



BUSINESS STUDIES
GRADE 10
TERM ONE
CHAPTER 2
THE CONCEPT OF QUALITY
2020

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This chapter consisting of 5 pages

CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES

Learners must be able to:

- Define the meaning of quality, quality control and quality assurance.
- Explain/Distinguish/Tabulate the difference between quality control and quality assurance.
- Discuss/Explain the importance of quality for businesses.
- Explain how quality relates to the following business functions:
 - Human Resources function
 - Administration function
 - Financial function
 - General management
- Outline/Suggest quality indicators of the business function.
- Discuss the correlation between management and the success of the business.
- Identify the strength and weakness of a business from given scenarios/case studies.
- Evaluate the strength and weakness of a business and make recommendations for improvement.

1 Meaning of quality

- Quality is the ability to satisfy customer/consumer needs.
- It refers to the features/characteristics of a product/service that meets customer's requirements.
- It refers to products and services that satisfy needs and exceeds customer expectations on a continuous basis.
- Includes learning from mistakes and continuously improving all aspects of the business.
- It is a degree of excellence to which a product/service satisfies the required needs of customers.

2 Meaning of quality control

- Inspection of the final product to ensure that it meets the required standards.
- Includes setting targets/measuring performance and taking corrective measures.

3 Meaning of quality assurance

- Carried out during and after the production process to ensure required standards have been met at every stage of the process.
- Ensure that every process is aimed at getting the product right first time[√] and prevent mistakes from happening again.

4 Differences between quality control and quality assurance

QUALITY CONTROL	QUALITY ASSURANCE
Inspection of the final product to ensure that it meets the required standards.	Carried out during and after the production process to ensure required standards have been met at every stage of the process
Includes setting targets/measuring performance and taking corrective measures.	Ensure that every process is aimed at getting the product right first time and prevent mistakes from happening again.

5 Quality in products

Methods used to indicate quality include the following:

- Trademarks: special signs, marks or names used by manufacturers
- Samples: a small portion of product given to consumers to test quality
- Grades: agricultural products are classified according to quality
- Commercial Standards: the SABS approves commercial standards of products.

6 Quality indicators of business functions

6.1 Quality indicators of the human resources function

- Low rate of staff turnover in the business
- Maintain a healthy relationship between employees and employer
- Provide good working conditions
- Motivate and reward employees
- Makes sure there is a good recruitment policy that attracts best candidates.
- Ensures fair and equitable selection process
- Fair remuneration packages that is aligned to the industry.
- Offer performance incentives for staff to enhance productivity.
- Good relationship with employees.
- Ensure that employee understand the goals and objectives of the business
- Understand the interrelatedness of different departments

6.2 Quality indicators of the administration function

- Use modern technology efficiently.
- All systems and processes are documented
- Easy to recall/find information/documentation
- Handle complaints quickly and effectively
- Fast and reliable data capturing and processing systems.
- Make relevant information available for quick decision-making.
- All documentation is kept neatly and orderly in a safe place.
- Financial documents are kept up to date and recorded accurately.

6.3 Quality indicators of the financial function

- Ensuring a healthy cash flow through ensuring payments are made on time.
- Effective management of cash by cash budgeting.
- Financial records to be kept up to date.
- Accountability through tight financial processes.
- Negotiate better interest rates in order to keep financial cost down.
- Draw up accurate financial statements timeously/regularly.
- Invest surplus funds to create sources of passive income

6.4 Quality indicators of the general management function

- Develop/Implement/Monitor effective strategic plans.
- Set direction and establish priorities for their business.
- Effectively communicate shared vision, mission and values.
- Ensure that all departments/the business meet their deadlines/targets
- Learn about/understand changes in the business environment on an on-going basis.
- Be prepared to set an example of the behaviour that is expected from employees in terms of ethics as well as productivity.

6.5 Quality indicators of the production function

- Utilise machines and equipment optimally.
- Accurately calculate the production costs.
- Select the appropriate production system e.g. mass/batch/jobbing.
- Provide high quality services/products according to specifications.
- Products must meet customers' requirements by being safe, reliable and durable. Businesses should have good after-sales services and warranties.
- Empower workers so that they can take pride in their workmanship.
- Monitor processes and find the root causes of production problems.
- Implement quality control systems to ensure that quality building products are consistently being produced.

6.6 Quality indicators of the marketing function

- Increasing their market share.
- Winning customers by satisfying their needs/wants.
- Differentiating products in order to attract more customers.
- Constantly reviewing value issues.
- Communicating effectively with customers to get feedback about their experience of products sold/services rendered.
- Using pricing techniques to ensure a competitive advantage.
- Using aggressive advertising campaigns to sustain/increase the market share

6.7 Quality indicators of the public relations function

- Dealing quickly with negative publicity/less/little/no incidents of negative publicity.
- Providing regular/positive press releases.
- Implement sustainable Corporate Social Investment (CSI) programmes.
- Good results of/Positive feedback from public surveys on business image.
- High standard of internal publicity/appearance of buildings/professional telephone etiquette, etc.
- Deliver quality goods/services that promote the brand/image with key stakeholders/ customers/suppliers/government/service providers.

6.8 Quality indicators of the purchasing function

- Buy raw materials in bulk at lower prices.
- Select reliable suppliers that render the best quality raw materials/capital goods at reasonable prices.
- Place orders timeously and regular follow-ups to ensure that goods are delivered on time.
- Required quantities should be delivered at the right time and place.
- Implement and maintain stock control systems to ensure the security of stock.
- Maintain optimum stock levels to avoid overstocking/reduce out-dated stock.
- Monitor and report on minimum stock levels to avoid stock-outs.
- Ensure that there is no break in production due to stock shortages.

7 Importance of quality in promoting the image of the business

- It enables businesses to have a good reputation and promotes brand awareness.
- Customers associate image of the business with quality of the product.
- Quality products increase sales, profits, business growth and attracts prospective investors.
- Businesses gain goodwill and support from the community.

8 The correlation between management and the success of business in achieving its objectives, strengths, and weaknesses.

- Management play an important role in making the correct decisions and motivating employees to be productive.
- Poor management can result in ineffective employees and loss in productivity.
- Businesses requires ongoing decisions making and problem solving.
- Problems that cannot be solved and decisions that are not made appropriately can lead to a decrease in productivity.