



Strategic Plan for 2020/21 – 2024/25



employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA

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LIST OF ABBREVIATIONS

AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
BBBEE	Broad-Based Black Economic Empowerment
BT&R	Business Turnaround and Recovery
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIS	Competitiveness Improvement Services
DDM	District Development Model
DEL	Department of Employment and Labour
ESD	Enterprise Supplier Development
ERRP	Economic Reconstruction and Recovery Programme
EWS	Early Warning System
4IR	Fourth Industrial Revolution
FoW	Future of Work
ILO	International Labour Organization
IMD	Institute for Management Development
IPAP	Industrial Policy Action Plan
IT	Information Technology
JICA	Japan International Cooperation Agency
JPC	Japan Productivity Center
LEDET	Limpopo Department of Environment and Tourism
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NGP	National Growth Path
OCEO	Office of the CEO
OHS	Occupational Health Safety
PFMA	Public Finance Management Act
RIS	Research Innovation and Statistics
SADC	Southern African Development Community
SCM	Supply Chain Management
SCORE	Sustaining Competitive and Responsible Enterprises
SDG	Sustainable Development Goals
SEFA	Small Enterprise Finance Agency
SEZ	Special Economic Zones
SMME	Small Medium and Micro Enterprise
TERS	Temporary Employer Employee Relief Scheme
the dtic	Department of Trade, Industry and Competition
UIA	Unemployment Insurance Act
UIF	Unemployment Insurance Fund
WPC	Workplace Challenge
WCY	World Competitiveness Yearbook

STATEMENT BY THE CHAIRMAN OF THE BOARD

The Annual Performance Plan (APP) 2022/23 sets out Productivity SA's key focus areas during and post the COVID-19 pandemic (which seems endemic and to be with us for a while), and our contribution to the Medium-Term Strategic Framework (MTSF) 2019-2024 as well as the socio-economic landscape towards 2030, as we implement the Economic Reconstruction and Recovery Plan to achieve the NDP priorities.

In this plan, we target SMMEs and cooperatives, emboldened by empirical evidence that they are the backbone and productive drivers of economic growth and development. They account for the majority of businesses and a significant contribution to economic growth and are important contributors (more than 70%) to job creation. The outbreak of the pandemic and the subsequent lockdowns continue to adversely impact Productivity SA's business model and operating environment.

Productivity SA's continued focus on SMMEs is further motivated by their potential to promote domestic-driven growth of new and existing industries and to strengthen the resilience of the economy in a competitive and challenging environment. Accordingly, SMMEs are crucial to the Future of Work (FoW), not just for employment creation and economic growth, but also to drive innovation and competition in markets. The SMMEs, and mostly informal SMMEs are also more likely to hire from traditionally economically marginalised groups with lower chances of finding employment such as youths, women, older workers, and less-skilled workers. By creating employment opportunities for these marginalised groups, SMMEs have also been credited with democratising the labour market and driving more inclusive economic growth.

Over the next eight years (2020 – 2030), our commitment to leading a productivity driven agenda holistically across sectors and all levels (macro, sector/industry and micro) will be reinforced. This, with the conviction that productivity is a crucial determinant and driver of long-term competitiveness and economic growth, and a vehicle towards prosperity and higher standards of living. Our resolve to promote a culture of productivity and accountability thereof remains, and we call upon government and social partners to join us on this journey. With this collaboration, we can collectively address the productivity and capability gaps of SMMEs, which is more critical than ever before for our underperforming economy. To this end, we are committed to contributing to the development of a comprehensive policy mix, and strategies and programme interventions to contribute to the competitiveness and sustainability of the SMMEs, particularly those operating in the informal economy.

During the 2022/23 financial year and towards 2030, Productivity SA will together with social partners prioritise productivity growth programmes and interventions to improve long-term competitiveness and sustained inclusive growth to raise employment, reduce poverty (including in employment) and inequality. Having noted South Africa's low productivity growth and global competitiveness (ranked 62 out of 64 countries by the IMD in 2021), we commit to collaborating with the Department of Trade, Industry and Competition (**The dtic**) and the Department of Small Business Development (DSBD) and their entities (SEDA, SEFA, IDC, NEF, etc.). The focus in our interventions will be on implementing policies and strategies (including Sector Master Plans, Special Economic Zones, Industrial Parks and District Development Model) to support sectors with long-term prospects; and turnaround strategies and plans to support enterprises and industries hard hit by the cyclical downturn.

Further to this, we remain committed to providing productivity related Research and Statistics as well as world-class system of innovation, which are critical for the country and individual enterprises to anticipate and prepare continuously for the Future of Work (FoW) and to meet the needs of the future economy and society. We believe that, measuring and evaluating productivity and overall

competitiveness of the economy, and disseminating value-added information and statistics is critical for informing evidence-based planning, and the impact of programmes.

We believe that critical interventions (which have proven successful in the most competitive economies) to address the productivity gaps and capabilities of SMMEs and improving their competitiveness and sustainability which we focus on as a nation should include: (a) A mix of policies and programme interventions to create an environment conducive for entrepreneurship and sustainable enterprises, (b) encourage the application of decent and productive workplace practices, (c) address sector-specific challenges through value chain and cluster upgrading which is linked to training and skills development along the value chain. This includes building a Workforce of the Future by encouraging life-long learning; (d) promoting technology and ways of doing business that are environmentally friendly, which interventions should be targeted at and embraced by SMMEs. These should include measures to reduce energy, waste, and water usage by these enterprises; (e) An Integrated Enterprise Development and Support Ecosystem, which integrates government support for formal and informal SMMEs, start-ups and cooperatives. This also requires collaboration of multi-disciplinary partners to rebuild a sustainable economy and tackling inequality, unemployment, and poverty; and (f) Government should be a funder of first resort, including schemes and programme interventions in terms of s5(d) of the UIF amendment Act by the UIF (collective funding by DFAs/DFIs) for SMMEs, and that the funding should be linked to productivity outcomes. The DFAs/DFIs should make funds available (non-financial support) for funding Enterprise Development and Support Programmes for capacitation of the SMMEs funded. The SMMEs should be supported to be competitive and sustainable through a comprehensive suite of support programmes; and that Productivity SA should be enabled to access the loan book of the DFAs/DFIs to assist the funded SMMEs facing economic distress (with a potential to retrench workers) and unable to service their debt (with a potential to default on payments and be liquidated) with business turnaround and recovery strategies when facing economic distress.

These interventions will go a long way in addressing the challenge of a dual economy – which is characterised by the highest levels of informality and inequality rates in the world, which challenge is worsened by the COVID-19 crisis. Although there is a national consensus that SMMEs and mostly informal SMMEs (which represent over 65% of the 2.3 million SMMEs in the country) are providing a huge share of employment and economic growth and, large segments of the population depend on their activity and performance, they are mostly neglected and at risk. Due to this neglect, they face major challenges when it comes to productivity, informal operational processes, quality of work, and working conditions. Their low productivity growth leads to low-income generation, further informality, and poor growth performance. Informal SMMEs are also regularly facing new challenges in terms of cost, quality, delivery, flexibility and human resource development for their survival and growth. These enterprises are relatively stagnant, employing mostly unskilled/semi-skilled workers, struggling to transform their informal operations into established businesses. It is therefore, these enterprises that require our Enterprise Development and Support Programmes the most and urgently. These Programmes, particularly the Workplace Challenge (WPC) Programme, which improves the competitiveness and sustainability of enterprises will be scaled-up to aid South Africa to achieve a productive high-income economy which is globally competitive.

Furthermore, the interventions will enable us to meet our commitments and plans to unlock South Africa's productivity and potential for sustained competitiveness and economic growth as part of our contribution to implement the Economic Reconstruction and Recovery Plan. The priority focus areas linked to Productivity SA's mandate include: Priority 2 - Industrialisation and Growing the productive economy: (2.1) Improve efficiencies of local producers; (2.2) Support local manufacturing as well as firms and households in distress; and (2.3) Strengthen SMMEs and Cooperatives on the back of localisation and support for badly affected labour intensive industries; and Priority 5 - Macro-Economic Interventions and Enablers for Economic Growth: (5.1) End wastage including enhanced

productivity, and measurement and evaluation of productivity and overall competitiveness of the economy; (5.2) An Integrated Enterprise Development and Support Ecosystem (government-wide programme in collaboration and partnership with social partners) to create a coherent platform to enhance access and coordination of government support for formal and informal SMMEs, start-ups and cooperatives; and (5.3) Support measures, including Schemes/TERS to transition enterprises and employees as well as the informal enterprises into the formal economy.

