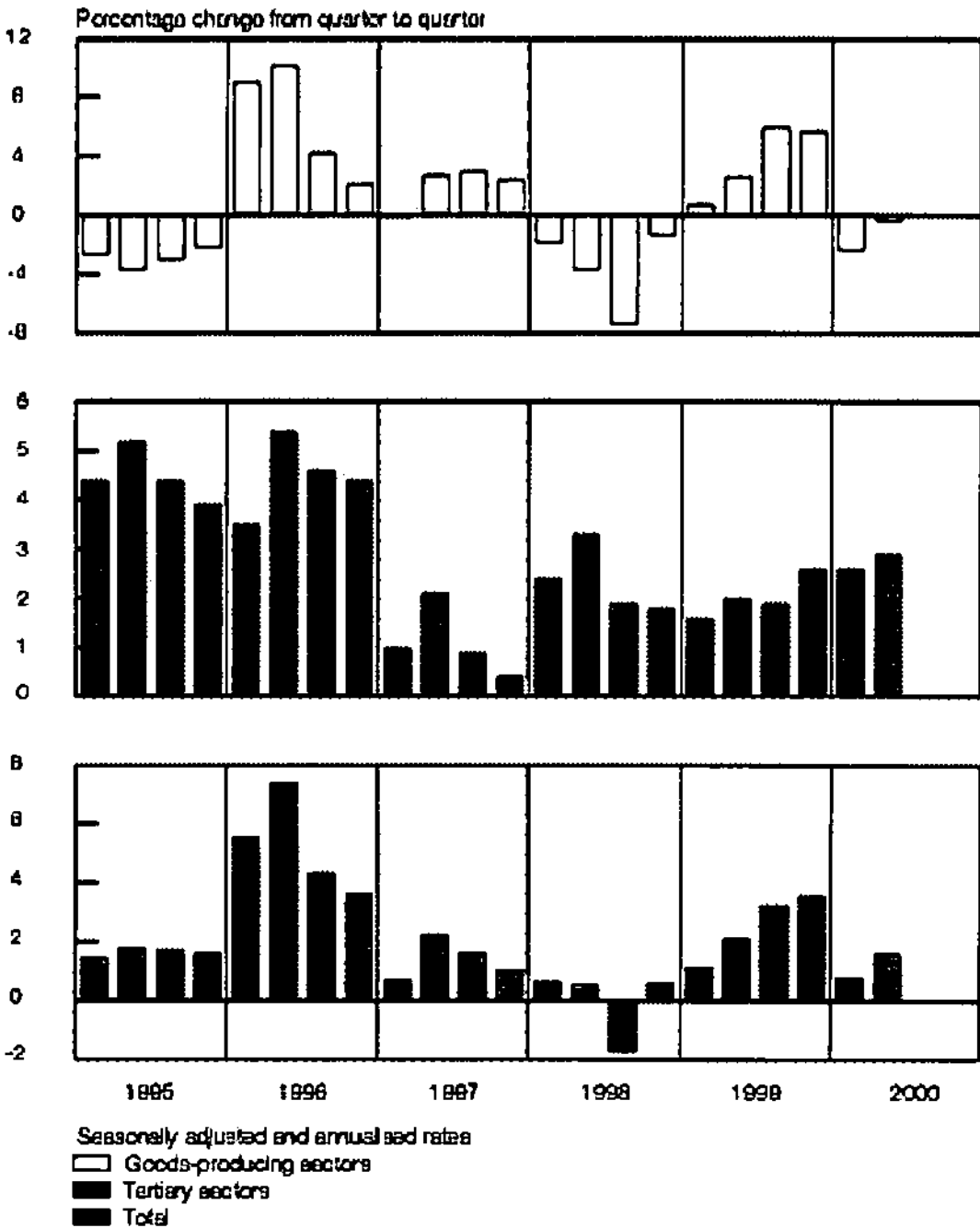
People with technical qualifications such as the unemployed (Table 2.18) might get involved in dual-jobbing in order to build businesses that might replace unnecessary imports (Section 3.4.3.2: different opportunities).

According to Graph 2.3, the total growth in the real domestic product between 1995 and 1999, is positive, with the exception of one quarter during 1998. When looking at real growth and income rates (Table 2.9), it is however, clear that the population growth during the same period (1995 to 1999) has resulted in a small increase in the real growth per head. The real disposable income per head of the population has also increased from R8 870 in 1995 to R8 880 in 1999 (SAS 2000/2001: 425).

The growth in the real domestic product between 1995 and 1999 is shown in Graph 2.3 on the next page.

GRAPH 2.3:

Growth in real gross domestic product



Source: SARB/QB (2000)

Although the real GDP per head is very near to being the same between 1995 and 1999 (Table 2.9), the real purchasing power of this amount has decreased

with the effects of inflation. Table 2.10 shows that the population of the country in general has thus become much poorer between these years because of an average increase in the consumer price index of 7.4 percent.

**TABLE 2.10: INFLATION AND INTEREST RATES**

YEAR	CHANGE IN CONSUMER PRICE INDEX	CHANGE IN PRODUCER PRICE INDEX	CORE INFLATION	REAL PRIME OVERDRAFT RATE
1995	8.7%	9.6%	N/A	8.5%
1996	7.4%	6.9%	N/A	11.3%
1997	8.6%	7.1%	8.8%	10.5%
1998	6.9%	3.5%	7.5%	14.0%
1999	5.2%	5.8%	7.9%	12.1%
Average	7.4%	6.6%	8.1%	11.3%

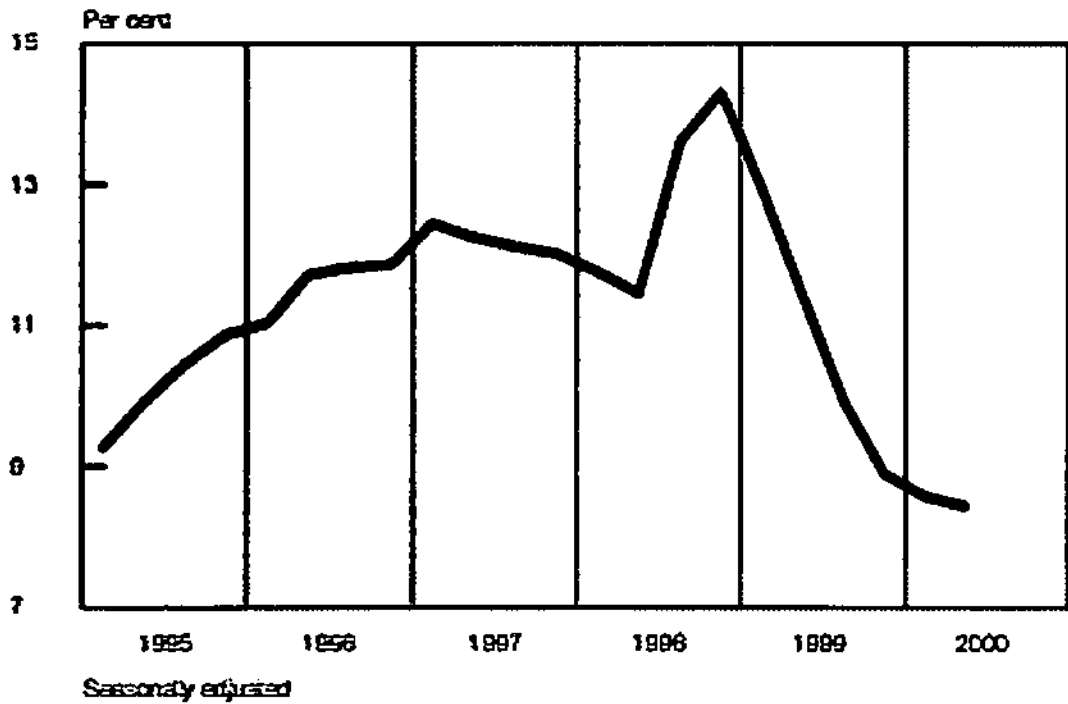
Source: Adapted from SAS (2000/2001: 434)

The high local interest rates have also had a negative effect on money available by the population for spending and also for investment in businesses. Dual jobbing however, requires very low inputs during the beginning phase (Section 3.4.1.3: practical example), with the effect that high borrowings, high risk and high interest payments should be problem factors in the deciding factor in respect of becoming involved in dual-jobbing.

South Africans increased their debts between 1995 and 1996 and again during 1998, reaching a peak of 14 percent of household incomes that had to be repaid to service debts. During 1999, after interest rates on debt increased dramatically during the later half of 1998, the percentage of household incomes that had to be used to service debts, returned to 1995 levels (Graph 2.4).

## GRAPH 2.4

Debt-servicing cost of households as percentage of households' disposable income



Source: SARB/QB (2000)

## 2.4 LABOUR STATISTICS

### 2.4.1 Employment

It is stated by Sherratt (2000: 34) that: "the concept of having a lifetime job with one organisation and slowly climbing the corporate ladder, is an ideal of the past."

The number of people employed in the non-agricultural, non-domestic sector of the formal private economy decreased yearly since 1996 (Table 2.11), resulting in more and more people who have to fend for themselves outside the private sector, for example in the informal sector (Table 2.17).

**TABLE 2.11: NON-AGRICULTURAL, NON-DOMESTIC, FORMAL PRIVATE SECTOR EMPLOYMENT**

YEAR	EMPLOYED	DECREASE
1995	3 549 752	(18 987)
1996	3 456 824	92 928
1997	3 371 329	85 495
1998	3 177 478	193 851
1999	3 129 816	47 662
Total decrease		400 949

Source: Adapted from SAS (2000/2001: 349)

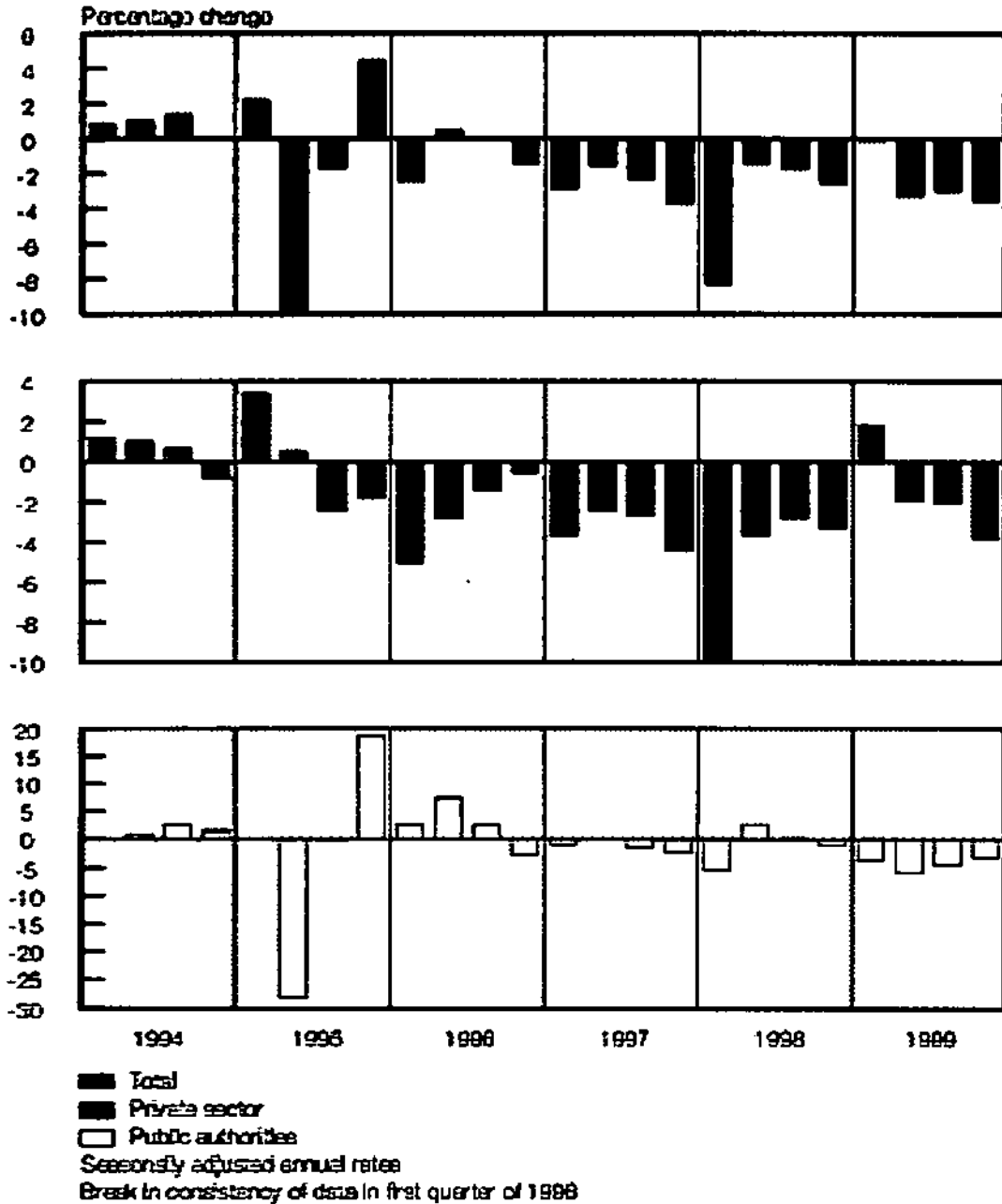
A constant decrease in formal private sector employment since 1996 is noticeable, although the economy showed constant growth through this period.

Sherratt (2000: 34) continues: "it is more likely that a person will be employed by several different companies and adopt three or more different careers during a lifetime, with each one requiring a new set of skills."

Both the public and private sectors of the economy (non-agricultural employment) show a decline in the number of people employed. Graph 2.5 indicates the total decrease in the number of people employed, and also in between the private sector and the public sector of the economy.

**GRAPH 2.5**

**Non-agricultural employment**



Source: SARB/QB (2000)

According to the South African Reserve Bank, the formal private sector accounted for 65% of total formal sector employment in 1999, and the public sector

accounted for 35% of total formal sector employment 1999.

Source: SAS (2000/2001: 334)

The growth in population leads to an increase in economically active of more than 1m between 1996 and 1999 (refer Table 2.14).

The public sector of the country in the past, often was seen as a supplier of work to people loyal to the ruling party, but since 1997 the number of people employed by all levels of government, has shown a steady decrease (refer Table 2.12).

**TABLE 2.12: NON-AGRICULTURAL, NON-DOMESTIC, FORMAL PUBLIC SECTOR EMPLOYMENT**

YEAR	EMPLOYED	DECREASE
1995	1 720 983	76 135
1996	1 778 753	(57 770)
1997	1 773 755	4 998
1998	1 749 365	24 390
1999	1 709 130	40 235
Total decrease		87 988

Source: SAS 2000/2001: 349, as adapted.

Table 2.13 shows, that the number of jobs lost in the formal, non-farming private and public sectors of the economy, are showing a yearly increase, totalling nearly .5m lost jobs between 1995 and 1999 and about 1m jobs lost since 1989 (Table 2.13).

**TABLE 2.13: NON-AGRICULTURAL, NON-DOMESTIC, FORMAL PUBLIC AND PRIVATE SECTOR EMPLOYMENT**

	<b>EMPLOYED</b>	<b>DECREASE</b>	<b>DECREASE %</b>
1995	5 270 735	57 148	1.1
1996	5 235 576	35 159	0.7
1997	5 145 084	90 492	1.7
1998	4 926 843	218 241	4.2
1999	4 838 946	87 897	1.8
<b>Total</b>	<b>4 734 996</b>	<b>488 937</b>	

Source: Adapted from SAS (2000/2001: 349)

SA applies two definitions to describe unemployed people: a strict definition and an expanded definition (Chapter 1: Terminology). Unemployment figures according to the expanded definition, are almost double that of the strict definition (Table 2.15 and Table 2.16).

According to Theobald (2001: 209): "measuring unemployment is a grey area."

Discrepancies exist between statistical releases and other official sources on employment and unemployment. One of the problems that exist, is that some sources refer to mid-year figures and others are based on the October survey.

Theobald (2001: 209) then continues, by explaining that there are three statistical releases produced by Statistics South Africa that provide unemployment figures; the Survey of Employment and Earnings (SEE) being recognised as the official employment rate. SEE found unemployment at 26.5% of the population in December 2000.

The Financial Mail Survey of top companies (Theobald 2001: 209) in the Survey of Staff numbers and productivity, shows that 69 of the biggest companies in the country decreased staff in 2000 against 56 who increased staff during the same period. The total population of the country are counted during a census only every five years and the total population, as well as the economically active population referred to in Table 2.14, is based on estimates by the South African Institute of Race Relations.

**TABLE 2.14: ECONOMICALLY ACTIVE POPULATION AS A PERCENTAGE OF THE POPULATION AND THE UNEMPLOYED AS A PERCENTAGE OF THE ECONOMIC ACTIVE POPULATION**

YEAR	TOTAL POPULATION	ECONOMICALLY ACTIVE	% OF TOTAL	UNEMPLOYED (EXP DEFINITIONS)	% OF ECON ACTIVE
1995	39 477 100	14 500 500	37	3 321 000	23
1996	40 342 300	14 821 400	37	4 197 000	28
1997	41 226 700	15 149 000	37	5 202 000	34
1998	42 130 500	15 484 200	37	5 634 000	36
1999	43 054 300	15 826 978	37	5 882 000	37

Source: Adapted from SAS (2000/2001: 49, 343 and 382)

One of the purposes of this study as explained in Chapter 1, is to determine whether employed people should prepare themselves for the future. The statistics in this section show very clearly, that people have lost their jobs and many more will in future, as no formal jobs are created, just lost. Some of these people are ill-equipped to look after themselves, but if they had been involved in dual-jobbing, the benefits (Section 3) could have helped them in times of change.

According to Table 2.15, there was nearly one unemployed person (1999) for every two people employed in the formal sector of the economy. The table also shows, that the position is getting worse every year, as unemployment is growing

much faster than the decrease in formal employment, the reason being many new people who cannot find employment entering the labour market (school-leavers).

**TABLE 2.15: UNEMPLOYED PEOPLE AS A PERCENTAGE OF THE EMPLOYED POPULATION - STRICT DEFINITION**

YEAR	FORMALLY EMPLOYED	UNEMPLOYED	%
1995	7 723 300	1 644 000	21%
1996	7 715 500	2 019 000	26%
1997	7 656 608	2 451 000	32%
1998	7 449 777	3 163 000	42%
1999	7 409 124	3 158 000	43%

Source: Adapted from SAS (2000/2001: 382 and 385)

When looking at the expanded definition (Table 2.16), the situation is even worse. For every ten people formally employed in 1999, eight people were unemployed.

Both tables (Tables 2.15 and 2.16) reflect an increase in the percentage of unemployed as to employed between 1996 and 1999 of about 100%. In both tables the total of formally employed shows a large decrease, but the number of unemployed shows an even bigger increase. The result is, that if this tendency cannot be reversed, there will in the near future be more unemployed people than there are jobs in the formal sector of the economy.

**TABLE 2.16: UNEMPLOYED PEOPLE AS A PERCENTAGE OF THE EMPLOYED POPULATION - EXPANDED DEFINITION**

YEAR	FORMALLY EMPLOYED	UNEMPLOYED	%
1995	7 723 300	3 321 000	43%
1996	7 715 500	4 197 000	54%
1997	7 656 608	5 202 000	68%
1998	7 449 777	5 634 000	76%
1999	7 409 124	5 882 000	79%

Source: Adapted from SAS (2000/2001: 383 and 385)

Although the job-creating capacity of the economy is stronger than indicated by the regular establishment surveys, the inability of the formal economy to create jobs in sufficient numbers to reduce unemployment meaningfully, remains a serious structural problem in the South African economy. The issue of structural unemployment was addressed by the Department of Labour in 1999, through reviewing certain provisions in existing labour laws that could have had unintended negative consequences for job creation.

Source: SARB/QB (2000).

During the period 1996 to 1999 (Table 2.17) the total number of employed people have increased by 12.6 percent. Number in the formal sector have decreased, but people employed in the informal sector, have nearly doubled. The number of people employed in agriculture, have also increased but this is greatly dependent on favourable weather conditions (Table 2.17).

**TABLE 2.17: OVERALL JOB GAINS AND LOSSES 000'S**

	<b>1996</b>	<b>1999</b>	<b>% CHANGE</b>
Total employed	9 287	10 369	12.6
Formal sector	6 792	6 564	(3.4)
Informal sector	996	1 907	91.5
Agriculture	759	1 099	44.8
Domestic service	740	799	8.0

Source: SAS (2000/2001: 362)

Research shows, that more than half of people who are jobless has a secondary education. According to Table 2.18 nearly one out of every four people who are unemployed has a Grade 12 or NTC III qualification

The following are also meaningful.

- 12 % of people aged 20 years and older, had no education in 1999;
- 26% had some form of primary education; and
- 51% some secondary education.

Source: SAS (2000/2001: 254)

**TABLE 2.18: UNEMPLOYMENT BY LEVEL OF EDUCATION**

<b>LEVEL OF EDUCATION</b>	<b>STRICT DEFINITION</b>	<b>EXPANDED DEFINITION</b>
NONE	4.8%	6.4%
GRADE 0 TO GRADE 3	4.2%	4.9%
GRADE 4	3.5%	3.9%
GRADE 5	4.1%	4.6%
GRADE 6	5.8%	6.4%
GRADE 7	8.2%	8.7%
GRADE 8	9.6%	9.6%
GRADE 9	8.9%	8.8%
GRADE 10 / NTC I	10.5%	10.3%
GRADE 11 / NTC II	9.9%	9.6%
GRADE 12 / NTC III	24.8%	22.2%
DIPLOMA / CERTIFICATE WITH STD 9 OR LOWER	0.6%	0.5%
DIPLOMA / CERTIFICATE WITH STD 10	3.2%	2.4%
DEGREE / HIGHER	1.0%	0.8%
UNSPECIFIED / OTHER	0.9%	1.0%

Source: SAS (2000/2001: 275)

Table 2.18 indicates the people who are unemployed at every level of education, as a percentage of the total number who are unemployed, this according to the strict and expanded definitions (Chapter 1).

According to the 1999 October Household Survey, some 70% of the unemployed in South Africa had less than a grade 12 qualification, 25% had a Senior Certificate qualification, and about 5% of the unemployed had a higher education qualification (SAS 2000/2001: 254).

Research has shown, that the bulk of jobs created between 1996 and 1999, were in the informal sector (Table 2.17): an increase of nearly 100%.

In 1997 the small, medium and micro businesses in South Africa accounted for more than half the people formally employed in the private sector and contributed about 42% of the country's formal GDP (SAS 2000/2001: 394).

Table 2.19 shows that although large businesses in SA employ more than forty percent of the total number of people who are employed, these businesses do not make up even one percent of the number of businesses in the country.

**TABLE 2.19: ESTIMATED NUMBER OF PRIVATE SECTOR ENTERPRISES BY SECTOR AND SIZE AND EMPLOYMENT BY SECTOR IN 1997**

	<b>NUMBER OF BUSINESSES</b>	<b>NUMBER OF EMPLOYEES</b>
Survivalist	184 400	184 400
Micro (no employees)	283 300	283 000
Micro (1 – 4 employees)	182 800	565 300
Very small	180 000	1 068 300
Small	58 900	1 225 900
Medium	11 322	909 800
Large	6 017	3 160 000
Total	906 690	7 397 000

Source: Adapted from SAS (2000/2001: 409 – 411)

**2.4.2 Wage settlements and Productivity**

According to Ngambi (2000: 29): "... another challenge facing South African organisations is low productivity".

Table 2.20 shows that the Reserve Bank reported increases in labour productivity since 1995.

Employment numbers in the formal sector have shown a steady decrease since 1995, but productivity increased every year during the same time. Fewer people are therefore, employed to take the economy to higher levels (Section 2.3.1).

**TABLE 2.20: CHANGE IN TOTAL EMPLOYMENT AND INCREASE IN LABOUR PRODUCTIVITY**

YEAR	% DECREASE IN TOTAL EMPLOYMENT	% INCREASE IN LABOUR PRODUCTIVITY
1995	1.1	5.3
1996	0.7	4.0
1997	1.7	4.3
1998	3.8	4.9
1999	2.0	3.2

Source: Adapted from SAS (2000/2001: 363)

Productivity, to a great extent, does determine how effectively organisations and nations compete, both internally and at a global level.

With the strong rise in labour productivity (Table 2.20), the average yearly rise in output per worker since the early 1990's has accelerated significantly to 3,5 per cent from the 0,2 per cent pace of the 1980's. What has been particularly impressive, is that the acceleration of productivity has exceeded the pick-up in output growth over the past decade, and fewer workers are now producing a far greater volume of output than in the 1980's. It appears from the experiences of the

past decade, that strong productivity growth has become a permanent feature of the domestic economy.

**TABLE 2.21: CHANGE IN REMUNERATION PER WORKER AT CONSTANT PRICES**

	<b>PUBLIC SECTOR INCREASE/ (DECREASE)</b>	<b>PRIVATE SECTOR INCREASE/ (DECREASE)</b>	<b>TOTAL INCREASE/ (DECREASE)</b>
1995	4.0%	0.9%	1.7%
1996	0.9%	1.7%	2.0%
1997	3.5%	2.3%	3.0%
1998	2.6%	8.8%	6.4%
1999	(2.7%)	2.4%	0.0%

Source: SAS (2000/2001: 367)

Although the per capita income (Graph 2.1), has stayed constant from 1995, employees in the formal sector of the economy have received increases (Table 2.21), sometimes after long drawn-out negotiations and strikes. If these people were involved in other income generating activities, they might have been more willing to accept lower increases, leaving companies with more money to employ more people.

### **2.4.3 Household Debt and Savings**

Apart from the contributions made by higher real household income (Section 2.4.2) and the reduced personal tax burden, the rise in spending by consumers was also helped by the willingness of individuals to incur additional debt. In consequence, the ratio of household debt to personal disposable income,

increased from 57.4 per cent in 1995 to 58.1 per cent in the 1999. The aggregate (Table 2.21) compensation of employees increased at a rate that barely kept pace with the concurrent consumer price inflation, contributing little or nothing to the growth in real household income (Section 2.3.1).

**TABLE 2.22: GROSS DOMESTIC SAVING, PERSONAL SAVING, AND HOUSEHOLD DEBT**

	<b>GROSS DOMESTIC SAVINGS TO GDP</b>	<b>PERSONAL SAVING TO PERSONAL DISPOSABLE INCOME</b>	<b>HOUSEHOLD DEBT TO PERSONAL DISPOSABLE INCOME</b>
1995	16.5%	1.8%	57.4%
1996	15.8%	1.8%	60.4%
1997	14.5%	1.5%	60.7%
1998	14.3%	0.7%	60.4%
1999	14.6%	0.3%	58.1%

Source: SAS (2000/2001: 441)

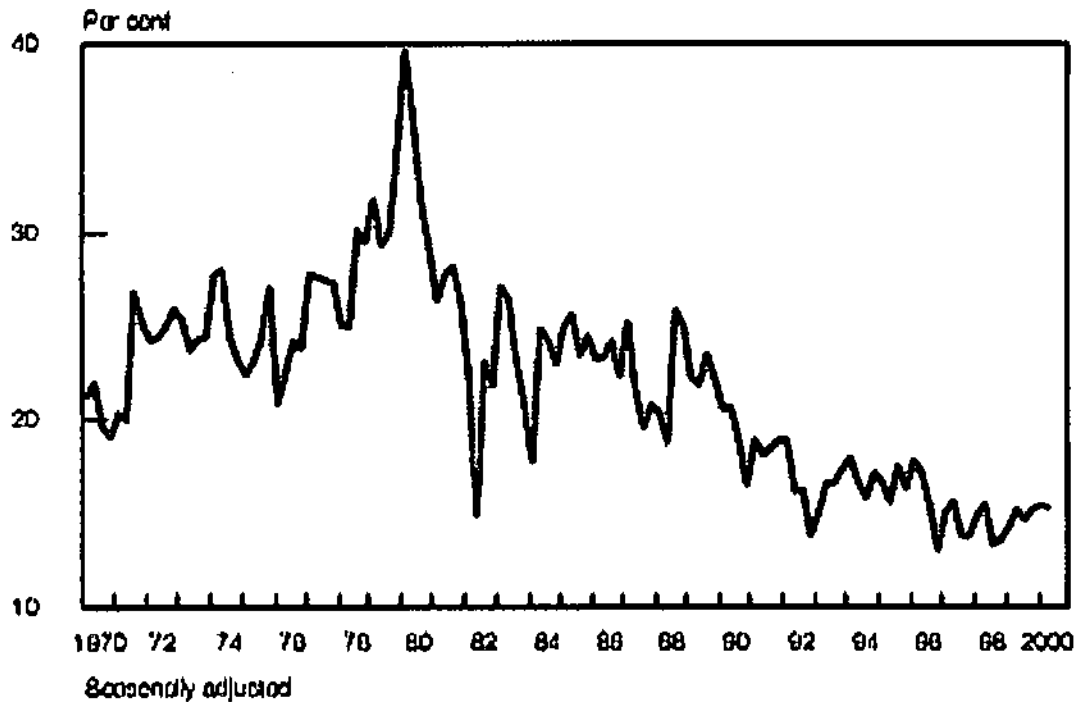
Although the GDP of SA increases every year, the gross domestic savings are not keeping pace. The people of SA, businesses and individuals are saving less every year. This result is also noticeable in the yearly decrease in personal savings to disposable income, which has decreased from 1.8% in 1995 to 0.3% in 1998 (Table 2.22).

Household debt i.r.o. personal disposable income has increased between 1995 and 1997, with a small decrease in 1998. In 1999 this debt decreased by more than 2%, which might be the result of the high interest rates at the end of 1998 and the first half of 1999 (Table 2.22).

Although the growth in the real domestic product has increased yearly (Graph 2.3), Graph 2.6 shows a steady decline in the savings as a percentage of the gross domestic product since the nineteen eighties.

GRAPH 2.6

Gross saving as percentage of gross domestic product



Source: SARB/QB (2000)

These levels were greatly increased in 1998, when interest rate levels reached record highs, which again resulted in many bankruptcies and hardships for borrowers of money.

This, however, is not easy. Dual-jobbing is researched in the next chapter; not only a way of earning extra income, but also serves as a bridging phase between being fully employed, while practising dual-jobbing and becoming self-employed should the necessity or opportunity arise (Figure 3.1 and Figure 3.2).

## 2.5 PRIVATISATION AND RESTRUCTURING

Privatisation and restructuring will also have an effect on the employment figures during the coming years. SA might receive large investments from foreign countries when government decides on the privatisation of government-held assets, such as Telkom and Escom.

The following are just some examples of state-owned companies that have been privatised since 1997.

- In 1997, in the first foreign deal, partners bought a 30% stake in Telkom for R4.4bn.
- In 1998 the Department of Transport oversaw the successful sale of 20% of the Airports Company of South Africa (ACSA) for R819m to an overseas buyer.
- July 1998 saw the sale of 21 million shares of ACSA's issued share capital to six South African empowerment groups for R172m.
- A total of 9% of ACSA's shares were offered to ACSA management and employees, and 10% was set aside for the National Empowerment Fund (NEF).
- In June 1999, Swissair became South African Airways' (SAA) partner, acquiring a 20% share for R1.4billion (an overseas buyer).
- Swissair also paid R48m for an option to buy a further 10% later.
- During 1999, Connex Travel, Transnet's travel subsidiary, was sold for R13.5m.

Sources: SAY (2000/01: 186) and SAS (2000/2001: 396)

According to Bidoli and Haffajee (2000: 41 - 42) government stands to net over R40bn by 2004 from the restructuring of companies such as Transnet, Telkom, Eskom and Denel.

This generated amount will allow government to reduce debt and taxes, also to spend money on upliftment, without relying only on income tax in need:

“The process includes a mixture of corporatisation, listing on local and international stock exchange's and the sale of assets to strategic equity partners” (Bidoli and Haffajee, 2000: 41 - 42).

According to the National Fixed Asset Register, the Government owned at least 240 000 assets valued at R120 billion as against a pre-1994 estimate of 112 000 assets.

The Ministry of Public Enterprises is accelerating its programme of restructuring R170 billion worth of state assets by 2004. The main objectives of restructuring are:

- facilitating economic growth;
- reducing State debt;
- creating wider ownership and democratizing the economy;
- promoting private-public partnerships;
- enhancing global competitiveness; and
- improving corporate governance.

Source: SAY (2000/01: 256)

Although the financial benefits for the country will be very positive, research has shown that when privatisation takes place, many people tend to lose their jobs.

## 2.6 OUTSOURCING

Career planning has become a relatively short-tem activity:

“This could involve working for more than one employer, a trend which is becoming increasingly evident even at the highest levels and can be seen in the unprecedented growth in temporary placements world-wide” (Sherratt 2000: 34).

A HR magazine survey found that the top reasons for outsourcing include the following.

**TABLE 2.23: TOP REASONS FOR OUTSOURCING**

	<b>% AGREEMENT</b>
• To use the expertise of specialists	88
• To save time	54
• To save money	41
• To save administrative costs	38
• To focus on more strategic initiatives	30
• To eliminate function-not part of core business	26
• To redistribute increased responsibilities	21
• To reduce liability	7

Source: HR Magazine Survey (Anon 2000a: 8)

Of particular note, is that, contrary to conventional wisdom, few respondents indicated that they outsource for reasons related to downsizing.

Research, however, has shown that when outsourcing does become a company

policy, employees will lose their jobs. Companies sometimes help to set up employees in their own businesses and then outsource work to them.

According to an estimate by the Director of the Confederation of Employers of South Africa (Cofesa), Hein van der Walt, members of Cofesa has already changed the status of some one million workers from being employees to that of being 'contractors' (SAS 2000/2001: 359).

Employees, however, need specific skills and training to become eligible for being set up in their own businesses and thereafter, they still need help to manage, which might be easier for the person who has gained business experience through involvement in dual-jobbing.

The movement towards using outsourcing to achieve a competitive advantage, results in outsourcing activities or functions that have not traditionally been outsourced before. **(People Dynamics November/December 2000 Vol. 18 No. 11:8). Information supplied by Deloitte and Touche Human Capital Corporation (Pty) Ltd and the HR Magazine, December 1995, pp 75-79 as quoted by Development Dimensions International. (DDI).**

The main reason for the drive towards outsourcing by many companies, is the acceptance of the fact, that businesses have core competencies to which they often still owe their existence, or which had contributed towards their original beginning. The outsourcing other functions, makes more time is available to concentrate on making profit from core competencies.

According to Sherratt (2000: 34): "technological advancements, outsourcing and downsizing have had tremendous impact on the work place, affecting both employers and employees. Today, companies are focusing on their profit-making core competencies and outsourcing their vital, but often time consuming labour-intensive operations."

An organisation aiming at assisting businesses to change the status of employees to that of subcontractors, is Cofesa.

Cofesa states that: "one of the advantages for employers of subcontracting, is that the parties had not been covered by labour legislation and could negotiate their own terms: (SAS 2000/2001: 359).

## **2.7 TRANSFORMATION (GEAR)**

The central government of the country has embarked on the road towards the creation of:

- a competitive, fast-growing economy which creates sufficient jobs for all workseekers; and
- a redistribution of income and opportunities in favour of the poor.

This road followed by government, will have a definite impact on the general thinking and behaving of the businesses in the country. Transformation will have to take place and formal structures will have to be put in place (Addendum 2: the Employment Equity Act No 55 of 1998).

During an enterprise's transformation journey various issues should be addressed according to de Witt (2000: 33), these being as follows.

- **Reorganising for the future**

The economical situation and especially the loss of jobs in the formal sector, coupled with new inventions that make more and more existing skills obsolete, forces all businesses to reorganise their thinking for the future.

- **Focusing on core business**

Many enterprises are now focussing on their core business and turning to outsourcing for other business needs.

- **Re-engineering core processes**

Re-engineering entails the rethinking of the main processes within an enterprise's business.

- **Human resource development**

The human resources of any business need training in new methods and the use of new equipment so as to stay productive. (The Skills Development Act No 98 of 1998).

- **Union involvement**

The different unions that exist, can play an important role in the running of any business as they have certain privileges that cannot be denied.

- **Community involvement**

Communities can benefit greatly from transformation and should become involved by way of skills development and training initiatives.

- **Transforming policies, service conditions and benefits**

Many employees of long standing have lost their employment (2.4.1) since 1995, as the formal sector has continued to decrease - both the public and the private sectors. Businesses therefore have to prepare for the future.

- **Affirmative action**

Affirmative action is taking place and people need skills development and training to make a success of opportunities coming their way. People losing their employment, also need help to adjust for the future.

Transformation is not easy. One has to keep one's focus, namely the vision, purpose and values of the organisation.

## **2.8 LEGISLATION**

Inequalities in the labour market are formally addressed by government through legislation. The laws that can have the biggest impact on the labour structure, are referred to in Section 2.8.1 to Section 2.8.4.

As most of these laws are structured to correct the distorted labour situation in place before 1994, it must have a negative impact on certain groups of labour.

The Ministry of Labour, states that they have made progress in this regard in that they have been successful in delivering on their promise of a new labour dispensation, that not only entrenches the rights of those denied them for so many decades, but lays the foundation for sustainable economic growth.

Research has shown that:

1. by December 1999 Africans made up 70% of the public service (SAS 2000/2001: 365);
2. a decade ago, 2.8% of senior management of Escom were blacks. Today this figure has changed to 50.4%.

[<http://www.businessday.co.za/bday/content/direct/1,3523,921813-6078-0,00.html>]  
[12/06/2001]

Legislation Acts implemented during the Ministry of Labour's five-year Programme of Action from 1994-1999, are the following:

### **2.8.1 NEDLAC Act No 35 of 1994**

**NEDLAC** means the National Economic, Development and Labour Council established by Section 2 of the National Economic, Development and Labour Council Act 1994 (Act No 35 of 1994).

In the past history of South Africa, many groups of people were ignored when legislation affecting the economy in general and labour in particular, were written, but NEDLAC has ensured that, unlike in the pre-1994 period, our significant civil society partners have not been excluded from the policymaking process.

This Act was written so as to ensure that all parties concerned have been included in the process of writing new legislation that will benefit all role players in the South African economy. Instead, organised business, communities, labour and national government have succeeded, despite divergent views on labour market policies, through an ongoing process of consultation and negotiation, in reaching substantial national consensus on legislation and other measures.

Shortly after the 1994 democratic elections, the Department of Labour pioneered the NEDLAC Act through parliament. Building on the experiences of the previous National Manpower Commission and National Economic Forum, the National Economic Development and Labour Council (NEDLAC) were created.

### **2.8.2 Labour Relations Act No 66 of 1995**

This act was written aimed at increasing worker participation in decisions that could affect them in the workplace.

The Labour Relations Act facilitates worker participation and decision-making in the workplace (SAY 2000/01: 266).

The act describes the rights of workers to:

“strike, encourage sectoral and enterprise bargaining. It also clarifies the law on unfair dismissals and information disclosure. It also introduces workplace forums and new mechanisms for dispute resolution” (SAY 2000/01: 266).

### **2.8.3 Basic Conditions of Employment Act No 75 of 1997**

This act was written to improve the conditions of employment of workers in the formal sector to:

impact positively on the conditions of employment of some six million workers. It is primarily aimed at improving the working conditions of unorganised and vulnerable workers, while also attempting to undo inherited rigidities in the old Act (SAY 2000/01: 266 ).

The Act specifically addresses the problems of:

- inadequate protection for vulnerable workers such as part-time, farm and domestic workers;
- poverty in employment;
- the lack of mechanisms to set minimum wages for farm and domestic workers;
- child labour;
- excessively long working hours, especially in areas such as transport and security; and
- gender discrimination, especially in relation to maternity leave.

In order to accommodate the needs and concerns of small businesses who might be impacted upon negatively by some of the measures, an investigation into the possible impact of the Act on small businesses was undertaken.

The Act sets a minimum floor of standards, while also enabling conditions to be varied through collective bargaining, sectoral determinations, individual contracts of employment and through determinations made by the Minister of Labour.

#### **2.8.4 The Employment Equity Act No 55 of 1998**

This act has the most far-reaching consequences for employers and employees in South Africa and concerns itself with discrimination against different groups in the workplace:

"The Act compels employers to adopt employment policies and practices which do not unfairly discriminate on the basis of race, sex, disability, pregnancy, marital status, ethnic or social origin, sexual orientation, opinion, culture, language, religion or belief" (SAY 2000/01: 267).

The aim of this legislation, is to enforce transformation in the workplace.

This Act started the final phase of transformation in the job market and all employers, with 50 or more employees, have to comply with the requirements and times set for complying with the requirements of this legislation.

Chapter Two and related provisions, which prohibit discrimination on a range of grounds, including race, sex, disability and HIV status, was promulgated in August 1999.

From Chapter Three to the end of the Act, except for provisions relating to State procurement, were promulgated in December 1999:

"This chapter requires employers to take certain affirmative measures for black people, women and people with disabilities to achieve equity in the workplace. This includes employers with more than 50 employees, municipalities and the Public Service" (SAY 2000/01: 267).

#### **2.9 THE JOB CREATION TRUST**

Not only Government, through legislation and the private sector through the supply of employment and training, but also the unions, are striving for the relief of unemployment:

“The Job Creation Trust, aimed at raising millions for the relief of unemployment in South Africa was launched by South Africa's three major trade union federations on 19 February 1999” (SAY 2000/01: 268).