Productivity SA appreciates the allocation of over R23.4 million by the Department of Employment and Labour/UIF towards the Business Turnaround and Recovery (BT&R) Programme to support companies facing economic distress. These funds enabled us to rebuild the resources and capability which we lost when the Programme was suspended between 2017 and June 2020 due to lack of funding. As of December 2021, R25,3m was utilised to support companies facing economic distress and contemplating to retrench workers. During the 2021/22 financial year by quarter 3, over 82 companies facing economic distress were supported to design and implement turnaround strategies and plans to preserve jobs (this against an annual target of 191); in the process 7473 jobs were saved (against an annual target of 9550); and through the Programme, we have succeeded in establishing Workplace/Future Forums (which are workplace collaborative committees comprising of management and workers). 693 members of the Workplace/Future Forums were trained and capacitated on productivity improvement solutions (against an annual target of 573).

Despite the achievements articulated above, financial challenges persist, and the Minister was approached for single source funding through the Department and made undertakings in March 2021 to act urgently via the setting up of Task teams which sadly have explicable not been activated a year later. The Minister will be approached again to ensure financial sustainability of the programme. The Board does not wish to see a repeat of the 2017 situation where the programme was suspended due to lack of funds, which suspension will have dire consequences, in particular, as we are receiving a number of requests for participation in the programme. It is for this reason that the Board recommended to the Minister that, Productivity SA should be funded through a single source funding model in line with section 12 of the Employment Services Act, which we reiterate so we can ensure resilience and sustainability.

The reality we are facing due to the diminishing financial resources and budget allocations by government is that, Productivity SA continues being underfunded, and these challenges are structural in nature as the funds appropriated by Parliament through the Budget Vote of the DEL barely cover the operational costs. The limited financial resources and infrastructure makes it even more difficult for Productivity SA to provide services and deliver on its mandate equitably in all the nine provinces and to meet the large demand for our Enterprise Development and Support Programmes. What compounds our funding challenges is that the grants from the Unemployment Insurance Fund (UIF) and Department of Trade, Industry and Competition (the dtic) are not guaranteed, particularly following the challenges the country has experienced and continue to have related to the COVID-19 pandemic and some of the protests that had engulfed the country in July 2021. While we understand that everyone must tighten their belts, we reiterate that some parts of the public service delivery such as ours (increasing productivity growth for long-term competitiveness and sustained inclusive growth) cannot be relegated to of lesser importance and should be prioritised for increased funding because we enable the economy to grow. When there are cuts, some cuts are deadly and cut the bone and veins rather than fat. We have explained this to the Minister and the Department, as well as the Portfolio Committee on Employment and Labour and hope that an increased and enhanced appreciation of our mandate will ensure that we have aligned thinking.

However, despite these challenges, we have through the Competitiveness Improvement Services Programme continued creating an enabling environment to improve the competitiveness and

sustainability of enterprises in the productive sectors (targeting SMMEs and cooperatives both in the formal and informal economy). The 4–6-month short term kaizen interventions were central to our addressing the challenges faced by companies during Covid-19 and the unrest. During the period April to December 2021, over 290 enterprises were supported through various programme interventions to improve their competitiveness and sustainability; 746 entrepreneurs/workers/managers were trained and capacitated to promote a culture of productivity and accountability thereof; and 177 Productivity Champions were trained and capacitated to build awareness and promote a stronger culture of productivity in South Africa. The objective is to have at least one (1) Champion in each of the 44 Districts and 8 Metros in support of the District Development Model going forward.

Thanks to **the dtic** funding our operations, which funds enabled us to implement special projects which include the Workplace Challenge (WPC) Programme and the ITUKISE Internship Programme (whose phase 2 will be completed by September 2022). As of December 2021, over 77 enterprises joined the WPC Programme and 55 were supported through Kaizen interventions, 306 Productivity Champions were trained. 85% of the businesses supported through the WPC are Black owned, 46% are women owned, and 26% are Youth Owned. Implementation of the ITUKISE Internship Programme which commenced in 2019 is progressing beyond expectation. By April 2021, over 1200 interns were placed and currently there are 370 active interns in the programme and, more than 100 interns have been permanently employed. We believe that, if we scale up the WPC Programme and the ITUKISE Internship Programme, more will be achieved to assist in particular SMMEs and young people who desperately require these interventions.

In conclusion, I would like to take this opportunity to thank all those who continue to make efforts for us to have an enhanced involvement in the rebuilding of the economy of our country as well as the department's continued support. We feel that the understanding of ProductivitySA's critical role as per its mandate is slowly being realised -unfortunately time is not on our side and need to expedite delivery. In his opening remarks at the Portfolio Committee on Employment and Labour meeting in February 2022, the Minister highlighted the strategic importance of Productivity SA in relation to its contribution to economic growth and employment creation. This is huge progress, but we humbly request that we find ways to convert rhetoric to action by our collectively acting on the promises we make to our people urgently. Promising to meet and find solutions and failing to have a single meeting a year later does not bode well for us as the designated and mandated employment creators, retainers and economic competitiveness enhancers. We continue to appreciate the fruitful comments and guidance provided, as well as the commitment made by the Portfolio Committee on Employment and Labour to support Productivity SA in promoting a productivity culture in the country, in particular reaching out to the most vulnerable (both in society and SMMEs in the townships and rural areas).

We are experiencing huge growth on social media via our very active awareness programmes, presence and responsiveness, which concomitantly feeds and grows the growth in appreciation of our extremely important role for the creation of decent work, dignity and sustainable enterprises. This is how resilient and sustainable economies are built - we owe it to our people. We must be about impact for the realisation of social justice. We invite you to follow us on the various social media platforms @productivitysa on twitter as well as follow me on @Tzoro1 without hesitating to offer suggestions and feedback that can assist us in leading a productivity driven agenda for long-term competitiveness and sustained inclusive growth for South Africa. We are also building a stronger and stronger presence on LinkedIn. **Let's do this together!!**



PROF MTHUNZI P. MDWABA
CHAIRMAN OF THE BOARD

OFFICIAL SIGN-OFF

It is hereby certified that this revised Strategic Plan:

- Was developed by the management of Productivity SA under the guidance of the Board of Productivity SA.
- Takes into account all relevant policies, legislation and other mandates for which Productivity SA is responsible.
- Accurately reflects the impact and outcomes which Productivity SA will endeavour to achieve over the period 2020/21 – 2024/25.

Ms Carolyne Anooplal: Signature: 
Acting Head Programme 1: Administration- Human Resource Management

Dr Nandi Dabula: Signature: 
Executive Manager Programme 1: Administration - Corporate Relations

Ms Amelia Naidoo: Signature: 
Acting Executive Manager Programme 2: Competitiveness Improvement Services

Mr Justice Tshifularo: Signature: 
Executive Manager Programme 3: Business Turnaround and Recovery

Dr Leroi Raputsoane Signature: 
Acting Executive Manager Programme 4: Research, Innovation and Statistics

Ms Mokgadi Mahlakgane: Signature: 
Manager responsible for Planning: Office of the CEO

OFFICIAL SIGN-OFF

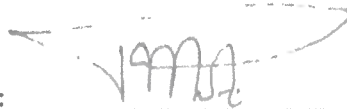
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Dr. S Sabela: Signature: _____
Chief Financial Officer



Mr. M Mothiba: Signature: _____
Chief Executive Officer



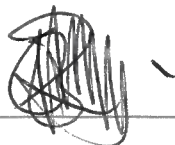
Prof M Mdwaba: Signature: _____
Chairman of the Board



Mr. T Lamati: Signature: _____
Director General



Ms. BE Moloi: Signature: _____
Deputy Minister



Approved by:

Mr. TW Nxesi, MP Signature: _____
Executive Authority



PART A: OUR MANDATE

1. CONSTITUTIONAL MANDATE

Productivity SA's strategic goals and programmes are, as is the case with the Department of Employment and Labour operates within the confines of the South African Labour Legislative framework and Active Labour Market Policies and Programmes that are informed by the South African Constitution, Chapter 2, and Bill of Rights, with a focus on amongst others the following:

- Section 9, to ensure equal access to opportunities;
- Section 10, promotion of labour standards and fundamental rights at work;
- Section 24, to ensure an environment that is not harmful to the health and wellbeing of those in the workplace.

2. LEGISLATIVE AND POLICY MANDATES

Productivity SA is aligned to the following legislations and national policy mandates:

1) The Employment Services Act, No. 4 of 2014	Productivity South Africa is established in terms of section 31 of the Employment Services Act, No. 4 of 2014 as a juristic person, with the <u>mandate to promote employment growth and productivity, thereby contributing to South Africa's socio-economic development and competitiveness.</u>
2) The Public Finance Management Act (PFMA), Act No.1 of 1999, as amended	The objective of this Act is to regulate financial management in the National Government and Provincial Governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; and to provide for the responsibilities of persons entrusted with financial management in those governments and to provide for matters connected therewith. The Board as an Accounting Authority must manage Productivity SA in accordance with section s49 – s62 of the PFMA
3) The Preferential Procurement Policy Framework Act, 2000 (Act No.5 of 2000), as amended	In this Act, unless the context indicates otherwise-"acceptable tender" means any tender which, in all respects, complies with the specifications and conditions of tender as set out in the tender document.
4) The Broad-Based Black Economic Empowerment Act, 2003 and the Codes of Good Practice	This Act establishes a legislative framework for the promotion of Broad-Based Black Economic Empowerment (B-BBEE). It furthermore empowers the Minister to issue codes of good Practice, to publish transformation charters, to establish the Black Economic Empowerment Advisory Council and to provide for matters connected therewith.

5) The Unemployment Insurance Act, 30 of 2001, as amended (UIA)	The UIA provides for financing of Employment Services (in terms of s12), with section 5 (d) relating to financing of the retention of contributors in employment and the re-entry of contributors into the labour market and any other scheme aimed at vulnerable workers. Financing the Business Turnaround and Recovery Programme will ensure the provision of Turnaround strategies and plans to restructure and improve the productivity and operational efficiency of companies facing economic distress to save jobs or minimise the retrenchment of employees
6) Re-Imagining the Industrial Strategy and District Development Model	Targeted Enterprise Development Support Programmes to implement the Re-imagining Industrial Strategy to improve the productivity of the priority sectors through the Sector Master Plans, Special Economic Zones, Industrial Parks and, in support of the the District Development Model (DDM), targeting the 44 Districts and 8 metros.
7) Contribution to the NDP	Chapter 3: Target programmes that contribute to sustainable and inclusive growth and development Chapter 9: Improving productivity and develop world-class system of innovation Chapter 13: Implement programmes that improves efficiency and effectiveness of government
8) Contribution to the MTSF 2019-2024	Government Priority 1: A capable, Ethical and Developmental State Government Priority 2: Economic Transformation and Job Creation
9) Contribution to the ERRP	Priority 1: Industrialisation of the economy and a massive increase in local production Priority 2: An employment stimulus to create jobs and support livelihoods.
10) Contribution to the SDGs, Africa Agenda 2063, and ILO Centenary Declaration for the Future of Work	SDG 8: Promote inclusive and sustainable economic growth, employment, full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. ILO Centenary Declaration for the Future of Work, 2019: An enabling environment for entrepreneurship and sustainable enterprises that creates productive employment and decent work.

3. INSTITUTIONAL POLICIES AND STRATEGIES GOVERNING THE FIVE- YEAR PLANNING PERIOD

With the change in the business environment of Productivity SA and its mandate expanded in in the Employment Services Act of 2014 to include promoting employment growth and supporting initiatives aimed at preventing job losses, and additional responsibilities conferred to the Entity as per the Presidential Jobs Summit Framework Agreement, 2018, the Entity’s Business Model and strategic direction had to be reviewed. This entails adopting frameworks which will improve economic performance, labour market efficiency and management practices to promote full and productive employment and decent work for all. Our Enterprise Development and Support Programmes should into the future be underpinned by the provisions of Article 23 of the Universal Declaration of Human

Rights on the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.

The Business Model is being implemented in a challenging environment where the world of work is undergoing transformative change driven by technological innovations, demographic shifts, environmental and climate change, and globalisation, as well as persistent inequalities, which have profound impact on the nature and Future of Work (FoW), and on the place and dignity of people in it. The outbreak of the COVID-19 pandemic and the subsequent lockdowns continue to impact on Productivity SA's business model and operating environment. Therefore, Productivity SA should be resourced and capable to be future ready and remain relevant and sustainable. The Entity should have the intellectual and technical capacity and to tap relevant sources of knowledge to meet the expectation of the changing nature and future of work.

4. RELEVANT COURT RULINGS

There are no relevant court rulings.

PART B: OUR STRATEGIC FOCUS

1. VISION

To lead and inspire a productive and competitive South Africa.

2. MISSION

To improve productivity by diagnosing, advising, implementing, monitoring and evaluating solutions aimed at improving South Africa's sustainable growth, development and employment through increased competitiveness.

3. VALUES

- Service excellence through the implementation of relevant solutions
- Market leadership through creative and innovative solutions
- Working together as a team to achieve common goals
- Partner with stakeholders pursuing solutions to South Africa's productivity challenge
- Honesty, integrity and professionalism are the cornerstone of all our relations

4. SITUATIONAL ANALYSIS

The Medium-Term Strategic Framework (MTSF) 2019 -2024 has identified seven key priorities that will be the focus of government for the sixth administration. However, Productivity SA will focus on and contribute mainly to the following MTSF Priorities:

- **Priority 1:** A Capable, Ethical and Developmental State
 - **Priority 2:** Economic Transformation and Job Creation
-

Further to the above, with the adoption of the Economic Reconstruction and Recovery Plan in 2020, Productivity SA's focus will be on supporting implementation of the following Priorities, which are specific to our mandate:

Priority 2 - Industrialisation and Growing the productive economy: (2.1) Improve efficiencies of local producers; (2.2) Support local manufacturing as well as firms and households in distress; and (2.3) Strengthen SMMEs and Cooperatives on the back of localisation and support for badly affected labour intensive industries; and

Priority 5- Macro-Economic Interventions and Enablers for Economic Growth: (5.1) End wastage including enhanced productivity, and measurement and evaluation of productivity and overall competitiveness of the economy; (5.2) An Integrated Enterprise Development and Support Ecosystem (government-wide programme in collaboration and partnership with social partners) to create a coherent platform to enhance access and coordination of government support for formal and informal SMMEs, start-ups and cooperatives; and (5.3) Support measures, including Schemes/TERS to transition enterprises and employees as well as the informal enterprises into the formal economy.

During the 2022/23 financial year and towards 2030, Productivity SA will together with social partners prioritise productivity growth programmes and interventions to improve long-term competitiveness and sustained inclusive growth to raise employment, reduce poverty (including in employment) and inequality. Having noted South Africa's low productivity growth and global competitiveness (ranked 62 out of 64 countries by the IMD in 2021), we commit to collaborating with the Department of Trade, Industry and Competition (**The dtic**) and the Department of Small Business Development (DSBD) and their entities (SEDA, SEFA, IDC, NEF, etc.). The focus our interventions will be on implementing policies and strategies (including Sector Master Plans, Special Economic Zones, Industrial Parks and District Development Model) to support sectors with long-term prospects; and turnaround strategies and plans to support enterprises and industries hard hit by the cyclical downturn.

The focus our interventions will be on implementing policies and strategies including the Re-imagining Industrial Strategy to improve the productivity of the priority sectors through the Sector Master Plans, Special Economic Zones, Industrial Parks and, in support of the District Development Model (DDM), targeting the 44 Districts and 8 metros; and turnaround strategies and plans to support enterprises and industries hard hit by the cyclical downturn and COVID-19 pandemic.

Further to this, we remain committed to proving productivity related Research and Statistics as well as world-class system of innovation, which are critical for the country and individual enterprises to anticipate and prepare continuously for the Future of Work (FoW) and to meet the needs of the future economy and society. We believe that, measuring and evaluating productivity and overall competitiveness of the economy, and disseminating value-added information and statistics is critical for informing evidence-based planning, and the impact of programmes.

Over the next eight years (2020 – 2030), our commitment to leading a productivity driven agenda holistically across sectors and all levels (macro, sector/industry and micro) will be reinforced. This, with the conviction that productivity is a crucial determinant and driver of long-term competitiveness and economic growth, and a vehicle towards prosperity and higher standards of living. Our resolve to promote a culture of productivity and accountability thereof remains, and we call upon government and social partners to join us on this journey. With this collaboration we can collectively address the productivity and capability gaps of SMMEs, which is more critical than ever before for our underperforming economy. To this end, we are committed to contributing to the development of a comprehensive policy mix, and strategies and programme interventions to contribute to the competitiveness and sustainability of the SMMEs, particularly those operating in the informal economy.

South Africa's SMMEs are facing a contracting economy and additional shocks from COVID-19 are putting further pressure on their operations. The Lockdown measures have caused revenues in many SMMEs to fall and the majority report that they are cutting back on business spending and scaling down operations to survive. Because of the SMMEs' critical role in job creation and growth, creating a conducive environment for their competitiveness and sustainability during and beyond this period of economic turbulence is important for economic recovery.

It is no coincidence that, we are recommending that funds be re-allocated and channeled towards a government-wide Integrated Enterprise Development and Support Programme targeting SMMEs. This is on the backdrop of our further recommendation that, Government should be a funder of first resort for enterprises (funding by SEFA, IDC and other DFAs), and that funding should be linked to productivity outcomes. This will release funds, including those from the Development Funding Agencies to support SMMEs. The country should utilise the capability of Productivity SA as a labour market institution, to harness with urgency and diligence the productivity capability of South Africa to improve our competitiveness and sustainable growth to address the most persistent structural economic inequities that have existed for too long in post-Apartheid South Africa.