The fund has been established to receive donations after the call of the Congress of South African Trade Unions (COSATU), the Federation of Unions of South Africa (FEDUSA) and The National Council of Trade Unions (NACTU) on all South Africans, to donate one day's earnings on 3 March 1999 to fund job creation and projects for the unemployed.

## **2.10 THE FIFTEEN-POINT PROGRAMME OF ACTION OF THE MINISTRY OF LABOUR 1999 - 2004**

This program states, among others, that their:

“... approach to labour market policy is predicated on the belief that the labour market, while it has some inherited rigidities, is sufficiently flexible primarily as a consequence of recent policy incentives ....”  
(SOUTH AFRICA. Department of Labour. 1999.)

This document issued by the Ministry of Labour, outlines the intended activities that the Department of Labour intends to pursue between 1999 and 2004.

The programme consists of three parts, with part one identifying important problems in the economy that have an effect on labour market policy and legislation. There are (SAY 2000/01:262):

- the high rates of unemployment and under-employment;
- the low rate at which productive employment is being created;
- widespread poverty among low wage earners, the under-employed and unemployed;
- extreme inequality, primarily on the basis of race and gender;
- the low levels of education, skills and investment in training;

- the legacy of adversative labour relations in the formal economy; and the
- inadequate protection for some low-wage earners, such as farm and domestic workers.

The above problems need to be addressed in the broader context of the national vision to achieve democracy, full employment, equity and social justice, economic growth and international competitiveness [www.labour.gov.za/docs/policy/15pointplan.html] [19/07/2002].

Part two is dedicated to achievements over the past five years, and indeed in the following areas.

- Legislation
- Institutional reform
- Employment creation
- Social partnership.

The Ministry of labour also states that:

“... the labour market is not a barrier to employment creation and that the general direction of the reforms being introduced in the labour market are consistent with the imperatives of efficiency, flexibility, equity, and improved welfare.”

Part three contains the Programme itself and identifies priorities which the Department has decided on to address. The problems identified are the following:

- Achieving the balance between efficiency and protection
- Employment creation
- Implementation of the Presidential Jobs Summit Agreements
- Training to enhance the skills of the labour force
- Employment equity
- Protection of vulnerable workers

- An adequate social safety net
- Occupational health and safety
- Promoting stable labour relations
- Promoting productivity
- Building social partnerships and statutory bodies
- International obligations
- Monitoring and evaluating the impact and effectiveness of new laws
- Implementation of our legislative programme through institutional restructuring
- Legislative amendments.

## 2.11 THE SOCIAL PLAN

“The emphasis on fighting unemployment is reflected in the Social Plan, published on 23 July 1999, which gives effect to measures agreed at the Presidential Jobs Summit.”  
(SAY 2000/01: 262).

Retrenchments in South Africa have reached dramatic and far-reaching proportions, with many of the retrenched, nearly one million people having been

retrenched from the public non-agricultural sector between 1995 and 2000, who are now living in poverty.

On 30 October 1998, representatives of government, business, labour and other community and development organisations met at the Presidential Jobs Summit and emerged with a commitment to act together in order to create jobs and to build a better life for the country's people (SAY 2000/01: 267).

The main aims set by the summit were:

- to prevent retrenchments, where possible;
- to ensure that retrenchments which do take place, are managed humanely;  
and

- to assist individuals and communities where large-scale retrenchments have taken place, to find alternative forms of employment or livelihood (SAY 2000/01: 262).

Retrenchments are not the problem of only one group of people in South Africa, but happens across the colour and qualification lines, the only difference being, that people with more experience and multi-skills find adjustment to change easier than those that have less to offer to employers. The Skills Improvement Act of 1999 initiated by government, will motivate employers to help their employees improve their basic skills.

## 2.12 CONCLUSION

Government, the private sector and trade unions, are trying many ways to create more jobs, and to prevent jobloss (the trade unions), but the figures that emerged, from the sources referred to in this chapter, show that the decline in employment in the formal sector is still continuing.

Favourable however, is that, although the formal sector has shown decreases in the number of people employed every year, the informal sector has shown a large increase (Table 2.17).

With training and practice of people who are employed, the informal sector can play a very important role in job creation in future.

Although the population of SA is still growing (Table 2.1), this growth is showing a decline (Section 2.2.4 on emigration and Section 2.2.5 on HIV/AIDS).

The economically active population has been growing (Table 2.2), but formal employment has been decreasing during the period under review (Table 2.13).

Legislation by government is favouring designated groups, with the result that those outside of the definition of designated groups, experience a loss of employment due to affirmative action (Annexure on the Employment Equity Act No 55 of 1998).

Economic growth without job creation is taking place in South Africa. The GDP is growing, although fewer people are formally employed, showing that productivity is on the increase.

The aim of the chapter i.r.o. establishing the trend of the employment in SA, has thus been done and all the statisticals show, that people who are employed, might lose their employment in future and therefore, they must prepare themselves so that they can become self-sufficient.

Chapter 3 will review government and private initiatives to make more effective use of the time available to create prosperity for both employers and employees.

## CHAPTER 3

### TIME MANAGEMENT

#### 3.1 INTRODUCTION

In the highly competitive global world of work, attracting employees who have the knowledge, skills and attitude to assure the medium term survival of one's company is a key issue for Human Resource professionals (Sutherland, 2000: 7).

Although many people are unemployed (Table 2: 14) the demand for people with specific qualifications and skills, such as professionals, are often large, because the majority of unemployed lack required training and skills (Table 2.18).

Statistics show, that in 1999 only 18% of people staying in urban areas, had training useful for work and that 80% were without such training. In non-urban areas, these statistics were even worse, with 7% of the population having had training and 91% without useful training (SAS 2000/2001: 261).

**TABLE 3.1: COMPOSITION OF THE SOUTH AFRICAN BUSINESS WORLD IN 1996**

TYPE OF BUSINESS	NUMBER
Holding companies	75
Listed companies	642
Unlisted registered companies	195 000
Close corporations	374 000
One-man businesses and partnerships	473 000
Businesses in the informal sector	3 800 000

Source: Adapted from Cronjé et al., (2000: 4)

Both the formal and informal sectors of the economy consists of highly trained

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people, professionals and people with fewer or even no qualifications (SAS 2000/2001: 356).

Table 2.19 supplies a breakdown of the number of private sector enterprises and the number of people employed by them. According to SAS (2000/2001: 356), the number of people employed in the informal sector (including domestic workers) have increased from 2 125 000 in 1997 to 2 705 000 in 1999; an increase of 27%, while employment in the formal sector is steadily decreasing (Table 2.17).

### 3.2 DIFFERENT WAYS TO PREPARE FOR THE FUTURE

"The Skills Development Act (No. 97 of 1998) introduces a new approach to the promotion and development of work-related skills in South Africa" (Strong, 2000: 15).

Training and skills development is often initiated by Government through legislation, such as The Skills Development Act No. 97 of 1998 and The Skills Development Levies Act No. 9 of 1999, which set forward certain structures to ensure that people be trained according to world standards:

"The overall vision is of an integrated skills development system which promotes growth in employment, social development and the economy, through focusing on integrated education, training and employment opportunities" (Strong, 2000: 15).

Initiatives to train people and develop their skills also come from business itself. To keep abreast of technological developments, faster computers with bigger memories every few months, force businesses to train their employees continually, so as to enable them to operate new equipment. The need for increased profits that businesses strive for, also ask for training of the employees concerned to work more productively.

Training by businesses also takes place as a reaction to government initiatives

(Skills Development Act no 97 of 1998).

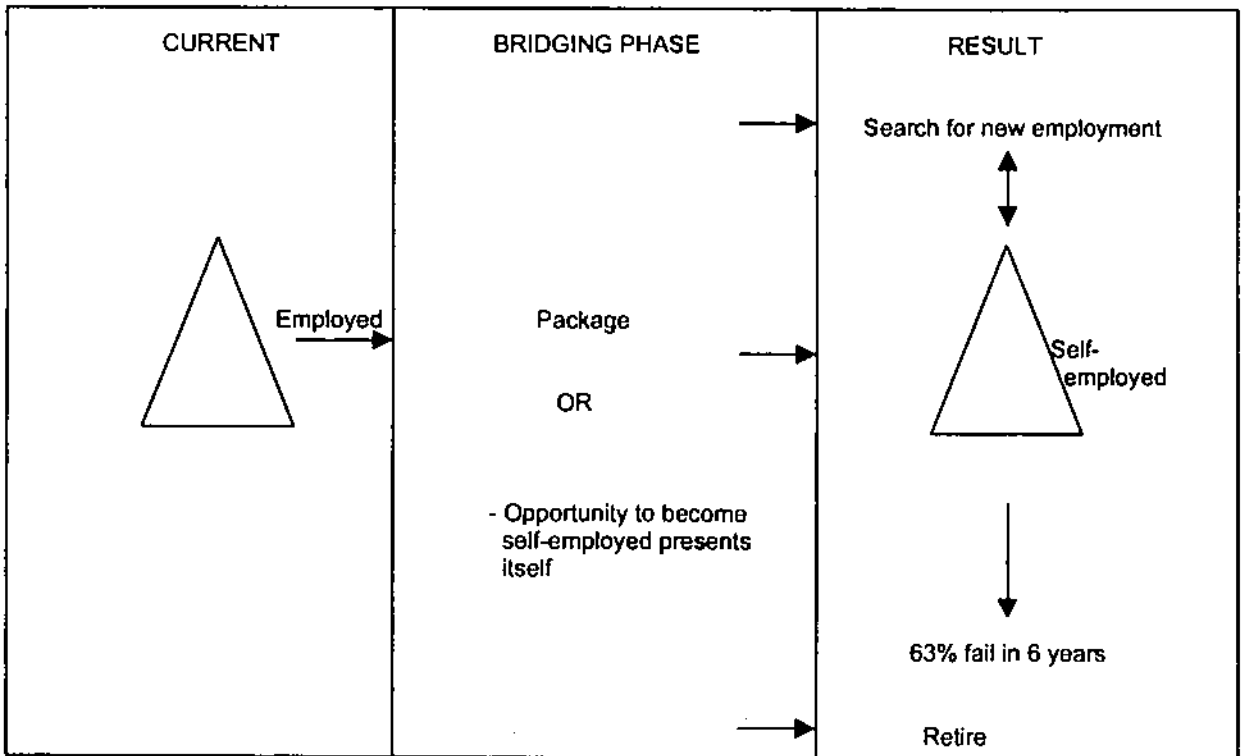
Many individuals also realise that, apart from formal training in their work, they also need to use their own initiative to advance in their employment or to be able to change employment if they should want to do so.

The purpose of this chapter, is to research training and dual-jobbing as possible these are ways to prepare for the future in the first place and secondly, to generate extra income at the same, time by managing available resources more effectively; also, to describe and investigate the resources that people might have access to.

Research has shown, that many people fear the loss of formal employment, but do very little to prepare themselves for such an event. Figure 3.1 shows the normal flow of events that take place when a previously employed person loses his/her employment.

Figure 3.1 reflects the actual flow of events when job losses occur.

**FIGURE 3.1: ACTUAL FLOW OF EVENTS WHEN JOB LOSSES OCCUR**



Source: Own research

Research has shown, that people who lose their ability to earn a salary, often buy or start the first business opportunity that sounds acceptable and then within a short period of time, many of these businesses fail. According to Timmons (Van Aardt and Van Aardt: 191), 62.7% of small businesses in the USA dissolved within six years of starting in 1994. Research in SA has not been done formally, with the result that comparative figures are not available.

Research has shown, that people lose their jobs for a variety of reasons, such as affirmative action measures (Annexure 2: The Employment Equity Act No 55 of 1998), and also:

“... the ongoing effort by SA firms to enhance their international competitiveness by bringing down production costs” (Theobald, 2001: 210).

The emphasis of this study, is to suggest a possible route for employed people to take towards the future, before they become unemployed or even if they remain employed.

The lack of practical management experience (poor management skills), which is one of the main reasons for business failures, according to Van Aardt and Van Aardt (1997: 191), is an important reason why a bridging phase is necessary for employed people (Figure 3.2).

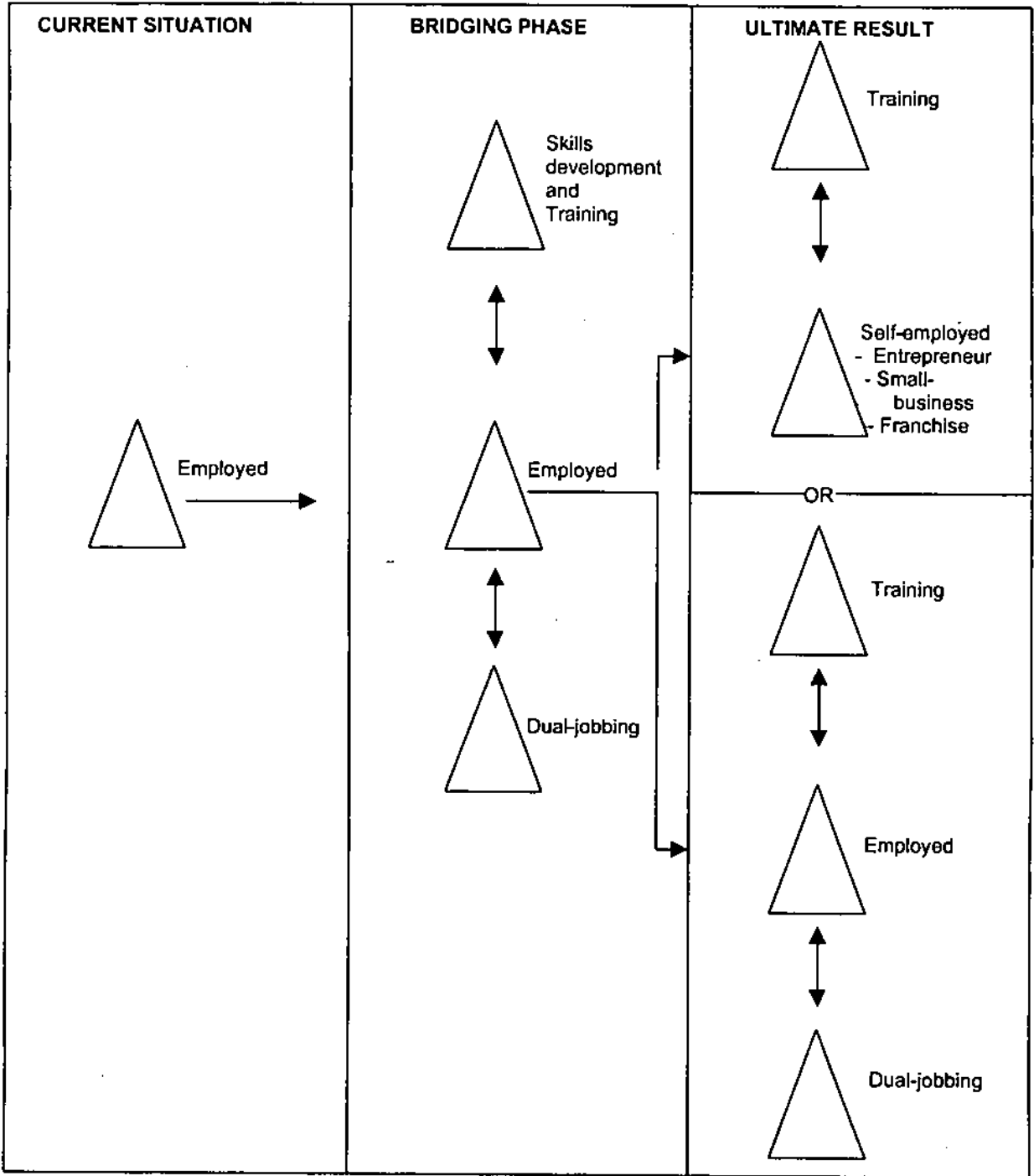
To move out of the current situation into the bridging phase (Figure 3.2), entails skills development and training on a continuous basis, as well as dual-jobbing for practical experience. Section 3.4.2 deals with self-research to be done, before one could become a dual-jobber, while section 3.4.3 deals with market research i.r.o. finding opportunities.

For the person who retains his/her employment, dual-jobbing might be a way of earning extra income before and after retirement.

The ultimate result required, (Figure 3.2) is, that the person who becomes self-employed must be ready to manage an own business through the experience gained as a dual-jobber. Alternatively that the person who stays employed, will carry on with dual-jobbing for extra money and training for the benefits to be gained in the work situation when being better qualified.

Figure 3.2 reflecting a way people could use to prepare for the future.

**FIGURE 3.2: SUGGESTED PREPARATION FOR THE FUTURE**



Source: Own research

Different reasons are given for small business failures, but the benefits to be gained from dual-jobbing are such, that they could eliminate some of these

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problems. Refer to section 3.4.9.5 for the problems listed by Van Aardt and Van Aardt that small businesses have and the solution provided by dual-jobbing.

### **3.3 GOVERNMENT AND BUSINESS TRAINING INITIATIVES**

Government has seen and recognised the need amongst the people of SA to undergo training and develop their skills.

According to SAS (2000/2001: 261), the percentage of people with training useful for their jobs is very low, but that the government, with the Skills Development Act No. 97 of 1998, is trying to address this shortcoming.

The Skills Development Act No. 97 of 1998 is intended to formalise training in the South African workplace and to provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce.

Formalising training, however, is not the only reason for this legislation but also aims at integrating those strategies within the National Qualifications Authority Framework as contemplated in the South African Qualifications Authority Act, 1995. The Skills Development Act No 97 of 1998 states the following:

"Also to add value to the developed and improved skills by providing for learnerships that lead to recognised occupational qualifications, by making provision for the funding of such development."

The purpose of the Skills Development Act No. 97 of 1998 is to:

- Develop the skills of the South African workforce;
- Increase the levels of investment in education and training in the labour market and improve the return on investment;

- 
- Encourage employers to provide opportunities for people to gain work experience, employ people who find it difficult to get employment and to provide employees with opportunities to acquire new skills;
  - Encourage workers to participate in learnerships and other training programmes;
  - Improve employment prospects of people previously disadvantaged by unfair discrimination;
  - Ensure quality education and training in the workplace;
  - Assist people to be employed or re-employed and help employers find qualified employees; and
  - Provide and regulate employment services.

Source: SAY (2000/01: 262).

The Skills Development Levies Act No 9 of 1999 was promulgated with effect as from 1 September 1999. It makes provision for employers (except those specifically exempted) to contribute 0,5% of their monthly payroll as a skills levy with effect from 1 April 2000 and 1% with effect from 1 April 2001.

Strong (2000: 15) says that: "new skills legislation replaces apprenticeships. As from 31 March 2000, Industry Training Boards and apprenticeships will officially be dissolved. The gap that they leave, will be replaced by Sector Industry Training Boards and learnerships."

The Skills Development Act No. 97 of 1998 provides for the creation of learnerships. These differ from apprenticeships in the following ways.

- Learnerships are demand driven.
- Learnerships are offered in response to a demonstrable social or economic need.
- Learnerships are more diverse than are apprenticeships.
- Learnerships take place in a wider variety of contexts.

- Learnerships have different content to apprenticeships. Learnerships aim to integrate theoretical education and skills training in both the learning programme and assessment.
- Learnerships differ from apprenticeships in that they are intended for a broader group of learners, that is beyond the traditional trades, in a broader range of economic sectors and occupations.

Source: Strong (2000: 15).

According to Beira (2000: 42): "the onus is also on the employer to educate their employees in all the skills necessary to perform their function as laid out in the job profiles."

Employees also need to be motivated, so that they will participate in training activities, to increase their own potential, and not just because of the changed company policy that enforces training:

"There is also a responsibility on employees. They must take the skills training provided and integrate it into the fabric of their work ethos" (Beira, 2000: 42).

Learnerships have theoretical and practical programmes, as a basis for the benefit of both employers and employees.

Hardijzer awers (2000a: 39) that learnerships:

"... are formal learning programmes that link theoretical learning and structured workplace experience to prepare employees and these outside of work with the skills and knowledge required to perform competently in an occupation for which there is a clear demand."

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## **3.4 INDIVIDUAL INITIATIVES – DUAL-JOBING**

### **3.4.1 Introduction**

Employment in the formal economy, apart from that in agriculture, decreased by nearly ninety thousand people in 1999 alone (Table 2.13). Many of these people who had lost their jobs, find it difficult to be re-employed, because they are not classified as designated employees. (Refer Terminology in Chapter 1 and Annexure 2). According to a communication by Mr J.L. Hartwig (2002), a member of the Business Development Training Consortium of Southern Africa, about 80% of corporate vacancies are affirmative action positions.

This situation is made worse by the number of matriculants and graduates entering the market yearly and who also need to be employed (Section 2.2.3). In many cases these people are trained in the use of new technology (Tables 2.4 and 2.6), which make re-employment for the unemployed more difficult.

Training and a lack of skills are also reasons why a change from one business to another is sometimes very difficult. With rapidly changing technology, many people just do not have the background to undergo continuous training (Table 2.18). According to the October Household Survey, 87% of the population were able to read in at least one language, while 86% were able to write (SAS 2000/2001: 254).

Training is also expensive: a comprehensive computer course can cost upward of reach for many individuals, with the result that few people undergo training after school or university. The Skills Development Act No 97 of 1998 aims to increase skills training in the workplace, paid for by the employer and refunded partly by government (Skills Development Levies Act No 9 of 1999).

Research has shown, that emigration has left South Africa with a shortage of skilled staff, as most of the emigrants who left are well-trained people (Section

2.2.4), resulting in jobs for untrained people also being lost.

Hardijzer (2000a: 39) emphasises the key property of development as follows:

"To be responsible for one's career in today's turbulent organisational environments, the employee needs new career competencies, not just job skills."

Hardijzer then continues by stating that:

"... these career competencies might be called 'metaskills' because they are skills in acquiring new skills. The most important metaskills are adaptability, tolerance of ambiguity and uncertainty, and identity change."

The two important categories of employed people are firstly those employed either by an employer for compensation or those employed by themselves to try to make a living from their business.

Employed people seldom take the time to analyse themselves so as to find if they are really doing the type of work that they should be doing or that will give them job satisfaction. In South Africa, with formal job opportunities decreasing yearly, many people think it a waste of time to analyse themselves, as they find that alternative employment

People undergo aptitude tests in school and at university and then decide on their future occupation as based on these results, sometimes even without taking their likes and dislikes into consideration.

Most employed people in South Africa, are employed by businesses in the formal and informal sectors, throughout their working lives and are satisfied this way.

Worse even, many school-leavers have to take the jobs they can get, and then they carry on in these occupations sometimes for long periods or even until

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retirement, without preparing themselves for any other opportunity that might arise.

There is, however, also the category of people, although fewer in numbers, who are employed on a full-time and a part-time basis. These people are doing dual-jobbing according to the standard definition of dual-jobbing (Terminology Section in Chapter 1) and mostly for extra income.

Another category of people are also employed full-time by an employer. But outside of the normal working hours, they get involved in activities, for themselves, (Section 1.12, Terminology, for the adjusted definition of dual jobbing) mainly for the practical experience to be gained, but also for the extra income that might be generated. Other reasons might be something that somebody made for themselves, that was seen and wanted by other people, that has now become a small home-based manufacturing business. This manufacturing might only take place on order or it might be produced and then marketed.

### **3.4.1.1 Entrepreneur and small business owner**

Research has shown that many employed people waiting for an opportunity to start their own employment, as well as people already self-employed, see themselves as entrepreneurs from a young age, sometimes because of the perception that it is nice

to be in charge, or because of family members who seem successful as business owners.

Figure 3.1 shows the actual events, as researched, of happenings when opportunities or job losses occur.

To start any formal business (Terminology: Chapter 1), many formalities are involved, such as registrations according to the different laws applicable. This can

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be a very daunting task, but help in the form of lawyers or accountants are readily available, at a price.

The following are just a few of the laws that must be adhered to from the moment that any business employs a first employee.

- The Labour Relations Act No 127 of 1998.
- The Employment Equity Act No 55 of 1998.
- The Basic Conditions of Employment Act No 75 of 1997.
- Compensation for Occupation Injuries and Diseases Act No 130 of 1993, as amended.
- The Unemployment Insurance Act No 30 of 1966.
- The Occupational Health and Safety Act No 85 of 1993.

These laws demand a formidable amount of knowledge that can result in huge fines, if not adhered to, and is normally not part of the experience of the new employer who not long ago still had been the employed.

More pieces of legislation that require attention are those that relate to the SA Revenue Service, especially on the need to deduct PAYE and the Pension Fund regulations.

Of the laws mentioned above, the Basic Conditions of Employment Act No 75 of 1997, regulates the following information required in writing when employment commences.

Name and address of the employee.

Occupation of the employee.

Brief description of the work.

Place and places of work.

Date of commencement of employment.

Employee's ordinary days and hours of work.

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The wage or rate and the method of calculating wages.

Overtime rates.

Any other cash payments to which the employee is entitled.

Any payment in kind and its value.

The frequency of payment.

Deductions to be made.

Leave entitlement.

Minimum conditions in terms of legislation.

Annual and sick leave entitlement.

Certain records need also be kept according to the Basic Conditions of Employment act such, as:

normal and overtime hours worked;

annual and sick leave taken; and

payments and dates of payment to employees.

The Unemployment Equity Act No 55 of 1998, regulates recruitment in respect of unfair discrimination in businesses with more than fifty employees.

To aid the new business owner through the process of starting and running a business, many books, magazines and web sites are available (Annexure 6).

Businesses trade from specific business premises. Even mail-order businesses must have a venue from where they deliver orders received. Iscor, a large business, occupy large premises (more than fifty hectare in Vanderbijlpark) because of their size and the type of business activities that they are involved in, while bookkeepers and lawyers need just enough office space to accommodate their personnel members.

The type of premises required, are also dependent on the equipment used. Some of the Iscor buildings make provision for the movement of materials by overhead

cranes while small shops need only racks, tables and chairs.

The decision on the product or service to be supplied, the finding of premises, renting or buying according to the needs of a small business, and the purchasing of the required furniture and equipment are the responsibilities of the owner. The contracts for space required and licence agreements, can however, be acquired from lawyers,

Advertising agencies, at a cost just like lawyers and accountants, can help with advertisements to bring potential customers to a business, but to supply the required goods at the required price and then to keep customers happy and return for more, are the responsibilities of the small business owner and his personnel.

As satisfied and returning customers, who are the responsibility of the owner, are of the utmost importance for the future of a business, the success of any small business venture lies squarely on the shoulders of the owner. As seen in the study, however, more than sixty percent of new small business ventures close down within the first six years in the USA, according to statistics (Van Aardt and Van Aardt, 1997: 191).

#### **3.4.1.2 Dual-Jobbing**

By being involved in dual-jobbing, many people find that they are successful, but need more knowledge in their field and consequently go for training. This training has led to more opportunities and with the knowledge of operating a business gained, many entrepreneurs have started and succeeded in their own ventures.

According to Hardijzer (2000b: 21): "it is no longer sufficient just to be skilled in a particular job or specialisation, as these will certainly change over time or even disappear entirely."

Freelancing and becoming skilled and experienced in more than one discipline, might be positive for employees for in future, individuals may find that the concept

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of job security is replaced by 'employability security' which is the ability to adapt and enhance one's skills so as to be able to perform well in different types of jobs and organisations (Hardijzer, 2000b: 21).

The responses supplied by all the dual-jobbers who completed the questionnaire (Annexure 5), (to question 19.1) were positive in that they state that they were gaining experience as dual-jobbers, enabling them to become successful small-business owners.

Part-time employment also seems to be on the increase in SA. Businesses recruit people with certain expertise and when they require this knowledge, the person is hired on a part-time basis or as a consultant:

"Careers are now being shaped by professional and entrepreneurial principles, encouraging the ability to develop and market one's own skills and ideas, rather than by sequence of jobs provided by one company" (Hardijzer, 2000b: 21).

The dual-jobber, whether in competition or not, will spend more hours working than do people who are employed. Eyler (1989: 2) states, that the:

"... only difference you should expect to note between your endeavours and those of your full-time counterparts is the number of hours you have to devote to the quest."

Question 8 of the questionnaire (Annexure 5) required from the respondents to say whether better time management was required, since they became dual-jobbers and 85% answered positively. All the respondents then agreed (question 9) that the benefits to be derived from dual-jobbing, outweighed the disadvantages associated with better time management and in question 11.1 all the respondents recommended a second occupation - according to any one of the definitions of dual-jobbing.

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As dual-jobbing is for a second employer (original definition) or as a freelance (adjusted definition) the first employment will demand a forty-hour work week and the second only the hours outside of these according to Eyer (1989: 2):

"You will operate over the full spectrum of the working day and well beyond it, just like the competition, the main difference being that your most intense effort will be after or before the normal business hours of your full-time position."

The difference between the original definition of dual-jobbing and the adjusted definition, lies in "contingency freelancing" as against the original idea of two employers.

In response to question 2.1, a minority of the respondents said that their salaries were sufficient to give them this standard of living they require. The response to question 4 of the questionnaire (Annexure 5), on the reasons that originally motivated a person to become a dual jobber, more than half of the respondents gave the need for extra money and an opportunity that was identified as reasons. On question 10.1 most of the respondents said, that although extra money is the main reason, many other benefits exist (Question 10.2).

Contingency freelancing implies delivering for a person's own benefit and not on behalf of somebody else, as is the case with just being employed by a second employer. To deliver a product or service, can imply the purchase of material and the manufacture of a product (Isacor, Sasol), the delivery of a service (a lawyer or an estate agent), or the purchase and direct sale of a product to a customer (Checkers and Spar).

These actions normally imply a business with premises, costs and risk that the dual-jobber aims at eliminating as far as possible.

The difference in the costing structure of a small business and a dual-jobber, is demonstrated in the attached example of a person who starts or buys a business

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and the dual-jobber who starts small and does everything from his own premises outside of his normal working hours.

### **3.4.1.3 Practical example**

The practical example and notes will explain the difference in costs to be paid by the small business owner and the dual-jobber.

#### **Note 1**

To break-even, the small business needs supply 15 gates at R1 250 per gate, where the dual-jobber needs supply only 3 gates, due to the individual costing structures (notes 3-13).

Markup per gate for both suppliers is 100%.

Price per gate for both suppliers is R 1 250.

#### **Note 2**

Material costs R625 per gate for both suppliers.

#### **Note 3**

The small business needs full-time premises but the dual-jobber does not require extra premises, as the work can be done from home.

#### **Note 4**

Water and electricity are required in the manufacturing process (minimum fees being levied by the service provider, are ignored).

The small business needs to manufacture more (see note 1) so that the cost would automatically increase.

#### **Note 5**

An extra telephone needs not to be rented by the dual jobber.

For marketing and other needs, the home phone can be utilised.

Note 6

Less telephoning to place orders and organise for delivery to customers, will be required by the dual-jobber.

Note 7

Advertising will be less, because the dual-jobber requires fewer sales to break-even.

Note 8

Additional insurance is not required, as the value of the equipment used is normally very low and can be incorporated in the existing home insurance.

Note 9

Additional security is not required by the dual-jobber, as the work is done from the house.

Note 10

Additional furniture is not required, as the dual-jobber does not need to have a full-time office separate from the house and the value of the equipment is too low to justify a lease.

Note 11

A delivery vehicle needs only be rented, and not purchased by the dual-jobber, when required. To rent a vehicle on a when-required basis, only would be expensive for the small business owner because of a bigger turnover.

Note 12

Petrol is linked to the number of gates to be delivered.

Note 13

No full-time personnel are required by the dual-jobber. A helper might just be

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required on the days of installation.

#### Note 14

All business owners need income from their businesses as compensation for their time spent.

The contingency freelancer might also need extra income, but the main reason for his being involved, is not extra money but to gain practical experience in the organising of a business. As the dual-jobber normally has no assistance from employees, he/she is involved in the total process, from looking for orders to supply and installation. The following might be the process.

- Pricing (calculating a price for the gates);
- advertising and negotiating (for and with people interested in his product);
- purchasing (finding of and price negotiation) with the supplier of the required material; and
- human resources experience (hiring a part-time labourer to help with the installation or delivery of the product ordered)

#### Note 15

The amount of profit will vary with the number of gates manufactured and installed.

#### General note

The information supplied, is essentially basic, but adequate to demonstrate the point that a dual-jobber can, on a small scale, with less expenses than his full-time counterpart, acquire experience in all the facets of running a business. In this way a person gets the required practical experience, but can still change from manufacturing to marketing or in any way that he/she sees fit, without the possible loss of a large amount of money. The purchase price of the business and possible interest payable, are not included.

The effects of VAT, registration for taxation, unemployment insurance, regional councils and accounting services, can be supplied by an accountant and have not been taken into consideration as are the costs in the example. Also indirect 'costs' such as labour problems when a person opens an own business, cannot be measured.

Any other type of business could have been used as an example.

**TABLE 3.2 PRO-FORMA INCOME STATEMENT FOR ONE MONTH**

		<b>Business</b>	<b>Dual-Jobber</b>
<b>INCOME</b>			
Sales		15 000	3 750
Cost of sales		7 500	1 875
<b>GROSS PROFIT</b>		7 500	1 875
<b>EXPENSES</b>			
Rent: premises		1 500	-
Water and electricity		400	150
Telephone	rent	80	-
	calls	400	200
Advertising		300	150
Insurance		350	-
Security		500	-
Lease	- furniture and equipment	500	-
	- delivery vehicle	1 250	600
Petrol		400	100
Wages and levies		1 800	300
<b>TOTAL COSTS</b>		7 480	1 500
Salary(ies) Owner / S ?)		??	??
<b>NET PROFIT</b>		20	375

Source: Own research

### 3.4.1.4 Summary

Figure 3.2 shows the suggested course that any employed person should follow in

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preparing for the future.

All the respondents to the questionnaire (Annexure 5) are dual-jobbers. Their answer to question 13.1 of whether this second occupation could become their main income, was very positive, but 100% of the respondents agreed in question 13.2, that dual- jobbing may be a way to prepare people for the future, should they lose their permanent employment.

More than 60% of the respondents agreed, that they do need extra skills, apart from what they use in their permanent occupations (Question 14.1).

To be successful in business, requires a strategy to supply the required product, at a price that will not only make customers happy to return, but also give a profit to the businessman that will reward him for his efforts and enable him to carry on.

Research of what is available and the latest trends in what the market requires, is the ongoing task of every business person. Such a person without interest in the type of business he owns, could neglect this aspect. Therefore, this study starts with a self-analysis, so that while still employed, people can analyse themselves, their likes, dislikes and interests, so that when they start looking for opportunities in the market place for dual-jobbing, they will know what not to look for; unlike like a person without self-knowledge and without experience who buys a business out of need or because an opportunity presents itself.

The challenge of section 3.4, is to develop a plan towards helping employed people improve their experience in the running of a business, although small and informal, so that when the opportunity or need arises, they will be in a position to start and run a business with greater skills and a better chance of success than is the case with people with no experience.

To do business on a small scale with little financial outlay, gives a person the opportunity to make sure whether he/she wants to manufacture a product, market

a product or render a service. It gives the opportunity to change without losing a lot of money spent on purchasing equipment, or being involved in a rental contract for a year or longer, while the business is no longer in existence or which is definitely not the way a person wants to spend his/her time.

### **3.4.2 Self-analysis**

The author has learned through experience (Annexure 1), that people, when buying a small business, often research turnovers and profit percentages, with the help of auditors. What they often ignore, is their own talent, experience, likes and dislikes. Many new business owners buy their businesses without asking themselves questions about, for example, their own time preferences - small supermarkets mostly have to stay open between 07H00 and 20H00, seven days per week. Owners of small businesses involved in garden maintenance, have to supervise and transport labourers five or six days per week.

The sub-sections to section 3.4.2 is aimed at the future dual-jobber, who needs to analyse his own temperament, as well as his/her interests and time available, so that when he/she starts looking at possible ways to become involved in dual-jobbing he/she will have a better understanding of himself/herself; as Bell et al., state:

"Getting to know yourself a little better, helps to set realistic personal goals" (Bell et al., 1993: 24).

Some people are followers who have never tried, or been given the opportunity, to use their own initiative to try and establish something and just the idea to do just that can be frightening. Therefore, people need guidance to help them find the opportunity that is both to their satisfaction and that could also become profitable in future.

Many people are not knowledgeable about opportunities and need help to decide

on additional activities. According to Figure 3.3, the future dual-jobber must, as a first step, look at the words (Table 3.3) and mark those applicable to himself/herself.

### **3.4.2.1 Strengths and weaknesses**

The first step when people want to perform self analysis, with the view of becoming a dual-jobber, is to analyse one's temperament: an analysis that many people have never done before. The purpose of gathering data and conducting internal and external analysis is to establish an information base from which strategic plans will emerge.

As people sometimes find it difficult to analyse themselves, a list showing elements that can help, is supplied in Table 3.3. The list is not complete and people should add features if they feel that it might help them to find a more satisfying second occupation.

Future students at tertiary institutions have to undergo different aptitude and interest tests in order to assist them in deciding on a course that will prepare them for a career after three or four years. But even after all these tests, some students still change their courses after weeks or even years. Dual-jobbers can also change without suffering high financial losses, if they do not get the satisfaction that they aimed for, as dual-jobbing is meant to be a training ground for future entrepreneurs.

**TABLE 3.3: ELEMENTS AFFECTING TEMPERAMENT**

Energetic	Lethargic
Persuasive	Uncertain
Punctual	Unconcerned about time
Friendly	Unfriendly
Patient	Nervous
Organised	Disorganised
Determined	Unsure
Tactful	Untactful
Accurate	Careless
Reliable	Irresponsible
Flexible	Inflexible
Confident	Shy
Full of ideas	Follower
Introvert	Extrovert
Accepts risk	Avoids risk
Likes challenges	Avoids challenges
Organiser	Follower
Efficient	Unorganised
Accept advice/criticism	Self-righteous

Source: Own reseach

When completing the list, people need to be honest, but also fair to themselves. An energetic person on the sports field might not be as energetic when involved in business. An element that might withhold a person from becoming involved in one activity, might not be important for another opportunity - a person with a shy disposition might not want to become a salesperson, but a shy person might be a very good bookkeeper. An energetic person might find it difficult to supervise labourers all day.

### 3.4.2.2 Interests

The second step on the way to an opportunity for dual-jobbing, is to complete the categories of interests document (Table 3.4).

Bell et al., (1993: 31) assents the following:

“Having taken stock of the inner you, the next step is to analyse the outer self. What specific skills do you have? A skill may be defined as an activity you have learned or developed to a recognised level of proficiency, usually over a period of time.”

People have not only different temperaments, but also different skills. These can be divided into categories and these again into subcategories, although there might be overlapping within the different categories.

Skills can be divided into three different groups; people oriented as the one alternative, to one working by oneself as the other alternative, with being creative, including or excluding people in the middle.

New skills can also be developed in the workplace or outside, through the initiative of the employer or through own initiative, by attending practical courses such as computer courses or bricklayer courses.

**TABLE 3.4: CATEGORIES OF INTERESTS**

People/service interests	Yes/No
Advising	
Communication	
Community relations	
Counselling	
Fundraising	
Human relations	
Information management	
Liaison and negotiation	
Marketing	

Motivation	
Music composing	
Negotiation	
Organising	
Operations management	
Presentation	
Public speaking	
Sales ability	
Showmanship	
Teaching	
Travelling	
Typing	
<b>Creative interests</b>	
Animal care	
Artistic	
Carpentry	
Cooking	
Designing	
Food preparation	
Gardening	
Hospitality	
Imagination	
Inventiveness	
Mechanical	
Nursing – people	
Plant cultivation	
Production	
Program designing	
Proofreading	
Skilled crafts	
Training	

Writing	
<b>Analytical interests</b>	
Administrator	
Budgeting	
Financial / bookkeeping	
Mathematical	
Observation	
Organisation designing	
Mathematical	
Observation	
Organisation design	
Planning happenings	
Problem-solving	
Procedures designing	
Quality assessment	
Researching	
Troubleshooting	

Source: Adapted from Bell et al., (1993: 32)

**3.4.2.3 Combination of the results of step 1 and step 2**

After completing the temperament and interests questionnaires, a summary must be made to combine the temperament and interest elements that go together and that could form the basis when opportunities are sought.

Table 3.5 can be changed or enlarged in any way so as to allow as many possible outcomes as possible. This summary will now be used to evaluate the possible opportunities emerging from the opportunity research in section 3.4.3.

**TABLE 3.5: POSSIBLE OUTCOMES**

TEMPERAMENT	INTERESTS	RESULTS
Example: Energetic Persuasive	Communication Fundraising	Might start fundraising for a church for experience
1		
2		
3		
4		
5		

Source: Own research

**3.4.2.4 Type of activity**

An additional document that might help people decide on the type of activity that they might be interested in, if they are still not sure after having completed the third step (refer 3.4.2.3), follows: Table 3.6.

**TABLE 3.6: TYPE OF ACTIVITY**

1.	<b>CURRENT JOB/PREVIOUS JOB IF RETIRED</b> Do I want to earn my extra income from activities similar to those of my occupation/previous occupation if retired?	1	2	3	
2.	<b>TRAINING</b> Do I want to earn my extra income from activities that can arise from the training that I have ?	1	2	3	
3.	<b>INTEREST</b> Do I want to earn my extra income from activities that can arise from the interests that I have ?	1	2	3	
4.	<b>HOBBIES</b> Do I want to earn my extra income from activities that can arise from the hobby that I have ?	1	2	3	
5.	<b>USING A MATERIAL ASSET</b> Have I obtained (bought/inherited) an asset (a vintage car for example) that I can use to increase my income?	1	2	3	
6.	<b>SOMETHING TOTALLY DIFFERENT</b> Do I want to earn extra income in a way that is totally different to anything that I have done in the past?	1	2	3	
1.	Definitely	2.	Probably	3.	Definitely not

Source: Own research

People are often satisfied with the type of work they do and when looking at dual-jobbing opportunities, they tend to stay with what they are doing. For example, the typist who freelances as a typist of CV's.

Another possibility is a person promoted to a position where he/she does not use his/her practical training (as a carpenter for example), can freelance by using his/her skills as a carpenter making or repairing wooden furniture.

An interest in the repair of antique furniture, might lead to an opportunity of becoming a dual-jobber.

A hobby that a person has, such as stamp collecting, might become an opportunity once the exchanging of doubles becomes an occupation where stamps are bought and sold.

Owners of assets, such as a vintage cars, often find that their cars are in demand at weddings and matric farewells, at high rentals.

Another possibility that might exist for the potential dual-jobber, is to find something totally different to do. With the value of the rand decreasing, people might take long leave and travel to Europe or the USA and work as waiters or a fish packers and so earn foreign currency.

People have likes and dislikes, although they sometimes do not even recognise this. Table 3.6 should be seen as an additional help to a person not convinced that the possibilities of Table 3.5 would be to his satisfaction.

#### **3.4.2.5 Time available**

A time study should be divided into the following two different sections.

- **How much time is available for dual-jobbing activities?**

Hours available per day, per week and per month.

- **When are these hours available?**

A dual-jobber involved in small car services, might be able to work at night under a light, but the garden-landscaper need daylight to be able to measure the area and plan for the best places to plant shrubs and trees, as some plants need more sunshine than do others.

**TABLE 3.7: BREAK-UP OF TIME AVAILABLE PER WEEK, AND WHEN**

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Total hours							
Hours spent:							
At work							
Travelling							
Productive							
Sleeping							
Eating							
Sport							
Relaxing							
Other							
Available							
When							

Source: Own research

**3.4.2.6 Summary**

None of the above questionnaires can ever be complete, as all people differ. Therefore, it is important for the dual-jobber to add to the above documents, when

necessary, so that a more complete picture of a person's likes and dislikes, interests and strengths will be available to base decisions on.

### **3.4.3 Market research for opportunities**

Hisrich and Peters (1998: 30) say that:

“ ... whether the opportunity is identified with the input of consumers, business associates, channel members, or technical people, each opportunity must be carefully screened and evaluated.”

The next step that the potential dual-jobber will have to take, concerns practical research, in order to find an opportunity in the market place, that will satisfy his needs, but also with the potential to become a future income provider.

Both primary and secondary research will be necessary. Primary and secondary research to find opportunities in the market and also research to analyse these opportunities, are prerequisites.

Opportunities based on the following questions must be looked for.

- Does the market have a need for a certain product or service that can be supplied? (Table 3.5).
- Can the product or service required by the market, be supplied? (Table 3.8).

Opportunity research can result in different types of needs being identified. An important question to be answered, especially when many opportunities exist, is whether the opportunity is only short-term or whether it could become long-term. A short-term opportunity might be marketing research for a business (A local radio station for example) that is done once. Long-term can be the continuous or regular supply of a product to a business for further manufacturing or re-selling, or the

sale of sand by the owner of a farm, directly to a builder or to a business selling building material.

Large businesses (Table 2.19) that supply employment to many people, seldom require creativity from their employees. The task of management is to plan, organise, activate and control (Cronje et al., 2000: 9), leaving the workers to work according to set rules and regulations, with little variation allowed.

But once a person becomes a freelance outside of the normal working hours, creativity becomes very important. Creativity, not only in manufacturing a product, but also creative thinking to render a unique service or to supply an existing product or service in a unique way; creativity, also in finding ways to market products other than utilised by the competitor.

Creative thinking is very important and some people are very good at thinking of possibilities, where others are good at making creative objects when given the ideas and these two groups need to be linked so that the thinking can be changed into a product or service that can be sold.

Creativity, if developed, can become a permanent state of mind and living and can help any person overcome a dull daily existence of negative thinking.

#### **3.4.3.1 The marketing mix**

Whether the product or service is supplied on demand or marketed after production, the elements of the marketing mix are very important.

The elements of the marketing mix are concerned with quality. If the quality required by the market, is better than a service provider can provide, the opportunity is not viable if the quality can not be improved. The same with the price. If the provider is not able to provide at the price that the market is able or

willing to pay, because of the economy of scale or any other reason, the opportunity is not really there, except if the price can be adjusted by maybe using cheaper manufacturing techniques or materials. The place from where supply will take place must also be within easy reach of potential customers; for example, sales at crafts markets. Promotion needs experimenting with different media in order to find the most effective way of attracting customers.

#### **3.4.3.1.1 Product**

Etzel et al., (1997: 192) refer to marketing as follows:

"In marketing we need a broader definition of product to indicate that customers are not really buying a set of attributes, but rather benefits that satisfy their needs."

OR

"The attitude of marketing towards a product has changed in as much that it is recognised that a customer are not really buying a set of attributes, but rather benefits that will satisfy their needs."

From this description, it is clear that everything relating to the product, is included.

- The physical product, because it can do something for the buyer, such as the use of perfume.
- The container, because it might be used again afterwards, such as a plastic milk container.
- The packaging, where applicable, for the product might be given as a gift, such as a book.
- Different container, sizes making the product easier to carry, is also important for buyers.
- Delivery and installation possibilities might also influence the buyer decision.

The physical product plus the benefits associated (quality, delivery, warranties, guarantees and terms available), are just a few of the elements that will make a prospective customer decide to buy, and to become a regular customer, or to leave without buying.

It is important for businesses to manufacture and sell their produce at a profit, large enough to cover their costs and also to leave a profit for the owners (Section 3.4.1.3).

Dual-jobbers, apart from the need for profit, also need to gain experience from their business endeavours.

#### **3.4.3.1.2 Price**

Bell et al., (1993: 85) specifically refer to price:

“The supplier or business person tends to look at price in terms of costs, volume sold and profit margins. The customer, on the other hand, sees price as something to compare between competing products. This means customers think in terms of benefits gained, needs met and affordability.”

Customers shop around before buying goods or services and so substantiate an idea of quality and price.

Price is important to both the buyer and the seller, in that the buyer wants the most for his money and the seller cannot sell at a price lower than the total cost associated with a product, plus a profit that will compensate the seller for his efforts.

#### **3.4.3.1.3 Place**

Bell et al., (1993: 150) also refers to place:

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"No line will move off the shelves if it is seen by the wrong people or sold by the wrong people in the wrong place."

The location of the business is an equally important factor that needs careful consideration. Customers do not want to travel to far-off venues and seen as dangerous areas, where the rentals might be low, and many businesses do not warrant expensive areas to deal from.

For the dual-jobber the benefit lies in the fact that his premises normally are his house or a market where he does not need permanent space, resulting in a cut in costs also.

#### **3.4.3.1.4 Promotion**

Etzel et al., (1997: 441) see communication as:

"... the verbal or non-verbal transmission of information between someone wanting to express an idea and someone else expected or expecting to get that idea."

Different methods of promotion exist and some of the following methods are exceptionally applicable for the dual-jobber.

- Personal selling for the dual-jobber who does not need to sell in big quantities, and with reference to the adjusted definition of dual-jobbing, is a way to meet with people and to establish what their needs are.
- Advertising is also very important to the dual-jobber, for it will help establish the interest that advertisements can raise for the product or service.
- Sales promotion, such as in-store displays in friendly shops, also brings about direct contact with potential customers.

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Potential and existing customers constitute the most important sources of information regarding the suitability or utility or not of the product on offer.

#### **3.4.3.1.5 People**

McCormack (1996: 51) speaks about people's preferences and attitudes:

"You can be doing the best job in the world for your client, but if there is something missing, if your client is unhappy, then all your opinions about your performance are worthless."

People have different needs, perceive quality and benefits differently, pay in different ways and have different ways of expressing their happiness with a product, or their unhappiness, should something go wrong with their purchase. And these different qualities need to be taken into consideration by small business owners for them to have a chance to be successful. Cronje et al., (2000: 17) refers to the satisfaction of needs, stating that the:

"... continued existence of humans depends on the constant satisfaction of numerous needs, both physical and psychological. The work that every member of a community performs is directly or indirectly linked to need satisfaction."

Hench, the continued existence of humans depends on the satisfaction of numerous needs, but the success of a business depends on the ability to satisfy the needs of those humans.

#### **3.4.3.2 Different opportunities**

The study of opportunities must not only take into consideration those that are obvious and can be seen by all, but must consider specific needs and wants of people, the country in general, and the economy and opportunities that might be

emerging; for example the steady decline of the rand might make import replacement a topic worthy of research and might also help in creating jobs for some of the unskilled and semi-skilled people of SA.

#### **3.4.3.2.1 Existing opportunities**

Finding an opportunity or hearing about opportunities could originate from many sources.

Family, friends or colleagues might experience a need for a product or service that they cannot find. Somebody might mention a negative experience that they have had with a supplier or the price of a product might seem too high for the quality, and the dual-jobber or person looking to do contingency freelancing, might see an opportunity to become a supplier.

Specific research might also be done to find opportunities after self-analysis has been done. Primary research might entail the placing of adverts in order to find if there is a need for a certain type of product or speaking to people who have expressed a need to see if the market might be big enough for the dual-jobber to get involved.

Secondary research might include an investigation of businesses that have closed down in the area. Very few opportunities are too small for a dual-jobber and if a business is closed down because of a too small market, it might create an opportunity for the freelancer.

Opportunities that exist, could include going into competition with another supplier or the identification of a need in the market for which there is no other supplier nearby.

These opportunities can include the following.

### - Previous information

When looking for opportunities, people often hear about a need that exists because of various reasons. For example, a hairdresser hears about a need in an old-age home. Many of the old people are too frail to visit hair salons, but still need the services of a hairdresser, so that the opportunity exists to become a dual-jobber by servicing an existing need.

### - Tools owned

Dual-jobbers mostly make use of the tools that they have or have access to. The handyman, for example, normally owns tools that he uses for his hobby or his own repairs and should be able to use these to start his own small operation without spending a lot of money.

Henry van Reenen started building his own radio mast in 1976. Before he could finish it, someone offered to buy it. That is where Henry van Reenen & Associates (Pty) Ltd had its origin. (Naude, 1999a: 38) mentions the words of Henry van Reenen:

"We started small, without any capital - just a R400 overdraft. We have experienced peaks and valleys, but fortunately more peaks."

### - Hobbies

Hobbies sometimes change into full-time business opportunities. Especially where a person starts selling what he made, because of a demand or a lack of space to keep everything.

According to (Jesse, 1999d: 28), Crispin Jackson used his hobby of bee-keeping to help pay his university fees. He is now the holder of a worldwide patent on a revolutionary new hive which he says, offers potential for rural use.

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### 3.4.3.2.2 Chance (accidental) opportunities

An accidental opportunity as the name suggests, is an opportunity that somebody stumbles on by chance.

For many entrepreneurs, success comes through the ability to recognise an opportunity. The company, Market Information and Data Scanning, has just been awarded the exclusive distribution rights in Southern Africa for a pocket-sized, hand-held computer called the C-Pen. On a flight from London a colleague of the marketing executive of the company, noticed a passenger using the C-Pen and she told him about the device. After finding details on the Web and negotiations, the distribution rights followed (Jesse, 2000: 28).

### 3.4.3.2.3 Emerging opportunities

Needs and wants change just like fashions and new technology.

#### - Virtual office

Jesse (1999a: 40) mentions the home-based business concept:

"More than 46m Americans are estimated to be working from home. Here in South Africa, the trend is taking off with over 36 000 home-based businesses now in operation, compared to 14 900 in 1994 – growth of 142%."

The opportunities and the resources that become available from these working conditions, are numerous. In South Africa, for example, many insurance brokers work from home, during hours convenient for their clients in order to save themselves from renting expensive offices that they seldom use.

The changing work environment, largely the outcome of technological advances, has led to the disappearance of some jobs, but has also created opportunities for

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new ones. Outsourcing, whereby businesses return to their core-business, also leads to many opportunities. According to a communication from P. Nothnagel at Iscor, Vanderbijlpark, from the more than 4 000 people who were retrenched between 1998 and 1999, many were appointed as independent contractors as part of the Iscor outsourcing initiative.

Since people are increasingly working from home, telecommuter co-ordinators are becoming necessary. They are people who provide technical support for those who do not work from an office. They can also assist with the scheduling of meetings and keep the telecommuter abreast of events at the office.

Different living conditions, such as more and more families, where both parents work or which consist of a single parent, sometimes feel the need for consultants to help them with their daily lives.

#### - **Import replacement**

Especially with the value of the rand decreasing yearly against most other currencies, an in-depth study is necessary to identify from the goods imported, those that might be manufactured locally, in order to save SA foreign reserves.

The Municipality of Springs saw the need and opportunity to develop manufacturing in SA during the last two decades of the twentieth century and they provided financial incentives such as land on which to build factories at discount prices to businesses who wanted to erect new factories or relocate to Springs.

[<http://springs.co.za>][13/10/2001].

In-depth research on import replacement is necessary, as this might be a way to create jobs and save foreign reserves. Dual-jobbers might also benefit from such a study, as the tourism industry is growing and many of the goods used and purchased by tourists, might be the starting opportunity for dual-jobbers (Refer Tourism - Chapter 3: 122).

### - Technological changes

Technology changes all the time. The cellphones of last year cannot do what this year's model can do. When cellphones became available in SA, they were mostly used for telephoning. Then the facilities to send faxes, play games and many others were added. Some new generation cellphones even make provision for photographs to be taken and sending these to a receiver via the internet.

Companies make use of new technology not only to save money, but also to increase productivity.

### - Internet

New business opportunities also become available on internet regularly. By making use of search engines, such as <http://www.mweb.com> or <http://www.easyinfo.co.za>, new internet business is rapidly opening opportunities for SA entrepreneurs, allowing them to offer goods and services faster, cheaper and more efficiently than ever.

Many people have garages or attics full of goods they never use, but are unwilling to throw out, because they still have value and the Internet is the ideal place for the dual-jobber to get involved in buying and selling such goods.

### - Tenders

On the internet, in the press and in tender bulletins, people ask for goods and services to be supplied on a tender basis. A need is expressed for conditions to be met and anybody who can supply in the need, is invited to submit a tender, with price and delivery specifications. The address of the government tender board, is <http://www.gov.za/tenders>, and for worldwide requirements, the web address is <http://www.globaltenders.co.za>.

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- **Aids**

The number of workers in South Africa affected by Aids, are reaching dramatic proportions (Section 2.2.5), and many people will soon be needed on a part-time basis to stand in for the sick, the dead and those attending funerals. The problems associated with HIV/AIDS are so immense that a separate study is required to examine the possible direct and indirect effects of this illness on the economy in general, but specifically on business and on labour.

- **Businesses for sale**

Businesses change hands from time to time. Newspapers like the Star and financial magazines like the Financial Mail, have separate sections in which business owners advertise when they want to sell a business. An information site on internet, such as <http://www.easyinfo.co.za>, can also assist potential business buyers in finding businesses that are for sale. Dual-jobbers with the necessary experience gained while freelancing, might find just the right opportunity that will fit in with their interests, amongst all the advertisements of businesses for sale.

- **Tourism**

Government and the private sector are trying their utmost to convince overseas people to visit South Africa. One hundred and thirty million rand have been made available for this purpose in 1999, R50-million from both the Business Trust and government and R30-million from a voluntary levy on industry. [<http://www.btimes.co.za/99/0530/comp/comp20.htm>][23/02/2001].

The aim of this marketing campaign, is to increase the number of foreign tourists from 1.5-million in 1998 to 2.4-million in 2001, thus increasing the full-time jobs in the tourist industry from 737 000 to 1.5-million. Such an increase in tourists will lift income from tourism for SA from R24.2-billion to R37.4-billion.

[<http://www.b/times.co.za/99/0530/comp/comp20.htm>][23/02/2001].

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Many opportunities become available for the dual-jobber, considering the needs and wants of all these visitors of whom most spend more than R5 000 per day in places such as Cape Town (Keenan, 1999: 61).

Exports of SA arts and crafts have shown considerable growth in the past year – up to 200% according to some estimates (Jesse, 2000: 37). It seems that people are willing to pay a premium for high-quality “slices of Africa.” A web site, <http://www.buy-afrika.com>, containing a database of more than 3 000 products, is extensively used by overseas buyers to source products from South African suppliers (Jesse, 1999b: 37).

#### **3.4.3.2.4 Created opportunities**

Through something that happens, a new initiative by government such as the Skills Development Act No 97 of 1998, or innovation, new opportunities are created.

The South African government is looking for solutions to solve the housing problem in the country and opportunities are therefore, available for people to experiment with different building materials and methods.

A business named Cement Board Industries, has made a novel contribution to the South African building industry. The cement board made by the company, is a mixture of treated wood shavings and cement. Although the product was developed after World War 2 as a cost-effective solution to Europe's then enormous rebuilding requirements it might now be the solution to SA's low-cost housing problems (Jesse, 1999c: 25).

#### **- Identification of a need and supplying in the need**

People are, or are becoming aware of existing needs through own experience or by just listening to what people say. Naude states that after years of copying

headings and columns in accounting class, two students entrepreneurs came up with a solution in their first year at university (Naude, 1999b: 27).

To overcome their own problem they wrote a computer programme and initially used it to compile their own accounting exercise books. This initiative has grown to a business, employing 10 part-time workers and a turnover of more than R500 000 per year, printing and supplying pre-printed exercise books for schools (Naude, 1999b: 27).

Other sources that might be used towards an awareness of needs, that might lead to dual-jobbing opportunities are tender bulletins, newspaper advertisements, books on hobbies and interests, and primary research by listening to what people talk about.

- **Changed needs**

**Training / seminars / workshops**

People in South Africa need training because of technological changes, environmental changes, illiteracy, changes in the composition of the workforce, etc.

The 1996 Census figures (Roodt, 1999: 54) show an unemployment rate of 34% - 43% for Blacks, 21% for Coloureds, 12% for Indians and 5% for Whites. Of those 20 or older, with no education, 24% are Black, 10% Coloured, 7% Indian and 1% White.

A private initiative to alleviate the education problem, resulted in the Open Learning Group, established in 1994 and growing to 25 000 students who receive distance education (Roodt, 1999: 54).

### 3.4.4 Link results of self-analysis and market research

After completion of the self-analysis questionnaires, the result must be matched by the availability of opportunities to the dual-jobber. Figure 3.8 has been designed to enable a person to quickly determine whether an opportunity should be further investigated or ignored.

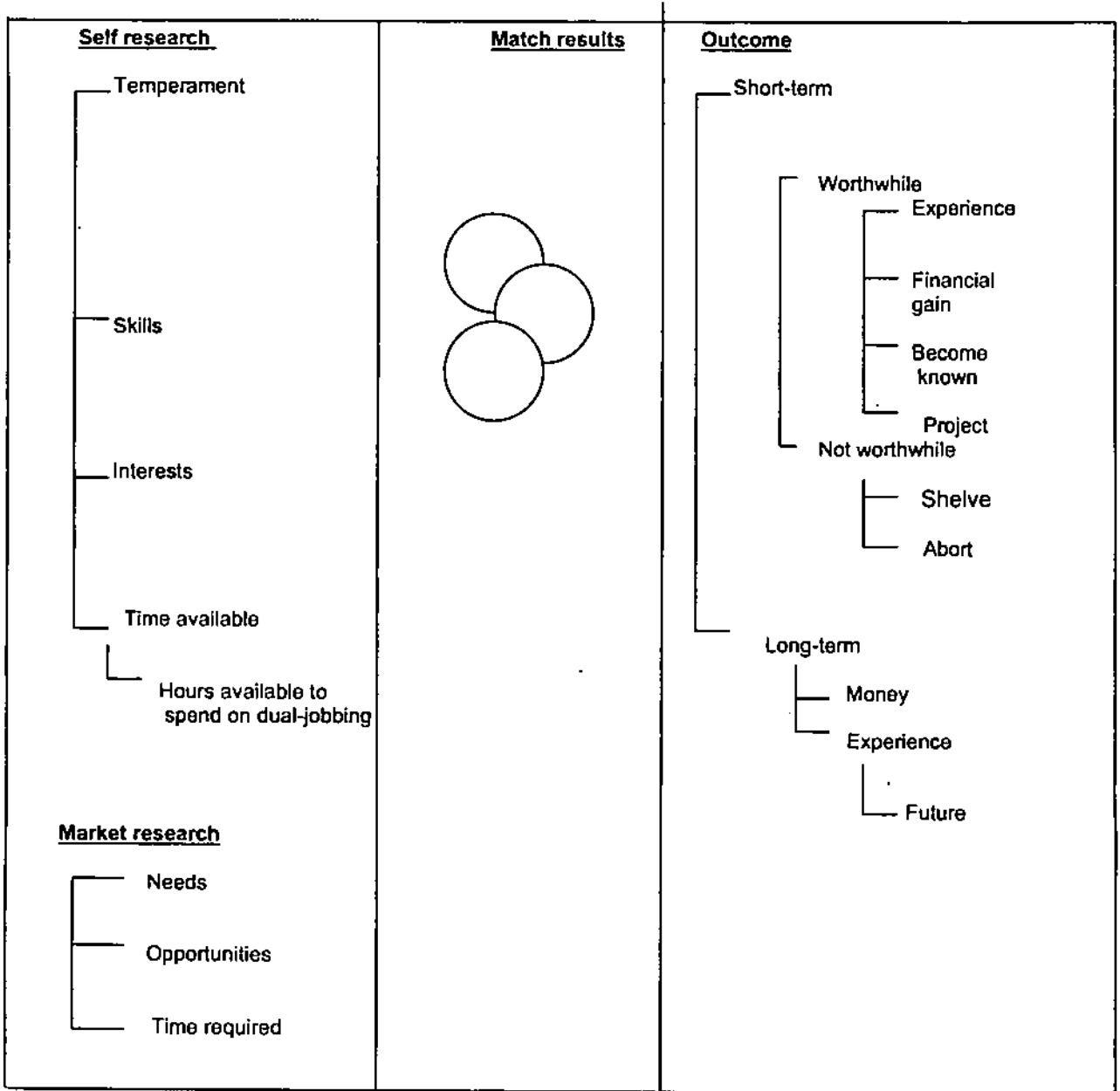
**TABLE 3.8: OPPORTUNITY AND SELF ANALYSIS MATCH**

Opportunity	Product or service required	Description of input required	Temperament match	Interest match	Time match	Acceptability
Private or business long-or short-term		People Service Techno-logical	Yes/No	Yes/No	Yes/No	Investigate or reject

Source: Own research

The outcome of the research (3.4.2) on interest and time available, the results from 3.4.3 on opportunities and the matching of the results in (3.4.4), should result in the outcome as shown in Figure 3.3.

**FIGURE 3.3: LINK SELF RESEARCH AND MARKET RESEARCH**



Source: Own research

**3.4.4.1 Short-term opportunities/possibilities**

Some opportunities might have only short-term possibilities or once-only benefits, such as market research for a business (once per year), and should be analysed

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to value the acceptance of such an opportunity.

Own research has shown, that opportunities such as these, although on the short-term, might be worthwhile accepting for the following reasons.

- Experience to be gained
- Short-term financial gain
- As a demonstration of abilities.

If opportunities, however, do not seem to hold any possible gain in future, it should be aborted and something better searched for.

#### **3.4.4.2 Long-term opportunities/possibilities**

If any long term opportunities (a life-span of a year or more at least) emerge from the above research, the gain should be analysed, to see if it is only financial or if it could also contribute to the long-term aim of gaining experience for future reference.

#### **3.4.5 Resource management**

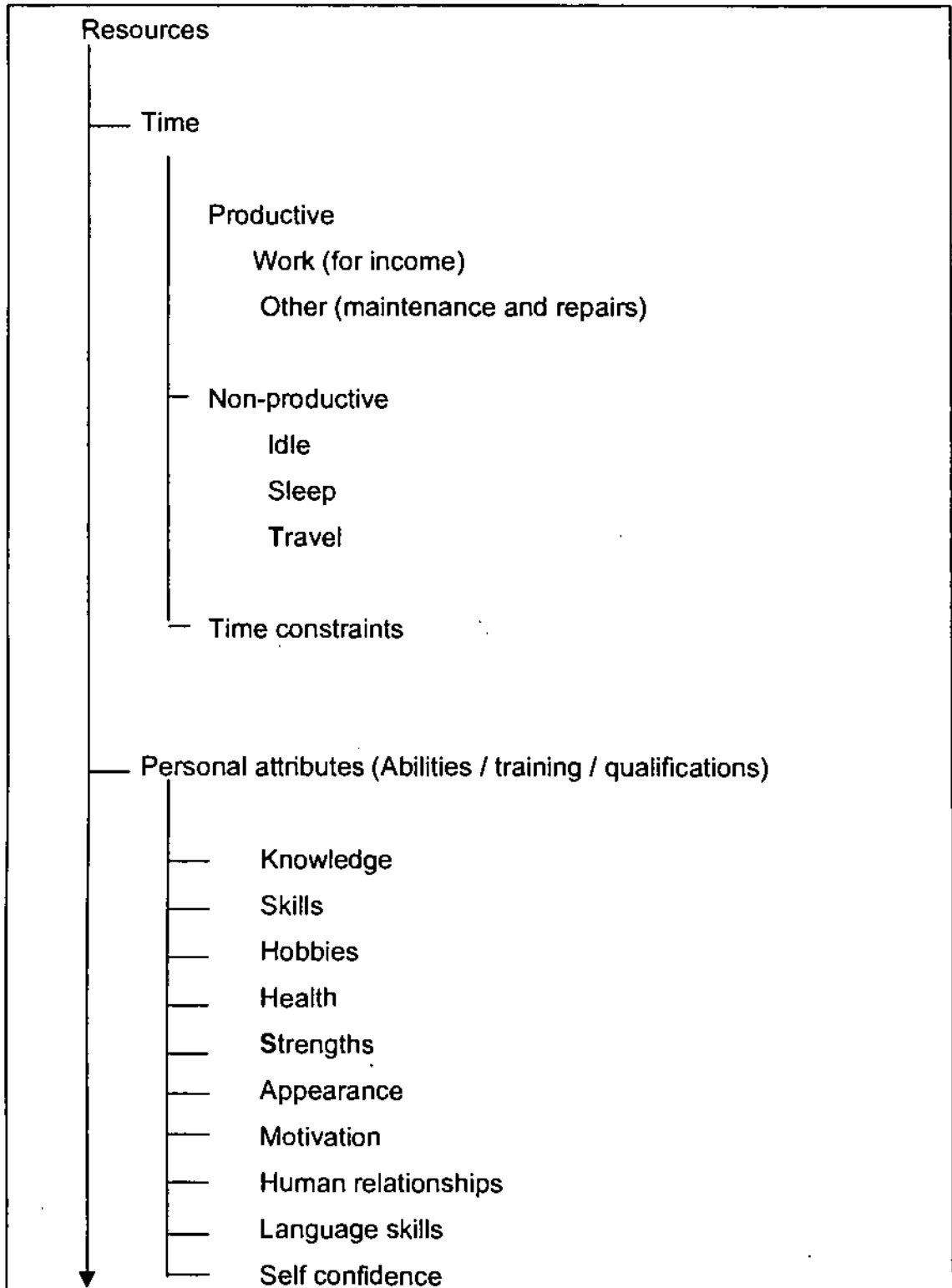
Cronje et al., (2000: 9) mention resources:

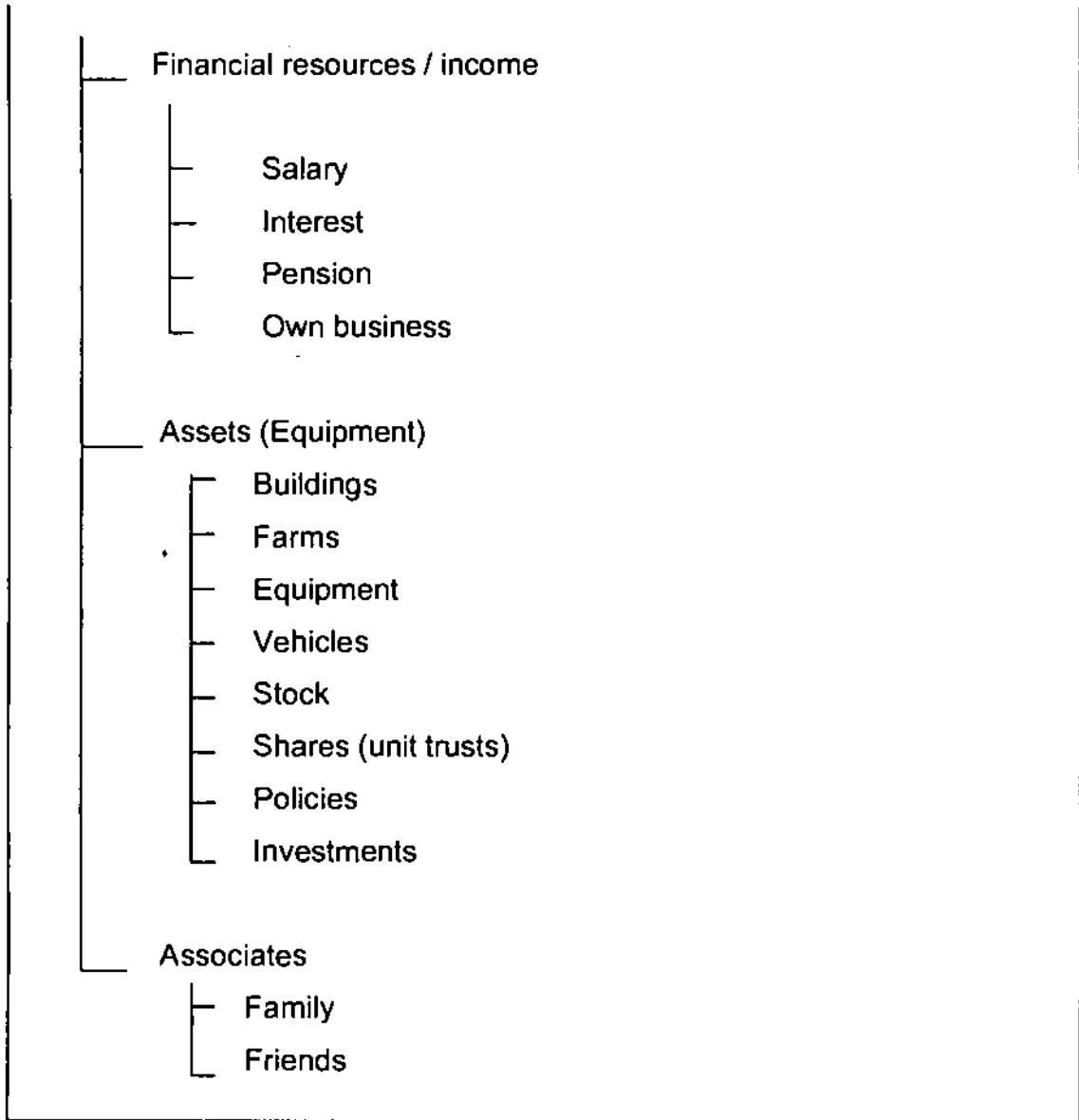
“If one considers the multiple and unlimited needs of humans, especially in highly developed societies, it is clear that there are only limited resources available to satisfy all needs.”

It is a well-known fact, that every person has some resources available that might be sold for income or other resources that can be used to generate income.

Figure 3.4 supply an analysis of the resources available that people could use in their search for prosperity.

**FIGURE 3.4 ANALYSIS OF RESOURCES AVAILABLE TO PEOPLE**





Source: Swart (1996: various).

While making use of the resources that people have available, they can earn extra income and while earning this extra income, they also become used to managing their own small businesses and that is one of the biggest benefits that the dual-jobber has. While earning extra money by doing something that he/she likes he/she also prepares for a future where self-employment might become necessary.

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The dual-jobber is taking the opportunity to become involved in a business, without the need to spend large amounts of money, and should a person find that the market for the product or service is not good or big enough, he could change without losing large amounts of money.

Also, if the dual-jobber should find that he does not really like what he is doing after normal working hours, or if such a person should find another opportunity while being busy in one type of business, it should be possible to change without suffering big financial losses.

#### 3.4.5.1 Time

Hisrich & Peters (2002: 511) also realise the importance of time in business and states the following:

“ One of the biggest problems in growing the venture is encapsulated in the phrase “If I only had more time.” While this is a common problem for all busy people, it is particularly acute for the entrepreneur when business begins to grow. Time is the entrepreneur’s most precious yet limited resource.”

Time is the one resource that every person has. The use of this available time, however, differs from person to person, and situation to situation.

The reasons for a second occupation are, in most instances, a need for money to build prosperity. But it is very important that a balance be found between the input of time and effort and prosperity gained. A person who is happy with his second occupation might find retirement or even retrenchment less stressful than somebody committed only to fulltime employment.

Time management has different meanings for different people: the businessman, the sportsman, the manager and the employee, as well as for the employed for those who are unemployed.

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Better time management can have many advantages, which will result in a better ratio between the different time uses.

Many books on management discuss methods to make better use of the time available, and specifically about time-wasters. Although many of the books are written for business and management, such as on ways to overcome and prevent time-wasting, (DuBrin, 1994: 481) it is also necessary for individuals to make better use of their time. Dual-jobbing is about additional work, that will take the time of the dual-jobber, in many cases requiring better time management.

- **Productive time**

In the light of the borders set, this study is about additional work being done outside of the normal working hours. Therefore, each person included, must spend productive time in a formal working situation. Also, each person must travel to and from work in which travelling time forms part of productive time. Maintenance and repairs for oneself at home, in order to save money or because of other reasons, are also included in productive time.

- **Non-productive time**

Every book on effective management, lists some time-wasters (Annexure 7), that any manager should be aware of. External time-wasters such as the telephone, interruptions, meetings, and the mail and internal time-wasters, such as decision-making, planning, socialising, an open-door policy and procrastination are aspects to be reckoned with according to Kroon (1997: 274 - 278).

For the second employment person, there can be many more time-wasters if they do not plan carefully. According to research, the average person spends many hours per day in front of television, watching various programmes. For a person not used to extra work and who embarks on this trail, the beginning can be very traumatic, because it can mean a radical change in the way of living.

Everybody has to sleep, although the hours of sleep can differ from person to person and also from age group to age group.

People also spend time to relax. After working a full day, time to relax is necessary; also time to watch television, listen to the news, spending time with the family and just being idle.

Time can be wasted or utilised productively and people must conduct a self-examination to analyse their own use of the time available.

- **Time constraints**

People have different time constraints to take into consideration, when they decide to embark on the road towards generating a second income.

Time constraints from the employer because of fixed working hours: an employee works a certain number of hours per week and his second income must be of such a nature, that it can be done outside these hours, without the second job disturbing the neighbours.

Some second income jobs, however, must be done during certain hours and if this is not possible, another second income must be found. A chemist could work in a pharmacy and his second income could be derived from manning the emergency pharmacy at certain hours during the week and over weekends. As this emergency facility operates during fixed hours, the chemist cannot decide when he is going to earn the additional income as he must abide to the set times.

People rendering a service to others, are also sometimes restricted to the availability of the person in need of this service. An electrician for example, who must fix a stove, must wait to pick up the stove until there is somebody at home to open the door for him to get to the stove.

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- **Savings for the handyman who helps himself**

Another aspect that must be considered is the following. A homeowner making use of garden services, decides that he wants to save money by managing the extra time available for his own benefit. If he should decide to mow his own lawn and do what the garden services normally do a saving of a substantial amount per month is possible.

The vehicle owner could also decide to invest a small amount of money in a manual and a few basic, but necessary tools, and perform small services on the vehicle (and maybe those of a few friends) and have a substantial saving per year.

To be able to perform any of the above duties, better time management is necessary, as most people believe that they haven't got the extra time available.

To make better use of time, a person has a goal that must be reached. Why does a person want or need to earn more money? The goal must be achievable. By making better use of time, the person should feel that he can accomplish his goal. It is, therefore, very important that realistic and attainable goals are set. The goals must also be measurable over time.

The average employee in a factory spends between forty and forty six hours at work, which will be in line with new labour legislation, which reduces time to forty hours for all such employees over the next few years, with a decrease in earnings for those hourly paid.

Office workers spend about thirty-eight hours at work and shop assistants also work a certain number of hours at their place of employment.

On average, about twenty five percent of the available hours are, therefore, spent for the benefit of employers. People must also sleep, and the Bible says the

seventh day must be used to rest. Taking all these hours into consideration, a calculation must be done by every individual to ascertain the number of hours that can be made available to increase a person's prosperity.

**TABLE 3.9 THE POSSIBLE USAGE OF TIME**

	Hours	%
Total per week	168	100
Employed	43	26
Available for sleep: 7 days @ 8 hours per day	56	33
Sunday	12	7
Available to be used at own discretion	57	34

Source: Own research

Kaufman (1994: 79) avers, that although:

"... the primary employer may provide only 40 hours of work per week, a 10-hour part-time job during the weekend or after regular hours would allow a person to reach the desired income/hours of work. In 1989, 7.2 million wage and salary workers held multiple jobs; their total hours of work averaged 52 per week, composed of 38 hours on the primary job and 14 hours on the secondary job."

Planning is one of the major tasks of a manager. A task that has been well planned, often creates fewer problems for which there was no planning. Better, more efficient use of an individual's time could require careful planning. Figure 2.1 shows that about one third of an individual's time is available for discretionary use. The time used to eat and the time to eat, for example varies from person to person and can change the discretionary time by a couple of hours per week.

Maslow's Needs Theory can again be used to establish what a person's next need will be. A person that has fulfilled the first two levels starts considering ways to satisfy social needs, such as belonging to certain societies, for which a small

monthly sum of money might be needed, which might easily be earned through dual-jobbing. This situation might, however, change radically if the same person aspires for a luxury vehicle to become part of a certain social group for which the ownership of such a vehicle is essential.

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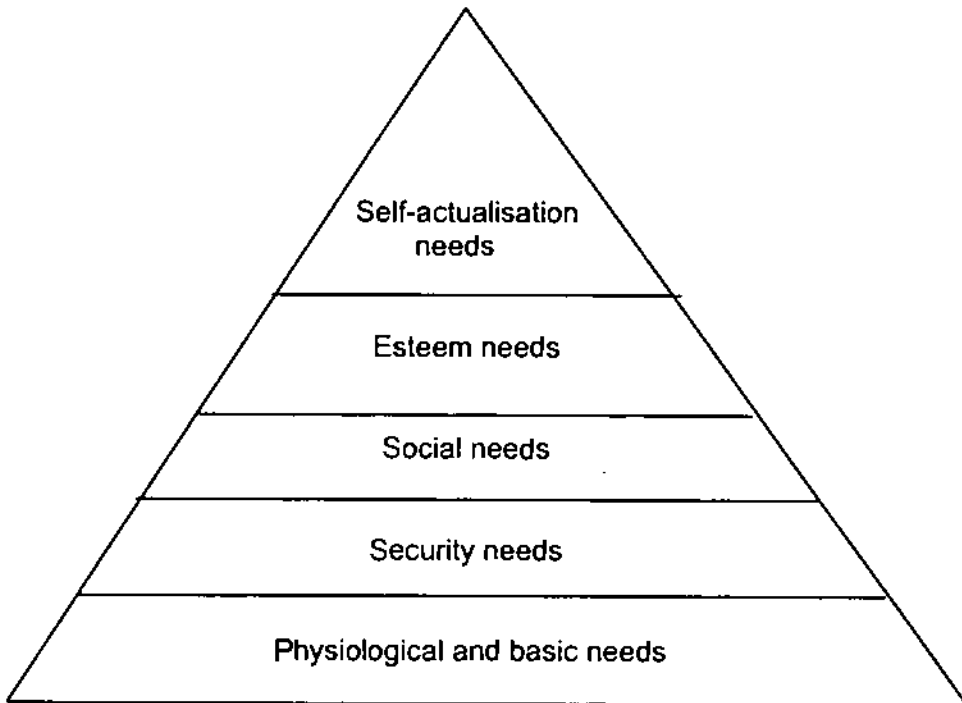
**FIGURE 3.5: MASLOW'S HIERARCHY OF NEEDS**

PEOPLE

with

NEEDS

(according to Maslow's hierarchy of needs)



use

OPPORTUNITIES, RESOURCES AND BORROWINGS

time

personal attributes

financial resources

assets

associates

to

REACH THE REQUIRED OUTCOME.

Source: Adapted from Huebsch (1995: 83) and own research

The time spent dual-jobbing will thus be affected by the time available, the motivation of the dual-jobber and also by the need that such a person wants to full fill.