As we continue planning for the MTSF 201– 2024 and towards 2030, we have an opportunity as a country to track the competitiveness and performance of our country in the Global Competitiveness Index and, together with social partners, identify the main challenges and barriers to growth facing our economy. This will afford us an opportunity to identify areas of improvement and areas where our economy is lagging. Furthermore, this will afford us an opportunity for benchmarking and identifying priorities, thereby allowing for the design and implementation of more forward-looking policies that balance market, state, and community to make economies more competitive, productive and prosperous.

Alongside the policy and strategic interventions to improve performance of the core productive sectors of our economy and other programmes, training and educating the workforce of the future, it is also critical that Productivity SA is developed to become a world-class centre in the national system of productivity and innovation, including establishing better links between industry and higher education.

5. EXTERNAL ENVIRONMENT ANALYSIS

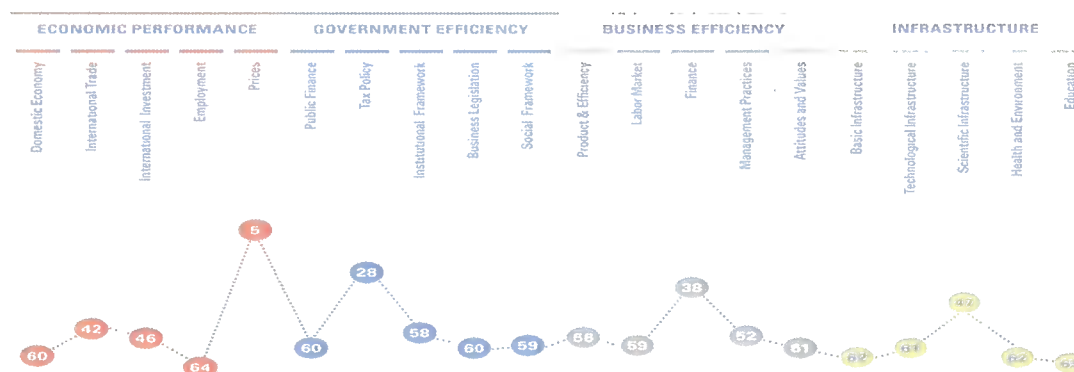
The COVID-19 pandemic has had the effect of worsening the triple challenges of unemployment, poverty and inequality facing South Africa. The pandemic has resulted in widespread job losses and collapse in production. According to the Stats SA Quarterly Labour Force Survey (QLFS), Quarter 3: 2021, the unemployment rate rose to 34,9%, reaching the highest jobless rate on record since 2008, as the number of unemployed people increased to an all-time high of 7,6 million. The unemployment rate according to the expanded definition of unemployment increased by 2,2 percentage points to 46,6% in quarter 3 2021 compared to quarter 2 2021. The results show that the number of employed persons decreased by 660 000 to 14,3 million in the third quarter of 2021, and the number of unemployed persons also decreased by 183 000 to 7,6 million compared to the second quarter of 2021, resulting in a decrease of 842 000 (-3,7%) in the number of people in the labour force. Formal sector employment decreased by 571 000 (-5,6%); Informal sector employment increased by 9 000 (0,3%); Private households decreased by 65 000 (-5,4%), and employment in Agriculture decreased by 32 000 (-3,8%). Employment decreased in all industries, except Finance where employment increased by 138 000 (6,1%). The industries which lost the most jobs were Trade sector (-309 000), Community and social services (-210 000) and Construction (-65 000). Compared to quarter 4 2019, employment overall contracted by 2,8%.

There was a slow increase in economic activity during Q3: 2021, with the majority of the businesses reporting that they are still trying to recover, and some recognise that they would not fully recover from the impact of the pandemic. According to the QLFS, Q3:2021 employment losses were observed across all industries except for Finance. It is reported that, of the 14,3 million persons who were employed in Q3: 2021, four out of every five persons (85,2%) were expected to work during the national lockdown by the companies/organisations they work for.

Total number of liquidations increased by 46.2% in the second quarter of 2021 compared with the second quarter of 2020, and an increase of 30.7% was recorded in the first six months of 2021 compared with the first six months of 2020 (Stats SA, 2021). The finance, insurance, real estate and business services sector was the hardest hit, accounting for 32% of all liquidations to date(Stats SA, 2021).

According to the recently released Productivity Stats Report, October 2021, South Africa recorded a significant decline in Labour productivity and Multifactor productivity, while Capital productivity accelerated sharply in the same period. This marked fall in creativity amid the COVID-19 pandemic and the associated lockdowns which heralded unprecedented disruption of work and goods and services supply chains.

The competitiveness ranking declined from 59 in 2020 to 62 in 2021 out of 64 countries – regression in all the four broad factors (Economic Performance, Government Efficiency, Business Efficiency, and Infrastructure) in competitiveness (IMD WCY, 2021) as illustrated on the diagram below.



OVERALL PERFORMANCE (64 COUNTRIES)				
2017	2018	2019	2020	2021
53	53	56	59	62

CHALLENGES IN 2021

- Deteriorating headline and youth unemployment.
- Rising public debt levels amid a shrinking fiscal space.
- Lack of decisive plans to revive the struggling economy.
- Ongoing electricity supply problems and rolling blackouts.
- Slow vaccination rates to fast track the post COVID-19 recovery.

On the one hand, we have an economy comparable to that of industrialised nations, with over 700 000 sophisticated SMMEs (out of over 2.3 million in the economy) supported by world-class infrastructure and a sophisticated financial system. This economy is highly productive with a sizeable (and growing) middle class, and is reasonably well diversified, with a range of key strategic sectors which are horizontally and vertically integrated among themselves. It has features of a more educated and highly skilled workforce, with a huge concentration of wealth and predominantly white owned.

On another hand, we have an informal economy characterised by an almost over 1,5 million informal SMMEs in the country, operating mainly in the rural Provinces and about 34% Black-owned. The informal SMMEs are relatively stagnant, employ mostly unskilled/semi-skilled workers, and struggle to transform their informal operations into established businesses, thus limiting their potential to create jobs and make a meaningful economic contribution.

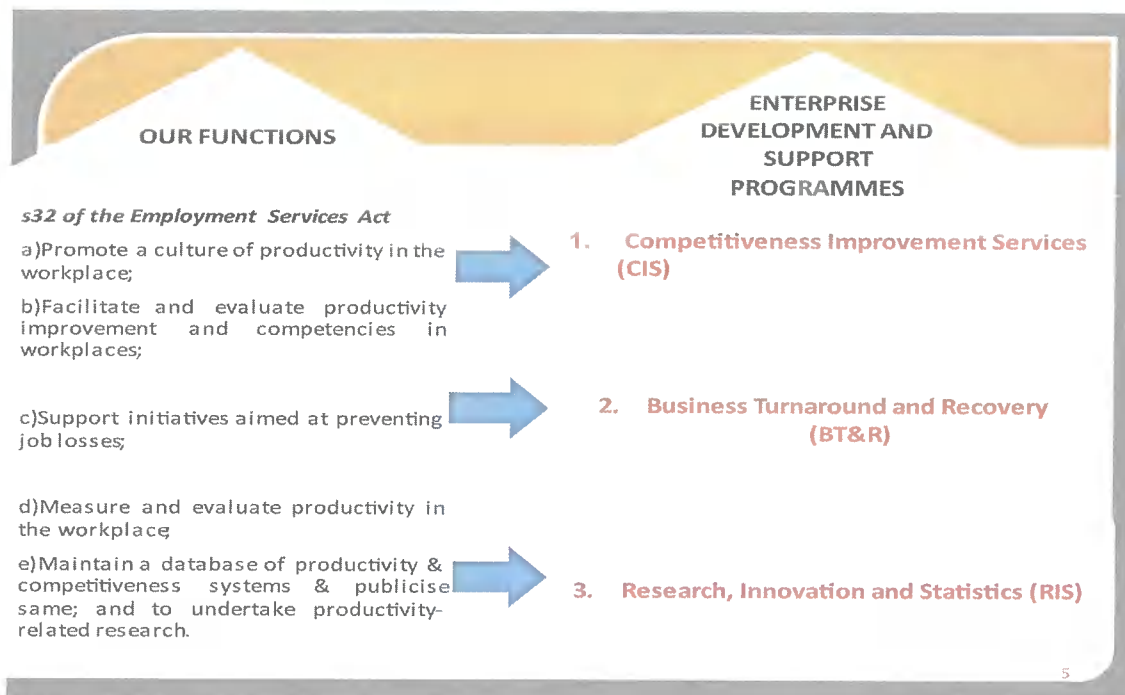
One other disturbing factor is that twenty seven years into our democracy, South Africa still has a dual economy characterised by highest levels of informality and inequality rates in the world, and this is worsened by the COVID-19 crisis. They face numerous legislative compliance challenges and economic constraints for their survival and growth, and new challenges in terms of cost, quality, delivery, flexibility, human resource development, barriers to transactions and markets, raising capital and trading. For millions of workers, informality means a lack of social protection, rights at work and decent working conditions, as well as significant uncertainty about their income and livelihood. These enterprises shall never be competitive and sustainable without a deliberate intervention through Enterprise Development and Support Programmes.