The type of activity that a potential dual-jobber might want to get involved in, will also have a meaningful effect on how quickly the dual-jobber can start generating extra money. For example, a person whose dual-jobbing will just be a lengthening of the skills that he uses in his daily task, such as being a computer operator, can immediately start earning money, whereas a person who wants to become a part-time photographer and who has no knowledge of the subject, might have to undergo training in order to become successful.

The marketing or research done to establish what market offering is required, will also have an effect on how soon a dual-jobber can become a dual-earner.

#### **3.4.5.2 Personal attributes**

Bell says, that perhaps: "... the most important component of the ideal idea, though, is you - it must be your idea, reflecting your personality, your skills. It is important that you enjoy and identify closely with the product or service that you are planning to market (Bell et al., 1993: 102).

People have different abilities and they spend most of their time according to these abilities.

Individuals strong i.r.o. influencing people, might spend their time as salespeople, while those that are more technically orientated, might be more involved in manufacturing. Also, the qualifications that people obtain, will more often than not be in line with their abilities and also the training that they undergo.

Although a person might be trained for a job it is no guarantee for happiness in this occupation. As this full-time occupation is normally the livelihood of

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everybody and there is a yearly decline in the number of positions available in South Africa, people normally have to stay with their present employment. However, as this study is about dual-jobbing, with the benefits that can be derived therefrom, people must make sure, that whatever they chose as their second occupation, must be in line with what they like doing most, as far as possible.

To be successful at a second occupation, can be very trying. But to be successful at a second occupation that a person does not enjoy or does not find fulfilling, is nearly impossible.

However, one of the benefits derived from dual-jobbing, is the very low start-up cost. Therefore, if a person becomes involved in a second occupation and finds out after a while, that this becomes frustrating or boring or it is not profitable or not what was imagined, or that this is not the type of occupation that the person thought would bring happiness, or something else, that sounds more in line with the needs becomes available, this second occupation can be stopped without the dual-jobber suffering large financial losses.

Technological change forces people in different positions to keep on undergoing training or be left behind. In respect of the promotability of staff, many businesses expect their employees to undergo continuous training at the expense of most of these businesses. For the employees this continuous training also brings many advantages, in that they might see opportunities that are available for dual-jobbers. Opportunities in South Africa on Internet and other are numerous at this stage.

- **Knowledge and formal qualifications**

Another resource that people have, is their personal attributes which they use for their full-time employment. Most people obtain formal qualifications or undergo some kind of training so as to be able to originally perform their duties and they

move into other positions with time (maybe supervisory). To be promoted or moved to other positions, more training is often needed, or natural abilities used, and all the training and abilities that a person have had, could be used to a person's own advantage.

Anybody who has any knowledge of a computer, has many different options for dual-jobbing. Programs are available to everybody, from bookkeeping to draughting. The presenter of seminars can use computer programs to make the information more presentable and children can use programs to make greeting cards for extra income.

- **Skills**

Skills that a person has, can also be used as means to earn extra money. Many people have natural skills that they use to make life easier for themselves, or save money, such as the person who, after buying a new house does the renovations and changes with or without help. This natural talent might be used to earn extra income; also attending a practical course to enhance personal abilities.

- **Hobbies**

Many people have hobbies. The possibility to nurture a hobby into a full-time business, is very good, because very few people have a hobby that they do not like and one of the starting problems of the dual-jobber, is to find something that can be done and can be liked to generate income. The problem left for the person with a hobby, is to ascertain whether the market for the product or service is large enough or if changes to the market offering are necessary.

- **Health**

Not all people are healthy enough to become involved in the activities that they

desire. Fortunately however, more and more activities are becoming available where fitness and strength is not the biggest attribute anymore. Opportunities on the Internet require no physical strength, but more skills development.

- **Strengths**

Every person has strengths and weaknesses and should try to make the maximum use of these strengths and also try to turn the weaknesses into opportunities. A person who has overcome a weakness, might be in a better position to help other people with the same weakness, to overcome theirs, at the same time gaining some of the experience needed to become a successful business owner.

- **Appearance**

To make the best use of some opportunities, like acting, and appearance, is very important. Anybody wishing to participate in a television advertisement for example, might find that his whole appearance might have to change to be accepted by the advertisers, or that the roles offered are not the required ones.

- **Motivation**

Motivation fulfills a large role when a decision to become involved in more than one occupation is to be taken. Many people find the reality that they might be required to leave their safe employment to fend for themselves, unthinkable.

- **Human relationships**

Natural sales people are normally good communicators and they often find the building of human relationships quite easy and natural. For some people to become involved with others however is more difficult and both groups should try

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to become involved in what they find natural. For a person who likes to be among other people, an occupation where communication is unnecessary, might be boring and for those who like solidarity, the occupation of a salesman might be impossible.

- **Language skills**

In a country like South Africa language skills are very important. Not only have we eleven official languages, but also people from all over the world visit the country for business or pleasure and they need interpreters to help them all the way.

- **Self-confidence**

Self-confidence might be the most important resource that a person could have. To be successful in future, a vision is required. One should ask the question, where am I going and when do I want to be where on the way towards reaching the vision? The vision needs to be changed from thinking to doing, and self-confidence is mostly required to do this.

### **3.4.5.3 Financial resources/income**

By drawing up a financial plan, the entrepreneur can set guidelines according to which the finances of the venture can be managed.

- **Salary**

In the first place, salary income is normally used to survive. According to Maslow's needs satisfaction, the first-level needs, and then the second-level ones becomes important and then the next and the next. The second aim of dual-jobbing is to increase a person's income, so that the person can become prosperous after time. The aim of dual-jobbing, is also to spend a little money on the second occupation, not a big amount such as when buying a business.

- **Interest**

Interest is normally derived from an investment a person has. Money might have been inherited or policies might expire, leaving a person with interest payments that might be used to start a second occupation as a freelance.

- **Pension**

Many healthy people go on early retirement, thus making positions available mainly for corrective action candidates. These people leave their employ after years of experience, that many new candidates don't have and in this manner, skills and knowledge are lost for the country as a whole. Such people are in excellent positions to start new businesses in many disciplines or even act as trainers for people who need to do the work, but who do not have the necessary experience.

- **Own business**

Many people also save to start an own business and dual-jobbing might be a very good starting point. It normally doesn't take a lot of money for tools, as the idea is to start small with what is available and then to grow with time, if necessary. Many tools can also be rented, like a big tile cutter for the tiller. Even the owner of a business who is not ready to run a business when he acquires it might think of freelancing where possible, after normal working hours, to find what the real interest might be.

#### **3.4.5.4 Assets**

People normally use their incomes to survive. (Refer the lower levels of Maslow's Theory). But as time passes, more and more levels of needs require to be satisfied, and this is where dual-jobbing might be a solution to the problem: a way to generate extra income by just more effectively managing the resources that are

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available.

The earners of income also strive to get enjoyment from these resources, such as better furniture, greater acceptance from family and friends, such as a new vehicle, more and better holidays, or whatever they strive for.

Mostly people are not aware of the opportunities that might exist for them to get involved in dual-jobbing, because they think that they will have to spend a large amount of capital to obtain equipment (most people think production when they hear dual-jobbing).

One of the aims of this study, is to ascertain whether any person could become involved in dual-jobbing, by just managing the resources available without spending large amounts of money.

The full-time employed welder for example, might have at his disposal a welding machine of his own or a friend with such a machine or he might even be able to rent one on a daily basis, after he has done all his preparations for manufacturing, for example, a gate.

For the person who is only thinking of extending his/her hobby, it might even cost less, because increased productivity can normally be done with the existing equipment. The same goes for the person who wants to make his interest his second income.

An own business is also the dream of many people, old and young, although for many this might always be only a dream. But dual-jobbing with all the benefits that can be derived, can be just as satisfying as running a big business with all the responsibilities and risks that accompany such a venture. Dual-jobbing that has much less risk and responsibilities than a full-time business venture, might also give a person a greater feeling of satisfaction i.r.o. what is involved in running a business, while at the same time creating extra income.

A problem that many potential business owners experience, is the availability of finance. Banks and other financial institutions are very hesitant to lend money to a potential business owner and if the application for funds should be successful, most financial institutions want guarantees to be signed in return, so that if the venture is not successful, they will be able to recoup most or all of their money.

The documentation needed when requesting a loan, is also such, that very few individuals can complete them on their own and the fee that professional people ask for the completion of the documentation, are sometimes exorbitantly high.

- **Buildings**

A shed in the yard might lead to the establishment of a number of opportunities such as a greenhouse or a biltong factory. A person thinking creatively while looking for a business opportunity, might find many uses for buildings that other people might ignore.

- **Farms**

A small farm or even a large stand in town, might become the start of a vegetable garden, or a supplier of export flowers.

- **Equipment**

Any equipment that the handyman might have, has the potential to become the tools with which the dual-jobber might start freelancing in order to in time become prosperous.

- **Vehicles**

A veteran car or a limousine could be used to transport marriage couples or people at a fair.

- **Inventory**

Obsolete inventory that a business might have, can sometimes be acquired for very little money and a person who thinks creatively, might change such inventory into something useful again or add a different value by changing the objects into pieces of art.

- **Shares (unit trusts)**

A person who has bought or inherited shares might, by studying the share market become so interested in the topic, that the second income might be derived from share speculation.

- **Insurance policies**

A person who has received money from an endowment policy, might find this happening so rewarding, that he might decide to become a part-time insurance salesperson.

- **Investments**

The income from investments might be used to buy the necessary equipment to become involved in a second income occupation.

Consider the example of the welder who starts making gates. He does not really need state of the art equipment at the start, for a second-hand acquired welding machine and a saw should be available from many second-hand shops or even for rental, for after the material has been cut to size, the welding per gate should not take very long.

People also inherit, or sometimes buy objects at bargain prices which could be the start to dual-jobbing, like antique furniture or vintage cars.

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### 3.4.5.5 Associates

A much-publicised development of the past decade has been the advent of the 'telecommuter', someone working from a home converted into an 'electronic cottage'. In a growing number of occupations, new technology makes it possible to live almost anywhere and still deliver the good (Bell et al., 1993: 84).

- **Family**

To manage a business, a lot of experience is required. Help in this regard might be obtained from family members who are employed or retired from a business, who might be available to help the prospective businessman side-step some of the dangers on the way to becoming successful.

- **Friends**

Friends, just as family members, might play an important role in helping watch out for driftsand that might be dangerous to the inexperienced operator.

### 3.4.6 Legal requirements

"There are no specific requirements for the registration of a business venture" (Van Aardt & Van Aardt , 1997: 178).

The following are just a few of the laws that must be adhered to from the moment that any business employs a first employee.

- The Labour Relations Act No. 127 of 1998.
- The Employment Equity Act No. 55 of 1998.
- The Basic Conditions of Employment Act No. 75 of 1997.
- Compensation for Occupational Injuries and Diseases Act No. 130 of 1993, as amended.

- The Unemployment Insurance Act No. 30 of 1966.
- The Occupational Health and Safety Act No. 85 of 1993 .

These laws demand a formidable amount of knowledge, that can result in huge fines, if not adhered to, and is normally not part of the experience of the new employer who not long ago, was still the employed.

More publications of legislation that require attention, are those that relate to the SA Revenue Service, especially on the need to deduct PAYE and to pay VAT.

The Unemployment Equity Act regulates recruitment in respect of unfair discrimination in businesses having more than fifty employees.

#### **3.4.7 Local unemployment research**

"Since 1994, the normally positive impact of economic growth on labour demand has been outweighed by a weakening in the capacity of the productive structure of the economy to absorb labour, while the labour supply continues to grow" (SAY 2000/01: 234).

By finding the reasons why people in the area where a person wants to become involved in dual-jobbing, are unemployed, might lead to establishing existing needs in the area that are not being met. The unemployed might, for example, have become unemployed, because a previous supplier has closed the business. (Refer to the section on reasons why businesses fail). What the business person also sees as a too small market, might by an ideal market situation for the dual-jobber to become involved in, because of the restricted time available.

#### **3.4.8 Research on local business failures**

"If businesses fail to abide by the expectations and desires of the community, for instance by employing fraudulent or

unethical practices, polluting or degrading the environment, and through profiteering and monopolistic exploitation, the community will react with regulations and legislation to curb such practices" (Cronje et al, 2000: 5).

For the small businessman to fulfill all the responsibilities within his business would also not very practicable, as most of these tasks require extensive knowledge or experience which the employed or retrenched employee normally does not have. People are normally trained in one or two fields and they seldom, while employed, acquire any knowledge of the other disciplines that form part of a businessman's everyday duties.

Reasons identified that lead to the failure.

- Incompetent management.
- Too little or no market research.
- Lack of business plans.
- Shortage of money, because it is very difficult for small entrepreneurs to obtain outside finance for a business venture.
- No or little control over cash flow.
- Interest payments due to fluctuations in the interest rate.
- No knowledge of management or the running a business.
- Lack of credibility in dealing with suppliers.
- Location and
- The interior outlay of the business.

Source: Adopted from Van Aardt and Van aardt (1997: 191 – 193)

### **3.4.9 Implications for the dual jobber**

The implications that can result from being involved in dual-jobbing could vary. According to the original definition it could be for money but it could also be to gain experience at the same time, while waiting for the right business opportunity.

### **3.4.9.1 Financial implications**

"Business success stories are common, but one seldom hears about the hundreds that close down because they are unprofitable. There are numerous problems involved in purchasing a business enterprise, particularly a small business venture" (Swart, 1996: 411).

The dual-jobber, however, has the advantage of having gained experience, although very small, of the aspects that are important to help a business succeed, while only investing a small amount of money in the business venture. The initially biggest problem of losing a large amount of money if the business does not succeed, is therefore, far smaller.

### **3.4.9.2 Other implications**

According to Hardijzer (2000a: 41): "metaskills such as adaptability are the essential career competencies of the future."

According to Kotter (quoted by Hardijzer, 2000b: 22) life-long learners show:

- willingness to push oneself out of comfort zones;
- honest assessment of successes and failures;
- aggressive collection of information and ideas;
- propensity to listen to others; and
- willingness to view life with an open mind.

Research has shown, that people who have lost their jobs through retrenchment or any other reason, even people going on pension, sometimes become despondent about the future if they are not prepared for the change that lies ahead.

The person who lost employment, but still needs an income to survive, might have

benefited from the process of dual-jobbing as the experience gained, might enable such a person to start new with something that he really enjoys.

### **3.4.9.3 Direct benefits from dual-jobbing**

The benefits to be derived from dual-jobbing, can be direct for the person, or it can be indirect as the dual-jobber gains the necessary practical experience to enable him/her to run a business more efficiently than a new business owner with no previous experience.

The benefits for such a person are the following.

- **Self-knowledge and development**

Better knowledge of oneself

Assessed strengths and weaknesses to improve on

Improved own valuation (judgement)

Assessing comfort zones.

- **Skills development**

Link skills acquired in the workplace, to opportunities available in order to become involved in an additional occupation.

- **Time management**

Learn how to make better use of the time available and to stop procrastinating

- **Resource management**

Researching and evaluating own and other resources available, while still not being dependent on them.

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being dependent on them.

- **Financial implications**

Additional source of money to maintain or improve the standard of living of the dual-jobber

Able to pay for emergencies

Require less debt, resulting in lower interest and less financial stress

Research available sources of finance while still not dependent on them for times when there might be a need for money to start an own business.

#### **3.4.9.4 Associated benefits to be gained from dual jobbing**

The benefits derived from dual-jobbing, are often those that are described as the reasons why small businesses fail, supporting the main aim of the study: that people should get practical experience before starting an own business (Figure 3.2).

Many of the problems that prospective business owners can experience, because of a lack of exposure to those in the past, can be limited by him/her being involved in dual-jobbing part-time.

The small businessman is normally responsible for many of the functions in his own business, far more than those of the average person working for an employer. Therefore, employed people seldom get the exposure to all the different functions in a business that they need, to operate a small business by themselves. Any manager in a business regardless, of his seniority, normally oversees one function and a general manager who oversees a total business, is normally assisted by functional managers who are knowledgeable in their different functions.

- **Purchasing responsibilities**

The purchasing function of a business is responsible for the finding of the required material or products, price negotiation to pay the best prices and delivery of the purchases at the most convenient times. When deliveries are not on time, they must expedite the order and on receipt, they have the responsibility to check quantities and price records and the goods delivered into the system and the warehouse.

A very big responsibility for any person without prior experience to take on, even if the purchases look small, as is the case with a small business.

- **Production responsibilities**

Many prospective business owners start or purchase a business on the grounds that they have been employed in a production function and that they have the necessary experience, which might be quite true.

A difference is, however, that the small business owner normally has to live from the income of his products, which means in effect, that the quality and delivery on time of the products ordered, become the direct responsibility of the businessperson self.

- **Marketing responsibilities**

A very difficult task for many people, is to market their own or any other products. People have a natural fear to be rejected that makes many very hesitant to become involved in the sales and marketing process, without which very few businesses can survive.

- **Financial responsibilities**

Being responsible for the finances of his/her business, can be very exhausting to any person, whether trained or not in financial systems. Records must be kept of every purchase and every sale, not only for business purposes, but also for the Receiver of Revenue. Salaries and accounts need to be paid on time, which means that financial planning is necessary so as to ensure that enough money is received on time to pay these and all the other expenses necessary to operate a business. In times of need, negotiations must be conducted with financial institutions for extra funds for which a business plan will be required. The formulation of a business plan also requires insight into the future plans of the company, which the inexperienced operator might not have or have thought about.

- **Administration responsibilities**

Administration in a business can also take some time, because many records must be kept and returns completed.

- **Human resources responsibilities**

One of the problem departments in a small business, is normally human resources. Few small business people are up to date with all the latest legislation regarding employees, because of all the changes that take place frequently and court decisions made on problem areas. People have different needs and wants and they expect the managers or business owners to give direction in the different ways of acquiring these needs. The involvement of unions can also be a problem to the business owner.

- **Technological responsibilities**

To stay at the forefront, the business owner needs to keep abreast of new

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technological developments. New technological developments can lead to higher productivity and sometimes to better quality. New inventions can sometimes make the task of managers and others much easier in a business environment, for example linking to the Internet to do research on latest production techniques.

- **General responsibilities and duties**

All businesses need planning, which can be a big responsibility to the untrained or inexperienced operator.

Dual-jobbing as a freelance businessman, can teach a person through real experience how to negotiate prices, buy quality materials, expedite late deliveries of orders placed to be able to manufacture on time and to deliver orders received, on time. It provides experience in the collection of outstanding debts and keeping record of all transactions.

Dual-jobbing also enables a person to experiment with the manufacture of different products and production methods. Because all this is done on a small scale in the beginning, it also leaves the opportunity to change from production to marketing or the rendering of a service for a fee, if the first or second tries at dual-jobbing is not to the satisfaction of the dual-jobber.

All this practical experience can be obtained while the person involved is in full-time employment.

#### **3.4.9.5 Major reasons why businesses fail**

Wright (Van Aardt en Van Aardt, 1997: 192), identified the following eight major reasons why many small businesses fail.

### - **Poor management skills**

It is crucial for business success that the entrepreneur should control a wide range of business functions, including marketing, research and development, financial management, sales, purchasing, administration, inventory control and production.

The main aim of being a dual-jobber, according to the adjusted definition (Terminology) is to gain general experience required of a business person, while the risk is still low. All the above functions, listed as part of the entrepreneur's task, should therefore, also be part of the dual-jobber's experience.

Research and development require, that the needs of people be researched and a product or service answering to these needs, be developed. Development can include the finding and selling of a product as a middleman, or it could be the manufacturing according to specific requirements set by a customer when placing an order.

Practical experience will be gained from this process. During the research the dual-jobber will meet with the likes and dislikes of people, with this advantage, that he can decide whether he would like to deal with people or look for another type of freelancing activity without losing a large investment.

He will also practically learn about costing. To supply a product, will involve costs. The dual-jobber will have to spend money on the purchase of the final product that he wants to, sell incurring delivery and sometimes installation costs and he must also make provision for a profit. When planning to manufacture a product, the dual-jobber will have to buy different raw-materials from different suppliers, teaching him how to deal with and negotiate with suppliers for better prices. The dual-jobber will have to do the costing of his market offering, just as an entrepreneur, with the advantage that if something goes wrong, his loss will be small, as compared to the business owner who needs to make profit in order to survive.

On delivery of his product, the dual-jobber will again gain experience from and of customers. The action of the buyer on receipt, might vary from very happy to very unhappy, from satisfied to being rude. The customer on receipt, might pay without hesitation or might look for a complaint to defer payment or could even not be in a position to pay. All these factors could effect the business owner much more than the dual-jobber, who should have a much smaller investment and who can write off losses as part of the learning experience.

#### - **Poor record-keeping**

Many businesses fail because the record-keeping system is in a state of disarray, leading to a situation where clients are not billed.

The dual-jobber, while still being small and dealing with few customers, can experiment with different ways of recording purchases of products and materials, as well as expenses incurred in the process. Because of the number of transactions he/she will be involved in, the dual-jobber might remember when the profit from a transaction varies from his planning, extras purchased of which no record was kept, showing the need for accurate record-keeping.

The small business owner with larger numbers of transactions, normally has to hire outside people earning salaries, to be responsible for his record-keeping.

The need for survival often makes a person a small business owner, without money for extra personnel or any knowledge of the importance of good record-keeping, often resulting in problems with the Receiver of Revenue, accompanying fines and financial losses.

#### - **Poor money management**

Limited finances often cause cash-flow problems.

The aim of dual-jobbing is to gain experience, without having to spend large amounts of money. The dual-jobber normally has to supply fewer products or less service than the business owner to make a profit, because of far lower overheads. (Example 3.4.1.3) The dual-jobber will very often initially also pay cash for his purchases, building a reputation with his suppliers, until he/she becomes a business owner.

- **Too little effort to market the business**

Entrepreneurs often give a great deal of attention to manufacturing and sales, but very little attracting and keeping customers through marketing.

Business owners are sometimes too busy to market their own businesses and they often do not know that marketing agencies exist to help with the promotion of a business. But very often small business owners do not have enough money to spend on this important function. They sell to and deal with many customers, without building a relationship with the customers, whereas the small dual-jobber has the opportunity to get to know the customers and their preferences. Because of the more personal relationship existing between small suppliers (dual-jobbers) and their market, they will also hear about new needs easier than does the business owner.

- **Poor planning**

It is evident from the sections on the business plan, the marketing plan and the international business plan, that planning is of vital importance in ensuring business success.

For the dual-jobber, planning is just as important as for the formal business. The planning, however, is at a much smaller scale, because of a much lower turnover and no outside financing being required. Doing small-scale planning, however, is the best way to gain the experience, to later develop accurate plans for a large

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business.

The planning of the time available to the dual-jobber to find (or to manufacture) and deliver, as agreed with the customer, is very important, as the dual-jobber is in the process of convincing customers that delivery will be according to his promises.

- **Poor pricing practices**

If prices are too high, the business will lose customers.

The opposite is also true. Too low pricing can lead too many customers, but also to business failure, because of too little money to replace purchases, pay expenses and leave the owner with a profit.

Poor pricing practices very often originate from a lack of knowledge of the costs incurred in the running of a business. Business owners often look at those costs that can be directly linked to a product and add a certain percentage for profit, ignoring overheads and guarantees given.

Credit allowed by small business owners, can also have a crippling effect on the business, if customers pay over a longer period than the business owner has to pay his/her accounts. Customers who do not pay, can also result in expensive legal fees. The dual-jobber, however, normally supplies on a cash basis, getting to know his/her customers and gaining experience while still small, on how to deal with reluctant-to- pay buyers.

- **Poor human resource management**

Managements often complain about unproductive workers, who demand high salaries and are unfriendly towards customers. A good relationship between employer and employee might however, help to solve this problem as this could

act as example to employees.

As the dual-jobber normally operates on his own, this is one area where no or very little experience will be gained, apart from what will be learned from the personnel of his suppliers. Important are their attitude towards customers, their knowledge of the businesses they work for and the products they sell. From this experience gained, the dual-jobber will know how to select and train his personnel, when getting into the position of appointing people, who will provide good services to customers.

- **The entrepreneur's inability to adapt to the changing demands of a business**

The role of the entrepreneur changes many times throughout the life-cycle of a business.

People often start their careers straight after school, in a direction that they think might be right for them and then at a later stage, change to another or even a new career as their interest or the available technology changes.

**3.4.9.6 Becoming known as a provider**

"People need to be persuaded that they want your product – and want it badly enough to buy it. Essentially, that is all marketing is – telling the public that your product or service is wonderful. Success will hinge on your doing this effectively: unless enough of the right people know what you are offering, your business won't get off the ground" (Bell et al., 1993: 128).

For the producer or the marketer to become known to as many people as possible, is very important. Also, to hear about the needs of many people, might lead to an opportunity that is available, or the creation of a new market.

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While still employed but experimenting with possible ways to a more secure future the dual-jobber must try different methods of marketing so that he/she could become familiar with as many possible ways of marketing and so find ways that he/she is comfortable with and that works.

The questionnaire (Annexure 5) includes general questions that the dual-jobbers had to answer, based on this section (Section 3.4.9.5). The results of every question, are shown, with the headings.

- **Bulletin board**

Most shopping complexes and large shops have notice or bulletin boards where individual people can advertise their goods and services, mostly for free and also when they are looking for a product or a service. By investigating the opportunities and needs listed on such a board, a dual-jobber might get an idea of products available and required in the area.

By making use of this facility, the dual-jobber might find opportunities where people require products that he might be able to supply and also to advertise what he has to offer the market.

- **Business card**

A special computer programme is available to enable people to print business cards/invitations/Christmas cards and any other types of cards.

Another opportunity, is to print business cards to be handed to every person met.

- **Commission paid**

Spotters' commission might be paid to people for every customer that they refer and who buys the product.

Seeing everyone as a buyer or better, seeing everyone not only as a buyer, but as a person with a family and friends, is also important in creating business.

A simple calculation could serve as an example. Tell ten people about the product or service and they each tell five people = fifty people telling two each = one hundred people already knowing about the product of the dual-jobber.

Another example is of a person with a small commercial vehicle that he uses to go to work daily. If this person can find people who need to move a piece/s of furniture from one place to another, a person becomes a moonlighter. Where does he find these people? Word of mouth at first, at a specified commission (remember telling ten people who tell others in turn) but later satisfied customers tell one another (especially if they have received a business card and good service).

A sales representative can also be paid commission on sales.

Both the provider/s of the product and the representative can be seen as earning that extra money that they need and by supplementing one another, all parties stand to gain.

- **Consultant**

By finding from people what needs exist in the market, a need that one might supply in, might be identified and by acting as a consultant, one might get happy customers that recommend others to make use of one's services.

Consultants who are knowledgeable, can complete tax returns, testaments and give computer training.

- **Crafts and flea markets**

A favourite place for the moonlighter to sell, is the crafts and flea markets.

By visiting or frequenting such markets, a person can listen to comments by visiting people on the type of items that one intends selling and by selling at such markets, one can listen to the comments of people on prices and quality.

But many people do not like selling - they want to carry on with production and by bringing them in contact with people who prefer selling, they might be a winning combination. The producers produce and the seller acts as the agent on a commission basis.

Dual-jobbers need not market at craft and flea markets personally. They want people to know about their products and if they have somebody promoting when they are not even present, they might have an ideal situation.

- **Gift and other shops**

By visiting such shops, a person can listen to the comments of the buyers in the shops on the type of products they might be interested in; in buying for their customers and by selling to such shops, one can listen to the comments of their buyers on prices and quality. As such shops always need to buy or manufacture the products that they sell and sometimes at astronomical prices, a producer might find a ready market in some of these shops.

- **Group forming**

Moonlighters supplementing one another in some way or another, will thus become known to more people, if they form groups to advertise together. Such groups can generate benefits from buying bigger quantities and also buying from one another, in this way saving money.

- **House parties**

Most women have been to house parties, where different household products are being sold by the host of the party on a commission basis. Once again, friends and family members and their friends form the majority of the people at these parties, but remember, they also have needs and must be sold to.

Listening to the needs of others, is a way to promote products, or a way to find a product to promote. People at such a gathering, discuss their needs and what they like and dislike, at the party. So, by hearing to what is being said, listen to the needs and don't make the same mistakes as the host.

- **Listening**

Many opportunities arise when people express their needs to others. Most people are at work during daytime and they need goods and services that they haven't got the time to go to the suppliers for. The franchise Bread on Wheels e.g. now caters for these needs.

Needs also arise for small car repairs, but people often haven't got the time to go to a garage during daytime.

It is much easier to sell a customer what he wants to buy than to convince him to buy what you are selling. Any future moonlighter who has not made up his/her mind about what to do for extra money, should just listen to the needs of others and one of these needs might become a viable opportunity.

- **Multi-level marketing**

This also works on a commission basis, by selling a product to ten people, who in turn become agents. For each person that they sell to, they get a commission from the profit. The next line of buyers then also become agents and they split the

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commission with the original agents, who then falls away. The next line of agents then get their share (commission) and so forth, but the principle is always to keep on sharing.

- **Newsletters**

It is definitely important for a moonlighter to tell as many people as possible about the product or service. From this statement, a new opportunity arises for the organiser.

A newsletter will effectively promote the goods and services of a couple of people who earn their extra income through moonlighting.

This will of course not be done for free, but work on the same principle as a newspaper which relies on the advertisers to make money. While still growing, it might be a good opportunity to get a couple of suppliers which moonlighters use to advertise in the newsletter.

- **Schools**

Many wonderful opportunities await the person who can succeed in helping schools make money and with all the parents needing different products, repeat business is guaranteed if the quality is right.

- **Telephone, visit, contact**

Family and friends. Why not? They also need products and/or services and need to be supplied. The dual-jobber might be in the best position, because he is known to his friends and family.

A person thinking about becoming a moonlighter, should speak to as many people as possible about what he intends doing and they might give valuable advice,

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without charging money. They might even change the way of thinking, because of a need that they have experienced or identified.

Businesses often makes use of the term 'brainstorming'. This is a way of getting a couple of people together in a room to discuss solutions to a problem. Any solutions to the problem are given and onto these solutions more ideas are built, until possible answers to the problems are identified.

Speaking to as many people as possible about ideas, then later about the product or service, is a form of brainstorming of putting a moonlighter on the way to success and a possible new future.

Any marketing person must believe in his/her product or service. If they don't, it doesn't matter whether the buyer knows it or not, he/she is not going to buy the product. Any person that pays for something, wants value for money.

#### **3.4.10 Taxation**

"The largest contribution to tax revenue in South Africa comes from individuals (43,2%), whereas the share of taxes raised from companies fell to around 10% during the nineties" (SAY 2000/01: 228).

The effect that a second income has, is an increase in the taxable income of an individual if this opportunity is treated as a one-man operation. There are, however, more deductions allowed to such a taxpayer than to the normal salaried person.

The cost of tools used in the process, can be written off against income: also depreciation on a computer used and interest on money borrowed to finance any equipment bought.

Part of the bond payment on a house used in the effort to make more money, as

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well as part of the water and electricity account, the telephone account and insurance can be deducted from the income of the dual-jobber.

### **3.4.11 Innovation**

"Innovation may be described as finding new and better ways of doing things that are commercialised" (Van Aardt & Van Aardt, 1997: 19).

People often visit gift shops and crafts markets to find novelties or to look for new ideas. Because of research done and time spent to find an opportunity in the market, the dual-jobber meets with and hears about many products and services that people would like to have, but cannot find or afford. Such opportunities might arise from time to time, leaving the initiative to the dual-jobber to investigate:

"Innovation always involves investment in developing skills and knowledge, and usually in physical assets and marketing effort" (Van Aardt & Van aardt, 1997: 19).

## **3.5 CONCLUSION**

"And then there are the intangibles: there's something very attractive about a venture in which family members get together to pool their skills and resources to achieve a common goal – a collective initiative that strengthens domestic bonds as well as one which reaps financial rewards" (Bell et al., 1993: 19).

In this chapter different ways were researched and methods developed to assist with the assistance of workers to become better trained and prepared for the future.

The training initiatives, mostly through legislation supplied by Government and business, are investigated in the first part of the chapter. Research has also shown the actual flow of events that take place when job losses occur (Figure 3.1).

Figure 3.2 was constructed by the researcher, to demonstrate the way that employees should follow to prepare for the future, as researched in this study.

The second part of this chapter is devoted to a research of dual-jobbing.

As background to this research, the reasons for dual-jobbing were investigated and described. Then followed a method that employees can follow to do self-analysis to ensure that they are ready to become dual-jobbers. Market research for opportunities were described next and then the results of the self-analysis and the market research were linked together. An investigation of the available resources were then done and to end the chapter, the implications of being involved in dual-jobbing were investigated.

Chapter 4 is an empirical study where dual-jobbers were asked to complete a questionnaire about dual-jobbing and also to air their views on dual-jobbing as a way to replace full-time employment, a method to investigate new possibilities and also a method to advertise their products.

## **CHAPTER 4**

### **RESEARCH METHODOLOGY AND EMPIRICAL FINDINGS**

#### **4.1 INTRODUCTION**

The lack of primary data on dual-jobbing, has made it necessary to compile a questionnaire intended for people successful by earning a second income, on their reasons for their second occupation and their views on the emphasis that this study places on dual-jobbing: this relates to the gaining of practical experience to become self-employed (in future), if necessary, or if the opportunity arises.

This chapter provides details of the methodology employed in the empirical research. It focuses on the sample design which outlines the population, sample frame, the sample size and the sampling procedure.

The exploratory research will also be discussed and the questionnaire design and the data collection procedure will be explained.

An analysis and evaluation will be made from the individual answers supplied by the dual-jobbers who took part in the survey.

#### **4.2 SAMPLE DESIGN**

##### **4.2.1 Definition of the population**

The people included in the population, had to be employed full-time, while also being involved in dual-jobbing, either for an extra income or any other reason. People qualifying according to both descriptions of dual-jobbing (see Terminology), are included in the study.

#### **4.2.2 Area and size of the sample**

The study population consisted of dual-jobbers in the Vaal Triangle.

A major problem experienced with dual-jobbers, who could have formed part of the study population, are that they are scared to let others know that they are dual-jobbers. Although anonymity was guaranteed, especially i.r.o. those people involved in the same type of work, both full-time and part-time, were extremely hesitant to be listed.

One hundred dual-jobbers were identified in the Vaal Triangle, the area on which the research focused (Annexure 8), and through random sampling every second name on the list was contacted and requested to complete a questionnaire.

#### **4.2.3 Aims of the study**

The questionnaire consists of two sections. Section 1 asks for specific information regarding the dual-jobbing activity of the respondent, while the second section asks general questions about the search for new opportunities and also about promoting products or services of the dual-jobbers.

The first section of the questionnaire was designed to:

- **guarantee anonymity of the respondents while still identifying the town and the category of occupation of the respondent**

Question 1 of the questionnaire makes provision for the following categories of occupation.

Government

Clerical

Education

Engineering  
Accounting  
Other.

This question is important to categorise the respondents, as anonymity was promised to them. This question will further be referred to when more aims of the study are discussed.

- **gather general information about the respondent**

Questions 1.2, 1.3, 1.4 & 1.5 were set to get an idea of the home background of the respondents; their marital status, to see if there is a trend that only married or single people become dual-jobbers. The number of children in school and those people also studying at tertiary institutions, gives an idea of the expense structure of a dual-jobber.

Questions 2.1 & 2.2 are direct questions about the sufficiency of the income of the dual-jobber i.r.o. supplying the standard of living required, and to assess if it is sufficient reason that he/she is involved in a second occupation.

Questions 3.1 & 3.2 are questions asked to establish if this is just a short-time venture or whether it has become a way of living that will continue in future.

Question 3.3 is set to establish the expected future involvement in the second occupation.

Question 4 is included in the questionnaire, to establish the original reason for becoming involved in dual-jobbing; also to establish whether these second- income generating people, became dual-jobbers because of one single or several reasons.

Question 6 on when time is spent is very important i.r.o. finding a correlation between the time spent at work and the time spent on dual-jobbing.

Questions 7.1 & 7.2 are included to find if the person is thinking of expanding and the reason why he/she should want to expand. The reason for this question, is that people who are not recommending a second occupation (refer question 11) should have no reason to expand themselves.

Question 7.3 This question relates to the possible considering by the respondent of expanding the reasons for this decision.

Question 8 relating to better time management, gives the dual-jobber the opportunity to state whether he/she has to plan his/her life to be able to fit in the extra work in the time previously spent in other ways.

- **gather specific information regarding the views of the dual-jobber on dual-jobbing**

Question 9 is included, to ascertain if the respondents think that better time management is advantageous.

Questions 10.1 & 10.2 are aimed at finding if other benefits are to be derived from this second occupation and what they are? If the respondents have other benefits than money from better time management, this should also be applicable to potential dual-jobbers.

Questions 11.1 & 11.2 are aimed at people who know what is involved in a second occupation and if they should recommend dual-jobbing there should be benefits in being a dual-jobber.

Question 11.3 This question is aimed at ascertaining the reasons why a person might not recommend a second occupation.

Questions 12.1 & 12.2 are included to find reasons why a dual-jobber would or would not carry on with his/her second occupation if he/she should get a

substantial increase in salary.

Question 13.1 As the emphasis of this study is on preparation for the future, this question is very important towards ascertaining whether dual-jobbers feel comfortable that the second occupation might become the only occupation and income with the responsibilities that have to be accepted in an own business.

Questions 13.2 & 13.3 together with question 13.1, when answered by the dual-jobber shows the value or not of the experience gained when dual- jobbing. The additional value of a second occupation is now evaluated.

- **find if the dual-jobber require skills, apart from those necessary in the ordinary daily occupation**

Questions 14.1 & 14.2 link training, if required to the extra occupation and also whether the person needed extra skills, as well as how he/she decided on the second occupation.

Question 15. The method used to find respondents to answer the questionnaire, was to make use of references from respondents in the area, as there is no index available on dual-jobbers.

Question 16. The successful marketing of the product or service, is very important, because without proper marketing, less value might be added and it could also be negative for the future of the venture. Too little knowledge of marketing might lead to possible options to generate a second income being ignored.

Questions 17.1 & 17.2 want to ascertain if there is a trend to change the second occupation from time to time, and the reasons therefore.

Questions 18.1 & 18.2 were asked to establish whether moonlighters tend to get involved in more than one additional occupation, and their reasons therefore.

Questions 19.1 & 19.2 wish to establish whether dual-jobbers are confident that they are gaining experience that might be used eventually to manage a business full-time.

- **ascertain if people in certain categories of employment are more inclined to become dual-jobbers**

Question 1.1 classifies the respondents into categories of occupations to establish whether certain occupations have more and others fewer dual-jobbers.

- **establish from the study population if certain occupational categories leaned more towards certain dual-jobbing activities**

Question 1.1 categorises the occupations of the dual-jobbers and when read together with question 5 below a pattern might be found (if existing) of the type of dual-jobbing activity preferred by people in certain types of occupations.

Question 5. A description of the second occupation is required to find if there are similarities between what is being done by the different people in the study.

The second section of the questionnaire was designed to:

- **test the views of the respondent dual-jobbers on whether they think that certain of the methods referred to in section 4.5.4.2 could be used to identify new opportunities**
- **test the views of the respondents to ascertain their feeling whether the methods used in section 4.5.4.2 to search for new opportunities, could also be used to advertise their products or services.**

## **4.3 EMPIRICAL RESEARCH DESIGN**

### **4.3.1 Introduction**

The survey was done only in the Vaal Triangle (Meyerton, Vereeniging, Vanderbijlpark and Sasolburg), with three respondents from Pretoria that formed a Control Group.

Each questionnaire was accompanied by a covering letter, which provided details of the purpose of the study. A copy of this letter is attached to the questionnaire in Annexure 5.

### **4.3.2 Exploratory research**

Before commencing with the design of the questionnaire, ideas that could be implemented were requested from known dual-jobbers and others; the most important point mentioned, was that anonymity had to be guaranteed, the main reasons being the following.

Possible respondents are scared, that if employers should know that they are involved in additional activities, this could be seen as interfering with their full-time occupations, and could lead to tension in the workplace. People willing to admit to be dual-jobbers during this exploratory research stage, often referred to this additional occupation as an 'extension of a hobby'.

## **4.4 QUESTIONNAIRE DESIGN**

With the concept of anonymity in mind, but not detracting from the value of the questionnaire, it was decided not to make provision for the name of the dual-jobber or the name of the employer on the form, but only for the town where employed.

The questionnaire was designed for completion within twenty minutes. The

questions asked, that had a "yes" or "no" answer, asked for reasons why "yes" or "no" was answered.

#### **4.4.1 Data collection procedures**

The people identified, were visited or telephoned and the questionnaire was discussed with them, after which they completed it on their own or with the help of the researcher.

#### **4.4.2 Validity and reliability of measurement**

Due to the fact that very few people did dual-jobbing for any other reason than extra money, the concept of future preparation was new to most of them.

However, after discussing the possibilities, the population group was very positive and the results seem to be valid.

### **4.5 ANALYSIS AND INTERPRETATION OF RESULTS**

#### **4.5.1 Introduction**

The replies to the questionnaires and the combination of questions grouped together, for example the category of occupation and the dual-jobbing activity, lead to interesting results (Section 4.5.4).

#### **4.5.2 Editing procedure**

Editing was done by the researcher himself because of the type of questions put to the respondents. Many of the questions asked for a "yes" or "no" answer and then required a reason why the respondent answered in the way he did. All these reasons per question had to be listed to make the exercise complete.

**4.5.3 Transfer of the data**

The data supplied by the respondents, were transferred by the researcher from the questionnaires to the summary in such a way, that the original meaning could stand out.

The questionnaire was changed to a format that made provision for the question and the answer following in sequence. In the case of questions related to others, provision was also made to accommodate this fact.

**4.5.4 Data analysis**

The analysis of the data lead to the summaries at the end of every question asked.

**4.5.4.1 Specific questions.**

The results of Questions 1.1 and 5 are combined in Question 5, as the writer wanted to establish if any correlation existed between certain types of employment and the dual-jobbing activity in which specific employment groups had become involved.

Questions 1.2 to 3.3 were generally set to try and establish a background from the respondents.

1.2	Male	35	1
	Female	15	2

1.3	Married		
		Research Group	Control Group
	Yes	44	3
	No	6	

1.4	Children in school		
		Research Group	Control Group
	1	5	
	2	14	1
	3	4	
	4	1	
	5+		

1.5	Children undergoing training at tertiary institutions		
		Research Group	Control Group
	1	8	1
	2	5	
	3		
	4		
	4+		

2.1	Is your income from your salary sufficient to give you the standard of living you require?		
		Research Group	Control Group
	Yes	14	2
	No	36	1

2.2	If yes, why are you practicing a second occupation?		
		Research Group	Control Group
	Financial reasons	25	1
	Non-financial reasons	12	2

3.1	How long have you been practising your second occupation?		
		Research Group	Control Group
	1 Year	1	1
	2 Years	7	1
	3 Years	5	
	4 Years	7	
	5+ Years	30	1

3.2	Do you foresee that you will carry on in a second occupation?		
		Research Group	Control Group
	Yes	47	3
	No	3	

3.3	If you answered yes in 3.2 please specify.		
		Research Group	Control Group
	Short period (1-3 years)	4	1
	Medium period (4-5 years)	5	
	Longer period (5+ years)	38	2

The result shows, that people from all groups of occupations (Question 1.1), both male and female (Question 1.2) become dual-jobbers. The majority of respondents are married (Question 1.3), some with children while the majority saw dual-jobbing as a source of income because of insufficient salaries (Question 2.1). The majority of respondents have also been involved in a second occupation for more than five years (Question 3.1) and foresee that they will carry on with the activity (Question 3.2) for more than five years to come (Question 3.3).

The motivation of the respondents to become dual-jobbers was established in Question 4.

4.	What motivated you originally to become involved in your second occupation?		
		Research Group	Control Group
	Need for money	24	1
	Extension of your hobby	17	2
	Family goal	1	
	Opportunity that you identified	18	
	Other reasons	7	1

More than one reason was supplied by some respondents i.r.o. that which originally had motivated them to become dual-jobbers. The results are shown above (Question 4), with the need for money as the most important reason, with an opportunity that was identified following and an extension of a hobby not far as a third important reason.

A description of the respondents' occupation and second occupation was asked for in Question 5.

5.	Describe your second occupation (Research Group).	
	Occupation	Second occupation
	Secretary	Baking for a home industry
	Minister	Counselling and consultancy for businesses
	Clerical	Therapy
	Other	Project management / development

Clerical	Gymnasium receptionist
Business owner	Lecture
Business owner	Counselling and business consultant
Computer specialist	Manufacturing of wooden toys
Education	Cattle farming
Clerical	Horticulture
Clerical	Direct marketing
Shop attendant	Cultivating of plants
Teacher	Manufacturing of steel structures
Education	Carpenter
Minister	Network marketing
Education	Lecture
Clerical	Network marketing
Education	Present workshops for business people on the interpretation of economic indicators
Business owner	Manufacturing and marketing wooden toys
Education	Lecture
Other	Cabinet making and manufacturing of kitchen cupboards
Other	Training and development and managing a restaurant
Education	Manufacturing steel furniture and manufacturing and erecting steel fences and gates
Engineering	Teaching scuba diving
Clerical	Building trailers between 500 kg and 4 ton load capacity
Education	Part-time lecturer
Education	Psychologist in private practice
Engineering	Electrical business with a staff of 45 people
Government	Tennis coach. Golden and Justine products salesperson. Supply tablecloths on rent
Minister	Pastoral therapy
Education	Wooden products such as keyholders and furniture
Engineering	Automotive repairs and auto electrical work
Salesperson	Sales and marketing
Government	Reception and advisory
Beadle at church	Assistant to a physiotherapist
Accountant	Part-time bookkeeper

Engineering	Carpentry
Engineering	Admin at church. Chairperson marriage and family care. Children's ministry
Engineering	Scribe at local church
Engineering	Part-time farmer
Organist	Music classes at music school
Armed response	SAPS reservist
Minister	Carpentry
Clerical	Justine sales
Education	Farming
Other	Bird breeding
Lawyer	Valuator
Secretary	Typing documents
Accounting	Bread and milk deliveries
Engineering	Roof structure inspector. Issuing certificates after completion, in co-operation with institute for timber construction.

5.	Describe your second occupation (Control Group).	
	Occupation	Second occupation
	Other	Fabric paint on printed linen
	Other	Decoupage: wooden and tin products
	Other	Manufacturing terra cotta panels

The results of Question 1.1 and Question 5 were combined (Question 5 results), as the researcher intended to test any correlation between certain types of employment and the dual-jobbing activity in which specific groups of people become involved.

The only correlation found, was that more than one minister did counselling as a second occupation, and although some of the respondents are involved in the same type of dual-jobbing activity, there are no respondents who have the same job and dual-jobbing activity.

The time involved in the second occupation, is important, because it can be a deterrent to any future dual-jobber if it is found that the time involved, will put a strain on their available time.

6.	Time spent to make it work.		
		Research Group	Control Group
	Daily	Not sure	2
	Weekly	Not sure	1
	Monthly	Not sure	

Although the respondents were unsure of the time spent, the majority agreed that they have little time left for other interests (Question 8 results).

Plans to expand, were also tested, as this could be an indication of the success of dual-jobbers (Question 7.1).

7.1	Have you plans to expand?		
		Research Group	Control Group
	Yes	27	3
	No	23	

7.2	If yes, for what reason? (Research Group).	
	Self-fulfillment	
	To get more money for community projects	
	Experience	
	Money, love of job, challenge	
	Experience to start an own business	
	Job creation	
	Higher income	
	Enjoyment and pleasure from customers	
	Plan for full-time career	
	More money, increase network of companies for future reference	
	Satisfaction to start a small business	
	Larger turnover	
	Prepare for the future	
	To lessen the uncertainty of possible job loss in future	
	Would like to start and own a business	
	To better myself	
	For additional income after retirement	
	Fulfilling to be busy with music and also financially rewarding	
	To make more money	
Good potential		
Bigger income without the input of more resources.		

7.2	If yes, for what reason? (Control Group).	
	Stay ahead of changing market	
	To be able to meet the demand (two respondents)	
	For a better future for the family	

7.3	If not, why not? (Research Group)
	Time
	Property not large enough (cattle farmer)
	Making good money
	Starting an own business
	Personal (illness of family member)
	First job keeps me too busy
	No need to expand

7.3	If not, why not? (Control Group)
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The number of dual-jobbers that want to increase their activities and those who do not, are equally split. Different reasons were given for both answers (refer answers to Question 7.2 and question 7.3) but the main reason for not extending, is the availability of time.

Question 8 deals with more effective time management, since becoming a dual-jobber and Question 9 enquires about the benefits of better time management.

8.	Do you have to manage your time more efficiently than before you started with this second occupation?		
		Research Group	Control Group
	Yes	44	3
	No	6	

9.	Are the benefits from better time management more than the disadvantages?		
		Research Group	Control Group
	Yes	46	2
	No	4	1

According to the results from Question 8, the majority of respondents said that they have to manage their time better since becoming dual-jobbers, but that better time management has more benefits than disadvantages (Question 9 results).

Question 10.1 was included in the questionnaire, to ascertain whether the respondents had only financial gain as a benefit for their time and other inputs.

10.1	Do you have benefits from this occupation other than money?		
		Research Group	Control Group
	Yes	41	3
	No	9	

The benefits from the second occupation according to the majority of respondents are not only monetary (Question 10.1 results), and many benefits are listed (Question 2 answers).

10.2	If yes, name these benefits (Research Group).
	Personal growth – was forced to study further, read wider and speak to people in the field
	Personal satisfaction
	Bigger life exposure, more opportunities, bigger influence
	Improved self-esteem, status
	Love for the job, challenge, excitement
	Discount, incentives, holidays, free training
	Satisfaction, saving for retirement
	Help relieve stress, develop skills
	Work satisfaction
	Personal growth and development, lifestyle, multiple skills
	Self- and career development
	Better health. Personal growth. Social interaction
	Meet wide spectrum of business people – new friends. Improve my economic knowledge and interpretation of events
	The satisfaction to create something by yourself, making a small profit and the therapy of doing something different
	Utilisation of spare time, job satisfaction
	Developing people. Entertainment (restaurant)
	Supply work to unemployed whites
	Spend spare time in a good way and gain good experience
	Broadened skills base
	Developing professional skills. Satisfaction of helping others.
	Expanding my knowledge outside my current occupation. The possibility of my children having a future (career) one day in the new SA
	Community involvement. Meet new people.
	Personal enrichment
	Experience
	Self-fulfillment. Satisfaction. Relaxation.
	Sales and marketing knowledge
	A physical and expanding life experience

Knowledge of people
Meet new people and make friends
Spiritual
Producing own food such as meat and vegetables
Job satisfaction. Help people to honour God (organ music). Music classes develop children.
Working in nature (farming).
Satisfaction. Keeps a person occupied
Meeting new people.
Personal development. Satisfaction. Improving industry.

10.2	If yes, name these benefits (Control Group).
	Able to provide work for other people. Interesting. Challenging. Satisfying.
	Relaxing. More time to use creative talents and more time to spend with the family.
	Creativity

Personal benefits to be derived from dual-jobbing, seem to be very important (Question 10.2).

Although the outcome of Question 10.2 shows that dual-jobbers derive many benefits from their extra employment, Question 11.1 was included to find if the respondents would recommend a second occupation to others.

11.1	Would you recommend a second occupation?		
		Research Group	Control Group
	Yes	25	3
	No	5	

The results show that the majority of respondents also recommend a second occupation (Question 11.1 results), with many reasons for this recommendation (Question 11.2 answers).

11.2	If yes, why? (Research Group).
	Uncertainty of fixed job / position
	Expansion of life exposure
	More opportunity to increase income
	Opens more opportunities
	To be multi-skilled

Fulfilling, the need to create something
It relieves one of the stress in the full-time occupation
Self-development
More opportunities
While being young and willing to work hard and enjoy the benefits at a later stage
Makes sense to have more occupations
Difference to ordinary routine
Goal-setting and time management. Hope for a better lifestyle and personal development. Financial freedom
Development and financial benefits
Help with personal development
More money and better life skills
Less dependance on one employer
Maximum utilisation of time and talents
Financial demands are high today and to lead a better life, a second occupation is required
Better future for the family
For experience and a better life
Allows more income and broadens the individuals' skills base
Personal development. Sense of independence. Challenging
A backup, and what you put in, is what you will reap in the end
Community involvement. Meet new people.
Experience
Looking after your family financially; also after retirement
Experience
Only sometimes – if possible
Make more money and develop skills
Very fulfilling
Stimulation
For extra income after retirement
Use time constructively and earn an extra income
Uncertainty about the future
Self management
Extra income. Meet new people
Different things to do
Because you can benefit mentally and financially
Never keep all your eggs in one basket
Extra money
May take over from the first job

11.2	If yes, why? (Control Group).
	Able to provide work for other people. Interesting. Challenging. Satisfying.
	Expand and use abilities
	Keep busy and not vegitate in front of the television
	Only if it has the potential to become a primary occupation, I would recommend a second occupation

Personal development and stress relief in an uncertain work environment, are some of the outstanding reasons that the respondents supplied for being involved in a second occupation.

The response of the respondents not recommending a second occupation was tested in Question 11.3

11.3	If no, why not? (Research Group).
	One is always in a hurry and busy doing something with no time for real hobbies
	Less time for family and oneself. Tax complications
	Less time for family and friends

11.3	If no, why not? (Control Group).
	Always busy doing something, with no real time for a hobby

The respondents who did not recommend a second occupation, supplied one major reason: having less time available to spend with family and friends (Question 11.1 answers).

The question on promotion and the continuance with the second occupation found that the majority of dual-jobbers would continue with a second occupation even if they were to receive a substantial salary increase. (Question 12.1 results).

12.1	If you should get promotion within your job with a substantial salary increase, would you carry on with your second occupation?	
	Research Group	Control Group
	Yes	37
	No	13

12.2	If yes, why? (Research Group).
	For self-development
	Better standard of living
	Life principle is borderless and one occupation cannot really do that
	Personal drive, motivation
	Money, love for the job, challenge, excitement, to be multi-skilled
	Fulfilling, the need to create something
	It is part of my life to work and I am used to working
	If you fall ill, you can rely on the second occupation for an income
	More of a hobby, but also a back-up
	Give satisfaction that no other job or money can give
	Will then be just a hobby
	It gives stress relief
	Network marketing provides leverage and residual income, with no limits. A person can earn what he is worth and have the lifestyle required
	Because of the satisfaction from my part-time job
	To keep me well-informed about financial policies and national events
	The satisfaction to create something by yourself, making a small profit and the therapy of doing something different
	Maximum utilisation of time and talents
	Developing people and entertainment (restaurant)
	Employees will carry on
	To keep fit and get joy out of a job
	Developing my skills and introducing me to a second workplace-world. Provides a second opportunity if the first one collapses
	Developing professional skills. Satisfaction of helping others
	It is not only about money
	To keep customers. Community involvement. Meeting new people.
	Self-fulfillment. Satisfaction. Relaxation.
	Experience and satisfaction
	It is fulfilling
	Spiritual growth
	Second job for the love of it
	For extra income after retirement
	Jobsatisfaction. Help people to honour God (organ music). Music classes develop children.
	To improve life style
	Mainly a hobby
	Extra income. Make new friends.
	It is difficult to stop a farming operation
	It is rewarding and gives me something to do

Good potential.
For extra money only.

12.2	If yes, why? (Control Group).
	Developed from a hobby
	Enjoy second occupation
	Keep a person busy.

Question 12.2 contains an extended list of reasons why employed people would carry on with their second occupation, even after a substantial increase.

12.3	If not, why not? (Research Group).
	To have quality time with family and for oneself and the community. More time to plan to do full-time job better
	Won't need an extra income
	No longer financially necessary
	Money motivator erased
	Income would be sufficient
	Responsibilities will increase
	Starting an own business
	Then I will have time to spend on the things that is really important for me – the church
	Money would be enough
	Promotion brings more responsibilities and with a tight time table I shall have to make to many compromises.
	Depending on the increase

12.3	If not, why not? (Control Group).
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Although many dual-jobbers would carry on having a second occupation after an increase, some others were negative i.r.o. carrying on under these changed circumstances (Question 12.3 answers).

Questions 13.1, 13.2 and 13.3 deal with the questions on whether dual-jobbing can become the respondents' main income and also if it can be seen as a way of preparing for the future, in case of the loss of employment by any person.

13.1	If you should lose your job, can this second occupation become your main income?		
		Research Group	Control Group
	Yes	37	2
	No	13	1

13.2	Do you think that dual-jobbing may be a way for people to prepare for the future if anybody should lose his/her permanent occupation?		
		Research Group	Control Group
	Yes	50	3
	No	0	

13.3	Explain your answer to 13.2 shortly (Research Group).	
	To fall back on something that is already established and working, is less traumatic	
	Give the necessary skills in alternative occupation	
	Forced to do better planning regarding the future and also to be able to provide for dependants	
	Early exposure gives better adoption skills as well as a bigger circle of influence	
	Because I am then already familiar with another job and already positioned	
	Spread the risk / chances of becoming unemployed	
	Dual-jobbing results in multi-skilled development	
	The second job can be a practice round on a small scale, with all the benefits but with less risk to run an own business	
	Practised and coped with four jobs at one stage	
	Depending on the market and planning, for it will be a new permanent position	
	Serves as financial back-up and leads to more opportunities	
	If it works, it is something that one can fall back on, or as a permanent second income	
	Creates an opportunity but must be managed	
	Supplies an income that can increase	
	It is a way to earn while you learn	
	Unstable working environment	
Always have something to fall back onto		
Opportunities for whites become less by the day. After 1994 Whites had to become entrepreneurs in order to survive		
It is nice having a backup plan. Creates a safe environment where a person can carry on working while looking for a new job or it can become the next permanent job. Your world does not come to a standstill when you are retrenched.		

By expanding the second job one can actually make up for the loss
Can supply an immediate income and can reduce the feeling of worthlessness and failure
Companies are streamlining their business through retrenchments and a person who is multi-skilled, can then find something else to do.
A second existing job will ensure a continuous flow of income
Dual-jobbing develops skills needed for another form of income
Can always build a job on experience
It does open up a second option and helps a person to gain confidence and experience in the second field
Dual-jobbing contributes to a sense of new potential. A knowledge that there is much more that you could do
The risk of earning one income per house and suddenly losing it when you are least prepared, is not pleasant. Making provision for the future through dual-jobbing, is a way to secure a better future for my family
Able to carry on in case of job losses
Will make the trauma less. It can be "in-service" training for in case of job loss
Experience. Income
One should run a second job parallel to the current job to have ample time to sort out one's teething problems. If one starts a job/business only after losing a current job, one needs financial input and there is no guarantee that it will work
Outside - "comfort zone" experience
Just for money because of small salary
Can help people to save money
Any source of income would then be welcome
It can keep your mind busy and also be stimulating
All indications show, that due to high inflation in SA additional income is important to sustain one's living standards
The additional income can serve as a safety net (back-up plan) if you should lose your job. It can help a person to function independently without government aid
As a back-up plan
Skills and experience
Able to carry on with existing contacts.
Concentrating on the second job.
With a reversed racial policy in this country White men cannot be certain about their future
It will be a way to survive
Extra income generator

In a family with a double income and a part-time job, some compromises can help one carry on, whereas losing one's job in a family, with no extra income, might be devastating
There is always work to do if one applies one's mind correctly.

13.3	Explain your answer to 13.2 shortly (Control Group).
	It prepares the base if a person should lose his / her permanent occupation
	We are in a time when jobs are scarce and lost easily

Question 13.1 received a positive answer from the majority of the respondents who believe, that if they should lose their full-time employment, the second occupation can become their main income.

All the respondents were positive (Question 13.2 answers) that dual-jobbing may be a way for people to prepare themselves for the future, if they should lose their permanent employment. The reasons supplied for the positive response to Question 13.2, are supplied as answers to Question 13.3.

Skills that people have, and the need to become dual-jobbers, are asked for in Question 14.1

14.1	Do you need extra skills apart from those that you use in your full-time occupation?		
		Research Group	Control Group
	Yes	32	2
	No	18	1

The majority of respondents indicated, that they needed extra skills for the extra employment that they are undertaking (Question 14.1 results).

Question 14.2 asks for information on how people decided on their second occupation if they needed extra training.

14.2	If yes, how did you decide on your second occupation? (Research Group).
	Extension of an interest
	The challenge for renewal and bigger opportunities to create processes that can help change in the community
	It was an opportunity
	Identified the need
	Security
	Easy way to increase one's income
	Knowledge from books and a love for nature
	The need to create
	It is my field of interest
	Advertisement
	Training is provided
	It was a matter of expanding a hobby of many years and obtaining the required business knowledge and skills
	Hobby developed into a business
	Started as a hobby
	To build something that satisfies others
	Could partially comply with requirements and is flexible to fit new job into existing schedule
	Being a psychologist, has always been a passion. When I had the opportunity for training, I jumped at it.
	It was unplanned and just evolved into a sustainable business
	Satisfaction and also the training (tennis trainer)
	Field of interest, specialisation in current occupation (minister)
	At first it was a self-taught job (automotive repairs) but once I expanded, I started studying and gathered more information.
	Experience
	Had the right equipment and experience
	Spiritual
	Grew up on a farm and learned some farming skills while still being a child
	Unhappy in permanent position and wanted something new. Got a job as organist and started with music lessons for children
	The love for farming
	Started as a means of making pocket money in school (32 years ago)
	Studied a three-year course at the Technikon RSA (evaluator)
	Came from other areas

14.2	If yes, how did you decide on your second occupation? (Control Group).
	Interest in craft
	Hobby became an occupation

The answers supplied to Question 14.1, show that more than sixty percent of respondents were short of skills for their second occupation and the answers to Question 14.2, supply many reasons i.r.o. how people decided on their second occupation.

Question 15.2 requested dual-jobbers to indicate whether if they knew of other people who also had a second occupation.

15.1	Do you know people in your area that have got second occupations?		
		Research Group	Control Group
	Yes	38	2
	No	12	1

The majority of respondents indicated, that they knew about other dual- jobbers, according to the answers supplied on Question 15.1.

The decision on how to market a product or a service, is often a problem for small business owners and Question 16 asks the respondents how they market their products.

16.	How do you market your product or service? (Research Group).
	Through a home-industry shop
	Started spontaneously – developed by word of mouth
	Word of mouth
	Personally
	Craft shops and art markets
	Abattoirs and auctions
	Word of mouth and flyers
	By building a permanent clientele base
	Friends
	Fleamarkets
	Circle of influence, internet, advertising
	Quality education / lecturing
	Various advertisements. Friends
	Make appointments to visit businesses. Word-of-mouth.
	Craft markets
Networking	
Word-of-mouth from satisfied customers	
Products sells itself. Quality is better than quantity	

Product markets itself
By means of personal business visits, good PRO skills and strategic marketing
Word of mouth. Referrals from other professionals
Word of mouth and advertisements in the local newspaper
Advertise and word-of-mouth
Word-of-mouth
Happy customers create clients (no advertising at all)
Willingness to deliver
Auctions or directly through contacts
Part of music school. People contact school and get referred
By being the best
Selling a well-known product that markets itself (Justine)
By producing a quality product
Newspapers and having been around for 32 years
Advertisement. Good service
Word of mouth. Fliers
Personally and through local authorities

16.	How do you market your product or service? (Control Group).
	Craft markets
	Craft and gift shops
	Fleamarkets and Expo's

The majority of respondents referred to word-of-mouth in most cases and also the other methods shown (Question 16 answers).

People change their employment from time to time; thus Question 17.1 was included to test if dual-jobbers also tend to change their second occupations.

17.1	Have you been involved in dual-jobbing before you started your present second occupation?		
		Research Group	Control Group
	Yes	8	1
	No	42	2

17.2	If yes, why have you changed? (Research Group).
	Required a better income
	Security reasons
	The changed demand from the public and from businesses
	The availability of the second option changed
	The needs have changed
	Better working place

17.2	If yes, why have you changed? (Control Group).
	Unsuitable

Although most of the respondents have been following the same second occupation for more than five years (Question 3.1) few have changed (Question 17.1) and those that have changed, have done so for better circumstances or because the market have changed (Question 17.2).

18.1	Are you involved in more than one additional occupation?		
		Research Group	Control Group
	Yes	11	
	No	39	3

18.2	If yes, explain (Research Group).	
	Second occupation focuses on workable projects and my involvement is on different levels, from site manager to CEO level	
	Counselling practice and business consulting interlinks	
	Part of a partnership running craft outlets	
	Also a trader on the internet in the financial markets	
	Assisting friend in house-building sector as supervisor	
	Bought a restaurant recently	
	Opportunities exist and also the interest	
	Engaged in sub-contracting from time to time for a family member who has an own business	
	Printing work	
	Technical and mechanical	
	Music classes and organist (full-time social worker)	
	Self-employed but the first occupation is reducing in income.	

18.2	If yes, explain (Control Group).	
------	----------------------------------	--

The majority of respondents are not involved in more than one dual-jobbing occupation (Question 18.1 results).

The last question (Question 19.1) of the first part of the questionnaire, requests information from the respondents on how they feel about the experience that they are gaining from their second occupation.

19.1	Do you feel that the experience you are gaining as a dual-jobber is helping your preparation to become a full-time business owner?	
		Research Group
	Control Group	
Yes	36	3
No	13	

19.2	Explain your answer to 19.1 (Research Group).
	One has to plan and organise oneself and do everything oneself.
	Not sure – doing it low-key at present
	Be able to plan ahead and take responsibility for any and all decisions
	The exposure and experience are applicable to independent operation of a business owner
	No aspirations to own a business
	Already a full-time business owner
	Just became a business owner
	The second job can be the practice round on a small scale, with all the benefits but less risk to run an own business
	Haven't got the time at present
	You get to know your field and whom to contact and see for success
	Can give one total financial freedom
	Help you gain trust in yourself and boost self-esteem
	My full-time job stays first and demands a lot of attention
	Teaches management principles
	I earn while I learn all the skills, with the security of a full-time income
	Lecturing at other institutions are more profitable, with no additional costs
	Develop many business and personal skills
	The trading operation can become a full-time business creating jobs for others
	Because it is on a small scale one can apply one's ideas in the real world, while the risks involved, stay small but also real. Teaches one what to avoid / explore to the fullest
	Contract lecturing is similar to full-time lecturing
	Being exposed to business in an informal/soft way. Gaining experience in a not so hard way
	Dual-jobbing naturally gives a person more experience and the opportunity to grow as a person
	Opportunities do exist. Want to employ more people and increase the standard of living for all
	Do not want to become a full-time business owner
	Gain experience while having another income
	Stimulates entrepreneurial abilities

If a practice is a business, then I shall have financial skills, management skills, professional skills and use every opportunity for training
It gave me time to learn at minimal cost. If this was my only income, one would not risk making learning errors. Also not taking a salary from my side-business to ensure growth. In time I will reap the benefits. The biggest mistake that people make, is that when the business is still in its infancy, they spend the income on luxuries in stead of investing in the business for future benefits.
Management skills developed
Able to start an own business
By doing a second job I am keeping abreast of changes in automotive development so that should I lose my current job, I will not have to acquire any additional information as I am already up to date.
Acquire additional know-how and experience
Yes, partially
Managerial skills to work with people and their needs
Without this experience, it would not have been possible for one to know all the pitfalls of running a business.
Learn how to manage own music school
Gain experience
When I become a pensioner I can make this business a full-time job
If the financial income is good enough
As a full-time buyer, my experience in my permanent job can be used in a business to export and import birds in future.

19.2	Explain your answer to 19.1 (Control Group).
	Learnt a lot about business and how to market professionally
	Learnt how to buy and do financial planning

The majority of dual-jobbers are positive about the fact that they are gaining experience in the running of a business and the results to Question 19.2, explain many reasons why the dual-jobbers feel that they are gaining from being dual-jobbers.

Although all the questions asked, supply positive and negative results, most of the respondents were positive about the value that they are getting from being employed in more than one occupation.

#### 4.5.4.2 General questions

The second part of the questionnaire consisted of two questions about certain methods to be used by dual-jobbers to -

- search for new opportunities and
- inform potential customers of the availability of a product or service.

The methods referred to are the following.

- Bulletin boards
- commission paid
- Consultants
- Crafts and flea markets
- Gift and other shops
- Group forming
- House parties
- Listening
- Multi level marketing
- Newsletters
- Schools
- Telephone, visit or contact
- Business cards.

The respondents were asked to evaluate the different methods (mentioned above) in accordance with the following guidelines:

Column 1 = total agreement

Column 2 = agree

Column 3 = maybe

Column 4 = disagree

Column 5 = reject.

The results received i.r.o. evaluating every method are discussed below, together with a graph.

<b>1. Bulletin boards</b>				
a.	Shopping centres often have a notice-board where small suppliers advertise their goods and people looking for a product advertise the fact, giving a dual-jobber an idea of products available and required.			
	Research Group		Control Group	
	1	6	1	
	2	23	2	1
	3	19	3	1
	4		4	1
	5	2	5	
Total	50	Total	3	

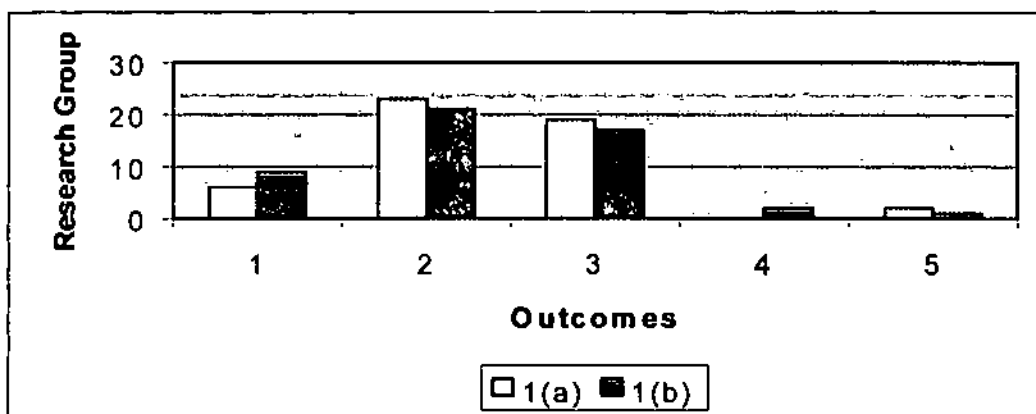
b.	When advertising is done on a bulletin board, the response of customers might lead to sales.			
	Research Group		Control Group	
	1	9	1	
	2	21	2	
	3	17	3	2
	4	2	4	1
	5	1	5	
Total	50	Total	3	

Source: Own research

The majority of the respondents from the research group are positive, that the bulletin board can be used as a source of information and also as a place for advertising, that might result in sales (Graph 4.1).

**GRAPH 4.1:**

Question on bulletin boards: Research Group results



Source: Own research

The Control Group is equally split on the benefits of the bulletin board as a source of information for the dual-jobber (Question 1a results) and is mostly "uncertain" to "negative" about getting results from advertising on bulletin boards (Question 1b results).

**2. Commission paid**

a. By listening to people talking, a person might identify opportunities where one can earn spotter's commission by introducing suppliers to customers.

	Research Group		Control Group	
1	6	1		
2	27	2		
3	12	3		2
4	4	4		1
5	1	5		
Total	50	Total		3

b. By paying a spotter's commission, a person might influence people to introduce one to customers.

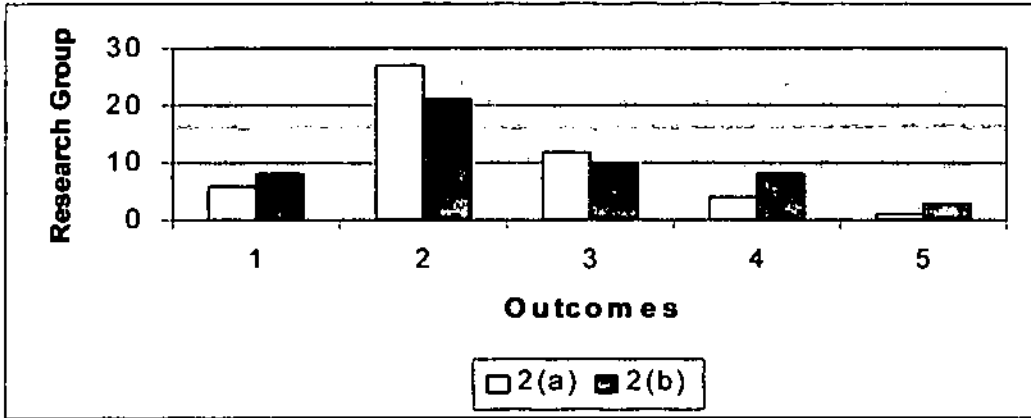
	Research Group		Control Group	
1	8	1		
2	21	2		
3	10	3		2
4	8	4		1
5	3	5		
Total	50	Total		3

Source: Own research

The majority of the respondents from the research group are positive, that the earning of spotter's commission by introducing buyers and sellers, could lead to the earning of an extra income and also that the payment of commission to intermediaries might lead to more introductions to possible customers. (Graph 4.2).

**GRAPH 4.2:**

Question on commission paid: Research Group results



Source: Own research

The Control Group views the possibility of earning commission as a second income by introducing suppliers to customers, as “uncertain” to “negative” (Question 2a results) and also the payment of commission to intermediaries as “uncertain” to “negative” (Question 2b results).

<b>3. Consultant</b>				
a.	By finding from people what needs exist in the market, a need that one might supply, might be identified.			
	Research Group		Control Group	
1	11	1	3	
2	21	2		
3	13	3		
4	4	4		
5	1	5		
Total	50	Total	3	

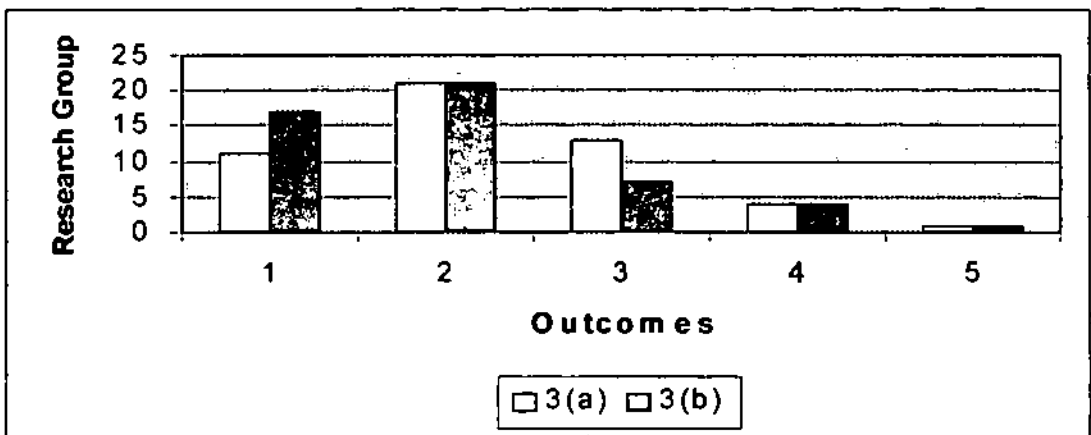
b. By acting as a consultant, one might get happy customers that recommend others to make use of one's services.			
Research Group		Control Group	
1	17	1	3
2	21	2	
3	7	3	
4	4	4	
5	1	5	
Total	50	Total	3

Source: Own research

Nearly the same number of respondents from the Research Group, are positive but also uncertain, that being active as a consultant, can result in identifying needs in the market and also result in satisfied customers that can recommend the service to possible future customers. (Graph 4.3).

**GRAPH 4.3:**

Question on consultants: Research Group results



Source: Own research

The Control Group are very positive about consultants to assist both in the identification of goods required by the market (Question 3a results), as well as the delivery of services as a consultant (Question 3b results).

<b>4. Craft and flea markets</b>				
<b>a. By attending such markets, a person can listen to comments by visiting people on the type of items that one intends selling.</b>				
	Research Group		Control Group	
1	7	1	1	
2	16	2	1	
3	22	3		
4	5	4		
5		5	1	
Total	50	Total	3	

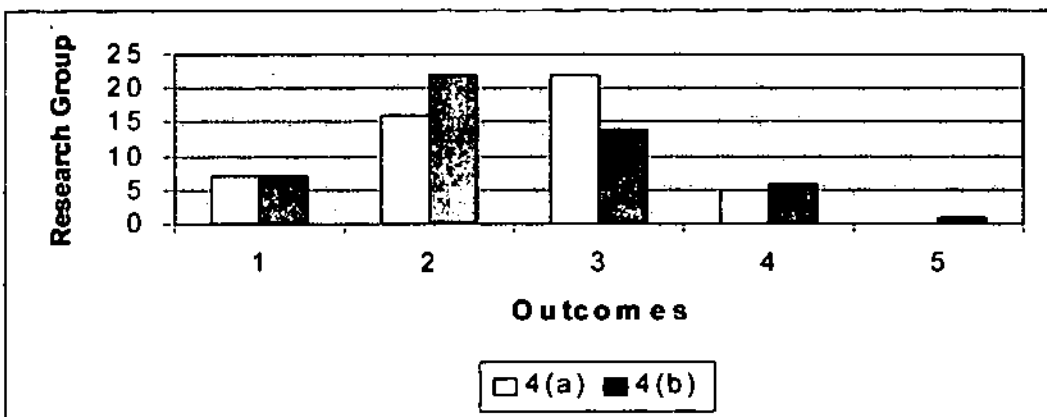
<b>b. By selling at such markets, one can listen to the comments of people on prices and quality.</b>				
	Research Group		Control Group	
1	7	1	1	
2	22	2		
3	14	3	1	
4	6	4		
5	1	5	1	
Total	50	Total	3	

Source: Own research

The Research Group tend to be more negative (Graph 4.4) about the possibility of finding information on craft and flea markets, about the type of products that might be sold and also about the prices and quality of the products that are sold.

**GRAPH 4.4:**

Question on craft- and flea markets: Research Group results



Source: Own research

The opinion of the people who formed part of the Control Group varied greatly (Question 4a results), from being "very positive" about craft and flea markets as a place to find views on the type of products one intends selling, to being "totally negative." The views on such markets as a place to find actual information on the products that one is already selling, is evenly split from "totally positive" to "uncertain" to being "totally negative" (Question 4b results).

<b>5. Gift- and other shops</b>			
a.	By visiting such shops, a person can listen to the comments of the buyers for the shops on the type of products they might be interested in, when buying for their customers.		
	Research Group		Control Group
1	6	1	1
2	21	2	1
3	19	3	1
4	3	4	
5	1	5	
Total	50	Total	

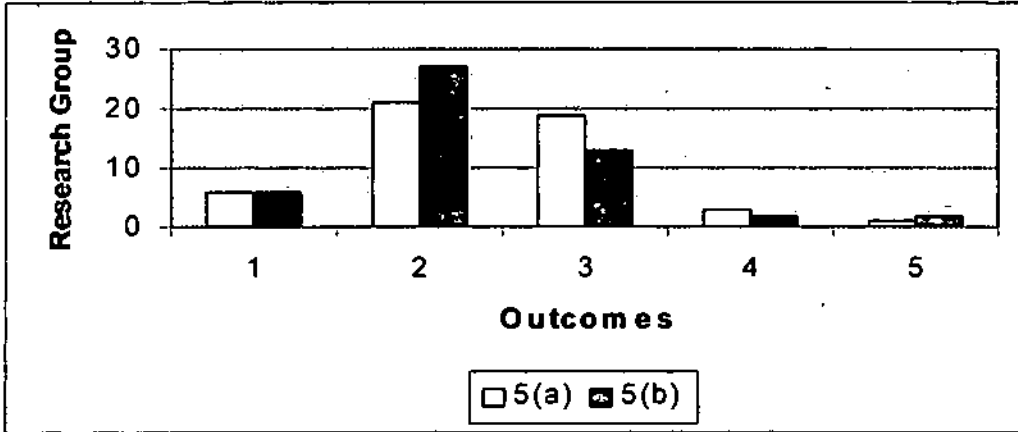
b.	By selling to such shops, one can listen to the comments of their buyers on their prices and quality.		
	Research Group		Control Group
1	6	1	2
2	27	2	
3	13	3	1
4	2	4	
5	2	5	
Total	50	Total	

Source: Own research

The majority of the Research Group are positive about speaking to gift- and other shopowners to find what their needs are, to be able to investigate their own ability to supply in this need. They were also positive about selling their own products to such shops, gathering information regarding their own prices and quality (Graph 4.5).

**GRAPH 4.5:**

Question on gift- and other shops: Research Group results



Source: Own research

The Control Group in general, feel that gift- and other shops might be good places to find information on products that such shops are looking for, to sell to customers (Question 5a results) and they are also positive about gaining information on their own prices and quality when actually selling to these shops (Question 5b results).

<b>6. Group forming</b>				
a.	By becoming part of a group of dual-jobbers who supplement one another, one might continuously hear of new opportunities in the market.			
	Research Group		Control Group	
	1	12	1	1
	2	23	2	2
	3	12	3	
	4	3	4	
	5		5	
	Total	50	Total	3

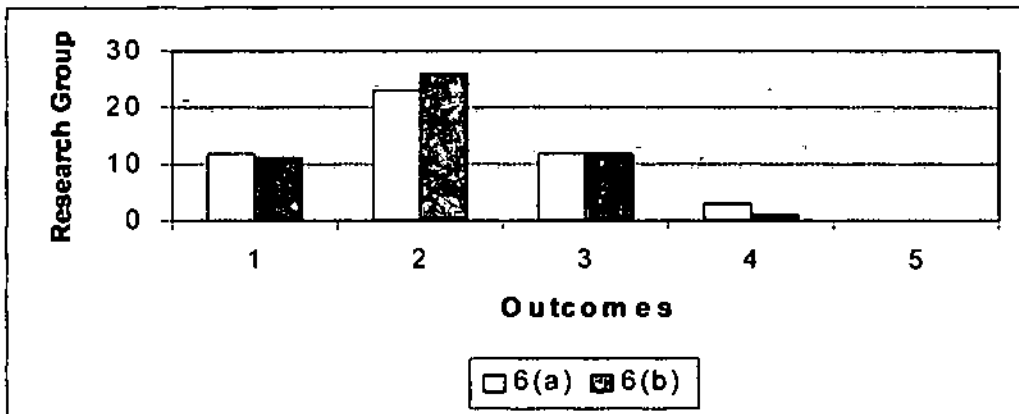
b.	By forming a group of dual-jobbers that can support one another, one might get a better coverage in the market place.			
	Research Group		Control Group	
1	11	1	1	
2	26	2	1	
3	12	3	1	
4	1	4		
5		5		
Total	50	Total	3	

Source: Own research

The reactions from the majority of respondents belonging to the Research Group, vary between being in agreement to being uncertain about the possible advantages that might come from the forming of groups that can supply information to one another, but might also lead to better coverage in the market place (Graph 4.6).