IMPACT STATEMENT: To promote full and productive employment and decent work for all.

During the MTSF 2019 – 2024 we will accelerate our enterprise competitiveness enhancement and job retentions programmes and interventions with a focus on improving the productivity and competitiveness of SMMEs in the economic sectors that have the greatest potential to grow and create jobs, with a bias towards township and rural economies. Our Enterprise Support Programmes will support implementation of the NDP and the Reimagined Industrial Strategy to promote long term industrialisation and transformation of the economy and to ensure that South Africa achieve a high-income economy. Despite the challenges brought by COVID-19 we have through the Competitiveness Improvement Services Programme continued creating an enabling environment to improve the competitiveness and sustainability of enterprises in the productive sectors (targeting SMMEs and cooperatives both in the formal and informal economy).

6. INTERNAL ENVIRONMENT ANALYSIS

Productivity SA is a schedule 3A Public Entity of the Department of Employment and Labour established in terms of section 31 of the Employment Services Act, No. 4 of 2014. The Entity carries the responsibility to fulfil an economic or social **mandate** of government, which is to promote employment growth and productivity thereby contributing to South Africa's socio-economic development and competitiveness.

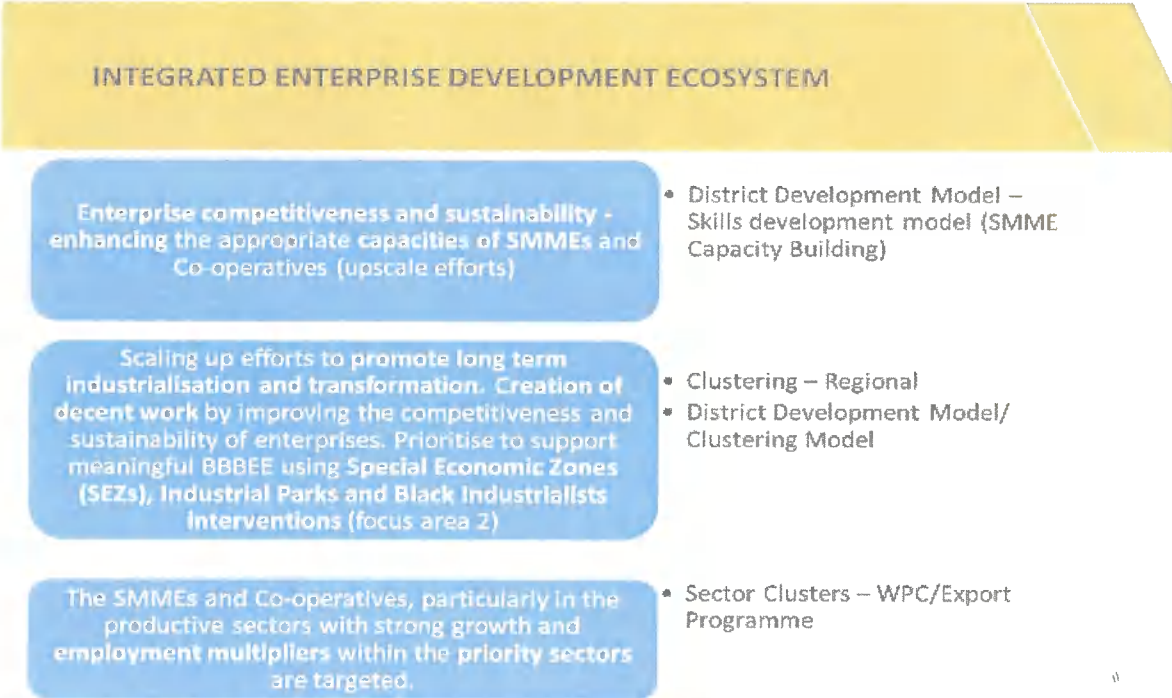


The reconfiguration of the Department of Labour to include **employment** as part of its mandate (Dept. of Employment and Labour) puts Productivity SA in a strategic position to lead a productivity and competitiveness driven inclusive and sustainable growth and development agenda for the country. The Employment Services Act, particularly section 2 (1) read together with sections 7, 31 and 32 presents a holistic approach towards unlocking the potential of productivity of the country by addressing productivity and competitiveness challenges at all levels – national, sector and enterprise levels.

The promulgation of the Employment Services Act, together with the promulgation of the UI Amendment Act, No. 10 of 2016, specifically section 5 (d) which provides for the financing of the retention of contributors in employment and the re-entry of contributors into the labour market and any other scheme aimed at vulnerable workers gives credence to section 7 of the Act which provides for the creation of employment schemes such as the Temporary Employer / Employee Scheme (TERS), Turnaround Strategies (TAS), Training of the Unemployed (TOU) and Enterprise Development (ED) with a focus on SMMEs. These developments were enhanced by the adoption of the Presidential Jobs Summit Framework Agreement in 2018 (with a focus on: (i) protecting jobs, (ii) informal sector support, and (iii) inclusive growth interventions).

The allocation of funds in June 2020 for implementation of turnaround strategies by the Department went a long way to enabling Productivity SA to deliver on its mandate as outlined in section 32 of the Employment Services Act, and objectives of the Presidential Jobs Summit Framework Agreement to save jobs and create conditions conducive for job retention and creation. These funds enabled us to rebuild the resources and capability which we lost when the Programme was suspended between 2017 and June 2020 due to lack of funding. As of December 2021, R25,3m was utilised to support companies facing economic distress and contemplating to retrench workers. These interventions seek to inspire enterprises to be more vigilant about issues relating to job retention to mitigate on-time performance/productivity decline that increases the likelihood of job losses. The programme is intended to provide non-financial assistance to different organizations and companies to increase productivity, profitability and service as well as save and retain jobs.

Our Enterprise Development and Support Programmes particularly the Workplace Challenge (WPC) Programme, which improves the competitiveness and sustainability of enterprises will be scaled-up to aid South Africa to achieve a productive high-income economy which is globally competitive. Furthermore, our Enterprise Development and Support Programmes will enable us to meet our commitments and plans to unlock South Africa’s productivity and potential for sustained competitiveness and economic growth as part of our contribution to implement the Economic Reconstruction and Recovery Plan. The priority focus areas linked to Productivity SA’s mandate include: Priority 2 - Industrialisation and Growing the productive economy: (2.1) Improve efficiencies of local producers; (2.2) Support local manufacturing as well as firms and households in distress; and (2.3) Strengthen SMMEs and Cooperatives on the back of localisation and support for badly affected labour intensive industries; and Priority 5- Macro-Economic Interventions and Enablers for Economic Growth: (5.1) End wastage including enhanced productivity, and measurement and evaluation of productivity and overall competitiveness of the economy; (5.2) An Integrated Enterprise Development and Support Ecosystem (government-wide programme in collaboration and partnership with social partners) to create a coherent platform to enhance access and coordination of government support for formal and informal SMMEs, start-ups and cooperatives; and (5.3) Support measures, including Schemes/TERS to transition enterprises and employees as well as the informal enterprises into the formal economy.



The ‘Productivity SA Way of Doing Business’ is a framework which has been created to offer integrative solutions. The framework answers the question: ‘How do we go about when we provide productivity and competitiveness improvement solutions to enhance the productive capacity and operational efficiency of enterprises throughout the lifecycle of such enterprises’. The standardised approach describes the way in which our Practitioners work within the productivity and operational efficiency environment, in order to carry out tasks. Best practice is the description of the best way of working based on the situation in hand.

As a national public entity, Productivity SA services the entire country, however, its footprint is only limited to three (3) Provinces, which are reorganised into Regional Offices: Region 1- Midrand which is the head office and also servicing Gauteng, North West and Limpopo; Regions 2 - Durban servicing Kwa-Zulu Natal, the Eastern Cape and Mpumalanga; and Region 3 - Cape Town servicing the Western

Cape, Northern Cape and Free State. The Entity is Governed by a Tripartite Board appointed in terms of section 33 of the Act, consisting of 7 Members - Chairperson and six members (4 drawn from NEDLAC - 2 representing Organised Labour and 2 Organised Business, and 2 members representing the Government).

The funding challenges faced by Productivity SA are structural in nature and the funds appropriated by Parliament through the budget vote of the Department barely cover the operational costs. What compounds this challenge is that the grants from the UIF and **the dtic** are not guaranteed. The limited financial resources and infrastructure makes it difficult for us to provide services and deliver on our mandate equitably in all the provinces and to meet the large demand for our Enterprise Support Programmes. These challenges are further compounded by the increasing demand for our services (Enterprise Competitiveness and Sustainability and Job Preservation) which we are not able to meet due to funding challenges. We further lack the resources and capability to provide productivity and competitiveness related value-added information and statistics, best practices and systems through research activities and databases. Therefore, there is urgency for increased capacity and footprint to adequately respond to the increased demand for our services and to equitably service the entire country. Ideally, Productivity SA should be funded through a single source funding model in line with section 12 of the Employment Services Act.