**GRAPH 4.6**

Question on group-forming: Research Group results



Source: Own research

The Control Group feel strongly about becoming part of a group of dual-jobbers who can support one another and also share information about new opportunities in the market (Question 6a results). They also feel, that belonging to such a group, can offer wider coverage in the market place for their individual products (Question 6b results).

<b>7. House parties</b>				
a. By visiting house parties, a person might identify a need from what the people at the parties are talking about.				
	Research Group		Control Group	
1	6	1	1	
2	11	2	1	
3	20	3	1	
4	13	4		
5		5		
Total	50	Total	3	

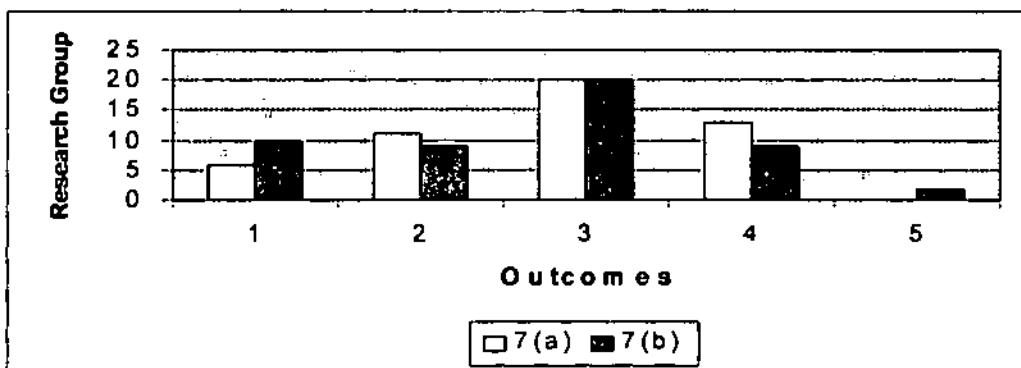
b. By selling one's products at house parties, a person might make many people aware of being a supplier.				
	Research Group		Control Group	
1	10	1	1	
2	9	2	1	
3	20	3	1	
4	9	4		
5	2	5		
Total	50	Total	3	

Source: Own research

A very slight majority of respondents feel that little can be gained from attending house parties, although the majority feel, that they might become better known if they should sell at such parties. A large number of the respondents, however, are uncertain about any advantages to be gained from house parties (Graph 4.7).

**GRAPH 4.7**

Question on house parties : Research Group results



Source: Own research

The feeling of the Control Group regarding the visiting of house parties to identify needs that people talk about (Question 7a results), as well as the possibility of becoming known as a supplier when selling at house parties, (Question 7b results) is positive i.r.o. one uncertain Research Group member.

<b>8. Listening</b>			
a. By listening to what people say, a person might hear of a need, and investigate the possibility of supplying in the need.			
Research Group		Control Group	
1	14	1	3
2	27	2	
3	6	3	
4	2	4	
5	1	5	
Total	50	Total	

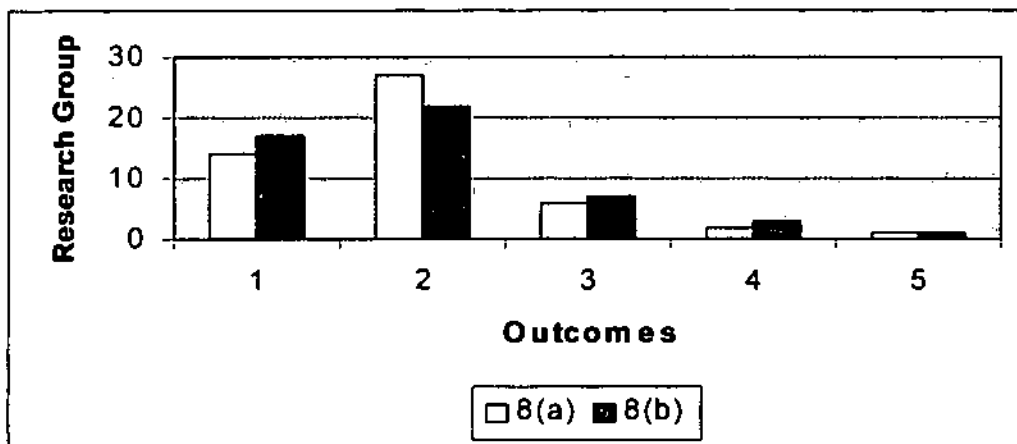
b. Tell them that one can supply in the need.			
Research Group		Control Group	
1	17	1	3
2	22	2	
3	7	3	
4	3	4	
5	1	5	
Total	50	Total	

Source: Own research

The majority of the Research Group (but with a large uncertain factor) feel, that by listening to people who express a need, an opportunity to supply might be identified and the telling people about what can be supplied, might lead to increased sales (Graph 4.8).

**GRAPH 4.8:**

Question on listening: Research Group results



Source: Own research

All the members of the Control Group are very positive about listening to the needs that people are expressing and then the investigation of the possibility to supply in this need (Question 8a results). They also feel, that telling people whom they have identified as having a need, by listening, should be told that they can supply in that need, once they have investigated the possibility and found that they are in a position to answer this need (Question 8b results).

**9. Multi level marketing**

a. By becoming involved in this type of marketing structure, a person might become aware of other needs that people have that one might supply in.

	Research Group		Control Group	
1	13	1	1	
2	22	2	1	
3	13	3		
4	1	4		
5	1	5	1	
Total	50	Total	3	

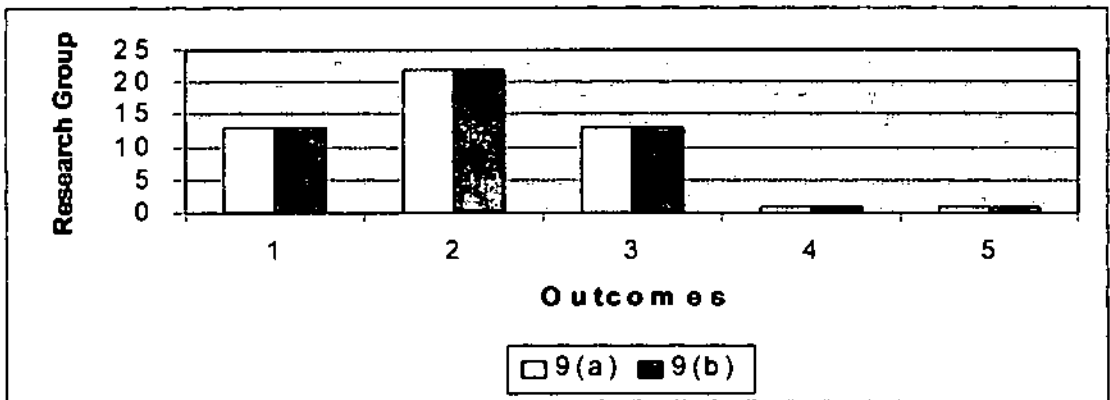
b.	By organising people to help one sell at multi-level marketing, a product might be introduced to more people than an individual can reach.			
	Research Group		Control Group	
1	13	1	1	
2	22	2		
3	13	3	1	
4	1	4		
5	1	5	1	
Total	50	Total	3	

Source: Own research

The majority respondents from the Research Group are positive about the benefits to be derived from multi level-marketing: although, there is a large number who are uncertain about the possible outcome (Graph 4.9).

**GRAPH 4.9:**

Question on-multi level marketing: Research Group results



Source: Own research

The Control Group feel mostly positive (with one respondent being totally negative) about becoming involved in multi-level marketing as a means to identify other needs (apart from what the structure is supplying) that buyers might have (Question 9a results). The group, however, is totally balanced (Question 9b results) about the possibility of making use of this structure as a method to reach more possible customers.

**10. Newsletters**

a. By reading newsletters, a person might become aware of needs that one might provide in at a better price and/or quality

	Research Group		Control Group	
1	9	1	1	
2	26	2	1	
3	10	3	1	
4	5	4		
5		5		
Total	50	Total	3	

b. By advertising in newsletters one might reach many prospective customers.

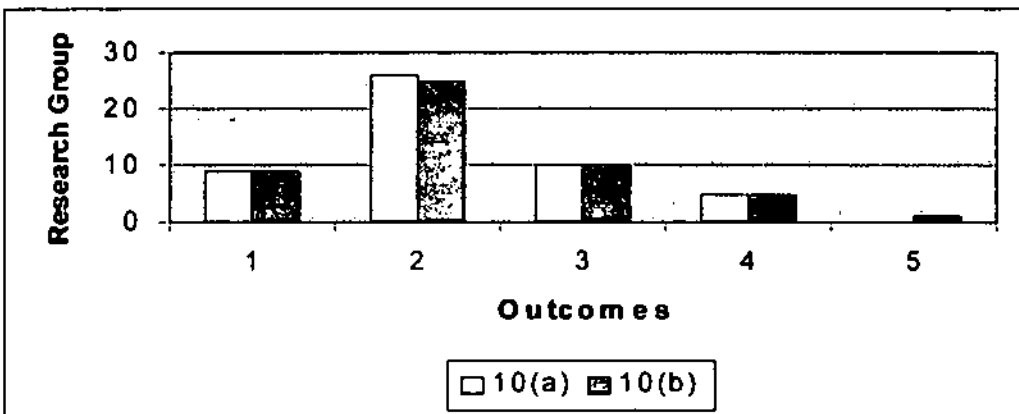
	Research Group		Control Group	
1	9	1	2	
2	25	2		
3	10	3	1	
4	5	4		
5	1	5		
Total		Total	3	

Source: Own research

The view of the Research Group is split between "being positive", "negative" or "uncertain" i.r.o. the benefits to be derived from newsletters (Graph 4.10).

**GRAPH 4.10:**

Question on newsletters: Research Group results



Source: Own research

The responses by the people in the Control Group, are mostly positive about the information that can be gathered from newsletters regarding needs that can be supplied in, with better prices or quality (Question 10a results). Two members of the group are also "very positive" (with one being "uncertain") about the possibility of reaching prospective customers through advertisements in newsletters (Question 10a results).

<b>11. Schools</b>				
a.	By working together with schools and paying a commission to them, many opportunities might be recognised, that might become an opportunity to market with the help of the schools.			
	Research Group		Control Group	
	1	6	1	
	2	21	2	2
	3	16	3	
	4	5	4	1
	5	2	5	
Total	50	Total		

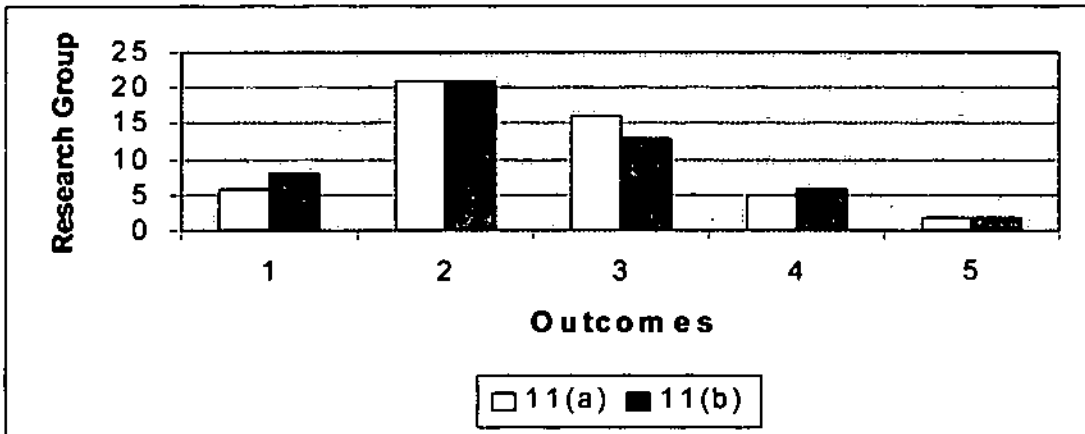
b.	Visiting schools and showing them one's products, might interest them to help with the marketing on a commission basis.			
	Research Group		Control Group	
	1	8	1	
	2	21	2	2
	3	13	3	
	4	6	4	1
	5	2	5	
Total	50	Total		

Source: Own research

Although the Research Group indicated, that they are in agreement i.r.o. being uncertain about schools as a supplier of information about what the market requires or as a marketer for their products, some respondents are very negative about involving schools (Graph 4.11).

**GRAPH 4.11:**

Question on schools: Research Group results



Source: Own research

The answers from the Control Group regarding working with schools and paying commission to schools are split, in that two respondents “agree” and one “disagrees” that schools might help with the identification and marketing of opportunities that dual-jobbers can supply in (Question 11a results). The same results as above came from the question on whether schools could help with the selling of an existing product on behalf of the dual-jobber (Question 11b results).

<b>12. Telephone, visit, contact</b>				
a.	Research Group		Control Group	
	1	8	1	
2	17	2	1	
3	16	3	1	
4	8	4	1	
5	1	5		
Total	50	Total	3	

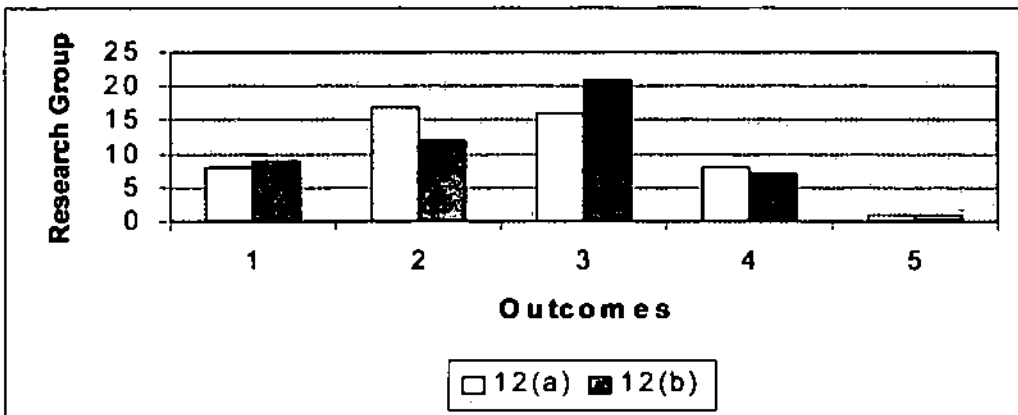
b.	Telephoning, visiting or contacting family and friends and telling them about what one has to offer, might lead to them advertising the fact.			
	Research Group		Control Group	
	1	9	1	
	2	12	2	2
	3	21	3	
	4	7	4	1
	5	1	5	
Total	50	Total	3	

Source: Own research

More respondents from the Research Group are positive about calling on family and friends to find existing needs that could create an opportunity for them, than those who were uncertain or negative about this method of research. The same results came when asked about using family and friends to advertise the available products or services (Graph 4.12).

**GRAPH 4.12:**

Question on telephone, visits and contacts: Research Group results



Source: Own research

The results received from the Control Group was totally balanced, ranging from “agree” to “disagree” about the phoning of and enquiry from people known to the dual-jobber, who might assist in the identification of opportunities that might be of interest to the dual-jobber (Question 12a results). The group, however, are more

positive (Question 12b results) about family and friends advertising the product or service that the dual-jobber is supplying, when they have been told about it.

<b>13. Business card</b>				
a.	By collecting business cards, one might identify an opportunity from another area that is not locally available, but might be an existing need.			
	Research Group		Control Group	
	1	5	1	1
	2	27	2	2
	3	13	3	
	4	5	4	
	5		5	
	Total	50	Total	

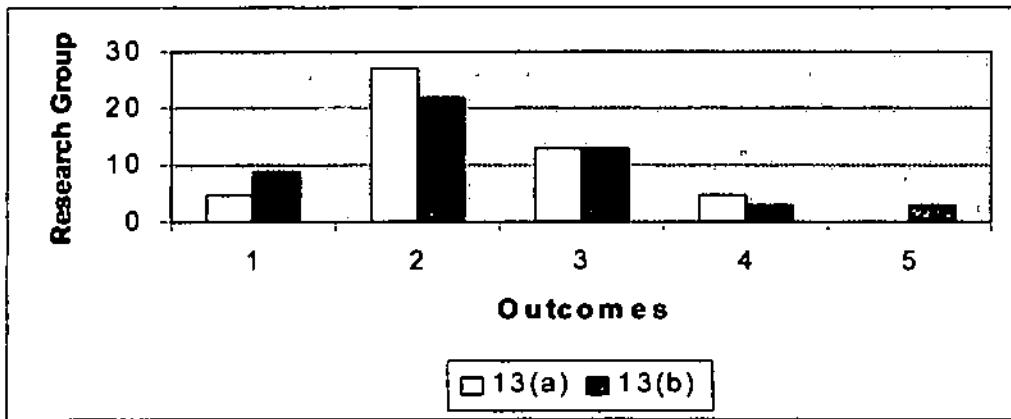
b.	By distributing attractive business cards, customers might be convinced to try one's product.			
	Research Group		Control Group	
	1	9	1	1
	2	22	2	1
	3	13	3	1
	4	3	4	
	5	3	5	
	Total	50	Total	

Source: Own research

The Research Group in general, were positive about the use of business cards from others, to identify new opportunities and also, the positive effect the distribution of own business cards could have on sales. About one third of the respondents, however, was uncertain about the use of business cards (Graph 4.13).

**GRAPH 4.13:**

Question on business cards: Research Group results



Source: Own research

The Control Group are very positive about the collection of business cards to assist in the identification of opportunities that might not be available locally, that a local dual-jobber might investigate (Question 13a results). Their reaction also varies from being “very positive” to being “uncertain” about the success that attractive business cards might have to convince possible customers to buy a product (Question 13b results).

**4.5.4.3 General discussion on the questionnaire**

All the questions on both sections of the questionnaire were positively answered by the Research Group. The Control Group showed the same positive results, with the exceptions, that they were “uncertain” to “negative” regarding the use of bulletin boards (Question 1a results) and commission paid for information (Question 2a and 2b results).

## **4.6 CONCLUSION**

In the first part of this chapter, the methodology that was applied within the constraints of the research area has been discussed. All data necessary for the research, were collected and presented, together with the questions that they referred to, for easy reading and understanding. The second section of the questionnaire also includes graphs of the findings for comparison purposes. The simplicity of the presentation in this form, is guided by the assumption that readers of the findings and recommendations presented here, will accept the findings as important for the future of labour in SA.

The researcher is also satisfied that the 50% of the total population who answered the questionnaire is sufficient to validate this research study and can, therefore, be relied upon.

The answers supplied by the majority of respondents on the questions asked and especially the hundred percent positive answer regarding the possibility that dual-jobbing can be seen as preparation for the future (Question 13.2 answer), shows that people involved in an additional occupation, feel positive about their future.

The final chapter discusses the achievement of the primary and secondary objectives in this study, making important recommendations and suggesting possible related future research studies in this important area within the labour market.

## **CHAPTER 5**

### **CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS**

#### **5.1 INTRODUCTION**

This chapter focuses on the conclusions that were reached and recommendations that can benefit employees and managers in South Africa.

The extensive literature study on the labour situation in SA, on legislation applicable to SA business, as well as on dual-jobbing is presented in detail in Chapters 2 and 3. The final step in this research, was to investigate dual-jobbing as practised by dual-jobbers. The empirical research done is given in Chapter 4.

Furthermore, the limitations of the available literature, as well as the limitations on the questionnaire design, are discussed.

Recommendations for managers, dual-jobbers and for the implementation of future research, is part of this chapter.

#### **5.2 SUMMARY**

The employment situation in SA has lately drastically changed.

Chapter 2 reflects the results from the literature study on various aspects concerning the people of SA. The population of the country is continuously growing, although at a slower rate than before, with many new jobseekers annually entering the labour market. These new jobseekers fresh from school or other educational institutions, or those retrenched looking for positions, find that the number of jobs in the non-agricultural, non-domestic, formal sector of the market, have decreased with nearly half a million (Table 2.13), during the period under review (1995 to 1999), leaving them with little hope to find formal employment.

Statistics show, that 37% (Table 2.14) of the economically active population in 1999 were unemployed.

The literature review in Chapter 2, also shows that although the GDP of the country grew by more than 12% between 1995 and 1999, the real GDP per head grew by 1.7% (Table 2.9). Core inflation averaged more than 8% (Table 2.10), debt-servicing cost of households as percentage of the disposable income reached a high of more than 14% in 1998 and personal savings to personal disposable income, was 0.3% in 1999 (Table 2.22).

According to Table 2.17, the informal sector nearly doubled between 1996 and 1999.

Chapter 3 focuses on time management and different ways to prepare for the future. Research was first done on government and business training initiatives, as training is examined as a method to improve the employment situation in SA.

The second part of Chapter 3 covers the research dual-jobbing as a specific individual initiative to gain training and experience, to increase productivity and also to prepare for the future if self-employment should become necessary.

An empirical research was done (Chapter 4) to emphasize the results on dual-jobbing as presented in the literature study. The chapter defines the population identified to complete the questionnaire and also describes the method used to do exploratory research, the compiling of the questionnaire with the help of dual-jobbers, and also describes the results from respondents.

### **5.3 ACHIEVEMENT OF THE RESEARCH OBJECTIVES**

In Chapter 1 specific objectives for this research were identified by the researcher. After processing the relevant information gathered by way of a literature study in Chapters 2 and 3 and an empirical research of which the findings are reported on,

(Chapter 4), it can now be determined how the objectives set have been met.

### **5.3.1 Primary objectives**

The primary objective was to investigate different, but possible, ways for employed people to spend their time on becoming more productive in their striving for prosperity. In order to achieve this a literature research was conducted and a questionnaire compiled and completed by fifty respondents.

In Chapter 3, that deals with time management, both government and business training initiatives were reviewed, as well as dual-jobbing, as individual initiatives towards future prosperity.

Government has identified the need amongst the citizens of SA to undergo training and to develop their skills, and has subsequently promulgated legislation in this context. This initiative should encourage employers and employees to spend time on training that could lead to an increase in productivity, resulting in prosperity for both the individual and the employer.

Individuals, however, could also use own initiative and spend time to better their training and experience by getting involved in dual-jobbing.

The literature study in Chapter 3 on dual-jobbing, was supported by an empirical research conducted as described in Chapter 4. The empirical research was done by way of a questionnaire handed to 50 dual-jobbers, random-sampled from a list of one hundred dual-jobbers, with a response rate of 100%, as all the receivers completed the questionnaires.

Section One of the survey was necessary in order to gain information regarding the dual-jobbing activities of the respondents; the overwhelming response was, that dual-jobbing is a way towards future independence, if so desired, although the majority agreed, that time management is important towards being successful in

full-time employment, supplemented by dual-jobbing. A large majority of the respondents also indicated monetary and non-monetary benefits that could lead to prosperity in future.

The analysis in this section and the detailed research findings of the empirical study presented in Chapter 4, are sufficient to conclude, that the primary objective has been met. Specific recommendations for further research follow in Chapter 5.

### **5.3.2 Secondary objectives**

The secondary objectives were set at the beginning of this study to support the achievement of the primary objective.

The first secondary objective was, to describe the employment situation in SA from literature. Chapter 2 provides a detailed analysis regarding this since 1995, from various sources. This extensive literature study was sufficient to achieve the first objective of this study.

The second secondary objective, was to investigate literature on skills training as initiated by government. The legislation in this regard, was described in Chapter 3 and was sufficient to meet the second of the secondary objectives.

The third secondary objective, was to investigate literature on dual-jobbing or that relevant to the principle of dual-jobbing. This literature study concentrated on the principle of dual-jobbing, self-analysis for potential dual-jobbers, market research for opportunities, resource management and implications for dual-jobbers. The literature research was sufficient to describe aspects important for dual-jobbers.

The final secondary objective, in support of the achievement of the primary objective, was to do an empirical research in order to ascertain the feeling of practising dual-jobbers towards dual-jobbing. The respondents were very positive about their dual-jobbing activities, underlining the fact that good time management

is necessary; there was a 100% agreement, that dual-jobbing may be a way for people to prepare for the future, in case of the loss of permanent employment. The last of the secondary objectives was met through this empirical study.

## **5.4 RECOMMENDATIONS**

Arising from the findings of this research study, important specific recommendations form part of this chapter, and could contribute towards the improvement of the employment situation in SA.

### **5.4.1 Recommendations for managers**

Government initiated certain initiatives and promulgated legislation to promote training in the country. Certain levies are paid by employers towards this initiative and when employees attend training a certain part of these levies that could go towards payment for the training, might be reclaimed from government. For employers striving for prosperity, productive, well-trained personnel can assist, and it would be advantageous to make use of all the training opportunities available. Assisting employees who are dual-jobbers, should also be investigated by employers as it might lower demands for additional money (unnecessary overtime for example). When retrenchments become necessary, dual-jobbers (according to Questions 13.1, 13.2 and 13.3 of the questionnaire) are also able to handle the situation better than others, relieving the employer from some of the stress-related to this situation.

### **5.4.2 Recommendations for dual-jobbers**

The recommendations for employees are in line with those for employers: attend all the training opportunities available, conduct self research and investigate any dual-jobbing opportunities that might become available.

## **5.5 FINAL REMARKS**

The primary purpose of the study was to investigate whether the better allocation of time by employed people who became dual jobbers, for money or other reasons, could be advantageous to the individuals themselves, who might become more prosperous and be an asset for the businesses where they are employed.

### **5.5.1 Remarks in terms of specific literature objectives of the study**

Various sources were consulted and referred to in the bibliography. Although all these statistics do not agree (for example, the number of AIDS sufferers or the number of unemployed people), use was made of official sources, i.r.o. the figures that were quoted.

### **5.5.2 Remarks in terms of specific empirical objectives of the study**

The empirical research, once people were identified and anonymity guaranteed, supplied interesting information. From the results, it became clear that dual-jobbers are both male and female and that people from all categories of employment could become dual-jobbers.

## **5.6 LIMITATIONS OF THE STUDY**

The study has the following limitations:

As was learnt from the literature study, it became clear that SA has various sources of information regarding employment in the country, but that many of these sources do not agree on numbers. The most obvious reason for these differences, is that no register of unemployed people is available. Reseachers working in this field, mostly make use of the 1996 census figures, and then make estimates how these (could) have changed.

No benchmark exists for this type of study, as no previous study in the field of dual-jobbing is available.

A limitation that exists is that no literature is available on dual-jobbing within SA. The few books found, were published in the USA in the eighties when little interest on the topic of moonlighting, as dual jobbing is known, existed.

Because of the sensitivity of the subject, no reference could be made in the questionnaire about employers, and money earned from dual-jobbing.

## **5.7 RECOMMENDATIONS FOR FUTURE RESEARCH**

Due to the fact that the topic was not previously researched, many questions could be asked that could lead to more research being done. Some of the questions that need answers, are the following.

- According to Clause 22 of the South African Constitution, people are free to choose their own profession and the industry where they want to be employed. A question that might be asked and that has lead to a guarantee of anonymity i.r.o. respondents, is: how does this clause impact on a dual-jobber; and also, does this clause have any impact on people who are dual-jobbers, with their second job being in the informal sector of the economy.
- According to the Act on The Basic Conditions of Employment, employees also a maximum number of overtime hours. Research could also be done in order to establish what the rights of employed people regarding dual-jobbing are outside these hours.
- Research might also be done about the legality of clauses in employment contracts forbidding employees to become involved in dual-jobbing. These clauses might be, to prevent employees to act in competition with their employers, but sometimes to prevent any form of extra employment.

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# **ANNEXURE 1**

## **CURRICULUM VITAE OF THE RESEARCHER**

- 1996 - Current    Lecturing at the Vaal Triangle Technikon  
                          Subjects: Marketing  
  Purchasing  
  General management.
- 1997 - Current    Lecturing at Damelin College  
                          Subjects: Marketing and sales.
- 2000 - Current    Lecturing at workshops supplying financial background to  
                          non-financial managers.

2. Involvement in dual jobbing according to the adjusted definition.

- 1979 - 1984        Building contractor  
                          Duties: Organising contracts  
  Organising labour  
  Organising material  
  Responsible for record keeping and taxation  
  Consulting with customers during and after contracts  
  to ensure their satisfaction.
- 1985 - 1995        Partner in different supermarkets  
                          Duties: Responsible for recordkeeping and taxation  
  Involved in purchasing function  
  General assistance to customers over weekends.
- 1994                Partner in food processing plant  
                          Duties: Responsible for record keeping and taxation  
  Responsible for purchasing function  
  Responsible for marketing function.
- 1996 - 1997        Building contractor  
                          Duties: Organising contracts  
  Organising labour  
  Organising material  
  Responsible for record keeping and taxation  
  Consulting with customers during and after contracts  
  to ensure their satisfaction.
- 1986 - Current    Consultant to small businesses and dual-jobbers  
                          Duties: Advising on general management principles  
  Advising on financial aspects, recordkeeping and  
  taxation  
  Advising on purchasing procedures  
  Advising on marketing methods  
  Advising on how to deal with customer.

# **ANNEXURE 2**

## **EMPLOYMENT EQUITY ACT NO 55 OF 1998**

**NO. 55 OF 1998**

**[ASSENTED TO 12 OCTOBER, 1998]  
[DATE OF COMMENCEMENT TO BE PROCLAIMED]  
(Unless otherwise indicated)**

*(English text signed by the President)*

**ACT**

**To provide for employment equity; and to provide for matters incidental thereto.**

**Preamble.--Recognising--**

that as a result of apartheid and other discriminatory laws and practices, there are disparities in employment, occupation and income within the national labour market; and

that those disparities create such pronounced disadvantages for certain categories of people that they cannot be redressed simply by repealing discriminatory laws,

Therefore, in order to--

promote the constitutional right of equality and the exercise of true democracy;

eliminate unfair discrimination in employment;

ensure the implementation of employment equity to redress the effects of discrimination;

achieve a diverse workforce broadly representative of our people;

promote economic development and efficiency in the workforce; and

give effect to the obligations of the Republic as a member of the International Labour Organisation,

**ARRANGEMENT OF SECTIONS**

**CHAPTER I**

**DEFINITIONS, PURPOSE, INTERPRETATION AND APPLICATION**

1. Definitions
2. Purpose of this Act
3. Interpretation of this Act
4. Application of this Act

**CHAPTER II**

**PROHIBITION OF UNFAIR DISCRIMINATION**

5. Elimination of unfair discrimination
6. Prohibition of unfair discrimination
7. Medical testing
8. Psychometric testing
9. Applicants

10. Disputes concerning this Chapter
11. Burden of proof

**CHAPTER III**  
**AFFIRMATIVE ACTION**

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13. Duties of designated employers
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## CHAPTER I DEFINITIONS, PURPOSE, INTERPRETATION AND APPLICATION

1. **Definitions.**—In this Act, unless the context otherwise indicates—

"**Basic Conditions of Employment Act**" means the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997);

"**black people**" is a generic term which means Africans, Coloureds and Indians;

"**CCMA**" means the Commission for Conciliation, Mediation and Arbitration, established by section 112 of the Labour Relations Act;

"**code of good practice**" means a document issued by the Minister in terms of section 54;

"**collective agreement**" means a written agreement concerning terms and conditions of employment or any other matter of mutual interest concluded by one or more registered trade unions, on the one hand and, on the other hand—

a. one or more employers;

b. one or more registered employers' organisations; or

c. one or more employers and one or more registered employers' organisations;

"**Commission**" means the Commission for Employment Equity, established by section 28;

"**Constitution**" means the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996);

"**designated employer**" means—

a. a person who employs 50 or more employees;

b. a person who employs fewer than 50 employees but has a total annual turnover that is equal to or above the applicable annual turnover of a small business in terms of the Schedule 4 of this Act;

c. a municipality, as referred to in Chapter 7 of the Constitution;

d. an organ of state as defined in section 239 of the Constitution, but excluding local spheres of government, the National Defence Force, the National Intelligence Agency and the South African Secret Service; and

e. an employer bound by collective agreement in terms of section 23 or 31 of the Labour Relations Act, which appoints it as a designated employer in terms of this Act, to the extent provided for in the agreement.

**"designated groups"** means black people, women and people with disabilities;

**"Director-General"** means the Director-General of the Department of Labour;

**"dismissal"** has the meaning assigned to it in section 186 of the Labour Relations Act;

**"dispute"** includes an alleged dispute;

**"employee"** means any person other than an independent contractor who—

a. works for another person or for the State and who receives, or is entitled to receive, any remuneration; and

b. in any manner assists in carrying on or conducting the business of an employer, and "employed" and "employment" have corresponding meanings;

**"employment law"** means any provision of this Act or any of the following Acts:

a. The Unemployment Insurance Act, 1966 (Act No. 30 of 1966);

b. the Guidance and Placement Act, 1981 (Act No. 62 of 1981);

c. the Manpower Training Act, 1981 (Act No. 56 of 1981);

d. the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993);

e. the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993);

the Labour Relations Act, 1995 (Act No. 66 of 1995);

the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997);

any other Act, whose administration has been assigned to the Minister.

**"employment policy or practice"** includes, but is not limited to—

recruitment procedures, advertising and selection criteria;

appointments and the appointment process;

job classification and grading;

remuneration, employment benefits and terms and conditions of employment;

job assignments;

f. the working environment and facilities;

training and development;

performance evaluation systems;

i. promotion;

j. transfer;

k. demotion;

l. disciplinary measures other than dismissal; and

m. dismissal.

**"family responsibility"** means the responsibility of employees in relation to their spouse or partner, their dependant children or other members of their immediate family who need their care or support;

**"HIV"** means the Human Immunodeficiency Virus;

**"labour inspector"** means a person appointed in terms of section 65 of the Basic Conditions of Employment Act;

**"Labour Relations Act"** means the Labour Relations Act, 1995 (Act No. 66 of 1995);

**"medical testing"** includes any test, question, inquiry or other means designed to ascertain, or which has the effect of enabling the employer to ascertain, whether an employee has any medical condition;

**"Minister"** means the Minister of Labour;

**"NEDLAC"** means the National Economic, Development and Labour Council established by section 2 of the National Economic, Development and Labour Council Act, 1994 (Act No. 35 of 1994);

**"organ of state"** means an organ of state as defined in section 239 of the Constitution;

**"people with disabilities"** means people who have a long-term or recurring physical or mental impairment which substantially limits their prospects of entry into, or advancement in, employment;

**"pregnancy"** includes intended pregnancy, termination of pregnancy and any medical circumstances related to pregnancy;

**"prescribed"** means prescribed by a regulation made under section 55;

**"public service"** means the public service referred to in section 1 (1) of the Public Service Act, 1994 (promulgated by Proclamation No. 103 of 1994), and includes any organisational component contemplated in section 7 (4) of that Act and specified in the first column of Schedule 2 to that Act, but excluding—

- a.the National Defence Force;
- b.the National Intelligence Agency; and
- c.the South African Secret Service.

**"reasonable accommodation"** means any modification or adjustment to a job or to the working environment that will enable a person from a designated group to have access to or participate or advance in employment;

**"registered employers' organisation"** means an employers' organisation as defined in section 213 of the Labour Relations Act and registered in terms of section 96 of that Act;

**"registered trade union"** means a trade union as defined in section 213 of the Labour Relations Act and registered in terms of section 96 of that Act;

**"remuneration"** means any payment in money or in kind, or both in money and in kind, made or owing to any person in return for that person working for any other person, including the State;

**"representative trade union"** means a registered trade union, or two or more registered trade unions acting jointly, that are sufficiently representative of the employees employed by an employer in a workplace;

**"Republic"** means the Republic of South Africa as defined in the Constitution;

**"serve"** or **"submit"**, in relation to any communication, means either—

- a.to send it in writing delivered by hand or registered post; or
- b.to transmit it using any electronic mechanism as a result of which the recipient is capable of printing the communication;

**"suitably qualified person"** means a person contemplated in sections 20 (3) and (4);

**"this Act"** includes any regulations made under section 55, but excludes any footnote;

**"trade union representative"** means a member of a registered trade union who is elected to represent employees in a workplace;

**"workplace forum"** means a workplace forum established in terms of Chapter V of the Labour Relations Act.

**2. Purpose of this Act.**--The purpose of this Act is to achieve equity in the workplace by--

- a.promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and
- b.implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the workforce.

**3. Interpretation of this Act.**--This Act must be interpreted--

- a.in compliance with the Constitution;
- b.so as to give effect to its purpose;
- c.taking into account any relevant code of good practice issued in terms of this Act or any other employment law; and
- d.in compliance with the international law obligations of the Republic, in particular those contained in the International Labour Organisation Convention (No. 111) concerning Discrimination in Respect of Employment and Occupation.

**4. Application of this Act.**--(1) Chapter II of this Act applies to all employees and employers.

(2) Except where Chapter III provides otherwise, Chapter III of this Act applies only to designated employers and people from designated groups.

(3) This Act does not apply to members of the National Defence Force, the National Intelligence Agency, or the South African Secret Service<sup>1</sup>.

## CHAPTER II PROHIBITION OF UNFAIR DISCRIMINATION

**5. Elimination of unfair discrimination.**--Every employer must take steps to promote equal opportunity in the workplace by eliminating unfair discrimination in any employment policy or practice.

**6. Prohibition of unfair discrimination.**--(1) No person may unfairly discriminate, directly or indirectly, against an employee, in any employment policy or practice, on one or more grounds, including race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language and birth.

(2) It is not unfair discrimination to--

- a.take affirmative action measures consistent with the purpose of this Act; or
- b.distinguish, exclude or prefer any person on the basis of an inherent requirement of a job.

(3) Harassment of an employee is a form of unfair discrimination and is prohibited on any one, or a combination of grounds of unfair discrimination listed in subsection (1).

**7. Medical testing.**--(1) Medical testing of an employee is prohibited, unless--

- a.legislation permits or requires the testing; or

b.it is justifiable in the light of medical facts, employment conditions, social policy, the fair distribution of employee benefits or the inherent requirements of a job.

(2) Testing of an employee to determine that employee's HIV status is prohibited unless such testing is determined justifiable by the Labour Court in terms of section 50 (4) of this Act.

**8. Psychometric testing.**--Psychometric testing and other similar assessments of an employee are prohibited unless the test or assessment being used--

a.has been scientifically shown to be valid and reliable;

b.can be applied fairly to employees; and

c.is not biased against any employee or group.

**9. Applicants.**--For purposes of sections 6, 7 and 8, "employee" includes an applicant for employment.

**10. Disputes concerning this Chapter.**--(1) In this section, the word "dispute" excludes a dispute about an unfair dismissal, which must be referred to the appropriate body for conciliation and arbitration or adjudication in terms of Chapter VIII of the Labour Relations Act.

(2) Any party to a dispute concerning this Chapter may refer the dispute in writing to the CCMA within six months after the act or omission that allegedly constitutes unfair discrimination.

(3) The CCMA may at any time permit a party that shows good cause to refer a dispute after the relevant time limit set out in subsection (2).

(4) The party that refers a dispute must satisfy the CCMA that--

a.a copy of the referral has been served on every other party to the dispute; and

b.the referring party has made a reasonable attempt to resolve the dispute.

(5) The CCMA must attempt to resolve the dispute through conciliation.

(6) If the dispute remains unresolved after conciliation--

a.any party to the dispute may refer it to the Labour Court for adjudication; or

b.all the parties to the dispute may consent to arbitration of the dispute.

(7) The relevant provisions of Parts C and D of Chapter VII of the Labour Relations Act, with the changes required by context, apply in respect of a dispute in terms of this Chapter.

**11. Burden of proof.**--Whenever unfair discrimination<sup>2</sup> is alleged in terms of this Act, the employer against whom the allegation is made must establish that it is fair.

### CHAPTER III

#### AFFIRMATIVE ACTION

**12. Application of this Chapter.**--Except where otherwise provided, this Chapter applies only to designated employers.

**13. Duties of designated employers.**—(1) Every designated employer must, in order to achieve employment equity, implement affirmative action measures for people from designated groups in terms of this Act.

(2) A designated employer must—

- a. consult with its employees as required by section 16;
- b. conduct an analysis as required by section 19;
- c. prepare an employment equity plan as required by section 20; and
- d. report to the Director-General on progress made in implementing its employment equity plan, as required by section 21.

**14. Voluntary compliance with this Chapter.**—An employer that is not a designated employer may notify the Director-General that it intends to comply with this Chapter as if it were a designated employer.

**15. Affirmative action measures.**—(1) Affirmative action measures are measures designed to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer.

(2) Affirmative action measures implemented by a designated employer must include—

- a. measures to identify and eliminate employment barriers, including unfair discrimination, which adversely affect people from designated groups;
- b. measures designed to further diversity in the workplace based on equal dignity and respect of all people;
- c. making reasonable accommodation for people from designated groups in order to ensure that they enjoy equal opportunities and are equitably represented in the workforce of a designated employer;
- d. subject to subsection (3), measures to—
  - i. ensure the equitable representation of suitably qualified people from designated groups in all occupational categories and levels in the workforce; and
  - ii. retain and develop people from designated groups and to implement appropriate training measures, including measures in terms of an Act of Parliament providing for skills development.

(3) The measures referred to in subsection (2)(d) include preferential treatment and numerical goals, but exclude quotas.

(4) Subject to section 42, nothing in this section requires a designated employer to take any decision concerning an employment policy or practice that would establish an absolute barrier to the prospective or continued employment or advancement of people who are not from designated groups.

**16. Consultation with employees.**—(1) A designated employer must take reasonable steps to consult and attempt to reach agreement on the matters referred to in section 17—

- a. with a representative trade union representing members at the workplace and its employees or representatives nominated by them; or

b.if no representative trade union represents members at the workplace, with its employees or representatives nominated by them.

(2) The employees or their nominated representatives with whom an employer consults in terms of subsection (1) (a) and (b), taken as a whole, must reflect the interests of--

a.employees from across all occupational categories and levels of the employer's workforce;

b.employees from designated groups; and

c.employees who are not from designated groups.

(3) This section does not affect the obligation of any designated employer in terms of section 86 of the Labour Relations Act to consult and reach consensus with a workplace forum on any of the matters referred to in section 17 of this Act.

**17. Matters for consultation.**—A designated employer must consult the parties referred to in section 16 concerning--

a.the conduct of the analysis referred to in section 19;

b.the preparation and implementation of the employment equity plan referred to in section 20; and

c.a report referred to in section 21.

**18. Disclosure of information.**—(1) When a designated employer engages in consultation in terms of this Chapter, that employer must disclose to the consulting parties all relevant information that will allow those parties to consult effectively.

(2) Unless this Act provides otherwise, the provisions of section 163 of the Labour Relations Act, with the changes required by context, apply to disclosure of information.

**19. Analysis.**—(1) A designated employer must collect information and conduct an analysis, as prescribed, of its employment policies, practices, procedures and the working environment, in order to identify employment barriers which adversely affect people from designated groups.

(2) An analysis conducted in terms of subsection (1) must include a profile, as prescribed, of the designated employer's workforce within each occupational category and level in order to determine the degree of underrepresentation of people from designated groups in various occupational categories and levels in that employer's workforce.

**20. Employment equity plan.**—(1) A designated employer must prepare and implement an employment equity plan which will achieve reasonable progress towards employment equity in that employer's workforce.

(2) An employment equity plan prepared in terms of subsection (1) must state--

a.the objectives to be achieved for each year of the plan;

b.the affirmative action measures to be implemented as required by section 15 (2);

c.where underrepresentation of people from designated groups has been identified by the analysis, the numerical goals<sup>4</sup> to achieve the equitable representation of suitably qualified people from designated groups within each occupational category and level in the workforce, the timetable within which this is to be achieved, and the strategies intended to achieve those goals;

- d.the timetable for each year of the plan for the achievement of goals and objectives other than numerical goals;
- e.the duration of the plan, which may not be shorter than one year or longer than five years;
- f. the procedures that will be used to monitor and evaluate the implementation of the plan and whether reasonable progress is being made towards implementing employment equity;
- g.the internal procedures to resolve any dispute about the interpretation or implementation of the plan;
- h.the persons in the workforce, including senior managers, responsible for monitoring and implementing the plan; and
- i. any other prescribed matter.

(3) For purposes of this Act, a person may be suitably qualified for a job as a result of any one of, or any combination of that person's--

- a.formal qualifications;
- b.prior learning;
- c.relevant experience; or
- d.capacity to acquire, within a reasonable time, the ability to do the job.

(4) When determining whether a person is suitably qualified for a job, an employer must--

- a.review all the factors listed in subsection (3); and
- b.determine whether that person has the ability to do the job in terms of any one of, or any combination of those factors.

(5) In making a determination under subsection (4), an employer may not unfairly discriminate against a person solely on the grounds of that person's lack of relevant experience.

(6) An employment equity plan may contain any other measures that are consistent with the purposes of this Act.

**21. Report5.**—(1) A designated employer that employs fewer than 150 employees must--

- a.submit its first report to the Director-General within 12 months after the commencement of this Act or, if later, within 12 months after the date on which that employer became a designated employer; and
- b.thereafter, submit a report to the Director-General once every two years, on the first working day of October.

(2) A designated employer that employs 150 or more employees must--

- a.submit its first report to the Director-General within six months after the commencement of this Act or, if later, within six months after the date on which that employer became a designated employer; and
- b.thereafter, submit a report to the Director-General once every year on the first working day of October.

(3) Despite subsections (1) and (2), a designated employer that submits its first report in the 12-month period preceding the first working day of October, should only submit its second report on the first working day of October in the following year.

(4) The reports referred to in subsections (1) and (2) must contain the prescribed information and must be signed by the chief executive officer of the designated employer.

(5) An employer who becomes a designated employer in terms of the Act must--

a. report as contemplated in this section for the duration of its current employment equity plan; and

b. notify the Director-General in writing if it is unable to report as contemplated in this section, and give reasons therefor.

(6) Every report prepared in terms of this section is a public document.

**22. Publication of report.**—(1) Every designated employer that is a public company must publish a summary of a report required by section 21 in that employer's annual financial report.

(2) When a designated employer within any organ of state has produced a report in terms of section 21, the Minister responsible for that employer must table that report in Parliament.

**23. Successive employment equity plans.**--Before the end of the term of its current employment equity plan, a designated employer must prepare a subsequent employment equity plan.

**24. Designated employer must assign manager.**—(1) Every designated employer must--

a. assign one or more senior managers to take responsibility for monitoring and implementing an employment equity plan;

b. provide the managers with the authority and means to perform their functions; and

c. take reasonable steps to ensure that the managers perform their functions.

(2) The assignment of responsibility to a manager in terms of subsection (1) does not relieve the designated employer of any duty imposed by this Act or any other law.

**25. Duty to inform.**—(1) An employer must display at the workplace where it can be read by employees a notice in the prescribed form, informing them about the provisions of this Act.

(2) A designated employer must, in each of its workplaces, place in prominent places that are accessible to all employees--

a. the most recent report submitted by that employer to the Director-General;

b. any compliance order, arbitration award or order of the Labour Court concerning the provisions of this Act in relation to that employer; and

c. any other document concerning this Act as may be prescribed.

(3) An employer who has an employment equity plan, must make a copy of the plan available to its employees for copying and consultation.

**26. Duty to keep records.**--An employer must establish and, for the prescribed period, maintain records in respect of its workforce, its employment equity plan and any other records relevant to its compliance with this Act.

**27. Income differentials.**—(1) Every designated employer, when reporting in terms of section 21 (1) and (2), must submit a statement, as prescribed, to the Employment Conditions of Commission established by section 59 of the Basic Conditions of Employment Act, on the remuneration and benefits received in each occupational category and level of that employer's workforce.

(2) Where disproportionate income differentials are reflected in the statement contemplated in subsection (1), a designated employer must take measures to progressively reduce such differentials subject to guidance as may be given by the Minister as contemplated in subsection (4).

(3) The measures referred to in subsection (2) may include—

- a. collective bargaining;
- b. compliance with sectoral determinations made by the Minister in terms of section 51 of the Basic Conditions of Employment Act;
- c. applying the norms and benchmarks set by the Employment Conditions Commission;
- d. relevant measures contained in skills development legislation;

(4) The Employment Conditions Commission must research and investigate norms and benchmarks for proportionate income differentials and advise the Minister on appropriate measures for reducing disproportional differentials.

(5) The Employment Conditions Commission may not disclose any information pertaining to individual employees or employers.

(6) Parties to a collective bargaining process may request the information contained in the statement contemplated in subsection (1) for the collective bargaining purposes subject to section 16 (4) and (5) of the Labour Relations Act.

## **Why the Employment Equity Act?**

South Africa has a legacy of discrimination in relation to race, gender and disability that has denied access to opportunities for education, employment, promotion and wealth creation to the majority of South Africans.

The Employment Equity Act was passed to address this legacy and has two main objectives:

- To ensure that our workplaces are free of discrimination; and
- C. To ensure that employers take active steps to promote employment equity.

### **Did you know that?**

**The Breakwater Monitor Report of July 1999 (will be available later) indicates that**

#### **In Management**

- White men and women hold 84% of management positions in South African companies
- C. Males of all races hold 83% of management positions

#### **With regard to Promotions**

- White employees still constitute about 74% of management promotions and 54% of skilled promotions.

## In terms of Recruitment

General recruitment figures show that black men are most targeted, BUT

- C. Managerial and skilled recruitment figures show that white males are still favoured. For example, managerial recruitment figures show that the recruitment rate for white males is 46% followed by white women at 19% and black males at 18%.

## Why should employers implement employment equity?

Not only is there a legal requirement, but good human resource management is increasingly being regarded as the differentiating factor between businesses.

It follows that to invest in and develop all our people will contribute to business sustainability and future returns.

Having a workforce that reflects the demographics of the country can improve market share, better understanding of markets, and thus the ability to service all current or prospective clients.

## Who is affected by Chapter 3?

All designated employers and their employees, particularly those employees from designated groups.

### Who are designated employers?

Designated employers include

employers who employ 50 or more employees

- C. employers who employ fewer than 50 employees but whose total annual turnover equals or exceeds the applicable turnover of a small business in terms of Schedule 4 of the Act.

- C. an employer appointed by a collective agreement

- C. municipalities

- C. organs of state except for

- the National Defence Force

- the National Intelligence Agency

- 9. the South African Secret Service

### Who are designated groups?

Designated groups are

Black people which means Africans, Coloureds and Indians

- C. Women

- C. People with disabilities

## What if employee numbers vary from time to time and only occasionally reach the 50 mark?

Employers who have 50 or more employees at the date on which reports are due, will be required to report.

Similarly employers who have 150 or more employees at the date on which reports are due, will be required to comply with the reporting requirements of larger employers.

Should employers avoid reporting requirements by manipulating employee numbers around these dates, they may be subject to a Director-General=s review.

### **1.6 What are the duties of employers?**

Chapter 3 requires that employers take certain affirmative action measures to achieve employment equity.

These measures are:

Employers must **consult** with unions and employees in order to make sure that the plan is accepted by everybody

C. Employers must **analyse** all employment policies, practices and procedures, and prepare a profile of their workforce in order to identify any problems relating to employment equity

C. Employers must **prepare and implement** an employment equity plan setting out the affirmative action measures they intend taking to achieve employment equity goals

C. Employers must **report** to the Department of Labour on the implementation of their plan in order for the Department to monitor their compliance

C. Employers must also display a **summary** of the provisions of the Act in all languages relevant to their workforce. These summaries will be made available by the Government printers in due course.

# **ANNEXURE 3**

## **SKILLS DEVELOPMENT ACT NO 97 OF 1998**

**SKILLS DEVELOPMENT ACT**  
**NO. 97 OF 1998**  
[ASSENTED TO 20 OCTOBER, 1998]  
[DATE OF COMMENCEMENT TO BE PROCLAIMED]  
(Unless otherwise indicated)  
(English text signed by the President)  
**ACT**

To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-grant scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith.

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2. Purposes of Act
3. Interpretation

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- 39. Short title and commencement
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**CHAPTER 1**  
**DEFINITIONS, PURPOSE AND APPLICATION OF ACT**

**1. Definitions.**—In this Act, unless the context otherwise indicates--

"**Basic Conditions of Employment Act**" means the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997);

"**Department**" means the Department of Labour;

"**Director-General**" means the Director-General of Labour;

"**employee**" means--

- a. any person, excluding an independent contractor, who works for another person or for the State and who receives, or is entitled to receive, any remuneration; or
- b. any other person who in any manner assists in carrying on or conducting the business of an employer, and "employed" and "employment" have corresponding meanings;

"**employment services**" means the provision of the service of--

- a. advising or counselling of workers on career choices either by the provision of information or other approaches;
- b. assessment of work-seekers for--
  - i. entry or re-entry into the labour market; or
  - ii. education and training;
- c. the reference of work-seekers--
  - i. to employers to apply for vacancies; or
  - ii. to training providers for education and training;
- d. assistance of employers by--
  - i. providing recruitment and placement services;
  - ii. advising them on the availability of work-seekers with skills that match their needs;
  - iii. (advising them on the retrenchment of employees and the development of social plans; or
- e. any other prescribed employment service;

**"government department"** means any department or organisational component referred to in Schedule 1 or 2 of the Public Service Act, 1994 (Proclamation No. 103 of 1994);

**"Labour Court"** means the Labour Court established by section 151 of the Labour Relations Act, 1995 (Act No. 66 of 1995);

**"Minister"** means the Minister of Labour;

**"National Skills Authority"** means the National Skills Authority established by section 4;

**"national skills development policy"** means the national skills development policy referred to in section 5 (1) (a) (i);

**"national skills development strategy"** means the national skills development strategy referred to in section 5 (1) (a) (ii);

**"National Skills Fund"** means the National Skills Fund established by section 27;

**"NEDLAC"** means the National Economic Development and Labour Council established by section 2 of the National Economic Development and Labour Council Act, 1994 (Act No. 35 of 1994);

**"prescribed"** means prescribed by regulation;

**"regulation"** means a regulation made and in force in terms of section 36;

**"SETA"** means a sector education and training authority established in terms of section 9 (1);

**"Skills Development Levies Act"** means national legislation imposing levies for skills development;

**"skills development levies"** means the skills development levies payable in terms of the Skills Development Levies Act;

**"South African Qualifications Authority"** means the South African Qualification Authority established by section 3 of the South African Qualifications Authority Act;

**"South African Qualifications Authority Act"** means the South Africa Qualifications Authority Act, 1995 (Act No. 58 of 1995);

**"this Act"** includes any regulations but does not include the footnotes; and

**"worker"** includes an employee, an unemployed person and a work-seeker.  
(Date of commencement of s. 1: 2 February, 1999.)

**2. Purposes of Act.**—(1) The purposes of this Act are—

(a) to develop the skills of the South African workforce—

i. to improve the quality of life of workers, their prospects of work and labour mobility;

ii. to improve productivity in the workplace and the competitiveness of employers;

iii. to promote self-employment; and

iv. to improve the delivery of social services;

(b) to increase the levels of investment in education and training in the labour market and to improve the return on that investment;

(c) to encourage employers—

- i. to use the workplace as an active learning environment;
  - ii. to provide employees with the opportunities to acquire new skills;
  - iii. to provide opportunities for new entrants to the labour market to gain work experience; and
  - iv. to employ persons who find it difficult to be employed;
- (d) to encourage workers to participate in learnership and other training programmes;
- (e) to improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education;
- (f) to ensure the quality of education and training in and for the workplace;
- (g) to assist—
- i. work-seekers to find work;
  - ii. retrenched workers to re-enter the labour market;
  - iii. employers to find qualified employees; and
- (h) to provide and regulate employment services.

(2) Those purposes are to be achieved by—

(a) establishing an institutional and financial framework comprising—

- i. the National Skills Authority;
- ii. the National Skills Fund;
- iii. a skills development levy-grant scheme as contemplated in the Skills Development Levies Act;
- iv. SETAs;
- v. labour centres; and
- vi. the Skills Development Planning Unit;

(b) encouraging partnerships between the public and private sectors of the economy to provide education and training in and for the workplace; and

(c) co-operating with the South African Qualifications Authority.

(Date of commencement of s. 2: 2 February, 1999.)

**3. Interpretation.**—Any person applying this Act must interpret its provisions to give effect to—

(a) its purposes; and

(b) the objects of the South African Qualifications Authority Act.

(Date of commencement of s. 3: 2 February, 1999.)

## CHAPTER 2 NATIONAL SKILLS AUTHORITY

**4. Establishment of National Skills Authority.**—The National Skills Authority is hereby established.

(Date of commencement: 2 February, 1999.)

**5. Functions of National Skills Authority.**—(1) The functions of the National Skills Authority are—

- (a) to advise the Minister on—
  - i. a national skills development policy;
  - ii. a national skills development strategy;
  - iii. guidelines on the implementation of the national skills development strategy;
  - iv. the allocation of subsidies from the National Skills Fund; and
  - v. any regulations to be made;
- (b) to liaise with SETAs on—
  - i. the national skills development policy; and
  - ii. the national skills development strategy;
- (c) to report to the Minister in the prescribed manner on the progress made in the implementation of the national skills development strategy;
- (d) to conduct investigations on any matter arising out of the application of this Act; and
- (e) to exercise any other powers and perform any other duties conferred or imposed on the Authority by this Act.

(2) For the purposes of investigations referred to in subsection (1) (d), the Authority has the prescribed powers of entry and to question and inspect.

(3) The Authority must perform its functions in accordance with this Act and its constitution. (Date of commencement of s. 5: 2 February, 1999.)

**6. Composition of National Skills Authority and term and vacation of office.**—(1) The National Skills Authority consists of—

- a. a voting chairperson appointed by the Minister;
- b. 24 voting and three non-voting members appointed by the Minister; and
- c. its non-voting executive officer appointed in terms of section 8 (2) (a).

- (2) The members referred to in subsection (1) (b) are—
- a. five voting members nominated by NEDLAC and appointed by the Minister to represent organised labour;
  - b. five voting members nominated by NEDLAC and appointed by the Minister to represent organised business;
  - c. five voting members nominated by NEDLAC and appointed by the Minister to represent organisations of community and development interests, which must include—
    - i. a woman who represents the interests of women;
    - ii. a person who represents the interests of the youth; and
    - iii. a disabled person who represents the interests of people with disabilities;
  - d. five voting members appointed by the Minister to represent the interests of the State;
  - e. four voting members appointed by the Minister to represent the interests of education and training providers;
  - f. two non-voting members, who have expertise in the provision of employment services, appointed by the Minister; and
  - g. a non-voting member nominated by the South African Qualifications Authority and appointed by the Minister to represent that Authority.

- (3) The Minister must designate four members as deputy chairpersons, one deputy chairperson each from the members to be appointed to represent—
- a. organised labour;

- b.organised business;
- c.organisations of community and development interests; and
- d.the interests of the State.

- (4) A member of the Authority holds office for a period of three years and is eligible for re-appointment.
- (5) A member of the Authority vacates office if that member--
- a.is removed from office by the Minister as contemplated in subsection (6); or
  - b.resigns by written notice addressed to the Minister.
- (6) The Minister may remove a member of the Authority--
- a.on the written request of the body that nominated that member in terms of subsection (2);
  - b.for serious misconduct;
  - c.for permanent incapacity;
  - d.for absence from three consecutive meetings of the Authority--
    - i.without the prior permission of the Authority; or
    - e.unless the member shows good cause; or
    - f.for engaging in any activity that may undermine the functions of the Authority.
- (7) If a member of the Authority vacates office before the expiry of the period of office, the Minister must, in terms of subsection (2), appoint a new member for the unexpired portion of that period. (Date of commencement of s. 6: 2 February, 1999.)

**7. Constitution of National Skills Authority.--**(1) The National Skills Authority must, as soon as possible after the appointment of its members, adopt its constitution.

(2) Subject to this Act, the constitution of the Authority--

- a.must provide for--
  - i.procedures for the nominations of members of the Authority referred to in section 6 (2) (a), (b), (c) and (g);
  - ii.the establishment and functioning of committees, including an executive committee;
  - iii.subject to subsection (3), the rules for convening and conducting of meetings of the Authority and its committees, including the quorum required for and the minutes to be kept of those meetings;
  - iv.the voting rights of the different members and the manner in which decisions are to be taken by the Authority and its committees;
  - v.a code of conduct for the members of the Authority;
  - vi.the determination through arbitration of any dispute concerning the interpretation or application of the constitution; and
  - vii.subject to subsections (4) and (5), a procedure for amending the constitution and advising the Minister on regulations to be made; and
- b.may provide for--
  - i.the delegation of powers and duties of the Authority to its members, committees and employees, provided that the Authority may impose conditions for the delegation, may not be divested of any power or duty by virtue of the delegation and may vary or set aside any decision made under any delegation; and
  - ii.any other matter necessary for the performance of the functions of the Authority.

- (3) At least 30 days notice must be given for a meeting of the Authority at which an amendment of the constitution or a regulation to be made is to be considered.

(4) A supporting vote of at least two thirds of the Authority's members and the approval of the Minister is required for an amendment to its constitution.

(5) A supporting vote of at least two-thirds of the Authority's members is required for advising the Minister on regulations to be made.

(6) Despite subsection (2) (a) (i), the Minister must determine the procedure for the nominations for the first appointment of members of the Authority referred to in section 6 (2) (a), (b), (c) and (g).

(Date of commencement of s. 7: 2 February, 1999.)

**8. Remuneration and administration of National Skills Authority.**—(1) A member of the National Skills Authority who is not in the full-time employment of the State may be paid the remuneration and allowances determined by the Minister with the approval of the Minister of Finance.

- (2) Subject to the laws governing the public service, the Director-General must—
- a. appoint a person to be the executive officer of the National Skills Authority who will, upon such appointment, be in the employ of the public service; and
  - b. provide the Authority with the personnel and financial resources that the Minister considers necessary for the performance of its functions.
- (Date of commencement of s. 8: 2 February, 1999.)

### CHAPTER 3 SECTOR EDUCATION AND TRAINING AUTHORITIES

**9. Establishment of SETA.**—(1) The Minister may, in the prescribed manner, establish a sector education and training authority with a constitution for any national economic sector.

(2) The Minister must determine a discrete sector for the purposes of subsection (1) by reference to categories of employers and for the purposes of that determination take into account—

- a. the education and training needs of employers and employees that—
  - i. use similar materials, processes and technologies;
  - ii. make similar products; or
  - iii. render similar services;
- b. the potential of the proposed sector for coherent occupational structures and career pathing;
- c. the scope of any national strategies for economic growth and development;
- d. the organisational structures of the trade unions, employer organisations and government in closely related sectors;
- e. any consensus that there may be between organised labour, organised employers and relevant government departments as to the definition of any sector; and
- f. the financial and organisational ability of the proposed sector to support a SETA.

(3) On the establishment of a SETA, the Minister may provide assistance to the SETA to enable it to perform its functions.

**10. Functions of SETA.**—(1) A SETA must—

- a. develop a sector skills plan within the framework of the national skills development strategy;
- b. implement its sector skills plan by—
  - i. establishing learnerships;
  - ii. approving workplace skills plans;
  - iii. allocating grants in the prescribed manner to employers, education and training providers and workers; and
  - iv. monitoring education and training in the sector;
- c. promote learnerships by—
  - i. identifying workplaces for practical work experience;
  - ii. supporting the development of learning materials;
  - iii. improving the facilitation of learning; and
  - iv. assisting in the conclusion of learnership agreements;
- d. register learnership agreements;
- e. within a week from its establishment, apply to the South African Qualifications Authority for accreditation as a body contemplated in section 5 (1) (a) (ii) (bb) and must, within 18 months from the date of that application, be so accredited;
- f. collect and disburse the skills development levies in its sector;
- g. liaise with the National Skills Authority on—
  - i. the national skills development policy;
  - ii. the national skills development strategy; and
  - iii. its sector skills plan;

- h. report to the Director-General on--
    - i. its income and expenditure; and
    - ii. the implementation of its sector skills plan;
  - i. liaise with the employment services of the Department and any education body established under any law regulating education in the Republic to improve information--
    - i. about employment opportunities; and
    - ii. between education and training providers and the labour market;
  - j. appoint staff necessary for the performance of its functions; and
  - k. perform any other duties imposed by this Act or consistent with the purposes of this Act.
- (2) A SETA has--
- a. all such powers as are necessary to enable it to perform its duties referred to in subsection (1); and
  - b. the other powers conferred on the SETA by this Act.
- (3) A SETA must perform its functions in accordance with this Act and its constitution.
- 11. Composition of SETA.**—A SETA may consist only of members representing--
- a. organised labour;
  - b. organised employers, including small business;
  - c. relevant government departments; and
  - d. if the Minister, after consultation with the members referred to in paragraph (a), (b) and (c), considers it appropriate for the sector--
    - i. any interested professional body;
    - ii. any bargaining council with jurisdiction in the sector.
- 12. Chambers of SETA.**—(1) A SETA may, with the Minister's approval, establish in its sector chambers.
- (2) A chamber so established must consist of an equal number of members representing employees and employers and may include such additional members as the SETA determines.
- (3) That chamber must perform those functions of the SETA as delegated to it in terms of the constitution of the SETA.
- (4) A chamber of a SETA is entitled to such percentage of the skills development levies collected in its jurisdiction as the Minister after consultation with the SETA determines.
- 13. Constitution of SETA.**—(1) For the purpose of the establishment of a SETA, the Minister must approve the constitution of the SETA.
- (2) The Minister may, after consultation with the SETA, amend its constitution in the prescribed manner.
- (3) Subject to this Act, the constitution of a SETA--
- a. must specify--
    - i. the trade unions, employer organisations and relevant government departments in the sector;
    - ii. the circumstances and manner in which a member of SETA may be replaced;
    - iii. the number of members to be appointed to the SETA, provided that the SETA must consist of an equal number of members representing employees and employers;
    - iv. the procedure for the replacement of a member of the SETA by the organisation that nominated that member;
    - v. the circumstances and manner in which a member may be replaced by the SETA;
    - vi. the election of office-bearers by the members of the SETA and of persons to act during their absence or incapacity, their term of office and functions and the circumstances and manner in which they may be replaced;
    - vii. the establishment and functioning of committees, including an executive committee;
    - viii. the rules for convening and conducting of meetings of the SETA and its chambers and committees, including the quorum required for and the minutes to be kept of those meetings;
    - ix. the voting rights of the different members and the manner in which decisions are to be taken by the SETA and its chambers and committees;
    - x. a code of conduct for members of the SETA and its chambers; \

- xi. the appointment of an executive officer, and such other employees necessary for the effective performance of the functions of the SETA, by its members, including the determination of their terms and conditions of employment; and
- xii. the determination through arbitration of any dispute concerning the interpretation or application of the constitution; and

b. may provide for—

- i. the delegation of powers and duties of the SETA to its members, chambers, committees and employees, provided that the SETA may impose conditions for the delegation, may not be divested of any power or duty by virtue of the delegation and may vary or set aside any decision made under any delegation; and
- ii. any other matter necessary for the performance of the functions of the SETA.

**14. Finances of SETA.—(1)** A SETA is financed from—

- a. the skills development levies collected in its sector;
- b. moneys paid to it from the National Skills Fund;
- c. grants, donations and bequests made to it;
- d. income earned on surplus moneys deposited or invested;
- e. income earned on services rendered in the prescribed manner; and
- f. money received from any other source.

(2) The money received by a SETA must be paid into a banking account at any registered bank and may be invested only in—

- a. savings accounts, permanent shares or fixed deposits in any registered bank or other financial institution;
- b. internal registered stock contemplated in section 21 (1) of the Exchequer Act, 1975 (Act No. 66 of 1975);
- c. a unit trust scheme managed by a company which has been registered as a management company in terms of section 4 or 30 of the Unit Trusts Control Act, 1981 (Act No. 54 of 1981); and
- d. any other manner approved by the Minister.

(3) The moneys received by a SETA may be used only in the prescribed manner and to—

- a. fund the performance of its functions; and
- b. pay for its administration within the prescribed limit.

(4) In each financial year, ending on the prescribed date, every SETA must, at a time determined by the Minister, submit to the Minister a statement of the SETA's estimated income and expenditure for the following financial year.

(5) Every SETA must, in accordance with the standards of generally accepted accounting practice—

- a. keep proper record of all its financial transactions, assets and liabilities; and
- b. within six months after the end of each financial year, prepare accounts reflecting income and expenditure and a balance sheet showing its assets, liabilities and financial position as at the end of that financial year.

(6) The Auditor-General must—

- a. audit the accounts, financial statements and financial management of a SETA; and
- b. report on that audit to the SETA and to the Minister and in that report express an opinion as to whether the SETA has complied with the provisions of this Act, and its constitution, relating to financial matters.

**15. Taking over administration of SETA.—(1)** The Minister may, after consultation with the National Skills Authority, by notice in the Gazette, direct the Director-General to appoint an administrator to take over the administration of a SETA if the Minister is of the opinion that—

- a. the SETA fails to perform its functions;
- b. there is mismanagement of its finances; or
- c. its membership no longer substantially represents the composition contemplated in section 11.

(2) In that notice the Minister—

- a. must determine the powers and duties of the administrator appointed in terms of subsection (1);

- b. may suspend or replace one or more members of the SETA for a reason contemplated in subsection (1) (a), (b) or (c);
  - c. may suspend the operation of the constitution of the SETA; and
  - d. may, in the prescribed manner, transfer funds in the SETA's bank account to the National Skills Fund.
- (3) If a notice is published in terms of subsection (1), the Minister may, to ensure that the SETA resumes the performance of its functions--
- a. amend its constitution;
  - b. reinstate any of its members; and
  - c. withdraw or amend any provision of the notice contemplated in subsection (2) on such conditions as the Minister considers appropriate.

#### **CHAPTER 4 LEARNERSHIPS**

- 16. Learnerships.**--A SETA may establish a learnership if--
- a. the learnership consists of a structured learning component; the learnership includes practical work experience of a specified nature and duration;
  - b. the learnership would lead to a qualification registered by the South African Qualifications Authority and related to an occupation; and
  - c. the intended learnership is registered with the Director-General in the prescribed manner.
- 17. Learnership agreements.**--(1) For the purposes of this Chapter, a "learnership agreement" means an agreement entered into for a specified period between--
- a. a learner;
  - b. an employer or a group of employers (in this section referred to as "the employer"); and
  - c. a training provider accredited by a body contemplated in section 5 (1) (a) (ii) (bb) of the South African Qualifications Authority Act or group of such training providers.
- (2) The terms of a learnership agreement must oblige--
- a. the employer to--
    - i. employ the learner for the period specified in the agreement;
    - ii. provide the learner with the specified practical work experience; and
    - iii. release the learner to attend the education and training specified in the agreement;
  - b. the learner to--
    - i. work for the employer; and
    - ii. attend the specified education and training; and
  - c. the training provider to provide--
    - i. the education and training specified in the agreement; and
    - ii. the learner support specified in the agreement.
- (3) A learnership agreement must be in the prescribed form and registered with a SETA in the prescribed manner.
- (4) A learnership agreement may not be terminated before the expiry of the period of duration specified in the agreement unless--
- a. the learner meets the requirements for the successful completion of the learnership;
  - b. the SETA which registered the agreement approves of such termination; or
  - c. the learner is fairly dismissed for a reason related to the learner's conduct or capacity as an employee.
- (5) The employer or training provider that is party to a learnership agreement may be substituted with--
- a. the consent of the learner; and
  - b. the approval of the SETA which registered the agreement.
- (6) A SETA must, in the prescribed manner, provide the Director-General with a record of learnership agreements registered by the SETA.
- 18. Contract of employment with learner.**--(1) If a learner was in the employment of the employer party to the learnership agreement concerned when the agreement was concluded, the learner's contract of employment is not affected by the agreement.

(2) If the learner was not in the employment of the employer party to the learnership agreement concerned when the agreement was concluded, the employer and learner must enter into a contract of employment.

(3) The contract of employment with a learner contemplated in subsection (2) is subject to any terms and conditions that may be determined by the Minister on the recommendation of the Employment Conditions Commission established by section 59 (1) of the Basic Conditions of Employment Act.

(4) Chapters Eight and Nine<sup>1</sup> of the Basic Conditions of Employment Act apply, with the changes required by the context, to a determination made in terms of subsection (3) except that--

a. for the purposes of section 54 (3) of that Act, the Employment Conditions Commission must also consider the likely impact that any proposed condition of employment may have on the employment of learners and the achievement of the purposes of this Act; and

b. section 55 (7) of that Act does not apply.

(5) The contract of employment of a learner may not be terminated before the expiry of the period of duration specified in the learnership agreement unless the learnership agreement is terminated in terms of section 17 (4).

(6) The contract of employment of a learner terminates at the expiry of the period of duration specified in the learnership agreement unless the agreement was concluded with a person who was already in the employment of the employer party to the agreement when the agreement was concluded.

**19. Disputes about learnerships.**—(1) For the purposes of this section a "dispute" means a dispute about--

a. the interpretation or application of any provision of--

i. a learnership agreement;

ii. a contract of employment of a learner; or

iii. a determination made in terms of section 18 (3);

b. this Chapter; or

c. the termination of--

i. a learnership agreement; or

ii. a contract of employment of a learner.

(2) Any party to a dispute may in writing refer the dispute to the Commission for Conciliation, Mediation and Arbitration established by section 112 of the Labour Relations Act, 1995 (Act No. 66 of 1995).

(3) The party who so refers the dispute must satisfy that Commission that a copy of the referral has been served on all the other parties to the dispute.

(4) The Commission must attempt to resolve the dispute through conciliation.

(5) If the dispute remains unresolved, any party may request that the dispute be resolved through arbitration as soon as possible.

(6) The law that applies to the lawfulness<sup>2</sup> and fairness<sup>3</sup> of a dismissal for a reason related to an employee's capacity or conduct applies to a dispute contemplated in subsection (1) (c) (ii).

## CHAPTER 5 SKILLS PROGRAMMES

**20. Skills programmes.**—(1) For the purposes of this Chapter, a "skills programme" means a skills programme that--

a. is occupationally based;

b. when completed, will constitute a credit towards a qualification registered in terms of the National Qualifications Framework as defined in section 1 of the South African Qualifications Authority Act;

c. uses training providers referred to in section 17 (1) (c); or

d. complies with the prescribed requirements.

(2) Any person that has developed a skills programme may apply to--

a. a SETA with jurisdiction for a grant; or

b. the Director-General for a subsidy.

(3) The SETA or the Director-General may fund the skills programme if--

- a. it complies with—
    - i. subsection (1);
    - ii. any requirements imposed by the SETA or the Director-General; and
    - iii. any prescribed requirements; and
  - b. it is in accordance with—
    - i. the sector skills development plan of the SETA; or
    - ii. the national skills development strategy; and
  - c. there are funds available.
- (4) A SETA or the Director-General may set any terms and conditions for funding in terms of subsection (3) that the SETA or the Director-General, as the case may be, considers necessary.
- (5) The SETA or the Director-General must monitor the skills programmes funded by the SETA or the Director-General, as the case may be.
- (6) A SETA or the Director-General that has made funds available for a skills programme may withhold funds or recover any funds paid if the SETA or the Director-General, as the case may be, is of the opinion that—
- a. the funds are not being used for the purpose for which they were made available;
  - b. any term or condition of the funding is not complied with; or
  - c. the SETA or the Director-General, as the case may be, is not satisfied that the training is up to standard.
- 21. Disputes.**—Any party to a dispute about the application or interpretation of—
- a. any term or condition of funding referred to in section 20 (4); or
  - b. any provision of this Chapter,
- may refer the dispute to the Labour Court for adjudication.

## CHAPTER 6 INSTITUTIONS IN DEPARTMENT OF LABOUR

- 22. Skills Development Planning Unit.**—(1) Subject to the laws governing the public service, the Director-General must—
- a. establish a Skills Development Planning Unit in the Department; and
  - b. provide the Unit with the personnel and financial resources necessary for the performance of its functions.
- (2) The functions of the Skills Development Planning Unit are—
- a. to research and analyse the labour market in order to determine skills development needs for—
    - i. South Africa as a whole;
    - ii. each sector of the economy; and
    - iii. organs of state;
  - b. to assist in the formulation of—
    - i. the national skills development strategy; and
    - ii. sector skills development plans; and
  - c. to provide information on skills to—
    - i. the Minister;
    - ii. the National Skills Authority;
    - iii. SETAs;
    - iv. education and training providers; and
    - v. organs of state.
- 23. Employment services.**—(1) Subject to the laws governing the public service, the Director-General must—
- a. establish labour centres in the Department; and
  - b. appoint such number of persons in the public service at each centre as is necessary to perform the functions of that centre.
- (2) The functions of those labour centres are—
- a. to provide employment services for workers, employers and training providers, including improvement of such services to rural communities;
  - b. to register work-seekers;
  - c. to register vacancies and work opportunities;

- d. to assist prescribed categories of persons—
    - i. to enter special education and training programmes;
    - ii. to find employment;
    - iii. to start income-generating projects; and
    - iv. to participate in special employment programmes; and
  - e. to perform any other prescribed function related to the functions referred to in paragraphs (a) to (d).
- (3) The Minister may, after consulting the National Skills Authority, by notice in the Gazette, require each employer to notify a labour centre in the prescribed manner of—
- a. any vacancy that employer has; and
  - b. the employment of any work-seeker referred by that labour centre.
- 24. Registration of persons that provide employment services.—**(1) Any person who wishes to provide employment services for gain must apply for registration to the Director-General in the prescribed manner.
- (2) The Director-General must register the applicant if satisfied that the prescribed criteria have been met.
- (3) If the Director-General—
- a. registers an applicant, the prescribed certificate must be issued to that person; or
  - b. refuses to register an applicant, the Director-General must give written notice of that decision to the applicant.
- (4) A registered employment service must comply with the prescribed criteria.
- 25. Cancellation of registration of employment service.—**(1) Subject to this section, the Director-General may cancel the registration of an employment service if satisfied that the employment service is not complying with the prescribed criteria.
- (2) If the Director-General has reason to believe that an employment service is not complying with the prescribed criteria and accordingly that its registration should be cancelled, the Director-General must, before cancelling its registration—
- a. notify the service of the intention to cancel registration and the reasons for doing so;
  - b. give the service 30 days from the date of the notice to make representations on why its registration should not be cancelled; and
  - c. take those representations into account in reaching a decision.
- (3) If the Director-General cancels the registration of an employment service, the Director-General must give written notice of that decision to the employment service.
- 26. Appeal against Director-General's decision.—**(1) Any person aggrieved by a decision of the Director-General in terms of section 24 (3) (b) or 25 (3) may, within 30 days of the written notice of that decision, in writing, request the Director-General to give that person written reasons for the decision.
- (2) The Director-General must give that person written reasons for the decision within 30 days of receiving that request.
- (3) Any person aggrieved by a decision of the Director-General in terms of section 24 (3) (b) or 25 (3) may appeal to the Labour Court against that decision within 60 days of—
- a. the date of the Director-General's decision; or
  - b. if written reasons for the decision are requested, the date of those reasons.
- (4) The Labour Court may, on good cause shown, extend the period within which a person may note that appeal.

## CHAPTER 7 FINANCING SKILLS DEVELOPMENT

- 27. National Skills Fund.—**(1) The National Skills Fund is hereby established.
- (2) The Fund must be credited with—
- a. 20 per cent of the skills development levies as contemplated in the Skills Development Levies Act;
- (Date of commencement of paragraph (a) to be proclaimed.)
- b. the skills development levies collected and transferred to the Fund, in terms of the Skills Development Levies Act, in respect of those sectors in which there are no SETAs;
- (Date of commencement of paragraph (b) to be proclaimed.)

- a.money appropriated by Parliament for the Fund;
- b.interest earned on investments contemplated in section 29 (3);
- c.donations to the Fund; and
- d.money received from any other source.

(Date of commencement of s. 27: 2 February, 1999.)

**28. Use of money in Fund.**--The money in the Fund may be used only for the projects identified in the national skills development strategy as national priorities or for such other projects related to the achievement of the purposes of this Act as the Director-General determines.

(Date of commencement: 2 February, 1999.)

**29. Control and administration of Fund.**--(1) The Director-General is the accounting officer of the Fund in terms of the Exchequer Act, 1975 (Act No. 66 of 1975) and must--

- a.control the Fund;
- b.keep a proper record of all financial transactions, assets and liabilities of the Fund; and
- c.as soon as possible after the end of each financial year, ending on the prescribed date, prepare accounts of the income and expenditure of the Fund for the year and a balance sheet of its assets and liabilities as at the end of that year.

(2) Any money in the Fund not required for immediate use may be invested with the Public Investment Commissioner or with a financial institution approved by the Minister and may be withdrawn when required.

(3) Any unexpended balance in the Fund at the end of the financial year must be carried forward to the next financial year as a credit to the Fund.

(Date of commencement of s. 29: 2 February, 1999.)

**30. Budget for training by public service employers.**--Each public service employer in the national and provincial spheres of government--

- a.must budget for at least one per cent of its payroll for the training and education of their employees with effect from 1 April 2000; and
- b.may contribute funds to a SETA.

## CHAPTER 8 GENERAL

**31. Jurisdiction of Labour Court.**--(1) Subject to the jurisdiction of the Labour Appeal Court and except where this Act provides otherwise, the Labour Court has exclusive jurisdiction in respect of all matters arising from this Act.

(2) The Labour Court may review any act or omission of any person in connection with this Act on any grounds permissible in law.

(3) If proceedings concerning any matter contemplated in subsection (1) are instituted in a court that does not have jurisdiction in respect of that matter, that court may at any stage during proceedings refer the matter to the Labour Court.

**32. Monitoring, enforcement and legal proceedings.**--Chapter Ten and Schedule Two of the Basic Conditions of Employment Act apply, with changes required by the context, to--

- a.the monitoring and enforcement of this Act; and
- b.any legal proceedings concerning a contravention of this Act.

**33. Offences.**--It is an offence to--

- a.obstruct or attempt to influence improperly a person who is performing a function in terms of this Act;
- b.obtain or attempt to obtain any prescribed document by means of fraud, false pretences or by submitting a false or forged prescribed document;
- c.furnish false information in any prescribed document knowing that information to be false; or
- d.provide employment services for gain without being registered in terms of section 24.

**34. Penalties.**--Any person convicted of an offence referred to in section 33 may be sentenced to a fine or imprisonment for a period not exceeding one year.