SWOT Analysis

S	<ul style="list-style-type: none"> Improved Accounting System/ SAP Business One Improved IT Infrastructure Experienced staff with good institutional memory Unqualified Audit reports Relevant- BT &R- ability to respond to current issues- prevention of retrenchments and job losses
W	<ul style="list-style-type: none"> Antiquated systems which is time consuming Inadequate digitisation/E-Commerce capabilities Inadequate resources (financial and human) Lack of CRM tool- data analytics will help us understand customers better and deliver based on their behaviour and communicate with them effectively. Productivity SA brand awareness still low
O	<ul style="list-style-type: none"> Increased utilisation of technology based services (e.g. e-Learning) to increase HR service delivery Leverage on the strategic partnerships from different sectors e.g. business chambers Focus on savings and efficiencies using technology. Strengthening/Embedding the use of SAP Business One Integration of Finance and HR systems Revenue generation ability through BT&R Financial Assessments
T	<ul style="list-style-type: none"> Reliance on BT&R for sustainability Lack of dedicated procurement department/contract management Reputational risk for non-compliance with POPI Act Due to lack of training budget, staff not in touch with the rapidly changing market environment- no upskilling of staff Poor performance under the hybrid work environment (Organisational & Employee performance)

Staff Establishment as of February 2022

SUB-PROGRAMMES	APPROVED ESTABLISHMENT	POSTS FILLED (PERM)	POSTS FILLED (FIXED-TERM)	NUMBER OF VACANCIES	VACANCY RATE
Office of the CEO	4	4	0	0	0%
Office of the CFO	17	16	0	1	6%
Human Resources Management	5	3	1	1	20%
Corporate Relations	8	6	0	2	25%
Competitiveness Improvement Services Head Office	4	2	1	1	25%
Business Turnaround & Recovery Head Office	7	4	3	0	0%
Research, Innovation & Statistics	11	8	0	3	27%
Region 1	20	12	5	3	15%
Region 2	15	8	6	1	7%
Region 3	16	10	5	1	6%
TOTAL:	107	73	21	13	12%

PART C: MEASURING OUR PERFORMANCE

1. INSTITUTIONAL PERFORMANCE INFORMATION

The Medium-Term Strategic Framework (MTSF) for the period 2019 -2024 has identified the following seven key priorities that will be the focus of government for the sixth administration.

- **Priority 1:** A Capable, Ethical and Developmental State
- **Priority 2:** Economic Transformation and Job Creation
- **Priority 3:** Education, Skills and Health
- **Priority 4:** Consolidating the Social Wage through Reliable and Basic Services
- **Priority 5:** Spatial Development, Human Settlements and Local Government
- **Priority 6:** Social Cohesion, Safer Communities
- **Priority 7:** A Better Africa and a Better World

In the Medium-term, Productivity SA will contribute mainly to the following two priorities of the sixth Medium-Term Strategic Framework (MTSF) Priorities:

- **Priority 1:** A Capable, Ethical and Developmental State
- **Priority 2:** Economic Transformation and Job Creation

2. IMPACT STATEMENT

Impact statement	To promote full and productive employment and decent work for all
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3. MEASURING OUTCOMES

Priority 1: Capable, Ethical and Developmental State

3.1 Outcome 1

Outcome 1	FUNCTIONAL, EFFICIENT AND INTEGRATED GOVERNMENT		
Intervention	Indicators	Baseline (2019/20)	Three-year target (2021/22-2023/24)
Measures taken to eliminate wasteful, fruitless and irregular expenditure	Monitoring report with corrective measures where applicable per annum	100%	30 day payment report with corrective measures implemented where applicable
	Percentage elimination of Fruitless and Wasteful expenditure per annum	R518,000.00	100% elimination of wasteful and fruitless expenditure incrementally from baseline of R518,000.00

Outcome 1	FUNCTIONAL, EFFICIENT AND INTEGRATED GOVERNMENT		
Intervention	Indicators	Baseline (2019/20)	Three-year target (2021/22-2023/24)
	Percentage of planned training interventions commenced per annum	Revised indicator	100%

Priority 2: Economic Transformation and Job Creation

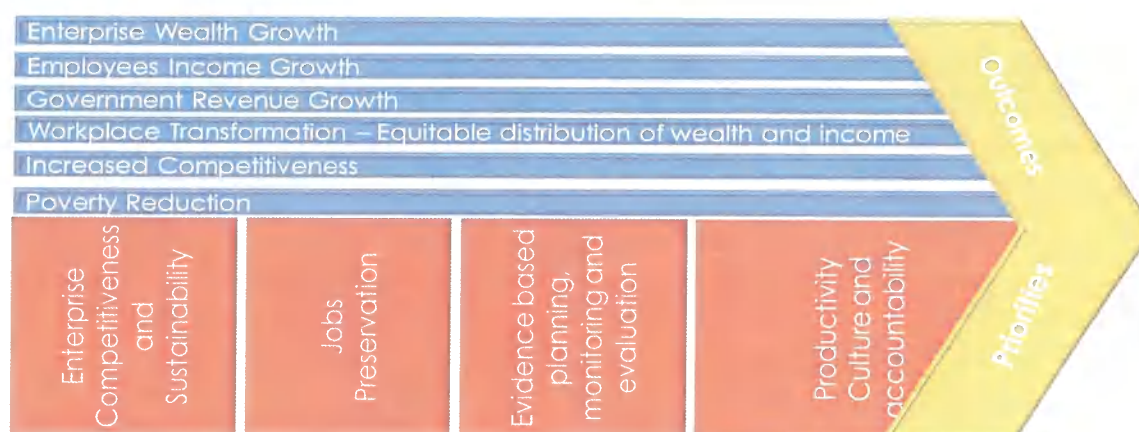
3.2. Outcome 2

Outcome 2	MORE DECENT JOBS CREATED AND SUSTAINED, WITH YOUTH, WOMEN AND PERSONS WITH DISABILITIES PRIORITISED		
Interventions	Indicators	Baseline (2019/20)	Three-year target (2022/23-2024/25)
Competitive and sustainable enterprises that achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Number of SMMEs and other enterprises supported through Competitiveness Improvement Services by 31 st March each year	3686	3756
	Number of entrepreneurs, workers and managers capacitated to promote the culture of productivity by 31 st March each year	Split from above	7200
	Number of Productivity Champions capacitated to build awareness and promote a stronger culture of productivity in South Africa by 31 st March each year	345	969
	Number of jobs saved in companies facing economic distress every year	0	10650
	Number of companies facing economic distress supported through Turn-around Strategies to retain jobs (nurturing) per annum	0	213
	Number of workplace /Future forums members trained and capacitated on productivity improvement solutions per annum	0	639
	Number of productivity awards and regional milestone workshops hosted by 31 st March each year	10	30
	Number of research reports and publications on priority sectors published and disseminated by 31 st March each year	4	12
	Number of statistical reports on productivity and competitiveness published by 31 st March each year	4	6

3.3. Explanation of Planned Performance over the Five-Year Planning Period

- a) *The outcomes' contribution to achieving the aims of the Medium-Term Strategic Framework (MTSF); the mandate of the institution including, where applicable, priorities in relation to women, youth, and people with disabilities, and provincial priorities, where applicable.*

In the Medium-term, Productivity SA will contribute mainly to the priority 2 (two) of the sixth Medium-Term Strategic Framework (MTSF) Priorities: **Economic Transformation and Job Creation** through the following strategic priorities linked to these desired outcomes:



- b) *A description of the enablers intended to assist with achieving the five-year targets.*

Our strategic partners and alliances include National and Global Strategic Business Partners and Strategic Offering Partners with whom to pursue a set of agreed upon objectives and to create the business value that our mutual customers are looking for, while remaining independent of these organisations.

The approach and focus are premised on advantages broken down to four broad categories: (i) Organizational advantages for purposes of sharing and learning the necessary skills and obtain certain capabilities from the strategic partner. Strategic partners may also help you enhance your productive capacity, provide a distribution system; (ii) economic advantage for purposes of gaining advantage of economies of scale, reducing and sharing costs and risks; (iii) strategic advantages of coopetition to create a competitive advantage by the pooling of resources and skills, the development of new products and technologies, and to pursue joint research and development; and (iv) To gain political advantages. Forming strategic partnerships and alliances with politically influential partners may also help improve our own influence and position.

Below are the identified partners and their roles as enablers towards achieving our mandate:

STRATEGIC PARTNER	ROLES AND RESPONSIBILITIES
1. Government Departments in the Economic Cluster and their Agencies, incl. SEDA, CSIR and SETAs	<ul style="list-style-type: none"> Collaborate on national, sectoral and enterprise competitiveness and sustainability through targeted interventions inclusive of SMMEs and Cooperatives within SEZs, Industrial Parks, Township and Rural economies Collaborate on promoting a productivity culture and mind-set as well as driving accountability for productivity performance across sectors (national, sector and enterprise level) and segments of society.
2. Development Funding Agencies	<ul style="list-style-type: none"> Non-Financial support to increase growth of the small business sector Access loan book – Provide support to enterprises going through economic distress to retain jobs or minimise the retrenchment of employees.
3. Commission for Conciliation, Mediation and Arbitration (CCMA) and UIF	<ul style="list-style-type: none"> Collaboration to give effect to ss7 and s32 (g) of the Act, including implementation of the Presidential Jobs Summit Framework Agreement, 2018 - job retention including schemes to provide for turn-around strategies, lay-offs, re-training or alternative employment opportunities and reintegration of workers in terms of s2 (e) of the Act read together with s5 (d) of the UIF Amendment Act
4. SETAs, CSIR and Institutions of Higher Learning	<ul style="list-style-type: none"> Collaborate on Research and Innovation as well as promoting dialogue on Productivity and competitive issues, and curriculum design and implementation. Collaborate in developing a model for a Productivity and Competitiveness Council Implementation of an accredited KAIZEN qualification
5. Organised Business and Labour Federations	<ul style="list-style-type: none"> To promote the productivity movement in the country - a productivity culture and mind-set in workplaces, and accountability for productivity at industry and sector level Collaboration in job preservation including implementation of the Presidential Jobs Summit Framework Agreement, 2018 Jobs Summit Resolutions.
6. International Labour Organisation (ILO), JICA /JPC / APOs, World Economic Forum (WEF), Institute of Management Development (IMD),	<ul style="list-style-type: none"> Collaborate in developing a National Productivity and Competitiveness Framework and Productivity Index for South Africa and Africa Institutionalisation and implementation of an accredited KAIZEN qualification and programme in the country Conduct benchmarking on a Business Model for a National Productivity Centre – Reposition Productivity SA as a world-class productivity centre within the national system of innovation. Collaborate on research and benchmarking on products and services design and Innovation

c) Explanation of the outcome’s contribution to the achievement of the impact

To improve productivity and sustained competitiveness depends to some extent on how successfully enterprises can integrate into national and global value chains. Enterprises need to make use of the technology, innovation and other new ideas contained in these value chains and enterprise clusters as a way of reducing costs and adding value. By upgrading their operations, they can become more productive and create a greater share of value locally – generating more jobs and income.

Productivity SA's Enterprise Support Programmes are designed to promote a productivity and entrepreneurship culture and consciousness to promote decent work, which involves opportunities for work that is productive and delivers fair income. The Competitiveness Improvement Services (CIS) Programme support South Africa's strategic objectives in scaling up efforts to promote long term industrialisation and transformation of the economy targeting enterprises of all sizes within the productive sectors of the economy, with a focus on Priority Sectors. The BT&R Programme aims to save jobs and create conditions conducive for job retention and job creation.

4. KEY RISKS AND MITIGATIONS

Strategic Objective	Risk name	Mitigating Action Plans
Objectives 1-5	1. COVID-19 RISK: Cyber Security	1. Assessment to be conducted for cyber security 2. Upgrades to be done for IT infrastructure (IT Refresh)
Objectives 1-5	2. COVID-19 RISK: Inadequate digitisation/E-Commerce capabilities	1. Digitisation strategy to be developed. 2. Finalisation of the ICT Refresh 3. Assessment to be conducted
Objectives 1-5	3. COVID-19 RISK: Inability to respond to increased demand for services	1. Increase capacity to respond to increased demand for service.
Objectives 1-5	4. COVID-19 RISK: Performance management under the new dispensation (Organisational & Employee)	1. Review/update management performance policies 2. Review the potential for using Kanban tools in performance management 3. Conduct training and change management for managers
Objectives 1-5	5. COVID-19 RISK: Compromised Health & Safety in the workplace	1. Conduct training and awareness sessions on to improve health and safety measures 2. Improve compliance measures
Objectives 1-5	6. Inadequate Revenue	1. Momentum has picked up on the revenue generating projects 2. Commitment from Executive Manager to generate additional Revenue. 3. Re-negotiate office building lease agreement. 4. The Chairman of the Board together with the Director General of the Department of Employment and Labour are working on plans to fully fund the entity.
Objectives 1-5	7. Reputation risk	1. Conduct training and awareness sessions on governance prescripts 2. Upgrading & integrating the finance system with the HR system to provide for regular audit trails 3. Strengthen the governance structures to improve monitoring and evaluation.

Objectives 1-5	8. Fraud and Corruption	1. Upgrading & integrating the finance system with the HR system to provide for regular audit trails 2. Upgrading & integrating the finance system with the HR system to provide for regular audit trails reports. 3. Strengthen and expand the role of the Bid and Adjudication committee. 4. Host quarterly awareness workshops on Ethical behaviour, PFMA and Treasury Guidelines. 5. Promote a "no-tolerance" attitude on fraud related matter by means of internal communication and website.
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PART D: TECHNICAL OUTCOME INDICATOR DESCRIPTION (TID)

Indicator Title	1. Monitoring report with corrective measures where applicable per annum
Definition	Small Medium Enterprises must be paid within a period of 30 days from receipt of statement. SMMs are defined as enterprises whose annual turnover is less than R10m.
Source of data	Creditors age analysis print out
Method of Calculation /Assessment	Compare invoice date to payment date
Means of verification	Analysis of Creditors age analysis
Assumptions	The entity has available funding to settle liabilities as they become due and payable.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired performance	100% of the targeted performance - 30 day payment report with corrective measures implemented where applicable
Indicator Responsibility	CFO and Financial Manager

Indicator Title	2. Percentage elimination of Fruitless and Wasteful expenditure per annum
Definition	Expenditure incurred in vain and that could have been avoided had reasonable care be taken must be avoided by the entity.
Source of data	Fruitless and Wasteful expenditure register for the year
Method of Calculation /Assessment	Compare current financial year register with previous year register
Means of verification	Analysis of the Fruitless and wasteful expenditure register
Assumptions	The entity has available funding to settle liabilities as they become due and payable.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative
Reporting Cycle	Annually
Desired performance	100% of the targeted performance – 100% elimination of Fruitless and Wasteful Expenditure
Indicator Responsibility	CFO and Financial Manager

Indicator Title	3. Percentage of planned training interventions commenced to capacitate the workforce
Definition	To commence with 100% of planned interventions
Source of data	Training Plan and training documentation
Method of Calculation /Assessment	Quantitative - Number of training interventions commenced as a percentage of the total number of planned training interventions
Means of verification	Workplace Skills Plan, plus any combination of the following: Individual Development Plans, Attendance Registers, Invoices/Quotes, Proof of payment (Remittance Advice), On-the-job training form, EFT Requisition form, Training evaluation form, Proof of registration for course/qualification/workshop, E-learning progress reports, Acceptance letter, Financial Assistance Application form/Agreement,

Assumptions	<ul style="list-style-type: none"> Planned training interventions may be replaced by other interventions due to changes of the business requirements. Training planned for terminated employees will be removed from the training plan, however if they have already been completed, they will count towards the implementation of the training plan. Additional training will also be considered depending on the business requirements. Internal training and on-the-job training may replace external courses Planned training for an employee may be replaced by scheduled training for another employee for a different course based on the business requirements
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Target for Women (55% of Training Plan) Target for Youth (n/a) Target for People with Disabilities (n/a/)
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> Reflect on contribution to spatial transformation priorities (n/a) Reflect on the spatial impact area (n/a)
Calculation Type	Cumulative (Year- End)
Reporting Cycle	Annual
Desired performance	100% of the targeted performance - 100% planned training interventions commenced to capacitate the workforce
Indicator Responsibility	Executive Manager: HRM

Indicator Title	4. No. of SMMEs and other enterprises supported through Competitiveness Improvement interventions to improve their competitiveness and sustainability.
Definition	Number of Enterprises (Companies, SMMEs and Cooperatives) assisted through CIS productivity interventions including Training or, Productivity awareness, or WPC, or Export Programme or Enterprise development projects, or Kaizen Projects or any other productivity improvement projects.
Source of data	Signed Contracts or Proposals or Agreements or Project reports or training/workshop attendance registers or webinar/electronic source documents including screenshots or online registration forms/attendance registers or course evaluation forms, or ID numbers for entrepreneurs in the informal sector.
Method of Calculation /Assessment	Quantitative data – reported Year to date Count the number of enterprises supported through any CIS intervention.