**35. Delegation.**—(1) The Minister may in writing delegate to the Director-General or any other officer of the Department any power or duty conferred or imposed on the Minister by this Act.

(2) The Director-General may, in writing, delegate to any officer of the Department any power or duty conferred or imposed on the Director-General by this Act.

(3) Any person to whom any power or duty has been delegated in terms of subsection (1) or (2) must exercise that power or perform that duty subject to the conditions that the person who made the delegation considers necessary.

(4) Any delegation in terms of subsection (1) or (2)—

- a. must be in writing;
- b. does not prevent the person who made the delegation from exercising the power or performing the duty so delegated; and
- c. may at any time be withdrawn in writing by that person.

**36. Regulations.**—The Minister may, after consultation with the National Skills Authority, by notice in the Gazette, make regulations relating to any matter which—

- a. may or must be prescribed under this Act; and
- b. is necessary to prescribe in order to achieve the purposes of this Act.

**37. Repeal of laws and transitional provisions.**—(1) The laws referred to Schedule 1 are hereby repealed to the extent specified.

(2) The repeal of those laws is subject to any transitional provision in Schedule 2.

**38. Act binds State.**—This Act binds the State.

**39. Short title and commencement.**—(1) This Act is called the Skills Development Act, 1998.

(2) This Act takes effect on a date to be determined by the President by proclamation in the Gazette.

**Schedule 1  
REPEAL OF LAWS  
(Section 37 (1))**

No. and year of law	Short title	Extent of repeal
Act No. 56 of 1981	Manpower Training Act, 1981	The whole.
Act No. 62 of 1981	Guidance and Placement Act, 1981	The whole.
Act No. 41 of 1985	Local Government Training Act, 1985	The whole
Act No. 106 of 1996	Telecommunications Act, 1996	Sections 78 to 87.

**Schedule 2  
TRANSITIONAL PROVISIONS**

(Section 37 (2))

**1. Definitions.**—In this Part—

"Guidance and Placement Act" means the Guidance and Placement Act, 1981 (Act No. 62 of 1981);

"Local Government Training Act" means the Local Government Training Act, 1985 (Act No. 41 of 1985);

"Manpower Training Act" means the Manpower Training Act, 1981 (Act No. 56 of 1981); and

"Telecommunications Act" means the Telecommunications Act, 1996 (Act No. 103 of 1996).

**2. National Training Board.**—Until the chairperson and other members of the National Skills Authority are appointed, the National Training Board, established in terms of section 3 of the Manpower Training Act, continues to exist and to perform the functions of the National Skills Authority.

**3. Manpower Development Fund.**—All assets, rights, liabilities and obligations of the Manpower Development Fund, established by section 38 of the Manpower Training Act, are hereby transferred to the National Skills Fund.

**4. Training boards and apprenticeships.**—(1) Subject to subitem (4), a training board, established and accredited in terms of sections 12A and 12B of the Manpower Training Act, continues to exist and perform its functions as if that Act had not been repealed, until 31 March 2000.

(2) When a training board ceases to exist on 31 March 2000—

- a. that training board must be wound up in terms of its constitution; and
- b. any apprentice under a contract of apprenticeship, registered by that training board and in existence immediately before the training board ceases to exist, must be dealt with as if the Manpower Training Act had not been repealed except that the Director-General must perform the functions of the training board until that contract of apprenticeship expires.

(3) The Minister must, by notice in the Gazette, abolish a training board before 31 March 2000 if—

- a. a SETA is established; and
- b. that SETA has jurisdiction over any part of an industry or area in respect of which the training board has been accredited in terms of section 12B of the Manpower Training Act.

(4) When a training board is abolished in terms of a notice referred to in subitem (3)—

- a. all the assets, rights, liabilities and obligations of the training board are transferred to the SETA designated in that notice; and
- b. any apprentice under a contract of apprenticeship, registered by the training board and in existence immediately before the training board is abolished, must, subject to subitem (6), be dealt with as if the Manpower Training Act had not been repealed except that that SETA must perform the functions of the training board until the contract of apprenticeship expires.

(5) Subject to sub-item (4) (b), sections 13 to 29 of the Manpower Training Act remains in force as if that Act had not been repealed until a date determined by the Minister by notice in the Gazette.

(6) From the date immediately after the date referred to in sub-item (5)—

- a. any trade designated under section 13 (1) of the Manpower Training Act is regarded to be a qualification contemplated in section 16 (c) of this Act;
- b. the applicable provisions of any contract of apprenticeship registered in terms of section 18 of that Act are deemed to be a learnership agreement registered in terms of section 17 (3) of this Act and a contract of employment referred to in section 18 (3) of this Act; and
- d. any apprentice referred to in section 17 of that Act is regarded to be a learner in relation to such a learnership agreement.

**5. Training centres.**—(1) In this item "training centre" means any--

- a. centre registered as a regional training centre registered in terms of section 31 of the Manpower Training Act;
- b. training centre registered as an industry training centre in terms of section 34 of the Manpower Training Act; or
- c. training trust established in terms of any law mentioned in Schedule 1 of the Integration of Labour Laws Act, 1994 (Act No. 49 of 1994),

and in existence immediately before the commencement of this Act.

(2) Subject to subitem (3), a training centre continues to exist and perform its functions as if the Manpower Training Act or any law mentioned in Schedule 1 of the Act referred to in subitem (1) (b) had not been repealed.

(3) A training centre must be liquidated<sup>4</sup> in terms of its constitution not later than 31 March 2000 unless it has been registered as an association not for gain in terms of section 21 of the Companies Act, 1973 (Act No. 61 of 1973) before that date.

(4) The Director-General may take steps to liquidate a training centre after 31 July 1999 if that centre has not—

- a. applied for registration as such an association not for gain; or
- b. taken steps to liquidate itself in terms of its constitution.

(5) If a training centre is liquidated, any assets and rights not required to discharge the obligations and liabilities of that centre must be disposed of in accordance with the directions of the Director-General.

(6) Section 32 of the Manpower Training Act remains in force as if the Manpower Training Act had not been repealed, until a date determined by the Minister by notice in the Gazette.

**6. Arrangements for training of trainees.**—Any arrangement contemplated in section 30 of the Manpower Training Act and in force immediately before the commencement of this Act remains in force as if the Manpower Training Act had not been repealed, until a date determined by the Minister by notice in the Gazette.

**7. Grants-in-aid.**—Section 35 of the Manpower Training Act remains in force as if the Manpower Training Act had not been repealed, until a date determined by the Minister by notice in the Gazette.

**8. Fund for Training of Unemployed Persons.**—(1) Any balance of the Fund for the Training of Unemployed Persons established by section 36A of the Manpower Training Act is hereby transferred to the National Skills Fund.

(2) The balance so transferred may be used only for the training of unemployed persons.

**9. Training schemes.**—(1) Subject to subitem (2), any scheme declared binding in terms of section 39 (5) of the Manpower Training Act continues as if that Act had not been repealed.

(2) Any such scheme must be discontinued not later than 31 March 2000 unless the scheme has been—

- a. registered as an association not for gain in terms of section 21 of the Companies Act, 1973 (Act No. 61 of 1973), before that date, provided that from that registration any notice issued in terms of section 39 (5) in respect of that scheme ceases to be in force;
- b. sold with the agreement of the members of the training board with jurisdiction over employers subject to the scheme before that date; or
- c. transferred to a SETA with the agreement of those members of the training board before that date.

(3) If that scheme is discontinued, any assets and rights not required to discharge the obligations and liabilities of that scheme must be disposed of in accordance with the directions of the Director-General.

**10. Training levies.**—(1) Subject to subitem (2), section 39 of the Manpower Training Act remains in force as if the Manpower Training Act had not been repealed, until 31 March 2000.

(2) A notice imposing a levy in terms of section 39 of the Manpower Training Act and issued, before or after the commencement of this Act—

- a. may be amended by the Minister, by notice in the Gazette, to provide that the levy be paid to a SETA designated in that notice; and
- b. ceases to be in force when withdrawn in terms of the Skills Development Levies Act.

**11. Training advisers.**—Sections 45 and 46 of the Manpower Training Act remain in force as if the Manpower Training Act had not been repealed, until a date determined by the Minister by notice in the Gazette.

**12. Registered work-seekers.**—Any work-seeker registered in terms of section 4 of the Guidance and Placement Act immediately before the commencement of this Act is regarded to be a registered work-seeker in terms of section 23 (2) (b).

**13. Private employment offices.**—Any private employment office registered in terms of section 15 of the Guidance and Placement Act immediately before the commencement of this Act is regarded to be an employment service registered for gain in terms of section 24 of this Act.

**14. Local government sector.**—(1) The Local Government Training Fund (in this item referred to as "the Fund"), established by section 7 of the Local Government Training Act continues to exist, subject to subitems (5) to (7), as if that Act had not been repealed.

(2) Any body or institution, including a local government body, recognised as a training centre under section 9A of the Local Government Training Act immediately before the commencement

of this Act, continues to be so recognised for a period of four months from that commencement as if the Local Government Training Act had not been repealed.

(3) Subject to subitem (7) (c), any levy imposed in terms of section 10 of the Local Government Training Act and in force immediately before the commencement of this Act, remains in force until 31 March 2000 unless withdrawn before that date by the Minister in terms of section 2 (3) of the Skills Development Levies Act as if the Local Government Training Act had not been repealed.

(4) Subject to subitem (7)--

- a. the powers conferred and duties imposed on the Training Board for Local Government Bodies established by section 2 of the Local Government Training Act may be exercised and must be performed by the Local Government Education and Training Board established in terms of section 12A of the Manpower Training Act; and
- b. all the assets, rights, liabilities and obligations of the Training Board for Local Government Bodies are hereby transferred to the Local Government Education and Training Board.

(5) The Director-General: Constitutional Development must administer the Fund and is the accounting officer for the Fund.

(6) The Minister for Provincial Affairs and Constitutional Development may, after consultation with the Local Government Education and Training Board, utilise the moneys in the Fund to fund any person or institution that in the opinion of the Minister can take action to develop the skills, knowledge, expertise or attitudes of a person elected to a municipal council or employed by a municipality.

(7) When a SETA is established for the local government sector--

- a. the Local Government Education and Training Board ceases to exist;
- b. the assets, rights, liabilities and obligations of that Training Board must be transferred to that SETA;
- c. the levy referred to in subitem (3) is regarded to be a levy imposed in terms of section 39 (1) of the Manpower Training Act as mentioned in item 10;
- d. the Fund ceases to exist; and
- e. the Director-General: Constitutional Development must transfer any balance of moneys in the Fund into the banking account of that SETA.

**15. Telecommunications sector.--**(1) Subject to subitem (2), the Human Resources Fund referred to in section 78 (1) of the Telecommunications Act continues to exist as if sections 78 to 87 of that Act had not been repealed.

(2) The Fund referred to in subitem (1) ceases to exist--

- a. on 31 March 2000; or
- b. on the establishment of a SETA with jurisdiction in the telecommunications sector.

(3) If that Fund ceases to exist in terms of--

- a. subitem (2) (a), the balance of the money in the Fund must be transferred to the National Skills Fund; or
- b. subitem (2) (b), the balance of the money in the Fund must be transferred to the SETA referred to in that subitem.

(4) Subject to subitem (5), the contributions contemplated in section 86 (1) of the Telecommunications Act which are in force immediately before the commencement of this Act, remain in force until 31 March 2000 as if that Act had not been repealed.

(5) If a SETA with jurisdiction in the telecommunications sector is established, the contributions contemplated in subitem (4) must be credited to that SETA.

**16. Exemptions from transfer duty, donations tax or any other tax.--**Any transfer of assets or rights contemplated in this Schedule is exempt from transfer duty, donations tax or any other duty or tax.

# **ANNEXURE 4**

## **BASIC CONDITIONS OF EMPLOYMENT ACT NO 75 OF 1997**

## Popular Summary of the Basic Conditions of Employment Act

### BASIC CONDITIONS OF EMPLOYMENT ACT, 1997

#### POPULAR SUMMARY

This is a popular summary of the most important sections of the Basic Conditions of Employment Act, 1997. Workers must be able to see a summary at their workplaces in the official languages that are spoken there.

#### WHO IS THIS ACT FOR?

The Act applies to all workers and employers except members of the National Defence Force, National Intelligence Agency, South African Secret Service and unpaid volunteers working for charities.

This Act must be obeyed even if other agreements are different.

#### WORKING TIME

This section does not apply to senior managers (those who can hire, discipline and fire), sales staff who travel and workers who work less than 24 hours a month.

Ordinary hours of work.

A worker must NOT work more than:

45 hours in any week

9 hours a day if a worker works 5 days or less a week, or

8 hours a day if a worker works more than 5 days a week.

#### Overtime

If overtime is needed, workers must agree to do it and they may not work more than 3 hours overtime a day or 10 hours overtime a week.

Overtime must be paid at 1.5 times the workers' normal pay or by agreement get paid time off.

More flexibility of working time can be negotiated if there is a collective agreement with a registered trade union. For example, this can allow more flexible hours for working mother and migrant workers.

Compressed work week: You may agree to work up to 12 hours in a day and work fewer days in a week. This can help working mothers and migrant workers by having a longer weekend.

Averaging: A collective agreement may permit the hours of work to be averaged

over a period of up to four months. A worker who is bound by such an agreement cannot work more than an average of 45 ordinary hours a week and an average of five hours of overtime a week over the agreed period. A collective agreement for averaging has to be re-negotiated each year.

**Meal breaks and rest periods.**

A worker must have a meal break of 60 minutes after 5 hours work. But a written Agreement may lower this to 30 minutes and do away with the meal break if the worker works less than 6 hours a day.

A worker must have a daily rest period of 12 continuous hours and a weekly rest period of 36 continuous hours, which, unless otherwise agreed, must include Sunday.

**Sunday work.**

A worker who sometimes works on a Sunday must get double pay. A worker who normally works on a Sunday must be paid at 1.5 times the normal wage. There may be an agreement for paid time off instead of overtime pay.

**Night work.**

Night work is unhealthy and can lead to accidents. That is workers working between 6:00 at night and 6:00 in the morning must get extra pay or be able to work fewer hours for the same amount of money.

Transport must be available but not necessarily provided by the employer.

Workers who usually work between 11:00 at night and 6:00 in the morning you must be told of the health and safety risks. They are entitled to regular medical check-ups, paid for by the employer. They must be moved to a day shift if night work develops into a health problem. All medical examinations must be kept confidential.

# **ANNEXURE 5**

## **QUESTIONNAIRE**

## QUESTIONNAIRE TO BE COMPLETED BY PEOPLE WITH A SECOND OCCUPATION

DATE: \_\_\_\_\_

TOWN: \_\_\_\_\_

1.1	OCCUPATION					
	Government	Clerical	Education	Engineering	Accounting	Other

1.2	Male	Female
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1.3	Married	Yes	No
		9	10

1.4	Children in school	1	2	3	4	5+
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1.5	Children undergoing training at tertiary institutions			
	1	2	3	4+

2.1	Is your income from your salary sufficient to give you the standard of living you require?	
	Yes	No

2.2	If yes, why are you practising a second occupation?	
	Financial reasons	
	Non-financial reasons	

3.1	How long have you been practising your second occupation?				
	1 Year	2 years	3 years	4 years	5+ years

3.2	Do you foresee that you will carry on having a second occupation?	
	Yes	No

3.3	If you answered yes in 3.2 please specify	
	Short period (1-3 years)	
	Medium period (4-5 years)	
	Longer period (5+ years)	

4.	What motivated you originally to become involved in your second occupation?	
	Need for money	
	Extension of your hobby	
	Family goal	
	Opportunity that you identified	
	Other reasons	

5.	Describe your second occupation:	
6.	Time spend to make it work:	
	Daily	weekly
		monthly
7.1	Have you plans to expand?	
	Yes	No
7.2	If yes – for what reason?	
7.3	If no – why not?	
8.	Do you have to manage your time more efficiently than before you started with this second occupation?	
	Yes	No
9.	Are the benefits from better time management more than the disadvantages?	
	Yes	No
10.1	Do you have benefits from this occupation other than money?	
	Yes	No
10.2	If yes, name these benefits	
11.1	Would you recommend a second occupation?	
	Yes	No
11.2	If yes, why?	
11.3	If no, why not?	
12.1	If you should get promotion within your job with a substantial salary increase, would you carry on with your second occupation?	
	Yes	No
12.2	If yes, why?	

12.3	If no, why not?

13.1	If you should lose your job, can this second occupation become your main income?	
Yes	No	

13.2	Do you think that dual- jobbing may be a way for people to prepare for the future if anybody should lose their permanent occupation?	
Yes	No	

13.3	Explain your answer to 13.2 shortly	

14.1	Do you need extra skills apart from what you use in your full-time occupation?	
Yes	No	

14.2	If yes, how did you decide on your second occupation?	

15.	Do you know people in your area that have got second occupations?	
Yes	No	

16.	How do you market your product or service?	

17.1	Have you been involved in dual-jobbing before you started your present second occupation?	
Yes	No	

17.2	If yes, why have you changed	

18.1	Are you involved in more than one additional occupation?	
Yes	No	

18.2	If yes, explain	

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19.1	Do you feel that the experience you are gaining as a dual jobber are helping you prepare to become a full-time business owner?
Yes	No

19.2	Explain your answer to 19.1

**GENERAL QUESTIONS**

Potential and existing dual-jobbers, when looking for opportunities, use different methods to identify or find possible opportunities.

The following methods might be used to:

- a. search for new opportunities
- b. let people know that you are a provider of a product or service.

Please complete the questions, keeping the following in mind:

- Column 1 = total agreement
- Column 2 = agree
- Column 3 = maybe
- Column 4 = disagree
- Column 5 = reject

Bulletin boards		1	2	3	4	5
a.	Shopping centres often have a business board where small suppliers advertise their goods and people looking for a product advertise the fact, giving a dual-jobber an idea of products available and required.					
b.	By advertising on a bulletin board the response of customers might lead to sales.					

Commission paid						
a.	By listening to people talking, a person might identify opportunities where one can earn spotter's commission by introducing suppliers to customers.					
b.	By paying a spotter's commission a person might influence people to introduce one to customers.					

Consultant						
a.	By finding from people what needs exist in the market, a need that one might supply in might be identified.					
b.	By acting as a consultant, one might get happy customers that recommend others to make use of one's services.					

Crafts and flea markets		1	2	3	4	5
a.	By attending such markets a person can listen to comments by visiting people on the type of items that one intends selling.					
b.	By selling at such markets one can listen to the comments of people on prices and quality.					

Gift and other shops						
a.	By visiting such shops a person can listen to the comments of the buyers for the shops on the type of products they might be interested in, in buying for their customers.					
b.	By selling to such shops one can listen to the comments of their buyers on one's prices and quality.					

Group forming						
a.	By becoming part of a group of dual-jobbers who supplement one another, one might continuously hear of new opportunities in the market.					
b.	By forming a group of dual-jobbers that can support one another one might get a better coverage in the market place.					

House parties						
a.	By visiting house parties a person might identify a need from what the people at the parties are talking about.					
b.	By selling one's products at house parties a person might make many people aware of being a supplier.					

Listening						
a.	By listening to what people say a person might hear of a need, and investigate the possibility of supplying in the need.					
b.	Tell them that one can supply in the need.					

Multi level marketing		1	2	3	4	5
a.	By becoming involved in this type of marketing structure, a person might become aware of other needs that people have that one might supply in.					
b.	By organising people to help one sell at multi level marketing a product might be introduced to more people than an individual can reach.					

Newsletters						
a.	By reading newsletters a person might become aware of needs that one might provide in at a better price and/or quality					
b.	By advertising in news letters one might reach many prospective customers.					

Schools						
a.	By working together with schools and paying a commission to them, many opportunities might be recognised, that might become an opportunity to market with the help of the schools.					
b.	By visiting schools and showing them one's products they might be interested to help with the marketing on a commission basis.					

Telephone, visit, contact						
a.	By telephoning, visiting or contacting family and friends a person might learn about needs that they have, that might lead to opportunities for dual jobbing.					
b.	By telephoning, visiting or contacting family and friends and telling them about what one has to offer, might lead to them advertising the fact.					

Business card						
a.	By collecting business cards one might identify an opportunity from another area that is not locally available but might be an existing need.					
b.	By distributing attractive business cards customers might be convinced to try one's product.					

# **ANNEXURE 6**

## **SOURCES OF REFERENCE FOR DUAL-JOBBERS**

**Books.**

Title: Starting a business?

Author: Kelly, Elizabeth

Abstract: Presents suggestions from Nancy Michaels, an entrepreneur and expert on small business and self-promotion, on how to start a business.

Title: Considering self-employment

Author: Silvestri, George, T

Abstract: Discusses the importance of preparing for self-employment by making informed choices, exploring business and personal suitability and planning carefully.

What to consider in choosing a business; Insight in exploring feasibility; Tips in creating a plan

Title: Entrepreneurship made easy : a guide to starting your own small business

Author: Moodie, Bev

Subjects: Entrepreneurship  
New business enterprises  
Small business management

Title: Low risk, high reward : starting and growing your business with minimal risk

Author: Reiss, Bob,. Cruikshank, Jeffrey . L

Subjects: New business enterprises  
Entrepreneurship

Title: Entrepreneur : guide to starting a new business - including the business plan

Author: Sacks, Adrienne

**Subjects:** Entrepreneurship. South Africa  
New business enterprises. South Africa  
Small business. South Africa. Management.

**Title:** Small business handbook : an entrepreneur's guide to starting a business and growing a business.

**Author:** Webb, Philip,. Webb, Sandra.

**Subjects:** Entrepreneurship  
Small business management  
New business enterprises

### **Magazines.**

**Name:** Start & Manage your Business

**Publisher:** Warwick Smith-Chandler

**Name:** Succeed. Southern Africa's Journal of Entrepreneurship and Management

**Publisher:** Miriam Ebersohn

### **Web sites on internet.**

**Title:** How to Start a Business in South Africa

**Web address:** [<http://www.wesgro.co.za/busenv/startingbusiness.htm>]

**Subjects:** Procedures to begin a business  
Business entities  
Patents, Trademarks and Copyrights  
Business and Work Permits

**Title:** What is a Business Plan?

**Web address:**

[[http://www.businesspartners.co.za/Business/Bus\\_info/businfo7.htm](http://www.businesspartners.co.za/Business/Bus_info/businfo7.htm)]

**Subjects:** How to compile a Business Plan

# **ANNEXURE 7**

## **CREATING JOBS, FIGHTING POVERTY**

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# Creating Jobs, Fighting Poverty

## An Employment Strategy Framework

### FOREWORD

In his State of the Nation address in February this year the President, while noting the successes that the present government had made in improving the lives of all, and especially of those that have been historically disadvantaged, lamented the fact that we are not making much progress in eliminating the scourge of unemployment that afflicts a large segment of our labour force. It is for this reason that the President stressed the importance of the forthcoming Jobs Summit. The President said:

"One will not be exaggerating to say that, given its impact on every thing else we do as a nation, including crime prevention, reconciliation and the very survival of our democracy, the Jobs Summit is perhaps the most important event since our first democratic elections; an important launching pad for a determined national drive as we move into the 21<sup>st</sup> century".

As a follow-up to the Reconstruction and Development Programme, government had identified employment creation as a focal pillar for social and economic transformation, and accordingly embarked on an inter-departmental process of consultation to prepare an employment strategy which would provide a bold and coherent basis for addressing the problem of unemployment. A cluster of government departments was selected to facilitate this process with the Department of Labour as the facilitator.

The release of the report of the Comprehensive Labour Market Commission and the Growth, Employment and Redistribution policy framework, in which a call was made for an accord for employment and growth among social partners, and subsequent discussions with the social partners in NEDLAC, led to the acceptance of the need to convene the forthcoming Jobs Summit.

The present document is the culmination of an extensive, and, what turned out to be a rather lengthy process of consultation within government. It is also informed by various research studies that were undertaken to investigate the potential for employment promotion in various sectors and industries of the economy. Government is presenting and publishing this employment strategy framework document for public comment, and as a basis for consultations with social partners. In this way we hope to arrive at a revised employment strategy that would have benefited from the various innovative views and initiatives on employment creation from the public (civil society, churches, and non-governmental, community, labour and business organisations).

We hope that it will generate sufficient debate resulting in firm commitments from the social partners to successfully implement the resulting strategy. The outcome of the Jobs Summit should be such that we can all agree on an approach to employment promotion and also indicate what our respective commitments to this project will be in the interest of the nation as a whole rather than in the pursuit of parochial interests.

We hereby invite the public to make their contributions in order to refine these proposals.

I would like to thank the officials from the various departments for their inputs and participation in the process which has resulted in this document.

The task at hand is gigantic. Let us put our heads together to find solutions. Let us have your views

**T T MBOWENI, MP**

**MINISTER OF LABOUR**

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## **LIST OF ACRONYMS USED IN THIS DOCUMENT**

**ABE : Adult Basic Education**

**BCEA: Basic Conditions of Employment Act**

**BRAIN: Business Referral and Information Network**

**CBPWP: Community Based Public Works Programmes**

**CCMA: Commission for Conciliation, Mediation and Arbitration**

**CECC: Cabinet Employment Cluster Committee**

**CICC : Cabinet Investment Cluster Committee**

**CIDA : Canadian International Development Agency**

**CSS : Central Statistical Services**

**CWSS: Community Water and Sanitation Services**

**DTI: Department of Trade and Industry**

**ESF: Employment Strategy Framework**

**ETB: Education and Training Board**

**FRIDGE: Fund for Research into Development, Growth and Equity**

**GCC: Gold Crisis Committee**

**GDP: Gross Domestic Product**

**IDC: Industrial Development Corporation**

**IDZ: Industrial Development Zones**

**ILO:** International Labour Organisation  
**IT:** Information Technology  
**JSE:** Johannesburg Stock Exchange  
**LRA:** Labour Relations Act, 1995  
**MDP:** Manufacturing Development Programme  
**MIP:** Municipal Infrastructure Programme  
**MTEF:** Medium Term Expenditure Framework  
**NCPS:** National Crime Prevention Strategy  
**NEDLAC:** National Economic Development and Labour Council  
**NEF:** National Empowerment Fund  
**NGO:** Non-Governmental Organisation  
**RDP:** Reconstruction and Development Programme  
**SDI:** Spatial Development Initiatives  
**SETA:** Sectoral Education and Training Authority  
**SMMDP:** Small and Medium Manufacturing Development Programme  
**SMME:** Small, Medium and Micro Enterprises  
**SPII:** Support Programme for Industrial Innovation  
**SPTSF:** Social Plan Technical Support Facility  
**THRIP:** Technology and Human Resources for Industry Programme  
**UIF:** Unemployment Insurance Fund  
**WTO:** World Trade Organisation

## EXECUTIVE SUMMARY

### 1. The Unemployment Challenge

1.1 Putting South Africa on a developmental and employment-absorbing growth path is a long-term challenge which we will need to tackle together, with a shared vision.

1.2 The whole thrust and mandate of the Government is to achieve this objective. Policy, programmes and their implementation must be taking us toward this goal. So important and fundamental is this goal that it is necessary to continuously assess whether we are moving toward it.

1.3 The new democratic government has had four years to formulate and implement its policies. To reshape and restructure the economy that we inherited and to ensure that there is job creation is not a task that we can achieve overnight. Yet the fact that not enough jobs are being created at this stage and that this is the perception and experience of ordinary people is cause to reflect and to act.

1.4 The purpose of this document is to undertake such a reflection and to propose a concrete programme to boost employment growth during the structural transition that is taking place. Much of this programme involves the more efficient implementation and co-ordination of existing programmes. However, it also proposes that we identify areas that are inhibiting job creation, that a number of new programmes be started, that all social partners make significant contributions and that all available resources are efficiently applied.

1.5 While we have had many successes in transforming our economy and in improving delivery, unemployment remains the key concern. There is a critical need to boost the long term labour absorptive capacity of the economy. We need to reduce the dislocation caused by structural change, eliminate the institutional impediments to employment creation and hasten the process toward a sustainable, inclusive, labour-absorbing growth trajectory. The key objective of the Employment Strategy Framework (ESF) is to boost employment growth in the short to medium term and to do this in a manner that will strengthen the likelihood of success in achieving the longer term goals.

1.6 Unemployment is not a problem created recently. It is a result of previous political and economic policies that led to inadequate attention to human capital development, a prolonged deterioration in the real growth rate, rising capital intensity of production and declines in savings and investment since the 1970s. With the

demise of the apartheid system and greater urbanisation, the problem of unemployment has become more serious and more visible.

1.7 Unemployment, using the international (>narrow=) definition, currently stands at about 20%. However, we recognise that many of our people have been out of work for so long that they have stopped looking. Unemployment stands at about 29% if the >broad= definition is used, which includes these discouraged workers. The economy must generate about 250 000 new jobs in net terms, simply to ensure that the unemployment rate does not rise. To absorb new entrants into the labour market the economy should generate more than 350 000 net new jobs per annum. Far more must be generated if we are to seriously reduce the unemployment rate and eat into the backlog of jobless South Africans which apartheid left us.

1.8 Unemployment, by whatever measure, is unacceptably high. The poorest households are those where no-one or only one family member works. A job gives a person, not only income, but self-respect. A job gives a person the opportunity to contribute to the productive growth of our nation. As a nation our central challenge is to create jobs, especially sustainable and productive ones. We need to get South Africans working.

## **2. An Employment Strategy Framework (ESF)**

2.1 In the context of high and persistent unemployment, it is clear that we need an Employment Strategy Framework which gives overall direction on the way forward. Since it will take some time to erode the unemployment problem, this Framework must guide us through the short, medium and long term.

2.2 *In the short run*, we seek to directly and indirectly promote the creation of sufficient numbers of jobs to match net growth in the labour force. We seek to expand the Special Employment Programmes to raise the level of job creation as quickly as possible. Even where these are short term employment generators, they will focus on building important community assets and reinforcing programmes, aimed at generating longer-term economic opportunities. A number of sectorally-focused initiatives will be pursued, where there could be quick but sustainable employment creation, as in services such as tourism, and in certain goods destined for the local market.

2.3 *In the medium-to-long term* we seek to fundamentally propel the economy into one which is innovative, inclusive and labour absorbing. Overall, we will need to raise the skills base and move into higher value-added sectors to raise national income, enable a more stable exchange rate and to better reflect our underlying cost structure. We will need to ensure a sustainable job creating path, where net job creation exceeds labour force entry. This trajectory will require:

2.3.1 increases in the labour absorptive capacity of the economy B by expanding the creation of sustainable formal sector employment through the identification and promotion of higher value added, more labour using industries, with strong employment multiplier potential; and improving access for small business to economic opportunities;

2.3.2 improved functioning of labour markets, with an emphasis on geographic and occupational mobility, greater adaptability to changing circumstances, reduced occupational discrimination and improved absorption of new entrants;

2.3.3 vastly improved education and training levels and improved secondary and tertiary education responses to labour market needs;

2.3.4 improved and more cost-efficient systems of social security and better and more accessible social services;

2.3.5 tangible improvements in addressing effects of relevant forms of crime and developing stable communities;

2.3.6 the creation of a more efficient, adaptable and proactive public service.

## **3. An Overview of Government=s Employment Strategy Commitments**

3.1 Our policies aim at the development of a labour absorbing economy that relies on sustainable employment opportunities in the production of higher value-added goods and services. Overall, a critical minimum package of mutually reinforcing policies is required to lead us to a sustainable dynamic growth path. The Employment Strategy Framework aims to improve both the demand for, and the employability of, labour. Both demand and supply side policies will be constructed so that they are more closely linked and are mutually reinforcing. A combination of short term and long term measures will be implemented. We must move to a longer term developmental trajectory and yet we fully recognise that people need jobs now.

3.2 **To increase the demand for labour**, emphasis will be placed on raising both output and the labour absorption capacity of the economy by:

3.2.1 creating jobs directly through the strengthening of **Special Employment Programmes**, with more financial resources, better co-ordination, more regular flow of income and more emphasis on the building of sustainable assets. The key programmes will include the Municipal Infrastructure Programme, Working for Water and Community Based Public Works Programmes. Two new programmes will be introduced: the Clean Cities Campaign and the Land Care Campaign.

3.2.2 preserving jobs in the private sector by means of:

3.2.2.1 programmes to enable existing firms to shift into higher value added, more competitive product niches and to adopt more competitive methods of work organisation.

3.2.2.2 targeted interventions in mining, agriculture, construction, and vulnerable sectors in manufacturing such as motors, clothing and textiles, footwear and the petrochemical-plastics pipeline.

3.2.3 **strengthening and refocussing some of the existing investment promotion policies and programmes**. Some programmes have only recently been introduced, but have already begun to show results. However, some of these programmes will be under review in the coming year including the Manufacturing Development Programme(MDP), a range of SMME support services and key aspects of the National Crime Prevention Strategy.

3.2.4 fast-tracking movement into new labour absorbing industries by:

3.2.4.1 improving attention to the promotion of >non-tradeables= and service industries

3.2.4.2 supporting the identification and promotion of key labour absorbing industries, in agriculture, manufacturing and services

3.2.4.3 promoting cluster initiatives which enable the identification of industry strategy initiatives, particularly in services

3.2.4.4 promoting innovation in technology use and work practices

3.2.4.5 leveraging investment into the South African economy through the Industrial Participation Programme

3.2.4.6 reducing the cost of investing in productive activities with the MDP, the SDIs and the IDZs, restructuring commercial transport services and addressing key areas of crime.

3.2.5 promoting SMMEs by:

3.2.5.1 establishing local business service centres, which will be electronically integrated

3.2.5.2 strengthening delivery in the financial services sector, particularly in the lower end of the market

3.2.5.3 intensifying land reform and extension services

3.2.5.4 strengthening the implementation of local economic development and local programme delivery

**3.3 To strengthen the employability of labour**, our policy focuses on education and training, improving the functioning of the labour market and devoting special attention to vulnerable groups. A strong package of >active labour market policies= will be introduced to strengthen labour market matching and the skills base. We aim to:

**3.3.1 Strengthen the availability of skills by:**

**3.3.1.1 enabling easier access to work for non-South African skilled personnel**

**3.3.1.2 transforming the training boards system into SETAs and supporting a substantial increase in private sector expenditure on training**

**3.3.1.3 augmenting skills and infrastructural development through the Infrastructure and Employment Investment Programme**

**3.3.1.4 improving the interface between labour market needs and the education system**

**3.3.1.5 improving the allocation of resources in education and introducing the new curricula**

**3.3.2 Improve the functioning of the labour market by:**

**3.3.2.1 revising labour regulation, in consultation with the Social Partners, to improve criteria relating to the extension of bargaining council agreements, to loosen provisions related to probation and to reduce the load carried by the CCMA while increasing its preventative role**

**3.3.2.2 establishing a national network of Labour Market Information and Careers Services Centres to guide workseekers towards jobs**

**3.3.2.3 formulating a more comprehensive social security and welfare safety net**

**3.3.2.4 enabling adjustment through Social Plan activities including the establishment of the Social Plan Technical Support Facility provision of retrenchment services and local support to economic development.**

**3.3.2.5 improving coordination in the planning of housing schemes and the provision of low cost transport services**

**3.3.3 Vulnerable groups will receive special attention, by:**

**3.3.3.1 reducing direct and indirect discrimination against women** in the labour market by improving access to child care services, accommodation in areas of economic agglomeration, skilling opportunities and occupations not normally considered to be >women=s work=.

**3.3.3.2 promoting youth employment and skills development** with the consideration of a youth learnership wage, a youth training subsidy, measures to avoid the displacement of existing workers when new young employees are taken on, improved careers services in schools, internships, and improved vocational training.

**3.3.3.3 enabling the optimal development of the disabled**, by first establishing their social security needs and promoting their integration into the mainstream economy.

**3.4 To fulfill the aims of the Employment Strategy it is essential that improvements in public service delivery** be achieved. The reallocation of expenditure and of personnel to areas that add social value will require the introduction of more adaptable employment practices and an affordable number of public servants.

**3.5 In all relevant aspects of policy**, attention will be devoted to improving delivery at the local level and improving coordination in infrastructural, educational and investment promotion activities so that they can be mutually reinforcing in enabling growth and employment absorption.

3.6 To provide a vehicle for fiscal support of innovative programmes aimed at stimulating employment and development opportunities for young people, we will establish *the Umsobomvu Trust*, to be capitalised initially from a charge on demutualisation. These initiatives may receive further support from the Budget.

3.7 A *Cabinet Employment Cluster Committee* will be established, to be chaired by the Minister of Labour. This cluster will ensure that government=s Employment Strategy commitments are implemented. It will oversee a review of the employment impact of key policy areas, enforce improved policy coordination and monitor progress on key programme commitments.

3.8 We recognise that human and financial resources are limited. We therefore challenge the Social Partners to join us in making this workplan.

#### 4. We Challenge Business

4.1 We recognise the contribution made by Business to social development, in the promotion of corporate social responsibility and the contribution to the National Skills Fund. We further challenge business to make a meaningful contribution to employment promotion through demonstrable and tangible commitments to:

4.1.1 funding partnerships in support of the programmes of the Umsobomvu Trust and other employment generating initiatives

4.1.2 promoting youth learnership and employment

4.1.3 facilitating small business entry into the economic mainstream

4.1.4 enabling progressive workplace change

4.1.5 helping reduce conflict on the shop-floor

4.1.6 building capacity at the local level by establishing a nation-wide "Managers Service Programme". Skilled professionals would volunteer their time to assist in the development of capacity in local and provincial government financial management, the development of Local Business Service Centres, the Social Plan Technical Support Facility, schools management and upgrading and public works projects

4.1.7 promoting education and training with a "Schools Adoption Programme", which would systematically finance the upgrading of schools and the purchase of books and materials.

#### 5. We Challenge Labour

5.1 We recognise the contribution made by Labour to social development and democratisation. **We further challenge labour** to make a meaningful contribution to employment promotion through demonstrable and tangible commitments to:

5.1.1 contributing to the Umsobomvu Fund

5.1.2 making it easier for young people to enter employment

5.1.3 wage bargaining appropriate to productivity gains and rates of inflation and which does not contribute to job loss

5.1.4 developing a realistic labour regulation framework, which enables the restructuring required in both the public and private sectors and supports an environment for employment creation

# **ANNEXURE 8**

## **DEMARCATION**

## VAAL TRIANGLE



1. Meyerton
2. Sasolburg (Vaalpark)
3. Sebokeng
4. Vanderbijlpark
5. Vereeniging

# **ANNEXURE 9**

## **LIST OF DUAL-JOBBERS**

DUAL JOBBERS IDENTIFIED FROM WHOM 50 WERE RANDOMLY SELECTED TO ANSWER THE QUESTIONNAIRE IN ANNEXURE 5.

1. Estelle Jordaan
2. Hennie Duvenage
3. Francois Human
4. Alda Joubert
5. Chris Coetzee
6. Flip Coetzee
7. Johan van Zyl
8. Rudi Raath
9. Erline Jordaan
10. Jerry Fowlds
11. Johan v d Westhuizen
12. Freddie van Niekerk
13. Fritz Badenhorst
14. Martin Butler
15. Annalie le Roux
16. Bous Botha
17. George Ehlers
18. Johan Botha
19. Esteline Smith
20. Gert v Deventer
21. Retha van Greunen
22. Piet Guest
23. Naiker Chamdoo
24. Frans Riekert
25. Jacques Viljoen
26. Wouter Strauss
27. Willie Marais
28. Hantie Fourie
29. Ampie Swanevelder
30. Wynand de Villiers
31. Wynand Grobler
32. John Stevens
33. Marion de Wet
34. Koos de Bruyn
35. Andre Mellet
36. Susan van Schalkwyk
37. Manus le Roux

38. Petro Steenkamp
39. Theuns Pelser
40. Daan Erasmus
41. Koos Strauss
42. Hans v Deventer
43. Hester Davies
44. Gustav Nel
45. Dawie Jacobs
46. Kobus Holloway
47. Louis Haarhoff
48. Andries Duvenage
49. Lourens Marx
50. Karin v d Merwe
51. Piet v d Merwe
52. Lennert van Vuuren
53. Melinda Badenhorst
54. Marianna Delpont
55. Mel Wilmans
56. Jan Louw
57. Marie Kunneke
58. Lenie Schultz
59. Enrico Cassalegio
60. Martin Jooste
61. Bert Voges
62. Heleen v Vuuren
63. Gawie Esterhuizen
64. Merwe Oberholzer
65. S McClintoch
66. Buks de Kock
67. Pieter le Roux
68. Marcell Combrink
69. H M E Rust
70. Mariaan Church
71. Nick Botha
72. Mario Weyers
73. A J van Rhyn
74. Mariaan Claasen
75. Jan Visser
76. G Matherbe

77. Lenie Visser
78. S Benadè
79. Piet Loggenberg
80. Martin Jooste
81. Edith Reynders
82. D F Lessing
83. Herman Prinsloo
84. C Kotzè
85. Christo Weideman
86. Danie Pretorius
87. Emma Steyn
88. Johan du Randt
89. Marius Fourie
90. R van Wyk
91. S Senekal
92. Piet Steenkamp
93. M Swanepoel
94. C Mienie
95. Marinda Bosman
96. Johan Durandt
97. Nicky Pelser
98. Stienie Blanchè
99. Gert Joubert
100. Kobus v d Merwe