Means of verification	Quantitative calculations - Number of Enterprises (Companies, SMMEs and Cooperatives) assisted through CIS productivity interventions including Training or, Productivity awareness, or WPC, or Export Programme or Enterprise development projects, or Kaizen Projects or any other productivity improvement projects. ID numbers may be used for entrepreneurs without registered companies
Assumptions	Be flexible with the application of the solutions in order to adapt to the unique needs of SMME's encountered. Ensure that productivity aspects are covered in each programme. Accommodate Covid-19 impact on contact sessions as information will be sourced manually and electronically
Disaggregation of Beneficiaries (where applicable)	Sub-report on women, youth and people with disabilities
Spatial Transformation (where applicable)	Productivity SA is willing to be a strategic partner in delivering productivity solutions and developing the capability for spatial transformation and envisaging a desired future for all its beneficiaries. Special focus will be given towards assistance to Black Industrialists in Special Economic Zones
Calculation Type	Cumulative (year to date)
Reporting Cycle	Quarterly
Desired performance	100% of the targeted performance - 1252 SMMEs and other enterprises supported through Competitiveness Improvement interventions to improve their competitiveness and sustainability
Indicator Responsibility	CIS Executive/Regional Executives

Indicator Title	5. Number of entrepreneurs, workers and managers capacitated to promote the culture of productivity
Definition	Number of people trained i.e. Entrepreneurs and Intrapreneurs that includes workers, and managers trained on productivity awareness or productivity concepts or productivity tools.
Source of data	Attendance registers or other electronic source documents such as screenshots, or online registration forms/attendance registers or course evaluation forms, or Training reports.
Method of Calculation /Assessment	Accumulative Quantitative data – Year to date reporting. Number of people attending the training/workshops i.e. Entrepreneurs or workers or Managers counted using name and Surname in both formal (registered businesses) or informal sector (not registered businesses).

Means of verification	Quantitative calculations: Attendance Registers; attendance reports
Assumptions	Be flexible with delivery mechanisms in order to adapt to the unique needs of entrepreneurs or, workers or Managers encountered. Accommodate Covid-19 impact on contact sessions as information will be sourced manually and electronically
Disaggregation of Beneficiaries (where applicable)	Sub-report on women, youth and people with disabilities
Spatial Transformation (where applicable)	Productivity SA is willing to be a strategic partner in delivering productivity solutions and developing the capability for spatial transformation and envisaging a desired future for all its beneficiaries. Special focus will be given towards assistance to Black Industrialists in Special Economic Zones
Calculation Type	Cumulative (year to date)
Reporting Cycle	Quarterly
Desired performance	The 100% actual performance - 2200 entrepreneurs, workers and managers capacitated to promote the culture of productivity
Indicator Responsibility	CIS Executive/Regional Executives

Indicator Title	6. Number of Productivity Champions capacitated to build awareness and promote a stronger culture of productivity in South Africa
Definition	Number of Productivity champions trained on productivity tools or Kaizen tools.
Source of data	Training reports; attendance register; electronic source documents: screenshots; online registration forms/attendance registers, and course evaluation forms Training reports, attendance reports for online sessions
Method of Calculation /Assessment	Accumulative Quantitative data i.e. year to date reporting on the number of people trained as Productivity Champions.
Means of verification	Attendance Registers; electronic Attendance reports; 1 pager verification coaching/training reports
Assumptions	Be flexible with the application of the solutions in order to adapt to the unique needs of entrepreneurs encountered. Accommodate Covid-19 impact on contact sessions as information will be sourced manually and electronically
Disaggregation of Beneficiaries (where applicable)	Sub-report women, youth and people with disabilities

Spatial Transformation (where applicable)	Productivity SA is willing to be a strategic partner in delivering productivity solutions and developing the capability for spatial transformation and envisaging a desired future for all its beneficiaries. Special focus will be given towards assistance to Black Industrialists in Special Economic Zones
Calculation Type	Cumulative (year to date)
Reporting Cycle	Quarterly
Desired performance	The 100% actual performance – 323 Productivity Champions capacitated to build awareness and promote a stronger culture of productivity in South Africa
Indicator Responsibility	CIS/Regional Executives

Indicator Title	7. Number of productivity awards and regional milestone workshops hosted
Definition	Events that will be held to promote social dialogue and a culture of productivity and competitiveness in the workplace and community as well as recognising enterprises that have made significant progress in improving productivity in their respective environments
Source of data	The source of data is an environmental scan to source companies to participate in the awards
Method of Calculation /Assessment	Quantitative - The number of productivity awards and regional milestone events is simply a numerical record of number of productivity awards and regional milestone workshops held
Means of verification	Attendance Register, Awards Invitations
Assumptions	SMMEs that have benefitted from all our programmes will be entered
Disaggregation of Beneficiaries (where applicable)	N/a
Spatial Transformation (where applicable)	Award entries are drawn from metropolitan, urban and rural areas
Calculation Type	Cumulative (Year to date)
Reporting Cycle	Quarterly
Desired performance	100% of the targeted performance - 10 productivity awards and regional milestone workshops hosted
Indicator Responsibility	Executive Manager: Corporate Relations

Indicator Title	8. Number of jobs saved in companies facing economic distress
Definition	The number of jobs retained within the company as well as the additional jobs created.
Source of data	Nurturing Application Form supported by the Acceptance Letter for that reporting period.
Method of Calculation /Assessment	Count the recorded number of employees in the Nurturing Application form for that reporting period.
Means of verification	BT&R Employee Information Template.
Assumptions	The names of all the employees with jobs saved will be captured in the BT&R Employee Information Template as declared by the company.
Disaggregation of Beneficiaries (where applicable)	n/a
Spatial Transformation (where applicable)	n/a
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly
Desired performance	100% of the targeted performance – 3350 jobs saved
Indicator Responsibility	Business Turnaround and Recovery Executive Manager

Indicator Title	9. Number of companies facing economic distress and participating in the BT&R Programme
Definition	Companies or organizations who are deemed to be in financial and/or operational distress but with the potential to be turned around.
Source of data	Agreement Signed - Acceptance Letter
Method of Calculation /Assessment	Count the number of Acceptance Letters signed in that reported period.
Means of verification	Acceptance Letter.
Assumptions	All the companies that participate in the BT&R Programme will go through the Nurturing process, when accepted into the programme the Acceptance Letter will be signed.
Disaggregation of Beneficiaries (where applicable)	n/a
Spatial Transformation (where applicable)	n/a
Calculation Type	Cumulative (Year-to-Date)

Reporting Cycle	Quarterly
Desired performance	100% of the targeted performance – 67 companies facing economic distress and participating in the BT&R Programme
Indicator Responsibility	Business Turnaround and Recovery Executive Manager

Indicator Title	10. Number of Future Forum members trained and capacitated on productivity improvement solutions
Definition	Future Forum members are empowered to contribute meaningfully with a clear understanding of the business operations and what will make the company sustainable and profitable. The trainings ensure the Productivity Champions assist with the turnaround and productivity improvement projects in the work environment.
Source of data	Future Forum Capacitation Training Attendance Registers. Productivity Champions Training Attendance Registers.
Method of Calculation /Assessment	Count the number of participants who signed the Future Forum Capacitation and Productivity Champions Training Attendance Registers.
Means of verification	Training Attendance Registers with participants who signed the register as proof of attendance.
Assumptions	All Future Forum and Productivity Champions members who attend all the trainings will sign the training attendance register as proof of attendance.
Disaggregation of Beneficiaries (where applicable)	n/a
Spatial Transformation (where applicable)	n/a
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly
Desired performance	100% of the targeted performance - 201 Future Forum members trained and capacitated on productivity improvement solutions
Indicator Responsibility	Business Turnaround and Recovery Executive Manager

Indicator Title	11. Number of research reports and publications on priority sectors published and disseminated
Definition	Two research reports produced and disseminated in the selected sectors
Source of data	Statistical reports (Productivity statics report, STATSA, Reserve Bank) and Publications
Method of Calculation /Assessment	Quantitative - Number of Reports
Means of verification	Published report confirming the ISBN
Assumptions	Adequate resource allocation and access to relevant publication databases
Disaggregation of Beneficiaries (where applicable)	According to Research Agenda priorities
Spatial Transformation (where applicable)	According to Research Agenda priorities
Calculation Type	Cumulative (Year- End)
Reporting Cycle	Annual
Desired performance	100% achievement of 4 Research reports
Indicator Responsibility	Executive Manager: Research, Innovation and Statistics

Indicator Title	12. Number of statistical reports on productivity and competitiveness
Definition	Produce annual productivity statistics report and Institute for Management Development (IMD) Competitiveness Yearbook
Source of data	Statistics SA and SA Reserve Bank, IMD Survey, World Bank, IMS
Method of Calculation /Assessment	Number of Reports
Means of verification	Hardcopy Report
Assumptions	Data available (incl IMD Survey completed), Resources available
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable

Calculation Type	Accumulative (Year- End)
Reporting Cycle	Annual
Desired performance	100% achievement of 2 Statistical reports
Indicator Responsibility	Executive Manager: Research, Innovation and Statistics
